



**Eugene City Council**

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541-682-5010 • 541-682-5414 Fax  
www.eugene-or.gov

# EUGENE CITY COUNCIL AGENDA

November 27, 2017

**7:30 p.m. CITY COUNCIL MEETING and  
MEETING OF THE EUGENE URBAN RENEWAL AGENCY  
Harris Hall  
Lane County Public Service Building  
125 East 8th Avenue  
Eugene, Oregon 97401**

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**Meeting of November 27, 2017;  
Her Honor Mayor Lucy Vinis Presiding**

**Councilors**

Alan Zelenka, President  
Emily Semple  
Claire Syrett  
Jennifer Yeh

Mike Clark, Vice President  
Greg Evans  
Chris Pryor  
Betty Taylor

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**7:30 p.m. CITY COUNCIL MEETING and  
MEETING OF THE EUGENE URBAN RENEWAL AGENCY  
Harris Hall, 125 East 8<sup>th</sup> Avenue**

**1. PUBLIC FORUM**

***Mayor:*** *The Public Forum is an opportunity for individuals to speak to the City Council on any city-related issues except for those items which have already been heard by a Hearings Official or are on tonight's agenda as a public hearing.*

*Each person will have three minutes to speak. When you come to the podium, please give your name, city of residence, and, for Eugene residents, your ward if known. The timer and lights indicate the time you have to speak. The red light indicates the end of three minutes.*

***Mayor closes Public Forum and asks for comments from the City Council.***

## **2. CONSENT CALENDAR**

### **A. Approval of City Council Minutes**

- November 8, 2017, Work Session
- November 13, 2017, Work Session
- November 13, 2017, Meeting

### **B. Approval of Tentative Working Agenda**

*City Council President: I move to approve the items on the Consent Calendar.*

*Call for vote.*

## **3. WORK SESSION: Real Property Disposal Procedures**

*City Council President: I move to approve the property disposition process set forth in Exhibit B to guide the sale of City-owned property.*

*Call for vote.*

*The Mayor adjourns the meeting of the Eugene City Council and convenes a meeting of the Eugene Urban Renewal Agency.*

## **4. WORK SESSION: Real Property Disposal Procedures**

*Urban Renewal Agency President: I move to approve the property disposition process set forth in Exhibit B to guide the sale of Agency-owned property.*

*Call for vote.*

## **5. WORK SESSION: Potential Disposition of Millrace Drive Site**

*Urban Renewal Agency President: I move to authorize the Agency Director to sell the Millrace Drive property to the University of Oregon consistent with the terms included in Attachment B.*

*Call for vote.*

*Adjourn.*

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](http://www.eugene-or.gov)***.

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Public Forum

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Meeting Date: November 27, 2017  
Department: Central Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 1  
Staff Contact: Beth Forrest  
Contact Telephone Number: 541-682-5882

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### 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: [beth.l.forrest@ci.eugene.or.us](mailto:beth.l.forrest@ci.eugene.or.us)

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Approval of City Council Minutes

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Meeting Date: November 27, 2017  
Department: Central Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

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

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### ISSUE STATEMENT

This is a routine item to approve City Council minutes.

### SUGGESTED MOTION

Move to approve the following minutes: November 8, 2017, Work Session; November 13, 2017, Work Session; and November 13, 2017, Meeting.

### ATTACHMENTS

- A. November 8, 2017, Work Session
- B. November 13, 2017, Work Session
- C. November 13, 2017, Meeting

### FOR MORE INFORMATION

Staff Contact: Beth Forrest  
Telephone: 541-682-5882  
Staff E-Mail: [beth.l.forrest@ci.eugene.or.us](mailto:beth.l.forrest@ci.eugene.or.us)

MINUTES

**Eugene City Council Work Session  
Harris Hall, 125 East 8<sup>th</sup> Avenue  
Eugene, Oregon 97401**

**November 8, 2017  
12:00 p.m.**

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

Mayor Vinis opened the November 8, 2017, Work Session of the Eugene City Council.

**1. WORK SESSION: River Road-Santa Clara Neighborhood Plan Project Update**

Zach Galloway, Senior Planner, along with Jerry Finigan from the Santa Clara Community Organization and Hillary Kittleson from the River Road Community Organization, gave an update on the status of the River Road-Santa Clara Neighborhood Plan project, including scope of work and project charter, public involvement plan, and targeted outreach work.

Council Discussion

- Praise and gratitude expressed for the work being done.
- It is important to protect the livability of the community while doing this work and balancing livability with density goals.
- The hard work being done validates the difficult vote to redirect staff resources to this part of the community.
- Excited to see a creative approach being taken that is engaging and collaborative, not technical or intimidating.
- A joint transportation grant between City and LTD will provide \$450,000 plus supplemental budget allocations.
- Consider applying this successful process to other neighborhoods, recognizing that each neighborhood is unique and effort will depend on neighborhood association's active role.
- Concerned about how much money the continued process will cost over the next few years.
- Recognize and address the challenge of implementing goals in this area because of the City-County patchwork and propose a voluntary annexation program to make it easier.

**2. WORK SESSION: Boards and Commissions Discussion**

Policy Analyst Jason Dedrick gave a brief overview of some of the work staff has been doing related to Boards and Commissions including soliciting staff feedback, streamlining the recruitment process, updating member orientation, training, and website, and clarifying roles related to the charge of the committees.

Council Discussion

- Interested in knowing when each Board and Commission was established and the process for potentially terminating a commission.

- The relationship between Council and Boards and Commissions is a two-way communication. Their work comes to Council, but Council needs to figure out the best way to interact and respond to their communication as well.
- Member training goes a long way in working effectively.
- Interested in more formalized committee-to-committee relationships and clarifying the role of committees.
- Would be helpful to have Boards and Commissions bring shorter updates to Council more frequently.
- Concerned about representative composition of individuals on our Boards and Commissions.
- Explore the idea of making individual citizen appointments to the Budget Committee.
- Value in having a work session to revisit each commission's vision, charter, and revisit the value and purpose each is providing.
- Clarifying and defining the Boards and Committee's "advisory role" might be helpful.
- Identify situations or decisions where Council has found the Boards and Commissions' input to be particularly useful and successful.
- Recognize the difference between establishing a liaison to a commission vs. appointing an actual voting member.

The meeting adjourned at 1:27 p.m.

Respectfully submitted,

Elena Domingo  
Deputy City Recorder

MINUTES

**Eugene City Council Work Session  
Harris Hall, 125 East 8<sup>th</sup> Avenue  
Eugene, Oregon 97401**

**November 13, 2017  
5:30 p.m.**

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

**Councilors Absent:** Betty Taylor

Mayor Vinis opened the November 13, 2017, Work Session of the Eugene City Council.

**A. Committee Reports and Items of Interest from Mayor, City Council, and City Manager**

Council Discussion

- Metropolitan Wastewater Management Commission is working on Systems Development Charge fees – challenge is that there is no legal definition for “tiny home” in Eugene, Springfield, or County.

**B. WORK SESSION: Parks and Recreation System Plan Update**

Parks Planning Manager Carolyn Burke gave a two-part presentation. The first half focused on recent polling work presented by project consultants, Dee Frankfourth, of the Trust for Public Land and Dave Metz, of FM3 Consulting.

Council Discussion

- In comparing a \$30 million bond vs. \$3 a month – the bond total is actually less per month than the \$3.
- State or federal matching funds might be available for conservation efforts. The voters like it because it stretches their dollar further.
- Concerns expressed during polling were provided for the poll takers; the list was put together in collaboration with staff.
- Regarding analysis of a go/no-go threshold – generally, look for at least a 10 percent cushion, or 60 percent plus pass-rate
- If this issue were placed on a May primary ballot, that could influence the numbers.
- Defining what the money would be used for might lead to solid support.
- Important to identify what the administrative cost would be for imposing a fee. Confer with EWEB to understand their billing for this type of fee.
- The project list is not yet defined; the \$30 million scenario was a fix-it scenario for renovation of existing facilities.
- Consider whether having the independent auditor issue on the same ballot would influence the parks funding measure.

The second half of the presentation focused on the findings of the Council Subcommittee for Parks and Recreation Security and Maintenance Funding. Parks and Open Space Division Manager Craig Carnagey, and citizen members Scott Sanders with the Eugene Parks Foundation and Hugh Prichard with Parks and Recreation System Plan Advisory Group, led the discussion.

Council Discussion

- Thanks to staff for collecting so much data and information and to the committee members for giving their helpful citizen perspective.
- The table that evaluates each funding option is easy to understand, is valuable, and highlights the pros and cons of each in a non-biased way.
- The answers are here; Council needs to move forward with making a decision on which funding options to pursue.
- The table with dollar amounts shows the needed funding for parks and rec maintenance priorities and annual costs associated with a number of different services.

The meeting adjourned at 6:49 p.m.

Respectfully submitted,

Elena Domingo  
Deputy City Recorder

MINUTES

**Eugene City Council  
Harris Hall, 125 East 8<sup>th</sup> Avenue  
Eugene, Oregon 97401**

**November 13, 2017  
7:30 p.m.**

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

**Councilors Absent:** Betty Taylor

Mayor Vinis opened the November 13, 2017, meeting of the Eugene City Council.

**1. PLEDGE OF ALLEGIANCE TO THE FLAG**

Mayor Vinis introduced Ron Sticka, retired United States Air Force Colonel and the President of the Emerald Empire Chapter of the Military Officers Association of America to lead the Pledge of Allegiance to the Flag in honor of Veterans Day.

**2. CEREMONIAL MATTERS**

Anna Huttel from Salmon Safe presented a Salmon-Safe Certification award to the City of Eugene's Parks and Open Space Division.

**3. PUBLIC FORUM**

1. Brenda Kame'enui – expressed homelessness concerns and the need for low-income housing.
2. John Thielking – discussed homelessness solutions and couchhosting.org.
3. Jesse Fittipaldi – said ridesharing in Eugene is important.
4. Robin Bloomgarden – supported elected auditor initiative petition.
5. Sue Sierralupé – announced relocation of Occupy Medical to Washington-Jefferson Park.
6. Josh Newman – supported fewer restrictions for Secondary Dwelling Units.
7. David Hazen – said places of worship have underutilized land; facilitate SDUs.
8. Gwen Burkard – said SDUs address housing needs and allow for more housing options.
9. Scott Sanders – encouraged Council to make a decision on parks funding.
10. Jerry Harris – encouraged Council to increase funding for parks, especially maintenance.
11. Hannah Picknell – gave OSPIRG update, including homelessness and consumer protections.
12. Dustin Johnson – encouraged creative solutions for affordable housing.
13. Brooke Taylor – supported parks and rec funding; would help Team Eugene aquatics.
14. Art Bollmann – said independent auditor study group set a bad precedent; no transparency.
15. Joshua Skov – representing BEST, expressed gratitude for passage of street bond measure.
16. Matt Sayre – said Eugene tech community would like to see ridesharing companies in Eugene.
17. Jim Conlan – expressed concerns of local taxi companies that ridesharing would affect business.
18. Michelle Emmons – Willamette Riverkeeper supports funding for clean and safe access to river.
19. Beth Stein – Nearby Nature supports increased funding for parks.
20. Brad Foster – asked for more attention to drug issues in our community; make parks safe.
21. Emily Secord – spoke in favor of ridesharing for the community.
22. Ethan Holub – supported efforts to ensure an even playing field for taxis and ridesharing business.
23. Sarah Wilson – supported bringing ridesharing to Eugene.

24. Sharon Tryllo – said ridesharing should not be allowed with few restrictions in Eugene.
25. Joe Tyndall - spoke about white racism and social justice.
26. Allan Benavides – Emeralds GM, supported funding for parks and a sports complex.
27. Kenny Niles – supported funding for parks and rec, including sports complex/baseball fields.
28. Randy Stiles – Maximus Sports, supported parks funding for facilities and sports complex.
29. Heather Saffell – spoke about ridesharing, electric wheelchair-accessible options in other cities.

#### Council Discussion

- Best outcome is Occupy Medical operating in the same fashion it has been able to before
- Ridesharing is a fee-for-service business; safety measures should include background checks on people and vehicles.

#### **4. CONSENT CALENDAR**

- A.** Approval of City Council Minutes
  - October 9, 2017, Work Session
  - October 9, 2017, Meeting
  - October 11, 2017, Work Session
  - October 18, 2017, Work Session
  - October 23, 2017, Work Session
  - October 23, 2017, Meeting
  - October 25, 2017, Work Session
- B.** Approval of Tentative Working Agenda
- C.** Adoption of Resolution Regarding Using Force Account Work on Downtown Eugene Fiber Network Project

**Councilor Zelenka pulled Item 4C from the Consent Calendar for further discussion.**

**MOTION AND VOTE:** Councilor Zelenka, seconded by Councilor Clark, moved to approve the items on the Consent Calendar except for Item C. **PASSED 7:0.**

#### Council Discussion

- The force account work requirement is administrative and will allow EWEB to use its own labor force to construct the network.

**MOTION AND VOTE:** Councilor Zelenka, seconded by Councilor Clark, moved to approve Item C. **PASSED 7:0.**

The Mayor adjourned the meeting of the Eugene City Council and convened a meeting of the Eugene Urban Renewal Agency.

#### **4. ACTION: Property Disposition – Millrace Drive Site**

Community Development Director Michael Kinnison provided background about the potential sale of a piece of property located on Millrace Drive to the University of Oregon.

#### Council Discussion

- Clarification of the process for sale of public property and receiving competitive bids needed.
- The money from the sale would go back to the Riverfront URA Budget.
- Identify potential issues for the Conditional Use Permit related to parking compliance for Matt Knight Arena and clarify if there is a plan to replace that parking with some other structure.
- More information needed before making a decision; will return to Council on December 11.

The Mayor adjourned the meeting of the Eugene Urban Renewal Agency and reopened the meeting of the Eugene City Council.

**6. WORK SESSION: Public Passenger Vehicle Update**

Public Works Director Sarah Medary and Planning and Development Director Denny Braud gave an update about Transportation Network Companies and the Public Passenger Vehicle Code. Three main issues are insurance requirements, background checks, and vehicle inspections.

Council Discussion

- Having a level-playing field for taxis and TNCs is important; any changes should be equitable.
- Public safety is extremely important, including background checks that require fingerprinting.
- Consider what requirements Uber was willing to comply with to operate in New York City.
- Taxi company wait times still generate many complaints; concerned about ADA issues and wheelchair upcharges addressed at Public Forum.
- More information needed about Uber's background check process; compare to EPD background check currently required.
- The state legislature was considering a proposed bill that would have preempted local authority around ridesharing, but it did not pass.
- These companies should be willing to meet local community standards.

The meeting adjourned at 10:10 p.m.

Respectfully submitted,

Elena Domingo  
Deputy City Recorder

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Approval of Tentative Working Agenda

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Meeting Date: November 27, 2017  
Department: City Manager's Office  
[www.eugene-or.gov](http://www.eugene-or.gov)

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

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### ISSUE STATEMENT

This is a routine item to approve 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

Staff 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: [beth.l.forrest@ci.eugene.or.us](mailto:beth.l.forrest@ci.eugene.or.us)



# City Council Tentative Agenda

**For November 23, 2017**

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

| November-2017                            |           |        |                                                                    |                    |                       |
|------------------------------------------|-----------|--------|--------------------------------------------------------------------|--------------------|-----------------------|
| Date                                     |           | Time   | Title                                                              | Length<br>(in min) | Staff Contact         |
| 27-Nov                                   | Monday    | 5:30pm | Downtown Update<br>(Work Session)                                  | 90                 | Denny Braud, PDD      |
|                                          |           | 7:30pm | Public Forum                                                       |                    |                       |
|                                          |           |        | Real Property Disposal Procedures<br>(Council Work Session)        |                    | Michael Kinnison, PDD |
|                                          |           |        | Real Property Disposal Procedures<br>(URA Work Session)            |                    | Michael Kinnison, PDD |
|                                          |           |        | Potential Disposition of Millrace Drive Site<br>(URA Work Session) |                    | Michael Kinnison, PDD |
| <i>Expected Absences for 11/27: None</i> |           |        |                                                                    |                    |                       |
| 29-Nov                                   | Wednesday | 12pm   | 21st Century Policing<br>(Work Session)                            | 90                 | Kristie Hammitt, CS   |
| <i>Expected Absences for 11/29: None</i> |           |        |                                                                    |                    |                       |

| December-2017                     |           |        |                                                                                     |                                                                                     |                                                    |                         |                   |
|-----------------------------------|-----------|--------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------|-------------------|
| Date                              |           | Time   | Title                                                                               |                                                                                     | Length<br>(in min)                                 | Staff Contact           |                   |
| 11-Dec                            | Monday    | 5:30pm |  | Committee Reports and Items of Interest                                             | 15                                                 |                         |                   |
|                                   |           |        |  | Auditor Discussion<br>(Work Session)                                                | 75                                                 |                         |                   |
|                                   |           | 7:30pm |  | Public Forum                                                                        |                                                    |                         |                   |
|                                   |           |        |  | Approval of Watson Annexation (A 17-9)<br>(Consent Calendar)                        |                                                    | Nick Gioello, PDD       |                   |
|                                   |           |        |  | Approval of Evans Annexation (A 17-10)<br>(Consent Calendar)                        |                                                    | Nick Gioello, PDD       |                   |
|                                   |           |        |  | MWMC Appointment<br>(Consent Calendar)                                              |                                                    | Elena Domingo, CS       |                   |
|                                   |           |        |  | Transfer of Real Property to MWMC<br>(Consent Calendar)                             |                                                    | John Huberd, PW         |                   |
|                                   |           |        |  | Resolution Acknowledging Receipt of CAFR<br>(Consent Calendar)                      |                                                    | Doug Lauderbach, CS     |                   |
|                                   |           |        |  | Resolution Acknowledging Receipt of Annual<br>Financial Report                      |                                                    | Doug Lauderbach, CS     |                   |
|                                   |           |        |  | Supplemental Budget<br>(URA Public Hearing and Action)                              |                                                    | Twylla Miller, CS       |                   |
|                                   |           |        |                                                                                     |  | Supplemental Budget<br>(Public Hearing and Action) |                         | Twylla Miller, CS |
|                                   |           |        |                                                                                     |                                                                                     |                                                    |                         |                   |
| Expected Absences for 12/11: None |           |        |                                                                                     |                                                                                     |                                                    |                         |                   |
| 13-Dec                            | Wednesday | 12pm   |  | Downtown Riverfront Project<br>(Work Session)                                       | 45                                                 | Denny Braud, PDD        |                   |
|                                   |           |        |  | Housing Policy Board Report<br>(Work Session)                                       | 45                                                 | Stephanie Jennings, PDD |                   |
| Expected Absences for 12/13: None |           |        |                                                                                     |                                                                                     |                                                    |                         |                   |

**Council Break: December 14, 2017 – January 3, 2018**

**Approved Work Session Polls to be Scheduled:**

Missing Middle Housing - Councilor Zelenka  
Hatton Street Annexation - Councilor Syrett  
US Bank Divestment - Councilor Syrett  
C-2 Zoning - Councilor Taylor  
2017-18 Winter Emergency Housing - Councilor Semple  
Rest Stop Siting Policy - Councilor Evans  
Hwy 99/Bethel Urban Renewal District - Councilor Evans  
Rats! - Councilor Semple

**Follow-Up Work Sessions to be Scheduled:**

IGR Process  
Council Goal Setting Session  
\$1 Million Shelter  
Nuisance Codes  
Rental Housing  
Zone of Benefit/Reimbursement District  
Unimproved Roads  
Commercial Setbacks



Work Session



Action Item



Public Hearing



Public Forum



Consent Calendar Item



Committee Reports and Items of Interest



Ceremonial Matters

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Work Session: Real Property Disposal Procedures

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Meeting Date: November 27, 2017  
Department: Planning and Development  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 3  
Staff Contact: Michael Kinnison  
Contact Telephone Number: 541-682-5340

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### ISSUE STATEMENT

This work session is to provide a review of the City's current real property disposal procedures and to identify steps that ensure council involvement early in the process and promote transparency when the sale of City property is being considered.

### BACKGROUND

On June 22, 2016, the City Council held a work session on real property disposal procedures. Staff reviewed the four different types of processes for disposing of real property in Code Sections 2.860 – 2.874:

1. Section 2.862 governs disposition of property subject to a development plan;
2. Section 2.864 authorizes the City Manager to declare property surplus and then to dispose of it by competitive bid or auction;
3. Section 2.868 authorizes the council to dispose of real property to a governmental entity; and
4. Section 2.872 authorizes the City Manager, without following one of the other processes, to bring to the council for approval a proposal acceptable to the City Manager.

The four code processes vary in how they involve the public and council and provide discretion to the City Manager to negotiate proposals. See Attachment A for the relevant sections of the Code.

Council discussion during the June 2016 work session included concerns regarding the perception of public property being sold in haste, an interest in having a clear and consistent process and a desire for earlier council involvement. It was also noted that procedures should not become an impediment to creative ideas for disposing of property and that safeguards need to be in place to ensure necessary confidentiality for effective negotiations.

At the November 13, 2017, meeting of the Urban Renewal Agency Board a proposal for sale of property in the Riverfront Urban Renewal District prompted the request for a follow up work session to discuss the City's procedures for real property disposal.

While the existing code establishes a framework for property disposition under a variety of circumstances, council has requested a process that the City Manager will follow that addresses council's concerns regarding clarity, consistency, and transparency.

Staff have prepared a process that goes beyond the processes set forth in the code and that ensures involvement of the council prior to substantive negotiations on a potential sale and prior to deal points being finalized. The City Manager would have some discretion to gather preliminary information on a proposal to determine its substance and alignment with the interests of the City before placing on a council agenda. The proposed process includes the following steps and is included as Attachment B:

1. Staff identifies property for potential sale or private party makes unsolicited offer to purchase property;
2. City Manager evaluates merits of proposed sale or purchase offer;
3. If deemed in best interests of the City, item is brought to council for discussion and direction;
4. Council provides direction on preferred path of sale (public bid, Request For Proposals process, private negotiation, publicly brokered sale, etc.) and expectations on public notice/outreach and expected outcomes;
5. City Manager initiates process; and,
6. Offers/proposals and/or deal points brought back to council for discussion, direction and action.

#### **COUNCIL OPTIONS**

1. Approve the process set forth in Exhibit B.
2. Amend the process set forth in Exhibit B and approve the process.
3. Do nothing at this time.
4. Postpone and discuss at a later date.

#### **CITY MANAGER'S RECOMMENDATION**

The City Manager recommends passing the proposed motion.

#### **SUGGESTED MOTION**

I move to approve the property disposition process set forth in Exhibit B to guide the sale of City owned property.

#### **ATTACHMENTS**

- A. Eugene Code Sections 2.860 – 2.872
- B. Property Disposition Process

#### **FOR MORE INFORMATION**

Staff Contact: Michael Kinnison  
Telephone: 541-682-5500  
Staff E-Mail: [michael.j.kinnison@ci.eugene.or.us](mailto:michael.j.kinnison@ci.eugene.or.us)

## Real Property Disposal Procedures

**2.860     Real Property Disposal - Definitions.** In sections 2.861 to 2.874 of this code, except where the context clearly indicates a different meaning, the following words and phrases mean:

**City manager.** The city manager of the city of Eugene, or the manager's designee.

**Development plan.** Any written plan adopted by the council which designates real property for disposal in furtherance of city programs or public purposes. Such adopted plans presently include, but are not limited to, the Mahlon Sweet Airport Master Plan and the Housing Dispersal Policy Plan and include any other plans adopted in the future.

**Disposal/dispose.** The sale, lease, exchange or donation of real property.

**Lease.** A tenancy in real property granting the right of possession for a specified term for consideration. "Lease" does not include a permit, license, or franchise to use any city-owned or controlled real property or public way.

**Real property.** Any interest in real property owned by the city of Eugene within or without the geographic limits of the city.

*(Section 2.860 added by Ordinance No. 19447, enacted January 14, 1987.)*

**2.861     Real Property Disposal - Scope.** Real property owned by the city shall be disposed of as provided in sections 2.860 to 2.874 of this chapter unless another procedure is specified in this code or in a council- approved intergovernmental agreement. Nothing in sections 2.860 to 2.874 of this chapter shall require additional procedures or limit the authority of the city manager to issue any permits or licenses authorized by this code.

*(Section 2.861 added by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 20113, enacted April 6, 1998, effective May 6, 1998.)*

**2.862     Real Property Disposal - Subject to Development Plan.**

(1) Except as provided in subsection (2), all real property acquired and held by the city for a purpose specified in a development plan may be disposed of for that purpose by any of the following procedures:

(a) Public disposal. After publishing notice of a public sale by auction or written proposal in which the parcels offered are identified and the terms and conditions of sale or the criteria for proposal selection are stated, the city manager may dispose of real property according to the best bid or proposal. The decision of the city manager shall be final.

(b) Private disposal. The city manager may privately solicit proposals

and negotiate with any person for the disposal of real property. Upon receiving an acceptable proposal, the city manager shall notify the council in writing of the manager's intention to accept the proposal. Within ten days after receiving notice the council shall decide to review the proposed transactions. If the council does not decide to review the proposed transaction within the ten days, the city manager may accept the proposal. Upon receiving notice of the proposed transaction the council may waive review of the transaction in which event the city manager may immediately accept the proposal. After its review the council may affirm, modify or reject the proposed transaction. The decision of the council shall be final.

(2) When real property subject to a development plan is determined by the city manager to be suitable for tenant occupancy and that occupancy is consistent with the development plan, the city manager may lease all or any part of it to another for a term not to exceed 20 years at fair market rent. The city manager may require additional lease terms and conditions consistent with the public health, safety and welfare. The decision of the city manager shall be final.

*(Section 2.862 added by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 20113, enacted April 6, 1998, effective May 6, 1998.)*

#### **2.864 Real Property Disposal - Surplus Property.**

(1) The city manager may declare any real property surplus when it is not needed for a public purpose or when it may be put to private use until it is needed for a public purpose. Upon such declaration, the property shall be disposed of as provided in this section.

(2) The city manager shall notify the council in writing of the declaration of surplus real property, and the proposed general terms and conditions for disposition. This notice shall be given not less than ten days before the property is offered for disposal. Within the ten days after receiving notice the council shall decide to review any part of the city manager's designation. If the council elects to review any of the city manager's designations it may modify the proposed terms and conditions for disposal or rescind any part of the declaration of surplus property. If the council fails to act within 30 days of the city manager's notice, or after the council modifies the city manager's proposal, the city manager shall give public notice of the intention to dispose of the property. The notice shall be published once a week for two consecutive weeks in a newspaper of general circulation within the city and shall identify each parcel of real property, the general terms and conditions of disposal, and other relevant information.

(3) Except when sold under subsection 2.864(4), after giving the notice required by subsection 2.864(2), the city manager may dispose of surplus real property when an offer is received which meets or exceeds the terms and conditions in the published notice. The city manager is not required to accept any offer unless the offer is found to be in the best interest of the city. Any offer received in excess of \$100,000 which the city manager proposes to accept shall be subject to council notice, review and action as provided in

paragraph 2.862(1)(b) of this chapter.

(4) The city manager may dispose of surplus real property by competitive bid or auction after publishing notice which identifies each parcel to be offered and states the terms and conditions of disposal or the criteria for bid selection. The decision of the city manager shall be final.

(5) If no offers are accepted within 24 months of the manager's declaration of surplus, the property shall cease to be surplus property until redesignated by the city manager.

(6) Without complying with the procedures in this section, the city manager, on such terms and conditions as the city manager determines, may allow the occupant of real property being acquired to continue the occupancy.

*(Section 2.864 added by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 20113, enacted April 6, 1998, effective May 6, 1998.)*

**2.868      Real Property Disposal - Governmental Transactions.** Except when disposal occurs under section 2.862, the council may dispose of real property to any governmental entity without notice or hearing.

*(Section 2.868 added by Ordinance No. 19447, enacted January 14, 1987.)*

**2.870      Real Property Disposal - Permits and Easements.** The city manager is authorized to grant temporary or permanent permits or easements across city-owned real property if the city manager determines that such permit or easement will not unreasonably disrupt the intended public use of the property.

*(Section 2.870 formerly section 2.019, added by Ordinance No. 19034, October 20, 1982; amended and renumbered by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 20113, enacted April 6, 1998, effective May 6, 1998.)*

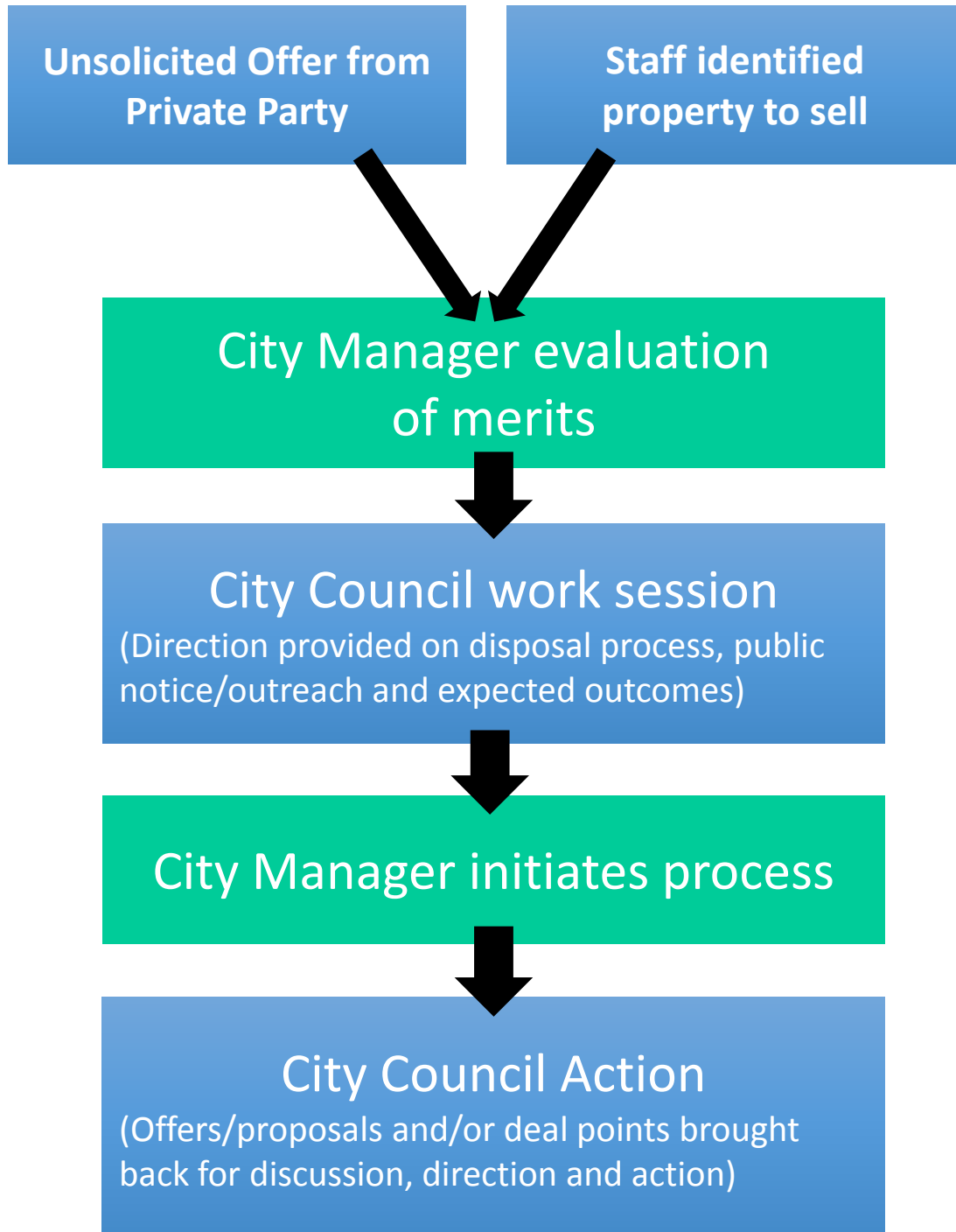
**2.872      Real Property Disposal - All Other Property.** Unless another procedure is specified in this code or in a council-approved intergovernmental agreement, a proposal acceptable to the city manager shall be presented to the council for its action.

*(Section 2.872 added by Ordinance No. 19447, enacted January 14, 1987.)*

**2.874      Real Property Disposal - Regulations.** By following the procedures in section 2.019 of this code the city manager may establish any regulations required to carry out the provisions of sections 2.860 to 2.872 of this chapter.

*(Section 2.874 added by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 19742, enacted January 14, 1991.)*

**Attachment B**  
**Property Disposition Process Proposal**



# URBAN RENEWAL AGENCY AGENDA ITEM SUMMARY



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## Work Session: Real Property Disposal Procedures

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Meeting Date: November 27, 2017  
Department: Planning and Development  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 4  
Staff Contact: Michael Kinnison  
Contact Telephone Number: 541-682-5340

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### ISSUE STATEMENT

This work session is to provide a review of the City's current real property disposal procedures and to identify steps that ensure Urban Renewal Agency involvement early in the process and promote transparency when the sale of Agency property is being considered.

### BACKGROUND

On June 22, 2016, the City Council held a work session on real property disposal procedures. Staff reviewed the four different types of processes for disposing of real property in Code Sections 2.860 – 2.874:

1. Section 2.862 governs disposition of property subject to a development plan;
2. Section 2.864 authorizes the City Manager to declare property surplus and then to dispose of it by competitive bid or auction;
3. Section 2.868 authorizes the council to dispose of real property to a governmental entity;
4. Section 2.872 authorizes the City Manager, without following one of the other processes, to bring to the council for approval a proposal acceptable to the City Manager.

The four code processes vary in how they involve the public and council and provide discretion to the City Manager to negotiate proposals. See Attachment A for the relevant sections of the Code.

Council discussion during the June 2016 work session included concerns regarding the perception of public property being sold in haste, an interest in having a clear and consistent process and a desire for earlier council involvement. It was also noted that procedures should not become an impediment to creative ideas for disposing of property and that safeguards need to be in place to ensure necessary confidentiality for effective negotiations.

At the November 13, 2017, meeting of the Urban Renewal Agency Board a proposal for sale of property in the Riverfront Urban Renewal District prompted the request for a follow-up work session to discuss the City's procedures for real property disposal.

While the existing code establishes a framework for property disposition under a variety of circumstances, council and the Agency have requested a process that the City Manager will follow that addresses concerns regarding clarity, consistency, and transparency.

Staff have prepared a process that goes beyond the processes set forth in the code and that ensures involvement of the Agency prior to substantive negotiations on a potential sale and prior to deal points being finalized. The City Manager would have some discretion to gather preliminary information on a proposal to determine its substance and alignment with the interests of the City before placing on an Agency agenda. The proposed process includes the following steps and is included as Attachment B:

1. Staff identifies property for potential sale or private party makes unsolicited offer to purchase property;
2. City Manager evaluates merits of proposed sale or purchase offer;
3. If deemed in best interests of the City, item is brought to Agency for discussion and direction;
4. Agency provides direction on preferred path of sale (public bid, Request For Proposals process, private negotiation, publicly brokered sale, etc.) and expectations on public notice/outreach and expected outcomes;
5. City Manager initiates process; and,
6. Offers/proposals and/or deal points brought back to agency for discussion, direction and action.

#### **AGENCY BOARD OPTIONS**

1. Approve the process set forth in Exhibit B.
2. Amend the process set forth in Exhibit B and approve the process.
3. Do nothing at this time.
4. Postpone and discuss at a later date.

#### **AGENCY DIRECTOR'S RECOMMENDATION**

The City Manager recommends passing the proposed motion.

#### **SUGGESTED MOTION**

I move to approve the property disposition process set forth in Exhibit B to guide the sale of Agency-owned property.

#### **ATTACHMENTS**

- A. Eugene Code Sections 2.860 – 2.872
- B. Property Disposition Process

#### **FOR MORE INFORMATION**

Staff Contact: Michael Kinnison  
Telephone: 541-682-5500  
Staff E-Mail: [michael.j.kinnison@ci.eugene.or.us](mailto:michael.j.kinnison@ci.eugene.or.us)

## Real Property Disposal Procedures

**2.860     Real Property Disposal - Definitions.** In sections 2.861 to 2.874 of this code, except where the context clearly indicates a different meaning, the following words and phrases mean:

**City manager.** The city manager of the city of Eugene, or the manager's designee.

**Development plan.** Any written plan adopted by the council which designates real property for disposal in furtherance of city programs or public purposes. Such adopted plans presently include, but are not limited to, the Mahlon Sweet Airport Master Plan and the Housing Dispersal Policy Plan and include any other plans adopted in the future.

**Disposal/dispose.** The sale, lease, exchange or donation of real property.

**Lease.** A tenancy in real property granting the right of possession for a specified term for consideration. "Lease" does not include a permit, license, or franchise to use any city-owned or controlled real property or public way.

**Real property.** Any interest in real property owned by the city of Eugene within or without the geographic limits of the city.

*(Section 2.860 added by Ordinance No. 19447, enacted January 14, 1987.)*

**2.861     Real Property Disposal - Scope.** Real property owned by the city shall be disposed of as provided in sections 2.860 to 2.874 of this chapter unless another procedure is specified in this code or in a council- approved intergovernmental agreement. Nothing in sections 2.860 to 2.874 of this chapter shall require additional procedures or limit the authority of the city manager to issue any permits or licenses authorized by this code.

*(Section 2.861 added by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 20113, enacted April 6, 1998, effective May 6, 1998.)*

**2.862     Real Property Disposal - Subject to Development Plan.**

**(1)** Except as provided in subsection (2), all real property acquired and held by the city for a purpose specified in a development plan may be disposed of for that purpose by any of the following procedures:

(a) Public disposal. After publishing notice of a public sale by auction or written proposal in which the parcels offered are identified and the terms and conditions of sale or the criteria for proposal selection are stated, the city manager may dispose of real property according to the best bid or proposal. The decision of the city manager shall be final.

(b) Private disposal. The city manager may privately solicit proposals and negotiate with any person for the disposal of real property.

Upon receiving an acceptable proposal, the city manager shall notify the

council in writing of the manager's intention to accept the proposal. Within ten days after receiving notice the council shall decide to review the proposed transactions. If the council does not decide to review the proposed transaction within the ten days, the city manager may accept the proposal. Upon receiving notice of the proposed transaction the council may waive review of the transaction in which event the city manager may immediately accept the proposal. After its review the council may affirm, modify or reject the proposed transaction. The decision of the council shall be final.

(2) When real property subject to a development plan is determined by the city manager to be suitable for tenant occupancy and that occupancy is consistent with the development plan, the city manager may lease all or any part of it to another for a term not to exceed 20 years at fair market rent. The city manager may require additional lease terms and conditions consistent with the public health, safety and welfare. The decision of the city manager shall be final.

*(Section 2.862 added by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 20113, enacted April 6, 1998, effective May 6, 1998.)*

#### **2.864 Real Property Disposal - Surplus Property.**

(1) The city manager may declare any real property surplus when it is not needed for a public purpose or when it may be put to private use until it is needed for a public purpose. Upon such declaration, the property shall be disposed of as provided in this section.

(2) The city manager shall notify the council in writing of the declaration of surplus real property, and the proposed general terms and conditions for disposition. This notice shall be given not less than ten days before the property is offered for disposal. Within the ten days after receiving notice the council shall decide to review any part of the city manager's designation. If the council elects to review any of the city manager's designations it may modify the proposed terms and conditions for disposal or rescind any part of the declaration of surplus property. If the council fails to act within 30 days of the city manager's notice, or after the council modifies the city manager's proposal, the city manager shall give public notice of the intention to dispose of the property. The notice shall be published once a week for two consecutive weeks in a newspaper of general circulation within the city and shall identify each parcel of real property, the general terms and conditions of disposal, and other relevant information.

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(4) The city manager may dispose of surplus real property by competitive bid or auction after publishing notice which identifies each parcel

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(5) If no offers are accepted within 24 months of the manager's declaration of surplus, the property shall cease to be surplus property until redesignated by the city manager.

(6) Without complying with the procedures in this section, the city manager, on such terms and conditions as the city manager determines, may allow the occupant of real property being acquired to continue the occupancy.

*(Section 2.864 added by Ordinance No. 19447, enacted January 14, 1987; and administratively amended by Ordinance No. 20113, enacted April 6, 1998, effective May 6, 1998.)*

**2.868      Real Property Disposal - Governmental Transactions.** Except when disposal occurs under section 2.862, the council may dispose of real property to any governmental entity without notice or hearing.

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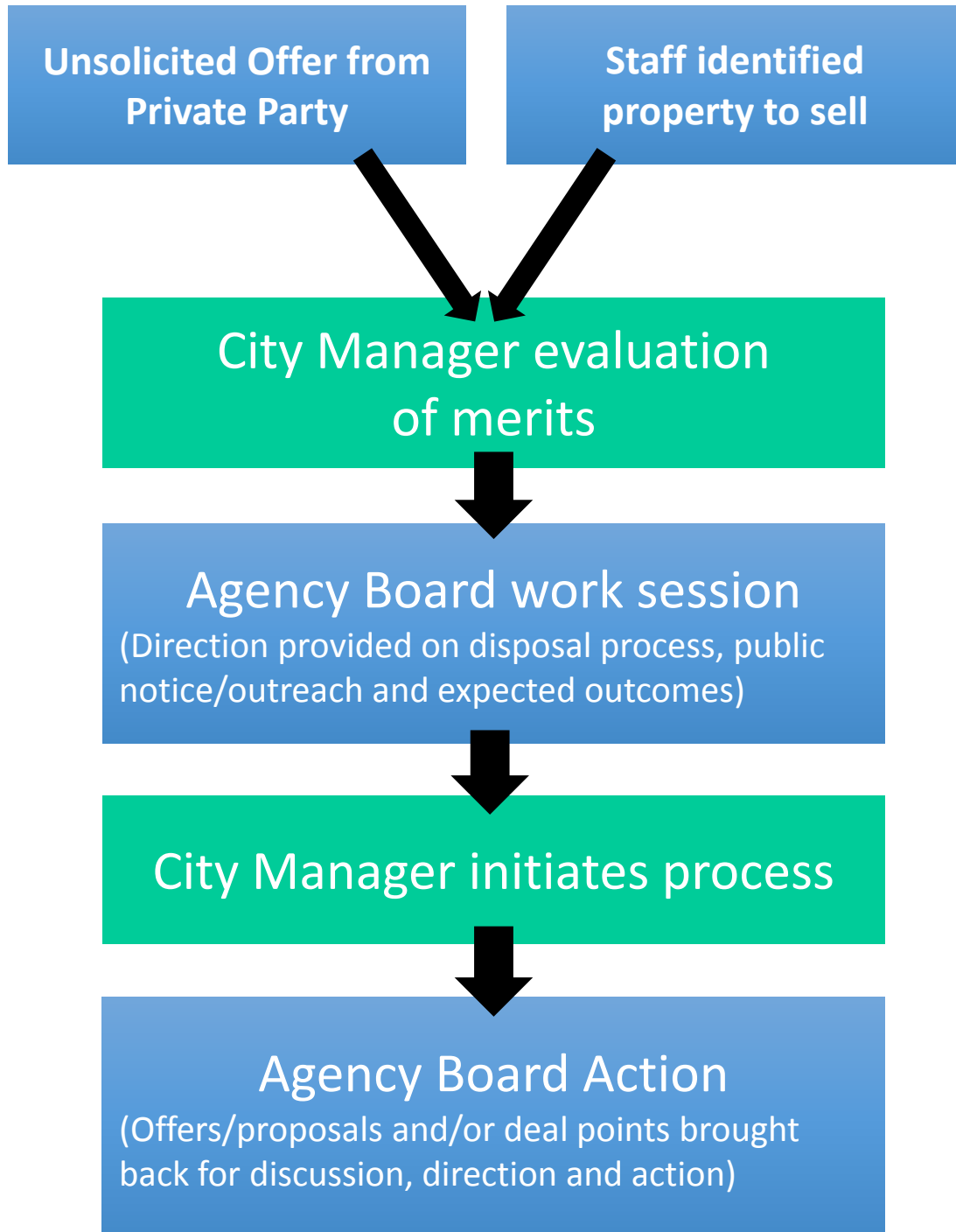
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**2.874      Real Property Disposal - Regulations.** By following the procedures in section 2.019 of this code the city manager may establish any regulations required to carry out the provisions of sections 2.860 to 2.872 of this chapter.

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**Attachment B**  
**Property Disposition Process Proposal**



# URBAN RENEWAL AGENCY

## AGENDA ITEM SUMMARY



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### Work Session: Potential Disposition of Millrace Drive Site

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Meeting Date: November 27, 2017  
Department: Planning and Development  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 5  
Staff Contact: Michael Kinnison  
Contact Telephone Number: 541-682-5500

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#### **ISSUE STATEMENT**

On November 13, 2017, the Urban Renewal Agency Board discussed the disposition of property located on Millrace Drive to the University of Oregon to utilize as part of future expansion of the Knight Campus development. At that meeting, the Board requested additional information about several items including the existing lease, impacts to parking, significance of the site to the Knight Campus, and disposition of property owned by the Agency. The supplemental information is included in Attachments D and E.

#### **BACKGROUND**

The Millrace Drive site is a 1.66-acre property located at the southwest corner of Riverfront Parkway and Millrace Drive (see Attachment A map). The site is zoned C-2 (Community Commercial), which calls for higher density, mixed use, pedestrian friendly development, and has a Water Resource Overlay. The property historically housed a Coca-Cola bottling plant and was acquired by the Agency in 1994.

The Urban Renewal Agency entered into a lease agreement with the University of Oregon in 2010 allowing the University to use the site to create and operate a surface parking lot. The lease agreement contemplated the University's possible purchase but did not obligate either party to participate in the transaction. The lease states that all rents paid by the University would be credited to the purchase price, should the University pursue purchase of the site.

The University is offering to pay \$3,271,000 for the property, which is the appraised value (\$3,718,000) minus the total of all rents paid-to-date (\$447,000). The appraisal and proposed sale excludes a small portion (about 3,923 sq. ft.) of the tax lot, which is located to the north of Millrace Drive and contains a sewer pressure control station. The Outline of Terms for Sale of the Property is included as Attachment B.

#### *Knight Campus*

The Knight Campus is a \$1 billion initiative to support high-impact science, experiential scientific training, and innovation. The University launched the initiative with the support of Penny and Phil Knight's cornerstone gift of \$500 million. Phase 1 of the capital project includes one building with two towers that is connected to the campus south of Franklin by an enclosed pedestrian bridge to

the Lewis Integrative Science Building. Attachment C includes additional information on the Knight Campus development.

Phase 2 of the project would be located on the Millrace Drive site. Ownership of this property will allow the University to quickly implement Phase 2 as soon as future funding becomes available. Future uses of the property could include additional research space, offices for faculty and graduate students, and potential space for industry partners who want to be located in proximity to the Knight Campus researchers.

## **RELATED CITY POLICIES**

The sale and redevelopment of this property addresses many goals for Eugene and the riverfront, including:

### *Eugene Downtown Plan*

- Build upon downtown's role as the center for government, commerce, education and culture in the city and the region.
- Downtown development shall support the urban qualities of density, vitality, livability and diversity to create a downtown, urban environment.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
- Use downtown development tools and incentives to encourage development that provides character and density downtown.
- Facilitate dense development in the courthouse area and other sites between the core of the downtown and the river.

### *Riverfront Urban Renewal Plan*

- Improve the function, condition, and appearance of the development area.
- Eliminate existing blight and blighting influences.
- Strengthen the economic and environmental conditions of the plan area and the metropolitan area.
- Improve connections between the core of downtown, Riverfront, and the University of Oregon.

### *Envision Eugene Pillars*

- Provide ample economic opportunities for all community members.
  - Meet all of the commercial land needs (office and retail) within the existing Urban Growth Boundary.
- Promote compact urban development and efficient transportation options.
  - Integrate new development and redevelopment in the downtown, in key transit corridors and in core commercial areas.

### *Regional Economic Prosperity Plan*

- Continue to work with property and business owners to expand, upgrade, and construct state-of-the-art facilities.

### *Eugene Climate & Energy Action Plan*

- Increase density around the urban core and along high-capacity transit corridors.

### **AGENCY BOARD OPTIONS**

1. Authorize the Agency Director to sell the property to the University of Oregon consistent with the terms included in Attachment B.
2. Amend the terms included in Attachment B, and authorize the Agency Director to sell the property to the University of Oregon.
3. Do not approve sale of the property at this time.
4. Postpone action and continue discussion at a later date.

### **AGENCY DIRECTOR'S RECOMMENDATION**

The Agency Director recommends approval of the sale of the property to the University of Oregon consistent with the terms included in Attachment B.

### **SUGGESTED MOTION**

Move to authorize the Agency Director to sell the Millrace Drive property to the University of Oregon consistent with the terms included in Attachment B.

### **ATTACHMENTS**

- A. Map of Property Proposed for Sale
- B. Outline of Terms for Sale of Property
- C. Knight Campus Overview
- D. Supplemental Information on Proposed Sale
- E. Lease Agreement

### **FOR MORE INFORMATION**

Staff Contact: Michael Kinnison  
Telephone: 541-682-5500  
Staff E-Mail: [Michael.j.kinnison@ci.eugene.or.us](mailto:Michael.j.kinnison@ci.eugene.or.us)



- Property Agency would retain (sewer pressure control system)
- Millrace Drive Site (currently leased to UO)

0 25 50 Feet



**ATTACHMENT B**  
**Terms for Sale of Property**

Buyer: University of Oregon

Seller: Urban Renewal Agency of the City of Eugene

Property: Land located at the southwest corner of Millrace Drive and Riverfront Parkway (tax lot 17-03-32-14-01100), currently leased by UO and used as a parking lot (approximately 67,606 s.f. of an existing 72,310 s.f. parcel). City staff will assist in reducing the size of the parcel through a partition or property line adjustment process to exclude the northern portion of the site that supports utility infrastructure.

Purchase Price: Appraised value (\$3,718,000) minus lease payments already paid, per the existing lease terms; cash paid at closing.

Project Description: Buyer is purchasing this property to utilize as a part of future expansion of the Knight Campus development. The Knight Campus is a \$1 billion initiative to support high impact science, experiential scientific training, and an innovation center. Phase one of the capital project includes one building with two towers that is connected to the campus north of Franklin by an enclosed pedestrian bridge to the Lewis Integrative Science Building. Phase two of the project will be located on the subject property. Ownership of the property will allow the Buyer to implement Phase two as soon as the funding becomes available. Future uses of the property would include additional research space, offices for faculty and graduate students, as well as potential space for industry partners who want to be located in proximity to the Knight Campus researchers.

Purchase and Sale Agreement: Following the Urban Renewal Agency Board's approval of terms, Buyer and Seller shall enter into a formal Purchase and Sale Agreement.

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

Environmental Condition: The property is offered on an "as is" basis. 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.

Closing Date: The closing of the sale shall occur no later than February 15, 2018, or be extended by mutual agreement.

## **ATTACHMENT D**

### **Supplemental Information on Proposed Sale**

#### **Lease Agreement**

The Urban Renewal Agency entered into a lease with the University in 2010 allowing the University to operate a parking lot on the property. The lease established an annual base rent of \$63,000 per year over the initial 5-year term and allowed the University to renew the agreement for 3 successive terms with a 5% increase in rent each term. Currently, the University has renewed this lease once, and pays \$66,150 per year. They have paid a total of \$447,300 in rent.

The lease states that should the Agency and University agree to a sale and purchase of the property, all rent payments would be credited 100% to the purchase price. This provision acknowledged the significant investment the UO would make to improve the property under a relatively short-term lease. In 2010, the University invested \$688,264 to construct a parking lot, with gated access, landscaping and stormwater improvements.

#### **Property's Relation to UO Parking Obligations**

The lot contains 150 spaces and has primarily served the needs of student athletes using the Jaqua Center. The UO has recently relocated parking for student athletes in anticipation of using the parking lot to serve the Knight Campus.

The Millrace parking lot was approved through a land use application process to provide parking for the UO campus wide parking inventory. Eugene Code requires the UO to have 2,869 parking spaces in their inventory based on current enrollment figures. The UO currently has over 3,600 spaces in their inventory. As part of any building permit that involves the loss of parking, the UO must show that they continue to meet code requirements for the campus parking inventory or replacement parking must be provided.

The Millrace parking lot is also used for event parking and contributes to the Arena Impact Mitigation Area (AIMA) that was created as part of the conditional use permit for construction of the Mathew Knight Arena. With the exception of 2012, the UO has consistently demonstrated a surplus (>250 spaces) of available parking as part of their required annual monitoring. The findings of the 2017 Arena Monitoring Report continue to show a surplus of available parking. If the Millrace parking lot ceased to be available for events the UO would have to demonstrate that they can still meet their AIMA parking requirements or provide additional parking elsewhere.

The Knight Campus includes plans for structured parking as part of the first phase of development that would provide over 300 spaces.

#### **Significance of the Site to the Knight Campus Project**

The site is strategically located adjacent to phase I of the Knight Campus and provides additional opportunities as the UO plans for a future phase II that will embrace new ideas and opportunities that will emerge over the coming decade. Specifically, phase II envisions 150,000 square feet of buildings for research, innovation and academic functions. Additional land is needed to help realize that vision. Gaining control of the Millrace site now will help with fundraising efforts by providing potential investors the confidence the UO can deliver on the complete vision for the Campus.

#### **Disposition of Property Owned by the Urban Renewal Agency**

ORS 457 states that the urban renewal agency shall, in accordance with the approved plan, make land available for use by public agencies. Such land shall be made available at a value determined by the agency

at its discretion to be its fair reuse value, which represents such value the land should be made available in order to be developed, redeveloped, cleared, conserved or rehabilitated for the purposes in the plan.

Proceeds from sales of land owned by the Urban Renewal Agency are available to be reinvested within the applicable district boundary to further the purposes of an approved plan. The Millrace Drive property was acquired and is currently owned by the Urban Renewal Agency. Proceeds from the sale of this property would be available for use within the Riverfront Urban Renewal District.

## Attachment C Knight Campus Overview



The Knight Campus is a \$1 billion initiative to support high impact science, experiential scientific training, and an innovation center. The University launched the initiative with the generous support of Penny and Phil Knight's cornerstone gift of \$500 million. Phase one of the capital project includes one building with two towers that is connected to the campus north of Franklin by an enclosed pedestrian bridge to the Lewis Integrative Science Building.

- The first floor is a welcoming location that includes classrooms, meeting rooms, student spaces, and a 150-seat seminar room designed for sophisticated multimedia presentations and equipped with distance-engagement technology.
- The second floor is the heart of the building, housing the innovation center—including rentable laboratory spaces and a business center, training labs and the headquarters of the graduate experiential learning programs, administrative staff offices, a café, and an all-season outdoor terrace overlooking the millrace.
- The third and fourth floors are designed to house faculty-led research teams with room for at least thirty principal investigators. These laboratory floors are built with a unique mezzanine structure that keeps faculty offices close to laboratories and computational spaces for ease of communication and collaboration. Ample research support space is provided for each of the eight “neighborhoods” created by the design. A glass connector and multiple staircases allow for easy workflow between the towers and floors.
- The basement will house four spaces dedicated to research core facilities and also includes quiet working areas and some social spaces.
- Outside of the building, the project includes enhancements to the Millrace and Franklin Boulevard such as landscape restoration and renewal, bridge construction, path work, and lighting.
- A related parking structure is included to accommodate parking needs and regulations.



Phase two of the project will be located on the Millrace Drive site. This will allow the University to quickly implement Phase two as soon as the funding becomes available. Future uses of the property would include additional research space, offices for faculty and graduate students, as well as potential space for industry partners who want to be located in proximity to the Knight Campus researchers.

## Economic Impact

A preliminary analysis by ECONorthwest estimates that investing \$1 billion in new capital and operations over 13 years for the Knight Campus will generate the following benefits<sup>a</sup>:

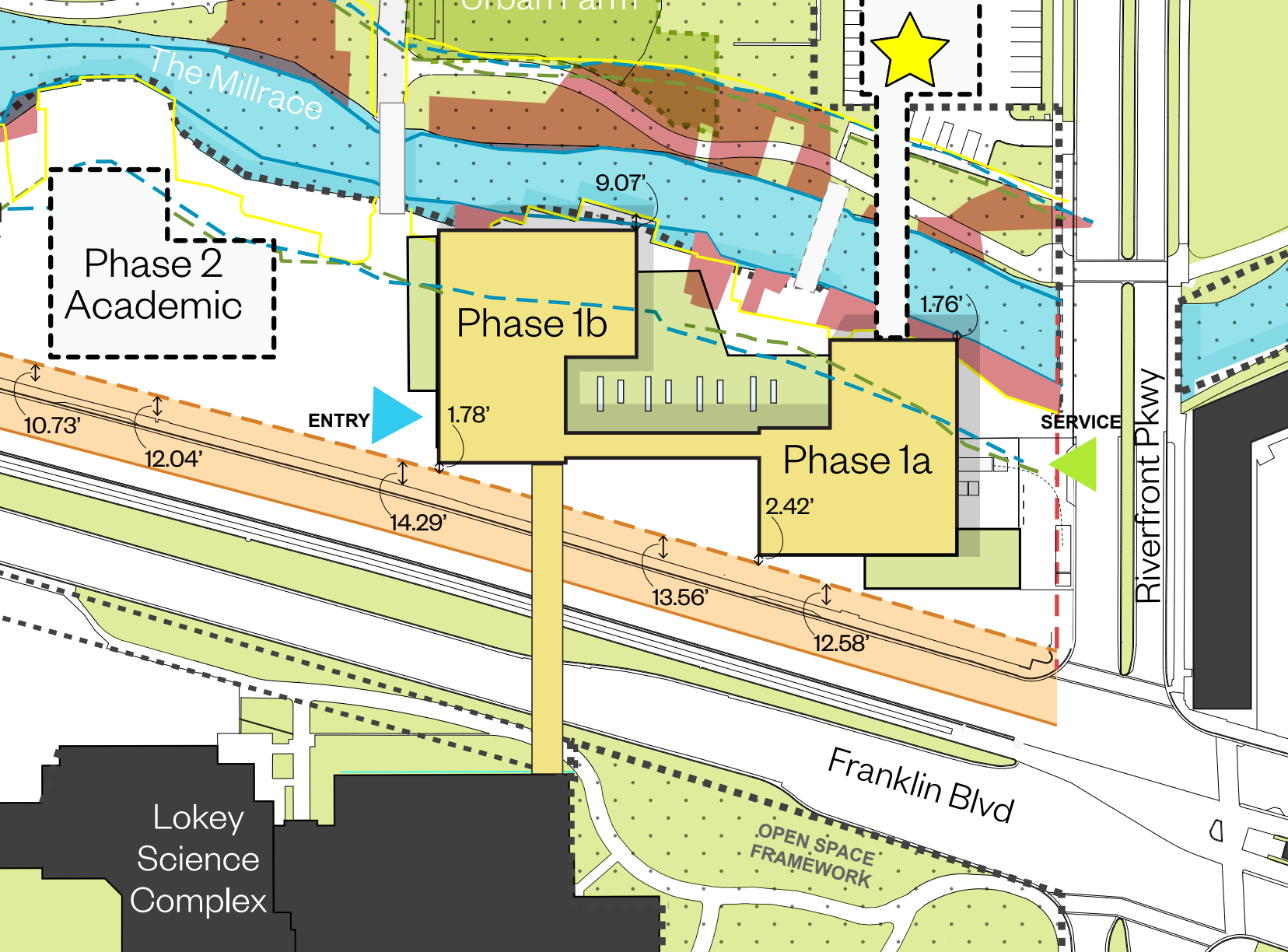
- Annual impact during peak construction phase
  - \$175.8 million total economic output through direct, indirect, and induced goods and services in the regional economy
  - 1,304 jobs (FTE for one year) supported by direct, indirect, and induced spending
  - \$69.7 million in labor income, including employee compensation and proprietor income
- Annual operating impact after ramp up
  - \$79.3 million in total economic output through direct and indirect value of goods and services produced
  - 756 jobs (FTE for one year) supported by direct, indirect, and induced spending
  - \$44.8 million in labor income, including employee compensation and proprietor income
- Fiscal impacts during construction and after ramp up
  - \$10.9 million of state and local tax revenue supported during peak construction
  - \$6.7 million in state and local taxes after ramp up



*Photos provided by the University of Oregon*

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<sup>a</sup> Economic output and labor income are in 2015 dollars



**GROUND LEASE**

Contract # \_\_\_\_\_

**BETWEEN:** Urban Renewal Agency of the City of Eugene, ("Lessor")  
**AND:** State of Oregon acting by and through the State Board of Higher Education on  
behalf of the University of Oregon ("Lessee")  
**EFFECTIVE**  
**DATE:** October 1, 2010 ("Effective Date")

**RECITALS**

- A. Lessor is the owner of real property within the City of Eugene, Oregon, listed in the records of Lane County as map, tax, lot number 17-03-32-14-1100, and more specifically described in attached Exhibit A, ("Property").
- B. Now, therefore, in consideration of the covenants, conditions, and obligations on the part of each party to be kept and performed, it is hereby agreed as follows:

**AGREEMENT**

1. **Lease of Property.** Lessor hereby leases to Lessee, and Lessee hereby accepts from Lessor, subject to and with the benefit of the terms and provisions of this Lease, the Property.
2. **Use.** Lessee shall use the Property for the purposes of operating a surface parking lot serving the Lessee's parking needs. Lessee shall not use or permit or allow the use of the Property for any other purpose without Lessor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Lessee shall conform to all applicable laws and regulations of any public authority affecting the Property and the condition and use thereof, and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use.
3. **Condition of Property – "As Is" Acknowledgement; Release; Improvements; Condition upon Termination.**

3.1 Condition of Property. Lessee accepts the Property in its condition as of the "Commencement Date" of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Lessee SPECIFICALLY ACKNOWLEDGES AND AGREES THAT LESSEE IS LEASING THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, INCLUDING BUT NOT LIMITED TO BOTH LATENT AND PATENT DEFECTS, AND THAT LESSEE IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM LESSOR, ITS AGENTS, OR BROKERS AS TO ANY MATTERS CONCERNING THE PROPERTY INCLUDING WITHOUT LIMITATION: (i) the quality, nature, adequacy and physical condition and aspects of the Property, including, but not limited to, the structural elements, seismic aspects of the Property, appurtenances, access, sewage, utility systems, if any, the square footage of the Property, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Property, if any, (iv) the redevelopment potential of the Property, and the Property's use, habitability, merchantability, or fitness, suitability, value or adequacy of the Property for any particular purpose, (v) the zoning or other legal status of the Property or any other public or private restrictions on use of the Property, (vi) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vii) the presence of Hazardous Substances on, under or about the Property or the

adjoining or neighboring property, (viii) the quality of any labor and materials used in any improvements on the Property, (ix) the condition of title to the Property, (x) the contracts or other agreements affecting the Property and (xi) the economics of the operation of the Property.

Lessee shall assume as of the Commencement Date of the Lease, all liability for conditions of or relating to the Property. Except as expressly provided herein, Lessee acknowledges that neither Lessor, nor any agent of Lessor, has made any representation as to the condition of the Property, nor the suitability for Lessee's intended use. Lessee acknowledges and agrees that it has been given or will be given a full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Lessee's choosing, including, without limitation:

3.1.1 All matters relating to title, together with all governmental and other legal requirements such as taxes, assessments, zoning, use permit requirements and building codes;

3.1.2 The physical condition and aspects of the Property, including, without limitation, the square footage of the Property, the structure, seismic aspects of the Property, the paving, the utilities, if any, and all other physical and functional aspects of the Property. Such examination of the physical condition of the Property shall include, but not be limited to, Lessee's examination of the presence or absence of Hazardous Substances. For purposes of this Agreement, "Hazardous Substances" shall mean inflammable explosives, pollutants, contaminants, radioactive materials, asbestos, polychlorinated biphenyls, lead, lead-based paint, under and/or above ground tanks, hazardous materials, hazardous wastes, hazardous substances, oil, or related materials, which are listed or regulated by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 1401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 5101, et seq.), the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), the Oregon Hazardous Substance Removal and Remedial Action Law, ORS 465.200, et seq. and any other applicable federal, state or local laws, rules, regulations or governmental requirements (collectively "Environmental Laws");

3.1.3 Any easements and/or access rights affecting the Property; and

3.1.4 All other matters of material significance affecting the Property.

3.2 Release of Lessor. Lessee acknowledges that some defects may become apparent only after Lessee takes possession of the Property. Lessee on behalf of itself and its successors and assigns covenants not to bring any action against Lessor and waives its right to recover from, and forever releases and discharges, Lessor and its elected and appointed officials, employees, legal counsel and agents of each of them, and their respective successors from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) the physical condition of the Property including, without limitation, all structural and seismic elements, all mechanical, electrical, plumbing, sewage, heating, ventilating, air conditioning and other systems, the environmental condition of the Property and all Hazardous Substances on, under, or about the Property, or (ii) any Environmental Law.

3.3 Improvements. Lessee proposes to make certain improvements to the property necessary to operate a surface parking lot. Lessee, at its sole cost, shall be responsible for all costs of improving the Property for Lessee's use including, but not limited to, all costs for plans, permits, and

construction. All improvements, and the work to make or install the improvements, must be in compliance with all applicable federal, state, and local laws, codes, rules, standards and regulations and must be diligently prosecuted to completion, in a good and workmanlike manner by properly qualified, experienced, licensed, bonded and insured contractors chosen by Lessee free of any liens or encumbrances on, or other claims in, to or against, the Property in connection therewith.

3.4 Condition upon Termination. Upon the termination of this Lease, Lessee shall surrender the Property to Lessor, with all systems operational, and in the same condition as existed at the time of completion of Lessee's Improvements except for ordinary wear and tear which Lessee was not otherwise obligated to remedy under any provision of this Lease. All alterations, additions and improvements shall become Lessor's property and shall be surrendered to Lessor upon the expiration or earlier termination of the Lease.

**4. Term.**

4.1 Initial Term. This Lease shall be in effect commencing October 1, 2010 and expiring September 30, 2015, known as "Lease Term" and hereinafter referred to as the "Term."

4.2 Renewal Option. Lessee shall have the right to renew the term of this lease for three (3) successive terms of five (5) years each. Intent to renew shall be delivered by Lessee in writing to Lessor not less than ninety (90) days prior to the expiration of the then current term. Annual Base Rent shall increase five (5%) percent each renewal term.

4.3 Early Termination. This Lease can be terminated effective any date mutually agreed, in writing, by both Lessor and Lessee. Such agreement shall specify the date of early termination, pro-rate of any rental amounts, and any other provisions both Lessor and Lessee may determine at such time.

**5 Annual Base Rent.**

Lessee shall pay Lessor the Annual Base Rent of \$63,000.00 beginning on the Commencement Date, and each annual anniversary thereafter, in advance, without offset, deduction, prior demand, or abatement, except as specifically allowed herein. Payment shall be made to City's Finance Department, PO Box 1967, Eugene, OR 97440, or to such other department as Lessor shall designate.

**6 Taxes.**

6.1 Real Property Taxes. Lessor and Lessee qualify as tax exempt entities as defined under O.R.S. Section 307.166 and the Property is currently exempted from real property taxes. Lessee shall be responsible for application with the Lane County Tax Assessor for continuation of tax exempt status for the Property. In the event such application is denied, or the exemption is otherwise discontinued, Lessee shall pay Real Property Taxes as they become due.

6.2 Personal Property Taxes. Lessee shall pay all taxes charged against any personal property belonging to Lessee. Lessee shall have personal property taxes billed separately from the Property.

**7 Maintenance and Repairs.** At all times during the Lease term, Lessee at its sole cost and expense shall keep and maintain the Property in good condition, free of litter and debris, condition and repair, including, without limitation, any repairs, maintenance, replacements or alterations arising by reason of or necessitated by Lessee's use of the Property and any act, omission, misuse, or negligence of Lessee, its agents, employees, contractors and invitees.

**8 Indemnification.** To the extent legally possible, Lessor and Lessee shall indemnify and hold the other, its officers, agents and employees, harmless from and against any and all claims, actions, liabilities, costs, including attorney fees and other costs of defense, arising out of or in any way related to any act or failure to act by each other and each other's employees, agents, officers and contractors. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.

9 **Insurance.** Lessee as an agency of the State of Oregon is self-insured pursuant to ORS Chapter 278.

10 **Hazardous Materials.**

10.1 **Definition of Hazardous Materials.** As used herein, the term "hazardous materials" shall mean any material that, because of their quantity, concentration of physical, chemical, or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, stored, disposed of, transported, or otherwise handled. This term includes, but is not limited to, petroleum, including crude oil, including any fraction thereof that is a liquid at standard conditions of temperature and pressure (60° Fahrenheit and 14.71 lbs. per square inch absolute), or any hazardous or toxic substance regulated under the Resource Conservation and Recovery Act, the Comprehensive Environment Response Compensation and Liability Act, or any other state, federal or local laws relating to the protection of human health or the environment.

10.2 **Use of Hazardous Materials.** Aside from gasoline or diesel fuel contained in vehicle fuel tanks associated with Lessee's use of the Premises authorized under section 2, Lessee shall not cause or permit any hazardous materials to be brought upon, kept, or used in or about the Property. Under no circumstances will hazardous materials be disposed of on the Property. Notwithstanding any provision to the contrary, Lessee shall indemnify Lessor against any damage or harm caused by Lessee use or disposal of hazardous materials found on the Property. Such indemnification shall include, but not be limited to, the cost of defense of any legal claim, action, appeal or review arising out of any such claim made by any third party. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.

11 **Compliance with Law.** Without limiting the generality of the foregoing provisions, Lessee shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities pertaining to its use of the Property.

12. **Assignments and Subleases.**

12.1 Except as provided in this subparagraph, for use of the Property for parking, Lessee's interest in the Property shall not be assigned nor subleased without the prior written consent of the Lessor. The decision as to whether such consent is given to a transaction covered by this paragraph shall be within the Lessor's absolute and sole discretion. Notwithstanding the foregoing, Lessee may assign or sublease one or more parking spaces to individuals or businesses for use as parking without prior written consent of Lessor.

12.2 Lessor shall not assign its interest in this Lease without the prior written consent of Lessee. Lessee shall consent to a transaction covered by this paragraph when withholding such consent would be unreasonable in the circumstances and shall not unreasonably delay giving consent.

**13. Notices.** Any notice required or permitted under this Lease shall be delivered personally or alternatively, may be deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, addressed to the parties as shown below:

City of Eugene, PDD  
Attn: Denny Braud  
99 W 10<sup>th</sup> Ave  
Eugene, OR 97401  
541-682-5536  
Denny.Braud@ci.eugene.or.us

University of Oregon  
Vice President for Finance and Administration  
1283 University of Oregon  
1098 E. 13th St.  
Eugene, OR 97403-1283

Either party may change the designated notice address upon written notice to the other party.

**14. Default.** The following shall constitute events of default:

**14.1 Default In Rent.** Failure by Lessee to pay rent;

**14.2 Default in Other Covenants.** Failure of either party to comply with the terms or conditions or to fulfill any obligation of this Lease (other than rent) within thirty (30) days after written notice by the other party specifying the nature of the default with reasonable particularity.

**14.3 Recurring Default.** If Lessor or Lessee cures a default in the manner described under paragraph 17, in the event of Lessor's or Lessee's subsequent failure to comply with the same obligation within two (2) consecutive months or Lessor's or Lessee violation of the same provision within any two (2) consecutive months, no notice of the obligation or violation will need to be given prior to declaring a default.

**15. Waiver of Default.** Any waiver by Lessor or Lessee of strict compliance with the terms of this Lease shall not be a waiver of any subsequent violation or default.

**16. Remedies of Default**

**16.1 Termination.** Upon the occurrence of an event of default by Lessor, this Lease may be terminated at the option of Lessee by giving written notice to Lessor. Lessor may terminate this Lease upon the occurrence of an event of default by giving written notice to Lessee.

**16.2 Damages Without Termination.** If the party not in default elects to continue this Lease, it shall be entitled to recover damages from the party in default.

**17. Negotiated Purchase.** In the event, during the initial or renewal lease period, Lessor and Lessee agree to a sale and purchase of the property, all rent payments made by Lessee to Lessor shall be credited 100% to the purchase price. In determining the purchase price, no value will be attributable to the improvements constructed by Lessee.

**18. Attorney Fees.** In the event any legal proceeding is commenced for the purpose of interpreting or enforcing any provision of this Lease, rescinding the Lease, or to collect any indebtedness hereunder, the prevailing party in such proceeding shall be entitled to recover reasonable attorney fees in the proceeding, or any appeal or review thereof, to be set by the court without the necessity of hearing testimony or receiving evidence, in addition to the costs and disbursements allowed by law. In addition, in the event of default by either party in performance of this Lease,

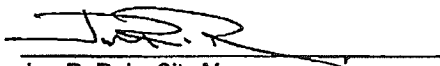
the defaulting party agrees to pay all reasonable attorney fees and legal expenses incurred by the non-defaulting party in collecting any sums due hereunder, even though no litigation is filed. The parties' obligations under this Section 18 are subject to the limitations and conditions of ORS 30.260 to 30.300 and Article XI, Sections 7 and 9, Oregon Constitution.

**19. Severability.** Invalidity of any term or provision herein by judgment or court order, or otherwise, shall not affect any other provision, which will remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Ground Lease effective as of the date first above written.

Urban Renewal Agency of the City of Eugene

University of Oregon

  
Jon R. Ruiz, City Manager

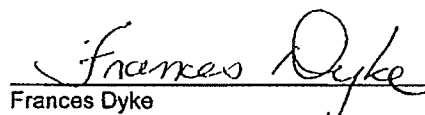
  
Frances Dyke  
Vice President for Finance and Administration

Exhibit A

Property Description:

A parcel of land lying in the Southeast quarter of the Northeast quarter of Section 32, Township 17 South, Range 3 West of the Willamette Meridian, all in Eugene, Lane County, Oregon, said parcel being a portion of that certain tract of land described on Reel Number 911, Instrument Number 7834115 as recorded in Lane County, Oregon Deed Records, said parcel being more particularly described as follows:

Beginning at the Southeast corner of the Hilyard Shaw Donation Land Claim No. 56, Township 17 South, Range 3 West of the Willamette Meridian; thence North 0° 50' 30" East 2409.61 feet along the East line of said Claim No. 56 to the Northerly right-of-way line of Franklin Boulevard; thence South 74° 08' 15" East, 1373.38 feet along said Northerly right-of-way line to an iron pin set on the East line of the Fielding McMurray Donation Land Claim No. 66, Township 17 South, Range 3 West of the Willamette Meridian, said point being South 0° 14' West, 910.94 feet from the stone marked C. S. (now an iron pipe) marking the Northwest corner of County Survey No. 380, said point also being the Southwest corner of Lot 1, Block 1, AMENDED PLAT OF FAIRMOUNT, as platted and recorded in Book 2, Page 12, Lane County Oregon Plat Records; thence North 0° 14' East, 311.00 feet along the East line of said Claim No. 66 and the West line of said Plat; thence North 89° 46' West 50.00 feet; thence South 0° 14' West 84.97 feet; thence North 78° 30' 20" West 31.61 feet to the True Point of Beginning; thence North 0° 14' East 214.23 feet along a line which is parallel with and 81.00 feet perpendicular from the most Easterly line of said tract of land; thence along the arc of a 314.00 foot radius curve to the right (the long chord bears North 6° 51' 51" East 72.52 feet) a distance of 72.68 feet; thence along the arc of a 286.00 foot radius curve to the left (the long chord bears North 6° 51' 51" East 66.05 feet) a distance of 66.20 feet; thence North 0° 14' East 128.25 feet along a line which is parallel with and 65.00 feet perpendicular to the East line of said tract; thence North 32° 57' 23" West 16.57 feet; thence along the arc of a 327.00 radius curve to the right (the long chord bears North 70° 30' 16" West 128.59 feet) a distance of 129.44 feet; thence along the arc of a 273.00 foot radius curve to the left (the long chord bears North 61° 40' 58" West 23.99 feet) a distance of 24.00 feet to a point on the West line of said tract of land; thence South 0° 14' West 520.70 feet along said West line; thence South 78° 30' 20" East 138.29 feet to the True Point of Beginning, all in Lane County, Oregon.

AMENDMENT NO. 1 TO

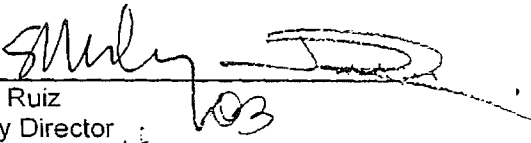
City of Eugene Contract #2011-02055

This Amendment is made to the Ground Lease Contract executed October 1, 2010, between the Urban Renewal Agency of the City of Eugene (Lessor) and the University of Oregon (Lessee).

Lessor and Lessee mutually agree to extend the contract through September 30, 2020 for the first of three allowable five year terms in accordance with section 4.2, Renewal Option. Two renewal periods remain.

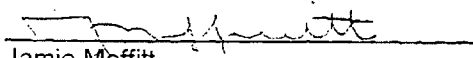
All other terms and conditions of this contract remain in full force and effect for the duration of this contract.

Urban Renewal Agency of the City of Eugene

  
Jon R. Ruiz  
Agency Director

Date: 9/14/2015 9/14/15

University of Oregon

  
Jamie Moffitt  
Vice President for Finance and Administration, CFO

Date: 8/31/2015