



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

May 26, 2020

**5:30 p.m. CITY COUNCIL WORK SESSION and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY**

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 26, 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

**5:30 p.m. CITY COUNCIL WORK SESSION and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY**

- 1. WORK SESSION and ACTION: Downtown Riverfront Development
Williams & Dame Associates Terms**

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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 URBAN RENEWAL AGENCY BOARD

AGENDA ITEM SUMMARY



Work Session and Action: Downtown Riverfront Development Williams & Dame Associates Terms

Meeting Date: May 26, 2020
Department: Planning and Development
www.eugene-or.gov

Agenda Item: 1
Staff Contact: Michael Kinnison
Contact Telephone Number: 541-682-5500

ISSUE STATEMENT

At this work session, the Agency Board will be asked to review and take action on proposed changes to the Downtown Riverfront concept plan and terms. The proposed terms are in Attachment A. Contained in Attachment B is a map that identifies the land to be sold or leased to Williams & Dame Associates (WDA), the rights-of-way that will be conveyed to the City, and the land to be retained by the Agency for public purposes. An option that addresses the use of natural gas is also provided below.

BACKGROUND

The Agency Board's discussion of Downtown Riverfront redevelopment is part of a decades-long community planning and visioning effort to connect downtown to the river. The Agency purchased about 17 acres of largely vacant Downtown Riverfront property from the Eugene Water & Electric Board in April 2018. On July 9 and 23, 2018, the Agency Board approved terms for entering into a disposition and development agreement with WDA for the redevelopment of about half of the Downtown Riverfront site. On January 24, 2019, the Agency signed a Disposition and Development Agreement with WDA. On September 23, 2019, the Agency Board approved changes to the concept plan to enable a higher density concept, moved the hotel to lot 3, and moved affordable housing to lot 3. Staff provided an update on negotiations at an executive session on December 11, 2019, and February 18, 2020.

Several factors have led to the proposed modifications, including WDA's request for more flexibility in the concept plan, timing of the infrastructure, information from the Bureau of Labor and Industries, and most recently, COVID-19 events affecting timing of investments. During the work session, Council (as the Agency Board) will be asked to:

Concept Plan: Approve a modified concept plan based on the two previously approved plans. This modified plan is designed to provide the Agency Director and WDA with some flexibility related to the number of stories, units, commercial square footage and parking for the private development so that the best outcomes can be achieved given market conditions at the time. The concept plan approved by Council in July 2018 would be the

minimum and the revised plan approved in September 2019 would be the maximum (see page two of Attachment A). The quality of what will be built remains unchanged under these different development scenarios and approval from the Agency Director is required.

Affordable Housing: Approve a change to the terms related to who constructs the affordable housing and the location of the project. Originally, Council approved the Agency to sell a parcel to either WDA or another affordable housing provider to construct not less than 75 units at 60 percent AMI. Council was later asked to revise the term to make it a specific sale to WDA. We now believe that having flexibility to use our local affordable housing providers may increase the feasibility and timing of that housing. Consequently, we are requesting that Council approve the original term – i.e., the option to sell to either WDA or another affordable housing provider. In addition, the proposed term states that the Agency Director would have the flexibility to sell lot 2, 3b, or 3c for affordable housing. If WDA is able to acquire land north of lot 1 so that it is approximately the same size as lot 2, then the Agency Director could choose to exchange ownership of the two lots, with affordable housing constructed on the expanded lot 1.

Purchase Price and Infrastructure: Under these revised terms, the total amount that WDA will pay to the Agency is the same, but the Agency will recover the infrastructure costs sooner. So, WDA will continue to pay \$7.95 per square feet of land purchased, plus 50 percent of the cost of the infrastructure. Under the prior terms, WDA could have paid its 50 percent share of the infrastructure cost over ten years (the length of an assessment contract). Now, WDA will be paying that amount at the same time that it pays the \$7.95 per square feet – i.e., at the time that each parcel transfers from the Agency to WDA.

Sidewalks: Owners of each parcel continue to construct upgraded permanent sidewalks, but the Agency no longer pays the difference in the cost of providing standard sidewalks vs. upgraded sidewalks.

Design, Uses & Schedule: The numbers of units to be constructed on each lot must fall within the new minimum/maximum table (item “a” above). The minimums are consistent with what the Board originally approved in July 2018. The maximums are what the Board approved in September 2019.

Conditions of Closing: WDA and Agency have a certain period of time after a new disposition and development agreement is signed to conduct due diligence. Many of the due diligence items from the original DDA have already been satisfied. The major ones left are WDA-conducted environmental testing and City-completion of the roads and utilities.

- Some Councilors expressed an interest in prohibiting the use of natural gas in the development. To provide time to resolve this issue, the Board may want to add a specific condition that prohibits closing on any lot unless one of the following has occurred: (a) City Council has executed a new or amended franchise agreement with Northwest Natural Gas; or (b) the Agency Board has approved an amendment to the DDA that identifies how natural gas may be used on any of the lots that will be sold to WDA.

The infrastructure project bids were opened on April 9, with the low bid coming in at 12 percent under the City’s cost estimate (a savings of approximately \$920,000). The infrastructure project is

being split in two, with the majority of the work planned to occur in 2020 (starting in June) that will provide access to the park. The remaining portion is currently contemplated to be completed next year (see map in Attachment B). Council and the Board held public hearings on April 27 for the Supplemental Budgets for the infrastructure project phase 1. A work session was held on May 13 and May 18. The budget actions were approved on May 20. In order to facilitate the road project, it would be helpful if the Agency transferred ownership of the real property underlying the rights-of-way to the City. To accomplish this, the suggested motion includes authorization for the Agency Director to take all actions necessary to facilitate the transfer.

Advisory Committee

The River Guides met (via remote technology) on April 6 to review the terms in Attachment A and unanimously recommended the proposed terms. The natural gas issue was raised by Council after the River Guides met so they did not make a recommendation on anything related to natural gas. A list of River Guides members is in Attachment D.

Next Steps

If the Agency Board approves the proposed changes, the Agency and WDA will enter into a new DDA and continue working to satisfy the remaining due diligence efforts. Following execution of the DDA, staff will submit to BOLI a request for a new determination as to whether prevailing wage rates apply to WDA's private development.

PREVIOUS COUNCIL/AGENCY BOARD DIRECTION

[January 31, 2018, Work Session](#)

- Riverfront update and WDA representatives presented their project proposal, including the concept plan.

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

- Council authorized the Agency Director to approve a disposition and development agreement with WDA.
- Council initiated consideration of a proposed LID and directed the City Manager to return with the report described in section 7.160(6) of the Eugene Code, so that the council can determine whether to proceed with the LID.

[July 23, 2018, Work Session](#)

- Authorized the Agency Director to sell lot 10A to WDA to build (solely or in partnership with another entity) no fewer than 75 units of affordable housing. The units shall be affordable to households at or below 60 percent of the area median income.

[September 23, 2019, Work Session](#)

- Approved modified concept plan.

AGENCY BOARD OPTIONS

Proposed Terms:

1. Approve the proposed terms contained in Attachment A to the AIS.
2. Approve the proposed terms contained in Attachment A to the AIS including the condition of closing related to natural gas.
3. Provide direction for negotiating changes to the proposed updated terms.
4. Reject the proposed terms.

Authorization to Transfer Interest in Real Property Underlying Rights-of-Way to the City

5. Authorize the transfer of the real property underlying the rights-of-way to the City.

AGENCY DIRECTOR'S RECOMMENDATION

The Agency Director recommends a) approval of the proposed terms in Attachment A to the AIS (option 1 above) and b) authorization of the transfer of the real property underlying the rights-of-way to the City (option 5 above).

SUGGESTED MOTION

Move to approve the proposed terms that are contained in Attachment A to the AIS and to authorize the Agency Director to take all actions necessary to transfer the real property underlying the rights-of-way shown in Attachment B to the City of Eugene.

ATTACHMENTS

- A. Proposed Terms
- B. Site Map
- C. Current Terms
- D. River Guides Members

FOR MORE INFORMATION

Contact: Michael Kinnison
Telephone: 541-682-5500
Staff E-Mail: mkinnison@eugene-or.gov

Proposed Terms

- Purchase Price: WDA purchases unimproved, raw land generally identified as lots 1, 3a, 3b, 3c, 4, 5, 7, 9, 10 and viaduct parcel. WDA pays same land price Agency paid EWEB (\$7.95 per square foot) plus 50% of the infrastructure cost (or the fair market value as determined by an appraisal, whichever is greater). The viaduct parcel may include an additional small triangular portion to the north of approximately 3,100 square feet.
- Ground Lease or Purchase Price: WDA either (a) ground leases lots 6 and 8 for fair market value or (b) purchases at same per square foot amount as average in above bullet.
- Affordable Housing: Agency Director authorized to sell lot 2, 3b, or 3c to a provider of affordable housing or to WDA with a requirement that the purchaser build an affordable housing project with at least 75 units of affordable housing. If WDA is able to expand lot 1 to be approximately the same size as lot 2 within a reasonable period of time, Agency and WDA may exchange lot 2 for lot 1. In that case, lot 1 would be the affordable housing site.
- Environmental: Property sold or leased “as is.”
- Infrastructure: WDA’s contribution to infrastructure is in the first bullet above.
- Sidewalks: Owners of each parcel construct adjacent permanent sidewalks as part of vertical development.
- Existing SDC Credits: SDC credits that exist from the property (from existing and demolished buildings) split between WDA and Agency based on the percentages of developable acreage each will own.
- Viaduct Open Space: WDA pays for, constructs and manages viaduct open space.
- Design, Uses & Schedule: WDA develops its parcels in accordance with the design criteria, min/max table (on page 2), uses, and schedule to be included in the disposition and development agreement.
- Repurchase Right: Agency has right to repurchase WDA parcels if WDA fails to start construction on any of those parcels within mutually agreeable periods of time.
- Conditions of Closing: WDA and Agency have a certain period of time after the disposition and development agreement is signed to conduct due diligence.

LOT	Minimum (based on 2018 approval)	Maximum (based on 2019 approval)
Lot 1	3 stories ~ 6 units MF NO retail tuck under/surface pkg	5 over 2 * ~ 125 units MF NO retail structured parking
Lot 3A	4 stories ~ 100 units MF or Hotel ~5k sqft retail tuck under/surface pkg <i>1 floor of office in exchange for units; not on ground floor</i>	5 over 2 ~ 200 units MF or Hotel ~ 10k sqft retail structured parking <i>1 floor of office in exchange for units; not on ground floor</i>
Lot 3B	3 stories ~ 14 units TH NO retail tuck under/surface pkg	5 over 2 ~ 125 units MF NO retail structured parking
Lot 3C	3 stories ~ 14 units TH NO retail tuck under/surface pkg	5 over 2 ~ 125 units MF NO retail structured parking
Lot 7	4 stories ~ 95 units MF ~4k sqft retail tuck under/surface pkg	5 over 2 ~ 175 units MF ~4k sqft retail structured parking
Lot 9	4 stories 9A ~ 80 units MF 9B ~ 11 units TH NO retail tuck under/surface pkg	5 over 2 (9A); 4 story (9B) ~218 units MF ~2k sqft retail structured parking
Lot 10	4 stories 10A ~ 75 units MF 10B ~ 12 units TH NO retail tuck under/surface pkg	5 over 2 (10A); 4 story (10B) ~195 units MF ~2k sqft retail structured parking
Lots 4 & 5*	3 stories ~ 13 units TH ~ 2k sqft live/work, retail tuck under/surface pkg	4 stories ~ 50 units MF ~ 4k sqft live/work, retail tuck under parking

Multi-Family (MF): Minimum = 375; Maximum = 1,213

Townhomes (TH): Minimum = 57; Maximum = 0

Retail does NOT include building services (eg. fitness center, lobby, leasing/business office).

Maximum housing must include the maximum retail.

** Requires acquisition of adjacent property(ies)*

Downtown Riverfront Site Map



Caution: This map is based on imprecise source data, subject to change, and for general reference only.



Current Terms

- Purchase Price: WDA purchases unimproved, raw land generally identified as lots 1, 2, 3a, 3b, 3c, 4, 5, 7, 9a, 9b, 10b and viaduct parcel on the map on the next page. WDA pays same price Agency paid EWEB: \$7.95 per square foot. Total purchase price approximately \$2.7 million, of which less than \$750,000 may be paid over time.
- Ground Lease or Purchase Price: WDA either (a) ground leases lots 6 and 8 for fair market value or (b) purchases at \$7.95 per square foot plus the amount of any assessments for the infrastructure.
- Affordable Housing [term approved by Board on 7/23/2018]: Agency sells lot 10a to WDA to build (themselves or in partnership with another entity) no fewer than 75 units of affordable housing.
- Environmental: Property sold or leased “as is.”
- Infrastructure: City constructs infrastructure (except for permanent sidewalks built as part of vertical development). City’s cost for infrastructure will be paid using a local improvement district, with 50% of those costs assessed against properties to be purchased by WDA.
- Sidewalks: Owners of each parcel construct adjacent permanent sidewalks as part of vertical development. Agency directly or indirectly covers the difference in cost of providing standard city sidewalks and the upgraded sidewalks called for in the Master Plan and Special Area Plan.
- Existing SDC Credits: SDC credits that exist from the property (from existing and demolished buildings) split between WDA and Agency based on the percentages of developable acreage each will own.
- Viaduct Open Space: WDA pays for, constructs and manages viaduct open space.
- Public Plaza: City constructs and manages the publicly owned, 1-acre park plaza (in addition to 3-acre riverfront park).
- Design, Uses & Schedule: WDA develops its parcels in accordance with the design criteria, uses and schedule to be included in the disposition and development agreement.
- Repurchase Right: Agency has right to repurchase WDA parcels if WDA fails to start construction on any of those parcels within mutually agreeable periods of time.
- Conditions of Closing: WDA and Agency have a certain period of time after the disposition and development agreement is signed to conduct due diligence. WDA’s obligation to purchase contingent on such actions as City approving subdivision and lot line adjustments; updated

infrastructure costs; land use code amendments (to allow concept plan shared with Agency Board in January to be constructed); MUPTE for multi-family housing; and necessary appropriations for City and Agency to fulfill obligations. Agency's obligation to move forward contingent on such actions as updated infrastructure costs and approval by the Agency and City Council of necessary budget appropriations.

River Guides Member List

- Julie Daniel
- Nigel Francisco
- Harris Hoffman
- John Iglesias
- Victoria Nguyen
- Matt Roberts
- Karen Williams