

## ABUSE OF POWER

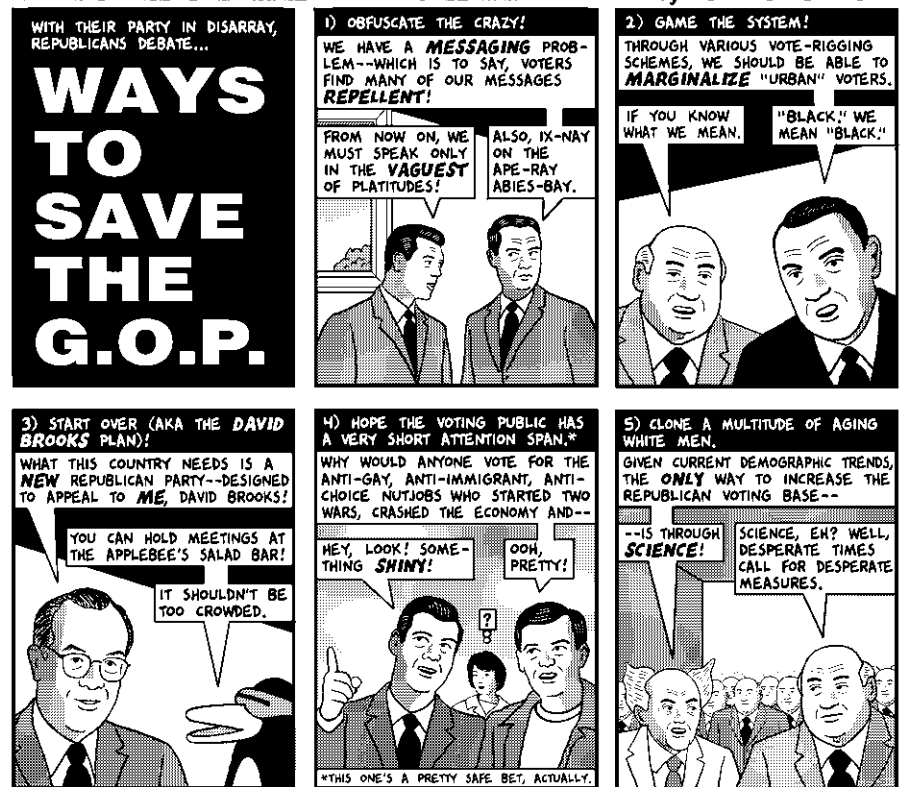
The “Neighborhood Groups Exonerated” news brief Jan. 31 accurately reported how City Councilor Chris Pryor instigated a formal investigation of neighborhoods’ involvement in a land use appeal without having *any* supporting evidence of wrongdoing, and how the city attorney’s investigation completely exonerated neighborhood leaders. However, some important facts weren’t mentioned.

The discussion between Paul Conte, the lead appellant, and James Spickerman, the attorney for OBO Enterprises, the developer, was initiated by an email from Deputy City Attorney (DCA) Emily Jerome on March 1, 2012: “I spoke with Jim Spickerman this morning. He is interested in considering the terms you would propose for a possible settlement of the OBO LUBA appeal. Would you please send an email describing those terms to Jim and me? ... I am happy to assist.”

The entire communication between Spickerman, Jerome and Conte consisted of the following: March 1 – two emails from Jerome, one email from Spickerman and three emails from Conte in response to the three emails from Jerome and Spickerman. All three parties were aware of all six emails. March 7 – An email from Spickerman to Conte and my response.

## THIS MODERN WORLD

by TOM TOMORROW



Jerome was copied on both.

No agreement was reached, ending the settlement discussions. Never during the discussions was there the slightest mention of illegality or improper actions on

anyone’s part. Then on May 8, Spickerman sent Jerome an email that attempted to suborn the DCA into committing libel and/or slander. Spickerman’s email said: “I would hope you will not be reticent

to share word of Mr. Conte’s attempted extortion with others at the city.”

I discovered the role played by the developer’s attorney only after submitting a public records request in May, forcing the city to produce Spickerman’s email. The discovery meant the city attorney’s office had the entire email exchange in hand, as well as Spickerman’s compromising request to the DCA, and yet neither the city attorney nor city manager provided City Council this information when Pryor made his motion.

Two credible witnesses, including a city councilor who voted for the investigation, told me that the “extortion” smear campaign was the work of a few individuals in the downtown development/real estate community whose intent was to weaken neighborhood organizations and “take Conte out” of the ongoing debate over the Capstone Multiple-Unit Property Tax Exemption application.

I provided this information to the city manager, who apparently did nothing to investigate or advise councilors of the potential motivation behind Pryor’s motion.

This whole smear campaign has been a shameful abuse of official power, unfortunately tolerated, if not encouraged, by the city manager and mayor.

Paul Conte  
Eugene

## CITY-ZEN JOURNAL BY BONNY BETTMAN MCCORNACK

## Bailing Out City Hall

MORE TAX INEQUITIES ARE NOT THE SOLUTION TO SPENDING DILEMMA

The rich are getting richer, the poor are getting poorer and Eugene City Hall is exacerbating this inequity with two separate money grabs.

Oregon Center for Public Policy’s research shows that in Oregon the lowest income households pay the highest share of their incomes to state and local taxes, and highest income households pay the lowest share. More than half of Eugene’s 65,631 households earn less than \$50,000 annually, with 21,128 earning below \$25,000.

City Hall’s aggressive “economic development” philosophy multiplies tax inequities by selectively granting tax waivers, subsidies, rate reductions and giveaways to developers, speculators, big business and corporations. When the entitled few do not pay their fair share for essential city services, every one else pays extra to make up the difference.

While middle and lower income workers’ spending power has steadily declined, the city’s property taxes have steadily risen. Property taxes comprise 63 percent of the city’s General Fund (GF), and that revenue has risen from \$70 million in 2008 to \$80.3 million in 2012 per the adopted budget. Total GF revenue, only a portion of city resources, is \$167 million in 2012, up from \$162 million in 2011’s fiscal year.

From the city’s perspective modest increases are not enough, so it is proposing two ways to raise more revenue: A council imposed fee, and a serial tax levy. Both mechanisms establish a perilous precedent of removing essential city services out of the GF, and taxing or charging separately for those services. Don’t you assume that when you pay your taxes you are paying

for essential government services like public safety, parks and human services?

Expensive consultants were hired to survey residents and determine what services reliable voters cherish most. Then City Hall ties those favored services to the tracks, and says “give us more money or else.”

As usual they are holding popular services hostage in order to increase GF revenue. What’s new here is that they are removing essential services from the GF and charging for them separately, with the fee and levy, which means the money currently funding those services is freed up for — whatever. That’s called backfilling.

The first tax increasing mechanism is called a fee. City Hall plans to take Parks and Recreation out of the GF (\$4.5 million) and add it to your EWEB bill’s stormwater management charge, which is already scheduled to increase 12 percent for 2012. Stormwater charges were established because piping and conveyance of runoff is a utility, like wastewater. The new mechanism would add a \$5 per month flat fee for parks on all EWEB accounts, or \$25 for large commercial.

A flat fee is one of the most regressive taxing mechanisms imaginable. A senior living in an apartment will pay the same fee as a seven-bedroom, five-bath house with tennis court and pool. Entire multi-unit complexes will pay one flat fee. Regional non-Eugene residents who enjoy Eugene’s parks will pay nothing.

The difference between this fee mechanism and a tax levy is that taxes are imposed by public vote and have

a five-year expiration date. And they are tax deductible; fees are not.

The difference between the new fee mechanism and existing fees is that this one pays for essential city services historically paid by property taxes. The new fee mechanism can be imposed, increased or altered by a simple majority vote of the current council and any council in the future. There is no expiration date.

In the 2012 budget, fees and charges for service raised \$143.4 million for the city, which is a 6.2 percent increase from 2011.

Once the precedent of using this new fee mechanism is established, they will never give it up. It provides an unlimited source of new revenue. You may as well give City Hall the password to your bank account.

The second revenue raiser is a five-year \$3.6 million serial levy for the May ballot appearing beside the county’s jail tax, and possibly school levies or bonds. So far the city has discussed tying human services, fire and EMS, library and economic development to the tracks. When this article was written, specifics weren’t available despite the public hearing being less than 24 hours away. As usual, the threatened mayhem will surely be targeted to alarm conservatives and liberals alike.

If the fee goes unchallenged and the serial levy is approved by voters, City Hall’s take-home message will be that Eugene residents don’t mind being continuously squeezed and extorted for persistent gaps in City Hall’s resources vs. spending dilemma. I have scrutinized enough city budgets to know there is waste, deadwood and too many giveaways. Maybe if the public refuses to repeatedly bail them out, City Hall will get motivated to pursue crucial tax reforms here at home, and statewide.

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