

## The Oregonian

### Uber makes good on promise to abandon Portland until April

*By Kelly House  
December 22, 2014*

Uber has upheld a promise to abort its rogue mission in Portland until the city welcomes the company back.

The ride sharing company struck a deal with Portland city leaders on Thursday to stop operating in the city for three months beginning Sunday, until a task force can review and update city rules that currently ban rideshares.

On Monday morning, Uber's smartphone app had created a dead zone around Portland.

Instead, a message greeted Portland users upon sign-in: "Because of YOU, the city has agreed to create regs for Uber and ridesharing by April! We're excited to be on our way to a permanent home for Uber in Portland. Check back on April 9th!"

The message ended with a hashtag, #pdxneedsuber, for Portlanders to voice their support for the ride sharing service.

Uber, Lyft and other taxi services in which drivers use their personal cars to shuttle paying passengers have become extremely popular in cities across the nation. The company has been pushing to enter the Portland market for months, but local leaders have held out.

On Dec. 5, Uber announced it would wait no longer. It began operating without permission, prompting the city to file a lawsuit and threaten tickets for Uber drivers.

The company avoided a court date with Thursday's last-minute deal to suspend service. The city has agreed to revise its rules by April 9 or craft temporary solution to allow Uber to resume operating on Portland streets.

But that doesn't mean you can't catch a rideshare in the metro area for the next three months. A few screen swipes in the Uber app moves the map to Gresham, Vancouver, Beaverton, Tigard or Hillsboro, where Uber remains open for business.

## The Portland Tribune

### City expects \$19 million surplus next year

*By Jim Redden  
December 19, 2014*

Portland city government expects to have \$19 million in additional revenue for the next fiscal year — \$4.6 million of ongoing revenue and \$14.4 million in one-time revenue.

The revenue forecast was released by the City Budget Office on Friday. It said the surplus is the second in two years, and is because the economy is finally growing at levels normally seen during economic expansions.

"We are in this position now because of the improving economy, and also because Council made hard decisions over the last few years to cut spending and keep the budget balanced," City Budget Director Andrew Scott says. "The additional ongoing resources will only be able to restore a small portion of what was cut, but the economic expansion is providing the City with significant one-time resources that can help address long-standing capital and maintenance needs."

According to the December Financial Forecast, total General Fund revenue is expected to increase from \$426.7 million in the current year to \$455.4 million in the fiscal year that begins on July 1, 2015, and ends on June 30, 2016. It is projected to reach \$501.1 million in the 2019-2020 fiscal year.

"The most recent economic data are showing faster growth, both nationally and locally," says City Economist Josh Harwood. "While our revenue streams currently reflect this robust growth pattern, we don't expect this level of growth for all five years of the forecast. The City should make prudent investments now that put us in a better position to weather the next economic downturn."

The December Financial Forecast serves as the preliminary budget planning forecast for the City's General Fund. It will be updated in late April 2015 prior to City Council adopting the next budget.

The full document can be found here on the City Budget Office website at <http://www.portlandoregon.gov/cbo/article/513138>.

## Willamette Week

### City Commissioner Steve Novick: Uber Still Has to Pay \$67,750 in Portland Fines

*By Aaron Mesh  
December 19, 2014*

City Commissioner Steve Novick says Uber's agreement to back out of Portland for three months doesn't mean it can escape paying \$67,750 in city fines for operating illegally the past two weeks.

"Steve is intent on fining them," says Novick policy advisor Bryan Hockaday. "And he made that clear to the mayor. The mayor's office has not responded yet."

Mayor Charlie Hales brokered a deal with Uber on Thursday, with the company agreeing to leave Portland at 11:59 pm Sunday, Dec. 21, in exchange for the city dropping a lawsuit and creating new rules for ride-sharing companies by April 9, 2015.

Novick, who oversees the city's transportation bureau, has instructed Portland code enforcement officers to allow Uber to operate between now and its exit Sunday night without city crackdowns.

"We won't be doing any more enforcement between now and Sunday," Hockaday tells WW.

Hales' office could not be reached for comment on the fines.

Uber general manager Brooke Steger remains sanguine. "We look forward to ongoing productive discussions that highlight our joint efforts to put the riders and drivers of Portland first," she says, "and remain committed to a pathway forward."

## The Mercury

### Boom Times: The City May Have \$19 Million More than Expected Next Year

*By Dirk VanderHart  
December 19, 2014*

City hall's budget wonks play things safe as a rule. So when the City Budget Office (CBO) announced today to expect a couple years of fat ahead of us, expect years of fat, Portland.

And then maybe a return to comparative bleakness.

In a five-year forecast released every December, the CBO says rising property tax revenues, big growth in business profits, and seas of tourists paying high rates for hotel rooms has Portland's financials looking bright.

Just two years after Mayor Charlie Hales thought he was staring down \$21 million deficit (a number made far less unwieldy by better-than-expected revenues), Portland next year may have a one-off of \$14.4 million more than it needs to pay city expenses, the forecast says. The city also will likely have a smaller but still-significant pool of cash that replenishes each year going forward: about \$4.6 million. And remember, this is the cautious prediction.

"We're coming up with a range and shading things sort of conservatively," says Budget Director Andrew Scott. "We're in that period of an economic expansion where all the indications tend to fall in one way or the other. Right now they're falling positively."

The forecast document is a bit stronger: "During periods of robust economic growth, we would expect City revenue to exceed the forecast, sometimes by a significant amount."

This prognosis is good news, obviously, in a city that has slashed services since the Great Recession. It's also—as the Oregonian pointed out at a city council work session about the forecast last month—a bit of

a touchy time for good news, since city officials are trying to convince taxpayers to pony up millions each year for long-ignored road maintenance.

Here's the forecast, in broad strokes:

Budget Category	Fiscal Year					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Total Resources</b>	\$426.7	\$455.4	\$457.0	\$472.5	\$487.6	\$501.0
<b>Total Expenses</b>	\$426.7	\$436.4	\$453.5	\$467.7	\$483.8	\$501.0
Available Ongoing Adds		\$4.6				
Available One-Time		\$14.4				
Reserved for Future Year Balance <sup>1</sup>		\$0.0	\$3.6	\$4.8	\$3.8	\$0.0
<b>Total Expenses with Adds &amp; One-Time Spending</b>	\$426.7	\$455.4	\$457.0	\$472.5	\$487.6	\$501.0

<sup>1</sup>These dollars are required in order to fund ongoing programs in future years.  
Note: Totals may not add due to rounding

Some reasons for all this unexpected cash:

- **Every American's God-Given Right of Land Ownership!** Property tax collections are higher than anticipated, and "robust new construction activity will help to add to the property tax rolls for the near future."
- **People Love Us!:** Portland, right now, is collecting more money than ever before from hotel taxes (known as "transient lodging taxes"). In October and November alone, the city collected more hotel taxes than it did in all of Fiscal Year 2012 (July 2011 to June 2012). That money is largely based in summer tourism, City Economist Josh Harwood says. And it's not so much a function of Portland seeing more tourists than ever before as it is of the city's rising popularity letting hoteliers charge more for rooms. Airbnb also is kicking into this pool, though exactly how much is a secret.
- **Commerce!** When businesses make money, the city gets a chunk. It can be a volatile figure, for a lot of complicated reasons, but right now business license tax revenues are growing at the strongest clip in years. "Just a year ago collections appeared to be weakening, only to turn around abruptly..." the forecast says.

What all this means is that Portland almost certainly has some comfortable years ahead. But budget wonks also aren't being budget wonks if they don't point to possible fiscal clouds on the horizon.

Right now, the city's experienced years of growth, Scott notes. It simply can't sustain that forever.

"We're five years into an expansion," he says. "That's the average post-World War II expansion length. The odds of a downturn at some time in the five year forecast are high."

The CBO also sees threats to this newfound stability. If a lawsuit challenging reforms to public employee pensions is successful, we'd be out a lot of money, the forecast notes. And there are big projects that need to be paid for, like the Willamette River superfund cleanup, and the Portland Building's rehab or demolition.

Which has Scott and Harwood, like the prudent, fiscally conservative budget stewards they are, attaching a caution to this news: Look to maintenance, and not flashy new toys.

"This is good news—certainly better than taking a cut," Scott says. "But \$4.6 million ongoing is not a huge amount of money. We need to be making investments right now that make it easier in the downturn."

## Hales' Aide: Street Fund Income Tax Will Be Replaced by a User Fee

*By Denis C. Theriault  
December 19, 2014*

Commissioner Steve Novick's promised "gut check" when it comes to the final form of his and Mayor Charlie Hales' controversial \$43.8 million street fund—will a scrapped "compromise" residential income tax either become more progressive or revert back to a user fee?—has apparently already arrived.

Josh Alpert, Hales' director of strategic initiatives, says that question has essentially been decided.

"We're going to go back to more of a user fee," Alpert told me this morning. "It's probably the fastest way of actually getting projects going."

That would be a key concession that mollifies one of the most important opponents of that previous plan for a modified, capped income tax: the Portland Business Alliance.

The PBA had put the income tax high on its list of grievances—with its members and leadership complaining that any new tax ought to be put up for a public vote and not merely enacted by city council. If the income tax had remained in the package, the PBA told me as recently as yesterday that it would have teamed up with others looking to refer to the street fund to voters and fight what might have been a bitter campaign. (Not that others, like oil lobbyist Paul Romain or citizens involved with the No Street Fee grass-roots effort wouldn't be free to launch their own efforts—even if those efforts, like a push earlier this year to create a new water district—might suffer from a lack of access to PBA members' wallets.)

Update 2:30 PM: Novick, returning a message seeking comment, stopped well short of sharing Alpert's seeming bullishness over a return to a user fee. He says he's still working to see whether progressive groups might go to the mattresses to help pass the income tax he prefers. That support for a ballot fight, if it's strong enough, could change city hall's cautious calculation that avoiding a fight via a less-desirable revenue package is better than waging a big fight over something better—and losing.

"I told progressive allies that I need to hear from them on what resources they think they can bring to a campaign for a progressive income tax," says Novick. "So I'm waiting to hear from them." ///end update

In the Oregonian, this morning PBA boss Sandra McDonough mulled over the strong possibility a fee might re-emerge and said she thought "it would be nice to get to a solution" and hinted that the PBA might live without an immediate public vote. Instead, she mentioned plans to build a six-year sunset into the street fund plan—and suggested that would be an appropriate time for the public to weigh in.

Alpert says the shape of a sunset provision is "still being discussed" but confirmed that an automatic referral was still on the table. When the council first amended the street fee proposal to include a sunset, the idea was to have the next council choose whether to continue the revenue measures, cancel them, or send them to voters.

But he confirmed the PBA has decided to compromise on something else important to city hall. Despite the PBA's demands that a larger share of the money raised for street repairs and safety projects be spent on paving maintenance, Alpert says the current proposed breakdown, which would still see 56 percent of available revenue spent on maintenance, won't change.

"The mayor's made it clear he's not interested in changing that allocation percentage," Alpert says. "That stuff is largely done."

He expects the council will take up the revised proposal on January 8—followed by a final vote on January 14. There may be some attempt to add a fourth or fifth vote to the package—Commissioner Amanda Fritz has long loomed as Novick and Hales' third vote—but Alpert also says that's not where Hales' office's energy will be focused. Commissioners Nick Fish and Dan Saltzman have both been publicly opposed to pushing the revenue measures through solely with council support—and it's not clear whether the prospect of an automatic referral after the 2020 tax year will soften their stance.

"It's time to figure out where the building is," Alpert says of Portland City Hall. "We have been spending the entire year focused on making sure we have enough public support to do this. But we don't get to do that if we can't get something out of our building. It would be fantastic to have a unanimous vote. But we are focused on making sure we can vote something out of the building."

## **The Daily Journal of Commerce**

### **Bid to demolish building rejected by City Council**

*By Shelby King  
December 19, 2014*

The Portland City Council on Thursday rejected a proposal to demolish a Northwest Portland building listed as a contributing structure in the Alphabet Historic District.

The Buck-Prager Building, at 1727 N.W. Hoyt St., has sat vacant since 2007, and the property owners earlier this year announced plans to tear it down and build in its place a \$14 million, 82-unit apartment complex.

Gerding Edlen officials on Nov. 17 presented plans to the Portland Historic Landmarks Commission and argued that the building did not have enough historic significance to merit preservation.

At the same hearing, several neighbors testified the opposite, pointing out that the structure was home to the Women's Hospital of Portland after its completion in 1919. The hospital was managed by Alta B.Y. Spaulding, a superintendent of the Multnomah County Hospital and founder of the Multnomah Training School, a predecessor of Oregon Health and Science University's School of Nursing.

The council voted 4-1 to save the building, saying that demolition of a historic landmark would set a precedent for similar situations in the future.

Steve Novick cast the only vote in favor of demolition, citing safety concerns. The building has not been seismically reinforced.

## **The Portland Business Journal**

### **Google Fiber puts Portland, other cities on hold**

*By Carla Caldwell  
December 22, 2014*

Google Fiber's hoped-for move in Portland has been delayed.

Google said it had hoped to make a decision as to whether it would add the high-speed — 1 gigabyte per second, or 100 times faster than traditional broadband — service to Portland and other areas. Google said late last week it needs more time to decide where to add the service next.

Google had said in February it would work with cities to study factors that would affect the laying out of the fiber-optic network, such as topography (e.g., hills, flood zones), housing density and condition of local infrastructure. The study will determine how many, and which, cities would get the highly coveted service.

Portland was in play along with the Atlanta area, Charlotte, North Carolina, Phoenix and San Jose, among other cities.

The Atlanta Business Chronicle, a sister paper to the Portland Business Journal, has more on the decision.

## **GoLocalPDX**

### **Portland's Tech Community Reacts to Google Fiber Delays**

*By Joanna Evoniuk  
December 20, 2014*

Google Fiber announced a delay of its Portland launch on Thursday. Although many tech professionals and gurus are disappointed in a delay of access to high speed internet fiber, they are not worried about it affecting their businesses.

Anna Rinck, who works with the Portland marketing company Intrix Media, was sorry to hear of the delay.

"I've been hopping for something better than crap-cast," Rinck said.

Although Rinck said she is frustrated with the high speed internet options in Portland, she doesn't think that Google fiber wouldn't actually help that much with business side of her job. CEO of Intrix Media, Will Davis agreed.

"Would I love to have 100 Megabits speed? Yes. Will I die without it? No," Davis said.

Google Fiber may speed things up for internet users, but Davis says the company is slowly moving forward because it has shareholders to please who don't see the venture as a money maker.

"It's a stupidly expensive venture," Davis said.

Jeff Martens, an entrepreneur and member of the tech community, agreed the fiber enterprise wasn't a going to make Google any richer.

"[Google] never looked at it like that, and may not look to stay in the business for long," Martens said.

Martens said Google's goal with the project is to get people to do more things on the internet and advance the industry. This is reflected in the way Comcast and Century Link have increased operations in Portland, according to Martens.

Since Google Fiber was first announced, Comcast has since doubled its broadband and Century Link has upgraded its high-speed fiber network.

Even with the upgrades, Martens said Portland high-speed internet still needs improvement. In the process of moving to Pearl district, Martens said he is frustrated with his internet options.

"I'm in one of the hottest neighborhoods in Oregon, but I can't get fiber," Martens said.

Gavin Bramley, Fleet operations manager of Curb in Portland, also finds the delay in expanded options disappointing.

"I was annoyed, I wanted a different choice," Bramley said. "I personally dislike Comcast. "

Bramley doesn't think the delays will last forever, however, even if more follow.

"There will probably be more delays, but it should come here," Bramley said. "Why not Portland?"

Mark Grimes, founder of Nedspace and who has been in the startup business for 20 years, said when he heard the announcement, he wasn't expecting to see in Portland for three or four years.

### Economic Impact

If Google Fiber does come to Portland, how it will impact the city's business and economic growth is uncertain.

Catherine Nikolovski is a technology consultant and founder of Hack Oregon, a nonprofit that turns complex public financing data into user friendly info-graphics.

"Google has been to Portland and said, 'Look at what happened in Chattanooga [Tennessee], there was a lot of growth and companies moved there,'" Nikolovski said.

But she didn't see an immediate pay off in super fast internet speed and economic development.

"I don't inherently see the connection between the two," Nikolovski said.

Nikolovski said the city of Portland seemed invested in landing the infrastructure investment, but that in the near term Google Fiber might pay off more for the city's brand image than for existing companies.

"It could be a way to attract talent," Nikolovski said. "I think they are just trying to make Portland as appealing as possible. Charlie Hales really wants it. But it's ultimately up to Google."