



Eugene City Council

125 E. 8th Ave., 2nd Floor
Eugene, OR 97401-2793
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

AMENDED AGENDA EUGENE CITY COUNCIL

July 18, 2016

- 5:30 p.m. CITY COUNCIL WORK SESSION**
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401
- 7:30 p.m. CITY COUNCIL PUBLIC HEARING and**
MEETING OF THE EUGENE URBAN RENEWAL AGENCY
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

Meeting of July 18, 2016;
Her Honor Mayor Kitty Piercy Presiding

Councilors

Greg Evans, President
George Brown
George Poling
Claire Syrett

Alan Zelenka, Vice President
Mike Clark
Chris Pryor
Betty Taylor

*Note: This agenda has been amended to reflect the addition of a Eugene Urban Renewal Agency
Executive Session at the 7:30 p.m. meeting.*

- 5:30 p.m. CITY COUNCIL WORK SESSION**
Harris Hall, 125 East 8th Avenue
- 5:30 p.m. A. WORK SESSION:**
City Hall Update

**7:30 p.m. CITY COUNCIL PUBLIC HEARING and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY
Harris Hall, 125 East 8th Avenue**

1. PUBLIC HEARING

An Ordinance Concerning Imposition of a Three Percent Tax on the Retail Sales of Recreational Marijuana; Adding Provisions to the Eugene Code, 1971; Providing for an Effective Date; and Referring the Code Amendments to the Electors of the City at the November 8, 2016 Election.

***Manager:** Introduces topic, presents background information.*

***Mayor opens the public hearing:** Those wishing to speak during the Public Hearing must submit a completed "Request to Speak" form to the information desk, prior to the beginning of the Public Hearing. When you come to the podium, please give your name, city of residence, and, for Eugene residents, your ward if known; you will have three minutes to comment. There are lights on the timer; the red light indicates the end of three minutes.*

***Mayor:** Closes the public hearing.*

***Mayor:** Asks for questions or comments from the City Council.*

The Mayor adjourns the meeting of the Eugene City Council and convenes a meeting of the Eugene Urban Renewal Agency.

2. URBAN RENEWAL AGENCY EXECUTIVE SESSION

Pursuant to ORS 192.660(2)(e)

***Mayor:** The Eugene Urban Renewal Agency will now meet in Executive Session held pursuant to ORS 192.660(2)(e) to discuss the negotiation of real property transactions.*

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room.

Adjourn.

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

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the City Manager's Office at 541-682-5010,
or visit us online at www.eugene-or.gov.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: City Hall Update

Meeting Date: July 18, 2016
Department: Central Services
www.eugene-or.gov

Agenda Item Number: A
Staff Contact: Kristie Hammitt
Contact Telephone Number: 541-682-5524

ISSUE STATEMENT

The purpose of this work session is for City Council to continue its discussion related to the new Eugene City Hall in accordance with its request at the work session on July 11.

BACKGROUND

In April 2016, Council was presented with design and cost updates for City Hall along with potential funding options to bridge the estimated \$7 million increase in the cost of the project. On April 27, Council provided direction to the City Manager on four specific aspects of the City Hall design to proceed with as the project team moved forward with completion of the construction documents and the bid process.

Bids were received by McKenzie Commercial Contractors, the project Construction Manager/General Contractor, on June 28. Despite intensive recruitment efforts by MCC and City staff, the bid results were disappointing due to a saturated construction market. As a result, the Guaranteed Maximum Price of \$18.2 million from MCC was about \$3 million more than April cost estimates.

During a work session on July 11, Council was presented with the bid results and possible options for next steps. During that discussion, Council chose to continue its discussion at this work session following a joint meeting with the Lane County Board scheduled on July 14 by passing the following motion.

Move to postpone direction until after the Council meets with the County Board of Commissioners in a joint work session on July 14. The Council will hold a work session on July 18 either before or after its 7:30 meeting, during which Council could choose one of the above options, or a different one, and to review our project values and redesign the project to meet those values. If the council chooses this option, then unless the Council directs otherwise, our intention would be to provide notice for a public hearing on July 25 on a supplemental budget in order to preserve Council's option of accepting the GMP following the joint meeting.

COUNCIL OPTIONS

The Council is asked to provide direction on next steps.

ATTACHMENTS

A. History of Council discussion and action related to City Hall

FOR MORE INFORMATION

Staff Contact: Kristie Hammitt

Telephone: 541-682-5524

Staff E-Mail: Kristie.a.hammitt@ci.eugene.or.us

Summary of Council Action History Related to City Hall: 2001 – Present

Updated - July 2016

This summary represents most, though perhaps not all, significant Council actions and discussions regarding City Hall beginning in 2001. It also includes some selected significant public involvement opportunities and Council committees. Other Council discussion preceding 2001 is not included.

In Current City Hall Process section, Council actions and directions are highlighted in **bold**.



Downtown Office
Space Plan



Civic Facilities
Visioning



City Hall Master
Plan



Police Building
Planning



City Hall Subcomm,
CHAC & Transition



Current City Hall
Process

Date	Who	Topic	Action/summary
April 11, 2001	Council	Development of long-range plan for replacing downtown office space, including potential short-term and long-term actions	Directed staff to research ways to procure City buildings and report back to council before the planning begins for next new City building.
April 25, 2001	Council	Several potential short-term actions to create a safer, more efficient environment for staff located in City Hall	Directed City Manager to: (i) develop needs, requirements for relocating some police functions; (ii) develop a long-term plan for future of property in Roosevelt Yards including possible redevelopment; (iii) dedicate proceeds from sale of four surplus properties to the Facility Replacement Reserve; and (iv) recommend appropriate downtown site for Fire Station #1, report back prior to purchase.
May 16, 2001	Council	Financial strategy and implementation plan for replacing City Hall and other downtown City office space with new buildings	Direction included: consideration of possible joint development with other agencies; consolidation; locations along 8 th Avenue from Oak Street to the river; and, potential for use of some warehouse and historic structures east of Mill.
2001-2002	Council	Council Goals included an action priority to “Develop a strategy and implementation plan for City downtown office and public safety facilities”	A work item for the action priority was to adopt a policy framework for long range plans to guide decisions on reinvestment in existing City buildings downtown.
July 5, 2001	Council	A policy for the maintenance and preservation of City Hall and the Public Works Building	The policy reduced the level of reinvestment to provide for an expected 8 to 10 years of continued use.

Date	Who	Topic	Action/summary
September 19, 2001	Council	Near-term and long-term facility projects in Downtown Space Plan	Directed that: (i) relocation of Special Ops and EPD personnel in basement of City Hall, and relocation of Fire Station #1 were first priority projects; (ii) Construction of new Police building and City Hall were next projects; design for Police building to begin in FY05, and design of replacement of City Hall to begin in FY08.
September 19, 2001	Council	Downtown Space Plan including internal and external funding sources to implement the eventual replacement of City Hall with new buildings	Council approved that projected funding gap addressed with a combination of the dedication of additional General Fund resources and General Obligation Bonds.
November 26, 2001	Council	Internal funding mechanisms for downtown facilities	One proposed internal mechanism was the payment of market-based “rent” by services that would be located in new downtown buildings. The “market rent” concept was incorporated as an on-going City practice beginning in the FY03 Budget.
February 25, 2002	Council	Fire Station #1 (Downtown Fire Station)	Resolution approved to fund construction of new Downtown Fire Station through General Obligation Bonds, with City resources funding non-bond eligible capital costs.
May 22, 2002	Council	Roosevelt Police Facility	Approved: (i) location of the Roosevelt Police Facility; (ii) financing plan over two fiscal years using City resources from Facility Reserve; (iii) use of Construction Manager/ General Contractor (CM/GC) construction management. Council adopted funding for Roosevelt facility in FY02 SB #3 and FY03 SB #1.
October 29, 2003	Council	Downtown Space Plan, specifically the need for new Police services building	Council directed staff to bring recommendations on preliminary planning, cost and financing of a new Police Services building. Several councilors asked for more information on how a new Police building would fit with future plans to replace City Hall, and for development of a general “civic center” concept.
November 17, 2003	Budget Committee	Multi-Year Financial Plan	This plan identified capital and operating needs for entire organization over six-year period. The police building listed as a high priority need in the MYFP, and replacement of City Hall was included as future project.

Date	Who	Topic	Action/summary
November 19, 2003	Council	Sequencing of financial measures to be presented to the voters	Staff materials indicated that a bond measure for a police building would be the next potential item to be presented to voters in November 2004. Council discussed the materials, but did not provide any direction.
February 25, 2004	Public	Civic Center Design Charrette	Sponsored by AIA with participation of Mayor's Civic Facilities Visioning Committee and public.
April 28, 2004	Public	Work session on Mayor's Civic Facilities Visioning Committee	Reviewed financing plan options, borrowing methods and construction methods that could be applied to a new police facility.
June 16, 2004	Council	Work session on Mayor's Civic Facilities Visioning Committee	Directed a public hearing is held on proposed policy principles to guide future Civic Center development.
July 8, 2004	Public	Public information session	
July 12, 2004	Public	Public hearing	
July 14, 2004	Council	Civic Facilities Visioning Committee Report	Adopted a revised set of Civic Center policy principles. Determined that a City Hall and Police Building would be located on City-owned property on 8 th Avenue.
July 21, 2004	Council	Potential bond measure for November 2004 ballot	The council directed the City Manager to develop a resolution to place a measure on the ballot based on an option that would combine near-term space needs with modest Civic Center amenities.
July 26, 2004	Council	Bond measure for November 2004 ballot	Council placed \$6.79 million bond measure 20-88 on the November 2004 ballot to fund social service agency space, police expansion space, improvements to Park Blocks, and improvements to 8th Ave. "Civic Street."
November 2, 2004	Public	Election	Voters rejected ballot measure 20-88, 60% to 40%.

Date	Who	Topic	Action/summary
November 22, 2004	Council	Next steps on downtown space planning	<p>Approved transfer of \$15.4 million into Facility Replacement Reserve and agreed, in concept, to move forward with a master planning and public participation process to inform future decisions related to City Hall and/or Public Safety Building.</p> <p>Council approved actions to accomplish transfers in SB#1 on December 8, 2004.</p>
May 25, 2005	Council	City Hall/Police Building Action Plan (subsequently renamed the City Hall Complex Action Plan)	Approved the plan which identified major policy issues to be addressed, overall description of project phasing, nature of work to be accomplished, resource needs and proposed project outcomes associated with the City Hall Complex Master Plan.
September 12, 2005	Public	Public hearing on master planning process related to City Hall and associated City facilities	
October 19, 2005	Council	City Hall Complex policy issues	Consultant team led by Thomas Hacker Architects facilitated council workshop to identify and provide direction on policy issues. Based on pre-workshop interviews with the mayor and council, and discussion during workshop, nine project values, eight key issues and five sub- issues emerged.
November 23, 2005	Council	City Hall Values and Issues	<p>Adopted project values as a basis for decision making:</p> <ol style="list-style-type: none"> 1. Exercise fiscal responsibility 2. Produce government efficiency 3. Be user-friendly 4. Embody environmental stewardship 5. Enhance downtown 6. Inspire civic pride 7. Maximize use of City Hall public spaces by the public and access to government and its representatives 8. Strive for simplicity 9. Plan for the future <p>(cont.)</p>

Date	Who	Topic	Action/summary
November 23, 2005 (cont.)	Council	City Hall Values and Issues	<p>Position statements on four issues also adopted:</p> <ol style="list-style-type: none"> 1. Incorporate meaningful sustainable design goals. 2. Utilize a long-term planning horizon of 25 years. 3. Consolidate City services to the greatest practical extent. 4. Develop the project in consideration of the Downtown Plan while not limiting location choices to 8th Avenue.
December 14, 2005	Council	City Hall Complex Action Plan	Directed City Manager to proceed with phase 2—the Development Plan Phase—of City Hall Complex Action Plan for \$1,135,000. This phase included technical work and public input required to generate an overall development plan for City Hall Complex. Phase also to resolve remaining policy issues from phase 1 and result in a concept plan for City Hall Complex.
March 8, 2006	Council	Development Plan Phase of City Hall Complex Action Plan	Consultant team began City Hall Complex Action Plan with facilitated council workshop to discuss preliminary space needs assumptions, facility implications of police service delivery options, proposed site evaluation criteria, and emerging issues from citizen interviews, and to provide input and direction for first Community Forum.
March 23, 2006	Public	First Community Forum	
April 26, 2006	Council	Police consolidation options	Adopted three different Police consolidation options for use in ongoing planning efforts related to the City Hall Complex: Option B that consolidates all Police functions with the rest of City Hall on a single site; Option C that consolidates all Police functions except patrol with the rest of City Hall and provides for a separate patrol facility nearby; and Option D that consolidates all Police functions except patrol with the rest of City Hall and provides for a separate patrol facility in a more remote location outside the downtown area.

Date	Who	Topic	Action/summary
May 10, 2006	Council	City Hall Master Plan Council Workshop	Consultant team introduced City Hall Space Requirements Program, presented Renovate, Hybrid, and New options for City Hall, and previewed second Community Forum.
May 25, 2006	Public	Second Community Forum	
July 19, 2006	Council	City Hall Master Plan Council Workshop	Adopted new construction as preferred option for future planning and design of the City Hall Complex rather than renovating existing city hall building or a hybrid of renovation and new construction. This action reflected majority support at Community Forum for construction of a new City Hall.
August 9, 2006	Council	City Hall Master Plan Council Workshop	Consultant team facilitated workshop to refine evaluation criteria for potential sites for new City Hall Complex and apply the criteria to specific sites, and to receive direction from council on the third Community Forum.
August 24, 2006	Public	Third Community Forum	
September 20, 2006	Council	City Hall Master Plan Council Workshop	Number of site options was narrowed down to two to be carried forward in developing concept designs for a new City Hall. The two sites selected were the existing City Hall site and the Butterfly Lot/Rock N Rodeo sites. This action reflected a majority of support for these two sites at the Community Forum, while also acknowledging that a third preferred site—the former Sears site—might be viable if development plans there do not move forward.
October 18, 2006	Council	City Hall Master Plan Council Workshop	Consultant team introduced principles of architectural design and urban planning that will guide the concept design options for City Hall, discuss factors that will influence decisions about police consolidation and site, and obtain input on fourth and final community forum.
November 20, 2006	Council	City Hall Master Plan Council work session	Council voted to proceed with planning for a new city hall with police patrol in a separate facility.

Date	Who	Topic	Action/summary
December 11, 2006	Council	City Hall Master Plan Council work session	<p>Council selected Butterfly Lot/Rock N Rodeo site for use in schematic design and other planning for a new City Hall. This marked completion of Phase 2, Development Plan Phase, of City Hall Complex Master Plan.</p> <p>Both of these council actions reflected the majority opinion from the Community Forum.</p>
February 14, 2007	Council	City Hall Master Plan Council work session	Council requested consultant team to perform statistical public opinion research to inform future work. The research was to understand what elements of a new city hall mattered most to voters and test initial level of voter support.
June 20, 2007	Council	City Hall Master Plan Council work session	<p>Project team introduced public opinion research, consolidation options, and a conceptual scope of work for remainder of Implementation Plan Phase.</p> <p>Council requested additional information on costs of police patrol facility, escalated relocation and leasing costs, comparison costs for leasing and purchasing space in the Federal Building, potential City Hall sites other than existing City Hall and Rock N' Rodeo/ Butterfly sites, deed restrictions related to Butterfly Lot site, and costs for remaining Implementation Plan Phase scope of work.</p>
July 20, 2007	Council	City Hall Master Planning	Decided to continue master planning efforts for a new City Hall.
September 26, 2007	Council	City Hall Master Planning Workshop – Police Facility	Project team introduced Police Patrol Facility site selection analysis, City Hall design progress showing concept options with and without patrol functions, and cost models for police patrol facilities on generic sites downtown, out of downtown, and at a new City Hall. Council requested additional information on site ownership, availability, and owners' willingness to sell.
October 17, 2007	Council	City Hall Master Plan Council work session – Police Patrol Facility	Council voted to proceed with development of a Police Patrol Facility concept design for site near Garfield Street and W. 2nd Ave. The council also voted to continue to explore acquisition of two other sites.

Date	Who	Topic	Action/summary
November 28, 2007	Council	City Hall Master Plan Council work session	Council voted to proceed with planning for a City Hall/Police Patrol Facility based tentatively on a 2010 ballot measure.
December 12, 2007	Council	City Hall Master Planning Workshop	Council reviewed multiple options on City Hall concept designs and provided feedback that shaped development of a single concept design. The council also reviewed Police Patrol Facility plans and costs and requested more refined cost analysis.
February 11, 2009	Council	Developing plan for seismic upgrades and municipal court Analysis of downtown sites and cost estimates for Police facility EWEB building inquiry	Council passed a motion to: (i) develop a conceptual plan and cost estimate for making seismic upgrades to city hall to meet life/safety standard and for expanding municipal court's space to meet court's needs; (ii) use appropriated but unspent city hall complex master plan funds to complete analysis of potential downtown sites owned by the city and recommend to council the most suitable site for a Police Facility; (iii) develop a cost estimate for a phased Police Facility with the first phase consisting of space for the patrol function designed for future expansion to include the entire police department; and (iv) investigate willingness of EWEB to eventually sell its admin building to City for use as city hall, and if there is willingness, bring back to council a preliminary analysis of pros and cons of using that building for city hall.
April 22, 2009	Council	Police Facility at Country Club Road	Directed City Manager to report back by May 11 on what would be required to secure purchase option for the property at 300 Country Club Road concurrent with ongoing council discussions regarding property's potential use as an EPD headquarters facility.
May 11, 2009	Council	Community input on City Hall and Country Club Road	Council voted to seek community input on options for City Hall and police facilities and bring results to council prior to August 13. Council also directed City Manager to proceed with appraisal and other due diligence for acquisition of 300 Country Club Road property.
June 23, 2009	Public	Police Siting and City Hall Planning	Open house at Atrium building.

Date	Who	Topic	Action/summary
June 25, 2009	Public	Police Siting and City Hall Planning	Open house at Sheldon Community Center.
July 29, 2009	Council	Police Facility on Country Club Road, City Hall moves, and City Hall options and process	Authorized City Manager to negotiate and sign purchase and sale agreement for acquisition 300 Country Club Road for use as a Police Facility and request on a Supplemental Budget an appropriation of up to \$16 million from the Facility Reserve for costs related to acquisition, design, construction, furnishing, and move-in. Council also directed City Manager to return with: (i) implementation plan options—including detailed financing plan—for moving the remaining non-police services out of City Hall and creating a new downtown Eugene Police Department substation; and (ii) options and a public input process for the future use of the existing City Hall site.
September 8, 2010	Council	Three options for City Hall	Directed City Manager to return with concept plans and proposed financial strategies for City Hall that include options for both current City Hall site and EWEB site.
March 16, 2011	Council	City Hall transition plan and phasing	Directed City Manager to: (i) develop and implement a transition plan for moving all remaining City services out of City Hall by June 30, 2012; (ii) develop a phased approach to building a new city hall at the current site using existing resources; and (iii) return with a funding plan for the project.
June 22, 2011	Council	City Hall transition plan and work plan	Staff provided an update on planning including progress on transition plan for moving remaining City services out of City Hall and a proposed work plan for reaching final decisions on a plan to develop a new or rebuilt City Hall on the current site with existing resources. Council discussed and provided feedback to staff on creation of a City Hall Advisory Committee of professionals and citizens to advise staff on options. Potential funding sources for City Hall were discussed. Mayor and council offered general feedback. Following this discussion, the City Manager created a City Hall Advisory Committee (CHAC).

Date	Who	Topic	Action/summary
Fall 2011, four meetings	City Hall Advisory Committee	Explore rebuild and build new options	The City Hall Advisory Committee (CHAC), composed of community members, design and development professionals, met four times to explore build new and rebuild options. The AIA Urban Context Study was used as a base resource.
December 12, 2011	Council	City Hall project funding, FY12 Supplemental Budget 1	General Fund interfund transfer to General Capital Projects Fund for City Hall \$500,000.
July 9, 2012	Council	Updates on moves out of City Hall Presentations on two architect panels exploring new construction and rebuild strategies	Staff provided an update plans for the mayor, council, and City Manager's Office to move from City Hall to Lane County Public Services Building. The update also included presentations by the two architects hired through CHAC process to explore new construction and rebuild strategies for City Hall. The mayor and council offered general feedback but did not provide specific direction.
September 19, 2012	Council Sub- committee on City Hall	Discussion of current project status and subcommittee timeline	No action.
October 17, 2012	Council Sub- committee on City Hall	Review subcommittee charge and site/approach options spreadsheet; begin values-based discussion	No action.
October 22, 2012	Council	City Council Work Session with update on Council Subcommittee work on City Hall	Update from staff and Subcommittee members on progress to date. Council provided feedback to staff and the Subcommittee on what information would be most helpful to the full council in assisting their decision-making process around City Hall options.
October 25, 2012	Council Sub- committee on City Hall	Discuss site/approach options spreadsheet; continue values-based discussion	No action.
November 8, 2012	Council Sub- committee on City Hall	Discuss project funding, office space consolidation issues and site choice exercise	Determined general conclusions of work to be reported to City Council on November 14, 2012

Date	Who	Topic	Action/summary
November 14, 2012	Council	Update on Council Subcommittee on City Hall	The Subcommittee's conclusions included: (i) a funding target of \$15 million for the project; (ii) consolidation priorities that include mayor, council, and CMO first followed by Central Services Admin. and Finance if funding allows; (iii) both City Hall options and the EWEB option can accommodate full consolidation over time as funding allows; and (iv) consideration of the EWEB option should rely on the information supplied in their offer to the City. The mayor and council accepted the Subcommittee's conclusions and offered general feedback but did not provide specific direction.
November 19, 2012	Council Subcommittee on City Hall	Review of work to date; discuss Council process going forward	Conclusion of Subcommittee work.
November 21, 2012	Council	Three City Hall options	Council received a graphic presentation summarizing the three City Hall options to be considered at the next council work session: (i) demolish the existing City Hall and build new on the current site; (ii) rebuild the existing City Hall; and (iii) lease up to 58,000 sq. ft. in the EWEB Headquarters. The mayor and council asked clarifying questions and offered general feedback but did not provide specific direction.
December 4, 2012	Council	City Council Workshop on options and values	
December 7 & 10, 2012	Public	Two Public Open Houses on options	Approx. 40 people attended the two open houses. Majority expressed preference for current City Hall site.
December 10, 2012	Public	City Council Public Forum on options	
December 10, 2012	Council	City Hall project funding FY13 Supplemental Budget 1	\$1,000,000 interfund transfer to the Facility Replacement Fund.

Date	Who	Topic	Action/summary
December 12, 2012	Council	Narrowing City Hall options, City Hall budget	Directed City Manager to complete analysis for rebuild and build new options for City Hall on the current City Hall site. This action effectively removed EWEB option from further consideration. Council was reminded during staff presentation that the working budget for City Hall options has been and continues to be \$15 million of which approximately \$10 million has been identified and set aside for this purpose.
January 23, 2013	Council	City Hall direction on current site	Unanimously directed City Manager to develop a City Hall design on the current site with the goal of retaining the council chamber, existing parking (to the extent possible) and public art as well as any other components that make sense from an operational or design standpoint. Council acknowledged that staff would be requesting an appropriation of \$750,000 on a subsequent Supplemental Budget to complete the analysis and initial design work necessary to understand how best to utilize some of the existing building elements and structure while facilitating new construction on the site. The remainder of the estimated \$15 million project cost would be requested on a Supplemental Budget after council approval of a complete funding plan.
May 28, 2013	Budget Committee	Facility Funding – City Hall and Facility Reserve	
June 24, 2013	Council	City Hall initial design funding	Authorized \$750,000 of funding for the initial design work from the Facility Reserve.
October 9, 2013	Council	City Hall Project Team Introduction and Process Overview	Representatives of Eugene-based Rowell Brokaw Architects, selected as design team lead, The Miller Hull Partnership in Seattle, design team assistance, and Eugene-based McKenzie Commercial Contractors (CM/GC) were present. Project team members provided an overview of the research, analysis, and concept design process for the City Hall Rebuild project and a summary of critical issues to be addressed.

Date	Who	Topic	Action/summary
December 9, 2013	Council	City Hall project funding	Authorized \$1.8 million to be deposited into Facility Reserve from three sources: \$500,000 was reallocated from the General Capital Transfer, \$1 million came from marginal beginning working capital, and \$300,000 was from the receipt of the remaining sale proceeds from 858 Pearl Street. Total funding set aside for the project through December 2013 is \$10.55 million.
February 10, 2014	Council	City Hall Rebuild – Build new recommendation, Council Chamber, and funding plan	Design team presented the results of their research, analysis, and design exploration work for the City Hall Rebuild project culminating in a project team recommendation to proceed with a build new design concept that could maintain the option of reusing existing council chamber. Design team explained challenges and limitations inherent in reusing the existing council chamber and suggested it would likely be less expensive to build a new council chamber than trying to rebuild the existing council chamber to meet current functional and code requirements. Funding plan for project was also presented.
February 15 & 16, 2014	Public	Asian Celebration booth displays on City Hall concept design	Staff talked with members of the public about proposed concept. Generally favorable feedback.
February 24 & 25, 2014	Public	Two public open houses on basic City Hall concepts with RBA	Team presented concepts for first phase of project – on the existing City Hall site – to feature a smaller, community-focused building with Council Chamber, meeting rooms, support spaces, office space for Mayor, Council, and City Manager’s Office; a plaza, open space and parking areas. Also, the framework for the rest of site in the future, including future phases of City Hall and/or additional redevelopment with other uses.

Date	Who	Topic	Action/summary
June 9, 2014	Council	City Hall project funding, FY14 Supplemental Budget 2	\$14.25 million is from: \$2 million in Telecom Registration and Licensing Fund, \$9.81 million in Facility Reserve in the Facilities Services Fund, and \$2.44 million in future revenue allocations. Future revenue allocations are anticipated to come from a portion of the capital budget and unanticipated carry-over balances in the General Fund in future years. Together with \$750,000 already appropriated on SB#2 in June 2013, the total project budget is \$15 million.
July 14, 2014	Council	Final Concept Design presentation	Design team presented final concept design and site framework for the City Hall Rebuild project that consisted of an all new multi-story Phase One City Hall building set on a half-block site with a public plaza. Provided context of a larger development framework for the entire site over time. Development framework was designed to provide flexibility and adaptability, adequate expansion space for a consolidated City Hall on the west half of the block in a future phase. The framework also allows response to other potential development opportunities as they arise on the east half of the block—including additional expansion space for other City functions and/or potential partnerships with other public entities that would maintain the civic nature of the block. Mayor and council offered general feedback. Mayor asked if council agreed to move forward with concept design as presented and there were head nods, no verbal objections.
September 22, 2014	Council	Technical and cost issues associated with build new vs. remodel options	Design Team and staff presented technical and cost information on various options studied for City Hall site and building options, and why all new construction was the recommended option. Council asked for additional cost information comparing the build new and remodel options.

Date	Who	Topic	Action/summary
September 24, 2014	Council	Construction cost comparison between build new and remodel options	City Manager and Design Team presented information comparing Turner cost estimate for remodeling existing City Hall and Design Team cost estimate for all new construction. Council directed City Manager to proceed with new construction on the existing City Hall site.
October 27, 2014	Council	Fourth floor shelled space, on-site parking, and re-use potential for existing council chamber	Council directed City Manager to add fourth floor shelled space with identified funding for \$2.85 million and to demolish the existing council chamber. The council voted to not add below-grade parking to project for \$1.4 million.
December 2014	Budget Committee?	Supplemental Budget	
July 13, 2015	Council	Final Schematic Design presentation	Design team presented the final schematic design for City Hall consisting of a four-story, 30,000 SF Phase One building facing a public plaza along 8 th Ave. A surface parking lot to the north serves as a land-banking strategy for a Phase Two building while providing on-site parking in the meantime. Site framework maintains options for potential development opportunities on the east half of the block, including the possibility of building a County Courthouse on this half of the site as part of a possible partnership and property exchange with Lane County. (cont.)

Date	Who	Topic	Action/summary
July 13, 2015 (cont.)	Council	Final Schematic Design presentation	<p>Design team presented images of an inviting and accessible City Hall featuring glass, lighting, and refurbished red cedar salvaged from the old city hall. The design is intended to maximize space and light, and be a model of energy efficiency. The open design and clear organization of the first floor highlights the activity within and showcases the purpose of the building as Eugene's "civic heart" connecting City government to the community it serves. Overall, the project is designed to maximize the character and civic quality of City Hall while being flexible and adaptable to respond to the City's changing needs over time.</p> <p>Mayor and council offered general feedback; there were no objections expressed to moving forward with schematic design as presented.</p>
April 11 and 27, 2016	Council	Final Design Development Presentation – Including energy efficiency, seismic, civic quality, Council offices and cost estimates	<p>Project team, including design team and staff, presented the current proposed design including energy measures to achieve EUI 30, upgrade of seismic resilience factor, and enhanced civic character in order to meet project values and goals. Also presented options related to Council work space or offices. Staff also presented revised cost estimates which have risen by a total of \$6-7 million due to cost escalation and efforts to best address all the values and goals.</p> <p>Mayor and council directed the City Manager to proceed with bid documents; approved by motion the building be LEED Gold certified and have the level of civic quality presented in the design; decided by motion that the building should not include individual offices for Councilors and should not be built to a seismic standard of 1.5.</p>

Date	Who	Topic	Action/summary
July 11, 2016	Council	Presentation of Bid Results	<p>Staff presented bid results solicited by McKenzie Commercial Contractors (MCC). The Guaranteed Maximum Price (GMP) for construction of the current City Hall design is \$18.2 million, which is about \$3 million more than the April pre-bid estimate. Council was given options to consider that included moving forward with a project budget to reflect the bid results, rebid the project in 6 – 9 months, or delay decisions until after a July 14 joint meeting with the Lane County Board when downtown properties and projects including City Hall, the Farmer’s Market, and Courthouse will be discussed.</p> <p>Council voted to continue their conversation on July 18 after the joint work session with Lane County.</p>

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Public Hearing: An Ordinance Concerning Imposition of a Three Percent Tax on the Retail Sales of Recreational Marijuana; Adding Provisions to the Eugene Code, 1971; Providing For an Effective Date; and Referring the Code Amendments to the Electors of the City at the November 8, 2016 Election

Meeting Date: July 18, 2016
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Glenn Klein
Contact Telephone Number: 541-682-5010

ISSUE STATEMENT

This is a public hearing to receive testimony on an ordinance that would impose a tax on retail cannabis sales and that would be referred to voters.

BACKGROUND

Beginning July 1, 2017, the current state tax of 25 percent imposed on the retail sale of marijuana items will reduce to 17 percent. Under ORS 475B.345, cities may impose up to a 3 percent tax on sales of marijuana items made by those with recreational retail licenses by referring an ordinance to the voters at a statewide general election, meaning an election in November of an even-numbered year.

On July 13, 2016, Council approved a motion to hold a Public Hearing on a proposed ordinance that would enact a local option marijuana tax of 3 percent. The ordinance would become effective only if approved by voters. If adopted by Council at its July 25 meeting, the ordinance would appear on the November 2016 ballot, and if approved by voters, the ordinance could take effect in 2017.

RELATED CITY POLICIES

A local marijuana tax would contribute to the Council Goal of Fair, Stable and Adequate Resources.

COUNCIL OPTIONS

Following the public hearing, council is scheduled to take action on July 25, 2016, at which time it will have the option to adopt or decline to adopt the proposed ordinance.

CITY MANAGER'S RECOMMENDATION AND SUGGESTED MOTION

No recommendation or suggested motion are provided; this is a public hearing only.

ATTACHMENTS

A. Proposed Ordinance

FOR MORE INFORMATION

Staff Contact: Glenn Klein

Telephone: 541-682-5010

ORDINANCE NO. _____

AN ORDINANCE CONCERNING IMPOSITION OF A THREE PERCENT TAX ON THE RETAIL SALES OF RECREATIONAL MARIJUANA; ADDING PROVISIONS TO THE EUGENE CODE, 1971; PROVIDING FOR AN EFFECTIVE DATE; AND REFERRING THE CODE AMENDMENTS TO THE ELECTORS OF THE CITY AT THE NOVEMBER 8, 2016 ELECTION.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Sections 3.700, 3.702, 3.704, 3.706, 3.708, and 3.710 of the Eugene Code, 1971, are added to provide as follows:

Retail Tax on Marijuana Items

3.700 Retail Tax on Marijuana Items - Definitions. The following words and phrases as used in this Chapter shall have the following meanings:

City Manager. The city manager or the city manager's designee.

Tax Administrator. The person designated by the city manager.

Consumer. A person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.

Marijuana item. Marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts as defined in ORS 475B.015.

Marijuana retailer. A person licensed under ORS 475B.110 who sells marijuana items to a consumer in the State of Oregon.

Person. Individuals, corporations, associations, firms, partnerships, limited liability companies and joint stock companies.

Retail sale price. The total consideration paid to a marijuana retailer for a marijuana item by or on behalf of a consumer, excluding any tax.

3.702 Retail Tax on Marijuana Items - Tax Imposed. The city hereby imposes a tax on each marijuana item sold to a consumer within the city by a marijuana retailer. The tax shall equal three percent of the retail sale price for each marijuana item sold.

3.704 Retail Tax on Marijuana Items - Collection. The consumer shall pay the tax to the marijuana retailer at the time of the purchase or sale of the marijuana item. Every marijuana retailer shall collect the tax from the consumer at the time of the sale of a marijuana item. The marijuana retailer shall remit the tax to the tax administrator.

- 3.706 Retail Tax on Marijuana Items - Accounting and Records.** Every marijuana retailer must keep, preserve and make available to the tax administrator detailed records of all sales made and all taxes collected consistent with administrative regulations adopted by the city manager pursuant to section 2.019 of this code.
- 3.708 Retail Tax on Marijuana Items - Penalties and Interest.** The city manager shall adopt administrative rules pursuant to section 2.019 of this code to specify the amount of penalties and interest that a retailer must pay if the retailer fails to timely remit any tax imposed by this code. The amount of penalties and interest established by administrative regulation shall be consistent with comparable provisions of state law.
- 3.710 Retail Tax on Marijuana Items - Appeal.** Any person aggrieved by any decision of the tax administrator under this code may appeal the decision in the manner provided in section 2.021 of this code. The appeal shall be heard and determined as provided in section 2.021 of this code.

Section 2. 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.

Section 3. The provisions of Section 1 of this Ordinance shall not become effective unless approved by the electors of the City of Eugene at the City election to be held concurrently with the statewide election on November 8, 2016.

Section 4. If approved by the electors of the City of Eugene at the November 8, 2016 City election, this Ordinance shall become effective on January 1, 2017.

Passed by the City Council this

_____ day of July, 2016.

Approved by the Mayor this

_____ day of July, 2016.

City Recorder

Mayor