



LIFE : HEALING : PEACE™

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Paul R. Stewart
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April 4, 2018

Katy Coba
Director, Oregon Department of Administrative Services
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Fariborz Pakseresht
Director, Oregon Department of Human Services
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Mr. Pakseresht and Ms. Coba:

Thank you for your recent letter informing me of your decision. Let me be clear – I have no problem with DAS/DHS signing a lease with Rubicon Investments for the development of the new DHS building. To that end, I have made a proposal to you, via the Governor's Office, and to Rubicon Investments that creates a win-win in this situation: DHS gets the building it wants; Rubicon gets the business transaction and lease on that building that it wants; and the community gets not just one building project, but potentially two with a second transaction that results in new movie theatres being built at Timbermill Shores. The only caveat is that Rubicon would build the DHS building on the Klamath Works Campus instead of at Timbermills Shores.

It is a proposition that essentially every civic leader, business leader, and elected official in this region supports. It is not just about this single business transaction – it is a proposal that if viewed from a bigger picture stands to help propel continued economic development in this community that will help solve many of our social challenges, eventually decreasing local dependence on welfare services, and build upon further collaboration and unity.

I also want to be absolutely clear – I believe we have many wonderful DHS employees locally who are working hard to serve their clients and help them improve their life situation or deal with a specific challenge. I in no way want anything I say or do to impugn them and the work they do.

While this may not have been your intent, you finally validated in your recent letter at least three contentions I have been making all along:

1. You have confirmed that the RFP process is by and large a sham process. The scoring methodology used by DHS is non-binding, irrelevant, random, subjective, not based on facts and actually has little if any bearing on the site selection – you have admitted that DAS and DHS are not at all bound by the scoring, and in essence have complete latitude to choose the site they deem "suitable" regardless of facts presented in compliance with the RFP. You choose the site, then bend the narrative to fit your selection. You did not choose the highest scoring site, nor the lowest bid, at least not until a bizarre round 3 of financial bids. In so doing, you have wasted



countless hours of time from all parties involved, not to mention taxpayer funds in the process. I find this distasteful, to say the least.

2. You have validated that not only did you not seek public input, you have demonstrated little to no understanding of what constitutes the Klamath Works Campus, as opposed to your perception of the Klamath Works Program, which is not the same thing. This lack of knowledge and understanding clearly resulted in biased scoring by you and DHS staff, and resulted in you rationalizing the site selection chosen as simply “suitable”, whatever that means. Any past interaction or dealings with the Klamath Works Program should have little bearing on the analysis of the suitability of the Klamath Works Campus – they are not the same thing, as I will point out below. The Klamath Works Program has a board and leadership completely independent of the Klamath Works Campus, LLC. Again, they are unrelated entities, cohabitating a campus with a similar name.
3. You have validated that it is completely within your control to facilitate a resolution to this matter by bringing the parties together in pursuit of the alternate proposition that is on the table. Rubicon Investments representatives have intimated to local economic development staff that they would be receptive to the conversation if the state were to initiate it. The proposed resolution results in Rubicon Investments getting the lease and business deal with the State that they seek without the need for further traffic studies, waivers, and rezoning; it results in further appropriate development at the Timbermills Shores site; and it results in broad, near unanimous community support for both projects as we work together to improve the social fabric of our community. DAS and DHS have the opportunity to come out heroes for our community. Absent that, I assure you that you will be receiving many more letters than just the ones you’ve been getting from me.

While your legal review provides you the assurance and cover you were looking for that the process followed your real estate siting/procurement laws, I and most other leaders in this community still maintain that it was a very poor decision – probably one of the poorest decisions ever made on behalf of this community by a state agency. Your process is clearly flawed and subject to significant bias, if not cronyism. You have been presented an opportunity to correct this situation.

As a related aside on the process issues, you still have not answered my prior question of whether or not Cushman & Wakefield has a prior working relationship with Rubicon Investments. And, we are now being told that the fee arrangement to Cushman & Wakefield has certain variabilities within it depending upon the applicant proposal. We are also now wondering why, for one site visit, the applicant was told they could not speak to the site reviewers and were discouraged from being present, at another one they were told they could not hand out materials, and at a third one, they not only spoke to the reviewers, they fed them and handed out materials. Let me just say that just because something may be determined to follow obscure, poorly written laws, does not make it right. Right is right, and wrong is wrong.

Your most recent letter validates the bias and ill-informed nature of your decision very clearly, erroneously referring to the Klamath Works Campus as focused on “unemployment and poverty”, and that the population DHS serves is a “different clientele” than served at the Klamath Works Campus, such as “children, families, the elderly and people with disabilities”. Such a statement shows either bias and manipulation, or true ignorance by those evaluating these sites, and reveals your bias against that Campus site because you do not understand it and you *chose not to understand it*. **The Klamath Works Program – which does focus on the unemployed or underemployed - and the Klamath Works Campus are not synonymous**, a fact I’ve tried to share with you but it does not appear to be registering. Specifically, the Klamath Works Campus includes the following, existing and/or planned services:



1. **A homeless shelter** serving all walks of life, *children, families, adults, elderly* – close proximity of this shelter to government support services is viewed as critical to helping these, our most vulnerable citizens, get the support and assistance needed, rather than remain nameless, invisible, and falling through the cracks.
2. A **sobering station**, aimed at early interventions to help those with addiction problems gain access to tools and support to help alter their life.
3. **Community outreach navigators**, helping the disadvantaged, especially the *elderly* poor in our community, navigate access to health and social services, with a particular focus on those most compromised.
4. **Chronic disease case managers** working closely with our CCO to help those most at risk for poor access to healthcare remain in their home, most of whom are *elderly or disabled*.
5. **Transportation services**, designed to help our high risk population get support with groceries, doctor visits, getting prescriptions filled, all happening while our navigator/drivers assess at-home situations and vulnerabilities; they focus on the *elderly, single parent homes, and disabled adults*.
6. **Klamath/Lake Community Action Services**, a private non-profit agency focused on helping people with housing, energy assistance, *family* navigators for single parents, *family* development, *parenting* classes, life skills workshops, etc., is next in line evaluating relocating to the site.
7. Next door is the **Klamath Family Head Start** program – I hope it goes without saying that they serve *families and children*.
8. Next to them is the **Klamath Open Door Clinic**, a Federally Qualified Healthcare Center focused on serving low income and disadvantaged citizens with a full array of medical, dental, and other services serving *children, the elderly, and the disabled*.
9. **The Klamath Tribe** is expressing an interest in relocating their food bank services to the Campus, serving of course *families, children, the elderly and the disabled*.
10. And lastly, Klamath Works, the program you reference as focused on “unemployment and poverty”. This is, in fact, the smallest program on the campus, yet you seem to view it as consuming the campus.

Your defense against not choosing the Klamath Works Campus because you supposedly believe the above services do not serve “...children, families, the elderly and people with disabilities” is preposterous. You made a token offer to out-station some “self-sufficiency” staff at the Campus – why aren’t you interested in collaborating on serving ALL of the above referenced individuals?

I ask you – in determining a “suitable” site that coincides with the “clientele” DHS serves, which services is the Timbermills Shores site located in close proximity to? The answer of course is none. Your letter in essence says “Well, we didn’t choose the Klamath Works Campus because we believe they serve a ‘different clientele’ (the unemployed or in poverty), so we’ll choose a site that is not by any services”. This sounds ridiculous to me.

Therefore, I ask again – what is it that makes the Timbermills Shores site “suitable” as you have put it? You have now fostered a decision that will maintain the siloed mentality that persists in government social services, to the detriment of those they are supposed to serve. You had an opportunity to be part of an innovative, creative and nationally recognized approach to coordinating social services in our community, and failed to take advantage of that opportunity.



I can only conclude therefore that you found the Timbermills Shores site “suitable” because it has a nice view, provides easier access to a few downtown restaurants for the DHS employees, and is not located near the apparently deplorable people the Klamath Works Campus seeks to serve. There is “word on the street” that DHS decided they did not feel safe being next to a homeless shelter. If true, I find this extremely disturbing if not ironic – DHS’s main Klamath Office has been within a stone’s throw of the Klamath Falls Gospel Mission for decades. I find the very thought that DHS possibly did not want to be near the people they are supposed to help and serve to be shameful.

Lastly, your letter refers to ORS.276.429 to consider “cost” in this type of decision – I point out once again that the Klamath Works Campus site was lowest cost after Round 1 of the RFP analysis; it was again lowest cost after Round 2; but this didn’t fit the desired narrative, so a third bizarre round was initiated with varying counter proposals to the applicants and a variety of TI bids sought, clearly a manipulative process; even then, the Klamath Works Campus bid was within <2% of the \$0.00 TI analysis in Round 3 – i.e., <\$500,000 spread over 15 years, about 5 cents/SF, hardly compelling.

It is now apparent why the bias and bizarre scoring of the sites showed what they did – how else, for example, does a site that was only able to promise 150 parking spaces gets scored higher than a site that could guarantee 340 spaces, and other similar biases in almost all of the categories. And if these scores were irrelevant, as you’ve now clearly stated, why did you hide behind them in early press releases?

Clearly, someone’s mind was made up about where the most “suitable” site was going to be – yes you may have been “legal”; but you have engaged in a process that was severely biased, ill-informed, manipulated, a sham, a waste of time and resources, and resulted in a very poor outcome for our community.

You have now finally admitted what I contended all along - that you were not bound by the scores, biased as they were, and behind which you hid during early announcements of the decision, nor did you provide an open, transparent process based upon facts and community input. You simply made the choice you wanted to make, not the one this community wanted to see done. Thank you for admitting that you were unwilling to consider the values and wishes of this community. However, you have also clarified that it is within your power to correct this situation.

I am not a proud Oregonian right now.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul R. Stewart". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul R. Stewart
President and CEO

Cc: Gov. Kate Brown
Annette Liebe, Regional Solutions Coordinator, Office of Governor Kate Brown
Rep. E. Werner Reschke
Sen. Dennis Linthicum
Sen. Jackie Winters
Sen. Betsy Johnson
Rep. Mike McLane
Klamath County Commissioners
Klamath Falls Mayor Carol Westfall
Klamath Falls City Council