



P O R T L A N D
CITY AUDITOR
Elections

October 31, 2022

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DELIVERED ELECTRONICALLY

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Schnitzer Properties Management, LLC
c/o Jeff Nudelman
1121 SW Salmon St., Suite 500
Portland, OR 97205

Jordan Schnitzer
1121 SW Salmon St., 5th Floor
Portland, OR 97205

**Notice of Determination
No Violations**

Campaign Regulation Complaint No.: 2022-04-SPM

Dear Jordan Schnitzer and Schnitzer Properties Management, LLC:

The Auditor's Office received Complaint No. 2022-04-SPM on September 29, 2022, which alleged that Schnitzer Properties Management, LLC, unlawfully contributed in-kind donations in the form of rent and parking to the campaign Rene for Portland in excess of the City's contribution limits. The complaint alleged violations of [Portland City Charter Section 3-301](#) and corresponding [Portland City Code Section 2.10.010](#).

The Auditor's Office has determined that the evidence is insufficient to find that a violation of campaign finance regulations occurred.

Investigation and Findings

The Auditor's Office sent Notice of Complaint No. 2022-04-SPM to Schnitzer Properties Management, LLC (Schnitzer), on October 3, 2022. Schnitzer provided a response on October 17, 2022. The City Elections Office conducted an investigation of this complaint, and the findings of fact are as follows:



Previous Related Investigation

The Auditor's Office received a related complaint alleging that candidate committee Rene for Portland received contributions from Schnitzer in the form of subsidized rent and parking. The Auditor's Office referred the information to the Small Donor Elections Program (Program), because candidate Rene Gonzalez is a participant, and that Program is not part of the Auditor's Office. The Program conducted a separate investigation to determine if there was evidence of violations of its regulations. The Program's investigative findings bear on those of the Auditor's Office because contributions allowed by the Program are also allowed under the campaign finance regulations that fall under the authority of the Auditor's Office.

Small Donor Elections Program Findings Summary

In its investigation of referred [Complaint No. 2022-03-RG](#), the Program found that Rene for Portland violated its requirements by accepting Schnitzer's in-kind contributions for both parking and rent. It found no portion of the subsidized parking or rent from Schnitzer qualified as an allowable contribution from an allowable contributing entity under its regulations. The Program valued the cost of subsidized parking at an estimated fair market value of \$230 per month per parking space. It issued its determination on September 20, 2022. See the Program's [Administrative Sanction – Proposed Penalty](#) letter.

Auditor's Office Findings Summary

The Auditor's Office used the Program's estimated value for parking in the Auditor's determination of Complaint No. 2022-03-RG, finding that Rene for Portland violated campaign finance regulations by accepting the in-kind parking contributions. The Auditor's Office also found that under the Auditor's regulations, there was no violation for in-kind rent contributions. Code Subsection 2.10.080 E.2, which is enforced by the Auditor's Office, does not consider "rooms...for use by a candidate committee free or at a reduced charge" to be "contributions." The Auditor's Office issued its determination on October 20, 2022, the statutory deadline. See [Complaint No. 2022-03-RG Notice of Determination of Violations and Civil Penalty](#).

Administrative Hearing on Small Donor Elections Program Determination

Rene for Portland appealed the Small Donor Elections Program's determination to the Office of Administrative Hearings on October 6, 2022. Administrative Law Judge Joe Allen heard the matter and issued a Final Order for the appeal on October 27, 2022.

Judge Allen Final Order Summary - Parking

Judge Allen concluded that the Program failed to prove Rene for Portland paid less than fair market value for the office space, which included parking. Judge Allen found the Program could not justifiably separate the parking from the total subsidized rent. Judge Allen concluded the Program failed to justify its assessed fair market value for the office space and its separate assessment for the parking. The Final Order concluded that the Program did not prove Rene for Portland received prohibited contributions from Schnitzer. See [OAH Case No. 2022-ABC-05692 Final Order](#). The Auditor's Office therefore concludes that the parking is, at least as of the date of the issuance of this decision, an amount that is allowed by the Program.

Judge Allen's Final Order is a final decision under City Code 2.16.170, unless the Program appeals it. No appeal had been filed at the time of this determination. The Auditor's

Office expresses no opinion as to whether Rene for Portland has, in fact, violated the laws the Program is responsible for enforcing or the likelihood of the Program's success in prevailing on its original determination should it appeal.

Conclusion and Outcome

With consideration to facts relevant to Complaint No. 2022-04-SPM, the Auditor's Office finds Schnitzer's provision of discounted rent for rooms to Rene for Portland does not qualify as a "contribution" as defined under City Code 2.10.080 E.2. The Auditor's Office also finds that the current status of fair market value evidence regarding the provided parking is insufficient to find that the parking qualifies as an in-kind contribution.

The Auditor's Office, therefore, finds the evidence does not substantiate violations of City Charter Section 3-301 and corresponding City Code Section 2.10.010.

Additional Authority and Appeals

This Notice of Determination is issued pursuant to the Auditor's authority under City Code Section 2.10.050. That section sets forth the process for implementation and enforcement of the provisions of City Code Chapter 2.10, including the recipient's appeal rights.

The recipient may request a reconsideration of this decision at any time before the decision becomes final, as provided in the Auditor's Administrative Rule [ARA 13.03\(D\)\(5\)](#).

This Notice of Determination becomes final within 30 calendar days from its issuance unless an appeal is filed. An appeal may be filed with the Multnomah County Circuit Court within 30 days of the issuance of a decision, as described in [City Code Section 2.10.050 I](#) and Auditor's Administrative Rule [ARA 13.02\(D\)\(6\)](#).

Sincerely,

A handwritten signature in black ink, appearing to read "Louise Hansen". The signature is stylized with a large initial "L" and "H".

Louise Hansen
City Elections Officer