

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session and Possible Action: Ordinance on Downtown Urban Renewal Plan Amendment

Meeting Date: June 13, 2016
Department: Planning & Development
www.eugene-or.gov

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

ISSUE STATEMENT

The council is asked to take action on an ordinance amending the Downtown Urban Renewal Plan, as provided in Attachment A. The purpose of the amendment is to:

- 1) increase the spending limit by \$18.4 million for the projects described below; and
- 2) expand the boundary by five acres (seven percent) to incorporate the East Park Block area and a portion of the City Hall block to facilitate potential improvements for the east Park Block, the Willamette 2 Willamette Initiative along 8th Avenue, City Hall Plaza, and a Farmers' Market back-up plan on the eastern half of the City Hall block.

The ordinance includes exhibits with the Plan, Report and blight findings.

BACKGROUND

The council's discussion of downtown improvements is part of a larger effort to promote economic prosperity and foster a welcoming downtown for everyone. (See Attachment B for a summary of council discussions and actions on downtown improvements since December 2015.) On March 14, 2016, the council, acting as 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 described below. Specifically, the council moved to forward to the Planning Commission and overlapping taxing districts the proposed amendment to the Downtown Urban Renewal Plan. At that time, the proposed amendment included: a) increasing the spending limit (maximum indebtedness) by an amount the council would set prior to adopting the ordinance with a not-to-exceed amount of \$48 million and b) expanding the boundary by seven acres (10 percent).

The Agency Board requested four projects be included in the proposed Plan amendment:

- 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.

The projects are described in more detail in Section 600 of the Plan and in Chapters 5 and 6 of the accompanying Report. (The Plan and Report are included in Attachment A as Ordinance Exhibits A and B, respectively.)

On April 18, a public notice was mailed to Eugene property owners. On May 23, the council held a public hearing on the ordinance to amend the Plan. Sixty individuals spoke at the public hearing. In addition, many people provided written comment. On May 25, the council held a work session to review comments received from the public, Planning Commission, and overlapping taxing districts. Using a matrix of estimated project levels and three boundary expansion options, the council directed the City Manager to bring back the revised proposed ordinance, Plan, and Report for action on June 13 that includes:

- The fiber project, the moderate level Farmers' Market project, the low Park Blocks/open spaces project except at \$5.2 million, the moderate Old LCC Building project, and project delivery administration, for a total maximum indebtedness amount of \$18.7 million;
- Boundary option B, which includes the East Park Block area and a reduced portion of City Hall block; and
- A prohibition against using urban renewal funds for either the City Hall building or for a parking lot in the expansion area adjacent to High Street.

The revised proposed Plan in Attachment A Exhibit A includes a spending limit increase of \$18.4 million, which is lower than directed by the council at the May 25 work session. This is because the council motion started out as an increase of \$21.7 million and was reduced by \$3 million, but the correlating downward adjustment for the estimated project delivery administration was not made at that time. With that adjustment, the total spending limit increase is \$18.4 million (instead of \$18.7 million). Should the council wish to keep the spending limit at \$18.7 million that change can be made on June 13.

Changes to the Downtown Urban Renewal Plan Amendment

The draft plan amendment was prepared in February and provided to the council prior to work sessions on March 14 and May 25 as well as the May 23 public hearing. As a result of council discussions and direction, the following changes are included in the revised proposed Plan that is included in Attachment A:

- Spending limit increase of \$18.4 million with estimated duration through FY27;
- Required public process before the Agency Board takes action to approve implementation of the projects (except high-speed fiber), which includes public input and a public hearing on the specific project and how it should be funded;
- The Agency Board would approve amounts to be spent on individual projects after the required public engagement has been completed and project details are reviewed. The total spending for all projects will not exceed the 2016 spending limit increase of \$18.4M;
- Boundary expansion of five acres (seven percent); and
- Prohibition of funds for the City Hall building or for a parking lot in the expansion area adjacent to High Street.

The Plan showing the changes in redlined format is included as Attachment C.

Public Comment: 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. A binder of the public record is in the Council Office for review by councilors, which includes submitted written comments and copies of the notices. The summary of plan amendment process feedback is Attachment D. Comments submitted via email and in writing between May 25 and June 6 are in Attachment E. Written comments submitted previously have been provided under separate cover. Written comments submitted after June 6 will be provided to the council on June 13. (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.)

Timing

To keep Downtown Urban Renewal as a possible funding option, the council would need to amend the plan on or before June 22, unless council decides to refer the ordinance to the voters. If referred by council, the council can act on the ordinance up to and including July 25.

Project preparations (design engineering for fiber, property negotiations for Farmers' Market, public engagement results, and LCC's decision on next steps for its building) are ongoing and would inform the council's final decisions about funding the projects, including using Downtown Urban Renewal. Prior to undertaking any projects with urban renewal funds, 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.

COUNCIL OPTIONS

1. Approve the ordinance as written.
2. Modify and then approve the ordinance.
3. Give direction to add a referral to the voters and bring back not later than July 25 for adoption.
4. Decline to adopt the ordinance.

SUGGESTED MOTION

Move to adopt Council Bill 5155 to amend the Urban Renewal Plan for the Downtown Urban Renewal District.

ATTACHMENTS

- A. Ordinance Adopting an Amended Urban Renewal Plan for the Downtown Urban Renewal District
 - Exhibit A: Plan*
 - Exhibit B: Report*
 - Exhibit C: Blight Findings*
- B. Summary of Council Discussions/Actions on Downtown Improvements
- C. Revised Proposed Plan with Tracked Changes Compared to the March 14, 2016 AIS Version
- D. Plan Amendment Process Feedback Summary
- E. Written Comment Submitted between May 25 and June 6

**** NOTE:** The public record (submitted written comment and copies of the notices) is included in a binder located in the Council Office and will also be available at the work session.

FOR MORE INFORMATION

Development Contact: Amanda Nobel Flannery, Economic Prosperity Programs Manager
Telephone: 541-682-5535
Staff e-mail: amanda.nobel@ci.eugene.or.us

Finance Contact: Sue Cutsogorge, Finance Director
Telephone: 541-682-5589
Staff e-mail: sue.l.cutsogorge@ci.eugene.or.us