

Capstoned

Private student housing to the 1,200th degree

It's a barfing-puppy-sounding acronym, and the prospect of either granting or not granting the MUPTE — Multiple Unit Property Tax Exemption — to the proposed private 1,200-student housing complex at 13th and Olive makes a lot of people sick for a number of reasons.

Eugeneans agree that moving as many as 1,200 college students to the 2,717-resident (according to 2009 data) downtown neighborhood will drastically change it. But the April 23 City Council public hearing made clear that the debate centers on whether granting the development a 10-year property tax exemption is fair — and if so, whether downtown and the adjacent areas will become more bustling and vibrant or turn into a West University-style party zone.

If granted the MUPTE, the proposed project, often referred to by its developer's name, Capstone, would be exempt from property taxes on its buildings for 10 years, to the tune of \$846,000 per year. The council could vote on the MUPTE as soon as May 9.

Capstone representatives have asserted that they'd like to continue managing the complex for some time, but that's not what the company typically does after selling, usually after a few years. Councilor George Brown researched about 25 different

student housing projects that the builder has developed and found that Capstone doesn't continue to manage any of them. Capstone has built and sold one complex in Oregon, the University Commons complex on Kinsrow, occupied in 1999 and a major police time-suck by 2003. "Once you start Googling those sites that they no longer own or manage, the quality of management goes down pretty rapidly," Brown says.

Brown says that at the very least the city should sign a binding, transferable management covenant with Capstone, guaranteeing a particular level of on-site management and strict terms in its leasing contract.

Betty Taylor, so far the only councilor to announce that she'll be voting against the tax break, says that although she sees pros and cons to the project itself, she thinks it's time to stop giving the tax exemptions because of the tight city budget. "I voted for tax breaks for the very heart of downtown just to get started, and things are getting started now so I don't think we need to do that any more," she says.

Taylor says she hears from constituents about fairness "every time the council gives a tax exemption. Someone says, 'Well, I built something and I didn't get anything.'"

The question of fairness is deemed an issue because Capstone's application states that backer Kayne Anderson requires a 9 percent minimum rate of return on the project; without the MUPTE, the projected return would be 6 percent — still a profit. "If the majority wants to go through with this, I think that there's a line somewhere in between that Kayne Anderson would live with," Brown says. "We have a tremendous opportunity to negotiate true public benefits if a majority of the councilors believe that this project should go through."

City Attorney Glenn Klein said during an April 9 council work session that the number of years the project is exempted can be adjusted to less than 10 years, but he doesn't think it would be legal to adjust the percentage of building improvements below 100 percent. He said the city code's mention of council setting the percentage refers to tax exemptions for commercial parts of the building (Capstone's proposal exempts 5,000 sq. ft. of commercial space from taxation).

Portland's equivalent of MUPTE is known as NMUH, and the Portland Housing Bureau is finishing up a "Big Look" at tax-abatement programs in that city. Portland Senior Housing Policy Adviser Kate Allen says that although she can't name a Portland project that has received less than a 100 percent exemption rate, she doesn't know a reason that would prohibit smaller exemptions.

NMUH has a different way of ensuring

it isn't subsidizing oversized corporate tax breaks: It has a ceiling. No project receiving an NMUH tax exemption can earn more than a 10 percent rate of return per year. "The regulatory agreement gives us the right to claw back excess profit," Allen says. "That can either be done by a recapture of the exemption or it can be done by an extension of the period of affordability." This means the complex has to return money or provide lower-priced housing for a longer time frame.

Allen says that one of the big changes being recommended by the Big Look is limiting the total amount of exempted tax revenue to \$1 million annually, which she says is split between four to six projects. The Eugene City Club's 2010 analysis of the 08-09 fiscal year says that \$1.323 million in exemptions was foregone that year.

Eugene's Community Action Team (CAT) was unanimous in finding that four "essential elements" are required to make Capstone a positive for downtown: legally enforceable management requirements and lease provisions; a plan to protect the residents of Olive Plaza; an inclusive traffic analysis of effects on bicycles and pedestrians; and a city analysis of policies, codes and regulations that would produce recommended amendments to protect surrounding neighborhoods.

Capstone had not yet commented on CAT's essential elements at press time. — Shannon Finnell

Occupying Bill Ayers

Educator, ex-member of Weather Underground at the UO

Some know him as a co-founder of the Weather Underground, aka the Weathermen, a Vietnam-era group that bombed public buildings in protest of the war.

Still others know him as a respected author, thinker and professor of education, even as the writer of a comic book.

"Obviously no one, not even me, knows exactly who I am, and I'm living it," says William "Bill" Ayers, who points out that despite media labels of terrorist, communist or radical, he is a husband of 40 years, a father of three grown sons and a professor retired from the University of Illinois.

Ayers will speak April 26 at the UO on organizing for social justice during troubling times in democracy.

"I fight for the public schools, education, democracy and justice," Ayers says. "I have been an antiwar activist my whole adult life."

A conversation with Ayers is wide ranging, impassioned about everything from Occupy, which he supports; to labels, which he doesn't; to social justice. He says he has been involved with direct action most of his life and anticipates being arrested when he participates in nonviolent civil disobedience as part of a protest against NATO in May when the organization comes to Chicago.

"I believe in it as a tactic," he says.

He says that he gets asked often if he has renounced violence as a tactic, or if he regrets the Weather Underground bombings, but points out that it's odd that those such as John McCain, who killed people during the Vietnam War, are not asked if they have renounced violence.

Ayers says that every week during the Vietnam War, 6,000 people were killed and "I can't find a reasonable way" to equate property destruction with what John McCain did.

He says, "I am always asked about violence and the war in Vietnam, but I never flew in an airplane over a civilian population and intentionally dropped bombs on people."

It would be "useful to have a truth and reconciliation process, and put up on a stage everyone who's over 50 or

over 55, and have them say what they did from 1965 to 75, the years of the Vietnam War," Ayers says.

"And I will say exactly what I did and I will take full responsibility for it, I'll say what I'm sorry for, which is a lot, standing next to Henry Kissinger, [Robert] McNamara, and Bush and Cheney and Gore and McCain and [John] Kerry and [Bob] Kerry and everybody else. And in that context I think we could reach some reconciliation." He continues, "In that context I'd be more than happy to take full responsibility for everything I did, and to be sorry for a lot of it."

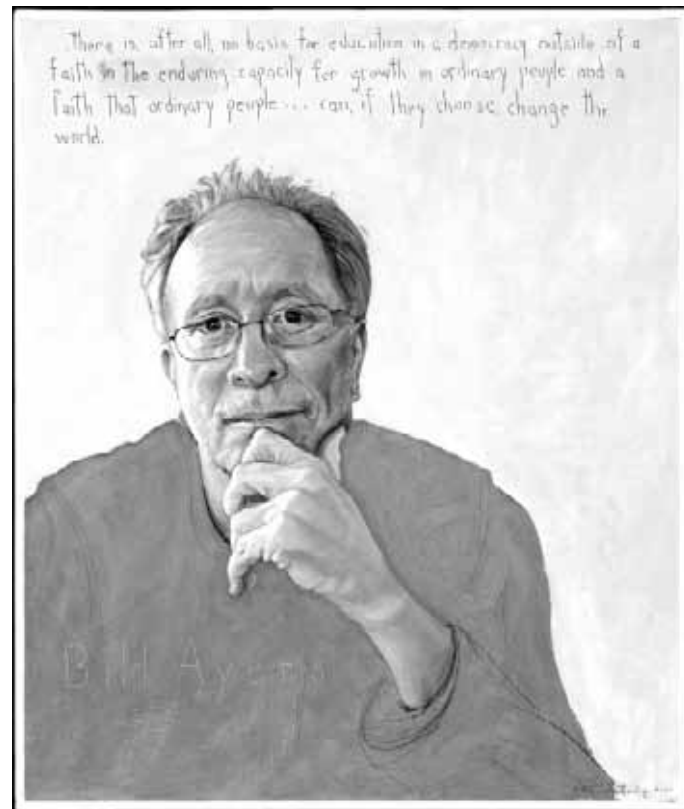
He points out that if you define terrorism as an act of violence randomly pursued against people in order to influence their politics, then an individual, a religion or a government, among others, can all perpetrate terrorism. Organized governments have historically committed the most acts of terror, he says. "What the hell are drone strikes? What are those?"

Labeling protesters and those who have participated in direct action as terrorists "is a framing that's convenient for power, but that is completely inaccurate, so inaccurate that it blows your mind," Ayers says.

Ayers argues that "the use of the domestic terrorism label is overkill at the highest level." A crime, or destroying property, even federal property, he says, should be prosecuted, but labeling it terrorism "adds nothing except fear, ignorance and misdirection," and "is a dangerous direction for the country."

Ayers is "a huge supporter of the Occupy effort" and has occupied Chicago and Wall Street, and spoken at or participated in general assemblies at 14 different Occupy sites. "One of the things about Occupy is that it's a metaphor; it's not a point of arrival, it's an invitation, an opening."

Radicals, he says, are people who try to get to the bottom of things, go to the root. Ayers says that "to be a radical is in part to get to the base of how things are framed and reframe those things." Occupy, Ayers says, has changed the



discussion of this country. We now talk about the 1 percent and the 99 percent, and Mitt Romney's taxes, which we didn't before, he points out.

The day before Occupy happened, "it was impossible," he says. "The day after it was inevitable."

"We should all take Occupy's invitation up and be part of it," he says, and go be part of the general assembly.

"In a democracy, even in an aspirational, flawed, partial democracy, whatever else we teach, we need to teach initiative and courage and imagination, and developing a mind of one's own," Ayers says. And that, along with the right to an education, will be some of the focus of his talk in Eugene. — Camilla Mortensen

William Ayers speaks on teaching and organizing for social justice 7:30 pm Thursday, April 26, in Lillis 182 on the UO campus; FREE. A livestream will be at wkly.ws/19f