

The price of eminent domain



Kaellen Hessel, Statesman Journal

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(Photo: DANIELLE PETERSON / Statesman Journal)

So far, the public discussion surrounding a proposed new Salem police facility has centered around the needs of the Salem Police Department, the cost of the building and the part of town it should inhabit.

On Monday night, those who will be directly impacted by the facility — those currently living and working on and near two properties where it could be built upon — will have a chance to be heard.

The so-called O'Brien site is made up of two former car dealerships and a vacant lot, all of which are for sale. It also includes the Mill Creek Plaza office building, which is not for sale.

The Leslie site, just south of Salem Public Library, houses at least 17 businesses, the Oregon Commission for the Blind, and homes that date back to the early 1900s.

The Salem city council has held several work sessions studying consultants' plans for a 150,000-square-foot facility. The cost for the consultants' recommended facility is \$81.4 million at the O'Brien site and \$79.4 million at Leslie. (</story/news/2016/02/22/work-session-today-discuss-police-facility/80771780/>). This amounts to a property tax impact of \$9.08 and \$8.86 per month, (<http://www.cityofsalem.net/CouncilMeetingAgenda/Documents/350/2a.pdf>) respectively, for a home with a taxable value of \$200,000.



STATESMAN JOURNAL

Rapid Response: A new headquarters for Salem police?

(<http://www.statesmanjournal.com/story/opinion/readers/2016/02/27/rapid-response-new-headquarters-salem-police/81010286/>)

The Central Area Neighborhood Development Organization, which represents the neighborhoods at both locations, supports putting the police facility on the O'Brien site. The South Central Association of Neighbors, which borders the Leslie site, has come out against putting the facility next door.

Councilman Chuck Bennett, who represents the downtown area, said the O'Brien site is the best place to house a police facility for the next 50 years.



STATESMAN JOURNAL

City of Salem narrows down possible police facility sites

(<http://www.statesmanjournal.com/story/news/crime/2015/12/22/city-salem-narrows-down-possible-police-facility-sites/77755298/>)

O'Brien site

When consultants ranked the top police facility (</story/news/2016/01/22/leaders-review-proposed-police-facilities/79129256/>), the O'Brien site came out on top with a weighted score of 129.

Pros for the site were listed as having a central location, community visibility, large site, neighborhood compatibility, ease of acquisition, urban renewal potential and redevelopment catalyst.

It's 4.27 acres and made up of six parcels; the bulk of the site is already listed as being for sale. It's also less than a mile from the current police station.

The car dealerships, which make up the bulk of the site, became vacant in January 2015 after Lithia Motors relocated to Salem Parkway.

Hancock Real Estate represents both the dealership properties and the vacant land north of it.

The dealerships are listed for \$6,279,930. The lot, at 890 Commercial St. NE, is listed at \$202,130.

"We'd love to put the police facility on this property," said Terry Hancock, principal broker. "We'd love to see the folks protecting our city have the best facility they can operate from."

Since the site was used as a dealership, there may be environmental problems with the property, said Allen Dannen, project manager and assistant city engineer.

Between the former dealership and vacant lot sits Mill Creek Plaza, which houses about a half dozen businesses, including dentists, lawyers and an investment group.

Corey Smith, a bankruptcy attorney who owns the building, declined comment except to pass along a message that the building is not for sale. He asked that his tenants not be interviewed.



STATESMAN JOURNAL

Costs unveiled for proposed police facility

(<http://www.statesmanjournal.com/story/news/2016/02/22/work-session-today-discuss-police-facility/80771780/>)

Leslie site

The city block south of the Salem Public Library is filled with residents and business owners who say they do not want to move.

Those interviewed said they understand the police facility needs to go somewhere, and support the police, but don't understand why their block is being considered when the other site is predominantly filled with land already on the market.

The CAN-DO neighborhood association described the block as "an existing healthy mixed-use community of viable businesses and downtown residences," according to a letter sent to the city council.

When consultants studied this site, (</story/news/crime/2015/12/22/city-salem-narrows-down-possible-police-facility-sites/77755298/>) they considered its location, community visibility and public access as positives. They also noted it's a small site with high development costs, consisting of multiple parcels with no urban renewal potential. Its total score was the lowest of the top four, at 97.

It's a 2.3-acre site made up of 16 parcels, according to city staff.

Five American Bungalow-style houses in the block are more than a century old and another will hit that mark next year. Just across the street is the Gaiety Hill National Historic District.

Some of those houses have been transformed into small businesses, including a law office, veterinary clinic and wedding businesses. Others remain residences.

Erma Hoffman said the Gaiety Hill neighbors consider her and her husband as part of their neighborhood. She has lived in the 111-year-old home, which is the childhood home of former Oregon Chief Justice Wallace Carson, Jr., for seven years.

"We love living here and appreciate the neighborhood that's so cohesive," she said.

Kevin Gage, an attorney who owns a 1905 house on Leslie Street, said having to sell his building and move would have a "devastating impact."

Gage's business has operated from the house since 1992. When he retires, in seven years, he plans to live off the rental income he could make from it.

"Fair market value doesn't compensate me for the next stream of money I would have had for 30 years," he said.

Gage said he doesn't understand why the city would want to build on a block that would be logistically difficult. He knows of at least one owner who doesn't plan on going quietly.

He said he thinks eminent domain, the legal right for government to buy private land for public use, is a legitimate action for the city to take, but he thinks it's more reasonable to use it on the space with the fewest number of people who would need to be displaced.



(<http://www.statesmanjournal.com/story/news/2016/01/22/leaders-review-proposed-police-facilities/79129256/?from=global&sessionKey=&autologin=>)

The Willaby's Catering building on Liberty Street SE is home to seven women-owned wedding-related businesses.

If the council supports local businesses, then putting the police facility on the Leslie site and displacing at least 17 of them doesn't show that, said Jean Mateson, owner of Willaby's and the property.

Mateson estimates that the businesses operating out of her building employ 35 to 40 people and generate \$1.5 million in annual revenue.

The Northwest School of Music started renting its 91-year-old building two-and-a-half years ago. Since then, they've added 100 more students — making it the largest music school in Salem, said owner Gillian Perkins.

In exchange for renovating the house, the school received a great deal on rent from Shelter Management Inc. They have since painted, put in new walls, replaced flooring and are in the process of landscaping, Perkins said.

"We probably couldn't afford a building big enough to serve the same number of students," she said. They'd probably have to charge their students more, she said.

Ben Bednarz, brother to councilman Warren Bednarz, owns half of the block's properties. Councilman Bednarz declared a conflict of interest at the last work session because of this. He has been present for work sessions, but has not voted on the matter and refrained from commenting at the last meeting.

Ben Bednarz did not return a request for comment on Friday.

Veterinarian Julie DeMarco said she specifically chose to locate her business on Leslie Street seven years ago because it would be walkable and there's not another vet downtown.

"The reaction of most of my clients is, 'Please don't move, please don't go away,' " she said.

DeMarco owns Whole Pet Veterinary Care but rents her building. Not knowing what will happen with the police facility is inserting uncertainty into her business, she said.

"(Having to move is) going to hurt me because I'm not going to let it hurt my employees," she said. The business usually has eight employees.

DeMarco and her neighbors are shocked by the possibility they could be forced to leave.

"If most of the Salem community says they want it here, I'll leave," DeMarco said. "But I don't think most of Salem wants it here."

If you go

The Salem city council is holding a public hearing about the proposed police facility at 6:30 p.m. Monday, Feb. 29. The meeting will take place at the Vern Civic Center, 555 Liberty St. SE.

City staffers recommend those who wish to speak sign up before the meeting begins. Sign-up sheets will be located just inside the Council Chambers, room 240, on the right. Speakers have three minutes for comments.

Mayor Anna Peterson has said she expects many people will show up to testify. The meeting will run no longer than 10 p.m. If more people still wish to comment, they'll host another public hearing a week later at the regularly scheduled council meeting.

Whitney M. Woodworth contributed to this report.

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