

MINUTES

**Eugene City Council
McNutt Room--City Hall**

**June 19, 1996
11:30 a.m.**

COUNCILORS PRESENT: Tim Laue, Shawn Boles, Pat Farr, Kevin Hornbuckle, Barbara Keller, Nancy Nathanson, Laurie Gribakov Swanson, Jim Torrey.

The adjourned meeting of June 12, 1996, of the Eugene City Council was called to order; Council President Tim Laue presiding.

I. APPROVAL OF THE ORDER OF THE AGENDA

Ms. Swanson Gribakov moved, seconded by Ms. Nathanson, to approve the order of the agenda.

Ms. Keller asked to add additional time to Item III. The council agreed.

The motion passed unanimously, 7:0.

II. ITEMS FROM THE MAYOR, CITY COUNCIL, AND CITY MANAGER

A. Safe Communities Conference

Ms. Swanson Gribakov said this was the week of the Safe Communities conference, announcing a 7 p.m. panel discussion at School District 4J administrative offices this evening with young people involved in the New Roads Program. She said there would be another panel discussion at the same time and place tomorrow with Tim Crow on "Serious and Habitual Offenders." She added that on June 21, the Public Safety Coordinating Council would meet with professionals to discuss juveniles, early intervention, and adult corrections.

Ms. Keller described the June 18 evening panel, a discussion by ex-offenders currently participating in the SPONSORS Program, calling it "wonderful." She encouraged attendance at the other panels

B. Sign Code Revision

Mr. Hornbuckle asked the council officers to discuss scheduling a council discussion of a revision of the sign code to limit the size of ads on buses.

C. Housing Policy Board Contingency Fund Request

Ms. Keller flagged for further discussion a request for Contingency Fund money from the Housing Policy Board, time permitting at the end of this agenda item.

D. System Development Charges (SDCs)

Ms. Keller said that any proposed changes in the SDC methodology should come before the council prior to any action by staff, noting it was one of the critical issues around growth management.

Mr. Boles agreed.

E. Metro Wastewater Management Commission (MWMC) Public Comment

Mr. Torrey invited the council to a MWMC public comment session at 5:30 p.m. this evening in the Council Chamber, adding that the commission is interested in discussing this issue with the council.

F. Lane Regional Air Pollution Authority (LRAPA)

Mr. Torrey said he raised the issue of the continuation of LRAPA at the June 13 Metropolitan Policy Committee (MPC) meeting and its position was that the individual jurisdictions should discuss the issue and make recommendations to the MPC. Mr. Boles flagged the item for discussion later, time permitting.

G. The Eugene Service Station, Homeless Access Center

Mr. Torrey asked for an update on the Eugene Service Station, given the City of Springfield's decision not to increase funding.

Mr. Laue indicated that the Intergovernmental Human Services Committee (IHSC) has reduced, by \$17,600, its allocation to United Way Volunteer Action Connection, which balanced the IHSC budget but did not have enough for allocations to the Eugene Service Station or the Interfaith Family Shelter. He said the council will undoubtedly have to discuss funding for these two community agencies. He recalled that the two programs were funded out of the City's Contingency Fund as one-time projects, hoping IHSC could continue their funding.

H. Council Committee on the Environment and Economics (CCEE)

Mr. Torrey wondered how much staff time was involved in following through on the CCEE's recommendation on an environmental insurance project. City Manager Linda Norris estimated that it would take about 20 hours and wondered if the council preferred a report regarding resources needed at its next trimester work session. Ms. Swanson Gribkov asked for a more precise estimate of the time involved before making any decision. Ms. Norris said she would distribute the information in the council packet.

I. Fire Station 10 Grand Opening

Ms. Nathanson commented on the official grand opening on June 15 for Fire Station 10 on Bailey Hill Road and thanked staff for their assistance on this event.

J. Growth Management Study (GMS) Open House

Ms. Nathanson expressed disappointment at the turnout for the GMS open house last evening and wondered if a videotape record had been made, as she requested. She also suggested that the City capitalize on the effort that went into preparing the exhibit, suggesting finding a location to set-up the exhibit, by topic area, on a rotating basis for public view.

K. Proposed Federal Community Development Block Grant (CDBG) Reduction

Mr. Laue reported a proposed amendment before the Congress in the current budget cycle to cut community development block grants by \$300 million. He urged people to support an amendment from the Federal Management Association to restore the funding, adding that a good portion of the area's social services funding came from CDBGs.

There being sufficient time, the council returned to items flagged earlier for discussion.

C. Housing Policy Board (HPB) Contingency Fund Request

Ms. Keller said the Housing Policy Board has been reorganizing its structure for allocating funds based on the fact that the requests outnumber available funds by three to one, and given the failure of the low-income housing funding ballot measure. She said there are sources of funding available through a variety of methods outside the HPB, but it simply does not have the staff hours to pursue them. She asked the council to consider a \$5,000 allocation from the Contingency Fund to buy consultant services to research the nontraditional funding sources, adding that the information gleaned through the process would be shared with nonprofit government affordable housing providers.

Ms. Swanson Gribskov wondered if City staff might be used for this purpose, rather than hiring a consultant, noting that the work was consistent with the council's goal for affordable housing. Ms. Keller said that had been discussed but it did not seem possible given current staff workloads. Ms. Norris said that assigning this work to staff would postpone other work. She indicated that after Supplemental Budget #3, the FY96 Contingency Fund balance would be about \$80,000.

Ms. Nathanson was supportive of the concept, suggesting that the consultant fees paid be based on the amount of the grant successfully secured. She also wondered how the City prepares information that is readily available so it can be accessed by those who need it--perhaps on the City's, web page, Lane Council of Governments (LCOG), or the University of Oregon.

Mr. Farr arrived at the meeting.

In response to a question from Mr. Boles, Ms. Keller said the information would be for the board's use, in support of its work. Mr. Boles said he was supportive of Ms. Nathanson's suggestion to have

the work done on a contingent fee basis, adding that he was not interested in the project if the other jurisdictions chose not to incur a portion of the cost.

Ms. Keller moved, seconded by Mr. Farr, to allocate \$5,000 from the FY96 Contingency Fund to the Housing Policy Board for use in support of grant application research.

Ms. Swanson Gribkov suggested tabling the motion, pending contact with the other jurisdictions. Ms. Keller explained that the issue was raised in the HPB Development Subcommittee, which deals exclusively with Eugene.

Mr. Laue reminded the council that the usual approach was "head nods" to accept an application for contingency funds, which provided background information for later discussion and action. He suggested the regular procedure be followed and, if there is sufficient support, the item be referred to council officers for scheduling.

Mr. Hornbuckle agreed with Mr. Laue.

Mr. Torrey moved, seconded by Ms. Keller, to postpone the motion. The motion passed unanimously, 8:0.

Mr. Laue noted that there was insufficient time under this item for discussion of the LRAPA issue flagged earlier, and it would be raised at the end of the meeting, time permitting. (However, there was insufficient time at the end of the meeting).

III. WORK SESSION: BROADWAY/CHARNELTON SITE DEVELOPMENT

Mr. Laue distributed ballots for a straw poll on the options.

Lew Bowers, Development Division Manager, reviewed the project's time line, noting that this was the council's second work session and a public hearing was scheduled for June 24, followed by a council decision on July 8. Mr. Bowers addressed two issues raised by the council at its last work session:

- 1) What if the City owned the commercial space rather than the developer?

Mr. Bowers said it would cost the City an additional \$2 million to get the commercial space to the point where it was actually leasable. The return on the investment was about 10 to 12 percent. Ms. Keller noted the profit did not take into account debt service costs.

- 2) Status of the Urban Renewal Fund.

Mr. Bowers reported a \$2.9 million balance in the Urban Renewal Reserves. He said that if the council followed staff recommendations on expenditures, the balance would be reduced to \$775,000. The following are potential projects for the remaining funds: completing the East Broadway Street improvements; redeveloping the Sears building; and a new library. Mr. Bowers said the council may opt to use the remaining funds on the Broadway/Charnelton project.

Mr. Bowers reviewed progress on items negotiated with the developer since the last work session. The Development Agreement now includes the things that the City and the developer will do. If the project is approved by the council, the next step is to draft, in more detail, such an agreement. The developer has agreed to the following: 1) increase the cash flow to the City, 5 percent of net cash flow for year 1 through 10 and 10 percent thereafter; 2) to pay for certain garage costs that are directly related to private development (elevator pits for the housing and the cost for the back wall of the commercial space, which is also the back wall of the garage); and 3) if the housing is not developed, the City would get the plans for the project. Mr. Bowers reviewed the risks involved for both the City and the developer and said staff has tried to embody shared responsibility by including the following clause in the agreement: "The City will not issue the bonds or sign the construction contract until the developer pays the \$300,000 and the developer has financial commitments to the project satisfactory to the City." Mr. Bowers said staff estimates the developer will have financing in place by March 1997, and that will be a good checkpoint for both the City and the developer.

Addressing a question from Ms. Swanson Gribkov, Mr. Bowers said that, historically, Urban Renewal Reserves have grown by about \$250,000-\$300,000 annually, but the current budget assumes a \$500,000-\$700,000 annual increase. Mr. Boles calculated that it would take approximately 18 months to restore the reserves to \$775,000.

Referring to the straw poll, Mr. Boles asked that an eleventh column be added to the form under 4C indicating use of the Urban Renewal Reserves.

In response to a question from Ms. Nathanson, Mr. Bowers said the assumptions are those things that are fairly certain, although the tax rate is always an unknown. Ms. Nathanson ascertained that the assumptions were primarily around the assessed value.

Addressing a question from Mr. Torrey, Mr. Bowers replied that to be acceptable to the City, there would have to be a commitment on the debt and one on the equity. In response to a follow-up question, Mr. Bowers said it was up to the council to decide which of the other potential projects were time-sensitive to the next 24 months. Mr. Farkas noted the one exception: the City never knows when the private sector will ask for participation on revitalization loans.

In response to questions posed by Ms. Swanson Gribkov, Mr. Bowers said 1) the funding contributions included the Road and Sewer Fund (assuming the road was included in the project), 2) monthly parking rates would be raised an additional 5 percent for a total of 10 percent, and 3) the City subsidizes parking validations for Downtown Eugene, Inc. at 50 percent (\$0.37 each).

Ms. Norris said staff will provide more information on the sewer issue, including upgrading projects already planned.

Ms. Keller spoke in favor of Option A, noting there seemed to be council consensus around this option. She pointed out that this was an inexpensive way of adding 48 parking spaces to the downtown area.

Mr. Hornbuckle expressed appreciation for staff's presentation, adding that this was a perfect project for tax increment financing, which might enable completing all the projects.

In response to a question from Mr. Torrey, Mr. Bowers said the Road Fund covered half of the costs associated with the street construction.

Several councilors spoke in support of Option A. Mr. Boles expressed concern about the suggestion to eliminate the validation subsidy as Lane Community College is the biggest user.

IV. WORK SESSION: SOLID WASTE RATE SETTING CRITERIA

Nancy Young, Permit and Information Center, made the staff presentation. She said the Council Officers had scheduled the discussion in response to a proposed Administrative Order to adjust solid waste and recycling collection rates by eliminating the \$1.50 monthly recycling rebate. She noted the rates continue to be set based on criteria last revised in 1989, which provides for a "reasonable rate of return" to haulers. Ms. Young said the last rate adjustment was made in December of 1994 and many things have changed since then. Haulers, for example, are scheduled to lose the curbside recycling credit from Lane County on July 1, 1996. Earlier this year, she said, the City received a request for a rate increase from three residential haulers. The proposed administrative order was developed after receiving the hauler request and performing a rate analysis.

Councilors spoke against eliminating the monthly recycling rebate and lowering the rate of the 21-gallon receptacle. Ms. Nathanson suggested revisiting ideas such as assigning districts to haulers to reduce their costs by requiring the system to be more efficient, which at the same time reduces street repair costs for the City. She asked to fold this discussion into the issue of curbside yard debris pickup on the council's agenda next month.

Mr. Boles said haulers offer the option of having garbage picked up every-other-week so people who prefer the larger 32-gallon receptacle may reduce their cost by disposing more efficiently. He asked staff to provide background information on the council's previous discussions with regard to franchising the service and suggested increasing fees for those who do not recycle.

In response to a question from Mr. Torrey, Ms. Young said part of the reason haulers earned a low rate of return following the 1994 rate adjustment was that the Collection Rates Committee recommended not to consider the "migration factor" in the last rate adjustment. She explained that more people than expected moved down to the smaller containers resulting in a lower rate of return overall.

Ms. Keller noted that the recycling rebate educates newcomers to the area and induces them to recycle. She asked that the discussion be wrapped into the discussion on curbside yard debris service, so any rate increase can be tied to an increase in services.

Addressing a question from Ms. Nathanson, City Attorney Glenn Klein said an Administrative Rule is permanent pending a change by the City Manager, adding that the council may want to call any adjustment an "interim rule," pending a broader discussion of rates and code provisions.

Ms. Keller moved, seconded by Mr. Hornbuckle, that the City Manager be advised that this is the sense of the council: to set the residential solid waste and recycling collection rates, to maintain the current recycling rebates and collection

rates, and that the council discussion of other collection issues be continued in the curbside yard debris discussion scheduled for July 24.

Mr. Klein said that if the intent of the motion is to prohibit the manager from adopting the Administrative Rule, the council must direct staff to bring back an ordinance changing the existing code. If the intent is to give the manager a sense of the council and not have it be legally binding, that can be done today, but the current process provides that the manager, through administrative rule, set the rate and that she has a particular period of time within which to set that rate.

Ms. Nathanson moved, seconded by Mr. Torrey, to extend the discussion for up to seven minutes, with the time to be taken from the end of the meeting. The motion passed, 7:1; with Mr. Farr opposed.

Ms. Swanson Gribkov said she opposed the motion because it clouds the issue of the Administrative Rule and ordinance on what the intention is.

Ms. Nathanson said the issue seemed to be whether the City Manager should be allowed to grant rate increases in certain categories to make up for the difference between keeping the recycling rebate and maintaining a reasonable rate of return. She said the motion is asking for more time to discuss the issue.

In response to a question from Ms. Nathanson, Ms. Norris said it is unlikely that haulers will agree to withdraw their request, pending further council discussion.

The motion failed, with Councilors Farr, Swanson Gribkov, Torrey, and Laue opposed, and the mayor not present to break the tie.

V. DEBRIEF GROWTH MANAGEMENT STUDY OPEN HOUSE

Jim Croteau, Long Range Planning Section Manager, reported that approximately 350 citizens attended the Growth Management Study (GMS) Open House held on June 18.

Mr. Boles estimated that the City spent about \$37.50 per citizen on the open house. He supported Ms. Nathanson's earlier suggestion to find a location to display the exhibit and videotape, saying that a natural place for disseminating the information is the Eugene Celebration.

Councilors praised Planning and Development staff for their efforts.

Ms. Keller congratulated staff on the presentation and suggested displaying the material at the Valley River Center (VRC), particularly since downtown is under construction. She said it may be time to rethink some of the assumptions around citizen involvement and how much is spent toward that effort.

Mr. Farr said people tend to get involved after the fact and it is not too late to reach out. He supported Ms. Keller's suggestion for installing the exhibit at VRC.

VI. RATIFICATION OF COUNCIL OFFICERS' RECOMMENDATIONS

Ms. Swanson Gribskov moved, seconded by Ms. Nathanson, to ratify the June 10, 1996, recommendation of the Council Officers as described in the Action Summary of that meeting.

The council removed a recommendation, for consideration at a later meeting, regarding the Sister Cities Program and requested that the officers schedule the deliberation of a City Manager job description before the council's summer break.

The motion passed unanimously, as amended, 8:0.

VII. APPOINTMENT TO PLANNING COMMISSION

Ms. Swanson Gribskov moved, seconded by Ms. Nathanson, to appoint Joel Andersen to the Eugene Planning Commission for the term ending May 31, 1997.

Mr. Boles expressed disappointment at the process, suggesting that the matter be returned to the officers for clear direction.

Mr. Hornbuckle said the fact that only two people were nominated for interviews precluded use of preference voting. He said he listened to the interview tapes and concluded that neither candidate was qualified for the post.

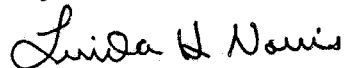
Ms. Keller agreed with Mr. Hornbuckle assessment, adding that it was not fair to saddle the commission with such a member given its involvement in the middle of an "extremely important and difficult work plan." She said the recruiting process should be reopened instead.

The motion passed, 5:3; with councilors Boles, Hornbuckle and Keller opposed.

Ms. Norris reminded the council of the wetlands tour at 1 p.m. on June 20, and of the July 11-12 telecommunications conference for elected officials and staff in Lane County.

The meeting adjourned at 1:37 p.m.

Respectfully submitted,



Linda H. Norris
City Manager pro tem

(Recorded by Yolanda Paule)
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