

Portland-PGE buy issue in imminent race for governor

BY BRAD CAIN
THE ASSOCIATED PRESS

SALEM — The dispute over whether the city of Portland or the state should acquire Portland General Electric is becoming an early issue in the 2006 Oregon governor's race.

On Monday, Republican Kevin Mannix criticized Democratic Gov. Ted Kulongoski's decision to endorse Portland's bid to purchase Oregon's largest utility from bankrupt Enron Corp.

Mannix, who plans to run for governor next year, noted that PGE serves hundreds of thousands of customers in 51 cities and unincorporated areas outside of Portland.

Having the city of Portland take over PGE, which Kulongoski endorsed last week, would be a "terrible decision" for ratepayers in those areas, said Mannix, who is chairman of the Oregon Republican Party.

"Does the governor really believe that the city of Portland should be setting utility rates for people in Washington, Clackamas, Columbia, Yamhill and Marion counties?" he said.

Kulongoski's spokeswoman, Holly Armstrong, accused Mannix of "playing politics" with the PGE takeover simply to promote a 2006 rematch with Kulongoski. Mannix was defeated by Kulongoski in the 2002 governor's race.

Kulongoski endorsed Portland's bid for PGE because the city is well under way with plans for a purchase, Armstrong said, adding that the

governor also supports setting up a statewide board to govern PGE.

"For the governor, this isn't about politics; it's about doing what's best for all PGE ratepayers," she said.

Mannix, meanwhile, said Monday that he did some initial legal work earlier this year for a third group of potential suitors for PGE known as the Oregon Mutual Development Co.

Mannix said he has severed ties with the group, which is made up of former employees of the PacifiCorp power company as well as experts in finance and utility law.

"The only financial interest I have in the PGE takeover issue is that I buy electricity from PGE like everybody else," the Salem attorney said, "and I don't want the city of Portland setting my power rates."

He said he has strong doubts about the city's ability to effectively run PGE.

"Remember Portland's water billing fiasco?" he said, referring to problems with a computer system in 2000 that led to thousands of delayed water bills for city water customers.

Portland City Commissioner Erik Sten, who has led a three-year effort for a city purchase of PGE, said Mannix is using the PGE issue to gain publicity for his 2006 election race.

"Gov. Kulongoski based his decision on a careful review of what we're doing," Sten said. "Mannix is just throwing out political sound bites."

Senate passes bill to invest leftover gift card balances

BY NIKI SULLIVAN
THE ASSOCIATED PRESS

SALEM — School districts would get extra money under a bill passed by the Senate on Monday that would let the state invest the balances and keep the interest from gift cards that have not been used in three years.

Purchasers of unused cards would be able to take back a leftover balance at any time, but in the meantime, Oregon would invest it and spend the interest on schools.

With a school budget of more than \$5 billion per biennium, the money may represent a drop in the bucket, but supporters of the bill said it's a matter of fairness that benefits schools, regardless of the amount.

"It's a common sense approach," said Senate Majority Leader Kate Brown, D-Portland, who introduced the bill to the chamber. "It provides fairness to the system."

She said it will help bring Oregon in line with 27 other states with similar laws.

Opponents said the bill is a desperate cash grab that amounts to an unfair tax on businesses.

"This is a back-door attempt to get someone else's money," said Sen. Roger Beyer, R-Molalla.

The legislation passed on a mostly party-line vote, with 18 supporting the bill and 12 opposed.

Brown said only about 40 percent of the value of gift cards is ever used before the company goes out of business or the card is lost or

expires, so this bill would allow gift card recipients to reclaim their money at any time.

Brown said the cards would be listed on a government Web site for owners to reclaim.

Paper gift certificates are not included, and the state would never use the actual gift card balance. Instead, the interest from investing the balances would be used for education.

Beyer said the Department of State Lands, which would manage the unclaimed gift cards, is supposed to try to connect people with their unclaimed property, but that there would be too many gift cards and too many uncertainties to make that possible.

Senate Minority Leader Ted Ferrioli, R-John Day, said the bill "amounts to a hidden tax on merchants."

It effectively takes money paid to stores and moves it into a state account, meaning the bill will result in a loss of sales to merchants, Ferrioli said.

A tax watchdog group also lobbied against the bill.

"The state has no business taking advantage of private business transactions and methods of advertising," said Jason Williams, executive director of Taxpayers Association of Oregon.

Williams said the bill "further perpetuates Oregon's business-hostile environment."

But the bill's sponsor, Sen. Ryan Deckert, D-Beaverton, said it was a way to join the majority of other states and benefit schools in the meantime.

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A petition contesting the proposed Riverfront Urban Renewal District may pass the issue to voters this fall

By Your Name Here
News Reporter

Voters may need to approve the city's plan to fund projects in the Riverfront Urban Renewal District after opponents of the plan submitted a petition challenging it April 9. The Eugene City Council will vote on the new district on May 11.

The urban renewal district covers areas east of downtown Eugene. Water and sewer headquarters and research park. The controversial project would fund a new federal courthouse site.

Petitioners collected 4,235 signatures but only needed 3,722 valid signatures of registered voters to put the referendum on the ballot. If approved, the referendum would give voters the opportunity to approve or reject the urban renewal district.

The city has forwarded 4,166 signatures to Lane County for final approval and county officials have until April 26 to verify the signatures.

Differences between the present and future assessed value of property within the urban renewal district would create taxes to be used for public improve-

during the Nov. 2 general election.

Eugene resident Ruth Duemler organized the petition effort, coordinating about a dozen signature gatherings. Duemler said the petition met with public support, and she believed enough signatures were collected to place the referendum on the ballot.

"People were eager to sign," Duemler said.

"We are not against

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Duemler said urban renewal is not the city's best use of tax revenues.

"I think (people) are fearful of spending so much money (on urban renewal) when we have other priorities," she said.

Duemler said petitioners were not opposed to developing the area, however.

"We've seen some very fine buildings go up without urban renewal funding," Duemler said. "We are not against development — we want the

had solicited enough input from residents about urban renewal plans.

"What I would like to see is the city having a real dialogue with people on urban renewal," he said. "I'm pessimistic about the city's decision and timetable on this thing."

Ward 3 City Councilor David Kelly, who voted in favor of creating the district, said he supports the plan as a tool to help improve the downtown area.

"I think that central-city revitalization is a goal that we want for Eugene," Kelly said.

will reshape the downtown and increase the number of people familiar with the riverfront area.

like the plan to be specific" in the plan, he said.

said he pushed for a clause in the plan that refers any projects of \$250,000 or more to the council for approval. Citizens would be able to have a say in such projects through the council, he said.

If voters reject the Riverfront plan, Kelly said that "significantly less" development would occur in the area.

"We're going to see less activity and less success of the area," Kelly said.

Kelly said some opponents are concerned about rerouting Broadway because it would be too close to the river. However, he said the road would actually be south of the rail-

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