

The Independence City

# INDEPENDENT

## Independence Landing: Rough Ride to Urban Renewal

By Anne Scheck

Of all the reasons for differing opinions on city actions – a home-grown telecom company, a high-end civic center – it's *Independence Landing* that has caused public argument to swell like the rain-drenched Willamette River.

At a recent candidates' forum, four in the running for Independence City Council split evenly on the issue -- half of the candidates voiced support for the proposed development and half expressed worry over it. Candidates Ken Day and George Neujahr said they are concerned by plans for the riverfront parcel; Michael Hicks and Kathy Martin-Willis said they feel optimistic about it.

The two sides represent a debate underway over whether 18 acres along the Willamette River will become a seamless improvement that invigorates downtown Independence with a new hotel and a residential area or whether the sewage and street construction that's about to begin – so far without a developer -- could end up causing a huge budget drain on the city. "We hope to land a hotel soon," said Independence Mayor John McArdle, when asked about the project. In fact, the contract may be ready to announce at the

next city council meeting, said Shawn Irvine, the city's economic development director. The update will be posted to the "Independence Landing page" on the city website once it is finalized, he added.

When that happens, details are likely to differ on several key aspects on the development, compared with its original concept. In 2014, a feasibility study by Kennedy & Mohn, a hotel-consulting firm in Renton WA, put the sustainability number of hotel rooms at 50. Then, this past June, Mark Keller at Partnership Hospitality Services concluded that, in light of an improved economy, a 65- to 75-room hotel could find solid customer support.

This past fall that figure was bumped up to 150 rooms, if necessary, to secure development, according to Mr. Irvine, who called the doubling of permissible occupancy a "worst case scenario" during a city council meeting in September.

At the same council session, Steve Ward, the engineer who soon will oversee the million-dollar-plus construction of new streets and sewer lines, told councilors that there could be hidden

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excavation costs due to the fact that the site was acquired from a concrete company, and may have unidentified deposits beneath the soil. During a break in the council meeting, Mr. Ward, of Westech Engineering Inc., was asked about the likelihood of hard rock interfering with street-scaping and sewer lines. "It's hard to predict," he said.

The hotel, along with scores of apartments and a cluster of townhouses, is designed as a riverside village that will include new commercial office space. To planning experts, such waterfront building can be a boon to cities – and possibly a boondoggle, too.

Under the banner of "urban renewal" municipalities create city hubs and prevent civic decay, but there have been landmark failures in such revitalization efforts, as well. One that is now considered a cautionary tale – and a lesson for law school students -- occurred over a waterfront plan in Connecticut.

Nearly 10 years ago, the U.S. Supreme Court sided with town leaders in the case of *Kelo versus New London, CT* ruling that the economic potential a community may derive from private redevelopment can over-ride citizen challenges to the urban renewal plan.

Five justices in the *Kelo* case decided that promising plans to re-purpose the waterfront could go forward -- over the objections of displaced homeowners. Four of the judges disagreed.

Though impeccably planned, the project languished, eating up millions of dollars as land was bulldozed and otherwise prepared for construction that never materialized.

Conversely, at the City of Port Angeles WA, that waterfront – also developed in a way that utilized public funding -- became a draw for "both tourists and residents," noted Ben Braudrick, an assistant planner in Port Angeles. His city, which is home to the headquarters of Olympic National Park, now has ambitious plans to demolish a smokestack and mill from the 1940s, redeveloping that land following remediation.

All three cities have striking small-town similarities, including historic downtowns that flank bodies of water. New London has a population of just over 27,000; Port Angeles has about 20,000 people. Independence is approaching 10,000.

No magic formula for urban renewal success has been found. However, the University of Oregon published a case study of positive factors, using Astoria's Mill Pond neighborhood. That waterfront residential development that was built on land reclaimed from a wood manufacturer.

Researchers cited three general attributes tied to the Mill Pond success: A "quality" developer who shared the same vision as the city; Time investment by city officials in building public trust -- and partnerships -- with citizens; Incentives in the development agreement that removed barriers, such as canceling liability to the developer for any residual contamination that was found at the site after clean-up procedures but during construction.

Eventually, homes at Mill Pond sold like proverbial hotcakes.

It remains to be seen whether *Independence Landing* will be another Mill Pond. More than a year ago, city

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staff predicted a developer for it would be found by the end of 2015. The same upbeat view was expressed by Dwight Unti, president of Gresham-based Tokola Properties, the development firm the city awarded the right to negotiate the land-development deal. Mr. Unti made a visit to the city council meeting around the same time Mr. Irvine made his forecast.

As 2017 approaches, neither Tokola Properties nor the Independence planning department has identified investment partners, though city councilors and the mayor said there is at least one committed developer await in the wings.

To Vincent Adams, coordinator at Oregon State University's Rural Communities Explorer program, trips to Independence are scenic both in terms of natural beauty and historic charm -- the old and stately Main Street sits right next to a majestic park. "There are such qualitative aspects to this," he said.

"There is a heart to Independence and a place to play." Preserving this kind of downtown area is essential, according to city planners from across the Pacific Northwest who attended the Oregon and Washington Joint Conference of the American Planning Association last week. Investment in downtown means "you can get far more than your money back," said Joseph Minicozzi, a featured speaker at the meeting and principal of Urban 3, a North Carolina firm specializing in urban analysis.

He cited a downtown area in one city, which he compared with a shopping mall several miles away. One family's

adolescent daughter spent hours at the mall, leading her dad to conclude more dollars were going from their house to the shopping center than to other discretionary spending.

But this teenager's working parents were eating meals and conducting business in the downtown district nearly every day, actually depositing higher revenue to merchants. "Where do you have lunch?" is a question that Mr. Minicozzi often poses to skeptics, along with "Who is sponsoring your Little League teams?"

However, too much generosity in terms of incentives can be costly, become a subsidy "if I am able to come in and rob you as a developer," he said.

Incentives for *Independence Landing* have been a point of contention, even among city councilors. To date, the price tag to buy the land and then grade it has exceeded a million dollars, and the approved credit line from a state public-lending agency for building streets and sewer lines is almost \$3 million.

Some residents fear *Independence Landing* will become another *Independence Station*, built on land the city sold about a decade ago for a LEED platinum mixed-use building. It's since been nicknamed "Stonehenge" for its stalled construction and skeletal pillars.

During the annual "ghost walk," in which city volunteers recount stories of hauntings, one guide has been known to lead tourists by *Independence Station*, noting there's no paranormal activity but "it's still the biggest mystery in town."

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## **The Civics Lesson**

*Everything you never really wanted to know about urban renewal money*

The property tax bill that arrived recently to homeowners in Independence includes a category called “urban renewal,” which is one way redevelopment projects like *Independence Landing* are made possible. In Oregon, property tax revenue may be divided, with a slice for urban renewal agencies and funding.

In Independence, the Urban Renewal Agency is the City Council, which convenes as the agency when needed. The agency may declare certain areas blighted, paving the way for appropriate remediation, often by redevelopment.

For the typical taxpayer in Independence – with an average assessed home value of about \$123,000 – the urban-renewal portion of property tax amounts to about \$140. (The city’s “refinance bond” fee is another part of the tax.)

The city has proposed paying back loans to get *Independence Landing* shovel-ready through a system called tax increment financing, or TIF, which relies on private investment increasing the value of the riverfront parcel in the future, generating more property-tax revenue. TIF is the difference between the former assessed value and the higher one resulting from redevelopment.

Urban renewal can refer to almost any city-initiated program for revitalization. “It has a wide scope,” affirmed Ryan Hughes, senior planner at Studio Cascade, a planning & design company in Spokane WA. – *Anne Scheck*

## **The Indy Hop**

*When wagon trains roll, the going gets “ruts” – and so does a piece of history*

A determined band of “re-enactors” who retraced the Oregon Trail to Independence more than five decades ago by covered wagon faced perhaps their biggest barrier from clashing personalities. But they checked their egos at the campfire whenever the press came to cover their story, earning the group glowing headlines along the route. That’s the recollection of author Richard Carter, who shared his memories and his book, “Trail Ruts: Oregon’s Centennial Wagon Trains” this past fall at a presentation sponsored by the Heritage Museum Society. Whether it was the strain of the hot, dusty trip or the rugged qualities of those who chose to go on the journey, conflicts grew as large as some of the tall Idaho cactus passed along the way -- and proved just as prickly, too. In one passage of the book, a woman who brewed coffee one morning discovered a dead snake in the pot, which she had unknowingly boiled, having put the grounds in the night before. She wanted to believe that it “crawled in by itself,” so another trail rider had to break the news that this was unlikely. The covered pot was in a high, safe spot the previous evening. “By the time we arrived at the end, I’d learned a lot about nature – and human nature,” the author recalled. Book orders can be placed at [dcart29@comcast.net](mailto:dcart29@comcast.net) (AES)