

The Oregonian

Portland Street Fund: What you need to know about Portland's \$46 million tax-and-fee plan

*By Brad Schmidt
November 12, 2014*

How much money would the proposed Portland Street Fund raise annually?

New residential taxes and business fees are projected to gross \$46 million. After eliminating uncollectable money and subtracting administrative costs and credit card fees, the city would net an average of \$33.8 million annually over the first six years.

How much would residents pay?

Low-income residents would pay nothing while high-income Portlanders would pay \$900 annually. The income tax represents between one-tenth and three-tenths of one percent of adjusted gross income, generally increasing based on income. Taxes would be collected annually through the city's arts tax process.

How much would businesses pay?

Fees would vary based on the type of business, number of employees, square footage and annual gross revenues. Annual fees would range from \$36 to \$1,728. Fees would be collected through the city's annual business tax collections.

What would the money pay for?

The single largest expenditure is street paving, with an annual average of \$15.75 million, or about 47 percent of net revenues. Much of the rest would fund new sidewalks and better street crossings, lights, signs, signals and bike lanes.

How much would it cost to truly fix Portland roads?

The Portland Bureau of Transportation estimates that it would cost \$91.6 million a year to meet city goals for pavement quality. Portland maintains 4,827 lane miles of busy and residential streets.

Who benefits?

Residents of east Portland, according to Commissioner Steve Novick. He said that nearly 40 percent of investments in first three years would be made in east Portland, the city's most impoverished and diverse part of town.

Who is against the proposal?

The Portland Business Alliance. The downtown chamber of commerce dislikes the income tax component, particularly without a public vote, and thinks more money should be dedicated toward paving.

Who gets to authorize the new taxes and fees?

The City Council has the power to approve its plan without a public vote, officials say. But Paul Romain, a lobbyist for the Oregon Fuels Association, has questioned if the City Council has the authority to approve a new tax without a public vote.

Why not refer it to voters?

Portland Mayor Charlie Hales said it's the City Council's job to make tough decisions. He also said he's not aware of any businesses or individuals that would help fund what would be a costly political campaign to pass a ballot measure.

"No one likes taxes. No one is going to love what we're putting on the table today," Hales said. "But we think people will be more willing to go along with this set of proposals because they are fair, they are reasonable, and I think for all of us, they're bearable."

What happens next?

The City Council will discuss the proposal and take public testimony at 2 p.m. on Nov. 20. A vote is scheduled for 10 a.m. on Dec. 3.

Can the City Council's decision be challenged?

Yes. Opponents of the plan could refer it to the ballot for a public vote by collecting at least 20,897 valid signatures from registered Portland voters within 30 days of the City Council's approval.

If the proposal is approved, and it survives, would the new taxes and fees ever go away?

It's doubtful. Business leaders have advocated for a sunset or a referral clause. But city officials say none is being considered.

"We think this is a long-term responsibility and that there's (a) slim-to-none chance that some future City Council is going to be able to say, 'We're fine now, we don't need that revenue anymore,'" Hales said.

If City Council approves new taxes and fees, what would stop future increases?

Nothing. In fact, Hales has consistently criticized federal and state officials for not increasing gas taxes to keep pace with inflation. But Hales said there's no timetable for when the City Council would review the adequacy of the proposed taxes and fees.

"Let's see if we can't get something in place," he said, "and start fixing things."

Uber rideshare launches in Gresham, Beaverton, Tigard and Hillsboro, but still spinning wheels in Portland

*By Joseph Rose
November 12, 2014*

Uber announced Wednesday morning it is launching its popular ridesharing services in Beaverton, Gresham, Hillsboro and Tigard, effectively encroaching on Portland, the largest West Coast city to refuse to allow the controversial taxi competitor.

Although Uber says it's simply expanding into new markets, the move could intensify pressure on Portland City Hall to join what the cutting-edge upstart and its users consider an urban-transportation revolution.

Uber's expansion into Beaverton, Tigard and Gresham, all bordering Portland, means that many of the company's drivers will be ferrying passengers through the city.

Residents still can't use Uber's smartphone app for rides that originate in Portland. But nothing in the law prevents Uber's drivers from using their own cars as de facto taxis to pick up passengers in other cities and take them into Portland.

A week after a Portland Bureau of Transportation report showed the city is greatly underserved by taxis when they're needed most, Uber officials said it's getting harder for the city to defend strict ordinances designed to protect the taxi industry from competition.

In fact, Uber spokeswoman Eva Behrend said the mayors of Beaverton, Gresham, Hillsboro and Tigard approached the company about coming to their cities.

"They said they were ready to go," Behrend said. "We see this as an important piece of the puzzle for serving people in this metro area."

It's highly unusual for Uber, which is based in San Francisco and operates in more than 170 cities worldwide across 43 countries, to enter a metropolitan area via the suburbs. In July, Uber launched in Vancouver without as much as a courtesy email telling city officials it was doing business there.

Rather than getting wooed by mayors, Uber regularly faces a death match with taxi companies, politically connected unions and regulators to get its services into cities.

Beaverton Mayor Denny Doyle said he became sold on Uber after using its app to hail local \$1.65-per-mile drivers during trips to other cities.

"You can't deny the fact that this service is working in other places," Doyle said. "It's quick. It's convenient. It's cheap."

Among other things, the Beaverton mayor said Uber will provide a much-needed transportation option in fast-growing Washington County cities that are severely underserved by taxi companies.

"Have you ever tried to call a cab at night in Beaverton?" Doyle asked rhetorically. "It's nice to know that people will be able to get a ride when they need it."

In addition to the company's low-cost UberX drivers, Uber offers higher-priced luxury town car and SUV services. With a recent infusion of funding, Uber could see its value top \$30 billion, according to a Wall Street Journal report.

Uber has frustrated the taxi industry in every metropolitan area that it has entered, with critics often claiming that the company willfully violates state and local laws. It took a judge's order to allow Uber to roll in Las Vegas two weeks ago.

Meanwhile, Philadelphia authorities have threatened to start arresting Uber drivers after it launched its UberX service even as it told state regulators it had no intention of doing so.

Eugene, Vancouver and Salem have declared that the company's drivers are operating illegally as taxis within its boundaries. Uber disagrees, saying there fundamental differences between it and traditional taxi companies. Behrend said the company is in talks with those cities to resolve the disputes.

Doyle said Beaverton doesn't regulate taxis. With the emergence of the so-called "sharing economy," he said, he sees no point in doing it now. "Yes, there are questions about insurance and other things," Doyle said. "But we're comfortable with treating this like any other new business and watching those things to see what happens."

By contrast, Portland's taxi regulations are among the nation's most restrictive, say Uber and rideshare competitors such as Lyft. 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.

So far, the heavily influential Private for-Hire Transportation Board of Review, which includes representatives from the Portland's taxi and town-car companies, have been dead set against relinquishing any of the city's 460 taxi permits to Uber drivers.

Why hasn't Uber gone rogue in Portland? Behrend would only say the company is still evaluating the market and it would prefer to give the city a chance to rework its regulations.

Portland's Commissioner Steve Novick, whose office is leading efforts to examine and possibly rewrite the taxi regulations, said he's not going to rush the process out of fear of looking unhip.

It's not fair to the city's permitted taxi drivers for Uber to compete against a regulated industry without abiding by the same rules, he said. "We want to get it right," he said. "There has to be a way to adopt a less anachronistic system without destroying people's livelihoods."

Voters deserve a say in Portland street-tax mess: Editorial Agenda 2014

*By The Oregonian Editorial Board
November 11, 2014*

Less than two years ago, Portland's arts tax seemed to be a regrettable one-off. The annual levy, at \$35 for most income-earning adults, is highly regressive. And, because it operates as a quasi-income tax, it exempts thousands of people with public-sector pensions.

Can you say "unfair"?

Rather than swearing off exotic and half-baked funding mechanisms, Mayor Charlie Hales and Commissioner Steve Novick have decided to go all-in. Their proposal to raise revenue for city roads, released Monday, includes two components, one of which would affect businesses and the other residents. The latter, like the arts tax, is linked to income and, thus, will include the public-pension loophole. There are, however, some notable differences. While the arts tax is highly regressive, the street tax would be highly progressive. And while Portlanders at least had a chance to vote on the arts tax, the Street Tax Twins have no intention of asking their constituents to weigh in.

It's ironic that the process that brought the street-tax proposal to this point was heavy on stakeholder involvement – businesses, nonprofits, low-income advocates, etc. – but won't involve, by means of a vote, thousands and thousands of stakeholders who'd have to pay the residential tax. At least it won't if Novick and Hales have their way. But they represent only two of five council members and cannot go forward without help.

Commissioners Nick Fish and Dan Saltzman have said already that they won't support a street tax unless it goes to voters. Assuming they honor their commitment – and there's no reason to believe they will not – Commissioner Amanda Fritz will be the deciding vote. She should join Fish and Saltzman.

It would be better, of course, if the Council started over entirely, at least with the residential portion of the tax. The structure is so progressive - married couples filing jointly would be exempt unless they earned at least \$35,000 per year – that an estimated 40 percent of residents would pay nothing at all. In addition, thousands of public pension recipients would be exempted, which is patently unfair to private sector retirees. Meanwhile, only half the revenue would pay for street maintenance, which is odd considering the tax is a response to a huge backlog of deferred maintenance. The rest of the revenue would pay for safety improvements, from sidewalks to bike lanes.

To call this tax "imperfect" would be to insult imperfection. It's simply a mess.

If Hales' and Novick's colleagues aren't inclined to pitch this mess in the recycle bin, they at least should send it to the ballot. In all likelihood, voters would respond by saying "no," effectively telling the Council to start over. It's possible, we suppose, that the thousands of voters who'd be exempt would provide the support Hales and Novick need. Then again, they might conclude that city leaders will seek to adjust rates and exemptions shortly after an income-tax structure is established. Stranger things have happened.

The potential for an income tax, once firmly established, to metastasize is why lobbyist Paul Romain believes it will be easy to gather the 20,897 signatures needed to send the street tax to the ballot – should that be necessary. Romain didn't know Monday whether an effort to refer the tax would be backed by his clients, which include gas stations and convenience stores. But if the city doesn't place the tax on the ballot, he says, "my guess is somebody will."

As long as there's likely to be a vote either way, City Council can at least earn credit for doing the job on its own. Portlanders may be reluctant to support this mess of a tax proposal in any case. They should be. But they'll be even more reluctant to support the proposal if commissioners try to cut them out, as Hales and Novick would like.

The Portland Tribune

City land plan update worries some neighborhood leaders

*By Jim Redden
November 11, 2014*

Portland officials like to boast about the city's commitment to process, saying that residents are always provided many opportunities to weigh in on important decisions.

The process to update the city's comprehensive land-use plan that determines where development occurs would seem to be perfect example. It began under Mayor Sam Adams as the drafting of the conceptual Portland Plan and has already involved dozens of public briefings, open houses and formal hearings throughout the city. It is scheduled to culminate with the City Council approving the update next summer.

So, given all that, city leaders should be concerned about an answer to a question in the recently released 2014 community survey. It shows that fewer Portlanders believe they have adequate opportunities to influence government decisions than at any time since 2010.

The survey is conducted every year by the city auditor's office to measure the satisfaction of Portland residents with city services. One question asks residents to rate their opportunities to influence government decisions. In this year's survey, 22 percent of residents rated their opportunities as very good or good, down from the 26 to 28 percent recorded from 2010 to 2013.

The same question revealed that 41 percent of residents rated their opportunities to influence government decisions as bad or very bad. That's up from the 29 to 33 percent recorded from 2010 to 2013.

There are several possible reasons increasing dissatisfaction. Mayor Charlie Hales and Commissioner Steve Novick have probably not helped matters by declaring their controversial street fee to voters, at least not right away.

Neighborhood concerns

Ironically, other possible reasons surfaced during the final public hearing on the draft comp plan update before the Planning and Sustainability Commission last Tuesday. The commission oversees the Bureau of Planning and Sustainability, which prepared the draft update. It is scheduled to recommend a version of the plan to the council by next May.

A large crowd attended the hearing and several who testified praised the plan's efforts to concentrate new development in designated urban centers and along major transportation corridors.

"Overall, we are excited and optimistic about the plan," said Gustavo Cruz, president of the Northwest District Association, the neighborhood coalition office in Northwest Portland.

But others expressed frustration for a variety of different reasons. Some said they were being forced to fight a battle that had already been won. Others wanted the plan to supersede work being done by a different city bureau, which they did not trust. A number clearly struggled to understand the complex approval process for the update.

Several Hayden Island residents were angry about having to oppose development on the west half of the island by the Port of Portland. Most talked as though the commission had previously voted against the proposed marine terminal, and they did not understand why the site is still included in the plan's inventory of industrial lands. Some accused commission staff of trying to reverse the previous decision. In fact, the commission voted in favor of the project, but recommended so many expensive environmental and social mitigation measures that the port withdrew its application.

A number of NWDA board members wanted the plan to strictly regulate the demolition of older homes that contain asbestos and lead paint. An advisory committee to the Bureau of Development Services is already studying such regulations. But neighborhood activists across the city, including Northwest Portland — do not trust the committee because it includes several developers.

"Demolitions are a citywide concern, not just a Northwest NIMBY (not in my backyard)," said NWDA board member Wendy Chung.

And Southwest residents expressed frustration that some details of the draft update have not yet been written. It proposes four zones where new development will be concentrated. They are titled "Mixed-Use Dispersed," "Mixed-Use Neighborhood," "Mixed-Use Civic Corridor" and "Mixed-Use Urban Center." Despite the specific names, the details of the new zones are still being written by a group called the Mixed Use Zone Advisory Committee. It is not scheduled to release its concept plan until January, two months after last week's final public hearing on the draft update.

"We just want people to be able to see the whole plan before they testify on it," said James Pederson, chairman of the Multnomah Neighborhood Association Land Use Committee.

In response to Pederson's comments, commission staff said the two-stage process was mandated by state land use regulations. They require that the Comp Plan update be approved before the new zones. The employees noted that written comments will still be accepted until March 13 of next year, two months after the mixed zone concepts are released.

That does not please the Southwest residents, however. He thinks the Planning and Sustainability Committee should hold at least one more hearing after the zones are defined to take public testimony and respond to questions.

"We are not satisfied with that schedule," said Peterson, who claimed it is impossible to understand how the draft comp plan update would work without knowing how the mixed use zones are defined.

City receives payment in old campaign scandal

*By Jim Redden
November 10, 2014*

The city has received a payment in an all-but-forgotten public campaign scandal.

Emilie Boyles, a 2006 City Council candidate, received \$100,000 from the now-defunct Voter-Owned Election fund. She was caught violating rules on how the money could be spent, however, and Multnomah County Circuit Court ordered her to pay the city roughly \$145,000.

Boyles returned around \$65,000 still remaining in her campaign account and left the state. On Monday, the City Auditor's Office received a payment of \$76,434.99 from Volodymyr Golovan, one of Boyles's signature gatherers, who was convicted of state elections violations in a separate case.

According to the auditor's office, the city has not recovered all of the public campaign funds that had been given to Boyles. However, she still owes approximately \$110,000 in civil penalties, court costs, and accrued interest.

Revised street fee unveiled, still no public vote

*By Jim Redden
November 10, 2014*

The City Council will hold a public hearing on the revised street fee proposed by Mayor Charlie Hales and Commissioner Steve Novick on Nov. 20, and the City Council could vote on it as early as Dec. 3.

The revised fee unveiled at a Monday morning press conference is almost entirely different than what Hales and Novick first presented in May. It was revised after numerous public complaints with the help of three work groups.

"No one loves a tax, but we think more people will be willing to go along with what we're putting on the table today," Hales said.

Although no other commission has publicly said they will support the proposal, Hales said he and Novick hope all five council members will vote for it.

Hales and Novick are still not offering to place the fee on the ballot for approval, however, a sore point among many Portlanders. Commissioners Nick Fish and Dan Saltzman have both said they will not support the fee without it being referred to the voters, however.

"We think this is a difficult decision we are elected to make. Sometimes you have to make decisions that are unpopular, but you have to do your job," said Hales.

The residential portion of the revised fee is now a progressive personal income tax instead of a flat monthly fee on households. The business portion is a sliding fee based on the number of employees, square footage, and gross revenue of each business. The original proposal was an estimate of motor vehicle trips generated by each business.

And the revised fee would raise \$46 million a year, not \$53 million as first proposed.

But the spending would still be divided between street maintenance and safety projects, as Hales and Novick have always insisted. Although they first proposed the fee in response to a series of audits about Portland's poorly maintained streets, Hales and Novick have consistently said the city must also invest in safety projects, such as sidewalks and better marked crossing on heavily travelled streets, especially in East Portland. The proposed split is 56 percent maintenance and 44 percent safety projects.

Under the proposal released Monday, the personal income tax begins at \$25,000 for a single person and \$35,000 for a couple. It is capped at \$75 a month and includes a \$5,000 per child deduction. Payments would also be deductible on state and federal income tax forms.

According to the Portland Bureau of Transportation, a couple making \$40,000 to \$60,000 a year will pay \$5 a month. A couple making \$60,000 to \$75,000 will pay \$7.50 a month. A couple making \$75,000 to

\$100,000 a month will pay \$10 a month. And couples making more than \$350,000 a year will pay \$75 a month.

The income tax will be collected every year along with the Arts Tax the city is already collecting.

On the nonresidential side, business will pay between \$3 and \$144 a month, with a 50 percent discount available for nonprofit organizations.

Many if not most of the original critics are still organizing against the fee, however, including a number of activists operating a website called nostreetfee.com. In addition, Southeast Uplift, the neighborhood coalition office representing many southeast neighborhood association, recently sent a letter to the council outlining numerous objections to many elements in the revised proposal.

Hales challenged those considering whether to refer the proposal to the ballot to offer an alternative, however.

"There are three alternatives. We can do nothing, we can do this, or we can do something else. If you don't want to do this, tell us what you are proposing," said Hales.

More details are available at <http://www.OurStreetsPDX.com>.

Willamette Week

Airbnb Has Spent \$47,000 Lobbying Portland City Hall

*By Aaron Mesh
November 11, 2014*

Airbnb keeps spending money to woo Portland City Hall.

The company has reported spending \$23,331 on lobbying City Hall in the third quarter of 2014. That's when the City Council approved rules legitimizing the company's operations, requiring safety inspections on short-term rentals, and accepting lodging taxes from Airbnb clients.

That brings Airbnb's total lobbying this year to \$47,614.

WW examined the company's lobbying efforts in July. Mayor Charlie Hales has embraced the San Francisco startup while other cities have cracked down.

Since the City Council legalized short-term rentals like Airbnb, neighborhood associations have raised questions about whether short-term rental hosts have any motivation to seek the \$180 city permit and safety inspection.

Just 4 percent of Airbnb hosts operating in the city applied for a permit in the first two months it was available, WW reported last week. City officials are enforcing the new rules only when neighbors complain.

Portland Auditor Receives Final Payment from Publicly Funded Elections Scam

Emilie Boyles, Volodymyr Golovan off the hook

*By Nigel Jaquiss
November 10, 2014*

One of the darkest and most unintentionally hilarious chapters in recent City of Portland political history has come to close, with the repayment of monies owed the city from a scam perpetrated during the 2006 election season.

Back in those more innocent times, city council candidates could qualify for public funding for their campaigns if they obtained the requisite number of signatures.

In the 2006 primary, a little-known candidate named Emilie Boyles surprised political observers by gathering 1,000 \$5 contributions. As WW first reported, there was something unusual about Boyles' supporters—95 percent of them came from the former Soviet Union.

"I'm very popular in the Slavic community," Boyles told WW at the time.

As required under the rules of publicly-funded elections, the city then gave her \$145,000 to run a campaign. Some of her expenditures—paying her 16-year-old daughter \$15,000, for example—set off alarms.

Boyles and the man who'd gathered signatures for her, Volodymyr Golovan, both pleaded guilty to violating elections laws but have now satisfied their obligations to the city, according to the auditor's office.

Voters pulled the plug on publicly-financed city elections in 2010.

Here's the release from the city:

The Auditor's Office recently received \$76,434.99 as payment toward a judgment issued in November 2006 by Multnomah County Circuit Court, in the matter of City v. Boyles. That case arose from violations of Portland's since-repealed Campaign Finance Fund program, in which Emilie Boyles, a former candidate for city commissioner, was ordered to repay roughly \$145,000.

The recent payment was received from Volodymyr Golovan, one of Boyles's signature gatherers, who was convicted of state elections violations in a separate case. Golovan made the payment as part of a pending post-conviction appeal settlement.

As a result of the payment, there is no remaining balance owed to the city from the Campaign Finance Fund distribution to Boyles. Civil penalties, court costs, and accrued interest remain outstanding in the case.

Petroleum Lobbyist: Portland Street Fee's Income Tax Requires a Public Vote

UPDATE: Paul Romain says his clients are planning to send the street fee to voters.

*By Aaron Mesh
November 10, 2014*

The head of the state's gasoline lobby says he believes Portland Mayor Charlie Hales' latest iteration of the "street fee" is required by the city charter to be sent to voters.

Paul Romain, the lobbyist for the Oregon Fuels Association, tells WW that city rules require sending new taxes to a public vote—and the new proposal, a steeply graded income tax, falls under those requirements.

"If it's an income tax, we feel very confident they have to throw it out to the voters," Romain says. "There's no authorization in the charter for them just to adopt another tax."

Romain is referring to city charter section 7-110, which outlines what tax levies can be authorized by City Council without a public vote. Portland Mercury reporter Dirk VanderHart first reported Romain's contention this afternoon on Twitter.

Section 7-110-6 says "nothing herein contained shall affect the right, power or duty of the Council to levy special taxes heretofore or hereafter authorized by the voters, and special taxes authorized and found necessary shall be levied."

Hales spokesman Dana Haynes says Romain's reading of the city charter is wrong—the section refers to property taxes.

"The city attorneys have always considered what has to and doesn't have to go to voters," Haynes says. "We disagree with Mr. Romain. We understand why he would want that. But we disagree with his legal analysis."

Romain is a longtime opponent of Portland transportation taxes. In 2008, his coalition's pledge to refer a street fee to voters caused then-Mayor Sam Adams to scrap his plan. He has warned Hales that if City Council doesn't send this version to voters, someone will.

UPDATE, 2:52 pm: Romain says a re-reading of the city charter suggests the city attorneys are right, and City Council is within its legal rights to pass an income tax.

"I see where they're coming from on it," he says.

But Romain says his clients are preparing to collect signatures and send the Portland street fund to the voters.

"We're looking at a referral," Romain tells WW. "One way or another, the people are going to end up voting on it. Basically, there are sufficient folks out there that it will be referred."

Meanwhile, Portland Business Alliance president Sandra McDonough declared on her OregonLive.com blog that the downtown business lobby won't support an income tax.

"We remain very concerned about the proposed income tax for the residential side," she writes, "and the potential impact on people who live in Portland."

The Mercury

Police Accountability Advocates Decry Apparent Choice of Police Reform Liaison

By Denis C. Therisault
November 11, 2014

Tomorrow's long-awaited city council vote on a "compliance officer/community liaison" to oversee federal police reform in Portland may not be a quiet, conflict-free affair.

Two venerable police accountability groups—Portland Copwatch and the Albina Ministerial Alliance Coalition for Justice and Police Reform—have issued statements grumbling over the likely coronation of a Chicago-based team of academics that'll be fronted, locally, by retired Oregon Supreme Court Chief Justice Paul De Muniz.

Both groups are noting that a citizen panel charged with vetting finalists for the job initially discounted the Chicago application, led by University of Illinois-Chicago professor Dennis Rosenbaum, in part because it wasn't clear how intensely De Muniz would be working in Portland.

And they're equating support for Rosenbaum from Commissioner Amanda Fritz and Mayor Charlie Hales—in defiance of that panel's recommendations—with the council's decision last month to defy several community groups in appealing a federal judge's order that the city, as it implements its reform deal with the US Department of Justice, return to court annually to show its work.

The AMA's co-chairs, Doctor LeRoy Haynes and Dr. T. Allen Bethel, wrote that the AMA "seriously questions" the city's "resolve" in implementing reforms and are calling on the council to reject Rosenbaum.

But the spirit of the Agreement is that, as Commissioner Fritz stated on October 22, the community should have the final say in whether the police reforms are completed in a meaningful way. That's why it comes as a surprise at the end of this very long process to engage the community that the Council then decides to turn around and do the opposite of what was recommended. The main concern of the interviewers was having a COCL who has a sensibility to the day-to-day operations, so they did not even forward on Dennis Rosenbaum to the Council for consideration. The publicly posted comments from the interview sessions reflect this consensus.

So here we are just a little more than two months into the formal implementation of the Agreement and the City has already taken the stand that the community's input is not important, in contrast to the Portland way of having community input to shape the decision making of the Council. Even though the upcoming process to seat the Community Oversight Advisory Board will rely partly on the community, we urge Council to rethink its position on both the appeal and the COCL decisions.

Dan Handelman of Copwatch makes some of the same points about the work of the selection panel. Fritz has told the Mercury that she felt comfortable choosing Rosenbaum after meeting with De Muniz and

pressing him on his ability to spend time in Portland. De Muniz wasn't able to attend the hearing in front of the selection panel, held in late September, Fritz said. It's possible, if he did, that might have changed some panelists' minds.

But Handelman still isn't convinced De Muniz, who works in Salem, will spend enough time in Portland to do all the things required by the city's settlement with the feds, mean to answer findings that Portland cops engage in a pattern or practice of using excessive force against people with mental illness. Handelman's also done some digging with sources in Chicago, he says—and hasn't heard Rosenbaum's name mentioned much in police accountability circles.

We're hearing information about Dennis Rosenbaum from Chicago that makes us concerned he is more interested in his relationship with the police than with accountability. People involved in police accountability issues there hardly even recognize his name.

While Justice DeMuniz is promising to be the local connection for the Chicago team, he teaches in Salem and will not be the overall collector of information and assessor of implementation envisioned by the Agreement. It's been reported that he intends to work as the emissary for the COCL team one day per week, which means he will likely not be able to attend meetings of advisory groups other than the COAB, look over the shoulder of the Portland Police as they compile information required for COCL reports, hold office hours for community outreach, or conduct a thorough assessment of whether the DOJ Agreement is being implemented properly.

Tomorrow's vote is nestled near the bottom of a packed city council agenda. And this is worth noting: Saying yes tomorrow doesn't mean Rosenbaum would start immediately. All the vote does is formally start the clock on contract talks with Rosenbaum and his team—and those terms, conceivably, could be crafted to address some of what Rosenbaum's critics have seized on.

Read the full Copwatch and AMA statements after the jump.

On October 29 when Council was taking public comment on the three finalists for the Compliance Officer/Community Liaison, I was present in the chambers but opted not to testify. In addition to the fact that we'd already sent in written comments, I avoided speaking directly to a subject related to the DOJ Agreement because you all had, just one week earlier, voted to appeal Judge Simon's order to appear for annual hearings. It seemed to me that there only being three people testifying about the COCL was a louder message than I could have sent: that Council's action to appeal the order was seen as a slap in the face to the community and so a lot of interest in the process that had accumulated was dashed by your vote.

But instead, Council seems to have gotten the message that since nobody spoke up to oppose the idea of an out-of-town COCL (though it's my recollection that one of the testifiers did write off Mr. Rosenbaum for that reason), it would be ok to ignore the hand-picked committee which advised the Council not to consider the team from Chicago. Our October 15 written testimony was neutral, but once the comments from the interview panel were posted and we did some digging, we now tend to agree with those interviewers.

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After City Council voted to appeal Judge Simon's order, you now have announced your intention to choose the one COCL candidate the community said should be out of the running. If you want to send the message that you just don't care, then say it straight and stop pretending you do.

The AMA Coalition for Justice and Police Reform now seriously questions the City's resolve to implement the DOJ Agreement to reduce Portland Police Use of Force. Just two weeks after defying the unanimous voices of community members who urged you not to file an appeal of Judge Simon's annual hearings, Council announced that it would, despite the advice of your

appointed citizen advisory committee, choose the one applicant for the Compliance Officer position that advisory committee rejected.

The Coalition was part of the COCL selection process from early on, when the Request for Proposal was drawn up in January and February this year, as the incoming applications were screened and narrowed, and at the public presentations and interviews with the finalists. The Agreement called for such a process and it is true that the City followed the letter of the Agreement.

But the spirit of the Agreement is that, as Commissioner Fritz stated on October 22, the community should have the final say in whether the police reforms are completed in a meaningful way. That's why it comes as a surprise at the end of this very long process to engage the community that the Council then decides to turn around and do the opposite of what was recommended. The main concern of the interviewers was having a COCL who has a sensibility to the day-to-day operations, so they did not even forward on Dennis Rosenbaum to the Council for consideration. The publicly posted comments from the interview sessions reflect this consensus.

So here we are just a little more than two months into the formal implementation of the Agreement and the City has already taken the stand that the community's input is not important, in contrast to the Portland way of having community input to shape the decision making of the Council. Even though the upcoming process to seat the Community Oversight Advisory Board will rely partly on the community, we urge Council to rethink its position on both the appeal and the COCL decisions.

We signed a Collaborative Agreement with the City in which we pledged to oppose any efforts to weaken the Settlement Agreement. We're seeing these actions as a sign of such efforts.

Of course, whatever your decision is we will keep fighting for justice and police reform. It will just be a lot easier if we are working together to achieve those goals rather than needing to argue with the City at every turn.

Portland Business Alliance "Cannot Support" Revised Street Fee Unless Income Tax Dies

*By Denis C. Theriault
November 10, 2014*

The Portland Business Alliance says it "cannot support" the revised \$46 million Portland Street Fund unveiled today by Mayor Charlie Hales and Commissioner Steve Novick—mostly over Hales and Novick's bid to raise half that cash through an income tax without asking voters' permission first.

"Unfortunately, the plan issued by city leaders on Monday falls short of the Alliance's goals for this program, particularly in terms of the city's long-term accountability for the program and acknowledgement that all Portlanders benefit from a well-maintained transportation system," PBA president Sandra McDonough has written in a draft blog post obtained by the Mercury.

Update 3:43 PM: Despite the PBA's lack of support for the revised plan, the PBA's spokeswoman, Val Cunningham, just told Dirk VanderHart the PBA doesn't have a position on whether the proposal ought to be referred to voters, something petroleum lobbyist Paul Romain has threatened.///

McDonough goes on to list four main issues, starting with the income tax and winding up with concerns over how the revenue will be spent, on maintenance vs. safety. The PBA, in a letter in October, had demanded 75 percent whatever's raised be spent on paving maintenance. This morning, Novick and Hales said 56 percent would be spent on maintenance, with about \$15 million a year devoted to paving over the next three years.

- *The proposal calls for a new city income tax, the first in Portland's history without voter approval. The Alliance opposes a city income tax and has urged the city to reconsider a user-fee structure.*
- *Under this new plan, almost half of Portland taxpayers will be exempt from paying even a modest amount, contrary to the long-standing tradition of a user-pay system for street maintenance. This is a result of the structure of the proposed new income tax and the city's inability to tax public retirement incomes (although private retirement income would be taxable).*

She's also not happy there's not going to be a sunset built into the plan or any timetable for a referral in several years. Hales specifically said he didn't support things, in part because he doesn't think it's right to tie the hands of a future council—but also because he doesn't envision a world where the city won't need this money to keep fixing its transportation system.

The city needs \$91 million a year to catch up just on paving needs—this would only provide some of that money. Hales is hoping to pressure the Legislature this year into raising the state's gas tax, which would give ODOT more money for projects in Portland and increase the city's cut of the gas tax.

The proposal includes no sunset date, which means the taxes and fees could continue beyond the point at which the backlog is fully addressed without reconsideration of the need.

Finally, it is not clear that a preponderance of the newly raised revenue would go toward paving maintenance, which was the initial impetus for creating this new program.

McDonough nods to changes this summer meant to try to ease the PBA's (and others') indigestion. But she closes her piece by tying the PBA's support to the demise of the income tax—urging instead a flat fee paid by additional low-income Portlanders. Almost half of the city's income earners would be exempt in the current proposal.

That's a tough offer. Without the tax, Novick and Hales might wind up losing any hope of getting a third vote Commissioner Amanda Fritz. And Hales and Novick are loath to consider a public vote, something else the PBA wants—even if that might buy support from Commissioners Nick Fish and Dan Saltzman.

The Alliance has always supported the notion that residents and businesses should share equally the cost of maintaining the city's transportation system, and we have steadfastly argued that the package as a whole should move forward in one piece. Therefore, we cannot support the package until the city addresses the issues in the residential component of the overall revenue plan, as well as the other problems we have identified.

Read the full piece after the jump.

*Portland Business Alliance Urges Amendments to "Our Streets" Proposal
By Sandra McDonough, President & CEO Portland Business Alliance*

The Portland Business Alliance has consistently supported a well-maintained and safe transportation system. Since May, the Alliance has worked constructively to fashion a transportation revenue proposal that seeks to make progress on the \$91 million backlog in deferred pavement maintenance identified by the city. The Alliance has acknowledged that additional revenue may be warranted to address the maintenance backlog and has negotiated in good faith toward a plan that included both new revenue and adequate assurance that a preponderance of the new dollars would be used to address the maintenance backlog. Unfortunately, the plan issued by city leaders on Monday falls short of the Alliance's goals for this program, particularly in terms of the city's long-term accountability for the program and acknowledgement that all Portlanders benefit from a well-maintained transportation system. Specifically,

- *The proposal calls for a new city income tax, the first in Portland's history, without voter approval. The Alliance opposes a city income tax and has urged the city to reconsider a user-fee structure.*
- *Under this new plan, almost half of Portland taxpayers will be exempt from paying even a modest amount, contrary to the long-standing tradition of a user-pay system for street maintenance. This is a result of the structure of the proposed new income tax and the city's inability to tax public retirement incomes (although private retirement income would be taxable). The proposal includes no sunset date, which means the taxes and fees could continue beyond the point at which the backlog is fully addressed without reconsideration of the need.*
- *Finally, it is not clear that a preponderance of the newly raised revenue would go toward paving maintenance, which was the initial impetus for creating this new program. Over the course of the summer, significant progress was made in the structure of the proposed business fee, which would raise half the new revenue projected for this program. While we appreciate those changes, we remain very concerned about the proposed income tax for the residential side and the potential impact on people who live in Portland. The Alliance has always supported the notion that residents and businesses should share equally the cost of maintaining the city's transportation system, and we have steadfastly argued that the package as a whole should move forward in one piece. Therefore, we cannot support the*

package until the city addresses the issues in the residential component of the overall revenue plan, as well as the other problems we have identified.

New, "Bearable" \$46 Million "Street Fund" Emerges—But Will Hales and Novick Have the Votes to Pass It?

By Denis C. Theriault
November 10, 2014

Mayor Charlie Hales and Commissioner Steve Novick appear to have ironed out their lingering differences over revisions to the city's controversial "street fee"—holding a chart-filled press scrum this morning where they unveiled a \$46 million blend of income taxes and business fees newly christened as the "Portland Street Fund."

The proposal looks a lot like the rough draft floated during a public session last month, with changes largely based on the months citizen and business groups spent this year dismantling and reassembling Hales and Novick's original plan—which was tabled in the spring amid outcry. (The new plan is detailed at OurStreetsPDX.com.)

Businesses, facing hundreds and thousands in monthly fees under a plan built around how many trips they generated, would now pay dramatically less, from \$3 to \$144 a month. Those fees, once paid through utility bills, now would be tacked onto business license tax accounts. And residents, initially facing flat fees capped just below \$12 a month, now will pay a graduated deductible income tax (with credits for children) meant to spread the burden to Portlanders who earn more money.

Revenue would be split evenly between the two collection methods. About \$15 million would be spent annually for the next three years on paving, with millions set aside for safety projects including new sidewalks and crossing improvements. Overall, 56 percent of the cash raised would go toward paving and maintenance, officials said. And there are no plans for a sunset or public vote.

But what's emerged, officials made clear, is hardly the stuff of angels' horns. It's an amalgamation of compromises meant to muster just enough love from supporters—and sap just enough discontent from critics—in hopes of dissuading anyone from mounting a campaign to kill the proposed revenue plan at the ballot box next spring.

Novick budged on a \$200 monthly cap for wealthy Portlanders, settling on \$75—which is much closer to the \$50 Hales wanted. Both agreed to spend a little more than half of the new money on maintenance, bowing to the concerns, as we reported this morning, of the Portland Business Alliance. The PBA had wanted three quarters of the money spent on paving.

"This is something they can accept," Hales said of Portlanders, "even if it's not something they love. This is a much more bearable proposal."

That acceptance, however, is anything but certain—and with not much time before a public hearing November 20 and a vote in early December. Hales says he hopes he wins five votes. But Hales and Novick don't yet have a third vote and may have to make some further changes to their plan if they want that to change.

And there's the threat of a legal challenge, if not the threat of a fluoride-style ballot referral. The city has insisted it can pass an income tax without going to voters first. Not everyone agrees, as the Mercury was first to report this morning.

"We are looking into legal issues with these taxes. The Portland City Charter requires a vote of the people to implement any new tax. See Section 7-110," Paul Romain, lobbyist for the petroleum industry, told the Mercury in an email. Romain helped kill a 2008 effort to raise transportation money led by then-Commissioner Sam Adams. "Both of these assessments are taxes, and a vote is required."

Update 3:30 PM: Romain is now telling reporters the city is correct. About its ability to pass the income tax absent a referendum. More importantly? He's also promising we'll have a referendum on the transportation revenue proposal whether Hales and Novick want one or not.

Also as we reported this afternoon, the Portland Business Alliance has said it "cannot support" the fee as currently constructed. But that's a step or two from saying it will actively work to oppose the fee or push for a referendum.///

Update 3:50 PM: Dana Haynes, spokesman for Mayor Charlie Hales, noted that Romain's threats of referral, as reported by Willamette Week, mentioned unnamed clients.

"For whom was he speaking? Who were those clients?" Haynes said.

Whoever they are, he went on, Hales would "love to meet them" and talk turkey. He said Hales poked his head into his office "not five minutes before" to make that clear.

"We're not in the business of not telling people about this plan," Haynes says. "We're excited about this plan."///

"We have worked closely with the city attorney's office and they have not identified any legal concerns about the proposal," replies Dylan Rivera, spokesman for the Bureau of Transportation.

But none of that will matter without support from the rest of the council.

Commissioner Amanda Fritz, positioned as the third vote for the original plan, hasn't said she'll support this new idea yet, even though she allows it's "much improved" and is "glad" an income tax has been cooked in. She's worried about "burdensome" taxes for people who make the least and says she wants to see if Portlanders would support adding some higher-end, "truly progressive" brackets to the tax formula—maybe, she says, charging more for people who make \$400,000 and \$1 million.

"As usual," she says, "I'll be waiting to hear what Portlanders have to say about it."

It's also unclear whether the new plan will win support from Commissioners Dan Saltzman and Nick Fish, both of whom irked Hales and Novick in May by insisting on a public vote. Saltzman wasn't available for comment. But Fish, after the press conference, said he hadn't even seen the new proposal yet.

"My guess," he said, after hearing from reporters what was announced, "is we're still in a position of this should be referred."

Hales sounded hopeful tones during the press conference when asked if he'd lined up votes yet.

"We hope there will be five votes to pass it," he said. "No one has made a hard commitment that we're prepared to translate here today. But we believe there will be support on the council."

Novick and Hales, joined by Transportation Director Leah Treat, made a familiar case for the new revenue, citing the \$91 million the city would need to spend every year for 10 years to catch up on its deferred paving maintenance—not including money for safety improvements and other livability enhancements also captured in their plan.

Neither the state nor the federal government have raised their gas taxes in years (although Salem might finally be in a position to do so next year, with a stronger Democratic majority). And Portland, Hales said, let recessions and Measure 5's tax limit drain its own allotments for maintenance. (Hales, of course, was on the council from 1993 to 2002 and helped preside over much of the period of disinvestment he now laments.)

Treat said the new money spent on paving would save the city \$650 million in future road rebuilds, most of that on busy streets. And Novick read from a list of some of the safety projects expected to be funded in the next three years, including fixes to NE/SE 122nd that would presage frequent bus service upgrades by Trimet. Some 40 percent of the money on safety projects in the next three years would be spent in East Portland.

Hales also reminded everyone that he's proposed, in this fall's budget adjustment documents, puring an additional \$2 million from the city's general fund into PBOT's capital budget for maintenance work. He's also suggested paying the startup costs for the new plan from the city's general fund.

But he stopped short of promising more ongoing money in next year's budget, pointing to hope the state and the feds might step up.

"We're here because we have to be here," Hales said. "We own these streets and we own these unmet needs and it's time to get on with it."

—Dirk VanderHart contributed to this report.

The Skanner

DOJ Appeal Designed to Clarify, Won't Stop Reforms

*By Portland Mayor Charlie Hales
November 12, 2014*

The Portland City Council voted 4-0 in October to appeal a slim slice of a judge's ruling regarding the U.S. Department of Justice and the Portland Police Bureau.

Since then, I've heard members of the community ask: Why? And what impact will this have on the settlement between the DOJ and the City?

Zero. There will be no impact on the reforms we have wholeheartedly embraced.

The Portland City Council and the attorneys who represent us seek clarity regarding the hearings, and the judge's role. Nothing more.

As a public servant, I wholly embrace the letter and spirit of the DOJ settlement. I recently appointed Assistant Chief Larry O'Dea to become the new chief of police, and much of my decision was based on Larry's unwavering commitment to these reforms.

The city began implementing changes long before the judge's much-delayed ruling. In areas of promoting, training and disciplining officers, the changes are under way.

We've changed our policies on use of force and use of Tasers. We have increased the Behavioral Health Unit. We've adopted wide-ranging policies on de-escalation that already are having a positive effect. Every week, I read reports of police using the power of their words to bring a peaceful end to crises.

This week, we will enter into contract negotiations for a Compliance Officer and Community Liaison. The team we selected includes nationally acknowledge experts in the fields of police interactions with the community, and with people in mental health crises. Joining the team is former Oregon Supreme Court Chief Justice Paul De Muniz.

In December, we will begin seeking members for a Community Oversight Advisory Board. This is another body designed to make sure the residents are heard.

We do these things, not because a judge tells us we must, but because they are the right things to do.

We are committed to reporting our progress to the community, to the Department of Justice, and to the Court. We appealed none of that.

What we appealed was ambiguity in the judge's role. We had asked for clarity on how we report, and when we report.

The judge's ruling was ambiguously worded. The community needs clarity and accountability in police reform. Portlanders deserve no less. Our police officers deserve no less.

So we are asking an appellate court to help us find the clarity we need.

What we heard from groups like the Albina Ministerial Alliance for Justice and Police Reform is this: We do not trust the city.

Fair enough.

But moving forward, here's what I say to the alliance: We trust you.

You'll be there, every step of the way, along with allies such as the American Civil Liberties Union and the League of Women Voters. You'll be watching us.

You'll have my ear. And you'll have the ears of every member of the council. You'll have access to the Compliance Officer and Community Liaison. You'll have access to the Community Oversight Advisory Board. Nothing will change, in regards to the Independent Police Review within the City Auditor's Office. You'll be able to report your findings to the United States Department of Justice. And you'll be able to speak before the judge.

We hope to get clarity on the judge's role and his hearings. But whether we get that clarity or not, none of those oversight mechanisms will be affected.

Your city's elected leaders are committed to police reform and to the DOJ settlement. That hasn't wavered, and it won't.

Police reform is one of the reasons I ran for mayor. I expect to be held accountable for making it real. And I would humbly submit that a mayor who wakes up every day thinking about the Police Bureau is most likely to succeed at leading it.

Charlie Hales is Mayor of Portland and serves as Police Commissioner.