



• Eugene lost one of its most creative artists last week. Cancer stole Catherine Vandertuin from us when she was far too young. In her too-short time here, Vandertuin, the founder and artistic director of Eugene Chamber Theatre, applied enormous energy, creativity and collaboration to the innovative theater/music productions of *Dust and Dreams*, *Antigone*, *The*

Descent of Innana and *Ice Cure*, the last adapted from an original manuscript. She also collaborated in various puppet and mask theater productions. Her vision was to create multi-disciplinary works that explored themes of balance and wholeness. Catherine brought Javanese gamelan music to Eugene in 1992 with the founding of Gamelan Nuju Laras, well known for accompanying labyrinth walks created by her partner, Jeff Burch. Although her theater work and family obligations eventually forced her to give up the gamelan, Catherine's contribution continues in Nuju Laras's successor, Gamelan Sari Pandhawa, and the 90-piece Javanese gamelan Gamelan Kyai Tunjung Mulya, whose construction she commissioned and supervised. Gamelan Kyai Tunjung Mulya was ultimately donated to the UO where it is used to teach UO students and other community members. Through her teaching at LCC, collaborations with other community artists, and irrepressibly creative spirit, Catherine made

Eugene a much more artistically vital place, and her legacy will live on in the audiences she touched and the artists she taught and inspired.

• The squabble between Eugene and Lane County over enterprise zone standards could lead to the death of the new enterprise zone, which is not such a bad thing, or a reversion to lax state rules, which is a bad thing. This is all about Hynix, but is Hynix really going to leave Eugene if it doesn't get monster tax breaks in the future? Seems highly unlikely. Meanwhile, this whole mess could have been avoided if our city manager and staff had hashed out local standards with county officials *before* applying to the state for the enterprise zone. Who has the most to lose politically if the EZ dies? Our mayor and councilors who favor reasonable restraints on corporate candy are likely to be unfairly tarred as anti-jobs and anti-workers in the next elections — particularly since the local mainstream media continue to give these complex issues superficial attention.

• We've speculated for years about DeFazio giving up his congressional seat to run for governor. We wouldn't expect him to run against Kulongoski in a Democratic primary (as Pete Sorenson says he'll do), but if Kulongoski gets fed up in the hot seat and DeFazio wearies of always being in the minority, anything could happen. *Willamette Week* this week (www.wweek.com) notes that DeFazio's been a *very* public figure in Portland lately, meeting with labor and business groups and even with the governor himself, "fueling speculation that he may jump in the governor's race." But DeFazio's office tells us there's no hidden agenda, just a series of meetings that had been scheduled during his "district work session."

Martin also says that the venue will continue to evolve with the ever-changing and growing interest in local music. Since its original opening in 1992 John Henry's has tried to maintain an image as a kind of Mecca and launching pad for Eugene bands.

In other clubs news, the Jazz Station, a new club featuring, you guessed it, jazz, opens this week at 68 West Broadway. Check out their grand opening Friday night. Black Forest owner Mike Neria just opened a new venue, El Dorado, in the former Sher's location at 3000 W. 11th Ave. And Da Houze is now closed and will soon move to a new, to-be-announced, location. — *Emily Freeman*

CORRECTIONS/CLARIFICATIONS

Last week's news story, "Fuel Fight," failed to report how two Lane County representatives voted on the biofuels bill, HB 3481. Rep. Robert Ackerman (D-Eugene) voted no along with Reps. Paul Holvey (D-Eugene) and Phil Barnhart (D-Eugene). Rep. Terry Beyer (D-Springfield) voted yes along with Rep. Debi Farr (R-Eugene).

news BY ALAN PITTMAN

\$300,000 Per Job

County demands city give Hynix more.

The Lane County Commission is demanding that the city of Eugene in effect give Hynix tax breaks of up to about \$300,000 per new job, if the corporation completes plans to expand its chip plant. But the Eugene City Council says it wants to cap such tax breaks at \$30,000 per added job.

Concerned about the potential huge loss of funding for already underfunded schools and other government services and skeptical whether such massive giveaways are actually needed to create jobs, the council voted 5-4 July 18 to give the county until July 22 to agree to a tax break cap. Without an agreement the city will seek to terminate the new enterprise zone (EZ) program.

"This community wants to help businesses, but not with a blank check," said Eugene Councilor Bonny Bettman.

The demands of the Republican and conservative-dominated County Commission have collided with the Democratic, progressive majority on the Eugene City Council to create a legal and political morass.

The county and the city co-sponsored an EZ application to the state this spring. Lane County participation was required because a small fraction of the zone falls outside city limits. State law makes the county an equal partner even though the city has about four times more land and lost tax revenue at stake.

In April, both the commission and the council passed resolutions in support of the application stating that they intended to impose a "per job created" cap on tax breaks in the new zone. On June 28 the state approved the EZ, but the next day the commissioners voted to not cap the tax breaks per job created.

The council voted to withdraw its enterprise zone application, but the state economic development department refused to allow the city to cancel the application and imposed the zone on the city effective July 1 without the cap.

Bettman says the city may have legal recourse to sue the county for "breaching the agreement" to include the caps.

But even if the city could successfully argue in court that the resolutions were a legally binding agreement that the county breached, the resolutions only refer to a cap

and not a specific amount. It could, however, be politically difficult for the county to argue that it wants to give away \$300,000 in tax breaks for each new job.

Bettman said the commissioner's aggressive fight to give Hynix huge tax breaks while they are "screaming poverty" and calling for big tax increases for public safety will make it harder for them to pass any future tax increases.

Under state enterprise zone law, the city cannot easily terminate the EZ on its own, city staff have advised.

The city could lobby the Economic Development Department to rescind its earlier refusal to allow the city to withdraw the application. But the department in the past has been a strong booster of Hynix tax breaks.

The city could attempt to force the department to cancel the zone by refusing to appoint a local zone manager. Under state law if a sponsor is unwilling to appoint the manager as required, "the director shall order termination of the enterprise zone."

Even if such legal strategies worked, the city could still face problems with state laws designed to favor corporate welfare over local control. State law does not allow reduction of EZ tax benefits by more than one-third, so the cap may not be able to be enforced beyond such a reduction. State law also includes grandfathering provisions that could allow Hynix to still receive tax breaks for 10 years even after the EZ is terminated.

The private law firm that does the city's

Staff also did not tell the council that the cap would be subject to the one-third limit in state law.

"They definitely were not voluntarily forthcoming with information that would have dissuaded us from making an application," Bettman said.

This isn't the first time. In 2002 city development staff did not provide the council with key information that could have reversed a close vote in support of an additional \$2.2 million tax break for Hynix. City officials said it was an "oversight" that staff did not tell the council that Hynix had filed a major tax appeal while asking the council for yet more tax breaks.

City staff have strongly supported Hynix since the corporation (formerly Hyundai) came to town. In 1995 staff secretly formed a "dream team" to help the company win permits to destroy wetlands, and withheld information from the council and public, documents revealed.

This also isn't the first time the County Commission has sought to force the city to give Hynix bigger tax breaks. In 1997 Lane County commissioners forced the Eugene council to give Hynix an estimated \$93 million more in potential tax breaks if the corporation built later phases. Like this year, the council then had also sought a per job cap on the giveaways.

In 1997, Hynix hired former Gov. Neil Goldschmidt to lobby county commissioners. Now, Jack Roberts, a former Republican gubernatorial candidate, is pushing the commission to oppose the city's tax break caps. Robert's directs the local Metro Partnership business lobby, a group partially funded by the city of Eugene. **EW**

'This community wants to help businesses, but not with a blank check.'

— *Councilor Bonny Bettman*

legal work, Harrang Long Gary Rudnick PC, also has Lane County and Hynix as clients. The firm has denied any conflicts of interest.

How did the city get in such a mess? Councilors mainly blame the county for renegeing on the caps, but they're also angry with city staff.

Staff did not tell the council before it agreed to apply for an enterprise zone that the County Commission might have effective veto power over any effort to later impose meaningful caps or community job quality standards. In contrast, city staffer Denny Braud did tell the County Commission April 6 that it would have approval authority over the job quality standards, according to meeting minutes.