

## The Oregonian

### Ted Wheeler names chief of staff and chief administrative officer for Portland

*By Brad Schmidt*

*August 18, 2016*

Portland Mayor-elect Ted Wheeler ended the season of summer speculation Thursday by naming two key political appointees.

Maurice Henderson, currently Portland's assistant transportation director, will become Wheeler's new chief of staff. And Tom Rinehart, Wheeler's longtime chief of staff at Multnomah County and now the Oregon Treasury, will become Portland's chief administrative officer.

Wheeler replaces outgoing mayor Charlie Hales on Jan. 1. He's tapped Henderson, who joined the city in April 2015, to lead his political office.

"We are fortunate to have a highly skilled manager, policy expert, and proven leader in this role," Wheeler said in a prepared statement. "I expect a high degree of experience and professionalism from my staff and Maurice Henderson is the right person to help me build and lead the team."

Meanwhile, Wheeler named Rinehart to oversee the Office of Management & Finance -- which includes city finances, human resources and general business operations. Rinehart will join the city Oct. 1 and will work with the outgoing chief administrator, Fred Miller, until Jan. 1.

"The demands of 21st Century governance call for an integrated, nimble organization that is responsive to the needs of the community," Wheeler said in a statement. "Tom is perfectly suited to take on this challenge at this time in our history."

### Portland Development Commission provides money, mentoring to help minority entrepreneurs succeed

*By Casey Parks*

*August 19, 2016*

Two years ago, leaders at Portland's urban renewal agency made a confession.

In half a century of public investment, leaders at the Portland Development Commission had "contributed to the destructive impact of gentrification and displacement on the African American community," then-director Patrick Quinton said in January 2014.

The agency approved Emanuel Hospital's expansion in 1970, razing nearly 300 homes and businesses in the heart of Northeast Portland's black community. More recently, it brought urban renewal and a light-rail line to North Portland — changes that sent rents and home prices soaring.

The confession, written to a black leader during the controversy over a proposed Trader Joe's at Northeast Martin Luther King and Alberta, marked a new chapter for the agency.

Last year, commission leaders announced a five-year plan to atone. Urban renewal dollars will help 65 displaced families return to the inner city. And the agency created programs aimed at building wealth in communities most affected by gentrification.

The development commission's incubator for startup businesses now subsidizes minority entrepreneurs for a year as they work out the kinks in new businesses. In July, the agency wrapped up Project Increase, a nine-month program teaching 10 minority business owners how to expand their operations. And it launched a stylish, interactive website highlighting businesses owned by women and ethnic minorities.

"We know this is just the beginning of work that needs to be more normalized in terms of how we work with entrepreneurs of color," said Tory Campbell, a senior business development coordinator for the agency. "We're serving them now in the way we have served their white counterparts."

As commission leaders reworked their strategic plan, they found widening economic gaps between white Portlanders and ethnic minorities.

Even though black- and Latino-owned businesses have increased dramatically over the past five years, minorities still struggled to find investors, city data shows. In the past two years, only 2 percent of Portland venture capital deals went to black-owned firms. None went to Latino-owned firms.

Commission leaders set out to prove "that we have strong entrepreneurs with diverse backgrounds who can be and will be and already are very successful," said Kimberly Branam, the agency's new executive director. "We just need to raise the profile and provide support and network opportunities."

The agency had already run an incubator for startup businesses, offering free rent, financial backing and services that include time with lawyers and accountants. But it had mostly benefited white male entrepreneurs. For the 2015 class, commission leaders decided to recruit businesses from "underserved communities."

"There's a long history of why people of color don't trust" the development commission, said Katherine Krajnak, a project manager for the startup incubator. "When you do a startup competition aiming to recruit founders of color, you have to lead with building relationships before you expect people to apply. It's about showing up early and often, saying we do care about you and your journey. It might take a year or two before they're ready for the program. That's one way to repair that trust."

Dozens applied for a spot in the incubator, many with ideas inspired by their diverse backgrounds.

The founders of Audibility created custom-fit headphones because one of the founders wears hearing aids. Yesenia Gallardo, a Yale graduate who helped found Poda Foods, envisioned the cricket protein powder company after visiting her mother in Oaxaca, Mexico, where they snacked on grasshoppers.

And Tyrone Poole began brainstorming the company that became NoAppFee.com a decade ago, he said, after an injury in firefighting school left him unable to work and, eventually, homeless.

This summer, Poole's rental application company won crowd favorite at a global pitch contest that pitted 600 entrepreneurs against each other.

"Black people, we don't have the credit. We don't have the collateral," Poole said. "But we've still got ideas. We need capital to make them a reality."

For Chaunci King, decades of bartending taught her there was money in high-end liquors. She found a distiller in Bend to create her pear-flavored Miru vodka. She held blind tastings — people chose Miru over Grey Goose and Smirnoff, she said — and then contacted bars and brokers, hoping to get her vodka on shelves. Both kept turning her down.

"Me, being an African American female, it's tough to get my foot in the door," King said. "I've been trying for two years, and I cannot seem to crack one. They say, 'Your product is great.' OK, why can't you add it to your portfolio? It's all about who you know."

After she won a spot in the agency's 2015-16 incubator, the development commission featured her vodka at networking events. They taught her how to run a business. Her sales have increased so much she hired new marketing staff.

King's class hasn't graduated yet, but the six entrepreneurs from the 2014 class created 17 new jobs and retained nine.

The 10 small business owners in the agency's Project Increase have had similar success. One company moved from selling at farmer's markets to local grocery stores. Next, she's working on a wider distribution plan. Another secured an endorsement from Oprah Winfrey's O Magazine. One key, business owners say, is the agency connects them with mentors who look like them. An African American woman leads the startup project. Campbell, a black business owner himself, taught the Project Increase course.

"Anyone can teach it, but that doesn't mean it will make sense to every audience. It needs to be culturally responsive," said Campbell, the business development coordinator who leads Project Increase. "There's a way I'm communicating the business concepts with a different awareness that connects."

Eventually, Branam said, the development commission won't have to play such a proactive role. Venture capitalists will spend more money on black- and Latino-owned businesses. But first, she said, the agency must connect investors with those founders.

"It's too early to declare victory," Branam said. "But we take our road map very seriously."

## **Is Terminal 1 safe for homeless shelter? Depends, says DEQ**

*By Brad Schmidt*

*August 18, 2016*

Oregon environmental regulators have offered words of warning to Portland's plan to convert a warehouse into a temporary homeless shelter.

The Oregon Department of Environmental Quality now says the city's property is safe -- so long as a layer of asphalt serves as a protective cap between people and contaminated dirt.

But if development plans disturb that cap? Different story.

"However, direct exposure to soil presents a higher risk than we previously determined," Nina DeConcini, DEQ's northwest administrator, wrote to members of the City Council on Thursday morning. "DEQ recommends additional review of the data should any redevelopment of the property occur to ensure that changes to existing site conditions remain protective."

DEQ previously had stated the site, owned by the Bureau of Environmental Services, could be safely used for residential purposes. In Thursday's email, DeConcini said "DEQ evaluated additional samples to confirm our initial findings and we wish to provide revised information."

The idea to turn Portland's Terminal 1, at 2400 N.W. Front Ave., into a 400-bed temporary shelter comes from influential developer Homer Williams. Williams has pledged to raise private money to operate it, although no details have been provided in writing to the city.

Last week, the City Council voted 3-2 to greenlight Williams' proposal. Williams has said the shelter could be up and running by late October.

Williams also hopes to redevelop the site into a long-term homeless campus but that proposal could take years and costs upward of \$60 million.

DEQ's concerns could create challenges under such a scenario, if the site was being used as a temporary shelter but construction on the bigger vision broke the protective asphalt cap.

## **Portland offered as little as \$1,000 for snake-bitten Centennial Mills**

*By Brad Schmidt  
August 18, 2016*

It's back to square one for Centennial Mills, the city of Portland's most troubled redevelopment project.

The Portland Development Commission recently received offers of \$1,000, \$100,000 and \$3.45 million for a portion of its nearly 5-acre property in the Pearl District.

But officials balked at all three and now say they're evaluating next steps – including the possibility of knocking down more buildings to create a blank slate overlooking the Willamette River.

Based on those purchase offers, it appears Portland's urban renewal agency stands to lose tens of millions of dollars on the mill property, purchased in 2000 but still undeveloped despite the thriving real estate market.

Officials already have spent an estimated \$22 million on the site. Knocking down two remaining buildings — a feed and flour mill that officials hope to preserve — could cost \$2.4 million more.

Portland began marketing a portion of the property this year after controversially pulling the plug — twice — on proposed projects from a private developers. In each case, the agency also faced a lawsuit or threat of a lawsuit.

The first effort spanned from 2008 to 2011 and ended with a \$200,000 settlement paid to a California developer. The second proposal, from developer Jordan Schnitzer, fell apart after

officials decided to keep the Police Bureau's mounted patrol unit on site, dramatically reducing the redevelopment potential. Schnitzer demanded \$1.3 million from Portland for wasting his time.

In the aftermath, officials hoped a new project would emerge.

But, in response to a public records request from The Oregonian/OregonLive, they said all three proposals received this summer had been rejected.

"We've decided not to move forward with any of the offers, and the companies have been notified," the project manager, Bruce Wood, wrote in an emailed statement.

But the agency quickly walked that back.

"While we may decide not to proceed with any of the responses, we are pursuing additional internal analysis with these market responses in hand," Anne Mangan, a spokeswoman, wrote in an emailed statement.

Officials will consider what's next for the feed and flour mills, the demolition permitting window "and how/whether to reengage the market," she added.

Clearing the site – at 1362 NW Naito Parkway – would likely make it more appealing to developers, and could help the city fetch a higher price for coveted waterfront property.

As it stands, Portland received a \$1,000 offer from a venture led by Michael Tevis' Intrinsic Capital, which owns the eclectic Ford Building along Southeast Division Street. Tevis also wanted an exclusive option buy the on-site 100,000-square-foot mounted patrol building for \$1,000, even though the city didn't put it on the table.

Portland developer Marty Kehoe, meanwhile, offered \$100,000. He pitched an apartment building with ground-floor office or retail.

Texas-based Patrinely Group offered nearly \$3.5 million – but wanted only half an acre of vacant land on the northern portion of the site, showing no interest in the feed or flour mills. The company proposed a top-tier office building with a mix of apartments and retail spaces.

The development commission's board hasn't been publicly briefed on the offers. At the earliest, a decision about next steps is several weeks away, Mangan said.

## **Developers offer up to \$10 million for property eyed for homeless shelter**

*By Brad Schmidt  
August 17, 2016*

Seven development companies offered between \$6 million and \$10 million to buy property owned by the city of Portland now designated for a massive temporary homeless shelter.

Those offers may further complicate the City Council's plan to convert a city-owned warehouse into a shelter for up to 400 homeless residents.

Portland's sewer bureau had been actively trying to sell its 14-acre property and Monday marked the deadline for companies to submit offers. But the City Council abruptly reversed course last week, voting 3-2 to force the sewer bureau to lease its Northwest Portland property to the housing division for at least \$10,000 a month.

The new purchase offers – released Wednesday in response to a public records request – add a new wrinkle to the ongoing dispute about how much the Pearl District property is worth, and whether the City Council agreed to inappropriately subsidize the homeless shelter by leasing property at a cut-rate price. A high-profile attorney plans to sue Portland next week.

Portland Commissioner Nick Fish, who oversees the sewer bureau, said several companies decided not to submit bids after the City Council's decision to greenlight a homeless shelter on the Terminal 1 property.

"The discussion about placing a mass shelter at Terminal 1 compromised the sale process and I would say it even poisoned the well," said Fish, who voted against the lease. "Equally important, I think we've damaged our credibility with a lot of people."

City officials don't know how much the shelter will cost or who will pay for it. But they've bought into the vision pitched by influential developer Homer Williams, who has vowed to come up with private money to operate the facility.

Williams didn't submit an offer to buy the waterfront property, at 2400 N.W. Front Ave.

But among those who did, two developers -- Texas-based Lincoln Property Company Commercial and Portland's Jim Winkler -- each offered \$10 million. Winkler wants to rezone the industrial property to residential so he can build affordable and workforce housing on the site.

Portland developer Marty Kehoe offered \$9 million while three other businesses – Portland's Cody Development Corp., Hawaii-based Watumull Properties Corp. and Washington-based Conax Properties USA -- each offered between \$8 million and \$8.25 million.

Costco, which wants to convert the warehouse into a new store, put in the lowest bid: \$6 million.

"Based on what the council did last week, this process has effectively been put on hold," Fish said.

Kehoe said Wednesday he's not frustrated with the City Council's changing priorities. Kehoe said he expects officials will conduct due diligence on Williams' proposal before doing what's best for the city and ratepayers.

"I am ready and willing to make the deal if they want to sell it," added Kehoe, who hoped to buy the property for industrial use.

Portland's sewer bureau bought the property in 2004 for about \$6.33 million. Today, it has a market value of \$8.6 million, according to Multnomah County property records, and officials hoped to secure offers ranging from \$8 million to \$12 million.

Portland's real estate broker told city officials last week that the property's lease value is about \$100,000 a month – ten times more than what Commissioner Dan Saltzman, who oversees city housing, wants to pay.

Now that the city has solid purchase offers, will that change the equation?

That may be up to a judge to decide.

Attorney John DiLorenzo, who previously sued Portland over improper utility spending, has vowed to challenge the city's proposed lease terms.

DiLorenzo thinks Portland should either sell the property and return profits to the sewer bureau to curb rate hikes, or lease it at fair market value. DiLorenzo now has real offers to use as evidence when making his case.

City officials have until Oct. 7 to negotiate lease terms and haven't indicated they'll bow to DiLorenzo's legal threat.

"It may be," Fish said, "that a court opines on this."

## **The Portland Tribune**

### **Wheeler announces start of Portland government shake up**

*By Jim Redden*

*August 18, 2016*

In an announcement that will seem like inside baseball to most Portlanders, Mayor-elect Ted Wheeler announced his first two staff appointments Thursday. Both are government insiders who will fill top positions in the city when Wheeler becomes mayor on Jan. 1.

Wheeler, who is currently Oregon's state treasurer, named Maurice Henderson, the current assistant director of the Portland Bureau of Transportation, as his chief of staff and director of strategic initiatives. According to the announcement, in this newly-created position, Henderson will have responsibility for the mayor's policy agenda and staff, as well as responsibility for coordinating the work of key initiatives with multiple bureaus.

"We are fortunate to have a highly skilled manager, policy expert, and proven leader in this role," Wheeler said in the announcement. "I expect a high degree of experience and professionalism from my staff and Maurice Henderson is the right person to help me build and lead the team."

Wheeler also announced that Tom Rinehart, his longtime chief of staff, will become Portland's chief administrative officer and the director of the Office of Management and Finance. In this role, Rinehart will oversee revenue, finance, human resources, internal business services, technology and other core functions of city government, the announcement said

"The demands of 21st Century governance call for an integrated, nimble organization that is responsive to the needs of the community," said Wheeler. "Tom is perfectly suited to take on this challenge at this time in our history."

Wheeler won the race for the mayor's office at the May primary election with over 50 percent of the vote. Mayor Charlie Hales dropped out of the race after Wheeler announced for the position.

Thursday's announcement came shortly after Hales said Sara Hottman, his communications director, is leaving to take a similar job with the Oregon Zoo. Josh Alpert, Hales' chief of staff, resigned earlier this year to work for a city-oriented environmental organization.

# Controversy dogs Terminal 1 homeless plan again at City Council

*By Jim Redden*

*August 17, 2016*

Disagreement over the large homeless shelter proposed for Terminal 1 carried over to Wednesday's meeting of the Portland City Council.

On a 3 to 1 vote, the council authorized the Portland Housing Bureau (PHB) to apply to Metro for a \$100,000 grant to study the feasibility of the 400-person shelter and even larger homeless multi-service center proposed by developer Homer Williams.

Commissioner Amanda Fritz, who voted against the application, called the potential grant "a waste of money." She also said it contradicted promises by proposal supporters at last week's council meeting that the only public money spent on the project would be \$10,000 a month in lease payments from PHB to the Bureau of Environmental Services, which owns Terminal 1.

Metro is the elected regional government that serves the urbanized areas of Multnomah, Clackamas and Washington counties. It recently created an Equitable Housing Planning and Development grant program to help local jurisdictions plan affordable housing projects. The grants are funded with a Construction Excise Tax levied by Metro on new development.

Voting in favor of the application without comment were Mayor Charlie Hales and commissioners Dan Saltzman and Steve Novick. Commissioner Nick Fish, who oversees BES and voted against the proposal last week with Fritz, was absent.

After a lengthy and contentious hearing last Wednesday, the council voted 3 to 2 to authorize PHB to lease Terminal 1 for six months, with two automatic six month extensions, unless the lease is canceled. The ordinance authorizing the lease was introduced by Saltzman, who said it would allow a 400-bed homeless shelter to be opened in a vacant warehouse on the property while Williams tries to raise tens of millions of dollars from the private sector to build a multi-service center on the property called Trail of Hope.

"The application seeks to fund predevelopment work on the Terminal 1 site to determine feasibility of the Oregon Trail to Hope project including site and financial feasibility assessments for proposed programmatic uses," reads an impact statement that accompanied the ordinance authorizing the grant.

The impact statement also said the grant will allow PHB to conduct a community involvement process on the project, which hasn't happened yet. Last week, dozens of nearby residents complained they had not been notified about the proposal before the hearing. They all opposed it.

Terminal 1 is zoned industrial and has been declared surplus by the council. It has been going through a surplus sales process previously authorized by the council. Bids were due Monday and have not yet been released to the public.

Fish believes Terminal 1 should be sold to create good-paying industrial jobs, with the proceeds used to hold down future BES rate increases. He also believes that the lease between PHB and BES should be at market rates, which BES and the broker handling the sale estimated at closer to \$100,000 a month.

Portland attorney John DiLorenzo has threatened to seek an injunction against the project of the lease payments aren't raised to market rate. DiLorenzo is currently suing the city of alleged misspending of BES and Portland Water Bureau ratepayer funds by the council. The judge hearing the case has ruled that such spending must be reasonably related to the primary missions of the bureaus.

You can read the ordinance and impact statement at [www.portlandoregon.gov/auditor/article/585890](http://www.portlandoregon.gov/auditor/article/585890).

For a previous Portland Tribune story on the issue, go to [pamplinmedia.com/pt/9-news/318788-198352-council-homeless-shelter-now-industrial-jobs-maybe](http://pamplinmedia.com/pt/9-news/318788-198352-council-homeless-shelter-now-industrial-jobs-maybe).

## **Up to \$10 million bid for proposed Terminal 1 homeless site**

*By Jim Redden  
August 17, 2016*

Seven bids have been submitted to the city to purchase Terminal 1, the surplus industrial site where the City Council has voted to open a temporary homeless shelter and perhaps permanent homeless multi-service center.

They range from \$6 million to \$10 million.

Commissioner Nick Fish, who opposes using Terminal for a homeless shelter, says the bids confirm the property is highly valued by industrial developers who want to create good-paying jobs.

"The bids confirm what our broker has been telling us, that this is highly sought-after industrial property," says Fish, who oversees the Bureau of Environmental Services, which owns the property and is selling it.

Fish also says the bids support his argument the market value lease for the property is around \$100,000 a month, not the \$10,000 a month authorized by the council.

Only three of the bids mention specific development proposals. A \$6 million bid from Costco Wholesale proposes one of its membership stores at the site. An \$8.5 million bid from Kidder Mathews proposes a "new and innovative business park." And Portland developer Jim Winkler offered \$10 million with the idea of having the council rezone the property to accommodate 1,000 affordable housing units.

The other bidders and their amounts are: Kehoe Northwest Properties, LLC, \$9 million; WPC 2400 NW Front Ave LLC, \$8 million; Lincoln Property Company, \$10 million; Conax Properties USA, Inc, \$8.1 million.

The bids were obtained by the Portland Tribune through a public records request. They were received by the broker assisting with the sale no later than 5 p.m. Monday.

That was five days after the council voted to pursue a proposal by developer Homer Williams to serve homeless people at the 14-acre parcel at 2400 N.W. Front Ave. During last Wednesday's hearing, the council voted 3 to 2 to authorize the Portland Housing Bureau to lease the

property from the Bureau of Environmental Services for six months, with two automatic six month extensions, unless the lease is canceled.

Fish believes the vote hurt resulted in lower-than-expected bids and hurt the city's reputation in the eyes of those who might want to buy property from it in the future.

"We were told to expect bids in the \$8 million to \$12 million range, and we know some of those who looked Terminal 1 chose not to submit bids after the vote," says Fish.

The proposal was submitted by Commissioner Dan Saltzman, who is in charge of PHB. He said it would give Williams time to raise the tens of millions of dollars necessary to create a permanent homeless multi-service center on the location called Trail of Hope.

Voting for the lease was Saltzman, Mayor Charlie Hales and Commissioner Steve Novick.

Voting against the lease was Fish and Commissioner Amanda Fritz.

Fish says the sales should go ahead, with the proceeds used to reduce future BES rate increases.

To read an earlier Portland Tribune story on the issue, go to [www.pamplinmedia.com/pt/9-news/318788-198352-council-homeless-shelter-now-industrial-jobs-maybe](http://www.pamplinmedia.com/pt/9-news/318788-198352-council-homeless-shelter-now-industrial-jobs-maybe)

## **Willamette Week**

### **Mayor-elect Ted Wheeler Hires Top Financial Director and Chief of Staff**

*By Beth Slovic  
August 18, 2016*

Mayor-elect Ted Wheeler named Maurice Henderson as his chief of staff and Tom Rinehart as the next director of Portland's Office of Management and Finance.

Henderson has served as the deputy director at the Portland Bureau of Transportation since 2015. Before that, he worked in government in Washington, D.C. and as a press aide to then-Gov. Tim Kaine of Virginia.

He will be the first African-American man to serve the mayor as chief of staff. (Former Mayor Vera Katz, who led Portland from 1993-2004, named an African-American woman, Elise Marshall, as an interim chief of staff.)

"We are fortunate to have a highly skilled manager, policy expert, and proven leader in this role," Wheeler said Thursday in a prepared statement. "I expect a high degree of experience and professionalism from my staff and Maurice Henderson is the right person to help me build and lead the team."

Rinehart is a long-time aide to Wheeler, first at Multnomah County, where Wheeler served as chairman, and then at the state, where Wheeler now serves as treasurer. Rinehart acted as Wheeler's chief of staff in both agencies.

He takes over the Office of Management and Finance, one of Portland's most complicated and important bureaus overseeing human resources, revenue and business services, from Fred Miller, who has long said he would retire when Mayor Charlie Hales leaves office.

## **The Portland Mercury**

### **Short-Staffed Cops Are Being Forced to Trim Specialty Units to Adequately Patrol the City**

*By Doug Brown  
August 17, 2016*

How thin can the Portland Police Bureau (PPB) trim some of its specialized units? We will find out soon, as the bureau finalizes plans this week to pluck officers and sergeants from a number of areas to compensate for sinking numbers within patrol, the bureau's visible front line that responds to 911 and non-emergency calls.

"There are no good options," PPB spokesperson Sergeant Peter Simpson tells the Mercury. "We have to pick the best of bad options. No matter what we do, we suffer a little bit. It's trying to find out the best way to suffer the least."

Last week, during a work session with Portland City Council, PPB brass proposed transferring about 25 officers from nine units to join the bureau's 331 existing patrol officers. Three sergeants from those units will likely join them. Recently appointed Police Chief Mike Marshman will finalize the figures this week, Simpson says, with the shifts taking place as soon as mid-October. That's the quickest that involuntary transfers can take place due to the city's contract with its main police union, the Portland Police Association.

The bureau's been forced into this position by a number of factors. Portland's population is booming while the police force is dwindling as members retire. At the same time, the PPB is having trouble attracting new recruits. That means response time for 911 calls is increasing, and remaining cops have less "free time" to build relationships with the community.

"Our projected separations—due to retirement or resignations to other law enforcement agencies—exceeds our hiring ability," Marshman told Mayor Charlie Hales and the rest of city council last week. He said the bureau needs to hire 385 sworn members over the next five years—an average of 77 per year, compared to the average of 25 hired over each of the previous five years—to make up for recent and expected vacancies, despite having few applicants. "Most importantly, our limited staffing on the street, and in the bureau in general, really, truly hurts our relationship-based policing efforts," Marshman said.

The chief's proposed tweaks come from all around the bureau. He suggested transferring seven of the Traffic Division's 39 officers and one of its nine sergeants to patrol. From the tactical operations division—home of the Gang Enforcement Team—five of the 26 officers and one of 10 sergeants may be moving.

"The work that each of those units does is needed," the PPB's Simpson tells the Mercury, "but at the core function, we've got to be able to respond to calls for service from the patrol ranks."

Not everybody on council was upset that some of these units will be trimmed. Commissioner Steve Novick has been a longtime critic of the Drugs and Vice Division's staffing and budget, and said last week that "trying to intercept the supply of drugs is fruitless." Four of the 19 officers and one of the five sergeants in that division could be headed to patrol.

Likely joining them are one of five officers in the Personnel Division, one of five officers in the Criminal Intelligence Unit, one of two "RegJIN Sustainment Team" officers helping with bureau computer records, both of the Strategic Services Division officers who analyze crime statistics (non-sworn employees will still work there), and one of three investigators the bureau sends to the district attorney's office.

And in a move that might generate outcry, Marshman is considering chopping the Mounted Patrol Unit (MPU) in half, from four officers to two.

The bureau essentially admits the MPU, the cops who ride around on horseback, serves no real law-enforcement function other than public relations. "People who may not even like the police will come up to the horses and have a conversation with officers while they pet the horse," said Assistant Chief Chris Uehara. Still, calls to kill the unit during recent budget crunches have been met with community outcry—with moneyed Portlanders even chipping in to help pay for the MPU in past years.

"You're asking us to pick our poison," said City Commissioner Nick Fish. "We're essentially thinning the soup and it's going to have an impact, in my view, on public safety."

Marshman responded: "What we're trying to do is thread the needle in multiple ways—it's very hard to prioritize these... I'm keeping my fingers crossed that this strategy works."

In the meantime, the bureau is attempting to speed up its recruiting and hiring process.

"It's simply taking too long to get into the Portland Police Bureau," said Assistant Chief Mike Leloff at the meeting last week. "We're looking from beginning to end. Yesterday we had a discussion about how it needs to be six months to get in and not 13 or 14 months."

Simpson told the Mercury it actually takes about nine months to get hired by the PPB—because of exams, physical and psychological evaluations, and lengthy background checks—but that's way longer than it should take. Many police departments are hiring, he said, "so you're competing for candidates who have a lot of choices," including from departments that can give them official job offers sooner. The PPB is trying to bring in more recruits without lowering standards, he said.

The bureau currently has six background investigators to check on recruits' pasts, which takes up a significant amount of time in the hiring process. Officials want to have 20 of the non-sworn investigators to reduce caseload and get potential officers screened sooner.

The bureau's also trying to broaden the areas it recruits from, particularly going after people living in California and working in the military. Recruiting locally, especially minorities, has proven difficult.

"You're in one of the whitest cities in America," says Simpson, "so trying to recruit people of color from your own city is a challenge. We'd love to hire local, believe me."

At last week's work session, Marshman said that only a few hundred recruits have recently taken the test to become a Portland Police officer, compared to a few thousand vying to

become a firefighter, “so we’re cognizant of removing every single barrier possible to get a qualified applicant pool.”

## Mayor-Elect Ted Wheeler Just Revealed Two Upper-Echelon Hires

*By Dirk VanderHart  
August 18, 2016*

The city's number two transportation official will be making a move across SW Madison street next year.

Maurice Henderson, who joined the Portland Bureau of Transportation last year as deputy to Director Leah Treat, has been tapped as Mayor-elect Ted Wheeler's chief of staff and "director of strategic initiatives," Wheeler's office announced this afternoon. That means Henderson will be moving from the Portland Building to City Hall come January.

Wheeler is also hiring long-time Chief of Staff Tom Rinehart for the city's Chief Administrative Officer role—directing the hugely important Office of Management and Finance. He'll begin that work alongside current CAO Fred Miller in October, Wheeler's people say, but won't formally take the reins until January. Miller had already signaled he'd retire when Mayor Charlie Hales left office.

More interesting is the appointment of Henderson. Wheeler, who's connected at all levels of state, county, and city governance, hadn't had much familiarity with him until recently.

"They met several times during the campaign and interfaced on Smart Cities," says Wheeler spokesperson Michael Cox, referring to the city's recent bid for \$40 million in federal cash for innovative new transportation and technology projects. Portland was a finalist in that competition, but eventually lost out to Columbus.

Cox didn't offer many details about Henderson's appointment other than to say: "There were many discussions, meetings, and the like about filling these two positions. Maurice quickly became somebody that we wanted to play a major role in our administration."

Henderson's got a résumé to back up the responsibilities that come with a chief of staff job. He's held high positions in Washington, DC's city governance, acting as chief administrator for the city's Office of Chief Technology Officer, according to his city bio. Before joining the administration of former DC Mayor Adrian Fenty in 2007, Henderson acted as deputy press secretary for then-Virginia Gov. Tim Kaine, now the country's likely next vice president.

Wheeler's office is calling Henderson's position a "specially designed role," saying he'll have "responsibility for the mayor's policy agenda and staff as well as responsibility for coordinating the work of key initiatives with multiple bureaus, including the Smart Cities program and process improvements." It's common for chiefs of staff to have wide-ranging policy involvement, but by specifically naming Smart Cities, Wheeler seems to be indicating Henderson will have a strong role in technological innovation.

The chief of staff position for a Portland mayor hasn't been a long-term position of late. Mayor Charlie Hales is now on his third. Former Mayor Sam Adams churned through several during his single term in office, as well.

Henderson might take a pay cut in his new role, Cox says. He's been offered \$148,000, though the figure won't become official for months. He makes \$160,620 in his current role, not including benefits. Rinehart could make anywhere between \$143,312 and \$205,379. His salary hasn't been negotiated.

## **The Portland Business Journal**

### **Site for city's huge homeless shelter could have fetched \$10M or more**

*By Jon Bell*

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It could have been an affordable housing development, a new Costco store and maybe even \$10 million in the city's pockets.

Instead, as the Portland City Council voted last week, the Terminal 1 property along Northwest Front Avenue is set to be leased to the Portland Housing Bureau, which will use a warehouse on site as a temporary homeless shelter for up to 400 people.

Before the council's vote last week, the Bureau of Environmental Services had been on track to sell the 14.5-acre property and had solicited offers. According to the Oregonian, which put in a public records request, those offers came in this week and ranged from \$6 million from Costco for a new store to \$10 million from Portland developer Jim Winkler, who proposed an affordable housing development project.

Other offers ranged between \$8 million and \$9 million.

The council's vote to lease the property for the homeless shelter has not entirely killed the sale process, but it has put it on hold, much to the chagrin of Commissioner Nick Fish, who has opposed using the site for the shelter.

"Our broker has told us that we lost a number of potential offers because of the discussion around the site," he said. "The process has been compromised, and our hunch is that the conversation about other uses hurt the market for our sale. I am obviously disappointed that we have to put this on hold. This is a raw deal for our ratepayers."

Fish also said that just this morning, the Oregon Department of Environmental Quality has revised its assessment of the Terminal 1 property and now believes there is an "elevated risk" of contamination. In addition, the city is also facing two lawsuits over the homeless shelter deal, including one from local attorney John DiLorenzo and one, according to Fish, from a group of industrial landowners concerned about the use of the site as a homeless shelter if it is indeed contaminated.

Under the current outline for the site, developer Homer Williams, who first proposed the idea of the huge shelter, is working to raise money to fund its operation. The city is to come up with terms of the lease for the site by Oct. 7.

If the funding doesn't come to be, if the use turns out to be illegal or if the lawsuits knock the process off-track, the property could go back on the market, which is what Fish would like to see.

"My hope is that we can convince a couple of serious parties to put this on ice for now," he said.