

The Oregonian

City of Portland's top accountant placed on administrative leave

*By Brad Schmidt
August 13, 2014*

The top Portland accountant who played a key role in the firing of the city's former chief administrative officer has been placed on paid administrative leave.

Controller Jane Kingston was relieved of her duties last week by the city's new administrator, Fred Miller, Miller said Tuesday.

Miller declined to disclose what prompted the leave or whether Kingston will return. He also declined to say if the city is negotiating a severance package for Kingston, who is an at-will employee.

Kingston referred questions to a private attorney, who did not respond to requests for comment.

Miller said his decision was not in retaliation for the 2013 email argument between Kingston and Miller's predecessor, Jack D. Graham.

"That's ancient history for me," Miller said.

Kingston's leave comes amid broader restructuring within the Office of Management & Finance, which was upended by a scandal involving Graham that began in 2012.

Then-Chief Financial Officer Rich Goward and other financial managers accused Graham of attempting to steer water and sewer reserves to the general fund to offset budget cuts.

In 2013, the city eliminated Goward's position, saying the job was unnecessary.

Goward said his dismissal was in part related his role as a whistle-blower and received one year's salary as severance. Portland restored the CFO position this year and is now conducting a nationwide search to fill it.

Kingston, meanwhile, exchanged fiery emails with Graham in October over who was to blame for a highly technical accounting issue.

After the dispute, Kingston took medical leave and didn't return until December, after Mayor Charlie Hales fired Graham.

In the absence of a chief financial officer, Kingston has been reporting directly to Miller.

Miller said Kingston hasn't had a performance review since September 2013, when she received a 4.1 percent raise and scored "commendable," the second-highest rating for an employee.

Kingston has been the city's controller since August 2010, overseeing an accounting division of about two-dozen employees and earning an annual salary of more than \$120,000.

Google Fiber posts another Portland job -- but no buildout announcement yet

*By Mike Rogoway
August 13, 2014*

Google Fiber is seeking someone to manage the deployment and design of its prospective Portland network, another sign that the company is proceeding with its evaluation of the local market – though Google Fiber hasn't said whether it will actually proceed with its buildout.

The company had indicated previously that it would likely open some jobs in Portland as it evaluates the market for topography, regulatory hurdles and other potential obstacles. It cautioned those openings were merely preparation, and did not indicate a firm plan to proceed.

Prior openings were for a Portland "city manager" and a "community impact manager."

The latest job opening is for an "Outside Plant Metro Project Manager," responsible for managing the network's rollout, working with local officials and overseeing engineering. Google Fiber has posted similar jobs in other cities where it's considering operations, including San Antonio, Atlanta and Salt Lake City.

Google Fiber won a franchise agreement from the city of Portland in June and is currently negotiating for a similar deal in five suburbs where it's also considering operations – Gresham, Tigard, Lake Oswego, Beaverton and Hillsboro. The company says it's likely to make a decision on whether to proceed late this year, and could have some of the network in place sometime in 2015.

Meanwhile, CenturyLink has begun its own fiber-to-the-home buildout in Portland, positioning it to compete with Google on superfast Internet service.

Uber ride-sharing drivers are breaking the law in Vancouver, city attorney says

*By Joseph Rose
August 13, 2014*

Maybe Uber is illegal in Vancouver after all.

As The Oregonian reported last month, Vancouver a few years ago jettisoned a city code specifically prohibiting residents from using personal cars as de facto taxis. As a result, Uber's ride-sharing service essentially sneaked into Portland's largest suburb without feeling the need to say as much as a "hello" to City Hall.

But that doesn't mean that local drivers being hailed by riders using Uber's smartphone app are making a legal living, according to a recent memo from the city attorney's office. (PDF)

For all intents and purposes, a cut-rate ride provided by an UberX driver – someone who uses his or her private vehicle to pick up fares on an independent contract with the San Francisco company -- "is still a taxi ride" under Vancouver law, wrote Brent Boger, assistant city attorney.

On the other side of the Columbia River, strict ordinances designed to protect the taxi industry from competition have made Portland the largest U.S. city without Uber or its chief competitor, Lyft. Portland Commissioner Steve Novick has said the city is just starting to examine ways to let ride-sharing operate within its borders.

Currently, Vancouver city code defines a taxi service as a ride with a destination controlled by a customer and a fare is dictated specifically by a contract rate or a physical meter.

Uber drivers use a smartphone with GPS linked to the Uber servers to keep track of a ride's cost, typically much cheaper than those provided by one of the metro area's licensed taxi services. In Vancouver, the base fare is \$1.50 plus \$1.65 per mile with no additional tip.

"Though the meter UberX uses does not look like a traditional taxi meter that measures time and distance as the ride progresses," Boger writes, "it still fits within the definition of (a) taxi meter" under city code.

UberX drivers are "carrying passengers in the city and being paid for the service," the memo notes. As a result, Boger writes, they need to be licensed like other cabbies and abide by the same rules.

At the same time, if the city decided to go after the UberX drivers, limited staffing would make comprehensive enforcement "impractical," Boger says.

Over the next few months, the City Council is expected to explore its options with Uber, which could include everything from setting up new rules for ride-sharing companies --the road recently taken by Seattle -- to deregulating the local taxi industry entirely.

Portland sidewalk repairs: Your questions answered about what you need to do

*By Aimee Green
August 12, 2014*

Another lawsuit filed by someone who tripped on an uneven sidewalk has stirred reader questions about the city of Portland's rules, which put the responsibility of keeping sidewalks in good repair on the property owners next to them.

Reader ra88 correctly points out that the city considers any rise between two sections of sidewalk that is a half-inch or greater to be hazardous.

Check out this diagram, which lays out the rules for when a sidewalk is considered in disrepair.

Also, here's a Q&A I did earlier this year.

The takeaway: The city says property owners are responsible for ensuring their sidewalks are free of hazards, including rifts in the pavement, leaves, ice and snow. Property owners are liable if someone gets hurt.

If the city receives a complaint about damaged pavement next to your home or business, a city employee will visit the scene. Then -- if the site is deemed a hazard -- the city will send you a warning letter.

Property owners have 60 days after receiving notice to fix their sidewalks. Those who don't act risk having the city arrange to repair the pavement, then send property owners the bill.

Portland ready to sign off on \$630,000 Grove hostel deal: Portland City Hall Roundup

*By Brad Schmidt
August 12, 2014*

Portland's urban renewal agency is ready to strike a formal deal with a local developer to open a boutique hostel on city-owned property in Old Town Chinatown.

On Wednesday, the Portland Development Commission is slated to authorize a sale agreement to rid itself of the dilapidated Grove Hotel, on the corner of Northwest Burnside Street and Fourth Avenue.

A development group that includes Portland-based Naito Development and New York-based Eagle Point Hotel Partners wants to turn the property into a 107-bed hostel. Under the agreement, Grove Hotel Partners LLC would buy the quarter-acre property for \$630,000.

If the deal closes later this year, Grove Hotel Partners would have two years to begin construction or the Portland Development Commission could buy back the property at the purchase price.

"The project will be an amenity to the area, contributing to the 24-hour city environment through adaptive re-use of an underutilized property," the development team's proposal said.

If the project moves forward, it would mark a major accomplishment for redevelopment efforts in hardscrabble Old Town Chinatown.

In 2010, the urban renewal agency spent \$3.7 million to purchase and renovate the property, used at the time for low-income housing.

City officials later hoped to strike a deal with developer David Gold to transform the property into a hostel, but the project didn't move forward even after the agency offered a heavy public subsidy.

The Portland Development Commission recently obtained bids to replace the hotel's roof, which at one point was estimated to cost more than \$100,000. Shawn Uhlman, a spokesman for the agency, said the roof repair project didn't move forward because costs were higher than expected.

"The Naito team will be" responsible for roof repair costs, Uhlman said.

No public money will be used to develop or perform seismic improvements at the property as part of the latest deal, according to the Portland Development Commission.

The new hostel would be located next to the iconic Chinatown gate, just across Fourth Avenue from the Right 2 Dream Too homeless camp.

Willamette Week

Portland's New Street Fee Proposal Would Limit Costs for Businesses

By Aaron Mesh
August 12, 2014

Portland Mayor Charlie Hales and City Commissioner Steve Novick are considering scrapping the unpopular "street fee" that would charge businesses thousands of dollars a month and replacing it with a monthly business fee of no more than \$135 a month.

City officials floated the possibility of the slimmed-down fee Monday at a citizen work group that's trying to find a compromise plan to fund Portland's paving backlog.

The new version of the fee—called a "business entity-based flat fee," or BEFF—would junk the much-despised May proposal to charge businesses based on the number of trips made to them. That plan would cost some businesses as much as \$2,600 a month.

The new approach would cap the possible monthly charge to businesses at \$135. It would also limit the costs to non-profits—including churches, who were alarmed at paying the fee—to \$55 a month.

The BEFF plan would spread the taxes across a larger swath of companies—including some located outside the city but doing business in Portland—in order to collect the \$26.5 million the city's transportation bureau says it needs from businesses and other governments.

Combined with Novick's proposal of charging residents with an income tax that falls mostly on people making more than \$250,000 a year, the new plan may provide City Hall with a way to increase transportation funding after a publicity nightmare this spring.

Hales and Novick still hope to generate the new revenue through a council vote, rather than going to the ballot.

Officials from the Portland Bureau of Transportation presented the new plan to a work group Monday afternoon. Ann Sanderson, a Woodstock salon owner serving on the committee, posted the documents to the "Stop Portland Street Fee" Facebook page last night.

"We have asked for more specifics on their new plan," Sanderson wrote, "and we will become experts in this new idea before making a judgement. For now we will only say that it's... interesting."

Below are several of the documents released to the work group on Monday.

Business Category Criteria and Fees
Portland Transportation User Fee (Proposed)
Entity-based Flat Fee by Business Category
8/11/2014

Similar to: Grants Pass, OR

DRAFT

Business Category	Small Employees < 5 Annual Gross Revenue < \$500,000		Medium 5 - 50 \$500,000 - \$2,500,000		Large > 50 > \$2,500,000	
	* Sqft. <	Monthly Fee**	* Sqft.	Monthly Fee	* Sqft. >	Monthly Fee
Industrial	20,000	\$25	20,000 - 45,000	\$50	45,000	\$100
Institutional	40,000	\$30	40,000 - 90,000	\$55	90,000	\$110
Lodging	35,000	\$30	35,000 - 75,000	\$60	75,000	\$125
Medical	20,000	\$35	20,000 - 40,000	\$70	40,000	\$135
Non-profit	5,000	\$15	5,000 - 10,000	\$30	10,000	\$55
Office	15,000	\$20	15,000 - 30,000	\$40	30,000	\$75
Other	2,500	\$15	2,500 - 6,000	\$25	6,000	\$50
Parks and Open Areas*	215,000	\$5	215,000 - 480,000	\$10	480,000	\$25
Recreation	10,000	\$25	10,000 - 20,000	\$55	20,000	\$105
Restaurant	5,000	\$30	5,000 - 10,000	\$60	10,000	\$115
Retail	15,000	\$30	15,000 - 30,000	\$60	30,000	\$120
Services	10,000	\$25	10,000 - 20,000	\$50	20,000	\$105
Transit	25,000	\$20	25,000 - 50,000	\$35	50,000	\$75

* Square footage based on developed use in buildings, except in Parks and Open Areas, which is based on parcel size.

** Business qualifies as "Small" in its category if it meets two of the three criteria: Number of Employees < 5, Gross Revenue < \$500,000, or square footage below value shown in table.

** Business qualifies as "Large" in its category if it meets two of the three criteria: Number of Employees > 50, Gross Revenue < \$2,500,000, or square footage below value shown in table.

DRAFT fee rates shown are roughly based on rounded averages of trip-based fees by category. Fee table subject to further refinement and validation.

PBOT Transportation User Fee Proposals

8/11/14

Criteria

In responding to feedback from the workgroups, PBOT used the following as guiding criteria in developing the latest proposals:

- Affordability of monthly fee
- Fairness across similar-type businesses
- Understandability/Complexity
- Small business impact
- Fees on the highest trip generators (maximum fees)
- Non-profit organizations / progressivity
- Cost of administration

Features of Proposed TUF Alternatives

Proposal	Original TUF Sliding Scale by Trips	TUF Sliding Scale Flat Fee by Trip Category	Business Entity-based Flat Fee by Business Category
Source Data	Water billing system (Cayenta) - Properties	Cayenta (Water billing system) - Properties	Business License Tax database - Entities
Billing Unit	Property	Property	Business Entity
# of Accounts	~ 11,000 accounts	~ 11,000 accounts	~ 65,000 accounts
Fee basis	Use (Trips) based on ITE Trip Manual: Square footage * ITE Trip Rate * Cost per Trip	Use (Trips) by Business Type: Flat rate per Trip Category based on square footage and type of property use	Use (Trips) + Business Type and Size: Flat rate for Business Categories based on square footage, revenue, # employees
Range of fees	\$12 - \$2,600 / month per property	\$52 - \$2,561 / month per property	\$5 - \$135 per business entity / <i>per month</i>

Note that:

- The new proposals are very much in DRAFT form. Rates and categories are subject to further refinement and validation with help from the Business Workgroup.
- Rates were developed to meet the \$26.5 million non-residential revenue target. Changes to the revenue target will result in concomitant adjustment of fees.

Evaluation of Proposals vs. Criteria

Proposal	Original TUF Sliding Scale by Trips	TUF Sliding Scale Flat Fee by Trip Category	Business Entity-based Flat Fee by Business Category
Affordability	Unaffordable for many small businesses and high trip generators	More affordable for most, increases fees for some small businesses	<ul style="list-style-type: none"> • Spreads fees across more entities • Reduces fees for stand-alone, increases for multi-business properties
Fairness:	Fee for similar businesses types but varies by property	Fee for similar businesses types but varies by property	Fee for similar business equal regardless of property
Understandability/ Complexity	Difficult for many businesses to determine/understand monthly fee	Simplifies structure, predictable; businesses still need to calculate trips	Simplifies structure – business category, Small / Medium / Large
Small business impact	High impact for some small businesses	Increases fees for some small businesses	Lowers fees for most small businesses
Impact on the highest trip generators (maximum fees)	Sliding scale helps high trip-based properties, but some have very high fees	Sliding scale helps high trip-based properties, maximum fees reduced by flat fee structure	Greatly reduced per <i>business entity</i> , but some multi-use <i>properties</i> may pay more in total
Non-profit organizations / progressivity	Regressive (use-based rather than ability to pay-based)	Regressive (use-based rather than ability to pay-based)	Slightly regressive (use-based adjusted for ability-to-pay)
Administration costs	Medium – leverages existing Cayenta system; 11,000 accounts; high collection rates	Medium – leverages existing Cayenta system; 11,000 accounts; high collection rates	High – May require new system development; 65,000 accounts; unknown collection rates