

## The Oregonian

### Portland gas tax won't take effect until January

*By Elliot Njus*

*August 8, 2016*

The gas tax Portland voters approved in May likely won't go into effect until January, but city officials say that won't delay the road projects it's supposed to fund.

The ballot measure said the 10-cent-a-gallon tax would be "implemented no earlier than September 2016." Doug Kleebe, fuels tax manager for the Oregon Department of Transportation, said it likely won't take effect until Jan. 1.

That's because it will take the state's software vendor, Avalara Inc., that long to add the city to the online system gas retailers use to report their sales. The company will also charge \$31,000 to add cities to the system, a price Portland will share with Reedsport and Troutdale, two other cities that recently passed gas taxes.

The two smaller cities temporarily used paper forms to collect gas taxes while awaiting the software update. But they have only a handful of gas stations compared to Portland.

"The fuels tax staff for the whole state is 15 people," Kleebe said. "I don't have the staff to do this on paper."

Portland is still finalizing its agreement with the state to administer the gas tax.

The tax is expected to bring in \$64 million in the four years before it sunsets. Of that, 56 percent will go to road repairs while 44 percent will go to pedestrians and bicyclist safety projects, particularly near schools.

Major paving projects are expected to begin next spring and summer, said John Brady, a spokesman for the Portland Bureau of Transportation. Smaller projects could begin sooner.

That timeline won't be delayed by the January implementation of the tax, he said.

"The voters want to see projects they want to see these improvements," Brady said. "That's why we are making sure that we can ramp up very quickly and deliver on what the voters wanted."

The city, meanwhile, expects to name members of a gas tax oversight committee in September. The group, which is expected to hold its first meeting in October, would have to sign off on any changes to the list of projects to be paid for by the gas tax.

### Portland blows timeline to set price for affordable-housing land

*By Brad Schmidt*

*August 6, 2016*

Portland housing officials have blown past city deadlines to lock in a purchase price to ensure much-needed affordable housing is built in the South Waterfront District.

When the Portland City Council approved a "make or break" redevelopment deal with the Zidell family last year, housing officials pledged to determine by July 2016 the market price for a small slice of Zidell's property to be purchased for rent-restricted apartments.

But that didn't happen, officials said Friday in response to questions from The Oregonian/OregonLive. And it's not clear when a final price will be determined.

Waiting could drive up the final price in Portland's white-hot real estate market. But it's not clear if that will happen because officials haven't disclosed the date the appraisal would become effective.

Either way, the delay represents a striking setback for officials hoping to regain public trust in the fallout over missed affordable housing goals involving Pearl District developer Hoyt Street Properties. Last year, city officials touted their plan to set a price by July 2016, saying an early appraisal in the South Waterfront would ensure they didn't run into the same high-profile problems that haunted the Hoyt Street deal.

But officials haven't followed through. And Commissioner Dan Saltzman, who oversees the Portland Housing Bureau, said in an interview Thursday he wasn't aware of any delay.

"It is problematic," Saltzman said. "I should have known."

On Friday, city officials drafted a letter extending contractual deadlines with Zidell. A spokeswoman for the Housing Bureau blamed the delay on staff turnover at the Zidell's development company, ZRZ Realty Co., but declined to elaborate.

Matt French, managing director of Zidell development, countered that there were "reasons for delays on both sides, mostly administrative." City and company officials are on the same page moving forward, he added.

"The purchase is set for years down the road and the delay does not slow down or alter the process for the purchase itself," French wrote in a statement.

The inclusion of affordable housing had been a key sticking point in the months leading up to last year's historic development agreement between Zidell and the city – prompting housing advocates, led by late Portland Commissioner Gretchen Kafoury, to chide officials for inaction.

Zidell owns about 30 acres along the Willamette River, representing the biggest open canvas in the central city, and officials hoped to replicate the success of similar large-scale redevelopment deals in the Pearl and South Waterfront. Portland officials planned to subsidize development by offering at least \$23.8 million of public money for parks, roads and other improvements.

But initially there were no requirements for affordable housing.

As negotiations between Zidell and city officials moved forward, housing officials recommended scaling back unmet affordable housing goals for the surrounding neighborhood by 25 percent. Housing Bureau leaders weren't going to force affordable housing on Zidell's property, either.

Zidell "states that it has no desire to develop affordable housing on the properties it controls," a draft city memo from 2014 read. In the same document, officials said the Housing Bureau "supports language" in an agreement "that does not require any direct affordable housing development or pinpoint sites for affordable housing units."

That wording ultimately got cut from the memo, and city officials eventually abandoned their effort to cut goals, but by then affordable-housing advocates such as Kafoury had rallied to demand units for working-class Portlanders.

In June 2015, the City Council voted unanimously to approve a development deal with Zidell including an affordable-housing provision. Portland now has the ability to buy a piece of property with the development potential of at least 180,000 gross square feet – or about 200 units – no later than November 2021.

Officials said they'd avoid the same mistakes that plagued their deal with Hoyt Street Properties by establishing a purchase price early. City officials ran into trouble in the Pearl District because they negotiated a deal with Hoyt Street in 1997 but didn't attempt to secure or appraise property until 2015, after values shot up in part because of public investments in the area.

"So if you just contrast this with the current negotiations with Hoyt Street around that property, that's the difference," Patrick Quinton, Portland's former top development official, told the City Council last year. "The appraisal would be happening up front so you don't have these disagreements over how much the city's investment contributed to the value."

Under terms of Zidell's agreement, once the price is set, it will escalate annually based on the consumer price index.

"And so by July of next year, the parcel and the purchase price will be agreed upon?" Saltzman asked during last year's City Council meeting.

"By July of next year, the purchase price will be agreed on," a second city redevelopment official responded.

But Portland quickly fell behind schedule.

Portland's housing director, Kurt Creager, met with Zidell representatives on Jan. 12 and June 6, according to city records.

Dueling appraisals – one conducted for the city and one for Zidell – were supposed to be completed by Aug. 7. But that deadline is now being extended to Sept. 30.

It's not clear if either side has completed the appraisal.

Asked about the appraised values, Martha Calhoun, a Housing Bureau spokeswoman, said in an email the figures would be disclosed "once negotiations have been finalized." She wouldn't elaborate on what was being negotiated or why.

If both sides can't agree on a price – as happened in the case of Hoyt Street Properties – an independent third appraiser will be hired.

If that happens, a final price wouldn't be determined for an additional 45 days, pushing the timeline toward Thanksgiving.

# The Portland Tribune

## Council to weigh cuts to police special units

*By Nick Budnick*

*August 8, 2016*

As talks about pay raises with the Portland police union hit a rough patch, the City Council on Tuesday will discuss how to address a shortage of officers on the street.

The work session starts at 9:30 a.m., Aug. 9, at City Hall. It was requested by a majority of commissioners after a briefing last week indicating that the bureau is about 30 officers short of an acceptable level.

Mayor Charlie Hales has been working to win two other commissioners' votes for a proposed new contract that would boost pay and implement other measures designed to increase hiring and stem the flow of officers leaving to work in other agencies. Other aspects would set policy for officer body cameras, among other things.

In the absence of such a deal, the bureau has internally been considering which special units to cut to beef up patrol staffing. Already, the number of cops on morning shifts is at an historic low in some areas of the city, with one officer covering what used to be territory patrolled by three officers.

Now the council will have a chance to weigh in. Hales presented detailed data on the staffing changes to commissioners' chiefs of staff on July 26, preparing an interactive web tool that can be accessed by the general public.  
[public.tableau.com/profile/portland.city.budget.office#!/vizhome/PoliceGeographies\\_Comparisons/Main](http://public.tableau.com/profile/portland.city.budget.office#!/vizhome/PoliceGeographies_Comparisons/Main)

Since then, the city's latest contract proposal to the Portland Police Association has been rejected, according to an email Aug. 5 to officers from union president Daryl Turner. It shows that the PPA intends to keep up the pressure to adopt the union's version of the contract.

"Our message to City Council has been unwavering — we must address retention and recruiting issues, and we must do so quickly. Our staffing crisis can only be solved with a comprehensive, long-term plan that focuses on investing in the men and women who tirelessly serve this community," Turner wrote.

"Our discussions with the city have been robust, but so far unsuccessful. Yesterday, City Council indicated to me that they are unwilling to make the necessary investment in the Police Bureau to fix the catastrophic staffing issues, enhance community policing, and continue to build community trust.

"Until City Council embraces the solution we've offered by making the necessary investment, our staffing crisis will continue to crush us, harming not only our members but most importantly the community and their public safety needs. We will continue to aggressively advocate for the right solution to this very serious staffing problem."

# City needs to work with DEQ on Terminal 1 homeless shelter

*By Jim Redden  
August 8, 2016*

The Oregon Department of Environmental Quality has written the City of Portland to say the warehouse at Terminal 1 is not approved for a homeless shelter, as proposed by Commissioner Dan Saltzman.

The Aug. 8 letters from DEQ Project Engineer Erin McDonnell says her agency assumed the property would remain industrial when the Port of Portland sold it to the Bureau of Environmental Service. It was cleaned up to industrial but not residential standards at the time.

"The risk assessment performed would need to be looked into if site uses were to change and whether an urban residential exposure would be appropriate without additional work," reads the letter to BES, which says the city must work with DEQ regarding any changes.

You can read the letter [here](#).

The council is scheduled to consider it on Aug.10. Mayor Charlie Hales and Commissioner Steve Novick have expressed support for the proposal, giving it the votes to pass.

Saltzman is proposing the shelter open Nov. 1. No estimates on the cost of the conversion have been released.

The 15 acres immediately south of Terminal 1 were sold by the port to a private developer at the same time. After a delay caused by the Great Recession, that parcel was purchased and is being redeveloped as residential buildings by Fore Properties.

Vice President Lee Novak says his company has spent millions of dollars removing and disposing of contaminated soil on the property to meet DEQ's higher residential standards. Two projects, Waterline and Riverscape, have been completed, while a third, Rivage currently is under construction.

"We have removed tens of thousands of cubic yards of soil to comply with the residential requirements," says Novak, who admits his company is concerned about the possibility of a large homeless shelter opening next door to its developments.

Under the housing state of emergency, which the City Council declared last October, the city supposedly can waive a number of building and zoning requirements to create new homeless shelters and affordable housing projects. It is unclear whether the city can waive state environmental regulations, however.

## **Saltzman, Fish spar over cost**

In the meantime, nearby residents and business owners discussed their concerns during last week's National Night Out gathering at the Riverscape Condos and Townhouses, just blocks from the proposed shelter location.

Some said they would testify against the proposal, but worried it was already a done deal, despite not having been contacted by anyone in the city about it.

Also last week, Saltzman and Commissioner Nick Fish, who opposes the idea, disagreed over how much it should cost. Fish oversees the Bureau of Environmental Services, which owns the

14-acre property at 2400 N.W. Front Ave. that includes the 96,000-square-foot warehouse that Saltzman wants to use as a shelter.

Saltzman wants BES to lease the site to the Portland Housing Bureau for \$10,000 a month, which is how much it charged Nike to use the warehouse for indoor track events earlier this year. But Fish's office says the market value of the property has since been determined, and it is much higher — up to \$1.2 million a year if rented out, according to a recent determination by a real estate broker, based in part on two new leases for portions of the property.

According to an email from Fish's office, the broker, Colliers International, is helping BES sell the property, which has been declared surplus. The email says the lease value of the warehouse alone is \$33,600 a month, with surrounding areas adding additional value. Fish says the Portland Housing Bureau must pay market value for the lease, because the property was purchased with sewer ratepayer funds.

But Fish actually wants to complete the sale process, which has been underway for months. The property is zoned for industrial uses, and he believes it will sell for millions of dollars that can be used to reduce future sewer rate increases. Fish also says a new industrial owner will create good-paying jobs at the property.

Portland currently has a shortage of industrial land, especially along waterfront sites like Terminal 1. The city bought the outdated marine terminal from the Port of Portland to be used as a staging ground for the Big Pipe project, a \$1.3 billion effort to prevent untreated sewage from spilling into the Willamette River and Columbia Slough. It is included in the city's inventory of industrial lands, which was used to complete the Comprehensive Plan update approved by the council in June.

"Portland will have a problem if it takes Terminal 1 out of the inventory," says Bill Wyatt, the port's executive director.

### **Business group says wait for bids**

Saltzman says the city will not need to do that immediately, even if the council approves using Terminal 1 for a homeless shelter this week. His proposal only calls for the warehouse to be used as a shelter for six months, with the option of extending it another 12 months.

Doing it temporarily is intended to give developer Homer Williams time to raise millions of dollars from the private sector to transform the site into a multiservice homeless facility, modeled after one he visited in San Antonio, Texas. Only then would the council have to decide whether to change the zoning for Terminal 1, Saltzman says.

Last Thursday, the Portland Business Alliance said the council should wait until the period for accepting bids on Terminal 1 expires before making any decisions. Bids are being accepted until Aug. 15 under the surplus property process, and they will not be made public until then.

In an Aug. 4 letter to Saltzman, the PBA said it understands the need to provide more shelter for the homeless and also to create good-paying jobs on industrial properties. The business membership organization said that if one or more viable bids are received for Terminal 1, BES should sell it. If no bids are received, however, the group suggested the warehouse should be used as a temporary shelter.

But the PBA also believes there are more suitable locations for a permanent homeless multiservice center in the area, and urged that a complete inventory of all unused public properties be completed as soon as possible.

## **Willamette Week**

### **The Next Feature of Portland City Hall? It Might Be an Eco-Roof**

*By Johanna Bernhard*

*August 6, 2016*

The Portland mayor's office may soon get a garden on top.

Portland officials are considering replacing City Hall's outdated roof with an eco-roof.

City of Portland's senior management analyst Jen Clodius tells WW in an email that the city is exploring the options in accordance with the city's Green Building Policy, which requires "eco-roof coverage on new and replacement roofs."

Officials have yet to make a decision.

During Sam Adams' term as mayor, Portland added close to 400,000 square feet of rooftop vegetation. But under Mayor Charlie Hales, the number of eco-roofs has dropped significantly—because the financial incentive to build them expired.

But Hales has been a champion for new features at City Hall: Headed a coffee shop and a food-cart food court, kicked out The Oregonian's bureau, and made all single-occupant restrooms gender-neutral. (He also considered turning the first floor of City Hall into a homeless shelter.)

The city is working with Architectural Resources Group to develop options for the most feasible approach for how to replace the roof while also meeting city policy, according to Clodius.

Mike Houck, the executive director of Urban Greenspaces Institute, is in favor of the potential eco-roof. City code requires eco-roofs on new buildings in the central city—and Houck says the city should be setting an example with their own structures. (By 2035, eco-roofs will become mandatory across the city.)

Columbia Green Technologies COO Greg Love is encouraged the city is looking into green roofs after a four year lull in "green infrastructure," but thinks Portland's rigid building regulations may prove to be a hindrance.

"Ten years ago we were among the top 10 cities for green roofs," says Love, "but over the past four years Portland has dropped off the map."