

The Portland Tribune

City Utility Charges: Separate but Unequal

By Steve Law

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Portland Bureau of Environmental Services fees for city-wide storm drainage services are more than six times higher for single-family homes than for apartment and condo residents.

Portland city officials — faced with criticism they're trying to "tax the rain" falling on houseboat roofs — have withdrawn the controversial ordinance.

But the saga highlighted a dirty little secret about a little-understood component of every Portlander's water and sewer bill: the city's off-site stormwater drainage fee is not equitable or based on services rendered for their properties.

When the ordinance came up for a City Council hearing Jan. 10, houseboat owners were criticized by environmentalists and Mayor Ted Wheeler for not wanting to pay their fair share for off-site storm drainage — the city-wide system for managing rainfall that winds up on city streets and then into our rivers, picking up pollutants along the way. By adding houseboat rooftops to the "impervious surface" used to calculate storm drainage utility fees, the city Bureau of Environmental Services devised a way to bring houseboat bills into rough parity with what single-family homes pay. The bureau operates the city sewer and storm drainage system.

Commissioner Nick Fish, who oversees the bureau, said BES merely "aims to develop rates that treat all customers fairly."

Later, the bureau sent the Tribune a requested "correction" to its web story on the Jan. 10 hearing with this language: "The city bases most of its stormwater charges, as do other cities, on the premise that all property owners should pay to address impacts on public spaces, such as preventing street flooding and protecting waterways from pollution."

But a Tribune analysis of off-site storm drainage rates confirms what houseboat owners contended — the rates are unfair, and they were being singled out.

If the city were truly equitable, it would charge all Portland residents equally for city-wide services for which they all derive the same benefits. But that could drive up some peoples' city utility rates — especially those living in apartments and condos — or perhaps cause others' bills to be reduced.

Unequal fees

Portland homeowners are billed \$18.60 a month or \$55.80 quarterly for off-site storm drainage on their sewer and water bills. The BES says that's based on the square footage of "impervious" surfaces at each house, things such as sidewalks and driveways that collect rain that winds up on city streets. But for efficiency's sake, the city assumes each home has the same impervious surface, resulting in a flat rate per household.

"A big, wealthy west-side mansion pays the same stormwater fee, even if it's six times, 10 times larger, than the 600-foot, 1920s bungalow on the east side," says Ron Schmidt, a floating-home owner who has led the opposition to what he calls the "rain tax."

Using satellite data, the BES added houseboat roofs to their impervious surface area in 2015, boosting their bills accordingly. For floating home complexes, apartments and condo buildings,

the impervious surface area is used to set the storm drainage fee. Thirty-five percent of the fee is supposed to pay for handling on-site storm water drainage, and 65 percent goes to pay for city-wide off-site facilities.

Floating home complexes, like some homeowners who disconnect downspouts and make other home improvements, qualify for a full exemption of the on-site fee, because the rain simply falls from their roofs into the nearby lawns or river. But the higher impervious surface jacked up the 65 percent share of houseboat owners' bills covering off-site storm drainage. That pays for city-wide services that have nothing to do with storm water coming from their properties.

When it appeared last year that the BES move to add houseboat rooftops as impervious surfaces would be overturned by a utility appeals board, the city moved quickly to put its new billing method into an ordinance.

"I think it is a cash grab, for no services," said attorney John DiLorenzo, who won a \$10 million settlement from the city in December in a long-running lawsuit charging the sewer and water bureaus were spending ratepayer money for unrelated services.

"What's next?" DiLorenzo said. "Should we be paying BES for the rain that hits the roof of our cars?"

Sweet deal for tenants, condo owners

The new methodology boosted monthly bills for floating homes in the Macadam Bay complex in Johns Landing from about \$6.50 a month to \$17 a month, close to the single-family rate, based on data provided by the moorage treasurer, Sam Galbreath. Other floating home residents told city commissioners their new rates were about \$25 a month, more than the single-family rate.

Apartment tenants and condo owners get a much better deal, because their impervious surfaces are shared by more residents.

A review of utility bills provided by a manager of three mid-sized apartment buildings in the Lloyd District, inner Southeast and Southwest Portland showed they pay roughly \$2.75 per household each month for off-site storm drainage fees.

A sampling of additional apartment bills, released by the BES under a public records request, showed that high-rise apartments — which have big parking garages — have lower bills than garden-style apartments, with their sprawling parking lots.

Wimbledon Square, a 599-unit garden-style complex near Reed College, pays the equivalent of \$2.05 per unit per month for off-site storm drainage.

The Broadway, a 383-unit high-rise near Portland State University, pays the equivalent of 61 cents per month per unit. Single-family households pay 30 times that amount as their share for supporting the same city-wide services.

Those figures didn't surprise Galbreath, the former housing director for the Portland Development Commission.

"The taller and more dense the high-rise, the more inequity their share of these off-site fees are going to be," he said. "If there's nothing we hear over and over again it's that we are a city in search of equity."

City backpedaling

City officials have been rethinking the issue since the stormy Jan. 10 council hearing and resulting media coverage. A second hearing was canceled and the BES is now staging what it calls "listening sessions" with floating home owners.

Commissioner Fish declined an interview request and will provide no public statements on the matter, said Todd Lofgren, his senior policy director and liaison to city utilities.

"We've withdrawn the ordinance altogether so it's not on the council docket at all at this point," Lofgren said.

Fish asked BES director Mike Jordan to take the public lead on this issue, Lofgren said.

BES revisiting rates

Jordan, in an interview, declined to say whether the BES billing for stormwater drainage is equitable or not, but conceded that the city's longstanding policy of basing the fee on impervious surfaces may be outdated, given the increased number of residential high-rises in Portland.

"The city's been trying to figure out over the years how to equitably allocate these costs," Jordan said.

After a lengthy review, the City Council ruled in 2000 that the storm drainage fees could be split, with 35 percent based on on-site impacts of storm water, and 65 percent paying for the off-site, citywide system.

But the BES recently started work on a 10-year strategic plan, and will revisit how it bills for those and other services, he said.

"One of the things we will look at is, is impervious surface still an equitable methodology for assessing these costs."

"There are other ways to calculate that," Jordan added. "They each have pluses and minuses."

Galbreath said he understands cities need to raise revenue for important services. But he suggests a per-capita fee, where every resident pays the same for citywide services, would be fairer.

But that could set off legal alarms, as utility fees are supposed to be based on services rendered. If everyone pays the same, that could be ruled a tax, which could be more easily contested.

"The issue here," Jordan said, "is that we need to have a rational basis for charging an individual for the services they get from the city, based on the benefit."

Schmidt also likes the idea of a standard fee for each household, though he's wary of the city using the equity argument merely "to get more money."

The city's billing system for storm water management is broken, Schmidt argues. "I would be a proponent of a rebuild from the ground up."

Unequal utility charge

Here's the monthly fees the city levies on residential properties for off-site storm water management, per dwelling.

Single-family homes

\$18.60 a month uniform rate

Houseboats

Under new rates imposed in 2015 and now under appeal, roughly \$16 to \$26 a month

Apartments, condos

- \$7.75 for every 1,000 square feet of impervious surface.
- For medium-sized and garden-style apartments, that equals roughly \$2 to \$3 a month per unit.
- For highrises, that equals roughly 61 cents to \$1 a month.

Sources: Reports by floating home residents and moorage managers; a sampling of apartment utility bills provided by a Portland apartment owner; and utility payments released via a public records request to the Bureau of Environmental Services.

City Hall Update: Needle Holds Steady on Gang Violence

By Jim Redden

February 13, 2018

Plus, Children's Levy renewal will be on the May ballot and speed limit signs are being changed on residential streets.

Although gang-related violence dropped in Portland over the last two years, 2018 is starting out at the same level as 2017.

The Portland Police Bureau's Gang Enforcement Team investigated eight incidents last month, the same number as in January 2017. That is still less than the 14 investigated in January 2016 and the 10 investigated in January 2015, however.

Officially, 2015 remains the most violent year, with 193 incidents investigated. That fell to 159 in 2016 and fell again to 122 in 2017. Almost all of the incidents in all three years were shootings. No one was reported injured in most of them.

Police veterans say the numbers were significantly higher in the 1980s and 1990s, when the increase in gang activity caught city leaders by surprise. Gang-related incidents were not tracked separately in those days, however.

Children's Levy renewal on May ballot

The City Council referred a measure to extend the Portland Children's Levy to the May 15 primary election ballot on Wednesday.

The levy helps fund programs that serve and feed children in the region. It was first approved by Portland voters in 2002 and was renewed in 2008 and 2013. It currently funds 74 programs.

The May measure would renew the existing local option property tax at \$0.4026 per thousand dollars of assessed value and raise an estimated \$118.4 million over five years.

Speed signs being changed

The Portland Bureau of Transportation began replacing 25 mile per hour signs on residential streets with 20 mile per hour signs last Tuesday.

The City Council lowered the speed limit on nearly 70 percent of Portland streets on Jan. 17 as part of its Vision Zero goal to eliminate all fatal and serious injury crashes by 2025.

"Five miles an hour may not sound like much, but when it comes to reducing the severity of crashes it makes a big difference. By reducing speeds from 25 to 20, we can make it nearly two times more likely that a person will survive a crash," says PBOT Director Leah Treat.

Approximately 2,000 signs are expected to be changed by April. City officials say drivers can obey the posted speed limits until then.

The Portland Mercury

The Aide Who Accused Sam Adams of Sexual Harassment Will Address City Council on Wednesday

By Dirk VanderHart

February 12, 2018

The Sam Adams aide who last year accused the former mayor of sexual harassment and a wide variety of unprofessional conduct will speak publicly about those accusations this week.

Cevero Gonzalez has signed up for one of the "communications" slots at the outset of Wednesday's morning Portland City Council meeting. The free-form slots allow five citizens each week to bring whatever business they want to discuss before council. Gonzalez—who's worked for two mayors—wants to talk about the culture in the City of Portland.

"I just want an opportunity, since it's out there, to speak on this issue and have it enter into the public record," he told the Mercury today. "I want to talk about not so much what happened—that's already out there—but really to challenge the city again to pursue an outside investigation, if not exclusive to this issue [then] to sexual harassment that happens citywide."

Gonzalez's claims first came to light in early November, when he fired off a six-page memo to the mayor's office and each of the four city commissioners' offices.

The missive, first reported by Willamette Week, laid out a series of troubling allegations against Adams, including accusations the mayor aggressively quizzed Gonzalez about his sex life and sexual preferences, forced Gonzalez to scout bathhouses and gay bars for Adams when he traveled, forced Gonzalez to act as his designated driver, and more. Adams has denied the allegations.

When Gonzalez sent the memo, Adams had been out of office for years. The former aide says he brought concerns to his superiors in the mayor's office, and was rebuffed.

In December, City Attorney Tracy Reeve told the Mercury the city wouldn't conduct an inquiry into Gonzalez's claims. She noted that Gonzalez had declined to come in and talk formally about the matter. He says he was dubious that the city would be proactive.

"History has shown that the city moves very slowly on issues that impact them directly, which is why I asked for an external party" to investigate, Gonzalez says. "An external party might be better suited in a more neutral fashion to investigate the policies that were in place."

In his three minutes, Gonzalez says he will also share the experience of another city employee, at the Portland Bureau of Transportation, whom he witnessed being harassed. And he will take issue with the fact that his letter to city officials was shared with the media, absent a public records request.

"This private correspondence was leaked to the media, without my knowledge, circumventing the city's own public records request process," Gonzalez wrote when requesting a slot before the council. "I would like to address City Council to request an investigation of said leak."

Records show Gonzalez sent a request on December 5 to speak at a city council meeting. He'd hoped to get a slot as early as January 3.