

The Portland Tribune

Crypto Found Again as Variance Talks Continue

By Jim Redden

November 28, 2017

Portland Water Bureau and Oregon Health Administration still discussing interim steps for responding to potentially disease-causing microorganism before filtration plant is completed.

A potentially disease-causing microorganism has been found in Bull Run water against as Portland and the Oregon Health Authority continue negotiating over how the city will respond to such detections.

Cryptosporidium was found in a water sample from the Bull Run Reservoir on Nov. 22, the Portland Water Bureau announced Tuesday. The detection is the 28th time that crypto — as the microorganism is commonly called — has been found in samples this year.

The repeated findings have prompted the OHA to announce it will revoke a variance granted to the PWB from U.S. Environmental Protection Agency rules requiring open public water sources to be treated for crypto. The OHA granted the variance in 2012 because Bull Run water has been so relatively clean.

After the OHA announcement, the City Council voted unanimously to build a filtration plant that will remove crypto from the water. It will cost up to \$500 million and take as long as 10 years to complete.

Since the OHA announcement, it has been negotiating with the PWB over a proposed compliance schedule and interim measures to implement once the variance is revoked. Although the variance was scheduled to be revoked on Nov. 22, the OHA issued a three-week extension last week so that final discussions and agreement on the ensuing compliance schedule can be completed. The revised deadline is Dec. 13.

PWB and Multnomah County health officials say the strains of crypto detected in Bull Run water do not pose threats to humans. But they urge water customers with compromised immune systems to consult their doctors. That is because exposure to some strains of crypto can cause cryptosporidiosis, a serious illness. Symptoms can include diarrhea, vomiting, fever and stomach pain. People with healthy immune systems recover without medical treatment. But people with severely weakened immune systems are at risk for more serious disease and even death.

In addition to Portland, the PWB supplies water to the Burlington, Gresham, Sandy, Tualatin, Green Valley, GNR, Hideaway Hills, Lake Grove, Lorna Portland Water, Lusted, Palatine Hill, Pleasant Home, Raleigh, Rockwood, Skyview Acres, Tualatin Valley, Two Rivers, Valley View and West Slope Water districts. To learn if your drinking water comes from Bull Run, please contact your local drinking water provider.

You can learn more about the PWB response to crypto and monitor its testing results at www.portlandoregon.gov/water/53849.

You can read a previous Portland Tribune story on the issue at portlandtribune.com/pt/9-news/379157-265044-parasite-found-in-bull-run-before.

Willamette Week

Portland City Council Approves Pay Raises During Budget-Cut Season

*By Rachel Monahan
November 29, 2017*

The decision will allow more city staffers to make upward of \$100,000 a year, even as Wheeler is asking city bureaus to find ways to cut their budgets.

Last month, Portland's elected officials created a new job in City Hall—with a new salary.

The Oct. 18 unanimous vote by the City Council means pay raises for four staffers. Three of them work in Mayor Ted Wheeler's office, including his spokesman, Michael Cox, who received a nearly \$5,000 raise. (Cox also got a new job title: deputy chief of staff.)

More significantly, the decision creates a new tier of employee at City Hall, a job classification that comes with a pay scale above most staffers. The new title, "senior staff representative," is now nestled between staff representative and chief of staff.

It will allow more city staffers to make upward of \$100,000 a year, even as Wheeler is asking city bureaus to find ways to cut their budgets.

The mayor's office declined to comment.

Here's what the new position means for City Hall salaries.

COMMISSIONER'S CHIEF OF STAFF MAKES: Up to \$117,957 a year

SENIOR STAFF REPRESENTATIVE MAKES: Up to \$103,126 a year

COMMISSIONER'S STAFF REPRESENTATIVE MAKES: Up to \$95,493 a year

Murmurs: Consultant Finds More Trouble in PBOT Shop Rattled by Bullying and Harassment

*By WW Staff
November 29, 2017*

In other news: Mayor Ted Wheeler chats up Amazon.

Consultant Finds More Trouble in PBOT Shop

In May, WW reported on bullying and harassment at the Portland Bureau of Transportation maintenance operations group. In response, the city commissioned a "cultural assessment" of the shop's 377 workers. Two responses tell a lot about that culture: 26 percent of respondents requested overtime as a condition of participating, and the consultant who did the assessment purchased a "burner" phone so there would be no record of employees calling her. "Fifty percent of respondents said that disrespectful and rude behavior could occur at work without consistent consequences," the consultant's report, released Nov. 28, said. Indeed: The employees previously identified as perpetrators of ritual humiliations and shooting colleagues with high-pressure air guns still have their jobs. "After assessing the report, the commissioner will make decisions

about what changes need to be made," says Brendan Finn, chief of staff to Transportation Commissioner Dan Saltzman.

Mayor Ted Wheeler Chats Up Amazon

As Amazon weighs where to locate its second headquarters, Portland Mayor Ted Wheeler flew up to Seattle on Nov. 28 to meet with company officials. Portland is among the bidders for Amazon HQ2, but Wheeler spokesman Michael Cox says the mayor's visit is unrelated. "The meeting is not about HQ2," Cox says. "It is about their current downtown footprint, including 400 employees." Wheeler is also meeting with Nordstrom about livability issues, and Vulcan—Paul Allen's parent company for the Trail Blazers—about the future of the Rose Quarter. "These meetings are meant to strengthen relationships with companies that have a strong presence in Portland," Cox adds.

City Council Candidates Have a Rough Week

The past few days have not been kind to two candidates for the open seat on the Portland City Council. On Nov. 24, WW reported that Andrea Valderrama, a mayoral staffer, was arrested for driving under the influence four years ago, early in her tenure at City Hall. She told police at the time she was the designated driver. Last week, she apologized. On Nov. 27, WW first reported that Pacific Green Party of Oregon's Seth Woolley filed a state elections complaint arguing that Multnomah County Commissioner Loretta Smith is improperly campaigning for the seat without first resigning her county position, and is violating campaign contribution limits set by voters last year. Smith says neither is true.

TechFestNW Gets a New Home

Portland State University and TechFestNW, presented by WW, have formed a three-year partnership to hold the annual event in PSU's new Viking Pavilion, starting in 2018. Next year's event, to be held April 5-6, will feature speakers from around the globe discussing food tech, digital health, smart transit/smart cities and inclusivity in tech culture.

Portland Government Paid \$475,000 Above Market Rate to Manage This Aging Hotel

*By Nigel Jaquiss
November 29, 2017*

A new audit of Prosper Portland is filled with bleak findings.

A new audit of Prosper Portland, the city economic development agency formerly known as the Portland Development Commission, is filled with bleak findings.

The audit, produced by City Auditor Mary Hull Caballero, cites the example of the Inn at the Convention Center.

It's an aging hotel on Northeast Grand Avenue that the agency acquired 15 years ago. Thinking it would own the Inn for only a short time, the agency did not seek competitive bids to manage the hotel.

"Prosper Portland paid more than \$600,000 to the operator in 2016 compared to an industry standard rate of \$125,000," the Nov. 28 audit found. "The hotel operator said that initially, Prosper Portland had asked them to 'babysit' the hotel for a few months. Despite the temporary

nature of the agreement, Prosper Portland renewed the lease 13 times without significant changes."

That means Prosper Portland may have paid millions more than the industry standard over the past 14 years to manage a hotel it had no long-term plans to own.

Prosper Portland still owns it. A room at the Inn costs \$89 a night.

Audit of Prosper Portland Finds City Agency Struggling To Become Self-Sufficient, and Overpaid a “Babysitter” \$475,000

*By Nigel Jaquiss
November 28, 2017*

Portland's economic development agency faces transition from borrowing to funding operations through real estate income.

Portland Auditor Mary Hull Caballero released an audit of how Prosper Portland managed real estate portfolio this morning. The document highlights challenges the city's redevelopment agency faces as it shifts to a model based on funding itself through income from its real estate holdings, which includes 80 properties scattered about the city.

That shift will be dramatic: today, the agency brings in less than \$2 million a year from its real estate portfolio but, by 2031, real estate income is projected to grow to \$16.2 million and become Prosper Portland's largest source of income.

Historically, the agency, formerly known as the Portland Development Commission, used a tool called tax increment financing to fund its operations. That approach worked through creating a specific geographic district within the city, borrowing against the future property tax revenues in the district to pay for new development, then dedicating new tax revenue from the district to repay the debt.

Today, the city has shifted the use of tax increment finance funding to funding housing through a separate agency, the Portland Housing Bureau, and more generally slowed the use of such funding for economic development.

Those changes have shrunk the agency's budget and it has downsized from 225 employees in 2009 to just 95 today.

The audit found, however, that the agency will have to beef up its systems and attention to detail to make the transition to a reliance on real estate income successful. Here's a summary of findings:

We found that Prosper Portland was not yet positioned to make its transition . Staff did not:

- create financial and strategic goals for each property and for the portfolio as a whole
- document equity considerations
- perform risk assessments
- adequately monitor third-party operated properties.

Auditors highlighted three specific properties: Union Station; the Station Place Parking Garage and the Inn at the Convention Center. They found oversight of each wanting but put particular

focus on the Inn, an aging property the then-Portland Development Commission bought about 15 years ago.

Thinking it would only own the Inn a short time because the hotel would likely be razed for redevelopment, the agency did not seek competitive bids to manage the facility. The audit says that was a mistake.

“Prosper Portland paid more than \$600,000 to the operator [of the hotel] in 2016 compared to an industry standard rate of \$125,000,” the audit found. “The hotel operator said that initially, Prosper Portland had asked them to ‘baby sit the hotel for a few months. Despite the temporary nature of the agreement, Prosper Portland renewed the lease 13 times without significant changes.”

That means the agency over-paid by \$475,000 last year and may have over-paid its manager millions over the past 15 years.

In a response to the audit, Prosper Portland’s new executive director, Kimberly Branam, says she generally agrees with auditors’ findings and has made major changes since taking over the agency in August 2016 that should address most of the stated concerns.

“Prosper Portland has restructured its real estate department and hired three key staff members with the skills and experience required to manage the real estate portfolio to achieve its strategic objectives.”

The Portland Mercury

As Winter Approaches, the Homeless Are Using Dangerous Methods to Keep Warm

*By Thacher Schmid
November 29, 2017*

It’s a Costly Side Effect of Portland’s Housing Crisis

THE HAND SANITIZER-FUELED Bunsen burner was a form of streetwise ingenuity to make MacGyver proud—but it may have cost a life.

When the body of Rachael Edwards was found in Oregon City on November 8, investigators found the makeshift stove nearby: a soda can with the top removed and filled with flammable hand sanitizer. When ignited, the device heated a can of soup on a metal rack and warmed a tiny shelter made of cardboard and covered by black plastic.

Authorities are still investigating the blaze that might have claimed Edwards’ life, and a fire official cautioned that a cause of death has not yet been determined. But the fire—and what one investigator calls the “pretty primitive” device found nearby—underscores a reality: As Portland prepares for what might be another dangerous winter, the region’s growing homeless population is often forced to employ dangerous strategies for staying warm.

One year after a cold snap left four dead from exposure on local streets, authorities are scrambling to open new winter shelters and convince landlords to take in homeless families. In the meantime, those seeking refuge in tents and lean-tos say they stay alive any way they can.

Fires classified by Portland Fire & Rescue as “homeless-related” are expensive. Data provided to the Mercury shows the cost of 218 homeless-related fires in the year after the September 1, 2016

sweep of the Springwater Corridor ballooned to \$1.39 million—much of that because of a homeless-related fire at the International School in Southwest Portland that cost more than \$900,000.

The fire bureau's data says nothing about cause, but individuals living in homeless camps in Portland say they regularly use a wide variety of cheap accelerants as a way to stay warm as temperatures drop.

“There's lots of ways to get warm, but not to stay warm,” said Michaeldean, interviewed November 19 outside his tent. Michaeldean and his wife use propane heaters, “hobo” candles (a cardboard wick in a wax-filled can), charcoal briquettes, and hand sanitizer. The night before, he bartered with a friend for a propane tank that helped stave off temperatures in the 40s for five hours.

Michaeldean still has facial scar tissue from an injury he sustained at age 14 in a 1992 Southeast Portland fire. He almost died while trying to rescue his 10-year-old brother from a burning apartment. Now, Michaeldean is more cautious than many who live at the intersection of the Springwater Corridor and I-205 multiuse path.

“In here, every damn thing's flammable,” he said, pointing to 40 or 50 nearby dwellings. “People are going to have to find a way to keep warm. They're going to do stupid shit. There are 1,000 ways to die.”

Often homeless people warming themselves by unsafe means are at greatest risk. Still, some fires pose a clear threat to the public, as in a recent incident in the Pearl District.

“Woken up by a big fire alarm at 5 am because a hobo set off a fire in our stairwells,” Portland resident Greg Koenig tweeted October 28. “Only a spectacular asshole sets fire in a high rise.”

Koenig lives in the same 10-story building that contains REI. He's on the building's board and has access to security reports that include what he calls “nefarious activity,” especially in the parking garage.

“Modern high-rise construction is absurdly fire-resistant,” Koenig wrote in a message to the Mercury. “PF&R is one of the country's best fire departments and their best station is three blocks away. It is still really worrisome that someone would attempt to set a fire in a building full of people, especially in the fire escape routes.”

Koenig says getting the attention of fire investigators has been hard.

“Individual officers are great, but obviously overwhelmed. It seems the only way to get a response from the city is to repeatedly attempt to be the squeakiest of wheels.”

Portland fire officials didn't respond to questions about the status of the investigation into the Pearl District or International School fires, and it's not clear whether intentionally set “homeless-related” fires are becoming more prevalent. Data provided by the fire bureau doesn't specifically include the cause of each fire, even though the Mercury requested that information.

“Portland Fire is a response organization; we're preventative when it comes to residential and commercial properties, but as far as trying to prevent [homeless-related fires], it's tough,” said fire Lt. Tommy Schroeder.

The two top classifications for homeless-related fires from September 2016 through August 2017 were “special outside fire,” and “outside rubbish fire.” The fires occurred at a regular clip during the year after the Springwater sweep, particularly in Southeast Portland. The single worst

incident involving property loss was a dumpster fire that spread to the International School in Southwest Portland and cost \$901,000.

Other notable homeless-related fires and the “value lost” for each:

- An October 24, 2016 structure fire near the Springwater Corridor: \$35,000.
- A December 23, 2016 residential structure fire near Powell Butte: \$60,000.
- A January 5, 2017 fire at the riverside Temco grain elevator by the Broadway Bridge: \$50,000.
- A June 27, 2017 residential structure fire on Southeast Holgate near I-205 in the Lents neighborhood: \$160,000.

As temperatures drop, local officials have put into place multi-tiered severe-weather shelter plans and opened new shelters, including a just-announced 75-bed space downtown.

Inside tents and lean-tos, though, people say they’re staying warm using items purchased at dollar stores, gleaned from the urban wilderness, or stolen. The long list includes hand sanitizer, “hobo” candles, propane, charcoal barbecue grills, open-pit campfires, kerosene, the canned cooking fuel Sterno, and other alcohol-based propellants.

“Two good-sized [candles] will heat up a tent like this pretty well,” said Datia Guthrie, 52, who sleeps in a small nylon tent. Guthrie buys her candles from Dollar Tree, and burns them underneath a plastic tarp she pulls over herself and her beagle while inside her tent.

Why the risk? Like nearly three-quarters of local unsheltered houseless people, Guthrie is disabled. The elements are not her only, or even greatest, threat.

“I just kissed death,” Guthrie said. “I just beat cancer. Now I’m skin and bones, have a hard time staying warm.”

The legality of the diverse heating methods being used by homeless people is unclear. Asked if the impromptu hand sanitizer-based “Bunsen burner” used in Rachael Edwards’ shanty was legal, the Clackamas Fire investigator paused.

“I don’t know,” he said. “Not a law I could cite right off.”

Marylou, 54, another person living in the Springwater and I-205 multiuse path camp, uses many of the methods for keeping warm described in this story, she said—plus the Mercury itself.

As Marylou put it: “I read your paper and then I burn it.”

Hall Monitor: Run the Block

By Dirk VanderHart

November 29, 2017

High-Profile Complaints Have the PBA Winning More No-Sit Sidewalks

THE PORTLAND BUSINESS ALLIANCE (PBA) has had the dream for years: flushing panhandlers out of the city’s commercial core.

Since at least 2013—the year former Mayor Charlie Hales took office—the city’s chamber of commerce has circulated a map among officials highlighting downtown blocks it wants the city to label as off-limits for daytime sitting.

The PBA's fantasy [PDF] makes a fortress of the Pioneer Place Mall, preventing homeless people from perching on nearly any sidewalk in the area from 7 am to 9 pm. It ropes in sections adjacent to Old Town, too, and includes other blocks here and there.

The organization's argued that all tools need to be used to curb dangerous-feeling activity, but the sales pitch hasn't had much effect.

Under city policy, the Bureau of Transportation (PBOT) can prevent people from sitting on downtown sidewalks only when pedestrian safety concerns or design issues justify such a move. So while in 2014 the PBA requested the addition of nearly 90 new block faces with this no-sit designation, PBOT wound up approving just eight.

This year, though, Christmas comes early for the PBA. With the city's homeless population growing and Columbia Sportswear's Tim Boyle threatening to pull out of downtown if thefts and unsettling interactions with its denizens aren't curbed, Mayor Ted Wheeler's not leaving the calls up to PBOT.

After consulting business leaders, Wheeler recently directed the police bureau to ask PBOT to add seven new block faces to the no-sit list. Officials say such a move is allowed under city law—absent PBOT's usual analysis—though it's not officially laid out anywhere in policy. The block faces include two near the Safeway on Southwest 10th, three near the downtown Galleria, and—surprise!—two near the Columbia store on Southwest Broadway.

We've seen something like this before. In 2013, Hales opted to battle a protest encampment outside City Hall by designating the area a no-sit zone during the day. Hales was dealing with city employees. Wheeler's responding to business interests.

The mayor has had an earful from those interests in recent weeks. Boyle's not the only downtown business owner railing against an environment some argue is unsafe, though his descriptions of frequent car break-ins and on-street death threats in an Oregonian op-ed clearly held sway. Wheeler also held a closed-door meeting with roughly 75 PBA members last week, bringing in officials from the county, police bureau, and district attorney's office to weigh in.

On Tuesday, the mayor even made a trip to Seattle, in part to discuss livability issues with officials at Amazon, Vulcan, and Nordstrom, according to Cox.

The concerns Wheeler's hearing are not much ado about nothing. Homelessness is a huge, ugly, and growing problem with troubling offshoots.

But let's also remember that merely pushing these issues out of sight—long a staple of the PBA's pitch—isn't a strategy for solving them. It's a way to forget.

The Portland Business Journal

City Audit Dings Prosper Portland for Problems in its Real Estate Program

By Jon Bell

November 28, 2017

Faced with the prospect of dwindling revenue as tax increment financing sunsets in the coming years, Prosper Portland has big plans to use real estate to generate a much bigger chunk of its revenue in the future.

But according to a city audit, the economic and development agency needs to run a much tighter ship if that's ever to happen.

The audit, released this week by city auditor Mary Hull Caballero, found that Prosper Portland's real estate operations come up short in a range of areas, including budgeting, reporting, maximizing revenue and aligning with the agency's larger strategic goals.

According to the audit, which Prosper Portland requested, the agency's revenue in 2016 included \$15.2 million in tax increment financing, \$10.6 million from the general fund, \$2.6 million from loan income and \$1.7 million from real estate, plus about \$1 million in fees and other revenues. Prosper Portland's goal is to gradually increase the role real estate plays in its revenue, so that by 2031 real estate is generating \$16.2 million.

But the audit found that Prosper Portland isn't ready to make that transition yet because staff have not created financial and strategic goals for the roughly 80 properties the agency owns, nor have they documented "equity considerations" or performed risk assessments.

The audit also noted that Prosper Portland has not adequately monitored its properties that are operated by third parties. For example, the audit found that the operator of the Inn at the Convention Center, a hotel that the agency owns, was paid more than \$600,000 in 2016 when the industry standard rate would be something closer to \$125,000.

Prosper Portland originally acquired the hotel 15 years ago thinking that the property would eventually be used for the Convention Center hotel. Those plans didn't come to fruition, but Prosper Portland, rather than use a competitive process to find an operator, simply renewed the lease 13 times with few changes.

In another example, auditors found that Prosper Portland's Station Place Garage had insufficient revenue reports, including entire gaps in reporting, and that security lapses have allowed people to park in the garage without paying.

The audit recommended that Prosper Portland develop "strategic purposes" and income goals for each property, document equity assessments for each one and require regular reviews of its financial investments. It also suggested increasing the monitoring of third-party operators.

The audit included a four-page response from Mayor Ted Wheeler and Prosper Portland's executive director Kimberly Branam. In it, the two acknowledge some of the challenges but also outline some of the changes that have already been made, including that a competitive RFP process for the Inn at the Convention Center is on tap for 2018.

"Prosper Portland takes its stewardship of public resources seriously," the response noted, "and the audit helps identify areas of improvement that would benefit the agency's operations and delivery of services to the public."