



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

April 24, 2024

12:00 p.m. CITY COUNCIL WORK SESSION and URBAN RENEWAL AGENCY MEETING

City Council Wednesday work sessions are held using virtual meeting technology. Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

**Meeting of April 24, 2024;
Her Honor Mayor Lucy Vinis Presiding**

Councilors

Matt Keating, President
Jennifer Yeh
Mike Clark
Lyndsie Leech

Randy Groves, Vice President
Alan Zelenka
Greg Evans
Emily Semple

12:00 p.m. CITY COUNCIL WORK SESSION and URBAN RENEWAL AGENCY MEETING

- 1. WORK SESSION: Steam Plant Redevelopment**
- 2. WORK SESSION: Intergovernmental Relations -2024 OR Legislative Session and United Front Summary**

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URBAN RENEWAL AGENCY AGENDA ITEM SUMMARY



Work Session: Steam Plant Redevelopment

Meeting Date: April 24, 2024
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Will Dowdy
Contact Telephone Number: 541-682-5340

ISSUE STATEMENT

On January 26, 2022, the Agency Board approved terms for an agreement with a local development team, led by deChase Miksis, for the redevelopment of the Steam Plant. At this work session, the Agency Board will consider a request for an additional \$6.0 million of Riverfront Urban Renewal funds to support the project. The Agency Board is also asked to review and consider action on proposed revisions, shown in Attachment A, to the approved terms for redevelopment of the Steam Plant.

BACKGROUND

Located prominently along the banks of the Willamette River, the Steam Plant is an iconic representation of our community's history and is ripe with possibility. The redevelopment of the Steam Plant is a once-in-a-lifetime opportunity to honor the significance of the Downtown Riverfront site while embracing its potential to be a place the community is proud of. Unfortunately, after years of disuse, general aging, and because of the very specialized use it was designed and built for, the building will need considerable investment and restoration before it can be usable.

In 2018, the Agency Board launched a competitive request for qualifications process and invited a local team led by deChase Miksis to prepare a full proposal for redevelopment of the Steam Plant (see Attachment C for list of team members). The team brought in technical experts to assess the building's potential, met with community stakeholders, explored financing strategies, and partnered with the City to complete a community outreach and engagement process. On April 24, 2019, the Agency Board considered the development team's proposal and the River Guides' recommendation on the proposal and directed the Agency Director to enter into negotiations with the development team and to return with terms for the sale and redevelopment of the Steam Plant. (See Attachment B for more background on the Request for Qualifications (RFQ) process, criteria, and community engagement efforts).

In April 2019, staff began working with the development team to negotiate terms for the Steam Plant sale and redevelopment. However, the onset of the COVID-19 pandemic in 2020 resulted in market changes and uncertain economic conditions that forced the development team to revisit

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their initial proposal. Since then, staff have worked with the development team as they shifted their vision and updated their proposal with a feasible building option.

Proposed Project

The development team, identified as Dream Plant, LLC (Dream Plant), proposes to save and adaptively re-use the Steam Plant, transforming it into an iconic community destination that connects people with downtown and the Willamette River. The ground floor will be a gathering place where people come to work, play, collaborate, and experience a setting for arts and culture amidst venues offering Eugene’s beer, wine, coffee, and food. The upper levels of the building include a hotel that provides the fiscal foundation to make the redevelopment feasible and sustainable. The centerpiece of the building will be a flexible and adaptive performance and exhibit space, which was added to the proposal in response to community input that asked that the building be a place for the creation and enjoyment of art. The building will include flexible office spaces for a variety of tenants to encourage collaboration and leverage its location between Downtown and the University of Oregon. The team will partner with the City to program and activate the new overlook to be built on the water intake structure sitting on the edge of the river, offering food and beverage options with the dramatic industrial backdrop. (See the Dream Plant proposal in Attachment C.)

On January 26, 2022, the Agency Board approved terms for the redevelopment of the Steam Plant (Attachment A). At that time, the team estimated total project costs to be about \$56.0 million, with a funding gap of about \$6.7 million. This increase from Dream Plant’s initial 2019 cost estimate of about \$24.0 million was due to the change in project uses and design, inflation of construction costs and materials, and the anticipated prevailing wage impacts. The terms approved by the Agency Board in 2022 included the Agency participating in the cost of systems development charges (SDCs) for the project, permit fees, and asbestos abatement, with the total estimated to be \$1.5 million at the time. A gap of \$5.2 million remained, and the Agency and Dream Plant were working together to identify funding and strategies to fill that gap. As part of the 2022 approval, the Agency Board added two elements to the terms: 1) that it was understood neither Agency nor City funds would be used to fill the funding gap, and 2) that the project would pay prevailing wage.

Following Agency Board approval in January 2022, the City and Dream Plant pursued State funding during the 2022 Oregon legislative session, which was ultimately unsuccessful. Since then, the estimated project costs have increased to \$60 million, primarily due to higher interest rates increasing the cost of financing. As a result, the funding gap has increased from \$5.2 million to \$6.0 million. In addition, the cost of SDCs, permits, and abatement has increased by \$300,000, to an estimated \$1.8 million.

	January 2022	April 2024
Total project cost	\$56 million	\$60 million
SDCs, permits, asbestos abatement	\$1.5 million - estimated	\$1.8 million - estimated
Financial gap	\$5.2 million	\$6.0 million

In light of the inability to secure State funds for the project and rising project costs, the Steam Plant gap was discussed by Council as a potential use for Urban Renewal funds during the deliberations for the Riverfront Urban Renewal Plan Amendment, and it was identified as a potential project in the Plan and Report. Now that the District has financial capacity, the Agency Board is asked to consider investing an additional \$6.0 million of tax increment funds to support the Steam Plant redevelopment. If approved, these funds would be used for project-related costs such as building structural investigations including limited selective demolition, building stabilization, additional asbestos abatement or environmental remediation, historical preservation activities including archiving and preserving historical artifacts. If the Agency Board approves an additional contribution of \$6.0 million of tax increment funds, the total Agency contribution to the project would be approximately \$7.8 million or about 13 percent of the total project cost. With a combination of debt and equity, including historic tax credits, the developer would fund the remaining \$52.2 million for the project.

Proposed Term Revisions

The Agency Board is asked to consider proposed changes to the approved terms, which are shown with bold and strikethrough text in Attachment A. The proposed changes include:

- **Financial Assistance:** The approved terms state that the Agency would pay for the asbestos abatement, SDCs, and permit fees. The proposed changes include an additional \$6.0 million to support the project, and those additional funds would be used for project-related costs such as building structural investigations including limited selective demolition, building stabilization, additional asbestos abatement or environmental remediation, historical preservation activities including archiving and preserving historical artifacts. This change would increase the Agency's total financial assistance to an estimated \$7.8 million (the new \$6.0 million contribution, plus the cost of asbestos abatement, SDCs, and permit fees, currently estimated at \$1.8 million).
- **Closing Date:** The approved terms state that closing and commencement of construction would occur in September 2023. The proposed changes state that closing and commencement of construction must occur no later than 24 months after a development agreement is signed. Dream Plant would be able to begin selective demolition and building stabilization earlier than closing if agreed to by both parties.

All other Agency Board-approved terms remain the same. Key elements of those include:

- Dream Plant will list the property on the National Historic Register.
- Description of the approved project: hotel and office space uses in the upper floors to establish a fiscal foundation for the building and space for art, music, food, and drink on the ground floor. Any changes to those uses would be subject to Agency Director approval prior to the end of due diligence.
- The City and Dream Plant will enter into an agreement for the non-exclusive use and exclusive concession rights of the Southern Plaza (which includes the River overlook), including maintenance responsibilities. This means the space will be open to the public but Dream Plant will manage concessions, like food vendors.
- The Agency will sell the property to Dream Plant for \$1.
- The City/Agency will work with Dream Plant to identify 125 potential off-site parking spaces.

Riverfront Urban Renewal Plan Amendment and District Capacity

When the Agency Board considered the Steam Plant sale and redevelopment terms in January 2022, the Riverfront District was set to sunset in June 2024. In 2022, the Agency Board was able to commit to the \$1.5 million to the project; however, the District did not have enough capacity to consider fully funding Dream Plant's anticipated funding gap. In January 2024, City Council approved an amendment to the Riverfront Urban Renewal Plan, raising the maximum indebtedness (i.e. spending limit) by \$75 million, which is estimated to extend the life of the District by 25 years. Redevelopment of the Steam Plant remains an eligible project in the amended Riverfront Urban Renewal Plan; therefore, the District now has additional financial capacity and the Agency Board could choose to direct additional urban renewal funds toward the Steam Plant project.

Timeline

If the Agency Board approves the revised terms in Attachment A, the Agency and Dream Plant will enter into a development agreement that would enable Dream Plant to continue its due diligence, including securing investors, preparing project details for financing, begin design refinement, and continuing the process to list the building on the National Historic Register. Per the proposed revised terms, if both parties have identified the necessary funding during due diligence, the development team would close on the property and start construction within 24 months of execution of the development agreement. Dream Plant would be able to begin demolition earlier than closing if agreed to by both parties. Construction would take approximately 18 months.

RELATED CITY POLICIES

Eugene Downtown Plan

- Build upon downtown's role as the center for government, commerce, education and culture in the city and the region.
- 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.
- Improve connections between the Riverfront Plan Area, the core of downtown, the federal courthouse, 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.

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- 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.

Eugene Climate Action Plan 2.0

- Action T10: City to plan to meet all of the 20-year multi-family housing and commercial job needs within the existing UGB. This action includes planning to integrate new development and redevelopment in the downtown, on key transit corridors, and in core commercial areas.
- Action T11: City to make compact urban development easier in the downtown, on key transit corridors, and in core commercial areas. This includes removing regulatory barriers, flexible uses within industrial and commercial, reduce financial obstacles, restructure SDCs for smaller additional incentives, flexible land use codes, and ensure transportation system can support planned densities.

Strategic Plan Goals: Urgent Community Needs

Strategic Goals: Increase the vibrancy, economic vitality, and livability of downtown. Advance efforts that will increase wages and create new jobs.

- High-Impact Action: Continue programs to foster a safe, welcoming, clean, and walkable downtown
- High-Impact Action: Continue to implement and increase the efficiency and effectiveness of development and redevelopment tools to support commercial activity.

PREVIOUS AGENCY BOARD DIRECTION

March 14, 2018 Agency Board Work Session

Executive session followed by work session. Agency Board directed staff to draft a process and criteria for the disposition and redevelopment of the Steam Plant.

Passed 5:0

April 23, 2018 Agency Board Work Session

Agency Board approved criteria and process for disposition of the Steam Plant.

Passed 8:0

April 24, 2019 Agency Board Work Session

Agency Board directed the Agency Director to negotiate with the Miksis/Frohnmayr development team and return with terms for the sale and development for approval.

Passed 8:0

March 8, 2021 Agency Board Work Session

The Agency Board received an update on the current financial status of the Riverfront Urban Renewal district and had an initial discussion of four projects that could be pursued in the future, as requested by the Agency Board: 1) Steam Plant, 2) Plaza, 3) Affordable Housing, and 4) Parking. No action was taken.

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May 19, 2021 Agency Board Work Session

The Agency Board discussed the proposed Steam Plant deal points and directed staff to bring back additional information.

Passed 8:0

October 25, 2021 Agency Board Work Session

The Agency Board received an update on the proposed redevelopment of the Steam Plant.

January 26, 2022 Agency Board Work Session

The Agency Board authorized the Agency Director to enter into an agreement for the sale and redevelopment of the Steam Plant property consistent with the proposed deal points, with the addition of the deal point that the project shall be constructed with prevailing wage and continue working with the development team during the due diligence period to identify funding and strategies to cover the funding gap; it is understood that neither Agency nor City funds will be used to fill this funding gap.

Passed 7:0

January 22, 2024 City Council Work Session

City Council approved an Ordinance adopting an Amended Urban Renewal Plan for the Riverfront Urban Renewal District.

Passed 6:2 (opposed by Councilors Semple and Zelenka)

AGENCY BOARD OPTIONS

1. Approve the revised terms shown in strikethrough and bold text in Attachment A, including authorizing the use of an additional \$6.0 million of Riverfront Urban Renewal funds to support the redevelopment of the Steam Plant and authorize the Agency Director to enter into a development agreement consistent with those terms.
2. Decline to approve the revised terms.

AGENCY DIRECTOR'S RECOMMENDATION

If the Agency would like the Steam Plant redevelopment to proceed with the current development proposal, the Agency Director recommends Option 1: approve the revised terms included in Attachment A, including the use of an additional \$6.0 million of Riverfront Urban Renewal funds to support redevelopment of the Steam Plant and authorize the Agency Director to enter into a development agreement consistent with those terms.

SUGGESTED MOTION

Move to approve the use of \$6.0 million of Riverfront Urban Renewal funds to support the Steam Plant redevelopment and the revised terms in Attachment A, and to authorize the Agency Director to enter into a development agreement consistent with the revised terms in Attachment A.

ATTACHMENTS

- A. Proposed Revisions to Terms
- B. Additional Steam Plant Project Background
- C. Dream Plant Redevelopment Proposal (October 2021)

FOR MORE INFORMATION

Staff Contact: Will Dowdy, Community Development Director
Telephone: 541-682-5340
Staff E-Mail: WDowdy@eugene-or.gov

Revised Terms for Sale of Steam Plant Property

Buyer: Dream Plant, LLC “Buyer”

Seller: Urban Renewal Agency of the City of Eugene “Agency”

Property: Steam Plant (Map # 17-03-32-22, Tax lot # 03000)

Purchase Price: \$1.00

Agreement: Following the Agency Board’s approval of terms, Buyer and Seller shall enter into a real property transfer agreement **(Agreement)**. ~~that will be contingent on the Agency Board and Buyer having identified the necessary funding during due diligence.~~

Due Diligence Period: Upon execution of the Agreement, Buyer will have a period of 120 days in which to review property information and to conduct on-site tests and studies to determine the condition of the property.

Earnest Money Deposit: \$8,000 paid upon execution of Agreement that will become non-refundable after the Due Diligence Period.

Closing Date: The closing of the sale shall occur when financing occurs, no later than ~~September 30, 2023~~ **24 months after the Agreement is signed.**

National Historic Register: Buyer shall list the property on the National Register of Historic Places.

Project Description: The privately owned, operated, and occupied project shall save and adaptively re-use the Steam Plant, transforming it into a vibrant mixed-use center. The ground floor will look out to the river, drawing the community in for art, music, food, and drink (approximately 7,000 square feet combined). The project will integrate the design with the Riverfront Park. The project will include dedicated flexible and adaptive space for the arts that can accommodate temporary art exhibits, installations, and performance events (approximately 2,000 square feet of the above 7,000 square feet ground floor space described above). The upper levels of the building will include a hotel and office spaces (for uses such as for co-working, community and educational classes, venture incubation for start-ups, and anchor tenants) (approximately 59,000 square feet); any changes would be subject to Agency Director approval prior to the end of due diligence.

Condition of Property/Environmental Condition: Buyer will purchase the Property based on Buyer’s investigation of the condition of the Property, including its environmental condition, and its suitability for Buyer’s intended use. Buyer's expectations concerning the condition and future use of the Property are to be based solely on the basis of Buyer's investigation of the Property. As a condition of and prior to closing, Agency will cause any asbestos ~~located around~~ **related to Boiler 1 or any other piping and equipment inside the building** to be abated, which is estimated to cost \$350,000, per PBS Environmental’s August 23, 2019 estimate. Buyer to acquire the property “as-is” “where-is.”

System Development Charges & Permit Fees: Agency will pay the **system development charges** and building and development permit fees for the project. The City will provide facilitated permit review.

Other Financial Assistance: The Agency will provide \$6.0 million of financial assistance for the Project in addition to paying the system development charges and building and development permit fees for the Project and the abatement of asbestos in the building. Agency, in its sole discretion, shall make financial assistance available in the form of payments for existing building structural investigations including limited selective demolition, building stabilization, additional asbestos abatement or environmental remediation, historical preservation activities including archiving and preserving historical artifacts and/or other project-related costs. Agency and Buyer recognize that the Steam Plant will likely be a prevailing wage project that would result in an unexpected increase in costs, currently estimated at \$5.2M. Agency and Buyer will work together to identify funding sources and strategies to close the funding gap that results from the prevailing wage impact.

Prevailing Wage: Project shall be constructed with prevailing wage.

MUPTE: Should the Buyer choose to include multi-family housing in the project, and should the Agency Director approve this use, Buyer has stated their intent to apply for a Multi-Unit Property Tax Exemption. In such a case, the sale of the property would then be contingent on the successful approval of their application.

Design and Uses: City staff will review and approve the proposed design and uses to ensure that a high quality design and construction, and agreed-upon uses are substantially consistent with the proposal. Approval by staff shall not be unreasonably withheld.

Commencement of Construction: Construction of the project must begin no later than ~~September 30, 2023.~~ **24 months after the Agreement is signed; however, selective demolition and building stabilization may begin earlier than closing based on terms as agreed upon by both parties.**

Right of Repurchase: In the event that the Buyer does not meet the commencement of construction timeline included in the agreement, the Agency has the right to repurchase the Steam Plant property at Buyer's purchase price.

Parking: The City/Agency will work with Buyer to identify access to approximately 125 potential off-site spaces/parking within a 5-minute walk of the property to meet Buyer's project needs. Upon Buyer's request, City/Agency will provide permits, at market rate or bulk rate, if applicable.

Communications: All members of the Buyer's team shall inform the Agency of any media or communications activities related to the Steam Plant redevelopment and shall provide notice of any on-site media opportunities prior to the activity, so that the Agency has a reasonable amount of time to determine if they would like to accompany the visit. Agency will do the same.

Southern Plaza Use Agreement: Buyer and City will enter into an agreement for the non-exclusive use of the Southern Plaza, which includes the overlook, and exclusive concession rights of a portion of the area, including maintenance responsibilities. Any such agreement would allow members of the public to be able to utilize the Southern Plaza without needing to pay for such use and/or purchase food or beverages from Buyer's concessionaires.

Exclusive Negotiation: While negotiating the terms of an agreement with Buyer, Agency will not enter into negotiations with any other party.

Financing: Prior to the closing of the sale, Buyer shall demonstrate that all financing necessary for the project has been secured.

Brokerage Commission: Buyer is responsible for all real estate broker fees. No brokers represent either party.

Additional Steam Plant Project Background

This attachment includes additional information about the Steam Plant redevelopment, including a summary of the process up to this point, the Agency Board approved criteria and process, and Steam Plant background. This attachment also includes information the Agency Board requested at their May 19, 2021 work session, which was subsequently provided at the October 25, 2021 work session.

Project Recap

At the March 14, 2018 work session, the Agency Board directed staff to draft a process and criteria for the disposition and redevelopment of the Steam Plant. On April 23, 2018, the Agency Board approved the process and criteria included in this attachment. The approved process for disposition was a Request for Qualification/Request for Proposal (RFQ/RFP) process that allowed for flexibility but also provided the needed structure to solicit/collect interest, evaluate concepts, and engage with the public to find the right partner.

Qualifications Phase

The Agency received four submissions in response to the RFQ and two teams were invited to present to the River Guides, the advisory committee for the Riverfront Urban Renewal District. The River Guides recommended that the team led by Mark Miksis, of deChase Miksis Development, and Mark Frohnmayer, of Arcimoto, move forward into the proposal phase. In August 2018, the Agency Director invited the team to prepare a full proposal for the redevelopment of the Steam Plant.

Proposal Development and Community Outreach

The development team brought in architects, engineers, and other experts to assess the building's potential, met with community stakeholders, and explored financing strategies before publishing their initial proposal in January 2019. The team then partnered with the City to complete a public outreach and engagement process in early 2019. Through these efforts, City staff and team representatives:

- Released an online survey, receiving over 900 responses;
- Spoke to over 350 people at First Friday Art Walk and Asian Celebration;
- Held an Open House, attended by over 140 people;
- Spoke to several groups including UO students, Downtown Neighborhood Association, and local business networks;
- Promoted engagement efforts over multiple social media platforms; and
- Received press coverage via KVAL, KEZI, KLCC, KUGN, the Register Guard, and the Daily Emerald.

Proposal Selection

The development team finalized their initial proposal in April 2019. On April 8, 2019, the River Guides evaluated the team's proposal based on the approved criteria. They unanimously recommended negotiating deal points with the development team. On April 24, 2019, the Agency Board considered the development team's proposal and directed the Agency Director to enter into negotiations and return with terms for the sale and development of the Steam Plant. Since the Agency Board provided this direction, staff have been working with the team to negotiate terms, however these terms and the project itself have been significantly impacted by changing and uncertain economic conditions. See the Agenda Item Summary (AIS) for updates on the project since April 2019.

Agency Board-Approved Steam Plant Disposition Criteria

The following criteria were used to evaluate responses during the Request for Qualifications and the Proposal Selection phase.

Criteria for Request for Qualifications Phase

The City sought responses from interested parties who had a unique vision for the creative, sustainable, and adaptive reuse of the site and building. Preferred applicants or teams would have had:

- A proven track record of completing successful, high quality redevelopment projects (including information about project costs);
- Demonstrated experience with redevelopment and adaptive re-use projects in urban settings (experience with historic redevelopment is preferred);
- Demonstrated experience with community-oriented projects with clear benefit to the broader public;
- Demonstrated preference for use of local contractors and/or Minority and Women-owned businesses enterprises;
- Evidence of financial capacity; and
- A preliminary vision for the adaptive re-use of the Steam Plant including ideas about possible proposed use(s).

Criteria for Selection of Proposals

The criteria listed below were meant to express preferences – projects were not required to demonstrate all the criteria to be considered for selection.

- *Use.* The end use should maximize the Steam Plant's potential and serve as a key destination in the Downtown Riverfront area. The preferred project will redevelop the building to:
 - Provide a use or uses that are aligned with the EWEB Riverfront Master Plan's vision of an active and vibrant downtown riverfront that reflects the Eugene community;
 - Serve as an anchor in the Downtown Riverfront, attracting people to the area and generating economic, social, and cultural vibrancy;
 - Support inclusive uses that will benefit the broader community;
 - Incorporate elements that contribute to an inviting and safe pedestrian environment;
 - Incorporate a use compatible with adjacent developments and park, urban, and riparian contexts; and
 - Provide a parking assessment and a plan to accommodate the parking and transportation needs of the proposed uses.
- *Timeliness & Feasibility.* Preferred concepts will include:
 - Reasonable timeline;
 - Demonstrated understanding of market potential for the proposed concept(s); and
 - Reasonable project budget that minimizes need for public assistance.
- *Additional Public Benefits.* Preference will be given to projects that:
 - Present a holistic vision for the parcel that is compatible with existing, recent, and anticipated development nearby;
 - Honor historic and architectural significance of the building, including coordination with the State Historical Preservation Office (when and if needed), and incorporate elements that help tell the story of the building's history;

- Include some indoor and/or outdoor public space accessible to the broader community;
 - Positively impact and protect the surrounding environment and riparian areas;
 - Integrate art or opportunities for public creativity;
 - Incorporate uses which further Eugene as a creative and entrepreneurial hub;
 - Include a plan to re-use or salvage materials at all stages of the redevelopment process;
 - Complement riverfront park and downtown riverfront development;
 - Serve as an iconic link between University of Oregon and Downtown; and
 - Demonstrate intention or plan to solicit services from local contractors and/or Minority and Women-owned business enterprises; and
 - Description of interest and willingness to work collaboratively with the Agency and City on potential use of site as temporary venue for community activities and engagement associated with Oregon 21 (IAAF World Championships).
- *Consistency with City Policies and Goals.* The Riverfront Urban Renewal Plan, Downtown Plan, and the EWEB Riverfront Master Plan are the primary policy documents that guide public and private redevelopment in the Downtown Riverfront area. Other plans and policy documents also provide guidance including Envision Eugene and the Community Climate and Energy Action Plan. Any proposed development concept must be consistent with the policies and goals for the downtown riverfront as reflected in these documents.

Agency Board-Approved Steam Plant Disposition Process

Agency Board Action 3/14/18: *Move to direct the Agency Director to work with the River Guides and others to prepare a draft RFP for the disposal of the steam plant and to schedule a work session with the Agency Board to discuss the draft RFP's criteria and process.*

- Staff solicited feedback on draft criteria and process from:
 - Downtown Neighborhood Association ✓
 - Historic Review Board
 - Sustainability Commission
 - Williams and Dame (now Atkins Dame)
 - Obie Companies
 - Cultural Services Department.
- River Guides reviewed draft criteria and process; they agreed that the primary goal of this process should be the adaptive re-use of the building and supported the draft process and criteria. Their recommendations were in the Agency Board materials. (4/17/18) ✓

Agency Board 4/23/18: *Action on draft RFQ/RFP Criteria and Process* ✓

Qualifications Phase

- Agency issued RFQ (5/3/18) ✓
- Qualification responses submitted (6/11/18)
- River Guides reviewed responses and recommended next steps to Agency Director for the proposals phase.

Proposals Phase

Depending on the type and number of responses to the RFQ, proposals to be solicited through options such as: a formal competitive RFP, a limited RFP, interviews, or presentations. ✓

Selection Phase

- Community Outreach (early 2019) ✓
 - Riverfront Park Outreach Events
 - Cultural Services Events
 - Online
 - Other events
- River Guides evaluated responses and community comments and made recommendation to Agency Director and Board (4/8/19)
- Agency Board reviewed responses; selected team; authorized Agency Director to negotiate deal points (4/24/19)
- Agency Board held work session on deal points (5/19/21)
- Agency Board held work session for an update on the status of the deal points (10/25/21)
- River Guides recommended approval of the deal points (11/3/21)

Agency Board 1/26/22: *Approved deal points* ✓

Building Information

Building Valuation

The City contracted with a real estate appraisal firm to estimate the value of the Steam Plant, based on the Dream Plant proposal. The 2019 appraisal determined the value to be negative \$8.0 million. The appraisal used a *residual land value* approach to estimate the property's value. This method estimates the full value of the proposed completed development and subtracts all the expected costs associated with development, including site preparation, construction materials and labor, costs of financing, and fees, to calculate the remaining or 'residual' value of the land. This method is useful when appraising a property that has no comparable properties in the market, as is the case with the Steam Plant. This appraisal was conducted in 2019 using the initial Dream Plant proposal. It is likely this valuation will have changed given the change in uses, the significantly increased project costs, and the deterioration of the building.

History of the Steam Plant

The Steam Plant is the oldest standing structure on the Downtown Riverfront area and is a significant structure at the southeast end of the park property. Constructed in 1931 this 28,000 square foot multi-story concrete and steel structure was built to house three steam boilers and turbines. The industrial deco-style building is historically significant for its original use in generating standby electrical power to the pumps bringing river water in to the city's original water treatment plant, and beginning in 1962, to supply district heating to downtown businesses. Steam Plant operations ceased in 2012 and the building is currently vacant. However its unique position as an icon of Eugene's industrial past and location within 50 feet of the top of the riverbank calls for the building to be preserved and repurposed as an important historical landmark at the east end of the Downtown Riverfront property.

Alignment with the EWEB Riverfront Master Plan

The EWEB Riverfront Master Plan was adopted by the EWEB Board in 2010, a key step in reconnecting downtown to the Willamette River. The Master Plan, which included a significant multi-year public engagement process, was adopted by City Council in 2013 along with land use policies to support its implementation. The Steam Plant is highlighted in the Plan as an important piece to retain and embrace. The Master Plan identifies the following guiding principles for proceeding with the Steam Plant's redevelopment:

- The building's structure can be significantly altered and/or upgraded, but the original character of the building should remain.
- The Steam Plant is one of the 2004 Downtown Plan's designated "special places." As part of the Downtown Riverfront redevelopment, the Master Plan emphasizes the wish to reveal the "layers of history" imbedded in the site to create this special, historically significant site.
- The Steam Plant is 55 feet tall. Any additions to the building outside the existing footprint are limited to 55 feet. Additions on top of the existing structure (or otherwise within the existing footprint) can extend to 75 feet, with a minimum of a 5 foot setback at the roof of the existing structure.

How Redevelopment of the Steam Plant Meets Riverfront Urban Renewal Plan Goals

Redevelopment of the Steam Plant meets the following goals in the 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.

Retaining the Building's Historical Significance

The Steam Plant is eligible to be listed on the City Landmark or National Register of Historic Places. Because of this, ORS 358.653 applies; this statute obligates cities to consult with the State Historic Preservation Office (SHPO) to avoid inadvertent impacts to historic properties for which they are responsible. Due to its historic significance, any redevelopment of the Steam Plant is likely to involve SHPO review before plans are finalized. The development team will list the building on the National Historic Register.

The SHPO process includes an assessment of adverse effects from, if any, proposed changes to the building. Examples of adverse impacts include destruction, alteration, and sale out of public ownership. When a property is restored or repaired in accordance with the Interior's Standards for the Treatment of Historic Properties, then it is not considered an adverse effect. More information about the SHPO requirements can be found on our website: www.eugene-or.gov/SteamPlant

Managing Environmental Impacts

Prior to selling the property to the Agency in 2018, EWEB did a considerable amount of work around the Steam Plant to address environmental and human health concerns to prepare the area for redevelopment. Activities included removal of an underground storage tank, asbestos abatement and demolition activities on three boilers, and remediation of petroleum-contaminated soil from areas surrounding the Steam Plant. The Oregon Department of Environmental Quality issued a No Further Action (NFA) determination and a Prospective Purchaser Agreement on the entire Downtown Riverfront site including the Steam Plant, prior to Agency acquisition. Future excavation and construction work at the Steam Plant will need to implement a Contaminated Media Management Plan to ensure the protection of human health and environmental quality. More information about the environmental remediation can be found on our website: www.eugene-or.gov/SteamPlant

Abiding by Land Use and Code Requirements

The land use code provides thorough details on land use and design requirements for the Steam Plant site. The Steam Plant property is zoned as Special Area-Downtown Riverfront (S-DR) zone with a water resources overlay. The Steam Plant site falls within the Mixed Use sub-district of the S-DR zone. Eugene Code 9.3130-9.3190 addresses site development specifics for permitted and prohibited uses, adaptive reuse of existing buildings, lot standards, general development standards, height regulations, transportation system standards, parking requirements, landscape and open space requirements, and development standards for the sub-districts and overlays within the S-DR zone. The parking requirements state that residential uses shall have a minimum of 0.75 and a maximum of 2.25 off-street parking spaces per dwelling unit. Non-residential uses shall have no minimum and a maximum of 1 off-street parking space per every 250 square feet of gross floor area. The water resources overlay and applicability of the Willamette River Greenway requirements serve to protect the adjacent riparian area. More information on the zoning specifics can be found here: www.eugene-or.gov/SteamPlant

Additionally, staff have identified that the most recent addition to the Steam Plant, which was built in the 1950s and not deemed historically significant, does not need to be preserved during the site's redevelopment.

May 19, 2021 Follow-up Information

At the May 19, 2021 work session, Agency Board members requested information about several topics related to the Steam Plant:

- *Property Value:* The City contracted with a real estate appraisal firm to estimate the value of the Steam Plant, based on the Dream Plant proposal. The 2019 appraisal determined the value to be negative \$8 million. The appraisal used a *residual land value* approach to estimate the property's value. This method estimates the full value of the proposed completed development and subtracts all the expected costs associated with development, including site preparation, construction materials and labor, costs of financing, and fees, to calculate the remaining or 'residual' value of the land. This method is useful when appraising a property that has no comparable properties in the market, as is the case with the Steam Plant. This appraisal was conducted in 2019 using the initial Dream Plant proposal.
- *Price of Vacant Land:* Because the Agency Board provided direction to pursue the adaptive re-use of the building prior to releasing the RFP, an appraisal has not been conducted on the value of the property if the building were to be torn down. The fair market value purchase price for the adjacent Downtown Riverfront parcels that Atkins Dame is purchasing from the Agency is approximately \$31 per square foot. Applying that to the approximately 37,600 square foot Steam Plant parcel would result in a price of about \$1.17 million for a vacant site. This estimate does not take into account demolition costs or land use restrictions on the property, such as easements, that would be subtracted from the value of vacant land.
- *Building Utilities:* The Dream Plant team is committed to a non-carbon-based fuel source for all primary mechanical systems in the building. The heating and cooling will be an electric-powered, ground source heat pump system.

EUGENE **STEAM PLANT** REDEVELOPMENT



City of Eugene

City Council Presentation

October 8, 2021



VISION

Attachment C

“Eugene’s gathering place”

*“Maximize public utilization
of an epic structure”*



COMMUNITY ON THE WATER - REALIZATION OF THE MASTER PLAN VISION

The Steam Plant offers a catalyzing opportunity for Eugene's Riverfront District and real hope for fulfilling the promise made to the community for public engagement along the river – a place to work and play, collaborate, and think big, a setting for arts and culture with Eugene's world-class beer, wine, coffee, and food in ready supply.

The Steam Plant has many built-in assets that can be leveraged to realize larger public goals. The building is the closest that any building will ever be to the river. It offers stunning views and exhibits a rich patina of Eugene's history. We will save and adaptively re-use the Steam Plant, as the team has repeatedly done with various locations in Eugene and around the region.



Attachment C



The Steam Plant is a spectacular, generous, and grand space, with a location along the Willamette River that is wholly unique. We will leverage the location and the proximity to the river to establish an iconic community destination that connects people with downtown and the Willamette River. The building will help realize the 'Restaurant Row' that the community asked for during the riverfront master planning process. The community spaces will be outfitted to maximize the public's enjoyment of the Steam Plant's unique setting along the river's edge.



The Steam Plant will become a destination for visitors to stay and experience all that Eugene has to offer. The building will be anchored by an 'Indie Hotel' representing the unique character and history of the building and community providing a gathering place and launching pad for visitors from around the world.

A large, indoor/outdoor restaurant, immediately adjacent to Riverfront Park, will feature local brews and wines, and with the dramatic industrial backdrop of the Steam Plant and fantastic views of the Willamette River, will be a one-of-a-kind, magnetic draw for locals and visitors alike.

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Attachment C

As you enter the center of the Steam Plant from either the Riverfront Park or the opposite side, you will immediately experience grand spaces that both organically invite people in and draw on the history of the building:

An active, public performance space with a sixty-foot ceiling; a generous lobby that serves as an inviting visual connection to 10,000 square feet of co-working space hosting a leadership institute for the visionaries of tomorrow; an electric vehicle and micro-mobility rental amenity and more, which will feature unique industrial objects showcasing the Steam Plant's history.

Lobby elevators will draw people up to the public rooftop deck and bar that will feature unforgettable views of the river and city. Each of these amenities will complement the Riverfront Park and the Steam Plant building, and, together, they will become one of Eugene's iconic gathering places.

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Draft rendering of the existing intake transformed into a public viewpoint over the Willamette River



Taco Clna patio in Domino Park, Brooklyn, NY image: Peter Garrita

RIVER OVERLOOK

The east entry to the Riverfront Park is bound by the natural gateway between the Steam Plant and the massive historic water intake that was built on the riverbank just north of the building. This existing concrete structure provides an ideal opportunity to create an iconic location for the public to engage with the river – the existing structure will enable the addition of a significant platform without disturbing the riverbank.

The current park design calls for several overlooks along the edge of the river. We have worked with the city to incorporate this overlook into the design work of the Riverfront Park. Located at a bend in the river with views east to the mountains and west to the butte, at the gateway to the park, and adjacent to the Steam Plant amenities, this is where the public will want to be. We will build an Instagram-worthy spot where people go to say they visited Eugene.

Attachment C

COWORKING AND LEADERSHIP

Downtowns and neighborhoods are changing. Young creative entrepreneurs and downsizing retirees are moving to locations where they do not have to rely on a car to meet their daily needs. To support the increasing desire for a more walkable lifestyle, Eugene's downtown and neighborhoods need to provide new environments with active, interesting restaurants and retail, and vibrant places that inspire people to work and collaborate on new ideas.

The Steam Plant's unique proximity to the University of Oregon, Downtown, and the river provide an opportunity to build a knowledge transfer bridge, further knitting the scholarly community with Eugene's emerging technology and entrepreneurship clusters. The renovated Steam Plant will provide the foundation for this new walkable live/learn/work neighborhood. The ground floor will be open to the river, drawing the public in for art, music, food, and drink. Adjacent to this community gathering space will be flexible office space consisting of a mix of co-working, community, and university classes, venture incubation for early-stage startups, and established anchor tenants. Tenants in this space will include entrepreneurs, artists, founders, freelancers, remote workers, small business owners, digital creatives, makers – both students and professionals.

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All these individuals and organizations will be able to lease flexible desks, studios, or office space and reserve flexible conference rooms and classrooms on an as-needed basis. A portion of the square footage may also be dedicated to makerspaces and/or dry labs for the University of Oregon. This flexible-use model will maximize the ability of the working community to participate in the space.

As University President Emeritus Dave Frohnmaier wrote, “Leadership theory can be taught and learned, and the enterprise is supremely worthwhile.” The project team has engaged in dialogue with the University of Oregon about hosting a multidisciplinary leadership institute within this co-working environment. This leadership institute would establish opportunities for Eugene’s community members to learn leadership, not as an inherent privilege of the few, but as a set of skills necessary for all people to work more effectively together.

The Steam Plant redevelopment will be built to succeed long-term. It will be flexible, resilient, and able to adapt over time, as new markets and new demographics emerge. It will be a place to learn and work, designed to bring people together, in a building that inspires them and supports innovation of all flavors.

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Attachment C

INDEPENDENT HOTEL: 'INDIE' HOTEL

The ground floor lobby and upper levels will be anchored by a completely unique, independent hotel 'Indie Hotel.' The hotel will provide the foundation for an iconic gathering place and showpiece for Eugene, capturing the energy and unique appeal of this historic building, activating the building with visitors and locals through a thoughtful mix of guest room types at a range of price points, and amenities including a spa, restaurant, rooftop bar with the best view in the city, and a dynamic performance venue that will be the creative pulse of the building.

Its location on the Willamette River and with walkability to the University and downtown Eugene make it the perfect hub for visitors to discover and explore Eugene and the region.

With 77 rooms, ranging from "cozy, chic", to luxe spacious suites, and bunk rooms for group travel, each space will be designed with an industrial-romantic style, that celebrates the history of the building and finds new functions for old boilers and other found items that will be mixed with new art from local artists.

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Anaheim Packing District foodhall, Anaheim, CA



PERFORMANCE AND COMMUNITY ARTS

We heard loud and clear that the majority of Eugene community members value the Steam Plant as a place for the creation and enjoyment of art. When given a choice between specific types of art experiences, our community survey indicated a rather strong desire for a space that is flexible and adaptive. We value a space that will not constrain the potential of what art can be, what one can experience, or who gets to create it.

A dramatic, performance/lecture/exhibit venue on the Steam Plant's ground floor will be the cultural and visual centerpiece for the building – with a towering, 60-foot ceiling, showcasing Eugene's talented music, dance, and other performers, and will serve as an engaging space for exhibiting visual art, hosting demonstrations, lectures and author/speaker Q and As. The performances will draw local arts enthusiasts, hotel guests, working professionals using the shared office space and will pair well with dinner in the restaurant prior to a show or dinner and drinks on the rooftop after the show.

The hotel will feature local art prominently in fixed and rotating installations with labeling and easy access to information about each artist and how to purchase art as well as social media promotion of featured artists. During the winter months, the hotel will offer “artist fellowship” programs, hosting a local artist for a week, promoting their work with shows, demonstrations, and social media.

COMMITMENT TO NON-CARBON-BASED FUELS

This past summer has made it abundantly clear that it is now or never to meet the ever-evolving challenges of climate change. We need to prepare for a future where we do not rely on the need for greenhouse gas-emitting building systems.

The Steam Plant is committed to a non-carbon-based fuel source for all the primary mechanical systems in the building. The heating and cooling systems will be an electric-powered, ground source heat pump system that has the potential to exceed code minimum systems by 20-30%.

In addition, the system we have selected requires no rooftop equipment or a large visible physical plant ensuring that we will be able to meet the rigorous requirements of the historic designation we are seeking.



Attachment C

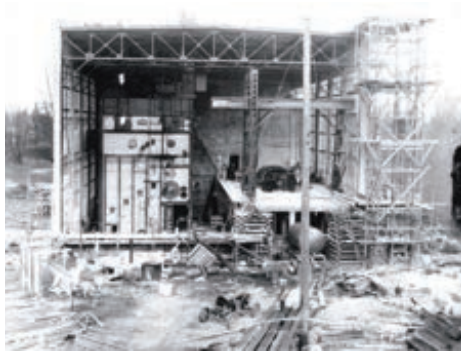
ARCIMOTO VEHICLE SHARING HUB

Arcimoto, Eugene's home-grown maker of ultra-efficient vehicles, is a partner on the Steam Plant project and envisions the space as a key hub in its plan to deploy equitable, clean transportation solutions for Eugene. Arcimoto vehicles will be available for sharing and rental, including the company's flagship Fun Utility Vehicle, the Deliverator for gig-economy drivers performing last-mile delivery, and its upcoming "Platform 2" program vehicles, a next-generation take on the electric bicycle vehicle class.

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April 24, 2024 Work Session - Item 1



Attachment C

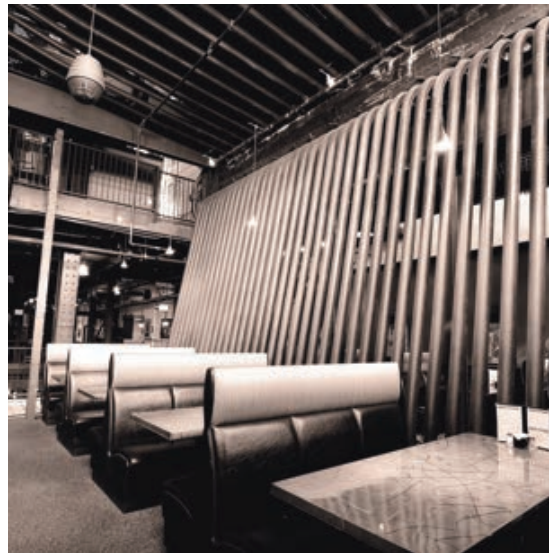
HISTORIC PRESERVATION

The Steam Plant is an important landmark in the history of Eugene, a legacy of one of the significant industrial landscapes along the Willamette River. The building is eligible to be listed on the National Register of Historic Places, and the team intends to pursue this designation. This requires the team to follow the rigorous process of listing the building and demonstrates our commitment to preserving this landmark structure. Historic designation is also necessary to pursue Historic Tax Credits that will be a critical part of financing the project.

Preservation experts have advised on the design direction and have helped the evolution of the design toward a proposal that is in line with the Secretary of the Interior's Standards for Rehabilitation of historic properties. Key aspects of the proposal include preservation of the exterior of the Boiler 1 and Boiler 2 phases of the building, including re-use and rehabilitation of the existing character-defining industrial sash windows. Boiler 3, the last phase of addition, was constructed in a different system, including Asbestos-bearing Transite panels.

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Attachment C



Our proposal reconstructs Boiler 3 re-using the existing windows and other exterior features as much as possible while replacing the structure and exterior siding. The rooftop addition is set back from the parapet walls and differentiated from the historic structure with a highly glazed exterior wall. The Steam Plant's new layout prioritizes public activity at the ground level in the original Boiler 2 phase of the building. This public realm will remain a bright, voluminous space that visually connects all floors of the building, as it does today.

Key parts of the boiler itself will be reused, acting as a centerpiece that frames the multi-purpose arts and performance opportunity space. Because the boiler occupies a significant portion of the public realm and its brick furnace walls pose a significant seismic life safety threat, we plan to safely remove the brick and expose the visually striking pipes that occupy the furnace cavity, much like those at the renovated Spokane Steam Plant in Washington. We will preserve the Steam Plant's other extraordinary equipment for display as historic artifacts accompanied by interpretive features, interactive art, and outdoor sculpture on-site.

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PUBLIC OUTREACH

Attachment C

*“I find this project exciting
and a wonderful investment
in our community...
providing opportunities
for the public to creatively
engage builds connection
among our community.”*

*“This is a project that can
get the community excited.”*

*“Projects like this transform
a city – not just physically
but in spirit.”*

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OUTREACH EFFORTS AND RESULTS

The team sought feedback on the initial draft proposal through extensive public outreach, both in-person and online, over the course of a month. We kicked things off on January 23rd at a Downtown Neighborhood Association Meeting where we were encouraged by some positive early feedback.

The team engaged the public for feedback on several occasions at a variety of venues: UO Campus (spoke with ~125 people), downtown at the First Friday Art Walk (chatted with ~200 people), at the State of the Tech Community event (QA with ~150 people), at the EWEB Community Room for an open house (dialogged with ~150 people), as well as at the Lane County Fairgrounds during the annual Asian Celebration (spoke with ~300 people).

We created a website (<https://steampoint.us>) to showcase the draft proposal which has been visited 2,427 times. We also engaged the public through a Steam Plant social media presence on both Facebook and Instagram. Our survey was promoted through the City of Eugene's newsletter, Arts organization newsletters, as well as business and tech community newsletters.



We spoke directly with over a thousand people and collected more than 900 surveys that guided refinements to the draft proposal. We read every single survey that was submitted and took the comments to heart. There was a significant amount of validation of the draft design in the survey results and we listened carefully for comments that would help us refine the draft.

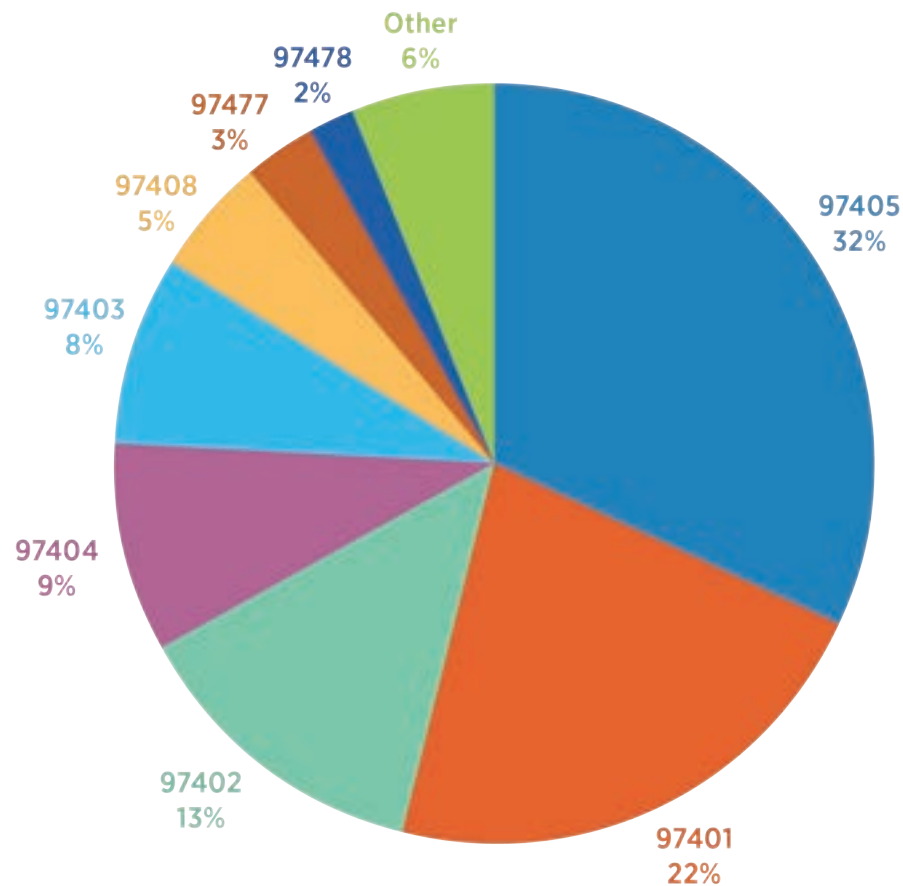
We received significant positive affirmation on the initial proposal. Here are some direct quotes:

"I find this project exciting and a wonderful investment in our community. I'm very happy to hear about plans to incorporate creative and cultural components to the project. I feel that providing opportunities for the public to creatively engage builds connections among our community."

"For ten plus years, I've been part of a small group of people who have felt that the steam plant had a huge potential to bring people to the river to be entertained, learn and to mingle and your vision fills my Eugene heart and soul with that potential."

"Let's do this! Projects like this transform a city—not just physically but in spirit. This is so wonderful for your community."

The quantitative feedback was also encouraging, 84% of survey respondents told us, for example, that the river overlook feature was important, with more than 60% of respondents actually going further to say that the feature was 'extremely important.'



SURVEY DISTRIBUTION

The geographic distribution of survey responses reached all Eugene zip codes and included central and East Springfield as well.

877 of the 919 survey respondents provided their zip codes, as follows:

- 97405 had 284 respondents. (South and West Eugene)
- 97401 had 192 respondents. (Downtown and North Eugene)
- 97402 had 116 respondents. (West and North Eugene)
- 97404 had 77 respondents (North Eugene)
- 97403 had 74 respondents. (University and South Eugene)
- 97408 had 45 respondents. (North Eugene and North Springfield)
- 97477 had 24 respondents. (Springfield)
- 97478 had 16 respondents. (East Springfield)
- 49 respondents selected "Other."



TAKEAWAYS AND REVISIONS

We listened very carefully and heard three themes of feedback on the initial draft design:

1. The draft design could do better to fully integrate with the bike path.
2. The open space atrium needs to be more active and inviting. A place people will want to return to again and again.
3. The draft design could more fully optimize for the main attraction, the river.

The design team responded to these themes in three key ways:

- building a new, at-grade level within the existing building envelope will enable truly accessible access to the Steam Plant's public amenities and provide a direct connection to the riverfront park and bike path;
- relocating the historic generators and building continuous floors that connect the upper levels creates more human-scaled, occupiable retail/restaurant space in the public realm, and maximizes usable space with views of the river; and
- opening the building to an attractive patio along the bike path will invite people to stop for refreshments and enjoy the Steam Plant's unique proximity to the Willamette.

RELEVANT DEVELOPMENT EXPERIENCE

The five projects on the following pages demonstrate our team's ability to achieve results in Eugene and beyond.



1203 WILLAMETTE

EUGENE, OREGON

AIA/SWO - Mayor's Choice Award (2017)

RELEVANCE

- Lead Developer
- Adaptive Reuse of Commercial Building

1203 Willamette is a major remodel and tenant improvement in Eugene. The scheme has four big moves: peel back the layers of finishes to reveal the stout timber frame and wood floor and roof structure; strengthen the shell to resist seismic action; open up the solid walls and roof to daylight with large windows and skylights; and open up the west elevation to reveal the timber structure, with maximum transparency, exposure, and connection to Willamette Street.

The 36,000-square-foot building, originally built in the 1940s for Lyons Furniture, consists of two 60'x120' concrete boxes with a simple 20'x20' timber frame grid. A new entry and hallway connects east-west, linking Willamette Street and the abundant parking on the alley. The simple, repetitive timber frame module allows for a range of tenant sizes, encouraging diversity in the tenant mix.

The Willamette Street face is a series of garage-door storefronts, allowing smaller tenants to each connect to the generous sidewalk for outdoor seating and retail. The large overhang clad in reclaimed douglas fir from the original building creates an inviting and striking presence on this promising stretch of Eugene's historic main street.

1203 WILLAMETTE EUGENE, OREGON

PROJECT SUMMARY

TOTAL DEVELOPMENT COST

\$6,500,000

TOTAL BUILDING AREA BY USE

36,000 SF
(16,000 SF office
6,500 SF Restaurant/office
14,500 SF Accessory uses and storage)

TEAM MEMBER ROLES

Mark Miksis: Development Manager

- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Financing
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements
- Construction Oversight
- Financing Support

John Rowell, Greg Brokaw: Architect

- Overall Design Coordination
- Design Concept
- Core and Shell Design
- Entitlement and permitting
- Construction Administration
- Tenant Improvement Design (RBA, WLR, Claim 52)

FINANCING STRUCTURE

Private equity, conventional construction loan

DEVELOPMENT PARTNERS

deChase Miksis Development
Rowell Brokaw Architects
Catena
Essex Construction
Oregon Pacific Bank

USE OF LOCAL CONTRACTORS

This project was developed, designed, constructed and occupied entirely by local businesses. All of the tenants in the building are local businesses that started in Eugene. This project was entirely financed with a local lender and is owned by local investors.

TIMELINE TO COMPLETION

Completed in one phase between May of 2017 and May of 2018.

THE HIXON**BEND, OREGON****RELEVANCE**

- **Lead Developer**
- **Multi-tenant Development**
- **Eugene Capital Investor**

When the City of Bend made the decision not to expand its urban growth boundary their long range planning objectives reset to focus on mixed use infill projects to accommodate the exceptional growth the community is experiencing. During the heavy winter of 2016, exceptional snowfall accumulation on the roof of the vacant Ray's Grocery store in Bend's Westside caused the roof to collapse leading to a complete building loss. These two events led Eugene's G Group, the property owner, to hire deChase Miksis Development to provide complete development services to repurpose the dated shopping center into a vibrant, mixed use center with 20,000 SF of additional retail and 203 apartments. This project meets the long-term planning goals of the city by adding 203 housing units to the city's core while remaking a dated shopping center into a neighborhood center with open space, housing and shops giving the owner a much improved asset.

In order to meet the technical challenges the project presented and the relationships needed to work with the local jurisdiction, partnerships were formed between firms with local knowledge and firms with the background and expertise in this project type. CS Construction and BLRB are the local firms that understand the community and have the relationships with people approving the project. Essex Construction and GGLO Architects are the experts that ensure the design and technical expertise for success. These partnerships equaled more than the sum of their parts providing a lower risk delivery model for this ambitious project.

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April 24, 2024 Work Session - Item 1

THE HIXON

BEND, OREGON

PROJECT SUMMARY

deChase Miksis is providing complete development oversight for this project from the initial feasibility study to lease up and asset management. Construction is scheduled to commence this summer.

TOTAL DEVELOPMENT COST

\$50,000,000

TOTAL BUILDING AREA BY USE

208,000 SF

(203 apartments

188,000 SF Apartments

20,000 SF of retail)

DEVELOPMENT TEAM'S ROLE IN PROJECT, OR TEAM MEMBER'S ROLE IN PROJECT

Mark Miksis, Dean Pape: Development Manager

- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Financing
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements
- Construction Oversight
- Financing Support

FINANCING STRUCTURE

Private equity and conventional construction loan

DEVELOPMENT PARTNERS

G Group

deChase Miksis Development

CS Construction/Essex Construction

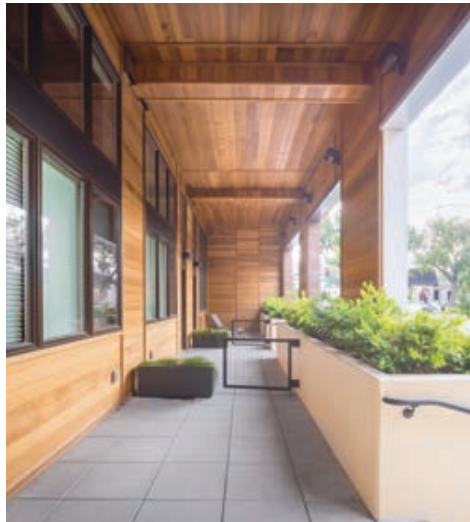
BLRB architects/GGLO architects

USE OF LOCAL CONTRACTORS AND/OR MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES

Yes; see narrative

PROJECT TIMELINE FROM SITE CONTROL TO OCCUPANCY OF THE INITIAL BUILDING AND THE FINAL BUILDING, INCLUDING TIMING OF ANY PHASING

Construction start schedule for July of 2018 and completion in spring of 2020.



THE GIBSON

BOISE, IDAHO

RELEVANCE

- **Lead Developer**

This multi-family development fits respectfully within the context of the history-rich and distinct Old Boise commercial district. Surrounded by blocks with a diversity of architectural styles, the design of the Gibson seamlessly integrates with complementary architecture and pedestrian-scale massing that is consistent with the district.

In a unique public/private partnership with the City of Boise parks department, this project also developed a city-owned, developer-managed pocket park that allowed the building to step back from the street and pay homage to the adjacent historic building. This park serves as a neighborhood gathering space with a small stage for outdoor summer performances. The design of the Gibson celebrates simple, modest materials and forms that are consistent with other projects in the district.

In alignment with Boise's planning goals, the Gibson's parking is all underground or within the alley. This allows the project to make use of its key corners where retail can encourage visitors and residents to gather and create community.

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THE GIBSON
BOISE, IDAHO

PROJECT SUMMARY

TOTAL DEVELOPMENT COST

\$18,000,000

TOTAL BUILDING AREA BY USE

78,000 sf

(3,000 sf retail

75,000 sf housing)

TEAM MEMBER ROLES

Dean Pape: Development Manager

- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Financing
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements
- Construction Oversight
- Financing Support

FINANCING STRUCTURE

Primary Loan: HUD 221 d4

City of Boise Parks and Capital City Development Corp.
Funding

Private equity

DEVELOPMENT PARTNERS

GGLO, Architect

Hummel, Architect (Boise)

ESI construction (Boise)

USE OF LOCAL CONTRACTORS

Yes

TIMELINE TO COMPLETION

16 months. Completion target: November 1, 2018.



INKWELL BUILDING

EUGENE, OREGON

LEED Platinum – TI Office Tenant

LEED Gold – Core and Shell

RELEVANCE

- **Mixed-use with diverse tenants and flexible spaces**
- **Ability to achieve potential sustainability goals**

This five-story, 36,000 sf mixed-use office and retail building is the first LEED-certified speculative office building in Lane County.

Occupants enjoy views of both the Coburg Hills and Shadow View Drive's lively mix of shops and restaurants. The building comprises 26,000 square feet of highly functional office space and 7,000 square feet of ground floor retail space. The building is designed to allow maximum flexibility in tenant infill uses within a high performance green building.

The Arlie & Company Corporate Offices were located on the fifth floor of The Inkwell Office Building at Crescent Village. The project received LEED Platinum for the interior, the second project in the state to achieve this level of certification. A primary goal of the project was to embody the identity of the company in the work environment.



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INKWELL BUILDING
EUGENE OREGON

PROJECT SUMMARY

TOTAL DEVELOPMENT COST

\$11,000,000

TOTAL BUILDING AREA BY USE

36,000 SF

(26,000 SF office space

7,000 SF retail space)

TEAM MEMBER ROLES

Mark Miksis (while at Arlie & Co): Development Manager

- Strategic Planning
- Master Planning / Urban Design
- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements

John Rowell, Greg Brokaw: Architect

- Overall Design Coordination
- Core and Shell Design
- Interior Design
- Entitlement and Permitting

FINANCING STRUCTURE

Conventional Equity / Bank Financing

DEVELOPMENT PARTNERS

Arlie & Company

Rowell Brokaw Architects

Chambers Construction

USE OF LOCAL CONTRACTORS

Yes

TIMELINE TO COMPLETION

Completion 2009



CRESCENT VILLAGE EAST & WEST

EUGENE, OREGON

AIA Design Award (2009)

Multi-Housing News Design Excellence Award

RELEVANCE

- Lead Development Manager
- Market pioneer for mixed-use, pedestrian-oriented development with vibrant mix of retail, restaurants, offices, park space and lofts in Eugene, Oregon

Crescent Village is one of the largest recent real estate developments in Eugene. This 40-acre development succeeded in gaining unanimous support from surrounding residents and businesses because of Arlie & Company's focus on design and livability, plus its transparent response to the needs of the existing neighborhood. Arlie & Company's vision for Crescent Village was to create a mix of high-quality housing, retail shops and services, office space, and integrated parks, transforming the Northeast Eugene neighborhood into a walkable, people-focused community. While working closely with the City, Miksis and his planning and development team introduced and gained approval for new urban concepts that had not previously been attempted in the City of Eugene.

Guided by the principles of New Urbanism, Crescent Village was designed as a place where people could walk to local shops, dine in restaurants close to home, and get to know their neighbors.

CRESCENT VILLAGE EAST/WEST

EUGENE, OREGON

PROJECT SUMMARY

TOTAL DEVELOPMENT COST

\$30,000,000

TOTAL BUILDING AREA BY USE

(2) 80,000 SF buildings (residential over retail)

TEAM MEMBER ROLES

Mark Miksis (while at Arlie & Co): Development Manager

- Strategic Planning
- Master Planning / Urban Design
- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements

John Rowell, Greg Brokaw: Architect

- Overall Design Coordination
- Core and Shell Design
- Interior Design
- Entitlement and Permitting

FINANCING STRUCTURE

Conventional Equity / Bank Financing

DEVELOPMENT PARTNERS

Arlie & Company
Rowell Brokaw Architects
Roberts Construction

USE OF LOCAL CONTRACTORS

Yes

TIMELINE TO COMPLETION

Phase I-III - 5 years
Completion June 2008

OTHER RELEVANT EXPERIENCE

The following projects demonstrate additional experience, knowledge, skills, and a history of success collaborating with others to execute complex community based projects.



NORTHWEST COMMUNITY CREDIT UNION HEADQUARTERS

EUGENE, OREGON

AIA-SWO Mayor's Choice Award (2015)

LEED Gold Certified

RELEVANCE

- **Site Selection and coordination with City of Eugene for purchase and development within Urban Renewal District**
- **8th to Willamette**

The Northwest Community Credit Union originally intended to reprogram and plan for a substantial renovation of the credit union's existing Gateway facility. After a preliminary analysis and assessment, the credit union decided to construct a new 69,000 SF corporate headquarters with an integrated branch in downtown Eugene. The completed facility provides convenient downtown access, places the credit union in a highly visible location and anticipates future growth. It brings a major employer to Eugene's urban core and builds on the momentum of downtown. Rowell Brokaw designed an active and welcoming street level, with access to the branch, community services, and potential for retail.



Cost	\$24.5M
Size	69,000 SF
Roles	Mark Miksis Owner's Representative Greg Brokaw, John Rowell Architects
Timeline	Completion 2014



EWEB RIVERFRONT MASTER PLAN

EUGENE, OREGON

- **Thorough knowledge of public concept and community needs**

The EWEB Riverfront Master Plan was one of the most challenging and complex planning projects in Eugene's recent history. It involved engaging and leading the community to a compelling vision for the sole opportunity to connect downtown Eugene to the Willamette River and redevelop an iconic property. The project achieved consensus approval from a diverse citizen advisory team, overwhelming support from the public, and was unanimously approved by the EWEB Board of Commissioners in June 2010.

Establishing a new vision for the riverfront property owned by Eugene's public utility was the final step in a decades-long process to renew the connection between Downtown Eugene and the Willamette River. The master plan for this 27-acre property models sustainable redevelopment in a variety of ways: it creates 8 acres of new riverfront open space, requires LEED certification for all new construction, improves public access and the trail system, establishes and enhances habitat, and proposes numerous ways to teach about our river, our history and our city.

Size	27 acres
Role	John Rowell, Greg Brokaw Lead Planners Dean Pape Community Advisory Committee
Timeline	Completion 2010

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EWEB RIVER DISTRICT DEVELOPMENT STUDY

EUGENE, OREGON

RELEVANCE

- Initial exploration of possibilities
- Thorough knowledge of market and community needs

Rowell Brokaw Architects was selected as the Master Architect for a team led by The UO Foundation to redevelop Eugene's downtown riverfront. The 27-acre property is currently owned by the Eugene Water and Electric Board (EWEB) and has been used for industrial purposes for much of the last 100 years. The UO Foundation conducted due diligence and negotiations with EWEB and the City of Eugene for the property's purchase. The Foundation subsequently decided not to pursue the development.

Rowell Brokaw Architects has been working to support the successful transformation of this property into a vibrant, mixed-use river district since leading the EWEB Riverfront Master Plan in 2009.

Size 27 acres

Roles Mark Miksis

Developer

John Rowell, Greg Brokaw
Concept Designers and Architects

Timeline Completion 2014

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THOMPSON'S MILLS STATE HERITAGE SITE

SHEDD, OREGON

RELEVANCE

- **Ability to assess and apply strategic restoration of a historic structure**

One of two working watermills in Oregon, Thompson's Mills is the oldest, with water rights going back to 1857. It gets its water from the Calapooia River through a hand-dug canal affectionately called the Sodom Ditch. It was an active grain mill until nearly the end of the 20th Century, though the health regulations in the 1940s forced the flour mill to become a feed mill. Thompson's Mills became a State Heritage Park and museum in 2004. The concrete silos are most likely the oldest slip-form concrete structures in Oregon, dating from 1917.

Historic Building Consultant Don Peting started working on Thompson's Mill back in the early 1970s when the last Thompson was still the owner. In the 1990s, he was part of a team that did HABS drawings, then later a condition assessment of the mill. Later, he was part of the PNWFS Field School in 2003 that brought students to work on the Mills. The FS students' work included archaeology, timber frame construction and repair, wood window construction and repair of the head gates, and a study of water-powered engineering. A decade later, Don and his students completed a condition assessment of the mill house and restoration has been continuing since.

Roles

Donald Peting
Historic Building Consultant

Timeline

1857-Present

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5TH & BLAIR / TACOVORE / GLASS HOUSE

EUGENE, OREGON

RELEVANCE

- Adaptive Re-use Experience
- Mixed-use with restaurant, coffee, office and fabrication space

This development effort transformed the 10,000 SF one- and two-story building complex on the corner of 5th and Blair in Eugene's historic Whiteaker neighborhood from a carpet garage and dilapidated office space into a venture incubation space and one of Eugene's most successful new restaurants. Special care was taken in the rehabilitation effort to stay true to the original underlying building structure and minimize new material content.



ARCIMOTO FACTORY

EUGENE, OREGON

RELEVANCE

- Adaptive Re-use Experience
- Employment densification
- Venture incubation

The Arcimoto Manufacturing Plant in West Eugene is a shining example of this team's ability to execute building rehabilitation efforts on an aggressive timeline. In less than two months, this 30,000 SF warehouse moved from site control to full occupancy. The effort included roof repair, energy-efficient lighting, renovated office space and plumbing, surface treatment, and electrical upgrades sufficient to facilitate a vehicle manufacturing enterprise. As with 5th and Blair above, special care was taken to maximize the value of the original space, while adapting it for higher value utilization.

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EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Intergovernmental Relations -2024 OR Legislative Session and United Front Summary

Meeting Date: April 24, 2024
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Ethan Nelson
Contact Telephone Number: 541-682-5245

ISSUE STATEMENT

This work session will provide the City Council a summary of the 2024 Oregon Legislative Session and the 2024 United Front Delegation Trip. This work session is informational only.

BACKGROUND

In November 2023, City Council adopted two documents providing direction for state and federal advocacy. The *2024 Eugene State Priorities* (Attachment A) document outlines the proactive policy or funding items which the City advocated for during the 2024 Legislative Session. The *Eugene State and Federal Legislative Policy* (Attachment B) document served as the policy framework for the City's positions on introduced bills during the upcoming short session.

Current Intergovernmental Relations (IGR) Committee Members include Councilors Evans, Groves, and Yeh. Mayor Vinis regularly attends IGR Committee meetings as a non-voting member. The IGR Committee meets regularly, generally on a monthly basis with the ability to hold special meetings during the legislative session. IGR Committee meetings are posted on the City's website and open to the public via Zoom. More information on the IGR Committee and testimony provided on priority bills can be found at the IGR Program webpage here: <https://www.eugene-or.gov/368/Intergovernmental-Relations>

2024 Oregon Legislative Session

The 2024 Oregon Assembly started on February 5 and concluded on March 7. Eugene's top priorities received either direct or programmatic allocations this year (Attachment C provides a summary). The City's contract lobby team at CFM Advocates produced an End of Session Report (Attachment D), and the League of Oregon Cities 2024 Bill Summary (Attachment E) provides additional details on legislative policy accomplishments.

2024 United Front Delegation

The United Front Partners of Lane County (UF) delegation was held from March 18-20th, with Mayor Vinis, Eugene Springfield Fire Chief Mike Caven, and IGR Manager Ethan Nelson representing the City. The UF partners include City of Eugene, City of Springfield, Lane County, Springfield School District, Willamalane Parks and Rec District, Lane Transit District, and Eugene

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4J School District.

Eugene's top priorities included: federal telecommunication policy changes (seeking Federal Communications Commission (FCC) and Congressional action), advocating to Federal Emergency Management Administration (FEMA) for disaster relief related to the winter ice storm, housing policy and funding, and criminal justice system investments. The delegation met with a wide array of federal agency leadership including FCC commissioners and staff, Department of Justice, Housing and Urban Development, FEMA, US Forest Service, Bureau of Land Management, as well as Senators Wyden, Merkley and Congresswoman Hoyle and their respective staff teams.

To view the full 2024 United Front booklet, visit (<https://www.eugene-or.gov/DocumentCenter/View/72068/2024-Eugene-State-and-Federal-Policy>).

PREVIOUS COUNCIL DIRECTION

[November 27, 2023 City Council Work Session](#)

City Council adopted the 2024 Eugene State and Federal Policy Document and the 2024 Eugene State Priorities Document.

Passed 8:0

[October 23, 2023 City Council Meeting](#)

City Council adopted Resolution 5381, updating the City Council Operating Agreements and incorporating the revised IGR Operating Agreements.

Passed 8:0

[September 27, 2023 City Council Work Session](#)

City Council adopted updates to the IGR Operating Agreements and directed they be added to a resolution and placed on the future consent calendar agenda.

Passed 6:2 (Opposed by Councilors Keating and Zelenka)

COUNCIL OPTIONS

Information only.

CITY MANAGER'S RECOMMENDATION

None.

POSSIBLE MOTIONS

None.

ATTACHMENTS

- A. 2024 Eugene State and Federal Legislative Policy Document
- B. 2024 Eugene State Priorities Document

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- C. 2024 Eugene Priorities End of Session Summary
- D. 2024 CFM End of Session Summary
- E. 2024 League of Oregon Cities Bill Summary.

FOR MORE INFORMATION

Staff Contact: Ethan Nelson, Intergovernmental Relations Manager
Telephone: 541-682-5245
Staff E-Mail: enelson@eugene-or.gov
IGR Webpage: <https://www.eugene-or.gov/368/Intergovernmental-Relations>



Eugene City Council Approved 11/27/23

2024 Eugene State Priorities

The City of Eugene top priorities advance the City Council's vision and goals of Safe Community for Community Wellbeing; Sustainable and Accountable Development; Accessible and Thriving Culture, Parks and Recreation; Equitable, Effective, Accountable Municipal Government; and Fair, Stable and Adequate Financial Resources.

1. Secure one-time funding to provide community response due to PeaceHealth University District closure.

The City seeks funding for two specific efforts, the first is one-time 'bridge' funding to address the unbudgeted financial requirements for Eugene/Springfield Fire to increase Emergency Response services. The second is one-time funding to pilot innovative programs that can provide longer term remedies to the decrease in local emergency services. These two concepts are being developed in cooperation with Rep Nathanson, and in partnership with local governments and health care providers.

2. Long term direct funding to cities for unhoused emergency response.

Eugene seeks direct funding to cities from the State of Oregon to address the unhoused crisis, specifically, Eugene requests \$4-5.25M for the remainder of the 23'-25' biennium. State funding will provide financial support for: acquisition and rehabilitation for emergency shelter and safe sleep sites, operations for emergency shelter and safe sleep sites, sanitary services, debris removal from abandoned camps, support services for individuals and families experiencing homelessness, including housing navigation, medical, behavioral health, and mental health care, resource enhancement for cities and non-profit partners for houseless service provision, culturally appropriate programs that stabilize individuals and families through food assistance, supportive service information and referrals, and support for community engagement and education

3. Seek Funding for Priority Project(s)

- a. [Crow Road Infrastructure](#). Requesting \$3.5M to extend infrastructure to serve housing production.
- b. [Clear Lake Road Infrastructure](#). Requesting \$8.5M for Phase One to extend infrastructure to serve economic development, housing, future recreation, and future fire station needs.

4. Support increased state investment in mental health and behavioral health systems.

The City of Eugene supports an increased level of investment from the state to address the systemic challenges within the mental and behavioral health systems, and an expansion of eligible entities receiving state funding for mental health and crisis support services. Specifically, Lane County's Crisis Stabilization Center.



2024 State and Federal Legislative Policy

Eugene City Council Adopted 11/27/23

Support Housing Opportunities and Financial Stability for Eugene Residents and Addressing the Homelessness Crisis.

1. Eugene supports the preservation and expansion of programs and tools to fund the development, preservation, and protections of housing affordable to low-income persons.
2. Eugene supports the preservation and expansion of funding for human services, emergency housing assistance, and other programs to meet the needs of homeless persons and those at risk of homelessness.
3. Eugene supports the preservation and expansion of land use and community planning tools that enable the development of affordable housing.
4. Eugene supports the preservation and expansion of tools to support financial stability, savings, and asset development for low-income persons.
5. Eugene supports the establishment of stronger linkages between the housing, land use, education, and health systems at the state level to expand housing opportunities. Eugene also supports additional opportunities for state/local coordination and collaboration.
6. Eugene supports increased state funding for addiction treatment and recovery, including sobering and detox, in order to increase Eugene community members access to wrap around services and continuity of care as they transition from homeless to stably housed.
7. Eugene supports state funding for mental health outreach, services, and treatment designed to transition persistently homeless individuals with mental health conditions to housing and treatment.
8. Eugene supports state funding for publicly operated emergency shelters and permanent supportive housing investments designed to transition homeless individuals and families into stable housing situations.
9. Eugene supports efforts to ensure Oregon residents do not experience discrimination in housing and may access appropriate information and complaint systems.
10. Eugene supports legislation that increases the stability of renter households and maintains appropriate protections for landlord-tenant relations.
11. Eugene supports state funding that improves energy efficiency in housing, reducing the energy burden and overall cost of housing.
12. The City of Eugene supports an increased level of investment from the state to address the systemic challenges within the mental and behavioral health systems, and an expansion of eligible entities receiving state funding for mental health and crisis support services.
13. Eugene supports state direct funding to cities to address the unhoused crisis, including financial support for: acquisition and rehabilitation for emergency shelter and safe sleep sites, operations for emergency shelter and safe sleep sites, sanitary services, debris removal from abandoned camps, support services for individuals and families experiencing homelessness, including housing navigation, medical, behavioral health, and mental health care, resource enhancement for cities and non-profit partners for houseless service provision, culturally appropriate programs that stabilize individuals and families

2024 City of Eugene State and Federal Legislative Policies

through food assistance, supportive service information and referrals, and support for community engagement and education

Securing Local Finance Options

1. Proposals to restructure or change the state's tax and revenue system must allow local government's continued authority to finance the level of services needed by their residents.
2. City governments are the most practical and effective providers of urban municipal services, and state or county tax policies should avoid raising revenues for duplication of city services by other jurisdictions.
3. Eugene opposes the levying of property taxes by the state to fund services that are deemed the responsibility of the state.
4. Eugene supports the ability to maintain local flexibility over revenue systems, retain local apportionment of revenue from state gas, liquor, beer and wine taxes, marijuana taxes and other state-imposed taxes and fees, and the preservation and enhancement of state shared revenues.
5. Eugene opposes the granting of new exemptions, deferrals, or forgiveness of property taxes by the Legislature without reimbursement of the revenue forgone by cities.
6. Eugene supports the repeal of local government preemptions created by state or federal agencies or legislation and opposes federal or state pre-emption of local taxation authority.
7. Eugene opposes subsidizing through taxes, services, or changes to revenue sharing formulas those businesses or households in unincorporated areas.
8. Eugene supports maintaining current tax and fee authority regarding System Development Charges (SDCs) and Urban Renewal Districts.

General Government

1. Eugene supports the exemption from disclosure of attorney-client privileged records under the Public Records Law.
2. Eugene opposes changes in state public records laws that place undue financial burden on municipalities to comply or restrict a municipality's ability to represent its interest throughout an appeal process.

Economic Development

1. Eugene will look for opportunities to strengthen and fund the local entrepreneurial ecosystem.
2. Support local authority to develop infrastructure that provides new economic development opportunities, especially in the area of emerging technology industries. Eugene supports the inclusion of high-speed broadband telecommunications network funding in state-funded infrastructure projects.
3. Eugene supports bioscience as a primary economic driver and supports funding for physical spaces and programs to connect the University of Oregon's Knight Campus to existing and future bioscience firms.
4. Eugene supports the Cultural Arts sector as a primary economic driver.
5. Eugene supports the existing ability of cities and municipal utilities to own, operate, construct and provide telecommunications services, including high-speed broadband.
6. Eugene supports keeping the Eugene Emeralds in Eugene.

2024 City of Eugene State and Federal Legislative Policies

Land Use

1. Eugene opposes state or federal legislative or regulatory pre-emption of local land use laws and authorities.
2. To the extent the legislature establishes mandates that require Eugene to take certain actions, Eugene supports legislation that provides clarity, and incorporates flexibility to the extent possible. Eugene also supports timely and efficient state technical support and funding to provide assistance in implementation of such mandates.
3. Eugene supports legislation that streamlines the Urban Growth Boundary expansion and the Urban Reserves establishment processes, providing clarity, and incorporating flexibility to the extent possible. In addition, Eugene supports allowing the adoption of Rural Reserves outside of the Eugene Metro area.
4. Eugene supports the removal of regulatory barriers to housing affordability, availability, and diversity and to mixed-use development without sacrificing local control.
5. Eugene supports actions that incentivize multi-family and mixed-use development along transit corridors.
6. Eugene seeks appropriate funding from the Legislature to Cities to implement new Legislation or Agency Regulatory Action related to climate and land-use mandates.
7. Eugene opposes legislation that eliminates or weakens existing methods of annexation.
8. Eugene supports legislation that creates incentives for annexation.

Information Technology, Telecommunications, and Municipal Right of Way (ROW)**Authority.**

1. Eugene broadly defines telecommunications activities, services, and facilities to include wireless and wireline voice (including VOIP-voice over internet protocol), data, and video, including cable system communications, and high-speed broadband services such as IPTV (Internet Protocol TV), OTT (Over the Top Programming), and Internet Access.
2. Eugene supports City Ordinance 20083 authority and responsibility to manage the public rights of way (ROW), especially for issuing permits for installations and city pole use contracts for wireless facilities.
3. Eugene supports the City Ordinance 20083 authority to determine and collect fair and reasonable compensation, including in-kind services, for use of public infrastructure and public rights of way.
4. Eugene supports the existing ability of cities and municipal utilities to own, operate, construct and provide telecommunications services, including high-speed broadband.
5. Eugene supports the 2015 net neutrality provisions and opposes actions that would decrease open access to the internet through tiered pricing structures or other strategies.
6. Eugene supports improvements and funding for ensuring effective cyber-security systems and IT modernization at state and local government levels.
7. Eugene supports the preservation and expansion of funding for affordable and accessible broadband services.

Public Safety

Includes Fire/EMS, Courts, Law Enforcement, and Prosecution.

1. Eugene opposes efforts to increase supervisor representation.
2. Eugene supports the narrow use of polygraph testing for pre-employment screening for sworn police officials.

2024 City of Eugene State and Federal Legislative Policies

3. Eugene supports increased funding and training for Special Teams to include Urban Search and Rescue (USAR).
4. Eugene opposes efforts to remove fire department authority to provide input concerning fire department access and water supply on proposed development projects, and to administer all provisions of the Fire Code for maintenance of the built environment.
5. Eugene supports enhancing the effectiveness of the state's emergency communications system through an increase in the 9-1-1 tax.
6. Eugene supports afterschool funding for youth that contributes to the prevention and reduction of juvenile crime, including early childhood literacy programs, such as the Imagination Library program.
7. Eugene supports funding for state-wide Teen Courts or Peer Courts that provide early intervention into first time juvenile offenders, reducing recidivism.
8. Eugene supports state and federal funding for local government public safety emergency operations, disaster preparedness, and capital facilities.
9. Eugene supports state and federal funding and policy support for local government community justice style programs.
10. Eugene supports state-wide efforts that increase police accountability through application of consistent professional standards, implementation of 21st Century Policing-including the reduction of use of force and increased use of de-escalation techniques, and transparency of disciplinary actions.
11. Eugene supports funding to neighborhoods or areas susceptible to wildland fire, commonly known as the Wildland Urban Interface (WUI), through prevention, education, mitigation efforts such as but not limited to fuels reduction and building codes.
12. The City of Eugene supports statute changes and new programs that reduce time needed to transfer incarcerated defendants who lack fitness to proceed to the Oregon State Hospital but do not negatively impact the law enforcement, the City of Eugene Criminal Justice System or the welfare of the Eugene community.
13. Eugene supports efforts to reform Ballot Measure 110.

Transportation

1. Eugene opposes federal or state pre-emption of local permitting and trip fee collection authority of Transportation Network Companies (TNCs) and/or Mobile Service Providers (MSPs).
2. Eugene supports policy that ensures the greatest possible flexibility for the use of funds to meet local needs, and that grant priority funding for projects when a local match is available
3. Eugene supports local option transportation system funding alternatives, including local option fuel taxes and local transportation system maintenance fees.
4. Eugene will continue to seek right of way and construction funding for the Beltline Hwy Project from River Road to Coburg Road
5. Eugene supports funding opportunities to address safety on local and state roadways.
6. Eugene supports legislation that allows broader use of fixed automated speed enforcement cameras.
7. Eugene supports state funding for intercity rail service, and more frequent and more reliable, higher-speed, customer-friendly passenger rail between Eugene and Portland.
8. Eugene supports additional planning and construction funds for local communities to establish railroad quiet zones, improve safety at grade crossings, upgrade rail beds and acquire rights-of-way to facilitate "passing" areas for passenger trains and freight trains.

Environment and Natural Resources

1. Eugene supports measures that protect or improve surface water and groundwater quality, including potential drinking water sources.
2. Eugene supports funding, programs, and land use planning tools that protect native ecosystems, preserve intact habitats for migratory species, and protect against invasive species.
3. Eugene supports continuation of funding for the implementation of place-based water resources planning projects by the Oregon Water Resources Board and its implementing partners.
4. Eugene supports appropriate limitations on fill and/or removal of wetlands.
5. Eugene supports funding for constructing, maintaining, evaluating and renovating “green” stormwater infrastructure such as bioswales, green roofs and porous pavement.
6. Eugene supports a science-based approach to waterway and wetland protections under the federal Clean Water Act and related state statutes.
7. Eugene supports practical exclusions from regulation under the federal Clean Water Act and any related state statutes for constructed green infrastructure stormwater management facilities.
8. Eugene supports fair and equitable water quality permit fees and accountability for demonstrating progress toward meeting commitments made by regulatory agencies collecting the fees.
9. Eugene supports initiatives that assist designated management agencies in meeting their TMDL obligations related to temperature, bacteria, turbidity, and mercury.
10. Eugene supports measures that facilitate economical and environmentally sound practices for managing wastewater and stormwater infrastructure, including maintaining minimum flows to protect infrastructure and reduce the risk of corrosive gas formation.
11. Eugene supports funding and programs to implement measures identified in the regional Natural Hazards Mitigation Plan such as street tree planting programs, enhanced fuels reduction programs, restoration of riparian systems and other efforts to reduce the impact of flood, fires, landslides, and extreme storm events.
12. Eugene supports a statewide prescription drug ‘take-back’ program.

Climate Recovery

1. Eugene supports state and federal measures to place a price on carbon emissions through mechanisms such as a carbon tax/fee or a cap and trade program.
2. Eugene supports all implementation aspects of Department of Environmental Quality's 2050 Vision for Materials Management.
3. Eugene supports state funding for electric vehicles and small electric vehicles, electric vehicle infrastructure, fleet incentives, and electric vehicle education programs.
4. Eugene supports state funding for walking, biking and transit infrastructure projects.
5. Eugene supports funding that improves public transportation efficiency.
6. Eugene supports legislation that improves energy efficiency in the Oregon Building Code in alignment with Executive Order 17-20.
7. Eugene supports legislation that calls for Extended Producer Responsibility, in an effort to reduce lifecycle greenhouse gas emissions, and “Right to Repair” legislation, which requires manufacturers to share information necessary for repairs.

2024 City of Eugene State and Federal Legislative Policies

8. Eugene supports legislation that allows for changes to the Oregon Building Code to allow for greater use of reused materials in building construction and incentives for adaptive reuse of existing buildings.
9. Eugene supports local government's ability to adopt the OR State Reach Code as the base energy efficiency code for local construction.

Public Health & Wellness

1. Eugene supports Oregon initiatives that connect youth and families to nature, such as Outdoor School and Oregon's Children's Outdoor Bill of Rights.
2. Eugene supports initiatives that promote active, healthy lifestyles through Park and Recreation services.

Equity and Inclusion

1. Eugene supports initiatives that affirm the promotion of rights included in the International Declaration of Human Rights.
2. Eugene supports legislation that condemns all forms of hate, xenophobia, racism, white supremacy, Anti-Semitism, Islamophobia, homophobia, transphobia, ableism, sexism and other forms of bigotry. This includes timely condemnation of actions against certain groups in relation to specific events (i.e. discrimination against Asians and Asian-Americans in connection to the origins of COVID-19).
3. Eugene supports legislation that protects refugees, regardless of citizenship status.
4. Eugene supports legislation that affirm the City of Eugene's practices of not collecting or maintaining information about the political, religious or social views, associations or activities of any individual, group, association, organization, corporation, business or partnership unless such information directly relates to an investigation of criminal activities.
5. Eugene supports legislation that recognizes and celebrates the heritage of the Kalapuya people as original caretakers of the land in which Eugene is located.
6. Eugene supports legislation that includes consideration of equity in the distribution of public resources aimed at removing barriers or correcting historic inequities towards marginalized groups.
7. Eugene supports state and federal legislation that expands protections for people based on source of income, familial status, sexual orientation, and gender identity; regardless of citizenship status.



Memorandum

Date: April 10, 2024
 To: IGR Committee
 From: Ethan Nelson, IGR Manager
 Subject: **2024 Eugene-State Legislative Priorities-End of Session Summary**

Priority Items

1. **Emergency funding in response to University District closure.** Rep Nathanson led the efforts to pass [HB 4136](#), which includes \$1.3M for a Basic Life Support (BLS) ambulance to Eugene, \$3.2M to Lane County for innovative/pilot programs to increase access to Health Care, and a modification of nurse licensure requirements.
2. **Unhoused Response Funding.** [SB 1530](#) includes \$65M for unhoused shelter statewide, Eugene unsuccessfully sought a revision to the bill to expand eligibility to include Rest Stops and RV/Car Camping sites such as 310 Garfield. The bill includes: *'\$65,000,000 for the operations, services and administration of emergency shelters, Project Turnkey sites and navigation centers.'* Eugene staff is actively seeking engagement with OHCS and Lane County to secure allocated funding to for our unhoused programs.
3. **Housing Infrastructure Funding.** Governor Kotek's housing bill, [SB 1537](#) passed with the following provisions:
 - a. Establishes the Housing Accountability and Production Office (HAPO) and directs HAPO to assist local governments with housing production.
 - b. The measure requires local governments to grant land use regulation and design adjustments in certain circumstances and modifies the definition of limited land use decisions.
 - c. It allows housing permit applicants to opt in to amended housing regulations and expands eligibility of prevailing applicants for housing development to receive attorney fees in a Land Use Board of Appeals review.
 - d. Establishes the Housing Infrastructure Support Fund to provide capacity and support to municipalities for the planning and financing of infrastructure for housing unit production.
 - e. Establishes the Housing Project Revolving Loan Fund to cover eligible developer costs, including infrastructure and system development charges, predevelopment costs, construction costs, and land write-downs.
 - f. The measure allows cities to undergo either a one-time urban growth boundary amendment or a land exchange in specified conditions.

Eugene land use planning, housing, and legal staff are reviewing the law and monitoring rule making to build deeper understanding of the impacts to Eugene's land use and development permitting processes.

April 16, 2024

[SB 1530](#) was amended to include several allocations, including infrastructure funding to Eugene and other statewide programs that Eugene can access, including:

- \$6,000,000 to the City of Eugene for water/sewer infrastructure improvements on Crow Rd.
- \$2,000,000, to provide support for warming or cooling emergency shelters or facilities
- \$4,000,000 for deposit into the Residential Heat Pump Fund
- \$15,000,000 for deposit into the Healthy Homes Repair Fund

Eugene Public Works and IGR staff are working collaboratively with Governor Kotek's office to ensure the allocation and transfer of funding for the Crow Road Project. The Public Works Engineering project team has already issued a RFP for the design elements of the project.

4. Support increased state investment in mental health and behavioral health systems.

This session, the vehicle for investments in mental health/behavioral health systems was tied to the reformation efforts of Ballot Measure 110. [HB 4002](#) Measure 110 Reform passed, which Eugene supported the League of Oregon Cities (LOC) advocacy on the proposed reform measures included within the 'Eleven Principles' document. The bill includes the following investments in Eugene and statewide:

- \$4,000,000 to Willamette Family, Inc., to support the construction of the Willamette Family Medical Detox and Resident Services facility.
- \$20,708,200 for Oregon Behavioral Health Deflection Program Account (including formula grants to counties)
- \$7,500,000, for Community Mental Health Programs for community restoration services and \$9,825,000 to provide deflection program coordination and services.
- \$16,000,000 to Department of Corrections for community corrections
- \$10,000,000 for deposit into the Oregon Jail-Based Medications for Opioid Use Disorder Fund
- \$6,919,141 for specialty court grants (CJC), \$4,000,000 for the restorative justice grant program (CJC), \$500,000 for a jail reentry pilot program (CJC), and \$9,696,843 for specialty courts (DOJ).
- Public Defense Commission received \$2,056,436 for unrepresented defendant/persons crisis and a misdemeanor training collaboration with law schools, \$7,543,529, to Adult Trial Division, and \$3,000,000 for Court Mandated Expenses

Additional regional funding highlights include:

- \$5M to Civic Alliance for completion of Civic Stadium.
- \$300k to Very Little Theater for capital improvements.
- \$900k to Lane County for Emergency Communications equipment
- \$2M to UO for construction of semiconductor workforce training space
- \$1.5 to Homes for Good for Ollie Court Affordable Housing project
- \$7.5M to Lane County for Multi-Use Facility at Fairgrounds



2024 SESSION REPORT

Prepared for:



cfmadvocates.com



2024 SESSION SUMMARY

Oregon lawmakers adjourned the 2024 legislative session early after achieving major bipartisan wins on a \$350 million housing production package, recriminalizing drug possession coupled with significant investments in behavioral health. Bills to establish summer school grants and institute campaign finance limits also passed in the final days, but the legislature failed to approve wildfire funding and a permanent switch to standard time. In contrast to the 2023 legislative session interrupted by a six-week Senate Republican walkout, the five-week 2024 session was marked by bipartisanship and compromise on high-profile issues.

Other notable bills that passed during the short session included funding for semiconductor worker training, arts organizations, employment-related day care and improved pensions for district attorneys, firefighters and police officers. Lawmakers also approved a right to repair bill for electronics products and a task force to study how to reduce suicides by gun, while empowering a state agency to penalize child labor law violations and blocking an urban growth boundary expansion vote in North Plains.

Other failed measures sought to reduce corporate ownership of health care practices, expand school-based health centers, continue free community college tuition, prohibit book bans and correct overpayment of road fees by truckers.



Before adjourning, the House formally elected Rep. Julie Fahey (D-Eugene), as Speaker after Rep. Dan Rayfield (D-Corvallis) stepped down to concentrate on his race for attorney general. The session was the last for two members seeking seats in Congress, others who are retiring after years of service, and a handful of Republican and Independent senators who are no longer eligible to run for re-election due to the walkout in 2023.

CFM posted an Oregon Insider soon after Sine Die on these and some additional topics. You can find this on [CFM's website](#).



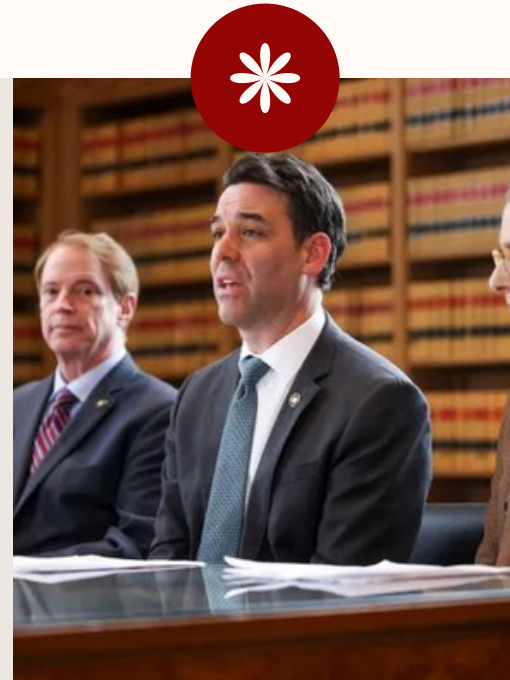
Measure 110

2024

Under the threat of a proposed ballot measure, Speaker Rayfield (D-Corvallis) and Senate President Rob Wagner (D-Lake Oswego) formed the Joint Addiction and Community Safety Response committee in October 2023 and appointed two former prosecutors as co-chairs. The committee's charge was coming up with a policy to reform Ballot Measure 110, originally passed by voters in 2020 but widely viewed by voters as unsuccessful in implementation. The threat of a well-funded ballot measure to undo all of M110 looming over the legislature was enough of a reason to get a compromise passed through the 2024 short session.

Legislators ultimately landed on criminalizing possession of a controlled substance as an unclassified misdemeanor and made deflection optional in each county. This led to the League of Oregon Cities, Oregon District Attorneys Association, Chiefs of Police, and Sheriffs to support the legislation.

The ACLU, public defense groups, and other BIPOC organizations were among the proponents of decriminalization who testified against the proposal, claiming that it will drag Oregon back into the failing drug war and unfairly harm communities of color. Others expressed concern that the rollback of Measure 110 will be implemented in 36 different ways across the state.



After weeks of intense negotiations the bill left the committee with strong bipartisan support. Wasting no time, the House waived to chamber rules to move HB 4002A the very next day as a special order of business. The bill received overwhelming bipartisan support in the House and was voted on the next day in the Senate with similar results. The bill now is on the Governor's desk, where she is expected to sign it into law.

Accompanying HB 4002A was a budget bill, HB 5204, which includes more than \$211 million in allocations to public safety, mental health, and prevention. Shovel-ready projects worth \$85 million will address the capacity of the behavioral health system; \$80.5 million will support public safety, including deflection programs and public defense; \$8.8 million will go toward workforce training in behavioral health; \$17.6 million will go toward prevention; and \$18.8 million will go toward enhancing the behavioral health system, including the creation of Certified Community Behavioral Health Clinics and jail-based medication-assisted treatment services for opioid addiction. [Here](#) is a complete list of all the funding allocations.



Housing

In the month leading up to session Governor Tina Kotek announced that her only bill would be a housing policy package along with requested housing-related investments totaling over \$500 million. In keeping with the near-laser focus on housing shown by administration through the first year-plus of her tenure, Kotek's package brought back many of the elements of HB 3414 (2023), amended in certain areas after extensive interim outreach to local governments and land use advocates.

The governor's plan called for \$400 million in housing-related infrastructure and middle housing investments to be distributed statewide, as well as \$65 million to fund existing shelter operations and \$33 million in rental assistance.



SB 1537 was introduced and quickly taken up by the Senate Committee on Housing. Local governments remained opposed to many of the policy provisions that required them to accept certain adjustments requested by developers, but the fiercest opposition came from land use advocates and environmental groups, who argued that the bill's provision to allow cities a one-time opportunity to incorporate up to 150 acres of buildable land into the urban growth boundary (UGB) was antithetical to Oregon's esteemed land use process. Following intense, time-sensitive negotiations the bill was amended to limit the UGB incorporations to 100 acres or less and place strict limits on the type of land eligible.

The funding portion of the bill was spun off into SB 1530. Spearheaded by Rep. David Gomberg (D-Otis), the legislature ranked housing infrastructure projects based mainly on their 'bang for the buck'. In the process, the body shrank the Governor's priority from \$500 million to just over \$350 million, including \$89 million dedicated to infrastructure projects statewide and \$106 million for shelter and temporary housing.

The package passed the legislature easily, with a handful of 'no' votes in each chamber, and lawmakers expressed keen interest in continuing to invest in housing infrastructure in future sessions.



Health Care

2024

The health care committees retained their reputation as the workhorses of the Oregon legislature, plowing through an outsized share of concepts this short session. From corporate practice of medicine to pharmacy benefit manager regulation to certificate of need bills, the committees explored the range of health care topics all on a compressed time frame.

Lawmakers passed a policy omnibus including a provision that ensured that medication flavoring would be available at community pharmacies and renaming physician's assistants to physician associates. Legislators also passed bills on co-pay accumulators, increasing restrictions on white bagging in clinic settings for cancer drugs, and a bill to increase regulations on pharmacy benefit managers made it through the session after significant compromises.

A bill to strengthen Oregon's corporate practice of medicine statute failed to move forward after the issue became politicized during a hearing in the Senate. Bills on certificate of need, enabling access to contract pharmacies through the 340b program, and increased information about proposed insurance mandates failed to advance. And, a bill to strengthen penalties for violence against health care workers languished in Ways and Means after legislators grew weary about the number of increased penalty votes they were taking this session. All of these bills will likely return in 2025.



Transportation

The 2024 short session served as a prologue for what will follow during the 2025 long session. Lawmakers cobbled together a framework of anticipated needs for the upcoming 2025 transportation package and began gathering input from their colleagues. Importantly, the chairs of the Joint Committee on Transportation highlighted some of the most pressing challenges facing the committee. The Oregon Department of Transportation faces serious budget challenges in the coming years as their primary source of revenue, the gas tax, continues to dwindle. Congestion in the Portland region remains a problem, but freeway expansion projects are over budget and behind schedule. Highway cost allocation is out of balance, which constrains the ability for lawmakers to address ODOT's budget woes. With these obstacles in mind, the committee is likely to take a measured approach to the 2025 investment package. Unlike 2017 where lawmakers approved many new projects and system enhancements, going forward we expect lawmakers to focus on transportation fundamentals like safety, maintenance, and preservation.



Transportation lawmakers were placed in an untenable position during the short session when a trio of bills were introduced to address the current imbalance in highway cost responsibility. Oregon's constitution requires users of passenger vehicles and users of heavy-duty commercial vehicles to pay their respective share of taxes in proportion to their wear and tear on Oregon roads, highways, and bridges. Today, trucking companies are paying significantly more than their fair share: \$193 million per year, or \$528,000 every day. The Joint Committee on Transportation held public hearings on two bills that would decrease the existing rate of weight-mile taxes and another bill that would repeal the weight-mile system outright and replace it with a diesel tax like most other states use. All three bills remained in committee upon adjournment. Trucking companies must now look to Oregon courts for relief until their next chance to address their overpayment in 2025.

Employment and Workforce

With the bulk of the legislature's focus on addressing dueling housing/homelessness and addiction crises, many other typically active policy areas were relatively quiet.

Senate Bill 1515, alongside SB 1514, work together to make technical changes to and stabilize the recently-implemented Oregon Family Leave Act (OFLA). Senate Bill 1515 aligns the bill with federal law, while SB 1514 gives the Oregon Employment Department flexibility to adjust the program if it lacks six months of funding, as well as requiring regular solvency assessments and public notification before any changes take effect.

Oregon's new pay equity law forbids employers from using pay incentives to recruit employees. For the second session in a row, an effort to modify the law to allow employers to compete with other states failed. House Bill 4050, a coalition effort between businesses, local governments, and other employers, would have brought Oregon into line with other states with pay equity laws. There is significant momentum in both Democratic caucuses to address the issue, and conversations will continue through the interim.

Education

The desperate need for funding reform dominated all other policy considerations during the session. Despite forward movement on addressing the high cost disability grant, students experiencing homelessness, and the need to raise the artificial cap on identifying students with special education needs, none of those concepts passed this session. Instead legislators invested in a review of the Quality Education Model (QED) and additional staff to address funding reform for 2025. Legislators also funded \$30 million towards summer learning grants - only 60% of what was requested at the same moment national experts pointed to Oregon as struggling to recover from the pandemic learning loss. The efforts in the interim are expected to focus on reforming the funding formula.



Campaign Finance Reform

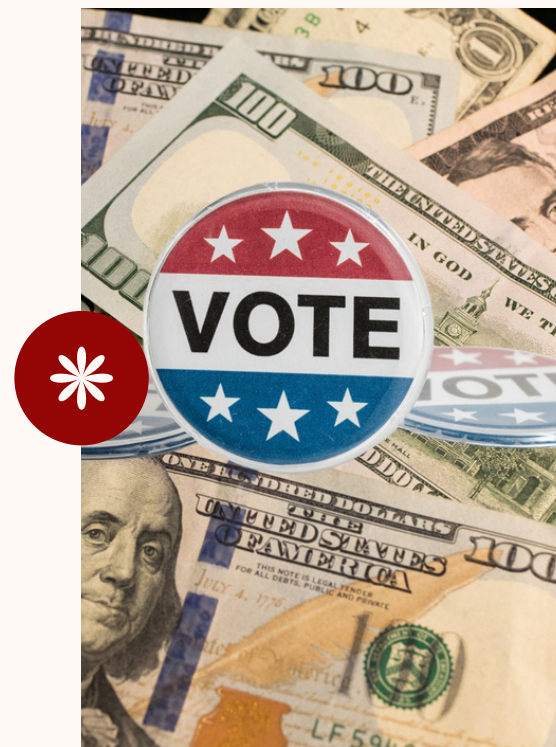
One of the biggest surprises this session was passage of campaign finance limitations negotiated by business and labor and approved by a majority of Democrats and Republicans. Oregon now will remove itself from the small list of states without any campaign contribution limits.

The bill, which was still in flux days before Sine Die, was passed by the Senate and House with wide bipartisan margins. Passage of the legislation will head off an expected dueling initiative campaign this fall once signed by the Governor.

The bill creates a series of limits for individual donors and groups. Individuals would be limited to \$3,300 in donations for state and local candidates per election, mirroring federal contribution limits. Small-donor committees that only accept individual contributions of up to \$250 per donor would be allowed to donate up to \$33,000 to state and local candidates per election.

Membership committees formed by business or advocacy groups would have a per candidate donation limit of \$16,500 per election or \$33,000 for both a primary and general election. Any independent groups that spend \$50,000 or more would be required to identify individual donors who gave \$5,000 or more to the group.

The new limits would apply to donors and campaigns starting in January of 2027.



Arts Organization Funding

Lawmakers earmarked nearly \$6 million to provide ‘resiliency’ funding to struggling arts organizations still trying to find their footing after the pandemic. Funding will go to the Oregon Shakespeare Festival, High Desert Museum, Portland Art Museum, Portland Opera, Portland Center Stage, Oregon Ballet Theatre and Oregon Symphony

Funding ranged from \$342,000 for the Oregon Ballet Theater to \$2.56 million for the Oregon Shakespeare Festival.

Some capital projects were also funded including \$1.5 million to the Portland Japanese Garden’s Japan Institute project, \$1 million for the Clatsop County Historical Society to expand the Oregon Film Museum and \$900,000 for the Black United Fund of Oregon to build a United Futures Complex. Not included was a \$2 million capital request by the High Desert Museum as part of a major expansion project.



CFM State Team

2024



2024 SESSION TEAM



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2024 Legislative
Session

Summary of Bills

APRIL 2024

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Significant Progress Made on Legislative Priorities in the 2024 Short Session

The 2024 legislative session ended three days prior to the statutory deadline of March 10. The session shifted from recent experience, with no walkouts and bipartisan support for several major issues facing Oregonians.

The LOC's priorities included Measure 110 reforms, several layers of housing policy, gap funding for shelters, and infrastructure funding for new housing development. This detailed end of session report includes the range of issues that were the main focus of the LOC's Intergovernmental Relations team's advocacy efforts. For the short session, the Legislature brought 291 bills, resolutions, and memorials. More than 500 amendments were introduced to modify the original language of the introduced measures, and Governor Kotek has 115 bills to evaluate for signature. At this stage, we are not expecting any vetoes.

Team LOC is Making a Difference!

It's evident that a combination of member-led grassroots advocacy and the excellent work of the LOC's lobby team and partners resulted in substantial progress in 2024.

For example:

- Significant Measure 110 reforms are now confirmed, largely because of a coalition of public safety interests, including the LOC.
- For the first time, the Legislature allocated nearly \$100 million in general fund dollars to local infrastructure needs for new housing starts and \$65 million to keep existing shelters open, thanks to a pre-session member survey that generated 234 projects from 93 cities.
- Finally, recreational immunity was restored after an adverse court decision, which resulted in multiple trail closures.

The LOC lobby team helped stop several poorly constructed property tax measures that would have contributed to an already unfair and outdated property tax system in need of serious reform. We also stopped a pre-session legislative concept that would have preempted the local government franchise fee structure. Other wins included a fix for the use of photo radar and an improved broadband grant program.

What's Next?

In the interim, there is considerable work to do as we prepare for the 2025 session and ensure commitments are met. We must remain focused on what lies ahead because we are not done. The LOC's policy committees started meetings in March and will complete their process in June. State agencies are evaluating how housing infrastructure and shelter funding will be pushed out, and there will be a significant conversation about the transportation package in 2025.

This session's most important take-home message is that the LOC's grassroots advocacy **WORKS!** Persistent engagement and advocacy from cities combined with the efforts of your LOC lobbyists creates leverage and is a recipe for success. During the interim, cities must reinforce their legislative partners, build on local government education, and let their state legislators know how much they appreciate their support.

How to Use this Summary

This summary provides a snapshot of the LOC's work during the 2024 session. There are many other legislative concepts that your lobby team worked on during the session, but are not part of this summary. If there are bills that are not on this list that you have questions about, or if you want a deeper dive into the details of any legislation profiled in this summary, please reach out to the LOC, and we'll connect you with the appropriate lobbyist.

COMMUNITY DEVELOPMENT

Economic Development

PASSED BILLS

SB 1526: Industrial Site Readiness Program Extension

Effective Date: June 6, 2024



SB 1526 extended the sunset of the Oregon Industrial Site Readiness (RSIS) program from July 1, 2023 to December 31, 2029. It also made several technical changes to the program to improve ease of administration, including the exchange of accurate employment and wage data to calculate the reimbursement. The sunset extension was a key priority for the LOC.

SB 1526 is the revenue omnibus bill, a catch-all for revenue-related technical and administrative changes with some new policies. The LOC took no position on any other provisions of the bill besides the sunset extension of the RSIS program. Also included in SB 1526:

- Adding semiconductor-related development to properties eligible to receive property tax abatement under the e-commerce designation of the state's Enterprise Zone program.

A full summary of the changes in the bill can be found [here](#).

FAILED BILLS

HB 4042: Industrial Site Loan Funding



HB 4042 would have capitalized the Industrial Site Loan Fund with \$40 million. It was a redraft of HB 2258 (2023) and a priority of the state's Semiconductor Task Force. The Legislature created the Regionally Significant Industrial Site (RSIS) program, including the loan fund, in 2013 to assist local governments with the cost of making industrial lands ready for development, but has never funded the loan program. HB 4042 also held the sunset extension of the RSIS program, which passed in SB 1526 (2024). The LOC expects to bring forward similar legislation in 2025.

Housing & Land Use

PASSED BILLS

SB 1529: Emergency Weather Resources Update

Effective Date: Upon signing by the governor



This bill makes technical updates to housing stabilization programs. Of note to cities, SB 1529 adds flexibility to an existing program at the Oregon Health Authority (OHA) that directs the agency to contract with cities and other eligible entities, such as non-profits, to distribute air conditioners and air filters in anticipation of an emergency (not just during or after) and clarifies that technical assistance and community outreach are eligible uses of the funds.

SB 1530: Housing Stabilization and Production Funding

Effective Date: Upon signing by the governor



SB 1530 appropriates \$279.6 million in general fund resources across eight agencies to support investments in housing stability, infrastructure development, housing production, climate impacts, and recovery housing, including:

- \$65 million to keep existing shelters open this biennium;
- \$94.9 million in direct grants to cities for site-specific infrastructure investments to support needed housing;
- \$15 million for the Healthy Homes Repair Fund;
- \$3.5 million to provide air conditioners and air filters to eligible recipients; and
- \$18 million for grants at the OHA directed to specified community-based organizations for recovery housing projects.

SB 1537: Governor's Housing Production Bill

Effective Date: June 6, 2024 (see other effective dates below)



SB 1537 is the Governor's Housing Production Package. The bill creates several new programs and new land use requirements, including:

- Establishing a new [Housing Accountability and Production Office \(HAPO\)](#) with \$5 million for local technical assistance grants, *effective January 1, 2025*;
- Clarifying when a developer may opt in to new housing laws that take effect mid-development application; this language is also included in HB 4063 (*effective June 6, 2024*);
- Expanding prevailing party attorney's fees provisions for affordable housing to include local governments, allowing cities to receive compensation for legal expenses when supporting and responding to land use litigation (*effective January 1, 2025*);
- Allocating \$3 million to Business Oregon to help small and rural local governments access infrastructure programs (*effective June 6, 2024*);
- Establishing and funding a new state revolving loan fund with \$75 million for local governments to administer loans for moderate-income housing development (*effective June 30, 2025*);

- Requiring cities to grant up to 10 administrative adjustments to local siting and design standards for housing development (*effective January 1, 2025*);
- Directing cities to process housing development applications requesting partitions and other property boundary changes; site plan review; nonconforming use cases; or adjustments to land use regulations, as limited land use decisions (*effective January 1, 2025*); and
- Providing a one-time urban growth boundary (UGB) expansion tool, and streamlined process for UGB land swaps (*effective June 6, 2024*).

SB 1564: Optional Housing Model Ordinances

Effective Date: Upon signing by the governor



SB 1564 requires the Oregon Land Conservation and Development Commission to adopt model ordinances for cities of different sizes to implement housing and urbanization requirements. The bill directs the Department of Land Conservation and Development (DLCD) to develop models by January 1, 2026 for optional local adoption. The model ordinances will be focused according to city population (cities below 2,500, 2,500 to 25,000, and above 25,000) and must consider geographical and other regional factors. The model ordinances are presumed to be clear and objective. Local governments may choose to adopt model ordinances prescribed for their population size, or a larger population bracket, into their local code, or adopt them by reference. The ordinances can be adopted in whole or in part, meaning cities can choose to utilize the state model ordinance for certain housing types while retaining their local ordinances for another type.

HB 4015: Battery Facility Siting – See [Energy and Environment section](#)

HB 4026: UGB Expansion Referrals

Effective Date: March 20, 2024



HB 4026 clarifies that local urban growth boundary (UGB) expansion decisions are not eligible to be referred to the ballot by petition and are reviewable exclusively by the Oregon Land Conservation and Development Commission through the established state land use system. The bill received strong bipartisan support and was among the first bills signed by Governor Kotek.

HB 4063: House Housing Omnibus Bill

Effective Date: June 6, 2024



HB 4063 is a largely technical housing policy package that contains several provisions applicable to cities, including:

- Clarifying city and county responsibilities within urban unincorporated lands in the metro region for housing planning and implementation of the Oregon Housing Needs Analysis (OHNA) passed in HB 2001 (2023);
- Clarifying when a developer may opt-in to new housing laws that take effect mid-development application; this language is also included in SB 1537;
- Clarifying that a local jurisdiction may allow the resulting parcel of a partition to be divided into three more parcels for middle housing development;

- Updating the Single-Unit Housing Property Tax Exemption to make local administration more efficient; and
- Updating HB 2001 (2024) to clarify that cities in the metro region will receive a housing needs allocation from the Oregon Department of Administrative Services in the same manner as non-metro cities.

HB 4134: Housing Oregon's Workforce (HOW)

Effective Date: Upon signing by the governor



HB 4134, known as the Housing Oregon's Workforce (HOW) bill, provides \$7.1 million in direct grants to four cities for specified infrastructure projects to benefit housing developments that will make at least 30% of the dwelling units affordable to households earning 130% or less of county median income. The original bill proposed \$21.3 million in grants to 11 cities.

FAILED BILLS

HB 4023B: Residential Treatment Facility Supersiting



HB 4023 was introduced as a placeholder bill and amended late in the legislative session. The House Rules Committee amended the bill to include a “supersiting” tool that would prohibit local governments from requiring developers of residential treatment facilities to first obtain a zone change or a conditional use permit, but only in land zoned for commercial use, light industrial use, and publicly owned lands. The LOC submitted [testimony](#) sharing concerns the bill would expose cities to legal confusion and costly litigation for potential violations of the federal Fair Housing Act.

After passing the House, the Senate Rules Committee amended the bill to extend the “supersiting” tool to residential zones. The LOC joined behavioral health providers, counties, chiefs of police, sheriffs, and district attorneys in supporting the amended bill, which passed the Senate on the final day of the session with bipartisan support. The House declined to hear the bill for the concurrence vote required for final passage, and HB 4023B died in the final hour of the session.

HB 4090: Energy Facility Siting – See [Energy and Environment section](#)

HB 4099A: Municipal Development Protection Fund



HB 4099 would have established and appropriated \$10 million for the Municipal Development Protection Fund at Oregon Housing and Community Services (OHCS). The bill directed OHCS to act as a guarantor for any city that agreed to defer system development charge (SDC) collections for housing development for up to 180 days after issuance of certificate of occupancy, or 12 months for publicly supported affordable housing. Should a developer fail to pay their deferred SDC, the program would have reimbursed cities that had agreed to defer SDC collection. The bill also authorized OHCS to assess a 20% fee plus additional interest on a developer who failed to pay the SDC charge. HB 4099A passed the House Housing and Homelessness Committee with unanimous support but did not receive a hearing or funding in the Ways and Means Committee.

HB 4128A: Housing Infrastructure Grants

HB 4128 would have directed nearly \$93 million to Business Oregon for direct allocations to cities for water-related infrastructure projects to support housing development. The bill would have also funded a local infrastructure needs inventory at Business Oregon. While HB 4128A did not pass, the proposed local infrastructure grants informed the allocations that passed in [SB 1530](#).

HB 4155A: Infrastructure Financing Study

This bill would have funded a study of the costs of infrastructure financing in Oregon by considering and evaluating tools the state may use to improve infrastructure and housing costs. HB 4155A passed the House Housing and Homelessness Committee with a unanimous vote but failed to receive a hearing in the Ways and Means Committee.

ENERGY & ENVIRONMENT

PASSED BILLS

SB 1596: Right to Repair

Effective Date: January 1, 2025



SB 1596 requires the “original equipment manufacturers” (OEMs) of electronic equipment to make the necessary documentation, tools, parts, and other resources available to both authorized service providers and independent repair providers on fair and reasonable terms to diagnose, maintain, repair, or update consumer electronic equipment. The bill promotes competition, and equitable access to resources, and ensures that consumers have access to a wide range of repair options, ultimately driving down repair costs that benefit our community members and playing a pivotal role in reducing electronic waste. Additionally, the attorney general will have the authority to investigate and penalize manufacturers that violate the terms of this act and send a clear message that unfair and anti-competitive practices will not be tolerated. Furthermore, the bill helps to promote local independent businesses and drive new economic development opportunities.

Unfortunately, for many communities, especially rural and frontier communities, authorized providers are few and far between. The bill now provides consumers with additional repair options for electronic devices and will reduce improper disposal of electronic waste.

SB 1525: ODOE Technical Fix Bill

Effective Date: March 27, 2024



SB 1525 makes some key technical fixes that modify certain reporting timelines for the Oregon Department of Energy (ODOE), including:

- A natural and working lands net biological carbon sequestration and storage inventory report;
- A study on workforce and training needs to support natural climate solutions on natural and working lands;

- A nonbinding biological carbon sequestration and storage goal for Oregon's natural and working lands; and
- Submission of Oregon's energy security plan by September 30, 2024, rather than June 1, 2024.

For Oregon to carry out the requirements for those reports that ensures a robust engagement process, the department needs more time. The original dates were set arbitrarily.

SB 1525 also expands the definitions of "planning costs" and "project cost" in the Community Renewable Energy Grant Program (CREP) to include costs paid or incurred by an applicant's partner, rather than exclusively by an applicant. The Community Renewable Investment Fund ([HB 2021](#), 2021 session) received \$50 million to provide grants for planning and developing community renewable energy and energy resilience projects (known as the CREP). In addition, instead of distributing funds at completion, 30% of the grant money is released upon entering into a performance agreement, freeing up capacity for smaller communities who cannot start a project without seed money.

Finally, SB 1525 modified the Heat Pump Grants and Rebates Program and expanded an exemption for stand-by generation facilities from obtaining a site certificate from the Energy Facility Siting Council (EFSC) for a standby generation facility.

[SB 1581](#): Reporting Efforts Towards Participating in a Regional Energy Market

Effective Date: January 1, 2024



SB 1581 requires an investor-owned utility that sells more than two million megawatt hours of electricity in a calendar year to submit a report to the Legislature on plans or preparations the utility has taken or is taking toward participating in a regional energy market.

A regional transmission organization (RTO) is an "independent, nonprofit organization that operates and ensures reliability of the bulk power system and optimizes supply and demand for wholesale electricity." Utilities in Oregon individually perform these functions for their territories and base their rates on a regulated rate of return on investments. Oregon is not part of an RTO or Independent System Operator (ISO).

[HB 4015](#): Defining Battery Energy Storage Systems

Effective Date: January 1, 2025



HB 4015 defines a battery energy storage system (BESS), improves the site certificate process for a BESS, and permits a BESS developer to use the Energy Facility Siting Council (EFSC) to site the BESS. These systems are composed of individual battery cells that are housed together in a module and enclosed in a structure such as a shipping container or a building. Utility- or large-scale BESSs store energy from sources such as wind and solar and provide backup power when those intermittent sources are not available or the cost to generate is high.

Current statute requires a separate site certificate for a BESS, even when paired with a renewable energy project. This extra certificate process increases the cost and would delay project implementation. HB 4015 creates a clear definition of a BESS and allows a separate site certificate to not be required for a BESS when sited in conjunction with another energy facility.

HB 4080: Offshore Wind Development Engagement Policy & Labor Standards*Effective Date: Immediately upon passage*

HB 4080 establishes a state policy for the implementation of an Offshore Wind Roadmap. The policy provides for engagement between offshore wind developers and impacted organizations, including local governments, Tribes, ports, and others impacted by the development of offshore wind. Additionally, the legislation aims to promote economic diversification and resilience in offshore wind energy development by ensuring labor and supply chain standards are in line with practices already accepted for renewable energy development projects on land. The bill also requires the Oregon Department of Land Conservation and Development (DLCD) to provide a report on the roadmap to the legislative committees related to marine renewable energy by September 1, 2025.

Having a clear roadmap provides an avenue for the state, local governments, and other impacted groups to engage with all parties, including the federal government. States that have established roadmaps have had more success moving forward with offshore wind projects with less consternation due to the engagement process outlined in their Offshore Wind Roadmaps.

FAILED BILLS
HB 4090: Remove the EFSC Process from Some Energy Siting Review

HB 4090 as amended would have removed the Energy Facility Siting Council (EFSC) certificate process for renewable energy, excluding nuclear, or high-powered transmission line projects exclusively on federal lands. The National Environmental Protection Act (NEPA) process would continue. The LOC secured an amendment that ensured local governments within or adjoining the project area were consulted prior to the NEPA review process. The bill passed the House but died in the Senate.

SB 1559: Modifies State Greenhouse Gas Emission Reduction Goals

SB 1559 would have updated Oregon's greenhouse gas emission reduction goals and changed the term "global warming" to "climate change" in some statutes. The legislation would have updated Oregon's emission reduction practices to be consistent with efforts to limit warming to 1.5 degrees Celsius. Additionally, the state's greenhouse gas emission reduction goals would have been modified to achieve reduction levels of:

- At least 45% below 1990 levels by 2030;
- At least 70% below 1990 levels by 2040; and
- At least 95% below 1990 levels by 2050.

SB 1559 received one public hearing on February 13. Because some groups felt the bill was too controversial for a short session, it was heard only as a courtesy.

FINANCE & TAXATION

Property Taxes

PASSED BILLS

HB 4031: Extends DOR Requirement for Taxpayer Confidentiality to Local Governments

Effective Date: March 27, 2024



HB 4031 extends to local governments the requirements currently placed on the Oregon Department of Revenue to maintain confidentiality of taxpayer information. The requirement covers local government agencies that collect, administer, or manage a local tax imposed upon or measured by gross receipts, gross or net income, wages or net earnings from self-employment, local general sales and use taxes or marijuana taxes. This bill arose out of a situation in which the city of Portland received a public records request for taxpayer information.

HB 4056: Property Foreclosure Surplus

Effective Date: June 6, 2024



HB 4056 temporarily stops counties from taking the deed to a property and requires them to set up a process to determine the surplus from a foreclosure sale. It was brought forth to address the impacts of the recent U.S. Supreme Court Decision, [*Tyler v. Hennepin County*](#).

Cities with municipal liens on a property are notified and have funds distributed from the sale per [ORS 275.275](#); however there can be debts to the city that are not recorded as liens on the property. Other debtors have requested a process to have their liens satisfied before the surplus is returned if a process is determined, and the LOC has requested that cities have the same opportunity. A workgroup is being formed to work out 2025 legislation.

HB 4111: Farm Equipment Property Tax Exemption

Effective Date: June 6, 2024



HB 4111 exempts real farm equipment and machinery from property taxation. Prior to HB 4111, only farm equipment defined as tangible personal property was exempted. Proponents of the bill have stated there is confusion over whether a piece of farm equipment is “tangible” and depends on arbitrary factors such as if the equipment is fixed or mobile. The LOC stayed neutral on the bill because most of the equipment that is being exempted is outside of cities and the revenue impact is low.

SB 1545: Special Assessment for Wildfire Destroyed Homes

Effective Date: June 6, 2024



SB 1545 allows a county to adopt a special assessment for homes destroyed by the September 2020 wildfires and rebuilt on the same lot. The special assessment is limited to the home value of the 2020-21 real market value of the home, up to the square footage of the destroyed home. The LOC did not take a position because of the limited scope of the special assessment.

FAILED BILLS
HJR 201/HB 4075: Statewide Property Tax for Wildfire

HJR 201 would have referred a constitutional amendment to the voters to create a new statewide property tax to fund public safety. While the bill used the term broadly, it was expected to provide additional funding to rural fire protection districts and the state for wildfire fighting and resilience. The tax would not have impacted compression.

HB 4075 would have only gone into effect if HJR 201 was passed by the voters. It required that 80% of the revenue be distributed to local providers and 20% to the state. It would also have set up a statewide authority to decide how the revenue is spent.

The LOC opposes using the property tax system on state programming as well as the creation of a new statewide authority that would make spending decisions on an already constrained local revenue source. While the tax would have been outside Measure 5 and 50 compression limits, a new statewide tax would have caused voter confusion and limited the ability to pass local bonds and levies.

HB 4141: Lower Delinquent Property Tax Interest Rate

HB 4141 would have decreased the interest rate charged on late property taxes from 1.33% per month to 1.33% per year. When cities receive property tax revenue, the revenue is typically invested in the Local Government Investment Pool until the city needs it to pay for services. When cities receive property tax revenue on time, it serves the long-term health of their budgets because they can invest it and earn interest on the investments.

SB 1544: Special Assessment for Seniors

SB 1544 would have created a special assessment for property owners aged 65 and older. The special assessment would not have had any limitations based on income or value of the home. The state already has an effective program to help seniors with the cost of property taxes, the Oregon Property Tax Deferral for Disabled and Senior Homeowners Program. A broad special assessment for seniors would be redundant and be a massive reduction to the largest and most important source of revenue for local governments.

SJR 202: Senior Property Tax Freeze

SJR 202 would have referred a constitutional amendment to the voters to create a program in which seniors can enroll to have the assessed value of their home frozen. If a homeowner aged 65 and older enrolled, the assessed value of their home would not be able to increase during their time in the program. The bill did not have eligibility requirements based on income or value of the home and no exceptions to increase assessed value with new construction.

HB 4072: State Payment in Lieu of Tax for Public Safety

HB 4072 would have created a payment in lieu of tax program in which the state would pay a public safety fee to cities with state-owned, property tax-exempt land. The program would have created a mechanism for the state to reimburse cities for the cost of providing local public safety services, including police and fire. The bill would have set up a pilot program for the city of Salem to receive the public safety fee and allow other cities with qualifying land to opt-in to the program.

HB 4133: Statewide Fee for Wildfire Funding

HB 4133 was one of several bills designed to provide new funding for the state's wildfire programs. Prior to bill submission, the legislative concept included a new \$10 fee on every property account in the state to fund the Oregon Department of Forestry. The property fee would have impacted compression. The LOC is opposed to this concept, and it did not make it into the introduced bill.

GENERAL GOVERNMENT

Public Safety

PASSED BILLS

HB 4002: Measure 110 Reform

Effective Date: April 1, 2024



HB 4002 recriminalizes the possession and use of small amounts of hard drugs; allows treatment facilities to hold intoxicated persons for 72 instead of 48 hours; addresses an adverse court ruling that made it difficult to prosecute drug dealing; and creates enhanced sentencing for dealing drugs to vulnerable populations. Under the bill, those in possession of small amounts of drugs may be charged with an Unclassified Misdemeanor punishable by up to 180 days in jail. However, the individual may be offered deflection services intended to vector a defendant into treatment and away from the criminal justice system. The 180-day sanction may be imposed by a judge in 30-day increments if the person is revoked by community corrections. HB 4002 also appropriates money to a grant program in the Criminal Justice Commission for counties to create deflection programs. This bill was passed with the strong support of the LOC, the Oregon Association of Chiefs of Police, the Oregon State Sheriffs Association, and the Oregon District Attorneys Association.

HB 4115: Police and Dispatch Collective Bargaining

Effective Date: Upon signing by the governor



HB 4115 allows police and corrections sergeants who do not have the authority to impose economic discipline to form their own collective bargaining units within police agencies. It further allows emergency telecommunications supervisors without economic discipline authority to join existing bargaining units. The bill doesn't allow a police sergeant to be in the same bargaining

unit as the employees they supervise, nor does it impact the “confidential employee” status of sergeants who may be involved in collective bargaining issues and internal affairs investigations in the interest of management. Finally, HB 4115 does not extend past the front-line supervisor employee into command ranks such as lieutenants and commanders. The bill has an emergency clause and applies to contracts entered into after the effective date.

SB 1576: Recreational Immunity

Effective Date: March 27, 2024



SB 1576 is an omnibus bill addressing several areas of civil law. Of interest to cities, the bill temporarily restores recreational immunity after adverse court rulings left property owners vulnerable to claims. The legislation adds “running, walking and cycling” to the definition of recreational purposes until July 1, 2025. SB 1576 is a temporary measure designed to restore recreational immunity until the matter may receive greater deliberation during a long session. The LOC will be a participant in interim conversations with the intention of developing a more durable solution.

Public Contracting

PASSED BILLS

SB 1575: Duty to Defend

Effective Date: January 1, 2025



SB 1575 prohibits contracts with architects, engineers and surveyors that require vendors to indemnify the public body for their work until liability has been established during adjudication. However, the bill does not apply to contracts issued using the “design-build” method of procurement. SB 1575 applies to contracts entered into after January 1, 2025 and the bill sunsets in 2035.

HB 4006: Bond in Lieu of Retainage

Effective Date: March 7, 2024



HB 4006 gives a contractor the option of providing a surety bond instead of having a portion of the payment retained to ensure completion of a project to specifications. The contracting agency is required to accept the bond unless they have found good cause to use retainage and provided that finding in writing to the contractor.

PERS

PASSED BILLS

HB 4045: PERS Benefit Increases

Effective Date: Multiple Dates



HB 4045 increases the Public Employee Retirement System and Oregon Public Service Retirement Program (OPSRP, also known as Tier III) for public safety-related employees. First, the bill allows OPSRP police and fire employees to retire at 55 years of age instead of 60.

Secondly, HB 4045 creates a new “Hazardous Conditions” benefit category for employees of the Oregon State Hospital and emergency telecommunicators. Employees in the new category will be able to retire earlier with benefits similar to police officers and firefighters. The bill is projected to increase system liabilities by \$110 million and increase employer contribution rates for local government employers with emergency telecommunicators by approximately 4.5% of payroll when it takes full effect in 2030.

TELECOMMUNICATIONS, BROADBAND, CYBERSECURITY & ARTIFICIAL INTELLIGENCE

PASSED BILLS

HB 4040: Enhancing the Broadband Grant Process

Effective Date: March 27, 2024



HB 4040 was a placeholder bill that the LOC and other broadband advocates amended to improve the state’s broadband grant process. Prior to the session, the LOC learned that the broadband Grant Application Review Committee (GARC), which was established in 2023 through [HB 3201](#), was struggling to find people to serve.

HB 4040 updates the broadband grant process by replacing the GARC with the Oregon Broadband Advisory Council (OBAC). As an established public body, this will streamline the grant award process, allowing broadband projects to move forward more quickly for communities while continuing to ensure ample oversight and transparency throughout the process.

In addition to the broadband fix, language was inserted to ensure funding previously passed by the Legislature for county fairs would also make the Oregon State Fair and the Portland Expo Center eligible for grants under the program for operations, maintenance and repairs.

HB 4153: Legislative Artificial Intelligence Task Force

Effective Date: March 27, 2024



HB 4153 creates a task force on artificial intelligence (AI) to establish a common understanding of AI terms and definitions, which will serve as a foundation for effective AI regulation and policy. The task force will aim to standardize vocabulary utilized by policymakers and industry professionals, creating shared language through a collaborative process that includes local governments, industry professionals, academics, and others. The LOC worked with sponsors of the bill to ensure that local government expertise and voices would have a seat on the task force.

SB 1571: Standards for Use of Artificial Intelligence in Campaigns

Effective Date: March 27, 2024



SB 1571 aims to protect election integrity and the public’s trust by setting clear standards for the use of artificial intelligence (AI) in the election process. The proliferation of user-friendly AI tools released to the public has created many new opportunities that allow for more efficiency and

creativity across all sectors. AI generated content presents many opportunities for ingenuity as well as potential harms,

SB 1571 will require disclosures on political communications that are the product of AI or synthetic media as defined by the bill. The secretary of state (SOS) will be tasked with investigating complaints and alleged violations of the law using a similar enforcement process established by [ORS 260.537](#). Furthermore, the SOS will have the authority to adopt additional rules necessary for the implementation of this act.

TRANSPORTATION

PASSED BILLS

[HB 4109](#): Transportation Omnibus – Photo Radar Fix

Effective Date: June 11, 2024



In 2023, the LOC sponsored and passed [HB 2095](#), giving all cities the authority to add mobile and fixed photo radar. During the summer of 2023, it was determined that additional clarity was needed to allow the use of fixed photo radar without also requiring an officer present at a location. HB 4109 is an omnibus bill that includes the necessary clarity for the use of fixed photo radar in Section 2. This legislation also cleaned up a portion of photo radar statutes because they are present in three different sections and created confusion.

[HB 4103](#): Trenton’s Law – E-Bicycle Definition

Effective Date: June 11, 2024



HB 4103 updates Oregon statutes to reflect the current technology surrounding electric-assisted bicycles. Oregon joins 48 other states that have modified their statutes to reflect current technology and adopted a three-tier system that reflects different levels of power and speed of e-bikes for purposes of regulation. Class 1 e-bikes only provide assistance when a rider is actively pedaling and stops its motor when the bike reaches 20 miles per hour (mph). Class 2 e-bikes can be propelled without pedaling and top out at 20 mph. Class 3 e-bikes require pedaling, come with a speedometer, and top out at 28 mph. HB 4103 limits access to throttle-assisted e-bikes to riders aged 16 and older while making it illegal for riders younger than 16 without a permit or driver’s license to operate e-bikes, which have capped speeds of 20 mph. The inspiration for HB 4103 resulted from the tragic loss of Trenton Burger, who lost his life while traveling on an e-bike when he was 15.

[SB 1566](#): County Right of Way Fees

Effective Date: March 27, 2024



SB 1566 authorizes counties to require a permit and charge fees when construction activity related to utility operations occurs in a county’s right of way (ROW). The fee structure is limited to a maximum of \$500 for each permit and specifies that the fee may not exceed the county’s cost of issuing the permit. There are several exemptions related to maintenance activity of utilities including water facilities. The LOC, along with the Special Districts Association of Oregon (SDAO), worked to amend the legislation to make it clear that exemptions and fees would not be allowed for core maintenance activity related to stormwater and wastewater facilities. The counties, however, rejected the LOC’s language and there was insufficient

support in the Joint Committee on Transportation to amend the bill. Going forward, cities will need to review all proposed county ordinances to ensure fees or permits do not include maintenance activity related to water, stormwater, or wastewater facility facilities.

FAILED BILLS

HB 4067: Micromobility Study



HB 4067 would have created a task force on electric micromobility and enabled Oregon to convene subject matter experts and communities to evaluate current regulations and safety standards and recommend possible legislation for the 2025 session. The bill did not advance due to the estimated cost of \$200,000 and died in the Joint Ways and Means Committee. The LOC expects this study bill to return in the 2025 session. Given the technological advancements in electric micromobility devices, Oregon needs to update existing regulations to address these devices, including e-driven mono-boards and unicycles with speeds that reach 30 miles per hour.

Weight Mile Legislation



This was a series of legislative concepts addressing Oregon's weight-mile structure and over-collection of road tax from truckers who operate trucks weighing more than 10,000 pounds. It's clear that truckers have been over-charged for their use of roads since 2018. Highway Cost Allocation Studies (HCAS) conducted every two years have shown an overcollection of at least \$193 million for the 2023-2025 cycle. It's likely a solution for weight-mile tax will be part of a transportation package in 2025.

HB 4165: Requires Report on Weight-Mile Tax by ODOT

HB 4165 would have required the Oregon Department of Transportation (ODOT) to evaluate Oregon's cost responsibility system, which determines the rate structure for weight-mile.

SB 1519 & SB 1543: Decreases Weight-Mile Tax

This series of legislative concepts would have established a new rate structure for vehicles exceeding 10,000 pounds. The net effect of these measures would have reduced the revenues available for distribution from the state's highway fund. As a result, the state, counties, and cities would have seen reduced revenues unless there was an increase in gas taxes, license fees, or fees associated with vehicle registration.

WATER AND WASTEWATER

PASSED BILLS

SB 1567: Bistate Water Management

Effective, January 1, 2025



SB 1567 directs the Oregon Water Resources Department (OWRD), in collaboration with the Confederated Tribes of the Umatilla Indian Reservation and the state of Washington, to implement and guide bistate water management in the Walla Walla River Basin following the

Walla Walla Water 2050 Strategic Plan. An advisory committee will include local governments among other key stakeholders.

SB 1561: Monsanto Settlement Agreement

Effective, March 13, 2024



SB 1561 establishes the Environmental Restoration Council and several funds to invest and distribute money from the Monsanto settlement agreement. The funds are available to make distributions to state agencies, non-profit organizations, and Tribal governments for environmental remediation.

FAILED BILLS

HB 4049A: PFAS Study Bill



HB 4049A was the per- and polyfluoroalkyl substances – commonly known as PFAS – study bill. This measure would have appropriated \$740,000 from the state's general fund for distribution to Oregon State University to study the occurrence and distribution of perfluoroalkyl and polyfluoroalkyl found in biosolids applied to agricultural fields that do not produce crops intended for human consumption. Biosolids are a resource recovered from the wastewater treatment process.

WILDFIRE

FAILED BILLS

SB 1511: Funding Community Wildfire Resilience



SB 1511 would appropriate \$29 million for wildfire resilience programs. The distribution would have been: \$18 million toward community wildfire protection administered by the Oregon State Fire Marshall (OSFM); \$6 million for public health and smoke management to the Oregon Department of Environmental Quality (DEQ); and \$5 million administered by the Oregon Department of Forestry for landscape resilience projects. This legislation was strongly supported by the LOC and the state's [Wildfire Program's Advisory Council](#) (WPAC).