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Downtown developers may work with ORI

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Abstract (Document Summary)

ORI would build the upper five stories for its offices, [Cynthia Guinn] said. ORI and the [Tom Connor] and [Don Woolley] group would own the building under a condominium-style ownership.

ORI and its Portland-based developer, Gerding Edlen, estimate that they need \$24 million to construct the building. Earlier this year, ORI was \$8 million short, a gap that it has since narrowed to about \$2.4 million, Guinn said.

Under the existing agreement, if ORI lined up funding, the city was to demolish the old Sears store by June 1, and later sell the property to ORI at below market value. Figuring in the price break and other financial help, the city's subsidy would equal about \$608,000.

Full Text (813 words)

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The joint effort could get the research institute's office building project moving in the old Sears store location

Scrambling to get its mired downtown Eugene office construction project off the ground, Oregon Research Institute is thinking of joining forces with a major downtown property owner.

ORI will miss a key deadline on July 1 because of difficulty in getting loans for its proposed \$24 million office building on the former Sears property, at West 10th Avenue and Charnelton Street. The site is owned by the city.

Now, with city officials ready to grant a time extension, ORI is considering a joint development idea from Eugene businessmen Tom Connor and Don Woolley, who own numerous downtown properties.

Connor and Woolley last week unveiled plans to redevelop their properties along West Broadway in downtown, next to where ORI wants to construct its five-story headquarters.

ORI Executive Director Cynthia Guinn on Wednesday said she was contacted by Connor within the past few weeks. Connor proposed that he would construct the bottom of the building - an underground parking garage and first floor retail space, she said.

ORI would build the upper five stories for its offices, Guinn said. ORI and the Connor and Woolley group would own the building under a condominium-style ownership.

Connor declined to discuss details on Wednesday but said more parking in the area would help his redevelopment

plans.

"Parking in the area is definitely going to be an issue," he said.

"We are having preliminary discussions," he added. "Our goal is to try and figure out something that works for ORI."

With 250 employees, the behavioral research firm's presence would be a boost to the downtown. The nonprofit group wants to own its own building. It currently leases space along Franklin Boulevard, about a mile east of downtown.

ORI has struggled since last summer to secure funding for its proposed 80,000-square-foot building. The city and ORI delayed signing a purchase agreement last November because the firm failed to secure a \$4 million grant, a key part of its financing. They finally signed an agreement in February.

ORI and its Portland-based developer, Gerding Edlen, estimate that they need \$24 million to construct the building. Earlier this year, ORI was \$8 million short, a gap that it has since narrowed to about \$2.4 million, Guinn said.

The condominium-type ownership with Connor and Woolley and the duo's financial clout would make banks more willing to lend ORI the money to finance the total cost of construction, Guinn said.

The city of Eugene has been ready since last year to sell the former Sears property to ORI so it can start building.

Under the existing agreement, if ORI lined up funding, the city was to demolish the old Sears store by June 1, and later sell the property to ORI at below market value. Figuring in the price break and other financial help, the city's subsidy would equal about \$608,000.

The agreement requires ORI to start building by July 1, but that can be put off until Sept. 1.

Guinn said ORI has asked city officials for that additional time, partly so ORI's board can learn more about the proposal from Connor and how it will change the architecture of the building.

ORI's financial advisers also will continue to work on ways to plug the financing gap in case an agreement with Connor and Woolley cannot be reached, she said.

"I'm really confident that we are going to put a building up there," Guinn said. "I'm not sure exactly what it is going to look like, but we are still committed to the building."

The city is willing to give ORI more time, City Manager Dennis Taylor said. "I remain optimistic about the ORI project," he said. "These things take more time than we initially plan, but things are trending in a very positive direction."

Connor and Woolley and their developer, Minneapolis-based Opus Northwest, last week announced that their concept for downtown could include a mix of housing, offices and commercial uses.

Rick Duncan, a commercial real estate appraiser and Eugene Planning Commission member, said a parking garage under the ORI building would make sense.

A parking garage and retail businesses would help ORI, Duncan said, adding, "It helps the whole area."

City Council President George Poling said the possible collaboration between ORI and Connor and Woolley would fit the current thinking that there is promise in redeveloping downtown.

"In the long run, I think that everybody could come out winners on this," he said. "Pumping life back into the downtown is the overall goal, and this appears to be a good step toward that."

[Illustration]