

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of City Council Minutes

Meeting Date: June 28, 2010
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 2A
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This is a routine item to approve City Council meeting minutes.

SUGGESTED MOTION

Move to approve the minutes of the April 26, 2010, Council Meeting, and the May 10, 2010, Work Session.

ATTACHMENTS

- A. April 26, 2010, Council Meeting
- B. May 10, 2010, Work Session

FOR MORE INFORMATION

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MINUTES

Eugene City Council
 Regular Meeting
 Council Chamber—Eugene City Hall
 777 Pearl Street—Eugene, Oregon

April 26, 2010
 7:30 p.m.

COUNCILORS PRESENT: Mike Clark, Betty Taylor, Chris Pryor, George Brown, George Poling, Alan Zelenka.

COUNCILORS ABSENT: Andrea Ortiz, Jennifer Solomon.

Her Honor Mayor Kitty Piercy called the meeting of the Eugene City Council to order.

1. PUBLIC FORUM

Mayor Piercy reviewed the rules of the Public Forum.

Craig Opperman, 728 Centennial Boulevard, Chief Executive Officer of Looking Glass, wished to thank City staff and the Community Development Block Grant (CDBG) Advisory Committee for recommending that the funds be allocated for the property at 931 West 7th Avenue. He felt honored to be on a recommended funding list with the Pearl Buck Center, Food for Lane County, Head Start, and St. Vincent DePaul. He underscored that all of the agencies provided vital services to the community and the CDBG funds helped to keep a “fragile safety net” intact. He said the property bordered the New Roads program which provided comprehensive programs to hundreds of runaway homeless youth. He averred that adding the property would provide a small but significant campus environment. He felt that a porch and a yard to spend social and recreational time waiting for services was valuable and would reduce the time that homeless youth spent in locations downtown. He stated that this would improve the community, increase Looking Glass service facilities, and it would create a safe and comfortable space for runaway and homeless youth that was not currently available to them. He introduced Liz Schwartz, Director of Runaway and Homeless Youth Services, and Bill Randall, who served on the Looking Glass board.

Robin Burk, 2462 Panorama Drive, member of the Board of Directors for Looking Glass Youth & Family Services and Region President for U.S. Bank, wished to speak in support of Mr. Opperman and everything he had shared with the council about New Roads and its homeless youth facility. She had considered it a dream come true the day she saw the house next door to the facility go up for sale because it was the perfect place to expand the services to those youth who truly needed a place to congregate that was safe. She said, as a person who worked in the downtown area, it was apparent that the downtown would be greatly improved if those kids had a place to go that was centrally located and provided them with a safe environment and needed services.

Karen Edmonds, 770 Bailey Hill Road, Programs and Services Director for Food for Lane County, noted that Joseph McCarthy, who managed the Family Dinner Program was present as well. She said Food for Lane County (FFLC) was the regional food bank for Lane County dedicated to alleviating hunger by creating access to food. She stated that one way they did so was through the Dining Room, which served people food free of charge. She related that FFLC had applied for CDBG funds to add accessibility amenities – a wider front door that was operated by a push button and a project to install push-button operated accessible doors on the restrooms. She explained that the Dining Room served food in a restaurant environment, serving people with dignity and respect.

Mary Leighton, 4046 Normandy Way, said she was there to ask for help in Network Charter School's (NCS) quest for a new home downtown. She explained that NCS was a public charter school with 120 students, grades 7 through 12. She stated that the program was taught by five community organizations, each of which had a broader mission. She said they delivered a standards-based education that led to a diploma. She related that the current site was substandard for a school, but they had managed to eke out one more year. They had looked all over for another building, but needed to be located in the downtown area. She underscored that the school was a good neighbor and accountable for the behavior of its student body. She said the school had cordial relations with the neighboring businesses. She cited several examples of how the building exterior was cared for promptly when defaced with graffiti or otherwise vandalized and stressed that the school did not want to look unkempt. She recalled that the school had a "deal" with the City and had to back out of it because the cost was much higher than they had originally intended to spend. She asked them to reconsider the CDBG application so that the NCS would have a little more money to help buy the building. She urged them to help the school find a building, whatever they ultimately decided.

Teresa Bishow, 2911 Tennyson Avenue, Suite 400, Planning Director with Arlie & Company, requested the council to grant emergency relief on behalf of Western Steel. She related that the relief was being requested for new large developments that would create jobs and increase city revenues for tourism and the arts. She said the specific request was for a deferral of system development charges (SDCs). She explained that SDCs were required to be paid at the time the building permit was issued. She said in 2006, Western Steel had submitted planning applications for a new three-story 115-room hotel on Crescent Avenue in northeast Eugene. She stated that the challenge they faced was a \$472,000 SDC fee that they needed to include as part of their construction loan in order to begin building the hotel. She averred that if there was a way for the City to grant a deferral until the hotel was complete, they could include these fees as part of the permanent financing that would be available at that time. She asserted that in this case deferral of the SDC fees to final occupancy would not impact the City's infrastructure as the impacts would not occur until the building was open. She asked that the council consider deferring SDCs for large projects and hotels given their unique ongoing revenue source for the City, and the other public benefits they provided. She submitted a letter to staff from Western Steel. She said the company looked forward to hearing from the council.

Molly Stafford, 437 East 11th Avenue, spoke in support of providing CDBG funding to help the NCS purchase the building at 858 Pearl Street. She explained that she was an interested citizen who lived near the downtown area. She believed the NCS students were an asset to the city center. She related that the school had forged alliances to many downtown businesses that provided internship opportunities. She asked the council to encourage City staff to help the school stay in downtown Eugene. She did not want to see the school become homeless.

Dave Hallock, 564 Mary Lane, Ward 2, had founded the Disciples of Dirt mountain bike club in 1987. He wished to call attention to the Ribbon Trail, which had recently been opened in Eugene for pedestrians only. He stated that the Ribbon Trail was an extension to the Ridgeline Trail system, the majority of which was closed to mountain bikes. He was disappointed that the City would open another stretch of the trail but would not allow mountain bikes to use it. He said the club he represented had about 400 members and the members performed hundreds of man-hours every year opening up trails to the public. He explained that there was a lot of "snow-down and blow-down" and the club helped to clear it. He asked, on behalf of the club, that the Ribbon Trail be opened to mountain bikers. He underscored the club's willingness to be involved in the upkeep of the trail.

Tyler Barrett, 720 Brookside Drive, said he was a junior at South Eugene High School and a member of the Disciples of Dirt. He related that he had gotten involved with the club because he had been too young to drive a car to the mountain bike trails and had needed to find others to ride with. He learned from his participation that the way to earn true respect in the club was to show up and do trail work. He said he had several friends who wanted to mountain bike with him, but the fact that they had to find a car to transport them to mountain bike trails was daunting. He acknowledged that the Headwaters Trail was available, but it was only two miles long. He invited the councilors to come mountain biking with the club so they could understand how enjoyable it was. He also acknowledged that Eugene had been listed as one of the top cities for bicycling by Bicycling Magazine because of the

extensive bike trail system. He shared that he had been hit by a car on December 31, 2009, as he was riding his bicycle to one of those bike paths. He said his injury had prevented him from attending school for over a month. He was just starting to get back on his bicycle. It did not make sense to him to bar bicyclists from the Ribbon Trail, which would provide access for commuters to get to Lane Community College (LCC) and the 30th Avenue area without risk of being hit by cars. He asked the council to please help them.

Steve Strickland, 4685 Cloudburst Lane, said the City had done a great job of putting together an open space plan. He lived in North Eugene and, for him, the connector and accessibility to the river trails was amazing, but it separated him from the Ridgeline. He stated that to get from the river trails to the Ridgeline, one of the easiest access points would be on the Ribbon Trail which came up through Hendricks Park and went to 30th Avenue. He averred that the Ribbon Trail would help bicyclists stay off of arterials and make it safer for them. He thought the connection between trails could be easily made. He said they needed an access point on the east side of the trail network so that a loop could be made either way. He looked at the Ribbon Trail more as a transportation corridor, an arterial that would allow access to that area of Eugene and the Ridgeline Trail.

Benjamin Beamer, P.O. Box 804, Oakridge, stated that Oakridge had been promoted as the Mountain Bike Capital of the Northwest. He said he was chairman of the Greater Oakridge Area Trail Stewards and he also served on the International Mountain Bicycling Association Northwest Regional Leadership Advisory Council. He declared that bicycles connected three key elements in society: recreation, fitness, and transportation. He said it also helped to engage youth and brought them to a different idea of what transportation was. He related that Oakridge welcomed Eugene bikers with open arms. He lauded them as great stewards of the trails and noted that the past weekend cyclists had put in over 200 hours of work on trails. He declared that mountain bikers were stewards of the land and respected others. He said mountain bikers were in the woods like all other trail users; they just used a different mode of transportation. He asked that the mountain bike community be involved in decisions regarding transportation and recreation.

Steve Mertz, 1761 Lawrence Street, stated that he owned the Laughing Planet Café, which catered to an active and health-minded clientele. He had been disappointed to hear that mountain bikes would not have access to the Ribbon Trail. He averred that from an economic standpoint, Eugene should keep itself positioned as an interesting city to those who were outdoor enthusiasts. He said if they looked at other communities such as Bend, Ashland, Corvallis, Portland, Seattle and Spokane – all of them had embraced the use of bike trails close to their urban cores. He averred that by continuing the ban on bikes on any addition to the Ridgeline Trail system, the City was selling itself short to the outdoor community. He pointed out that preventing mountain biking on local trails pushed people into their cars to drive to areas where they could ride on trails in the woods. He said this made the appeal of mountain biking smaller. He declared that people wanted to bicycle on paths, more than just by the river. He stated that the bicycle shops would benefit from an increase in trail access. He added that on a family level, he liked getting his sons outside. He related that one of their first questions when they went camping was whether they would be able to go biking. He said once they were in the woods the kids commented on all of the natural wonders in “our great state.” He felt that mountain biking was a way to get kids excited about being outside.

Zarifah Spain, 1270 West Hilliard Lane, stated that as a board member of the NCS and a parent of one of its students she asked that the CDBG funds be allocated to assist the school in the purchase of a school building. She reiterated that the school might be homeless without it. She said the school fulfilled a vital and unique function in the Eugene system. She averred that the school had worked “tirelessly and creatively” for the past seven years to help the students engage in their own educations and to help them be involved and productive members of the community.

Jan Aho, 82233 Rattlesnake Road, Dexter, Executive Director of the Pearl Buck Center, asked that the council approve the recommendations coming before the council for the allocations of the CDBG funds. She explained that the Pearl Buck proposal had been for air conditioning for the vocational training center, which served 120 adults with developmental disabilities. She said when they bought the facility, they had thought all of the windows were a “great

thing,” but they found that it became hot in the summer. She stated that measures that they had taken to cut the heat had been inadequate for their clients. She quoted one of the clients who testified at the CDBG Advisory Committee meeting as explaining that it would get hot, he would become cranky and would have to go home and then get no money. She related that the temperature had reached over 80 degrees on more than 55 days during the previous summer. She said some of the clients also had medical conditions and heat was detrimental to their health.

Anne Williams, 972 Madison Street, Programs Director for St. Vincent DePaul (SVDP), thanked the CDBG committee for the challenging work that was in front of them. She said those of the agencies who had applied for grants were making tough choices. She related that part of the Service Station roof had failed in 2009, and SVDP had to make repairs, and they wanted to fix two sections of roof. She stressed that SVDP also faced budget challenges; budget cuts were made to the Human Services Commission and General Fund budgets.

Majeska Seese-Green spoke in support of the NCS, and also in support of opening the Ribbon Trail to mountain bikers. She said if the Ribbon Trail was open, she would want to bicycle on it. Regarding the NCS, she wanted the City to consider the triple bottom line and to do all it could to help them find a place to be downtown. It sounded to her like the building on Pearl Street was the place they “should be assisted to be.” She felt this was an example of a time when the social issues outweighed the economic issues. She believed it would contribute to the downtown environment if the NCS could remain in that area. She declared that if the triple bottom line tool did not help the City see a way for it to prioritize social issues in a case such as this, the tool needed adjustment.

Mayor Piercy closed the Public Forum. She thanked everyone for coming. She expressed appreciation for the work of the CDBG Advisory Committee. She commented that the community could not provide all of the services that were needed and the need was growing, but she was proud of the work that was being done. She also thought those who testified regarding access to the Ribbon Trail had done a good job of raising the issue to their attention.

Councilor Clark thanked everyone for coming to provide input. He asked the City Manager if the City had postponed an increase in SDCs. City Manager Jon Ruiz responded that he thought the increase had been postponed, but he did not remember what date the postponement would end.

Councilor Clark commented that he knew a hotel in that area could provide economic benefit. He was interested in knowing what the options were in regard to potentially considering a reprieve on the SDC.

Councilor Clark thanked the Disciples of Dirt for coming down. He requested a memorandum from staff on why bikes had been banned from the Ribbon Trail.

Councilor Zelenka asked if SDC deferrals had been previously granted to hotels. He also thanked the Disciples of Dirt for their testimony and said they had done a good job of bringing attention to the item. He was interested in finding out more information on how mountain bikes could be compatible with hikers.

Councilor Zelenka also wished to point out that it was the 24th anniversary of the Chernobyl disaster. He recalled that the meltdown had resulted in an explosion of radioactivity into the atmosphere. He related that the disaster had resulted in the permanent evacuation of 220,000 people. He said a scientific study estimated that the ultimate death toll from that disaster would be 1 million people worldwide. He remarked that it was important to keep this disaster in mind given that there were people who wanted more nuclear power plants to be built.

Councilor Poling was also interested in a memorandum on why the bikes had been banned from the Ribbon Trail. Regarding the CDBG process and recommendations, he thought it was imperative to the council to adhere to it and not to make changes at this point. He acknowledged that someone would lose out because there were not “endless pots of money.” He believed that the process they engaged in, utilizing a citizen advisory committee that reviewed the proposals and made selections, had resulted in worthwhile recommendations.

Councilor Poling recalled that several months earlier they had taken action to extend the deadlines on applications. City Manager Ruiz responded that what they had said was that if a permit had not expired, it could be extended a few years.

Councilor Poling said this company had done its due diligence and submitted its application, which would expire in June, and now had to come up with nearly a half million dollars in order to start “turning up dirt.” He was interested in seeing whether they could take some immediate action in order to defer collection of the SDCs until the project was completed.

Councilor Brown thanked everyone for their testimony. He asked if it would be possible to reinstate the request for NCS. City Attorney Emily Jerome responded that the council had the power to do so, but it would involve moving funding around and having to take some line items from the recommendation.

Councilor Brown asked how to proceed. Ms. Jerome replied that he would have to table it to the work session scheduled for April 28 and a revised motion could be presented. Councilor Brown indicated his intent to do so.

Councilor Taylor thanked everyone for coming down and providing input. She was not in favor of deferring SDCs for any business that was not in the downtown area. Regarding the NCS, she asked if CDBG funds could be used. City Manager Ruiz affirmed that they could. Councilor Taylor agreed that they should consider taking more time on the CDBG allocations.

Mayor Piercy closed by emphasizing that the council and community valued the NCS and its students.

2. CONSENT CALENDAR

A. Approval of City Council Minutes

- **January 13, 2010, Work Session**
- **January 20, 2010, Work Session**
- **February 8, 2010, Work Session**
- **February 16, 2010, Work Session**
- **February 22, 2010, Work Session**
- **February 22, 2010, Regular Meeting**

B. Approval to Tentative Working Agenda

C. Appointments to Judicial Evaluation Committee

Councilor Clark, seconded by Councilor Taylor, moved to approve the Consent Calendar. Roll call vote; the Consent Calendar was approved by a unanimous vote, 6:0.

Councilor Poling noted that his name had been misspelled in the minutes of January 13, 2010.

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

Mayor Piercy congratulated the appointees to the Judicial Evaluation Committee.

3. ACTION:

Adoption of Resolution 5005 Approving the Eugene-Springfield 2010 Consolidated Plan for Submission to the U.S. Department of Housing and Urban Development

Councilor Clark, seconded by Councilor Taylor, moved to adopt Resolution 5005 approving the Eugene-Springfield 2010 Consolidated Plan for submission to the U.S. Department of Housing and Urban Development.

Grants Manager for the Community Development Division Stephanie Jennings explained that the Consolidated Plan sought to identify the needs of low-income persons as related to low-income housing, homelessness, and community economic development. She said it also would create a broad strategic plan for how they would use the monies from the Department of Housing and Urban Development (HUD) over the next five years. She stated that though the plan was a requirement, it also presented the opportunity to think strategically about how best to meet the needs of this group. She said the plan represented the culmination of more than a year's work and had been developed in collaboration with the City of Springfield, the Human Services Commission, the Housing and Community Services Agency, and many other partners. Staff had worked closely with the Housing Policy Board (HPB) and the CDBG Advisory Committee and the document had come before the council with the full endorsement of both bodies.

Ms. Jennings stated that the plan was data-driven and they had conducted outreach to the public to help identify the needs. She said the completed draft had been made available for public comment over the past month. She highlighted some of the data, which indicated an increase in need and homelessness.

Councilor Pryor thanked Ms. Jennings and staff for their "incredible work" on the plan. He stated that in addition to being well put together and well-researched, if one looked at page 20 it would give an idea of the number of opportunities, organizations, surveys, committee meetings, and interest groups that were involved in the preparation of the plan. He was pleased with the number of people who had an opportunity to review and participate in it. He believed that this would make the report a document that could be used and not left on the shelf.

Mayor Piercy said the work in the plan would help the City with some of its strategic work to meet the needs and goals of the community.

City Manager Ruiz echoed Councilor Pryor.

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

4. ACTION:

Approval of 2010/11 Funding Allocations for Federal Community Development Block Grant and HOME Investment Partnership Programs

Ms. Jennings explained that the CDBG and HOME Investment Partnership Programs were related to the Consolidated Plan. She said each year the City developed an action plan and submitted it to HUD and the plan basically told them what the community would do with its CDBG and HOME funds. She related that plans were done in partnership with Springfield.

Ms. Jennings stated that staff had worked closely with the CDBG Advisory Committee to develop a recommendation for the use of funds. She said their focus was on the greatest impact and the readiness to receive the funding. She listed the recommended allocations, which included funding for the land banking program for affordable housing, operating funds for nine social service programs, five non-profit capital facility improvements, curb cuts and accessible pedestrian signals, micro-enterprise training, and program administration.

Ms. Jennings reported that the HOME recommendation was similar to previous years, with funding for housing development, home ownership assistance, and operating funds for community housing development organizations and administration. She said the housing development funds were made available through a housing Request for

Proposals (RFP), the results of which would be brought back to the council in late July, with a decision to be made at that time about which specific projects to support.

Continuing, Ms. Jennings understood there were some questions regarding the CDBG allocation. She said the committee had a favorable impression of the NCS application, but the school had withdrawn its application before the final CDBG Advisory Committee meeting. She underscored that it would require more than the CDBG funds to bring the entire project together.

Councilor Zelenka noted that at the bottom of the submittal box, Attachment A indicated that the administration costs were \$450,000, which was almost 25 percent of the total amount. He asked for an explanation of what those expenses comprised. Ms. Jennings replied that HUD placed a lot of requirements on staff to administer things like the Fair Housing Plan as a condition of receiving the funds. She said development and administration of fair housing was something that was folded into administration costs. She felt that ‘administration’ was a misnomer because it captured a lot of regulatory requirements. She stated that some of the implementation related to policy and regulatory requirements was included in administration costs as opposed to being charged directly to projects. She agreed that it was a significant sum of money, but they had tried to keep a cap on the costs. She noted that the amount on Attachment A reflected a small increase from the last year, but it had not been increased in five years.

In response to a question from Councilor Brown, Ms. Jennings clarified that the school had responded to the RFP for the non-profit capital facilities. She said as part of the process, there were other pieces of their deal that they needed to complete in addition to the CDBG funds. She thought their application had been received favorably by the committee. She reiterated that the school had withdrawn its application prior to the final meeting and so was not considered in the final allocations process.

Councilor Brown asked what would happen if the NCS project was put back into the list. Ms. Jennings replied that the council could choose to reconsider the CDBG item on Wednesday, but the action plan needed to be submitted to HUD by May 15. She said to delay it any further than Wednesday could jeopardize the funding. She explained that the committee served in an advisory capacity and the council could change the allocation.

Councilor Brown, seconded by Councilor Taylor, moved to delay the vote until April 28, 2010, in order to allow the Network Charter School time to resubmit its proposal for inclusion in the Community Development Block Grant application.

City Manager Ruiz stated that the school was asking for \$100,000 for acquisition of the building located at 858 Pearl Street. He surmised that if the council approved the delay and allocated the money to NCS, it would be tantamount to directing him to sell the Pearl Street building to the school. He thought they would need more discussion on this.

Mayor Piercy commented that the City Manager had sent the councilors an email with his recommendation on the viability of that purchase.

Councilor Brown withdrew his motion.

Councilor Taylor, seconded by Councilor Brown, moved to postpone the item for two weeks and to request information on what had been added to the list of CDBG allocations after the Network Charter School had withdrawn its application and whether an allocation to the school would make a difference.

City Manager Ruiz expressed concern about the timing. He did not want to jeopardize the funding.

Ms. Jennings reiterated that the report was due, along with the action plan, on May 15. She thought that a delay of two weeks could have implications for receiving the money. In response to Councilor Taylor's question regarding what would be taken off the list if the school was added back in, she said she could only surmise what would have happened given that the application for funding had been withdrawn prior to the last meeting of the advisory committee and the project had not been considered. She guessed that the items that would have been cut would have been curb ramps and the audible pedestrian signals, given that they were the last items to be added.

Councilor Zelenka averred that the NCS was a very notable project and served a good public need, but he said it also needed to make economic sense. He was not comfortable with an eleventh hour process because of this deadline, nor was he comfortable deciding which program to ax in order to allocate \$100,000 to the charter school. He reiterated that even if the school was allocated \$100,000, it would not get them to the point of being able to buy the building.

Councilor Brown suggested that they could eliminate the money allocated for land banking and reallocate it to the school.

Roll call vote; the motion failed, 4:2; councilors Taylor and Brown voting in favor.

Councilor Clark, seconded by Councilor Taylor, moved to approve the One-Year Action Plan for use of Federal Community Development Block Grant and HOME funds in 2010/11. Roll call vote; the motion passed unanimously, 6:0.

The meeting adjourned at 8:39 p.m.

Respectfully submitted,

Jon Ruiz
City Manager

(Recorded by Ruth Atcherson)

MINUTES

Eugene City Council
McNutt Room—Eugene City Hall
777 Pearl Street—Eugene, Oregon

May 10, 2010
5:30 p.m.

PRESENT: Alan Zelenka, Mike Clark, Betty Taylor, Andrea Ortiz, Jennifer Solomon, George Poling, Chris Pryor, George Brown, members.

A. COMMITTEE REPORTS AND ITEMS OF INTEREST FROM MAYOR, CITY COUNCIL, AND CITY MANAGER

Mayor Piercy reported on her attendance at the recent graduation ceremonies for Fire & EMS Recruit Class 12, on May 3, at the Emergency Services Center at 2nd Avenue and Chambers Street. She congratulated the City's first all-female firefighter recruit academy, noting the recruits were members of the department's cadre of single-role medics that were given the opportunity to qualify for, and be hired as, regular firefighter/paramedics after the single-role service was discontinued because of budget considerations. She also congratulated Planning Division staff on the success of the Envision Eugene process and anticipated the council would discuss the process at a work session scheduled for May 24.

Mayor Piercy reported that Voodoo Doughnuts had opened downtown and she was hearing good reports. She said she had attended the grand opening of BCG Tech Lighting on May 7, and the installation of memorial benches at the Bailey Hill Road Safety Plaza in memory of Vaclav Hajek, and other accident victims, on May 8.

Mayor Piercy reported that National Train Day had been observed locally, and she recognized the work of Intergovernmental Relations Director Brenda Wilson in organizing the event, which she found very enjoyable. She indicated that the event was designed to keep the community focused on high speed rail and trains in Oregon. Mayor Piercy said she had also attended the opening of the *Tie Dye and Tofu* exhibition at the Lane County Historical Museum and recommended the exhibition to all. She announced the council's work session on the taser policy scheduled for June 9.

Mayor Piercy concluded by announcing that the Wayne Morse Family Farm would hold its annual open house from 1 to 4 p.m. on May 15.

Mr. Clark reported he attended the recent Eugene Police Department commendations and awards ceremony on April 28, and wished everyone had the chance to hear some of the stories shared at that event, such as that about the officer who apprehended a kidnapping suspect and very likely saved the intended victim's life. He said he would like to see that presentation occur on a larger scale in a bigger forum so more people had the chance to see what officers did. He also thanked Interim Planning and Development Director Scott Luell for assisting him with a constituent issue.

Mr. Zelenka announced the Metropolitan Policy Committee meeting would occur on May 13 at the

Bascom-Tykeson Room at the Eugene Library. He announced the upcoming Fairmount Neighbors meeting at Laurel Hill Golf Course on May 18, and the Laurel Hill Valley Citizens meeting on May 20. He complimented staff for the clarity of the presentations at the first Envision Eugene events at the Eugene Hilton.

Ms. Ortiz said she attended a Healthy Living Conference in California put on by the National Association for Latino Elected and Appointed Officials. She had also attended some listening sessions regarding neighborhood issues and Bob Chadwick had assisted in that process, which had been helpful. She thanked City Manager Ruiz for introducing Mr. Chadwick's model. She also attended a police listening session with the communities of color at the Bascom-Tykeson Room and she thought those in attendance got a lot out of the session.

Ms. Ortiz reported that she also attended the taser forum and heard much good citizen input. She attended the recent Communities of Color First Friday event sponsored by the City and School District 4J. She announced that the Lane Regional Air Protection Agency (LRAPA) would meet the next day and the air toxic monitor was in operation at Petersen Barn. A forum would be held for people to express concerns about air quality and other issues at the same location, and she would share the date and time when it was known.

Ms. Ortiz also congratulated members of Fire & EMS Recruit Class 12.

Mr. Pryor thanked the Mayor for attending the Bailey Hill Road Safety Plaza event and commended the quality of the plaza and associated improvements. He reported he had been unable to attend the event because he instead attended the Opportunity Conference, an event which was constructed around the work of Donna Beagle. Ms. Beagle created a system whereby low-income residents were matched with mentors who could help them build the skills they needed and make important contacts. He believed it could be a pioneering project for the community.

Mr. Poling said he also attended the graduation ceremony for Fire & EMS Recruit Class 12 and commended the recruits for the amazing feats they accomplished. He agreed with the remarks of Mr. Clark about the EPD commendation ceremony and suggested it would open eyes in the community if more residents were able to hear about the acts of both officers and ordinary citizens who chose to become involved.

Mr. Poling said the Harlow Neighborhood Association meeting would occur on May 19, and the candidates remaining after the primary election would be invited to speak.

Mr. Brown reported he had attended a Human Rights Commission process session and a meeting of the Police Commission Use of Force Subcommittee. He also attended the EPD commendations event and heard inspiring stories about citizens and officers who stepped up to do the right thing. He said he had attended the community counseling fund raiser the past weekend, which benefited the counseling center on Coburg Road.

Ms. Solomon reported that the Active Bethel Citizens would meet on May 26, at 7 p.m., at Petersen Barn. City Manager Ruiz would speak at the meeting.

Ms. Taylor had attended the EPD commendations and suggested the Council Chamber was a good location

for the event. She had also attended the first session of Envision Eugene at the Eugene Hilton. She said the Art Walk was enjoyable and the most recent City Club meeting had been interesting, with the topic of “Speed Dating the Candidates” for the Lane Board of County Commissioners. She announced that the Southeast Neighbors were meeting on May 11, and the agenda included a panel discussion on the Eugene Comprehensive Lands Study.

City Manager Ruiz said he and Mayor Piercy met Roger Gray, the new Eugene Water & Electric Board general manager, who would attend the June 16 work session to meet the council. He was happy to welcome Mr. Gray.

Mayor Piercy anticipated the council would hear more about the community engagement process for Envision Eugene and encouraged councilors and residents to attend future sessions.

**B. WORK SESSION:
Ordinance on Downtown Urban Renewal Plan Amendment**

City Manager Ruiz called attention to a motion provided at the council’s places and indicated it was intended to provide staff with clear direction.

The council was joined by Development Analyst Amanda Nobel Flannery for the item. Ms. Nobel Flannery provided a PowerPoint presentation entitled Proposed Urban Renewal Amendment Review of Comments. The presentation included background on the recent past and the plan amendment, and a summary of the comments received.

City Manager Ruiz recommended that the proposed oversight committee be appointed by the council and staff would return with a proposal for how that process would work.

Mr. Clark, seconded by Ms. Taylor, moved to direct the City Manager to return on May 24, with: a) the proposed ordinance, plan, and report for final approval; and b) a proposal for how members would be chosen for the oversight committee called for by the Urban Renewal Plan.

Mayor Piercy solicited comments from the council.

Ms. Solomon commended the work done by staff in regard to outreach. She determined from Ms. Nobel Flannery that the lot across Olive Street was owned by PeaceHealth and would be part of the property leased to the Veterans Administration (VA), if the VA selected a downtown location for its new hospital.

Ms. Ortiz determined from Ms. Nobel Flannery that the money now allocated to the Farmers’ Market would not be spent on anything else if the Farmers’ Market chose not to move forward with the project.

Mr. Poling confirmed with Denny Braud of the Planning and Development Department that the slide depicting the Lane Community College (LCC) property was for illustrative purposes only. Mr. Braud said the depiction was detailed and cost estimates were based on it.

Mr. Poling said citizens expressed concern that LCC would not increase its student capacity, but he understood from his discussions with Lane Community College President Mary Spilde that there would be

expanded student capacity, and there was a need for it. He suggested the boundary would not expand if the VA did not choose a site in the district. City Attorney Glenn Klein said that subject was being discussed with bond counsel. If the VA did not select the site, the City could choose not to receive tax increment dollars from the expanded area that encompassed the site. Mr. Klein said that staff was exploring the question of whether the plan could be structured in such a way that amending the plan would not require an extensive amendment process but could be accomplished through a resolution to change the plan to remove the area in question. Mr. Poling did not want to see the district expanded if the VA did not choose a downtown site.

Mr. Poling spoke to a letter the council had received from the Lane Board of County Commissioners criticizing the council's actions in regard to the use of urban renewal dollars and suggested the board was again "dangling the public safety carrot" by threatening the loss of deputies and jail beds. He asked how many commission aides could be hired with \$200,000. He suggested that if the commissioners could find money to hire themselves assistants, they could find the money to fund jail beds. Ms. Solomon concurred.

Speaking to the board's suggestion that the council seek its concurrence on its future decisions, Mr. Clark suggested that the council might ask to weigh in on some of the board's future decisions. He did not think the board's letter was useful, particularly in regard to the veiled threat it contained, but he believed the issues involved could be worked out.

Mr. Clark asked City Manager Ruiz if staff had quantified the impact of tax increment financing on School District 4J. He observed that it would cost the school district \$100,000 if the City terminated the downtown district. City Manager Ruiz estimated that the school district received an additional net of \$117,000. Mr. Clark noted concern on the part of some school board members about that subject, and asked that City Manager Ruiz forward the relevant information to the board. City Manager Ruiz agreed to do so.

Mr. Brown questioned if the council should move forward with the proposal. He noted the testimony offered by former City Councilors Bonny Bettman McCornack and Paul Nicholson, who questioned the legality of the plan, as did he. He believed that the proposal violated Oregon Revised Statute (ORS) 457.450(2) and (3). He wanted to know when the City became aware that the debt was paid on all projects in the district, or when it knew it had sufficient funding to pay the debt. Financial Director Sue Cutsogeorge did not recall when the specific calculation was done, but indicated that information was provided to legal counsel in March 2010.

Mr. Brown asked when the City knew it had enough money, saying that once the City knew that, by statute, it was supposed to inform the County Tax Assessor of the fact and return any money left over to be returned to the affected taxing districts. That had not been done. Mr. Klein said the statute cited by Mr. Brown had been revised as of January 2010. It did not stipulate what happened when a City was in the middle of an urban renewal plan amendment process that would provide for additional spending authority. He explained that the statute was crafted before there was a concept of maximum indebtedness and was later amended to include the concept. The council had subsequently decided the City would pay no more than \$33 million. At some point in the last year the City received sufficient money to pay the maximum indebtedness, but the statute allowed the City to amend the maximum indebtedness amount to allow additional spending. The statute did not speak to whether the City must give notice to the Tax Assessor if it was in the middle of the process of amending the plan.

Continuing, Mr. Klein said he had consulted with bond counsel regarding the application of the statute in this circumstance, and it was not clear. The statute had been amended to indicate that if the council did not amend the plan in the current fiscal year, it would alert the County that it had sufficient funding to pay the debt as part of the notice the City gave the County annually each July. The City would not be able to identify the exact amount in question until the Urban Renewal Agency (URA) records were audited after the end of the fiscal year. Mr. Klein said that some people believed that at the same time a city gave notice, it had reached the funding limit. Not only did tax increment cease, the plan and district terminated. The statute did not say that. The notification provision addressed tax increment, but the URA had the authority to spend other funding, such as the Downtown Revitalization Loan Program. Even if tax increment ceased, the plan continued. Mr. Klein said that if the City gave notice today, it would still have authority to adopt the plan amendment as the plan remained in effect until it was terminated. He said the statute did not speak to the argument offered by opponents, and there were no court cases interpreting the statute.

Mr. Brown disagreed with the conclusions reached by Mr. Klein. He found the statute “perfectly clear” and found no ambiguity in the statute.

Mr. Zelenka said he specifically asked City Manager Ruiz if the City was on good legal ground moving forward and he was assured that the City was on firm legal ground and the City Attorney had looked into the question raised by Mr. Brown. He said “that was why we have legal staff.” He asked staff to elaborate on the response from School District 4J. Ms. Nobel Flannery indicated that 4J financial staff had indicated its concurrence with the City’s analysis.

Mr. Zelenka said a citizen commented that the City could use urban renewal to pay for capital projects, but the garage was an existing debt rather than a new debt and could not be a capital project and hence the use was inappropriate. Mr. Klein said that if the project was a completely new project that had not yet been funded by urban renewal or was outside the district he would agree, but the parking garage property was initially assembled by the URA, and the URA had already contributed more than \$2 million toward the project.

Mr. Zelenka said he found irony in the letter from the Board of County Commissioners, who asserted the City was taking away money from jail beds when the City was actually funding more jail beds and putting more money for police services “on the street.” He suggested the issue would be worked out and it could be that the City purchased the jail beds from Lane County. He recalled past examples of partnership between the two entities.

Mr. Zelenka called the council’s attention to the op-ed piece he co-authored with the Mayor in support of the proposal, which appeared in the Sunday, May 9, edition of *The Register-Guard*.

Mr. Pryor agreed the council needed to have its legal questions answered but he thought the proposal was in the community’s best interest and the funding proposal was the best way now to revitalize downtown and increase public safety without increasing taxes. It was a way to provide livability and quality of life enhancements in regard to the Farmer’s Market. In addition, it had the added benefit of being something the council could sunset in a shorter time than it could a bond.

With regard to the communication from the Lane Board of County Commissioners, Mr. Pryor suggested the board would do what it would do and the council would do what it would do and they would maintain a

good working relationship without letting such side issues get in the way. He did not think the council should allow itself to be distracted from reaching its goals.

Ms. Taylor thought the City was moving in the wrong direction. She believed the council should have been given all the comments made by the public directly rather than be referred to a book in the City Manager's Office. She referred to some of the negative comments made by the public, which included recommendations the City terminate the district immediately and then evaluate the use of the funds in a transparent manner. Another critic contended that the district had become a self-perpetuating bureaucracy, and she agreed. Ms. Taylor pointed out that urban renewal was intended to cure blight and eventually terminate, but she had counted 38 properties that were identified as blighted after 42 years of urban renewal. She further pointed out that the current proposal did nothing to address the blighted areas.

Ms. Taylor was happy to hear from the Board of County Commissioners and believed that it was the board's obligation to speak up. She said the money involved was not free. It was tax money and it cost someone something. She was opposed to any extension of time, any increase in the debt limit, and any boundary expansion. Ms. Taylor suggested the council ask the public to vote on the proposal and said she would go along with it if the public agreed.

Mayor Piercy believed the council had an honest difference of opinion that was part of the policy-making process. She expressed appreciation for all points of view. She noted that many of the public comments spoke to the blighted conditions people perceived downtown. Many people suggested that downtown was not worth working on until the City had solved other problems downtown. However, Mayor Piercy believed the City would be remiss not to do its utmost to move forward to address downtown conditions, including the downtown "pits" and downtown public safety issues addressed, and said those were the purview of the City to solve. She agreed with Ms. Taylor that the money was not free but had been carefully accumulated in the district for such purposes.

Mr. Brown spoke to ORS 457.170, which described a URA's powers, and suggested the City would violate the provision by paying off the debt for the parking garages and then using the money freed-up to hire more police officers downtown. There was nothing in the statute that suggested that tax increment funds could be converted to general fund dollars. He described the purposes of a URA as contained in the statute and said the statute did not address the subject of paying debt on a pre-existing urban renewal project. Mr. Brown maintained that the statute was clear as to what was allowed and what was not allowed. He said the City had other ways to increase public safety without employing the district. He said that \$800,000 could be used to hire police officers and rent jail beds with money left over if the Downtown District stopped collecting tax increment to address homelessness and hunger.

Mr. Zelenka recalled that the council received public comment that was overwhelmingly in support of the proposed plan. He said the proposal included four great projects that could produce jobs downtown and that could be accomplished without the need to raise taxes or harm the schools. He said the tax increment financing mechanism was the cheapest of those the council looked at. The next least expensive option, the existing resources option, would require the council to cut \$500,000 from the General Fund. He considered that a bad choice that did not make sense. He questioned why the council should spend more money and increase taxes because some people did not like the funding mechanism.

Mr. Zelenka thought the council needed to be clear that it did not have unlimited "do-overs" for downtown.

He thought failure would mean that it would take years to achieve anything downtown.

Ms. Taylor thought downtown had suffered from 40 years of urban renewal and asked why urban renewal had not worked to this point. She reiterated that the public should be asked to vote on the proposal being contemplated. She suggested the open pit associated with the project could be filled with existing resources. She determined from staff there was \$22 million in the Facilities Reserve and suggested that those funds could be employed if the council chose, and it would not cost the City anything to use that funding. Ms. Taylor acknowledged there was some urgency about LCC's plans that could be hampered by a public vote, but she suggested that the Facility Reserve could be used for that project and the voters could decide on the use of urban renewal for the other three projects.

Ms. Taylor asked how much it cost to survey the buildings downtown to determine if they were blighted. City Manager Ruiz said the work was done by staff, and the cost was paid for by urban renewal funds.

Mr. Clark said he was not a big fan of how Eugene used tax increment financing in the past. However, he believed the proposed plan, while not perfect for everyone, had elements that accomplished things that he thought made it worth accepting. He specifically cited the proposals related to downtown public safety as an example.

Mr. Pryor spoke to the fact that not a lot had happened downtown, and suggested it was because there had not been an idea that people could all get behind. He did not think the City had been in a position to find consensus in the past, but he believed that at this time the City was in a unique position to move forward. He agreed that urban renewal was not a perfect tool but he thought it could be good if not great. He was encouraged that the City could move forward with something good in downtown for the first time in 30 years.

Mayor Piercy said that when the City hired legal staff, it asked that staff to give the council legal advice that would keep it out of trouble. She did not think Mr. Klein was giving the council advice that would get it in trouble with the law. She suggested the council needed to rely on its legal counsel for the best legal advice it had to offer after its many years of experience. She agreed that the law might not be fully established, but she did not think the City was proposing to do anything against the law.

Mr. Brown said the council was presented with four options: 1) existing resources, 2) a levy, 3) a general obligation bond, or 4) urban renewal. The council did not examine a revenue bond option, which would not raise taxes or require a vote. He believed there were many other choices for the use of existing resources as well.

Mr. Brown said he was getting tired of hearing that urban renewal did not hurt schools. He related that he had spoken on the telephone with John Phillips of the Oregon Department of Revenue and exchanged emails with Brian Reeder, Assistant Superintendent of Analysis and Reporting at the Department of Education, who both concluded that schools were not made whole in spite of the State's best efforts, and that it was a net loss to the entire system. Every single school in Oregon suffered as a result.

Mr. Brown recalled the last attempt to increase the district's borrowing capacity, which failed on the ballot, and said, at that time, opponents estimated that \$465 per student would be lost as a result of all urban renewal districts in Oregon. He did not think it was okay to cost students that much money just because Portland used urban renewal.

City Manager Ruiz recalled that a revenue bond was included in the existing resources option.

Mayor Piercy pointed out that the council had the ability to select any option.

Mr. Brown agreed that the letter from the Board of County Commissioners was full of misconceptions about urban renewal, but he believed the City could hold the County harmless given how distressed the County organization was. The City diverted \$200,000 in revenues from the County every year because of urban renewal and while that did not seem like much in the City budget, it was a lot of money for the County. He said the County could use the money for whatever it wanted. He believed it was the County's money. Mr. Brown was opposed to the plan in any form but suggested it would be more popular with the voting public if the City held the County harmless. He suggested that could be accomplished by eliminating the element of the plan related to the VA site, which he termed an aspirational fantasy.

City Manager Ruiz clarified that in the absence of urban renewal, the County would have received \$150,000 in fiscal year 2010. Mr. Brown said he saw different figures every meeting. The amount of the amendment had fluctuated since last summer. He had asked how much was left in the downtown district and he heard \$3.5 million once and \$4.5 million another time.

Mr. Zelenka reviewed the letter from the Board of County Commissioners, which estimated the County's loss at \$150,000, and said he would take the County's word. He suggested that the question was one of who the City held harmless. Holding the County harmless would harm the schools. He preferred to hold the schools harmless. He was surprised at the notion of turning the Eugene Facilities Reserve into the LCC Facilities Reserve, as suggested by Ms. Taylor. That seemed inappropriate to him.

Mr. Zelenka said the opponents of the proposal were suggesting that the Lake Oswego schools get better funding rather than Eugene having the four projects. The proposal did not raise taxes, did not hurt the schools, and achieved the four projects. He believed that the proposal gave the City a vision for downtown with a funding mechanism that made sense.

Ms. Ortiz left the meeting.

Ms. Taylor wanted to know the objection to placing the item on the ballot. City Manager Ruiz suggested that was a council policy decision. He said that it was not up to him to decide. Ms. Taylor pointed out that City Manager Ruiz made the recommendation that the issue not go on the ballot.

Mr. Clark suggested that framing the discussion as pitting the interest of the County against the interest of the City was unfortunate. He believed that if one was to look at the issue from a broader point of view, having a revitalized downtown LCC campus served all County residents, as did a safer downtown. If the City was able to secure the VA Clinic downtown, it would serve veterans on a regional basis, and he believed the community owed veterans that service. He pointed out the Farmers' Market drew people from around Lane County. He suggested the council keep a broader perspective in mind.

Mayor Piercy added that the council was acutely aware of the County's financial state because it affected everyone profoundly. She believed the City had tried to be a good partner to the County in dozens of ways, and the City had cooperated with creative solutions. She believed that all understood that they lived together in the County and each jurisdiction's problems affected the other.

Mr. Pryor concurred with Mayor Piercy and with Mr. Brown that the council was in poor financial shape. He said if there were ways the City could work with the County to make it whole to the degree possible, he would support that. The County served the same citizens the City did. However, he did not want that to occur at the expense of something else.

Mr. Pryor pointed out the council frequently dealt with financial issues but did not refer them all to the ballot. He further pointed out that the citizens had the right to refer the issue. He noted that the City did not put the condemnation of the Beverly and Green properties out for a vote, and that action had involved a financial decision.

Mr. Brown asserted that if the council did not adopt the plan, everyone's taxes would go down.

Mr. Brown referred to page 157 of the Agenda Item Summary, and pointed out that the voters voted on urban renewal throughout the 1990s and had been supportive. He suggested the best way to come to consensus was to let the voters decide.

Mr. Brown requested an update on the plan to buy the building across from Lane Community College at 1059 Willamette Street. City Manager Ruiz recalled the council's most recent direction not to pursue acquisition of the building. Mr. Brown asked why it was mentioned in the plan on page 23. Ms. Nobel Flannery indicated the reference could be taken out in advance of the May 24 meeting. Recalling the plan was drafted in the middle of February and had not been updated since.

The motion passed, 5:2; Ms. Taylor and Mr. Brown voting no.

Mayor Piercy noted that Ms. Ortiz was in support of the motion and adjourned the work session at 6:57 p.m.

Respectfully submitted,

Jon Ruiz,
City Manager

(Recorded by Kimberly Young)