

## The Oregonian

### Portland's grown up plans: 7 thoughts from the city's draft blueprint for the next 20 years

*By Andrew Theen  
July 23, 2014*

Portland expects roughly 200,000 new residents to set roots here in the next 20 years, and it's no secret the newbies will largely be moving into multifamily apartment complexes.

A new interactive map on the Bureau of Planning and Sustainability's website depicts that reality as red boxes strewn across the city signifying potential mixed-used developments.

The map is a companion piece to the city's Draft Comprehensive Plan, released this week as the first wholesale update since 1980 to planners' long-range vision for the Portland of 2035.

City planners on Wednesday held a two-hour briefing for members of the news media to discuss the plan. Here are some takeaways:

**Living together:** Planners estimate that by 2035, 80 percent of new construction in Portland will be multifamily housing. Joe Zehnder, chief planner, said the vision for Portland's future is in some ways already playing out on streets such as North Williams Avenue and Southeast Division Street, where mixed-use buildings and new apartments are popping up left and right. "It's going to be what we're seeing," Zehnder said of Portland's future. "Just more of it."

**Living alone:** Despite the multifamily housing boom, many of those new apartments will likely be filled with single people. According to city planners, more than half of Portland residents are expected to live alone by 2035. The demographic shift is part of the changing shape of American households, planners say.

**Growing up:** Portland has miles and miles of roadways that are commercial corridors. Those streets are already open to mixed-use projects that include retail and housing, but the market hasn't shifted that way just yet in some cases. The comprehensive plan would explicitly make those high-trafficked areas mixed-use friendly. Where are some streets to expect more apartments and activity? Lombard Street, Killingsworth Street, Foster Road, Powell Boulevard, 82nd Avenue, Sandy Boulevard, 122nd Avenue and Barbur Boulevard to name a few. Zehnder said Portland is behind other Pacific Northwest cities in terms of similar developments. "There's a catch-up phenomenon," he said.

**More industrial lands:** Currently, there are 370,000 jobs in Portland and that number is expected to swell by 142,000 in the next 20 years. City planners say having enough land for housing stock isn't an issue, but land for future jobs is at a premium. The city needs more industrial land specifically, and leaders are banking on West Hayden Island to help fill the gap. Tom Armstrong, city planner, said the city has a 600-acre deficit in terms of what it needs to accommodate 32,000 expected jobs in that industry. City officials shelved West Hayden Island, the proposed 300-acre marine terminal development, in January. Armstrong said Portland has 550 acres of contaminated brownfield sites that could be rehabilitated and developed for additional industrial jobs. Cleaning up those sites would require federal and state money.

**More transit or streets:** The comprehensive plan makes it clear that Portland won't be expanding its existing street network anytime soon by adding lane capacity or new roadways. Portland Bureau of Transportation officials say they're working with the planning staff to target areas for additional high capacity transit options. The Powell-Division area's high capacity transit potential is factored into the comprehensive plan, as is the ongoing effort to bring high capacity transit to Southwest Portland on Barbur Boulevard. Building a denser city means more attention and resources will be given to maintaining existing infrastructure, PBOT's Dylan Rivera said. There's a "synergy" between the ongoing street fee discussion and the comprehensive plan, according to city planners. Rivera said the city must acknowledge growth is coming, and that means "more balance to the system" in terms of increased pedestrian and bicycling access.

**Major Institutions:** As part of the comprehensive planning process, which will stretch out until the spring of 2015 when the City Council is slated to approve it, officials are taking a look at existing policies too. Planners hope to adjust and reform the development review process for construction on major campus

institutions (think Portland Community College, Portland State University, Providence and Legacy Emanuel Hospital, and other large institutions). The city wants to create new processes to allow those landowners to "grow up" on their existing footprints. The current process is cumbersome, officials say, and they want to reform it to allow for streamlined and "organic" growth.

**Down Zoning:** While Zehnder noted that Portland is far behind its West Coast urban peers in adding density to its housing stock, there are some areas of town where down zoning is a possibility. Many of those proposed reforms are related to existing natural hazards, such as areas in Southwest that are prone to landslides, or the area around Powell Butte in East Portland. Planners are also downzoning a swath of land south of Powell Boulevard near David Douglas High School to slow the pace of multifamily housing in that area.

Planning officials want the public to weigh in on the draft document, which is the culmination of three years of work with community members.

Users can add comments about potential land use changes or specific projects online, call the city's new planning hotline, or testify at one of many upcoming public meetings scheduled for the Fall.

## **Community coalition calls Portland's settlement with police Capt. Mark Kruger 'an insult'**

*By Maxine Bernstein  
July 23, 2014*

A coalition of community members released a statement Wednesday calling the city of Portland's settlement with Portland police Capt. Mark Kruger "an insult to every freedom and justice-loving citizen in the City of Portland."

A protest against the Kruger settlement also is planned for 6 p.m. Saturday at Pioneer Courthouse Square.

To settle Kruger's notice of intent to sue the city, the city last month agreed to pay Kruger \$5,000, provide him with 80 hours of extra vacation time and erase two disciplinary actions from his record: an 80-hour suspension without pay that Kruger received in 2010 for his public tribute to five Nazi-era German soldiers at a Portland park sometime between 1999 and 2001, and a written reprimand he got this year for retaliating against a female lieutenant.

As part of the negotiated deal, Police Chief Mike Reese also wrote a complimentary letter to Kruger praising his work and how he's strengthened ties with immigrants.

Once the settlement was made public by The Oregonian last week, Mayor Charlie Hales sent an email to city commissioners, contending he was unaware of all the terms of the settlement and would consult with legal staff to see if the city could back out of it. He declined to release the email, but issued a statement calling the binding settlement a "distasteful decision" for the good of the city. He said he was advised that the city could lose the case in court while conceding that community outrage was "right and just."

On Wednesday, the Albina Ministerial Alliance's Coalition for Justice and Police Reform issued its own statement, criticizing the city's agreement.

"This Settlement Agreement stemming from a legal claim against the city filed by Captain Kruger in 2013 rewards him for actions that are completely contrary to the vision of a diverse, accountable, just, community oriented and transparent police bureau that is being sought by Portland's citizens and the U.S. Department of Justice," the coalition wrote.

The coalition blasted Portland Police Chief Mike Reese and Hales, who serves as police commissioner, for signing the settlement.

"Their decision shows insensitivity to those who have been victims of the Third Reich and their crimes against humanity as well as women who work in male-dominated professions," the coalition wrote. "This is not the direction the citizens of Portland desire to be reflected in their Police Bureau and their city."

The city's deal with Kruger settles the captain's legal claim against the city. Kruger had filed a notice of intent to sue the city in January 2013 over texts that police Director of Services Mike Kuykendall sent to Lt. Kristy Galvan characterizing Kruger as a Nazi sympathizer.

The Rev. LeRoy Haynes Jr., who chairs the coalition, pointed out that the Kruger settlement comes as the city has balked about appearing annually in front of a federal judge who seeks oversight over the pending U.S. Department of Justice agreement with the city, stemming from police use of excessive force against people suffering from mental illness.

"Let the Mayor and Chief of Police send the right message to the citizens and every police officer that the past actions of Captain Kruger do not represent the City of Roses, and let's support the Department of Justice Proposed Settlement Agreement and Judge Michael Simon's annual review of the Agreement to help insure police accountability, justice and reform," the coalition wrote.

## **The future of Old Town Chinatown: Portland City Council delays vote on plan to subsidize development**

*By Andrew Theen  
July 23, 2014*

The Portland City Council took baby steps toward approving a wide-ranging financial plan to woo new housing projects and redevelopment of old buildings in Old Town Chinatown on Wednesday before ultimately delaying a vote until next month.

Wednesday marked the second straight week of discussion on the oft-delayed five-year action plan from the Portland Development Commission. Commissioner Amanda Fritz was out of the country last week, and Commissioner Nick Fish will be gone next week, so the final vote is now tentatively scheduled for Aug. 6.

In March, The Oregonian produced a mini-series of stories on the neighborhood and some elements and implications of the five-year plan.

Here's a refresher on some of the key issues:

### **WHAT'S THE DEBATE?**

The current plan subsidizes development of so-called workforce housing for a five year period or up to 500 new units. The proposal extends exemptions on system development charges (already offered to low income housing), the fees owed upon new development, to apartments that serve residents earning 60-100 percent of median family income. Essentially, that means developers could build studio apartments that cost up to \$1,157 per month to rent. The apartments need only be affordable for a decade before the income restrictions may be lifted.

### **WHAT DOES THIS MEAN?**

For Commissioner Nick Fish, the SDC waivers means that his two utility bureaus would in part be funding apartments in Old Town. Coming off of a contentious ballot measure that would've removed City Council control over the water and sewer bureaus, Fish is wary of using ratepayer money to make development happen. "My ratepayers don't care if we develop Old Town Chinatown," Fish said last week. The ratepayers, he said, care about the quality of service. SDCs factor into how the two bureaus set rates, Fish noted.

### **HOW MUCH IS THE SUBSIDY?**

The proposal estimates \$7 million in revenue the city wouldn't collect, with roughly half of that coming from water and sewer SDCs.

### **WHAT DOES THE REST OF COUNCIL THINK?**

Fritz criticized an amendment to the proposal introduced Wednesday as "worse than the original." The amendment stretches the income guidelines to 120 percent of MFI after the 10 year grace period.

Commissioner Dan Saltzman has been largely silent during the two meetings. Commissioner Steve Novick, whose transportation bureau would forgo revenue as part of this proposal, cited a Billy Preston song at last week's meeting illustrating the point that Old Town is in need of a dramatic jump start. "Nothing from nothing leaves nothing, You've got to have something," Novick said.

### **WHAT ABOUT MAYOR CHARLIE HALES?**

Hales said the five-year plan was "cause for celebration, not hand-wringing." At both meetings, he said the city is finally trying to make something happen, noting that development is moving at a brisk pace throughout the central city elsewhere. Hales said if development were translated to an audible sound, Old Town is experiencing "a roar all around this district and silence inside."

### **WHAT ELSE DOES THE PLAN DO?**

PDC is proposing \$57 million in tax increment financing in the historic district over the five year period, with \$19.3 million budgeted in the current fiscal year. That money would go toward redevelopment loans, seismic assessments and improvements, district marketing and other incentives.

### **HOW IS THE CITY DEFINING SUCCESS IN OLD TOWN CHINATOWN?**

PDC's plan says success in the next five years means the following:

a net of 5 new retail stores

- 500 new living wage jobs
- 500 new housing units either under construction or finished
- 5 rehabilitated buildings in process or finished
- more public events held in public spaces in the district
- a district wide parking strategy

## **'Broken Promises' series returns with look at politics governing east Portland**

*By Brad Schmidt  
July 24, 2014*

East Portland is home to more than a quarter of the city's population, but no one serving on the City Council lives east of Cesar E. Chavez Boulevard.

Why?

Because Portland voters maintain a 101-year-old commission form of government that concentrates political power in the city's central core, leaving residents in east Portland without a political voice or the means to elect a representative of their own.

As part of The Oregonian's "Broken Promises" series, we've already highlighted the lack of developed parks east of 82nd Avenue, the unsafe streets, the increased density, the grocery store void and the glaring lack of progress in Gateway and Lents – two areas where planners predicted big and exciting things.

Now we zoom in on the factors that make east Portland all but politically irrelevant.

East Portland's political challenges extend far beyond its lack of direct representation as a district on the City Council.

East Portland residents contribute almost no money to the political process.

East Portland neighborhood groups struggle with participation.

And scores of east Portland residents don't register to vote. Those that do often don't return ballots. And just as many east Portland residents are prohibited from voting because they're non-U.S. Citizens.

Beginning Monday, The Oregonian will begin rolling out its findings. Look for stories each weekday, plus interactive maps and charts that illustrate the differences between east Portland and the rest of the city.

Let's get the conversation started now.

If you could talk directly to the Portland City Council, how would you tell them to prioritize their spending – more police services, developed parks, more sidewalks, what? And what should the city be spending less money on? Any specific examples from your neighborhood where you'd like to see attention?

On Aug. 4, join us back at OregonLive.com for a live chat at noon about our latest east Portland chapter.

## The Portland Tribune

### Hales, Novick recall campaign continues

*By Jim Redden*

*July 24, 2014*

The campaign to recall Mayor Charlie Hales and Commissioner Steve Novick is going forward, despite Novick appearing at the first organizational meeting and defending the street fee he and Hales have proposed.

Recall organizer Ray Horton has now set up a new website where recall petitions can be downloaded. On the site, Horton explains that the proposed street fee is just one reason why he has started the campaign.

"I have undertaken this simply as a lifelong resident and citizen of Portland because of what actions I have seen in the last five years by the City Council that I feel are detrimental to the quality of life in Portland and the effective management of our city and our public funds, though there are certainly myriad other issues that I feel justify this action," writes Horton, a retired graphic designer.

The campaign needs 34,921 valid Portland voters signatures on heach petition in order to force recall elections in October for both Hales and Novick.

See video from the recall meeting where Novick spoke, go to <http://www.koin.com/2014/07/19/81360/>

### Old Town citation plan bears little fruit

*By Peter Korn*

*July 24, 2014*

One of Portland's most vexing downtown problems — repeated low-level violations by homeless men and women — remains mostly unchanged despite new policies intended to encourage violators to get help or suffer consequences, according to new data from the Multnomah County district attorney's office.

City officials have struggled for years to find a way to discourage activities such as public urination, drinking in public spaces and illegal camping in the downtown area. Two years ago, in a move authorities around the country labeled as a potential breakthrough experiment, Multnomah County became the first in the nation to hold a community court at a homeless facility in Old Town.

The hope was that defendants might be more willing to show up for court dates if court were held in a facility where many of them spend their daytime hours — Bud Clark Commons in Old Town, where homeless men and women use day services. Even after that move, however, only about one in three cited by police appeared as instructed at community court.

This year, the Multnomah County district attorney and Portland police tried a new policy based on programs that had succeeded in yielding better community court attendance in other cities. Typically in Portland a police citation would require a homeless offender to attend community court on a day four to five weeks in the future. Other cities have found that reducing the time between the citation and the court appearance, in some cases to a day or two, could mean more people show up for court.

Since February, Portland police, prosecutors and court administrators have worked so that homeless violators now receive community court dates no more than two weeks in advance.

A second policy that has worked in other cities has been more difficult to institute in Portland: mandating a consequence for violators who do not show up for their community court dates. Jail space is considered too valuable and expensive, and too politically unpopular, to use for people whose initial citation was for a low-level offense such as public urination.

After one false start last summer, since May Portland police have used “interfering with a police officer” (IPO) ordinances to deal with chronic homeless nuisance offenders. In effect, an officer who finds someone repeatedly urinating or drinking in public, or building an illegal shelter, has the authority to first warn and then cite the offender as an IPO violator for failing to heed the initial warning.

The officer then arrests the offender and delivers him or her to the county justice center, where he or she typically spends a few hours before being released with a summons to appear in court, usually the next day. In some cases, IPO offenders have their possessions taken away and their pets taken to the Oregon Humane Society, increasing the hassle factor. If IPO violators fail to make their court date, a warrant for failure to appear is issued, which could lead to an arrest.

### **Getting their attention**

But neither policy appears to be working, at least not as originally intended. According to Chief Deputy District Attorney Chuck Sparks, attendance at community court has, remarkably, dropped since the new policies were put in place. Since the quicker turnaround program was instituted in February, 78 percent of the people cited to Bud Clark Community Court for public drinking failed to appear in court. Only 72 percent failed to appear last year, when defendants had four or five weeks before their court dates.

“It doesn’t seem to be having the desired effect,” Sparks says of the quicker court dates.

As for the IPO program, Sparks isn’t ready to pass judgment yet.

“The purpose was to get people either engaged in services or at least have some meaningful accountability for these services,” he says. “Previously there wasn’t.”

Defendants who show up at Bud Clark Commons are given a choice. They can engage in social services intended to help them get off the street and address problems ranging from addiction to outstanding warrants. They can opt to perform community service to clear their record. Or they can choose to fight their citation in a court at a later date.

But those who did not show up at community court historically were issued a default judgment fine by the presiding judge which carried virtually no consequence. All of which was well known on the street, according to Sparks.

“It doesn’t take long for folks to figure that out and you have that behavior encouraged, and Portland becomes a place where that behavior is known to be accepted,” Sparks says.

Maybe, Sparks says, the IPO policy needs more time for the word to spread and its impact to be felt.

“Sometimes it’s just doing it enough to get people’s attention so people understand that the days of citation and just being able to ignore the problem, tearing up the citation, that those days are gone,” he says.

Sparks says the IPO policy offers police an extra tool they can use, but doesn’t represent an answer. “My sense is that having more officers out on the streets is really the solution,” he says.

### **Beneficial tool**

Portland police Central Precinct Cmdr. Bob Day says the new IPO rules are helping, even if they aren’t getting violators to show up at community court. He says there has been a marked reduction in illegal campsites set up in the inner east side and downtown, and that littering, public urination and public drinking also have been less evident than in previous summers.

Day says police have issued only 10 IPOs this year, and that’s enough for the word to start getting around.

“The IPO tool for us has been beneficial,” he says.

Day can’t prove that the use of IPOs is responsible for the reduced violations, but he says he’s pretty sure there’s some cause and effect involved.

"The reason I believe that is because this tool is one of the first times we've been able to actually enforce with authority, to move people if they refuse to do so ... they know the consequences are more severe if they remain in place and continue with the behavior," Day says.

Day also has last summer's initial experiment with IPOs on which to base his opinion. Last summer, police issued dozens of IPO citations and took street offenders to jail using the IPO policy then being tested in a pilot project. Six of those offenders failed to appear the next day in court and warrants were issued for them. According to police, word spread that a few of the chronic offenders had decided to leave the Portland area rather than risk re-arrest.

The decreasing numbers of offenders showing up at community court might simply be an indication that shortening the time between citing and appearance from four weeks to two is inconsequential. Hartford, Conn., where virtually everyone shows up, instituted a policy in which offenders appear within 48 hours of citation and get warrants if they don't.

To make an impact, Day says, a policy would allow police to take offenders straight to Bud Clark Commons where they could make an immediate choice to receive social service help or perform community service.

"If we give a guy a ticket today at 2 o'clock and could drive him down to the Commons, that would be ideal," he says.

According to Day, discussions about such a policy have taken place, but gained little traction. Some offenders, he says, would likely object to being taken to a social service agency against their will. And Bud Clark Commons already has created controversy for generating a high number of police calls to its surrounding area.

"Do we want to populate that area more and more with people who don't want to go there in the first place?" Day asks.

## **Willamette Week**

### **Activists Call for City to Use All Airbnb Tax Dollars on Affordable Housing**

*By Aaron Mesh  
July 23, 2014*

As Portland City Council moves forward on a plan to legalize some short-term home rentals and collect taxes from online broker Airbnb, activists and nonprofits are calling on City Hall to dedicate all of those new tax dollars to affordable housing.

City Council this morning cleared the way for a July 30 vote to approve a rule change that will permit Portland to do something no other city in America is yet willing to do: collect taxes from Airbnb's room rentals, legitimizing the company's operations.

Documents first reported by WW show that the city of Portland expects to collect nearly \$500,000 from hotel taxes on Airbnb rentals in the coming year.

Commissioners Dan Saltzman and Nick Fish have both suggested sending some of that money to affordable housing. Saltzman's proposal to dedicate Airbnb tax dollars to affordable housing got a poor reception from the rest of City Council, The Portland Mercury first reported in June. Today, a coalition of 15 housing nonprofits and advocates for low-income people are asking the city to dedicate the entire pool of new revenue to making sure the city's poorest citizens aren't displaced by DIY hotels.

"As the experience of other cities has demonstrated," the groups write, "short-term, Airbnb-style rentals pose an additional displacement threat. As landlords convert regular rental units to short-term rentals, existing tenants are displaced, and those units are removed from Portland's housing stock."

That worry has grown as Mayor Charlie Hales has pushed to expand the rule change to include apartments and condos. Local critics of Airbnb warn that legalizing short-term rentals in apartments could jack up rents in a city with a notorious housing shortage.

"There are clearly going to be winners, and some very compelling stories," Fish told WWearlier this month. "My concern is, the losers could be people who are unable to afford an apartment." For more on the debate over short-term rentals, read WW's examination of Airbnb's lobbying efforts.

## **KATU Looks at Traffic Injuries Near City Parks**

*By Aaron Mesh  
July 22, 2014*

As Portland officials continue searching for a way to fund crumbling streets and build missing sidewalks, the City Council is scheduled this week to send a tax measure to voters: a \$68 million property-tax bond to fund repairs in city parks.

A new report by WW's news partner, KATU-TV, shows city safety needs are at the intersection of those two efforts.

The station analyzed Oregon Department of Transportation crash data for the past three years and pinpointed where pedestrians and bicyclists have been injured within a quarter-mile of the city's most popular parks.

KATU studied Laurelhurst Park, Mt. Tabor Park and Sellwood Park, among others, to see which surrounding streets had the most traffic accidents over three years.

Transportation bureau spokesman Dylan Rivera tells KATU reporter Chelsea Kopta that the city already sets aside money for walking safety around parks.

"Within the overall budget, Rivera said there is a smaller budget, worth about \$812,000 this year, slated for projects within a quarter mile of Portland parks," Kopta reports.

More projects could be coming—if the transportation bureau can secure \$50 million a year for its budget.

The city is preparing this month to release an extensive list of road repairs and safety projects that would be funded by a street fee proposed by Mayor Charlie Hales and Commissioner Steve Novick.

Josh Alpert, the Hales staffer overseeing the street-fee effort, says the two work groups tweaking the proposal will study three years' worth of possible projects.

"Lists come out next week," Alpert tells WW, "and the committees are doing a deep dive to make sure those projects match community priorities."

WW reported earlier this year how, despite concern over walking safety, Portland ranks as one of the nation's safest cities for pedestrians and bicyclists.

## **The Mercury**

### **Hall Monitor**

#### **The Buck Stops at the Top**

*By Denis C. Theriault  
July 23, 2014*

IT'S UNDERSTANDABLE that Mayor Charlie Hales might want to stop dwelling on the Portland Police Bureau's "past," only a few weeks after he signed a "distasteful" legal settlement that officially erased one of the bureau's ugliest chapters: punishment for a captain who erected a shrine to Nazi-era German soldiers and then, years later, retaliated against a former subordinate who'd accused him of harassment.

After all, the most sensational part of what was wiped away long preceded Hales' administration.

Captain Mark Kruger was suspended back in 2010 over years-old allegations he erected the shrine on Rocky Butte—also agreeing, at the time, to apologize and forgo the chance of an appeal. (Commissioner Dan Saltzman, serving as police commissioner through 2009 and the early part of 2010, wound up ordering that investigation. Punishment came in late 2010, under then-Mayor Sam Adams.)

"The important thing is moving forward with reforms," says Hales' spokesman, Dana Haynes. "We're going to change the way the police, as an organization, not as an individual, relates to the community."

But the rest of what was magicked away wasn't all that long ago.

In fact, the whole reason Kruger even threatened to sue the city—the bureau's former civilian head of investigations mocked Kruger as a Nazi in texts that went public—came just before Hales' stint as police commissioner.

And the now-vanished (and equally mismanaged) retaliation claim that followed that initial case fell firmly under Hales' watch.

Neither of those should be seen as part of the police bureau's past; they're part of its present. And without deeper changes, they'll also mark its future.

Kruger, after he was cleared of harassment last summer, triumphantly posted the letter saying so on his old office door. He'd even written the complainant's name at the top of the thing, using a red marker.

It was an obvious complaint, substantiated by both the Bureau of Human Resources and the cops' own Police Review Board. But if a bureau whistleblower didn't leak it to the city's Independent Police Review (IPR) for an outside investigation, nothing would have happened.

Senior commanders, according to an investigative report obtained by the Mercury, had met with the city attorney's office and preemptively decided that Kruger's actions didn't amount to retaliation.

"The mayor is fully aware of those issues and that timeline," says Haynes.

And yet the settlement Hales approved—reluctantly, as he's said repeatedly—creates an official record in which none of that attempted manipulation ever happened.

Constantin Severe, the director of IPR, kindly wouldn't say whether the city erred in wiping away the retaliation case his office wound up championing. But he did mention one real and immediate ripple: broken trust.

"We have a hard enough time, when people bring us credible allegations of misconduct, persuading them to pursue the case," Severe says. "I don't think it's made it easier for people to come forward."

Hales shouldn't wait to rebuild that trust. A fine start would be some kind of sanction for Chief Mike Reese—if not outright dismissal—given his ultimate responsibility for this scandal and others as head of the bureau.

That would send the strongest message possible, to both cops and civilians, that fair play in our discipline system is paramount.

"No comment," Haynes told me when asked if that was in the offing.

Fine. But here's hoping that doesn't mean it won't be. You know... in the future.

## **Poller Opposites**

### **It Turns Out Portlanders Like an Income Tax Increase After All?**

*By Dirk VanderHart  
July 23, 2014*

FORGET EVERYTHING you think you know about Portland's controversial, never-ending quest for road money.

Since April, Transportation Commissioner Steve Novick and Mayor Charlie Hales have been pushing a "transportation user fee" that would send \$50 million in vitamins every year into the city's anemic streetscape.

Almost no one loves the proposal. Even its most ardent champions (Novick and Hales, for instance) can barely stomach the plan because it's regressive—levying the same to-be-determined flat fee from most residents regardless of their incomes. But Novick and Hales have also said, again and again in recent months, it's the Portland Bureau of Transportation's (BPT) best shot at a steady stream of needed cash. They've waved around the results of a \$28,000 survey, which they said shows Portlanders simply won't support an income tax increase, sales tax, or other proposals.

The problem: It turns out that's not true.

On Thursday, July 17, with a nascent recall campaign against him marshaling its forces, Novick released the results of a new \$16,500 survey funded from his office budget. The pollsters at local firm Davis, Hibbitts, and Midghall (DHM) now say Portlanders like an income tax bump better than they ever liked the street fee—so long as it's limited to those among us who are best paid.

A surprising 60 percent of those polled late last month support a city-imposed income tax increase on wealthy Portlanders: 1 percent for those making more than \$125,000 in taxable income; 2 percent for people making more than \$250,000; and 3 percent for those who earn more than \$500,000.

That increase alone could raise more than \$50 million, the city says. But the percentages would likely be halved, in practice—with the rest of the street money still coming from Portland businesses.

A broader income tax proposal, which would tack on a .25 percent increase for those making less than \$100,000, received just 50 percent support. Proposals to raise taxes on businesses and institute a .25 percent sales tax were less popular.

By comparison, DHM found in April that 52 percent of residents supported an \$8 monthly fee.

"I wish we had asked the questions this way a couple of months ago," Novick told the Mercury after releasing the new findings. "I was surprised at the results we got earlier. It was partly the questions and the way we asked them."

In fact, the Mercury raised that issue with Novick repeatedly after the initial survey, which placed enormous emphasis on explaining the street fee concept to participants, then tacked on other options at the end. The commissioner, DHM, and other experts all told us that emphasis probably did muddy the waters, but that the findings were sound.

John Horvick, DHM's vice president and director of research, said in May he doubted a tax increase would see more than 50 percent support regardless of the survey's sequencing.

So what happened?

On Tuesday, July 22, Horvick conceded he was probably wrong in May. But he also offered a caution about these latest results. Reliable surveys, he said, explain three things to participants: a suggested mechanism for collecting new fees, what those fees will pay for, and what consumers would pay. The survey this spring covered all three points, he says, but the latest poll didn't—at least not as explicitly.

An income tax bump is "harder to describe" than a flat fee, Horvick says, and participants might not automatically puzzle through the financial hit posed by a tax increase. "That's part of thinking about what these results mean."

City hall staffers, meanwhile, tell the Mercury public opinion over transportation funding has shifted in the face of extensive media coverage.

"Our kind of broad perspective is [that] conversation and sentiment have changed in that time since our first poll," says Bryan Hockaday, a policy adviser for Novick.

"Nobody was covering this issue back when we were polling earlier," says Dana Haynes, a spokesman for Hales. "We expect the polling to change as the issue becomes more well known."

Horvick says there's simply no data to indicate how coverage has swayed public opinion.

Whatever the reasons, the new numbers suggest Novick and Hales might have spent the past three months staking their political capital on the wrong proposal—one that's similar to two failed attempts at

finding transportation money. The public outcry that's emerged over the street fee discussion has spurred a citizen-led recall effort against both officials and bellicosity by Portland business interests.

At this point, it's unlikely either group will be satisfied if Hales and Novick begin beating the drum for an income tax increase—something both have so far avoided, deferring to ongoing deliberations by a troika of workgroups studying the issue. Recall proponents say the mayor and commissioner have gone too far and need to be reined in, and the apparently popular income tax proposal doesn't touch on what fees the two commissioners still hope to collect from businesses.

"I hope you don't think that the rancor took anybody by surprise," says Haynes. "Everybody knew this would be grossly unpopular."

## Pressure Points

### Police Union President's Latest IPR Claim Hits Home

*By Denis C. Theriault  
July 23, 2014*

THE PRESIDENT of Portland's rank-and-file police union—after lobbing his second stinging complaint in as many months last Wednesday, July 16—has apparently touched a nerve in the city's office of Independent Police Review (IPR).

Days after Daryl Turner sent the Portland Police Association's (PPA) members a message accusing IPR investigators of skirting rules for police interviews—by directly contacting officers with questions—he's confirmed that his latest missive has IPR Director Constantin Severe asking to sit down and clear the air.

At issue is when it's okay—if ever—for IPR investigators, who work under the city auditor's office, to directly contact cops.

Turner argues in his complaint that all questioning, in person or not, on matters small or large, must flow through the police bureau's internal affairs division and the PPA. Those rules are spelled out in city code, approved this year, and in longstanding language in the city's labor contract with the PPA.

Turner, as reported by the Oregonian, had already sent his members a message back in June accusing IPR staffers of incompetence and raising questions about IPR's newly emphasized right to conduct independent investigations. That led mostly to a spirited back-and-forth in the media.

But this time, after Severe strongly denied Turner's accusations in a statement, the office has found itself on the defensive. If slightly. Emails reviewed by the Mercury after Severe sent his statement—along with the looming threat of a labor grievance—suggest there's more substance to Turner's concerns than IPR initially acknowledged.

"We stand by our statements in our previous message to the members," Turner told the Mercury. "And we look forward to sitting down with Director Severe and IPR to discuss these matters."

Turner's message doesn't detail the case at the center of his complaint. But the Mercury has since confirmed, with details from Severe, that the case involved a cop who'd been accused of poorly driving the bureau's bomb rig. IPR investigator Judy Taylor, who has law enforcement experience, emailed both the officer and the officer's supervisor with questions. She ultimately wound up dismissing the complaint.

"It's unacceptable for IPR to have 'off-the-cuff' email requests and other direct communications with PPA members," Turner wrote.

Severe, in a statement emailed to the Mercury after he was asked to comment on Turner's complaint, initially offered a fairly straightforward denial of Turner's accusation. He also complained that Turner hadn't come to him with concerns before going public.

"The one area where IPR will contact an officer or a direct supervisor (usually through a brief email inquiry)," he wrote, "are in cases when a community member contacts IPR requesting property be returned that was taken as evidence in a criminal prosecution."

But a few days later, after the Mercury told Severe we had seen Taylor's emails to the cop, he walked that statement back. Severe also acknowledged Turner had sent him those messages before he issued his

denial to the Mercury. He says he didn't see them, however, because they were included at the bottom of an email he hadn't finished scrolling through. (Turner had also sent his complaint to the city attorney's office on Monday, July 14.)

In an interview on Monday, July 21, Severe allowed that there were other circumstances when investigators might reach out to cops: in cases that aren't likely to result in discipline, even if the allegations are borne out.

Severe says the police bureau doesn't consider consequences for smaller misconduct cases—counseling or so-called "service-improvement opportunities"—as official discipline.

"I didn't think about that particular situation," he says. He offered the property-return scenario because, he says, there's a related case on his mind.

Not that Severe thinks his investigators are doing anything wrong. He said officers are free to ignore the emails, precisely because they're informal (although he argues that many cops don't, and that their cooperation usually helps the IPR dismiss cases).

He also says the PPA's labor protections for investigations come into play only when allegations are more serious—in that they "may reasonably result in the discipline of the officer," according to the PPA contract.

"There isn't anything that's different than what we've been doing for the last several years," Severe says.

It's not clear Turner will agree with Severe's reasoning. And now the two are looking to huddle. Again. Turner and Severe have met here and there over the past year, after IPR began pushing for new rules meant to more formally enshrine its right to conduct investigations without initial buy-in from the police bureau. Turner has complained about that expansion of civilian involvement in what he sees as a police discipline process.

Asked if there was ever a chance that something unearthed in a low-level investigation might trigger something more serious, lending credence to Turner's concerns, Severe said, "That hasn't happened yet."

But he also admitted it was possible.

"That's the part where I understand where the PPA is coming from," Severe says. "There's a way for us to come to an understanding without resorting to dueling press releases."

## **At Least One Labor Union is Helping Pay for Steve Novick's Latest Street Fee Survey**

*By Dirk VanderHart  
July 23, 2014*

Taxpayers aren't the only ones footing the bill for a recent telephone survey that seemed to magically unearth support for higher income taxes to pay for Portland roads—a plan previously dismissed as unfeasible.

At least one local labor union confirms it's arranged to kick in \$1,000 for the \$16,500 survey commissioned by Transportation Commissioner Steve Novick last month. The City of Portland Professional Employees Association (COPPEA) had discussed helping fund the effort before Novick paid for the late June poll, says union rep Amy Bowles, but hadn't formalized the arrangement until this week. COPPEA represents 132 Portland Bureau of Transportation employees.

"As far as we're concerned, it's because we represent PBOT members," Bowles said on Monday. "We want a stable funding source."

Laborers' Local 483 has also talked about chipping in, though it's unclear if those arrangements have been made. Scott Gibson, former union president and current board member, says the labor group supports "looking at a more progressive way" to fund road improvements, so showed interest when Novick asked. He wasn't sure if anything ever came of it, though, and calls to the union's president and business manager have not been returned.

The June poll found fairly robust support for upping the income tax of wealthier Portlanders—those with salaries of \$125,000 a year and up—by 1-3 percent. Roughly 60 percent of those surveyed supported such a plan, which officials said could raise more than \$50 million a year. Participants were evenly split on another proposal that would have taxed Portlanders making under \$100,000 by .25 percent.

Those findings run contrary to a \$28,000 survey released by Novick this spring, which said 52 percent of Portlanders support an \$8 a month flat fee to pay for the city's roads, and found far less support for tax increases.

Novick and Mayor Charlie Hales have used that first poll to justify putting forward a flat fee that would be assessed on many Portlanders, along with a sliding scale charge for businesses. But similar proposals have failed twice since 2000, and outrage quickly fomented around the "transportation user fee" proposal, causing Hales and Novick to regroup. Three separate workgroups are looking into the matter, and there are plans to have a proposal before city council later this year.

Neither Hales nor Novick has formally supported the tax-the-rich idea that suddenly seems so palatable to Portlanders.

The mayor "has said all along and continues to believe that he's not a particular fan of a street fee," Hales' spokesman, Dana Haynes, tells the Mercury. "We haven't been able to find a better way to do it. If in fact we found that there's a better mechanism out there and it's popular enough to pass, hallelujah."

Current estimates suggest Portland's roads would need more than \$90 million in repairs each year for a decade to catch up on deferred maintenance.

## **Old Town Development Plan Still Mired in Controversy, Still Likely to Advance**

*By Denis C. Theriault  
July 23, 2014*

The immediate fate of an Old Town/Chinatown redevelopment plan that's opened up a rift among Portland city commissioners—with Amanda Fritz and Nick Fish still steadfastly refusing to back one of its primary cash streams—is one of delay.

After one last modification this morning, the council will now wait until August 6 before voting on the neighborhood-created, Portland Development Commission-led plan. That includes the notion of waiving infrastructure fees worth as much as \$7 million in a bid to replace fallow parking lots with new construction of working-class housing.

For the record, that change proved just as contentious as the plan itself. Fritz and Fish both said no, presaging their overall votes.

As originally drafted, the plan would waive fees for housing developments aimed at renters making no more than Portland's median income, so long as landlords agreed to forgo rent hikes for 10 years. But after Commissioner Steve Novick fretted last week that landlords might dramatically hike rents in year 11, Mayor Charlie Hales devised a workaround. Rent controls would remain in place for five more years, Hales offered—with the caveat that landlords could set prices for renters making 120 percent of the city's median income.

"This is even worse than the original proposal," Fritz said before logging her decision.

But even with that hiccup, the plan seems destined to advance—shrugging off deep political and administrative divisions, revealed in council meetings and emails obtained by the Mercury, on its way to a cautious embrace from neighbors and, presumably, developers. (THIS HAS BEEN UPDATED, WITH SEVERAL MORE EMAILS, AFTER THE JUMP.)

Novick is poised to join Hales and Housing Commissioner Dan Saltzman as the third vote, as he explained in my column last week—unsurprising given that Hales found \$5 million in urban renewal money for seismic retrofits, one of Novick's main priorities.

In agreeing to say yes, Novick is willing to forgo a couple of million dollars in revenue for the Portland Bureau of Transportation—money that developers normally would pay to offset their projects' impact on the city's roads. His argument has been the same as Hales': Because no one's building in Old Town now, giving up that money in hopes of spurring development won't actually change PBOT's budget. Essentially, nothing is still the same as nothing.

Fritz and Fish have not been willing to give up that money when it comes to their own bureaus, parks, for Fritz, and water and environmental services, for Fish. And that's caused some thorniness. Emails to and from Hales' office show Hales tried to make a deal to help win Fritz's support. He offered to use urban renewal money to build a park later on, in exchange for the lost potential revenue.

His policy director on urban renewal, Jillian Dettweiler, wrote:

*Yesterday the Mayor reviewed the likely projects in the "PDC Business & Development Incentives" with PDC staff, asking the question: what if there's only \$50 million available rather than \$57 million, and we backfill the SDC waiver with TIF?. He was sufficiently convinced that the pipeline of mostly historic building renovations in the district that will need assistance to be done well justify the \$57 million budget. Nevertheless, if this SDC program is successful and Parks has forgone some revenue, he would open to a request to use TIF to contribute to a Parks project that needs extra help in the next 5 years.*

But Fritz's staff wasn't interested, noting that parks has already committed to projects that may cost millions more than what it has on hand. Her chief of staff, Tom Bizeau, wrote back:

*I put a note on the list that indicated when you add up the numbers you will see that Parks is overspending in relation to cash on hand, i.e. the total amount spent (expended) is over 46 million while the cash on hand (with projected revenues from next year's construction) is around 42 million as stated in the Memo from Mike Abbate. Essentially all the money is spent and then some.*

(Sources say Parks Director Mike Abbaté wrote the entire council an email declaring that parks, not just Fritz, wouldn't support the fee waivers.)

Update 4:50 PM: Fritz's office has produced several more email, thanks to a public records request, including the Abbaté email referenced right above this. They include missives between Novick and Fritz, Abbaté and Novick, and Abbaté and Hales. Here's what Abbaté wrote late in the day July 8:

*I am quite concerned about sending mixed messages to the very citizens we will need to help support a bond measure. Saying we need to continue taxing private property homeowners with a new bond measure for capital repairs and replacements while offering fee reductions to Old Town developers seems to shift responsibility from one sector of our economy to another.*

*One relatively simple solution would be to not waive SDCs, but rather to pay them from Urban Renewal funds. This honors the equity of the current system while preventing the domino effect of one neighborhood after another asking for a waiver of fees to promote economic redevelopment.*

And here's the terse reply Hales wrote back later that night, asking questions that informed Bizeau's reply to Dettweiler above.

*Mike -*

*Really.*

*Four questions. Please provide answers. Consult others like Paul Scarlett or Patrick Quinton if you need assistance.*

- 1. What is the current balance in each of the parks SDC subaccounts?*
- 2. What is the projected balance for six and twelve months from now in each of these accounts, given development projects in the permitting pipeline?*
- 3. How much in Parks SDCs has been collected in OT/CT in 2010, 2011, 2012, and 2103?*
- 4. How many development projects are now in the permitting pipeline in OT/CT and what is their projected yield in Parks SDCs?*

(Abbate's detailed reply is [here \[pdf\]](#). Read other emails—wonky, wonky, wonky emails—at the end of this post.)

### **A tradeoff of future infrastructure revenue comes at a tender time for the city.**

Novick and Hales are pushing a street fee, arguing the city can't afford to pay for basic road safety and maintenance without a new funding source. As Abbaté notes, Fritz is scheduled, tomorrow afternoon, to ask for her colleagues' blessing in putting a \$68 million parks bond replacement on the fall ballot. And Fish, just a year into his new job as commissioner in charge of utilities, just beat back a putsch by industrialists this spring to take over water and sewers in part because of legal complaints over how rate money is used.

Fish has said he supports the aims of the plan, so long as utility money isn't tapped.

"The question of whether to prime the pump isn't in dispute," he says. "The question is the tool to generate it."

Meanwhile, the city's also trying to legalize short-term rentals, potentially exacerbating concerns about the displacement of low-income housing. Subsidies like fee waivers have historically been offered only to affordable housing priced for people making no more than 60 percent of the city's median income. Old Town is home to a high concentration of affordable housing, and there's concern among advocates that some of those units might be lost in a push to increase the neighborhood's income diversity.

But at the same time, supporters of the plan point out, there's a boom happening all around Old Town. And if the city doesn't step in, the neighborhood might miss out. Beyond the fee waivers, the PDC is pledging more than \$50 million in money to help refurbish existing buildings and add retail options.

"There's a roar all around this district and silence inside," Hales said this morning. "This is to get a little bit of sound."

Interestingly, according to an "opportunity sites" map obtained by the Mercury, many of the lots targeted by the PDC and the development plan sit outside the urban renewal area that snakes through parts of Old Town and Chinatown, the River District. (Bigger version here [pdf].)

That map also raises the notion of whether developers might want to build here anyway. The PDC's central city manager, Sarah Harpole, explains that the interested sites identified in the map are a mixture of lots for sale, lots that are vacant and might one day be suitable for construction, sites where the landlords have approached the PDC, and sites where tenants have approached the PDC.

That doesn't mean, the PDC says, that projects are imminent.

"I don't think I'd say there's a bottleneck" of waiting projects, says the PDC's director, Patrick Quinton.

Quinton also says he's not sure how many developers will bite on the fee waivers—part of the plan is learning whether that's enough of a push or if Old Town's so calcified against development that something else might be required. The fee waivers are good for only five years and for the first 500 units.

"It remains to be seen, Quinton says. "I think we'll get a few projects. We'll get to see what it actually takes."

*From: Novick, Steve*

*Sent: Tuesday, July 08, 2014 10:54 AM*

*To: Fritz, Amanda*

*Cc: Crail, Tim; Abbaté, Mike; Valderrama, Andrea; Warner, Chris; Hockaday, Bryan*

*Subject: RE: Parks SDCs / Old Town*

*The SDC bureaus in Old Town are not bearing all the burden; the continued existence of the URA means the GF bureaus are bearing it too.*

*There is no guarantee the convention center hotel will bring in more business for the other hotels – it might in fact steal business from them (as many of them think), so the general fund will not only be foregoing new revenue that it might have gotten if a convention center hotel (or other hotels to meet increasing demand) were built without a subsidy, it might be losing old revenue as well. So the service bureaus are getting SDCs from the hotel and the GF bureaus will get nothing or less than nothing from the new hotel; it's only if the optimistic projection that the new hotel will generate more business for other hotels is true that the GF benefits. I think waiving taxes and fees basically is waiving taxes and fees, and we lost our municipal virginity on that a long time*

ago. Once you cross that threshold, each case is a judgment call. I thought the Convention Center hotel was a bad call likely to cost us General Fund; you think this is a bad call that will cost us SDCs. The Mayor's argument here is "we are in effect allocating what would have been new SDCs in a place where we weren't getting any anyway to development, not negatively impacting any City bureaus, and it will spur development that will ultimately benefit all bureaus" – just like the hotel people said "we're just allocating tax revenue that we wouldn't have gotten if the hotel weren't built, and ultimately it will generate more revenue for everybody."

From: Fritz, Amanda

Sent: Monday, July 07, 2014 3:02 PM

To: Novick, Steve

Cc: Crail, Tim; Abbaté, Mike; Valderrama, Andrea; Warner, Chris; Hockaday, Bryan

Subject: Re: Parks SDCs / Old Town

This is different from the Convention Center Hotel in that no SDCs were waived for that. We are allocating only the new lodging taxes from the new hotel to the deal, not negatively impacting City bureaus. The only impact to the City is not collecting new taxes from that development - more akin to TIF than the current request that service bureaus subsidize the new development. My understanding of the OCC hotel deal is that while tourist taxes at the other hotels will subsidize any losses at the new one, tourist taxes that go up at the other hotels, because a successful OCC hotel generates more business at all, will go into the usual sharing formula.

There is no guaranteed upside to Parks, BES or Water from success of providing middle income housing by waiving SDCs. None at all to BES or Water except to the minuscule extent that 500 new residents share the increased costs of the entire system. And Parks is better off only if a future Council (long into the future after the URA expires) allocates more General Fund from new property taxes to Parks. There is no certainty that will happen. The proposal asks the SDC bureaus to bear all of the burden without sharing any benefits. That's how this is different from the OCC hotel.

Amanda

On 6 Jul 2014, at 06:42, "Novick, Steve" wrote:

*I think the LIDs are so minimal it hardly matters to maintenance if they exist or not. How is this different from the convention center hotel deal, where I was the lone no vote? That also theoretically deprived parks and everything else of general fund money, on the guess that basically waiving taxes would generate development that otherwise would not occur. The mayor's theory here is that waiving SDCs will generate ongoing development in that area that otherwise would not occur.*

*Sent from my iPhone*

On Jul 5, 2014, at 1:23 PM, "Fritz, Amanda" wrote:

*Thank you for your response. The Parks SDCs are set at 75% of estimated need generated by new development, so we are already getting further behind with each new development. Encouraging even more gap-widening by excusing all SDCs will result in more General Fund, but not necessarily more GF for Parks. Solution is to add more GF for Parks automatically when each new unit in Old Town comes on line, if you want to stimulate new development without making the challenge even worse for Parks. PPR, BES and PPB should not have to bear all the burden of encouraging the economic development in Old Town which then benefits Police and Fire disproportionately due to public safety getting the majority of the General Fund. It may not even be legal to ask ratepayers to subsidize workforce housing. It's legal for Parks, but still unfair as structured.*

*Do you get more maintenance money for each new LID when the new street is completed? You should, per the 2007 policy on O and M for new facilities. I don't recall seeing the line item request in the annual PBOT budget like there is in PPR, if so. If not, are you saying you want to put a moratorium on street improvement LIDs?*

*Not building new until we have money to maintain both old and new condemns those in areas without urban amenities to continue to pay taxes without getting equitable services.*

Amanda

On 5 Jul 2014, at 19:33, "Novick, Steve" wrote:

*Thank you Commissioner. And if old town were actually generating lots of SDCs now don't think anyone would be suggesting giving them away. The argument is that waiving them for awhile will help kick -start development that can lead to more SDCs on the future. I don't know that that will actually work, but if we waive SDCs for five years and there is no development in old town, then we won't actually have given anything up. If we waive them and it helps start development that keeps going after the 5 years are up, it might bring in more SDCs than we otherwise would have had. The SDC idea is very similar to the URA concept itself, really. Maybe we should abolish URAs entirely, but as long as we are doing URAs I can't dismiss the mayor's idea out of hand. On the maintenance issue, we don't see things the same way - I generally don't want to build new streets until we have some idea how to maintain them.  
Sent from my iPhone*

On Jul 4, 2014, at 3:28 AM, "Fritz, Amanda" wrote:

*Thank you for your interest, Commissioner. Mike and Tim will respond to some of the specifics. From my perspective, the main issues are:*

*New residents downtown will expect and deserve parks services and capacity. That is the purpose of SDCs, to fund improvements created by increased demand from development. Block 511, Slabtown, the Greenway and South Waterfront likely have greater funding needs than current Central City SDCs will provide. It is not reasonable to set standards that help to ensure development pays its way, then say 'except where we don't really mean that'.*

*Regardless of past experience of whether development has happened or not, new residents of new development deserve parks.*

*It would send a terrible message that funding parks is not important to the City Council, at a time when we will be asking voters to approve funding for parks, if Council waives the SDCs in Old Town.*

*Parks SDCs are in two pots - Central City and non-Central City. So no, SDCs generated in Old Town can't be used for parks in East Portland. They can be used, and are needed, for the projects I mentioned above.*

*The ongoing Operations and Maintenance (for routine maintenance, not replacement) is about 10% of the construction costs. I don't know how the Council is going to be able to pay for the O and M when bringing the new facilities on line for SDC investments. But that isn't a reason to not build the facilities or insist on the SDC payments.*

*The Parks SDC is currently set at 75% of the calculated true cost of new development, unlike the other SDCs which are set at 100% cost recovery. So Parks is already subsidizing new development.*

*It is not reasonable to achieve planning, neighborhood, economic development and housing goals on the backs of the three or four bureaus that count on SDCs. If the Council wants to promote development of middle income housing in Old Town (which is a different policy decision), the General Fund should repay the SDCs to make the bureaus whole. Do you want to send GF to this cause, over say Emergency Management needs or safety projects on streets? I don't.*

*Amanda*

On 3 Jul 2014, at 21:06, "Novick, Steve" wrote:

*Commissioner, Tim, Mike –*

*I was hoping I could be lazy and the Mayor and Commissioner Fritz would work this whole deal out between them without my worrying about it much. It now appears that I might actually have to learn some facts in order to have a more informed opinion. So I hereby ask the following:*

*Is it true that the Old Town / Chinatown area has generated little or no parks SDC money in recent years? Is there some independent reason to think that even without any targeted city effort, the area is about to explode and generate tons of SDCs?*

*What projects would Parks hope to fund with SDC money generated from Old Town / Chinatown? What are the construction costs of those projects? What would be the ongoing maintenance costs associated with each? What would the plan be for paying for that ongoing maintenance?*

*How much SDC money does Parks currently have that could theoretically be dedicated to the projects Parks would hope to fund with SDC money from Old Town / Chinatown? What other projects are competing for the same money?*

*Can you explain how geographically fungible Parks SDC money is? Could money generated from Old Town / Chinatown SDCs be spent in East Portland?*

*Feel free of course to also send answers to other related question that you think are important but which I have not asked! Thank you ...*

## **The Portland Business Journal**

### **Portland on pace to run out of industrial sites by 2025**

*By Alli Pyrah  
July 24, 2014*

The city of Portland predicts that developers will run out of industrial sites by 2025 and is considering ways to incentivize the private sector to clean up and redevelop brownfield locales.

Urban planners believe that Portland will face a 600-acre deficit by 2035, with about half of that being tied up in demand for marine cargo depots.

Officials from the Bureau of Planning and Sustainability revealed their unsettling predictions during a press briefing on The Comprehensive Plan 2035.

Portland's 550 acres of brownfield sites within its industrial zones could reduce the shortfall if they can be cleaned up.

However, that's easier said than done.

"These are the most difficult for the private market to redevelop because of the clean-up costs," said Eric Engstrom, principal planner for the city.

He said that in many cases, clean-up costs exceed the typical land value of \$8 to \$10 per square foot, resulting in a site that cannot be sold because it is underwater.

In response to the problem, the city is looking at possible ways to incentivize clean-up such as public subsidies, low-interest loans and tax abatements.

"Most of the incentives in the Portland region area have been plans that have been fairly successful in leveraging that brownfield clean-up and getting sites back into use," said Engstrom.

City staff have found that when accounting for state income tax, such schemes typically result in a return on investment for the public in three to four years.

The industrial sector is responsible for about 87,000 Portland jobs and city planners expect that number to increase by another 30,000 or so by 2025. But job creation will be impeded if industrial growth is curbed by a lack of suitable sites.

The city received a grant from Metro last year to conduct a study of the issue. City staff found that about 80 percent of the public benefit from industrial businesses comes from income tax and about 20 percent comes from property tax, so property tax incentives alone are insufficient to encourage developers to clean up underwater brownfield sites.

According to research by commercial real estate firm JLL, industrial vacancies are already down to 5.5 percent, a low not seen in the Portland market since the mid-1990's.

The city is hoping to address the shortage of marina cargo capacity by making use of available space on West Hayden Island. City staff plan to work with the Port of Portland to make that happen.

City staff stressed that the plan does not necessarily represent how they believe things should be but is instead their best estimate of how Portland will look in 2035 based on an analysis of current data and past trends.

Earlier this week, the city unveiled an interactive map which allows users to see the City's plans for Portland between now and 2035. Users can click on color-coded sections to obtain more information about developments throughout the city and can comment on the plans and take part in conversations with other residents.

## Urban planners predict how Portland may develop over the next 20 years

*By Alli Pyrah  
July 23, 2014*

How will Portland develop over the next 20 years? Urban planners from the City of Portland have spent the last three years attempting to answer to that question.

At a press briefing Wednesday, they shared their predictions for how Portland will take shape between now and 2035.

The result of their efforts is a draft version of the 2035 Comprehensive Plan, which provides a framework for Portland's zoning codes, job creation, affordable housing, environmental stewardship and transportation.

The plan, which is rewritten every 20 years, is such a large-scale project that it would be impossible to cover all the pertinent points in one blog post. Real Estate Inc. will be writing a series of articles on different aspects of the plan but for the moment, here are some of the key takeaways:

- Expect to see taller buildings to accommodate Portland's growing population. The city expects to see 122,000 new households comprising of an extra 200,000 people in Portland by 2035. It hopes that 142,000 new jobs will be created in that period. Planners believe there will be sufficient residential space to accommodate the influx of residents, largely because of an increase in the number of multi-family buildings.
- Campus institutions have been the leading job creators over the past 10-12 years and this is expected to continue over the next 10 years, especially in the medical field. However, these institutions can also create issues such as parking shortages and disruption to surrounding residential areas. City planners believe that Portland has about 80 percent of the capacity it needs to accommodate the future growth of such institutions. The city wants to encourage them to grow upwards rather than outwards. It is considering solutions such as relaxed zoning rules towards the middle of the campus, as neighbors are generally far more concerned about development that takes place on the edges of such sites.
- A shortage of industrial sites will pose the biggest challenge for the private sector because of Portland's urban growth boundary and the City's focus on expanding upwards rather than outwards. City planners believe that Portland is facing an approximately 600-acre deficit of industrial space, with about half of that tied up in demand for marine cargo depots. They predict that by 2025, the private sector will run out of that marina cargo capacity. They see West Hayden Island as a key component of their investment strategy and plan to work with the Port of Portland to make that happen.
- The City will not have enough money to undertake all of the transportation projects it has planned. To do so would cost a total of around \$2.7 billion and the city has a \$1.3 billion budget for such projects. In the past, the focus has mainly been on safety but as Portland becomes more densely populated, more maintenance will need to be done. Officials are seeking public feedback on which projects to prioritize.

The City has created an interactive online map that allows users to explore its master plan for the area over the next two decades. Users can click on color-coded sections to obtain more information about developments throughout the city and can submit comments on the plans and read comments from other Portlanders. They can also search for proposed changes within a quarter-mile radius of any address in the area.

## How will Portland look in 2035?

By Alli Pyrah  
July 23, 2014

The City of Portland has released an interactive map that allows users to explore its masterplan for the area between now and 2035.

The Comprehensive Plan shows zoning changes, areas where a large number of new jobs are being created, areas with risks and service gaps and planned adjustments to designated parks and open spaces. Users can click on color-coded sections to obtain more information about developments throughout the city.

Viewers can also use the online tool to comment about proposed changes to any property or area in the city using their computer, tablet or smartphone. They can enter an address to view the area within a quarter mile radius of that location and learn about proposed changes that that may affect their property and neighborhood.

Any questions about the app or issues with the way it works should be directed [tobpsmapapp@portlandoregon.gov](mailto:tobpsmapapp@portlandoregon.gov).

Real Estate Inc will be attending a press briefing about the Comprehensive Plan this afternoon and will update readers later this week with the highlights of what's planned for the area over the next two decades.

## The Skanner

### Albina Ministerial Alliance Slams City Settlement with Police Captain

By Helen Silvis  
July 23, 2014

The Albina Ministerial Alliance has slammed Portland's settlement with Police Capt. Mark Kruger, calling it, "an insult to every freedom and justice loving citizen in the City of Portland."

Kruger brought a lawsuit against the city after text messages between Mike Kuykendall, a former Police Bureau official, and Kristy Galvan a police lieutenant, that characterized him as a nazi supporter. The settlement removed two prior disciplinary actions from his file; an 80-hour suspension and a written reprimand, added 80 hours of vacation; placed a letter of commendation in his file; and awarded him \$5,000.

Kruger had been disciplined after it was discovered that in 1999 he had nailed a plaque to a tree on Rocky Butte with a message that honored WWII-era German officers who were nazis.

Galvan was unhappy at being forced to work for Kruger, because she had filed a workplace harassment complaint against him. When the complaint was dismissed Kruger posted the letter informing him of the result on his door with Galvan's name written on it. Galvan's name was not mentioned in the letter. Both Galvan and Kuykendall resigned after the text exchanges were published in the Oregonian.

Galvan also pursued a tort claim against the city and was awarded \$50,000.

Mayor Charlie Hales issued a statement last week saying he was unhappy about the settlement and did not condone Kruger's actions.

Here is the full statement from the Albina Ministerial Alliance.

*The Settlement Agreement with Police Captain Mark Kruger*

*The Albina Ministerial Alliance Coalition for Justice and Police Reform opposes the Settlement with Captain Mark Kruger, which includes Mayor Charlie Hales and Chief of Police Mike Reese's decision to overturn two internal affairs investigations findings about Captain Kruger, one including his posting of Nazi-era German soldiers in a Portland Park and the other retaliating*

*against a female subordinate who'd filed a complaint against him. In addition to having his record expunged, Kruger received vacation time to compensate him for the eighty (80) hours discipline suspension and will receive a \$5000 cash settlement.*

*This Settlement Agreement stemming from a legal claim against the city filed by Captain Kruger in 2013 rewards him for actions that are completely contrary to the vision of a diverse, accountable, just, community oriented and transparent police bureau that is being sought by Portland's citizens and the US Department of Justice.*

*The negotiated settlement by outside counsel due to internal conflict of interest and the decision by Mayor Charlie Hales and Chief of Police Mike Reese agreeing, signing and offering Captain Kruger abundant rewards for his past sustained detrimental actions against the city of Portland and the Portland Police Bureau is an insult to every freedom and justice loving citizen in the City of Portland.*

*The citizens of Portland remember that the actions of Captain Kruger in 1999 of a ceremonial service worshipping Hitler and the Third Reich as he honored five Nazi-era German soldiers who waged a war against humanity.*

*Also, the citizens of Portland remember the pending case of sexual harassment brought by Lt. Kristy Galvan against Captain Kruger. Furthermore, to add injury to the insult of making Captain Kruger a poster image for the Portland Police Bureau, Mayor Hales approved a settlement agreement that not only rewards Captain Kruger but expunges his records of past complaints without going through the normal City Council process for lawsuits, especially for such a controversial settlement. This is further exasperated by Chief Mike Reese writing a letter of commendation to be placed in Captain Kruger's personnel file.*

*The citizens of Portland want to move as a progressive city for freedom, justice and equity, the decision by Mayor Hales and Chief Reese runs contrary to the image and direction of the City of Portland. Their decision shows insensitivity to those who have been victims of the Third Reich and their crimes against humanity as well as women who work in male-dominated professions.*

*This is not the direction the citizens of Portland desire to be reflected in their Police Bureau and their city.*

*Let the Mayor and Chief of Police send the right message to the citizens and every police officer that the past actions of Captain Kruger do not represent the City of Roses and let's support the Department of Justice Proposed Settlement Agreement and Judge Michael Simon's annual review of the Agreement to help insure police accountability, justice and reform.*