

## The Oregonian

### The Central Question: Charlie Hales says he's still weighing industrial protections in Central Eastside

*By Elliot Njus  
July 09, 2015*

Industrial business owners in Portland's Central Eastside might have found a sympathetic ear in the Portland City Council.

A 20-year plan for growth in the gritty, industrial neighborhood just east of the Willamette River went before the council on Wednesday. It lays out a future that welcomes new types of businesses — like programmers and marketers — into parts of the neighborhood previously set aside for traditional industry.

That has worried some businesses that came to the district in part for its restrictive zoning, which provided protection from development pressures resulting from higher land values, residential neighbors and traffic.

Last month, the city's planning commission approved revised a draft plan and expanded the so-called Employment Opportunity Subarea across the entire district. On Wednesday, Mayor Charlie Hales signaled his mind isn't made up on the issue.

"It's not our intention to chase industry away," Hales said, adding that he's still wrestling with the zoning changes.

The district is changing rapidly even as the city considers its options. Real-estate investors are renovating former warehouses and workshops for use by technology firms, and housing developments are popping up along the edges of the industrial sanctuary.

Ken Clock, whose wholesale bakery business has operated in the district since the 1950s, said the district is already in danger of losing a critical mass of industrial businesses. Although the plan talks about preserving the district's industrial character, Clock says implementing the plan would spell the end for industry.

"I can't escape the feeling that what I'm being told feels somewhat disingenuous based on what I see," Clock said. "What I see is a considerably reduced industrial area. I can't imagine an existing industrial business surviving in this plan."

At issue is whether to expand the EOS, a zoning overlay that allows office-type uses not traditionally allowed in an industrial zone.

Jonathan Malsin of Beam Development, which has been repurposing warehouses in the Central Eastside for more than a decade, encouraged the council to expand on the overlay model that helped Beam's developments succeed — and provide space for high-wage jobs at growing companies.

"We don't want to close the door on a lot of the creative firms coming here," said Brad Malsin, Beam's founder and Jonathan Malsin's father.

But Kelly Roy, founder and owner of ADX Portland and Makers Portland, an incubator for creative manufacturers, pushed the City Council to take a better accounting of the amount of industrial warehouse space currently available in the district.

Roy said she wants to support working class jobs in the district. Expanding the overlay would essentially open the floodgates, reallocating space that otherwise could be used for manufacturing or industrial-based.

"It just takes a lot of these cool warehouses out of production, and that would be a huge lost for our city," she said.

Commissioner Nick Fish acknowledged the council faces a "delicate balancing act" in the Central Eastside. "We're going to have people cheer us and boo us depending on where they are and how they view the world," he said.

The council didn't vote on the plan presented Wednesday, and the discussion was tabled after roughly two hours of staff presentations and testimony. The council will next take up the discussion on July 29.

## The Portland Tribune

### City struggles to recharge solar demand

*By Steve Law  
July 9, 2015*

Portland solar panel installations have plateaued in recent years even as the costs plummeted.

Nonetheless, 2014 was a record-breaking year for new solar installations in the suburbs surrounding Portland and statewide.

Those are worrisome trends for a city that prides itself as a role model for reducing carbon emissions and promoting green, renewable energy.

Portland recently won a national award for pioneering Solarize, a widely copied neighborhood-based program that led to a record number of solar installations here in 2010. Yet annual installations have been flat or reduced ever since, and during that same five years, the cost of adding solar panels has plummeted by a third to a half.

"This trend concerns us, and we want to figure out what it's going to take to get back to that level," says Michael Armstrong, deputy director of the Portland Bureau of Planning and Sustainability.

Any successful effort to avert the most calamitous effects from climate change will require substituting renewable energy for fossil fuels. There's an unlimited amount of energy available by tapping the sun's rays. Once installed, solar power is essentially free and produces zero carbon emissions that cause global warming.

In their recently approved joint Climate Action Plan, the city and Multnomah County committed to a goal of nearly doubling the total amount of solar power produced here in the next five years.

The plan cites community solar as the "next phase of Portland's solar initiatives." That would allow people who can't put solar panels on their residence, such as apartment tenants, to contribute to other systems and perhaps reap some of the benefits. Under the city's community solar experiment in the past couple of years, it collected donations to fund new solar panels at Southwest Community Center, Oliver P. Lent Elementary School and a Hacienda Community Development Corp. property.

The city and county have a long way to go, though, before they can make the idea produce the level of new solar energy needed to meet their new ambitious target.

The newly revised 2015 Climate Action Plan has a somewhat misleading chart showing a steadily declining number of solar installations the past four years in Portland. Data supplied by the city shows they counted 549 Portland homes fitted with rooftop solar panels in 2010, compared to 363 in 2014.

But the city couldn't get any data from the Oregon Public Utility Commission on solar installations for the last two years from an experimental feed-in tariff system. That skewed the city's numbers for the past two years, making them look lower than they were.

That's not much consolation for solar boosters, though, because the modified feed-in-tariff program is being phased out.

The program shifts the burden of solar subsidies from the state budget to utility customers, who each pay a slightly higher rate.

Homeowners and businesses, including farmers, snapped up every available spot in the program within hours that it was reopened for new participants. But the Oregon Legislature, under pressure from big utilities whose customers paid the freight, pulled the plug on the program.

"It was a wildly successful program," says Paul Israel, president of the Oregon Solar Energy Industries Association. "For all intents and purposes, the FIT (feed-in tariff) program is dead," Israel says. "With the loss of the FIT, we've just lost 50 percent of the market."

The demise of that program puts more pressure on the city and others to find ways to increase solar.

But local solar installers aren't mourning right now.

## **Sun shines on solar business**

Energy Trust of Oregon, which supplies rebates on about 80 percent of the solar installations in Oregon, aided a record number of solar projects in the Portland suburbs in 2014, and 2015 figures to be even bigger, says Dave McClelland, solar program manager.

As solar installations have sagged or leveled out in Portland, there's been a marked increase in Washington and Clackamas counties and East Multnomah County. Some jurisdictions, such as Washington County, added programs to enlist more residents to add solar panels.

Some suburbs have fewer limitations than Portland, which tends to have more trees and nearby buildings blocking the sun — and more rooftops that can't accommodate solar panels, McClelland says.

The Portland market is actually holding up pretty well considering it's not been using Solarize the past few years to goose up demand, says Chad Ruhoff, vice president of energy services for The Neil Kelly Co., which owns Mr. Sun Solar.

Solarize organized residents of targeted neighborhoods to attend workshops where they learned the nuts and bolts of going solar. One solar contractor was enlisted to install panels for all the participants. The contractors passed on the savings from bulk purchases of equipment and reduced marketing and administrative costs.

Solarize helped "kickstart" demand in Portland, but it also "soaked up a lot of demand," McClelland says.

While Portland tries to flesh out new programs, or perhaps reprise Solarize, local solar installers are bracing for as much business as they can handle in the next year and a half.

That's because federal tax credits for home solar installations are slated to disappear at the end of 2016, and to shrink by two-thirds for commercial projects. (See related story in Business section). Homeowners and business owners who want to take advantage of the lucrative tax breaks are expected to keep all the metro area's solar installers working to capacity through the end of next year.

Despite the surge in solar installations here, Oregon is getting lapped by other states when it comes to the expansion of solar energy. It's not, as some might expect, because of a dearth of sunshine. Rather, it's our cheap electricity, mainly courtesy of hydro power.

"The retail cost of power in the Northeast is double what it is here in the Northwest," Israel says. That makes solar power a better deal, without rich subsidies, elsewhere.

Last year, new solar panels went up once every 2.5 minutes across the United States. In the first quarter of this year, just more than half of the new electricity generated in the U.S. came from solar power.

"We've been left in the dust," Israel says.

## **Council revisits policy on surplus property**

*By Jim Redden*

*July 9, 2015*

Three years after the Portland Water Bureau sparked a controversy by selling surplus Water Bureau property to a private developer, the City Council appears to be changing its mind about the best uses for such parcels.

When the council first authorized the sale of the so-called Freeman Tank property in Southwest Portland in 2010, the goal was to obtain as much money as possible to help hold down water rate increases. But after Renaissance Homes bought the property two years later for \$140,000, neighbors complained the land should have been preserved as open space instead.

The majority of the council now seems to agree, although it thinks using surplus property for affordable housing should have a higher priority.

The council discussed the issue last week while considering a new policy governing the disposition of excess properties by city bureaus. The proposal would supersede surplus property policies adopted by the Portland Water Bureau and Bureau of

Environmental Services in the wake of the controversy of the sale of the unused water tank on Southwest Freeman Street.

During the discussion, Commissioner Dan Saltzman proposed that properties no longer needed by a city bureau should be prioritized for affordable housing, public benefits like community gardens, and open spaces. The majority of the council agreed and asked Saltzman to refine his amendment for consideration this week.

Testifying in support of Saltzman's proposal, Oregon Opportunity Network Executive Director John Miller said Portland has an affordable housing crisis and land for such projects is getting harder to find.

"It doesn't make any sense for the city to sell off land it already owns that can be used for affordable housing," said Miller, whose organization advocates for low-income people.

Other witnesses wanted to make sure that existing community gardens be protected. A parcel owned by the water bureau currently is being used for part of the Johns Community Garden in North Portland — even though the community garden program is operated by Portland Parks & Recreation. The water bureau designated the parcel as surplus several months ago, prompting complaints from its users and neighborhood representatives. Commissioner Nick Fish, who is in charge of the water bureau, intervened and put the process for disposing of it on hold while the council discusses the best way to handle such "mismatched" properties.

"I'm a strong supporter of community gardens," said Fish, who noted the number of community gardens had doubled when he was in charge of the parks bureau.

According to the proposed policies, bureaus are to review their properties to determine if any are not needed to carry out their responsibilities. Unneeded properties can be designated as "excess" by bureau directors and the commissioners in charge of the bureaus. If that happens, the properties are to be offered to other bureaus. If no other bureau wants them, the council can declare them surplus and sell them to other parties. Neighborhood and other community groups must be notified at each step in the process.

## **Sources Say: Developers feather Hales' re-election nest**

*By Jim Redden*

*July 9, 2015*

Mayor Charlie Hales continues building his re-election war chest — with most large contributions coming from development interests.

Hales reported receiving \$17,000 in contributions in the first half of June. Large contributions included \$5,000 from developer Bob Ball, \$3,000 from developer Daniel Deutsch, \$1,500 from architect Michael McCulloch, and \$500 from developer Phil Morford.

Hales has raised nearly \$95,000 so far this year and currently has about \$38,000 in his campaign account. Major expenditures include \$20,275 to fundraising consultant Justin Clark and \$4,300 to NGP VAN Inc., a Washington, D.C., campaign technology company primarily used by Democrats.

No one has announced against Hales yet, although state Treasurer Ted Wheeler has not ruled it out.

### **Open seats in the state**

The campaign season probably will start heating up now that the 2015 Oregon Legislature has adjourned.

Several legislators already are thought to be eyeing the two statewide seats where no incumbents will be running for re-election — state treasurer and secretary of state. No challengers with any experience are yet rumored to be running against the statewide incumbents expected to seek re-election — U.S. Sen Ron Wyden, Gov. Kate Brown and Attorney General Ellen Rosenblum.

Of greater local interest is whether any legislators will run for the seats that are up on the Portland City Council and Multnomah County Commission. Former state Rep. Jules Bailey successfully ran for the commission in 2014, reversing the usual political career path from local to state office. Rumors already

are circulating that state Rep. Jessica Vega Pederson (D-Dist. 47) is interested in the commission seat that must be vacated by Judy Shiprack because of the county's term-limit restriction.

### **Records anyone?**

The Oregon Department of Administrative Services has finally finished gathering all the records requested by federal prosecutors involved in the influence peddling investigation into former Gov. John Kitzhaber and his fiancée, Cylvia Hayes, who was a paid consultant for organizations interested in influencing state environmental and economic policy.

According to the Capital Insider, the records have been turned over to the Oregon Department of Justice, which is processing them for release to the U.S. Department of Justice. There is no estimate of how long the investigation will take.

"We, in our minds, have provided what we think is responsive," DAS spokesman Matt Shelby said last week. "They obviously have the right to come back and ask for specific things."

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## **Amanda Fritz to Oversee Portland's Marijuana Policy**

*By Beth Slovic  
July 8, 2015*

Portland Mayor Charlie Hales last week publicly embarrassed City Commissioner Amanda Fritz by abruptly yanking her control of the bureau that oversees real-estate development.

Fritz had angered developers with fee hikes and policies targeting skinny houses. The mayor reassigned the Bureau of Development Services to Commissioner Dan Saltzman.

Fritz got the Office of Neighborhood Involvement, which she had previously run—but that bureau now oversees the city's marijuana policy program, which is about to become a major source of new cash.

As WW reported Monday, the city is poised to charge medical marijuana dispensaries \$1,500 each for temporary licenses to sell recreational weed starting in October.

Fritz declined to talk about her new weed empire, saying she hadn't been briefed on it yet.

The switch happens July 15.

## **The Portland Mercury**

### **Hall Monitor**

#### **A Short-Lived Armistice**

*By Dirk VanderHart  
July 8, 2015*

THE PORTLAND CITY COUNCIL took a time-out in April.

For months, relationships within the council had festered, leading to visible discord at weekly meetings, and spurring observers to say the current lineup is the least-cohesive group Portland has seen in years.

So Mayor Charlie Hales and Portland's four city commissioners got professional help. At an April 24 retreat, they met with a mediator to hash out differences and bad blood, and made a commitment to be more collegial with one another. Their chiefs of staff made a similar pledge.

And things have been more amenable of late. Commissioner Amanda Fritz, for example, hasn't left council chambers in protest since an April 21 vote over a new pilot project that allowed Uber to operate in Portland (and even that was largely strategic).

So it'll be interesting to note whether these brief inroads are obliterated by a bit of bulldozing Hales unveiled July 1. Using his mayoral prerogative to assign city bureaus, Hales snatched the city's building permitting arm, the Portland Bureau of Development Services (BDS), away from Fritz, handing it to Commissioner Dan Saltzman.

Hales also plucked the Office of Neighborhood Involvement (ONI) from his own roster and gave it to Fritz.

The mayor's reasoning: ONI is best paired with Portland Parks and Recreation, which Fritz runs, and BDS is a natural partner of the Portland Housing Bureau, which Saltzman controls.

"This seemed like the best fit," says Hales spokesman Dana Haynes.

But if that's the view from Hales' offices on city hall's third floor, things look different in the commissioners' second-story outposts, where there's talk of the move being a grievous insult to Fritz.

That's because ONI is small—roughly 44 employees compared to 300 at BDS—and often seen as a low-level assignment. It's true Fritz has been ONI's staunchest proponent over the years, but piloting the bureau is likely a job she'd take on in addition to BDS, rather than instead of it.

Then you've got the Saltzman factor. The commissioner's taken lumps in the media for hugely lucrative business ties and frequent absences, but he's also seen as a safe port for troubled bureaus, capable of righting the trajectory of programs that have gone astray. Some see an element of rebuke in Hales' announcement—which, by the way, Fritz learned about not from the mayor, but an Oregonian reporter.

There's also an interesting bit of timing to the change, which takes effect July 15: It comes as Fritz has been working to find a new home for homeless rest area Right 2 Dream Too. As the commissioner in charge of implementing zoning code, her endorsements could be important going forward, since it's pretty clear Central Eastside businesses are mounting a challenge to a proposed move.

Instead, BDS now lies with Saltzman, who oversaw the bureau when it levied thousands of dollars in fines against R2DToo (a tussle Fritz helped smooth out).

I asked Fritz how she responded to Hales when he delivered his decision about the bureau swap. She wouldn't comment, but what she did say revealed plenty about her thoughts: "I'm glad he believes Commissioner Saltzman will be a good partner with him in supporting Right 2 Dream Too, as I have been."