

Kick DTURD to the Curb

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Government for the elite, by the elite:

With the city's most recent proposal for a new Downtown Urban Renewal District (DTURD) Plan Amendment, Councilors are on the verge of destroying any lingering hope that they serve the public rather than the economic elite. That hope will be replaced with profound distrust if they resurrect the DTURD after vowing to end it.

City Councilors must be so completely out of touch if, after multiple fiascos like: Kesey Square, Capstone, MUPTE, City Hall, South Willamette rezone, city service fee, stormwater fee expansion, etc., they believe they still have a fount of political capital to muster for continuing the DTURD. Especially since they promised it would end.

Downtown Urban Renewal in Eugene is about to celebrate 50 years of failure. After tens of millions of public dollars invested, and despite subsidies exceeding the entire taxable valuation of the DTURD, Real Property Values in the district have barely increased. The money expended downtown has been siphoned away from critical community needs. DTURD is yet another local example of privatizing public resources.

DTURD gets its money by diverting property tax revenue into its coffers - taxes you paid for schools and essential city and county services. That money is then used for planning department salaries, subsidies for developers and downtown property owners, and a few "poster child" projects. Those expenditures circumvent the budget process and thus avoid having to compete with taxpayers' actual priorities like schools, parks, public safety, jails, infrastructure, etc.

In 2007 the city came up with a scheme to increase the DTURD's debt by an additional \$40 million and expand the boundary. That proposal had the endorsements of most elected and non-elected officials. Plus, the city spent tens of thousands of taxpayer's dollars on an "informational" campaign in favor of the proposal. Some of us, fiscally conservative progressives, launched a grass roots campaign against the DTURD Plan Amendment and voters killed it by about 70% to 30%.

Having been trounced soundly at the ballot, the city was left without a Plan Amendment. And because the debt was paid, the city was legally obligated to terminate the district and refund the excess money (or TIF, Tax Increment Financing is the 'official' term for revenue diverted into the DTURD's coffers,) back to schools, and local governments. The City violated the state statutes by continuing to transfer property tax revenue into the DTURD accounts.

The city badly wanted to keep that money and to keep the district alive, so in 2010 they moved forward with the \$13.6 million Plan Amendment. That money was to fund 3 "poster child" projects: LCC's new building, paying off debt on a parking garage and using that money to fund patrols downtown, and for improvements to Farmers' Market. (The 500K allocated to FM has never been spent.)

Being cognizant of the fact that they were shamefully thwarting the voters' will, Council PROMISED that the District would terminate after paying off the debt for those 3 projects. Not only did city officials vow to end it, they legislated the district's termination in the text of the adopted plan.

"Upon the repayment or defeasance of debt related to the urban renewal projects specifically identified in the Plan, as amended by the 2010 Amendment, the Downtown Urban Renewal District will be terminated, any unused tax increment funds will be returned to Lane County for redistribution to overlapping taxing districts, and other assets and liabilities transferred to the City of Eugene." (Excerpt from Section 100 of the 2010 Plan Amendment. Sections 1200 and 1300 A also have explicit "shall terminate" language.)

Again, Council, enabled by manager Ruiz, is ignoring its promise to the taxpaying public to end the district. Not only are they planning to reverse their vow to terminate it, but they are doubling down on it by proposing to expand the district's boundary by 10% and increase the spending capacity up to \$48 million.

The city is floating 4 vaguely construed projects with a range of cost estimates as justification to continue the

district. There are many questions and inconsistencies surrounding those projects, but there isn't space here to debate the pros, cons, or costs of them. And, it's beside the point because, the city does not need DTURD to pursue worthwhile, community supported, projects. If a project is a high enough priority - Council can allocate money from the capital budget, or ask voters for a bond, or create a Local Improvement District.

Councilors, the manager, and the RG are now attempting to reframe this stunning betrayal of public trust as a choice between sending DTURD back to the voters, or simply adopting it with a majority council vote. But, in reality, the choice is whether to completely betray the public trust or do the ethical thing and terminate the district as promised.