

MINUTES
Eugene City Council
McNutt Room--City Hall

December 2, 1996
5:30 p.m.

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

I. APPROVAL OF THE AGENDA AND TIME ESTIMATES

Mr. Laue moved, seconded by Ms. Swanson Gribkov, to adopt the agenda and time estimates.

Mr. Hornbuckle moved not to hold an executive session for the discussion on the City Manager. The motion failed for lack of a second.

The motion to adopt the agenda passed, 6:1; with Mr. Hornbuckle opposed.

II. EXEMPTION TO PARK RULES--HOMELESS ACTION COALITION

Mr. Laue moved, seconded by Ms. Swanson Gribkov, to grant an exemption to the park/camping rules under Ordinance 20062 for persons associated with the Homeless Memorial Day camp-in--an event to occur at the west end of Skinner Butte Park on December 21, 1996. Roll call vote.

At Ms. Swanson Gribkov's request, Pam Berrian, Administrative Services, provided background on the request.

In response to a question from Mr. Torrey, City Attorney Glenn Klein said he did not think the council was setting a legal precedent for the use of the park through the motion.

The motion passed unanimously, 7:0

III. CONTINGENCY FUND REQUEST--HOMELESS ACTION COALITION

Mr. Laue moved, seconded by Ms. Swanson Gribkov, to direct the City Manager to enter into a contract for services needed to facilitate public access to the December 21, 1996, event planned in Eugene in conjunction with the Homeless Action Coalition Homeless Memorial Day event, and authorizing the

expenditure of \$150 from the Contingency Fund to cover the cost of the contract.
Roll call vote.

Ms. Keller expressed concern with the doubling of the amount originally requested by the coalition to cover the cost of publicizing the event

Ms. Keller moved, seconded by Mr. Boles, to reduce the amount to \$75.00, as originally requested by the coalition.

Mr. Boles agreed with Ms. Keller that the City should avoid using public money to publicize events that have a political purpose.

Ms. Swanson Gribskov suggested that the coalition request the additional funds from the City's Human Rights Commission.

Mr. Hornbuckle said he opposed the amendment, adding that the City had used public money to promote other political causes and saw no reason why it should not support this one.

The motion to amend passed, 5:2; with councilors Hornbuckle and Laue opposed.

The main motion passed unanimously, 7:0

IV. 1997 LEGISLATIVE POLICIES DOCUMENT

Mr. Laue moved, seconded by Ms. Swanson Gribskov, to approve the 1997 Legislative Policies Document. Roll call vote.

Linda Lynch, Council and Intergovernmental Services Director, presented the document and described its purposes, saying it serves as a "road map" to the issues for legislators. She asked the council to remove from the document any items it does not agree with and approve the remainder.

Ms. Keller added that the main theme at the next legislative session will be local control.

Ms. Swanson Gribskov asked how much collaboration there was between the City's policies and the League of Oregon Cities (LOC). She suggested the council discuss the State's 2 percent "kicker" as one way of responding to Ballot Measure 47.

Ms. Lynch said local jurisdictions should comment on the kicker and the council might choose to comment about that in the Mayor's cover letter or the introduction to the document. She noted that the City of Springfield had received a draft copy of the document and following council approval, it would also be shared with the LOC, Lane County, and other cities.

Addressing a question from Mr. Farr, Ms. Lynch said the issue of a City video poker tax could be included if the council wished; however, it required a complicated strategy. Mr. Laue responded that the City was involved in litigation related to the tax.

Mayor Bascom said the Eugene Water & Electric Board has raised the issue of utility deregulation, noting there is proposed legislation before this session.

Referring to page 14 of the document, Mr. Boles said he was supportive of the policy as written but noted that it was in conflict with the position taken around transportation demand management in conjunction with TransPlan. He suggested the following changes: page 17--under State Lottery, call out maintaining the current infrastructure rather than building new infrastructure; and page 25--Environmental Issues/Air Quality, Item 1(b), modify the statement to "include the proposed PM 2.5 (particulate matter) regulations."

Mr. Hornbuckle said he would not support the motion because the council had not had sufficient time to review the material and the new council should consider the document.

Mr. Laue asked the Intergovernmental Relations (IGR) Committee to discuss Ballot Measure 11 and make recommendations for proposed legislation.

Mr. Torrey spoke in support of the motion.

Ms. Keller reminded the council that the legislative session begins shortly and people should already be working with their legislators. She suggested adding comments about the 2 percent kicker. The council agreed.

The motion to approve the 1997 Legislative Policies document, as amended passed, 6:1; with Mr. Hornbuckle opposed.

V. REPORT AND RECOMMENDATION--COUNCIL COMMITTEE TO FINANCE AFFORDABLE HOUSING

Richie Weinman, Planning and Development Department, reviewed the Council Committee to Finance Affordable Housing's recommendation. He added that committee member Paul Holbo expressed concern with tying the recommendation to Ballot Measure 47.

Ms. Keller pointed out that the committee's survey concluded that none of the tax measures being reviewed would be successful at the polls. The recommendation, she added, encourages the council to put forward a revenue measure to address the shortfall resulting from measure 47 and include affordable housing in that revenue measure.

Mr. Farr encouraged the council to adopt the recommendation.

Mr. Hornbuckle criticized the list of revenue options included in the committee's survey, noting it did not include an option for progressive taxation and implied that the council did not care about affordable housing.

Mr. Boles said that the council had the ability to act on a revenue option without voter approval and it

failed to do so. He said he would not support the motion because it perpetuated that type of council response.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, to accept the recommendation and report of the Council Committee to Finance Affordable Housing. Roll call vote. The motion passed, 5:2; with Mr. Boles and Hornbuckle opposed.

Ms. Keller moved, seconded by Mr. Farr, to disband the Council Committee to Finance Affordable Housing.

Ms. Keller praised the committee's work and explained that it had considered progressive funding.

The motion passed unanimously, 7:0.

VI. STATUS UPDATE: WHITEAKER REMAND

Ms. Swanson Gribskov declared a conflict of interest and excused herself from the discussion.

Scott Meisner, Planning Commission President and Chair of the Whiteaker Planning Team, provided background on the topic and the discussion processes, which focused on the Goal 9 issues. He said that the petitioners viewed the remands as creating a legal obligation for the City to deal with, while the City's Attorney opined that the remands require the City to prepare supplemental findings but do not say that any particular element of the plan is unlawful or wrong without the supplemental findings.

Teresa Bishow, Planning and Development Department, said those petitioners that participated in the Whiteaker Plan Discussion Group initially appeared to support the option forwarded to the council regarding the mixed use zoning but later opposed the suggested option.

Mr. Boles said part of the problem was an inconsistent set of people participating in the Whiteaker Plan Discussion Group, and what is being proposed is the best attempt to avoid a judicial process.

Addressing a question from Mr. Farr, Mr. Klein said there have been two remands. The first LUBA remand called the council to adopt findings for consistency with State planning goals. The next LUBA remand said that the City "need not only to analyze the impact of properties in your commercial and industrial lands inventory but all properties, developed or undeveloped." Mr. Klein said the second remand was appealed to the Court of Appeals, who affirmed LUBA's position. In response to a follow-up question from Mr. Farr, Mr. Meisner said the group's research did not reveal a record of complaints by residents regarding commercial and industrial activities. He believed some property owners of industrial land feared the impacts the plan would mean to businesses in the area--and the fear was not based on experience.

Ms. Norris said her perception is that there is concern that the plan will have the effect of driving commercial and industrial uses away from the area.

Ms. Bishow added that there was a fundamental difference of opinion regarding the vision for the future of the Whiteaker neighborhood.

Addressing a question from Mr. Torrey, Mr. Meisner said the group tried not to do a legal analysis of the opinion of the Court of Appeals, but rather address the concerns about the mixed use zoning district and site review.

In response to a follow-up question from Mr. Torrey, Ms. Bishow said the target date for completing the draft Land Use Code is July 1, 1997. She added that staff anticipates that the Planning Commission and the council will take up to a year to review the draft document and take final action. Ms. Bishow said individual site review applications are administratively reviewed within 30 days, although some may take longer.

Ms. Keller called the option that emerged from the Whiteaker Plan Discussion Group a compromise--an attempt to deal with changes in zoning and some of the concerns with site review. She said she saw no reason to move forward with that option since it did not seem to interest petitioners. She pointed out that the remand was for supplemental findings, further evidence that the goals were met. Ms. Keller urged the council to move forward with Option 2, including a public hearing.

Ms. Nathanson arrived at the meeting.

Mr. Laue moved, seconded by Mr. Boles, to direct staff to complete the draft supplemental findings addressing the Goal 9 and Goal 10 of the Whiteaker Refinement Plan remand and to schedule a public hearing for early 1997. Roll call vote. The motion passed, 5:1; with Mr. Farr opposed (Ms. Nathanson not taking part in the vote, having arrived after the discussion; and Ms. Swanson Gribbskov having excused herself from the discussion and vote).

Mayor Bascom adjourned the meeting and called an executive session.

Respectfully Submitted,

Linda H. Norris

Linda H. Norris
City Manager pro tem

(Recorded by Yolanda Paule)
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MINUTES
City Council
Council Chamber—City Hall

December 2, 1996
7:30 p.m.

COUNCILORS PRESENT: Tim Laue, Laurie Swanson Gribkov, Shawn Boles, Pat Farr (left at 7:50 p.m.), Kevin Hornbuckle, Barbara Keller, Jim Torrey,

COUNCILORS ABSENT: Nancy Nathanson

Her Honor Mayor Ruth Bascom called the meeting to order.

I. PUBLIC FORUM

There were no requests to speak.

II. CONSENT CALENDAR

- A. Approval of City Council minutes of October 14, 1996, Dinner Work Session; October 16, 1996, Lunch Work Session; and October 23, 1996, Lunch Work Session
- B. Park Location Land Exchange in Willakenzie
- C. Resolution Authorizing the Issuance and Sale of Broadway Garages Limited Tax Bonds

Res. No. 4509—A resolution authorizing the issuance and sale of the Broadway Garages Limited Tax Bonds, Series 1997, in an amount of not more than \$7,700,000.

- D. Housing Investment Partnership Program 1996/97 Operating Funds for Community Housing Development Organizations

Mr. Torrey requested that item B be removed from the Consent Calendar for further consideration at the end of the agenda.

Mayor Bascom requested that item D be removed from the Consent Calendar for further consideration at the end of the agenda.

Mr. Laue moved, seconded by Ms. Swanson Gribkov, to approve items A and C of the Consent Calendar. Roll call vote; the motion passed unanimously, 7:0.

Mr. Parr left the meeting at 7:50 p.m.

III. PUBLIC HEARING: RESOLUTION CONCERNING SUPPLEMENTAL BUDGET NO. 1 FOR THE CITY OF EUGENE

Res. No. 4510--A resolution adopting a Supplemental Budget; making appropriations for the City of Eugene for the fiscal year beginning July 1, 1996, and ending June 30, 1997.

Ms. Swanson Gribkov said that she had flagged for discussion the addition of \$300,000 to the Contingency Fund, noting that sometimes when money was in a contingency fund and not earmarked for a specific item, the City was more tempted to spend it. She asked if the money was directly related to the ballot measure that recently had passed.

Warren Wong, Administrative Services Director, stated that the \$303,000 was the remaining amount after the council had allocated the difference in the Working Capital and the remainder of the Reserve for Encumbrance to the various categories. He said that staff recommended that the remaining money be moved into the Contingency Fund because it would bring the Contingency Fund up to \$525,000, which was, at best, the minimal amount the City should have in contingency, being only one-third of the way through the fiscal year.

Ms. Swanson Gribkov requested that the council and staff review the amount of money projected for the implementation for Ballot Measure 20-75. She expressed that she thought the amount projected was high and would like to see the projection decrease.

Mr. Wong stated that, because the council had one-time money available for such an allocation, staff recommended that the council approve the appropriation. He noted that the projection had been made two months previously and it was subject to change, and he added that Dave Nuss and Mary Walston, staff, had been meeting and collaborating with proponents of the measure to better understand what the measure would mean in terms of City expenditures. He said that Mr. Nuss and Ms. Walston would draft a work plan by January or February 1997 and give the council an opportunity to comment and modify it at that time. He said that the projected \$231,000 could be low or high, and if the council appropriated it, the City would put an administrative spending authority on the money, which meant that the money would be appropriated but until the work plan was approved, large expenditures would not be made.

Answering Ms. Keller's question concerning page 3 of the Supplemental Budget regarding the reappropriation of \$51,000 for confiscated goods, Mr. Wong stated that the money was the City's share of the confiscated property. He said that money was appropriated to help fund activities dealing with that particular work unit.

Responding to Ms. Keller's question referring to page 2 of the Supplemental Budget, the money allocated for construction permit staff, Marsha Miller stated that the Building Permit Plan Check Subfund had an extremely healthy year. She said that this item related to the extra money that was over and above all of the costs. She said that a portion of that money would be spent and a portion would be added to reserves.

Ms. Keller clarified that the fund was composed of 80 percent fees and 20 percent General Fund money. Responding to Ms. Keller's question as to why some of that money was not being returned to the General Fund, Abe Farkas, PDD Director, stated that when the subfund was established, its intent was to keep pace with the volatile nature of the building environment, meaning that in some years more money would be gained than in other years. He noted that last year more money was brought in and the department was attempting to build its reserves. He said that money was put into the General Fund on an annual basis and it equaled about 20 percent of the department's yearly intake.

Ms. Keller said that she wanted to earmark this issue for the ongoing councilors, and she suggested that they may want to review those reserves to determine if they were healthier than they needed to be and whether the City was making the appropriate contribution to that fund because it was a cost to the taxpayers.

Mr. Boles thanked Ms. Keller for her continued attention to detail and noted that he did not understand Mr. Farkas's explanation with regard to how the fund was handled. He said that if the argument was that the City was compensating for volatility of the business then if the reserves were available they should have been used rather than asking the City for more money as a budget appropriation.

Answering Mr. Laue's question about the 20 percent that was contributed to the General Fund, Mr. Farkas stated that the central service allocation (CSA) was higher than 20 percent.

Mayor Bascom opened the public hearing.

There being no requests to speak, Mayor Bascom closed the public hearing.

City Manager *pro tem* Linda Norris read the item into the record.

Mr. Laue moved, seconded by Ms. Swanson Gribbskov, to adopt the resolution.

Ms. Keller moved, second by Mr. Boles, to delete from the Supplemental Budget No. 1, the line item on page 166 (of the agenda packet) for the amount of \$212,375 for the Department of Public Safety (DPS) to pay for implementation of measure 20-75 and on page 171 (of the agenda packet) the second item in the amount of \$18,893 from contingency to DPS for implementation of 20-75.

Ms. Keller said that she recognized that the council had expenses for these allocations, but there had not been a council work session to discuss the expenses. She noted that this budget represented a two-year amount of money that was wrapped into this fiscal year. She said that the City was going to need as much money as possible to deal with the repercussions of Ballot Measure 47, so she suggested allocating the money out of next year's budget process. She expressed her hope that the council would

postpone this item until it had time to discuss the expenses.

Ms. Norris said that part of the issue was related to the timing of collecting the fees.

Mr. Wong stated that the fees would be collected in April 1997. He added that the measure called for an appointed board to begin work 30 days after the measure went into effect. He said that the board was supposed to be designing forms and setting fees. He added that the library appropriation would be used to place all the data on-line. He added that the public safety portion allocation was to hire a Deputy Fire Marshal who would develop a program and provide the inspections. He noted that the issue that Ms. Keller had raised was raised by staff as well and staff had committed to creating a work plan before it spent the money. He added that the next supplemental budget process would not be until June 1997.

Ms. Norris said that if council directed, staff would bring back a work plan with specific estimates once it had been completed. She said that the \$231,000 was the most conservative estimate.

Mr. Boles suggested that the motion be changed to indicate where the money would be held. Ms. Keller said that she would accept the suggestion as a friendly amendment if Mr. Boles indicated a specific amount.

Mr. Wong clarified that if the money was placed in reserve then the money would not be touched for any purpose other than Measure 20-75, but if it was placed in contingency it could be used for any purpose. Ms. Keller said that she did not want the money placed in reserves because she wanted the money to be available for other purposes.

Ms. Keller did not accept Mr. Boles suggestion as a friendly amendment.

Mr. Laue said that his sense was that there was a concern that the amount appropriated in the budget was too high. He said that perhaps it was too high, but it was his experience that if that was the case the council would go through those appropriations in the next supplemental budget process and roll them back. He said that his concern was that a measure had been passed by a vote of the people and he did not want to give the impression that the City was adjusting the measure after it was passed. He said that he saw no reason to alter the appropriations at this point and he said he would vote against the motion.

Roll call vote; the amendment failed 4:2 with Ms. Keller and Mr. Hornbuckle voting yes.

Ms. Swanson Gribkov clarified that she wanted staff to bring back the work plan after it had been drafted.

Ms. Keller said she would vote against the main motion because she believed both staff and council were unwilling to deal with the new reality that had descended upon the City after the passage of Ballot Measure 47. She said that the City was in a different financial mode and her fear was that staff would spend the entire amount allocated.

Roll call vote; the main motion passed 3:3 with Mr. Boles, Mr. Hornbuckle and Ms. Keller voting no and Mayor Bascom breaking the tie.

Mayor Bascom adjourned the meeting of the City Council.

Mayor Bascom called to order the meeting of the Urban Renewal Agency.

IV. PUBLIC HEARING: RESOLUTION CONCERNING SUPPLEMENTAL BUDGET NO. FOR THE URBAN RENEWAL AGENCY

Res. No. 987--A resolution adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year beginning July 1, 1996, and ending June 30, 1997.

Mayor Bascom opened the public hearing.

There being no requests to speak, Mayor Bascom closed the public hearing.

Ms. Norris read the item into the record.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, to adopt the resolution. Roll call vote; the motion passed 5:1 with Mr. Hornbuckle voting no.

Mayor Bascom adjourned the meeting of the Urban Renewal Agency.

Mayor Bascom reconvened the meeting of the City Council.

V. PUBLIC HEARING: ORDINANCE CONCERNING EXTENSION OF TELECOMMUNICATIONS MORATORIUM

CB 4600--An ordinance extending the moratorium on building and land use permits for telecommunication towers and antennas within the city as imposed by Ordinance No. 20063; and declaring an emergency.

Jan Childs, Planning Director, issued the staff report noting that in September the council adopted a moratorium on new applications for telecommunications facilities. She said that, under State law, the initial moratorium was limited to 120 days. She added that State law also provided for a renewal of the initial moratorium for a period of up to six months, provided that the problems giving need to the original moratorium still existed and reasonable progress was being made toward correcting the problems.

Ms. Childs stated that, within the ordinance, there were findings that demonstrated the progress that was being made by the Council Committee on Telecommunications, as well as by the City Council in developing telecommunication policies and a comprehensive telecommunications plan. She said that

after reviewing the timing of the completion of code amendments, staff and members of the Council Committee on Telecommunications believed that attempting to complete the Planning Commission recommendations and gain City Council adoption of zoning code amendments by January 1997 would allow limited time for public review and comment of code amendments. She added that it would require the City Council to hold a public hearing and take action on a set of complex code amendments at the same meeting.

Ms. Childs stated that the City Council was being requested to consider an extension of the moratorium for a period of 45 days. She said that the extension would provide an opportunity for review of draft code amendments prior to a mid-January Planning Commission hearing. She added that the Planning Commission could complete a recommendation to the City Council by the end of January 1997 and the council could complete its public hearing and action by the end of February 1997.

Ms. Childs stated that the notice for this public hearing was mailed to the Planning and Development interested parties list on November 15 along with a copy of the draft ordinance. She said that staff had received two letters, one from Ron Fowler, Real Estate Manager for AT&T Wireless, and a second from Bill Close, representing Western Wireless. She said that both letters requested that the moratorium not be extended, but that neither company would oppose a reasonable extension.

Mayor Bascom opened the public hearing.

There being no requests to speak, Mayor Bascom closed the public hearing.

Ms. Norris read the item into the record.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, that the bill, with unanimous consent of the council, be read the second time by council bill number only, and that enactment be considered at this time.

City Attorney Glenn Klein responded to Bill Close's letter, in which he stated that the existing code process worked well. Mr. Klein stated that in the most recent Hearings Officer's decisions, the Hearings Officer stated that the existing code did not allow him to require co-location of telecommunications facilities. He noted that, currently, the Hearings Officer was not requiring co-location.

Roll call vote; the motion passed unanimously, 6:0.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, that the bill be approved and given final passage. Roll call vote; the motion passed unanimously, 6:0 and became ordinance 20072.

VI. PUBLIC HEARING: ORDINANCE CONCERNING MULTIPLE-UNIT RENTAL HOUSING PROPERTY TAX EXEMPTION

CB 4601—An ordinance concerning Multiple-Unit Rental Housing; amending Sections 2.945 and 2.947 of the Eugene Code, 1971; repealing Resolution No. 4328; repealing Ordinance No. 20045; and providing an effective date.

Richie Weinman, Planning and Development, issued the staff report. He stated that in October, the City Council approved a number of changes to the multi-unit tax exemption ordinance and the council asked that staff return with specific ordinances and administrative rules. He noted that the administrative rules were contained in the agenda packet. He stated that the changes were designed to create a more definitive public benefit and staff recommended a more broad process. He stated that the one piece that has changed since the council's earlier action was the passage of Ballot Measure 47. He said that staff was not clear what the impact of measure 47 would be on this program or any tax exemptions, but it would be relatively minuscule either way because this program represented exemptions on improvements and the improvements would not be made without the promise of an exemption.

Mayor Bascom opened the public hearing.

There being no requests to speak, Mayor Bascom closed the public hearing.

Ms. Norris read the item into the record.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, that the bill, with unanimous consent of the council, be read the second time by council bill number only, and that enactment be considered at this time.

Ms. Keller addressed Mr. Weinman's comments by stating that the "but for . . ." clause had not worked, and she did not believe that staff could evaluate whether a project would be built "but for" the property tax exemption. She added that in the area delineated there were virtually no empty lots, so there would be redevelopment and the City would be taking something off the tax roles in order to give a tax exemption to someone.

Ms. Keller reminded councilors that there had been a fundamental change in the City's tax system with the passage of Ballot Measure 47. She said that the City was no longer under a tax base system. She stated that the council could once justify this type of project by rationalizing that the money was not coming out the "City pockets," but the burden was spread over all of the taxpayers. She said that now, instead, this building would not contribute to pay for all of the services that were required to service the building.

Ms. Keller stated that, by supporting this project, the City would be, in effect, saying that it was going to increase the load on services by more people, but it would not pick up the cost of servicing them and no one else will pick up that cost either. She said that the amount of affordable housing would not be significantly increased because affordable housing had not been built as part of these projects. She said that the City would be subsidizing the creation of medium and high-end housing and the profits of the developers who create the projects.

Mr. Hornbuckle stated that, if one believed that the program was basically intact, then the ordinance proposed some improvements. He noted that the distribution of the points would help focus the purpose of the program on public benefits, but the definition of public benefits had to be weighed against the net impact of the development, so he did not accept the premises of the improvement. He said that he viewed this as an attempt of some councilors to pay back campaign contributors who were real estate developers and construction industry owners. He stated that the general taxpayer should know that this money would be coming out of the taxpayers pockets in more than one way. He said that these projects would foster increased aggressive taxation through the form of fees and privatization. He said that he would vote against the motion, and he noted that the housing developed through these projects had not been affordable housing, yet there was a clause that allowed for contributions to low-income housing fees that could be used to justify the program. He added that there did not need to be a public subsidy to develop downtown housing; rather, the City could contract for that purpose itself and allow the occupants to move into ownership of the houses.

Mayor Bascom reminded the council that the reason the City embarked on this program was to create a denser central area of the city. She said that it was not a low-income housing program.

Mr. Boles said that this program had been presented to him as having low-income implications, which had not come to fruition. He said that because the program did not have positive implications either from a low-income standpoint or a public policy standpoint, he would vote against the motion.

Ms. Keller stated that she believed staff had worked hard to do what it felt was best on this issue. She expressed her belief that the low-income aspect had become a screen for selling the rest of it, particularly considering the new approach that every dollar that came in was for low-income housing. She said that she believed in low-income housing and had worked hard to fund low-income housing, but with this project the City received a payback of ten percent on the dollar.

Ms. Norris said that one of the examples of this project was the West End Housing Project. She added that one of the suggestions that the council had made and was included in the ordinance was that each case would be reviewed by the City Council on an individual basis.

Mr. Weinman stated that the West End Project was approved, tentatively, under the existing program, which had a sunset. He said that if the program was not approved that evening, then staff would have to come back to the council with a special ordinance or resolution in order to keep the West End project "alive."

Mr. Torrey expressed hope that the council would pass the ordinance. He reminded the council that it would have the opportunity to review each project individually.

Mr. Weinman stated that the Broadway Center, Lawrence Court, the Washington Abbey, and 15th Avenue and Olive Street were all projects that were created under this program.

Mr. Hornbuckle said that the City was "pulling the wool over the eyes of the electorate," with this program. He said that in Marxist terms the City was employing "Commodity Fetishism" because the average taxpayer sees the end result and believes that without this program the buildings would not exist. He noted that the former City Manager sold the Lincoln School for under the assessed value to a

developer who had an "in" with the former City Manager. He stated that *The Register-Guard* twice wrote that the City Council voted unanimously to support the Lincoln School project, but he was not present at the meeting and did not vote in favor of the project.

Ms. Keller said that it made no difference that the ordinance contained a clause allowing the council to review each project individually because the council did not have a history of dealing with development projects with integrity, and she added that the council should decide whether the ordinance was a good piece of legislation and vote for or against it based on its merit. She added that the potential application for a lot near Pasta Plus indicated that market forces were causing the redevelopment of downtown.

Mr. Laue said that he had been troubled by this program for some time and he was cognizant of the fact that the City was facing a new era with the passage of Ballot Measure 47. He said that an incentive for a tax abatement was quite different under Measure 47 than it was before its passage. He asked how much money the City was looking at in terms of a per-unit basis.

Mr. Weinman said that the amount was not much in comparison to the entire tax base of the City of Eugene. He said that in the previous tax environment, exempting a project would not even amount to one-hundredth of a penny in terms of a typical homeowner's tax. He said that it would mean something different under Ballot Measure 47 and he suggested that the council revisit its goals and reprioritize. He added that staff had never touted this program as a low-income program.

Mr. Laue said he was unsure about moving forward with the program because it was not clear to him that the program had worked as well as the City would have liked. He added that, considering the unknown ramifications of Ballot Measure 47, it was not clear that the council should move ahead with the program.

Mr. Weinman suggested that the council could adopt the provisions because the council had already done the work, but it could also continue the moratorium on the program until the implications of Measure 47 were more fully examined.

Ms. Swanson Gribkov said she liked the recommendation and she would be willing to make a motion for such an amendment.

Mr. Klein referred the councilors to page 7, section 3 of the ordinance, and noted that the following change in wording could be made to effect the continuation of the moratorium (additions in bold and deletions in strikeout): "The ordinance No. 20045 suspending the processing of applications for multiple-unit property tax exemptions ~~is hereby repealed~~ **is continued.**"

Ms. Swanson Gribkov moved, seconded by Laue, to amend the main motion by changing wording on page 7, section 3 so that it reads as follows: "The ordinance No. 20045 suspending the processing of applications for multiple-unit property tax exemptions ~~is hereby repealed~~ **is continued.**"

Mr. Boles said he would support the amendment because he trusted that the incoming council and the community will address the issue that it is less expensive to build at the periphery of the city. He said that it was important to level the playing field.

Responding to Mr. Torrey, Mr. Klein said that there were no legal limitations to the length of the moratorium.

Mr. Torrey stated his support of the amendment and added that it was important for the council to review all the issues connected to Ballot Measure 47.

Ms. Keller said that the arguments against the program did not simply disappear because there was a moratorium in place. She said that if the City was going to continue the moratorium forever then it might as well do away with the program. She said she would vote against the motion.

Mr. Laue said that his original intention was to table the issue until the implications of Ballot Measure 47 became more clear, but he was comfortable with the amendment because of the issues Mr. Weinman raised with regard to the West End Project.

Roll call vote; the amendment passed 4:2 with Ms. Keller and Mr. Hornbuckle voting no.

Mr. Hornbuckle stated that he would vote in favor of the first reading, but that did not indicate his support of the main motion.

Roll call vote; the motion passed unanimously, 6:0.

Mr. Laue moved, seconded by Ms. Swanson Gribkov, that the bill be approved and given final passage. Roll call vote; the motion passed 3:3 with Mr. Boles, Ms. Keller, and Mr. Hornbuckle voting no and Mayor Bascom breaking the tie and became ordinance 20073.

VII. APPROVAL OF MINUTES, FINDINGS AND RECOMMENDATIONS FROM HEARINGS OFFICIAL AND PASSAGE OF AN ORDINANCE LEVYING ASSESSMENTS FOR CONSTRUCTION OF SIDEWALKS AND DRIVEWAY APPROACHES

CB 4602--An ordinance levying assessments for construction of sidewalks and driveway approaches for five (5) various locations in the City; and declaring an emergency. (Contract 95-26) (Job #3375)

Jeff Lankston, Public Works Department, issued the staff report. He noted that all the councilors had received copies of the Council Summary, the Findings and Recommendations, and minutes from the hearing. He highlighted that Mr. Smith, who owns the house at 90 East 20th Avenue, testified at the hearing that he objected to the assessment (\$3,451) he had received for a retaining wall built in front of his house. Mr. Lankston noted that Mr. Smith also objected to the portion of the assessment (\$451.26) that was for landscaping and excavation. He added that prior to the local improvement district (LID) formation, Mr. Smith was notified several times of the impending project, and he was given an estimate of \$6.97 per square foot, just prior to the LID formation for the construction of his sidewalk. He stated that the excavation and landscaping consisted of the removal of two trees in the right-of-way in front of Mr. Smith's house and the excavation of earth that was part of an embankment. Mr. Lankston stated

that the costs for the excavation and landscaping were within the original estimates given to Mr. Smith.

Mr. Lankston reported that there were other parcels in this LID and past and future LIDs that do contain excavation and landscaping costs. He added that due to a design mistake, the necessity for a retaining wall in front of Mr. Smith's residence was overlooked until the project was already in construction phase. He added that Mr. Smith had not been notified of the expected cost for the retaining wall prior to the LID, and he received no notification during construction that the wall was going to be built until he received the notice of proposed assessment prior to the hearing for the levying of the assessment. He explained that the council had the option to reduce Mr. Smith's assessment from 0-100 percent of the retaining wall cost and because it was a reduction, there would not be a necessity for a public hearing or further public notification.

Responding to Mr. Boles' question, Mr. Lankston stated that the City made the design mistake. He added that if the council chose to reduce Mr. Smith's assessment by the portion of the wall cost, then the cost would be covered by Road Fund money.

Answering Mr. Torrey's question, Mr. Lankston said that Mr. Smith's original assessment was \$1,500.

Mr. Laue moved, seconded by Mr. Boles, to reduce the assessment by the amount of \$3,451, the cost of the retaining wall, and the City pay for that amount with money from the Road Fund.

Mr. Klein referred councilors to pages 271, 272, 276, and 291 of the agenda packet, and stated that those pages contained references to that amount of the assessment against the parcel and references to that amount of the City's share. He said that staff would reduce the amount assessed against the parcels by the \$3,451 and increase the amount of the City's share by \$3,451 on each of those pages. He said that Mr. Laue's motion with that understanding would allow staff to make those changes.

Mr. Laue expressed his hope that the council would not be faced with similar circumstances again. He said that if this type of issue arose again, then it would be important to notify the affected parties before the hearings for assessment.

Ms. Swanson Gribskov thanked staff for acknowledging the mistake and said the council was taking appropriate action.

Mr. Hornbuckle thanked the council for looking at this issue in detail.

Roll call vote; the motion passed unanimously, 6:0.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, to approve the Hearings Official Minutes, Findings, and Recommendations of November 22, 1996. Roll call vote; the motion passed unanimously, 6:0.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, that the bill, with unanimous consent of the council, be read the second time by council bill number only, and that enactment be considered at this time. Roll call vote; the motion passed

unanimously, 6:0.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, that the bill be approved and given final passage. Roll call vote; the motion passed unanimously, 6:0, and became ordinance 20074.

VIII. ORDINANCE AUTHORIZING THE INSTITUTION OF PROCEEDINGS IN EMINENT DOMAIN FOR THE ACQUISITION BY CONDEMNATION OF PROPERTY INTERESTS SOUTH OF AIRPORT ROAD FOR AIRPORT PURPOSES

CB 4603—An ordinance authorizing the institution of proceedings in eminent domain for the acquisition by condemnation of property interests south of Airport Road for airport purposes (Kokkeler and SSK Investments Inc.).

Christine Andersen, Public Works Department Director, stated that council had been given a packet of information that explained this portion of the Airport Acquisition Plan, which was part of the Airport Master Plan. She noted that this plan was part of the acquisition currently underway to support the air cargo facility and environmental buffers.

Mr. Boles stated that the council had received a letter from an attorney representing the affected property owners. He stated that the letter raised some question as to whether the property owners had been informed and asked if staff had read to the letter. Ms. Andersen said she had just received the letter and had not had the opportunity to study it and asked the City Attorney to respond to some of the allegations outlined in the letter.

Mr. Boles expressed discomfort in addressing the issue without further understanding of the allegations raised in the letter.

Ms. Swanson Gribskov asked if the project time schedule would be negatively affected if the council postponed discussion and action on the issue. Ms. Andersen said that postponing the issue would not negatively affect the specific project schedule.

Mr. Klein requested that the council not act because he wanted to have time to review the letter. He said that the council could not postpone to a date certain because the council was changing. He said that the new council would have to schedule the item.

Mayor Bascom asked if there were any objections to not acting that evening.

Ms. Keller said she had no problem with the item being postponed. She listed questions that she wanted the staff and the future council to consider as follows: 1) where is the money coming from and was the City still paying off the airport bonds that were never to be levied; 2) why was the City not repaying those bonds instead of buying more land; and 3) would it not be more fiscally prudent to put this item within the framework of Ballot Measure 47.

Ms. Andersen stated that airport funds and Federal Aviation Administration (FAA) money would pay

for the project. She added that the City was continuing to levy the debt for the General Obligation Bond for the airport terminal project and that continued to be the method for paying that debt. She said that in relation to Ballot Measure 47, the airport operated under an enterprise fund and was not linked to the impacts of Ballot Measure 47 directly.

Ms. Keller stated that the council did promise the electorate that it would not levy the bond.

Mr. Boles said that he led the charge to levy the General Obligation Bond.

IX. INTERGOVERNMENTAL COMMITTEE APPOINTMENTS

Mr. Laue moved, seconded by Ms. Swanson Gribkov, to appoint to the East Alton Baker Park Citizen Planning Committee, the Eugene-Springfield Metropolitan Partnership, Lane Regional Air Pollution Authority, and the Southern Willamette Private Industry Council, the nominations listed in the Agenda Item Summary for this item. Roll call vote; the motion passed, 5:1 with Mr. Hornbuckle voting no.

X. REVISITATION OF CONSENT CALENDAR

Item B: Park Location Land Exchange in Willakenzie

Ms. Keller said that she would not vote against this item, but in her discussions with John Etter, Public Works Department, she realized that there would be a high brick wall along Crescent Avenue with a small entrance into the park. She said that would appear to most people to be a private park. She explained that the City did not have a policy that would keep this type of construction from happening and she hoped that the next council would put on its agenda a review of parks policies. She said that it was important to create public parks that were perceived as public parks.

Ms. Keller entered into the record her understanding that the park, with the wall, was the configuration to which the council was agreeing and that she was voting to support it because the west portion of the subdivision allowed for access along Grand Cayman to the existing park. She said that while one park was being made less accessible, another was being made more accessible.

Mr. Hornbuckle left the meeting at 9:25 p.m.

Mr. Laue moved, seconded by Ms. Swanson Gribkov, to approve item B. Roll call vote; the motion passed unanimously, 5:0.

Item D: Housing Investment Partnership Program 1996/97 Operating Funds for Community Housing Development Organizations

Mayor Bascom said that allocations of funds for the four items highlighted the growing health of Eugene's non-profit organizations dealing with low-income housing.

Mr. Weinman explained that Half-way House, Incorporated was a non-profit organization that worked on specialized housing for people with disabilities; specifically, for mentally retarded/developmentally disabled persons.

Mr. Laue moved, seconded by Ms. Swanson Gribskov, to approve item D. Roll call vote; the motion passed unanimously, 5:0.

The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Linda H. Norris

Linda H. Norris
City Manager *pro tem*

(Recorded by Jennifer Self)
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