

The Oregonian

Portland's paving problem climbs to nearly \$1.2 billion

By Brad Schmidt
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Portland's soaring street-maintenance backlog has officially surpassed the \$1 billion mark, and the politician in charge of city transportation doesn't have a solution.

The cost to repair deteriorating city streets to meet paving benchmarks would run an estimated \$1.187 billion over 10 years, according to a new city report.

The tab stood at \$916 million last year and \$750 million the year before.

Portland's paving problem remains front and center even as Mayor Charlie Hales and Commissioner Steve Novick offer no new plan. They abandoned a controversial tax-or-fee proposal in January after months of changing proposals. Both are up for re-election in 2016, and it appears unlikely either will push a plan before then.

Novick, responsible for the Bureau of Transportation since 2013, said in an interview Friday that "time is wasting."

"But, still, that doesn't change the fact that in order to get anything done, you need a credible coalition behind a proposal," Novick said.

Novick said he has spoken with key figures from last year's debate about possible next steps. He declined to say what he's been told and said he doesn't know how long conversations will last.

Novick said he has no timeframe for proposing a new funding plan and doesn't know whether one will materialize before next year's election.

Novick said he learned from last year's fight, after he and Hales proposed a plan in May 2014 without public feedback and pushed the City Council to approve it two weeks later.

Now, Novick said, it would be foolish to propose anything that doesn't have significant support outside City Hall.

"I can't do anything by myself," he said. "Unless there's other people arguing for a solution, it doesn't matter what I do."

Robert McCullough, a respected energy consultant and street-fee critic, said he's seen a noticeable shift. Novick approached McCullough, a gas-tax proponent, at a meeting about a month ago to ask for unscientific survey data about Portlanders' preferences.

"I took it as a good sign," McCullough said, "that Steve Novick had learned a little bit from the fiasco last year, and was trying a more open process."

The latest increase to Portland's paving backlog – \$271 million in just one year – isn't due exclusively to pavement deterioration, transportation spokesman Dylan Rivera said.

Rivera cited three factors: worse road conditions; inflation-related costs to make improvements over 10 years; and a new calculation to add curb ramps with repaving projects, to comply with federal Americans with Disabilities Act standards.

The city's report, 18 months in the making and released this week, does not mention ramp costs.

Rivera said the Transportation Bureau could not immediately calculate how much of the \$271 million increase is tied to ramps, although he speculated the requirements could increase project costs by 10 percent.

Portland has 4,834 lane-miles of paved roads. Lane-miles are the street length multiplied by the number of lanes. Residential roads make up more than 60 percent of the total, busy thoroughfares about 40 percent.

City officials score the roads on a scale of 0 to 100, with roads in poor condition rating 64 or less, roads in very poor condition 39 or below. The goal: 80 percent of busy roads and 70 percent of residential roads should score at least 65, or fair condition.

Portland's roads have been deteriorating for years. The city auditor slammed the City Council in 2013 for poor stewardship and focusing on other projects.

Data since February 2013 offer a sobering look at how conditions keep spiraling.

In the 2013 report, 40 percent of Portland's busiest roads were in poor or very poor condition. Today, it's 49 percent. In 2013, 47 percent of residential roads were in poor or very poor condition. Today, it's 56 percent.

When roads deteriorate into poor or very poor condition, they cost exponentially more to repair.

Despite the growing backlog, officials haven't found a palatable solution.

Part of the reason is politics, as Commissioners Nick Fish and Dan Saltzman have called for a public vote and Amanda Fritz, the swing vote on the five-member City Council, has pushed to exempt thousands of Portlanders with low incomes.

The proposed street fee was unpopular, and now Hales may face a formidable 2016 challenge from state Treasurer Ted Wheeler. Hales' spokesman has said the mayor wants the Legislature to provide more funding.

The backlog itself is another challenge. City officials say they'd need \$118.7 million a year for a decade. Last year's proposed street fee would have raised about \$20 million a year for maintenance.

"The problem can seem so massive that people just give up," Novick said. "But you have to start somewhere."

The Portland Tribune

Street fee on hold, maintenance backlog grows

*By Jim Redden
08/03/2015*

As Portland's street maintenance backlog grows to \$1.2 billion, both Mayor Charlie Hales and Commissioner Steve Novick are apparently waiting for someone else to find the much of the money necessary to solve the problem.

Hales and Novick spent almost all of 2014 trying to craft a street fee acceptable to at least one more member of the City Council without have to refer it to the voters. They suspended their efforts at the start of the 2015 Oregon Legislature at the request of then-Gov. John Kitzhaber and Oregon House Speaker Tina Kotek, who did not want it to interfere with their efforts to pass a statewide transportation funding package that would include some new money for Portland.

Legislative negotiations broke down in a partisan fight during the session, however. But now, instead of resuming the street fee discussions, Hales and Novick are still looking to others for help.

Hales' spokesman Dana Hayes says the mayor believes the Legislature could take up the transportation funding issue in a special session or next year, when it is scheduled to meet in Salem for a 35-day regular session.

For his part, Novick says he is now willing to refer a new street fee to the voters, something always supported by commissioners Nick Fish and Dan Saltzman. But Novick is waiting for someone else to propose both the fee and the campaign to pass it.

"I always said to anyone who suggested sending something to the ballot: "Show me the poll that shows your option has a fighting chance, and show me the coalition that has the resources to launch a credible campaign." Last year I didn't think we heard good enough answers to that question. If someone can show me those two things, I'll be interested," says Novick.

Meanwhile, the city's street maintenance backlog has increased to \$1.2 million, according to the 2014 Asset Status and Condition Report posted on the Portland Bureau of Transportation's website last week. That's up from \$750 million in 2013 and \$950 million last year, when Hales and Novick were working on their street fee.

The increase comes despite the promise Novick made in 2013 that PBOT would maintain at least 100 miles of streets a year. PBOT Director Leah Treat says PBOT exceeded that goal both then and in 2014, if only by a few miles.

Novick points out that the council has raised the amount of discretionary general fund dollars going to PBOT, giving it approximately half of the increase since last year's budget. The \$29 million spending package approved by the council on June 18 includes improvements along 122nd Avenue that will result in TriMet designating it a frequent service line.

"Meanwhile, I'm still pretty darned excited that we committed enough money to safety projects along 122nd that TriMet is planning to upgrade the service there to 'frequent,'" says Novick.

The city also convinced the 2015 Oregon Legislature to commit \$3.8 million to plan safety improvements along Southeast Sandy Boulevard between 20th and 34th avenues. A public open house was held on the project on July 28. Work is expected to begin in 2017.

Both Hales and Novick are up for reelection in 2016. So is Commissioner Amanda Fritz, who they once thought was the swing on the council for a street fee that did not have to be referred to the voters.

PBOT's 2014 Asset Status and Condition Report can be read at www.portlandoregon.gov/transportation/62871.

The Mercury

Meet the City's New Cheap Rent Czar Incoming Housing Bureau Director Kurt Creager Says Portland's on the Verge of Something Big

*By Dirk VanderHart
07/29/2015*

IT'S EITHER the best or worst time to take over the Portland Housing Bureau.

Portlanders are becoming more concerned over rising housing costs by the day, while the bureau continues to take fire for falling short of its goals for affordable units. There's ongoing squabbling on city council over whether affordable units should be aimed at the city's poorest residents, or at working-class folks at risk of being priced out. And a bid to give the city power to compel more cheap condos and homes just died in the Oregon Legislature.

Stepping into this maelstrom is Kurt Creager, who was tapped earlier this month to take the reins of the housing bureau after the departure former Director Traci Manning.

Creager knows Portland. He spent 16 years developing affordable housing in Vancouver, forming allegiances that spanned the Columbia. And he partnered with some of the city's biggest developers during a stint with local design firm Otak, which had a hand in developing the South Waterfront.

Most recently, he's been working to create cheap housing in Fairfax County, Virginia—formative stomping grounds of Mayor Charlie Hales—though Creager is ditching the position after less than a year to return to the Northwest.

He starts August 10. We wondered what Portland should expect.

MERCURY: Portland's got a reputation as the last affordable big city on the West Coast. Now that's slipping away. What's your take on the housing dynamic here?

KURT CREAGER: Portland is relatively affordable compared to its neighbors Seattle or San Francisco. Anyone coming from either of those two jurisdictions would be delighted with the range of options. But for Portlanders native to the area, it's quite sobering. In relative terms, it's still affordable. However, if you look at the median incomes of Portland residents, it's quite expensive. Income growth hasn't been that strong.

What do you see as our biggest challenge?

It's going to be the increased production of affordable housing. [City Commissioner] Dan Saltzman has made it clear that status quo is not an acceptable option. He'd like to see a wider spectrum of tools. The effort to recalibrate the zoning code to be more effective is very helpful ["The Soft Sell," News, June 24], but it won't be a panacea. Policy's great, but unless you can produce, the policy is just an abstraction.

One big knock on the Portland Housing Bureau is that it's failed to meet its housing goals. How will you ensure that doesn't happen?

We in the public sector have to under-promise and over-deliver. And as a general practice, local government needs to be held to account for its commitments. That means that you need to be transparent and monitor progress, even if it is shorter than you might have hoped, so you can take corrective action.

There are differing ideas for how housing money should best be spent. Some officials want to focus on the lowest incomes. Commissioner Saltzman has said he wants to also provide "workforce" housing.

The interest in serving a full spectrum of needs is quite important. Dan Saltzman has made it clear he wants to serve workforce needs and not just those with extremely low income. That would obviously have to be balanced with not turning our backs on the needs of the homeless or people with special needs, but serving a broader spectrum—so it's a value-added kind of effort.

There was a recent failed attempt to kill Oregon's preemption on inclusionary zoning, which allows governments to mandate affordable units in new developments. That disappointed a lot of people. Does it make your job a lot harder?

I'm interested in the job partly because I think you're on the threshold of doing something significant, and I'd like to help you go there. [Inclusionary zoning] hasn't been a partisan issue here in Virginia. Developers understand the business proposition. They're willing to go there. I think it will likely happen [in Oregon]. There seems to be quite a lot of interest in it. I think it will be resurrected.

You've been in Virginia less than a year, and now you're leaving. What would you say to people concerned you might give Portland the same treatment?

I'm making a long-term commitment to Portland. It's a place I have treasured over the years and I think I can make a positive difference in the community. I have no interest in using this as a stepping-stone to anything else.

In Other News

By Mercury Staff
07/29/2015

THE CITY wants to charge developers a lot more to improve city parks. Developers aren't having it.

Two months after the Portland City Council narrowly approved dramatic changes to the "system development charges" (SDCs) Portland Parks and Recreation tacks on to new buildings, a coalition of seven industry groups has filed suit, asking a Multnomah County judge to undo the law.

In a filing fairly dripping with contempt, developers say city hall broke state law by approving the changes, expected to raise \$552 million for parks improvements over 20 years. They also claim the city relied on faulty assumptions in calculating the rate hike, and that officials are attempting to create a "slush fund" to pay for parks improvements, with no real idea where the money will go. The groups say the increased charges will raise rents "at a time when housing prices are already unaffordable for many in our community."

The lawsuit's no surprise. Angry developers telegraphed their intent to challenge the charges at a fraught city council meeting in April. At the time, an analyst the city hired to craft the changes assured commissioners, "this is not an item I see you losing on."

We're about to find out. DIRK VANDERHART

THERE'S STILL more than a month before candidates can file to run for city office, but a line's already forming to take on City Commissioner Steve Novick next year.

At least two people plan to run against Novick in May's primary election. Fred Stewart, a longtime Portland realtor, has commissioned polling and calls Novick a "bully" for his attempts to pass a new fee to fund road repairs. Stewart lost races for city council and the state senate in 2008 and 2009.

Another frequent candidate, Michael Durrow, also says he's planning on running against Novick. Durrow's lost bids for Metro Council and Portland City Council in recent years, but in May ran unopposed for an unpaid slot on the Multnomah Education Service District Board of Directors, a school board overseeing more than 400 employees. DVH

Hall Monitor

A Lone Driver, At Last?

By Dirk VanderHart
07/29/2015

THE PHONES started ringing in mid-June.

While the Oregon legislature bickered over a proposal for new road funding that would eventually implode, City Commissioner Steve Novick figured it was time to start flipping through his Rolodex.

The Portland Business Alliance got an early call. Then came a laundry list of progressive groups. The street fee debate, that bulky albatross of Novick's tenure in City Hall, was coming back to life.

"He's been following up with almost everyone," says Noel Mickelberry, executive director of Oregon Walks. "Just asking, 'What do you want to see happen?'"

What, indeed?

When Novick and Mayor Charlie Hales pulled the plug on tense discussions over new money for Portland's battered streets earlier this year, they explained that the state's leading Democrats were also trying to find road money, and didn't want to step on anyone's toes.

But it was hard not to read a relieved exhalation in the announcement, too. Hales and Novick had been scrambling to find some proposal—any proposal—that would satisfy various and rabid constituencies, and their plans seemed to change from day to day.

The city spent tens of thousands of dollars on polling—some of which it seemed to promptly ignore—and explored a litany of proposals that inevitably raised hackles.

"The problem hasn't gone away," says Novick, referring to the more than \$900 million over 10 years it's estimated the city's roads need. "There are a lot of people who agree we need to do something, I just wanted to re-engage."

Here's what's potentially fascinating about that re-engagement: Right now, it's Novick's alone.

During last year's debate, the commissioner was joined at the hip with Mayor Charlie Hales, and it seemed that two sets of hands on the steering wheel had contributed to the street fee's rudderless course. How might it look if only Novick had charted the direction? Hales hasn't indicated any interest in re-igniting the street fee discussion, so we might soon find out.

Novick sort of dismisses his conversations as tentative. There are no hard proposals being mulled or X's being drawn on city hall calendars. But many of the groups Novick's reached out to have long made their ideas clear.

Last November, eight progressive groups—folks like Oregon Walks, the Bicycle Transportation Alliance, 1000 Friends of Oregon, and OPAL Environmental Justice—pledged their full support if council would propose taxing well-off Portlanders for road money (an option that had proven obscenely popular in polling).

They never got their chance. Hales and Novick instead floated a more-tepid income tax, then promptly switched it out when the Portland Business Alliance threw a tantrum.

Now, Novick's reaching out to progressive groups again, and sources say the organizations are meeting in private to chart possible next steps.

Then again, Novick's also reaching out to the PBA, which is always doing conference room scheming of one sort or another.

So maybe we're about to see the same mess all over again. Or maybe Novick will follow his own lead this time around.

"I personally favor a progressive tax," he says. "I know there may be vigorous opposition to that."