

## The Oregonian

### Critics split on Novick's latest street fee

*By Jim Redden  
January 1, 2014*

Commissioner Steve Novick hopes he's hit the sweet spot with his latest nonresidential street fee proposal — a user fee based on estimated gasoline consumption according to income.

"Some people want a user fee, some people want a gas tax, and some people want a progressive income tax. This has elements of all three," Novick said Monday morning after releasing the revision.

The revised proposal may reduce some of the opposition to the last version of the fee, which included a progressive personal income tax as the residential portion. It was opposed by the Portland Business Alliance, which promised to help fund a petition drive to refer it to the ballot.

However, after seeing the revised proposal, Sandra McDonough, president and CEO of the PBA, said her organization might go along with it.

"This looks like the kind of plan we can support, however, as we've said before, the details matter. We will need to look closely at the details as a next step," said McDonough. "Overall, we are glad to see this move to a fee-based system. We hope this formula will work so we can all move forward with the important goal of fixing streets. We look forward to working with the Mayor and other members of City Council on this."

Not all critics were satisfied, however.

"It's pretty clear that what Commissioner Novick is proposing is another income tax," says local economist Eric Fruits. "It is hard to tell if what Commissioner Novick is an attempt at diversion or reflects deep desperation. Does he really think he can get three votes with this type of shell game?"

And small business owner Ann Sanderson, founder of the grassroots Stop Portland Street Fee, says the group will still try to refer it to the ballot. Sanderson says the last-minute changes show the fee is not ready for prime time.

Public hearing Jan. 8

The City Council will hold a public hearing on the revised proposal on Jan. 8, with the final vote scheduled for Jan. 14.

"It seems possible that we could pass a user fee in council that would not require a campaign, which would mean that we could get to work much sooner," Novick said.

Under the revised proposal, tax filers in the lowest fifth of the income distribution would pay \$3 a month; filers in the second fifth would pay \$5 a month; filers in the middle fifth would pay \$7.45 a month; filers in the second-highest fifth would pay \$9 a month; and filers in the top fifth would pay \$12 a month.

"Gasoline use is one proxy for 'road use,' and gasoline use varies somewhat by income level," Novick says.

Although similar to a progressive personal income tax, the revised proposal varies in two significant ways from the most recent nonresidential proposal. First, everyone who files taxes will pay something, compared to the approximately 40 percent of Portlanders who would have been exempt. And second, the top rate is only \$12 a month compared to \$75 a month.

Novick and Mayor Charlie Hales first proposed the street fee in May. It has been revised numerous times since then in response to public criticisms and to win the support of a majority of the council. The nonresidential portion of the fee is unchanged. It is a sliding scale for businesses, governments and nonprofit organizations based in part on gross revenues and number of employees.

Each portion is intended to raise \$23 million a year, for a total of \$46 million a year. It would be collected by the city Revenue Bureau, which would incur initial start up and ongoing administrative costs. The Portland Bureau of Transportation (PBOT) has drawn up a list of projects to be funded within the first few

years of the fee being approved. Many of the safety improvements are in East Portland, including additional sidewalks and new street crossings.

The revised fee would end after the 2020 tax year, unless renewed by the council. Novick says that if the revised measure fails at the council or the ballot box despite the changes, he will campaign for a progressive personal income tax in 2016.

#### Neighborhood concerns

Although Novick is not changing the nonresidential portion, some neighborhood association members are questioning its fairness. Southeast Uplift, the coalition office representing dozens of Southeast Portland neighborhoods, filed a public records lawsuit to obtain worksheets used by PBOT to determine the amount each business, government and nonprofit organization will pay.

Robert McCullough, an economic consultant who is president of SEUL and chair of the Eastmoreland Neighborhood Association, says the worksheets are riddled with errors that undermine the accuracy of the assessments. Among other things, McCullough says that major transportation companies will not pay their fare share, despite doing a disproportionate amount of damage to the roads.

## Daily Journal of Commerce

### New Portland tree code set to take effect

*By Inka Bajandas  
December 31, 2014*

A new Portland city code that will take effect on Friday is intended to protect trees from being chopped down as part of development.

Under the Title 11 Tree Code, developers of sizable projects in Portland must preserve a certain number of trees during construction or pay a fee, said Mieke Keenan, coordinator of the city tree program. The new regulation is expected to encourage developers in initial project planning stages to consider ways to avoid cutting down trees, she said.

“The intent of the tree code is to get more trees preserved during development,” she said. “It’s getting people to think about trees early in the process.”

During the city permitting process, developers of projects that involve ground-disturbing construction on properties 5,000 square feet or larger will be required to submit a tree plan. It must account for all trees with trunks that are 12 inches in diameter or larger on the property slated for development. The new code will require developers to preserve at least one-third of those trees. Otherwise, the developer will be required to pay the city \$1,200.

To help inform people about the tree regulation, city officials have set up a hotline – 503-823-8733 – and are urging developers, contractors and citizens to “call before you cut.” City staffers will answer the hotline from 7 a.m. to 3:30 p.m. Monday through Friday and respond to voice mails left on the line outside of those hours, Keenan said.

Additional information about the tree code is available at [www.portlandoregon.gov/trees](http://www.portlandoregon.gov/trees). City staffers also will answer tree permitting questions emailed to [trees@portlandoregon.gov](mailto:trees@portlandoregon.gov) or in person at the City Development Service Center, 1900 S.W. Fourth Ave.

The new policy stems from the city’s Tree Project, a collaborative effort between the Bureau of Development Services and Portland Parks & Recreation. The project involves implementation of the tree code adopted by the Portland City Council in 2011, streamlining policies and improving enforcement of rules to protect trees in the city.

City officials delayed implementation of the tree code that the City Council approved four years ago because of a lack of funding during the recession, Keenan said. As development activity in Portland began to rebound, the city added five staffers to assist code promotion and enforcement, she said.

## The Skanner

### Street Fee Proposal Set For Another Tentative Vote in January

*By Donovan M. Smith  
December 31, 2014*

The proposal to fix up Portland streets, roads and sidewalks like this has received yet another tweak. Commissioner Steve Novick, overseer of The Portland Bureau of Transportation, recently announced an amendment that would tax people, not based off the amount of money they make, but the amount of gas they use.

Calculated to generate \$43.8 million for safety and maintenance projects across the city, this controversial plan has seen a number of stops and starts as City Council has attempted to balance the proposal in a way that appeases business and home owners, and the tax brackets of families and individuals alike.

With a two-fold system to generate money: residential and non-residential, Novick says “gasoline use is one proxy for ‘road use,” and that gas usage by low income people is typically lower than more wealthy counterparts with many poorer people not owning a car or relying on public transportation.

“I’ve always said that I prefer progressive income tax. I also want to get something in place quickly so we can start getting work done because every month that we wait the streets deteriorate further,” Novick told The Skanner News in a sit down interview.

Dana Haynes, spokesperson for the mayor, says Charlie Hales is happy with this proposal because it gives a break to low income people while addressing consumption.

“Of all the options that’ve come up in the last year, the Mayor thinks this one is workable,” says Haynes.

In the first year, the city explicitly promises the street fee would pay for projects in North, Northeast, Southwest, and outer East Portland.

Naming 122nd Avenue specifically, Novick tells The Skanner News that safety improvements in underserved areas of town could also come with increased bus service from TriMet, according to conversations he’s had with the transit company’s general manager, Neil McFarlane.

“That’s kind of one of the first things on our list that we would do, is make those improvements, that would make it safer for people to get to 122nd and TriMet says that if we can do that, they’ll upgrade the service,” says Novick.

In order for it to pass, three City Council members must vote in favor of the proposal. Commissioner Amanda Fritz has long been considered the swing vote on this issue though it has never undergone an official decision.

City Council was last set to vote on the matter Dec. 17, but decided to defer the matter to the first public meeting of the new year on Jan. 8, 2015.

Here are some key things to know about the proposal going into the possible final vote on January:

- Tax filers in the lowest fifth of the income distribution would pay \$3 a month; filers in the second fifth would pay \$5 a month; filers in the middle fifth would pay \$7.45 a month; filers in the second-highest fifth would pay \$9 a month; and filers in the top fifth would pay \$12 a month.
- The city reports that of Portland’s 4,827 miles of paved roadways, about 1,800 are frequented most by commuters, freight and transit; nearly half of its busiest roads are in “poor or very poor condition.”
- Under the current plan, 56 percent of the annual revenue would be dedicated to paving streets while the remainder would go to safety projects like sidewalks, signage and crosswalk installations

- An amendment added in December proposes taxing those with an address outside the Portland-city limits, but who earn their paycheck in the Rose City. It's unclear how much more money that would generate for the Portland Bureau of Transportation.
- The East Portland Action Plan wrote a letter to the City Oct. 22 pointing to the fact 7-out-of-10 pedestrian deaths happened in East Portland where most low income, communities of color, and seniors live.
- A poll commissioned by Oregon Small Business Association lobbyist Kent Craford and others in November concluded 63 percent of "likely" voters oppose the fee and nearly 83 percent believe the issue should be sent to a ballot rather than decided by City Council. The Riley Research report can be found here.
- Numerous cities throughout the state have passed similar transportation usage fees over the last decade including Hillsboro, Tigard, West Linn, Oregon City and Ashland.

Should the proposal fail amongst council members, Novick says he will propose yet again a progressive income tax measure for the ballot on May or November 2016.

The first-term commissioner says may be passed with the resolution, should it get the necessary votes, for the revenue bureau to analyze whether taxing suburbanites who work in the city but live outside the city limits is legal in addition to being practical.

As far as whether the proposal will go through in its current form on Jan. 17, "I don't know," says Novick.

If you want to voice your opinion on the latest version of the proposal, a public hearing is scheduled at City Hall (1221 SW 4th Avenue) for Jan. 8 at 6 p.m.

For more information on the street fee visit: <https://www.portlandoregon.gov/transportation/64188>

Questions about the plan can also be directed to the city by email at: [ourstreetspdx@portlandoregon.gov](mailto:ourstreetspdx@portlandoregon.gov)

## GoLocalPDX

### Data Used To Calculate Portland Street Fee Full of Errors, Critics Say

By Cornelius Swart  
December 30, 2014

Business data used by the City of Portland to calculate the controversial Portland Street Fee, is riddled with errors and outrageous information, according to street fee critic Robert McCullough.

The City released the data to McCullough last week under threat of lawsuit. The information, used to help guide the city's most important tax proposal in a generation, contains "thousands of errors" according to McCullough's analysis. For example, the region's largest employer is not Intel, but a Portland enema shop on Northeast Sandy Boulevard, according to the data.

Alls Well that Ends Well, a shop that specializes in colon hydrotherapy in Northeast Portland, had 32,000 employees. The business only has three employees, according to its staff.

"The first thing that strikes you when you look at the spreadsheets is the amazing number of errors," McCullough said. "The spreadsheets were assembled from a number of different sources and apparently never double checked. In any normal business, the number of mistakes would have serious career implications."

McCullough, who is President of the Southeast Uplift neighborhood coalition, has vigorously fought the proposal street fee. He said that errors in the data undermines the city's credibility on the issue.

City officials say the information was used for estimating a broad picture of revenue that could be generated from a tax and specific errors in the data are not important.

Portland Mayor Charlie Hales and Commissioner Steve Novick are pushing forward on a proposal to raise \$43 million in new revenue from businesses and residents to fund road repair and maintenance. Under the current proposal, a business tax -- based on a business's revenue, square footage and number of employees -- would fund half, or just of \$20 million.

Business licenses, county tax assessments and local and national statistical analysis were used by to calculate how the City might raise another the money, according to Dylan Rivera, spokesman for the Portland Bureau of Transportation. A portion of that data was released to McCullough and the Southeast Uplift neighborhood coalition. McCullough requested the data as a public record and then threatened to sue when the information was not forthcoming.

McCullough told GoLocalPDX he intended to release a comprehensive analysis of the data on Monday, but his initial findings found a large errors in which some companies declared that they had vast amounts of employees.

"The second-largest employer in the city appears to be the Multnomah Bible College Bookstore with 29,598 employees," McCullough stated in an email to constituents obtained by GoLocalPDX. "The largest transportation employer appears to be the UPS Store on Sandy (Boulevard) with 18,388 employees."

Rivera said that the data given to street fee opponents were not used to generate business employee estimates.

"This [data] was intended to be used as an overall aggregate for revenue. It's not used to estimate for a specific taxpayer bill," Rivera said.

The specific data was pulled from city business license information. Businesses can voluntarily enter in the amount of employees they have, but it's not a requirement. Business employment calculations were actually done using local and national industry statistics, according to Rivera.

If an business tax was actually to pass, then an in-depth survey of businesses would be conducted, he said.

"With about 120,000 businesses and non-profits in Portland, we haven't gathered actual figures on a business-by-business basis, and we're not planning to for estimating purposes," Rivera said.

For almost a year, Portland Mayor Hales and Commissioner Novick have publicly wrestled with the street fee tax proposal.

A third iteration of the tax was released Monday, and proposed a tiered residential fee based on gas consumption rates. Commissioner Novick has said a progressive income tax is the most popular option with voters. The new proposal will be voted on by City Council in January. Novick said he was also prepared to refer the proposal, restructured as an income tax, to voters.

McCullough posted some of his findings on the blog NoStreetFee on Dec. 27.

[Ed: This story has been restructured from its original form. All the factual information and original quotes remain the same.]