City Council
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EUGENE CITY COUNCIL AGENDA AMENDED

February 19, 2025

12:00 p.m. URBAN RENEWAL AGENCY WORK SESSION

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

Note this packet has been amended to update the title for Item 1.

Meeting of February 19, 2025;
Her Honor Mayor Kaarin Knudson Presiding

Councilors

Greg Evans, President	Lyndsie Leech, Vice President
Mike Clark	Eliza Kashinsky
Matt Keating	Randy Groves
Jennifer Yeh	Alan Zelenka

12:00 p.m. URBAN RENEWAL AGENCY WORK SESSION

1. **WORK SESSION: Riverfront Urban Renewal District Update**

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

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

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EUGENE URBAN RENEWAL AGENCY
AGENDA ITEM SUMMARY

Work Session: Riverfront Urban Renewal District Update

Meeting Date: February 19, 2025 | Agenda Item Number: 1
Department: Planning and Development | Staff Contact: Will Dowdy
www.eugene-or.gov | Contact Telephone: 541-682-5535

ISSUE STATEMENT

At this work session, the Urban Renewal Agency Board (Agency Board) will be provided an update on the status of the Riverfront Urban Renewal District (District) and will be asked to review and take action on three projects eligible for urban renewal funds: construction of Affordable Housing development on Parcel 2, transmission line rerouting, and sidewalk improvements on East Broadway. As part of this work session, the Agency Board will also be asked to review and take action on the transfer of property (the Plaza) to the City of Eugene.

BACKGROUND

Urban Renewal has been the primary tool used to realize the community's vision of transforming the former Eugene Water and Electric Board (EWEB) property into the new Downtown Riverfront neighborhood. The Agency purchased the 16-acre property in April 2018 and has made significant investments to spur the site's redevelopment. Council amended the Riverfront Urban Renewal Plan on January 22, 2024, in order to achieve four objectives: 1) help to make residential development projects financially feasible, 2) improve public spaces and buildings (including streets and walkways), 3) strengthen the Plan Area's commercial environment, and 4) protect and enhance the key riparian areas along the river.

The Downtown Riverfront neighborhood has seen substantial progress towards these objectives in the last twelve months; the result of years of planning and hard work. The first residential building, Heartwood, has reached full occupancy, and the second building, Portal, is nearing completion. The Plaza at the Downtown Riverfront Park is under construction with a summer opening. City Hall opened and is fully functional, a destination for City workers and community members.

Projects for Consideration

At this work session, staff will present information on a) a proposal for 75 units of Affordable Housing on Parcel 2, b) rerouting of EWEB's transmission lines in the Downtown Riverfront Park, and c) construction of pedestrian and accessibility improvements on East Broadway. A detailed description of each project is included in Attachment B. Two projects (rerouting the transmission lines and East Broadway pedestrian and accessibility projects) have been recommended for approval by the Riverfront Urban Renewal advisory committee, the River Guides. The River

Guides will meet to review and make a recommendation on the Parcel 2 Affordable Housing project before the February 19, 2025 Agency Board work session.

Property Disposition for Consideration
Staff will also present information on the proposed transfer of the following real property from the Agency to the City of Eugene: the 1-acre plaza, currently under construction, that will become part of the Downtown Riverfront Park. A description of the property proposed for transfer to the City is included in Attachment C.

District Status
The 2024 Urban Renewal Plan amendment identified projects eligible for urban renewal funds, including projects related to housing, streets, and projects initiated by the Agency Board. The projects the Agency Board is being asked to consider today advance each of these priority areas. The District currently has approximately $74.8M of tax increment funds. If the Agency Board approves all the funding requests outlined in Attachment B, approximately $65.6M of tax increment funds would be remaining to spend on projects in the District.

With the launch of the Downtown Core Fee Assistance Program and Accelerated Multi-Unit Property Tax Exemption (MUPTE) (both of which include a portion of the District) and the Agency's acquisition of the City property at 8th Avenue and Pearl Street this spring, staff is working to identify more opportunities for new housing development within the District.

RELATED POLICIES
City of Eugene Strategic Plan 2023-2026
Urgent Community Needs
- Strategic Goal: Increase the vibrancy, economic vitality, and livability of downtown.
- Strategic Goal: Stabilize the cost of housing.
- Strategic Goal: Advance climate action and community resilience to natural and human-caused disasters.

Riverfront Urban Renewal Plan
400.B Objectives
1. Address barriers to the creation of new housing by helping to make residential development projects financially feasible. The creation of new housing in the Plan Area will:
   a. Contribute to the Plan Area's vitality;
   b. Help alleviate the undersupply of housing in Eugene; and
   c. Support the City's housing and climate action goals.
2. Improve public spaces and buildings in the Plan Area in order to make it a safe, accessible, and welcoming place for all users. These public improvements will:
   a. Address public safety concerns by improving the physical environment;
   b. Provide safe, direct, and attractive linkages between the Plan Area, the University of Oregon, downtown Eugene, and the Willamette River;
   c. Address bicycle and pedestrian access within the Plan Area; and

d. Improve pedestrian and multi-modal transportation circulation between downtown Eugene and the Downtown Riverfront.

4. Protect and enhance the key riparian areas along the river by:
   a. Addressing impacts of Plan Area development on public open space;
   b. Maintaining and enhancing the public's physical access to and along the Willamette River

Housing Implementation Pipeline

- Income Qualified 5-year Goal 5.1: Continue investing in increasing the supply of Affordable Housing (0-80 percent AMI)
- Overall Housing 5-year Goal 5.2: Increase the amount of housing downtown by 50 percent from 2021; an increase of over 1,000 units

Eugene Downtown Plan

Strong Regional Center – Policy #2. Downtown development shall support the urban qualities of density, vitality, livability, and diversity to create a downtown, urban environment.

PREVIOUS AGENCY BOARD DIRECTION

May 26, 2020 Work Session

Councilor Semple, seconded by Councilor Yeh, moved to approve the proposed terms that are contained in Attachment A to the AIS and to authorize the Agency Director to take all actions necessary to transfer the real property underlying the rights-of-way shown in Attachment B to the City of Eugene.
Passed 6:2 (Opposed by Councilors Taylor and Zelenka)

January 22, 2024 Work Session

Councilor Groves, seconded by Councilor Keating, moved to approve 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 proposed funding for the projects contained in Attachment B to this AIS and authorize the transfer of the real property shown in Attachment C.
2. Approve the proposed funding for some of the projects contained in Attachment B to this AIS and/or authorize the transfer of the real property shown in Attachment C.
3. Take no action

AGENCY DIRECTOR'S RECOMMENDATION

The Agency Director recommends that the Board approve the proposed funding for the projects in Attachment B to this AIS and recommends that the Board authorize the transfer of real property shown in Attachment C to the City of Eugene.

SUGGESTED MOTIONS

Move to approve the use of urban renewal funds for the projects in Attachment B to this AIS and to authorize the Agency Director to take all actions necessary to transfer ownership of the real property shown in Attachment C to the City of Eugene.

ATTACHMENTS

A. Map of Downtown Riverfront
B. Projects for Approval by Agency Board
C. Property Disposition for Approval by Agency Board

FOR MORE INFORMATION

Staff Contact: Will Dowdy, Community Development Director
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Staff E-Mail: wdowdy@eugene-or.gov

Downtown Riverfront
E 3rd Ave
High St
Mill St
Ferry Street Bridge
Skinner Butte Park
Willamette River
Alton Baker Park
1
HOUSING
2
Affordable HOUSING
E 4th Ave
3A
HOUSING
3BC
Portal (130 Units)
Completion 2025
City Hall Parking
City Hall
Viaduct OPEN SPACE
4
E 5th Ave
6
COMMERCIAL
7R
COMMERCIAL
7
Heartwood (95 Units)
Completed 2024
8
RESTAURANT
PLAZA
Completion 2025
RIVERFRONT PARK
Ferry St
9
HOUSING
Annie Mims Lane
Wiley Griffon Way
10
HOUSING
Nak Nak Ave
E 6th Ave
Steam Plant
EWEB SUBSTATION
Steam Plant Parking Lot
E 7th Ave
Hilyard St
E 8th Ave
Affordable Housing
Developer Purchased
Developer to Purchase in Future
Developer to Ground Lease - Agency to Keep
Riverfront Site - Agency Purchased
Parking Lot
Agency Property to Transfer to City
Ft
0 50
City of Eugene, PDD
FEB - 2025
Eugene
Caution: This map is based on imprecise source data, subject to change, and for general reference only.

Projects for Approval by Agency Board

At the work session on February 19, 2025, the Agency Board will be asked to review and take action to approve the use of urban renewal funds for three projects: construction of Affordable Housing development on Parcel 2, transmission line rerouting, and sidewalk improvements on East Broadway.

Affordable Housing: up to $7,500,000 of Riverfront Urban Renewal funds

On May 26, 2020, the Agency Board approved deal points authorizing the Agency Director to facilitate the sale of Parcel 2 to a provider of Affordable Housing for development of a Downtown Riverfront Affordable Housing project consisting of at least 75 units of Affordable Housing. The Downtown Riverfront Affordable Housing project is identified in the Riverfront Urban Renewal Plan as a project eligible for tax increment funds. The Agency Board has the opportunity to authorize the use Urban Renewal funds to support this Affordable Housing project in lieu of all other typical funds that the City uses to support Affordable Housing (such as federal HOME funds, local Affordable Housing Trust Fund, and local System Development Charge exemptions/City Fee Assistance), as well as the previously authorized contribution of the land.

Atkins Dame, the developer of the market-rate housing in the Downtown Riverfront, and Homes for Good, the housing authority for Lane County and a provider of Affordable Housing, have proposed to partner in the development of an Affordable Housing project. The project would sit on Riverfront Parcel 2 at the northwest corner of 4th Avenue and Mill Street. The 75 rental housing units would be owned and operated by Homes for Good, serving households at or below 60% AMI with an affordability period of 30 years. The building would be designed in accordance with the neighborhood Design Guidelines and

constructed similarly to Portal, the market-rate apartments currently under construction by Atkins Dame across 4th Avenue from Parcel 2.

View of Parcel 2 project from 4th & Mill (looking northwest)

The property has a significant slope on the site; the first floor has an entry from 4th Avenue serving the lobby, office and core building functions. The units are located on the second, third and fourth floors. Because of the grade change, there is an opportunity to use a retaining wall and create a small parking area off the alley at the second floor level. Homes for Good will supply additional parking for units at their Parkview Terrace apartments a block to the north.

The project is estimated to cost $35 million. Homes for Good and Atkins Dame intend to apply to the State's Oregon Housing and Community Services agency (OHCS) for funds in the Low Income Fast Track (LIFT) and/or Low Income Housing Tax Credit (Tax Credit) programs for the majority of project funding. The Agency Director recommends that the Board authorize the expenditure of up to $7.5 million of Riverfront Urban Renewal funds to offset project costs and make the housing units affordable to households at or below 60% AMI. Remaining project funds would come from a permanent bank loan. Pursuant to the Board's previous authorization of the transfer of Parcel 2 to an Affordable Housing provider, the Agency Director intends to transfer ownership of Parcel 2 as is to Homes for Good at no cost once project financing has been secured and the permits necessary to begin construction have been approved. Homes for Good also intends to pursue a 20-year Low-Income Rental Housing Property Tax Exemption (LIRHPTE) from the City.

In past years, staff has estimated that up to $5 million of Urban Renewal Funds would be necessary for development of this project (in addition to contribution of the property and

approval of the tax exemption). With the escalation of construction costs and the increases in operating expenses, the funds needed from the Agency have increased.

The Parcel 2 Affordable Housing project is eligible for Riverfront Urban Renewal funding under Section 600A of the Riverfront Urban Renewal Plan: Existing Activities.

If the Agency Board approves the Urban Renewal funds, the development team would apply for State funds this spring. The State process introduces a high level of uncertainty into the schedule: OHCS has started a new review and evaluation process for LIFT that awards funds to qualifying projects on a first-come, first served basis, and it is unclear how long it will take to work through the current queue of projects to reach this one.

If the Agency Board approves the Urban Renewal funds, the development team would complete due diligence on the property, and closing would occur at commencement of construction, after all financing necessary for the project has been secured. If the State funds are awarded in 2025, the project would plan to submit building permit applications 2026, begin construction in 2026, and open for residents in 2028. If State funds are not awarded until a later time, the project timeline would push out accordingly. The Agency will retain the right to repurchase the Property at the development team's purchase price in the event that the development team does not meet construction and completion requirements.

The Urban Renewal Agency Board is asked to authorize up to $7,500,000 of Riverfront Urban Renewal funds to support this Affordable Housing project. If the project moves forward, City Council will be asked to take action on a tax exemption application (LIRHPTE); the Urban Renewal funds would be used in lieu of all other typical funds that the City uses to support Affordable Housing.

Transmission Lines Rerouting: up to $900,000 of Riverfront Urban Renewal funds

Eugene Water and Electric Board (EWEB) owns and operates electrical transmission lines that extend from the substation in the Downtown Riverfront, north to the large electrical tower in the Riverfront Park, and across the Willamette River into Alton Baker Park.

To support EWEB's long-term utility goals and the experience of future park users, the City and EWEB have explored the possibility of rerouting the overhead transmission lines.

The proposed reroute, shown in the graphic below, includes realigning service lines within Alton Baker Park to cross the river in alignment with a new pole that would directly serve the Willamette substation. The existing Riverfront Park tower could then be removed, opening views in the park and throughout the neighborhood, and creating more passive open space between the bike path and the river. The realignment within Alton Baker Park would move the towers and lines away from the canoe canal creating a safer maintenance environment for EWEB, benefiting wildlife along the canal, and supporting EWEB's long-term resiliency plans. Both EWEB and City Parks staff have vetted and support this proposed alignment concept.

EWEB's preliminary cost estimate for the entire project is approximately $2.4 million. Staff have engaged in preliminary conversations about the Agency potentially contributing funding for the work that would occur within the boundary of the Riverfront Urban Renewal District, currently estimated at around $900,000. This would include removal of the tower and associated cables in the Riverfront Park, installation of a new monopole next to the Willamette substation, and staffing for engineering and project management. EWEB's portion of the project cost would cover the work in Alton Baker Park on the east side of the river.

Rerouting of the Transmission Lines is a project that is identified as eligible for Urban Renewal funds in Section 600D-2 of the Riverfront Urban Renewal Plan: Transmission Lines Rerouting.

If the Agency Board chooses to fund the Riverfront Park portion of the work, EWEB would start by incorporating the project into their standard budgeting planning process for capital projects. Given current staffing and their queue of projects, EWEB estimates that design could begin in 2026 at the earliest, preparing the project for construction in mid-2028. Park staff would work to coordinate construction timing with the development of the Steam Plant Plaza and overlook, to minimize disruption for both projects.

The Urban Renewal Agency Board is asked to authorize up to $900,000 of Riverfront Urban Renewal funds to support the Transmission Lines Rerouting project.

East Broadway Pedestrian and Accessibility Improvements: $800,000 of Riverfront Urban Renewal funds

East Broadway provides an important connection between the University of Oregon and Downtown Eugene, and a direct route between the new student housing on East Broadway and the downtown core. In the past ten years, over 1,000 units of housing have been developed within a few blocks of downtown, while the pedestrian realm has been neglected. The existing conditions are inhospitable and fragmented, discouraging people from walking and rolling the few blocks that separate where they live from Downtown Eugene.

The blight analysis included in the 2024 Amendment to the Riverfront Urban Renewal Plan identified several instances of inadequate sidewalk conditions along East Broadway, including poor accessibility due to utility poles in the middle of the sidewalk and multiple locations with broken and deteriorated concrete.

To address this problem, Public Works is pursuing several enhancements to the East Broadway corridor between Mill Street and Alder Street (as shown in the graphic above, the section of the project between Mill Street and Hilyard Street falls within the District boundary). If fully funded, the project will widen and improve the sidewalk on the south side of East Broadway, providing better access for pedestrians and wheelchair users. This would result in the removal of one of the southern vehicular lanes. During a recent construction project, this lane was temporarily closed to accommodate construction activity. This created an opportunity to pilot the lane removal and demonstrated that it did not impede the flow of vehicular traffic. Removal of the lane would allow for the addition of a planting strip, sized to accommodate large trees, which will contribute to our urban tree canopy, reduce the urban heat island effect, and create an environment that is more welcoming to active transportation. The East Broadway Pedestrian and Accessibility Improvements will enhance connectivity to downtown, supporting positive activity at the heart of our community.

The whole project is estimated to cost $4.1 million. The 2017 pavement rehabilitation bond, approved by Eugene's voters, will fund repaving East Broadway from Mill Street to Alder Street. That funding will be used to repair the *paved* surface of the roadway. The project will also be funded by the walking and bike components of the 2022 voter-approved pavement bond measure, gas tax revenues, and Transportation SDCs. Staff have estimated that repairing and widening the sidewalk between Mill Street and Hilyard Street and adding a planter strip with new street trees will add at least $800,000 to the project cost. If approved, Urban Renewal funds would be used to leverage the existing project funds and construction mobilization to create a significantly improved sidewalk connection in this dense mixed-use area within the District boundary, safer and more pleasant pedestrian experience, improved accessibility along the corridor, and enhancement of the street as public space with planting strip and large canopy street trees.

The East Broadway Pedestrian Enhancements and Accessibility project is eligible for Riverfront Urban Renewal funding under Section 600C of the Riverfront Urban Renewal Plan: Physical Improvements to Address Safety and Comfort.

If the Agency Board chooses to fund the sidewalk and accessibility improvements, planter strip and trees for areas of this project within the District boundary, Public Works Capital Project Teams would include it in their project schedule for construction later this year.

The Urban Renewal Agency Board is asked to authorize $800,000 of Riverfront Urban Renewal funds to support pedestrian and accessibility enhancements within the District.

Property Disposition for Approval by Agency Board

At the work session on February 19, 2025, the Agency Board will be asked to review and take action to transfer the following property to the City of Eugene.

1. The Plaza

The Agency currently owns the Plaza (Phase 2 of the Downtown Riverfront Park), a one-acre parcel located between the Phase 1 portion of the Downtown Riverfront Park to the east and Ferry Street to the west (see Figure 1, above). The Plaza is currently under construction and is expected to be completed by June 2025, when it will open to the public.

The Agency Board purchased the largely vacant Downtown Riverfront property from the Eugene Water & Electric Board in 2018. Since that purchase, the Agency subdivided the property to create new buildable lots and constructed infrastructure to support the emerging Downtown Riverfront neighborhood, including the Downtown Riverfront Park. This parcel was developed so the City could provide amenities to the community (park), and the City is responsible for all ongoing maintenance and operations.

To transfer the property to the City, the Agency Board must authorize the transfer and direct the Agency Director to take the actions necessary to transfer ownership of real property. There is no financial consideration associated with the transfer of the property from the Agency to the City. The transfer of the property from the Agency to the City is authorized by Section 600 of the Riverfront Urban Renewal Plan.