

The Oregonian

Phil Knight and Penny Knight \$1 billion cancer challenge: Portland will push lawmakers on OHSU request

By Andrew Theen

UPDATE: This post was updated with reaction from Wednesday's City Council meeting.

Portland Mayor Charlie Hales urged his colleagues to back his plan to push state lawmakers to authorize \$200 million in bonds for Oregon Health & Science University on Wednesday, calling it a "worthy investment" to an institution that's poised to make major breakthroughs in cancer research.

"I have friends who are alive because of Gleevec," Hales said, referring to the renowned drug treatment created by Dr. Brian Druker, head of OHSU's Knight Cancer Institute.

Oregon lawmakers are expected to discuss next month whether to approve \$200 million in bonds to support OHSU's Knight Cancer Institute and the city of Portland is throwing its hat in the ring to support the request.

Lobbyists briefed City Council Wednesday afternoon on the top federal and state priorities for Oregon's largest city. Supporting OHSU's request for \$200 million was a late addition to the priority list. Martha Pellegrino, director of the Office of Government Relations, briefed City Council on the plan. Pellegrino's office reports to Hales.

Last September, Nike co-founder Phil Knight said he'd donate \$500 million to OHSU if the university could raise \$500 million as well. The so-called \$1 billion challenge would catapult OHSU from excellence to "preeminence" in the field of cancer research, president Joe Robertson said at the time. Knight already donated \$100 million to OHSU's cancer research center.

Knight gave OHSU two years to raise the money, and that timeline starts in February.

OHSU officials already started to discuss what \$200 million could do for the cancer institute, which would be dramatically expanded as a result of the Knight challenge.

"The City of Portland supports this request for capital construction funding from the State, which will support scientific research, clinical trials and patient care space in two new buildings," city documents said. "The two-year construction phase is projected to result in \$892 million in total economic output. Once fully operational, the facilities will support \$134 million in annual economic output and help people live longer and healthier lives. It is estimated that the expansion will generate 3,418 jobs during each year of construction and nearly 400 new ongoing positions at OHSU Knight Cancer Institute, including many middle-income jobs."

Hales said he's persuaded the request is of obvious importance to the city because of many factors, such as the economic development created by new construction jobs and additional research positions expected at OHSU.

Phil and Penny Knight's pledge, Hales said, would amount to four-times the largest donation ever given to Harvard University, a staggering figure for the city of Portland.

Hales' council members, aside from Commissioner Dan Saltzman who was excused Wednesday due to an ongoing illness, all expressed support for the plan.

Commissioner Amanda Fritz, a former OHSU employee, said she supports the idea but wanted the City Council to at least be cognizant that by doing so, it's supporting the whims of one individual - Phil Knight.

Willamette Week

State Court Throws Out Jack Bogdanski's Art Tax Lawsuit, Again

By Aaron Mesh

The Oregon Tax Court has for a second time dismissed a lawsuit by Lewis & Clark Law School professor Jack Bogdanski against the Portland Arts Tax, upholding an earlier ruling that the court lacks jurisdiction.

Tax Court Judge Henry C. Breithaupt yesterday dismissed Bogdanski's appeal, confirming that the local tax is not a state matter.

Bogdanski has sued the city, charging that the \$35-a-person tax passed by voters in 2012 violates the state constitution. The last time the court dismissed his suit, Bogdanski—the erstwhile blogger currently writing a tax-law textbook—said he would take the case to the Oregon Supreme Court.

Despite the lawsuit, the city has begun distributing the money it's collected from the tax, giving \$3.5 million earlier this month to school districts and arts nonprofits.

WW reported last week that only 55 percent of Portland citizens have paid the tax in its first year.

UPDATE, 5:05 pm: Bogdanski tells WW he hasn't decided on his next step.

"In the end, the constitutionality of the Portland arts tax will be decided by the Oregon Supreme Court," Bogdanski says. "I remain confident that the tax will be held unconstitutional. I am taking every step that I can to have the tax declared illegal, which it clearly is."

Mayor Charlie Hales' spokesman Dana Haynes says his boss learned of the court's ruling during a City Council session.

"The mayor was quite pleased by that," Haynes says. "Not surprised, but pleased."

City Will Back OHSU's \$200 Million State Funding Request

By Aaron Mesh

Oregon Health & Sciences University is getting a new ally in its request that dollars to fund the expansion of the university's cancer institute: the City of Portland.

Mayor Charlie Hales has asked Portland City Council to add OHSU's request for \$200 million to the

city's legislative agenda.

"We're going to have an amendment to the state agenda supporting OHSU's capital request," says Martha Pellegrino, director of the city's Office of Government Relations.

The new addition to the city's legislative agenda will be presented to City Council this afternoon.

OHSU is asking legislators to help match Nike founder Phil Knight's \$500 million pledge to the university.

School officials want legislators to kick in \$200 million for capital projects to be repaid from the state's general fund. OHSU plans to build two buildings with that money.

Here's the lobbying language the City Council is expected to approve today:

The City of Portland is proud to be home to one of the preeminent cancer research centers in the world, the Oregon Health & Science University (OHSU) Knight Cancer Institute. Cancer accounts for nearly one out of every four deaths in the United States, killing almost 1,600 people a day. OHSU is currently undergoing a massive effort to raise \$1.2 billion from private and public sources, including \$200 million from the State, to construct a new cancer research center and bring some of the brightest minds in medicine to Portland. The City of Portland supports this request for capital construction funding from the State, which will support scientific research, clinical trials and patient care space in two new buildings. The two-year construction phase is projected to result in \$892 million in total economic output. Once fully operational, the facilities will support \$134 million in annual economic output and help people live longer and healthier lives. It is estimated that the expansion will generate 3,418 jobs during each year of construction and nearly 400 new ongoing positions at OHSU Knight Cancer Institute, including many middle-income jobs.