

TITLE: Baby Face Sten Battles with Business and Doesn't Back Down  
By Victoria Taft  
April, 2003

“He’s a damned socialist!”  
—unidentified Portland businessman on the political philosophy of Portland City  
Commissioner Erik Sten.

Erik Sten is the boy wonder who began his public life in Portland at age 23 working part time as a swim instructor and helping his friend, Gretchen Miller Kafoury, win a seat on the Portland City Council. Sten, whose mom was a social worker and whose dad was a Yale educated attorney with the Oregon Attorney General’s office, had recently graduated from Stanford with an English degree and, was looking for a newspaper job. After being turned down by the Oregonian and doing a little freelancing at Willamette Week, Sten begged a job on Kafoury’s City Hall staff, later became her chief of staff, and has never looked back.

Over his nearly 13 years in the public eye Sten has changed his hairstyle, but not his politics. He’s still to the left of the left. Though less overtly combative and strident these days, Sten has learned to play the political game with the big kids, using his growing political muscle to bring people in line with his beliefs, all the while flashing his “What, me worry?” gap-toothed grin. To the vanquished he’s a sonofabitch; to people in his camp he’s Erik the great.

Sten was established as the next new thing by the Oregonian newspaper. The anointment with printer’s ink began in 1995 when Sten, along with former Grant High School buddy, Deborah Kafoury (Gretchen’s daughter), and Portland newbie, Eugene native Serena Cruz (now married to developer Tom Walsh, Jr.—an old high school and college buddy of Sten’s), harnessed the Generation X enthusiasm and started their own political action committee. X-PAC was created to bankroll young, up-and-coming candidates (And it has. To date, all three have been elected to office). X-PAC excited the hard-bitten political scribes and gossip mavens alike and gave them a fresh angle. The local news fawning frenzy began.

Sten ran for a spot on the city council within months of X-PAC’s birth. While the Oregonian’s editorial board gave its endorsement to a better-known candidate in his first election, Sten enjoyed glowing news stories about his youth and exuberance. In one of his more naïve moments, or maybe after overly imbibing in a beer named for him by his friends at the Lucky Labrador Pub—Dark Horse Ale—the candidate told reporters he wouldn’t take contributions over \$25, and if elected, promised to give his salary to Portland area food banks. The campaign promises didn’t stick and Sten now looks shocked when asked about them and swears he never uttered the words. By his second campaign for Portland City Council just months later, Sten had established himself as the front-runner—if just in the mind of the wags at the Oregonian.

Maybe because his last name was shorter than his opponents' (among them [Chuck] Duffy and [Lucious] Hicks), or maybe due to fans back at the paper, Sten's name almost always found its way into the campaign headlines. When more than one name did appear, Sten's was usually listed first. In one especially bizarre handling of a story before the election, The Oregonian's headline read, "Sten is tops-at least on the Sept. 17 ballot." The story was about whose name would appear first on the ballot among several candidates vying to take over Earl Blumenauer's old seat. The apparent favoritism continued: "Cash pours in to Sten effort" and "Sten and Duffy come out on top" in the runoff election. After Sten won, it probably came as no surprise to read: "Commissioner Sten: off to a quick start" and "Sten driven to tackle the future."

The Oregonian, with a solid assist from lefty-leaning Willamette Week, made Erik Sten.

## WATER BOY

Asked to play a little fill-in-the-blank game with a reporter, Sten obliges: If someone asks me to oversee a major computer billing system changeover again, I'll\_\_\_\_\_.

"I'll give them really good advice for free, but politely decline."

Sten's first city hall assignment was taking over the Water Bureau. Now, Sten is sick of the Water Bureau story.

He brings it up to show he isn't afraid to speak of it, but in truth, the Water Bureau could have (should have?) been Sten's Waterloo. That it wasn't must go down as a lesson in political spin and survival and voter a) forgiveness, b) apathy, c) stupidity. The Water Bureau was gushing money by the time Sten got fired from that assignment (Mayor Katz says Sten wasn't fired, just reassigned in light of Charlie Hales' departure). The Water Bureau still is gushing money and will be for a very long time.

The Water Bureau story is told in the local press as if it's a budget-run-amok-debacle. It is. But it's also a story of an environmental experiment gone bad. Too bad the Water Bureau couldn't reduce, re-use, and recycle all the money wasted on Sten's experiment. The problems started when the 28-year-old thought he should update the bureau's billing system to charge more for large water users and less for people and companies that conserved. Fair enough. His inspiration for revamping the system was the so-called "Natural Step" environmental belief system, founded by a Swedish oncologist. The Natural Step holds that enviros are getting bogged down with the details of policy and should agree on what founder Dr. Karl-Henrik Robert calls core systems conditions which would then rule all elements of society, businesses, governments and individuals.

These core principles are: 1) Materials from the earth's crust must not be allowed to systematically increase in nature (e.g. mining and use of fossil fuels) 2) Persistent (read: non degradable) substances produced by society must not systematically increase in nature (e.g. CFC's, DDT, plastics) 3) The physical basis for the earth's productive natural

cycles and biological diversity must not be systematically deteriorated (e.g. overfishing, habitat destruction) 4) Therefore, if we want life to continue, we must a) be efficient in our use of resources to promote justice—because ignoring poverty will lead the poor, for short term survival, to destroy resources that we all need for long-term survival (e.g. the rainforests). \*from the website In Context, the quarterly of humane, sustainable culture

Sten told the Business Journal of Portland in February 2001, “I’ve been really promoting The Natural Step. The water bureau has really tried to take it on full steam. One additional angle I’ve been trying to push is that the city place more focus on issues of environmental technology and sustainability.”

Unfortunately, the taxpayers needed someone concerned about their financial sustainability. Through mismanagement, over selling on the part of the contractor, Severn Trent, and plain stupidity, the initial \$6.5 million cost of the computer switchover has ballooned to as much as \$30 million and counting.

Just days before Sten ordered the new billing system to be turned on, the team assigned to implement the computer system outlined 49 flaws—including some major ones—in a memo to Sten and his point man on the project, Mike Rosenberger. It urged that their go-live deadline be pushed back

Apparently someone wasn’t delivering memos that day. Or maybe somebody wasn’t reading them. Sten and Rosenberger ordered the system turned on and the old one turned off without even running a shadow program. Chaos ensued. When the memo surfaced in the news nearly a year later, Sten and Rosenberger claimed, never to have seen it.

Some customers received bills for hundreds of thousands of dollars (one small Portland firm received a bill for \$399,000.), some received no bill, and there was no way to check to see who had paid and who hadn’t. The ‘say what?’ calls to city operators went on for days, weeks, months. Eventually Rosenberger took the fall—and a \$120,000 severance deal. Not bad for a guy who was making \$105,000 per year.

Dumping all that money into the computer commode, naturally stepping in it, and then leaving the taxpayers to pay for wiping up the mess, struck anyone paying attention as a, ahem, wasted opportunity to do something better with all that money. After the computer chips hit the fan, Erik Sten embarked on his humility tour. “I’m sorry,” was never far from his lips. “Policy and software are different jobs, and I’ve always focused on the policy side of things,” he told a gathering once. “We’re making a bad bet if I’m the firewall between good and bad decisions on software.”

Asked if he should have simply resigned his position due to the debacle, Sten said no, he did the right thing to hang in and try to fix it. Sten friend and parking garage magnate Greg Goodman, who’s married into the Schnitzer clan, said, “Erik didn’t bull—. He owned up to it and didn’t lie. Everybody makes mistakes.”

When Commissioner Dan Saltzman was named to take over by the mayor in June of 2002, he immediately declared the new system would have to be scrapped and another new one installed at a cost of at least \$26 million. Add to that the cost of uncollected bills, Y2K upgrades to the old system because the new one wasn't ready, and the \$385,000 per year for the next three years for Severn Trent must run the computer, minus the \$7 million that Severn Trent coughed up for all the trouble and taxpayers are out roughly \$49 million bucks. That's enough to pay for more than a few Buenos Aires United Nations environmental junkets, bucko.

### SIT. STAY. GOOD BUSINESS!

When you need money you go to the bank. When the city of Portland needs money it goes to the bank—the business community--pulls out a gun, and 'jacks it.

By one estimate in 1990 Multnomah County boasted 132,000 jobs. By 2000 it was slightly more than half that. As the go-go '90s gave way to the sluggish 2000s, and the programs that had been swimming in money weren't anymore, Katz, Sten and company simply went to their default position: get the gun and go to the bank. When the schools needed money, they immediately called a meeting, got the gun and went to the bank to demand an increased business tax. To some it looked as if Portland business served at the pleasure of the city instead of doing what it should have been expected to do: make a buck, hire some employees, be a good corporate citizen, and cut a check for the occasional civic event. It wasn't working that way and businesses were leaving as a result. As civic, arts and business leader Pete Mark told Willamette Week, "I think that we've gotten into a situation where an extreme group is running this city."

Not that the business leaders didn't do their part to encourage it, mind you. Apparently suffering from political Munchausen syndrome, business leaders stepped up in 2000 and offered to tax themselves a bit more to help fund Portland Public Schools. In January when the state legislature referred the Measure 28 income tax increase to the voters, the biggest business group in town, the Portland Business Alliance (PBA), supported it—albeit without much enthusiasm. When the PBA asked the city to change the business tax structure from a tax on income to a payroll tax, it even provided some \$30 million to schools—when it had already been bailing them out. And when the PBA forayed into making political endorsements for the city council races for the first time, they endorsed Randy Leonard, a 'big-D' Democrat state legislator, who was more business friendly than say opponent Serena Cruz, but whose business experience came from running a labor union.

Anyone who's been mugged knows the cops aren't going to be there every time to help you out. Eventually you have to take steps to protect yourself. Never was that more clear to small businesses as when Portland based sportswear giant Columbia Sportswear wanted to move from its outgrown St. John's home to a premier spot on the Willamette River and the city and county pulled every political trick in the book to foil it. The political chicanery forced the international business concern to move to Washington

County. So last summer the Portland Chamber of Commerce and the Association for Portland Progress merged to attempt to become a greater political force for business than ever before. And then the newly formed Portland Business Alliance decided to go out and get itself a big ol' watch dog.

Kim Kimbrough and Erik Sten have been nose to nose ever since.

“We’re talking about a massive cultural change taking place among the business community,” says Dan Yates, owner of the Portland Spirit party cruise line on the Willamette River.

“There’s been a definite change in the way business deals with the city,” parking lot operator Greg Goodman, agrees. “Businesses have been crushed in this town and the [Portland Business] Alliance knows that because its members are telling them. Now the Alliance is pushing back more than they ever have. Erik doesn’t like the tactics the alliance takes, for instance on the Iraq thing and the sit/lie ordinance, but the Portland Business Alliance says ‘we want accountability.’”

“[The city’s] relationship with business has been more combative in the past few years. They’ve been taking more extreme positions than they have in the past and I disagree with some of those,” says Sten.

Sten refers to the pressure exerted by the executive director, Kim Kimbrough, and the Alliance to keep the council from passing a resolution condemning a war against Iraq. The Alliance claimed the city should keep its vision focused on local issues, not on issues over which it has no control and which could have a negative impact on tourism and the perception of Portland in the eyes of the rest of the country. The Alliance also targeted one of Sten’s soft spots: the homeless and poor.

The Alliance gives money and aid to the poor and homeless, but when the business group proposed cleaning up the city’s image by ticketing people who slept in doorways and sat all day on the sidewalks, Sten’s civil liberties sensibilities were singed.

“Sitting down is a civil liberty,” Sten preaches. “I don’t like their [PBA’s] approach to trying to sweep homeless people off the streets. I’m not anti-business. Saying I’m anti-business because of the way I want to deal with homeless people is like saying I’m against kids because I think the way we’re funding schools isn’t smart. And I don’t buy it.” Sten has his fans who believe he’s been fair to business interests in the city. He himself believes he’s pro-business when it makes sense. “I think it’s a bad debate to say I’m pro or anti-business. It has to do with the context of the situation,” says Sten. “You have to be a moron to say that business isn’t important to Portland.”

The Oregonian wrote a glowing article in June of 2001 about how the former “brash Gen-Xer” had grown up in the job, mentioning in passing that the Water Bureau debacle had been “humbling” to the lad.

Goodman's dealings with Sten have run the gamut between their occasional sushi lunches to pitching the city for an ice rink for in Pioneer Square. They've left him with good feelings about the competency of the commissioner. "Erik is a doer. Erik wants business to do well," Goodman says. "He helped a tremendous amount in the west end [to break the 20-year permit drought near the north park blocks]. Erik understands that quality of life begins with a job. He has taken an active role in the North Macadam plan [connecting to OHSU with an aerial tram]."

Ann Gardner, with Schnitzer Investment Corporation, which would like to develop some of its land adjacent to the North Macadam plan, says Sten is, "a warm-hearted, kind man," who is "intellectually curious and has a very strong network of advisors."

"I don't have a problem with Erik," says Ron Beltz, who oversees business properties in Portland for multi-national corporation, Louis Dreyfus. Beltz is the former chairman of the now defunct Association for Portland Progress and is currently with the Portland Business Association. "He went a little overboard in his [recent] quotes in the Mercury [a downtown Portland alternative weekly], but they're not that much worse than quotes I've seen around the country about some people."

A little overboard? Sten likened the Portland Business Alliance to "Frankenstein's monster." The article, which excoriated Kimbrough and questioned why the business community has so much power at City Hall, obviously struck a chord with the iconoclastic Sten, who gleefully piled on with further comments on why the townspeople should come after this monster. Now Sten says he was having a little fun in the interview but was making the point that the city council had essentially created the Alliance monster by allowing it city funds to use.

So while Sten had few concerns about trashing the business community's Kimbrough in the Mercury article and in a subsequent Willamette Week smear, individual members of Portland's downtown crowd, particularly those with frequent business before the council, are loathe to comment publicly about Sten. Something about not biting the hand that feeds you?

#### AND THAT WHICH THE CITY GIVETHS.

The Portland Business Alliance receives, as many such organizations around the country do, some of its funding from the host cities. Part of their money goes to marketing the city of Portland around the region and the country. The other part goes to pay for the programs to keep the core business area clean and safe. Early in the APP's existence, companies in the core area of downtown voted themselves a tax assessment to clean up downtown. The city collects that for businesses and gives back part of it to fund the organization. In an attempt to attract shoppers to downtown, the city also gave the APP the job of running its so-called Smart Park garages. The deal was, the APP ran the garages and the city got a cut. After the merger, the new PBA had 41 employees and an \$11 million budget, and among the assets was the garage deal.

After Kimbrough had a few run-ins with Sten and Mayor Katz, however, something odd happened: the city, for the first time, asked the PBA to give it a full accounting of all the money. Kimbrough told the city to go pound sand and that's when another odd thing happened: the city decided that, after all these years, it would be better for taxpayers if that Smart Park contract went out to the competitive bidding process.

"Purely vindictive," says one Portland business owner.

Sten doesn't deny it. When asked why the city didn't ask for competitive bidding five, six, eight years ago, he sidesteps the question and declares, "It's a sweetheart deal. I wasn't even aware they were getting that much money out of it and it's my fault. If I'm culpable for not knowing those guys were getting that much money out of taxpayers you're absolutely right, but that probably doesn't follow that I should ignore it. It's time to have a bidding contest."

So there.

## HOT DIGNITY DOG

Dog Dave stands in the middle of the tent city and points, "There's what we call Lake Dignity." He laughs at the encroaching lake of water that looks as if any minute will be soaking into the bottom of a large tent. "Don't worry;" he assures a visitor, "it won't."

Dave's dog meanders the camp sniffing around the rows of junk around huts made from found objects and tarp—lots of it—that make up Portland's longest running homeless camp, Dignity Village. Dignity Village visited itself upon Portland in 2000 when a homeless activist came to town, chatted up the street people, set up camp downtown, and tried to pick a fight with the city, hoping to shame leaders into letting the rag tag band squat where they wanted. It worked.

Now, three years later the group has ballooned to 60-70 people on a slab of asphalt next door to the jail near the airport. Now, there are three meeting places for villagers, including a white bus with the words "Dignity Village" on the destination banner above the windshield, a main hut where it looks as if someone found the mother of all window junkyards there are so many of them, and another bus where three computers with internet access are crammed into what is called the "job center." The job center is where the action is on this day. One man is playing solitaire, another is surfing the Internet, and two others are commiserating in the bus that is liberally papered with anti-war posters. Dignity Villagers are a political bunch and decidedly anti-war. When asked about it, one man, sourly responds, "Oh, yeah, let's just bomb them. Why not?"

This is Erik Sten's kind of place. He helped create it.

Sten is the city's expert on housing issues. Currently he's working to pass a real estate transaction tax, which would put a half a percentage point premium on any real estate

deal to go into a fund for low-income housing. He's married to a low-income housing activist, Marnie Vlahos. He believes Dignity Village is an experiment worth pursuing.

“When they were camping under the Fremont Bridge, I made a strategic decision after going to the mayor that I would approach the villagers with compassion and not just sweep them out. What they wanted was a confrontation and I wasn't going to do it. Lo and behold it grew into, not a solution for homelessness by any way, shape or form, but a pretty interesting and worthwhile project. I don't think this is a substitute for transitional housing or shelters, but on the other hand I think the notion that people may be able to do something for themselves with dignity—it's worth exploring. I mean, give me a little credit, I gave these guys a lousy concrete pad and they've gone out there and made it work. They're not getting anything from the government.”

Sten arranged for donors to help pay for the use of the slab, arranged a Tri Met bus stop for them, let them plug their extension cords into city electrical outlets (which Villagers got donors to pay for) and got them Internet access. Columbia Sportswear should have had it so good.

Now Villagers have their own website, email addresses, a “Survivor”-like system of self-government, possess 501(c) (3) non profit tax status to better beg for donations, and lobby city hall on a host of issues, among them, the anti-war resolution recently reintroduced by Sten, which fell to defeat.

The Oregonian, usually a Sten fan, argued in a 2002 editorial, “Sustainability may be a fine goal in some arenas but making homelessness more sustainable makes no sense as public policy. We should be doing what we can to move the homeless into housing. Dignity Village helps the homeless stay homeless.”

The story goes that when San Francisco Mayor Willie Brown came to town some months back, he gave city leaders a little dose of “what for.” Some Portlanders who heard him speak had to chuckle. The mayor of the city that has experimented with giving homeless people shopping carts to give them a sense of “ownership,” shook his head at and wagged his finger at city leaders for allowing Dignity Village to flourish. The imperious and liberal mayor of the one of the nation's far left cities was remembering the old days when a tent city encampment stayed for years near San Francisco's city hall. Even Willie Brown booted them out.

Back at Dignity Village, Dog Dave is considering his future work. He thinks he has a gift for training animals and may pursue it as a career. He's skipped around from city to city and says he's found a home here. He's been on the street since he was 15. He's 35 now.

## POWER GRAB

Erik Sten is nothing if not an opportunist. When Enron went toes up due to cooking the books and shady power trades, Sten became interested in buying one of its premier properties, Portland General Electric. The city that has to raise taxes on business at every

turn now apparently has the fiscal juice to buy the utility. Sten uses the bad boys of Enron to sell the idea of taking over the utility by the good guys (the city) so such a thing could never happen again. The Portland Business Association called it “a hostile take over” because Sten’s plan is to use the power of the city’s eminent domain law to condemn PGE in order to seize it.

Not one of the dozen or more business leaders BrainstormNW spoke to thinks this is a good idea. Not one.

Sten started floating the idea of buying the utility last summer. He began lobbying the mayor and she soon caught the vision, agreeing to spend \$500,000 for a feasibility study. Soon Sten started playing up the slogan “Get Enron Out of Portland,” and signs parroting his slogan began turning up at meetings.

“A lot of us wouldn’t mind if those Enron guys go to jail,” a Portland business leader, who didn’t want to be identified, told BrainstormNW. “But PGE was a well run company. PGE is a model corporate citizen. It would be criminal to take it over.”

“For God’s sake,” he goes on, “we’ve got roads, bridges to look after and water and sewage computer systems to pay for. We’ve got 100 things the government is supposed to do—running PGE shouldn’t be one of them.”

But Sten believes this is right up the government’s alley, “I don’t believe that government should do that which only the private sector can’t do. I think the private sector did fine at producing electricity, but when the private market does well at providing the electricity it’s not because it’s a true free market, it’s because the government has granted it a monopoly.”

So, with that reasoning, Sten believes, why not just take the whole thing over? Sten sees it as a way to fight back at the good old boys network and protect ratepayers at the same time, “Who sold PGE? Who got rich off that? Who sold U.S. Bank to the guy who owned the house next door to the CEO in Palm Springs?” asks Sten. “The PGE governing body made the decision to sell to Enron. They didn’t know Enron was probably one of the most corrupt companies in the history of this country.”

One of Sten’s more bracing arguments for buying PGE is to make sure the utility doesn’t get broken up and sold off piecemeal in bankruptcy court. But, just as private sector utilities don’t operate in a vacuum, neither would publicly run utilities. The Public Utilities Commission would have a say in the matter in how the utility would be disposed, just as it has power over the rates now. And the PUC has gone on record as vowing to oppose any real or imagined break up of PGE’s assets. Besides, it would be a bad business move to break up PGE and sell it off a piece at a time. “It’s pretty much an integrated unit and breaking it up would diminish its value,” says one.

Having the city own the utility, however, makes it even more vulnerable to the political whims of those setting policy. It’s easy to see how Sten and company’s environmental,

work place, and contrarian views would make their way into the day to day policies of a utility over which the city had oversight.

Like PGE Park, when the city set forth standards which required operators to pay a “liveable” wage (well above minimum), have lower ticket and concession prices, and pay a huge percentage of the concession proceeds to the city—a nearly untenable business plan—it’s quite easy to see how the same scenario would play out when the city’s powerful social engineers run the power.

“The only thing Erik knows is government service. He doesn’t understand wealth creation,” says a Portland businessman who has dealt with Sten for years, and who, fearing city retribution, wants to remain anonymous. “He actually believes [wealth creation] is evil. He believes in wealth redistribution. How else could he call for a real estate tax in a recession? How else could he call for public financing of elections?”

Or as another put it, “He’s a damned socialist.”

Sten: “As far as being a socialist, I think I’m less interested in labels and more interested in funding things for people who need it. I think the community needs to provide affordable housing, health care and all those things.”

Look on the bright side—when you’ve been tapped out, Sten may let you set up your own Dignity Village.

\*\*\*\*\*

#### SIDEBAR: THE ERIK STEN FILE

10/67—Sten is born in New Haven, Connecticut to his mom, Peggy, a social worker, and dad Erik G. Sten, a law student at Yale

1969—Moves with family to Portland; attends Irvington Elementary and Fernwood Middle School.

1975—Parents divorce. Erik’s dad is assistant Oregon state attorney general (later leaves legal work and is an avid runner; eventually writes the Hood to Coast Relay book “36 Legs, 24 Feet, The Underground Hood to Coast Manual”)

1985—Graduates from Grant High School, named “Outstanding Student,” runs track, wrestles, is a drama student and National Merit Scholar. On student newspaper staff with Deborah Kafoury (now Oregon House Democrat leader), and is a buddy of Tom Walsh, Jr. (a developer, now married to Multnomah County Commissioner Serena Cruz and whose father is Tom Walsh, a successful building contractor, former Tri Met chief and Stanford graduate)

1989—Graduates from Stanford University with a B.A. in English. Covers college sports for Stanford Daily, works as a bouncer at a nearby nightclub (where he sees Red Hot Chili Peppers and Grateful Dead), member Beta Theta Pi fraternity (whose charter was yanked a few years after Sten left), campus activist. Receives internship in Washington D.C. Mayor Marion Barry's first administration (before Barry is caught dealing crack). Gets political bug

9/90—Begins work for Gretchen Miller Kafoury's (Deborah's mother) election team and then Portland City Commissioner office as a gofer; eventually begins work on low cost housing issues; hits Oregonian's radar screen

6/92—Sten and Kafoury propose city takeover of mortgages for 350 north and northeast Portland residents cheated by Dominion Capital, a mortgage company, whose principals eventually are found guilty of bilking a homeowner of \$6,549.00.

1993—Elevated to Chief of Staff to Kafoury.

1994—Marnie Vlahos, Sten's longtime girlfriend, and housing activist, is selected to head programs at the non-profit corporation, the Portland Community Reinvestment Initiative, which Sten has helped form to take over the old Dominion Capital mortgages.

1994—Backers of the then-proposed Chinese Garden are upset to learn Sten is working to place a shelter for mentally ill homeless people across the street from the tourist site. Backers of the garden call shelter a magnet for the homeless, a complaint Sten downplays.

1995—Wins two awards for his work on housing issues, one from the state of Oregon, one from a homeless advocacy group.

10/95—Sten, Deborah Kafoury, and now Multnomah county commissioner, Serena Cruz, get in the generation X groove and form the political action committee, X-PAC, to raise money for younger political candidates. Cruz is a friend of Sten's father-in-law and is Tom Walsh's daughter-in-law. The Oregonian's news side and gossip columnist fall all over themselves to breathlessly tell the news of the Gen-X angle. Sugar shock ensues.

5/96—Sten runs and loses for council opening when commissioner Mike Lindberg leaves.

7/96—While running for another open seat, candidate Sten tells the Oregonian, "If we eliminate special interests, we can make government work for everyone. That is why I'm accepting no contributions over \$25...and if elected will donate my salary to Portland food banks." Now says he never remembers making that promise.

7/96—While the Oregonian editorial board eventually endorses an opponent, the news side's election coverage includes fawning articles on wunderkind Sten.

9/96—Sten rakes in twice as much in political contributions leading up to election. The Oregonian reports Sten's major contributors include Tom Walsh, senior; Walsh's wife, Patricia McCaig, former chief of staff to Gov. Barbara Roberts, then a Metro Counselor, now political operative working with Portland pollster, Tim Hibbitts; Gretchen Kafoury; and outgoing commissioner, Earl Blumenauer

11/96—Sten is elected to fill the term left by Blumenauer's departure for Congress. Sten is 29. Assignments include overseeing Public Works, including Water Bureau and Housing. Eventually Serena Cruz is hired as an aide.

1997—Named as "Ones to Watch" by the Oregon Business Journal. (In retrospect, perhaps they should have watched a little closer.)

1997—Sten elects to upgrade Water Bureau's computer billing system at a cost of \$6.5 million. It includes a "greening up" using the "Natural Step" sustainability model to include incentives for water savers, billing business users—especially large water users—more and attempting to extinguish what the "Natural Step" program defines as injurious behavior to the environment. Computer system to go online 12/98.

10/97—On the issue of Gen X-ers not voting, Sten claims, "The idea that to make a difference you always have to vote is, to me, pretty thin."

11/97—Council decides to raise business taxes to help Portland Public Schools. Business and city leaders have worked out a 0.05 percent increase, but Sten is the "one lone official calling for a minimum acceptable increase: 0.75 percent." Business groups get ticked off.

6/98—There have been some strong signals sent by the City Council that, "despite some of the setbacks, there's going to be constant political support of gay rights on the council," said City Commissioner Erik Sten, who co-sponsors the "human dignity" ordinance with Mayor Katz.

1998—Sten is presenter at United Nations Conference of the Parties on Climate Change in Buenos Aires, Argentina

1998—Re-elected to council. Sets contribution records for council races. Receives Oregonian endorsement.

8/98—Gossip maven and Oregonian three-dot columnist Jonathan Nicholas crowns Sten one of the city's "top dogs" on housing issues; calling the young commissioner "Erik 'Stilton' Sten," "because he gets better with age."

12/98—Promised date new water billing system is supposed to be ready. It's not even close.

1999—More water computer system deadlines go by. Because of the delay, Sten decides to spend another \$350,000 to do Y2K upgrades.

8/99—Baptised into the Greek Orthodox religion, his designated godmother for the event, Effy Stephanopoulos, is the aunt of former Clinton White House Communications Director turned ABC news host, George Stephanopoulos. Sten says he's met him once.

9/99—Marries Marnie Vlahos in two ceremonies, one in Portland, one in the Greek village from which her family comes.

1999—Named Oregon Sierra Club Elected Official of the Year.

2/4/00—Water Bureau computer experts say new computer system isn't ready to fire up; 49 flaws are outlined in memo to officials to outline why it isn't ready.

2/18/00—Water Bureau Chief Sten, and water executive, Mike Rosenberger, order the system turned on and the old system turned off. Water billing chaos results. Forty-thousand customers either get no bills while others are billed for hundreds of thousands of dollars. One small office in Portland is sent a bill for \$399,000. The city has no way to tell who's paying and who's not.

7/00—Sten votes in favor of deal for city to spend \$40 million to help upgrade old Multnomah Stadium, with Portland Family Entertainment to run stadium and buy Triple A ball team. PGE comes in as major corporate sponsor; is hailed as a corporate hero. PGE Park is born

7/00—Five months after water billing computer is turned on and billing is in chaos, the problems are reported. The computer contractor, Severn Trent, says the problems with inability to enact the billing reforms, such as discounts for wise usage, are normal.

2/01—Sten tells Portland Business Journal he's in favor of abolishing tax breaks designed to lure business to Portland.

2/01—Sten's eagerness to tax business prompts Portland business leaders to consider running a candidate against Sten in the next election cycle.

6/01—The Portland Utilities Review Board calls for an outside investigation of the billing problems.

6/01—Nearly a year after memo from Water Bureau technicians outlining flaws in system and urging that it not be turned on is written, the story makes its way into print. Sten and Rosenberger claim never to have seen the memo.

6/01—Sten asks water executive Rosenberger to resign.

6/01—Sten and rest of City Council vote to raise water rates by 1 percent and approve other reforms to help pay for Water Bureau’s computer mess.

7/01—Oregonian enthuses in glowing article that Sten is moving to “moderation [that] could be chalked up to growing up.” Article mentions in passing that the water billing fiasco is “humbling” to Sten.

7/01—Water Bureau executive, Mike Rosenberger, is paid \$120,000 to get out of his city contract. His annual pay was \$105,000.

2001—Sten calls for regionalizing the Bull Run water supply to share costs and benefits of combined ownership of the water with suburbs.

8/01—Columbia River Inter-tribal Fish Commission gives Sten the Award for Local Government Partnership to the Portland Endangered Species Act Program.

9/01—Sten approves \$7 million cuts in spending and future building projects in water and sewer department in response to computer snafu.

10/01—Outside consultant predicts Portland must scrap water billing computer at a minimum cost of \$15 million if it wants the functions it contracted for. The Oregonian compares billing snafu to the notorious failed computer upgrade at the state's DMV department in 1996.

11/01—Sten says water billing computer is just about working.

12/01—City report says another \$3 million should pay for getting bills out to remaining 8,000 customers still not receiving bills.

4/02—Sten runs for re-election; leads opponents in raising campaign cash by raising nearly \$94,000 in one reporting period. Top donors include Ken Novack of Schnitzer Investments, Dr. R.B. Pamplin, and other businesses with city ties.

5/02—The Oregonian endorses Sten (and commissioner Dan Saltzman) as “good, if not perfect” candidates.

5/02—Sten is re-elected to city council despite the Water Bureau computer problems targeted by his opponents, who include a former Clackamas County deputy district attorney. Sten tells the Oregonian, “I don’t think there’s any doubt that voters were aware the system was a serious mess, but we’ve been honest, and we’ve taken steps to fix it.”

6/02—Sten is fired from Water Bureau by Katz and is put in charge of Fire Bureau. Water issues are reassigned to Dan Saltzman, who has an engineering background. Mayor Katz says Charlie Hales’ departure prompted the change.

6/02—The Oregonian reports the tally on the water billing fiasco stands at \$17 to \$29 million in lost collections and over-budget costs.

6/02—Sten is given a fellowship to attend Fannie Mae Foundation Fellowship to attend Harvard University's John F. Kennedy School of Government for his work on housing issues.

7/02—Sten floats idea of a city takeover of Portland Gas and Electric.

8/02—Sten and Mayor Katz officially call for public takeover of Portland General Electric following the collapse of its parent company Enron. Sten makes the takeover a mandate on the ethics of the discredited Enron, calling longtime Portland PGE executives, "paid spokespeople for Enron." Signs begin appearing at hearings saying "Enron out of Portland."

8/02—City Council votes to pursue "city's options" on future of sale of PGE including condemning it to save it. Approves spending \$500,000 on feasibility study.

8/02—In heat of council races, Portland City Council candidate, Randy Leonard berates the city and county commission (where opponent Cruz is a commissioner) for picking on business, such as pushing longtime Portland company and international apparel manufacturer Columbia Sportswear out of the city. Vows to change "city think."

9/02—Portland Business Alliance attacks the idea of the city condemning Portland General Electric in order to take it over, calling it "a hostile take over by government" and a move that would scare other business away from the city.

9/02—One year after the terrorist acts of 9/11, City Council votes to continue cooperation with the Joint Anti-Terrorism Task Force amid a raucous public hearing. Among those voicing their opposition to re-upping: the Oregon Sierra Club, League of Women Voters, and residents of the homeless tent city sanctioned by the city, Dignity Village.

9/02—Sten works out a deal to allow the 60+ people who live in "Dignity Village" tent city by the Portland Airport to stay put for another year. The deal calls for them to pay for any and all costs incurred. The city continues to allow villagers to plug into its nearby city outlets, provides Internet service, help to maintain its own website, and allows portable toilets to be carted in and out two times per week.

10/02—Sten uses some of his leftover campaign cash to donate \$1,500 to Serena Cruz's City Council race. Sten reportedly leaks information to news media about her opponent, state representative turned council candidate Randy Leonard, about receiving sick pay while running for office (turns out it's legal). Sten's wife is also an active participant in the Cruz campaign. Sten and Leonard conduct a shouting match on the phone over the issue. Feathers fly.

10/02—Sten calls for public financing of elections: “Big money sows the seeds of distrust in government, as the media and citizens are quick to follow the money and hypothesize about the motives really driving decision-making.” Business interests see it as a direct reply to the Portland Business Alliance forming a Political Action Committee and declaring it will begin endorsing candidates.

10/02—Sten considers bringing anti-Iraq war resolution to council. Backs off when President Bush seeks United Nation’s blessing.

11/02—New Water Commissioner, Dan Saltzman, says the computer billing system has to be scrapped and replaced at an additional cost of \$26 million.

11/02—Sten gives in to the fire fighters union when it balks at asking fire fighters to transfer their own handwritten incident records on computers back at the firehouse. Proposes several solutions that could include spending \$50,000 on palm pilots and software to make data transfer easier.

11/02—Dignity Village deadline to move off of city-owned land near Portland International Airport is given another extension until next fall.

12/02—Water Bureau announces need for 10 percent rate increase to help pay for computer fiasco.

12/03—The Oregonian editorial page calls for Sten to get the city out of the Dignity Village tent city “quagmire,” saying sustainability in some arenas is swell, but sustaining homelessness is counterproductive

1/03—City works out deal for water billing computer company, Severn Trent, to pay \$7 million. Total loss due to changeover nearly \$30 million, not counting the additional \$26 million to cover the cost of a new system. The city, however, must pay contractor Severn Trent \$385,000 to run it for each of the next three years. A secrecy agreement between city and contractor prevents a full disclosure of what went wrong

1/03—Sten attends anti-war meeting at First United Methodist Church. Also in attendance, his old boss, Gretchen Kafoury, a representative from Congressman Earl Blumenauer’s office, Ecumenical Ministries of Oregon, the Interfaith Council of Greater Portland, Mercy Corps and Physicians for Social Responsibility.

1/03—Sten proposes anti-Iraq war resolution before council.

1/03—Anti-war resolution fails on a tie vote before city council (Commissioner Dan Saltzman is not present; says he would have voted against the resolution anyway).

2/03—City and county leaders call for additional personal and business local income tax to forestall teachers’ strike and prevent cut back in school year.

3/03—Sten and other commissioners call for increase in business and personal income taxes to help bail out schools, jails and social services. Sten says he may hold out for more business taxes depending on the need in each area.

Sources: BrainstormNW interviews, the Oregonian, Willamette Week, Erik Sten, Portland Business Journal