

The Oregonian

City Council to vote on \$170,000 for ugly sweater party, Downtown Marketing Initiative: Portland City Hall Roundup

*By Andrew Theen
August 06, 2014*

On Wednesday, the Portland City Council will once again consider approving a \$170,000 request to help pay in part for a holiday ugly sweater party and other events downtown later this year.

Last week, Commissioner Amanda Fritz delayed what was scheduled to be an emergency ordinance to partially reinstate funding for the Portland Business Alliance's holiday promotional program for downtown.

Fritz said her delay was more about the process than an issue with the holiday sweater party and downtown marketing initiative.

It was about the principle of the thing, Fritz said.

The City Council, as a group, decided to eliminate funding for the Downtown Marketing Initiative from its 2014-15 budget. But weeks later, Mayor Charlie Hales returned with a \$170,000 emergency ordinance.

Business advocates weren't happy with being cut out of the city's budget all together this year, after bringing in close to \$1 million annually for the program for years.

Portland's support for the Downtown Marketing Initiative dates back to the 2009-10 fiscal year.

It's typically paid for largely by the Portland Bureau of Transportation's general transportation revenue (GTR), the discretionary pool of money filled by parking garage and meter revenue and gas taxes.

This is the same source of revenue that pays for street paving and maintenance. The argument for the chamber of commerce receiving that money: better marketing for downtown means more people will visit and shop there and also bolster the bottom lines of the city-owned parking garages.

Last week, Fritz said she'd prefer to see the \$170,000 spent on pedestrian safety crossings in east Portland.

Here's a breakdown of how the program was funded through the years (Source: City of Portland)

- 2009-10: \$953,309, \$650,000 in GTR, \$303,309 in ongoing general fund (GF) support
- 2010-11: \$953,309, \$653,578 in GTR, \$299,731 in ongoing GF support
- 2011-12: \$953,309, \$647,689 in GTR, \$172,246 in ongoing GF support, \$133,374 in one-time GF support in fall budget adjustment process
- 2012-13: \$953,309, all GTR, ongoing GF support was cut, \$177,144, in Mayor's Proposed Budget decisions.
- 2013-14: \$828,309, all GTR. The contract was reduced by \$125,000 in Mayor's Proposed Budget decisions, from \$953,309 to \$828,309.
- 2014-15: Cut entirely

Portland plans national search for new chief financial officer, salary up to \$177,029

*By Brad Schmidt
August 05, 2014*

The city of Portland will conduct a national search to hire a chief financial officer who will head the new Bureau of Revenue and Financial Services.

On Wednesday, the Portland City Council will give the official go-ahead for those efforts, which will undue Mayor Charlie Hales' decision last year to eliminate the chief financial officer post.

Once hired, Portland's new bureau director would earn up to \$177,029 and oversee the city's tax collections, debt and accounting functions, among other things.

The hiring will move the city past a whistleblower and budgeting scandal that rocked City Hall last year.

The city's former chief financial officer, Rich Goward, stepped forward as a whistleblower against the city's former chief administrative officer, who was accused of trying to dip into water and sewer reserves to balance the budget.

Hales said he eliminated the CFO post to cut management positions, not because Goward was a whistleblower. Goward received one year's salary as severance. Hales eventually fired the chief administrative officer, Jack D. Graham.

An outside consultant later recommended restoring the chief financial officer position. As part of a broader reorganization of the Office of Management & Finance, tax collection functions will be moved under the restored position, giving the new CFO more authority.

Thomas Lannom, who heads the revenue division, will remain in his existing role.

The new position will officially be called the Revenue and Financial Services Director and will serve as the chief financial officer.

The Portland Tribune

CenturyLink challenges Google Fiber

*By Jim Redden
August 5, 2014*

CenturyLink has beaten Google Fiber to the punch by announcing its own high-speed broadband service is now available in parts of town.

Google generated headlines earlier this year by announcing it was considering expanding its 1 gigabit per second network into Portland and several nearby cities. The company said it will decide which cities will get the service — called Google Fiber — by the end of the year.

But during an early Tuesday morning press conference at City Hall, CenturyLink officials said their equivalent 1 gigabit service was now available in certain neighbors, with more to added in coming weeks and months.

"In a city that boasts some of the top technology providers, it's critical that residents and businesses have leading technology available to them. We chose Portland for this next-generation technology because the city's tech-savvy customers demand it. CenturyLink is pleased to announce the continued expansion of our service offerings here in the Portland metro area to serve business and residential customers," said Chris Denzin, CenturyLink general manager/vice president for Portland.

According to Denzin, CenturyLink already provides slower broadband service in most of Portland. The 1 gigabit service is being added as part of an national expansion. CenturyLink already provides it in three American cities, and is now adding 16 others, including Portland.

"High-speed Internet access is an issue of innovation, it's an issue of livability, and it's an issue of equity. We have been pursuing policies in the city that support a robust and competitive Internet environment. That's not just a nicety, it's about investing in what we need to be a fully competitive community. So we welcome CenturyLink's announcement," said Mayor Charlie Hales, who appeared at the press conference.

Hales and the rest of the City Council held a press conference with Google officials when the company made its announcement earlier this year. On Tuesday, Hales said that if Google Fiber also comes to town, the competition will benefit everyone.

CenturyLink is the third-largest telecommunication company in the United States. Its 1 gigabit service allow users to stream high-definition video content with little to no delays and download movies, songs and TV shows in seconds. Residential customers who have multiple devices connected to one Internet

connection in the home will still have more than enough capacity and speed to support other uses of broadband such as online gaming and home-automation systems.

Comcast is currently advertising that its Xfinity internet service current does the same thing. Unlike CenturyLink, Xfinity is available citywide. GoogleFiber will also only be available in certain parts of town.

CenturyLink currently offers broadband speeds up to 40 megabits and 100 megabits per second in many locations throughout the metropolitan area. Residential customers can purchase 1 gigabit service for \$79.95 a month when bundled with additional, qualifying CenturyLink services. For more information updates on when the service is available in new Portland communities, visit www.centurylink.com/fiber/. Business customers can visit www.centurylink.com/business/data/fiber-services.html?city=portland for additional information. Interested customers can also receive updates by following CenturyLink Portland on Twitter (@CenturyLinkPDX).

City opens door to Airbnb rentals

*By Steve Law
August 5, 2014*

Starting next month, Portlanders renting their homes to tourists will be operating legally for the first time — if they follow new city rules.

Portland city commissioners voted 4-0 last Wednesday to adopt a new ordinance that will allow the thriving short-term home rental scene to emerge from the underground economy. More than 1,500 Portlanders have properties listed with Airbnb, and others advertise their residences on Craigslist, VRBO, HomeAway and other websites. All are illegal if the guests are staying less than 30 days.

Under the new ordinance, residents may rent out one or two bedrooms for periods of less than 30 days if they get a \$180 city permit and submit to cursory safety inspections by the Bureau of Development Services. The hosts, either homeowners or those renting a single-family home, must reside on-site at least nine months of the year. They can hire whoever they want to manage the in-home rental business.

Hosts can apply for the new permits starting Sept. 2 on the Bureau of Development Service's website at portlandoregon.gov/bds, or by visiting the bureau's downtown permit center at 1900 S.W. Fourth Ave.

The city is effectively allowing more "commerce to happen in single-family homes," Mayor Charlie Hales said after the council vote. "I think it's the right call."

Portland has long allowed residents to do home-based occupations such as piano teaching, Hales noted, so this is an expansion of that practice.

A cautious vote

Airbnb, which lobbied heavily for the ordinance, separately struck a deal with the city agreeing to start levying lodging taxes for its Portland listings. That began July 1.

City commissioners like the new revenue source, and they are enthused about supporting the "sharing economy" that is bringing more tourists and visitors to Portland neighborhoods.

Commissioner Dan Saltzman praised Airbnb as a "great corporate citizen." He hailed last week's announcement by the San Francisco-based company, which recently opened a customer service office in the Old Town/Chinatown neighborhood, to provide lodging to emergency workers here after natural disasters or other emergencies.

Earlier the City Council agreed to dedicate \$500,000 from the new lodging tax proceeds for affordable housing in the 2014-15 city budget. Saltzman, who oversees the Portland Housing

Bureau, will ask the City Council this week to dedicate future lodging revenue to affordable housing.

Commissioner Steve Novick said he's still nervous about legalizing short-term rentals. But right now the underground operations have an unfair advantage against regulated and taxed businesses such as bed and breakfasts and hotels, Novick said. "I cautiously vote aye," he said.

Commissioner Amanda Fritz, who also supported the ordinance, is among those concerned that Airbnb and similar operations will cut into the city's supply of affordable housing. But she was able to add a requirement that city planners report back in September 2015 on how the ordinance is working, and how it might be affecting the stock of affordable housing.

Commissioner Nick Fish was not present Wednesday.

For now, the city isn't allowing Airbnb or its competitors to use apartments or condos for short-term stays, or whole-house vacation rentals. Nor can hosts rent out more than two bedrooms of their home, unless they want to register as a bed and breakfast business, which is much more complicated.

Industry insiders say those short-term visits not covered by the ordinance account for the majority of the stays in Portland — and the majority of potential lodging taxes.

But everyone expects such illegal operations will continue, as the city only intervenes in response to citizen complaints.

"We think that this is a really good first step," said Matt Curtis, director of government relations for HomeAway, which lists vacation rentals.

New provisions

By October, city staff expect to submit new provisions to the City Council that might allow short-term rentals in apartments and condos, says Sandra Wood, city planner. That likely will require the signed approval of landlords and condo owners associations, she says, as suggested by Hales.

The mayor promised the council also will consider legalizing vacation rentals in the city. However, Wood says that's not a sure thing yet. "It's undetermined at this time what the timeline would be," she said.

Other cities that have tried to ban short-term rentals, including several in the Palm Springs area, found those didn't halt the practice, and they wound up rescinding those bans, Curtis says.

"A lot of communities find out over time that bans or heavy restrictions just don't work," he says. Having a good ordinance that addresses community concerns is the best way to get compliance with the law, he says.

Hales also promised the City Council will tackle what he views as a more politically sticky issue in the new "sharing economy"—legalizing grassroots alternative taxi services such as Uber and Lyft. Those allow citizens to use their cars as taxis, "flagged down" by people using their smart phones.

Portland taxi companies are wary of the new competition, and they have a long track record of lobbying the city and mobilizing their cabbies to defend their interests.

The Daily Journal of Commerce

Design Commission: Surging development demands city response

*By Inka Bajandas
August 5, 2014*

Portland's design review process should be expanded or revised to better respond to surging development in the city, according to a Portland Design Commission report.

The State of the City Design Report 2014 notes the number of applications for developments currently seeking city design review approval has eclipsed the volume seen in the mid-2000s. As a result, the seven-member Design Commission has returned to the era of more than six-hour bi-monthly meetings and has been scheduling additional hearings to help move projects through the pipeline.

Design Commission Chairwoman Guenevere Millius last week gave the report to the Portland City Council. In the report, design commissioners request that the City Council consider a number of measures to better respond to the concerns of the Portland residents living in rapidly changing neighborhoods.

This includes updating Portland's Community Design Standards. In many of Portland's design districts, developers use the design standards to design their projects and avoid design review. The standards were developed in the 1980s and don't adequately address today's developments, commissioners said.

"We grow increasingly concerned about poor quality projects that have proliferated by following the prescribed Community Design Standard path," the report said. "We strongly believe it is time to, at minimum, review and revise Community Design Standards to reflect the changed nature of the neighborhoods to which they apply."

Commissioners suggested expanding design districts or offering a trigger that would require design review anywhere in the city, such as projects on main corridors or other areas where design oversight would be beneficial.

"It is worth considering whether enough of our city enjoys the benefits of design review," the report said.

As design review is expanded into new areas, the report said a second design commission should be formed or one assigned to each quadrant of the city.

Based on neighborhood feedback during design commission meetings, commissioners advocated in the report for the elimination of split-zoned blocks because of the stark contrast created between single family homes and apartment complexes.

"Portland needs to address areas where split-zoned blocks exist, and work toward creating a more comfortable fit between new, denser development and the existing fabric of neighborhoods," the report said.

Even though few of the city's design districts require parking on new developments, it's often a frequent concern brought up during public testimony at Design Commission hearings.

"Neighbors and neighborhood associations continue to visit us in droves and with parking counts in new projects ranking high among their concerns, and they are frustrated that we can't talk about parking," the report said. "Often, the parking issue looms so large for them, that issues with the architecture – the stuff we can talk about – [are] nearly ignored."

Design commissioners requested that Portland Bureau of Transportation officials develop a long-term approach to transportation development for an increasingly dense city. The issue should also be addressed in a new city comprehensive plan that is being developed, they said.

"Excellent architecture deserves excellent transportation systems," the report said.