

The Oregonian

U.S. Justice Department, city to discuss next steps for citizen police panel

By Allan Brettman

October 26, 2016

Attorneys for the U.S. Justice Department and the city of Portland are expected to spend the next week discussing the next steps for a police oversight panel, one of the components of an agreement between the federal government and the city intended to improve community and police relations.

The previous panel, called the Community Oversight and Advisory Board, has apparently dissolved following the resignation of its chairman, multiple unfilled vacancies and meetings that were routinely disrupted beyond the point where meaningful dialogue was taking place.

Justice Department attorneys had asked U.S. District Court Judge Michael E. Simon on Tuesday to order the city to come up with a replacement panel within 30 days. The request was part of an annual review of a settlement agreement between the Justice Department and the city to reform Portland police procedures.

The Justice Department is expected to file a report within a week saying whether the two sides had reached any agreement on the citizens' panel. Justice Department attorneys also were seeking an order that told the city to return to the court in 90 days to continue with an overall assessment of the agreement.

Simon listened to Justice Department and city of Portland attorneys for about three hours Tuesday at an annual review of the agreement, reached in 2014. Then, he listened to policing experts and about a dozen citizens give testimony about the agreement, adjourning some time after 7 p.m.

During a break between the two portions of the hearing, U.S. Marshals and a Homeland Security officer arrested citizen activist Roger Hardesty, citing him for creating a disturbance.

Simon also set the third annual status conference for the Justice Department-city agreement for 10 a.m., Oct. 5, 2017.

Stories of struggle and humility contrast Portland council race

By Brad Schmidt

October 26, 2016

The Steve Novick redemption tour is on full display.

Facing a political challenge unimaginable four years ago, when he sailed onto Portland City Council, the city's newest commissioner is making amends nearly every chance he gets.

In stump speeches and campaign materials, the onetime progressive darling now admits the faults of his first term. He was inexperienced. Impatient. Irritable.

Those mea culpas are both strategic and earnest. Bookstore owner Chloe Eudaly has become a credible political threat, riding a wave of angst over housing prices and giving voice to the city's

identity crisis after years of rapid growth. But as Novick fends off Eudaly, he must also campaign against the image of himself.

Heading into the Nov. 8 election, Novick remains the favorite, even if his race against Eudaly appears tighter than anticipated. The contest pits an incumbent thin on accomplishments against a political novice with a galvanizing issue but little name recognition and a spotty financial record.

Novick now must explain his missteps – none greater than the street-fee fiasco of 2014 – while holding off a grass-roots challenger attacking from his left.

"There's definitely a constituency of voters out there looking for someone else to vote for," said John Horvick, political director for polling firm DHM Research.

Novick was humbled by the May primary, when he became only the second Portland incumbent since 1994 forced into a runoff. Novick faced nine opponents and won nearly every precinct citywide. But he captured just 43 percent of the vote, as anti-Novick sentiment prevailed.

Eudaly finished second but trailed by 28 percentage points – an unprecedented gap for a race headed to November. Any comeback would need to include gains from Novick's central eastside base, plus improvements west of the Willamette River and in east Portland, two disparate geographies where Eudaly performed poorly in the primary.

A renter, business owner and single mom who's advocated for her disabled son, Eudaly has woven her stories of struggle into the campaign, labeling Novick as an out-of-touch politician beholden to special interests. She's built her campaign largely around Portland's housing crisis, saying she wants to cap rents and better protect tenants.

"We're doing amazingly well with a virtually all-volunteer staff and very limited funds," Eudaly said. "Almost as important as winning is getting the opportunity to push all the conversations I've been able to push."

Novick, meanwhile, said he's learned from his mistakes and promises added patience and more of the collaboration he's managed over the last half of his term.

"People need to hear that you recognize your own failings," he said. "Hopefully after people hear that, it's like, 'OK, I'll listen to the rest of what this guy has to say.'"

Understanding Portlanders' struggles

Eudaly's life story isn't like a typical politician's.

She grew up in a rural farming community outside Forest Grove, raised by liberal parents who taught her to be accepting of others. The family moved to Portland's southwestern suburbs when she was 9. Her dad died in a car crash four years later.

Chloe Eudaly

Age: 46

Family: Henry, son

In Portland since: 1988

Neighborhood: Woodlawn

Rent payment: \$1,610

Car: 2006 Chrysler Town & Country minivan

Favorite local meal: Sushi Ichiban

Last concert: Hazel

Grocery store: New Seasons

Guilty pleasure: Karaoke

Eudaly first left home at 16, she said, and moved out for good by 18. Despite being an accelerated learner, Eudaly said she didn't find school challenging and was distracted by home life. She dropped out of Tigard High School and later earned a GED.

Eudaly was briefly homeless, she said, at times crashing with friends, sleeping in parks or flea bag motels.

"It just felt like the best choice I could make was to leave home and start taking care of myself," she said.

Portland wasn't so expensive in the 1990s and Eudaly eventually found her calling. She saved \$2,000 from her job at a travel agency and, with a friend, launched a small bookstore in 1994 called Reading Frenzy, where patrons can buy independent books, zines and local art.

"That could never happen here today," she said. "It's not that I expected Portland not to change, or rents not to go up, but wages are so far out of line with rent increases."

Eudaly became a mother in 2001. Her son, Henry, was diagnosed with cerebral palsy. She soon became a parent activist, fighting with Portland Public Schools to ensure Henry received a general education instead of being moved to a special-needs classroom. She co-founded a districtwide parent group for other children with disabilities.

Portland's skyrocketing rents ultimately pushed Eudaly toward politics. In 2014, rent at her two-bedroom house in Northeast Portland jumped by more than 30 percent, or \$365 a month.

"I actually Googled 'most dangerous neighborhood in Portland,' thinking, well maybe we could afford to live there," she said.

Along the way, she stumbled across an ad for a tiny home in Southeast Portland. It was a prefabricated shed with plumbing renting for \$950 a month. She formed a Facebook group, affectionately dubbed "The Shed," devoted to housing advocacy. Over time, some 2,000 people signed up.

Supporters urged her to run for City Council.

"Chloe represents a really underrepresented voice," said Margot Black, an organizer for Portland Tenants United.

Eudaly insists she's not a single-issue candidate. Beyond housing, Eudaly wants Portland to hire more minority contractors. She wants the City Council to launch publicly financed campaigns. And she's called for a large-scale cleanup of the polluted Willamette River.

Eudaly has made a splash, despite raising just \$53,000 in cash since May. She turned to local artist Joe Sacco to design a comic-style flier. She's also won endorsements from alt-weeklies, former Portland Auditor LaVonne Griffin-Valade and Bob Sallinger, conservation director for the Audubon Society of Portland.

"Portland really needs someone who is connected to and understands firsthand the problems that many Portlanders are facing," said Sallinger, who spoke as an individual and not on behalf of Audubon.

Records and interviews show Eudaly has struggled financially for years.

Her bookstore fell behind on city and county business taxes in 2008, according to records from Multnomah County Circuit Court. City attorneys said Reading Frenzy owed an estimated \$5,500 for taxes, fees and penalties for the 2005, 2006 and 2007 tax years.

Eudaly said an accountant mistakenly didn't file tax returns and the city overestimated her debt. Records show Portland reduced the balance before assigning Reading Frenzy's bill, about \$1,200, to a collection agency in 2010. Eudaly said she paid.

Her business is still in debt.

The Oregonian/OregonLive reviewed Reading Frenzy's tax status using the city's online business database. A search showed the following: "Unable to confirm compliance."

Reading Frenzy owes taxes for 2013 and 2014, Eudaly said, but all other years have been paid. The company owes about \$2,000 to the IRS, the state of Oregon, Multnomah County, TriMet and Portland, she said.

"I am in the process of paying these off," Eudaly, who pays herself about \$36,000 a year, said in an email. "I believe this explains Reading Frenzy's status with the City of Portland."

Eudaly's business is also out of compliance with the Oregon's business registry. State officials dissolved Reading Frenzy's status as a limited liability company in 2011 because Eudaly didn't pay the \$100 annual renewal fee.

Eudaly said she changed her business to a sole proprietorship and didn't realize the registration requirements still applied. Reinstatement could cost \$700.

Despite outstanding debts, Eudaly steered more than \$2,100 in cash from Reading Frenzy to her campaign.

Eudaly said she's proud of her accomplishments.

"Honestly, I think it's kind of extraordinary I'm doing as well as I am," she said, "considering the challenges I've faced."

Getting through the learning curve

Novick, meanwhile, is trying to learn from his past and live up to his potential.

The Harvard law school grad has been a fixture in Oregon politics since the 1990s, long known by Democratic Party insiders as a policy wonk but gaining public prominence during his 2008 insurgent campaign for U.S. Senate. He declared for an open City Council seat four years later and won more than 75 percent of the vote.

Steve Novick

Age: 53

Family: Rachel, wife

In Portland since: 1996

Neighborhood: Multnomah

Mortgage payment: \$2,500

Car: 2001 Toyota Camry

Favorite local meal: French toast at Fat City Café

Last concert: Bruce Springsteen

Grocery store: Fred Meyer and New Seasons

Guilty pleasure: Reruns of Modern Family

But Novick's term was quickly defined by two words: street fee.

Novick declared in 2014 the City Council could create a new fee to pay for crumbling roads without a vote by citizens. He sparred with his city council colleagues. Anyone who didn't like it could kick him out of office during his re-election bid, he taunted.

Later, after the street fee floundered without support, Novick pitched a progressive income tax the business community despised. Rather than recognize defeat, he shot back, saying the Portland Business Alliance would "rather burn the city to the ground" than tax the wealthy.

Novick didn't give up. He persuaded voters to approve a 10-cent per gallon gas tax this spring, collaborating with business leaders and safety advocates.

He's since raised more than \$212,000 for his re-election, suggesting many developers and chief executives don't hold a grudge over his fiery anti-business comments. Even so, the business alliance didn't endorse in Novick's race.

But Sandra McDonough, the chamber's president and chief executive, said she's seen Novick change. Now, he's more likely to reach out and seek differing viewpoints.

"He is one member of council who I can be absolutely sure will pick up the phone and talk to us," she said.

The gas tax is Novick's greatest accomplishment, surpassing efforts to cut down on disabled-parking fraud and working to end suicide leaps from the Vista Bridge. But because taxes are unpopular, Novick doesn't even list the gas tax in the voter's guide or in his mailers.

"Forty-eight percent of the people voted against it, so my consultants would probably prefer that I talk about it less," he said. "But I'm still pretty darn proud of that."

Instead, Novick is playing up projects and proposals that are politically popular, even though he sometimes played only a bit part.

He's touting paid-sick-leave requirements for private business, \$15 hourly wages for full-time city employees and a new construction tax to pay for affordable housing – all championed by Novick's colleagues and unanimously supported by the City Council.

"When you're part of a council that got things done," Novick said, "you can take part of the credit for it."

Novick's made limited progress in some other areas.

He trumpets frequent bus service along 122nd Avenue in east Portland, a deal requiring Portland to fund safety improvements along the route. But so far that service runs only during rush hour, adding just nine trips out of more than 120 daily.

Novick similarly points to a new program offering discounted parking passes to low-wage workers who clean downtown buildings at night. It was developed and implemented under his watch. But Portland's issued only 31 monthly passes.

The parking program had been a longstanding issue for Service Employees International Union Local 49, said the group's political director, Felisa Hagins. The union is one of Novick's biggest backers, contributing \$10,000 toward the general election.

"The learning curve at the city is tough for anybody," Hagins said. "But I feel like he's at least gotten there."

With just weeks remaining in his campaign, there's been no public polling to take the temperature of the race. But Novick confided he expects to win, a victory that could signal his redemption tour is complete.

"I've been in the job for the past four years," he said, "and I think I've gotten reasonably good at it."

Airbnb pushes back on housing-cost critics with its own study

By Elliot Njus

October 26, 2016

Airbnb is pushing back against criticism its platform helps send housing prices higher by taking homes off the market for year-round renters.

For a study it paid for, the company gave the consulting firm ECONorthwest a rare look at internal booking data. Airbnb spokeswoman Laura Rillos said the company also is in talks with the Portland Housing Bureau to turn over some of that data to the city as well.

The authors of the ECONorthwest study, released Wednesday, concluded that Airbnb has "minimal, if any," impact on the city's housing affordability crisis.

That's because only a scant number of the company's offerings were operated as full-time, full-house rentals, the report said.

Third-party reports have reached more critical conclusions. Housing Bureau Director Kurt Creager told the Portland City Council earlier this year that the city had lost 1,000 affordable homes to short-term rentals.

The data journalism website FiveThirtyEight found that Portland led most major cities in full-time rentals. That analysis also found the relatively small industry had little effect so far on housing prices, but that incentives were lined up for Airbnb to promote full-time rentals because they provide the majority of its revenue.

Airbnb said such analyses, which used information publicly available on the website, are flawed because they have no way of knowing when the units are booked or whether they are residences rather than commercial hotels.

About 2,976 whole-home rentals were listed during that time. They represent about 3 percent of the city's housing stock, the analysis found.

Of those, only 377 were rented more than 180 nights from August 2015 to July 2016. The rest rent infrequently and would be less likely to be made available to long-term renters absent Airbnb, the analysis found.

"The notion that the only alternative is they'd be renting on the long-term market isn't necessarily what would likely occur," said Mike Wilkerson, one of the authors.

Airbnb has said, and the report repeats, that its hosts can use supplemental income from short-term rentals to improve their housing security.

Two of the report's four authors have availed themselves of that opportunity, they disclosed in the report.

The Portland Tribune

Homeless shelter supporters protest decision to end project

By Jim Redden

October 26, 2016

Portland developer Homer Williams says he is surprised and disappointed that Commissioner Dan Saltzman has pulled the plug on the homeless shelter and multi-service center he proposed at Terminal 1 in Northwest Portland.

Saltzman, who is in charge of the Portland Housing Bureau, withdrew his support for the project Tuesday after Williams presented him a proposal for a temporary homeless shelter and permanent multi-service center on the site. In response, Williams issued a statement Wednesday afternoon, that said he has raised over \$360,000 towards the project and does not understand the objections.

Williams' proposal is called the Oregon Harbor for Hope, a reflection of its location at 2400 S.W. Front Avenue along Portland's harbor.

Here is his statement:

"We are surprised and tremendously disappointed in the City's decision to reject our operation proposal and business plan — and disappointed especially for the hundreds of people living on the streets who otherwise would have had an additional local shelter this fall. Despite a successful City Council vote authorizing this shelter on August 10, we did not receive a proposed lease from the City until October 7, and have been working diligently for months to satisfy their many requirements to operate this shelter.

"When we created the non-profit Oregon Harbor of Hope, we aimed to leverage private-sector financing in development of a full-service campus providing opportunities for individuals and families to cycle out of homelessness through the availability of job training, substance abuse treatment and legal services. This campus would include several hundred units of transitional housing and would be modeled after the successful Haven of Hope in San Antonio — but made better through the input of local Portland homelessness advocates, City leaders and the broader Portland community.

"Terminal 1 was identified as a site due to (1) the size of the property to create this long-term vision; (2) its access to needed local services and transportation so that these persons are not

cut off from the City; and (3) the absence of other city-owned sites that satisfied the first two conditions. The availability of a large building on the site – nearly ready for usage – only made the site more attractive to immediately accommodate the City's desire for a low-barrier shelter to address chronic homelessness.

"Portland is in the midst of a homelessness crisis that will only become more significant in the coming weeks and months due to an explosion in population and the lack of affordable housing. Homelessness is a heartbreaking crisis in every respect.

"Oregon Harbor of Hope offered a plan to help with this crisis. We have raised over \$360,000 and dozens of companies and non-profits have donated their time and services, including in-kind donations ranging from acute care services to a mobile dental clinic that were ready to be placed on the site.

"We remain ready to help in this effort, provided the City, business community and non-profits seek to build upon the momentum we have created to help solve this hugely important crisis. We invite you to visit our website at oregonharborofhope.org and welcome the public's input on our Facebook page."

To read an earlier Portland Tribune story on the issue, go to www.pamplinmedia.com/pt/9-news/329320-209093-fish-put-terminal-1-back-up-for-sale

Fish: Put Terminal 1 back up for sale

By Jim Redden

October 26, 2016

Commissioner Nick Fish wants the City Council to relaunch the sale of Terminal 1 as soon as possible.

Now that Commission Dan Saltzman has pulled the plug on the homeless shelter and multi-service center proposed for Terminal 1, Fish plans to submit a resolution authorizing it to be put up for sale a second time. The council could consider the resolution as soon as next Wednesday.

"We need to get back to the sales policy we had been following and reassure people that the city keeps its word," says Fish

The 18-acre parcel of industrial property in Northwest Portland is owned by the Bureau of Environmental Services, which Fish oversees. It had been declared surplus by the council and put up for sale before developer Williams proposed opening the shelter and center there. Saltzman, who oversees the Portland Housing Bureau, convince the council to authorize PHB to lease the property from BES on Aug. 10, just a few days before the bids were due.

The vote was 3-to-2. Mayor Charlie Hales and Commissioner Steve Novick joined Saltzman to support the lease. Fish and Commissioner Amanda Fritz opposed it.

Seven bids were received by the deadline a few days later. They ranged from \$6 million to \$10 million. But the vetting process was put on hold while PHB, BES and Williams' organization — called the Oregon Harbor of Hope — negotiated the lease and sub-lease for Terminal 1.

The negotiations collapsed last Tuesday when Saltzman announced he no longer thought Williams' proposal was feasible. The next day, Fish liaison told the Portland Tribune he will submit a resolution voiding the lease authorization and putting Terminal 1 back on the market.

According to Fish, the bid process needs to start over because vote for the lease interfered with it. Fish says BES was approached about the sale by more businesses than ended up bidding on it. He believe most if not all of them dropped out of the process when the council approved the lease.

"Our broker told us that people dropped out when the council signaled it would approve the lease," Fish said.

Fish believes many will bid again if they can, potentially driving up the purchase price, which can be used to reduce future BES rate increases.

Ironically, the surplus sales process BES was following was created after a controversy involving the sale of another property by a different bureau Fish oversees. Several years ago, the Water Bureau sold an abandoned water storage tank in Southwest Portland to a residential developer without following a formal process.

Following neighborhood complaints, Fish worked to develop a step-by-step surplus sales process that the council approved — and then used as a model for all city bureaus. The lease vote interfered with that process just as it was nearing completion.

"We need to prove we can stick to the process we approved," Fish said.

The Portland Mercury

Hall Monitor: The Mayor's Private Rap Session

By Dirk VanderHart

October 26, 2016

FOR EVIDENCE that Portland's new police contract continues to be the city's leading civic drama, look to the unprecedented closed-door meeting Mayor Charlie Hales held with roughly 70 city employees Monday.

Amid brief bouts of activist chanting outside ("Charlie, resign now!"), the mayor met with a pre-screened audience in the Portland Building to address concerns about the contract, and the violent clash between cops and Don't Shoot Portland protestors it produced on October 12.

In a tenure that hasn't been without drama, the gathering marked the only time Hales has met with employees in this manner to address concerns. And it offered some interesting moments.

For starters, there was Hales' response to the argument that the contract should have been negotiated in public, as happened with the last Portland Police Association (PPA) contract in 2013.

"That was theater," Hales told the employees. "That was not actually the negotiation."

This is the same mayor who made a show of pushing for that "theater" in 2013, saying: "Portlanders are simply not going to stand for negotiations that are completely closed."

Hales, in fact, sought to downplay the contract's ability to spur meaningful reform, telling his audience it did just three things: Bumped officer pay, eliminated the hated 48-hour rule, and did away with 11 outstanding grievances filed by the PPA.

That's an oversimplification. For instance, the new contract now includes a provision allowing cops to retire (and begin taking pension payments) and immediately resume work at the police bureau. An agreement signed between the city and the union alongside the contract lays the groundwork for an unarmed band of "community service officers," and ensures the union has final say in a forthcoming body camera program.

There were also plenty of questions for the mayor at the rap session.

Someone wanted to know how some community members could be so angry about a contract Hales sees as an unqualified success.

"We're in a national electrical storm," the mayor said, referencing the nation's current focus on police abuses, "and I walked outside with a coat-hanger."

Hales got a chance to bemoan the state of the media, when an employee suggested the reports on the October 12 protests were biased. He spoke to a black employee who feels unsafe calling the police. And, more than once, he faced skepticism that the response from cops during the recent protest was always in step with the threat activists posed.

Dante James, director of the city's Office of Equity and Human Rights, said he saw evidence cops showed "great restraint" while facing off with protestors outside City Hall. But he took issue with how police had cleared activists from the building in the first place (they'd been setting up tents and gathering in the hallways).

"You've got someone being shoved out the door almost horizontal," James said.

Others said the decision to push protestors outside seemed unwarranted. Hales said he regretted that had happened, but that protestors holed up on City Hall's second floor had disrupted city business.

"If people can't get in and out of their office without running a gauntlet, that's unacceptable," he said.

Most galling, Hales and Police Chief Mike Marshman repeatedly refused to comment in detail on cops' actions on October 12, saying the incident was under investigation by the city's Independent Police Review.

Some audience members shook their heads at this. Others accepted it. And the ultimate effect of the meeting, as the employees hustled out and back to their jobs, was anybody's guess.

Dan Saltzman Pulled the Plug on a Terminal 1 Shelter Due to Lack of an "Experienced Shelter Operator"

*By Dirk VanderHart
October 26, 2016*

It became clear on Monday afternoon, not long after Homer Williams and his colleagues had finally sent along a proposal to create a homeless shelter at Terminal 1: After months of planning, hundreds of thousands of dollars raised, and disagreements that reverberated

through both the Portland City Council and the city's social services community, the Terminal 1 idea was dead.

"I saw the business plan around 4 pm," Portland Housing Bureau Director Kurt Creager said this morning. "It was just not responsive."

"We had been sort of angst-ing about winter shelter," Commissioner Dan Saltzman told the Mercury, describing the lead up to a decision he announced Tuesday. "We have been pursuing other options as well."

Those options no longer include Terminal 1. For Saltzman and Creager, it wasn't what developer Williams' Harbor of Hope nonprofit was proposing that sealed the idea's fate. It was what it couldn't promise.

Housing officials had said for weeks that they needed evidence Harbor of Hope had secured an "experienced shelter operator" to run the facility, which might have sheltered as many as 400 people. But the more traditional, more moneyed nonprofits running Portland homeless shelters were evidently leery.

Instead, Williams and his cohort—including Don Mazziotti, a former executive director of the Portland Development Commission—wound up leaning on a well-respected grassroots figure: Ibrahim Mubarak.

Mubarak co-founded Right 2 Dream Too, the Northwest Portland homeless rest area that by all accounts has had impressive success getting people on their feet over the last five years. But the somewhat atypical model Mubarak promised wasn't enough.

"It's not Ibrahim, it's the fact we want an experienced shelter operator," Saltzman said.

Creager, in a separate conversation, clarified: "A mass shelter operator." If it expanded to the full 400 beds that had been contemplated, the Terminal 1 shelter would have been the largest in the Pacific Northwest.

"It's not a self-managed group" like Right 2 Dream Too, Creager said. "It's a group that needs a lot of support. The cost of failure is just too great."

Update, 4 pm; Here's a memo [PDF] Creager sent to Saltzman on Tuesday laying out his qualms with the proposal.

Original post: Saltzman and Creager broke the news to the Harbor of Hope backers early Tuesday afternoon, in a meeting that included representatives of Mayor Charlie Hales and Mayor-elect Ted Wheeler. Saltzman describes the reaction as "frustrated." Williams hasn't returned calls for comment.

The decision brings an abrupt halt to an idea that's caused no end of debate—along with legal challenges—since this summer. Harbor of Hope wasn't just pushing a shelter, it envisioned creating a massive homeless campus on the 14.5-acre Northwest Portland Terminal 1 site based on San Antonio's Haven for Hope facility. The campus would include shelter space, housing, and comprehensive social services.

"We're excited by the Haven for Hope model," Saltzman said today. "At least I am. We're not trying to discourage the longer term vision."

It's unclear at this point if any aspect of the proposal moves forward, though. Williams and his friends had been proposing an unheard-of private sector stake in helping Portland's homeless crisis, but their excitement often seemed tied specifically to Terminal 1.

Terminal 1, though, likely won't be in the city's hands much longer. At word of Saltzman's decision to kill the shelter idea, the city's Bureau of Environmental Services began prepping to sell it. The bureau had been soliciting offers for the land before being told to stop by a sharply divided city council. Now, BES Commissioner Nick Fish will push to get the property back on the market as soon as possible.

Jim Blackwood, Fish's senior policy director, is working on a council resolution that would formally give BES permission to sell the property. It could come up for consideration as early as next week.

Assuming it passes, Blackwood says BES will re-open the property for formal offers. Earlier this year, the city received seven offers—ranging from \$6 million (from Costco) to \$10 million—but Blackwood believes there would have been more if the specter of a shelter hadn't fouled the process.

He says the city will be looking for buyers who hew to the site's existing industrial zoning designation. Fish has repeatedly argued that Terminal 1 is a rare patch of riverside industrial land in a city with far too little of it.

"We are most interest in non-contingent offers that leverage the existing zoning," Blackwood says. "We're still up against the city's overall lack of industrial property."

As to the winter shelter Saltzman has been "angst-ing" over, he says there's one proposal that's "ready to jump." He wouldn't discuss specifics, but Portland City Council this morning put nearly \$415,000 that had been intended for a Terminal 1 shelter toward other shelter uses as part of its twice-yearly budget adjustment process.

Bullseye Glass Might Have Polluted Groundwater, Too

By Daniel Forbes

October 26, 2016

IN MID-SEPTEMBER, some seven months after Bullseye Glass entered a vortex of regulatory oversight and community outrage over emissions of poisonous heavy metals, it was still sending toxic materials into its neighborhood.

Stormwater runoff from the Southeast Portland glassmaker's roof contained levels of five hazardous heavy metals as much as 33 times the federal maximum contaminant levels (MCLs) for publicly supplied water, according to data obtained by the Mercury. Experts say the polluted water might have made its way into the area's groundwater.

The stormwater was captured as the Oregon Department of Environmental Quality (DEQ) investigated a structure called a drywell that was capped by asphalt in Bullseye's driveway. About eight feet deep by five feet across and with an open bottom, the chamber—formally called an underground injection control (UIC)—captures water from a downspout off the factory's roof, eventually discharging it into underground soil.

And while no one is drinking the water captured from Bullseye's drywell, DEQ Senior Hydrogeologist Matthew Kohlbecker says, "When stormwater exceeds MCLs, the potential to endanger groundwater exists."

DEQ is currently performing more tests to determine if groundwater near Bullseye has been impacted; the results are expected within a few weeks.

Along with tainted rainwater coming off the roof, DEQ also found approximately two feet of highly polluted sediment in the drywell that has built up over the past 24 years, when—contrary to best practices—the chamber was capped and ignored.

DEQ says the sediment contained “highly elevated levels” of hazardous metals, indicating the effects of Bullseye’s two-decades-plus production of heavy-metal-infused colored glass while using no filters on its furnaces.

The US Environmental Protection Agency (EPA) establishes its contamination limits in order to “evaluate whether [sediment] needs to be managed as hazardous waste when disposed of at a landfill,” Kohlbecker says.

Referring to DEQ’s ongoing tests, Kohlbecker says that “means that additional data should be collected to determine whether this drywell endangers groundwater.”

And pollutant levels in the sediment, which provide a historical picture of the amount of poisonous metals washed off Bullseye’s roof, are far worse than the snapshot offered by the rainwater.

A breakdown:

- For the potent neurotoxin cadmium, the MCL for “leachable metals in sediment” is 5 micrograms per liter (ug/L); Bullseye’s sediment contained 213,000 ug/L of cadmium — 42,600 times the MCL.
- For lead, the sediment MCL is 15 ug/L; there were 70,000 ug/L of lead in Bullseye’s sediment, or 4,667 times the MCL.
- For arsenic, 419 times the MCL sediment guideline was found.
- Selenium (32 times the MCL) and chromium (2.7 times) were also elevated.

For stormwater runoff—as opposed to that nasty sediment—authorities measure the “maximum permissible level of a contaminant” in a public water system.

And the rainwater tells a more immediate story, with DEQ’s measurements detailing the pollution of water captured after a September 17 storm.

The results show cadmium at 33 times the MCL; lead and selenium at 9 times the MCL; arsenic at more than 4 times the guideline; and chromium nearly double.

If these metals have leached from the open-bottom drywell into nearby groundwater, leaching may have occurred for years. The sediment took more than two decades to accumulate, according to a Bullseye press release.

Jeff Dresser, an engineer with Bridgewater Group, a Bullseye consultant, said in a brief phone interview that the drywell was constructed when the glassmaker added another building to its site in 1992.

Eventually Bullseye capped the well with a driveway. And there it sat for 24 years, collecting heavy metals carried by rainwater off the roof. The question, as Oregon’s Administrative Rules put it, is whether by allowing the well to do so, Bullseye protected “existing groundwater quality for current or potential beneficial uses.”

The EPA says Bullseye's type of drywell is "created to discharge directly into the subsurface" — that is, soil below the surface level.

What happens after that is partly dependent on the nature of the soil involved. DEQ notes that "fractured rock" or "coarse-grained sediments" allow for greater mobility. But "clay minerals and organic matter" are more restrictive.

Mark A. Dilley, an ecological consultant with Ohio-based MAD Scientist Associates, says that, depending on the type of soil present, "I would expect to see movement of these metals to the groundwater.... It wouldn't be a big surprise."

He adds, "It is the concentrations in environmental media (soil, sediment, surface water, groundwater) beyond the facility, in areas accessible to the public, that present the potential threat to public health."

Bill Spearman, a board member of the American Public Works Association, notes that "with a drywell, there's not a lot of control where it goes. It'll transport offsite and, depending on conditions there, it'll pop up elsewhere."

Bullseye's drywell is also out-of-step with state recommendations. The DEQ recommends companies keep their wells accessible, but Bullseye paved over the one where metals had been collecting.

"To have a drywell where heavy metals are affecting the site, and it's covered up," Spearman says, "there's something going on."

Oddly, in a "Questions and Answers" document issued October 10, the DEQ focused on the single metal found at relatively low levels (though still above the regulatory limit) in the Bullseye sediment: hexavalent chromium.

"We know that most of these metals do not readily dissolve in water, and won't typically contaminate groundwater, with the exception being hexavalent chromium," the document reads.

The agency fails to address that the sediment held more than 42,000 times the federal limit for cadmium, and 4,667 times the limit for lead—both potent toxins.

The statement was also at odds with guidelines for drywells that the DEQ has available online. Those state: "[S]ome metals are more mobile or soluble in water than others. Those in order of concern (based on mobility in water) are: zinc, lead, cadmium...."

Chromium is listed seventh on the mobility and solubility list.

The agency's rules state that roof-fed drywells don't require a permit. That means Bullseye wasn't required to prove its runoff didn't harm groundwater.

But the DEQ's Kohlbecker says facilities do "have the burden of showing that a drywell does not allow contaminants to reach groundwater. Bullseye Glass is in the process of doing that now, under the direction of DEQ."

Adding to the confusion, DEQ documents suggest that Bullseye might have been required to "pre-treat" stormwater from its roof, since the water contained heavy metals.

How are we learning about this now? In June, the City of Portland's Bureau of Environmental Services (BES) informed Bullseye owner Dan Schworer that it had "received a citizen complaint that Bullseye Glass was improperly disposing of materials" in March.

Three stormwater basins were examined at BES's behest, and "large shards of glass" and "high levels of selenium" were found at the bottom of a manhole just south of the factory. BES says those findings demonstrate that the company was "releasing selenium into the city's collection system."

Bullseye was fined \$600, and warned not to put anything else in city sewers. (By contrast, DEQ fined TriMet \$5,160 for a simple failure to monitor two of four drywells at one of its facilities.) It was also instructed to clean up the mess and hire a consultant to help it adopt "best management practices."

On the heels of this BES enforcement, DEQ investigated the drywells it had jurisdiction over. According to a June 28 letter Kohlbecker sent to Bullseye, this was to "ensure that underground sources of drinking water are protected."

A drywell on the facility's north side was accessible and within rule. Bullseye was instructed to unearth the one buried beneath asphalt on the production side of the plant, near where BES had found the selenium.

Pollution coming off Bullseye's roof should come as no great surprise to Mercury readers. In February we reported on a then-Bullseye employee's 2013 anonymous complaint to DEQ about the company's practice of cleaning its glass-crushing machine by blowing glass powder out of it onto the roof.

"When the crusher had to be cleaned, we just blew it out," Eric Miller, a Portland-based mechanical designer who worked for Bullseye back in the early 1980s, told the Mercury.

As reported in the prior Mercury article, employees went to the roof at least once a week armed with brooms, shovels, and buckets to remove multicolored glass powder that had spewed from a pipe below. That powder was scattered onto the roof by compressed air used to clean the company's crushers. The anonymous complainant told DEQ it was carried out "through pipes/vents onto the roof and into the air... a lot of it is carried off by the wind."

Bullseye assured the state after the 2013 complaint it would filter the crushing operation, though it's not clear the agency ever confirmed this.

But coarse powder shoveled into buckets is less dangerous than fine particulates that blow through the air. Potentially addressing the glass-crushing operation did not address the more serious issue of heavy metals vaporizing off 2,400-degree Fahrenheit glass furnaces and shooting up stacks that lacked pollution control filters from 1974 until earlier this year.

Some portion fell to the roof, where rain washed it down into the drywell to collect in sediment over the decades.

BES's Matthew Criblez is the environmental compliance officer overseeing Bullseye's water discharges to the city's sewers. Asked about the elevated selenium BES found, he said, "I believe it's from air emissions deposited back on the property. It came up the stack and then fell, and the rain washed it off—that's my theory."

The Mercury reached out to Bullseye for this story, but got no substantive reply. The company did write BES and DEQ a letter in September promising to conduct visual inspections and improve housekeeping—sweeping and vacuuming—among other measures. It also said it has installed filters to forestall large shards in the city's system. And its newly installed baghouse filtration device will mitigate the issue of water pollution, Bullseye says.

Kohlbecker says his discussions on moving forward with Bullseye await the results of the more sophisticated tests regarding whether it fouled the groundwater or not.

The most likely outcome is that the drywell is history, Criblez at BES says. "Bullseye will be issued a permit and be required to install treatment to remove metals. This is the most critical point—we will manage them at their point of discharge to our system."

Daily Journal of Commerce

Wanted: Industrial bids for Terminal 1

By Chuck Slothower

October 26, 2016

Terminal 1, Portland's waterfront industrial property, will go back onto the market after city officials pulled the plug on developer Homer Williams' proposed homeless shelter.

The city will seek industrial uses for the site, said Jim Blackwood, senior policy director for Commissioner Nick Fish.

"Our focus is still offers that leverage the existing heavy industrial zoning," Blackwood said.

Industrial land is scarce in Portland, and the right use at Terminal 1 would provide medium-wage jobs, he said.

"We are not interested in breaking the existing zoning," Blackwood said. "Some of the offers we got before were contingent on zoning changes."

The property was yanked off the market in the middle of a bidding process when Williams came forward with his proposal for a large homeless shelter on the riverfront. At that point, the property had already attracted offers from Costco and other bidders.

Blackwood said he expects more offers to come in after the property is relisted.

"We had twice as many expressions of interest and tours of the property as we got offers," he said. "We're going to have a complete reset."

Williams on Wednesday issued a news release criticizing city commissioners for ending the Harbor of Hope proposal.

"We are surprised and tremendously disappointed in the city's decision to reject our operation proposal and business plan – disappointed especially for the hundreds of people living on the streets who otherwise would have had an additional local shelter this fall," he stated.

The effort had raised more than \$360,000, according to Williams.

On Wednesday, Blackwood was busily circulating an agenda item targeting the City Council's Nov. 2 meeting to approve relisting the property. Blackwood said if the item doesn't gather enough commissioners' signatures in time for the Nov. 2 meeting, it will certainly be on the council's Nov. 9 agenda.

The site at 2400 NW Front Ave. covers 14.5 acres and has a 96,000-square-foot warehouse.

The Portland Business Journal

Rather than become a homeless shelter, Terminal 1 is heading back to the market

By Jon Bell

October 26, 2016

The sale of the city-owned Terminal 1 property along the west bank of the Willamette River, knocked off track by Homer Williams' plans to use the site as a mass homeless shelter, is likely back on track after the shelter idea took a hit this week.

Leaders of the Harbor of Hope nonprofit, which is seeking to create a large homeless campus in Portland, submitted a business plan to the city earlier this week. The plan didn't satisfy what Commissioner Dan Saltzman and others had in mind, so the city has decided to move in another direction for a shelter.

"Due to the impending winter weather, the city needs to open a winter shelter very soon. Unfortunately, Harbor of Hope will not be ready to open its shelter soon enough to meet the city's needs," Saltzman said in a statement. "We are therefore moving forward with other options for opening a winter shelter."

A call and an email inquiry to Williams and Saltzman, respectively, were not immediately returned.

Jim Blackwood, policy director for Commissioner Nick Fish, said he was crafting a draft resolution that would rescind the previous ordinance authorizing the lease of Terminal 1 to Harbor of Hope. That resolution could come before council as soon as next week, but it will likely be the week after.

Should that resolution receive approval, the property will hit the market again. Blackwood said bids that had been submitted before, which ranged from \$6 million to \$10 million, would be considered, as would new ones.

"I think this will create a clean sheet," he said.

The plan is to market and sell the property "within the existing zoning," which is industrial, with the end goal being the creation of family-wage jobs and returning "the sale benefit to the ratepayers of Portland," Blackwood said. That is what Fish has sought all along, he added.

He also said that the sidetrack likely didn't do much to deflate interest in the property from potential buyers.

"The truth is ... a parcel of this size is a rare commodity in the city," Blackwood said. "It will create its own momentum again."