

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: Ordinance on Downtown Urban Renewal Plan Amendment

Meeting Date: May 25, 2016
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: A
Staff Contact: Amanda Nobel
Contact Telephone Number: 541-682-5535

ISSUE STATEMENT

The City Council will review comments received from the public, Planning Commission, and overlapping taxing districts on a proposed ordinance to amend the Downtown Urban Renewal Plan. As a result of the review, the council may direct the City Manager to prepare amendments to the ordinance prior to consideration of the ordinance on June 13.

BACKGROUND

The council's discussion of downtown improvements is part of a larger effort on economic prosperity and fostering a welcoming downtown for everyone. (See Attachment A for a summary of council discussions and actions on downtown improvements since December 2015.) On March 14, 2016, the Urban Renewal Agency Board started a process to amend the Downtown Urban Renewal Plan as a funding option for a package of downtown projects. The proposed amendments in the draft ordinance would:

- 1) increase the spending limit (maximum indebtedness) by an amount the council sets prior to adopting the ordinance - not to exceed \$48 million - to be able to pay for the four specific projects described below, and
- 2) expand the Downtown District boundary to be able to incorporate the East Park Block area for the Park Blocks improvements and the City Hall block for potential improvement to the City Hall Plaza and other open space enhancements along 8th Avenue.

The four projects that the Agency Board requested be included in the proposed plan amendment are: 1) creation of a high-speed fiber network downtown, 2) Park Blocks/open space improvements, 3) a permanent, improved space for a possible year-round Farmers' Market, and 4) redevelopment of the former Lane Community College (LCC) Downtown Center at 1059 Willamette Street.

State law requires a "substantial plan amendment" for the council to increase the maximum indebtedness or to increase the district boundary by more than one percent. The substantial amendment process requires a mailed notification to all Eugene property owners; review by the Planning Commission; notification to other impacted taxing districts; and a public hearing. The

proposed ordinance for the 2016 amendment is included as Attachment B. (The proposed plan and the report on the plan are included as Exhibits A and B to the ordinance.)

Public Comment: A public notice was mailed to Eugene property owners on April 18. On May 23, the council held a public hearing on the proposed ordinance. Comments submitted via email and in writing as of May 18 are included as Attachment C. A binder of the public record is in the Council Office for review by councilors, which includes those submitted written comments and copies of the notices. (The public may access the public record at the front desk of the Atrium Building at 99 West 10th Avenue, Monday through Friday 9 a.m. to 5 p.m.)

Planning Commission: The Planning Commission discussed the amendments on May 9 and adopted a motion recommending “council approval of the amendments based on the Planning Commission’s review of the proposed new boundary and the new projects contemplated in the Plan with respect to their consistency with the City’s planning policies. The motion does not include consideration of the financial aspects of the plan.” (*Passed 4:3 Mills, Baker, and Barofsky opposed*). The Planning Commission also emphasized its support for the boundary expansion to include connecting the Downtown District to the Riverfront District along 8th Avenue so that urban renewal funds can be used to make improvements as part of the Willamette to Willamette Initiative. Several commissioners expressed the following additional comments: a) concerns that expanding the boundary to include the City Hall block (as opposed to just 8th Avenue) may exacerbate public frustration over the City Hall project and incorrectly give the impression that the council wants to fill the \$7 million budget gap with urban renewal funds, b) concerns that scope and scale for individual projects is too broadly defined, and c) encouragement to make the public process transparent, including the council’s process for refining/deciding the specific spending. The Planning Commission meeting is available for viewing online: <http://www.eugene-or.gov/2109/Planning-Commission-Webcasts>

Taxing Districts: The overlapping taxing districts (School District 4J, Lane Education Service District, LCC, and Lane County) were sent notifications in writing on April 15 of the proposed plan amendment and provided a copy of the plan and report.

The School District 4J Board discussed the proposed plan amendment on May 4; the Board voted 7:0 on May 18 “to concur with the Eugene City Council’s proposed plan amendment to increase maximum indebtedness for the Downtown Urban Renewal District by up to \$48 million in accordance with ORS 457.220 and 457.470(7)”.

On May 11, the LCC Board of Directors discussed their building, reviewed the proposed plan amendment, and voted 6:0 to support the proposed projects, specifically the LCC Downtown Center project, for inclusion in the Downtown Urban Renewal Plan amendment and the use of tax increment financing as the funding mechanism.

The Lane County Board of County Commissioners (BCC) reviewed the proposed plan amendment on May 17, expressed support for the amendment, and voted to review a letter of support on Tuesday, May 24. Staff will provide the council with any written comments received from Lane County at the May 25 council work session.

Timing

To keep Downtown Urban Renewal as a possible funding option, the Agency Board would need to amend the plan on or before June 13 (or July 25 if the council elects to put the ordinance on the November ballot) in order to retain the current level of tax increment revenues.

Project preparations (design engineering for fiber, property negotiations for Farmers' Market, public engagement for Park Blocks/open space improvements, and LCC's decision on next steps for its building) would occur over the next several months, all of which could inform the council's final decisions about funding the projects, including using Downtown Urban Renewal. Prior to undertaking any projects, each project would need to receive budget approval through the Agency Board. This is separate from the amendment process and would occur later, once project details are known and reviewed through the budget process, which includes public hearings. See Attachment D for a visual representation of the project approval process.

RELATED CITY POLICIES

High-speed fiber, Park Blocks/open space improvements, year-round Farmers' Market, and activating the old LCC building address many goals for Eugene and downtown, including:

Envision Eugene Pillars

- Provide ample economic opportunities for all community members.
- Promote compact urban development and efficient transportation options.
- Protect, repair and enhance neighborhood livability.
- Provide for adaptable, flexible and collaborative implementation.

Regional Prosperity Economic Development Plan

- Strategy 1. Grow Local Opportunities
 - Our region is an excellent environment to foster the start-up and growth of new enterprises. Building the success and competitiveness of local businesses is a fundamental strategy to create quality jobs as we move our economy forward. As a region, our mission is to foster an environment that nurtures this culture of enterprise and provides a welcome home for targeted key industries.
- Strategy 2. Energize a Creative Economy – Priority Next Step – Innovation Incubators
 - Incubate innovation by using private and public networks and spaces. Incubation sites should be flexibly configured to meet a wide range of business needs including specialized laboratory space to support technological innovation.
- Strategy 3. Invest in Tomorrow's Talent – Tactic 3.3
 - Attract entrepreneurial and innovative talent by building a culture that values learning, the entrepreneurial spirit, acceptance, diversity, and creativity.
- 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

- Downtown development shall support the urban qualities of density, vitality, livability and diversity to create a downtown, urban environment.
- Emphasize Broadway, Willamette Street, 5th and 8th avenues as Great Streets through public improvements and development guidelines. Include portions of these streets as follows:
 - 8th Avenue between Willamette Street and the Willamette River.
- Enhance public places throughout downtown through the careful design of civic buildings, streetscapes, parks and plazas. Include public art and other elements to create special places for all ages.
- Connect special places downtown with enhanced street designs, public art, directional signs, transit routes and historic markers to create an inviting and memorable route through downtown.
- Support public safety activities that increase visibility, access actual and perceived safety for individuals and property downtown.
- Enhance functional designs for streets, sidewalks and related public improvements with carefully chosen design elements, including materials, alignments, plantings and streetscape elements.
- Use downtown development tools and incentives to encourage development that provides character and density downtown.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.

Climate Recovery Ordinance

An active, inviting, well-designed public open space downtown enhances walkability and livability, supports downtown as a 20-minute neighborhood, and reduces reliance on fossil fuels.

A number of financial policies would guide the creation of the final finance plan, including the City's debt policies.

COUNCIL OPTIONS

1. Vote on the ordinance as written on June 13 (or by July 25, if the council wishes to put ordinance on the November ballot).
2. Provide modifications to the proposed plan amendment at today's work session, and vote on the revised ordinance on June 13 (or by July 25, if the council wishes to put ordinance on the November ballot).

CITY MANAGER'S RECOMMENDATION

None at this time. The City Manager may provide a recommendation after listening to the May 23 public hearing.

SUGGESTED MOTION

Information only; No motion necessary unless the council wishes to pursue option #2.

ATTACHMENTS

- A. Summary of Council Discussions/Actions on Downtown Improvements
- B. Proposed Ordinance Amending the Downtown Urban Renewal Plan
 - Exhibit A: Proposed Downtown Urban Renewal Plan*
 - Exhibit B: Accompanying Report*
- C. Public Written Comment
- D. Diagram of Project Approval Process

** NOTE: The public record (submitted written comment and copies of the notices) are included in a binder that will be located in the Council Office prior to the May 25, 2016, work session and will also be available at the work session.

FOR MORE INFORMATION

Staff Contact: Sue Cutsogeorge, Finance Director

Telephone: 541-682-5589

Staff e-mail: sue.l.cutsogeorge@ci.eugene.or.us

Staff Contact: Amanda Nobel Flannery, Economic Prosperity Programs Manager

Telephone: 541-682-5535

Staff e-mail: amanda.nobel@ci.eugene.or.us