

The Oregonian

The Portland Building needs \$95 million overhaul to fix structural problems, water damage

By Brad Schmidt

The Portland Building – the city’s administrative headquarters beloved and despised for its post-modern design – needs a \$95 million overhaul after officials spent decades ignoring major structural problems.

That’s the conclusion of a new analysis from the city’s Office of Management & Finance, which estimates that selling the building, tearing it down or building a new structure would cost even more: \$110 million to \$400 million.

The new projections are just the latest trouble for the home of the iconic Portlandia statue, a building completed 32 years ago for \$25 million and plagued by defects ever since. Rather than addressing seismic concerns years ago, as promised, city leaders backtracked after consultants disagreed about the severity of problems.

Now, the bill to the Portland City Council and taxpayers may finally come due.

“I don’t think this is anything that is going to catch council as a surprise, other than the magnitude of the issue,” said Bryant Enge, director of Portland’s internal business services division, which manages city facilities. “I think this has been something that we at facilities have been looking at for a very long time.”

“Good money after bad”?

Enge’s comments Thursday came after The Oregonian filed a public records request for reports documenting deficiencies and options for The Portland Building, built between 1980 and 1982 next to City Hall at the corner of Southwest Fifth Avenue and Madison Street.

A city spokeswoman declined to immediately release the documentation, saying such reports are internal advisory communications.

At least four of five City Council offices have been briefed about options, Enge said.

“We’ve provided preliminary information of what it would cost,” he said. “In terms of how to proceed, we have not made a recommendation.”

But The Oregonian has learned that Enge’s division has in fact recommended overhauling The Portland Building instead of tearing it down and building anew.

Doing so would preserve the structure, which was designed by architect Michael Graves and joined the National Register of Historic Places in 2011.

Despite its fans, city employees have long complained about sloping floors, small windows and lack of natural light.

City officials have argued that renovations could begin as soon as summer 2014 and finish two years later. But that would require finding a temporary home for some 1,300 employees who work in the 364,000-square-foot building.

The complexity of the move would be similar to what was required during a \$139 million overhaul of the nearby Edith Green-Wendell Wyatt Federal Building, which reopened last year.

City officials contend that The Portland Building needs nearly as much work.

Extensive water intrusion has been a problem since construction, officials now argue. Enge said water has leaked in from just about every surface – the roof, windows, siding, grout.

“We’ve tried to patch it as we’ve gone along, but not to a lot of success,” he said.

“What’s that terminology, good money after bad?” he added, saying officials are trying to answer, “Is there a solution to make sure we don’t have future problems?”

Longstanding seismic concerns

In addition to the water problems, recent briefings provided to elected officials and their staffs have warned that The Portland Building is expected to perform poorly in an earthquake because of structural deficiencies.

Structural problems at The Portland Building were first discovered during construction, when a city engineer stopped by the building on his lunch break in 1981 and found that reinforcing steel wasn’t integrated into key points of the building’s fifth floor. That problem was fixed, but the incident was hidden from the public until 1997, when The Oregonian reported the shortcoming. The newspaper story came as city officials wrestled with a leaky roof and sagging of the 14th and 15th floors.

Then-Mayor Vera Katz suggested that perhaps the city should simply “take it down and put ‘Portlandia’ on the river.”

A consultant at the time concluded that The Portland Building didn’t meet seismic codes when it was built between 1980 and 1982.

The cost to make fixes: \$9 million.

“Because we will own and use this building for many more years and because we must hold ourselves to a high standard with the public, we should make the investment over the next several years to strengthen The Portland Building,” then-city Commissioner Jim Francesconi told employees in a 1997 letter.

But the improvements never happened.

Francesconi, who is now running for chair of the Multnomah County Board of Commissioners, said experts eventually determined the building was safe and improvements weren’t necessary.

“We brought in a group of people and deferred to the experts,” he said Thursday.

Payment plans

Today, city officials put the cost of addressing all the building’s problems at \$95 million.

Enge said Thursday that about half of the money would go toward seismic improvements and half would cover a complete restoration of the building’s exterior.

Officials have warned that a moderate earthquake would result in medium to large levels of structural damage and substantial costs, while a major earthquake could leave the building unusable.

"We talked about the \$95 million in terms of what it would take to fix this building," Enge said.

City officials have suggested that the project could be funded through 20-year revenue bonds. Annual debt payments would be about \$8 million a year.

Officials could tap city bureaus that occupy the building to pay back the debt, with more than 40 percent coming from the city's ratepayer bureaus, water and environmental services. About \$2.3 million could come from the city's general fund and \$1.5 million from the transportation bureau.

Mayor Charlie Hales met with his chief of staff and the city's chief administrative officer Thursday to discuss options.

"The mayor said lots of questions remain to be answered before he'll sign off on the proposal," Dana Haynes, spokesman for Hales, said in an email. "He wants to see alternatives."

Family of suicidal man killed by Portland police sues for \$3 million

By Aimee Green

The family of a suicidal man killed in 2012 by Portland police officers who had tried to talk him off the ledge of a downtown parking structure is suing the city for \$3 million.

The suit faults two officers for speaking face-to-face with Brad Lee Morgan for 15 to 20 minutes rather than taking cover and speaking to him by cellphone in the early morning hours of Jan. 25. The suit claims the face-to-face contact put officers in the position of danger, because when Morgan flashed a realistic-looking replica gun, the officers responded by shooting and killing him.

The suit, filed Tuesday in Multnomah County Circuit Court by attorney David D. Park, states a 9-1-1 call taker had told police that Morgan said he "possibly had a gun" and was making "suicide by police" statements. Morgan had also told the call taker that he'd robbed someone at knifepoint earlier that night.

According to the suit, Officer David Scott found Morgan, 21, about 3:40 a.m. on top of an elevator shaft on the ninth story of a parking garage at Southwest Fourth Avenue and Morrison Street. Scott took cover and waited for Sgt. Max Holbrook to arrive. Holbrook then told Scott to walk toward Morgan.

According to a grand jury transcript written about in The Oregonian, Scott told grand jurors: "My goal at that point was to talk to him face-to-face, make that human connection with him."

Both officers spoke with Morgan as they stood behind a 42-inch tall wall, "thereby exposing their upper torsos to danger in the event that Brad Morgan was, in fact, armed with a handgun," the suit states.

The suit claims that during the next 15 to 20 minutes, Morgan "made statements and demonstrated physical behaviors ... which would have alerted a reasonably trained officer to the probability that, if they did not take cover, Brad Morgan may use their vulnerability to commit suicide by cop."

At 4:01 a.m., Morgan suddenly pulled his right hand out from underneath his jacket and exposed "a realistic appearing toy gun," the suit states. Holbrook fired his gun four times, and Scott fired his gun once. Morgan was struck once, in the forehead, and died.

A Multnomah County grand jury found no criminal wrongdoing by the officers.

The suit claims that the officers violated bureau policy because they placed "themselves ... in jeopardy by engaging in actions inconsistent with accepted training principles and tactics" and they didn't call for immediate response of the Hostage Negotiation Team for 15 minutes after finding Morgan on the garage.

Within days of the incident, some members of the mental-health community questioned whether the bureau would be better suited returning to its old model of having specially trained officers on a Crisis Intervention Team immediately available to respond to such calls.

The suit seeks the \$3 million for Morgan's child, Kannon Morgan, and Morgan's parents, Randy and Shelly.

Portland City Council to consider giving independent watchdog group 'keys to kingdom' of city water, sewer bureaus

By Andrew Theen

Portland leaders are considering turning to a local nonprofit to serve as an independent watchdog of the city's water and sewer spending.

The City Council is considering a long-term deal with the Citizens' Utility Board of Oregon that would grant the watchdog group "unfettered" access to the Water Bureau and Bureau of Environmental Services to provide oversight on behalf of residential customers.

Commissioner Nick Fish, who oversees the two utility departments and is co-sponsoring the proposed five-year contract along with Steve Novick, described the resolution as a "ground-breaking" effort to increase transparency and accountability.

The move to bring in an outside watchdog comes as city leaders are fighting a lawsuit from irate ratepayers and possibly facing a May ballot measure to change how the bureaus are run. Both challenges stem from a long list of controversial spending decisions by the two utility bureaus.

The City Council will discuss the contract Jan. 8. Portland would offer "no financial support" to CUB, according to the contract. The nonprofit would offer an independent review and recommendations to the council on capital planning, customer service, billing, rate proposals and other issues.

If the deal goes through, CUB plans to hire a full-time analyst whose sole job will be to analyze the city's utility spending and ratemaking. The nonprofit also will be able to periodically include literature about its programs and membership in city utility bills.

Fish said Portland would give the nonprofit group, "the keys to the kingdom," to help its mission of serving residential ratepayers. CUB would get unfettered access to his office, bureau leaders and "all the documents and information" they need to be effective watchdogs, he said.

CUB's role will be different from the Portland Utility Review Board, a volunteer commission appointed by the City Council and created in 2003 to provide an independent voice on water, sewer, storm water and solid waste for ratepayers. That group's mission is broader, serving industrial users as well.

CUB has a team of a dozen staffers and a 30 year track record of advocacy work in the realm of private utilities. Fish said CUB's role is also targeted specifically for residential customers, and their strong track record on behalf of ratepayers statewide in the public sector is telling.

"We think it's time to bring them in and to allow them to play a similar role with our public utilities," he said.

CUB, which Oregon voters created in a 1984 statewide ballot initiative, advocates for Oregon's residential utility customers before administrative, judicial and legislative bodies, including the Oregon Public Utility Commission and the state legislature.

The group's milestones: helping create the Energy Trust of Oregon, helping pass the state's renewal energy standard and leading the push to shutter Portland General Electric's Boardman coal plant by 2020. The group says it has saved Oregon utility customers more than \$5.8 billion. CUB is a nonpartisan organization with some 4,000 members statewide.

Jeff Bissonnette, CUB's organizing director and a former Portland City Council candidate, said the nonprofit can help the city bureaus with their customer service, investment strategy and may ultimately bring rates down for Portland residents.

"Frankly, we get a fair amount of calls with people asking about their sewer and water bills in Portland," he said.

Portland's Bull Run watershed is the city's main drinking water supply. Including wholesale buyers, the city serves more than 900,000 customers in the region.

Fish, who was quick to give credit to Novick for first bringing him the idea, said much is still unknown about how the arrangement will work.

"I would be disappointed if they didn't hold our feet to the fire and come in with substantial recommendations for how we can do our business differently and find new and creative ways to hold down rates," he said.

Spending at the city utility bureaus has been under increasing scrutiny in recent years, with construction of the Big Pipe sewer project and former Commissioner Randy Leonard's attempts to make the Water Bureau about more than just water service.

The list of projects questioned by critics includes the \$940,000 water demonstration house (known as the "Water House"), \$1.5 million for renovations to the Rose Festival Foundation building downtown and new free-standing, city-designed public restrooms known as the Portland Loo.

A May ballot measure launched by critics and customers would wrest control of the two agencies away from the City Council and instead give it to another elected body, a Portland Public Water District. That effort has been pushed by groups who successfully stopped the council's plan to add fluoride to Portland's water and people representing large commercial and industrial water users.

Kent Craford, the co-chief petitioner for the proposed public water district, called Thursday's announcement "window-dressing" and toothless since CUB's recommendations would be just that - recommendations.

"It's Commissioner Fish's effort to look like he's doing something in the face of a lawsuit and a formidable ballot initiative, and not to mention a challenger to his incumbency," he said. Fish was elected to a four-year term in 2010, and is expected to run for reelection this year.

Thus far, Michael Durrow, a Northeast Portland resident who identified himself as a realtor, is the only candidate to file paperwork to run for Fish's council seat. Candidates have until March, 11 to file for election.

Craford said while he respects CUB's successes at the state legislative level and is encouraged Fish recognizes the city has a problem with high utility rates, the real answer in his mind is still an independent water district.

"He's that cowboy in the saloon dancing while the patrons have their six shooters aimed at his feet," Craford said of Fish. "This is some fancy footwork, but it's more of the same."

The proposed deal with the Citizens' Utility Board isn't a reaction to the ballot initiative, according to Fish and Novick.

Novick briefly managed the Water Bureau earlier this year, prior to Mayor Charlie Hales reassigning city offices. Bob Jenks, the long-time executive director of CUB, approached Novick in March 2013 with the general idea of providing oversight to the city. Novick had known Jenks for years and was receptive to the conversations.

When Fish took over the bureaus this summer, Novick offered him the idea. Novick called it a "tremendous opportunity" for the city.

Fish said his first orders to Water Bureau staff was to put the water house on the market and set up a meeting with CUB. Fish's office has been meeting with CUB since the summer to orchestrate the proposed contract.

"I wish we had done this years ago," Fish said. Fish said the proposal is proof his office, and the council, is taking issues of transparency and accountability at the utilities seriously.

"I have a hunch," Fish said, "that if this had been in place back in four or five years ago, they would've been loud and vociferous critics of things like the Water House."

A CUB representative is already attending both bureau's budget advisory committee meetings, which offer guidance on the city's budget process. Under the suggested contract, the oversight group will also share its analyses with the city's utility review board, and publicize its analyses of budget and policy decisions from the bureaus, "on an ongoing basis."

Bissonnette said what's particularly important is how the bureaus decide to spend their money on capital projects such as costly pipeline replacements.

While the group has much to learn about the bureaus, he said, they're definitely certain of the bureau's need to go to monthly utility bills. Right now, Portland customers receive quarterly bills.

"That is probably the single best way for ratepayers to be able to budget better for their water and sewer expenses," Bissonnette said. "And it will cut down for the bureaus the level of complaints they get."

Fish said he expects the contract to pass.

The Portland Tribune

Citizen Utility Board asked to review water and sewer bureaus

By Jim Redden

Commissioners Nick Fish and Steve Novick are proposing a partnership between the city and the Citizens' Utility Board of Oregon to analyze the operations and budgeting of the Portland Water Bureau and the Bureau of Environmental Services.

The CUB is a public benefit non-profit organization in 1984 by a citizens' ballot initiative to represent the interests of residential utility customers. Fish says having it review and make recommendations on the two bureaus will increase transparency and improve the decision-making process.

"CUB has a 30-year track record of successful advocacy for residential ratepayers across Oregon — older adults on fixed incomes, hardworking parents, young families just starting out. This groundbreaking partnership will be good for the City and good for Portland ratepayers," says Fish.

The proposal comes during a petition drive to place a measure on the May 2014 Primary Election ballot to transfer control of the two bureaus from the council to an independently elected board. It is largely a reaction to increasing utility bills, reports of pet projects funded by water and sewer funds, and the council's reluctant willingness to replace the open reservoirs in Mt. Tabor and Washington parks with underground storage tanks to meet new U.S. Environmental Protection Agency rules.

Fish says the proposal is not in reaction to the petition drive. He says the idea was first proposed when Novick was temporarily in charge of the water bureau in January 2013, well before the petition drive was announced.

Petition support Kent Craford dismisses the proposal as little more than another advisory committee the council can ignore, like the existing Public Utility Review Board and the budget advisory committees for the two bureaus.

"Well, step one is admitting you have a problem, so it's encouraging to see Commissioner Fish come that far. Beyond that, I don't know what he's trying to accomplish here. Another advisory panel? Give me a break," says Craford, a lobbyist and the initiative's chief co-petitioner.

Fish says he has been in discussions with CUB representatives since shortly after Mayor Charlie Hales assigned him the bureaus in mid-2012. Although the CUB was created to represent customers of private utilities like PGE and NW Natural, he believes it can serve the same purpose for public utilities like the water bureau and the environmental services bureau, which operate the city sewer system and stormwater management programs.

"We are gratified at the opportunity to take on this new role on behalf of Portland's water and sewer customers," says Bob Jenks, CUB's executive director. "We look forward to working with the staff of the Portland Water Bureau and the Bureau of Environmental Services to explore ways to serve customers better and keep rates under control over the long-term."

According to Fish, CUB has agreed to hire a staff person dedicated to the two city bureaus. CUB will seek members through inserts in joint water and environmental services bills.

"Ratepayers can fund their own advocacy if given a chance to do that. That way, Portlanders can be assured that we are completely independent and working for their best interests," says Jenks

Fish says that under the partnership, CUB will conduct extensive community outreach to key stakeholders, including neighborhood groups, commercial and large industrial customers, civic groups, and environmental organizations to identify issues that are important to ratepayers. CUB will then develop recommendations concerning the bureaus' budgets, capital planning, and longer-term policy questions.

The council will consider a recommendation with the proposal next Wednesday. Fish says he expect it to pass.

The City of Portland provides water, sewer and stormwater services to 180,000 customer accounts, almost 90 percent of which are residential.

In its three decades of service, CUB has been a leader in ratepayer advocacy, achieving an estimated savings of \$5.8 billion for residential ratepayers across Oregon.

"CUB is well respected by both utilities and advocacy organizations," says Fish.

Novick hails the agreement as an important step forward.

"CUB has spent years developing a reputation as a tough but fair and thoughtful critic of the rates and spending decisions of the private utilities. Portlanders and the City can only benefit from having CUB apply that kind of tough, fair and thoughtful analysis to the City utilities," Novick says.

Willamette Week

Fritz Forgives \$123,000 Loan to City Hall Campaign She tells supporters to donate to Jeff Merkley instead.

By Aaron Mesh

City Commissioner Amanda Fritz rang in the new year by dropping some campaign debt from the old.

Fritz has forgiven \$123,418 in loans she made to her own campaign last year. That's a holiday gift to the supporters she'd been asking to reimburse her self-funded election.

She had been accepting donations to recoup the money she spent on a hotly contested 2012 race for her City Council seat against former Rep. Mary Nolan.

Fritz says she's called off reimbursing her expenses from the 2012 race.

"We closed my campaign account and I am no longer accepting donations," Fritz tells WW. "I am asking anyone who contacts me asking to do so, to give to Senator Merkley instead."

Fritz raised \$20,765 since the election—including donations of \$250 each from City Council colleague Dan Saltzman and former mayoral candidate Eileen Brady.

She spent more than \$375,000 of her own money to return to City Hall. She has told WW it was most of her life savings.

"Most people could not and would not do what I did," Fritz says. "Which was to go to my husband of 30 years and say, 'Do you mind if I sink our entire life savings in this campaign, because it means a lot to me?'"

Fritz has said she'll make reviving public campaign financing a priority of her final term in office.

The Mercury

Father of Suicidal Man Shot by Cops in 2012 Sues for \$3 Million

By Jake Thomas

City Hall is ringing in the new year with a \$3 million lawsuit over a police shooting.

Randy Morgan has filed a wrongful death suit against the city of Portland over the death of his son, Brad Morgan, on January 25, 2012. Morgan, distraught and suicidal, was atop a downtown parking garage by officers who thought the 21-year-old was reaching for a gun. Morgan had been reaching for a fake handgun instead.

Filed on New Year's Eve, the lawsuit (pdf) alleges that officers mishandled the situation and failed to follow bureau policy, allowing themselves to become the police in a suicide-by-police scenario.

The night before he died, Morgan repeatedly called Korena Bartley, his longtime girlfriend and the mother of his 8-year-old son. The two had broken up, and Morgan was deeply upset over it. After failing to get through to Bartley, Morgan posted to Facebook in the early morning hours asking, "what's the best way to die? get shot or jump to my death." He then called 911.

Morgan told the dispatcher during their 22-minute conversation that he was on top of a parking structure in downtown Portland and was going to jump. He claimed to have robbed someone at knife point earlier that evening. He made comments suggesting he was seeking to commit "suicide by police." When asked by the dispatcher if he had a gun, he replied that he "possibly" did.

Sergeant John Holbrook and Officer David Scott found Morgan and spoke with him atop the parking garage. The standoff ended when Morgan made a sudden motion, pulling his right hand out from underneath his jacket, exposing the toy gun he had purchased the day before. The police responded with gunfire, killing Morgan with a bullet to his head.

According to the lawsuit, the officers' first mistake was not engaging Morgan from a position of cover. By exposing themselves to the potential danger that Morgan was armed with a handgun, according to the suit, the officers made themselves vulnerable to being drawn into a suicide-by-police scenario. The officers, the suit says, should have used the "step-back" technique when Morgan signaled his desire to be shot by police and should have engaged him via cell phone from a safe position.

Over the course of the next fifteen to twenty minutes Brad Morgan made statements and demonstrated physical behaviors to Officer Scott and Sgt. Holbrook which would have alerted a reasonably trained officer to the probability that, if they did not take cover, Brad Morgan may use their vulnerability to commit suicide by cop. Nevertheless, throughout said period of time, Officer Scott and Sgt. Holbrook failed to take and use appropriate cover for themselves.

The suit contends that officers didn't just make a mistake placing themselves in harm's way, but that they also violated bureau policy. The suit says officers should have called the police bureau's Hostage Negotiation Team.

In February 2012, a grand jury cleared the the two cops involved in the incident of any criminal wrongdoing, a typical outcome for police shooting cases.

Randy Morgan is asking for \$3 million, more than the record \$2.3 million settlement paid out in the non-fatal 2011 police shooting of William Kyle Monroe.

Another Set of Eyes on Portland's Controversial Water and Sewer Spending

By Dirk VanderHart

Commissioner Nick Fish agrees with his critics on this much: Portland's water and sewer bureaus could benefit from a fresh set of eyes.

Harried for the latter half of 2013 by a campaign alleging widespread mismanagement of the city's public utilities, Fish today announced a new arrangement he says is certain to win city council approval next week. Under the proposal, the Citizens' Utility Board of Oregon (CUB) will scrutinize the budgets—and pretty much whatever else that interests it—of the Portland Water Bureau and Bureau of Environmental Services for the next five years.

The 30-year-old CUB currently works as a ratepayer advocate with private energy companies in the state. The organization says it's saved ratepayers \$5.3 billion since 1984 through its work with gas, electric and telecommunications companies.

"Here you have an organization that's built up a tremendous amount of goodwill and trust statewide," Fish tells the *Mercury*. "We think it's natural to invite them in to monitor our public utilities."

The move—which Fish says won't cost the city a dime and has the support of city council—might appear to be a reaction to wide-ranging criticisms from a campaign to form a "Portland Public Water District," a seven-person body that would take over the water bureau and BES. The campaign—along with a years-old lawsuit filed by some of the people behind it—say the city has misappropriated ratepayer money for a wide range of projects, such as the infamous Portland Water House.

But according to Fish, the arrangement was in the works well before the water campaign was announced. He got the idea from Commissioner Steve Novick.

"He was the first commissioner to have a meeting and conversation with (CUB Executive Director) Bob Jenks in which they began to talk about the possibility about CUB overseeing the public utilities," Fish says. "Steve pitched that idea to me in the early spring."

Fish says setting up a meeting with CUB was his second directive to the bureaus after he took over in early June. City hall staffers say CUB has insisted on a high degree of independence, and will hire a new employee with expertise in public utilities specifically to carry out the analysis. According to Fish's press release:

CUB will conduct extensive community outreach to key stakeholders, including neighborhood groups, commercial and large industrial customers, civic groups, and environmental organizations to identify issues that are important to ratepayers. CUB will then develop recommendations concerning the bureaus' budgets, capital planning, and longer-term policy questions.

To fund that work, CUB is counting on your interest. Informational pamphlets on the board will be enclosed in water and sewer bills "that give people the opportunity to learn about the CUB," Fish says. "If they decide to fund the CUB, it will be funded exclusively by private donations."

Not surprisingly, Fish's critics look askance at the announcement.

"The first step is always admitting you have a problem," says Kent Craford, a central force behind the Public Water District push. "It's encouraging to see Commissioner Fish come that far. Beyond that, I really don't know what he's trying to accomplish here."

Craford lauded some of CUB's work over the years, but said the organization's had input on water and sewer rates via participation in the Portland Utility Review Board, which makes recommendations to city council on rate increases.

"This isn't a fresh set of eyes," he said. "This is like rearranging the deck chairs."

In order to make the May ballot, Craford's campaign is working to gather almost 30,000 signatures. He declined to say how many organizers had collected, saying only: "We're close. We're gonna turn in early and it's gonna make the ballot."