

The Oregonian

The Portland Public Water District is dead. Now what, City Hall?

By Brad Schmidt

Portland Mayor Charlie Hales and the rest of the City Council survived this week's attempted takeover of municipal utilities.

Now comes the hard part.

A scheduled rate increase will cause customers to pay about 5 percent more for their combined water, sewer and stormwater bills starting July 1. Civic and business leaders are clamoring for more utility oversight. And some vocal environmentalists, emboldened by election results, want Portland to aggressively move forward on green stormwater-management programs.

It all adds up to a tricky political equation: improve the ratemaking process, distinguish legitimate new cost increases from a history of notorious pet projects, keep Portland a model for green innovation – and show voters that City Hall is serious by providing tangible results.

The task begins Thursday.

"There's a lot of moving pieces," said Commissioner Nick Fish, who oversees the city's water and environmental services bureaus. "You're going to see us aggressively continue to pursue reform."

Ratemaking powers

Not yet 48 hours removed from a 3-to-1 thrashing by voters of the proposed Portland Public Water District, the City Council will take public comments about rate increases for water, sewer and stormwater customers at a 2 p.m. hearing.

Had it passed, Ballot Measure 26-156 would have stripped utility ratemaking and oversight responsibilities from the City Council, creating a new governing board of seven elected officials.

With the measure's failure, the City Council remains firmly in charge of ratemaking. But next year's process for setting prices could look completely different, depending on recommendations from outside groups and just how much authority the City Council is willing to voluntarily give up.

One group taking a hard look at concerns: the Citizens' Utility Board of Oregon, the independent watchdog group recruited by the city to look out for ratepayers.

Janice Thompson, CUB's consumer advocate, said the group will share initial observations about Portland's utility bureaus, long-term concerns and next steps.

Fish and Hales have also promised a "Blue Ribbon Utility Oversight Commission" that will evaluate various reform options.

No details have been released about the group's membership or meeting schedule, although recommendations are expected back to the City Council in September or October.

Outside input

The City Council is also expected to hear from the City Club of Portland in coming weeks. Portland's civic organization opposed the ballot measure but has called for key changes.

The City Club is advocating for a semi-autonomous board of experts that would handle administrative utility functions, including recommending rates, which would be approved by the City Council.

The Portland Business Alliance also has endorsed changes, most notably having utilities report to the entire City Council instead of a single city commissioner or commissioners.

Dave Cook, chairman of the City Club's utility advocacy effort, said he has faith the City Council will make improvements. The election results shouldn't dampen the City Council's appetite for change.

"I think the fact that it even came to the vote – that there were enough petitions to put it on the ballot, and there was quite a furor about it – that's telling them that there's action that needs to be taken," he said.

Options for change

There's no shortage of places to start.

The city could strongly promote its monthly billing option, which could help residents avoid the sticker shock of quarterly assessments.

Fish has already asked Auditor LaVonne Griffin-Valade to investigate how costs for a new sewer office building tripled and what improvements can be made to city contracting.

And if Fish is truly looking to make a big splash, he could seek changes at the top.

At various times, Kent Craford, the former lobbyist who led the ballot measure effort, has called on the city to fire David Shaff, the Water Bureau administrator, and Dean Marriott, director of the Bureau of Environmental Services. Both administrators are among the city's most senior leaders, with Marriott the last director who can't be pushed out for political reasons.

Concerned observers

But Fish's notion of "reform" is already irritating some environmentalists who fought against the water district.

Mike Houck, for one, is concerned the city will remain defensive and timid following the ballot measure and a related lawsuit over improper utility spending.

Houck, executive director of the Urban Greenspaces Institute, said he'll be closely watching the appointees to Fish's blue ribbon committee. He'd like to see the city proudly push forward on green programs.

"In terms of whether there's retrenchment and backpedaling, that panel may have a very significant influence," he said.

Developer Jordan Schnitzer is hopeful that the changes in the months ahead will restore ratepayers' confidence.

Schnitzer's company, Harsch Investment Corp., originally was part of a coalition of large water users that fought City Hall over increasing water and sewer rates.

But Schnitzer's company ended up contributing \$5,000 to fight the water district campaign, saying Hales and Fish deserved a chance to make things right.

"I'm very optimistic," Schnitzer said. "There could not have been a clearer message to the mayor and commissioners: You can't take your eye off the bureaus that you supervise."

Portland street fee: Citizens could vote this fall, but not on whether to enact fee

By Andrew Theen

Portland voters may be asked to consider a ballot measure touching on the Mayor Charlie Hales and Commissioner Steve Novick's proposed street fee -- but they won't get a chance to say an outright yes or no to the proposed new charge.

According to a draft City Council resolution obtained by The Oregonian, Novick and Hales are considering asking voters to amend the city charter to ensure that the "majority of funds" generated by a street fee go toward transportation maintenance and safety improvements.

Novick confirmed the charter amendment exists, and said he likes the idea, but deferred to Hales.

"It was his idea that he feels strongly about," Novick said.

A call to the mayor's spokesman wasn't immediately returned.

For weeks, Novick and Hales have been working to build support for the proposed street fee, which would charge residents and businesses a monthly street fee starting on July 2015. They've held transportation town halls, met with business groups and talked to the heads of other local governments and institutions about the potential impact. Both the mayor and Novick, who runs the Bureau of Transportation, have said they'd prefer to implement the fee without voter approval.

Novick has cited a "sense of urgency" to raise revenue to address the city's road network, which city auditors said last year was in need of at least \$70 million in maintenance needs annually for a decade to improve streets to a reasonable level.

The charter amendment appears to be a way of putting the onus on voters to keep the city honest and ensure "the majority of funds" are kept for transportation safety and maintenance.

On Thursday morning, Novick and Hales will host a 9 a.m. press conference, where they're expected to divulge all the details of the street fee idea, including how much people and institutions can expect to pay.

Another draft document circling through City Hall shows households could see a \$11.56 per month fee, with poorer residents paying \$8.09 per month. Households in multi-family apartment complexes would be billed \$6.79 per month, according to the draft document, with low-income residents in multifamily dwelling units paying the lowest rate of \$4.75 per month.

Under those estimates, the city would net an average of \$40 million annually during the first five years of the fee, well below previous estimates of up to \$53 million generated under an \$12 per month scenario.

The majority of spending -- 53 percent -- would go to maintenance needs, according to a separate document obtained by The Oregonian. Here's a breakdown according to the draft document:

Maintenance (53 percent of spending)
80 percent on pavement maintenance
15 percent on operations
5 percent on bridges

Safety on busy streets (29 percent of spending)
33 percent on sidewalks
32 percent on high crash corridors
22 percent on crossing improvements
13 percent on protected bike lanes

Safety on local streets (15 percent of spending)
66 percent on safe routes to school
17 percent on neighborhood greenways
17 percent on safer shoulders

Portland street fee would cost typical household almost \$140 a year

By Brad Schmidt

Saying that Portland has "no alternative" to fix crumbling and dangerous roads, Mayor Charlie Hales and Commissioner Steve Novick unveiled their plans Thursday, for a new street fee that would cost the typical Portland household almost \$140 a year.

The "transportation user fee" would cost the typical household \$11.56 a month; poorer households would pay \$8.09 a month and owners of apartment complexes would be charged \$6.79 per unit, with a discount for multifamily complexes that cater to lower-income residents. Businesses and other government

institutions, including city agencies and school districts, also would be charged, although those employing fewer than 10 employees wouldn't have to pay.

According to the draft proposal presented Thursday, at least 80 percent of revenue from the new fee would go for maintenance and safety improvements. Up to 20 percent could be spent on "other transportation services," including paving unimproved streets, mass transit and covering administrative costs.

The goal of the fee, which would appear on city water and sewer bills starting in July 2015, is to establish a permanent way to pay for rising maintenance costs on Portland roads and make them safer. City auditors said last year that Portland needs to spend \$70 million annually on maintenance work just to bring its roads up to "a reasonable level."

"We've been talking about this problem for 14 years," Hales said at the Thursday press conference. "... This is one of those times we need to step up and do a difficult thing."

The amount charged will depend on how many trips any particular properties generate, and an oversight committee of 15 people would be created to monitor spending.

Hales and Novick want the City Council to create the new fee without first seeking voter approval. They would ask Portlanders to weigh in on the fee with a November vote to place language in the city charter limiting how street fee revenues could be used. But voters would not get to say yes or no to the fee itself.

"If the voters are really mad at us, we're both up for reelection in 2016," Novick said. "They can throw us out."

City Council members will begin discussing the fee next week and Hales hopes they'll vote June 4. He said he believes he has three votes to impose the fee without asking Portlanders for approval -- his own, Novick's and that of Commissioner Amanda Fritz.

In the first year, the street fee would pay to:

- Add flash beacons at Northeast Sandy Boulevard pedestrian crossings.
- Add rumble strips to Marine Drive in North Portland.
- Build two new pedestrian-friendly crossings on Southwest Beaverton-Hillsdale Highway
- Complete the missing sidewalk network around David Douglas High School in outer east Portland.
- Add safety improvements around Lents Elementary School in outer east Portland.
- Improve pedestrian access to Bridlemile Elementary in Southwest Portland.

Portland street fee: Mayor Charlie Hales, Commissioner Steve Novick will talk specifics on Thursday

By Andrew Theen

Portland Mayor Charlie Hales and Commissioner Steve Novick are expected to reveal more details Thursday morning about a proposed street fee to pay for maintenance and safety improvements across the city.

The duo have spent the past few weeks campaigning for the new funding mechanism that would raise up to \$53 million per year for street improvements, sidewalks and safety work at dangerous intersections.

It's a proposal that is similar in scope to a previous effort pushed in 2008 by then-Commissioner Sam Adams, but the 2014 effort would raise more revenue and therefore be costlier for Portland residents. Adam's proposal was a 15-year plan that would've raised \$454 million.

On Wednesday, the Portland Mercury reported that petroleum lobbyists, which helped squash the previous plans, are thinking of getting back into the ring.

The City Council will discuss the street fee for the first time next week. Willamette Week first reported news that the proposal would go before City Council on May 29, but Novick consistently said he targeted early June for a formal vote.

Chris Warner, Novick's chief of staff, said the full text of the proposed ordinance will be distributed publicly for the first time on Thursday morning.

That presumably includes whether the fee will be \$8 or \$12 per month for homeowners.

Warner declined to say whether the fee will be \$8 or \$12 per month.

Business owners will also know more on Thursday about their expected costs, as the Bureau of Transportation is expected to post a calculator on its website showing expected monthly bills. In recent weeks, the city's chamber of commerce said the city is moving too quickly on the street fee plan.

Novick and Hales said last week that if enacted, the street fee would not go into effect until July 2015, allowing public agencies to absorb costs into their next fiscal year budgets. The delay would also give homeowners time to brace for the monthly street fee.

On Wednesday, Novick staff said that small business owners (sole proprietors) that employ 10 or fewer workers would be credited for their monthly household bill and only be charged the higher business rate.

This post will be updated as more information becomes available.

Google Fiber posts Portland jobs, but says it's still deciding whether to build

By Mike Rogoway

Google Fiber has begun posting jobs for its prospective network in the Portland area – though the company reiterated it's still evaluating whether to build one, and the postings are merely preparation in case it decides to go ahead.

"We're exploring interest and talent for the opportunity in advance," read job listings posted earlier this week. "If a metro area qualifies, you will be responsible for one or multiple cities in that area. You will assume a key role to lead and build the local team and market."

The company has posted nearly identical positions in San Antonio, where it's also considering expansion. Google Fiber spokeswoman Jenna Wandres said similar postings will go up soon for seven additional cities where the company has indicated it may build.

If it proceeds, the company will likely hire hundreds of contractors to install miles and miles of fiber-optic cable around the metro area. For now, though, it's posted just two leadership positions. Here's what Google Fiber is looking for:

City manager: "Lead a local team focused on community affairs, business outreach, and customer acquisition and retention." Google Fiber said it prefers a candidate with a business or law degree, leadership experience and strong local relationships.

Community impact manager: "The Community Manager will represent Google Fiber in a wide range of settings -- from homeowner association meetings to low-income service providers to business luncheons." Google said it prefers a candidate with experience leading nonprofits, field campaigns or volunteer networks. It wants someone who embraces diversity and has strong public speaking skills.

Google Fiber announced in February it's considering expanding its high-speed Internet and cable TV service to parts of Portland and five suburbs – Gresham, Tigard, Beaverton, Lake Oswego and Hillsboro. The prospect of a rival to existing Internet and cable services has created an online frenzy of excitement in the region.

The Portland City Council votes June 11 on a prospective franchise agreement with the company, which says it will serve portions of each city where a critical mass of residents commit to subscribing. Some parts of each city will therefore go without service, even if Google proceeds with its construction plan.

Google Fiber says it will evaluate each market for topography, regulatory hurdles and other potential obstacles before deciding whether or not to build.

Portland Mayor Charlie Hales has increased cash contributions to TriMet YouthPass program since he took office

By Andrew Theen

When the roughly 12,600 Portland Public Schools students who ride TriMet to school for free arrive at their desks, they can thank the transit agency, the school district and Mayor Charlie Hales.

Oregon's largest school district doesn't have bus service for its high school students. TriMet's YouthPass program existed for years thanks to a patchwork of funders.

Last week, the public transit agency floated a plan to continue the program at roughly \$2.9 million per school year. We've reported on bits and pieces of the plan before. Here's how they fit together:

Who wins and who loses?

Under the proposal, each partner would pay roughly \$966,000 annually. TriMet would expand the program to serve students from other school districts in the region and drop the price for youth tickets and passes outside of the school year.

TriMet's contribution would decline from its current level of \$1.6 million. The school district's payment would remain nearly unchanged. But the city's cash contribution to TriMet would more than triple.

In the current 2013-14 budget year, Portland is making only \$300,000 in cash payments to TriMet, entirely from general transportation revenue raised largely by gas taxes and parking meters. Mayor Charlie Hales proposed to meet TriMet's nearly \$1 million demand in 2014-15 budget by: boosting payment to \$600,000 in transportation revenue; and adding \$400,000 in general fund dollars.

At the same time, Hales' budget plan describes the city's obligations as "continuing" support rather than a threefold increase. Why?

Last year, Portland included another \$700,000 in "in-kind contributions" from PBOT as part of its commitment to TriMet because the money supported roads, sidewalks and other projects that benefited transit. The \$700,000 plus \$300,000 made \$1 million.

TriMet didn't see it quite that way. This year, the agency said, send us a check instead. The construction work, called "In-kind contributions" by bureaucrats, had a positive impact, said TriMet's Mary Fetsch. But it didn't offset the costs of running the YouthPass program. "Cash contributions make the program more financially sustainable," Fetsch said in an email.

What impact does Hales plan for YouthPass have on the rest of Portland's budget?

The \$400,000 in general fund money he proposes giving to TriMet comes from property taxes and business license fees. The general fund pays for parks, police, fire and other essential city services.

This year, the city has roughly \$9.3 million in new general fund dollars to spend, with more than \$34 million in requests from city bureaus to choose from.

Hales' spending plan, while funding YouthPass, omitted projects such as Commissioner Steve Novick's request for \$1 million in new sidewalks in East Portland.

Why is the city paying Portland Public Schools transportation costs anyway?

Prior to 2011-12, the school district and the state's Business Energy Tax Credit program paid for the free transit passes, according to city budget officials.

When the State Legislature scrapped the BETC program in 2011, YouthPass suddenly needed new money. Portland contributed \$225,000 to the program in 2011-12 and \$200,000 in 2012-13.

Dana Haynes, Hales' spokesman, said if the YouthPass program never existed Hales likely would agree that it's not a city responsibility. "Transporting students is not typically a city business," Haynes said.

But YouthPass did exist when Hales took office in January 2013, and Haynes said the mayor "didn't have a really good argument" for discontinuing YouthPass.

Why does the mayor want to spend some of the surplus on YouthPass?

Haynes said the mayor wants to start paying at least part of the city's share of TriMet's YouthPass cost from the general fund to make clear where city money is going. The current fiscal year spending, which included in-kind support for YouthPass through construction projects, left some "ambiguity," Haynes said.

What's next?

The TriMet Board of Directors still has to vote on proposed changes to the YouthPass program and will discuss the changes at a meeting next week. The City Council also votes to adopt Portland's budget next week.

The Portland Tribune

Sources Say: Infill foes wonder: Anyone home at City Council?

By Jim Redden

One issue expected to surface in the election is the City Council's response to the increasing number of homes in town being demolished and replaced by one or more larger houses or apartment buildings. Neighborhood activists who met to discuss the issue on May 6 were disappointed by the lack of response from the council on the issue, so far. They think Bureau of Development Services policies need to be rewritten to encourage preservation and discourage such in-fill projects.

According to a follow-up memo written by Beaumont-Wilshire Neighborhood Association Chairman Al Ellis, "Those in the room who have interacted with the mayor, City Council commissioners and the Bureau of Development Services see a disconnect between the alarm expressed by their residents and a seeming reluctance at City Hall to get involved."

Will cash translate into votes for Kitzhaber?

Because he faced no opponent in the primary election, Gov. John Kitzhaber enters the general election with a huge war chest — more than \$668,000 in the bank, according to recent filings. That doesn't mean Kitzhaber didn't spend any money in the primary. He raised more than \$1.3 million in cash and in-kind contributions over the past two years and spent the balance hiring staff, taking polls and creating the statewide organization that will be put into action between now and November.

In contrast, Southern Oregon state Rep. Dennis Richardson, who raised more than any other potential Republican challenger, by far, only collected around \$404,000 and ended the primary with about \$86,000 in the bank.

Whether all those resources — and the additional funds he will raise over the next five months — will propel Kitzhaber to victory is a matter of heated speculation. With Oregon's Democratic voter registration edge and his name familiarity, Kitzhaber has long been regarded as a shoo-in. But his star has been tarnished by the highly publicized problems with the Cover Oregon health exchange website, and a recent DHM Research poll says he could be vulnerable.

Gift givers don't bestow much on city officials

If the value of gifts given to city officials are any indication, some are more important than others, and being elected to office isn't much of a factor.

According to the 2014 first-quarter gift filing with the city auditor's office, Gail Shibley, chief of staff for Mayor Charlie Hales, received the single biggest gift. It was \$3,116.81 worth of travel and lodging expenses to research bidding for the 2016 World Indoor Track and Field Championships, which Portland won. In contrast, the most costliest gift reported by Hales was \$200 for a conference registration fee.

If that doesn't sound like much, it's worth noting that Commissioner Steve Novick is the only other member of the City Council to report receiving any gifts at all. The most expensive was \$250 worth of tickets from the ACLU's annual Liberty District. That compares to \$1,728.24 worth of travel expenses for Leah Treat, his Portland Bureau of Transportation director, to attend an Urban Land Institute conference in Honolulu.

Novick also reported the least-expensive gift to any Portland official, an umbrella from the Women's Transportation Seminar valued at \$7.99.

The Mercury

Still Waters Prevail

Voters Douse Water District, Enthusiastically Embrace Incumbents

By Denis C. Theriault

SAY HELLO to the new Portland City Hall—which looks just like the one we've had for the past year and a half.

Given a chance to salve their anger over rising sewer and water rates with a dramatic restructuring of city government, voters on Tuesday, May 20, furiously rejected a flawed, confusing plan to create a Portland Public Water District backed heavily by large industrial interests.

"The money grabbers win," said Floy Jones, a co-petitioner and water district backer, turning rhetoric many lobbed at the water campaign—that it was a big-money takeover—back on the victors. "We're gonna see, on Thursday, the water rates rise again."

Voters also embraced, overwhelmingly, a pair of city council incumbents who faced both criticism and unexpected challengers in what otherwise would have been scot-free runs to re-election.

Commissioner Dan Saltzman, in his quest for a fifth term, easily fended off his Mercury-endorsed challenger, university professor Nick Caleb. Caleb, raising only a few thousand dollars after filing on the second-to-last day possible to make the ballot, forced Saltzman to stake out radical positions on raising Portland's minimum wage. But Caleb couldn't force the council's dean into a runoff race, capturing only 17 percent of the vote in early returns.

It was about the same for Commissioner Nick Fish, who sailed to victory over Northeast Portland contractor Sharon Maxwell despite taking turns with Mayor Charlie Hales as the favored whipping boy of the crusaders pushing for a water district. Fish, named the city's water and sewer commissioner last summer right when rage over rates was cresting, still won nearly 73 percent of the vote.

But even with all that seeming good news, no one ought to be clapping too loudly.

Even in defeat, the water district still made it to the ballot and managed to attract thousands of voters so disillusioned with the status quo they were willing to strip Portland's sewer and water bureaus from city council's control and hand them to a separately elected seven-member board.

The district plan might have left most voters nonplussed, but the anger stoked by its backers—holding up expensive vanity projects like a water-technology demonstration house—won't cool in the absence of real reforms.

That the outrage was turned aside was a testament only to the hundreds of thousands raised in an opposition campaign led by Hales and assisted by environmentalists and labor unions.

"The voters gave Mayor Hales a second chance," said Kent Craford, co-petitioner for the water district along with Jones, making noise about reconciliation in the wake of his defeat. "He's not gonna get a third chance."

Hales was a bit more exultant when he addressed his team over at a Pearl District sports bar.

"The voters believe in good government," Hales said. "They want us to mind their dollars carefully, and we will do all these things. We will affirm their faith in our city, since they affirmed their willingness to stick with us."

Meanwhile in Multnomah County races, any suspense over a potential fall runoff between Deborah Kafoury and Jim Francesconi, both running to serve as the next county chair, died with a resounding and definitive thud just after 8 pm on Election Night.

Kafoury, who gave up her seat on the county commission last fall to try to replace sex-scandal-tarnished Jeff Cogen, had always been seen as the heir apparent and cemented that with an indomitable supermajority in early returns.

Francesconi, a former city commissioner who famously lost a high-priced mayoral run in 2004, didn't even scratch a quarter of the votes. That's despite a coup of sorts by Francesconi in stealing support from the county's main union away from Kafoury. He also went big on issues like the minimum wage and the plight of East Multnomah County.

"We talked about the gap between the rich and poor," he said while sipping a whiskey, neat, at his campaign party. "I'm happy about that."

In the race to fill Kafoury's old seat, State Representative Jules Bailey trounced local businessman Brian Wilson, holding roughly 72 percent of the vote, and proving that county residents are happy to have a numbers-oriented policy wonk help helm the region's social services.

Least surprising of all, incumbent Commissioner Loretta Smith easily won another four years in the county's District 2, garnering more than 76 percent of the vote.

As for races farther afield, Doctor Monica Wehby handily won the right to take on US Senator Jeff Merkley as the Republican Party's standard-bearer in a race that's got a national following. She beat state lawmaker Jason Conger despite a recent run of unflattering leaks about her personal life.

And last but not least, GOP State Representative Dennis Richardson, as expected, will try to take down (the very well-funded but potentially vulnerable) Governor John Kitzhaber this fall.

Hall Monitor

The Road to Budget Peace?

By Denis C. Theriault

IF COMMISSIONER AMANDA FRITZ played city hall politics just a little bit differently—a horse trade here, a side deal there—the two-term city commissioner could absolutely crush this year's budget negotiations. But even without casting her principled political persona aside, she's still poised to do pretty well.

Because this year, Fritz has something Mayor Charlie Hales and Commissioner Steve Novick desperately want. And the mayor—with room to maneuver on the margins of a budget draft that's left big-ticket questions all but settled—is in a position to give Fritz some of the things she's indicated she desperately wants.

As it stands now, Fritz is the swing vote on a procedural question dogging a major policy piece put forward by Hales and Novick: their plan to charge road users in the city either \$8 or \$12 a month to fund maintenance and safety projects.

Novick and Hales both want the city council to pass the fee without asking voters' permission first. Commissioners Dan Saltzman and Nick Fish, on the other hand, think that's a foolish idea in light of voter backlash over past fights like fluoride and what to do about the city's water and sewer bills.

Fritz, one way or the other, will break that tie. Which has been something of a cue for low-grade budget politics.

In case it maybe nudges Fritz into his camp, sources say, Novick has pointedly decided to back something at the top of her wish list: full funding, finally, for enforcement of the city's three-year-old tree code.

It's also been whispered he's made that case to Hales—who's been skeptical of the program and held back several thousand dollars when he issued his budget draft.

Less clear is whether Hales will go for it. He's still ambivalent—and sources say a decision likely won't depend on the street fee. Hales learned last year that Fritz doesn't politick like the rest of her colleagues—initially voting "no" on last year's budget, in protest over lost sex-trafficking money, despite getting mostly everything else she asked for. (To pay for the change, she wants to take money earmarked for a new "equity" specialist in the police bureau, requiring the cops to pay for that position on their own.)

But she said the support marked a "principled stance" on her colleagues' part, and wasn't to ensure a favorable vote on the street fee.

"I'm waiting for the hearing to see what's proposed and what people say about it," she says. "It's not true I traded a vote for this."

Novick also told me, flat out, there wasn't a deal in place—because everyone knows Fritz doesn't make them.

But he had an interesting answer when asked a related question: Whether he'd still back her on the tree code funding merely in the interests of keeping good relations with a colleague, who might be able to help him.

"My relationship with all my fellow commissioners is very important to me," he says. "If there's something vitally important to one of them, that's something worth considering."

Hales, Novick to Unveil Monthly "Street Maintenance Fee" Proposal Tomorrow

By Dirk VanderHart

UPDATE: Chris Warner, chief of staff to Steve Novick, now tells the Mercury there was a misunderstanding in an earlier conversation. The street fee will not be \$12, he says. Despite a conversation about the \$12 mentioned in the fee sheet, Warner had meant to say only that the amount generally will be shared tomorrow. He's not saying what the amount is.

ANOTHER UPDATE: It now looks like the actual proposal will be \$11.56 per month.

Original post:

To date, discussion around a potential "street maintenance fee" has centered around two options— an \$8 monthly fee for households (with an attendant cost for businesses) or a \$12 monthly fee. Mayor Charlie Hales and city Commissioner Steve Novick haven't indicated which they'll put before city council next week.

But the Mercury's learned Hales and Novick have.

Chris Warner, Novick's chief of staff, confirms a fee proposal will be announced tomorrow, with a discounted rate of \$8 a month for low income households.

That's borne out by documents that the mayor and Novick have been circulating around town. The president of the St. John's Boosters is sharing a fee schedule he says the pair of officials gave him just yesterday. Here's the top of that document, dated May 14, which sets out the residential fees Hales and Novick have in mind.

Average Trips and Fees by Property Type

5/14/2014

ITE Cat Desc	Count	Avg Dwelling Units, SqFt or Acres	Basis	Avg Monthly Trips	Avg Monthly Fee	Lowest Monthly Fee	Highest Monthly Fee
Residential							
Single-Family Household	143,416	1	DwellingUnit	291	\$12	\$12	\$12
Single-Family, Low Income	8,320	1	DwellingUnit	291	\$8	\$8	\$8
Multi-Family (2+ units)*	75,929	8.0	DwellingUnit	171	\$54	\$34	\$1,059
Multi-Family, Low Income (Est.)*	9,000	8.0	DwellingUnit	171	\$38	\$10	\$523

Check it out here and here.

"I attended a meeting with Mayor Hales and Commissioner Novick this morning to discuss the proposed 'street fee,'" Derek Shaw posted on a Facebook page for St. Johns residents. "Currently this decision is going to be made by the mayor and council without a vote of the citizens. They are trying to move quickly (and quietly) to make a decision and may do so before the end of the month."

As Willamette Week reported yesterday, Hales and Novick plan to put a proposal before city council next week.

It's tough to say whether the fee structure for businesses presented on the new documents is different from one PBOT's handed out in recent weeks [PDF]. Businesses are classified differently in each. Warner says the document is only to give business owners an idea of the range they might pay. The city will unveil a fee calculator tomorrow that will offer a more-concrete notion.

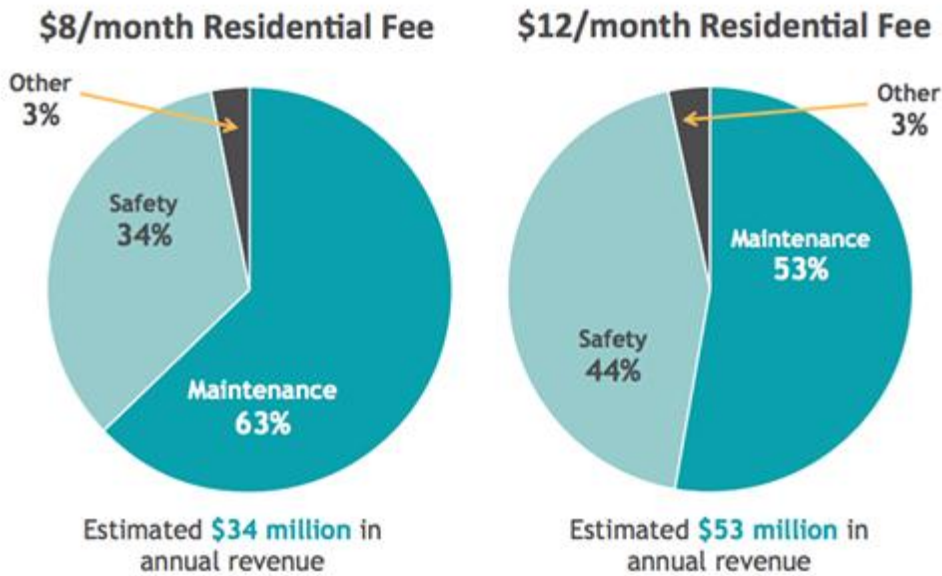
"The important thing is the calculator," Warner says.

Under the proposed fee schedule, which is based on estimated monthly trips a business generates, day care centers could be charged anywhere from \$136 to \$981 a month, with an estimated average of \$452. A "book superstore" (we're looking at you, enormous bookstore in the Pearl) would pay between \$150 and \$286, with an average of \$239. Fast food restaurants could pay anywhere from \$144 to a whopping \$2,894 per month (average: \$846). Large government office buildings could pay as much as \$3,435 a month. And gas stations, which might have a crucial say in this fee, might pay \$37 to \$467 a month.

Here's part of the math that goes into those calculations.

Group	From	To	Cost/Trip
1	1	5,000	\$0.03977
2	5,001	10,000	\$0.02651
3	10,001	25,000	\$0.01989
4	25,001	75,000	\$0.01326
5	75,001	149,999	\$0.00663
6	150,000	249,999	\$0.00265
7	250,000	and over	\$0.00133

The decision to go with \$12 per month over \$8 would have implications beyond just more money. The city estimates it could raise \$53 million a year with a \$12 fee, compared to \$34 million for the smaller tax. But the city's also said it would spend revenues from the more-expensive option differently than it would with an \$8 fee. Under the \$12 option, much more money will get toward safety improvements (like crosswalks, flashing beacons, bike lanes), than it would with the lesser amount. See?



Shaw, the St. Johns booster, says the mayor explained the city wants to avoid a vote on the street fee. As we noted earlier today, the last legitimate street fee proposal was killed in 2008 for fear it couldn't withstand a public vote.

"Hales stated this morning that he did not want to see this go to a public vote because the measure's campaign would cost the City too much," Shaw writes on Facebook. "The Mayor said that he would prefer that Portlanders let he and the other council members know if they oppose the new fee (tax) and to recommend other ways to increase funding for the Bureau. So, I would humbly recommend that you each do exactly that."

Document Suggests Street Fee Proposal Will be \$11.56 Per Month

By Dirk VanderHart

Well, we've confirmed, through an earlier misunderstanding, that Mayor Charlie Hales and Commissioner Steve Novick won't be proposing a \$12 monthly "street fee" on households tomorrow. But now it looks like it'll be close enough.

Information from a document obtained by the Mercury suggests the proposal unveiled at a Thursday press conference will involve a \$11.56 per month fee on single-family households, and \$8.09 a month on low income households. Units in multi-family buildings, the document said, would be charged \$6.79 per month (\$4.75 for low income households). Not much more is clear about the proposal—including how much the fee structure would raise for Portland transportation funding.

To date, officials have only discussed fees of \$8 or \$12 per month for single family households, saying they would raise between \$34 million and \$53 million a year.

Chris Warner, chief of staff to transportation commissioner Novick, would neither confirm nor deny the newly obtained figures, saying an announcement will wait until tomorrow.

Update, 4:25 pm: Looks like the "street fee" proposal, as it will be proposed, would raise about \$40 million a year for the first five years, well under PBOT's \$53 million a year estimate for a \$12 fee. It's possible that indicates a modified fee structure for businesses and local governments, but that's not clear right now.

The Portland Business Journal

Portland set to unveil street fee proposals

By Andy Giegerich

Portland's transportation leaders will announce details of the city's new Transportation User Fee this morning.

The Portland Mercury reported that the fee will average \$11.56 per month for single-family households.

Mayor Charlie Hales and Commissioner Steve Novick, who oversees the transportation bureau, will unveil an online calculator the businesses can use to determine their fees under the proposal. Some smaller businesses could qualify for discounts.

The fees would provide "more investment in the transportation system to address longstanding maintenance and safety needs that cannot be addressed with existing gas tax revenues."

Portland's City Council could consider the proposal next week, according to Willamette Week.