

In the past the council has balked at using condemnation even for more public purposes such as park land in the south hills and Santa Clara and, ironically, to complete plans for a rail/bus depot with a new street through property Connor and Woolley own.

Kevin Matthews, director of the citizens group Friends of Eugene, said the city shouldn't only use condemnation "because somebody with a lot of money asks for it."

The city's limited condemnation experience indicates the property owners downtown may be wise to wait for a higher price. A few years ago an auto body shop on land for the new Federal Courthouse forced the city into condemnation. Rather than pursue costly litigation, the city settled for about double its initial offer.

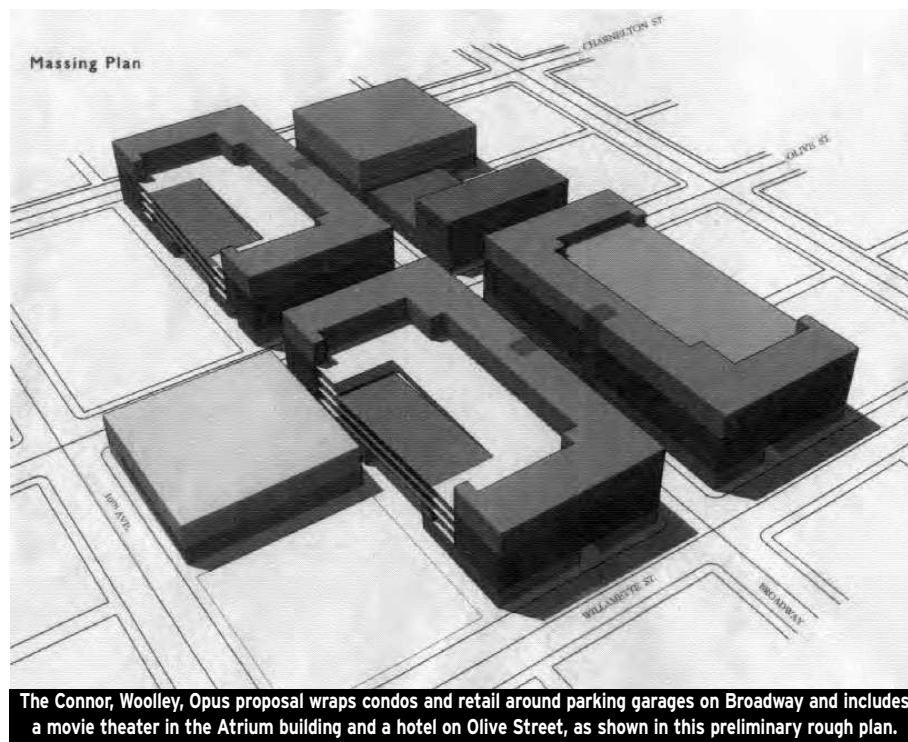
Prichard said the CWO proposal may not be able to afford to lose pieces of property or long delays. The national retailers CWO is trying to attract want to locate near other national retailers in a big project. "It takes a certain critical mass of those national tenants to get them to all jump onboard."

If land acquisition takes too long, the retailers may also be lost to other cities, Prichard warns. Prichard said even if all goes well, the project could take up to five years to complete and rent out.

## Slumming It

Condemnation opponents are particularly irked by the idea Connor/Woolley (CW) may now be trying to acquire properties after depressing downtown values by leaving the many buildings they own downtown vacant for so many years.

The large Centre Court building at



## Downtown Character

The downtown plan adopted by the city a couple years ago prioritizes downtown "diversity" and states that "Downtown is what is 'Eugene about Eugene.'"

But what if CWO fills downtown with high-rent national chain stores and there's nothing Eugene about it?

Prichard says CWO is looking for a mix of local and national stores and doesn't want downtown to lose its unique Eugene flavor. "I really don't think there's a danger of that," she said, noting that Connor and Woolley are from Eugene. "That is one thing the devel-

"What's great about this project is that it is the anchor that the rest of us need to remain viable," he said. "We're all going to benefit."

## Taxpayer Bill

The taxpayer bill for subsidies the CWO proposal has asked for or could demand could reach \$40 million. CWO has told the city that it wants the city to pay for a 455 car garage for the project. That could cost up to \$22 million. CWO would also be eligible for 10-year property tax breaks on the entire project. That could add about \$15 million more to the public tab. CWO also wants to

low income housing and set caps on developer profits. In the past, Eugene has given away the money with few restrictions.

The city has also failed to protect taxpayers from cost overruns on "public-private partnership" projects. When Broadway Place, a similar but smaller scale project on West Broadway, went \$1.2 million over budget, developers stuck their public partners with the bill.

Rather than putting so much money into CWO, Bettman and Taylor said they'd like to see the city subsidize ORI, a research nonprofit, in its struggle to fund a new green building across from the downtown library employing 200 well-paid professionals.

Moine said she wishes the big public subsidies CWO demanded were also available to her for redevelopment.

Bettman said she's concerned about a "very unlevel playing field" for businesses trying to compete downtown with a subsidized CWO. She pointed out, if all urban renewal funding is dedicated to CWO, other downtown businesses will essentially be taxed to fund subsidies for their competitor.

## Parking

A publicly subsidized parking garage could cost almost \$50,000 a space, based on other cities' experience.

"The less parking you build the better, because it's so costly," Brink said.

CWO told the city they need 743 new parking spaces for their development, of which they'll pay for only 288 with taxpayers coughing up for the remaining 455. Despite the big costs involved, the city hasn't taken an independent hard look at

**'I don't think it's right using eminent domain on one business for the benefit of another business.'**

— COUNCILOR BETTY TAYLOR

Willamette and Broadway was once nearly full but has been empty for three years since CW cleared it of tenants. Other shops on Broadway have left since they said CW wouldn't offer a long-term lease. A business college was interested in the vacant Symantec building, but CW declined to invest in needed improvements.

"Because Connor Woolley have done such wonders for the neighborhood, it's not worth that much," Keim said of his property. "They basically have monopolized and killed downtown Eugene."

Makyadath said it was CW's plan to let downtown die so they could buy up all the property cheap. Except for a few properties, he said, "it worked, they own it."

Prichard says she has three decades of experience with downtown Eugene leasing and said CW wasn't to blame for the downturn. "Even before they owned them, there was a pretty clear downward trend."

Rob Bennett, part owner of the Downtown Athletic Club on Willamette, agreed that the primary reason the buildings long stood vacant was a lack of demand, but he said CW also had a role. "It's hard for me to understand how they vacated the Centre Court building, which had tenants in there, and then let it sit so long," he said.

"Connor/Woolley has been putting the breaks on downtown for many years," Matthews said. "We need to be aware of what games might be going on."

opers are really concerned about."

But Moine doubts that many local businesses will be able to afford the high rents. "At what point do we let Eugene look like Any Town, USA?"

Makyadath said he worries that the CWO project is about forcing the poor out of downtown. "I would like to see the downtown get better, but it doesn't have to be only all these ritzy people can be downtown."

There are indications that the less well-off aren't welcome downtown. In 2004, several property owners publicly objected to a proposal to locate a thrift store in the Centre Court building.

The mix of track, tie-dye and Birkenstocks "tapestry of Eugene is actually one of our biggest assets," Matthews said. The unique character sets us apart for tourists and new residents, he said. With many of these new developments around the country, "you could be Anywhere, USA which is the same as Nowhere, USA."

Councilor Bettman points to research by planners indicating that diverse ownership also makes a downtown stronger. "You're not putting all your eggs in one basket."

But Greg Brokaw, an architect who part owns a building across Willamette from the proposed development, said that even with CWO owning a large chunk of the core, there's still room for local "funkiness."

"It's going to be two blocks out of dozens of blocks of downtown," Brokaw said.

buy the Atrium building from the city. Selling the building at below market value and moving city offices could increase the subsidy.

The city's downtown urban renewal district would be used to fund the garage. The district diverts money from cash-strapped school and local government funding. The spending limit on the district will likely have to be raised and the district could also run out of money because of CWO's 10-year tax break. Any money spent by the district could reduce funding available for a new City Hall/police station, police patrols, planning and other downtown projects, which could result in the city imposing higher taxes to pay for the shortfall.

Brink said the subsidies are appropriate. "Projects don't happen in downtowns strictly by market forces," Brink said. Portland's attractive downtown was built with "hundreds and hundreds of millions of dollars of public subsidies. That's the only way it happened," he said.

But Portland has put on hold its big tax breaks for downtown developers. "Each time we give a tax abatement, we are affecting how much money goes to the county and to the schools," Portland Mayor Tom Potter told *The Oregonian*. "We need to ask ourselves, 'Is this the best way to spend taxpayer money?'"

Even before Portland put its breaks on hold it had required developers to include

whether so much parking is actually needed.

The city already provides more than 3,350 parking spaces downtown, including seven garages. That doesn't include thousands of additional on-street parking spaces and commercial parking lots. Many of these parking spaces are only a short walk or adjacent to CWO's proposed development.

The CWO proposal does factor in 1,111 currently available spaces to serve the development. But the calculation inexplicably leaves out street parking and many nearby garages and lots with unused space, particularly on nights and weekends.

In addition, the formulas CWO uses to factor parking demand for its project appear to be based more on suburban mall construction than a downtown, urban design. Downtown Portland developers demand less than half as much parking per square foot.

The project makes no apparent consideration of people walking, biking or riding the bus to its shops and theater. That's odd since a key premise of the proposal is that the included housing will provide built-in demand for the retail. It's also odd because the adjacent LTD bus station provides direct routes and service for 10,000 people per day.

Providing too much parking could undermine city goals of building a dense city center to reduce traffic congestion and sprawl and promote livability. Pedestrians don't like walking long distances past ugly garages and dodging the cars going in and out. LTD stud-