

## The Oregonian

### Ellis McCoy's going to prison; what were meter makers told? Take 3 for Politics ([video](#))

*By Brad Schmidt*  
May 28, 2015

Portland's former parking manager, Ellis K. McCoy, on Wednesday received a 2-year prison sentence for accepting bribes in exchange for helping a parking-meter company win city business.

But that wasn't the only news of the day: Documents released by federal prosecutors in advance of McCoy's sentencing raised new questions about the long-lasting case.

George Levey, the Florida-based independent distributor of Cale parking meters who bribed McCoy, regularly sent emails to top Cale officials keeping them informed about Portland.

Levey didn't disclose the bribes. But he did send emails letting top company officials know he was receiving secret city documents from McCoy and McCoy had edited Levey's 2006 bid submission before it was returned to the city.

One of the recipients listed on the emails? Edward Olender, now the president of Cale America -- the same company that Portland picked to supply more parking meters.

The Oregonian's Brad Schmidt and Andrew Theen break down the developments in our Take 3 for Politics video.

### Portland parking meter scandal: Cale executive was privy to emails from disgraced distributor

*By Brad Schmidt*  
May 27, 2015

Portland leaders this month agreed to spend an additional \$11.9 million with a parking-meter manufacturer whose top U.S. distributor was at the center of a federal corruption investigation.

The bad actors are gone, city officials argued.

But newly released records show that current Cale America President Edward Olender was repeatedly sent emails in 2005 and 2006 about a city employee who was working Portland's competitive contracting process to benefit Cale.

Federal prosecutors released the documents last week as part of a 2011 criminal case against Ellis K. McCoy, Portland's former parking manager, and George Levey, a former independent distributor for Cale, based in Sweden.

McCoy pleaded guilty to accepting bribes – trips and nearly \$60,000 – from Levey while Levey worked with Cale. McCoy will be sentenced Wednesday; prosecutors are recommending 2½ years in prison. Levey pleaded guilty last month to bribing McCoy and will be sentenced in August.

The records do not indicate that Olender was told about the bribes, and neither he nor any other Cale official has been accused of any wrongdoing. But the documents do reveal for the first time that confidential information was improperly shared with senior leaders at Cale, including Olender, then the vice president of Canada-based Cale Systems.

More: A timeline of key events

Over about a year, records show, Levey repeatedly sent emails to Olender about his cozy relationship with McCoy, including McCoy's disclosure of confidential city documents and McCoy's efforts to help the company win a Portland contract. The documents contradict findings from Portland's 2012 internal investigation into the scandal, which concluded that McCoy did not appear to manipulate city contracting rules.

Olender declined to speak with The Oregonian/OregonLive. In a statement, Cale America's managing director, Andreas Jansson, said the documents are of concern.

"Cale takes this issue very seriously, and I am in the process of coordinating an appropriate response with top leadership in Sweden to determine what corrective action needs to be taken," Jansson wrote. "Cale strives to operate according to the highest ethical and legal standards in the U.S. and worldwide."

Portland Commissioner Steve Novick, who oversees city parking meters, said officials didn't know about the new documents until being contacted by The Oregonian/OregonLive.

"We are going to call Cale America and ask them to reconcile this development with their assurances to us that we were dealing with a company free from the taint of the Ellis McCoy scandal," Novick said.

The City Attorney's Office said Tuesday that city officials are looking into the matter.

### **'No one can touch it but us'**

Questions about McCoy's relationship with Levey publicly surfaced a decade ago as McCoy covertly worked to win city business for Cale. In October 2005, McCoy told The Oregonian/OregonLive that other meter makers accused him of being "in bed" with the company. By then, McCoy had been accepting cash and trips from Levey for more than a year.

Portland was among the first cities nationwide to replace coin-operated meters with high-tech multi-space kiosks. The city had a relationship with meter-maker Parkeon when McCoy, while accepting bribes from Levey, recommended that the City Council in July 2004 give Cale a shot.

Levey -- the sole U.S. distributor of Cale meters through his Florida company Cale Parking Systems USA -- secured a pilot project to put 70 meters in the Lloyd District at no charge to the city in hopes of winning long-term business.

In September 2005, Levey emailed several Cale executives, including Olender, about progress.

Levey said he needed to extend the free trial until February 2006 to give McCoy time to create a competitive bidding process, known as a request for proposals, or RFP.

"The plan is to develop such an air tight RFP that no one can touch it but us," Levey wrote in a Sept. 16, 2005, email copied to Olender. Levey predicted an order of 400 meters from Portland.

Mechanical problems jeopardized that plan. Two months later, Levey emailed company leaders, including Olender, to voice concern about losing business because of a receipt-printing problem.

"Ed -- Ellis is trying to protect us, but the technical/maintenance department is making a push politically to use these issues to have us pulled out," Levey warned in a Nov. 9, 2005, email.

Two months passed. Levey again emailed company leaders, including Olender, about technical problems. McCoy was being pressured to remove all of Cale's meters, which Levey described as a potential death blow to his nationwide marketing plan.

"He told me that he will obviously do his best to challenge this request," Levey wrote Jan. 5, 2006, copying Olender on the email. But without technical fixes, Levey cautioned, "we are out, no matter how good a friend Ellis is, and no matter how much he would like to see us win."

### **'The key points to confirm our selection'**

One day later, McCoy shared with Levey the city's still-secret bid proposal.

McCoy emailed the documents to Levey on Jan. 6, 2006, writing, "As promised I have enclosed a confidential preliminary draft," taking care to underline the word confidential.

In turn, Levey forwarded the email -- including McCoy's comments -- to Cale executives, including Olender.

"We need to make sure it is kept on the very low key," Levey wrote, "as the RFP is not to be issued publicly for another 2 weeks."

That timeline dragged, so Levey wrote company executives on Jan. 30, 2006, to ask "you guys (Cale Corporate)" for advice on the "sneak preview" solicitation they'd received.

Portland released its solicitation Feb. 14, 2006. That day, Levey emailed executives including Olender to ask for feedback in advance of a confidential meeting with McCoy.

"Ellis is also planning to spend time outlining for us what he believes are the key points to confirm our selection," Levey wrote.

Proposals were supposed to be returned to the city by March 15, 2006, but officials delayed the deadline to March 22.

On March 18, 2006, one of Levey's subordinates, Ryan Bonardi, emailed the company's bid to McCoy's personal account. McCoy responded 13 hours later, with his proposed revisions. (Bonardi on Tuesday declined to comment and referred questions to Jansson.)

"I have enclosed the files that I had comments and suggested changes," McCoy wrote. "I provided suggestions in the Review mode so all you have to do is accept them but I would suggest you read through everything first as I have a number of notes."

McCoy also told Cale officials to address their proposal to Barb Gibson, a city procurement employee who would initially review submissions.

The next day, Levey forwarded the email chain to Olender and others, including the advice from McCoy.

"More comments," Levey wrote March 19, 2006, "and therefore more changes for us to make."

### **Highest standards of integrity**

Cale, with the help of McCoy, struck pay dirt less than three months later.

The City Council approved a \$1.6 million contract with Levey's company June 7, 2006. Officials increased the value in 2007, 2008 and 2010, when it grew to about \$20 million.

One year later, on Aug. 10, 2011, FBI agents raided McCoy's city office, his Hillsboro home and Levey's Florida operation as part of a corruption investigation.

That winter, Sweden-based Cale Group announced that it had acquired Levey's distribution company and would form a new subsidiary called Cale America, to be headed by Olender, who by then had been named president of Canadian operations.

Bringing the distribution inside Cale's portfolio was key to offering "the highest standards of innovation, quality and integrity," Olender said in the announcement.

Then-Mayor Sam Adams pledged that Portland would conduct its own investigation and would stop buying Cale machines until more was known.

The city's review, dated Oct. 29, 2012, after McCoy pleaded guilty, "uncovered no obvious defects or improprieties" in the 2005-06 procurement process, officials concluded.

"While Ellis McCoy seemed to have controlled much of the process, it does not appear that the procurement rules were ignored or manipulated, nor does it appear that Mr. McCoy exerted improper influence on the process," city officials wrote.

### **Negative shadow still lingering?**

The next year, Novick, the newly named commissioner in charge of transportation, said he planned to keep buying Cale meters because the city got a good deal at \$7,650 apiece.

"Just because your guy was bribed doesn't mean you got a lousy deal," Novick initially quipped to The Oregonian/OregonLive before backtracking and ordering a competitive process.

Olender in December 2013 told The Oregonian/OregonLive that Cale wanted to win back Portland's business: "Is the negative shadow going to remain with us?" he said. "That's my concern."

Five companies submitted bids in 2014. Four months ago, the City Council voted 4-0 to keep buying Cale meters, this time at a far cheaper price: \$4,995 apiece.

Officials signed the contract this month.

Records released by federal prosecutors show that Levey told at least three current Cale America employees beyond Olender about McCoy's 2006 disclosure of confidential bid documents or McCoy's editing of the company's proposal.

Novick declined to speculate about the city's future dealings with Cale.

"The first time you called me about Cale," Novick said, referring to his statements in 2013, "I said too much, too soon, and I lived to regret it."

The City Attorney's Office said Tuesday that officials had not been aware that McCoy leaked the city's confidential solicitation. That "would violate the intent of the State procurement laws" for fair and ethical dealing, as well as impartial and open competition, the office wrote in an email.

Officials are now investigating whether Cale misled the city in the latest solicitation process, the office said. Leah Treat, the city's transportation director, is expected to speak with Cale officials Wednesday.

City Auditor Mary Hull Caballero expressed concern Tuesday.

"When potential contractors and city employees collude, the integrity of the procurement process is undermined," she said in an email, "and Portlanders are denied the benefits that genuine competition provides."

## **Tabor reservoirs: Portland closes balcony, limiting access to council meeting**

*By Andrew Theen*

*May 27, 2015*

Seat's taken.

Portland officials will restrict the number of people who may attend a public hearing Thursday before the City Council on a proposal to disconnect the Mount Tabor reservoirs from service.

The decision is the latest pre-emptive crackdown on behavior before the City Council after two protests in recent weeks disrupted meetings and left city officials expressing concern about "bully tactics" and safety.

Last week, Portland officials said they would not tolerate loud outbursts or other actions that violate the city's code of conduct inside council chambers. Violators will be kicked out.

Dana Haynes, Mayor Charlie Hales' spokesman, said the City Council will close access to the upper balcony ahead of Thursday's meeting despite expecting an overflow crowd. Representatives from all five City Council offices and the City Auditor's Office agreed to close the balcony, Haynes said.

That means about 100 people will be able to watch the meeting in person. The upper balcony adds another 80 or so seats and is typically full for contentious public hearings on issues such as Right 2 Dream Too's proposed move to the Pearl District, the city budget hearing and marathon meetings to determine whether Uber can operate in Portland.

Haynes said an overflow crowd would be allowed at the nearby Portland Building, where officials would set up a live-television feed. He said he couldn't recall a similar closure of the balcony, though more contentious hearings often have an overflow room, typically inside City Hall.

He said while officials expect "good and cogent" testimony from many people on the fate of the historic reservoirs, there's also concern the outbursts from recent weeks will continue.

"A couple weeks ago, we had meetings where people were actually screaming," Haynes said, citing a meeting at which the council approved a plan to demolish structures in Washington Park.

"Given the topic on Thursday, we might anticipate some of that same sentiment," he added, saying the protesters showed "a new level of animosity."

Portland is removing its open reservoirs, which hold drinking water from the Bull Run Watershed, from service to comply with federal regulations.

The fight over the reservoirs' fate dates back more than a decade, and is unpopular with a vocal coalition of neighbors and interest groups who argue the city didn't do enough to fight the federal government.

Last December, a public meeting to discuss the fate of the reservoirs, attended by Commissioners Nick Fish and Amanda Fritz, devolved into shouting and name-calling. Fritz canceled a meeting to issue formal recommendations on the reservoirs.

The City Council hearing Thursday will begin at 2 p.m.

Haynes said people who can't attend in person can still sign up to testify, then walk over from the Portland Building.

## **Portland approves \$485 million general fund spending plan, with roads at the center**

*By Andrew Theen  
May 27, 2015*

Portland leaders approved a \$485 million spending plan Wednesday that includes cash for long-sought safety projects on 122nd Avenue, free access to recreation centers for teens, a down payment on repairs to the city's largest administrative office building and other investments.

The Portland City Council unanimously approved the 2015-16 fiscal year budget, a \$2.8 billion plan, which includes the \$485 million general fund, the city's largest discretionary pool of money.

All five elected officials on the council celebrated the budget as a success, noting the \$49 million budget surplus was a marked difference from a \$21 million deficit Mayor Charlie Hales inherited in 2012.

"I think we've shown that we are good managers of the public's money," Hales said, adding that this rendition of the City Council has been consistent in its fiscal approach through the massive budget swings of the past few years.

But following a 2014 calendar year that centered largely on Hales and Commissioner Steve Novick's pursuit for more transportation money, roads and safety projects were the big victors Wednesday.

Novick said the budget includes the largest general fund investment in transportation spending in 30 years, some \$29 million. "I feel very, very lucky to be transportation commissioner on a council that has this level of commitment," he said.

Of note, the budget includes \$8 million for safety and paving improvements on 122nd Avenue in east Portland, work that Novick said should bring more frequent bus service from TriMet.

The council approved a request to fully fund the Safe Route to School program, adding \$240,000 to help identify ways to make walking and biking around schools easier and safer.

Hales also celebrated a \$2 million measure to open four key community centers to at-risk teens during the summer.

Wednesday's vote did include some last-minute tinkering to Hales' proposed budget.

Additions include \$500,000 for the Portland Development Commission's "Inclusive Startup Fund," a new program that aims to mentor and financially support diverse local entrepreneurs trying to start their business. PDC also landed \$891,000 for the community development fund, another pool of money to provide additional loans near Neighborhood Prosperity Initiative Districts, the mini-urban renewal zones spread throughout some parts of town.

Patrick Quinton, PDC's executive director, said the urban renewal agency asked for more money for both programs, but he said the resources are "a good start" and shows potential investors the city is backing diversity initiatives like the startup fund.

To pay for the PDC developments, Hales shifted some parks projects to the PDC ledger, allowing urban renewal dollars to pay the bills.

Those projects include \$603,000 to replace the roof at the Charles Jordan Community Center, \$638,000 to repair a pond at the Lan Su Chinese Garden and \$100,000 for work on a Beach Access Master Plan.

Hales' budget also includes an additional \$300,000 for beach access to help create a public beach on the east side of the Willamette River south of the Hawthorne Bridge.

The budget includes \$1.9 million for the World Indoor Track and Field Championships in 2016. Commissioner Amanda Fritz said the city would ask Travel Portland and other agencies to help support the estimated \$12 million event. If they chip in, she said the \$1.9 million would go into the city's contingency fund.

City leaders will vote to formally adopt the budget on June 18.

## **Portland OKs higher development fees for parks**

*By Brad Schmidt  
May 27, 2015*

A divided Portland City Council on Wednesday approved sharp increases in parks fees paid by developers.

The new rates will double and in some cases nearly quadruple current fees for business space. Rates will also grow for most medium- and all large-sized homes, and for any apartment or condo of at least 700 square feet.

Homebuilders and business groups have blasted the plan, which will increase development costs by thousands of dollars per project and will almost certainly be passed on to homebuyers, renters and commercial tenants.

The new rates, approved 3-2 on Wednesday, will go into effect July 1, 2016 – a year later than originally proposed.

Commissioner Amanda Fritz, in charge of Portland Parks & Recreation, said the city's methodology for calculating fees is sound and legally defensible. The new fees are projected to raise \$552 million during the next 20 years to help expand and improve Portland's parks system.

"New development needs to pay its way," Fritz said, echoing her refrain of recent months.

Mayor Charlie Hales and Commissioner Nick Fish joined Fritz in supporting the hikes.

Commissioners Steve Novick and Dan Saltzman voted against the proposal.

Novick said the city already charges a lot for parks system development charges, at about \$8,600 for a single-family home, and he questioned why the City Council would support higher parks fees when he couldn't find a third vote last year to create new taxes or fees to pay for roads.

Saltzman, who is in charge of the Housing Bureau, said such "tremendous" increases will hurt middle-income families already struggling to rent or buy homes in Portland.

"This," said Saltzman, who was in charge of parks when the City Council last revised its fee methodology in 2008, "is the wrong move at the wrong time."

Opponents have threatened to legally challenge the methodology behind Portland's higher fees.

## **It just got easier to fight Portland City Hall, and City Council is thrilled**

*By Andrew Theen  
May 27, 2015*

The Portland City Council unanimously approved a new policy Wednesday that makes it easier, and cheaper, for ordinary residents to appeal hundreds of city decisions, from permit denials to unexpected fines.

Portland City Auditor Mary Hull Caballero and Ombudsman Margie Sollinger introduced the reform measure in late April after receiving complaints that the administrative appeals process is arbitrary, obtuse and needlessly burdensome for ordinary people.

According to their analysis, some appeals cost as much as \$1,300.

The new policy requires city agencies to give residents proper notice of their right to appeal, and limits charges to "nominal fees." The city can waive the charges altogether if the appellant demonstrates "an inability to pay due to financial hardship."

On Wednesday, the City Council enthusiastically agreed that the reforms were long overdue.

Commissioner Nick Fish praised Hull Caballero and Sollinger for shining a light on an issue "which I don't think we accurately understood."

Fish characterized the proposal as "one of the most significant reforms" to come out of the auditor's office during the last decade.

The policy is good governance, because it brings added scrutiny to city decisions.

"When citizens exercise that right," Fish said of filing appeals, "we sometimes learn we've got it wrong."

Commissioner Amanda Fritz said the policy represents a "basic rights and due process" issue.

Hull Caballero credited Sollinger and the ombudsman's role in city government for bringing systemic change to the city.

[Here's the full ordinance.](#)

## **A \$100 monthly utility bill in Portland? Almost**

*By Brad Schmidt*

*May 27, 2015*

Portland's water and sewer rates are going up again – but not quite as much as expected.

The typical customer should expect a \$4.42 monthly increase in combined water, sewer and stormwater charges, or an increase of 4.7 percent from today's \$94.79 monthly bill.

The increases, unanimously approved by the Portland City Council on Wednesday, go into effect July 1.

This marks the third consecutive fiscal year that combined rate increases remained below 5 percent.

"That's a significant milestone," said Commissioner Nick Fish, who oversees the Portland Water Bureau and Bureau of Environmental Services.

The latest increase hasn't drawn the outcry that plagued city utilities in recent years. After several high-profile "self-inflicted wounds" – in which officials authorized utility spending on improper or questionable projects – Fish and Mayor Charlie Hales have worked to restore public trust.

Last year, voters overwhelmingly rejected a proposal to strip the City Council of utility oversight.

Commissioner Amanda Fritz on Wednesday praised Fish, who took over the bureaus in 2013, for providing budget transparency and cutting back on the drama.

"It's quite different than it was four years ago," she said.

The typical water bill is currently \$29.54 a month and will rise to \$31.61, an increase of \$2.07, or 7 percent.

The typical sewer/stormwater bill is currently \$65.25 and will jump to \$67.60, an increase of \$2.35, or 3.6 percent.

The typical sewer/stormwater monthly charge is 16 cents cheaper than originally proposed by Fish in February.

That's largely because city officials heeded a recommendation from the Citizens' Utility Board of Oregon to increase separate fees for new development, which previously had been set below what officials could charge.

Fish said no one on the City Council relishes increasing rates, which will now stand at \$99.21 a month, although most customers pay quarterly.

"We do so," he said, "because we have an obligation to invest in our system."

Any increase next year is all but certain to bump the combined bill above \$100 a month.

## Portland parking meter scandal: A timeline of key events

*By Brad Schmidt  
May 27, 2015*

Here's a timeline of key events in the case of former Portland parking manager Ellis K. McCoy, who is set to be sentenced Wednesday for taking bribes to steer business to the Cale parking meter manufacturer. Newly released emails show the distributor making the bribes sent emails about the favorable treatment to an executive who is now president of Cale's U.S. operations. Portland officials this month signed a contract to buy more Cale meters.

**October 2003:** Florida businessman George Levey founds Cale Parking Systems USA, the sole distributor of Cale parking meters in the U.S.

**February 2004:** Levey and his company begin bribing Portland parking manager, Ellis K. McCoy. Federal prosecutors ultimately document bribes totaling nearly \$60,000 in cash and dozens of trips. (Levey also bribed McCoy for about 1½ years through a previous company.)

**July 2004:** The Portland City Council, at McCoy's recommendation, approves a pilot project for the Lloyd District. Cale provides free parking meters in hopes of winning a long-term contract.

**September 2005:** Levey emails Cale executives -- including Edward Olender, then Cale Systems' vice president -- to say McCoy will produce an "air tight" process that only Cale can win.

**January 2006:** McCoy emails a confidential draft copy of Portland's meter solicitation to Levey, who forwards it to Cale executives, including Olender.

**March 2006:** A subordinate working for Levey emails a copy of Cale's meter proposal to McCoy, who offers suggested changes. Levey forwards the email chain to company officials, including Olender.

**June 2006:** The City Council approves a \$1.6 million contract with Cale after McCoy recommends the deal.

**January 2007:** Levey gives McCoy the last cash bribe, though trips continue until July 2011. Federal prosecutors say the cash bribes ended because reporters began questioning the relationship. Levey instead promised to pay McCoy \$100 per meter after McCoy retires but didn't follow through because federal investigators unraveled the scheme.

**August 2007 to March 2010:** The City Council increases its contract with Cale to about \$2 million; then to \$4.5 million; then to \$20 million.

**August 2011:** FBI agents raid McCoy's city office, his Hillsboro home and Cale's Florida offices.

**December 2011:** Sweden-based Cale Group announces that it has acquired Levey's company and formed subsidiary Cale America. Olender is named president.

**January 2012:** Then-Mayor Sam Adams says he wants to suspend the city's contract with Cale, and says he assumes future purchases will be competitively bid.

**August 2012:** McCoy pleads guilty to accepting bribes, among other charges.

**October 2012:** Portland's internal investigation of McCoy's work and the Cale contract uncover "no obvious defects or improprieties."

**August 2013:** Commissioner Steve Novick tells The Oregonian/OregonLive that Portland will keep buying meters from Cale because the city got a good deal but later backtracks and says the city will launch a competitive process.

**December 2013:** Olender and Andreas Jansson, executives for Cale America, meet with The Oregonian/OregonLive in the Portland offices of lobbying firm Gallatin Public Affairs and say they will fight for the city's business.

**May 2014:** Portland seeks competitive proposals for up to 1,000 parking meters.

**January 2015:** Cale America is awarded an \$11.9 million contract for meters and technical services.

**April 2015:** Levey pleads guilty to wire fraud for bribing McCoy.

**May 2015:** City and Cale officials sign the contract. Weeks later, federal prosecutors release emails Levey sent to Cale executives.

**May 27, 2015:** McCoy is set to be sentenced in U.S. District Court in Portland.

## The Portland Tribune

### Fritz goes out on a limb, cuts tree fees

*By Steve Law  
May 28, 2015*

If Portlanders want to chop down large, healthy trees in their backyards, it could cost them plenty, but not nearly as much as before.

Amanda Fritz, the city commissioner who oversees the city's urban forestry program, has imposed an emergency change to the city's new tree code, lowering the maximum \$6,000-per-tree fee down to \$1,200. The fee applies when residents choose not to replace the felled trees "inch for inch," such as by planting 10 younger trees with 2-inch diameters in place of an old 20-inch-wide tree. There are exceptions for diseased or invasive trees.

Eric Sorensen, a Southwest Portland landscape contractor who loudly complained about the potential \$6,000 fee when the tree code took effect in January, applauded Fritz's move.

"Having to pay for taking a 20-inch tree down, whether it's for \$5,000 or \$6,000, that's a very large sum of money for most people," says Sorensen, who has 30 fir trees in his backyard. "It's more than my property tax."

For a family grossing \$62,400 a year, trimming the maximum fee gets it down to a week's pay instead of five weeks' pay. (Fees could be higher if they take down more than one large tree and don't replace them.)

Fritz says lowering the maximum fee is being done to equalize penalties for developers and citizens. Under the tree code passed by the City Council in 2011 but not imposed until this year, a housing developer taking down a 20-inch tree to build a house could be charged up to \$1,200 if they didn't plant replacement trees, while a homeowner taking down a similar tree in their yard had to pay up to \$6,000.

"I would say it's an unintended consequence," Fritz says.

When Commissioner Steve Novick pointed out the unequal treatment, the City Council directed the parks bureau to equalize the fees, Fritz says.

Not everyone is happy with her move.

Meryl Redisch, chairwoman of the city's volunteer Urban Forestry Commission, fears the lower fee will result in the loss of more of Portland's grand old trees, forfeiting a host of environmental, health and aesthetic benefits. Commission members worked on updating the city tree code for several years, hoping to retain and increase Portland's tree canopy.

"Twelve-hundred dollars is not an incentive for people protecting trees or designing around trees," says Redisch, the recently retired director of the Audubon Society of Portland. "We do have real concerns about a \$1,200 cap on big trees."

As Redisch informed Fritz, some people were dinged \$1,200 a pop for taking down grand old sequoia trees. In that case, the wood was worth more than \$1,200.

"I share that concern," Fritz says. "It does beg the question, is \$1,200 the appropriate cap for development situations."

As commissioner in charge of Portland Parks & Recreation and its urban forestry operations, Fritz has the authority to impose an emergency rules change for 180 days. She hopes to make the fee limit permanent after the mandatory six-month public comment period.

Redisch and others on the volunteer Urban Forestry Commission may contest the permanent rules change, she says. Redisch says she wished the commissioner had waited longer to see how the tree code is working out.

But Fritz appointed a special citizen oversight committee to recommend changes in the code as issues arose, and still wants to hear from them. Those changes would require a more exhaustive public process and City Council approval.

One of those code changes might be revisiting the \$1,200 fee cap. There's also been some outrage about the requirement for residents to get a permit to trim twigs as small as one-quarter-inch diameter from street trees in front of their homes. "It's a little bit excessive," Fritz says.

So far, she says, there hasn't been that much to-do over the tree code. The biggest dispute arose when Portland Public Schools was assessed a fee for its redesign of Franklin High School in Southeast Portland.

"They're going to be planning a lot of trees," Fritz says. But much of the school's open space is used for sports, and trees aren't quite appropriate in the middle of a soccer pitch.

The school district's fee for not planting enough trees there is \$58,000.

## **The rush is on to build affordable housing**

*By Jim Redden*

*May 28, 2015*

Community activists have been complaining about the lack of affordable housing for years, saying that the shortage is contributing to homelessness and the displacement of low-income minorities from the gentrifying parts of Portland.

But within the past few months, the complaints have turned into a scramble to support a wave of affordable housing initiatives at the local, regional and state level. New programs are being implemented or considered by the city of Portland, Multnomah County, Metro and the 2015 Oregon Legislature. Although the activists don't claim the initiatives will solve all of the housing problems, they are amazed by the increased focus on the issue.

"There's a lot going on, and it's really exciting that there's a lot going on," says Ruth Adkins, policy director for the Oregon Opportunity Network, a nonprofit organization that advocates for seniors, working families, and people with disabilities.

Adkins sees several reasons for the surge in activity, including the increase in housing costs that have come with the economic recovery. Rents and home prices are both climbing, in part because millennials are getting jobs and moving out of their parents' homes. That is forcing low-income residents out of their neighborhoods and into less expensive parts of town. And it is also squeezing middle-income earners whose wages have stagnated.

"I think things are getting so bad, there's a recognition that it's a crisis. It's getting a critical mass," Adkins says.

The larger number of Democrats in the Oregon Legislature as a result of the 2014 elections also is playing a role, she says.

"Affordable housing issues are getting more traction in Salem," Adkins says.

As discussed by the activists, "affordable housing" is a broad term that means many things, from free housing for the homeless to housing with payments structured for those earning a certain percentage of the state's median income. It also has come to mean programs that directly subsidize housing costs, such as rent supplements. Here are some of the current affordable housing initiatives:

- The North/Northeast Neighborhood Housing Strategy is a \$20 million investment proposed by Mayor Charlie Hales and approved by the City Council after Trader Joe's pulled out of a proposed Northeast Portland development because of protests against gentrification. As part of that initiative, the Portland Housing Bureau is seeking qualified developers for a vacant set of parcels it owns totaling approximately 32,400 square feet located on Northeast Martin Luther King Jr. Boulevard between Cook and Ivy streets, known as the Grant Warehouse Redevelopment site. The initiative includes other potential development projects, homeownership support and rental assistance.
- A Home for Everyone is an ad hoc committee composed of Portland and Multnomah County leaders. Its executive committee has accepted recommendations that detail how \$33 million a year in new spending could reduce homelessness in the Portland metropolitan area by 50 percent. Committee members, who include Mayor Charlie Hales and Multnomah County Chair Deborah Kafoury, have committed to pursuing such additional funding. Their budget proposals are falling short of that goal, however.

Multnomah County has approved an additional \$375,000 to place more veterans and their families in housing. The City Council has approved an additional \$126,000 to extend the women's winter shelter and \$150,000 to accelerate placing more veterans in housing and the Landlord Response Team. Hales' proposed budget includes \$500,000 to house more veterans and \$2.5 million for affordable housing. Kafoury's proposed budget includes \$5 million for affordable housing development, \$2 million for housing placement and retention supports, and \$90,000 to keep the family shelter open year-round.

In addition, Home Forward, the countywide housing provider, has committed 200 Housing Choice vouchers for homeless families and 50 for homeless veterans who are ineligible for Veterans Administration healthcare.

- Metro, the elected regional government, has launched a \$200,000 Equitable Housing Initiative that includes a survey of affordable housing policies in the metropolitan area and a summit in the fall to encourage more construction. Metro has contracted with the Oregon Opportunity Network to survey local governments on their affordable housing policies.
- \$100 million for affordable housing has been proposed by Gov. Kate Brown and is being considered at the 2015 Oregon Legislature. Funds would come from \$85 million general obligation and \$15 million Oregon Lottery bond sales. It is projected to build 4,000 to 5,000 units. The state would retain partial ownership of projects built by local governments and nonprofit organizations. Rent requirements would be structured to support low-income workers and families. The proposal is in the budget-writing Ways and Means Committee.
- Repeal of the state "inclusionary zoning" ban to allow local governments to dedicate a fixed percentage of units in residential developments to affordable housing. The current bill to allow mandated units requires local governments to provide at least one financial incentive to developers, but does not apply to rental projects. Some legislators want to include rentals. Home builders are opposed to the repeal.

In addition, the newly formed Welcome Home Coalition of housing activists is working to recommend a permanent funding source for additional affordable units. And a loose-knit coalition of activists in Portland is formulating an agenda that potentially includes rent control and "right to return" policies for existing low-income residents displaced by gentrification.

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## R2D2 VOTE POSTPONED

The relocation of the Right 2 Dream Too homeless camp in Old Town has been postponed for an environmental review of its proposed new site in Southeast Portland.

Mayor Charlie Hales and Commissioner Amanda Fritz have proposed buying the surplus 9,072-square-foot parcel from the Oregon Department of Transportation at Southeast Third Avenue and Harrison Street for the camp. However, the parcel is near Highway 99E and close to railroad tracks. A previous Stage 1 review determined that a Stage 2 review that includes air monitoring was needed.

The City Council originally had been expected to vote on the purchase in May, and the decision has not yet been rescheduled. Camp organizers also have said they need to negotiate some details of the relation with the city.

Old Town developers gave the city \$846,000 to buy a new site for the camp, commonly called R2D2. It is on a vacant lot at West Burnside Street and Fourth Avenue that the city has agreed to purchase for \$1.2 million for redevelopment.

The city is considering installing toilets, showers and storage at the Southeast Portland site if the sale goes through.

Questions about the relocation have been raised by organizations representing businesses and residents in the area, including the Central Eastside Industrial Council and Southeast Uplift, which represents 20 neighborhoods in Southeast Portland. CEIC Chairwoman Debbie Kitchin says her group is against all outdoor homeless campsites. The SEUL board of directors could take a stand on the proposed move at its June 1 meeting.

## Port director blasts Hales at speech

*By Jim Redden  
May 28, 2015*

Port of Portland Executive Director Bill Wyatt criticized Mayor Charlie Hales for withdrawing his support from the controversial proposed propane terminal project Thursday morning.

Speaking before the Westside Economic Alliance in Tigard, Wyatt said Hales' reversal sends a bad message to businesses interested in Portland that they might not be treated fairly.

Hales originally welcomed the \$500 million proposal by the Pembina Pipeline Corp. to build the terminal at the port. But Hales changed his mind after the Planning and Sustainability Commission recommended the City Council approve a land use change needed to build a pipeline for the project.

"Hales said the project does not comply with Portland's values. But what does that mean for other companies that do business at the port? Ford ships cars to China. What if someone decides they don't get enough mileage? Or what if someone thinks we shouldn't be shipping GMO corn to Korea?" Wyatt asked.

The council had been scheduled to consider the land use change on June 10 but Hales removed it from the calendar. He had submitted the original request for a land use change to the PSC — a change from similar requests that are submitted by the parties that want them.

Wyatt said the port is considering its options for moving the project forward but did not say what they are. Commissioner Nick Fish says he is researching whether the council has a legal obligation to hear the request, but has not yet learned anything.

When it recommended the approval, the PSC said Pembina should pay a \$6.2 million-a-year fee to offset carbon emission from the burning of the propane that would be exported. Pembina and the port did not have a chance to discuss the proposed fee with Hales before he withdrew his support from the project.

During his Thursday speech, Wyatt made it clear he did not think such a fee was justified. He said the propane Pembina exported would replace dirtier fuels in Asian countries, reducing overall greenhouse gas emissions. Wyatt said the port had decided against encouraging the export of coal because it is such a dirty fuel.

Wyatt also downplayed fears that a propane terminal was dangerous. He said the port had decided not to encourage oil exports because of recent train derailments that have caused explosions and fires. But Wyatt said propane has a much better safety record.

"You have a greater chance of being hit by a TriMet bus," Wyatt said.

Commissioner Steve Novick attended the meeting and asked Wyatt if he had to choose, would he rather have the propane terminal project proceed, the City Council approve the development of West Hayden Island, or have the Portland Harbor Superfund cleanup began. Wyatt said he would choose all three, but added the propane terminal is an appropriate project for the site because it is already zoned industrial.

Wyatt appeared before the pro-economic development group to give a State of the Port speech. He said business is booming at the port, despite the well-publicized problems with its container terminal operations, which are only a small percent of its overall export business.

## **Former city parking manager goes to prison for taking bribes**

*By Pamplin Media Group*

*May 27, 2015*

Former Portland parking manager Ellis K. McCoy was sentenced Wednesday to 24 months in prison for taking almost \$200,000 in bribes from two city contractors from 2002 to mid-2011.

McCoy pleaded guilty in August 2012 to accepting bribes in connection with his former job with the city's Transportation Division from a contractor trying to win the city's parking machines.

McCoy also pleaded guilty to filing false federal income tax returns for 2006, 2007 and 2008, three of the years in which he accepted bribes. He admitted falsifying these tax returns to conceal his receipt of bribes by reporting the bribes as legitimate receipts of his consulting company, EKM Consulting, and by reporting fictitious consulting expenses.

During an investigation, prosecutors proved that McCoy created a phony consulting company and submitted invoices for fictitious consulting work so he and the contractors could disguise some of the bribe payments as payments for consulting work. Prosecutors also proved McCoy accepted about \$70,000 of the bribe payments in cash and that the contractors paid for some or all of his meals, travel, and entertainment expenses on about 60 trips for business and pleasure.

George Levey, former president of Cale Parking Systems USA Inc. and one of the contractors who bribed McCoy, pleaded guilty on April 29, and will be sentenced on Aug. 11.

## **Flush with cash, Portland OKs city budget with little debate**

*By Steve Law*

*May 27, 2015*

Turns out it's easier for Portland city leaders to approve a budget when new money is flowing in.

With a minimum of bickering, Portland city commissioners unanimously approved a \$3.68 billion city budget Wednesday afternoon for 2015-2016. It helped that they had nearly \$50 million in additional cash to spend this year.

Mayor Charlie Hales dubbed it his "fix the roof" budget, because much of the new cash went into fixing roads, parks and other deferred maintenance, rather than splashy new programs.

City commissioners still hold out hopes they can win public support for a new fee or tax to pay for road safety and maintenance later this so year. So they quickly — some would say prudently — agreed to spend the largest share of the new money on roads, including major improvements to 122nd Avenue in East Portland. There's a heavy concentration of apartments along 122nd, and the improvements are expected to pave the way for Trimet to start frequent bus service there.

"We are continuing to invest in parts of the city that have been lacking in services," said City Commissioner Amanda Fritz. She was alluding to residential developments approved in East Portland, before it was within city limits, without requiring basic roads, sidewalks, sewers and parks. "We're not done yet," Fritz quickly added.

The City Council more than doubled the amount of transportation funding that comes from the city's discretionary general fund, from the current \$12 million up to \$29 million for the fiscal year that begins July 1. Commissioner Steve Novick, who oversees the Portland Bureau of Transportation, said that was the largest such allocation in more than three decades.

In addition, some long-neglected parks facilities got funded, as well as a new computer server for the city's 911 center.

The other big allocation was nearly \$6 million for affordable housing and homeless programs. Commissioner Nick Fish called that a "substantial down payment" on the city's shortfall of affordable housing, but said much more is needed in coming years.

City commissioners made several relatively minor changes Wednesday to the budget Hales proposed on May 5, some of them in response to public outcries over items Hales didn't initially want to fund.

Commissioners added an additional \$250,000 for the Safe Routes to School program, bumping that up to the full amount that advocates wanted. They also restored \$30,000 for the day labor center in inner Southeast Portland, formally known as the MLK Jr. Worker Center.

Some parks and road projects were shifted from bureau budgets to the Portland Development Commission, which will use urban renewal funds to pay for them. That freed up money in the city general fund to provide \$500,000 for a PDC business startup fund and \$891,000 for a PDC-run community development fund.

The budget approved Wednesday also included:

- \$2.6 million to plan renovations to the Portland Building, where hundreds of city employees work
- \$1.9 million to do marketing and other support for the 2016 Indoor Track and Field championships, planned at the Oregon Convention Center in Portland
- \$1.4 million to retain 26 imperiled firefighter positions
- \$500,000 for a psychiatric emergency services center
- More than \$1 million in seed money to pave more of Portland's dirt roads, known as the Out of the Mud program
- \$2 million to expand recreational center programs and access to the centers for teens, particularly in gang-affected neighborhoods
- \$900,000 to fulfill Hales' pledge to boost city employees' minimum wage to \$15 an hour

Much of the increased spending was made possible by growing city proceeds for business taxes and lodging taxes, which Hales said was a sign that businesses are making higher profits in Portland. "We have a responsibility to keep that good economy going," he said.

The only hint of discord among the five city commissioners Wednesday was over the track and field competition subsidies. Fritz promised to introduce a measure that could shift that funding burden from the city to Travel Portland, which ordinarily pays for tourism and visitor promotion efforts. That's likely to come before city commissioners June 18, when they are slated to give their final formal approval of the 2015-16 budget.

### **Budget numbers at a glance**

- Total Portland city budget for 2015-16: \$3.68 billion
- Actual spending, once double-counted funds are deducted: \$2.88 billion
- General fund (discretionary) spending: \$489.6 million
- Added city positions funded: the equivalent of 130 fulltime employees
- Rate increase for city water customers: 7 percent
- Rate increase for city sewer, storm drainage customers: 3.6 percent

## **City Council passes Parks SDC increase**

*By Jennifer Anderson*

*May 27, 2015*

In a 3-2 vote, the Portland City Council voted Wednesday to approve an increase in system development charges for Portland Parks & Recreation.

The controversial ordinance had its first hearing on April 15 and was then amended after talks with critics, including the Homebuilders Association of Metro Portland.

It's now scheduled to take effect July 1, 2016, with exemptions for low-income housing; lower rates for units below 700 square feet and a refund for Lewis & Clark College's new dorms.

The new rate structure is also scaled to the size of the development, a major change since the Parks SDC program began in 1998.

Revenues will go to park developments to increase park capacity, along with some and strategic land acquisition to close gaps in the system.

The new methodology allows parks to expand service capacity of community centers, aquatic facilities and maintenance facilities, which the previous methodology didn't allow.

"We are all aware there are critics of this approach," said Commissioner Nick Fish, who voted to support the measure along with Commissioner Amanda Fritz and Mayor Charlie Hales. "I've met with I think all of the critics. ... What I learned is that the increase in rates was not the primary concern, it was the methodology."

Fish said he does not expect that the new methodology set a precedence for other city bureaus.

Commissioner Dan Saltzman voted against the ordinance, along with Commissioner Steve Novick.

Saltzman said he didn't want to pass a fee like this "in such a vacuum, in a one-off fashion," and said he looked forward to the comprehensive review of fees Hales has said he the Council will soon take on.

Saltzman also said he didn't "see the crisis that warrants such a revenue increase."

"Portland Parks has been on a roll, but I also know it's bursing with SDC revenues," he said. He urged the council to "put our fees where our mouths are, and see where we can put more single-family and multi-family infrastructure. ... I think council needs to be more concerned with middle-wage earners or we do become the San Francisco or the Seattle or Denver? I don't think any of us want to go there."

Novick, meanwhile, said he saw merit in the ordinance but said he'd rather take time and see the council act after taking a larger look at city fee structures.

"It's perfectly appropriate for parks to collect SDCs; we need to build parks in East Portland and make improvements to parks," he said.

And the new system to adopt fees based on square footage makes sense, he said.

But "it makes sense to delay this decision until we take a bigger look at housing affordability," Novick said.

Fritz called it a "fiscally responsible measure," and an "important program that will help shape the future park system." "New development should pay its way — no more, no less," she said.

Hales said he believes the ordinance is sound, and developed in a thoughtful and inclusive way.

He said it tees off the work the council will do to look at affordability.

"It will be substantive, the five of us looking at the big picture together," he said. "We have a year to look at how this set of fees and others mesh together and affect the affordability of housing."

And Hales said the value of the SDC increase for parks is worth it.

"We have to balance fees and how they affect cost, also what we get for those fees," he said, citing a phenomenon called the "second paycheck," by Oregon economist Ed Whitelaw.

The theory is that Oregonians get not only a first paycheck but a second one in the form of quality of life — including access to nature, good public schools and a park system.

Starting July 1, the increase in parks SDCs at an 88-percent recovery rate is estimated to provide up to \$552 million in new revenue for park acquisition and development over 20 years.

The other 12 percent of program costs will be paid by \$71 million from other sources such as grants, sponsorships, urban renewal funding, and transfers from other agencies.

Projected revenue from both sources will fund all of the need.

The groups that participated in the Parks SDC task force included the League of Women Voters of Portland, Portland Business Alliance,

Portland Development Commission, Development Review Advisory Committee, Portland Parks Board, College Coalition, I-home Builders Association of Metropolitan Portland, and others.

For more: [portlandonline.com/auditor/index.cfm?c=50265&a=531596](http://portlandonline.com/auditor/index.cfm?c=50265&a=531596).

## **Council limits public seating at open reservoir hearing Thursday**

*By Jim Redden*

*May 27, 2015*

Because of safety concerns, the City Council has agreed to close the balcony above the Council Chambers to the public during Thursday's hearing on disconnecting the open reservoirs in Mt. Tabor.

A large meeting room in the Portland Building across the street from City Hall will show the proceedings on TV. The hearing starts at 2 p.m. on May 28.

Thursday's hearing is expected to draw a large group of people opposed to disconnecting the reservoirs from the water distribution system. The council is considering doing so to comply with U.S. Environmental Protection Agency rules against open reservoirs.

"Staff from the offices of the six elected city officials, plus the City Attorney's Office and building security, gathered yesterday to discuss the situation. The committee decided that, for safety consideration, we would close the balcony but open a much-larger overflow room in The Portland Building," says Dana Haynes, Mayor Charlie Hales' spokesperson.

City officials had previously warned that disruptions will not be tolerated at council meetings.

"The decision came after a hearing earlier this month, in which a group of residents gathered to scream and boo, in the hopes of stopping another person from testifying. If they try the same intimidation tactic on Thursday, when people are testifying, the balcony could become a safety hazard," says Haynes.

In a May 20 press release, the Office of Management and Finance note that protesters disrupted a council vote on a use issue and a report from Independent Police Review by screaming and booing.

"If protesters are disruptive in future meetings, the city will enforce its conduct rules. People will be warned to stop engaging in disruptive conduct or face expulsion. If they do not stop, they may be subject to future exclusions," the release said. It included a copy of Rules for Conduct for City of Portland Properties that says people can be immediately excluded from them without warning for a variety of reasons, including the need to "provide a safe and healthy environment for visitors and employees of City Properties."

Disconnecting the open reservoirs in Mt. Tabor and Washington Park has been a hotly contested issue for years. Many residents believe the city's water system is safe, noting that no evidence exists that anyone has ever gotten seriously ill from drinking Portland's water. They believe the millions of dollars being spent to build underground storage tanks to replace the reservoirs is unjustified.

## **Investing in the inner city**

*By Steve Law*

*May 26, 2015*

Charlie Hales wants more of Portland's at-risk youth to pick up a basketball or paint brush instead of a gun.

The mayor, who oversaw the city parks bureau in his last go-round on the City Council, is keenly aware of the uptick in gang violence this year in Portland — 54 gang-related incidents compared to 44 this time last year. Now that city coffers are more flush with money, Hales is proposing a \$2 million initiative to expand youth access to community centers in North, Northeast, Southeast and East Portland.

Some of the details are still being worked out, but the money would keep community centers open longer Saturday evenings, provide free access at one center, and add new youth programs and staff at others.

In the past, says Hales, Portland Parks & Recreation has been so strapped for cash it was forced to charge higher and higher fees for each service, and rent out community center spaces to earn more cash.

But the current \$3 drop-in fee at Matt Dishman Community Center might keep the most at-risk youth from using that or other city recreation centers, says Sue Glenn, who's working to craft the mayor's ideas into specific teen programs offered by Portland Parks & Recreation.

"We want to provide positive opportunities for them to socialize in a safe and accessible environment," says Glenn, who oversees parks bureau services in North and Northeast Portland.

"I think the mayor gets it that investing in relationships with youth and teens is very important and it's time-intensive," she says. "What he's trying to eliminate is the pressure of revenue generation and having to charge the fees."

Matt Dishman, located in inner Northeast Portland off Martin Luther King Jr. Boulevard, closes to the general public at 6 p.m. on Saturdays, though it may be rented out to private parties after that.

The mayor's pilot program, tentatively dubbed Youth Opportunities United or YOU, would allow free drop-in access to Matt Dishman seven days a week. The facility has a pool, boxing, classes, fitness room, gym and other facilities. New teen programs and staff would be added to engage more youth participation.

The plan is still evolving, and the \$2 million initiative has not yet been approved. But other elements currently contemplated are:

- Provide a place for youths to hang out Saturday nights by extending the hours at Dishman, East Portland, St. Johns and Mount Scott community centers. Those would stay open for drop-in activities until 10 p.m. or 10:30 p.m. Those facilities are located near some of Portland's lowest-income neighborhoods.
- Convert Montavilla Community Center, on 82nd and Northeast Glisan Street, into a teen center from 3 p.m. to 10 p.m. year-round.
- Expand teen services staff and activities at Dishman, East Portland, Mt. Scott and Charles Jordan community centers. The parks bureau would create teen councils at those sites and designate teen spaces.

Since it's a pilot project, some ideas will be tried to see if they work, and others added, Glenn says.

City Commissioner Amanda Fritz, who currently oversees the parks bureau, supports the mayor's initiative.

"It's targeting the most at-risk population that we have, which is young students that otherwise might get into trouble," Fritz says.

The mayor could have put the money into more police officers, she says. "But he's directing it into something more positive, so I support that."

## **Willamette Week**

### **Who's Mad About Disconnecting Mount Tabor's Open-Air Reservoirs: A Refresher**

*By Aaron Mesh  
May 28, 2015*

To hear Portland city officials tell it, the decision to disconnect Mount Tabor's open-air reservoirs is all over but the shouting.

But there's going to be a lot of shouting.

Today's City Council hearing on the last steps to take the city's drinking-water reservoirs underground is the latest donnybrook between Mount Tabor reservoir activists and City Hall in a decade-long battle about complying with federal mandates.

This version has already grown so heated, Mayor Charlie Hales and city commissioners are closing the balcony seating for today's 2 pm public hearing—to reduce heckling, basically.

WW has closely covered this fight, especially when it boiled over into an unsuccessful ballot initiative last year to remove Portland's water and sewer utilities from City Council control and hand them to an elected board.

Backers hoped the water board might halt the \$279 million construction of underground tanks at Powell and Kelly buttes. But Portland voters soundly rejected the ballot initiative.

Here's a rundown of who opposes the disconnection of Mount Tabor reservoirs. (The players haven't changed, but business backing of the activists isn't as strong.)

And here's a primer to the debate, which also remains essentially unchanged—for the part about the reservoirs, scroll down to the picture of Mount Tabor.

## **The Portland Mercury**

### **A Bigger Broom**

#### **As Police Crack Down on Campsites, the Mayor Wants to Double the Cleanup Budget**

*By Dirk VanderHart  
May 27, 2015*

PORTLAND COPS say it's time to clean up the Central Eastside.

Pointing to rising complaints and an uptick in visible homelessness, the Portland Police Bureau launched its most intensive anti-camping effort in years on Tuesday, May 26—a weeks-long push to clear camps from inner Portland.

"It's gotten a little out of control," PPB spokesman Sergeant Pete Simpson told the Mercury on Friday, May 22. "For a couple of weeks there's gonna be sort of an ongoing effort to address the entrenched camps."

That effort—coming as the Rose Festival ushers in Portland's tourist season—is the most organized effort to push out campers since Mayor Charlie Hales ordered sweeps around city hall in 2013. It's also inspiring heated debate about whether an increasingly unaffordable Portland should be cracking down on camping without adequate shelter space or cheap housing to offer homeless people.

But there's a reason to suspect much more of this sort of activity is on the way: Hales wants to nearly double the money the city spends cleaning up homeless encampments next year.

In a plush budget that contains more than \$2 million for veterans' housing and homeless outreach, the mayor's also proposed \$450,000 for picking up belongings and refuse left behind when the city moves campers along. That's a big jump from the \$236,441 the city estimates it will spend clearing nearly 150 campsites in the current fiscal year (which ends June 30). And, assuming Portland City Council approves, it'll go toward a bureau that didn't even ask for it: The Portland Office of Management and Finance (OMF).

"This is at the mayor's direction," says OMF spokeswoman Jen Clodius. "We're trying to comply but still trying to figure out how to do this."

Actually, OMF has more than a year's experience to go on. It's been paying for cleanups since April 2014, when the mayor's office announced a new idea for clearing out homeless encampments ["Sweeping Up," News, April 9, 2014].

By contracting for cleanup services with local security firm Pacific Patrol Services (PPS), officials hoped cleanups would be more cohesive and consistent than they'd been in the past. Rather than dealing with camps in piecemeal fashion, they said, bureaus would be able to call on PPS to clear property and store valuables.

But the system has left a lot to be desired. A Mercury analysis of PPS invoices last year showed cleanup contractors often did little more than watch Multnomah County inmate crews pick up trash campers left behind, billing hundreds of dollars for work that, in some cases, took less than a half hour ["Someone's Cleaning Up..." News, Nov 5, 2014].

The work was made more questionable because police and officials from various city bureaus were sometimes also on site, meaning the contracted cleanup workers weren't even providing oversight for their \$25.25 an hour minimum cost, and were only storing valuables at an old building on SW Barbur ["Off the Springwater," News, July 9, 2014]. That's a job city staffers could easily handle.

According to OMF estimates, the city's on track to pay PPS more than \$61,000 for cleanup work by June 30. And now officials seem to be coming to the conclusion they can do without the services.

An OMF budget memo shows the city's considering ditching PPS in favor of using more inmate work crews. The bureau's proposal includes more than \$201,000 for prisoners' help—an 80 percent increase over what the city expects to spend on work crews this year.

That money would pay for an additional crew "to help increase capacity to accommodate our customer needs," the memo says. "Customers," in this instance, are four bureaus—the Portland Water Bureau, Portland Bureau of Environmental Services, Portland Parks and Recreation, and Portland Bureau of Transportation—that manage property where the homeless are known to bed down.

"If this crew is secured," the memo says, "the need for the current contractor may be eliminated."

The city's not just wielding a bigger broom. OMF is also proposing stronger partnerships with social services like local outreach organization JOIN—even going so far as to offer physicians and "pet care," according to the memo.

Hales' office has also suggested increasing the number of formalized homeless "rest areas" in the city, and is hoping to relocate that model's biggest success, Right 2 Dream Too, near OMSI later this year.

All this, though, will play out later this summer. In coming weeks, cleanup contractors can expect a flurry of business as police try to clear out the "entrenched" camps that have taken root on the Eastbank Esplanade, near the dining hall of St. Francis of Assissi Catholic Church, and wherever else cops deem too filthy.

That effort's going to be partly about pushing social services on people, Simpson says, but it's mostly a bid to clean up sites that are often strewn with trash and may contain stolen property or drug paraphernalia. And it'll almost certainly include arrests. Since early last year, the police bureau has leveraged the state's law against "interfering with a peace officer" to arrest campers who don't heed warnings to move their camps.

"Our goal is not to arrest people," Simpson says. "It's not an effective way to address the problem."

One thing the sweeps won't do? Magically give people other options for housing. They'll be pushed farther east, or across the river, or out of town.

"Some of the people who have come here decide they don't have to follow any rules," Simpson says. "Maybe they'll decide that this isn't the place for them."

## In Other News

*By Mercury Staff  
May 27, 2015*

**THE PORT OF PORTLAND** and Portland Business Alliance weren't the only local groups angered when Mayor Charlie Hales pulled his support for a mammoth propane terminal earlier this month. Some of Hales' friends in local unions are upset as well.

"It seems more than a little bit unfair to invite a company to town and welcome them with open arms and not even give them the decency of allowing them to go through the full process," says John Mohlis, executive secretary of the Oregon State Building and Construction Trades Council, which represents 21 unions. Among them: Joint Council of Teamsters Local 37, whose support Hales touted prominently when elected in 2012.

Mohlis says union reps have sent word to Hales' office they're not pleased the mayor won't take up a zoning change that would allow the \$500 million terminal proposed by Canadian firm Pembina Pipeline.

That's not to say it won't be considered. On May 22, the Oregonian reported that Commissioner Nick Fish has asked the city attorney's office for clarification on whether Portland City Council must consider the change. Fish tells the Mercury he wants to make sure no one's rights are being violated. DIRK VANDERHART

**GOOD NEWS** for college students walking alone at night: If it's the Oregon Liquor Control Commission (OLCC) creeping on you, you'll soon know it.

The OLCC says it plans to require that its liquor inspectors slap magnetic decals on vehicles when patrolling college campuses in the near future. The move—along with a recent decision to force inspectors to wear spiffy new polos emblazoned with the OLCC logo—is a big change for liquor agents who are used to anonymity. Until recently, inspectors were able to fly under the radar, whether walking into a corner store or crawling the streets of Corvallis.

The changes were spurred, in part, by a Lewis and Clark College junior's complaints that she feared she'd be abducted last year when OLCC agents chased her down in an unmarked car ["Drunk on Power?" News, April 15]. DVH

**BAD NEWS** for East Portland residents looking to change Portland's commission-style government: The city attorney says the proposal's problematic.

After the Portland elections office okayed Collene Swenson's suggested dismantling of Portland City Council as we know it in mid-May ["Who Represents You?" News, May 20], the city attorney worked up ballot language that blew some giant holes in the initiative's verbiage.

According to the attorney's interpretation, Swenson's initiative would render city council impotent during the two-year period between when the measure would take effect and the first year of district elections.

"During [the] interim, council would not have quorum, could not act, pass ordinances, adopt budget, or establish districts," according to the ballot title.

Swenson says she has contacted an attorney to try and get the initiative's language reworked, and may resubmit her initiative. SHELBY R. KING

## Hall Monitor Shut Up and Swim

*By Dirk VanderHart  
May 27, 2015*

WILL LEVENSON understands your fear.

The founder of the Human Access Project (HAP) remembers the first time he jumped into downtown Portland's Willamette River—how he kept his mouth shut tight, not wanting to let any water in. He knows many Portlanders feel the same way.

Levenson thinks he can change that.

"The minute you get in, your relationship with the river is immediately reconciled," he says. "This is not a battle of science. It's a battle of psychology."

After years of quietly removing chunks of mystery concrete from a stretch of shoreline on the southeast side of the Hawthorne Bridge, Levenson and his like-minded river worshippers at HAP got a huge boost earlier this month: Mayor Charlie Hales has set aside \$300,000 from his "back to basics" budget to help create a public beach on the site.

It's a chance, Levenson says, to "unfuck something up." It's also not an easy sell. Portlanders are used to hearing tales about the Willamette as a Superfund site and sewage highway.

But Levenson's right, Portland. Science is on his side.

One day after Hales unveiled his proposed beach expenditure, the Oregon Health Authority (OHA) came out with a little-noticed report that should be enough to convince you to head to the water's edge this summer.

The report was the result of a 2014 request from Groundwork Portland, a group pushing for equitable and comprehensive clean up of industrial waste in Portland Harbor. And it's focused on Audrey McCall Beach,

the name HAP has informally bestowed on that rocky stretch in honor of former Governor Tom McCall's wife.

Verdict: "Recreational use of Audrey McCall Beach will not cause harm to the health of the public—even sensitive populations such as children and pregnant women."

The OHA's rationale breaks down like this: We've known since 2011—when Portland completed the Big Pipe project and largely eliminated sewage overflows—that the Willamette is safe to swim in. And while it's true that the muck on the bottom of the river contains problematic compounds, the state says that's not a concern for potential beachgoers. That stuff is "located out into the river where people can't reach it."

Which leaves the beach itself, which isn't ideal. It's in the heart of a city. People sometimes camp nearby. There might be stray shards of glass.

But the shoreline's also not fear-inducingly toxic. The OHA report says you should be fine as long as you wear footwear, bring a towel, and don't eat the sand (DON'T EAT THE SAND). Even lead-sensitive little children are in the clear, so long as they're not beach bumming around Audrey McCall Beach every day.

The situation is only going to improve. Portland General Electric, which for decades had wharves at the site, will cap remaining pollutants in a year or two, meaning the minimal existing risk is on its way out.

The OHA's findings aren't convincing everyone. Groundwork Portland, which asked for the report, says it's dubious that there will ever be a "non-industrial use of the river."

I disagree. Swimming season's approaching, and Portland's finally about to have a beach.

## **Getting Nowhere Fast** **Portland's Wheelchair Users Still Waiting for Equal Access**

*By Shelby R. King*  
*May 27, 2015*

UBER'S ARRIVAL last month began a new era in how Portlanders get around, but it's also highlighted a systemic problem within the private for-hire transportation industry: failure to provide equal service to clients who require specially equipped vehicles.

That's not getting any better, despite pledges from Uber and Lyft to serve Portland's non-ambulatory customers at the same level as everyone else. In fact, it's become more controversial.

Last week, equal access advocate Sue Stahl resigned her spot on the city's Private for-Hire Transportation Innovation Task Force—the volunteer group that hastily cobbled together new rules allowing so-called Transportation Network Companies (TNCs) to operate alongside regular cabs in Portland during a four-month pilot program. Stahl says she quit because she's fed up with what she sees as the city's refusal to address basic civil rights.

"It's just been business as usual, which is a real shame because there was so much Portland could have done and I was excited to be a part of it," Stahl says. "It's not just the ride-sharing companies, it's the taxis, too."

Stahl's departure leaves the task force without an advocate for disabled riders' rights. Her input was crucial in the first phase, and continued advocacy for disabled riders will be needed as the group finalizes the rules that both cabs and TNCs must follow going forward.

Portland's tightly regulated taxi industry isn't known for its speedy response times to calls for rides—but for potential fares who want to hire a vehicle that meets standards set by the Americans with Disabilities Act (ADA), wait times can be as long as four hours, if a vehicle is available at all.

"It's a systemic problem and it's with the city," Stahl says. "It's mainly the task force, Commissioner [Steve] Novick, and the rest of his team."

She faults the task force for not adopting the "Portland Equal Access Plan," a set of guidelines created by a group of Lewis and Clark Law School students that Stahl says would have ensured parity for all riders.

Bryan Hockaday, a representative from Novick's office who acts as a liaison between the task force and Portland's Private for-Hire Transportation Board of Review, says the city recognizes the longtime problem.

"It's not just Uber. It's been an issue with the private for-hire transportation industry for decades and decades," Hockaday says. "It's a real challenge, for many reasons, to be able to provide reliable transport with such specialized and expensive vehicles when the demand for services is such a small percentage of overall calls for service."

Under current city guidelines, Uber and Lyft are supposed to give non-ambulatory customers service that's similar to what they offer Portlanders without special needs. That's not happening.

In a story published last week, Oregon Public Broadcasting reported on one non-ambulatory man who made more than 15 attempts over nine hours before the Uber app was able to connect him with a ride that could accommodate his wheelchair.

The story introduced the idea that Uber and Lyft might be able to hire drivers who own wheelchair-accessible vehicles to serve disabled customers. Uber says it's interested, but that's a tricky proposition.

"Most of the people who own ADA-equipped vehicles I've talked to say they're not interested because their equipment is so expensive that the risk is too high," says Wynde Dyer, a Green Cab driver and Uber foe who recently started accepting fares in an ADA-equipped van.

Dyer says to buy the van she drives and retrofit it with an ADA-compliant wheelchair lift cost Green Cab about \$41,000.

Jemal Mfundshi, an employee at wheelchair van purveyor Performance Mobility in Northeast Portland and a 20-year wheelchair user, says fitting a vehicle with a wheelchair lift can increase the cost of the vehicle anywhere from \$15,000 to \$25,000, depending on the equipment the wheelchair-user needs.

"There are really two distinctions," he says. "I can use any vehicle that I can fit into for my personal use, but in order to meet ADA criteria for commercial use, the vehicles have to meet very specific criteria."

Even if a wheelchair user with a personally fitted wheelchair van wanted to accept fares as a ride-share driver, it's possible the van wouldn't qualify as commercially ADA acceptable, Mfundshi says.

"Do I expect to get a wheelchair van as quickly as an ambulatory person now?" he asks. "No. I don't feel access is equal at this point, and I don't think companies like Uber should get to come in and increase their market share without increasing access."

The city last week approached Mfundshi as a possible replacement for Stahl on the TNC task force. He says he'll need to learn more about the position, the time it would require, and whether there would be a conflict of interest with his day job before he will commit.

## **Developers Face Higher Parks Fees Next Year. They Will Pass Them On To You.**

*By Dirk VanderHart  
May 27, 2015*

Starting next year, Portland developers will start kicking in more money for city parks than at any time in history. But of course, that money won't come out of their own pockets. New "system development charges" approved by Portland City Council this morning will be passed on to renters and buyers—a fact that didn't sit well with two city commissioners in a somewhat fraught 3-2 vote.

The objections to the charges—at a time when council's been passing updated fee structures for all manner of bureaus without controversy—came for somewhat different reasons.

Commissioner Dan Saltzman, Portland's housing commissioner, couched his strong opposition in the city's fast rising housing prices, and faster rising rents.

"I cannot support this," Saltzman said at this morning's hearing. "We're not taxing developers, we're taxing prospective buyers of housing." That's problematic, he said, particularly for the middle income earners beings priced out of the central city. "Portland is unaffordable for Portlanders of all incomes,"

Saltzman said, but noted "it seems like the only people talking about middle wage earners these days are the presidential campaigns."

Plus, he noted, voters just renewed a \$68 million bond for the parks bureau, and it stands to get millions more in ongoing funding from next year's budget, which council will consider this afternoon.

"I don't see the (funding) crisis," Saltzman said. "This is the wrong move at the wrong time and therefore I vote no."

Commissioner Steve Novick cast the second 'no,' vote—a move he'd long telegraphed—because of a belief Portland should be looking holistically at updating fees for developers, not passing one-off increases.

Novick noted the updated parks fees—aimed at new developments, and intended to ease strain new residents and employees place on the parks system—are more than mere increases, they fundamentally alter the way parks calculates charges.

The city's transportation commissioner, Novick said the same changes, applied to system development charges for road improvements, might be untenable. "I don't think we would make that jump without a long look at housing affordability," he said.

Novick's carrying a bit of a grudge here. For much of last year, he went to war for a new monthly fee that would pay to maintain Portland's streets—eventually putting the issue aside to wait on state legislators. The street fee Novick was angling for (at least one iteration of it) would have asked households for \$12 a month. He noted the Parks increase will result in fees of roughly \$32 a month for people who buy some new homes.

"I'm puzzled why we should blithely say someone should pay \$32 a month for 30 years to build new parks, when in another context \$12 caused controversy," he said. The Portland Bureau of Transportation, like Parks, stands to gain millions in the budget council will consider today. See?

Novick and Saltzman's objections were rendered moot by Commissioner Amanda Fritz, the parks commissioner who brought the fees to council, as well as Nick Fish, who kicked the changes into gear during his tenure overseeing parks. Mayor Charlie Hales has been beating the drum for a comprehensive look at system development charges—promising a series of hearings once the new budget's passed—but saw no issue with voting up higher parks fees before that conversation occurs. He pointed to an amendment that wouldn't put the updated fees into place until July 2016.

"We do have to attend to costs," Hales said. "We have a year to look at how this set of fees and others mesh together."

The increased charges are something of a milestone—once they go into effect the parks system says it will be compensated for 100 percent of the costs brought by new development. "New development should pay its own way—no more, no less," said Fritz, who argues there's still not enough cash to go around. "This is a fiscally responsible measure.

All told, charges under the new system are expected to raise \$552 million in the next two decades. And because the scheme bases fees on the size of development, officials and housing advocates hope it will incentivize smaller homes and units throughout the city.

Developers, meanwhile, hate the plan. Some have even strongly suggested it's illegal. (Lots of other people really like it.) Don't be surprised if a lawsuit pops up.

## **Portland Business Journal**

### **How 3 major changes to Portland's parks fees could affect developers**

*By Andy Giegerich  
May 28, 2015*

Portland's City Council has voted to change the way Portland's Parks & Recreation department calculates system development charges.

The changes aim to " more equitably distribute the responsibility for meeting those needs between new residential and non-residential development," according to a parks department release.

The changes take effect July 1, 2016. They include the following tweaks.

1. New businesses will pay for impact on parks based both on the workers who live in Portland and those workers who commute into the city.
2. For residential developments, the new methodology will "use the square footage of the dwelling unit, regardless of its type in four fee categories (less than 1,000 sq. ft.; 1,000-1,499 sq. ft.; 1,500-2,249 sq. ft.; and 2,250 or more sq. ft.)."
3. The methodology the city previously used is based on establishing an amount of needed acres per 1,000 people. However, Portland has a limited amount of vacant land, so the new methodology calls for the parks department to instead put system charges funds in to parks improvements.

"People move to Portland because of our quality of life, and our parks are a big part of that," said Commissioner Amanda Fritz, who oversees the parks department. "We have to make sure that our infrastructure keeps pace with that of development ... New development should pay its way. No more, no less."

The city adjusts its system development fees systems every five years.

## **Former Portland parking manager gets two years for taking bribes**

*By Andy Giegerich  
May 27, 2015*

A former Portland parking manager will spend the next two years in a federal prison after admitting to taking bribes.

The Oregonian reports that Ellis McCoy will also spend three years under supervised release. McCoy, who's 64, allegedly received approximately \$124,000, as well as gifts and travel of undetermined value, between June 2004 and July 2011.

McCoy was indicted on the charge in 2011.

He had managed the city's smart parking program. The charge related to a relationship he'd held with a program supplier.

The Oregonian said McCoy had been working in a Cedar Mills Home Depot leading up to Wednesday's sentencing. He'll begin his sentence in July.