

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Public Hearing: Ordinance Adopting an Amended Urban Renewal Plan for the Downtown Urban Renewal District

Meeting Date: April 19, 2010
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Amanda Nobel Flannery
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ISSUE STATEMENT

The public is invited to comment on a proposed ordinance to amend the Central Eugene Project (Downtown) Urban Renewal Plan. On March 8, 2010, the Urban Renewal Agency (URA) Board initiated amendments that include increasing the maximum indebtedness by \$16.15 million to a total of \$49.15 million, expanding the boundary to include the potential Veterans Affairs (VA) clinic site, and terminating the Downtown District as soon as sufficient funds are collected to pay for the package of projects (Lane Community College's new downtown campus, public safety improvements and increased police staffing, VA Willamette Street Clinic, and Park Blocks improvements for the Farmers' Market.)

BACKGROUND

On March 8, 2010, the URA Board of Directors initiated a process to amend the Downtown Urban Renewal Plan as a funding option for the package of downtown projects. The proposed amendments would 1) increase the maximum indebtedness (spending limit) to cover the four specific projects, 2) expand the District boundary to be able to provide assistance for the VA project, and 3) terminate the Downtown District as soon as sufficient funds are collected to pay for those projects. (See Attachment A for a summary of council discussions and actions and public involvement over the past year.)

School District 4J

Also on March 8, the URA Board requested the City Manager complete analysis of the financial impact on School District 4J from the Downtown District continuing to collect property tax revenue and, should there be a financial impact, to come back with ways to keep 4J whole, either through the exchange of services or through financial help. The analysis concludes that 4J is better off financially if the Downtown District continues to collect tax increment funds than it would be if tax increment financing were terminated. The net benefit to 4J is about \$117,000 annually from having the Downtown District in place. Alternatively, 4J would lose about \$117,000 annually and gain a one-time payment of \$30,000, if the Downtown Urban Renewal District were terminated. An explanation of the three impacts to 4J from Downtown Urban Renewal District tax increment collections are:

1. On-going Operating Funds = on-going gain of <\$20,000 if the Downtown District were terminated. The State determines operating budgets for each school district based on the number of pupils. If the money is not available from local property taxes, the State will make up the difference. In FY10, the Downtown District diverted \$550,000 of local property taxes that

would have gone to 4J. The State made up the difference. If the Downtown District had not diverted those funds, the State would have had the additional \$550,000 to allocate as it chose. Had the State chosen to keep the money in education, \$20,000 would have returned to 4J to be used for educational purposes based on the applicable statewide school funding formula. The rest would have gone to other school districts around the state.

2. Collection Capability of the Local Option Levy = on-going loss of \$137,000 if the Downtown District were terminated: The County Assessor analyzed what would happen if the Downtown District stopped collecting property tax revenue. The County Assessor's estimate is that 4J would lose about \$137,000 of local option levy proceeds annually if the Downtown District were to no longer collect tax increment funds. Local option levy proceeds are extra dollars that 4J can put towards educational purposes that are not offset under the state funding formula. The loss occurs because taxes that are currently counted under the "general government" category for Measure 5 tax rate limitations (i.e., the "school property tax dollars" that now go to urban renewal) would move into the "schools" category. When that happens, the schools category of taxes must be reduced for a number of individual properties within the City because schools are already collecting as much as they can under Measure 5 limits for those properties. State law says that local option levy proceeds are the first to be reduced in the event of compression.
3. Availability of One-Time Funds = one-time gain of \$30,000: If the Downtown District were to stop collecting tax increment funds, there would also be a return of any excess tax increment funds collected by the Downtown District to the overlapping taxing districts. The estimated gross amount to be returned to 4J would be about \$1 million. Staff have confirmed with the State that this would not represent additional money to be spent on education in 4J; rather, it would go through the state school funding formula, and 4J would receive about 3% of the total (or about \$30,000) on a one-time basis. The rest would be split among school districts across the state.

Amendment Information

The Downtown Urban Renewal District was created in July 1968. The plan has been amended four times, most recently in 2004. Two of those amendments extended the life of the district, and two of those amendments made other changes that did not extend the district life. The proposed plan includes a summary of the past amendments.

State law requires a "substantial plan amendment" for the council to increase the maximum indebtedness. The substantial amendment process requires a mailed notification to all Eugene property owners; review by the Planning Commission; notification to other impacted taxing districts; and a public hearing. The proposed ordinance containing the 2010 amendments is included as Attachment B. (The proposed plan as amended and the report on the plan are included as Exhibit A to the ordinance.)

Public Notice

The overlapping taxing districts were notified in writing (March 12, 2010) and have until April 30 to provide comments. The Lane County Board of County Commissioners (BCC) reviewed an urban renewal presentation from the County Assessor on April 7. The BCC indicated that they will provide written comments.

A public notice was mailed to Eugene property owners on March 19. The Planning Commission discussed the amendments on March 29 and adopted a motion recommending “council approval of the amendments based on the Planning Commission’s review of the proposed new boundary and the four new projects contemplated in the plan with respect to their consistency with the City’s land use policies. The motion does not include consideration of the financial aspects of the plan.” (*Passed 5:1 Warness opposed*). The Eugene Redevelopment Advisory Committee (ERAC) reviewed the proposed amendments on April 8 and voted in support of the proposed plan amendments. ERAC also indicated that, given the proposed conclusion of the Downtown District, the council should begin a process to identify alternative program(s) and tools to support long-term, desirable downtown improvements such as new housing. The final public notification element that is required by statute is this public hearing.

Maximum Indebtedness

Maximum indebtedness refers to a total spending limit during the life of the plan. For Eugene, the maximum indebtedness was adopted in 1998 and spending towards that limit began in fiscal year 1999. The current “maximum indebtedness” of \$33 million has almost been fully spent, with about \$26 million spent on the library. ***Adopting a “maximum indebtedness” figure does not authorize or obligate the district to enter into debt. Rather, it allows current and future URA Boards to have the ability to fund projects over time, either with cash or by issuing debt.*** Expanding the District boundary allows the Agency to provide financial assistance to the 12th & Willamette clinic location if the VA selects that site.

Increasing the maximum indebtedness and expanding the boundary will allow the URA to increase its financial capacity to fund the four projects. Collectively, the projects will foster a vibrant downtown and boost the local economy.

Timeline

The council is scheduled to review comments received from the public hearing, Planning Commission, and taxing districts at a work session on May 10. The council action on the plan amendments is scheduled for May 24, 2010.

RELATED CITY POLICIES

Downtown revitalization and the projects referenced in this material are supported by the Downtown Plan, the council’s 2009 Vision & Goals, and a number of plans and reports related to downtown. A number of financial policies would guide the creation of the final finance plan, including the City’s debt policies.

COUNCIL OPTIONS

None. Public hearing only.

CITY MANAGER’S RECOMMENDATION

None. Public hearing only.

SUGGESTED MOTION

None

ATTACHMENTS

- A. Summary of Council Discussions/Actions and Public Involvement on Economic Development & Downtown
- B. Proposed Ordinance Amending the Urban Renewal Plan
(Exhibit A: Proposed Downtown Urban Renewal Plan and Accompanying Report)

FOR MORE INFORMATION

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Summary of Council Discussions/Actions and Public Involvement on Economic Development & Downtown

City Council's discussion of downtown revitalization is part of a larger conversation on local economic development actions. Part I provides a summary of discussions and decisions related to downtown from the past year. Part II is a summary of public involvement on downtown revitalization and the proposed downtown urban renewal plan amendments.

PART I

March 8, 2010: Council reviewed four funding options for the downtown revitalization projects. Council moved to forward to the Planning Commission and overlapping taxing districts the proposed amendments to the Downtown Urban Renewal Plan, consistent with the draft plan and report included in Attachments K and L (*passed 6:2 Brown, Taylor opposed*). Council also requested the City Manager to complete the analysis on the financial impact on 4J and, should there be a financial impact, to come back with ways to keep 4J whole, either through the exchange of services or through financial help (*passed 6:2 Brown, Taylor opposed*).

February 22, 2010: Council resumed discussion of the remaining motions that were already on the table from the February 10 work session and voted as follows:

- 1.d. Present to the Urban Renewal Agency Board for its review a proposed amendment to the downtown urban renewal plan that would 1) restrict the use of tax increment funds and increase the spending limit to pay for (i) the Broadway Place Garages' debt, thereby freeing up funds for additional police officers for downtown public safety and property crime reduction, and (ii) not more than three other projects if their inclusion is approved by later motions, and 2) terminate the downtown urban renewal district as soon as the projects are paid for or sufficient funds are collected to fund those projects. In addition, present to the council, at the same time that the City Manager brings forward a draft amendment to the urban renewal plan, an analysis of both a local option levy and a general obligation bond, instead of tax increment financing, to fund the specified projects. (*Passed 6:2 Brown, Taylor opposed*)
 - 1.e. Bring back to council this spring a proposed ordinance requiring vacant properties to pay Downtown Service District fees; and (*Passed 7:1 Clark opposed*)
 - 1.f. Work with Downtown Eugene, Inc. and the Chamber of Commerce on partnerships and other funding strategies with a goal of achieving \$350,000 in revenue. (*Passed 6:2 Brown, Taylor opposed*)
 - 1g: Direct the City Manager to limit new annual expenditures for the downtown safety initiative to \$2.2 million. (*Passed 7:1 Clark opposed*)
2. Include for the proposed downtown Lane Community College development at 10th and Charnelton \$8 million as part of a proposed urban renewal plan amendment, local option levy, and general obligation bond, a portion of which can facilitate a public plaza or open space area at that site and potentially a downtown public safety substation. (*Passed 6:2 Brown, Taylor opposed*)

3. Include as part of a proposed urban plan amendment, local option levy, and general obligation bond, an additional \$500,000 for improvements to the Parks Blocks to enhance that area for the Farmers' Market. *(Passed 5:3 Brown, Solomon, Taylor opposed)*
4. If the VA pursues PeaceHealth's Willamette Street site for a new VA Clinic, include the VA Clinic as part of a proposed urban renewal plan amendment, local option levy, and general obligation bond. *(Passed 6:2 Brown, Taylor opposed)*
5. Pursue additional grant opportunities for steam conversion and electric vehicle charging stations. *(Passed 8:0)*
6. To look for all other possible sources of funding for the LCC project, aside from a GO bond or levy and excluding the use of Facility Reserves, and including the Urban Renewal funds we currently have. *(Passed 7:1 Brown opposed)*

February 10, 2010: Council reviewed the City Manager's recommendation for downtown projects and funding options. Council adopted three motions prior to postponing the remainder of the discussion to February 22.

1. a. Use \$100,000 of one-time existing urban renewal dollars to purchase and install additional lighting downtown and \$100,000 of one-time dollars (½ from telecomm and ½ from existing urban renewal) to purchase automated behavior crime reporting software and cameras, but only after the Council approves the Manager's plan for number, location, use and on-going costs of the cameras, after considering the cameras expected effectiveness in deterring crime. *(passed 8:0)*
1. b. Pursue use of Springfield jail beds to include the exchange for Springfield's use of Eugene Fire's Training Center. *(Passed 5:3 Brown, Taylor, Zelenka opposed)*
1. c. Include in the Manager's proposed FY11 budget \$500,000 of the City's HSC contribution for partial funding of the downtown safety initiative, including additional services like Cahoots. *(passed 8:0)*

Moved to postpone *(Passed 6:2 Brown, Taylor opposed)*

January 11, 2010: Council reviewed funding options and discussed connections between options and seven specific projects.

December 14, 2009: Council reviewed eight specific projects to implement the four strategies for downtown revitalization.

October 21, 2009: Council approved continuing downtown discussions according to a set revitalization process and requested staff to return with specific projects and potential tools to implement four strategies for downtown revitalization.

September 14, 2009: On September 14, council reviewed initial results of a downtown revitalization survey conducted by Strategy Research Institute. Similar to the survey conducted the prior year for the road bond, the downtown survey was conducted to provide specific information on the level of community support for particular policies and actions under consideration. The full set of survey questions, response percentages, and a sample cross tabulation by council ward were attached to a memo for council dated October 1.

August 10, 2009: At a workshop, council discussed and categorized desired downtown outcomes after reviewing a summary of the current downtown-related policies, plans, and prior public involvement efforts. Following the workshop, staff compiled councilors' outcomes into collective statements using the model from the City Council Consensus Workshop Report February 6-7, 2009 prepared by Consensus Associates.

July 8, 2009: Council held a follow-up work session on methods to reinforce existing programs and businesses downtown and to create a series of stimulus actions to strengthen the City's role in community economic development. No formal action was taken; however, council did express interest in talking about desired downtown outcomes prior to resuming discussion on the various tools available for achieving those outcomes.

April 13 & May 27, 2009: Council completed an initial review of possible local stimulus actions on April 13. On May 27, council approved actions on three economic development related items: 1) sale of surplus City real estate for identified development projects, 2) initiation of amendments to extend the expiration period for approved land use applications, and 3) consideration of an amendment to the Downtown Urban Renewal Plan. [On November 9, council approved extending the life of approved land use applications to help projects that may have stalled during difficult economic conditions. The ordinance provides a one-time, automatic three-year extension for certain land use applications that have already gone through a public process and been approved by the City. Council received a memo on strategies for the sale of surplus property dated December 3.]

January 2009: Council unanimously approved a City of Eugene Mayor and City Council Economic Development Statement.

PART II – Summary of Public Involvement on Downtown Revitalization & Proposed Downtown Urban Renewal Plan Amendments

April 8, 2010: The Eugene Redevelopment Advisory Committee (ERAC) reviewed the proposed amendments and voted in support of the proposed plan amendments. ERAC also indicated that, given the proposed conclusion of the Downtown District, council should begin a process to identify alternative program(s) and tools to support long-term, desirable downtown improvements such as new housing.

March 29, 2010: Planning Commission discussed the proposed amendments and adopted a motion recommending council approval of the amendments based on the Planning Commission's review of the proposed new boundary and the four new projects contemplated in the Plan with respect to their consistency with the City's land use policies. The motion does not include consideration of the financial aspects of the plan. (*Passed 5:1 Warness opposed*).

February 2010: As of April 3, the Vibrant Eugene website had 1,073 visitors.

January 2010: Staff held two open house events to share information and gather feedback on the potential projects (January 6 and 7) and gathered additional feedback through an online survey. The

LCC project received the most support. The downtown parking improvements project received the least amount of support.

On January 28, ERAC considered the projects and supported a priority ranking of LCC, Business Assistance & Housing, VA Clinic, and Safety, as the top four projects. Staff also presented the projects to the Sustainability Commission on January 20 and attended the January 21 Downtown Neighborhood Association meeting to provide an update on council's progress.

November 2009: Vibrant Eugene website and surveys were promoted at First Friday Artwalk with an incentive of Hult Center ticket drawing for survey respondents. The local KVAL news station held a televised town hall on downtown revitalization and safety.

December 2010: ERAC met to review proposed downtown projects. The Vibrant Eugene website added an online community discussion board (<http://vibranteugene.activeboard.com/index.spark>).

October 2009: Vibrant Eugene website (www.vibranteugene.org) was launched providing information on downtown revitalization efforts and opportunities, an on-line survey to collect public input and a Downtown Eugene twitter (<http://twitter.com/DowntownEugene>).

ERAC reviewed the downtown revitalization survey results and the proposed downtown strategies of jobs and redevelopment, safety, parking, and arts and amenities. The Planning Commission reviewed the downtown revitalization public involvement plan and survey results.

September 2009: A random sample telephone survey on downtown revitalization was conducted in late August and early September. Results from the survey mirrored the council's desire to focus on specific projects as part of a downtown revitalization plan. Survey results indicated that 86% of respondents support the expansion of LCC's downtown campus, 85% support a Veteran's Medical clinic, and 70% of respondents support matching grants to improve local businesses. After hearing a specific list of potential downtown revitalization projects, 70% of respondents supported this form of economic development, and 53% reported supporting subsidies for economic development downtown. Other priorities for downtown revitalization mentioned in the survey included adequate/free parking, greater police presence, and easing regulations/providing incentives for locating businesses downtown.

August 24, 2009: The Planning Commission received an update on downtown revitalization and reviewed a summary of downtown related plans.

July 2009: City Manager presented at a Downtown Neighborhood Association meeting.

Previous Years: The City has done public outreach on the potential redevelopment of downtown including creating the Downtown Vision, Downtown Plan, and the West Broadway Advisory Committee Recommendations.

ORDINANCE NO. _____**AN ORDINANCE ADOPTING AN AMENDED URBAN RENEWAL PLAN FOR THE DOWNTOWN URBAN RENEWAL DISTRICT.****The City Council of the City of Eugene finds that:**

A. The Urban Renewal Plan for the Central Eugene Project (“the Plan”) was initially adopted on July 3, 1968, by Resolution No. 257 of the Urban Renewal Agency of the City of Eugene (“the Agency”), and on December 19, 1968, by Resolution No. 1609 of the Eugene City Council. The Plan has subsequently been amended, most recently on September 13, 2004, by Ordinance No. 20328 of the Eugene City Council.

B. The City Council’s 2009 Vision and Goals include a goal to foster a vibrant downtown. The City Council and the Urban Renewal Agency Board of Directors (“the Agency Board”) have determined that the following projects, using urban renewal as a financing tool, are consistent with that goal and will require an amendment of the Plan:

- (1) Lane Community College’s (“LCC”) new downtown campus. LCC wants to build a new state-of-the-art education facility on the vacant half-block located at 10th Avenue and Charnelton Street, across from the downtown Eugene Public Library. The new green (LEED Platinum) education facility will include job training programs, the Energy Management program, business development and senior programs, and other LCC educational programming. LCC is also considering the inclusion of student housing in the project. Up to \$8 million of urban renewal funds would be used to help LCC build the new Downtown Campus project.
- (2) Public safety improvements and increased police staffing. Public safety improvements are a key strategy to creating a vibrant and economically healthy place. Increasing public safety services and coordinating with other agencies will make downtown a more welcoming place for everyone. Downtown public safety, including additional police officers, will be funded from dollars freed up by using up to \$4.9 million of urban renewal funds to pay off the debt (excluding interest) on the Broadway Place garages.
- (3) Veterans Affairs (VA) Willamette Street Clinic. If the VA chooses the 12th Avenue and Willamette Street site for its new clinic, the facility will provide service to veterans in our community, fill a currently underutilized building, and create a medical sector hub for businesses and jobs downtown. The plan amendment proposes to expand the downtown urban renewal boundary to include the site and to spend up to \$2.5 million of urban renewal funds to make improvements near that location.
- (4) Park Blocks improvements for the Farmers’ Market. Improvements to the Park Blocks along 8th Avenue to make the location more attractive and functional for the Farmers’ Market will support a cornerstone of downtown activity and one of

the most significant public event venues in the city. Up to \$500,000 of urban renewal funds would be used for this project.

C. In accordance with the provisions of ORS 457, the Agency Director prepared amendments to the Plan (“the proposed Plan”) which included:

- (1) Increasing the maximum indebtedness by \$16.15 million, to a total of \$49.15 million, to cover the four specific projects itemized in Finding B above;
- (2) Expanding the Downtown Urban Renewal District boundary by 7% (five acres) to be able to provide assistance for the VA project;
- (3) Annual review by a community member panel; and
- (4) Providing for the termination of the Downtown Urban Renewal District as soon as sufficient funds are collected to pay for those projects.

D. On March 8, 2010, the Agency Board considered the proposed Plan and the accompanying Report on Urban Renewal Plan for the Downtown Urban Renewal District (“the Report”) and then forwarded it to the City Council for public hearing and possible adoption.

E. On March 12, 2010, the proposed Plan and the Report were forwarded to the governing body of each taxing district affected by the Plan with an offer to consult and confer with that district.

F. On March 19, 2010, Notice of the proposed Plan amendment was sent to individuals or households as required by ORS 457.120. The Notice included, but was not limited to, the date, time and place of the public hearing, in addition to the website where the proposed Plan and the Report could be viewed.

G. On March 29, 2010, the Planning Commission met to review the proposed Plan and Report, and made recommendations to the City Council.

H. On April 8, 2010, the Eugene Redevelopment Advisory Committee met to review the proposed Plan and Report.

I. After the Notice was mailed pursuant to ORS 457.120, the City Council conducted a public hearing on April 19, 2010, on the proposed Plan.

J. Based on the recommendations of the Agency Board and the Planning Commission, and the written and oral testimony before the Planning Commission and the City Council, the City Council specifically finds and determines that:

- (1) The area defined in the proposed Plan is blighted for the reasons explained in Exhibit B to this Ordinance;
- (2) The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;
- (3) The proposed Plan conforms to the Metropolitan Area General Plan, State Land Use Planning Goals, the Downtown Plan, the adopted Growth Management Policies, the Vision for Greater Downtown Eugene, and other adopted City plans

- and policies, including the City Council’s 2009 Goals, and provides an outline for accomplishing the urban renewal projects proposed in the Plan;
- (4) No one will be displaced as a result of any of the four projects included in the proposed Plan;
 - (5) No real property will be acquired as a result of the four projects;
 - (6) Adoption and carrying out of the proposed Plan is economically sound and feasible as described in the Report included in Exhibit A; and
 - (7) The City shall assume and complete any activities prescribed by the proposed Plan.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Based upon the above findings, the Report on the Urban Renewal Plan accompanying the Plan, and the blight findings attached as Exhibit B, all of which are hereby adopted, the Urban Renewal Plan for the Downtown Urban Renewal District attached as Exhibit A is approved and adopted as the urban renewal plan for the area set forth therein.

Section 2. The City Recorder is requested to:

(a) Publish a notice of the adoption of the amended Plan, in the Register-Guard, a newspaper published within the City of Eugene and having the greatest circulation within the City, no later than four days following the date that this Ordinance is adopted. In accordance with ORS 457.135, the notice shall contain a statement that the amended Plan shall be conclusively presumed valid for all purposes 90 days after its adoption by this Ordinance and that no direct or collateral attack on the action adopting the amended Plan may be commenced thereafter;

(b) Forward a copy of this Ordinance and the amended Plan to the Urban Renewal Agency of the City of Eugene, which Agency will cause the amended Plan to be recorded in the official records of Lane County, Oregon; and

(c) Forward a copy of this Ordinance and the amended Plan to the Lane County Assessor and request that the Assessor perform the duties directed by ORS 457.430 through ORS 457.450.

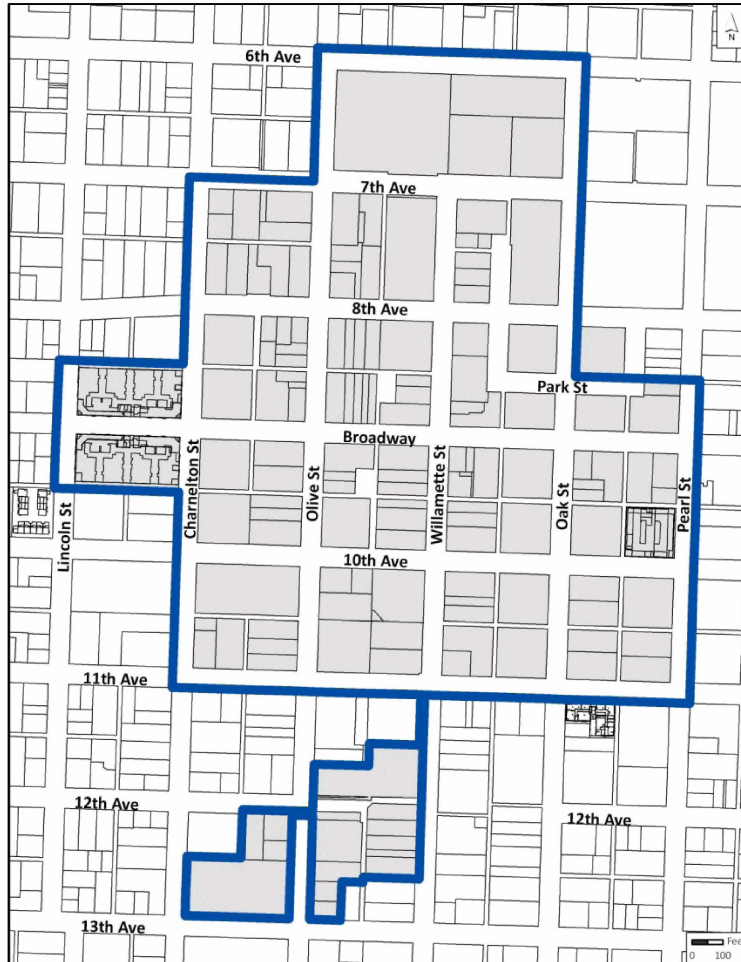
Passed by the City Council this
 _____ day of _____, 2010

Approved by the Mayor this
 _____ day of _____, 2010

City Recorder

Mayor

Urban Renewal Plan for the Downtown Urban Renewal District



Adopted July 1968

- Modified -

December 1968

December 1989

June 1998

September 13, 2004

_____, 2010

Urban Renewal Agency of the City of Eugene, Oregon



URBAN RENEWAL PLAN FOR THE DOWNTOWN URBAN RENEWAL DISTRICT

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I. ADOPTION

Resolution Number	Date	Purpose
Resolution No. 257	3-Jul-68	Adoption of the Urban Renewal Plan for the Central Eugene Project (the Plan).

II. AMENDMENTS

Amendment Number	Date	Purpose
Resolution No. 1609	19-Dec-68	<ul style="list-style-type: none"> ○ Modified the Plan to allow for additional projects as required by HUD to receive additional federal funds.
Ordinance No. 19648	8-Nov-89	<ul style="list-style-type: none"> ○ Aligned the Plan with Metro Plan policies: strengthen the area's position as a regional service center, maintain the Eugene central business district as a vital center, incorporate principles of compact urban growth, encourage retail and commercial development in the downtown area, and promote the development of parking structures in the downtown core. ○ Expiration set for FY10.
Ordinance No. 20120	1-Jun-98	<ul style="list-style-type: none"> ○ Responded to Measure 50 to a) include a maximum amount of indebtedness and b) select Option 1 for the city-wide special levy as the method for collecting ad valorem property taxes for payment of debts related to urban renewal projects. ○ Limited expenditure of new funds to completing existing projects and construction of a new main library. ○ Removed the business assistance loan program. ○ Approved a plan to reduce district administration costs over the following three years.
Ordinance No. 20328	13-Sep-04	<ul style="list-style-type: none"> ○ Expanded the projects for which tax increment funds could be used ○ Created a public advisory committee ○ Added the requirement for specific Agency approval of projects greater than \$250,000 (other than loans), and adding a limit of \$100,000 on the mandate for a public hearing in the event of a plan change (applies to minor amendments that can be approved by the URA without ORS 457.095 approval – Section 1200, C of the 2004 Plan). ○ Added the Downtown Revitalization Loan Program (DRLP). ○ Expiration set for 2024.

URBAN RENEWAL PLAN FOR THE DOWNTOWN URBAN RENEWAL DISTRICT

Section 100 – Introduction

The Downtown Urban Renewal District Plan (formerly known as the Central Eugene Project Plan), was updated in 2010 for the sole purpose of funding four new projects: (1) assistance to Lane Community College (LCC) for development on the on the 10th and Charnelton Development Site; (2) additional assistance in funding the Broadway Place Garages; (3) improvements to the Parks Blocks to provide better opportunities for the Farmers' Market; and (4) assistance with a Veterans Affairs (VA) clinic, if the 12th and Willamette site is selected by the VA. No other new projects will be funded with tax increment dollars. Upon the repayment of debt related to these new projects and previously approved projects, the Downtown Urban Renewal District will be terminated, any unused tax increment funds will be returned to Lane County for redistribution to overlapping taxing districts, and other assets and liabilities transferred to the City of Eugene.

Section 200 – Definitions

The following definitions will govern this Plan.

10th and Charnelton Site means the Agency owned property bounded by Charnelton Street on the west, 10th Avenue on the south, and Olive Street on the east. The downtown public library is directly across 10th Avenue from this site.

2010 Amendment means the update to the Plan that was completed in 2010.

Agency means the Urban Renewal Agency of the City of Eugene.

Broadway Place Garages means the structured parking at Broadway and Charnelton streets.

Downtown Plan The Policies in the Downtown Plan were adopted by the Eugene City Council in 2004 as a refinement of the Eugene Springfield Metropolitan Area General Plan.

Plan means the Downtown District Urban Renewal Plan.

Plan Area means the property included in the Downtown Urban Renewal District as more fully described in Section 300.

Projects means (1) assistance to LCC for development on the 10th and Charnelton Site; (2) additional assistance in funding the Broadway Place Garages; (3) improvements to the Parks Blocks to provide better opportunities for the Farmers' Market; and (4) assistance related to a new VA Clinic, if the VA chooses the 12th and Willamette site.

Tax Increment Financing means a method of financing urban renewal projects as authorized by ORS Chapter 457.

Section 300 – Legal Descriptions

The Downtown Urban Renewal District includes that area of approximately 75 acres. The Plan Area includes all of the land within the boundaries designated on the Plan Area Map attached as Exhibit A and described as containing all lots or parcels of property, situated in the City of Eugene, County of Lane, State of Oregon, bounded generally as described also in Exhibit B.

Section 400 – Goals and Objectives

A. GOALS

The goals of the Plan are to:

1. Improve the function, condition, and appearance of the Plan Area through:
 - a. Redevelopment of the excavated vacant lot at the 10th and Charnelton Site;
 - b. Maintenance of critical parking assets;
 - c. Improved safety for visitors to locations and business within the Plan Area;
 - d. Improved site for the Farmers' Market; and
 - e. Redevelopment of an underutilized medical clinic for use by Veterans Affairs.
2. Eliminate blight and blighting influences;
3. Strengthen the economic conditions of the Plan Area; and
4. Enhance downtown's role as the regional economic, governmental, and cultural center and a central location for public and private development and investment.

B. OBJECTIVES

Development in the Plan Area has been intended to implement the adopted policies contained in the Downtown Plan and to develop downtown as the heart of a livable, sustainable city. The objectives for the 2010 Amended Plan are to ensure that:

1. LCC is able to redevelop the 10th and Charnelton Site with a building that will bring thousands of people into the Plan Area;
2. The Broadway Place Garages remain available and in good condition to support other development and redevelopment in downtown and, at the same time, to enable improvements to public safety downtown;
3. The Farmers' Market can continue to bring hundreds of employees and residents into the Plan Area; and
4. Some local public funds are available to maximize the chances that the VA chooses the 12th and Willamette site.

Section 500 – Land Use Plan

The use and development of all land within the Plan Area shall comply with the regulations prescribed in the City's comprehensive plan, zoning ordinance, subdivision ordinance, City charter, or any other applicable local, State or Federal laws regulating the use of property within an urban renewal area.

Section 600 – Project Activities

To achieve the objectives of this Plan, the Agency may undertake the following activities, and no others, with tax increment funds:

A. LANE COMMUNITY COLLEGE NEW DOWNTOWN CENTER

The Agency may spend up to \$8 million of tax increment funds (not counting payment of debt issuance or interest costs) to assist LCC in the development of a new downtown building for its programs, at the 10th and Charnelton Site. Upon agreement by LCC and the City, the project may include a public plaza or open space area at the site and potentially a downtown public safety station.

LCC is proposing to build a new 80,000 square foot mixed-use state of the art downtown education facility. The education building is targeted for LEED Platinum certification. LCC is also considering the construction of approximately 200 beds of student housing on the 10th & Charnelton site. The new highly-sustainable education building is expected to be a teaching tool for LCC's nationally recognized Energy Management program and become a model for sustainable development. The new education facility will secure LCC's presence downtown for several decades and will be a major activity generator for downtown. Existing education programs and new programs to be included in the new building will draw thousands of students and visitors to the facility each year. Additionally, new housing residents will generate more activity in the downtown core. This landmark building, coupled with the activity generated through the project, will become a major anchor which will support adjacent retail and services, enhance the perception of safety by introducing high volumes of new pedestrian traffic, and attract new investments in the area. The Agency may provide assistance with project related costs for the new education facility and housing, including construction hard and soft costs, site improvements, infrastructure, open space, green building features, art and other project related cost.

The Agency may acquire the existing LCC Downtown Center property located at 1059 Willamette Street. This acquisition would facilitate its redevelopment and reuse. If acquired, the property would be redeveloped for either private or public uses pending future action by the Agency Board. Such redevelopment would be accomplished either through retention, resale, or lease depending on the redevelopment plan for the property. It is anticipated that redevelopment of the property would be accomplished by the end of 2019.

B. BROADWAY PLACE GARAGES & PUBLIC SAFETY IMPROVEMENTS

Construction of parking garages has been an authorized project activity for this plan area for many years. As one of those projects, the Agency previously provided initial assistance for the construction of the Broadway Place Garages. The Agency now may spend up to \$4.9 million of tax increment funds (not counting payment of interest costs for the debt) to assist the City in repaying the debt on those garages, provided that the City agrees to a) continue to make the garages available for businesses and residents downtown and b) enhance public safety in the Plan Area.

The Broadway Place Garages provide an essential public parking facility to serve the business, customer and resident parking needs in the District. The District is a parking exempt zone which relieves property owners from the requirement to provide imbedded parking in new and redeveloped properties. The Broadway Place Garages support continued redevelopment in the District by providing vital parking capacity.

C. PARK BLOCKS IMPROVEMENTS FOR THE FARMERS' MARKET

The Agency may spend up to \$500,000 of tax increment funds on improvements to the Parks Blocks in order to make that location more attractive and functional for the Farmers' Market.

D. VA CLINIC

If the VA chooses the 12th and Willamette site for its new VA Clinic, the Agency may spend up to \$2.5 million of tax increment funds for public infrastructure near that location for parking, transportation improvements, or other infrastructure improvements necessary to serve that site. The proposed VA clinic would provide an array of important medical support services to the veteran community. Locating this facility within the Plan Area would create an active commercial hub with extended hours of operation. The significant numbers of clients together with the ongoing presence of medical and support staff would contribute to commercial opportunities and the value of commercial property within the Plan Area.

E. ADMINISTRATIVE ACTIVITIES

1. The Agency may retain the services of independent professional people or organizations to provide administrative or technical services such as:
 - a. Preparation of market, feasibility, or other economic studies;
 - b. Preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies;
 - c. Provision of accounting or audit services; and
 - d. Assistance with preparation of the annual financial report required under Section 800 of this Plan.

2. The Agency may acquire, rent, or lease office space and office furniture, equipment, and facilities necessary for it to conduct its affairs in the management and implementation of this Plan.
3. The Agency may invest its reserve funds in interest-bearing accounts or securities.
4. The Agency may borrow money, accept advances, loans, or grants from any legal source, issue urban renewal bonds and receive tax increment proceeds as provided for in Section 700 of this Plan.
5. The Agency also may continue to operate the downtown revitalization loan program. (All dollars loaned must come from the loan fund and not from tax increment revenues.)

F. EXISTING ACTIVITIES

The Agency may complete projects authorized prior to the 2010 Amendment.

Section 700 – Methods for Financing the Projects

The Agency may borrow money and accept advances, loans, grants, and other legal forms of financial assistance from the Federal government, the State, City, County, or other public body, or from any source, public or private, for the purposes of undertaking and carrying out the Projects authorized by this Plan.

Ad valorem taxes, if any, levied by a taxing body upon the taxable real and personal property situated in the urban renewal area, shall be divided in accord with and pursuant to Section 1c, Article IX of the Oregon Constitution and ORS 457.420 through 457.460, and used by the Agency for the Projects authorized by this Plan.

The Agency shall adopt and use a fiscal year ending June 30 accounting period. Each year, the Agency shall develop a budget in conformance with the provisions of ORS Chapter 294 and ORS 457.460, which shall describe sources of revenue, proposed expenditures, and activities.

Section 800 – Annual Financial Statement Required

A financial statement shall be prepared and provide information in accordance with ORS 457. The statement shall be filed with the City Council and notice shall be published in accordance with ORS 457.

Section 900 – Citizen Participation

The activities and projects defined in this Plan, and the adoption of amendments to this Plan shall be undertaken with the participation of citizens, owners, tenants as individuals, and organizations who reside within or who have financial interest within the Plan Area together

with the participation of general residents of the City. The Agency Director shall convene not less than once each year a committee of such persons to prepare a report to the Director on a) the activities of the Agency for the previous fiscal year, and b) whether the Agency's expenditure of tax increment dollars was limited to the projects authorized by this Plan and the associated administrative costs authorized by the Plan. The Director shall forward that report to the Agency Board upon its receipt.

Section 1000 – Non-Discrimination

In the preparation, adoption, and implementation of this Plan no public official or private party shall take any action to cause any person, group, or organization to be discriminated against in a manner that violates Section 4.613 of the Eugene Code, 1971.

Section 1100 – Recording of this Plan

A copy of the City Council's ordinance approving this Plan shall be recorded with the recording officer of Lane County.

Section 1200 – Procedures for Changes or Amendments

It is the intent of this Plan that, except as provided in the following paragraphs, no changes will be made to the Plan. The purpose of the 2010 Amendment is to authorize the Projects, and once those projects are completed and the debt on those projects is repaid (or tax increment funds have been accumulated sufficient to pay that debt when due), that the division of taxes for the Plan Area cease.

ORS 457.085(2)(i), however, requires that an urban renewal plan include a description of what types of plan amendments constitute "substantial amendments" which require the same notice, hearing and approval procedure required of the original plan. The statute also identifies two types that must be included as "substantial amendments" (increases in maximum indebtedness and expansions of territory in excess of 1%). It is the intent of this Plan that, with the exceptions listed below, there be no amendments, substantial or otherwise. Since the statutes require a description of substantial amendments, the Plan defines all amendments as substantial amendments, other than the following.

The following amendments will be treated as minor amendments, and may be made by resolution of the Agency Board:

1. Amendments to correct clerical or similar errors;
2. Amendments to respond to a decision by a court or state agency if someone challenges the 2010 Amendment and this Plan is remanded.

Section 1300 – Duration and Validity of Approved Plan

A. DURATION OF THE PLAN

Taxes may be divided under this Plan only until the maximum indebtedness for the Plan Area has been issued and paid or the Agency has determined that it will not issue the full amount of that maximum indebtedness, and all indebtedness that will be issued has been issued and paid. When that indebtedness has been paid the Agency will notify the assessor pursuant to ORS 457.450(2) to cease dividing taxes for the Plan Area, and shall return any unused tax increment funds to Lane County for redistribution to overlapping taxing districts. However, this plan may remain in effect until the Agency transfers any remaining assets and liabilities of the Plan Area to the City of Eugene. As of the date of the 2010 Amendment, it is estimated that the last fiscal year for which taxes will be divided is FY2017/2018.

B. VALIDITY

Should a court of competent jurisdiction find any word, clause, sentence, section, or part of this Plan to be invalid, the remaining words, clauses, sentences, section, or parts shall be unaffected by any such finding and shall remain in full force and effect for the duration of the Plan.

Section 1400 – Maximum Indebtedness

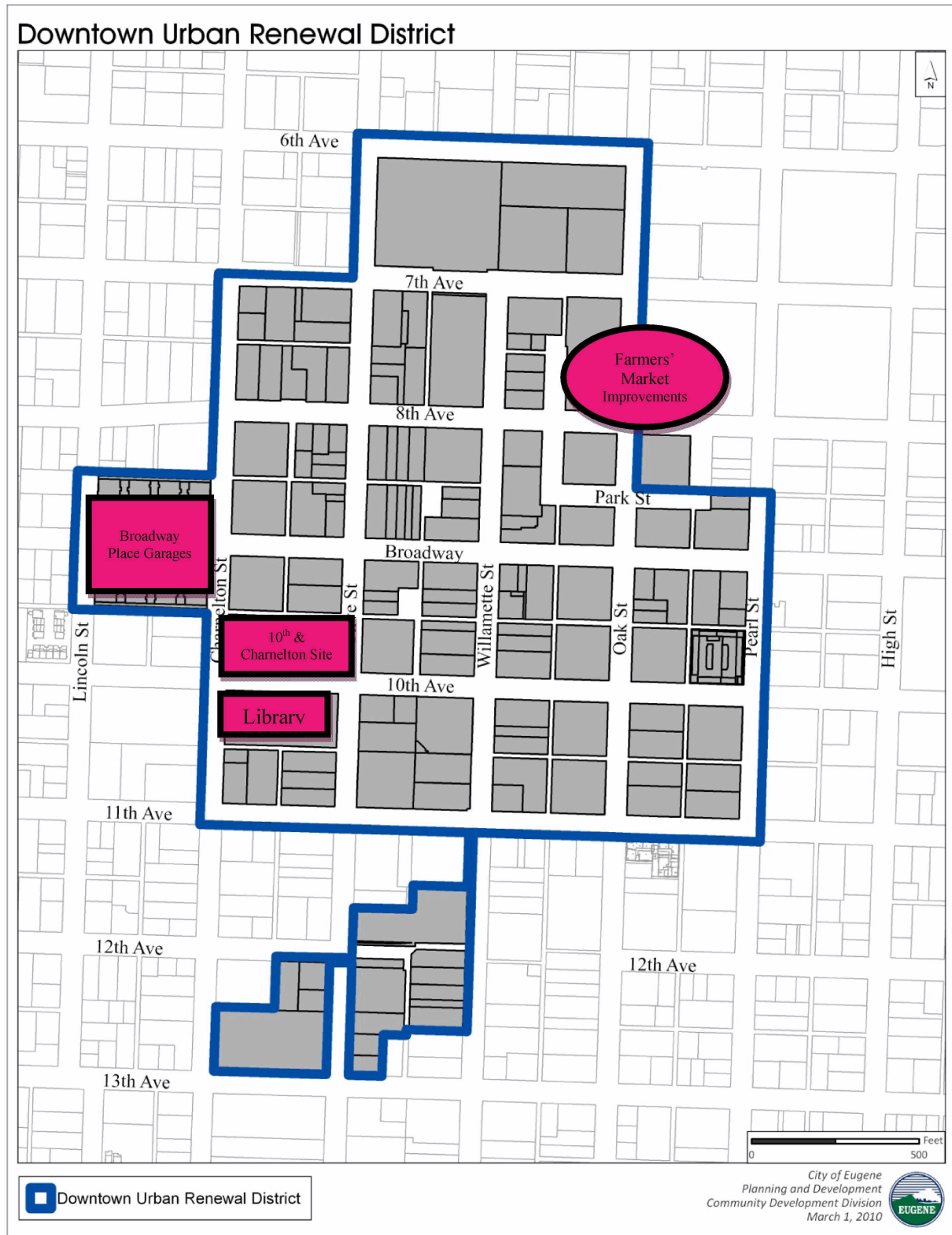
The sum of \$33,000,000 was established in 1998 as the spending limit (maximum amount of new indebtedness which could be issued or incurred from tax increment funds) under this Plan after June 1, 1998. That figure was developed using the estimated project costs, plus a 5% annual inflation factor.

The 2010 Amendment increased the maximum indebtedness amount by \$16.15 million, to a total of \$49.15 million. This is below the limits imposed under ORS 457.220 for the maximum indebtedness increases allowed without concurrence of the overlapping taxing districts, which would be a total maximum indebtedness figure of \$67.7 million, as of March 2010.

The maximum indebtedness limit established by this Section 1400 does not apply to or limit:

1. The obligation of the Agency to pay interest on indebtedness issued or incurred under this Plan;
2. Any indebtedness issued to refund indebtedness issued or incurred under this Plan, to the extent that the refunding indebtedness does not exceed the principal amount of the refunded indebtedness, plus the amount of the refunding indebtedness that is used to pay costs of the refunding;
3. Funds to repay indebtedness existing on the date of the 1998 Amendment; and
4. Expenditures made from funds other than tax increment funds, such as loans made from the Downtown Revitalization Loan Program.

EXHIBIT A: Plan Area Map



Caution: This map is based on imprecise source data, subject to change and for general reference only.

EXHIBIT B: Plan Area Description

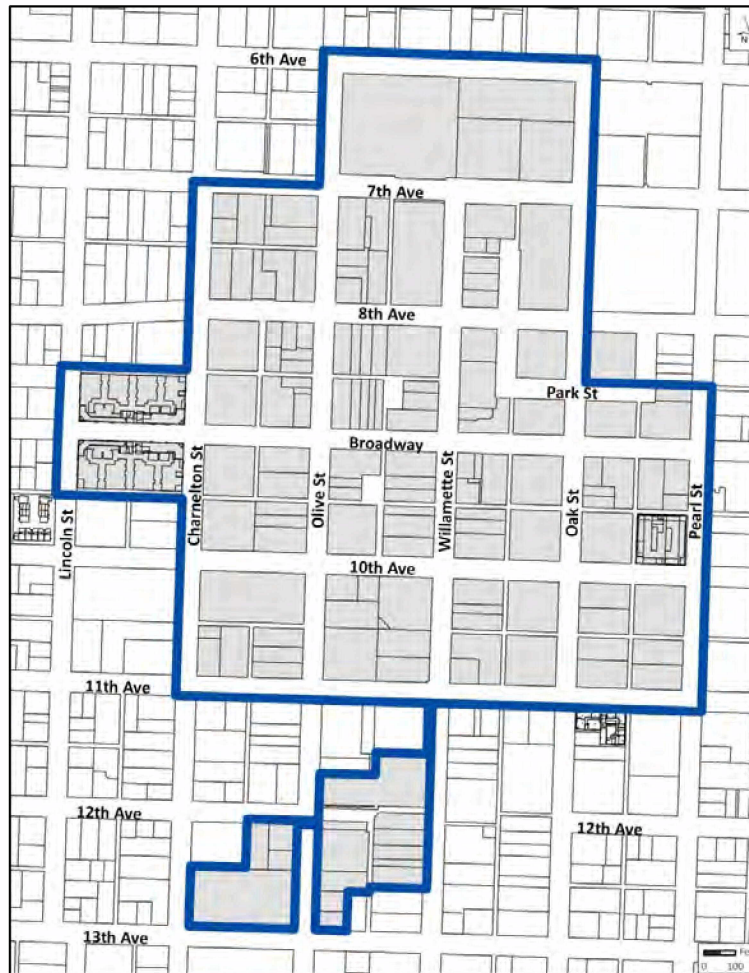
Beginning at the southwest corner of the intersection of 11th Avenue and Charnelton Street in the City of Eugene, Lane County, Oregon, commencing northerly along the west right-of-way line of Charnelton Street to the point of intersection of the south right-of-way line of the alley between 10th Avenue and Broadway;

- (1) thence, westerly along the south right-of-way line of said alley to the west line of Lincoln Street;
- (2) thence, northerly along the west right-of-way line of Lincoln Street to the point of intersection of the north right-of-way line of the alley between Broadway and 8th Avenue if extended;
- (3) thence, easterly along the north right-of-way line of said alley to the west right-of-way line Charnelton Street;
- (4) thence, northerly along the west right-of-way line of Charnelton Street to the northwest corner of the intersection of 7th Avenue and Charnelton Street;
- (5) thence, easterly along the north right-of-way line of 7th Avenue to the northwest corner of the intersection of 7th Avenue and Olive Street;
- (6) thence, northerly along the west right-of-way line of Olive Street to the northwest corner of the intersection of 6th Avenue and Olive Street;
- (7) thence, easterly along the north right-of-way line of 6th Avenue to the northeast corner of the intersection of 6th Avenue and Oak Street;
- (8) thence, southerly along the east right-of-way line of Oak Street to the northeast corner of Oak Street and South Park Avenue;
- (9) thence, easterly along the north right-of-way line of South Park Avenue extended to the east right-of-way line of Pearl Street;
- (10) Thence, southerly along the east line of Pearl Street to the southeast corner of the intersection of Pearl Street and West 11th Avenue,
- (11) Thence West along the south right-of-way line of West 11th Avenue to a point being 12.00 feet easterly of the Southwest corner of the intersection of West 11th Avenue and Willamette Street;
- (12) Thence southerly running 12.00 feet distant and parallel to the westerly right-of-way line of Willamette Street to a point being on the extension of the south line of a tract of land sold by D.R. Christian and wife to Nathan G. Coleman by deed recorded in Book B, Page 448, Lane County Oregon Deed Records;
- (13) thence West 179.00 feet to the east boundary of Curries Addition to Eugene Oregon as platted and recorded in Book 2, Page 71, Lane County Oregon Plat Records;
- (14) thence South along said east boundary to a point being opposite of the Southeast corner of Lot 3 of said Curries Addition
- (15) thence West to the Southeast corner of said Lot 3 of Curries Addition;
- (16) thence West 60.00 feet along the south line of said Lot 3;
- (17) thence South to the North right-of-way line of West 13th Avenue;

- (18) thence West along said right-of-way line to the Northeast corner of the intersection of Olive Street and West 13th Street;
- (19) thence North along the East right-of-way line of said Olive Street to a point being on the extension of the south right-of-way line of West 12th Avenue;
- (20) thence West along the extension of the right-of-way line of West 12th Avenue to the Southwest corner of the intersection of West 12th Avenue and Olive Street;
- (21) thence South along the west right-of-way line of Olive street to the Northwest corner of the intersection of Olive Street and West 13th Avenue;
- (22) thence West along the North right-of-way line of West 13th Avenue to the Northeast corner of the intersection of West 13th Avenue and Charnelton Street;
- (23) thence North along the East right-of-way line of Charnelton Street to the Southwest corner of lot 6, Block 2 of Ira Hawleys Addition to Eugene City as platted and recorded in Book G, Page 512 Lane County Oregon Plat Records;
- (24) thence East along the south line of said Lot 6 to the Southwest corner of Lot 5, Block 2 of the Ira Hawleys Addition to Eugene City;
- (25) Thence North along the West lines of Lots 5,4 and 1 in Block 2 of Ira Hawleys Addition to Eugene City to point 12.00 feet north of the Northwest corner of Lot 1 of Ira Hawleys Addition to Eugene City;
- (26) Thence East parallel to the south right-of-way line of West 12 Avenue to the East right-of-way line of Olive Street;
- (27) Thence north along the east right-of-way line of Olive Street to the Northwest corner of Lot 7, Block A of Dorris Addition as platted and recorded in Book R, Page 314 Lane County Oregon Plat Records;
- (28) Thence East along the north line of said Lot 7 to a point being 7.00 feet east of the Southwest corner of Lot 1, Block A of said Dorris Addition;
- (29) Thence North to the North line of said Lot 1, Block A of Dorris Addition;
- (30) Thence East to the Westerly right-of-way line of Willamette Street;
- (31) Thence North along said westerly right-of-way line of Willamette Street to the Southwest corner of the intersection of Willamette Street and West 11th Avenue.
- (32) Thence West along the south right-of-way line of West 11th Avenue to the southwest corner of the intersection of West 11th Avenue and Charnelton street also being the point of beginning and there ending.

DOWNTOWN URBAN RENEWAL DISTRICT REPORT

For the Downtown Urban Renewal District Plan
Originally Adopted July 3, 1968 by Eugene Urban Renewal Agency Ordinance No. 257
Amended December 19, 1968 by Eugene City Council Ordinance No. 1609
Amended November 8, 1989 by Eugene City Council Ordinance No. 19648
Amended June 1, 1998 by City Council Ordinance No. 20120
Amended September 13, 2004 by City Council Ordinance No. 20328
Amended _____, 2010 by City Council Ordinance No. _____



City of Eugene



ACKNOWLEDGEMENTS

Eugene City Council and Urban Renewal Agency Board

Mayor Kitty Piercy
Alan Zelenka, President
Mike Clark, Vice President
George Brown
Andrea Ortiz
George Poling
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REPORT ON THE DOWNTOWN URBAN RENEWAL DISTRICT PLAN

Chapter 1: Introduction

The 2010 Amendment to the Downtown Urban Renewal District Plan (the “Plan”) makes the following changes to the Plan:

- Specifies four project activities to be undertaken in the Plan and removes language that allowed for flexibility in project selection;
- Sets an increase in the maximum indebtedness to allow for those specific projects;
- Expands the district boundary to accommodate the VA Clinic project; and
- Sets the expectation that the Downtown Urban Renewal District will be terminated after repayment of all debt issued to fund the limited set of projects.

The City of Eugene has prepared an amendment to the Plan, originally adopted on July 1968 and modified December 1968, December 1989, June 1998, and September 2004. City Council considered downtown over the course of 2009 with the desire to foster a vibrant downtown while also providing near-term economic stimulus. City Council discussed desired downtown outcomes, selected four key strategies, and, ultimately, selected specific projects. This Report accompanies the Plan and consists of text, tables, and appendices.

The Downtown Urban Renewal District area contains approximately 75 acres (the “Plan Area”). The legal description for the Plan Area is in Section 300 of the Plan and is further described on graphic exhibits included in the Plan and in the appendix to this Report.

Chapter 2: Description of Physical, Social, Economic, and Environmental Conditions in the Plan Area

Note: This description and assessment is only current to the identified dates.

A. Physical Conditions

1. Land Area

The Plan Area encompasses about 75 acres, after the 5 acre boundary expansion included in the 2010 Amendment. (See Appendix, Exhibit A for a map of the Plan Area.) The total incorporated land area for the City of Eugene, of March 2010, is 28,056. The Plan Area represents about 0.27 percent of the City's total land area. This area combined with the Riverfront Urban Renewal District of approximately 178 acres, equals 253 acres in renewal districts, which is less than one percent of the City's total land area. This one percent is well below the 15 percent maximum allowed by Oregon State law.

2. Existing Land Use and Zoning

Table 1 below shows generalized land use as of March 2010 by category. Table 2 shows the zoning as of March 2010 by zoning district. A description of each use permitted is found in the City Land Use Code. (The zoning map is located in the Appendix, Exhibit B.)

Table 1 Generalized Land Use & Acres		Table 2 Zoning & Acres		
<i>Land Use Designation</i>	<i>Acres</i>	<i>Zoning Designation</i>	<i>Zoning</i>	<i>Acres</i>
Alleys, Walkways, Bikepaths	2.8	Community Commercial	C2	0.7
Communication	0.7	Historic	S-H	0.1
Educational	0.8	Major Commercial	C3	43.9
General Services	13.9	Public Land	PL	2.3
Government	5.0	Non-Zoned	-	28.0
Industrial	0.2	Public Right of Way		
Parks	1.2	Total		75.0
Recreation	6.2	<i>Data: March 2010</i>		
Religious, Charitable	0.1			
Residential, Multi-family	5.9			
Retail Trade	18.5			
Roads	26.1			
Transportation Related	1.8			
Vacant	0.9			
Total	84.3			

Data: March 2010
(Total does not equal Downtown Urban Renewal District acreage of 75 due to rounding and vertical land use designation, i.e. parking below residential.)

3. Sanitary Sewer System

The sanitary sewer system was upgraded as part of the original renewal project. This upgrading consisted of relining the existing lines with plastic pipe liners. Each building was reconnected at that time. The engineering analysis showed that the existing capacity was sufficient.

4. Water Delivery System

According to the Eugene Water and Electric Board, the water delivery system throughout the original Downtown Urban Renewal District is in sufficient condition and of sufficient capacity to support additional development.

5. Steam Utility System

Due to high system losses through an aging infrastructure, price fluctuations for fuel, and an eroding customer base, buildings that use steam for heating face an unfavorable economic environment. The Eugene Water & Electric Board plans to decommission the steam utility, which serves almost 70 customers in the Plan Area, by June 2012. Additionally, the cost of steam operation increases for the remaining customers as each building leaves the system.

6. Streets, Alleys, Sidewalks, etc.

Major portions of the streets, alleys and sidewalks within the Plan Area were upgraded as part of the original renewal project and remain in good condition.

B. Social Conditions

1. Housing

Census 2000 data reports that there are 278 housing units in Census Blocks that cover the Plan Area. In a 2004 Planning and Development Department analysis, three major housing developments provide a total of 196 housing units within the Plan Area. Census 2000 data reports that housing in the area is predominantly rental, with over 99% of housing renter occupied.

2. Socio-Economic

As of Census 2000, 331 people were living in Census Blocks that cover the Plan Area. In and surrounding the Plan Area, the median income was substantially lower than the City median income. See Table 3 below. See Appendix Exhibit C for a map of census boundaries.

Table 3 – Household Median Income

City	\$35,850	
Census Tract 3900	\$ 23,571 <i>Block Group 1</i>	\$ 15,076 <i>Block Group 2</i>

Data: Census 2000, DP-1, SF3, Table P53;

3. Employment

In April 2008, there were 299 employers with 4,791 employees in the Downtown Urban Renewal District. The largest employers in the district were Professional, Scientific, and Technical Services (18.4%), Health Care and Social Assistance (15.8%), Government (12.6%), and Accommodation and Food Services (12.3%) (Data: Lane Council of Governments, Oregon Employment Departments 2008 Quarterly Census of Employment and Wages (QCEW)).

C. Economic Conditions

1. Value of Property

The FY2009/2010 taxable assessed value for the entire City is \$11,633,024,852. The total assessed value for the Plan Area as of FY2009/2010 is \$154,980,036. The table below demonstrates that the frozen base for the combined urban renewal districts is well within the 15% limit imposed by ORS 457.

Table 4 – Assessed Value of the Frozen Base

	Downtown Urban Renewal District	Riverfront Urban Renewal District	Total	Total as a % of City AV
Frozen Base	\$31,386,991	\$50,609,448	\$81,996,439	0.7%

After expansion of the boundary for the district, the frozen base will increase by approximately \$14 million, bringing the total frozen base for all districts to 0.8% of assessed value in the City.

2. Relationship of the Value of Improvements to the Value of Land

The current ratio of improvement value to land value within the Plan Area, based on 2009 assessment records and excluding all tax exempt property, is 3.3 to 1. The accepted improvement to land value ratios of healthy, viable, and prosperous areas in Oregon cities are 5 to 1 and greater.

D. Environmental Conditions

Environmental conditions within the Plan Area are not expected to change. The area has been an established commercial business area for many years. Most streets, sidewalks, alleys, and sewers are in place and will be upgraded and maintained. The public park areas within the Plan Area will be upgraded and maintained as needed.

Chapter 3: Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

The 2010 Amendment allows for four specific projects (described in more detail in Chapter 5) that will improve the function, condition, and appearance of the development area through:

- Redevelopment of an excavated vacant lot into a new Lane Community College Downtown Center;
- Maintenance of critical parking assets;
- Improved safety for visitors to locations and business within the Plan Area;
- Improved site for the Farmers' Market; and
- Redevelopment of an underutilized medical clinic for use by Veterans Affairs.

These four projects also support the Plan goal to strengthen the economic conditions of the Plan Area. One measure of this goal is the expected increase in the taxable property values caused by the projects. Areas adjacent to the Plan Area are also expected to become more viable. From FY2010/2011 through the estimated remaining life of the district (FY2018/2019), property values in the Plan Area are estimated to increase by about \$45 million. The projects will also contribute to the goal of enhancing downtown's role as the regional economic, governmental, and cultural center and central location for public and private development and investment.

The 2010 Amendment projects are not expected to have a significant impact on the Eugene 4j School District. The zoning criteria of C2 and C3 do not encourage residential housing. However, the LCC new downtown center project on the 10th & Charnelton Development Site may include housing. Most likely the housing would be for college aged students or adults. Past experience also shows residential complexes developed around the Plan Area have focused on adult housing. Based on LCC's preliminary plans and the prior experience, the new downtown center should have no or minimal impact on the Eugene 4j School District. The added adult population created by this housing project may impact LCC, particularly the Downtown Center, and the University of Oregon with increased registration. The other projects in the Plan are not expected to have any significant impact on the Eugene 4j School District.

All four of the projects, like all development projects, are expected to impact police services, transportation, utilities, and other public services. Projects within the Plan Area were chosen for the way in which they support recent City Council strategies for downtown and planning efforts for the downtown area, such as the Downtown Plan. These planning documents were based on assumptions about the expected need for new and improved services due to population growth and other factors. The Plan is expected to facilitate improvements within the district, thereby implementing the goals of the planning documents. Therefore, the projects under the Plan do not result in an intensification of development beyond that previously anticipated under the planning documents.

The 2010 Amendment follows the passage of Ballot Measure 50 and its implementation rules. In the Measure 50 environment, taxing bodies “forego” revenue produced by the growth in values over a Plan Area’s frozen base. The Urban Renewal Agency will use tax increment revenues to carry out the Plan. The use of tax increment revenues will affect the property tax revenues and bonded debt tax rates of other taxing jurisdictions that share assessed value with Eugene’s Urban Renewal Agency. The property tax impacts are described in Chapter 9.

Chapter 4: Reasons for Selection of the Plan Area

The original Plan Area was adopted in 1968 with approximately 70 acres. This area was selected after comprehensive community process under the guidance of the Federal Department of Housing and Urban Development (HUD). In 2010, the URA Board proposed an expansion to the Plan Area by 5 acres to include the potential VA Clinic area. (See Exhibit D for a map of the Plan Area with the expansion area highlighted.) Two of the four goals of the Plan are 1) improving the function, condition, and appearance of the Plan Area and 2) reducing blight and blighting influences.

According to ORS 457.010, "blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

- (a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:
 - (A) Defective design and quality of physical construction;
 - (B) Faulty interior arrangement and exterior spacing;
 - (C) Overcrowding and a high density of population;
 - (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
 - (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;
- (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
- (c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
- (d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
- (e) The existence of inadequate streets and other rights of way, open spaces and utilities;

- (f) The existence of property or lots or other areas that are subject to inundation by water;
- (g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
- (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or
- (i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

Chapter 5: Relationship Between Existing Conditions and Each Project Activity Undertaken in the Plan

All project activities set forth in Section 600 of the Plan are intended to correct the existing deficiencies in the Plan Area as described in this report (See Chapter 2).

The proposed 2010 Amendment project activities are:

- 1) Assistance to LCC for development on the 10th and Charnelton Site;
- 2) Additional assistance in funding the Broadway Place Garages;
- 3) Improvements to the Parks Blocks to provide better opportunities for the Farmers' Market; and
- 4) Assisting with a VA clinic, if the 12th and Willamette site is selected by the VA.

- 1) LCC New Downtown Center:** The Agency owns the 10th and Charnelton Development Site bounded by Charnelton Street on the west, 10th Avenue on the south, and Olive Street on the east. The site is significantly underutilized in its present configuration – a quarter block of surface parking and a quarter block remnant from demolition of the former Sears department store.

LCC approached the Agency regarding acquisition of the property for a new downtown facility. On January 25, 2010, the URA Board provided direction to enter into an exclusive negotiation with LCC, negotiate a purchase and sale agreement, and return to the URA Board for final approval of the terms. LCC has provided educational services from downtown for over 30 years at 1059 Willamette Street. The current facility no longer meets the needs of the college, and LCC intends to build and own a new, mixed-use building from which to offer educational and other services in downtown Eugene. The extensive hours of operation will create both daytime and evening activity at a key intersection of downtown. Economic opportunities for current and future downtown businesses will be created as students, employees, and visitors support restaurants, retail, services and cultural venues. In addition to Energy Management, Business Development, continuing education, and a variety of other classes, the multi-use facility will include space for tenants and other

community uses, possibly a public safety station. There is also a possibility that student housing could be incorporated as part of the redevelopment plan.

The Downtown Public Library, immediately across 10th Avenue, is a community asset that will benefit greatly from development on the Agency owned site, especially the development proposed by LCC. The Agency invested significantly in the Library. The Downtown Eugene Public Library project was built and equipped for just over \$36 million. About half of that amount came from City debt obligations that were issued in 2000 through a partnership with the Eugene Urban Renewal Agency (URA). The payments on the debt of about \$2.5 million per year came from the URA. Beginning in 1993, the URA purchased the land on which the library was built for \$875,000. The City borrowed \$18.5 million which was to be repaid from tax increment dollars from the URA. The URA also contributed additional cash to the project, with a total of about \$25 million of the \$36 million project coming from URA, representing nearly 70 percent of the capital cost for the new Library. The remaining 30 percent came from a combination of sources, including \$5 million raised by the Eugene Public Library Foundation's Capital Campaign, sale of assets, and proceeds from a local option property tax levy of \$1.9 million.

- 2) Broadway Place Garages:** The Plan Area is parking exempt, which means that property owners are not required to provide parking. Yet parking availability is critical to the economic success of downtown. As such, the Agency has participated in several projects to provide structured parking opportunities within the Plan Area. One such project was the Broadway Place Garages. Continued provision of Broadway Place parking will support LCC's New Downtown Center project and other redevelopment along West Broadway, such as Lord Leebrick's property. Given City budgetary issues, continued operation and stability of the Broadway Place Garages will be enhanced by the Agency assuming the debt repayment on the garages. It would also make it possible for the parking fund to provide financial support for increased safety services.

Background: The Agency assembled the two half-blocks that were used to develop the Broadway Place mixed-use project. Agency funds in the amount of \$2.6 million were contributed to the parking structure construction costs. The City sold development rights for housing to be constructed on top of the parking structures. The Broadway Place mixed-use project includes 170 apartment units, ground floor commercial space, and 740 structured parking spaces. It is a major anchor for the west-end of downtown and a popular residential destination with very low vacancy rates. Availability of parking was a contributing factor to Enterprise Rent-A-Car locating downtown and employing 300 people.

- 3) Park Blocks Improvements for the Farmers' Market:** The Lane County Farmers' Market operates multiple times per week during the spring, summer, and fall on a portion of the Park Blocks. Although the Agency has completed several improvements to the Park Blocks, the Farmers' Market continues to encounter issues with the space, such as access to electricity and level and paved surfaces. Improvements to the Park Blocks and expansion of available space will support a cornerstone of downtown activity and one of the most

significant public event venues in the city. The Park Blocks are the historic center and most identifiable public space in downtown. For the past few years, the Farmers' Market has expressed a need and desire to expand its offerings to maintain financial viability and potentially operate year-round. The Agency will improve the Parks Blocks in order to make that location more attractive and functional for the Farmers' Market.

- 4) **VA Clinic:** The 12th and Willamette site is currently owned by PeaceHealth. However, the majority of the building is now vacant. Therefore, PeaceHealth has expressed an interest in securing a tenant for this site. The Department of Veterans Affairs (VA) is currently seeking a suitable site where it can locate an expanded clinic. The Plan Area may be ideal for the VA clinic because of the central location and proximity to Lane Transit District's Eugene Station and the Greyhound Station. The building is large enough to accommodate the size desired by the VA (an estimated 110,000 - 120,000 square feet). The site also has adequate on-site parking.

PeaceHealth anticipates that the VA's Request for Proposals to select a new site, once issued, will favor a building with modern systems and sustainable features. The PeaceHealth clinic is currently comprised of a building that was constructed in the 1920's, 1950's and 1960's. Substantial rehabilitation is needed to update the buildings and to potentially make it LEED certified. A new HVAC system would replace the EWEB-supplied steam system and new energy efficient lighting would need to be installed. The new clinic will likely include a full pharmacy and laboratory.

Therefore, the Plan proposes that if the VA selects the 12th and Willamette site for its clinic, then urban renewal funds could be used to support the VA in locating downtown. The VA Clinic downtown project is supported by the Downtown Plan (Implementation Strategy D: Work with local, state and federal offices to locate, remain or expand downtown; Implementation Strategy F: Work with major medical providers to locate their facilities in and near downtown) and the Growth Management Policies.

Chapter 6: Estimated Total Cost of Each Project or Activity, Sources of Money, and Anticipated Completion Date for Each Project or Activity

This Report on the 2010 Plan Amendment includes a table showing the project activities to be carried out following the adoption of the amendment and the estimated cost. [Table 5](#) shows that urban renewal financing is estimated to provide \$17 million (or approximately 49%) of funding out of an estimated total of \$34.5 million of public and private investment from FY2010/2011 through FY2018/2019.

Table 5 lists the project activities included in the Plan. Below is a short description of each of the Plan amendment projects.

Lane Community College New Downtown Center: The Agency will consider the terms for an agreement between the Agency and Lane Community College (LCC). The specific project activities to be undertaken will be defined by the Agency, set out in the agreement with LCC, and may include integration of a public safety station and/or open space within the development project. LCC currently has \$17.5 million in other funds to contribute to the project. LCC is undergoing a feasibility analysis that will provide a detailed cost estimate for the project. The total project cost is expected to significantly exceed the \$17.5 million that has been secured to date. Construction is anticipated to start in early 2011, for completion no later than 2013.

Broadway Place Garages: The Agency will support the Broadway Place Garages by making the annual debt payments (both principal and interest), which will secure the financial stability of the garages, enhance safety services and relieve the struggling Parking Fund within the City of Eugene. The support will take place starting in FY2010/2011.

Farmers' Market Space Improvements on the Park Blocks: The Agency will spend up to \$500,000 on improvements to the Park Blocks in order to make that location more attractive and functional for the Farmers' Market. The improvements will start in FY2010/2011.

VA Clinic: The Department of Veterans Affairs (VA) is planning to locate an expanded clinic in leased space in the Eugene area. Downtown Eugene may be an ideal area for the clinic. The lease award is estimated for the last quarter of 2010 or the first quarter of 2011. If the downtown location is selected, the Agency will consider the terms for an agreement between the Agency and VA and/or the property owner. The specific project activities to be undertaken will be defined by the Agency and set out in an agreement. Although no estimate was used for private party or VA contribution, other such contributions would be anticipated. The VA plans to occupy the new location (as selected through the RFP) by December 2012.

Project Delivery Administration: Actions for this activity include program administration (project management, financial services, debt issuance and administration); legal services; reporting (budgets, financials); preparation of market, feasibility, or other economic studies; preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies; providing accounting or audit services; providing special rehabilitation, restoration, or renovation feasibility and cost analysis studies; assisting in preparation of the annual financial report required under Section 800 of the Plan; providing property acquisition appraisals; and evaluation of the plan and the success of its activities. The Agency may also acquire, rent, or lease office space and office furniture, equipment, and facilities necessary for it to conduct its affairs in the management and implementation of this plan.

Projections for district administration assume that once the LCC and Beam projects are complete, district administration expenses will be reduced to a minimal level that will be sufficient to ensure administration of outstanding debt, budget development, and financial report preparation. Specifically, the administration projection includes staffing at 1.4 FTE for years FY11 through FY13 followed by 0.14 FTE for years FY14 through FY19. Additional items in

the projection include legal and consulting fees necessary to protect the City/Agency and complete the Plan Projects, debt issuance cost needed for the projects, and property management.

Table 5	
List of Project Activities and the Estimated Cost	
Project Activity	Total Estimated Cost
LCC New Downtown Center	\$ 8,000,000
Broadway Place Garages & Public Safety Improvements	\$ 4,810,000
Park Block Improvements for the Farmers' Market	\$ 500,000
VA Clinic	\$ 2,500,000
Project Delivery Administration (through FY2018/2019)	\$ 1,190,000
Projects Funded from Urban Renewal Agency	\$ 17,000,000
Projects Funded from Private Sources and Other Federal, State and Local Government	\$ 17,500,000
<i>TOTAL Funding for All Projects</i>	<u>\$ 34,500,000</u>

Project activities will begin in FY2010/2011. Decisions on priorities of funding for project activities will be made by the Agency Board in its annual budget process and at regular Agency Board meetings, all of which are open to the public. Construction of the projects contemplated in the 2010 Amendment is expected to be completed by 2013. Debt issued to fund the projects is estimated to be paid off by FY2018/2019.

The Agency Director shall convene not less than once each year a committee of such persons to prepare a report to the Director on a) the activities of the Agency for the previous fiscal year, and b) whether the Agency's expenditure of tax increment dollars was limited to the projects authorized by this Plan and the associated administrative costs authorized by the Plan. The Director shall forward that report to the Agency Board upon its receipt.

Chapter 7: Estimated Amount of Money and Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided For Under ORS 457.420 to 457.460

The total cost of all projects is estimated at \$17,000,000 between FY2010/2011 and FY2018/2019. The projects will be funded with a combination of urban renewal tax increment financing under ORS 457 and other sources. The Agency may apply for funding from other federal, state, and local grants in order to complete the projects. Non-City developers will fund some of the project costs. In addition, the public facilities included within the Plan may also be funded in part with other public funds, such as systems development charges and general obligation bonds, among other sources.

Oregon Revised Statutes require that each urban renewal district that receives property taxes include a “maximum indebtedness” limit in their urban renewal plan. “Maximum indebtedness” is a required spending cap for all property tax expenditures over a period of time. “Maximum indebtedness” is not a legal debt limit. It is more like a spending limit.

Adopting a maximum indebtedness figure does not authorize or obligate the Agency to spend money or enter into debt. Within the maximum indebtedness limitation, the Agency Board has the ability to fund projects over time, either with cash or by issuing debt.

Certain expenditures are included in the maximum indebtedness calculation and certain expenditures are excluded. For instance, cash payments for projects and administrative expenses are included in the calculation, but expenditures made from sources other than tax increment revenues are not included in the spending limit, such as Downtown Revitalization Loan Program funds. In addition, interest on debt is not included in maximum indebtedness, nor is the refinancing of existing indebtedness. The specific limitations of the maximum indebtedness amount are spelled out in the Plan.

The City Council amended the Plan in 1998 to include a maximum indebtedness limit of \$33 million. The \$33 million figure represented the amount that the Agency was allowed to cumulatively spend in tax increment revenues starting in 1998. That figure was based on the estimated cost of building a new main library, plus continuation of the administrative costs in the district, preparing annual financial statements, disposing of the former Sears building on 10th Avenue and Charnelton Street, overseeing completion of the Broadway Place and Overpark elevator projects, and administering the loan portfolio. It included an annual inflation factor of 5% on project costs, and excluded existing debt.

As of FY10, the maximum indebtedness limit of \$33 million has almost been fully spent or committed, with the bulk having been spent on building the downtown library. The amount of remaining maximum indebtedness at any given time is an estimate based on both actual historic spending and estimated future commitments. The amount currently remaining uncommitted is estimated at about \$850,000, after taking into account district administration

through FY2010/2011. Additional projects for the downtown safety initiative are expected to use some of that remaining capacity prior to the 2010 Amendment.

In the 2009 legislative session, HB 3056 was approved and includes changes to ORS 457, the urban renewal statutes. One of those changes is that increases in maximum indebtedness may not exceed an aggregate of 20% of the original maximum indebtedness of the plan, including an indexing from July 1, 1998 to July 1, 2009.¹ The index that may be used is the inflation rate included in the initial maximum indebtedness calculations. Under the provisions of this new statute, the \$33 million original maximum indebtedness would increase to \$56.4 million, using the original 5% inflation rate from July 1, 1998 to July 1, 2009. The greatest maximum indebtedness figure allowed (without overlapping taxing district concurrence), including a 20% increase from that amount, would be \$67.7 million.

In order to complete the four projects, it is estimated that an increase of \$16,150,000 is needed in the maximum indebtedness limit. The increase is calculated as follows:

LCC Project	\$8,000,000
VA Clinic	2,500,000
Farmers Market	500,000
Garage Debt (principal only)	4,810,000
Legal/Debt Issuance/Administration	<u>1,190,000</u>
Total Funds Needed for Projects	\$17,000,000
Less: Amount Remaining Under Current Spending Cap	<u>-850,000</u>
Net Amount of Maximum Indebtedness Increase	\$16,150,000
Not Included in Maximum Indebtedness Cap:	
Interest on LCC Project Debt (estimated)	2,200,000
Interest on Parking Garage Debt	1,500,000

**It should also be noted that when the garage debt is paid off, the City's Parking Fund will continue to pay for the cost of police officers. That amount is not included in the chart above.*

The increase in maximum indebtedness of \$16,150,000 would result in a revised maximum indebtedness figure of \$49,150,000, which represents cumulative spending in the Downtown District from 1998 to the end of the Plan. This revised maximum indebtedness amount is the estimated amount needed to accomplish the projects under the current project assumptions and to provide for district administration. It is within the limits established under ORS 457.470.

Table 6 in Exhibit E includes information about future revenues and expenditures in the district. The timing and amounts for individual project activities will be determined by the Agency Board each year during the annual budget process. Completion dates for individual activities may be

¹ This provision may be changed if written concurrence is obtained from the overlapping taxing districts that impose at least 75% of the taxes under permanent rate limits in the Plan Area.

affected by changes in the plans of other private or public partners, local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities. The Agency will convene a committee at least once each year to prepare a report on expenditures from the previous fiscal year in comparison to the Plan. The Director shall forward that report to the Agency Board upon its receipt.

Current projections show that the tax increment revenues should be sufficient to pay for the projects and associated debt by FY2018/2019. The district would terminate once the debt is repaid. (The district is not expected to need to collect tax revenue in the final year, FY2019.)

Chapter 8: Financial Analysis of the Plan with Sufficient Information to Determine Feasibility

The financial analysis of the plan shown in [Table 6](#) in [Exhibit E](#) includes the anticipated tax increment revenues over the projected remaining life of the Plan. The analysis shows that the anticipated tax increment revenues are based on reasonable projections of new development and appreciation in existing property values. The projection of tax increment revenues is based on the following assumptions:

- The Plan Area will be expanded in FY12, increasing the frozen base by approximately \$14 million.
- Property assessed values will increase by 2% per year, which includes increases on existing property as well as a small amount of new investment in existing downtown area properties.
- One significant, new taxable development is anticipated during the remainder of the life of the district. Beam Development is currently working on rehabilitating the Centre Court building, at Willamette and Broadway. The projections assume that this project is completed and generates additional taxable value within the district.
- The Broadway Place development's Multi-Unit Property Tax Exemption will expire, and the project will start paying additional taxes beginning in FY11.
- Tax rates applicable to the Downtown District are projected to go down over time, due to the Oregon statute that says that certain urban renewal plans may only collect tax increment on permanent tax rates or bonds and levies approved by voters prior to October 6, 2001. In particular, bonded debt tax rates applicable to the Downtown District will be reduced as bonds approved by voters prior to October 6, 2001 are retired.

The projections result in urban renewal tax revenues between FY2010/2011 and FY2018/2019 of approximately \$17 million. Together with other revenues and existing fund balances, these

revenues will support the \$16,150,000² of increased maximum indebtedness proposed under this Plan Amendment. In addition to the redevelopment projects, the revenues will be sufficient to pay for administrative activities, including an allocation of central service overhead costs. Those costs are projected to increase over time due to inflation at a rate of 2% per year.

The Agency will also carry a reserve on outstanding bonds until those bonds are fully paid off, as well as a balance equal to two months of operating costs each year, per City of Eugene financial policy.

Chapter 9: Fiscal Impact Statement that Estimates the Impact of the Tax Increment Financing, Both Until and After the Indebtedness is Repaid, Upon All Entities Levying Taxes Upon Property in the Plan Area

Taxing bodies that overlap with the Agency are affected by the use of tax increment funds to implement the Plan. When a district is first created, the assessed value within the Plan Area is established as the “frozen base.” This is a way of keeping the overlapping taxing districts “whole” as of the date the urban renewal district is created. In theory, if urban renewal efforts are successful, the value of the district will grow above the base. That increase is called the “incremental value” or “excess value.” Property taxes from the overlapping jurisdictions (schools, general governments, bonds) are then divided among the jurisdictions that continue to receive taxes on the frozen base. The URA receives taxes on the incremental value. This has an impact on the amount of revenue that the overlapping jurisdictions receive, versus what they would have received if there were no urban renewal districts in effect.

Impact on Tax Bills: In addition to the impact on the overlapping taxing jurisdictions, urban renewal also makes individual tax bills look different. ***Urban renewal districts do not impose new taxes; rather, they redistribute taxes from overlapping taxing districts to the urban renewal districts.*** There are two basic steps to understand how an individual’s tax bill is affected by tax increment financing in Oregon. The first step determines the amount of property taxes that the urban renewal agency should receive, and the second step determines how the taxes are accounted for on property tax statements.

The first step in determining how tax increment financing affects an individual’s tax bill consists of applying the tax rates of the taxing districts (such as the city, county and school districts) to the incremental value of the urban renewal district. That product is the amount of taxes that the urban renewal agency should receive. The second step determines how to divide or split

² The proposed 2010 Amendment, including the maximum indebtedness increase, will be reviewed by Planning Commission, the overlapping taxing districts, and the general public. After this review, the City Council may choose a different maximum indebtedness figure.

the tax rates of the taxing districts so that when those “divided rates” are applied to all tax bills in the City, the urban renewal agency receives its share, and the taxing districts receive the remainder.

The Lane County Assessor determines how the tax rates for the schools, city, and county should get divided between the taxing districts and the urban renewal districts. As of December 2010, there are seven urban renewal districts in Lane County. As an example, the City’s permanent tax rate is \$7.0058 per \$1,000 of assessed value. The Lane County Assessor divides that tax rate into three pieces: \$6.9056 goes to the City of Eugene, \$0.0744 goes to the Downtown Urban Renewal District, and \$0.0258 goes to the Riverfront Urban Renewal District. This calculation is done for each tax rate on the tax bill.

After taking the information from the Lane County Assessor about the division of tax rates, an analysis can determine how an individual tax bill is affected by urban renewal division of tax. For the median Eugene home that the Lane County Assessor calculated for FY2009/2010, this median taxpayer would essentially pay the same amount of total taxes before or after urban renewal division of taxes. The difference is that the tax revenues are reallocated from the overlapping taxing districts to the urban renewal districts. [Table 7 in Exhibit F](#) sets out this calculation for the average taxpayer in Eugene. As can be seen, **the before and after urban renewal views of this taxpayer’s bill are within one penny of each other.** That penny represents the effects of truncation and rounding.

Impact on Tax Rates: Urban renewal nominally affects voter-approved local option levies and bonds because the affected district has less property value to levy taxes against, resulting in slightly higher tax rates. Based on the FY2009/2010 tax rates, the estimated impact of this slight tax rate increase from the Downtown Urban Renewal District is about \$1.66 for the average Eugene taxpayer, which represents less than 0.05% of the total tax bill of \$2,938 in FY2009/2010.

Impact on Overlapping Taxing District Revenues: For the overlapping taxing jurisdictions, a share of property taxes from the “excess value” or “incremental value” is not collected by the overlapping jurisdictions during the period of an active district, which reduces revenues. The incentive for the overlapping districts to support urban renewal is higher property tax revenues in the long-run. When the district is ended, the overlapping taxing districts are able to tax the entire value within the district. Under the theory of urban renewal, this value is higher than it would have been if there had been no district in effect. In general, urban renewal does not directly affect an individual school system’s budget because schools are funded by the state on a per-pupil basis.

The estimated amount of urban renewal taxes to be divided over the remaining term of the Plan (net of discounts, delinquents, etc.) is shown in Table 8 in Exhibit G. Only the permanent tax rates of the overlapping jurisdictions are considered in this analysis because there are no local option levies included in urban renewal revenues for the Downtown Urban Renewal

District, and bonded debt tax rates will be reduced from year to year until the existing bonds are paid off.

As can be seen in Table 8, in FY2009/2010, it is estimated that the City of Eugene would forego about \$810,000 of revenue because of the Downtown Urban Renewal District tax increment financing. In FY2018/2019 after tax increment financing is terminated, the City of Eugene is estimated to receive \$1,140,000 of additional tax revenue per year. Lane County is estimated to forego \$150,000 of revenue in the first fiscal year, and to benefit by \$210,000 of additional tax revenue per year after division of tax is terminated in FY2018/2019. The combined school districts are estimated to forego \$650,000 of revenue in the first fiscal year, and to benefit by \$920,000 of additional annual tax revenue after the district is terminated in FY2018/2019. As mentioned above, however, the impact on schools is really an impact on the state's budget because schools are mainly funded on a per-pupil funding formula rather than by the level of property tax dollars generated within their boundaries.

The net impact of the Downtown District on local schools is a loss of about \$31,000 per year (based on FY10) after accounting for the State's system for school funding. The State determines how much money must be allocated for the education of each pupil across the state. If the money is not available from local property taxes, the State will make up the difference. In FY10, the Downtown District diverted \$650,000 of local property taxes that would have gone to education. The State made up the difference.

If the Downtown District had not diverted those funds, the State would have had the additional \$650,000 to allocate as it chose. In other words, the State could have chosen to allocate the money to education or to some other budgetary priority. Had the State chosen to keep the money in education, some of that money would have returned to Eugene schools based on the applicable statewide school funding formula. Under the formula, Eugene School District 4j would have received about \$20,000; LCC would have received about \$10,000; and Lane Education Service District would have received about \$1,000.

As a result of the Downtown District, the State provided a net \$629,000 for spending in Eugene. Without the Downtown District tax increment financing, those funds would be used to fund school districts throughout the state.

Reduced Rate Plan: The Downtown District is a "reduced rate plan" under the statutes, which means that the property taxes that may be used to fund urban renewal activities is limited to the permanent tax rates and any bonds or local option levies that were approved by voters prior to October 2001. The projected tax rate used to generate urban renewal revenues for the Downtown District will be reduced over time as bonds approved by voters before October 2001 are paid off. Urban renewal tax increment revenue is counted towards the Measure 5 general government tax rate cap of \$10 per \$1,000 of assessed value. In Eugene, the general government category of taxes is not currently in Measure 5 tax rate compression, so this is not a significant factor in evaluating the impact of urban renewal on the overlapping taxing district revenues.

Chapter 10: Relocation Report

A. Requirement

An analysis of the existing residences of businesses required to relocate permanently or temporarily as a result of Agency actions under ORS 457.170.

Response

No specific relocation activity is identified in the Plan. If urban renewal assistance results in relocation requirements, a relocation plan will be developed for that purpose. Relocation activities and assistance would be provided in accordance with ORS 281.045 through 281.105.

B. Requirement

A description of the methods to be used for the temporary or permanent relocation of persons living in and businesses situated in, the Plan Area in accordance with ORS 281.045 through 281.105.

Response

No specific relocation activity is identified in the Plan. If urban renewal assistance results in relocation requirements, a relocation plan will be developed for that purpose. Relocation activities and assistance would be provided in accordance with ORS 281.045 through 281.105.

C. Requirement

An enumeration, by cost range, of the existing housing units in the plan area to be destroyed or altered and new units to be added.

Response

No specific existing housing units are proposed to be removed by actions of the Plan.

D. Requirement

A description of new residential units which are likely to be constructed within the Plan Area.

Response

Some new residential units are expected to be constructed within the Plan Area.

Chapter 11: Appendix

Exhibit A: Plan Area Map

Exhibit B: Zoning District Map

Exhibit C: Census Boundaries Map

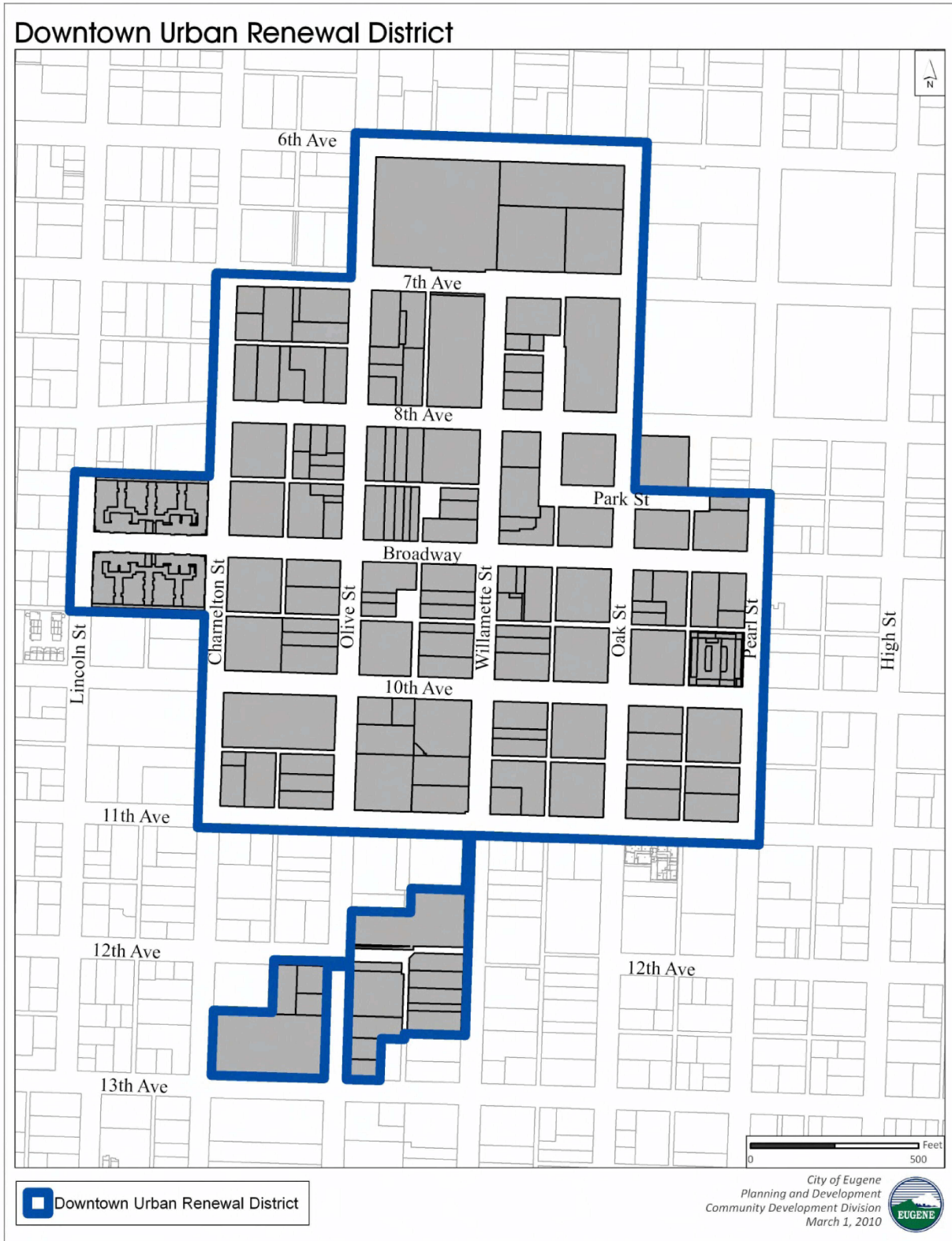
Exhibit D: Plan Area Map with 2010 Expansion Area Highlighted

Exhibit E: Projected Revenues and Expenditures for the Plan Area

Exhibit F: Impact of Urban Renewal on an Individual Tax Bill

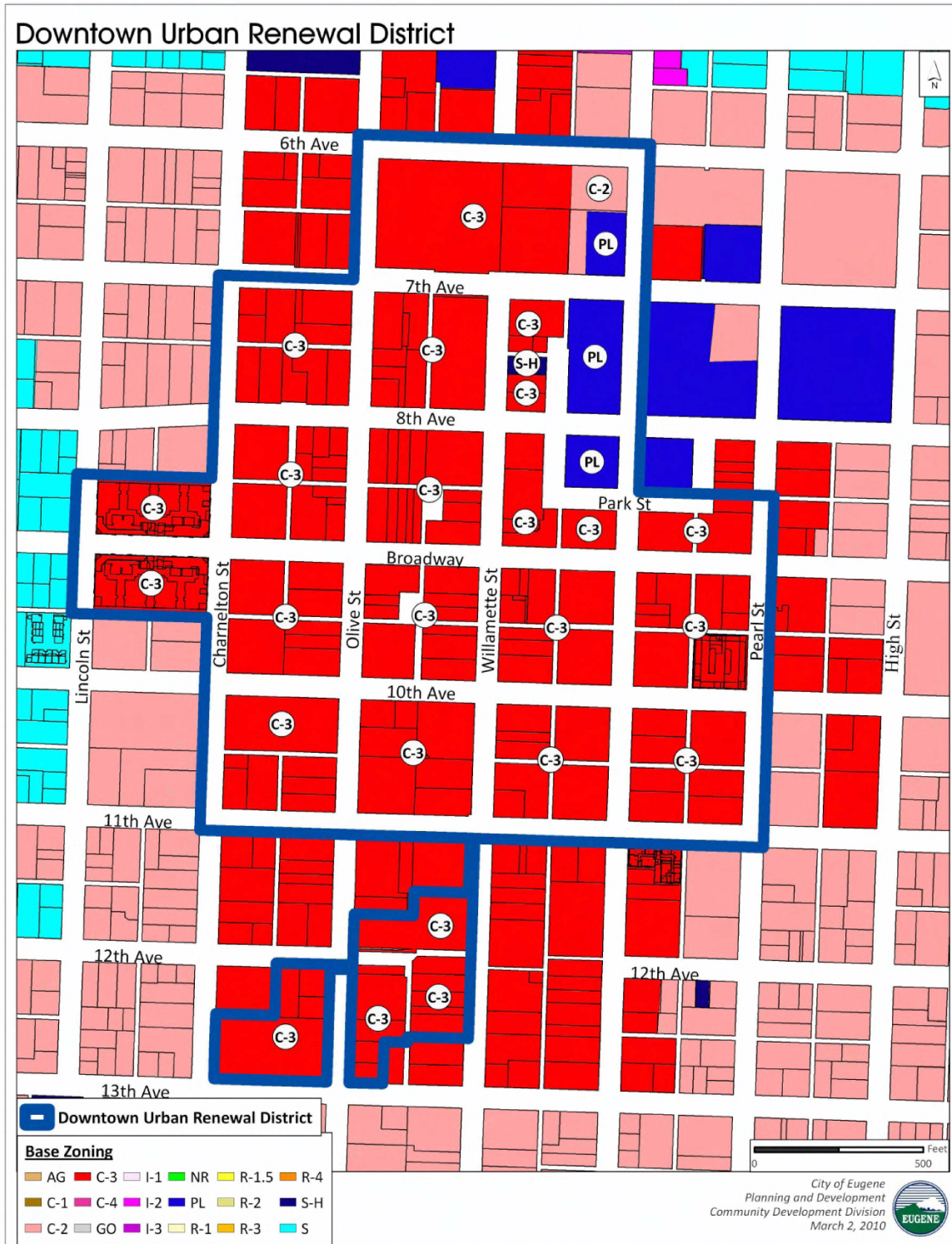
Exhibit G: Impact of the Plan on Overlapping Taxing Jurisdictions

Exhibit A – Plan Area Map



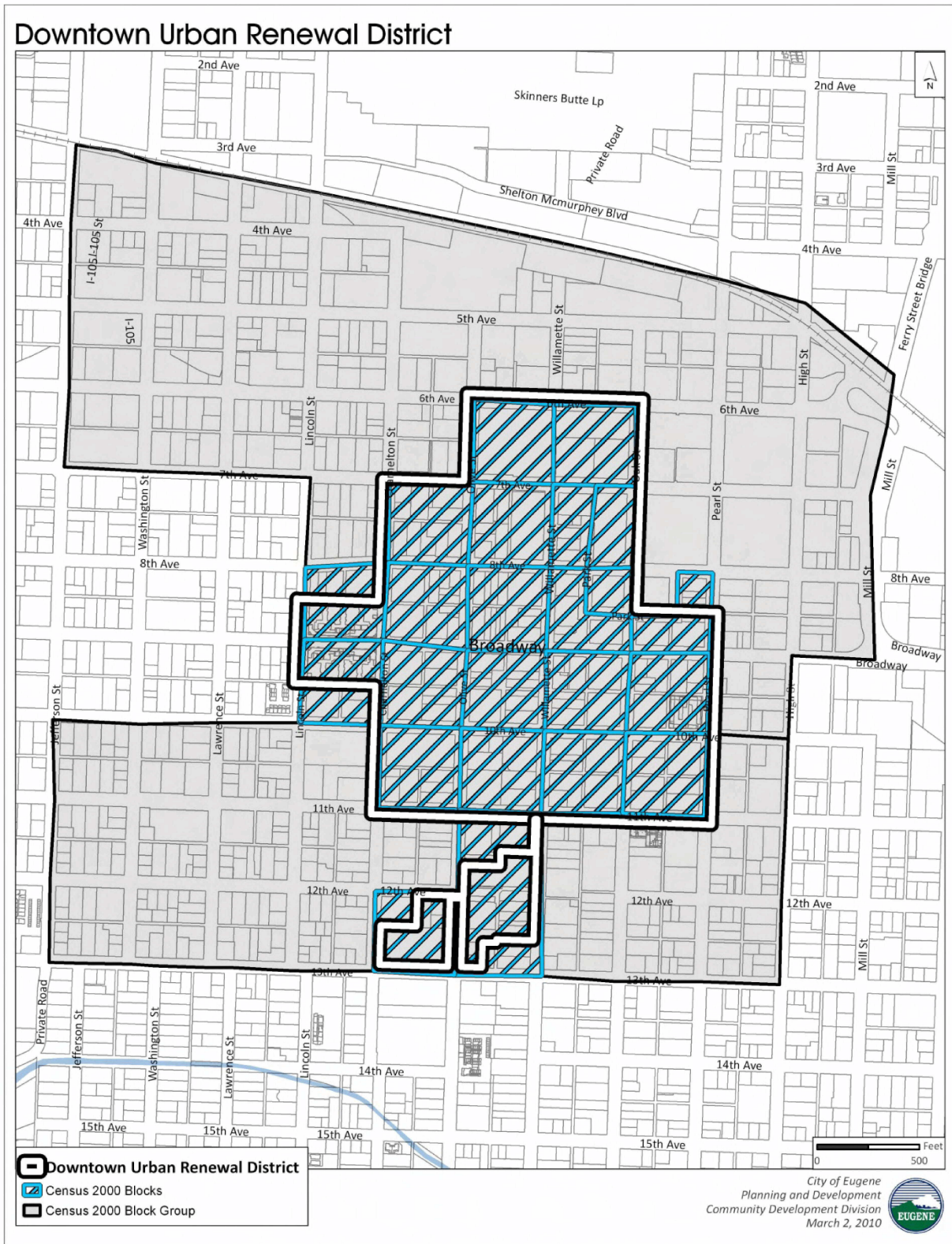
Caution: This map is based on imprecise source data, subject to change and for general reference only.

Exhibit B – Zoning District Map



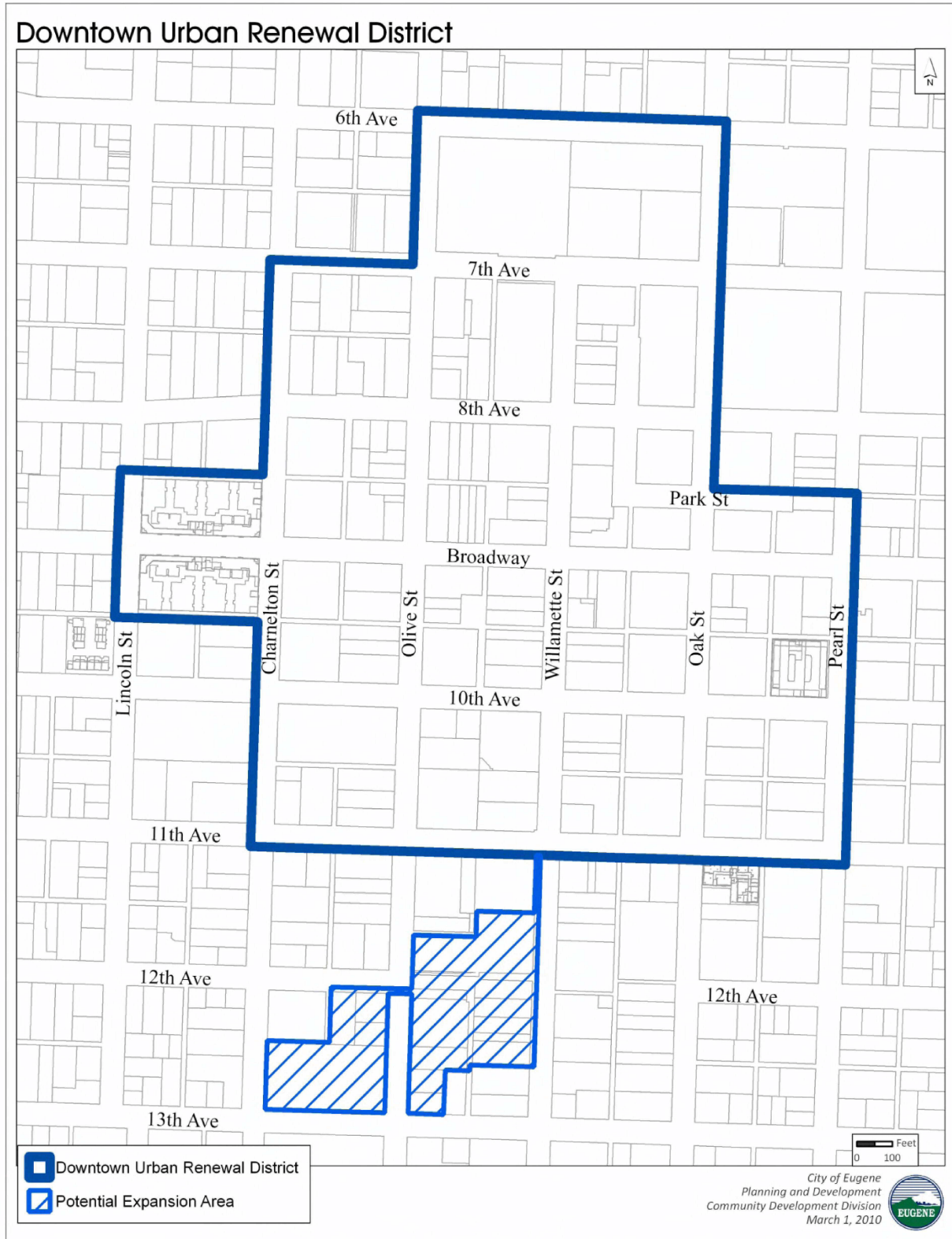
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Exhibit C – Census Boundaries Map



Caution: This map is based on imprecise source data, subject to change and for general reference only.

Exhibit D: Plan Area Map with 2010 Expansion Area Highlighted



Caution: This map is based on imprecise source data, subject to change and for general reference only.

Exhibit E: Projected Revenues and Expenditures for the Plan Area

Table 6

Resources	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Totals FY11-19
Property Taxes	1,730,000	1,920,000	1,960,000	2,080,000	2,130,000	2,130,000	2,180,000	2,220,000	2,280,000	-	16,900,000
Debt Issued	-	7,700,000	-	-	-	-	-	-	-	-	7,700,000
DRLP Loan Repayments	80,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,710,000
BEDI Grant/108 Loan for Beam	6,700,000	-	-	-	-	-	-	-	-	-	-
Interest Earnings	40,000	92,000	62,000	62,000	52,000	62,000	62,000	72,000	72,000	83,000	619,000
Beginning Working Capital	8,002,350	4,404,008	1,895,501	1,562,589	1,343,536	1,446,961	1,546,861	1,687,086	1,864,661	2,078,311	4,404,008
Total Resources	16,552,350	14,306,008	4,107,501	3,894,589	3,715,536	3,828,961	3,978,861	4,169,086	4,406,661	2,351,311	31,333,008
Requirements											
<u>Expenditures</u>											
Administration	530,000	480,000	355,000	350,000	55,000	55,000	55,000	57,000	60,000	63,000	1,530,000
DRLP Loans Granted	2,360,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,710,000
Beam Project	6,500,000	-	-	-	-	-	-	-	-	-	-
DT Initiative	150,000										
Miscellaneous Projects	134,593										
LCC project	-	8,000,000	-	-	-	-	-	-	-	-	8,000,000
VA Clinic project	2,500,000	2,500,000	-	-	-	-	-	-	-	-	2,500,000
Farmers Market improvements	500,000	500,000	-	-	-	-	-	-	-	-	500,000
Debt Service on UR Debt	-	-	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	9,920,000
Intergv'l Exps - Library & Other	2,473,750										
Intergv'l Exps - Parking Debt	-	740,506	759,913	771,053	783,575	797,100	806,775	817,425	838,350	-	6,314,697
Total Expenditures	12,148,343	12,410,506	2,544,913	2,551,053	2,268,575	2,282,100	2,291,775	2,304,425	2,328,350	1,493,000	30,474,697
Debt Service Reserve	-	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	1,240,000	-	-
Other Reserves	4,404,008	655,501	322,589	103,536	206,961	306,861	447,086	624,661	838,311	858,311	858,311
Total Reserves	4,404,008	1,895,501	1,562,589	1,343,536	1,446,961	1,546,861	1,687,086	1,864,661	2,078,311	858,311	858,311
Total Requirements	16,552,351	14,306,008	4,107,501	3,894,589	3,715,536	3,828,961	3,978,861	4,169,086	4,406,661	2,351,311	31,333,008

Note: Administration includes project legal and professional services, debt issuance costs and project administration.

Exhibit F: Impact of Urban Renewal on an Individual Tax Bill

Table 7

Comparison of Tax Bill Before and After Urban Renewal Reallocation						
For Median Eugene Home in FY10 - 2009 Tax Year						
	Taxes Before	Taxes Directed to:			Taxes Billed	
	Urban Renewal				After Urban Renewal	
	Reallocation	Taxing Districts	Downtown UR	Riverfront UR	Reallocation	Difference
School Taxes						
Eugene School District	\$752.39	\$739.20	\$9.79	\$3.39	\$739.20	(\$13.18)
Eugene School District LOL	\$237.67	\$236.61	\$0.00	\$1.06	\$236.61	(\$1.06)
Lane Community College	\$98.09	\$96.72	\$1.03	\$0.35	\$96.72	(\$1.38)
Lane ESD	<u>\$35.37</u>	<u>\$34.87</u>	<u>\$0.36</u>	<u>\$0.13</u>	<u>\$34.87</u>	<u>(\$0.49)</u>
	\$1,123.52	\$1,107.40	\$11.19	\$4.93	\$1,107.40	(\$16.11)
General Government Taxes						
City of Eugene	\$1,110.05	\$1,094.17	\$11.79	\$4.09	\$1,094.17	(\$15.88)
City of Eugene Library Levy	\$36.73	\$36.60	\$0.00	\$0.13	\$36.60	(\$0.13)
Lane County	\$202.70	\$199.82	\$2.14	\$0.74	\$199.82	(\$2.88)
Eugene Downtown UR	\$0.00	\$0.00	\$0.00	\$0.00	\$27.03	\$27.03
Eugene Riverfront UR	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$11.75</u>	\$11.75
	\$1,349.48	\$1,330.59	\$13.93	\$4.96	\$1,369.37	\$19.90
Bonded Debt Taxes						
Lane County Bond	\$18.67	\$18.41	\$0.19	\$0.06	\$18.41	(\$0.25)
Eugene Bond I	\$52.08	\$51.35	\$0.54	\$0.19	\$51.35	(\$0.73)
Eugene Bond II	\$136.17	\$135.68	\$0.00	\$0.49	\$135.68	(\$0.49)
Eugene 4J Bond I	\$92.03	\$90.43	\$1.19	\$0.41	\$90.43	(\$1.60)
Eugene 4J Bond II	\$128.67	\$128.10	\$0.00	\$0.57	\$128.10	(\$0.57)
LCC Bond	\$37.12	\$37.00	\$0.00	\$0.13	\$37.00	(\$0.13)
	\$464.74	\$460.97	\$1.92	\$1.85	\$460.97	(\$3.77)
Total Taxes	\$2,937.73	\$2,898.96	\$27.03	\$11.74	\$2,937.74	\$0.01
Source: Based on tax rates per the Lane County Assessor, Levy Child/Parent Detail Report, Tax Year 2009, TCA 00400						
Assessed Value for Median Home in Eugene			\$158,447			
Any slight differences of \$0.01 are due to truncation and rounding.						

Exhibit G: Impact of the Plan on Overlapping Taxing Jurisdictions

Table 8

	Actual FY10	Projected FY11	Projected FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16	Projected FY17	Projected FY18	Projected * FY19
District Revenue Impact **										
School District 4J	\$550,000	\$600,000	\$620,000	\$660,000	\$680,000	\$700,000	\$720,000	\$730,000	\$760,000	\$780,000
Lane Community College	\$70,000	\$80,000	\$80,000	\$90,000	\$90,000	\$90,000	\$90,000	\$100,000	\$100,000	\$100,000
Lane Education Service District	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$40,000	\$40,000
City of Eugene	\$810,000	\$890,000	\$910,000	\$970,000	\$1,000,000	\$1,030,000	\$1,060,000	\$1,080,000	\$1,110,000	\$1,140,000
Lane County	\$150,000	\$160,000	\$170,000	\$180,000	\$180,000	\$190,000	\$190,000	\$200,000	\$200,000	\$210,000
Permanent Tax Rates										
School District 4J	\$4.7485	\$4.7485	\$4.7485	\$4.7485	\$4.7485	\$4.7485	\$4.7485	\$4.7485	\$4.7485	\$4.7485
Lane Community College	\$0.6191	\$0.6191	\$0.6191	\$0.6191	\$0.6191	\$0.6191	\$0.6191	\$0.6191	\$0.6191	\$0.6191
Lane Education Service District	\$0.2232	\$0.2232	\$0.2232	\$0.2232	\$0.2232	\$0.2232	\$0.2232	\$0.2232	\$0.2232	\$0.2232
City of Eugene	\$7.0058	\$7.0058	\$7.0058	\$7.0058	\$7.0058	\$7.0058	\$7.0058	\$7.0058	\$7.0058	\$7.0058
Lane County	\$1.2793	\$1.2793	\$1.2793	\$1.2793	\$1.2793	\$1.2793	\$1.2793	\$1.2793	\$1.2793	\$1.2793
Incremental Value in the Downtown UR Dist.	123,590,000	135,090,000	138,420,000	147,420,000	151,600,000	155,860,000	160,210,000	164,640,000	169,160,000	173,770,000
Notes: Property tax collections for all years is:		94%								
Existing property values increase at 2% per year										
Broadway Place tax exemption expires in FY11										
Boundary expansion occurs in FY12										
Beam development is complete and pays taxes starting in FY13										

* The listed amounts for FY19 will be revenue provided to the various entities. (The Downtown District is not expected to collect tax increment in FY19.)
 ** The impact on schools is really an impact on the State's budget because schools are mainly funded on a per-pupil funding formula rather than by the level of property tax dollars generated within their boundaries. See Chapter 9 "Impact on Overlapping Taxing District Revenues" section for more information.

EXHIBIT B: Property Analysis Report
(4-5-10)

Urban Renewal Amendment
Documentation of Blighted Areas

The tax lots within the existing area and proposed expansion area of the Downtown Urban Renewal Plan District were evaluated in Fall 2009. A description and photos of each of the properties within the existing Urban Renewal Plan District and the proposed expansion area are provided below. Map identification numbers have been assigned to individual tax lots within the Downtown Urban Renewal Plan District Map (Attachment 1 to Exhibit B). Properties have been assessed for characteristics of “blight” as the term is defined per ORS 457.010(1).

ORS 457.010(1) defines “Blighted areas” as those “that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

- (a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:
 - (A) Defective design and quality of physical construction;
 - (B) Faulty interior arrangement and exterior spacing;
 - (C) Overcrowding and a high density of population;
 - (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
 - (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;
- (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
- (c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
- (d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
- (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
- (f) The existence of property or lots or other areas that are subject to inundation by water;
- (g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
- (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or
- (i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

A total of 152 properties are included with the existing District boundaries. The Blight Findings Matrix (Attachment 2 to Exhibit B) includes a row for each property, identified by Map ID number and tax lot number. The Matrix includes columns relating to each of the nine criteria at ORS 457.010(1) with five sub-criteria under (a). If a property was determined to meet a particular criterion from the definition/criteria at ORS 457.010(1), it is indicated on the Matrix and the basis for that determination is set out in this Property Analysis Report. The Matrix identifies each criterion met by a particular

property. In some cases, the Matrix indicates that a particular property does not meet any of the blight criteria. However, in many cases, a property meets more than one criterion. For a determination that a property is “blighted,” only one criterion need be met. The final column on the Blight Findings Matrix includes a “Y” or “N” to indicate whether the property has attributes that make it “blighted” under the definition/criteria at ORS 457.010(1). The determination of blight for a particular property is not an indication that that property is slated for improvement or for demolition, but an indication of the character of the area and substantiation of the need for reinvestment and improvement in the district. While not every individual property is blighted (some properties have improved due to urban renewal projects), taken as a whole, the City concludes that the urban renewal area is a blighted area. This conclusion is supported by substantial evidence, as discussed below.

General Findings

ORS 457.010(1)(a)

The language in the statute that defines blight under ORS 457.010(1)(a) specifies that properties must be unfit or unsafe to occupy for their intended purposes due to one or more of the conditions listed in ORS 457.010(1)(a) (A – E). The statute does not elaborate on what “unfit” or “unsafe to occupy” means, nor does it state that the building must be literally unusable or uninhabitable. The City concludes that a building that meets the criteria under (A) – (E) evidences conditions that indicate that the structure is “unfit” for its intended purpose or “unsafe to occupy,” even if the building is in fact occupied and otherwise habitable. These conditions are described below. Information for buildings on individual tax lots was gathered primarily from visual surveys of the buildings’ exteriors and, in some cases, sources familiar with the entire edifice.

ORS 457.010(1)(a)(A)

Properties identified on the Blight Findings Matrix as meeting (a)(A) were determined to have structures that are unfit for their intended purpose or unsafe to occupy because of defective design and quality of physical construction. This was the case with the following publicly-owned properties in the current boundaries of the Urban Renewal District: 27, 45, 51, 84, 125, 143, 149, 150, 151 and 152. These buildings were considered blighted per this criterion due to seismic concerns. Information on these buildings has been made available from City of Eugene Public Works, indicating that every public building built prior to 1998 is out of compliance with current seismic code requirements. While every private building built prior to 1998 is also likely out of compliance, it is possible that some of those structures would meet today’s code. Without a detailed inspection for each structure, in most cases it is not feasible to assess current seismic code compliance.

ORS 457.010(1)(a)(B)

None of the properties within the existing District or the proposed expansion area were determined to have structures that are unfit for their intended purpose or unsafe to occupy because of faulty interior arrangement and exterior spacing.

ORS 457.010(1)(a)(C)

None of the properties within the existing District or the proposed expansion area were determined to have structures that are unfit for their intended purpose or unsafe to occupy due to overcrowding and a high density of population.

ORS 457.010(1)(a)(D)

None of the properties within the existing District or the proposed expansion area were determined to have structures that are unfit for their intended purpose or unsafe to occupy due to inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities.

ORS 457.010(1)(a)(E)

Properties identified on the Blight Findings Matrix as meeting (a)(E) were determined to have structures that are unfit for their intended purpose or unsafe to occupy because of obsolescence, deterioration, dilapidation, mixed character or shifting of uses.

The properties listed below were identified under (a)(E) due to obsolescence resulting from a dependency on steam (indicated in the property-specific findings, below). Steam dependency is a factor because the Eugene Water and Electric Board (EWEB) has begun plans to decommission their steam plant, requiring buildings on the steam system to convert to another heating source at their own expense. Buildings relying on steam therefore demonstrate a condition of obsolescence. This was the case with the following properties in the current boundaries of the Urban Renewal District: 5, 11, 20, 23, 24, 26, 27, 45, 46, 47, 48, 49, 50, 51, 61, 62, 65, 66, 75, 78, 79, 80, 84, 85, 86, 87, 88, 89, 100, 102, 124, 125, 131, 132, 143, 145, 146, 149, 150, 151, and 152. This was also the case with Map ID # 153 in the proposed District expansion area.

With respect to building conditions, each building has been given a rating in the property-specific findings below, based upon the following scale:

- “+” New, near new, or well-maintained older buildings
- “±” Buildings needing rehabilitation (for visible damage or wear, structural cracks, seismic upgrading, water infiltration, etc.) and improved maintenance (for peeling exteriors, graffiti, broken windows, torn awnings, etc.);
- “-” Dilapidated buildings which appear to be beyond an ability to be economically rehabilitated

A number of properties were identified under (a)(E) because they show deterioration or dilapidation. Properties that have buildings with a “±” or “-” rating exhibit conditions leading them to be unusable or uninhabitable, and were therefore found to be unfit for their intended purpose or unsafe to occupy because of obsolescence, deterioration, dilapidation, mixed character or shifting of uses. The following properties in the current boundaries of the Urban Renewal District exhibited the characteristics listed above: 1, 2, 6, 11, 14, 20, 23, 26, 27, 45, 48, 50, 51, 60, 61, 63, 64, 65, 66, 69, 70, 71, 78, 80, 83, 88, 89, 90, 91, 92, 93, 95, 97, 99, 100, 101, 121, 123, 125, 132, 143, 148 and 152. This was also the case with the following properties in the proposed District expansion area: 153, 155, 164 and 167. The specific conditions are indicated in the property-specific findings, below.

ORS 457.010(1)(b)

None of the properties in the current or proposed District boundaries are characterized by the existence of an economic dislocation, deterioration or disuse of property resulting from faulty planning.

ORS 457.010(1)(c)

Properties identified on the Blight Findings Matrix as meeting (c) were determined to be characterized by land divisions and sales that have resulted in lots of irregular form and shape and inadequate size or

dimensions for property usefulness and development. This was the case with the following properties in the current boundaries of the Urban Renewal District: 70, 71 and 142. None of the properties in the proposed District expansion area are so characterized.

ORS 457.010(1)(d)

None of the properties in the current or proposed District boundaries are characterized by the existence of property or lot layouts in disregard of contours, drainage or other physical characteristics of the terrain and surrounding conditions.

ORS 457.010(1)(e)

None of the properties in the current or proposed District boundaries are characterized by the existence of inadequate streets and other rights of way, open spaces and utilities.

ORS 457.010(1)(f)

None of the properties within the current or proposed boundaries of the Urban Renewal District are characterized by the existence of property or lots or other areas that are subject to inundation by water.

ORS 457.010(1)(g)

Properties identified on the Blight Findings Matrix as meeting (g) were determined to be characterized by a prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered. These properties were determined to evidence depreciated values due to an analysis of the property's improvement to land value ratio. Properties with a ratio of less than 4:1 were considered depreciated. This ratio was utilized based on a comparison of analyses completed by other communities in the state, including Springfield, Tillamook and Portland. Properties that are not intended to be developed, such as public open space or public plazas, are indicated as p/p, although any structures associated with those tax lots may be evaluated separately. Properties that are composed of multiple ownerships (such as condominium units) were not considered for this analysis; for these cases, an indication of n/a is shown on the Blight Findings Matrix. For a very limited number of properties, adequate information was not available from the tax assessor's office for this analysis; for these cases, i/i is indicated on the Blight Findings Matrix. Within the existing District boundaries, the following Map ID # met this criterion, : 1, 2, 3, 4, 5, 7, 8, 9, 11, 12, 13, 14, 15, 20, 23, 24, 25, 27, 45, 48, 49, 50, 52, 53, 54, 55, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 71, 73, 75, 80, 81, 82, 83, 87, 91, 92, 93, 94, 95, 96, 97, 98, 100, 108, 109, 112, 115, 116, 117, 118, 123, 124, 125, 127, 128, 129, 132, 133, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 146, 147, 148, 149, and 151. Information was not available for Map # 28, 29 and 70. Within the proposed expanded District boundary, Map ID # 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166 and 167 met this criterion.

ORS 457.010(1)(h)

Properties identified on the Blight Findings Matrix as meeting (h) were determined to be characterized by a growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare. This determination was based on a review of the building's vacancy (such as empty storefronts) or site's vacancy (such as undeveloped lots or surface parking lots). A property that has a 50% or higher vacancy was determined to meet criterion (h), indicating that potential utilization of the property is less than half its current utilization. Within the existing District boundaries, the following Map ID # met this criterion: 4, 5, 11, 12, 14, 15, 52, 53, 54, 55, 66, 67, 68, 73, 75, 81, 82, 84, 92, 93, 99, 101, 108, 109, 115, 116, 117, 118, 127, 128, 131, 135, 136, 138, 139, 140, and 144. This was also the case with the

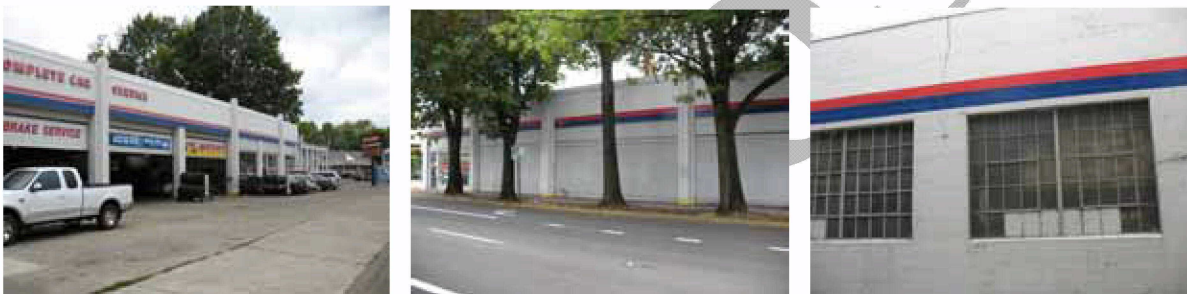
following properties in the proposed District expansion area: 153, 156, 157, 158, 159, 160, 161, 162, 163, 165, 166 and 167.

A comparison of the allowable development to the existing development is a further indication of the lack of proper utilization of the area and indication of blight per ORS 457.010(1)(h). Nearly all of the properties within the existing District and the properties proposed for inclusion into the District are zoned C-3 Major Commercial, with a maximum allowed height of 150 feet. Properties containing buildings having only a single-story (26 properties), as identified in the descriptions below, present further evidence of underutilization of the property in the commercial core of downtown.

ORS 457.010(1)(i)

None of the properties within the current or proposed boundaries of the Urban Renewal District are characterized by a loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

PROPERTIES WITHIN EXISTING DOWNTOWN URBAN RENEWAL PLAN DISTRICT
The following are property-specific findings substantiating the general findings, above.



Map ID# 1 and 2—Tax lots 11300 and 11200 of Map 17033114 (Firestone Tire): The building has cracks in the exterior walls, especially on the north side. The building is single-story use. Improvement to land ratio: 1.23 and .01; Building rating: ±



Map ID# 3 and 4—Tax lots 12000 and 11700 of Map 17033114 (Pacific Cascade Federal Credit Union and DocuTrack Imaging): Single-story building. The building takes up approximately 1/3 of tax lot 117000; the remainder is surface parking and drive-thru access. Improvement to land ratio: 1.67 and .59; Building rating: +



Map ID# 5—Tax lot 12100 of Map 17033114 (Wachovia Securities, Beecher Carlson and Mediation Services): EWEB notes that steam conversion is needed for the property. Two-thirds of lot is surface parking. Improvement to land ratio: 1.23 and .01; Building rating: +



Map ID# 6—Tax lot 12800 of Map 17033114 (Lane Community College Downtown Center): Building shows some wear and lack of maintenance (peeling exterior, graffiti) LCC has announced plans to build a new downtown center and to vacate this building. Upper floors have very few windows. Improvement to land ratio: 8.3; Building rating: ±



Map ID# 7—Tax lot 12900 of Map 17033114 (small commercial businesses including The Tattoo Parlor, Emerald City Skates, The Pita Pit, and Willamette Street Market). Single-story building. One of the storefronts is currently vacant. Improvement to land ratio: 1.18; Building rating: +



Map ID# 8 through 10—Tax lots 2000, 2100, 2200 of Map 17033113 (LTD Eugene Bus Station): Also associated with Map ID #18, 19, 21, and 22. Bus station and related structures are in good condition. Old police substation in Map ID #10 is currently vacant. Improvement to land ratio: 1.93, 2.88 and 5.05;

Building rating: +



Map ID# 11—Tax lot 5900 of Map 17033113 (McAyeal’s and The Shoe Doctor): Structure evidences cracks in exterior walls, broken windows in the rear, loose debris, and graffiti. EWEB notes that steam conversion is needed. Building is single-story and occupies approximately 50% of the tax lot, with the remainder used for surface parking. Improvement to land ratio: .88; Building rating: ±



Map ID# 12 and 13—Tax lots 6000 and 6100 of Map 17033113 (Kiva and associated parking lot): One tax lot is surface parking; the other contains the Kiva grocery store. The structure is single-story and appears in good condition. Improvement to land ratio: .04 and 1.08; Building rating: +



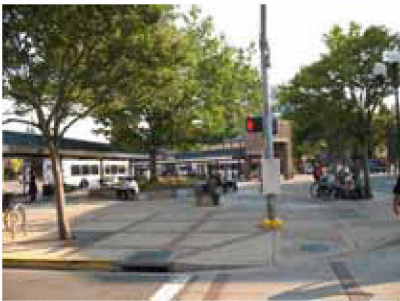
Map ID# 14 and 15—Tax lot 6200 and 6300 of Map 17033113 (Formerly the Health Spa): Tax lot 6200 contains a vacant commercial structure, covering less than 50% of the tax lot, with the remainder used for surface parking; tax lot 6300 is vacant and used as a surface parking lot. The predominantly single-story structure evidences structural cracks; makeshift doors; graffiti; inconsistent surface painting; stains on the structure due to defective downspouts; and signs of homeless use. Improvement to land ratio: .18 and .04; Building rating: ±



Map ID# 16—Tax lot 6400 of Map 17033113 (Andreason’s Cremation and Burial Services): The building appears to be in good condition and is fully-occupied with mixed-use residential and commercial. Improvement to land ratio: 4.07; Building rating: +



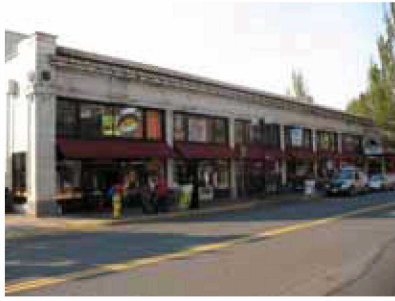
Map ID# 17—Tax Lot 6500 of Map 17033113 (Eugene Public Library): Library is in good condition and well maintained. Improvement to land ratio: 27.57; Building rating: +



Map ID# 18, 19, 21, and 22—Tax Lots 2300, 2400, 2500, and 1901 of Map 17033113 (LTD Eugene Bus Station): associated with Map ID #8, 9, and 10. Bus station and related structures are in good condition. Improved public plaza; Building rating: +



Map ID# 20—Tax lot 1700, Map 17033113 (Downtown Athletic Club - Newberry Childcare and offices): Old J.J. Newberry Co. building. Rust stains from tie-rods along the side of the building, eroding brick work, and peeling paint. EWEB notes that steam conversion is needed. Improvement to land ratio: .3.2; Building rating: ±



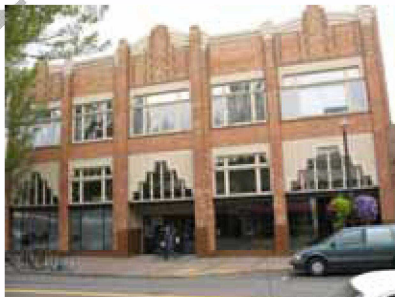
Map ID# 23—Tax lot 1900 of Map 17033113 (McDonald Theatre building and associated shops): Some visible cracks in walls (esp. on west side). EWEB notes that steam conversion is needed. Improvement to land ratio: 1.15; Building rating: ±



Map ID# 24—Tax lot 12700, Map 17033114 (Funk and Levis): notes that steam conversion is needed. Improvement to land ratio: 2.83; Building rating: +



Map ID# 25—Tax lot 12600 of Map 17033114 (Harlequin Beads): Building appears in good condition. Single-story use. Improvement to land ratio: 2.78; Building rating: +



Map ID# 26—Tax lot 12500 of Map 17033114 (Shaffer Building): Building appears in good condition overall but window frames deteriorating and paint peeling. EWEB notes that steam conversion is needed. Third floor appears vacant. Improvement to land ratio: 9.14; Building rating: ±



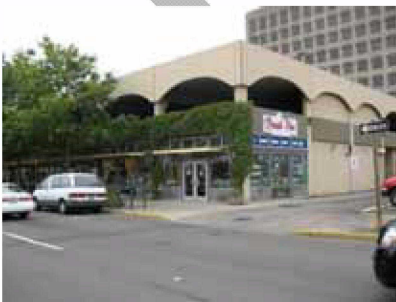
Map ID# 27—Tax lot 12300 of Map 17033114 (Overpark structure): Also associated with **Map ID# 45**. Per City of Eugene Public Works, work required includes sealing exterior faces of walls, installing replacement deck coating, upgrading the elevator. Structure not compliant with current seismic code requirements. EWEB notes that steam conversion is needed. Some vacancies evident. Improvement to land ratio: 2.73; Building rating: ±



Map ID# 28 and 29—Tax lots 11500 and 11600 of Map 17033114 (Qwest Building): Upper floors have very limited access to daylight, otherwise building is in good condition. Improvement to land ratio: No information available; Building rating: +



Map ID# 30—Tax lot 11400 of Map 17033114 (Pearl St. garage): Structure is in good condition and commercial spaces are fully-occupied. Improvement to land ratio: 6.92; Building rating: +



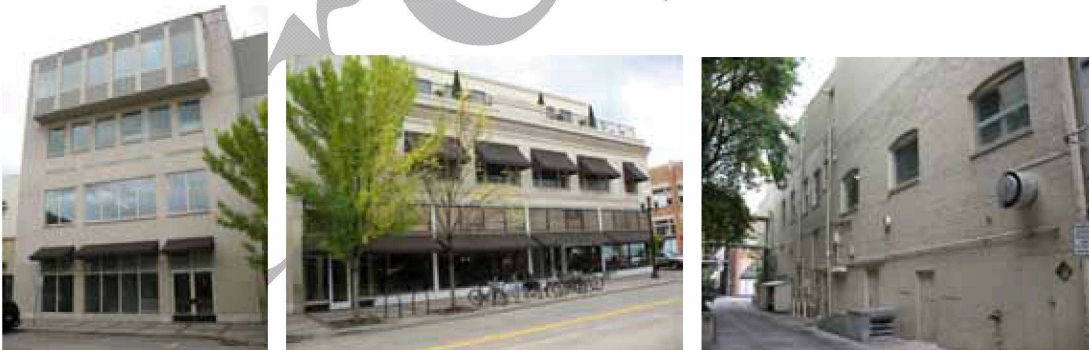
Map ID# 31 through 43—Tax lots 7401 thru 7413 of Map 17033114 (Private garage/Brushfire Pottery): Structure appears in good condition; two commercial spaces are vacant. Improvement to land ratio: information on individual spaces not available; Building rating: +



Map ID# 44—Tax lot 6900 of Map 17033114 (Key Bank building): Building in good condition. Improvement to land ratio: 15.92; Building rating: +



Map ID# 45—Tax lot 5800 of Map 17033114 (Overpark garage): Associated with **Map ID# 27**. Per City of Eugene Public Works work required to repair and upgrade the structure includes sealing exterior faces of walls, installing replacement deck coating, upgrading the elevator. Structure is not compliant with current seismic code requirements. EWEB notes that steam conversion is needed. Former Tiffany's Drugs store space is vacant. Improvement to land ratio: 2.35; Building rating: ±



Map ID# 46 and 47—Tax lot 5600 and 5700 of Map 17033114 (DAC): Building appears in good condition. EWEB notes that steam conversion is needed. Improvement to land ratio: 8.92 and 7.12; Building rating: +



Map ID# 48—Tax lot 5500 of Map 17033114 (Shoe-a-Holic): Building evidences water damage on exterior, missing bricks, cracks in marble façade, graffiti, exposed external wiring. Recent upgrades completed to front façade only. EWEB notes that steam conversion is needed. Improvement to land ratio: 2.06; Building rating: ±



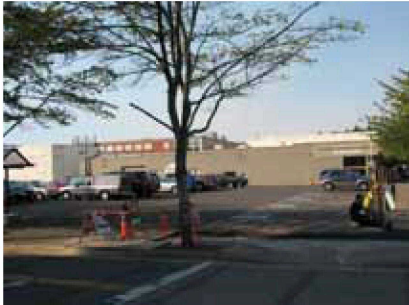
Map ID# 49—Tax lot 1600 of Map 17033113 (Harry Ritchie's Jewelers): Building appears in good condition. EWEB notes that steam conversion is needed. Improvement to land ratio: 3.85; Building rating: +



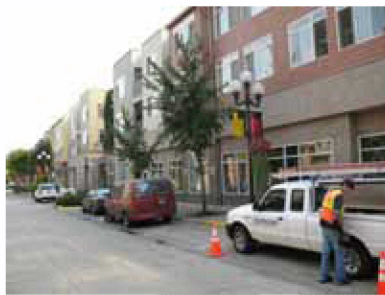
Map ID# 50—Tax lot 1800 of Map 17033113 (Actor's Cabaret of Eugene/Poppi's Anatolia): Single-story building with cracking and missing downtown spouts and water damage, paint peeling. EWEB notes that steam conversion is needed. Improvement to land ratio: .97; Building rating: ±



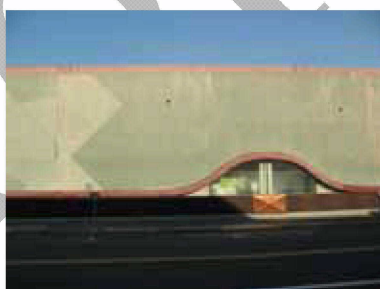
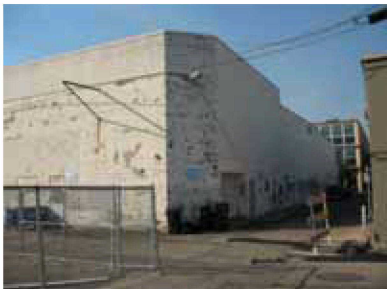
Map ID# 51—Tax lot 2600 of Map 17033113 (Atrium Building): Per City of Eugene Public Works improvements/maintenance needed on building include repair to skylights and elevator upgrade needed. Structure is not compliant with current seismic code requirements. EWEB notes that steam conversion is needed. Improvement to land ratio: 4.52; Building rating: ±



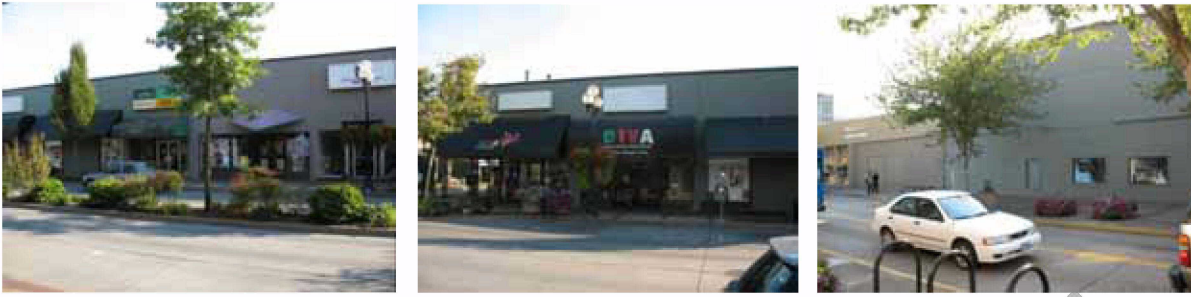
Map ID# 52 through 55—Tax lots 5100, 5200, 5300, and 6600 of Map 17033113 (10th and Charnelton Site): Surface parking lot and vacant subsurface lot. Improvement to land ratio: .04, .04, 07 and .00



Map ID# 56 through 59—Tax lots 16200, 16400, 16600, and 16900 of Map 17033113 (Broadway Place - South): Also associated with Map ID# 103-107. Buildings in good condition. Corner space along Lincoln is vacant. Improvement to land ratio: Information on individual spaces not available; Building rating: +



Map ID# 60—Tax lot 6700 of Map 17033113 (Shawmed/Lord Leebrick). Single-story building in need of rehabilitation (painting, sealing, canopy repair). Poor access to daylight (no windows on west or south side). One empty storefront. Improvement to land ratio: .70; Building rating: ±



Map ID# 61—Tax lot 4900 of Map 17033113 (Diva, etc.): Single-story building. Roofline repairs needed, awnings deteriorated or missing. One vacancy on western end. EWEB notes that steam conversion is needed. Improvement to land ratio: 2.19; Building rating: ±



Map ID# 62—Tax lot 5000 of Map 17033113 (Bradford’s store): Single-story building in good condition. West portion of store is vacant (approximately one-third of structure). EWEB notes that steam conversion is needed. Improvement to land ratio: 1.18; Building rating: +



Map ID# 63—Tax lot 2700 of Map 17033113 (Imagine Hair Salon): Building in need of maintenance (paint peeling, siding pulling off in places). Improvement to land ratio: 3.6; Building rating: ±



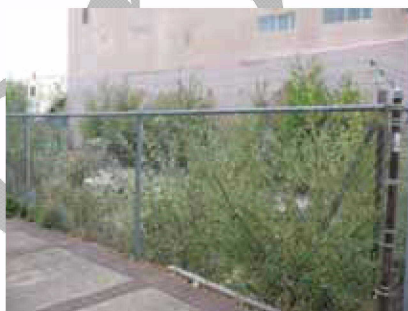
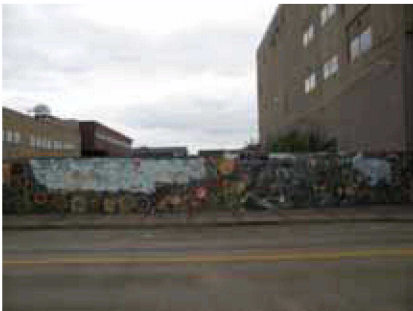
Map ID# 64—Tax lot 2800 of Map 17033113 (Luckey’s): Single-story building. Awnings (glass and fabric) need cleaning, sealing and repair; window frames peeling and deteriorating. Improvement to land ratio: 2.09; Building rating: ±



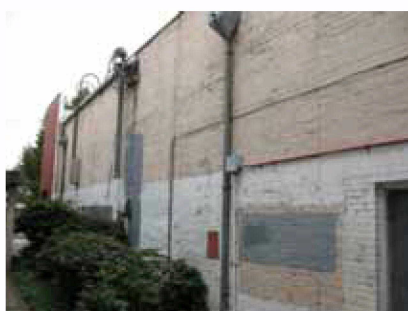
Map ID# 65—Tax lot 2900 of Map 17033113 (Washburne Building): Building has surface cracking and chipping. Awnings need repairs. One vacancy in building front. EWEB notes that steam conversion is needed. Improvement to land ratio: 3.63; Building rating: ±



Map ID# 66—Tax lot 1300 of Map 17033113 (Center Court Building): Building in considerable disrepair, internally and externally. Needs major renovations to make it fit for occupancy. Building is currently completely vacant. EWEB notes that steam conversion is needed. Improvement to land ratio: 1.17; Building rating: ±



Map ID# 67 and 68—Tax lot 1400 of Map 17033113 (subsurface lot- old Woolworth’s Building): Vacant development site. Improvement to land ratio: 0.0



Map ID# 69 through 71—Tax lots 5400, 5300, 4800 of Map 17033114 (Persian Rugs & Imports/Farouz Salon): Irregular paint job in back, graffiti present. Map ID # 70 and 71 are inadequately

sized parcels; 70 has no right-of-way access. Improvement to land ratio: 1.98 (#69), 1.25 (#71) (Inadequate information is available for #70); Building rating: ±



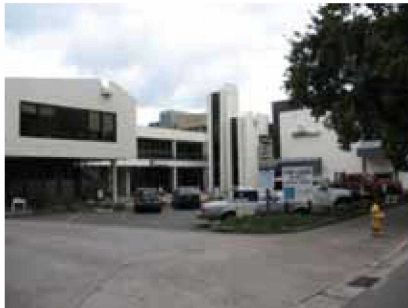
Map ID# 72—Tax lot 4801 of Map 17033114 (Kesey Square): Improved public plaza.



Map ID# 73—Tax lot 4900 of Map 17033114 (Formerly 20 East): Vacant single-story building, exterior in good shape. Improvement to land ratio: 3.17; Building rating: +



Map ID# 74—Tax lot 5200 of Map 17033114 (The Broadway Building- Café Maroc, Adams Place, Pacific University): Building in good condition. Rear commercial space vacant. Improvement to land ratio: 4.75; Building rating: +



Map ID# 75—Tax lot 6200 of Map 17033114 (Summit Bank, other offices): Building in good condition. Vacancy along Broadway. Approximately 50% of lot is dedicated to parking. EWEB notes that steam conversion is needed. Improvement to land ratio: 1.6; Building rating: +



Map ID# 76—Tax lot 6800 of Map 17033114 (Ulum Group): Building in good condition. Improvement to land ratio: 5.67; Building rating: +



Map ID# 77—Tax lot 6700 of Map 17033114 (La Follette Gallery): Building in good condition. Improvement to land ratio: 5.19; Building rating: +



Map ID# 78—Tax lot 6500 of Map 17033114 (Wells Fargo/Oak St. Speakeasy): Concrete shell of building has considerable staining, stucco peeling from upper levels. EWEB notes that steam conversion is needed. Improvement to land ratio: 4.83. Building rating: ±



Map ID# 79—Tax lot 6600 of Map 17033114 (Passionflower/Pewter Rabbit/Eugene Professional Building): Appears in good condition. Recently remodeled. EWEB notes that steam conversion is needed. Improvement to land ratio: 9.42; Building rating: +



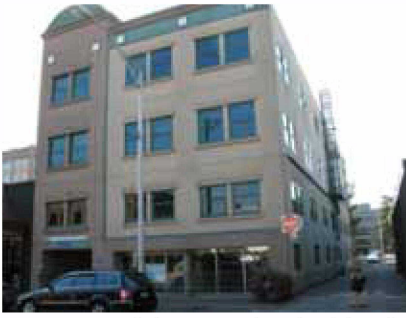
Map ID# 80—Tax lot 7500 of Map 17033114 (Quackenbush Building and Ambrosia): Front of building in good condition; concrete in rear of structure recently sealed; brick work needs cleaning, repair and repointing. EWEB notes that steam conversion is needed for Ambrosia portion. Improvement to land ratio: 3.62; Building rating: ±



Map ID# 81 and 82—Tax lot 7700 and 7600 of Map 17033113 (surface parking): Surface parking lot. Improvement to land ratio: .04 and .04



Map ID# 83—Tax lot 2800 of Map 17033114 (Café Zenon and other shops): Single-story building. Some cracks in the west wall, and stucco peeling. Improvement to land ratio: 2.53; Building rating: ±



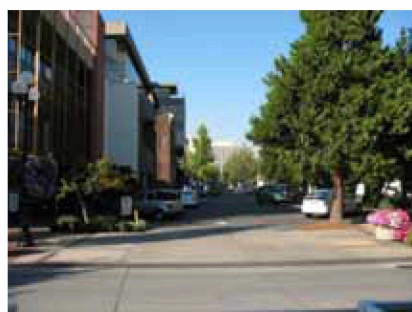
Map ID# 84—Tax lot 2700 of Map 17033114 (Formerly City of Eugene Public Works): Vacant building, for sale by City. In good condition, but not compliant with current seismic code requirements per City of Eugene Public Works. EWEB notes that steam conversion is needed. Improvement to land ratio: 10.53; Building rating: +



Map ID# 85—Tax lot 2900 of Map 17033114 (Parkview Place): Building in good condition. Building occupies approximately 75% of lot, parking area accounts for remainder. EWEB notes that steam conversion is needed. Improvement to land ratio: 7.75; Building rating: +



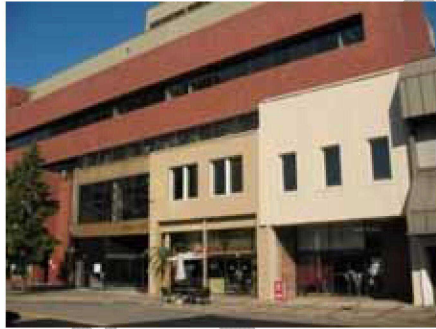
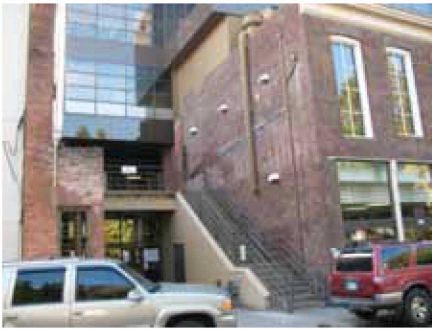
Map ID# 86—Tax lot 3300 of Map 17033114 (Wells Fargo Building) Building occupies approximately 75% of lot, parking area accounts for remainder. EWEB notes that steam conversion is needed. Improvement to land ratio: 11.94; Building rating: +



Map ID# 87—Tax lot 3900 of Map 17033114 (Oveissi/Rowell Brokaw Architects): Building in good condition. EWEB notes that steam conversion is needed. Improvement to land ratio: 3.4; Building rating: +



Map ID# 88—Tax lot 4000 of Map 17033114 (Fenario Gallery): Back side of building has cracking/eroding bricks. EWEB notes that steam conversion is needed. Improvement to land ratio: 5.24; Building rating: ±



Map ID# 89—Tax lot 4400 of Map 17033114 (LCOG building): Some ground floor vacancies. Brickwork in rear needs cleaning, repair and repointing. EWEB notes that steam conversion is needed. Improvement to land ratio: 10.2; Building rating: ±



Map ID# 90 and 91—Tax lot 900 and 1000 of Map 17033113 (Scan Design): Exterior siding pulling from frame on the front of the building. Improvement to land ratio: 4.66 and 3.47; Building rating: ±



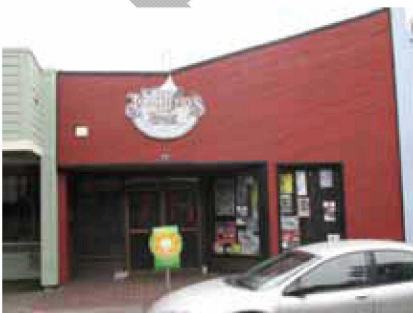
Map ID# 92—Tax lot 1100 of Map 17033113 (Taco Time Building): Cracking, staining from downspouts, torn awning. Vacancy on corner of Broadway and Willamette. Graffiti on back of building. Improvement to land ratio: 1.33; Building rating: ±



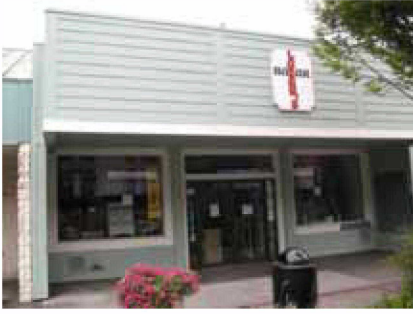
Map ID# 93—Tax lot 3400 of Map 17033113 (vacant former gallery): Appears vacant. Single-story building with oxidizing roof, peeling exterior wall paint and substantial graffiti. Improvement to land ratio: 1.75; Building rating: ±



Map ID# 94—Tax lot 3300 of Map 17033113 (Lazar's Bazaar): Recent cosmetic upgrades. Single-story building appears in good condition. Improvement to land ratio: 3.66; Building rating: +



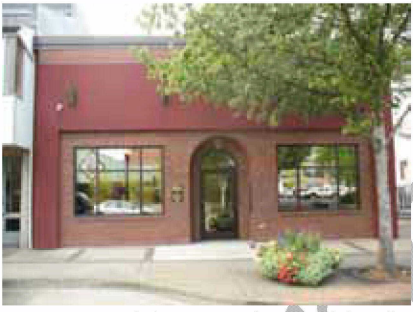
Map ID# 95—Tax lot 3200 of Map 17033113 (John Henry's): Single-story building with peeling paint, graffiti on back. Improvement to land ratio: 1.93; Building rating: ±



Map ID# 96—Tax lot 3100 of Map 17033113 (formerly Lazar’s Bazaar): Single-story building in good condition. Improvement to land ratio: 2.71; Building rating: +



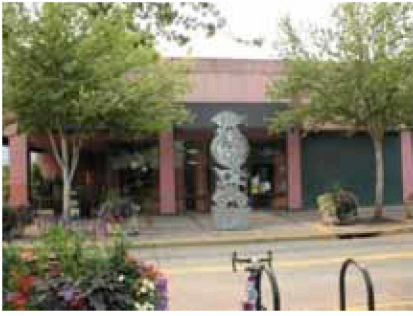
Map ID# 97—Tax lot 3000 of Map 17033113 (Horsehead Bar): Single-story building. Roof repair and maintenance needed; brick work needs repair. Vacancy along Olive St. Improvement to land ratio: 0.59; Building rating: ±



Map ID# 98—Tax lot 4600 of Map 17033113 (Duvall Building-Law Offices): Recently remodeled and in good condition. Improvement to land ratio: 3.45; Building rating: +



Map ID# 99—Tax lot 4700 of Map 17033113 (860 Olive St.): Vacant ground floor. Wood siding needs repair, paint peeling in places. Improvement to land ratio: 8.43; Building rating: ±



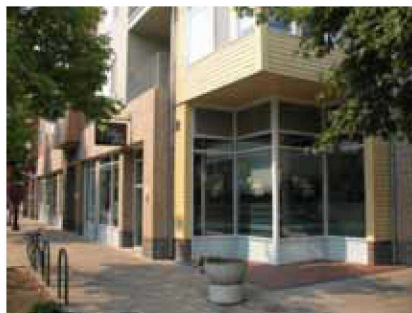
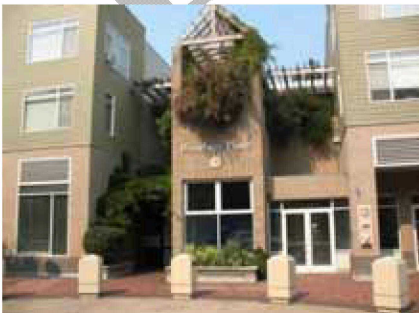
Map ID# 100—Tax lot 4800 of Map 17033113 (Jameson’s/Glamour Girls & Guys): Paint peeling, marquee cracked, window boarded, water staining. EWEB notes that steam conversion is needed. Improvement to land ratio: 2.10; Building rating: ±



Map ID# 101—Tax lot 4500 of Map 17033113 (former Symantec building): Vacant. Deteriorated awning/broken windows, entries boarded up. Improvement to land ratio: 4.97; Building rating: ±



Map ID# 102—Tax lot 6800 of Map 17033113 (Enterprise Call-Center/ISTE): Building in good condition, recently remodeled. EWEB notes that steam conversion is needed. Improvement to land ratio: 5.45; Building rating: +



Map ID# 103 through 107—Tax lots 16100, 16300, 16500, 16700, 16800 of Map 17033113 (Broadway Place- North): Also associated with Map ID# 56-59. Buildings in good condition. One commercial space is vacant. Improvement to land ratio: Information not available; Building rating: +



Map ID# 108—Tax lot 6900 of Map 17033113 (vacant- surface parking): Large surface parking lot (private) occupying a full quarter-block. Improvement to land ratio: .06



Map ID# 109—Tax lot 4200 of Map 17033113 (vacant- surface parking): Surface parking lot associated with Rogue Brewery and Starlight Lounge. Improvement to land ratio: .15



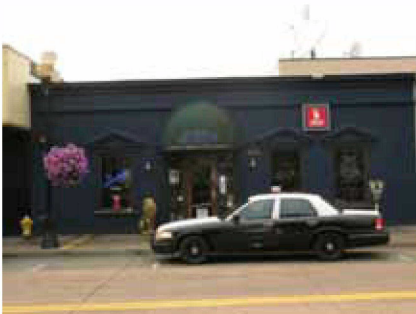
Map ID# 110—Tax lot 4100 of Map 17033113 (SCS Building- Law Offices): Building appears in good condition. Improvement to land ratio: 7.20; Building rating: +



Map ID# 111—Tax lot 4000 of Map 17033113 (KLCC): Building is in good condition. Improvement to land ratio: 4.54; Building rating: +



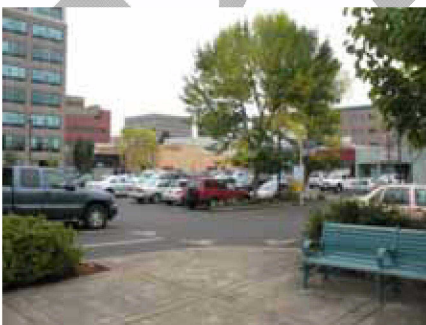
Map ID# 112—Tax lot 3900 of Map 17033113 (Shoe Repair business/Full House Poker/Former Police Auditor): Single-story building in good shape. Vacancy on corner of Olive and 8th. Improvement to land ratio: 2.57; Building rating: +



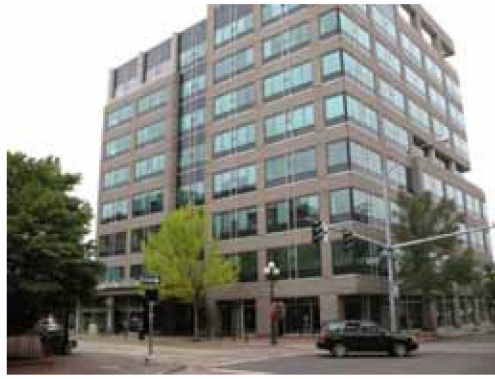
Map ID# 113—Tax lot 4300 of Map 17033113 (Starlight Lounge): Single-story building in good condition. Improvement to land ratio: 4.10; Building rating: +



Map ID# 114—Tax lot 4400 of Map 17033113 (Eugene City Brewery): Single-story building in good condition. Improvement to land ratio: 4.30; Building rating: +



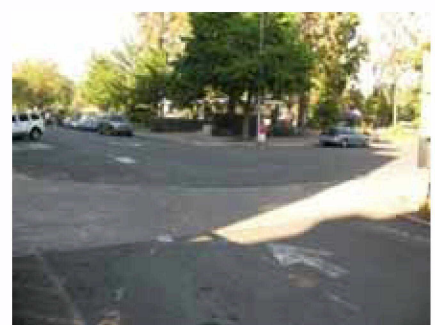
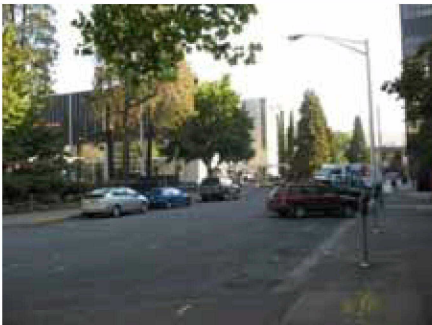
Map ID# 115 through 118—Tax lot 3800, 3700, 3600, and 3500 of Map 17033113 (surface parking lot): Large parking lot occupying a full quarter-block. Improvement to land ratio: .08 for each tax lot



Map ID# 119—Tax lot 700 of Map 17033113 (US Bank Center): Building in good condition. Improvement to land ratio: Building rating: +



Map ID# 120—Tax lot 4600 of Map 17033114 (Cascade Title Co.): Building in good condition. Improvement to land ratio: 12.46; Building rating: +

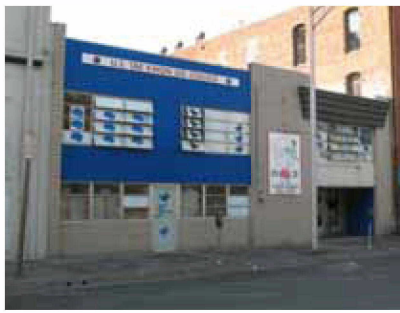


Map ID# 121—Tax lot 4700 of Map 17033114 (Park Blocks- South): Structures evidence cracking and paint peeling from canopy covering. Improved public plaza. Building rating: ±

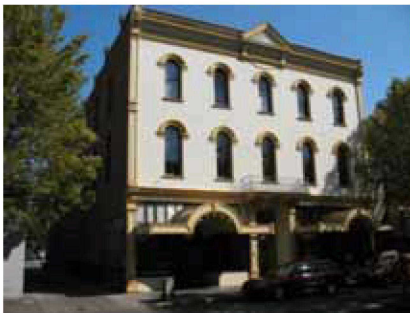


Map ID# 122—Tax lot 9400 of Map 17033111 (Tiffany Building): In good condition. Improvement to

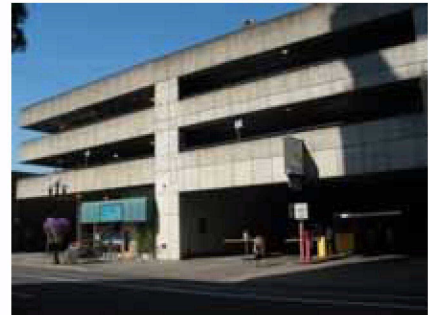
land ratio: 8.64; Building rating: +



Map ID# 123—Tax lot 9300 of Map 17033111 (US Tae Kwon Do College): Some deterioration of building (broken windows, cracks in structure on back side). Improvement to land ratio: 2.05 (Building rating: ±)



Map ID# 124—Tax lot 9200 of Map 17033111 (Smeed Hotel Building): Appears in good condition. Fully-occupied. EWEB notes that steam conversion is needed. Improvement to land ratio: 3.10; Building rating: +



Map ID# 125—Tax lot 16801 of Map 17033112 (Parcade): Also associated with **Map ID# 143**. Per City of Eugene Public Works, walls and parapet need sealing, deck coatings need replacement, cracks need to be sealed and seal along slab joints above ramps need to be resealed; not compliant with current seismic code requirements. EWEB notes that steam conversion is needed. Improvement to land ratio: 1.89; Building rating: ±



Map ID# 126—Tax lot 16100 of Map 17033112 (MJ Plaza/Mac Store): Building in good condition. Improvement to land ratio: 4.81; Building rating: +



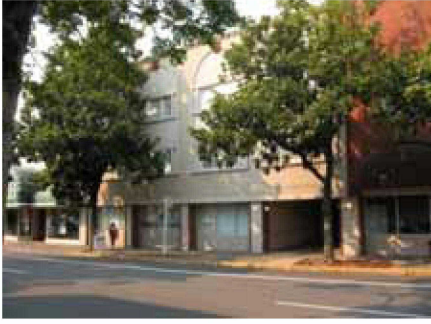
Map ID# 127 and 128—Tax lot 15900 and 16000 of Map 17033112 (vacant- surface parking): Large surface parking lot (private) associated with MJ Plaza and occupying 1/8th of a block. Improvement to land ratio: .06 and .06



Map ID# 129—Tax lot 15800 of Map 17033112 (M. Jacobs Furniture): Also associated with **Map IDs** #141, 142 and 144. Building in good condition. Improvement to land ratio: 1.61; Building rating: +



Map ID# 130—Tax lot 15500 of Map 17033112 (Lane County Visitors Center): Building in good condition. Appears partially vacant. Improvement to land ratio: 5.25; Building rating: +



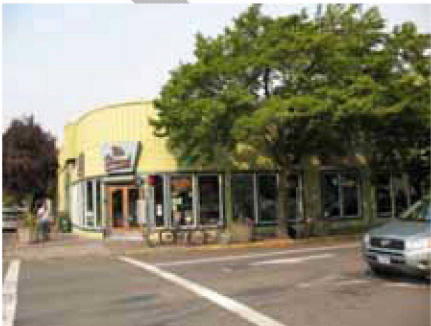
Map ID# 131—Tax lot 15300 of Map 17033112 (Eugene Symphony/Logic Tools?): Building in good condition. Upper floors appear vacant. EWEB notes that steam conversion is needed. Improvement to land ratio: 4.53; Building rating: +



Map ID# 132—Tax lot 15400 of Map 17033112 (Brennar's): Awning needs repair, paint peeling, exposed wood at top. EWEB notes that steam conversion is needed. Improvement to land ratio: 2.10; Building rating: ±



Map ID# 133—Tax lot 14900 of Map 17033112 (Studio B/Brennar's Green Living): Building appears in good condition. Improvement to land ratio: 2.73; Building rating: +



Map ID# 134—Tax lot 14800 of 17033112 (Cozmic Pizza/The Strand): Single-story building appears in good condition. Fully-occupied. Improvement to land ratio: 4.23; Building rating: +



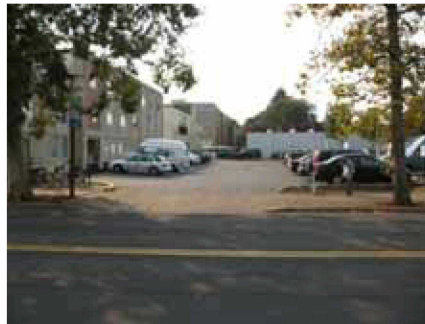
Map ID# 135 and 136—Tax lots 14700 and 14600 of Map 17033112 (surface parking): Large surface parking lot (private) occupying 1/8th of a block. Improvement to land ratio: .02 and .02



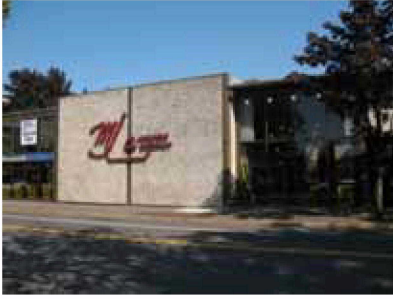
Map ID# 137—Tax lot 15100 of Map 17033112 (Goodyear Tire): Single-story building in good condition. Improvement to land ratio: .71; Building rating: +



Map ID# 138—Tax lot 15200 of Map 17033112 (vacant- access drive and surface parking): Parking appears associated with Goodyear Tire store. Improvement to land ratio: .09



Map ID# 139 and 140—Tax lots 15201 and 15202 of Map 17033112 (mostly vacant- surface parking/Dutch Bros.): Large surface parking lot occupying nearly a full quarter-block. Map ID# 139 has drive-thru coffee shop located on a portion of it. Improvement to land ratio: .14 and .09; Building rating: +



Map ID# 141 and 142—Tax lots 15600 and 15602 of Map 17033112 (M. Jacobs Furniture): Also associated with Map ID# 129 and 144. Building in good condition and fully-occupied. Tax lot 15602 is substandard and located at the rear of the building. Improvement to land ratio: 1.46 and .06; Building rating: +



Map ID# 143—Tax lot 16800 of Map 17033112 (Parcade): Also associated with **Map ID# 125**. Per City of Eugene Public Works, walls and parapet need sealing, deck coatings need replacement, cracks need to be sealed and seal along slab joints above ramps need to be resealed; not compliant with current seismic code requirements. EWEB notes that steam conversion is needed. Improvement to land ratio; 0.0; Building rating: ±



Map ID# 144—Tax lot 15601 of Map 17033112 (surface parking): Also associated with Map ID# 129, 141, and 142. Surface parking lot associated with M. Jacobs occupies 1/8th of a block. Improvement to land ratio: .06



Map ID# 145—Tax lot 9001 of Map 17033111 (Baden & Co.): Building in good condition. EWEB

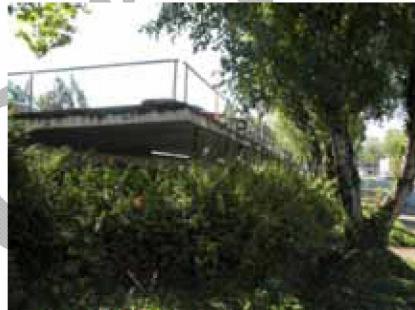
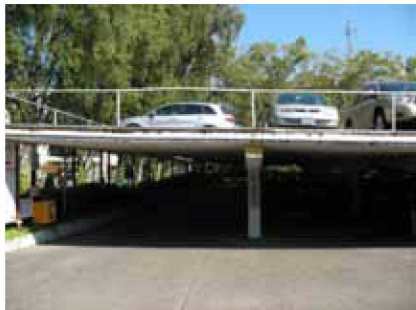
notes that steam conversion is needed. Improvement to land ratio: 6.48; Building rating: +



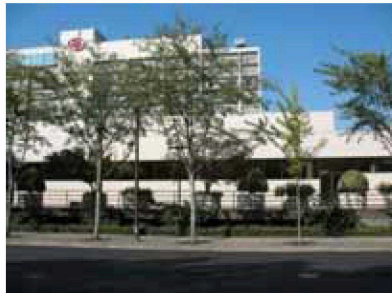
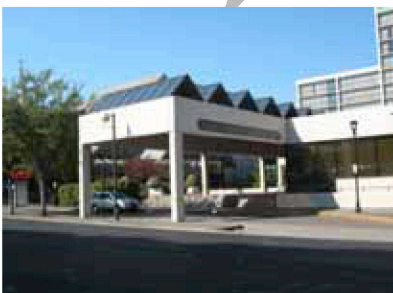
Map ID# 146—Tax lot 9000 of Map 17033111 (Barber Shop/Attorney offices): Single-story building in good condition. EWEB notes that steam conversion is needed. Improvement to land ratio: 3.50; Building rating: +



Map ID# 147—Tax lot 8800 of Map 17033111 (Rock n Rodeo): Single-story building. Surface parking occupies approximately 33% of lot. Improvement to land ratio: 1.18; Building rating: +



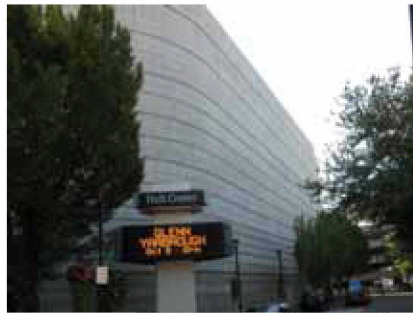
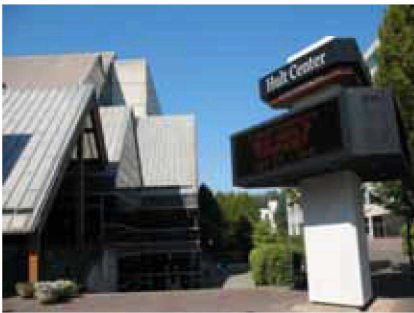
Map ID# 148—Tax lot 9500 of Map 17033111 (Butterfly Parking structure): Slightly above-grade parking structure. Visible concrete deterioration, chipping and staining. Improvement to land ratio: .08; Building rating: ±



Map ID# 149 and 151—Tax lots 7600 and 7700 of Map 17033111 (Eugene Conference Center): EWEB notes that steam conversion is needed. Not compliant with current seismic code requirements per City of Eugene Public Works. Improvement to land ratio: 2.38 and 2.12; Building rating: +



Map ID# 150—Tax lot 7601 of Map 17033111 (Eugene Hilton): Building appears in good condition. EWEB notes that steam conversion is needed. Not compliant with current seismic code requirements per City of Eugene Public Works. Improvement to land ratio: 14.37; Building rating: +



Map ID# 152—Tax lot 6400 of Map 17033112 (Hult Center and associated parking garage): Hult Center in good condition, elevator upgrade required for parking garage, not compliant with current seismic code requirements per City of Eugene Public Works. EWEB notes that steam conversion is needed. Improvement to land ratio: 14.54; Building rating: ±

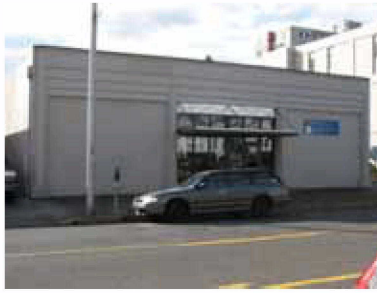
PROPOSED EXPANSION AREA:

The proposed expanded Plan area contains 15 tax lots. The Agency has undertaken an evaluation of these tax lots and finds evidence of blighting conditions as defined by ORS 457.010(1) to exist in all of these tax lots, or 100% of the expanded Plan area.



Map ID# 153—Tax lot 700 of Map 17033142 (Peace Health Clinic Site): The building on this tax lot is currently less than 50% occupied. Per information from Peace Health, the structure needs rehabilitation specifically in the areas of system upgrades, including new HVAC equipment, chillers, boilers, and

ductwork and asbestos abatement. EWEB notes that steam conversion is needed. Improvement to land ratio: 15.07; Building rating: ±



Map ID# 154—Tax lot 800 of Map 17033142 (Espresso PRN Café/Peace Health Optical, Gerontology offices): Single-story building appears in good condition and is currently fully-occupied. Improvement to land ratio: 2.71; Building rating: +



Map ID# 155—Tax lot 900 of Map 17033142 (Style Connection/Herbs): Single-story building has some structural issues (eroding walls, broken windows, makeshift doors). Improvement to land ratio: .98; Building rating: ±



Map ID# 156 through 158—Tax lots 1000, 1100, and 1200 of Map 17033142 (Peace Health Clinic surface parking lots): The tax lots are vacant and used for surface parking. Improvement to land ratio: .10, .08 and .11



Map ID# 159 through 163—Tax lots 1600, 1700, 1800, 1900, and 2000 of Map 17033142 (Peace

Health Clinic surface parking lots): The tax lots are vacant and used for surface parking. Improvement to land ratio: .11, .12, .08, .11 and .16



Map ID# 164—Tax lot 2100 of Map 17033142 (Peace Health storage): Single-story building is used for storage. Cracks in wall, paint and stucco peeling, graffiti. Improvement to land ratio: .65; Building rating: ±

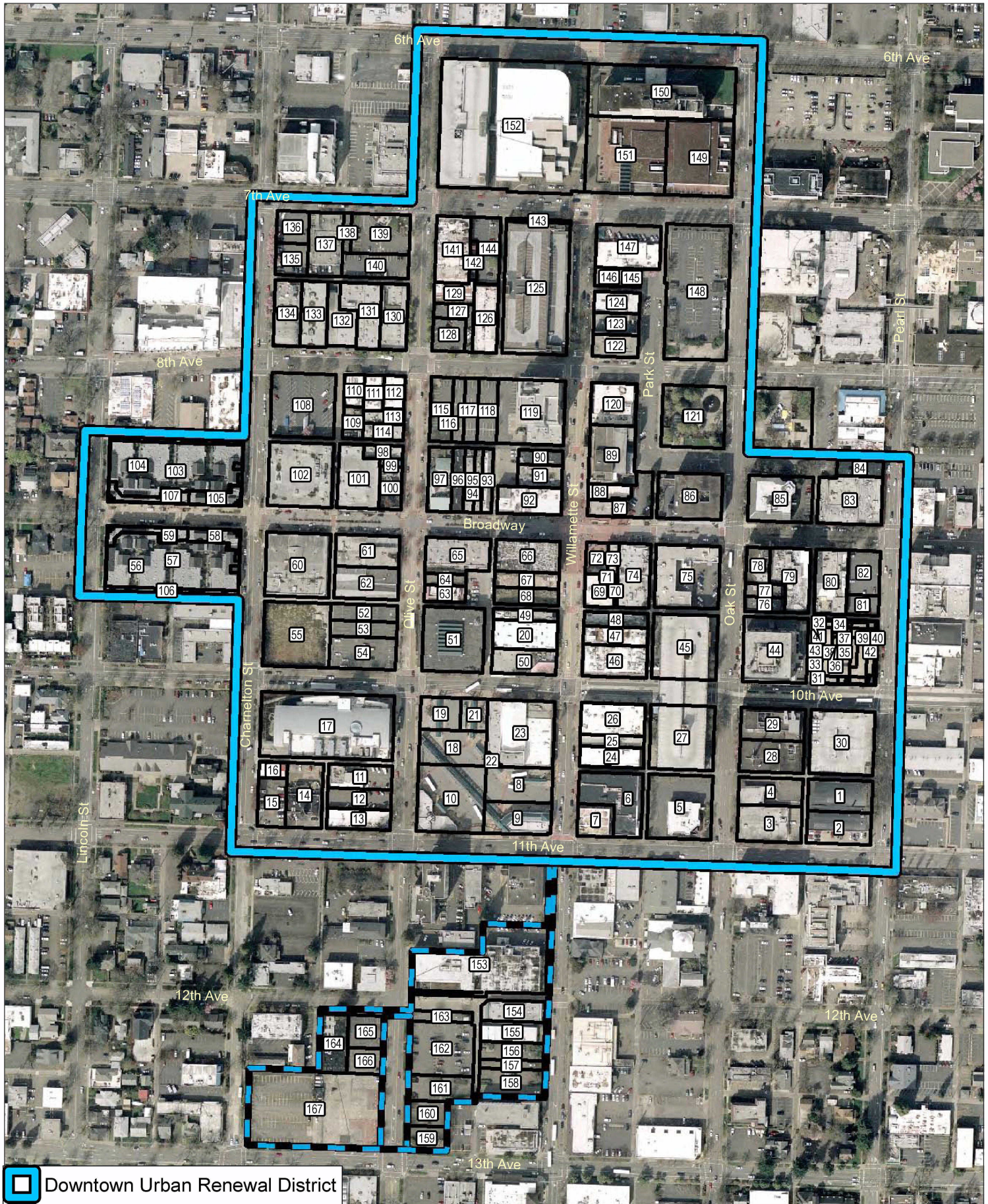





Map ID# 165 through 167—Tax lots 2200, 2300, and 2400 of Map 17033142 (Peace Health surface parking—East): Single-story structure on tax lot 2400 is vacant, with cracks in wall, exposed boards, broken foundation. Improvement to land ratio: .09, .09 and .05; Building rating: –

Proposed

Downtown Urban Renewal Plan District Map: Existing and Proposed Areas

Attachment 1 to EXHIBIT B



-  Downtown Urban Renewal District
-  Additional Area
-  Taxlots in study area

Aerial Photography: 2008

City of Eugene
 Planning and Development Department
 Community Development Division
 April 5, 2010



Caution: This map is based on imprecise source data, subject to change and for general reference only.

Blight Findings Matrix: Attachment 2 to EXHIBIT B (4/5/10)

Map Identification number	Taxlot	ORS 457.010(1) Criteria:											Location notes	Determination of blight				
		(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions: (A) Defective design and quality of physical construction; (B) Faulty interior arrangement and exterior spacing; (C) Overcrowding and a high density of population; (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses; (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning; (c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development; (d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions; (e) The existence of inadequate streets and other rights of way, open spaces and utilities; (f) The existence of property or lots or other areas that are subject to inundation by water; (g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered; (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or (i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere."																
1	1703311411300	X												1.23			Firestone Tire	Y
2	1703311411200	X												0.01			Firestone Tire	Y
3	1703311412000													1.67			Pacific Cascade	Y
4	1703311411700													0.59	X		Pacific Cascade	Y
5	1703311412100	X												1.60	X		Wachovia Securities	Y
6	1703311412800	X												8.30			LCC	Y
7	1703311412900													1.18			tattoo parlor	Y

Tax lots in existing Urban Renewal District

42	1703311407411									n/a					Parking Garage	N
43	1703311407412									n/a					Parking Garage	N
44	1703311406900									15.92					Key Bank	N
45	1703311405800									2.35					Overpark	Y
46	1703311405700									8.92					DAC	Y
47	1703311405600									7.12					DAC	Y
48	1703311405500									2.06					Shoe-a-holic	Y
49	1703311301600									3.85					Harry Ritchie	Y
50	1703311301800									0.97					Poppi's/ ACE	Y
51	1703311302600									4.52					Atrium	Y
52	1703311305100									0.04					Parking	Y
53	1703311305200									0.04					Parking	Y
54	1703311305300									0.07					Parking	Y
55	1703311306600									0.00					Subsurface lot	Y
56	1703311316400									n/a					B'way Place	N
57	1703311316200									n/a					B'way Place	N
58	1703311316600									n/a					B'way Place	N

59	1703311316900									n/a				B'way Place	N
60	1703311306700	X								0.70				Shawmed	Y
61	1703311304900	X								2.19				DIVA	Y
62	1703311305000	X								1.18				Bradfords	Y
63	1703311302700	X								3.6				Imagine Salon	Y
64	1703311302800	X								2.09				Luckey's	Y
65	1703311302900	X								3.63				Washburne	Y
66	1703311301300	X								1.17	X			Centre Court	Y
67	1703311301400									0.00	X			Subsurface lot	Y
68	1703311301500									0.00	X			Subsurface lot	Y
69	1703311405400	X								1.98				Persian Rugs & Imports	Y
70	1703311405300	X					X			i/i				Persian Rugs & Imports	Y
71	1703311404800	X					X			1.25				Persian Rugs & Imports	Y
72	1703311404801									p/p				Kesey Sq	N
73	1703311404900									3.17	X			VAC (Old 20 east)	Y
74	1703311405200									4.75				Adams Place	N
75	1703311406200	X								1.60	X			office	Y

93	1703311303400	X								1.75	X	vacant	Y
94	1703311303300									3.66		Lazar's Bazar	Y
95	1703311303200	X								1.93		John Henry's	Y
96	1703311303100									2.71		Lazars	Y
97	1703311303000	X								0.59		Horsehead	Y
98	1703311304600									3.45		Law Offices	Y
99	1703311304700	X								8.43	X	Vacant	Y
100	1703311304800	X								2.10		Glamour Girls & Guys	Y
101	1703311304500	X								4.97	X	Former Symantec	Y
102	1703311306800	X								5.45		ISTE	Y
103	1703311316100									n/a		B'way Place	N
104	1703311316300									n/a		B'way Place	N
105	1703311316500									n/a		B'way Place	N
106	1703311316700									n/a		B'way Place	N
107	1703311316800									n/a		B'way Place	N
108	1703311306900									0.06	X	Parking	Y
109	1703311304200									0.15	X	Parking	Y

