

## The Oregonian

### Portlanders can handle the truth about the arts tax: Editorial Agenda 2015

*By The Oregonian Editorial Board*

*February 23, 2016*

On Wednesday, Portland City Council will consider hiding the names and identities of those who pay the city's grossly inequitable arts tax. Already, however, the proposal has had an eventful week.

The secrecy ordinance was tucked originally into the Council's "consent agenda," a part of the agenda that tends to contain routine and noncontroversial items. But on Monday, following the publication of a story by Oregonian/OregonLive reporter Brad Schmidt, Commissioner Nick Fish requested that the item be placed on the regular agenda for a full discussion. What began as a sneaky push for unwarranted secrecy is now simply a push for unwarranted secrecy. As they say, that's progress!

The initial use of the consent agenda still deserves a few words, though. Less than a month ago, Portland taxpayers learned of a secretly negotiated deal in which City Council agreed to accept an expensively contaminated parcel of land in the South Waterfront. The deal, Schmidt reported, was tucked into a Council consent agenda back in 2010, as if to say, "Nothing to see here, folks! Move along."

Credit the commissioner who signed that secret agreement back in 2010, Fish, for taking a stand this week against sneakiness. He and his colleagues should take a stand now in favor of openness. Just as the 2010 manipulation kept the public in the dark for years about important details of the South Waterfront deal, approving Wednesday's ordinance would put the public in the dark about embarrassing details of the arts tax.

The tax has a number of problems, but none more serious than inequity. When voters approved it back in 2012, the tax was supposed to apply very broadly, exempting only people from the poorest households. Every income-earning adult living in a household above the federal poverty level was supposed to pay \$35 per year. The tax people voted on may have been ill-advised and incredibly regressive, but at least it was reasonably fair.

Then City Council "fixed" it. The tax Portlanders approved applied to adults with any amount of annual income — even \$20. To prevent the application of a \$35 tax to people with minuscule incomes, City Council created a \$1,000 income floor.

An unintended consequence immediately arose. Portland does not have the authority to tax certain kinds of retirement income, including Social Security, federal pensions and Public Employees Retirement System benefits. In order to qualify for the tax, then, people who collect such benefits now must have at least \$1,000 per year in income from another source. Many don't.

That means a lot of people with generous public pensions do not have to pay the tax even as those with private-sector pensions and 401(k) income do. The tax also continues to apply to working people in struggling households marginally above the federal poverty level. The end result is grossly unfair, which is one reason many people dislike the tax.

It's one thing to know that the tax operates unfairly, but it's another thing entirely to know who's paid and who hasn't. A taxpayer who dislikes the arts tax on principle might come to loathe it upon discovering that a friend or neighbor of seemingly better means hasn't ponied up — perhaps because he's a PERS recipient.

Current rules require the city to cough up the names and addresses of those who've paid the tax. Last year, Schmidt reported, Portland released such a list to Willamette Week, which posted it online. One can only imagine how little city officials relish the prospect of annual data dumps that will allow people to look up their friends and neighbors and rediscover just how inequitable the arts tax is.

Why is secrecy suddenly so urgent? The change would bring Portland's confidentiality language into line with state and federal law, wrote city revenue director Thomas Lannom in an email Monday. Moreover, he noted, people could suffer reputational damage if their names don't appear on the list; the results may confuse people who don't understand that some people don't have to pay; the list is likely to have some errors, and so on. You'd think all of that would have occurred to city officials years ago, as the information has been public since 2012.

Lannom, whose office originated the secrecy request, may be motivated by the best of intentions, but his list of rationalizations (the public can't handle the truth, the city makes mistakes, nobody else does this, etc.) argues feebly against the city's obligation to operate transparently. The greatest beneficiaries of secrecy, in fact, aren't likely to be taxpayers (or non-taxpayers) at all, but, rather, city officials, tax revenue recipients and others who'd like controversy over the arts tax to go away.

Eliminating inconvenient anger is a terrible reason to hide information from the public. But as long as commissioners are talking about the tax on Wednesday, they ought to consider putting it back on the ballot for another vote.

## **The Portland Tribune**

### **R2DToo vote set for Wednesday**

*By Jim Redden*

*February 23, 2016*

The City Council postponed last week's vote on moving the Right 2 Dream Too homeless camp to Southeast Portland in the face of heavy opposition from area businesses and residents last Thursday.

The council is now set to take it up again at 2 p.m. this Wednesday, Feb. 24.

It is unclear what will happen if the council does not approve the move. The Portland Development Commission has purchased its current location at Northwest Fourth Avenue and Burnside Street for redevelopment. Mayor Charlie Hales, who supports the move, says the property needs to be vacated by the end of October. Commissioner Amanda Fritz, who also supports the move, has said there is no "Plan B" if the move does not happen.

Complicating the decision, Hales also disclosed during the hearing that the city and Multnomah County are considering a deal that would transfer the issue of homelessness to the county. The

city would work on affordable housing. Details have yet to be finalized, including who will be in charge of serving homeless campsites.

The postponement seemed to catch Hales by surprise. Earlier in the four-hour hearing last Thursday, the council easily approved “vacating” a portion of a city street next to the proposed location to increase the size of the city-owned property where the camp would move.

But when Hales called for the vote, Commissioner Steve Novick said he wasn’t ready.

“I would feel more comfortable if we waited on a vote. There are some conversations I would like to have with staff,” Novick said.

Although Novick did not offer any specifics, there were many issues raised during the testimony by supporters and opponents of the move that could concern him. They include how long anyone would be allowed to stay at the camp and the effect on nearby businesses and neighborhoods.

The move would relocate the camp from its current location in Chinatown to a city-owned parcel at Southeast Third Avenue and Harrison Street. The new camp could house up to 100 people at a time for as long as 10 years. The move is supported by homeless advocates, but opposed by many eastside businesses and residents.

Brad Malsin, a developer who is president of the Central Eastside Industrial Council, testified the proposed move would violate city zoning codes and conflict with future plans for the area, which classify it as an industrial sanctuary. The move was also opposed by the board of the Oregon Museum of Science & Industry, which is nearby.

Hales argued the move is not a solution to homelessness, but a safer sleeping option for those without homes.

“You can’t just snap your fingers and make (permanent housing) come out of the ground. We can’t just chase people around. We have to have places where they can sleep,” Hales said.

Hales also said the city plans to spend \$67 million on affordable housing in the foreseeable future.

## **Gas tax campaign announces supporters**

*By Jim Redden*

*February 22, 2016*

The campaign to pass Portland's proposed 10-cent-a-gallon gas tax ballot measure has announced its co-chairs and endorsers.

The Monday announcement was made even though the ballot title has yet to be settled. Paul Romain, executive director of the Oregon Fuels Association, is challenging the title in Multnomah County Circuit Court. The hearing is not scheduled until March 3.

The measure will appear on the May Primary Election ballot. The campaign to pass it is called Fix Our Streets Portland. It is chaired by Tom Imeson, Vice President of Northwest Natural, and Kari Schlosshauer, a Southeast Portland parent of two and advocate for safer streets.

"I'm honored to co-chair the Fix Our Streets Portland campaign," Imeson said in the Monday announcement. "Our economy depends on Portland's robust transportation system, and this gas tax will provide the necessary funding to address the critical backlog of deferred maintenance projects and ensure Portland taxpayers aren't on the hook for costly repairs in the future. This is a much needed opportunity to invest in our basic infrastructure, and I'm excited Portland voters will have the opportunity to affirm our support."

"I'm eager to serve as the co-chair of the Fix Our Streets Portland campaign because as a mother of two children, I want my family to be able to safely walk and bike to school and work without fear that we won't get to the other side of the street," Schlosshauer said in the Monday announcement. "I'm thrilled this proposal would invest \$8 million in Safe Routes to School in the neighborhoods where it's needed most, so every Portlander can walk their kids to school, regardless of which neighborhood they call home. This is our chance to stand up for safer streets for every family in Portland."

Also supporting the measure are the Portland Business Alliance, Orange Splot LLC, Upstream Public Health and the Bicycle Transportation Alliance.

If approved by the voters, the tax will last four years. It will raise an estimated \$64 million with a slight majority going to street maintenance and the rest going to safety improvement projects, after the cost of collection and administration.

Romain has promised to wage a vigorous campaign against the measure. His organization, which represents gas dealers, opposes local sales taxes.