

### **EUGENE CITY COUNCIL AGENDA**

September 22, 2014

5:30 p.m. CITY COUNCIL WORK SESSION

Harris Hall

125 East 8<sup>th</sup> Avenue Eugene, Oregon 97401

7:30 p.m. CITY COUNCIL MEETING

Harris Hall

125 East 8th Avenue

Eugene, Oregon 97401

#### Meeting of September 22, 2014; Her Honor Mayor Kitty Piercy Presiding

#### Councilors

George Brown, President Pat Farr, Vice President

Mike Clark George Poling
Chris Pryor Claire Syrett
Betty Taylor Alan Zelenka

CITY COUNCIL WORK SESSION Harris Hall

5:30 p.m. A. City Hall Workshop

CITY COUNCIL MEETING

#### **Harris Hall**

#### 1. PUBLIC FORUM

#### 2. CONSENT CALENDAR

(Note: Time permitting, action on the Consent Calendar may be taken at the 5:30 p.m. work session.)

- A. Approval of City Council Minutes
- B. Approval of Tentative Working Agenda
- C. Adoption of a Resolution Amending Resolution No. 5053 Concerning a Multiple-Unit Property Tax Exemption for Residential Property Located at 39 West Broadway, Eugene, Oregon (First on Broadway, LLC/Owner)
- 3. WORK SESSION:
  Disadvantaged/Minority City Contracting

#### \*time approximate

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, FM assistive-listening devices are available or an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

City Council meetings and work sessions are broadcast live on the City's Web site. In addition to the live broadcasts, an indexed archive of past City Council webcasts is also available. To access past and present meeting webcasts, locate the links at the bottom of the City's main Web page (www.eugene-or.gov).

El Consejo de la Ciudad de Eugene aprecia su interés en estos asuntos de la agenda. El sitio de la reunión tiene acceso para sillas de ruedas. Hay accesorios disponibles para personas con afecciones del oído, o se les puede proveer un interprete avisando con 48 horas de anticipación. También se provee el servicio de interpretes en idioma español avisando con 48 horas de anticipación. Para reservar estos servicios llame a la recepcionista al 541-682-5010. Todas las reuniones del consejo estan gravados en vivo en Metro Television, canal 21 de Comcast y despues en la semana se pasan de nuevo.

For more information, contact the Council Coordinator at 541-682-5010,

and date the and the exercise arrested and analysis

### **EUGENE CITY COUNCIL** AGENDA ITEM SUMMARY



#### City Hall Workshop

Meeting Date: September 22, 2014 Agenda Item Number: A **Department: Central Services** Staff Contact: Mike Penwell www.eugene-or.gov

Contact Telephone Number: 541-682-5547

#### **ISSUE STATEMENT**

The purpose of this workshop is to provide the council with the technical information that led to the development of the final concept design and site framework for the City Hall project and to facilitate a question and answer session with the council that focuses on the analysis of the current site. This workshop accompanies the City Hall work session scheduled on September 24, 2014.

#### **BACKGROUND**

At the September 8, 2014, work session, the council passed a motion to pause the work of the City Hall project in order to clarify council direction relative to this project at the September 24 work session. To prepare for that work session, the City Hall project team and City staff will use a workshop format on September 22, to present background information on the development of the final concept design and site framework for the project.

Members of the multi-disciplinary team of sustainable design professionals led by Eugene-based Rowell Brokaw Architects with assistance from The Miller Hull Partnership of Seattle and McKenzie Commercial Contractors from Eugene conducted an assessment of the current building and site. Many of them will be present to participate in the workshop. The professionals that will be available to provide information and answer questions include:

- John Rowell, Principal, Rowell Brokaw Architects
- Kaarin Knudson, Project Manager, Rowell Brokaw Architects
- Scott Wolf, Principal, The Miller Hull Partnership
- Adin Dunning, Design Architect, The Miller Hull Partnership
- John McDonald, Structural Engineer and Principal, Catena Engineering
- Marc Brune, Mechanical Engineer, PAE Consulting Engineers
- Brian Vannemann, Principal, Leland Consulting
- Jim Mender, Project Manager, McKenzie Commercial Contractors

A recap of recent council history related to the work of the current project team for City Hall is included below. A complete history of council action back to 2001 is included in the Agenda Item Summary for September 24.

In mid-2013, Eugene-based Rowell Brokaw Architects was selected to lead the design team for the City Hall project with assistance from The Miller Hull Partnership in Seattle, a firm that has won numerous regional and national awards for its innovative sustainable design work. The remainder of the integrated design team for this project includes some of the leading experts in the Pacific NW in the fields of engineering, landscape architecture, cost estimating, and whole building commissioning. In a separate competitive selection process, Eugene-based McKenzie Commercial Contractors was selected as the Construction Manager/General Contractor (CM/GC) for the project to provide construction consulting and cost estimating during the design process, and to serve as the general contractor during construction.

At the February 10, 2014, work session, the design team presented the results of their research, analysis, and design exploration work culminating in a recommendation to proceed with a build new design concept that could maintain the option of reusing the existing council chamber. The design team also explained the challenges and limitations inherent in reusing the existing council chamber and suggested it would likely be less expensive to build a new council chamber than trying to rebuild the existing council chamber to meet current functional and code requirements. A new council chamber could meet the community's long-term needs better while still carrying forward many of the iconic design elements of the existing chamber. There were supportive comments and general agreement expressed by many of the councilors for the design team to proceed with their recommended concept design for a new Phase One City Hall and the overall site framework.

At the July 14, 2014, work session, the design team presented the final concept design and site framework for the City Hall project that consisted of an all new multi-story Phase One City Hall building set on a public plaza within the context of a larger development framework for the entire site over time. The development framework was designed to provide the flexibility and adaptability to provide adequate expansion space for a consolidated City Hall on the west half of the block in a future phase and respond to other potential development opportunities as they arise on the east half of the block—including additional expansion space for other City functions and/or potential partnerships with other public entities that would maintain the civic nature of the block. At the end of the meeting, the Mayor summarized that she heard a majority of the council voiced agreement for the design team to proceed with their recommended concept design and site framework as they move into the detailed design and construction phases of the project.

#### RELATED CITY POLICIES

The City Hall planning process relates to the council goals of an effective, accountable municipal government, a safe community, and sustainable community growth and change.

#### **COUNCIL OPTIONS**

The council is asked to come to the workshop prepared with any technical questions about how the current concept design and site framework were developed and to request any needed clarification on the information presented at this workshop.

#### **CITY MANAGER'S RECOMMENDATION**

There are no specific recommendations at this time.

#### **SUGGESTED MOTION**

None at this time.

#### **ATTACHMENTS**

No attachments.

#### FOR MORE INFORMATION

Staff Contact: Mike Penwell Telephone: 541-682-5547

Staff E-Mail: michael.j.penwell@ci.eugene.or.us



# EUGENE CITY HALL

THINK BIG. START SMALL. MAKE IT HAPPEN.

City Council Workshop Monday, September 22, 2014









# JULY 14<sup>TH</sup> COUNCIL UPDATE A CIVIC HEART AND A REASON TO GO



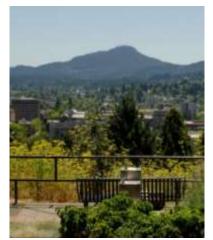
### **PROJECT GOALS**







**GREAT STREET TO RIVER** 



**GREEN CITY** 



**LIVING BLOCK** 



**ACCESSIBLE + WELCOMING** 



**ENDEARING QUALITY** 



**OUTWARD, NOT INWARD** 



A REASON TO GO

### **PROJECT VALUES**

STEWARDSHIP
IDENTITY
PARTICIPATION
SIMPLICITY
EUGENE @ 200

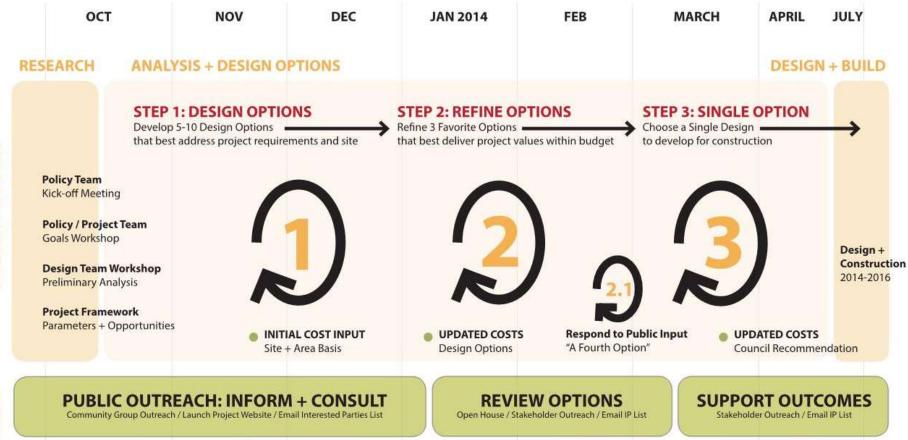
### PAUSE TONIGHT'S AGENDA

### **ADDRESS QUESTIONS**

Isn't renovation cheaper?
Isn't renovation more sustainable?
Have you studied alternatives?
(+ Any other questions Council has)

**REAFFIRM DECISIONS + PROCESS TO DATE** 

# PROJECT SCHEDULE DESIGN PROCESS



#### COUNCIL

Work Session Project Values

#### COUNCIL

Small Group Input Goals Discussion Space Requirements

#### COUNCIL

Work Session Design Options

#### **OPEN HOUSES**

Present Options Collect Feedback Revise Design Report Back

#### COUNCIL Work Session

Budget

ssion Design
Direction

Communities of Color Focus Group
Downtown Eugene, Inc.
Sustainability Commission (x2)
Human Rights Commission
Farmer's Market Site Committee
Farmer's Market Board
DNA Steering Committee
Downtown Neighborhood Association
Leaders in Environmental Community
Private Development
AIA-Southwest Oregon Chapter

**UO LiveMove Bike/Ped Advocacy** 

**UO School of Architecture & Allied Arts** 

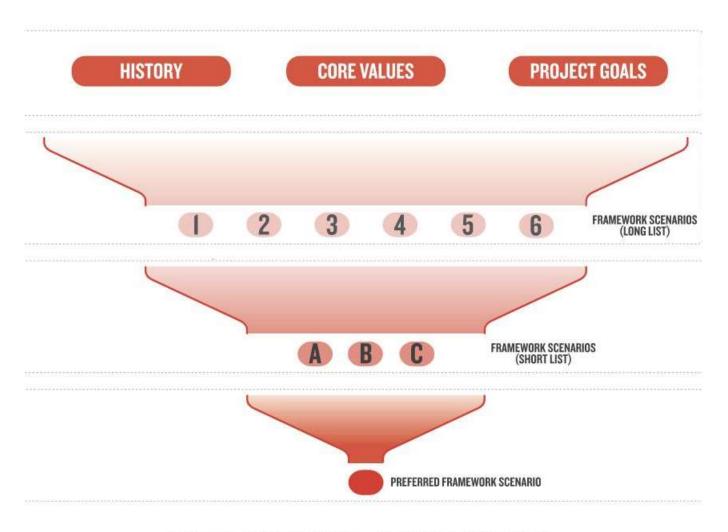
Historic Review Board (x3)

**Accessibility Advisory Committee** 

State Office of Historic Preservation
Oregon Heritage Grant Program
Sustainable Urbanism Workshop
Development Frameworks Workshop
South Eugene Public Open House
North Eugene Public Open House
Eugene Southtown Rotary
Confederated Tribes of Grand Ronde Tribal Council
Local Government Affairs Committee
GreenLane

### **DESIGN PROCESS**

### PREVIOUS CITY HALL STUDIES + COMMUNITY ENGAGEMENT

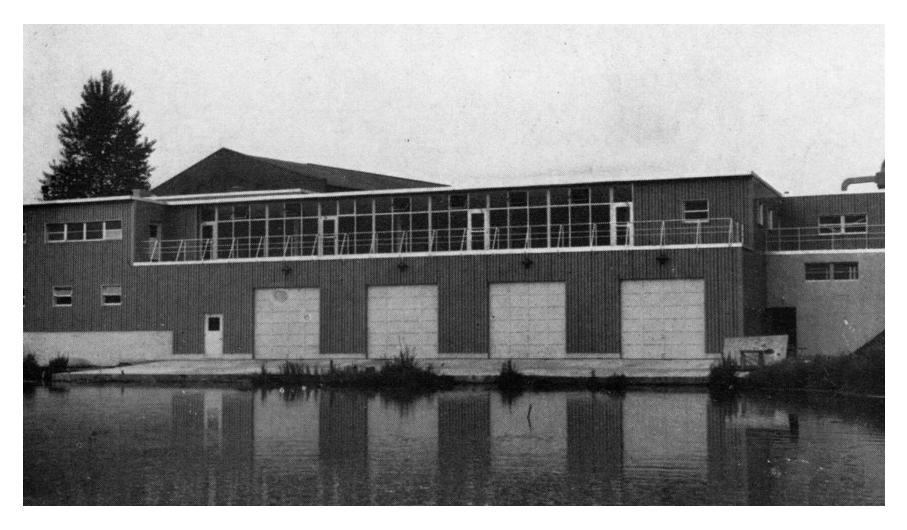




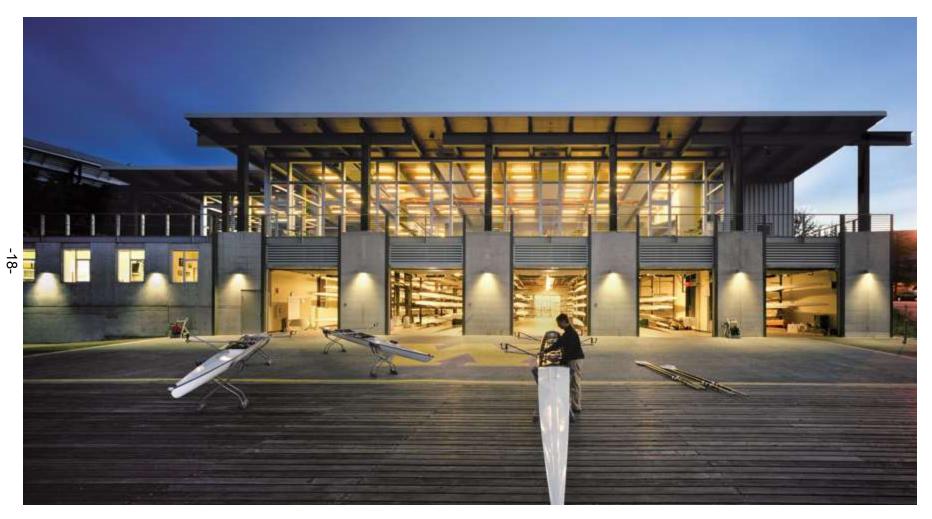
LCC ART SCHOOL 2014 AIA-SWO HONOR AWARD ROWELL BROKAW ARCHITECTS A



LCC ART SCHOOL 2014 AIA-SWO HONOR AWARD ROWELL BROKAW ARCHITECTS

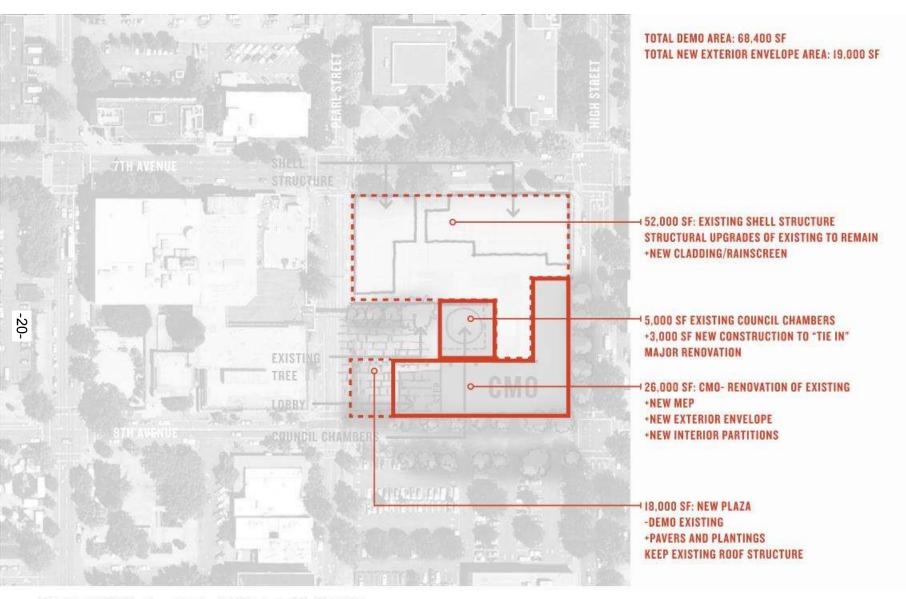


**CONIBEAR SHELL HOUSE** THE MILLER HULL PARTNERSHIP A.

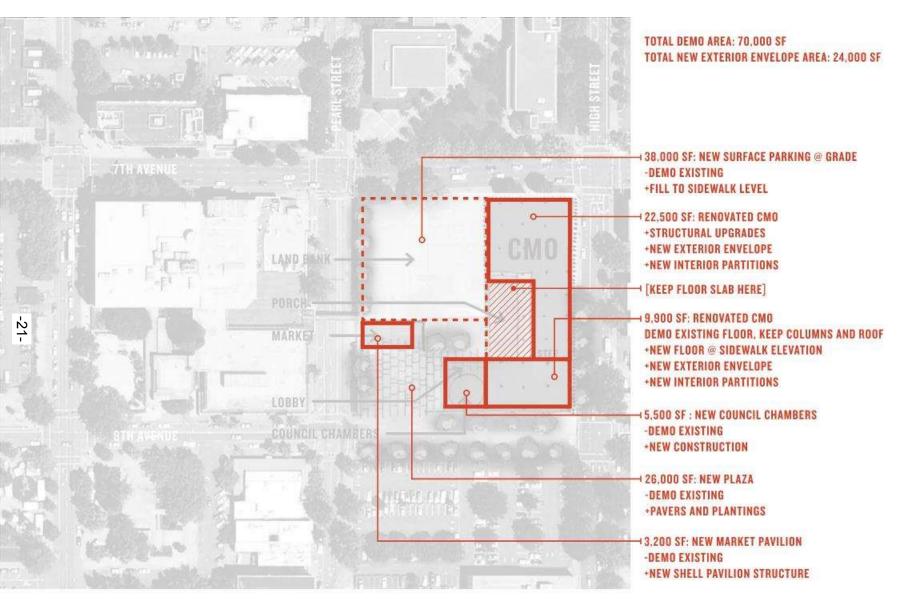


CONIBEAR SHELL HOUSE
THE MILLER HULL PARTNERSHIP

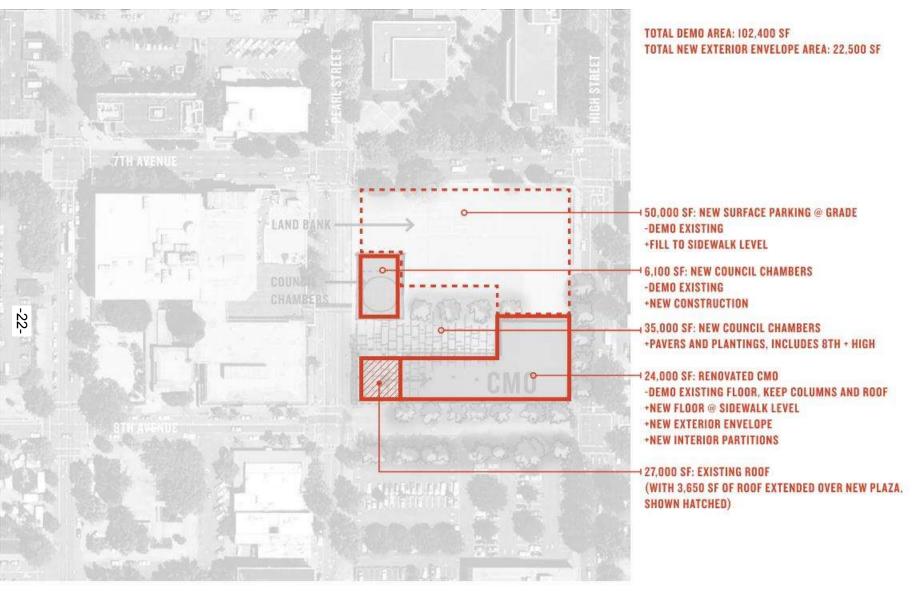




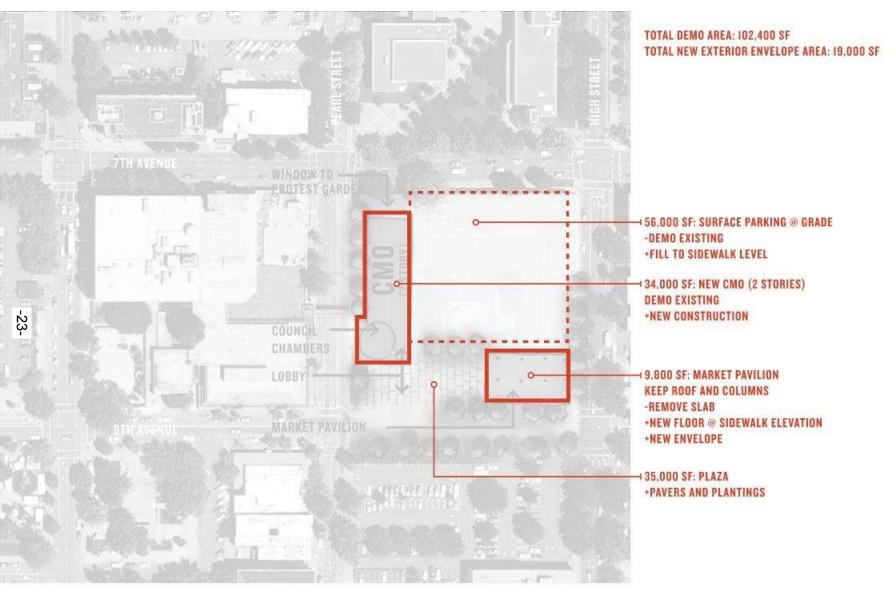
**OPTION 1: RE-USE FOCUS** 



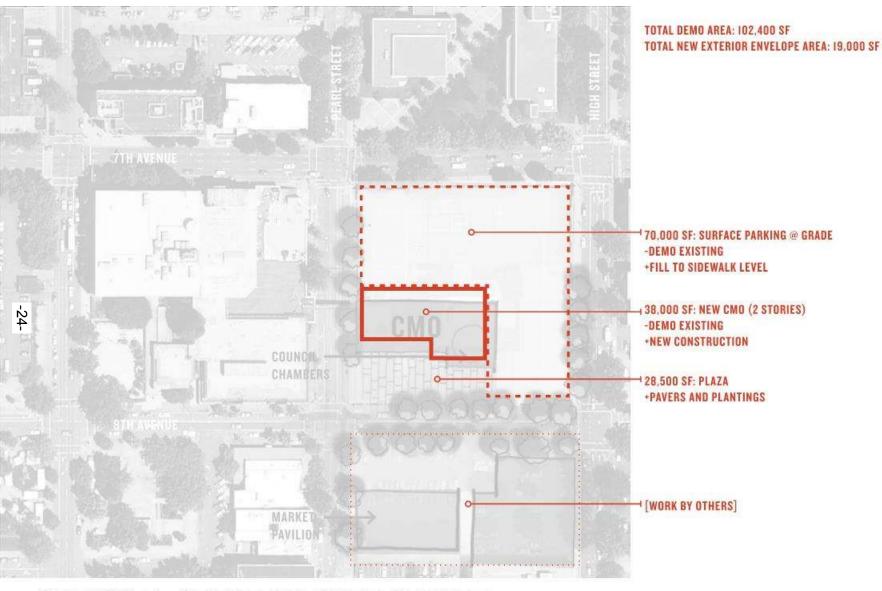
**OPTION 2: RE-USE FOCUS-8TH + HIGH** 



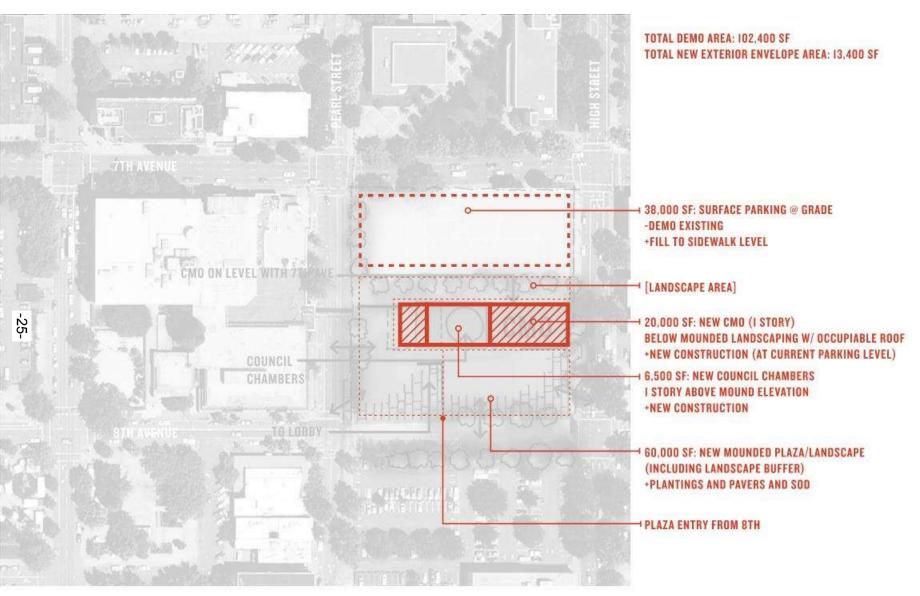
**OPTION 3: PAVILIONS ON THE PLAZA** 



**OPTION 4: CONNECTIONS ALONG PEARL** 



**OPTION 5: GREAT MARKET STREET** 



**OPTION 6: DECISIONS ON THE HILL** 



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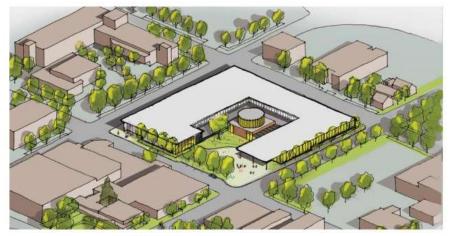
**OPTION 3: PAVILIONS ON THE PLAZA** 

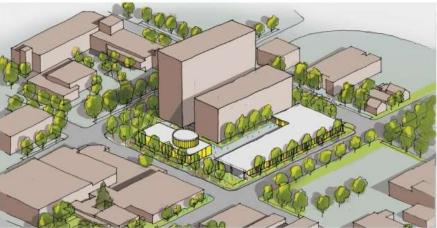
OPTION 6: DECISIONS ON THE HILL

PLANTINGS AND PROVIDE SHE THE

Publicationsy recountry

# RENOVATE





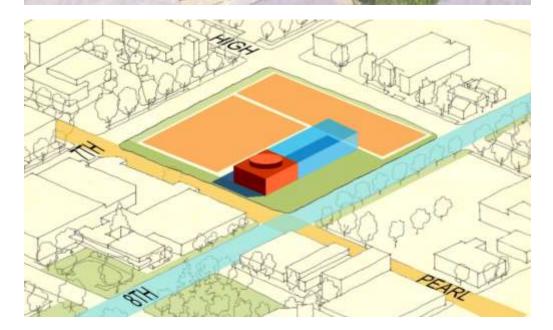


## **HYBRID**

## **BUILD NEW**

### **FRAMEWORK**

New Civic Identity
Meets Phase 1 Needs
Reinforces 8<sup>th</sup> Avenue
New City Hall Open Space
On-site Parking
Future Opportunities



### **COUNCIL CHAMBER**

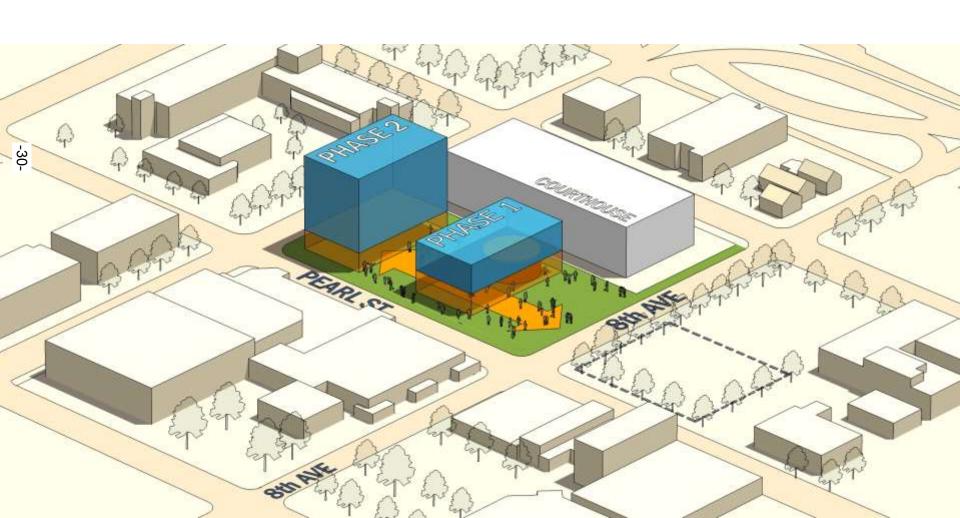
Connect to Public Realm Retain Iconic Elements Improve Function Democratic Form

28-

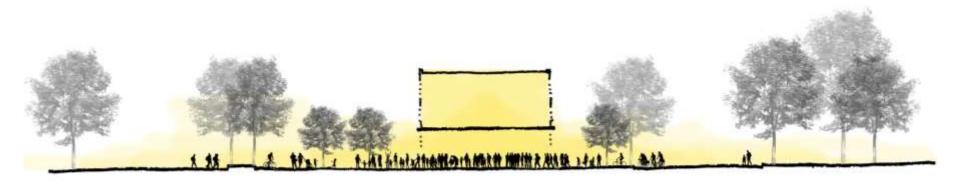
# CITY / COUNTY LAND EXCHANGE



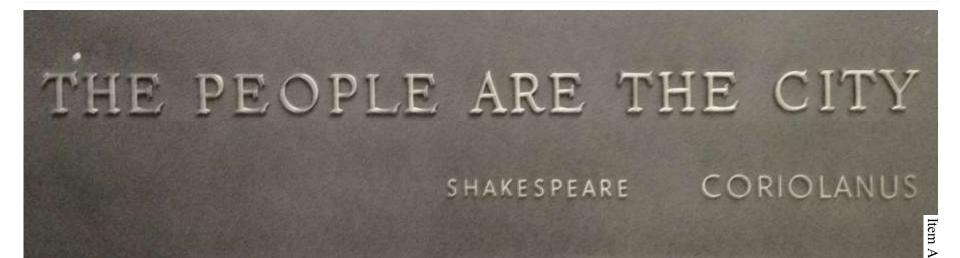
## THINK BIG PROPOSED SITE FRAMEWORK



### CONCEPTUAL FRAMEWORK



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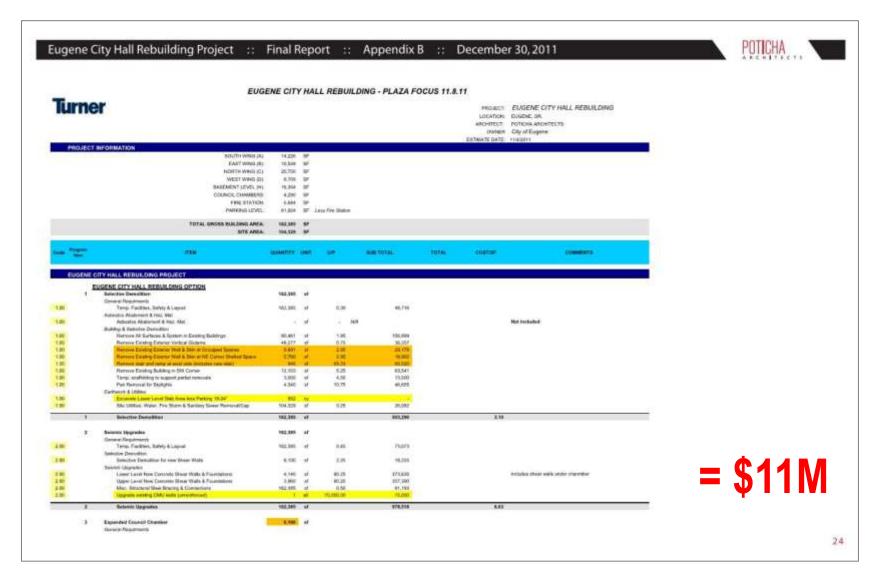
# JULY 14<sup>TH</sup> COUNCIL UPDATE A CIVIC HEART AND A REASON TO GO



# IN THIS CASE: WHY DOESN'T RENOVATION MAKE SENSE?

COSTS
ACCESSIBILITY
STRUCTURE
ENERGY
DEVELOPMENT VALUE
PROJECT VALUES + GOALS

### **2011 CONCEPTUAL COST ESTIMATE**



### MISSING COST AND SCOPE

- INADEQUATE STRUCTURAL UPGRADES
- INADEQUATE COUNCIL CHAMBER IMPROVEMENTS
- INCOMPLETE THERMAL ENVELOPE
- NO COST TO ADDRESS SAGGING FLOORS
- INADEQUATE ALLOWANCE FOR HVAC SYSTEM
- ONLY ELEVATOR SERVES UNOCCUPIED SPACE
- UNDERESTIMATED SF COSTS AND AREAS
- NO DESIGN CONTINGENCY (+/- 20%)
- MISSING CONSTRUCTION COST ESCALATION (16.5%)

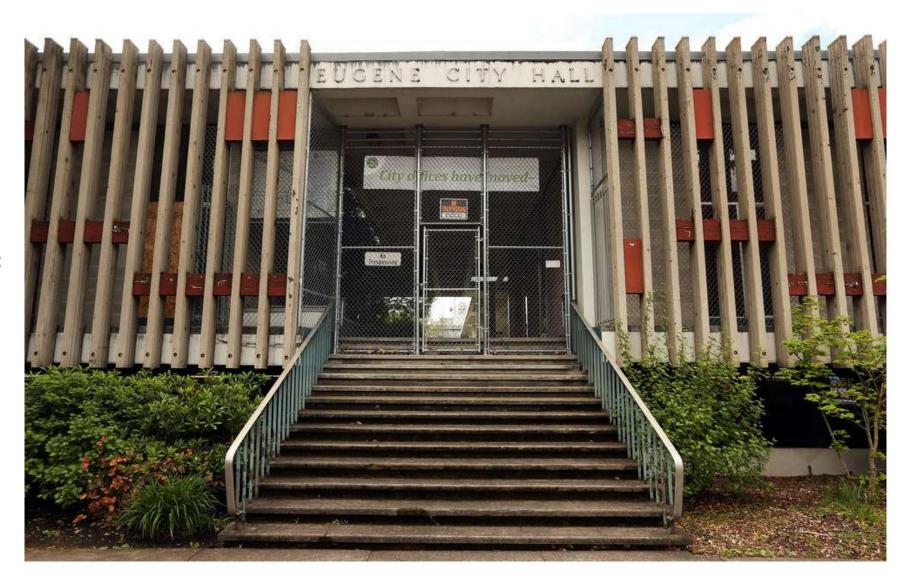
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### CONCLUSION

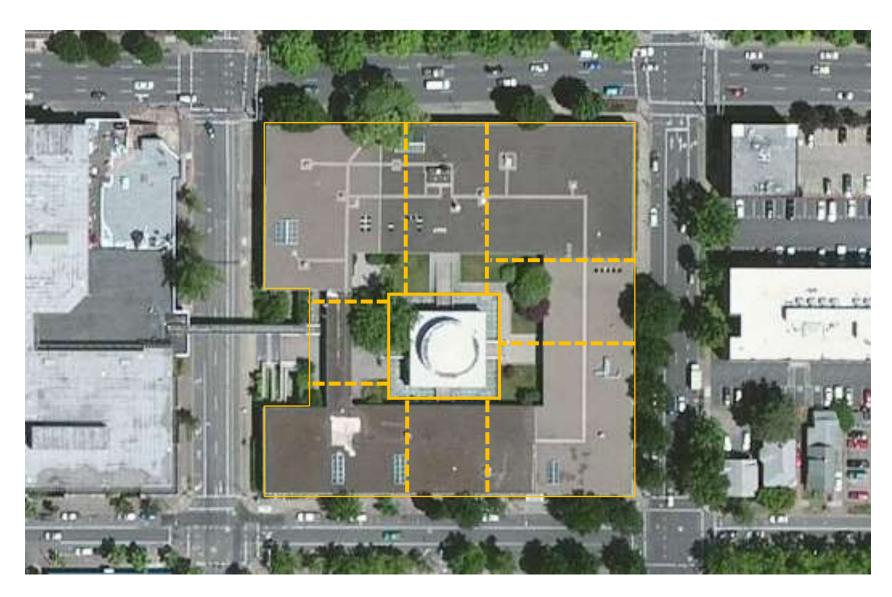
- INCOMPLETE
- OUT OF DATE
- DOES NOT MEET PROJECT REQUIREMENTS
- MISSING CONTINGENCY AND STRUCTURAL
   IMPROVEMENTS ALONE ARE A 30-40% DIFFERENCE

THE 2011 COST ESTIMATE SHOULD NOT BE A BASIS FOR DECISIONS RELATED TO THIS PROJECT.

## **ACCESSIBILITY INHERENT BARRIERS**



## **CONCRETE FRAME EXISTING CONDITIONS**



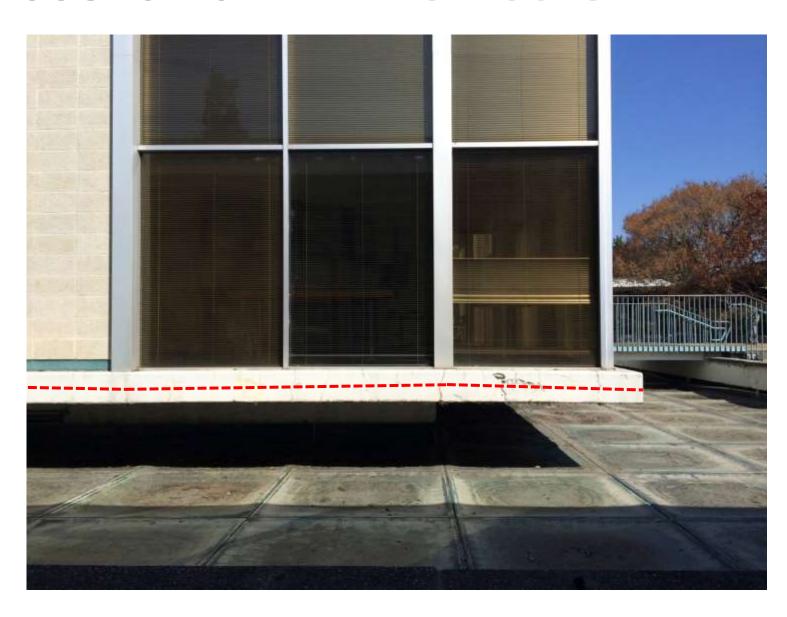
## **CONCRETE FRAME EXISTING CONDITIONS**



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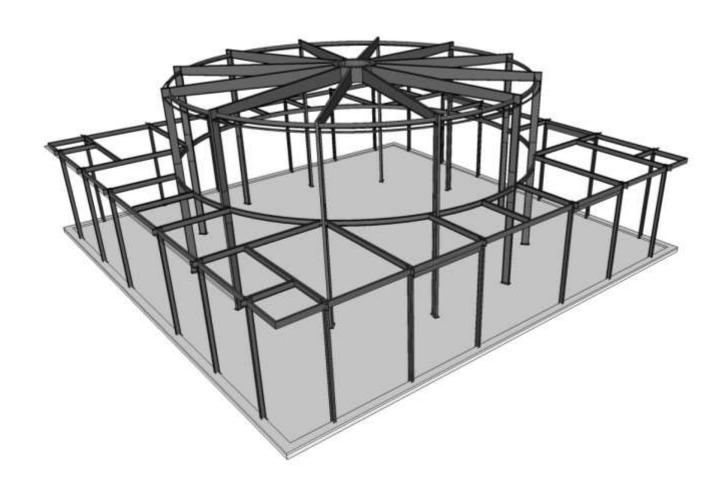
## **COUNCIL CHAMBER STRUCTURAL**



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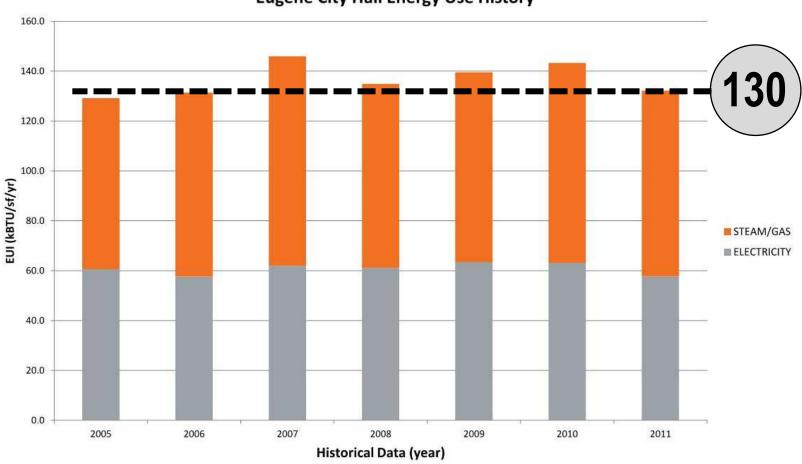


## **COUNCIL CHAMBER ENERGY**



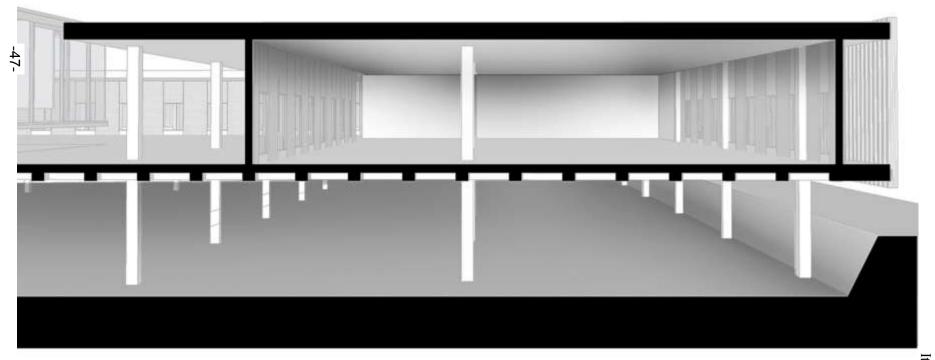
## **ENERGY PERFORMANCE STUDIES**

#### **Eugene City Hall Energy Use History**

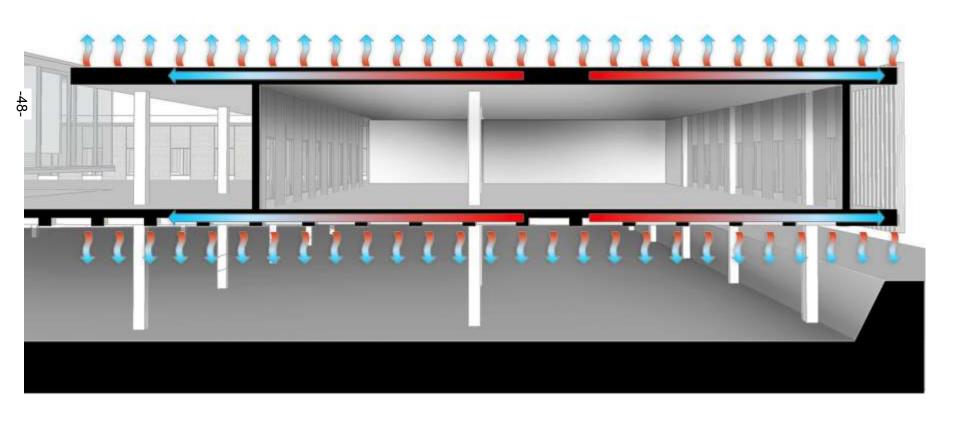


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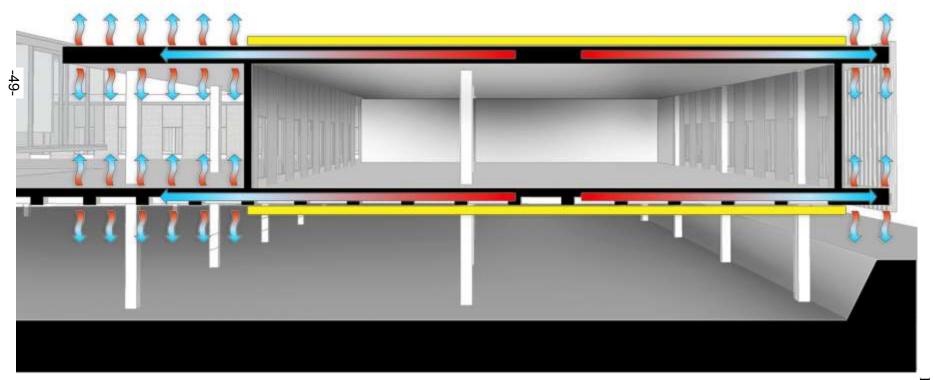
## **ENERGY PERFORMANCE EXISTING**



## **ENERGY PERFORMANCE CHALLENGES**



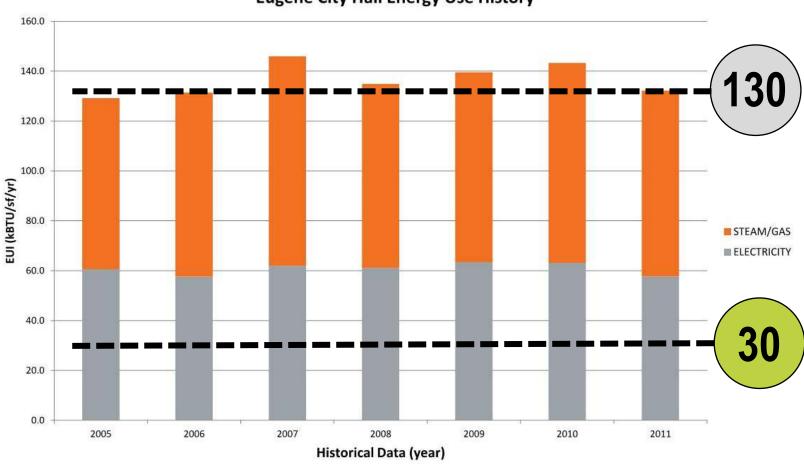
## **ENERGY PERFORMANCE THERMAL BRIDGES**



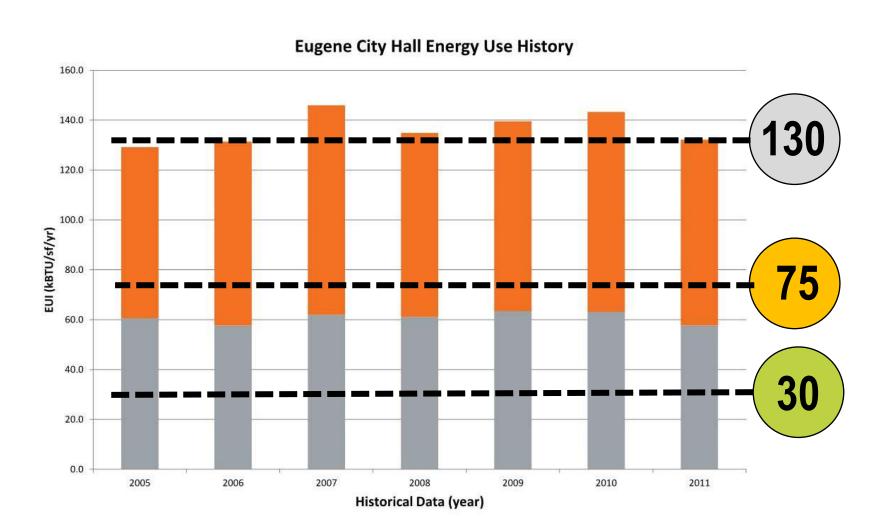
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## **ENERGY PERFORMANCE STUDIES**

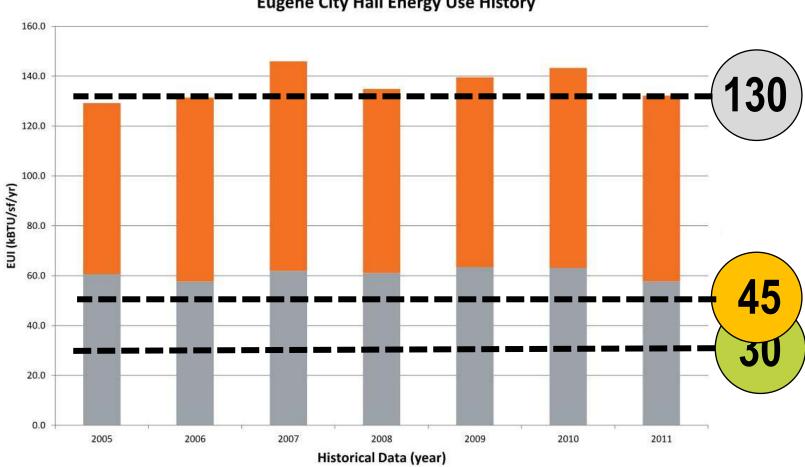




## **ENERGY PERFORMANCE STUDIES**



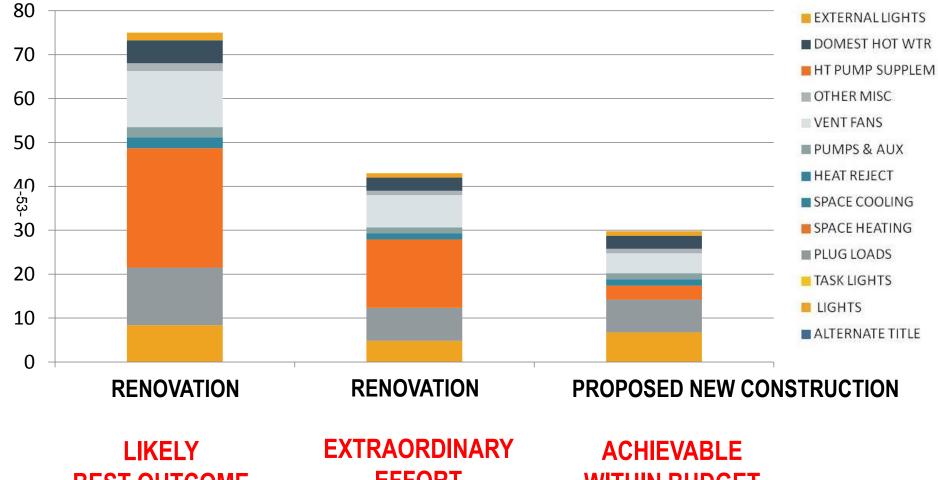
#### **Eugene City Hall Energy Use History**



**EUI** = 75

**EUI = 45** 

EUI = 30



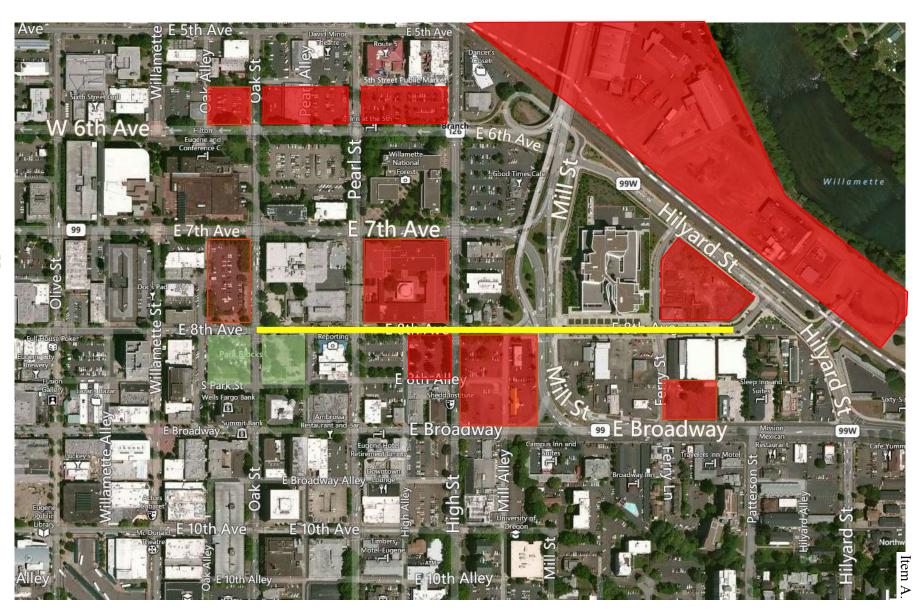
**BEST OUTCOME** 

**EFFORT** + ADDITIONAL COST WITHIN BUDGET

## **DEVELOPMENT SUNK vs VARIABLE COSTS**



## **DEVELOPMENT BALANCE SHEET**



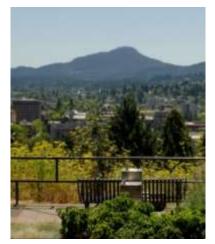
## PROJECT GOALS EUGENE CITY HALL







**GREAT STREET TO RIVER** 



**GREEN CITY** 



LIVING BLOCK



**ACCESSIBLE + WELCOMING** 



**ENDEARING QUALITY** 



OUTWARD, NOT INWARD



A REASON TO GO

# **EUGENE CITY HALL**A CIVIC HEART AND A REASON TO GO



## EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



#### **Public Forum**

Meeting Date: September 22, 2014 Department: City Manager's Office

www.eugene-or.gov

Agenda Item Number: 1 Staff Contact: Beth Forrest Contact Telephone Number: 541-682-5882

#### **ISSUE STATEMENT**

This segment allows citizens the opportunity to express opinions and provide information to the council. Testimony presented during the Public Forum should be on City-related issues and should not address items which have already been heard by a Hearings Official, or are on the present agenda as a public hearing item.

#### SUGGESTED MOTION

No action is required; this is an informational item only.

#### FOR MORE INFORMATION

Staff Contact: Beth Forrest Telephone: 541-682-5882

Staff E-Mail: beth.l.forrest@ci.eugene.or.us

## EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



#### Approval of City Council Minutes

Meeting Date: September 8, 2014 Department: City Manager's Office

www.eugene-or.gov

Agenda Item Number: 2A Staff Contact: Kris Bloch

Contact Telephone Number: 541-682-8497

#### **ISSUE STATEMENT**

This is a routine item to approve City Council minutes.

#### **SUGGESTED MOTION**

Move to approve the minutes of the September 8, 2014, Work Session and Meeting and September 10, 2014, Work Session.

#### **ATTACHMENTS**

A. September 8, 2014, Work Session and Meeting

B. September 10, 2014, Work Session

#### FOR MORE INFORMATION

Staff Contact: Kris Bloch Telephone: 541-682-8497

Staff E-Mail: kris.d.bloch@ci.eugene.or.us

#### ATTACHMENT A

#### MINUTES

#### Eugene City Council Harris Hall, 125 East 8<sup>th</sup> Avenue Eugene, Oregon 97401

September 8, 2014 5:30 p.m.

**Councilors Present:** George Brown, Betty Taylor, Alan Zelenka, George Poling, Mike Clark, Greg Evans, Claire Syrett, Chris Pryor

Mayor Piercy called the September 8, 2014, City Council work session to order.

**MOTION:** Councilor Taylor, seconded by Councilor Brown, moved that Council reaffirm its January 23, 2013, motion directing the City Manager to "pursue a City Hall design, on the current site with the goal of retaining the Council Chamber, existing parking (to the extent possible) and public art as well as any other components that make sense from an operational or design standpoint."

#### Council discussion:

- Demolition plans come as a surprise
- Council and staff may have a different interpretation of the intent of the motion.

**MOTION TO AMEND:** Councilor Clark, seconded by Councilor Brown, moved to halt demolition until an additional work session can be scheduled to go over sequencing details.

**MOTION to TABLE:** Councilor Clark, seconded by Councilor Taylor, moved to table the motion until Councilor Evans joined the meeting. **PASSED 5:2**, Councilors Poling and Pryor in opposition; Councilor Evans absent.

#### A. WORK SESSION: Green Alleys

City Engineer Mark Schoening gave a PowerPoint presentation to explain the green alley concept and illustrate the work being done in Eugene.

#### Council discussion:

- General support expressed for the green alley concept.
- Unimproved alleys are hazardous and attract nuisance activity.

**MOTION to UNTABLE:** Councilor Clark, seconded by Councilor Taylor, moved to take from the table the previous motion and address it. **PASSED 8:0** 

**VOTE ON MOTION TO AMEND: PASSED 6:2,** Councilors Poling and Pryor in opposition.

#### **Council Discussion:**

- Another work session is needed to clarify direction to City Manager.
- There will be costs associated with pausing the deconstruction work.
- A request was made for access to the documentation of the Rowell Brokaw team.
- A request was made for a history of the council motions related to City Hall.
- Concerns were expressed about rehashing decisions that were made in good faith.

MINUTES – Eugene City Council Work Session and Meeting September 8, 2014

Page 1

### **VOTE ON MAIN MOTION as AMENDED: PASSED 6:2,** Councilors Poling and Pryor opposed.

The work session adjourned at 6:57 p.m.

Respectfully submitted,

Chuck Crockett Deputy City Recorder

#### MINUTES

#### Eugene City Council Harris Hall, 125 East 8<sup>th</sup> Avenue Eugene, Oregon 97401

September 8, 2014 7:30 p.m.

**Councilors Present:** George Brown, Betty Taylor, Alan Zelenka, George Poling, Mike Clark,

Greg Evans, Claire Syrett, Chris Pryor

Mayor Piercy opened the September 8, 2014, City Council meeting.

#### 1. CEREMONIAL MATTERS

- Recognition of Eugene Police Officer Aaron Johns
- Mayoral Proclamation recognizing the Eugene Springfield Fire Department

#### 2. PUBLIC FORUM

- 1. Bob Cassidy spoke against the demolition of City Hall and requested a public hearing.
- 2. Karl Eysenbach supported allowing temporary camping for homeless for winter.
- 3. John Brown said the conditions of rivers are worse than ever; need help with clean-up.
- 4. Valerie Morris supports events in Eugene for Peoples Climate March.
- 5. Sue Sierralupé supported opening another rest stop before winter.
- 6. Tracy Joscelyn encouraged the City to keep working towards solutions for unhoused.
- 7. Cathy Feely-Evans expressed frustration that Whiteaker's needs aren't being met.
- 8. Eric Hall spoke against the demolition of City Hall.
- 9. Otto Poticha said that all of Council's goals are achievable by remodeling City Hall.
- 10. David Mandelblatt spoke against the demolition of City Hall and criticized the process.
- 11. Ray Wiley spoke against the demolition of City Hall.
- 12. Jerry Diethelm supported remodeling City Hall rather than building new.
- 13. Ward Beck spoke against the demolition of City Hall.
- 14. Jayme Vasconcellos spoke against the demolition of City Hall.
- 15. Don Bishoff spoke against the demolition of City Hall.
- 16. Ruth Duemler asked for a City response to the closure of a Sheltercare facility.
- 17. Leslie Beck spoke against the demolition of City Hall.
- 18. Marston Morgan spoke against the demolition of City Hall.
- 19. Jonathan Stafford spoke against the demolition of City Hall.
- 20. Dennis Casady spoke against the demolition of City Hall.
- 21. Jennifer Hoover asked the council to pause on placing a rest stop on Railroad Boulevard.
- 22. Donald Driscoll spoke against the demolition of City Hall.
- 23. Tom Brandt spoke against the demolition of City Hall.

#### 3. CONSENT CALENDAR

**MOTION:** Councilor Pryor, seconded by Councilor Syrett, moved to approve the items on the Consent Calendar.

Councilor Brown requested that Item 3E be pulled.

**VOTE: PASSED 8:0.** 

**VOTE on ITEM 3E: PASSED 8:0.** 

#### 4. **COMMITTEE REPORTS**

- Library is offering every child one free book a month until they turn five.
- LTD won a national award for its service.
- The new intergovernmental Poverty and Homeless Board had its first meeting.
- Police Commission is recruiting to fill a vacancy; its recent focus has been on emerging technologies.
- Lane Metro Partnership will have its last meeting on September 11. That group is being restructured under a new name.
- EmX Steering Committee is determining its future direction and outreach efforts.
- Metropolitan Policy Committee is discussing scenario planning.
- Regional Transportation Options Plan is now available.
- Lane Workforce Partnership is in the process of reorganizing.
- Human Rights Commission held its retreat in August.
- Housing Policy Board is reviewing new rules by HUD and determining what the effects are.

The meeting adjourned at 9:08 p.m.

Respectfully submitted,

Chuck Crockett Deputy City Recorder

#### ATTACHMENT B

#### MINUTES

#### Eugene City Council Harris Hall, 125 East 8th Avenue Eugene, Oregon 97401

September 10, 2014 12:00p.m.

**Councilors Present:** 

George Brown, Betty Taylor, Alan Zelenka (via phone), George Poling, Mike Clark, Greg Evans, Claire Syrett, Chris Pryor

Mayor Piercy opened the September 10, 2014, City Council work session.

#### A. WORK SESSION: Opportunity Village Eugene Pilot Project

Community Programs Analyst Michael Wisth gave a PowerPoint presentation on Opportunity Village Eugene and provided an overview of the program, its goals, and current status.

#### Council discussion:

- The model is working well; its success is impressive.
- City should work with its intergovernmental partners to expand the project.
- This project has helped create a framework for non-profits.
- The facility is a major stepping stone towards self-sufficiency.
- Other governmental partners need to help and engage in homelessness initiatives.
- Clarification of Opportunity Village Eugene mission statement is needed.
- City needs to reframe the issue; have more say in how funding is spent by HSC.
- City needs to provide more transitional housing; more single-room occupancy.
- Request made for information on how much the City has spent on OVE to-date.

**MOTION:** Councilor Pryor, seconded by Councilor Syrett, moved to authorize the City Manager to extend the City's existing operating agreement with Opportunity Village Eugene to October 1, 2015.

**MOTION TO AMEND and VOTE:** Councilor Taylor, seconded by Councilor Poling, moved to change the date to change the date to June 1, 2016. **PASSED: 8:0.** 

#### VOTE ON MAIN MOTION AS AMENDED: PASSED 8:0.

#### B. WORK SESSION: Regional Economic Prosperity Update

Community Development Manager Denny Braud provided an update on the "Big Look" approach to regional economic development.

#### Council Discussion:

- Relationships with partners need to be strong for City to be successful.
- Need to avoid sending mixed messages; send coherent message to outside.
- More Eugene-centric focus on economic development and sustaining local business needed.

MINUTES – Eugene City Council Work Session September 10, 2014

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**MOTION AND VOTE:** Councilor Pryor, seconded by Councilor Syrett, moved to extend the meeting by 10 minutes. **PASSED: 8:0** 

- Having adequate parks, recreation, and schools are key to attracting good jobs.
- Need an economic base that will be sustainable in the long-term.
- Need to become more attractive to potential business; have an adequate inventory of buildable land.

The meeting adjourned at 1:32 p.m.

Respectfully submitted,

Chuck Crockett Deputy City Recorder

## EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Adoption of Resolution Amending Resolution No. 5053 Concerning a Multiple-Unit Property Tax Exemption for Residential Property Located at 39 West Broadway, Eugene, Oregon (First on Broadway, LLC/Owner)

Meeting Date: September 22, 2014 Agenda Item: 2C Department: Planning & Development Staff Contact: Amanda Nobel Flannery

www.eugene-or.gov Contact Telephone Number: 541-682-5535

#### **ISSUE STATEMENT**

The council is asked to approve an amendment to the Multiple-Unit Property Tax Exemption (MUPTE) resolution for First on Broadway (formerly Broadway Lofts) at Broadway and Willamette to correct a discrepancy in number of units and commercial square footage between what was stated in the MUPTE resolution and what was actually constructed.

#### **BACKGROUND**

The MUPTE program is enabled by state legislation and designed to encourage higher density housing and redevelopment in the core area and along transit corridors. The program provides a tax exemption for up to 10 years on qualified, new multi-unit housing investments that occur within a targeted area, meet program requirements, and are reviewed and approved by the council. MUPTE works by lowering the operating cost enough to make a project financially feasible. The MUPTE program is currently suspended through November 30, 2014.

In 2012, the council approved a MUPTE resolution for a mixed-use development at Broadway and Willamette with 16 apartments and ground floor commercial. First on Broadway has transformed beyond recognition the former "Taco Time Building" and will soon have a fully occupied ground floor. Resolution 5053 contains a discrepancy in the number of residential units and commercial square feet between what was stated in the MUPTE resolution and what was actually constructed. The mix of one-bedroom units and two-bedroom units is also slightly different. Specifically, the project has three fewer units (four fewer one-bedroom units and one more two-bedroom unit, for an overall difference of two fewer bedrooms) and 4,800 square feet more commercial space.

The original plan was to have three residential units on the ground floor with entrances on the alley. At that time, there were reservations about the viability of retail at the mid-block location. As plans progressed, however, a new concept emerged of turning the old bank space into a bar. As a result, the ground floor housing units were reprogrammed and moved forward with the First National Tap House. The MUPTE had already been approved and the implications of the change on the MUPTE were not considered at that time. The four commercial tenants are First National

Tap House (opened April 2013), Bijou Metro (opened June 2013), Townshends Tea (opened July 2013), and the Starbucks corner space will open in mid-October.

When the council approved the MUPTE resolution in January 2012, downtown was on the verge of hitting a stride of positive momentum. Six months earlier, the Urban Renewal Agency provided acquisition financing of \$500,000 to the project. Construction of the adjacent Broadway Commerce Center, with \$10 million of Urban Renewal Agency financing, was nearing completion – the Barn Light opened later that year in November and Sizzle Pie opened a year and a half later. The new LCC downtown campus was under construction, with students to move in later that fall and the first classes in the building still a year away. Belly was about to open on East Broadway and Oregon Contemporary Theater (still Lord Leebrick at the time) would present its first production on West Broadway a year later. The Urban Renewal Agency would finance Red Wagon Creamery and Party Downtown's openings, immediately west of First on Broadway, in spring 2013.

From a downtown perspective, the ground floor retail (instead of three residential units) is a positive outcome. Staff considers the finished product to have met or exceeded the public benefit expectations of the redevelopment project:

- Added new housing in the downtown core,
- Filled a major vacancy at one of the most important downtown corners,
- Strongly complements Beam's renovation of the Broadway Commerce Center across the street,
- Renovated an historic building,
- Supports investment the City made in the property (see below "City Financing"),
- Supports services, amenities, cultural offerings and retail downtown, and
- Adds to the diversity of residential options downtown.

The council approved the MUPTE with an 8:0 vote to include both the residential and commercial aspects of the project, so both would be exempt regardless of the change in use on the ground floor. Without MUPTE approval the project could not have secured construction financing to convert the building to a housing use. Now that construction is complete, the tax exemption is essential to continued quality operation of the building and its long-term success. The amended resolution in Attachment A reflects the reduction of four one-bedroom units, the addition of one two-bedroom unit (for an overall reduction of three residential units), and the increase of 4,800 commercial square feet.

City Financing: The Urban Renewal Agency, through its Downtown Revitalization Loan Program provided acquisition financing of \$500,000 in 2011 and construction gap financing of \$100,000 in 2013 to support redevelopment of the building. First on Broadway LLC is in escrow to be sold on September 25, which would include repayment in full of the Agency loan funds. The sale is contingent upon the MUPTE approval resolution being amended to reflect the building, as rehabilitated.

#### **RELATED CITY POLICIES**

Utilization of the MUPTE program to stimulate new multi-unit housing development addresses many goals for Eugene and downtown, including:

#### Eugene Downtown Plan

- Stimulate multi-unit housing in the downtown core and on the edges of downtown for a variety of income levels and ownership opportunities.
- o Downtown development shall support the urban qualities of density, vitality, livability and diversity to create a downtown, urban environment.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
- Use downtown development tools and incentives to encourage development that provides character and density downtown.
- Facilitate dense development in the courthouse area and other sites between the core of the downtown and the river.

#### Envision Eugene Pillars

- o Promote compact urban development and efficient transportation options.
  - o Integrate new development and redevelopment in the downtown, in key transit corridors and in core commercial areas.
  - Meet the 20-year multi-family housing need within the existing Urban Growth Boundary.
  - Make compact urban development easier in the downtown, on key transit corridors, and in core commercial areas.
- o Protect, Repair and Enhance Neighborhood Livability.
  - Implement the Opportunity Siting (OS) goal to facilitate higher density residential development on sites that are compatible with and have the support of nearby residents. Implement a toolbox of incentives that support the achievement of OS outcomes.

#### Regional Prosperity Economic Development Plan

O Strategy 5: Identify as a Place to Thrive - Priority Next Step - Urban Vitality As we foster a creative economy, dynamic urban centers are an important asset. Eugene, Springfield and many of the smaller communities in the region recognize the importance of supporting and enhancing vitality in their city centers. Building downtowns as places to live, work and play will support the retention and expansion of the existing business community and be a significant asset to attract new investment. The Cities of Eugene and Springfield will continue to enhance their efforts to promote downtown vitality through development and redevelopment.

#### City Council Goal of Sustainable Development

Increased downtown development

#### **COUNCIL OPTIONS**

The council may approve or deny the resolution amendment.

#### CITY MANAGER'S RECOMMENDATION

The City Manager recommends approving the resolution amendment.

#### **SUGGESTED MOTION**

Move to adopt Resolution 5115, clarifying the discrepancy in units and commercial square feet between Resolution 5053 and the completed development.

#### **ATTACHMENTS**

A. Proposed Resolution

#### FOR MORE INFORMATION

Staff Contact: Amanda Nobel Flannery

Telephone: 541-682-5535

Staff E-Mail: <u>amanda.nobelflannery@ci.eugene.or.us</u>

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#### RESOLUTION NO. \_\_\_\_

A RESOLUTION AMENDING RESOLUTION NO. 5053 CONCERNING A MULTIPLE-UNIT PROPERTY TAX EXEMPTION FOR RESIDENTIAL PROPERTY LOCATED AT 39 WEST BROADWAY, EUGENE, OREGON (First On Broadway, LLC/Owner).

The City Council of the City of Eugene finds that:

- **A.** On January 23, 2012, the City Council passed Resolution No. 5053, approving the application of First On Broadway, LLC for an ad valorem property tax exemption under the City's Multiple-Unit Property Tax Exemption Program for the rehabilitation of the existing building located at 39 West Broadway Street, Eugene, Oregon, subject to certain conditions.
- **B.** It has been brought to the City's attention that there is a discrepancy between the number of units and amount of commercial square feet of the completed project, with what was approved for exemption in Resolution No. 5053. Resolution No. 5053 should be amended to remedy the discrepancy.

#### NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

- **Section 1.** Section 1, paragraph 1 of Resolution No. 5053 is amended to provide as follows:
  - 1. The project shall consist of the development of ten studio units; two one-bedroom units; and four two-bedroom units, for a total of 16 residential units. In addition, the project will include 11,074 square feet of commercial space on the ground floor.
- **Section 2.** The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicants and to cause a copy of this Resolution to be filed with the Lane County Assessor within ten days.

**Section 3**. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted and effective the \_\_\_\_ day of September, 2014.

City Recorder	

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## EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Disadvantaged/Minority City Contracting

Meeting Date: September 22, 2014

Department: Central Services

Agenda Item Number: 3

Staff Contact: Vicki Silvers

www.eugene-or.gov Contact Telephone Number: 541/682-5082

#### **ISSUE STATEMENT**

This work session provides an opportunity for the City Council to review and discuss current City policy and practice for contracting with Minority, Women Owned Businesses, Emerging Small Businesses (MWESB) and Disadvantaged Business Enterprises (DBE).

#### **BACKGROUND**

#### **Public Purchasing Authority**

All public purchasing activities in the State of Oregon are guided by Oregon Revised Statutes (ORS) 279A, B, and C. Many sections of the statute do not give specific direction but instruct local governments to develop their own rules. Local government rules may be more restrictive than state statute but cannot be more permissive. In 2005, the legislature directed the Attorney General to develop model rules that local governments may choose to use in whole or as a guide.

Eugene is a home-rule city, meaning we follow our own City codes and rules. The council adopted the Public Contract Code, sections 2.1400 to 2.1450, to be consistent with ORS. Rather than use the Attorney General's model rules to guide purchasing activity, City Code allowed for development of Eugene's own comprehensive rules via administrative order. The council will learn more about this in October when action is taken on amendments to the code.

ORS includes rules pertaining to contracting with Minorities, Women and Emerging Small Businesses (MWESB). ORS section 279A.100 (3) and the City of Eugene's Public Contracting Regulations allow the City to limit competition for the procurement of goods and services, or on other public contracts if the estimated cost is less than \$50,000 to accomplish affirmative action goals.

Additionally, ORS 279A.105 and the City's Public Contracting Regulations state the Solicitation Agent may require a contractor to subcontract some part of a contract to, or to obtain materials to be used in performing the contract from, a person that is certified as disadvantaged (DBE), a minority, a woman or an emerging small business enterprise.

#### **Purchasing Policy and Practice**

The City of Eugene's Public Procurement Code provides the foundation for City staff when making purchases using tax payer dollars. The City's purchasing policy is written to utilize public

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contracting practices and methods that maximize the efficient use of public resources and the purchasing power of public funds by:

- (a) Promoting impartial and open competition;
- (b) Using solicitation materials that are complete and contain a clear statement of contract specifications and requirements; and
- (c) Taking full advantage of evolving procurement methods that suit the contracting needs of the City as they emerge within various industries.

Additionally, there are often competing goals in regards to finding efficiencies and savings and creating opportunities for MWESB/DBE. During the FY15 budget process, the Finance Investigative Team explored the idea of using cooperative purchasing and contracting partnerships for ongoing cost savings. The City does utilize cooperative agreements extensively and this option can provide savings. However, the drawback to this purchasing approach is that many cooperative agreements are with large, national corporations, thus presenting a challenge for the City to create an opportunity for MWESB/DBE to compete.

The Purchasing Office continues to make efforts to diversify the businesses with whom they contract. Ongoing budget constraints have reduced staffing, creating a challenge for developing a robust program for expanding access for MWESB/DBE to do business with the City. It is the policy of the City, however, that MWESB/DBE be afforded equal opportunity to participate in solicitation processes when competing for City business. The City strives to reach a diverse vendor base in order to obtain best value for the City in alignment with other policies and council goals. State and federally funded public improvement bids are subject to MWESB/DBE requirements. Most of the City's projects funded in this way are transportation related. In those cases, the State of Oregon determines the MWESB/DBE goals on a project-by-project basis depending on the nature and size of the contract. Public Works Engineering uses the Oregon Department of Transportation's list of registered MWESB/DBE as a reference when notifying vendors of bid opportunities. Every solicitation document includes a Sustainability Exhibit which contains the following language:

#### **SOCIAL EQUITY**

4.1 The City supports the utilization of Minority, Women, Emerging Small Businesses (M/W/ESB), local businesses, Disadvantaged Business Enterprises and Qualified Rehabilitation Facilities (QRF) at both a prime and subcontracting and/or supply chain level. The City encourages the awarded offeror to use the following voluntary practices to promote open competitive opportunities for disadvantaged businesses. Access the list of certified minority, women, emerging small business or disadvantaged business enterprises from the Oregon State Office of Minority, Women and Emerging Small Business (OMWESB) by visiting their website.

Lastly, the Purchasing Office continually seeks opportunities to expand access for MWESB/DBE who want to do business with the City. Staff attend events like reverse vendor fairs that allow local vendors an opportunity to interface with purchasing staff and learn more about the City's procurement practices. Staff recently attended the Governor's marketplace conference in Salem hosted by the Governor's Office of Economic and Business Equity. City solicitations are posted on the City's website and in trade publications. Solicitations are also posted to the Oregon

Procurement Information Network, which actively promotes the inclusion of MWESBs for bid solicitations.

Currently the City's financial software is unable to track purchasing activity with MWESB/DBE. However, it is a goal of the Purchasing Office to include such a feature in the future as staff works on a purchasing software upgrade in the next several years.

#### **RELATED CITY POLICIES**

Eugene Code 2.1400 Public Contracts
Public Contract Administrative Rule R-1415 44-08-06-F
Article 6 General Rules for Solicitations
6.2.3 Subcontracting to Emerging Small Businesses
6.2.4 Affirmative Action; Disadvantaged Business Enterprise Program

#### **COUNCIL OPTIONS**

Informational session only.

#### CITY MANAGER'S RECOMMENDATION

Information only; no recommendation.

#### **SUGGESTED MOTION**

None.

#### FOR MORE INFORMATION

Staff Contact: Vicki Silvers Telephone: 541/682-5082

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