



Eugene City Council

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www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

September 28, 2016

12:00 p.m. CITY COUNCIL WORK SESSION
Harris Hall
125 East 8th Avenue
Eugene, Oregon 97401

Meeting of September 28, 2016;
Her Honor Mayor Kitty Piercy Presiding

Councilors

Greg Evans, President
George Brown
George Poling
Claire Syrett

Alan Zelenka, Vice President
Mike Clark
Chris Pryor
Betty Taylor

12:00 p.m. CITY COUNCIL WORK SESSION
Harris Hall, 125 East 8th Avenue

- | | |
|---|--------------------|
| 1. Committee Reports and Items of Interest | 12:00 p.m. |
| 2. WORK SESSION | 12:15 p.m. |
| Zone of Benefit/Reimbursement District for
Privately Funded Public Improvements and
Equivalent Assessments for Street Improvements | |
| 3. WORK SESSION | 12:45 p.m.* |
| Downtown High-Speed Fiber Project Update | |

**time approximate*

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. 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: Zone of Benefit/Reimbursement District for Privately Funded Public Improvements and Equivalent Assessments for Street Improvements

Meeting Date: September 28, 2016
Department: Public Works Engineering
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Mark Schoening
Contact Telephone Number: 541-682-5243

ISSUE STATEMENT

The purposed of this work session is to brief the City Council on the scope of two proposed amendments to Chapter 7 - Public Improvements related to privately engineered public improvements in advance of public outreach and development of draft ordinances.

The first amendment would create a new section of code allowing for the establishment of a Zone of Benefit/Reimbursement District for privately engineered public improvements that provide capacity in excess of that needed for the development funding the improvement.

The second amendment would change existing code to limit the amount of an equivalent assessment for street improvements to the estimated cost of the street improvements for the street frontage of a proposed development.

BACKGROUND

Zone of Benefit/Reimbursement District

New development is required to fund the public improvements necessary to serve the development through the privately engineered public improvement (PEPI) process. Occasionally, the public improvements provide capacity to serve other future developments. For a qualified public improvement, a developer may receive a system development charge (SDC) credit for the capacity in excess of what is needed to serve the new development. However, at times the credit exceeds the value of the SDCs paid by the development and the value of a portion of the credit is never recovered.

Some public improvements needed to serve new development meet the minimum public improvement standards, but benefit other nearby properties. One example is a development project that extends an eight-inch diameter wastewater line past several unsewered properties to serve its development. Because the minimum wastewater line is eight inches in diameter, an SDC credit is not available to this development.

A zone of benefit/reimbursement district would provide the developer that funds a public improvement the opportunity to recover some of the cost from other benefitting properties at such time that those properties take access to the public improvement. This may allow smaller

development projects with high infrastructure costs to go forward. Numerous other communities within Oregon have code provisions for the establishment of zones of benefit/reimbursement districts.

Equivalent Assessments for Street Improvements

New development is typically required to improve to City standards the street frontage of the development site. Often times it is not practical to improve one-half of a street for a short section of frontage in a long stretch of unimproved street. In these cases, on unimproved arterial and collector streets, the City collects an equivalent assessment in lieu of requiring the construction of a privately engineered public improvement. The Eugene Code prescribes the method of calculating equivalent assessments and considers the scope of a future street improvement project and the number of existing and future parcels that would benefit from the improvement project. The assumptions made for these two variables in determining an equivalent assessment can greatly affect the amount of the equivalent assessment. One result may be that the sum of the equivalent assessments for a particular development may be substantially more than the estimated cost of the street improvements fronting the development.

Limiting the amount of an equivalent assessment to the estimated cost of the street improvements fronting the development would assure equity in the assessment process and significantly reduce the staff resources necessary to calculate and track equivalent assessments.

Community Outreach

Prior to the development of draft ordinances to amend Eugene Code Chapter 7 – Public Improvements, a community outreach plan will be developed and implemented. Key stakeholders will include the Neighborhood Leadership Council, Homebuilders Association, Chamber of Commerce and the Envision Eugene Technical Resource Group and/or Planning Commission.

Future Council Work Session and Public Hearing

Upon completion of community outreach and the development of draft ordinances, a work session will be scheduled with the City Council to review the input received during the community outreach and to review the draft ordinances. Subsequent to the work session, a public hearing will be scheduled, followed by Council action.

RELATED CITY POLICIES

The following two of the Seven Pillars of Envision Eugene are related to the zone of benefit/reimbursement district and equivalent assessment issues –

- *Promote compact urban development and efficient transportation options*
- *Provide for adaptable, flexible, and collaborative implementation*

The following Council Goals are related to the zone of benefit/reimbursement district and equivalent assessment issues –

- **Effective, Accountable Municipal Government** - A government that works openly, collaboratively, and fairly with the community to achieve measurable and positive outcomes.

- Fair, Stable and Adequate Financial Resources - A government whose ongoing financial resources are based on a fair and equitable system of revenues and are adequate to maintain and deliver municipal services

COUNCIL OPTIONS

This is an informational item; no action is being requested.

CITY MANAGER'S RECOMMENDATION

This is an informational item; no action is being requested.

SUGGESTED MOTION

This is an informational item; no action is being requested.

FOR MORE INFORMATION

Staff Contact: Mark Schoening
Telephone: 541-682-5243
Staff E-Mail: mark.a.schoening@ci.eugene.or.us

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Downtown High-Speed Fiber Project Update

Meeting Date: September 28, 2016
Department: Planning and Development
Central Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Anne Fifield (541-682-5451)
Pavel Gubanikhin (541-682-6856)

ISSUE STATEMENT

The work session provides a summary of the City and its partners' grant application to the federal Economic Development Administration (EDA) for funds to construct a publicly owned fiber network in the downtown. Council will be asked to authorize submittal of the grant application. The work session will also include a brief update on the status of the fiber network.

BACKGROUND

The City of Eugene has identified the development of a downtown fiber network as one of the City's primary strategic goals for economic prosperity. The City and its partners—EWEB and Lane Council of Governments (LCOG)—worked on a successful pilot project to test the feasibility of implementing a downtown fiber network. We identified a workable method to construct a fiber network by running fiber optics cables through existing electrical conduit. The partners are now working together to implement the fiber network across downtown and to fully fund the construction of the network.

The total cost estimate to construct the downtown fiber network is \$4 million. City Council approved an ordinance amending the Downtown Urban Renewal Plan on June 13, 2016, making the downtown fiber project eligible for up to \$3 million in Urban Renewal funds. City staff are coordinating with LCOG and EWEB staff to apply for grant funds from the EDA to cover the funding gap.

The EDA grant application is a two-stage process, where the EDA invites applicants to submit a full application if the pre-application meets specific criteria. The City and its partners submitted the pre-application in early July, and the EDA notified the City Manager on August 11 that we have been invited to submit a full application. The city is lead applicant; EWEB and LCOG are co-applicants.

The EDA grant requires a 50% match from the applicant. Our match will include Urban Renewal funds and the value of EWEB's existing electrical infrastructure (which allows us to construct a network without the high cost of trenching the streets). We are requesting \$2,066,339 from EDA's Investments for Public Works and Economic Development Facilities. If authorized by the City Council, the application will be submitted by October 11, 2016 and funds would be utilized within a two-year time period.

RELATED CITY POLICIES

The downtown fiber network will address many goals for Eugene and downtown, including:

Envision Eugene Pillars

- o Provide ample economic opportunities for all community members.
- o Promote compact urban development and efficient transportation options.

Regional Prosperity Economic Development Plan

- o Provide basic business needs,
- o Strengthen key industries,

City Council Goal of Sustainable Development

- o Increased downtown development

Eugene Downtown Plan

- o Downtown development shall support the urban qualities of density, vitality, livability and diversity to create a downtown, urban environment.

City of Eugene Community Broadband Strategic Plan

- o Acquire world class broadband network capabilities in Eugene's downtown and along major corridors to accelerate high-tech business development.

COUNCIL OPTIONS

The City Council may consider the following options:

1. Authorize the submittal of the grant application to the EDA.
2. Decline to authorize the submittal of the grant application.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that Council authorize submittal of the grant application to the EDA.

SUGGESTED MOTION

Move to authorize the submittal of the grant application to the EDA for funds to construct a publicly owned fiber network in the downtown.

ATTACHMENTS

- A. Letter of Support from Congressional Delegation
- B. Map of Fiber Service Area and Urban Renewal Districts

FOR MORE INFORMATION

Staff Contact: Anne Fifiield, Economic Development Planner
Telephone: 541-682-5451
Staff E-Mail: anne.e.fifiield@ci.eugene.or.us

Staff Contact: Pavel Gubanikhin, Central Services Finance Manager
Telephone: 541-682-6856
Staff E-Mail: pavel.e.gubanikhin@ci.eugene.or.us

Congress of the United States
Washington, DC 20510

September 16, 2016

Secretary Penny Pritzker
US Department of Commerce
1401 Constitution Avenue NW
Washington DC 20320

Dear Secretary Pritzker:

We write in support of the application submitted by the City of Eugene for an Economic Development Assistance Program Investments for Public Works and Economic Development Facilities grant. The City will use federal funds to construct a publicly owned high-speed fiber telecommunications network in the downtown core.

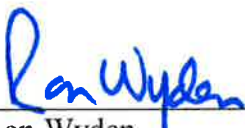
Downtown Eugene is home to a broad base of businesses and a rapidly growing technology sector. However, local technology firms currently lack access to the infrastructure they need for success. Regrettably, a number of small and medium-sized tech companies have relocated to larger cities where broadband infrastructure is more readily available.

The proposed project will provide high speed, reliable, and cost-effective broadband in the technology and innovation district downtown and help to establish Eugene as an "Innovation District." A Eugene Innovation District has the potential to spur robust and sustainable economic development. Local tech firms in the fiber service area estimate the proposed infrastructure will support the creation of approximately 215 new jobs with the potential to generate over \$12 million in annual wages.

The City of Eugene identified extension of broadband fiber as a priority project within the regional Pacific Northwest Manufacturing Partnership. There is also overwhelming support from local businesses and governments for this project.

Please give the City's application full and fair consideration.

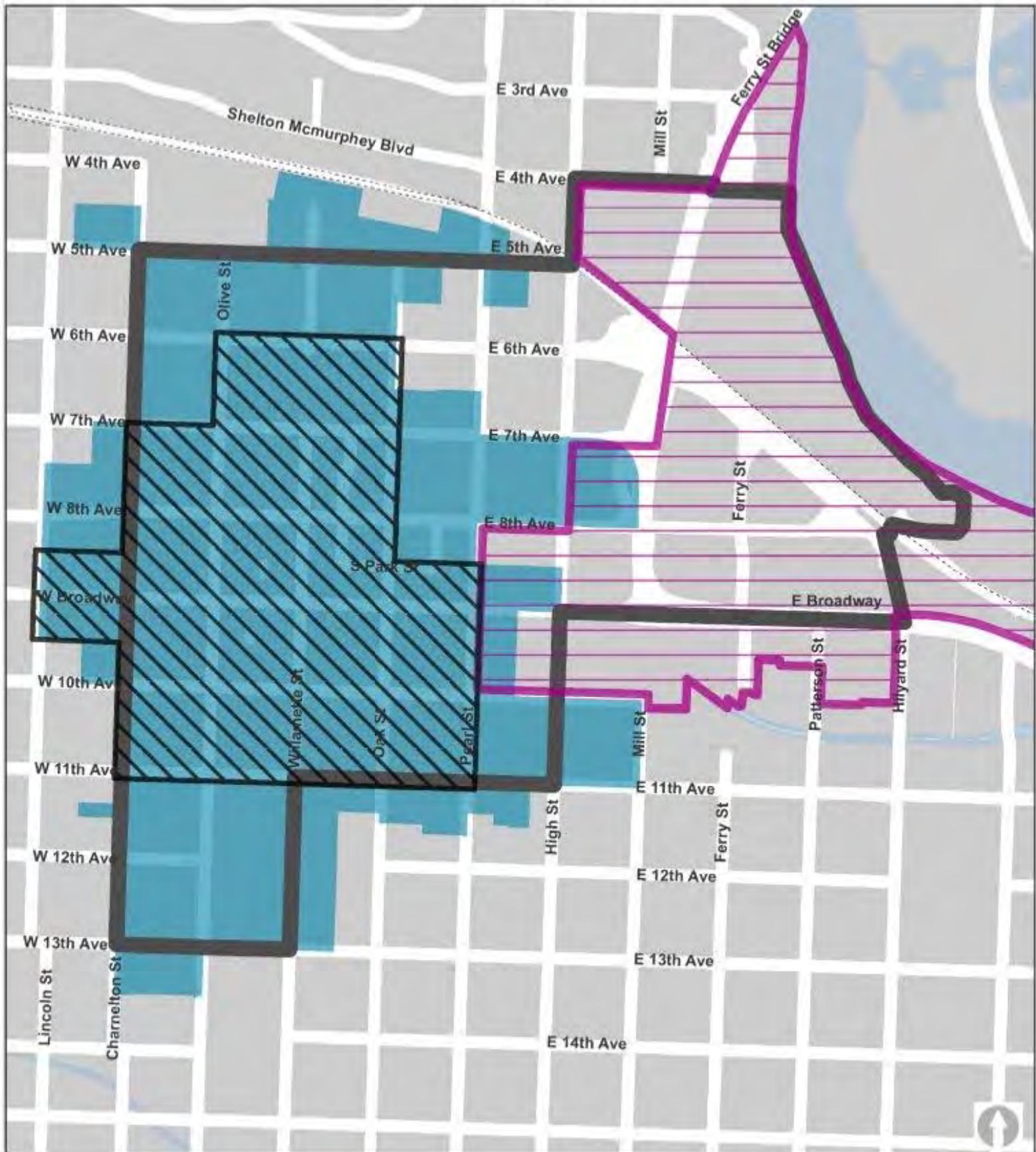
Sincerely,


Ron Wyden
United States Senator


Jeffrey A. Merkley
United States Senator


Peter DeFazio
Member of Congress

Fiber Study Area



- Area of Focus for Fiber Study
- Fiber Service Area
- Downtown Urban Renewal District
- Riverfront Urban Renewal District

0 300 ft

City of Eugene
Planning and Development
January 15, 2016



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