

**Prospective Cost-Benefit Analysis:  
Riverfront District**

City Council directed staff to conduct a cost-benefit analysis of the Riverfront Urban Renewal District. Looking forward, one of the primary uses of Riverfront Urban Renewal funds is anticipated to be associated with the build-out of the EWEB Riverfront Master Plan, a community design for Eugene's downtown riverfront. Therefore, it is appropriate to consider the costs and benefits of utilizing Riverfront Urban Renewal funding to realize the vision proposed in the Master Plan.

The EWEB Riverfront project is an investment in the City's capacity to address the community's vision. The park land, plazas, green streets, historic assets, new housing and commercial space transforms a vacated utility yard into a pedestrian-oriented, balanced, green neighborhood and community asset. The implementation of the EWEB Master Plan would significantly advance the community goals of Envision Eugene, the Regional Prosperity Economic Development Plan, the Downtown Plan, and the Riverfront Urban Renewal Plan. Although some clear assumptions can be made regarding projected costs and benefits, the full influence is difficult to quantify because many public and community-wide benefits involve intrinsic values, such as access to the river and nature, communicating our history through adaptive reuse of buildings, and strengthening the community's identity as a city on the river.

The following assumptions underpin this cost-benefit analysis.

*Use of Land*

- 8 Acres of new Public Open Space
- 8 Acres of new Development
- 15 Acres for Adaptive Reuse (steam plant, operations building, admin building)
- 4 Acres of green streets and bike/pedestrian paths

*Development*

- 333 units of market-rate housing
- 85,000 square feet of new office (80% taxable uses)
- 36,000 square feet of new retail
- Renovation of existing 28,000 square foot steam plant and 49,000 square foot operations/bow-truss building for adaptive reuse

## **COSTS**

### *Riverfront Urban Renewal Potential Investment*

- Rail Road Crossing & 8<sup>th</sup> Avenue Alignment for \$1.5 million
- Park (includes riparian habitat improvements) for \$5.9 million
- Roads (25% of total estimated expenditure) for \$1.8 million
- Historic buildings and other costs (steam plant, etc.) for \$3 million
- Project Delivery Administration (over 10 years) for \$2.9 million

## **BENEFITS**

The benefits derived from the use of Riverfront District financial resources to achieve the outcomes envisioned in the Master Plan fall into the following nine areas.

### *Private Investment, Construction & Jobs*

- New construction of \$110 million
- Over 300 new housing units
- Adaptive reuse of the historic steam plant and bow-truss building
- 700 permanent jobs (\$30 million annual payroll)
- 650 construction jobs (\$27 million payroll)

### *Property Value & Tax Revenue*

- Converts some of the highest valued land within the City from tax exempt to densely improved taxable property
- \$111 million of new taxable value added to the tax base from the new development in EWEB Master Plan when completed (estimated FY25); to generate \$2 million in new annual property tax revenue ongoing into the future

### *Implementing Envision Eugene*

- Enable denser development in the downtown core area
- Encourage growth close to existing services and infrastructure, creating cost efficiencies
- Alleviate development pressure on Eugene's single-family neighborhoods
- Sensitively restore habitat and create equal access to nature for the community

By encouraging denser development in the core while improving waterfront habitat, the City would be taking actions in line with several of Envision Eugene's pillars: compact development and efficient transportation, protection of natural resources, neighborhood livability, and building resiliency to climate change. Realization of higher density on the EWEB Riverfront Master Plan is important to establishing the development pattern strategy of Envision Eugene. Intensively developing land inside the Urban Growth Boundary will be more cost effective by reducing the need for constructing new infrastructure, and creating service cost efficiencies. For example, national studies show, on average, a ten percent savings in services like police and fire for cities that develop their land more densely.

### *Implementing the Downtown Plan*

- Connects downtown and the City to the Willamette River, our heritage and our most precious natural resource
- Implements the EWEB Riverfront Master Plan, the community-developed design for Eugene's downtown riverfront
- Capitalizes on a unique opportunity to create a people place, an inviting destination where the community can live, work, visit, gather and recreate
- Creates new housing units which are essential to the vitality and character of the downtown riverfront
- Improves the function, form, and quality of surrounding streetscapes to and from the riverfront
- Creates valuable open space, and enhances bike and pedestrian infrastructure and facilities
- Enhances the economic strength of downtown so that a more dense pattern of development will become more economically feasible

The enhanced amenities along the riverfront and improved urban design connections to the rest of downtown will realize the Downtown Plan's vision for downtown as an *active, strong urban core connected to the river*. The Downtown Plan specifically acknowledges that *the EWEB property represents the best opportunity for the development of a downtown riverfront, and that a master plan for future development or reuse of the EWEB site is needed*. With the Master Plan now complete, the community's long awaited desire for a downtown riverfront can be realized. The approved Master Plan design interweaves the river and waterfront greenways into this region's premier central business district: Downtown Eugene. The synergy between waterfront, green space, public space, and new development has the potential to create a dynamic waterfront that is uniquely Eugene.

### *Implementing Regional Prosperity Economic Development Plan*

- Redevelopment of the riverfront celebrates our region's attributes and values and communicates the unique nature and potential of the region
- Meets the siting needs of business to encourage new investment, expansion, and job creation
- A downtown riverfront creates an attractive asset for employers and employees associated with the creative economy and reinforces a dynamic urban center
- Provides an environment for jobs that offer wages at or above the State average

The EWEB Master Plan carries forward several of the goals and strategies of the Regional Prosperity Economic Development Plan. The underdeveloped EWEB property provides an excellent siting opportunity for new business, business expansion, and job creation to occur in the core of Eugene's central business district and within the existing Urban Growth Boundary. Employers that are likely to tenant the riverfront area are expected to be in sectors such as professional, scientific, and technical services, which have average earnings approximately 15% greater than other industries in Lane County. Additionally, new constructions jobs, which also pay greater than the average Lane County wage, would be

created during the construction of infrastructure, open space, new buildings, and building renovations.

An iconic waterfront with qualities distinct to Eugene will aid in supporting highly mobile, highly creative businesses and people looking for quality of life locational advantages and superior urban amenities. These talented workers and entrepreneurs will bring high-tech, high-quality jobs and added revenue into our economy.

#### *Restoring Habitat and Protecting Water Quality – River’s Ecology*

- Enhanced habitat environment and connectivity
- Enhanced riverfront utilizing rainwater management systems such as bio-swales, pervious paving, rainwater retention basins, rainwater harvesting and storage, and water-wise plantings

In accordance with the EWEB Riverfront Master Plan, the existing riparian river edge will be enhanced, providing significant habitat and ecological connectivity for a healthier environmental balance. In addition, the existing EWEB site has a total of 16.4 million gallons of storm water runoff annually. The Master Plan anticipates that the property’s storm water runoff will be managed sustainably through code regulations that address collection, retention and cleansing. The result will reduce runoff by an estimated 19% to 65% by conserving water for human use, ground water recharge, filtration and habitat creation. These storm water enhancements would reduce the amount of impervious surface on the property and represent potential storm water management cost savings for the City.

#### *Implementing Climate & Energy Action Plan*

- Creates a dense, vibrant 20-minute neighborhood with easy access to biking, walking, mass transit, services, open space, recreation, culture, and education
- Greater density in the urban core reduces greenhouse gas emissions by making transit more efficient

A high priority action item within the Eugene Climate and Energy Action Plan is to *increase density around the urban core and along high-capacity transit corridors*. The Action Plan indicates that increasing the density of development around the urban center is an effective strategy for reducing fossil fuel use and greenhouse gas emissions. The mix of development envisioned in the EWEB Riverfront Master Plan would increase access to services, increase bikeability and walkability, reduce single occupancy auto trips, and take advantage of significant mass transit investments that have occurred in the downtown core. The mix of development and proximity to services, parks, cultural, education and recreation opportunities also provides an excellent opportunity to implement the Climate and Energy Action Plan’s *20-minute neighborhood* objectives.

#### *Enhancing Culture & Education*

- The community’s access to rich history and natural habitat is significantly enhanced
- Eugene’s civic identity as a *city on the river* is significantly enhanced

- Adaptive reuse of the historic steam plant and operations/bow-truss building preserve an important part of Eugene's past

The EWEB property is the only property within the Downtown Plan area that is immediately adjacent to the river, and can serve as the community's living classroom for local history and rich natural habitat. For over 100 years, the EWEB operations facility and the former Agripac industrial use have been an obstacle to the community's access to the river from downtown. For decades, the community's vision for the riverfront focused on creating a place where residents and visitors comes to live, work, recreate, attend cultural and educational events, and reinforce civic identity and local pride.

#### *Increasing Visitors & Tourism*

- Increased visitors and discretionary spending
- Increased opportunities for cultural and recreational tourism

The riverfront site has the potential to *promote the region's natural and cultural resources to enhance cultural tourism* as identified in the Regional Prosperity Economic Development Plan.

#### *Riverfront Access and Recreation*

- Community access to open space on the riverfront and adjacent path system

An investment in the parks and open space landscape portion of the EWEB Riverfront Master Plan should reap recreational and health benefits for the public that are both immediate and long lasting. The community places significant value on the ability to access neighborhood parks, open space and nearby nature to bicycle, walk, attend events, eat lunch, and experience the river. A newly created riverfront park is expected to attract hundreds of visitors per day, providing health, well-being, and quality of life benefits for the community.

## **CONCLUSIONS**

A cost-benefit analysis of utilizing Riverfront Urban Renewal funds to realize the vision outlined in the EWEB Master Plan highlights the significance of the potential financial and community outcomes. Public investment to implement the Master Plan can advance many of the goals identified in Envision Eugene and other community-wide planning efforts. These include compact urban development, , providing ample economic opportunities for all, climate change and energy resiliency, protection of neighborhood livability, and protection and restoration of natural resources.

The implementation of the Master Plan will face significant financial challenges, and will require substantial private investment in addition to any public funds. Similar to the transformative Urban Renewal Agency investments recently made in the Downtown District, the Riverfront District's financial resources have the capacity to invest in public infrastructure remove barriers to redevelopment as an incentive for private investment.

With the Riverfront District financial resources already in place, and the EWEB Riverfront Master Plan approved, a unique opportunity exists to partner financially in the effort to transform a large, vacant, downtown property on the riverfront consistent with the community's Master Plan vision.