

The Oregonian

Google Fiber selects four cities -- but not yet Portland -- WSJ reports

*By Mike Rogoway
January 27, 2015*

Google Fiber has plans to bring its service to four U.S. cities, The Wall Street Journal reported Tuesday, but apparently doesn't have immediate plans to serve Portland.

Google has sent out invitations to announcements in four metro areas – Atlanta, Nashville, Charlotte and Raleigh-Durham, according to the paper. Officials in Portland say they have not received similar invitations.

Google Fiber announced last year that it was contemplating service in nine metro areas across the U.S., including Portland and five close-in suburbs (Gresham, Tigard, Lake Oswego, Beaverton and Hillsboro.)

An official in San Jose told The Journal that his city has been passed over, but that Google had told him that other cities were still in the running.

Google Fiber is shaking up the online marketplace by spending billions of dollars to build its own fiber-optic network to customers' homes. It offers speeds up to 1 gigabit per second – 1,000 megabits per second. That's many times faster than conventional cable and DSL Internet speeds.

In other markets, Google charges \$70 a month for its gigabit service – comparable to what other Internet companies charge for considerably slower speeds. Google offers cable TV service for an additional \$50 to \$60 a month.

State and city officials in Oregon have said they are concerned a quirky Oregon tax law could be deterring Google. The provision in the law, known as "central assessment," levies property tax on communications companies based in part on the value of their corporate brands.

The law, which has been repeatedly challenged in court, adds millions of dollars a year to Comcast's Oregon tax bill and might have a similar effect on Google. State lawmakers have said they plan to study the issue during the upcoming legislative session.

For Portland, a Google delay would mean more waiting on a civic priority that dates to the 1990s. The city has long sought alternative cable and Internet providers but has been unable to find a company that would invest the hundreds of millions of dollars to build a rival network.

Portland estimates Google would spent upwards of \$300 million wiring Portland for fiber, and the company would likely enlist hundreds of contractors to build the network and hook up homes in neighborhoods throughout the city.

Even without a firm commitment, though, Google Fiber has already had a profound effect on the Portland market. Other companies are boosting speeds and building rival networks, working to get a jump on Google or perhaps deter the company altogether.

CenturyLink has begun stringing high-capacity fiber-optic cables to select Portland neighborhoods and offering gigabit service. It won a new cable TV franchise with the city and could start offering its own cable TV service this year.

Comcast, meanwhile, has doubled Internet speeds for its most popular plans. And Frontier Communications has begun offering gigabit speeds in parts of Washington County.

Portland's paperless building permit system falls further into the red: Portland City Hall Roundup

*By Brad Schmidt
January 26, 2015*

When it comes to Portland's new paperless permitting system, city officials are seeing red.

Lots and lots of red.

A new report by the city's Technology Oversight Committee flagged the \$11.8 million project as being completely off track after months of well-documented concerns. A color-coded scoring system headed to the City Council on Wednesday is meant to increase the alarm bells at City Hall.

Completion date? Red.

Budget? Used to be yellow. Now it's red.

The stability of the project's scope? Was yellow. Now it's red, too.

Problems have been mounting for the project since April and Mayor Charlie Hales in September described them as "serious concerns."

The paperless system -- formally called the Information Technology Advancement Project -- was originally pitched under former Commissioner Randy Leonard and later Commissioner Dan Saltzman. It is now being overseen by Commissioner Amanda Fritz, who is in charge of the Bureau of Development Services.

In September, Fritz said she was "very confident" that the project would be "on time, on budget, and it will work."

Fritz is far less hopeful now.

"I am not as optimistic," she said Monday. "I am more concerned."

The software is supposed to improve record keeping and access by digitizing documents in the city's permitting bureau. When complete, developers will be able to submit applications electronically while employees will be able to access documents from the field, among other things.

But the first phase isn't expected to go live until December at the earliest, seven months later than initially planned.

The \$8.2 million initial budget has ballooned to \$11.8 million and any change to the already in-flux schedule "may cause increase in City capital costs," according to the new report.

The Technology Oversight Committee, in a report through December, wrote that it "lacks confidence" the project will meet its latest schedule.

Fritz said city officials are pushing the vendor, Sierra Systems, to deliver the project on schedule. If that happens, she said, it could still come in on budget.

But delays, she said, will drive up the cost.

"It's matter of whether the schedule has to get extended," she said. "It's possible it will."

The oversight committee also wrote that it is also concerned about login integration, which could be an additional unplanned scope and drive up costs.

If that work can be quantified, members wrote, scope and budget concerns may be alleviated -- back down to yellow.

Charlie Hales' struggle to lead at City Hall: Editorial Agenda 2015

*By The Oregonian Editorial Board
January 26, 2015*

Portland Mayor Charlie Hales raised eyebrows, in an interview published last week, when he said he was considering taking all 27 of the city's bureaus under his wing for potential reassignment – back to the commissioners already running them or, perhaps, shifting a few responsibilities around. He confirmed to The Oregonian's Andrew Theen that he was "starting to" broach the idea of a shakeup with his colleagues.

Problem: As of Friday, none of the commissioners had directly been engaged by Hales. Mystery: As of Monday, the mayor's spokesman played down the potential for a shake-up and emphasized that if Hales were to take back the bureaus he would be doing so as a pre-budget-making exercise to better understand how the city's money is spent. In any case, Hales emerges as a rogue player who apparently questions whether all city commissioners can be grownups about spending.

He has good reason to worry, especially if he includes himself in viewing non-essential spending. The repeated failure over the last year by him and Commissioner Steve Novick to establish a fair mechanism to raise revenue for street repair undercuts City Hall's credibility, and Hales' preferred disbursement of surplus taxpayer money last fall, some of it to the arts and approved by the council, occurred as the street fee drama dragged on. It seems disingenuous now that Hales would put himself in charge of any accountability drive, much less publicly consider it without consultation.

It was Commissioner Amanda Fritz, not Hales, who last week proposed that the city adopt a policy requiring that half of the money from any annual windfall be dedicated to support street repair, the maintenance of parks and civil emergency management. Hers is a sane idea for which the council should issue its unqualified support, signaling Portlanders that their money is safeguarded to protect infrastructure built at great expense by the public.

Significantly, Fritz's proposal is likely to become reality, because Fritz had lined up support already from Hales, Novick and Commissioner Nick Fish. That's called collaboration, whether it's in politics or business, and it extends as much trust among the deciders as it opens the door to brainstorming of the sort that can actually make a good idea better. Hales should take notes.

Speculation continued Monday that the potential bureau shakeup might be to provide cover for Hales to remove Novick from his oversight of the transportation bureau. He should. Novick is dedicated, smart and affable. But he would be better played elsewhere at City Hall after having failed, along with Hales, to find a credible approach to raising revenue for Portland street repair. His abiding interest in Superfund, a complex and expensive cleanup of Portland Harbor still taking shape, could be a best fit for him and Portlanders.

But Hales doesn't need to turn the building upside down to reassign Novick – especially after making bureau assignments less than two years ago. That's barely enough time for commissioners to gain sufficient expertise in their agencies to lead wisely and spend efficiently. That's certainly true of parks and recreation, overseen by Fritz, who won the support of Portlanders last year to pay more to maintain parks. And it is true of the sewer and water bureaus, overseen by Fish and nearly yanked out from beneath City Hall last year for mismanagement yet soon to undergo new levels of oversight.

Hales, meanwhile, should play with the cards up, telling not only colleagues but constituents what his plans are. Theen's report also shows that the mayor's office is exempt from any potential shakeup because it operates, in Hales' words, as "an amazing team."

No doubt. But the team concept should reach throughout City Hall, making it work like the big business it is, and the mayor should avoid playing the grownup. Voters don't need a savior. They only seek transparency.

The Portland Tribune

Portlanders talk, hoping mayor will listen

*By Jim Redden
January 27, 2015*

There are some things we know Mayor Charlie Hales will say when he delivers his State of the City speech this Friday.

Hales will tell the City Club of Portland that the state of the city is good, if not better. He also will say that is largely because of the character of Portland's residents, or words to that effect.

Those are standard features of the annual speeches that Portland mayors have been delivering for as long as anyone can remember.

But what do city residents actually want Hales to talk about, and are they interested in subjects outside the traditional parameters of the municipal bureaucracy?

The Portland Tribune spent the past few days surveying a number of local newsmakers, opinion leaders, and regular neighborhood folks on their priorities for the coming year. Here's what they told us Hales should include in his speech:

- Oregon House Speaker Tina Kotek (D-Dist. 42) wants Hales to focus on police accountability, affordable housing and gentrification. She says her North Portland district is becoming increasingly unaffordable, even for renters.
- Interested citizen Amy Peradotta says Hales should explain what progress has been made to encourage the construction of tiny homes in Portland.
- Oregon Rep. Earl Blumenauer (D-Dist. 3) wonders how the region will be affected by the fact there is no major federal transportation project in the pipeline after the Sept. 12 opening of the Portland-Milwaukie Light Rail Project.
- Portland Business Alliance President and CEO Sandra McDonough hopes to hear how Hales will increase international trade and help create more middle-income jobs to help families flourish.
- Oregon Food Bank CEO Susannah Morgan says Hales should reinforce his commitment to eliminating hunger in our city, calling it an issue that is critical for Portland's growth and stability.
- Port of Portland Director Bill Wyatt wants to know what Hales will propose to raise the average family income in Portland, which is currently below the national average and some comparable cities.
- United Neighborhoods for Reform co-founder Al Ellis wants limits on affordable homes purchased for demolition and replacement with huge, expensive new houses that are out of character with the rest of the block.
- Concerned citizen Krista Hofmeister wants an end to apartment buildings without parking in the central eastside.
- R2C Group CEO and co-founder Michelle Cardinal wants to know what Hales is planning to do to address the homeless problem in downtown and the Pearl District, where her advertising company headquarters is located.
- Small-business owner and street fee critic Ann Sanderson wants to know how Hales will restore the trust between city residents and elected officials that was damaged during the bitter eight-month debate.
- And on a related note, KPAM's Mark and Dave wonder how Hales plans to prevent another yearlong merry-go-round set of public hearings and debates about issues that ultimately will be decided by the Oregon Legislature.

What else?

Other subjects Portlanders want to hear about include:

- Bikes: Follow the lead of cities like Milwaukee and Salt Lake with bicycle registration and safety education programs to reverse declining bike commuting.
- Business: Increasing support for existing businesses, especially small-business owners who are squeezed by the city's business income tax.
- Carbon exports: State the policy clearly and follow it, even if that means sacrificing economic development benefits to oppose oil, natural gas, propane and coal exports through Portland.
- Economy: A consistent policy for responding to innovative but disruptive businesses like Uber and Airbnb when they come to town, including how to enforce existing city regulations on them.
- Education: More support for K-12 schools to ensure that all students have access to a quality education.
- Energy: A citywide program that sets Portland apart from other metropolitan areas that uses some of the savings to fund more conservation work.
- Diversity: New policies to overcome existing racial and other divides that are splitting Portlanders apart on issues like gentrification.
- Public involvement: Fully fund neighborhood involvement programs that have shrunk to the point they are no longer relevant.

City, short-term rental hosts face off

*By Steve Law
January 27, 2015*

A showdown is looming between the city of Portland and companies like Airbnb that promote short-term rentals in local residents' homes.

The Portland City Council, in a 3-to-1 vote, approved a get-tough policy last Wednesday against hundreds of short-term rental hosts who have failed to obtain city permits. The new city ordinance requires Airbnb and its competitors to divulge the names and addresses of its local hosts so the city can assure the properties have been inspected and permitted, and are paying lodging taxes. The companies also will be required to collect lodging taxes on behalf of the city, and refrain from advertising for local hosts who don't get permits.

Those are fighting words to companies in the so-called "sharing economy," who take umbrage at sharing the names and addresses of their local hosts.

"The industry has made it clear they do not intend to play ball with us on the enforcement side," said city Commissioner Nick Fish, as he cast one of the votes in favor of the ordinance.

This is a \$40 billion industry that doesn't think the city should be regulating it, Fish said. "What we have been told by the industry is 'butt out.'"

Portland became one of the first big cities in the United States to legalize short-term rentals in peoples' homes last summer. Two weeks ago, the City Council expanded the service to allow it in condos and apartments as well.

Airbnb, which opened a regional office in Portland last year and touts its special relationship with the city, has some 1,600 local hosts in Portland, and has agreed to collect lodging taxes for the city. But so far, only 135 short-term rental hosts have bothered to seek permits — required since Aug. 30 — and only 76 permits have been issued, said Mike Liefeld, enforcement program manager for the Bureau of Development Services.

And Airbnb competitors HomeAway and FlipKey, which have fewer local hosts, are resisting the idea of collecting taxes for the city.

The Short Term Rental Advocacy Center, a new group that lobbies for Airbnb, HomeAway and FlipKey, issued a sharply critical statement after the ordinance passed.

"Deputizing short-term rental platforms as a policing mechanism is simply an abdication of responsibility by the city of Portland and a violation of the privacy of the platforms' end users," the group stated.

"Making the regulatory process for rental providers easy and affordable is the only path to improving compliance, which will ultimately lead to greater economic benefits to the entire city."

Portlanders hoping to rent out rooms in their homes must seek a permit costing \$178 and an inspection by the Bureau of Development Services. BDS inspections are superficial; inspectors make sure there are adequate smoke alarms and carbon monoxide detectors and that hosts are renting out legal bedrooms.

If the city doesn't require that hosts get permits, Fish said, "we cannot say with a straight face that the guest is safe."

Commissioner Amanda Fritz, who oversees BDS, cast the lone "no" vote against the ordinance.

"It changes the way we do enforcement," Fritz said. "We need to take a lesser, encouragement approach before we go after people with a big stick."

After the vote, Airbnb's local lobbyist, Dan Jarman, said the company expects to continue working with the city to encourage its local hosts to seek permits. But the company has resisted pressure to require its hosts to get permits as a condition for listing their properties on Airbnb's website.

Asked if Airbnb intends to sue over the city's new ordinance, Jarman said "absolutely not."

However, it might be a different matter if the city seeks personal data on its hosts, he said.

BDS has a hands-off policy about enforcing the city rules, until someone files a formal complaint. The bureau can levy large fines, but there've been relatively few complaints, and neighbors usually have no idea whether a local operator obtained a permit or not.

But now the Revenue Bureau, which requested the ordinance, will start enforcing it, and it intends to take a more proactive approach.

Thomas Lannom, bureau director, said he'll start by sending a letter to each short-term rental company advising them of the new requirements, which take effect Feb. 20, and ask them to come into compliance.

"Our starting point will be to strongly encourage the companies to voluntarily comply by educating and making the BDS permit a requirement for all their local operators," Lannom said.

The new ordinance requires companies to "prominently display" the permit numbers, which Lannom said means on the Internet where the hosts' properties are listed.

Since only about 7 percent of local hosts operating in single-family homes have bothered to seek permits, that could upend the entire industry here.

Fritz said she feared the new ordinance is "going to cost the taxpayers a lot of money," an apparent reference to legal fees.

But the ordinance also could be costly to the short-term rental companies and local hosts.

The ordinance gives the city authority to fine hosts and companies up to \$500 per property that's not in compliance, Lannom said.

That could mean a fine of several hundred thousand dollars if Airbnb does not cooperate.

Fritz seeks more money for infrastructure

*By Jim Redden
January 27, 2015*

After eight months of fruitless debate over a possible new street fee, Commissioner Amanda Fritz has suddenly come up with a plan to dedicate more money to infrastructure maintenance.

What's more, a majority of the City Council supports it.

Fritz has introduced a resolution to be considered Wednesday that would commit half of all year-end balances and projected one-time funds to such projects. That's an increase over the one-quarter of surplus funds now dedicated to maintenance.

"The council must show discipline in assigning resources to the most urgent capital repair needs, particularly in being good stewards of the buildings, streets, and other infrastructure owned by the people of Portland," Fritz said when announcing the resolution.

The resolution also repeals a target of spending 28 percent of utility license fees on street maintenance set by the council in 1988. It has never been met.

It is not clear how much money would go to streets compared to parks and other city assets, but Mayor Charlie Hales, Commissioner Nick Fish, and Commissioner Steve Novick all support the resolution.

"I think it's a great idea. And note that the 50 percent is a floor, not a ceiling," says Novick, who co-sponsored the proposed street fee with Hales. Work on it has been suspended while the 2015 Oregon Legislature considers a possible transportation funding package.

The resolution may not make a significant difference, however. Although the ending balance in this year's budget is not yet known, only \$14.4 million in one-time funds has been identified in next year's budget — and the resolution would only dedicate \$7.2 million of that to infrastructure maintenance.

That's a small percentage of the city's overall needs. For example, the 2013 Citywide Assets Report reveals that the Portland Bureau of Transportation alone has an annual funding gap for infrastructure maintenance and replacement of existing assets of \$153.4 million per year. The report also says Portland Parks and Recreation's annual funding gap for infrastructure maintenance and replacement of existing assets is \$28.1 million per year. The aging Portland Building needs millions of dollars in repairs and maintenance.

Still, Fritz says it's the right thing to do.

"Fiscal responsibility, basic services, and stewardship of our infrastructure must continue to be primary drivers of all budget decisions, she said.

Hales agrees. According to spokesman Dana Haynes, "In 2013, his themes were 'Back to Basics' and taking care of what we have. That's how we got from paving fewer than 30 miles per year to more than 100 miles per year without any additional funds."

Fritz asked City Budget Office staff to begin drafting the new policy in November 2014. Fish says he helped her write it. The policy, if adopted, would apply process for adopting the annual budget that takes effect in July 15. It would sunset after four years, with the council deciding whether to renew it in 2019.

Willamette Week

Portland's Office of Equity Held Three Lunch Meetings for City Employees to Talk About Ferguson

Video shows workers brainstorming police reforms.

*By Aaron Mesh
January 26, 2015*

Marches against police violence reached their highest pitch last month, as demonstrators blocked downtown Portland streets to protest the police shooting of unarmed black teenager Michael Brown in Ferguson, Mo. Protesters demanded wide-ranging reforms of the Portland Police Bureau.

It turns out Portland city employees were having their own discussions about making changes after Ferguson—conversations held at three lunch meetings hosted by the city's Office of Equity and Human Rights.

Equity officials will present the recommendations from those December meetings to Portland City Council this Wednesday, Jan. 28.

"By and large," city equity director Dante James writes in a memo to City Council, "attendees were not the people out protesting, but are your employees who felt the need to be able to speak, or just be in the presence of the conversation."

The suggestions mostly center on reforms at the police bureau.

Many of the ideas are vague—better training for officers, changing cop culture so officers will hold each other accountable, and interacting more with minority communities. (New Police Chief Larry O'Dea has pledged such "community policing" will be a top priority.)

A few suggestions are more specific, including offering incentives to persuade more officers to live in the city instead of surrounding suburbs.

Mayor Charlie Hales' efforts to boost equity in the police bureau drew controversy last year when he and several PPB command staff attended a \$56,000 training session called "White Men as Full Diversity Partners."

The cost of the three lunch meetings to talk about Ferguson? Nothing, James tells City Council.

The Office of Equity and Human Rights has produced a video summarizing the meetings, held Dec. 3, Dec. 10 and Jan. 7. [Watch it here:](#)

The Portland Mercury

Trader Joe's Fallout: Housing Bureau Posts Plan for \$20 Million in Anti-Gentrification Cash

By Denis C. Theriault
January 26, 2015

Four months after hosting forums on the past and future of gentrification in North and Northeast Portland—and nearly a year after the churn and controversy of an aborted attempt to plop a Trader Joe's at NE MLK and Alberta—city officials late Friday finally fleshed out a long-promised plan to redirect \$20 million in urban renewal cash toward affordable housing needs.

More than half of the funding in the plan (pdf)—\$11 million—would be spent on developing as many as 140 affordable rental homes (\$8 million) and "banking" available land that might one day be used for affordable homes (\$3 million).

An additional 240 households (\$4 million) would receive funding for repairs that are too expensive for current homeowners who otherwise would have to sell. The rest of the money (\$5 million) would provide help with down payments and work with nonprofits to secure affordable single-family homes for up to 72 would-be homebuyers.

But the most important promise—and most difficult—concerns not just how that money will be spent, but on whom.

The housing bureau wants to lavish its assistance on those who've already been displaced from what was once a significant African American community (created by red-lining and discriminatory housing policies), sent east as new light rail and past redevelopment plans made it easier for developers and wealthier homeowners to snap up suddenly choice lots relatively close to downtown.

That goal, concerning something like a "right of return," was a major part of the forums held last fall on how community members wanted to see the new money spent. But it has yet to be translated into a legal, foolproof policy, according to city documents.

Who has Access –

Decades of involuntary displacement have led to a community very different from the one that existed three or more decades ago. Much has been lost and some of that is due to who has (or had) access. Access is fundamentally about equity not just in North/Northeast Portland, but the city as a whole.

Start Immediately

5. **Preference for Community Residents and those Displaced –** People displaced or at risk of displacement from the study area will have priority access to housing developed through this initiative. Similar policies have been implemented in New York, Massachusetts, California, as well as through Home Forward here in Portland. The Bureau has been and will continue to work with the City Attorney's office and the Office of Equity and Human Rights to develop this program's mechanics.

There may yet be some hitches. Because the cash is coming from the Portland Development Commission, it's legally bound for projects within the city's Interstate urban renewal area. That zone includes much, but not all, of the gentrifying areas the city has flagged for attention. As such, the housing bureau says it will seek additional money this spring, from the city's general fund, to create similar programs for residents whose homes are outside urban renewal boundaries but still subject to the same displacement pressure.

The \$20 million from PDC comes atop a citywide policy of setting aside 30 percent of total urban renewal tax revenues for housing for people making no more than 60 percent of the region's median income. That means it's money that otherwise would have been spent on other projects, like improving businesses or fixing up streetscapes like North Lombard.

Housing officials also acknowledge what African American leaders see as a string of broken promises and misguided offers for help stretching back decades.

The result of this seven-month process is the "North/Northeast Neighborhood Housing Strategy" (the Strategy) — a five-year plan for how to invest the \$20 million according to the stated priorities of the community. Beyond the dollars and cents, however, we are aware that we must also answer the resounding question: "how will this plan be any different?" Because TIF money is limited primarily to building and construction costs, many of the investments outlined in the following pages expand existing City programs and fund affordable housing developments that are in many ways similar to those we already build throughout the city. To have a different impact, this Strategy also proposes a set of new practices and policies to address the specific barriers to housing access, security, and economic opportunity that were expressed to us repeatedly by community members.

In short, it's not what we do with the money that will look different — building affordable housing is something the Portland Housing Bureau and our partners do well. What makes this plan different is going to be in *how* we do it.

A community board would be created, the bureau says. And that board would spend the next five years judging progress, or the lack thereof, in "real time"—offering suggestions for adjustments as needed.

The proposal is up for a Portland City Council hearing at 2 pm Wednesday.

The Portland Business Journal

Post-Trader Joe's \$20M housing plan to get a Portland hearing

*By Andy Giegerich
January 27, 2015*

Portland's leaders will explore a plan that arose from concerns over scuttled plans to build a Trader Joe's in Northeast Portland.

As the Portland Tribune reports, Portland Mayor Charlie Hales has proposed steering \$20 million toward fighting gentrification in North and Northeast Portland. The plan comes from the Portland Housing Bureau, which had dealt with the Trader Joe's fallout when that proposal contained no affordable housing.

The money, which includes \$8 million for up to 140 permanently affordable rental homes, comes from the Interstate Urban Renewal Area.

The proposal further would apply \$5 million for 32 affordable homes and to help as many as 40 people purchase homes. Another \$4 million would fund repairs to help people stay in their homes while \$3 million would purchase land for future housing.

The Natural Grocers company revealed last summer it would seek to open an outlet at the proposed Trader Joe's site, located at Northeast Martin Luther King Jr. Boulevard and Alberta Street.

A hearing on the proposal is set for Wednesday at 2 p.m.