

MINUTES

Eugene City Council Virtual Work Session and Meeting of the Eugene Urban Renewal Agency Eugene, Oregon 97401

January 26, 2022
12:00 p.m.

Councilors Present: Jennifer Yeh, Claire Syrett, Emily Semple, Matt Keating, Alan Zelenka, Mike Clark, Randy Groves

Councilors Absent: Greg Evans

Mayor Vinis opened the January 26, 2022, work session of the Eugene Urban Renewal Agency in virtual format.

1. WORK SESSION – Steam Plant Redevelopment Proposed Terms

Community Development Director Will Dowdy provided an update on the Steam Plant redevelopment and reviewed the current investments, goals, and challenges of this project, which involves the transformation of the former Eugene Water and Electric Board steam plant.

Council Discussion:

- Councilor Zelenka – expressed appreciation for the historical investment and revenue possibilities for the City; asked about the total agency contribution; asked about system development charges and the source of funding for the agency payment of permit and building fees; asked about \$5.2 million gap funding strategies and possible actions if strategies are not acceptable, as well as whether any funding may come from private sources; asked if it can be made explicit in the agreement that no additional agency funding will be contributed; asked about the parking commitment and working with a buyer to identify 125 spaces and whether this number of spaces is required and could create a possible commitment for additional agency funding; expressed concerns over liability of asbestos abatement and selling the property as-is; asked and confirmed that housing developments within downtown riverfront are unlikely to be eligible for a Multi-Unit Property Tax Exemption.
- Councilor Clark – noted that there may be low-cost properties nearby that come with 250 parking spaces; asked whether it possible for the project to require additional City funding to address the parking issue; expressed concern about any potential use of funding that had been reserved for other projects, such as the Striker Field Park Development; asked if there any specific agreements in place between the proposed hotelier and outside restaurateurs; asked that staff speak to the importance of natural gas for any potential restaurant and hotel space and possible outcomes if restricted from using fossil fuels; asked if is it possible to put in specific caveats about the use of additional agency funds (save urban renewal funding) for parking development, and the potential impacts of such action.
- Councilor Keating – asked if the public will have access to restrooms in the general use spaces and whether that is articulated in the current deal points; asked for clarification about a private entity having exclusive concession rights to outdoor park spaces adjacent to the steam plant; questioned if this is the best use of public dollars; asked about the overall net benefit from property and income tax revenue, as well as projected figures for transient room tax revenue; asked if there is a snapshot over the next 10, 20, and 30 years showing the net benefit to the

City in revenue as it moves toward making a significant financial ask from the state; asked the City Attorney about a conflict of interest related to his current working relationship with the state legislature.

- Councilor Yeh – thanked staff for the presentation and expressed excitement about the project; said she believes it is better to use urban renewal dollars to save historic buildings as opposed to tearing them down; noted that the building has great historic value and it is no small task to make this building economically viable; concurred that commitment to electric building is a positive thing.
- Councilor Syrett – thanked staff and team for the presentation and their work; reminded the public that without this project the land in question would need to be remediated at a significant cost to the City and taxpayers; shared her enthusiasm that the development team has progressed despite ongoing challenges of the pandemic; noted that investment is small relative to investment that the development team will be seeking; said an estimate of \$350k in property taxes per year is good news and she is pleased to see that land which is currently generating no revenue will now be doing so, as well as becoming an amenity; said she expects the dynamic within the public spaces, such as use of open seating and public restrooms, will be similar to that of the 5th Street Public Market.
- Councilor Groves – thanked staff; expressed excitement about the project; said he is happy to see that the project has numerous local stakeholders, and their affection for and knowledge of Eugene is a positive; asked for an overview about the complexity of the project to help address community concerns that the money invested will be lost with the property being sold for \$1; clarified that this is more expensive than building a new structure on bare ground.
- Councilor Semple – noted she is a long-time supporter of this project; expressed appreciation for council sharing their concerns and the staff's response; agreed that open access to the public is crucial and appreciated seeing that remains a development priority.
- Mayor Vinis – expressed support for this large boon to the community; noted it is an extraordinary coordinated effort here and she appreciates the hard work that goes into it; reminded the group of Councilor Evans' previous interest in extension of urban renewal timeline.
- Councilor Zelenka – asked the City Attorney to assist with language for a “friendly” amendment to limit the use of additional agency dollars to close the expected funding gap
- Councilor Clark – echoed excitement about building redevelopment and support for the local development team, noting the vision of development plan is in line with City values; asked about the timeline for future amendments or alterations if council approves moving forward today and what ability there will be to make changes; confirmed that any decisions on funding will come back to council for approval; asked if the City will be responsible for contributing more money in the future if there are deficiencies; confirmed that a major cost is asbestos abatement; stated he will vote in favor and feels it is important to present a unified front when going to state legislature for funding.
- Councilor Syrett – stated there are creative ways to cover parking, such as downtown parking coupled with Lane Transit District shuttle service; however, purchasing additional buildings only for parking is not financially viable; said she hopes that the Oregon Bureau of Labor and Industries (BOLI) declares this a prevailing wage project but in case it is not declared as such, an amendment to any motions that prevailing wage be paid regardless is needed.
- Councilor Keating – thanked Councilor Syrett for inclusion of prevailing wage language; expressed that it would be good to for the City to include itself in the Community Benefits Agreement; stated that there are many positives to this project, such as creating an art hub, open community spaces and redevelopment and revitalization of vital riverfront area; asked if there is a approximation of the number of jobs that will be created were this to advance; expressed need for urban renewal district along transit lines – with millions of taxpayer dollars involved hopes there is support for such an endeavor.

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Keating, moved to authorize the Agency Director to enter into an agreement for the sale and redevelopment of the Steam Plant property that is consistent with Attachment A (“Proposed Terms for Sale of Steam Plant property”), with the addition of the deal point that the project shall be constructed with prevailing wage and continue working with the development team during the due diligence period to identify funding and strategies to cover the funding gap; it is understood that neither Agency nor City funds will be used to fill this funding gap. **PASSED 7:0**

- Councilor Clark – agreed with the prevailing wage addition; asked if for the sake of strategic approach to state legislature, should that piece be omitted to allow the state legislature an opportunity to make that determination.
- Councilor Syrett – said she expects this to be a BOLI prevailing wage project, the cost for which is already worked into the cost model and that the City would not give the dollars back in lieu of paying a prevailing wage.

2. WORK SESSION – Public Art Update (TABLED FOR FUTURE MEETING)

Due to time constraints, this item was postponed to a future meeting date (to be determined).

Mayor Vinis adjourned the meeting at 1:12 p.m.

Respectfully submitted,



Brooke Freed
City Recorder AIC

(Recorded by Jay Ferris)

Link to the webcast of this City Council meeting [here](#).