

Bonny Bettman McCornack's Public Hearing Testimony on the Proposed 2017 Plan Amendment to the Downtown Renewal District.

5/23/16

Attention: City manager, Mayor and Councilors,

You put a \$40 million dollar spending cap increase and boundary expansion on the ballot in 07. It was voted down by more than 2:1. You ignored that vote, and amended and extended the plan anyway by council majority - but vowed that 2010 would be the last amendment and then the DTURD would terminate.

Despite your promises. Now, again, you are proposing to increase the spending cap up to \$48 million dollars and expand the boundary.

Some of you think you can be absolved of this betrayal by putting the proposed 2016 Plan Amendment back on the ballot, forcing the community members to organize and spend their time, money, and resources - again - to defeat DTURD. All the while knowing that if its defeated by a vote of the people the council majority will just turn around and adopt a new amendment anyway. Just like last time.

The city, the mayor, and the council's credibility is at stake. It sure looks like you intentionally misled the public - and plan to do so again. From now on, every assurance the manager, the mayor, or a councilor may utter, every promise you make in a document - will trigger in the public's mind the indisputable fact that your word means nothing and you can't be trusted.

There are other unkept promises in the DTURD.

1) The \$500,000. allocated for improvements to the Farmer's Market remains unspent for 6 years. No improvements made.

2) Remedying blight within the district is an explicit goal since the plan's inception almost 50 years ago. But the Plan narrative states very frankly that the entire area within the district is still blighted. After almost \$100 million of revenue diversion into the district the city concludes that blight is still so prevalent that it encompasses the entire DTURD.

"A total of 76 or 70% of properties in the Downtown Urban Renewal District are determined to have blighted conditions. In addition to the 76 properties, 19 locations have blighted conditions found in roads and sidewalks. These conditions are so prevalent and consistent in the area that the city concludes that the entire urban renewal area is blighted." ...quote from Downtown Urban Renewal District Report, City of Eugene

3) Another unfulfilled goal of Urban Renewal is to bring the district's property back on to the tax rolls at higher valuations. The theory is that after investing the diverted taxes into the district, property values will rise, therefore providing more revenue for government. But if the district never goes on the tax rolls, that goal can never be achieved. The district needs to be terminated to fulfill that promise.

Councilors looking for cover are eager to hang their hat on the \$370,000. that the city claims won't be available to 4j if the district is terminated. But that calculation only describes the "current" situation and has not been projected out over the life of the various plans, A, B and C. This particular anomaly is based on 4j's local option levy, and is attributable to compression from other taxing districts. But 4j's LOL expires in 2020 and there is no guarantee it will be renewed by voters. Also the multiple variables of compression and tax rates are not constant. So this anomaly may not exist beyond this year or next. It may even be that the city's library levy is causing compression or the county's jail levy. But would you have not supported either of those because it could result in compression of the school LOL?

Also, the DTURD reduces the State School Fund calculation. It may only translate into a modest local reduction but it still has an overall impact on school budgets.

This public hearing is premature because the public does not have before us an actual plan.

There is a range of financial choices and there are four extremely vague and undefined projects.

There is no way for the public to know what the difference would be between the scope of a fiber optic project for Plan A, B or C. The same is true for the other projects. And the Farmers' Market proposal suggests very different scopes, not linked with A,B or C, but suggesting a range of extremely different projects. The plan implies anything from improvements, to a covered area, to moving the market to a different site, to building a commercial building which would house an indoor market. The Proposed Plan Amendment states that the citizen input on the scope of projects would occur after the Plan is adopted. That is backwards. The only specifics in the plan are how much money in TIF will be diverted to DTURD.

Using URD as a funding mechanism just isn't fair. In an economy where the gap is widening between the affluent and those struggling to pay the bills - this "tool" proves more unfair with every passing year. It proves more unfair every time another tax, fee or levy is proposed to pay for services that should be funded by the revenue diverted to the "downtown centric" districts.

If the council feels that there are specific capital investments that need to be made for the benefit of the public, then they should fund them with traditional, accountable funding mechanisms. Using URD costs more than the direct approach of a bond, LID, or through the capital budget because it has proved overly expensive to administer this program. The DTURD's proposal shows costs above and beyond the debt limit as follows:

Plan A -\$4.5 million over debt limit, Plan B-\$11 million beyond debt limit and Plan C-\$55 million beyond debt limit.

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