

## The Oregonian

### Portland Public Water District: Ballot Measure 26-156 trounced by nearly 3-to-1 margin (election results)

*By Brad Schmidt*

Neither rising bills nor improper government spending persuaded Portland voters to end the City Council's control over water and sewer operations.

By a nearly 3-to-1 ratio, Portland voters Tuesday rejected a major overhaul of city government that would have created the Portland Public Water District and handed oversight and ratemaking to a new board of seven elected representatives, according to incomplete returns.

While the defeat of Ballot Measure 26-156 is a literal victory for Portland City Hall –maintaining some \$70 million in utility money for shared administrative costs and licensing – its political value for Portland's elected officials may be far less significant.

Influential organizations such as the Portland Business Alliance and the City Club of Portland have already called for new checks and balances over taxpayer-owned utilities, saying that years of questionable spending has eroded public trust.

Relief mixed with celebratory buzz for opponents of the proposed water district after reviewing unofficial election results just after 8 p.m. at the On Deck Sports Bar in the Pearl District.

Portland Mayor Charlie Hales received cheers from the crowd that opposed the ballot measure, which would have removed the Water Bureau and Bureau of Environmental Services from City Council's control.

"I think there are legitimate concerns and I want to honor those about how we steward people's money and how we provide their services," Hales said after concluding his speech. "This vote is not a message to city government to sleepwalk. But it is a message that people have faith in their community institutions."

On the other side of town, at a small gathering at Club 21 in the Kerns neighborhood, leaders of Portlanders for Water Reform attempted to spin their loss into a moral victory.

"I'm disappointed," said Kent Craford, a former lobbyist for large industrial water users who forced the new oversight model onto the ballot. "But at the same time, I think that we brought attention to issues that needed more attention and had been glossed over for too many years."

Efforts to end the City Council's grasp over utility rates began three years ago with a well-coordinated one-two punch led by Craford.

A group formed by Craford filed a lawsuit in 2011 alleging improper utility spending. In 2013, he launched an initiative to create a new utility district and collected signatures from more than 30,000 voters to qualify for the May ballot.

His group, Portlanders for Water Reform, capitalized on growing unrest about surging utility rates, specifically targeting high-profile projects that turned into public relations disasters for the city.

There were no shortage of examples, from former city Commissioner Randy Leonard's \$1.6 million renovation of a city building for the Portland Rose Festival Foundation, to his high-end water demonstration house that sold for a loss of more than \$500,000, to this year's sewer office building that tripled in cost to \$12.6 million.

At the same time, Craford scored a big win in March when a Multnomah County judge determined that the City Council exceeded its authority by improperly spending nearly \$1.2 million in utility money for outdoor public restrooms and campaigns of political hopefuls.

But despite those very real problems, many Portlanders weren't convinced that forming the Portland Public Water District would be the right solution. Dozens of prominent Portland-area groups came out against the measure.

Nearly three-quarters of the \$300,000 behind the initiative came from three companies with some of the city's biggest utility bills: wafer-maker Siltronic Corp., Portland Bottling Company and American Property Management, owned by real estate mogul Joe Weston.

But proponents spent about half their money paying signature gatherers just to qualify for the ballot, clipping their ability to influence voters with advertising.

The opposition campaign, Stop the Bull Run Takeover, breezed to an easy fundraising advantage, collecting about \$325,000 from developers, utility companies, unions and environmental groups.

Opponents labeled the ballot measure a corporate takeover, warning that those same companies could fund political campaigns for candidates seeking election to the utility's board.

The measure also had flaws in its construction, including questions about district representation for residents in east Portland.

Environmentalists rallied against it, fearing that some of the city's innovative stormwater programs would be killed off.

"This is a validation of all the green infrastructure efforts that we've put forth over the last 30 years," said Mike Houck, executive director of the Urban Greenspaces Institute, while sipping champagne from afar, in New York City to advise parks officials there about green projects in Portland. "And (voters) saw through the folks that were behind this measure."

And at its core, the measure pledged but never promised to do the very thing that prompted it: lowering water and sewer bills.

On Thursday, the City Council will authorize the latest billing increase, raising the average charge to \$94.79 a month, 64 percent higher than a bill a decade ago.

In the weeks or months ahead, the City Council has agreed to look at options to strengthen utility oversight, including proposals for a new board appointed by the City Council that would all but set rates.

"However this came out, there was still a signal sent to City Hall tonight," said Commissioner Nick Fish, who oversees Portland's water and sewer operations.

"The public expects us to continue to work hard on reform," he added. "That includes stabilizing rates, strengthening accountability and using our ratepayers' money wisely."

## **Failed water district proposal will help Portland: Editorial**

*By The Oregonian Editorial Board*

Nothing in this primary season was as hard-fought as a measure to create an independent water district for Portland, and no outcome could be better for Portlanders right now than its defeat. Voters were able to rise above their widespread and understandable frustration with high sewer and water rates to see that the creation of such a district could do more harm than good – and in the doing offer no promise of rate relief. Worse, the institution of Measure 26-156 could have resulted in potentially unfair ratepayer outcomes to be set by elected district representatives with little to no utility experience.

But the fight was worth it. Measure proponents Kent Craford and Floy Jones performed a public service in doggedly picking apart both the Water Bureau and Bureau of Environmental Services for historical cost-overruns, frivolous spending that included a Rose Festival headquarters project and the notorious Water House, less-than-transparent budgeting and rate-setting processes – and, most recently, posh construction work on an office building situated at Columbia Boulevard Wastewater Treatment in North

Portland. Craford even called, perhaps too brazenly, for the firing of Dean Marriott, BES' respected and longtime chief, for failures of oversight and fostering a culture of unbridled spending.

Answering to every charge along the way was Nick Fish, the city commissioner who handily won in Tuesday's primary but who spent more time in recent months fighting the drive to create a water district. In fairness, Fish inherited Water Bureau/BES baggage from predecessor commissioners, among them Randy Leonard. Mayor Charlie Hales put Fish in charge of the bureaus only this year in the hopes Fish would show the kind of successes he'd delivered as commissioner of public housing and city parks in a time of down-spending. But Fish owns the job now, and there's no blaming the past.

Fish's first task will be to fulfill a promise he announced in a meeting of The Oregonian's editorial board: to create an independent panel of high-profile, unimpeachable individuals to review operations of the water and sewer bureaus, and to ask that the panel report its findings and recommendations to the City Council in the fall. This action is essential now. Portland ratepayers deserve to know that their quarterly utility bills, rated among the 10 highest in the United States, support only the delivery of clean water and the collection and treatment of wastewater. It may sound simple, but it isn't, particularly as the federal government orders the construction of storm water collection pipes to keep the Willamette River clear of sewage and enclosed reservoirs for drinking water – big-ticket items paid for by ratepayers and driving rates up.

Fish was joined recently by Hales, meanwhile, in asking City Auditor LaVonne Griffin-Valade to examine BES' spending and budgeting – a smart call for an effort that can run concurrently with the panel's broad review. Significantly, Fish's colleague Dan Saltzman oversaw BES during much of the contested construction at Columbia Boulevard Wastewater Treatment Plant, and Saltzman told Willamette Week he takes ownership of the situation, characterizing the project as "way beyond its ways and means." Let that be a theme for each council member going forward: staying within ways and means and claiming ownership of situations.

Saltzman, a veteran councilor in his fourth term, defeated his challengers in Tuesday's primary and, like Fish, appears set for another term. But he, like Fish, must conspicuously earn his office all over again and right away. Overseeing the city's housing bureau, Saltzman can bring forward enormous effectiveness, as he did with the Portland Children's Levy and in spearheading cost-saving reforms to the Fire and Police Disability and Retirement Fund. But Portland must decide what to do with its burgeoning homeless population, and Saltzman should be at the center leading the discussion – presently, he is not – so that Portlanders know the difficult economic and ethical choices that lie ahead.

For now, it's a relief to know the complex task of bringing water from the Bull Run watershed to 980,000 customers in greater Portland will be managed – and audited – by the city. Like the tasks before the city on housing and job-creation, it's nothing less an opportunity to get it right: transparently and accountably.

## **Portland City Council: Mary Hull Caballero sole candidate for city auditor (election results)**

*By Anna Griffin*

Mary Hull Caballero has known since the March filing deadline that she would be Portland's next elected city auditor, but voters appeared to make it official Tuesday.

Incomplete returns showed Hull Caballero, the only candidate in the race, set to take over the city's top accountability office.

Hull Caballero will replace LaVonne Griffin-Valade, who opted not to seek a third term. The next auditor has worked at Metro, the regional government, as a principal management auditor since 2009. Before that, she was an auditor for the Oregon Department of Transportation.

Hull Caballero's Metro colleague Brian Evans was also elected Tuesday. He will be the next Metro auditor.

## **Portland City Council: Dan Saltzman elected to fifth consecutive four-year term (election results)**

*By Andrew Theen*

Voters appear poised to elect Dan Saltzman, already the dean of the Portland City Council, to a fifth consecutive four-year term.

In partial returns, Saltzman was headed to an easy election night victory on Tuesday, beating out a field of three candidates with a commanding 64 percent of the vote at 8:01 p.m.

"I've feeling very humbled, very thankful," Saltzman said Tuesday from his election night party at Produce Row on the Central Eastside.

Saltzman said voters connected with his commitment to children and families, through his Portland Children's levy, and because he's a "strong independent voice" on City Council.

Thirty-year-old Nicholas Caleb, an adjunct professor at Concordia University, was trailing Saltzman with 17 percent of the vote.

If the trend continues, Saltzman will become the longest tenured member of city council since William Bowes served 30 years on the elected body before retiring in 1969.

The 60-year-old Saltzman was first elected to City council in 1998. He served on the Multnomah County Board of Commissioners for five years prior to moving to City Hall.

Best known in public life for his work to support battered women and children, Saltzman is an engineer and son of a prominent Portland family.

He helped pass the Portland Children's Levy, oversaw the historic \$1.4 billion Big Pipe sewer construction project and spearheaded the Gateway Center for Domestic Violence.

Most recently, Saltzman said he felt reinvigorated by two new bureau assignments -- the Fire Bureau and the Housing Bureau -- given to the veteran commissioner by Mayor Charlie Hales last summer. All told, Saltzman has guided 10 city bureaus in 13 years.

Saltzman, who twice convinced Portland voters to approve public pension reforms, currently oversees the Fire Bureau, where he said he expects to further push the envelope of reform in the coming years.

The Housing Bureau, another new assignment, will be another focus area for Saltzman. He said one of his plans is to "to dramatically tilt the balance" -- meaning help increase -- the number of affordable housing units in the city while also trying to reduce the homeless population citywide.

In an interview prior the election, Saltzman said he will push for a permanent funding model for the Portland Children's Levy. The levy is currently funded for five years, approved by voters last May, and will again go up for a vote unless a permanent funding source can be found. Saltzman intimated that the Multnomah County Library district serves as a possible model for the levy's future.

Caleb made the most headlines of Saltzman's three opponents by advocating for a \$15 minimum living wage. Saltzman and other prominent Portland area politicians followed suit, and Saltzman called for the state legislature to change the law that gives Salem oversight of the minimum wages across the state.

Saltzman gave credit to Caleb and his other opponents for running a fair and clean campaign.

He also added that he will continue to "advocate for equal pay and equal wages."

Saltzman, who sits on the board of directors of the League of Oregon Cities, said he would also push for legislative reform to increase the minimum wage for Portlanders.

## **Portland City Council: Nick Fish cruises to another four-year term (election results)**

*By Andrew Theen*

Portlanders voted overwhelming to send Nick Fish to his second consecutive four-year term on Portland City Council.

In partial returns, Fish appeared headed to any easy re-election victory over political newcomers Sharon Maxwell and Michael Durrow on Tuesday night.

Early projections show Fish with 73 percent of the vote at 8:01 p.m. To avoid a runoff, he needs to win more than 50 percent.

In effect, Fish seemed likely to win two races Tuesday: the first kept the 55-year-old former labor attorney on the City Council; Voters also appeared to be rejecting a plan to remove City Council authority over the water and sewer bureaus.

Fish admitted he was "a little surprised" with the first results on the water district ballot measure because the lack of polling data left City Hall flying blind until election night "I'm enormously grateful for this vote of confidence, and I'm humbled by the margin of victory in both races," Fish said.

Fish was assigned control of both the Water Bureau and the Bureau of Environmental Services last summer, and spent much of the past nine months fending off attacks by the backers of the Portland Public Water District measure. He's pledged to increase transparency at the two utilities.

Despite the overwhelming margin of victory in the water district race, Fish said Portlanders "sent a signal" to City Hall about how public utilities are managed. "The public expects us to continue the hard work of reform, that includes stabilizing rates, strengthening accountability and using our ratepayers' money wisely."

Fish said he's "relieved and gratified" the measure failed because it wasn't the right proposal to reform the bureaus.

"It's evidence of people taking the time to really study it," he said of Tuesday's results.

Since being assigned the two utilities by Mayor Charlie Hales last June, Fish sold the controversial water demonstration house in far Northeast Portland pushed by former Commissioner Randy Leonard. In conjunction with council colleague Steve Novick, he also brought in the nonprofit watchdog the Citizens' Utility Board of Oregon to look at how the city is conducting business at the two bureaus.

Fish has served on City Council since 2008, when he was elected to replace Erik Sten, who resigned from the council mid-term.

He's made his name as a city commissioner overseeing the Bureau of Parks & Recreation and the Housing Bureau. While overseeing the city's housing bureau, he touted work to shepherd through construction of the Bud Clark Commons in Old Town Chinatown as a top accomplishment.

## **The Portland Tribune**

### **Fish and Saltzman easily win re-election**

*By Jim Redden*

Commissioners Nick Fish and Dan Saltzman both cruised to another four years on election night.

Fish lead two other candidates with a around 73 percent of the vote throughout the evening. His closest challenger, Sharon Maxwell, had around 19 percent.

Saltzman led three challengers with around 64 percent of the vote. Nicholas Caleb, his closest challenger, had about 17 percent of the vote.

There is no run-off election in any city race where one candidate receives over 50 percent of the vote.

And Mary Hull Caballero, who was unopposed, was elected City Auditor.

## Water District measure loses badly

*By Jim Redden*

"Damn, that's a big margin!" Mayor Charlie Hales exclaimed when the first election results showed the proposed Portland Public Water District failing by a margin of 28 percent yes to 72 percent no.

The early results galvanized the crowd gathered at the On Deck Sports Bar in the Pearl District to watch the election returns. The 44-point spread held when the second batch of results were released an hour later, sealing the defeat of the measure to create an independently elected water and sewer district.

### Measure 26-156

Results as of 3 a.m. Wednesday, May 21

Should voters create a new water district?	Votes
No	54,188
Yes	21,625

Hales organized and raised much of the money for the campaign against Measure 26-156. He accepted congratulations from the other opponents, but credited a coalition of public employee unions, environmental organizations, private utilities and other businesses for the drive that effectively painted the measure's supporters as corporate polluters and other special interests.

By election day, the Hales' committee had raised far more money than the measures supporters.

The Committee to Stop the Bull Run Takover PAC raised over \$335,000 in cash and in-kind contributions according to the most recent reports filed with the Oregon Secretary of State's Office. Major donors included private utility companies, public employee unions and environmental organizations.

In contrast, Portlanders for Water Reform had only reported raising about \$137,000 to pass the measure. Major donations came primarily from a handful of large corporate water users. They and other supporters had previously spent around \$177,000 to put the measure on the ballot.

Election day does not mean the end of potential changes for the management of the Water Bureau and Bureau of Environmental Services, however. Both Hales and Commissioner Nick Fish, who is in charge of both bureaus, have promised to appoint a blue ribbon commission to explore options for increasing public oversight of them.

## Willamette Week

### Portland Voters Crush Water District

"The moneygrubbers win," says one of the measure's supporters.

*By Aaron Mesh*

Portland City Hall will keep control of its Bull Run water supply, after voters tonight rejected a new government to oversee the city's water and sewer utilities.

Measure 26-156, which creates a seven-member elected board called a public water district, is failing with 28 percent of the vote.

The decision means City Hall and its allies have averted one of the most significant changes ever made to Portland government—removing City Council's control of the Bull Run Watershed after 101 years. It also closes the book—at least for now—on a bitter rebellion to wrest control of the bureaus Water and Environmental Services from City Hall and put them under the control of an independently elected board.

The attempted coup has been staged by activists who object to construction of underground reservoirs, and funded by corporations that pay the city's biggest water and sewer bills.

They argued that out-of-control spending at the bureaus demanded structural reform. Allies of the campaign sued the city for \$127 million in utility ratepayer dollars. A judge has so far found only a fraction of that was illegal.

Revelations by KOIN-TV and WW about an Environmental Services office building for sewer workers that tripled in cost to \$12.6 million provided more ammunition. Robo-calls paid for by the "yes" campaign last weekend began with a flushing toilet and a voice saying, "Hear that? It's the sound of another \$12 million down the drain."

Portland's elected officials have rallied to defend the city's management from what they described as a "hostile takeover" by corporations hoping to avoid paying their fair share of environmental clean-up costs.

City Commissioner Nick Fish (also on the ballot tonight) and Mayor Charlie Hales led that defense. Earlier this month, both officials poured money from their own campaign war chests to fight the measure. Construction contractors, labor unions and environmental groups also rallied to fight the measure. Since the measure made the ballot, opponents have raised nearly \$300,000.

Supporters raised about \$100,000—mostly from two big backers, soda packer Portland Bottling Co. and German semiconductor manufacturer Siltronic.

The election-night party in support of Ballot Measure 26-156 met its Waterloo early.

The measure's supporters gathered at Northeast Sandy Boulevard bar Club 21 saw voters crush their plan to move Portland's water and sewer utilities to a new government.

"Evil wins," muttered one supporter as she watched a television news feed show election results, then a report on Mayor Charlie Hales' proposed street fee.

Co-petitioner Kent Craford was more diplomatic.

"The voters have given Mayor Hales a second chance," Craford said. "He's not going to get a third. We go back to working cooperatively with City Hall—if we can. It's up to them."

Craford's co-petitioner, water activist Floy Jones, said the campaign had vindicated her efforts to expose waste in the city's utilities. But she seemed at a loss, and near tears.

"It's just hard to believe that money ends up buying elections every single time," she said. "The moneygrubbers win."

On the lawn in front of the bar, Craford shook hands with lawyer John DiLorenzo, who's representing water ratepayers in a \$127 million lawsuit against the city.

"Your prediction is a little off, John," Craford said, referring to the margin of the election.

DiLorenzo smiled. "We're gonna get 'em in the lawsuit."

At the On Deck Sports Bar in the Pearl District, opponents of the measure engaged in a low-key celebration while gesturing toward reform of spending.

"We always need to be working to improve things," said Bob Sallinger, conservation director for the Audubon Society of Portland. "We also needed to see the damage this would do."

In recent months, he became the loudest voice fighting the measure—both in media appearances and in smaller forums, where he persuaded environmental activists to stay away from the measure.

"To me, Sallinger added, "what this says is the voters took a hard look and realized it was moving us backwards."

As City Commissioner Steve Novick departed the bar—the same location where opponents of fluoride rejoiced last May—he said City Hall would continue reforms pledged this spring by his colleague, Nick Fish.

"We'll do everything we can," Novick said, "to make sure we earned the faith the voters put in us tonight."

## **Portland Street Fee Goes to City Council Next Week**

*By Aaron Mesh*

Portland City Council next week will begin the process of passing a street fee that could raise as much as \$53 million a year for transportation projects.

Mayor Charlie Hales and Commissioner Steve Novick have for months talked about creating the fee, which would charge households up to \$12 a month and businesses much more. Officials have said they might pass the fee without taking it to voters.

The appearance of the fee on a City Council agenda today signals that process will start next Thursday, May 29, with a final vote coming as soon as June 6.

Multiple sources tell WW that Hales and Novick will hold a press conference May 22 to announce their plan to pass the fee. The Portland Bureau of Transportation will also unveil a fee calculator allowing businesses to tally how much they'll have to pay.

Hales and Novick have been making the rounds in Portland, holding public forums to discuss the fee. WW recently examined some of the claims Hales and Novick have been making about the need for the fee, especially when it comes to traffic and pedestrian safety.

WW first reported last week that the fee would not only charge households and businesses—it would also create big bills for other local governments. Portland Public Schools could pay as much as \$300,000 a year.

# Nick Fish, Dan Saltzman Cruise Back Into Portland City Hall

By Aaron Mesh

Portland City Commissioners Nick Fish and Dan Saltzman are returning to City Hall.

Unofficial returns show Fish sailing into his third term with 73 percent of the vote. His opponents, Sharon Maxwell and Michael Durrow, had 19 percent and 7 percent, respectively.

Saltzman will serve a fifth term after winning 64 percent of the vote. His strongest challenger, living-wage activist Nicholas Caleb, received 18 percent.

Both Fish and Saltzman have borne heavy criticism in the past year for their management of the city's water and sewer utilities. Fish, in particular, was made a poster boy for unchecked spending, as activists and businesses tried to take away City Council control of the Bull Run Watershed.

But neither faced a challenger with serious financial resources or major endorsements.

## The Mercury

### Here: A Quick Election Wrap-Up

By Dirk VanderHart

What's that, then? You're dying to know who and what emerged victorious in yesterday's most interesting primaries, and only the Mercury can tell you? You're in luck. We've got some free time, and we're great at taking screenshots. (Need more context? Check out our endorsements, and our delightful live blog, and our full story in this week's issue (online later). Need less context? There were no close local races, and the establishment won.)

- Let's start with city races. In the biggest bit of news, Measure 26-156, the proposal to put Portland's water and sewer bureaus in the hands of a new board, was rightly down. The latest tallies:

26-156 City of Portland		
Vote For 1		
Yes	. . . . .	21,459 28.44
No.	. . . . .	53,986 71.56

This is one many people weren't sure how to call. Newspaper editorial boards and a wide range of organizations had come out against the proposal, but it also had an emotional and palatable (if misleading) message about the city's high utility rates. The bartender at Club 21, where Portlanders for Water Reform had its election night shindig, was flabbergasted when she heard the measure had failed. "Why wouldn't people want someone checking on utility rates?" she asked. Which is precisely the question backers of the Portland Public Water District wanted people to ask.

- Incumbent city commissioners Dan Saltzman and Nick Fish cruised to victory, as expected.

City of Portland Commissioner, Pos. 2

Vote For 1

Sharon Y Maxwell . . . . .	12,328	18.63
Michael W Durrow . . . . .	5,204	7.86
Nick Fish . . . . .	48,142	72.75
WRITE-IN. . . . .	501	.76

City of Portland Commissioner, Pos. 3

Vote For 1

Joe Meyer . . . . .	7,140	10.88
Leah Marie Dumas . . . . .	4,373	6.67
Nicholas Caleb. . . . .	11,649	17.76
Dan Saltzman . . . . .	42,045	64.09
WRITE-IN. . . . .	395	.60

- What everyone assumed would be the most-contested local race was nothing of the sort. Former Multnomah County Commissioner Deborah Kafoury handily beat Jim Francesconi (and others). She'll finish out former County Chair Jeff Cogen's unexpired term, and get a new one all her own.

County Comm Chair Unexpired Term

Vote For 1

Aquiles Montas. . . . .	940	1.13
Steven Reynolds . . . . .	6,835	8.23
James O Rowell. . . . .	752	.91
Patty Burkett . . . . .	3,303	3.98
Deborah Kafoury . . . . .	54,429	65.57
Wes Soderback . . . . .	1,749	2.11
Jim Francesconi . . . . .	14,572	17.55
WRITE-IN. . . . .	434	.52

County Comm Chair 4 Year Term

Vote For 1

Aquiles Montas. . . . .	1,011	1.23
Steven Reynolds . . . . .	7,061	8.56
Patty Burkett . . . . .	3,482	4.22
Deborah Kafoury . . . . .	53,728	65.10
Wes Soderback . . . . .	1,913	2.32
Jim Francesconi . . . . .	14,902	18.06
WRITE-IN. . . . .	431	.52

- The race for Multnomah County Commission District 1 also looked like it might be tight. But again, the establishment candidate got all of the love. State Rep. Jules Bailey beat winsome local businessman Brian Wilson by a country mile. Sitting Multnomah County Commissioner Loretta Smith, facing less credible competition, didn't break a sweat.

County Commissioner District #1

Vote For 1

Brian Wilson . . . . .	6,815	27.47
Jules Kopel Bailey . . . . .	17,873	72.05
WRITE-IN. . . . .	117	.47

County Commissioner Dist #2

Vote For 1

Kelvin Hall. . . . .	628	3.37
Teressa L Raiford. . . . .	1,184	6.36
Bruce Broussard . . . . .	2,382	12.79
Loretta Smith . . . . .	14,332	76.94
WRITE-IN. . . . .	101	.54

- Pediatric surgeon Monica Wehby, despite a bunch of unflattering personal coverage in the last week, beat out Tea Party-backed State Rep. Jason Conger in the Republican primary. She'll face US Sen. Jeff Merkley in November.
- Current Metro Council President Tom Hughes is also future Metro Council President Tom Hughes.

Metro Council President

Vote For 1

Tom Hughes . . . . .	53,477	79.87
Jeremiah William Johnson . . . . .	12,538	18.73
WRITE-IN. . . . .	937	1.40

## The Petroleum Lobby's Eyeing the "Street Fee" Proposal. It Killed the Last One.

*By Dirk VanderHart*

By now, plenty of folks have weighed in on the "street maintenance fee," being pushed by Commissioner Steve Novick and Mayor Charlie Hales.

The pair, along with Portland Bureau of Transportation Director Leah Treat, held a series of town hall events beginning in April, pitching citizens on a plan that would levy flat fees on households and businesses to shore up PBOT's hurting revenues.

So citizens have had their say. The city's business lobby had input, too, though through less public channels.

But there's a voice that's not been part of the discussion: The state oil lobby, which killed Portland's last legitimate shot at a street fee.

Those folks are watching the current debate, their chief lobbyist tells the Mercury, and weighing whether to take up the fight against a fee once more. If they do, it's possible the street fee proposal could, once again, die on the vine.

In many ways, the current debate is a near-perfect replica of the one Portland had seven years ago. Back in 2007 and 2008, then-Commissioner (and mayoral candidate) Sam Adams arranged various city stakeholders around a plan he called Safe, Sound and Green Streets. The 15-year, \$454 million proposal wasn't exactly like the one Novick and Hales are pushing, but it was close.

And Adams' plan involved more public process and stronger support. While digging through the Mercury archives (well, this one filing cabinet that's in the office that past reporters used and never purged) we came across old polling numbers from David, Hibbitts & Midghall, the same firm that recently carried out telephone surveys around the current street fee proposal.

The documents detail the results of surveys DHM carried out in January and March 2007. The January 2007 survey showed Portlanders then, like Portlanders now, prioritized safety and maintenance when it came to transportation spending. But they were divided on new ways to fund that work, and didn't much

like any suggestion. The most popular option? A sales tax on "luxury items" (like cars), which 39 percent of supporters said was either the best or second-best option.

The second survey took place two months later, and asked "300 motivated voters" about five proposals for raising transportation money. The most popular choice in that poll was a "street maintenance and safety fee," which would have cost households about \$31 a year, and raised \$15 million over a decade. That option had 60 percent support. Those same motivated voters also supported gas tax increases of 7.73 and 10.3 cents per gallon (52 percent support and 51 percent support, respectively), and a slightly more expensive street fee (54 percent).

There was a new survey the following year. News accounts from July 2008—when Adams was scrambling to save his fully-formed \$464 million plan—show 55 percent of voters supported the proposal.

A lot had happened between the first and last polls Adams commissioned. He'd engaged in a seven-month consensus-building process bikeportland.org called "stellar," and whittled down funding options to the Safe, Sound and Green proposal. And he'd secured support from a wide array of stakeholders, including the Portland Business Alliance, media endorsements, and the entirety of the Portland City Council.

One group that was not on board: The Oregon Petroleum Association, which represented service stations who felt they'd be disadvantaged by the fee. Convenience stores and fast-food restaurants also had concerns, along with others.

When Adams' street fee plan passed an initial city council vote with unanimous support in January 2008, the opposition quickly threatened to collect signatures and refer the matter to voters. That prompted then-Mayor Tom Potter to pull his council vote in favor of a ballot measure. (It also prompted then-Commissioner Randy Leonard to bemoan the oil-backed referral effort as "a perversion of democracy.") Adams, feeling the fee needed a unanimous council vote to be legitimate, tabled his proposal, planning to put it to voters the following November.

But the public support wasn't there. The Mercury broke the news when Adams decided to scrap his proposal, focusing instead on getting more transportation money via the state legislature. From our story at the time:

Thanks to the economy, the proposal is currently dead. A poll on the proposal showed that while 29 percent of the 600 voters polled named transportation issues as the "most pressing problem" facing the city—which is a big deal, points out committee member Chris Smith, in that "the public has started to get that transportation is a big problem"—only 55 percent support a monthly \$4.54 street maintenance fee to pay for the \$464 million backlog in road fixes. With a margin of error of +/- six percent, putting the proposal on the ballot isn't going to happen. "Going to the voters at this time would be very problematic," says pollster Adam Davis.

Which brings us back to the current situation. Willamette Week reported Tuesday that Novick and Hales will bring their current proposal before council on May 29. The ordinance might have the votes to pass, too.

But it's also being closely scrutinized by Paul Romain, the Oregon Petroleum Association lobbyist who helped lead the referral threat that ultimately killed Adams' effort. Romain, via e-mail, confirms to the Mercury his clients at the OPA have been watching the street fee discussion, but haven't decided whether to intervene.

"We are just watching right now," Romain said earlier this month. He says there have "been attempts to get our support, but we are not going there. Many businesses are talking about it."

If city council passes the street fee, and the OPA decides to try and refer the matter to voters, polling doesn't seem to bode well for the street fee. A bare majority of 52 percent of respondents said they'd support an \$8 monthly fee on households in a recent phone survey. About 51 percent support a \$12 monthly fee. And experts say such support can fizzle away during election season.

## Also Paying Novick and Hales' Street Fee? City Bureaus

*By Denis C. Theriault*

The list of people or agencies expected to pitch in for a proposed (and controversial) Portland street fee is already pretty comprehensive: Homeowners, businesses, and other local governments—all of whom use the city's roads and would face potentially big bills for the privilege of bringing those roads back up to snuff.

But they're not the only ones who will be forced to dip into their pocketbooks. City Commissioner Steve Novick— transportation commissioner and a leader of the street fee push alongside Mayor Charlie Hales—tells the Mercury that the city's own bureaus also will be sent a bill.

"The city bureaus themselves would pay the street fee," Novick says.

It's unclear how much the city will pay itself overall. But the amount, especially for major road users like the city's utility, parks, fire, and police bureaus, could amount to an immodest hit that would come at the expense of other programs already budgeted.

The parks bureau alone is facing a \$60,000 to \$90,000 annual bill, the only estimated bill Novick said he had time to provide this afternoon.

Maybe that's a big deal. But maybe it's not. Presumably bureau directors and city commissioners have been briefed on the payments—especially since Novick and Hales, as Willamette Week reported today, are moving forward on approval of a street fee (\$8 or \$12 a month for homeowners, no matter how wealthy) as soon as next week. (Nothing will be assessed until July 2015).

But with all the sudden movement, and with news of a city payment dawning just as suddenly as news last week that partner governments will have to pony up (also first reported by WW), Novick and Hales may have to be careful. Lest they give critics two arguments: one on the merits of the regressive plan (which, yes, would raise money for a host of noble maintenance and safety projects) and one on process, a la fluoride.

Polling wasn't so hot on the street fee. But even still, Commissioners Nick Fish and Dan Saltzman already think the council should directly refer a street fee to voters—in part because they think critics will put it on the ballot anyway, and if the city does it first, that will inoculate the council against accusations it's trying to rush something through.

As a side note, something you can read more about in my upcoming Hall Monitor column, all that leaves the city's current parks commissioner, Amanda Fritz, as something of a swing vote. Sources say Novick made sure to back a budget priority of Fritz's, full funding for enforcement of the city's tree regulations, in case it maybe helped nudge her into his camp.

Fritz says she's not so certain. Not yet.

"I'm waiting for the hearing to see what's proposed and what people say about it," she says.

Novick tells me he knows Fritz doesn't make deals. Everybody knows.

"Sometimes it might make life easier if she did," Novick says. "But she doesn't."

# The Daily Journal of Commerce

## City staffers, builders consider notices for demolition

*By Jeff McDonald*

The Portland Bureau of Development Services is working with builders on development of a process wherein they would be encouraged to notify neighbors of upcoming demolition.

Currently, contractors are not required by code to issue notice in cases when a single-family residential structure is replaced with another, BDS spokesman Ross Caron said. A courtesy notice, such as a door hanger, would help residents nearby prepare for dust and noise that will come with demolition, he said.

While the demolitions and infill projects are supported by city code, neighbors are more likely to respond favorably when they are given adequate warning, Caron said.

“The feeling on the part of the city is that we want to encourage the development community to be neighborly and do this on its own,” he said. “We’re not interested in adding more requirements.”

The idea of courtesy notices is being considered by the Development Review Advisory Committee, a 17-member group of building industry stakeholders. Some people in the industry support a proactive approach, but also are concerned that neighbors could respond with appeals – and generate delays.

The amount of advance notice could range from 24 hours to 14 days, said Justin Wood, executive director of the Home Builders Association of Metro Portland. Appeals could stretch the demolition process out as long as 120 days, he said.

“Most builders and developers don’t have an issue with giving a heads-up on what’s happening,” he said. “If it’s just truly a notification to give a heads-up, we’re fine with it. But we know in the past, builders have not wanted to give notice because they’re afraid of it being stretched out.”

Wood would like to see the courtesy notice enacted without a specified number of days. He added that homebuilders would be more likely to embrace the idea if appeals were not allowed following issuance of the courtesy notice.

Wood will be part of a panel that discusses the topic at a June 9 meeting at Concordia University, at 2811 N.E. Holman St. The discussion will take place from 6:30-8 p.m.