

The Oregonian

Mayor Charlie Hales 'urges' Pembina to withdraw plans for a North Portland propane terminal

By Andrew Theen

May 07, 2015

Updated: This story was updated with more information from Mayor Charlie Hales and reaction from other key players.

Portland Mayor Charlie Hales reversed course this week on Pembina's controversial proposal to build a propane export facility in North Portland, calling the Canadian company on Wednesday and urging they withdraw its plans.

Hales said his decision came after receiving thousands of calls and emails about the proposed export facility "almost without exception" from residents opposing Pembina's \$500 million project.

"At some point, those of us in power have to listen to those who put us there," Hales said in an interview.

The mayor's statement comes more than a month before the project was tentatively scheduled to go before the City Council for formal approval, and his opposition essentially kills the project, according to City Hall sources.

A Pembina spokesman did not immediately respond to a request for comment. A Port of Portland spokesman said he would have a comment later on Thursday.

Hales said he hadn't planned on issuing a formal statement this week opposing the project, saying Pembina leaders asked for confidentiality as they digested his request to withdraw their project. But Hales said Port of Portland officials leaked his opposition to the Willamette Week newspaper, forcing his hand.

Hales made the rounds to his City Council colleagues' offices on Thursday morning after news broke of his opposition. Hales, who oversees the Bureau of Planning & Sustainability, welcomed the project last fall, and officials believed with the mayor's support there was a path to approving a project last this summer.

That's no longer the case.

The first-term mayor said the Pembina project became "a real referendum on our commitment" to addressing climate change. Hales said from the beginning he was concerned about the safety of the export terminal and whether the project meets Portland's environmental standards.

"I think both the Port and Pembina have failed to make the case," Hales said.

The Audubon Society of Portland released a statement applauding Hales' decision as "a strong message the Portland intends to remain a leader nationally and internationally on addressing global climate change."

Sandra McDonough, CEO of the Portland Business Alliance, criticized Hales' statement, calling Pembina's proposal the largest private investment in Portland's history. "We are extremely disappointed that the mayor has abruptly closed the door," she said.

Hales previously expressed support of the \$500 million project, which calls for a terminal on a 50-acre site in St. John's near the confluence of both the Columbia and Willamette Rivers. But neighborhood groups and environmental advocates criticized the plan as a huge environmental risk for a project that would create a few dozen jobs.

Hales is running for reelection in 2016, but he said he "never discussed" his reelection plans with Port of Portland's Bill Wyatt or Pembina executives.

"It's pretty clear that I'm willing to make the right but unpopular decision," Hales said, citing his recent proposal to move the Right 2 Dream Too homeless camp to the Central Eastside and the 2014 effort to raise more money for street maintenance.

Hales recalled one particular interaction with a Portland resident that stood out in recent weeks. An elderly woman approached Hales at the 82nd Avenue of Roses on April 25 and said "mayor please don't let this happen to our city."

In September, the city and Port of Portland announced the Pembina project in a joint statement. The public agencies said the development would create up to 800 construction jobs and 40 permanent jobs.

Pembina's plans called for bringing in propane to the Port of Portland's terminal by train, then piping it underground to a dock. The company needed city approval for the pipeline.

Propane exports aren't regulated by the federal government, so the Pembina proposal faced fewer restrictions and permitting issues than controversial liquefied natural gas facilities.

Hales cited news this week of another oil train fire as further evidence of the "obvious problem of transporting" fossil fuels.

The planning commission narrowly approved the Pembina plan in April after a lengthy and contentious public hearing.

In a statement, Bob Sallinger, Audubon's conservation director, said he's glad the mayor listened. "We now need to adopt a comprehensive policy that says Portland will not build any fossil fuel export facilities in our city."

Hales said he would not speculate on future projects, saying Pembina and the Port "did not make the case for this project."

The company and the Port hoped to have the terminal online by early 2018.

Portland officially opens search for new Water Bureau chief

By Andrew Theen

May 07, 2015

Portland is officially looking for a new top bureaucrat to oversee the Water Bureau.

The city posted a standalone recruitment website and glossy brochure this week, formally opening the search to hire a new administrator for one of the highest-paid positions in Portland government.

The new hire will replace David Shaff, the 60-year-old water director who announced in March he planned to retire after a decade overseeing the public utility.

The position atop the 550-employee bureau with \$8 billion in total assets pays \$138,986-\$199,160 annually depending on experience.

The new hire will oversee an agency with an annual budget of \$212 million, and a short-term capital project list of nearly \$400 million.

They'll also inherit a bureau that's in the midst of a building boom that includes new reservoirs at Kelly and Powell Butte and a contentious decade-plus long fight to remove famed open-air reservoirs at Mount Tabor and Washington Park from service.

The job description includes "experience balancing the operational requirements of national primary drinking water regulations and environmental permits with levels of service and ratepayer, wholesaler, and diverse community expectations."

Commissioner Nick Fish, who oversees both the water and sewer bureaus, is in the midst of hiring directors to lead both agencies.

Dean Marriott, the long-time Bureau of Environmental Services director, stepped down earlier this year. Fish narrowed down potential successors to a list of finalists last month.

Fish hopes to name Shaff's successor by August.

Portland's bureau directors, some of the highest-paid and most visible employees in city government, are experiencing a rare level of turnover.

Traci Manning said she would her post as atop the Housing Bureau this year, and Commissioner Dan Saltzman is searching for her successor.

Portland holds second community forum for 2015-16 budget

By Andrew Theen

May 06, 2015

The Portland City Council will hold its second town hall-style budget meeting in as many weeks on Thursday night in North Portland.

Thursday's meeting is the first chance for the general public to weigh in on Mayor Charlie Hales' plan to spend the city's \$49 million budget surplus.

Hales outlined his proposal this week to spend millions of the city's new general fund dollars on street projects along 122nd Avenue in east Portland and on opening parks community centers to at-risk teens.

Related: Read more stories about Portland's upcoming budget

The City Council will vote June 18 to adopt a formal budget for the 2015-16 fiscal year, which begins July 1.

Portland's general fund budget, the largest pool of discretionary spending, is \$485 million for the upcoming fiscal year.

Here are the details for two upcoming opportunities for the public to weigh in on the budget:

Thursday, May 7th, 6:30pm-8:30pm - Community Budget Forum

Most testimony will be by lottery system.

George Middle School
10000 N Burr Ave, 97203

Wednesday, May 20th, 6:30pm-8:30pm - Budget Committee Public Hearing

Most testimony will be by lottery system.

City Hall, Council Chambers
1221 SW 4th Avenue
Portland, Oregon 97204

The Portland Tribune

Hales: Pembina should withdraw propane terminal plan

By Pamplin Media Group

May 7, 2015

Portland Mayor Charlie Hales on Wednesday urged officials of the Pembina Pipeline Corp. of Calgary, Alberta, to withdraw their proposal for a propane pipeline in the Rose City.

Pembina Pipeline Corp. wants to build a \$500 million propane export terminal at the Port of Portland, bringing the fuel here by train from Canada and then shipping it to Asia. Pembina asked the city to change a zoning code to allow a pipeline from railroad tracks to cargo ships in the Willamette River. The proposal has drawn sharp criticism.

The Portland Planning and Sustainability Commission voted 6-4 on April 7 to approve Pembina's request, but proposed charging the Canadian exporter \$6.2 million a year to offset its carbon emissions. The commission's April 7 meeting included four hours of testimony on the proposal and about two hours of discussion.

Portland's City Council is scheduled to take up the issue on June 10.

"From the beginning, I said Portland welcomes this investment because we are committed to growing our economy and holding industry to very high environmental and public safety standards," Hales said. "I have spoken to countless Portlanders. I've studied the testimony at the Planning and Sustainability Commission. I've discussed this with colleagues inside City Hall and in the business community. I do not believe Pembina has made the case as far as Portland's environmental standards are concerned. And for that reason, I am asking Pembina to withdraw."

Hales said he held out hope that the company would make its case. "Portland's standards, when it comes to the environment, are extremely high. Pembina knows this, and I know this. I remained hopeful the proposal could rise to clear that very high bar. But Portlanders have arrived at the conclusion that this project doesn't match our values, and I am withdrawing my support."

Hales said he struggled with the issue of the estimated 40 jobs that the project would have created. "Jobs are important to me, and to this council. In this case, Portland's booming economy is one of the factors in my decision."

His decision at the end was based on Portland's standards for environmentalism. "I have urged the company to withdraw on the grounds of environmental standards alone," Hales said. "And Portlanders' standards place carbon emissions and climate impact as the No. 1 cause for concern."

Portland Business Alliance officials were quick to condemn Hales' decision, calling it "a message to other companies that Portland is not open for business."

Sandra McDonough, president and chief executive officer of the Portland Business Alliance, said Hales' decision was a disappointment.

"We are extremely disappointed that the mayor has abruptly closed the door on the Pembina propane export facility, the largest private investment ever proposed in the city of Portland," McDonough said Thursday. "The \$500 million investment would have received no public subsidy and would have provided \$12 million of tax revenue annually, enough to fund the equivalent of 33 Portland police officers or fire fighters, 31 teachers for Portland Public Schools and 24 deputy sheriffs in Multnomah County."

"Though the city claims a strong equity agenda, today's action doesn't support that value. This project was projected to create 40 jobs directly in the North Portland facility with an average wage of \$95,000, more than double the median wage in the metro area. In addition, the project would have yielded 800 union construction jobs over two years. These are important family-wage jobs that our city needs to realize its equity goals and provide many people a path out of poverty."

"When investments like Pembina's are flatly refused, it sends a message to other companies that Portland is not open for business."

Reporter Jim Redden contributed to this story.

Willamette Week

Mayor Charlie Hales Withdraws Support for Pembina Propane Terminal

Facing re-election, Hales reverses position.

*By Nigel Jaquiss
May 7, 2015*

In an abrupt about-face, Mayor Charlie Hales yesterday told the Port of Portland that he is dropping his support for a proposed \$500 million propane terminal to be built by the Canadian company Pembina Pipeline Corporation.

That's a death sentence for the massive project, which Hales earlier championed. The mayor reportedly cited concerns about how the project could affect his 2016 re-election campaign when he informed the Port he was pulling the plug.

The Port and the city jointly announced the deal with great fanfare last September, saying the facility in the Rivergate industrial district would be "transformative," yielding 600 to 800 construction jobs, up to 40 permanent jobs and paying \$3.3 million in property taxes a year.

"This is great news," Hales said in a Sept. 2, 2014 statement. "We welcome this investment and these jobs in Portland. The city is committed to growing our economy on the land we already have, and holding industry to very high environmental and public safety standards. This proposal meets these goals."

Environmentalists and residents close to the railroad tracks that would bring propane-laden trains from Canada criticized the deal, raising concerns about safety and the export of a fossil fuel.

The proposed transaction went before the city's Planning and Sustainability Commission this year because it would require the construction of a short pipeline to transfer propane from trains to the terminal where it would be loaded on ships. Construction of that pipeline required city approval.

The Planning and Sustainability Commission narrowly approved Pembina's application with conditions and the project was tentatively scheduled for a city council vote in June.

But last night, Port of Portland Executive Director Bill Wyatt notified Port colleagues Hales was pulling the plug.

Here's what Wyatt said in his email:

Mayor Hales called me this afternoon to let me know that he was withdrawing his support for the Pembina project. He cited concerns about the level of opposition and how that might affect his reelection as the primary concern.

This is deeply disappointing obviously, particularly because Pembina insisted on meeting with the Mayor prior to their announcement back in January. He could not have been more supportive, and said so on the front page of the paper, inducing Pembina to spend several million dollars doing the preliminary engineering and safety studies necessary to proceed.

Wyatt's willingness to call Hales out in his email may reflect Port frustration with the city nixing the second large proposed Port-engineered development in the past two years. In January 2014, the Port abandoned plans to develop a new shipping terminal on West Hayden Island after the Planning and Sustainability Commission attached conditions to approval of that project that the Port deemed unworkable.

Wyatt did not immediately respond to a request for comment.

Hales's spokesman, Dana Haynes, says re-election concerns played no role in Hales' decision.

Rather, Haynes says Hales was taking a pragmatic approach in the face of overwhelming criticism the project from people who believe the propane terminal could not meet Portland's environmental standards.

"The mayor called Bill Wyatt yesterday to tell him opposition to Pembina project is so strong it cannot win," Haynes says. "He called Pembina to tell them the same thing."

A Driveway Moment

New sharing apps help you rent your driveway. Just don't tell the city.

By Anna Walters

May 6, 2015

For two years, Steve Gutmann found a way to make a little extra cash. His house sits in Southeast Portland's Richmond neighborhood, two blocks from Hawthorne Boulevard. He knows parking is a valuable asset in Portland. So he's rented out his driveway.

His first renter was a New York City transplant living downtown who was willing to rent Gutmann's driveway to avoid paying higher parking fees elsewhere. Gutmann parked his car on the street.

"I was making enough to take my family out to dinner once a month just to give up my driveway," Gutmann says. "So that seemed like a good tradeoff for me."

In the sharing economy, we've opened our bedrooms, loaned our bikes and held open our car doors to strangers. The driveway was inevitable. Gutmann advertises his driveway on JustPark, which has been around for years.

Now, two homegrown startups—Citifyd and Parkzilla—will offer apps their creators hope will greatly expand the number of Portlanders who rent out their driveways.

But there's a familiar problem: Renting out your driveway can be illegal. Most homes in Portland are zoned as residential lots, and city rules forbid commercial parking on them.

"There's no way that it could currently happen legally," says Jill Grenda, a supervising planner at the city's Bureau of Development Services. "It would take a code change."

With parking apps, the city is faced with the same regulatory dilemma posed by sharing-economy giants Uber and Airbnb: Either crack down on sharing-economy businesses that violate city codes, rewrite the rules, or just ignore the situation.

Portland's response to Airbnb and Uber shows how City Hall has struggled—and eventually bowed to pressure and demand—when it comes to sharing apps.

The City Council rewrote the rules last summer to allow short-term rentals such as those posted on Airbnb. The new rules require hosts to get licenses and undergo safety inspections, and require Airbnb to collect lodging taxes.

But the city's enforcement has been spotty at best. It took the city nine months to crack down on rental sites that weren't registering to pay taxes. (It hit one short-term rental company with a \$3,000 fine last month.)

Regulators have also yet to address the estimated 94 percent of Airbnb hosts who haven't bothered to get city permits or undergo safety inspections. (Mayor Charlie Hales said last week more hosts would seek permits if the city reduced the \$180 fee.)

Portland's ban on Uber and other ride-hailing companies ended April 21, when the City Council approved a four-month test period that deregulates for-hire transportation before creating any permanent rules.

Citifyd, Parkzilla and other parking apps pose the same problem Airbnb did: neighbors who object to houses on their street running a business.

"When this zoning code was written, nobody ever imagined that something like that would even be possible," Grenda says. "Our code is still trying to catch up."

Neither of the new parking apps have hosts signed up yet. Tim Ashman, 50, is the one-man show behind Parkzilla, which launched quietly last week. Ashman has worked most of his career in IT and came up with the idea during a shopping trip in the summer of 2013.

"I was down in the Pearl with my girlfriend, and you're doing that circle thing," Ashman says. "I'm passing all these driveways, and no one's home, and I'm like, 'Man, why can't I just park right there? Why can't I do that?'"

His app connects drivers looking for parking spaces with homeowners or businesses offering rentals on an hourly, daily or monthly basis.

"Hopefully, people see it as a VIP thing," Ashman says. "Most people I've talked to are willing to pay three, four, five bucks to park if they could schedule it ahead of time, roll in with their girlfriend, park, bam."

Sohrab Vossoughi, founder of Ziba Design, decided to create Citifyd after having to park 16 blocks away from Providence Park for a Portland Timbers match.

"You think about Division Street," Vossoughi says. "All this stuff that is going up without any parking spaces being built and commercial areas that are expanding. First Thursday. Last Thursday. Hawthorne [Boulevard]. There's always something going on in the city of Portland where you need parking."

As the Portland Business Journal reported last week, Citifyd has \$1.1 million in funding from Ziba, angel investors and Vossoughi himself. It's currently in beta testing and is scheduled to launch in September.

Michael Liefeld, Bureau of Development Services enforcement program manager, says the city would investigate illegal residential parking rentals only if someone complained. Catching someone doing so would be difficult, he says—not like, say, a neighbor complaining about a fence that's been built too high.

"The fence isn't going anywhere," Liefeld says. "If we're trying to verify if a vehicle that is parked is a violation—that's a little more tricky."

Ashman says he researched city code but struggled to find any reason his startup would be in violation.

"The only thing I think is going to happen is, the city is going to send me big letters in the mailing saying you can't do this because of some weird ordinance," Ashman says. "Depending on how popular it gets, [the city is] not going to sit still. They're going to want something. It'll be a fun ride."

Murmurs: Here's The News—Don't Tell The Auditor.

*By WW Editorial Staff
May 6, 2015*

Welcome to City Hall! Now go away. That's the message Mayor Charlie Hales' chief of staff, Gail Shibley, has sent City Auditor Mary Hull Caballero. Breaking a long-standing practice, Shibley in December stopped inviting the auditor's deputy, Sarah Landis, to weekly meetings with commissioners' chiefs of staff—a crucial forum where deals are shaped. Hales spokesman Dana Haynes says it's an internal meeting just for chiefs of staff. Hull Caballero—whose office watchdogs the City Council—wants the weekly invitation reinstated. "It's an avenue for communication," she says.

Mayor Charlie Hales' Budget Proposal Includes Money for Willamette River Beach

*By Beth Slovic
May 7, 2015*

When Mayor Charlie Hales unveiled his proposed 2015-16 budget Tuesday, he pitched it as a back-to-basics investment in mostly unsexy items—street re-paving, building upgrades, parks repairs.

But also in the proposal is a pledge to help create something unusual: an urban beach south of the Hawthorne Bridge, near the Oregon Museum of Science and Industry.

Audrey McCall Beach, as it's tentatively called, is the brainchild of the Human Access Project, the Portland nonprofit that created the Big Float to celebrate the Willamette River's untapped potential. The Human Access Project wants more Portlanders to connect with the river, by dipping their toes in it, swimming in it and working to preserve it.

The beach would be named for the late wife of former Gov. Tom McCall (1913-1983), who as governor in the 1960s and 1970s championed the cleanup of the Willamette and removal of Harbor Drive, a highway that once ran along the seawall through downtown Portland. The old highway's location is now Gov. Tom McCall Waterfront Park.

The \$300,000 set aside in Hales' budget proposal would help pay for planning and designing the beach area, as well as studying the currents to make sure the area is safe for swimmers.

"We're a city with an incredible asset running right through it," says Josh Alpert, an aide to Hales. But Portland life is mostly disconnected from the river. The new beach would help correct that, he says, adding that the city is aiming to open the beach by next summer.

The Portland Mercury

Hall Monitor

Charlie Hales' Boom-Time Budget

*By Dirk VanderHart
May 6, 2015*

THE BEAUTIFUL THING about having \$49 million to spend is that you make a lot of friends.

When Mayor Charlie Hales took office in 2013, he had to wrangle a \$21 million budget cut. It was a bloodbath, and things got emotional.

Last year, Hales had sunnier news: There was nearly \$10 million in extra cash to go around. Even that, though, wasn't enough to fend off fresh enmity in some corners, and it only partly soothed bad feelings from the year before.

But now look at us! The budget Hales' office unveiled May 5 has an extra \$49 million in general fund money compared to last year. And Hales' plan sucks up every last drop, leaving none for contingency or rainy day money.

There will be reshuffling in coming weeks, as city commissioners take their best crack at a sensible spending plan. But booming tax receipts will likely mean the least fraught budget season of Hales' tenure to-date.

Here are some takeaways from the mayor's proposal.

TRANSPORTATION: Hales spent the last year trying (and failing) to persuade citizens to pony up for roads, so it's only right that he follow his own advice. The mayor's budget throws more than \$20 million in new money at the Portland Bureau of Transportation. A big chunk will go toward prepping 122nd Avenue for much needed frequent bus transit, with a still-larger chunk going toward maintenance projects throughout the city. This is a major general fund outlay for a bureau that's long contented itself with parking and gas tax revenues— but a tiny fraction of the money needed to get Portland's roads where they need to be.

And it's unclear whether this will cut for or against Hales and Transportation Commissioner Steve Novick in the ultimate quest for more streets money. It may be taken by cynical voters as proof the city has plenty of money for roads. (It doesn't.)

COPS: The mounted patrol's alive and well! And the police bureau may get 17 new positions, after losing dozens in the tumult of 2013. Three of those positions will staff an ongoing team dedicated to enforcing domestic violence restraining orders—a long-neglected task in Portland police work.

TEENS: One of Hales' more novel suggestions is spending \$2 million to give teens in gang-affected areas new, better options at the city's community centers—including free summer access to Matt Dishman Community Center, and year-round programming at Montavilla Community Center.

TRACK AND FIELD: But the mayor's also dumping a pretty sizeable chunk of change into a private event that would happen with or without the city's contribution. The mayor proposes spending almost \$2 million to, in part, help build a stadium in the Oregon Convention Center. It's a gift to the indoor track and field championships coming to Portland next year, and it's money that commissioners might well seize on to fund other things.

HOMELESSNESS: The mayor's budget has money for women's shelters and veterans' housing. We'll be most interested in the \$1 million "intensive street engagement" initiative, which will target problematic homeless camps throughout the city. The bulk of that money will go toward a "collaboration between police and social service providers." Details to come, we assume.

Public Process—Nearly Avoided—Just Killed that Proposed North Portland Propane Terminal

*By Dirk VanderHart
May 7, 2015*

An enormous propane terminal was nearly allowed to sneak into St. Johns without public process. Now public process has killed it.

The prospects of a \$500 million export terminal—proposed by Canadian firm Pembina Pipeline and pushed by the Port of Portland—largely died yesterday, when Mayor Charlie Hales called both the Port and Pembina to let them know he no longer supports the proposal.

This is shocking news. Hales was an early booster for the terminal, which he said would bring cash and jobs to the city. But Hales' office says the public—the very public that, but for a smudge of zoning code, would have been largely left out of weighing in on the project—has turned too far against Pembina's proposal.

"They lost the public opinion in Portland in such a dramatic manner," says Dana Haynes, Hales' chief spokesman. "The letters and phone calls and emails we get ran so far in the anti-propane direction."

Haynes says the mayor has been considering his stance on the propane deal for weeks, and that he finally called Port director Bill Wyatt and Pembina management yesterday to let them know: "This is not going to be a winner."

The mayor's decision was first reported this morning by Willamette Week, which got ahold of an e-mail Wyatt sent to colleagues last night. That e-mail says Hales told Wyatt his newfound opposition lies largely in his hopes for re-election next year. Haynes stopped just short of calling that claim a lie.

"I was in the room during the conversation," he says. "That topic did not come up."

What happens now is unclear. Hales recommended that Pembina withdraw its pipeline proposal, but Haynes said the company asked for time to think about its next move. An inquiry to a company spokesman hasn't been returned. Portland City Council is scheduled on June 10 to consider zoning changes that would have paved the way for the terminal. City Hall staffers were steeling themselves for a "shit show," several told me, but now the drama's gone. Even if the proposal's still live at that point, such a zoning change would almost certainly fail without the mayor's vote.

Pembina's proposal would have meant millions in tax dollars to Portland coffers, but drew sharp criticisms over the perceived hypocrisy of green, climate change-averse Portland shipping huge amounts of fossil fuels overseas. Pembina sought to allay those fears, saying much of the propane wouldn't be burned, just folded into plastic products. It wasn't enough for opponents or for Hales, who found environmental arguments far more persuasive than safety concerns raised about the project.

"I have urged the company to withdraw on the grounds of environmental standards alone," the mayor said in a statement announcing his decision. "And Portlanders' standards place carbon emissions and climate impact as the No. 1 cause for concern."

The shifting tide for Pembina is a huge win for the environmental and neighborhood activists who united in opposition to the project, interrupting city council proceedings with a fun bit of theatrics involving giant cardboard heads and mocking up fake re-election posters for "Fossil Fuel Charlie". More meaningful, though, were hours of public testimony against the project at a Portland Planning and Sustainability Commission meeting in early April. That hearing wouldn't have been necessary but for a bit of protective zoning code, that would have prohibited Pembina from piping propane over shoreline and into storage tanks on the river, to be received by ships.

The outcry at that hearing made much of the difference.

"People don't want petroleum products shipped out of the country by way of Portland," Haynes says. "[The mayor] wanted this to be successful. They didn't make their case."

Read Hales' full release after the jump.

PORTLAND, OR – Mayor Charlie Hales on Wednesday reached out to the Pembina Pipeline Corp. of Calgary, Alberta, and urged company officials to withdraw a proposal for a propane pipeline in Portland.

Pembina is seeking a zoning code change to allow a pipeline from train tracks to cargo ships in the Willamette. The proposal has drawn sharp criticism from the community at large.

"From the beginning, I said Portland welcomes this investment because we are committed to growing our economy and holding industry to very high environmental and public safety standards," Hales said. "I have spoken to countless Portlanders. I've studied the testimony at the Planning and Sustainability Commission. I've discussed this with colleagues inside City Hall and in the business community. I do not believe Pembina has made the case as far as Portland's environmental standards are concerned. And for that reason, I am asking Pembina to withdraw."

In referring to Portland's environmental standards, Hales said that doesn't mean just ordinances and regulations, but the broader environmental and climate values firmly held by Portlanders.

Hales said he held out hope that the company would make its case. "Portland's standards, when it comes to the environment, are extremely high. Pembina knows this, and I know this. I remained hopeful the proposal could rise to clear that very high bar. But Portlanders have arrived at the conclusion that this project doesn't match our values, and I am withdrawing my support."

Hales said he struggled with the issue of the estimated 40 jobs that the project would have created. "Jobs are important to me, and to this council. In this case, Portland's booming economy is one of the factors in my decision."

Since 2011, Multnomah County has added at least 10,000 jobs each year, including approximately 18,000 jobs last year, the fastest rate of growth since the 2008 recession. Over the first three quarters of 2014, Portland's non-agriculture job growth was the fifth greatest of all U.S. cities.

And the growth is occurring in the city's central core. Portland's office space vacancy rate was at 10 percent this winter, the lowest it's been since 2000 and on par with New York City's 9.7 percent vacancy rate. This year, companies are relocating to Portland from elsewhere in Oregon – such as Lattice Semiconductor and Zapproved – and from other states – including ShopKeep from New York City, inDinero from California, and Under Armour from Baltimore.

Hales praised the Pembina Pipeline Corp. for efforts to prove the safety of the pipeline proposal. "The efforts to prove the safety of the project worked, I believe. And Pembina's safety record speaks for itself."

However, while the mayor was calling Pembina officials on Wednesday, media were reporting another oil train fire in North Dakota. "Safety at the facility is one factor in safety, but it is not the only factor," Hales said.

His decision at the end was based on Portland's standards for environmentalism. "I have urged the company to withdraw on the grounds of environmental standards alone. And Portlanders' standards place carbon emissions and climate impact as the No. 1 cause for concern."

Unless it is withdrawn, the proposal is expected to come before the City Council on June 10.

A Recent Labor Ruling Could Hamper the Mayor's New Plan for Gang-Affected Youth

*By Dirk VanderHart
May 6, 2015*

Mayor Charlie Hales' brand new budget has a nice gift for the parks bureau: \$2 million in ongoing yearly funding the bureau didn't even ask for.

The money is part of Hales' response to the gang-related violence that police say has come roaring back to the city in recent years, with shootings and other attacks popping up increasingly in East Portland and beyond. With the \$2 million, the mayor says Portland Parks & Recreation will expand its offerings to gang-affected teens, keeping some community centers open longer and offering free admission.

"During the lean years of budget reduction, the city put pressure on the parks bureau to recover as much cost as possible from fees," Hales said during an informal meeting with reporters Tuesday about his choices for \$49 million in surplus cash. "That means that a lot of kids who should be inside that community center or out on the track or soccer field are left out."

The exact details of the plan are still a bit fuzzy. Hales made clear his staff worked with Parks Commissioner Amanda Fritz on the proposal, and said it's a call back to the efforts of former Parks Commissioner Charles Jordan.

But big questions have now surfaced about just how able Parks will be to provide those expanding offerings during the crucial summer season. As we reported last week, the city recently lost a years-long fight with a local union that represents parks workers. Under an arbitrator's binding decision, issued Friday, the city has to either stop asking hundreds "casual" recreation employees to perform tasks that are supposed to be performed by union members, or fold those workers into the union contract.

The ruling, city staffers say, came as a shock. And it could have a huge impact on Parks' ability to pay for expanded opportunities for youth. Casual workers typically make far less than union-represented employees, but the parks bureau doesn't have the resources to get by without those low-paid staffers. Its choices: Either pony up and pay union wages to more workers, inhibit service by limiting what casual workers can do (or axe them), or something in between.

Right now, no one knows how that's going to shake out.

When asked about the situation Tuesday, Hales deferred to a staffer who said: "We're not prepared to talk about that, but really our next step is to sit down with union." The Parks bureau has also said it doesn't know what will happen.

The arbitrators' cease and desist order, it turns out, needn't be enacted immediately. Laborers Local 483, the union that filed a grievance against the city in 2013, has agreed to put off any changes while it discusses changes with the city.

"We don't want the city telling all these workers, 'You're out the door, the union just cost you all your jobs,'" says Scott Gibson, a field representative and organizer with Local 483. "The city has agreed we're going to maintain the status quo until we talk things over about how to do it."

The outcome of those discussions will not only affect Portland teens who'd love to use up the mayor's \$2 million. It will have bearing on Portland's ongoing, incremental journey toward a \$15 minimum wage. In March, city council voted to extend at least \$15 an hour to all full-time city employees and contract workers. That's affected a relatively small pool of workers—only about \$900,000 of Hales' more than \$3.5 billion budget accounts for the change.

At the same time, the city's looking into how to better pay its thousands of seasonal and temporary workers, most of who work in parks. With the recent ruling, Portland might have to account for some workers sooner than planned—not a terrible thing in a year where Portland has \$49 million to play with.

"When you come under these contracts, your quality of life really changes for the better," says Gibson, the union rep. "Those people went from having nothing to having benefits, having holidays, and sick leave."

Portland Business Journal

Mayor Hales withdraws support for \$500M propane project

*By Mason Walker and Andy Giegerich
May 7, 2015*

Portland Mayor Charlie Hales, once a proponent of a project that would ship propane through the Port of Portland destined for Asian markets, has rescinded his support for the proposal.

"From the beginning, I said Portland welcomes this investment because we are committed to growing our economy and holding industry to very high environmental and public safety standards," Hales said.

"I have spoken to countless Portlanders. I've studied the testimony at the Planning and Sustainability Commission. I've discussed this with colleagues inside City Hall and in the business community. I do not believe Pembina has made the case as far as Portland's environmental standards are concerned. And for that reason, I am asking Pembina to withdraw," said Hales in a prepared statement.

Hales on Wednesday reached out to Pembina Pipeline Corp., the Calgary-based developer that won initial approval of a crucial zoning change last month from the City of Portland Bureau of Planning and Sustainability.

The announcement outraged Portland's most prominent business group. The Portland Business Alliance had pushed for the project, touting it as both an economic development driver as well as a boon to the city's tax base.

"We are extremely disappointed that the mayor has abruptly closed the door on the Pembina propane export facility, the largest private investment ever proposed in the city of Portland," said Sandra McDonough, the group's president and CEO, in a release.

"The \$500 million investment would have received no public subsidy and would have provided \$12 million of tax revenue annually, enough to fund the equivalent of 33 Portland police officers or fire fighters, 31 teachers for Portland Public Schools and 24 deputy sheriffs in Multnomah County."

McDonough also pointed to projections that the facility could add 40 permanent new jobs as well as 800 union construction jobs over two years.

Those jobs were to pay an average of \$95,000, McDonough said.

The facility "would have enabled Portland to export a cleaner fuel to communities sorely in need of an opportunity to address environmental issues," she added. "Portland could have been positioned to export our environmental ethic around the world had this been successful."

Hales added that, after further conversation, he felt the proposal didn't align with Portland city values.

"Portland's standards, when it comes to the environment, are extremely high. Pembina knows this, and I know this. I remained hopeful the proposal could rise to clear that very high bar. But Portlanders have arrived at the conclusion that this project doesn't match our values, and I am withdrawing my support."

Columbia Riverkeeper's Executive Director, Brett VandenHeuvel, cheered the decision.

"This is a great day for the people of Portland and the Columbia River," he said in a statement. "Mayor Hales listened to and respected the overwhelming public testimony against Pembina, including concerns over public safety, climate, and our environment. Portlanders should be proud of standing up to dirty fossil fuels, and winning. Mayor Hales and the city of Portland showed strong leadership today."

While Hales' support may have helped the project move swiftly toward reality, his withdrawal doesn't mean the project is dead. Pembina's key partner, the Port of Portland, has been a strong supporter of the project.

The proposal is expected to come before the City Council on June 10.

Portland Mayor Charlie Hales wants you to take a swim

*By Wendy Culverwell
May 7, 2015*

Willamette River swimmers are celebrating word that Portland Mayor Charlie Hales \$3.5 billion proposed budget is showing some love for the beach.

The budget, released Tuesday, proposes investing \$300,000 to further develop Audrey McCall Beach, which is south of the Hawthorne Bridge, near the Oregon Museum of Science and Industry, and flanked by the Eastbank Esplanade.

The Human Access Project, a nonprofit led by Willie Levenson, has worked to establish a public beach at the site for several years. It removed 18 tons of concrete waste in an all-volunteer effort.

Levenson, who is also co-owner of Popina Swimwear, said the city's money will help further design and engineering work to provide access to the beach.

It is swimmable now, but access is difficult. The Human Access Project wants to create access that meets Americans with Disabilities Act requirements and facilitates use by kayakers. The beach is named for the late wife of Tom McCall, the Oregon governor for whom the Portland waterfront is named.

"It's really promising that the mayor has put it forward," he said.

Levenson formed the Human Access project to encourage Portlanders to embrace a river they've long viewed as too polluted to touch. Its annual "Big Float" event drew more than 3,000 participants in 2014.

The 2015 float will be held from 11 a.m. to 3 p.m. July 26. Registrations began in April. Hales was the first to sign up, Levenson said.

The city's \$1.4 billion "Big Pipe" project all but eliminated sewer system overflows that regularly deposited effluent in the waterway. The project wrapped up in 2011.

GoLocal PDX

Mayor Hales' 2015-16 Budget: Focus on Basic Services, Public Safety, Kids

*By Robby Davis
May 6, 2015*

On Tuesday, Mayor Charlie Hales outlined a proposed budget for the 2015-2016 year, focusing on basic services, public safety and emergency preparedness, as well as additional resources for youth- especially youth at risk of becoming entangled in gang violence.

The budget was released in the wake of a five-year revenue forecast that will provide an estimated \$49 million in additional general funds.

"In 2013, we had one of the worst shortfalls in city history. In 2014, we had a flat economy. And this year, we have a surplus," said Mayor Hales. "That first year, my budget was about back-to-basics. The same was true the second year, and the same is true today. For a third year in a row, my budget reflects Portland's values: investing in livable communities, investing in safe streets, and investing in our kids."

The city projects \$484.5 million in discretionary funds for next year with a total annual budget of more than \$3.5 billion. The additional \$49 million in discretionary funding came from the combination of the city's thriving economy and City Council making smart financial decisions over the last two budgets. The Council also passed the first comprehensive review of Urban Renewal Areas, which improved this year's budget picture for Portland, Multnomah County, and the state's Common School Fund, according to the Mayor's office.

Building on the goals of his prior two budgets, Mayor Hales is emphasizing major new efforts to repair city streets, provide more money for homeless services and affordable housing, and increase the amount of healthy extracurricular activities for Portland's youth.

Fixing the Streets

Ideally, Hales would like to invest \$30.4 million into basic services. He is currently calling for around \$20 million of that to go towards the streets of Portland. The proposed budget includes \$8.89 million for paving, \$6.89 million for street safety improvements, \$1.5 million to help pave dirt streets and \$19 million for other transportation projects that may arise.

"Portlanders asked us to focus on fixing our streets. I listened. This budget does that," said Hales. "This won't solve the city's whole street problem. But I'm serious about addressing the problem."

The other major investment that Hales would like to make into basic services is \$5.97 million to address homelessness and affordable housing programs. This would be in addition to the more than \$90 million already in the city's budget, for a total of close to \$100 million.

Public Safety and Police Relations

When it comes to public safety and emergency preparedness, Mayor Hales plans to move forward with the long-awaited renovation of the Portland Building. The total cost for the project is estimated to be around \$175 million. The proposed budget currently includes \$2.57 million for both planning funds for project design, and a 20-year financing plan.

Hales would also like to invest in an improved relationship between the Portland Police Bureau and the community. Some of these investments include programs that emphasize on targeting domestic violence, crime analysts, and coordinated efforts to address gang violence. He would also like to invest \$500,000 in a psychiatric emergency service center that would give responders a safe alternative to jail, or an emergency room for those undergoing a mental health crisis.

Hales has also proposed that \$1.38 million goes towards retaining 26 firefighter positions during the next fiscal year.

Portland's Youth

Hales' 2015-16 budget also places an emphasis on youth within the Portland area. The largest new initiative in the mayor's budget is a \$2 million parks program for kids. Ideally, the Mayor would like to open more of the city's parks, gyms and pools for teenagers, free of charge. He's currently pushing other agencies, such as Portland Community College, to do the same.

In this new proposal Hales calls for \$960,000 for a youth bus program, \$400,000 for "3 to PhD" program at Concordia University, \$250,000 for parks for Portlanders program, \$135,000 for summer interns, and \$130,000 for Portland Community College's Future Connect program. This would bring the total to \$561,000.

"We have to give our young people safe options," said Mayor Hales. "That includes sports and other recreation. It includes internships. It includes education and job opportunities. Throughout the city, schools, nonprofits and other governments are rallying behind this. So is the faith community. So is the business community. This is a city-wide initiative."

Hales also plans to provide funding for a variety of programs that, he believes, reflects Portland's values. He would like to invest \$900,000 to increase wages to \$15 an hour for many city employees, \$300,000 for the East Portland Action Plan, \$158,000 to convert seasonal workers to full-time status, as well as several other programs.

Finally, the Mayor is calling for \$1.93 million to support security, public access and youth programs at the 2016 Indoor Track and Field events. This event is set to take place next March, and is expected to draw in audiences from around the world.

“Portland beat out cities throughout the world for this honor. The result will be an untold amount of good will and fun for our entire city,” said Hales. “This event puts Portland on a global stage, and I’m committed to being ready.”

The Mayor wanted his proposed budget to focus on his message of “taking care of what we have and investing in a better future.”

We’ll have to wait and see if all goes according to plan.