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and high utility and maintenance costs.

This month, in an effort to encourage residents to explore the neighborhood, the Living Cully Walks program will install maps at various intersections, showing safe routes, by bike or foot, to open green spaces.

The "Not in Cully" report emphasizes retaining affordable housing to prevent displacement. Last week, Habitat For Humanity Portland/Metro East broke ground on a 21-unit development at Northeast 64th and Killingsworth that will open in nine months. Hacienda CDC rehabilitated the 133-unit Clara Vista apartments and will replace the 108-unit Galaxy Hotel with a new 144-unit apartment complex.

Cully Park, a 25-acre space on the site of the former Killingsworth Fast Disposal landfill, is expected to open in 2017 and become the neighborhood's first park. Approximately 18 percent of wages related to building the park go to people living in Cully, and approximately 50 percent of the business contracts are with minority- and women-owned businesses.

The projects not only improve the neighborhood, DeFalco and others said, but create an identity that reflects Cully's character and diversity.

"Cully has struggled ... to build that identity and create that personified neighborhood," DeFalco said, because the neighborhood has lacked gathering spaces like a community center or a park.

The Sugar Shack could epitomize that emerging identity more than anyplace else. Now that it is in Living Cully's control, it is a blank slate.

Whatever the Sugar Shack becomes, it will be in stark contrast to what it once was.

For years, Cully was seedy and dangerous. Portland Police Bureau Sgt. Leo Besner, a member of the North Precinct's neighborhood response team, said the Sugar Shack was not the area's only problem. "The level and depth of criminal activity ... was much more deeply rooted," he said.

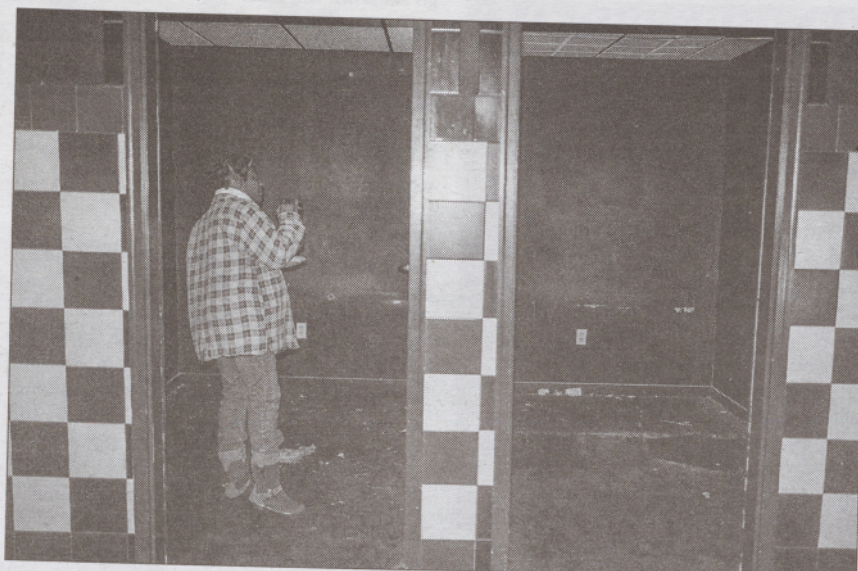
A trailer park directly down the street was a center for drug dealing, fights and prostitution until new owners evicted problem tenants. And a couple who owned a Cully auto dealership are under investigation on allegations of laundering money from drug sales.

Police responded to the Sugar Shack more than anywhere else. Police were called out daily on reports of shootings, fights, drug dealing and prostitution when the Sugar Shack, open 24/7, was at its peak of activity in the late 1990s and early 2000s.

The building's exterior corrugated metal walls make the building look like a tin can on its side. Inside, it is eerie, utterly silent and completely dark when the flashlights are off.

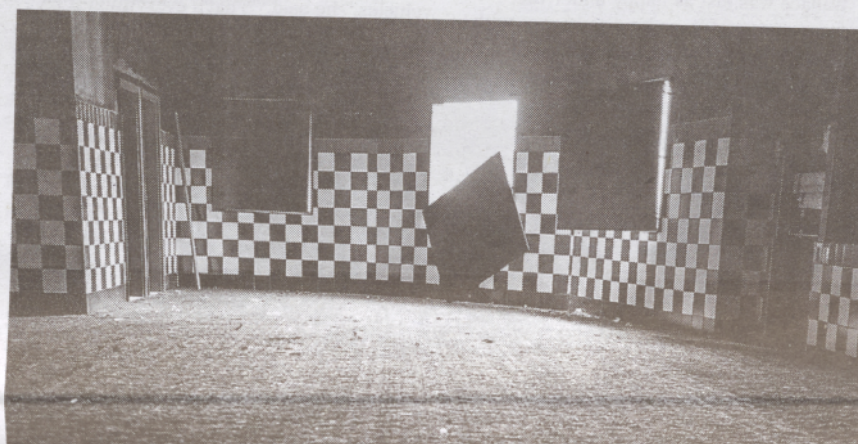
The entire interior is decorated with dark red carpet and alternating black and white wall tiles. DeFalco said the Sugar Shack's owners kept adding onto the building, making it a mishmash of hallways, rooms and doors that lead directly to the street. Natural light comes in through only a few of the building's doors, and it is easy to lose sense of direction and space.

Thick layers of dust cover the bars in each strip club. All the furniture has been removed. But it is easy to imagine tables and chairs, music, drinking and women on the



The Sugar Shack had dozens of small rooms presumably used for prostitution.

PHOTOS BY JOE GLODE



The interior is decorated with dark red carpet and alternating black and white wall tiles.

stages.

There are 30 small rooms throughout the building, barely big enough for the twin and futon beds DeFalco and others found when they first toured the building. The only other feature in the rooms is a coat hook on the door, which locks and opens from the outside.

The space where the adult video store was also has small rooms that were used as private movie theaters. Handwritten signs on computer paper still hang, taped to some of the walls. "No sex acts or touching of any kind," "ONE towel per show," and, in red, "ENJOY YOUR SHOW."

DeFalco shined his flashlight into a wall cavity where a TV would have been installed, and he pulled out a swimsuit.

One room contained taxidermic animals. The heads of musk ox, antelope, bison, deer and other creatures hung all along a terrace and lay on the floor.

"I don't know what went on in here," DeFalco said.

It isn't necessary. "It's been a bad place for a long time. It's not a bad place anymore," DeFalco said. "That's the central victory."

Ana Mendoza, 25, grew up in the Clara Vista apartments, directly across Northeast Killingsworth Street from the Sugar Shack. Her mother forbade her and her older brother from going across the street. Mendoza witnessed fights, saw men coming and going, watched women wearing "super tiny clothes" sit outside during the

day and walk up to cars that stopped, and saw signs advertising porn videos.

"The doors were all blacked out (so) you couldn't see what was going on inside. But I knew what was happening," she said.

"It was never safe to just be outside by myself," Mendoza said. "My mom was scared."

Mendoza was also scared. She could never guess what could happen to her walking down the street, but she always had to fear for the worst.

Reyes also grew up in the Clara Vista apartments. She said men routinely propositioned her and her friends while they waited at the 72 bus stop on Northeast Killingsworth and Cully. She laughs about it now.

Mendoza and Reyes both felt unsafe growing up in Cully, which Mendoza said made her feel secluded — from people who might have been her neighbors and from places she could not go.

Mendoza no longer fears the Sugar Shack. She helped serve arepas during a community meeting Sept. 17 where the strip club's restaurant once was. She said it is a space that now belongs to the Cully community.

The meeting's purpose was to gauge support for the three options Living Cully is exploring: selling the building to a responsible developer, leasing the building in its current condition, or raising \$6 million to redevelop the building.

DeFalco gave a tour of the building —

something he has done dozens of times for interested developers, residents and other parties.

"I never knew it was this big," one person said. Another asked how likely it was that a developer would work with Living Cully for a reasonable cost. DeFalco said he has already fielded numerous requests.

"We have an opportunity to be a little bit choosy in finding someone we want to work with," he said.

De Falco said a food production facility approached Living Cully about leasing 20,000 square feet of the space. The questions DeFalco asked were the same for any business interested in the Sugar Shack space: Are they willing to hire people who live in the neighborhood? What kinds of jobs would they offer? How much would they pay?

Teske says the coalition has already turned down a tire recycling company.

"It doesn't serve the community," Teske said.

At the meeting, people listened to informal presentations on the three options and left feedback, on sticky notes, weighing the pros and cons.

Full redevelopment has the best "potential to attract positive assets to the neighborhood," one note said. The only downside people noted was the high cost.

Based on the number of notes left behind, residents seem to lean toward renting the space in its current condition, leaving redeveloping and improving the space to individual tenants. It would take Living Cully one year to find tenants and ready the space. The cost is much smaller than full redevelopment: \$635,000, compared with \$6 million.

Renting the Sugar Shack would keep the space in the community's control, but it could be difficult to find tenants who could afford to fix up the space, and some spaces could sit empty longer than others.

Living Cully's leaders hedged when asked about their preferences for the space. DeFalco said he was neutral. After a long pause, Teske said he probably favors selling the building.

"We could do it fairly quickly. We would pay off our loan," he said. And "we wouldn't lose any money."

If Living Cully were to sell the building, deed restrictions would be put in place to prevent the space from becoming a marijuana dispensary, a liquor store, a gun shop or another strip club.

From a practical standpoint, it is the best option. But it would be a departure from Living Cully's history of taking control of, and changing the Cully community through grass-roots activism and collaboration that forces change.

"It's a tricky issue," DeFalco said.

Reyes, Mendoza and other Cully residents strongly wish to redevelop the building.

"No!" Reyes said, when asked about selling the building. "Why would you do that? We want something that will bring people here and help the community."

Mendoza said there are many stay-at-home mothers who could take classes at a community center to learn basket weaving or other crafts from their cultures and start their own businesses. She uses the word *artesanía*, Spanish for "craftsmanship."

Teske summarized the thoughts of those who support redeveloping:

"We went to all this trouble to get it. Why would we just get rid of it?"