

MINUTES

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

January 22, 2024
5:30 p.m.

Councilors Present: Emily Semple, Matt Keating, Alan Zelenka, Jennifer Yeh, Mike Clark, Greg Evans, Lyndsie Leech, and Randy Groves

Mayor Vinis opened the January 22, 2024, work session of the Eugene City Council in a hybrid format at 101 W 10th Avenue, Eugene OR 97401.

1. **WORK SESSION AND POSSIBLE ACTION: An Ordinance Adopting An Amended Urban Renewal Plan For the Riverfront Urban Renewal District And Providing An Effective Date.**

City Manager Medary introduced Amanda D'Souza, Development Programs Manager, Will Dowdy, Community Development Director, and Maurizio Bottalico, Senior Financial Analyst, who presented on the Plan Amendment for the Riverfront Urban Renewal District.

Councilor Discussion:

- Councilor Clark – asked how changes to the collection of tax increment revenue for the Riverfront District would affect state funding for the 4J school district.
- Councilor Semple – stated concerns with the proposed the spending limit increase and length of time period; asked how the Riverfront affordable housing project would be affected if the spending limit increase was not passed; stated the importance of including affordable housing in the Riverfront project; asked if funding for the railroad quiet zone was from the previous urban renewal funds; asked for an example of using urban renewal fund dollars for government imposed fees; stated she does not think the electrical tower in Riverfront Park needs to be moved; asked why the city would pay for sidewalk repair in this district but not in other neighborhoods; stated she is major advocate for sidewalk repair and equity; stated she is uncomfortable with the proposed spending limit increase because the additional funds have not been assigned to specific projects; asked if today's vote will change the frozen base.
- Councilor Keating – asked how the 75 units of affordable housing are included in the development; asked if the affordable units would be in a separate building or included in the same building as market rate housing; asked for the latest update on the proposed use for the former steam plant; noted his enthusiasm for the plan.
- Councilor Groves – asked about the size of the Riverfront Urban Renewal District; asked about blight around the former Eugene Water and Electric Board building on the riverfront; asked if urban renewal dollars can be used to address blight; asked if changes to the tax district affect Bethel school district as well as 4J school district.
- Councilor Zelenka – asked if the developers for the steam plant need to secure any additional funds besides the 6.3 million from the city; stated he is not a fan of tax

increment financing or urban renewal districts because he feels it negatively affects the general fund; noted the city will soon be asking for additional revenue or making cuts to general fund services; stated he would support the plan if more funding was going to housing; stated concerns about the spending limit and length of time period; stated he would not support the proposal.

- Mayor Vinis – noted Council can increase the funds dedicated to housing.
- Councilor Semple – asked if plans for the funds can be amended.

MOTION: Councilor Groves, seconded by Councilor Keating, moved to approve an Ordinance Adopting an Amended Urban Renewal Plan for the Riverfront Urban Renewal District. **VOTE: PASSED 6:2** (opposed by Councilors Semple and Zelenka)

2. WORK SESSION:

A. Downtown Core Housing Initiative

B. Downtown Core Housing Initiative – Downtown Fee Assistance

City Manager Medary introduced Anne Fifield, Economic Development Manager and Amanda D'Souza, Development Programs Manager, and Will Dowdy, Community Development Director who presented on the Downtown Core Housing Initiative.

Councilor Discussion:

- Councilor Semple – noted her appreciation for the thoughtful ideas presented including the simplified Multi-Unit Property Tax Exemption (MUPTE) program; asked why the program would be limited to the downtown core; stated the accelerated MUPTE program should not be limited to the downtown core; asked if Council has rejected any MUPTE applications; stated Council's review of MUPTE applications does not significantly slow the application process; noted more community engagement is needed, particularly with the Downtown Neighbors Association; stated her support for both proposed plans, the accelerated MUPTE and the Downtown Fee Assistance.
- Councilor Evans – asked if the project planned for 1059 Willamette is an example of meeting downtown construction challenges; asked if the City is considering using tax increment financing to purchase surrounding buildings; asked if there is a limit to using tax increment financing for those type of projects; noted the difficulties of demolition and debris removal for downtown developments; asked if downtown fee assistance waives systems development charges and permit fees; clarified the City would be using Urban Renewal funds to cover those charges and fees.
- Councilor Keating – asked if the potential accelerated MUPTE boundary extends past the Urban Renewal area; stated his interest in applying the accelerated MUPTE process to other areas; asked how the City will avoid using urban renewal funds for student housing and vacation rentals; asked how an accelerated MUPTE program would affect the conversion of retail space to residential; asked how many MUPTE applications have come before Council in the last 12 years; asked if the accelerated program would double the amount of MUPTE applications within the boundary; stated Council should retain the authority to review MUPTE applications.
- Councilor Yeh – noted her appreciation for the review of the MUPTE program; stated her support for both suggested programs; asked if there is a downside to expanding the

boundary for the accelerated MUPTE program; asked for a future conversation about the implications of extending the program boundary.

- Councilor Zelenka – noted more housing is developed outside of the MUPTE boundary than within it; stated developers may have built housing without the incentive of a MUPTE; stated there are a number of factors disincentivizing construction of housing in downtown; does not believe these two programs will solve those problems; asked if there is an analysis of barriers preventing development in downtown; asked how many additional development projects these programs might generate; asked if there is evidence that creating an accelerated MUPTE program will increase housing projects; noted he does not support removing Council’s review as part of the accelerated process; asked how reducing or eliminating system development charges (SDC) and permit fees has affected housing construction.
- Councilor Groves – noted it is difficult to arrange demolition and staging areas for construction in downtown; stated it is important to encourage housing in the downtown core to reclaim the area from chronic behavioral and crime issues; stated the downtown core generates the most property tax revenue.
- Councilor Clark – noted the importance of increasing housing; asked to discuss the incentivization of developing property that is for sale in addition to rental properties.
- Councilor Leech – stated her support for both proposed programs; believes Council should focus on downtown core development to support local businesses; stated the importance of developing the highway 99 corridor as well; noted the accelerated MUPTE program can be reevaluated in two years; stated Council should retain the right to review applications; asked if the City can offer low interest loans to developers; asked about the moderate income housing contribution requirement for MUPTE projects; noted developers find it hard to meet that requirement; asked about other ways developers can meet Eugene’s need for affordable housing.
- Mayor Vinis – noted the program discussion was initiated out of need to invest in our downtown; noted Council has approved all MUPTE applications because they had initially set very clear criteria; stated her interest in the discussing the barriers around building condos.
- Councilor Semple – stated that while it is important to support the downtown core, housing is needed across the city; noted urban renewal dollars are available to developers in the downtown core; asked if there is a cutoff for the downtown fee assistance; stated community and Council review of MUPTE applications is not necessary but that she’d like to keep it on the consent calendar; noted there is nothing to lose by trying the programs.
- Councilor Keating – stated his support for using the programs to incentivize housing beyond the downtown core; asked how the City can support best labor practices with MUPTE projects; stated he prefers housing to be built where it does not require the displacement of current tenants; stated he would like to see more safeguards preventing the displacement of tenants for housing construction.
- Councilor Zelenka – stated MUPTE applicants agree to follow all laws and regulations or risk having their tax exemption revoked.
- Councilor Groves – stated his support for fair labor practices.

MOTION: Councilor Groves, seconded by Councilor Keating, moved to direct the City Manager to prepare an Accelerated MUPTE program

proposal based on City Council feedback and schedule a work session for Council to review the proposed program.

MOTION TO AMEND: Councilor Zelenka, seconded by Councilor Evans, moved to amend the motion to not include the Council review evaluation criteria.

Councilor Discussion:

- Councilor Yeh – asked if the amended motion would eliminate the opportunity to have a discussion around amending Council review evaluation criteria for the accelerated MUPTE program.

VOTE ON MOTION TO AMEND: FAILED 2:6 (Opposed by Councilors Semple, Keating, Yeh, Clark, Leech, and Groves)

VOTE ON MAIN MOTION: PASSED 7:1 (Opposed by Councilor Zelenka)

Mayor Vinis closed the meeting of the Eugene City Council and convened a meeting of the Eugene Urban Renewal Agency.

MOTION: Councilor Groves, seconded by Councilor Keating, moved to direct the Agency Director to schedule action on a resolution implementing the Downtown Fee Assistance Program as described in Attachment A to this AIS. **VOTE: PASSED 8:0**

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,



Katie LaSala
City Recorder

(Recorded by Cherish Bradshaw)

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