

## KITZHABER: Website failed to enroll a single person

Continued from 1A

Officials misused federal money and improperly commingled official and political resources to enrich Kitzhaber's political prospects. However, Democrats on the panel blamed the state's contractor, California-based Oracle Corporation, for the website's problems. In their own report released Wednesday, Democrats say Oracle failed to deliver a functioning website and misled state officials.

Oregon produced the country's worst rollout of the new national health insurance program. While the crippled federal website eventually worked, Oregon's failed to enroll a single person online. The state had to resort to hiring 400 people to process paper applications.

The Centers for Medicare & Medicaid Services' "failed oversight of the development and implementation of Cover Oregon resulted in millions of wasted taxpayer dollars," the committee said.

The federal agency should reform its grant and oversight process, the panel said.

The committee said documents and testimony it obtained are consistent with the findings of the Government Accountability Office, a congressional watchdog agency. The committee report also noted Cover Oregon is not unique.

"Several other states have had significant problems developing and implementing a health insurance exchange," the report said.

An email seeking comment from Kitzhaber early Wednesday morning through his fiancée, Cylvia Hayes, wasn't immediately returned. Representatives of CMS declined to comment.

Ken Glueck, senior vice president at Oracle Corporation, said Wednesday the company feels "pretty vindicated" by the Republicans' report.

Glueck took issue with the report by the panel's minority members, saying

Democrats never responded to company requests for meetings and conducted no analysis of their own. Glueck said Oracle would welcome any independent probes by the Justice Department or the state.

Rep. Elijah Cummings, D-Md., rejected Oracle's claims they weren't involved in the investigation and said evidence obtained by the panel "reveals a company focused on covering up its incompetence and lining its own pockets at the expense of Americans trying to obtain health insurance."

In other findings, Republicans on the committee said:

- Officials with the Centers for Medicare & Medicaid Services applauded the progress at Cover Oregon and awarded the project additional federal dollars even as the quality assurance vendor rated the project as "high risk."

- State officials and Kitzhaber's campaign advisers "collaborated to

such an extent that the lines between official and political activities became blurry."

Kitzhaber resigned in February 2015 amid allegations his fiancée, Cylvia Hayes, did private consulting work for organizations seeking to influence state policies. The report noted discussions about Cover Oregon often included individuals with no authority over the matter, and it found that at least one email included Hayes, "who did not have any Cover Oregon role or responsibilities."

In their own report, Democrats said Oracle "misled state officials by repeatedly assuring them its work was on track and on schedule when in fact it was riddled with errors." The Democrats' report also said independent experts said Oracle's work was so flawed that the state should consider withholding payment to the contractor.

In March 2015, Gov. Kate Brown signed legislation dissolving Cover Oregon.

## Housing costs driven up by high demand, costly regulations

By PARIS ACHEN  
Capital Bureau

according to Lehner's analysis of census figures.

Increased demand for construction work has driven up the bids contractors make on projects by up to 20 percent, Wilkerson said.

The state labor commissioner's rulings on prevailing wage also can drive up building costs, Creager said.

One example is the Yards at Union Station, a 1,200-unit development built in five phases in downtown Portland. For the first two phases, the Yards at Union Station developers were required to pay the residential wage to workers on the project.

After Labor Commissioner Brad Avakian took office, he ruled the final three stages — which were identical to the first — demanded a commercial wage, because 20 percent of the development had commercial features. The other 80 percent of the project was residential. That decision drove up labor costs for the project by 25 percent, Creager said.

A solution to help reign in those labor costs is to apply a split wage rate to such projects, he said.

Local zoning laws limit where developers can build multifamily units, and there are few areas where building multifamily units is viable because of the high cost of installing infrastructure, Wilkerson said.

Panelists recommended easing limits on density and prohibitions on duplexes, triplexes and garden-style apartments in single-family neighborhoods. Decreasing restrictions on construction of condos and prefabricated and modular homes also could help increase affordable housing capacity.

Secondly, Wilkerson said, low-income housing credits need to be targeted geographically where the greatest need is, which is not happening now.

Creager, of the Portland Housing Bureau said, even something as simple as including cost control into the charge of a city's design review commission might help remove obstacles for developers.

Last session, lawmakers passed legislation to end the state's 17-year ban on requiring developers to include affordable housing in their plans, a measure to prohibit rent increases in the first year of a month-to-month tenancy and increase notice for rent increases from 30 to 90 days, a pilot affordable housing program for smaller communities and a measure to allow annexations without going to the people for a vote.

The Legislature also poured millions of dollars into emergency and homeless housing assistance, foreclosure counseling and other programs designed to keep people in their homes.

## ROEMARKS: Building served as the library in 1914

Continued from 1A

high-visibility space at the corner of Main and Second. They have already heard from some interested parties and said they welcome contact from more.

"We really want something cool for the downtown community to go there," Neighbors said.

The Scrubs store, which sells medical professional clothing, already leases space along the Second Street side and will continue to do so from the new owners, and Neighbors said they have a prospective tenant for the space north of Scrubs. He said the second-story renovations on that side of the property will take place in a second phase in two years.

The eastern side of the building (where RoeMark's used to sell western wear) and its mezzanine will be converted into a reception area, office space and conference rooms for Simmons Insurance.

The 6,000-square-foot space will hold administrative offices and commercial insurance, while Simmons Insurance's home, auto and health offices will remain in their current location down the street at 702 East Main. Once renovations are finished in November or December, the company will vacate the space it currently leases for administrative offices in the 400 block of East Main.

Simmons Insurance is a family-owned company founded in Hermiston in 1974. Today it has offices in 20 locations, but 48 of its approximately 100 employees work in Hermiston. Neighbors said some of those employees have been working from home due to lack of office space, but will now have a desk at the RoeMark's location.

Simmons said the renovations that



Staff photo by E.J. Harris

The RoeMark's building has been purchased by the Simmons Insurance Group and renovations have begun to transform the former store into office space.

just got underway will include about \$500,000 worth of new HVAC, lighting, windows, flooring, walls and other updates.

"It will look a lot different," he said.

Despite a complete transformation of the interior, Simmons said the plan was to keep much of the outside brick façade the same, with the exception of replacing the boarded-up window wells with glass panes.

The purchase wasn't officially announced until Wednesday, but Simmons said as word leaked out in the weeks before, people said they were happy that someone local was going to put the building to good use.

"Everyone I talked to is excited

because that is a staple of the community," he said.

The two-story section of the building was first built in 1907, and in 1914 it served as Hermiston's public library. Later uses included a ladies' boutique and the offices of the *East Oregonian* from 1968 to 1973, when Roe Gardner purchased the building and renovated it, turning it into RoeMark's Men's and Western Wear.

To inquire about the retail space that will be up for lease, contact Josh Woods at Simmons Insurance at 866-268-3796.

Contact Jade McDowell at [jmcdowell@eastoregonian.com](mailto:jmcdowell@eastoregonian.com) or 541-564-4536.

## LAND: Building will cost \$4.78M, open by winter 2017

Continued from 1A

everyone else as well."

Not only did the port gift several acres of land for each project, but Neal said they will also extend sewer and water services onto each lot. The area will have a far different look than the rest of the port, which is a 24/7 hive of manufacturing. Port businesses make everything from french fries and cheese to wood chips and ethanol.

Neal estimates the port accounts for roughly 5,000 jobs, though a whopping 70 percent of workers commute from elsewhere. That, combined with the unique and changing skills required to fill those jobs, has created the demand for local workforce training.

Enter BMCC, which will house its data center and industrial technology programs at the Boardman facility. The building will cost \$4.78 million and open by winter 2017.

"This is a momentous occasion," said college President Cam Preus at Wednesday's groundbreaking. "We think this is just the right stuff for the city of Boardman and Morrow County."

Sixteen students have already signed up for the school's data center program, which is entering its second year. Neal said the port has two sites where data centers are up and running and more could be coming "in the not-too-distant future."

By having BMCC at the port, Neal said they can also help local students make connections that lead to good-paying jobs in their own back yard.

"My job is to create jobs for the people I represent," he said. "Now, I just have to get them skilled up to be ready to enter those positions."

The BMCC Workforce Training Center will also host the school's early childhood learning classes, allowing those students the opportunity to work directly with the port's Early Learning Center that will be next door. Neal said that facility should break ground sometime later this year.

Because employees at the port work long hours or odd shifts, Neal said they need a place for their young children to receive care and

start their education.

The Early Learning Center will be operated in partnership with Umatilla-Morrow Head Start and IMESD, and paid for through \$1.6 million in state lottery bonds.

Finally, the Boardman Recreation Center is expected to provide another shot in the arm for the community. Nearly 60 percent of voters approved a \$12 million bond to build the facility in 2014, which will include an indoor swimming pool, gym and training center.

Once again, the port stepped up with free land,

**The Boys are back!**  
**Don't miss this great Portland area band!**

**Sat. May 28, 2016**  
**8:00 pm**

**RED LION HOTELS**  
EST. 1938  
PENDLETON

**Presents**  
*Derek Michael Marc*  
& "Double AA"

**Rock, Blues & Soul**

*"Unbelievable vocals... the harmonizing is phenomenal."*  
*Love, love, love these boys!"*  
- Alicia Wobbe -

[www.DerekMichaelMarc.com](http://www.DerekMichaelMarc.com)  
[www.glcproductions.com](http://www.glcproductions.com)

and even spent \$250,000 to move Les Schwab from that location to a new building on Lewis and Clark Drive. Along with the SAGE Center, Neal said the campus was a good fit and fills a different role than the rest of the port's heavy industry.

"It's about supporting the area we serve," Neal said. "We think we're striving to do that."

Contact George Plaven at [gplaven@eastoregonian.com](mailto:gplaven@eastoregonian.com) or 541-966-0825.

**PENDLETON FARMERS MARKET**

*Buy Local · Eat Seasonal*

**FRIDAYS AT 4 PM**  
**MAY THRU OCTOBER**  
**300 BLOCK MAIN STREET**  
[WWW.PENDLETONFARMERSMARKET.NET](http://WWW.PENDLETONFARMERSMARKET.NET)

THANK YOU TO OUR SPONSORS

**WILDHORSE** EAST OREGONIAN **CHI St. Anthony Hospital**

**OREGON TRAIL WELCOMED**