

MINUTES

Eugene City Council Work Session Eugene, Oregon 97401

October 23, 2024
12:00 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 October 23, 2024, Eugene City Council Work Session in a virtual format.

1. **WORK SESSION: Revenue Proposal: Fire Service Fee**

City Manager, Sarah Medary, introduced Chief Financial Officer, Twylla Miller, who provided an overview of the draft ordinance and fee structure for the proposed Fire Service Fee.

Councilor Discussion:

- Mayor Vinis – noted the City's website has a helpful facts, answers, and questions (FAQ) section.
- Councilor Groves – noted the City is facing a city-wide funding problem, not a fire department problem; noted the fire department has not grown despite the increase in calls and complexity; noted the community survey did not have a question about the fire department on it; noted fire services are foundational; noted support for having a public hearing.
- Councilor Leech – noted she learned at the League of Oregon Cities conference that other cities are addressing similar challenges by implementing utility fees; noted adding a new fee is not a simple decision; noted the fire department has adapted to changes and increased efficiency, but additional investment is needed; noted the fee structure has protections for low-income individuals; noted community members have voiced concerns about further budget cuts; noted support for having a public hearing.
- Councilor Clark – noted support for expanding the tax base through housing and business development to address the long-term revenue issue; asked for the number of positions added to Fire and Emergency Medical Services (EMS) versus Library, Recreation, and Cultural Services since 1988; noted concern with the general fund allocation between the two departments.
- Councilor Yeh – noted the complexity of the problem; noted support for having a public hearing.
- Councilor Zelenka – noted the City has worked on controlling costs as thirteen of the previous sixteen budgets were cut budgets; noted the population increased without staff increasing proportionately; noted support for enhancing fire services; noted

the proposed fee is transparent with protections for low-income individuals; noted further cuts would negatively impact essential services and quality of life.

- Councilor Semple – noted the City needs increased tax revenue, housing, and jobs; noted the proposed fee enhances the fire department and maintains City operations; noted further cuts would hinder City operations; noted support for the fee structure as it is the least regressive, has protections for low-income individuals, and incentivizes smaller homes; noted support for having a public hearing.
- Councilor Keating – noted support for increasing revenue through a soda or Department of Motor Vehicles fee; noted concern with disproportionately burdening middle-income families with the proposed fee; noted fire services are critical services, not a benefit; noted support for having a public hearing but is not yet in support of the fee.
- Mayor Vinis – noted an increased tax base would not increase tax revenues proportionally to the cost of serving the increased tax base; noted the library is an essential resource that was critical during the Coronavirus pandemic; noted the fire fee is an upstream solution; noted Council needs to address both emergency services and well-being, which are in the Strategic Plan.
- Councilor Groves – noted expanding single-occupancy detached housing leads to a revenue loss; noted the solution is to grow the economy and support business expansion.
- Councilor Clark – noted support for attracting new businesses to expand the tax base beyond existing taxpayers.
- Councilor Semple – noted support for attracting new businesses to expand the tax base beyond existing taxpayers; noted the need to implement a solution until the tax base increases.
- Councilor Yeh – noted cutting \$10 million from the budget would negatively impact residents and businesses.

MOTION: Councilor Keating, seconded by Councilor Groves moved to direct the City Manager to schedule a public hearing on the ordinance establishing a Fire Service Fee as set forth in Attachment A to this AIS.

VOTE: 8:0 PASSED

Councilor Discussion:

- Councilor Clark – noted his vote is in support of the public hearing not the proposed fee.

2. WORK SESSION and POSSIBLE ACTION: An Ordinance Concerning Multi-Use Property Tax Exemption; Amending Sections 2.945, 2.946, and 2.947 of the Eugene Code, 1971 and Providing a Sunset Date.

City Manager, Sarah Medary, introduced Development Programs Manager, Amanda D'Souza, who provided an overview of an ordinance to implement an Accelerated Multi-Unit Property Tax Exemption (MUPTE) program.

Councilor Discussion:

- Councilor Clark – noted concern with the feasibility of the potential projects due to the high cost of money; noted local developers are engaged in more economically feasible communities; noted support for approving the proposal; noted interest in focusing on City-controlled areas, such as the North Butterfly Lot or Kesey Square; noted support for considering other tools, including Tax Increment Financing (TIF).
- Councilor Groves – noted concern with the limited results of the proposal; asked for a presentation on the Climate Friendly Areas Study before making decisions; noted support for the labor protections; noted interest in accelerating the development of the North Butterfly Lot and other City-controlled areas; noted downtown development is needed to address behavioral and housing issues.
- Councilor Zelenka – noted opposition to eliminating the public benefits as the MUPTE should provide tangible benefits to the community; noted interest in creating other development mechanisms; noted support for affordable housing efforts; asked for a status update on the North Butterfly Lot development.
- Councilor Yeh – noted support for approving the proposal but noted concern about whether it goes far enough; noted support for a two-year review to assess progress and make adjustments; noted the value of urban open space and interest in refraining from developing Kesey Square; noted support for developing the North Butterfly Lot.
- Councilor Semple – acknowledged previous concerns with the MUPTE due to the low initial public trust; noted the MUPTE has resulted in benefits in Eugene; noted support for approving the proposal; noted interest in reviewing the public benefits at a later point; noted the current MUPTE can be used outside of the downtown core; noted support for developing the downtown core with a mix of market-rate and affordable housing; noted support for developing the North Butterfly Lot with retail on the first floor.
- Councilor Leech – noted support for moving the proposal forward and maintaining public benefits to align with the City's values and strategic plan; noted public benefits can work to protect the climate, ensure living wages, and create affordable housing; noted support for a future review of the MUPTE policy to evaluate its effectiveness and potential improvements.
- Mayor Vinis – noted the accelerated proposal and the larger MUPTE review could happen simultaneously; asked for information on smaller downtown properties that need the Accelerated MUPTE to move forward; noted moving the North Butterfly Lot and 8th and Pearl Lot into the Urban Renewal District created opportunities for downtown housing development.

- Councilor Clark – asked for an update on the plans for the North Butterfly Lot; noted support for developing the North Butterfly Lot for housing; asked if it is legal to incorporate TIF with zero-interest loans for developers, with a claw-back provision if profits exceeded expectations; noted interest in having the project done quickly to add to the tax base and bring housing downtown affordably.
- Councilor Groves – noted developers are facing significant challenges as most return rates for housing development are at 2 percent with higher interest rates; noted developing downtown is more complicated due to space constraints and demolition costs; asked if there is height limitation in the proposal; asked if a developer would be eligible for a MUPTE application for 120-foot structure.
- Councilor Zelenka – noted concern with the perception that developers are wealthy individuals benefiting from the system; noted maintaining public benefits is crucial for ensuring that the community also benefits from development.
- Councilor Groves – noted the main public benefit is the City receiving compact housing in the downtown core, which will help reduce vacant buildings and address behavioral issues.

MOTION Councilor Groves, seconded by Councilor Zelenka moved to adopt an Ordinance Concerning Multiple-Unit Housing Property Tax Exemption; Amending sections 2.945, 2.946, and 2.947 of the Eugene Code, 1971; and Providing a Sunset Date.

VOTE: 7:1 PASSED (Opposed by Councilor Zelenka)

Councilor Discussion:

- Councilor Clark – asked to receive a report on the program’s utilization before two years to make adjustments.

Mayor Vinis adjourned the meeting at 1:32 p.m.

Respectfully submitted,



Katie LaSala
City Recorder

(Recorded by Natalie Venhuda)

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