

MINUTES

Work Session of the Eugene City Council Harris Hall, 125 East 8th Avenue Eugene, Oregon 97401

September 11, 2019
12:00 p.m.

Councilors Present: Emily Semple, Betty Taylor, Alan Zelenka, Jennifer Yeh, Mike Clark, Claire Syrett, Chris Pryor, Greg Evans

Councilor Taylor opened the September 11, 2019, Work Session of the Eugene City Council in Mayor Vinis' absence.

1. WORK SESSION AND POSSIBLE ACTION: Ferry St. Manor – Application for Multiple-Unit Property Tax Exemption for Mixed-Use Property

Business Development Analyst Amanda D'Souza, Community Development Director, Michael Kinnison, and Economic Development Planner, Anne Fifield, presented information to council about a request for a Multi-Unit Property Tax Exemption for the Ferry St. Manor project, a proposed multi-unit housing development located at 1040 and 1050 Ferry Street.

Discussion

- Councilor Semple – inquired about the boundaries of the MUPTE; inquired about parking for the building associated with the MUPTE; expressed concern about the plan for Ferry Street Manor and Eugene Manor to share parking; expressed opposition to parking situation and inquired about alternatives; asked how developers will emphasize alternative modes of transportation, what month construction would begin; and what would happen if developers don't maintain the rates during the exemption period; asked about risks for the City regarding rental rates and potential upcoming recession; asked about a response to the minority report; expressed appreciation for project but hesitancy about investment and parking; expressed concern about tax exemptions.
- Councilor Clark – expressed appreciation for Councilor Semple's comments; discussed council development of public benefits criteria and how this project fits within those criteria; asked how the project tests concepts developed through conversations with neighborhood association and local developers.
- Councilor Pryor – discussed rent control bill restrictions to allay fears of increasing rents; discussed work in rewriting MUPTE requirements (public benefits) and support for MUPTE based on compliance with rules developed; expressed confidence in developers; shared concerns related to parking downtown but said it should not stall the project; discussed what could be developed on the lot instead of housing.
- Councilor Evans – inquired about the tax history of lot related to revenue the City has received from the lot.
- Councilor Syrett – asked if tax dollars are given to developers, whether the current property tax would continue to be paid during the exemption period, and if the developer would pay System Development Charges for parks, transportation and infrastructure; inquired rhetorically if project would take away from ability to pay for subsidized affordable housing; noted general community disapproval of MUPTE and other tax breaks in light of community needs; expressed reasons for approval of project and MUPTE.
- Councilor Zelenka – asked how student housing provision works for project; expressed support for the student housing provision despite lack of faith in that particular test;

expressed appreciation for aspects of the project; discussed history of MUPTE applications within his experience on council and opinions about projects that received and didn't receive a MUPTE in similar locations; asked questions related to necessity of MUPTE program; raised the concept of "but for" test.

- Councilor Taylor – asked whether there was a provision about using gas or electric energy; asked about eligibility for vacation rental use; inquired about 18-month validation related to green building requirements and the potential for extensions; inquired about moderate income rental rates for affordable rents; discussed concerns about affordability of moderate income rental units and to which units these belong; discussed concern regarding timing of approval and belief that the community and council need more time to learn about the project; discussed desire to postpone action until further consideration.
- Councilor Syrett – spoke to points by Councilor Zelenka regarding student housing and general program skepticism; noted the council has the option to review the MUPTE program and revisit the program criteria; shared reasons for preferring projects that include a financial contribution rather than providing subsidized units as part of MUPTE application.
- Councilor Yeh – expressed support for the project given developer's meeting or exceeding exceeding program requirements; expressed concern about issues that are raised after-the-fact if developers are meeting the requirements set by councilors.
- Councilor Zelenka – reiterated comments about student housing and the "but for" test; discussed rent considerations and disapproval of the provision; reiterated concerns about parking downtown; expressed opposition to application.
- Councilor Clark – discussed report created regarding student MUPTE applications and current property tax revenue and impact on the City; cited reasons for rebutting Councilor Zelenka's "but for" test concern; expressed agreement with Councilor Yeh's comments regarding council-imposed requirements for MUPTE applications.
- Councilor Pryor – discussed Councilor Zelenka's concerns regarding student housing provision and appreciation for provision; discussed appreciation about concerns about "but for" test discussed by Councilor Zelenka, and support for the conclusion determined by the project's financial analysis; discussed historical approval of MUPTE applications considered by council and support for approval of applications being considered by council only after meeting MUPTE requirements.
- Councilor Zelenka – discussed "but for" test further and difficulty in using that test to determine if there is true financial need for MUPTE in developing a property; expressed lack of faith in the test for determining the need for tax break.
- Councilor Taylor – discussed contracted financial advisor's potential lack of familiarity with Eugene; expressed agreement with parking concerns in downtown and need for council consideration; commented on Councilor Pryor's comments related to approval of MUPTE application by council after requirements met; expressed belief that not all properties of tax breaks will represent a return on investment.
- Councilor Syrett – commented on concerns about parking downtown; discussed reality of rental rates of downtown market rate units; discussed Councilor Zelenka's comments on properties which did not receive a MUPTE versus those that did in similar areas and further research on outcomes of these properties and the MUPTE program's viability.
- Councilor Clark – inquired about requirement regarding parking provision by developer in the downtown area they are located; discussed parking related to developer ownership of nearby properties.
- Councilor Pryor – asked what would happen if council took no action at all and council's role in approval or denial of application; reiterated support for MUPTE application based on program requirements and timelines.

- Councilor Taylor – commented on Councilor Pryor’s comments related to MUPTE application approval timelines.
- Mayor Vinis – reiterated comments made by Councilor Pryor, Clark, Syrett and Yeh regarding MUPTE requirements; expressed appreciation for development of housing in downtown core and for requirements being consistent and reliable for developers wanting to build in the community; expressed support for reviewing MUPTE requirements separate from approval of a specific application.

MOTION AND VOTE: Councilor Taylor, seconded by Semple, moved to postpone vote for approval of application until the next meeting. **FAILED** 3:5, Councilors Semple, Pryor, Yeh, Clark and Evans opposed.

MOTION AND VOTE: Councilor Semple, seconded by Councilor Pryor, moved to adopt a resolution approving a multiple-unit property tax exemption for residential property located at 1040 and 1050 Ferry Street, Eugene, Oregon (Applicant RNS Management, LLC. **PASSED** 5:3, Councilors Taylor, Semple, and Zelenka opposed.

The meeting adjourned at 1:17 p.m.

Respectfully submitted,



Beth Forrest
City Recorder

(Recorded by Samantha Roberts)

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