

The Oregonian

Portland Building overhaul now estimated at \$175 million

*By Brad Schmidt
April 29, 2015*

Renovating Portland's administrative headquarters is going to cost a lot more than originally envisioned: \$175 million, according to the city's latest estimates.

That's nearly double the \$95.4 million project recommended two years ago to fix seismic deficiencies and water damage.

The bigger price represents a far more ambitious project.

Portland's top administrator now wants to fully gut the Portland Building, renovate its interior and replace virtually all mechanical, electrical and plumbing systems.

With City Council approval, the massive overhaul would remake the building's 15 stories into a contemporary workspace while still retaining the post-modern exterior that earned it a spot on the National Register of Historic Places.

"We have to do something," Fred Miller, Portland chief administrative officer, said Tuesday. "This is the best option."

But the eye-popping cost underscores an unfortunate historic misstep for taxpayers: Built on the cheap in 1982 for about \$25 million, the Portland Building is now set for a much more costly renovation that could easily make it one of the most expensive top-tier downtown offices.

City leaders have been mulling options since 2013 after waiting years to address seismic deficiencies and growing water-infiltration problems. Officials considered selling or demolishing the headquarters and building a new office.

But according to one estimate, based on the First & Main tower completed in 2010, total costs to build a new headquarters could hit \$316 million. That figure includes nearly \$50 million for temporary office space and moving expenses.

Miller ultimately recommended a major remodel after hearing from industry experts and running estimates for a newly built project.

Miller said it doesn't make sense to spend \$95 million fixing the exterior while not addressing the gloomy interior, home to about 1,300 employees – more than any other city building. Many employees loathe the interior and compare it to working in a dark, moist basement.

"I think we'd be criticized for spending \$100 million on a lemon," said Miller, who thinks a fully renovated Portland Building should last 75 years.

Portland Commissioner Amanda Fritz agrees. Fritz initially questioned the wisdom of focusing on the Portland Building over other city facilities but said Tuesday that addressing only the exterior would be foolish.

"If you're going to spend \$95 million, that's a lot of money. To my mind, spend twice as much but do it right," she said. "That, to me, is a wise investment."

Mayor Charlie Hales is aware of the higher costs and plans to include some funding in the budget he releases next week. But Hales is "not committing to a dollar figure just yet," spokesman Dana Haynes wrote in an email.

The biggest cost increases are tied to a \$19.5 million interior renovation and \$36.8 million to replace most of the mechanical, electrical and plumbing systems. Under the 2013 plan and the latest version, the city expects to spend about \$27 million to \$28 million renting space and moving during the renovation.

Bob Kieta, Portland's facilities manager, said the Portland Building's systems still work but are "at life cycle" and could fail "anytime now."

Renovations would dramatically increase the amount of natural light entering the building, and new green-building standards would significantly cut the \$725,000 in annual utility costs, he said.

The new cost estimates, completed in March, are still conceptual and won't be locked in until 2016. The Portland Building has about 400,000 square feet, with about 320,000 of that considered rentable.

Costs for the \$175 million project stand at \$433.26 per square foot, according to the city.

Total project costs and scope appear similar to the Edith Green-Wendell Wyatt Federal Building rehab. The project, completed in 2013 using federal stimulus money, cost about \$139 million excluding relocation expenses.

The 18-story tower features about 372,500 square feet of rentable space.

"We basically gutted the building," said Stephanie Kenitzer, a spokeswoman for the U.S. General Services Administration.

As for the Portland Building, Miller has proposed an aggressive timeline that requires the City Council to commit no later than next year.

Miller wants to hire an architect this year and select a construction manager/general contractor to set a guaranteed maximum price by June 20. He's already working with a broker to identify office space the city could rent during construction.

"There's some prospects," said Miller, who declined to identify options for fear that prices would increase.

Under that timeline, the Portland Building would reopen in 2019.

Miller wants to spend about \$3.75 million for design work and is seeking about \$8.75 million in the upcoming fiscal year – a 5 percent down payment for the project.

The remaining \$165 million could be financed over 20 or 30 years, with repayment from the city's general fund and building tenants. Among others, city agencies would likely include the Portland Water Bureau and the Bureau of Environmental Services, which can increase utility rates to offset higher costs.

Preliminary estimates suggest rental rates could run from \$39.82 to \$48.77 per square foot -- which includes \$16.37 per square foot for operations and maintenance -- well above the going rate for top-tier downtown office space.

"In year one, it's going to be expensive," Miller said.

But after 50 years, he said, it'll look like a "great deal."

Portland arts tax overhead costs soar as city mailed 170,000 collection letters

*By Andrew Theen
April 29, 2015*

UPDATED: This story was updated with more information about the administrative costs.

Portland's arts tax is proving more expensive for city officials to administer partly because of the cost of tracking down scofflaws.

In 2014, city finance officials mailed 170,000 collection letters to residents who hadn't paid the voter-approved Arts Education and Access Fund. The city spent \$775,000 last year to administer the program.

Thomas Lannom, Revenue Bureau Director, said the city spent \$85,000 on postage and printing and \$50,000 on temporary staffers, plus the remaining budget to run the arts tax program each year.

Jen Clodius, Portland Office of Management & Finance spokeswoman, said the increased collection expenses resulted in higher administrative costs but would eventually translate to more revenue for the city. Clodius said the expenses were caused by the need for more temporary employees to send mailers and the cost of mailing the collection notices.

The Portland City Council will hear a lengthy briefing Wednesday afternoon on the overall state of the arts tax from a 20-person citizen oversight group.

Through March 31, Portland collected \$17.6 million in arts tax revenue during the first two tax years, distributing \$15.6 million to help support arts education at elementary schools and benefit nonprofits through the Regional Arts & Culture Council.

Administrative costs in the second year of collections totaled 9.3 percent, according to the oversight report.

"While at first glance this may seem alarming," the report reads, the administrative costs are capped at an average of 5 percent during a five-year period. Two years into the program, administrative costs are 6.5 percent, according to the report.

The percentage cited by the city and the arts oversight committee doesn't appear to include \$589,085 in one-time start-up costs in 2013. Including those costs would bump the two-year average to 10 percent.

Last year, the arts oversight committee recommended the City Council take a look at lifting the 5 percent cap because of the uncertainty officials would hit the target. "We will continue to keep a close eye on these expenses as the collection process matures over the coming years," the report reads.

Here are a few other takeaways from the report:

1) Charter schools

Two Portland charter schools are missing out on arts tax revenue and should be included, according to the recommendations. The Southwest and Ivy Charter School Districts don't receive arts tax funding "due to a technicality" in the tax structure. The committee said the schools would be in line to receive approximately \$30,000. "These Portland students should be treated equally," the committee said.

2) Refunds

Portland has issued some refunds to residents who paid the arts tax but weren't required to. In the 2012 tax year, officials paid \$78,309 in refunds. In 2013, that total plummeted to \$7,124, as Portlanders learned more about who was required to pay the tax.

3) Teachers hired

It appears the arts tax is doing its intended job of providing more teachers for arts, music and dance education in Portland elementary schools. The committee documented 44 new arts teachers during the 2013-14 school year, and nine more in the current school year. "The total number of K-5 arts teachers now numbers 83 compared to a mere 31 before the fund went into effect," the report reads.

4) Compliance

Have you paid? City officials are already seeing stronger than expected collections for the 2014 tax year. As of April 10, more than 104,000 Portlanders had paid their arts tax, bringing in some \$3.4 million in revenue. That is more than 50 percent of the revenue on the same date in either of the previous years, the report found.

5) RACC

The arts oversight committee said the city should continue to give money to RACC in addition to millions of dollars distributed via the arts tax. RACC received \$2.1 million through the first two arts tax years (compared with \$13.5 million for the Portland School District). The nonprofit arts consortium received \$5.6 million from the city in the current fiscal year, including arts tax payments, one-time requests and general fund allocations. "The legislative intent of the AEF was to add new resources on top of the city's current levels of funding. We recognize that the city is on track by continuing its general fund investments in RACC and should continue to do so," the report said.

Michael Jordan one of three finalists to lead Portland sewer bureau

*By Brad Schmidt
April 29, 2015*

Portland Commissioner Nick Fish has named three finalists to head the city's Bureau of Environmental Services, including Michael Jordan, Oregon's former chief operating officer who abruptly resigned last month amid fallout over the John Kitzhaber scandal.

Fish chose three finalists from a pool of five semi-finalists who spent Tuesday in city interview panels.

Aside from Jordan, the other finalists have ties to Portland government.

Paul Gribbon, a vice president for Nevada-based S.A. Healy Company, spent 20 years working for the Bureau of Environmental Services – including 10 years as chief engineer managing the \$1.4 billion Big Pipe project.

And Paul Slyman, director of parks and environmental services for Metro, used to work for the Portland Development Commission.

The city released the finalists' resumes to The Oregonian/OregonLive in response to a public records request.

All three are vying to replace Dean Marriott, who spent 21 years leading the Bureau of Environmental Services before resigning after clashing with Fish. Marriott lost Fish's trust while defending a high-end office project that tripled in cost and became a flashpoint during the 2014 election season.

Fish will meet with the candidates Wednesday. It's not clear when Fish might make an offer. The position pays \$138,986 to \$199,160 annually.

In all, about 40 people applied for the post, with some applications coming from as far away as the East Coast, said Jim Blackwood, an aide for Fish.

"We felt really good about the broad candidate pool," he said.

Here's a look at the applicants:

Jordan: The former top executive for Oregon's Department of Administrative Services has the most varied governmental resume. (Read Jordan's resume).

Jordan led the state's administrative division since March 2011. Before that, he spent about 8 years as chief operating officer for regional government Metro and 10 years as the city administrator for Canby.

Jordan also served four years as a Clackamas County commissioner and four years as a city councilor in Canby.

Generally a well-respected administrator, Jordan came under fire when Gov. John Kitzhaber resigned. Kitzhaber told Jordan he wanted the state to hire an outsider who championed the same interests as his fiancée, Cylvia Hayes.

Jordan also launched a criminal inquiry into the leak of Kitzhaber's emails stored on a state server. After initially saying he had no intention of resigning, Jordan quit March 5 and Gov. Kate Brown named an interim replacement.

Fish had breakfast with Jordan one week later.

Gribbon: As a vice president for contract administration, Gribbon forms joint ventures between private companies looking to score big contracts to design and build major public infrastructure projects in the United States. (Read Gribbon's resume).

Gribbon joined S.A. Healy in December 2011 after two decades with Portland. While at BES, Gribbon was chief engineer on the city's most expensive public works project –the \$1.4 billion Big Pipe.

Gribbon led the city's contracting on the project and was responsible for about \$750 million worth of construction and consulting work. Before that, he managed the bureau's capital improvement program.

Slyman: A retired commander in the U.S. Coast Guard, Slyman has spent more than 20 years in state and local government. (Read Slyman's resume).

He's spent the past five years overseeing Metro's solid waste, parks and cemeteries programs – a position he landed when Jordan was atop Metro. Slyman worked for Portland's urban renewal agency from 2007 to 2010 overseeing the sustainable services division. He also spent about a decade at the Oregon Department of Environmental Services, including five years as deputy director.

Slyman is the only candidate with a master's degree. He earned an advanced degree in geography from Portland State.

Willamette Week

Faceoff

The city of Portland wants to put body cameras on its cops. Good luck getting to see the video.

*By Aaron Mesh
April 29, 2015*

Mayor Charlie Hales wants Portland police to have body cameras. He's also fine if it's really difficult for you to see the video the cops record.

The city of Portland has been the driving force at the Oregon Legislature to make police body cameras legal. But while promoting what he says is his dedication to police transparency, Hales has joined a legislative deal that restricts public access to the video.

Hales isn't alone. Portland city commissioners, the state's police unions and district attorneys, and even the American Civil Liberties Union of Oregon are lobbying state lawmakers to limit when police are required to release body-camera video to the public.

"I am surprised that local governments appear to not want more transparency from these police camera recordings," says Greg Peden, lobbyist for the Oregon Newspaper Publishers Association. "That's the whole point of having these cameras."

The mayor's office says Hales is trying to strike a balance. "He wants a bill that won't die in committee," says Hales spokesman Dana Haynes. "That's going to mean a compromise between privacy and transparency."

In the wake of police shootings of unarmed black men in Ferguson, Mo., and South Carolina, body cameras are increasingly seen as a necessary tool of police accountability. Portland has its own history of controversial police shootings—and a settlement with the U.S. Department of Justice for a "pattern and practice" of excessive force against the mentally ill.

But the use of body cameras has also triggered a national debate about the privacy rights of people being filmed by police—and whether their faces should appear on the 5 o'clock news or the Web.

Rep. Jennifer Williamson (D-Portland), the bill's sponsor, says lawmakers tried to find a compromise that balanced privacy concerns against public disclosure. "We couldn't figure out a one-size-fits-all," she says.

In general, the cameras would be turned on whenever officers have an encounter that may involve a crime.

But right now in Oregon, it's illegal for a police officer to carry a recording device that could capture the voice and image of someone without his or her knowledge.

Lawmakers want to add an exemption that would allow police to record interactions with people using their body cameras. A bill to do that is headed for a House vote before it goes to the Senate. The Oregonian first reported last month on an earlier version of the bill.

But the bill has changed, adding limits on releasing body-camera video.

It's been a long-standing legal principle that people in public have no expectation of a right to privacy.

Yet the bill says that before releasing video to the public or media, police must blur out all faces beyond recognition.

The ACLU of Oregon backed the amendment. "We've been very concerned about the privacy issues surrounding these videos," says ACLU legislative director Kimberly McCullough. "We suggested that the faces get blurred. But if it's not possible to identify the officers involved, that could be problematic. We want this bill to be a tool for accountability."

The blurring of faces could delay the release of the video and allow police agencies to charge large fees for the work—all creating barriers to full disclosure.

"That's ridiculous," says Dan Handelman, who has monitored police reforms for two decades with Portland Copwatch. "If we're going to get [video], the person involved should give permission, and it should be released without the faces blurred out."

The bill also contains a city of Portland-backed amendment that requires citizens to cite the date and time when that footage was taken.

That means no one—not a citizen watchdog, a newspaper or a person accusing an officer of wrongdoing—can check video records generally to see whether that officer has a history of troubling encounters with citizens.

Portland Police Bureau officials say the city has good reasons for wanting to limit what video gets released.

Police spokesman Sgt. Pete Simpson says the costs of retrieving footage could skyrocket if people begin requesting the full recordings from officers' body cameras.

And he says releasing the faces of people recorded by cops raises privacy concerns.

"The fear for some people is they don't want to generate a new genre of reality TV: BodycamTV.com," Simpson says. "I don't know if that's in anybody's best interest."

There's no questioning Hales' enthusiasm for police video—under selective circumstances.

In Hales' second month in office, a cellphone video exonerated officers in the shooting of a federal fugitive outside Adventist Medical Center in East Portland. Hales urged police to release the video, which showed Merle M. Hatch cursing officers before charging them ("Saved by the Cell," WW, Feb. 27, 2013).

Hales wanted videos of shootings released quickly, he told WW then. "Let's get it out," he said, snapping his fingers. "If you're doing the right thing, transparency is your friend."

Last month, Hales and Portland police officials brought the cellphone video of the Hatch shooting to an Oregon House hearing, using it as an example of the benefits of police body cameras.

Hales also asked lawmakers to put tight limits on what footage the cops would be required to give citizens.

Hales said he was only trying to protect the privacy of people filmed by police.

"These requests can amount to hundreds of hours of footage and present significant privacy concerns," Hales testified, "as police interactions often take place inside homes and involve traumatic and sensitive interactions with citizens."

Haynes, the mayor's spokesman, now says Hales isn't trying to hide police behavior from the community.

"There's one way to make sure people don't see the video," Haynes says, "and that video is perfectly protected from records requests: Don't shoot any video. Don't buy the cameras."

The Oregon Newspaper Publishers Association (of which WW isn't a member) and the Oregon Association of Broadcasters are now asking state lawmakers to change the bill or squash it entirely, rather than create a database of police video the public can't see.

"The public across the country is demanding more transparency from police agencies," says Peden, the ONPA lobbyist. "My assumption is, 99.9 percent of the time the cops get it right, and these recordings will help show that."

The Portland Mercury

The City Says It's Finally Found a Spot For Right 2 Dream Too. With A View!

*By Dirk VanderHart
April 28, 2015*

ON MONDAY, Mayor Charlie Hales and Commissioner Amanda Fritz walked a group of Central Eastside businesspeople to a grassy, gravelly patch by the east end of Tilikum Crossing.

It's a gritty plot, like much of the Central Eastside, with a decrepit portion of SE Harrison elbowing through its center, and rundown RVs taking up portions of the right of way. But it is lovely, too, with sweeping nighttime views of the new bridge and Oregon Health and Science University across the river.

Hales and Fritz hadn't come to show their guests the view, though. They'd come to show them the future home of Right 2 Dream Too (R2DToo).

After a year and a half of casting about in vain, Portland officials say they've finally found a place to move the well-regarded, self-policed homeless rest area that's ruffled feathers—and given vital help to hundreds—beneath the Chinatown Gate since 2011.

City staffers have been in talks for months with the Oregon Department of Transportation (ODOT), which currently owns a plot of land they call ideal. The parcel is anonymous enough that it has no formal address, but sits just east of the Oregon Museum of Science and Industry, where SE 3rd transforms with a swoop into SE Division.



The city's had close calls in its 18 months of scouting for sites, but the guided tour by two of Portland's top elected officials (along with Portland Police Bureau brass) is a serious sign. It's for real this time.

"This really is a perfect site," says Josh Alpert, director of strategic initiatives in the mayor's office. "It's not like land pops up every day."

Alpert should know. He's worked perhaps harder than any other city staffer to find a new home for R2DToo since September 2013, when Commissioner Fritz announced she'd hammered out a deal to clean up legal bickering surrounding the rest area—which had amassed thousands of dollars in fines—and move it to a parking lot beneath the Broadway Bridge.

That parking lot, of course, abutted the ritz of the Pearl District. Mortified developers pushed back, eventually buying the lot in question and tacking on an additional \$846,000 to find R2DToo a new home.

So far, the money's just sat there as Alpert, Fritz, and city staff scrutinized plot after insufficient plot where the rest area might move. Among the criteria they've been keeping an eye out for: an affordable price, appropriate zoning, accessibility to transit, proximity to social services, and limited neighborhood disruption.

The ODOT land, they say, features most of those things. It's not situated near services, but has a paved walkway leading up to the streetcar line that will soon trundle over Tilikum Crossing and into downtown. It's near a handful of industrial businesses, but no homes. And Alpert says the city will have money to spare, after its purchase, to hook the land up with plumbing and power.

City council should have an ordinance to purchase the property by mid-May, Alpert says (details are still being worked out). The city would lease it to the rest area for a nominal fee. And by fall? R2DToo may have a new home—and showers. Alpert and Fritz are also talking about transit subsidies that could help houseless people get downtown, and setting up day storage for personal belongings.

"People are living outside in every neighborhood," Fritz says. "Having an organized place is a benefit."

We're talking about moving a homeless encampment, of course, so it's not going to be quite this simple.

While city officials' conversations with members of the Central Eastside Industrial Council (CEIC) have so far been more productive than the pearl clutching of the Pearl, businesses owners have concerns.

CEIC Chair Debbie Kitchin tells me her group has been talking with the city and others about the Central Eastside's increasing homeless population for years, but was caught unaware when officials showed them the land.

"This was the first time that we were asked about this site," Kitchin says. "We were told that we don't have a choice because it's allowed by zoning."

The business group has long opposed an increase to the outdoor camping that already flourishes in the neighborhood, Kitchin says, and that likely won't change. And even though she's heard nothing but positive things about R2DToo, Kitchin says she needs to speak with its leadership.

"We want to make sure there are protections in place, so if things do not work well in the camp there's some ability to say that it's not allowed there," she says.

The closest business to the new site, East Side Plating, hadn't heard about the proposed move when I contacted President Gary Rehnberg.

"I'm a little surprised and frustrated for not being aware," he said.

For its part, R2DToo's amenable to the move, says co-founder Ibrahim Mubarak. It's also got its share of concerns—like keeping a presence downtown.

"Because R2Dtoo moves, that doesn't mean that all the houseless people downtown are going to go to that location," he says. "As long as there are social services downtown, that's where people are going to be. We've got to learn to meet people where they're at."

In fact, there are homeless people at the new site. When I stopped by on Tuesday, April 28, the plot had two run-down RVs and a tent situated among East Side Plating employees' parked cars.

A woman named Shuri Vollmert answered the door of one of the RVs, and explained she and her boyfriend had been staying on the property for the past five months, with the blessing of nearby East Side Plating (which doesn't own the land). They're trying to move on, she said, but the vehicle needs work.

In the meantime, they take their trash to the curb on Mondays, when the city stops to clean it up, and dispose of human waste in a nearby sewer. It's quiet in the lot, Vollmert said, and more comfortable than R2DToo, where she's stayed on occasion.

"You get a little bit of a view—especially at night," she said. "If only the city could do something about the rats."