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Randyland, Part II

WW examines whether Randy Leonard is using his power to benefit downtown's largest private property owner.

BY NIGEL JAQUISS

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THE TARGETER:
Commissioner Randy Leonard's HIT squad operates without City Council oversight.
IMAGE: chrisryanphoto.com

Editor's note: Last week, in the first part of "Randyland," WW reported that third-term City Commissioner Randy Leonard faces multiple personal challenges: He's going through a divorce, his daughter is in jail, and he recently faced an investigation from the Multnomah County District Attorney's Office. In his professional life, however, Leonard has become the city's most powerful politician—the *de facto* mayor. This week, in the second part, we look at how he exercises that power and whether in doing so he is benefiting an influential ally.

No politician in Portland swings a bigger club than Randy Leonard.

To appreciate the city commissioner's clout, consider a vacant lot in Chinatown. For more than two decades, Cindy's Adult Bookstore occupied the property at Northwest 4th Avenue and West Burnside Street. For much of that time, it was a den of drug dealing and prostitution.

"Cindy's has historically been a magnet for criminal activity," says Portland Police Sgt. Matt Engen, who has worked Old Town for 12 years.

In 2007, Leonard's Housing Interdiction Team—his handpicked squad of inspectors and officers from the Police and Fire bureaus and the Bureau of Development Services—targeted Cindy's. The so-called HIT squad found dozens of code violations. In November 2007, the

team forced Cindy's to close.

In July 2008, Cindy's owners razed the building and listed the lot for sale. Today, where Cindy's once stood, only a sign remains.

"Stop Randy Leonard's Hit Squad," reads the sign, paid for by Cindy's owners, Michael Wright and Daniel Cossette. "Stop Randy's use of city bureaus for his personal gain and agendas."

Leonard says the message is sour grapes and that his only agenda is making Portland safer.

"[The] sign does not dissuade me from doing the right thing. The guy that owned Cindy's [Michael Wright] is the same guy that put up the sign.

"He is a convicted murderer," Leonard adds, referring to a 1971 conviction. But HIT's targets are broader than somebody with a criminal past.

Since 2003, Leonard's HIT crew has targeted several other buildings, including the single-room occupancy Grove Hotel at 421 W Burnside St., where 70 residents once lived in squalor.

The HIT operates without City Council oversight or any written procedures for choosing targets. Leonard says that setup is intentional.

"Where bureaus have rules, they have to follow the letter of those rules," he explains. "[What] my experience has taught is the more you fall into matrixes and following rules, [that] is where you get into trouble."

Some people lionize Leonard for unleashing the HIT. "What he did to clean up the SRO hotels was tremendous," says Howard Weiner, an Old Town neighborhood leader.

Others worry Leonard can target anyone he pleases.

"The HIT team acts without oversight or public involvement," says Randal Acker, a lawyer for Cindy's owners.

"The issue is whether they [the HIT] are following up on all complaints in the same way," says Andrea Meyer, legislative

director for the American Civil Liberties Union of Oregon. "They should have criteria, and the criteria should be public and neutral so everybody is getting the same due process."

Leonard's team has unquestionably performed a valuable public service by ending predatory practices at downtown single-room occupancy hotels.

But with Mayor Sam Adams weakened by scandal and other council colleagues slow to rein Leonard in, the former firefighter enjoys a degree of unchecked power without recent precedent. Even Leonard calls HIT "an unstoppable force." The question is whether Leonard is using that force to pursue the public's agenda—or someone else's.

In its six years, Leonard's HIT has been busy. It targeted the Westport Villa in Northwest Portland; three single-room occupancy hotels in Old Town, including the Grove; Cindy's Adult Bookstore; the Greek Cusina and an eastside after-hours club called the Mansion, which was shut down and demolished.

The team operates with just a handful of members, including two police officers and a retired police commander.

In its zeal, the HIT reflects its creator. Leonard, 57, is bold, plainspoken and a man of action. At the same time, impetuous decisions, a wobbly ethical compass and allegations of cronyism have marked his political career.

And in a process-driven city where even routine land-use decisions require multiple hearings, it's been a long time since a public official exercised the power Leonard wields as he targets properties.

Jim Moore, a Pacific University political science professor, says Leonard's approach recalls the 1950s and '60s, when city officials targeted vice rings and grew accustomed to making important decisions without public oversight.

"That's why we got a public records and open meetings law in the '70s," Moore says.

Leonard personally selects all HIT targets. Before he turns his team loose on a property, he requires team members to explain why it should be singled out. Then he inspects the property himself. He adds that he rejects two targets for every one he OKs.

The Greek Cusina restaurant, at 404 SW Washington St., is perhaps Leonard's highest-profile target.

Like Cindy's, the Cusina had a history before Leonard got involved. Police and the Oregon Liquor Control Commission have visited regularly. And owner Ted Papas admits that he renovated his building without securing permits.

Over the past two years, Leonard's HIT cited the Cusina for numerous fire code violations. In May 2008, the team imposed a 24-hour fire-watch that Papas had to pay for, resulting in more than \$200,000 in liens. That pushed Papas into foreclosure this fall.

Papas, who is negotiating with the city and his bank, acknowledges blame but says Leonard ignored his efforts to make improvements.

"He's got one goal: to drive me out of business," Papas says. Leonard says the issue is public safety and nothing more. He calls the Greek Cusina "the city's most dangerous occupied building."

While the HIT has a "public" list of targeted properties, two city employees say an "unofficial" list also exists.

The employees, who requested anonymity, told *WW* that list includes Silverado, the Fish Grotto and the city's two busiest live-music venues, the Roseland Theater and the Crystal Ballroom.

Emails and interviews with owners show that HIT members scrutinized some of those venues and were actively involved in enforcing codes at others.

On March 13, 2009, Mike Alderman, a HIT fire inspector, wrote Joe Botkin, a HIT building code inspector. He suggested scrutinizing Silverado, one of Portland's oldest gay bars.

"Let's talk about this one," Alderman wrote.

Botkin preferred action.

"Why would I want to talk about it?????? Let's DO something!" Botkin emailed in reply.

Soon, Silverado, which OLCC records show had few previous problems, faced the loss of its liquor license.

"After 25 years, we suddenly became a 'nuisance,'" says Silverado owner Don Sexton. "But that's enough to put you out of business."

Emails also show team members were active at the Roseland. On Jan. 31, 2007, fire inspectors entered during a Wu Tang Clan concert, saying the club was overcrowded.

In four decades of concert production, Roseland owner David Leiken says he'd never experienced what happened next. "Something had changed," says Leiken. "I called the Fire Bureau and was told, 'You should talk to Randy Leonard.'"

Leiken did not, and says the situation worsened throughout 2008.

"I had heard about [members of the HIT] working to 'clean up Portland,'" Leiken says. "And we had several police officers coming in telling us they were going to shut us down. In 17 years of operating the Roseland, I had never been told anything like that." Leiken says Alderman and then-HIT member Portland Police Officer Jeff Myers were heavily involved. Leiken ultimately reached agreements to improve his sprinkler system and tighten security.

Fish Grotto owner Dan Zilka also describes an unusual situation.

In late 2007, he says, he met with developer Mark Edlen, who was building the Indigo (see sidebar, page 21), a 22-story apartment tower a block away from Zilka's restaurant at Southwest 11th Avenue and Stark Street.

"Edlen said my business, Silverado and Scandals needed to be removed from the neighborhood," Zilka recalls. (Silverado's Sexton, who subsequently moved his bar from Southwest Stark Street to 318 SW 3rd Avenue, recounts a similar conversation with Edlen.)

Within a couple of months of his meeting with Edlen, Zilka began experiencing what he says was "unusual" scrutiny from the OLCC.

"It was an interesting coincidence," Zilka says.

Edlen says it is "not true" that he wanted gay clubs gone. "We embrace diversity, but we don't want dilapidated buildings," Edlen says.

While no one on the HIT officially represents the OLCC, the connection between the two agencies is the city's Office of Neighborhood Involvement.

Since 2004, the office has regulated all city liquor licenses and works closely with the OLCC. Emails requested by *WW* under public records law show ONI was in contact with HIT members about Silverado, Roseland and the Greek Cusina. (The Crystal Ballroom currently faces the loss of its liquor license as well.)

Leonard says the Roseland, the Crystal Ballroom, the Fish Grotto and Silverado were never on the HIT's official list, but acknowledges each may have been under the microscope.

"Each has had specific problems that could get them on the list," he says.

Pressed as to how he's aware the businesses have had problems, Leonard shrugs.

"I don't even know how I know that," he says.

Nearly all the properties the team has officially or unofficially targeted have something in common—they're located near properties owned or managed by downtown's largest private landowner, City Center Parking (see map, page 19).

If Randy Leonard is the city's most powerful politician, his private-sector counterpart may be City Center Parking President Greg Goodman.

It's not much of an exaggeration to say Goodman's family owns downtown Portland.

Goodman, 52, told *WW* his family owns the equivalent of 25 city blocks.

"It's about 1 million square feet, if you push it all together," Goodman says. Most of City Center's properties are surface parking lots. The company owns or operates 220 facilities containing 34,000 parking spaces. City Center is four times the size of its largest competitor in town, Star Park, and says it generated gross revenues of \$65 million in 2008.

Goodman's father, Doug, started the company in 1955. Whereas Doug focused on buying land cheaply, Greg (whose younger brother, Mark, serves as City Center's vice president) has concentrated on civic engagement, politics and, lately, development.

Greg Goodman serves on the boards of the Citizens' Crime Commission and the Portland Business Alliance, both of which have a strong focus on cleaning up downtown. More than other large-property owners, Goodman has sought to shape the policies that affect downtown.

"The Goodmans have a great deal of influence," says Debbie Aiona of the League of Women Voters.

And without a doubt, Greg Goodman's closest friend on the City Council is Randy Leonard.

Outwardly, Goodman and Leonard share little in common.

Leonard, a Democrat, is a former union president who grew up poor and clings to his blue-collar roots. Goodman, a lifelong Republican until May, when he registered as "non-affiliated," is a non-union employer, and lives on a \$3.4 million West Hills estate with his wife, Susan Schnitzer, a member of the wealthy Schnitzer family.

Despite such differences, Leonard's schedule shows he and Goodman have met at least nine times in the past 16 months, usually for meals.

That's more than Goodman has met with the four other City Council members combined during that period and more than twice as often as Leonard met with police and fire union presidents.

Leonard acknowledges he and Goodman make an odd pair.

"I'd think he would hate my guts," Leonard says. "But he's one of the funniest, nicest people I've ever known."

Goodman says he feels the same way.

"Randy is a good friend," says Goodman, who donated \$2,500 to Leonard's 2008 re-election campaign.

Two years ago, Goodman's company hired Leonard's younger son, Kyle, for a low-level position. Leonard says he had nothing to do with the hire. Goodman says he was unaware that Kyle worked for him until Randy Leonard mentioned it. Kyle recently left that job.

At City Hall, Goodman engaged in two major efforts to rezone sections of downtown.

In 2002, before Leonard joined the City Council, Goodman persuaded the city to rezone the West End, a section of Southwest Portland bounded by Park Avenue, Burnside and I-405. The rezoning expanded allowable uses and height limits, increasing the value of Goodman holdings.

In 2008, Goodman persuaded the Portland Planning Commission to raise the building height limit in Old Town-Chinatown from 75 feet to 130 feet on six "opportunity sites," including two Goodman lots.

"Greg was the driving force to raise the height limit," says Art DeMuro, chairman of the Historic Landmarks Commission. (City Council tabled the issue after preservationists opposed Goodman's plan.)

A vigorous downtown booster, Goodman is also unsparing in his criticism of City Hall.

"I get very, very frustrated with the politics of this city," he told *WW*. "God gave us four aces in this city, and we've given two back."

Goodman is not afraid to throw his weight around, as he did in an August email to Leonard and his colleagues concerning a local improvement district, or LID.

"I know I speak for the rest of the retail and downtown business community in saying, we have had it. We assess ourselves, 4,000,000 dollars per year for an LID, 15,000,000 for the light rail, etc. These are assessments that nobody else in the greater Portland area volunteers to assess themselves for," Goodman wrote.

"I ask myself, 'What for if we can't get council to take a STRONG action to protect our streets[?]' We either need your support in coming up with a strong solution or, in one person's opinion, we should minimize or eliminate our voluntary assessments."

Normally, the hot-tempered Leonard reacts to such a challenge like a shark hitting bait, but not this time.

"Greg, not only are you not a complainer, you are consistently proactive and focused on how to solve problems," Leonard wrote in response.

It may be just a coincidence that the properties Leonard's HIT targeted are surrounded by Goodman properties.

Both Goodman and Leonard insist that given the size and location of Goodman's holdings, there are few downtown properties that don't fall near Goodman sites.

But there are dangerous properties all over Portland. And yet, Leonard's team operates only in the central city, even though he is a tireless booster of both the little guy and the east side.

He says that's because the team is complaint-driven and downtown generates the most concerns. But here's something curious: Leonard's bureaus have fielded complaints about prominent Goodman properties both from the public—and city employees—and taken no action.

One example is the numerous complaints that have been lodged over the years against three of Goodman's lots that are home to food carts. The complaints range from concerns about illegal and unsafe structures to lack of required landscaping.

There have also been complaints about another Goodman-managed lot right across the street from Bureau of Development Services headquarters, where Leonard's code inspectors work.

Charlotte Phillips, a former BDS examiner who was among 160 BDS employees Leonard laid off in October, says she and colleagues questioned why Leonard aggressively pursued HIT targets but ignored code violations on Goodman lots.

"The issue is selective enforcement of city code," Phillips says. "I and others complained to supervisors about the carts being illegal...but nothing was ever done."

Leonard says he's aware of the concern. "The running joke is that planners get upset about the carts [across from Development Services] and then they walk across the street and get a burrito [from a cart] and they are not upset anymore," he says.

Another Leonard-managed bureau recently sought to address safety concerns about propane tanks and haphazard wiring around the carts on Goodman lots. (A cart across from BDS caught fire in August.)

"Fire [officials] came into my office a couple of months ago and wanted to crack down," Leonard says.

He says he told them to concentrate on more urgent tasks.

"They were pretty upset," Leonard recalls.

The loudest critic of Leonard's lax attitude toward food carts on Goodman lots is Greek Cusina owner Ted Papas, who says traditional restaurants face far greater and more expensive regulation.

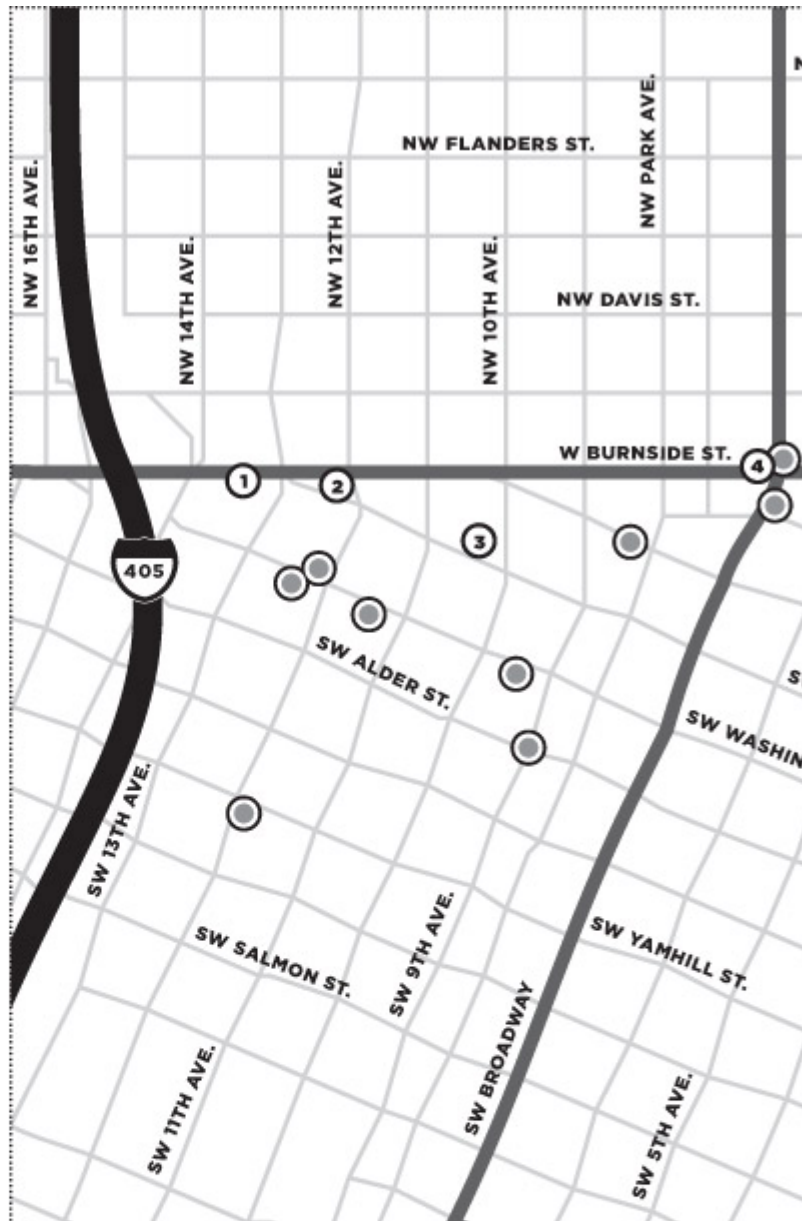
"These are supposed to be parking lots, but some of them have 17 or 18 permanent food trailers, and who benefits?" Papas asks. "Goodman benefits."

Goodman, who charges the 50 or 60 carts on his lots about \$500 per month each, says he's never talked to Leonard about carts or the HIT.

HIT PARADE

-  HIT targeted sites
-  Goodman-owned sites

- 1. Crystal Ballroom**
1332 W BURNSIDE ST.
- 2. Silverado**
(OLD LOCATION)
1217 SW STARK ST.
- 3. Fish Grotto**
1035 SW STARK ST.
- 4. Stewart**
127-139 SW BROADWAY
- 5. Westwind Casino**
323 NW 6TH AVE.
- 6. Roseland Theater**
8 NW 6TH AVE.
- 7. Grove Hotel**
421 W BURNSIDE ST.
- 8. Cindy's Bookstore**
8 NW 4TH AVE.
- 9. Home Hotel**
10 SW 3RD AVE.
- 10. Silverado**
318 SW 3RD AVE.
- 11. Greek Cusina**
404 SW WASHINGTON ST.



He says any suggestion Leonard is acting to benefit him is absurd.

"I've never asked Randy for a favor," he says.

Leonard says any allegation he treats City Center differently from other property owners "has no basis in fact."

Leonard notes that in 2003 he led the charge to award the contract to manage the City's Smart Park garages to Star Park, a City Center competitor. More recently, he says, he told Goodman not to bother requesting a tax abatement for one of his buildings.

In the past couple of years, City Council has spent lots of time debating everything from Major League Soccer to which street to rename in honor of César Chávez.

There's been little debate, however, whether the HIT is an appropriate use of the city's power. In February, six years after the HIT began operations, Leonard asked his colleagues to approve a resolution recognizing the concept, but there was little discussion.

Today, two commissioners, Dan Saltzman and Amanda Fritz, say they want greater oversight.

"I continue to believe that the council should hold a public hearing to discuss and formally adopt procedures to guide the actions of the code compliance team," says Fritz.

Saltzman says the current arrangement "does not provide an appropriate level of transparency and accountability."

(Commissioner Nick Fish says he does not have enough information to make a judgment; Mayor Adams did not respond to *WW's* questions.)

Even fans of HIT are uneasy.

Howard Weiner has worked as hard as anybody to clean up Old Town, and nobody was happier when the HIT targeted flophouses there.

But, like Saltzman and Fritz, Weiner wants greater accountability.

"There should be clear and transparent regulations for how the HIT operates," Weiner says. "I don't believe in selective enforcement."

MOOD INDIGO



BIG NEIGHBOR: The Indigo tower looms in a nearby property's reflection. IMAGE: Tom Martinez

The newest building on Portland's downtown skyline is the 22-story Indigo at Southwest 12th Avenue and Washington Street, which opened Nov. 5. The Indigo contains ground-floor retail, the headquarters of ZGF Architects, and 277 apartments.

The land is owned by the Goodmans and the building was developed by Gerding Edlen Development. It is exactly the kind of project Greg Goodman envisioned when he pressed for West End rezoning seven years ago.

Last month, Goodman contacted Commissioner Nick Fish, who oversees the Housing Bureau and had proposed using the nearby city-owned Fairfield Hotel as a temporary winter homeless shelter.

"Speaking selfishly for our ownership group at Twelfth and Washington, we have spent \$135,000,000 and are opening 277 apartments in 2 weeks," Goodman wrote to Fish in an Oct. 8 email. "Needless to say, we are going into a horrific economic headwind and are more than a little concerned.

"Simply put, taking the Fairfield retail space at 11th and Stark and putting 70 beds in would be very detrimental to the area at a time when the area's underbelly is extremely vulnerable."

Fish soon found an alternative site for the shelter in Northeast Portland. He says Goodman's pushback "played no part" in the switch. —NJ

On Nov. 17, the owners of the now-defunct Cindy's Adult Bookstore filed suit in Multnomah County court against Commissioner Randy Leonard, the members of the HIT squad and the City of Portland, alleging "arbitrary" code enforcement and seeking \$950,000 in damages. See [here](#) for a copy of the lawsuit.

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