

The Oregonian

Portland's Washington Park reservoir project could cost \$170 million

By Andrew Theen

September 22, 2015

Portland's plan to build a new underground drinking water reservoir and reflecting pool at Washington Park will cost at least \$100 million more and take two years longer than initially estimated.

The City Council on Tuesday heard an update on the project, which water officials say is necessary to comply with federal rules requiring the city to cover its open-air reservoirs or treat the water.

The new \$170 million estimate is a result of unstable soil conditions in the park and concerns associated with a potential earthquake.

"The amount of work that has to be done to stabilize this is staggering," Commissioner Nick Fish said, describing the subterranean structure to keep the reservoir from shifting in an earthquake as a "fortress." Fish oversees both the water and sewer bureaus.

Officials acknowledged that the work will be the city's most expensive capital project after the \$1.4 billion Big Pipe project, completed in 2011.

Portland water customers will see incremental rate increases of roughly 0.9 percent a year for the next five years to pay for the Washington Park project. By 2023, utility bills could be as much as \$2 more a month.

The revised cost estimate is the latest development in the Portland Water Bureau's construction boom connected to the federal mandate. Portland has already built a second 50 million-gallon reservoir at Powell Butte and replaced Kelly Butte's reservoir with a new 25 million-gallon reservoir. The bureau plans to disconnect Mount Tabor's reservoirs from service starting this fall.

Water engineers issued the new estimate after more analysis of Washington Park's geology. The city estimated in 2009 that the project would cost \$62.3 million. The estimate rose to \$76.3 million in 2013 after more study.

Water Bureau Administrator Michael Stuhr also cautioned that the estimate could still increase.

Portland is replacing one reservoir with an underground, seismically sound structure. A second reservoir will be converted to a bioswale and overflow area.

The new estimate accounts for the unstable soil conditions, an "ancient landslide" in the West Hills and possible shaking from the nearby Portland Hills Fault and the more famous Cascadia Subduction Zone.

Because of soil conditions, the project timeline now includes a two-year pause starting in 2020 to allow soils to settle.

Despite the sticker shock, Portland officials said the cost increase puts the Water Bureau only about \$20 million above its overall 2009 estimate of \$403 million to comply with the federal rules. The city saved money on other projects through good management, low interest rates and other factors, Fish said.

"We think we can manage this with a very modest rate impact," he added, "weighed against the fact that it's absolutely crucial to the survivability of our system and to a ton of people that rely on that water."

The reservoir serves 360,000 people and provides the only storage west of the Willamette River.

"It's critical that post-earthquake we be able to provide that water," Stuhr said.

Water officials said there is no viable or cheaper alternative. They would have to find another 15-acre site at the right elevation for Portland's gravity-powered system, then move a network of pipes.

And eliminating water storage on the west side is not an option, Stuhr said.

"The only things that you could do are all worse," he said.

The bureau is worried about more than the Cascadia Subduction Zone, Stuhr said. The Portland Hills Fault could produce a magnitude-6.0 earthquake, he said.

Eric Nagle of the Arlington Heights Neighborhood Association said most neighbors are happy with the project and how it will look in 2023.

"It's everything in between – the noise, traffic, road closures," he said, that will disrupt the neighborhood.

Separately, the Water Bureau plans to move forward this fall with a long-budgeted plan to build a new pipeline under the Willamette River to deliver water to the west side.

The city has seven water lines crossing the river, on bridges or on the bottom of the river.

"Making a bet on which one of those will survive [an earthquake] is probably not a great thing," Stuhr said.

The Willamette River Crossing Project, estimated at \$57 million, includes placing a 42-inch pipe 80 feet below the river in solid rock.

Fish said he plans to bring construction contracts for both projects to the City Council this fall.

Portland to declare housing emergency to help homeless women

*By Brad Schmidt
September 23, 2015*

Portland Mayor Charlie Hales on Wednesday said he wants to declare a housing emergency next month with the hope of providing shelter for all homeless women by year's end.

Hales' announcement, which comes on the heels of similar efforts in Los Angeles and a mayoral challenge from State Treasurer Ted Wheeler, would allow the city to bypass its zoning code when siting shelters for the homeless.

"That will produce authority for the city to do things better and faster than we're doing right now," Hales said.

Officials estimate there are about 566 homeless women lacking shelter. The move isn't intended to bypass siting restrictions for Right 2 Dream Too, the high-profile homeless camp that Portland officials have been trying to relocate for two years.

It's not immediately clear if the emergency would have any impact on rising rental prices and affordable housing.

Hales said he plans to bring forward a proposal for City Council consideration Oct. 7.

In addition, Hales wants the Multnomah County Board of Commissioners to seek the same designation from Gov. Kate Brown. That would allow officials to waive portions of the state building code, said Josh Alpert, Hales' chief of staff.

Alpert said the city's self-imposed zoning code has created obstacles for officials. He said the only place officials could locate a shelter is in Gateway, miles from the city center.

"The only real area to site a shelter is in Gateway," Alpert said. "If we were to continue down that path, what would end up happening is, Old Town would move to Gateway, and we would replicate what's happened in Old Town over time into a different neighborhood. And that's just because of the way that zoning code has been built over time."

Alpert said he couldn't provide a specific example of a proposed shelter, other than Right 2 Dream Too, that ran into zoning obstacles since Hales became mayor in 2013.

But Alpert cited several general examples. He said some people regularly ask why the never-used Wapato Jail can't be used for shelter purposes. Additionally, officials have considered using city-owned parking garages as shelter.

"The zoning code gets in the way of that every time," he said. "Those are specific examples but we haven't actually gone for it, saying, we're going to fight right here, right now."

City officials are looking at specific sites that could be aided by a declared emergency, Alpert said, but he declined to identify them.

Aside from homelessness, renter protections "very well could be" part of the effort, Alpert said. The mayor could declare rent control, for instance, during a state of emergency.

But asked whether Hales is a proponent of rent control or would propose it, Alpert deferred to Hales, who was presiding over the City Council meeting: "The mayor will talk on that."

Hales' challenger in the 2016 mayor's race, Wheeler, has made housing and homelessness an early part of his campaign platform.

Los Angeles declared a public emergency on Tuesday and pledged \$100 million toward housing and services.

"It was great that LA got there. We've been working on it for a little while as well," Alpert said. Asked how long, he said: "Five or six days."

Hales made his announcement Wednesday in unusual fashion, announcing his intentions from the City Council dais just after the session began.

Some members of the City Council had only received a heads up moments before.

This story will be updated later.

Portland City Council should support 'pop up' track proposal: Editorial Agenda 2015

By The Oregonian Editorial Board

September 23, 2015

Portland City Council gets some things wrong – proposing and clinging to the arts tax, anyone? – and when it does commissioners hear about it. But the Council gets a lot right, too, including its willingness to embrace the IAAF World Indoor Track and Field Championships, which Portland will host in March. The Council has expressed its support with money, budgeting almost \$2 million for the event, and also with flexibility. In August, commissioners OK'd a land use-code waiver allowing for the assembly of the track in an empty warehouse in a heavy industrial zone. Gotta make sure all the pieces are there, you know.

The reasons for the Council's posture are obvious enough. It's not often that Portland has a chance to host a global sports event, and this one happens to dovetail with one of the region's most important economic sectors: the sportswear industry. The thousands of people who'll come here to spectate and participate, meanwhile, are going to spend money on hotels, restaurants and so forth. With any luck they'll return home and tell their friends what a great place Portland is.

The championships' local benefits could be even greater, however, with just a small amount of additional flexibility on the city's part. The benefits will be impossible to quantify in terms of dollars and cents because they'll consist almost entirely of fun, which is the thing that gets kids interested in running, jumping and throwing in the first place. What event organizers are proposing is also uniquely Portland: a pop-up track.

Beginning next month, the track ordered for the world championships will be assembled in an empty, city-owned warehouse on Northwest Front Avenue. It will sit there for several months before being taken apart and reassembled at the Oregon Convention Center, which in March will host both the U.S. track and field championships and world championships. The track could spend those months unused in the currently vacant warehouse. Or it could be used by the community, hosting, for instance, track meets at which local high school and club runners could compete between cross country and outdoor track seasons.

Especially for a community as averse to waste as Portland, squandering such an opportunity would be a mistake. Though indoor tracks are common on the East Coast, where winters are long and harsh, they're comparatively rare in the West. Racing on a 200-meter track (half the length of a standard outdoor track) with banked turns would have real novelty appeal for young, local athletes. Giving them a chance to race on the track ordered for the world championships, meanwhile, would be like opening up the Indianapolis Motor Speedway to anyone with a car. What gear head wouldn't want to drive on that?

But where, you ask, does the flexibility come in? Primarily in the form of free use of the warehouse. If the city charges for the use of the building, meet organizers will not spend the additional money needed to install lighting and make other improvements that would allow for community use, says TrackTown USA President Vin Lananna, who's largely responsible for bringing the world championships to Portland. If organizers don't have to pay rent, they'll put up lights and open the facility to the community.

Waiving rent in this fashion would amount to a subsidy of sorts, but the city would get public use of the track in return. Meanwhile, the warehouse site, bought by the city years ago as part of its Big Pipe project, is empty. Owned by the Bureau of Environmental Services, it is for sale under a program developed by Commissioner Nick Fish to convert surplus property into cash. The track would occupy the building for a brief period during the waning months of public ownership.

The organizers and the city have been ironing out the details, and the only sensitivity derives from the property's status as a public-utility asset. The city in the not-too-distant past has endured justified criticism for using ratepayer funds for projects that have little, if anything, to do with core utility services. And it's safe to say, if you want to get technical about it, that waiving consideration for the use of an empty warehouse as Lananna proposes has nothing to do with core utility services.

There is, however, a big difference between allowing free, beneficial use of a nonproducing asset and, say, spending \$1.5 million in water bureau funds to spruce up the headquarters of the Rose Festival Foundation. Portland ratepayers may recognize that both uses are off-mission, but they're sensible enough to see the difference. Bring on the pop-up track.

The Portland Tribune

Hales seeks state of emergency to address homelessness

By Steve Law

September 23, 2015

Mayor Charlie Hales announced plans Wednesday morning to ask the City Council to declare a state of emergency to address homelessness in Portland.

The move would permit Portland, Multnomah County and the state to move more quickly to address the lack of housing and create emergency shelters. In a news release announcing the initiative, Hales said the goal is to assure that all homeless women are indoors by the end of the year, similar to an initiative to provide shelter for all homeless veterans.

“We have created a powerful new partnership in A Home for Everyone, wherein the County, the City, our Housing Authority – Home Forward – and other partners are working in concert,” Hales stated in the news release. “This approach has already shown its merit as we have housed more than two thirds of our community's homeless veterans in a few months.”

The emergency declaration would allow the city to waive zoning codes and convert city-owned buildings into shelters via an expedited process.

Multnomah County would request that Gov. Kate Brown also declare a state of emergency in Portland as well, which would waive portions of state building codes to allow the conversion of other buildings to shelters.

The emergency measures could allow Commissioner Dan Saltzman, in charge of the Portland Housing Bureau, to waive land-use restrictions and other code requirements that can make it more expensive and time-consuming to create new shelter spaces or affordable housing.

Hales noted that the single-night homeless count in Portland has not budged much in two years, despite spending “millions of dollars and countless staff time.”

“We’ve tried slow-and-steady. We’ve tried by-the-book. It’s time to add the tools we currently lack.”

Los Angeles and Seattle are seeking similar emergency declarations, Hales said, and he promised to host a meeting of West Coast mayors this fall to address the issue.

Willamette Week

When in Rome

A trip to the Vatican raises questions about Nancy and Charlie Hales’ shared ties to developers.

By Beth Slovic
September 22, 2015

This week, Pope Francis lands in the United States, a visit with deep significance for many Catholics.

Two months ago, Portland Mayor Charlie Hales took his own meaningful trip to meet the pope. Now that trip may become an issue in the mayor’s re-election bid.

In July, Hales traveled with his wife, Nancy, to Italy for 12 days for a meeting at the Vatican on climate change. Hales later described the meeting as inspirational.

The city of Portland paid the mayor’s expenses, but not for his wife’s airfare.

Who actually footed Nancy Hales’ bill is a small mystery.

Nancy Hales, who previously ran a community foundation in Vancouver, Wash., runs an unusual program at Portland State University called First Stop Portland. She has done so since 2009, three years before her husband was elected mayor.

The program, administered by PSU’s office of Research and Strategic Partnerships, brings delegations of visitors from the U.S. and abroad to study Portland’s sustainable infrastructure—think bike lanes, bioswales and the Portland Streetcar.

The vision for First Stop Portland came from Dike Dame, a developer who has done business with the city for decades yet is less well-known than his business partner, Homer Williams, who’s known for having shaped the Pearl District.

First Stop Portland's advisory council includes several significant members of Portland's real-estate development world, including some who gave generously to Mayor Hales' 2012 campaign.

When Nancy Hales flew to the Vatican with the mayor in July, she spent \$2,125 on airfare, tapping First Stop Portland's approximately \$200,000 annual budget. The funding comes from private donors, government agencies, and fees paid by visiting delegations. The money for her trip came specifically from donors, says Scott Gallagher, a spokesman for PSU.

"Those funds," Gallagher wrote in a July 28 email to WW, "come in the form of gifts from individuals or companies."

But the identities of those donors are not a matter of public record, because the donations are run through the PSU Foundation, which is a private nonprofit, not a government agency.

PSU officials say it was an easy call to send Nancy Hales to the Vatican.

"As director of First Stop Portland, PSU's international city-to-city knowledge exchange program, Ms. Hales is an expert in how cities solve urban sustainability questions, which was a core focus of this symposium at the Vatican," Gallagher wrote in his July 28 email to WW. "The trip also provided a unique opportunity to make contacts with mayors of cities from around the world who are also interested in urban sustainability and encourage them to visit Portland as part of the First Stop Portland program."

First Stop Portland is an active and well-regarded part of the university. Since 2014, it has hosted close to 1,000 government officials and students from dozens of cities and countries, introducing them to concepts such as regional planning, public-private partnerships and transit-oriented development.

At the same time, it's a small program whose fundraising is modest—First Stop Portland has raised \$176,000 total in the past four years from donors to PSU's foundation who give specifically to Nancy Hales' program.

It's not clear how First Stop Portland spends its money beyond paying Nancy Hales' annual salary, which was set at about \$65,000 in 2014.

But the lack of disclosure may raise questions about whether undisclosed gifts are used to curry favor with the mayor. Members of First Stop Portland's advisory council are not required to donate to the program, according to PSU. But some do.

Of all the special interests in a city that a mayor can help or hurt, few are as significant as the real-estate development business. A mayor's power (even in Portland's weak-mayor form of government) to influence decisions on financing, zoning and other policies can drive property values.

It's why relationships with developers need to be transparent—a point that Hales challenger Ted Wheeler, Oregon's state treasurer, wasted no time in hammering when he announced his candidacy Sept. 9.

"There's a clear lack of openness and transparency with regard to real-estate development as it's currently taking place in this city," Wheeler told WW the day before launching his campaign. "People don't sense they're being brought along with the decisions. They feel the decisions are being made on their behalf behind closed doors."

Todd Donovan, a political science professor at Western Washington University, says donors giving to Nancy Hales' group could raise eyebrows. Campaign contributors in Oregon don't face any caps, but they do have to disclose their gifts. Not so with First Stop Portland.

"Is that a way that donors can get some sort of extra influence?" Donovan asks. "It's obviously possible."

Nancy Hales declined to be interviewed for this story.

Mayor Hales initially agreed to an interview with WW, then declined, deciding instead to respond to written questions by email. Asked how voters should view the overlap between donors to his campaign and First Stop Portland supporters, he wrote: "I have no guidance about what voters should think about community leaders volunteering with a PSU program that deals with smart growth."

First Stop Portland used to receive funding from the city of Portland. Under previous Mayor Sam Adams, the city contributed a total of \$64,000 over four years. Those contributions stopped under Hales, who told the Portland Tribune after his election in 2012 that he was mindful of the potential for conflicts of interest.

John Mangan, a spokesman for Dame, says Dame has given consistently to First Stop Portland since before Hales was elected, but declined to say how much.

Of the Hales donors on the First Stop Portland board, only developer John Russell agreed to an interview.

Russell could not recall how much money he'd donated to the program over the years.

He says there is no connection between his support for the mayor and his giving to First Stop Portland.

"Absolutely not," he says, adding he's a big fan of Nancy Hales' program. "First Stop filled a void. A lot of people want to come to Portland to learn what we've done."

Donors to Charlie Hales who also serve on the 21-member advisory board of Nancy Hales' First Stop Portland include:

Phillip Beyl, principal at GBD Architects, who gave the mayor \$1,600 in the 2012 election cycle and has given \$500 so far for the 2016 election.

Dike Dame, president of Williams & Dame, which gave \$15,000 to Hales for his 2012 campaign. Dame Consulting also gave Hales \$5,000 in June for 2016. (Dame pleaded guilty to bank fraud in 1988.)

John Russell of Russell Development Company, who has given \$2,500 so far in 2015 and gave \$7,450 in the 2012 cycle.

John Carroll, president and CEO of development firm Carroll Investments, who has given Hales \$5,000 so far this year and gave him for the 2012 election.

Carter MacNichol, an associate with Shiels Oblatz Johnsen and project director for the Portland Streetcar, who gave the mayor \$7,100 for his 2012 campaign.

First Stop Portland doesn't require donations from members of its advisory council. The council includes two city employees who report to the mayor: Patrick Quinton, Portland Development

Commission executive director, and Susan Anderson, Bureau of Planning and Sustainability director.

Mayor Charlie Hales Declares Portland Housing Emergency

*By Aaron Mesh
September 23, 2015*

Portland Mayor Charlie Hales is asking City Council to declare a housing emergency in Portland, giving the city authority to waive zoning code and convert its buildings into homeless shelters. Hales' sudden announcement today comes in the wake of a citywide rent spike and highly publicized homeless camps—and as the mayor is being hammered on those issues by his opponent, Oregon Treasurer Ted Wheeler.

Seattle has already declared a housing emergency, and Los Angeles declared a homeless emergency Tuesday, dedicating \$100 million.

Hales said he'll convene a meeting with those mayors in November.

"I believe that the west-coast cities dealing with rising rents and intractable homelessness must work together," Hales told the council this morning.

Portland rents have rapidly increased over the past year—by some estimates, the steepest climb in the U.S. It's unclear how Hales' proposal would affect those rent costs, however.

Instead, the mayor's proposal would chiefly address homelessness, an issue where Wheeler has strongly criticized him but where numbers show little change.

"When I came into office, the single-night count of homeless told us we had 1,800 Portlanders sleeping unsheltered," Hales said this morning in his statement. "That same count, two years later, barely budged."

The Portland Mercury

Mayor Charlie Hales Wants to Declare A Housing State of Emergency

*By Dirk VanderHart
September 23, 2015*

Portland Mayor Charlie Hales just announced intentions to declare a housing emergency in Portland. He'll ask city council to approve.

The move would allow the city to waive zoning codes and convert city-owned buildings into shelters more nimbly, Hales office says. The city also plans to work with Multnomah County to petition Gov. Kate Brown to declare a state of emergency for Portland. That would mean Portland can waive portions of state building codes to allow for expedited conversion of buildings to shelters. It could also speed the construction of a new permanent housing site for

people who've been served by the Unity Center, the psychiatric emergency center planned in Portland.

The move is abrupt and unexpected. Hales and his chief of staff, Josh Alpert, were hurriedly visiting city commissioners' offices directly before this morning's City Council meeting, apparently apprising Portland's other electeds of the plans.

"When I came into office, the single-night count of homeless told us we had 1,800 Portlanders sleeping unsheltered. That same count, two years later, barely budged. And yet we had spent millions of dollars and countless staff time," Hales said in a news release. "We've tried slow-and-steady. We've tried by-the-book. It's time to add the tools we currently lack."

Though the immediate goals of the declaration Hales is proposing revolve around moving all homeless vets and women off the streets by year's end, it's still unclear where the tendrils go. Alpert told reporters after the mayor's announcement that the state of emergency may extend to affordable housing and renter protections. And he said the mayor's office agrees with the contention of the Community Alliance of Tenants that the city's experiencing a "man-made" emergency—a designation which could allow Hales and the council to enact rent control measures otherwise prohibited under state law.

That's "based on housing vacancy rates that have produced a system of human suffering," Alpert says.

The mayor's office is offering few details right now on a policy it acknowledges has only been in the work for "five or six days." The city isn't releasing a list of public properties that might be used as shelters, though Alpert listed temporary shelters in city SmartPark garages or housing in the empty Wapato jail as possibilities that have been raised in the past, but deemed unworkable.

"I think we can do better than Smart Parks," Alpert said. "We're not gonna talk about specifics today."

Alpert also couldn't point out a time under Hales' tenure that the city's been stymied in efforts to site a permanent homeless shelter because of zoning codes. But he said Portland's zoning code has evolved to the point that East Portland's Gateway neighborhood is becoming one of the only places to create shelters.

"Old Town would move to Gateway and we would just replicate what happened in Old Town over time," Alpert said. "That's just because of the way the zoning code has been built up over time."

The announcement comes at a time furor over rising homelessness, rising rents, and displacement seems to have reached a point of historic furor in Portland. City officials are facing an increasing drum beat for policies that can stem the tide of those worsening issues, and Hales is facing an election challenger, State Treasurer Ted Wheeler, who's made homelessness and development key attack points.

It also comes as Hales office is pushing to move respected homeless encampment Right 2 Dream Too from its Old Town home to a spot near the east end of the Tilikum Crossing bridge. Interestingly, foes of that effort have said Hales is ignoring city zoning laws in pushing that move. Now Hales wants to formally ignore those zoning codes. Alpert says the mayor's announcement today has nothing to do with R2DToo.

Hales plans to convene a meeting of all mayors from other West Coast cities this fall to address issues of affordable housing and homelessness, according to the news release.

It's been an exciting week for cities up and down the West Coast, all of which are experiencing homelessness and displacement at alarming rates.

On Monday, Seattle City Council passed a resolution calling for the state legislature to lift its ban on rent control and passed two bills increasing tenant protections.

Tuesday, the San Francisco Board of Supervisors beefed up tenant rights by prohibiting evictions for minor offenses, allowing tenants to get a roomie, and extending rent control on certain vacated units.

And Los Angeles Mayor Eric Garcetti yesterday announced the city is prepared to spend at least \$100 million in the next year to fight rampant homelessness.