

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Approval of City Council Minutes

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Meeting Date: October 11, 2010  
Department: City Manager's Office  
*www.eugene-or.gov*

Agenda Item Number: 3A  
Staff Contact: Beth Forrest  
Contact Telephone Number: 541-682-5882

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### ISSUE STATEMENT

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

### SUGGESTED MOTION

Move to approve the minutes of the June 7, 2010, Joint Meeting of the Eugene City Council and Eugene Water & Electric Board, and the June 9, 2010, City Council Work Session.

### ATTACHMENTS

- A. June 7, 2010, Joint Meeting of the Eugene City Council and Eugene Water & Electric Board
- B. June 9, 2010, City Council Work Session

### FOR MORE INFORMATION

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**NAME OF MEETING:**        **Joint Meeting - Eugene Water & Electric Board and Eugene City Council**

**DATE OF MEETING:**        **June 7, 2010**

**TO:**                                **Vicki Cox & Judy Chase**

**RECORDED BY:**                **Ruth Atcherson**

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**ROUTING INFORMATION**

8/16/10  
(Date & Initials)

Draft to City Manager's Office

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Council Incorporations

MINUTES

Eugene Joint Meeting - Eugene Water & Electric Board and Eugene City Council  
McNutt Room—Eugene City Hall  
777 Pearl Street—Eugene, Oregon

June 7, 2010  
6 p.m.

COUNCILORS PRESENT: Mike Clark, Alan Zelenka, Betty Taylor, Jennifer Solomon, Chris Pryor, George Brown. George Poling participated by telephone.

COUNCILORS ABSENT: Andrea Ortiz.

COMMISSIONERS PRESENT: John Brown, President; Rich Cunningham, Vice President; Joann Ernst, Bob Cassidy, Ron Farmer, commissioners.

Council President Mike Clark convened the meeting of the Eugene City Council. He noted that Mayor Kitty Piercy was in Vancouver attending a rail summit. He welcomed Veneta Mayor Rick Ingram and Eugene Water & Electric Board (EWEB) General Manager Roger Gray.

President John Brown convened the meeting of the Eugene Water & Electric Board.

Everyone present introduced themselves.

**A. WORK SESSION:**

**Eugene Water & Electric Board Water Rights**

Mr. Farmer provided historical perspective. He stressed that water of the McKenzie River could conceivably be Eugene's most valuable asset; it created a solid base of renewable green energy and its water was among the highest quality in the world. He declared that the abundant high quality water was a part of the quality of life in Eugene and gave it an advantage. He felt that the value of the asset was often taken for granted by the City, but EWEB did not take it for granted.

Mr. Farmer stated that water rights were held by the board as a "sacred trust." He said water rights, when acquired, had to be used. He underscored that this had come to the forefront when the Oregon Legislature, in the past few years, had passed a body of law that directed that water rights should be used or they could be lost. He averred that preserving EWEB's last largest water right would keep this asset in the hands of Eugene citizens. He believed it would be shameful to allow it to be lost. He stressed that working toward the retention of this most valuable asset was the key motivating reason for pursuing a water contract with the City of Veneta.

Continuing, Mr. Farmer related that the Region 2050 process had called out the potential water issues the region would be facing in the future and it had underlined the real value of the water rights that EWEB had. He said most of the smaller outlying communities would face water shortages in the future; the only entities in the area with water access beyond their capacity need were Eugene and EWEB. He stated that this capacity would be priceless in the future. He declared that if some of that capacity could be harnessed for the benefit of the citizens of Eugene and its neighbors in Eugene, it would be an ethical win for everyone. He said selling surplus water on a wholesale

basis was not unusual or new in EWEB's history; EWEB had been doing it on an ongoing basis for nearly 70 years. He stated that EWEB currently sold water to water districts with customers outside the City of Eugene, including the Willamette Water Company, Santa Clara Water District, Glenwood, and the River Road Water District. EWEB had also sold to other water districts or utilities but had concluded the contracts for one reason or another. He noted that the concept of regional water supply was well-documented as a best practice in Portland, Salem, Hillsboro, and Medford.

Mr. Farmer said planning, as a regional strategy to protect EWEB's water rights, had been going on for a long time. He stated that the effort had been included as part of the Water Master Plan of 2004. The concept had been first introduced to the Mayor and key City staff in August, 2005. He underscored that it had been part of all of EWEB's interagency and regional planning discussions.

Mr. Farmer observed that planning was the "slave of funding." He related that in late 2009, the United States Department of Agriculture (USDA) under its Rural Development Department had contacted Veneta to indicate that significant funding was available and the department was interested in Veneta's desire to purchase water from EWEB. He said the USDA had encouraged the City of Veneta to submit an application by February 1, 2010, to help fund the project. Prior to the USDA funding opportunity, supplying regional water to Veneta was a hypothetical proposition. He stated that with funding, the theoretical had moved to a possible real timeline and EWEB had moved to expedite this opportunity. He stressed that EWEB understood well its responsibility to perfect and protect its water rights. He conveyed EWEB's spirit of excitement regarding this project and the hope that it would extend to its partnership at the City Council.

Brad Taylor, EWEB Senior Water Engineer, provided a Powerpoint presentation on the project and EWEB's current water rights. He underscored that it was in their mutual best interest to put permitted water to beneficial use in order to help to assure water availability for the citizens of Eugene in future years; there was surplus capacity available and it would spread the high fixed-cost over a wider base, reducing future rate increases. He explained that EWEB had three water rights on the McKenzie River, two of them in use and one not perfected. He said if water was needed the entities with the oldest unused water rights would be faced with the possible loss of the right. He stated that EWEB needed to show that it was using 25 percent of the water right to be certificated. He described the best management water use practices to which they were required to adhere.

Mr. Taylor stated that if the water right was not secured, the water would go back to the state and be available for others to request. He pointed out that water was still available from the McKenzie River for appropriation and within the last month there had been more applications for permits for those rights. He stressed that if EWEB gave up its right to access the river, EWEB would not get it back without having to move to the end of the line of requests. Losing the priority established in 1961, would have a huge impact on the way EWEB used its water into the future. He noted that with the loss of Hynix and the shifting of Glenwood water service from EWEB to the Springfield Utility Board (SUB), EWEB's water use had been recently reduced. He stated that there had been a great deal of interest from outside communities in EWEB as a water source and all of the satellite communities had identified EWEB as a potential water source within their water master plans, which were required by the state.

Mr. Taylor discussed the City of Veneta's water situation. They had determined that it did not make sense to pursue further groundwater sources. He said the findings for the project to extend water from EWEB had included that no significant impact would be created by the building of the pipeline.

Debra Smith, EWEB Director of Customer, Employee, and Community Relations, stated that the contract had been signed in April. She stated that the initial contract term was 40 years, which was consistent with the financing that Veneta was pursuing, with subsequent 10-year renewal options, and required that Veneta maintain its own emergency water supply, which it planned to do with its current well system. She related that as part of the legal requirements Veneta would either maintain its existing water management and conservation plan or formally adopt

EWEB's plan. She explained that the initial estimate was for 150 million gallons per year, with a minimum purchase quantity by month of eight million gallons. She said the maximum amount of water Veneta could take from EWEB, as outlined in the contract, was four million gallons per day (MGD). She stressed the importance of noting that EWEB would not be providing all of the water Veneta needed; it would continue to use its water sources. Ultimately, the amount of water Veneta would use represented less than one percent of EWEB's current water sales to retail customers. She said the point of sale would be at the Eugene city limits. She underscored that this was a surplus water contract; the supply to Veneta would be discontinued should there be a water shortage in Eugene.

Mr. Clark thanked Mr. Taylor and Ms. Smith. He appreciated the chance to learn more about the water rights.

Ms. Taylor asked who would get the water rights if EWEB lost them. Mr. Taylor reiterated that the rights would be lost and the next applicant in line would get them and EWEB, if it made a new request, would be placed at the back of the line.

In response to a follow-up question from Ms. Taylor, Mr. Taylor explained that EWEB had just expanded its Hayden Bridge Filtration Plant and increased its water capacity. He pointed out that the drop in water usage caused by the departure of Hynix and the service change to Glenwood represented a larger amount of water than Veneta would use.

Ms. Taylor asked if it would cost the City of Eugene to put the pipeline in to Veneta. Mr. Taylor reiterated that the responsibility for the pipeline fell solely to Veneta.

Ms. Taylor asked how this would minimize rate increases. Mr. Taylor responded that the water utility had high fixed costs and the increase in the amount of water sold would not increase those fixed costs, but it would spread those costs out over a greater number of customers.

Ms. Taylor asked what was meant by "junior users." Mr. Taylor explained that they were the users who had come after the point in time at which the 1961 water right had been granted. He said if for some reason the flows from the McKenzie were not sufficient to meet that in-stream water right, the junior users would be regulated off to ensure that the river had the flow in it for EWEB's water right.

Ms. Taylor asked where the "salmon [came] in." Mr. Taylor responded that the in-stream flow was the protected quantity of flow needed to protect aquatic species within the river.

Ms. Taylor asked if that would come ahead of junior users and Veneta. Mr. Taylor replied that, ultimately, it came ahead of EWEB.

Ms. Taylor observed that the contract had already been signed and asked what they were talking about. Intergovernmental Relations Manager Brenda Wilson replied that this was not just about the sale of water to Veneta, it was about certifying and protecting this particular water right and the Veneta contract would help to certify the first quarter of that.

Mr. G. Brown asked what was meant by a "reasonable timeframe" within which to perfect the water right. Mr. Taylor responded that the 2005 legislation had put sideboards on all future water rights, directing that they be perfected within 20 years. He said there were entities in Oregon that had received extensions out to 50 years.

In response to a follow-up question from Mr. G. Brown, Mr. Taylor explained that the state had told EWEB that if the water right was not perfected within 20 years, EWEB would be at a higher risk of losing it or of receiving additional conditions that would make development of that water right difficult.

Ms. Smith stated that for many years municipalities had unlimited water rights but now this had fallen under more scrutiny. She said part of Mr. Taylor's work was trying to figure out what the best path forward was given an uncertain set of rules.

Mr. G. Brown asked the total water use at this time. Mr. Taylor replied that average use on an annualized basis was approximately 27 to 30 MGD. He said EWEB had used up to 78 MGD in a day, which was the requirement for showing beneficial use, in other words demonstrating that EWEB needed to have access to that quantity of water.

Mr. Pryor appreciated the chance for the two government bodies to get together. He was impressed with the safeguards included in the agreement. He likened the contract to "killing two birds with one stone." He said they could provide the wholesale water contract and use it to perfect the water right. He observed that there was plenty of capacity for everyone.

Mr. Pryor said they had not had the conversation about the relationship between the Eugene City Council and the Eugene Water & Electric Board around wholesale water contracts. He did not want to micro-manage but he did want to be clear on the relationship between the two jurisdictions. He was encouraged by the conversation thus far.

Ms. Ortiz thanked EWEB for responding to the request to meet. She was a little concerned that they had not had a conversation about wholesale water contracts prior to the information about the Veneta contract being published in the newspaper. She remarked that this was about more than the City's relationship with EWEB, it was about its relationship with its intergovernmental partners. She suggested that the council also discuss this issue with the City of Veneta. She considered the McKenzie River to be a pearl and wanted to continue being good stewards of it.

Mr. Zelenka thanked the EWEB Board for joining the council in this discussion. He had been one of the councilors that had been disappointed that EWEB had not contacted the council earlier. He wished the board had come to the council before filing the petition. He asked how EWEB would perfect its water right without the City of Veneta's contract. Mr. Taylor replied that there was no other way to put water to beneficial use other than to use it. Even before he had been hired by EWEB he was aware that it was in EWEB's best interest to be a regional water provider. He underscored that EWEB did not have a lot of pathways to perfecting the water right and had to pursue this kind of use to do so.

Mr. Zelenka asked if the water rights could be perfected without the City of Veneta wholesale contract. Mr. Taylor responded that it was a matter of time. He said the regionalization was a plan that EWEB could show to the state that demonstrated EWEB's diligence in how the issue was being approached. He pointed out that Coos Bay/North Bend had been sued for keeping water rights undeveloped and unused.

Mr. Zelenka understood that there was no time limit to perfect water; it was simply defined as a reasonable amount of time. Mr. Taylor responded that the argument made in the Coos Bay/North Bend case was that the water right should be developed within five years. He said this was why the legislation had come back with the 20-year window for all new water rights. He related that the legislation also had incorporated a conservation management plan in which municipalities were given green light water and red light water. He explained that green light water was only given for water that was demonstrated in a plan to be used within 20 years. He stated that water outside of the 20-year window was put into a red light status and provisions in the law would put at question whether or not additional conditions would be placed on this water into the future.

Mr. Zelenka asserted that EWEB could probably perfect the water right without the contract with Veneta.

Mr. Taylor asked Mr. Zelenka to clarify how the water right could be perfected without demonstrating additional use. Mr. Zelenka responded that EWEB "would probably figure out some other way to do it."

Mr. Taylor said he had no other way to perfect the water right to offer them and asked if Mr. Zelenka was aware of another way to do so. Mr. Zelenka replied that it appeared that there were two ways to perfect the right -- they could also show that the consumption would be used within the City of Eugene and its existing customers. Mr. Taylor replied that it would take over 120 years to show beneficial use of water assuming current population projections were correct.

Mr. Zelenka asked how EWEB would perfect the water right. Mr. Taylor replied that the reality of it was that the question became how much of the water right EWEB could perfect in order to secure the future.

Mr. Zelenka observed that the contract was for 40 years and seemed "like pretty much a permanent deal." He acknowledged that the contract did have a pull-back provision. He asked how much of the McKenzie River water rights were allocated at this point in time. Ms. Wilson replied that it depended on the time of year at which it was measured; there were times at which it was not able to serve existing permit holders and other times when there was more water available for permitting. She said the state would continue to offer permits so long as it was available until the water availability changed. Mr. Taylor noted that there was still an additional 200 cubic feet per second (CFS) available during the lowest flow month of the year, after the assumption by the department that EWEB had taken the full 194 MGD out for its purposes.

Mr. Poling ascertained from Mr. Taylor that the environmental study for the proposed pipeline had already been conducted. Mr. Taylor noted that the study was available on the Veneta web site.

In response to a follow-up question from Mr. Poling, Mr. Taylor stated that it was his understanding that there were no significant findings at the conclusion of the report. He said this did not mean there would not need to be mitigative actions that would have to be done.

Mr. Poling thought the built-in safeguards in the contract had been "very well done." He had read the op-ed piece written by EWEB Board President John Brown that had been printed in the *Register Guard*. He felt that the piece very clearly explained the entire issue and had put to rest any questions he had in regard to the benefits of the contract. He thanked staff for the answers provided to the council. He understood that the City of Veneta needed the water for current and future growth and that the water rights needed to be perfected. He agreed that if they did not act now to perfect the right, they would lose it.

Mr. J. Brown thanked Mr. Poling. He stressed his passion for the McKenzie River and assured the council that if he thought for a minute that anything EWEB was doing would jeopardize the river's integrity, he would oppose it. He reiterated that this was a "use it or lose it concept." He stated that the minute the water went by the Hayden Bridge intake it was mixed with millions of gallons of effluent from Weyerhaeuser's pulp mill and then a few miles later it was mixed with Eugene/Springfield's metropolitan wastewater. He averred that for them not to be able to satisfy the demand for where a majority of their workers lived, and not to provide this quality commodity, and then to allow someone else downstream to take it and put chemicals in it to remove all of the things mixed into it after it passed the intake would not be good stewardship of this resource. He considered the addition of chemicals for the purposes of cleaning water to be an oxymoron. He believed the community would consider the contract with Veneta forward thinking.

Mr. G. Brown thought it was fitting to be discussing the wholesale water contract at the same time they were undertaking the Envision Eugene process. He said fundamentally the subtext of the discussion was how they were going to grow. He asked if EWEB would offer water to the Cities of Coburg and Junction City. Mr. Taylor responded that the two communities used groundwater.

Mr. G. Brown asserted that the agenda item summary (AIS) had incorrectly called this a regional solution to a

regional problem; he considered this to be a local problem. He also disputed the assertion in the AIS that the water contract would not encourage growth, saying that without water Veneta could not grow. According to his calculations, if all three of the water rights were perfected, the community would get 193 MGD and, given that 30 MGD were used currently, this would mean that the population (in order to use all of that water) would be about a million people.

Mr. Taylor clarified that water rights were not based on average use, a water right was based on what the utility might need on a day-to-day basis. He said in order to determine accurately the size of the water needs, one would have to divide the total usage by the maximum use, 78 MGD, and not average use, which was 30 MGD.

Mr. G. Brown understood that EWEB had filed a lawsuit asking the court to declare that EWEB had independent authority to enter into the contract without council approval. He asked if this was normal; was this how the contracts had been made with the other water districts. Mr. Taylor responded that he would defer the legal questions to legal counsel. He added that EWEB had engaged in multiple existing wholesale contracts, all of which predated the charter amendment that occurred in 1976. He said there was no reason for EWEB to bring up this issue in regard to the charter amendment. He stated that prior to 1976, it was EWEB's understanding, as it continued to be in the present, that wholesale water provision was in its purview because that was given to all municipal entities within the State of Oregon according to Oregon water law. He pointed out that there were numerous examples of communities having wholesale water arrangements.

Mr. Farmer said, regarding the Envision Eugene process and doing this on a regional basis, this pointed to the heart of the matter which was whether they could cooperate as a region or would there be ten different communities with ten different treatment plants sitting on the edge of the river. He believed that for the benefit of the citizens of Eugene there should be one plant and they should work together in partnership with other communities. He disagreed with the position that without the water contract Veneta could not grow. He understood that one could extrapolate this, but another outcome could be that Veneta would build its own water treatment plant and ship their own water there. He felt they should view the contract as being good neighbors and good stewards and that they were working together for a regional benefit. He related that every time EWEB took on a water or electric project he asked for a comparative cost analysis. He had learned through the analyses that water costs in Medford were well below those of Eugene and that this was because of the excellent job they had done of spreading their water costs on a regional basis. He supported planning on a regional basis, as it would provide the greatest benefit to everyone.

Ms. Smith stated that the City had two primary issues of concern regarding water: the water rights that EWEB was working hard to perfect and that it had a single source of water. She shared EWEB's belief that having collaborative relationships with outlying communities would provide a benefit when EWEB engaged in the discussion regarding a second source.

Mr. Cunningham noted that EWEB was coming up on its 100th anniversary and commented that the boards and councils of 100 years earlier would not have imagined that Eugene would have a population of 137,000 one day. He felt that everyone had been a good steward of the water supply.

Mr. Taylor noted that the first water right on the McKenzie River had been from 1927, but EWEB also had a water right on the Willamette River that dated to 1887.

Mr. Cunningham averred that it was in the City's best interest to sell wholesale water to Veneta.

Mr. Zelenka said there were two issues before them: the perfecting of the water rights and the legal issue of City Council approval. It seemed pretty clear to him that extension of water service outside the city limits would require council approval. He asked City Attorney Glenn Klein to comment.



Mr. Klein stated that if the council decided as a policy matter that sale of water to the City of Veneta was a good idea, then his answer to addressing the legal issue was to "punt it." He said he would recommend that the City Council pass a resolution that indicated that sale of water to Veneta was a good idea and this would remove the authority question. He explained that either EWEB had the authority to enter into the contract and it had done so, or the council had the authority to grant permission and, through the resolution, it would have done so. He added that if the council thought the legal issue was more important than the policy issue, then the council should direct legal staff to go to court and fight about that issue. He also pointed out that the voters could be asked to clarify the charter with a charter amendment. He advised the council, given the scarcity of resources, not to focus on the legalities and to decide that the sale was a good idea. He said staff would draft a resolution reflecting that regardless of who had the authority, the City approved of it.

Mr. Zelenka asked if the Environmental Impact Statement (EIS) on the pipeline would come before the council. Mr. Klein replied that it would not. He was uncertain what land use actions would be involved, but a Metro Plan amendment would certainly come before the council.

Mr. Zelenka ascertained from Ms. Smith that Veneta could renew the contract into perpetuity after the initial 40-year period. Mr. Taylor clarified that one party could terminate the contract with ten years notice.

Mr. Zelenka thought this meant that it would not add anything to Eugene's water right, it just meant that it would make it bigger. Mr. Taylor responded that partial certification was the goal relative to helping secure the water right. He stressed that Veneta was one example of how EWEB could achieve 25 percent certification by the year 2050.

Mr. Zelenka asked if the certification was "all or nothing;" could EWEB get by with 23 percent? Mr. Taylor replied that they would walk away with only 23 percent of the water right if that was the case.

Ms. Smith reiterated that EWEB needed to show a plan and then make progress on the plan. She said the plan was to work with communities and the contract with Veneta represented progress toward the plan.

In response to a question from Mr. Zelenka, Veneta Mayor Rick Ingram stated that they were waiting until the end of the month to have a determination from the Rural Development Department and at that point Veneta would receive a letter of conditions that would lay out what the grant would be, what the loan would be, and what conditions Veneta would have to overcome to secure the funds.

Mr. Zelenka ascertained from Mr. Ingram that the pipeline would cost \$17 million. Mr. Ingram said one deliverable they needed in submitting the application had been the completion of a preliminary engineering report and this was their cost estimate.

Ms. Wilson said a public forum was scheduled for the following night at 5:30 p.m. in the Council Chamber. She stated that there would also be a public forum on June 14.

Mr. Clark looked forward to hearing public comment on this. He was favorably disposed to the idea that this was intelligent long-term planning to perfect the water right. He was troubled by the authority question, however.

Mr. Klein said before the meeting on June 28, he would discuss the item further with Ms. Wilson, the City Manager, and staff in order to determine whether there were more options than the three he had presented at the meeting.

Mr. Taylor noted that three citizens had already submitted a challenge to the contract and this had been filed as part

of the validation of it.

In response to a question from Ms. Taylor, Mr. Klein stated that passing a resolution of approval would not create a legal precedent for future legal disputes. He thought passage of the resolution would make the lawsuit moot.

Mr. Pryor did not want to delay Veneta's work. He said there was no good reason to do so. For him the issue was to understand how this worked with the situation between EWEB and the City. He was concerned that going to court would hold up the City of Veneta. He was amenable to passing a resolution because he felt it would address the legal issue.

Ms. Smith stated that EWEB counsel and Mr. Klein had been in conversation. She said there were different interpretations of what Mr. Klein had indicated but EWEB staff had agreed not to speak about legal issues in this meeting.

Mr. J. Brown asked Mr. Taylor to explain about where the water could be used. Mr. Taylor stated that the contract stipulated that the water could only be used within the Urban Growth Boundary (UGB) of the City of Veneta and that no one outside the UGB could tie into it. He clarified that Veneta was required to ask for approval and consent from EWEB to extend service outside of the UGB.

Mr. Clark adjourned the City Council work session at 7:38 p.m.

Mr. Brown adjourned the Eugene Water & Electric Board meeting at 7:38 p.m.

Respectfully submitted,

Beth Forrest,  
City Recorder

*(Recorded by Ruth Atcherson)*

**NAME OF MEETING:** Eugene City Council Work Session

**DATE OF MEETING:** June 9, 2010

**TO:** Vicki Cox

**RECORDED BY:** Wade Hicks

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**ROUTING INFORMATION**

8/23/10 Draft to City Manager's Office  
(Date & Initials)

           Draft Returned to Minutes Recording  
(Date & Initials)

           Draft Received by Minutes Recording  
(Date & Initials)

           Draft Proofed/Revised by Minutes Recording  
(Date & Initials)

           Draft Returned to City Manager's Office  
(Date & Initials)

           Council Amendments Incorporated  
(Date & Initials)

**MINUTES**

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

June 9, 2010  
12:00 p.m.

COUNCILORS PRESENT: Chris Pryor, Mike Clark, George Brown, Andrea Ortiz, Alan Zelenka, Betty Taylor, George Poling (via telephone), Jennifer Solomon

Mr. Clark called the meeting to order at 12:01 p.m. and noted that Mayor Piercy was attending a rail summit in Vancouver and would not be in attendance.

**A. WORK SESSION - West 11th Avenue Setbacks**

Transportation Planning Manager Rob Inerfeld provided an overview of the West 11th Avenue setbacks and noted that City staff had been working with the Lane Transit District (LTD) in their efforts to extend LTD's EmX transit service into the West Eugene corridor. He noted that the current development standards called for buildings to be constructed closer to the street and that such standards might constrain the City's and LTD's ability to effectively locate EmX routes along West 11th Avenue.

Mr. Inerfeld noted that the current staff suggestion was intended to prevent additional encroachment along West 11th Avenue.

Mr. Inerfeld noted that staff would return to the council with an additional update regarding LTD's West Eugene EmX Extension (WEEE) project on June 23.

Mr. Inerfeld reported that LTD and City staff had scheduled an open house event regarding the WEEE project for June 9, 2010 at the Eugene Public Library.

Mr. Inerfeld briefly noted the alignment alternatives currently under consideration by LTD for the WEEE project.

Mr. Inerfeld explained the City's current land use code for the benefit of the council members and noted that the code required new buildings in commercial zones to be constructed within 15 feet of the front property right-of-way line. Mr. Inerfeld stated that this code provision might conflict with future corridor enhancements to West 11th Avenue and other City streets. Mr. Inerfeld briefly discussed and provided examples of other unintended development consequences of the code provision with respect to West 11th Avenue and Coburg Road.

Mr. Inerfeld briefly noted the physical characteristics of certain areas of West 11th Avenue and noted that while current City standards called for planting strips with street trees along arterial roadways there were actually very few street trees along West 11th Avenue west of Chambers Street.

Mr. Inerfeld described how special setbacks functioned as a development tool for the City wherein various right-of-way measurements along West 11th Avenue could be altered. Mr. Inerfeld stated that the staff's recommendation was to move forward with amending the right-of-way map to approximately 110 feet which would provide for LTD's EmX lanes and improved pedestrian access. Mr. Inerfeld expressed that the staff recommendation would only pertain to future development and would not impact any existing structures along West 11th Avenue.

Mr. Inerfeld commented that if LTD ultimately chose not to extend its EmX services along West 11th Avenue the council could revise the right-of-way standards back to their current form.

Mr. Inerfeld reminded the council that City transportation planning staff planned to return to council on July 12 to present the results of the West 11th Avenue transportation corridor study.

Mr. Inerfeld stated that the current staff recommendation had been prompted by feedback from members of the West Eugene Collaborative (WEC).

Mr. Pryor distributed copies of an October 2008 letter to the council from the WEC and recognized that the WEC had intended through its actions to preserve certain development options for the future.

Mr. Pryor stated that the staff-recommended motion did not represent any kind of guarantee that the WEEE project would be constructed along West 11th Avenue and noted that the final alignment for the WEEE project had not yet been selected. He further noted that the motion did not represent any sort of prelude to either the demolition of existing buildings along West 11th Avenue or the widening of any sections of West 11th Avenue.

Mr. Pryor maintained that the staff recommendation was only intended to put in place the mechanism to preserve the right-of-way along West 11th Avenue.

Mr. Poling stated that he had served on a Coburg Road Corridor Bus Rapid Transit stakeholder group in 2002 and noted that during his time with that group he had suggested placing a temporary moratorium on certain building code provisions regarding right-of-way setbacks.

Mr. Poling supported the staff recommendation and maintained that it was an important component of future development in the West Eugene area.

Mr. Inerfeld, responding to a question from Ms. Taylor, understood that altering the street setbacks as recommended by staff was a much easier strategy than attempting to declare a moratorium on the construction of buildings too close to the sidewalk on West 11th Avenue.

City Attorney Emily Jerome noted that the current setback provisions of the code applied to the entire City of Eugene. She further noted that the City's street right-of-way map showed intended future right-of-way and did not transform any properties into a right-of-way.

Ms. Taylor believed that the staff recommendation for the special setback would be viewed as a threat that the EmX route would be constructed.

Principal Planner Steve Nystrom, responding to a question from Ms. Taylor noted that the special setbacks would not prevent any future remodeling of existing structures so long as those remodels did not encroach upon established right-of-way or sidewalk areas.

Mr. Inerfeld, responding to a question from Mr. Brown, discussed how past suggestions for special setbacks had been applied to areas such as Coburg Road and how future considerations for special setbacks in other areas might be incorporated into the City's Transportation System Plan (TSP) update.

Mr. Brown asked if a special setback for Coburg Road had been implemented when plans for a Coburg Road EmX extension were being considered. Mr. Inerfeld replied that no such special setback had been implemented for Coburg Road.

Mr. Brown suggested that special setbacks might need to be considered for Coburg Road as well as Highway 99 and River Road.

Mr. Clark asked if the drawings Mr. Inerfeld had presented regarding the proposed travel lanes with the special setbacks were to scale. Mr. Inerfeld responded in the affirmative.

Mr. Pryor discussed how the WEC report on certain transportation concerns for the City had addressed the need for certain lane configurations on a multi-way boulevard that would allow for the rapid movement of large numbers of people but would still also allow for more localized traffic. He noted that the report had suggested the use of special setbacks similar to those that had been recommended by staff.

Mr. Brown noted his concern for owners of property along West 11th Avenue and noted that many of them were worried that they might lose their parking under any Code amendments that would provide for a special setback.

Mr. Inerfeld reminded Mr. Brown that the staff recommendation only affected new development along West 11th Avenue and would not affect existing buildings.

Ms. Ortiz responded to Mr. Brown's comments and noted there were several undeveloped areas in the area west of Fred Meyer along West 11th Avenue and that the special setback being recommended might be helpful toward encouraging development in that area.

Ms. Taylor, seconded by Mr. Poling, moved to direct the City Manager to proceed with Option A: to move forward with amending the Street Right-of-way Map for West 11th Avenue to allow for future improvements to that street. The motion passed unanimously, 8:0.

## **B. WORK SESSION - Walnut Station Mixed-Use Center**

Mr. Poling excused himself from the meeting at 12:24 p.m.

Associate Planner Lydia McKinney presented background information and an overview of the Walnut Station Mixed-Use Center project.

Ms. McKinney provided contextual information regarding the Walnut Station Mixed-use Center and noted that it was aligned with the City's growth management policies. She further noted that Eugene's adopted strategy to reduce vehicle miles traveled (VMT) as required by the State, also known as nodal development areas, was also served by the project.

Ms. McKinney showed the nodal development areas under the TransPlan and stated that the site for the Walnut Station Mixed-Use Center was within the TransPlan parameters.

Ms. McKinney described the boundaries of the plan area for the Walnut Station Mixed-Use Center and maintained that the area was well-poised to take advantage of a number of factors that support mixed-use development projects.

Ms. McKinney outlined the public engagement process for the Walnut Station Mixed-Use Center and noted that five open house events and several meetings with stakeholders and property owners regarding the project had already taken place.

Ms. McKinney reported that the Walnut Station Mixed-Use Center stakeholders group was comprised of representatives of the City of Eugene, the Fairmount Neighborhood Association, the University of Oregon and the Eugene Chamber of Commerce. She further expressed that the purpose of the stakeholder group had been to provide a forum to discuss and mediate a variety of concerns surrounding the project.

Ms. McKinney described how staff's public engagement work had led to the creation of the vision statement for the project, "Walnut Station Vision: A Gateway to the City." Ms. McKinney further noted that the vision statement was intended to demonstrate the City's determination to increase density while maintaining the character of the surrounding neighborhood.

Ms. McKinney discussed traditional zoning codes as they had applied to previous development in Eugene. Ms. McKinney maintained that such codes had historically resulted in highly unpredictable development.

Ms. McKinney defined form based zoning codes as a method of regulating development to achieve a specific urban form. She further discussed how form based codes would be applied to the Walnut Station Mixed-Use Center. She added that existing City building codes would still apply to the Walnut form based code.

Ms. McKinney presented a series of images that demonstrated how the development of the Walnut Station Mixed-Use Center would affect the development of the Franklin Multi-way Boulevard.

Ms. McKinney noted that staff proposed a special setback for the Franklin multi-way boulevard and had commissioned a great deal of conceptual design work to demonstrate the minimum right-of-way needs for the area.

Ms. McKinney noted that the Franklin multi-way boulevard project was part of a series of United Front Partners projects and had been strongly supported by Congressman Peter DeFazio.

Ms. McKinney described the adoption process for the Walnut Station Mixed-Use Center project and also described the various code and plan amendments that would be required.

Ms. McKinney noted that the City's Planning Commission had held a public hearing on April 20 and had also finalized their deliberations at a hearing on May 24. She noted that the Planning Commission had unanimously recommended approval of the adoption package.

Ms. McKinney noted that the council had scheduled a public hearing on the Walnut Station Mixed-Use Center for June 21, 2010, and were expected to act on the adoption process at their July 26 meeting.

Mr. Pryor was impressed and excited by the development potential indicated by the Walnut Station vision and hoped that the project could be successfully implemented with a minimum of adverse impacts to the community.

Ms. Ortiz was very pleased with the staff presentation and looked forward to the successful development of the project.

Ms. McKinney, responding to a question from Councilor Brown, addressed how building height provisions would function under the Walnut form based code.

Ms. Ortiz asked how the University of Oregon had been involved in the development and planning of the Walnut Station Mixed-Use Center project. Ms. McKinney replied that University representatives had attended various stakeholder meetings regarding the project and had been very supportive.

Mr. Zelenka commended City staff for their public engagement efforts surrounding Walnut Station Mixed-Use Center project. He further noted his support for the mixed-use elements of the multi-way boulevard.

Mr. Zelenka noted his concerns regarding elements of the form based code and its impact on neighborhood livability in the community. He suggested that the City needed to more clearly understand the potential negative impacts of the use of a form based code so that such impacts might be avoided.

Mr. Clark asked why the travel lanes planned for the multi-way boulevard appeared to deviate from existing City standards. Ms. McKinney responded that City planning staff had attempted to establish the minimum right-of-way necessary for the multi-way boulevard in order to preserve enough space for sidewalks and medians along the multi-way boulevard, but that the Planning Commission supported travel lanes to be 11 feet in width, as per City standards.

Mr. Clark commended the work of Ms. McKinney and her colleagues and further noted his appreciation that the stakeholders had been highly involved in the process.

Mr. Brown noted his concerns regarding the form based code being applied to the Walnut Station Mixed-Use Center project and stated that he intended to investigate elements of the code in greater detail.

Ms. McKinney, responding to a question from Mr. Brown, confirmed that the Walnut form based code would only apply to new development and would not affect existing buildings.

Ms. McKinney, responding to a question from Mr. Brown, described the maximum building heights for the Walnut Station Mixed-Use Center under the form based code.



Mr. Brown noted his concern that the Walnut form based code might reduce parking requirements for development in that area.

Mr. Brown supported the idea that taller buildings would be suitable for the Walnut Station Mixed-Use Center area, particularly on the north side of Franklin Avenue.

Ms. McKinney, responding to a comment from Mr. Brown, described how developers could apply for development paths alternative to the provisions of the form based code.

Mr. Zelenka noted his concerns of how Walnut Station Mixed-Use Center could affect traffic patterns in the area and hoped that more specific information in that regard would be provided by staff in the form of a comprehensive traffic impact assessment as the project progressed.

Mr. Zelenka agreed that the language that had been used in the Planning Commission's deliberation materials was stronger and more effective.

Mr. Zelenka commented on previous development discussions regarding the University arena and noted that the issue of University use with respect to mixed-use development was very ill-defined. Mr. Zelenka maintained that the matter needed further clarification and hoped that such clarifications could be provided by the Planning Commission within the next year.

Mr. Clark thanked staff for their presentation regarding the Walnut Station Mixed-Use Center.

Mr. Clark adjourned the meeting at 12:59 p.m.

Respectfully submitted,

Beth Forrest,  
City Recorder

*(Recorded by Wade Hicks)*