

A climate-change response rooted in justice

A Portland coalition will introduce a proposal to fund local and equitable investments in renewable energy and efficiency by imposing a tax on large corporations

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In the coming weeks, a diverse coalition of grassroots organizations will put forward a unique ballot measure to help Portland respond to global climate change.

Called the Portland Just Energy Transition, the measure would add a 1 percent revenue tax on large retail outlets operating in the city and use those funds to invest in environmental justice projects in areas like food production, neighborhood-scale solar and wind energy, energy efficiency and weatherization assistance.

The NAACP's Portland branch, Native American Youth and Family Center, the Asian Pacific American Network of Oregon, Portland 350 and Verde all back the measure.

JoAnn Hardesty, the local NAACP president and a candidate for City Council, said the intention is to create a

response to climate change that's rooted in fairness. Hardesty said the measure would tax only the largest of Portland's box stores, those with global retail sales of \$1 billion or more and Portland revenue of at least \$500,000 per year.

"Think about the Kmart, the Starbucks, the big corporate folks who have been very effective at paying no taxes, at paying no infrastructure fees, but continue to contribute to climate warming," Hardesty said.

An analysis in June by the city's Bureau of Revenue supports Hardesty's claim that the tax's impact on businesses would be narrow. Using available data, it estimated it would be levied on just 122 companies, with as many as 732 more companies potentially liable, depending on their annual sales in Portland. The bureau recommended broadening the tax to include more businesses and capping

the maximum per-business tax at \$1 million.

Disagreement over these details fractured support for the policy among city commissioners, leading the coalition to opt for a ballot initiative.

"The mayor is for, obviously, a transition to renewable energy, and one that is shared equitably," said Michael Cox, spokesperson for Mayor Ted Wheeler. "He is not a fan of a Measure 97-style gross receipts tax, and he'll have to see the final language of the initiative before he takes a position on it."

If passed next year, the measure will create a local fund for environmental justice projects at a scale that is apparently unprecedented anywhere in the country.

The roughly \$35 million to \$51 million per year that the initiative would produce, as projected by the Bureau of Revenue, would be overseen by a city committee modeled after the Portland Children's Levy – an initiative that generates tax revenue for children's programs – and distributed on a project-by-project basis. Coalition members say the aim of these projects is to lower Portland's contributions to climate-altering pollution, build up locally-owned renewable energy and invest in economic development for low-income communities and communities of color.

"Most retailers have the longest supply chains and don't account for greenhouse gases in the production and distribution of their products," said Lenny Dee, a volunteer for Portland Just Energy Transition, or PJET. "For every dollar spent at a national retail store, 58 cents gets re-circulated back into the community as opposed to 73 cents of every dollar spent at a locally owned store. Of the approximately 125 companies affected, 45 have overseas tax havens, some with as many as 40 or 50 of these havens."

The measure is set to be filed by the end of November and slated for a vote on the November 2018 ballot. If it is passed, citywide transition projects could begin as early as 2020.

The initiative arrives at a unique moment in the evolution of climate politics – during a swing toward local politics brought on by the Trump administration and at a time when strictly technical climate proposals are receiving heavy criticism.

After President Donald Trump announced on June 1 that the U.S. would pull out of the Paris climate accord, an avalanche of denunciations was released around the country. The same day, 361 mayors announced they would uphold the accord themselves by working to reduce their own cities' greenhouse gas pollution. Portland and Multnomah County declared they would work together to transition the entire local energy grid to 100 percent renewables for all electricity by 2035 and 100 percent renewable energy for all purposes including transportation by 2050.

Later that month, the bipartisan U.S. Conference of Mayors announced its support for cities across the country adopting the same goal – 100 percent of renewable electricity by 2035. The organization, which represents mayors from 1,481 U.S. cities, also called for the renewal of the Energy Efficiency and Conservation Block Grant Program, a federal program that provided \$2.7 billion to local, county and tribal governments to address climate change.

According to the Sierra Club, if the cities represented by the mayors organization all formally adopted the 100 percent goal, they would replace 422 gigawatts of fossil fuel electricity with renewables – or 34 percent of all U.S. electricity consumed in 2016. So far, 41 cities have formally adopted this goal and 160 mayors have signed a separate statement pledging to get their cities to 100 percent renewable energy.

New Orleans Mayor Mitch Landrieu summed up the strategy of the U.S. Conference of Mayors, saying that if the federal government refused to take action, a

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JOANN HARDESTY,
PRESIDENT OF THE NAACP'S
PORTLAND BRANCH



Portland and Multnomah County have a goal to transition the entire local energy grid to 100 percent renewable energy for all electricity by 2035. Pictured are wind turbines in Eastern Oregon. PHOTO BY JOHN WOMACK/WIKIMEDIA COMMONS