

## **The Oregonian**

### **City buys first bus tickets for Portland's 'Homeward Bound' homeless**

*By Eder Campuzano*

*May 19, 2016*

The first of dozens of homeless Portlanders got their free bus tickets out of town, courtesy of the city on Thursday.

The Homeward Bound program was approved for at least \$30,000 by the City Council in mid-March, part of a larger effort by Mayor Charlie Hales to address Portland's homeless crisis. According to KGW, at least 40 folks signed up for the program on the first day of operation.

But it's not as if those leaving town are flying blind — the program requires participants to have a place to stay when they reach their destination.

"We don't want to export the problem to another community," Portland Housing Bureau Director Kurt Creager told The Oregonian/OregonLive back in March. "We're trying to end homelessness. We're not trying to move homelessness."

Indeed, one of the homeless men KGW spoke with was dumped here by friends en route to Spokane on a road trip. Dillon Hendershot told the station that he'd been sleeping under the Broadway Bridge since he was left here, clutching an \$82 bus ticket Thursday afternoon.

He'll join his mother in Spokane. Both were interviewed by staff at Transition Projects, a local non-profit, to make sure Hendershot had a place to stay upon arrival.

Three months later, according to a staffer at the organization, Transition Projects will follow up with the duo to make sure everything is well.

If Hendershot is homeless in Spokane during the check-in? The non-profit will help him find similar organizations up there.

More information, including how to participate in Homeward Bound, can be found by dialing 2-1-1.

### **Aneshka Dickson leaving development commission board**

*By Brad Schmidt*

*May 19, 2016*

Aneshka Dickson, the longest-tenured member of the city's urban renewal board, is stepping down.

Dickson joined the Portland Development Commission's five-person board in September 2010, under a nomination made by former Mayor Sam Adams. Since taking office in 2013, Mayor Charlie Hales has appointed four new members -- and Dickson's replacement will represent full turnover on the volunteer board.

Dickson's term expires next month and she decided to step down, said Shawn Uhlman, a development commission spokesman.

Dickson, 39, is the vice president and chief financial officer for Portland-based Colas Construction, which has become a major player in some key city projects. She is the only woman on the development commission's board.

Commissioners are unpaid and oversee the development commission's executive director. They also vote to approve major development projects, many of which are subsidized by property taxes corralled from urban renewal districts.

Portland's mayor will nominate a replacement for Dickson, to be approved by the City Council.

## **Portland approves Charlie Hales' final budget, with key tweak**

*By Brad Schmidt*

*May 18, 2016*

A restrained and collegial Portland City Council unanimously approved a \$501.4 million discretionary spending plan Wednesday that didn't include a controversial tax hike on businesses.

The vote followed weeks of wrangling inside City Hall prompted by Mayor Charlie Hales' proposal to raise taxes to stuff more spending into his final budget – despite record revenues.

But city commissioners rejected that plan, and publicly rebuked Hales, ultimately forcing officials to slice away \$8.7 million worth of spending that Hales proposed.

Even so, Portland's 2016-17 discretionary general fund includes \$34.5 million worth of new investments, plus an additional \$11.2 million for housing that's already been earmarked.

"The reason I brought up new revenue is because I think the city of Portland is going to need it," said Hales, who ultimately voted in favor of a re-written budget because it included most of what he proposed.

But to balance the budget, the City Council killed off \$3 million for higher police pay, \$2.3 million for a diversion program and \$1.5 million for a project on Naito Parkway that included special bike lanes.

The budget also doesn't include \$1.7 million to spend on policy body cameras in the fiscal year beginning July 1. But Hales did succeed by earmarking that money for the Police Bureau beginning in the 2017-18 budget. Changing course would require City Council approval.

"What body cameras do is, they keep the truth safe," Hales said.

Despite his optimism, Commissioner Dan Saltzman expressed skepticism about long-term costs and labor concessions associated with the cameras.

"I really don't feel we have our act together on body cameras," he said.

In all, Hales' final budget includes nearly \$30 million from the general fund for housing and homelessness efforts -- a top priority since last fall. The City Council will adopt the budget officially next month.

"This is a budget the mayor can be very proud of," Commissioner Steve Novick said.

## Portland pot tax could raise \$5 million

*By Brad Schmidt*

*May 18, 2016*

Portland Commissioner Amanda Fritz said Wednesday she's planning to ask voters to approve a pot tax this fall that could raise up to \$5 million annually.

Fritz announced plans for the marijuana tax at a budget session on Monday.

But on Wednesday, she put more details to her plan, saying a 3 percent local tax on marijuana could raise between \$3 million to \$5 million a year.

Fritz said she'll ask the City Council to help propose a spending plan for the money, hoping to entice voters to approve the tax. The ballot measure would be decided in the Nov. 8 general election.

## Portland mayor-elect Ted Wheeler outlines vision in 6 a.m. City Hall appearance

*By Noelle Crombie*

*May 18, 2016*

Ted Wheeler on Wednesday held a news conference on his first day as Portland's mayor-elect, showing up in front of City Hall minutes after 6 a.m.

Wheeler, 53, spelled out how he plans to spend the next seven months: assembling his administration, holding public office hours and crafting policies he hopes to put into place once he's sworn into office.

Wheeler had been expected to easily outperform his 14 opponents, but it wasn't clear if he'd win outright. He did just that -- winning 57 percent of the vote in partial returns. He avoided having to campaign for a November election against second-place finisher Jules Bailey, who recorded 16 percent of the vote in partial returns.

While Wheeler rejected the idea he'll be a shadow mayor, he offered plenty of advice to city leaders.

He said the Portland Police Bureau should focus on community policing to address "livability" issues such as graffiti and bike thefts.

Such a shift, he said, would "improve the public's perception of the Police Bureau."

"Even graffiti -- you have got to wipe it out quickly," he said. "If you don't, it sends a signal that it's OK, and it only escalates.

"I would love to see the Police Bureau get on top of those types of crimes," he said.

He said the city should "get rid of" the 48-hour rule, a controversial provision that prevents internal affairs investigators from interviewing officers immediately after a police shooting.

Wheeler encouraged city leaders to "revisit" Mayor Charlie Hales' controversial policy allowing some tent camping by the homeless.

"I am not convinced the tent-camping policy is working," he said. "I don't think it's a particularly compassionate approach to those living on our streets, and I don't think it's particularly fair to neighborhoods or to businesses."

He said the city should focus instead on "programs that really move people from the streets" into jobs and housing.

Wheeler also said he has "some questions" about the city's plan to spend \$19.5 million to rent office space for two years while The Portland Building is renovated. The city has slated another \$6 million for temporary moving expenses.

"I wonder if there aren't other alternative strategies that could potentially save the city money," he said. "That's not to say they haven't picked the right option. I would just like to do my due diligence on this and feel confident that we are making the right decision, and I am not there yet."

Wheeler said Hales called him after the election results were in Tuesday, but he declined to say what the two discussed.

He added that he's been in "frequent contact" with members of the City Council on a wide range of matters.

"But," he added, "I want to be clear: Charlie Hales is still the mayor and I am still the state treasurer until the end of the year."

## **Ted Wheeler wins race to be Portland's next mayor**

*By Brad Schmidt*

*May 17, 2016*

UPDATED: This post was updated Wednesday at 2:30 p.m. to reflect the latest numbers. Wheeler opened with about 58 percent of the vote but that dropped to about 56 percent. Bailey opened with about 16 percent and that climbed to 16.5 percent. The margin between the two shrunk from 42 points to about 40 points.

Front-runner Ted Wheeler won the race to become Portland's next mayor Tuesday night, securing enough votes to claim the election outright and avoid a protracted campaign into November.

Wheeler needed to capture a majority of votes to prevent a general election runoff. He'd secured 56 percent of partial returns, although that figure is expected to change as more ballots are counted.

"I'm very grateful that thousands of big-hearted residents in the city of Portland put their trust in me, and I won't let them down," Wheeler told The Oregonian/OregonLive. "The voters trust me to help lead the city into the future and help chart a course for that future."

Wheeler had been expected to easily outperform his 14 opponents, but it wasn't clear if he'd officially close the race. He did just that -- with a nearly 40-point advantage over his closest opponent -- and will now avoid having to campaign against second-place finisher Jules Bailey, who recorded just 16.5 percent of the vote in partial returns.

The margin of victory surprised Wheeler.

"Honestly, it does. There were 15 candidates in this race," he said. "I think Portland was incredibly lucky to have so many intelligent and passionate people who were concerned about this city."

Possessing the title of "mayor-elect" may further increase Wheeler's influence in City Hall and accelerate Mayor Charlie Hales' lame-duck status.

Although Wheeler won't take office until Jan. 1, he's already been vocal during the campaign about some city business – including the timeline for picking a new director for Portland's urban renewal agency. Over the next seven months, he'll likely have ample opportunity to speak out about priorities or raise objections if he disagrees with Hales on key policy issues.

While Wheeler rejected the idea that he'll be a shadow mayor, he offered plenty of advice to city leaders.

Wheeler, 53, has become one of Oregon's most accomplished politicians, and winning Portland's nonpartisan position of mayor could set him up for an eventual gubernatorial bid.

Wheeler first won elected office 10 years ago by trouncing incumbent Multnomah County Chairwoman Diane Linn. After his victory, but before he was sworn in, Wheeler set up shop in the county's headquarters and began meeting with county commissioners.

That level of involvement may prove more difficult this time, however: Wheeler is the elected state treasurer and those responsibilities extend until year's end.

Unable to retain his position as treasurer because of term limits, Wheeler's entry into the mayoral race last September dramatically altered the landscape of Portland politics. Six and half weeks after Wheeler jumped in, Hales dropped his re-election bid.

Briefly considered the heir apparent, Wheeler later drew two opponents who hoped to mount strong campaigns – Bailey, a Multnomah County commissioner, and Sarah Iannarone, assistant director of First Stop Portland.

But neither garnered much momentum, and Wheeler maintained a commanding lead. Polling released last week confirmed what had been obvious throughout the campaign: Wheeler was way ahead, building a 24-point lead over Bailey, although many voters were still undecided.

In the end, Wheeler claimed the second-largest win margin for a mayoral race in the past 44 years, trailing only Vera Katz's re-election cakewalk in 1996.

Wheeler watched the results unfold at Blitz Ladd in Southeast Portland, where he arrived just after 7 p.m. looking visibly nervous. He retreated to a back room about 40 minutes later, awaiting results with family, friends and advisers.

He didn't have to wait long. As Wheeler watched for a website to refresh from the back room, cheers erupted from the bar's main area as more than 100 Wheeler supporters saw the results flash across television screens, prompting chants of "Ted! Ted! Ted!" and "Wheeler! Wheeler! Wheeler!"

Wheeler campaigned strongly and raised about \$900,000 in contributions – nearly six times more than Bailey – allowing him to hit television airwaves more than a month before the election.

Bailey officially entered the race in January after several other prominent politicians decided against challenging Wheeler. Bailey said he always considered his campaign an uphill battle but credited Wheeler, saying he'll be a "great mayor."

"I'm proud that we were able to push the conversation, give Portlanders a debate," Bailey said in an interview.

Wheeler's fundraising prowess and connections to the business community never became a central theme of attack for opponents during the campaign. Meanwhile, Wheeler appealed to a broader base with proposals such as a bill of rights to better protect renters from eviction.

Wheeler largely campaigned on an affordable-housing and homelessness platform, regularly saying Portland faces a "humanitarian crisis" because nearly 1,900 people are estimated to sleep on the streets on any given night.

He's pledged to secure shelter space for everyone who needs it by the start of 2019.

Wheeler said he'll meet with advisers Wednesday morning to begin charting a transition plan. Avoiding an extended campaign into November will give him the time to be thoughtful, he added.

"When I take office in January," Wheeler said, "I'll be ready to hit the ground running."

## **In Portland, it's Day One for Mayor Wheeler: Editorial**

*By The Oregonian Editorial Board*

*May 17, 2016*

Ted Wheeler is to be congratulated. Because his closest competitor, Jules Bailey, failed to garner enough votes to force a runoff, Wheeler will become Portland's mayor in January. But that's just the fine print.

The reality is that Wheeler's first day on the job is Wednesday. That's when he must roll his sleeves up and bring a hard cold eye to the workings of Portland City Hall, with particular attention to the initiatives of lame duck Mayor Charlie Hales, who has unsuccessfully sprung surprise tax and zoning proposals of late. Wheeler may still be Oregon's treasurer, but Portland needs his best now so he can close later.

Mayor Wheeler should spend the next few months setting priorities to surmount several gnarly challenges. He has said he'd find a way to ensure no one in Portland goes without a place to sleep by 2019: But how? He has said he wishes to expand protections for apartment dwellers, so many of whom are unable to keep pace with rent hikes: But when? He has said he wants to nose into the choice of the Portland Development Commission's next director: Good, but how and when? Separately, the U.S. Environmental Protection Agency is about to drop upon Portland a mammoth plan for cleaning up toxic Portland Harbor — at costs to be borne by Portland industries and the city itself. Will Wheeler broker and advance Portland's best interests to balance environmental and economic values? He can and should.

Wheeler is one of a few natural talents in Oregon politics. He's smart. He's committed. He knows this place. And he promises to make a difference. Portland voters have chosen well. Wheeler can reward them with immediate follow-through.

# How will Portland City Council make the case for more road money now?: Editorial

*By The Oregonian Editorial Board  
May 17, 2016*

With about 60 percent of the vote counted, Portland on Tuesday appeared poised to adopt the state's highest local gas tax, at 10 cents per gallon. If the tax prevails, it will make a tiny dent in a road-maintenance backlog that would, the city estimates, require the expenditure of about \$120 million per year for a decade to eliminate. Where will the city get more money — assuming commissioners really want to fix the roads, that is?

Some, let's hope, will come from a statewide funding package approved by the Legislature next year. But that's not going to get Portland's streets in the condition everyone would like, even with the big-rig tax approved by City Council this month. Which leaves more local revenue, including, perhaps, some of the taxes and fees proposed by the City Club of Portland last year.

Having that conversation with taxpayers certainly will be interesting. Only 56 percent of the revenue generated by Portland's gas tax — or \$9 million per year — will be dedicated to road maintenance. The balance, 44 percent, will be spent on bike lanes, sidewalks and other improvements that, while worthwhile, will do nothing to reduce the city's nine-figure annual maintenance backlog. This is not an allocation mix a City Council that was serious about road maintenance would propose. Look for more skepticism than enthusiasm the next time Council cries "our roads are crumbling!" and demands more cash.

## The Portland Tribune

### Portland voters say 'fill 'er up' to city gas tax

*By Christopher Keizur  
May 19, 2016*

Portland voters narrowly approved a 10 cent-per-gallon increase in the city gas tax.

The tax passed 77,617 to 72,120 in unofficial returns.

The four-year, 10 cent-per-gallon fuel tax dedicated to street repair is estimated to raise \$64 million over the four years of its life span.

Steve Novick, who is the incumbent seeking re-election for City Council Position 4, sponsored the measure and contributed \$25,000 of his re-election funds to the ballot measure campaign.

"For 30 years the city of Portland has failed to address our streets," Novick said from his campaign party Tuesday night. "All you can do is take a shot — especially if the future of the city is at stake.

"I hope we win tonight," he said of the tax. "But if not, there is always another election. In the words of 'Galaxy Quest,' 'never give up, never surrender.'"

“We spent the past two and a half years trying to get a funding source for street repair and traffic safety,” he said, “so I will be a lot happier if the gas tax passes and I have to go to November.”

A coalition of groups — business, environmental, teachers, neighborhood associations — have all come together to support the measure, believing the roads are a priority.

“We ran a strong campaign and believe a wide-swath of Portlanders have come together to invest in our streets,” said Aaron Brown, campaign manager for Fix Our Streets. “We are optimistic tonight’s results will continue to demonstrate that.” ?

The money generated through the tax would be used to repair damaged roads throughout the city, as well as create safer crossings and sidewalks. All motor vehicles would be subject to the tax, except trucks already paying the weight-mile tax.

Twenty-two Oregon cities and counties have enacted local gas taxes and 30 have implemented transportation utility fees. Portland’s 10-cent tax would be the largest in the state if passed.

## **City Council unanimously passes next year's budget**

*By Jim Redden  
May 18, 2016*

Mayor Charlie Hales smoothed things over with his City Council colleagues and supported their substitute budget for the next year Wednesday morning, allowing it to be passed unanimously.

A majority of the council previously said they could not support the Business License Fee increase in Hales' proposed budget intended to raise \$8.7 million for police and homeless services. Emotions ran high at Thursday evening hearing on the proposed budget when Hales continued to press for the increase. Hales was unable to change their minds, however, setting up the possibility he could be the lone "no" vote on the final budget of his administration.

But Wednesday's hearing was much calmer. Although Hales continued to say the city needs to raise more revenue, he acknowledged that 90 percent of the budget was what he originally proposed. The biggest difference was cutting \$3 million in increased police salary and benefits. All of the other commissioners agreed the spending might eventually be justified — but it requires more study because the cost is projected to increase to \$9 million in two more years.

In the end, the council restored some Hales' original request that had been cut in the substitute budget, including approximately \$2 million for beginning to implement the police body camera program, \$75,000 to encourage more public benefit "B Corporations" in Portland, and \$150,000 for two more park rangers for the east side.

"I brought up new revenue because I believe the city is going to need it. That subject must continue to be discussed while I'm still here and after I leave," Hales said before casting the final "yes" to approve the final \$501.4 million budget the takes effect on July 1.

As expected, commissioners Nick Fish, Steve Novick and Dan Saltzman supported the substitute budget after previously saying that could not support increasing business taxes when city revenues are already increasing to record levels as the economy recovers. Commissioner Amanda Fritz also voted "yes" after revealing for the first time that she had concerns about the cumulative cost of the police salary and benefit increases.

The issue could return to the council later this year, however. The city is currently in negotiations with the Portland Police Association to resolve a number of ongoing disputes, including a series of workplace grievances and the fate of the current rule in the police contract that allows officers involved in deadly force incidents to wait 48 hours before talking to investigators. Salary and benefit increases may be required to achieve such a "universal settlement," if the talks continue.

## **Wheeler is now mayor-elect; Novick faces runoff**

*By Jim Redden*

*May 18, 2016*

Ted Wheeler and Steve Novick wanted the city gas tax to pass so much, they both supported it with large contributions from their campaigns.

In Wheeler's case, the \$24,000 contribution did not hurt his race for Portland mayor. The Oregon state treasurer won outright with a surprisingly large 58 percent or so of the vote at the May 17 primary election. His closest challenger, Multnomah County Commissioner Jules Bailey, conceded early with only about 16 percent of the vote.

"I'm extremely energized and can't wait to be sworn in as the next mayor of Portland in January," Wheeler said Wednesday morning.

In Novick's case, the \$25,000 he diverted from his re-election campaign may have prevented him from avoiding a runoff. The first-term commissioner received only about 43 percent of the vote. He will likely face Stuart Emmons in the general election. The architect was leading business owner Chloe Eudaly by a margin of about 15 percent to around 13 percent at press time in the early returns, although Eudaly closed the gap to just one vote in the later ones.

"I look forward to the chance to listen to the community and discuss the pressing issues important to Portlanders — especially homelessness, affordable housing, livable neighborhoods, schools, equity and the environment," Emmons said.

Novick insists he is not disappointed, however. The four-year, 10 cent-a-gallon gas tax apparently squeaked by with a little more than 51 percent of the vote. It will raise \$64 million over four years for maintenance and safety projects.

"Making a start at fixing our streets is more important than whether I am re-elected at the primary or general election," Novick said on election night.

In the final city race, Commissioner Amanda Fritz won the easiest primary of her political career, swamping businesswoman Ann Sanderson by a margin of about 70 percent to 11 percent. It was the first time she was not forced into a runoff.

### **Low-key race for mayor**

The mayor's race was full of surprises but generated little excitement. Mayor Charlie Hales told the Portland Tribune in March 2015 that he would run for re-election, then abruptly dropped out in October after Wheeler announced with a long list of supporters, including former mayors Vera Katz, Tom Potter and Sam Adams.

Bailey announced shortly after that, but could not start campaigning until January if he wanted to retain his county seat through the end of the year. Portland State University urban researcher Sarah Iannarone declared in January. Each hoped to make it into a November runoff election.

Despite problems facing the city, which range from increasing gang violence to the upcoming bill for the Portland Harbor Superfund cleanup, the race was dominated by two related issues, homelessness and the lack of affordable housing. All of the candidates prioritized them and the press reported on little else, helping to create the impression there were few differences between them.

Iannarone distinguished herself by calling for a legally dubious rent freeze and supporting regulated homeless camps throughout the city. Ironically, some activists accused Bailey of not doing enough, even though he was the only candidate working to fund more shelters and affordable housing projects as a board member of the A Home for Everyone coalition. Iannarone received only about 11 percent of the vote, however.

Wheeler easily dominated the fundraising, reporting more than \$706,000 in contributions before the election. In what may have been a strategic error, Bailey limited his individual contributions to \$250. He reported raising around \$178,000 over the past two years, including surplus funds from his previous county commissioner campaign committee.

Hales is only the most recent mayor to just serve one term. The last mayor to be elected to a second term was Katz in 1996, followed by winning a third term in 2000. Both Potter and Adams, who followed her, chose not to seek re-election.

### **Burdened by incumbency**

For Novick, the primary was his toughest council test. He was first elected with little opposition in the 2012 primary after being endorsed by former Commissioner Randy Leonard for the position shortly after Leonard declared he would not run for reelection.

Although Novick was well-liked when he first took office, in large part because of the humorous but unsuccessful 2008 campaign he ran for the Democratic U.S. Senate nomination, he stumbled in office after Hales put him in charge of the Portland Bureau of Transportation. The two of them announced a new street fee the council would pass without a vote of the people. Novick said if Portlanders didn't like it, they could vote them out of office. But it turned out they did not have the necessary third vote on the council to pass the fee. What followed were a series of increasingly controversial rewrites that still failed to win council approval.

Novick and Hales finally suspended their efforts at the start of the 2015 Oregon legislative session to give Salem lawmakers a chance to approve a statewide transportation funding package. After that collapsed, Novick continued working on the issue and began assembling a broad coalition of included business owners, construction unions, safety activists to discuss it. He then embraced a City Club of Portland recommendation for a gas tax and persuaded the council to put it on the primary ballot. The coalition supported it.

Emmons and Eudaly entered the race saying that Novick and the council were not doing enough to address the most important issues facing the city, including the affordable housing crisis. Whoever finishes second faces a daunting challenge to unseat Novick in the general election. No council incumbent has been defeated since 1992. Fritz was easily re-elected in

2012 after being virtually tied with then-state Rep. Mary Nolan at about 44 percent in the primary.

However, political consultant Len Bergstein says Novick may become the focus of Portlanders upset with the council's handling of volatile issues, from the increasingly visible number of homeless campers to zoning changes proposed to increase density in single-family neighborhoods, something Novick supports to help accommodate the additional people expected to move here during the next 20 years.

"Incumbents almost always win in Portland, but Novick is burdened by incumbency more than most candidates," Bergstein said.

## **Amanda Fritz wins third term on Portland City Council**

*By Jim Redden*

*May 18, 2016*

City Commissioner Amanda Fritz coasted to re-election Tuesday, winning easily over a field of five little-known challengers.

Fritz had 67,697 votes after the first batch of Multnomah County votes was released around 8:10 p.m. Her nearest challenger was Ann Sanderson, with 10,356 votes.

Fritz initially was not expected to run for re-election, having ruled out a third term after winning re-election in 2012. But she changed her mind following the September 2014 death of her husband in an automobile accident, saying she had planned to retire to spend more time with him.

Fritz did not draw any opponents until virtually the last minute, which was surprising. Some neighborhood activists accused her of not doing enough to stop residential demolitions for infill projects as commissioner in charge of the Bureau of Development Service. Her work on rewriting the tree code also was often deemed a failure.

But polls showed Fritz is the most popular member of the City Council. Many voters still view her as a neighborhood champion because of her activist background. And she refused to provide the swing vote for the controversial street fee originally pushed by Mayor Hales and Commissioner Steve Novick.

Fritz, the only non-incumbent ever elected with now-defunct city public campaign funds, limited her contributions to \$500 and reported raising about \$30,000 by last weekend. The strongest of her five challengers, businesswoman Ann Sanderson, reported raising about \$5,600.

## Willamette Week

# Report: Pilot Program for Portland Public Works Projects Hindered by Conflicts of Interest

*By Beth Slovic*

*May 19, 2016*

A new report on the city of Portland's efforts to improve opportunities for minority-owned, women-owned and disadvantaged businesses shows that more than 80 percent of funds earmarked for this purpose on two large Portland Water Bureau projects went to groups who had individuals representing them on the committee guiding the work.

The report—an evaluation of the Community Benefits Agreement program Portland launched in 2012 under former Mayor Sam Adams—criticized lax procedures for the problem. Specifically, the report looked at two CBAs that were in place when the Water Bureau recently built the \$75 million Kelly Butte Reservoir and a \$50 million maintenance facility.

Under the CBAs, 1.5 percent of the total cost of each project went to efforts designed to help disadvantaged businesses—technical assistance programs, training, recruitment and compliance monitoring. In the end, the two projects spent just under \$800,000 on the community benefits.

But the CBAs, which established a Labor Management Community Oversight Committee, provided inadequate oversight of that money, the report says.

"CBA programs and strategies were designed, executed and managed by a relatively small number of individuals from organizations signatory to the CBA or specifically identified in the CBA," according to the report. "Some organizations represented on the LMCOC were also awarded contracts by the LMCOC. This created the appearance of conflict of interest."

The report adds: "We could not confirm or find signed conflict of interest statements."

Fred Miller, the city's chief administrative officer who oversees the bureau that published the report, says it raises questions about how the city should implement CBAs in the future. Minutes from committee meetings show members abstained from voting on grants going to their own groups.

Still, Miller says he has concerns.

"If the committee gives 80 percent of the funds they allocate to themselves, that's bothersome," he says.

The Portland City Council unanimously approved the creation of the Community Benefits Agreement in 2012, but asked for an analysis of its effects after the city finished building the two Water Bureau projects.

The agreement grew out of work by former City Commissioner Jim Francesconi, who pressed the City Council as a labor lobbyist to adopt the model.

Commissioner Nick Fish, who oversees the Water Bureau, says his agency will use a different program on its upcoming Washington Park Reservoir project to improve opportunities for disadvantaged businesses.

# The Portland Mercury

## Hall Monitor: The Budget Boiling Point

*By Dirk VanderHart*

*May 18, 2016*

THE VIEW offered up by Mayor Charlie Hales was bleak: a vastly understaffed police bureau; 200 people sleeping on the streets without toilets, dumpsters, or storage; hopes for new encampments—that might help hundreds more people find stability—dashed because of lack of funds.

This was last Wednesday, May 11, two days after Hales learned his proposal to hike taxes on Portland businesses was dead. The dire outlook, offered up in a lengthy press release, read like the mayor's attempt to muscle his fellow Portland City Council members into reconsidering the \$8.7 million in new yearly revenue.

And, like the mayor's proposal for the tax hike—which some commissioners felt came out of the blue—it backfired.

When homeless advocates showed up to a lengthy budget hearing the following day, clamoring for council to keep nearly \$700,000 for homeless camps in the budget, commissioners began looking around quizzically. After all, records show, the latest budget draft they'd seen—just the day before—included the money. There was no appetite to cut the funds, they insisted.

Yet Hales, who'd certainly seen that recent budget draft, continued to suggest there was a risk.

"Everything's at risk until it's approved," he said. "There's [now] a \$9 million hole in this budget... we have to have a balanced budget. It's as simple as that."

It all set up the most acrimonious exchange at a council meeting in recent memory. Commissioner Nick Fish, who's been a regular critic of Hales' approach to homelessness, was furious.

"You know that's not true, mayor," Fish said. "Your office affirmatively gave misinformation to the public. These are vulnerable people in the community that you're playing politics with, and I think it's disgraceful."

The back and forth lasted, with occasional interruption, for almost 10 minutes. A council gadfly took the opportunity to hurl obscenities at Hales, and wasn't even kicked out. Eventually the meeting continued.

It was another example of a booming budget turned slightly sour. The general fund the council is slated to approve May 18 is more than \$500 million, \$25 million of it surplus cash. Yet this is the most controversial budget of Hales' tenure.

It's also worth noting that at least one of Hales' predictions in that dire press release will come to pass. The nearly \$9 million in cuts that commissioners made to Hales' budget have claimed \$3 million in higher pay for police [In Other News, pg. 9], and a portion of the money Hales wanted to put toward body cameras on officers.

The cuts also kill cash for a permanent protected bike lane on Naito Parkway, which has rankled active transportation types, and millions for a new diversion program to help homeless people accused of minor crimes connect with services.

And yet? \$500 million goes a long way—a point Commissioner Steve Novick sought to make in a May 16 hearing on potential cuts to the budget. That document, he noted, still includes around \$29 million for housing and homelessness.

"The fact we're making these historic investments... is something people should know," Novick said. "It's something the media should highlight."

That's true. So I am.

## **Portland's Got a New Mayor!**

*By Dirk VanderHart*

*May 18, 2016*

FOR AN IDEA of how Ted Wheeler absolutely throttled the city's mayoral primary on Tuesday, you could do worse than talk to his opponents.

Not Jules Bailey or Sarah Iannarone, so much, but the political unknowns who always figured as immense underdogs.

There was David Schor, for instance, stopping by Wheeler's election night party on the way to his own, and talking about how Wheeler "went out of his way" to make the race more inclusive.

Or punk rock jeweler Bim Ditson, in the dusty dimness of the Firkin Tavern, telling the Mercury that Wheeler's "been a class act the whole time. I don't know if it's a pro move or honesty."

That's just how it went for Wheeler in this election. The state's treasurer—far and away the big-money establishment candidate in a town that's punished that status in years past—never relinquished the frontrunner position he assumed when his candidacy sent Mayor Charlie Hales from the race in late October 2015.

He was too likeable, too polished. And if it was all a cynical "pro move," Portland will find out sometime after January 2017. For now, the city knows who its next mayor is.

Wheeler's victory was the most important of the local races decided on Tuesday night, if not the most decisive. Commissioner Amanda Fritz easily handled a slate of opponents who'd only thought to run against her at the absolute last minute, getting nearly 70 percent of the vote (Wheeler had almost 58 percent in late returns).

Meanwhile, Commissioner Steve Novick appeared headed for a November runoff with Portland architect Stuart Emmons. The four-year, 10-cent-per-gallon gas tax Novick championed held a slim lead with roughly 63 percent of votes tallied, according to the Oregonian.

Two contested Multnomah County Commission seats—earning paltry votes compared to the city races—are both headed to a runoff.

The centerpiece of the evening, though, was the mayoral race—and how unsurprising Wheeler's near immediate victory felt.

"This has been an incredible and slightly early night," Wheeler told cheering, jalapeño-popper-filled supporters at Blitz Ladd. "Tonight the voters spoke loudly and clearly. We need to work together to create real progress for this community."

Meanwhile, in Old Town, Bailey's speech was more somber. "The numbers didn't work out," he said. "But there's much to celebrate."

Bailey, it turns out, hadn't created enough daylight between himself and Wheeler, in a race that could have made issue of the treasurer's heavy reliance on the city's political establishment. Despite being the clear big-money candidate (he dropped more than \$500,000 this year alone) and a millionaire to boot, Wheeler easily parried Bailey's attempts to deride his largesse. Plus the two took nearly identical positions on every major issue, and Wheeler's a more relaxed, practiced campaigner.

Bailey logged some decent endorsements in the race—from environmental types and cops—but couldn't pull even.

The limited polling Portlanders saw in the run up to Tuesday's primary indicated many voters were undecided in the race, but it appears a lot of them landed on Wheeler.

Sarah Iannarone, who'd garnered roughly 10 percent of the vote with 59 percent of votes counted, wouldn't concede the race as of 9:45 pm, though news outlets had called it long ago. "I'm not ready to bow out yet," she said.

In some ways, Novick's outcome Tuesday is the partial conclusion of an arc that began May 22, 2014. That morning, dressed in a dark suit, in a sun-soaked Southeast Portland park, Novick was making his first formal pitch for a controversial street fee that would come to envelop Portland City Hall in negativity in the months to come.

On that sunny knoll, Novick uttered something that's been repeated again and again by his detractors in the years since. If voters didn't like the street fee he and Hales were proposing, he said, "They can throw us out."

The street fee eventually got bounced, but plenty of people were interested in taking Novick up on his challenge just the same. "Stuart Emmons" signs seemed to flourish in the West Hills and elsewhere. The Oregonian even based its endorsement solidly on the premise that someone must be better than Novick, then found reasons to make Emmons its pick.

And it mattered, apparently. Late returns, reflecting a little more than half the votes counted, showed Novick with 43 percent of the vote, Emmons with 15 percent, and Reading Frenzy owner Chloe Eudaly with 12.9 percent.

Novick, in his typical jocular way, readily accepted that a runoff was in his future. "I have no problem continuing to talk to voters," he said, hinting strongly he'd far prefer a race against Eudaly over one against Emmons.

More pressing to the city's transportation commissioner: The 10-cent gas tax he'd championed, which held a slim lead late on Tuesday. [NOTE: It's since been declared a winner.]

"Obviously we're on pins and needles over the gas tax," he said, as the measure showed 51.5 percent support with 63 percent of votes cast.

The gas tax is modest, compared to the street fee Novick was pushing that day in 2014. It's expected to generate around \$16 million a year, for four years. The city needs to spend more than \$100 million a year to get its roads up to par.

But a victory in Tuesday's race would also be historic. In the last decade, the state's fuel interests have repeatedly fended off attempts to generate new money for Portland roads. They tried again this time around. Since early April, the Oregon Fuels Association hauled in huge

checks from fuel and trucks interests in Idaho, Washington, and California (along with plenty of smaller donations from local outfits), and dropped more than \$137,000.

In the same timeframe, Fix Our Streets PDX, the "yes" campaign, spent \$87,355, with sizeable donations coming from Wheeler and Novick's campaign committees, and labor unions.

In county races, local physician Sharon Meieran is headed into a runoff with county employee Eric Zimmerman for a slot on the county commission seat representing West Portland (and some areas east of the river). Lori Stegmann and Amanda Schroeder will continue to battle for a seat representing East Multnomah County.

And in Portland City Hall, the obvious question is how effective Mayor Hales can be now that his successor is chosen.

"I'll certainly offer [Wheeler] all the assistance I can when transition time comes," Hales told the Mercury, during his visit to Iannarone's campaign party (his wife Nancy is her boss).

At Wheeler's party, we asked Commissioner Nick Fish, who very publicly clashed with Hales over the budget recently, if the mayor's influence is diminished as a result of Wheeler's win.

"Of course," said Fish, palming a beer, "he's a lame duck mayor."

Which is true. But here's another thing that's true, Portland: Your next mayor has a sort-of serious full-time job already.

Toward the end of his victory speech, Wheeler mentioned he'd be "working on my success as state treasurer, which by the way I still am."

Everybody laughed and kept drinking.

## **The Daily Journal of Commerce**

### **Saltzman set to float construction tax plan**

*By Garrett Andrews*

*May 19, 2016*

Portland Commissioner Dan Saltzman's office plans to move forward a draft proposal of a construction excise tax as a possible way to address the city's scarcity of affordable housing.

Little more about the idea was released by his office Wednesday, though a spokeswoman for Saltzman said a panel of stakeholders would review the plan next week, and it wouldn't be added to the City Council's regular agenda.

It's the most serious effort to tax new construction in Portland since the Oregon Legislature earlier this year struck down a ban on inclusionary zoning and construction excise taxes. Senate Bill 1533, which will take effect next month, requires that half of construction excise tax revenues go toward affordable housing.

Mayor Charlie Hales previously floated a similar idea, though his plan directed the remaining half of revenues toward initiatives tied to law enforcement and homelessness. Under the plan proposed by Saltzman, the commissioner in charge of the Housing Bureau, all revenues would go toward affordable housing.

Sara Hottman, spokeswoman for Hales, said his idea failed to gain “traction” with the rest of City Council, though the mayor still supports it.

Late last year, the City Council declared a “Housing State of Emergency” in Portland to redirect focus to the deepening issues of housing unaffordability and homelessness. The council passed several policy revisions, including upping the amount of time landlords must give when evicting tenants without cause, from 30 days to 60, and waiving zoning rules to allow people to camp on city property.

SB 1533 gives communities a powerful tool to provide affordable housing to families earning close to a living wage.

And the removal of the 17-year-old ban on construction excise taxes has the potential to generate millions of dollars, according to some observers. Few construction excise taxes are on the books in Oregon; those in Bend, Canby and Newberg, for instance, were all passed prior to 2007, when a loophole was closed by the Legislature.

As land prices have soared in Bend, the city’s affordable housing fee – one-third of 1 percent of total valuation of all building permits submitted to the city – has helped pay for a number of low-income rental housing projects, and other efforts.

Hales recently studied what a construction excise tax would look like in Portland. The tax would be collected from developers and property owners by the city’s Bureau of Development Services, according to an internal city study first released to the Portland Mercury. It would be imposed on building permits for new construction and add-on construction for residential and commercial property.

BDS already collects construction excise taxes on behalf of Metro (for use in planning the urban growth boundary) and Portland Public Schools. According to the study, a 1 percent construction excise tax for five years ending in 2021 would generate \$15 million from residential development and \$57 million from commercial, assuming historical BDS permit valuations.

Portland-area economist Joe Cortright is skeptical that SB 1533 is the magic bullet to fix the housing crisis. The director of the urban policy think tank City Observatory wrote recently that increasing supply is the only real way to meet affordable housing needs, regardless of the taxes in place.

“I think there’s this misperception that somehow it’s free, that we can force developers to build affordable housing and it won’t cost anybody anything,” he told the DJC. “That’s not the way the market works. If it’s done wrong, there will be some unintended consequences that in many ways could make the problem much worse.”

## **The Portland Business Journal**

### **Business takeaways from Portland's new \$500M budget**

*By Mason Walker  
May 20, 2016*

The final city of Portland budget under Mayor Charlie Hales' watch was unanimously approved Wednesday by the members of City Council.

After weeks of negotiation, the approved \$501.4 million Fiscal Year 2016-17 budget notably did not include a new business tax favored by Hales that would have raised an estimated \$8.7 million in new revenue.

Here are a few of the tweaks made to the final budget with implications for Portland's business community:

### **Bureau of Development Services**

Portland's building boom has meant a hefty workload for the city's planning and permitting department. The new city budget includes money to hire additional staff in the agency to handle the increased workload and speed up implementation of the bureau's improved IT system.

### **Venture Portland**

A one-time boost of \$166,036 to Venture Portland's budget was approved to encourage new business associations in North and East Portland.

### **B Corporations**

The city chose to wind down its permanent funding to encourage formation of new Benefit Corporations, or companies formed with explicit public-benefit values baked into their articles of incorporation.

### **The Post Office**

The city moved \$14.4 million in tax-increment financing money to pay for part of the 13-acre Pearl District Post Office property purchased by the Portland Development Commission earlier this year. The plot is expected to be developed into a dense neighborhood over the next decade.

Before casting his vote in favor of the final budget, Hales stressed that the city needs to find new money to boost support for police and housing. The budget goes into effect July 1.

## **GoLocalPDX**

### **Former Investment Banker Turned Politician Wheeler Wins Mayor of Portland**

*By GoLocalPDX News Team  
May 18, 2016*

Former investment banker turned politician Ted Wheeler won the election for Mayor of Portland Tuesday. Wheeler won 57.8 percent of the vote.

"I said when I announced in September that this campaign wasn't about me – it was about what we can do together to build a stronger Portland," said Wheeler in a press release. "This campaign has been about the real people who are struggling in our city. The real neighborhoods that are going through upheavals. The real challenges we all face to make sure we're not losing what makes Portland so special. And in the face of that, we worked together to offer real solutions."

Wheeler ran a well funded campaign - raising just under \$1 million in donations. He also avoided controversy and refused to answer many questions about his roll in overseeing a strategy as Treasurer that funneled hundreds of millions in fees to Wall Street firms.

#### Blow Out Results

Jules Bailey, who finished a distant second to Wheeler tweeted, "I want to congratulate @tedwheeler on not just winning but on leading on the issues that matter to Portlanders. He'll be a great mayor."

"I'm grateful to everyone that helped out. You did it because you love this city, and care about its future. That's why I ran," said Bailey

Wheeler who serves as Oregon's Treasurer will continue to serve as Oregon's Treasurer until Dec. 31, 2016. He will be sworn in as mayor in January.

"I'm very proud that over the course of the last nine months, so many people joined this effort. The voters of Portland have told us loud and clear that they agree – it's time for the political games to end and the solutions to begin," Wheeler continued.

Sarah Iannarone, the most progressive candidate, finished a distant third.

## **KATU**

### **City requesting extension for emergency homeless housing in Multnomah Village**

*By KATU News  
May 20, 2016*

PORTLAND, Ore. - The vacant army reserve building in Multnomah Village was only meant to house Portland's homeless for six months, but now city and county leaders are asking the neighborhood for more time.

Emergency homeless housing at the Jerome F. Sears Army Reserve Center was expected to be open for half a year when it opened last Thanksgiving. Multnomah County Chair Deborah Kafoury and Portland Mayor Charlie Hales told the Southwest Portland community Wednesday that they want to keep it open longer.

Neighbors now want to know why officials waited until the last minute to request for an extension.

People living in the area have been supportive since the shelter opened, with many taking donations and food to the people who call it home.

"It's not just about the shelter, it's not just about if we need to help our homeless neighbors - it's about more than that. It's about how we're being treated by the city," said Multnomah Village resident Jordan Rice.

The shelter was intended to house up to 200 women for a six-month period.

# Avoiding the arts tax could cost you more than \$300 this fall

*By Joe English*

*May 19, 2016*

PORTLAND, Ore. -- If you've avoided paying your arts tax, a collection agency could be after you for hundreds of extra dollars.

If you haven't paid the \$35 per year tax, you owe the city \$260 in taxes and fines. That could get even higher if your bill is more than \$100 -- it'll be sent to a collection agency for a grand total of \$320.

Don't freak out yet though -- the Arts Tax Oversight Committee is asking the City Council to send those delinquent tax accounts to a collection agency. The council won't consider it until next month, and, if they approve it, the delinquent accounts won't go to the collection agency until the fall.

Portland Revenue Division Director Thomas Lannom told KATU that no accounts will be sent to collections without a final notice to the last known address.

Lannom also pointed out that the city has a 5 percent administrative cost cap, and that leaves the arts tax with fewer than five people to collect nearly half a million arts tax accounts. The Oversight Committee is asking city council to direct the Revenue Division to come up with options for changing the cap, and have city leaders look at that for 2017.

At this time, the Revenue Division doesn't have exact numbers for how many accounts could fall into the collections pile, or how many dollars that adds up to.

Lisa Swan is a senior consultant with TSI, one of the country's biggest collection firms (not the one the City of Portland would use).

"We could write those letters like they come from the city, but if you're talking about accounts that are 3 years old, you probably want to go with a third party to make that contact, it'll make people think you're serious about collecting the debt," she explained.

## KOIN

### Will Multnomah Village warming shelter stay temporary?

*By Cole Miller and Amy Frazier*

*May 19, 2016*

PORTLAND, Ore. (KOIN) — When a warming shelter opened in the Sears Building in Multnomah Village last Thanksgiving, neighbors didn't seem bothered by it.

City leaders promised the shelter in the old Sears National Guard Armory would operate for just 6 months, and the city said it would close the shelter May 31.

But now some neighbors told KOIN 6 News they're concerned the city and county may try to extend that deadline.

Currently, the shelter is open from 7 p.m. to 7 a.m. for women and their partners. Guests are bussed there from downtown Portland at night, then taken back in the morning.

Nearby residents said they expect the city to keep its promise to close the shelter when they said they would. Some said there are constant domestic disputes and police activity. They said they don't feel safe.

"This is supposed to end at the end of May," Lisa Carney-Fenton said. "My neighbors and myself have been patiently waiting for all the disruptions to stop. My hope is it stops in May but I'm concerned they're going to try and push something through again."

Both Mayor Charlie Hales and Multnomah County Chair Deborah Kafoury met with neighbors at 7 p.m. Thursday at the Multnomah Arts Center. They discussed the current needs of the homeless and possible next steps for this shelter and others that are planned.

Thursday afternoon, the county provided a timeline for planned shelter openings — though no sites have yet been determined:

Temporary shelters are planned to open in inner Northeast Portland in July for 100 women and couples and in downtown Portland in August for 50 women.

Permanent replacements for the Sears Building include a spot in East Portland/Gresham to open this summer for 90 women, with a focus on domestic violence. In Southeast Portland, the McLoughlin Women and Couples Shelter is set to open in early fall with 100 beds.

Additionally, a few churches are planning to open to a smaller number of homeless people.

Hales told KOIN 6 News he's facing a moral dilemma. He promised people the shelter would cease operations on May 31, but as other shelters aren't ready yet, he's balancing the concerns of the neighborhood with the 165 people who don't have a home.

The county is seeking another 3 months for the Sears shelter.

"When this shelter came online, there was an FAQ posted and written up, one of those questions, in verbatim, reads 'is the city guaranteeing that the shelter will be closed at the end of six months? The answer was yes.'" Hales said. "Yes, that's right and the answer was and is yes and before I change that and take the hits that I would take for going back on a commitment, I wanted to hear from folks here.'

Neighbors' opinions are split.

"We have sacrificed and done what you asked us to do and we are saying now another 3 months through the summer is too much," Carney-Fenton said.

"I think we need to ask the question, what is the greater good?," Rick Nitti said. "And I think the greater good is keeping this shelter open three more months."

The city owns the building, which was deeded to Portland as an earthquake shelter by the federal government, so Hales has to make a choice.

Hales didn't comment on his leanings directly after hearing from the neighbors, but said he is considering what he heard and will make a decision next week.

"If an extension is granted, what does that say to Portlanders about the city holding its promises?" Hales said. "That's one of the reasons why I haven't made the decision to even try to extend it yet because the credibility of city government, my own integrity, are important to me."

**OPB**

## **Portlanders Who Don't Pay Arts Tax May Face Collections**

*By Andrew Stern and April Baer*

*May 18, 2016*

The committee overseeing Portland's arts tax has directed the city's Revenue Division to engage collections agencies for accounts more than \$100 overdue.

A resolution on collections for the \$35 tax will go before the City Council in mid-June.

The draft language suggests a plan by which the city would send out one final round of notices this summer and refer the delinquent accounts to the city's collections agency this fall.

Revenue Director Thomas Lannom pointed out the city, constrained by a 5 percent administrative cost cap, has fewer than five people collecting on 450,000 arts tax accounts. That's a fraction of what other bureaus, such as those overseeing utilities, have collecting on bills.

A second resolution presented by the Arts Tax Oversight Committee notes additional revenue might be collected if the tax's 5 percent administrative cost cap were changed or eased with a one-time subsidy payment. The resolution directs the Revenue Division to draw up options to guide a potential change in hopes city leaders would consider them in 2017.

Lannom said the collections would not cost the city. The agency would include its fee in the balance collected from delinquent taxpayers.