



**COUNCIL RESOLUTION NO. 5475**

**A RESOLUTION AMENDING RESOLUTION NO. 5439 AND  
APPROVING A MULTIPLE-UNIT PROPERTY TAX  
EXEMPTION FOR RESIDENTIAL PROPERTY LOCATED  
AT 131 EAST 5TH AVENUE, EUGENE, OREGON  
(APPLICANT OBIE COMPANIES, INC.)**

**PASSED: 7:1**

**REJECTED:**

**OPPOSED: Zelenka**

**ABSENT:**

**CONSIDERED: February 9, 2026**



## RESOLUTION NO. 5475

### **A RESOLUTION AMENDING RESOLUTION NO. 5439 AND APPROVING A MULTIPLE-UNIT PROPERTY TAX EXEMPTION FOR RESIDENTIAL PROPERTY LOCATED AT 131 EAST 5<sup>TH</sup> AVENUE, EUGENE, OREGON (APPLICANT OBIE COMPANIES, INC.)**

#### **The City Council of the City of Eugene finds that:**

**A.** OES #2, LLC (296 E. 5<sup>th</sup> Avenue, Eugene, Oregon), is the owner of real property located at 131 East 5<sup>th</sup> Avenue, Eugene, Oregon (Assessor's Map Number 17-03-30-44, Tax Lot 09700) ("the Property").

**B.** On April 26, 2025, the Eugene City Council adopted Resolution No. 5439, approving a property tax exemption pursuant to the City's Multiple-Unit Property Tax Exemption Program (Sections 2.945 through 2.947 of the Eugene Code, 1971 ("EC")), with respect to residential units and commercial spaces to be constructed on the Property ("the project").

**C.** Resolution No. 5439 specified that the multiple-unit property tax exemption (MUPTE) approval was for a project consisting of 41 studio units, 71 one-bedroom units, and 12 two-bedroom units, for a total of 124 residential units.

**D.** In October of 2025, Obie Companies (the applicant) proposed revisions to the project that necessitate the amendment of Resolution No. 5439. The proposed revisions include the addition of six dwelling units, a change in the unit mix, and the addition of balconies overlooking 5<sup>th</sup> Avenue. The project is not designed for the leasing of individual rooms or beds, for transient or vacation uses, or otherwise designed primarily for individuals attending college.

**E.** As revised, the proposed project will include 18 studio units, 78 one-bedroom units, and 34 two-bedroom units, for a total of 130 residential units.

**F.** The proposed project will also include approximately 7,136 square feet of commercial space for which the applicant has requested tax exemption. A MUPTE may be applied to commercial space when it is deemed to be a required design element or a public benefit of the project. The proposed commercial space along 5<sup>th</sup> Avenue will bring activity to a downtown Great Street and engage the building with the public realm in a way that could not be accomplished if the ground floor consisted of residential units. The inclusion of commercial space and activation of the street significantly contribute to the project's compliance with the Design and Compatibility public benefit subcriteria of scale, form, and quality; mixture of project elements; and relationship to the street and surrounding uses.

**G.** The proposed project will also include approximately 69,500 square feet of parking in an attached two-story parking garage. The bottom floor of the garage, approximately 35,750 square feet, will be used by non-resident visitors, such as customers of the commercial tenants.

The top floor of the garage, also approximately 34,750 square feet, will be dedicated for use by residents. The applicant has requested the exemption for the parking area dedicated for use by residents. Parking for residents supports the residential use, and, as proposed, meets requirements for parking and circulation.

**H.** An independent outside professional consultant was retained and reviewed the revised project's financial pro-forma.

**I.** The Executive Director of the Planning and Development Department ("the Executive Director"), as designee of the City Manager, prepared the Report and Recommendation attached to this Resolution as Exhibit A and incorporated herein by reference. The Report and Recommendation sets forth findings demonstrating that the revised project meets the criteria described in EC 2.946 and the conditions set forth in Multiple-Unit Housing Property Tax Exemption Rule R-2.945 ("Rule R-2.945").

**J.** Based on the findings in the Report and Recommendation, the Executive Director recommends that the Council amend Resolution No. 5439 to approve application of the MUPTE to the revised project. In making that recommendation, the Executive Director found that the applicant submitted all materials, documents, and fees as required in EC 2.945, EC 2.946, and Rule R-2.945, and the applicant is in compliance with the policies contained therein.

**K.** The City Council has concluded that the criteria described in EC 2.946 and Rule R-2.945 have been met.

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:**

**Section 1.** Based upon the above findings which are adopted, and the City Council's review of the Report and Recommendation of the Executive Director of the Planning and Development Department attached to this Resolution as Exhibit A and incorporated herein by reference, the City Council amends Resolution No. 5439 to approve the ad valorem property tax exemption under the City's Multiple-Unit Property Tax Exemption Program for the residential units and commercial space to be constructed at 131 East 5<sup>th</sup> Avenue, Eugene, Oregon (Assessor's Map Number 17-03-30-44, Tax Lot 09700) subject to the following conditions:

- 1.1 Compact Urban Development. The project will consist of the development of 18 studio units, 78 one-bedroom units, and 34 two-bedroom units, for a total of 130 residential units, none of which are for transient use or vacation occupancy. There are 7,136 square feet of commercial space on the ground floor of the building for which the applicant has requested tax exemption. The proposed project will also include approximately 69,500 square feet of parking in an attached two-story parking garage. The top floor of the garage, approximately 34,750 square feet, will be dedicated to residents and is included in the tax exemption. The bottom floor of

the garage, approximately 34,750 square feet, is not dedicated to residents and is not eligible for exemption.

Multiple-Unit Housing Property Tax Exemption Rule R-2.945 (“Rule R-2.945”) requires that in order to be eligible for a MUPTE, projects on residentially zoned properties must provide residential units equivalent to at least 175% of the minimum density applicable to the property’s zoning designation. The project will be built on land zoned with a combination of C-2 Community Commercial and C-3 Major Commercial, neither of which are residential zones and neither of which includes a minimum residential unit density.

The project will be constructed in accordance with the schematic drawing showing the site plan and major features and dimensions of the proposed development, as well as schematic drawings showing side, front, and back elevations of the proposed development, all of which are attached to this Resolution as Exhibit B.

- 1.2 Green Building. The project will utilize the City of Eugene Building and Permit Services Pathway to meet the MUPTE green building requirement and exceed the 10% energy efficiency threshold. The applicant will submit to the City of Eugene’s Building and Permit Services Division an energy model with the applicant’s development permit application. Within 18 months after receiving a certificate of occupancy, the applicant shall submit to the City a commissioning report pursuant to Section 1.1.2.3 of Rule R-2.945-C and will report multi-family occupancy energy use data to the City’s Building and Permit Services Division for the life of the MUPTE tax exemption.

The project’s on-site parking will include installation of conduit for future electric vehicle charging stations.

- 1.3 Local Economic Impact Plan and Compliance with Laws. A plan is in place that demonstrates that more than 50% of the dollar volume of the combined professional services and construction contracts are or will be from business organizations or individuals residing or doing business primarily in Lane County.

Applicant will ensure that qualified minority and women business enterprises have been given an equitable opportunity to compete for development related contracts by: (1) accessing lists of certified minority, women, emerging small business or disadvantaged business enterprises from the Oregon State Office of Minority, Women and Emerging Small Business (recently renamed the Oregon Certification Office for Business Inclusion and Diversity); (2) searching for Qualified Rehabilitation Facilities (now known as Oregon Forward Contractors) from whom to procure products and services via the Oregon State Qualified Rehabilitation Facilities Program (recently renamed the Oregon Forward Program) website; and (3) advertising in general circulation, trade association, and minority focused media about prime subcontracting opportunities.

The applicant will ensure that information about the City's Rights Assistance Program in English and Spanish is posted on the job site during construction of the project.

The applicant will ensure that the developer and its contractors and subcontractors comply with wage, tax, and licensing laws.

The applicant will have in place methods for ensuring that all contractors performing work are licensed and performing in compliance with state law.

The applicant will provide the City's Building and Permits Services Division with a list of all contractors performing work on the project. Prior to performing work on the project, contractors must have valid, current licensing, insurance, bonding, and workers compensation coverage, and must be on the list of contractors provided to the City.

The applicant will require that each contractor provide an affidavit attesting to the fact that (1) the contractor, owner, or responsible managing individual for the contractor does not have any unpaid judgments for construction debt, including unpaid wages; and (2) the contractor is in compliance with Oregon tax laws.

- 1.4 Moderate-Income Housing Contribution. Consistent with the requirements of Administrative Rule R-2.945-C 1.3, the owner will pay a fee to be dedicated to moderate-income housing. The fee will be 10% of the total 10-year exemption benefit.
- 1.5 Project Design and Compatibility. The applicant shall adhere to the following design elements, as well as the actual square footages included in Exhibit B unless the City Manager approves a deviation from the plan pursuant to EC 2.946(2)(d)6.b.:

The proposed design features a broad 7-story mixed-use apartment building at the terminus of Oak Street and 5th Avenue. Brick façade spans the entirety of the tall ground floor and is extended up into the archway entrances. The design incorporates aluminum storefront windows at the ground floor and stucco as the primary exterior material on higher floors.

The ground floor commercial space is organized around a plaza area that defines the building's most important relationship with the street and the public realm along 5<sup>th</sup> Avenue at the intersection with Oak Street. The project provides parking spaces for both residential tenants and visitors to the commercial improvements in a two-story garage. The garage is situated behind the building against the railroad right-of-way with access to Willamette Street and 5<sup>th</sup> Avenue. The design successfully incorporates elements that address the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation.

During the design process and before the final design drawings are completed, the owner shall hold at least one neighborhood engagement opportunity to allow members of the Downtown Neighborhood Association and others to provide comments on the proposal. At least one of the applicant's principals shall attend the meeting.

After the final design is completed and before it is submitted for permits, the final design shall be submitted to the City to review for conformance with the design approved by this Resolution. The neighborhood shall also have an opportunity to review and comment on the final design. After the comment period, the City shall determine if the design is consistent with the requirements of this Resolution, and if not, whether the City Manager will approve a deviation pursuant to EC 2.946(2)(d)6.b.

- 1.6 At the time of completion, the project shall conform with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS Chapter 195, 196, 197, 215, and 227 that are applicable at the time the application is approved.
- 1.7 During all phases of development, the project shall comply with wage, tax, and licensing laws.
- 1.8 The project shall not contain any units for transient use or vacation occupancy.
- 1.9 The project will be completed on or before January 1, 2032, unless an extension of the deadline is requested by the property owner and approved by Council resolution pursuant to EC 2.947(5).
- 1.10 The public benefits of the project that will extend beyond the period of the tax exemption include Green Building (energy performance), Project Design and Compatibility, and Compact Urban Development.

**Section 2.** Subject to the conditions in Section 1 of this Resolution, 100% of the residential units and commercial space as well as the parking area dedicated for use by residents described in Section 1 are declared exempt from local ad valorem property taxation beginning July 1 of the year following issuance of a Certificate of Occupancy and continuing for a continuous period of ten years unless earlier terminated in accordance with the provisions of Section 2.947 of the Eugene Code, 1971.

**Section 3.** The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within ten days, and to cause a copy of this Resolution to be filed with the Lane County Assessor on or before April 1, 2026.

**Section 4.** This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted and effective the 9th day of February, 2026.

  
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City Recorder

**REPORT AND RECOMMENDATION  
of the Planning & Development Department**

**Revisions to the Station House Project and Request for Amendment to  
Multiple-Unit Property Tax Exemption Approval**

The Executive Director of the Planning & Development Department of the City of Eugene finds that:

1. OES #2, LLC is the current owner of real property located at 131 East 5<sup>th</sup> Avenue in Eugene, Oregon (Assessor's Map #17-03-30-44, tax lot 09700), at the intersection of East 5<sup>th</sup> Avenue and Oak Street. In April 2025, the Eugene City Council passed Resolution No. 5439, approving an application from Obie Companies Inc. ("Obie Co.") pursuant to the City's Multiple-Unit Property Tax Exemption ("MUPTE") program (Sections 2.945 through 2.947 of the Eugene Code, 1971).
2. In October 2025, Obie Co. requested revisions to the approved project which require City Council review.
3. As the City Manager's designee, I have reviewed the revised project proposal and found that:
  - 3.1 The revised project will provide 18 studio units, 78 one-bedroom units, and 34 two-bedroom units for a total of 130 residential units. This is an adjustment from the previously approved 124-unit development, which consisted of 41 studio units, 71 one-bedroom units, and 12 two-bedroom units, which will result in six additional units.
  - 3.2 The revised project will retain the commercial space on the ground floor, which Council approved for inclusion in the tax exemption. The inclusion of commercial space and activation of the street significantly contribute to the project's compliance with the Design and Compatibility public benefit subcriteria of scale, form, and quality; mixture of project elements; and relationship to the street and surrounding uses.
  - 3.3 As in the original approved application, the revised project is not designed to be student housing, and residential units will not be available for transient or vacation occupancy.
  - 3.4 The applicant submitted all materials necessary to review the proposed changes in the context of the existing MUPTE approval and the requirements set forth in Section 2.945 of the Eugene Code, 1971, and the administrative rules adopted by Administrative Order No. 53-25-04-F.
  - 3.5 The recommended resolution would not change the portions of the building impacted by the currently approved tax exemption, which include all residential portions of the building, the ground-floor commercial space, and the portion of two-floor parking structure which serves residential tenants. The portion of the parking structure

intended for commercial visitors would not be subject to tax exemption and would be assessed and taxed as normal.

3.6 The revised project responds to the **Required Public Benefit** criteria as follows. Where the revised project deviates from the project details as approved in Resolution No. 5439, the changes are noted.

3.6.1 Compact Urban Development. Compliance with this requirement is unchanged. Rule R-2.945-B.4. requires that in order to be eligible for MUPTE, projects on residentially zoned properties must provide residential units equivalent to at least 175% of the minimum density applicable to the property's zoning designation. The project will be built on land zoned with a combination of C-2 Community Commercial and C-3 Major Commercial, neither of which are residential zones and neither of which includes a minimum residential unit density.

3.6.2 Green Building Features. Compliance with these requirements is unchanged. Consistent with the requirements of Administrative Rule R-2.945-C 1.1.2.3, the project will utilize the City of Eugene Building and Permit Services' pathway to meet the MUPTE green building requirement.

3.6.3 Local Economic Impact Plan. The revisions do not impact the approved project's compliance with these requirements. In their original application, the applicant provided a Local Economic Impact Plan and other materials demonstrating compliance with program requirements related to local contracts; opportunities for minority, women, and emerging small businesses; the City's Rights Assistance Program; and compliance with wage, tax, and licensing laws.

3.6.4 Moderate-Income Housing Contribution. Consistent with the requirements of Administrative Rule R-2.945-C 1.3, the owner will pay a fee to be dedicated to moderate-income housing. The fee will be 10% of the total 10-year exemption benefit.

3.6.5 Project Design and Compatibility. The proposed revisions make modest changes to the approved building design. Review by Urban Design staff concluded that the changes are positive and that the design continues to meet all MUPTE design and compatibility criteria. The recommended Council resolution would replace the originally approved design with the revised design. The project will adhere to the design shown in the resolution and will apply basic design concepts that consider the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation. The materials shown in the resolution will be adhered to, to the greatest extent possible.

The proposed design features a broad, seven-story, mixed-use apartment building at the terminus of Oak Street and 5th Avenue. The original design

featured loft units on the top floor (the sixth floor). The revised design would turn the upper portion of the loft units into a true seventh floor of additional residential units. Additional changes include new balconies on the sixth and seventh floors on the building elevation which faces 5<sup>th</sup> Avenue. The overall height of the building is raised seven feet to account for the site's sloped grade and accommodate small changes spread across the residential floors, including energy efficient ventilation equipment between floors. The revised design also adds window planter boxes on the second floor, makes modest changes to the main entrance, subtly changes window trim and layout, raises the ornamental band below the 6<sup>th</sup> floor to below the 7<sup>th</sup> floor, relocates a portion of the required long-term bike storage space to a new bike room under the parking access ramp, and substitutes the trash utility entrance from a roll-up door to a standard pedestrian door.

Apart from these changes, the design remains unchanged, including the building's exterior materials, its height and form, its overall high quality of construction, and its significant engagement with the public realm.

3.6.6 Historic and Existing Housing Sensitivity. The project is adjacent or near a historic locale, Oregon Electric Station building, but the historic locale will not be affected by the project. Like the approved building design, the revised design includes no direct structural impacts—such as alterations or demolitions—to any of the identified historic resources.

3.6.7 Project Need. In support of the revised project proposal, Obie Co. submitted full financial details as would be required for a newly submitted MUPTE application. The revised pro-forma and financial information were analyzed by PNW Economics, an independent real estate economics consultant who found that the project as proposed faced similar financial hurdles as the original, approved MUPTE application, which could not be built but for the benefit of the tax exemption.

The financial information accompanying the revised project proposal is based on projections prior to finalizing financing, construction, and tenanting. It includes assumptions regarding rents, vacancy rates, operating costs, lender underwriting criteria, interest rates, and reasonable rate of return. PNW Economics and City staff reviewed the assumptions and considered the impacts of the applicant's proposed revisions to the project. The consultant analyzed the applicant's new residential unit mix and proposed rents. PNW Economics concluded that the target rents are largely reasonable but may be higher than what the market will bear, meaning a MUPTE may be more necessary to the project's feasibility than the applicant assumes.

Overall, the financial analysis remains substantially the same. The additional residential units and other details in the proposal slightly improve the financial outlook for the revised project, but the development would still not be feasible

without the tax exemption. The PNW Economics analysis concludes that the project would not be viable without the availability of the MUPTE using the reasonable assumptions outlined and concludes that MUPTE is critical to the success of the project from a financial feasibility perspective.

- 3.7 Obie Co. attended a neighborhood engagement meeting regarding Station House for the Downtown Neighborhood Association on September 25, 2024. Obie Co. will hold another neighborhood engagement meeting prior to completing the building's design, which would feature the revised design, if it is approved. Before submitting for building permits, Obie Co. will submit the final drawings to staff to review conformance with the design attached to the MUPTE resolution. Staff will also give interested parties an opportunity to review and comment on that final design.
4. The community member MUPTE Review Panel considered the original project application during three meetings held on January 10, January 29, and March 14, 2025. The Panel was not involved in review of the revised project proposal.

After reviewing the original application, the Review Panel unanimously concluded that the project meets the Required Public Benefit criteria, that the project's financial need was demonstrated, and that a ten-year exemption was warranted. The Panel recommended that the tax exemption be applied to residential and commercial portions of the building and to portions of the parking structure dedicated for use by residential tenants. The Panel did not recommend that the exemption be applied to parking dedicated to retail customers.

**Therefore**, based upon the above findings, the revised project is, or will be at the time of completion, in conformance with all applicable local plans and provisions of the Eugene Code, 1971, planning regulations, the Metropolitan Area General Plan, and the criteria set forth in the City's adopted administrative rules. I recommend that the approved MUPTE resolution be amended to reflect the applicant's proposed changes to the project.

Dated this 28 day of January, 2026.

  
Denny Braud (Jan 28, 2026 07:34:42 PST)  
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Denny Braud  
Executive Director  
Planning & Development Department

Exhibit B

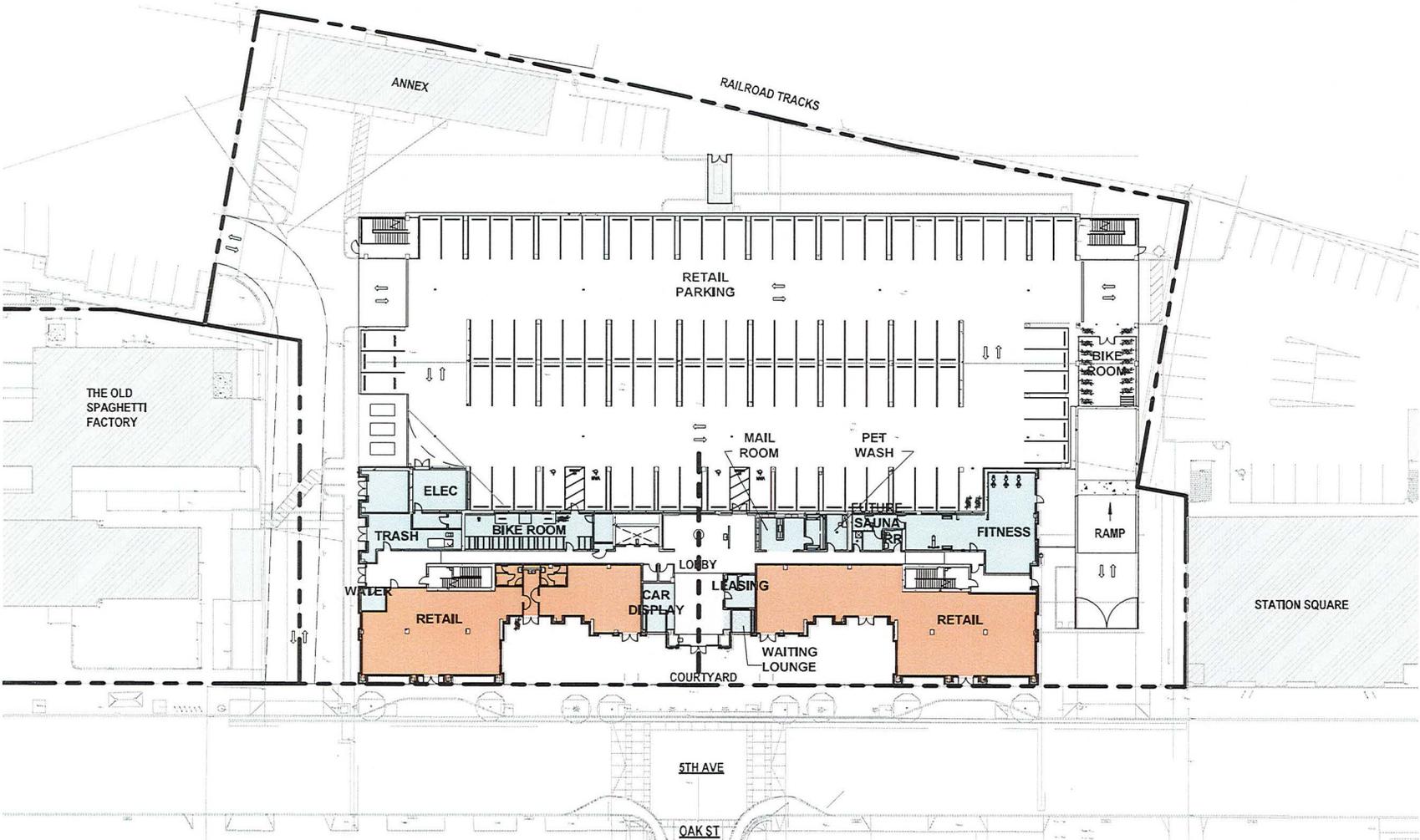


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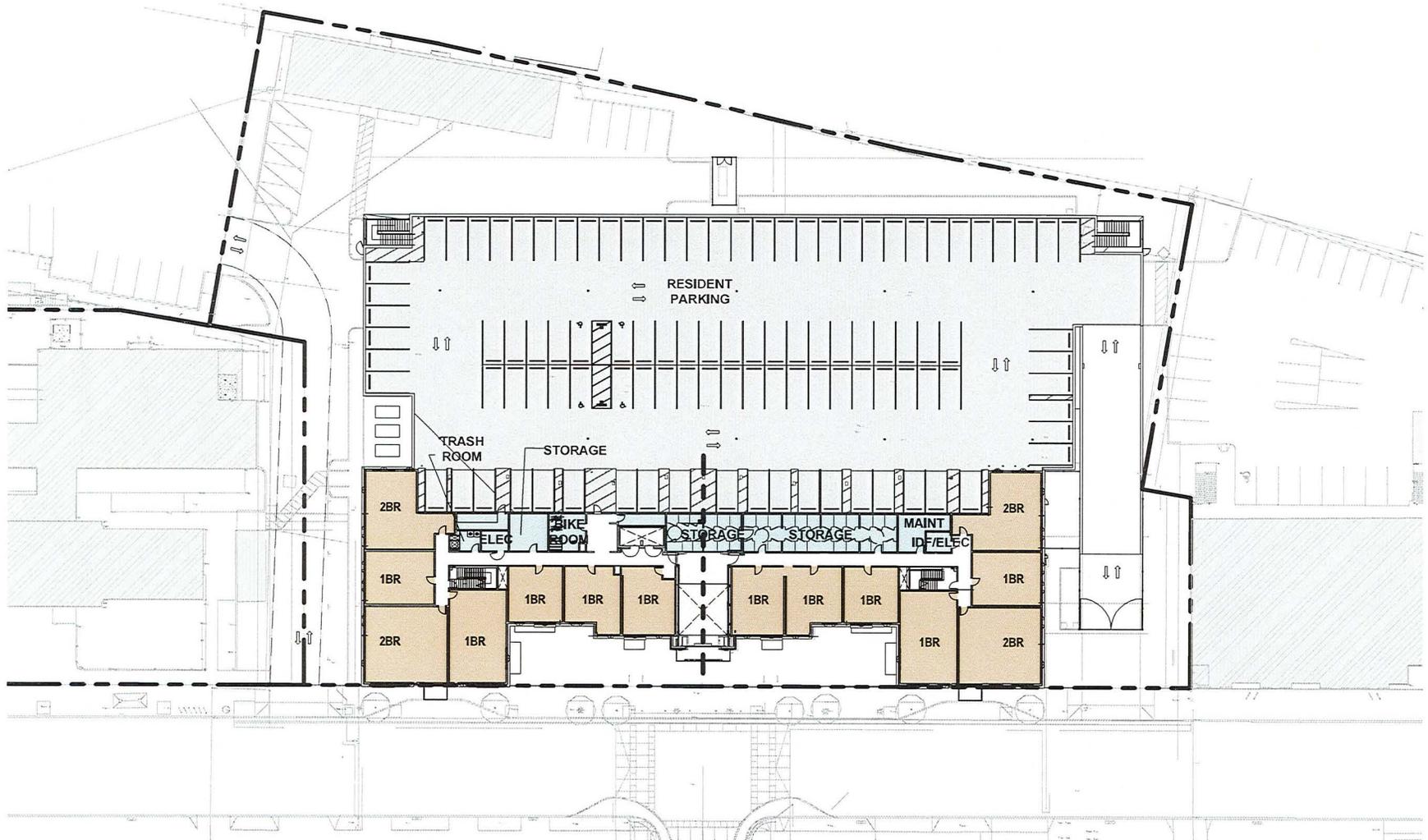
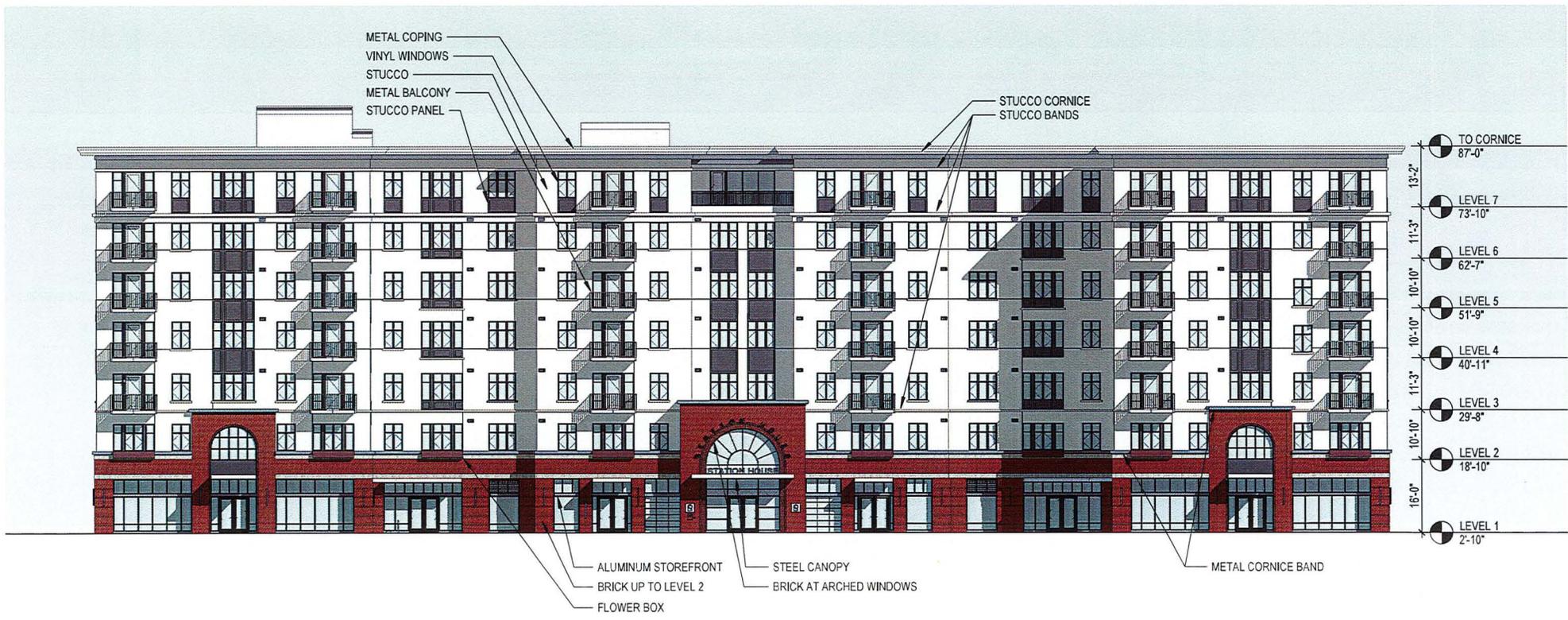


Exhibit B



**SERA** OBIE STATION HOUSE  
 01/06/26 PERMIT SET

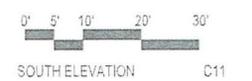


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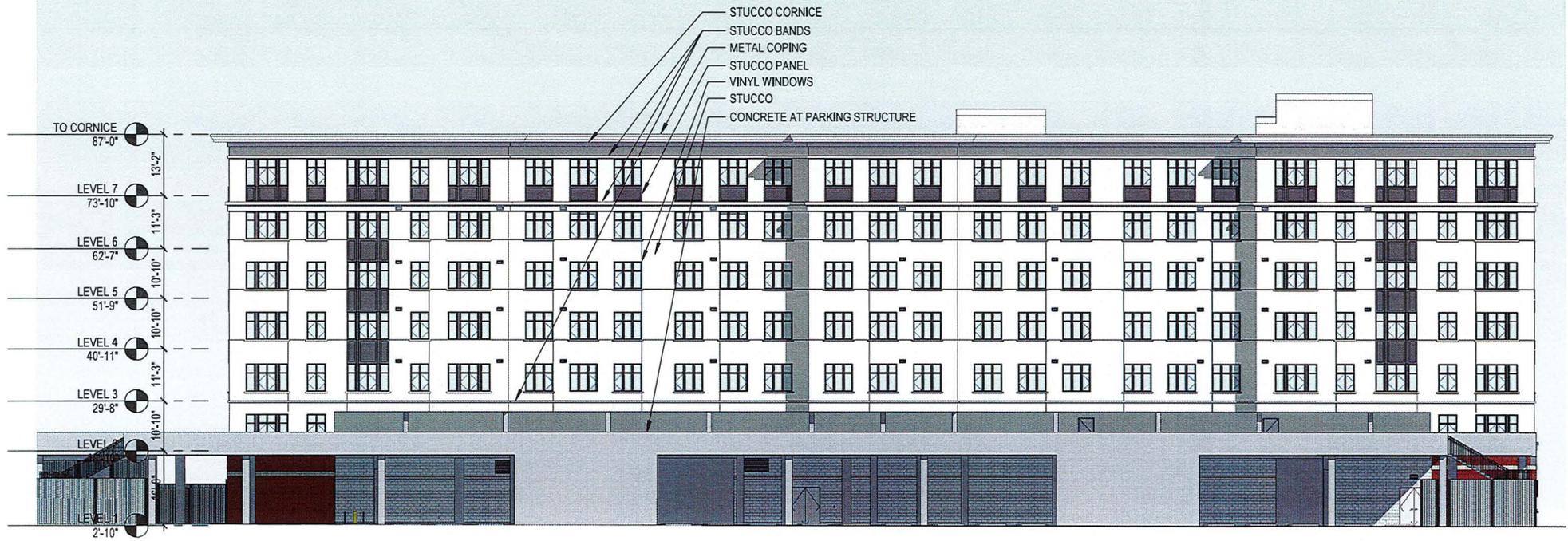
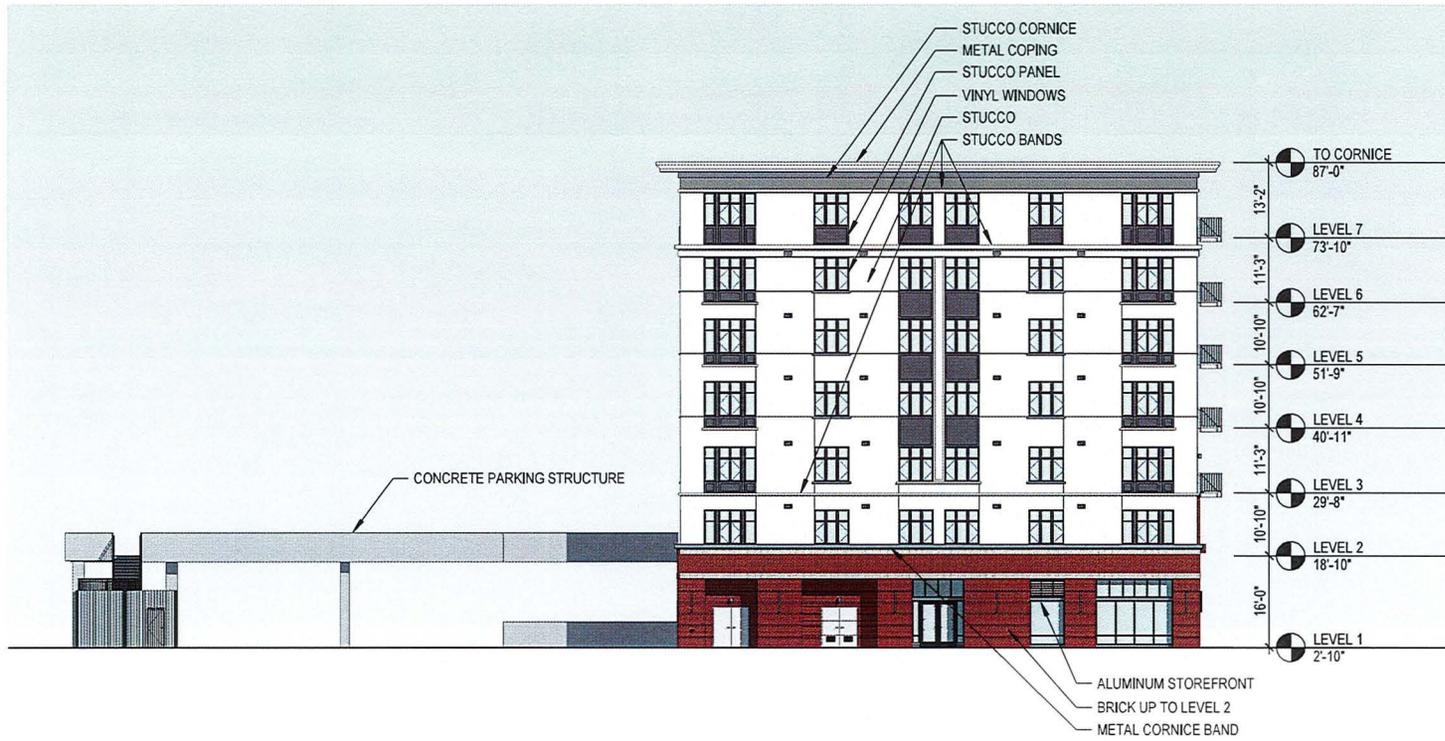


Exhibit B



Exhibit B



OBIE STATION HOUSE

01/06/26

PERMIT SET

