

The Independence City

INDEPENDENT

Independence Landing Now Ready for Spring Launch

By Anne Scheck

When it comes to the contractual agreement that will put a hotel at *Independence Landing*, third time's the charm. It's not just the presence of pea gravel or ground contaminants that have slowed construction.

Ground-breaking has been delayed, in part, due to a review – and ruling – by the state's Bureau of Labor and Industries (BOLI) over a contractual guarantee of \$744,000 to the developer, Tokola, explained Shawn Irvine, economic development director for the City of Independence. BOLI found that about \$200,000 that was allocated by the city to Tokola for financial assistance doesn't qualify for payment out of public coffers, he explained.

So, in late September, the City Council voted to revise the contract with Tokola, reducing that amount to about \$500,000. In turn, Tokola agreed to take it as a lump-sum cash transfer after the hotel is completed and has been issued a certificate of occupancy. The city left unchanged “financial assistance” to Tokola of about \$2 million, which will pay for

Tokola's estimated costs for building permits and system development charges for the project.

This clinched the new agreement, which followed a contractual revision in May in which the city eliminated the provision that Tokola would have a “joint-use agreement” for the city's Event Center at the Independence Civic Center. Now “standard public rental rates” will apply to the developer. Hotel building is to start this spring, Mr. Irvine said.

Meanwhile, spending by the city in the urban renewal district (URD), which encompasses *Independence Landing*, cannot exceed a limit imposed by the city nearly a decade ago, which legally capped the URD debt at \$17.9 million. How close is the city to hitting that ceiling? Precise numbers have been hard to come by, although City Manager David Clyne, in June, was queried about the reported debt as part of a year-old city audit, which put it at \$14 million.

Mr. Clyne hasn't directly commented on that question, but Mr.

Continued on page 2

Continued from Page 1

Irvine told the City Council, when one member inquired about the spending level, that it is “getting up there.”

Asked recently to clarify that statement, Mr. Irvine said he could only confirm the debt limit, apparently since some of the plans remain in flux.

Urban renewal efforts can be complicated, noted Robert Estabrook, spokesperson for the Oregon Department of Revenue. But when it comes to providing outreach and information to the public, “if you have questions, it’s good to seek answers,” he said.

The project has met with uniform support from the city and many residents, who have long hoped for a hotel to reinvigorate the downtown. In addition, *Independence Landing* eventually will include apartments and townhouses.

But its financial impact remains “difficult to quantify.” That’s the conclusion of a self-described “cranky economist” the city hired to assess the effect of *Independence Landing* on the city’s financial future, William Reid of Hillsboro-based PNW Economics.

He also called it a guaranteed fiscal boost for the city. But by how much? That remains to be seen, he said more than a year ago, shortly after he presented his findings to the city council during a work session – and long before *Independence Landing* hit some early hitches.

The project is likely to generate millions, however, he said. Two different revenue streams – a lodging tax from the hotel and a special

monetary return that comes from property tax in the URD – will begin as soon as occupancy starts, he said.

Cities are hamstrung in terms of revenue generation, Mr. Irvine noted – a view that the state treasurer seems to understand. Municipal revenue is largely limited by reliance on property tax and municipal fees, said State Treasurer Tobias Read, when asked to comment on the wide reports of small-town budget strain. But there are numerous tools available to cities in the budgeting process, he stressed.

One is a consumption tax, he noted. This is an added charge on a service – like the “bed tax” that will kick in, once Independence’s new hotel is certified for occupancy. “This means we can pay ourselves (the city) from the bed tax as soon as it starts being collected,” noted Mr. Irvine.

That is one reason why city Councilor Ken Day is on board. “This is a bold attempt by city leadership to alter the future of Independence with minimal risk to the city,” said Councilor Day. “I am confident that if the current developer backs out, the monies spent by the city on infrastructure will not be wasted,” he said, adding: “I can easily envision apartments, townhouses and/or a retirement complex on the site.”

Three years ago, a trio of developers who were consulted on the “Site Concept and Plan and Report” for *Independence Landing* gave the potential for hotel-lodging mixed reviews. One consultant, in fact predicted the hotel will be difficult to implement and that the planned

Continued on page 3

Continued from Page 2

residential dwellings would be the “most immediately viable,” according to his comments, which were included in the report.

Timing and luck both play a role, according to a study of Oregon urban-renewal case histories that was conducted 15 years ago for the Association of Oregon Redevelopment Agencies. Noting that two of the state’s major cities – Salem and Eugene – were vying for a Nordstrom’s, the report concluded that Salem may have secured success with its downtown Salem Center by attracting the retailer.

“If it had been six months later, the deal wouldn’t have happened because Nordstrom’s was changing its retail strategy,” according to the report. Eugene missed that window of opportunity for its own downtown mall.

Local vintners have given enthusiastic endorsement of the *Independence Landing* project, noting the hotel should appeal to a range of guests “from wine tasters to bicyclists to families.” In meeting with owners of vineyards in the area, the city staff found that “there is a great opportunity to promote the idea of wine tourism” similar to the way some of the small cities have done in Washington, such as Walla Walla and Yakima.

The site, alongside the banks of the Willamette River, is universally regarded as one of the most desirable in the Willamette Valley. Tokola properties paid \$162,000 for four of the lots closest to the river, after the city bought the land and built streets and other infrastructure to make it

ready for the development. The hotel, which is slated to be built first, will mean a \$42.2 million investment by Tokola. The project is designed to have a 75-room hotel, and, after it is constructed, work is to begin on a 110-unit apartment complex and 14 townhomes.

With *Independence Landing*, a new transportation system plan eventually will need to be put in place – the last one is now a decade old. And the city’s contracted pavement-assessment report for local streets is set to expire this winter. However, the information it contains still will prove helpful in evaluating which streets are in the best shape for heavier traffic, Mr. Irvine said.


Citizens already have raised concern about traffic, and even city staff have acknowledged that downtown “chokes up” in the afternoon.

Involvement by stakeholders, even vocal opponents, can be integral for change – all viewpoints of those impacted should be explored, said Sabrina Rahn, who was interviewed after giving a keynote presentation at the 2017 Project Management Institute meeting in Portland.


Change managers often are essential in such situations, she observed. The role of “change manager” may involve an individual already deeply familiar with the project who has engendered a sense of trust – or an outside project manager. Either way, it’s someone who can “bring everyone along on the same journey.”



The CIVICS LESSON: *How Other Cities House a Civic Center*

Studies have shown that central government facilities in small towns – better known as City Halls – can be crucial to a sense of municipal well-being, from becoming a source of civic pride to serving as a downtown hub that helps make Main Street a marketplace. But the way in which cities achieve this "City Hall effect" in historic districts is often a matter of refurbishment – not new construction. That's the result of a completely unscientific survey by *The Independent* of some of small cities that *Livability Magazine* has put on its list of "most livable" small towns. In Yankton, SD (population 15,000, according to the last census) residents have a city hall that's about 47,000 square feet, including the police department. It's housed in a historic building that has been partly remodeled. The same is true for Papillion, NE (pop 19,000), which has about 37,000 square feet, including the police department. Ditto for Sheridan, WY (pop 17,500), which also occupies a space about 37,000 square feet, including the police department. Staff from other cities are quick to point out that city halls should plan expansions that match needs projected in 15 years, not current demands. The circumstances – refurbishing a historic building – make comparisons difficult for the Independence Civic Center, which is the result of new construction. However, the Independence Civic Center has another difference, too – an event center, which is missing from all three other cities in this imprecise survey. The Independence Civic Center is more than double the size of its old city hall, which was 8,000 sq. ft. and built in the 1960's. The Event Center, which was later added, is another 4,300 sq ft.  –AS

The INDY HOP: *Night of Dinner, Death and a Delightful Time!*

Murder! Mayhem! Prime Rib! A cast of characters right out of turn-of-the-century Independence and speaking dialogue written by local ghost biographer Marilyn Morton turned dinner into a night of homicidal *who-done-it* fun. Ms. Morton brought sparkle to the event (she wore a shimmering jacket) and Police Chief Robert Mason brought his expertise (he played an old-timey constable). But it was the diners at Independence Grill & Bar that had the best time, as they watched a dramatic death unfold on the floor between tables, when grocer Maxine Goldman expired with jerks and moans. Suspicion immediately fell upon – *who else?* – an out-of-towner, who was labeled as a "slick outsider," a salesman who "could be from anywhere – even Monmouth!" There actually seemed to be more laughter than suspense, which was just fine with Ms. Morton, who is a city councilor and an all-round civic booster. This was the first Murder Mystery Dinner, but it will become an annual event, she said.  –AS