

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of Council Minutes

Meeting Date: June 25, 2012
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 2A
Staff Contact: Kim Young
Contact Telephone Number: 541-682-5232

ISSUE STATEMENT

This is a routine item to approve City Council minutes.

SUGGESTED MOTION

Move to approve the minutes of the April 11, 2012, Work Session, April 18, 2012, Work Session, April 23, 2012, Work Session, April 23, 2012, Regular Meeting, April 25, 2012, Work Session, May 9, 2012, Work Session.

ATTACHMENTS

- A. April 11, 2012, Work Session
- B. April 18, 2012, Work Session
- C. April 23, 2012, Work Session
- D. April 23, 2012, Regular Meeting
- E. April 25, 2012, Work Session
- F. May 9, 2012, Work Session

FOR MORE INFORMATION

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MINUTES

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

April 11, 2012
Noon

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

COUNCILORS ABSENT: Betty Taylor.

Her Honor Mayor Kitty Piercy called the April 11, 2012, work session of the Eugene City Council to order.

Mr. Pryor asked the manager to prepare a memorandum for the council regarding a recent newspaper report about a neighborhood association that suggested a developer make a contribution to the association to avoid an appeal of the developer's project. Mr. Pryor wanted to know the City's position on that issue and noted that he had received many constituent contacts expressing concerns about what looked like extortion to some people. As Mr. Pryor believed that it would take more than two hours for staff to prepare a response, he requested council endorsement of his request.

Mr. Pryor, seconded by Ms. Ortiz, moved to ask the city manager to prepare a memorandum outlining what the council had been talking about in terms of an investigation of allegations or claims that a neighborhood organization, acting in its official capacity, is requiring the payment of money by developers in order to approve or agree to their requested development. The motion passed, 6:2; Ms. Taylor and Mr. Brown voting no.

**A. WORK SESSION:
Opportunity Eugene Report and Recommendations**

Community Programs Analyst Michael Wisth was present for the item. He was joined by Claire Syrett, Dan Bryant, David Mandelblatt, and Michael Carrigan of the Opportunity Eugene Task Force.

Mr. Wisth led the council through a PowerPoint presentation that provided background on the membership and charge of the task force and highlighted the task force's recommendations:

- *Identify and establish potential sites.*
- *Create and support day use community centers.*
- *Improve traditional and non-traditional health care access.*
- *Continue and expand existing services to the homeless.*
- *Improve laws and ordinances that criminalize and block homeless individuals.*
- *Create a commission to continue to explore homelessness solutions.*

Mayor Piercy and the council recognized the work of Mr. Wisth and Chuck Crockett of the City Manager's Office and extended thanks to the facilitators, Laurel Singer and Peter Harkema of Oregon Consensus, and to task force members.

Mr. Pryor thought creation of a commission was critical given the many issues that remained to be worked through. He did not think the council could adopt the report without additional discussion. He was particularly concerned about what the establishment of potential sites meant. Were such sites transitional housing or were permanent encampments, and what was the City's role? He wanted to continue with the work and explore the solutions available to the council.

Mr. Farr agreed with Mr. Pryor.

Mr. Brown shared the history of Dignity Village in Portland, Oregon. He predicted that in the absence of council action, such an encampment would spring up without City involvement. Speaking to the question of a site, Mr. Brown reported that the Jefferson/Westside Neighbors Board of Directors had expressed support for a homeless camp at the site of the former armory. He intended to poll the neighborhood for its support.

Mr. Wisth offered to provide additional information about Dignity Village.

Mayor Piercy believed each task force recommendation was substantial and needed to be further defined. She asked task force members to comment.

Mr. Bryant said he frequently presided over the annual memorial for the homeless on December 21 and typically more than 20 people who died on Eugene's streets were memorialized. He believed the task force's recommendations would save lives. He emphasized that the task force was recommending that people be provided with a legal, safe place to be; the form that took was unknown.

Ms. Syrett encouraged the council to move forward on the recommendations related to the review of local laws and ordinances and improved health care access while it considered the formation of a homeless commission.

Mr. Mandelblatt encouraged that more restrooms downtown, such as those at City Hall, be better signed.

Mr. Carrigan emphasized the unique opportunity represented by the recommendations and called for new and innovative solutions to build on the work performed by local social service providers. He also emphasized that the task force identified housing as a basic human right as recognized by the Universal Declaration of Human Rights. He briefly noted the local effort to establish a homeless camp based on the Dignity Village model.

Mr. Zelenka expressed support for the task force's recommendations.

Ms. Ortiz asked about the status of the zone change that would allow for additional beds at the Eugene Mission.

Mr. Clark acknowledged he did not support establishment of a permanent homeless camp; he found no dignity in such a concept or in permanent homelessness. While he agreed the streets were a dangerous place, he questioned whether the creation of a homeless encampment created more potential for unsafe behaviors by bringing many people dealing with many different issues together. He asked what the City knew and did not know about such encampments. He wanted to ensure the City was creating safe

conditions for vulnerable people. Mr. Clark endorsed recommendations that provided people with avenues for greater dignity, and cited day centers that provided storage, showers, and laundry facilities as an example.

Mr. Farr was excited about the possibility of establishing a homeless commission. He also advocated for early action on what he considered the recommendations easiest to accomplish, such as the addition of bathroom facilities and rezoning the Eugene Mission. He acknowledged that it would take the council longer to work through some of the other task force recommendations.

Mr. Brown envisioned that Eugene would need multiple homeless encampment sites to serve different homeless populations. He said that Dignity Village was considered transitional housing that fell under State of Oregon building codes governing campgrounds, which provided the camp with legal zoning status.

Ms. Taylor suggested the possibility the City could use empty jail beds for temporary shelter.

Mr. Poling questioned how creating a homeless camp helped address the issue of homelessness. He suggested the City should focus on those who were homeless for reasons beyond their control. He asked staff to quantify the cost of the task force recommendation and wanted to know where the needed funding would come from.

B. WORK SESSION: Council Committee on Human Service Funding Recommendations

Mr. Pryor led the council through a PowerPoint presentation entitled *Council Subcommittee on Human Services Funding*. The presentation described the differing service levels and range of funding mechanisms discussed by subcommittee members, which included Mr. Pryor, Mr. Brown, Ms. Ortiz, and Mr. Farr, and foreshadowed the potential of a regional approach with regional funding. Mr. Pryor highlighted the subcommittee's recommendations for ongoing human services funding and shared the preliminary revenue estimates from a utility consumption tax and monthly public service fee. He asked the council to discuss whether the City should pursue a new revenue source, and if yes, to consider what needs were funded, funding mechanisms, and the timing and duration of such a tax or fee.

Ms. Ortiz and Mr. Poling encouraged early discussion with the Eugene Water & Electric Board, the agency that might potentially collect a City utility consumption tax.

Mr. Brown called for more information about the financial impact of ending the Riverfront Research District so the City could use the revenues from the district to support human services.

Mr. Poling expressed concern about the increased demand on City resources when other local governments began to reduce their contributions to human services and questioned how the agencies that were provided with additional funding by the City would distinguish between City and non-City residents. He advocated for a public vote on any new taxing source.

Mr. Clark believed human services funding was a countywide issue that required a countywide solution. He questioned asking Eugene residents to support a new tax in the current economic environment. He said increasing the tax base would help support human services, and tied that issue to the decisions the council faced regarding expansion of the urban growth boundary.

Ms. Taylor suggested that an increase in the tax base would result in increased service demand. She also wanted to discuss the dissolution of the Riverfront Research District, although she had other purposes in mind for the revenues. Ms. Taylor supported a public vote on any new taxing proposal. She expressed concern about utility fees as she perceived they could contribute to homelessness.

Mr. Zelenka supported further council discussion of additional funding sources for human services.

Mr. Pryor acknowledged the many tradeoffs that existed and other potential revenue sources, but the subcommittee had wished to communicate that the status quo was not sustainable and gauge whether there was council support for discussion of additional revenues.

Mayor Piercy emphasized the local nature of the homeless problem and the fact that Eugene was the county seat, so people logically came to Eugene for those services. Eugene could not avoid the fact it was the county seat and shared that responsibility with County government.

Mr. Brown pointed out that of all the options presented, dissolution of the Riverfront urban renewal district did not require taxes to be raised.

Mr. Farr agreed with Mr. Clark that the best way to increase revenues was to grow the tax base. He concurred with Mayor Piercy's remarks about Eugene's role, characterizing it as the "belly button" for services.

Mayor Piercy adjourned the meeting at 1:30 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)

MINUTES

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

April 18, 2012
Noon

COUNCILORS PRESENT: George Brown, Pat Farr, Betty Taylor, Andrea Ortiz, George Poling, Chris Pryor, Alan Zelenka.

COUNCILORS ABSENT: Mike Clark.

In the absence of Her Honor Mayor Kitty Piercy, Council President George Brown called the April 18, 2012, work session of the Eugene City Council to order.

**A. WORK SESSION:
Rental Housing Code**

Building Official Stuart Ramsing led the council through a PowerPoint presentation titled *Rental Housing Code*. The presentation provided information about the work of the advisory committee established by the Housing Policy Board to review the Rental Housing Code. He shared the committee's recommendations:

- a) *Reduce the annual unit fee to draw down the reserves*
- b) *Explore further development of online accounts and billing*
- c) *Provide public access to complaints and staff work online*
- d) *Develop online resources to answer frequently asked questions for both tenants and owners*
- e) *Explore more effective outreach regarding the program's availability, purpose and process*
- f) *Explore other ways of billing, both in-house and outsourcing*
- g) *Explore multi-year billing option (requires an ordinance change to implement)*
- h) *Work with a committee of the Housing Policy Board for policy-level review and input*
- i) *Explore changing the late fee to proportionally relate to size of a past-due payment*
- j) *Explore contracting with community organizations for portions of the program*

Mr. Ramsing highlighted the City Manager's recommendation to extend the Rental Housing Code for four years to fall 2016.

Councilors asked questions clarifying the details of the presentation.

Mr. Zelenka supported the manager's recommendation. He requested information about how many billings were sent to collections. He was not very interested in privatizing the billing. Mr. Zelenka expressed interest in adding appliances, air infiltration, and dry wall conditions to the code's habitability standards. He also wanted to reduce the times for notice and action for conditions requiring immediate attention.

Mr. Pryor wanted to continue the Rental Housing Program but he was concerned about maintaining community trust. He cited the size of the program surplus as an example of something that could strain that trust. He advocated for a code that was thoughtful, smart, and implemented fairly and equitably. He felt many of the recommendations reflected sensitivity to the concerns that had been expressed and wanted to continue to restore and build confidence that the code would be used in a way to fulfill its stated purpose.

Ms. Taylor determined from Mr. Ramsing that renters were surveyed in regard to the program but did not serve on the advisory committee. She questioned how the program captured revenues from short-term landlords. Ms. Taylor endorsed Mr. Zelenka's suggestions and was also interested in mandating energy efficiency through the Rental Housing code. She called for an increase in the late fee and the annual fee. Ms. Taylor did not think the ordinance should sunset so its original proponents did not have to worry about the possibility and said the council could repeal it if it needed to.

Mr. Farr recalled the code was intended to provide minimal habitability criteria and he believed the council needed to keep that in mind when considering additions. He agreed with Mr. Pryor's remarks about building trust.

City Manager Jon Ruiz arrived.

Mr. Brown questioned why the City would reduce the fee when it was expected the reserves would be drawn down in the next fiscal year. He believed the Rental Housing Program was very important and the fee involved was trivial. He believed that valid tenant concerns led to the formation of the program.

Ms. Ortiz supported a sunset because it provided an opportunity for council review and program adjustments. She supported moving forward with provisions that addressed the health and safety of tenants, such as working toilets, hot and cold running water, operable smoke detectors, and heat. Ms. Ortiz agreed with Mr. Zelenka that a landlord response should not take so much time. She expressed concern about including appliances in the habitability standards because she did not want to discourage landlords from providing appliances.

Responding to a question from Ms. Ortiz, Assistant City Manager Medary confirmed the City had a program surplus and if nothing changed and the program was operated as it currently was, the fee would have to be raised. Staff was working to reduce the program costs and maintain the existing fee. Staff was also considering the potential of a rebate as a way to build trust.

Mr. Poling opposed the inclusion of appliances or any other provision to the code at this time.

Mr. Zelenka also wanted to add minimum health and safety provisions to the Rental Housing Code as suggested by Ms. Ortiz. He liked the sunset provision because it required the council to review the code, although he believed the council could establish a mandatory review without a sunset provision.

Mr. Brown questioned how other cities used their fee revenues and if the revenues were placed in reserve or used for other programs. He wanted to eliminate the sunset provision because he envisioned there would always be tension between landlords and their tenants, who were frequently disadvantaged. He endorsed the additions suggested by Mr. Zelenka and Ms. Ortiz. He also supported a shorter response time. Mr. Brown believed that the City should require landlords to present their tenants with a brochure regarding the program when the lease was signed.

Mr. Brown recommended that the City raise the program rates and dedicate the revenues to a fund to support a homeless encampment and a fund dedicated to affordable housing.

Mr. Farr, seconded by Ms. Taylor, moved to approve the City Manager's recommendation to develop an ordinance that extends the sunset provision to fall 2016 and to schedule a public hearing and council action on the proposed ordinance. And to direct the City Manager to discuss with the previously formed committee ideas for proposed changes to the ordinance and bring back recommendation to the council in the fall.

Ms. Taylor, seconded by Mr. Brown, moved to eliminate the sunset and replace it with a mandatory discussion every four years. The amendment passed, 4:3; Mr. Poling, Mr. Pryor, and Mr. Farr voting no.

The amended motion passed, 4:3; Mr. Poling, Mr. Pryor, and Mr. Farr voting no.

**B. WORK SESSION:
Transportation System Plan**

Transportation Planner Kurt Yeiter led the council through a PowerPoint presentation regarding the Transportation System Plan (TSP) update. Councilors asked questions clarifying the information presented. Councilors asked questions clarifying the details of the presentation and generally commended the presentation and the approach the City was taking to the update.

Mr. Brown adjourned the meeting at 1:30 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)

MINUTES

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

April 23, 2012
5:30 p.m.

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

Her Honor Mayor Kitty Piercy called the April 23, 2012, work session of the Eugene City Council to order.

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

Mayor Piercy reported that she had welcomed the National Guard Association; met with the Associated Students of the University of Oregon (ASUO) regarding the proposed social host ordinance the council would hear more about later in the meeting; attended the “Breaking the Silence” event at the University of Oregon; attended the “WeGene” event where the River Road and Santa Clara neighborhood associations were recognized for their work; welcomed the Delta Kappa Gamma women teachers; participated in Earth Day events; and cut the ribbon at the new Moose Lodge.

Mr. Farr had attended a meeting of the Board of Directors for Food for Lane County (FFLC) and heard that the neighbors were happier with how the Dining Room conducted business. He noted the Dining Room was serving 300 meals each night. Food for Lane County planned to disperse its dining program more geographically over the summer. He emphasized the importance of the services provided by FFLC.

Mr. Zelenka arrived.

Ms. Taylor asked for more information about threats of censorship of neighborhood newsletters.

Mr. Poling said he spoke to a University of Oregon journalism class and answered student questions on current City issues. He was also invited by Boy Scout Troop 100 to discuss members’ concerns about the Bicycle Pedestrian Master Plan and the use of skateboards. He said the Travel Lane County Board of Directors would meet later in the week to discuss Lane County’s allocation of Transient Room Tax revenues.

Mr. Pryor announced that Eugene’s Intergovernmental Relations Director Brenda Wilson had been hired as the new executive director of the Lane Council of Governments (LCOG).

Ms. Ortiz said the Cascade Medical Team would hold a free community clinic on April 28-29. She had attended a meeting of the Trainsong Neighbors to discuss the neighbors’ interest in improvements to City-owned property at Garfield and Roosevelt. Ms. Ortiz had also attended the fund raiser “Chef’s Night Out.”

Mr. Zelenka reported he had been invited to speak by University of Oregon students who were examining athletic facilities and events through a sustainability lens. He had attended the Eugene Water & Electric Board Earth Day celebration and commended the event. He had also attended an Earth Day celebration at the Cascade Raptor Center and commended that event as well. He noted the center's national reputation for rehabilitation.

Mr. Brown also attended Cascade Raptor Center Earth Day celebration. He commended the raptor center as one of the best in the country.

City Manager Ruiz commended the work of Ms. Wilson and said she was a fabulous choice for LCOG.

City Manager Ruiz encouraged councilors to stop and visit with Officer Darwin Terry, one of the City's police officers assigned to downtown, when they had an opportunity.

City Manager Ruiz expressed appreciation for the corporate citizenship of Ninkasi Brewing Company.

B. WORK SESSION:

An Ordinance Concerning Unruly Gatherings; Adding Section 4.4670 and 4.672 to the Eugene Code, 1971; and Amending Sections 4.990 and 4.996 of that Code

The council was joined by Michael Kinnison of the Neighborhood Program, University of Oregon (UO) Community Relations Director Greg Rikhoff, and Kelly Putman of the Eugene Police Department (EPD), who led the council through a PowerPoint presentation titled *Social Host Ordinance*. The presentation highlighted the recommendations of the Neighborhood Livability Working Group, which put forth the proposed ordinance. Mr. Kinnison briefly reviewed the elements of the ordinance.

Mr. Rikhoff reported that the UO administration would take no official position on the ordinance. He described the UO's current efforts as they related to education strategies, student engagement, and incident responses and noted the City's involvement in those efforts.

Officer Putnam emphasized that the ordinance was not a prohibition of social gatherings, was not intended to regulate lawful gatherings, and did not affect property owners without significant repeat offenses in a 12-month period. The ordinance was focused in behaviors rather than groups or individuals. Staff did not consider it a silver bullet; it was one of several tools. She provided more details about the provisions of the ordinance.

Mr. Kinnison said a public hearing on a proposed ordinance was tentatively scheduled on May 14.

Councilors asked questions clarifying the details of the proposed ordinance.

Mr. Zelenka noted that he and Mayor Piercy had met with the leadership of the Associated Students of the University of Oregon, who had concerns about the ordinance, including who was considered the "responsible person." Officer Poling said officers typically used on-scene interviews to determine the responsible person.

Mr. Zelenka suggested adding a mandatory one-year review to the proposed ordinance. He also suggested that first offenses could trigger a community service requirement rather than a fine. Officer Putnam said the working group had discussed the community service and the concepts of restorative

justice, but she envisioned that those issues would be addressed by the courts rather than through an ordinance.

Mr. Farr pointed out that unruly gatherings frequently occurred on publicly owned property with disconcerting impacts on passersby and suggested that might be a topic of future council discussion.

Mr. Poling suggested a two-year sunset might be better for the purpose of seeing the results of the ordinance. He asked that the council be provided with a copy of the County's social host ordinance and a comparison of the two ordinances.

Mr. Brown advocated for a clear definition of "host" and suggested criteria be developed for that purpose.

Ms. Taylor thought the definition of an unruly gathering was too vague. She was concerned about the proposed fines because parties could grow in size without any single person being responsible. She thought the ordinance should be focused on problem solving rather than fining people. Ms. Taylor was also concerned about passing new laws when the City could not enforce the ones currently in place.

Mr. Clark shared Ms. Taylor's concern about passing new laws.

Ms. Ortiz agreed with Ms. Taylor that "unruly gathering" needed to be better defined. She questioned if the ordinance would result in savings for the City's "Party Patrol." She determined from Chief Kerns that the City's response ordinance addressed businesses and asked for more information about the relationship between that ordinance and the proposed ordinance. Ms. Ortiz did not support applying the ordinance citywide.

Mr. Pryor shared Ms. Taylor's concern about assigning an individual all the responsibility for a party that grew in size and suggested that the fine for the first offense be reexamined. He believed there was a core problem that the ordinance was intended to address and wanted to ensure that focus was maintained. He believed the ordinance needed more work so it could accommodate the accidental incident as opposed to the highly intentional incident.

Speaking to the concept of restorative justice, Mayor Piercy endorsed the use of community service or other non-monetary consequences for first-time offenders. She wanted to ensure that innocent bystanders were protected. Mayor Piercy called for an appeal process for tenants as well as landlords. She believed that good data collection and analysis was needed.

Mr. Rikhoff shared some of the UO's efforts related to restorative justice.

Mr. Zelenka questioned if the ordinance could be limited to a single geographic area. Mr. Kinnison said the Municipal Court encouraged staff to craft an ordinance with broad applicability. Mr. Zelenka suggested that the procedures used by the police to identify the "responsible person" could be useful in developing a better definition. He suggested the ordinance should include a provision that allowed a party host to call the police to request assistance for an out-of-control party and be held harmless. He asked if the ordinance could be incorporated into tenant lease and sublease agreements.

Mr. Brown supported the proposed ordinance. He believed the ordinance should be applicable to the entire community. He was concerned that the ordinance did not speak to the issue of party buses.

City Manager Ruiz reported that due to the concerns expressed by the students of the ASUO, the public hearing might be rescheduled.

C. EXECUTIVE SESSION
Pursuant to Oregon Revised Statutes 192.660(2)(h)

The council met in executive session with City Attorney Glenn Klein to consult with legal counsel concerning legal rights and duties regarding current litigation or litigation to be filed.

Mayor Piercy adjourned the meeting at 7:08 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)

MINUTES

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

April 23, 2012
7:30 p.m.

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

Her Honor Mayor Kitty Piercy called the April 23, 2012, regular meeting of the Eugene City Council to order. She reviewed the order of the agenda, noting that item 5 had been moved up in the order.

1. PUBLIC FORUM

Mayor Piercy reviewed the rules of the Public Forum. She limited speakers to two minutes.

Robert Bolman, Ward 1, reviewed and submitted written testimony advocating for sustainability efforts at the local level.

Dennis Ramsey, Ward 7, distributed materials from a Sister City delegation to Kathmandu as the last opportunity to present them before the May 14 arrival of the Kathmandu delegation. He also shared a recent newspaper from Kathmandu.

Michael Steffen, Ward 2, Vice President of the Rental Housing Association of Lane County, asked the council to include a sunset clause in the Rental Housing Code.

David Gerber, Ward 2, updated the council about *The Newspaper*, a local newspaper written and sold by the homeless. He said more vendors were needed to sell the goal of 800 newspapers monthly. He said people could take pride in selling newspapers as opposed to panhandling.

Cedar Cosner, Ward 5, objected that the proposed social ordinance placed liability on roommates who might have nothing to do with the event that triggered the ordinance. He believed the proposed fines were disproportionate to the offense and could have severe financial repercussions for students. He was also concerned that the ordinance would cause landlords not to rent to students.

Rachel Cowan, Ward 3, shared Mr. Cosner's concerns regarding liability and the financial ramifications of the ordinance on students whose roommates might choose to have a party without telling them because the ordinance did not define "social host." She suggested there were more effective ways to address the problems the ordinance sought to address, such as neighbor notification of pending parties.

Ben Epstein, Ward 3, President of the Associated Students of the University of Oregon, opposed the proposed social host ordinance. The ordinance infringed on tenant and landlord rights, imposed new cost burdens on students, and strained the legal system while doing nothing to promote neighborhood livability. He called for increased education, renewed outreach, and better coordination between the

University of Oregon (UO), neighborhood organizations, and the police. He called for a focus on problems rather than penalties.

Dennis Chapa, Lane County, opposed the council's decision to strike the sunset clause associated with the Rental Housing Code and asked the council to reconsider its action. He asked those in attendance who supported having the sunset clause reinstated to stand. Many people stood.

Carla Newbre, Ward 1, recommended that the council make its legislative intent regarding the social host ordinance clear to avoid the possible result of chilling the freedom of speech. She encouraged the council to move cautiously.

Joe Tyndall, Ward 1, expressed concern about the council's failure to form a homeless commission and support for the formation of a tent village for the homeless with land supplied by the City.

Ann Klemp, Ward 5, said the Rental Housing Code fee made it difficult for landlords to keep rents low. She asked that the program be stopped.

Sam Chapman, Ward 3, opposed the proposed social host ordinance. He noted a strategy suggested by the Neighborhood Livability Working Group was for an outgoing freshman orientation program. That strategy was not adopted and he recommended it be reconsidered because he had seen it work. He not think fining students was a way to solve drinking and recommended educational information be provided with kegs sold to students.

Dennis Casady, Ward 2, asked the council to reinstate the sunset clause in the Rental Housing Code. He believed that otherwise, his service and the service of others who served on the Housing Policy Board (HPB) advisory subcommittee had been a waste of time.

Paul Cauthorn, Ward 2, agreed with the remarks of Mr. Casady. He believed the sunset was the only way that landlords had to get accountability from the City for the program. Speaking to the proposed social host ordinance, he suggested the ordinance could be misused to label a super bowl party where the attendees gathered outside to throw a football as an unruly gathering. He pointed out the ordinance would apply to bars, taverns, and restaurants if one considered the phrase "any place where people gather."

David Russell, Ward 3, a rental property owner, asked how far government would go in interfering with the relationship between landlords and tenants. He was very concerned about the removal of the sunset clause from the Rental Housing Code and recommended that it be reinstated.

William Moskal, Ward 3, expressed support for councilors Farr and Ortiz and Mayor Piercy and invited everyone to the upcoming anniversary of his release from prison.

Eric Hall, Ward 7, expressed concern that the council had disregarded the recommendations of the HPB advisory subcommittee and dropped the sunset clause from the Rental Housing Code. He asked that the sunset be reinstated.

Paul Guernsey, Ward 3, was concerned that 15th Avenue lacked crosswalks at key intersections and motorists did not yield to pedestrians. He also objected that 15th avenue was a signed bicycle path but bicyclists had to stop at intersections. He recommended pedestrian corridors on roads serving the University, marked crosswalks at every intersection, and stop signs on the major arterials that crossed 15th Avenue traveling north-south so that motorists had to stop for bicyclists.

Devin Gates, Ward 7, expressed concern that the council had ignored the recommendations of the HPB advisory subcommittee and asked the council to retain the sunset clause in the Rental Housing Code.

Mayor Piercy closed the Public Forum.

Councilor Brown thanked those who offered testimony. He reminded those in support of a sunset clause in the Rental Housing Code that the council had passed a motion calling for a “mandatory discussion” of the code.

Councilor Poling noted that councilors would have an opportunity to propose additional amendments to the Rental Housing Code.

2. CONSENT CALENDAR

- A. Approval of City Council Minutes**
 - February 8, 2012, Work Session
 - February 13, 2012, Regular Meeting
 - March 13, 2012, Joint Elected Officials Meeting
 - April 16, 2012, Public Hearing
- B. Approval of Tentative Working Agenda**

Councilor Brown, seconded by Councilor Farr, moved to approve the items on the Consent Calendar. Roll call vote: The motion passed unanimously, 8:0.

**3. ACTION:
2012/13 Funding Allocation for Federal Community Development Block Grant and HOME Investment Partnership Programs**

City Manager Jon Ruiz reminded the council that it annually adopted allocations for the use of Community Development Block Grant (CDBG) and HOME funds. The proposed funding uses must align with locally community needs and the strategic plan described in the 2010 Consolidated Plan.

Community Programs Analyst Michael Wisth of the Planning and Development Department reviewed the CDGB projects being recommended for funding by the Community Development Block Grant Advisory Committee and the HOME projects recommended for funding by the Housing Policy Board.

Councilor Brown, seconded by Councilor Farr, moved to approve the One-Year Action Plan for use of Federal CDBG and HOME funds in FY 2012/13. Roll call vote: The motion passed unanimously, 8:0.

**4. PUBLIC HEARING:
An Ordinance Vacating West 12th Avenue, located between Olive Street and Willamette Street, and Willamette Alley, located between West 12th Avenue and West 13th Avenue (VRI 12-1)**

City Manager Ruiz introduced the item, a request to vacate West 12th Avenue between Olive and Willamette streets and a portion of Willamette Alley located between West 12th and West 13th avenues. He noted the applicable approval criteria found in Eugene Section 9.8725, which stipulated that the

council must find that approval of the vacation was in the public interest. Findings of compliance with the approval criteria were included in the council meeting packet as Attachment D.

Mayor Piercy asked councilors to declare any *ex parte* contacts or conflicts of interest. She reported she had briefly discussed the alley vacation with representatives of Capstone Collegiate Communities.

Councilor Ortiz declared a potential conflict of interest because of her employment with PeaceHealth. City Attorney Emily Jerome determined that at most Ms. Ortiz's conflict was a potential conflict.

Councilor Poling had met with representatives of the applicant, Capstone Collegiate Communities, and heard a brief overview of the project, which included information about the vacation already in the record. Councilor Zelenka had a similar meeting with representatives of the applicant, which included discussion of the Multi-Unit Property Tax Exemption (MUPTE), on-site management, the proposed project, and a description of the alley vacation. Councilor Farr also had a similar meeting with the applicant although he was unsure the alley vacation was discussed.

City Attorney Jerome indicated that the declared conflicts also applied to the next agenda item regarding the MUPTE. She indicated that in addition to the approval criterion, the council must find that proper consent and notice had been provided.

Mayor Piercy reviewed the applicable criterion. She noted that the council received a request to leave the record open and would do so.

Mayor Piercy opened the public hearing. She first called on those in support of the application and limited remarks to two minutes.

John Acken, Capstone Collegiate Communities, commended the community input his company had received and the quality of City's staff work. He concurred with the staff recommendation to straighten the alley, to designate bicycle and pedestrian ways on the alleyway, and to improve the pedestrian and bicycle crossings along adjacent rights-of-way. He said the alley vacation would improve access to downtown and the UO.

Gregory McAleer, Ward 3, supported the proposed development as a way to expand downtown and integrate the downtown and university areas. The alley vacation would help provide a bicycle path to campus and promote a healthier lifestyle. He also supported the MUPTE application and urged the council to place more emphasis on student housing downtown.

Eric Gunderson, Ward 3, shared Pivot Architecture's support for both the alley vacation and MUPTE applications. He spoke of the many new developments downtown and said both new and existing businesses needed people in the form of residents living downtown. He believed the proposed project was perfectly timed. He also believed the City had planned for this outcome and had constructed infrastructure to support it. He suggested the development would more fully integrate the UO into the community. He asked the council to support both applications.

Mark Davis, Veneta, supported the application and thought improved bicycle access on 12th Avenue needed to allow cyclists to avoid car and bus traffic. He said that those who worked at his downtown firm, "CoChops," were bicycling commuters and would be served by the infrastructure constructed to serve the development.

Hugh Prichard, Ward 3, supported the alley vacation because the existing right-of-way was dangerous for all users and the proposed development would fix the alignment and provide a public amenity that enhanced the safety of users.

Phillip Farrington, Ward 1, urged the council's support for the alley vacation because it met the applicable criterion because of the reasons cited by Mr. Acken and Mr. Prichard. He also referred the council to policies in the Downtown Plan that supported the proposal. Those policies called for encouraging education-related development such as student housing, increased residential and commercial densities in downtown to increase transit and alternate modes use, and increased multi-unit housing in downtown.

Mayor Piercy then called on those in opposition to the proposal.

Sara Bergsund, Ward 1, submitted written testimony in support of the MUPTE application and in opposition to the alley vacation. She did not support giving up air rights to the developer and wanted the buildings to contribute to the environment and be built in accordance with the scale and materials being used on current projects. She advocated for a more urban development.

Mayor Piercy called for rebuttal testimony. Mr. Acken indicated the applicant would submit additional testimony, including rebuttal testimony, during the time the record was open.

Mr. Brown, seconded by Mr. Farr, moved to hold the record open for any written evidence, argument, or testimony until 5 p.m. on April 30, 2012, then open for an additional seven-day period until 5 p.m. on May 7 for any party to submit written argument (but not new evidence) to respond to issues already raised, then, unless the applicant waives its right, to allow the applicant seven days, until May 14 at 5 p.m. to submit final written argument. Roll call vote: The motion passed unanimously, 8:0.

5. PUBLIC HEARING: Multi-Unit Property Tax Exemption for Student Housing Project

City Manager Ruiz introduced the item. He said that while no public hearing was required for the MUPTE application, staff had recommended one be held because of the size and scope of the project. He noted that the council had held two work sessions on the project and the comment period for MUPTE applications had been extended for three months. City Manager Ruiz described the scope of the public involvement that had occurred to date, which included neighborhood association meetings, community forums, and a City Club presentation. He indicated he would forward the council a recommendation regarding the MUPTE application prior to its work session on April 25.

Mayor Piercy opened the public hearing. She limited remarks to two minutes.

Jim Hale, Ward 5, objected to the subsidy provided through the MUPTE. He believed it would negatively impact all existing student housing. He questioned the need for the subsidy as he perceived the development would be occupied by wealthy students.

Mark Johnson, Ward 5, Director of Transit Operations at Lane Transit District, supported the application as supporting the community's goals for a vibrant downtown. The MUPTE had produced many successful projects and was intended to help encourage higher densities in the urban core. He agreed with previous testimony that the project was consistent with Eugene's goals for downtown. Mr. Johnson

believed the additional of 1,200 students would be a boon to downtown businesses and the development would eventually add to the City's tax base.

Cindy Foster, Elmira, believed the proposed development would help revitalize downtown and led to new places to shop and eat. She was excited about the new developments occurring in downtown and believed that the project would do much to increase the feeling of safety downtown.

Dustin Locke, Ward 7, believed the proposed development would benefit the economy, add to the housing inventory, and help revitalize downtown. He supported the MUPTE application.

Carlis Nixon, Ward 8, opposed the proposed development because she believed the application was being rushed and the community was being pressured by the developers. She was also concerned about the developer being willing to include the standards of management into a future sale. She believed the project was too proximate to Olive Plaza and too dense and she was concerned about its impact on the residents who lived there.

Walter Hunt, Ward 3, supported the proposed Capstone development as helping to fulfill long-held City goals. He pointed out that similar tax breaks were granted to other projects. He believed the City could require the applicant to include the standards of management in a future sale. He perceived the development as an important step forward.

Jack Roberts, Ward 5, supported the application because he believed the proposed development would help revitalize downtown and would help connect the downtown and UO.

Rueben Mayes, Ward 5, encouraged the council to approve the MUPTE and the alley vacation. He believed the project was aligned with the Seven Pillars of Envision Eugene Pillars. He noted the management commitments that the developer had made and suggested the development might be the tipping point downtown needed to attract new businesses and people downtown.

Amy Perkins, Ward 4, supported the proposed development and MUPTE application. She believed more students living downtown would be a positive change.

Mitra Chester, Ward 1, supported the proposed Capstone project. She emphasized the importance of the project's timing as it related to other downtown development. She said that downtown residents would attract more commercial enterprises to occupy redeveloped downtown spaces. She also thought the development would have a low impact on residents and the majority of traffic would travel down an already commercial street. She advocated for a focus on the big picture and what the development brought to downtown Eugene.

Larry Newby, Ward 6, supported the development proposal. He was concerned about parking and recommended that the council remember that students would bring their cars to Eugene. He believed that Capstone Collegiate Communities proposal kept those cars off the street. He hoped the council supported the MUPTE application.

Jennifer Sutton, Ward 7, suggested the proposed development would create jobs. Many would not last past the development but their contribution to the economy would last a life time.

Lillian Parker, Ward 1, did not object to the proposed development but wanted to ensure that the City addressed the problems that the development might pose for residents. She was particularly concerned about the sidewalks and asked for well-publicized signs on the sidewalk at eye-level prohibiting bicycles

or skateboards on the sidewalks. Many Olive Plaza residents used wheelchairs, walkers, and canes, and were easily startled when such vehicles passed by, generally without warning.

Cecil Hodges, Ward 5, had no objection to the proposed development but he objected to the MUPTE application. He suggested the project cost could be reduced and the project could pay for itself. If the project could not be constructed for \$80 million something was wrong. He did not think the City should pay a developer to compete against existing landlords.

Bob Tranu, Ward 1, asked for an approved copy of the management agreement, the leasing agreement, and the security agreement and asked that those documents be permanently recorded on the CC&Rs so they went to any new owner. He said if that could not be done, he recommended the council develop an ordinance to cover such situations. He emphasized the importance of on-site property management. Mr. Tranu questioned the length of time that the building returned its investment.

Janna Ellingson, Ward 1, questioned the wisdom of student housing in downtown. She did not think the subsidy given the applicant would help downtown and suggested the subsidy be used on other vital services. She did not think that downtown Eugene needed more bars, restaurants, or better shopping. She believed a sale of the property would remove all City control. She particularly objected to the impact she perceived the development would have on Olive Plaza residents, who would be adversely affected by demolition.

Janet Breedlove, Ward 1, opposed the proposal because of the amount of land the new development would occupy and the noise and congestion that would result. She believed that the sale of the project would lead to its deterioration and it could become a public liability.

Bill Davis, Ward 1, was disappointed by the lack of grocery stores in downtown. He anticipated that the addition of so many students would overwhelm the existing grocery store. He urged the council to work to get a medium sized grocery store in downtown Eugene.

David Parker, Ward 1, spoke of the elderly at-risk population living at Olive Plaza who feared walking on crowded sidewalks; that fear would be exacerbated by the addition of so many students. He suggested the City and applicant install closed circuit televisions around the perimeter of the project with large warning signs. He recommended those requirements be included in any CC&Rs. Mr. Parker was also concerned about added on-street demand for parking, which would pressure already limited parking for care workers, visitors, and Olive Plaza staff.

Barbara Kinsman, Ward 1, expressed concern that the project owner might sell the project and it would become rundown under another owner as had been experienced in other areas. She asked the council to postpone its decision and do more research. She suggested that under new ownership, the project could become a legal liability for the City.

Jessica Langdon, Ward 5, expressed support for the proposed project. The influx of new residents had caused rents to increase and more units were needed. In addition, students living downtown would have better access to campus and would become more familiar with and involved in downtown.

Kristin White, Ward 1, supported the proposed project and the MUPTE application. She believed the development would help revitalize downtown by bringing vibrant new energy to downtown. It would stimulate other economic activity. The project would benefit students by giving them unique housing opportunities both on and off campus and would help connect students with the downtown, making them more likely to stay and invest in the community.

Sue Wolling, Ward 3, supported the proposed housing project. She recommended that the appropriate transportation infrastructure was put into place, and suggested that the applicant look into bicycle sharing and improved bicycle infrastructure. She described the difficulty of bicycle travel down 12th Avenue, which required many stops and advocated for a better bicycle facility on 13th Avenue involving a cycle track. She recommended that the developer be asked to help pay for it.

Dave Mandelblatt, Ward 1, chair of the Downtown Neighborhood Association, described the scope of the applicant's outreach to the neighborhood association and neighborhood in general. He referred the council to Attachment H in the packet entitled *Statement from Downtown Neighborhood Association* and highlighted the developers' willingness to work with the association on the issues identified in the statement. He reported that progress had been made on many the issues.

Shawn Hyland, Springfield, supported the Capstone project. He believed it would help make Eugene downtown a destination again. His company was working with the applicant, Capstone Collegiate Communities, and he found that the company knew what it was doing. He anticipated a good project with more parking than necessary. The company had tight deadlines to meet and time was of the essence. He anticipated the project would create many local construction jobs and would support surrounding businesses. He believed the project would also spur the construction of businesses that would serve the students who lived there.

Mark Davis, Veneta, supported the MUPTE application. He enjoyed working downtown but believed that the businesses there would benefit from the new customers. Many downtown businesses had closed. The project would help support retail uses downtown. He said his company, CoChops, also anticipated that its access to the students living there could be integrated into the Eugene technology community and would remain after graduation.

Milton Oiler, Ward 1, supported the application. He anticipated the project would be a stable asset after the tax exemption ended and would provide both immediate and future tax revenues. He said the site was costly to redevelop and the applicant had a proven track record. The applicant planned to maintain and manage the asset throughout its life.

Bill Whalen, Ward 5, supported the proposed development, which he believed would strengthen downtown. The community had long recognized the importance of downtown housing to downtown revitalization. An increase in downtown residents would result in more business for downtown stores. He believed the MUPTE was valuable in encouraging the redevelopment of such sites. He believed the project was consistent with Envision Eugene and asked the council to support it.

Hugh Prichard, Ward 3, spoke of his development of Broadway Place, a MUPTE recipient, which had 179 apartments, nine commercial tenants, and paid \$160,000 annually in taxes. He said the proposed project was similar but larger. He anticipated the project would produce tax revenue right away and would pay its full share of taxes in ten years. He did not think the project could be constructed with a return of six percent, which would be the case without MUPTE. Mr. Prichard asked the council to approve the application.

David Hauser, Ward 5, Eugene Area Chamber of Commerce, supported the MUPTE application as consistent with many City plans, which called for incenting downtown housing. Students had considerable disposal income to spend downtown, which had a positive impact on both downtown and the entire community. The project created a new transportation connection between downtown and UO and was in a place to be supported. He also noted the jobs that would be created as a result of the proposal.

Phillip Farrington, Ward 1, believed the Downtown Plan's Regional Implementation Strategy C, which called for promotion of multi-story mixed structures downtown through financial incentives or code amendments. He pointed out the MUPTE was the council's only financial tool. He anticipated that the downtown would continue to require public investments to ensure its revitalization. He said if the project went forward it would have a major economic impact; if it did not move forward, he anticipated the property would remain vacant for some time to come.

John Acken, Capstone Collegiate Communities, concurred with the staff recommendation. He said the project would not be financially feasible without the MUPTE. He pointed out the project was a large one and would have a positive economic impact downtown. It would also result in many valuable on- and off-site infrastructure improvements. He said that Capstone Collegiate Communities was committed to being a good neighbor to the community.

Julie Daniel, Ward 3, supported the proposed project because it had both direct and indirect economic benefits, the additional residents would help revitalize downtown, the project was ideally located, and it would be easier to manage students living in a concentrated area. Students living on the edge of campus neighborhoods increased the cost of housing and put those areas out of reach of families seeking to purchase homes. She believed the project met MUPTE guidelines as well as a range of City plans.

Rosie Pryor, Ward 8, supported the proposed development. She was familiar with site and knew that it was difficult to redevelop. She was very happy about the proposal and asked the council to use one of the few tools it had to steer residential development into those locations where density was required.

Jean Tate, Ward 1, said residents of her building were concerned about noise and traffic but believed the applicant would address them. She supported the MUPTE application and said she would never do a housing project for six percent. She commended the staff findings and hoped they reflected what the developer planned to do. She asked the council to support the MUPTE application.

Rick Satre, Springfield, supported the MUPTE application because it supported the community's growth management goals, would aid in the revitalization of downtown, contributed to economic development, and added to public safety. He pointed out that all of the recent projects in downtown had required a subsidy. He thought the applicant had demonstrated that it would be a good neighbor.

Joe Tyndall, Ward 1, suggested the proposed subsidy to out-of-state developers was quite sizable, which concerned him. He hoped the council considered that issue.

Art Bowman, Ward 1, suggested the question before the council was whether six percent was an acceptable rate of return on investment and if the building could be constructed without a tax break. He believed that if the building could be built without the tax break, the council was opening itself to criticism. He called for more examination of that issue and better explanations to the public.

Gerry Gaydos, Ward 3, said the MUPTE was an extremely important tool in the construction of multi-family construction and he thought it should be used in this instance. He believed the effort the applicant put in was extraordinary. He agreed with the remarks of Mr. Farrington regarding the fact the property had been available for some time. Mr. Gaydos also believed the project would help bring the UO and community together.

Craig Willis, Ward 4, supported the MUPTE application. He considered it a reasonable City investment. The project would help maintain downtown's current momentum. He believed the application was

consistent with the Downtown Plan, Growth Management Policies, and Envision Eugene. He suggested that if the community wanted students from the UO to stay in Eugene and contribute, it must find ways for those students to connect with residents outside of campus. He also suggested that students living downtown would be more willing to support the efforts of local nonprofits.

Dennis Casady, Ward 2, opposed the MUPTE application because the development was geared toward student residents and because he feared the project owner would sell the project. He said if the company could not build at a return rate of 9 percent it should not be build the project.

Paul Cauthorn, Ward 2, opposed the proposed development and the MUPTE application because the project would bring many students downtown. He shared an unpleasant experience he recently had at a downtown restaurant with drunken students. He recommended the City seek another project or wait for a project that was a better fit.

Paul Redhead, Ward 5, Eugene Hotel Retirement Center, supported the proposed project and MUPTE application and did not anticipate the project would have any negative impact on the residents of his complex. He pointed out the center had its taxes frozen for the first 15 years of its existence and its conversion from a hotel to a retirement center funded with the assistance of State of Oregon revenue bonds at a low entrance rate. Without those factors, the center would not exist and would have either been torn down or left derelict. He believed the project would maximize the value of the parcel and result in a revenue windfall for Eugene.

Bill Sokol, Ward 1, supported the proposed development as a positive thing for the community and downtown. He referred to an article about the project in the April 18 edition of *The Register-Guard* by David Funk and Harriett Cherry and hoped all those present had a chance to read it. He asked that the council not change the MUPTE rules in the middle of project development.

Misha Seymour, Ward 1, opposed the Capstone project. He averred that all those who supported the proposal were impelled by greed. He called the MUPTE tax breaks for the fat cats. He advocated for housing for the homeless and the poor.

Barbara Goldberg, Ward 1, objected to the proposed MUPTE application. She questioned why students were being placed next to senior citizens. She asked how the council would like to live next to so many college students. She did not think the project could be considered a success if it degraded the quality of life of Olive Plaza residents. Olive Plaza residents deserved peace of mind as they aged.

John Holtz, Ward 8, supported the proposed development and MUPTE application because he believed students living in the core would help existing businesses and bring more business opportunities.

Hollie Hawes, Springfield, supported the proposed development and the MUPTE application. Growth demanded development, and it often required assistance for development to occur. Limiting development would limit the creation of new jobs and housing. She asked the council to support the MUPTE application.

Michael Gannon, Ward 7, was perplexed by the struggle in a wealthy society like Eugene's to provide adequate care for youth. He did not think any of the students he knew would be able to afford to live in the project. He opposed the MUPTE application because it would take away money from education.

Mayor Piercy closed the public hearing. She thanked those who testified for expressing their views.

Councilor Brown also thanked those who spoke. He thanked Ms. Kinsman for raising an important point regarding the developer's previous projects. He recommended that the council research what had happened to past Capstone developments, such as the Silver Oaks development in Canton, Ohio to see how Capstone treated elderly people.

Mayor Piercy adjourned the meeting at 10:08 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)

MINUTES

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

April 25, 2012
Noon

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

Her Honor Mayor Kitty Piercy called the April 25, 2012, work session of the Eugene City Council to order.

**A. WORK SESSION:
Downtown Urban Renewal Projects**

Business Loan Analyst Amanda Nobel Flannery of the Planning and Development Department led the council through a PowerPoint presented titled *Downtown Urban Renewal Projects & the Expenditure Review Panel's 1st Annual Report*. Sue Cutsogorge of the Finance Division and Denny Braud, Nan Laurence, and Mike Sullivan of the Planning and Development Department were also present to answer questions.

Councilors asked questions clarifying the information presented with a particular focus on the status and anticipated progress of unfinished projects. Councilors were generally complimentary of the progress that had been made and thanks were offered to the members of the committee, Chris Looney, Josh Burstein, Tom Kamis, David Mandelblatt, and Tamara Irminger-Underwood.

Responding to inquiries from Mayor Piercy and Mr. Zelenka, Ms. Laurence said ideas for expansion or relocation of the Farmers Market had not been resolved and more work remained to be done during the fall/winter 2012-2013. Assistant City Manager Sarah Medary said that City staff was working actively with Lane County on the space issue and exploring a number of ideas. Ms. Laurence anticipated the staff would report back on progress and solicit council input.

Ms. Ortiz asked when downtown could be deemed a success so the City would look at improvements in other areas of the community. Mayor Piercy suggested that progress on all fronts was not incompatible.

Ms. Taylor advocated for free parking on Saturdays for patrons of Saturday Market. She recalled that two lanes of Oak Street had been closed to accommodate the market in the past and that worked.

Mayor Piercy recommended that 8th Avenue be closed to accommodate Saturday Market on a trial basis so the City and the market could see how that worked. She pointed out the parking garages proximate to Saturday Market were free on Saturdays. She appreciated the citizen oversight provided by the committee.

**B. WORK SESSION:
Capstone Collegiate Communities Student Housing Development Project**

Senior Planner Nan Laurence and Urban Services Manager Denny Braud of the Planning and Development Department led the council through a PowerPoint presentation titled *Capstone Collegiate Communities Proposed Downtown Student Housing Project*. Councilors asked questions clarifying the details of the presentation.

Mr. Farr indicated his concerns about the project had been addressed. He emphasized the importance of student housing that was located near the University of Oregon (UO). He was excited by the potential of having more students downtown. Speaking to the proposed Multi-Unit Property Tax Exemption (MUPTE) sought by the developer, Mr. Farr pointed out the City could collect no taxes from housing provided by the University.

Mayor Piercy asked staff to consider the needs of the elderly and disabled using the bicycle path. She also asked that staff consider requiring the developer to provide air conditioning for upper story residents of Olive Plaza. She questioned if the City could require improvements to improve the functionality of the sidewalk near Olive Plaza.

Ms. Taylor said the MUPTE score did not mean the council must approve the MUPTE application. She pointed out the property in question was one of the last vacant properties in the area and suggested it could be put to a better use, like a county hospital or a youth center. She expressed concern that student housing did not meet the purpose of the MUPTE. She did not believe there was a shortage of student housing.

Ms. Ortiz was prepared to take action on the MUPTE application at this time. She said there had been many opportunities for someone else to buy the property. She believed that if someone bought a property it should be their decision about what the property could be used for. She did not know if she would support the MUPTE if the City could own the property but since that was not a possibility she recommended that the council move on.

Mr. Brown perceived no critical shortage of student housing to justify the project. He reviewed University of Oregon enrollment projections and contrasted it to available housing and noted that did not even account for other student housing projects. He did not see a need for the development. He asked if the City needed to subsidize 1,200 new beds given that the existing supply was sufficient for ten years. Mr. Brown anticipated the development would take money away from existing landlords. He did not think the project was in the public interest.

Mayor Piercy acknowledged some would never be supportive of the proposal and suggested that the council get everyone on board possible for the decision it needed to make, and if that took more time she believed the council should take it.

Mr. Clark believed the council's decision should be simple given the pending budget crisis at the County and the City's own shortfalls in funding for human services. He believed the project was a good one and would increase the property tax revenues that paid for services.

Mr. Pryor agreed with the mayor that the council should take its time.

Mr. Poling encouraged the council to avoid changing the MUPTE rules midway through the process. He said he did not consider the MUPTE score alone; he considered other factors, such as the overall community benefit of a project.

Mr. Poling recommended that the council consider a separate ordinance regarding long-term on-site management for multi-unit projects over a certain size.

Ms. Ortiz declared a potential conflict of interest due to her employment with PeaceHealth.

Mr. Zelenka noted the letter the council received from the Sustainability Commission in support of the project. The commission had recommended the council create a mechanism for accountability in regard to the green building aspect of the project. He asked how the council could assure accountability outside the MUPTE resolution. Ms. Laurence indicated that the developer's commitments could be memorialized in the resolution adopted by the council adopting the MUPTE. Assistant City Manager Medary indicated that staff could look at other technical approaches as well.

Ms. Ortiz, seconded by Mr. Brown, moved to extend the meeting for ten minutes. The motion passed, 7:1; Ms. Taylor voting no.

Ms. Taylor emphasized the council's authority over the MUPTE. She left the meeting.

Mr. Brown feared that Capstone Collegiate Communities would sell the development as it had sold developments in other communities and would not continue to manage it. The problems occurred after the developer was gone, which heightened the importance of ensuring the developer's commitments were transferable to another party.

Mayor Piercy adjourned the meeting at 1:33 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)

MINUTES

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

May 9, 2012
Noon

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

Her Honor Mayor Kitty Piercy called the May 9, 2012, work session of the Eugene City Council to order.

**A. WORK SESSION:
Capstone Collegiate Communities Student Housing Development Proposal**

Ms. Ortiz declared a potential conflict of interest due to her employment with PeaceHealth.

City Attorney Emily Jerome asked the council to address the street vacation prior to discussing the Multi-Unit Property Tax Exemption (MUPTE) application, noting the alley vacation was a quasi-judicial land use decision that included a discrete record (now closed) and any contacts specific to the vacation could be part of the council decision if not disclosed in the existing record. She reported that the applicant had waived the time allowed under Oregon statute for rebuttal so the council could act on the vacation that day.

Associate Planner Becky Taylor reviewed the four public comment periods that occurred in regard to the application and said staff responded to testimony received in a memorandum to the council dated May 8, 2012.

Ms. Taylor reported that prior to the close of the record on May 1 the applicant withdrew a portion of Willamette Alley from the right-of-way vacation request. It would continue to provide full public access and would remain as is. West 12th Avenue would be vacated as proposed. She reminded the council that the criterion for approval of the vacation was that the council determine it was in the public interest (Eugene Section 9.8725). Staff had prepared findings supporting the conclusion that the vacation was in the public interest. The applicant had met the consent requirements and the City had provided public notice consistent with State statute and local code.

Ms. Taylor recommended approval of the right-of-way vacation.

Mr. Brown wished to offer the body a motion regarding the MUPTE. He said if the council failed to approve the MUPTE there was no reason to consider the vacation. Noting that the MUPTE had an open record and the council could discuss it at any time, City Attorney Jerome confirmed the council could address the MUPTE first. She pointed out that the vacation ordinance was written so it would not take place unless the development process proceeded to the building permit stage. Mr. Brown found his preferred order more logical.

Mr. Brown, seconded by Ms. Taylor, moved to adopt the revised resolution as presented in the document in front of councilors, which approves a MUPTE for property located in the vicinity of Olive Street and 13th Avenue.

Mr. Brown distributed copies of a revised resolution and contrasted his proposed resolution to the resolution provided to the council in the meeting packet.

Ms. Taylor, seconded by Mr. Brown, moved to amend Section 1.6 of the resolution to add the following subsection: The MOU shall require compliance with the standards for construction noise and air quality, tenant noise, parking and apartment management as described in the May 8, 2012, letter from the Olive Plaza management and resident representative, except that the word “should” is replaced with the word “shall” for all standards.

Mr. Clark, seconded by Mr. Poling, moved to table the motion. The motion passed, 5:3; Ms. Taylor, Mr. Zelenka, and Mr. Brown voting no.

Mr. Clark, seconded by Mr. Poling, moved to address the alley vacation first and to adopt Council Bill 5070, an ordinance vacating West 12th Avenue, located between Olive Street and Willamette Street. The motion passed, 6:2; Ms. Taylor and Mr. Brown voting no.

Mr. Brown, seconded by Ms. Taylor, moved to bring the tabled motion back to the table. The motion passed unanimously, 8:0.

Senior Planner Nan Laurence and Urban Services Manager Denny Braud of the Planning and Development Department led the council through a PowerPoint presentation that responded to earlier council questions, outlined the project benefits and impacts, and overviewed the conditions incorporated into the City’s agreements with the project developer. Councilors were provided with copies of a triple bottom line analysis of the project.

Councilors asked questions clarifying the details of the presentation.

The council then considered the tabled amendment:

I move to amend Section 1.6 of the resolution to add the following subsections: the MOU shall require compliance with the standards for construction noise and air quality, tenant noise, parking, and apartment management as described in the May 8, 2012, letter from the Olive Plaza management and resident representative, except that the word “should” is replaced with the word “shall” for all standards.

Mr. Zelenka asked questions clarifying the distinctions between what was called for in the letter from Olive Plaza management and what was mandated by City Code and observed that the amendment seemed to establish a new air quality standard. In addition, it proposed that Capstone Collegiate Communities provided a separate parking at below-marking rates for Olive Plaza, which had been constructed without its own parking. Mr. Zelenka suggested that an ordinance that mandated on-site management for such development would address many of the concerns expressed by Olive Plaza management.

Mr. Clark said if the code was deficient the council should address those deficiencies. He was unclear on the implications of the amendment and could not support it because it was presented so late in the process.

Mr. Brown pointed out to Mr. Clark that the council received the Olive Plaza management letter three days earlier. He did not think the code provided sufficient protections for Olive Plaza residents, who were very worried about the project's impact. He wanted to provide those protections. He also pointed out the many people who came downtown or passed by every day that might be affected by construction. Mr. Brown questioned how Capstone Collegiate Communities environmental analysis could be considered proprietary. He believed the council should have access to that information or it would not be doing its job.

Speaking to the issue of parking, Mr. Brown said the parking was for the caregivers as well as residents. Olive Plaza was offering to pay for the spaces at rates greater than those charged to occupants.

Mr. Farr suggested the council avoid dissecting individual projects on an *ad hoc* basis. He agreed with Mr. Clark that if code deficiencies existed, they should be addressed by the council.

Ms. Ortiz did not support the motion, although she thought the concerns raised by Olive Plaza management were valid. She concurred with Mr. Clark about the appropriate approach to existing code deficiencies.

Mr. Brown questioned the staff conclusion that no lead paint was present, maintaining the substrate "has got to contain lead in there somewhere." Ms. Laurence said with the exception of the lead found in the x-ray facilities no lead was found. Mr. Brown asked who performed the analysis. Ms. Laurence did not know and said she could follow-up. Mr. Brown emphasized the dangers of lead and the importance of appropriate construction methods to contain it.

Mr. Poling said he could not support the amendment, which he interpreted as moving the goal posts in the middle of the process. He also objected that the amendment had been presented without prior notice to the council.

Mr. Farr, seconded by Mr. Clark, moved to call the question. The motion failed, 5:3; Mr. Poling, Mr. Clark, and Mr. Farr voting yes.

Mr. Zelenka agreed with Ms. Ortiz that the concerns expressed by Olive Plaza management were valid but he also questioned the last-minute nature of the amendment and the lack of time for staff analysis of its implications. He suggested the council address the concerns on a broader basis as suggested by Mr. Clark. He believed it was inappropriate to require Capstone Collegiate Communities to comply with rules that other developers were not required to follow.

Mr. Zelenka pointed out to Mr. Brown that the City did not require other proposed construction projects to supply an environmental analysis but it did require them to comply with all applicable laws related to demolition and the health and safety of citizens. If those rules were inadequate, the council should change them.

Ms. Taylor believed the project deserved more time for review due to its scope and location.

Mr. Brown said he would have preferred to have provided the resolution to the council earlier but had been attempting to respond to the many people who wanted to like the project but still had concerns. He said that a project in Baltimore had been delayed for two years to allow that city to address every concern expressed by residents.

The motion failed, 6:2; Ms. Taylor and Mr. Brown voting yes.

The council then considered the tabled motion:

I move to adopt the revised resolution as presented in the document in front of councilors which approves a MUPTE for property located in the vicinity of Olive Street and 13th Avenue.

Speaking to the failed amendment, Ms. Ortiz anticipated that the Lane Regional Air Protection Agency would be consulted in the demolition process and encouraged that BRING be involved in the materials disposal and recycling process.

Mr. Brown again reviewed the differences between his and the staff-proposed resolution and asked why the council would not wish to modify the resolution in such a way. City Attorney Glenn Klein said that the addition of text calling for consistency with the Eugene-Springfield Metropolitan General Area Plan increased the likelihood the council's decision and any subsequent building permits would be appealable to the Land Use Board of Appeals (LUBA) as discretionary decisions.

While Mr. Pryor appreciated Mr. Brown's effort to develop a compromise more broadly acceptable to more people, he agreed that the council had not had time to examine its implications. In addition to the issue raised by City Attorney Klein, Mr. Pryor was concerned about reducing the MUPTE time frame from ten to seven years as he perceived that would kill the project.

Mr. Pryor, seconded by Mr. Clark, moved to amend the original motion to adopt Resolution 5057 approving a MUPTE for property located in the vicinity of Olive Street and 13th Avenue as presented by staff.

Mr. Zelenka said the question of whether the council wanted MUPTE and any associated building permits to serve as appealable land use decisions was significant and deserved more than eleventh hour discussion. He shared Mr. Pryor's concerns about the reduced time frame and its impact on the project's financial viability.

Ms. Taylor questioned why the City would subsidize the risk for a development that was not clearly needed. She also questioned why the City Council would not want to enable an appeal.

Mr. Brown agreed with Ms. Taylor. He questioned the actual impact of removing the last three years from the MUPTE because of the anticipated rate of return. He pointed out that local governments were experiencing budgetary shortfalls and would benefit from the tax revenues the project would produce.

The amendment to the motion passed, 6:2; Ms. Taylor and Mr. Brown voting no.

Ms. Taylor, seconded by Mr. Brown, moved to have the MUPTE apply only to Capstone and end when and if it is sold.

At the request of Mayor Piercy, Mr. Braud explained the implications of the motion, which could result in lower rates of return for investors, making the project less attractive.

Ms. Ortiz preferred the proposal embodied in Mr. Pryor's motion. She pointed out the property in question had been vacant for five years. She did not think the council would be discussing a new development project at the site in the absence of the MUPTE.

Mr. Clark appreciated the intent of Ms. Taylor's motion but did not think the project would go forward if it passed. He pointed out that no government entity lost tax revenue that was not collected in the first place.

Mr. Zelenka highlighted the greater financial risk of projects constructed in downtown. He believed that the property in question would continue to be vacant in the absence of an incentive.

The motion failed, 6:2; Ms. Taylor and Mr. Brown voting yes.

Mr. Brown did not think anyone had made a successful argument that the proposal was the highest and best use of the property. He preferred to see it developed for mixed-use residential rather than dedicated to a transient student monoculture. He repeated his concerns about the environmental assessment and questioned the adequacy of the triple bottom line analysis. No one had demonstrated that there was a shortage of student housing. He did not think projected enrollment demonstrated a future shortage. Tenants who occupied the development would come from other existing rental units and disadvantage current landlords. He did not find the development to be in the public interest.

Ms. Taylor agreed with Mr. Brown's remarks. She suggested that the site could be developed in a manner more in the public interest. She did not think the council had taken sufficient time to review the project.

Ms. Taylor, seconded by Mr. Brown, moved to postpone action. The motion failed, 6:2; Ms. Taylor and Mr. Brown voting yes.

The amended motion passed, 6:2; Ms. Taylor and Mr. Brown voting no.

Mayor Piercy adjourned the meeting at 1:30 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)