

Title: THE RISING?

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Byline: Sherri Buri McDonald blue chip

A string of new construction projects in downtown Eugene is bringing hope for an area of town that has struggled for decades.

We interviewed 17 business people for the cover story of this edition of blue chip - the first devoted to a single business issue. All said the \$85 million in new construction is good for downtown.

Many said that, taken together, the education, office, housing and retail projects may provide enough momentum to change the atmosphere in the heart of town and spark more investment.

But they also acknowledge that downtown Eugene has a long way to go.

Their ideas for improving the city's core range from businessman Brian Obie's call for a year-round, climate-controlled farmers market on or near the park blocks, to developer Steve Master's urging for a smoking and dog ban to curb vagrancy and drug dealing downtown.

Public safety remains a top concern for many of the business people interviewed, who often cited it as a key element in the five-point plans for downtown they were asked to create for blue chip.

"People are getting mugged where the nightclubs are at Charnelton and Olive streets," said Obie, owner of the Fifth Street Public Market.

"People are being physically threatened and beaten," he said. "I think if you go down there at night you're putting yourself in harm's way."

The number of police calls downtown has increased in each of the past four years - from 6,857 in 2007 to 9,988 in 2010 - according to Eugene Police Department figures for the area from the south side of Sixth Avenue to the north side of 11th Avenue and from Charnelton to High streets.

The number of calls for service January through August this year was 6,437, down slightly from 6,890 for the same period last year. Among the top calls for service were assaults, disputes and fights, theft and disorderly subjects.

Six bicycle officers and a sergeant patrol downtown, said Lt. Doug Mozan. The plan is to use urban renewal funding to soon have nine officers and a sergeant patrolling downtown, with a substation in the city core, possibly in the new Lane Community College building, he said.

"I'm pretty excited with this urban renewal funding and the face of downtown changing - the redevelopment," Mozan said. "There's a real opportunity for us to change what downtown looks like and for people to take some pride in downtown and to start using it for what (people in) other cities do, which is commerce and entertainment and enjoying the heart of the city."

Most of the business people interviewed think that a mix of housing, office, retail and arts and entertainment will drive downtown renewal. Many said there is demand for housing downtown, but it's unclear how big that demand is.

About 2,528 people live within the Downtown Neighborhood Association's boundary, which encompasses much more than the downtown core.

"I think personally the so-called momentum to live downtown is a bit overblown," said Steve Korth, director of real estate and development for McKay Investment Co., owner of Oakway Center. "Certainly that should be an attractive option for some demographics in our community," he said, but most of the evidence of the momentum for urban living comes from much larger communities, such as Portland and Seattle.

Most of the business people interviewed said that government subsidies, which are fueling much of the recent construction downtown, are needed to transform downtown.

"I'm not one for having tax breaks to get things to work that wouldn't normally work," said Ann Marie Mehlum, president and CEO of Eugene-based Summit Bank. "I think the best system always is a level playing field and equal opportunity. That's when capitalism works, and I like that the best."

However, most other communities that have successfully revitalized their downtowns did so through partnerships with local governments, Mehlum said.

"I think it has paid off in the long-term," she said.

Korth said that urban renewal funding and tax abatements are an important ingredient to getting downtown projects off the ground.

"It's safe to say none of those (projects under construction) would be taking place without the city's involvement," he said.

"I think we feel good these people are stepping up and doing these projects and hope them success," Korth said. "So it's necessary that the city is stepping up and helping make those projects happen. Eventually the goal is to have a private sector that is strong enough to support development and redevelopment on its own."

Following are vignettes offering business people's perspectives on downtown:

Jewel Murphy

Owner, Passionflower, a flower and gift shop at 128 E. Broadway

Jewel Murphy said downtown Eugene is now the best it's been in the 17 years that she has lived and worked in Eugene.

"I really think downtown is happening," she said.

Murphy credits a combination of factors: the Lane County Farmers market and Saturday Market help make Saturdays "flat out busy - except for UO game days," she said. The Tuesday farmers market is bringing people out who work downtown, Murphy said.

"I think Voodoo Doughnuts was a big thing for downtown," she said, referring to the quirky Portland-based doughnut shop that opened about a year ago near Kesey Square.

"That sounds kind of crazy that one little doughnut shop could make a difference, but it has," Murphy said.

"I think the library and bus depot have been good for downtown too," she said. "Every little bit helps, and there's not one particular thing that's made all the difference."

Murphy said she's hopeful that the housing and office projects under development downtown find ground-floor retail tenants that are open during the day, to bring more people to the city core.

"I know a lot of people complain about panhandling and youth downtown," she said.

"We're never going to be able to eradicate panhandling; we're never going to eradicate disenfranchised youth. The solution is to flood downtown with positive happenings and people, so the panhandlers or the kids hanging out are just going to be one more colorful aspect of what goes on down there."

Sue Prichard

"Mostly retired" commercial real estate broker; Downtown Eugene Inc. board member

Sue Prichard, who has lived in Eugene for 43 years and practiced as a commercial real estate broker since 1987, said public safety ranks first on her list because "it's one of the things that causes people's perceptions of downtown to be negative. It doesn't give us a chance. If we don't have public safety as a priority, then we don't get to increase people's hope for downtown."

The answer to increasing public safety downtown is "really not very complicated," Prichard said. "It takes funding police and consequences for the offenders.

"Up until recently I think a lot of people lost hope for downtown. Fortunately not everybody lost hope, and a lot of people felt like I did - you just had to keep going, and it would take many different things happening over quite a long time before we started to see results. I think we're starting to see those results now.

"People are investing in the downtown, which is a huge indicator of the fact that people see potential and opportunity and they see a future."

Prichard said she doesn't think downtown will ever be the retail center it was in the late 1960s, before the pedestrian mall was built. That means the core group of people who live and work in downtown will be the foundation, then "the rest of it feeds off that and will develop over time," she said.

"It wouldn't surprise me if we did get some national retailers over time. We'll (also) need to make spaces available that will appeal to smaller, local retailers."

"I think there will be a time when our downtown will be very charming - not only to people from out of the area, but to the people who live here."

Many visitors to the Hilton, Fifth Street Public Market, Pearl Street and East Broadway already think it's charming, Prichard said.

Kenneth "Cat Daddy" Pogson and Richard "Tres" Shannon  
Owners, Voodoo Doughnuts, located next to Kesey Square

Kenneth Pogson and Richard Shannon said they passed over locations near the University of Oregon to open their first shop outside of Portland in the heart of Eugene, just west of Kesey Square.

"We like downtown," Pogson said. "We're downtown type of guys and this spot kind of grabbed us. It's got the cool, funky vibe."

The Eugene shop opened in July 2010, and now operates 24 hours a day, has about 18 employees and churns out "a solid ton of doughnuts a week," Pogson said.

Business is "as good as we hoped," he said, although "It's definitely not the market we have in Portland," where lines of more than 200 people sometimes wrap around the block.

"It's a slower game," Pogson said. But the shop has been successful, he said. "We're definitely in the black."

"I'm really glad we picked downtown," Shannon said. "It's still a diamond in the rough."

As Pogson and Shannon sat in front of the shop, construction crews worked on the Beam office and retail building across Willamette Street and workers had begun demolishing the interior of the old Taco Time building, kitty corner from the doughnut shop. Developer Steve Master plans to remodel that building into apartments.

"Hopefully we've been some kind of catalyst," Shannon said. "We'll be glad to take any kind of credit for the revitalization of downtown Eugene."

"We got opened way before they even got started on that project," Pogson joked, pointing to the Beam project.

When asked what other kinds of businesses should locate downtown, the pair was stumped.

Finally, Shannon deadpanned: "We really feel another rug or carpet store is really needed." (Two carpet dealers are a stone's throw from the doughnut shop.)

Shannon thought for a moment more, then ventured: "I think downtown Eugene can always use a big roller coaster."

With its location next to Kesey Square, a public space that attracts vagrants, loitering "started out a concern," but has become less so, Pogson said.

"They tested the system," he said. "They tried to hang out at the bathroom. Our people have been diligent about it. You have to be respectful. You treat people nice and say this is the way it is."

Pogson said he thinks the new downtown projects will increase foot traffic, put more customers in stores, and make it safer, too.

"It keeps people a little better in line," he said.

Eric Taylor

Sales manager, Hutch's Bicycles, 960 Charnelton St., a downtown fixture since the 1960s

On the day Eric Taylor spoke with blue chip, one of the shop's employees had been beaten up by a man high on angel dust, or PCP.

"That's what we have to deal with downtown," said Taylor, who has worked at the store for the past three years.

"I'm just so disgusted with downtown," he said. "I've seen everything behind the bike shop," hypodermic needles, people having sex, people using it as a bathroom, Taylor said.

He estimates that 10 to 15 percent of employees' time is spent dealing with vagrants, cleaning up their mess and trying to prevent shoplifting.

"We spend a lot of time following people around the store who are just trying to steal from us," Taylor said.

He commends the police who patrol downtown by bike. (The police department has purchased bikes at Hutch's, he said.)

"All of them are basically doing damage control continually, and I don't feel like there's much they can do on top of what they're doing," Taylor said.

He said he doesn't think most of the people who loiter downtown are from Eugene.

"I think they're people who are just passing through," Taylor said. "If you go to the (LTD) bus station, these kids come downtown and meet other kids who are doing the same thing. It's like a total meeting place."

"Eugene has a reputation of a town that is supportive of homeless people, supportive of people who are unemployed and not doing much with themselves. There's a surprising number of young, underage kids just screwing around during the day."

Taylor said four or five times he has left the shop to get lunch and people on the street have asked, 'Can I have your lunch?' "

"You walk by a guy with no shirt on who asks if he can have your lunch," he said. "It's so weird. Who wants to hang out around that?"

"After three years of seeing it and dealing with it all the time you get a sour attitude about what can be done about it."

"I'd like these (redevelopment) projects to help, but I'm not sure what it's going to take to get some of these people out of here."

Tim Campbell  
Commercial real estate broker

Tim Campbell said that sometimes when he's having trouble sleeping at night, he goes downtown and walks around, imagining new developments or new futures for old buildings.

The only person he has run into in the predawn hours doing the same thing is Eugene appraiser John Brown, Campbell said, "because he sleeps even less than I do."

Campbell said he thinks the government can benefit the community more by leasing from private developers instead of owning property itself.

And he said he'd like to see the University of Oregon campus better integrated in with the downtown.

"There seems to be a physical area that kind of falls into a dead zone between downtown and campus, so we need to open that up more and try to physically connect it," Campbell said.

He said he thinks the Lane Community College downtown campus "is going to be fantastic for downtown."

"That whole west end is starting to get a lot of inquiries from developers and office tenants and support, and that will be great for the library and everything around it. They're talking about running 3,000 students through (the LCC) building a day. We haven't seen those kind of numbers downtown in forever."

Campbell said he thinks there still is demand for housing downtown, even after the recession.

"I've been (told) by people in their 30s and 40s that they would love some larger downtown loft-style apartments because their lifestyle is they're married, they don't have kids, they like to travel and they like the downtown life."

David Funk  
Principal, bell+funk, marketing and advertising firm; Downtown Eugene Inc. board member

David Funk has spent most of his work life in downtown Eugene. He came to Eugene in 1970 and started his marketing and branding business on Pearl Street in 1980.

He said the best thing about downtown Eugene is the \$85 million of new construction.

Funk said there's "a whole renewed optimism about going forward and getting things done," on the Downtown Eugene Inc. board.

"It felt before like Sisyphus pushing that rock up the hill, and now it's almost like we can see over the edge," he said.

"I think it's all kind of coming together now," Funk said. "I think (downtown is) finally on the way up after two decades of struggle."

That long struggle, however, has tarnished the downtown brand, he said.

"People stopped coming downtown quite a bit because they thought there was nothing down here," Funk said.

Funk works at 1 East Broadway across from Broadway Plaza/Kesey Square. He said he put Kesey Square first on his action plan because "there's nothing about it that increases the activity you want on a downtown street."

Framed by two blank brick walls, Broadway Plaza "is poor urban design," Funk said.

"You'll probably find every architect in town will tell you the same thing, It's too small to be a city gathering place. I'd put something on that corner to increase traffic."

Sarah Bennett

Principal, Bennett Management Co.; Downtown Eugene Inc. board member

Sarah Bennett, 35, said her earliest memories of downtown Eugene are of a failing pedestrian mall and retailer after retailer fleeing downtown.

"The level of economic activity we have today is better than any time in my memory," she said.

"The current development going on is definitely creating some momentum. I think it's definitely starting to get people's attention."

Her family is building a five-story office building with retail on the ground floor at the former Woolworth store site on Willamette Street.

She said she favors continuing urban renewal financial support for downtown development because developing in the city's core is more difficult and costly than in other parts of town.

"They are old buildings; they're on funny-shaped lots," she said.

Bennett said her first priority, however, would be to do away with the "dead-end space" at Kesey Square.

"The fundamentals of Kesey Square as being public space are all wrong - how it backs into large walls. The way it's set up it promotes bad behavior to convene at that location."

Keep the Ken Kesey statue, she said, but fill that corner with a building.

Dave Hauser

President, Eugene Area Chamber of Commerce; executive director, Downtown Eugene Inc.

Recalling his three decades of chamber of commerce work, Dave Hauser said he is "hard pressed to see a community moving forward in an economic way, in a liveable way, that doesn't have a vital core." A healthy downtown also is key to a community's economic future, he said.

"Economic experts like (Portland economist) Joe Cortright and others indicate that cities with fun, vibrant downtowns have a leg up in attracting and keeping the kind of talent that will drive the next economy," he said.

Eugene already has a cluster of software companies downtown.

"I think if we can accomplish a clean and safe (downtown), an arts district, it naturally becomes a place where creative people want to be," Hauser said.

"I know that in the past a lot of our planning efforts about downtown have been about the physical surroundings: streets, building, streetscapes," he said. "The piece that's been missing is how you drive business investment into that district. I think there's an appetite on the part of property owners and (Downtown Eugene Inc.) and the city to give more attention to the business side of downtown. What types of businesses belong in our downtown and how do we best make the case to those businesses that that's where they need to be?"

Hauser said he takes exception to the notion that the new projects downtown are just moving uses around. The LCC downtown campus, given its scale and its classroom and housing uses, is an activity generator in a different way than the existing downtown LCC campus, he said.

Roscoe Divine  
Local developer

Roscoe Divine came to Eugene in 1965 as a 17-year-old freshman at the University of Oregon. He remembers a vibrant downtown with a busy four-way stop at Broadway Avenue and Willamette Street.

"That's where you went and walked around town," Divine said. "As an undergraduate I'd go downtown and run into people I knew, and students got to know people (in the community), because it was a close enough connection to the UO."

Now, he said, "there's no there there. What's there to do downtown for a student? They go down at 11 at night to the bars. When there's something to do they'll go."

That's why Divine's top priority would be to have strong destinations downtown.

But that won't happen, he said, until the community agrees on what is appropriate behavior downtown and enforces it.

He said when some of his friends walked from the Downtown Athletic Club to the Tango Center at 194 W. Broadway, they "were horrified by the gauntlet they had to run through. There were people there, but they weren't normal people, or people they were comfortable with."

Divine also said he has been dismayed by activity in and around the Eugene Public Library.

"We spent \$35 million on the library, but we don't take care of it," he said. "I went to the restroom at the library and a drunk guy was peeing all over the wall and all over the floor. It disgusted me. You have to have some rules, and you have to take care of the homeless."

Churches and other groups that provide services for homeless people also must be on board, Divine said.

He said a church next to property he owns on Willamette hosts meals for homeless people.

"We clean up human feces in the alley the next day," Divine said. "It's disgusting. It makes you mad. It makes you want to leave town."

Divine said he's glad to see that Lane Community College is establishing a larger presence downtown, and he's hopeful that the other projects under way will do some good.

"How about letting me go downtown and not be confronted with a bunch of nonsense about drug abuse and have a nice time and buy something I want to buy?" he said.

Divine also puts a high priority on revamping city planning processes to encourage private investment and development downtown.

"A lot of capital from long-time community people is fleeing the community," Divine said. "They're investing in Portland, Seattle - all over the place," he said.

"Who's really coming in here and putting money on the table?" Divine said. "You can say Rob (Bennett) and Brian Obie are, but where are the rest of the people? They've left town, or they're not willing to deal with the bureaucracy and deal with the aggravation."

Steve Master  
Eugene developer

Steve Master is working on two apartment buildings downtown:

Broadway Lofts, a 16-unit remodel of the old Taco Time building at Willamette Street and Broadway Avenue

Park Street Apartments, a 24-unit remodel at 858 Pearl St., near Full City Coffee.

Master said he believes there is pent-up demand for housing downtown, among young professionals as well as empty-nesters.

How large that potential market will be is directly tied to improving public safety in the city core, he said.

"We definitely need to work on continuing to clean up downtown," Master said. "We've got to do something that keeps the drug dealers and vagrancy off the streets downtown. People don't want to live in that. It drives people away."

It also drives away large retailers, Master said.

"When you bring in national retailers, and there are homeless people all over the place, they fly away," he said. "They don't want to mess with it. They don't want their employees having to deal with that."

Master said a smoking ban and dog ban would dramatically change the atmosphere downtown.

Business owners could set up designated smoking areas for their patrons, but people would not be able to smoke on the streets or in the parks, Master said.

"If you look at the vagrancy, most of those people are smoking," he said. "Smoking is not a healthy thing, so why do we need to smoke in our downtown streets? Go smoke in your home or somewhere else."

With a dog ban, residents could walk their dogs downtown, but nonresidents could not, Master said.

When asked about the high cost of enforcing these bans, Master responded: "Doesn't it cost a lot of money not to have investment in downtown?"

To comment on this article, or to offer ideas for revitalizing downtown, e-mail [bluechip@registerguard.com](mailto:bluechip@registerguard.com)

#### JEWEL MURPHY'S ACTION PLAN

1. Build on what's working: Saturday Market and Lane County Farmers Market, First Friday Artwalk, the Eugene Public Library and the late-night bar scene.
2. Continue building a vibrant retail, dining and arts scene. Add a movie theater, an ice cream shop, more clothing boutiques, a Made in Oregon store, a year-round farmers market. Consider hiring someone to market downtown and help retailers locate there.
3. Better connect university students with the downtown. Encourage the University of Oregon to invest in student housing downtown and possibly a downtown campus.
4. Don't be afraid of youth culture. Young people can bring a vibrancy that is contagious.
5. Continue using urban renewal dollars to help build downtown.

#### SUE PRICHARD'S ACTION PLAN

1. Keep public safety a high priority.
2. Encourage and facilitate increased housing - rental and owner-occupied - in downtown.
3. Have a broad range of people create a cohesive vision for what we want the downtown to be for Eugene.
4. City government keeps downtown vitality as a priority on their agenda and work plans.

5. Actively recruit the kinds of businesses we want downtown.

#### ROSCOE DIVINE'S ACTION PLAN

1. Have shopping and cultural destinations so there's a reason to go downtown, day and night.
2. Decide on what is appropriate behavior downtown and enforce it.
3. Encourage residential development.
4. Simplify the planning and permitting process. Eliminate system development charges on downtown development.
5. Eliminate the double tax on businesses downtown: property tax and occupancy-based fee.

#### DAVID FUNK'S ACTION PLAN

1. Address the Broadway Plaza/Kesey Square at the intersection of Broadway Avenue and Willamette Street.
2. Get banks off the corners. Banks tend to not attract traffic. They close at 5 p.m.
3. Get a grocery store downtown, which would help encourage residential development.
4. Begin working on a branding campaign for downtown when the Beam and Bennett projects are done.
5. Develop a retail tenancing strategy.

#### SARAH BENNETT'S ACTION PLAN

1. Put a building on Kesey Square.
2. Continue the urban renewal program to provide financial support for downtown projects.
3. Create additional controls over bad behavior. Continue to support downtown guides, increase police presence and allow them broader enforcement policies.
4. Create a brand marketing program differentiating downtown.
5. Develop a lease-up strategy to achieve a wide variety of large and small retailers.

#### TIM CAMPBELL'S ACTION PLAN

1. Give up more public ownership, by the city or county, for example, to private ownership.
2. Integrate the University of Oregon more with the downtown.
3. Provide incentives for private developers to build mixed use and/or office buildings.

4. Keep adding the element of residential above offices or retail.

5. Encourage retailers as well as office users downtown.

#### DAVE HAUSER'S ACTION PLAN

1. Continue strong emphasis on making downtown clean and safe.

2. Develop and advance a retail or tenanting strategy for downtown.

3. Continue to build on downtown's position as an arts and cultural district.

4. Continue to position downtown as an employment center, especially appealing to creative businesses.

5. Continue to encourage housing downtown, which will drive more vitality and demand for retail downtown.

#### STEVE MASTER'S ACTION PLAN

1. Make downtown a nonsmoking area.

2. Implement a dog ban downtown, similar to the one in the west university area.

3. Continue the Multiple-Unit Property Tax Exemption (MUPTE) for multifamily housing downtown.

4. Earmark some urban renewal money to spruce up storefronts of old buildings.

5. Give tax breaks to businesses that locate downtown