

MINUTES

Eugene City Council Virtual Work Session Eugene, Oregon 97401

February 22, 2022
5:30 p.m.

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

Mayor Vinis opened the February 22, 2022, work session of the Eugene City Council in virtual format.

1. **WORK SESSION – Riverfront MUPTE Applications – Lots 3BC, 7, and 9**

Community Development Director Will Dowdy, Business Development Analyst Amanda D'Souza, Development Analyst Dylan Huber-Heidorn and Economic Development Planner Anne Fifield provided information on the Multi-Unit Property Tax Exemptions (MUPTE) applications for three of the Downtown Riverfront redevelopment parcels – lots 3BC, 7, and 9 (map in Attachment A of the AIS).

Council Discussion:

- Councilor Zelenka – thanked staff for the clear presentation and packet of information; stated he wants to understand these applications in the context of MUPTE reforms; noted the independent analysis and pro forma are very helpful; discussed the importance of public benefits for MUPTE qualified projects; asked about project returns and performance; asked about the return rates for standard projects and the impact of MUPTE on that; asked about the developer's equity stake in these projects.
- Councilor Clark – asked for information on student housing utilizing MUPTE and the number of properties that took advantage of MUPTE; asked for the amount of taxes paid before and after the lapse of MUPTE; asked for the total impact on the economy for these projects; expressed hope that these projects move forward.
- Councilor Syrett – noted she is a big fan of riverfront developments and investments, but she must nonetheless ask tough questions and scrutinize applications thoroughly; asked about the total of deferred taxes for these projects; noted the original rationale of MUPTE focused on downtown development given the challenges presented by that area; asked staff to discuss the barriers faced by developers in building these lots as to justify the need for MUPTE; noted the design compatibility element of MUPTE and the goal of harmonizing new developments with adjacent neighborhoods; noted the building designs do not feel architecturally compatible with the adjacent Ferry Street neighborhood.
- Councilor Groves – thanked staff for the presentation; stated this is an important project to connect downtown to the river; expressed some disappointment that the housing density has been reduced; asked if there are any avenues to incentivize developers to bring back some of the reduced square footage; asked how many projects of a comparable nature have been completed downtown without MUPTE.
- Councilor Keating – thanked staff for the presentation; expressed enthusiasm about additional housing for the community but also has some questions and concerns; asked when MUPTE was last revised by Council; asked about ADA-accessible and pet-friendly units and if developers could provide an amount above state and federally mandated minimums.
- Councilor Yeh – thanked staff for their time and providing upfront information for review; asked what it means that the developer must be open to working with Minority-owned,

Woman-owned, or Emerging Small Business (MWESB), how that criteria is applied and how positive outcomes are tracked from these efforts.

- Councilor Evans – asked for a report of MWESB businesses that have been involved in MUPTE projects; stated his desire for more than names on streets in this development and that MWESB workers and businesses have opportunities to participate in these projects.
- Councilor Zelenka – clarified his issue with those receiving MUPTE that potentially did not need it in the first place; asked about ensuring public benefit and how the City confirms developers use 55 percent or more of local firms and MWESB; asked what happens if developers fall short of stated goals; asked how the City tracks that developers are compliant with paying a prevailing wage; asked how the City ensures green building and sustainability benefits are captured; asked for previous MUPTE recipients who opted to offer 30 percent or more of their units as affordable housing; asked about the timing of and how payments are tracked from developers to the affordable housing trust fund; asked if new setback requirements will be applied to these projects.
- Councilor Clark – provided an overview of 2015 MUPTE reforms; asked for total revenue dollars received from the construction excise tax; noted the construction excise tax has deterred the developments of homes in a market that badly needs them.
- Councilor Syrett – expressed appreciation for the well-organized presentation; stated she feels the building designs are overly modern; expressed appreciation for Councilor Groves’ concerns about building height and density and the missed opportunity for additional housing, but the current design is likely to be more conducive to a neighborhood feel; noted the independent analysis states the developer intends to charge rent higher than typical for this type of housing in Eugene; asked if there are any concerns they will have trouble attracting tenants; asked if electric vehicle charging stations are required by MUPTE green building criteria; asked for more information on Earth Advantage and Fitwel certifications; clarified the amount and timing of the \$2 million contribution to the affordable housing trust fund; stated she believes the MUPTE reforms were well done but would like to have another work session about the program.
- Councilor Keating – stated there should be an opportunity for Council to intervene should developers plans and commitments go sideways; expressed concern over the lack of tools to hold developers accountable to certain MUPTE requirements; asked about the aesthetics of the buildings and what staff consider to be the “most Eugene” thing about these projects; asked staff to speak to the mixed economy of these units and how tenants will be integrated.
- Councilor Clark – asked staff to clarify on the accountability measures of the MUPTE public benefit criteria; noted there is a lot of housing that would not have been built were it not for the MUPTE; stated the MUPTE program exists in a very delicate balance with the community, and to alter it dramatically may impact large-scale support and risk losing it as a tool to build much needed housing.
- Councilor Groves – asked the City Manager if there is a plan to maintain order in this area, as this could be another problem spot if adequate consideration is not given prior to moving people into this space.
- Councilor Zelenka – reminded all that prior to the 2015 reform by Council, there was no independent review or proforma of MUPTE projects, something which is now required.
- Mayor Vinis – stated she does not take issue with the proposed building aesthetic; questioned why so many buildings use brick given our location in the Cascadia subduction zone; stated her support for practical building heights that do not tower over the city; commented on MUPTE changes, noting there was a dry spell of applicants after Council reform in 2015, but developers eventually came around; noted applying for MUPTE can be a challenge due to the extra work it requires, but most see it as ultimately worth the effort given the opportunity to generate revenue; stated that if all goes through with these projects, it will result in a spectacular site in a new neighborhood and provide 381 much needed units of housing.

Mayor Vinis adjourned the meeting at 7:01 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Brooke Freed', written in a cursive style.

Brooke Freed
City Recorder AIC

(Recorded by Jay Ferris)

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