

## **The Oregonian**

### **Portland Mayor Charlie Hales requests \$440,000 for marijuana permitting program**

*By Andrew Theen  
February 26, 2015*

Portland Mayor Charlie Hales requested \$440,000 for a marijuana permitting program, according to budget documents.

Hales, who oversees the Office of Neighborhood Involvement, authored a memo outlining the funding request in the upcoming 2015-16 fiscal year.

The mayor's marijuana program represents a small slice of some \$58 million in proposals submitted by city bureaus as they compete for roughly \$14 million in one-time general fund dollars expected to be available come July.

More than half of the \$58 million in one-time requests are from the Bureau of Transportation, The Oregonian/OregonLive previously reported.

"With recent legalization of recreational marijuana sales in Oregon, the City must develop local regulations to regulate medical and recreational sales establishments," Hales wrote. Willamette Week first reported Hales' pot permitting proposal on Thursday.

The \$440,000 permitting program would pay to setup the permitting program as well as fund two new regulatory positions. The money would also continue a \$65,800 marijuana regulatory position approved in last fall's supplemental budget.

The Oregon Liquor Control Commission is already shouldering its load in regulating the pot industry.

Last year, Hales' office created a marijuana task force to study ways of raising money and regulating the industry, and the group ultimately recommended a 10 percent city sales tax on the sale of marijuana in Portland.

The City Council approved that policy in October, but voters approved Measure 91, legalizing recreational marijuana, the next month. That measure prevented cities from tacking on additional sales taxes.

Portland was one of at least 18 cities in Oregon that passed taxes ahead of the November election, and the cities continue to lobby Salem lawmakers for a rule change.

Hales' memo indicates the \$440,000 may not survive amid other requests for general fund dollars, saying "at a minimum" funding should continue for the livability managing (regulatory) position.

Portland officials hoped the 10 percent local tax would bring additional revenue to the city to offset the costs of regulating the new industry. "Although the program has potential to produce revenues in the future," ONI's budget note reads, "the amount is dependent on many issues that are unknown at this time."

If approved, the permitting program would apply to medical marijuana as well, and better notify neighbors when a business is opening in their part of town.

The City Council will hold budget work sessions started on March 17.

### **Portland urban renewal: Advocates challenge city promises on affordable housing**

*By Andrew Theen  
February 26, 2015*

After months of delays, the Portland City Council held its first hearing Thursday on a package of amendments to urban renewal areas on both sides of the Willamette River.

The series of proposals would put more property back on the tax rolls, increasing money in the short term for local governments, while also directing more money to help encourage development in the Central Eastside and near the Portland-Milwaukie light-rail line.

"There are places in this city where we can now declare victory," Mayor Charlie Hales said to open the meeting. Hales said the package of changes is an attempt to "right size" the practice that dates back decades though the current plan would also extend the life of one of the oldest urban renewal zones.

Portland Development Commission officials said the changes would net \$8.2 million in fiscal 2015-16 for Portland, Multnomah County and other taxing jurisdictions.

The city is shutting down the \$200 million Willamette Industrial Urban Renewal area, and removing more than 970 acres from the Airport Way urban renewal zone. An additional 35 acres in the River District will return to property tax rolls.

But victory isn't being declared in the South Waterfront. Despite city assurances that the changes to the North Macadam URA would result in a \$47 million for affordable housing, advocates said they want more specifics.

The City Council heard testimony from Gretchen Kafoury, a former city and county commissioner, former member of the PDC and former Housing Bureau director.

"Believe me, I know how hard this is," said Kafoury. "But I still don't think this is enough," she said of the housing promises.

The tension surrounded proposed amendments in the North Macadam URA, which would add 45 acres -- 35 from the soon-to-be ended Education District downtown.

Patrick Quinton, PDC's executive director, said eliminating the Portland State University-centric urban renewal zone will still result in a net increase in the investment of affordable housing citywide.

He said the city is committed to spending \$9 million on affordable housing in North Macadam, but that would increase to \$47 million with the addition of more property and five more years of indebtedness.

Quinton emphasized the city's pledge to build at least 200 units of affordable housing on its property at 2095 S.W. River Parkway as a key proposal.

But the urban renewal amendments don't exist in a vacuum in the South Waterfront, as PDC and the Zidell family continue to discuss a development agreement tied to the family's 30 acres.

Several speakers said the city was letting go of its chief bargaining chip by moving forward with urban renewal amendments without a development agreement that specifically sets affordable housing goals on the Zidell land - in exchange for an estimated \$27.4 million in public infrastructure improvements.

Debbie Aiona, with the League of Women Voters of Portland, said her organization wouldn't support the amendments without more certainty on the Zidell property.

"The public is understandably skeptical," she said of the city's pledge to build housing without the development agreement in hand.

Commissioner Nick Fish said he spent the past three months negotiating the latest iteration of the urban renewal amendments. He said advocates want to have both the development agreement and the proposed housing project in hand at the same time, but Fish doesn't want the 200-unit housing project to be "held hostage."

"We have no power to compel an agreement with Mr. Zidell, or any other property owner," Fish said. "We can't force a deal."

Former Housing Bureau Director Will White said the city's characterization of \$47 million in affordable housing in North Macadam is misleading, given that the citywide net increase is closer to \$3.5 million.

"Before we ink that deal," White said of the Zidell development agreement, "I think we should get the right quid pro quo."

The other notable amendment would extend the life of the Central Eastside Industrial District urban renewal zone, adding 16.2 acres around the Clinton Triangle TriMet Station Area. That policy would increase potential revenue over the life of the district from \$105 million to \$126 million, which PDC said could be to buy properties near Southeast Water Avenue and help build affordable housing around the station.

But Kathleen Hersh, co-president of the League of Women Voters' board, said the Central Eastside district has run its course, and the city already owns much of the land near the Clinton Triangle.

Pushing the district's life out to 2023 would make it the oldest URA, Hersh said. "Additional projects that would be nice to do will continue to come up," she added.

The Portland City Council will discuss the proposed changes March 12.

## **The Portland Tribune**

### **No middle ground likely among Portland taxi companies and Uber**

*By Steve Law  
February 26, 2015*

Portland taxi drivers say Uber should play by the same rules they must follow if the city allows the San Francisco-based company to enter the local taxi market.

Uber drivers say the quality of local taxi service is poor, and Portland needs to keep up with the times to allow the innovative company here.

That was the gist of the testimony Thursday night during a public hearing before a citizens task force asked to evaluate potential changes to Portland taxi regulations.

Uber has grown into a \$40 billion behemoth by letting people turn their cars into taxis, and letting people summons a Uber driver on their smartphone. City officials have promised to review Portland's restrictive taxi regulations by April, when Uber vows to enter the market whether it's legally authorized or not.

City Commissioner Steve Novick, who oversees transportation for the city, appointed the Private For-Hire Transportation Innovation Task Force to get citizen input to the City Council for its April decision and possible showdown with Uber.

"Change is coming" to the taxi industry in Portland, said Portland Mayor Charlie Hales to kick off Thursday's hearing. But the city wants to do it in a way that protects "safety, access and consumer protection," Hales said.

Novick added: "I start under the assumption that everybody should follow the same rules whether they're a new or old participant."

Right now, the taxi industry is heavily regulated inside the city, including price controls and limits on the number of cabs, though a pending city action will allow a major expansion in the number of traditional cabs on the roads.

But Uber already flouted city rules by starting service here several weeks ago without city approval, and hopes to eventually disrupt the taxi market and upend the existing regulatory scheme.

To head off a confrontation in April, the task force is trying to find a middle ground of some sort. But testimony from dozens of people on Thursday night was tilted heavily to one camp or the other.

Sharon Tucker, a former cab company owner, was one of several people who complained that Uber goes light on its liability insurance requirements.

"It's all written to protect Uber, not to protect the general public," she testified.

William Johnson said it will be hard for the city to regulate taxis if it lets the freewheeling Uber enter the market. "Nobody will want to follow the rules any more," he said.

One of the rules Portland cab drivers insist Uber must follow is the requirement that a specified number of each company's cabs be equipped to accommodate wheelchair-bound and other disabled passengers.

"They're not going to worry about getting grandma to the doctor on time, because it's not profitable," said Linda Rabb.

Several cab drivers and supporters said they'll be driven out of work if Uber comes in and undercuts the current pricing system. "They call it 'the Walmart on wheels,'" said Marco Mejia, of Portland Jobs with Justice.

Sean Baioni, the transportation chair of the Southwest Hills Residential League, said when he tries to get a regular taxi here, "All I ever hear is 'they're on the way.'" But when he first used Uber, his ride came in three minutes.

"I think Uber hit the ball out of the park with customer experience," Baioni said.

Deanna Simon was one of several Uber supporters who praised the company's smartphone app, which allows customers to see a picture of the driver, their car, and even the license plate number before it arrives. "It's like my friend's friend is picking me up," she said.

Others like the idea of not having to use cash or pay a driver tip using Uber.

Dan Mark, a Uber driver here, says it's inevitable that the company will expand here. "Uber is the future and people like it," he said. "I don't know how you stop that."

It's clear that Hales and Novick want some regulations that Uber and its peer Lyft would have to follow before being authorized to operate here, such as background checks for drivers, vehicle inspections and accessibility for people with disabilities. And they oppose having one set of regulations for traditional cab companies and another set for Uber and Lyft.

But longstanding city rules that set prices and cap the number of cabs are open for discussion, Novick said.

Retired state administrator Mike Greenfield, who is chairing the task force, isn't daunted by the group's charge.

"You provide a regulatory framework," he said. "You have to follow the regulatory framework or there are consequences for not doing that."

## **Willamette Week**

### **Portland Mayor Charlie Hales Plans to Spend \$440,000 on a Weed Permitting Program**

*By Aaron Mesh  
February 26, 2015*

The city of Portland's weed bureaucracy is starting to take shape—and the dope bills are piling up. When Oregon voters legalized recreational marijuana last November, Portland officials spent \$65,800 to hire the city's first government weed regulator to set rules about where and when pot shops can operate.

Mayor Charlie Hales is asking the city to spend far more—\$440,000 to create a city "Marijuana Permitting Program."

That's a new layer of licensing above the permits that will be issued to growers and stores by the Oregon Liquor Control Commission. The city would also start ruling on where medical dispensaries can set up shop.

"With recent legalization of recreational marijuana sales in Oregon," Hales writes in his proposal, "the city must develop local regulations to regulate medical and recreational sales establishments."

The new program would be housed in the city's Office of Neighborhood Involvement, which shepherds the city's neighborhood associations. The office's budget request notes that the permitting program would include informing neighbors when weed stores ask to open.

The \$440,000 cost would fund the current regulator, along with two more full-time employees.

It also fuels Portland City Hall's demand that the Oregon Legislature allow it to levy a local 10 percent tax on recreational marijuana sales. Local sales taxes are banned in Measure 91, which voters approved in November to legalize recreational weed.

But Portland officials and other city leaders are pressuring state lawmakers to change the rules, so cities can fund local regulation.

The Office of Neighborhood Involvement's budget request hints at the uncertain tax outlook.

"Although the program has potential to produce revenues in the future," the memo says, "the amount is dependent on many issues that are unknown at this time."