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July 1, 2017

Portland, Oregon Insufficient city management: Examples in 9 areas

*These observations and opinions are
the result of months of investigation.*

*Please give suggestions for corrections
or improvement.*

by Michael Jennings, **Futurepower**®, Inc.

In almost a year, there has been no response from Portland City managers.

In approximately a year of reporting problems with the plans for renovation of a parking structure described in number 2 below there has been no response other than mild excuses from people who seem to have no power. The author contacted the Mayor, City Council, the Portland Bureau of Transportation (PBOT) and the PDC. (The Portland Development Commission is now calling itself “Prosper Portland”.)

Below are descriptions of 9 areas of insufficient city management by the Portland City government. The 2nd area is explained in more detail with articles at links at the bottom of this article.

How did the Portland City government arrive at that disorganization? The previous 5 mayors had some strengths, but none of them were good overall managers. Areas that didn't get sufficient attention became disorganized. One indication of the confusion: The previous 2 mayors each had 3 chiefs of staff.

Managing a city successfully requires dealing with huge intellectual challenges. Managing a city requires resolving conflicts. Many people have habits of avoiding conflicts and have little experience with resolution

When there is insufficient management, people begin to dislike their jobs. They usually react partly by arranging ways to take as little responsibility as possible. The author of this article has seen a lot of that behavior during months of research.

1. **The Portland Development Commission has a long history of serving real estate investors, against what is good for the city.** In an apparent attempt to hide its history and distract citizens from its mostly hidden activities, the PDC has recently changed its name. The PDC is now calling itself "[Prosper Portland](#)".

Over the years there have been numerous complaints about the PDC. For example: [Wealthy developers, secrecy & failed projects: time to end PDC?](#) (OregonCatalyst.com, Oct. 28, 2011)

Quote from that article:

“Despite this flip-flop of populations from one region to another, urban renewal has accomplished something else. It has enriched beyond their wildest dreams the chosen developers who have been lucky enough to feast at the PDC’s trough.”

Quoting from the 2nd to last paragraph of that article:

“When asked why the PDC has backed these failed projects, its answer has been that the projects were too risky to obtain conventional financing. If that’s the case, why were they backed at all? Why are Portland’s taxpayers in the banking business? Is it really the city’s role to select winners and losers?”

The PDC needs thorough analysis and re-development. The author of this article published an article about that last year, [Proposal: Audit and Restructure the Portland Development Commission](#) (PDF file, Sept. 19, 2016)

The analysis and re-development would have 4 stages:

- a. Develop a full understanding of both the positive contributions and problems.
- b. Social adjustment: Develop a shared understanding of how to manage the PDC in the future.
- c. Choose the people to manage each position. Hopefully those would be people already working for the PDC.
- d. Help solve the inevitable smaller problems that arise when there is a reorganization.

The author of this article can do the analysis if suitable arrangements are made.

One of the problems is that the PDC has been anti-democratic. In a democracy, the citizens must be allowed to know the details about every government institution. The PDC has been secretive.

No one admits responsibility. In May 2017, a representative of PDC denied that the PDC has any responsibility for the renovation described in number 2 below. Supposedly the Mayor and City Council controls the PDC; they have not responded.

The PDC's Charter ends in 2018.

- A Portland City plan for renovation has many apparently un-managed, foolish details.** There appears to be no evidence that Portland City managers supervise contractors adequately, or have the technical ability to supervise contractors.

Portland taxpayers will be expected to pay for a renovation of the parking structure at SW 10th and Yamhill. A city contractor is being paid \$1.2 million to design the renovation.

To attract tenants, first evict tenants? The contractor plans to evict two extremely successful businesses from the retail first floor of the parking structure, [The Real Mother Goose](#), the world-famous, block-long art gallery, and [Peterson's on Morrison](#), a convenience store that has over 900 customers every day. At a time when [Stores are closing at an epic pace](#) (CNN, April 22, 2017), how does forcing the elimination of 2 stores improve life in Portland? Answer: It doesn't. The Portland City government has hidden reasons for doing the renovation, reasons that are apparently hidden because the renovation wouldn't be allowed if the reasons were known.

The contractor's plan is to give partial control to RACC, the [Regional Arts and Culture Council](#).

RACC is allowed by Portland City managers to force taxpayers to pay for "art" like that shown here at the right. City managers and RACC forced taxpayers to pay \$700,000 for that ugly, rusted structure.

Members of RACC call themselves artists, but most are not skilled enough to make art that would sell to the general public. One underlying problem is that there is no clear definition of what is "art" and what is merely one person's personal imaginings.



To keep the total cost of the SW 10th and Yamhill renovation below a figure that would require seismic upgrades, there was, at the time this was first written, no mention of seismic upgrades. Now the total cost is again said to be \$25,000,000.

See the more detailed information at the bottom of this page. One of the details is charging taxpayers \$75 per hour for each person doing clerical work. Obviously the contractor won't pay that much to clerical workers, but will keep most of the money.

There are many other unexplained or poorly explained areas where the renovation plans seem to make no sense. For example, the contractor's plan removes 2 of the 4 elevators, so half the people who use the parking structure will have much farther to walk.

One of the few plans available to the public said that emergency electrical generators will cost \$3,000. Actually, very high quality generators with an automatic start feature in case of a power outage actually cost about \$450. The difference? Apparently a gift by the city to a contractor.

Conflict of interest? As this story says, [Portland City Commissioner Dan Saltzman reports \\$1.6 million outside income](#) (Oregonian, OregonLive.com, May 14, 2015). Only 6.5% of Commissioner Saltzman's income in 2014 came from his role in Portland City government. Is Saltzman's time only 6.5% spent on government? Quoting:

“Saltzman has a partnership or shareholder interest in 18 entities, including one business that is a partner in five other companies.”

The motivation and plans for the renovation of the parking structure at SW 10th and Yamhill are mostly hidden. Commissioner Saltzman's involvement with real estate is, apparently, hidden from citizens. The lack of openness of Commissioner Saltzman about his work doesn't necessarily mean there are problems. However, the mayor and other commissioners appear to have no interest in real estate, so Commissioner Saltzman may have complete control over real estate issues interesting to him.

There are definitely serious concerns about the lack of openness. What little is known to the public about the SW 10th and Yamhill renovation includes many wacky details, and apparently no reasonable explanations.

The PDC operates largely in secret, apparently to benefit real estate developers. The PDC is also apparently very sloppily managed.

Jordan Schnitzer, well-known real estate developer, is quoted in an article in the Portland Business Journal:

“Public agencies have an even greater obligation to be transparent, honest and direct and to act in a way that the community can be proud of,” said Schnitzer. “With Centennial Mills, I was aghast as a citizen at how callous and irresponsible I believe PDC was in listening to who they work for — and that is the citizens.” ([Cover Story: The Portland Development Commission's uncertain future](#), May 6, 2016)

That story also says:

Schnitzer isn't the PDC's only critic. The agency has been knocked for how it manages its projects and finances from a range of stakeholders — from developers to fiscal hawks to education advocates — throughout its 58-year history.

3. **Portland taxpayers are forced to pay for “art”. Taxpayers are not allowed to select the art, know in advance how much the art costs, or select the placement of the art.** The Portland City government has 2 laws that force taxpayers to pay for what is considered art by someone else. One law is a 2% tax on publicly funded construction projects in Portland. The other tax law is a “head tax” on every Portland resident. Portland defined its own rules of taxation. The author of this article wrote a “Friend of the Court” brief for a court case against the “head tax”: [Portland has defined its own rules of taxation](#). (PDF file, May 21, 2013)
4. **Insufficient management of money** The Portland City Auditor is allowed to audit only with the permission of City Commissioners! There have been newspaper stories about the sloppiness of money management:

[Auditor Slams City Hall for Tens of Millions in Uncompetitive, Untracked Grants](#)
(Willamette Week, Jan 21, 2016) Quote:

“City gave money away without criteria or accountability, audit finds.”

[Audit: City Council awards millions in grants with no competition and little oversight](#)
(Jan 21, 2016, Portland Tribune) Quote:

“According to the audit, although all grants over \$5,000 must be approved by the council, requesting them is an informal process between the mayor and commissioners and not always accompanied by self-explanatory paperwork. In addition, once grants are approved, they are frequently added to the base city budget and the expenditures continue for years without further review.”

5. **City managers have allowed the construction of huge buildings with no parking.** That reduces the value of surrounding buildings; no one wants to be located where it is difficult to park.

The increased density increased traffic. Now there are traffic jams most of the day.

6. **The law against plastic bags is damaging to the environment.** Portland banned the use of plastic shopping bags. Stores now must give shoppers paper bags. Paper bags are *far* more destructive to the environment because they require cutting and hauling trees and processing the wood with powerful chemicals.

There is a paper bag manufacturer near Portland. Was the manufacturer involved in the decision to make competition illegal?

Paper bags are weak, especially when wet because of rain, and often tear. Paper bags are generally thrown in the trash after one use. Because paper bags are so fragile, grocery clerks don't completely fill them.

One effect of the law is to encourage people to shop outside Portland.

A more sensible law might be to require stores to charge for bags. That would encourage people to bring their own.

7. **The Columbia River Crossing Bridge Project, CRC, was badly managed.** The Columbia River Crossing project was supposed to help make some of the traffic in Portland faster. Instead, city and state officials gave opinions they hoped would make them popular. Apparently none of them bothered to learn about the technical issues, so the consultants and contractors had no effective supervision. The result: A huge amount of money was stolen from taxpayers.

This quote from [Voters ask what happened to CRC's \\$175M](#) (KOIN.com, July 1, 2013) mentions the lack of supervision of consultants and contractors:

“Clark County Commissioner David Madore said he knew the project was in trouble “from the very beginning”: “You don’t give a blank check to a bureaucracy who’s never built major infrastructure, and expect them to do something good with it. It just doesn’t work.”

Another story from 2013: [Columbia River Crossing spends \\$175 million, most on consultants, with nothing to show](#). (July 4, 2013, OregonLive.com) Quote from that story: “I wish we could say logic drives those decisions.”

A later story, [Columbia River Crossing: Tab approaches \\$200 million after I-5 bridge project shuttered](#) (April 19, 2014, OregonLive.com), says “The CRC paid \$199.4 million to 171 companies, consultants and others in the last 10 years...” Another quote: “The roomfuls of data and analysis generated by the CRC will likely end up in the recycling pile.”

Quote from the comments to that story, the following 3 paragraphs:

“(1) This project should never have gone forward without a locked-in-place agreement between Washington and Oregon on ALL phases (including with/without light rail), together with competitive bidding for all phases, and ALL government agency (think U. S. Coast Guard) requirements known and set out.

“(2) Not a check signed until a specific plan for what to do with the traffic once OFF the bridge ~ especially on the Oregon side of the river. As stated by many others in these spaces from experience, for most of the time the bottlenecks are on the freeway, NOT the bridge.

“In few words: This project was doomed from day one, and no one has been held accountable.”

8. **Parks Department management: Discourage use of parks. Summers Park is Portland's most popular park. Portland City managers try to destroy that popularity.** People who had bought houses near that park didn't want a lot of people in the park; they wanted it to themselves. They decided they would each call the Portland police perhaps 20 times a day and each time complain about an event that needed police attention. Police, who usually had more demanding things to do, would arrive later and find nothing. The neighbors were lying. How do I know that? The neighbors told me that was their plan to try to empty the park.

One reason: Houses are worth more if they aren't near a busy park. Another reason appeared to be jealousy. There were many happy people in the park, people far more happy than any of the park neighbors I met.

I wrote an article in 2013: [Portland City policy: Discourage the use of Portland parks.](#) (PDF file) Partly, that article tells of a fraudulent survey.

In 2016 I wrote another article about Portland City hostile management of Summers Park: [Portland pays police to discourage park visitors.](#)

Recently the city has put a huge fence in popular places in Summers Park. Location: SE 17th Ave & Taylor St, Portland, OR 97214.

Several years ago, a neighbor who likes to walk her dog in Summers Park around midnight every day told me she had never seen any unpleasant activity.

A friend of mine and I liked to talk about social and technology issues. Our most convenient place to talk was in Summers Park. My friend estimated that we spent 300 to 500 hours talking in the park. At 10 pm, police would sometimes ask us to leave the park and stand on the sidewalk; we did that.

We saw only one unpleasant activity: One night some drunks who were making too much noise came into the park. My friend helped them understand the need to be quiet; they stopped making noise.

9. **Fluoridation of water helps prevent dental disease.** Portland City managers seem to focus on what will make them immediately more popular. They seem to ignore, or be ignorant of, any underlying logic. Top-level guidance before the 2013 vote about fluoridation of Portland water was minimal or absent.

There are many places where it is possible to cross a street and go from the city of Portland to the city of Beaverton. [Beaverton fluoridates its water.](#) (beavertonoregon.gov)

[Why Portland Is Wrong About Water Fluoridation](#) (Scientific American, May 22, 2013)

The eventual result of fluoridation is lowered income for dentists. A woman who works in a Portland dental office told me that Portland dentists get together every year to raise dental fees 8%. Local dentistry is sometimes hostile toward customers.

**More detail about item 2 above:
Review of one Portland contractor's
plans to evict tenants and give
control to a regional hobbyist
organization, RACC.**

Presentation at the
Portland City Council Meeting,
May 17, 2017

by Michael Jennings,
Futurepower®, Inc.

[Review of the contractor's Design Advice Request, main file](#) (PDF file, v11)

[Text only of the Design Advice Request](#) (PDF file, v11)

[Presentation before the City Council, May 17, 2017](#) (PDF file)

[Letter to Mayor Ted Wheeler, May 18, 2017](#) (PDF file)

[Seismic upgrades needed 10th and Yamhill parking structure](#) (PDF file)

There has been no response from Portland City managers. The author of this article has requested information about the building renovation and forced eviction from all of the city government departments involved. In almost a year, no one in the Portland City government has replied.

This article is available online:

[Portland_Oregon_insufficient city management: Examples in 9 areas](#) (PDF file)

Available at the **Futurepower**® articles web page:
<http://futurepower.net/articles/articles.html>

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The author of this article is writing a book about how people use their

brains. Management of government is an important area of research. Some of the problems: 1) Often citizens are not allowed to know most of the details of how their governments are managed. 2) Also, people are elected who don't have the mental ability to deal logically with the enormous challenges of managing a government. 3) Elections in the U.S. require spending huge amounts of money given by people who hope to have hidden influence. 4) Elections focus on manipulation of voters; voters aren't given full details.

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Minor corrections making the article easier to read.

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