

The Oregonian

Portland City Council sets public hearing on proposed propane export terminal in North Portland

*By Ted Sickinger
April 27, 2015*

The Portland City Council will hold a public hearing June 10 on a proposed zoning amendment that would allow Pembina Pipeline to build a propane export terminal in North Portland.

The terminal would go on vacant land at the Port of Portland's Terminal 6, opposite West Hayden Island and just east of Kelley Point Park. It would receive about 1.6 million gallons of propane a day by rail from a Pembina plant in Edmonton, Alberta. The terminal would store up to 34 million gallons of propane in refrigerated tanks for later loading on tankers for shipment to Asia.

The \$500 million facility would be one of the largest industrial investments in city history, generating up to 800 temporary construction jobs, a few dozen permanent jobs and more than \$90 million in tax revenues during the first decade of operation. The project was announced last September after six months of secret negotiations with the port and the City of Portland.

Pembina executives have repeatedly said they won't build the project if the community doesn't want it. While business and labor groups have offered support, the project is overwhelmingly opposed by neighborhood leaders and residents. They contend it poses safety risks to neighboring communities, including rail and marine issues not yet analyzed.

Environmental groups oppose the project because of its potentially significant electricity demand and impact on local and global emissions of greenhouse gases. They believe the plant would be anathema to the city's focus on sustainability and climate action.

The Port of Longview recently rejected a similar project. Officials there said the benefits didn't outweigh the risks, and opponents in Portland hope to convince city commissioners to reach the same conclusion.

Propane exports are not regulated by the federal government, so Pembina's project faces a far less rigorous permitting process than the liquefied natural gas export terminals proposed in Coos Bay and Warrenton. Backers of those projects have spent the last decade navigating a maze of local, state and federal permitting requirements while dealing with ongoing legal challenges.

By contrast, Pembina's project is on a fast track. Its crucial permits – still to be issued - include city building permits, and air and water quality permits from the Oregon Department of Environmental Quality.

The city permits depend on a zoning amendment that would allow Pembina to build a pipeline over land at the terminal site that is currently zoned for conservation.

After two noisy public hearings, the Portland Planning and Sustainability Commission earlier this month recommended the city council approve the amendment. Commissioners were initially deadlocked 5 to 5, with some commissioners expressing serious reservations, but eventually supported the project 6-4.

Portland has at least \$31 million in surplus to spend -- help politicians decide what to do

*By Andrew Theen
April 27, 2015*

Portland leaders have at least \$31 million in new revenue to spend during the upcoming fiscal year, and the City Council wants the public's opinion on how to spend it.

Monday night, the City Council is expected to attend the first of two community budget meetings, 6:30 to 8:30 p.m. at Floyd Light Middle School, 10800 S.E. Washington St.

The meeting comes days before the final financial forecast is expected to show an even better revenue outlook for Portland's general fund, the discretionary pool of property tax and business license fees that the City Council uses to fund police, parks, fire and other services.

The economic outlook is expected to only improve, with strong business license fees projected. According to the last financial forecast in March, the City Council has \$11.5 million in ongoing general fund spending and a one-time surplus of at least \$19.6 million.

More money means more decision-making for the council.

Mayor Charlie Hales, who sets the framework for the city budget, will release his proposed budget May 5.

Andrew Scott, City Budget Office director, said city bureaus submitted \$59.3 million in funding requests for the upcoming 2015-16 fiscal year.

"We're really hoping to hear from citizens about their priorities," Scott said.

Scott will present an overall budget review to give attendees a lay of the land ahead of public testimony.

Dana Haynes, Hales' spokesman, said the mayor plans a moment of silence for the victims and survivors of this weekend's earthquake in Nepal.

The next community budget forum will be 6:30 to 8:30 p.m. May 7 at George Middle School, 1000 N. Burr Ave.

Portland pay database: See how the city spent \$439 million

*By Brad Schmidt
April 27, 2015*

Portland may be known as the City that Works.

But that doesn't mean it works for free.

Nearly 8,800 city employees earned more than \$439 million between July 1, 2013, and June 30, 2014, according to a city database obtained by The Oregonian/OregonLive through the state's public records law.

In case you missed our story last week, here's a recap with five takeaways.

You can dig into the full database, too. Search by an employee's name or sort by pay, city agency or job title.

The takeaways:

1) Portland's former chief administrator, Jack Graham, pulled in more money than any other city employee during fiscal 2014 – and by a staggering margin.

Graham, fired in November 2013 by Mayor Charlie Hales after a series of high-profile controversies, had gross earnings of \$371,353.

Graham collected a year's salary, \$192,192, in severance, plus about \$60,000 from cashing out vacation time. Just under \$120,000 came from his base salary.

In all, Graham's total earnings were \$112,000 more than the city's second-highest-paid employee and far more than any top official, including Hales.

2) Six figures: 943 city employees, or 10.7 percent, earned more than \$100,000 from base pay, overtime, premium pay, and vacation, sick or severance payouts.

Seem high? It's not.

Census data show that overall, 12.8 percent of Portland's nearly 352,000 workers had inflation-adjusted earnings in the six digits, according to 2013 estimates.

3) Part-time/seasonal: The city's numbers are heavily skewed by Portland Parks & Recreation, which lists more than 3,200 employees. Of those, nearly 2,000 are part time or seasonal recreation leaders.

The highest-paid among those employees earned just under \$25,000, the lowest \$13.88, with average earnings of about \$3,000 for the year.

Hales' pledge to ensure that all city employees earn at least \$15 an hour, incidentally, does not apply to part time or seasonal workers.

4) Politics doesn't pay (comparatively, at least): Hales is the city's top politician and administrator, earning a base pay of about \$129,500. Yet 86 city employees earned more than Hales, a list including bureau directors, attorneys and senior-level administrators.

By including overtime, premiums and payouts, the list of employees who earned more than Hales doubles to 176. Of those, more than 60 percent work for Portland Fire & Rescue (69 employees) or the Police Bureau (36).

One year ago, when the City Council approved annual cost-of-living adjustments, Hales said he found it "nuts" that he and the city commissioners earn far less than the managers they manage.

"It's a crazy situation," he said.

Hales at the time said he would look to form a review panel to consider pay increases for future elected officials.

5) Overtime: Portland spent \$18.8 million on overtime, with nearly half of that (\$8.6 million) going to employees in Portland Fire & Rescue, and an additional \$5 million to the Police Bureau.

The city's emergency responders work long, often odd hours. A typical firefighters' schedule involves 24 hours on duty followed by 48 hours off. Union-represented firefighters work about 52 hours a week, on average, and anything on top of that qualifies for overtime.

Of about 400 city firefighters, 178 earned at least \$10,000 in overtime. Of those 38 earned at least \$20,000, seven of that group at least \$30,000 and two of those topped \$40,000.

Cities, counties could make seismic upgrades easier for private property owners

*By Tony Hernandez
April 27, 2015*

Multnomah County and city of Portland officials want to make it easier for some property owners to borrow money for costly seismic upgrades.

The program would apply to commercial, industrial and multi-family residential property owners, after state lawmakers last week approved a bill giving cities and counties the ability to finance loans or entice private lenders to do so.

Commissioner Jules Bailey said the county would be willing to place any uncollected debt from a bank onto a lender's annual property tax bill.

"It gives banks security to lend, so they'll give lower interest rates and longer terms which makes it more likely building owners will be able to afford it," Bailey said.

Senate Bill 85 passed with ease at the House on Thursday and cleared the Senate last month.

The legislation's sponsor, Rep. Deborah Boone, D-Cannon Beach, said the bill came from the Portland Development Commission and was a recommendation from the Oregon Resilience Plan, a document aimed at preparing the state for significant earthquakes.

Supporters say they want owners of unreinforced masonry buildings to spend the dollars needed to keep their buildings, many built before 1940, from crumbling onto the sidewalks and streets if an earthquake hits.

Walt Pelett, owner of City Liquidators Furniture Warehouse on Southeast Third Avenue, bought his building in the 1970s, he said. He agrees that upgrading his 110-year-old building for any purpose is expensive, especially for seismic stability.

He said he would consider participating in the county's program.

"I think it's good idea for seismic work to be done, but I'm not sure of the long-term effects if you don't do it," Pelett said. "Some of these buildings have been around forever, and we don't have many earthquakes."

More than 1,200 of those buildings sit in Portland, Peter Englander, of the city's Development Commission, told lawmakers this month.

Walter McMonies, of the Masonry Building Owners of Oregon, represents some 25 families who own 125 apartments in Portland, Salem and Eugene.

The cost to upgrade a building to "life/safety" standards can cost \$800,000 to \$1.6 million on a 40,000-square-foot apartment or commercial building, McMonies said. Most owners already have a mortgage on their property, and secondary loans are difficult to finance, he added.

According to the legislation, cities and counties can use dollars they get from revenue bonds to create lending programs, or they facilitate lending for private banks. It's up to the cities and counties to establish the parameters of the programs.

Multnomah County and Portland have already been working to establish a lending program for energy efficiency upgrades called Commercial Property Assessed Clean Energy, or C-PACE, Bailey said.

Senate Bill 85 allows the county to add seismic upgrades to the C-PACE program that should launch in October, he said. Details for the program are being developed and could likely target owners of the city's Central Eastside Industrial District, he said.

"If we can use this same tool to help upgrade their buildings for earthquake safety, it's a win for jobs and a win safety," Bailey said.

For property owners of single-family homes, some nonprofits, such as Clean Energy Works, offer solutions for seismic upgrades, said Elizabeth Edwards, who lobbied for the bill for the city of Portland.

The Portland Mercury

Hall Monitor

A Funding Fight, Deferred

By Dirk VanderHart

April 22, 2015

CITY COUNCIL'S no stranger to tense exchanges these days, so it's always nice to see one avoided.

On April 15, city commissioners were in the midst of a rather dull hearing over fees that developers pay for parks—and how city leaders seem poised to fundamentally alter and increase them—when Commissioner Steve Novick posed a question: Would Commissioner Amanda Fritz, overseer of Portland's parks system, support the same basic deal for roads and sidewalks?

Novick had his people crunch the numbers, he said, and by rejiggering the Portland Bureau of Transportation's charges for new development in the same way Fritz is proposing for parks, PBOT would be looking at a windfall: Developers would kick the city \$14,000 for every person served by a new home, as opposed to roughly \$2,800 a house. An unrealistic sum.

That money, from so-called "system development charges" could only be used for new infrastructure—not the crumbling streets we've heard so much about in the last year. But it would be money. For transportation.

"I want to ask the commissioner in charge if she'd support that increase," Novick said.

Mayor Charlie Hales laughed and told Fritz she didn't have to answer. Commissioner Nick Fish seemed on the verge of lightheartedly piling on. And Fritz stopped the line of inquiry cold.

"Colleagues," she said, "I'm going to interrupt this conversation."

Everyone chuckled, and the hearing continued. In the end, the matter was pushed off to some vague future hearing date.

But at some point in the weeks to come, council will talk again about this proposal—which changes the underlying formula for how developers of new buildings must pay to account for the demand their projects

place on what officials say is a strained parks system. And when that happens, Novick says he won't be so willing to laugh his questions away.

After all, he's spent a hefty piece of his political capital over the last year attempting to convince residents and business owners that a new \$46 million "street fee" is absolutely necessary if the city's roads aren't going to fall apart. And he's been halted at nearly every step, finally throwing up his hands for the time being while the Oregon Legislature tries to get Portland more money.

Now—when he looks at a parks bureau fresh off a successful \$68 million bond measure last year and with the apparent public support to pass a significant uptick in its development charges—Novick gets rankled.

"When we proposed money for streets, people were very concerned with progressivity," he says. "But then people don't turn the same lens on other ways of raising revenue."

Under the new parks proposal, Novick notes, residents living in a new East Portland apartment would be harder hit by the fee increases than residents downtown. "It's horribly regressive."

And he gets it. The charges Fritz is tweaking have been around for nearly two decades. People are used to them or don't notice them at all. Even the newly passed parks bond didn't increase people's bills. But a new charge for roads? Too new.

"The power of inertia is humongous," Novick says.

So he'll ask the question in the next hearing on the matter—as he's asked Fritz in private, and as he began to ask on April 15: Why is parks the bureau getting priority here?

"The city should look at this holistically, rather than one bureau jumping out and enacting something," he says. "You're basically saying new parks trump everything else."

Which is not to say Fritz's proposal is awful—it's not. It's just not money for roads.

Novick's point: It never is.

Not Long Now

What You Can (Probably) Expect in Portland's Uber-Friendly Future

*By Dirk VanderHart
April 22, 2015*

AFTER DECADES of strict regulation, and months of jockeying among companies, the plan that will forever change the city's transportation landscape was a hurry-up effort of a couple of days.

Portland city commissioners met April 14 for an hours-long work session to pore over recommendations for how to introduce paradigm-shattering companies like Uber and Lyft to Portland streets.

Just three days later, exhausted aides to Mayor Charlie Hales and Commissioner Steve Novick announced a plan—a 120-day pilot project that had been bandied about since December, but which contained some interesting twists. The staffers had been working nonstop, they said, to get something before city council within a week.

"We wanted to live up to our end of the agreement that took place in December," said Josh Alpert, director of strategic initiatives in the mayor's office, referring to the city's commitment to allowing Uber and Lyft into Portland in April.

The urgency behind this controversial plan puts the Mercury in a tricky place. Commissioners scheduled a special hearing to discuss the changes on Tuesday evening—after our deadlines for the print issue, but before the paper hits the streets.

But while it's true that a lot can change at council hearings—especially one as fraught as this—the discussion has been ongoing for months. The basics feel safe, even if the nuances and timelines are subject to change.

So here's what we're pretty sure your ride-hailing future looks like, Portland. Get your smartphone ready.

- **A (mostly) level playing field:** Portland's taxicab companies have been bitter rivals in the past, but they've managed to walk in lockstep since Uber appeared on the horizon last year. The companies' main

message: transportation network companies (TNCs) need to be subject to the same regulations as cabbies to create a fair fight.

They've sort of gotten that wish, though it's not quite as they hoped. Rather than lashing TNCs to the regulations cabbies have operated under for years, Hales and Novick want to do away with a bunch of rules for the next four months.

That means no limit on the number of cars that companies can put on the street, no limit on what companies can charge, and not even necessarily a limit on the number of cab companies there are.

There are regulations, too. Uber and Lyft, like cabs, have to run background checks on drivers and ensure employees pass city-mandated tests, like quizzes on map reading and Portland landmarks. But cabbies are furious at the way those hurdles would be cleared under Hales' and Novick's initial plan: The city would essentially trust TNCs to ensure drivers complied, rather than running a check of its own.

"We are giving Uber and Lyft in essence everything they want," said Radio Cab Superintendent Noah Ernst, as he waved signs with supporters outside of city hall hours before the council vote.

- **Accessibility is a focus:** Equal access for customers in wheelchairs wasn't supposed to be addressed until later this year, but city staffers, under pressure, decided to make it a hallmark of their proposal. Under the pilot project, as drafted, cab companies and TNCs will be held to benchmarks for how swiftly people in wheelchairs get cabs.

Ideally, wait times for those customers would eventually be no more than 10 minutes longer than for anyone else, though there's some wiggle room in the language. The benchmarks represent one way in which Portland's won meaningful concessions from Uber and Lyft, which don't have wheelchair-compatible fleets. The companies have pledged to contract with services that do.

Meanwhile, advocates who helped push accessibility to the forefront of the discussion say the new proposed rules don't go far enough.

"What the city of Portland has put out is very weak, weak wording," said Sue Stahl of the Portland Commission on Disability.

- **Pioneering data-sharing agreements:** An absolute of the pilot project are data-sharing agreements the city plans to reach with Uber, Lyft, and the cab companies. The specifics of those agreements aren't clear, but city staffers say the early commitments they've gotten from TNCs are groundbreaking, and will help the city analyze how the services are being used so permanent regulations can be hammered out.

- **Uber at the airport:** While the city has been mired in debate, the Port of Portland has been active around TNCs. Earlier this month, the nine-member port commission passed a resolution formally allowing Uber and Lyft to operate at the airport. That's contingent on city commissioners permitting the companies in Portland, and will become official May 9, says port spokeswoman Kama Simonds.

It won't be like getting a cab after landing. Under the city's draft rules, TNCs can only pick up a customer who's summoned them with an app. You can't legally hail an Uber with a wave of your hand anywhere in town, and it's the same at the airport.

Will TNCs comply with the new rules? Will cab companies be imperiled, and, as Commissioner Amanda Fritz suggested recently, will drivers lose their homes? We'll know in four months or so.

"It's possible we're not going to be able to get this just right," said Commissioner Nick Fish. "The question I have to ask on Tuesday is have we gone far enough?"

Daily Journal of Commerce

City Council denies appeal of Pearl District project

*By Inka Bajandas
April 27, 2015*

The Portland City Council has denied an appeal questioning city approval of a proposed Pearl District development.

City commissioners unanimously voted last week to deny an appeal filed by Preserve the Pearl LLC against the Portland Design Commission's approval in January of Security Properties' Block 136 development, at 1241 N.W. Johnson St.

Plans for the full-block development call for a five-story office and retail building facing 13th Avenue and a 15-story residential tower on 12th Avenue separated by a public courtyard connecting Johnson and Kearney streets.

Preserve the Pearl in February filed an appeal, questioning the design commission's unanimous approval of the Block 136 design by Seattle-based architecture firm Mithun. Group members claimed that the city's public process to gather feedback on the design was flawed, including insufficient communication with the Pearl District Neighborhood Association. They also questioned whether additional height should have been granted for the residential building.

Despite the concerns raised in the Preserve the Pearl appeal, Mayor Charlie Hales praised the Mithun design team for conceiving a project that would be an asset to the neighborhood.

"The team that designed this project did a very good job of following our design goals and that's why the design commission upheld it as well," he said before voting to deny the appeal. "I think it is not appropriate for the council to reverse their decision."

Burton Francis, a Portland attorney representing Preserve the Pearl, said Monday the group may appeal the council's decision to the Oregon Land Use Board of Appeals.

"We're seriously considering that," he said. "Obviously, everybody in our group is disappointed with the decision."

The council's vote last week to deny the appeal came after hearing testimony for and against the proposed Block 136 project during a lengthy hearing earlier this month. Following that hearing, commissioners agreed to hold off on a vote to give Preserve the Pearl members additional time to respond to a 51-page document Seattle-based Security Properties filed as evidence in support of the Block 136 project.

A council vote to adopt a written opinion officially denying the appeal is scheduled for May 20. Preserve the Pearl members will then have 21 days to file an appeal with LUBA.