



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

December 8, 2014

5:30 p.m. CITY COUNCIL WORK SESSION

Harris Hall

125 East 8th Avenue

Eugene, Oregon 97401

7:30 p.m. CITY COUNCIL MEETING

Harris Hall

125 East 8th Avenue

Eugene, Oregon 97401

**Meeting of December 8, 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

**6:00 p.m. A. WORK SESSION:
Multi-Unit Property Tax Exemption (MUPTE) Program Revisions**

**CITY COUNCIL and EUGENE URBAN RENEWAL AGENCY MEETING
Harris Hall**

- 1. CEREMONIAL MATTERS**
- 2. PUBLIC FORUM**
- 3. 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. Reappointment to MWMC**
- 4. PUBLIC HEARING AND ACTION:
Resolution Adopting a Supplemental Budget; Making Appropriations for the City of Eugene for the Fiscal Year Beginning July 1, 2014, and Ending June 30, 2015**
- 5. PUBLIC HEARING AND ACTION:
Resolution Adopting a Supplemental Budget; Making Appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year Beginning July 1, 2014 and Ending June 30, 2015**
- 6. PUBLIC HEARING and POSSIBLE ACTION:
An Ordinance Amending the Permitted Overnight Sleeping ("Rest Stop") Pilot Program Provisions Adopted By Ordinance No. 20517**
- 7. ACTION:
Approval of Funding and Use of City Resources for Housing Affordable to Low-Income Persons – North Polk Apartments**
- 8. ACTION:
A Resolution Approving a Low-Income Rental Housing Property Tax Exemption for the Property Located at 89 North Polk Street, Eugene, Oregon (Neighborhood Economic Development Corporation/Applicant)**
- 9. WORK SESSION:
Cell Towers**

**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'

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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,

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: Multi-Unit Property Tax Exemption (MUPTE) Program Revisions

Meeting Date: December 8, 2014
 Department: Planning & Development
www.eugene-or.gov

Agenda Item: A
 Staff Contact: Denny Braud
 Contact Telephone Number: 541-682-5536

ISSUE STATEMENT

This work session is a continuation of the discussion on potential Multi-Unit Property Tax Exemption (MUPTE) program reforms. The council will review and discuss the draft ordinance with an opportunity to take action. (The draft ordinance is provided in Attachment A.)

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 requires all proposed projects to undergo a “but-for” analysis to determine if the project would not go forward but for the tax exemption. The fundamental question has two parts: without the benefit of the tax exemption, would the project 1) qualify for the bank debt and 2) attract needed equity. For the bank, the important factors are value to secure the loan and cash flow to cover repayment. For the equity, the important factor is the level of return to the investor. Exempting the property taxes reduces the operating costs for the project, which ultimately improves the financial feasibility of a project by either putting the project in a position to qualify for bank financing or to attract the needed investor equity, or both in some cases.

The MUPTE program is currently suspended through February 28, 2015. MUPTE is a critical component to Envision Eugene. Coupled with area planning, it is the primary strategy for addressing the community’s future multi-family housing need. Envision Eugene is moving towards completion, with the formal adoption process anticipated for the spring of 2015.

In 2013, the council met to discuss the MUPTE program on April 22, May 13, June 24, July 24, and November 18. The council received input from key stakeholders at a workshop on May 22, 2013. In July 2013, the council highlighted the importance of:

- Aligning the MUPTE tool and availability of the tool with the goals of Envision Eugene.

- Consideration of affordable housing needs and the role that MUPTE can play in advancing this goal.
- Local hiring and the need to support local businesses and talent.
- Identifying community benefits and the need for MUPTE projects to advance community goals.
- Thoughtful and timely reforms that can be implemented to support redevelopment opportunities.

On November 18, 2013, the council added the West 11th area to the potential boundary and identified the following areas for further discussion: local hiring practices, financial gain cap, affordable housing (fee vs. providing units within the project), energy-efficient buildings, application scoring system, and percentage-of-median-income housing qualification. The council also expressed support for seeking stakeholder and community input opportunities.

At the April 14, 2014, work session, staff presented revised criteria based on input from these several stakeholder groups:

- Housing Policy Board committee for feedback specifically related to Affordable Housing criteria;
- Development-related fields including three developers, an appraiser, and a banker;
- Construction industry including general contractors, specialized trades, and union representatives;
- Human Rights Commission subcommittee; and
- Technical Resource Group (TRG) comprised of community members with expertise in real estate, land use, and business. This group provided independent review and a technical analysis that informed the March 2012 Envision Eugene Recommendations.

The council provided direction to reach out to the neighborhood organizations for input on the various program revisions under consideration. In May, staff held two meetings to collect feedback from neighborhood leaders on the changes the council reviewed in April. Based on those discussions, staff had several individual meetings with neighborhood leaders and then held a meeting on June 25 to collect feedback on a further revised concept. Neighborhood leaders were also able to complete two online surveys.

Following the April work session, the TRG invited councilors to learn more about the technical analysis and met with Mayor Piercy, Councilor Brown, Councilor Clark, Councilor Evans, and Councilor Syrett.

At the July 30 work session, the council reviewed the neighborhood leader feedback and continued the discussion. Staff provided an overview of a draft concept to activate the downtown area first, subject to new criteria, and proceed with other areas after neighborhood planning processes.

On October 15, the council directed the City Manager to schedule a public hearing on the draft program revisions. A public hearing on the ordinance was held on November 17, 2014: 16 people spoke. The draft ordinance is provided in Attachment A. Waiving the affordable housing fee for projects in the West 11th or 6th/7th Trainsong Highway 99 Corridor areas as additional incentive

for multi-unit housing will be added to the ordinance, as was originally intended. The potential MUPTE boundary is in Attachment B. Background information on the ordinance including a comparison between the draft and the suspended program; the rationale; and where various aspects are found in the ordinance is Attachment C. Follow-up information on several topics is included in Attachment D.

RELATED CITY POLICIES

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

Envision Eugene Pillars

- Promote compact urban development and efficient transportation options.
 - 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.
- Provide housing affordable to all income levels.
- Plan for Climate Change and Energy Resiliency.
 - Make energy efficiency in buildings and vehicles the first line of action in reducing energy dependence and greenhouse gas emissions.
 - Align incentives, costs and City processes to promote resource efficient buildings, smaller homes and development towards the city core.

Regional Prosperity Economic Development Plan

- 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

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.
- 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.

Item A.

- 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.

Climate and Energy Action Plan

- Buildings & Energy Section:
 - Objective 2: Reduce GHG emissions from new construction by 50 percent by 2030.
 - Action 2.2: Increase incentives for highly energy-efficient new buildings aiming toward net zero energy and carbon neutral buildings.

COUNCIL OPTIONS

1. Adopt the proposed ordinance in Attachment A.
2. Give new direction for amendments to the proposed ordinance.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends adopting the ordinance in Attachment A.

SUGGESTED MOTION

Move to adopt Council Bill 5134, an ordinance concerning multiple-unit property tax exemptions.

ATTACHMENTS

- A. Draft Ordinance
- B. Potential MUPTE Boundary
- C. Background Information on Draft Ordinance
- D. Follow-Up Information

FOR MORE INFORMATION

Staff Contact: Denny Braud
Telephone: 541-682-5536
Staff E-Mail: denny.braud@ci.eugene.or.us

ATTACHMENT A

ORDINANCE NO. _____

**AN ORDINANCE CONCERNING MULTIPLE-UNIT PROPERTY TAX EXEMPTIONS;
AMENDING SECTIONS 2.945 AND 2.947 OF THE EUGENE CODE, 1971; AND
ADDING SECTION 2.946 TO THAT CODE.**

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Section 2.945 of the Eugene Code, 1971, is amended to provide as follows:

2.945 Multiple-Unit Housing – Property Tax Exemption.

- (1) The provisions of ORS 307.600 to 307.637 enable cities to grant local property tax exemptions for multiple-unit housing located in core and transit oriented areas designated by the city. There is a need and demand for better housing at rental rates or sale prices accessible to a broad range of the general public in the core and transit oriented areas which is not likely to be produced without this incentive. This incentive is intended to:
- (a) Stimulate the construction of transit supportive multiple-unit housing in the city's core and transit oriented areas to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work;
 - (b) Encourage the development of vacant or under-utilized sites in core and transit oriented areas, rather than sites where sound or rehabilitable multiple-unit housing exists;
 - (c) Encourage the development of multiple-unit housing, with or without parking, in structures that may include ground level commercial space;
 - (d) Encourage the development of multiple-unit housing, with or without parking, on sites with existing single-story commercial structures;
 - (e) Encourage the development of multiple-unit housing, with or without parking, on existing surface parking lots; and
 - (f) Preserve existing publicly assisted housing that is affordable to low income persons by providing the incentives authorized in ORS 307.600 to 307.637 to existing multiple-unit housing that is subject to a low income housing assistance contract with an agency or subdivision of this state or the United States.
- (2) The provisions of ORS 307.600 to 307.637 are hereby adopted as the city's multiple-unit housing property tax exemption program. [~~Sections 2.945 and 2.947 of this code shall apply in the downtown area depicted on Map 2.945(2) attached to Ordinance 20479 and appended to chapter 2 of this code.~~]
- (3) Applications for property tax exemption hereunder shall be filed with the city manager [~~on or before February 1 immediately preceding the first assessment year for which exemption is requested~~] and shall be accompanied by an application fee. The application shall **contain the information required by, and** be processed in accordance with, [~~standards and guidelines adopted by~~]

administrative rules *adopted by* ~~[of]~~ the city manager *in the manner described in section 2.019 of this code. Prior to filing the application, the applicant, including at least one of the applicant's principals, must have arranged for and attended one public engagement opportunity with residents in the neighborhood, including the board of any city-recognized affected neighborhood association, and then included in the application copies of comments received from the meeting or documentation of the applicant's attempt to solicit comments.*

- (4) *Following receipt of a completed application, the city manager shall convene the review panel authorized by subsection (13) of this section to review the application. The review panel shall make a recommendation to the city manager about whether the application meets the criteria in section 2.946, and provide any other comments about the project's financial projections. After the city manager receives the review panel's recommendation and comments, but in no event later than 135 days following submission of the application, the city manager shall provide the council with the city manager's recommendation on the application.*
- ~~(4.5)~~ Upon receipt of the city manager's written recommendation on an application, the council shall consider the application, the city manager's written recommendation, and any written comments submitted ~~[during the 30-day comment period]~~ on the application ~~[at its next scheduled meeting]~~. If the council fails to act on an application ~~[which has been timely referred to it as provided in the standards and guidelines]~~ within 180 days from the date it was filed, the application shall be deemed approved and processed thereafter in accordance with subsection ~~[(9)]~~ **(10)** of this section.
- ~~(5.6)~~ At the meeting at which the city manager's recommendation on an application is considered, *or at a subsequent meeting*, the council shall adopt a resolution approving the application and granting the property tax exemption, or adopt a resolution disapproving the application and denying the property tax exemption.
- ~~(6.7)~~ ~~[In order to approve an application, the council must find that:]~~ *The council shall approve an application if the council determines that the criteria described in section 2.946 of this code have been met. The resolution approving the exemption shall set forth any specific conditions of approval, as well as the length of the tax exemption. The exemption may not include the land or any improvements not a part of the multiple-unit housing. The exemption may include parking constructed as part of the multiple-unit housing construction, addition or conversion, and commercial property to the extent that the commercial property is a required design or public benefit element of a multiple-unit housing construction, addition or conversion approved by the city. In the case of a structure to which stories or other improvements are added or a structure that is converted in whole or in part from other use to dwelling units, only the increase in value attributable to the addition or conversion may be exempt from taxation.*
- ~~[(a)]~~—The project will provide multiple-unit housing of five or more units;
- ~~[(b)]~~—The project is located within the boundaries of the downtown areas described in subsection (2) above;
- ~~[(c)]~~—The proposal could not financially be built “but for” the tax exemption;
- ~~[(d)]~~—The applicant solicited comments from city-recognized affected neighborhood associations;

- (e) ~~The requirements in the standards and guidelines related to proximity to historic resources have been satisfied;~~
 - (f) ~~The applicant has complied with the provisions of the standards and guidelines;~~
 - (g) ~~In the case of the construction of, or the addition or conversion to multiple-unit housing:~~
 - 1. ~~The construction, addition or conversion will be completed on or before January 1, 2022;~~
 - 2. ~~The owner has agreed to include in the construction, addition or conversion, as a part of the multiple-unit housing, one or more public benefits, including but not limited to commercial uses of a portion of the multiple-unit housing structure, open spaces, parks and recreational facilities, common meeting rooms, child care facilities, transit amenities and transit or pedestrian design elements, or benefits otherwise specified in the standards and guidelines this subsection;~~
 - 3. ~~The proposed construction, addition or conversion project is, or will be at the time of completion, in conformance with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS~~
~~_____ chapters 195, 196, 197, 215 and 227, that are applicable at the time the application is approved;~~
 - (h) ~~In the case of multiple-unit housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States,~~
 - 1. ~~The application for exemption was made on or before January 1, 2022;~~
 - 2. ~~It is important to the community to preserve the housing as low income housing and it is probable that the housing would not be produced as or remain low income housing without the exemption being granted;~~
 - (i) ~~The multiple-unit housing is not designed for, and will not be used as transient accommodations; and~~
 - (j) ~~Granting the application is in the public interest. In making this determination, council shall consider, among other things, the number of points awarded based on the public benefit scoring system contained in the standards and guidelines.]~~
- (78) [Unless the council makes each of the findings required by subsection (6) of this section] ***If the council determines that one or more of the criteria in section 2.946 of this code are not met***, the council shall deny the application. [~~In~~ addition to the owner's name and address, and a legal description or the assessor's property account number for the subject multiple-unit housing, the resolution approving the application shall contain the above findings and set forth the specific conditions of approval or exclusions therefrom and specify the percentage and duration of the exemption. A] ***The*** resolution denying an application shall set forth the specific reasons for denial.
- (89) The city manager shall forward to the applicant a copy of the resolution adopted by the council within 10 days from the date the council acts on the application.[, and] ***In addition***, on or before April 1 [following approval] ***immediately preceding the first tax year for which the exemption is requested, the city***

manager shall file with the county assessor a copy of the resolution approving an application.

(910) With respect to an application deemed approved through inaction of the council under subsection ~~[(4)]~~ **(5)** of this section, ~~[on or before April 1]~~ following the expiration of the 180-day period, **on or before April 1 immediately preceding the first tax year for which the exemption is requested**, the city manager shall file with the county assessor an administrative order containing the same findings and information as required to be set forth in a resolution approving an application and forward a copy thereof to the applicant. ~~(1011)~~ In the case of a structure to which stories or other improvements are added or a structure that is converted in whole or in part from other use to dwelling units, only the increase in value attributable to the addition or conversion may be exempt from taxation.

~~(1112)~~ Notwithstanding subsection (6) of section 2.947 of this code, if the multiple-unit housing is or becomes subject to a low income rental assistance contract with an agency of this state or the United States, the city may extend the exemption through June 30 of the tax year during which the expiration date of the contract falls.

(13) Program Review Panel.

(a) *The city manager shall create a program review panel to provide third-party review of individual applications and of the program. The panel shall be comprised of the following members:*

- 1. *Two at-large neighborhood representatives nominated by the mayor;***
- 2. *For individual applications, an additional two neighborhood representatives from the neighborhood in which a proposed project is located; and***
- 3. *Four technical professionals such as architects, green building specialists, lenders, laborers, or developers.***

In order to be eligible to serve on the review panel, members must sign a confidentiality agreement in a form approved by the city manager.

(b) *The review panel shall:*

- 1. *Review project applications, with emphasis on analyzing the project's financial projections and compliance with the criteria contained in section 2.946; and***
- 2. *Assist the city manager in preparing annual reports on the program that will also address the program volume cap.***

Section 2. Section 2.946 of the Eugene Code, 1971, is added to provide as follows:

2.946 Multiple-Unit Housing – Threshold Criteria and Public Benefits.

(1) Boundaries.

(a) *Sections 2.945 through 2.947 of this code shall initially apply only in the downtown area as depicted on Map 2.945(2) attached to Ordinance __ [insert Ordinance number] and appended to chapter 2 of this code.*

(b) *The council may expand the boundaries covered by sections 2.945 through 2.947 of this code to include one or more of the areas listed in this subsection (b) by adopting a resolution activating the area under either of the following circumstances:*

- 1. *Area planning is completed for the neighborhood; or***

2. **City-wide code amendments are approved that address the spatial transition between commercial and multi-family zoned properties with single-family zoned properties and an official neighborhood association requests activation.**
- The areas that the council may approve pursuant to this subsection are: Mid-town; South Willamette; West 11th; 6th/7th Trainsong Highway 99 Corridor; Valley River Center commercial area; North Franklin; South River Road; Mid-River Road; North River Road; South Coburg Road; Mid-Coburg Road; and North Coburg Road. Any resolution approving one or more of these areas shall have a map appended to it identifying the precise boundaries of the area being approved.**
- (c) **For property located in an area listed in subsection (b) above that has not yet been approved by resolution, a property owner may request, if but only if jointly requested by the official neighborhood association board, that council approve an exemption under sections 2.945 through 2.947 of this code for the specific property. If the property is not part of a city-recognized neighborhood, then a request may proceed only if the city notifies all owners and occupants of property located within 500 feet of the property to be developed and no owner or occupant submits to the city manager any substantive objection. In addition, no request under this subparagraph (c) may be approved by council unless:**
1. **All other requirements of sections 2.945 through 2.947 of this code have been met, and**
 2. **The council determines that it is in the public interest to grant the exemption even though the area itself has not yet been activated pursuant to subsection (b) above.**
- (2) **Criteria for Approval. No exemption may be approved under subsection (7) of section 2.945 of this code unless all of the following criteria are met:**
- (a) **Eligible Project Types. The project will provide multiple-unit housing of five or more new units through new construction, an addition to an existing structure, or a conversion of a structure from another use to dwelling units. Notwithstanding the preceding sentence, no exemption may be granted for a project designed for the leasing of individual rooms or beds, rather than entire apartment units, or a project otherwise designed primarily for individuals attending college.**
- (b) **Project Need. The proposal could not financially be built “but for” the tax exemption. The burden is on the applicant to demonstrate that absent the exemption, the project would not be financially viable. If the projected overall average annual rate of return for the project for the maximum 10-year tax exemption period is:**
1. **Less than or equal to 10%, the project is eligible for the maximum 10-year exemption.**
 2. **Greater than 10%, then the term of the exemption shall be decreased by the number of years necessary to bring the rate of return down to 10%.**
- (c) **Compact Urban Development. For the downtown area, the project meets one of the following density requirements:**
1. **Residential zones: 175% of minimum density for the zone.**

2. **Form-based zones with height limit of three or four stories: 30 units per acre.**

For any other area that council activates under subsection (1)(b) above, density requirements shall be stated in the area plan or other process that activates the area.

- (d) **The project complies with any requirements in administrative rules adopted by the city manager related to proximity to historic resources.**

- (e) **Project Design and Compatibility.**

1. **The applicant has included a detailed description of the proposed project and graphic information including site plans and elevations containing sufficient detail to demonstrate that the project addresses a set of basic design principles in the context of the project location. The city manager shall adopt as part of the administrative rules to implement these sections a more detailed description of the required design principles, including the scale, form, and quality of the building; the mix of project elements; and the relationship to the street and surrounding uses**
2. **Compliance with the project design elements that were reviewed at the time of council approval is a condition of approval of the exemption, except that the city manager may approve a deviation from those design elements if the city manager determines in writing that the deviations provide the same or greater degree of adherence to the design principles.**

- (f) **Green Building.**

1. **Green building requirements apply only to the residential occupancy areas and common areas such as hallways, stairwells, centralized HVAC or hot water heating, and laundry facilities. The requirements do not apply to the commercial areas or ancillary amenities such as parking garage, swimming pools, and recreation centers.**
2. **The project will perform at least 10% more efficiently than the performance established in the Oregon Energy Efficiency Specialty Code (OEESC) or similar code adopted by the State of Oregon.**
 - a. **Green building requirements for one to three story multiple-family buildings are as follows:**
 - (1) **Obtain LEED v4 for homes low-rise multiple-family basic certification and modeled at least 10% above current OEESC;**
 - (2) **Obtain earth advantage multiple-family silver level certification and provide a commissioning report; or**
 - (3) **Obtain NW Energy Star certification through the Eugene Water and Electric Board program and provide a commissioning report.**
 - b. **Green building requirements for four stories and above multiple-family buildings are as follows:**
 - (1) **Obtain LEED for homes midrise basic certification and modeled at 10% above current OEESC; or**
 - (2) **City review of the project demonstrates that:**

- (A) *Model building energy performance, utilizing the LEED for homes midrise energy modeling methodology, shows that the building will perform 10% above current OEESC performance;*
 - (B) *The building is constructed to modeled plans;*
 - (C) *Commissioning report has been provided prior to issuance of certificate of occupancy; and*
 - (D) *Applicant commits to working with city to report multiple-family occupancy energy use data to city for the tax exempt period.*
3. *Projects that will provide onsite parking are required to install conduit for future electric vehicle charging stations.*
- (g) **Local Economic Impact Plan.**
- 1. *The applicant must provide a plan that provides for more than 50% of the dollar volume of the combined professional services and construction contracts to include local firms. "Local firm" means a business which is based in Lane County.*
 - 2. *The applicant must ensure that qualified minority and women business enterprises have an equitable opportunity to compete for contracts and subcontracts.*
 - 3. *The city manager shall include in the administrative rules adopted to implement sections 2.945 through 2.947 of this code provisions that:*
 - a. *Identify additional requirements for the local economic impact plan, including definitions and exceptions such as when trades are not available locally;*
 - b. *Enable qualified minority and women business enterprises to have an equitable opportunity to compete; and*
 - c. *Ensure that the developer complies with wage, tax and licensing laws in the development of the project and posts information about the city's rights assistance program.*
- (h) *In the case of the construction of, or the addition or conversion to multiple-unit housing, the construction, addition or conversion will be completed on or before January 1, 2022.*
- (i) *In the case of multiple-unit housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States,*
- 1. *The application for exemption was made on or before January 1, 2022;*
 - 2. *It is important to the community to preserve the housing as low income housing and it is probable that the housing would not be produced as or remain low income housing without the exemption being granted.*
- (j) *The multiple-unit housing is not designed for, and will not be used as transient accommodations.*
- (3) **Criteria for Inclusion of Additional Public Benefits.** *If the applicant fails to qualify for the maximum 10-year tax exemption due to subsection (2)(b) of this section, the applicant may propose including additional public benefits from the following list to increase the term of the exemption up to the*

maximum of 10 years. The city manager shall ask the review panel to review and comment on whether the applicant's proposal merits one or more additional years of exemption, following which the city manager shall make a recommendation to council. The council shall review that information and then determine, in its discretion, whether the proposal merits one or more additional years of exemption, and if so, how many.

*(a) **Documented Local Economic Impact.** The extent to which the project meets the goal established in the local economic impact plan described in subsection (2)(g) of this section, demonstrates solicitation of bids from minority and women business enterprises, and commits to completing certified payroll.*

*(b) **Location.** Project is located within a United States Department of Housing and Urban Development low-moderate income area or on a brownfield site, or projects that include the redevelopment of a valuable historic resource.*

*(c) **Project Features.** The extent to which the project incorporates the following features:*

- 1. Payment of an affordable housing fee that exceeds the amount required by subsection (4)(c) of this section;*
- 2. Exceed the green building requirements described in subsection (2)(f) of this section;*
- 3. Provision of Americans with Disabilities Act (ADA) accessible dwelling units beyond those required by the building code;*
- 4. Provision of dwelling units available for home ownership;*
- 5. Inclusion of open space, community gardens, or gathering space that is accessible to the surrounding community;*
- 6. Inclusion of ground floor commercial/retail space that addresses a neighborhood need;*
- 7. Design excellence and neighborhood compatibility;*
- 8. Provision of embedded or structured parking;*
- 9. Provision of transportation options, including bus passes, car share, bike share, bus shelter, pedestrian connections, meeting Leadership in Energy & Environmental Design (LEED) v4 "green vehicle" credit description, and minimum parking where appropriate; and*
- 10. Other features identified by the neighborhood through the engagement process described in subsection (4)(b) of this section.*

*(4) **Additional and On-Going Obligations of Project Approved for Exemption.***

(a) Following approval of an exemption under section 2.946 of this code, the city manager shall monitor the development of the project to ensure that the project complies with the requirements of sections 2.945 through 2.947 of this code, the administrative rules adopted thereunder, and any other conditions of approval of the exemption.

(b) During the developer's design process and before the final design drawings are completed, the developer shall hold at least one neighborhood engagement opportunity to allow members of that neighborhood to provide comments on the proposal. At least one of the applicant's principals must attend that meeting. In addition, once the final design is completed and before it is submitted for permits, the

- developer shall allow the neighborhood an opportunity to review and comment on that final design.*
- (c) *As an additional required public benefit of the exemption, the developer shall pay to the city an affordable housing fee in the amount of 10% of the total exemption for the 10 year tax exempt period. The fee may be paid annually in years 3 through 10 of the exemption, or may be paid up front. Funds received by the city under this paragraph shall be used for affordable housing and emergency shelter.*
- (d) *During the exemption period, the project's owner must annually submit the following documents prepared in a format specified by and consistent with the requirements in administrative rules adopted pursuant to section 2.019: audited financial statements; tax returns; and 10-year operating cash flow with to-date rate of return. In addition, the first year's reporting shall include the home city or zip code of the construction labor workers.*

Section 3. Section 2.947 of the Eugene Code, 1971, is amended to provide as follows:

2.947 Multiple-Unit Housing - Termination of Approval, Review.

- (1) *Except as provided in subsection (8) of this section, [A]after a resolution approving an application has been filed, if the city manager finds that:*
- (a) *Construction of multiple-unit housing was not completed within the time specified in the resolution, and no extensions as provided in subsection (5) hereof have been granted, or*
- (b) *The applicant, **developer or other owner of the project** has failed to comply with the provisions of ORS 307.600 to 307.637[,] **or** the provisions of this code **or administrative rules adopted thereunder**, [~~any provisions of the standards and guidelines adopted by the city manager,~~] or*
- (c) *The applicant, **developer or other owner of the project** has failed to comply with any conditions imposed in the resolution approving the application **and the city manager has not determined in writing that project design deviations provide the same or greater degree of adherence to the design principles that council approved for the project**, or*
- (d) *Construction of multiple-unit housing was not completed on or before January 1, 2022, or*
- (e) *In the event units within the development are sold individually, a unit owner fails to comply with applicable requirements described in paragraphs (b) or (c) of this section,*
- the city manager shall notify the council; the owner of the property, at the owner's last known address; and any known lender, at the lender's last known address, of the manager's intention to recommend to the council that the exemption be terminated. The notice shall clearly state the reasons for the proposed termination, and shall require the owner to appear before the council, at a time specified in the notice, which shall not be less than 20 days from the date the notice was mailed, to show cause, if any exists, why the exemption should not be terminated.*
- (2) *If the owner fails to appear and show cause why the exemption should not be terminated, the city shall further notify every known lender of the owner's failure to appear and shall allow the lender a period of not less than 30 days, beginning*

with the date that the notice of failure to appear and show cause is mailed to the lender, to cure any noncompliance or to provide adequate assurance that the noncompliance will be remedied.

- (3) If the owner fails to appear before the council at the time specified in the notice, or if the owner appears and fails to show cause why the exemption should not be terminated, and a lender fails to cure or give adequate assurance that any noncompliance will be cured, the council shall adopt a resolution terminating the exemption, which shall contain its findings in support thereof. Copies of the resolution shall be filed with the county assessor and mailed to the property owner, at the owner's last known address, and to any lender at the lender's last-known address, within 10 days from the date adopted. If a determination is made that the exemption should continue as previously granted, the council shall enter written findings of record in support of the continued exemption and forward a copy thereof to the property owner and to any lender within 10 days from the date of the hearing.
- (4) All reviews of council action in denying, approving, or terminating an application shall be governed by the procedures set forth in ORS 34.010 to 34.100, and correction of assessments and tax rolls and the evaluation of the property shall be in conformity with ORS 307.687. The council's action on an exemption shall not be a land use decision for purposes of administrative review.
- (5) If construction, addition, or conversion of multiple-unit housing is not completed by January 1, 2022, upon receipt of a request from the property owner, the council may, by resolution, extend the deadline for completion of construction of multiple-unit housing for a period not to exceed 12 consecutive months, if it finds the failure to complete construction by the time specified in the resolution was due to circumstances beyond the control of the owner, and that the owner had been and could reasonably be expected to act in good faith and with due diligence.
- (6) In any event, no multiple-unit housing granted an exemption by the council may be exempt from ad valorem taxation for more than 10 successive years. The first year of exemption is the assessment year beginning January 1 immediately following the calendar year in which construction, addition or conversion is completed, determined by that stage in the construction process when, pursuant to ORS 307.330 the improvement would have gone on the tax rolls in the absence of the exemption. The exemption may not include the land, nor any improvements located thereon that are not a part of the multiple-unit housing but may include commercial use of a portion of the structure and parking constructed as part of the multiple-unit housing construction, addition or conversion, and is in addition to any other exemption provided by law. However, no property may be exempt beyond 100 percent of its real market value.
- (7) Any exemption granted by the council shall terminate immediately, without right of notice or appeal, in the event the county assessor determines that a change of use to other than residential or residential with commercial uses of a portion of the structure, or housing has occurred for the multiple-use housing, or portion thereof, or if a low income housing assistance contract with an agency or subdivision of this state or the United States is breached or terminated prematurely, or a declaration as defined in ORS 100.005(12) is presented to the county assessor or tax collector for approval in connection therewith. Termination shall be in accordance with the provisions of ORS 307.627.

(8) Notwithstanding subsections (1) through (7) of this section, if applicant, developer or other owner of the project has failed to comply with the requirements of ORS 307.600 through 307.637, sections 2.945 through 2.947 of this code or the administrative rules adopted thereunder, or a resolution adopted pursuant subsection (7) of section 2.945 of this code, in lieu of initiating termination proceedings, the city manager may impose penalties as set forth in section 2.1995 of this code. Each day in which a violation is caused or permitted to exist constitutes a separate violation. Failure to pay an administrative penalty authorized by this subsection shall be grounds for terminating the exemption under subsections (1) - (3) of this section.

Section 4. The Multiple-Unit Property Tax Exemption Program goal is to assist in the creation of 1,500 new, multiple-family housing units after adoption of this Ordinance, which will, in part, assist in the implementation of Envision Eugene. The Program Review Panel will review the cap as part of the annual report. At such time that the MUPTE-assisted number of dwelling units constructed reaches the program volume cap, Council shall conduct a comprehensive review to determine if continuation of the program is in the best interest of the City.

Section 5. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Passed by the City Council this

Approved by the Mayor this

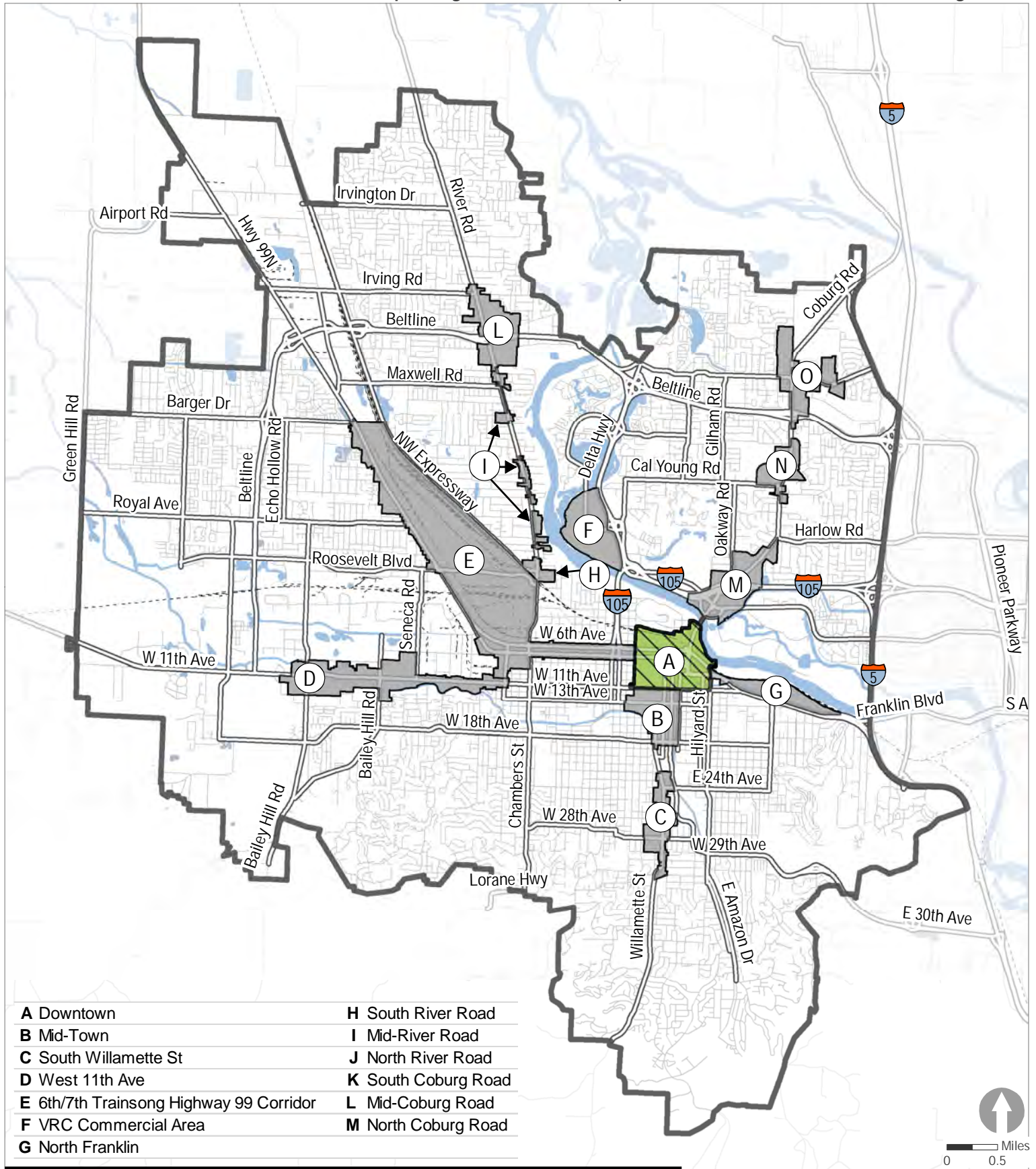
__ day of _____, 2014

__ day of _____, 2014

City Recorder

Mayor

Potential Multi-Unit Property Tax Exemption (MUPTE) Boundary



- | | |
|--|----------------------------|
| A Downtown | H South River Road |
| B Mid-Town | I Mid-River Road |
| C South Willamette St | J North River Road |
| D West 11th Ave | K South Coburg Road |
| E 6th/7th Trainsong Highway 99 Corridor | L Mid-Coburg Road |
| F VRC Commercial Area | M North Coburg Road |
| G North Franklin | |

Area A active immediately to accept MUPTE applications
Area B – M active upon completion of area planning focused on transition zones and compatability. Opportunity sites could apply, if brought forward with support of neighborhood, property owners, and developers.

Caution: This map is based on imprecise source data, subject to change, and is for general reference only.



ATTACHMENT C

Background Information on Draft Ordinance

Each criteria or program feature has a table with the draft ordinance concept compared to the suspended program with the draft ordinance rationale below. The ordinance location/situation appears after each concept within brackets (“[]”). There are nine Required Public Benefit criteria, Additional Public Benefit criteria, and three Other Program Features.

Required Public Benefits are generally found within the draft ordinance “Criteria for Approval” Section 2. 2.946(2). Some are in “Additional and On-going Obligations of Project Approved for Exemption” Section 2. 2.946(4).

Additional Public Benefits are found within the draft ordinance “Criteria for Inclusion of Additional Public Benefits” Section 2. 2.946(3).

The proposed ordinance includes enforcement language stating that failure to comply with the requirements included in the MUPTE program ordinance and any subsequent individual project approval resolutions may result in an administrative civil penalty Section 3. 2.947(8) or in termination of the tax exemption Section 3. 2.947(1) through (7).

REQUIRED PUBLIC BENEFITS

1. Eligible Project Type

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<ul style="list-style-type: none"> ○ Multi-unit redevelopment housing projects with 5+ units (per State law) [Section 2. 2.946(2)(a)] ○ Commercial portion if deemed public benefit [Section 1. 2.945(7)] ○ Not student housing [Section 2. 2.946(2)(a)] 	<ul style="list-style-type: none"> ○ Multi-unit housing projects with 5+ units (per State law) ○ Commercial portion if deemed public benefit

Rationale: Focuses program on creation of traditional market rate housing.

2. Compact Urban Development

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>For the downtown boundary area, specific density based on zone [Section 2. 2.946(2)(c)], with minimum of 5 units no matter the zone, per State law [Section 2. 2.946(2)(a)]</p> <p>For all other boundary areas, the requirement would be based on the area plan or other neighborhood process [Section</p>	<p>Not required public benefit.</p> <p>One of eight possible public benefit categories for scoring points, based on the degree to which the project exceeds the minimum density requirements for the location:</p> <ul style="list-style-type: none"> - 10 points/unit in excess of minimum

2. 2.946(2)(c)], (with minimum of 5 units, per State law [Section 2. 2.946(2)(a)]	required, with 50 points maximum. – 100 points for “Opportunity Site”
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Rationale: For downtown, the recommendation promotes density beyond the code minimums where density is most easily absorbed. For other areas, Option B is in line with neighborhood engagement results from May and June and with neighborhood livability. Option B was deemed reasonable by the Developer Stakeholder group and the Technical Resource Group of Envision Eugene.

3. Project Design / Compatibility

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Project must address basic design principles in the context of the location. [Section 2. 2.946(2)(e)] (Specific reference to the <i>Community Design Handbook</i> will be in the Administrative Rule.)</p> <p>Project must adhere to the project design elements that were reviewed at the time of Council approval and attached to the approval resolution. [Section 2. 2.946(2)(e)]</p>	<p>Not required public benefit.</p> <p>Schematic drawing / site plan required with application</p>

Rationale: Aligns criteria with work already in progress in the Planning Division. Enables enforcement of design information submitted in the application. This was deemed reasonable by Developer Stakeholder group.

4. Green Building

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Focused on building energy performance – all projects would perform at least 10% more efficiently than the performance established in the Oregon Energy Efficiency Specialty Code through one of several pathways. [Section 2. 2.946(2)(f)1. & 2.]</p> <p>Additionally, all projects that provide onsite parking will be required to install conduit for future electric vehicle charging stations. [Section 2. 2.946(2)(f)2. & 3.]</p>	<p>Not required public benefit.</p> <p>One of eight possible public benefit categories for scoring points, based on the certification program:</p> <ul style="list-style-type: none"> – 100 points for LEED certification – 25 – 75 points for Earth Advantage Silver, Gold, Platinum, respectively

Rationale: The focus is on building energy performance, as prioritized within Envision Eugene and the Climate Energy Action Plan. Deemed acceptable by Green Building staff, the Technical Resource Group of Envision Eugene, and the Developer Stakeholder Group.

The idea for including electric vehicle charging station related items came from Representative Barnhart through Councilor Zalenka. Having projects with onsite parking install conduit for

future electric vehicle charging will provide the infrastructure needed for future installation when actual users or additional demand are identified. The downtown parking garages have had 16 charging stations in place since 2012 and have had an average of one use every two weeks per station. The Broadway Place South Garage with housing above has averaged one use per month for each of the two charging stations, for a total of 2 hours of charging over the two and a half years since being installed.

5. Neighborhood Engagement

<i>Draft Ordinance (situation)</i>	<i>Old / Suspended Program</i>
<p>Applicant required to contact appropriate neighborhood association to share project information, to seek input, and to provide received comments with application. [Section 1. 2.945(3)]</p> <p>Specifically, one or more of the principals of the applicant entity must attend two neighborhood engagement opportunities (discussions/presentations):</p> <ul style="list-style-type: none"> - One of the opportunities must be prior to MUPTE application submission. [Section 1. 2.945(3)] - The second opportunity must be during the design process and before the final design drawings are completed. [Section 2. 2.946(4)(b)] <p>Additionally, the neighborhood must have the opportunity to review and comment on the final design before the project is submitted for permits. [Section 2. 2.946(4)(b)]</p> <p>Neighborhood association where the project is located will have two neighborhood representatives seated on the MUPTE Review Panel who can voice project specific neighborhood issues and concerns, including additional neighborhood specific public benefits, during the application review process. [Section 1. 2.945(13)]</p>	<p>Applicant required to contact appropriate neighborhood association to share project information, to seek input, and to provide received comments with application.</p>

Rationale: Based on feedback from May and June neighborhood leader outreach to support neighborhood engagement and neighborhood livability.

6. Boundary

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Downtown area activated as soon as City Council lifts program suspension (current boundary plus one property on 11th & Lincoln that was in the 2004 to 2011 boundary and EWEB property north of 4th Avenue) [Section 2. 2.946(1)(a)]</p> <p>Area eligible for applications after area planning [Section 2. 2.946(1)(b)1.] or city-wide code amendments [Section 2. 2.946(1)(b)2.] to include EE corridors & primary commercial area:</p> <ul style="list-style-type: none"> - Mid-town - South Willamette - West 11th - 6th/7th Trainsong Highway 99 Corridor - Valley River Center commercial area - North Franklin - South River Road - Mid-River Road - North River Road - South Coburg Road - Mid-Coburg Road - North Coburg Road <p>Site within inactive boundary eligible if brought forward by a partnership of property owner / neighborhood [Section 2. 2.946(1)(c)], as an “opportunity site.”</p>	<p>Downtown Plan Area</p>

Rationale: Activating downtown as soon as the suspension is lifted puts the program in place to respond to three known projects: Obie’s development on 6th Avenue, Brokaw development on East Broadway, and EWEB Riverfront redevelopment. Including the other non-downtown areas aligns with Envision Eugene implementation. Adding areas only after area planning or city-wide code amendments supports neighborhood engagement and livability. This was deemed reasonable by the Technical Resource Group of Envision Eugene and neighborhood leaders who attended the June meetings.

Including an “opportunity siting” option for inactive areas, aligns with Opportunity Siting policy direction; supports neighborhood engagement and livability; deemed reasonable by the Technical Resource Group of Envision Eugene and neighborhood leaders who attended the June meetings.

7. Affordable Housing

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Required payment to dedicated affordable housing/emergency shelter of 10% of the total MUTPE benefit for the 10-year benefit. [Section 2. 2.946(4)(c)]</p> <p>Not paid in the West 11th or 6th/7th Trainsong Highway 99 Corridor areas as additional incentive for multi-unit housing. [to be added in next version of ordinance.]</p>	<p>Not a required public benefit.</p> <p>One of eight possible public benefit categories for scoring points, based on the number of units dedicated to rental housing that is affordable to households at 60% of area median income at 10 points per unit.</p>

Rationale: The MUPTE affordable housing fee would generate a local, more flexible source of funding to support affordable housing not constrained by federal regulations. For example, the fee could be a source of predevelopment funds to replace HOME funds that are no longer eligible for that use. Based on the recommendation from the Housing Policy Board Committee. The fee is preferred over the provision of affordable units within MUPTE projects because:

- Provision of units would provide a shorter period of benefit when compared to the benefit periods attained through City affordable housing work. In addition, there could be difficult displacement issues when the period of affordability ends and the owner raises the rents;
- Paying the fee is more efficient for all parties. For-profit developers do not have experience in collecting income documentation. Record keeping, reporting, and monitoring are costly for owners and City staff.
- Mixed-income projects are highly unlikely (based on the MUPTE program history from 1989 – 2004, when the City last required an affordable housing component in MUPTE projects);
- Eliminates the need to reach agreement on the level of affordability for the units (percentage Area Median Income), which would be difficult; and
- Funds collected through fee will leverage other funds in projects.

Additionally, the Committee agreed that the fee could be waived at Council discretion in existing low-income areas, due to both the economic feasibility implications and the Housing Dispersal Policy, in that any new housing in that area could be viewed as a public benefit. As a reminder, the Committee was comprised of Norton Cabell, Morgan Greenwood, Councilor Chris Pryor, Virginia Thompson, John Vanlandingham, Jacob Fox (HACSA), Kristen Karle (SVDP), Richard Herman (Metro), and Susan Ban (Shelter Care). The Developer Stakeholder Group also concluded that an affordable housing fee would be preferable to providing units.

The City has a 20-year property tax exemption for affordable housing (LIRPTE), which the City of Portland does not currently have. Since 1990, LIRPTE has benefited 1,168 affordable housing units.

If the potential volume cap of 1,500 MUPTE units is reached, and depending on the number, size, and value of projects, preliminary estimates indicate that the fee could potentially

generate an estimated one to three million dollars dedicated to affordable housing / emergency shelter.

8. Local Economic Impact

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Applicant to provide a plan for meeting the goal to provide for more than 50% of the dollar volume of the combined professional services and construction contracts include local firms. A local firm is one based in Lane County. [Section 2. 2.946(2)(g)1.]</p> <p>Applicant must ensure that qualified Minority and Women Business Enterprises (MWBE) have an equitable opportunity to compete for contracts and subcontracts, with approved applicants encouraged to use specific practices. [Section 2. 2.946(2)(g)2 & (g)3.b.]</p> <p>Awarded projects must follow wage, tax, and licensing laws, with specific due diligence and documentation steps. [Section 2. 2.946(2)(g)3.c.]</p> <p>Awarded projects must post information on the Rights Assistance Program in English and Spanish. [Section 2. 2.946(2)(g)3.c.]</p> <p>As noted in the introduction, failure to comply with these (and all MUPTE) requirements may result in an administrative civil penalty [Section 3. 2.947(8)] or termination of the tax exemption [Section 3. 2.947(1) through (7)].</p>	<p>Not a required public benefit.</p>

Rationale: Construction stakeholder group and Developer stakeholder group recommended the focus be on firms (rather than employees) because:

- local firms hire local works as normal course of business
- tracking the many workers per project would be extensive
- construction workers are transient
- local firms have reputation at stake / motivated to comply with laws to increase likelihood of getting the next job
- local firms pay local taxes

MWBE section is aligned with the City’s internal practices. Wage, tax, and licensing laws section based on feedback from Representative Holvey and the Human Rights Commission

subcommittee, with additional input from the City Attorney. Rights Assistance Program added based on feedback from Human Rights Commission subcommittee.

9. Project Need

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Projected financials to show the project:</p> <ul style="list-style-type: none"> ○ Would not be possible “but for” the tax exemption [Section 2. 2.946(2)(b)], and ○ Will not exceed overall average annual 10% cash-on-cash rate of return for the project with MUPTE for the maximum period of exemption (10 years). <p>If the projected overall average annual rate of return for the maximum exemption period is:</p> <ul style="list-style-type: none"> ○ Less than or equal to 10% and the Required Public Benefits are met, then the project be eligible to receive the maximum 10-year exemption [Section 2. 2.946(2)(b)1.], ○ Exceeds 10%, then: <ul style="list-style-type: none"> A. The term of the exemption will be decreased by the number of years necessary to bring the rate of return down to 10% [Section 2. 2.946(2)(b)2.], or B. The applicant can propose adding project elements from the Additional Public Benefit Criteria to increase the term of the exemption up to 10 years [Section 2. 2.946(3)]. <p>Submits with application: 10-year proforma and analysis of 10-year return. [to be referenced in Administrative Rule]</p>	<p>Projected financials to show the project:</p> <ul style="list-style-type: none"> ○ Would not be possible to build “but for” the tax exemption. <p>Submits with application: 1 year proforma</p>

Rationale: As requested by several councilors and deemed reasonable by the Developer Stakeholder group.

Additional Public Benefit Criteria

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Applicants have the ability to earn additional years by providing Additional Public Benefits in the following three categories [Section 2. 2.946(3)]:</p> <p>Documented Local Economic Impact [Section 2. 2.946(3)(a)] The extent to which the project:</p> <ul style="list-style-type: none"> ○ Meets the goal established in the Local Economic Impact Plan (Required Public Benefit), ○ Demonstrates solicitation of bids from MWBE, and ○ Commits to completing certified payroll. <p>Location Projects located within:</p> <ul style="list-style-type: none"> ○ The Downtown Plan Area [to be added in next version of ordinance], ○ A HUD low-mod income area [Section 2. 2.946(3)(b)], ○ On a brownfield site [Section 2. 2.946(3)(b)], or ○ Projects that include the redevelopment of a valuable historic resource [Section 2. 2.946(3)(b)]. <p>Project Features The extent to which the project incorporates the following features [Section 2. 2.946(3)(c)1. through 10.]:</p> <ul style="list-style-type: none"> A. Payment of an increased affordable housing fee, B. Exceed the Green Building Required Public Benefit Criteria, C. Provision of Americans with Disabilities Act (ADA) <i>accessible</i> dwelling units. [This is beyond the code requirements. The building code requires that projects include a minimum number of ADA <i>adaptable</i> dwelling units] 	<p>Council able to approve exemption for fewer years. Nothing in the program ordinance specifies the conditions under which the Council would limit the number of years.</p> <p>Documented Local Economic Impact Not included</p> <p>Location Two of eight possible public benefit categories for scoring points, based on:</p> <ul style="list-style-type: none"> - Location within the <i>Downtown Area Plan</i> at 100 points. - <i>Historic Sensitivity</i> for any project that is immediately adjacent or contiguous to a historic locale shall include a plan to mitigate impacts to the historic locale. The plan needs to be reviewed and accepted by a PDD staff person and have an accompanying confirmation letter for 25 points. <p>Project Features Three of eight possible public benefit categories for scoring points, based on:</p> <ul style="list-style-type: none"> - ADA <i>accessible</i> units in the project at 10 points/unit. - Homeownership: 50% or more of the housing dedicated to homeownership at 100 points. - Parking spaces provided beyond the number required by the Code (only for projects within the Residential Parking Permit Program zones) at 10 points/parking space.

<p>D. Provision of dwelling units available for home ownership,</p> <p>E. Inclusion of open space, community gardens, or gathering space that is accessible to the surrounding community,</p> <p>F. Inclusion of ground floor commercial/retail that addresses a neighborhood need,</p> <p>G. Design excellence and neighborhood compatibility,</p> <p>H. Provision of embedded or structured parking,</p> <p>I. Encourage alternative transportation options, including bus passes, car share, bike share, bus shelter, pedestrian connections, meeting LEED v4 'Green Vehicle' Credit Description, and minimum parking where appropriate, and</p> <p>J. Other features identified by neighborhood through the engagement process.</p>	
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Rationale: Having additional public benefits provides a flexible menu of options, can enable higher quality projects, provides ability for a project to be more responsive to needs expressed by neighborhood, and adds to the public benefits. Project features add cost to project and benefits to community. Item I. includes green vehicle LEED requirement to cover installation of electric vehicle charging stations as recommended by Representative Barnhart. Item J. based on feedback from May and June neighborhood leader outreach to support neighborhood engagement and neighborhood livability.

OTHER PROGRAM REQUIREMENTS

Financial Reporting

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>During exemption period, project owner must submit annual accountant-prepared financial information to evaluate a to-date cash on cash rate of return for the project [Section 2. 2.946(4)(d)]:</p> <ul style="list-style-type: none"> ○ Audited financial statements ○ Tax returns ○ 10-year operating cash flow with to-date rate of return ○ Year 1 to include list of construction labor residence information (zip codes) <p>Information submitted by owners to be kept confidential to the extent state public records law allows.</p>	<p>Not included</p>

Rationale: Used by City Manager to analyze the overall effectiveness of the program and may be used in the aggregate as part of the Annual Report.

Program Volume Cap

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>Program goal is to assist in the creation of 1,500 new, multi-family housing units through redevelopment (after adoption of the 2014 ordinance). [Section 4]</p> <p>Cap to be reviewed annually by the MUPTE Review Panel as part of the Annual Report. At such time that the MUPTE-assisted number of dwelling units constructed reaches the cap, council shall conduct a comprehensive review to determine if continuation of the program is desired. [Section 4]</p>	<p>Not included</p>

Rationale: Capping the cumulative number of units is aligned with Envision Eugene identified gap using updated information regarding the 20-year projection for multi-family homes and land capacity. Currently, there is insufficient demand to warrant a competitive process. Having an annual cap would unnecessarily limit multi-unit housing redevelopment opportunities. Program has averaged just under one project per year over the 30 active years of the program.

MUPTE Review Panel

<i>Draft Ordinance</i>	<i>Old / Suspended Program</i>
<p>A newly formed MUPTE review panel to provide a third-party review of the MUPTE program for the City Manager including:</p> <ul style="list-style-type: none"> • Review of project applications, with emphasis on analyzing the project’s financial projections. [Section 1. 2.945(4) & (13)(b)1.] • Review applicant’s conformance with the Required Public Benefits and any proposed Additional Public Benefit Criteria and make recommendations regarding approval/denial of the tax exemption to the City Manager. [Section 1. 2.945(4) & (13)(b)1.] • Assist the City Manager in preparing an Annual Report on the MUPTE program that will also cover the program volume cap. [Section 1. 2.945(13)(b)(2)] 	<p>The City’s Loan Advisory Committee reviews the projects financial projections and comes to a conclusion on whether the tax exemption is needed.</p>

<ul style="list-style-type: none"> • The Panel will be comprised of eight members with equal representation from technical interests and neighborhoods [Section 1. 2.945(13)(a)]: <ul style="list-style-type: none"> - 2 at-large neighborhood representatives; appointed by the Mayor - 2 neighborhood representatives from the specific neighborhood in which a proposed MUPTE project is located - 4 technical interests (such as, architect/green building, lender, labor, and developer) <p>Review Panel members would sign a confidentiality agreement.</p>	
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Rationale: Panel composition includes feedback from the May and June neighborhood leader outreach to support neighborhood engagement.

Follow-Up Information

Affordable Housing Fee

- *Why 10% housing fee (and not some other percentage):* The ideal fee will a) make a meaningful contribution to affordable housing/emergency shelter and b) maintain MUPTE's ability to lower operating costs by enough to make a project financially feasible, given the other required public benefits that add cost to the project, such as Green Building. The 10% fee proposal is based on staff analysis of two past projects and estimates the combined impact of affordable housing fee and green building requirements to diminish the total tax exemption as a percentage of hard costs by 60% to 85%. Additionally, staff reviewed the fee in effect from 1989 to 2004, which ranged from \$100 - \$135 per unit per year. The proposed 10% fee would be approximately \$250 per unit per year (based on 2010 tax data and the projects exempted at that time).

As the program is currently drafted, part of the MUPTE Review Panel's role would be analyzing whether the project can absorb an increased affordable housing fee. In situations with excess return, the affordable housing fee could be increased.

As has been pointed out at several work sessions, the payment from Core Campus to the City is estimated to be 20% of the estimated total exemption. (Core Campus's project is The Hub, a high-end, 12-story \$44 million student housing development at 505 East Broadway.) It is important to recognize that the student housing market provides for rental rates far exceeding that of traditional market rate housing and can, therefore, absorb a payment to the City far in excess of what could be reasonably accommodated by market rate housing. Additionally, the process by which the Core's payment amount was determined mirrors what is proposed: Core's payment amount was increased to get the overall average rate of return to Council's threshold of 10% or below. The proposed process would have the length of the exemption reduced until this threshold is met.

- The City Attorney has concluded that the City can keep the entire affordable housing/emergency shelter fee.

30-Year Maintenance Fund

Councilor Zalenka requested additional information on potentially requiring a 30-year maintenance, repair, and replacement fund.

- *Not standard in the private market*
A funded reserve is only seen in the market for federally funded projects (FHA-HUD) for low interest rate 30-year fixed financing. HUD requires the fund to ensure that the project will be in good condition at the end of the financing term. MUPTE projects generally receive five to ten year financing terms. Additionally, what would happen when the property is sold, which most are before 30-years? Does the reserve go with the property? No bank will finance a bank account.

- *Length of MUPTE vs. length of maintenance fund*
MUPTE is for a maximum of ten years. Most major maintenance is not needed in the first years of a project. It is unclear how the City would continue the requirement after the exemption period is over, which is when the maintenance fund would be most relevant.
- *Determining specifics would be labor intensive*
Lots of maintenance and repair expenses are replacement and not capital items. Involving the City in this area would be labor intensive. The list of items to included (e.g. paint, floor coverings) could be arbitrary.

Clawback

The financial analysis required would be labor intensive or require hiring a third party review with low probability that funds would be recaptured. The process, as currently drafted, calls for an annual review of the program including of the individual project financial statements. If/when those show the market is improving, Council could suspend the program or stop approving applications. Additionally, successful projects build momentum and encourage additional investment in the community.

Portland's MULTE program: If the return is exceeded, the developer must either pay back the exemption or extend the affordability period by 5 years (extend the length of time that the required units are rented at affordable rates). The amount is calculated at the end of the 10 years based on the average. Portland has found that this is one of the program requirements that is discouraging applications.

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Ceremonial Matters

Meeting Date: December 8, 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 item is to acknowledge awards and achievements and inform the public of proclamations signed by the Mayor. No action is required by the City Council.

BACKGROUND

At its 1997 fall process session, the council agreed to include a monthly agenda item entitled "Ceremonial Matters." From time to time, the Mayor is asked to sign proclamations or acknowledge awards received, which serve to encourage and educate the community about important issues and events.

CITY MANAGER'S RECOMMENDATION

This is an information item only.

ATTACHMENTS

None.

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



Public Forum

Meeting Date: December 8, 2014
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 2
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: December 8, 2014
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 3A
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 November 17, 2014, Public Hearing, November 19, 2014, Work Session, and November 24, 2014, Work Session and Meeting.

ATTACHMENTS

- A. November 17, 2014, Public Hearing
- B. November 19, 2014, Work Session
- C. November 24, 2014, Work Session and Meeting

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 8th Avenue
Eugene, Oregon 97401**

**November 17, 2014
7:30 p.m.**

Councilors present: George Brown, Alan Zelenka, George Poling, Mike Clark (via phone) Claire Syrett, Chris Pryor

Councilors absent: Betty Taylor, Greg Evans

Councilor Pryor opened the November 17, 2014, City Council public hearing and noted that Mayor Piercy was attending a housing policy conference.

1. PUBLIC HEARING: Judicial Evaluation

No testimony was provided.

2. PUBLIC HEARING: An Ordinance Granting to MCI Communications Services, Inc., a Non-exclusive Franchise to Use the Public Way to Construct and Maintain Public Communications Facilities within the City of Eugene.

No testimony was provided.

3. PUBLIC HEARING: An Ordinance Amending Ordinance No. 20508 to Extend the Temporary Suspension of Multiple-Unit Property Tax Exemptions Under Sections 2.945 and 2.947 of the Eugene Code, 1971, through February 28, 2015; and Providing for an Immediate Effective Date

1. Brian Obie – Opposed the continued suspension; said the council needs to take action now.
2. Tyson Stuber – Supported the suspension extension; said that limiting contractors is puzzling.

4. PUBLIC HEARING: An Ordinance Concerning Multiple-Unit Tax Exemptions; Amending Sections 2.945 and 2.947 of the Eugene Code, 1971; and Adding Section 2.946 to that Code

1. Brian Obie – said MUPTE is a good tool for this community; concerned about the process.
2. Joshua Skov – said Council is correct in trying to improve MUPTE; this tool is greatly needed.
3. Susan Tavakolian – said MUPTE can be a valuable tool; changes should be adopted.
4. Brittany Quick-Warner – supported the proposed MUPTE changes; critical tool for community.
5. Shelley Pineo-Jensen – presented proposed policy from Jobs for Justice.
6. Dennis Dover – supported hiring local workers for MUPTE projects.
7. Dave Hauser – supported MUPTE changes; will play vital role in downtown revitalization.
8. Peter Knox – said neighborhoods should have more involvement in MUPTE process.
9. Jeannine Parisi – supported MUPTE changes; valuable tool for community.
10. Anita Van Asperdt- supported MUPTE changes; will bring greater economic prosperity.
11. Julie Daniel – supports MUPTE changes; more dense development supports sustainability.
12. Charles Frazer – said everybody should have to pay taxes; opposed to MUPTE.
13. Lisa Arkin – supported MUPTE changes; more attention needed on environmental issues.

14. John VanLandingham – supported the fee, not units, in MUPTE’s affordable housing revisions.
15. Jacob Fox – supported MUPTE changes; very important tool.
16. Paul Conte – said MUPTE should be put on ballot for voters to decide.

Council discussion:

- Very controversial topic; should be put in front of voters.
- Neighborhood involvement in the application process is worth looking at.
- Need a work session to explore continual reporting and housing percentage.

The meeting adjourned at 8:26 p.m.

Respectfully submitted,

Chuck Crockett
Deputy City Recorder

ATTACHMENT B**MINUTES**

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

**November 19, 2014
12:00 p.m.**

Councilors Present: George Brown, Alan Zelenka, George Poling, Mike Clark, Claire Syrett, Chris Pryor

Councilors Absent: Betty Taylor, Greg Evans

Councilor Pryor opened the November 19, 2014, City Council work session and noted that Mayor Piercy was attending a housing policy conference.

A. WORK SESSION and ACTION: Judicial Evaluation/Presiding Judge Reappointment

Judge Wayne Allen gave a brief overview of his work at Municipal Court and his goals for the future.

Council discussion:

- Commendable on commitment to the job, city, and youth of the community.
- Grateful Judge Allen is willing to continue to serve.
- Look for ways to increase budget to assist with initiatives like mental health programs.
- Recommend more regular and frequent updates on Municipal Court activity.

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Poling, moved to reappoint Wayne Allen as Presiding judge. **PASSED 6:0.**

B. ACTION: Adoption of an Ordinance Suspending Multi-Unit Property Tax Exemption (MUPTE) Program

MOTION: Councilor Syrett, seconded by Councilor Poling, moved to adopt Council Bill 5133, an ordinance included as Attachment A to extend the program suspension to February 28, 2015.

MOTION TO AMEND AND VOTE: Councilor Poling, seconded by Councilor Clark, moved to take no action and let the suspension expire December 1, 2014. **FAILED 1:5**, Councilor Poling in favor.

Council discussion:

- Good reason to extend because council has completed revision process yet.
- Having to rush this is improper; projects have been built without MUPTE.
- Specific area development won't happen without help use of MUPTE incentive.
- Extend program suspension but maintain goal to complete revisions by December.
- Consider adding maintenance fund requirement.

VOTE ON MAIN MOTION: PASSED 5:1, Councilor Poling opposed.

C. WORK SESSION: Public Passenger Vehicles

Community Outreach Coordinator Laura Hammond, Code Compliance Supervisor Rachelle Nicholas, and Planning and Development Executive Director Sarah Medary gave a PowerPoint presentation outlining public passenger vehicle regulations in Eugene; new technologies and models; proposed code changes; and possible next steps.

Council discussion:

- This ordinance change makes sense; need to iron out details first.
- In favor of moving to a public hearing.
- Support bringing code up-to-date to accommodate use of new technologies.
- Shouldn't create free for all and put customers at risk; current code protects the public.
- Need more teeth in the administrative rules to deal with noncompliant companies.
- Role of the council is not to block innovation and initiatives, but public safety is paramount.
- Council's role is to ensure a level playing field; action on this issue needed quickly.

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Poling, moved to direct the City Manager to schedule a public hearing on an ordinance to modify the code as described in Attachment A. **PASSED 6:0**

The meeting adjourned at 1:16 p.m.

Respectfully submitted,

Chuck Crockett
Deputy City Recorder

MINUTES

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

November 24, 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 November 24, 2014, City Council work session to order.

A. EXECUTIVE SESSION: Pursuant to ORS 192.660 (2)(e)

The Executive Session ended and the council returned to public session.

MOTION AND VOTE: Councilor Taylor, seconded by Councilor Evans, moved to direct the City Manager to proceed with the purchase of lots 302 and 101 of the Beverly property using \$1.1 million of park bond funds. **PASSED 8:0**

Council discussion:

- This land will be for all to enjoy and will be used for generations to come.
- Reflects a best outcome for the piece of property.
- Partnership is a very important aspect to this project and will enhance its protection.
- Very good addition to our park lands and good use of park bond funds.

B. WORK SESSION: Eugene Public Library of the Future

Library, Recreation and Cultural Services Director Renee Grube and Library Services Director Connie Bennett gave a PowerPoint presentation on the status of the Library, where it has been and the challenges going forward.

Council discussion:

- Demand is increasing, resources are decreasing; need to create stability with budget.
- Library touches all aspects of City service delivery.
- Need to consider how libraries will be used define future for our city.
- Partnerships with schools important; would like to see a teen center downtown.
- Goal of having all Eugene children prepared for kindergarten is critical to success.
- Interest into looking into a library levy expressed.

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, moved to request the City Manager to develop funding options for the City Council FY16 consideration to invest in the Eugene Public Library of the Future and to sustainably operate the services. **PASSED 8:0**

C. CONSENT CALENDAR

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, move to approve the items on the Consent Calendar. **PASSED 8:0.**

Item 3.A.

The work session adjourned at 6:16 p.m.

Respectfully submitted,

Chuck Crockett
Deputy City Recorder

MINUTES

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

**November 24, 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 November 24, 2014, City Council meeting.

1. PUBLIC FORUM

1. Artie Gilad – opposed smart meters and asked Council to take action against them.
2. Abraham Likwornik – said smart meters are hazardous to public health; action needed.
3. Kaye Hoffman – opposed smart meters and asked council to take action against them.
4. Kathy Ging – opposed smart meters; they are hazardous to public health.
5. John Brown – urged City to help clean up river banks to stop pollution of rivers.
6. Michael Carrigan – urged the council to approve Nightingale’s rest stop request.
7. Wayne Martin – urged the council to approve Nightingale’s rest stop request.
8. Ward Beck – said ordinance protecting historic structures needed.
9. Sue Sierralupé – supported lifting the camping ban for winter.
10. Leslie Robnett – expressed frustration with the criminalization of homeless.
11. Ryan Stearns – supported a more viable solution for homeless.

Council discussion:

- Check into options for leverage against negligent riverbank property owners.
- Partnerships can help with river clean-up.

3. ACTION: An Ordinance Granting to MCI Communications Services, Inc., a Non-Exclusive Franchise to Use the Public-Way to Construct and Maintain Public Communications Facilities within the City of Eugene

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, moved to adopt Council Bill 5132, an ordinance granting to MCI Communications Services, Inc., a non-exclusive franchise to use the public way to construct and maintain public communications facilities within the City of Eugene. **PASSED 8:0**

4. ACTION: An Ordinance Amending the Eugene-Springfield Metropolitan Area General Plan to Enable the Establishment of City Specific Urban Growth Boundaries and Comprehensive Planning Documents; Adopting a Severability Clause; and Providing and Effective Date

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, moved to adopt Council Bill 5130, an ordinance amending the Eugene-Springfield Metropolitan Area General Plan to enable the establishment of City specific urban growth boundaries and comprehensive planning documents; adopting a severability clause; and providing an effective date. **PASSED 8:0**

5. **ACTION: An Ordinance Concerning Metro Plan Amendment Procedures; Amending Sections 9.0500, 9.7055, 9.7700, 9.7705, 9.7715, 9.7720, 9.7725, 9.7730 and 9.7735 of the Eugene Code, 1971; and Repealing Sections 9.7740, 9.7745 and 9.7750 of that Code**

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, moved to adopt Council Bill 5131, an ordinance concerning Metro Plan Amendment Procedures. **PASSED 8:0**

6. **ACTION: County Vehicle Registration Fee**

Lydia McKinney from Lane County spoke about the details of the County Vehicle Registration Fee and gave some background information.

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, moved that the Eugene City Council express support for placing a countywide vehicle registration fee on the May 2015 ballot. Further moved that the council encourage Mayor Piercy to write a letter of support to the Lane County Board of Commissioners. **PASSED 8:0**

Council discussion:

- Support putting it on ballot but does seem unfair to low income people.
- Voting on new revenue sources is a good idea.
- A specific road list could help this pass if it is put on a ballot.
- Proposed fee could help with ongoing maintenance and create stability for roads.
- Encourage the County to come back with a draft prior to support of measure.
- Clarify that the Mayor will send a letter to Lane County expressing support for placing the fee on the May 2015 ballot.

7. **WORK SESSION: Safe Demolition**

Planning and Development Division Manager Stuart Ramsing gave a presentation on safe demolition protocols and proposed code changes.

Council discussion:

- Recent projects brought to light many problems and gaps in demolition rules.
- Proposed changes are inadequate to address the whole problem; need more.
- Adding another layer of regulations to the process may not be advisable.
- Proposal is a good start on strengthening protocols and clarifying expectations.

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, moved that the council initiate changes to the applicable provision of the Eugene Code that: 1) prohibit exterior demolition and debris handling when winds exceed 25 mph. 2) require notice to neighbors of pending demolition work.; and 3) prohibit demolition by implosion or other explosive means except in cases where a special permit has been obtained that addresses health, safety and livability concerns. **PASSED 8:0**

MOTION AND VOTE: Councilor Pryor, seconded by Councilor Syrett, moved that the City Manager schedule a work session with LRAPA and any other important and relevant parties to discuss our mutual interest with regard to safe demolition and responsibilities each has in that area. **PASSED 8:0.**

(A motion by Councilor Brown to amend to closely mirror the Baltimore protocols in revising the City's code was withdrawn.)

8. WORK SESSION: Legislative Update

Intergovernmental Relations Manger Lisa Gardner gave a brief update on the legislative session, the upcoming 2015 state legislative process and investing in manufacturing and community partnership project.

Council discussion:

- Appreciate the hard work and the new process.
- Need more time to review priority list before it is approved.

MOTION AND VOTE: Councilor Clark, seconded by Councilor Taylor, moved to postpone approval of the priority list until the IGR committee can convene and review the list. **PASSED 8:0**

9. ACTION: Civic Stadium

MOTION AND VOTE: Councilor Zelenka, seconded by Councilor Syrett, moved to extend to January 16, 2015, close of business, the December 1st date for submission of proposals related to the purchase of Civic Stadium. **PASSED 6:2**, Councilors Poling and Clark opposed.

Council discussion:

- Concerned that council will be asked to take action without appropriate time to review.
- Concerned that council continues to change deadlines and ground rules.
- Extension allows for a more creative and flexible project.

The meeting adjourned at 9:57 p.m.

Respectfully submitted,

Chuck Crockett
Deputy City Recorder

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Approval of Tentative Working Agenda

Meeting Date: December 8, 2014
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 3B
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This is a routine item to approve City Council Tentative Working Agenda.

BACKGROUND

On July 31, 2000, the City Council held a process session and discussed the Operating Agreements. Section 2, notes in part that, "The City Manager shall recommend monthly to the council which items should be placed on the council agenda. This recommendation shall be placed on the consent calendar at the regular City Council meetings (regular meetings are those meetings held on the second and fourth Monday of each month in the Council Chamber). If the recommendation contained in the consent calendar is approved, the items shall be brought before the council on a future agenda. If there are concerns about an item, the item may be pulled from the consent calendar at the request of any councilor or the Mayor. A vote shall occur to determine if the item should be included as future council business." Scheduling of this item is in accordance with the Council Operating Agreements.

RELATED CITY POLICIES

There are no policy issues related to this item.

COUNCIL OPTIONS

The council may choose to approve, amend or not approve the tentative agenda.

CITY MANAGER'S RECOMMENDATION

Staff has no recommendation on this item.

SUGGESTED MOTION

Move to approve the items on the Tentative Working Agenda.

ATTACHMENTS

A. Tentative Working Agenda

FOR MORE INFORMATION

Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: beth.l.forrest@ci.eugene.or.us

EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

December 3, 2014

DECEMBER 8	MONDAY	
5:30 p.m.	Council Work Session	
Harris Hall	Expected Absences: Syrett	
A. WS: MUPTA Program Revisions		90 mins – PDD/Braud
7:30 p.m.	Council Meeting	
Harris Hall	Expected Absences: Syrett	
1. Ceremonial Matters (LTD Award, Asia Wooten)		
2. Public Forum		
3. Consent Calendar		
a. Approval of City Council Minutes		CS/Bloch
b. Approval of Tentative Working Agenda		CS/Forrest
c. Reappointment to Metropolitan Wastewater Management Commission		PW/Cahill
4. PH and Action: FY15 Supplemental Budget #1		CS/Miller
5. PH and Action: URA Supplemental Budget		CS/Miller
6. PH and Possible Action: Ordinance Amending Rest Stop Pilot Program		CS/Kinnison
7. Action: Affordable Housing Request for Proposals		PDD/ Meyi-Galloway
8. Action: North Polk Apartments Low Income Rental Housing Property Tax Exemption		PDD/Meyi-Galloway
9. WS: Cell Towers		PDD/Nystrom

DECEMBER 10	WEDNESDAY	
Noon	Council Work Session	
Harris Hall	Expected Absences: Syrett	
A. WS: Envision Eugene Update		90 mins – PDD/Burke

COUNCIL BREAK: December 11, 2014 – January 7, 2015

JANUARY 7	WEDNESDAY	
5:30 p.m.	State of the City Address	
Hult Center	Expected Absences:	
A. State of the City		

JANUARY 12	MONDAY	
5:30 p.m.	Council Work Session	
Harris Hall	Expected Absences:	
A. Committee Reports		
B. WS:		
7:30 p.m.	Council Meeting	
Harris Hall	Expected Absences:	
1. Consent Calendar		
a. Approval of City Council Minutes		CS/Bloch
b. Approval of Tentative Working Agenda		CS/Forrest

JANUARY 14	WEDNESDAY	
Noon	Council Work Session	
Harris Hall	Expected Absences:	
A. WS:		
B. WS:		

A=action; PH=public hearing; WS=work session

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EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

December 3, 2014

JANUARY 20	TUESDAY
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7:30 p.m.	Council Public Hearing	
Harris Hall	Expected Absences:	
1. PH: Envision Eugene		PDD/Burke
2. PH: Ordinance Amending Code Related to Public Passenger Vehicles		PDD/Hammond

JANUARY 21	WEDNESDAY
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Noon	Council Work Session	
Harris Hall	Expected Absences:	
A. WS: Bike Share Feasibility Study		45 mins – PW/Dunbar
B. WS: Police Auditor Update		45 mins – PA/Gissiner

JANUARY 26	MONDAY
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5:30 p.m.	Council Work Session	
Harris Hall	Expected Absences:	
A. Committee Reports and Items of Interest from Mayor, City Council, and City Manager		30 mins
B. WS:		

7:30 p.m.	Council Meeting	
Harris Hall	Expected Absences:	
1. Public Forum		
2. Consent Calendar		
a. Approval of City Council Minutes		CS/Bloch
b. Approval of Tentative Working Agenda		CS/Forrest
c. Adoption of Resolution Acknowledging Receipt of FY14 CAFR		CS/Cronin
3. URA Action: Resolution Acknowledging Receipt of FY14 URS Annual Financial Report		CS/Cronin
4. Action: Approval of Annexation A 14-7 MWIC Eugene, LLC		PDD/Dohrman

JANUARY 28	WEDNESDAY
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Noon	Council Work Session	
Harris Hall	Expected Absences:	
A. WS: Envision Eugene		90 mins – PDD/Burke

FEBRUARY 9	MONDAY
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5:30 p.m.	Council Work Session	
Harris Hall	Expected Absences: Piercy	
A. Committee Reports: Chamber of Commerce, HPB, LRAPA, MWMC		
B. WS: Disadvantaged/Minority Contracting		45 mins – CS/Silvers

7:30 p.m.	Council Meeting	
Harris Hall	Expected Absences:	
1. Public Forum		
2. Consent Calendar		
a. Approval of City Council Minutes		CS/Bloch
b. Approval of Tentative Working Agenda		CS/Forrest

FEBRUARY 11	WEDNESDAY	** NOTE: BUDGET COMMITTEE MEETING ADDED **
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Noon	Council Work Session	
Harris Hall	Expected Absences: Piercy	
A. WS: Code Amendment Delegating Authority for Removal of Hazardous Subs.to City Manager		45 mins – Fire/Eppli
B. WS:		

EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

December 3, 2014

5:30 p.m. Budget Committee
Bascom/Tykeson Room Expected Absences:
 A. Review Capital Improvement Plan

FEBRUARY 17	TUESDAY
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7:30 p.m. Council Public Hearing
Harris Hall Expected Absences:
 1. PH: Ordinance on Hazardous Substance User Fee
 2. PH: Code Amendment Delegating Authority for Removal of Hazardous Substances to City Manager

FEBRUARY 18	WEDNESDAY
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Noon Council Work Session
Harris Hall Expected Absences:
 A. WS: Public Smoking 45 mins –
 B. WS:

FEBRUARY 23	MONDAY
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5:30 p.m. Council Work Session
Harris Hall Expected Absences:
 A. Committee Reports and Items of Interest from Mayor, City Council and City Manager 30 mins
 B. WS: Climate Recovery Progress Reports 45 mins – CS/O'Sullivan

7:30 p.m. Council Meeting
Harris Hall Expected Absences:
 1. Public Forum
 2. Consent Calendar
 a. Approval of City Council Minutes CS/Bloch
 b. Approval of Tentative Working Agenda CS/Forrest

FEBRUARY 25	WEDNESDAY
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Noon Council Work Session
Harris Hall Expected Absences:
 A. WS: On-Site Management 45 mins - PDD/Medary
 B. WS: Central Lane Scenario Planning Update 45 mins – PDD/Hostick

MARCH 9	MONDAY
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5:30 p.m. Council Work Session
Harris Hall Expected Absences:
 A. Committee Reports: PC, Lane Metro, Lane Workforce, LTD/EmX, OMPOC, McKenzie Watershed
 B. WS:
 C. WS:

7:30 p.m. Council Meeting
Harris Hall Expected Absences:
 1. Public Forum
 2. Consent Calendar
 a. Approval of City Council Minutes CS/Bloch
 b. Approval of Tentative Working Agenda CS/Forrest
 3. Action: Ordinance on Hazardous Substance User Fee Fire/Eppli
 4. Action: Code Amendment Delegating Authority for Removal of Hazardous Substances to City Manager Fire/Eppli

A=action; PH=public hearing; WS=work session

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EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

December 3, 2014

MARCH 11	WEDNESDAY
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Noon Council Work Session

Harris Hall Expected Absences:

A. WS:

B. WS:

COUNCIL BREAK: March 12, 2015 – April 13, 2015

APRIL 13	MONDAY
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5:30 p.m. Council Work Session

Harris Hall Expected Absences:

A. Committee Reports and Items of Interest: HRC, SC, HSC, LCOG, MPC, PSCC 30 mins

B. WS:

7:30 p.m. Council Meeting

Harris Hall Expected Absences:

1. Public Forum

2. Consent Calendar

a. Approval of City Council Minutes

b. Approval of Tentative Working Agenda

CS/Bloch

CS/Forrest

APRIL 15	WEDNESDAY
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Noon Council Work Session

Harris Hall Expected Absences:

A. WS:

B. WS:

APRIL 20	MONDAY
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7:30 p.m. Council Public Hearing

Harris Hall Expected Absences:

1. PH:

APRIL 22	WEDNESDAY
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Noon Council Work Session

Harris Hall Expected Absences:

A. WS:

B. WS:

APRIL 27	MONDAY
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5:30 p.m. Council Work Session

Harris Hall Expected Absences:

A. Committee Reports and Items of Interest from Mayor, City Council and City Manager 30 mins

B. WS:

7:30 p.m. Council Meeting

Harris Hall Expected Absences:

1. Public Forum

2. Consent Calendar

a. Approval of City Council Minutes

b. Approval of Tentative Working Agenda

CS/Bloch

CS/Forrest

EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

December 3, 2014

APRIL 29	WEDNESDAY
Noon	Council Work Session
Harris Hall	Expected Absences:
A. WS:	
B. WS:	

ON THE RADAR

Work Session Polls/Council Requests	Status
1. Micro-housing (Zelenka).....	approved; date TBD
2. Economic Development Review, Panels and Action (Zelenka)	approved; date TBD
3. Homelessness Fall/Winter Emergency Measures (Evans).....	pending approval
4. Criminalization of Un-Housed Individuals (Evans)	pending approval

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Action: Reappointment to Metropolitan Wastewater Management Commission

Meeting Date: December 8, 2014
 Department: Public Works
www.eugene-or.gov

Agenda Item Number: 3C
 Staff Contact: Michelle Cahill
 Contact Telephone Number: 541-682-8606

ISSUE STATEMENT

This is an action item to reappoint one member to the Metropolitan Wastewater Management Commission to fill a position with a term which will expire January 31, 2018.

BACKGROUND

The purpose of the Metropolitan Wastewater Management Commission is to act as the governing and policy-making body for regional wastewater management activities. Seven persons compose the commission, three of whom represent the city of Eugene: one elected official and two citizen-at-large members. The Mayor appoints the elected official and nominates the citizen representatives for three-year terms. The City Council then votes on the Mayor's citizen nominations.

The MWMC General Manager provided a letter of recommendation for Hillary Loud. Ms. Loud has been an active and engaged member of the Commission since 2006.

The Mayor nominated Ms. Loud for reappointment.

RELATED CITY POLICIES

The Metropolitan Wastewater Management Commission serves as an advisory body to the City Council working under an intergovernmental agreement.

COUNCIL OPTIONS

The City Council has the following options:

1. Appoint the applicant who has been nominated;
2. Appoint someone else;
3. Seek additional candidates for this position.

CITY MANAGER'S RECOMMENDATION

The City Manager has no recommendation on this item; the appointment is made by the council.

SUGGESTED MOTIONS

I move to reappoint Hillary Loud to Position 3 on the Metropolitan Wastewater Management Commission for a term beginning on February 1, 2015, and ending on January 31, 2018.

ATTACHMENTS

- A. Recommendation of MWMC General Manager
- B. List of Current MWMC Membership

FOR MORE INFORMATION

Staff Contact: Michelle Cahill
Telephone: 541-682-8606
Staff E-Mail: michelle.r.cahill@ci.eugene.or.us

Metropolitan Wastewater Management Commission

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WASTEWATER
MANAGEMENT*

www.mwmcpartners.org



partners in wastewater management

*MWMC
Commission*

Faye Stewart
Lane County Commissioner
MWMC President

Hilary Loud
Eugene Citizen
MWMC Vice-President

Marilee Woodrow
Springfield City Councilor

George Brown
Eugene City Councilor

Bill Inge
Lane County Citizen

Doug Keeler
Springfield Citizen

Walt Meyer
Eugene Citizen

Administration

Matt Stouder
MWMC General Manager
City of Springfield
225 Fifth Street
Springfield, Oregon 97477
(541) 726-3694
FAX (541) 726-2309

Operations

Michelle Cahill
Director of Wastewater Div.
City of Eugene
410 River Avenue
Eugene, Oregon 97404
(541) 682-8600
FAX (541) 682-8601

November 21, 2014

The Honorable Kitty Piercy
125 E 18th Avenue
Eugene, OR 97401

RE: MWMC Eugene Citizen Representative – Recommendation from the MWMC
General Manager

Mrs. Hilary Loud is currently serving as a citizen representative from the City of Eugene on the Metropolitan Wastewater Management Commission (MWMC). Commissioner Loud's term will expire in February 2015. Mrs. Loud has been a Commissioner on the MWMC since March of 2006, and has served in the capacity of Commission President during her tenure. During her time with the Commission, she has been actively engaged in a number of topics impacting the MWMC, including recent efforts to help shape MWMC's image in the community.

Commissioner Loud understands and respects the importance of partnership, which forms the MWMC, and has demonstrated her commitment to the partnership through her leadership on the Commission. I encourage you to consider reappointing Mrs. Loud to the Metropolitan Wastewater Management Commission representing the City of Eugene. I am confident Mrs. Loud will continue to contribute at a high level while serving Eugene's interest and respecting the regional partnership.

Respectfully,

Matt A. Stouder
MWMC General Manager

STAKEHOLDERS	Metropolitan Wastewater Mgmt 1/1/2015	Active	
<u>Name</u>	<u>Phone</u>	<u>Cycle Start Date</u>	<u>Exp Date</u>
LOUD, HILARY 1800 Lakewood Court, #102 Eugene, OR 97402 <u>Eugene Citizen</u>	hm: wk: cell: 541-914-4111 hilaryloud@gmail.com	3/01/12	2/28/15
MEYER, WALT 3987 Brae Burn Dr Eugene, OR 97405 <u>Eugene Citizen</u>	hm: 541-914-9690 wk: 541-431-1280 cell: 541-914-9690 Nwmeyer1@hotmail.com WMeyer@westyost.com	3/1/13	2/28/16
BROWN, GEORGE 1740 Graham Drive Eugene, OR 97405 <u>Eugene Council</u>	hm: 541-344-8264 wk: 541-682-8341 cell: George.R.Brown@ci.eugene.or.us	1/3/11	2/28/16
STEWART, FAYE 125 E 8 th Ave. Eugene, OR 97401 <u>Lane County Comm.</u>	hm: 541-942-0870 wk: 541-682-4203 cell: 541-954-4061 Faye.Stewart@co.lane.or.us	2/01/12	2/28/16
INGE, BILL 1831 W. Broadway Eugene, OR 97402 <u>Lane County Citizen</u>	hm: 541-525-4900 (unlisted) wk: 541-342-1831 cell: 541-525-4900 (Unlisted) binge@alsco.com	6/30/13	6/30/16
KEELER, DOUG 3905 Hayden Bridge Rd. Springfield, OR 97477 <u>Springfield Citizen</u>	hm: 541-741-9168 wk: cell: 541-912-3004 Doug.Keeler@comcast.net	2/01/13	2/28/16
PISHONERI, JOE 961 S 70th Street Springfield, OR 97478 <u>Springfield Council</u>	hm: 541-747-7033 wk: 541-682-2222 cell: 541-579-8778 jpishonari@springfield-or.gov	1/1/15	2/28/18

Total Stakeholders in the Metropolitan Wastewater Management Commission - 7

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Public Hearing and Action: Resolution Adopting a Supplemental Budget; Making Appropriations for the City of Eugene for the Fiscal Year Beginning July 1, 2014, and Ending June 30, 2015

Meeting Date: December 8, 2014
 Department: Central Services
www.eugene-or.gov

Agenda Item Number: 4
 Staff Contact: Twylla Miller
 Contact Telephone Number: 541-682-8417

ISSUE STATEMENT

Council approval of the first Supplemental Budget (SB1) for Fiscal Year 2015 (FY15) is requested. Oregon Local Budget Law (ORS 294.471) allows for supplemental budgets in the event of “an occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year.” ORS 294.471 also allows for a supplemental budget if there are “funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget.” This Supplemental Budget does not authorize any increase in the property tax levy and has been published in compliance with the Oregon Local Budget Law.

BACKGROUND

The Supplemental Budget that occurs in December of a fiscal year is usually the largest because of the audit adjustments to budgeted Beginning Working Capital and the reappropriation of funds from the prior fiscal year for contracts, program initiatives or projects that were started but not completed in that fiscal year. This Supplemental Budget also recognizes new revenue and authorizes other unanticipated changes in legal appropriations.

Transactions Related to Beginning Working Capital

Isler & Company, LLC, the City's external auditor, has completed its Fiscal Year 2014 (FY14) audit of Beginning Working Capital, and this Supplemental Budget includes Marginal Beginning Working Capital (MBWC) adjustments for all City funds. The MBWC is the difference between the estimate of ending working capital that was made in the adopted budget for FY15 and the audited actual FY14 ending working capital. This adjustment is recognized on SB1 and is the largest component of the transactions included in this budget request.

General Fund Carryover Reconciliation

The total of the Marginal Beginning Working Capital adjustment and the FY15 budgeted reserve for encumbrances in the Main Subfund of the General Fund is \$7,029,526. The aggregated beginning resources for FY15 were under-estimated by that amount when the budget was prepared in early 2014.

This adjustment is primarily due to \$2.4 million in revenues that were higher than the estimate that was used to prepare the FY15 budget, including \$0.8 million in additional property tax revenue due to higher assessed value than was originally projected, \$0.9 million due to a settlement with MCI and \$0.8 million due to the sale of a parking lot to the Shedd Institute. The remainder of the \$4.5 million in the MBWC adjustment comes from under-spending in the personnel budget throughout all departments primarily due to vacant positions.

Of this amount, \$1,508,436 is dedicated to prior fiscal year encumbrances (contracts that were in effect but not completed as of June 30) and \$1,148,493 is dedicated to reappropriation of prior project funding such as the Regional Prosperity Plan, the Jail Bed Analysis Study, and the Library Materials Handling System. Prior fiscal year encumbrances were budgeted at \$1,714,021, leaving an additional \$205,585 for appropriation. The City Manager’s recommendation for use of the remaining \$5,536,618 is detailed below and is included in a summary of the General Fund reappropriations and other uses of MBWC in Attachment A.

The City Manager’s recommendation for use of one-time MBWC focuses on four areas: City Council initiatives, infrastructure and system needs, creative ideas to generate revenue or reduce operating expenses and strategic investments. Of the \$5.5 million, \$3.6 million (about 2/3) is recommended to be spent on City Council initiatives, such as completion of the City Hall funding, parks maintenance, Climate Recovery Ordinance, Envision Eugene, and so on. About 20 percent (\$1.1 million) is recommended to be spent on key infrastructure and systems, such as 911 center equipment, fire turnouts, and technology priorities. The remainder (\$760,000) is recommended to be spent on projects that will allow the City to reduce costs and energy usage, improve access to technology at lower costs, and move forward on some strategic issues such as criminal justice system needs and Operation 365. Details of the recommendations are included in the tables below.

City Council Initiatives

Transfer to the General Capital Projects Fund for City Hall (see below for more explanation)	2,434,851
Transfer to the General Capital Projects Fund for general capital projects	509,232
Parks, Recreation, and Open Space Master Plan	180,000
Envision Eugene strategic activities	175,000
Expand car camping and hours at SVDP Single Access Center for Homeless	125,000
Add to Parks Maintenance operating budget	98,927
Sick Leave Ordinance contractual services and program implementation	58,300
Climate Recovery Ordinance contractual services	35,000
Portable restroom funding	25,000
	3,641,310
Total City Council Initiatives	

Infrastructure & System Needs

Console replacement at Central Lane Communications/911 Center	513,828
Organization-wide technology mobility enhancements – servers and wi-fi	250,000
Corporate software replacement (Accounting, Budget, HR, Risk)	200,000
Emergency preparation for Roosevelt Yard facilities, including backup generators, structural improvements and roof repairs	96,480
Transfer to the Equipment Replacement Fund for fire turnouts	75,000
Total Infrastructure and System Needs	<u>1,135,308</u>

Creative Investments to Lower Operating Costs or Increase Revenues

Organization-wide technology mobility enhancements for remote email hosting	250,000
Transfer to the Information Systems and Service Fund for transition to Microsoft VoIP technology	225,000
Transfer to the Parking Services Fund for credit card parking meters	70,000
Transfer to the Facilities Services Fund for LED lighting study and pilot project at Hilyard Community Center	65,000
Total Creative Investments to Lower Operating Costs or Increase Revenues	<u>610,000</u>

Strategic Investments

Community Justice funding	75,000
Operation 365 funding	75,000
Total Strategic Investments	<u>150,000</u>

City Hall Project

The City Manager is recommending that \$2,434,851 be transferred from the General Fund to the General Capital Projects Fund for the City Hall Project. This represents several pieces:

- Funding for the addition of a 4th floor to Phase 1 of the project equal to \$2.85 million, as approved by the City Council on October 27, 2014. Funding consists of contributions from the Road, Professional Services, Stormwater and Wastewater funds to provide \$135,000 each towards the 4th floor addition to the project, with additional contributions to be made in each of the next five fiscal years, plus a portion of the proceeds from the sale of a parking lot to the Shedd Institute.
- Additional transfers to complete the General Fund portion of the original \$15 million project funding, including a portion of the General Capital Projects transfer, the remainder of the proceeds from sale of a parking lot to the Shedd Institute, proceeds from the MCI settlement, and some additional MBWC to complete the \$15 million project budget funding.

After this supplemental budget, the City Hall project appropriation will total \$17.85 million, with \$15.7 million in hand and \$2.1 million to come from future non-General Fund payments.

Reserve for Revenue Shortfall

The City Manager is recommending that the remaining \$550,000, after taking into account the above uses of MBWC, be placed in the Reserve for Revenue Shortfall. This amount is equal to the

one-time additions in the FY15 Adopted Budget for the Sheldon Branch Library and Human Services Commission. This action will ensure another year of stability for these functions. After this Supplemental Budget, there will be a total of \$6,684,237 in the Reserve for Revenue Shortfall, which represents 4.8 percent of the FY15 adopted General Fund operating expenditures.

General Fund Ending Working Capital

FY14 actual results show an ending working capital (EWC) in the General Fund, reporting fund (including the Main Subfund, Cultural Services Subfund and Equipment Replacement Subfund) of \$42,332,747 which is \$3,487,555 more than the FY13 EWC and \$7,861,511 more than anticipated for carryover resources in the FY15 Adopted Budget. These figures are reported on a Budget Basis of accounting.

On a Generally Accepted Accounting Principles (GAAP) basis, the FY13 Ending Fund Balance represented 32 percent of the General Fund revenues in FY13, which increased to 34 percent based upon FY14 actual results. GAAP results differ from budget basis results because the budget is created on a modified accrual basis while GAAP rules are slightly different in terms of when revenues and expenditures are recognized. The chart below compares FY13 and FY14 Ending Fund Balance for the General Fund (GAAP Basis).

General Fund Ending Fund Balance GAAP Basis	Main Subfund	Cultural Services Subfund	Equipment Replacement Subfund	Total Reporting Fund
FY13	\$36,114,771	\$2,320,742	\$1,114,343	\$39,549,856
FY14	\$39,117,324	\$2,488,436	\$1,362,302	\$42,968,062
Change	\$ 3,002,553	\$ 167,694	\$ 247,959	\$ 3,418,206

The Ending Working Capital is broken down into several components, as shown in the following chart. Nearly all of the items in the Ending Working Capital (or fund balance) have been appropriated or designated by the City Council either through policy or past budget actions. Note that the portion that is shown as "Unassigned" is being considered for appropriation by the City Council on this Supplemental Budget request.

Category	Item	Explanation	FY13	FY14	Change
Non-Spendable		Prepays and deposits have already been paid out and are not available for other spending	\$762,321	\$623,852	(\$138,469)
Restricted	Cultural Services	From Transient Room Tax; must be spent according to state law	1,058,040	1,088,331	30,291
Assigned	Unappropriated Ending Fund Balance	Pay bills and payroll until property taxes are received; set at 2 months of expenditures per Council policy	21,670,000	21,710,000	40,000
	Cultural Services	Prudent reserve for operation of Hult Center, etc	1,262,701	1,400,106	137,405
	Encumbrances	Contracts that were not complete as of June 30	1,432,484	2,439,332	1,006,848
	Reserve for Next Year's Spending	Used to balance the subsequent year's budget	3,970,995	1,724,995	(2,246,000)
	Reserve for Revenue Shortfall	Prudent reserve for the General Fund; target is 8% of expenditures	4,895,575	6,134,237	1,238,662
	Other Reserves	For property tax appeals and equipment replacement	1,536,335	1,224,706	(311,629)
Unassigned		Appropriated on Supplemental Budget #1 in December of the following fiscal year and no longer available for spending	2,961,405	6,622,503	3,661,098
Total Fund Balance			\$39,549,856	\$42,968,062	\$3,418,206

General Fund Revenue Adjustments

This Supplemental Budget includes a total of \$1,818,508 in General Fund (Main Subfund) revenue increases. These revenues include grants rebudgeted from the prior fiscal year, new FY15 grants, Police dispatching and reimbursable overtime charges, Municipal Court collection fees, and Police charges to the Oregon Department of Transportation (ODOT). Operating budget appropriations for the departments receiving these revenues are being increased by the same amount.

Capital Carryover

The Capital Project Carryover Reconciliation is also included in this Supplemental Budget. An estimate of the unspent balance in each capital project was established in the FY15 Adopted Budget. These estimates have been reconciled with the actual FY14 expenditures, and the Capital Budget is adjusted to reflect the remaining unspent balances in each project. The Capital Carryover on this Supplemental Budget reduces the Capital Budget by \$7,913,848 and increases Balance Available by the same amount.

Non-General Fund Transactions

This Supplemental Budget recognizes approximately \$21 million in non-general fund transactions, other than MBWC, new revenue adjustments, encumbrances and capital carryover reconciliation. Much of this total is reflected in recognizing and re-budgeting \$11 million in grants and other revenue. This budget also includes non-general fund reappropriations for projects not completed in the prior fiscal year. Other non-general fund transactions are described in Attachment A.

Timing

In some cases, expenditure authority is needed immediately to carry out City Council direction or to meet legal or program requirements. Approval of SB1 in December allows the organization to prepare more accurate mid-year projections by having the general ledger reflect the audited balances in each fund. This, in turn, enables staff to more accurately project the Beginning Working Capital for the next fiscal year's Proposed Budget.

RELATED CITY POLICIES

These transactions conform to the City's Financial Management Goals and Policies.

COUNCIL OPTIONS

Particular requests requiring more information or discussion may be removed from the supplemental budget and delayed for action in a future supplemental budget. In certain cases there may be a financial or legal impact to delaying budget approval. The council may also adopt amended appropriation amounts or funding sources for specific requests in the supplemental budget.

CITY MANAGER'S RECOMMENDATION

Approve the attached resolution adopting the Supplemental Budget.

SUGGESTED MOTION

Move to approve Resolution 5124, adopting a Supplemental Budget; making appropriations for the City of Eugene for the Fiscal Year beginning July 1, 2014, and ending June 30, 2015.

ATTACHMENTS

- A. Transaction Summary
- B. Resolution

FOR MORE INFORMATION

Staff Contact: Twylla Miller
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Staff E-Mail: twylla.j.miller@ci.eugene.or.us

OR

Staff Contact: Jamie Garner
Telephone: 541-682-5512
Staff E-Mail: jamie.p.garner@ci.eugene.or.us

Attachment A

Transaction Summary

010 General Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	34,471,236	8,067,096	a,d,g	42,538,332
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	100,348,500	0		100,348,500
Licenses/Permits	6,049,250	0		6,049,250
Intergovernmental	4,150,803	829,765	b	4,980,568
Rental	108,040	0		108,040
Charges for Services	11,235,781	838,745	b	12,074,526
Fines/Forfeitures	2,272,000	107,936	b	2,379,936
Miscellaneous	331,400	42,062	b	373,462
Interfund Transfers	9,654,131	0	j	9,654,131
Total Revenue	134,149,905	1,818,508		135,968,413
TOTAL RESOURCES	168,621,141	9,885,604		178,506,745
II. REQUIREMENTS				
Department Operating				
Central Services	21,551,815	2,236,539	a,b,c	23,788,354
Fire and Emergency Medical Services	26,036,523	796,876	a,i,j	26,833,399
Library, Recreation and Cultural Services	25,749,255	937,304	a,b,e,f,i,j	26,686,559
Planning and Development	5,729,842	1,005,125	a	6,734,967
Police	46,194,367	2,393,985	a,b,h	48,588,352
Public Works	5,430,730	532,471	a	5,963,201
Total Department Operating	130,692,532	7,902,300		138,594,832
Capital Projects				
Capital Projects	0	0		0
Capital Carryover	0	0		0
Total Capital Projects	0	0		0
Non-Departmental				
Debt Service	0	0		0
Interfund Transfers	4,382,368	3,105,563	a	7,487,931
Interfund Loans	0	0		0
Contingency	47,000	(10,000)	c	37,000
Special Payments	800,000	0		800,000
Reserves	8,909,693	967,289	a,d,e,f,g,h,j,k	9,876,982
Reserve for Encumbrances	2,079,548	(2,079,548)	a,e,g,h	0
UEFB	21,710,000	0		21,710,000
Total Non-Departmental	37,928,609	1,983,304		39,911,913
TOTAL REQUIREMENTS	168,621,141	9,885,604		178,506,745

010 General Fund

Main Subfund (011) (continued from previous page):

a) **Carryover Reconciliation:**

Carryover Resources:

Beginning Working Capital Adjustment *	\$7,029,526
Reserve for Encumbrances	\$1,714,021
Total Funds Available for Appropriation	\$8,743,547

Carryover Distributions:

Reserve for Encumbrances Distribution to Departments:

Central Services Department	\$711,581
Fire and Emergency Medical Services Department	\$74,379
Library, Recreation, and Cultural Services Department	\$32,104
Planning and Development Department	\$288,079
Police Department	\$148,749
Public Works Department	\$253,544
Total Encumbrance Distribution to Departments	\$1,508,436

Reappropriations from Prior Fiscal Year:

Central Services	\$169,408
Fire and Emergency Medical Services	\$95,000
Library, Recreation, and Cultural Services	\$400,000
Planning and Development	\$322,046
Police	\$162,039
Total Reappropriations from Prior Fiscal Year	\$1,148,493

Other One-Time Funding Requests:

Increase in Reserve for Revenue Shortfall	\$550,000
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City Council Initiatives

Transfer to the General Capital Projects Fund for City Hall Project	\$2,434,851
Transfer to the General Capital Projects Fund for general capital projects	\$509,232
Parks, Recreation, and Open Space Master Plan	\$180,000
Envision Eugene strategic activities	\$175,000
Expand car camping and hours at SVDP Single Access Center for Homeless	\$125,000
Add to Parks Maintenance operating budget	\$98,927
Sick Leave ordinance contractual services and program implementation	\$58,300
Climate Recovery Ordinance contractual services	\$35,000
Portable restroom funding	\$25,000
Total City Council Initiatives	\$3,641,310

Infrastructure and System Needs

Console replacement at Central Lane Communications/911 Center	\$513,828
Organization-wide technology mobility enhancements - servers and wi-fi	\$250,000
Corporate software replacement (Accounting, Budget, HR, Risk)	\$200,000
Emergency preparation for Roosevelt Yard facilities, including backup generators, structural improvements and roof repairs	\$96,480
Transfer to the Equipment Replacement Fund for fire turnouts	\$75,000
Total Infrastructure and System Needs	\$1,135,308

<u>Creative Investments to Lower Operating Costs or Increase Revenue</u>	
Organization-wide technology mobility enhancements for remote email hosting	\$250,000
Transfer to the Information Systems and Service Fund for transition to Microsoft VoIP technology	\$225,000
Transfer to the Parking Services Fund for credit card parking meters	\$70,000
Transfer to the Facilities Services Fund for LED lighting study and pilot project at Hilyard Community Center	\$65,000
Total Creative Investments to Lower Operating Costs or Increase Revenues	\$610,000
 <u>Strategic Investments</u>	
Community Justice funding	\$75,000
Operation 365 funding	\$75,000
Total Strategic Investments	\$150,000
Total Other One-Time Funding Requests	\$6,086,618
<hr/>	
Total Carryover Resources Appropriated	\$8,743,547

* **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital in the Main Subfund of the General Fund by \$7,029,526. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

010 General Fund

Main Subfund (011) (continued from previous page):

b) **Revenue Adjustments:** These transactions recognize new FY15 revenues or revenue-backed expenditures and increase operating appropriations in the following Departments:

<u>Central Services</u>	
USDN Innovation grant and Consumption project	\$77,250
Municipal Court collection fees (revenue-backed)	\$100,000
 <u>Library, Recreation, and Cultural Services Department</u>	
Jane Higdon Foundation bicycle safety education and training grant	\$22,000
BEST afterschool programs grants	\$95,000
 <u>Police Department</u>	
Various public safety grants	\$635,515
Dispatching charges; reimbursable overtime	\$838,745
Charitable account revenue dedicated to Youth/Police Outreach	\$42,062
Federal sharing/forfeiture and seizures restricted-use revenue	\$7,936
Total Revenue Adjustments	\$1,818,508

c) **Contingency:** These transactions are authorized by City Council and are charged against Council's contingency account.

Starting balance	\$47,000
Police and street closure costs for the Eugene Celebration Parade	(\$10,000)
Contingency balance after SB1	\$37,000

Cultural Services Subfund (031):

d) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$228,130, and increase the Cultural Services Reserve by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

e) **Encumbrance Estimate Reconciliation:** Increase the Library, Recreation and Cultural Services (LRCS) Department operating appropriations by \$60,700, increase the Cultural Services subfund reserve by \$180,277 and decrease Reserve for Encumbrance by \$240,977 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid, and decrease the Reserve for Encumbrances by the same amount.

f) **Reappropriations:** Decrease the Cultural Services Subfund reserve by \$230,000 and increase LRCS Department operating appropriations by the same amount for replacement of the Hult Center Silva stage curtain and counterweight system.

Equipment Replacement Subfund (041):

g) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$603,855 and increase the Equipment Replacement Subfund Reserve by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

h) **Encumbrance Estimate Reconciliation:** Increase the Police Department operating appropriations by \$45,111, increase the Equipment Replacement Subfund Reserve by \$79,439 and decrease the Reserve for Encumbrance by \$124,550 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid.

i) **Reappropriations:** Decrease the Equipment Replacement Subfund reserve by \$622,497, and increase Fire & EMS Department operating appropriations for equipment replacement not completed in the prior fiscal year by \$552,497 and increase LRCS Department operating appropriations for equipment replacement not completed in the prior fiscal year by \$70,000.

j) **One-Time Funding Requests:** Decrease the Equipment Replacement Subfund reserve by \$102,500, increase LRCS operating appropriations by \$27,500 to purchase equipment for the Amazon Pool that was originally scheduled to be purchased in FY16, transfer \$75,000 from the Main Subfund to the Equipment Replacement Subfund (net result of \$0 in Interfund Transfers) and increase Fire and Emergency Medical Services operating appropriations by \$75,000 for fire turnouts.

010 General Fund**k) Summary of the General Fund Reserves (All Subfunds):**

	FY14 Adopted	FY15 Adopted	FY15 SB1 Action	FY15 Revised
General Fund Reserve for Revenue Shortfall	\$4,895,575	\$6,134,237	\$755,585	\$6,889,822
General Fund Reserve for Property Tax Appeals	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Reserve for Prior Year Encumbrances	\$1,639,690	\$2,079,548	(\$2,079,548)	\$0
Cultural Services Subfund Reserve	\$1,575,459	\$1,519,639	\$178,407	\$1,698,046
Cultural Services Reserve - Dedicated Donations for Arts	\$32,667	\$31,111	\$0	\$31,111
Equipment Replacement Reserve	\$536,335	\$609,256	\$33,297	\$642,553
Total	\$9,679,726	\$11,373,791	(\$1,112,259)	\$10,261,532

110 Special Assessments Management Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	1,237,985	5,024	a	1,243,009
CHANGE TO WORKING CAPITAL				
REVENUE				
Charges for Services	45,220	0		45,220
Miscellaneous	11,050	0		11,050
Interfund Transfers	30,000	0		30,000
Fiscal Transactions	5,000	0		5,000
Total Revenue	91,270	0		91,270
TOTAL RESOURCES	1,329,255	5,024		1,334,279
II. REQUIREMENTS				
Department Operating				
Central Services	91,157	0		91,157
Total Department Operating	91,157	0		91,157
Non-Departmental				
Interfund Transfers	9,000	0		9,000
Special Payments	30,000	0		30,000
Reserve	50,000	0		50,000
Balance Available	1,149,098	5,024	a	1,154,122
Total Non-Departmental	1,238,098	5,024		1,243,122
TOTAL REQUIREMENTS	1,329,255	5,024		1,334,279

110 Special Assessments Management Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$5,024 and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

130 Public Safety Communications Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	1,982,503	126,455	a	2,108,958
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	801,551	0		801,551
Charges for Services	2,401,433	0		2,401,433
Miscellaneous	9,100	0		9,100
Interfund Transfers	121,068	0		121,068
Total Revenue	3,333,152	0		3,333,152
TOTAL RESOURCES	5,315,655	126,455		5,442,110
II. REQUIREMENTS				
Department Operating				
Police	2,941,650	613,828	b	3,555,478
Total Department Operating	2,941,650	613,828		3,555,478
Non-Departmental				
Interfund Transfers	186,000	0		186,000
Special Payments	354,559	0		354,559
Reserves	1,414,185	(513,828)	b	900,357
Balance Available	419,261	26,455	a,b	445,716
Total Non-Departmental	2,374,005	(487,373)		1,886,632
TOTAL REQUIREMENTS	5,315,655	126,455		5,442,110

130 Public Safety Communications Fund

- a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$126,455, and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.
- b) **One-Time Funding Requests:** Increase Police operating appropriations by \$613,828 for console replacement project at Central Lane Communications 911/Center (\$513,828) and anticipated cost increase on leased facilities and to purchase communications equipment (\$100,000), decrease reserves by \$513,828, and decrease Balance Available by \$100,000.

131 Road Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	3,362,767	704,380	a	4,067,147
CHANGE TO WORKING CAPITAL				
REVENUE				
Licenses/Permits	1,710,000	0		1,710,000
Intergovernmental	9,307,000	0		9,307,000
Rental	55,482	0		55,482
Charges for Services	74,500	0		74,500
Miscellaneous	116,000	0		116,000
Total Revenue	11,262,982	0		11,262,982
TOTAL RESOURCES	14,625,749	704,380		15,330,129
II. REQUIREMENTS				
Department Operating				
Public Works	11,089,068	(103,365)	b,c	10,985,703
Total Department Operating	11,089,068	(103,365)		10,985,703
Non-Departmental				
Interfund Transfers	703,000	329,752	d	1,032,752
Balance Available	2,833,681	477,993	a,b,c,d	3,311,674
Total Non-Departmental	3,536,681	807,745		4,344,426
TOTAL REQUIREMENTS	14,625,749	704,380		15,330,129

131 Road Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$704,380 and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Encumbrance Estimate Reconciliation:** Reduce the Public Works Department operating appropriations by \$400,406 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid, and increase Balance Available by the same amount.

c) **Unimproved Street and Pedestrian Bridge Repairs Project Reappropriation:** Reappropriate \$297,041 in FY14 dedicated program funding to finish work on unimproved streets and pedestrian bridge repairs from the Right of Way Vacation Sales for projects started in FY14 but not completed, and decrease Balance Available by the same amount.

d) **One-Time Funding Requests:** Transfer \$194,752 from the Road Fund to the Transportation Capital Fund to fund emergency preparation work for the Roosevelt Yard facilities including backup generators, structural improvements and roof repairs, transfer \$135,000 to the General Capital Projects Fund for the City Hall project, and decrease Balance Available by \$329,752.

135 Telecom Registration/Licensing Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	6,133,117	363,751	a	6,496,868
CHANGE TO WORKING CAPITAL				
REVENUE				
Licenses/Permits	2,900,000	0		2,900,000
Total Revenue	2,900,000	0		2,900,000
TOTAL RESOURCES	9,033,117	363,751		9,396,868
II. REQUIREMENTS				
Department Operating				
Central Services	3,302,259	1,410,496	b	4,712,755
Total Department Operating	3,302,259	1,410,496		4,712,755
Capital Projects				
Capital Carryover	181,984	(12,134)	c	169,850
Total Capital Projects	181,984	(12,134)		169,850
Non-Departmental				
Interfund Transfers	490,000	0		490,000
Reserves	340,907	0		340,907
Balance Available	4,717,967	(1,034,611)	a,b,c	3,683,356
Total Non-Departmental	5,548,874	(1,034,611)		4,514,263
TOTAL REQUIREMENTS	9,033,117	363,751		9,396,868

135 Telecom Registration/Licensing Fund

- a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$363,751 and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.
- b) **Telecommunication Project Reappropriation:** Reappropriate \$1,410,496 in unspent FY14 funds towards Telecommunications projects, increase the Central Services Department operating appropriations by \$1,410,496, and decrease Balance Available by \$1,410,496.
- c) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$12,134 and increase Balance Available by the same amount. This action reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

150 Construction and Rental Housing Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	3,719,476	1,080,359	a	4,799,835
CHANGE TO WORKING CAPITAL				
REVENUE				
Licenses/Permits	3,406,414	0		3,406,414
Charges for Services	4,045,976	0		4,045,976
Fines/Forfeitures	42,125	0		42,125
Miscellaneous	352,851	0		352,851
Total Revenue	7,847,366	0		7,847,366
TOTAL RESOURCES	11,566,842	1,080,359		12,647,201
II. REQUIREMENTS				
Department Operating				
Fire and Emergency Medical Services	291,175	0		291,175
Planning and Development	5,861,862	0		5,861,862
Public Works	420,792	0		420,792
Total Department Operating	6,573,829	0		6,573,829
Non-Departmental				
Interfund Transfers	744,000	0		744,000
Special Payments	640,000	0		640,000
Balance Available	3,609,013	1,080,359	a	4,689,372
Total Non-Departmental	4,993,013	1,080,359		6,073,372
TOTAL REQUIREMENTS	11,566,842	1,080,359		12,647,201

150 Construction and Rental Housing Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$1,080,359, and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

155 Solid Waste/Recycling Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	458,971	156,059	a,b	615,030
CHANGE TO WORKING CAPITAL				
REVENUE				
Licenses/Permits	839,468	0		839,468
Intergovernmental	7,000	0		7,000
Miscellaneous	3,000	0		3,000
Total Revenue	849,468	0		849,468
TOTAL RESOURCES	1,308,439	156,059		1,464,498
II. REQUIREMENTS				
Department Operating				
Planning and Development	745,968	100,000	b	845,968
Total Department Operating	745,968	100,000		845,968
Non-Departmental				
Interfund Transfers	104,000	0		104,000
Balance Available	458,471	56,059	a	514,530
Total Non-Departmental	562,471	56,059		618,530
TOTAL REQUIREMENTS	1,308,439	156,059		1,464,498

155 Solid Waste/Recycling Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$56,059 and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **One-Time Funding Requests:** Increase Beginning Working Capital by \$100,000 and increase Planning and Development operating appropriations by the same amount to fund staffing costs (\$20,000) and FY15 sustainability contracts (\$80,000).

170 Community Development Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	5,825,266	(2,224,021)	a	3,601,245
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	3,974,661	4,041,026	a,b	8,015,687
Charges for Services	83,950	0		83,950
Miscellaneous	645,180	0		645,180
Fiscal Transactions	2,727,750	100,000	b	2,827,750
Total Revenue	7,431,541	4,141,026		11,572,567
TOTAL RESOURCES	13,256,807	1,917,005		15,173,812
II. REQUIREMENTS				
Department Operating				
Central Services	6,000	0		6,000
Planning and Development	3,647,304	996,748	a,b,c	4,644,052
Total Department Operating	3,653,304	996,748		4,650,052
Capital Projects				
Capital Projects	0	771,140	b	771,140
Capital Carryover	869,718	0		869,718
Total Capital Projects	869,718	771,140		1,640,858
Non-Departmental				
Debt Service	368,000	0		368,000
Interfund Transfers	140,000	0		140,000
Special Payments	7,233,519	(149,681)	a,b	7,083,838
Reserves	992,266	(210)	a	992,056
Balance Available	0	299,008	a,c	299,008
Total Non-Departmental	8,733,785	149,117		8,882,902
TOTAL REQUIREMENTS	13,256,807	1,917,005		15,173,812

170 Community Development Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$2,224,021, increase Intergovernmental revenue by \$2,273,951, increase Special Payments by \$175,520, decrease Reserves by \$210, decrease Planning and Development operating appropriations by \$164,491, and increase Balance Available by \$39,111. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **One-Time Funding Requests:** Recognize intergovernmental revenues for Brownfield Assessment Coalition Grant revenue in the amount of \$497,065, \$1,270,010 intergovernmental revenues related to CDBG grants, and \$100,000 fiscal transaction revenues for CDBG funding adjustments per the Annual Action Plan, increase Planning and Development operating appropriations by \$1,421,136 for contracted services, rehab project delivery and business development activities related to CDBG activities, increase capital appropriations by \$771,140 for sidewalks, pedestrian signals and park renovations of CDBG activities, and decrease Special Payments by \$325,201.

c) **Encumbrance Estimate Reconciliation:** Reduce the Planning and Development Department operating appropriations by \$259,897 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid, and increase Balance Available by the same amount.

180 Library, Parks, and Recreation Special Revenue Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	4,157,066	(12,927)	a	4,144,139
CHANGE TO WORKING CAPITAL				
REVENUE				
Rental	16,920	0		16,920
Charges for Services	43,000	0		43,000
Miscellaneous	360,192	0		360,192
Total Revenue	<u>420,112</u>	<u>0</u>		<u>420,112</u>
TOTAL RESOURCES	<u>4,577,178</u>	<u>(12,927)</u>		<u>4,564,251</u>
II. REQUIREMENTS				
Department Operating				
Library, Recreation and Cultural Services	753,000	0		753,000
Total Department Operating	<u>753,000</u>	<u>0</u>		<u>753,000</u>
Capital Projects				
Capital Projects	50,780	0		50,780
Capital Carryover	1,351,975	(178,496)	b	1,173,479
Total Capital Projects	<u>1,402,755</u>	<u>(178,496)</u>		<u>1,224,259</u>
Non-Departmental				
Reserves	2,067,895	165,914	a	2,233,809
Balance Available	353,528	(345)	a,b	353,183
Total Non-Departmental	<u>2,421,423</u>	<u>165,569</u>		<u>2,586,992</u>
TOTAL REQUIREMENTS	<u>4,577,178</u>	<u>(12,927)</u>		<u>4,564,251</u>

180 Library, Parks, and Recreation Special Revenue Fund

- a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$12,927, increase Reserves by \$165,914 and decrease Balance Available by \$178,841. These adjustments bring the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.
- b) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$178,496 and increase Balance Available by the same amount. This action reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

211 General Obligation Debt Service Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	43,667	32,570	a	76,237
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	13,645,596	0		13,645,596
Miscellaneous	10,000	0		10,000
Total Revenue	13,655,596	0		13,655,596
TOTAL RESOURCES	13,699,263	32,570		13,731,833
II. REQUIREMENTS				
Non-Departmental Debt Service	13,699,263	32,570	a	13,731,833
Total Non-Departmental	13,699,263	32,570		13,731,833
TOTAL REQUIREMENTS	13,699,263	32,570		13,731,833

211 General Obligation Debt Service Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$32,570 and increase Debt Service by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

250 Special Assessment Bond Debt Service Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	419,504	24,327	a	443,831
CHANGE TO WORKING CAPITAL				
REVENUE				
Miscellaneous	47,900	0		47,900
Fiscal Transactions	350,900	0		350,900
Total Revenue	398,800	0		398,800
TOTAL RESOURCES	818,304	24,327		842,631
II. REQUIREMENTS				
Non-Departmental				
Debt Service	412,910	(216)	a	412,694
Interfund Transfers	10,000	0		10,000
Reserves	395,394	24,543	a	419,937
Total Non-Departmental	818,304	24,327		842,631
TOTAL REQUIREMENTS	818,304	24,327		842,631

250 Special Assessment Bond Debt Service Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$24,327, decrease Debt Service by \$216 and increase Reserves by \$24,543. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

310 General Capital Projects Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	28,715,203	(12,812,593)	a	15,902,610
CHANGE TO WORKING CAPITAL				
REVENUE				
Rental	15,000	0		15,000
Miscellaneous	9,150	2,220,000	d	2,229,150
Interfund Transfers	2,869,300	3,738,161	c	6,607,461
Fiscal Transactions	0	9,561,325	a	9,561,325
Total Revenue	2,893,450	15,519,486		18,412,936
TOTAL RESOURCES	31,608,653	2,706,893		34,315,546
II. REQUIREMENTS				
Department Operating				
Library, Recreation and Cultural Services	20,000	0		20,000
Total Department Operating	20,000	0		20,000
Capital Projects				
Capital Projects	2,878,450	3,520,712	c,d	6,399,162
Capital Carryover	28,002,785	(856,580)	b	27,146,205
Total Capital Projects	30,881,235	2,664,132		33,545,367
Non-Departmental				
Debt Service	50,000	0		50,000
Reserve	26,560	0		26,560
Balance Available	630,858	42,761	a,b,c,d	673,619
Total Non-Departmental	707,418	42,761		750,179
TOTAL REQUIREMENTS	31,608,653	2,706,893		34,315,546

310 General Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$12,812,593, increase General Obligation Bond Proceeds by \$9,561,325 to re-budget revenue for bonds authorized but not sold in the prior fiscal year, and decrease Balance Available by \$3,251,268. These adjustments bring the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$856,580 and increase Balance Available by the same amount. This adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

c) **One-Time Funding Requests:** Recognize Interfund Transfer of \$2,434,851 from the General Fund, \$540,000 Interfund Transfer (\$135,000 each from Road, Wastewater Utility, Stormwater Utility, and Professional Services Funds), and \$92,598 in interest from the Facilities Services Fund for the City Hall Project, increase capital appropriations by \$690,000, and increase Balance Available by \$2,377,449. Recognize \$670,712 from the General Fund for General Capital Projects (\$509,232), LED lighting study and pilot project (\$65,000), emergency preparation work at Roosevelt Yard (\$96,480), and increase capital appropriations for capital preservation projects by \$670,712.

d) **Future Revenue:** Recognize \$2,160,000 in future revenue for the next four years of contributions from the Road, Wastewater, Stormwater and Professional Services funds for the City Hall Project, increase capital appropriations by the same amount, recognize \$60,000 in interest earnings and increase Balance Available by the same amount.

330 Systems Development Capital Projects Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	14,629,124	2,377,579	a	17,006,703
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	0	173,800	c	173,800
Rental	100,000	0		100,000
Charges for Services	2,963,400	0		2,963,400
Miscellaneous	93,200	0		93,200
Total Revenue	3,156,600	173,800		3,330,400
TOTAL RESOURCES	17,785,724	2,551,379		20,337,103
II. REQUIREMENTS				
Department Operating				
Planning and Development	83,518	0		83,518
Public Works	300,431	35,390	c,d	335,821
Total Department Operating	383,949	35,390		419,339
Capital Projects				
Capital Projects	2,500,000	1,750,000	d	4,250,000
Capital Carryover	3,388,756	(883,572)	b	2,505,184
Total Capital Projects	5,888,756	866,428		6,755,184
Non-Departmental				
Interfund Transfers	34,000	0		34,000
Balance Available	11,479,019	1,649,561	a,b,c,d	13,128,580
	11,513,019	1,649,561		13,162,580
TOTAL REQUIREMENTS	17,785,724	2,551,379		20,337,103

330 Systems Development Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$2,377,579 and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$883,572 and increase Balance Available by the same amount. The adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

c) **One-Time Funding Requests:** Increase the Public Works operating appropriation by \$40,000 and increase capital appropriations by \$1,750,000 to fund SDC Consultant Methodology Study (\$40,000), S. Willamette St improvement plan test (\$400,000), Pavement preservation projects for Greenhill Rd, River Rd, and Maxwell Rd (\$450,000), and Washington Jefferson Skatepark park infrastructure (\$900,000) and decrease Balance Available by \$1,616,200.

d) **Encumbrance Estimate Reconciliation:** Decrease the Public Works Department operating appropriations by \$4,610 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid and increase Balance Available by the same amount.

340 Transportation Capital Projects Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	8,453,824	(3,509,768)	a	4,944,056
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	2,940,000	0		2,940,000
Intergovernmental	0	2,577,550	b,c,d	2,577,550
Rental	30,000	0		30,000
Charges for Services	10,000	5,134	b	15,134
Interfund Transfers	30,000	194,752	d	224,752
Fiscal Transactions	8,010,000	332,733	a	8,342,733
Total Revenue	11,020,000	3,110,169		14,130,169
TOTAL RESOURCES	19,473,824	(399,599)		19,074,225
II. REQUIREMENTS				
Capital Projects				
Capital Projects	11,058,882	2,423,159	b,d	13,482,041
Capital Carryover	8,307,930	(2,980,027)	e	5,327,903
Total Capital Projects	19,366,812	(556,868)		18,809,944
Non-Departmental				
Debt Service	10,000	0		10,000
Balance Available	97,012	157,269	a,b,c,e	254,281
Total Non-Departmental	107,012	157,269		264,281
TOTAL REQUIREMENTS	19,473,824	(399,599)		19,074,225

340 Transportation Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$3,509,768, increase Draws on General Obligation Line of Credit for bonds authorized but not sold in the prior fiscal year by \$332,733, and decrease Balance Available by \$3,177,035. These adjustments bring the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **New Revenues:** Recognize intergovernmental revenues associated with various grants in the amount of \$1,864,796, recognize charges for services associated with tree planting fees in the amount of \$5,134, increase capital appropriations by \$1,919,407, and decrease Balance Available by \$49,477.

c) **Capital Grants Reappropriation:** Reappropriate \$402,921 to continue work on the Safe Routes for School project and \$833 for the Fern Ridge: Greenhill projects started in FY14 but not completed, and increase Balance Available by \$403,754.

d) **One-Time Funding Requests:** Recognize \$194,752 in Road Fund transfer revenue, increase capital appropriations by the same amount for emergency preparation for the Roosevelt Yard facility, increase Intergovernmental by \$309,000 and increase capital appropriations by the same amount to build the Fern Ridge Path to Commerce Street Connector and bridge.

e) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$2,980,027 and increase Balance Available by the same amount. The adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

350 Special Assessment Capital Projects Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	1,442,347	119,643	a	1,561,990
CHANGE TO WORKING CAPITAL				
REVENUE				
Miscellaneous	17,700	0		17,700
Fiscal Transactions	11,500	0		11,500
Total Revenue	29,200	0		29,200
TOTAL RESOURCES	1,471,547	119,643		1,591,190
II. REQUIREMENTS				
Capital Projects				
Capital Carryover	67,064	0		67,064
Total Capital Projects	67,064	0		67,064
Non-Departmental				
Interfund Transfers	20,000	0		20,000
Balance Available	1,384,483	119,643	a	1,504,126
Total Non-Departmental	1,404,483	119,643		1,524,126
TOTAL REQUIREMENTS	1,471,547	119,643		1,591,190

350 Special Assessment Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$119,463 and decrease Balance Available by the same amount. This adjustment brings the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

510 Municipal Airport Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	24,509,544	(7,281,622)	a	17,227,922
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	3,709,493	6,170,769	c	9,880,262
Rental	3,399,541	0		3,399,541
Charges for Services	5,580,380	0		5,580,380
Fines/Forfeitures	7,100	0		7,100
Miscellaneous	29,178	0		29,178
Fiscal Transactions	6,415	0		6,415
Total Revenue	12,732,107	6,170,769		18,902,876
TOTAL RESOURCES	37,241,651	(1,110,853)		36,130,798
II. REQUIREMENTS				
Department Operating				
Fire and Emergency Medical Services	805,760	0		805,760
Police	530,004	0		530,004
Public Works	6,638,532	(232,801)	d	6,405,731
Total Department Operating	7,974,296	(232,801)		7,741,495
Capital Projects				
Capital Projects	5,340,001	0		5,340,001
Capital Carryover	14,177,426	(1,307,906)	b	12,869,520
Total Capital Projects	19,517,427	(1,307,906)		18,209,521
Non-Departmental				
Interfund Transfers	508,000	0		508,000
Reserves	3,969,706	0		3,969,706
Balance Available	5,272,222	429,854	a,b,c,d	5,702,076
Total Non-Departmental	9,749,928	429,854		10,179,782
TOTAL REQUIREMENTS	37,241,651	(1,110,853)		36,130,798

510 Municipal Airport Fund

- a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$7,281,622 and decrease Balance Available by the the same amount. This adjustment brings the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.
- b) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$1,307,906 and increase Balance Available by the same amount. This adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.
- c) **Capital Grants Reappropriation:** Recognize intergovernmental revenues supporting previously budgeted Airport capital projects in the amount of \$6,170,769 and increase Balance Available by the same amount.
- d) **Encumbrance Estimate Reconciliation:** Decrease the Public Works Department operating appropriations by \$232,801 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid, and increase Balance Available by the same amount.

520 Parking Services Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	58,000	(45,036)	a	12,964
CHANGE TO WORKING CAPITAL				
REVENUE				
Rental	482,000	0		482,000
Charges for Services	3,721,680	35,000	b	3,756,680
Fines/Forfeitures	967,500	0		967,500
Miscellaneous	624,611	0		624,611
Total Revenue	5,795,791	35,000		5,830,791
TOTAL RESOURCES	5,853,791	(10,036)		5,843,755
II. REQUIREMENTS				
Department Operating				
Central Services	320,011	0		320,011
Planning and Development	3,435,768	35,000	b	3,470,768
Public Works	49,912	0		49,912
Total Department Operating	3,805,691	35,000		3,840,691
Capital Projects				
Capital Projects	50,000	(45,036)	a	4,964
Capital Carryover	58,000	(28,163)	c	29,837
Total Capital Projects	108,000	(73,199)		34,801
Non-Departmental				
Interfund Transfers	1,940,100	0		1,940,100
Balance Available	0	28,163	c	28,163
Total Non-Departmental	1,940,100	28,163		1,968,263
TOTAL REQUIREMENTS	5,853,791	(10,036)		5,843,755

520 Parking Services Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$45,036 and decrease capital appropriations by the same amount. This adjustment brings the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **New Revenues:** Recognize additional revenues associated with the Hult Center parking garage in the amount of \$35,000 and increase the Planning and Development Department operating appropriations by the same amount.

c) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$28,163 and increase Balance Available by the same amount. This adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance and carry forward.

530 Wastewater Utility Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	5,614,103	(1,188,403)	a	4,425,700
CHANGE TO WORKING CAPITAL				
REVENUE				
Charges for Services	49,973,886	1,130,837	a	51,104,723
Fines/Forfeitures	5,000	0		5,000
Miscellaneous	24,000	0		24,000
Total Revenue	50,002,886	1,130,837		51,133,723
TOTAL RESOURCES	55,616,989	(57,566)		55,559,423
II. REQUIREMENTS				
Department Operating				
Public Works	23,250,306	(621,939)	b	22,628,367
Total Department Operating	23,250,306	(621,939)		22,628,367
Capital Projects				
Capital Projects	2,115,000	0		2,115,000
Capital Carryover	2,411,088	(216,891)	c	2,194,197
Total Capital Projects	4,526,088	(216,891)		4,309,197
Non-Departmental				
Interfund Transfers	1,357,000	135,000	d	1,492,000
Special Payments	25,490,500	0		25,490,500
Balance Available	993,095	646,264	a,b,c,d	1,639,359
Total Non-Departmental	27,840,595	781,264		28,621,859
TOTAL REQUIREMENTS	55,616,989	(57,566)		55,559,423

530 Wastewater Utility Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$1,188,403, increase charges for services by \$1,130,837 and decrease Balance Available by \$57,566. This adjustment brings the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Encumbrance Estimate Reconciliation:** Decrease the Public Works Department operating appropriations by \$621,939 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid, and increase Balance Available by the same amount.

c) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$216,891 and increase Balance Available by the same amount. This adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

d) **One-Time Funding Request:** Transfer \$135,000 to the General Capital Projects Fund for the City Hall Project, and decrease Balance Available by the same amount.

539 Stormwater Utility Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	9,106,039	(1,799,762)	a	7,306,277
CHANGE TO WORKING CAPITAL				
REVENUE				
Licenses/Permits	108,500	0		108,500
Intergovernmental	0	1,181,482	b,f	1,181,482
Rental	30,000	0		30,000
Charges for Services	15,495,348	0		15,495,348
Miscellaneous	22,600	0		22,600
Total Revenue	15,656,448	1,181,482		16,837,930
TOTAL RESOURCES	24,762,487	(618,280)		24,144,207
II. REQUIREMENTS				
Department Operating				
Public Works	14,595,592	(368,135)	c,e	14,227,457
Total Department Operating	14,595,592	(368,135)		14,227,457
Capital Projects				
Capital Projects	2,515,000	1,432,880	e,f	3,947,880
Capital Carryover	4,801,815	(993,327)	d	3,808,488
Total Capital Projects	7,316,815	439,553		7,756,368
Non-Departmental				
Interfund Transfers	870,000	135,000	e	1,005,000
Special Payments	15,000	0		15,000
Balance Available	1,965,080	(824,698)	a,b,c,d,e	1,140,382
Total Non-Departmental	2,850,080	(689,698)		2,160,382
TOTAL REQUIREMENTS	24,762,487	(618,280)		24,144,207

539 Stormwater Utility Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$1,799,762 and decrease Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Project Reappropriation:** Recognize Intergovernmental revenues in the amount of \$335,038 and increase Balance Available by the same amount for externally funded projects not completed in prior fiscal years. The capital project expenditure appropriation related to these revenues is rebudgeted through the fiscal year-end capital rollover process.

c) **Encumbrance Estimate Reconciliation:** Decrease the Public Works Department operating appropriations by \$233,135 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid and increase Balance Available by the same amount.

d) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$993,327 and increase Balance Available by the same amount. This adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

e) **One-Time Funding Requests:** Transfer \$135,000 to the General Capital Projects Fund for the City Hall Project, and decrease the Public Works Department operating appropriation by the same amount, increase capital appropriations by \$586,436 for emergency preparation for Roosevelt Yard facility (\$86,436) and pipe repairs and drywell elimination projects in FY15 (\$500,000), and decrease Balance Available by the same amount.

f) **New Revenues:** Recognize intergovernmental revenues associated with ODOT and BLM grants in the amount of \$846,444 for CILOS Bridget Project, Greenhill Mitigation Bank and Native Plant Procurement, and increase capital appropriations by the same amount.

592 Ambulance Transport Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	1,091,719	(16,944)	a	1,074,775
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	0	377,482	b	377,482
Charges for Services	6,541,915	0		6,541,915
Miscellaneous	102,399	0		102,399
Total Revenue	6,644,314	377,482		7,021,796
TOTAL RESOURCES	7,736,033	360,538		8,096,571
II. REQUIREMENTS				
Department Operating				
Fire and Emergency Medical Services	6,737,054	377,482	b	7,114,536
Total Department Operating	6,737,054	377,482		7,114,536
Non-Departmental				
Interfund Transfers	947,031	0		947,031
Balance Available	51,948	(16,944)	a	35,004
Total Non-Departmental	998,979	(16,944)		982,035
TOTAL REQUIREMENTS	7,736,033	360,538		8,096,571

592 Ambulance Transport Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$16,944 and decrease Balance Available by the same amount. This adjustment brings the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **New Revenues:** Recognize new revenues associated with an Assistance to Firefighters 2013 grant for training equipment in the amount of \$377,482 and increase Fire and EMS operating appropriations by the same amount.

600 Fleet Services Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	20,131,394	(4,194,527)	a	15,936,867
CHANGE TO WORKING CAPITAL				
REVENUE				
Rental	25,000	0		25,000
Charges for Services	9,357,201	0		9,357,201
Miscellaneous	346,500	0		346,500
Interfund Transfers	1,362,000	0		1,362,000
Total Revenue	11,090,701	0		11,090,701
TOTAL RESOURCES	31,222,095	(4,194,527)		27,027,568
II. REQUIREMENTS				
Department Operating				
Public Works	14,453,823	617,473	a,b,c	15,071,296
Total Department Operating	14,453,823	617,473		15,071,296
Non-Departmental				
Interfund Transfers	343,000	0		343,000
Reserves	16,332,215	(4,929,943)	a,b,c	11,402,272
Balance Available	93,057	117,943	a,b,c	211,000
Total Non-Departmental	16,768,272	(4,812,000)		11,956,272
TOTAL REQUIREMENTS	31,222,095	(4,194,527)		27,027,568

600 Fleet Services Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$4,194,527, decrease the Public Works department operating appropriation by \$283,442, decrease the Fleet Services Reserve by \$3,818,028, and decrease Balance Available by \$93,057. These adjustments bring the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Encumbrance Estimate Reconciliation:** Decrease the Public Works Department operating appropriations by \$1,559,819, increase the Fleet Services Reserve by \$1,348,819, and increase balance available by \$211,000 to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid.

c) **Reappropriation:** Increase Public Works Department operating appropriations for vehicle replacement not completed in the prior fiscal year in the amount of \$2,460,734, and decrease the Fleet Services Reserve by the same amount.

610 Information Systems and Services Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	4,054,782	1,815,499	a	5,870,281
CHANGE TO WORKING CAPITAL				
REVENUE				
Charges for Services	7,408,285	200,000	b	7,608,285
Miscellaneous	20,300	0		20,300
Total Revenue	7,428,585	200,000		7,628,585
TOTAL RESOURCES	11,483,367	2,015,499		13,498,866
II. REQUIREMENTS				
Department Operating				
Central Services	7,235,662	(27,476)	c	7,208,186
Total Department Operating	7,235,662	(27,476)		7,208,186
Non-Departmental				
Interfund Transfers	259,000	0		259,000
Reserves	2,945,985	877,977	a,b	3,823,962
Balance Available	1,042,720	1,164,998	a,c	2,207,718
Total Non-Departmental	4,247,705	2,042,975		6,290,680
TOTAL REQUIREMENTS	11,483,367	2,015,499		13,498,866

610 Information Systems and Services Fund

- a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$1,815,499, increase the Reserve for Software Replacement by \$677,977, and increase Balance Available by \$1,137,522. These adjustments bring the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.
- b) **One-Time Funding Request:** Increase General Fund Charges for Services by \$200,000 for the Corporate Software Replacement project and increase Corporate Software Reserves by the same amount.
- c) **Encumbrance Estimate Reconciliation:** Decrease the Central Services Department operating appropriations by \$27,476, and increase Balance Available by the same amount to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid.

615 Facilities Services Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	13,445,395	(9,650,255)	a	3,795,140
CHANGE TO WORKING CAPITAL				
REVENUE				
Rental	615,100	0		615,100
Charges for Services	8,502,034	0		8,502,034
Miscellaneous	6,000	0		6,000
Total Revenue	9,123,134	0		9,123,134
TOTAL RESOURCES	22,568,529	(9,650,255)		12,918,274
II. REQUIREMENTS				
Department Operating				
Central Services	8,646,238	(3,404)	d	8,642,834
Planning and Development	285,781	0		285,781
Total Department Operating	8,932,019	(3,404)		8,928,615
Capital Projects				
Capital Projects	100,000	0		100,000
Capital Carryover	425,610	(1,162)	b	424,448
Total Capital Projects	525,610	(1,162)		524,448
Non-Departmental				
Debt Service	206,000	0		206,000
Interfund Transfers	432,000	92,598	c	524,598
Reserves	10,368,607	(9,826,607)	a,c	542,000
Balance Available	2,104,293	88,320	a,b,d	2,192,613
Total Non-Departmental	13,110,900	(9,645,689)		3,465,211
TOTAL REQUIREMENTS	22,568,529	(9,650,255)		12,918,274

615 Facilities Services Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$9,650,255, decrease the Facility Reserve by \$9,734,009, and increase Balance Available by \$83,754. These adjustments bring the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Carryover Reconciliation:** Decrease capital appropriations by \$1,162 and increase Balance Available by the same amount. This adjustment reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

c) **One-Time Funding Request:** Transfer \$92,598 to the General Capital Projects Fund for the City Hall Project and decrease the Facility Replacement Reserve by the same amount. This action will close out the remaining balance in the Facilities Replacement Fund.

d) **Encumbrance Estimate Reconciliation:** Decrease the Central Services Department operating appropriations by \$3,404 and increase Balance Available by the same amount to reconcile the amount estimated for payment of obligations incurred but not paid in FY14 to the actual amount paid.

620 Risk and Benefits Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	7,518,462	3,448,165	a	10,966,627
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	249,686	0		249,686
Charges for Services	37,784,987	0		37,784,987
Miscellaneous	472,146	0		472,146
Total Revenue	38,506,819	0		38,506,819
TOTAL RESOURCES	46,025,281	3,448,165		49,473,446
II. REQUIREMENTS				
Department Operating				
Central Services	33,973,206	0		33,973,206
Total Department Operating	33,973,206	0		33,973,206
Non-Departmental				
Debt Service	5,784,500	0		5,784,500
Interfund Transfers	152,000	0		152,000
Reserves	5,273,394	1,526,197	a	6,799,591
Balance Available	842,181	1,921,968	a	2,764,149
Total Non-Departmental	12,052,075	3,448,165		15,500,240
TOTAL REQUIREMENTS	46,025,281	3,448,165		49,473,446

620 Risk and Benefits Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$3,448,165, increase the Medical Rate Stabilization Reserve by \$1,544,080, decrease the Debt Service Reserve by \$17,883, and increase Balance Available by \$1,921,968. These adjustments bring the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

630 Professional Services Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	4,852,177	(295,357)	a	4,556,820
CHANGE TO WORKING CAPITAL				
REVENUE				
Licenses/Permits	500	0		500
Charges for Services	5,690,993	0		5,690,993
Miscellaneous	1,000	0		1,000
Total Revenue	5,692,493	0		5,692,493
TOTAL RESOURCES	10,544,670	(295,357)		10,249,313
II. REQUIREMENTS				
Department Operating				
Public Works	5,642,360	200,000	b	5,842,360
Total Department Operating	5,642,360	200,000		5,842,360
Non-Departmental				
Interfund Transfers	436,000	135,000	b	571,000
Reserves	2,503,270	(335,000)	b	2,168,270
Balance Available	1,963,040	(295,357)	a	1,667,683
Total Non-Departmental	4,902,310	(495,357)		4,406,953
TOTAL REQUIREMENTS	10,544,670	(295,357)		10,249,313

630 Professional Services Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$295,357 and decrease Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **One-Time Funding Request:** Transfer \$135,000 to the General Capital Projects Fund for the City Hall Project, and decrease Reserves by the same amount, increase the Public Works Department operating appropriations by \$200,000 for a capital project management software system and decrease Reserves by the same amount.

Resolution Number _____

Attachment B

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET;
MAKING APPROPRIATIONS FOR THE CITY OF EUGENE
FOR THE FISCAL YEAR BEGINNING JULY 1, 2014,
AND ENDING JUNE 30, 2015.**

The City Council of the City of Eugene finds that Adopting the Supplemental Budget is necessary under ORS 294.471.

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.

That the Supplemental Budget for the City of Eugene, Oregon, for the fiscal year beginning July 1, 2014, and ending June 30, 2015, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning July 1, 2014, and ending June 30, 2015, and for the purposes shown in attached Exhibit "A" are hereby appropriated.

Section 3.

That this Supplemental Budget is prepared in accordance with ORS 294.471(1), which authorizes the formulation of a supplemental budget resulting from "An occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year or current budget period which requires a change in financial planning." This Supplemental Budget was published in accordance with ORS 294.471(3).

Section 4.

This resolution complies with ORS 294.471(4), and does not authorize an increase in the levy of property taxes above the amount in the Adopted Budget publication.

The foregoing resolution adopted this 8th day of December, 2014.

City Recorder

EXHIBIT "A"Amounts
in dollars**GENERAL FUND****Departmental Operating**

Central Services	2,236,539
Fire and Emergency Medical Services	796,876
Library, Recreation and Cultural Services	937,304
Planning and Development	1,005,125
Police	2,393,985
Public Works	532,471

Total Departmental Operating	7,902,300
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Non-Departmental

Contingency	(10,000)
Interfund Transfers	3,105,563
* Reserves	(1,112,259)

Total Non-Departmental	1,983,304
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TOTAL GENERAL FUND	9,885,604
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SPECIAL ASSESSMENT MANAGEMENT FUND**Non-Departmental**

* Balance Available	5,024
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Total Non-Departmental	5,024
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TOTAL SPECIAL ASSESSMENT MANAGEMENT FUND	5,024
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ROAD FUND**Departmental Operating**

Public Works	(103,365)
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Total Departmental Operating	(103,365)
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Non-Departmental

Interfund Transfers	329,752
* Balance Available	477,993

Total Non-Departmental	807,745
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TOTAL ROAD FUND	704,380
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PUBLIC SAFETY COMMUNICATIONS FUND

Departmental Operating	
Police	613,828
Total Departmental Operating	<u>613,828</u>
Non-Departmental	
* Reserves	(513,828)
* Balance Available	26,455
Total Non-Departmental	<u>(487,373)</u>
TOTAL PUBLIC SAFETY COMMUNICATIONS FUND	<u>126,455</u>

TELECOM REGISTRATION/LICENSING FUND

Departmental Operating	
Central Services	1,410,496
Total Departmental Operating	<u>1,410,496</u>
Capital Projects	
Capital Projects	(12,134)
Total Capital Projects	<u>(12,134)</u>
Non-Departmental	
* Balance Available	(1,034,611)
Total Non-Departmental	<u>(1,034,611)</u>
TOTAL TELECOM REGISTRATION/LICENSING FUND	<u>363,751</u>

CONSTRUCTION AND RENTAL HOUSING FUND

Non-Departmental	
* Balance Available	1,080,359
Total Non-Departmental	<u>1,080,359</u>
TOTAL CONSTRUCTION AND RENTAL HOUSING FUND	<u>1,080,359</u>

SOLID WASTE/RECYCLING FUND

Departmental Operating	
Planning and Development	100,000
Total Departmental Operating	<u>100,000</u>
Non-Departmental	
* Balance Available	56,059
Total Non-Departmental	<u>56,059</u>
TOTAL SOLID WASTE/RECYCLING FUND	<u>156,059</u>

COMMUNITY DEVELOPMENT FUND

Departmental Operating	
Planning and Development	996,748
Total Departmental Operating	<u>996,748</u>
Capital Projects	
Capital Projects	771,140
Total Capital Projects	<u>771,140</u>
Non-Departmental	
* Reserves	(210)
* Balance Available	299,008
Special Payments	(149,681)
Total Non-Departmental	<u>149,117</u>
TOTAL COMMUNITY DEVELOPMENT FUND	<u>1,917,005</u>

LIBRARY, PARKS & RECREATION SPECIAL REVENUE FUND

Capital Projects	
Capital Projects	(178,496)
Total Capital Projects	<u>(178,496)</u>
Non-Departmental	
* Reserves	165,914
* Balance Available	(345)
Total Non-Departmental	<u>165,569</u>
TOTAL LIBRARY, PARKS & REC. SPECIAL REVENUE FUND	<u>(12,927)</u>

GENERAL OBLIGATION DEBT SERVICE FUND

Non-Departmental		
Debt Service		32,570
Total Non-Departmental		<u>32,570</u>
TOTAL GENERAL OBLIGATION DEBT SERVICE FUND		<u>32,570</u>

SPECIAL ASSESSMENT BOND DEBT SERVICE FUND

Non-Departmental		
Debt Service		(216)
* Reserves		24,543
Total Non-Departmental		<u>24,327</u>
TOTAL SPECIAL ASSESSMENT BOND DEBT SERVICE FUND		<u>24,327</u>

GENERAL CAPITAL PROJECTS FUND

Capital Projects		
Capital Projects		2,664,132
Total Capital Projects		<u>2,664,132</u>
Non-Departmental		
* Balance Available		42,761
Total Non-Departmental		<u>42,761</u>
TOTAL GENERAL CAPITAL PROJECTS FUND		<u>2,706,893</u>

SYSTEMS DEVELOPMENT CAPITAL PROJECTS FUND

Departmental Operating		
Public Works		35,390
Total Departmental Operating		<u>35,390</u>
Capital Projects		
Capital Projects		866,428
Total Capital Projects		<u>866,428</u>
Non-Departmental		
* Balance Available		1,649,561
Total Non-Departmental		<u>1,649,561</u>
TOTAL SYSTEMS DEVELOPMENT CAP. PROJECTS FUND		<u>2,551,379</u>

TRANSPORTATION CAPITAL PROJECTS FUND

Capital Projects		
Capital Projects		<u>(556,868)</u>
Total Capital Projects		(556,868)
Non-Departmental		
* Balance Available		<u>157,269</u>
Total Non-Departmental		157,269
TOTAL TRANSPORTATION CAPITAL FUND		<u>(399,599)</u>

SPECIAL ASSESSMENT CAPITAL PROJECTS FUND

Non-Departmental		
* Balance Available		<u>119,643</u>
Total Non-Departmental		119,643
TOTAL SPECIAL ASSESSMENT CAPITAL PROJECTS FUND		<u>119,643</u>

MUNICIPAL AIRPORT FUND

Departmental Operating		
Public Works		<u>(232,801)</u>
Total Departmental Operating		(232,801)
Capital Projects		
Capital Projects		<u>(1,307,906)</u>
Total Capital Projects		(1,307,906)
Non-Departmental		
* Balance Available		<u>429,854</u>
Total Non-Departmental		429,854
TOTAL MUNICIPAL AIRPORT FUND		<u>(1,110,853)</u>

PARKING SERVICES FUND

Departmental Operating	
Planning and Development	35,000
Total Departmental Operating	<u>35,000</u>
Capital Projects	
Capital Projects	(73,199)
Total Capital Projects	<u>(73,199)</u>
Non-Departmental	
* Balance Available	28,163
Total Non-Departmental	<u>28,163</u>
TOTAL PARKING SERVICES FUND	<u>(10,036)</u>

WASTEWATER UTILITY FUND

Departmental Operating	
Public Works	(621,939)
Total Departmental Operating	<u>(621,939)</u>
Capital Projects	
Capital Projects	(216,891)
Total Capital Projects	<u>(216,891)</u>
Non-Departmental	
Interfund Transfers	135,000
* Balance Available	646,264
Total Non-Departmental	<u>781,264</u>
TOTAL WASTEWATER UTILITY FUND	<u>(57,566)</u>

STORMWATER UTILITY FUND

Departmental Operating	
Public Works	(368,135)
Total Departmental Operating	<u>(368,135)</u>
Capital Projects	
Capital Projects	439,553
Total Capital Projects	<u>439,553</u>
Non-Departmental	
Interfund Transfers	135,000
* Balance Available	(824,698)
Total Non-Departmental	<u>(689,698)</u>
TOTAL STORMWATER UTILITY FUND	<u>(618,280)</u>

AMBULANCE TRANSPORT FUND

Departmental Operating	
Fire and Emergency Medical Services	377,482
Total Departmental Operating	<u>377,482</u>
Non-Departmental	
* Balance Available	(16,944)
Total Non-Departmental	<u>(16,944)</u>
TOTAL AMBULANCE TRANSPORT FUND	<u>360,538</u>

FLEET SERVICES FUND

Departmental Operating	
Public Works	617,473
Total Departmental Operating	<u>617,473</u>
Non-Departmental	
* Reserves	(4,929,943)
* Balance Available	117,943
Total Non-Departmental	<u>(4,812,000)</u>
TOTAL FLEET SERVICES FUND	<u>(4,194,527)</u>

INFORMATION SYSTEMS AND SERVICES FUND

Departmental Operating	
Central Services	(27,476)
Total Departmental Operating	<u>(27,476)</u>
Non-Departmental	
* Reserves	877,977
* Balance Available	1,164,998
Total Non-Departmental	<u>2,042,975</u>
TOTAL INFORMATION SYSTEMS AND SERVICES FUND	<u>2,015,499</u>

FACILITIES SERVICES FUND

Departmental Operating	
Central Services	(3,404)
Total Departmental Operating	<u>(3,404)</u>
Capital Projects	
Capital Projects	(1,162)
Total Capital Projects	<u>(1,162)</u>
Non-Departmental	
Interfund Transfers	92,598
* Reserves	(9,826,607)
* Balance Available	88,320
Total Non-Departmental	<u>(9,645,689)</u>
TOTAL FACILITIES SERVICES FUND	<u>(9,650,255)</u>

RISK AND BENEFITS FUND

Non-Departmental	
* Reserves	1,526,197
* Balance Available	1,921,968
Total Non-Departmental	<u>3,448,165</u>
TOTAL RISK AND BENEFITS FUND	<u>3,448,165</u>

PROFESSIONAL SERVICES FUND

Departmental Operating	
Public Works	200,000
Total Departmental Operating	<u>200,000</u>
Non-Departmental	
Interfund Transfers	135,000
* Reserves	(335,000)
* Balance Available	(295,357)
Total Non-Departmental	<u>(495,357)</u>
TOTAL PROFESSIONAL SERVICES FUND	<u>(295,357)</u>

TOTAL REQUIREMENTS - ALL FUNDS	<u><u>9,148,251</u></u>
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* Reserves, Balance Available, and UEFB amounts are not appropriated for spending and are shown for information purposes only.

EUGENE URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Public Hearing and Action: Resolution Adopting a Supplemental Budget; Making Appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year Beginning July 1, 2014 and Ending June 30, 2015

Meeting Date: December 8, 2014
 Department: Central Services
www.eugene-or.gov

Agenda Item Number: 5
 Staff Contact: Twylla Miller
 Contact Telephone Number: 541-682-8417

ISSUE STATEMENT

Urban Renewal Agency Board approval of the first Supplemental Budget (SB1) for Fiscal Year 2015 (FY15) is requested. Oregon Local Budget Law (ORS 294.471) allows for supplemental budgets in the event of “an occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year.” ORS 294.471 also allows for a supplemental budget if there are “funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget.” This Supplemental Budget does not authorize any increase in the property tax levy and has been published in compliance with the Oregon Local Budget Law.

BACKGROUND

The Supplemental Budget that occurs in December of a fiscal year is usually the largest because of the audit adjustments to budgeted Beginning Working Capital and the reappropriation of funds from the prior fiscal year for program initiatives or projects that were started but not completed in that fiscal year. This Supplemental Budget consists of transactions to amend the Urban Renewal Agency budget to reconcile Beginning Working Capital and Capital Carryover, and to reappropriate those dollars or place them into reserve.

For this Supplemental Budget, the proposed changes fall into the following categories:

Transactions Related to Beginning Working Capital

Isler & Company, LLC, the Urban Renewal Agency's external auditor, has completed its Fiscal Year 2014 (FY14) audit of Beginning Working Capital, and this Supplemental Budget includes Marginal Beginning Working Capital (MBWC) adjustments for all URA funds. The MBWC is the difference between the estimated and audited actual FY14 revenues and expenditures. The total audited adjustment to the FY15 budgeted Beginning Working Capital for all URA funds is an increase of \$100,702.

A detailed description of these transactions is provided in Attachment A.

Capital Carryover

The Capital Project Carryover Reconciliation is also included in this Supplemental Budget. An estimate of the unspent balance in each capital project was established in the FY15 Adopted Budget. These estimates have been reconciled with the actual FY14 expenditures, and the Capital Budget is adjusted to reflect the remaining unspent balances in each project. The Capital Carryover on this Supplemental Budget reduces the Capital Budget by \$28,460 and increases Balance Available by the same amount.

Timing

In some cases, expenditure authority is needed immediately to carry out URA Board direction or to meet legal or program requirements. Approval of SB1 in December allows the organization to prepare more accurate mid-year projections by having the general ledger reflect the audited balances in each fund. This, in turn, enables staff to more accurately project the Beginning Working Capital for the next fiscal year's Proposed Budget.

RELATED CITY POLICIES

These transactions conform to the City's Financial Management Goals and Policies.

BOARD OPTIONS

Particular requests requiring more information or discussion may be removed from the supplemental budget and delayed for action in a future supplemental budget. In certain cases there may be a financial or legal impact to delaying budget approval. The URA Board may also adopt amended appropriation amounts or funding sources for specific requests in the supplemental budget.

AGENCY DIRECTOR'S RECOMMENDATION

Approve the attached resolution adopting the Supplemental Budget.

SUGGESTED MOTION

Move to approve a resolution adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015.

ATTACHMENTS

- A. Transaction Summary
- B. Resolution

FOR MORE INFORMATION

Staff Contact: Twylla Miller
Telephone: 541-682-8417
Staff E-Mail: twylla.j.miller@ci.eugene.or.us

OR

Staff Contact: Jamie Garner
Telephone: 541-682-5512
Staff E-Mail: jamie.p.garner@ci.eugene.or.us

Attachment A

Transaction Summary

817 Urban Renewal Agency Downtown General Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	820,150	14,885	a	835,035
CHANGE TO WORKING CAPITAL				
REVENUE				
Rental	5,700	0		5,700
Miscellaneous	63,000	0		63,000
Interfund Transfers	105,000	0		105,000
Fiscal Transactions	450,000	0		450,000
Total Revenue	623,700	0		623,700
TOTAL RESOURCES	1,443,850	14,885		1,458,735
II. REQUIREMENTS				
Department Operating				
Planning and Development	105,000	0		105,000
Total Department Operating	105,000	0		105,000
Non-Departmental				
Special Payments	1,321,200	14,885	a	1,336,085
Balance Available	17,650	0		17,650
Total Non-Departmental	1,338,850	14,885		1,353,735
TOTAL REQUIREMENTS	1,443,850	14,885		1,458,735

817 Urban Renewal Agency Downtown General Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$14,885 and increase Downtown Revitalization Loan Program (DRLP) appropriations by the same amount. This adjustment brings the FY15 Budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

812 Urban Renewal Agency Downtown Debt Service Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	1,489,767	108,550	a	1,598,317
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	1,900,000	0		1,900,000
Miscellaneous	9,000	0		9,000
Total Revenue	<u>1,909,000</u>	<u>0</u>		<u>1,909,000</u>
TOTAL RESOURCES	<u>3,398,767</u>	<u>108,550</u>		<u>3,507,317</u>
II. REQUIREMENTS				
Non-Departmental				
Debt Service	2,130,000	0		2,130,000
Interfund Transfers	105,000	0		105,000
Balance Available	1,163,767	108,550	a	1,272,317
Total Non-Departmental	<u>3,398,767</u>	<u>108,550</u>		<u>3,507,317</u>
TOTAL REQUIREMENTS	<u>3,398,767</u>	<u>108,550</u>		<u>3,507,317</u>

812 Urban Renewal Agency Downtown Debt Service

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$108,550, and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

813 Urban Renewal Agency Downtown Capital Projects Fund

	FY15 Adopted	FY15 SB1 Action	FY15 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	558,731	(22,693) a	536,038
CHANGE TO WORKING CAPITAL			
REVENUE			
Miscellaneous	2,000	0	2,000
Total Revenue	<u>2,000</u>	<u>0</u>	<u>2,000</u>
TOTAL RESOURCES	<u>560,731</u>	<u>(22,693)</u>	<u>538,038</u>
II. REQUIREMENTS			
Capital Projects			
Capital Carryover	540,972	(22,460) b	518,512
Total Capital Projects	<u>540,972</u>	<u>(22,460)</u>	<u>518,512</u>
Non-Departmental			
Balance Available	19,759	(233) a,b	19,526
Total Non-Departmental	<u>19,759</u>	<u>(233)</u>	<u>19,526</u>
TOTAL REQUIREMENTS	<u>560,731</u>	<u>(22,693)</u>	<u>538,038</u>

813 Urban Renewal Agency Downtown Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$22,693 and decrease Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Carryover Reconciliation:** Decrease the capital carryover by \$22,460, and increase Balance Available by the same amount. This action reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

821 Urban Renewal Agency Riverfront General Fund

	FY15 Adopted	FY15 SB1 Action		FY15 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	7,054,654	6,472	a	7,061,126
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	1,280,000	0		1,280,000
Rental	63,000	0		63,000
Miscellaneous	21,164	0		21,164
Total Revenue	1,364,164	0		1,364,164
TOTAL RESOURCES	8,418,818	6,472		8,425,290
II. REQUIREMENTS				
Department Operating				
Planning and Development	237,164	0		237,164
Total Department Operating	237,164	0		237,164
Non-Departmental				
Balance Available	8,181,654	6,472	a	8,188,126
Total Non-Departmental	8,181,654	6,472		8,188,126
TOTAL REQUIREMENTS	8,418,818	6,472		8,425,290

821 Urban Renewal Agency Riverfront General Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$6,472, and increase Balance Available by the same amount. This adjustment brings the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

823 Urban Renewal Agency Riverfront Capital Projects Fund

	FY15 Adopted	FY15 SB1 Action	FY15 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	890,900	(6,512) a	884,388
CHANGE TO WORKING CAPITAL			
REVENUE			
Miscellaneous	2,195	0	2,195
Total Revenue	2,195	0	2,195
TOTAL RESOURCES	893,095	(6,512)	886,583
II. REQUIREMENTS			
Capital Projects			
Capital Carryover	159,156	(6,000) b	153,156
Total Capital Projects	159,156	(6,000)	153,156
Non-Departmental			
Balance Available	733,939	(512) a,b	733,427
Total Non-Departmental	733,939	(512)	733,427
TOTAL REQUIREMENTS	893,095	(6,512)	886,583

823 Urban Renewal Agency Riverfront Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$6,512 and decrease Balance Available by the same amount. These adjustments bring the FY15 budgeted Beginning Working Capital in compliance with the audited FY14 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Carryover Reconciliation:** Decrease the capital carryover by \$6,000, and decrease Balance Available by the same amount. This action reconciles the FY15 Capital Carryover Estimate to the actual ending FY14 capital projects balance.

Resolution Number _____

Attachment B

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET;
MAKING APPROPRIATIONS FOR THE URBAN RENEWAL AGENCY
OF THE CITY OF EUGENE
FOR THE FISCAL YEAR BEGINNING JULY 1, 2014,
AND ENDING JUNE 30, 2015.**

The Urban Renewal Agency of the City of Eugene finds that adopting the Supplemental Budget is necessary under ORS 294.471.

NOW THEREFORE,

BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF EUGENE as follows:

Section 1.

That the Supplemental Budget for the Urban Renewal Agency of the City of Eugene, Oregon, for the fiscal year beginning July 1, 2014, and ending June 30, 2015, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning July 1, 2014, and ending June 30, 2015, and for the purposes shown in attached Exhibit "A" are hereby appropriated.

Section 3.

That this Supplemental Budget is prepared in accordance with ORS 294.471(1), which authorizes the formulation of a supplemental budget resulting from "An occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year or current budget period which requires a change in financial planning." This Supplemental Budget was published in accordance with ORS 294.471(3).

Section 4.

This resolution complies with ORS 294.471(4), and does not authorize an increase in the levy of property taxes above the amount in the Adopted Budget publication.

The foregoing resolution adopted this 8th day of December, 2014.

City Recorder

EXHIBIT "A"*In dollars***URBAN RENEWAL AGENCY DOWNTOWN GENERAL FUND**

Non-Departmental		
	Special Payments	14,885
Total Non-Departmental		<u>14,885</u>
TOTAL URA DOWNTOWN GENERAL FUND		<u>14,885</u>

URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND

Non-Departmental		
	* Balance Available	108,550
Total Non-Departmental		<u>108,550</u>
TOTAL URA DOWNTOWN DEBT SERVICE FUND		<u>108,550</u>

URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND

Capital Projects		
	Capital Projects	(22,460)
Total Capital Projects		<u>(22,460)</u>
Non-Departmental		
	* Balance Available	(233)
Total Non-Departmental		<u>(233)</u>
TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND		<u>(22,693)</u>

URBAN RENEWAL AGENCY RIVERFRONT GENERAL FUND

Non-Departmental		
	* Balance Available	6,472
Total Non-Departmental		<u>6,472</u>
TOTAL URA RIVERFRONT GENERAL FUND		<u>6,472</u>

URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND**Capital Projects**

Capital Projects	(6,000)
Total Capital Projects	<u>(6,000)</u>

Non-Departmental

* Balance Available	(512)
Total Non-Departmental	<u>(512)</u>

TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND	<u>(6,512)</u>
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TOTAL REQUIREMENTS - ALL FUNDS	<u>100,702</u>
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* Reserves and Balance Available amounts are not appropriated for spending and are shown for information purposes only.



EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY

Public Hearing and Possible Action: An Ordinance Amending the Permitted Overnight Sleeping ("Rest Stop") Pilot Program Provisions Adopted by Ordinance No. 20517

Meeting Date: December 8, 2014
 Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 6
 Contact: Michael Kinnison
 Phone: 541-682-5009

ISSUE STATEMENT

This public hearing is being held on a proposed amendment to Ordinance No. 20517, an Ordinance Concerning Permitted Overnight Sleeping, to allow the City Manager discretion to grant an expansion in capacity from 15 to 20 persons at an approved rest stop that has operated in good standing for at least six months.

BACKGROUND

On September 23, 2013, the City Council approved Ordinance No. 20517, an Ordinance Concerning Permitted Overnight Sleeping, permitting up to 15 persons to sleep overnight in a car, tent, camper, trailer or Conestoga hut on a site leased by the City of Eugene, a religious institution, a non-profit organization, or a business located on property zoned commercial or industrial. Before a site may be occupied, the site must be approved by the City Council and an agreement executed between the City and the entity providing supervision, garbage and toilets at no cost to the City.

On October 28, 2013, the City Council approved a site on City-owned property on the northwest corner of Roosevelt Boulevard and North Garfield Street and two sites on City-owned property near the corner of Northwest Expressway and Chambers Street. The City has an agreement with the non-profit organization Community Supported Shelters (CSS) to manage these sites. Two of the sites have been opened since December 2013, and a third site is scheduled to open in December 2014, with a focus on homeless veterans. CSS has proven to be an effective site manager with no considerable increase in reported criminal activity in the vicinity of the sites and no complaints from nearby neighbors. The sites have proven to be a safe, well-managed temporary sheltering option for the unhoused and CSS maintains a waitlist for those wishing to use the sites.

Community Supported Shelters has an interest in piloting an expansion in capacity at the Roosevelt and Garfield site. The proposed amendment would give the City Manager discretion to grant approval of a site manager's request to increase capacity at a rest stop up to 20 persons. Qualifying sites must have been operating in good standing for at least six months.

RELATED CITY POLICIES

Eugene Code 4.815 Prohibited Camping and Eugene Code 4.816 Permitted Camping.

COUNCIL OPTIONS

The council may choose to take action at the public hearing or schedule action for the December 10 work session.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends amending the ordinance as proposed.

SUGGESTED MOTION

Move to amend Ordinance No. 20517, An Ordinance Concerning Permitted Overnight Sleeping, to allow the City Manager discretion to increase the allowable capacity from 15 to 20 persons at a rest stop that has operated in good standing for at least six months.

ATTACHMENT

A. Proposed Ordinance

FOR MORE INFORMATION

Staff Contact: Michael Kinnison
Telephone: 541-682-5009
Staff E-Mail: michael.j.kinnison@ci.eugene.or.us

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE PERMITTED OVERNIGHT SLEEPING (“REST STOP”) PILOT PROGRAM PROVISIONS ADOPTED BY ORDINANCE NO. 20517.

The City Council of the City of Eugene finds as follows:

A. On September 25, 2013, Ordinance No. 20517 was adopted concerning permitted overnight sleeping. Section 3 of that Ordinance adopted a permitted overnight sleeping (“rest stop”) pilot program with a sunset date of March 31, 2014. The sunset date has been extended, most recently by Ordinance No. 20539 which extended the sunset date to October 1, 2015.

B. It is in the public interest to amend Section 3 of Ordinance No. 20517 to allow for the possibility of additional people to participate in the rest stop pilot program.

NOW, THEREFORE,

THE CITY OF EUGENE DOES ORDAIN THAT the rest stop pilot program adopted in Section 3 of Ordinance No. 20517, is amended to provide as follows:

Permitted Overnight Sleeping Pilot Program.

- (1)** Up to 15 persons may sleep overnight in vehicles, as that term is defined in section 4.816(1)(a) of [~~this code~~] **the Eugene Code, 1971**, on property authorized pursuant to Section 4 of [~~this o~~] **Ordinance No. 20517. However, for rest stop sites that have been operating in good standing for at least six months, the operator of the rest stop may request, and the City Manager may approve, that up to 20 persons may sleep overnight at a specified site under this program.**
- (2)** No site may be used for overnight sleeping pursuant to subsection (1) of this section unless one or more entities enters into the agreement with the City referenced in Section 4 of [~~this o~~] **Ordinance No. 20517** and one or more entities other than the City provides, at no cost to the City, adequate garbage, toilets and supervision. The entity providing supervision shall work with surrounding and nearby neighbors (businesses or residences) to address any concerns.

Passed by the City Council this

Approved by the Mayor this

_____ **day of December, 2014.**

_____ **day of December, 2014.**

City Recorder

Mayor

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Action: Approval of Funding and Use of City Resources for Housing Affordable to Low-Income Persons – North Polk Apartments

Meeting Date: December 8, 2014
 Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 7
 Staff Contact: Ellen Meyi-Galloway
 Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

The City Council is asked to approve the use of Federal HOME Investment Partnerships Program (HOME) funds for acquisition of a 12-unit apartment building located at 89 North Polk Street by Neighborhood Economic Development Corporation (NEDCO) for affordable housing. The project was proposed in response to the City's 2014 Housing Request for Proposals (RFP).

BACKGROUND

The City of Eugene established current goals and programs for the development of housing affordable to low-income people through the adopted 2010 HUD Consolidated Plan. The Consolidated Plan guides the use of HOME funds and Community Development Block Grant (CDBG) funds over a five-year period. Each year, the City Council approves the allocation of federal funds through a One-Year Action Plan as well as specific uses of funds for affordable housing projects. In addition to use of federal funds, the City of Eugene offers a System Development Charge (SDC) Exemption and the Low-Income Rental Housing Property Tax Exemption (LIRHPTE) to further facilitate the development of affordable housing.

As outlined in the Consolidated Plan and One-Year Action Plan, staff develops and releases an annual RFP for affordable housing development projects. The intergovernmental Housing Policy Board (HPB) advises staff on the development of the RFP, reviews proposals, and makes funding recommendations to the City Council.

2014 Request for Housing Proposals

The City issued the 2014 Housing RFP for affordable housing projects in July 2014. The RFP sought proposals for:

1. Acquisition and/or rehabilitation of existing housing in Eugene to be converted to affordable housing.
2. Preservation and/or rehabilitation of existing affordable housing not in a HOME affordability period.
3. New construction that could move forward in a timely manner.

Up to \$1,500,000 in HOME funds and approximately \$1,400,000 in SDC waivers were available. Proposals were due to the City by September 18, 2014. All applicants were required to have site control at the time of application in the form of an option.

Two applications for acquisition-rehabilitation projects were received. NEDCO submitted a proposal to acquire and rehabilitate a 12-unit apartment building located at 89 North Polk Street in the Whiteaker Neighborhood. Cornerstone Community Housing submitted a proposal to acquire eight rental units located in the Westmoreland Village apartment complex in the Far West neighborhood.

Staff performed a threshold review for both applications. NEDCO's proposal met the minimum threshold requirements and was forwarded to the Evaluation Committee of the Housing Policy Board for review. The proposal from Cornerstone did not meet threshold requirements at the time of submission. Staff initiated discussions with Cornerstone to determine if threshold issues could be resolved in a timely manner. Cornerstone subsequently withdrew their proposal from consideration.

NEDCO's proposal was reviewed by staff and the Evaluation Committee of the Housing Policy Board. The Evaluation Committee was comprised of Councilor Chris Pryor, HPB at-large member Morgan Taylor, and Whitaker Community Council member Brad Foster. See *Attachment A* for a list of Evaluation Committee and Housing Policy Board Members.

City staff, NEDCO, and Looking Glass conducted neighborhood outreach through phone conversations and presentations to Whitaker Community Council (WCC) at meetings in September, October, and November to request involvement in the Evaluation Committee and keep neighbors informed about the proposed project. WCC members and meeting attendees expressed general support for the proposed project. One neighbor initially contacted the City with concerns but became supportive after learning more about the project and evaluation process.

Community members also had an opportunity to comment on the project through an advertised 30-day written comment period and a public hearing that was held by the Housing Policy Board. No written comments were received during the 30-day comment period and no one commented at the public hearing.

Summary of NEDCO Proposal to Acquire and Rehabilitate North Polk Apartments

The acquisition and rehabilitation of 12 one-bedroom apartments located at 89 North Polk Street is proposed as a partnership between NEDCO and Looking Glass to provide housing and services for young adults entering independence from foster care. One of the apartments would be converted to a studio apartment that would be accessible to a tenant with disabilities. A complete rehabilitation would be included as part of the project. If approved, the acquisition is scheduled to occur in February 2015, and the rehabilitation would be completed by August 2015. See *Attachment B* for a map of the site.

NEDCO proposes designating seven of the units as HOME units: five for households earning less than 30 percent of area median income (AMI) and two for households earning less than 50

percent of AMI, including the one accessible unit. One unit would be reserved for an on-site manager. The remaining four units would be for households earning less than 60 percent AMI, but rents would be capped at the 50 percent AMI level to maintain affordability. Initial rents are proposed to be \$444 - \$555 depending on income level. The project site is conveniently located near jobs, public transit, shopping, and other services. Given its proximity to railroad crossings, noise mitigation would be required.

The units are currently occupied. It is expected that most of the residents would be income-eligible to remain in the units after NEDCO acquired the property. Over-income residents or those wanting to relocate would be provided relocation assistance and housing placement counseling under the federal Uniform Relocation Act requirements at the time of acquisition. As the existing residents choose to move away, they would be replaced with young adults receiving case management, job training, and other services through Looking Glass. Residents would have the opportunity to receive financial literacy training and other services through NEDCO.

NEDCO requests a HOME grant of \$655,323 for the acquisition of the property and developer costs. An additional \$15,000 must be allocated to cover City of Eugene staff project delivery costs bringing the total HOME request to \$670,323. NEDCO will contribute \$57,000 to the project, and the property sellers will donate \$35,000. The agency anticipates receiving a Siuslaw Bank loan for \$250,000 and will apply to the City of Eugene for a Community Development Block Grant Rental Rehab Loan for \$264,215. The HOME Match generated by the project is \$342,000, which is 27 percent of the total development cost. NEDCO has applied for a Low-Income Rental Housing Property Tax Exemption for the property.

Housing Policy Board Recommendation

The HPB recommends providing HOME funds to North Polk Apartments as it is consistent with Eugene's goal of increasing the supply of affordable housing. In addition, the funds will help provide housing for a special needs population that does not currently have designated housing opportunities in the community. The HOME dollars contributed to this project would allow rents affordable to this population. The project cannot proceed without the requested HOME funds. *Attachment C* is the HPB's letter of recommendation.

RELATED CITY POLICIES

The City Council has established a priority to address homelessness in Eugene. The proposed project directly supports this objective by preserving and expanding affordable housing opportunities for very low and extremely low-income individuals who would be at risk of homelessness. The project supports other City priorities and policies including the Eugene-Springfield 2010 Consolidated Plan, Growth Management Policies, Envision Eugene, and the Housing Dispersal Policy.

Eugene-Springfield 2010 Consolidated Plan - This plan identifies a need for affordable housing for low-income persons and sets a five-year goal of developing 500 new units of affordable housing. The proposed projects directly support the objective by creating 11 multi-family rental units for very low-income young adults lacking familial support.

Eugene Adopted Growth Management Policies - The City of Eugene affordable housing

development programs and North Polk Apartments support multiple Growth Management Policies including:

- Encourage in-fill, mixed-use, redevelopment, and higher density development.
- Improve the appearance of buildings and landscapes.
- Provide for a greater variety of housing types.

Envision Eugene Plan – This plan identifies strategies and goals (pillars) that help the City of Eugene plan for growth over the next 20 years. The Envision Eugene proposal’s Housing Affordability pillar includes strategies to meet the growing and changing housing needs of Eugene residents by supporting subsidized affordable housing projects. Continuing to provide property tax exemptions to low-income rental housing developments has been identified as an action to help successfully implement this strategy.

Housing Dispersal Policy - The City Council has established a Housing Dispersal Policy which seeks to maximize housing choices for low-income families and integrate housing throughout the City of Eugene. All projects recommended by the Housing Policy Board to receive funding are located in appropriate census tracts and/or have previously been reviewed and determined to meet the intent of the Housing Dispersal Policy.

COUNCIL OPTIONS

1. Approve funding for North Polk Apartments as recommended by Housing Policy Board.
2. Approve funding with specific modifications as determined by the City Council.
3. Decline to approve funding for the proposed project.

CITY MANAGER’S RECOMMENDATION

The City Manager recommends option 1, approval of \$670,323 in HOME funding for acquisition, developer costs, and project delivery costs for the North Polk Apartments project as proposed by NEDCO.

SUGGESTED MOTION

Move to approve the use of \$670,323 in federal HOME funds for acquisition, developer costs, and project delivery costs for the North Polk Apartments project as proposed by NEDCO.

ATTACHMENTS

- A. List of Evaluation Committee and Housing Policy Board Members
- B. Map of Proposed Development
- C. Letter of Recommendation from Housing Policy Board

FOR MORE INFORMATION

Staff Contact: Ellen Meyi-Galloway, Housing Finance Analyst
Telephone: 541-682-5532
Staff E-Mail: Ellen.E.Meyi-Galloway@ci.eugene.or.us

ATTACHMENT A

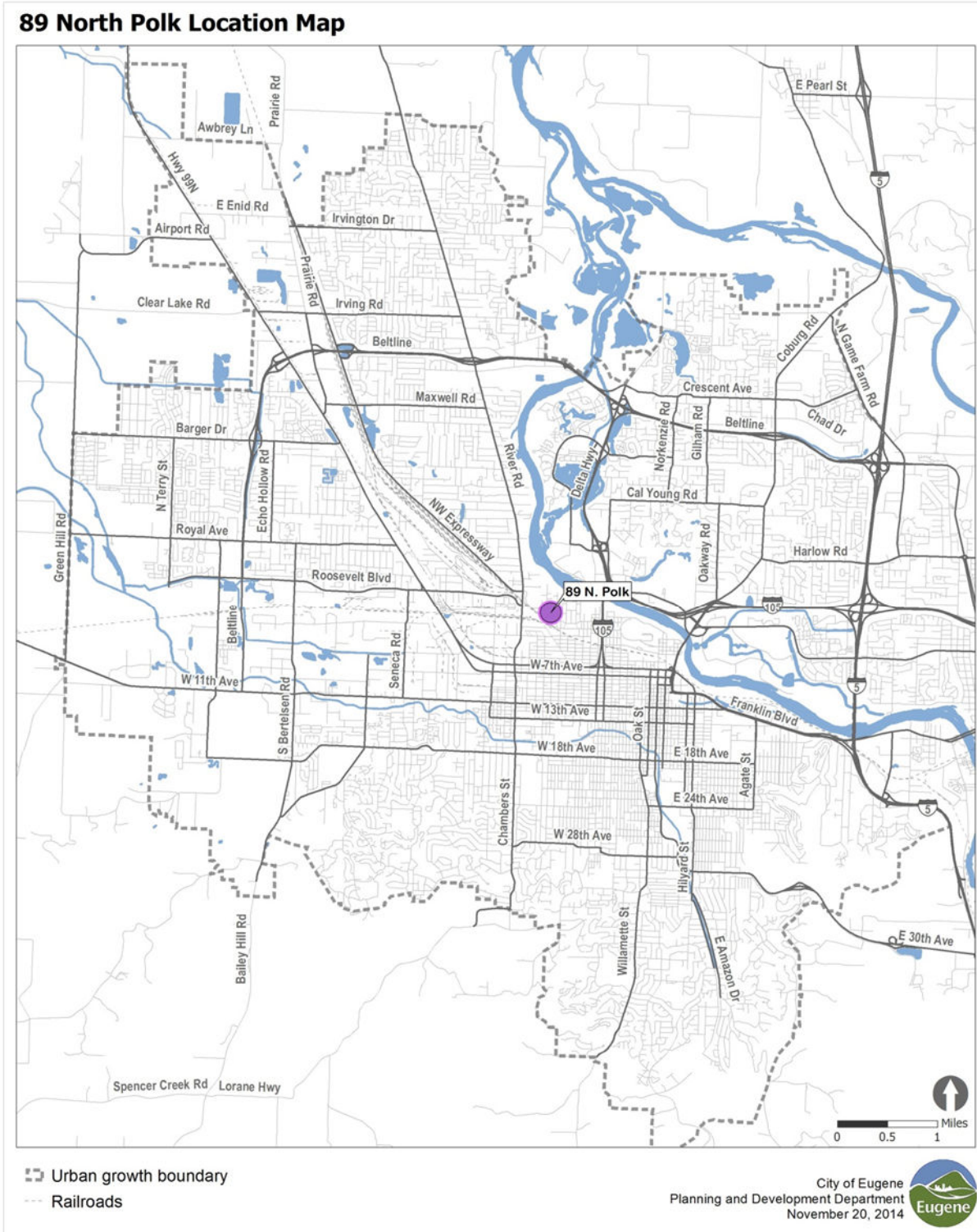
Evaluation Committee and Housing Policy Board Members

Evaluation Committee Members

1. Chris Pryor – Eugene City Councilor & Housing Policy Board Member
2. Morgan Taylor – Housing Policy Board At-Large Member
3. Brad Foster – Whiteaker Community Council Member, Neighbor of the proposed development

Housing Policy Board Members

1. Norton Cabell (chair)
2. Karen Clearwater
3. Jenna Fribley
4. Sid Leiken, Lane County Commissioner
5. Sheri Moore, City of Springfield Councilor
6. Chris Pryor, City of Eugene Councilor
7. Morgan Taylor
8. John Van Landingham



Caution: This map is based on imprecise source data, subject to change, and for general reference only.

ATTACHMENT C

Letter of Recommendation from Housing Policy Board

HOUSING POLICY BOARD
Eugene 🏠 **Lane County** 🏠 **Springfield** 🏠 **HACSA**

Date: November 24, 2014
 To: Mayor and City Council
 From: J. Norton Cabell, Chair, Intergovernmental Housing Policy Board
 Re: Approval of Funding and Use of City Resources for Housing Affordable to Low-Income Persons

At its meeting, Monday, November 3rd, 2014, the Housing Policy Board (HPB) unanimously voted to recommend the City Council approve the use of up to \$655,323 in HOME funds to Neighborhood Economic Development Corporation (NEDCO) for the acquisition and rehabilitation of North Polk Apartments, a 12-unit apartment building located at 89 North Polk Street. NEDCO will partner with Looking Glass to offer the 1-bedroom units for young adults aging out of foster care who receive ongoing services and job training through their programs.

The North Polk Apartments proposal is consistent with Eugene's goal of increasing the supply of affordable housing, and would be the first dedicated housing in the area for this target population. The newly rehabilitated units would be assets in the overall supply of affordable housing. In addition to the complete rehabilitation, one unit would be converted to a studio apartment fully accessible to a tenant with disabilities. The significant amount of HOME dollars contributed to this project would allow rent levels to be affordable to very low and extremely low-income households. The project could not be completed without the requested HOME funds.

The HPB also recommends providing a Low Income Rental Housing Property Tax Exemption (LIRHPTE) for the North Polk Apartments to further improve the affordability of the property. It would be difficult for the housing to remain affordable without the LIRHPTE.

The recommendations were made after a review of the Evaluation Committee's recommendation, a 30 day comment period (no comments were received), and a public hearing. The neighborhood has also expressed support for the project.

The North Polk Apartments proposal would provide needed affordable housing for young adults entering independence who are at risk of homelessness.

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Action: A Resolution Approving a Low-Income Rental Housing Property Tax Exemption for the Property Located at 89 North Polk Street, Eugene, Oregon (Neighborhood Economic Development Corporation/Applicant)

Meeting Date: December 8, 2014
 Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 8
 Staff Contact: Ellen Meyi-Galloway
 Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

The City Council is asked to approve a resolution for a 20-year Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for North Polk Apartments, located at 89 North Polk Street. The developer of the project is Neighborhood Economic Development Corporation (NEDCO). NEDCO has a conditional contract to purchase the property.

BACKGROUND

The City of Eugene utilizes federal and local subsidies to facilitate the development of housing affordable to low-income persons. The City issues a Housing Request for Proposals to identify proposed developments. The council may award land, federal HOME Investment Partnerships funds, and Systems Development Charge waivers to selected development proposals. These local resources are combined with state and federal subsidies in order to achieve rents affordable to low-income persons.

Approving the property tax exemption application for North Polk Apartments supports the Envision Eugene pillar of providing housing affordable to all income levels. The Envision Eugene Housing Affordability pillar includes strategies to meet the growing and changing housing needs of Eugene residents by supporting subsidized affordable housing projects. Continuing to provide property tax exemptions to low-income rental housing developments has been identified as an action to help successfully implement this strategy.

Summary of the LIRHPTE program

The City adopted the low-income rental housing property tax exemption program in 1990. Since then, Eugene has approved tax exemptions for 26 developments with over 1,200 units. In 2011, the council unanimously approved extending the 20-year LIRHPTE program for an additional 10 years. The approved ordinance also enables recipients to reapply for the 20-year LIRHPTE after the initial 20-year period has expired.

The council reviews each tax exemption request on a case-by-case basis. Most recently, the council

approved a LIRHPTE for Bascom Village Phase I in October 2014. If an application meets the substantive criteria [EC 9.239(3)(a)-(i)] as referenced in the Report and Recommendation (Attachment A), the City must grant the exemption by resolution (Attachment B). A decision to deny the exemption cannot be made by simple motion or inaction; it would need to be made by a resolution (Attachment C) that explains how the applicant has failed to demonstrate that the tax exemption is in the public interest.

Summary of Requested Tax Exemption for North Polk Apartments

The requested tax exemption is for North Polk Apartments, a proposed 12-unit affordable housing project that will provide rental housing to very-low-income households. NEDCO has a conditional contract to purchase the property if the proposal is approved by the City Council and if all contingencies are met. The proposed project was submitted through the City's 2014 Housing Request for Proposals. Other resources requested by NEDCO include \$670,323 in HOME funds and a Community Development Block Grant (CDBG) rental rehabilitation loan in the amount of \$264,215. The agency anticipates receiving a Siuslaw Bank loan for \$250,000. NEDCO will contribute \$57,000 to the project. If approved, the acquisition is scheduled to occur in February 2015 and the rehabilitation would be completed by August 2015.

The acquisition and rehabilitation of 12 one-bedroom apartments located at 89 North Polk Street is proposed as a partnership between NEDCO and Looking Glass to provide housing and services for young adults entering independence from foster care. One of the apartments would be converted to a studio apartment that would be accessible to a tenant with disabilities. A complete rehabilitation would be included as part of the project.

NEDCO proposes designating five for households earning less than 30 percent of area median income (AMI) and two for households earning less than 50 percent of AMI, including the one accessible unit. One unit would be reserved for an on-site manager. The remaining four units would be for households earning less than 60 percent AMI, but rents would be capped at the 50 percent AMI level to maintain affordability. Initial rents are proposed to be \$444 - \$555 depending on income level. The project site is conveniently located near jobs, public transit, shopping, and other services. Given its proximity to rail, noise mitigation would be required.

The units are currently occupied. It is expected that most of the residents would be income-eligible to remain in the units after NEDCO acquired the property. Over-income residents or those wanting to relocate would be provided relocation assistance and housing placement counseling under the federal Uniform Relocation Act requirements at the time of acquisition. As the existing residents choose to move away, they would be replaced with young adults receiving case management, job training, and other services through Looking Glass. Residents would have the opportunity to receive financial literacy training and other services through NEDCO.

The requested exemption meets the substantive criteria [EC 9.239(3)(a)-(i)] as shown in the Report and Recommendation (Attachment A).

RELATED CITY POLICIES

The proposed tax exemption supports multiple City priorities and policies including the Eugene-Springfield 2010 Consolidated Plan, Growth Management Policies, Envision Eugene, and the

Housing Dispersal Policy.

Eugene-Springfield 2010 Consolidated Plan - This plan identifies a need for affordable housing for low-income persons and sets a five-year goal of developing 500 new units of affordable housing. The proposed project directly supports the objective by creating 11 units for low-income households.

Eugene Adopted Growth Management Policies - The City of Eugene affordable housing development programs and North Polk Apartments support multiple Growth Management Policies including improving the appearance of buildings and landscapes, and providing for a greater variety of housing types.

Envision Eugene Plan – This plan identifies strategies and goals (pillars) that help the City of Eugene plan for growth over the next 20 years. The Envision Eugene proposal’s Housing Affordability pillar includes strategies to meet the growing and changing housing needs of Eugene residents by supporting subsidized affordable housing projects. Continuing to provide property tax exemptions to low-income rental housing developments has been identified as an action to help successfully implement this strategy.

Housing Dispersal Policy - The City Council has established a Housing Dispersal Policy which seeks to maximize housing choices for low-income households and integrate housing throughout the City of Eugene.

COUNCIL OPTIONS

1. Approve the tax exemption.
2. Deny the tax exemption.

CITY MANAGER’S RECOMMENDATION

The City Manager recommends option 1, to adopt the resolution granting a 20-year low-income rental housing property tax exemption for the property located at 89 North Polk Street, Eugene, Oregon (Assessor’s Property Account Number 0442101) if NEDCO becomes the owner of the property.

SUGGESTED MOTION

Move to adopt Resolution 5123, approving a 20-year low-income rental housing property tax exemption for the property located at 89 North Polk Street, Eugene, Oregon (Assessor’s Property Account Number 0442101) if NEDCO becomes the owner of the property.

ATTACHMENTS

- A. Report and Recommendation
- B. Resolution to approve the tax exemption
- C. Resolution to deny the tax exemption

Item 8.

FOR MORE INFORMATION

Staff Contact: Ellen Meyi-Galloway

Telephone: 541-682-5532

Staff E-Mail: Ellen.E.Meyi-Galloway@ci.eugene.or.us

ATTACHMENT A

**REPORT AND RECOMMENDATION
of the Community Development Manager
of the Planning and Development Department**

**Application of Neighborhood Economic Development Corporation
For Low Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property at 89 North Polk Street, Eugene, Oregon**

The Community Development Manager of the Planning and Development Department of the City of Eugene finds that:

1. Neighborhood Economic Development Corporation (NEDCO) has an option to purchase real property located at **89 North Polk Street**, Eugene, Oregon, 97402 (Assessor's Map 17-04-25-41; Tax Lot No. 4900; Assessor's Property Account Number 0442101). NEDCO ("the applicant"), located at 212 Main Street, Springfield, Oregon, 97477 has submitted an application pursuant to Subsection 2.939(3) of the Eugene Code, 1971, for an exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (Sections 2.937 to 2.940 of the Eugene Code, 1971).

2. I have reviewed the application and find that the applicant has submitted all materials, fees and documents required by the application, and is in compliance with the provisions of EC 2.939(3). Specifically I find:

- (a) The property, or portion thereof subject to the property tax exemption, will be occupied solely as a residence for low-income persons.
- (b) The applicant's application was filed prior to January 1, 2020.
- (c) The property is being purchased by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation as described under ORS 65.001(35).
- (d) The property is being purchased by a nonprofit corporation that expends no more than ten percent of its annual income from residential rentals for purposes other than acquisition, maintenance or repair of residential rental property for low-income persons, or for the provision of on-site child care services for the residents of the rental property.
- (e) The applicant has complied with the policies set forth in the Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption adopted by council Resolution No. 5028.
- (f) The proposed development is consistent with the city's housing dispersal policy.
- (g) The proposed development does not cause the displacement of low-income persons.
- (h) The proposed development does not cause destruction of historic properties.

and adopted city regulations and policies.

- (j) The applicant has executed, and agrees to maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement.
- (k) The applicant has consented in writing that for the duration of the tax exemption period, the city may inspect the property for which the exemption is granted.

3. Comments have been solicited from interested City departments, 4J School District, and the affected neighborhood groups. No comments have been received.

Therefore, based on the above findings, the proposed project conforms with all applicable City Code provisions, local plans, planning regulations, the Envision Eugene Plan, and the criteria set forth in the City's adopted Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption, and I recommend that the application be approved.

Dated this 21 day of November, 2014.

Print: Denny Braud

Sign: 

Community Development Manager of the Planning and Development Department



ATTACHMENT B

RESOLUTION NO. _____

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE PROPERTY LOCATED AT 89 NORTH POLK STREET, EUGENE, OREGON. (Neighborhood Economic Development Corporation (NEDCO) / Applicant.)

The City Council of the City of Eugene finds that:

A. Neighborhood Economic Development Corporation (NEDCO) has entered into a Commercial Real Estate Sale Agreement to purchase real property located at 89 North Polk Street, Eugene, Oregon, 97402 (Assessor's Map 17-04-25-41, Tax Lot 4900; Assessor's Property Account Number 0442101) owned by John Martin, Judith Martin and Richard Gordon, located at 751 Eucalyptus Avenue, Navato, California, 94947. NEDCO, located at 212 Main Street, Springfield, Oregon 97477, has submitted an application pursuant to Subsection 2.939(3) of the Eugene Code, 1971, for an exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (Sections 2.937 to 2.940 of the Eugene Code, 1971). Finalization of the sale of the property to NEDCO is dependent, in part, on City Council's approval of the purchase by NEDCO.

B. The tax exemption is being sought for 12 residential units currently existing on the property at 89 North Polk, all of which will be used for low-income housing, and residential common areas. The units will undergo rehabilitation which is expected to be completed by August of 2015.

C. The Community Development Manager of the Planning and Development Department, as designee of the City Manager, has prepared a Report and Recommendation recommending that the application be approved and the exemption granted. In making that recommendation, the Community Development Manager found that the applicant submitted all materials, documents and fees required by the application and Section 2.938(1) of the Eugene Code, 1971, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 5028. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in Section 2.939(3) of the Eugene Code, 1971.

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. Based upon the above findings, the City Council approves NEDCO's application for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property located at 89 North Polk Street, Eugene, Oregon, 97402 (Assessor's Map 17-04-25-41, Tax Lot 4900; Assessor's Property Account Number 0442101), which will consist of 12 residential units and residential common areas. All units shall be offered for rent to persons whose earnings fall at or below 60% of the Area Median Income based on their family size.

Section 2. Subject to the condition precedent set forth in Section 3 of this Resolution, the land and units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2015, and continuing for a continuous period of twenty (20) years unless earlier terminated in accordance with the provisions of Section 2.940 of the Eugene Code, 1971, which provides for termination after an opportunity to be heard if:

2.1 Construction or development of the exempt property differs from the construction or development described in the application for exemption, or was not completed by January 1, 2020, and no extensions or exceptions were granted; or

2.2 The applicant fails to comply with provisions of ORS 307.515 to 307.523, provisions of the Eugene Code, 1971, the Standards and Guidelines adopted by Council Resolution No. 5028, or any conditions imposed in this Resolution.

The tax exemption shall be terminated immediately, without right of notice or appeal, pursuant to the provisions of ORS 307.531 in the event that the county assessor determines that a change of use to other than that allowed has occurred for the housing unit, or portion thereof, or, if after the date of this approval, a declaration as defined in ORS 100.005 is presented to the county assessor or tax collector for approval under ORS 100.110.

Section 3. The tax exemption shall not take effect unless or until closing occurs on the purchase of the property by NEDCO.

Section 4. The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within ten days from the date of adoption of this Resolution, and to cause a copy of this Resolution to be filed with the Lane County Assessor on or before April 1, 2015. The copy of the Resolution sent to the applicant shall be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period and the effects of the termination.

Section 5. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the ___ day of December, 2014.

City Recorder

ATTACHMENT C

RESOLUTION NO. _____

A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE PROPERTY LOCATED AT 89 NORTH POLK STREET, EUGENE, OREGON. (Neighborhood Economic Development Corporation (NEDCO) / Applicant.)

The City Council of the City of Eugene finds that:

A. Neighborhood Economic Development Corporation (NEDCO) has entered into a Commercial Real Estate Sale Agreement to purchase real property located at 89 North Polk Street, Eugene, Oregon, 97402 (Assessor's Map 17-04-25-41, Tax Lot 4900; Assessor's Property Account Number 0442101) owned by John Martin, Judith Martin and Richard Gordon, located at 751 Eucalyptus Avenue, Navato, California, 94947. NEDCO, located at 212 Main Street, Springfield, Oregon 97477, has submitted an application pursuant to Subsection 2.939(3) of the Eugene Code, 1971, for an exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (Sections 2.937 to 2.940 of the Eugene Code, 1971). Finalization of the sale of the property to NEDCO is dependent, in part, on City Council's approval of the purchase by NEDCO.

B. The tax exemption is being sought for 12 residential units currently existing on the property at 89 North Polk, all of which will be used for low-income housing, and residential common areas. The units will undergo rehabilitation which is expected to be completed by August of 2015.

C. The Community Development Manager of the Planning and Development Department, as designee of the City Manager, has prepared a Report and Recommendation recommending that the application be approved and the exemption granted. In making that recommendation, the Community Development Manager found that the applicant submitted all materials, documents and fees required by the application and Section 2.938(1) of the Eugene Code, 1971, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 5028. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in Section 2.939(3) of the Eugene Code, 1971.

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. Notwithstanding the findings in the Community Development Manager's Report and Recommendation, the City Council denies NEDCO's application for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property located at 89 North Polk Street, Eugene, Oregon, 97402 (Assessor's Map 17-04-25-41; Tax Lot 4900; Assessor's Property Account Number 0442101), because the applicant has failed to demonstrate that it is qualified for the tax exemption.

Item 8.

Section 2. The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within ten days from the date of adoption of this Resolution, along with a notice informing the applicant of the right to appeal in the manner set forth in ORS 34.010 to 34.100.

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

The foregoing Resolution adopted the ___ day of December, 2014.

City Recorder

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: Cell Towers

Meeting Date: December 8, 2014
 Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 9
 Staff Contact: Steve Nystrom
 Contact Telephone Number: 541-682-8385

ISSUE STATEMENT

This work session regarding cell towers in Eugene is in response to the City Council's request to review the federal limitations placed on local regulations and the requirements employed by other jurisdictions. This is an informational session and no formal action is required.

BACKGROUND

The purpose of this work session is to:

1. Review the limitations imposed by the Federal Communications Commission (FCC) related to telecom facilities.
2. Explore telecom code requirements imposed by Lane County and the City of Beaverton and determine if any future updates are necessary.

Overview of City Ordinance

In 1997, the City adopted its telecommunications ordinance in response to the federal government's Telecommunication Act (1996). Following its adoption and successful defense to legal challenge, it was considered a model ordinance for other cities.

The City ordinance was developed with the following key objectives:

- Encourage new antennae to be co-located on existing towers, utility poles and buildings rather than constructing new towers
- Where towers are necessary, encourage them to be located away from sensitive areas (e.g. residential land)
- Establish requirements that minimize visual and noise impacts to the community

To accomplish these objectives, the City established a tiered approach which provides reduced application processes as an incentive. For example, proposals that co-locate antenna on existing towers or structures require less application procedures than do new towers in the same zoning district. Conversely, the ordinance discourages new towers in more sensitive locations, such as residential areas, by requiring the most intensive public review process and requirements. In all

cases, towers are required to meet an extensive set of development standards.

Review of telecommunication permits shows that the City has been successful in achieving these objectives. Approximately 75 antenna facilities have been co-located on existing towers and structures since the ordinance was adopted in 1997, while only 14 new cell towers have been constructed during that timeframe (Attachment A). Of those new towers, the majority are located on industrial lands, with some additional towers on commercial land. It's worth noting that most of the 14 towers were constructed in the first few years following adoption of the ordinance. Over the last 10 years, only three towers have been constructed.

While no (post ordinance adoption) towers currently exist on residential property, two recent applications have been approved on sites adjacent to residential areas (Oakway Golf Course and Rest Haven Cemetery). Both of these requests went through extensive public processes (including appeals) and were required to meet numerous development, design and screening requirements to mitigate impacts to nearby residents. As of this date, neither has been constructed.

Federal Law

The Federal Telecommunications Act was enacted in 1996. One element of this act addresses the role of local governments in regulating telecom facilities. In general, the act preserves local government's authority to apply zoning regulations addressing the location, design and construction of cell towers (and other related facilities), but imposes the following limitations.

Local government regulations:

- May not unreasonably discriminate among providers of functionally equivalent services.
- May not prohibit or "have the effect of prohibiting" the provision of personal wireless services.
- May not regulate cell towers or related facilities based on radio frequency (RF) emissions, so long as a provider complies with FCC standards on RF emissions. A local government may not deny a cell tower permit based on RF emission concerns.
- Must base any denial of a cell tower/facility on substantial evidence in a written record and make any denial decision in writing.
- Must act on an application within a "reasonable time" (150 days for new towers).

While these provisions allow local governments a certain amount of discretion in how to regulate telecom facilities, many local jurisdictions across the country continue to face intense scrutiny (including legal challenges) from the telecom industry regarding the adoption and implementation of telecommunication regulations. In fact, as recently as 2012, federal legislation was adopted to limit local government authority regarding modifications of existing wireless towers. The FCC is currently conducting proceedings on rulemaking to implement legislation that could greatly impact local government authority over some aspects of wireless siting decisions. As local governments vigorously lobby to maintain their local authority, it's incumbent upon local governments to be prudent in how they exercise this authority.

Review of Other Jurisdictions

As requested, staff has evaluated specific provisions from two other jurisdictions:

Lane County

The telecommunications standards for Lane County include a provision which requires that new

towers be setback at least 1,200 feet from any dwelling or school. The question raised for this work session is whether something similar could be imposed in Eugene. Given the relatively sparse development patterns in the county, significant setbacks such as this may be possible while still maintaining reasonable location options for cell providers. However, in Eugene, the relatively compact level of development makes such standards much more difficult to consider. Eugene staff explored this issue with the council several years ago and concluded that the vast majority of the city would be excluded from consideration, including most commercial areas, and large portions of industrial land (see Attachment B). Even if a significantly smaller setback (600 ft.) were imposed (Attachment C). The map reflects that a similar area of the city would remain excluded. In short, such measures, if applied to Eugene, could raise serious legal risk regarding compliance with the Federal Telecommunication Act.

Beaverton

Staff was also asked if there is anything to learn from Beaverton's code. Staff has reviewed their provisions and would generally conclude that Beaverton's ordinance is quite similar to Eugene's. Like Eugene, Beaverton employs a tiered approach which encourages co-location over new towers, and encourages tower locations in their industrial and commercial zones over residential. Staff has provided a comparison chart (Attachment D) to illustrate some of the key features of both ordinances as it relates to towers in residential areas. Following are a few interesting distinctions:

- Eugene prohibits towers in several zoning districts including its medium and high density residential zones, while it appears towers are allowed in all zones within Beaverton.
- Eugene requires a 2,000-foot separation between towers. Beaverton does not have such a requirement.
- Eugene requires the ancillary equipment to be underground and meet a 45 decibel limit. Beaverton allows the equipment above ground and has no specific noise standards.
- Eugene requires an independent review by a telecom expert to verify the applicant's technical reports. Beaverton does not appear to have a similar requirement.

Conclusion

Based on the information above, staff offers the following observations:

- 1) Co-location of telecom facilities, rather than new tower construction, continues to be the dominant trend in Eugene.
- 2) The pace of new tower construction is relatively low (one every two or three years).
- 3) Eugene's telecom regulations compare favorably to other Oregon communities discussed above.
- 4) As the federal government considers whether to further restrict local government authority (related to telecom regulations), any future action by cities that are perceived as more restrictive will likely draw significant attention from both the federal government and the telecom industry.

COUNCIL OPTIONS

This matter is before the City Council as a discussion item. No action is required.

CITY MANAGER'S RECOMMENDATION

No recommendation is necessary as this is a discussion item.

SUGGESTED MOTION

None.

ATTACHMENTS

- A. Cell Tower Map
- B. Residential Setback Map: 1,200 ft. buffer
- C. Residential Setback Map: 600 ft. buffer
- D. Code Comparison chart

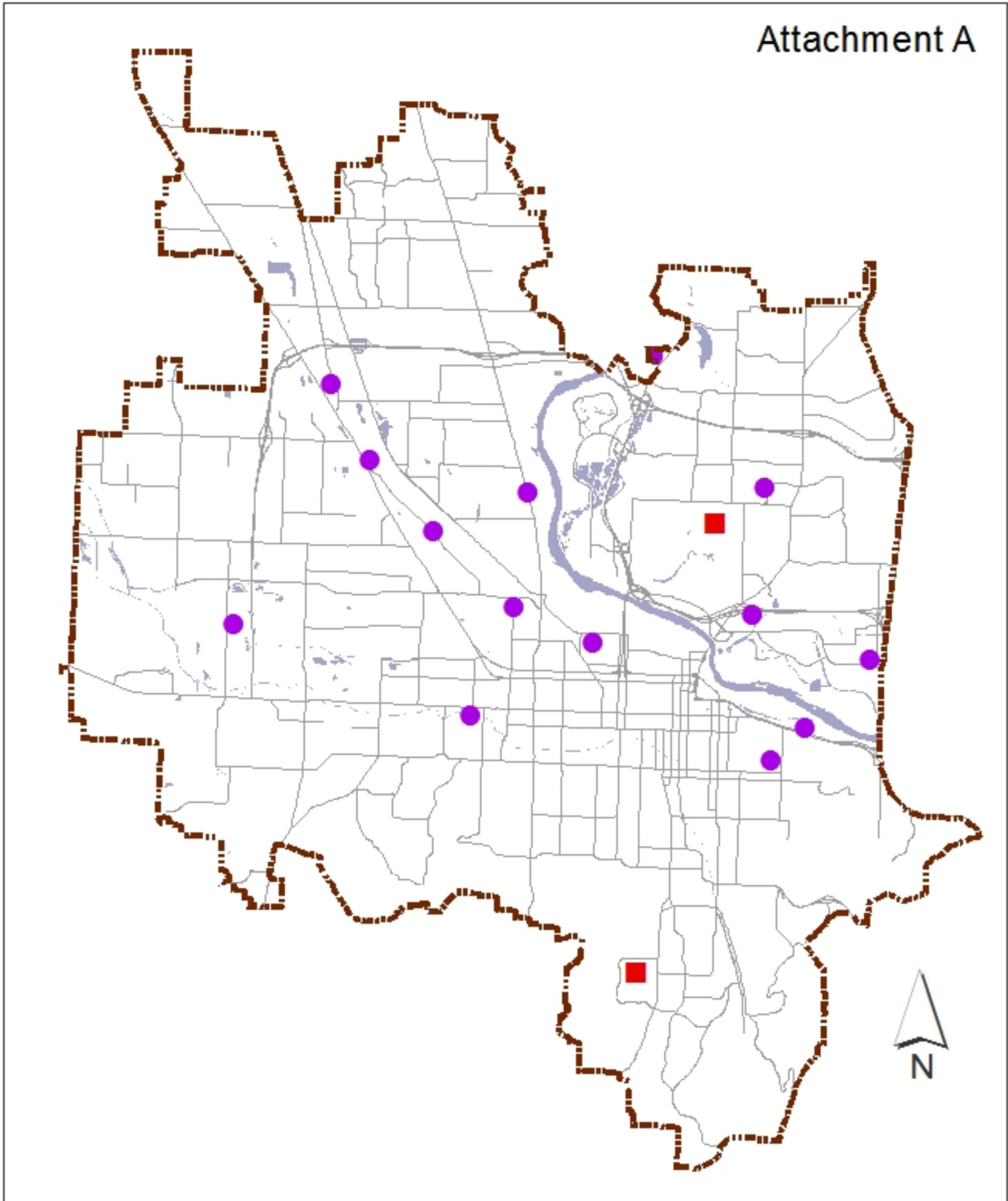
FOR MORE INFORMATION

Staff Contact: Steve Nystrom, Principal Planner
Telephone: 541-682-8385
Staff E-Mail: Steven.a.nystrom@ci.eugene.or.us

Cell Tower Locations 1997 - Present



Attachment A

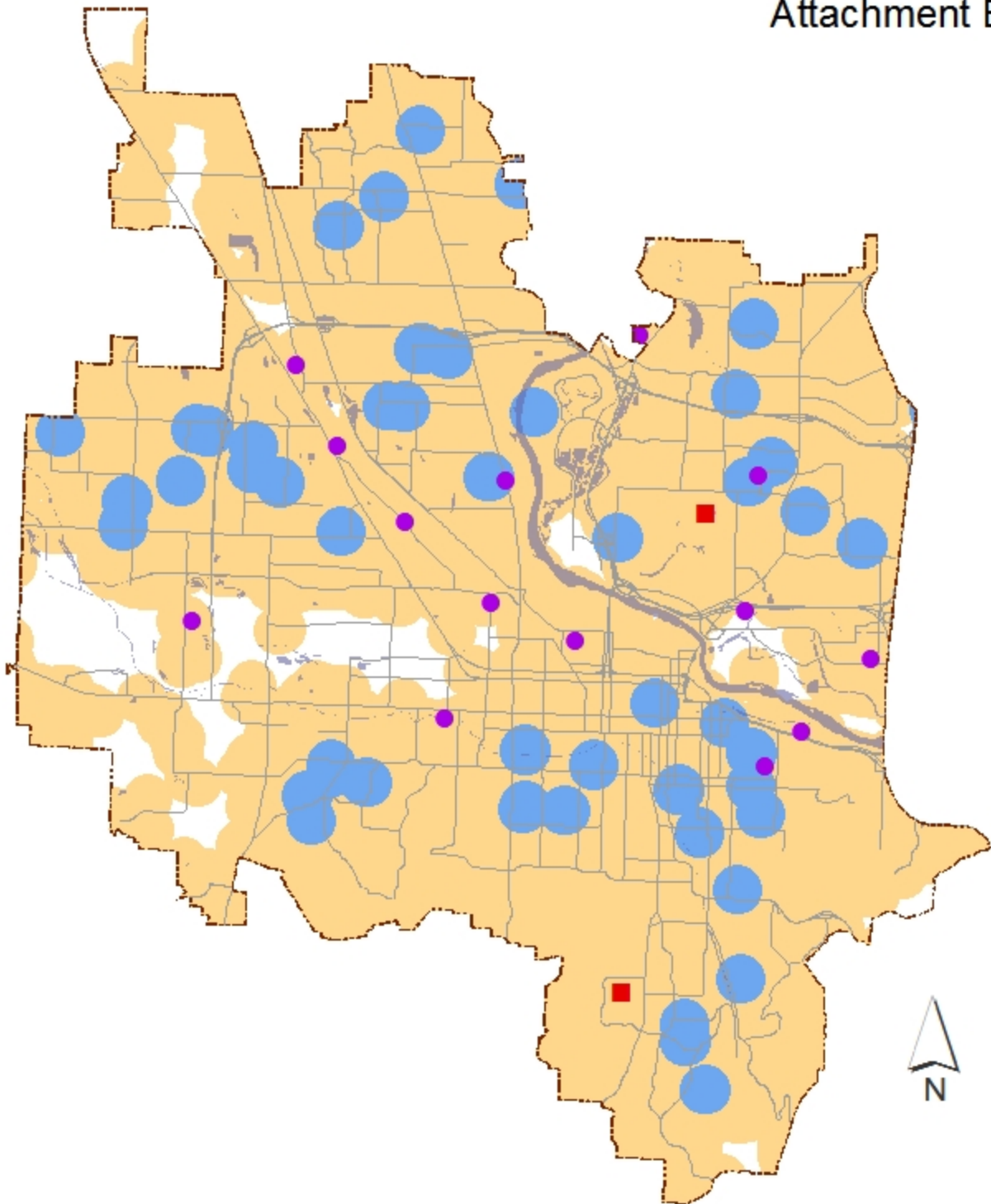


- Cell Towers Constructed after adoption of Telecommunication Ordinance (2/24/97)
- Towers approved, but not yet constructed

Residential and School Buffers, 1200 feet



Attachment B



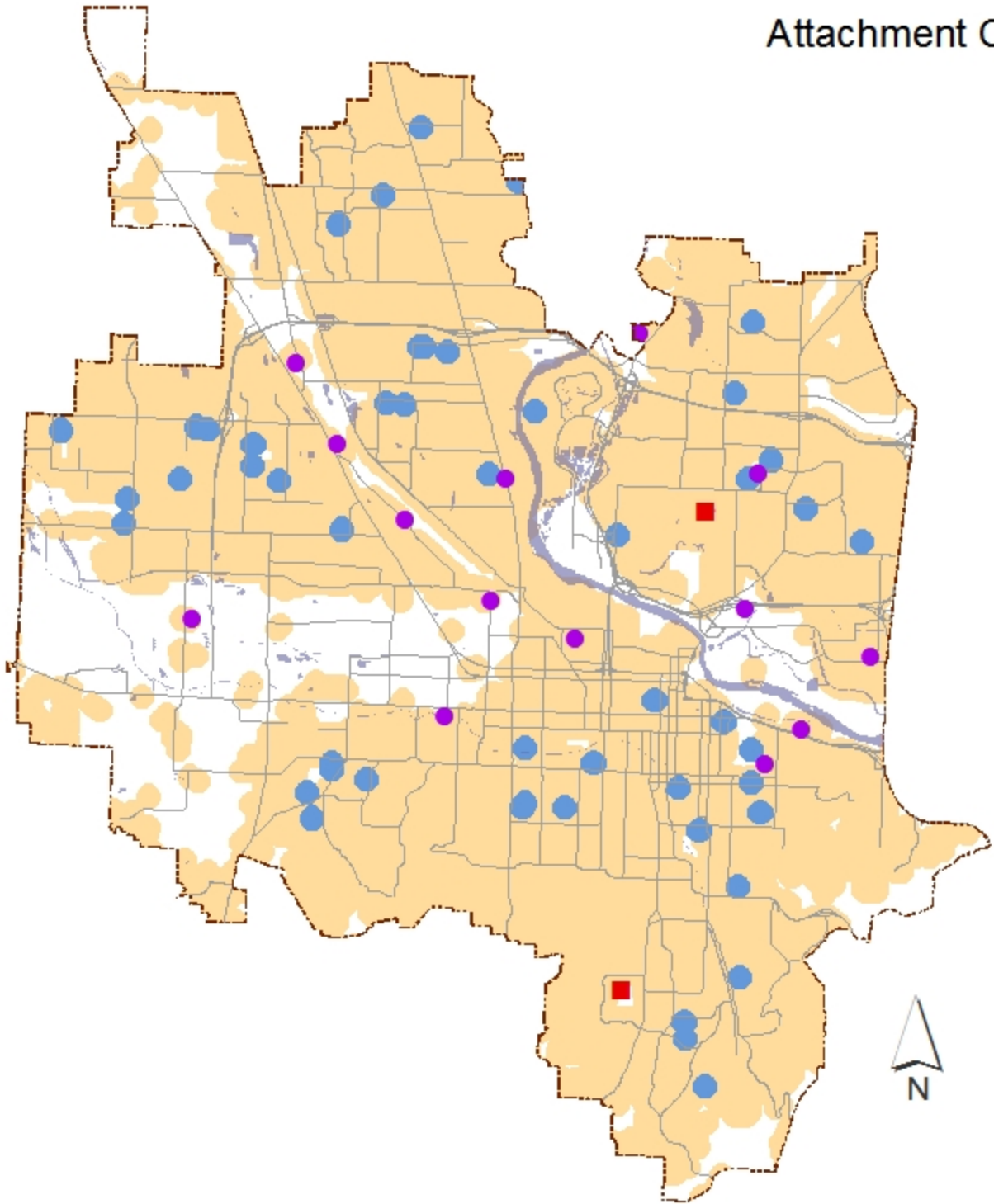
- Cell Towers Constructed after adoption of Telecommunication Ordinance (2/24/97)
- Towers approved, but not yet constructed
- 1200 ft. buffer from residences
- 1200 ft. buffer from schools

Caution: This map is based on imprecise source data, subject to change, and for general reference only.

Residential and School Buffers, 600 feet



Attachment C



- Cell Towers Constructed after adoption of Telecommunication Ordinance (2/24/97)
- Towers approved, but not yet constructed
- 600 ft. buffer from schools
- 600 ft. buffer from residences

Attachment D

Telecommunication Facilities: Comparison of key code provisions in residential zones

Residential Standard	City of Eugene	City of Beaverton
New Towers: Prohibited zones	R-2, R-3, R-4, AG, Historic (H), Natural Resource(NR), Park, Recreation and Open Space Zone (PRO); also prohibited in Willamette Greenway, Gillespie Butte and ridgeline	None. Allowed in all zones
New Towers: Land Use Process	<ul style="list-style-type: none"> • R-1: Type III public hearing process (Conditional Use Permit) • R-2, R-3, R-4: Prohibited 	All zones: Type III public hearing process (Conditional Use Permit)
Independent review	3 rd party technical review of applicant's materials required	No independent review required
Separation between towers	New towers must be 2000 feet or greater from existing towers	No specific requirement.
Co-location	Tower must be able to accommodate 2 providers	Tower must be able to accommodate 2 providers
Height Limits: New Towers	R-1: 75 feet	All residential zones: 80 feet
Minimum Setbacks: New Towers	Equal to height of the tower	Equal to height of the tower + 5 feet
Mechanical Equipment	Must be underground	Allowed above ground, in enclosed structure
Noise Impacts	Maximum of 45 decibels allowed at the property line	Baffling or sound barriers required but no noise limits specified
Landscape screening	6 ft. high, dense evergreen screening required around tower	City <u>may</u> require landscape screening; 10 foot high evergreen, every 30 feet