

The Oregonian

Portland Street Fee: Swing vote Amanda Fritz says she won't approve latest proposal

*By Brad Schmidt
January 5, 2015*

Barring a political flip-flop from the City Council, Portland voters will get the final say on a controversial plan to charge residents and businesses more than \$40 million in annual fees or taxes to pay for transportation projects.

That's because Commissioner Amanda Fritz, the City Council's swing vote on the street fee, said Monday that she won't vote for the latest proposal.

"I wanted to be clear that this isn't something I can support," Fritz said.

Fritz's announcement appears to be the final coffin nail for a City Council-approved street fee promoted since May by Mayor Charlie Hales and Commissioner Steve Novick, who oversees the Portland Bureau of Transportation.

Commissioners Dan Saltzman and Nick Fish, each up for re-election when the concept first surfaced, have said they support referring a proposal to voters. Novick and Hales have been courting Fritz from the onset.

Fritz said she is concerned the latest proposal -- which would charge individuals \$36 to \$144 a year, depending on income -- is similar to the much-maligned arts tax.

Fritz said she would support only a proposal that exempts low-income individuals. Fritz expressed concerns to Hales and Novick last week, telling them she couldn't support the current proposal.

Fritz said she doesn't expect changes aimed at winning her support. "It means that they need somebody else to be their third vote," she said.

Despite Fritz's opposition, Novick said Monday that he still plans to push forward with a public hearing at 6 p.m. Thursday and a vote Jan. 14.

If it loses, Novick said in a text message, "we'll start working on Plan B."

Hales, through a spokesman, declined to comment.

The street fee proposal that City Council will consider this week is substantially different than versions released since May -- and is likely different than any that may be referred to voters next year.

Under the latest iteration, Portland hoped to raise an estimated \$43.8 million a year, half from residents and half from businesses. The money would pay for transportation maintenance and safety projects.

Initially, Hales and Novick floated flat fees of \$144 for most households. Then, after canceling a vote in June, they pursued progressive income taxes that could have hit \$900 for high earners.

Last week, to win support from the business community, which opposes an income tax, Novick announced new modifications.

Novick abandoned the progressive plan and proposed something that, while based on income, seemed similar to the May model: up to \$144 in annual fees for high-income earners. Novick's proposal included five tiers, with annual rates of about \$36, \$60, \$90, \$108 or \$144, depending on income.

Fritz said even \$36 a year is too much for low-income Portlanders. She compared the latest proposal to the city's arts tax, which charges \$35 a year.

"Three dollars per month is \$36 per year, more than the Arts Tax which is also regressive," Fritz said in a statement announcing her decision. "We should learn from past experience, and we should not solve one problem by making another struggle worse."

Regardless of Fritz's position, Novick and Hales faced heavy opposition. Residents and businesses vowed to block the legislation by collecting more than 20,000 signatures to refer it to voters. Novick last week announced that he would pursue sending a progressive income tax to voters in May 2016 or November 2016 if a City Council vote failed.

Fritz said she supports that plan, calling a progressive income tax "the right approach" and endorsing a referral to voters in November 2016.

Will the rest of the City Council agree?

Novick, asked whether he has tried to win support from Fish or Saltzman, declined to comment: "I hereby respectfully avoid answering your question."

The Portland Tribune **Street fee hearing heats up debate**

By Jim Redden
January 6, 2015

Critics are still promising to refer the street fee to the ballot. They include the grassroots Stop Portland Street Fee group, headed by small business owner Ann Sanderson.

The street fee also is opposed by Southeast Uplift, the coalition office representing dozens of Southeast Portland neighborhood associations. SEUL President Robert McCullough released a report Friday charging the business calculations are flawed, although city employees claim they are only estimates.

Nonetheless, when the City Council holds its final hearing on the proposal by Mayor Charles Hales and Commissioner Steve Novick on Jan. 8, the Portland Business Alliance will no longer be among the opponents. That's because the business organization says it can live with the new residential fee unveiled by Novick last week. It replaces the progressive personal income tax with a gasoline-user fee, based on income. The charges range from \$3 to \$12 a month.

"Overall, we're 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," said PBA President and CEO Sandra McDonough.

Other critics are not so easily moved, however.

"It's pretty clear that what Commissioner Novick is proposing is another income tax," says local economist Eric Fruits, who has been following the deliberations since the fee was first proposed in May.

Whether that change is enough to win the support of the majority of the council for the \$46 million a year proposal is unclear. The final council vote is scheduled for Jan. 14. If it is approved by the council at that meeting, opponents will have 30 days to collect around 21,000 valid Portland voters' signatures on each of two petitions to refer the residential and nonresidential portions of the fee to the ballot.

That will be harder if opponents cannot raise enough money to hire a professional firm to gather signatures.

Still, opponents are expected to pack the Jan. 8 hearing. Sanderson says the last-minute changes prove the proposal is not ready for prime time. McCullough, a local economic consultant, plans to present his nine-page report, based on an analysis of PBOT spreadsheets obtained through a SEUL public records lawsuit.

"Review of the data released by the Portland Bureau of Transportation indicates that, regardless of the design of the tax, the underlying data suffers from massive errors of omission, commission, and misinterpretation," reads the report.

PBOT officials say actual payments will be based on filings submitted by each business if the fee is enacted — something McCullough disputes, saying the database appears too flawed to be fixed.

But Novick's immediate goal is to persuade a majority of the council to approve the proposal without referring it to the ballot. He is hopeful the most recent version will succeed because it combines elements of the three things different people have said they would support — a user fee, a gasoline tax, and a progressive income tax. And it will end after the 2020 tax year unless renewed by the council.

If the revised proposal is not approved by the council or is referred to the ballot and defeated, Novick says he is prepared to campaign for a progressive personal income tax in 2016.

A multitude of changes

The proposed street fee has undergone many changes over the past eight months. Hales and Novick introduced it in response to a series of city audits that said Portland streets are not being properly maintained and increasingly falling into disrepair. They also wanted to fund safety projects, including new sidewalks and street crossings in East Portland, where a disproportionate number of fatal accidents occur.

The original proposal included a monthly fee on households as the residential portion and a monthly fee on nonresidential properties based on the number of motor vehicle trips they are estimated to generate. Both portions were heavily criticized at a series of public forums Hales and Novick held to explain their proposal. The residential fee was criticized as regressive because poor households would pay as much as wealthy ones. And businesses said the trip estimates, based on a manual prepared by the Institute of Traffic Engineers, were not accurate.

In response, Hales and Novick convened three work groups to focus on different aspects of the proposal. One studied funding needs. Another looked at how it would affect low-income residents and nonprofits. The third examined the impact on the business community. Although not every group reached consensus, Hales and Novick released a revised proposal in the fall that included a progressive personal income tax as the residential portion and a sliding scale for businesses, governments and nonprofits.

The progressive personal income tax won the support of leaders of a number of low-income and alternative transportation advocacy organizations, including AARP, the Bicycle Transportation Alliance, the Coalition for a Livable Future, and the steering committee of the East Portland Action Plan. However, it was opposed by the PBA and others in the business community, who said they would fund a petition drive to refer it to the ballot.

The revised nonresidential fee did not draw as much opposition, although some small business owners called it a hardship and Southeast Portland neighborhood representatives filed a public records request lawsuit to learn why it did not appear to charge transportation companies very much money.

Novick revised the residential portion once again on Dec. 29, replacing the progressive personal income tax with a fee based on estimated gasoline consumption according to personal income. In doing so, Novick pointed to U.S. Bureau of Labor Statistics that show annual gasoline purchases increase with each 20 percent jump in income — rising from \$1,231 for those earning less than \$13,000 per year to \$4,071 for those earning more than \$82,000 a year.

Although similar to a progressive personal income tax, Novick's revised fee would collect money from more Portlanders and lower the maximum payment from \$75 to \$12 a month. It would still collect \$23 million a year, Novick said, while the nonresidential fee would collect the other \$23 million a year.

The PBA does not oppose that. Other business groups have yet to weigh in, however, including the Oregon Fuels Association, which represents service station owners and previously has promised to help fund a referendum.

From bad to worse?

Despite the changes, the Jan. 8 public hearing is expected to be long and contentious. Many critics claim all the changes have only made a bad idea more complicated and worse. Others, like SEUL, believe they have found technical problems that make one or both of the proposed fees unfair.

It also is unclear whether those who endorsed the progressive personal income tax are willing to back Novick's revised proposal. One of the most outspoken supporters of the last version, Jonathan Ostar, director of the grassroots OPAL Environmental Justice organization, would only say he supports progressive road fees.

"I believe that our current system of transportation-related revenue is already regressive and user-based, and don't support any concept that further entrenches that inequity," Ostar said in response to a Portland Tribune inquiry.

And many Portlanders continue to demand the council seek voter approval of the proposal, something Hales and Novick are still unwilling to do.

Fritz comes out against revised street fee

By Jim Redden
January 5, 2015

Commissioner Amanda Fritz, long considered the possible third vote on the City Council to approve the proposed street fee without a public vote, came out against the most recent proposal by Commissioner Steve Novick on Monday.

Instead, Fritz says the council should refer a progressive income tax to the November 2016 ballot.

Fritz's decision came three days before what had been announced as the final public hearing on the fee on Jan. 8.

Novick has proposed a new version of the residential fee intended to raise \$23 million a year for maintenance and safety projects. It is a fee based on estimated gasoline consumption, as determined income.

The revised proposal replaces the progressive personal income tax that is opposed by the Portland Business Alliance.

The progressive income tax would have exempted the poorest 40 percent or so of Portlanders from paying the fee at all. Fritz says the new proposal places too heavy a burden on the poor, even though the it was only \$3 a month.

"I have many friends and constituents for whom even \$3 per month would mean skipping a meal, or being unable to buy a bus ticket to get to work," Fritz said. "Three dollars per month is \$36 per year, more than the [\$35 a year] Arts Tax, which is also regressive. We should learn from past experience, and we should not solve one problem by making another struggle worse."

Mayor Charlie Hales has endorsed the revised proposal. It is unclear where the two remaining council members stand. Commissioners Nick Fish and Dan Saltzman have both said the proposal should be submitted to voters. The revised proposal would sunset in 2020 unless renewed by the council.

The nonresidential portion is unchanged from the most recent version. It is a sliding scale on businesses, governments and nonprofits that is intended to raise another \$23 million a year, for a total of \$46 million a year.

The hearing is scheduled to start at 6 p.m. on Jan. 8 in the Council Chambers at City Hall.

Here is the full press release issued by Fritz's office on Monday:

Commissioner Amanda Fritz announced today that she does not support the proposed street funding mechanism based on assumed gas use related to income.

"My standard practice is to wait to consider testimony at the public hearing before announcing how I will vote on items on the Council Agenda," said Commissioner Fritz in a press release issued mid-day on Monday. "I have heard from thousands of Portlanders since the first street funding proposal hearing in May. The latest proposal is similar to others that have already been widely discussed, and I want folks to know where I stand going into the public hearing on Thursday."

Fritz explained that while she is convinced that additional revenue is needed to repair our streets and provide crucial safety improvements, she cannot support a funding mechanism that would require people living in poverty to contribute, and would disproportionately burden middle class families. "I have many friends and constituents for whom even \$3 per month would mean skipping a meal, or being unable to buy a bus ticket to get to work," she said. "Three dollars per month is \$36 per year, more than the Arts Tax which is also regressive. We should learn from past experience, and we should not solve one problem by making another struggle worse."

"Eleanor Roosevelt said, "Do what you believe in your heart is right, for you will be criticized anyway," Fritz said. "I believe the right approach is a progressive income tax, which the Council should refer to the November 2016 ballot to allow maximum possible public participation. While I would consider voting for a progressive income tax with a sunset and no referral, I believe it would be better to provide certainty on the timing of a public vote."

Willamette Week

City Commissioner Amanda Fritz Says She'll Vote Against Latest Street Fee Proposal

She says City Council should send its plan to voters.

*By Aaron Mesh
January 5, 2015*

Mayor Charlie Hales and City Commissioner Steve Novick's proposed street fee to raise money for Portland road repairs and safety projects may not have enough votes to get out of City Hall.

City Commissioner Amanda Fritz announced this afternoon that she will not support Novick's latest proposal for a residential fee, which estimates gas use based on income. She says the new plan places too large a burden on the middle class.

"I have many friends and constituents for whom even \$3 per month would mean skipping a meal, or being unable to buy a bus ticket to get to work," Fritz said in a statement. "Three dollars per month is \$36 per year, more than the arts tax which is also regressive. We should learn from past experience, and we should not solve one problem by making another struggle worse."

Fritz says she wants an income tax—which the Portland Business Alliance has opposed.

And she joins City Commissioners Dan Saltzman and Nick Fish in saying City Council should send its plan to voters. Hales and Novick have for months tried to avoid a voter referral.

"I believe the right approach is a progressive income tax, which the Council should refer to the November 2016 ballot to allow maximum possible public participation," Fritz writes. "While I would consider voting for a progressive income tax with a sunset and no referral, I believe it would be better to provide certainty on the timing of a public vote."

The Portland Mercury

Once Seen as Likely Third Vote for Street Fee, Fritz Now Says She Won't Support Current Plan

*By Denis C. Theriault
January 5, 2015*

This post has since been updated with fresh comments from Commissioners Amanda Fritz and Steve Novick, as well as Mayor Charlie Hales' office.

The street fee political math in city hall—never a simple matter in all the months of wrangling starting last spring—may have just become fatally complicated.

The plan's one-time likely third vote, Commissioner Amanda Fritz, has announced this afternoon she won't support Commissioner Steve Novick and Mayor Charlie Hales' latest proposal for raising millions in new transportation revenue, a new, income-moderated fee based on residents' gas consumption. Novick and Hales announced that fee last week, after scrapping an income tax, in a bid to buy silence from key opponents like the Portland Business Alliance.

Fritz, however, says the new proposal, which would raise more than half of the nearly \$42 million sought by Hales and Novick, isn't progressive enough. She wants an income tax. She also wants that tax to go before voters in 2016, something Novick has repeatedly mused about doing. She's taken the rare step of announcing her opinion ahead of a public hearing planned, at her behest, this Thursday night.

"I have many friends and constituents for whom even \$3 per month would mean skipping a meal, or being unable to buy a bus ticket to get to work," she said in a prepared statement. "Three dollars per month is \$36 per year, more than the Arts Tax which is also regressive. We should learn from past experience, and we should not solve one problem by making another struggle worse."

Her lack of support means Hales and Novick will have to scramble just to get their street fund proposal out of the building—well before considering whether business groups or upset citizens might try to refer it

to the ballot. Without changes to win Fritz over, Hales and Novick now have to win over either Commissioner Dan Saltzman or Nick Fish, both of whom have said they think the proposal should go before voters without a referral.

That doesn't appear to have changed for Fish. A call to Saltzman's office has not been returned. It could be that a sweetener calling for a referral of the street fund in 2020 may give Saltzman the room he needs to change course.

Update 4:20 PM: Hales' spokesman, asked about the mayor's reaction, has written back explaining that Hales doesn't have one.

Yes, I just heard. No, I don't think we have any reaction to her announcement.

UPDATE 4:32 PM: Fritz, in an interview, says she broke from her tradition of waiting for a hearing to give her thoughts in part so the people who show up Thursday night can be more pointed and strategic in how they craft their comments. She pointed to plans, in the latest version of the street fee, to refer the whole thing to voters in 2020 and called out Saltzman and Fish as potentially being willing to change their minds on saying no.

"This one has a referral," Fritz said, "that's maybe where folks need to focus their energy."

Saltzman's office has yet to return another message seeking comment. Fish has also immediately declined to comment.

Novick, in comments shared with me and Andrew Theen of the Oregonian, was keeping a stiff upper lip about it all. He said the announcement "doesn't change our plans." The chance of defeat had always loomed, he says.

"I said last week that I don't know if the latest fee proposal will get out of council," he wrote. "I thought and think I had/have a responsibility to put something forward that might be enacted before 2016. So we'll bring it forward, and if it loses, we'll start working on Plan B."

Novick's always been sanguine that making a move to appease the Portland Business Alliance, by ditching an income tax he and Hales had come up with in the fall, risked losing the support of progressive allies who already didn't think the more progressive option Novick and Hales scrapped was progressive enough.

Fritz says her issues "were pretty clear along along." She thought about the fee proposal when it was first put forward, and told them she didn't think she could support it—even while promising she'd look at it more deeply.

And when she told Novick and Hales what she'd decided, before announcing it?

"Both of them," she said, "said 'I'm not surprised.'"

Read Fritz's full statement below.

MONDAY, JAN. 5, 2015 – Commissioner Amanda Fritz announced today that she does not support the proposed street funding mechanism based on assumed gas use related to income. "My standard practice is to wait to consider testimony at the public hearing before announcing how I will vote on items on the Council Agenda," said Commissioner Fritz in a press release issued mid-day on Monday. "I have heard from thousands of Portlanders since the first street funding proposal hearing in May. The latest proposal is similar to others that have already been widely discussed, and I want folks to know where I stand going into the public hearing on Thursday."

Fritz explained that while she is convinced that additional revenue is needed to repair our streets and provide crucial safety improvements, she cannot support a funding mechanism that would require people living in poverty to contribute, and would disproportionately burden middle class families. "I have many friends and constituents for whom even \$3 per month would mean skipping a meal, or being unable to buy a bus ticket to get to work," she said. "Three dollars per month is

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The Portland Business Journal

Fritz reportedly set to nix latest Portland street fee proposal

*By Andy Giegerich
January 6, 2015*

Portland's street fees could be heading to a vote of the people.

As the Oregonian reports, City Commissioner Amanda Fritz plans to vote no on the latest proposal from City Commissioner Steve Novick. Novick is pushing two ideas, one that revises proposed residential fees and, barring the City Council's approval, a progressive income tax proposal that could go to voters next year.

The plan aims to raise \$40 million-plus in fees annually to repair Portland's streets. Half of the amount would come from businesses.

Fritz told the Oregonian's Brad Schmidt that the proposal is "regressive" and that she'd only back "a proposal that exempts low-income individuals."

The Council is set to vote on the proposal Jan. 14.

Commissioners Nick Fish and Dan Saltzman have previously said they'd prefer letting voters decide the issue.

GoLocalPDX

Commissioner Amanda Fritz Refuses to Support Portland Street Fee Plan

*By Kirsten Nicolaisen
January 5, 2015*

Portland city commissioner Amanda Fritz announced Monday that she does not support a proposed street funding plan which is based on assumed gas use and income.

Fritz said that while she agrees that additional revenue is needed to repair and improve the safety of Portland's streets, she cannot support the proposed plan that she believes would require people living in poverty to contribute, and would disproportionately burden middle class families.

"I have many friends and constituents for whom even \$3 per month would mean skipping a meal, or being unable to buy a bus ticket to get to work," she said. "Three dollars per month is \$36 per year, more than the Arts Tax which is also regressive. We should learn from past experience, and we should not solve one problem by making another struggle worse."

Fritz said that she believes the right approach to funding street repairs is a progressive income tax that city council should refer to the Nov. 2016 ballot.

Other critics of the Portland street fee have also claimed that the data used to calculate the fee is full of errors.