



LandWatch Lane County

Looming Sprawl

Will Measure 37 get fixed before it devours Oregon

BY ALAN PITTMAN

There was an old woman named Dorothy who lived on a hill. She'd lived there a long time and lived there still. She'd long dreamed of building another house or two. But that's what the big bad government wouldn't let the little old grandmother do.

So Dorothy English, 94, became a poster child. The media love a poster child, and soon English's fable was retold and broadcast over and over to pass an initiative, Measure 37, to give English back what the government had taken without just compensation.

But Measure 37 was much more than a fairy tale. With the widowed grandmother in the spotlight, the media paid little attention to the big developers, loggers and land speculators who spent \$1.2 million to pass Measure 37. The measure requires that for those who bought before regulations, governments waive the laws or pay for the lost land value.

Now those developer "grasping wastrels of the land," as Oregon Gov. Tom McCall described them three decades ago when he

successfully pushed protections against urban sprawl, are cashing in on a major land grab. About 7,000 Measure 37 claims seek more than \$6 billion in compensation or the right to build urban sprawl over half a million acres of scenic Oregon.

Development advocates say Measure 37 has finally restored fairness and property rights. But planning advocates say the claims threaten to devour the scenic livability and rural productivity of the state with polluting, choking urban sprawl that will cost taxpayers billions of dollars in public safety and utility services.

Plum Creek Timber has the largest claim, calling for houses on 32,000 acres of coastal forest. A group of ranchers near Pendleton have filed a \$17 million claim for 24,000 acres. Other claims include houses along postcard beautiful Wallowa Lake, along the lake in the Newberry Crater National Monument, a huge high rise in Portland, gravel pits near homes and land for thousands of acres of subdivisions on farm and forest land,

as well as land for at least two Wal-Marts.

Fewer than a thousand of the claims are the small Dorothy English-sort that voters intended, Gov. Ted Kulongoski said in a Jan. 19 letter calling for action from the Legislature. "For every request filed by a small landowner seeking to build a residence under Measure 37, there have been six claims filed by developers, speculators and corporations."

In Lane County, Greg Demers, one of the region's largest land speculators, was one of Measure 37's largest backers, contributing more than \$80,000. Demers and his companies and family members are involved in at least three Measure 37 claims in the county, covering 128 acres.

Neighbors to one of the county's largest claims, for \$19 million or a waiver for a 157-lot subdivision outside of Creswell, have alleged

that Demers and/or his frequent business partners the McDougal logging and land speculation company are also behind the claim that threatens their livability.

"People are so alarmed," said neighbor mom Amy Pendell, who signed a petition with 35 other residents in the area. Pendell said she and many of her neighbors moved to the rolling hills for the quiet and rural lifestyle that will be lost by the "city" the claim proposes on adjacent farm land.

Many of the people in the area voted for Measure 37 thinking of little old English, but now with their land value threatened by the new law, they feel deceived, Pendell said. "That was how it was represented, to help out mom and pop, not for developers to come in and piggy back on these land owners and make big developments."

The Lane County Commission granted a waiver for the Creswell property to Bernard Bernheim last year, but neighbors allege in a petition for court review and in testimony that the developers may be just using Bernheim's long-term ownership to get a waiver for their subdivision.

McDougal's name is on an open-ended purchase option with Bernheim. The name of Demers' company, Frontier Resources, appeared on the Multiple Listing Service as the buyer of the property and on no trespassing signs on the land, which Frontier now leases, the neighbors and their attorneys allege.

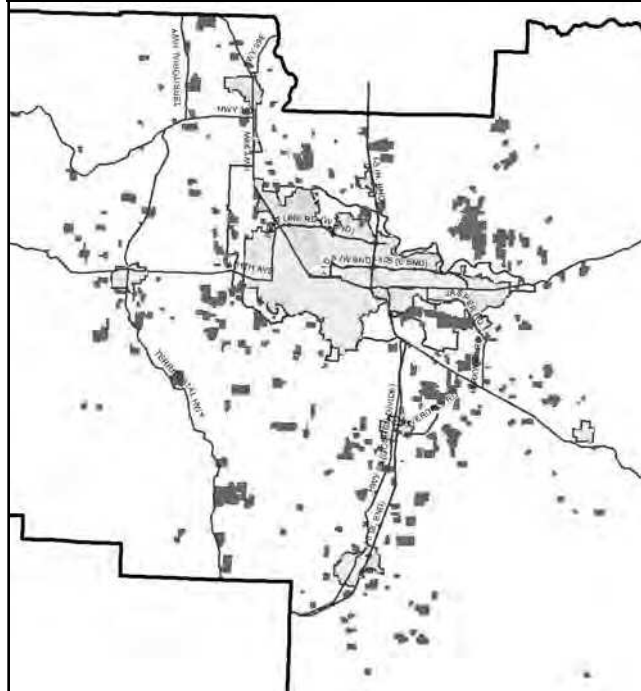
Demers did not return a call requesting comment.

Bernheim's lawyer Joe Willis denies accusations that Bernheim is not the legal owner. Willis's law firm, Schwabe, Williamson & Wyatt of Portland, also list's Demers' Frontier Resources as a top client, but Willis refused to say whether he's also worked for Demers or McDougal on the Creswell property.

Demers is also involved in a \$5 million, 50-acre city of Eugene claim made by Murphy Plywood. Demers owns a controlling interest in Lane Plywood, according to city staff.

Eugene has seven other claims filed including a \$3.2 million, 70-acre claim for a subdivision at Rest Haven cemetery on Willamette, a \$32 million, 61-acre claim by the First Baptist Church north of town and a \$200,000 downtown claim from Eugene

MEASURE 37 CLAIMS IN LANE COUNTY



Lane County has about 400 Measure 37 claims covering 34,000 acres.
SOURCE: LANE COUNTY

'The voters were intending to give homeowners and individuals a dwelling on their property, single.'
—Sen. Floyd Prozanski