



# URBAN RENEWAL AGENCY

## AGENDA ITEM SUMMARY

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### Work Session: Eugene Water & Electric Board Riverfront Redevelopment – Agency’s Role

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Meeting Date: January 11, 2016  
Department: Planning & Development  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item: A  
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#### ISSUE STATEMENT

In partnership with the Eugene Water & Electric Board (EWEB), the City has been preparing for the redevelopment of the downtown riverfront property. At this work session, the Agency Board is asked to consider terms for an agreement between the Urban Renewal Agency (Agency) and EWEB that would put the City in the lead role regarding the negotiation, disposition, and redevelopment of approximately 17 acres of surplus EWEB riverfront property.

#### BACKGROUND

At its January 5, 2016, meeting, the EWEB Board directed the General Manager to finalize the terms for a Memorandum of Understanding agreement between the Agency and EWEB consistent with the terms included in Attachment A. The agreement, an important step towards the future sale and redevelopment of the property, would shift the developer negotiations and sale efforts to the Agency.

To date, EWEB has spent considerable time and financial resources preparing the surplus property for future sale and redevelopment. This includes an extensive master planning process, decommissioning of surplus buildings, environmental testing, and a Request for Qualifications (RFQ) selection process. At this point, EWEB and the Agency want to partner in an expanded way to reach the mutual goals in which the community is invested.

Redevelopment of the riverfront property presents a unique opportunity to transform the former industrial and utility use into an iconic waterfront that reflects the values of compact urban development, economic opportunity, neighborhood livability, and enhanced natural resources expressed in the Envision Eugene pillars. The significant multi-year public engagement regarding the redevelopment of the river, as depicted in the Riverfront Master Plan and codified through zoning, reflects the importance that the community places on this property. The EWEB property is the downtown riverfront; its redevelopment needs to positively impact the entire community.

This signature redevelopment has the unparalleled potential to achieve the following objectives:

- Create a new downtown neighborhood;

- Provide an inviting place along the river for the entire community;
- Enhance connectivity along the riverfront path system;
- Strengthen the economic identity of the region with continued investment and enhancements in the downtown core area;
- Build towards a regional river district concept, outlined in the Lane Livability Consortium; and
- Create an iconic destination for the 2021 World Track and Field Championships event that will ultimately provide long-lasting benefit for the entire community.

Both the City and EWEB are public agencies committed to serving the community and ensuring the best use of resources – while EWEB is focused on the important work of providing critical utilities, one of the primary focuses of the Agency is to implement the redevelopment of the riverfront. As lead agent for the project, the Agency would:

- Utilize its downtown redevelopment expertise and tools to keep the project momentum moving forward; and
- More directly influence purchaser qualifications, project quality, consistency with adopted redevelopment goals, and timely redevelopment of the site.

The Agency-EWEB agreement would provide EWEB with an Agency-guaranteed price to be paid within five years, with no requirement that the Agency assume ownership of the property at any time before or after the five-year period. Guaranteeing a price for EWEB allows EWEB to fully delegate negotiation and sale responsibility. As has been used in past downtown redevelopment (such as the new Lane Community College downtown building), selling property at less than its market value could be an option to advance the goals of the Master Plan. The Agency’s risk in guaranteeing a price and not recouping it from subsequent property transactions is mitigated by the significant long-run benefit from a redeveloped riverfront consistent with the Master Plan, including tax revenue, jobs, regional identity, and environmental/open space enhancements. The project will define the downtown riverfront for the next century. An active and invested Agency is a critical piece to shape this legacy.

*Williams & Dame Development:* Following the withdrawal of the University of Oregon Foundation team from the RFQ process, and consistent with the RFQ’s stated solicitation process, EWEB contacted the other RFQ development team finalist to gauge interest in pursuing redevelopment of the site. Portland-based Williams & Dame Development expressed interest in the project, and the EWEB Board subsequently provided direction to enter into discussions with their team. EWEB, the City, and Williams & Dame have been working on a draft exclusive negotiation agreement that would provide approximately six months for Williams & Dame to conduct due diligence on the EWEB Riverfront property to determine the terms and conditions under which they would want to work on the redevelopment. At its January 5 meeting, the EWEB Board authorized the exclusive negotiation agreement.

## **RELATED CITY POLICIES**

Redevelopment of the EWEB Riverfront property supports many goals for Eugene and downtown, as listed below. As this project moves into the implementation phase, the City’s primary focus

throughout will be guiding redevelopment of the property aligned with the community's vision as expressed in these adopted plans and policies.

#### *Eugene Downtown Plan*

- Incorporate the Willamette River as an integral element to downtown planning and development.
- Collaborate with EWEB to encourage relocation of their utility facilities. Create a "people place" that is active, vibrant, accessible and multi-use.
- Facilitate dense development in the courthouse area and other sites between the core of downtown and the river.
- 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.
- 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.
- Promote adjacent park and open space areas as a valuable complement to downtown's urban places. Improve connections between downtown and nearby nature areas.

#### *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.
- Provide ample economic opportunities for all community members.
- Protect, repair, and enhance neighborhood livability.
- Protect, restore, and enhance natural resources.

#### *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.

#### *Eugene Climate & Energy Action Plan*

- Increase density around the urban core and along high-capacity transit corridors

- Continue to expand and improve Eugene's bicycle and pedestrian infrastructure and connectivity to increase the percentage of trips made by bike and on foot.

*City Council Goal of Sustainable Development*

Increased downtown development

### **AGENCY BOARD OPTIONS**

1. Approve the terms included in Attachment A, and direct the Agency Director to finalize an agreement with EWEB consistent with the terms.
2. Amend the terms included in Attachment A, and direct the Agency Director to finalize an agreement consistent with the amended terms.
3. Take no action at this time, or do not move forward with the proposed terms.

### **AGENCY DIRECTOR'S RECOMMENDATION**

The Agency Director recommends that an agreement with EWEB be finalized consistent with the terms included in Attachment A.

### **SUGGESTED MOTION**

Move to authorize the Agency Director to execute an agreement with EWEB related to the negotiation, disposition, and redevelopment of the EWEB Riverfront property consistent with the outline of terms included in Attachment A.

### **ATTACHMENTS**

A. Outline of Terms

### **FOR MORE INFORMATION**

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