

## The Oregonian

### City flushes its role marketing and selling Portland Loo public restrooms

*By Brad Schmidt  
July 30, 2014*

Portland is done with its outdoor potty business.

Efforts to market and sell the Portland Loo have been transferred from the city to restroom manufacturer Madden Fabrication as part of a royalty agreement inked by officials last month.

The deal comes just months after the city lost a key ruling in a lawsuit filed by utility ratepayers, with a Multnomah County judge in March finding that Portland misspent \$618,000 from Water Bureau funds on Loo efforts.

The agreement relieves the city of annual staffing devoted to the contentious business enterprise but caps the city's financial upside, should Loo sales explode in the future.

It's all part of Commissioner Nick Fish's effort to focus the city's water and sewer bureaus, which he oversees, back on the core responsibilities of providing water and sewer services.

"The commissioner felt that it was important that this business move over to the private sector in a deal which provides a royalty to the city," said Jim Blackwood, a policy director for Fish.

The Portland Loo is the brainchild of former city Commissioner Randy Leonard, who copyrighted the restroom's stainless steel design in 2008. Stretching from The Fields Park in the Pearl District to the South Park Blocks near Portland State University, downtown Portland is now home to seven Loos.

In addition, the city sold four restrooms to four cities in Alaska and Canada, with five more orders to three other cities still in the works.

The Loo costs about \$60,000 to manufacturer. In the past, Portland set sales prices for other jurisdictions at about \$90,000 per Loo. From three of those sales, the city pocketed about \$69,000 in revenue, or about \$23,000 per unit.

Under the new agreement, Portland will secure an 8 percent royalty on sales, with the price set by Madden. Assuming a \$90,000 sales price, the city would receive about \$7,200 per Loo. The royalty rate is identical to what Portland negotiated with Romtec Inc. in February, ending a lawsuit accusing the Roseburg company of making a knock-off Loo.

It's not clear what the new arrangement will mean for Portland the next time it wants to order a restroom from Madden.

Already, Portland parks officials want to buy and install six Loos in city parks, provided voters approve a \$68 million bond measure in November.

Under the old arrangement, Portland paid \$60,000 to cover manufacturing expenses.

Now, if Madden holds firm at a \$90,000 price, costs for a new Loo could run upwards of \$80,000 after receiving a royalty payment, city officials confirmed.

But company president Greg Madden said he'd be open to cutting the city a deal, given that he's building Portland's design.

"Even though we have a potential for an improved margin to sell at a higher rate, I do respect their intellectual property," he said. "I would definitely consider some option for the city of Portland that might be better."

Kent Craford, who helped organize the lawsuit over utility spending, said the city never should have gotten into the Loo business and the exit has been a long time coming.

"I think the lawsuit simply sped that whole process up, and it probably saved ratepayers a lot of money that the city would have otherwise lost," he said.

Blackwood, Fish's policy director, said the deal with Madden was "completely unrelated" to the lawsuit.

Since taking over the utility bureaus in June 2013, Fish directed the sale of a high-end demonstration home built and paid for with Water Bureau money. He also asked Water Bureau staff last year to devise options for ridding itself of a park in Clackamas County – home to water pipes and a new community hall and amphitheater built under Leonard's order – but officials have made no progress.

The city spent at least \$60,000 a year for employees who worked on Loo efforts.

"This has been part of our effort to make sure our bureaus are focused on their primary businesses," said Blackwood, who added that Madden is better equipped to handle marketing and sales work.

Madden said he expects to market the restrooms far more aggressively than city staff, who generally responded only to inquiries.

Already, Madden said, the company is working on deals for seven or eight Loos in Texas with hopes of topping \$2 million in restroom sales next year.

"We want to turn this into something," he said, "that's successful for all of us."

## **Portland Commissioner Amanda Fritz delays \$170,000 request for downtown holiday marketing program, ugly sweater contest**

*By Andrew Theen  
July 30, 2014*

Portland is just a few weeks into a new fiscal year, but on Wednesday the City Council considered dipping into its contingency fund to pay for a downtown marketing program put on by the chamber of commerce during the holidays.

Despite cutting \$828,309 in funding for the Downtown Marketing Initiative from its budget weeks ago, the elected officials are now considering restoring \$170,000 of it.

The emergency ordinance left the City Council pondering ugly sweater contests and holiday shopping promotions during a late July meeting agenda that included a landmark deal to approve short-term rentals.

The Portland Business Alliance made a hard sell, and its testimony came after an extensive update from Travel Portland leaders on the thriving tourism industry and lodging tax revenue hitting the Rose City's coffers.

Lisa Frisch, PBA's downtown retail program director, testified that adding back \$170,000 would allow the chamber to pay for a "very scaled back, very bare-boned" holiday marketing program. She described the funding levels as "not sustainable."

The transportation bureau paid for the \$828,309 in the previous fiscal year, with the funding coming from the bureau's general transportation revenue dollars.

Frisch said the chamber would be able to hire a social media contractor to manage its Instagram and Facebook accounts, but "active management of comments will be difficult because of the lack of city funding."

The chamber would also cut print and television advertising from its budget, and eliminate an online ugly sweater contest. PBA would continue with so-called "yarn-bombing," adding sweaters to downtown animal sculptures.

But Commissioner Amanda Fritz wasn't moved by the PBA's plea on Wednesday. "If I was going to vote to spend \$170,000 today," she said, "I would vote for [pedestrian] crossing improvements in east Portland."

Mayor Charlie Hales said the city's "budgetary situation is counting to evolve" and its prudent to reconsider funding some programs.

But Fritz successfully delayed a vote on the \$170,000 request until next week.

After the meeting, Fritz said the emergency request came "out of the blue" with no briefing from Hales' office. She has no problem with the downtown marketing initiative, saying it's a good program that brings more bodies and revenue downtown. Fritz, a second-term commissioner and longtime member of the Planning Commission, takes issue with the process. "It's a good product, but it's not the right process to pay for it," she added.

The City Council just emerged from months of work to make the right budget decisions, she said, a process that resulted in cutting the downtown initiative. "Did we just decide that wasn't the right decision?" she asked. "If so, lets go back and reopen things because I've got a couple things that I didn't get in that budget that I'd like to put on the table."

"It's not appropriate to make grabs through contingency," she added.

The City Council will vote on the \$170,000 next week.

## **Readers want Uber ride-sharing in Portland, but city says 'no time frame' for overhauling taxi rules**

*By Joseph Rose  
July 30, 2014*

A week after The Oregonian wrote about ride-sharing company Uber sneaking into Vancouver with hopes of breaking Portland's powerful taxi lobby, Oregon Public Broadcasting has tackled the issue on Tuesday's "Think Out Loud" call-in program.

OPB's headline played up a quote from PBOT spokesman Dylan Rivera, who said the controversial service is "highly likely" in Portland, despite recommendations the city's revenue bureau and taxi board to keep ridesharing illegal.

However, that's a highly optimistic prediction.

In fact, on Wednesday, Rivera said nothing has changed since last week's Oregonian story, in which commissioner Steve Novick said he has only begun to look at ways of possibly modernizing the city's 20th century taxi regulations for the sharing economy.

Here's the entire OPB broadcast:

The Portland Bureau of Transportation took over the issue of rideshare regulations on July 1.

Among other things, city code requires a 60-minute advance reservation for non-taxi ride services and sets a strict quota on how many taxi licenses can be handed out during any given year.

"We have no time frame for overhaul of the taxi regs," Rivera said. "We're months away from an overhaul. Clearly, we want to engage the public and the taxi industry and the tourism industry, with a focus on safety, customer service and accessibility for the disabled."

Still, Uber has put out what appears to be a defiant call for Portland UberX drivers on Craigslist and Facebook.

However, Brooke Steger, general manager of Uber's Washington operations, said those ads are for drivers in Vancouver. "Most of the interest we're getting is from drivers who want to join us in Portland," she said.

With UberX, drivers can turn their private vehicles into de facto low-cost cabs without acquiring a special license. People can hail a ride by simply tapping the Uber smartphone app, with the car usually showing up in less than five minutes.

In an unscientific poll of Oregonian readers last week, nearly 85 percent said it's time for the city to let Uber into Portland.

Many readers said the Portland taxi industry is broken and doesn't deserve the protection it receives from long-standing regulations.

"Maybe our city leaders should visit a town that has excellent taxi services AND open market competition," wrote OregonLive commenter jdmd8910. "Then they can come back and tell us why we need to continue what we have.

Wrote OregonLive commenter Parallax: "Instead of wasting empty days trying to stop progress, intelligent worthwhile citizens work to capture it to make their own lives better...and society. Uber is just one of a thousand new technological advances about to transform American society."

## **Portland legalizes Airbnb-style short-term rentals**

*By Elliot Njus  
July 30, 2014*

Portland will start issuing permits for its first legal short-term rental operations in private homes as soon as September.

The Portland City Council on Wednesday gave its OK for Portlanders to rent out one or two bedrooms in their home over-the-counter, \$180 permit after an inspection and notifying neighbors.

The city Bureau of Development Services, which will oversee the permitting and inspection program, said it's expecting to start issuing permits Sept. 2. More information on how to apply for a permit would likely be posted online before then, said enforcement manager Mike Liefeld.

"We have to strike a balance between how we accommodate commerce, including this new kind, and our great neighborhoods," said Mayor Charlie Hales, adding, "I think we got it right this time."

Some neighborhood groups had opposed the measure, saying it would bring traffic, noise and a rotating cast of strangers into residential areas.

"We now are mixing commercial and residential," said Robert McCullough, president of the Eastmoreland Neighborhood Association and the Southeast Uplift Neighborhood Coalition, which advocated delaying the decision for more study. "Most people who sign up will be very responsible ... but it obviously is going to be a bit of a shock when people discover there is a rooming house next door."

Users of services like Airbnb turned out in favor of the proposal, saying the ability to rent out rooms provides helpful supplemental income.

In a blog post, a lobbyist for Airbnb hailed the "sensible legislation," but said the company would continue to rally its users in an effort to expand on what's allowed.

Many of the short-term rental operations in the city remain illegal, including those in multifamily apartment and condo buildings and rentals of entire homes, where the owner doesn't live at least 9 months of the year.

The multifamily structures were left out because, under the city's interpretation of the state building code, most would have to meet similar safety requirements as commercial hotels. Few apartment and condo buildings would live up to that standard.

Whole-house vacation rentals were left out because of concerns they would replace long-term rental housing and contribute to rising housing costs.

But the city council has said it intends to revisit both issues later this year.

The legalization also clears the way for more operators of short-term rentals to start paying required lodging taxes also paid by traditional hotels. Airbnb, one of the most popular online facilitators of short-term rentals, has started collecting those taxes on behalf of its users.

Commissioner Dan Saltzman plans to introduce legislation next week that would put that lodging tax revenue — expected to amount to \$500,000 in 2015 — toward an affordable rental housing fund.

Saltzman, who oversees the housing bureau, said diverting the lodging tax revenue would be a small step toward shoring up diminishing resources from urban renewal and the federal government.

"There's a clear nexus between this shared economy and displacing (long-term) renters," he said. "Within that is a good opportunity for the council to start establishing ways to invest in affordable rental housing."

The vote was unanimous, with Commissioner Nick Fish absent.

## **The Portland Tribune**

### **City legalizes Airbnb, other short-term home rental services**

*By Steve Law*

*July 30, 2014*

People renting out their homes to short-term tenants and tourists will now be operating legally in the city of Portland.

Portland city commissioners unanimously approved a new ordinance Wednesday that will allow Airbnb-style operations to emerge from the underground economy. Residents may rent out one or two bedrooms for periods of less than 30 days, if they get a \$180 city permit and submit to cursory safety inspections by the Bureau of Development Services.

The hosts, either homeowners or those renting a single-family home, must agree to reside on-site for at least nine months of the year. The hosts can hire whoever they want to manage the in-home rental business.

Airbnb, which has more than 1,500 hosts in Portland, has agreed to start levying some of the lodging taxes tourists should have been paying, and deliver the funds to the city.

The city is effectively allowing more "commerce to happen in single-family homes," Mayor Charlie Hales said after the 4-0 council vote Wednesday morning. "I think it's the right call."

The city has long allowed residents to pursue "home occupations" such as piano lessons out of their homes, Hales noted.

It's often the case, the mayor added, where travelers say they went to a city that's a nice place to visit but they wouldn't want to live there. "We want Portland to be both."

And city commissioners love that the "sharing economy" is bringing more visitors to live in Portland neighborhoods, which Hales said is one of the city's selling points that tourists often don't get to experience.

Commissioner Dan Saltzman praised Airbnb, which has lobbied heavily for the ordinance, as a "great corporate citizen." Saltzman hailed this week's announcement by the San Francisco-based company, which opened a satellite office in the Old Town/Chinatown neighborhood, to a deal whereby its local hosts would provide lodging to emergency workers during emergencies.

Earlier the City Council agreed to dedicate \$500,000 from the new lodging tax proceeds for affordable housing in the 2014-15 city budget. Saltzman, who oversees the Portland Housing Bureau, said he'll bring an ordinance to the City Council next week that would dedicate future lodging revenues to affordable housing.

Commissioner Steve Novick said he's still nervous about legalizing short-term rentals. But right now the city is allowing the underground operations to compete with regulated and taxed companies such as bed and breakfasts and hotels, and Novick said that isn't fair. Like others on the council, Novick also is concerned that Airbnb and similar operations will cut into the city's supply of affordable housing.

"I cautiously vote aye," Novick said.

Commissioners Amanda Fritz secured a requirement that city planners report back in September 2015 on how the ordinance is working, and how it might be affecting the stock of affordable housing. She also voted for the ordinance.

Commissioner Nick Fish was not present for Wednesday's session.

Airbnb and rival companies are already connecting tourists and other visitors to short-term Portland lodgings in single-family homes, apartments, condos and vacation homes.

For now, the city isn't allowing Airbnb or its competitors to use apartments or condos for short-term stays, or whole-house vacation rentals, or allow hosts to rent out more than two bedrooms of their home.

But everyone expects such illegal operations will continue, as the city only intervenes in response to citizen complaints.

By fall, the City Council plans to take up provisions that might allow short-term rentals in apartments and condos, perhaps only with the signed approval of landlords and condo owners associations. By next spring, the council may consider allowing short-term rentals in vacation homes.

And Hales promised the City Council also will tackle what he views as a more politically sticky issue: legalizing grass-roots alternative taxi services such as Uber and Lyft. Those allow citizens to use their cars as taxis, "flagged down" by people using their smart phones.

Portland taxi companies are wary of the new competition, and they have a long track record of lobbying the city and mobilizing their cabbies to defend their interests.

## **Willamette Week**

### **It's Christmas in July as City Council Starts Restoring Downtown Tourism Ads**

The Portland Business Alliance warned in February that cutting the ads could be a deal-breaker for the street fee.

*By Aaron Mesh  
July 30, 2014*

Few forces standing in the way of a Portland "street fee" are as powerful as the Portland Business Alliance.

Today, the business lobby came closer to getting money from City Hall for holiday advertising, including an "ugly sweater" campaign that will dress downtown statues in Christmas yarn.

The fate of the street fee and the release of money for holiday advertising are connected—because earlier this year the PBA threatened City Commissioner Steve Novick, who had proposed to cut the marketing money from the city budget, that the PBA might respond by opposing new transportation taxes. When preliminary city budgets were released this February, Novick had cut \$800,000 that was slated to come from the transportation bureau and pay for Travel Portland's downtown marketing.

The PBA was furious. Bernie Bottomly, the PBA's representative to the PBOT budget advisory committee, joined with Corky Collier of the Columbia Corridor Association to issue their own splinter budget suggestion to City Council.

"These agreements were made in good faith and the community stakeholders have upheld their end of the bargain," they wrote. "If the city were to move away from those commitments it would undermine the trust and cooperation that will be needed to address the bureau's long-term funding needs," referring to what would become the street fee.

This spring, the PBA warned Novick and Mayor Charlie Hales to slow their proposal to raise \$50 million a year for paving roads and building sidewalks. That reluctance played a role in Novick and Hales delaying their plan.

Meanwhile, the city passed a final budget that cut the \$800,000 for downtown marketing.

Today, City Council moved forward on a plan to restore \$170,000 of the \$800,000 for holiday advertising originally cut. The one-time money will come from city's general fund, instead of the transportation budget.

Hales explained this morning that the city's checkbook was less squeezed than it was in June.

"Now, perhaps, we have a little bit of room to add back some of the things we were forced to crimp and scrimp on," Hales said. "We've heard a very sincere plea. That's why this item is on the calendar."

But Commissioner Amanda Fritz voted no—delaying final approval until next week.

"We made a decision in the budget that we were not going to fund it," Fritz said. "We have other priorities. If I was going to vote to spend \$170,000 for a project today, I would vote for another pedestrian crossing in East Portland."

## The Mercury

### Hall Monitor

#### A Muddle over Divestment

*By Denis C. Theriault  
July 30, 2014*

FOR A WHILE in 2013, the climate change activists pushing Portland to steer clear of fossil fuel investments—one small part of a worldwide shame campaign—couldn't keep from pinching themselves.

First, in a speech last June for World Environment Day, Mayor Charlie Hales delivered what seemed like a resounding endorsement of so-called "divestment." Hales' rhetoric was so spot on, in fact, that it sounded like it had been written by the local group leading the charge, 350PDX.org.

"By divesting from the 200 largest fossil fuel companies, Portland can eliminate the risk to its own financial future," Hales said in a transcript published by the Portland Business Journal. "We must act before the carbon bubble bursts. And we must send the signal to the market that such investments are risky."

And that wasn't all.

Sandy Polishuk, the divestment coordinator for 350PDX.org, says things went so far, her group sent a top mayoral aide, Josh Alpert, suggested language for a resolution.

"Even after the speech," Polishuk says, "[Hales] made a commitment to us."

Until, that is, Hales and the rest of Portland City Council decided to pump the brakes.

Alpert says Hales' office got a call from the state treasurer, Ted Wheeler, who's been a vocal opponent of fossil fuel divestment (but an even more vocal proponent of investing in renewable energy). Wheeler reminded the mayor's staff that a lot of the city's investment money is mixed up with state assets—and that if divestment was going to come up, then Wheeler's office needed to be at the table.

"We weren't as informed as we are now, and we got crosswise with the state treasurer," Alpert says. "We aren't in a vacuum."

Instead of Hales pushing something on divestment last fall, the council, in October, wound up taking a more measured step.

Commissioner Steve Novick, stirred by the many labor sins of Walmart, successfully persuaded his colleagues to immediately stop buying the retailer's bonds. But when it came to a larger, more official "do-not-buy" list, they agreed only to convene a committee.

That committee's report is finally scheduled to go before the city council on August 6. And divestment proponents—and even some of that committee's own members—remain disappointed. The report lays out a list of criteria for judging investments, but its main recommendation is that the council create yet another committee.

It also appends a bit of naysaying from the city's internal investment council, suggesting the whole effort may not even be "feasible."

"We really want to separate our resolution" from the committee's work, says Polishuk.

But that won't happen soon, if at all. Alpert promises Hales' continued interest in divestment. But the cautionary notes by the city's investment council and Wheeler will carry weight. And, he says, the office is loath to spin off fossil fuel divestment "without doing our due diligence."

He also raises something else dispiriting for activists: a lack of a political champion. In their ongoing street fee fight, neither Hales nor Novick, the logical choices, have the bandwidth.

"These are issues that invoke a lot of passion," Alpert says. "Maybe we weren't as clear with the public as we should have been."

## Round Two

### The Ongoing Fight Over Airbnb Cash

*By Denis C. Theriault*  
*July 30, 2014*

DAN SALTZMAN was charitable, at first, after listening to his colleagues put the finishing touches on a controversial ordinance meant to legalize (and legitimize) certain types of short-term vacation rentals—something no other US city has dared to try.

Speaking at a Portland City Council hearing July 23, the city's housing commissioner made sure to mention his embrace of the new law—which applies only to single-family homes and backyard granny units. He also took care to say how much he welcomed Airbnb—the nationally infamous rental listings hub (and new Old Town tenant) that stands to benefit most from Portland's legalization push.

Eventually, Saltzman got to his real point.

"We also know it's going to ultimately diminish the number of rooms for rent" in Portland, he said.

And with that flourish, Saltzman announced he'd be resurrecting—and beefing up—an interesting idea his colleagues rejected just six weeks before ["A Good Idea Gone Wrong," News, June 11]: a plan to siphon every cent of tax money raised through short-term rentals and spit them all, instead, into a city construction fund for affordable housing. The overall amount would be close to \$500,000 a year.

"There's a clear nexus here," he declared. "The impact may not be large to start with, but it's going to grow."

It remains a bold call. And this time it was publicly welcomed by more than a dozen housing advocates, all of whom backed Saltzman in a press release.

But even with all that, it's still not clear Saltzman will get his way.

On the eve of the council's final vote on short-term rentals this Wednesday, July 30—and a little more than a week before Saltzman's own self-declared August 6 deadline for a decision on his funding plan—his office has yet to line up the votes needed to push it through.

Saltzman already annoyed his colleagues the first time he pitched the plan, sources say, failing to do the kind of personal salesmanship that might have smoothed over any skepticism.

And now, in a time of council grudges over contentious issues like cost waivers for Old Town/Chinatown redevelopment and a bedeviled plan for a new street fee, that quest isn't getting any easier. The only other commissioner to join up so far is Nick Fish, Saltzman's co-sponsor the last time he pitched his funding plan.

Saltzman and Fish have likely written off Commissioners Amanda Fritz and Steve Novick, sources say—and apparently for good reason.

Fritz tells the Mercury she remains steadfastly opposed—arguing that the money Saltzman wants to grab has already been built into the city's budget and spent on other priorities, like the parks bureau she controls. Beyond that, she says, the city already increased the housing bureau's budget this fiscal year.

"Why is he owed another \$500,000?" she says.

Novick—who pointedly sparred with both Saltzman and Fish over the street fee plan he's pushing alongside Mayor Charlie Hales—says he's only slightly less resolute in his opposition.

"I'm sympathetic," he says. But his reticence, he explains, has many wellsprings: He's "not totally sold this Airbnb thing will be a great idea," and he's hesitant to see housing money become an excuse to keep the rentals around if they turn out to have too much of a dark side.

"My inclination would be to re-outlaw it and crack down," he says. "It would be harder to do that if was seen as a source of revenue for a noble cause. Just like it's hard to back out of urban renewal now."

He's also worried the sum—\$500,000 or so—is too small to justify creating a separate pot of money. He's been privately examining the notion of tapping into a much larger pot: the \$21 million he says was funneled into the city's general fund from hotel taxes last year. Half of that money, Novick suggests, could go to housing.

But that might be an even bigger nonstarter, sources say. Because those millions are already built into the city's budget, commissioners would have to make substantial cuts in other bureaus to accommodate that change.

"I tend to think the police bureau is overfunded," Novick says. "I don't want to disappoint advocates.... I'm trying to think if there's a different way to address their concerns."

That leaves Hales, who was reportedly peeved by Saltzman's timing the last time he unveiled his push for housing money. Saltzman and his chief of staff, Brendan Finn, sat down to sell the mayor almost immediately after the July 23 council meeting adjourned.

Hales' spokesman, Dana Haynes, says the mayor is always, generally, "persuadable." However, Haynes says, there's "no indication yet" of Hales "making a move on this issue."

Finn, Saltzman's chief of staff, says his boss won't stop pushing, despite the long odds.

"There's a pathway there," Finn insists.

Outside city hall, some advocates who'd been expecting victory are trying to keep some semblance of optimism. Others are just fuming.

Rich Rodgers, a longtime staffer for former Commissioner Erik Sten, cites city hall's longtime struggle to find a substantial and permanent funding source for affordable housing. He calls it one more example of the city's underfunded infrastructure.

"The pressure's not abating. Rents are way up," he says. "This is a scrap to acknowledge we have failed for 20 years to find even a modest answer to one of our most significant problems. And to balk at this is incomprehensible to me.... It's not leadership."

## **Fritz Forces Delay in Money for Downtown Marketing Initiative: She'd Rather Fund East Portland Traffic Crossing**

*By Denis C. Theriault  
July 30, 2014*

Almost three months after Mayor Charlie Hales proposed a budget that cut nearly \$1 million for one of the Portland Business Alliance's cherished programs, the Downtown Marketing Initiative, the mayor this morning tried to get his colleagues to go along with a (fractional) change of heart.

He's getting his wish, pushing through a small restoration of that cash for holiday-season marketing. Just not this week. Commissioner Amanda Fritz balked at the \$170,000 request from the council's contingency fund—forcing the city council to strip away an emergency clause that would have allowed Hales' gift to the PBA to take effect immediately.

"I can't support this," Fritz said plainly, explaining that the about-face from the council's budget vote in June was too much to take. "I really support the Downtown Marketing Initiative. It's a wonderful program. But we made a decision in this budget that we wouldn't fund it with general fund money."

Her comments came after a slightly awkward bit of testimony from the PBA, in which they begged for a full restoration next year and went point by point through the budget cuts that they say have hobbled the DMI: Online comments unmoderated and then closed, scrapping an "ugly sweater" contest, not being able to hire stylists, ditching TV and print ads. Other councils had contemplated cutting the DMI, sources have told me, but the PBA always pushed back before that kind of talk got too serious.

(The DMI initiative, for the record, followed a soaring presentation by Travel Portland that saw officials gush over staggering and record year-by-year increases in hotel taxes and tourism revenue—an effort funded through a business assessment. So it's not exactly as if downtown's image is hurting.)

Hales didn't seem to enjoy the implication that he was carelessly forking over money after having previously drawn a line in the sand. He said there's more money flowing into the city's contingency fund than the budget that took effect July 1 initially forecast. And that there's nothing wrong with using it for immediate funding changes.

"That's why it's a contingency fund," the mayor told Fritz. "It's prudent to add back a portion of this money."

"If I was going vote to spend \$170,000 today," Fritz had told the mayor before he spoke, "I'd vote for a crossing improvement in East Portland, which is another project we decided we couldn't fund in the budget.... I want us to be very careful. We don't have enough to pay for everything we need in parks and housing and transportation."

## **The Daily Journal of Commerce**

### **Development Review Advisory Committee has vacancies**

*By Inka Bajandas  
July 31, 2014*

The Portland Bureau of Development Services is seeking applications from design professionals and major facilities landowners interested in filling two vacancies on the Development Review Advisory Committee.

The 17-member citizen advisory group represents those with interests in the outcome of policies, budgets, regulations and procedures that affect the city of Portland development review process.

Vacancies exist following the departures of Keith Skille of GBD Architects and Dan Gilkison, a civil engineer with the Port of Portland, said Mark Feters, a BDS senior management analyst. Both Skille and Gilkison decided to step down because of other time commitments, he said.

Feters is accepting applications from people interested in serving a three-year term on the committee. The group generally meets on the third Thursday of each month from 8 to 9 a.m. at 1900 S.W. Fourth Ave.

More information about the committee and application procedures is available online at [www.portlandoregon.gov/bds/46405](http://www.portlandoregon.gov/bds/46405). Design professionals and facilities landowners interested in serving on the committee can contact Feters at 503-823-1028 or [mark.feters@portlandoregon.gov](mailto:mark.feters@portlandoregon.gov).

BDS will accept applications until the positions are filled. The new committee members will be appointed by Commissioner Amanda Fritz and confirmed by Portland City Council.

## The Portland Business Journal

### A loo-sing proposition: Portland jettisons marketing of sidewalk lavs

*By Andy Giegerich  
July 31, 2014*

The Portland Loos are just a little bit less connected to, um, Portland this morning.

Marketing of the streetside lavatories has been transferred to Madden Fabrication, the Oregonian reports. The city has worked to disconnect itself from the marketing efforts for months.

As the Oregonian's Brad Schmidt reported yesterday, "The deal comes just months after the city lost a key ruling in a lawsuit filed by utility ratepayers, with a Multnomah County judge in March finding that Portland misspent \$618,000" of the Water Bureau's money on Loo endeavors.

The city agreed to market the Loos to other municipalities in April 2012.

## The Skanner

### Portland settles suit by officer who honored Nazis

*By Nigel Duara  
July 31, 2014*

Once-forgotten plaques placed by a Portland police officer in a city park to honor five Nazi-era German soldiers have come back to haunt the city.

The officer, Capt. Mark Kruger, threatened to sue the city last year over texts sent by a top police official to an officer characterizing him as a Nazi sympathizer. Instead of going to court, the city settled, agreeing to give Kruger 80 hours of vacation and \$5,000.

For some in a city where tensions linger over a series of police shootings of minorities and the mentally ill, what came next was too much: His record was also wiped clean of the discipline he faced for putting up the plaques in 1999, and the chief apologized to him.

A small cluster of protesters last weekend admonished both Mayor Charlie Hales and the Portland Police Bureau, with organizers calling the settlement an "injustice, and a celebration of white supremacy."

Hales said he understood and agreed with the outrage, but that the settlement helped the city avoid costly litigation.

Kruger's attorney, Sean Riddell, said Kruger asked him not to comment beyond a statement the captain made in 2010 after he was disciplined.

At the time, he said in a public apology that he attached the plaque to a tree in Rocky Butte Park as part of his decades-old study of European history. He denied having sympathy for the followers of Adolf Hitler and called Nazi conduct "abhorrent" and "repulsive."

"I ask that community members focus on my life's work and not on a poor decision made years ago," he wrote.

The settlement was first reported by the Oregonian.

Allegations that Kruger, now the head of the department's Drugs and Vice Division, was a Nazi sympathizer date back more than a decade.

Over the years, police and city leadership brushed off criticism of Kruger as a misunderstanding, arguing he was merely a history buff. At some point after 1999, the plaques were taken down and later ended up in the city attorney's office in anticipation of potential litigation.

Then, in 2010, a former friend, Robert Seaver, gave interviews about Kruger's younger days, saying the two found solace as awkward teenagers in the Third Reich's ideology. Seaver succeeded in drawing the city's attention.

The renewed focus led the police review board to find Kruger brought "discredit and disgrace" to the city and the bureau. The Oregonian detailed the city's dealings with Kruger in a series of stories that culminated with the police chief suspending Kruger and forcing him to take a tolerance training session.

Three years later, a police lieutenant complained that Kruger created a hostile work environment when she was promoted to his department — something that she said was made more difficult because she had played a role in the 2010 investigation into his conduct.

The lieutenant communicated with a civilian who oversaw the department's internal affairs investigations, who reassured her in text messages made public in the suit that included references to Kruger as a Nazi. The discovery led Kruger to sue in January 2013 and the official to resign.

The Revs. LeRoy Haynes Jr. and T. Allen Bethel, part of the community group called the Albina Ministerial Alliance, said in a statement that the settlement was "an insult to every freedom- and justice-loving citizen" in the city.

"Their decision shows insensitivity to those who have been victims of the Third Reich and their crimes against humanity," they said.

## The Observer

### Grow, Portland, Grow!

#### Impacts on race not studied in population forecast

*By Donovan M. Smith  
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Portland, you're growing. Metro's latest projections see the region swelling to about 3 million people in the next 20 years, an increase of around 400,000 people. For communities of color already impacted by gentrification, low employment and other factors, what does that mean for the future?

Metro's '2015 Growth Management Decision' report, released earlier this month, assesses the capacity of the region's urban areas to accommodate housing and jobs for the added population. But one thing that the report does not account for and never has since the government agency began doing them in 1970, is the impact population growth has on race.

Urban League of Portland's Director of Advocacy and Public Policy for Midge Purcell says that fact in itself is problematic. The non-profit social services and civil rights organization is currently working on the second installment of their State of Black Oregon report, started in 2009. The report combines data, narrative, and lived experience to illustrate the social and economic realities of black people in Oregon.

Finding good housing and gainful employment is especially acute in the African-American community. According to the city's planning bureau, blacks have the lowest annual median income of any other population group at \$26,449; Asians top the city's income bracket at \$51, 823 with white's strikingly close at \$51, 802.

Other factors have made it more difficult for disadvantaged populations to find an affordable place to live. Past and current Urban Renewal policies, for example, have led to massive new infrastructure in parts of the city, but displaced people of color, with homes sold for higher profits, sometimes demolished, and tracks of land turned into much more expensive properties.

Higher housing costs and fewer rental units have pushed many African Americans to suburb communities or the so-called "numbers," the avenues past 82nd Avenue to Gresham and Rockwood. Another impact for minority youth, especially, has been Measure 11, a law that ushers many black youth into the prison industrial complex.

Purcell says when government policies disproportionately affect minority populations, the neighborhoods they live in “will continue to be very fragile.”

Portland Housing Bureau Director Tracy Manning told The Portland Observer that in the next 20 years, the city is planning for 128,000 new households. But she could not predict who would occupy these homes in terms of race or what kind of income and occupations they would have.

What she did say, however, is that 80 percent of those new households are expected to be housed in multifamily properties and along transit corridors.

Manning says as the city preps for its continued growth, some of the housing bureau’s immediate areas of focus are the Interstate Corridor of north Portland and the Cully Neighborhood in northeast Portland which despite being majority white, have both sizable Latino and African-American populations.

The non-profit Hacienda Community Development Corp. has been working since 2010 on establishing an economic commercial and retail hub centered around the Latino community (one of the fastest growing in the state) called ‘Portland Mercado’ on Southeast 72nd Avenue and Foster Street.

The development is geared on maximizing the potential for upward mobility for the Hispanic population with modest investments in inter-generational education, asset building such as homeownership, youth and family services, and micro-enterprise services.

Hacienda says many Latino families in Portland have experience managing small businesses and a strong entrepreneurial spirit. However, due to barriers such as language, economic disparity, culture, poverty, and financing, they can’t start businesses – businesses that could create economic opportunities for both their families and the greater community.

Though Portland has always been populated by white people and even today has the distinction of having the whitest core among major cities in America, the diversity of people joining the community has also grown.

Despite not having the data to back his claim, Dana Haynes, an aide to Mayor Charlie Hales, said there is “absolutely no reason to believe the metro-area will be any less diverse” in the next 20 years. He is more cautious, however, when it comes to predicting if Portland will have the jobs and provide sufficient incomes for people over that period.

“Right now, income disparity is a serious growing problem in all American cities. We are hopeful that the situation will be improved with our middle-class bolstered and the services for the lowest-income residents more robust,” he said. “But honestly, a lot of that is depending on federal policy and international economics.”

The ‘2015 Growth Management Decision’ report can be found on Metro’s website [oregonmetro.gov](http://oregonmetro.gov).