

The Oregonian

Fired Portland administrator, Jack Graham, will receive hearing to clear name

By Brad Schmidt

Jack D. Graham, the top administrator Portland Mayor Charlie Hales fired in November, wants to clear his name.

The city of Portland has granted Graham an opportunity March 21 to present his case to Hales during a rare "name-clearing hearing" – a move expected to have little impact on Hales' decision but one that could help protect the city if Graham later decides to sue.

The process is open to employees who believe employers have made stigmatizing statements about their termination that will interfere with future employment opportunities.

Graham's attorney, Dana Sullivan, said in a statement that the hearing would allow Graham to speak openly about what happened before his firing.

Graham "felt constrained from sharing his perspective of these events while still employed" by the city and wants an opportunity to explain his actions, Sullivan said.

The March 21 hearing is the latest twist involving Graham, who amassed a string of controversies while serving as Portland's embattled chief administrative officer from July 2011 until November 2013.

Hales fired Graham in November, saying that "controversies" involving Graham's Office of Management & Finance "became a distraction."

Graham's firing came five months after revelations that the city investigated him in 2012 for allegedly attempting to mispend about \$200,000 in water and sewer money to protect his office from budget cuts.

Neither Hales nor former Mayor Sam Adams took disciplinary action against Graham over the matter, which was first reported to city leadership by whistleblowers.

Instead, Hales announced that he was firing Graham on Nov. 20, two weeks after a fiery hit the news.

Hales' decision also came a week after news of an improper financial transaction from 2011, which was authorized by Adams before Graham began leading the Office of Management & Finance.

Graham's last day with the city was Jan. 30.

Sullivan, Graham's attorney, specializes in civil rights and employment litigation. After requesting and confirming the name-clearing hearing in February, Sullivan announced the date about an hour before Hales' State of the City speech on Friday. She did not respond to requests for comment.

In a statement, Sullivan said that city representatives in June and July "made statements that supported a public misperception" that Graham attempted to divert water and sewer funds while knowing that the transfer was improper.

"Mr. Graham disputes that he was advised that the proposed transfer ... would be improper or that he made statements that reflected knowledge of impropriety or a plan to avoid accountability, as reported to an outside investigator," Sullivan wrote.

According to the city's 2012 investigation, an outside attorney found that "there is credible evidence that Mr. Graham was explicitly warned that the transfer" of water and sewer money "was improper but he consciously chose to ignore the warnings."

Dana Haynes, a spokesman for Hales, said in an email that Hales will attend the March 21 presentation, at 3 p.m. in Portland City Hall.

Hales and Portland Attorney Tracy Reeve will attend but aren't expected to present any information or ask questions. The hearing is considered procedural and isn't intended to result in a decision about Graham's firing.

"This is purely a process meeting. It's not a hearing, in the sense of a decision being made," Haynes said. "It's an opportunity for Mr. Graham to present information. He requested it and the city decided to hold the hearing."

In addition to Graham's request for Friday's hearing, his attorney is also seeking a variety of public records. Certain city employees have been instructed to retain related documents.

The issue of name-clearing hearings is rare but not unprecedented in Oregon.

Two former State Accident Insurance Fund employees sued then-Gov. Ted Kulongoski for not receiving hearings in 2005 and 2006.

A former Portland police officer fired in 2002 also sued when he didn't receive a hearing before his dismissal, saying the city violated his due process rights under the 14th Amendment.

Neither the state nor city lost their cases.

Graham, who had an employment contract with the city that ran until July 7, received a years' salary, or \$192,192. He was fired "without cause."

The Portland Tribune

Hales: Shift funds to help Old Town properties

By Steve Law

Mayor Charlie Hales wants to shift tens of millions of dollars in urban renewal money from the spiffy Pearl District into the somewhat ragged Old Town/Chinatown neighborhood to the south.

Though details of the mayor's pivot to Old Town/Chinatown are still in flux, Hales and the city urban renewal agency that he oversees — Portland Development Commission — are exploring ways to subsidize earthquake retrofits for Old Town/Chinatown commercial buildings, as well as tax breaks, fee waivers and loans to promote development of middle-income housing.

To lay the groundwork for the new emphasis on Old Town/Chinatown, the proposed new PDC budget shifts \$32 million out of the long-planned project to buy the U.S. Post Office facility in Northwest Portland during the next five years. Using that and other funding, the budget pumps \$56 million more into PDC loan programs in the area. That's a flexible fund that could be used to subsidize earthquake retrofits and new housing developments in Old Town/Chinatown.

Hales sticks with basics at City Club

By Jim Redden

Mayor Charlie Hales plans to invite the mayors of other West Coast cities to town in May or June to talk about common problems they all face, including growing income inequality and the lack of affordable housing.

Hales announced the effort during his second annual State of the City speech before the Portland City Club at noon Friday. It was one of the few new initiatives Hales unveiled during the speech, which mostly struck to the back to basics theme he promised during his successful 2012 campaign.

Among other things, Hales recapped his efforts with Commissioner Steve Novick to raise more money for street maintenance, his lobbying of the 2013 Oregon Legislature with dozens other mayors for more money for schools, and his work to implement the with the settlement with the U.S. Department of Justice over allegations of police mistreatment of the mentally ill.

Hales also said he was committed to persuading Trader Joe's to return to the redevelop project at Northeast MLK Boulevard and Alberta Street. After the speech, Hales told the Portland Tribune he hopes to travel to Los Angeles next week to meet with executives of the grocery chain. They pulled out of the project after members of the African-American community complained it could increase gentrification because it lacked affordable housing.

And Hales thanks Airbnb, the San Francisco-based company that helps rent vacation spaces in private homes, for deciding to opening its North American office in Portland, creating around 160 new jobs.

Hale opened his speech by quoting a Portland Tribune editorial that praised him for not being afraid to tackle the boring stuff. He occasionally stretched the concept of basic to include relatively new issues, like equity, but primarily struck to proving city officials were committed to regaining public trust by proving they understood the need for delivering fundamental public services.

Before Hales spoke, the vast majority of City Club members voted in favor a study report that recommended a "non" vote on the proposed Portland Public Water District on the May 20 Primary Election ballot. The report also called for the creation of an appointed Portland Water and Sewer Authority that would oversee the Water Bureau and Bureau of Environmental Services. Hales said he agreed the measure should be defeated and promised the council was committed to greater oversight of the bureaus, but did not endorse the proposed authority.

City Club members repeatedly responded to Hales' comments with applause, including when he said the newest 11 members of the Portland Police Bureau were half people of color and women. They also cheered his pledge to work with the Multnomah County Commission to guarantee funding for joint programs, including the SUN Schools.

After the speech, Hales said the idea of inviting the other mayors to Portland grew out of conversations with them at a League of Mayors conference. Hales said they include Seattle Mayor Ed Murray, Los Angeles Mayor Eric Garcetti, San Francisco Mayor Edwin Lee and Vancouver BC Mayor Gregor Robertson.

The Mercury

Mayor Charlie Hales' State of the City Speech! The Live Blog!

By Denis C. Theriault

Mayor Charlie Hales was still pretty much brand-new to the job when he gave his first State of the City speech last April. He brought his famed tool belt, because he was still telling us how much of a builder he was going to be.

But he hadn't set about building things yet. He hadn't fully navigated the politics of a horrible budget. He yet hadn't waded into sidewalk enforcement and the related conversation of homelessness—a bedeviling subject for his predecessors and something that consumed his office's time and energy last summer and fall. And he hadn't been accused, yet, of being too quiet on one of his signature policy goals: police reform.

A year later, though, and some would say they're still waiting to see something more than blueprints. They may have to keep waiting. Hales is expected to echo last year's "back to basics" theme—still laying out plans for helping pay for parks and streets and sidewalks, working harder on police reforms, and talking about a campaign to take water and sewer oversight away from city hall.

Hales, thanks to an improving economy, may have some better news to share about the city's budget. But not much better. Our surplus, once \$9 million, may dwindle to nothing. Which is still better than cuts. Hales will also have a chance to better and more strongly define his approach to homelessness—a message muddied last year through the use of harsh words (harsh enough to inflame his colleagues on the council) like "lawlessness" and "epidemic."

The grandees have packed the ballroom at the Governor Hotel, as expected. Before Hales goes off, they're all busy stuffing their faces. We'll be updating once he does! And follow @portlandmercury on Twitter!

1:14: A Teamster raises the Columbia Rivers Crossing and Interstate 5 expansion project. It's the last question. Hales points "deficits" in our own streets, like Powell—which is in lousy shape but needs state money. Hales clearly sees an opportunity for freeing up CRC cash for those other more tangible and necessary projects.

Thanks for reading!

1:12: Someone asks about a tourist tax. Hales says he and Novick are deep in a "focused" effort to raise cash for transportation. "We're not chumps and we want to see a specific proposal from the government." He wants something specific. Some "specifics" may need to go before voters, some may not need to. "Be specific and do what you said you were going to do."

Right after, Joe Esmonde from the electrical workers union, called the water district "stupid." And demanded a plan for Hayden Island. Hales said "it's off the table" because the Port didn't like the Planning Commission's ideas for mitigating a new marine terminal. Instead of "recycling the fight" over the port, let's go get underutilized industrial area in shape, Hales says.

1:08: Does the mayor have plan for gang violence in East Portland? Hales mentions years-old meetings of the city's gang violence task force, happening every two weeks. "There's an amazing partnership of people working to prevent gang violence." Part 1 crimes are down, Hales says. "We are holding the line at street-level." His Black Male Achievement Project could help, he says. "Not an original idea," but it could be effective.

1:05: "You gotta know when to fold 'em," Hales says when asked about a PDC writeoff for the Nines hotel. Some things don't pan out. But some do, Hales says. Like the Pearl District! That one totally did!

1:03: Hales says he'll convene West Coast mayors to talk about homelessness. It's a shared subject. Sam Chase, Metro councilor, asks about priorities for the region. Hales says "transportation funding." The state needs to deed over state highways to the city and pay for fixes. We need a higher federal gas tax. "We are way behind in infrastructure, and the more we wait the more it costs. And it costs in lives."

1:00: People in South Africa, he says, watch Portlandia. South Africa was hosting him at a climate change conference, and that's another opportunity for him to thank Sam Adams for something—rare public appreciation for his predecessor. And then in two years we'll have an international track meet that "aligns with our DNA." Gail Shibley, Hales' chief of staff, gets a thanks.

This world recognition, Hales says, can't come at the expense of us being grounded and livable. This is also the first mention of Superfund cleanup of the Willamette—but not by name. And he's ending the thing with another mention of Pericles. Lofty. And apparently worthy of a lengthy standing ovation. Questions from the crowd are next.

12:56: But this growth is missing people of color, Hales says. He also nods to SEIU, whom he's been close to. Meanwhile, city unions are threatening a strike vote amid impasses over city contracts. This is a way to get into an announcement of his Black Male Achievement Project. "It will take all of you in this room in your personal and formal capacities to make this work." More details, however, are yet to come.

Hales then moved on to talk about the Knight challenge Oregon Health and Sciences University is pursuing for cancer research. "I think it'll put Oregon on the map..."

And then it's Google Fiber. "We are the place, and this is the time."

12:52: From public safety to the economy: "Tourism is at a record high." Our office space vacancy is low and the market is going boffo. AirBnB is moving to Portland—some 160 staffers who will be new and local hires. (Strikes me these are arguments against discussions of public disorder and danger downtown.) A company in Lents that makes granola bars is being recognized. It's very Portland. And let's not forget Daimler's expansion on Swan Island. "These people are growing here because of the quality of our place."

12:50: On police use of force, he gets daily reports about what officer are doing, and he praised them for "great restraint." He tells a story of a man cutting himself and threatening to jump. An officer got him a sandwich and fries, and "something changed, a connection was established." The man got treatment. He's also talking about a "sketchy creeper" who was a "really dangerous felon"—the man killed in this week's police shooting. He said Kelly Vern Swoboda fired at Officer John Romero "again and again and again," something we haven't heard in in official reports to date. He gets a large round of applause for Romero, thanking him.

12:47: "The police bureau isn't waiting around, and neither am I," to implement federal reforms. He's giving them credit for marginal improvements in recruiting and diversity. "Sixty percent are people of color or women." He's also talking up community policing between the cops and folks in apartment complexes in New Columbia and in Cully and other NE neighborhoods.

12:45: "Shouldn't we make it the best MLK Boulevard in the country?" Hales says the Trader Joe's will help that. "We should try." Tepid applause for that idea. It's still controversial. His meeting with community leaders on Monday of this week, he said, also produced a deal for affordable housing, \$20 million more over five years, and community partnerships. "Let's make this a win-win deal for everybody."

12:43: Hales promises that a plan to drop an urban renewal district around Portland State, and put \$1 billion worth of property back on the regular tax rolls, won't affect the city's promise to help PSU. His wife works there, after all: "All the locks in my house will have been changed."

12:42: On water and sewer rates, he says, "the press has had a field day" picking on small-bore, ill-conceived projects (the Rose Festival HQ and Water House among them) that aren't tied to rate increases. Those are because the big pipe and other mandates.

He's also slagging this year's proposed water district measure, calling it a "costly and sinister scheme. Really we need yet another layer of government in Multnomah County". He says they'll send you bills, lien your houses, cut your trees down, dig trenches, etc. "Sound extreme? That's because it actually is. That description is not hyperbole."

12:38: Now comes talk about \$1.7 million in new surplus money to spend on homeless families and people of color. That money went on the table after criticisms about an emphasis on "lawlessness" and messaging. Hales says it's evidence of the city's compassion.

12:36: Hales reminds us all, in a room mostly filled with white people, that Oregon was founded as a state that explicitly banned African Americans. "We need to own this history and our own harsh realities while

we write a new history," Hales says—saying equity conversations aren't just about neighborhoods anymore, though they matter, but also new ethnic diasporas trying to fit in.

This feels like an oblique reference to the Portland Development Commission's issues with the Trader Joe's sought for NE MLK and Alberta. Hales is praising a PDC meetup meant to link African American students to tech jobs and training.

12:33: Yes, Hales campaigned on schools, even though the mayor's power over our local districts is soft, at best. He's taking partial credit for gathering Oregon mayors and lobbying the legislature for \$1 billion in new education funding. He's also now thanking Sam Adams for the arts tax, calling it a "good idea." I think he might not say the same privately. Some \$3.5 million has gone out, Hales says—but I should note that arts groups aren't getting as much as they'd hoped.

12:31: "We will put a funding measure before the city council and if necessary before the voters before the end of the year," Hales says, acknowledging that he may not risk voters' rejection, before veering from transportation to East Portland parks.

12:29: He's lamenting that repeat audits chastising our bad street-paving hadn't been heeded... and that they could have been used for filling potholes. The city was down to paving 30 miles a year in a 5,000 mile system. His pledge last year was to repave 100 miles... as of Wednesday, he says, we're at 83 miles... and then seek new transportation revenue. The reality is, whether he mentions it or not, is that there isn't enough money to pay for basics live maintenance but also for transportation innovations and safety improvements.

12:27: Remember the basics? Charlie's says he's "guilty" of being interested in "the boring stuff." Balancing the books, paving the streets, teaching kids, and living progressively. He's diving right in with a mention of his push to clamp down on spending after taking office last year. Layoffs were small, 25, but 150 positions were gone. And he's right that he didn't make general fund cuts to the safety net. This bit is a chance to thank city commissioners and make them stand. He's also mentioning the surplus—and his prudent decision to pay down debt with some of it. On talks with the county last year, he compared the process, under former Chair Jeff Cogen, to two people passive-aggressively ducking a check at a restaurant. This year's gone much better—interim Chair Marissa Madrigal announced last month that a deal is in place to parse a list of programs traditionally shared by both jurisdictions. "That's they way it ought to be," Hales says.

12:20: Charlie's on... and he's quoting Pericles of Athens.

12:19: An outline of the thing, given out to reporters, says the speech will start with the budget, and then head over to transportation, parks, schools (the arts tax!), equity, housing, trust, urban renewal and NE MLK, and a bunch of stuff involving the police bureau, before closing with jobs, Google Fiber, and something called the "Black Male Achievement Project."

The Daily Journal of Commerce

Hales touches on transportation, urban planning in address

By Jeff McDonald

Transportation, development and urban planning drew attention from Mayor Charlie Hales on Friday during his State of the City address at City Club of Portland.

Citing a 2013 audit that found 44 percent of Portland's streets in poor or very poor condition, the mayor promised to create a funding mechanism by the end of the year to pay for more road paving and maintenance work.

Although the Columbia River Crossing project won't move forward, Hales said the city can now focus on corridors such as Powell Boulevard to improve freight movement and pedestrian safety.

Meanwhile, Hales called the Oregon Health & Science University's potential creation of a \$1.2 billion cancer research center, sparked by a \$500 million donation pledged by Phil Knight and a \$200 million contribution from the state, the "single most important economic development move for the region and state."

Hales also touted a new plan to raise \$20 million over five years to promote affordable housing in Northeast Portland. He met with a group of 50 African-American community leaders Monday and plans to travel to Los Angeles to meet Trader Joe's officials to discuss ways to resuscitate a planned \$8 million development.

"I think we should build this project," he said.

Also, Hales announced that San Francisco startup Airbnb, which runs a vacation rental website for unique accommodations, will relocate its North American headquarters to the Blagen Block, at Southwest Second Avenue and Ash Street in Old Town.

Hales discussed how the city could shrink the number and sizes of its urban renewal districts, including the one covering Portland State University. Doing so could put upwards of \$1 billion back on the tax rolls and allow the city to "focus on real growth," he said.

"Eventually, we are going to end those districts," he said. "Some boundaries on the map are going to change."

The Portland Business Journal

Hales' State of the City: Airbnb, urban renewal, Trader Joe's

By Matthew Kish

Mayor Charlie Hales campaigned on a back-to-the-basics style of politics long on filling potholes and patching up the city's budget and short on big projects. He stuck to that knitting Friday in his second State of the City address at Portland's City Club.

The highlight of the mayor's speech: San Francisco-based Airbnb will establish a North American operational headquarters in Old Town. The office will employ 160 by this summer and be one of the company's biggest outposts.

(The mayor incorrectly said it would be the North American headquarters in his prepared remarks and a staffer incorrectly tweeted during the event that the company was moving its entire headquarters here.)

Hales also talked about his proposal to overhaul the city's urban renewal programs, which he once again described as "ATMs." The mayor wants to simplify the city's giant network of urban renewal areas and steer more money to schools and other public services while focusing the remaining areas on blighted parts of town.

That plan is at odds with a relatively new \$169 million urban renewal area around Portland State University. Hales has proposed a plan that would eliminate much of the PSU urban renewal area, a proposal that would jeopardize Portland State's ambitious growth plan. PSU President Wim Wiewel sat at the mayor's table during Friday's speech, a sign that communication between the university and the mayor remains open.

The mayor said he will continue to "support Portland State and its mission."

Hales again threw his weight behind a plan to spend \$20 million on affordable housing in order to restart an abandoned plan to build a Trader Joe's grocery store in Northeast Portland.

He also singled out Nike co-founder Phil Knight for his \$1 billion cancer challenge. Hales said Knight's \$500 million matching gift would be "four times the size of the largest gift ever given to Harvard."

He called the effort to match Knight's gift the "single most important" economic development issue in the city because of its possible ripple effect on the economy.

In a return to his core campaign message, the mayor started his address by talking about "balancing the books, paving the streets and teaching the children." In the past six months the city closed a \$21 million budget shortfall and turned it into an \$11 million surplus. The money is being used to pay down debt and pave streets.

Hales wants the city to repair or repave 100 miles of city streets this fiscal year. It's already paved 83 miles.

The mayor also said a "funding measure" to pay for additional transportation projects will be brought to City Council, and possibly voters, "later this year."