



Eugene City Council

125 E. 8th Ave., 2nd Floor
Eugene, OR 97401-2793
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

May 13, 2020

12:00 p.m. CITY COUNCIL WORK SESSION

Due to Governor Kate Brown's Stay Home, Save Lives Executive Order to combat the spread of Covid-19, this meeting will be held remotely using virtual meeting technology. Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

**Meeting of May 13, 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

12:00 p.m. CITY COUNCIL WORK SESSION

- 1. WORK SESSION: COVID-19 Update**
- 2. WORK SESSION AND ACTION: Broadway & Hilyard Property Disposition Deal Points**
- 3. WORK SESSION: Downtown Riverfront Phase 1 Infrastructure**

For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010
or visit us online at www.eugene-or.gov.

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session and Action: Broadway & Hilyard Property Disposition Deal Points

Meeting Date: May 13, 2020
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Amanda D'Souza
Contact Telephone Number: 541-682-5540

ISSUE STATEMENT

The purpose of this work session is for council to take action on deal points for the disposition of property located at the northeast corner of Broadway & Hilyard (see map in Attachment A and the proposed terms in Attachment B). Council previously directed staff to negotiate terms with the owner of the adjacent 66 Motel, Tom Connor.

BACKGROUND

The Broadway & Hilyard site is made up of two parcels totaling 0.19 acres, immediately adjacent to the 66 Motel to the north and east, and across from Café Yumm to the south. The site is zoned C-2 (Community Commercial) and is currently vacant and undeveloped. The site is a remnant from property the City purchased in 2007 and used as part of the Courthouse District transportation infrastructure improvements.

The purpose of the disposition of this property is to encourage redevelopment for a use, or mix of uses, compatible with high quality, pedestrian friendly, downtown urban environment, in alignment with the Downtown Plan, Envision Eugene, and current implementation efforts such as the Willamette to Willamette Initiative. The Broadway & Hilyard site is located on a key corner and major corridor leading to the future riverfront redevelopment and the entrance to downtown. The site is severely constrained due to its small size and location. For example, no ingress or egress is allowed from the site itself.

At the February 13, 2017, meeting, Council approved using a Request for Proposals (RFP) process and objectives for disposition of the Broadway & Hilyard property. The City received two proposals. At the July 10, 2017, work session, Council directed staff to negotiate deal points with Mr. Connor for sale of the property (see Attachment C for the proposal).

Since Council's direction, Mr. Connor has explored the possibility of purchasing the land under and adjacent to his motel to the east in order to do a larger-scale redevelopment. (He currently has a long-term lease on the motel land.) Due to complications with the land's ownership (a trust with many members), he was unsuccessful in his attempts.

Operating as Budgetel Inns of Oregon, Inc., Mr. Connor proposes purchasing the City-owned property for \$90,000. Once purchased, Mr. Connor agrees to make improvements to the site to secure and beautify the property. Mr. Connor has also agreed to grant an easement on the motel walls to the 20x21 EUG Mural Project. Cultural Services staff has an interest in creating a large-scale mural to commemorate the World Athletic Championships. The 20x21 EUG Mural Project Committee will coordinate recruitment of an artist and will consult on mural design. The feasibility of providing a direct connection between the two properties by removing a portion of the motel walls and establishing other active uses on the property as identified in Mr. Connor's proposal will be investigated as part of the motel renovation.

Mr. Connor has demonstrated experience in downtown Eugene redevelopment. He led development of the Eugene Planing Mill District, recruiting REI and other local commercial and retail businesses and developed both the 5th and Pearl Building and Station Square, which are occupied by various office and retail tenants. Mr. Connor is currently redeveloping the Best Western Greentree, across from Matthew Knight Arena, on Franklin Blvd.

Next Steps

If council approves the terms, the City will enter into a Purchase and Sale Agreement with Budgetel Inns of Oregon, Inc. Cultural Services staff will convene the 20x21 EUG Mural Project Committee to plan the mural for the motel wall.

PREVIOUS COUNCIL DIRECTION

[Eugene City Council Meeting: February 13, 2017](#)

Council approved use of a Request for Proposal process for disposition of the Broadway & Hilyard property.

[Eugene City Council Meeting: July 10, 2017](#)

Council directed staff to negotiate deal points with Tom Connor for the sale of the City-owned property at Broadway & Hilyard and to bring deal points back to council for action.

COUNCIL OPTIONS

The Council may choose to:

- a. Authorize the City Manager to sell the property to Tom Connor, consistent with the terms included in Attachment B;
- b. Amend the terms included in Attachment B, and authorize the City Manager to sell the property to Budgetel Inns of Oregon, Inc.; or
- c. Not approve sale of the property at this time.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends approval of the sale of the property to Budgetel Inns of Oregon, Inc. consistent with the terms included in Attachment B.

SUGGESTED MOTION

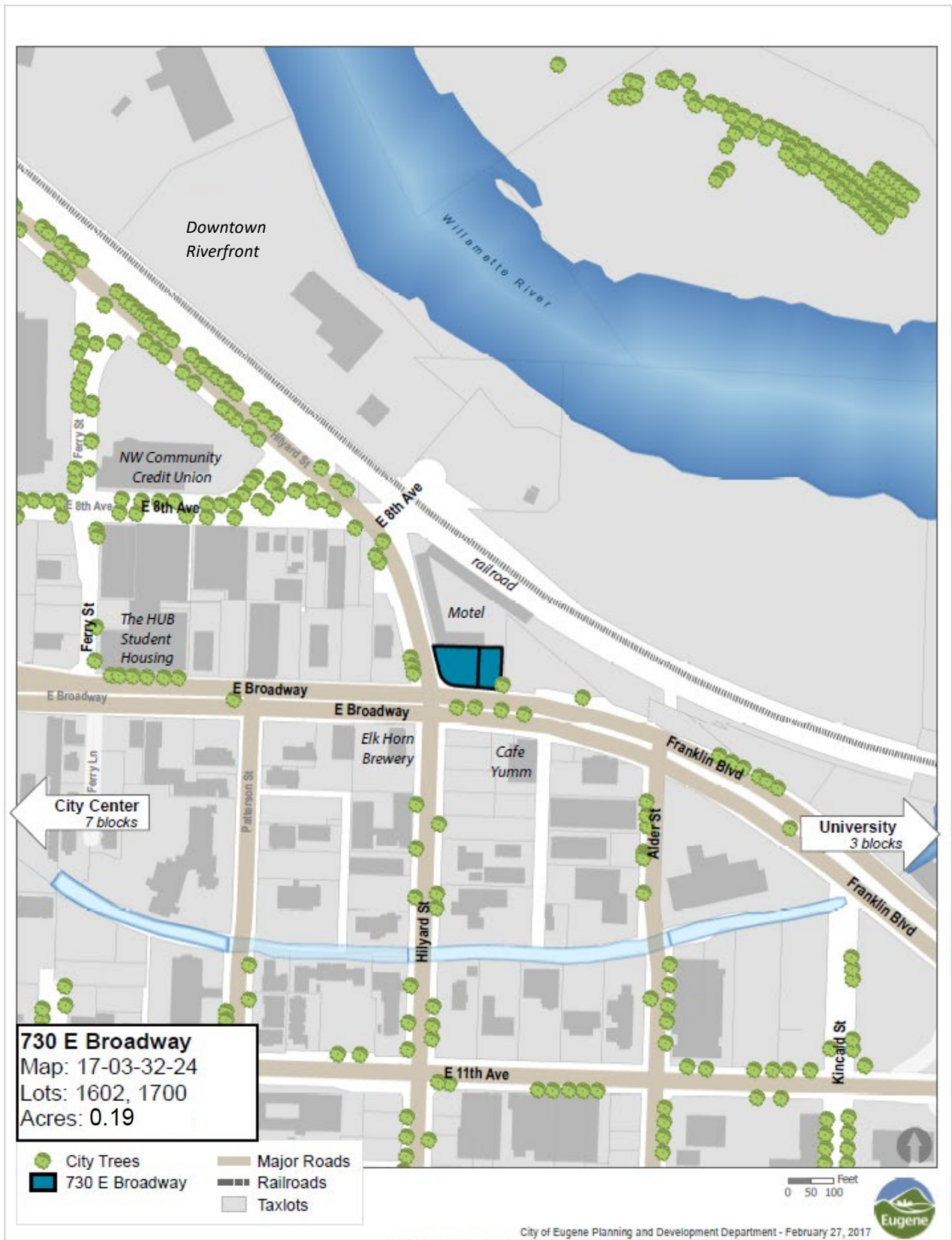
Move to authorize the City Manager to sell the parcel identified in Attachment A to Budgetel Inns of Oregon, Inc. consistent with the terms included in Attachment B.

ATTACHMENTS

- A. Map of Broadway & Hilyard Property
- B. Outline of Terms for Sale of Property
- C. Selected Proposal from 2017
- D. Existing Wall for Future Mural

FOR MORE INFORMATION

Staff Contact: Amanda D'Souza
Telephone: 541-682-5540
Staff E-Mail: adsouza@eugene-or.gov



Attachment B – Outline of Terms for Sale of Broadway & Hilyard Property

Buyer: Budgetel Inns of Oregon or assignee

Seller: City of Eugene

Property: Land (approximately 0.19 acre) located at Broadway and Hilyard Street (tax lots 01602 and 01700, Assessor's map 17-03-32-24)

Purchase Price: \$90,000, cash at closing

Purchase and Sale Agreement: Following City Council's approval of terms, Buyer and Seller shall enter into a formal Purchase and Sale Agreement.

Earnest Money Deposit: \$9,000 paid upon execution of a Purchase and Sale Agreement, and non-refundable after the Due Diligence Period. Earnest Money Deposit will be credited toward the purchase price at closing.

Due Diligence Period: Upon execution of a Purchase and Sale Agreement, Buyer will have a period of 90 days in which to review property information and to conduct on-site testing to determine condition of the property.

Environmental Condition: During the Due Diligence Period, Buyer will be able to perform environmental investigation to satisfy itself of the environmental condition of the property, the results of which will be provided to the Seller for review. Based on the information provided in the environmental assessment, Buyer may either move forward with the purchase of the site or rescind the offer to purchase the site.

Project Description: Buyer agrees to secure the property, implement landscaping improvements and provide access to the adjacent motel walls for creation of a mural no later than June of 2021.

Buyer intends to rebrand and renovate the adjacent motel to provide a more attractive, active use on the entire corner. The feasibility of providing a direct connection between the two properties by removing a portion of the motel walls and establishing other active uses on the Property will be investigated as part of the motel renovation.

Design Review: Buyer shall submit project drawings of any planned improvements on the Property to City staff for review and feedback during concept design as well as prior to applying for development or building permits. Buyer will consider City input in good faith and incorporate at their discretion.

Closing Date: The closing of the sale shall occur no later than 6 months following the execution of the Purchase and Sale Agreement or reasonable mutually agreed extension. Commensurate with closing, Buyer shall enter into an Art Easement with the City for the purpose of installing, maintaining, operating and exhibiting a mural on the adjacent motel walls.

Condition of Property at Closing: Buyer is purchasing the Property as is in its current condition. Buyer's expectations concerning the Property are to be based solely on the basis of Buyer's own inspection and investigation of the Property.

Condition of Title: Seller shall deliver the Property to Buyer with clear title free of any and all encumbrances and exceptions except those as may have been approved by Buyer in its sole discretion.

April 28, 2017

Community Development Division
Attn: Amanda D'Souza
Business Development Analyst
99 West 10th Avenue
Eugene, OR 97401

Proposal for Broadway and Hilyard to enhance the locatioin and to embrace the Willamette to Willamette Initiative

A. EXPERIENCE AND FINANCIAL CAPACITY

Buyer and negotiator for Budgetel Inns of Orgeon

1. Tom Connor JR.
1655 Franklin Blvd.
Eugene, OR 97403
541 554-3952
tomconnorjr@springcapitalgroup.com

2. Representative of the Connor Family

3. Projects that meet the criteria include:

Eugene Planing Mill District: purchase the property, recruited REI, worked with the City to re-zone the area from manufacturing to commercial and retail. On a local basis tenants included Genesis Juice, Crux Gym and numerous other local businesses.

5 TH Street Area: 5th and High-developed Station Square, which at the time was a huge enhancement of the area. Station Square attracted Steelhead Brewery, one of the first brewery's in Eugene. The building is currently occupied by various office and retail tenants.

5th and Pearl Building: This building has gone through many changes since purchase. Previously the building was accessed through interior hallways. It was remodeled to provide street access and entrances, which provide urban look and feel. It is a mixed use of retail on the ground level and office space on the second level.

Happy to discuss other projects with the Community Development Division if desired.

4. Happy to provide financial information at the next step of the project.

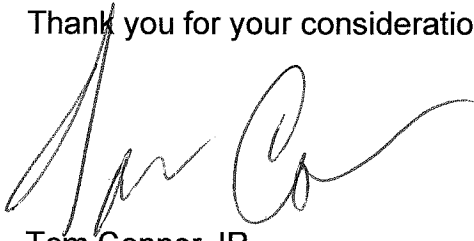
B. VISION

1. The respondent's vision for 703 E. Broadway is to upgrade The 66 Motel with a name change, rebranding and remodeling. This would include enhancement of the corner by providing services to the local community as well as guests to the area. We are prepared to begin immediately upon finalizing the concept and develop the project.

C. PURCHASE OFFER

1. 90,000⁰⁰
2. Would like to discuss with the Community development Division any programs available for this site.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Tom Connor JR", with a stylized, cursive script.

Tom Connor JR

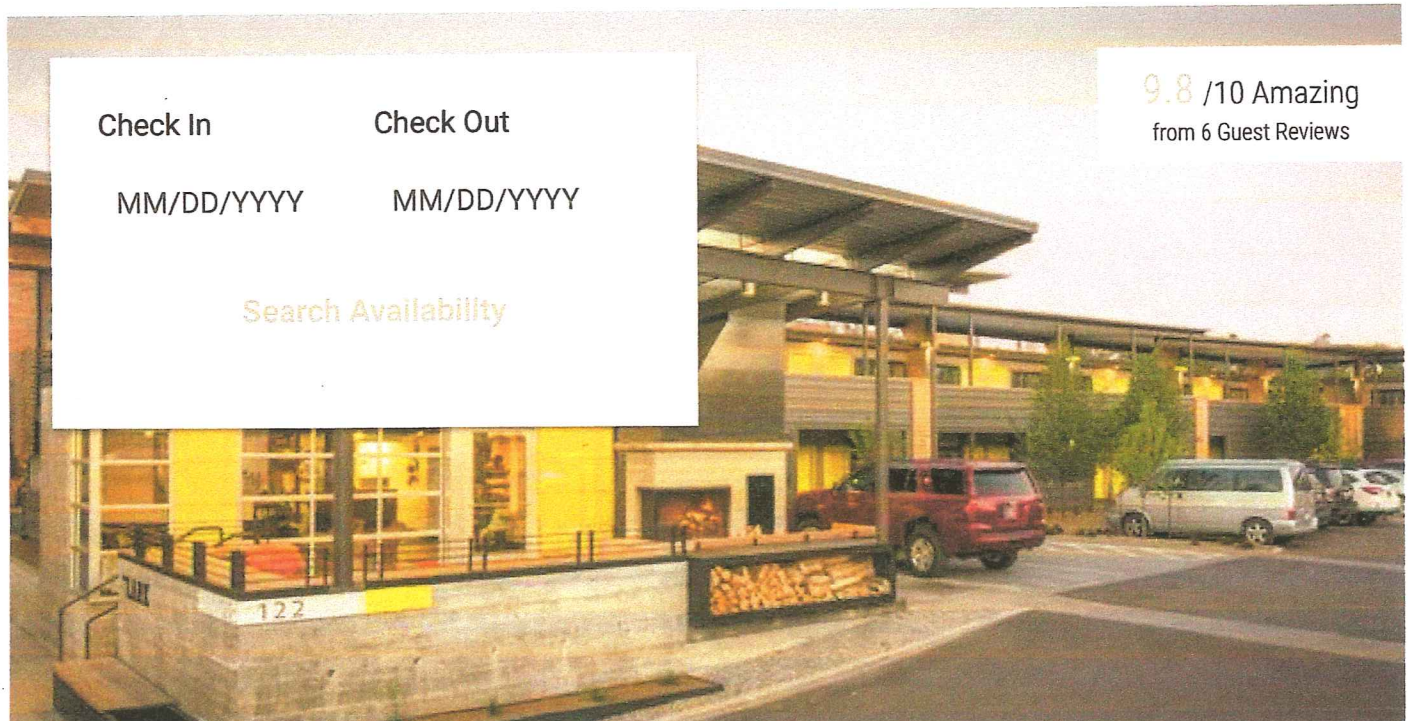
[Expand Map](#)

The LARK Bozeman

6 Reviews

122 W Main St, Bozeman, MT 59715 US

Reservations: [844-230-3817](tel:844-230-3817) (tel:844-230-3817)



[Rooms & Rates](#)

[Hotel Description](#)

[Hotel Amenities](#)

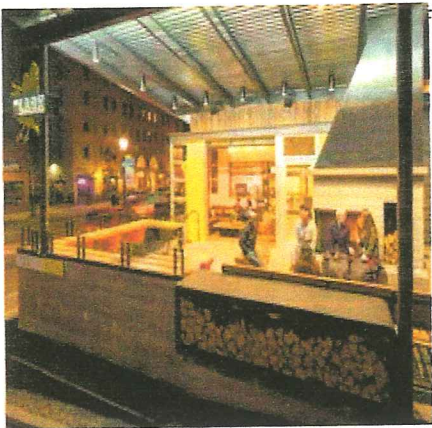
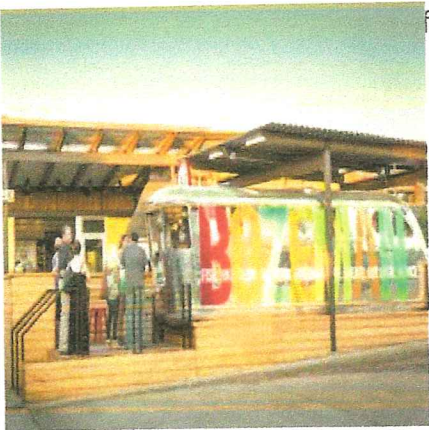
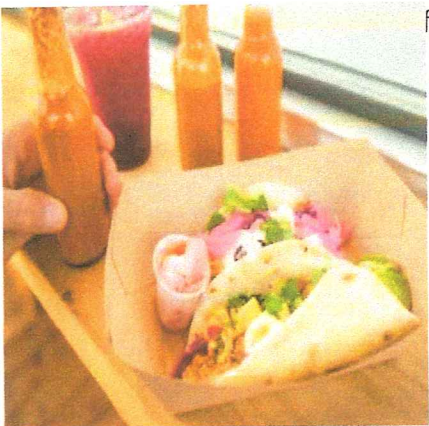
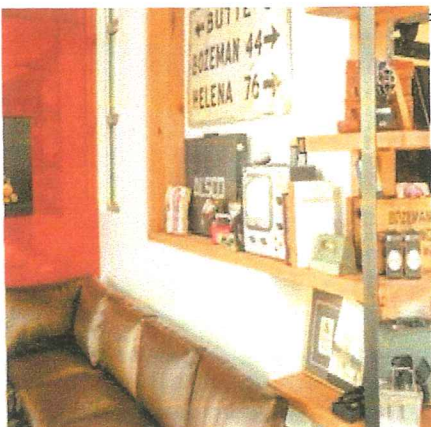
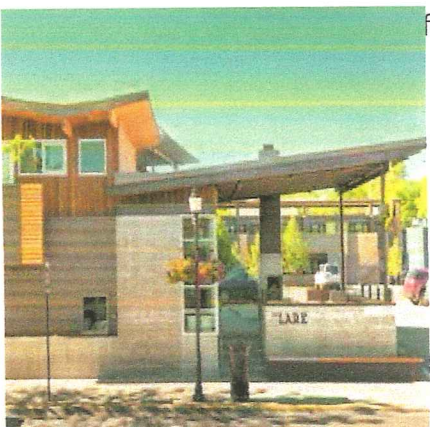
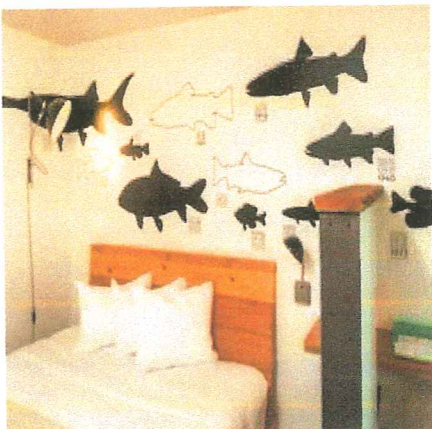
[17 Photos](#)

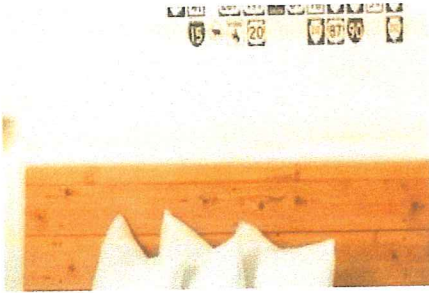
[6 Guest Reviews](#)

USD

Hotel Photos







Note: It is the responsibility of the hotel chain and/or the individual property to ensure the accuracy of the photos displayed. Reservation Counter is not responsible for any inaccuracies in the photos.

Tom Connor – Supplemental Information

- How the site factors into future access to the riverfront

Currently, the development site acts as gap between the Franklin Corridor and the Downtown Riverfront, interrupting the urban framework. We envision the future of this corner as an integral connector between these districts. The proposed development embraces the opportunity to create a vibrant, outdoor, pedestrian-oriented connection between Broadway and Hilyard. While precise uses are not yet final, the development envisions an outdoor social hub – with a variety of vendors and pedestrian-scale elements such as covered and open seating, landscaped open spaces, and a communal hearth – that will bring people into the space and amplify activity at this critical transition point on the way to the riverfront. The proposed uses will be bright, fun, and lively – an infusion of energy that will be the meeting place for neighborhood residents, commuters, and visitors using the pedestrian pathways that connect downtown, the University, and the Willamette River. It will also add new life and amenities for the remodeled motel, which will be designed to tie-in with the character and energy of the site design. Although the site is relatively small in size, the adjacent properties will provide much needed space for additional support functions, allowing the openness of the corner to remain. Supporting program elements such as storage and delivery areas will be tucked away behind the existing walls, allowing better access to maintain and service the site while maximizing usable and public space. As a hub of activity and a place for the community to connect, this site will be an important and accessible gateway to the riverfront.

- How development of site aligns/supports vision and goals of City plans and policies

The proposed development takes a constructive and additive approach to improving the neighborhood area. The site will be a catalyst for an infusion of activity on the corner as well as the rehabilitation of the 66 Motel. New activities and functions, along with a new look for the surrounding Motel property, are strategically aligned with City goals. The vision for the site also helps further stimulate development activity through rebranding and tailoring the Motel to a demographic that includes more cultural and international tourists. With convenient access to the river, downtown, and the University district, these visitors will add vibrancy and diversity to the neighborhood and help stimulate existing businesses. Potential uses like a food cart pod will provide much needed access to more affordable food options for local residents as well as opportunities for small business start-ups. Local as well as regional success for these types of developments suggest that this project is well-supported, familiar, and resilient – creating economic conditions that foster solid growth in and around the development. This development type is also proven to encourage alternative transportation and walkable neighborhoods, furthering the mission to meet “environmental, economic, and social needs without compromising the ability of future generations to meet their own needs.” (COE Council Sustainable Development goal)

- Clearer vision for future use of the property and how it relates to plans for the adjacent property. What type of “services” does he envision providing on the site?

As outlined above, the vision is centered around a the idea of social/micro retail, food culture, and reimagining the Motel as a unique and modern place to stay – a place visitors will come to start their Eugene adventures and return to for a unique hospitality experience. Creating a social hub and a new look for the entire corner, the vision is grounded in the idea that this place will be a destination and this project will enhance a significant part of the neighborhood, continuing to encourage development along the Franklin Corridor. In the long range, the site is the “keystone” for future large-scale redevelopment plans. If negotiations to purchase the properties to the east of the Motel are successful, the long-range

Tom Connor – Supplemental Information

vision to create a mixed-use project may be feasible. This new development can respond to the scale and need for added density and access to goods and services while still maintaining the pedestrian scale and walkability of the original vision. As the key connector between the properties fronting Hilyard and Broadway on each side, the site is critical to the continuity of the urban framework supporting future access and connectivity to the riverfront.

- How site ownership may impact future plans for redevelopment of the motel

Site ownership is important for redevelopment because it creates a welcoming entry to the motel and adds the much-needed vibrancy fundamental to the rebrand vision. The new vision for the Motel is to make it an open, fun, gathering place. While the Motel currently turns its back to the street, the site offers the opportunity to open a new face to the street and increase the impact of the rebranding. Ownership of this site will provide the visibility and additional development area needed to catalyze the transition and improve the neighborhood on a scale otherwise not possible without it. In the context of a longer-term vision to redevelop the entire site as well as property to the east, this site is even more critical to the viability of the development and to creating a street edge that supports the vision for the Downtown urban framework.

- More information about control of the adjacent site? (e.g. information about the ground lease)

The adjacent Motel site is under long term (50+ years) lease.

- More sense of timeline for redevelopment of the site

The current timeline for redevelopment assumes the remodel and site development will be complete and fully operational in advance of the 2021 World Track Championships. If the City accepts this proposal, the site will be cleaned-up immediately. The site work, connection between Motel property and development site, and supporting infrastructure will target completion in Fall 2018. The motel rebrand and remodel would occur in phases, targeting completion in Fall 2019. If the adjacent property is also acquired, this will open opportunities to complete a more ambitious vision by 2021.

W2W INITIATIVE

66 MOTEL

DEVELOPMENT SITE

RAILROAD

VACANT

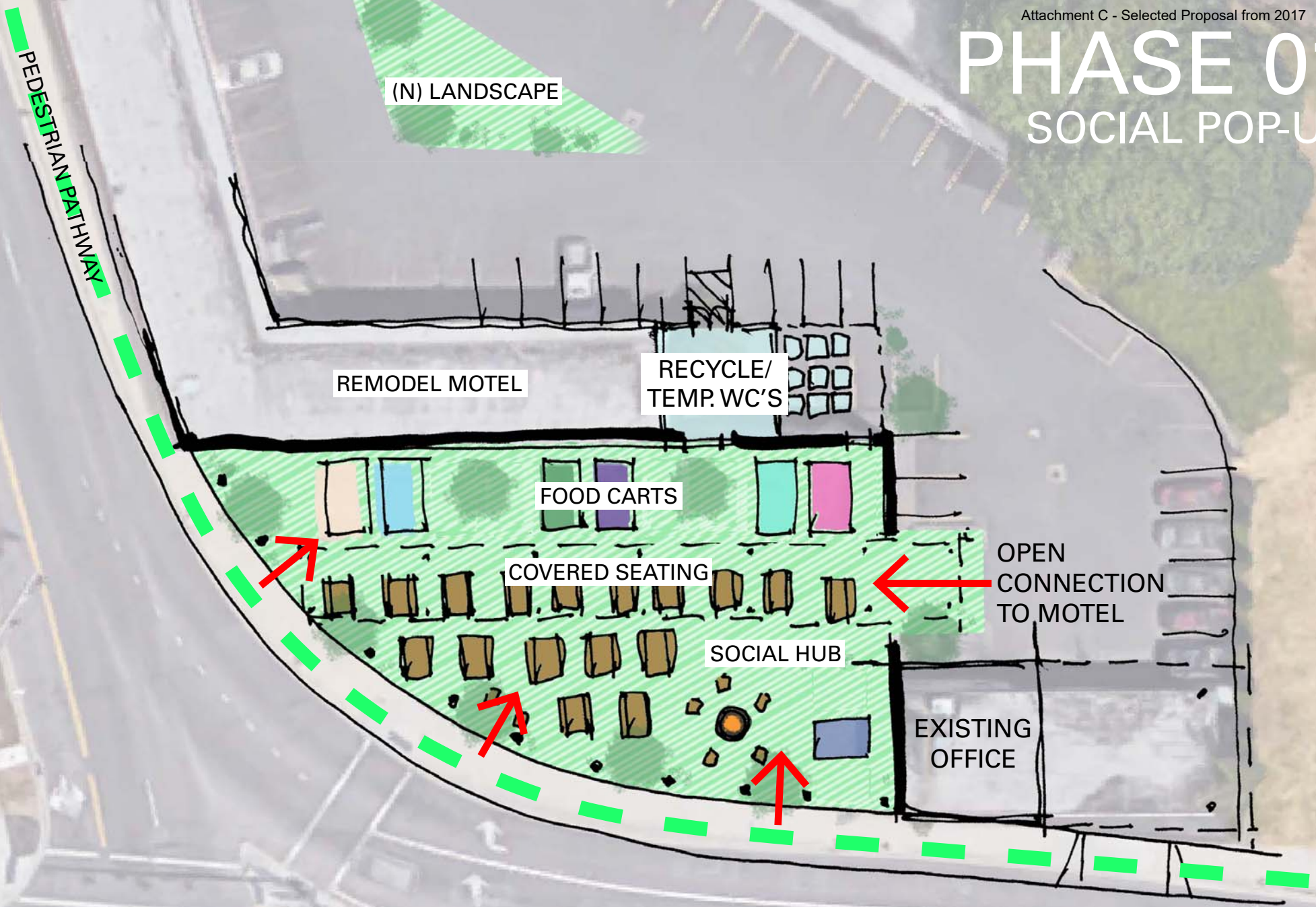
TO DOWNTOWN
←

TO UNIVERSITY
→

BROADWAY & HILYARD

PHASE 01

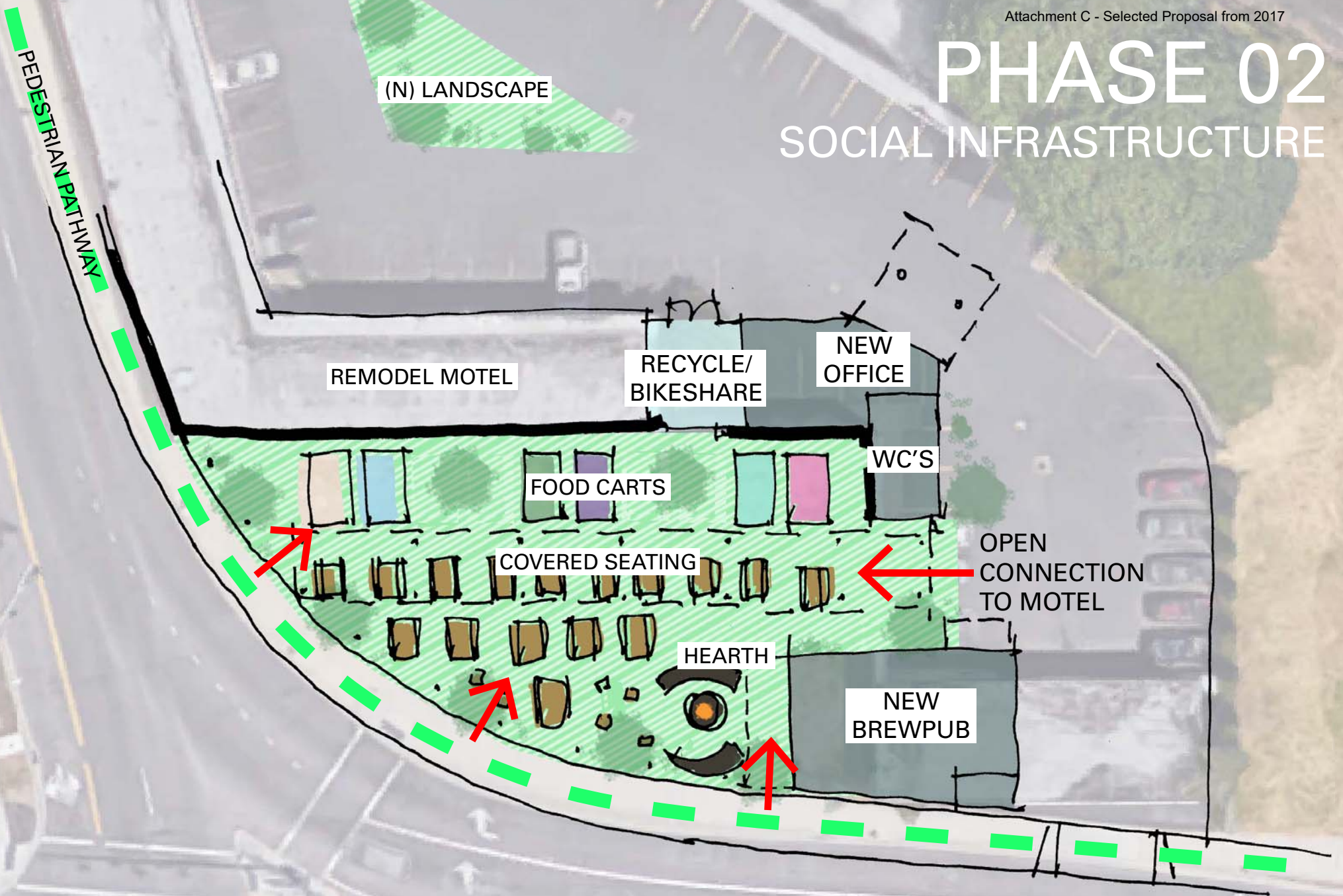
SOCIAL POP-UP



BROADWAY & HILYARD

PHASE 02

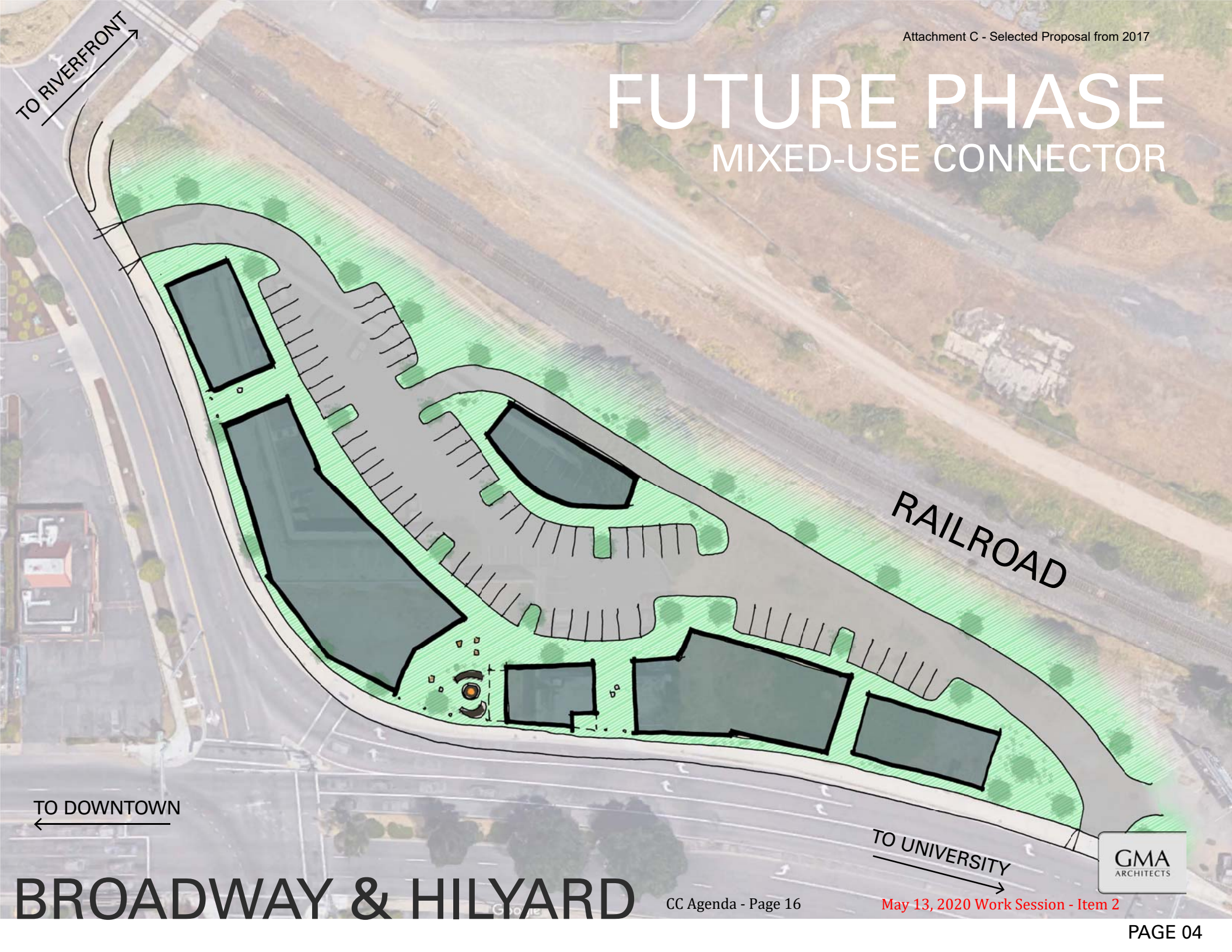
SOCIAL INFRASTRUCTURE



BROADWAY & HILYARD

FUTURE PHASE

MIXED-USE CONNECTOR



BROADWAY & HILYARD



BROADWAY & HILYARD



BROADWAY & HILYARD

Attachment D – Existing Wall for Future Mural



EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Downtown Riverfront Phase 1 Infrastructure

Meeting Date: May 13, 2020
Department: Public Works
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Matt Rodrigues
Contact Telephone Number: 541-682-6877

ISSUE STATEMENT

This meeting is an opportunity for (a) staff to respond to questions and issues raised April 27 as part of the public hearing process for the supplemental budgets, (b) Council to ask additional questions, and (c) Council to discuss whether to move forward with the infrastructure project that is needed to access the new Downtown Riverfront Park to be completed by next spring. (See Attachment A for a map.)

BACKGROUND

In a typical project, staff would work on a concept, then present a budget through the Capital Improvement Program (CIP) as part of the routine biennial budget process. The project would then be delivered by City staff under the oversight of the City Engineer. The process for this project followed a different order because it started out as a local improvement district and was also connected to the land use code changes, master plan changes, and subdivision work that also came before Council. Local Improvement Districts ordinarily require council approvals at several stages throughout the project. This work session is an opportunity for Council to learn more about, and to discuss, the infrastructure project. Resource allocation will occur with approval of the supplemental budgets, which are now scheduled for May 18.

If Council and Agency Board approve the supplemental budgets on May 18, authorization to issue City bonds for the project would occur on May 26.

On October 28, 2019, council received another update about the infrastructure planning, including both the “full infrastructure” option, and a “Plan B” or phase 1 option. From the very beginning of the infrastructure design, staff planned for the possibility that a deal with WDA might not happen or might not result in a property transaction prior to needing to start the infrastructure project. The timing of much of the infrastructure was driven by the goal to complete the new park prior to the opening of the World Games in 2021, and the need to be able to access the park and have restroom facilities and lighting for park users. To reduce the financial risks associated with the possibility that infrastructure would need to start before property was actually sold, staff developed a “Plan B” or “phase 1” that would be limited to ensuring that the new park could be served. The bid process that was just completed included both the phase 1 and the full

infrastructure plans. Staff are proposing to move forward with the phase 1 infrastructure, and the supplemental budget proposals include funds for that plan.

On April 27, Council received information about those supplemental budgets and held public hearings for them. At that time, some questions were raised about the supplemental budget numbers as well as whether this is the right time to move forward with the phase one infrastructure. Responses to those questions are included as Attachment B.

At the work session on May 13, staff will walk Council through the Plan B (phase 1) infrastructure project again, with a particular emphasis on how the streets, sidewalks and utilities work together with the park development. Listed below are some benefits and risks of moving ahead with this work or not moving ahead.

If Council decides to **move ahead** with the phase 1 infrastructure at this time, **benefits** would be:

- Allows the new park to operate as intended. Construction of the \$14 million park started on May 1, 2020 and is scheduled for substantial completion by May 15, 2021. This project will be Eugene's most visible and likely popular new park. Public excitement for this new public space is palpable throughout the community and public safety, emergency access, connection to downtown, and efficient park maintenance are fundamental to the short- and long-term success of the park. On street parking (an addition of 77 spaces), and ease of ingress and egress will be vital to keeping the park safe and well maintained. In addition, the new park will rely on utilities scheduled to be installed within the rights-of-way including sanitary and storm water, potable water, electricity and more.
- City takes advantage of favorable bid environment, with existing selected bid 12% below estimated costs (a savings of approximately \$920,000).
- Supports community resilience in a time of financial uncertainty. Construction project provides economic and employment opportunities.
- Increases the fair market value of the land, regardless of what happens in the future.
- Demonstrates City commitment to development of the Downtown Riverfront, which provides developers, contractors, and the public with more certainty about the future of the area.

The **risks of moving ahead** at this time, and possible **mitigation strategies** for those risks, are:

- Economy may fall into a recession, leading to revenue shortfalls. Mitigation for this risk can include lengthening the bond repayment period so that there is more time to generate property sale or other revenues to make up any shortfall.
- Developer may not purchase property, delaying Agency recovery of a portion of the costs of the infrastructure. This will delay having funds available to complete other items (plaza, river loans, steam plant) and repaying the assessment funds. If this occurs, Agency can sell property to another developer and recoup that portion of costs, based on fair market value of the land with the infrastructure in place. For the plaza project, the mitigation strategy occurs by default, as the Oregon22 track championships have been delayed until 2022. This means that it is likely that this project would not move forward until 2023.

If council decides **not to move ahead** with the phase one infrastructure at this time, **benefits** would be:

- City does not need to undertake borrowing at this time, during a time of financial and economic uncertainty. This would eliminate any risk that a shortfall in revenues would require the City to seek to restructure the repayment terms.
- The Agency would be able to develop a revised master plan, vacate the new subdivision plat, and replace it with a revised one, and thereby change the infrastructure plans. However, developing new or revised plans, code language, and engineering construction documents would likely cost \$1 million or more, especially if the engineering work for the infrastructure needed to be substantially redone.
- Urban renewal funds in the Riverfront District could be used for projects elsewhere in the district.

The **risks of not moving ahead** at this time, and possible **mitigation strategies** for those risks, are:

- No way to safely or conveniently access the new park when it opens in the spring of 2021, except through the bike path. Some of the park features will not be available for use, including the new park restroom if utilities are not built. Poor access for consistent park maintenance will increase operating costs, limit functional and ADA access for park visitors, and create an environment that is significantly more vulnerable to negative activities along the river. A mitigation strategy for these realities would be to only open the bike path through the site and fence off the remaining park areas from public use, or to significantly increase a park security presence, and/or completely close the park off at night.
- Contractors will be less enthusiastic about bidding on this project in the future, which could increase costs. This could be somewhat mitigated by securing all council approvals before putting the project out to bid.
- Additional cost and staff time from undertaking a new bid solicitation for the infrastructure project. If the design is significantly changed, the additional costs will be much higher. If the project is re-bid with minor changes, those additional costs would be lower.
- The bid environment could be worse (or better) than the current environment. Mitigation for that could be to split the project into additional phases commensurate with available budget. However, this would require additional redesign of the project to split into additional discrete phases.
- If funds were instead diverted to other projects in the District, the ability to sell the Downtown Riverfront lots would be diminished (or diminish potential sale revenue), which would deprive the Agency of sufficient funds to accomplish the plaza, the remaining infrastructure, and steam plant.

Staff will be available at the meeting to answer questions about these paths, the risks, and the mitigation strategies.

PREVIOUS COUNCIL/AGENCY BOARD DIRECTION

[July 9, 2018, Work Session](#)

Agency Board authorized the Agency Director to approve a disposition and development agreement consistent with the terms included in Attachment B [of that AIS], which included the City's construction and management of the publicly owned, 1-acre plaza (in addition to 3-acre Riverfront Park).

[April 15, 2019, Work Session](#)

Agency Board a) authorized the use of \$8 million of Riverfront Urban Renewal funds for the park and \$4 million for the plaza, and b) directed the Agency Director to come back to discuss funding strategies for other potential projects within the Riverfront Urban Renewal District.

[October 14, 2019, City Council Work Session](#)

The City Council received an update on Urban Renewal Projects in both districts.

[October 28, 2019, Agency Board Work Session](#)

Agency Board asked for staff to come back with more information on affordable housing, steam plant, plaza, and parking. A "Plan B" infrastructure design was presented to address the risk of moving forward without having a developer agreement in place.

[April 27, 2020, City Council and Agency Board Meetings](#)

The City Council held public hearings on a supplemental budget for moving the infrastructure project forward. A follow-up work session has been scheduled for May 13 and action on the supplemental budgets on May 18.

COUNCIL OPTIONS

Council can move ahead with the phase one infrastructure project at this time, or it can decide to delay the project to a later date. No decision is needed at this meeting. Action on the supplemental budget that will move the project forward is scheduled for May 18.

ATTACHMENTS

- A. Map of the Phase 1 Infrastructure to Serve the Downtown Riverfront Park
- B. Responses to Councilor Questions from April 27

FOR MORE INFORMATION

Staff Contact: Matt Rodrigues
Telephone: 541-682-6877
Staff E-Mail: MRodrigues@eugene-or.gov

Map of the Phase 1 Infrastructure
to Serve the Downtown Riverfront Park



Responses to Councilor Questions from April 27

1. Why does this need to happen now?

If council does not approve the supplemental budgets and borrowing in May, then the phase one infrastructure project – which would provide critical access and utilities to the new park – could not be built prior to completion of the park in May 2021.

2. Why are the resources of \$14 million more than the project cost of \$13.5 million??

The supplemental budget is \$14 million, which is a combination of bond proceeds (\$12M) and an interagency loan from the City to the Agency of \$2M. The project cost is \$13.5 million. The reconciliation of those two figures is shown in the chart below.

Project	\$13.5 million
Bond issuance costs	\$0.2 million
EWEB project (to be reimbursed)	\$0.1 million
Remaining cash flow need	\$0.2 million
Total budget resources	\$14.0 million

3. What happens to money for the plaza down the road?

The Agency Supplemental Budget increases the budget for phase one of the Downtown Riverfront infrastructure project to \$13.5 million based on recent construction bids. In order to fully fund this phase of the project, several things are being deferred, including the 1-acre future plaza.

As property is sold to developers over the next several years, the plaza initial seed money approved by the Agency Board in April 2019 will be re-funded and other efforts will move forward. (As a reminder, the initial seed money was \$4M. Of that, \$250k will be used this year for the interim irrigated lawn, lighting, and pathways that will be in place until the plaza is developed.) Staff anticipate that the plaza likely will be built in 2023 after the World Games in 2022 and possibly in conjunction with private development on adjacent parcels.

4. What are maintenance costs for phase 1 infrastructure for 10 years?

The new Riverfront streets were designed to minimize long-term maintenance costs by meeting or exceeding current street design standards. For example, the use of portland cement concrete as the dominate paving material typically requires very little maintenance beyond street sweeping and pavement marking replacement for decades. Typical maintenance activities for the first 5 - 7 years of the Downtown Riverfront streets include street sweeping, replacement of pavement markings, and replacement of damaged items such as street signs, light poles, etc. It is the standard for public infrastructure projects to use a contracted service to maintain the planted stormwater facilities for the first two years and not City personnel.

5. What are City and WDA's levels of commitment to this project?

Over the past couple of years, staff and WDA worked together to develop a plan for the development of the Downtown Riverfront site. That work included developing proposed

street and lot layouts, proposed master plan and land use code changes, and concept plans for what would get developed on each of the lots. Most of proposals were the subject of open houses and then public hearings before the planning commission and the council. Following council's public hearing, council adopted the master plan, land use code changes, and subdivision layout that resulted in the filing of a plat for that area. The City and Agency staff are committed to implementing what the council approved through those actions, unless the council (and planning commission) holds new public hearings and adopts an ordinance changing what council previously approved. However, staff's work is contingent on the council appropriating the necessary funds, and the council is in no way legally required to appropriate those dollars.

In terms of WDA's commitment to this project, in January 2019, following lengthy negotiations with City staff, WDA and the Agency entered into a disposition and development agreement (DDA) that committed both parties to a series of steps that would have resulted in WDA making a non-refundable deposit and then later purchasing the lots covered by the DDA. Due to factors previously explained (for example, the slowdown in the economy and the proposed legislation potentially removing some or all of the benefits of the opportunity zone), WDA has indicated a desire to have some flexibility in what they would be required to build – flexibility that would fall between the two concept plans (minimums and maximums) that the council previously approved, first in July 2018, and later in September 2019. But WDA's commitment to this project has not changed. It has spent significant funds on design, planning, legal, and engineering expertise to assist with its collaboration with City staff. WDA remains very interested in getting to the point where it is able to get investors on board and move forward with development of the lots.