

TINA'S FAVORITE FARM

Tucked between the Columbia Slough and a new FedEx terminal in Northeast Portland's industrial heartland lies a valuable piece of real estate owned by the Fazio family, Portland farmers for nearly a century.

For years, the Fazios grew cucumbers on the land, but today there is a mat of green fuzz, the leavings of transient geese—and a rock-crushing operation that produces gravel piled to the sky.

How valuable is the Fazio land? An adjacent property, now a 47-acre FedEx shipping facility, provides a useful comparison. The FedEx land—not the improvements on it—has an assessed value of \$12.6 million.

The Fazio property, which at 36 acres is a little smaller, is assessed at tiny fraction of that amount—\$67,000.

What accounts for the extraordinary difference in valuation? Two things: a tax deferral for farm use on the Fazio land and, more important, a friendly and powerful lawmaker.

Six years ago, state Rep. Tina Kotek (D-Northeast Portland) was in her second term as a legislator but already destined for big things.

On March 26, 2009, Kotek testified in front of the House Committee on Agriculture, Natural Resources and Rural Communities. "It's not often that an urban legislator like myself comes and talks to you about farming," she said.

Kotek was the chief sponsor of the bill she came to present—a bill she introduced at the request of Anthony Fazio of Fazio Farms.

Fazio had a problem, Kotek told the committee: His land near the slough was riddled with fungus. That made the ground unusable. The Fazios had stopped farming the land in 1999 and began filling it with clean dirt.

In 2007, the Multnomah County tax assessor's office canceled the Fazio's farm tax deferral after learning the property was operating as an



TRUCK FARM: Anthony Fazio used to grow cucumbers on his Northeast Portland land. Now he harvests gravel from truckloads of rubble.

industrial landfill and rock-crushing operation. In fact, records show Anthony Fazio established Fazio Landfill & Recycling on the property in October 2002, so the cancellation of the farmland tax deferral could have come much earlier.

For Fazio, though, the cancellation was a triple whammy: It meant an immediate property tax increase of about \$80,000 per year and it gave the county authority to collect five years of deferred taxes, totaling about \$400,000. The county also levied personal property tax on the rock crushers, elevators and other equipment used in the landfill operation, which would cost Fazio another \$17,000 a year.

Media reports were sympathetic. *WW* joined the chorus of Fazio advocates in 2008, naming the Multnomah County assessor's office "Rogue of the Week" for squeezing one of Portland's last farms.

Kotek sponsored a 2009 bill that would allow properties in "remediation" to hold onto their tax deferral until the land was again ready to support crops.

The bill zipped through both chambers unanimously. House Agriculture Committee Chairman Brian Clem (D-Salem) called its passage "a real David and Goliath story."

Randy Walruff, the Multnomah County tax assessor, opposed Kotek's bill, and he doesn't like it any better today.

He says he is not aware of any other landowners who benefited from Kotek's bill, and notes the legislation placed no time limit on how long farmland in "remediation" could lie fallow.

"Anyone else running a landfill on their property has to pay taxes on land in industrial use and pay personal property tax on the equipment," Walruff says. "Anyone except the Fazios."

Today, the Fazio property still gets a farm deferral, but it doesn't look much like a farm. Mounds of crushed rock 30 feet high tower over the fallow soil, and well-used rock-crushing machinery and earthmovers sit amid hulking piles of scrapped pavement and concrete waiting to be processed.

Walruff's staff calculates Kotek's bill has saved the Fazios \$722,000 in taxes deferred since 2007, and another \$100,000 on the otherwise taxable machinery used for "remediation."

Kotek says she usually opposes bills of narrow benefit, but she found the Fazios persuasive. "They were salt-of-the-earth guys," she says.

Kotek never received a campaign contribution from Fazio. She says restoring Fazio's farm deferral was legitimate but adds that all tax breaks should be reviewed regularly.

Anthony Fazio says he got into the landfill business to acquire cheap dirt to raise the

level of his land and cover up fungus-ridden soil. He'd like to close his landfill.

"It's a horrible business," Fazio says. "I hate it. I don't want to be in it."

He says the county initially approved his plan to remediate his soil, then canceled his deferral. He says that was unfair.

"They let me go down a path and then fattened me up like a turkey until they needed me for Thanksgiving," he says.

Fazio admits that fixing the soil has taken far longer than he ever imagined.

"At first I thought it was going to be a year," he says. "That's what I told them."

It's been 16 years, and trucks full of rubble are still arriving at a property that enjoys a vast tax break.

"That's very valuable industrial land being kept in farm use," Walruff says. "For them, that's a very good deal." NIGEL JAQUISS.



House Speaker Tina Kotek (D-Northeast Portland)