

## **The Oregonian**

### **City Council Shouldn't Bank on Wells Fargo: Editorial**

*By The Oregonian Editorial Board*

*February 27, 2018*

In March 2017, Mayor Ted Wheeler said via Twitter that he wanted the city to look at breaking up with Wells Fargo, which held the contract to provide general banking services for the city. It was a savvy move that recognized Portlanders' deep distrust of a company mired in controversy over customer fraud cases and support of a contentious pipeline project.

So it's surprising that city staff is now in the final stages of negotiating a new contract with Wells Fargo that would lock in the scandal-plagued company as the city's partner for the next five years. After evaluating bids from five banks, the city selected Wells Fargo to maintain the city's deposits, enable the city and its bureaus to issue payments, offer a range of branch services to city employees and other functions. The agreement calls for the city to pay Wells Fargo a maximum of \$600,000 for services over the life of the agreement, according to Jeff Blade, the procurement supervisor in charge of the bid.

As contracts go, the amount is relatively modest. Normally, it wouldn't even need to go before the City Council to get approval. But the mayor's spokesman told The Oregonian/OregonLive Editorial Board that the chief financial officer plans to bring the contract to the council for review.

That's a good move. While Wells Fargo scored the highest of the five bidders evaluated by the city, the council owes the public thorough consideration of whether it should do business with a company whose actions contributed to the repossession of thousands of cars, wrought havoc on many of its customers' credit scores and otherwise targeted some of the same people that City Council considers constituents.

Outrage over Wells Fargo is nothing new. Just 11 months ago, Portlanders lobbied the city to divest from Wells Fargo, due to its role as a lender to the Dakota Access Pipeline project. While the council declined to single out Wells Fargo, it did decide unanimously to pull all its investments in corporate securities.

But the public's anger predates that. There's the scandal uncovered in 2016 in which the bank's employees had opened more than 3 million fake accounts under customers' names in order to meet sales quotas. And the scandal uncovered in 2017, in which the bank was found to have charged hundreds of thousands of customers for auto insurance they did not want or need, which, the bank acknowledged, may have contributed to 20,000 people losing their cars to repossession.

While Wells Fargo has made many changes in response, there's still reason for concern. As recently as Feb. 2, the Federal Reserve took the unprecedented step of restricting Wells Fargo's growth until it "sufficiently improves its governance and controls." A press release from the central bank cited the bank's "recent and widespread consumer abuses and other compliance breakdowns by Wells Fargo" for refusing to let it expand its business.

The city council should also be troubled by this pattern. They should pay particular attention to Wells Fargo's curious response to a direct question asking whether, in the previous five years, the company had to pay a fine, settlement or issue refunds; had been involved in civil or criminal actions or been the subject of significant regulatory action. Instead of mentioning the \$142 million fund announced in July 2017 to settle a class-action lawsuit over the fake accounts, or

mentioning the \$100 million fine it paid to the Consumer Financial Protection Bureau in September 2017 or mentioning the \$80 million refund pool set up in July 2017 for those charged due to the auto-insurance scandal or bringing up the many federal and state investigations into its activities, Wells Fargo claimed amnesia and dodged the question.

"The disclosure requested is extremely broad in scope, and, at any given time, an organization the size of Wells Fargo may be subject to the aforementioned actions, some or all of which may be confidential in nature. At this time, and to the best knowledge of the Wells Fargo representatives preparing this response, Wells Fargo has not been subject to any of the aforementioned actions within the past five years that would have a material adverse impact on our ability to provide the services requested in this RFP," the company responded.

While Blade said company representatives addressed its business practices elsewhere and in follow-up interviews, Wells Fargo's inability to give a forthright response should be of concern to the city when it looks for a business partner.

Few banks can claim a spotless record. Wells Fargo certainly isn't the only company found to have engaged in fraudulent activity and abhorrent practices that bilked customers out of their money. And it would be unfair to assume the bank's efforts to rebuild its image and the public's trust are insincere.

But the bank simply should have to meet a stricter level of scrutiny in order to gain the city's business. Thankfully, the City Council will have the opportunity to provide that.

## **'No words to express my disappointment': Officials surprised by mayor's decision to stick with Portland Marathon**

*By Lizzy Acker  
February 27, 2018*

The City of Portland was two days away from opening up a process to replace the organization behind the troubled Portland Marathon in January when Mayor Ted Wheeler decided to delay the process for another year, emails show.

The emails, obtained from the city, show that Allison Madsen, the special events coordinator for the Portland Bureau of Transportation, was working with other city employees to draft a request for information. She was getting ready to solicit proposals for "a full-service organizer to produce a new city-owned event," when she received a call from the mayor's office, telling her the city would spend one more year working with beleaguered Portland Marathon organizers, Les Smith and Mamie Wheeler (no relation to Ted Wheeler).

"I have no words to express my disappointment," Madsen wrote in an email to colleagues after the call.

Madsen did not respond to a request for comment.

The Portland Marathon has been plagued by struggles. The Oregon Department of Justice opened an investigation in July into issues related to the group's corporate structure and possible conflicts of interest between Smith and Wheeler's nonprofit and for-profit companies they own or owned, jointly and separately.

The race itself was nearly shut down as it began in 2016 because of issues with its safety plan. The marathon was denied a permit up until several weeks before the race in 2017, something Portland Bureau of Transportation spokesperson Dylan Rivera said had never happened to another longstanding major Portland event.

And, the Portland Marathon has a history of paying fees months late and under protest, making it, Rivera wrote in an email to The Oregonian/OregonLive, "the only major event that has been far enough behind that the City warned them that they were past due, and their account could soon be sent to a collection agency."

Les Smith did not respond to multiple requests for comment. The Oregon Secretary of State's website shows he donated \$500 to Friends of Ted Wheeler on March 15, 2016.

In January 2018, emails show the city was beginning the process to find a new partner.

"You are receiving this notification from the City of Portland because you have previously expressed interest in producing an athletic event in Portland," read a draft letter, dated Jan. 9, 2018, that preceded a longer packet of information requesting proposals, referred to in emails as an "RFI" or request for information.

"As you know, because of staffing shortages, no new athletic events have been permitted for the previous three years," the letter continued. "But now, a unique opportunity presents itself and you are invited to respond."

According to the letter, the event would "be a full marathon, held annually in early October."

An email references a meeting between city transportation officials and Larry Pelatt, the interim chief procurement officer who was advising officials to help outline a process for soliciting proposals, in early December. Members of the mayor's staff were made aware of the meeting and the outline that came out of the meeting.

Several drafts of the RFI passed between Pelatt and Madsen in early January. A timeline that was part of these drafts shows the letter and paperwork soliciting proposals were set to go out Jan. 12.

Even before the process began, at least three groups expressed interest in managing the event.

John Pontefract, the organizer of Portland Fit, a marathon training program, reached out to city officials in July of 2017, expressing interest in submitting "a compelling proposal" to return the event "to its proper place as one of the nation's best marathons and one of Portland's premier community events."

"I was interested in getting some more information about the process," Pontefract said Monday.

Pontefract, a runner himself, was deeply invested in the marathon. After watching the race struggle, he said, "I felt strongly that they should change ownership."

But Pontefract said that at the time it sounded like the city wasn't going to make any changes in the short term.

"I think they said we're still evaluating what we need to do," he said. He reached out again to the city after the marathon in October but never heard back.

Another group, called Capstone Events, which owns, partners with and operates marathons across the country, sent an email in August 2017, asking to meet with Mayor Wheeler to talk about "the opportunity to partner with you and the City of Portland to return the Portland Marathon to its proper place."

Capstone Events head John Kane did not respond to a request for comment.

Stephen Brown, a Portland wealth adviser, became interested in taking over the marathon last July. At that point, he created a corporation called Rose City Marathon, which is currently inactive, with two partners, Aaron Simpson and David Halliburton.

Brown said he reached out to the city about submitting a proposal to take over operations of the marathon in September 2017. He told The Oregonian/OregonLive that he spoke on the phone with both Madsen and Berk Nelson, a senior adviser to Mayor Wheeler, and met with Madsen twice in person.

He said city officials from police, transportation, the City Attorney's Office, and the mayor's office all encouraged him to keep working on his Rose City Marathon plan

He said his group was ready to submit a proposal -- and they still are. "We have a turn-key event ready to go," Brown said. "We could still do this."

So far, he hasn't gotten a chance to submit a proposal.

On Jan. 10, Madsen got a surprising call from Nelson.

"The most recent final decision, in opposition to everything PPB and I have been told over the last several weeks, is to allow the Portland Marathon to produce the event in October this year," she wrote in an email to other city employees. "Supposedly, Les Smith will be told this is the last year and we will move forward with a competitive RFI process for 2019.

"As you can guess, I am feeling pretty deflated at the moment," she continued. "Both Police and I were told that the final decision was made last Friday, and the Mayor's PIO was working on the media release to announce the RFI process. We were on hold until Monday (1/8) for Mr. Smith to be notified in advance of the media release."

Michael Cox, spokesperson for Mayor Wheeler, said the mayor did not change his mind about opening up the process but decided to postpone it for another year.

"I know folks had what they were referring to as 'turn-key' solutions for this year," Cox wrote in an email conversation, but, he added, "the Mayor is focused on a world-class event with long-term (annual) stability, and felt the extra time is necessary."

Both Cox and Rivera emphasized that doing work in one direction and then changing or postponing plans is not unusual.

When the RFI process opens for 2019, they both said, the mayor will revisit the work done by transportation officials.

Cox also acknowledges that there is a risk in continuing to work with the Portland Marathon, risks Madsen warned about in a list she created with Portland Police Sgt. Bret Barnum, who is part of the event planning team, subject-lined "top issues with marathon."

Her list was sent to Nelson and Jennifer Arguinzoni, the mayor's director of strategic partnerships on Jan. 2, and contained six items, expressing years of frustration with the Portland Marathon organizers. It included, "Failure to communicate/coordinate effectively," "Failure to pay billings in timely manner," "DOJ investigation," and "31.8% NO SHOW rate in 2017."

"These are people who paid their registration fees (\$125+ each)," wrote Madsen, "but chose not to participate in the event, or due to failures, were not confident the event would be held."

According to Rivera, "event organizers agree that a healthy event would be less than 10 percent" non-participation rate for marathons and half-marathons.

Even before the no-shows, racer numbers were already down last year. The 2017 race had 6,400 registered runners, instead of the 8,000 participants in 2016.

Cox said the mayor understood these risks.

"One side is the risk of going with the current operator in 2018," he said. "Versus the risk of trying to throw together a world-class event.

He also understands the frustration of city employees who must continue to work with an organization that has a history of failure to pay on time, a reluctance to work cooperatively, or in a timely fashion.

"It's clear that the city staff has had years of difficulties" working with the marathon, Cox said.

But ultimately, he said, for a mayor busy with more pressing "front burner" issues like housing and homelessness, "it was a judgment about risk and resources."

The question the mayor's office has to ask, said Cox, is "where are our resources best deployed for maximum effect?"

For this year, that means sticking with the status quo.

## **The Portland Tribune**

### **PBOT: Traffic Deaths Up, Despite Vision Zero Efforts**

*By Jim Redden*

*February 28, 2018*

**First annual Vision Zero report marks progress, notes continuing challenges to eliminate all traffic deaths and serious injury crashes by 2025..**

Traffic-related deaths in Portland continued to increase in 2017, despite the City Council's approval of Vision Zero policies intended to eliminate all fatal and serious injury crashes by 2025.

Forty-five people were killed on city streets last year, making 2017 the deadliest year since 2003, when 47 people were killed, according to the first annual Vision Zero report released by the Portland Bureau of Transportation on Tuesday.

The total is one more than the 44 people who died in 2016. The greatest increase happened among pedestrians, whose deaths jumped from 13 in 2016 to 18 in 2017, according to the report.

The increase happened despite several steps taken under the Vision Zero Action Plan adopted by the council in November 2016. They include spending \$15.4 million on safety projects on 21 High Crash Network streets and intersections last year. PBOT also launched a new Safe Ride Home program that provided 3,389 coupons for discounts on safe travel options during high-DUII holidays or events in 2017.

"We knew achieving Vision Zero wasn't going to be easy. The steps we took in 2017 are setting us on a path for safe streets in Portland, and we remain committed to eliminating traffic deaths and serious injuries by 2025," PBOT Director Leah Treat said when the report was released.

More steps have been taken since the end of the year. They include lower the speed limit on residential streets from 25 to 20 miles per hour. Additional red light safety cameras have also been installed.

Spending on additional safety projects is expected to increase in coming years. The temporary 10-cent-a-gallon gas tax approved by Portland voters at the May 2016 primary election is raising more money than expected. And the transportation funding package approved by the 2017 Oregon Legislature includes additional funds for cities. Projects to be funded by the package in Portland include:

- \$110 million to completely rebuild a 4-mile section of outer Southeast Powell Boulevard and create safe access for people biking, walking and taking public transit.
- \$1.5 million to install a safe crossing at North Columbia Boulevard and Midway Avenue.
- Reconstruction of Interstate 5 and city streets in the vicinity of the Rose Quarter to improve, among other things, safety on North and Northeast Broadway, the street with the highest bicycle crash rate in Portland and the fifth highest pedestrian crash rate.

In addition, the package includes \$35 to \$40 million annually for TriMet bus operations and purchases, expanding service and access for transit, Portland's safest transportation option.

"Portland's streets remain challenging, especially for older adults, who are at a higher risk of dying in a crash. I'm encouraged by the work we're doing and look forward to the day when our streets are safe for people of all ages, no matter how they choose to get around," Bandana Shrestha, Community Engagement Director of AARP and a Vision Zero Task Force member, said when the report was released.

Portland is far from the only city in the country where traffic fatalities are increasing. Traffic-related deaths in the United States have been increasing for several years, in large part because more people are driving because of the improving economy and continuing low gas prices.

The Vision Zero Action Plan includes 32 two- and five-year actions. Five of them are complete, 15 are on track to be completed by the end of 2018 and 12 require additional effort to launch.

You can read the report at [tinyurl.com/yaown27l](http://tinyurl.com/yaown27l).

## **Willamette Week**

### **City Tenant Protections That Require Landlords to Pay Moving Costs After Sharp Rent Increases Will Likely Become Permanent Today**

*By Rachel Monahan  
February 28, 2018*

**But a gap in the ordinance may incentivize small landlords to raise the rent and evict renters for the next month, tenant advocates worry.**

Portland City Council is expected to vote today to make permanent the tenant protection ordinance that requires many of the city's landlords to pay the moving costs of tenants facing a no-cause eviction or a rent increase of 10 percent or more.

The revised ordinance, if approved, will also close the existing exemption for some landlords who own only one unit. (An exemption will continue to exist for owners of backyard cottages and other accessory-dwelling units as well as for duplexes, where an owner occupies one of the two units.)

Mayor Ted Wheeler reversed course earlier this month, supporting a narrowing of the exemption that Commissioner Chloe Eudaly and tenant groups had pushed for.

But the decision to strengthen the ordinance has won him criticism from landlords, including two who've resigned advisory positions with the city's housing bureau in protest.

The new ordinance, unlike in the previous version, will not be retroactive and not take effect immediately.

Emergency ordinances—which take effect immediately—require at least four votes with no opposition. It's not clear whether Commissioner Amanda Fritz will vote for the ordinance, which could explain why the resolution was not drafted to take effect immediately. (She supported the exemption for small landlords when it was last before council.)

It's also not clear why the ordinance, unlike the previous one, won't be retroactive. But the prospect that tighter regulation will inspire evictions by landlords has Eudaly and other tenant advocates worried.

"We have concerns about what that will mean vulnerable tenants," says Jamey Duhamel, policy director for Eudaly's office. "We have had very thorough and good conversations with the mayor about it. We feel there will be some unintended consequences for renters. We look forward to having a discussion about that [at the Council hearing]."

## **After Years of Maneuvering, Portland Finally Puts a Scofflaw Airbnb Out of Business**

*By Rachel Monahan  
February 28, 2018*

**The fight over this one house in North Portland lasted 14 months.**

Portland City Hall collected \$72,092.92 in fines and fees earlier this month from the operator of a scofflaw short-term rental listed on Airbnb.

It's the largest fine the city's Bureau of Development Services has successfully levied on an Airbnb rental for breaking city rules—in this case, operating six bedrooms when only two are allowed. Fourteen months after the city's first administrative hearing, and multiple appeals later, operator CityCraft—a company based in Portland—exhausted its appeals, paid the city and sold the Humboldt neighborhood house.

"That's a major, major victory for the neighbors and the city," says BDS spokesman Michael Liefeld.

Meanwhile, the same bureau now pledges it will attempt to enforce the rules against a Pearl District parking garage operated in defiance of city code.

Last week, BDS said it was uncertain whether to proceed with a case against a parking garage that was paying a \$1,400 monthly fine and continuing to operate ("Free Parking," WW, Feb. 21, 2017). Now the bureau tells WW it will go to an administrative hearing to try to fine the owner \$1,000 a day if Harsch Investments, run by property magnate Jordan Schnitzer, doesn't reduce the number of garage spaces to eight from more than 50 this week.

# Murmurs: Portland Is Getting a Sixth Quadrant

*By WW Staff*  
*February 28, 2018*

**In other news: A GOP gubernatorial candidate flies into trouble.**

## **Portland Is Getting a Sixth Quadrant**

A sixth quadrant in Portland? That may sound absurd, but it's coming—and city officials say it's a matter of public safety. The Portland Bureau of Transportation launched a process this month to officially add a new section to the city, called South Portland, as a way of making it easier to direct emergency vehicles to addresses in the sliver of Portland east of Naito Parkway but west of the Willamette River. The east-west addresses in the area currently start with zero. That's difficult for the city's 911 system to handle, and adding the new sector would eliminate the zeros. The change won't take effect immediately; the current timeline is for South Portland to debut between 2020 and 2025.

## **GOP Gubernatorial Candidate Flies Into Trouble**

There are now nine Republicans vying for the GOP nomination for governor. One entrant with an interesting résumé has already fallen afoul of campaign rules. Greg C. Wooldridge of Southwest Portland, who once commanded the Navy's Blue Angels, has been using photos of himself in uniform and a military jet in campaign materials. He retired from the Navy in 1997. The U.S. Department of Defense rules for candidates, active and retired, are clear: Any use of photos in uniform must be accompanied by a disclaimer that it does not constitute a DoD endorsement. Wooldridge's spokesman, Jonathan Lockwood, says the candidate was unaware of the prohibition and will comply.

## **Soda Tax Fizzles Again**

After spending more than \$100,000 this year and \$855,000 last year, proponents of a 1.5-cent-per-ounce tax on sweetened soft drinks abandoned hopes this week of putting the tax on the November 2018 ballot. As first reported by WW, the Coalition for Healthy Kids and Education Committee, which only last November moved its target from May to this November, say now is not the right time to join cities such as Seattle, Berkeley and Philadelphia, which have already passed such taxes. The soda industry has made it clear it will spend whatever is necessary to defeat such a tax. "While there will be no ballot measure in the current political cycle, our diverse and broad coalition remains committed to working toward reduced soda consumption," said campaign manager Terri Steenbergen in a statement.

## **Hardesty Picks High-Profile Housing Advisers**

Portland City Council candidate Jo Ann Hardesty has named three high-profile advocates to advise her on housing policy: Ibrahim Mubarak, who helped found such homeless villages as Right 2 Dream Too; Maxine Fitzpatrick, executive director of Portland Community Reinvestment Initiatives Inc., a nonprofit developer of affordable housing in North and Northeast Portland; and Margot Black, who helped found the renters' rights group Portland Tenants United. The selection of Black is significant because she resigned her leadership post with PTU last month after charges of racism by a black activist; she is now working to elect one of two black women in the race. "One of the things I love about all three of these people," Hardesty tells WW, "is their deep commitment that those who are on the margins are included and part of the solution."



# The Daily Journal of Commerce

## Portland Could Gain Rental Registration System

*By Chuck Slothower*

*February 27, 2018*

Portland's City Council is due to consider on Wednesday whether to allocate \$400,000 toward creating a citywide rental registration system while also extending protections for renters.

The registration system, once active, could give policymakers unprecedented data on rents, evictions, vacancies and more. It also could lay the groundwork for future housing regulations.

Spending for the registration system is tucked into legislation commissioners will consider that would also make permanent the city's year-old renter relocation ordinance and eliminate an exemption for landlords who rent only one unit.

City officials said they need better data to tackle the ongoing housing crisis and to gauge whether new policies such as the relocation ordinance are working.

"There just is not a lot of data on the rental-level market," said Michael Cox, spokesman for Mayor Ted Wheeler.

Policymakers have much more data on the single-family housing market, where every home sale and county appraisal is recorded and made publicly available. Data for rentals is often limited to surveys of various qualities.

"We have been asking for this rental registration for a very long time," said Jamey Duhamel, policy director for Commissioner Chloe Eudaly, who has championed protections for renters. "We're happy to see it is in development."

It is not clear what data the registry would collect. That's to be decided later, and groups such as the city's Rental Services Commission are likely to weigh in.

"Our office certainly hopes it collects data that includes the rent, that includes copies of the leases, information that allows us to dig a little deeper in the rental market," Duhamel said.

Skeptics of the City Council's push for housing regulations said it looks like more of the same policies that are likely to restrict housing supply.

"To me, it sounds like the first steps of the city administration looking to implement rent control," said Gerard Mildner, a Portland State University professor of real estate finance.

Duhamel said rent control isn't possible until the Oregon Legislature removes a statewide ban. Mildner expressed skepticism that a rental registry would benefit the city.

"Given their inability to fix potholes, given their inability to keep the streets clean, given their inability to manage the homeless problem, what gives them the confidence they can manage a database of rents?" he said.

Mildner even raised the prospect of Metro stepping in, saying the city has essentially reduced the availability of land for housing through its inclusionary housing regulations.

"My feeling at this point is Metro needs to put a stop to this nonsense," he said. "This policy on the part of the city is really choking off the housing we desperately need."

The measure to be considered Wednesday would also eliminate an exemption to the relocation ordinance for single-unit landlords. The ordinance requires payment to tenants when they're forced to move because of a rent increase of 10 percent or more, or are evicted without cause.

Duhamel said the exemption had left an estimated 24,000 tenants without protection from sudden rent increases or eviction.

"It is in fact the single-unit owner who rents to probably the most vulnerable tenants in the city," she said. "We feel it is an absolute imperative that we remove that exemption."

Being subject to the relocation ordinance could cause some landlords to give up renting their properties, said Greg Frick, partner at HFO Investment Real Estate.

"It's going to drive some people out of the rental business, which causes scarcity, which drives rents up," he said.

John DiLorenzo, a lobbyist for a group that represents landlords, said regulating single-unit landlords would hurt average people saving for their retirements.

"That's a lot to impose on a person who made the investment to augment their pension security," he said. "This is not the province of the well-to-do. It's the province of the person who wants to get ahead. We have an amazing number of postal clerks who have rentals, and the common person who has rentals."

The City Council is due to consider the relocation ordinance changes at 3 p.m. on Wednesday.

## **The Portland Business Journal**

### **Portland City Council Could Make Renter Relocation Assistance Permanent**

*By Jon Bell  
February 27, 2018*

Portland landlords hoping for an end to the city's policy requiring them to pay relocation expenses for certain tenants may come away frustrated from tomorrow's city council meeting.

During its afternoon session Wednesday, city commissioners will take up an ordinance to make the relocation expense requirement, set to expire in April, a permanent fixture. The relocation policy, introduced by Commissioner Chloe Eudaly and approved by the council last year, requires landlords to pay moving expenses for tenants evicted through no-cause evictions or those whose rents increase 10 percent or more in a rolling 12-month period.

Under the policy, landlords pay relocation expenses of \$2,900 for a tenant in a studio or Single Residence Occupancy, \$3,300 for a one-bedroom unit, \$4,200 for a two-bedroom unit and \$4,500 for units of three bedrooms or more.

The policy was first set to expire in October 2017 before it was extended to April 2018. Council approval tomorrow would "extend the policy in perpetuity," according to the ordinance. The relocation expense policy has so far held up to court challenges.

In addition to making the relocation expenses permanent, the ordinance's impact statement also note that it would also require the Portland Housing Bureau to collect "data and forms relating to requesting exemptions from relocation assistance and the transaction of issuing relocation

payments." The impact statement goes on to describe the collection of this data as "the beginning of a rental registration database."

To assist with that effort, PHB is requesting nearly \$400,000 in additional funding for the next fiscal year, about half of which would fund two new assistant housing program specialists and half of which would be used to develop requirements for the rental registration system.

The council is likely expecting a big turnout tomorrow afternoon, as three hours have been requested for discussion of the ordinance.