



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

January 27, 2020

7:30 p.m. CITY COUNCIL MEETING
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

Meeting of January 27, 2020;
Her Honor Mayor Lucy Vinis Presiding

Councilors

Emily Semple, President
Mike Clark
Chris Pryor
Betty Taylor

Jennifer Yeh, Vice President
Greg Evans
Claire Syrett
Alan Zelenka

7:30 p.m. CITY COUNCIL MEETING

- 1. COMMITTEE REPORTS AND ITEMS OF INTEREST**
- 2. CONSENT CALENDAR**
 - A. Approval of City Council Minutes**
 - **December 11, 2019, Work Session**
 - **January 8, 2020, State of the City**
 - B. Approval of City Council Tentative Agenda**
 - C. Adoption of A Resolution Approving a Low-Income Rental Housing Property Tax Exemption Renewal for Oakwood Manor**
 - D. Adoption of a Resolution Authorizing the Issuance and Sale of Electric Utility Revenue Refunding Bonds and Providing for Related Matters; *and* Adoption of a Resolution Authorizing the Issuance and Sale of Water Utility System Revenue Bonds and Revenue Refunding Bonds and Providing for Related Matters.**
- 3. PUBLIC FORUM**

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EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of City Council Minutes

Meeting Date: January 27, 2020
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2A
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This is a routine item to approve City Council minutes.

SUGGESTED MOTION

Move to approve the minutes for the December 11, 2019, Work Session and January 8, 2020, State of the City.

ATTACHMENTS

- A. December 11, 2019, Work Session
- B. January 8, 2020, State of the City

FOR MORE INFORMATION

Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: bforrest@eugene-or.gov

MINUTES

**Eugene City Council and Eugene Urban Renewal Agency
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401**

**December 11, 2019
12:00 p.m.**

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

Mayor Vinis opened the December 11, 2019, meeting of the Eugene Urban Renewal Agency.

1. EXECUTIVE SESSION: Pursuant to ORS 192.660(2)(e)

The Eugene Urban Renewal Agency met in Executive Session held pursuant to ORS 192.660(2)(e) to deliberate with persons designated to negotiate real property transactions.

Mayor Vinis closed the meeting of the Eugene Urban Renewal Agency and opened the Eugene City Council work session.

2. WORK SESSION: An Ordinance Concerning Short-Term Rental Business Licenses; Amending Section 3.005 of the Eugene Code, 1971; and Adding Section 3.350 to that Code

Building Permit Services Director Lydia Kaye introduced the item.

- Councilor Syrett – said she thinks the City needs to do more due diligence on this matter before putting out for a public hearing – getting more input from rental hosts and nearby neighbors on both positive and negative impacts; said there is a lot of speculation about the benefits and the consequences of these rentals; noted there was a lot of compelling testimony from hosts this week and there are many different approaches to this work; said the City Attorney sent her information about a motion she intended to make about creating an advisory committee that would engage short-term rental hosts and owners, neighbors, and research facts about numbers, taxes, etc.
- Councilor Zelenka – said communication is key – there are valid concerns about lack of regulation and issues that still need to be addressed; suggested considering an exemption for those owning one non-owner occupied property as a way to address companies or people buying multiple properties to market as short-term rentals; noted there are differences between short-term and long-term rentals, but needed more information about the rules for running a home business; voiced concern that about transient room tax collection issues and the impact of irresponsible hosts.
- Councilor Taylor – said the City is overdue in regulating short-term rentals regulations; expressed interest in getting more information about Hood River's experience because there are reports that short-term rentals there destroyed their community; said the ordinance that staff developed was very good and it's not too early for council to take action; asked questions about grandfathering some home businesses, the implications of including bed and breakfasts and the number of bedrooms that could be rented per the draft ordinance; preferred to limit violations to two per year and to require owner occupancy.
- Councilor Clark – said he was lifelong advocate of a free market economy, noting that it's council's job to step in when necessary, such as unjust conditions for surrounding neighbors, but default to a position that creates as few regulations and restrictions as possible; said the short-term rental apps allow for the market to decide who is doing it right; said he's happy to vote in favor of Councilor Syrett's motion and allow those with expertise in this business to

work with neighbors dealing with the impacts to find solutions that work for everyone with as little additional regulation as possible.

- Councilor Pyror – said what’s lacking the most in the conversation is clarity because the council is trying to approach the short-term rental issue as a simple problem that needs a solution; noted that if there is a problem, it’s a more complicated variable than initially thought; said the council lacks information such as how many houses are currently being rented in this manner; encouraged council to slow down long enough to evaluate the scope of the problem rather than creating new problems by trying to solve the issue without having all of the information needed; said there are tools to deal with nuisance situations – other mechanisms that don’t require a ban or over-regulation; supported regulations that respond to due diligence, but the level should be based on facts.
- Councilor Evans – said he would support Councilor Syrett’s motion because the council needs to slow down and gather more data, including if there’s trend towards abuse of the situation by short-term rental owners these rentals, statistics on local vs non-local property owners, and the experiences of other communities; warned against shaping regulations on research the council don’t have; shared anecdotal information about a friend who is operating a short-term rental as a secondary and needed source of income and is concerned that the City will overregulate.
- Councilor Taylor – said there is plenty of information available because there are 32 cities in Oregon that already have regulations; suggested reading an article in the *New Yorker* about Barcelona, Spain being overrun by short-term rentals; said the government’s role is to control natural impulses that cause issues and that people don’t have the right to make money at the expense of their neighbors; said the City is not banning short-term rentals if it allows people use their own homes with owner occupancy requirements; expressed concern that this is an urgent matter that should not be delayed for a committee.
- Councilor Clark – disagreed with Councilor Taylor and said, while he doesn’t yet have clear direction about what information he’d like back to address this, he would like to find a way to incentivize, given that more triplexes and duplexes will be built as a result of HB 2001; should consider whether to encourage or discourage the creation of more small units that are intended to be short-term rentals; supported having more time to think and talk through the nexus between this issue and ADU conversations.
- Councilor Zelenka – said he would like to know how many short-term rental units there are in Eugene because if there really are 7,000, then that is significantly impacting the affordable housing market; asked about the distance between short-term rentals, noting that is key in expectations about neighborhood livability and people’s right to earn supplemental income, and when those two rights clash, that’s when the City Council steps in; said there are many things regulated in neighborhoods, such as allowable home businesses in homes and the social host ordinance may be a model that could be applied in this situation; agreed that regulation shouldn’t happen without some data, but not having all the data shouldn’t prevent regulation of conditions or behaviors that are detrimental.
- Mayor Vinis – said what has been powerful about this conversation is that the people who testified at the public forum on Monday provided a very different perspective from the input council already received -one that called attention to the needed income-generating aspect of short-term rentals.
- Councilor Syrett – appreciated the public comment from the individuals who are successful short- term rental hosts; supported learning more about the implications of the draft ordinance, noting that a deeper discussion that includes all sides of the issue will result in a better ordinance.

MOTION: Councilor Syrett, seconded by Councilor Clark, moved to direct the City Manager to create an ad hoc department advisory committee to make recommendations to City staff concerning the implementation of City policy regarding the regulation of short-term rentals. This committee should engage with local short-term rental hosts and owners who represent the variety of ways in which these short-term rentals are currently configured and provide opportunities for neighbors impacted by them to share their perspective on the topic. The recommendations generated through this process should be analyzed by staff and brought back to staff for further consideration.

Councilor Semple – expressed concern that this will turn into a long drawn-out process, said she doesn't have a lot of experience with ad hoc committees or how in-depth their work should be; expressed appreciation for the white paper prepared by Library staff; asked for clarification about how much work and time the council is asking for and whether a date-certain for getting the committee recommendations could be established

Councilor Zelenka – offered a friendly amendment to complete the input process by March 31 with action on an ordinance before summer break. Councilors Syrett and Clark accepted the friendly.

Councilor Taylor – noted that a committee with members who have a financial interest in the situation or people who have not been impacted is not a good committee.

Councilor Semple – asked how it would be determined who is on the committee and supported including those who aren't entrenched in one camp or another; encouraged continuing outreach into the neighborhoods so that people aren't surprised when an ordinance is passed.

Councilor Syrett – noted that a year and a half was spent working with Uber and Lyft on workable regulations and the City should now be engaging local residents who are invested in the community before it regulates this home business; reread part of the motion about the representation on the ad hoc committee.

MOTION (*with friendly amendment*) and VOTE: Councilor Syrett, seconded by Councilor Clark, moved to direct the City Manager to create an ad hoc department advisory committee to make recommendations to City staff concerning the implementation of City policy regarding the regulation of short-term rentals. This committee should engage with local short-term rental hosts and owners who represent the variety of ways in which these short-term rentals are currently configured and provide opportunities for neighbors impacted by them to share their perspective on the topic. The recommendations generated through this process should be analyzed by staff and brought back to staff for further consideration. The input process will be completed by March 31, 2020, with action on the ordinance scheduled before the council's summer break. **VOTE: PASSED 7:1**, Councilor Taylor opposed.

The meeting adjourned at 1:16 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Elena Domingo)

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

MINUTES

**Eugene City Council
Hult Center for the Performing Arts
1 Eugene Centre
Eugene, Oregon**

**January 8, 2020
5:30 p.m.**

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

Councilors Absent: Alan Zelenka

1. ENTERTAINMENT

Eugene Bhangra performed "Punjabi Mutiyaaran,"

2. WELCOME AND INTRODUCTIONS

City Council President Betty Taylor provided opening remarks.

3. VIDEO PRESENTATION

A video entitled "2019 City of Eugene Highlights" was shown.

4. COMMUNITY AWARD PRESENTATION

Mayor Vinis presented the 2020 Community Award to Huerto de la Familia.

5. BOLD STEPS AWARD

Mayor Vinis announced Yogi Tea as the 2020 Bold Steps Award winner, and recognized Feynman Group and Marley's Monsters as finalists.

6. ENTERTAINMENT

Eugene Bhangra performed "Jawani."

7. STATE OF THE CITY ADDRESS

Mayor Vinis delivered her 2020 State of the City address:

Welcome to the 2020 State of the City address. As mayor of Eugene, I would like to begin by acknowledging that tonight's ceremony is being held on Kalapuya llihi, the traditional indigenous homeland of the Kalapuya people.

The Kalapuya people were stewards of this land for thousands of years. When the white settlers arrived in this fertile valley in the 19th century, they forcibly removed the Kalapuya, as well as other tribes in Oregon. The displacement and loss of ancestral land was compounded by a loss of truth in history and of recognition of the role of Native Peoples in the origins and strength of our city today.

Tonight, I offer to the Indigenous First Nations people of our community, both past and present, acknowledgement of your resiliency and contributions to our community while also humbly acknowledging what was taken from you. Today, Kalapuya descendants are citizens of the Confederated Tribes of Grand Ronde Community of Oregon and the Confederated Tribes of the Siletz Indians of Oregon. They continue to make contributions in their communities here and

across the land we now refer to as Oregon. We express our respect to all displaced indigenous people who call Eugene home.

I want to express my gratitude to my Council colleagues. Each of them is hard working and brings their considerable talents, knowledge and insights to do the public's work week after week. I have learned from each of them and I value their public service. It is difficult work and often deeply controversial; the path forward is not always clear; finding agreement on complex issues is challenging. They work their way through a constant cascade of demands with grace, respect and dedication. On behalf of all Eugene residents, I thank you.

I also want to thank City staff who consistently prepare council for discussions and decisions with well-researched and expertly prepared materials. Staff are always ready to answer questions and respond to Council needs. At the top of this list is the City Manager. Once again, I express my appreciation for Jon Ruiz for his professionalism and dedication to our city; and my gratitude to Sarah Medary for stepping into her role as City Manager Pro-Tem.

Finally, I also want to recognize all of the citizens who serve on our appointed boards and commissions, many of whom spend many hours in challenging meetings, reviewing mountains of material to guide and advise council actions. We have a citizen government in the best sense, and our civic life and decisions reflect that shared commitment to providing the services and infrastructure that sustains us and reflects our values of safety, inclusiveness, stewardship, and social justice.

As I reviewed my blog from the past year, I was struck both by the enormity of the work we accomplished as well as the challenging pace at which things move. Many of our core concerns demand urgency. The public is impatient for solutions, and the pace of creating policy to respond to these challenges is sometimes interpreted as a lack of passion or commitment.

This could not be farther from the truth.

Let's take stock of the progress we've made in five major areas—which are among the most vital challenges of our time:

Climate change, homelessness, housing affordability, public safety and economic development.

On Climate: Council is in the final phase of approving the Climate Action Plan (CAP) 2.0, the roadmap guiding our decisions to meet the goals of our Climate Recovery Ordinance. Built with a wide range of collaborators, it reflects a powerful commitment to equity as we seek to help our community both mitigate and adapt to climate change.

The City cannot do this work alone. In 2019, members of the Eugene Climate Collaborative -- which includes representatives of school districts, higher education, business, public transit and utilities -- defined their individual plans that collectively take us part-way to meeting our climate goals. When Council approves the final version of the CAP 2.0 this year, we will commit to a dozen additional strategies to push us farther and faster. All of them are challenging -- they include decisions about our decarbonization from natural gas; our rate of adoption of electric vehicles, improved efficiency in heating and cooling buildings; and commitments by all of us to reduce consumption at the household level.

Reducing carbon emissions will make our community a better, fairer, safer place to live. And, it will require a strong and consistent public commitment to change our thinking, our habits and our assumptions. CAP 2.0 connects the dots. It's built on foundational agreements about how and where we grow. Envision Eugene and the Transportation System Plan steer us to greater

housing development along transit corridors, and investments in biking and walking options. Deliberations with Lane Transit about bus routes, frequency and ridership are essential first steps, and not easy. All of this work costs money. All of it takes time to implement and all of it depends on every individual's willingness to adapt. We will take time before final adoption of the CAP to engage the public in a meaningful way in this work and to ensure that the final plan is clear and measurable. This is the defining challenge of our time. Progress depends on courage from our leadership and from all of you.

This brings me to affordable housing. In April, Council approved the implementation of the Construction Excise Tax. For the first time, housing advocates and the building community worked together to create a local revenue stream for the new Housing Trust Fund. The City affirmed its commitment by contributing \$500,000 annually. This is legacy work. For the first time we will build local financial resources to support the construction of housing we need, supporting local developers who build housing specifically for the lower end of the market.

Housing affordability is also tied to zoning and recent changes to state law. SB 1051 and HB 2001 reduce barriers to the construction of Accessory Dwelling Units and open residential neighborhoods to more multi-unit housing like duplexes. No other area that Council handles requires such a careful balancing act. Adjustments to our code in order to comply with the state statute have consumed council and staff time, perhaps disproportionately to the impacts of ADUs in addressing our housing shortage. At the same time, these discussions, and related conversations about the impacts of multi-unit housing on residential neighborhoods, expose the essential tension we face as a community. We all want to maintain the livability of our neighborhoods AND if we are committed to compact urban growth—if we truly intend to meet our climate goals, and if we intend to meet the need for increased housing for all income levels in walkable neighborhoods, close to transportation corridors—then we must be prepared to invest in change.

I use that word intentionally. All of this work is about investment. We will continue to invest public dollars to support infrastructure improvements and housing affordability. At the same time, we need to increase collaborative efforts between developers, city planners and neighbors whose lives will be impacted by increased housing density. The City can do a better job of encouraging collaboration to resolve these conflicts and we should.

Along the continuum of housing demand is the challenge of homelessness. After a full year's investment in the shelter feasibility and homeless services assessment, known as the TAC report, both City Council and County Board of Commissioners have adopted ten recommendations as the framework for the work ahead. The plan rolls out over five years, requiring investment, public commitment, and good will. In 2020:

- We will establish a low-barrier shelter;
- Implement mobile outreach teams;
- Develop a landlord engagement process; and -- significantly,
- Hire a Strategic Initiatives Manager who reports to both the city and county to assure we have well-coordinated leadership to move us forward.

The challenge of homelessness is closely tied to public safety. For decades Eugene has struggled with an inadequate public safety system. Again, a year of work brought Council to a decisive and courageous vote to approve a payroll tax to support expansion of our public safety services. Beginning in January of 2021, the payroll tax will raise \$23.6 million to support increased staffing of police officers, firefighters, 911 services, Municipal Court, and preventive services directed to at risk youth. You will see and experience the difference as these funds translate into more robust and responsive services.

Our aim is to create a system in which we provide services to everyone who wants or needs them. As we do that, the impact of homelessness on people's lives, on our school systems, on our parks and on our public safety will dramatically improve. At the same time, police officers, firefighters and prevention services will be able to do more than just respond to urgent calls for service.

But, we're not there yet. Transitional stopgaps are needed. We have heard clearly the frustration and anger of business owners and employees who justifiably want an end to the trespasses, burglaries, harassment and vandalism that has plagued them.

And, while all homeless are not criminals, nor are all criminals homeless, we do need more rest stops, car camping, and more Opportunity Villages and tiny homes to stabilize the unhoused. We need neighborhood watch and mobile street teams to check behavior on streets and sidewalks. We need investment -- public and private -- to support providers of services. Can we take a moment to acknowledge the nonprofit providers who save lives and stabilize families every day in our community?

And importantly, we need greater attention to mental health and addiction services. This work is coming in 2020. The County and City are working together to envision and develop a crisis center; and Council has already approved a resolution advocating for more investment in recovery services by the state.

With all of these challenges, there is also good news. Our economy is growing. Council is juggling decisions about major public investments in three related areas: the riverfront, the Park Blocks and Farmers Market and a new city hall. These investments, joined by the private development at Fifth Street, will result in a tripling of our downtown core. The Riverfront and the Downtown Urban Renewal Districts are meeting critical development needs. The Riverfront development will create 500 units of housing, of which 75 units are earmarked for low-income residents. Add to this market-rate and affordable units at 5th Street, and other market rate housing proposals for downtown, we will shortly have what we have always needed -- a bustling, populated busy town center, that will meet both our housing needs and our climate goals for compact development.

In addition, the designs for renovating the Park Blocks and building a year-round home for Farmers' Market will move toward bidding and approval in 2020. And we are finally poised to have the nuts and bolts conversations about the new City Hall that will share the Farmers' Market block and offer the possibility of a much-needed city gathering space, not just for Council but also for other public events.

All of these take money. In 2020, Council will face difficult choices about financing for both renewal districts. The wish list is longer than the available funds; and the conversation is likely to involve choices between delaying or reducing some elements.

As your mayor, it is my job to juggle the urgent needs of the moment with our community commitment to participatory democracy. Problems are complex, resources are limited, and big change does not come easily or overnight. Public testimony can be angry and impatient. Tensions rise when we don't see a common path. Too many voices are never heard at all.

So, in November, I announced my commitment to fostering a city of kindness in Eugene, affirming our shared commitment to resolving conflict in ways that build rather than erode our sense of community and belonging. All of us, including me, need to do a better job of reaching out to those who come from different backgrounds and have different life experiences.

Last year I made a commitment to reach out in two ways, and this year I will fulfill that commitment. First, a new Youth Advisory Board has been formed and will convene for the first time this winter. They will bring much needed insights of the upcoming generation into our public discussions.

Second, as the city prepares to host the IAAF World Athletic Championships, we do the good work we should do for our community anyway – to make investments that will stand as a legacy.

My commitment to the legacy of 2021 is that we shine a light on the communities within our community. Not to highlight them as different. But to recognize that the cultures within our city weave a tapestry that we should daily behold and value. Last year I committed to a goal of celebrating 20 cultures within our community by 2021. That work begins this year. We will seek in the coming months opportunities to invite and savor the colors, textures, tastes, sounds, beliefs and ideas of the diverse cultures in our city that make us whole.

That tapestry is woven in kindness. It begins with conversations. I hope our common legacy will be to listen to one another, to welcome the diverse communities within our community, to take pride in the abundance and beauty that is here, and to act collectively and individually to meet the challenges ahead with openness, compassion, intelligence and courage.

Thank you.

The meeting adjourned at 6:50 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

Link to recording of State of the City [here](#).

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of Tentative Working Agenda

Meeting Date: January 27, 2020
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 2B
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This is a routine item to approve the City Council Tentative Working Agenda.

BACKGROUND

On July 31, 2000, the City Council held a process session and discussed the Operating Agreements. Section 2, notes in part that "The City Manager shall recommend monthly to the council which items should be placed on the council agenda. This recommendation shall be placed on the consent calendar at the regular City Council meetings (regular meetings are those meetings held on the second and fourth Monday of each month in the Council Chamber). If the recommendation contained in the consent calendar is approved, the items shall be brought before the council on a future agenda. If there are concerns about an item, the item may be pulled from the consent calendar at the request of any councilor or the Mayor. A vote shall occur to determine if the item should be included as future council business." Scheduling of this item is in accordance with the Council Operating Agreements.

RELATED CITY POLICIES

There are no policy issues related to this item.

COUNCIL OPTIONS

The council may choose to approve, amend or not approve the tentative agenda.

CITY MANAGER'S RECOMMENDATION

The City Manager has no recommendation on this item.

SUGGESTED MOTION

Move to approve the items on the Tentative Working Agenda.

ATTACHMENTS

A. Tentative Working Agenda

FOR MORE INFORMATION

Staff Contact: Beth Forrest

Telephone: 541-682-5882

Staff E-Mail: bforrest@eugene-or.gov



City Council Tentative Agenda

Updated January 23, 2020

Meeting Location: Harris Hall, 125 East 8th Avenue, unless otherwise noted

January 2020					
Date	Day	Time	Title	Length	Dept. Contact
27-Jan	Monday	5:30 p.m.	 Library Levy Update (Work Session)	45 mins	Will O’Hearn, LRCS
			 City Manager Attributes (Work Session)	45 mins	Randi Bowers-Payne, CS
		7:30 pm	 Committee Reports and Items of Interest		Ellen Meyi-Galloway, PDD Twylla Miller, CS
 Res. Approving Low Income Rental Housing Property Tax Exemption Renewal for Oakwood Manor (Consent Calendar)					
 Authorization of Issuance of EWEB Bonds (Consent Calendar)					
		 Public Forum			
Expected absences for 1/27: Vinis					
29-Jan	Wednesday	12 pm	 Urban Reserves (Work Session)	45 mins	Rebecca Gershow, PDD
			 1059 Willamette Building (Work Session)	45 mins	Allie Camp, PDD
Expected absences for 1/29: Vinis					

February 2020					
Date	Day	Time	Title	Length	Dept. Contact
10-Feb	Monday	5:30 pm	Town Square (Work Session)	45 mins	Will Dowdy, PDD
			URA-Riverfront Update (Work Session)	45 mins	Michael Kinnison, PDD



Work Session



Action



Public Hearing



Public Forum



Consent Calendar



Committee Reports/Items of Interest



Ceremonial Matters



Pledge of Allegiance

10-Feb	Monday	7:30 pm	 Committee Reports and Items of Interest  Public Forum		
Expected absences for 2/10: none					
12-Feb	Wednesday	12 pm	 Parks and Rec SDCs Ordinance (Work Session and Poss. Action)  ADUs (Incentives) (Work Session)	45 mins 45 mins	Carolyn Burke, PW Anne Fifield, PDD
Expected absences for 2/12: Syrett					
18-Feb	Tuesday	5:30 pm	 Riverfront Urban Renewal Dist. (Work Session)  URA Steam Plant Deal Points (Work Session)	45 mins 45 mins	Michael Kinnison, PDD Amanda D’Souza, PDD
		7:30 pm	 Ordinance on Withdrawal of Properties from Special Districts (Public Hearing)		Althea Sullivan, PDD
Expected absences for 2/18: none					
19-Feb	Wednesday	12 pm	 Wildland Urban Interface (Work Session)  Wild Turkey Population Management (Work Session)	45 mins 45 mins	Chief Heppel, Fire Rachelle Nicholas, PDD
Expected absences for 2/19: Syrett					
24-Feb	Monday	5:30 p.m.	 Franklin Boulevard Project Update (Work Session)  Eugene-Springfield Consolidated Plan (Work Session)	45 mins 45 mins	Larisa Varela, PW Stephanie Jennings, PDD
		7:30 pm	 Committee Reports and Items of Interest  Ordinance on Withdrawal of Properties from Special Districts (Consent Calendar 1)  Public Forum  Resolution Annexing Land at 1345 Elkay Drive (Consent Calendar 2)		Althea Sullivan, PDD Rodney Bohner, PDD
Expected absences for 2/14: Syrett					
26-Feb	Wednesday	12 pm	 Downtown Activity Zone (Work Session)  Naming Policy (Work Session)	45 mins 45 mins	Michael Kinnison, PDD CS, POS
Expected absences for 2/26: none					

26-Feb	Wednesday	6 pm	 Joint Meeting with Lane County on Airport Master Plan (Work Session and Action)	45 mins	Dan Halverson, PDD
Expected absences for 2/26: none					** MEETING ADDED **

March 2020					
Date	Day	Time	Title	Length	Dept. Contact
9-Mar	Monday	5:30 pm	 River Road-Santa Clara Neighborhood Plan (Work Session)	45 mins	Terri Harding, PDD
			 TBD (Work Session)	45 mins	
		7:30 pm	 Committee Reports and Items of Interest  Public Forum		
Expected absences for 3/9: Taylor, Evans					
11-Mar	Wednesday	12 pm	 TBD (Work Session)	45 mins	
			 TBD (Work Session)	45 mins	
Expected absences for 3/11: Taylor, Evans					

Council Break: March 12 – April 8

April 2020					
Date	Day	Time	Title	Length	Dept. Contact
8-Apr	Wednesday	12 pm	 STAR Voting (Work Session)	45 mins	Beth Forrest, CS
			 TBD (Work Session)	45 mins	
Expected absences for 4/8: none					
13-Apr	Monday	5:30 pm	 Transit Tomorrow (Work Session)	45 mins	Rob Inerfeld, PW
			 TBD (Work Session)	45 mins	
		7:30 pm	 Committee Reports and Items of Interest		
			 Public Forum		
Expected absences for 4/13: none					

15-Apr	Wednesday	12 pm	 TBD (Work Session)	45 mins	
			 TBD (Work Session)	45 mins	
Expected absences for 4/15: none					
20-Apr	Monday	5:30 pm	 TBD (Work Session)	45 mins	
			 TBD (Work Session)		
		7:30 pm	Hold for Boards and Commissions Candidate Statements		
Expected absences for 4/20: none					Location: Harris Hall
22-Apr	Wednesday	12 pm	 Bethel Redevelopment (Work Session)	45 mins	Anne Fifield, PDD
			 TBD (Work Session)	45 mins	
Expected absences for 4/22: none					
27-Apr	Monday	5:30 p.m.	 TBD (Work Session)	45 mins	
			 TBD (Work Session)	45 mins	
		7:30 pm	 Committee Reports and Items of Interest		Stephanie Jennings, PDD
			 Public Forum		
			 Adoption of Eugene-Springfield Consolidated Plan (Action)		
Expected absences for 4/27: none					
29-Apr	Wednesday	12 pm	 TBD (Work Session)	45 mins	
			 TBD (Work Session)	45 mins	
Expected absences for 4/29: none					

May 2020					
Date	Day	Time	Title	Length	Dept. Contact
11-May	Monday	5:30 pm	 TBD (Work Session)	45 mins	
			 TBD (Work Session)	45 mins	

11-May	Monday	7:30 pm	 Committee Reports and Items of Interest  MWMC Budget Ratification (Consent Calendar)  Public Forum		James McClendon, PW
Expected absences for 5/11: none					
13-May	Wednesday	12 pm	 Expansion of Downtown Urban Renewal District (Work Session)  TBD (Work Session)	45 mins 45 mins	Amanda Nobel, PDD
Expected absences for 5/13: none					
18-May	Monday	5:30 pm	 TBD (Work Session)  TBD (Work Session)	45 mins	
		7:30 pm	 TBD (Public Hearing)		
Expected absences for 5/18: none					
20-May	Wednesday	12 pm	 TBD (Work Session)  TBD (Work Session)	45 mins 45 mins	
Expected absences for 5/20: none					
26-May	Tuesday	5:30 p.m.	 TBD (Work Session)  TBD (Work Session)	45 mins 45 mins	
		7:30 pm	 Committee Reports and Items of Interest  Public Forum		
Expected absences for 5/26: none					
27-May	Wednesday	12 pm	 TBD (Work Session)  TBD (Work Session)	45 mins 45 mins	
Expected absences for 5/27: none					



Work Session



Action



Public Hearing



Public Forum



Consent Calendar



Committee Reports/Items of Interest



Ceremonial Matters



Pledge of Allegiance

Approved Work Session Polls to be Scheduled		Councilor	Date Approved
Update Sign Code for Digital Display Technology – <i>follow-up TBD</i>		Pryor	2/14/19
5G/Small Cell – include experience of other cities – <i>follow-up TBD</i>		Clark	5/20/19
Strategies for managing the wild turkey population - <i>scheduled 2/19/20</i>		Pryor	10/17/19
E-Scooters		Evans	11/14/19
Extension of Downtown Urban Renewal District – <i>scheduled 5/13/20</i>		Evans	12/19/19
STAR Voting – <i>scheduled 4/8/20</i>		Evans	12/26/19
Follow-Up Work Sessions to be Scheduled			
TAC Implementation			
Commercial Setbacks			

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Adoption of a Resolution Approving a Low-Income Rental Housing Property Tax Exemption Renewal for Oakwood Manor

Meeting Date: January 27, 2020
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 2C
Staff Contact: Ellen Meyi-Galloway
Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

City Council is asked to adopt a resolution for a 20-year Low-Income Rental Housing Property Tax Exemption renewal for Oakwood Manor, located on Oak Patch Road. The property was acquired and rehabilitated by Oakwood Manor Limited Partnership with St. Vincent de Paul Society of Lane County, Inc., as general partner. Oakwood Manor first received a LIRHPTE in 2000 when the development completed rehabilitation. The property has provided affordable rental housing for people with limited incomes since 2000.

BACKGROUND

The City adopted the LIRHPTE program in 1990. Council approved tax exemptions for 33 affordable housing developments with over 1,400 units since adoption. Council unanimously approved extending the 20-year LIRHPTE program for an additional 10 years in 2011. The approved ordinance also enables recipients to apply for an additional 20-year LIRHPTE after the initial 20-year period has expired. Council reviews each tax exemption request on a case-by-case basis. Most recently, City Council approved a new LIRHPTE for Ya Po Ah Terrace in July 2018, and a LIRHPTE renewal for Woodleaf Village in June 2018.

Projects must meet 10 criteria, including requirements for rents and incomes limited to households with incomes at or below 60 percent of area median income. If an application meets the substantive criteria [Eugene Code 9.239(3)(a)-(i)] as referenced in the Report and Recommendation (Attachment A), the City must grant the exemption by resolution (Attachment B). A decision to deny the exemption cannot be made by simple motion or inaction; it would need to be made by a resolution (Attachment C) explaining how the applicant failed to demonstrate that the tax exemption is in the public interest.

Summary of Requested Tax Exemption Renewal

The requested tax exemption renewal is for Oakwood Manor, a 71-unit low-income housing development with an on-site manager located at the border of Far West and Churchill Area neighborhood (map in Attachment D). Since 2000, St. Vincent de Paul has rented the apartments to low-income households earning at or below 60 percent of area median income, at affordable rents. The current tax exemption will expire June 30, 2020.

The apartments will continue to be rented to households earning at or below 60 percent of area median income. The apartments would not be able to maintain their current level of affordability without the property tax exemption renewal.

The requested exemption meets the substantive criteria [EC 9.239(3)(a)-(i)] as shown in the Report and Recommendation (Attachment A). No public comments were received.

PREVIOUS COUNCIL DIRECTION

The proposed project advances goals established in multiple local plans and policies. The Eugene-Springfield 2015 Consolidated Plan identifies many affordable housing goals including affordable housing preservation. Other plans and policies include the Residential Land Use and Housing Element of the Metropolitan Area General Plan, Eugene City Council Adopted Growth Management Policies, the Lane County Ten Year Plan to End Chronic Homelessness, Housing Dispersal Policy, and the Lane County Continuum of Care Plan. The proposed uses of funds also specifically support affordable housing goals set forth in the Envision Eugene pillars.

Approval of the property tax exemption renewal application for Oakwood Manor would support the Envision Eugene pillar of providing housing affordable to all income levels. The Envision Eugene Housing Affordability pillar includes strategies to meet the growing and changing housing needs of Eugene residents by supporting subsidized affordable housing projects. Continuing to provide property tax exemptions to low-income rental housing developments has been identified as an action to help successfully implement this strategy.

COUNCIL OPTIONS

The City Council has two options:

1. Approve the tax exemption.
2. Deny the tax exemption.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends option 1, to adopt a resolution granting a 20-year Low-Income Rental Housing Property Tax Exemption renewal for the Oakwood Manor property on Oak Patch Road.

SUGGESTED MOTION

Move to adopt a Resolution Approving a Low-Income Rental Housing Property Tax Exemption Renewal for Oakwood Manor.

ATTACHMENTS

- A. Report and Recommendation
- B. Draft Resolution Approving the Tax Exemption
- C. Draft Resolution Denying the Tax Exemption
- D. Map of the proposed site

FOR MORE INFORMATION

Staff Contact: Ellen Meyi-Galloway

Telephone: 541-682-5532

Staff E-Mail: emeyi-galloway@eugene-or.gov

**REPORT AND RECOMMENDATION
of the Community Development Manager
of the Planning and Development Department**

**Application of St. Vincent de Paul Society of Lane County, Inc.
For Low-Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property on Oak Patch Road, Eugene, Oregon**

The Community Development Manager of the Planning and Development Department of the City of Eugene finds that:

1. Oakwood Manor Limited Partnership, with sole general partner St. Vincent de Paul Society of Lane County, Inc. owns real property located on Oak Patch Road, Eugene, Oregon, 97402 (Assessor's Map 17-04-35-43; Tax Lot 2401; Assessor's Property Account No. 0470243). St. Vincent de Paul Society of Lane County, Inc., ("the applicant"), located at 2890 Chad Drive, Eugene, Oregon 97408, has submitted an application for an exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (Sections 2.937 to 2.940 of the Eugene Code, 1971) for 71 low-income rental housing units, as well as a Manager's unit and residential common areas. The applicant is seeking the tax exemption for the entire property.

2. The Oakwood Manor development first received a Low-Income Rental Housing Property Tax Exemption when it was converted to affordable housing in 2000. The 71 one-, two- and three-bedroom apartments have housed low-income households since that time. Under EC 2.940(5) in the final year of low income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted.

3. I have reviewed the application and find that the applicant has submitted all materials, fees and documents required by the application, and is in compliance with the provisions of EC 2.939(3) and Sections 2.1 through 2.9 of the Standards and Guidelines adopted by Resolution No. 5028. Specifically I find:

- (a) The property, or portion thereof subject to the property tax exemption, will be occupied solely as a residence for low-income persons.
- (b) The applicant's application was filed prior to January 1, 2020.
- (c) The property is owned by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation as described under ORS 65.001(37).
- (d) The property is owned by a nonprofit corporation that expends no more than ten percent of its annual income from residential rentals for purposes other than acquisition, maintenance or repair of residential rental property for low-income persons, or for the provision of on-site

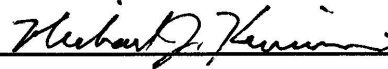
- child care services for the residents of the rental property.
- (e) The applicant has complied with the policies set forth in the Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption adopted by council Resolution No. 5028.
 - (f) The proposed development is consistent with the city's housing dispersal policy.
 - (g) The proposed development does not cause the displacement of low-income persons.
 - (h) The proposed development does not cause destruction of historic properties.
 - (i) The proposed development is otherwise consistent with the Eugene Code and adopted city regulations and policies.
 - (j) The applicant has executed, and agrees to maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement.
 - (k) The applicant has consented in writing that for the duration of the tax exemption period, the city may inspect the property for which the exemption is granted.

4. Comments have been solicited from interested City departments, 4J School District, and the affected neighborhood groups. No public comments were received.

Therefore, based on the above findings, the proposed project conforms with EC 2.937 – 2.940 and the criteria set forth in the City's adopted Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption, and I recommend that the application be approved.

Dated this 8th day of January, 2020.

Print: Michael J. Kinnison

Sign: 

Community Development Manager AIC of the Planning and Development Department 

RESOLUTION NO. _____

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON OAK PATCH ROAD, EUGENE, OREGON (ASSESSOR'S MAP 17-04-35-43, TAX LOT 2401; ASSESSOR'S PROPERTY ACCOUNT NO. 0470243) (APPLICANT OAKWOOD MANOR LIMITED PARTNERSHIP AND ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC.)

The City Council of the City of Eugene finds that:

A. Oakwood Manor Limited Partnership is the owner of real property located on Oak Patch Road, Eugene, Oregon, 97402 (Assessor's Map 17-04-35-43, Tax Lot 2401; Assessor's Property Account No. 0470243), more particularly described on Exhibit A attached to this Resolution.

B. The Oakwood Manor development first received a Low-Income Rental Housing Property Tax Exemption in 2000. The residential units have housed low-income households since that time. Under EC 2.940(5), in the final year of low income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted.

C. Oakwood Manor and St. Vincent de Paul Society of Lane County, Inc. (2890 Chad Drive, Eugene, Oregon, 97408) (the applicant) formed a general partnership. This partnership qualifies as a nonprofit corporation. As noted in ORS 307.518(4), a "nonprofit corporation" for purposes of this type of tax exemption includes a partnership where a nonprofit corporation is a general partner of the partnership and the nonprofit corporation is responsible for the day-to-day operation of the property that is the subject of the exemption. Oakwood Manor qualifies as a nonprofit corporation because St. Vincent de Paul, a nonprofit corporation, is the general partner of the partnership and is responsible for the day-to-day operation of the property.

D. The applicant has submitted an application for a subsequent low-income housing exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940).

E. The property includes 25 one-bedroom units, 23 two-bedroom units, and 23 three-bedroom units (for a total of 71 low-income rental units), as well as a Manager's unit and residential common areas. The applicant is seeking the tax exemption for the entire property.

F. The Community Development Manager of the Planning and Development Department, as designee of the City Manager, has prepared a Report and Recommendation recommending that the application be approved and the exemption granted. In making that recommendation, the Community Development Manager found that the applicant submitted all materials, documents and fees required by EC 2.938, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 5028. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in EC 2.939(3), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5028.

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, the City Council approves the application of Oakwood Manor Limited Partnership and St. Vincent de Paul Society of Lane County, Inc. for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property identified as Assessor's Map 17-04-35-43, Tax Lot 2401; Assessor's Property Account No. 0470243, and more particularly described on Exhibit A attached to this Resolution, which includes 25 one-bedroom units, 23 two-bedroom units, and 23 three-bedroom units (for a total of 71 low-income rental units), as well as a Manager's unit and residential common areas.

Section 2. The land and units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2020, and continuing for a continuous period of 20 years unless earlier terminated in accordance with the provisions of Section 2.940 of the Eugene Code, 1971, which provides for termination after an opportunity to be heard if:

2.1 Construction or development of the exempt property differs from the construction or development described in the application for exemption, or was not completed by January 1, 2020, and no extensions or exceptions were granted; or

2.2 The applicant fails to comply with provisions of ORS 307.515 to 307.523, provisions of the Eugene Code, 1971, the Standards and Guidelines adopted by Council Resolution No. 5028, or any conditions imposed in this Resolution.

The tax exemption shall be terminated immediately, without right of notice or appeal, pursuant to the provisions of ORS 307.531 in the event that the county assessor determines that a change of use to other than that allowed has occurred for the housing units, or portion thereof, or, if after the date of this approval, a declaration as defined in ORS 100.005 is presented to the county assessor or tax collector for approval under ORS 100.110.

Section 3. The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within 10 days from the date of adoption of this Resolution, and to cause a copy of this Resolution to be filed with the Lane County Assessor on or before April 1, 2020. The copy of the Resolution sent to the applicant shall be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period and the effects of the termination.

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

The foregoing Resolution adopted the _____ day of January, 2020.

City Recorder

January 27, 2019, Meeting – Item 2C

LEGAL DESCRIPTION

Beginning at a point on the West line of BERKELEY PARK ADDITION as platted and recorded in Book 15, Page 28, Lane County Oregon Plat Records, in Eugene, Lane County, Oregon, that is 405.0 feet North 00° 19' East of a point on the South line of Section 35 in Township 17 South, Range 4 West of the Willamette Meridian which is 1,326.43 feet North 89° 15' West of the Southeast corner of said Section 35, run thence North 89° 15' West 140.0 feet; thence South 52° 23' 40" West 434.07 feet, thence North 89° 15' West 45.0 feet, thence North 00° 06' East 420.06 feet, thence North 89° 54' West 100.0 feet to the Easterly right of way line of County Road No. 1225 (Known as Oak Patch Road); thence North 00° 06' East 171.0 feet along said Easterly right of way line to a point, thence South 89° 54' East 629.65 feet to the Westerly boundary of said BERKELEY PARK ADDITION; thence South 0° 19' West along said boundary line 327.68 feet to the point of beginning, being a part of Lot 9, CITY VIEW PARK as platted and recorded in Book 3, Page 23, Lane County Oregon Plat Records, in Lane County, Oregon;

EXCEPT that portion described in Deed to the City of Eugene, recorded January 24, 1969, Reception No. 51930, Lane County Official Records, in Lane County, Oregon.

RESOLUTION NO. ____

A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON OAK PATCH ROAD, EUGENE, OREGON (ASSESSOR'S MAP 17-04-35-43, TAX LOT 2401; ASSESSOR'S PROPERTY ACCOUNT NO. 0470243) (APPLICANT OAKWOOD MANOR LIMITED PARTNERSHIP AND ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC.)

The City Council of the City of Eugene finds that:

A. Oakwood Manor Limited Partnership is the owner of real property located on Oak Patch Road, Eugene, Oregon, 97402 (Assessor's Map 17-04-35-43, Tax Lot 2401; Assessor's Property Account No. 0470243), more particularly described on Exhibit A attached to this Resolution.

B. The Oakwood Manor development first received a Low-Income Rental Housing Property Tax Exemption in 2000. The residential units have housed low-income households since that time. Under EC 2.940(5), in the final year of low income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted.

C. Oakwood Manor and St. Vincent de Paul Society of Lane County, Inc. (2890 Chad Drive, Eugene, Oregon, 97408) (the applicant) formed a general partnership. This partnership qualifies as a nonprofit corporation. As noted in ORS 307.518(4), a "nonprofit corporation" for purposes of this type of tax exemption includes a partnership where a nonprofit corporation is a general partner of the partnership and the nonprofit corporation is responsible for the day-to-day operation of the property that is the subject of the exemption. Oakwood Manor qualifies as a nonprofit corporation because St. Vincent de Paul, a nonprofit corporation, is the general partner of the partnership and is responsible for the day-to-day operation of the property.

D. The applicant has submitted an application for a subsequent low-income housing exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940).

E. The property includes 25 one-bedroom units, 23 two-bedroom units, and 23 three-bedroom units (for a total of 71 low-income rental units), as well as a Manager's unit and residential common areas. The applicant is seeking the tax exemption for the entire property.

F. The Community Development Manager of the Planning and Development Department, as designee of the City Manager, has prepared a Report and Recommendation recommending that the application be approved and the exemption granted. In making that recommendation, the Community Development Manager found that the applicant submitted all materials, documents and fees required by EC 2.938, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 5028. In addition, the Community Development Manager found that the applicant has

complied with the criteria for approval provided in EC 2.939(3), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5028.

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. Notwithstanding the findings in the Community Development Manager's Report and Recommendation, the City Council denies the application of Oakwood Manor Limited Partnership and St. Vincent de Paul Society of Lane County, Inc. for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property identified as Assessor's Map 17-04-35-43, Tax Lot 2401; Assessor's Property Account No. 0470243, and more particularly described on Exhibit A attached to this Resolution, because the applicant has failed to demonstrate satisfactory compliance with the criteria in Section 2.939(3) of the Eugene Code, 1971.

Section 2. The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within ten days from the date of adoption of this Resolution, along with a notice informing the applicant of the right to appeal in the manner set forth in ORS 34.010 to 34.100.

Section 3. This Resolution shall become effective immediately upon its adoption.

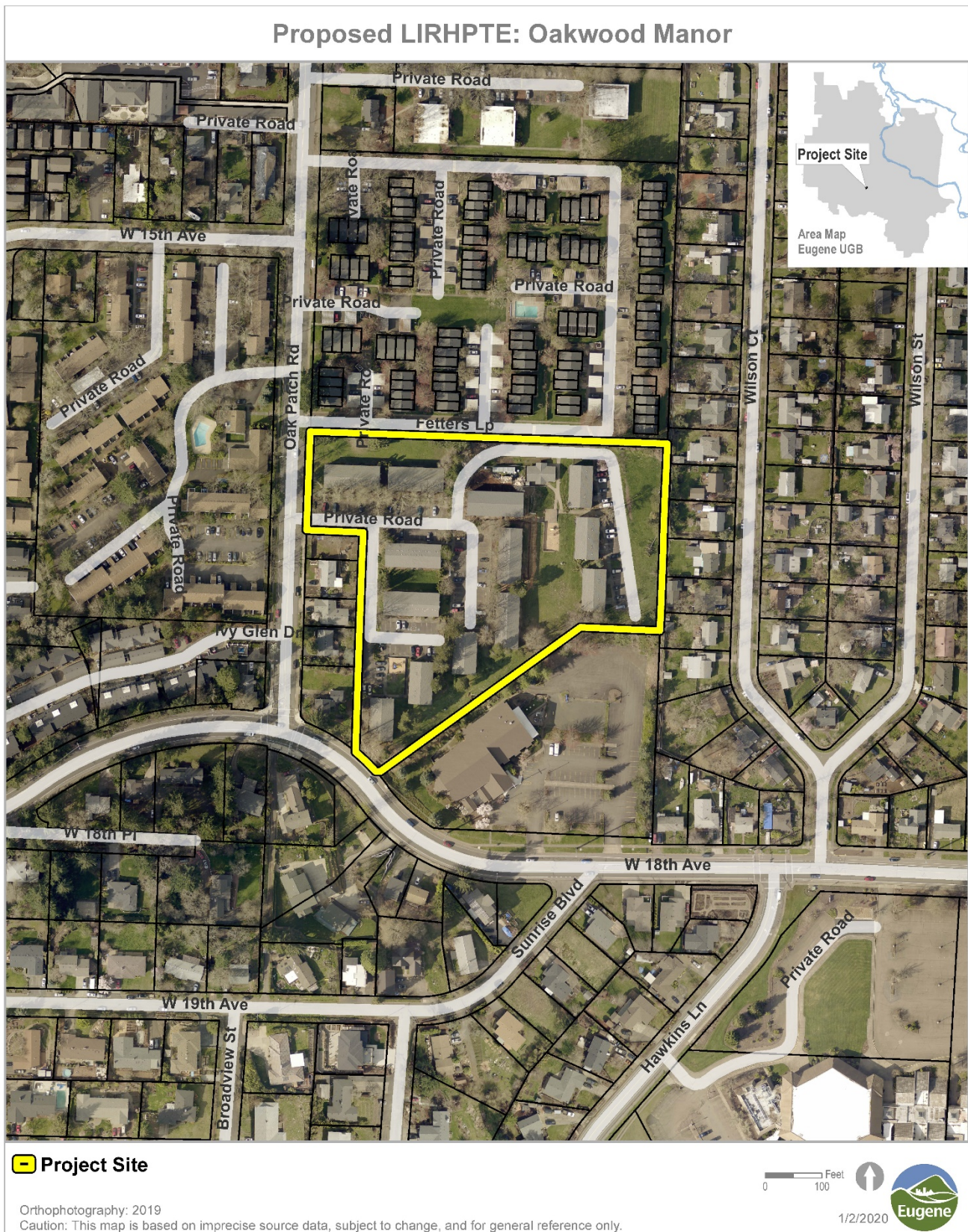
The foregoing Resolution adopted the ____ day of January, 2020.

City Recorder

LEGAL DESCRIPTION

Beginning at a point on the West line of BERKELEY PARK ADDITION as platted and recorded in Book 15, Page 28, Lane County Oregon Plat Records, in Eugene, Lane County, Oregon, that is 405.0 feet North 00° 19' East of a point on the South line of Section 35 in Township 17 South, Range 4 West of the Willamette Meridian which is 1,326.43 feet North 89° 15' West of the Southeast corner of said Section 35, run thence North 89° 15' West 140.0 feet; thence South 52° 23' 40" West 434.07 feet, thence North 89° 15' West 45.0 feet, thence North 00° 06' East 420.06 feet, thence North 89° 54' West 100.0 feet to the Easterly right of way line of County Road No. 1225 (Known as Oak Patch Road); thence North 00° 06' East 171.0 feet along said Easterly right of way line to a point, thence South 89° 54' East 629.65 feet to the Westerly boundary of said BERKELEY PARK ADDITION; thence South 0° 19' West along said boundary line 327.68 feet to the point of beginning, being a part of Lot 9, CITY VIEW PARK as platted and recorded in Book 3, Page 23, Lane County Oregon Plat Records, in Lane County, Oregon;

EXCEPT that portion described in Deed to the City of Eugene, recorded January 24, 1969, Reception No. 51930, Lane County Official Records, in Lane County, Oregon.



EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



A Resolution Authorizing the Issuance and Sale of Electric Utility Revenue Refunding Bonds and Providing for Related Matters.

A Resolution Authorizing the Issuance and Sale of Water Utility System Revenue Bonds and Revenue Refunding Bonds and Providing for Related Matters.

Meeting Date: January 27, 2020
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2D
Staff Contact: Twylla Miller
Contact Telephone Number: 541-682-8417

ISSUE STATEMENT

Eugene Water & Electric Board (EWEB) is requesting authority to proceed with the issuance of Electric Utility Revenue Refunding Bonds in the amount of \$36,880,000 for refunding certain outstanding issuances to achieve interest savings. EWEB is also requesting authority to proceed with the issuance of Water Utility Bonds in the amount of \$36,860,000; \$15,860,000 for refunding certain outstanding issuances to achieve interest savings, and \$21,000,000 of new money authorization for capital improvements.

BACKGROUND

EWEB has taken steps for the benefit of its customer-owners to improve the financial condition of each utility (Electric and Water). Market conditions are currently favorable for refinancing bonds and undertaking new issuances. The proposed refinancing would achieve approximately \$1,900,000 in interest savings for each utility, which will help mitigate future rate pressure. The EWEB Board of Commissioners unanimously approved resolutions requesting the City to authorize the sale of these bonds at their January 7, 2020, meeting.

Electric Utility System

The City, acting by and through EWEB, previously issued \$71,230,000 of Series 2012 Electric Utility System Bonds. As of December 31, 2019, \$33,150,000 remains outstanding. Current market conditions indicate that by refunding a portion of the outstanding bonds totaling approximately \$15 million, \$1.9 million of interest savings could be achieved. The issuance authority requested is to refinance all of the outstanding bonds, should market conditions at the time of issuance prove financially beneficial.

City Council approved Resolution No. 5201 on June 26, 2017, authorizing the issuance of \$80,000,000 Electric Utility System bonds primarily for capital improvements related to the relicensing of the Carmen-Smith Hydroelectric Project, as well as other projects described in the Electric Utility Capital Improvement Plan. At that time, EWEB indicated its intent to issue bonds in

two series with the second issuance occurring in 2021. The \$33,795,000 of bonds issued in 2017 are projected to be spent by the end of 2020. EWEB expects to issue the remaining bonds authorized by City of Eugene Resolution No 5201 simultaneously with the refunding bonds to take advantage of the current favorable market conditions and the financial benefit of spreading the costs of issuance over both the refunding and revenue bond series. Consistent with the authorization granted by council in Resolution No. 5201, the primary intended use of funds will be for major relicensing projects on EWEB's largest owned generation facility, Carmen-Smith.

As of December 31, 2019, Electric Utility System outstanding bonds totaled \$175 million, down from \$298 million in 2012.

Water Utility System

A new authorization for \$21,000,000 of Water Utility System Revenue Bonds is being requested under the provisions of the Uniform Revenue Bond Act. Bonds issued pursuant to this authorization will provide funds intended primarily for the design, construction, installation, and equipping of certain capital improvements including water system storage and transmission improvements. In 2016, EWEB issued approximately \$16 million in Water Utility System Revenue Bonds for capital improvements. Those bond proceeds were spent by the end of 2019 on projects that included upgrades to the Hayden Bridge filtration plant, and other projects designed to provide safe and reliable water to the community.

The City, acting by and through EWEB, previously issued \$17,300,000 Series 2011 Water Utility System Bonds. As of December 31, 2019, \$14,725,000 remains outstanding which, if refunded, would achieve approximately \$1.9 million in savings under current market conditions.

As of December 31, 2019, the Water Utility had \$49 million of outstanding bonds.

Impact on Rates

Through a combination of debt restructuring and other saving initiatives, EWEB has not raised residential electric rates for five out of the last six years or water rates for the last three years. The issuance of the electric refunding bonds requested in this authorization would achieve approximately \$2 million dollars in net present value savings, which has a negligible impact on electric rates over the 10-year horizon. For the Water Utility, when combined with the refunding, there is an overall decrease of two percent in the 10-year rate trajectory, when compared to not borrowing, as the cost of construction is spread over the life of the bonds. Interest rates fluctuate, and the actual savings could be more or less than anticipated, depending on market conditions at the time of the sale. The impact on debt service costs for each utility system are shown in the attached graphs.

PREVIOUS COUNCIL DIRECTION

[June 26, 2017, City Council Meeting on Resolution 5201](#)

COUNCIL OPTIONS

City Council may consider the following options:

1. Adopt one or both of the resolutions.
2. Deny one or both of the resolutions.
3. Defer action until a later date.

MOTIONS:

Move to adopt a Resolution Authorizing the Issuance and Sale of Electric Utility System Revenue Refunding and Providing for Related Matters.

AND

Move to adopt a Resolution Authorizing the Issuance and Sale of Water Utility System Revenue Bonds and Revenue Refunding Bonds and Providing for Related Matters.

ATTACHMENTS

- A. A Resolution Authorizing the Issuance and Sale of Electric Utility System Revenue Refunding Bonds and Providing for Related Matters.
- B. A Resolution Authorizing the Issuance and Sale of Water Utility System Revenue Bonds and Revenue Refunding Bonds and Providing for Related Matters.
- C. Electric Utility and Water Utility Annual Debt Service Costs

FOR MORE INFORMATION

Staff Contact: Twylla Miller
Telephone: 541-682-8417
Staff E-Mail: tmiller@eugene-or.gov

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE ISSANCE AND SALE OF
ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS AND
PROVIDING FOR RELATED MATTERS.**

The City Council of the City of Eugene finds that:

A. Oregon Revised Statutes (“ORS”) Section 287A.150 authorizes the City of Eugene, Oregon (the “City”) to issue revenue bonds payable from identified revenues of the City. The City, acting by and through the Eugene Water & Electric Board (“EWEB”), owns and operates an electric utility system and related facilities and systems.

B. On June 16, 1986, EWEB adopted a resolution authorizing and providing for the issuance, from time to time, of City of Eugene, Oregon Electric Utility System Revenue Bonds to be equally and ratably secured by the pledge of revenues, funds and accounts thereunder, which resolution was amended and restated by Resolution No. 1604 (as amended and supplemented, the “Bond Resolution”).

C. The Bond Resolution provides in part that the principal of, premium, if any, and interest on the bonds issued thereunder shall not be payable from any funds of the City or EWEB other than the Bond Fund established by the Bond Resolution, nor constitute a general obligation of EWEB or the City or create a charge upon the tax revenues of the City or any other property of the City or property of EWEB, except the revenues and other money and securities pledged under the Bond Resolution.

D. The City Council adopted Resolution No. 5061 on May 29, 2012, authorizing the issuance of revenue and refunding bonds in an amount not to exceed \$83,000,000. Pursuant to that authorization, the City, acting by and through EWEB, issued the City of Eugene, Oregon Electric Utility System Revenue Bonds, Series 2012 in the original principal amount of \$71,230,000 (the “Series 2012 Bonds”), which Series 2012 Bonds are currently outstanding in the principal amount of \$33,150,000.

E. EWEB has determined that substantial present value savings may be achieved by issuing refunding bonds for the purpose of refunding all or a portion of the outstanding Series 2012 Bonds that may be called and redeemed on any date on or after August 1, 2022, without premium (the “Refunded Bonds”).

F. EWEB has requested by resolution that the City Council adopt this Resolution to set the terms for and authorize the issuance of not to exceed \$36,880,000 in aggregate principal amount of electric utility system revenue refunding bonds (the “Refunding Bonds” or the “Bonds”) for the purpose of refunding all or a portion of the Electric Utility System Revenue Bonds, Series 2012, funding necessary reserves and paying the costs of issuance of Bonds.

G. The Bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from revenues of the Electric Utility System which EWEB pledges to the payment of such Bonds pursuant to ORS Sections 287A.310 and 287A.325 and the resolution to be adopted by EWEB pursuant to this Resolution.

H. EWEB has by resolution undertaken to cause to be prepared a plan showing that EWEB's estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Bonds authorized by this Resolution.

I. EWEB expects to issue the bonds authorized by this resolution simultaneously with bonds to finance capital improvements that were authorized by the City Council pursuant to Resolution No. 5201 adopted on June 26, 2017.

NOW THEREFORE, based upon the above findings,

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

Section 1. Authorization of Bonds; Purpose of Issue. Based on the above findings, the City Council hereby authorizes EWEB, on behalf of the City, to issue and sell the Bonds designated as the "City of Eugene, Oregon Electric Utility System Revenue Refunding Bonds," in one or more series, in the aggregate principal amount of not to exceed \$36,880,000, for the purpose of refunding a portion of the Electric Utility System Revenue Bonds, Series 2012.

Section 2. Conditions of Issuance and Sale. The City Council hereby prescribes that:

(a) The Bonds of each series shall: (i) mature not later than six months after the original final maturity of the 2012 Bonds; (ii) be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation at par or with a net original issue discount or premium that does not exceed 20% of the aggregate principal amount thereof; and (iii) have an effective interest rate of not to exceed 6.0% per annum; and

(b) The proceeds of the Bonds shall be used only for the purposes above described.

Section 3. Delegation of Authority for Terms of Bonds; Provisions for Issuance. Pursuant to ORS 287A.300(4), EWEB, or any individual designated by EWEB, is hereby authorized and directed to determine, with respect to the Bonds, the form of bond and series designation, the manner of disbursement of proceeds of the Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, the refunding plan, whether to obtain bond insurance or some other form of guaranty or security for the payment of the Bonds, denominations, form, authorized signatory and other terms and conditions of the Bonds because the same cannot be determined by the City Council at this time. Prior to the issuance of any Bonds, EWEB shall: (i) prepare

a plan showing that the estimated Electric Utility System revenues are sufficient to pay the estimated debt service on the Bonds; (ii) adopt a supplemental bond authorizing resolution and provide a copy of such resolution to the City; (iii) provide to the City a resolution determining that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of the Bonds, exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter and ordinances of the City and this Resolution; and (iv) submit the refunding plan to the State Treasurer.

Section 4. Statement on Form of Bond. All Bonds shall include a statement on their face to the effect that:

(a) That they do not in any manner constitute a general obligation of EWEB or of the City, or create a charge upon the tax revenues of the City, or upon any other revenues or property of the City, or property of EWEB, but are charges upon and are payable solely from the revenues of the Electric Utility System operated by EWEB, or any portion thereof, pledged to the payment thereof; and

(b) That the holders thereof may look for repayment only to the revenues of the Electric Utility System which are pledged for the payment thereof, and may not directly or indirectly be paid or compensated through any other property of the City, or EWEB, or by or through the taxing power of the City.

Section 5. Bonds Payable Solely from Revenues. The Bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but shall be payable solely from the revenues and funds which EWEB pledges to the payment thereof pursuant to ORS 287A.150, any applicable authorizations and in accordance with this Resolution.

Section 6. Bonds Reporting. EWEB shall submit to the City by May 1 of each year the following annual report commencing after the first sale of any Bonds or other evidences of indebtedness hereunder and each year thereafter until the Bonds have been paid and retired: A report on Bond payments describing amounts paid, amounts scheduled to be paid and the source of such payments.

If the content of the report required by this Section 6 is included in the annual audit report of EWEB, then EWEB may comply with this Section 6 by transmitting a copy of its annual audit report to the City.

Section 7. Appointment of Professionals. EWEB is authorized to appoint bond counsel, disclosure counsel, financial advisor, underwriter in the case of a negotiated sale, trustees, registrars, paying agents, escrow agents, verification agents and any other professional assistance that EWEB determines is necessary or convenient to accomplish the issuance and sale of any or all of the Bonds, and any such appointment is hereby ratified.

Section 8. Official Statement and Disclosure Obligations. EWEB or any party designated by EWEB is authorized to prepare and distribute or direct the preparation and distribution of one or more preliminary or final official statement(s) or other disclosure

document(s) for any of the Bonds, and to enter into continuing disclosure agreements for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission. The City shall have no disclosure obligation related to the Bonds or any continuing disclosure agreement for the Bonds. Any similar agreement for any other borrowing by EWEB shall obligate only EWEB and not the City, and the City shall have no obligation to comply with any of those agreements, or to report EWEB's compliance with those agreements to the MSRB or any other party. In addition to complying with continuing disclosure agreements related to any borrowings by EWEB, EWEB shall comply with its post issuance compliance procedures in effect from time to time.

Section 9. Other Sale Documents. EWEB or any party designated by EWEB is also authorized to obtain bond insurance or other credit enhancement or commitments therefor, to obtain a rating on any or all of the Bonds from Moody's Investors Service, Inc., Standard & Poor's and/or Fitch Ratings, and to issue and publish such notices of sale of the Bonds and execute such purchase contracts as may be necessary or required to accomplish the sale of the Bonds in accordance with this Resolution and to determine any other terms, conditions or covenants regarding any or all of the Bonds, which are necessary or desirable to effect the sale of any or all of the Bonds.

Section 10. Effective Date of Resolution. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted by the City Council this 27th day of January, 2020.

City Recorder

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
WATER UTILITY SYSTEM REVENUE BONDS AND REVENUE
REFUNDING BONDS AND PROVIDING FOR RELATED MATTERS.**

The City Council of the City of Eugene finds that:

A. Oregon Revised Statutes (“ORS”) Section 287A.150 authorizes the City of Eugene, Oregon (the “City”) to issue revenue bonds payable from identified revenues of the City. The City, acting by and through the Eugene Water & Electric Board (“EWEB”), owns and operates a water utility system and related facilities and systems.

B. On September 2, 1997, EWEB adopted a resolution authorizing and providing for the issuance, from time to time, of City of Eugene, Oregon Water Utility System Revenue Bonds to be equally and ratably secured by the pledge of revenues, funds and accounts thereunder, which resolution was amended by Resolution No. 1614 (as amended and supplemented, the “Bond Resolution”).

C. The Bond Resolution provides in part that the principal of, premium, if any, and interest on the bonds issued thereunder shall not be payable from any funds of the City or EWEB other than the Bond Fund established by the Bond Resolution, nor constitute a general obligation of EWEB or the City or create a charge upon the tax revenues of the City or any other property of the City or property of EWEB, except the revenues and other money and securities pledged under the Bond Resolution.

D. EWEB has requested by resolution that the City Council adopt this Resolution in part to set the terms for and authorize the issuance of not to exceed \$21,000,000 in aggregate principal amount of water utility system revenue bonds (the “New Money Bonds”) for the purpose of financing certain capital improvements described in the Water Capital Improvement Plan (the “Project”), to fund necessary reserves and to pay the costs of issuance of the New Money Bonds.

E. The City Council adopted Ordinance No. 5027 on March 14, 2011, authorizing the issuance of water utility system revenue bonds in an amount not to exceed \$25,500,000. Pursuant to that authorization, the City, acting by and through EWEB, issued the City of Eugene, Oregon Water Utility System Revenue Bonds, Series 2011 in the principal amount of \$17,300,000 (the “Series 2011 Bonds”), which Series 2011 Bonds are currently outstanding in the principal amount of \$14,725,000.

F. EWEB has determined that substantial present value savings may be achieved by issuing refunding bonds for the purpose of refunding all or a portion of the outstanding Series 2011 Bonds which may be called and redeemed on any date on or after August 1, 2021, without premium (the “Refunded Bonds”).

G. EWEB has requested by resolution that the City Council adopt this Resolution in part to set the terms for and authorize the issuance of not to exceed \$15,860,000 water utility system revenue refunding bonds (the "Refunding Bonds") for the purpose of refunding the Refunded Bonds, to fund necessary reserves and to pay costs of issuance of the Refunding Bonds. The New Money Bonds collectively with the Refunding Bonds are referred to as the "Bonds."

H. The Bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from revenues of the Water Utility System which EWEB pledges to the payment of such Bonds pursuant to ORS Sections 287A.310 and 287A.325 and the resolution to be adopted by EWEB pursuant to this Resolution.

I. EWEB has by resolution undertaken to cause to be prepared a plan showing that EWEB's estimated Water Utility System revenues are sufficient to pay the estimated debt service on the Bonds authorized by this Resolution.

J. The City and EWEB anticipate incurring expenditures to finance the costs of the Project and wish to declare their official intent to reimburse themselves for the expenditures made on the Project from the proceeds of the Bonds. To the extent that the expenditures and the use of proceeds of the Bonds may qualify under federal tax law and regulations, the City, including EWEB, intends for the interest on such bonds to be excludable from gross income for federal income tax purposes under §103 of the Internal Revenue Code of 1986, as amended (the "Code").

K. EWEB has requested by resolution that the City Council adopt this Resolution in part to authorize the publication of the Notice of Revenue Bond Authorization relating to the Bonds to fund the Project, such notice being in substantially the form attached to this Resolution as Exhibit "A" (the "Notice"). The Notice shall specify the last date on which petitions may be submitted, and the City, acting by and through EWEB, shall cause the Notice to be published in *The Register-Guard*, a newspaper of general circulation within the boundaries of the City, in the same manner as are other public notices of the City.

NOW THEREFORE, based upon the above findings,

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

Section 1. Authorization of Revenue Bonds and Publication of Notice; Purpose of Issue. Based on the above findings, subject to the prior publication of the Notice and the expiration of the 60-day period following the publication of the Notice without the receipt of a petition for an election questioning the issuance of the Bonds to fund the Project, which facts and circumstances shall be determined conclusively and for all purposes by any individual designated by EWEB, the City Council hereby authorizes EWEB, on behalf of the City, to issue and sell the Bonds designated as the "City of Eugene, Oregon Water Utility System Revenue Bonds," in one or more series, in the aggregate principal amount of not to exceed \$21,000,000, for the purpose of financing the Project, and funding any required reserves and costs of issuance, and to publish the Notice as aforesaid. If petitions for an election, containing

the valid signatures of not less than 5.0% of the City's qualified electors, are received within the time indicated in the Notice, the question of issuing Bonds to fund the Project shall be placed on the ballot at the next legally available election date. If such petitions are received no Bonds to fund the Project may be sold until the question of whether to issue the Bonds to fund the Project is approved by a majority of electors living within the boundaries of the City who vote on that question. Any such petitions will be subject to ORS 287A.150 and §§2.960-2.1005 of the Eugene Code, 1971.

Section 2. Authorization of Refunding Bonds; Purpose of Issue. Based on the above findings, the City Council hereby authorizes EWEB, on behalf of the City, to issue and sell the Refunding Bonds designated as the "City of Eugene, Oregon Water Utility System Revenue Refunding Bonds," in one or more series, in an amount not to exceed \$15,860,000 for the purpose of refunding all of the 2011 Bonds, and to fund any required reserves and costs of issuance of the Refunding Bonds.

Section 3. Conditions of Issuance and Sale. The City Council hereby prescribes that:

(a) The Bonds of each series shall: (i) mature not later than 30 years from the date of issuance of the series, provided that the portion of the Bonds that refund the 2011 Bonds shall mature not later than six months of the original final maturity of the 2011 Bonds; (ii) be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation at par or with a net original issue discount or premium that does not exceed 20% of the aggregate principal amount thereof; and (iii) have an effective interest rate of not to exceed 6.0% per annum; and

(b) The proceeds of the Bonds shall be used only for the purposes above described.

Section 4. Delegation of Authority for Terms of Bonds; Provisions for Issuance. Pursuant to ORS 287A.300(4), EWEB, or any individual designated by EWEB, is hereby authorized and directed to determine, with respect to the Bonds, the form of bond and series designation, the manner of disbursement of proceeds of the Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, the refunding plan, whether to obtain bond insurance or some other form of guaranty or security for the payment of the Bonds, denominations, form, authorized signatory and other terms and conditions of the Bonds because the same cannot be determined by the City Council at this time. Prior to the issuance of any Bonds, EWEB shall: (i) prepare a plan showing that the estimated Water Utility System revenues are sufficient to pay the estimated debt service on the Bonds; (ii) adopt a supplemental bond authorizing resolution and provide a copy of such resolution to the City; (iii) provide to the City a resolution determining that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of the Bonds, exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter and ordinances of the City and this Resolution; and (iv) submit the refunding plan to the State Treasurer.

Section 5. Declaring Intent to Reimburse. The City reasonably anticipates that the City and EWEB may incur preliminary, costs of issuance and other project expenditures that qualify as “Original Expenditures” under Treasury Regulation §1.150-2 prior to the date of issuance of the Bonds, and hereby declares its official intent to reimburse itself or EWEB with proceeds of the sale of the New Money Bonds to be issued in an amount not to exceed \$21,000,000 in aggregate principal amount.

Section 6. Statement on Form of Bond. All Bonds shall include a statement on their face to the effect that:

(a) That they do not in any manner constitute a general obligation of EWEB or of the City, or create a charge upon the tax revenues of the City, or upon any other revenues or property of the City, or property of EWEB, but are charges upon and are payable solely from the revenues of the Water Utility System operated by EWEB, or any portion thereof, pledged to the payment thereof; and

(b) That the holders thereof may look for repayment only to the revenues of the Water Utility System which are pledged for the payment thereof and may not directly or indirectly be paid or compensated through any other property of the City, or EWEB, or by or through the taxing power of the City.

Section 7. Bonds Payable Solely from Revenues. The Bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but shall be payable solely from the revenues and funds which EWEB pledges to the payment thereof pursuant to ORS 287A.150, any applicable authorizations and in accordance with this Resolution.

Section 8. Bonds Reporting. EWEB shall submit to the City by May 1 of each year the following annual reports commencing after the first sale of any Bonds or other evidences of indebtedness hereunder and each year thereafter until the Bonds have been paid and retired:

(a) A report on the funds for each series of Bonds describing the funds established, the amounts in each fund, expenditure from each fund, the manner in which the monies in each fund have been invested, the income from such investments and the application of such income; and

(b) A report on Bond payments describing amounts paid, and amounts scheduled to be paid and the source of such payments.

If the contents of the reports required by subsections (a) and (b) above are included in the annual audit report of EWEB, then EWEB may comply with this Section 8 by transmitting a copy of its annual audit report to the City.

Section 8. Appointment of Professionals. EWEB is authorized to appoint bond counsel, disclosure counsel, financial advisor, underwriter in the case of a negotiated sale, trustees, registrars, paying agents, escrow agents, verification agents and any other professional assistance that EWEB determines is necessary or convenient to accomplish the issuance and sale of any or all of the Bonds, and such appointments are hereby ratified.

Section 9. Official Statement and Disclosure Obligations. EWEB or any party designated by EWEB is authorized to prepare and distribute or direct the preparation and distribution of one or more preliminary or final official statement(s) or other disclosure document(s) for any of the Bonds, and to enter into continuing disclosure agreements for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission. The City shall have no disclosure obligation related to the Bonds or any continuing disclosure agreement for the Bonds. Any similar agreement for any other borrowing by EWEB shall obligate only EWEB and not the City, and the City shall have no obligation to comply with any of those agreements, or to report EWEB's compliance with those agreements to the MSRB or any other party. In addition to complying with continuing disclosure agreements related to any borrowings by EWEB, EWEB shall comply with its post issuance compliance procedures in effect from time to time.

Section 10. Other Sale Documents. EWEB or any party designated by EWEB is also authorized to obtain bond insurance or other credit enhancement or commitments therefor, to obtain a rating on any or all of the Bonds from Moody's Investors Service, Inc., Standard & Poor's and/or Fitch Ratings, and to issue and publish such notices of sale of the Bonds and execute such purchase contracts as may be necessary or required to accomplish the sale of the Bonds in accordance with this Resolution and to determine any other terms, conditions or covenants regarding any or all of the Bonds or the Project, which are necessary or desirable to effect the sale of any or all of the Bonds.

Section 11. Effective Date of Resolution. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted by the City Council this 27th day of January, 2020.

City Recorder

EXHIBIT A

FORM OF NOTICE OF REVENUE BOND AUTHORIZATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Eugene, Oregon (the “City”), acting pursuant to the request of the Eugene Water & Water Board (“EWEB”), adopted Resolution No. _____ on January 27, 2020, authorizing the issuance of the City's Water Utility System revenue bonds. The revenue bonds will be issued in one or more series to provide funds for the purpose of certain capital improvement projects described in the Water Capital Improvement Plan (collectively, the “Project”), funding necessary reserves and paying the costs of issuance of the revenue bonds.

The costs of funding the Project, together with the necessary reserves and costs of issuance of the revenue bonds, are estimated not to exceed \$21,000,000. In accordance with these estimates, the City expects that the revenue bonds to fund the Project will be issued in an aggregate principal amount not to exceed \$21,000,000. Such bonds may be issued simultaneously with bonds to refund the Water Utility System Revenue Bonds, Series 2011.

Subject to certain parameters, EWEB may establish all terms, conditions and covenants regarding the revenue bonds and the revenues which are necessary or desirable to affect the sale of the revenue bonds.

The revenue bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from the revenues of the City's Water Utility System.

If written petitions, signed by not less than 5.0% of the City's qualified electors, are filed at the Office of the City Recorder on or before _____, 2020 (the 61st day after the date of publication of this notice), the question of issuing \$21,000,000 of water revenue bonds shall be placed on the ballot at the next legally available election date. Any such petition shall be subject to ORS 287A.150 and Sections 2.970-2.989 of the Eugene Code, 1971.

The Office of the City Recorder is located at 125th E. 8th Avenue, 2nd Floor, Eugene, Oregon 97401. Information on procedures for filing petitions may also be obtained at such address or by telephone at (541) 682-5010.

The resolution authorizing the revenue bonds is available for inspection at the Office of the City Recorder.

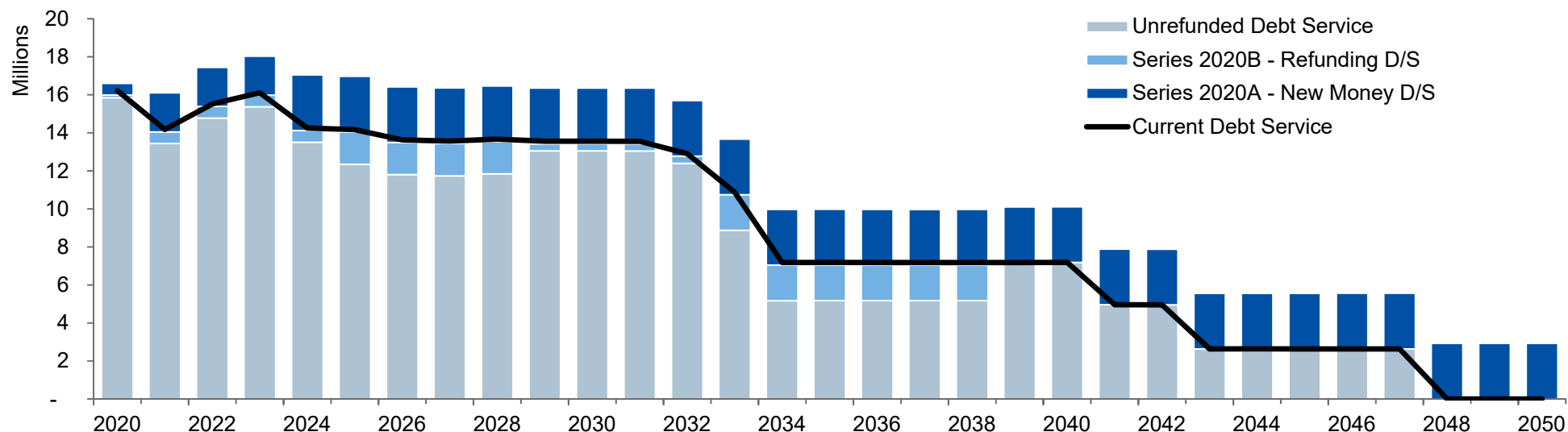
The revenue bonds will be issued and sold pursuant to ORS 287A.150, and this notice is published pursuant to ORS 287A.150(4).

Electric Utility Annual Debt Service Costs

Current market conditions are attractive for refunding savings

The gray bars on the following graph depict the Electric Utility annual debt service requirements on outstanding debt that will not be refunded. The light blue bars are the debt service on the proposed refunding. The black line is EWEB's current debt service. The refunding will result in approximately \$2 million in total net present value savings. In 2017 the City Council authorized an additional \$46 million in funding, primarily for Carmen Smith. EWEB is planning to borrow those funds now and the dark blue area of the bar represents the debt service on that borrowing.

Combined Debt Service (\$ millions)



Assumptions / Notes:

(1) Rates as of January 13, 2020

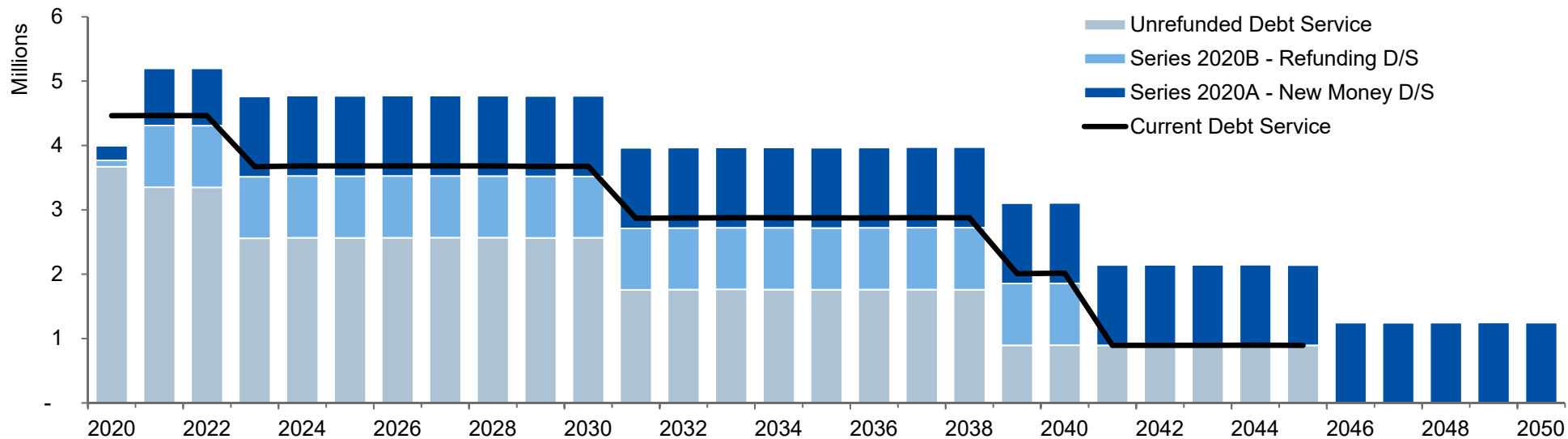
(2) Utilizes taxable pricing with a 10-year par call

Water Utility System Combined Results

Current market conditions are attractive for refunding savings and new money bonds

The gray bars on the following graph depict the Water Utility annual debt service requirements on outstanding debt that will not be refunded. The light blue bars are the debt service on the proposed refunding. The black line is EWEB's current debt service. The refunding will result in approximately \$2 million in total net present value savings. The dark blue bars represent anticipated 2020 annual debt service costs. When combined with the refunding, there is an overall decrease of 2 percentage points in the 10 year rate trajectory, when compared to not borrowing, as the cost of construction is spread over the life of the bonds.

Combined Debt Service (\$ millions)



Assumptions / Notes:

(1) Rates as of January 13, 2020

(2) Utilizes taxable pricing with a 10-year par call

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Public Forum

Meeting Date: January 27, 2020
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This segment allows citizens the opportunity to express opinions and provide information to the council. Testimony presented during the Public Forum should be on city-related issues and should not address items which have already been heard by a Hearings Official or are on the present agenda as a public hearing item.

SUGGESTED MOTION

No action is required; this is an informational item only.

FOR MORE INFORMATION

Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: bforrest@eugene-or.gov