

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Work Session: Multi-Unit Property Tax Exemption and Envision Eugene

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Meeting Date: October 12, 2011  
Department: Planning and Development  
*www.eugene-or.gov*

Agenda Item Number: A  
Staff Contact: Nan Laurence  
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#### **ISSUE STATEMENT**

The City Council is asked to provide direction on a proposed strategy for determining priority areas for the Multi-Unit Property Tax Exemption (MUPTE) program in the context of Envision Eugene for property outside of the Downtown Plan area.

#### **BACKGROUND**

The MUPTE program is enabled by state legislation and designed to encourage higher density housing and redevelopment in the core area and along transit corridors. The program provides a 10-year property tax exemption on qualified improvements.

On July 20, 2011, the council considered MUPTE in the context of Envision Eugene and directed staff to proceed in two phases: 1) prepare an ordinance and hold a public hearing to extend the sunset date for MUPTE within the Downtown Plan area, and 2) conduct additional work sessions in the fall to discuss other priority areas for council consideration and future action. On September 19, 2011, the council held the public hearing and on September 26, 2011, approved an ordinance extending the sunset date for MUPTE within the Downtown Plan Area. As directed, staff is returning to the council to discuss a process for consideration of other priority areas for MUPTE as part of Envision Eugene implementation.

#### Envision Eugene

Envision Eugene is a community-based process to determine how best to accommodate growth in the community over the next 20 years. The Envision Eugene Draft Proposal identifies several strategies calling for more compact urban development and multi-family housing, and specifically focusing new development and redevelopment on key transit corridors and in core commercial areas. The insights gleaned from the intensive visioning phase of Envision Eugene have highlighted the need for incentives to help attract development to the targeted areas, to overcome market challenges, and to provide for adaptable, flexible, and collaborative implementation.

The council's recent action to continue the MUPTE program for the Downtown Plan area implements an Envision Eugene pillar by promoting compact urban development. For areas outside of downtown, MUPTE similarly represents a potentially effective and flexible incentive to encourage housing and residential mixed-use development in desired locations.

### Corridor Concept

Envision Eugene identified six primary transit corridors within Eugene; each of the corridors as well as property within one-quarter mile of a fixed route transit service along the corridor could be eligible for MUPTE under state eligibility rules. (See Attachment A for a map of the six corridors.) The corridor concept provides a broad spectrum of possibilities for application of the MUPTE program. With the most limited application, the council could designate MUPTE for only certain corridors or limited property along that corridor, such as only commercially zoned property facing a major street. With the most inclusive application, the council could designate MUPTE for all corridors and appropriately zoned property within the quarter-mile. The council could also choose to include property only after an area plan has been completed or where development potential is evident.

### Proposed Strategy

Based on insights from the analysis completed as part of Envision Eugene and from council discussion, staff considered each corridor in terms of development potential and the need for financial incentives. Staff also considered any recent area planning as a way to address compatibility issues and other areas of neighborhood concern. Staff proposes that the council consider three corridors for MUPTE this fall, as follows:

- South Willamette/Midtown

South Willamette is in the process of public engagement for an area plan to pilot the Envision Eugene area planning strategy. On October 3, a South Willamette design workshop was held, a significant first step toward urban design planning of one of the areas to see how it can accommodate the growth over the next 20 years.

- Franklin Boulevard

Franklin Boulevard was the focus of recent area planning culminating in the Walnut Station Area Plan. This plan involved property owners, residents, business owners, and representatives from the University and was adopted by the council in 2010. The plan addresses desired form and density through a Special Area Zone and form-based code.

- Trainsong/6<sup>th</sup>/7<sup>th</sup>

Trainsong and the 6th/7th corridor have not been part of a recent area planning process. Development potential in this area is less evident. However, this is an area that was eligible for MUPTE previously, and was identified during council discussion as one that could benefit from MUPTE in the future. Area planning could occur in the future as staff resources allow.

Each of these areas, shown on Attachment B, requires additional analysis and public involvement to determine which properties should be covered by the MUPTE program. The decision needs to include measures for enhancing and protecting community livability while increasing the desired multi-family housing and mixed-use projects for each area.

### West University

At the work session on July 20, 2011, councilors discussed the West University area, both in terms of extending MUPTE or letting eligibility sunset in January 2012. Parts or all of the university area could be eligible for inclusion in a MUPTE district since portions are within a quarter-mile of a fixed transit line, and the area is contiguous with the downtown core. This area has undergone significant investment in the last few years, both with and without the MUPTE tool. Further analysis of the benefit and impacts of MUPTE in this area would be a useful next step, and can be brought back to the council in a future work session.

### *Timing and Next Steps*

Following council direction, staff will proceed with additional analysis and work sessions as needed regarding MUPTE in the context of Envision Eugene.

## **RELATED CITY POLICIES**

MUPTE is enabled by state statute. The City of Eugene has participated in the MUPTE program since 1978. Encouraging housing in the core area is consistent with numerous adopted planning and policy documents. Examples include:

### *Growth Management Policies*

- Policy 1 Support the existing Eugene Urban Growth Boundary by taking actions to increase density and use on existing vacant land and under-used land within the boundary more efficiently.
- Policy 2 Encourage in-fill, mixed-use, redevelopment, and higher density development.
- Policy 3 Encourage a mix of business and residential uses downtown using incentives and zoning.

### *Refinement Plans*

The Downtown Plan and relevant neighborhood refinement plans include policies encouraging residential development at higher density as well as a variety or mix of structure types providing a range of housing opportunities.

### *Envision Eugene*

The MUPTE program is consistent with the current Envision Eugene work and, specifically, the “Promote compact urban development and efficient transportation options” pillar and strategies contained within it.

### *Eugene Counts*

Increased downtown development is one of the desired outcomes identified under the Council Goal of Sustainable Development.

## **COUNCIL OPTIONS**

The work session is an opportunity to get feedback from council on the process for identifying priority areas for the MUPTE program outside of the Downtown Plan Area related to Envision Eugene; no formal action is requested.

**CITY MANAGER’S RECOMMENDATION**

The City Manager will use the feedback obtained at this work session to schedule future action and make recommendations on the use of MUPTE outside of downtown.

**SUGGESTED MOTION**

No motion necessary at this time.

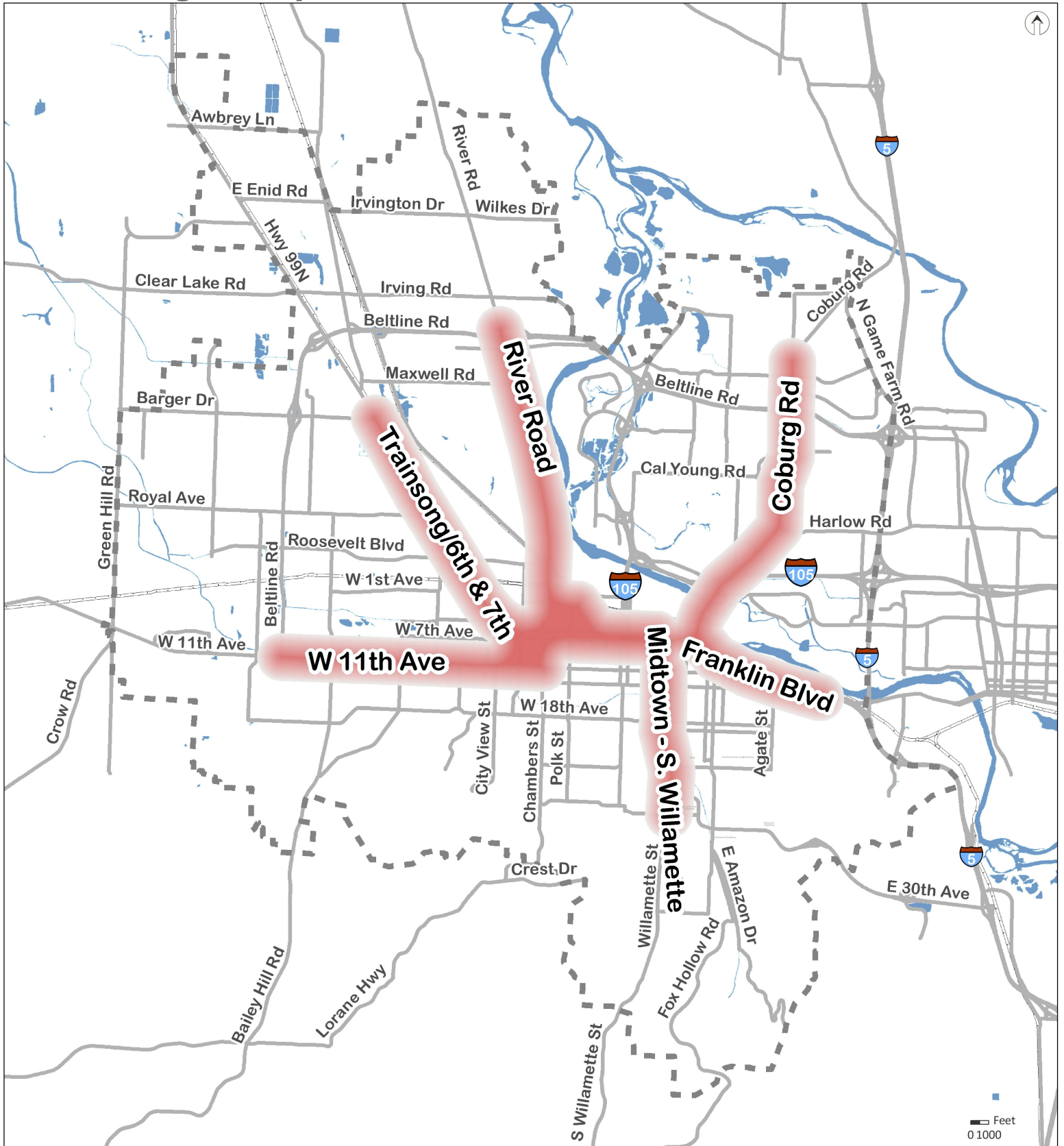
**ATTACHMENTS**

- A. Envision Eugene Key Transit Corridors
- B. Proposed Priority Corridors for Analysis

**FOR MORE INFORMATION**

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# Envision Eugene Key Transit Corridors



# Proposed Priority Areas for Analysis

