

The Oregonian

Portland street fee: Mayor Charlie Hales offers challenge to anyone who can find 'misspent money' under his watch

*By Andrew Theen
June 24, 2014*

Portland Mayor Charlie Hales ended what was an occasionally testy but largely polite Tuesday morning town hall on a proposed street feewith a challenge.

Hales said for anyone who can find misspent money in the past two budget cycles (2013-14 and the recently approved 2014-15 budget), "I'll show up on your doorstep with \$10 and a TV reporter."

About 140 people attended Tuesday's town hall, which was largely civil and included testimony from roughly 30 people. We'll return with a more detailed report from the meeting later on Tuesday.

The first term mayor's remarks came in the context of what's been a persistent theme at several transportation town halls regarding a proposed street fee: the city's spending on so-called pet projects.

The mayor and Novick held their first public town hall meeting at the Oregon Convention Center on Tuesday, three weeks after City Hall sources confirmed to The Oregonian that the increasingly controversial proposal to charge businesses and residents a monthly street fee would be delayed until November. Officials are hoping raise \$54 million annually, split evenly between residents and business owners and other institutions.

Hales said anyone with concerns about city spending under his watch may have an appointment in his office. Hales said if you have a concern, cite the amount of spending in question, from what particular funding source and how you suggest spending the money instead.

Do you have examples of misspending in Hales' budgets? Here are some links:

2013-14 budget

2014-15 budget (year starts July 1, link is to the mayor's proposed budget)

Portland street fee: Mayor Charlie Hales' spokesman clarifies earlier challenge, said mayor meant 'illegally spent' dollars

*By Andrew Theen
June 24, 2014*

Portland Mayor Charlie Hales' spokesman clarified a challenge issued by the mayor to attendees of a street fee town hall Tuesday morning.

What Hales meant by "misspent" money, was money that is illegally spent outside the city's stringent budget requirements, his spokesman said on Tuesday. Earlier in the day, Hales pledged to show up at anyone's house with \$10 and a TV reporter if they could find misspent money in the two fiscal year budgets Hales presided over.

Dana Haynes, Hales' spokesman, said Hales was talking about illegal spending. "Do we have illegal projects. I'm fairly certain we'd have read about them in The Oregonian," Haynes said in an email.

"Our budget is poured over by the independent City Budget Office, the City Attorney's Office, the Multnomah County Tax Supervising and Conservation Commission, and the best press corps in the Northwest. His challenge: Find even one illegally spent dollar in his budget; the mayor dares you," Haynes wrote.

Prior to Hales' challenge, Commissioner Steve Novick explained the funding for some \$16 million in projects the city auditor mentioned in a 2013 report on street spending and maintenance. Watch the video

to hear Novick talk about the Sellwood Bridge, streetcar and other spending that contribute to the \$16 million chunk.

Hales' and Novick's comments came at a street fee town hall Tuesday morning for business and non-residential entities in Portland.

The accusations of "pet projects" -- some speakers singled out the Portland Streetcar -- pop up at most town hall meetings on street maintenance funding.

Here's what Haynes said about the term pet projects in an email:

"Pet projects" is code for any project the city does that you don't like or use. If you use the street car, it's a good investment. If you don't, it's a pet project. If you like Pioneer Courthouse Square, it's a good investment. If you don't, it's a pet project. The term is entirely subjective."

"If you got the sense the mayor is getting angry at those veiled and not-so-veiled references to illegal or legally questionable budget items: You're damn right."

Another street fee town hall meeting is scheduled for Wednesday night starting at 6:30 p.m. at Kaiser Permanente, 3704 N Interstate Ave.

Portland street fee: Business owners give Mayor Charlie Hales, Commissioner Steve Novick lots to think about

*By Andrew Theen
June 24, 2014*

Toro Bravo Inc. has three restaurants and 150 employees in Portland, with a fourth location in the pipeline.

For its next business venture, co-owner Renee Gorham told backers of a new city street fee Tuesday, "Seattle is starting to look pretty good."

The 8 a.m. town hall meeting, held in a Oregon Convention Center ballroom rented by the city, offered the first chance for the public to ask pointed questions face-to-face to Mayor Charlie Hales and Commissioner Steve Novick since they delayed a street fee vote on the eve of an expected City Council decision.

The event focused on the fee's impact on businesses, nonprofits and other institutions.

Business groups are the most likely opponents with enough clout to refer a street fee to voters. Hales and Novick have said they would prefer to move forward without an election on the fee, saying voters elected them to make that kind of hard choice on the City Council.

Gorham and about 30 other business owners in the crowd of roughly 140 pushed the two for more information, more time and more consideration for the ramifications of the monthly fee on businesses that could eventually cost her company more than \$14,000 a year.

"It'll close people down," Gorham said. "Even the most successful businesses."

Portland Bureau of Transportation officials said the town hall was the largest public street fee meeting since the city starting talking about street maintenance in February.

Transportation officials said the goal of the fee is to bring in up to \$54 million per year, split evenly residents and non-residents. If the City Council approves a fee in November, officials have said they'll start collecting in July 2015.

Tuesday's meeting began, as many public meetings on contentious topics do, with a tense mood and palpable frustration from some in the audience.

A smattering of attendees periodically held aloft signs denouncing the proposed fee. A few signs singled out Novick, calling for a ballot petition to recall the first-term commissioner.

Aside from a few outcries, the testimony eventually settled in to what was largely a respectful give and take.

"This issue has become really emotional for all of us, so we've lost some clarity," said Yu Te, a Venture Portland board member and business owner in Hollywood.

Te said the business community is asking the city to do what is commonplace in the business world when asking for a loan. "We need more prioritization, more fiscal responsibility and more thoughtfulness," he said.

PBOT director Leah Treat also alluded to perceived business acumen, citing the \$46 million in maintenance dollars she said are actually at PBOT's disposal. "As business people, I hope you understand that \$46 million to maintain \$8 billion in assets is not enough," she said.

City leaders at the meeting asked the business owners for new recommendations to raise revenue and for tweaks to the street fee plan.

"It will be imperfect no matter what we do," Hales said of the funding mechanism.

Novick and Hales covered much of the same territory they've trod in previous meetings, but they did debut two specific funding alternatives that would bring in the same amount of money from businesses as the street fee. The first: increase the business license tax to 3.1 percent from 2.2 percent. The second: institute a new gross receipts tax on businesses generating more than \$50,000 in receipts annually.

The street fee, though, remained the focus of Tuesday's discussion.

The trip generation data the city is relying on to charge businesses was a common point of contention for business representatives big and small. The Institute of Transportation Engineer's Trip Generation model is based on traffic counts that often date back to the 1960s and are largely from suburban areas.

Novick said despite its issues, the data from the manual, based on the trips generated per square foot of a building, are likely to be consistent across cities. He used the example in the manual that a supermarket is likely to generate several times more trips than a bowling alley -- regardless of if its in Portland or Des Moines. "That makes sense to me intuitively," Novick said.

Peter Emerson, owner of the Bipartisan Cafe in Southeast Portland said the data puts his business in the same category as a global powerhouse. "It's much harder for me to absorb these costs than Starbucks, who have hundreds of coffee shops," Emerson said.

Tom Simpson, director of government and regulatory affairs at Standard Insurance Company, said most of his company's business is conducted outside the state. The insurance company "heavily subsidizes" activities that promote employees finding another way to get to work outside of an automobile. The ITE manual doesn't factor in trips generated by bicycle, mass transit or other uses.

Novick said if the city did its own trip counts that included all modes of transportation, some local business might actually have higher real counts.

Citing a Portland State University study, he said some highly walkable neighborhoods saw residents making more trips to businesses because they didn't use a car. That, he said, could end up costing a business more if precise trip counts were used to charge fees

Beyond the trip generation discussion, some of the same funding plans posed at other meetings came up, too.

Some participants asked for an income tax. Others said it's time Oregon adopt a sales tax. Many advocated for a full-court-press at the Oregon State Legislature to approve a studded tire fee. Hales assured the group that a state fee on studded tires was a top priority for the City Council to push with Oregon lawmakers.

Few questioned the need for more revenue for roads, and what that might mean for the livelihood of businesses. But many questioned how the city has gone about the street fee discussion.

With a recently approved sick leave ordinance taking effect this year, some business owners said they feel they're given enough.

Gorham hand-delivered several copies of Shel Silverstein's classic, *The Giving Tree*, to the second and third-floor offices of Portland City Hall's elected officials last Thursday.

The visit was more metaphor than reading assignment.

Gorham said her message was clear: Portland businesses can only be asked to give and give so much before there's nothing left but the stump.

Another state joins Oregon, home to the most street fees in the nation: Portland City Hall Roundup

*By Andrew Theen
June 25, 2014*

Add another small city to the roster of U.S. municipalities with a street fee for road maintenance tacked onto utility bills.

Duluth, Minnesota approved a new street fee for road maintenance. The City Council approved the funding measure at a meeting Monday night.

How's it compare to Portland's proposal? Duluth residents will pay \$5 per month, according to the Duluth News Tribune. Fees for businesses will be escalated depending on the size of the business: small business will pay \$20 a month, medium-sized businesses \$90 and large businesses \$240 per month.

Under the proposal currently in limbo in Portland, residents would pay \$6 per month the first year, eventually paying \$12 by 2017. Businesses would be assessed a fee based largely on trip estimates from the Institute of Transportation Engineers Trip Generation manual. The manual compiles average trips from various business types, which swing widely based on their square footage and usage. The data are largely from suburban areas and often date back to the 1960s. Portland's proposal would cost some businesses thousands a month. We analyzed what that might mean for one Burgerville location earlier this week.

Duluth's fee will go into effect in August, according to the article. Minnesota joins Oregon, Texas, Colorado and Kansas as the only states, where similar street fees exist.

Portland Commissioner Steve Novick, who is leading the charge for a new revenue source for street maintenance alongside Mayor Charlie Hales, alerted City Hall beat reporters of Duluth's action.

Duluth previously depended on a revenue sharing agreement with a local Native American Reservation's area casino, which brought in \$6 million annually, according to the report. But the National Indian Gaming Commission overruled that deal, and the issue remains unresolved.

How's it playing out in Duluth? It passed 6-3, but was far from unanimous. "It's important we get started," said councilor Barb Russ.

One dissenting councilor, Zack Filipovich, said a fee would replace work that needed to be done during the annual budget process. Another worried that with a fee in place, councilors and city administrators would lack the "political will" to come up with bigger and better solutions.

A reminder: Portland transportation leaders (including Hales and Novick) will host another street fee town hall on Wednesday night at 3704 N. Interstate Avenue.

Despite allegations of consumer fraud, Portland continues to hire plumbing company Rescue Rooter

*By James Reddick
June 25, 2014*

Oregon's Construction Contractors Board concluded an investigation into American Residential Services in 2012 by moving to revoke the plumbing company's license and to levy a record \$623,500 fine. Among

the company's alleged misdeeds were charges of routinely performing unnecessary work and leaving customers with astronomical bills.

The board accused ARS of 114 violations involving conduct the board said was "dishonest or fraudulent and injurious to the welfare of the public."

Two years later, the City of Portland continues to hire ARS-owned Rescue Rooter, also known as Jack Howk Plumbing and Drain Service, for work on its property.

Just two days after the board released its scathing July 24, 2012 report, the city called Rescue Rooter to unclog a drain on city property. It was just one of 27 jobs, totaling \$22,439 in billings, that the embattled company has performed for the city since the CCB laid out the results of its investigation.

In all, since the beginning of 2011, the city has paid ARS nearly \$34,000 for 53 jobs.

Despite investigations that year by local television outlet KOIN and The Oregonian that preceded the CCB's findings, the pace of Rescue Rooter's work for the city hasn't changed.

ARS remains licensed with the state; the contractors board case is anticipated to go to an administrative hearing next spring unless the two sides can agree to a settlement. Chris Fairey, general counsel for ARS, denies all charges against the company but says ARS has made some changes on its own as a response.

"I can say, with confidence, I don't think there's another contractor in the state of Oregon operating at the level we do," he said. "We're proud to do work for the city of Portland, and I don't believe that concern is justified."

According to Abby Coppock, spokeswoman for the Office of Management and Finance, the city's Facilities Services office performs no periodic reviews of on-call vendors like Rescue Rooter. The company does plumbing jobs for the city with invoices less than the \$5,000 threshold that would require a city contract.

It's up to a technician with Facilities Services to pick which plumber to call when, for example, a women's restroom at the police training center needs fixing or a public toilet on Southwest Naito Parkway needs unclogging.

Asked whether or not Facilities Services was aware of the Construction Contractors Board effort to revoke ARS' license and fine the company \$623,500, Coppock is unsure.

"Is there any specific reason why we might hire this particularly company? I don't know," she said.

On Tuesday, Facilities Services' staff discussed the investigation in a meeting. According to Coppock, they agreed that Rescue Rooter has done "quality work."

"The city will definitely monitor projects closely if we hire them in the future," she said in an email.

The Oregonian also employs Rescue Rooter for plumbing jobs.

Oregon isn't the only state where American Residential Services' business practices have been in question. In Arizona, Attorney General Tom Horne fined the company nearly \$400,000 in 2012 on allegations it engaged in deceptive sales practices, particularly against older customers. Again, ARS denies any wrongdoing.

In Oregon, the allegations by the contractors board highlighted ARS' commission-based pay scheme in particular as a source of problems.

When the Memphis-based company purchased Jack Howk in 2004, complaints followed, according to the contractors board.

"ARS changed to a commission-based pay structure that paid workers only minimum wage unless they attained certain sales goals... Employees who did not sell enough products and services could be terminated," according to the board's revocation notice, signed by enforcement manager Richard C. Blank.

In one instance highlighted in the board findings, an elderly Northeast Portland resident named Katherine Nims called the company due to a clogged sink.

After finding breaks in the sewer line, the notice of revocation said, ARS employees told her that if the entire sewer and water lines weren't replaced, they could cause a sinkhole and also release deadly methane gas. Based on this false information, Nims ended up having to take out a second mortgage on her home to pay the nearly \$25,000 bill, the board said

Fairey, the attorney for Rescue Rooter's corporate parent, described new policies that executives have introduced following the Oregon contractors board investigation.

He said the company now presents customers their options in writing before any work is performed. Additionally, a video showing the inside of a sewer line before and after repairs is available for the customer to review. Prior to the state investigation, Fairey said, ARS already had mandatory ethics and "senior sensitivity" training in place.

According to Coppock, the city runs little risk of the types of behavior that the contractors board has accused Rescue Rooter of committing with residential customers. The jobs are smaller, and the city employs trained professionals who decide which plumber to call.

"These are facilities technicians who assess what needs to be done," she said. "We're a step above the average customer."

Fiber-cabinets policy will require more than a Google search: Editorial Agenda 2014

*By The Oregonian Editorial Board
June 24, 2014*

In the early days of electricity, officials grappled with the question of how to transmit the newfangled energy source over long distances. What was the first American city to solve the problem? If you guessed Portland, give yourself a round of applause. The 14-mile transmission line from Willamette Falls in Oregon City to downtown Portland (video on historic project) is thought to be the first permanent long-distance transmission of electricity in the United States. The lines were strung on utility poles, a practice that continues more than a century later.

Today, Portland officials again are deciding how to effectively manage transmission of a new public utility: high-speed Internet service. The issue has popped into public view because of Google Fiber's interest in bringing its super-fast broadband service to Portland. But the choices that will be made over the next few months will affect much more than Google and would need attention even if Google chose to go elsewhere. For these reasons, the most important thing that officials in Portland – as well as suburban cities – can do is slow down and make sure they develop a plan that is fair and has staying power.

Cities face some difficult choices as they decide how to accommodate the infrastructure necessary to rapidly transmit everything from movies to encyclopedia-length federal reports to millions of Facebook photos rapidly. When those transmission lines were strung for electricity in the 1890s, Portland's population was about 50,000. In other words, there weren't many people around to complain about how the power poles looked. Most of the land between Oregon City and Portland was undeveloped. There were safety concerns, but the benefits of electricity motivated everyone to find solutions.

Today, the risk-reward ratio is a little more complicated. Safety is less of a concern. But there are more than 2 million people in the metropolitan area, and it's unlikely that many of them would volunteer to have one of the cabinets in front of their houses. While there are tangible benefits from high-speed broadband and public support for it, faster Internet service is not the type of life-changer that electricity was.

Nevertheless, the benefits of improved broadband infrastructure do outweigh the complications. The key question is how do local governments fairly decide where to place fiber cabinets.

Alex Bejarano, a manager with the Portland Bureau of Transportation involved in the effort to develop a policy for fiber cabinets, said the bureau is considering a range of criteria including size, proximity to other cabinets, street characteristics, aesthetics and safety. The bureau is consulting with other cities and agencies where appropriate – the Regional Arts and Culture Council on aesthetics, for example. The bureau will seek public input after putting together a draft proposal.

That approach makes sense, but friction is sure to arise. The bureau should resist any temptation to develop an overly prescriptive one-size-fits-all policy. Here are some guidelines it should follow:

Protect residential areas. The fiber cabinets are too big to hide. Googles cabinets are expected to be about 2 feet wide and deep and 4 feet high, Bejarano said. Other companies have used slightly different dimensions in other cities. Though power poles technically are taller and hold up lines and transformers, at ground level fiber cabinets likely will stick out more. The city should adopt policies that provide incentives for companies to place cabinets in commercial areas when possible. Cabinets in residential neighborhoods should be placed in the least obtrusive spot possible. (The city hopes larger fiber huts can be placed on public land, Bejarano said.)

Be flexible on appearance. While it makes sense for the bureau to seek advice from RAAC, it's unlikely that many people will view fiber cabinets as "public art" regardless of how they are designed and decorated. Plus, what is considered aesthetically pleasing in one neighborhood might be deemed an eyesore in another. Keep aesthetic requirements simple while providing an avenue for affected property owners to have input.

Listen to the public. This is the most critical step of the process. Other cities, notably San Francisco, have faced backlash over fiber-cabinet policies. It will be impossible to please everyone, but property owners and taxpayers will be more receptive if they have an opportunity to shape the policy.

The Portland Tribune

City tour highlights need for park funds

*By Jennifer Anderson
June 25, 2014*

Cracks in a playground slide, corroded play structure platforms and restrooms partially sinking into unstable soil.

Those are just some of the features City Commissioner Amanda Fritz will show reporters on Thursday during a tour of the Kenton Park playground in North Portland and the Grant Pool in Northeast Portland.

Both sites are two of Portland Parks & Recreation's most visibly deteriorating facilities — tangible evidence of the need for a new parks maintenance bond, parks officials say.

A survey in late May showed that more than 65 percent of Portlanders supported a replacement bond to fund parks that would not increase tax rates and would pay for some of the most critical repairs to the park system.

A proposed replacement bond will be the topic of discussion at a June 30 town hall meeting. City Parks and Recreation officials will explain how the existing parks bond — approved in 1994 — will be paid off in 2015, and if it isn't replaced, structures will need to be removed without the funds to replace them.

In April, park officials had to remove the 40-year-old playground structure at Couch Park in Northwest Portland because it was unsafe. At the Kenton playground, a third of the structure has been removed due to safety issues. At Grant Pool, the city's most popular public pool (drawing around 80,000 visitors each summer), the filter and pump system is corroded and at risk of failure, which could require an emergency pool closure.

Without a replacement bond, the parks bureau will also not be able to offer the same level of service in parks and recreational areas citywide, according to officials.

Residents may ask questions and share their ideas at the town hall, 6:30 to 8:30 p.m., at the Cleveland High School cafeteria, 3400 S.E. 26th Ave.

For details go to <http://www.portlandparks.org>.

Portland to embrace Airbnb-type short-term rentals but not in apartments and condos

*By Steve Law
June 24, 2014*

Portland could become one of the first cities in the nation to legalize Airbnb and other short-term home rentals, but it's not going to allow it in apartments and condos.

At a Portland City Council work session Tuesday, city commissioners appeared to resolve most of the thorny policy questions associated with a proposed ordinance to bring short-term home rentals out of the underground economy.

Under the ordinance, the city would require hosts to obtain city permits, pay a \$180 fee, get city inspections every six years and pay lodging taxes to the city. But renting out condos and apartments for less than 30-day periods, or renting out entire homes for short-term vacations, would not be allowed and technically would remain illegal.

Airbnb, which is witnessing a backlash against its services in New York, San Francisco and other cities, welcomed the news, despite losing its bid to legalize short-term rentals here in apartments and condos.

"We're disappointed by that provision," said David Owen, Airbnb public policy director, who attended Tuesday's work session. "I still think this is a phenomenal step forward for those who are concerned about home-sharing."

The council will take more public testimony on the ordinance on July 2, and vote on a few unresolved issues, and then is expected to pass it on July 16.

Though renting homes and other properties for less than 30 days is illegal right now in Portland, Airbnb reports about 1,500 hosts are doing just that. There also are several smaller competitors active here, including numerous vacation rental firms.

San Francisco-based Airbnb, which recently opened an operational headquarters in Old Town/Chinatown, has said about half its 1,500 or so local hosts live in multifamily buildings, and wanted the city to legalize those.

But a majority of city commissioners opposed the idea Tuesday.

Commissioner Nick Fish thought it ill-advised to sanction short-term rentals in condos and apartments when nearly every multifamily lease and covenant bars subletting or commercial activity.

There also are security concerns when strangers are allowed into locked complexes. "You have to be buzzed in or allowed into most multifamily buildings," Fish said.

Planning and Sustainability Commissioner Chris Smith said he and his partner rented an apartment in Seattle recently through Airbnb, but were turned away when a landlord asked why they were there.

There also are concerns that Airbnb can be so lucrative that it will remove rental housing from Portland's already tight supply. Some hosts, testifying to the City Council on June 4, noted they are fetching such high nightly rents that they acquired other units to rent out through Airbnb.

Smith said the Planning and Sustainability Commission endorsed the proposed ordinance by an 8 to 1 margin with the understanding it wouldn't allow short-term rentals in apartments and condos. "We would have a grave concern if we move into these multifamily buildings that we would reduce the supply of housing," Smith said.

The City Council is expected to vote July 2 whether to require a host to live in their property at least six months or nine months a year. Commissioner Steve Novick said he likes the idea of a nine-month requirement and a limit on the number of days someone may rent out rooms. Otherwise, "you are running a little hotel," Novick said.

The council isn't moving forward on a recommendation to require hosts to advertise their license number when they seek business, much as home contractors do to provide some consumer protections. Sandra Wood, supervising planner for the Portland Bureau of Planning and Sustainability, said she didn't know

how the city could regulate advertising. But Wood suggested those shopping around for an Airbnb or other local site could look up the address of the home under portlandmaps.com, to see if the host has a permit and what the permit number is.

No matter what the council does, it's likely that much of the Airbnb and similar operations will remain in the underground economy, untaxed and unregulated. But, as with much in the city, neighbors facing problems with short-term rental operations can file complaints with the city, which will be investigated. The fee for a code violation is \$280 a month for a single-family home, which is more than the initial license fee, so there is an incentive to get licensed.

In the meantime, Mayor Charlie Hales said, the city is in a "trial and adaptation period."

Taxes due

Hosts under Airbnb and other programs are legally required to pay 12.5 percent lodging tax, 11.5 percent of it to the city and 1 percent to the state. That's even if the operations are still technically illegal.

Hosts also are legally bound to report their income to the state and federal governments and pay income taxes on their earnings.

While few Portland hosts are doing either right now, Airbnb has agreed to start collecting the lodging tax for its rentals in the city, starting July 1.

Willamette Week

Mayor Charlie Hales Challenges Portlanders to Find a Wasted Dollar in His Budget

"I'll show up on your doorstep with \$10 & a TV reporter"

*By Aaron Mesh
June 24, 2014*

Portland Mayor Charlie Hales concluded a heated hearing on his proposed "street fee" by challenging angry business owners and anti-tax activists to find a single wasted dollar in his city budgets.

The mayor then took to social media and repeated his challenge—which includes a cash reward.

Hales' tweet says:

"In response to pet project accusations: If you can find misspent money in my budgets, I'll show up on your doorstep with \$10 & a TV reporter."

The dare comes in the wake of the latest in a series of increasingly contentious town halls on the street fee, which Hales and City Commissioner Steve Novick say would raise \$40 million a year for transportation projects.

Hales and Novick delayed a vote on the fee last month after public backlash to their plan to charge households \$144 a year and businesses much more. This morning's town hall is the first in a series of public meetings intended to get feedback on how to rework the fee.

On June 19, City Council approved a budget with \$515 million in general fund spending.

Happy hunting!

UPDATE, 11:35 am: WW asked Hales spokesman Dana Haynes what would qualify as a misspent dollar, since public opinion regularly diverges on budget priorities.

Haynes says the mayor was responding to illegal spending.

"The mayor gets pretty mad at veiled and not-so-veiled accusations of illegality in the budget," Haynes says, "which is poured over by the independent City Budget Office, the City Attorney's Office, the Multnomah County Tax Supervising and Conservation Commission, and the best press corps in the Northwest. His challenge: Find even one illegally spent dollar in his budget; the mayor dares you."

Watching the Wheels

Portland's road-paving backlog has grown in the past decade while city officials have delayed filling the hole.

*By Aaron Mesh
June 25, 2014*

This week, Portland officials are navigating a switchback trickier than the Terwilliger curves.

They're telling residents the city needs more money to fix its roads, even as they passed a \$515 million general fund budget June 19 that continues a pattern of doing less for Portland's streets.

Over the past decade, City Hall has not allowed spending on road repairs and maintenance to keep pace with its overall transportation budget.

Had road repairs kept pace with that budget, a WW analysis of spending records shows, the backlog would be \$36 million less than it is now.

That's a small bite of the \$910 million needed to update the city's streets, but it's also the result of shifting priorities, moving more money toward streetcars, light rail and the Sellwood Bridge replacement—and away from basic road work.

Meanwhile, Mayor Charlie Hales and Commissioner Steve Novick started a new round of public hearings this week, trying to build public support for a street fee that would raise about \$50 million a year for street projects.

Hales and Novick say the Portland Bureau of Transportation needs new money to fix the nearly billion-dollar backlog of paving and sealing needed on city streets. And they blame that huge shortfall on a lack of funding.

The mayor earlier rejected more money for sidewalk construction and pedestrian signals in the current budget, saying he believed crossing off those items would reinforce his message that the city had to find new ways to raise cash to meet its transportation needs.

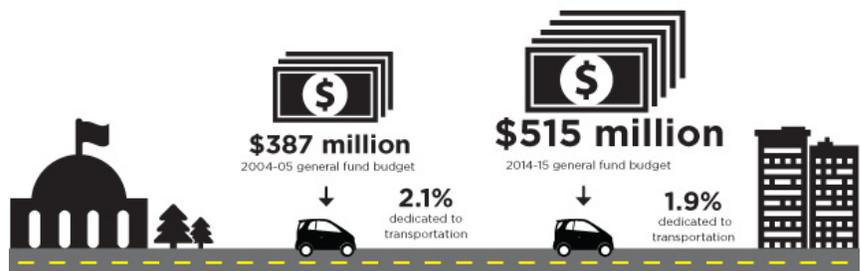
Yet their plan has gone nowhere, and Hales and Novick have already delayed their street-fee proposal after public anger flared at the idea.

"Money from the gas tax and parking is not enough for basic transportation needs," Novick said at a May 29 public hearing. "The gas tax has become a more problematic source of revenue as people are driving more fuel-efficient cars. That's good for the environment but bad for our bottom line."

All of that is true—but it's not the whole story.

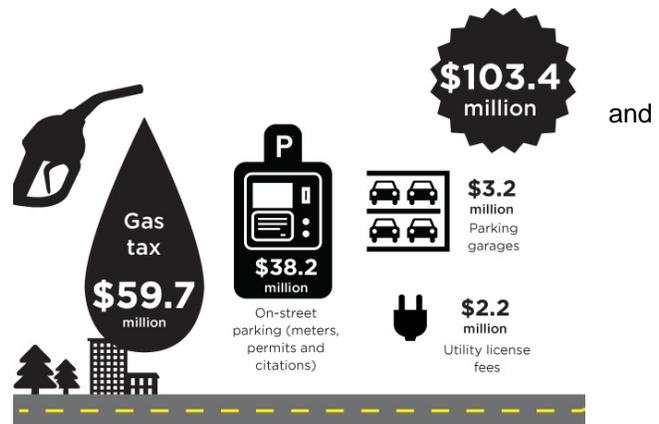
GENERAL FUNDS DEDICATED TO TRANSPORTATION

In the past decade, the City Council hasn't altered the portion of the general fund it dedicates to transportation.



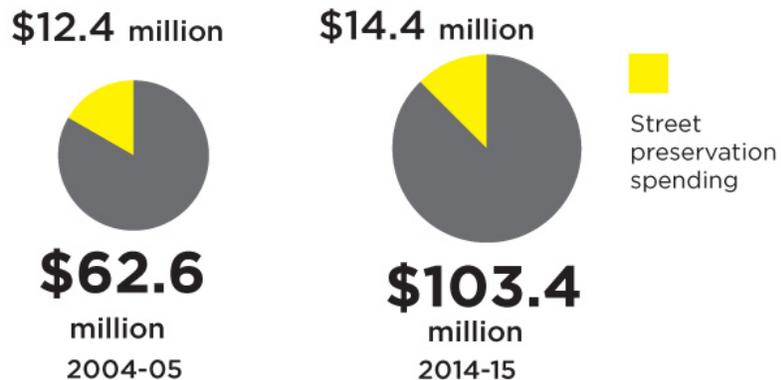
2014-15 DISCRETIONARY REVENUES:

The Portland Bureau of Transportation gets most of its discretionary money from the gas tax and paid parking.



OVERALL SPENDING:

PBOT's discretionary revenues have risen significantly in the past decade, while spending on street preservation has not.



The Portland Business Journal

Portland to buy Right 2 Dream Too property as homeless camp prepares to move

*By Andy Giegerich
June 24, 2014*

Portland's economic development group is looking to acquire a plot of land that's currently housing a homeless camp.

The parcel, at the corner of Northwest Fourth Avenue and West Burnside Street, will cost the Portland Development Commission \$1.2 million. The Right 2 Dream Too homeless community will be given 30 months to relocate.

The PDC agreed to pay property owner Michael Wright \$10,000 a month up until the time the camp relocates. The total payout could equal \$1.5 million.

The 7,762-square-foot property sits at what's effectively the entry of Chinatown and Old Town from Portland's downtown.