

The Oregonian

Uber fined \$2,000 for violating Portland lobbying rules

By Brad Schmidt

January 5, 2016

The city of Portland on Tuesday fined ride-hailing app Uber \$2,000 for not reporting lobbying efforts by political consultant Mark Wiener.

The fine is the first issued under lobbying rules adopted in 2005 to improve government transparency, and \$2,000 is the maximum sanction that Auditor Mary Hull Caballero can impose.

Hull Caballero determined that Uber did not disclose Wiener's lobbying efforts in late 2014, including a key meeting at his Eastmoreland home as city and company leaders were at a stand off over operating in Portland.

That Dec. 13 gathering included Uber representatives and Mayor Charlie Hales and Commissioner Steve Novick, who each hired Wiener as a political consultant during their 2012 campaigns.

Uber failed to register Wiener as a lobbyist for the fourth quarter of 2014 and the first quarter of 2015, and the company failed report or fully report his lobbying activities, Hull Caballero determined.

She issued the maximum fine because Uber showed a pattern of non-compliance, non-cooperation and incomplete disclosures.

"By circumventing the lobbying program's transparency rules, Uber helped undermine the City's decision-making process and contributed to the erosion of the public's confidence in the legislative result," wrote Hull Caballero, who is elected and does not report to the City Council.

The City Council in April allowed Uber to legally operate in Portland on a temporary basis and solidified the company's standing with new rules approved in December. Both times, Wiener's past clients – Hales, Novick and Commissioner Dan Saltzman – voted in favor while Commissioners Nick Fish and Amanda Fritz voted in opposition.

Uber has until Feb. 4 to pay its fine.

Federal judge finds Portland mayor, city violated local activist's First Amendment rights

By Maxine Bernstein

December 31, 2015

A federal judge Thursday ruled that Portland Mayor Charlie Hales violated a local activist's First Amendment rights by barring him from City Council meetings for months at a time and ordered the city to halt all prospective exclusions.

"Like judges in their courtrooms, Mayor Hales has the continuing ability to maintain decorum in council meetings by ordering (a) disruptive individual immediately to leave the City Council Chambers," U.S. District Court Judge Michael H. Simon wrote in a 28-page ruling. "Maintaining decorum does not, however, require prolonged and prospective exclusions from a forum intended for public discourse and debate."

Joe Walsh has had three lengthy exclusions from council meetings since September 2014 – two that lasted 30 days and the most recent for 60 days – for yelling and interrupting the proceedings. He filed the claim himself against the city of Portland and the mayor. He argued his case before Judge Simon in federal court on Dec. 21, going up against two deputy city attorneys.

Walsh, 73, said he had no problem with being excluded from a meeting if the mayor found him disruptive. What he can't accept is the mayor or any city official ordering him to stay out of the building or not attend future council sessions, based on his past behavior. He estimated that he had been forced to miss about 17 council meetings. He cited his First Amendment rights to free speech, assemble or petition the government to seek a redress of grievances.

Judge Simon agreed with Walsh. He noted that no federal appellate court opinion ever held that the First Amendment permitted such exclusions for City Council sessions.

Simon said Portland could not "direct or enforce any prospective exclusions" that are based solely on past incidents of disruption during council meetings. He found that the city code, which allows for a complete and indefinite ban of an individual from council meetings or City Hall, was unconstitutional.

"A permanent injunction will protect the First Amendment rights of Walsh and other similarly-situated individuals without unduly burdening defendants," Simon wrote.

"A contrary holding might lead to officials shutting the government's doors to those whose viewpoints the government finds annoying, distasteful, or unpopular. Permanent or even lengthy exclusions for past disruptive conduct could become a convenient guise for censoring criticisms directed toward the powerful," the ruling read.

On Thursday morning, Walsh demonstrated outside City Hall, protesting a state appellate court decision this week that ordered the city to reinstate a fired police officer who had shot an unarmed African-American man in the back and killed him in 2010.

When Walsh returned home, he said his wife had two glasses of wine set on a table, and informed him that he had won his case.

"Is this a good way to start the New Year or what?" Walsh said Thursday afternoon. "I'm delighted."

He said he thought he might prevail, but seeing it in writing is remarkably satisfying. "I think people need to fight against those who are violating their rights," Walsh added.

Sara Hottman, the mayor's spokeswoman, declined to comment Thursday evening because the mayor hadn't read the ruling yet.

City attorneys had argued that Walsh's claim should be thrown out, because his most recent 60-day exclusion had expired Sept. 15. But Simon dismissed that argument, saying such 30- to

60-day exclusions, by their very nature, would likely expire before the conclusion of any litigation.

The city further argued that the month-long or lengthier exclusions were "reasonable restrictions" due to public safety concerns and to avoid disruptive behavior that impeded the ability of the council to conduct its business. In one meeting, city attorneys said, Walsh banged his fist on a table in front of council members. In another, he tossed a pocket-sized copy of the U.S. Constitution toward the mayor.

The city also cited an incident where a woman had sought an escort from the meeting because she felt fearful after a verbal dispute with Walsh.

The city said Walsh could watch the meetings online and still present written comments ahead of time to commissioners.

The judge, however, found the city's argument lacking. There was no evidence that Walsh had threatened anyone with violence, encouraged others to engage in violence or refused to leave a meeting after the mayor had ordered him to do so, the judge found.

"In this case, mere speculation that some persons may make others feel unsafe or engage in additional disruptions is an insufficient basis upon which to erect a governmental power to bar those who wish to express their views from participating in public debate," the judge wrote.

Simon also said barring Walsh or others from City Hall or council sessions for extended periods of time prevents them from accessing other city services, making live comments during council or other city meetings, or formally or informally meeting with elected officials.

"Thus, prolonged and prospective exclusions defeat the very purpose of the forum: to provide the opportunity for discourse on public matters," Simon wrote.

The judge's injunction against city exclusions does not prevent the mayor or other city official from ordering disruptive individuals out of a council meeting for the remainder of that meeting. His ruling also doesn't prevent the city from rewriting its exclusion ordinance to conform with his finding, the judge noted.

"...no matter how many meetings of a city council a person disrupts, he or she does not forfeit or lose the future ability to exercise constitutional rights and may not be prospectively barred from attending future meetings," Simon ruled. "Our democratic republic is not so fragile, and our First Amendment is not so weak."

The Portland Tribune

City willing to explore homeless crisis options

By Jim Redden

January 5, 2016

Unlike Multnomah County Chair Deborah Kafoury, Mayor Charlie Hales is not opposed to opening the Wapato Jail in North Portland for homeless services.

Hales is not pushing for it, either, but says the county needs to consider all of its options as it works with the city to solve the homeless crisis.

“We’re making stone soup here, and everyone needs to bring what they can to the table,” Hales told the Portland Tribune editorial board last week.

The jail was completed in 2004 for \$58 million but never opened. Kafoury has rejected the idea of opening it for homeless services, citing financial, transportation and humanitarian issues.

According to Hales, the inability of city and county homeless programs to reduce the number of people living on the streets in recent years calls for new approaches to the problem. He and Kafoury have pledged \$30 million for shelters and new affordable housing projects, with Hales committing \$20 million and Kafoury promising \$10 million.

Hales says the renewed commitment to reducing homelessness is making progress. For example, he notes the city soon will open a new emergency shelter for up to 100 men in the Washington Center building at Southwest Fourth Avenue and Washington Street. Building owner Barry Menashe is donating the use of the building to the city for 30 to 60 days and perhaps longer while it is being sold.

Menashe says his decision to allow the city to use the building as a homeless shelter is both personal and professional. He knows the toll homelessness can take on a family first-hand. A brother and sister both died in their 50s after periods of living on Portland streets. But as a downtown property owner, he also knows homeless people sleeping in doorways can hurt business.

“There’s a human side and a business side. I see the homeless downtown and have an empty building, so I decided to offer it to the city.”

The city previously opened a six-month, 150-bed shelter for women and couples in the former Jerome Sears Army Reserve Center in Southwest Portland in November. Multnomah County expects to open a permanent 130-bed shelter for women and children at the site of a former strip club at Southeast 160th and Powell in February.

But perhaps the most visible response to homelessness is a new unwillingness by the city to sweep homeless camps unless they present a public health or safety threat.

“You can’t tell campers they have to move, but not tell them where they can go. If crimes are happening there, then we will shut them down. But if they are just messy, we should provide services to help clean them up,” Hales said.

The shift has been most controversial so far in North Portland, where the Hazelnut Grove homeless camp has been allowed to stay on a slice of city-owned land above North Greeley Avenue, despite complaints from nearby residents and the Overlook Neighborhood Association. The city is working to remove campers on adjoining Oregon Department of Transportation property, and installed a fence last week to designate where it will continue allowing camping to occur in the future.

According to Hales, the city will be less tolerant about camping once enough shelter, transitional housing and affordable housing is created that campers have somewhere to go. He does not expect that to happen for another five years, however.

City auditor fines Uber \$2,000 for lobbying violations

By Jim Redden

January 5, 2016

Portland City Auditor Mary Hull Caballero has fined the Uber ride-hailing service \$2,000 for violating Portland's lobbying regulations by not disclosing its ties to political consultant Mark Wiener.

"The public's trust is undermined the decision-makers and those trying to influence them don't report their activities," Cabellero says.

The city auditor's office had sent warning letters to Mayor Charlie Hales and Commissioner Steve Novick for meeting with Wiener and Uber officials without disclosing the contact, as required by the lobbying regulations. The meeting took place in December 2014 at Wiener's home as the City Council was considering whether to allow such companies to operate in Portland.

The council subsequently approved rules opening the door for ride-hailing and ride-sharing companies like Uber and Lyft.

In a Jan. 5 letter to Uber, Cabellero said the city was imposing a \$500 fine on the company for not reporting Wiener as an authorized lobbyist on each of four quarterly reports between the fourth quarter of 2014 and the first quarter of 2015. Uber has 30 days to pay the fine.

The fine is the maximum allowed under city code and the first time monetary penalties have been imposed since the lobbying regulations were adopted nine years ago.

HERE IS THE AUDITOR'S LETTER TO UBER

January 5, 2016

Mr. Matthew Burton

Senior Counsel

Uber Technologies Inc.

San Francisco, CA 94103

Dear Mr. Burton:

The Auditor's Office has concluded its investigation of reports that Uber Technologies, Inc., did not report a lobbyist working on its behalf and his lobbying activities, as required by City Code.

The investigation identified four violations, and I am imposing a fine totaling \$2,000 against Uber.

Portland City Code Chapter 2.12, Regulation of Lobbying Entities, is administered and enforced by the Auditor's Office. We received information in August that Uber had not disclosed that Mark Wiener was lobbying on its behalf in December 2014 and January 2015.

The specific event that formed the basis of the original complaint was a meeting held Saturday, Dec. 13, 2014, at Mr. Wiener's home. Uber representatives, Mr. Wiener, Mayor Charlie Hales, Commissioner Steve Novick, and others were present. No such meeting had

been disclosed on the elected officials' calendars nor reported fully on Uber's registration or reporting forms.

I am adopting as final the results of the Auditor's Office's preliminary investigation outlined in a letter to Uber dated Nov. 16, 2015. I also am incorporating information from Uber in a letter dated Dec. 4, 2015 confirming our preliminary conclusion and disclosing additional omissions from Uber's lobbying registration and quarterly reports. That letter will be added to the public record.

The violations of City Code 2.12.030 and 2.12.040 were:

- 1. Failing to register Mr. Wiener as a person authorized to lobby on Uber's behalf in the fourth quarter of 2014;*
- 2. Failing to report Mr. Wiener's lobbying activity in the fourth quarter of 2014;*
- 3. Failing to register Mr. Wiener as a person authorized to lobby on Uber's behalf in the first quarter of 2015;*
- 4. Failing to fully report Mr. Wiener's lobbying activities in the first quarter of 2015.*

My decision to impose the maximum sanction allowed under Chapter 2.12.120 for each violation is based on four factors:

- A pattern of non-compliance: In October 2014, Uber lobbied City of Portland officials without registering, prompting a notice from the Auditor's Office to comply with lobbying regulations. Uber registered, but subsequently missed the deadline to file its lobbying activity report in January 2015. That infraction prompted a written warning and instructional materials about complying with program requirements.*
- A pattern of non-cooperation: There was unnecessary delay by Uber in providing information about the lobbying activity of Mr. Wiener and others. Contact information for Uber representatives was unclear or changed during our inquiry, and some messages left by this office went unanswered. When we succeeded in contacting Uber representatives, they provided contradictory information that caused additional work and use of limited resources by the Auditor's Office to resolve.*
- A pattern of incomplete disclosure: It is likely that Uber's financial reports for the two quarters were understated given Uber's acknowledgement that it had not disclosed a total of four lobbyists and their activities.*
- Disregard for the Portland community: Enforcement of lobbying rules requires that both City officials and lobbyists disclose their meetings and other activities. Both parties failed the public in this instance. By circumventing the lobbying program's transparency rules, Uber helped undermine the City's decision-making process and contributed to the erosion of the public's confidence in the legislative result.*

Payment is due by 5 p.m. on Feb. 4, 2016. If we do not receive payment by February 4, 2016, we will refer the matter to legal counsel for enforcement in Circuit Court, pursuant to PCC 2.12.120.

Sincerely,

Mary Hull Caballero

Hales proposes new Powell-Division urban renewal area

By Steve Law

January 5, 2016

Mayor Charlie Hales has added a new eastside urban renewal district to his bucket list.

Hales told the Portland Tribune editorial board last week that he wants to create a new urban renewal area to parallel TriMet's rapid bus line planned on Southeast Powell Boulevard and Division Street.

"We think we need to form this district this year, in 2016," he said.

The goal, Hales said, is to assure that "neighborhood scale" businesses and affordable housing are still available in those corridors after the transit line is completed.

The elongated district is likely to start around Southeast Powell Boulevard and 17th Avenue, Hales said. Then it would stretch east to 82nd Avenue, jog north on 82nd to Division, then extend to the city border with Gresham at 162nd Avenue.

No buy-in yet

Patrick Quinton, executive director of the Portland Development Commission, cautioned that urban renewal is "always a controversial topic," and the city hasn't yet broached the idea with the community to gain buy-in. In particular, Quinton stressed, the city must work with its "partners" — Multnomah County and local school districts — who forgo some of their property taxes for 20 years or more when an urban renewal district is created.

Community leaders in East Portland, where much of the bus rapid-transit line will be sited, also have some strong reservations about the idea.

"The concern is that everywhere the city has done urban renewal it has resulted in displacement of low-income people, people of color and neighborhood businesses," said Nick Sauvie, director of the nonprofit ROSE Community Development.

Quinton said the idea emerged in talks the past six months between PDC — the city's urban renewal agency — and counterparts in the housing and transportation bureaus.

Officials have observed gentrification pressures already along the corridor, even before the transit project was approved. They recognize the most vulnerable communities are those east of 70th Avenue, because closer-in neighborhoods already have gentrified.

City leaders concluded Portland can't just sit idly while a major public improvement takes place without addressing affordable housing, Quinton said.

"And to do that we need money."

Hales said the district will require at least 2,000 acres of land to work. Because of Oregon's patchwork of property tax limitations, it's fairly certain that most homeowners in the area will face annual property tax increases of 3 percent. The urban renewal district would divert those increased taxes, using the money to pay for big bonds that give money to assist business nodes at transit stops and subsidize nearby affordable housing.

PDC estimates the district could generate \$75 million to \$90 million over 20 years.

Broken promises

“The bulk of the money would go into affordable housing,” Quinton said.

But neighborhood activists have heard such promises before, and they weren’t fulfilled, leaving many cynical about the city’s intentions.

Citizens on an advisory committee endorsed the creation of the Interstate urban renewal area on condition the money wouldn’t be used to pay for the MAX line there, recalls Lore Wintergreen, who handled public involvement on that project for TriMet. Citizens even persuaded the PDC to require “racial impact statements” to ward off displacement of African-American residents and black-owned businesses there.

But then Mayor Vera Katz diverted \$30 million for the MAX line, said Wintergreen, who now serves as an independent advocate for the East Portland Action Plan.

Sauvie, a leading builder of affordable housing in the outer east side, says there were similar promises that the Lents urban renewal area would prioritize affordable housing. But that never happened, he said. “We don’t want the city to break its promise once again.”

Once the city draws the lines of an urban renewal district, that sparks real estate speculation and rising property values, Sauvie said.

“So we’re going to use this tool that is going to increase price inflation,” he said.

Lori Boisen, district manager of the Division Midway Alliance, said she is ambivalent about the Powell-Division urban renewal area.

“I can see the long-term benefits,” Boisen said, but the urban renewal area will take several years to generate any additional money.

“My concern with regards to the urban renewal coming is it’s not going to do enough fast enough to stop the gentrification or displacement that’s occurring,” Boisen said.

The Division Midway Alliance is a mini-urban renewal area that gets modest funding to improve the Division corridor between 117th and 148th avenues. The project is guided by a strong community advisory board, and leaders fear they will lose “community control” once a big-money urban renewal district comes in, Boisen said.

Quinton is well aware that the Interstate urban renewal effort failed to prevent a mass displacement of black residents and businesses, among others. “The Interstate line in particular has some really hard lessons,” he said.

And he noted that urban renewal areas tend to start delivering large amounts of money only after they’ve been around for a decade or so.

To do it right this time, he said, PDC needs to be explicit about its objectives and how it will allocate money. But it’s clear that preserving affordable housing is the top goal if the district is formed, Quinton said.

“I can’t imagine that any other need is going to trump that.”

However, neighborhood leaders aren’t so sure of that. Historically, urban renewal money has often been used for politicians’ pet projects.

PDC, which has been bashed in the past for preferring big downtown redevelopments to helping ailing neighborhoods, isn’t really in control of its destiny. The City Council makes the final call and tells PDC where to spend its money.

“They’re good soldiers,” Wintergreen said, “and they do what they’re directed to do.”

Hales outlines far-reaching agenda for 2016

By Jim Redden

January 5, 2016

With one eye on his legacy, Mayor Charlie Hales laid out an ambitious agenda for his final year in office.

Meeting with the Portland Tribune editorial board last week, Hales discussed several initiatives, including the passage of a city gas tax for streets, implementing a police body camera program, the adoption of new residential infill regulations, and the creation of a new urban renewal area (URA) along the planned Powell-Division transit corridor between Portland and Gresham.

Hales repeatedly stressed his agenda was a continuation of his priorities when he was first elected to the City Council in 1992.

“Growth was a big issue back then, and it is again now. We have only one chance to get it right for the next 100 years,” Hales said of the goal of adopting the state-required Comprehensive Plan update next year. The proposed new URA is intended to help mitigate the effects of gentrification along the line by financing affordable housing projects and supporting existing small business. (See related story on page A3.)

During his hour-plus interview, Hales ticked off his accomplishments during his first three years in office. They included raising the minimum wage for all city employees to \$15 an hour, passing a stronger Ban the Box policy than the 2016 Oregon Legislature enacted, passing the stingiest local fossil fuels export ban in the country, increasing general funds for street maintenance by 140 percent, and reducing use of force complaints against the police.

“In the past three years, there has not been one police shooting where people said the police are using too much force and shooting the wrong people,” said Hales, who oversees the Portland Police Bureau.

Hales gave the interview before the Oregon Court of Appeals ordered the city to reinstate Ron Frashour, the fired officer who shot and killed an unarmed African American in January 2010. Hales disagrees with the ruling but says the city will comply with it. (See related story, A8.)

Speaking about the police, Hales said the city needs to hire more officers, in part to respond to a record increase in gang-related violence. He said there are currently 40 vacant officer positions and more that will be created through retirements next year. To help fill those positions, Hales said he will present the council with a package of hiring incentives in January that will include a \$7,500 hiring bonus, an increase in entry-level pay from \$49,000 to \$60,000, and a payment to bureau employees who recruit new officers.

“The increase in gang violence is troubling and frustrating. I believe we are doing everything right, but we have not moved the needle,” Hales said.

Much of the discussion centered on city efforts to reduce homelessness and build more affordable housing, which were not significant issues when Hales first ran for mayor in 2012.

Rents and housing prices have soared in Portland as the economy has recovered from the Great Recession, however, making the city an increasingly unaffordable place for many to live.

In response, Hales took credit for having the council declare a housing state of emergency in October and increasing the amount of urban renewal funds dedicated to affordable housing from 30 to 45 percent, which is expected to generate an additional \$67 million for such projects over the next 10 years. (See related story on this page.)

Under Hales' leadership, the city has also joined with Multnomah County and other housing partners in the coalition known as A Home for Everyone that has pledged to reduce homelessness by 50 percent over the next two years. He and County Chair Deborah Kafoury have pledged an additional \$30 million for the effort, with the city kicking in \$20 million and the county \$10 million.

Hales said he expects to continue refining his agenda and will say more about about it during the annual State of the City address before the City Club of Portland in March.

Hales had been running for reelection but dropped out of the race in October after State Treasurer Ted Wheeler announced his candidacy. Multnomah County Commissioner Jules Bailey has said he will file after the first of the year. During the interview, Hales declined to endorse anyone to succeed him but said he expects to before the May 2016 primary election.

City Council to discuss street funding Wednesday

*By Jim Redden
January 4, 2016*

The City Council will receive a presentation on the City Club of Portland's street funding recommendations on Wednesday.

"After decades of underfunding, many of Portland's roads, sidewalks and bike lanes have fallen into disrepair, adding up to an incredibly expensive — and still increasing — maintenance backlog," the longstanding civic organization wrote the council on Dec. 15, 2015.

Mayor Charlie Hales and Commissioner Steve Novick have already expressed support for one of the recommendations — a ballot measure to impose a city gas tax to help fund maintenance and safety projects. They tried but failed to convince the majority of the council to approve a variety of street funding proposals in 2014.

But the study report adopted by the City Club last September includes a number other recommendations, too. Among them are:

- The identification of new, long-term revenue streams closely tied to usage, such as a local weight-and-value-based vehicle registration fee; a commuter payroll tax on out-of-city employees; and new parking permits and fees.
- Passage of a new transportation funding package by the 2017 Oregon legislature that increases the state gas tax and allows local governments to raise new revenues.
- A requirement that 50 percent of future city budget surpluses go towards maintaining city infrastructure, something the City Council has already approved, although the total amount is not dedicated to streets.

"Portland has long been known as a city capable of finding innovative solutions to complex challenges, and we have every confidence that we will once again live up to this reputation. We appreciate the Council's attention to this issue, and the opportunity to present the full findings and recommendations of our report," the City Club letter says.

Among other things, the report found Portland needs to spend \$205 million a year for the next 10 years just to catch up on streets repairs, maintenance and safety improvements. It is only spending a fraction of that amount now.

You can read the letter and report at www.portlandonline.com/auditor/index.cfm?c=50265&a=558864

City Council to vote on version of Rooney Rule

*By Steve Law
December 31, 2015*

Portland city commissioners doing searches for new bureau directors would be obliged to interview qualified candidates who are people of color or have disabilities, under a watered-down version of the NFL's Rooney Rule.

The new policy, named the Charles Jordan Rule after Portland's first black city commissioner and former parks director, goes before the City Council on Wednesday at 2 p.m. for approval.

The Rooney Rule requires NFL teams to make sure at least one minority is interviewed for head coaching positions. Since its passage in 2003, there have been 13 minority head coaches hired, far more than before the rule.

The city rule will be more lenient, allowing city commissioners and the mayor to continue to hand-pick bureau chiefs, known as direct appointments, as they see fit. But when they do a search for candidates, they will be required to interview qualified candidates who are people of color or who "identify as a person with a disability."

"It's not perfect, but it's a start," says Sam Sachs, the city parks ranger who has lobbied the city to adopt a version of the Rooney Rule. "In the times when they do a search, that's when the Rooney Rule will come into play."

The Charles Jordan Rule expands the idea beyond sports to those leading city bureaus.

Sachs came up with the idea of naming it after Jordan, and spoke with the deceased leader's children to gain their support for the idea.

Sachs says he got interested in the idea as a black studies major while studying at Portland State University, when the university hired Jerry Glanville as head football coach. Sachs is a white Jewish activist who says he's always been active in social justice issues.

He previously served on the staff of state Senator Avel Gordly, the Portland Democrat and African-American.

In 2009, Sachs helped lobby the Legislature to require a version of the Rooney Rule for Oregon school districts when they hired new athletic directors. More recently, he has been working on the Native American school mascot issue.

He also operates a website called the No Hate Zone, at <http://www.thenohatezone.com>.

Willamette Week

Portland City Auditor Fines Uber \$2,000 for Breaking Lobbying Rules

The fine stems from Uber's failure to report hiring campaign consultant Mark Wiener as a lobbyist.

*By Beth Slovic
January 5, 2016*

Portland city auditor Mary Hull Caballero has fined ride-hailing giant Uber \$2,000 for lobbying violations—the first such fine in city history.

The fine stems from Uber's failure to report hiring campaign consultant Mark Wiener as a lobbyist.

A December 2014 meeting at campaign consultant Mark Wiener's house that ended a fierce standoff between the San Francisco-based transportation company and Portland City Hall. After the meeting, Mayor Charlie Hales and Commissioner Steve Novick, both Wiener clients, softened their opposition to the company running cars in Portland.

Caballero's fine follows an investigation by WW into Wiener going to work for Uber while serving as a campaign advisor to Hales and Novick. Hull Caballero had previously issued warnings to Hales and Novick for not listing the meeting on their calendars. (Wiener has, in the past, defended his competing roles, saying he wasn't paid by Uber at the same time he was paid by Hales or Novick.)

Hull Caballero found Uber broke lobbying rules four times: failing to disclose Wiener as a lobbyist in late 2014, failing again in early 2015, then failing to disclose the lobbying work he did during those time periods.

She has fined Uber the maximum penalty—\$500—for each violation.

"The public's trust is undermined when decision-makers and those trying to influence them don't report their activities," Hull Caballero said in a statement this morning. "In this case, neither the elected officials nor Uber met their obligations. They circumvented the purpose of the lobbying registration program, which is to promote transparency."

Mayor Charlie Hales Calls for New Powell-Division Urban Renewal Area

By Beth Slovic
January 5, 2016

Mayor Charlie Hales wants to leave East Portland a parting gift: one more urban renewal area.

Hales aims to establish a new urban renewal area that would run down Southeast Powell Boulevard from the central east side toward the city's border with Gresham and pick up parts of Southeast Division Street after 82nd Avenue, the Portland Tribune reported last week.

Sara Hottman, a spokeswoman for the mayor, tells WW the idea is strictly preliminary. "Right now it's just a proposal," she says.

But the idea, she says, sprang from a recently completed report that looked at improving transportation infrastructure, economic development and affordable housing in East Portland. Activists have been demanding city leaders commit more resources to East Portland for years, cleverly calling the area "too big to fail."

Hales would like to consider a new urban renewal area as a possible tool for making the improvements and addressing activists' concerns, Hottman says. "The mayor thinks this is an option," she says.

Hales rode into office in 2013 having pledged to scale back the city's use of urban renewal area to pay for development projects because they siphon taxpayer dollars away from schools and county services. He said city leaders needed to show more restraint so residents didn't revolt.

"I want this tool to be available," he told this reporter in 2012.

Last April, city officials led by Hales followed through on the mayor's pledge, shrinking the footprint of the city's urban renewal areas. They then turned to other reforms.

This fall, the Portland City Council increased the percentage of urban renewal money dedicated to affordable housing to 45 percent, up from 30 percent.

The Portland Mercury

Uber Flouted Portland Lobbying Rules, Will Be Fined \$2,000

By Dirk VanderHart
January 5, 2016

Mayor Charlie Hales, Transportation Commissioner Steve Novick, and ride-hailing juggernaut Uber all ran afoul of city disclosure rules when they met over Uber's future in Portland in December 2014. Only Uber will have to pay for it.

Portland City Auditor Mary Hull Caballero announced today that she's levying a fine of \$2,000 against the company, stemming from its failure to report a lobbying arrangement with prominent political consultant Mark Wiener. An investigation by the auditor's office determined

not only that Uber had failed to adequately report its affiliation with Wiener—who helped both Novick and Hales win office—but showed general "disregard for the Portland community."

"The public's trust is undermined when decision-makers and those trying to influence them don't report their activities," Hull Caballero said in a prepared statement. "In this case neither the elected officials nor Uber met their obligations."

The auditor's investigation stemmed from a December 2014 meeting between Hales, Novick, and Uber officials that occurred at Wiener's home. The meeting was hardly a secret—officials readily told media that it had occurred. But it didn't pop up in required quarterly lobbying reports Uber is required to file with the city. And it didn't show up in the official public calendars of Hales or Novick.

In September, Hull Caballero announced she was letting the elected officials off with a warning for the infractions. But she's throwing the book at Uber—levying a maximum \$500 fine for each of four infractions she says the company committed. From her letter to Uber:

The violations of City Code 2.12.030 and 2.12.040 were:

- 1. Failing to register Mr. Wiener as a person authorized to lobby on Uber's behalf in the fourth quarter of 2014;**
- 2. Failing to report Mr. Wiener's lobbying activity in the fourth quarter of 2014;**
- 3. Failing to register Mr. Wiener as a person authorized to lobby on Uber's behalf in the first quarter of 2015;**
- 4. Failing to fully report Mr. Wiener's lobbying activities in the first quarter of 2015.**

Beyond those individual breaches, Hale Caballero says Uber was just generally terrible at disclosing its lobbying maneuvers. Her letter to the company includes a laundry list of misdeeds, among them: that Uber lobbied officials without registering to do so, missed deadlines for lobbying reports, allowed "unnecessary delay" when asked for information about Wiener's involvement, didn't return calls from the Auditor's Office, "likely" turned in errant financial reports, and "failed the public."

The result of all that? Uber pays \$2,000 (probably), but loses none of the new privileges it earned late last year, when City Council voted to modify city code to permanently allow for ride-hailing services.

Uber hasn't yet returned our request for comment.

By the way: This isn't the only city fine Uber's facing. Novick's office said last year it would levy \$2,500 in fines to the company, for providing inadequate service to wheelchair-bound customers for a period of time in 2015.