

Judge orders city to stop loan activity

Circuit Court Judge Jack Mattison said the city's urban renewal loan activity is illegal

By Michael Burnham
Community Editor

In the latest episode of the Eugene's soap opera-like relationship with its citizenry, four activists filed a suit against the city because of what they claimed to be illegal spending misappropriations by the city's Urban Renewal Agency. But according to a city official, the accusations of illegal spending are false.

The suit was originally filed by plaintiffs Neale Hyatt, Ray Wolfe and Robert and Virginia Freeman, and it was reviewed earlier this month in a Lane County Circuit Court. On March 10, Circuit Court Judge Jack Mattison ruled in favor of one of seven motions against the city and the URA; however, the judge's one ruling states that the city's urban renewal loan activity is illegal and has to be stopped. Mattison also urged the city to re-examine its URA spending practices.

The ruling came after the plaintiffs claimed the city has been loaning property tax revenues out to city businesses. Additionally, the plaintiffs said the loaning of such taxes to businesses is illegal and in violation of the Oregon Constitution.

According to plaintiff Neale Hyatt, some of the loans have gone into default in past years and the city has not made adequate efforts to collect on the delinquent loans.

In a Friday afternoon press conference, Hyatt and fellow plaintiff Ray Wolfe stated their case to the public in City Council chambers. In light of the ruling, Hyatt and Wolfe submitted an open letter to the City Council demanding accountability and reasoning for what they claim to be spending gaffes.

"The question is: How is the council going to find out why this happens all of the time?" Hyatt said. "We want to know how the city will get back the loans and who the loans were made to."

The plaintiff's claims stem from a review of city documents that outline the URA's spending records. At the press conference, Hyatt pointed to such a document dating from 1995 that outlined various downtown businesses that have received loans from the URA.

"We cannot just tolerate this trend in city business," Hyatt said.

But according to Bob Hibsman, URA section manager for Eugene, the city has not lost any money from loaning funds out to city businesses.

Additionally, Hibsman said that all monies the city has loaned out in recent years have been legal and that the city has not used property tax revenues to make such loans.

He noted that the city has loaned out \$2.9 million to local businesses since the mid-1980s without losing any money.

"In the \$2.9 million ... we have not lost a dime," he said.

Hibsman said he believes

the plaintiffs misinterpreted the URA's annual spending audit report and assumed the city has made bad loans.

He said he believes the plaintiffs incorrectly extracted the losses due to the manner of the document's makeup. He added that there is an assumption built into the document that there will be uncollected loans, but that, in reality, the city did not lose any money from defaulted loans from the businesses.

"I guess I'm surprised [Hyatt] never asked for specifics," he said. Hibsman added that he is also a little surprised at the court ruling, and that the city will reword future audit reports in order to prevent similar misunderstandings.

"The city will clearly segregate and identify the sources of the funding," he said. "Basically, it's an accounting exercise."

ASUO pleased with term's success

The ASUO achieved most of its goals for winter term despite political problems

By Doug Irving
Student Activities Editor

Internal debates. Absence. Removal hearings.

The ASUO achieved most of its goals in spite of problems that plagued it throughout winter term.

It pressured the library to extend its hours on week nights. It presented 2,000 postcards to Congress asking for better terms in the Higher Education Act. And it completely restructured student government.

"This was the most political term — that was so distracting," Vice President Ben Unger said. "But besides those little games, I'm not disappointed at all. Considering the circumstances, we were superheroes."

The ASUO stalled at the end of

January after it announced its proposed budget included staff cuts and an office reorganization. Staff members questioned whether the changes were needed and whether the cuts were justified.

The final budget reorganized the ASUO and created a new position hired through the Oregon Student Association. That should help future administrations maintain a high level of activism and coordinate its campaigns with other Oregon colleges. "We're going to be unstoppable," ASUO President Bill Miner said.

Miner and Unger also faced removal hearings last week. Scott Austin claimed the ASUO had discriminated against law students in appointing a Constitution Court justice. He also argued Miner had failed to fulfill his duties by waiting longer than the three weeks required by the Constitution to make such an appointment.

The court decided law students are not protected as a group

under discrimination laws. It also said Miner had failed to fulfill his duties but not to a degree that would warrant removal.

Those hearings, coupled with a trip to Washington, D.C., took up much of the ASUO's time at the end of the term.

Still, the ASUO accomplished almost everything it planned for the term, Miner said.

Knight Library will be open until midnight on week nights, although it will close earlier on the weekend. University students lobbied successfully for student interests in Washington, D.C. The ASUO also lobbied local legislators to watch out for student interests.

Miner and Unger will become a pair of lame Ducks on April 23. Their terms end on May 24.

"I'm going to miss it, a lot," Unger said. "It's like being on a long cruise, where you have all these fun things to do all the time. I'll be tired, but I'll be sad."

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