

The Oregonian

Portland gas tax, meet the Portland arts tax: Editorial Agenda 2016

*By The Oregonian Editorial Board
January 22, 2016*

April 27 is the first day on which ballots may be mailed for the May 17 primary election. Two significant things will have happened by then. First, there will have been a fight over a gas tax that almost certainly will be presented to Portland voters. Paul Romain, who represents fuel distributors and gas stations, has called the tax "ludicrous" and promised to oppose it vigorously. Second, just weeks before ballots hit the mail, Portlanders will have paid their income taxes, including the city's notorious arts tax.

Wouldn't it be nice if they had a chance to vote on a gas tax and the arts tax on the very same ballot? The idea isn't as odd as some might like to think.

We have no idea which arguments gas-tax opponents will use and which, if any, Portlanders will find persuasive. Here are a few possibilities. Opponents could argue that the gas tax is high. It's equivalent to one third of the state gas tax, which is 30 cents per gallon. They could argue that it's regressive, as motorists would pay the same amount regardless of their income. They also could argue that it's unfair, as it wouldn't be paid by many people – those without cars, for instance – who, nonetheless, benefit from a well-maintained road system.

None of these are necessarily reasons to oppose the gas tax, to be sure. But all three happen to be true, in spades, of the arts tax many Portlanders will be paying even as the gas-tax debate reaches its zenith. The arts tax extracts \$35 from every income-earning Portland resident living in a household above the poverty line. Actually, it doesn't extract \$35 from every income-earning Portland resident, but more about that later. We don't want to get ahead of ourselves.

Whether the people who pay this tax consider it high is an entirely subjective matter. Such a determination depends, in part, on what people are getting for their money. A gas tax – at least one spent properly – buys better roads. The arts tax helps support regional arts groups and pay for art and music teachers in Portland schools. Again, taxpayers may decide for themselves which of these is more important. But maintaining a functional transportation network is a basic responsibility of city government. Funding arts organizations and public schools - supported by the state general fund and local property taxes - is not.

Yet the dedicated tax Portlanders pay for these non-core functions is very high relative to a 10-cent gas tax. A single person's arts tax is the equivalent of the fuel tax applied to 350 gallons. For a two-earner household, it's 700 gallons – enough gas to drive 17,500 miles in a car that gets 25 miles per gallon. Those who are inclined to balk at approving a dime-a-gallon tax – and after the opposition campaign, this number may be large – should have a big beef with the arts tax.

But that's not the only reason. If you think the gas tax is regressive, consider that the arts tax applies to every income-earning adult in a household above the federal poverty level - \$28,410

for a family of five. An income-earning adult, by the way, is one who earns at least \$1,000 per year. Commissioner Steve Novick, who later this month will ask his colleagues to place the gas tax on the ballot, rightly has called the arts tax "beyond regressive."

It's also beyond unfair. In 2012, City Council rushed the arts tax onto the ballot, and Portlanders approved it. The tax voters approved had some problems, among them the fact that an 18-year-old who made only a few bucks per year would have to pay it. So Council set an income floor of \$1,000, and in so doing ended up exempting thousands of Portlanders with state and federal public pension benefits. The city can't tax this income, which means public pension recipients would have to earn \$1,000 in other income to qualify for the tax. Many do not. Portland, thus, exempts many public pension recipients from a tax that must be paid by people with private-sector pensions or 401(k) retirement plans. Oh, and low-income people, too.

Portland City Council, to recap, took a bad (and highly regressive) tax and made it worse. You could even argue that the tax as it exists today is not the one Portlanders voted to adopt in 2012. Those who must pay the tax have an opportunity every April to reflect upon the mess City Council helped create. And those public pension recipients who don't have to pay it have an opportunity to pity (wink, wink) the thousands of schmucks writing checks for \$35.

If Novick, who's running for re-election this year, wants to do something many of his constituents will appreciate, he should propose two resolutions in the coming weeks. The first is the gas tax, which he's already planning to recommend to his colleagues. The second is a re-vote on the arts tax. The latter may not garner the necessary three votes to pass, but taxpayers will, if nothing else, know where each commissioner stands on the issue. Some, we suppose, would argue that Portlanders already approved the arts tax and don't need a second go at it. But they'd be doing it even as they supported a gas tax that must go back to voters after four years. Coincidentally, voters approved the arts tax in November 2012.

The Portland Tribune

First Comp Plan work session set for Tuesday

By Jim Redden

January 25, 2016

After years of research, discussions and recommendations, Portland's Comprehensive Plan update has finally reached its most critical stage — the time when the City Council will finally consider amendments and approve it.

The first work session begins at 9:30 a.m. today, Jan. 26. Mayor Hales has asked the council members to identify their proposed amendments before it begins. The final vote is expected by the end of April.

The Comp Plan — as it is commonly called — is a state-required land use planning document that will guide Portland's growth for the next 20 years.

"This the most important document the city ever writes," Mayor Charlie Hales said said when the council held its fifth hearing on the update recommended by the Planning and Sustainability Commission on Jan. 13. It is suppose to accommodate 200,000 more residents by 2035.

Tuesday's work session is the first of three where council members will discuss and vote on amendments to address their concerns — and potentially some of those expressed by the hundreds of citizens who have testified in person and writing.

Until now, Hales and the other members have not said much about what they are thinking. One exception is Commissioner Steve Novick, who revealed he supports encouraging the construction of apartment buildings in at least some residential neighborhoods. According to Novick, increasing urban density helps fight climate change by reducing driving and encouraging transit.

"We in Portland love our neighborhoods and don't want them to change and I understand that. But we also believe in the environment and reducing our carbon emissions, and that's kind of at odds," Novick said at the beginning of a Jan. 7 hearing on the update.

Novick's statement did not go over well with everyone in the audience.

"Big box apartments in century old neighborhoods are tearing our city's fabric apart. This need not be," testified Jeff Cole, a member of the Sunnyside Neighborhood Association.

Novick to pitch gas tax measure Wednesday

*By Jim Redden
January 25, 2016*

Commissioner Steve Novick is scheduled to present his temporary 10-cent-a-gallon gas tax proposal to the City Council on Wednesday afternoon.

The proposal would raise an estimated \$64 million over four years for street maintenance and improvement projects, and then sunset.

Novick is in charge of the Portland Bureau of Transportation. A few hours before the presentation, he will pitch the measure he wants to appear on the May 17 Primary Election ballot to the Columbia Corridor Association at its monthly breakfast meeting. The group represents businesses along the Oregon side of the Columbia River.

"Our position is generally we need to spend more money on the roads. Every \$1 in maintenance we don't spend now is \$12 we'll have to spend on repairs in the future. But we won't take a stand on the measure until it's on the ballot," says CCA Executive Director Corky Collier.

The proposal is supported by the City Club of Portland, which recommended it in a study report adopted last year.

"At the moment, the most technically feasible (funding option) 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," reads the report, titled "Portland Streets: End the Funding Gridlock."

The proposal is opposed by the Oregon Fuels Association, a statewide organization which represents fuel distributors, retailers, commercial fueling and heating oil marketers.

The City Club study found that 49 percent of Portland's busiest streets are in poor condition and the city needs to spend an additional \$119 million a year for 10 years to improve the pavement system to fair or better condition. The maintenance backlog now exceeds \$1 billion.

Novick and Mayor Charlie Hales pursued several proposals to raise money maintenance and safety improvements — collectively called a street fee — in 2014 but failed to win the support of a majority of the council.

You can read more about the proposal at www.portlandoregon.gov/transportation/64188.

Willamette Week

Commission Tapped to Promote Equity in Contracting Says Portland City Council Is Ignoring Them

"We are little more than window dressing," the group writes in a Jan. 21 letter to Mayor Charlie Hales.

*By Beth Slovic
January 22, 2016*

Almost a year ago, Mayor Charlie Hales announced at his 2015 State of the City address that he would get serious about fixing Portland's broken system for awarding more city contracts to minorities and women.

"In the next couple of weeks we'll be bringing an ordinance to Council to establish a new commission, the Commission on Contracting and Purchasing," he told supporters in February 2015. "This will be a watchdog to ensure companies aren't gaming the system, and will recommend more ways to increase minority participation on contracts."

Hales established the commission just a few weeks later, with unanimous support from the Portland City Council.

But now the commission is on the verge of revolt.

In a strongly worded Jan. 21 letter to the Portland City Council, members of the commission, which includes African-American, Latino and female contractors, are accusing the City Council of not taking their recommendations for improvement seriously.

"We are little more than window dressing on decisions that the city has already made," wrote seven out of nine commissioners. (Two members were absent from the Jan. 21 meeting when the commissioners signed off on the letter.)

The city ordinance that established the commission said it would "exist to provide guidance for and advice to the council."

Commission members have met for monthly meetings six times and also have gone in front of the city council, including on Oct. 21, but they haven't felt listened to, they say. "In our first six months, we have repeatedly been left out of discussions regarding council decisions that fall squarely under our mandate," they write.

Those decisions include recent ones to set aside 1 percent of the cost of rebuilding the Portland Building for training and technical assistance for Portland's minority workforce—and a separate decision not to establish a community benefits agreement for a Willamette River tunneling project.

Community benefits agreements are sometimes attached to publicly funded projects. They establish goals for workforce training and help boost the number of women and minorities in the construction field.

"If we are to fulfill our mandate we must be included in decisions early, at a time when the consultation will matter, and our concerns taken seriously," the group writes.

Hales is in Washington, D.C. at a mayors conference. His spokeswoman, Sara Hottman, declined to respond.

In this week's cover story, WW identified reforming minority contracting as one of the key goals the next Portland mayor must tackle.

The Portland Mercury

Here's the 10-Cent Gas Tax You'll Probably Be Voting On In May

*By Dirk VanderHart
January 22, 2016*

Next Wednesday, Portland's city commissioners will take up the question of whether you, the people, should have the option of voting on a 10-cent-per-gallon gas tax in the city.

As we've reported, the tax would apply to vehicles that use gasoline, and diesel vehicles under 26,000 pounds—meaning big semi trucks wouldn't have to pay. It's estimated it would net \$64 million over four years, which amounts to a tiny fraction of what estimates say we should be spending on streets.

A public vote looks likely, and it's a long-time coming. One reason talks over a "street fee" were recalibrated again and again in 2014 was that some city commissioners had heartburn over enacting a controversial fee without the public's formal say so. Now, it seems, you'll have it. And we've got our first picture of what exactly the ballot measure looks like. Check it out here.

Transportation Commissioner Steve Novick's proposal would put 56 percent of the money generated by the tax (\$35.8 million, in theory) toward paving projects, and the remaining 44 percent to safety efforts like road crossings, protected bike lanes, and sidewalks.

That spending would be audited every year, and a 16-member oversight committee—comprised of business input, residents, and advocates for different modes of transportation—would help prioritize projects worthy of funding.

Here's a spending summary the Portland Bureau of Transportation wants to put before voters:

And here's a more-precise breakdown.

PBOT says it's pretty firm on what safety projects it'll pursue if the tax passes. Its list of likely paving projects is more fluid, says PBOT Projects and Funding Manager Mark Lear, and could change if projects are more costly than anticipated.

Project categories with examples in each category:

- Street repair, (\$35.8 million) - Parts of SE Foster, N Denver, NE Alberta
- Safe Routes to School, (\$8.8 million) – Lent Elementary traffic calming, David Douglas HS sidewalks, George Middle School crossings
- Sidewalk completion, (\$6.4 million) – SW Capitol Highway, NE 14th
- High Crash Corridor safety improvements, (\$3.9 million) - lighting on SE Powell, crosswalk improvements on NE Sandy, 82nd Avenue, SW Beaverton/Hillsdale Highway
- Reducing bicycle / car conflicts, (\$5.6 million) – two Neighborhood Greenways in East Portland, safer bicycle routes downtown
- Intersection safety improvements, (\$3.4 million) - focused on improving access to transit: NE MLK, US 30

"We want to be able to maximize the amount of paving work we do," Lear says.

Lear also says much of the administrative work behind the tax would fall into the Oregon Department of Transportation's hands. ODOT would be listed as the city's "tax administrator," meaning monthly reports and tax payments would head to Salem before reaching city vaults.

The resolution that would put the measure on the May ballot seems likely to find city council approval, though changes could emerge during what promises to be a lengthy hearing Wednesday afternoon. And a wide range of groups have come out in favor of a tax, after decades of failed attempts to find more-stable road funding. The two most prominent mayoral candidates have voiced support for the idea, as has the City Club of Portland, which recently released a report welcoming a gas tax.

Even if City Council does refer the tax proposal to the May ballot, it faces big questions. Public opinion polling has suggested a majority of Portlanders, around 55 percent, might support a tax, but that's not as strong a showing as pollsters often want to see.

"It's really sort of on the knife's edge of whether you want to run a campaign on it," says John Horvick, vice president and political director at DHM research.

The decision to put the gas tax on the May primary ballot also could present difficulties, according to Horvick. The ballot won't have the huge draw that November's presidential election will offer, and more voters likely means better odds for a tax. But May's election also

won't also have a bunch of competing tax measures, like November's might. Horvick says a deciding factor could be the state of the Republican presidential primary.

"If there were a live Republican primary, the Republicans might be more likely to get a ballot in," he says.

That wouldn't bode well for Novick's gas tax proposal. Nor will the specter of motivated opposition. Paul Romain, executive director of the Oregon Fuels Association, has promised to fight the gas tax measure, and recently told the Mercury he's confident it'll be defeated.

"Local gas taxes are notoriously unpopular," Romain said. "[Novick] knows it."

Incidentally, Troutdale voters approved a 3-cent gas tax in November.