

The Oregonian

Portland's \$25,000 demolition tax is meant to 'sting'

By Brad Schmidt

September 16, 2015

Portland Mayor Charlie Hales wants to charge at least \$25,000 to developers who tear down homes and replace them with infill development.

Hales' proposal, which heads to the City Council on Oct. 14, would mark a modest shift in Portland's pro-growth policies.

The tax would discourage developers from knocking down habitable homes, a source of frustration in some Portland neighborhoods. And in cases where developers decide to move forward, the tax would raise money for a city-controlled affordable-housing fund.

In addition to the \$25,000 flat tax, officials would also charge \$25 for every year since a home was built, adding \$1,250 to teardown costs for a 50-year-old home or \$2,500 for a 100-year-old structure. The charges would not apply to derelict homes.

"It sends a very clear signal: Hey, the city of Portland via the City Council and its regulations are telling you, 'Please don't tear down a house that has value,'" Hales said Wednesday. "And we're going to make it sting a little – maybe more than a little – if you try to do that."

The Home Builders Association of Metropolitan Portland has already voiced some concern, according to a mayoral aide. But the group didn't return messages Wednesday seeking comment. One builder said Hales' proposal is "irresponsible."

Teardowns have become a somewhat regular occurrence, particularly in Portland's inner eastside neighborhoods. Last year, developers knocked down 181 homes in Portland neighborhoods zoned for single-family housing.

That's about one-tenth of one percent of all Portland single-family homes.

In some instances, a modest home has been knocked down and replaced with a big, high-end house. In others, developers also take advantage of historic lot lines and split a large parcel into several lots that accommodate two or more new homes.

City officials began promoting "skinny homes" on narrow lots in the 1990s, hoping to build atop open acreage and accommodate new residents who wanted to live in single-family homes.

But the rising cost of land eventually made it attractive for developers to snap up and tear down homes in already-dense neighborhoods. And planners now predict much of the city's new housing will be apartments and condos along key transit routes, creating an opportunity to back away from greater density deep into neighborhoods.

Some homes are beyond repair and should be torn down, Hales said. In those cases, neighbors and city leaders would likely welcome the change.

But city officials need to help preserve neighborhood character and discourage demolition of the city's popular housing stock, including bungalows from the early 1900s to the ranch homes built in the 1950s.

"Most of them are worth keeping," Hales said. "It's a little bit of the Hippocratic oath. Don't screw it up. First, do no harm."

Hales said he doesn't know if the \$25,000 tax is the right number but hopes it will make developers back away from about half the homes currently being torn down.

Money from a teardown tax would be directed into a housing investment fund and spent on homeownership and home rehabilitation programs. If developers tear down 100 homes, the city would have more than \$2.5 million more to spend on affordable-housing programs.

The tax would impact homes in areas zoned for single-family construction, R 2.5 and above. Although it would be a flat rate, officials are calling it a tax instead of a fee and hope to avoid legal challenges from builders.

Officials don't plan to require upfront payment before the Bureau of Development Services issues a demolition permit. Instead, Portland's Revenue Bureau would bill developers after the demolition happens.

Mayoral aide Jillian Detweiler said homebuilders have been told about the concept. So far, she said, they've urged officials to ensure the rules don't discourage demolition of houses in poor condition.

Detweiler did not provide the city's written proposal Wednesday detailing what homes would be exempt from the tax. But she said officials expect the rules will "apply to the vast majority" of homes that are torn down.

Justin Wood, a co-owner of Fish Construction, which builds skinny homes, warned that Hales' proposal will have an inverse impact. He said it will discourage construction of cheaper houses but not expensive ones.

Wood said charging the same tax is "irresponsible" because it treats all demolitions "as a one-sized-fits-all approach."

Dealing with infill has been on Hales' to-do list since January, when he announced during his annual State of the City speech plans to make demolitions less attractive. Willamette Week first reported details of his plan.

In addition to demolitions, Hales recently appointed an infill advisory committee to review city regulations, such as the size of a new home's footprint and how close it is to neighbors.

The 26-person committee met for the first time Tuesday. It features neighborhood leaders and builders, including Vic Remmers, who has been at the forefront of some neighborhood infill battles, including in Eastmoreland, where Hales lives.

Last month, Hales took a tour with Remmers and several others. They visited a few newly built homes and also dropped by others in line for demolition.

Portland projects 480 new marijuana businesses, \$1.4 million in revenue from city fees

By Andrew Theen
September 16, 2015

UPDATE: Portland revised its estimates on Wednesday afternoon, and reduced revenue goals to \$1.01 million. Read this story

Portland wants to charge retail marijuana stores up to \$3,750 to open their doors, fees city officials say will help recoup costs associated with regulating the industry.

With \$890,000 in estimated annual expenses, the hefty fees proposed on marijuana businesses are meant to offset the city's costs, officials said.

So how many marijuana stores, processors, wholesalers and dispensaries does the city expect? Try 480, according to projections provided to The Oregonian/OregonLive.

If the City Council approves the proposed fees, and businesses apply at the expected rates, Portland could bring in \$1.4 million a year.

The City Council will discuss proposed regulations on the marijuana industry Wednesday at 2 p.m., and the business fees could prompt an interesting discussion.

Portland already has 132 medical dispensaries registered (120 are operating), and officials estimate 130 of them will file for a new license under proposed city rules. Dispensaries will have to apply for city licenses to continue doing business.

City officials also expect 150 new retail stores, which will each be charged \$3,000 annual license fees, plus a \$750 nonrefundable application fee.

Proposed Fees

Initial application

Marijuana Dispensary: \$750

Marijuana Processor: \$500

Marijuana Producer: \$500

Marijuana Retailer: \$750

Marijuana Wholesaler: \$500

License/Renewal Fees

Marijuana Dispensary: \$1,750

Marijuana Processor: \$2,000

Marijuana Producer: \$2,000

Marijuana Retailer: \$3,000

Marijuana Wholesaler: \$2,000

Additional Costs

Appeals: \$250

If that happens, retail stores alone would cover nearly two-thirds of the city's annual costs.

The city's Office of Neighborhood Involvement, which will operate the licensing program, is requesting 10 new positions for the new Marijuana Policy Program. The proposed positions include four marijuana code officers, in addition to support staff and other positions. The \$890,000 in expenses includes salaries for those employees as well as "materials and services, equipment needed, office space, anticipated seasonal staff time needed," officials say.

Marijuana Policy Program			
Projected Operational & Staffing Costs and Revenue			
Projected Operational and Staffing Costs			
Number of Staff	Position		
4	Marijuana Policy Code Enforcement Officer		
1	Marijuana Policy Administrative Support Specialist		
1	Marijuana Policy Program Assistant		
1	Marijuana Policy Program Coordinator		
3	Seasonal Marijuana Policy Admin. Support Specialist		
		Total ongoing cost	\$ 890,000.00
		Total one-time cost	\$ 170,000.00
Projected Application and Licensing Revenue			
	Application Fee	Projected # of Applications	Total Revenue
Medical Dispensary	\$ 750.00	130	\$ 97,500.00
Marijuana Processor	\$ 500.00	100	\$ 50,000.00
Marijuana Producer	\$ 500.00	50	\$ 25,000.00
Marijuana Retailer	\$ 750.00	150	\$ 112,500.00
Marijuana Wholesaler	\$ 500.00	50	\$ 25,000.00
	License & Renewal Fees	Projected # of Licenses	Total Revenue
Medical Dispensary	\$ 1,750.00	130	\$ 227,500.00
Marijuana Processor	\$ 2,000.00	100	\$ 200,000.00
Marijuana Producer	\$ 2,000.00	50	\$ 100,000.00
Marijuana Retailer	\$ 3,000.00	150	\$ 450,000.00
Marijuana Wholesaler	\$ 2,000.00	50	\$ 100,000.00
		Total Revenue	\$ 1,387,500.00

Beyond retail stores, Portland projects 100 new marijuana processors, 50 wholesalers and 50 marijuana producers.

The local fees would be in addition to expected state licenses and application costs, which haven't been determined.

Here's a full list of the cost and revenue projections:

Portland's tree-preservation rules draw developers, neighbors into conflict

By Nick Budnick
September 15, 2015

3:18p.m. Updated with comment from Commissioner Dan Saltzman.

Recent clashes over mature trees targeted for cutting in Portland neighborhoods have drawn strict lines between developers using the city's new tree ordinance and neighbors who oppose the removal of century-old neighborhood landmarks.

In recent days, neighbors of a lot at Southeast 41st Avenue and Clinton Street in Richmond protested the removal of several old Douglas firs there, with one neighbor even scaling a remaining tree in protest. And tensions flared Monday in Eastmoreland, where police responded to a standoff between neighbors and a tree-cutting crew over three large sequoias slated for removal.

City Commissioner Amanda Fritz, who oversees the Office of Neighborhood Involvement and the Bureau of Parks and Recreation, said the city's tree ordinance is broken and needs to be fixed.

On Monday, Fritz said she has asked city staff to propose an emergency fix to halt what she considers an urgent problem. The tree code adopted in January after years of deliberation made it easier to cut trees, rather than preserving them as city officials intended, she said.

"It's clear that this is a problem," she said. "The solution to the problem is less clear."

After an emergency fix is in place, Fritz would like the city's tree project oversight committee to work on a longer-term code fix.

Fritz said the situation on Clinton, where a planned infill development sparked complaints from neighbors, was just another example.

"The tree code is very complicated. When we adopted it three years ago we had multiple hearings and went through dozens of different options on various issues. We did the best we could," she said. "And now that we've been implementing it for nine months it's very clear that there are some unintended consequences, and that frankly we got some of the code wrong ... Because it was never intended to make it easier to cut trees in development situations than the previous code. "

Portland's tree code went through years of delays before finally being implemented. The City Council approved it in 2011 and set an enforcement date beginning in 2013. That was pushed to 2015, and Fritz had to fight for money to implement and enforce the new rules.

Commissioner Nick Fish, whose office led the tree-code project in 2011, supports any necessary changes, an aide said Tuesday.

"I'm not surprised that not all the pieces are working as intended," said Jim Blackwood, a policy director for Fish. "If we can make it better, let's make it better."

Commissioner Dan Saltzman, who oversees the city's permitting bureau, has "some concerns" about how tree-cutting is playing out at the neighborhood level, an aide said Tuesday.

Developers are charged a \$1,200 tree-replacement fee, which Saltzman believes is "a little small" for significant trees, policy manager Matt Grumm said.

Officials could consider creating a new designation with higher fees for large, older trees, he said. But Grumm said he doesn't expect any possible changes to move forward until next year.

"We want to be equitable," he said, noting the challenges of allowing residential infill while preserving Portland's urban canopy.

Fritz also said paying \$1,200 to cut down large trees is "not an adequate incentive" for preservation.

Jim Labbe, an urban conservationist with the Audubon Society of Portland, said he generally agrees with Fritz. The new code gives developers a clear path to cutting down large healthy trees, whereas the old, more complex rules did not always do that, he said.

The same company, Everett Custom Homes, is developing the two sites that have aroused neighbors' ire this year. Vic Remmers, Everett's owner and president, said Monday that he agrees the city code in some ways makes it easier to cut down trees than to preserve them. He also said some prospective homeowners don't want a lot with large trees.

"We always want to save every tree that we possibly can," Remmers said.

Two large Douglas firs remain on his company's Clinton Street property, and he has not made a decision about whether to cut them down, he said. He did not respond to questions about his project in Eastmoreland, where neighbors say they rebuffed an effort to cut down three ancient sequoias in the area of Southeast 36th Avenue and Martins Street.

"We thought the people from Morton Tree Service and Everett Custom Homes were going to come and cut the trees down this morning," Arthur Bradford, who lives on property to the east of the trees, said Tuesday. "But that didn't happen."

Bradford said tree-cutting crews on Monday "kind of snuck in" behind a fence on the vacant lot that is home to the three massive trees. He said dozens of neighbors blocked the effort to remove the Sequoias.

Portland police officers showed up to control the crowd, he said. Ultimately, there were no arrests and the tree-cutting crews departed.

Bradford said the neighborhood effort to raise \$900,000 to buy the lot from the builder has raised about \$550,000 toward the asking price.

"That figure might prove to be out of reach for us," Bradford said.

The side-by-side lots near Southeast 36th Avenue and Martins Street were purchased by Everett Custom Homes this year, and a house that stood on one of the lots was recently demolished. The trees, which were planted in the mid-19th century, were originally slated to be cut down by about mid-July.

Bradford said he expects a wire transfer to Everett Custom Homes of \$50,000 in late June will be returned to the group. It was intended as a down payment to save the trees until the remainder of the \$900,000 was raised.

From "Net Zero" to "Net Loser," PCC building signals need for more homework: Editorial

*By The Oregonian Editorial Board
September 15, 2015*

When the Portland Community College Newberg Center opened in October 2011, there was much to celebrate: More than 600 students would find a sleek new facility at PCC's new 16-acre

campus 24 miles southwest of Portland, and they could celebrate it as one of just two buildings in the United States to achieve "Net Zero" status, meaning it consumed no more energy than it generated. (Take that, green Portland.) Meanwhile, their ultramodern building won swift acclaim as the American Institute of Architects named it one of the "Environment Top Ten Projects" in the U.S. in 2012.

Now, unfortunately and unnecessarily, the building is a "Net Loser" by consuming more cash than ever was intended. Sandwich-design roof panels – a relatively new construction technology whose use spurred well-announced concerns before construction – failed so badly in the first three years that PCC is forced to remove and replace the roof at a cost exceeding \$3 million. PCC's students, meanwhile, have been scuttled to temporary quarters.

Nick Budnick of The Oregonian/Oregonlive reported that two PCC facilities managers had repeatedly questioned the use of SIP panels – structural insulated panels, in which thick hardened foam cores are clad on both sides by oriented strand board – and whether the new building would have the adequate internal vapor controls to ensure the panels would avoid trapping moisture and rotting out. The panels rotted, the roof was declared a safety hazard, a full-on deconstruction and re-roofing is underway. As Steve Borcharding, a facilities employee at PCC for nine years, told Budnick: "I warned them that the roof wouldn't last a decade. I was wrong. It lasted three years."

It would be wrong to marginalize Borcharding as a crank in the face of credentialed architects and engineers who told the college things would work with proper installation. Borcharding is a respected member of the PCC staff and had reported to PCC's late Facilities Director Tim Donahue, who also had questioned the use of SIPs without a clear accounting for their handling and installation, and for vapor controls within the new building. It was an apparently exasperated Donahue who wrote a seven-page letter in 2012 to PCC's internal auditor that, among other things, accused district officials of financial "mismanagement and malfeasance" for failing to protect the public's investment in the building and, worse, for participating in "an apparent cover-up related to the design and construction activities involving the Newberg facility."

The Newberg Center was built for \$7.2 million under PCC's districtwide \$374 million bond program approved by voters in 2008. Linda Degman, director of PCC's bond construction program, had participated in a vetting process in which, among other things, an outside consultant was hired by the college to field concerns about SIP installation – and approved measures to monitor moisture levels in the panels. But she and others ultimately sided with several building professionals that the roof could work. In an interview, Degman told Budnick: "We rely on our professionals. I don't know what we could have done different." In a video, she told Budnick that the district's "process" for managing capital construction is extensive. Somehow, though, even the advance prognostications of Borcharding and Donahue, who retired from PCC before dying, weren't enough to block the "process" from marching right off a cliff.

In an interview Tuesday with the editorial board of The Oregonian/OregonLive, meanwhile, Degman said she and others at PCC would, once the re-roofing project is complete, review their capital construction protocols in an effort to figure out "what we should have done differently" – this with an eye to preventing a "next" roof situation.

Good. The Newberg Center's roof failure is more than a wasted \$3 million and inconvenience to students. Until such time as it's fully explained, it will be a crack in the district's credibility with voters who pay for it. Nobody expects a new campus building to be built on the cheap or for the short-term. But neither does anyone expect less than fully accountable oversight. Failure to hit the pause button on construction of the Newberg Center turned out to be too expensive for the wrong reasons. There was no natural calamity, no act of God. There was only a set of key concerns by loyal staffers that went unsatisfyingly unheeded.

Hales' tear-down tax is punitive and counterproductive: Editorial Agenda 2015

*By The Oregonian Editorial Board
September 17, 2015*

The 25 new members of Portland's Residential Infill Stakeholder Advisory Committee barely had time to conduct their first meeting this week when Mayor Charlie Hales proposed a \$25,000 tax upon any developer tearing a house down in order to put another one or two up.

Full stop. As Portland advocates for more infill development and increased density in its housing stock, its mayor would punish developers who do so and, ultimately, push housing prices yet higher as the cost of the tax gets passed on to home-buyers of yet higher means. Little balm, then, in Hales' putative purpose in assessing the tax in the first place: to ensure developers leave habitable homes standing while creating a city-run fund to help lower-income folks find housing in a town in which single-family homes are increasingly expensive and apartments scarce.

The committee met Tuesday and should proceed in good faith as it tries, among other things, to help Portland move forward legibly and fairly in creating 120,000 new housing units over the next 20 years. Infill will have a place in the effort. While the overwhelming majority of needed new housing units will come in the form of apartments and condominiums, smaller new single-family homes can sprout in multiples on many residential city lots now accommodating just one house. The infill committee, in being focused on single-family dwellings, should have time to help guide the city in zoning matters and in being sensitive to well-established neighborhoods in which tear-downs frayed nerves – notably where a builder has not boosted capacity so much as replaced an old, habitable house with a big new expensive one.

Meanwhile, Hales, who made his announcement Wednesday, should withdraw his proposal as half-baked. His explanation for it, as posted late Wednesday by Brad Schmidt of The Oregonian/OregonLive, only laid bare a misdirected frustration: "It sends a very clear signal: Hey, the city of Portland via the City Council and its regulations are telling you, 'Please don't tear down a house that has value.' And we're going to make it sting a little – maybe more than a little – if you try to do that."

A tax on builders for tearing down structures they have purchased and own works against the city's goal of housing creation and could pose a legal challenge by violating privileges associated with owning property. Dave Nielsen, chief executive officer of the Homebuilders Association of Metropolitan Portland, when asked Wednesday by the editorial board of The

Oregonian/OregonLive about Hales' proposal, said: "We're a little shocked at how vague and overreaching it is... It seems the mayor jumped the gun on this... This involves property rights."

Few question whether Portland needs more housing and a way to keep housing affordable. But the economics ahead could be tricky, and possibly gloomy: A recent Metro report that projects in-migration suggests most population growth in greater Portland will be from lower- and lower-middle income individuals unable to afford single-family houses. That, in turn, would increase pressure to develop affordable apartments throughout the region but also competitively priced "skinny houses," which can fit in multiples of two, minimally, on longstanding inner-Portland single-family lots. Tear-downs are required.

Nielsen makes it plain: "We want all this new housing. But that involves old things being torn down and replaced with new structures that are better-built and more energy-efficient." Smaller homes, while offering a more accessible price point to buyers, maximize use of available land – a characteristic that could help slow price growth as projected housing demand spikes along with building costs.

Hales didn't stop at the \$25,000. As if to add a legacy note to his proposal, he'd require an additional payment keyed to the age of the structure to be torn down. The builder would be charged \$25 for every year the structure stood, adding \$2,500 to the tear-down costs of a century-old house. This is a dangerous back-of-the-envelope form of taxation, cavalier in its conception and hardly an imaginative approach to offsetting any loss of architectural history.

If Portland is to address its anticipated housing crunch and avoid runaway housing prices in an effort to accommodate a wave of low-pay immigrants, it will need to do so without thwarting those who must be part of the solution. Stinging builders with made-up taxes won't help. A legible zoning plan, with copious input from the infill committee, could.

The Portland Tribune

Portland ready to hop aboard bike share movement

By Steve Law

September 16, 2015

Bicycle-friendly Portland is late to the game in adopting a bike share system — the 65th city to adopt one — but three years of delays and snafus may bring some unforeseen benefits.

"There are sometimes advantages to not being first," said City Commissioner Steve Novick on Wednesday, introducing the slimmed-down Portland BikeShare plan to fellow commissioners.

Bike share systems provide easy access to short-term bike rentals, conveniently placed at kiosks sprinkled around central cities across the globe. Portland hopes to have its system in place by next July, after the City Council gives final approval next week to a new operator, Brooklyn-based Motivate. The proposed service area can be seen here.

Motivate, using 600 bikes provided by Social Bicycles, will deploy innovative "smart bike" technology, with GPS systems and locking devices on each bike. Users won't have to park them at designated kiosks as in most other cities, making it more flexible to get from Point A to Point

B. The new technology will cut down the cost and effort of moving bikes back to their home base each night; trailers pulled by bikes will be used to do some of that hauling.

Tourists or infrequent users can pay as little as \$2.50 for short hops of less than a half-hour; regulars can get annual use for a membership fee ranging from \$10 to \$15 a month, said Steve Hoyt-McBeth, the Portland Bureau of Transportation manager of the project.

Bike share systems can cut down on motor vehicle traffic and carbon emissions, while improving peoples' health, based on studies conducted of other systems.

City Commissioner Nick Fish said he and his family have used bike share systems while traveling and loved them. "This is working in other cities; it's hugely successful," he said.

Ironically, Portland is home to a national pioneer in the bike share field, Alta Planning + Design, whose bike share unit won a 2012 contract to run the Portland system. But Alta faced a series of supplier and money problems, and wound up selling its bike share business to Motivate. Motivate, which has contracts to run the systems in New York, D.C., the Bay area, and elsewhere, now has 600 employees and some big-bucks investors backing it.

The City Council on Wednesday heard terms of a revised contract that replaces the 2012 contract with Alta.

The new contract calls for a smaller service territory, 600 bikes instead of 750, and a \$2 million price tag instead of the initial \$4 million budget.

One of the catches of the new contract is that Motivate only takes financial responsibility for the first three years. Under terms of the \$2 million federal grant awarded by Metro to the city to launch the system, Portland must agree to operate the system at least five years. The city will own the bicycles and other assets of the service here, so future costs won't necessarily be as extensive.

"We will not be putting any additional local money into the system," PBOT Director Leah Treat promised city commissioners. But if the system isn't self-supporting after three years from user fees and corporate sponsorships, the city could shrink the service territory and the number of bikes available, said Novick, the city commissioner who oversees transportation.

Conversely, if corporate sponsors can be found before then, the city could buy additional bikes, Hoyt-McBeth said.

The system will operate, at least initially, in the central city broadly defined, including downtown, Old Town/Chinatown, the Pearl District, South Waterfront, Goose Hollow, Northwest Portland, the South Waterfront, Central Eastside, the Rose Quarter, Lloyd District and inner North Portland.

Initially there will be 30 stations where clusters of bikes will be parked and users can rent them. There also will be 30 other bike corrals around town that will be "deputized" to accept the bikes, Hoyt-McBeth said.

Other cities' experience shows that bike share programs are increasingly popular among tourists as well as residents who don't ordinarily commute regularly by bike. They may take a bus to their jobs, for instance, but need a bike to get to a doctor's appointment or store during the work day.

Elsewhere, Treat said, commuters find that transit doesn't get them that close to their ultimate destination, but bike share programs can help them with the "last mile," thus supplementing other transportation systems.

Long-term city goals call for 25 percent of all trips to be made by bike — about four times current rates — and Portland is already the leading big city for bike use.

Bike share is expected to increase that.

Some 60 percent of Portlanders fall into the "interested but concerned" demographic when it comes to biking, Hoyt-McBeth said. They say they want to do some or more biking but are a bit squeamish about safety, convenience, bike access or other factors.

"We want to get their butts off the fence and we want to get them into bike seats," he said.

Commissioner Dan Saltzman said he opposed spending money on bike share because it's not an "essential" service when compared to other transportation priorities that are being neglected.

Commissioner Amanda Fritz said she's concerned the program will put more people on sidewalks or in dangerous situations pedaling around downtown.

The program already has the needed council votes to pass from Mayor Charlie Hales, Novick and Fish. But supporters had ready answers to critics' concerns Wednesday.

The program will try to make bike helmets available for rent at a low cost or for free when people sign on to year-long memberships, Hoyt-McBeth said. Users will be asked to stay off sidewalks, he said.

In contrast to what many might expect, bike-share users tend to operate them relatively safely, in part because they don't go that fast and come equipped with lights.

"The crash rate is much, much lower for bike share trips than for private trips," Hoyt-McBeth said.

Theft of bikes has proven to be a "non-issue" elsewhere, he added, as the parts can only be used for bike share programs.

Portland, often a trend-setter in alternative transportation projects, is late to this party.

But it could finally begin next July.

Multnomah County, Portland to consider fossil fuel divestment policies

By Steve Law

September 14, 2015

Multnomah County and the city of Portland are poised to join the international divestment movement against fossil fuels companies.

The Board of County Commissioners will vote on a divestment resolution Thursday morning, Sept. 24, followed by a City Council vote in the afternoon. The measures would pledge both governments to stop buying interests in 200 of the world's oil, gas and coal companies with the

largest fossil fuel reserves, as demanded by the divestment movement. No Oregon-based companies are on the list.

The movement is designed to stigmatize fossil fuel companies and highlight their role in contributing to climate change, much like the 1980s campaign to divest from South African companies pressured that regime to abandon its racist apartheid system.

“We’re happy this is happening; we’re celebrating it,” says Sandy Polishuk, divestment/reinvestment coordinator for 350PDX, the local chapter of 350.org, an international group at the forefront of the divestment campaign.

Both local governments pledged to divest a few months ago, when they adopted an updated version of their joint Climate Action Plan.

Multnomah County has already stopped buying fossil fuel holdings and has owned none since its Shell Oil corporate bonds matured in March 2014, says John Wasiutynski, director of the county Office of Sustainability. County leaders made a “values-driven decision back in 2013” to refrain from buying more fossil fuel holdings, Wasiutynski says.

“We’re joining with other large institutions around the world to say that we don’t have to have these assets because we’re trying to move to a low-carbon future.”

Portland still owns about \$64 million worth of corporate bonds sold by Chevron and Exxon Mobil, Polishuk says. “The thing that is most disappointing to us is that the city added to their investments during the period while this was under consideration,” she says.

In 2013, 350PDX arranged for international divestment campaigner Bill McKibben to meet with Mayor Charlie Hales. Around that time, the city held about \$2 million in Chevron corporate bonds, Polishuk says. Since then, the city has purchased an additional \$62 million in Exxon Mobil and Chevron corporate bonds, she says.

Those bonds will all mature by 2018, “so the city won’t be fully divested now for two and a half years,” Polishuk says.

350PDX isn't asking anyone to sell off their holdings immediately, but to stop buying them so that they have none within five years.

The city resolution hasn’t been released publicly yet, but the county resolution has fairly strong language. It states that the companies on the Fossil Free Index’s Carbon Underground 200 list hold reserves that “must be left in the ground to avoid devastating climate change.”

The International Energy Agency, the resolution reads, states that “no more than one-third of proven reserves of fossil fuels can be consumed” in order to avoid significant climate disruption.

350PDX and its allies also are pressing the state to divest its fossil fuel holdings, including the state’s largest pool of money invested on behalf of local, state and school retirees.

Mayor Hales proposes \$25,000 tax on home demolitions

By Steve Law

September 15, 2015

Portland Mayor Charlie Hales will propose a \$25,000 tax on developers and homebuilders trying to demolish houses in single-family zones, plus \$25 for each year the house has been standing.

Hales says he hopes the tax will cut the number of demolitions in half and raise a couple million dollars a year for affordable housing.

The idea is to “make demolitions less attractive” and keep “homes worth keeping,” Hales said in a Tuesday interview.

“We’ve got more intact single-family neighborhoods than any city I’ve been in,” Hales said, and many of them are filled with attractive tree-lined streets with good-quality homes that are 75 to 125 years old.

“We’re trying to strike a balance between dissuading demolitions and raising money,” he said.

There were 181 demolitions of houses in single-family neighborhoods last year, plus 44 in other zones, Hales said.

Homes in commercial or multifamily zones won’t be subject to the tax, nor will homes that are derelict.

The mayor will take his proposal to City Council for a public hearing on Oct. 14.

When a developer demolishes a perfectly good single-home to replace it with a larger one, it doesn’t add to Portland’s density or accommodate growth to preserve the urban growth boundary, he said. “But you do add to gentrification because you added a new comparable (house) at a higher price point.”

Hales’ staff calculated that the typical demolition in the past three years resulted in a new, larger house that cost \$296,000 more than the smaller one that was knocked down. Thus the \$25,000 tax, plus \$25 for each year it’s been around, is less than 10 percent of the average increase in value.

Hales said he doesn’t know if that’s enough to prevent demolitions, but the amount can be adjusted if needed.

Some Portland city planners have minimized problems from demolition, depicting it as a natural evolution of a city. Hales said he disagrees.

“These houses have values beyond numbers,” he said. “This is an issue of values and quality of life and the feel of Portland. It doesn’t feel just fine to people that love Portland.”

Hales also appointed a new advisory committee that will explore standards for in-fill housing. The two strategies should help protect Portland neighborhoods more from unnecessary demolitions, he said, and improve the compatibility of new homes built in neighborhoods.

“These two are companion efforts all aimed at the livability and affordability of the city with an eye on equity.”

Portland ready to hop aboard bike share movement

By Steve Law

September 16, 2015

Bicycle-friendly Portland is late to the game in adopting a bike share system — the 65th city to adopt one — but three years of delays and snafus may bring some unforeseen benefits.

“There are sometimes advantages to not being first,” said City Commissioner Steve Novick on Wednesday, introducing the slimmed-down Portland BikeShare plan to fellow commissioners.

Bike share systems provide easy access to short-term bike rentals, conveniently placed at kiosks sprinkled around central cities across the globe. Portland hopes to have its system in place by next July, after the City Council gives final approval next week to a new operator, Brooklyn-based Motivate.

Motivate, using 600 bikes provided by Social Bicycles, will deploy innovative “smart bike” technology, with GPS systems and locking devices on each bike. Users won’t have to park them at designated kiosks as in most other cities, making it more flexible to get from Point A to Point B. The new technology will cut down the cost and effort of moving bikes back to their home base each night; trailers pulled by bikes will be used to do some of that hauling.

Tourists or infrequent users can pay as little as \$2.50 for short hops of less than a half-hour; regulars can get annual use for a membership fee ranging from \$10 to \$15 a month, said Steve Hoyt-McBeth, the Portland Bureau of Transportation manager of the project.

Bike share systems can cut down on motor vehicle traffic and carbon emissions, while improving peoples’ health, based on studies conducted of other systems.

City Commissioner Nick Fish said he and his family have used bike share systems while traveling and loved them. “This is working in other cities; it’s hugely successful,” he said.

Ironically, Portland is home to a national pioneer in the bike share field, Alta Planning + Design, whose bike share unit won a 2012 contract to run the Portland system. But Alta faced a series of supplier and money problems, and wound up selling its bike share business to Motivate. Motivate, which has contracts to run the systems in New York, D.C., the Bay area, and elsewhere, now has 600 employees and some big-bucks investors backing it.

The City Council on Wednesday heard terms of a revised contract that replaces the 2012 contract with Alta.

The new contract calls for a smaller service territory, 600 bikes instead of 750, and a \$2 million price tag instead of the initial \$4 million budget.

One of the catches of the new contract is that Motivate only takes financial responsibility for the first three years. Under terms of the \$2 million federal grant awarded by Metro to the city to launch the system, Portland must agree to operate the system at least five years. The city will own the bicycles and other assets of the service here, so future costs won’t necessarily be as extensive.

“We will not be putting any additional local money into the system,” PBOT Director Leah Treat promised city commissioners. But if the system isn’t self-supporting after three years from user fees and corporate sponsorships, the city could shrink the service territory and the number of bikes available, said Novick, the city commissioner who oversees transportation.

Conversely, if corporate sponsors can be found before then, the city could buy additional bikes, Hoyt-McBeth said.

The system will operate, at least initially, in the central city broadly defined, including downtown, Old Town/Chinatown, the Pearl District, South Waterfront, Goose Hollow, Northwest Portland, the South Waterfront, Central Eastside, the Rose Quarter, Lloyd District and inner North Portland.

Initially there will be 30 stations where clusters of bikes will be parked and users can rent them. There also will be 30 other bike corrals around town that will be “deputized” to accept the bikes, Hoyt-McBeth said.

Other cities’ experience shows that bike share programs are increasingly popular among tourists as well as residents who don’t ordinarily commute regularly by bike. They may take a bus to their jobs, for instance, but need a bike to get to a doctor’s appointment or store during the work day.

Elsewhere, Treat said, commuters find that transit doesn’t get them that close to their ultimate destination, but bike share programs can help them with the “last mile,” thus supplementing other transportation systems.

Long-term city goals call for 25 percent of all trips to be made by bike — about four times current rates — and Portland is already the leading big city for bike use.

Bike share is expected to increase that.

Some 60 percent of Portlanders fall into the “interested but concerned” demographic when it comes to biking, Hoyt-McBeth said. They say they want to do some or more biking but are a bit squeamish about safety, convenience, bike access or other factors.

“We want to get their butts off the fence and we want to get them into bike seats,” he said.

Commissioner Dan Saltzman said he opposed spending money on bike share because it’s not an “essential” service when compared to other transportation priorities that are being neglected.

Commissioner Amanda Fritz said she’s concerned the program will put more people on sidewalks or in dangerous situations pedaling around downtown.

The program already has the needed council votes to pass from Mayor Charlie Hales, Novick and Fish. But supporters had ready answers to critics’ concerns Wednesday.

The program will try to make bike helmets available for rent at a low cost or for free when people sign on to year-long memberships, Hoyt-McBeth said. Users will be asked to stay off sidewalks, he said.

In contrast to what many might expect, bike-share users tend to operate them relatively safely, in part because they don’t go that fast and come equipped with lights.

“The crash rate is much, much lower for bike share trips than for private trips,” Hoyt-McBeth said.

Theft of bikes has proven to be a “non-issue” elsewhere, he added, as the parts can only be used for bike share programs.

Portland, often a trend-setter in alternative transportation projects, is late to this party.

But it could finally begin next July.

The Portland Mercury

What a New Portlander Should Know

Here Are Some of the Most Pressing Issues Your New City's Facing, Newbie

*By the Mercury News Team
September 16, 2015*

HEY, NEW PORTLANDER. There's controversy over you right now, but the fact you're reading these words is an extremely good sign.

If you really want to live in this city—or any city—one of the best things you can do is to figure out what its problems are, and who wields power (especially who wields it poorly), and what it aspires to be. Because then maybe you can stake out some of those issues as your own, or help the best candidate win office, or steer your adopted home toward an even better place.

It's not a quick process. It shouldn't be. But we'd argue reading our news coverage—both in the Mercury and atportlandmercury.com—is a really good place to start.

And we've even got a cheat sheet! These are just a few of the things you should be up on as a resident of the Rose City. They're not exhaustive treatises—more like helpful starting points to help you frame the issues. Two other pressing debates in Portland—over housing and transportation—are addressed elsewhere in this section.

Welcome. We're excited to see what you've got.

HOMELESSNESS

We assume you've noticed people sleeping in doorways, camping in parks or near trails, and asking for change on off-ramps. Yes, homelessness exists here—as it does in every other major West Coast city.

The latest official count found as many people sleeping outside in Multnomah County in 2015 as there were two years ago (about 1,900), but there's a consensus that the problem's as visible as it's ever been.

Your first question might be why the city's letting this happen. Why don't the cops push people out of the parks and side streets?

In fact, they do. Police launched a weeks-long crackdown on "entrenched" camps just this year. They've been known to arrest people for putting up tents ["Can't Sleep Here," News, July 30, 2014], and the city's repeatedly fended off challenges to its camping ban ["We Must Do Better Than That," News, Feb 11].

But the larger answer is this: Enforcement can verge on useless and cruel when the city doesn't have the shelter beds or housing available to help these people. There's simply nowhere for many of them to go. The mayor's office has proposed stopgaps, including setting up stations where people can store their stuff during the day, but meaningful solutions have so far eluded everyone.

EASY BEING GREEN?

Portland's reputation as an eco-friendly city is much ballyhooed by our leaders—who just agreed on an update to the city's Climate Action Plan—while environmental activists question whether those in power really even care.

In 1993, your new hometown became the first major US city to enact a plan to reduce carbon emissions and improve environmental quality. While local officials have made strides, critics say they haven't done enough to stop fossil-fuel exports from leaving the Port of Portland, and haven't fought hard enough to fend off mega corporations like Royal Dutch Shell and Pembina Pipeline Corporation. Shell, in case you didn't hear, docked a ship in Portland for repairs a couple of months back, causing a huge protest upon its departure for an exploratory oil-drilling mission in the Arctic. Pembina very nearly built a huge propane storage and export facility on the banks of the Columbia River, and is still rumored to be plotting.

While leaders brag about our green status, our very vocal activist community calls on them to do more, and faster. Expect environmental watchdog groups like the Audubon Society of Portland and Portland Rising Tide to keep making waves, and making the news, as they fight to fend off climate change.

LEARNING TO SHARE

You're also going to hear plenty about the "sharing economy" and its effects on Portland, new friends.

While cities across the country rolled out the red carpet for ride-sharing services like Uber and Lyft, Portland has developed love-hate relationships with the companies.

See, the for-hire transportation industry has historically been tightly regulated in Portland. Suddenly all that's been upended.

When Uber came on the scene late last year, city council briefly sued, then put the brakes on the service until it could come up with a plan to create standards that leveled the playing field between services like Uber and traditional cab companies. It's been a bumpy road, with cabbies complaining transportation network companies (TNCs) are allowed to cut corners, and TNCs claiming they shouldn't have to drive by the same rules.

Final regulations that everyone must abide by will emerge soon. Expect outrage.

Meanwhile, the city's had less success wrangling Airbnb, which many say is openly disregarding safety regulations and eating into Portland's already insufficient housing stock. Even bike share—adopted with fanfare around the country—has been giving the city fits, though there's apparently a program coming to town next summer.

The future's here, and Portland's finding it hard, right now, to adapt.

RACE TO THE TOP

Those three issues and many, many more will play into a crucial decision Portland's going to make next year: who we'd like to steer the ship.

You can expect a cadre of characters to run for mayor, but right now there are two credible candidates: Mayor Charlie Hales and State Treasurer Ted Wheeler.

Hales is a former city commissioner who left office early in 2002 to take a job in the private sector, then landed back on the scene in 2011, preaching the gospel of strengthening Portland's basic services.

Wheeler's the state treasurer, who used to run Multnomah County. He really wanted to be governor, but found his path likely blocked. Now he's aiming for Hales' job.

Your new city loves a sitting politician. It's notoriously hard for a challenger to bounce an incumbent from city council. Wheeler's got the money to do so—he's independently wealthy, and has shown he can raise funds.

But more important will be the case he makes. Has Hales truly done as poor a job as Wheeler suggests? And is he going to be able to conjure the civic rainbows he's been promising? You've got until May to figure it out.

You've arrived at an exciting time, Portlander.

Hall Monitor

The Forgotten Option

By Dirk VanderHart

September 16, 2015

WITH TED WHEELER'S candidacy for mayor all but announced, City Commissioner Steve Novick asked the state treasurer for a meeting several weeks back.

His motive was simple: Novick wanted a feel for the platform position Wheeler was planning around transportation. "I said, 'Please don't say anything that makes it harder to raise a gas tax,'" Novick says. "I wanted to make that pitch, if possible."

Novick, the city's transportation commissioner, didn't have to worry. Yes, transportation funding has been a centerpiece of Wheeler's new campaign—particularly what he says is Novick and Mayor Charlie Hales's sloppy grasping for more of it. But he's apparently all for a gas tax.

That makes Novick's job all the easier. With the City Club of Portland, Portland Business Alliance, and a newly announced mayoral challenger all voicing support, the commissioner's very seriously considering asking his colleagues to put a local gas tax on next May's ballot.

"It seems more feasible than it did two months ago," Novick says.

He's not just talking about campaign rhetoric or civic boosters, either. Polling reviewed by the Mercury suggests Portlanders support a gas tax more than the vast majority of the options Hales and Novick floated last year, before dropping the effort in January.

In July, local pollsters at DHM Research quizzed Oregonians on a number of issues, as they do about once a month. Among their questions: Whether voters would support a four-year, 10-cent increase to pay for "street repair and maintenance."

Statewide, support was tepid—about 49 percent. In Portland, it was far stronger. Around 58 percent of polled Portlanders said they'd support the gas tax, while 35 percent opposed it.

Those aren't numbers you necessarily want to build a campaign on. They're bound to shrink in the face of opposition, and they come from a low enough sample size that they're more a finger in the wind than anything else.

"I usually look for 60 percent support or higher," says John Horvick, DHM's vice president and political director. But he notes: "It's a number that, if you wanted to run with and invest in it, you might be able to hold support."

Still, that 58 percent, if it's real, represents some of the strongest support of any option Portland voters have seen recently. A flat fee that Novick and Hales first proposed last year had about 52 percent support, and they rolled with it anyway. The most popular option—an income tax on people earning \$125,000 or more—was never actually proposed, though 60 percent of voters liked it.

And yet, this is the first time we're seriously talking about a gas tax. Novick says he assumed it would be unpopular last year, drawing a fight.

If anything's clear by now, though, it's that a fight is unavoidable if the city's going to get out of its road funding quagmire. Operatives like oil-industry lobbyist Paul Romain—who's made a specialty out of killing road-funding proposals in recent years—have shown they're ready.

The 10-cent option Novick's looking into would only get Portland about halfway there. But it can probably find the city council support to make the ballot, and it may be compelling enough to Portlanders that we see some progress on this issue, after more than a decade stuck in the mud.

Portland Business Journal

Portland demolitions: City looks to spur more material reuse from knock-downs

*By Andy Giegerich
September 17, 2015*

With Portlanders buzzing about how demolitions are affecting their neighborhoods, officials want to ensure at least part of the process fits Portland's environmental credo.

The city is making grants available that promote material reuse through deconstruction, as opposed to a mechanical demolition. The Deconstruction Grant Program aims to "build capacity within the industry and encourage efficiencies and innovation."

The awards would give \$2,500 to those fully removing houses or duplexes within Portland. The money would only back those projects that employ deconstruction and reuse.

Portland Mayor Charlie Hales, who is also set to propose a \$25,000-plus residential demolition fee next month, revealed the grant availability this week.

"Taking apart buildings in a way that allows for salvaging valuable materials for reuse benefits our community, economy, and environment," he said in a release. "Our building stock is rich in quality materials that should find their way back into new building projects whenever possible."

Deconstruction helps harvest these materials, and the Deconstruction Grant Program will serve as a tool to advance the practice, helping our city grow sustainably."

The first round of program funding ends Dec. 31, 2015.

GoLocalPDX

Hales, Wheeler Split on Novick's Gas Tax Proposal

By Brendan Murray

September 15, 2015

In light of the crumbling state of Portland's roads and streets, City Commissioner Steve Novick is considering proposing a gas tax to pay for road repair as a ballot measure in an upcoming election. The idea has received mixed reactions from the two candidates vying to be Mayor of Portland.

Novick told GoLocal that the gas tax has significant advantages over other funding sources that have been suggested, such as an income tax.

"First of all, the gas tax already exists, so this has no administrative costs, there would be no need to pay to establish a new revenue stream," he said. "In the big picture, this discourages people from driving and using fossil fuels, which is something we're trying to accomplish."

Ted Wheeler, Oregon State Treasurer and a Democratic Candidate for Mayor, told GoLocal in a statement that he was in favor of the gas tax and believes it can help fund the street fees.

"Reversing the years of neglected maintenance to our streets will depend on the public's confidence that we are spending their money wisely," he said. "I am glad that Commissioner Novick is looking to take a proposal to the voters, something the Mayor should have advocated for from the beginning. A gas tax should be on high on the list for consideration."

Dana Haynes, Mayor Charlie Hales' Communications Director, told GoLocal that while the Mayor is glad to see a strong debate surrounding the issue, Hales is "not prepared to support a gas tax."

Haynes said that the Mayor's office did not support the tax in large part because it is regressive. He also said that the Mayor's office did not believe that such a measure was viable.

"If the tax is low enough to be popular, it doesn't raise enough money," Haynes said. "If it raises enough money to have an impact, it typically is very unpopular."

How it Would Work? [sic]

Novick said that he is currently considering a 10 cent per gallon tax, similar to the one passed in Bend City earlier this year. He said that over five years the tax as described above would result in an extra \$58 million for the city.

He also said that despite the increase in gas prices that would come with the tax, he did not anticipate Portlanders fleeing the city's gas stations for cheaper pastures.

“There would be some people that would do that, but for only 10 cents, I don't think we would see too many people driving away from the city to get gas,” he said. “We already see price variance like this in different gas stations around the city.”

Novick acknowledged that the gas tax alone would “only cover a fraction” of all the street repairs needed in the city.

“The City of Portland has known for 30 years that it has a problem with this,” Novick said, “but they haven't done anything to raise revenues. Even if this only solves a fraction of the problem, something is certainly better than nothing.”

Early Support

Novick has already received support for his potential gas tax from the Portland Business Alliance and the City Club of Portland, both of which gave at least partial endorsements of taxing gasoline purchases.

In a letter to Novick, PBA President and CEO Sandra McDonough said that there is a “need for additional revenues to address the maintenance backlog on the city's road network,” and that the PBA would support a gas tax as part of a multi-faceted plan that includes prioritizing maintenance and the additional use of existing resources to repair the city's ailing streets.

The City Club of Portland also backed a gas tax. The group published a report last week entitled “Portland's Streets” which outlines the scope of the street repair problem and the best strategies in which to deal with it.

Like the PBA, the City Club suggested reallocating already existing funds to help fund street repairs immediately. The Club's report also advocated for a new funding source.

“The city should immediately pursue a fee for use,” the report's “recommendations” section reads. “At the moment, the most technically feasible fee is a city gas tax. A gas tax would generate revenue from most users – including those transporting goods across Portland streets and those who don't reside in Portland, and would discourage congestion and pollution.”

Would it Pass?

Novick said that he believes there is a good chance a gas tax would pass via a ballot measure. He said that there have already been volunteers, including some from the City Club, who would be willing to run a campaign supporting the gas tax.

“We still need to do some outreach to see how this would do,” he said. “Early polling has suggested, however, that this is a viable option to voters.”