

The Oregonian

Portland City Council approves new tax on big trucks

By Brad Schmidt

May 11, 2016

The Portland City Council unanimously approved a new tax Wednesday to help pay for the upkeep of roads and safety projects.

The temporary tax will apply only to big trucks – those weighing more than 26,000 pounds – and it's expected to raise about \$2.5 million a year.

Portland Commissioner Steve Novick, who oversees the Bureau of Transportation, rushed to secure City Council approval one week before voters are asked to approve a separate gas tax projected to raise \$16 million annually.

By passing the so-called heavy vehicle use tax on Wednesday, Novick took away a key argument used by gas-tax opponents: that the gas tax isn't fair because it exempts vehicles that use diesel.

The heavy-vehicle tax would run four years before requiring City Council renewal. It would apply to trucking companies that do business in Portland, including those located beyond city limits but that serve Portland addresses.

The tax won't go into effect until this fall, however, and Novick said he's willing to listen to alternatives from truckers who don't like the concept.

"The important thing is that the trucking industry pay its fair share," he said, "not the particular mechanism."

Charlie Hales' tax hike doesn't have votes, so now what?

By Brad Schmidt

May 10, 2016

Add to the list another one of Portland Mayor Charlie Hales' ill-fated proposals: his business-tax increase is all but dead.

Already facing opposition from two members of the City Council, Hales' tax plan was seemingly put to rest Tuesday when Commissioner Nick Fish said he could not support it.

But what that means for Hales' overarching \$510 million budget proposal is an open question – or series of questions: Will the City Council use a scalpel to slice away some of Hales' proposed spending? Will officials suddenly attempt to dip into other money? Will Hales cooperate?

Details may become clearer Friday, when an alternative spending plan is expected.

"Your engagement in shaping the budget, if it's the council's will to take the new revenue out and live within our means, is going to require your full engagement," Fish told Hales during a budget meeting Tuesday morning.

Last week, Hales proposed a controversial plan to increase the tax rate on businesses, hoping to secure an additional \$8.7 million and further increase an already flush budget for the fiscal year that begins July 1. All told, Hales proposed nearly \$43 million for new investments beyond current staffing and service levels.

But the city's chamber of commerce immediately decried Hales' tax plan while Commissioners Dan Saltzman and Steve Novick said they wouldn't support it.

That made Fish, who was out of the country, a crucial swing vote. Fish on Tuesday said he worried about the cumulative impact of new requirements on businesses, such as the city's sick-leave policy, likening Hales' tax hike as the "straw-that-breaks-the-camel's-back syndrome."

Undeterred, Hales made his pitch throughout Tuesday's meeting to support the hike, which would increase the tax rate from 2.2 percent to 2.5 percent on net business income.

Hales repeatedly called his proposed \$510 million discretionary spending plan an "investment budget," which included a last-minute add of \$166,000 for business group Venture Portland – a key constituency that had not yet issued a public stance on the tax hike.

(UPDATE, 2:30 p.m.) Venture Portland issued a statement Tuesday stating that board members were "highly frustrated" that Hales didn't contact the group or allow members to provide meaningful input about the tax hike).

Hales said now is the time to invest, not simply get by.

"If you want to get by," Hales said, "you don't have to raise taxes."

Fish was not swayed, however.

"I can't support that position" for a tax increase, said Fish, who nonetheless went out of his way to praise Hales' leadership during the past three budget cycles.

"This is going to be an investment budget with or without new revenue," Fish added.

Hales seemed resigned to the fact that he once again did not have the votes to move forward, with the tax hike joining his failed street-fee and demolition-fee efforts.

Just one week after suggesting he could muster political support, Hales said he was pleased to have highlighted problems within Oregon's tax system.

"I'm glad we raised it in this budget," he said.

Despite that acknowledgment, however, it's not yet clear how the budget will be re-calibrated – or who will do it.

Sara Hottman, a spokeswoman for Hales, said the mayor is open to the idea of finding an additional \$8.7 million from another source to cover his proposed spending plan.

"The mayor stands behind his budget," she said. "It's a great budget."

One potential source of new funding: money from a to-be proposed commercial excise tax. A 1-percent construction excise tax could raise \$11.5 million a year.

Under state law, at least half of that must go to affordable housing. But Commissioner Dan Saltzman, who oversees housing, wants all of it.

Saltzman said he plans present a proposal May 22 to the City Council, which will have the final say.

As for the budget, time is of the essence.

The City Council, convening as the budget committee, is scheduled to approve the 2016-17 budget on Wednesday.

Portland gas tax will boost pedestrian safety (OPINION)

*By Guest Columnists Gwen Sullivan and Elaine Friesen-Strang
May 10, 2016*

On the afternoon of April 2, 13-year-old Mauricio was struck by an automobile while he was in a crosswalk at SE 142nd and Division. He suffered a severe concussion and broken shoulder. No one should be a victim of such an assault, but in this case he has youth and resiliency on his side. Had he been 70 years of age, he may not have survived. The Oregon State of Pedestrian Safety Report, which Oregon Walks released last year, states Oregonians age 65 and older are four times more likely to be killed while walking than any other age group.

Portland's oldest and youngest are among those most vulnerable to traffic violence, and a cursory view of the headlines would demonstrate that our standards for traffic safety in our community are unacceptably low. Portland has already seen 18 fatal crashes on our streets this year, on pace to double last year's tally. In Multnomah County's lowest income areas the danger is even greater, where an individual is 2.3 times more likely to get hit by a car as a pedestrian.

That's why AARP Oregon and the Portland Association of Teachers urge Portlanders to vote yes on Measure 26-173 this May. We join 40 other community organizations in support, including Disability Rights Oregon, the Portland Business Alliance, Oregon Walks, Oregon League of Conservation Voters and all the leading mayoral candidates. This four-year, 10-cent gas tax would raise \$64 million to address road maintenance, traffic safety projects and safer routes to school in the neighborhoods and on the streets that need them the most throughout Portland.

For younger Portlanders, traffic safety investments near schools mean increased physical activity, better air quality near schools and increased independence and autonomy. Measure 26-173 would direct \$8 million to schools in Portland, David Douglas, Parkrose and Centennial School Districts, prioritizing improvements in the East Portland neighborhoods that need safety fixes the most.

Concurrently, the 65-plus population in the Portland metro area is projected to grow by 106 percent, compared to an increase of 35.6 percent in the general population. Improvements to pedestrian safety, crosswalks and access to transit are fundamentally important if we want to ensure that Portlanders of all abilities are empowered to maintain their mobility while aging in place.

It's in our best interest to pass Measure 26-173. Crossing the street shouldn't mean crossing your fingers. Mauricio deserved better, and, frankly, all of us in Portland do. Our organizations urge Portlanders to vote yes on Measure 26-173. We can make Portland a safer and healthier place to live for everyone.

The Portland Tribune

Hales fights for business tax increase, other councilors work on substitute budget

By Jim Redden

May 11, 2016

Mayor Charlie Hales is not giving up on his proposal to increase the city's business license fee without a fight.

He is not likely to win, however.

Hales included a proposed 14 percent increase in the business tax in the proposed \$501 million proposed budget he released last week. At the time, he said the \$9 million or so it would generate every year would fund more police officers and homeless services.

But a majority of the City Council rejected the proposed increase when it first considered the proposed budget on Tuesday. Commissioners Steve Novick and Dan Saltzman came out against the increase after it was proposed, and Commissioner Nick Fish said he was opposed during the work session.

The meeting ended with Fish saying the council would craft a substitute budget to be considered Tuesday. It is schedule to be adopted on Wednesday. They all said the city shouldn't raise taxes when revenue is rising to record levels, as they are now.

But after the meeting ended, Hales sent a lengthy email to supporters claiming dire consequences of the council doesn't approve the increase — or find another way to generate an additonal \$9 million in new revenue. The email said needed police officers would not be hired and warned that homeless camps would spiral out of control without city-funded support services.

Asked for a response by the Portland Tribune, Fish said he has no comment at this time but will have more to say when the council considers the substitute budget.

Here is Hales' email:

"Portland is a growing city that's facing real challenges: youth violence at record highs; systemic hurdles to access and opportunity; a housing affordability crisis; thousands of people sleeping on our streets.

"To address these challenges, we need more revenue. The boom years we've experienced came after a record budget shortfall — \$21.5 million cut from the general fund. We need to be pragmatic and responsible leaders, and take advantage of our prosperity to prepare ourselves for the future.

"At yesterday's work session, my City Council colleagues expressed doubts about the proposed Business License Fee increase. That is one option to raise revenue with little impact on most Portland businesses, but a large benefit citywide. I am open to other options my colleagues propose, such as the planned construction excise tax.

"The bulk of additional revenue in my budget goes toward investing in the Police Bureau and continuing to address homelessness. Cutting these investments would be a disservice to Portland. The impact:

"Impact of not investing in police — Our current staffing numbers are at crisis levels. Just to respond to 9-1-1 calls, we need 370 patrol officers. Right now we have 335. We're losing officers to retirements, terminations, and to other agencies that pay better than Portland does.

"In a letter to the City Council, Police Chief Larry O'Dea sums up the urgent need for real investment in the bureau: 'The bureau has done a tremendous job managing these huge challenges, but to be clear — we are on the verge of a serious crisis. I will be forced to continue to reduce and eliminate our specialty units and functions to staff the street. This means important and critical specialty units and functions like the Walking Beat, the Youth Services Division, the Traffic Division, the Family Services Division, the Gang Enforcement Team, and the Drugs and Vice Division will continue to have to increasingly support core patrol operations.

"These units and functions are all critical and should be expanded, not reduced or eliminated. Our ability to support important special events will continue to decrease. Our ability to meet community and Department of Justice priorities (community policing) will be seriously impacted. Our ability to support critical city commitments, like Vision Zero, will be reduced. Our ability to assist with all manner of livability issues, from marijuana impacts to homelessness, will be seriously impacted.

"To continue to provide public safety services Portlanders deserve, we must invest in our Police Bureau.

"Impact of not investing in homelessness

"July 1, 2016

"The One Point of Contact system ends; people will have to go back to contacting individual bureaus jurisdictions about homelessness issues. All support for camps stops. That means 200 people who are sleeping off the streets and in organized camping would no longer have toilets, dumpsters, storage, required Code of Conduct agreements, or management. Dumpsters, needle containers, and portable toilets that are helping to keep our streets clean will be removed.

"New organized camps won't be established for vulnerable women or for homeless campers moving off the Springwater and city streets. All planning for new shelters — like the 100-man overnight shelter slated to open soon — stops. The pods constructed by Benson High School students will be removed from campsites, and construction will stop. Planning for organized car and RV camping ends; instead of safe, controlled environments, they'll continue to stay on the street.

"Other items that will stop: mobile shower pilot program; development of new shelters and campsites; trespass signage coordination; neighborhood outreach on homelessness issues.

"August

"Day storage ends. Homeless people have been able to store belongings for the day so they can job hunt or go to medical services. Without the service, they remain on the street with their shopping carts, backpacks, and other belongings.

"October

"(Right to Dream Too) moves to new site in Central Eastside, but doesn't have the funding to provide operation services at the site.

"This City Council has the opportunity to find new revenue to invest in Portland's future. Now is the time to be responsible leaders and act in our city's best interest."

Read a related Portland Tribune story on the issue: portlandtribune.com/pt/9-news/306007-184151-council-rejects-hales-business-tax-increase.

City improves credit card payment security, but work remains

By Jim Redden

May 11, 2016

Portland is now in compliance with the standard for handling payment card transactions, according to the city auditors' office.

That does not mean the Water Bureau is ready to resume automatic payments for the city's combined water/sewer/stormwater management bills. The bureau recently contracted with a new service provider and is not expected to finish testing the new system until this summer.

According to an audit released Wednesday, May 11, "In 2015, more than 10 million payments were made to the city using credit cards or debit cards. Payment cards are used for an increasing number of payments to the city. These range from payments for parking in city-owned garages to payments for monthly water and sewer service to payments for participating in Parks and Recreation classes."

The auditor's office first reported the city was not in compliance the Payment Card Industry Data Security Standard for its handling of transactions in November 2014. At the time, the auditor's office said the city has not been in compliance since 2009, meaning the transactions were not as secure as possible for five years.

"The data security requirements help protect both merchants and customers from data breaches and fraud. City policies and the city's contract with a major bank for card processing require that the City comply with this standard," according to the audit, "Payment Card Data Security: Consumer information is safer."

In response to the 2014 audit, some city agencies outsource card transaction service and other, including the water bureau, discontinued automatic services. The Bureau of Development Services discontinued over-the-phone transactions. The city also clarified roles and responsibilities regarding compliance and implemented procedures and training to improve security.

As a result, the city is now in compliance with the standards, the audit says.

But it will still a few months before the water bureau is ready to resume automatic payment services. The City Council authorized a contract between the bureau and Invoice Cloud, a private transaction service provider, earlier this year. Although the contract has been signed, tests still need to be conducted to ensure the system is secure. No start-up date has yet been announced.

You can read the audit at tinyurl.com/znwlgto.

Portland approves heavy truck tax ahead of Tuesday road fee vote

By Kristian Foden-Vencil/OPB

May 11, 2016

Portland's City Council unanimously approved a new tax on heavy truck companies on Wednesday, May 11.

The measure is a companion to the gas tax ballot measure that voters will decide next week.

The city is trying to pass a temporary, 10 cent-a-gallon gas tax in Tuesday's primary election.

Opponents pointed out that heavy trucks would effectively be exempt — because they could simply drive through town and fill up their tanks somewhere that didn't have the tax.

But backers say the new tax would make trucks pay their "fair share" for road repairs.

Trucks already pay a weight-mile tax to the state. Portland will now add a 2.8 percent surcharge on top of that.

The new tax is expected to go into effect this September and generate about \$2.5 million a year.

The money will go to for street repair and safety projects.

Council rejects Hales' business tax increase

By Jim Redden

May 10, 2016

Portland's City Council has less than a week to rewrite Mayor Charlie Hales' proposed budget for the next fiscal year after rejecting his proposed Business License Fee increase on Tuesday.

Hales included the increase in the proposed \$501 million general fund budget he released last week. He said it would raise around \$9 million for more public safety and homeless services. The Portland Business Alliance almost immediately came out against it, noting that city revenues are already increasing at a record rate.

Hales argued in favor of the increase when the council considered his proposed budget for the first time on May 10, saying the additional money was necessary to meet the needs of Portlanders who are not benefitting from the economic recovery.

"No one wants to raise fees for our great businesses; they're good corporate citizens that support our community, and they've helped make Portland who we are. Yet, we're a growing city facing big-city challenges," said Hales.

But support for the increase was lacking. Commissioners Steve Novick and Dan Saltzman came out against it last week. Commissioner Nick Fish opposed it at the work session, saying governments at all levels are already requiring businesses to absorb additional costs. And even Commissioner Amanda Fritz was skeptical.

Despite failing to win support for his fee increase, Hales was not bitter and said raising additional revenue to meet mounting needs is one of the most pressing issues facing all major cities these days.

"We need to keep discussing it," Hales said.

But that means the council now has to find another way to raise approximately \$9 million for next fiscal year — or to cut that much from Hales' proposed budget. Unlike the U.S. Congress, the council has to balance the city budget every year.

Complicating the deliberations is a potential contract rewrite with the Portland Police Association intended to resolve a number of long running issues. Although council members did not bring it up Tuesday, behind-the-scenes discussions with the police union have been underway for some time.

Issues under discussion include doing away with the rule that gives officers involved in deadly force incidents 48 hours before being interviewed by investigators, raising the salaries of senior officers to discourage them from taking jobs with higher-paying agencies or retiring early, and a number of pending work-related grievances filed by the union. There is no estimate yet on the cost of such a "universal settlement."

And the deadline for all this is next Wednesday, when the council is scheduled to approve the budget that takes effect on July 1. The May 18 vote allows time for the approved budget to be reviewed by the Multnomah County Tax Supervising & Conservation Commission, as required by state budget laws.

To meet the deadline, the council will hold a public hearing on the proposed budget at 5:30 p.m. on Thursday, May 12. It will then likely hold another work session on Tuesday morning, where the substitute budget will be drafted.

"We're going to have to have an alternative proposal in a very short period of time," Fish said Tuesday.

If a majority of the council does not want to raise other taxes or fees to make up the \$9 million shortfall, there are a limited number of funding source they could tap. They include a new 1 percent Construction Excise Tax authorized by the 2017 Oregon Legislature, which only requires half the tax on commercial projects to be spent on affordable housing.

If revenue increases are off the table, a number of budget items have already been discussed by some council members for potential cuts. They include \$1.5 million to build a bikeway along Naito Parkway, \$.5 million left over in the Innovation Fund, \$1 million remaining in the Portland Bureau of Transportation's Out of the Mud program, the \$1 million worth of Special Appropriation grants handed out by the council members, and, ironically, millions of dollars in the Portland Police Bureau that do not support rank-and-file officers.

"There are a couple of scenarios that are already under consideration," Fish said.

The council is poised to support Hales' costliest new appropriation, however. That is the \$20 million commitment he made for more affordable housing and homeless services last year.

The promise followed the council's declaration of housing state of emergency last October. It is in addition to the urban renewal dollars dedicated to affordable housing projects. The council increased the share from 30 percent to 35 percent around the same time.

Multnomah County Chair Deborah Kafoury has pledged to match Hales' commitment with a \$10 million match. The entire \$30 million will go to A Home for Everyone, the collaboration between the city, county, Gresham and Home Forward, the former Portland Housing Authority.

Willamette Week

Three Portland Commissioners Kill Mayor Charlie Hales' Business Tax Increase

By Beth Slovic

May 10, 2016

Three Portland commissioners on Tuesday killed Mayor Charlie Hales' proposal to raise Portland's business income tax by 14 percent, scuttling the mayor's 2016-17 budget proposal, which depended on the estimated \$8.7 million in new business tax revenue.

Commissioner Nick Fish, having just returned from Spain, joined Commissioners Dan Saltzman and Steve Novick in rejecting the idea of raising the business tax from 2.2 percent to 2.5 percent.

"Three members of council have now said clearly they won't support it, so it's dead," Fish tells WW.

He says he expects commissioners and the mayor to have a new budget proposal ready by Friday. That proposal will trim many of the new items Hales proposed in his final budget as mayor to make up for the lack of additional tax revenue.

It won't be a slim budget, though. Even without the tax increase, Portland has a \$25.6 million budget surplus this year. That's part of the reason commissioners objected to the tax increase. Portland is collecting record revenue from businesses and hotels. Saltzman, for one, said higher taxes shouldn't be businesses' "reward" for doing well.

Hales, in a press conference last week, said his budget didn't have a lot of "baubles." Commissioners seem to disagree.

"It's not going to be a heavy lift to back fill the [tax] revenue with cuts," says Fish.

The decision came today in a work session at City Hall. Sara Hottman, a spokeswoman for the mayor, points out that commissioners took no vote.

Here's Where Portland Police Have Swept Homeless Camps Off City Property This Year

By Rachel Monahan

May 11, 2016

When Mayor Charlie Hales legalized camping on city property, he didn't end the practice of sweeping homeless camps.

Between the beginning of January and April 29, Mayor Charlie Hales' office approved 40 requests for cleanups of homeless camps, as WW reported in Murmurs this morning.

More than half—22 sweeps—were on Portland Bureau of Transportation property, including three at campsites near Southeast 11th Avenue and Pine Street, before that location was the scene of a shooting.

There were 13 on Portland Parks & Recreation land, where camping has not been legalized. There were none on Water Bureau land.

The mayor's office says it does not keep records of sweep requests that are denied. Sweeps of camps may be conducted for a variety of reasons.

"Cleanups are conducted when there's illegal activity, livability impacts (e.g., garbage or human waste accumulating), or environmental impacts (e.g., entrenched or sprawling camps)," said Hales spokeswoman Sara Hottman.

The Portland Mercury

There's Another Rate Hike on Businesses in Charlie Hales' Budget

By Dirk VanderHart

May 11, 2016

PORTLAND BUSINESSES have been railing against Mayor Charlie Hales' ill-fated proposal to raise Portland business taxes but there's a far steeper potential hike tucked away in the mayor's budget.

In a little-noticed item, Hales has proposed raising the city's fee on commercial trash collectors by up to 31 percent in coming years—from \$8.30 per ton of trash to as high as \$10.90 per ton by 2020.

The hikes, which would be split evenly between two \$1.30 jumps under the proposal, could bleed into the rates businesses and apartment buildings pay for trash collection. They wouldn't affect collection rates for single-family homes.

That's a bit odd, because the issue Hales wants to address with the rate hike affects all Portlanders.

The city plans to use revenue from the higher fees to more than double the number of public trash cans in the city—from fewer than 600 today to around 1,400 by 2020. That'll take around

\$500,000 just to purchase new cans, the Portland Bureau of Planning and Sustainability (BPS) estimates, and perhaps \$1.1 million a year for trash collection and maintenance. Hales also wants to create a new position to oversee the whole program.

"It's a tiny impact on individual bill payers, with a big, positive impact for the city's commercial districts," says Hales' spokesperson, Sara Hottman.

Indeed, the plan would vastly expand the number of neighborhoods that get public trash cans. Currently, just seven business districts host the city's roughly 570 cans, and the vast majority—around 400—are downtown. Under the expanded program, the city would add around five neighborhoods a year until public trash pickup extended to 31 urban "centers" identified in the city's Comprehensive Plan. The farthest from downtown: the intersection of SE 162nd and Division.

"I would assume that part of [the fee raise] will be passed through to the customers," says Kevin Veaudry Casaus, a solid waste and recycling coordinator at BPS, "but the disposal cost is a small portion of the overall cost of service."

The fee the City of Portland charges haulers for doing away with trash pales in comparison to Metro's charge of \$94.98 per ton. But the raises Hales has proposed—chosen from a number of options BPS considered—are steep enough to give the city's budget office pause. The office recommended Hales hold off on a rate hike while the city investigated what the true costs of the program might be.

Hales chose to ignore that advice. And on this fee hike, at least, it doesn't appear he'll get pushback.

"We're not planning to oppose this," says Dave White, who represents the Portland area for the Oregon Refuse and Recycling Association.

Without Permission, Advocates Just Built a New Homeless Camp for Victims of Sexual Assault

By Dirk VanderHart

May 11, 2016

THE SMALL CAMP seemed to emerge from nowhere.

One day, a Portland Development Commission (PDC)-owned lot sat empty at the corner of SE 93rd and Woodstock, as it had since the city snatched it up 16 years ago. The next, it was swarming with volunteers and advocates bent on claiming a safe space for the city's fast-growing population of homeless women—who are frequently subjected to sexual assault and other trauma.

And it was there without permission.

"We cannot, as an agency of conscience that sees this population almost daily, wait any more for the City of Portland to take action," a group called Advocacy5 wrote in a letter to neighbors three days before the takeover. "There are women being violated in the most heinous of ways, every day."

By sundown on May 8, six tents were set up on newly built platforms—five for homeless women, and one for a "live-in host"—and there were plans to build out the camp with a kitchen and a community space. Organizers at Advocacy5 would provide security guards, and eventually admit up to 25 women to the site.

"You have some of these women being raped twice a day," said co-founder Raine Ritalto, a homeless advocate with the group Free Hot Soup, as the setup neared completion Sunday. "The city's aware, but hasn't been working fast enough."

Ritalto's got plenty of people who'll vouch for that.

"When I came here, I felt safe and felt happy," a camper named Julie Zornado told the Mercury as she sat in front of a red-and-white tent, describing years of violence and fear on the streets. "I felt like a volcano, like I was going to be sick."

If the camp's arrival felt abrupt to neighbors—some of whom expressed dismay online—it didn't to city officials, homeless advocates, or people like Zornado.

Lisa Lake, president and CEO of Advocacy5 (which manages finances for several homeless outreach organizations working on the camp), says her group has been pushing the city for months to create an organized camp specifically for women.

The city even suggested the very Lents plot where the camp went up, then snatched it back recently—Lake says without explanation. With the path blocked, she says, the group decided to act anyway.

The city's reasons for taking the property off the table became clearer Monday, a day after the camp set up shop.

After years of pushing redevelopment in the neighborhood, the PDC finally found a buyer for the plot at SE 93rd and Woodstock two months ago. In March, Clackamas-based Lisac Brothers Construction brought the agency a \$500,000 proposal for the 0.38-acre site, according to PDC documents, and plans to build food carts and, eventually, market-rate apartments there.

The deal's a perfect illustration of the immensity of Portland's real-estate boom. Not only does PDC finally have a taker for a plot it's tried unsuccessfully to sell off, it appraised the property for \$469,000 in April. That's more than double a \$210,000 appraisal on the land less than three years ago.

"The struggles of getting some of these parcels redeveloped in Lents is certainly well documented," says PDC spokesperson Shawn Uhlman.

On Sunday afternoon, none of that history mattered to organizers who'd collected to build the camp, tentatively named Hope Forward. Those people included mayoral candidate Sarah Iannarone, who'd been working with Advocacy5 and had recruited volunteers to help build tent platforms.

"This model is going to be much more successful than the downtown shelter model," Iannarone told the Mercury. "It's the equivalent of circling the wagons."

By the following day, though, plans had changed. After a bit of harried negotiating, Mayor Charlie Hales' office announced the organizers would be closing the camp, and steering its five early residents to shelters. But Hales' office also handed Advocacy5 and its partners a swift victory, committing to move the camp to another PDC site "in the next two weeks."

"These organizations have done us a service in connecting us with these women, so we can move them to safety," Hales said in a statement. "However, our Safe Sleep Guidelines are clear: They cannot set up unsanctioned camps."

Organizers kept their reactions low key, but privately cheered. They'd had no real sense, Sunday, of exactly how the city would react to their takeover. Now, suddenly, they had a promise.

"We knew we would get moved," said Trena Sutton, an East Portland advocate, who'd planned to act as the live-in host at the new encampment. "We just didn't expect it to be this soon."

Hall Monitor: A Tax Switcheroo?

By Dirk VanderHart

May 11, 2016

IT WAS A WHOPPING 90 minutes into Portland City Council's first hearing on Mayor Charlie Hales' proposed budget Tuesday before the ailing elephant in the room finally died.

Taking pains to applaud Hales for his "extraordinarily collaborative" approach, Commissioner Nick Fish nonetheless announced he wouldn't back the most controversial element of Hales' new budget—one knocked by some for being notably noncollaborative.

After a week of speculation while he was in Europe, Fish confirmed he won't vote for Hales' proposed tax hike on businesses.

"I can't support that position for a number of reasons," he told the mayor. "One of the things I'm hearing from the community is it's not so much the marginal increase [of the tax hike]... but it's sort of the straw that broke the camel's back."

With those remarks, Fish formalized what has looked likely since May 2, when Hales announced that, despite record revenues, he'd seek to increase the city's business license tax by more than 13 percent. That hike would raise an additional \$8.7 million a year, money Hales argues is absolutely necessary to fund a growing city's growing challenges.

But it rankled Commissioners Dan Saltzman and Steve Novick in a year when Portland's already got a \$25 million surplus. Fish's third vote in opposition is a nail in the tax hike's coffin, assuming nothing drastic changes.

And now things get really interesting.

As the Portland City Budget Office works up a new proposed spending plan without that \$8.7 million tax bump, Novick, Saltzman, and Fish have forced a conversation the mayor's office is convinced they won't enjoy. Hales says there's simply not enough fat in his budget to trim nearly \$9 million away, and he'd like them to give it a shot.

Novick's already proposed his own list of cuts, but if a majority of commissioners find they agree with Hales, it raises a question: If not from business taxes, where might new revenue come from?

As it happens, there's a potentially obvious answer.

Before unveiling his budget, sources say Hales signaled interest to council members in enacting a tax on construction projects in the city. Such a "construction excise tax" is a new tool, made possible during the 2016 legislative session, and its use is very restricted. All tax money reaped from home construction projects needs to go toward affordable housing, the law says. But a full half of the tax revenue from commercial or industrial construction projects can go toward any purpose.

It's here, sources suggest, Hales might indicate an opportunity for additional funds.

According to a memo drawn up by city budget staff, obtained via public records request, a one percent tax on the cost of commercial construction could generate more than \$11 million a year—half of it suitable for any purpose. In other words, it'd be more than \$5.5 million a year in unrestricted cash.

Hales is clearly sure that money's necessary, but he may get pushback from Saltzman, who's also been eyeing a construction tax, but thinks it should go solely toward housing.

Like I said: Things just got interesting.

The Portland Business Journal

With business license hike chilled, Hales considers a construction tax alternative

By Jon Bell

May 11, 2016

The death knell for Mayor Charlie Hales' proposed increase to the city's business license fee all but rang loud and clear yesterday when Commissioner Nick Fish chimed in with two colleagues — commissioners Steve Novick and Dan Saltzman — in opposition to the hike.

But Hales may have a plan B to unveil.

According to the Portland Mercury, Hales has toyed with the idea of a 1 percent tax on the cost of commercial construction projects that could raise more than \$11 million a year. That tax was made possible by the Oregon Legislature this year with the passage of SB 1533, which cleared the way for cities and counties to levy a construction excise tax on new projects.

Proceeds from the tax on new residential projects would be dedicated to affordable housing projects; half of the revenue from commercial and industrial projects would go toward the same work, but the other half would be unrestricted.

The Mercury suggested that at this point, Hales has only looked into the possibility of the excise tax as a way to boost the city's budget and that no firm proposal has been laid out.

In a statement after yesterday's work session, Hales confirmed he is up to consider the tax.

"At yesterday's work session, my City Council colleagues expressed doubts about the proposed Business License Fee increase. That is one option to raise revenue with little impact on most Portland businesses, but a large benefit citywide," he said. "I am open to other options my colleagues propose, such as the planned construction excise tax."

Mayor Hales' \$8.7M business tax hike is likely dead in the water

By Erik Siemers

May 10, 2016

A third city commissioner on Tuesday said they won't vote for Portland Mayor Charlie Hales' proposed business tax increase, meaning it won't have enough votes to pass, according to the Oregonian.

Hales' 2016-17 proposed budget, released last week, includes an increase to the city's business license fee — the first increase in 39 years — that the mayor said would raise an additional \$8.7 million. The money, he said, is critical to bolster the Portland Police Bureau, increase affordable housing and help Portland's homeless population find services.

But it met immediate opposition, particularly from the Portland Business Alliance, which described the fee increase as "unnecessary" considering the city has a budget surplus of \$25.6 million.

The Oregonian reported last week that commissioners Dan Saltzman and Steve Novick opposed the plan. Commissioner Nick Fish joined them on Tuesday.