

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Work Session: Eugene Water & Electric Board Riverfront Redevelopment Project and Riverfront Urban Renewal District Investments

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Meeting Date: May 13, 2015  
Department: Planning & Development  
Public Works  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: A  
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#### **ISSUE STATEMENT**

Working in partnership with Eugene Water & Electric Board (EWEB) and the University of Oregon Foundation Team, City staff has been making progress towards the redevelopment of the riverfront property and the creation of the regional River Districts. At this meeting, staff will present the council with a list of immediate and upcoming projects. The council (or the council acting as the Agency Board) will be asked to take action on three items related to the riverfront redevelopment: the 8<sup>th</sup> Avenue crossing design, initial design work related to the Quiet Zone, and the River Loans program. The council will also be asked to take action related to the regional River Districts on the use of funds for the development of the Walnut Station Multi-Way Boulevard facility plan.

#### **BACKGROUND**

The concept for the riverfront redevelopment reflects the community's vision, as depicted in the EWEB Riverfront Master Plan and codified through zoning. Additionally, the property is a critical piece of the community vision for the "River Districts," a set of vibrant and connected urban neighborhoods planned, designed, and built to celebrate and share the beauty of the Willamette River Greenway while sustainably driving regional economic prosperity. This riverfront redevelopment has the unparalleled potential to achieve the following objectives:

- Create a new downtown neighborhood;
- Provide an inviting place along the river for the entire community;
- Enhance connectivity along the riverfront path system;
- Strengthen the economic identity of the region with continued investment and enhancements in the downtown core area; and
- Build towards a regional River Districts concept, outlined in the Lane Livability Consortium.

The council last discussed the riverfront in a work session on March 11, 2015, which followed a discussion of the Quiet Zone on March 9, 2015. The council also toured the site on April 27, 2015.

## **CAPITAL INVESTMENT PROGRAM OVERVIEW**

City staff has identified a list of investments that are needed to support the EWEB riverfront redevelopment project and the River District vision. The immediate projects that support the riverfront redevelopment are of significant importance in providing EWEB and the University of Oregon Foundation an understanding of the City's potential financial commitments as they negotiate the land sale. Additionally, many of the investments are necessary for the University of Oregon Foundation to meet the goal for ground breaking in 2016.

Multiple funding sources are identified for the investments including Riverfront Urban Renewal District (RURD) funds, Transportation and Parks SDC funds, federal STP-U and TIGER grant funds, and state ConnectOregon funds. Additional sources will need to be identified to fully fund several of the projects.

### **Immediate Capital Investments**

These items are underway or should begin within the next six months. Four of the items require council or Agency Board action at this time. The other immediate items are underway, but do not require council action this time. The council has reviewed and taken action on numerous plans and policy documents that pertain to the development of the EWEB site, the riverfront park, the riverfront bike path system, and supporting infrastructure. Attachment A provides a list of the relevant adopted plans.

#### **1. 8th and Hilyard Railroad Crossing**

The existing railroad crossing at 8th and Hilyard needs to be relocated to align with 8th Avenue to provide direct public access to the riverfront area. The first step is to design the crossing based on engineering and safety requirements and consistency with the EWEB Riverfront Master Plan. The City will need to coordinate closely with the Federal Rail Administration to ensure the design includes supplemental safety measures that meet Quiet Zone standards.

The June supplemental budget will include \$140,000 in Riverfront Urban Renewal District (RURD) funds to design the 8<sup>th</sup> Avenue crossing.

#### **2. Railroad Quiet Zone**

The Quiet Zone is a critical piece of the infrastructure improvements needed for the redevelopment of the EWEB property and for downtown and surrounding neighborhoods, particularly for future housing development.

The June supplemental budget will include \$100,000 in RURD funds to begin the design of Quiet Zone. The total cost of the Quiet Zone is estimated at \$7.4 million, but a funding plan has not yet been developed for the capital costs.

### **3. River Loans Program**

The Riverfront Renewal Loan Program (River Loans) is a new revolving loan program designed to encourage capital investment within the Riverfront Urban Renewal District. The primary goal of River Loans is to provide funding assistance to projects that meet the goals and objectives of the Riverfront Urban Renewal District Plan, EWEB Riverfront Master Plan, and the Eugene Downtown Plan. The program is designed to be flexible and responsive to unique redevelopment opportunities, challenges, and specific individual project financing needs of the riverfront area. It is intended to encourage private, non-profit, and public/private partnership development. The program is modeled after the Downtown Revitalization Loan Fund, which has assisted numerous property owners and businesses in the Downtown Urban Renewal District. The River Loans program will be funded through Urban Renewal District program revenue (i.e., non-tax increment dollars) with an initial loan pool of \$1 million dollars to be appropriated in the FY16 Budget.

The Riverfront Urban Renewal Plan requires the Urban Renewal Agency to adopt the loan program guidelines.

### **4. Riverfront Park**

An inviting and accessible public park along the Willamette River is a critical component to creating a new riverfront neighborhood district. A park will serve as an anchor amenity for new private development and create an access point to the riverfront for the community as a whole. City staff has begun determining the key environmental, engineering, and regulatory parameters for creating a park along the river that respects the natural setting, creates an amenity for future private development, and draws people from the entire community to experience and celebrate the Willamette River at this key site. This will be followed by the development of a concept design and construction cost estimate for the park.

The park concept was included as a key element in the approved EWEB Riverfront Master Plan and related zoning. It was one of the most publicly supported components of the entire redevelopment concept.

The FY 2016 – 2021 Capital Improvement Program (CIP) adopted by the City Council includes \$3 million in Parks SDC in the first two years to fund the park improvement plan. Significant additional funds may be needed to develop a legacy park project.

### **5. Willamette to Willamette Plan**

City staff is currently developing an infrastructure and public art plan connecting Willamette Street to the Willamette River to advance the long-held vision for connecting downtown to the river. The project will coordinate with future development including City Hall, Whole Foods, the Shedd Institute for the Performing Arts, the Farmers' Market, Lane County property, and the EWEB Riverfront Master Plan (including the relocated railroad crossing at 8<sup>th</sup> and Hilyard, the riverfront park, and riverfront redevelopment). Staff have begun working to identify needed improvements along 8<sup>th</sup> and 5<sup>th</sup> Avenues to make a better connection to the riverfront area and to create the riverfront loop. The plan will include public engagement and will be developed using existing budgeted funds.

## **6. Bike Share**

A public bike share system is being developed that will consist of approximately 170 bicycles and 24 stations located near residential, shopping, employment, and transit centers in downtown Eugene, the riverfront site, and nearby areas including the University of Oregon. This bike share system will fully integrate with a four-station, 40-bike system that is being implemented on the UO campus.

The Oregon Transportation Commission approved a Connect Oregon Grant of \$909,066 for the City's bike share system. The grant requires a local match of \$227,267.

## **7. Relocation and Reconstruction of the Riverfront Shared-Use Path**

The shared-use path is a key element in the community vision in the EWEB Riverfront Master Plan and the River District concept. The rebuilt path will create a strong bike/pedestrian connection between the riverfront site and the downtown core, as well as provide connectivity along the entire riverfront path system. The section of the riverfront shared-use path along the EWEB site is currently in such poor condition that it constitutes a safety hazard. The repairs that are periodically required to maintain this section of path are not cost-effective and lead to detours for path users. The reconstruction and relocation of the path will facilitate the development of the Riverfront Park and the riverfront site.

The Metropolitan Policy Committee is scheduled to act on the City's STP-U funding request of \$180,000 for design of the shared-use path on May 7, 2015. The match for the grant will come from Transportation Systems Development Charge funds. Construction funding will be requested in the next STP-U funding allocation process later this year.

## **8. Historic Preservation – Bow Truss Building**

The EWEB Operations Warehouse, or bow truss building, constructed in 1952, was originally built for storing reels of wire and other utility construction products. The building also housed the EWEB main office. This building has been identified for adaptive reuse due to its expansive space, construction, condition, and ability to tell the story of the industrial past of the site. King Estate has publicly announced its interest in the building. However, renovation and reuse of the building will require significant financial resources. The River Loans Program (see item 3 above) may provide one of the needed financing tools for the building renovation.

## **9. Affordable Housing**

The University of Oregon Foundation has expressed a desire to include affordable housing within the redevelopment project. Affordable housing on the riverfront site would help the many individuals and families in the community struggling to find housing they can afford. The City of Eugene works with a number of partners to create a range of stable, safe, and affordable housing opportunities throughout Eugene. The City will need to identify partners and tools to assist with project feasibility to help the Foundation create a project that will be competitive for low-income housing tax credits in the 2016 application

round. Other funding sources will likely be necessary and could include CDBG, HOME, Low-Income Housing Rental Property Tax Exemption (LIHRPTE), and SDC waivers.

#### **10. Walnut Station Multi-Way Boulevard Facility Plan and Environmental Studies**

Converting Franklin Boulevard from its existing configuration to a multi-way boulevard is a core component of the vision for the Walnut Station Mixed-Use Center, creating an entryway to the University of Oregon, the riverfront site, and downtown. Transforming the street is seen as a necessary step to encourage properties along Franklin to redevelop at higher densities and with a mix of uses. The multi-way boulevard design supports the increased redevelopment envisioned by providing a safer and more pedestrian-friendly environment, including curb extensions, wider sidewalks that provide areas for street amenities and opportunities for café seating and other outdoor activities. It provides an opportunity to improve a key corridor and connector between the University of Oregon and the riverfront site prior to the 2021 World Track and Field Championships.

Funding for the Walnut Station Multi-Way Boulevard facility plan and environmental studies will be requested in the next STP-U funding allocation process later this year. The City will request \$850,000 in STP-U funding with a City match of \$95,000 of RURD funds. If the grant request is approved, matching funds will be requested on a supplemental budget.

#### **Upcoming Capital Investments**

These items should be well underway within the next two to five years. Specific capital investments may require City Council action in the future and will be presented at the appropriate time.

##### **1. Willamette to Willamette Plan Implementation**

The Willamette to Willamette Plan will include a number of key implementation strategies. The plan will specify infrastructure improvements, such as streetscape and other improvements for 8<sup>th</sup> Avenue and potentially 5<sup>th</sup> Avenue. The plan will also include two-way traffic on 8<sup>th</sup> Avenue, a priority project. Funding for these improvements needs to be identified so that design work can coordinate with the build-out of improvements on the riverfront.

##### **2. Walnut Station Multi-Way Boulevard Implementation**

Upon completion of the facility and environmental documentation, the City will pursue funding for final design and construction through the federal TIGER grant program. TIGER grants focus on capital projects that generate economic development and improve access to reliable, safe and affordable transportation for both urban and rural areas. They also emphasize improved connections to employment, education, services, and other opportunities, workforce development, or community revitalization. The minimum grant amount is \$10 million and requires a local match of 25 percent.

##### **3. Historic Preservation (Steam Plant)**

The Steam Plant was constructed in phases between 1931 and 1950 to house steam boilers and turbines. The multi-story masonry and steel-framed building supplied steam to

downtown properties until it was decommissioned in 2012. EWEB has spent approximately \$1 million in remediation and demolition of the boilers and pipes which contained asbestos. Even with a vacant and remediated building, renovation of this structure will require significant financial assistance to transform it for a new use, as envisioned by the public engagement process and documented in the EWEB Riverfront Master Plan. There is no identified use for the facility at this time.

#### **4. Enhanced Streets, Sidewalks and Open Spaces**

The EWEB Riverfront Master Plan envisioned an enhanced pedestrian environment that connects sites within the riverfront area and back to downtown. The enhanced paths may include elements such as integrated stormwater features, lighting, sidewalk treatment, seating, public art, and interpretive signing. The goal is to create a high quality and unique pedestrian experience that ties the river to the urban landscape.

#### **5. Parking**

The east end of downtown has seen significant redevelopment in recent years, including the Northwest Community Credit Union, Sam Bond's Brewing in the Foundry Building, and the Hub. Activities in this area have already overtaxed available parking; development on the riverfront will be further hampered by the lack of parking. Providing parking is essential so that visitors, residents, and customers can park once, and then easily access the activities and the natural environment along the riverfront. In addition to a parking study, public/private partnership opportunities may need to be identified to address this critical issue, both for the riverfront as well as nearby redevelopment sites.

#### **6. Parks and Recreation System Plan**

The Parks and Open Space and Recreation Divisions have launched a planning process to create a renewed vision for the Eugene parks and recreation system. This planning process is expected to be completed in late 2016, and includes extensive community engagement about the future needs for parks and recreation facilities over the next 10 years. A new list of priority projects is expected to be generated as a result of this process. One of the key items that will be discussed relates directly to the new riverfront park at the EWEB site. This idea has to do with looking at revitalizing the parks, open spaces, and paths along both sides of this section of the Willamette River. A new master plan to update Alton Baker Park; what to do about improving the access and use of the Cuthbert Amphitheater; how to make better connections for the river path between the Frohnmayer and Knickerbocker Bridges on the south bank of the river; and what potential park spaces might be developed on the University of Oregon property immediately east of the EWEB property would all be under consideration within the context of this vision. The new riverfront park on the EWEB property is a key starting point from which to make these future improvements and establish connections between the riverfront parks network and downtown.

### **TRIPLE BOTTOM LINE ANALYSIS**

The Triple Bottom Line (TBL) approach is a framework for analysis and discussion that incorporates community values of environmental resource management, culture and social equity, and economics and prosperity. The TBL analysis is not specifically a decision-making

framework; policy direction is still required to weigh and balance competing interests. The TBL approach can provide insight to assess and describe outcomes that may lack quantifiable market values, yet have value to the community. The analysis can help inform decisions regarding the use of public funds, so that public investments focus on elements that yield the greatest benefit to the community, where benefit is defined as both market and non-market values.

Attachment B provides a summary table and detailed analysis of the TBL impacts for the different public investments. The analysis found that the redevelopment of the former industrial site has many positive elements and limited downside consequences. The following are the key findings of the TBL review:

- **Benefits of development without displacement.** With the history of industrial uses on the site, new development will not push out vulnerable populations. Instead, it will contribute jobs and housing for a variety of income levels, including affordable housing for low-income households.
- **Creation of a 20-minute neighborhood.** The mixed-use character of the development, along with the street improvements and proximity to downtown, will establish a model neighborhood with greater connectivity and opportunities for auto-free travel and lifestyle.
- **Multiple economic benefits from a showcase destination development.** The project promises a variety of economic benefits, both in the short and long term, including jobs, tourism, retail, and other commercial activity. These will contribute to the growing economic vitality of Eugene's downtown.
- **Expand the property tax base.** The private development of the site will create substantial new taxable value and associated tax revenue. The added tax revenue will become available to local governments after the RURD is terminated.
- **Significant addition to cultural identity and place-making.** The project location and design embraces the City's relationship to the Willamette River and creates an inviting, accessible shared space that can be a source of civic pride and identity.
- **Environmental benefits of brownfield site restoration.** Development of the site will prompt environmental remediation to address contamination from historic practices, preventing potential pollution and ecosystem degradation, and restoring the site to productive and safe use. In addition, the development of the park will restore the riparian function of the riverbanks.

## **FINANCIAL CAPACITY**

### **1. Financial Capacity of the RURD**

The FY16 Proposed Budget includes approximately \$9.4 million in available funds that can be used for projects included in the RURD Plan. The actions contained in this funding request total \$240,000, which is well within the financial capacity of the RURD. As mentioned earlier, there is also \$1 million included in the FY16 Proposed Budget to start the River Loans program.

The capacity of the RURD to fund more significant capital improvements will be based upon the timing and amounts of any project, as well as the remaining "maximum indebtedness"

capacity of the district. "Maximum indebtedness" is a spending cap over the life of the district and is set at \$34.8 million for the RURD. A portion of that spending capacity has already been committed, leaving approximately \$25-\$30 million for additional projects over the life of the district.

## 2. Other Financial Resources

Other financial resources include the following:

- **Transportation System Development Charges** funds are limited to capacity-increasing capital improvements on the arterial and collector-street and off-street shared-use path systems. These funds may provide the local match to federal grant funds for upgrading and relocating the existing shared-use path.
- **Parks System Development Charges** funds are limited to capacity-increasing park capital improvements. These funds are programmed to fund the Riverfront Park.
- **Surface Transportation Program – Urban (STP-U)** funds are programmed by the Central Lane Metropolitan Planning Organization to specific projects. These funds must be matched with local or other non-federal funds at a minimum ratio of 10.27 percent of the total funding. These funds may be used to upgrade and relocate the existing shared-use path.
- **Transportation Investment Generating Economic Recovery (TIGER)** funds are discretionary grants that require a 25 percent non-federal match and fund capital investments in surface transportation infrastructure and are awarded on a competitive basis nationally to projects that will have a significant impact on the nation, region, or metropolitan area. These funds could be used to implement the Walnut Station Multi-Way Boulevard.
- **ConnectOregon** was created in 2005 by the Oregon Legislature to invest the proceeds of lottery-backed bonds in grants and loans to non-highway transportation projects that promote economic development in Oregon. In 2015, the City received a \$909,066 ConnectOregon grant to fund the implementation of a bike share system.

## RELATED CITY POLICIES

Redevelopment of the EWEB Riverfront property supports many goals for Eugene and downtown, as listed below. As this project moves into the implementation phase, the City's primary focus throughout will be guiding redevelopment of the property aligned with the community's vision as expressed in these adopted plans and policies.

### *Eugene Downtown Plan*

- Incorporate the Willamette River as an integral element to downtown planning and development.
- Collaborate with EWEB to encourage relocation of its utility facilities. Create a "people place" that is active, vibrant, accessible and multi-use.
- Facilitate dense development in the courthouse area and other sites between the core of downtown and the river.
- Stimulate multi-unit housing in the downtown core and on the edges of downtown for a variety of income levels and ownership opportunities.
- Downtown development shall support the urban qualities of density, vitality, livability



- and diversity to create a downtown, urban environment.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
- Use downtown development tools and incentives to encourage development that provides character and density downtown.
- Facilitate dense development in the courthouse area and other sites between the core of the downtown and the river.
- Promote adjacent park and open space areas as a valuable complement to downtown's urban places. Improve connections between downtown and nearby nature areas.

#### *Envision Eugene Pillars*

- Promote compact urban development and efficient transportation options.
  - Integrate new development and redevelopment in the downtown, in key transit corridors and in core commercial areas.
  - Meet the 20-year multi-family housing need within the existing Urban Growth Boundary.
  - Make compact urban development easier in the downtown, on key transit corridors, and in core commercial areas.
- Provide housing affordable to all income levels.
- Provide ample economic opportunities for all community members.
- Protect, repair, and enhance neighborhood livability.
- Protect, restore, and enhance natural resources.

#### *Regional Prosperity Economic Development Plan*

- Strategy 5: Identify as a Place to Thrive - Priority Next Step - Urban Vitality
  - As we foster a creative economy, dynamic urban centers are an important asset. Eugene, Springfield and many of the smaller communities in the region recognize the importance of supporting and enhancing vitality in their city centers. Building downtowns as places to live, work and play will support the retention and expansion of the existing business community and be a significant asset to attract new investment. The Cities of Eugene and Springfield will continue to enhance their efforts to promote downtown vitality through development and redevelopment.

#### *Eugene Climate & Energy Action Plan*

- Increase density around the urban core and along high-capacity transit corridors
- Continue to expand and improve Eugene's bicycle and pedestrian infrastructure and connectivity to increase the percentage of trips made by bike and on foot.

#### *City Council Goal of Sustainable Development*

- Increased downtown development

### **COUNCIL OPTIONS**

The council options include: 1) Approve the suggested motions; or 2) Take no action at this time.

## **CITY MANAGER'S RECOMMENDATION**

The City Manager recommends that the City Council or Agency Board approve the motions.

## **SUGGESTED URBAN RENEWAL AGENCY BOARD MOTIONS**

1. Move to include the use of \$140,000 of RURD funds for the design of the relocation of the 8<sup>th</sup> Avenue crossing on the June supplemental budget.
2. Move to include the use of \$100,000 of RURD funds for design of the Quiet Zone on the June supplemental budget.
3. Move to approve the River Loans program guidelines.

## **SUGGESTED CITY COUNCIL MOTION**

Move to approve the submittal of an STP-U funding appropriation request of \$850,000 for the development of the Franklin Multi-Way Boulevard facility plan and environmental studies with the intention to use RURD funds of \$95,000 for the grant match.

## **ATTACHMENTS**

- A. Summary of Adopted Plans and Council Work Sessions
- B. Triple Bottom Line Analysis
- C. River Loans Program Guidelines

## **FOR MORE INFORMATION**

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