



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

March 10, 2025

5:30 p.m. CITY COUNCIL WORK SESSION

City Council Monday work sessions are held in hybrid format using in person and 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 March 10, 2025; Her Honor Mayor Kaarin Knudson Presiding

Councilors

Greg Evans, President
Mike Clark
Eliza Kashinsky
Jennifer Yeh

Lyndsie Leech, Vice President
Matt Keating
Randy Groves
Alan Zelenka

5:30 p.m. CITY COUNCIL WORK SESSION

1. WORK SESSION and POSSIBLE ACTION: MUPTE Applications – Riverfront Parcels 9A and 10A

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EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session and Possible Action: MUPTE Applications – Riverfront Parcels 9A and 10A

Meeting Date: March 10, 2025
Department: Planning and Development
www.eugene-or.gov

Agenda Item: 1
Staff Contact: Dylan Huber-Heidorn
Contact Telephone Number: 541-682-5475

ISSUE STATEMENT

City Council is asked to consider two requests for Multiple-Unit Property Tax Exemptions (MUPTE) for Downtown Riverfront Parcel 9A and Parcel 10A (See map in Attachment A.).

BACKGROUND

MUPTE is an incentive program to encourage high-quality, multi-unit downtown housing, especially in areas well served by public transit. Both rental housing and multi-unit housing for home ownership are eligible; student housing is ineligible. Enabled by State law, the program provides a property tax exemption for up to ten years on qualified new multi-unit housing investments that occur within a targeted area, that meet program requirements, and that are reviewed and approved by Council. During the exemption period, property owners still pay taxes on the assessed value of the land and any preexisting improvements on the property. Council can deem commercial portions of a project to be a public benefit and include them as part of the exemption along with the residential portion.

In 2015, after a two-and-a-half-year review, Council revised the MUPTE program criteria, process, and boundary. See Attachment D for a summary of the program.

Downtown Riverfront

The Urban Renewal Agency purchased approximately 16 acres of Downtown Riverfront land from Eugene Water and Electric Board in 2018, with the intent to transform it into a new neighborhood with a public park and private mixed-use development with affordable housing, market rate housing, and commercial spaces. Based on terms the Agency Board approved in May 2020, the Agency and the Atkins Dame development team signed a Disposition and Development Agreement (DDA) for the sale of about 8 acres of Downtown Riverfront property to Atkins Dame. The DDA acknowledges that the developer would be applying for MUPTEs for any market-rate multi-unit housing buildings to be constructed. Noted below are the DDA specifics that apply to the MUPTE required public benefits.

Council previously approved MUPTE applications for Parcels 3A, 3BC, 7, and 9. Parcel 7 is now the fully occupied Heartwood building; Parcel 3BC is under construction. The development team has

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adjusted their development plan for Parcel 9, and the 2022 approval for the previous project cannot be applied to the new project proposal. Thus, this is an entirely new MUPTE process for the new MUPTE application for the new Parcel 9A project. In addition to the MUPTEs, the Agency Board approved up to \$7.5 million in tax increment funds for Affordable Housing on Parcel 2.

Project Overview

The City received two MUPTE applications in October 2024 from ERD Block 9 LLC and ERD Block 10 LLC, legal entities established by Atkins Dame to purchase, develop, and own the specific Riverfront developments. The applications were deemed complete on November 4. See Attachments E and F for the MUPTE applications, which are also publicly available at www.eugene-or.gov/MUPTE.

The developer has filed partition applications for Parcels 9 and 10 which, if approved, will divide Parcel 9 into 9A, 9B, and 9C, while Parcel 10 will be divided into 10A and 10B, as shown in Attachment A. Each of the proposed projects occupies the “A” portion of the respective parcels. This MUPTE review process focuses only on the two proposed projects and the “A” portions of their parcels. For example, for the purposes of the Compact Urban Development criteria, the density of the project on Parcel 9A was calculated using the area that will become Parcel 9A, ignoring the additional land in 9B and 9C.

The MUPTE application for Parcel 9A proposes a five-story, 80-unit residential development on Annie Mims Lane, extending from Ferry Street and the Riverfront Plaza southeast to Wiley Griffon Way. The proposed project for Parcel 10A is a five-story, 76-unit residential development on Annie Mims Lane between Wiley Griffon Way and Nak Nak Avenue, placing it between the proposed Parcel 9A development and the Steam Plant. Both parcels are currently vacant. The table below provides an overview of each project.

	Parcel 9A	Parcel 10A
Total Units	80 units	76 units
Studios	12	12
One-bedrooms	20	20
Two-bedrooms	48	44
Estimated Cost	\$48.4 million	\$46.4 million
Size	5 stories 106,000 sq. ft.	5 stories 105,000 sq. ft.

MUPTE Required Public Benefits

Projects must meet seven public benefit criteria to be eligible for a MUPTE. The Report and Recommendation of the Planning and Development Director provides a summary of each project and their compliance with the required public benefits. The respective Reports are included as Exhibits to the Resolutions in Attachment B and Attachment C. Below is a summary of the projects’ compliance with the MUPTE program requirements and public benefit criteria.

- *General Eligibility.* Both projects are located within the MUPTE boundary. Neither of the projects is designed to be student housing, meaning: all units will be leased by the whole unit (rather than by individual rooms or beds), the unit configuration does not include

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several bedrooms with individual bathrooms and sparse common space, and the project does not focus on amenities and location selected primarily for individuals attending college and offering limited viability as potential housing for the general population. Additionally, the project does not include units designated for transient use or vacation occupancy.

- *Compact Urban Development.* The two parcels are in the S-DR Downtown Riverfront Special Area Zone, which does not include a minimum residential unit density. However, the DDA stipulates unit minimums and maximums for each parcel. The DDA acknowledges Parcels 9 and 10 may be partitioned and sets minimum unit counts specifically for 9A and 10A.

	Parcel 9A	Parcel 10A
Proposed units	80 units	76 units
Min. Unit Count - DDA	80 units	75 units
Max. Unit Count - DDA	218 units	195 units

- *Green Building Features.* Both projects will utilize the City of Eugene Building and Permit Services pathway in order to demonstrate they will perform at least ten percent more efficiently than the Oregon Energy Efficiency Specialty Code. If Council approves either MUPTE application, the development team will be required to submit an energy model with the project's building permit application, and a commissioning report will be due 18 months after the project receives its Certificate of Occupancy to validate energy performance.
- *Local Economic Impact Plan.* For both projects, the development team proposes a plan for an estimated 55 percent of the project's dollar volume of professional services and construction contracts to be local to Lane County. It is reasonable for both projects to use the same estimate, as the projects are very similar, and the list of subcontractors working on each project is essentially the same. The general contractor for both projects is Essex Construction. The development teams and their contractors will be required to promote open competitive opportunities for Minority, Women, and Emerging Small Business Enterprises and to comply with wage, tax, and licensing laws. The development teams will a) provide the City with lists of all contractors; b) require that each contractor provide an affidavit attesting to not having any unpaid judgments for construction debt, including unpaid wages, and to being in compliance with Oregon tax laws; c) post information about the City's Rights Assistance Program in English and Spanish on each job site during construction of the project; and d) after construction, provide a report of the home city or zip code of all the construction labor workers on each project.
- *Moderate-Income Housing Contribution.* Per the Agency Board approved terms and the DDA, both projects will pay a fee dedicated to moderate-income housing, satisfying the requirement of the MUPTE program. The fees will be ten percent of the total ten-year exemption benefit. The applicant has chosen to pay this fee on an annual basis in years three through ten of the exemption periods, which they estimate to begin in Fiscal Year (FY)32. The fee is intended to help support moderate-income housing projects in the community. The estimated fees are:

	Parcel 9A	Parcel 10A
Estimated total moderate-income housing contribution	\$455,000	\$436,000

- *Project Design and Compatibility.* Each project will address basic design concepts in the context of the project location, and they will be designed and permitted for construction as shown in the resolution (should City Council approve either MUPTE). The basic design concepts include the scale, form, and quality of the buildings; the mix of project elements; the relationships to the street and surrounding uses; and parking and circulation.

Overall, the new developments evoke an industrial character and timeless sense of place that expands the aesthetic and design quality of the developing Downtown Riverfront. The projects' designs are intended to harmonize with the scale, form, and quality of onsite and adjacent development. They meet the design intent of designing for human scale, are appropriate for the local climate and natural resiliency, promote transparency between the sidewalk and interior spaces, help define a sense of place, fit the neighborhood, and employ high-quality materials.

Both projects include surface parking with carports and tuck-under parking behind the building, in the areas between the proposed buildings and the future development sites closer to the river.

- *Historic and Existing Housing Sensitivity.* The projects are adjacent or near to two historic locales, the Ferry Street Bridge and Viaduct and the Steam Plant, but the historic locales will not be affected by the project. The project includes no direct structural impacts—such as alterations or demolitions—to identified historic resources. No historic structures or existing housing were demolished or removed from the property in the two years prior to the date of application. The projects' designs appropriately account for preservation of the historic characteristics of nearby historic locales.
- *Project Need.* PNW Economics, an independent real estate economics firm, provided an evaluation of each project's financial viability with a review of assumptions including income, lease rates, operating costs, permanent financing, construction costs, and returns. The consultant concluded that neither project would be viable without the availability of the exemption and that MUPTE is critical to the success of both projects from a financial feasibility perspective. The consultant found the applicants' assumptions to be reasonable overall, with only minor changes made in their own analyses. See Attachment J and Attachment K for the PNW Economics analyses.

Design Changes

Several weeks after the MUPTE Review Panel's meetings and recommendations, the applicants' design team revised the designs for each building. The MUPTE process allows for such changes, recognizing that it is normal for projects to make changes to their designs after their initial application for MUPTE. The applicants submitted the revised designs, and Urban Design staff in the Planning and Development Department reviewed them for compliance with MUPTE criteria.

See Attachment L for revised designs of both projects, which are also included as exhibits to the resolutions in Attachment B and Attachment C.

The City Manager’s recommendations and the Reports and Recommendations of the Planning and Development Director are based on the revised designs. The MUPTE Review Panel’s conclusions are based on the original designs, which are included in the two MUPTE applications.

Revised Financial Information

During the MUPTE Review Panel meeting series for the two applications, the applicants submitted revised financial information sheets for each project. The changes were driven by a minor recalculation of property taxes in response to a slight change in the effective tax rate which took effect after the election cycle in November. The changes did not impact financial projections for the projects in any significant way, but the updated sheets are included in Attachment M as the most accurate versions of that information.

Review Panel

The 2015 MUPTE program update established a Review Panel tasked with providing a third-party review of individual applications for the City Manager. The Review Panel is made up of two at-large representatives selected by neighborhood association boards, an additional two representatives selected by the board of the neighborhood association in which the proposed project is located, and six technical professionals selected by the City Manager from the following six groups: architects/ green building specialists; building trades unions; developers; environmental professionals; public health professionals; and human rights representatives. See Attachment G for the member list.

The Review Panel considered the pair of applications, including compliance with program criteria and the independent consultant’s financial reviews, during three meetings held on November 26 and December 13, 2024, and January 10, 2025. The Review Panel concluded that both projects meet the required public benefit criteria. Attachments H and I contain the Review Panel’s conclusions and recommendations to the City Manager.

Tax Impact

The projects are located on property that was publicly owned until Atkins Dame purchased it in December 2022, meaning it previously did not generate any property tax revenue. With that purchase, the land now generates property tax revenue, and it will continue to generate that revenue throughout the ten-year exemption period should the MUPTEs be approved. In 2024, the two properties generated a combined \$94,000. During a ten-year exemption period, 2029-2038, the total taxes to be paid on the land will be approximately \$1,290,000. After the exemption period, the two parcels combined would generate an estimated \$1.19 million in year 11. The total tax exemption for a ten-year MUPTE would be roughly \$4.5 million for Parcel 9A and \$4.4 million for Parcel 10A.

	Parcel 9	Parcel 10	Total
Estimated total property tax paid on land during exemption period (Years 1-10)	\$661,000	\$629,000	\$1,290,000
Estimated property tax in Year 11	\$611,000	\$585,000	\$1,196,000

Public Comment and Neighborhood Engagement

Display advertisements for each of the two projects were published in *The Register-Guard* on November 12, 2024, soliciting comments for 30 days. The period ended on December 12, 2024. No comments had been received as of February 25.

MUPTE applicants are required to contact the relevant neighborhood association to share project information and seek input. Jim Atkins, representing Atkins Dame, and Joshua Lupkin, of SERA Architects, attended the September 25, 2024, Downtown Neighborhood Association general meeting and presented both projects. Prior to submitting their designs for building permits, Atkins Dame will hold another neighborhood engagement meeting.

HIP Connection

Downtown Riverfront housing will contribute to the [Housing Implementation Pipeline \(HIP\)](#) goals. The HIP is the 5-year internal work plan to coordinate current and future resources, goals, and priorities with a systems-thinking approach to housing across the full spectrum from people experiencing homelessness to overall housing supply. Specifically, these two projects would provide 156 units toward the goal of increasing the downtown housing supply by 50 percent (compared to 2021) and providing market-rate units in the forecasted pipeline of City-supported housing development ([Appendix C](#) of the HIP).

MUPTE Program Volume Cap

The MUPTE program goal is to assist in the creation of 1,500 new, multi-family housing units through redevelopment. At such time that the MUPTE-assisted number of dwelling units constructed reaches the cap, Council will conduct a comprehensive review to determine if continuation of the program is desired. As of today, 272 units have been created using the program from three projects (Gordon Lofts, Ferry Street Manor, and Heartwood), or about 18 percent of the volume cap. An additional 500 units have been approved for MUPTE and are either under construction or awaiting groundbreaking, not including the 156 units approved for the original design for Parcel 9. This brings the total number of approved units to 772, or 51 percent of the volume cap. Together, the 156 units in the two proposed projects would bring the total number of approved units to 928, or 62 percent of the program's volume cap.

Timing

The MUPTE program requires the City Manager to provide Council with a recommendation no later than 135 days after an application is deemed complete, which is March 19 for both applications. The City Manager's recommendation is provided below. By State statute and City code, if Council has not acted within 180 days from the date the applications were deemed complete (May 3, 2025), the applications will be deemed approved.

RELATED CITY POLICIES

[Climate Action Plan \(CAP\) 2.0](#)

CAP 2.0 includes multiple strategies that support the development of downtown and increase of compact housing in the downtown. Smaller homes tend to have a smaller carbon footprint during construction and use, and housing units built close to transit, jobs, and other amenities allow

residents to access the community using fewer trips.

Eugene Downtown Plan

- Use downtown development tools and incentives to encourage development that provides character and density downtown.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
- Downtown development shall support the urban qualities of density, vitality, livability, and diversity to create a downtown, urban environment.

Housing Implementation Pipeline (HIP)

Encouraging compact development in the downtown core is one critical way to provide housing for our growing community. Increasing the number of housing units in the downtown core achieves other policy goals related to climate recovery and resiliency, compact development, transportation efficiency, downtown vibrancy, and fiscal sustainability. A target goal in the HIP is to increase the amount of housing downtown by 50 percent from 2021: an increase of over 1,000 units.

Envision Eugene Pillars

- Provide ample economic opportunities for all community members.
- Promote compact urban development and efficient transportation options.
- Protect, repair, and enhance neighborhood livability.
- Provide for adaptable, flexible, and collaborative implementation.

Strategic Plan Goals: Urgent Community Needs

- Strategic Goal: Stabilize the cost of housing.
 - High-Impact Action: Continue to implement and increase the efficiency and effectiveness of development and redevelopment tools to increase the supply of housing.
- Strategic Goal: Increase the vibrancy, economic vitality, and livability of downtown.
 - High-Impact Action: Continue to implement and increase the efficiency and effectiveness of development and redevelopment tools to support commercial activity.
 - High-Impact Action: Improve Eugene's business environment and reputation as a place to do business, including improving overall community livability.
- Strategic Goal: Advance climate action and community resilience to natural and human-caused disasters
 - High-Impact Action: Decrease transportation-related emissions and make the transportation network diverse and adaptable through continued implementation of the Eugene 2035 Transportation System Plan and related compact development actions in Envision Eugene.
 - High-Impact Action: Continue to implement strategies from the Climate Action Plan 2.0 to improve and enhance efficiency and resilience of buildings in Eugene, including City-owned facilities.

PREVIOUS COUNCIL DIRECTION

[July 13, 2015, Work Session](#)

Move to adopt the ordinance concerning multiple-unit property tax exemptions and systems development charges. The Multi-Unit Property Tax Exemption program was amended and reinstated.

Passed 7:2 (Opposed by Councilors Brown and Zelenka)

[May 26, 2020, Work Session](#)

Agency Board approved terms for the sale of 8 acres of Downtown Riverfront property to Atkins Dame (which at the time was referred to as Williams Dame & Associates). The approved terms provide guidance on the redevelopment of the property and include an acknowledgment that the buyer would be applying for a MUPTE.

Passed 5:2 (Opposed by Councilors Taylor and Zelenka)

COUNCIL OPTIONS

1. Approve one or both MUPTE applications and adopt one or both of the resolutions in Attachment B and Attachment C.
2. Approve one or both of the applications with amended conditions of approval.
3. Direct the City Manager to bring back resolutions denying one or both applications because one or more specified approval criteria are not met.

CITY MANAGER'S RECOMMENDATION

Based on the MUPTE Review Panel's conclusions, the independent financial consultant analyses, the quality of the projects, and contributions they will make toward bringing downtown to the river and activating the new Downtown Riverfront neighborhood, the City Manager recommends approval of the MUPTE applications for Parcel 9A and Parcel 10A on the terms and conditions specified in the attached resolutions (Attachment B and Attachment C).

SUGGESTED MOTIONS

1. Move to adopt A Resolution Approving a Multiple-Unit Property Tax Exemption for Residential Property Located on Lot 12 of the Town Run Plat in Eugene, Oregon (Assessor's Map 17-03-32-22, Tax Lot 02800) (Applicant ERD Block 9, LLC).

AND

2. Move to adopt A Resolution Approving a Multiple-Unit Property Tax Exemption for Residential Property Located on Lot 13 of the Town Run Plat in Eugene, Oregon (Assessor's Map 17-03-32-22, Tax Lot 02900) (Applicant ERD Block 10, LLC).

ATTACHMENTS

- A. Map of Downtown Riverfront Development Sites
- B. Resolution Approving Property Tax Exemption for Parcel 9A
 - a. Exhibit A: Report and Recommendation of the Planning and Development Director
 - b. Exhibit B: Building Elevations and Site Plan
- C. Resolution Approving Property Tax Exemption for Parcel 10A
 - a. Exhibit A: Report and Recommendation of the Planning and Development Director
 - b. Exhibit B: Building Elevations and Site Plan
- D. MUPTE Program Summary
- E. MUPTE Application for Parcel 9A
- F. MUPTE Application for Parcel 10A
- G. MUPTE Review Panel Member List
- H. MUPTE Review Panel Conclusions for Parcel 9A
- I. MUPTE Review Panel Conclusions for Parcel 10A
- J. PNW Economics Financial Review for Parcel 9A
- K. PNW Economics Financial Review for Parcel 10A
- L. Revised Building Designs and Urban Design Memoranda
- M. Applicant's Revised Financial Information Sheets

Copies of both MUPTE applications are available at www.eugene-or.gov/MUPTE.

FOR MORE INFORMATION

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Legend:

- Affordable Housing
- Developer Purchased
- Developer to Purchase in Future
- Developer to Ground Lease - Agency to Keep
- Riverfront Site - Agency Purchased
- Parking Lot
- Bike/Ped Area
- Quiet Zone Crossings
- *TH = Townhomes

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



RESOLUTION NO. _____**A RESOLUTION APPROVING A MULTIPLE-UNIT PROPERTY TAX EXEMPTION FOR RESIDENTIAL PROPERTY LOCATED ON LOT 12 OF THE TOWN RUN PLAT IN EUGENE, OREGON (ASSESSOR'S MAP 17-03-32-22, TAX LOT 02800) (APPLICANT ERD BLOCK 9, LLC).****The City Council of the City of Eugene finds that:**

A. ERD Block 9, LLC is the owner of real property located on Lot 12 of the Town Run Plat in Eugene, Oregon (Assessor's Map 17-03-32-22, Tax Lot 02800), also identified as Parcel 9A in the Downtown Riverfront Master Plan ("the property").

B. ERD Block 9, LLC ("the applicant") submitted an application pursuant to the City's Multiple-Unit Property Tax Exemption Program (Sections 2.945 through 2.947 of the Eugene Code, 1971 ("EC")) with respect to residential units to be constructed on the property ("the project").

C. The project consists of the development of 12 studio units, 20 one-bedroom units, and 48 two-bedroom units for a total of 80 residential units. The project is not designed for the leasing of individual rooms or beds, for transient or vacation uses, or otherwise designed primarily for individuals attending college.

D. An independent outside professional consultant was retained and reviewed the project's financial pro-forma. A Review Panel was convened and reviewed the application as well as the independent consultant's conclusions in order to make a recommendation as to whether the application met the criteria in EC 2.946. The Review Panel's recommendation was submitted for the City Manager's review.

E. After considering the Review Panel's conclusions and recommendation, the Executive Director of the Planning and Development Department ("the Executive Director") as designee of the City Manager, prepared the Report and Recommendation attached to this Resolution as Exhibit A and incorporated herein by reference. The Report and Recommendation sets forth findings demonstrating that the project meets the criteria described in EC 2.946 and the conditions set forth in the Multiple-Unit Housing Property Tax Exemption Rule R-2.945 ("Rule R- 2.945").

F. Based on the findings in the Report and Recommendation, the Executive Director recommends that the application be approved and the exemption granted. In making that recommendation, the Executive Director found that the applicant submitted all materials, documents, and fees required by EC 2.945, EC 2.946, and Rule R-2.945, and the applicant is in compliance with the policies contained therein.

G. The City Council has concluded that the application meets the criteria described

in EC 2.946 and Rule R-2.945.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Based upon the above findings which are adopted, and upon the City Council's review and adoption of the Report and Recommendation of the Executive Director of the Planning and Development Department attached to this Resolution as Exhibit A and incorporated herein by reference, the City Council approves the application of ERD Block 9, LLC for an ad valorem property tax exemption under the City's Multiple-Unit Property Tax Exemption (MUPTE) Program for the residential units to be constructed on Lot 12 of the Town Run Plat in Eugene, Oregon (Assessor's Map 17-03-32-22, Tax Lot 02800), subject to the following conditions:

- 1.1 **Compact Urban Development.** The project will consist of 12 studio units, 20 one-bedroom units, and 48 two-bedroom units for a total of 80 residential units, none of which will be used for transient use, student housing, or vacation occupancy. There is no commercial space proposed in the building. The applicant did not propose commercial uses as part of the project, nor did the applicant demonstrate that commercial property is a required design or public benefit element of the project. Consequently, any commercial property on the development site is not eligible for the tax exemption.

Multiple-Unit Housing Property Tax Exemption Rule R-2.945 ("Rule R-2.945") requires that in order to be eligible for a MUPTE, projects on properties located in the Downtown Area and east of Charnelton Street must provide residential units equivalent to at least 175% of the minimum density applicable to the property's zoning designation. The property on which the project will be built is located in the S-DR Downtown Riverfront Special Area Zone, which does not include a minimum residential unit density.

The project will be constructed in accordance with the schematic drawing showing the site plan and major features and dimensions of the proposed development, as well as schematic drawings showing side, front, and back elevations of the proposed development, all of which are attached to this Resolution as Exhibit B.

- 1.2 **Green Building Features.** The project will utilize the City of Eugene Building and Permit Services Pathway to meet the MUPTE green building requirement and exceed the 10% energy efficiency threshold. The applicant will submit to the City of Eugene's Building and Permit Services Division an energy model with the applicant's development permit application. Within 18 months after receiving a certificate of occupancy, the applicant shall submit to the City a commissioning report pursuant to Section 1.2 of Rule R-2.945-C and will report multi-family occupancy energy use data to the City's Building and Permit Services Division

for the life of the MUPTE tax exemption.

The project's on-site parking will include installation of conduit for future electric vehicle charging stations.

- 1.3 Local Economic Impact Plan and Compliance with Laws. A plan is in place that demonstrates that more than 50% of the dollar volume of the combined professional services and construction contracts are or will be from business organizations or individuals residing or doing business primarily in Lane County.

Applicant will ensure that qualified minority and women business enterprises have been given an equitable opportunity to compete for development related contracts by: (1) accessing lists of certified minority, women, emerging small business or disadvantaged business enterprises from the Oregon State Office of Minority, Women and Emerging Small Business (recently renamed the Oregon Certification Office for Business Inclusion and Diversity); (2) searching for Qualified Rehabilitation Facilities (now known as Oregon Forward Contractors) from whom to procure products and services via the Oregon State Qualified Rehabilitation Facilities Program (recently renamed the Oregon Forward Program) website; and (3) advertising in general circulation, trade association, and minority focused media about prime subcontracting opportunities.

The applicant will ensure that information about the City's Rights Assistance Program in English and Spanish is posted on the job site during construction of the project.

The applicant will ensure that the developer and its contractors and subcontractors comply with wage, tax, and licensing laws.

The applicant will have in place methods for ensuring that all contractors performing work are licensed and performing in compliance with state law.

The applicant will provide the City's Building and Permits Services Division with a list of all contractors performing work on the project. Prior to performing work on the project, contractors must have valid, current licensing, insurance, bonding, and workers compensation coverage, and must be on the list of contractors provided to the City.

The applicant will require that each contractor provide an affidavit attesting to the fact that (1) the contractor, owner, or responsible managing individual for the contractor does not have any unpaid judgments for construction debt, including unpaid wages; and (2) the contractor is in compliance with Oregon tax laws.

- 1.4 Moderate-Income Housing Contribution. The applicant will pay a fee to be dedicated to moderate-income housing. The fee will be 10% of the total 10-year exemption benefit, or approximately \$455,000.

- 1.5 Project Design and Compatibility. The applicant shall adhere to the following design elements, as well as the actual square footages and exterior details included in Exhibit B unless the City Manager approves a deviation from the plan pursuant to EC 2.946(2)(d)6.b.:

The scale, form, and quality of the building responds to the character of the existing architecture within the Downtown Riverfront neighborhood. The five-story residential building uses a varied material palette that prioritizes high quality and durable materials at the most publicly important and visible locations.

The building's relationship to the street is handled with the application of brick paired with large storefront metal-framed windows throughout the first floor. Metal panel is a prominent material on upper stories. The project provides parking for residents in a surface parking lot located generally behind the building. Metal screening conceals parking where it abuts the street. The design successfully incorporates elements that address the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation.

During the design process and before the final design drawings are completed, the owner shall hold at least one neighborhood engagement opportunity to allow members of the Downtown Neighborhood Association and others to provide comments on the proposal. At least one of the applicant's principals shall attend that meeting.

After the final design is completed and before it is submitted for permits, the final design shall be submitted to the City to review for conformance with the design approved by this Resolution. The neighborhood shall also have an opportunity to review and comment on the final design. After the comment period, the City shall determine if the design is consistent with the requirements of this Resolution, and if not, whether the City Manager will approve a deviation pursuant to EC 2.946(2)(d)6.b..

- 1.6 At the time of completion, the project shall conform with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS Chapter 195, 196, 197, 215, and 227 that are applicable at the time the application is approved.
- 1.7 During all phases of development, the project shall comply with wage, tax, and licensing laws.
- 1.8 The project shall not contain any units for transient use or vacation occupancy.
- 1.9 The project will be completed on or before January 1, 2032, unless an extension of the deadline is requested by the property owner and approved by Council resolution pursuant to EC 2.947(5).

- 1.10 The public benefits of the project that will extend beyond the period of the tax exemption include Green Building (energy performance), Project Design and Compatibility, and Compact Urban Development.

Section 2. Subject to the conditions in Section 1 of this Resolution, 100% of the residential units described in Section 1 are declared exempt from local ad valorem property taxation beginning July 1 of the year following issuance of a Certificate of Occupancy and continuing for a continuous period of ten years unless earlier terminated in accordance with the provisions of Section 2.947 of the Eugene Code, 1971.

Section 3. The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within ten days, and to cause a copy of this Resolution to be filed with the Lane County Assessor on or before April 1, 2025.

Section 4. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted and effective the ____ day of March, 2025.

City Recorder

**REPORT AND RECOMMENDATION
of the Planning & Development Department**

Exhibit A

Riverfront Parcel 9A Application for Multiple-Unit Property Tax Exemption

The Executive Director of the Planning & Development Department of the City of Eugene finds that:

1. ERD Block 9, LLC (“ERD LLC”) is the current owner of real property located on Lot 12 of the Town Run Plat in Eugene, Oregon (Assessor’s Map #17-03-32-22, tax lot 02800), also known as Parcel 9 in the Downtown Riverfront Master Plan. ERD LLC submitted an application pursuant to the City’s Multiple-Unit Property Tax Exemption (“MUPTE”) program (Sections 2.945 through 2.947 of the Eugene Code, 1971), with respect to residential units to be constructed on the property.
2. As the City Manager’s designee, I have reviewed the application and found that:
 - 2.1 The project will provide 12 studio units, 20 one-bedroom units, and 48 two-bedroom units for a total of 80 residential units, none of which will be used for transient use or vacation occupancy. There is no commercial space proposed in the building. The applicant did not propose commercial uses as part of the project, nor did the applicant demonstrate that commercial property is a required design or public benefit element of the project. Consequently, any commercial property on the development site is not eligible for the tax exemption.
 - 2.2 The project is not designed to be student housing, meaning it will be leased by the unit (rather than by individual rooms or beds), the unit configuration does not include several bedrooms with individual bathrooms and sparse common space, it does not include amenities and location selected primarily for individuals attending college, and it does not offer limited viability as potential housing for the general population.
 - 2.3 Construction is expected to be complete on or before January 1, 2032.
 - 2.4 The project is located in the downtown area described in subsection (1) of Section 2.946 of the Eugene Code, 1971.
 - 2.5 The applicant submitted all materials, documents, and fees required by the City as set forth in Section 2.945 of the Eugene Code, 1971, and the administrative rules adopted by Administrative Order No. 53-22-09-F.
 - 2.6 The applicant responded to the **Required Public Benefit** criteria as follows:
 - 2.6.1 Compact Urban Development. Rule R-2.945 requires that in order to be eligible for a MUPTE, projects on properties located in the downtown area and east of Charnelton must provide residential units equivalent to at least 175% of the minimum density applicable to the property’s zoning designation. The project will be built in the S-DR Downtown Riverfront Special Area Zone, which does not include a minimum residential unit density.

Exhibit A

- 2.6.2 Green Building Features. Consistent with the requirements of Administrative Rule R-2.945-C 1.2.2.2, the project will utilize the City of Eugene Building and Permit Services' pathway to meet the MUPTE green building requirement and exceed the 10% energy efficiency threshold. The entity applying for development permits will be required to submit an energy model with their development permit application. Within 18 months after receiving a certificate of occupancy, the applicant shall submit to the City a commissioning report pursuant to Section 1.2 of Rule R-2.945-C and will report multi-unit occupancy energy use data to the City's Building and Permit Services for the life of the MUPTE tax exemption. The project's on-site parking will include installation of conduit for future electric vehicle charging stations.
- 2.6.3 Local Economic Impact Plan. The applicant has provided a Local Economic Impact Plan (Plan) demonstrating that more than 50% (the Plan estimates 55%) of the project's dollar volume of professional services and construction contracts include businesses based in Lane County as required by Administrative Rule R-2.945-C 1.3.1. The applicant is committed to promoting open competitive opportunities for Minority, Women, and Emerging Small Businesses, and the Plan demonstrates that the applicant will ensure that qualified minority and women business enterprises have an equitable opportunity to compete for contracts and subcontracts as required by Administrative Rule R-2.945-C 1.3.2. The Plan provides that the developer will post information about the City's Rights Assistance Program in English and Spanish on the job site. Finally, the Plan also demonstrates that the applicant will ensure that the developer and its contractors and subcontractors comply with wage, tax, and licensing laws as required by Administrative Rule R-2.945-C 1.3.4.
- 2.6.4 Moderate-Income Housing Contribution. Consistent with the requirements of Administrative Rule R-2.945-C 1.4, the owner will pay a fee to be dedicated to moderate-income housing. The fee will be 10% of the total 10-year exemption benefit, or approximately \$455,000.
- 2.6.5 Project Design and Compatibility. The project will adhere to the design shown in the resolution and will apply basic design concepts that consider the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation. The materials shown in the resolution will be adhered to, to the greatest extent possible.

The scale, form, and quality of the building responds to the character of the existing architecture within the Downtown Riverfront neighborhood. Together, these buildings and their materials, scale, and form create a cohesive neighborhood composition.

The mix of elements demonstrates an understanding of the surrounding amenities and environment. As a component of the district, the building's own set of elements and amenities complement the whole neighborhood. The characteristics of the proposed development evoke an industrial, timeless, and durable sense of place. The project when realized will secure these attributes into the built environment.

The building's relationship to the street is handled in a contextually appropriate manner with the application of brick paired with large storefront metal-framed windows on the entire first floor (aside from the metal screening installed along Annie Mims to conceal parking described below). On higher floors, metal panel is the dominant material, providing a durable and attractive exterior while controlling costs. These material choices and applications reinforce a high-quality and durable character representative of the district. It meets the sidewalk well and carries through the industrial character.

Given the recent evolution of the neighborhood, public transit stops have not yet been implemented. Until transit lines are established, the proposal provides safe and clear pedestrian and other multi-modal connections between the development, transit hubs and stops, and other notable districts in proximity. Parking for the development is provided on the first/ground floor supplemented by detached car ports. The use of metal screening along Annie Mims retains a strong street character while successfully concealing the parking area.

The project intends to add to the strength and richness of the Downtown Riverfront. As designed and shown in the resolution, it successfully accomplishes this through design concepts that consider the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation.

- 2.6.6 Historic and Existing Housing Sensitivity. The project is adjacent or near to two historic locales, the Ferry Street Bridge and Viaduct and the Steam Plant, but the historic locales will not be affected by the project. The project includes no direct structural impacts—such as alterations or demolitions—to any of the identified historic resources. No historic structures or existing housing were demolished or removed from the property in the two years prior to the date of application. The project's design appropriately accounts for preservation of the historic characteristics of the nearby historic locales.
- 2.6.7 Project Need. The project's pro-forma and financial information were analyzed by PNW Economics, an independent real estate economics consultant who found that the project as proposed could not be built but for the benefit of the tax exemption. The financial information ERD LLC submitted in their application is based on projections prior to finalizing financing, construction, and tenanting. It includes assumptions regarding rents, vacancy rates,

operating costs, lender underwriting criteria, interest rates, and reasonable rate of return. PNW Economics, the MUPTE Review Panel, and staff reviewed the assumptions. The consultant generally agreed with the assumptions used by the applicant in their financial projections and did not use significantly different assumptions in their own analysis.

The PNW Economics analysis concludes that the project would not be viable without the availability of the MUPTE using the reasonable assumptions outlined and concludes that MUPTE is critical to the success of the project from a financial feasibility perspective. See Section 4 below for the Review Panel's conclusions.

- 2.6.8 Public Benefit beyond Period of Exemption. The public benefits of the project that will extend beyond the period of the tax exemption include Green Building (energy performance), Project Design and Compatibility, and Compact Urban Development.

- 2.7 ERD LLC attended a neighborhood engagement meeting regarding Parcel 9A for the Downtown Neighborhood Association on September 25, 2024.

- 2.7.1 Future Neighborhood Engagement. Prior to completing final drawings, ERD LLC will hold another neighborhood engagement meeting. Before submitting for permits, ERD LLC will submit the design to staff to review conformance with the design attached to the MUPTE resolution (should City Council approve the MUPTE). Staff will also give interested parties an opportunity to review and comment on that final design.

3. The Community Development Division published an advertisement soliciting recommendations or comments from the public regarding this project in the Register-Guard on November 12, 2024. The period for comment expired on December 12, 2024, with no written testimony received.
4. The community-member MUPTE Review Panel considered the project application, including compliance with program criteria and the independent consultant's financial review, during two meetings held on November 26 and December 13, 2024. With a vote of six members in favor and one abstaining, the Review Panel concluded that the project meets the Required Public Benefit criteria, that the project's financial need was demonstrated, and that a ten-year exemption was warranted. The Panel Conclusions document will be provided to the City Council with the materials for the March 10, 2025, work session.

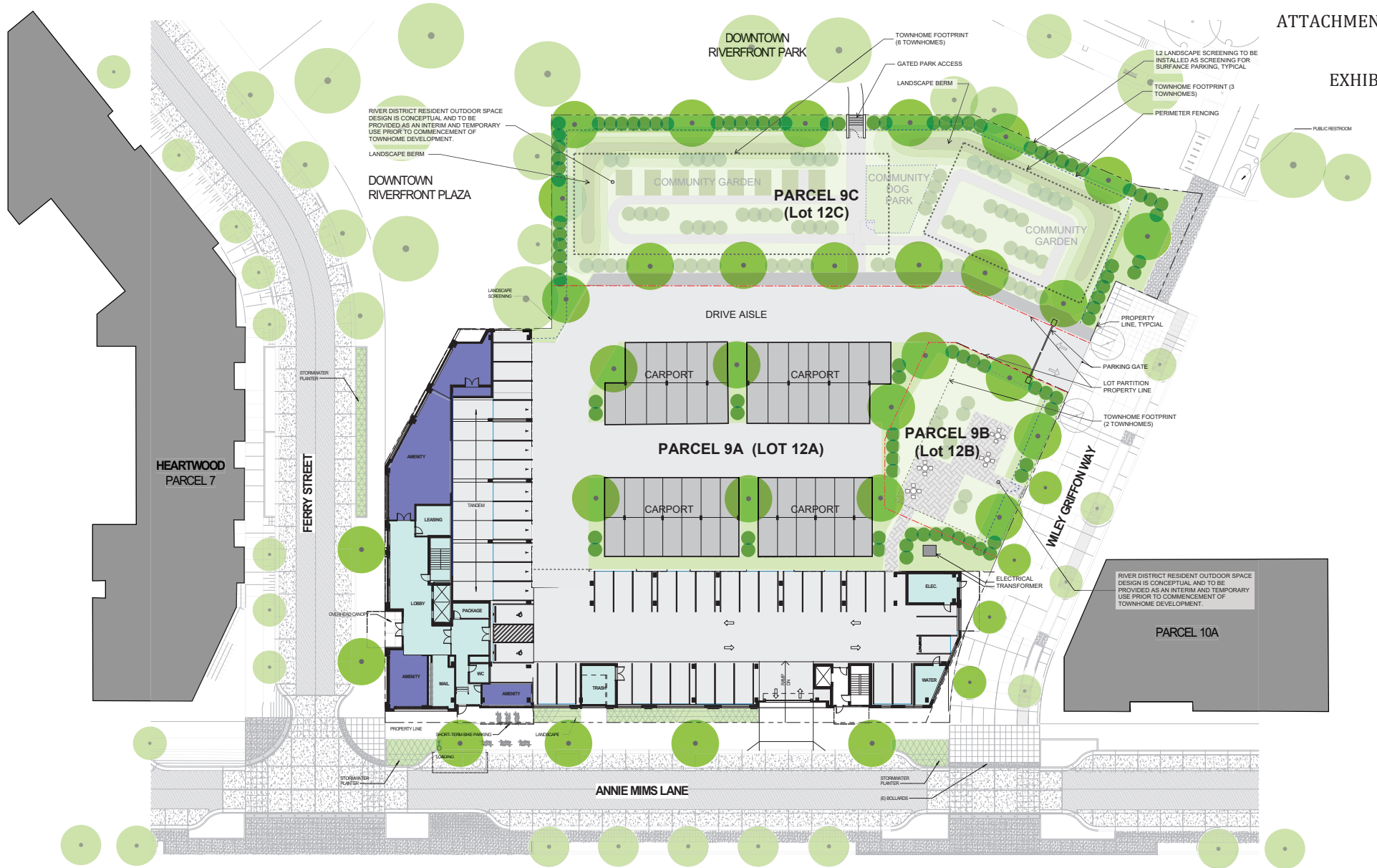
Therefore, based upon the above findings, the project is, or will be at the time of completion, in conformance with all applicable local plans and provisions of the Eugene Code, 1971, planning regulations, the Metropolitan Area General Plan, and the criteria set forth in the City's adopted administrative rules, and I recommend that the application be approved conditioned upon the project moving forward as proposed.

Dated this 28 day of February 2025.



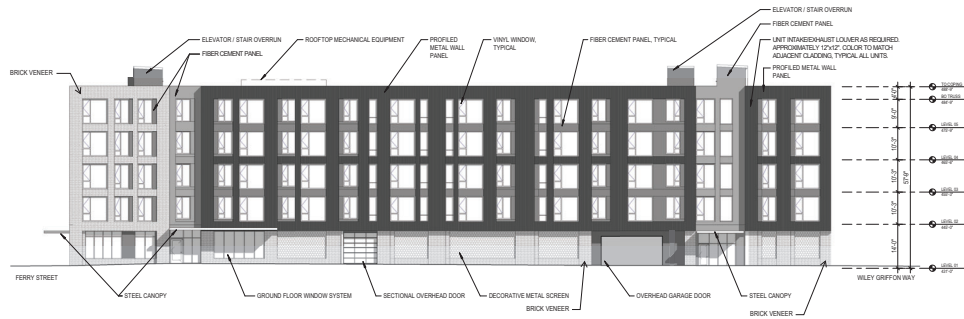
[Denny Braud \(Feb 28, 2025 11:01 PST\)](#)

Denny Braud
Executive Director
Planning & Development Department



1 SITE PLAN
1/16" = 1'-0"

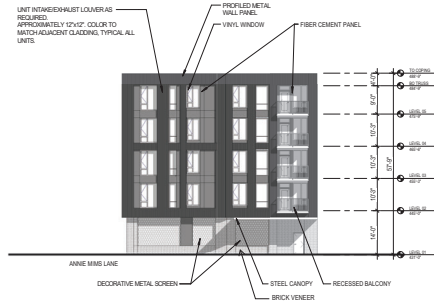
ATTACHMENT B
EXHIBIT B



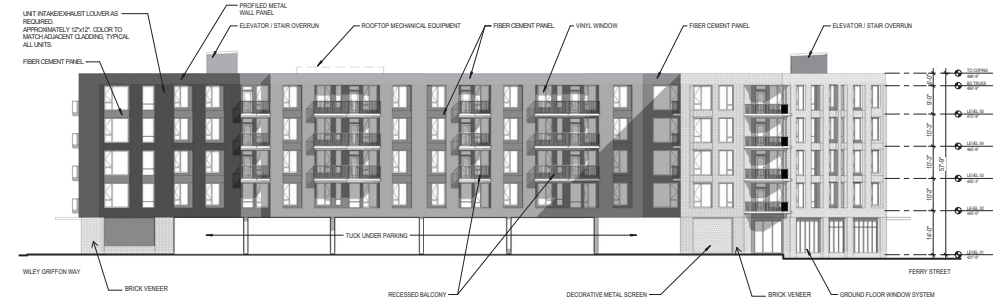
2 ANNIE MIMS ELEVATION
1/16" = 1'-0"



1 FERRY STREET WEST ELEVATION
1/16" = 1'-0"



3 WILEY GRIFFON ELEVATION
1/16" = 1'-0"



4 RIVERFRONT ELEVATION
1/16" = 1'-0"

March 10, 2025 Work Session - Item 1

RESOLUTION NO. _____**A RESOLUTION APPROVING A MULTIPLE-UNIT PROPERTY TAX EXEMPTION FOR RESIDENTIAL PROPERTY LOCATED ON LOT 13 OF THE TOWN RUN PLAT IN EUGENE, OREGON (ASSESSOR'S MAP 17-03-32-22, TAX LOT 02900) (APPLICANT ERD BLOCK 10, LLC).****The City Council of the City of Eugene finds that:**

A. ERD Block 10, LLC is the owner of real property located on Lot 13 of the Town Run Plat in Eugene, Oregon (Assessor's Map 17-03-32-22, Tax Lot 02900), also identified as Parcel 10A in the Downtown Riverfront Master Plan ("the property").

B. ERD Block 10, LLC ("the applicant") submitted an application pursuant to the City's Multiple-Unit Property Tax Exemption Program (Sections 2.945 through 2.947 of the Eugene Code, 1971 ("EC")) with respect to residential units to be constructed on the property ("the project").

C. The project consists of the development of 12 studio units, 20 one-bedroom units, and 44 two-bedroom units for a total of 76 residential units. The project is not designed for the leasing of individual rooms or beds, for transient or vacation uses, or otherwise designed primarily for individuals attending college.

D. An independent outside professional consultant was retained and reviewed the project's financial pro-forma. A Review Panel was convened and reviewed the application as well as the independent consultant's conclusions in order to make a recommendation as to whether the application met the criteria in EC 2.946. The Review Panel's recommendation was submitted for the City Manager's review.

E. After considering the Review Panel's conclusions and recommendation, the Executive Director of the Planning and Development Department ("the Executive Director") as designee of the City Manager, prepared the Report and Recommendation attached to this Resolution as Exhibit A and incorporated herein by reference. The Report and Recommendation sets forth findings demonstrating that the project meets the criteria described in EC 2.946 and the conditions set forth in the Multiple-Unit Housing Property Tax Exemption Rule R-2.945 ("Rule R- 2.945").

F. Based on the findings in the Report and Recommendation, the Executive Director recommends that the application be approved and the exemption granted. In making that recommendation, the Executive Director found that the applicant submitted all materials, documents, and fees required by EC 2.945, EC 2.946, and Rule R-2.945, and the applicant is in compliance with the policies contained therein.

G. The City Council has concluded that the application meets the criteria described

in EC 2.946 and Rule R-2.945.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Based upon the above findings which are adopted, and upon the City Council's review and adoption of the Report and Recommendation of the Executive Director of the Planning and Development Department attached to this Resolution as Exhibit A and incorporated herein by reference, the City Council approves the application of ERD Block 10, LLC for an ad valorem property tax exemption under the City's Multiple-Unit Property Tax Exemption (MUPTE) Program for the residential units to be constructed on Lot 13 of the Town Run Plat in Eugene, Oregon (Assessor's Map 17-03-32-22, Tax Lot 02900), subject to the following conditions:

- 1.1 Compact Urban Development. The project will consist of 12 studio units, 20 one-bedroom units, and 44 two-bedroom units for a total of 76 residential units, none of which will be used for transient use, student housing, or vacation occupancy. There is no commercial space proposed in the building. The applicant did not propose commercial uses as part of the project, nor did the applicant demonstrate that commercial property is a required design or public benefit element of the project. Consequently, any commercial property on the development site is not eligible for the tax exemption.

Multiple-Unit Housing Property Tax Exemption Rule R-2.945 ("Rule R-2.945") requires that in order to be eligible for a MUPTE, projects on properties located in the Downtown Area and east of Charnelton Street must provide residential units equivalent to at least 175% of the minimum density applicable to the property's zoning designation. The property on which the project will be built is located in the S-DR Downtown Riverfront Special Area Zone, which does not include a minimum residential unit density.

The project will be constructed in accordance with the schematic drawing showing the site plan and major features and dimensions of the proposed development, as well as schematic drawings showing side, front, and back elevations of the proposed development, all of which are attached to this Resolution as Exhibit B.

- 1.2 Green Building Features. The project will utilize the City of Eugene Building and Permit Services Pathway to meet the MUPTE green building requirement and exceed the 10% energy efficiency threshold. The applicant will submit to the City of Eugene's Building and Permit Services Division an energy model with the applicant's development permit application. Within 18 months after receiving a certificate of occupancy, the applicant shall submit to the City a commissioning report pursuant to Section 1.2 of Rule R-2.945-C and will report multi-family occupancy energy use data to the City's Building and Permit Services Division

for the life of the MUPTE tax exemption.

The project's on-site parking will include installation of conduit for future electric vehicle charging stations.

- 1.3 Local Economic Impact Plan and Compliance with Laws. A plan is in place that demonstrates that more than 50% of the dollar volume of the combined professional services and construction contracts are or will be from business organizations or individuals residing or doing business primarily in Lane County.

Applicant will ensure that qualified minority and women business enterprises have been given an equitable opportunity to compete for development related contracts by: (1) accessing lists of certified minority, women, emerging small business or disadvantaged business enterprises from the Oregon State Office of Minority, Women and Emerging Small Business (recently renamed the Oregon Certification Office for Business Inclusion and Diversity); (2) searching for Qualified Rehabilitation Facilities (now known as Oregon Forward Contractors) from whom to procure products and services via the Oregon State Qualified Rehabilitation Facilities Program (recently renamed the Oregon Forward Program) website; and (3) advertising in general circulation, trade association, and minority focused media about prime subcontracting opportunities.

The applicant will ensure that information about the City's Rights Assistance Program in English and Spanish is posted on the job site during construction of the project.

The applicant will ensure that the developer and its contractors and subcontractors comply with wage, tax, and licensing laws.

The applicant will have in place methods for ensuring that all contractors performing work are licensed and performing in compliance with state law.

The applicant will provide the City's Building and Permits Services Division with a list of all contractors performing work on the project. Prior to performing work on the project, contractors must have valid, current licensing, insurance, bonding, and workers compensation coverage, and must be on the list of contractors provided to the City.

The applicant will require that each contractor provide an affidavit attesting to the fact that (1) the contractor, owner, or responsible managing individual for the contractor does not have any unpaid judgments for construction debt, including unpaid wages; and (2) the contractor is in compliance with Oregon tax laws.

- 1.4

Moderate-Income Housing Contribution. The applicant will pay a fee to be dedicated to moderate-income housing. The fee will be 10% of the total 10-year exemption benefit, or approximately \$436,000.

- 1.5 Project Design and Compatibility. The applicant shall adhere to the following design elements, as well as the actual square footages and exterior details included in Exhibit B unless the City Manager approves a deviation from the plan pursuant to EC 2.946(2)(d)6.b.:

The scale, form, and quality of the building responds to the character of the existing architecture within the Downtown Riverfront neighborhood. The five-story residential building uses a varied material palette that prioritizes high quality and durable materials at the most publicly important and visible locations.

The building's relationship to the street is handled with the application of brick paired with large storefront metal-framed windows throughout the first floor. Metal panel is a prominent material on upper stories. The project provides parking for residents in a surface parking lot located generally behind the building. Metal screening conceals parking where it abuts the street. The design successfully incorporates elements that address the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation.

During the design process and before the final design drawings are completed, the owner shall hold at least one neighborhood engagement opportunity to allow members of the Downtown Neighborhood Association and others to provide comments on the proposal. At least one of the applicant's principals shall attend that meeting.

After the final design is completed and before it is submitted for permits, the final design shall be submitted to the City to review for conformance with the design approved by this Resolution. The neighborhood shall also have an opportunity to review and comment on the final design. After the comment period, the City shall determine if the design is consistent with the requirements of this Resolution, and if not, whether the City Manager will approve a deviation pursuant to EC 2.946(2)(d)6.b..

- 1.6 At the time of completion, the project shall conform with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS Chapter 195, 196, 197, 215, and 227 that are applicable at the time the application is approved.
- 1.7 During all phases of development, the project shall comply with wage, tax, and licensing laws.
- 1.8 The project shall not contain any units for transient use or vacation occupancy.
- 1.9 The project will be completed on or before January 1, 2032, unless an extension of the deadline is requested by the property owner and approved by Council resolution pursuant to EC 2.947(5).

- 1.10 The public benefits of the project that will extend beyond the period of the tax exemption include Green Building (energy performance), Project Design and Compatibility, and Compact Urban Development.

Section 2. Subject to the conditions in Section 1 of this Resolution, 100% of the residential units described in Section 1 are declared exempt from local ad valorem property taxation beginning July 1 of the year following issuance of a Certificate of Occupancy and continuing for a continuous period of ten years unless earlier terminated in accordance with the provisions of Section 2.947 of the Eugene Code, 1971.

Section 3. The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within ten days, and to cause a copy of this Resolution to be filed with the Lane County Assessor on or before April 1, 2025.

Section 4. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted and effective the ____ day of March, 2025.

City Recorder

**REPORT AND RECOMMENDATION
of the Planning & Development Department**

Exhibit A

Riverfront Parcel 10A Application for Multiple-Unit Property Tax Exemption

The Executive Director of the Planning & Development Department of the City of Eugene finds that:

1. ERD Block 10, LLC (“ERD LLC”) is the current owner of real property located on Lot 13 of the Town Run Plat in Eugene, Oregon (Assessor’s Map #17-03-32-22, tax lot 02900), also known as Parcel 10 in the Downtown Riverfront Master Plan. ERD LLC submitted an application pursuant to the City’s Multiple-Unit Property Tax Exemption (“MUPTE”) program (Sections 2.945 through 2.947 of the Eugene Code, 1971), with respect to residential units to be constructed on the property.
2. As the City Manager’s designee, I have reviewed the application and found that:
 - 2.1 The project will provide 12 studio units, 20 one-bedroom units, and 44 two-bedroom units for a total of 76 residential units, none of which will be used for transient use or vacation occupancy. There is no commercial space proposed in the building. The applicant did not propose commercial uses as part of the project, nor did the applicant demonstrate that commercial property is a required design or public benefit element of the project. Consequently, any commercial property on the development site is not eligible for the tax exemption.
 - 2.2 The project is not designed to be student housing, meaning it will be leased by the unit (rather than by individual rooms or beds), the unit configuration does not include several bedrooms with individual bathrooms and sparse common space, it does not include amenities and location selected primarily for individuals attending college, and it does not offer limited viability as potential housing for the general population.
 - 2.3 Construction is expected to be complete on or before January 1, 2032.
 - 2.4 The project is located in the downtown area described in subsection (1) of Section 2.946 of the Eugene Code, 1971.
 - 2.5 The applicant submitted all materials, documents, and fees required by the City as set forth in Section 2.945 of the Eugene Code, 1971, and the administrative rules adopted by Administrative Order No. 53-22-09-F.
 - 2.6 The applicant responded to the **Required Public Benefit** criteria as follows:
 - 2.6.1 Compact Urban Development. Rule R-2.945 requires that in order to be eligible for a MUPTE, projects on properties located in the downtown area and east of Charnelton must provide residential units equivalent to at least 175% of the minimum density applicable to the property’s zoning designation. The project will be built in the S-DR Downtown Riverfront Special Area Zone, which does not include a minimum residential unit density.

- 2.6.2 Green Building Features. Consistent with the requirements of Administrative Rule R-2.945-C 1.2.2.2, the project will utilize the City of Eugene Building and Permit Services' pathway to meet the MUPTE green building requirement and exceed the 10% energy efficiency threshold. The entity applying for development permits will be required to submit an energy model with their development permit application. Within 18 months after receiving a certificate of occupancy, the applicant shall submit to the City a commissioning report pursuant to Section 1.2 of Rule R-2.945-C and will report multi-family occupancy energy use data to the City's Building and Permit Services for the life of the MUPTE tax exemption. The project's on-site parking will include installation of conduit for future electric vehicle charging stations.
- 2.6.3 Local Economic Impact Plan. The applicant has provided a Local Economic Impact Plan (Plan) demonstrating that more than 50% (the Plan estimates 55%) of the project's dollar volume of professional services and construction contracts include businesses based in Lane County as required by Administrative Rule R-2.945-C 1.3.1. The applicant is committed to promoting open competitive opportunities for Minority, Women, and Emerging Small Businesses, and the Plan demonstrates that the applicant will ensure that qualified minority and women business enterprises have an equitable opportunity to compete for contracts and subcontracts as required by Administrative Rule R-2.945-C 1.3.2. The Plan provides that the developer will post information about the City's Rights Assistance Program in English and Spanish on the job site. Finally, the Plan also demonstrates that the applicant will ensure that the developer and its contractors and subcontractors comply with wage, tax, and licensing laws as required by Administrative Rule R-2.945-C 1.3.4.
- 2.6.4 Moderate-Income Housing Contribution. Consistent with the requirements of Administrative Rule R-2.945-C 1.4, the owner will pay a fee to be dedicated to moderate-income housing. The fee will be 10% of the total 10-year exemption benefit, or approximately \$436,000.
- 2.6.5 Project Design and Compatibility. The project will adhere to the design shown in the resolution and will apply basic design concepts that consider the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation. The materials shown in the resolution will be adhered to, to the greatest extent possible.

The scale, form, and quality of the building responds to the character of the existing architecture within the Downtown Riverfront neighborhood. Together, these buildings and their materials, scale, and form create a cohesive neighborhood composition.

The mix of elements demonstrates an understanding of the surrounding amenities and environment. As a component of the district, the building's own set of elements and amenities complement the whole neighborhood. The characteristics of the proposed development evoke an industrial, timeless, and durable sense of place. The project when realized will secure these attributes into the built environment.

The building's relationship to the street is handled in a contextually appropriate manner with the application of brick paired with large storefront metal-framed windows on the entire first floor (aside from the metal screening installed along Annie Mims to conceal parking described below). On higher floors, metal panel is the dominant material, providing a durable and attractive exterior while controlling costs. These material choices and applications reinforce a high-quality and durable character representative of the district. It meets the sidewalk well and carries through the industrial character.

Parcel 10A is located on the north side of Nak-Nak Avenue directly across from the Steam Plant which is set to be redeveloped and brought through the designation process for listing on the National Register of Historic Places. While this work is still in development and at a conceptual level, the proposed design is sensitive to the future development of a historic locale as exhibited through its materiality with brick as a prominent material and programming details such as screening the ground floor parking area.

Given the recent evolution of the neighborhood, public transit stops have not yet been implemented. Until transit lines are established, the proposal provides safe and clear pedestrian and other multi-modal connections between the development, transit hubs and stops, and other notable districts in proximity. Parking for the development is provided on the first/ground floor supplemented by detached car ports. The use of metal screening along Annie Mims retains a strong street character while successfully concealing the parking area.

The project intends to add to the strength and richness of the Downtown Riverfront. As designed and shown in the resolution, it successfully accomplishes this through design concepts that consider the scale, form, and quality of the building; the mix of project elements; the relationship to the street and surrounding uses; and parking and circulation.

- 2.6.6 Historic and Existing Housing Sensitivity. The project is adjacent or near to two historic locales, the Ferry Street Bridge and Viaduct and the Steam Plant, but the historic locales will not be affected by the project. The project includes no direct structural impacts—such as alterations or demolitions—to any of the identified historic resources. No historic structures or existing housing were demolished or removed from the property in the two years prior to the date of

application. The project's design appropriately accounts for preservation of the historic characteristics of the nearby historic locales.

- 2.6.7 Project Need. The project's pro-forma and financial information were analyzed by PNW Economics, an independent real estate economics consultant who found that the project as proposed could not be built but for the benefit of the tax exemption. The financial information ERD LLC submitted in their application is based on projections prior to finalizing financing, construction, and tenanting. It includes assumptions regarding rents, vacancy rates, operating costs, lender underwriting criteria, interest rates, and reasonable rate of return. PNW Economics, the MUPTE Review Panel, and staff reviewed the assumptions. The consultant generally agreed with the assumptions used by the applicant in their financial projections and did not use significantly different assumptions in their own analysis.

The PNW Economics analysis concludes that the project would not be viable without the availability of the MUPTE using the reasonable assumptions outlined and concludes that MUPTE is critical to the success of the project from a financial feasibility perspective. See Section 4 below for the Review Panel's conclusions.

- 2.6.8 Public Benefit beyond Period of Exemption. The public benefits of the project that will extend beyond the period of the tax exemption include Green Building (energy performance), Project Design and Compatibility, and Compact Urban Development.

- 2.7 ERD LLC attended a neighborhood engagement meeting regarding Parcel 10A for the Downtown Neighborhood Association on September 25, 2024.

- 2.7.1 Future Neighborhood Engagement. Prior to completing final drawings, ERD LLC will hold another neighborhood engagement meeting. Before submitting for permits, ERD LLC will submit the design to staff to review conformance with the design attached to the MUPTE resolution (should City Council approve the MUPTE). Staff will also give interested parties an opportunity to review and comment on that final design.

3. The Community Development Division published an advertisement soliciting recommendations or comments from the public regarding this project in the Register-Guard on November 12, 2024. The period for comment expired on December 12, 2024, with no written testimony received.
4. The community-member MUPTE Review Panel considered the project application, including compliance with program criteria and the independent consultant's financial review, during two meetings held on December 13, 2024, and January 10, 2025. The Review Panel unanimously concluded that the project meets the Required Public Benefit criteria, that the project's financial need was demonstrated, and that a ten-year exemption was warranted. The

Panel Conclusions document will be provided to the City Council with the materials for the March 10, 2025, work session.

Therefore, based upon the above findings, the project is, or will be at the time of completion, in conformance with all applicable local plans and provisions of the Eugene Code, 1971, planning regulations, the Metropolitan Area General Plan, and the criteria set forth in the City's adopted administrative rules, and I recommend that the application be approved conditioned upon the project moving forward as proposed.

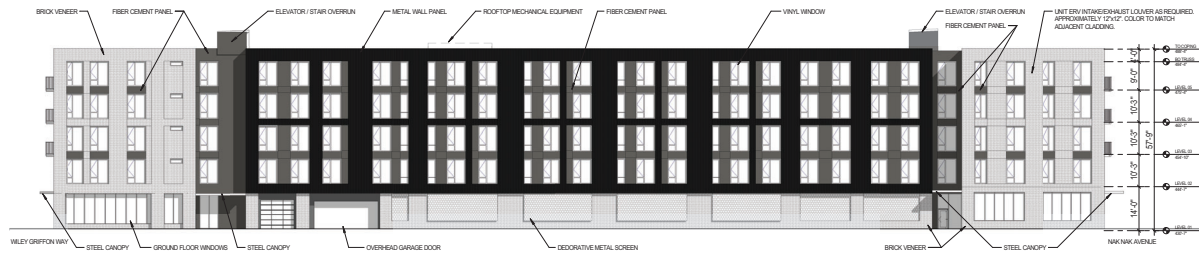
Dated this 28 day of February 2025.


Denny Braud (Feb 28 2025 11:01 PST)

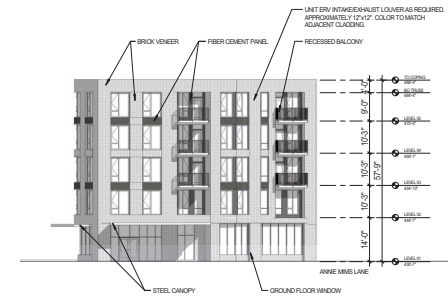
Denny Braud
Executive Director
Planning & Development Department



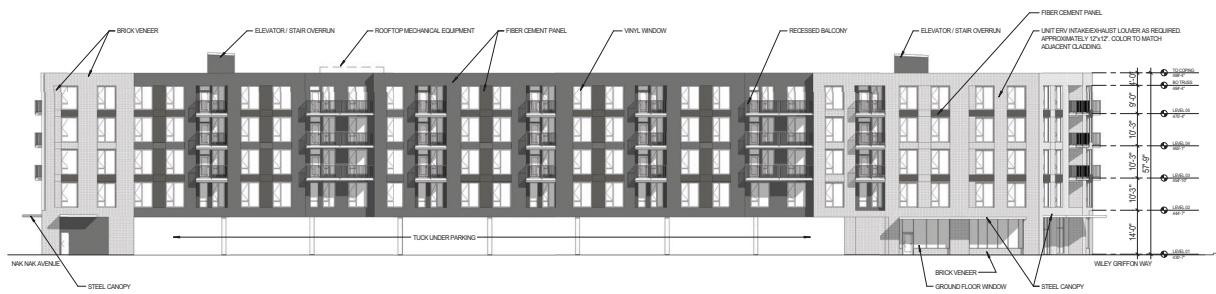
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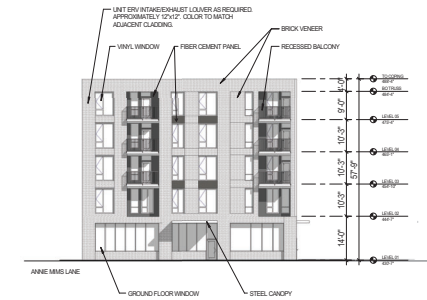
3 ANNIE MIMS ELEVATION
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1 WILEY GRIFFON ELEVATION
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1/16" = 1'-0"



2 NAK NAK ELEVATION
1/16" = 1'-0"

MUPTE Program Summary

MUPTE Program

MUPTE is an incentive program to encourage high quality, multi-unit downtown housing especially in areas well served by public transit. Both rental housing and multi-unit housing for home ownership are eligible; student housing is ineligible. Enabled by state law, the program provides a 10-year property tax exemption on qualified new multi-unit housing investments that occur within a specific, targeted area, that meet program requirements, and that are reviewed and approved by council. The objective strongly aligns with several of the pillars of Envision Eugene. Increasing the amount of multi-family housing in the downtown helps reduce pressure on urban growth boundary (UGB) expansion and protects existing neighborhoods, and takes advantage of existing infrastructure.

During the exemption period, property owners still pay taxes on the assessed value of the land and any existing improvements on the property. Council can deem commercial portions of a project to be a public benefit and include them as part of the exemption along with the residential portion.

In 2015, after a two-and-a-half year review, council revised the program criteria, process, and boundary. The program changes:

- Removed student housing as an eligible project type
- Increased the required energy efficiency
- Required higher quality design, with design at approval attached to the resolution
- Expanded neighborhood involvement
- Added a moderate-income housing contribution
- Added local economic impact plan
- Added demonstrated project need reviewed by an independent financial consultant
- Added a community member third-party review (MUPTE Review Panel described below)

See below for the process diagram and boundary map. The Required Public Benefit criteria are:

- Compact Urban Development
- Green Building Features (*ensuring building energy performance is 10% above code*)
- Local Economic Impact Plan (*including support for local businesses, minority and women business enterprises, and ensuring compliance with laws*)
- Moderate-Income Housing Contribution
- Project Design and Compatibility (*including scale, form, and quality of the building; mixture of project elements; relationship to the street and surrounding uses; and parking and circulation*)
- Historic and Existing Housing Sensitivity
- Project Need

MUPTE Review Panel

The 2015 MUPTE update established a Review Panel, tasked with providing a third-party review of individual applications for the City Manager. The Review Panel:

- Reviews the project applications, including the consultant's review of the project's financial projections.

- Reviews the applicant's conformance with the Required Public Benefits and making recommendations regarding approval/denial of the tax exemption to the City Manager.
- Reviews the project's conformance with approval requirements midway through construction, at completion of construction, and during the exemption period.
- Assists the City Manager in preparing an Annual Report on progress of the approved projects, program volume cap, and reporting documentation.

The Review Panel consists of two at-large neighborhood representatives selected by neighborhood association boards, an additional two representatives selected by the board of the neighborhood association in which the proposed project is located, and six technical professionals selected by the City Manager from the following six groups: architects/green building specialists; building trades union; developers; environmental professionals; public health professionals; and human rights representatives. Prior Review Panel reports can be found at www.eugene-or.gov/MUPTE

MUPTE Boundary



Overview of Past and Active MUPTE Projects

MUPTE Program Summary

Since 1978, the MUPTE program has supported the development of over 1,600 units in the city center. No housing has been built in the downtown core without a MUPTE or some other property tax exemption since at least the 1950s.

Active MUPTE Projects, Currently in Exemption Period

Project Name	Location	Units	First Fiscal Year of Post- exemption Taxes	Estimated Tax Revenue ¹ in Year 11	Estimated Tax Revenue ¹ in Year 11-- if project were not built
13th & Olive Apartments	W 13th Ave & Olive St	374	2025-26	\$1,844,010	\$6,917
The 515 (The Hub)	E Broadway & Ferry St	197	2026-27	\$796,790	\$14,986
Ferry Street Manor	11th Ave & Ferry St	50	2031-32	\$195,610	\$90,020
Gordon Lofts	6th Ave & Pearl St	127	2031-32	\$577,792	\$18,438
Heartwood	Ferry St & 5th Ave	95	2035-36	TBD	\$0
Total		843		\$3,414,203	\$130,361

Prior MUPTE Projects, No Longer in Exemption Period

Project Name	Location	Units	Year MUPTE Approved	Tax Revenue ¹ FY24- 25	Estimated Tax Revenue ¹ in FY24-25--if the project were not built
Broadway Center	Washington St & W Broadway	107	1978	\$139,857	\$11,685
Lawrence Court	W 8th Ave & Lawrence St	50	1980	\$61,539	\$11,014
Washington Abby	W 10th Ave & Washington St	48	1984	\$84,280	\$9,501
Olive Terrace	W 15th Ave & Olive St	28	1989	\$36,946	\$7,500
Joseph Shapitka	W 10th Ave & Washington St	8	1990	\$14,044	\$7,500
Burnell Ambrose	Lawrence St & Clark St	7	1995	\$13,005	\$8,156
Hilyard House	E 14th Ave & Hilyard St	53	1995	\$84,412	\$12,865
Nozama Apartments	E 19th Ave & Ferry St	14	1995	\$19,885	\$3,873
Broadway Place	W Broadway & Charnelton St	170	1996	\$252,496	\$0
High Street Terrace	E 10th Ave & High St	58	1996	\$122,774	\$11,839
Pair-a-dice Apartments	E 15th Ave & Patterson St	30	1996	\$32,944	\$7,237
Patterson House	E Broadway & Patterson St	27	2004	\$21,589	\$7,350
The Tate	W 13th Ave & Olive St	47	2004	\$396,623	\$189
Patterson Place	E 13th Aly & Patterson St	21	2006	\$75,809	\$4,539
Coho Townhouses	E 14th Ave & Patterson St	9	2007	\$36,952	\$30,754
Parkside Place	E 14th Ave & Hilyard St	14	2007	\$70,526	\$8,529
The Steelhead	E 14th Ave & Ferry St	9	2007	\$38,004	\$8,101
The Fenway	E 14th Ave & Ferry St	7	2008	\$34,500	\$6,084
E 15th Townhouses	E 15th Ave & Mill St	6	2009	\$12,777	\$12,252
Midtown Terrace	E 12th Ave & Mill St	24	2009	\$62,363	\$7,309
The Pearl On Campus	E 16th Ave & Hilyard St	8	2009	\$25,240	\$0
The Sequoia	E 13th Ave & High St	8	2009	\$20,273	\$4,311
Westgate	E 13th Ave & Hilyard St	35	2010	\$92,545	\$9,189
The Pearl	E 16th Ave & Pearl St	100	2011	\$255,995	\$10,891
Park Place Apartments	E Park Ave & Pearl St	24	2012	\$50,529	\$0
First on Broadway	E Broadway Ave & Willamette St	19	2014	\$93,092	\$16,599
Total		931		\$2,148,999	\$217,268

¹ This includes all property taxes. The City receives about 50% of total property taxes.

Eugene River District Parcel 9A (Lot 12A) Eugene, Oregon

MUPTE Application

October 15, 2024
Project No. 2103021.02



Application Page: 1

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Cover Letter

Eugene River District
Parcel 9A (Lot 12A)

Thank you for this opportunity to submit an application for the City of Eugene Multi-Unit Property Tax Exemption (MUPTe) incentive program. Redevelopment of the previously industrial Downtown Riverfront supports the community's vision that has been decades in the making. On the east side of Downtown, the river's edge was formerly isolated from public access by the Eugene Water and Electric Board's (EWEB) facilities and is now undergoing a transformation into a vibrant new district connecting downtown to the river. New city infrastructure including streets, sidewalks, a riverfront park, and public plaza are under development to support construction of new commercial and residential developments, creating an inviting place for the entire community and vital neighborhood for people to live, work, and explore. As demonstrated in our application, the project would not be economically viable and would not be built without the benefit of the MUPTe.

Since Eugene was founded in 1865, the Willamette River has been an essential piece of our community's identity. It is where Eugene Skinner created the first plat for the city, and for decades the river has provided industry and recreation opportunities for our community. As one of our proudest assets, our community has a long-held vision and desire to create more access and connections to the river – places where people can hang out, meet friends, and bring their family to enjoy the riverfront. [eugene-or.gov/3506/Downtown-Riverfront]

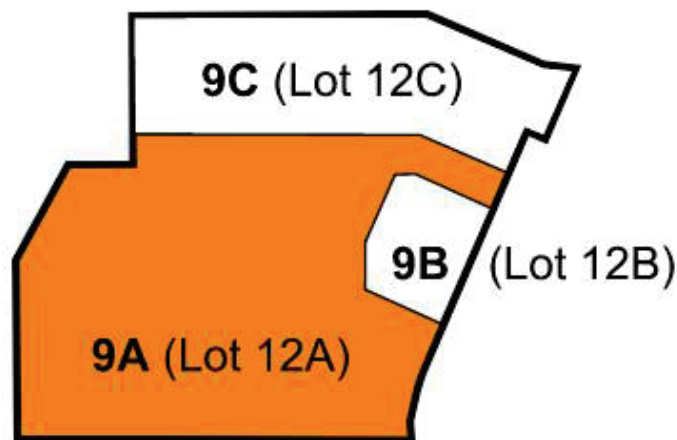
Over a decade ago the City of Eugene and EWEB began the process to transition the industrial site from a barrier to a connection between the river and downtown, the college campus, and East Skinner Butte Historic Landmark Area. Through this process, the Riverfront Master Plan was developed and approved in 2010 based on substantial community input and adopted by City Council in 2013. This vision included the creation of a world-class public park on the waterfront, development to support economic and housing opportunities, promoting compact urban development, and enhancing natural resources. With support of the Eugene City Government and the State of Oregon, the Treasury Department has designated a portion of the Eugene riverfront site as an Opportunity Zone. Our development aims to renew and revitalize the connections between the Willamette River and Downtown Eugene in support of the Opportunity Zone goals. However, a portion of our site may not benefit from the Opportunity Zone incentives. Additionally, the benefits of the Opportunity Zone incentives will not be realized until 10 years into the future, creating the real risk that many investors who prioritize meeting early return goals will overlook these benefits. In order to attract equity from investors with these specific, market-based strategies, we must show that our development will generate the investors' desired returns when the development reaches stabilization.

On July 22, 2019, the City Council voted (7-0) to adopt the package of land use applications necessary to implement the concept plan for the Downtown Riverfront redevelopment. Within the adopted package, low and high-density guidelines were identified for each parcel providing flexibility for the new development. In alignment with the disposition and development agreement (DDA) for the Downtown Riverfront Property in the Riverfront Urban Renewal District, this MUPTe application includes a lower density scheme with a cost-effective structural system (Type I and V construction). The design maintains the same high quality exterior materials, detailing, and complimentary architectural vocabulary as the recently completed Heartwood Apartments and under development Portal Apartments. Again, this development will not be built as presented in this application without the benefits of the MUPTe incentive program. The current economy remains impacted by national economic inflation, and investor uncertainty further influencing the project's financial need for the MUPTe.

Previously, the ERD Parcel 9 project was submitted for MUPTE and approved by the City Council in early 2022. The previous design included a substantially larger development with 156 multi-family for-rent units in a 203,000 square foot building. The current investor and lending environment are not supportive of this scale of development in this location and economic setting. Therefore, a smaller development including a unit count in alignment with the DDA is proposed as a financially realistic solution for development on this site. Furthermore, the site is currently undergoing the process for a lot partition, running concurrently with the MUPTE review process, to divide the site into three parcels: a southerly portion (Parcel 9A/Lot 12A), easterly portion (Parcel 9B/Lot 12B) and a northerly portion (Parcel 9C/ Lot 12C); see below lot partition diagram for additional information. The multi-family, for-rent development is proposed to be constructed on Parcel 9A providing a strong urban edge along Annie Mims Way, Ferry Street, and anchor the corner of the public plaza. Parcels 9B and 9C are anticipated to include a privately owned open space with interim landscape as part of the Parcel 9A development. Development of for-sale townhomes in alignment with the requirements of the DDA are to be included under a separate and future development and are excluded from this MUPTE application.

Refinement of the open space interim landscape design on Parcels 9B and 9C is anticipated during the next design phase of the project and will likely deviate from the conceptual design submitted in this application. The primary screening approach to obscure the view from the adjacent public spaces to the surface parking lot and landscaping to create an amenity to district residents will remain in the final design. The interim open space landscaping will be for River District resident use only and be managed and maintained by the district Owner's Association.

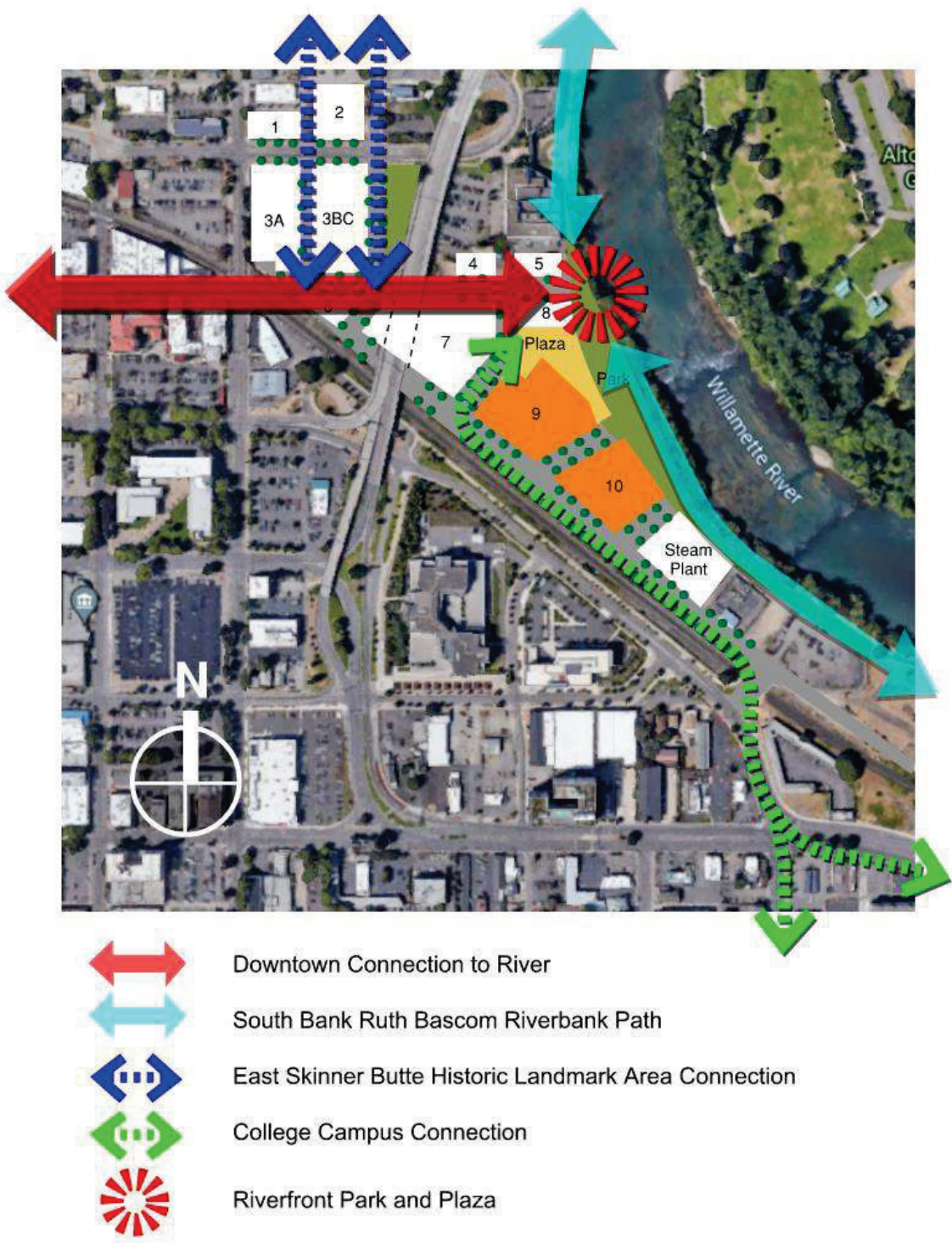
It is the development team's intention to complete projects within the timeline requirements outlined in the DDA, well before the sunset of the MUPTE approvals in January 2032. The final constructed building will be in conformance with the approved building form with any changes having a positive or neutral impact to the overall design being approved by the City Manager.



Lot Partition Map

District Map

Eugene Riverfront District



MUPTE Application



A. General Project Information

Applicant Information

Applicant's Name: ERD Block 9, LLC, c/o Jim Atkins
 Address: 500 Ferry St, Box 97
 City: Eugene State: OR Zip Code: 97401
 Telephone Number: 971-506-5104
 E-mail Address: jim@atkinsdame.com
 Housing Project Name: ERD Parcel 9A

Site Location

Assessor's Property Acct No.: See attached project information page.
 Map / Tax Lot No. See attached project information page.
 Site Location Address: See attached project information page.
(if no address available, provide a written description)

 Attach legal description of the property.

Current Use & Site Information

Current Zoning: See attached project information page.
 Parcel Size: See attached project information page.
 Minimum Density Allowed: See attached project information page.
 Maximum Density Allowed: See attached project information page.
 Number of Parking Spaces Required: See attached project information page.
 Assessed Value of Land: See attached project information page.
 Assessed Value of Improvements: See attached project information page.

 Attach a written description of the existing use of the property.

Is existing sound housing or housing that can be rehabilitated on the property? ☐ Yes ☒ No

 If yes, attach a plan for relocation or a justification for elimination.

Proposed Project Information

Density of Proposed Project: See info page units per net acre
 Proposed No. of Parking Spaces: See info page
 Proposed Lot Coverage: See info page %
 Building Footprint: See info page square feet
 Building Square Footage: See info page square feet
 Commercial Square Footage: See info page square feet

The commercial portion of a project is eligible for an exemption if it is deemed a public benefit by City Council. Do you want City Council to consider exempting the commercial portion of the project also? ☐ Yes ☒ No

Student housing and transient uses are not eligible for the MUPTE program.¹

JA Initial here to indicate that student housing and transient uses will not be part of the proposed project.

Total Number of Dwelling Units: See info page (All projects must have 5 or more units)

Total Number of Bedrooms: See info page

No. of Floors: 5

UNIT MIX

Unit Size	#	Avg. Square Feet Per Unit	Proposed Avg. Rental Rate
Studio / efficiency	12	462 SF	
One bedroom	20	680 SF	
Two bedroom	48	1,115 SF	
Three bedroom	-		
Four bedroom	-		
Five bedroom	-		
Commercial/retail	-		
ADA Accessible	*	2% of units will be ANSI Type A = 2 units.	
Parking – onsite	101		
Parking – offsite	0		

Compliance with Local Law

The proposed project must, at all relevant times, be in conformance with:

- All local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197, 215 and 227, that are applicable at the time the application is approved
- Licensing laws.

JA Initial to indicate your understanding of this requirement and commitment to adhere to it.

¹ Eugene Code 2.946 (2)(a) states that exemptions cannot be given for a “project designed for the leasing of individual rooms or beds, rather than entire apartment units, or a project otherwise designed primarily for individuals attending college.” Student housing units usually take the form of several bedrooms with individual bathrooms and sparse common space. Project amenities and location are selected to appeal only to students and offer limited viability as potential housing for the general population, particularly families.

Project Information

Eugene River District
ERD Parcel 9A

SITE LOCATION (Parcel 9 / Lot 12)

Assessor's Property Acct No. 1904753
Map & Tax Lot No. 17-03-32-22-02800
Site Location East of Ferry St, north of Annie Mims Lane, west of Wily Griffon Way, south of the new river district park and plaza.

CURRENT USE & SITE INFORMATION*	Parcel 9 (Lot 12)	Parcel 9A (Lot 12A)	Parcel 9B (Lot 12B)	Parcel 9C (Lot 12C)
Current Zoning	S-DR/MU/2/WR	S-DR/MU/2/WR	S-DR/MU/WR	S-DR/MU/WR
Parcel Size	72,063 SF (1.65 Acres)	46,555 SF (1.0687 Acres)	5,093 SF (0.116 Acres)	20,415 SF (0.468 Acres)
Minimum Density Allowed Based on DDA Schedule 7.1-A	80 Multi-Family Units 11 Townhomes	Townhomes are to be constructed in the future as a separate development.		
Maximum Density Allowed Based on DDA Schedule 7.1-A	218 Multi-Family Units			
Number of Parking Spaces Required	None			
Assessed Value of Land Based on 2023 Assessed Value	\$2,435,584.00			
Assessed Value of Improvements	n/a			
Existing Use of Property	Vacant land, graded for development, temporary preivate dog park for district residents. District has been converted from industrial use (formerly EWEB facilities) to a new master planned district. Public road and utility infrastructure was recently completed.			

PROPOSED PROJECT INFORMATION*	Parcel 9 (Lot 12)	Parcel 9A (Lot 12A)	Parcel 9B (Lot 12B)	Parcel 9C (Lot 12C)
Density of Proposed Project	48 units/acre	74 units/acre	17 units/acre	19 units/acre
Proposed Number of Parking Spaces		101		
Proposed Lot Coverage	29%	46%		
Building Footprint		21,200 SF		
Building Square Footage		106,229 SF		
Commercial Square Footage		0 SF		
Total Number of Dwelling Units		80		
Total Number of Bedrooms		128		
Number of Floors		5		

* This application is for multi-family unit construction on Parcel 9A (Lot 12A) only. Townhomes are to be under a separate project. Parcel 9B includes (2) future townhomes; Parcel 9C includes (9) future townhomes.

Legal Description of the Property

Eugene River District
ERD Parcel 9A (Lot 12A)

Legal Description

Parcel 9 (Lot 12): Lot 12 of TOWN RUN as platted and recorded April 3, 2020, Reception No. 2020-016334, Lane County Deeds and Records, in Lane County, Oregon

Note, project is currently in process for a lot partition to divide the lot into three parcels. Parcel 9A (Lot 12A) is the intended parcel for the multi-unit development. See project information sheet for new parcel areas. Updated property tax ID and legal description to be provided upon finalization of the lot partition.

Written Description

Property is undeveloped land with recently completed public infrastructure improvements (roadways and utilities) surrounding the property.

Neighborhood Engagement

Provide the following to document your neighborhood engagement. (See Program Guide, page 7 for more information on neighborhood engagement requirements)

Neighborhood Association: **Eugene Downtown Neighborhood Association**

Date of Meeting: **9/25/24**

Name(s) of Principal(s)/Owner(s) in Attendance: **Jim Atkins**

 Attach minutes from the meeting and comments received. If not an official neighborhood event, attach evidence of advertising method(s) and explanation for why it was not an official event.

MEETING MINUTES



Meeting Date: 25 September 2024
Meeting Time: 6PM
Project: Eugene River District Parcel 9A & Parcel 10A
Purpose: Eugene Downtown Neighborhood Meeting
Location: Eugene Public Library, 100 W 10th Ave.

1. Introduction
 - a. High level overview of the district plan/map and outline of parcels included in today's discussion were reviewed.
2. Parcel 9
 - a. 5 stories, 80 multi-family residential units.
 - b. No commercial space is provided..
 - c. Parking is a mix of surface and under-building parking; approximately 100 spaces.
 - d. Townhomes are not part of the MUPTE application and are to be developed in the future.
 - e. A temporary open space will be developed prior to the townhomes and may include a community dog park, community vegetable garden and landscaping accessible to district residents.
3. Parcel 10
 - a. 5 stories, 76 units
 - b. Parking is a mix of surface and under-building parking; approximately 100 spaces..
 - c. Townhomes are not part of the MUPTE application and are to be developed in the future.
 - d. A temporary open space will be developed prior to the townhomes and may include a community dog park, community vegetable garden and landscaping accessible to district residents.
4. Exterior materials for both projects were discussed. The street-facing facades are to be primarily of brick, a high quality and long lasting material.
5. Questions
 - a. Where is retail going to be located in the district?
 - i. Parcel 8 is slated to be a restaurant.
 - ii. Parcels 9 & 10 do not require commercial space in accordance with the DDA and district development requirements.
 - b. Will views to the river from Skinner Butte be blocked by the proposed development.
 - i. The buildings are setback from the river and will not block views from Skinner Butte. The presenter has taken photos from Skinner Butte to confirm the view corridor to the river will not be blocked by the proposed development in the district.
 - c. Is there affordable housing in these projects?
 - i. The projects will be paying into a moderate-income housing fund.

- ii. Affordable housing is designated for development on Parcels 1 or 2. The City will be leading the development process for the affordable housing site.
- d. What development will be left in the district after these projects are complete?
 - i. Steam plant redevelopment.
 - ii. Parcel 8 restaurant
 - iii. Parcels 4 and 5 - likely townhomes or row houses.
 - iv. Parcels 1 and 2, one or both will be affordable housing.
- e. Concerns were voiced about not meeting MUPTE design requirements after approval (Capstone project was referenced).
 - i. It was noted the MUPTE rules were adjusted after the Capstone project to improve design quality on projects moving forward. The proposed projects will maintain a high level of quality and detailing in alignment with the completed Heartwood project.
- f. When will information on these projects be available to the public?
 - i. The City will publish the applications on their website after they are submitted. Application submittal is anticipated mid-October.
- g. Why is the start of construction so far off (Q1 of 2027)?
 - i. The project is accommodating active city improvements on the plaza and working within the boundaries of the financial community with regards to recently completed, under construction projects, and influence on funding for new projects.
- h. It was noted the architectural vocabulary is complementary to the adjacent historic district, which is appreciated.
- i. Concerns were raised that the focus of recent and upcoming development is shifting away from the downtown core (Park Blocks).
 - i. The expectation is the close proximity of the River District to the downtown core will stimulate activity across downtown.
- j. Concerns were raised about developing too close to the river.
 - i. The public park separates the project from the river and the sites have been configured by the City to support the riparian environment and connect downtown to the river.
- k. Will residents walk to the downtown core if they have so much parking?
 - i. The River District is very close to the 5th Street Market district and extremely walkable. The developer with Atkins and Dame identified they live in the Heartwood Apartments and walked to this meeting and anticipates many of the future district residents will do the same.

Meeting End Time: 7:00PM
Recorded By: Joshua Lupkin, SERA
Date Recorded: 9/27/2024

Meeting Sign In Sheet

Meeting Date 9/25/2024
 Meeting Time 6:00 PM
 Project Number 2103021, 2303155, 2203012
 Purpose Neighborhood Meeting - Downtown Neighborhood Association
 Location Eugene Downtown Public Library - 100 W 10th Ave, Eugene

SERA

	Name	Address	Telephone Number	Email
1	JOSHUA LUPKIN	600 SW 10TH AVE, #500 PORTLAND, OR 97205	503-445-7346	joshua@seradesign.com
2	ZOE STONE	600 SW 10TH AVE #500 PORTLAND, OR 97205	503 847 2153	zoes@seradesign.com
3	Erin Birnel	372 W Broadway #1401	206-246-9920	erin.birnel@gmail.com
4	Pete Kray	265 W 11th St #24		pkkray@gmail.com
5	Suzanne Taylor	250 W Broadway #154	541-337-0999	SuzanneTaylor20@gmail.com
6	ANITA LEIPPE	1133 OLIVE APT 411	458-2107072	STEAMTRAVEL@GMAIL.COM
7	EMILY JONES	416 NE HWY PORTLAND, OR	347-782-9222	emilyj@seradesign.com
8	Kurt Schmitz	600 SW 10th Ave #500 Portland, OR 97205	503-966-1981	Kurts@serapdx.com
9	Casey Barrett	590 Pearl St. Eugene OR 97401	541-844-5311	Casey@obie.com
10	Sherry Warrick	1133 Olive St #514 Eugene		
11	CLIFF BOYD	151 SHELTON MCMORPHEE	704-309-7824	CLIFF.BOYD@ICLOUD.COM
12	LINDA SAGE	222 E. Broadway Apt. 207	541-362-3124	Lindasage@msn.com
13	Scott Fife	342 W. 8th Ave. Apt. 1	541-232-2868	iconoclasm@scottfife.com
14	Shawn Carter	800 OLIVE ST Eugene	541-321-8197	INFO@onesecuritycompany.com
15	Leah Murray	303 Willamette St. Eugene	541-484-0808	leah@smihouse.org
16	KATIE WILGUS	PO BOX 11076, 97440	503-504-7799	KATIEW@DOWNTOWNEUGENE.COM
17	Bonnie Richman	250 W. Broadway #180	541-242-1093	
18	Jim ATKINS	500 FERRY #97	503-510-5104	Jim@atkinsolane.com
19	Noah Birnel	372 W Broadway	206 406 4584	nbirnel@gmail.com
20				
21				
22				
23				
24				

ERD Parcel 9A (Lot 12A) & Parcel 10A (Lot 13A)
Neighborhood Meeting - 25 September 2024



B. Required Public Benefits

Use this section to address each of the following required public benefits related to the proposed project. Several benefits extend beyond the period of the tax exemption. More information will be provided about those benefits if the application is approved.

1. Compact Urban Development

The MUPTE program is designed to encourage higher density housing and redevelopment in the City's downtown area.

a) Put a check next to the zone category of the property:

- ☐ *Residential zones:* at least 175% of minimum density for the zone.
(e.g. R-4 High Density Residential)
- ☐ *Form-based zones with height limit of three or four stories:* at least 30 units per net acre.
(e.g. S-DR Downtown Riverfront Special Area)
- ☐ *Mixed-use development*²: at least the minimum density in the zone.
(e.g. C-2 Community Commercial, C-3 Major Commercial)
- ☒ *All other areas, including residential-only development in commercial or mixed use zones:*
at least 50 units per net acre.
(e.g. S-W Whiteaker Special Area, S-F Fifth Avenue Special Area, S-H Historic, C-2 Community Commercial, C-3 Major Commercial)

b) Density for proposed project: 74 units per acre

2. Green Building Features

The green building requirement is that projects perform at least 10% more efficiently than the performance established in the Oregon Energy Efficiency Specialty Code (OEESC). Complete the attached Green Building Features Worksheet (page 6)

3. Local Economic Impact Plan

To ensure a substantial portion of the local tax benefit yields a benefit to the local community, applicants are required to complete the Local Economic Impact Plan Worksheet (page 10).

4. Moderate-Income Housing Contribution

The project owner must either a) pay a fee to be dedicated to moderate-income housing or b) include not less than 30% of the total units as moderate-income housing units. Indicate below how this proposed project will contribute to moderate-income housing.

- ☒ Pay the moderate-income housing fee of 10% of the total exemption benefit for the 10-year benefit.
 - ☐ Paid upfront with a 5% discount
 - ☒ Paid annually in years 3 through 10
- ☐ Include moderate-income housing units. Complete the Moderate-Income Housing Worksheet (page 12).

² Mixed-use development incorporates both commercial and residential use in the same building.

5. Project Design and Compatibility

MUPTE projects need to address basic design concepts in the context of the project location. See attached Project Design and Compatibility Worksheet (page 13) for information about required attachments.

6. Historic & Existing Housing Sensitivity

Each MUPTE project must be evaluated for impacts to historic locales and existing housing. Complete the attached Historic and Existing Housing Sensitivity Worksheet (page 15)

7. Project Would Not be Built Without Exemption

The applicant must demonstrate that the project as proposed could not be built but for the benefit of the tax exemption. Attach the following documentation:

- 
- ten-year pro-forma with MUPTE,
 - ten year pro-forma without MUPTE,
 - analysis of the projected ten-year cash-on-cash rate of return for the proposed project,
 - list of assumptions made to create the pro-formas, including a description of how property taxes were estimated for the without MUPTE pro-forma, and the moderate-income housing fee or rent levels,
 - development budget, and
 - sources and uses of financing.

Be sure to include the moderate-income housing fee or rent levels in the pro-formas and list of assumptions. This information will be reviewed by an independent professional consultant to determine the financial feasibility, at the applicant's expense to be paid to the City with the application fee. The consultant will make a recommendation on the application for the Project Review Panel and the City Manager.

Public Benefits

Eugene River District
ERD Parcel 9A

In alignment with the MUPTE criteria and required public benefits, the following outlines how the project provides substantial public benefits through urban design elements, sustainability measures to reduce the environmental footprint, local economic benefits, and support of the community's vision to connect adjacent neighborhoods to the river. Other sections within this application go into further detail regarding their specific target content.

1. Compact Urban Development

Urban density lies at the root of reducing impact of development. Increased density reduces the pressure on development of virgin land and expansion of urban growth boundaries into natural resource areas and ecological environments. This project proposes 74 dwelling units per acre on Parcel 9A (48 dwelling units per acre for total Parcel 9 site) in contrast to the typical single-family neighborhood with less than 10 dwelling units per acre. With five stories proposed, the project significantly exceeds Eugene's Land Use Code minimum density of one story.

With minimal building setbacks, the proposed development contributes to a strong urban edge and emphasizes the pedestrian experience through human scaled elements and activation along the street edge including canopies for refuge from the rain and amenity spaces with large windows connecting to the public realm.

2. Green Building Features

Going above and beyond the minimum requirement of the City of Eugene Building & Permit Services (BPS) program to perform at least 10% more efficiently than the energy code, the project is pursuing certifications guiding the design to further reduce the environmental impact of construction and ongoing facilities operation and improve the indoor environment to create healthier spaces to live. Additionally, the project is a brownfield redevelopment which reduces pressure on undeveloped and open land while improving and protecting the environment.

In addition to the required green building pathway, the project is optionally pursuing Earth Advantage Gold certification including measures to reduce the carbon footprint of the development. The following elements contribute to reducing the environmental impact of the development.

- a. Access to public transportation to reduce reliance on single-occupancy vehicles.
- b. Electric charging station ready with conduits installed and electrical system sized for future installation of charging stations combined with ample bike-rack space support the reduction of fossil fuel burning vehicles.
- c. Urban infill, higher density development, dense urban housing, and redevelopment of a previously industrial and brownfield site contribute to reducing the environmental impact of related to development on virgin land and urban sprawl.
- d. A construction waste management plan will divert a substantial amount of construction waste from the landfill by increasing the amount of recycled material.
- e. Durable exterior materials, rainscreen façade, and appropriately installed weather and air barrier contribute to lower energy consumption for heating and cooling and increase the lifespan of the envelope system.
- f. Increased recycled content in building materials reduces the building's carbon footprint and environmental impact by minimizing reliance on virgin materials.

- g. Indoor air quality improvements include eliminating added urea formaldehyde in materials and Low VOC finishes to reduce harmful off-gassing and protection of HVAC ductwork during construction to reduce dust and contaminants. In response to the annual increase of wildfires and poor air quality days, the project is reviewing enhanced filtration systems for ventilation air systems to further improve indoor air quality at times where windows should not be open.
- h. Energy Star appliances and all-LED lighting reduces ongoing energy consumption.
- i. Low-flow plumbing fixtures including toilets, sinks, shower heads, and lavatories in addition to landscaping with drought tolerant plant species reduce the long-term water consumption of the project.

In addition to the required green building pathway, the project is optionally pursuing Fitwel certification through measures that promote an active and healthy lifestyle for district inhabitants. Elements contributing to active, healthy lifestyles include the following:

- a. With a Walk Score above 90, the project provides increasing opportunities for regular physical activity, social interaction, and access to amenities, fostering improved health.
- b. Close proximity to Lane Transit stops and a short ride to the Downtown Eugene Station support use of alternative transportation, contributing to increased physical activity, stress reduction, improved air quality, community health, equity for those who cannot drive, and enhanced access to amenities.
- c. Ample long and short-term bicycle parking encourages the use of bicycles for transportation and recreation, contributing to increased physical activity.
- d. The district is pursuing a bike-share station to be located in the community to serve residents, patrons of future commercial developments and visitors of the public park and plaza. Bike share programs support active transportation and convenience, contributing to increased physical activity, equity for those who cannot drive or afford private vehicle use, and reduce congestion and air pollution.
- e. Immediate access to the adjacent public park, plaza, and Ruth Bascom Bike Path increases opportunities for regular physical activity, exposure to daylight, and social interaction, contributing to enhanced physical, mental, and social health.
- f. With future development of a playground adjacent to the public plaza, opportunities are expanded for children to play, interact with other children, and stimulate their mind, contributing to enhanced physical, mental, and social health.
- g. With the Farmers Market a few short blocks outside the district, the community has increased access to healthy food, promoting nutritious eating and supporting enhanced social interaction.
- h. Building operations will enforce a tobacco and smoke-free policy for all indoor and outdoor spaces, reducing tobacco consumption and exposure to secondhand smoke among community members, and contributing to enhanced respiratory and mental health.
- i. Evenly distributed lighting along street frontages and within parking areas contributes to increased perceptions of safety and pedestrian use after dark, reduces opportunity for crime, and supports the connection of downtown to the river.
- j. Internal stairways with inviting finishes, quality lighting and access to daylight provide an opportunity for occupants to increase regular physical activity.
- k. Elements of biophilic design are used to enhance the human connection to nature, contributing to reduced stress and enhanced mental health.
- l. A dedicated fitness room is provided as a building amenity to increase opportunities for access to physical activity, contributing to decreased absenteeism, enhanced physical and mental health, and improved social equity.

With the Ferry Street Bridge Viaduct (Coburg Rd) and railroad as sources of high-decibel sound, the design team is considering acoustical improvements to bring the project into compliance with

HUD acoustical requirements. Measures identified from on-site noise testing at the adjacent Heartwood (Parcel 7) site to improve the acoustical experience within the building include brick veneer, added resilient channel on exterior wall at non-brick cladding, and improved window glazing acoustics at strategic locations.

3. Local Economic Impact

Construction of multi-story urban buildings creates jobs for construction workers, cleaners, truck drivers, bankers, engineers, and other local industries supporting construction activities. The increase in jobs in turn supports local businesses and government through increased local spending in retail, restaurants, utilities, and taxes. Additionally, an increase in taxable revenue generated by local businesses, suppliers, and contractors further supports government resources.

With the project site located near downtown and easily accessible by bicycle and public transit, equity for employment of construction workers is increased as barriers to transportation to the job site are greatly reduced.

After completion of construction, ongoing job creation for facilities maintenance, building operations, leasing agents, and cleaning companies contribute to the economic vitality of the community. Taxable income and commerce generated by residents new to Eugene and Lane County further contribute to the greater economy.

4. Moderate-Income Housing Contribution

The project will support local moderate-income housing by dedicating funds to moderate-income housing. Additionally, in partnership with the City of Eugene, the neighborhood will include future development of moderate-income housing on a designated parcel.

5. Design and Compatibility

Inspired by the concept of “Where the City Meets the River,” the project is designed to activate street frontages, draw the urban character of downtown toward the Willamette River, and establish a new neighborhood, the Eugene River District.

Drawing from the industrial fabric of the past, the project employs durable and lasting façade materials including brick veneer and ground-floor glazing systems that can withstand the test of time while maintaining the quality of its character. Canopies providing places to pause and refuge from the rain, and large windows along the sidewalk further enhance the pedestrian experience in the district and break down the scale adjacent to the pedestrian realm.

To support a safe and inviting district that connects adjacent communities to the river, the project utilizes evenly distributed lighting along street frontages and within parking areas to improve perceived safety and reduce crime. Large windows in units, amenity spaces along the sidewalk, balconies engaging the street edge, and building entries located adjacent to building corners increase “eyes on the street” to further enhance public safety and support an active district at all times of the day.

Landscape features along pedestrian ways provide opportunities to pause and vegetated screens adjacent to parking areas enhance the pedestrian experience, creating biophilic connections within the urban context.

6. Historic and Existing Housing Sensitivity

As an urban renewal project on a previously industrial use site, this development does not displace any existing housing. The City and EWEB worked together to decommission past EWEB

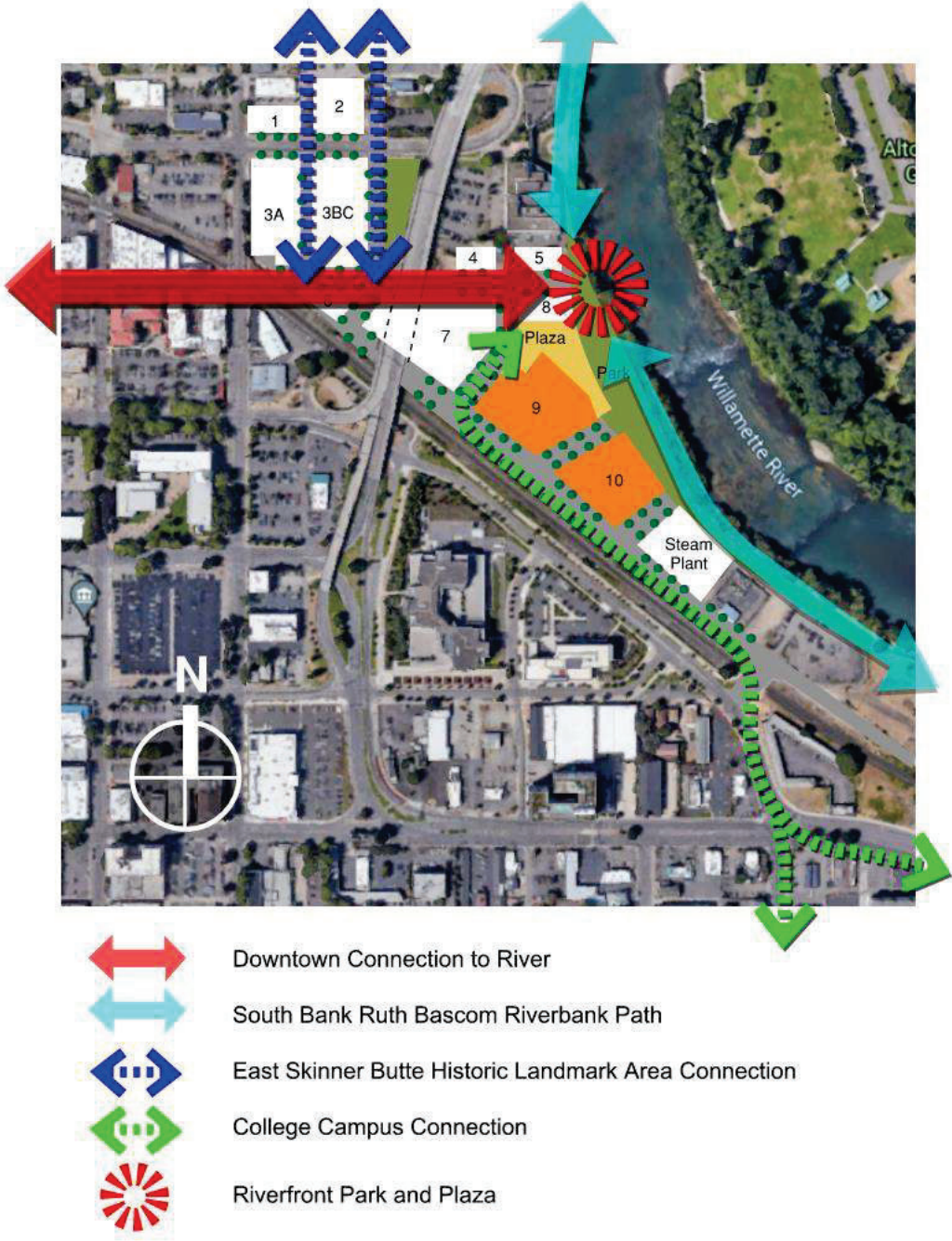
facilities and clear the site for future development. In this process, the City provided proper notification before removal of structures in the Eugene River District. The Ferry Street Bridge Viaduct was identified as a structure that meets the Oregon State Historic Preservation Office's (SHIPO) criteria for historic resource eligibility and City staff have determined there is no reason to conclude the proposed development will result in a negative impact to the viaduct. See the Historic Housing & Sensitivity section of this application for included letter from Eugene Planning outlining the site's compliance with preservation of historic locale and appropriate notification process followed for demolition of buildings previously located within the Eugene River District.

7. Project Need

As one of the three largest cities in the State of Oregon, the City of Eugene has seen steady growth with a population increase of 12.98% between 2010 and 2020 [US Census]. With the population growth outpacing the construction of new homes, the availability of housing is an ever-growing challenge. In August 2024, Eugene home prices were up 24% compared to August 2020 [redfin.com], contributing to residents being priced out of the homeownership market and forced into apartment living. The Eugene Riverfront District development responds to this ever-increasing demand for apartment living by providing higher density housing on previously under-utilized land within the urban growth boundary. In addition, the location has immediate access to and from the Downtown and West University neighborhoods via multiple modes of transportation, including public transportation, pedestrian pathways, and bicycle routes supporting alternate means of transportation, contributing to lower carbon emissions in the City.

District Connections

Eugene Riverfront District
ERD Parcel 9A



ERD Parcel 9A (Lot 12A)

C. Green Building Features Worksheet

The green building requirement is that projects perform at least 10% more efficiently than the performance established in the energy code adopted by the State of Oregon (currently Oregon Energy Efficiency Specialty Code). Only the residential occupancy and common areas associated with residential areas are considered (e.g., hallways, stairwells, centralized HVAC or hot water heating, laundry facilities). It does not apply to the commercial areas or ancillary amenities (e.g., parking garage, swimming pools, recreation centers). Pathways for complying with the requirement are based on the number of floors for the project: 1-3 story projects and 4 or more story projects. See below:

Summary of Green Building Pathways

Pathway	Building Size	
	1-3 Stories	>3 Stories
LEED v4 for Homes	Low-Rise: Certified + modeled at 10% above Oregon energy code	Mid-Rise: Certified + modeled at 10% above Oregon code
Earth Advantage	Multifamily: Certified + commissioning report	N/A
City of Eugene BPS (Building and Permit Services)	N/A	Modeled at 10% above Oregon energy code + commissioning report

- a) The pathway applicable to the proposed project is City of Eugene BPS.
- b) Use the table below to identify any additional items to include with your application based on the pathway identified above.

Pathway	Submit with Application
LEED v4 for Homes	1. LEED Registration Number 2. Project Checklist
Earth Advantage	Earth Advantage Points Worksheet
City of Eugene BPS	n/a

- c) See the Post-Approval Green Building Information section below for the required documentation that will need to be provided to the City should your project be awarded the MUPTE and other useful information.

 Initial here to indicate your understanding that you will need to demonstrate building energy performance 10% above the energy code adopted by the State of Oregon by submitting the items listed below at permit application and after construction.

- d) Will onsite parking be provided: ☒ Yes ☐ No

If yes, all projects that provide on-site parking must install conduit for future electric vehicle charging stations.

 Initial here to indicate your understanding of this requirement and agreement to include conduit should MUPTE be awarded.

MUPTE Application

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ERD Parcel 9A (Lot 12A)**Post-Approval Green Building Information**

Should the project be approved for the MUPTE, the applicant will be required to submit a number of documents to demonstrate compliance with the Green Building Features requirement. This section provides more information about those requirements.

Pathway	Submit with Building Permit Application	Submit after Construction³
LEED v4 for Homes	Energy model	Within 18 months after receiving a Certificate of Occupancy, documentation of LEED certification (copy of USGBC Rating Certificate and final LEED review).
Earth Advantage	n/a	Within 18 months after receiving a Certificate of Occupancy: 1. Documentation of Earth Advantage certification, and 2. Commissioning report.
City of Eugene BPS	1. Signed Energy Release to enable the City to access multi-family occupancy energy use data for the life of the MUPTE, and 2. Energy model	1. List the project features to achieve the 10% above code requirement, 2. Within 18 months after receiving a Certificate of Occupancy, commissioning report, and 3. Annually during exemption if Energy Release not signed, multi-family occupancy energy use data.

An improvement of at least 10% shall be demonstrated in the proposed building energy performance as compared to a similar baseline building designed in compliance with the prescriptive requirements of the energy code adopted by the State of Oregon. The proposed building performance and the baseline building performance shall be calculated in accordance with ANSI/ASHRAE/IES Standard 90.1-2019, Appendix G, using a simulation model. Projects must meet the minimum percentage savings before taking credit for renewable energy systems. The proposed design must include all energy consumption and costs within and associated with the building project.

INTENT

To support the design, construction, and eventual operation of a project that meets the owner's and City of Eugene project requirements for energy and durability.

³ If this documentation is not timely submitted, MUPTE may be revoked.

ERD Parcel 9A (Lot 12A)**REQUIREMENTS**

Commissioning Process Scope: Complete the following commissioning (Cx) process activities for mechanical, electrical, and renewable energy systems and assemblies, in accordance with ASHRAE Guideline 0-2019 or 0-2005 and ASHRAE Guideline 1.1-2007 for HVAC&R Systems, as they relate to energy, water, indoor environmental quality, and durability. The commissioning authority (CxA) must do the following:

- Review the OPR, BOD, and project design.
- Develop and implement a Cx plan.
- Confirm incorporation of Cx requirements into the construction documents.
- Develop construction checklists.
- Develop a system test procedure.
- Verify system test execution.
- Maintain an issues and benefits log throughout the Cx process.
- Prepare a final Cx process report.
- Document all findings and recommendations and report directly to the owner throughout the process.
- Provide a Final Report based on findings to the owner for delivery to the City of Eugene. At a minimum the report shall include: CxA qualifications, scope of commissioning activities, a list of systems commissioned (and by whom), a summary of issues corrected, and a list of major outstanding/unresolved issues.

Complete the following commissioning process (CxP) activities for the building's thermal envelope in accordance with ASHRAE Guideline 0-2019 or 0-2005 and the National Institute of Building Sciences (NIBS) Guideline 3-2012, Exterior Enclosure Technical Requirements for the Commissioning Process, as they relate to energy, and durability. Commissioning authority must complete the following:

- Review contractor submittals.
- Verify inclusion of systems manual requirements in construction documents.
- Verify inclusion of operator and occupant training requirements in construction documents.
- Verify systems manual updates and delivery.
- Verify operator and occupant training delivery and effectiveness.
- Verify seasonal testing.
- Review building operations 10 months after substantial completion.
- Develop an on-going commissioning plan.
- Incorporate all findings into the Final Report provided to the owner for delivery to the City of Eugene.

ERD Parcel 9A (Lot 12A)

Commissioning Authority: By the end of the design development phase, engage a commissioning authority with the following qualifications.

- The CxA must have documented commissioning process experience on at least two building projects with a similar scope of work. The experience must extend from early design phase through at least 10 months of occupancy;
- The CxA may be a qualified employee of the owner, an independent consultant, or an employee of the design or construction firm who is not part of the project's design or construction team, or a disinterested subcontractor of the design or construction team. For projects smaller than 20,000 square feet (1 860 square meters), the CxA may be a qualified member of the design or construction team. In all cases, the CxA must report his or her findings directly to the owner.

Green Building Features Narrative

Eugene River District
ERD Parcel 9A

Parcel 9A of the Eugene Riverfront District builds from the concept for the district: “Where the City Meets the River”. The sustainability features of the building support and enhance the design of the district with a focus on human health and wellness, energy efficiency, and sustainable sites. In support of this concept, the project will meet the City of Eugene BPS requirements to achieve a minimum of 10% better than energy code. To further enhance the environmental measures, the project is pursuing Earth Advantage certification and Fitwell certification to reduce the environmental impact of the building and contribute to a healthy living environment for residents of the community, going above and beyond the minimum MUPT standards.

Human Health and Wellbeing

The built environment can have a profound impact on the health and wellbeing of the building occupants. The design of Parcel 9A incorporates strategies from the latest research on healthy buildings with the goal of healthy and happy residents. The strategies used to achieve this goal include:

- Elements of biophilic design are used to enhance the human connection to nature. Biophilic design contributes to lower stress, increased happiness, improved sleep, and a greater sense of safety and comfort. Biophilic design features on this project include ample daylighting and views; finish materials inspired by natural colors, textures, and patterns; direct connection to the natural environment through outdoor amenity spaces, balconies, and operable windows; and landscaped areas that create delightful spaces for residents to enjoy with multiple senses.
- Mechanical systems to prioritize occupant health in addition to energy performance, such as improved air filtration in common spaces to reduce resident exposure to wildfire smoke.
- Interior material choices to reduce indoor air toxins for occupant health, including reduced VOC's.
- Enhanced unit compartmentalization to maintain good air quality for residents.
- Appropriate acoustic treatment of walls and windows to improve livability for the residents, particularly for facades near the railroad and viaduct.
- An efficient exterior building envelope to maximize the thermal comfort of the residents. A high-quality exterior envelope also minimizes air leakage and moisture migration, contributing to the long-term durability of the building.
- Secure bike storage rooms to promote active lifestyles of the residents.

Energy Efficiency and Emission Reductions

To reduce the environmental impact of the project, Parcel 9A will achieve energy savings of 10% or greater than Oregon code, and perform building commissioning. The strategies used to achieve this goal include:

- Efficient centralized hot-water heating systems
- An efficient exterior building envelope detailed for reduced thermal bridging, a continuous air and weather barrier to control air and moisture migration for long-term durability.
- Window coatings optimized to control solar heat gain where appropriate. Operable windows encourage the reduction of mechanical cooling on mild days.
- Rooftop treatment to reduce heat absorption into the building.

- Water-efficient plumbing fixtures to reduce freshwater demand and water heating energy. Water submetering for units to influence occupant behavior to encourage water conservation.
- LED lighting throughout to reduce energy demand.
- On-site electric car charging station infrastructure to support future installation of electric vehicle charging stations for reduced vehicular emissions.

The project team is also exploring reductions in the embodied carbon emissions from building material creation, transportation, and construction activities. Embodied carbon emissions contribute significantly to the overall environmental footprint of new buildings before the building is even occupied. While it is still early in the design process, the project team is targeting opportunities for embodied carbon reductions through optimized concrete mix designs and exploring wood sourcing options. The project team is also exploring ways to maximize the carbon sequestration potential of the landscaped areas of the site.

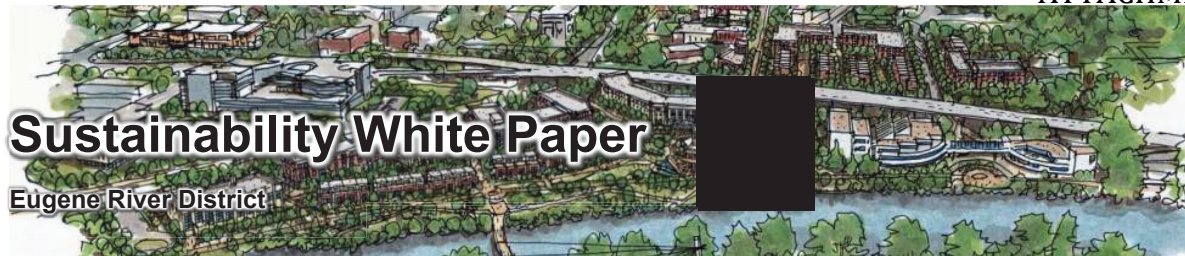
Sustainable Sites

Parcel 9A utilizes multiple design strategies to transform the currently underutilized site into a vibrant space for residents, the community, and native species. The strategies used to achieve this include:

- Integrated landscape design to connect the building site to the broader district. Native plants provide opportunities for habitat, reduce irrigation demand, and provide year-round interest and beauty.
- Stormwater capture and treatment strategies that tie into the landscape design to reduce surface runoff and contaminants from entering the natural water flows of the site.
- Ample green space and rooftop treatment to reduce heat absorption and minimize the urban heat island effect.
- Consideration of bird-safe design strategies and exterior lighting to reduce light pollution.

Conclusion

Combined with energy efficiency and a reduced environmental impact, the most sustainable projects are ones that enrich the human spirit, invoke delight, and foster community over time. These are beautiful places that people will love and care for both now and decades from now. Parcel 9A utilizes all the above design strategies to ensure a positive outcome for the community, residents, stakeholders, and the environment for the life of the project.



The Eugene River District (ERD) projects build from the concept for the district: Where the City Meets the River. The sustainability features of the buildings support and enhance the design of the district with a focus on human health and wellness, energy efficiency, and sustainable sites. The ERD projects have been designed to include features and systems in support of the sustainability goals outlined in Eugene's Climate Action Plan 2.0 (CAP2.0) and MUPT program. This document outlines environmentally responsible measures implemented in the ERD projects in alignment with CAP2.0, MUPT, and voluntary features that go above and beyond development code and typical multi-family development standards.

In alignment with the MUPT Green Building Pathway, the ERD projects are complying with the City of Eugene BPS requirements for projects greater than 3 stories to be modeled at 10% above Oregon energy code. With the recent energy code change from the 2019 to 2021 version, there have been improvements to building performance and resident wellbeing.

- The projects are anticipated to perform at approximately **15% to 20%** better than the 2021 Oregon energy code.
- As a partially electrified development and Eugene's primary electrical energy source being hydroelectricity, electrification is anticipated to reduce operational carbon emissions by about **60%** compared to a code base line development.

Alignment with Eugene's Climate Action Plan 2.0

Urban Density

CAP2.0 Action
Action T10 &
Envision Oregon

Description
Job creation within
the UGB and
promote compact
urban
development.

ERD Alignment

The ERD developments are located adjacent to downtown and within the UGB will provide many construction jobs and ongoing facilities management and maintenance employment opportunities.

Action T11
Rec. E1

Promote compact,
higher density
urban development

As mid-rise developments these projects increase population density with direct access to the downtown area.

Action T13

Increase population
in 20-minute
neighborhoods

With immediate adjacency to downtown, direct access to commercial amenities along 5th Avenue, and commercial amenities to be developed within the River District, all ERD projects will contribute to this goal.

Transportation

Action T14

Promote transit-
oriented
development.

In addition to being a walkable neighborhood, the projects are adjacent to existing LTD bus routes and a new downtown transportation plan is in progress.

Action T20
Action T37

Electric Vehicle
(EV) charging
infrastructure.

In alignment with the Climate Action Plan, the projects will provide EV charging stations and infrastructure for future expansion to accommodate anticipated growing demand.

CAP2.0 Action	Description	ERD Alignment
Action T23 Rec. E3	Promote use of micro-mobility options (e scooters, e-bikes)	The projects provide ample bike parking, including staple-style racks to promote use of heavier e-bicycles. In addition, the district is pursuing an installation of publicly accessible e-bike rentals.

Energy Efficiency

Action B1	Decrease emissions associated with natural gas	As partially electrified buildings, the ERD projects provide heating, cooling, and ventilation with electrically powered systems reducing emissions associated with natural gas fueled systems. Additionally, the projects are investigating infrastructure to permit a future transition to all-electric central domestic water heating.
Action B5	Developments to be 10% better than energy code.	In alignment with the action plan and the MUPTE program, the ERD projects will meet the City of Eugene BPS requirements to be modeled a minimum of 10% above Oregon energy code.
Action B15	Provide ETO energy efficiency programs for natural gas customers.	The design team is coordinating with ETO to improve energy efficiency in the limited areas where natural gas may be used.

Construction Materials

Action C5	Use of supplementary cementitious material in concrete mixes.	The ERD projects will incorporate concrete mix designs that reduce embodied carbon from baseline metrics established from the National Ready Mix Concrete Association (NRMCA). This will be achieved by specifying locally available cement replacement materials and quantities.
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Waste Management

Action F8 Action C4	Divert waste from landfills	As part of the Earth Advantage certification program, the ERD projects will implement waste management plans during construction operations to increase recycling of construction waste.
Action F13	Improve multi-family recycling programs	The ERD projects include resident recycling programs including recycling bins for glass and mixed recyclables conveniently located on each floor level and oversized cardboard recycling bins in each building to accommodate the waste created by the growing e-commerce economy.

Stormwater

Action R28	Support "green" stormwater infrastructure.	Bioswales and structured flow-through stormwater planters located on-site and within the adjacent right-of-way will be utilized to treat stormwater runoff from impermeable areas.
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Earth Advantage Certification – Targeting Gold Certification

In addition to previously mentioned sustainability measures, the following are to be implemented in association with Earth Advantage Certification:

- Durable exterior materials, rainscreen façade, and appropriately installed weather and air barrier contribute to lower energy consumption for heating and cooling and increase the lifespan of the envelope system.
- Increased recycled content in building materials reduces the building's carbon footprint and environmental impact by minimizing reliance on virgin materials.
- Indoor air quality improvements include eliminating added urea formaldehyde in materials and Low VOC finishes to reduce harmful off-gassing and protection of HVAC ductwork during construction to reduce dust and contaminants. In response to the recent annual increase of wildfires and poor air quality days, the project is reviewing enhanced filtration systems for ventilation air systems to further improve indoor air quality at times where windows should not be open.
- Energy Star appliances and all-LED lighting reduces ongoing energy consumption.
- Low-flow plumbing fixtures including toilets, sinks, shower heads, and lavatories in addition to landscaping with drought tolerant plant species reduce the long-term water consumption of the project.
- In-unit energy recovery ventilator (ERV) system to improve indoor air quality and reduce energy demand through heat recovery.
- Efficient centralized domestic hot-water system.
- Window coatings optimized to control solar heat gain where appropriate. Operable windows encourage the reduction of mechanical cooling on mild days.
- Rooftop treatment to reduce heat absorption into the building.
- LED lighting throughout to reduce energy demand.

Fitwel Certification – Targeting One Star Certification

In addition to previously mentioned measures to improve the health and wellbeing of the community, the following are to be implemented in association with Fitwel Certification:

- Projects will provide increased opportunities for regular physical activity, social interaction, and access to amenities, fostering improved health such as a dedicated fitness rooms, quality finishes in stairwells to promote regular use, and community spaces for residents to socialize. In addition, the location has immediate access to and from the Downtown and West University neighborhoods via multiple modes of transportation, including public transportation, pedestrian pathways, and bicycle routes supporting alternate means of transportation, contributing to lower carbon emissions in the City.
- Building operations will enforce a tobacco and smoke-free policy for all indoor and outdoor spaces, reducing tobacco consumption and exposure to secondhand smoke among community members, and contributing to enhanced respiratory and mental health.
- Evenly distributed lighting along street frontages and within parking areas contributes to increased perceptions of safety and pedestrian use after dark, reduces opportunity for crime, and supports the connection of downtown to the river.
- Elements of biophilic design are used to enhance the human connection to nature, contributing to reduced stress and enhanced mental health.
- Improved acoustical performance of windows and exterior envelope to mitigate noise from adjacent railroad and viaduct using HUD acoustical standards and site-specific testing to inform the design.



The industrial past of the district has left the community with contaminated land immediately adjacent to Downtown Eugene and flanking the Willamette River. The River District is entirely located on this brownfield. Environmental benefits of brownfield redevelopment include the following:

- Revitalizing land in a prime location and connecting downtown to the river.
 - Urban density lies at the root of reducing impact of development. Increased density reduces the pressure on development of virgin land and expansion of urban growth boundaries into natural resource areas and ecological environments. As mid-rise developments these projects increase population density adjacent to the downtown area.
- Central location reduces transportation demand.
 - Shorter car trips and overall reduced car use due to more efficient home/work travel patterns.
 - Per the US EPA, on average, brownfield redevelopments reduce vehicle miles traveled (VMT) by residents by 25 to 33% fewer VMT and job-related VMT by 9 to 10% fewer VMT per capita per day than non-brownfield locations (approximately 1.5 Metric Tons of Carbon reduced per resident per year).
- Access to existing infrastructure reduces municipal infrastructure expense.
- Prevents additional environmental degradation from building in greenfields.
 - Reduces impervious surface expansion in the city.
 - Per the US EPA, on average, for every 1 brownfield acre redeveloped, approximately 1.3 to 4.6 acres of new impervious surface will not need to be built.

Conclusion

As a dense, urban, brownfield redevelopment in immediate proximity to downtown, the Eugene River District revitalizes a previous industrial barrier and reconnects Downtown Eugene and the Willamette River through a vibrant, inviting neighborhood. The projects go above and beyond the MUPTE 10% better than energy code requirement. Implementing infrastructure for future expansion of electric vehicle charging stations and future-proofing facilities for a transition to all-electric domestic hot water heating are a few of the systems contributing to a reduced carbon footprint in alignment with the Eugene Climate Action Plan. In addition to exceeding the City of Eugene BPS energy requirements, the projects are pursuing Earth Advantage and Fitwel certifications to further reduce the environmental impact of development and create a healthy living environment for the community.



D. Local Economic Impact Plan Worksheet

In order to ensure that a substantial portion of the local tax benefit yields a benefit to the local community, each applicant needs to include a Local Economic Impact Plan. Complete the following worksheet and attach the required written material.

A. LOCAL CONTRACTS

Projects must have a plan for ensuring that more than 50% of the dollar volume of the combined professional services and construction contracts are or will be from a business organization or individual residing or doing business primarily in Lane County. Materials are excluded from the dollar volume calculation. If an applicant can provide evidence that a trade is not available locally, payment for services attributed to that trade may be excluded from the dollar volume calculation. Should a MUPTE be granted and at the end of construction, the developer will need to submit a report of the home city or zip code of all of the construction labor workers.

\$39,250,510	Total Estimated Professional Services and Construction Contracts
\$21,587,781	Local to Lane County
55%	% of Total that is Estimated to be Local
\$17,662,729	Not Local to Lane County

 Attach narrative on how this will be achieved. Identify the likely general contractor. Also include information on trades not available locally, if applicable.

B. MINORITY & WOMEN BUSINESS ENTERPRISES

MUPTE recipients need to ensure that qualified minority and women business enterprises have an equitable opportunity to compete for development related contracts. Initial next to the following three minimum steps to indicate your understanding and commitment to comply:

-  Developer will access lists of certified minority, women, emerging small business or disadvantaged business enterprises from the Oregon State Office of Minority, Women and Emerging Small Business (<http://www4.cbs.state.or.us/ex/dir/omwesb/>).
-  Developer will search for Oregon Forward Contractors from whom to procure products and services via the Oregon Forward Program website (<https://ofp.dasapp.oregon.gov/Search>).
-  Developer will advertise in general circulation, trade association, and minority focused media about prime subcontracting opportunities.

 Attach narrative on any other steps you plan to take so that minority and women business enterprises have an equitable opportunity to compete.

ERD Parcel 9A (Lot 12A)

C. COMPLIANCE WITH LAWS

The developer needs to ensure that all parties involved, including contractors and subcontractors, comply with wage, tax, and licensing laws. Initial next to the following four requirements to indicate your understanding and commitment to comply:

 Methods are in place to ensure all contractors performing work are licensed and performing in compliance with ORS 701 (Construction Contractors and Contracts).

 *Attach a narrative to describing the methods.*

 Developer will provide the City with a list of all contractors performing work on the project. Before a contractor performs any work on the project, the contractor must be included on the list on file with the City. Owner will confirm that each contractor has valid, current licensing, insurance, bonding, and workers compensation coverage.

 Developer will require that each contractor provide an affidavit attesting to the fact that (1) the contractor, owner, or responsible managing individual for the contractor does not have any unpaid judgments for construction debt, including unpaid wages; and (2) the contractor is in compliance with Oregon tax laws described in ORS 305.620 (local taxes) and ORS Chapters 316, 317 and 318 (state income taxes). City staff can provide a template of an affidavit for this purpose.

 Developer will post information about the City's Rights Assistance Program in English and Spanish on the job site during construction of the project.

Essex - Local Economic Impact Plan

ESSEX AND THE LOCAL CONSTRUCTION COMMUNITY

- **Local Knowledge:** Essex has been constructing buildings and building relationships in Lane County since 1987. Over the years we've developed strong connections in the community with owners, designers, subcontractors, suppliers and people in local government having jurisdiction over our projects.
- **Experience with Local Subcontractors:** We bring a long history of work experience with most of the subcontractors in the county, having completed projects with every major subcontractor in our area, along with many of the smaller ones. Our relationships with local construction partners are based on shared goals, clear expectations, excellent communication, attention to detail in both construction and contract documents, and hands on project administration. Many of the projects we build utilize design-assist and design-build MEPF teams. These close collaborative relationships and our reputation for effective project management have strengthened our ties with these firms and provided opportunities for our clients to get the best value from our project.
- **Local Rules, Regulations, and City and County Staff:** Over the years we've worked closely with permitting agencies, local utilities, and other agencies on our projects in Eugene. We maintain excellent relationships with local building and planning departments throughout Lane County, and in Eugene.

The list below shows some of the contractors that Essex regularly works with. We will send bid invitations to all local subcontractors and suppliers during the bidding process for this project.

Scope of Work	Company Name	Certifications	Office Location
General Contractor	Essex General Construction		Eugene, OR
Concrete, Site Concrete	3 C Custom Commercial Concrete		Springfield, OR
Concrete, Site Concrete	Dynasty Concrete Co.		Eugene, OR
Rebar	Farwest Steel		Eugene, OR
Ready Mix	Knife River Corporation		Eugene, OR
Ready Mix	Riverbend Materials		Eugene, OR
Masonry	Haps Masonry		Eugene, OR
Metal Fabrication	Kiwifab Inc.		Eugene, OR
Metal Fabrication	Gibson Steel Fabricating		Eugene, OR
Metal Fabrications	Commercial Metal Products		Springfield, OR
Metal Erection	West Side Iron	DBE, MBE	Springfield, OR
Wood Framing	Tall Pine Contractors Inc		Marcola, OR
Finished Carpentry	LJ Pearson Construction Inc.		Springfield, OR
Building Insulation	Home Insulation		Eugene, OR
Roofing	River Roofing		Springfield, OR
Roofing	Evergreen Roofing		Eugene, OR
Roofing	Umpqua Roofing Company		Eugene, OR
Roofing, Sheetmetal	Rock Roofing & Sheet Metal Inc		Eugene, OR
Sheetmetal	Smith Sheet Metal		Springfield, OR
Sheetmetal	Stedman Sheetmetal Inc		Springfield, OR
Millwork & Doors	Mid-Valley Glass & Millwork		Eugene, OR
Storefront & Glazing	Culver Glass Company		Eugene, OR
Storefront & Glazing	Lane County Glass		Eugene, OR
Storefront & Glazing	I-5 Glass		Springfield, OR

Essex - Local Economic Impact Plan

Scope of Work	Company Name	Certifications	Office Location
Metal Stud, Drywall, ACT	Haas Contracting		Springfield, OR
Metal Stud, Drywall, ACT	Hartness Drywall		Cottage Grove, OR
Metal Stud, Drywall, ACT	Oregon Ceiling & Acoustics LLC	MBE	Eugene, OR
Metal Stud, Drywall, ACT	Hathaways		Eugene, OR
Painting	One-Way Painting		Junction City, OR
Painting	Gaviotas Painting		Eugene, OR
Painting	Evergreen Painting Co		Eugene, OR
Painting	WC Finishes Inc		Springfield, OR
Flooring	Imperial Flooring		Eugene, OR
Tile, Flooring	Rubensteins Contract Carpet LLC		Eugene, OR
Signage	Fastsigns of Eugene		Eugene, OR
Signage	Image King Signs		Eugene, OR
Signage	ES&A Sign & Awning		Eugene, OR
Appliances	Kellys Home Center		Eugene, OR
Casework, Countertops	Lanz Cabinets		Eugene, OR
Casework	Advance Cabinet Designs Inc.		Eugene, OR
Countertops	Precision Surfaces		Eugene, OR
Countertops	Pro Contracting		Eugene, OR
Window Coverings	Budget Blinds of Eugene		Eugene, OR
Window Coverings	VSC Window Coverings		Eugene, OR
Sprinkler	Omlid & Swinney		Springfield, OR
Sprinkler, Plumbing, HVAC	Harvey & Price		Eugene, OR
Plumbing	Twin Rivers		Eugene, OR
Plumbing	Brothers Plumbing Inc		Creswell, OR
Plumbing, HVAC	HCH Mechanical		Eugene, OR
HVAC	Comfort Flow Heating		Springfield, OR
HVAC	Innovative Air Inc		Eugene, OR
Electrical	PNW Electric LLC	ESB	Eugene, OR
Electrical	Builders Electric Inc		Eugene, OR
Electrical	Contractors Electric LLC		Eugene, OR
Electrical	Sunset Electric Inc		Springfield, OR
Earthwork	Delta Construction Co		Eugene, OR
Earthwork	Kipco Construction LLC		Eugene, OR
Earthwork	Pacific Excavation Inc.		Eugene, OR
Earthwork	Wildish Construction Co		Eugene, OR
Asphalt Paving	Aegis Asphalt Construction	ESB	Springfield, OR
Site Concrete	Roger Langeliers Construction Co.		Eugene, OR
Landscaping	Rexius Forest By-Products Inc		Eugene, OR
Landscaping	Gratons Custom Landscapes		Junction City, OR
Landscaping	Andersons Erosion Control Inc	DBE, WBE	Junction City, OR
Fencing & Gates	Island Fence		Junction City, OR
Fencing & Gates	Oregon Fence Co.		Springfield, OR

Essex - Local Economic Impact Plan

OUTREACH

Essex is committed to working with local businesses and cultivating relationships with small businesses and utilizing as many MWESB firms certified through COBID. Our deep relationships with local businesses have contributed to a large bench of local firms we can collaborate with on this project. For this reason we are confident we will be able to meet the construction project's local labor goals (in dollars) from contractors with a presence in Lane county.

Outreach and inclusion of MWESB certified firms is essential to maximize participation. We utilize Building Connected a web-based software program to create bid packages, distribute invitations to bid and manage the bid process. This gives us access to a large database of subcontractors and enables us to drill down and focus on local and/or MWESB subcontractors. The bottom line is that by leveraging this technology we can reach the specific subcontractors we need to meet the particular requirements of each project.

To ensure maximum utilization of certified firms on the project, Essex will solicit for all project packages in an open, fair and competitive process.

- Certified firms' eligibility will be determined through state COBID lists.
- Outreach will start during pre-construction to provide advance notice to certified firms through key trade and business organizations such as OAME that promote utilization of minority and women owned firms.
- Essex will contact firms by phone, email and/or fax notifying them of anticipated work available on the project.
- Information shall be posted through Essex's Building Connected site to facilitate assessment of the interest of certified firms for the work on the project.
- Advertisement at least three weeks prior to bid opening in the Daily Journal of Commerce, Eugene Builders Exchange and the Portland Observer.
- Essex will distribute project documents and solicitations to multiple plan centers throughout the state to provide easy access to potential bidders.

To ensure compliance with ORS 701, Essex Construction will obtain the following from all contractors:

- Verification from the Oregon Contractor's Board that licenses are valid and in good standing.
- Proof of liability insurance and bond in the amounts required by the CCB.
- Proof of workers compensation insurance.
- Proof that the workers on-site are employed by the subcontractor and covered by license and insurance.

These items will also be available for inspection on-site.

F. Project Design and Compatibility Worksheet

 Attach two schematic drawings drawn to a minimum scale of one inch equals 16 feet (1" = 16'):

1. Site plan and major features and dimensions of the proposed development.
2. Side and front elevations of the proposed development.

Identify on both drawings public and private access, parking and circulation plans, and proposed landscaping design. If Council approves the exemption, these schematic drawings will be attached to the approval resolution.

 Attach a written description of the exterior finishes, public and private access, parking and circulation plans, and proposed landscaping design.

 Attach a written narrative, with supporting graphics, renderings, or elevations of the proposed development that describes how the project will address the basic design concepts listed below.

Basic Design Concepts & Recommended Design Techniques

During the MUPTE application evaluation process, the City's Urban Design team will assess how the project addresses the four basic design concepts listed below. Also included below are recommended design techniques to assist in achieving these design concepts and serve as a way to create objective standards in design. These design techniques will provide non-regulatory guidance and are not prerequisites to receiving a MUPTE. The City's Urban Design team will reference the recommended techniques below in the evaluation it provides to the Review Panel of the submitted design. For additional guidance, refer to the Community Design Handbook, which can be found at <https://www.eugene-or.gov/3887/Design-Resources>.

Scale Form and Quality: Buildings are designed for the human scale, appropriate to local climate and natural resiliency, to engage the street, promote transparency, help define a sense of place, fit the neighborhood, and employ high-quality and contextually appropriate materials and colors. Recommended techniques include:

- Reference the rhythm of the building's structural system and spacing when placing bays, projecting columns or pilasters, windows, storefronts, and doors.
- Incorporate the use of balconies and terraces on residential and mixed-use buildings to provide additional articulation, shadows, indoor/outdoor connections, and eyes on the street.
- Use high quality, durable building materials and incorporate architectural elements and level of detailing, trim, texture and finish that is comparable on all building facades.
- Organize windows utilizing unifying elements such as common sill or header lines.
- Utilize a color and material placement consistent with architectural massing and structural bays. Do not switch colors or materials on the façade that do not respond to the architecture and articulation.
- Provide visual interest and accent shade and shadow by varying the building massing or highlighting different uses within the building by pushing or pulling the façade.

Mixture of Project Elements: The proposal employs a mixture of project elements that contribute to a walkable downtown, encourage biking and transit use, enrich the streetscape, and support community comfort and safety at all hours. Recommended techniques include:

- Provide entries for each ground floor retail and commercial establishment to facilitate pedestrian circulation and to add a finer grain to the layout of ground floor uses.
- Use building composition and form to enhance important wayfinding functions, such as the use of a vertical element to accentuate a corner entry into a building or to define a gateway.
- Establish a building entry hierarchy to delineate the difference between uses.
- Use horizontal and vertical separation for ground floor residential units to create a transitional area between the public realm and the residences. Utilize landscaping, screening elements, and other architectural features to further enhance privacy for both residents and passersby.

Relationship to the Street and Surrounding Uses: The proposal is designed to engage and enrich the streetscape, as well as respect and enhance the existing surrounding uses. Recommended techniques include:

- Shelter entries by using awnings and/or by recessing the entry within the building façade.
- Provide a high degree of transparency for all ground floor commercial uses.
- Consider the use of clerestory windows on storefronts and other ground floor commercial uses.
- Where appropriate, place awnings above storefront windows.
- Use ground floor sidewalk frontage for active daytime uses.

Parking and Circulation: Parking is designed to provide, to the greatest extent possible, locations for car sharing, integrated shared-parking strategies, electric car charging stations, and safe and attractive pedestrian/bicycle connections between parking and adjacent buildings and streets. Recommended techniques include:

- Provide clear and attractive pedestrian and bicycle connections that minimize vehicle conflicts. Consider utilizing lighting to enhance safety and wayfinding.
- Consider landscaping and material change to highlight the pedestrian and bicycle amenities.
- Provide pedestrian and bicycle connections to the existing street grid when possible.
- Wrap the facades of the building with commercial and/or residential uses, internalizing the parking facility where appropriate for buildings with above ground parking structures.
- Utilize screening that replicates the proportions, rhythm, and scale of the building's other architectural elements and complements the overall building design where a parking structure is exposed to the public realm.
- Design screening to block views of all parked cars within the structure and limit the impacts associated with internal facility lighting and the headlights of cars.
- Do not express the sloping floors of parking structures on the exterior façade of the building.

Project Design and Compatibility Narrative

Eugene River District
ERD Parcel 9A

Scale Form and Quality

Inspired by the concept of “Where the City Meets the River,” the ERD Parcel 9A project is designed to activate Ferry Street, the new Downtown Riverfront Plaza and Park, and draw the urban character of downtown towards the Willamette River to establish a new neighborhood: the Eugene River District.

The project is configured as an L-shaped midrise building engaging with Ferry St, Annie Mims Lane, Wiley Griffon Way on Parcel 9A and space allocated for a minimum of eleven (11) townhomes facing the Riverfront Park on Parcels 9B and 9C. The townhomes on Parcel 9B and 9C are excluded from this MUPTE application and will be a separate future project, see site plan.

The exterior materials consist of brick, fiber cement panels, and concrete. The project will use a storefront window system at the ground level and vinyl windows on the upper levels. These materials were selected to be compatible with the neighborhood and for permanence and durability. The façade is configured to evoke the brick warehouse aesthetic, inspired by the industrial legacy of the site and will be complementary to the neighboring Parcel 7 (completed) and Parcel 3BC buildings (under construction) in the district. The arrangement of the large windows and brick piers establishes a consistent architectural rhythm that enriches the streetscape experience. Recessed balconies reinforce the architectural rhythm and create interesting shadows across the facade. The elevation design is further punctuated by brick detailing around the windows. The overall design and detailing meet or exceed the River District design standards approved for adoption on July 22, 2019.

Mixture of Project Elements

The building is designed to contribute to a walkable downtown. With its adjacency to the Downtown Riverfront Park and Plaza, the Ferry Street frontage will serve as the primary public interface to the building’s main lobby, and ground floor amenities. The building is composed to give residents ease of access to the street network and park with multiple entrances and elevator lobbies, encouraging walking and biking. The parking entrance is located along the quieter Annie Mims Way frontage. A secondary parking entrance is located on Wiley Griffon Way.

Relationship to the Street and Surrounding Uses

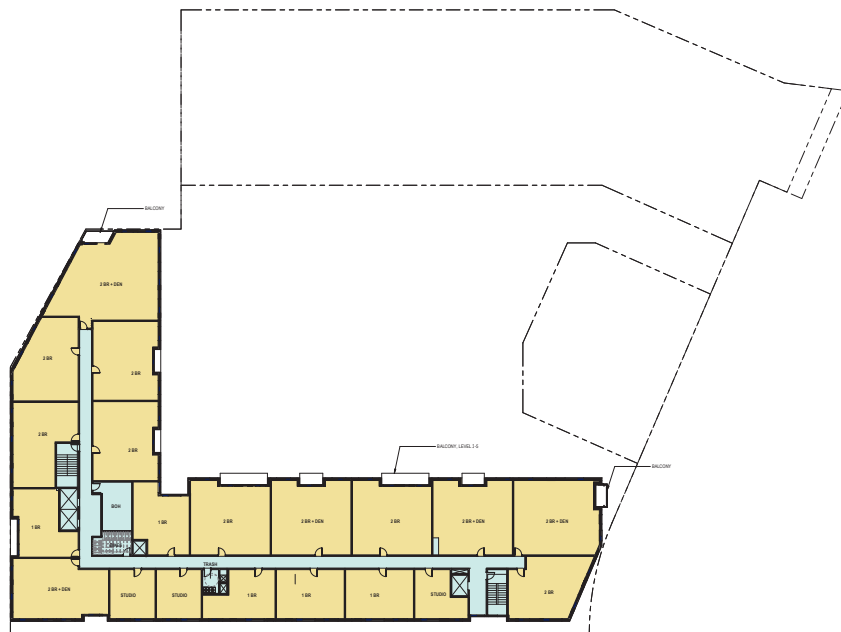
The building entries are recessed in the façade and sheltered by large steel canopies. Large ground-floor windows provide a high degree of transparency at the street facing façades. The building's balconies and windows into elevator lobbies bring residents out to interact with the street and district views. Street trees and stormwater planting enrich the streetscape.

Parking and Circulation

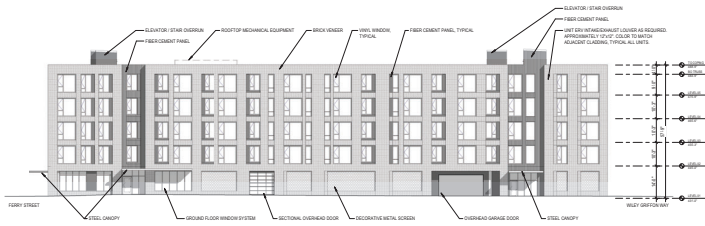
The building is designed to provide urban frontages to Ferry Street, Annie Mims Way, and Wiley Griffon Way that engage with the street and shield the residential parking from view. The parking will be screened with landscape and architectural elements to block views of vehicles and limit the impacts of car headlights.

In alignment with the City of Eugene's Climate Action Plan to reduce transportation emissions and increase use of electric vehicles, the project is providing electric vehicle charging stations to support market demand. In addition to the installed EV chargers, empty conduit, pull vaults, and electrical system sizing will be appropriately implemented in support of future expansion to serve more electric vehicles. The main pedestrian and bicycle connections are tied to the existing street grid, reducing pedestrian/vehicle conflicts. Long-term bicycle parking is provided in secure and convenient bike rooms and within units. Short-term bicycle parking will be located near building entrances to encourage bicycle use for residents and visitors.

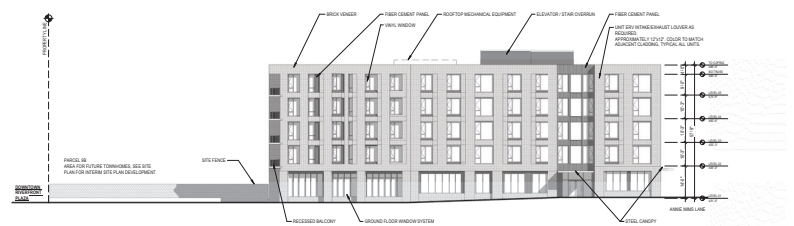




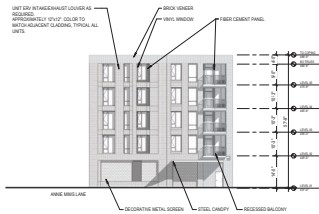
1 PLAN LEVEL 02-05
1/16" = 1'-0"



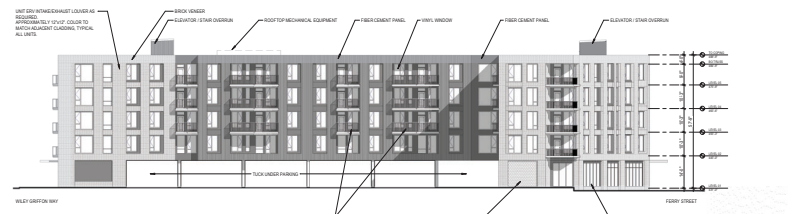
2 ANNIE MIMS ELEVATION
1/16" = 1'-0"



1 FERRY STREET WEST ELEVATION
1/16" = 1'-0"



3 WILEY GRIFFON ELEVATION
1/16" = 1'-0"



4 RIVERFRONT ELEVATION
1/16" = 1'-0"





VIEW FROM FERRT STREET



VIEW FROM THE CORNER OF FERRT STREET AND ANNIE MIMS



VIEW FROM ANNIE MIMS

G. Historic and Existing Housing Sensitivity Worksheet

Any application for a project that is immediately adjacent or contiguous to a historic locale shall include a plan to mitigate impacts to the historic locale.⁴ The project shall preserve and enhance an existing historic locale, as evidenced by a concept plan that has been reviewed by a Planning & Development Department staff person with expertise in design and historic preservation. No exemption shall be granted for any property where a historic structure or potential historic structure has been demolished or removed from the property within the two years immediately preceding the MUPTE application date. This restriction shall be waived if the owner of the property gave notice of the intent to demolish or move the structure to Planning staff responsible for historic review issues at least 60 days before the owner's application for a demolition or moving permit from the City.

- i. Is the project immediately adjacent or contiguous to an historic locale?⁵

☐ Yes ☒ No

 If yes, attach the confirmation letter from Planning staff that states the concept plan review is complete and accepted.

- ii. Was an historic structure or potential historic structure demolished or removed from the property within the two years immediately preceding the date of application for the exemption?

☐ Yes ☒ No

 If yes, attach the letter from Planning staff that states proper notification was provided before removing any structures and that historic structures were appropriately addressed.

No exemption shall be granted for any property on which any housing unit has been demolished or removed from the property within the last two years. This restriction can be waived if the proposed project increases the number of dwelling units by 50% from what previously existed or if it replaces the old units by significantly larger units that will accommodate families.

- iii. Was housing demolished or removed from the property within the prior two years?

☐ Yes ☒ No

If yes, Number of units: _____

Number of houses: _____

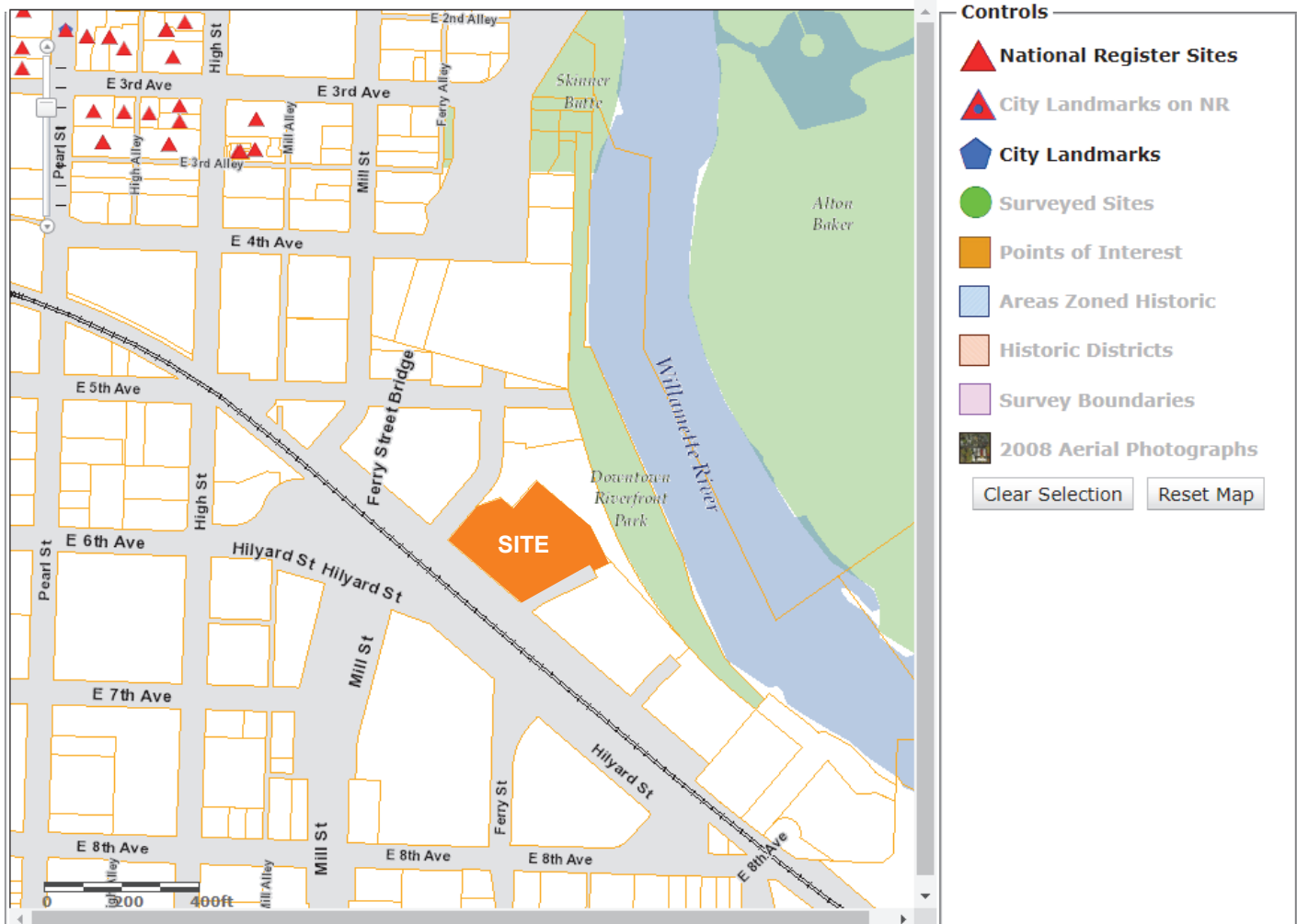
Number of bedrooms per house: _____

⁴ As defined in the Administrative Rule, an historic locale is a building that has historic, cultural and/or architectural significance, locally, regionally, or nationally. A historic locale can also include a building acknowledged by the Eugene Historic Review Board as strongly or possibly eligible for City Landmark or National Register listing.

⁵ Contact Dylan Huber-Heidorn to determine whether the project is adjacent or contiguous to an historic locale (dhuber-heidorn@eugene-or.gov, 541-682-5475)

Historic Housing Map

Eugene Riverfront District
ERD Parcel 9



Memorandum

Date: October 14, 2024
To: Joshua Lupkin - SERA
From: Annie Loe, Urban Designer
Subject: Historic and Existing Housing Sensitivity Review – ERD Parcel 9 Application

As a part of the MUPTE application process for the proposed mixed-use development in the Riverfront District Parcel 9, consideration of the project's overall impact on historic locales and existing housing is required. The subject site is near two structures which meets the Oregon State Historic Preservation Office's (SHPO) criteria for historic resource eligibility (Ferry Street Bridge and railroad Viaduct and the Steam Plant), meeting the MUPTE application's definition of "historic locale," and triggering review by City planning staff. Planning staff have considered the potential impacts to the Ferry Street Bridge Viaduct and the Steam Plant with the development of ERD Parcel 9.

The Ferry Street Bridge and railroad Viaduct ("Ferry Street Bridge and Viaduct") was constructed in 1950, providing a direct connection from Coburg Road to downtown Eugene and the University of Oregon and linking Highway 99 between the Sixth-Seventh couplet and East Broadway. Ferry Street Bridge is located near the location of the ferry service operated by Eugene Skinner. The bridge and viaduct are examples of a number of large-scale road projects undertaken around Eugene from the 1950s to the mid 1960's. Based on its date of construction and significance ties to Eugene's transportation history, the Ferry Street Bridge and Viaduct meet the MUPTE application's definition of "historic locale."

The Steam Plant went into construction in December 1930 and was completed by December 1931. The plant produced steam to heat the homes of residents and places of business up until 2008 when it was finally decommissioned. At that point, it was serving only 75 customers with the final two, PeaceHealth and the former City Hall, being disconnected in 2012. The plant is rich in history and that history will be preserved under a design proposal that renames the Steam Plant to Dream Plant and re-envision the space into a community-centered, multi-use and activated anchor to Eugene's history and future.

The building will require extensive upgrades, but the industrial aesthetic on the exterior and interior will be preserved. Staff will review the proposed design for parcel 9 taking into consideration the development of the Steam Plant and how the design responds to the historic characteristics that will be preserved and realized in the Dream Plant. The Dream Plant will go through a historic designation process which will formally list the structure on the National Register of Historic Places.

No buildings or housing have been demolished within the last two years for the purpose of this proposed development. Staff find no reason to conclude that the proposal will have a negative impact on the identified historic locales. The proposal has the potential to elevate the stature of the district and to help foster a neighborhood steeped in legacy.

Financial Information

Eugene River District
ERD Parcel 9A (Lot 12A)

Financial Information
Eugene Riverfront District
ERD Parcel 9

Unit Mix	Avg SF Per Unit	Unit Count	Monthly		2024 Annual
			Avg Rent	Rent/SF	
Average/Total	908	80	\$ 2,598	\$ 2.86	\$ 2,494,080
Studio	462	12	\$ 1,504	\$ 3.25	\$ 216,576
1 Bedroom	680	20	\$ 2,052	\$ 3.02	\$ 492,480
2 Bedroom	1,010	28	\$ 2,904	\$ 2.88	\$ 975,744
2 Bedroom + Den	1,262	20	\$ 3,372	\$ 2.68	\$ 809,280

Without MUPTE

Revenue

	Number Of Units	Avg Unit SF	Avg Rent Per SF	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Total Units	80	908	\$2.86	\$ 2,494,080	4.641%	\$ 3,082,150
Vacancy loss		5.30%		(\$132,186)		(\$163,354)
Other Income						
Parking	101	\$100.99 /Stall/Mo.		\$122,400	3.100%	\$ 141,142
Storage	0	\$0 /Unit/Mo.		\$0	3.100%	\$ -
Deposit on Turnover				\$4,848	3.100%	\$ 5,590
Other				\$30,605	3.100%	\$ 35,291
Utility Billback		95.00%		\$43,605		\$ 50,054
Effective Gross Income				\$ 2,563,352		\$ 3,150,874

Operating Expenses

	PUPM	PUPY	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Payroll	\$142.92	\$1,715	\$137,201	3.0%	\$ 157,495
Administration	\$9.67	\$116	\$9,286	3.0%	\$ 10,660
Advertising/Marketing	\$32.36	\$388	\$31,066	3.0%	\$ 35,661
Repairs/Maintenance	\$11.93	\$143	\$11,452	3.0%	\$ 13,146
Turnover	\$6.41	\$77	\$6,157	3.0%	\$ 7,068
Utilities	\$47.81	\$574	\$45,900	3.0%	\$ 52,689
Contracted Services	\$20.15	\$242	\$19,342	3.0%	\$ 22,203
Insurance (prop + excess)	\$31.65	\$380	\$30,380	3.0%	\$ 34,873
Property Taxes	\$408.92	\$4,907	\$392,566	3.0%	\$ 455,092
Management Fee 4.0%	\$106.81	\$1,282	\$102,534		\$126,035
Reserve/Replacement	\$20.83	\$250	\$20,000	3.0%	\$ 22,958
Total Expenses	\$839.46	\$10,074	\$805,884		\$937,878

Net Operating Income	\$1,757,467
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With MUPTE

Revenue

	Number Of Units	Avg Unit SF	Avg Rent Per SF	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Total Units	80	908	\$2.86	\$ 2,494,080	4.6%	\$ 3,082,150
Vacancy loss		5.30%		(\$132,186)		(\$163,354)
Other Income						
Parking	101	\$100.99 /Stall/Mo		\$122,400	3.1%	\$ 141,142
Storage	0	\$0 /Unit/Mo		\$0	3.1%	\$ -
Deposit on Turnover				\$4,848	3.1%	\$ 5,590
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Utilities	\$47.81	\$574	\$45,900	3.0%	\$ 52,689
Contracted Services	\$20.15	\$242	\$19,342	3.0%	\$ 22,203
Insurance (prop + excess)	\$31.65	\$380	\$30,380	3.0%	\$ 34,873
Property Taxes	\$50.47	\$606	\$48,451	3.0%	\$ 56,168
Management Fee 4.0%	\$106.81	\$1,282	\$102,534		\$126,035
Reserve/Replacement	\$20.83	\$250	\$20,000	3.0%	\$ 22,958
Total Expe	18.01%	\$481.01	\$5,772		\$538,955

Net Operating Income	\$2,101,582	\$2,611,919
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Lease Up Year Pro Forma without MUPTF

Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	10	0	0	
Units Occupied		20	30	40	50	60	70	80	80	80	
Occupancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	100.0%	100.0%	100.0%	
with Vacancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,211	\$96,317	\$128,423	\$160,529	\$192,634	\$224,740	\$256,846	\$256,846	\$256,846	\$1,637,392
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,613)	(\$13,613)	(\$13,613)	(\$40,838)
Other Income											
Parking		\$2,940	\$4,411	\$5,881	\$7,351	\$8,821	\$10,292	\$11,762	\$11,762	\$11,762	\$74,982
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$349	\$408	\$466	\$466	\$466	\$466	\$2,970
Other		\$735	\$1,103	\$1,470	\$1,838	\$2,206	\$2,573	\$2,941	\$2,941	\$2,941	\$18,748
Utility Billback		\$1,043	\$1,564	\$2,086	\$2,607	\$3,128	\$3,650	\$4,171	\$4,171	\$4,171	\$26,591
Effective Gross Income		\$69,046	\$103,570	\$138,093	\$172,616	\$207,139	\$241,662	\$262,573	\$262,573	\$262,573	\$1,719,845
Operating Expenses											
Expenses		\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$250,345
Management Fee	4.00%	\$2,762	\$4,143	\$5,524	\$6,905	\$8,286	\$9,666	\$10,503	\$10,503	\$10,503	\$68,794
Property Taxes											
Land		\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$41,713
Improvements		\$32,918	\$32,918	\$32,918	\$32,918	\$32,918	\$32,918	\$32,918	\$32,918	\$32,918	\$296,259
Total Property Taxes		\$37,552	\$37,552	\$37,552	\$37,552	\$37,552	\$37,552	\$37,552	\$37,552	\$37,552	\$337,972
Reserve/Replacement		\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$17,219
Total Operating Expenses		\$70,044	\$71,425	\$72,805	\$74,186	\$75,567	\$76,948	\$77,785	\$77,785	\$77,785	\$674,330
Net Operating Income		(\$997)	\$32,145	\$65,287	\$98,430	\$131,572	\$164,714	\$184,788	\$184,788	\$184,788	\$1,045,515

10-Year Pro Forma without MUPTF

		Escalator	Year									
			1 (LEASE-UP)	2	3	4	5	6	7	8	9	10
			2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Revenue		3.0%	\$1,637,392	\$3,174,615	\$3,269,853	\$3,367,949	\$3,468,987	\$3,573,057	\$3,680,248	\$3,790,656	\$3,904,376	\$4,021,507
Vacancy loss	5.30%		(\$40,838)	(\$168,255)	(\$173,302)	(\$178,501)	(\$183,856)	(\$189,372)	(\$195,053)	(\$200,905)	(\$206,932)	(\$213,140)
Other Income												
Parking		3.0%	\$74,982	\$145,376	\$149,737	\$154,229	\$158,856	\$163,622	\$168,531	\$173,586	\$178,794	\$184,158
Storage		3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		3.0%	\$2,970	\$5,758	\$5,931	\$6,109	\$6,292	\$6,481	\$6,675	\$6,875	\$7,082	\$7,294
Other		3.0%	\$18,748	\$36,350	\$37,440	\$38,563	\$39,720	\$40,912	\$42,139	\$43,404	\$44,706	\$46,047
Utility Billback		3.0%	\$26,591	\$51,556	\$53,103	\$54,696	\$56,337	\$58,027	\$59,768	\$61,561	\$63,408	\$65,310
Effective Gross Income			\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses												
Expenses		3.0%	\$250,345	\$343,807	\$354,122	\$364,745	\$375,688	\$386,958	\$398,567	\$410,524	\$422,840	\$435,525
Management Fee	4.00%		\$68,794	\$129,816	\$133,710	\$137,722	\$141,853	\$146,109	\$150,492	\$155,007	\$159,657	\$164,447
Property Taxes												
Land		3.0%	\$41,713	\$57,286	\$59,005	\$60,775	\$62,598	\$64,476	\$66,410	\$68,403	\$70,455	\$72,568
Improvements		3.0%	\$296,259	\$406,862	\$419,068	\$431,640	\$444,589	\$457,927	\$471,665	\$485,815	\$500,389	\$515,401
Total Property Taxes			\$337,972	\$464,148	\$478,073	\$492,415	\$507,188	\$522,403	\$538,075	\$554,218	\$570,844	\$587,969
Reserve/Replacement		3.0%	\$17,219	\$23,647	\$24,356	\$25,087	\$25,840	\$26,615	\$27,413	\$28,236	\$29,083	\$29,955
Total Operating Expenses			\$674,330	\$961,419	\$990,261	\$1,019,969	\$1,050,568	\$1,082,085	\$1,114,548	\$1,147,984	\$1,182,424	\$1,217,896
<i>Expense % of EGI</i>			39.2%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%
Net Operating Income			\$1,045,515	\$2,283,981	\$2,352,501	\$2,423,076	\$2,495,768	\$2,570,641	\$2,647,760	\$2,727,193	\$2,809,009	\$2,893,279

10-Year Operating Pro Forma with MUPTE
Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	10	0	0	
Units Occupied		20	30	40	50	60	70	80	80	80	
Occupancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	100.0%	100.0%	100.0%	
with Vacancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,211	\$96,317	\$128,423	\$160,529	\$192,634	\$224,740	\$256,846	\$256,846	\$256,846	\$1,637,392
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,613)	(\$13,613)	(\$13,613)	(\$40,838)
Other Income											
Parking		\$2,940	\$4,411	\$5,881	\$7,351	\$8,821	\$10,292	\$11,762	\$11,762	\$11,762	\$74,982
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$291	\$349	\$408	\$466	\$466	\$466	\$2,970
Other		\$735	\$1,103	\$1,470	\$1,838	\$2,206	\$2,573	\$2,941	\$2,941	\$2,941	\$18,748
Utility Billback		\$1,043	\$1,564	\$2,607	\$3,128	\$3,650	\$4,171	\$4,171	\$4,171	\$4,171	\$26,591
Effective Gross Income		\$69,046	\$103,570	\$138,093	\$172,616	\$207,139	\$241,662	\$262,573	\$262,573	\$262,573	\$1,719,845
Operating Expenses											
Expenses		\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$250,345
Management Fee	4.00%	\$2,762	\$4,143	\$5,524	\$6,905	\$8,286	\$9,666	\$10,503	\$10,503	\$10,503	\$68,794
Property Taxes											
Land		\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$41,713
Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes		\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$4,635	\$41,713
Reserve/Replacement		\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$17,219
Total Operating Expenses		\$37,126	\$38,507	\$39,888	\$41,269	\$42,650	\$44,031	\$44,867	\$44,867	\$44,867	\$378,071
Net Operating Income		\$31,920	\$65,063	\$98,205	\$131,347	\$164,490	\$197,632	\$217,706	\$217,706	\$217,706	\$1,341,774

10-Year Pro Forma with MUPTE

		Year									
		1 (LEASE-UP)	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
	Escalator										
Effective Gross Revenue	3.0%	\$1,637,392	\$3,174,615	\$3,269,853	\$3,367,949	\$3,468,987	\$3,573,057	\$3,680,248	\$3,790,656	\$3,904,376	\$4,021,507
Vacancy loss	5.30%	(\$40,838)	(\$168,255)	(\$173,302)	(\$178,501)	(\$183,856)	(\$189,372)	(\$195,053)	(\$200,905)	(\$206,932)	(\$213,140)
Other Income											
Parking	3.0%	\$74,982	\$145,376	\$149,737	\$154,229	\$158,856	\$163,622	\$168,531	\$173,586	\$178,794	\$184,158
Storage	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover	3.0%	\$2,970	\$5,758	\$5,931	\$6,109	\$6,292	\$6,481	\$6,675	\$6,875	\$7,082	\$7,294
Other	3.0%	\$18,748	\$36,350	\$37,440	\$38,563	\$39,720	\$40,912	\$42,139	\$43,404	\$44,706	\$46,047
Utility Billback	3.0%	\$26,591	\$51,556	\$53,103	\$54,696	\$56,337	\$58,027	\$59,768	\$61,561	\$63,408	\$65,310
Effective Gross Income		\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses											
Expenses	3.0%	\$250,345	\$343,807	\$354,122	\$364,745	\$375,688	\$386,958	\$398,567	\$410,524	\$422,840	\$435,525
Management Fee	4.00%	\$68,794	\$129,816	\$133,710	\$137,722	\$141,853	\$146,109	\$150,492	\$155,007	\$159,657	\$164,447
Property Taxes											
Land	3.0%	\$41,713	\$57,286	\$59,005	\$60,775	\$62,598	\$64,476	\$66,410	\$68,403	\$70,455	\$72,568
Improvements	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes		\$41,713	\$57,286	\$59,005	\$60,775	\$62,598	\$64,476	\$66,410	\$68,403	\$70,455	\$72,568
Reserve/Replacement	3.0%	\$17,219	\$23,647	\$24,356	\$25,087	\$25,840	\$26,615	\$27,413	\$28,236	\$29,083	\$29,955
Moderate-Income Housing Fee				\$37,172	\$37,172	\$37,172	\$37,172	\$37,172	\$37,172	\$37,172	\$37,172
Total Operating Expenses		\$378,071	\$554,556	\$608,365	\$625,501	\$643,151	\$661,330	\$680,055	\$699,342	\$719,207	\$739,668
<i>Expense % of EGI</i>		22.0%	17.1%	18.2%	18.2%	18.1%	18.1%	18.1%	18.0%	18.0%	18.0%
Net Operating Income		\$1,341,774	\$2,690,844	\$2,734,397	\$2,817,544	\$2,903,185	\$2,991,396	\$3,082,253	\$3,175,836	\$3,272,226	\$3,371,508

ATTACHMENT E

Return on Cost ROC without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,757,467	\$2,212,996
Total Project Cost	\$48,367,094	\$48,367,094
Return on Cost	3.63%	4.58%

Debt Yield Debt Yield without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,757,467	\$2,212,996
Total Loan Amount (50.0% LTC)	\$24,184,000	\$24,184,000
Debt Yield	7.27%	9.15%

ROC with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,101,582	\$2,611,919
Total Project Cost	\$48,367,094	\$48,367,094
Return on Cost	4.35%	5.40%

Debt Yield with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,101,582	\$2,611,919
Total Loan Amount (50.0% LTC)	\$24,184,000	\$24,184,000
Debt Yield	8.69%	10.80%

ERD Parcel 9
Debt Service

ATTACHMENT E

Debt Calculation		12 Pmts/Yr
Loan Amount	\$24,184,000	
Interest Rate	5.25%	
Amortization	30	
Annual Debt Service		

Debt Service without MUPTE		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income		\$1,045,515	\$2,283,981	\$2,352,501	\$2,423,076	\$2,495,768	\$2,570,641	\$2,647,760	\$2,727,193	\$2,809,009	\$2,893,279
Construction Loan Interest	6.11%	\$1,108,232									
Permanent Loan Debt Service		\$0	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Debt Service Coverage Ratio (DSCR)			1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81
Before Tax Cash Flow		(\$62,717)	\$681,442	\$749,961	\$820,536	\$893,229	\$968,102	\$1,045,221	\$1,124,654	\$1,206,470	\$1,290,740

Debt Service with MUPTE		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income		\$1,341,774	\$2,690,844	\$2,734,397	\$2,817,544	\$2,903,185	\$2,991,396	\$3,082,253	\$3,175,836	\$3,272,226	\$3,371,508
Construction Loan Interest	6.11%	\$1,108,232	\$0								
Permanent Loan Debt Service		\$0	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Debt Service Coverage Ratio (DSCR)			1.68	1.71	1.76	1.81	1.87	1.92	1.98	2.04	2.10
Before Tax Cash Flow		\$233,542	\$1,088,304	\$1,131,857	\$1,215,004	\$1,300,646	\$1,388,857	\$1,479,714	\$1,573,296	\$1,669,687	\$1,768,969

ERD Parcel 9
Projected 10-Year Cash-on-Cash Rate of Return Analysis
ATTACHMENT E

		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income		\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses		\$674,330	\$961,419	\$990,261	\$1,019,969	\$1,050,568	\$1,082,085	\$1,114,548	\$1,147,984	\$1,182,424	\$1,217,896
Net Operating Income		\$1,045,515	\$2,283,981	\$2,352,501	\$2,423,076	\$2,495,768	\$2,570,641	\$2,647,760	\$2,727,193	\$2,809,009	\$2,893,279
Debt Service		\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Cash Flow		(\$62,717)	\$681,442	\$749,961	\$820,536	\$893,229	\$968,102	\$1,045,221	\$1,124,654	\$1,206,470	\$1,290,740
Cash-on-Cash Return	Equity: \$24,183,094	-0.26%	2.82%	3.10%	3.39%	3.69%	4.00%	4.32%	4.65%	4.99%	5.34%

Discount Rate	5.0%	\$6,696,556
Annualized	10	\$669,656
Cash-on-Cash Return	Equity: \$24,183,094	2.77%

Cash-on-Cash Return with MUPTE

Cash-on-Cash Return with MUPT E		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income		\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses		\$378,071	\$554,556	\$608,365	\$625,501	\$643,151	\$661,330	\$680,055	\$699,342	\$719,207	\$739,668
Net Operating Income		\$1,341,774	\$2,690,844	\$2,734,397	\$2,817,544	\$2,903,185	\$2,991,396	\$3,082,253	\$3,175,836	\$3,272,226	\$3,371,508
Debt Service		\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Cash Flow		\$233,542	\$1,088,304	\$1,131,857	\$1,215,004	\$1,300,646	\$1,388,857	\$1,479,714	\$1,573,296	\$1,669,687	\$1,768,969
Cash-on-Cash Return Equity: \$24,183,094		0.97%	4.50%	4.68%	5.02%	5.38%	5.74%	6.12%	6.51%	6.90%	7.31%

Discount Rate	5.0%	\$9,997,167
Annualized	10	\$999,717
Cash-on-Cash Return	Equity: \$24,183,094	4.13%

ERD Parcel 9
Projected 10-Year Cash-on-Cash Rate of Return Analysis, with Townhome Land Sale
ATTACHMENT E

Cash-on-Cash Return without MUPTE	Year									
	1		3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses	\$674,330	\$961,419	\$990,261	\$1,019,969	\$1,050,568	\$1,082,085	\$1,114,548	\$1,147,984	\$1,182,424	\$1,217,896
Net Operating Income	\$1,045,515	\$2,283,981	\$2,352,501	\$2,423,076	\$2,495,768	\$2,570,641	\$2,647,760	\$2,727,193	\$2,809,009	\$2,893,279
Debt Service	\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	(\$62,717)	\$681,442	\$749,961	\$820,536	\$893,229	\$968,102	\$1,045,221	\$1,124,654	\$2,206,470	\$1,290,740
Cash-on-Cash Return Equity: \$24,183,094	-0.26%	2.82%	3.10%	3.39%	3.69%	4.00%	4.32%	4.65%	9.12%	5.34%

Discount Rate	5.0%	\$7,373,396
Annualized	10	\$737,340
Cash-on-Cash Return Equity: \$24,183,094		3.05%

Cash-on-Cash Return with MUPTE	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses	\$378,071	\$554,556	\$608,365	\$625,501	\$643,151	\$661,330	\$680,055	\$699,342	\$719,207	\$739,668
Net Operating Income	\$1,341,774	\$2,690,844	\$2,734,397	\$2,817,544	\$2,903,185	\$2,991,396	\$3,082,253	\$3,175,836	\$3,272,226	\$3,371,508
Debt Service	\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	\$233,542	\$1,088,304	\$1,131,857	\$1,215,004	\$1,300,646	\$1,388,857	\$1,479,714	\$1,573,296	\$2,669,687	\$1,768,969
Cash-on-Cash Return Equity: \$24,183,094	0.97%	4.50%	4.68%	5.02%	5.38%	5.74%	6.12%	6.51%	11.04%	7.31%

Discount Rate	5.0%	\$10,674,006
Annualized	10	\$1,067,401
Cash-on-Cash Return Equity: \$24,183,094		4.41%

Cost Summary**Eugene Riverfront District****ERD Parcel 9****Development Budget**

		Total
Land Acquisition	72,072 SF	\$3,404,941
Purchase Price From City (\$31.09/SF)	\$2,240,703	
Land Acquisition Soft Costs	\$1,164,238	
Schematic Design and MUPTE Application		\$600,000
A/E Concept and Schematic Design	\$350,000	
MUPTE Application / Other SD Soft Costs	\$250,000	
Architectural / Engineering Design & Permitting		\$4,041,729
A/E Design Development	\$525,000	
A/E Construction Documents and Permitting Assistance	\$636,100	
Other Owner Soft Costs	\$1,736,629	
City Permit Fees, SDC	\$1,144,000	
Construction		\$35,906,329
Direct Construction (subject to Federal Davis Bacon Residential Prevailing Wage)	\$31,915,000	
A/E Construction Observation and Administration	\$704,200	
Insurance (OCIP and Builder Risk)	\$1,160,000	
Other Owner Supplied Hard Costs	\$2,127,129	
Project Contingency		\$2,714,931
Soft Cost Contingency	\$964,563	
Hard Cost Contingency	\$1,750,368	
Project Finance and Operating Carry Costs		\$1,699,163
Finance Costs and Construction Loan Interest	\$1,602,449	
Operating Carry Costs during Lease Up	\$96,713	
Total Project Cost		\$48,367,094

H. Application Finalization Worksheet

Application Fee Information

An application fee of \$3,970 should be made payable to City of Eugene at the time of submission. This is comprised of a \$400 base fee, a \$650 newspaper publication fee, and \$2,920 for the independent financial consultant. Payment of other reasonable costs may be required if incurred by the City or County in processing this application, such as additional consultant charges. Additional costs must be paid prior to City Council taking action on this application.

Property Owner Authorization

If the applicant is not the current property owner, the applicant must either have the property owner sign on the application below OR include documentation authorizing the applicant to apply for the tax exemption on the owner's behalf.⁶

By: _____

Property Owner's Signature

Date: _____

18 OCT 2024

Application Verification

I swear or affirm that all information contained in this application is accurate and all statements are true.

By: _____

Applicant Signature

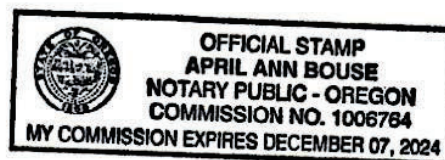
Date: _____

18 OCT 2024

State of OREGON

County of LaneSigned and sworn to (or affirmed) before me on October 18, 2024, by James L. Atkins

Notary Public for Oregon



⁶ Administrative Order 53-20-02-F

Appendix

Eugene River District
ERD Parcel 9A (Lot 12A)

www.lanecounty.org/at

SITUS ADDRESS: 10 UNKNOWN
ANYTOWN, OR

PROPERTY CLASS: 700

TAX CODE AREA: 00496 ACRES: 1.65

MAP & TAX LOT : 17-03-32-22-02800

ERD BLOCK 9 LLC

%EUGENE RIVERFRONT DISTRICT II, LLC

1255 NW 9TH AVE STE 119

PORTLAND, OR 97209

ACCOUNT # 1904753

LAST YEAR'S TAX

See back for explanation of taxes marked with (*)

CURRENT TAX BY DISTRICT

CE Eugene School District	11,220.00
Eugene School District Local Option	3,653.38
CE Lane Education Service Dist	530.47
CE Lane Community College	1,471.34
Education Totals:	16,875.19
CE City of Eugene	16,646.00
City of Eugene - LO Library	365.34
City of Eugene - LO Parks & Rec	683.42
CE Lane County	3,039.85
Lane County 4-H /Extension LO	68.20
Lane County Parks Local Option	389.69
Lane County Public Safety LO	1,339.57
Eugene Urban Renewal Downtown	392.37
Eugene Urban Renewal Riverfront	625.23
CE Upper Willamette Soil & Water	166.59
General Government Totals:	23,716.26
CE Eugene School District Bond II	5,296.42
CE Lane Community College Bond II	527.79
CE Lane Community College Bond III	262.80
CE City of Eugene Bond II	1,772.86
Bonds - Other Totals:	7,859.87

VALUES AS OF 01/01/2023	LAST YEAR	THIS YEAR
REAL MARKET VALUE		
LAND	5,016,445	5,969,569
STRUCTURES	0	0
TOTAL	5,016,445	5,969,569
M5 SPECIAL		
ASSESSED VALUE	0	0
M5 REAL MKT VALUE	5,016,445	5,969,569
ASSESSED VALUE	3,414,876	2,435,584
EXEMPTIONS	3,414,876	0
TAXABLE VALUE	0	2,435,584

MORTGAGE CO:

If a mortgage company pays your taxes,
this statement is for your records only.

TAX PAYMENT OPTIONS

(See back of statement for payment instructions)

	Pay By	Discount	Net Amount Due
In Full	11/15/2023	1,453.54	46,997.78
2 / 3	11/15/2023	646.02	31,654.86
1 / 3	11/15/2023	None	16,150.44

2023-2024 TAXES BEFORE DISCOUNT	48,451.32
TOTAL TAX (After Discount)	46,997.78

▲ Tear Here

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Tear Here ▲

Tax Year 2023-2024

ACCOUNT #: 1904753

Pay	Pay By	Discount %	Discount Amt	Net Amount Due
In Full	11/15/2023	3%	1,453.54	46,997.78
2 / 3	11/15/2023	2%	646.02	31,654.86
1 / 3	11/15/2023	None	None	16,150.44

TOTALS INCLUDE DELINQUENT TAXES, IF ANY.

DISCOUNT IS LOST AFTER DUE DATE & INTEREST WILL APPLY.

Enter Payment Amount

\$

Mailing address change on back

004941

ERD BLOCK 9 LLC

%EUGENE RIVERFRONT DISTRICT II, LLC

1255 NW 9TH AVE STE 119

PORTLAND, OR 97209

Please make checks payable to:

Lane County Tax Collector

PO Box 10526

Eugene, OR 97440-2526

20000019047530004699778000316548600016150443

Application Page: 60

Date 2 October 2024
Project Name ERD Parcel 3BC (Portal) & ERD Parcel 7 (Heartwood)
Project Number



Subject Sustainability Achievements Reflection

Remarks The following memorandum evaluates how the Eugene River District (ERD) Heartwood and Portal as-built projects achieved the sustainability goals. These achievements illustrate the proven track record of the developer and design team to meet or exceed the sustainability goals included in a MUPTE application.

Goal	Heartwood (Parcel 7)	Portal (Parcel 3BC)
Green Building Certifications/Pathway		
1. BPS: 10% above energy code minimum (based on building Performance Cost Index (PCI))	Exceeded <ul style="list-style-type: none"> 30% more efficient than code minimum (based on energy modeling) 	Exceeded <ul style="list-style-type: none"> 29% more efficient than code minimum (based on energy modeling)
2. Earth Advantage Certification Target: Gold	Exceeded <ul style="list-style-type: none"> Earth Advantage Platinum (on target) (project is under review by EA) 	Exceeded <ul style="list-style-type: none"> Earth Advantage Platinum (on target) (Project is under construction)
3. Fitwel Certification	Achieved <ul style="list-style-type: none"> Fitwel One Star – Achieved 	Achieved <ul style="list-style-type: none"> Fitwel One Star – On Target
Human Health and Wellbeing		
4. Biophilic Design Elements <ul style="list-style-type: none"> Daylighting Access to views Connection to outdoors. Operable windows Finishes with natural colors, textures, and patterns. Site landscaping 	Achieved <ul style="list-style-type: none"> Large windows in all units, amenity spaces and lobby increase access to views, daylighting, and connect occupants to the outdoors. All units have operable windows for increased occupant control and access to fresh air. Wood finishes on doors, ceilings and wall cladding and natural finish colors on painted surfaces. Site landscaping includes drought tolerant species and eliminates vast oceans of hardscape. 	Achieved <ul style="list-style-type: none"> Large windows in all units, amenity spaces and lobby increase access to views, daylighting, and connect occupants to the outdoors. All units have operable windows for increased occupant control and access to fresh air. Wood finishes on doors, ceilings and wall cladding and natural finish colors on painted surfaces. Landscaped amenity courtyards provide sanctuaries surrounded by nature accessible to all residents.
5. Mechanical systems prioritizing occupant health	Achieved <ul style="list-style-type: none"> Energy recovery ventilator systems improve air quality and reduce humidity in each unit. Improved HVAC filters reduce indoor contaminants and reduces impact from wildfire smoke. 	
6. Interior materials to reduce toxins.	Achieved <ul style="list-style-type: none"> Low VOC paints and adhesives Low or no added urea formaldehyde products used. Greenguard finishes selected where appropriate. 	Achieved <ul style="list-style-type: none"> Low VOC paints and adhesives Low or no added urea formaldehyde products used. Greenguard finishes selected where appropriate. All-electric unit appliances reduce indoor

			contaminants from cooking heat source.
7. Enhanced unit compartmentalization for improved air quality		<ul style="list-style-type: none"> Careful attention to air sealing at unit perimeter walls, ceiling and floor. Enhanced air sealing at Level 4 unit ceilings to attic. Decentralized ERV systems serve each unit separately Minimize or eliminate back-to-back electrical junction boxes for improved acoustical and air separation. 	
8. Acoustical treatment to improve livability near the railroad.	Achieved	<ul style="list-style-type: none"> Use of brick as a primary cladding provides increased mass. Acoustically enhanced glazing in windows. Post occupancy resident comment complementing how quiet the units are. 	
9. Efficient exterior building envelope to improve thermal comfort	Achieved	<ul style="list-style-type: none"> Use of Soprema Sopraseal Stick VP, a self-adhered weather barrier, greatly improves air tightness reducing heat loss through uncontrolled air loss. 	
10. Secure bike storage promoting an active lifestyle	Achieved	<ul style="list-style-type: none"> In-unit bike storage is provided in addition to exterior bike racks for resident convenience. 	
11. Radon Mitigation	Achieved	<ul style="list-style-type: none"> Full passive radon system installed. 	Achieved <ul style="list-style-type: none"> Passive radon system installed at Level 1 slab on grade. Vented basement provides radon mitigation under balance of building.
Energy Efficiency and Emission Reduction			
	Heartwood (Parcel 7)		Portal (Parcel 3BC)
12. Efficient centralized hot-water heating system	Achieved	<ul style="list-style-type: none"> Energy efficient, gas powered, centralized hot water system provided. 	
13. Efficient exterior building envelope	Achieved	<ul style="list-style-type: none"> Continuous air and weather barrier achieved with Soprema Sopraseal Stick VP, a self-adhered weather barrier. 	
14. Solar heat gain window coatings and operable windows	Achieved	<ul style="list-style-type: none"> High quality vinyl windows with solar heat gain coefficient (SHGC) between 0.22 and 0.16 provided at unit windows. The lower the SHGC the less solar heat it transmits. All units include operable windows. 	
15. Rooftop treatment to reduce heat absorption into the building	Achieved	<ul style="list-style-type: none"> A white roof membrane with an initial solar reflectivity of 95 (ASTM E1980) substantially reduces building solar heat gain. 	
16. Water-efficient plumbing fixtures and water submetering	Achieved	<ul style="list-style-type: none"> Units include water submetering to encourage water conservation. Low-flow plumbing fixtures include 0.5gpm aerators at vanity faucets, 1.5gpm at kitchen faucets, 1.75gpm shower heads, and 1.28gpf water closets. 	
17. LED lighting throughout	Achieved	<ul style="list-style-type: none"> Fixtures are LED for reduced energy consumption. 	
18. On-site EV car charging station infrastructure	Exceeded	<ul style="list-style-type: none"> Five charging stations to serve up to ten vehicles are installed. Infrastructure to add future chargers is provided. 	Exceeded <ul style="list-style-type: none"> Charging stations are being installed. Infrastructure to add future chargers is provided.
Sustainable Sites			
	Heartwood (Parcel 7)		Portal (Parcel 3BC)
19. Landscaping with native plant species	Achieved	<ul style="list-style-type: none"> Native, drought tolerant planting provide opportunities for habitat and reduce irrigation demand. 	

20. Stormwater Treatment	Achieved	Achieved
	<ul style="list-style-type: none"> A large stormwater swale is located in the parking lot to manage surface water runoff and treat stormwater from the parking lot and roof. 	<ul style="list-style-type: none"> Roof runoff is routed through existing stormwater planters for treatment before entering the stormwater system.
21. Treatments to minimize heat absorption and urban heat island effect.	Achieved	
	<ul style="list-style-type: none"> A white roof membrane with an initial solar reflectivity of 95 (ASTM E1980) substantially reduces building solar heat gain and minimizes contribution to the urban heat island effect. 	
22. Consideration of bird-safe glazing	Not Pursued	
	<ul style="list-style-type: none"> Bird-safe glazing was considered and determined to have a detrimental cost impact to the project. 	
Additional Sustainability Measures		
	Heartwood (Parcel 7)	Portal (Parcel 3BC)
23. Durable exterior materials, rainscreen facade and appropriately installed weather barrier	Achieved	
	<ul style="list-style-type: none"> Brick and fiber cement cladding have a proven track record for durability and longevity. All wall cladding is installed as a rainscreen system with a drainage cavity outboard of the weather barrier. Periodic inspection by qualified envelope consultant and the weather barrier manufacturer ensured a high-quality weather barrier installation. 	
24. Energy Star Appliances	Achieved	
	<ul style="list-style-type: none"> Energy Star rated appliances were installed where available for the appliance type. 	
25. Solar PV Ready	Achieved	
	<ul style="list-style-type: none"> Projects include roof structure, conduit and electrical infrastructure for future ballasted solar PV array installation. 	

From Joshua Lupkin, SERA
cc File

Appendix - Carport Precedent

Eugene River District
ERD Parcel 9A (Lot 12A)

The project proposes carports as a solution to provide covered parking over vehicular surface parking spaces to reduce UV and weather exposure to vehicles, meet anticipated covered parking expectations of future residents, and reduce the heat island effect associated with dark asphalt paving. Steelport, LLC is the manufacturer of the carports installed on the nearby Heartwood Apartments project in the River District. Carports of the same or similar design aesthetic with a flat roof and columns located mid-parking space are proposed. A sheet metal fascia will trim the roof line with a finish color appropriate and complementary to the building exterior color palette.



Heartwood Apartments



Heartwood Apartments



Heartwood Apartments

View approximately 10-feet above sidewalk
Application Page: 64

Appendix – Financial Clarifications

Eugene River District
ERD Parcel 9A (Lot 12A)

City of Eugene Questions re Parcel 9A MUPTE Application Financials

1. The development budget includes the land acquisition cost for the whole Parcel 9, but the MUPTE application is for development on a portion of the parcel. Can you provide a rationale for using the townhouse portion of the parcel in this pro forma? This question also applies to the property tax values for land.
 - Atkins Dame has no plans for townhome development. It is foreseeable that townhomes may never be developed. These facts notwithstanding, we have added a notional sale of the townhome portion of the parcel for \$1.0 million in the ninth operating year. This added revenue modestly improves the forecasted cash-on-cash return and does not materially improve the financial feasibility of the project.
2. Page 2 of the application says there will be 67 onsite parking spaces but the pro forma says there are 101 parking spaces. Why the discrepancy?
 - The application narrative has been amended to reflect the 101 parking spaces shown in the pro forma.
3. Why is the escalation for rent assumed to be 4.641% before 2029, and then assumed to be 3%?
 - Please see the “Rent Escalation 2024-2029” worksheet in the attached Excel workbook, “ERD Parcels 9 and 10 – Rent Escalation and Property Tax Calculation.xlsx” that documents the 2024 through 2029 rent escalation assumptions.
 - For the five-year period until project lease-up, limited competing comparable project is forecast to come on market. We are assuming above normal rent escalation can be achieved because of limited competing comparable product delivery during this five-year period. For 2030 and going forward, we are assuming supply equilibrium will be achieved in the market and, therefore, using historic rent escalation.
4. Why is the escalation for “Other Income” assumed to be 3.1% before 2029, and then assumed to be 3%?
 - Using the same rationale as in the preceding response, we are assuming modestly elevated escalation for other income for the period 2024 through 2029, before returning to historic other income escalation.

5. Property taxes in 2029. It looks like you've pro-rated the tax in the same way you've pro-rated other OpEx costs, thus underestimating your expected Property Tax costs in 2029. Taxes will not be pro-rated.
 - Escalation of property taxes have been changed to five full years in the period between 2024 and 2029, in the pro forma.
6. Property Tax for Land. To calculate the 2029 value, it appears that you escalated the 2024 value at 3% for 4.6667 years. (It looks like you've used this 4.667 number to escalate all costs to 2029, I'm guessing to pro-rate the estimated costs from Aug 2024 to 2029). Property taxes increase 1x per year. The pro-rating under-estimates your property tax estimates throughout the 10 years.
 - Escalation of property taxes for land have been changed to five full years in the period between 2024 and 2029, in the pro forma.
7. Debt calculation. I could not re-create your numbers. Using the PMT formula in Excel and these inputs: PV=\$24,531,000, interest=5.25%, and 30-year term, I get an annual payment of \$1,641,539. That is about \$16,000 more than what your documents show. Can you explain how you calculated the annual debt service?
 - The debt service calculation in the pro forma assumes monthly loan payments. Your calculation assumes one loan payment per year. We expect that lenders will require monthly loan payments.
8. Property Tax for Improvements. Can you please provide some information on how you calculated your property taxes for the Improvement Value. What's you estimated RMV, what CPR did you use, and what tax rate?
 - Please see the "Property Tax Calculation" worksheet in the attached Excel workbook, "ERD Parcels 9 and 10 – Rent Escalation and Property Tax Calculation.xlsx", that documents the methodology for property tax calculation, including assumptions for CPR and the Consolidated Property Tax Rate.

ERD Parcel 9 Rent Escalation from 2024 to 2029

Start Date	Escalation to Initial Occupancy						Total Escalation	Escalation Rate	
	8/1/2024	Full Yr.	Full Yr.	Full Yr.	Full Yr.	4/1/2029	56 mos.	Monthly	Annual
Months of Escalation	4 mos.	12 mos.	12 mos.	12 mos.	12 mos.	4 mos.			
	2024	2025	2026	2027	2028	2029			
Rent	3.00%	4.00%	5.00%	5.00%	5.00%	5.00%	23.579%	0.379%	4.641%

ERD Parcel 9 Property Tax Calculation

Parcel 9

	Total	Land	Improvements
Project Cost	\$48,367,094	\$5,969,569	
Changed Property Ratio	0.408	0.408	
Assessed Value	\$19,733,774	\$2,435,584	\$17,298,190
Consolidated Property Tax Rate	19.8931	19.8931	
Annual Property Taxes	\$392,566	\$48,451	\$344,115

Eugene River District Parcel 10A (Lot 13A) Eugene, Oregon

MUPTE Application

October 15, 2024
Project No. 2303155.01



Application Page: 1

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Parcel 10A (Lot 13A)

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 - Worksheet
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 - Narrative
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 - Narrative
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 - Project is not pursuing moderate-income housing.
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Cover Letter

Eugene River District
Parcel 10A (Lot 13A)

Thank you for this opportunity to submit an application for the City of Eugene Multi-Unit Property Tax Exemption (MUPTe) incentive program. Redevelopment of the previously industrial Downtown Riverfront supports the community's vision that has been decades in the making. On the east side of Downtown, the river's edge was formerly isolated from public access by the Eugene Water and Electric Board's (EWEB) facilities and is now undergoing a transformation into a vibrant new district connecting downtown to the river. New city infrastructure including streets, sidewalks, a riverfront park, and public plaza are under development to support construction of new commercial and residential developments, creating an inviting place for the entire community and vital neighborhood for people to live, work, and explore. As demonstrated in our application, the project would not be economically viable and would not be built without the benefit of the MUPTe.

Since Eugene was founded in 1865, the Willamette River has been an essential piece of our community's identity. It is where Eugene Skinner created the first plat for the city, and for decades the river has provided industry and recreation opportunities for our community. As one of our proudest assets, our community has a long-held vision and desire to create more access and connections to the river – places where people can hang out, meet friends, and bring their family to enjoy the riverfront. [eugene-or.gov/3506/Downtown-Riverfront]

Over a decade ago the City of Eugene and EWEB began the process to transition the industrial site from a barrier to a connection between the river and downtown, the college campus, and East Skinner Butte Historic Landmark Area. Through this process, the Riverfront Master Plan was developed and approved in 2010 based on substantial community input and adopted by City Council in 2013. This vision included the creation of a world-class public park on the waterfront, development to support economic and housing opportunities, promoting compact urban development, and enhancing natural resources. With support of the Eugene City Government and the State of Oregon, the Treasury Department has designated a portion of the Eugene riverfront site as an Opportunity Zone. Our development aims to renew and revitalize the connections between the Willamette River and Downtown Eugene in support of the Opportunity Zone goals. However, a portion of our site may not benefit from the Opportunity Zone incentives. Additionally, the benefits of the Opportunity Zone incentives will not be realized until 10 years into the future, creating the real risk that many investors who prioritize meeting early return goals will overlook these benefits. In order to attract equity from investors with these specific, market-based strategies, we must show that our development will generate the investors' desired returns when the development reaches stabilization.

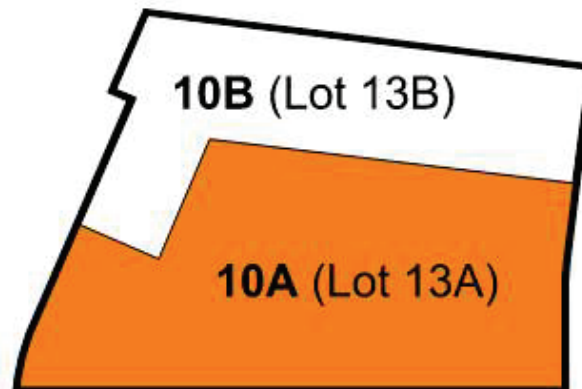
On July 22, 2019, the City Council voted (7-0) to adopt the package of land use applications necessary to implement the concept plan for the Downtown Riverfront redevelopment. Within the adopted package, low and high-density guidelines were identified for each parcel providing flexibility for the new development. In alignment with the disposition and development agreement (DDA) for the Downtown Riverfront Property in the Riverfront Urban Renewal District, this MUPTe application includes a lower density scheme with a cost-effective structural system (Type I and V construction). The design maintains the same high quality exterior materials, detailing, and complimentary architectural vocabulary as the recently completed Heartwood Apartments and under development Portal Apartments. Again, this development will not be built as presented in this application without the benefits of the MUPTe incentive program. The current economy remains impacted by national economic inflation, and investor uncertainty further influencing the project's financial need for the MUPTe.

A

The site is currently undergoing the process for a lot partition, running concurrently with the MUPTE review process, to divide the site into two parcels: a southerly portion (Parcel 10A/Lot 13A) and a northerly portion (Parcel 10B/ Lot 13B); see below lot partition diagram for additional information. The multi-family, for-rent development is proposed to be constructed on Parcel 10A providing a strong urban edge along Annie Mims Way, Wiley Griffon Way, and Nak Nak Ave. Parcel 10B is anticipated to include a privately owned open space with interim landscape as part of the Parcel 10A development. Development of for-sale townhomes in alignment with the requirements of the DDA are to be included under a separate and future development and are excluded from this MUPTE application.

Refinement of the open space interim landscape design on Parcel 10B is anticipated during the forthcoming design phase of the project and will likely deviate from the conceptual design submitted in this application. The primary screening approach to obscure the view from the adjacent public spaces to the surface parking lot and landscaping to create an amenity to district residents will remain in the final design. The interim open space landscaping will be for River District resident use only and be managed and maintained by the district Owner's Association.

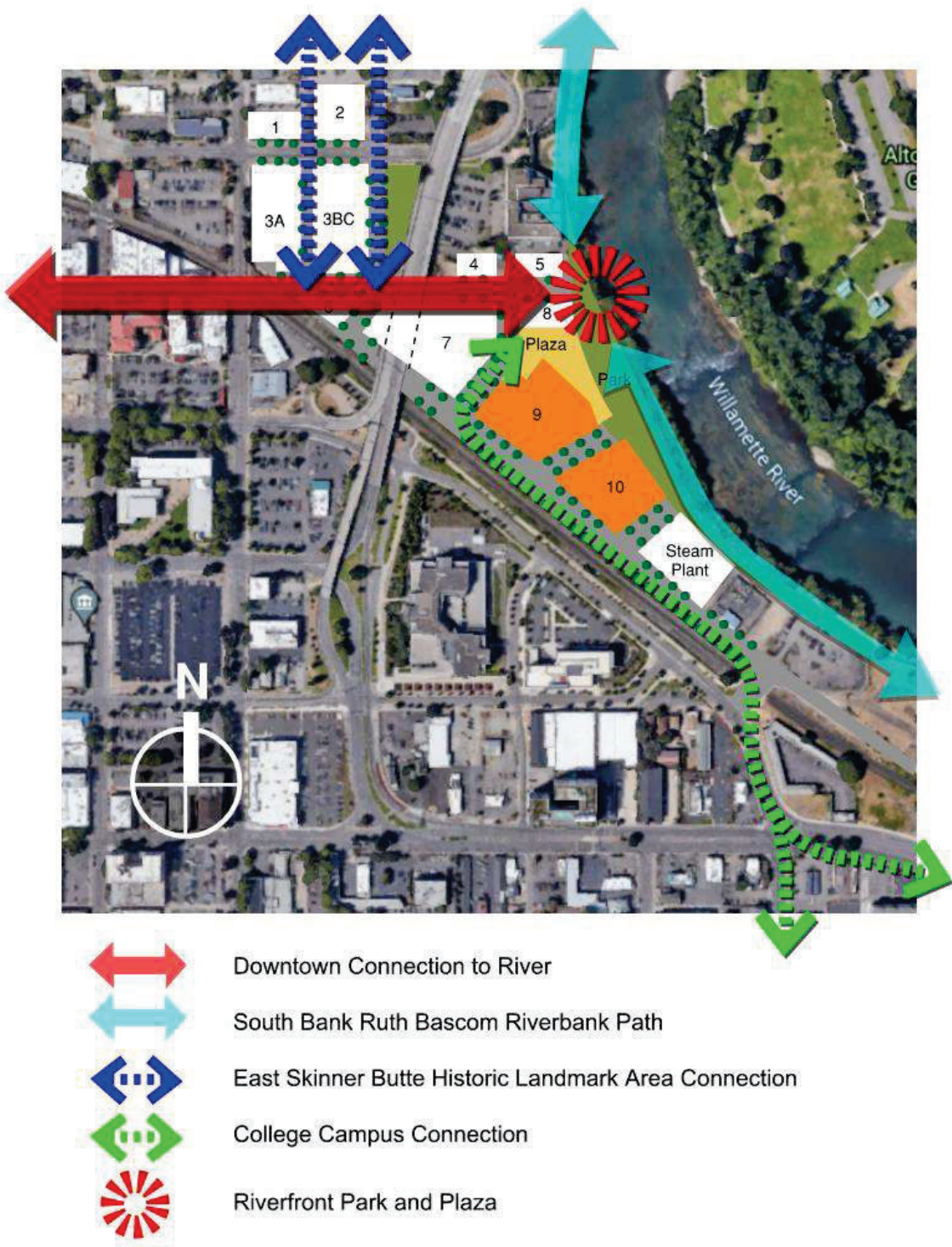
It is the development team's intention to complete projects within the timeline requirements outlined in the DDA, well before the sunset of the MUPTE approvals in January 2032. The final constructed building will be in conformance with the approved building form with any changes having a positive or neutral impact to the overall design being approved by the City Manager.



Lot Partition Map

District Map

Eugene Riverfront District



MUPTE Application



A. General Project Information

Applicant Information

Applicant's Name: ERD Block 10, LLC, c/o Jim Atkins
 Address: 500 Ferry St, Box 97
 City: Eugene State: OR Zip Code: 97401
 Telephone Number: 971-506-5104
 E-mail Address: jim@atkinsdame.com
 Housing Project Name: ERD Parcel 10A

Site Location

Assessor's Property Acct No.: See attached project information page.
 Map / Tax Lot No. See attached project information page.
 Site Location Address: See attached project information page.
(if no address available, provide a written description)

 Attach legal description of the property.

Current Use & Site Information

Current Zoning: See attached project information page.
 Parcel Size: See attached project information page.
 Minimum Density Allowed: See attached project information page.
 Maximum Density Allowed: See attached project information page.
 Number of Parking Spaces Required: See attached project information page.
 Assessed Value of Land: See attached project information page.
 Assessed Value of Improvements: See attached project information page.

 Attach a written description of the existing use of the property.

Is existing sound housing or housing that can be rehabilitated on the property? ☐ Yes ☒ No

 If yes, attach a plan for relocation or a justification for elimination.

Proposed Project Information

Density of Proposed Project: See info page units per net acre
 Proposed No. of Parking Spaces: See info page
 Proposed Lot Coverage: See info page %
 Building Footprint: See info page square feet
 Building Square Footage: See info page square feet
 Commercial Square Footage: See info page square feet

The commercial portion of a project is eligible for an exemption if it is deemed a public benefit by City Council. Do you want City Council to consider exempting the commercial portion of the project also? ☐ Yes ☒ No

Student housing and transient uses are not eligible for the MUPTE program.¹

JA Initial here to indicate that student housing and transient uses will not be part of the proposed project.

Total Number of Dwelling Units: See info page (All projects must have 5 or more units)

Total Number of Bedrooms: See info page

No. of Floors: 5

UNIT MIX

Unit Size	#	Avg. Square Feet Per Unit	Proposed Avg. Rental Rate
Studio / efficiency	12	485 SF	
One bedroom	20	684 SF	
Two bedroom	44	1,174 SF	
Three bedroom	-		
Four bedroom	-		
Five bedroom	-		
Commercial/retail	-		
ADA Accessible	*	2% of units will be ANSI Type A = 2 units.	
Parking – onsite	84		
Parking – offsite	-		

Compliance with Local Law

The proposed project must, at all relevant times, be in conformance with:

- All local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197, 215 and 227, that are applicable at the time the application is approved
- Licensing laws.

JA Initial to indicate your understanding of this requirement and commitment to adhere to it.

¹ Eugene Code 2.946 (2)(a) states that exemptions cannot be given for a “project designed for the leasing of individual rooms or beds, rather than entire apartment units, or a project otherwise designed primarily for individuals attending college.” Student housing units usually take the form of several bedrooms with individual bathrooms and sparse common space. Project amenities and location are selected to appeal only to students and offer limited viability as potential housing for the general population, particularly families.

Project Information

Eugene River District
ERD Parcel 10A

SITE LOCATION

Assessor's Property Acct No.	1904754
Map & Tax Lot No.	17-03-32-22-02900
Site Location	East of Wiley Griffon Way, north of Annie Mims Lane, west of Nak Nak Ave, south of the new river district park.

CURRENT USE & SITE INFORMATION*	Parcel 10 (Lot 13)	Parcel 10A (Lot 13A)	Parcel 10B (Lot 13B)
Current Zoning	S-DR/MU/WR	S-DR/MU/WR	S-DR/MU/WR
Parcel Size	68,194 SF (1.57 Acres)	42,334 SF (0.97 Acres)	25,860 SF (0.59 Acres)
Minimum Density Allowed Based on DDA Schedule 7.1-A	75 Multi-Family Units 12 Townhomes		
Maximum Density Allowed Based on DDA Schedule 7.1-A	195 Multi-Family Units		
Number of Parking Spaces Required	None		
Assessed Value of Land Based on 2023 Assessed Value	\$2,317,489		
Assessed Value of Improvements	n/a		
Existing Use of Property	Vacant land, graded for development, no vegetation District has been converted from industrial use (formerly EWEB facilities) to a new master planned district. Public road and utility infrastructure was recently completed.		

PROPOSED PROJECT INFORMATION*	Parcel 10 (Lot 13)	Parcel 10A (Lot 13A)	Parcel 10B (Lot 13B)
Density of Proposed Project	48 units/acre	78 units/acre	20 units/acre
Proposed Number of Parking Spaces		84	
Proposed Lot Coverage	33%	53%	
Building Footprint		22,292 SF	
Building Square Footage		105,132 SF	
Commercial Square Footage		0	
Total Number of Dwelling Units		76	
Total Number of Bedrooms		120	
Number of Floors		5	

* This application is for multi-family unit construction on Parcel 10A (Lot 13A) only. Townhomes are to be under a separate project. Parcel 10B includes (12) townhomes.

Legal Description of the Property

Eugene River District
ERD Parcel 10A (Lot 13A)

Legal Description

Parcel 10 (Lot 13): Lot 13 of TOWN RUN as platted and recorded April 3, 2020, Reception No. 2020-016334, Lane County Deeds and Records, in Lane County, Oregon

Note, project is currently in process for a lot partition to divide the lot into two parcels. Parcel 10A (Lot 13A) is the intended parcel for the multi-unit development. See project information sheet for new parcel areas. Updated property tax ID and legal description to be provided upon finalization of the lot partition.

Written Description

Property is undeveloped land with recently completed public infrastructure improvements (roadways and utilities) surrounding the property.

Neighborhood Engagement

Provide the following to document your neighborhood engagement. (See Program Guide, page 7 for more information on neighborhood engagement requirements)

Neighborhood Association: **Eugene Downtown Neighborhood Association**

Date of Meeting: 9/25/24

Name(s) of Principal(s)/Owner(s) in Attendance: Jim Atkins

 Attach minutes from the meeting and comments received. If not an official neighborhood event, attach evidence of advertising method(s) and explanation for why it was not an official event.

MEETING MINUTES



Meeting Date: 25 September 2024
Meeting Time: 6PM
Project: Eugene River District Parcel 9A & Parcel 10A
Purpose: Eugene Downtown Neighborhood Meeting
Location: Eugene Public Library, 100 W 10th Ave.

1. Introduction
 - a. High level overview of the district plan/map and outline of parcels included in today's discussion were reviewed.
2. Parcel 9
 - a. 5 stories, 80 multi-family residential units.
 - b. No commercial space is provided..
 - c. Parking is a mix of surface and under-building parking; approximately 100 spaces.
 - d. Townhomes are not part of the MUPTE application and are to be developed in the future.
 - e. A temporary open space will be developed prior to the townhomes and may include a community dog park, community vegetable garden and landscaping accessible to district residents.
3. Parcel 10
 - a. 5 stories, 76 units
 - b. Parking is a mix of surface and under-building parking; approximately 100 spaces..
 - c. Townhomes are not part of the MUPTE application and are to be developed in the future.
 - d. A temporary open space will be developed prior to the townhomes and may include a community dog park, community vegetable garden and landscaping accessible to district residents.
4. Exterior materials for both projects were discussed. The street-facing facades are to be primarily of brick, a high quality and long lasting material.
5. Questions
 - a. Where is retail going to be located in the district?
 - i. Parcel 8 is slated to be a restaurant.
 - ii. Parcels 9 & 10 do not require commercial space in accordance with the DDA and district development requirements.
 - b. Will views to the river from Skinner Butte be blocked by the proposed development.
 - i. The buildings are setback from the river and will not block views from Skinner Butte. The presenter has taken photos from Skinner Butte to confirm the view corridor to the river will not be blocked by the proposed development in the district.
 - c. Is there affordable housing in these projects?
 - i. The projects will be paying into a moderate-income housing fund.

- ii. A fordable housing is designated for development on Parcels 1 or 2. The City will be leading the development process for the affordable housing site.
- d. What development will be left in the district after these projects are complete?
 - i. Steam plant redevelopment.
 - ii. Parcel 8 restaurant
 - iii. Parcels 4 and 5 - likely townhomes or row houses.
 - iv. Parcels 1 and 2, one or both will be affordable housing.
- e. Concerns were voiced about not meeting MUPTE design requirements after approval (Capstone project was referenced).
 - i. It was noted the MUPTE rules were adjusted after the Capstone project to improve design quality on projects moving forward. The proposed projects will maintain a high level of quality and detailing in alignment with the completed Heartwood project.
- f. When will information on these projects be available to the public?
 - i. The City will publish the applications on their website after they are submitted. Application submittal is anticipated mid-October.
- g. Why is the start of construction so far off (Q1 of 2027)?
 - i. The project is accommodating active city improvements on the plaza and working within the boundaries of the financial community with regards to recently completed, under construction projects, and influence on funding for new projects.
- h. It was noted the architectural vocabulary is complementary to the adjacent historic district, which is appreciated.
- i. Concerns were raised that the focus of recent and upcoming development is shifting away from the downtown core (Park Blocks).
 - i. The expectation is the close proximity of the River District to the downtown core will stimulate activity across downtown.
- j. Concerns were raised about developing too close to the river.
 - i. The public park separates the project from the river and the sites have been configured by the City to support the riparian environment and connect downtown to the river.
- k. Will residents walk to the downtown core if they have so much parking?
 - i. The River District is very close to the 5th Street Market district and extremely walkable. The developer with Atkins and Dame identified they live in the Heartwood Apartments and walked to this meeting and anticipates many of the future district residents will do the same.

Meeting End Time: 7:00PM
Recorded By: Joshua Lupkin, SERA
Date Recorded: 9/27/2024

Meeting Sign In Sheet

Meeting Date 9/25/2024
 Meeting Time 6:00 PM
 Project Number 2103021, 2303155, 2203012
 Purpose Neighborhood Meeting - Downtown Neighborhood Association
 Location Eugene Downtown Public Library - 100 W 10th Ave, Eugene

SERA

	Name	Address	Telephone Number	Email
1	JOSHUA LUPKIN	600 SW 10TH AVE, #500 PORTLAND, OR 97205	503-445-7346	joshua@seradesign.com
2	ZOE STONE	600 SW 10TH AVE #500 PORTLAND, OR 97205	503 847 2153	zoes@seradesign.com
3	Erin Birnel	372 W Broadway #1401	206-246-9920	erin.birnel@gmail.com
4	Pete Kray	265 W 11th St #24		pkkray@gmail.com
5	Suzanne Taylor	250 W Broadway #154	541-337-0999	SuzanneTaylor20@gmail.com
6	ANITA LEIPPE	1133 OLIVE APT 411	458-2107072	STEAMTRAVEL@GMAIL.COM
7	EMILY JONES	416 NE AVE PORTLAND, OR	347-782-9222	emilyj@seradesign.com
8	Kurt Schwitz	600 SW 10th Ave #500 Portland, OR 97205	503-966-1981	Kurts@serapdx.com
9	Casey Barrett	590 Pearl St. Eugene OR 97401	541-844-5311	Casey@obie.com
10	Sherry Warrick	1133 Olive St #514 Eugene		
11	CLIFF BOYD	151 SHELTON MCMORPHEE	704-309-7824	CLIFF.BOYD@ICLOUD.COM
12	LINDA SAGE	222 E. Broadway Apt. 207	541-362-3124	Lindasage@msn.com
13	Scott Fife	342 W. 8th Ave. Apt. 1	541-232-2868	iconoclasm@scott@gmail.com
14	Shawn Carter	800 OLIVE ST Eugene	541-321-8197	INF@onesecuritycompany.com
15	Leah Murray	303 Willamette St. Eugene	541-484-0808	leah@smihouse.org
16	KATIE WILGUS	PO BOX 11076, 97440	503-504-7799	KATIEW@DOWNTOWNEUGENE.COM
17	Bonnie Richman	250 W. Broadway #180	541-242-1093	
18	Jim ATKINS	500 FERRY #97	503-510-5104	Jim@atkinsolane.com
19	Noah Birnel	372 W Broadway	206 406 4584	nbirnel@gmail.com
20				
21				
22				
23				
24				

ERD Parcel 9A (Lot 12A) & Parcel 10A (Lot 13A)
Neighborhood Meeting - 25 September 2024



B. Required Public Benefits

Use this section to address each of the following required public benefits related to the proposed project. Several benefits extend beyond the period of the tax exemption. More information will be provided about those benefits if the application is approved.

1. Compact Urban Development

The MUPTE program is designed to encourage higher density housing and redevelopment in the City's downtown area.

a) Put a check next to the zone category of the property:

- ☐ *Residential zones:* at least 175% of minimum density for the zone.
(e.g. R-4 High Density Residential)
- ☐ *Form-based zones with height limit of three or four stories:* at least 30 units per net acre.
(e.g. S-DR Downtown Riverfront Special Area)
- ☐ *Mixed-use development*²: at least the minimum density in the zone.
(e.g. C-2 Community Commercial, C-3 Major Commercial)
- ☒ *All other areas, including residential-only development in commercial or mixed use zones:*
at least 50 units per net acre.
(e.g. S-W Whiteaker Special Area, S-F Fifth Avenue Special Area, S-H Historic, C-2 Community Commercial, C-3 Major Commercial)

b) Density for proposed per 78 units per acre

2. Green Building Features

The green building requirement is that projects perform at least 10% more efficiently than the performance established in the Oregon Energy Efficiency Specialty Code (OEESC). Complete the attached Green Building Features Worksheet (page 6)

3. Local Economic Impact Plan

To ensure a substantial portion of the local tax benefit yields a benefit to the local community, applicants are required to complete the Local Economic Impact Plan Worksheet (page 10).

4. Moderate-Income Housing Contribution

The project owner must either a) pay a fee to be dedicated to moderate-income housing or b) include not less than 30% of the total units as moderate-income housing units. Indicate below how this proposed project will contribute to moderate-income housing.

- ☒ Pay the moderate-income housing fee of 10% of the total exemption benefit for the 10-year benefit.
 - ☐ Paid upfront with a 5% discount
 - ☒ Paid annually in years 3 through 10
- ☐ Include moderate-income housing units. Complete the Moderate-Income Housing Worksheet (page 12).

² Mixed-use development incorporates both commercial and residential use in the same building.

5. Project Design and Compatibility

MUPTE projects need to address basic design concepts in the context of the project location. See attached Project Design and Compatibility Worksheet (page 13) for information about required attachments.

6. Historic & Existing Housing Sensitivity

Each MUPTE project must be evaluated for impacts to historic locales and existing housing. Complete the attached Historic and Existing Housing Sensitivity Worksheet (page 15)

7. Project Would Not be Built Without Exemption

The applicant must demonstrate that the project as proposed could not be built but for the benefit of the tax exemption. Attach the following documentation:

- ten-year pro-forma with MUPTE,
- ten year pro-forma without MUPTE,
- analysis of the projected ten-year cash-on-cash rate of return for the proposed project,
- list of assumptions made to create the pro-formas, including a description of how property taxes were estimated for the without MUPTE pro-forma, and the moderate-income housing fee or rent levels,
- development budget, and
- sources and uses of financing.

Be sure to include the moderate-income housing fee or rent levels in the pro-formas and list of assumptions. This information will be reviewed by an independent professional consultant to determine the financial feasibility, at the applicant's expense to be paid to the City with the application fee. The consultant will make a recommendation on the application for the Project Review Panel and the City Manager.

Public Benefits

Eugene River District
ERD Parcel 10A

In alignment with the MUPTE criteria and required public benefits, the following outlines how the project provides substantial public benefits through urban design elements, sustainability measures to reduce the environmental footprint, local economic benefits, and support of the community's vision to connect adjacent neighborhoods to the river. Other sections within this application go into further detail regarding their specific target content.

1. Compact Urban Development

Urban density lies at the root of reducing impact of development. Increased density reduces the pressure on development of virgin land and expansion of urban growth boundaries into natural resource areas and ecological environments. This project proposes 78 dwelling units per acre on Parcel 10A (48 dwelling units per acre for total Parcel 10 site) in contrast to the typical single-family neighborhood with less than 10 dwelling units per acre. With five stories proposed, the project significantly exceeds Eugene's Land Use Code minimum density of one story.

With minimal building setbacks, the proposed development contributes to a strong urban edge and emphasizes the pedestrian experience through human scaled elements and activation along the street edge including canopies for refuge from the rain and amenity spaces with large windows connecting to the public realm.

2. Green Building Features

Going above and beyond the minimum requirement of the City of Eugene Building & Permit Services (BPS) program to perform at least 10% more efficiently than the energy code, the project is pursuing certifications guiding the design to further reduce the environmental impact of construction and ongoing facilities operation and improve the indoor environment to create healthier spaces to live. Additionally, the project is a brownfield redevelopment which reduces pressure on undeveloped and open land while improving and protecting the environment.

In addition to the required green building pathway, the project is optionally pursuing Earth Advantage Gold certification including measures to reduce the carbon footprint of the development. The following elements contribute to reducing the environmental impact of the development.

- a. Access to public transportation to reduce reliance on single-occupancy vehicles.
- b. Electric charging station ready with conduits installed and electrical system sized for future installation of charging stations combined with ample bike-rack space support the reduction of fossil fuel burning vehicles.
- c. Urban infill, higher density development, dense urban housing, and redevelopment of a previously industrial and brownfield site contribute to reducing the environmental impact of related to development on virgin land and urban sprawl.
- d. A construction waste management plan will divert a substantial amount of construction waste from the landfill by increasing the amount of recycled material.
- e. Durable exterior materials, rainscreen façade, and appropriately installed weather and air barrier contribute to lower energy consumption for heating and cooling and increase the lifespan of the envelope system.
- f. Increased recycled content in building materials reduces the building's carbon footprint and environmental impact by minimizing reliance on virgin materials.

- g. Indoor air quality improvements include eliminating added urea formaldehyde in materials and Low VOC finishes to reduce harmful off-gassing and protection of HVAC ductwork during construction to reduce dust and contaminants. In response to the annual increase of wildfires and poor air quality days, the project is reviewing enhanced filtration systems for ventilation air systems to further improve indoor air quality at times where windows should not be open.
- h. Energy Star appliances and all-LED lighting reduces ongoing energy consumption.
- i. Low-flow plumbing fixtures including toilets, sinks, shower heads, and lavatories in addition to landscaping with drought tolerant plant species reduce the long-term water consumption of the project.

In addition to the required green building pathway, the project is optionally pursuing Fitwel certification through measures that promote an active and healthy lifestyle for district inhabitants. Elements contributing to active, healthy lifestyles include the following:

- a. With a Walk Score above 90, the project provides increasing opportunities for regular physical activity, social interaction, and access to amenities, fostering improved health.
- b. Close proximity to Lane Transit stops and a short ride to the Downtown Eugene Station support use of alternative transportation, contributing to increased physical activity, stress reduction, improved air quality, community health, equity for those who cannot drive, and enhanced access to amenities.
- c. Ample long and short-term bicycle parking encourages the use of bicycles for transportation and recreation, contributing to increased physical activity.
- d. The district is pursuing a bike-share station to be located in the community to serve residents, patrons of future commercial developments and visitors of the public park and plaza. Bike share programs support active transportation and convenience, contributing to increased physical activity, equity for those who cannot drive or afford private vehicle use, and reduce congestion and air pollution.
- e. Immediate access to the adjacent public park, plaza, and Ruth Bascom Bike Path increases opportunities for regular physical activity, exposure to daylight, and social interaction, contributing to enhanced physical, mental, and social health.
- f. With future development of a playground adjacent to the public plaza, opportunities are expanded for children to play, interact with other children, and stimulate their mind, contributing to enhanced physical, mental, and social health.
- g. With the Farmers Market a few short blocks outside the district, the community has increased access to healthy food, promoting nutritious eating and supporting enhanced social interaction.
- h. Building operations will enforce a tobacco and smoke-free policy for all indoor and outdoor spaces, reducing tobacco consumption and exposure to secondhand smoke among community members, and contributing to enhanced respiratory and mental health.
- i. Evenly distributed lighting along street frontages and within parking areas contributes to increased perceptions of safety and pedestrian use after dark, reduces opportunity for crime, and supports the connection of downtown to the river.
- j. Internal stairways with inviting finishes, quality lighting and access to daylight provide an opportunity for occupants to increase regular physical activity.
- k. Elements of biophilic design are used to enhance the human connection to nature, contributing to reduced stress and enhanced mental health.
- l. A dedicated fitness room is provided as a building amenity to increase opportunities for access to physical activity, contributing to decreased absenteeism, enhanced physical and mental health, and improved social equity.

With the Ferry Street Bridge Viaduct (Coburg Rd) and railroad as sources of high-decibel sound, the design team is considering acoustical improvements to bring the project into compliance with

HUD acoustical requirements. Measures identified from on-site noise testing at the adjacent Heartwood (Parcel 7) site to improve the acoustical experience within the building include brick veneer, added resilient channel on exterior wall at non-brick cladding, and improved window glazing acoustics at strategic locations.

3. Local Economic Impact

Construction of multi-story urban buildings creates jobs for construction workers, cleaners, truck drivers, bankers, engineers, and other local industries supporting construction activities. The increase in jobs in turn supports local businesses and government through increased local spending in retail, restaurants, utilities, and taxes. Additionally, an increase in taxable revenue generated by local businesses, suppliers, and contractors further supports government resources.

With the project site located near downtown and easily accessible by bicycle and public transit, equity for employment of construction workers is increased as barriers to transportation to the job site are greatly reduced.

After completion of construction, ongoing job creation for facilities maintenance, building operations, leasing agents, and cleaning companies contribute to the economic vitality of the community. Taxable income and commerce generated by residents new to Eugene and Lane County further contribute to the greater economy.

4. Moderate-Income Housing Contribution

The project will support local moderate-income housing by dedicating funds to moderate-income housing. Additionally, in partnership with the City of Eugene, the neighborhood will include future development of moderate-income housing on a designated parcel.

5. Design and Compatibility

Inspired by the concept of “Where the City Meets the River,” the project is designed to activate street frontages, draw the urban character of downtown toward the Willamette River, and establish a new neighborhood, the Eugene River District.

Drawing from the industrial fabric of the past, the project employs durable and lasting façade materials including brick veneer and ground-floor glazing systems that can withstand the test of time while maintaining the quality of its character. Canopies providing places to pause and refuge from the rain, and large windows along the sidewalk further enhance the pedestrian experience in the district and break down the scale adjacent to the pedestrian realm.

To support a safe and inviting district that connects adjacent communities to the river, the project utilizes evenly distributed lighting along street frontages and within parking areas to improve perceived safety and reduce crime. Large windows in units, amenity spaces along the sidewalk, balconies engaging the street edge, and building entries located adjacent to building corners increase “eyes on the street” to further enhance public safety and support an active district at all times of the day.

Landscape features along pedestrian ways provide opportunities to pause and vegetated screens adjacent to parking areas enhance the pedestrian experience, creating biophilic connections within the urban context.

6. Historic and Existing Housing Sensitivity

As an urban renewal project on a previously industrial use site, this development does not displace any existing housing. The City and EWEB worked together to decommission past EWEB

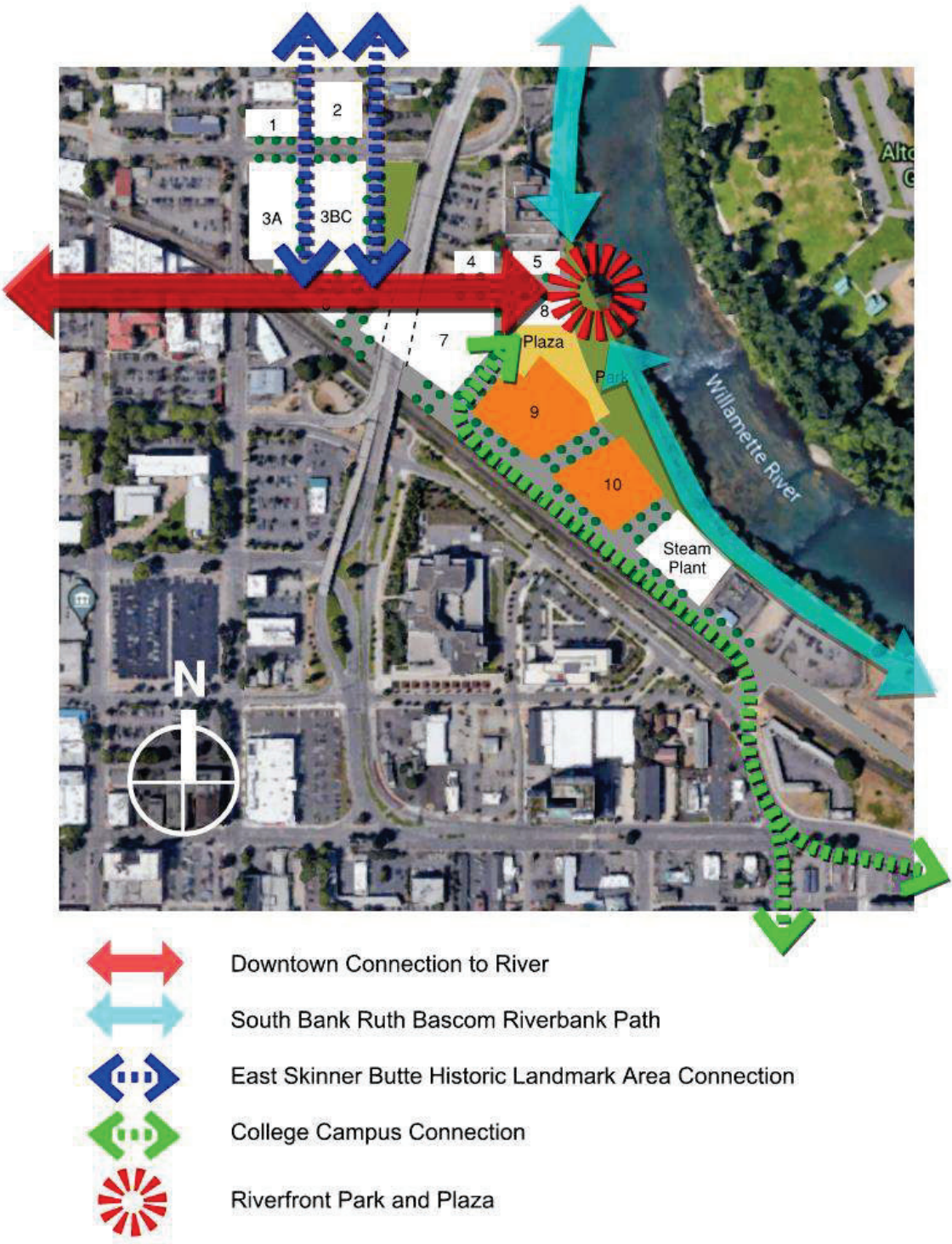
facilities and clear the site for future development. In this process, the City provided proper notification before removal of structures in the Eugene River District. The Ferry Street Bridge Viaduct was identified as a structure that meets the Oregon State Historic Preservation Office's (SHIPO) criteria for historic resource eligibility and City staff have determined there is no reason to conclude the proposed development will result in a negative impact to the viaduct. See the Historic Housing & Sensitivity section of this application for included letter from Eugene Planning outlining the site's compliance with preservation of historic locale and appropriate notification process followed for demolition of buildings previously located within the Eugene River District.

7. Project Need

As one of the three largest cities in the State of Oregon, the City of Eugene has seen steady growth with a population increase of 12.98% between 2010 and 2020 [US Census]. With the population growth outpacing the construction of new homes, the availability of housing is an ever-growing challenge. In August 2024, Eugene home prices were up 24% compared to August 2020 [redfin.com], contributing to residents being priced out of the homeownership market and forced into apartment living. The Eugene River District development responds to this ever-increasing demand for apartment living by providing higher density housing on previously under-utilized land within the urban growth boundary. In addition, the location has immediate access to and from the Downtown and West University neighborhoods via multiple modes of transportation, including public transportation, pedestrian pathways, and bicycle routes supporting alternate means of transportation, contributing to lower carbon emissions in the City.

District Connections

Eugene Riverfront District
ERD Parcel 10A



C. Green Building Features Worksheet

The green building requirement is that projects perform at least 10% more efficiently than the performance established in the energy code adopted by the State of Oregon (currently Oregon Energy Efficiency Specialty Code). Only the residential occupancy and common areas associated with residential areas are considered (e.g., hallways, stairwells, centralized HVAC or hot water heating, laundry facilities). It does not apply to the commercial areas or ancillary amenities (e.g., parking garage, swimming pools, recreation centers). Pathways for complying with the requirement are based on the number of floors for the project: 1-3 story projects and 4 or more story projects. See below:

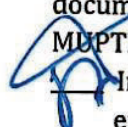
Summary of Green Building Pathways

Pathway	Building Size	
	1-3 Stories	>3 Stories
LEED v4 for Homes	Low-Rise: Certified + modeled at 10% above Oregon energy code	Mid-Rise: Certified + modeled at 10% above Oregon code
Earth Advantage	Multifamily: Certified + commissioning report	N/A
City of Eugene BPS (Building and Permit Services)	N/A	Modeled at 10% above Oregon energy code + commissioning report

- a) The pathway applicable to the proposed project is City of Eugene BPS.
- b) Use the table below to identify any additional items to include with your application based on the pathway identified above.

Pathway	Submit with Application
LEED v4 for Homes	1. LEED Registration Number 2. Project Checklist
Earth Advantage	Earth Advantage Points Worksheet
City of Eugene BPS	n/a

- c) See the Post-Approval Green Building Information section below for the required documentation that will need to be provided to the City should your project be awarded the MUPTE and other useful information.

 Initial here to indicate your understanding that you will need to demonstrate building energy performance 10% above the energy code adopted by the State of Oregon by submitting the items listed below at permit application and after construction.

- d) Will onsite parking be provided: ☒ Yes ☐ No

If yes, all projects that provide on-site parking must install conduit for future electric vehicle charging stations.

 Initial here to indicate your understanding of this requirement and agreement to include conduit should MUPTE be awarded.

MUPTE Application

Application Page: 22

ERD Parcel 10A (Lot 13A)**Post-Approval Green Building Information**

Should the project be approved for the MUPTE, the applicant will be required to submit a number of documents to demonstrate compliance with the Green Building Features requirement. This section provides more information about those requirements.

Pathway	Submit with Building Permit Application	Submit after Construction³
LEED v4 for Homes	Energy model	Within 18 months after receiving a Certificate of Occupancy, documentation of LEED certification (copy of USGBC Rating Certificate and final LEED review).
Earth Advantage	n/a	Within 18 months after receiving a Certificate of Occupancy: 1. Documentation of Earth Advantage certification, and 2. Commissioning report.
City of Eugene BPS	1. Signed Energy Release to enable the City to access multi-family occupancy energy use data for the life of the MUPTE, and 2. Energy model	1. List the project features to achieve the 10% above code requirement, 2. Within 18 months after receiving a Certificate of Occupancy, commissioning report, and 3. Annually during exemption if Energy Release not signed, multi-family occupancy energy use data.

An improvement of at least 10% shall be demonstrated in the proposed building energy performance as compared to a similar baseline building designed in compliance with the prescriptive requirements of the energy code adopted by the State of Oregon. The proposed building performance and the baseline building performance shall be calculated in accordance with ANSI/ASHRAE/IES Standard 90.1-2019, Appendix G, using a simulation model. Projects must meet the minimum percentage savings before taking credit for renewable energy systems. The proposed design must include all energy consumption and costs within and associated with the building project.

INTENT

To support the design, construction, and eventual operation of a project that meets the owner's and City of Eugene project requirements for energy and durability.

³ If this documentation is not timely submitted, MUPTE may be revoked.

ERD Parcel 10A (Lot 13A)**REQUIREMENTS**

Commissioning Process Scope: Complete the following commissioning (Cx) process activities for mechanical, electrical, and renewable energy systems and assemblies, in accordance with ASHRAE Guideline 0-2019 or 0-2005 and ASHRAE Guideline 1.1-2007 for HVAC&R Systems, as they relate to energy, water, indoor environmental quality, and durability. The commissioning authority (CxA) must do the following:

- Review the OPR, BOD, and project design.
- Develop and implement a Cx plan.
- Confirm incorporation of Cx requirements into the construction documents.
- Develop construction checklists.
- Develop a system test procedure.
- Verify system test execution.
- Maintain an issues and benefits log throughout the Cx process.
- Prepare a final Cx process report.
- Document all findings and recommendations and report directly to the owner throughout the process.
- Provide a Final Report based on findings to the owner for delivery to the City of Eugene. At a minimum the report shall include: CxA qualifications, scope of commissioning activities, a list of systems commissioned (and by whom), a summary of issues corrected, and a list of major outstanding/unresolved issues.

Complete the following commissioning process (CxP) activities for the building's thermal envelope in accordance with ASHRAE Guideline 0-2019 or 0-2005 and the National Institute of Building Sciences (NIBS) Guideline 3-2012, Exterior Enclosure Technical Requirements for the Commissioning Process, as they relate to energy, and durability. Commissioning authority must complete the following:

- Review contractor submittals.
- Verify inclusion of systems manual requirements in construction documents.
- Verify inclusion of operator and occupant training requirements in construction documents.
- Verify systems manual updates and delivery.
- Verify operator and occupant training delivery and effectiveness.
- Verify seasonal testing.
- Review building operations 10 months after substantial completion.
- Develop an on-going commissioning plan.
- Incorporate all findings into the Final Report provided to the owner for delivery to the City of Eugene.

ERD Parcel 10A (Lot 13A)

Commissioning Authority: By the end of the design development phase, engage a commissioning authority with the following qualifications.

- The CxA must have documented commissioning process experience on at least two building projects with a similar scope of work. The experience must extend from early design phase through at least 10 months of occupancy;
- The CxA may be a qualified employee of the owner, an independent consultant, or an employee of the design or construction firm who is not part of the project's design or construction team, or a disinterested subcontractor of the design or construction team. For projects smaller than 20,000 square feet (1 860 square meters), the CxA may be a qualified member of the design or construction team. In all cases, the CxA must report his or her findings directly to the owner.

Green Building Features Narrative

Eugene River District
ERD Parcel 10A

Parcel 10A of the Eugene Riverfront District builds from the concept for the district: “Where the City Meets the River”. The sustainability features of the building support and enhance the design of the district with a focus on human health and wellness, energy efficiency, and sustainable sites. In support of this concept, the project will meet the City of Eugene BPS requirements to achieve a minimum of 10% better than energy code. To further enhance the environmental measures, the project is pursuing Earth Advantage certification and Fitwell certification to reduce the environmental impact of the building and contribute to a healthy living environment for residents of the community, going above and beyond the minimum MUPTC standards.

Human Health and Wellbeing

The built environment can have a profound impact on the health and wellbeing of the building occupants. The design of Parcel 10A incorporates strategies from the latest research on healthy buildings with the goal of healthy and happy residents. The strategies used to achieve this goal include:

- Elements of biophilic design are used to enhance the human connection to nature. Biophilic design contributes to lower stress, increased happiness, improved sleep, and a greater sense of safety and comfort. Biophilic design features on this project include ample daylighting and views; finish materials inspired by natural colors, textures, and patterns; direct connection to the natural environment through outdoor amenity spaces, balconies, and operable windows; and landscaped areas that create delightful spaces for residents to enjoy with multiple senses.
- Mechanical systems to prioritize occupant health in addition to energy performance, such as improved air filtration in common spaces to reduce resident exposure to wildfire smoke.
- Interior material choices to reduce indoor air toxins for occupant health, including reduced VOC's.
- Enhanced unit compartmentalization to maintain good air quality for residents.
- Appropriate acoustic treatment of walls and windows to improve livability for the residents, particularly for facades near the railroad and viaduct.
- An efficient exterior building envelope to maximize the thermal comfort of the residents. A high-quality exterior envelope also minimizes air leakage and moisture migration, contributing to the long-term durability of the building.
- Secure bike storage rooms to promote active lifestyles of the residents.

Energy Efficiency and Emission Reductions

To reduce the environmental impact of the project, Parcel 10A will achieve energy savings of 10% or greater than Oregon code, and perform building commissioning. The strategies used to achieve this goal include:

- Efficient centralized hot-water heating systems
- An efficient exterior building envelope detailed for reduced thermal bridging, a continuous air and weather barrier to control air and moisture migration for long-term durability.
- Window coatings optimized to control solar heat gain where appropriate. Operable windows encourage the reduction of mechanical cooling on mild days.
- Rooftop treatment to reduce heat absorption into the building.

- Water-efficient plumbing fixtures to reduce freshwater demand and water heating energy. Water submetering for units to influence occupant behavior to encourage water conservation.
- LED lighting throughout to reduce energy demand.
- On-site electric car charging station infrastructure to support future installation of electric vehicle charging stations for reduced vehicular emissions.

The project team is also exploring reductions in the embodied carbon emissions from building material creation, transportation, and construction activities. Embodied carbon emissions contribute significantly to the overall environmental footprint of new buildings before the building is even occupied. While it is still early in the design process, the project team is targeting opportunities for embodied carbon reductions through optimized concrete mix designs and exploring wood sourcing options. The project team is also exploring ways to maximize the carbon sequestration potential of the landscaped areas of the site.

Sustainable Sites

Parcel 10A utilizes multiple design strategies to transform the currently underutilized site into a vibrant space for residents, the community, and native species. The strategies used to achieve this include:

- Integrated landscape design to connect the building site to the broader district. Native plants provide opportunities for habitat, reduce irrigation demand, and provide year-round interest and beauty.
- Stormwater capture and treatment strategies that tie into the landscape design to reduce surface runoff and contaminants from entering the natural water flows of the site.
- Ample green space and rooftop treatment to reduce heat absorption and minimize the urban heat island effect.
- Consideration of bird-safe design strategies and exterior lighting to reduce light pollution.

Conclusion

Combined with energy efficiency and a reduced environmental impact, the most sustainable projects are ones that enrich the human spirit, invoke delight, and foster community over time. These are beautiful places that people will love and care for both now and decades from now. Parcel 10A utilizes all the above design strategies to ensure a positive outcome for the community, residents, stakeholders, and the environment for the life of the project.



The Eugene River District (ERD) projects build from the concept for the district: Where the City Meets the River. The sustainability features of the buildings support and enhance the design of the district with a focus on human health and wellness, energy efficiency, and sustainable sites. The ERD projects have been designed to include features and systems in support of the sustainability goals outlined in Eugene's Climate Action Plan 2.0 (CAP2.0) and MUPT program. This document outlines environmentally responsible measures implemented in the ERD projects in alignment with CAP2.0, MUPT, and voluntary features that go above and beyond development code and typical multi-family development standards.

In alignment with the MUPT Green Building Pathway, the ERD projects are complying with the City of Eugene BPS requirements for projects greater than 3 stories to be modeled at 10% above Oregon energy code. With the recent energy code change from the 2019 to 2021 version, there have been improvements to building performance and resident wellbeing.

- The projects are anticipated to perform at approximately **15% to 20%** better than the 2021 Oregon energy code.
- As a partially electrified development and Eugene's primary electrical energy source being hydroelectricity, electrification is anticipated to reduce operational carbon emissions by about **60%** compared to a code base line development.

Alignment with Eugene's Climate Action Plan 2.0

Urban Density

CAP2.0 Action
Action T10 &
Envision Oregon

Description
Job creation within
the UGB and
promote compact
urban
development.

ERD Alignment

The ERD developments are located adjacent to downtown and within the UGB will provide many construction jobs and ongoing facilities management and maintenance employment opportunities.

Action T11
Rec. E1

Promote compact,
higher density
urban development

As mid-rise developments these projects increase population density with direct access to the downtown area.

Action T13

Increase population
in 20-minute
neighborhoods

With immediate adjacency to downtown, direct access to commercial amenities along 5th Avenue, and commercial amenities to be developed within the River District, all ERD projects will contribute to this goal.

Transportation

Action T14

Promote transit-
oriented
development.

In addition to being a walkable neighborhood, the projects are adjacent to existing LTD bus routes and a new downtown transportation plan is in progress.

Action T20
Action T37

Electric Vehicle
(EV) charging
infrastructure.

In alignment with the Climate Action Plan, the projects will provide EV charging stations and infrastructure for future expansion to accommodate anticipated growing demand.

	Description	ERD Alignment
Action T23 Rec. E3	Promote use of micro-mobility options (e-scooters, e-bikes)	The projects provide ample bike parking, including staple-style racks to promote use of heavier e-bicycles. In addition, the district is pursuing an installation of publicly accessible e-bike rentals.
Energy Efficiency		
Action B1	Decrease emissions associated with natural gas	As partially electrified buildings, the ERD projects provide heating, cooling, and ventilation with electrically powered systems reducing emissions associated with natural gas fueled systems. Additionally, the projects are investigating infrastructure to permit a future transition to all-electric central domestic water heating.
Action B5	Developments to be 10% better than energy code.	In alignment with the action plan and the MUPTE program, the ERD projects will meet the City of Eugene BPS requirements to be modeled a minimum of 10% above Oregon energy code.
Action B15	Provide ETO energy efficiency programs for natural gas customers.	The design team is coordinating with ETO to improve energy efficiency in the limited areas where natural gas may be used.
Construction Materials		
Action C5	Use of supplementary cementitious material in concrete mixes.	The ERD projects will incorporate concrete mix designs that reduce embodied carbon from baseline metrics established from the National Ready Mix Concrete Association (NRMCA). This will be achieved by specifying locally available cement replacement materials and quantities.
Waste Management		
Action F8 Action C4	Divert waste from landfills	As part of the Earth Advantage certification program, the ERD projects will implement waste management plans during construction operations to increase recycling of construction waste.
Action F13	Improve multi-family recycling programs	The ERD projects include resident recycling programs including recycling bins for glass and mixed recyclables conveniently located on each floor level and oversized cardboard recycling bins in each building to accommodate the waste created by the growing e-commerce economy.
Stormwater		
Action R28	Support "green" stormwater infrastructure.	Bioswales and structured flow-through stormwater planters located on-site and within the adjacent right-of-way will be utilized to treat stormwater runoff from impermeable areas.



Earth Advantage Certification – Targeting Gold Certification

In addition to previously mentioned sustainability measures, the following are to be implemented in association with Earth Advantage Certification:

- Durable exterior materials, rainscreen façade, and appropriately installed weather and air barrier contribute to lower energy consumption for heating and cooling and increase the lifespan of the envelope system.
- Increased recycled content in building materials reduces the building's carbon footprint and environmental impact by minimizing reliance on virgin materials.
- Indoor air quality improvements include eliminating added urea formaldehyde in materials and Low VOC finishes to reduce harmful off-gassing and protection of HVAC ductwork during construction to reduce dust and contaminants. In response to the recent annual increase of wildfires and poor air quality days, the project is reviewing enhanced filtration systems for ventilation air systems to further improve indoor air quality at times where windows should not be open.
- Energy Star appliances and all-LED lighting reduces ongoing energy consumption.
- Low-flow plumbing fixtures including toilets, sinks, shower heads, and lavatories in addition to landscaping with drought tolerant plant species reduce the long-term water consumption of the project.
- In-unit energy recovery ventilator (ERV) system to improve indoor air quality and reduce energy demand through heat recovery.
- Efficient centralized domestic hot-water system.
- Window coatings optimized to control solar heat gain where appropriate. Operable windows encourage the reduction of mechanical cooling on mild days.
- Rooftop treatment to reduce heat absorption into the building.
- LED lighting throughout to reduce energy demand.

Fitwel Certification – Targeting One Star Certification

In addition to previously mentioned measures to improve the health and wellbeing of the community, the following are to be implemented in association with Fitwel Certification:

- Projects will provide increased opportunities for regular physical activity, social interaction, and access to amenities, fostering improved health such as a dedicated fitness rooms, quality finishes in stairwells to promote regular use, and community spaces for residents to socialize. In addition, the location has immediate access to and from the Downtown and West University neighborhoods via multiple modes of transportation, including public transportation, pedestrian pathways, and bicycle routes supporting alternate means of transportation, contributing to lower carbon emissions in the City.
- Building operations will enforce a tobacco and smoke-free policy for all indoor and outdoor spaces, reducing tobacco consumption and exposure to secondhand smoke among community members, and contributing to enhanced respiratory and mental health.
- Evenly distributed lighting along street frontages and within parking areas contributes to increased perceptions of safety and pedestrian use after dark, reduces opportunity for crime, and supports the connection of downtown to the river.
- Elements of biophilic design are used to enhance the human connection to nature, contributing to reduced stress and enhanced mental health.
- Improved acoustical performance of windows and exterior envelope to mitigate noise from adjacent railroad and viaduct using HUD acoustical standards and site-specific testing to inform the design.



Brownfield Redevelopment

The industrial past of the district has left the community with contaminated land immediately adjacent to Downtown Eugene and flanking the Willamette River. The River District is entirely located on this brownfield. Environmental benefits of brownfield redevelopment include the following:

- Revitalizing land in a prime location and connecting downtown to the river.
 - Urban density lies at the root of reducing impact of development. Increased density reduces the pressure on development of virgin land and expansion of urban growth boundaries into natural resource areas and ecological environments. As mid-rise developments these projects increase population density adjacent to the downtown area.
- Central location reduces transportation demand.
 - Shorter car trips and overall reduced car use due to more efficient home/work travel patterns.
 - Per the US EPA, on average, brownfield redevelopments reduce vehicle miles traveled (VMT) by residents by 25 to 33% fewer VMT and job-related VMT by 9 to 10% fewer VMT per capita per day than non-brownfield locations (approximately 1.5 Metric Tons of Carbon reduced per resident per year).
- Access to existing infrastructure reduces municipal infrastructure expense.
- Prevents additional environmental degradation from building in greenfields.
 - Reduces impervious surface expansion in the city.
 - Per the US EPA, on average, for every 1 brownfield acre redeveloped, approximately 1.3 to 4.6 acres of new impervious surface will not need to be built.

Conclusion

As a dense, urban, brownfield redevelopment in immediate proximity to downtown, the Eugene River District revitalizes a previous industrial barrier and reconnects Downtown Eugene and the Willamette River through a vibrant, inviting neighborhood. The projects go above and beyond the MUPTE 10% better than energy code requirement. Implementing infrastructure for future expansion of electric vehicle charging stations and future-proofing facilities for a transition to all-electric domestic hot water heating are a few of the systems contributing to a reduced carbon footprint in alignment with the Eugene Climate Action Plan. In addition to exceeding the City of Eugene BPS energy requirements, the projects are pursuing Earth Advantage and Fitwel certifications to further reduce the environmental impact of development and create a healthy living environment for the community.



ERD Parcel 10A (Lot 13A)

D. Local Economic Impact Plan Worksheet

In order to ensure that a substantial portion of the local tax benefit yields a benefit to the local community, each applicant needs to include a Local Economic Impact Plan. Complete the following worksheet and attach the required written material.

A. LOCAL CONTRACTS

Projects must have a plan for ensuring that more than 50% of the dollar volume of the combined professional services and construction contracts are or will be from a business organization or individual residing or doing business primarily in Lane County. Materials are excluded from the dollar volume calculation. If an applicant can provide evidence that a trade is not available locally, payment for services attributed to that trade may be excluded from the dollar volume calculation. Should a MUPTE be granted and at the end of construction, the developer will need to submit a report of the home city or zip code of all of the construction labor workers.

<u>\$37,111,834</u>	Total Estimated Professional Services and Construction Contracts
<u>\$20,411,509</u>	Local to Lane County
<u>55%</u>	% of Total that is Estimated to be Local
<u>\$16,700,325</u>	Not Local to Lane County

-  Attach narrative on how this will be achieved. Identify the likely general contractor. Also include information on trades not available locally, if applicable.

B. MINORITY & WOMEN BUSINESS ENTERPRISES

MUPTE recipients need to ensure that qualified minority and women business enterprises have an equitable opportunity to compete for development related contracts. Initial next to the following three minimum steps to indicate your understanding and commitment to comply:

-  Developer will access lists of certified minority, women, emerging small business or disadvantaged business enterprises from the Oregon State Office of Minority, Women and Emerging Small Business (<http://www4.cbs.state.or.us/ex/dir/omwesb/>).
-  Developer will search for Oregon Forward Contractors from whom to procure products and services via the Oregon Forward Program website (<https://ofp.dasapp.oregon.gov/Search>).
-  Developer will advertise in general circulation, trade association, and minority focused media about prime subcontracting opportunities.

-  Attach narrative on any other steps you plan to take so that minority and women business enterprises have an equitable opportunity to compete.

ERD Parcel 10A (Lot 13A)**C. COMPLIANCE WITH LAWS**

The developer needs to ensure that all parties involved, including contractors and subcontractors, comply with wage, tax, and licensing laws. Initial next to the following four requirements to indicate your understanding and commitment to comply:

 Methods are in place to ensure all contractors performing work are licensed and performing in compliance with ORS 701 (Construction Contractors and Contracts).
 *Attach a narrative to describing the methods.*

 Developer will provide the City with a list of all contractors performing work on the project. Before a contractor performs any work on the project, the contractor must be included on the list on file with the City. Owner will confirm that each contractor has valid, current licensing, insurance, bonding, and workers compensation coverage.

 Developer will require that each contractor provide an affidavit attesting to the fact that (1) the contractor, owner, or responsible managing individual for the contractor does not have any unpaid judgments for construction debt, including unpaid wages; and (2) the contractor is in compliance with Oregon tax laws described in ORS 305.620 (local taxes) and ORS Chapters 316, 317 and 318 (state income taxes).
City staff can provide a template of an affidavit for this purpose.

 Developer will post information about the City's Rights Assistance Program in English and Spanish on the job site during construction of the project.

Essex - Local Economic Impact Plan

ESSEX AND THE LOCAL CONSTRUCTION COMMUNITY

- **Local Knowledge:** Essex has been constructing buildings and building relationships in Lane County since 1987. Over the years we've developed strong connections in the community with owners, designers, subcontractors, suppliers and people in local government having jurisdiction over our projects.
- **Experience with Local Subcontractors:** We bring a long history of work experience with most of the subcontractors in the county, having completed projects with every major subcontractor in our area, along with many of the smaller ones. Our relationships with local construction partners are based on shared goals, clear expectations, excellent communication, attention to detail in both construction and contract documents, and hands on project administration. Many of the projects we build utilize design-assist and design-build MEPF teams. These close collaborative relationships and our reputation for effective project management have strengthened our ties with these firms and provided opportunities for our clients to get the best value from our project.
- **Local Rules, Regulations, and City and County Staff:** Over the years we've worked closely with permitting agencies, local utilities, and other agencies on our projects in Eugene. We maintain excellent relationships with local building and planning departments throughout Lane County, and in Eugene.

The list below shows some of the contractors that Essex regularly works with. We will send bid invitations to all local subcontractors and suppliers during the bidding process for this project.

Scope of Work	Company Name	Certifications	Office Location
General Contractor	Essex General Construction		Eugene, OR
Concrete, Site Concrete	3 C Custom Commercial Concrete		Springfield, OR
Concrete, Site Concrete	Dynasty Concrete Co.		Eugene, OR
Rebar	Farwest Steel		Eugene, OR
Ready Mix	Knife River Corporation		Eugene, OR
Ready Mix	Riverbend Materials		Eugene, OR
Masonry	Haps Masonry		Eugene, OR
Metal Fabrication	Kiwifab Inc.		Eugene, OR
Metal Fabrication	Gibson Steel Fabricating		Eugene, OR
Metal Fabrications	Commercial Metal Products		Springfield, OR
Metal Erection	West Side Iron	DBE, MBE	Springfield, OR
Wood Framing	Tall Pine Contractors Inc		Marcola, OR
Finished Carpentry	LJ Pearson Construction Inc.		Springfield, OR
Building Insulation	Home Insulation		Eugene, OR
Roofing	River Roofing		Springfield, OR
Roofing	Evergreen Roofing		Eugene, OR
Roofing	Umpqua Roofing Company		Eugene, OR
Roofing, Sheetmetal	Rock Roofing & Sheet Metal Inc		Eugene, OR
Sheetmetal	Smith Sheet Metal		Springfield, OR
Sheetmetal	Stedman Sheetmetal Inc		Springfield, OR
Millwork & Doors	Mid-Valley Glass & Millwork		Eugene, OR
Storefront & Glazing	Culver Glass Company		Eugene, OR
Storefront & Glazing	Lane County Glass		Eugene, OR
Storefront & Glazing	I-5 Glass		Springfield, OR

Essex - Local Economic Impact Plan

Scope of Work	Company Name	Certifications	Office Location
Metal Stud, Drywall, ACT	Haas Contracting		Springfield, OR
Metal Stud, Drywall, ACT	Hartness Drywall		Cottage Grove, OR
Metal Stud, Drywall, ACT	Oregon Ceiling & Acoustics LLC	MBE	Eugene, OR
Metal Stud, Drywall, ACT	Hathaways		Eugene, OR
Painting	One-Way Painting		Junction City, OR
Painting	Gaviotas Painting		Eugene, OR
Painting	Evergreen Painting Co		Eugene, OR
Painting	WC Finishes Inc		Springfield, OR
Flooring	Imperial Flooring		Eugene, OR
Tile, Flooring	Rubensteins Contract Carpet LLC		Eugene, OR
Signage	Fastsigns of Eugene		Eugene, OR
Signage	Image King Signs		Eugene, OR
Signage	ES&A Sign & Awning		Eugene, OR
Appliances	Kellys Home Center		Eugene, OR
Casework, Countertops	Lanz Cabinets		Eugene, OR
Casework	Advance Cabinet Designs Inc.		Eugene, OR
Countertops	Precision Surfaces		Eugene, OR
Countertops	Pro Contracting		Eugene, OR
Window Coverings	Budget Blinds of Eugene		Eugene, OR
Window Coverings	VSC Window Coverings		Eugene, OR
Sprinkler	Omlid & Swinney		Springfield, OR
Sprinkler, Plumbing, HVAC	Harvey & Price		Eugene, OR
Plumbing	Twin Rivers		Eugene, OR
Plumbing	Brothers Plumbing Inc		Creswell, OR
Plumbing, HVAC	HCH Mechanical		Eugene, OR
HVAC	Comfort Flow Heating		Springfield, OR
HVAC	Innovative Air Inc		Eugene, OR
Electrical	PNW Electric LLC	ESB	Eugene, OR
Electrical	Builders Electric Inc		Eugene, OR
Electrical	Contractors Electric LLC		Eugene, OR
Electrical	Sunset Electric Inc		Springfield, OR
Earthwork	Delta Construction Co		Eugene, OR
Earthwork	Kipco Construction LLC		Eugene, OR
Earthwork	Pacific Excavation Inc.		Eugene, OR
Earthwork	Wildish Construction Co		Eugene, OR
Asphalt Paving	Aegis Asphalt Construction	ESB	Springfield, OR
Site Concrete	Roger Langeliers Construction Co.		Eugene, OR
Landscaping	Rexius Forest By-Products Inc		Eugene, OR
Landscaping	Gratons Custom Landscapes		Junction City, OR
Landscaping	Andersons Erosion Control Inc	DBE, WBE	Junction City, OR
Fencing & Gates	Island Fence		Junction City, OR
Fencing & Gates	Oregon Fence Co.		Springfield, OR

Essex - Local Economic Impact Plan

OUTREACH

Essex is committed to working with local businesses and cultivating relationships with small businesses and utilizing as many MWESB firms certified through COBID. Our deep relationships with local businesses have contributed to a large bench of local firms we can collaborate with on this project. For this reason we are confident we will be able to meet the construction project's local labor goals (in dollars) from contractors with a presence in Lane county.

Outreach and inclusion of MWESB certified firms is essential to maximize participation. We utilize Building Connected a web-based software program to create bid packages, distribute invitations to bid and manage the bid process. This gives us access to a large database of subcontractors and enables us to drill down and focus on local and/or MWESB subcontractors. The bottom line is that by leveraging this technology we can reach the specific subcontractors we need to meet the particular requirements of each project.

To ensure maximum utilization of certified firms on the project, Essex will solicit for all project packages in an open, fair and competitive process.

- Certified firms' eligibility will be determined through state COBID lists.
- Outreach will start during pre-construction to provide advance notice to certified firms through key trade and business organizations such as OAME that promote utilization of minority and women owned firms.
- Essex will contact firms by phone, email and/or fax notifying them of anticipated work available on the project.
- Information shall be posted through Essex's Building Connected site to facilitate assessment of the interest of certified firms for the work on the project.
- Advertisement at least three weeks prior to bid opening in the Daily Journal of Commerce, Eugene Builders Exchange and the Portland Observer.
- Essex will distribute project documents and solicitations to multiple plan centers throughout the state to provide easy access to potential bidders.

To ensure compliance with ORS 701, Essex Construction will obtain the following from all contractors:

- Verification from the Oregon Contractor's Board that licenses are valid and in good standing.
- Proof of liability insurance and bond in the amounts required by the CCB.
- Proof of workers compensation insurance.
- Proof that the workers on-site are employed by the subcontractor and covered by license and insurance.

These items will also be available for inspection on-site.

F. Project Design and Compatibility Worksheet

Attach two schematic drawings drawn to a minimum scale of one inch equals 16 feet (1" = 16'):

1. Site plan and major features and dimensions of the proposed development.
2. Side and front elevations of the proposed development.

Identify on both drawings public and private access, parking and circulation plans, and proposed landscaping design. If Council approves the exemption, these schematic drawings will be attached to the approval resolution.

 Attach a written description of the exterior finishes, public and private access, parking and circulation plans, and proposed landscaping design.

 Attach a written narrative, with supporting graphics, renderings, or elevations of the proposed development that describes how the project will address the basic design concepts listed below.

Basic Design Concepts & Recommended Design Techniques

During the MUPTE application evaluation process, the City's Urban Design team will assess how the project addresses the four basic design concepts listed below. Also included below are recommended design techniques to assist in achieving these design concepts and serve as a way to create objective standards in design. These design techniques will provide non-regulatory guidance and are not prerequisites to receiving a MUPTE. The City's Urban Design team will reference the recommended techniques below in the evaluation it provides to the Review Panel of the submitted design. For additional guidance, refer to the Community Design Handbook, which can be found at <https://www.eugene-or.gov/3887/Design-Resources>.

Scale Form and Quality: Buildings are designed for the human scale, appropriate to local climate and natural resiliency, to engage the street, promote transparency, help define a sense of place, fit the neighborhood, and employ high-quality and contextually appropriate materials and colors. Recommended techniques include:

- Reference the rhythm of the building's structural system and spacing when placing bays, projecting columns or pilasters, windows, storefronts, and doors.
- Incorporate the use of balconies and terraces on residential and mixed-use buildings to provide additional articulation, shadows, indoor/outdoor connections, and eyes on the street.
- Use high quality, durable building materials and incorporate architectural elements and level of detailing, trim, texture and finish that is comparable on all building facades.
- Organize windows utilizing unifying elements such as common sill or header lines.
- Utilize a color and material placement consistent with architectural massing and structural bays. Do not switch colors or materials on the façade that do not respond to the architecture and articulation.
- Provide visual interest and accent shade and shadow by varying the building massing or highlighting different uses within the building by pushing or pulling the façade.

Mixture of Project Elements: The proposal employs a mixture of project elements that contribute to a walkable downtown, encourage biking and transit use, enrich the streetscape, and support community comfort and safety at all hours. Recommended techniques include:

- Provide entries for each ground floor retail and commercial establishment to facilitate pedestrian circulation and to add a finer grain to the layout of ground floor uses.
- Use building composition and form to enhance important wayfinding functions, such as the use of a vertical element to accentuate a corner entry into a building or to define a gateway.
- Establish a building entry hierarchy to delineate the difference between uses.
- Use horizontal and vertical separation for ground floor residential units to create a transitional area between the public realm and the residences. Utilize landscaping, screening elements, and other architectural features to further enhance privacy for both residents and passersby.

Relationship to the Street and Surrounding Uses: The proposal is designed to engage and enrich the streetscape, as well as respect and enhance the existing surrounding uses. Recommended techniques include:

- Shelter entries by using awnings and/or by recessing the entry within the building façade.
- Provide a high degree of transparency for all ground floor commercial uses.
- Consider the use of clerestory windows on storefronts and other ground floor commercial uses.
- Where appropriate, place awnings above storefront windows.
- Use ground floor sidewalk frontage for active daytime uses.

Parking and Circulation: Parking is designed to provide, to the greatest extent possible, locations for car sharing, integrated shared-parking strategies, electric car charging stations, and safe and attractive pedestrian/bicycle connections between parking and adjacent buildings and streets. Recommended techniques include:

- Provide clear and attractive pedestrian and bicycle connections that minimize vehicle conflicts. Consider utilizing lighting to enhance safety and wayfinding.
- Consider landscaping and material change to highlight the pedestrian and bicycle amenities.
- Provide pedestrian and bicycle connections to the existing street grid when possible.
- Wrap the facades of the building with commercial and/or residential uses, internalizing the parking facility where appropriate for buildings with above ground parking structures.
- Utilize screening that replicates the proportions, rhythm, and scale of the building's other architectural elements and complements the overall building design where a parking structure is exposed to the public realm.
- Design screening to block views of all parked cars within the structure and limit the impacts associated with internal facility lighting and the headlights of cars.
- Do not express the sloping floors of parking structures on the exterior façade of the building.

Project Design and Compatibility Narrative

Eugene River District
ERD Parcel 10A

Scale Form and Quality

Inspired by the concept of “Where the City Meets the River,” the ERD Parcel 10A project is designed to activate Wiley Griffon Way, the Downtown Riverfront Park, and draw the urban character of downtown towards the Willamette River to establish a new neighborhood: the Eugene River District.

The project is configured as a bar-shaped midrise building engaging with Wiley Griffon Way, Annie Mims Lane, and Nak Nak Avenue on Parcel 10A and space allocated for a minimum of twelve (12) townhomes facing the Riverfront Park on Parcel 10B. The townhomes on Parcel 10B are excluded from this MUPTE application and will be a separate future project, see site plan.

The exterior materials consist of brick, fiber cement panels, and concrete. The project will use a storefront window system at the ground level and vinyl windows on the upper levels. These materials were selected to be compatible with the neighborhood and for permanence and durability. The façade is configured to evoke the brick warehouse aesthetic, inspired by the industrial legacy of the site and will be complementary to the neighboring Heartwood (Parcel 7, completed) and Portal (Parcel 3BC, under construction) buildings in the district. The arrangement of the large windows and brick piers establishes a consistent architectural rhythm that enriches the streetscape experience. Recessed balconies reinforce the architectural rhythm and create interesting shadows across the facade. The elevation design is further punctuated by brick detailing around the windows.

Mixture of Project Elements

The building is designed to contribute to a walkable downtown. With its adjacency to the Downtown Riverfront Park, the Wiley Griffon Way frontage will serve as the primary public interface to the building’s main lobby and ground floor amenities. The building is composed to give residents ease of access to the street network and park with multiple entrances and elevator lobbies, encouraging walking and biking. The parking entrance is located along the quieter Annie Mims Way frontage. A secondary parking entrance is located on Nak Nak Avenue.

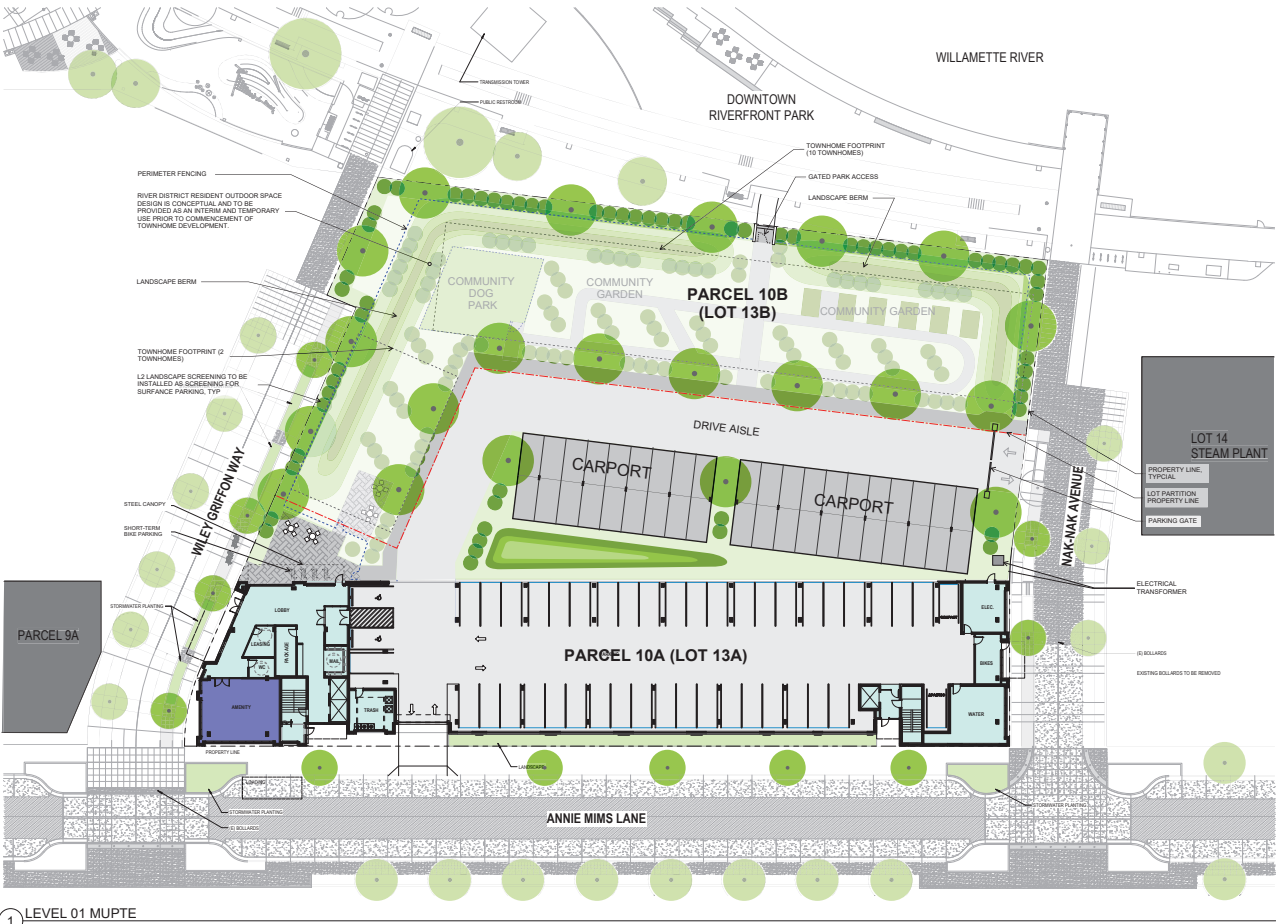
Relationship to the Street and Surrounding Uses

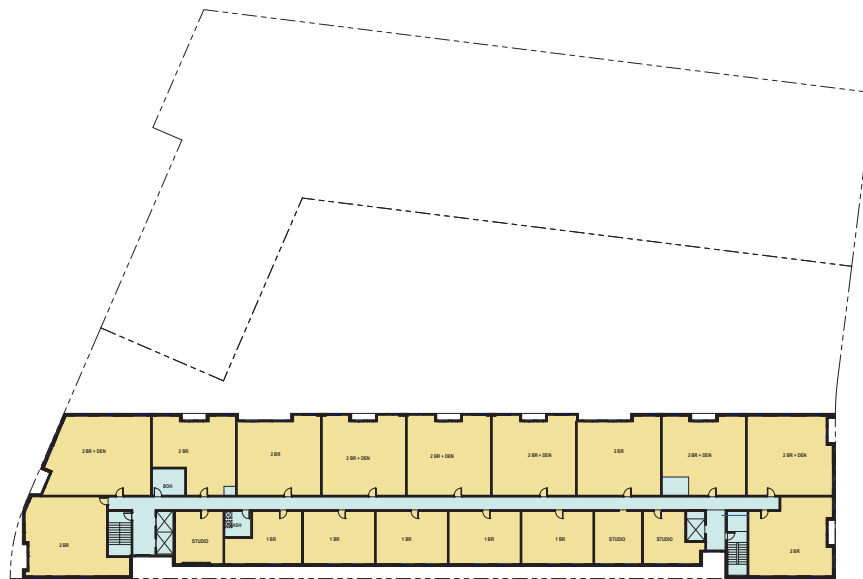
The building entries are recessed in the façade and sheltered by large steel canopies. Large ground-floor windows provide a high degree of transparency at the street facing façades. The building's balconies and windows into elevator lobbies bring residents out to interact with the street and district views. Street trees and stormwater planting enrich the streetscape.

Parking and Circulation

The building is designed to provide urban frontages to Wiley Griffon Way, Annie Mims Way, and Nak Nak Avenue engage with the street and shield the residential parking from view. The parking will be screened with landscape and architectural elements to block views of vehicles and limit the impacts of car headlights.

In alignment with the City of Eugene's Climate Action Plan to reduce transportation emissions and increase use of electric vehicles, the project is providing electric vehicle charging stations to support market demand. In addition to the installed EV chargers, empty conduit, pull vaults, and electrical system sizing will be appropriately implemented in support of future expansion to serve more electric vehicles. The main pedestrian and bicycle connections are tied to the existing street grid, reducing pedestrian/vehicle conflicts. Long-term bicycle parking is provided in secure and convenient bike rooms and within units. Short-term bicycle parking will be located near building entrances to encourage bicycle use for residents and visitors.

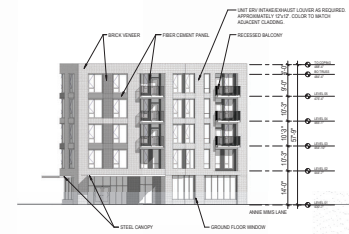




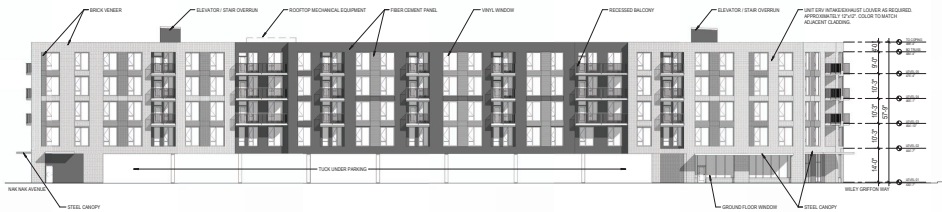
1 LEVEL 02-05
1/16" = 1'-0"



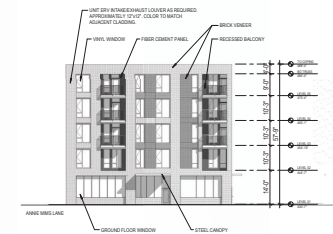
3 ANNIE MIMS ELEVATION
1/8" = 1'-0"



1 WILEY GRIFFON ELEVATION
1/8" = 1'-0"



4 RIVERFRONT ELEVATION
1/8" = 1'-0"



2 NAK NAK ELEVATION
1/8" = 1'-0"





VIEW FROM CORNER OF ANNIE MIMS AND NAK NAK



MAIN ENTRY VIEW

G. Historic and Existing Housing Sensitivity Worksheet

Any application for a project that is immediately adjacent or contiguous to a historic locale shall include a plan to mitigate impacts to the historic locale.⁴ The project shall preserve and enhance an existing historic locale, as evidenced by a concept plan that has been reviewed by a Planning & Development Department staff person with expertise in design and historic preservation. No exemption shall be granted for any property where a historic structure or potential historic structure has been demolished or removed from the property within the two years immediately preceding the MUPTE application date. This restriction shall be waived if the owner of the property gave notice of the intent to demolish or move the structure to Planning staff responsible for historic review issues at least 60 days before the owner's application for a demolition or moving permit from the City.

- i. Is the project immediately adjacent or contiguous to an historic locale?⁵
☒ Yes ☐ No
 If yes, attach the confirmation letter from Planning staff that states the concept plan review is complete and accepted.
- ii. Was an historic structure or potential historic structure demolished or removed from the property within the two years immediately preceding the date of application for the exemption?
☐ Yes ☒ No
 If yes, attach the letter from Planning staff that states proper notification was provided before removing any structures and that historic structures were appropriately addressed.

No exemption shall be granted for any property on which any housing unit has been demolished or removed from the property within the last two years. This restriction can be waived if the proposed project increases the number of dwelling units by 50% from what previously existed or if it replaces the old units by significantly larger units that will accommodate families.

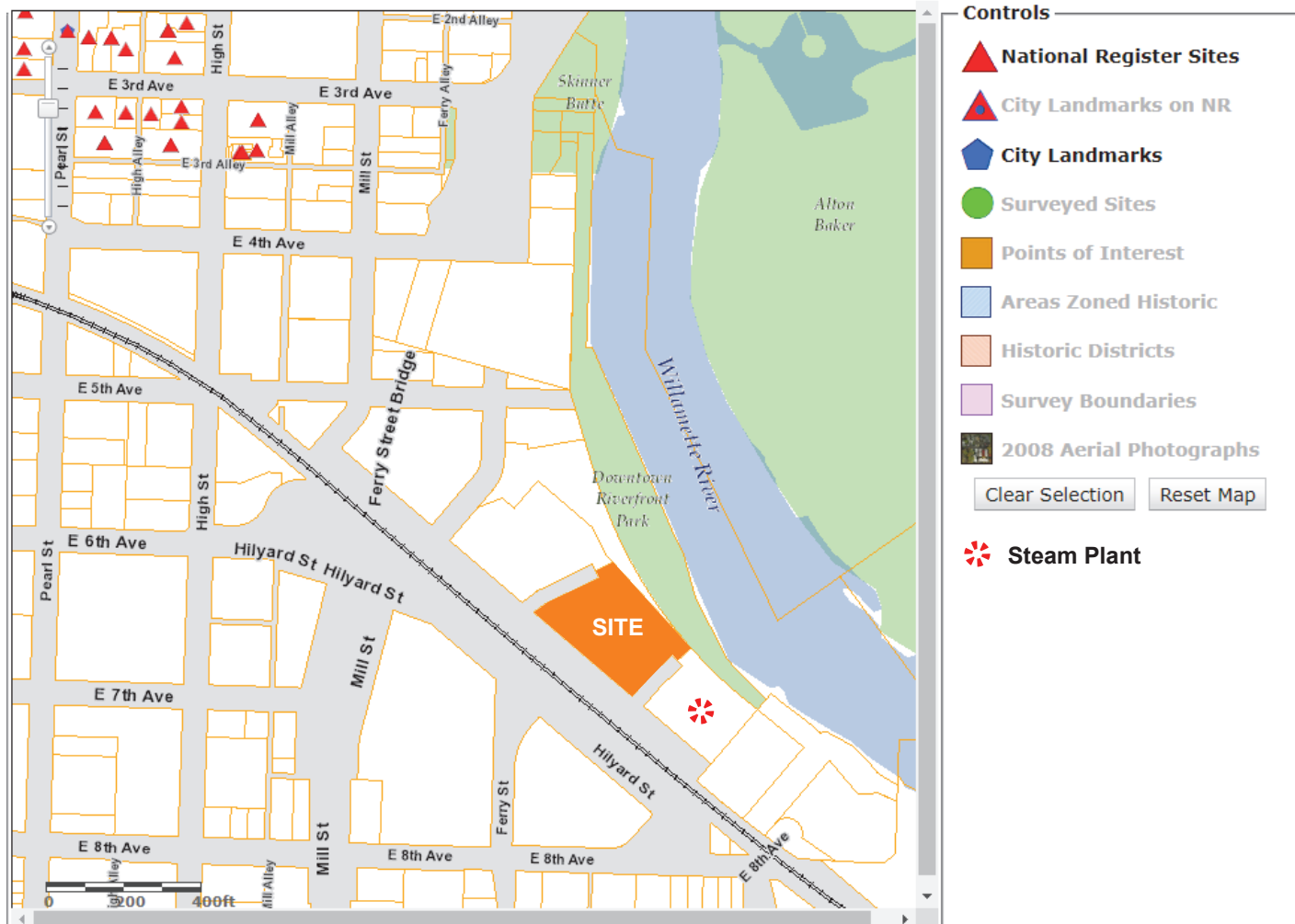
- iii. Was housing demolished or removed from the property within the prior two years?
☐ Yes ☒ No
 If yes, Number of units: _____
 Number of houses: _____
 Number of bedrooms per house: _____

⁴ As defined in the Administrative Rule, an historic locale is a building that has historic, cultural and/or architectural significance, locally, regionally, or nationally. A historic locale can also include a building acknowledged by the Eugene Historic Review Board as strongly or possibly eligible for City Landmark or National Register listing.

⁵ Contact Dylan Huber-Heidorn to determine whether the project is adjacent or contiguous to an historic locale (dhuber-heidorn@eugene-or.gov, 541-682-5475)

Historic Housing Map

Eugene Riverfront District
ERD Parcel 10





Memorandum

Date: October 14, 2023
To: Joshua Lupkin - SERA
From: Annie Loe, Urban Designer
Subject: Historic and Existing Housing Sensitivity Review – ERD Parcel 10 MUPTE Application

As a part of the MUPTE application process for the proposed mixed-use development in the Riverfront District Parcel 10, consideration of the project's overall impact on historic locales and existing housing is required. The subject site is near two structures which meet the Oregon State Historic Preservation Office's (SHPO) criteria for historic resource eligibility (Ferry Street Bridge and railroad Viaduct and the Steam Plant), meeting the MUPTE application's definition of "historic locale," and consequently triggering review by City planning staff. Planning staff have considered the potential impacts to the Ferry Street Bridge Viaduct and the Steam Plant with the development of ERD Parcel 10.

The Ferry Street Bridge and railroad Viaduct ("Ferry Street Bridge and Viaduct") was constructed in 1950, providing a direct connection from Coburg Road to downtown Eugene and the University of Oregon and linking Highway 99 between the Sixth-Seventh couplet and East Broadway. Ferry Street Bridge is located near the location of the ferry service operated by Eugene Skinner. The bridge and viaduct are examples of several large-scale road projects undertaken around Eugene from the 1950s to the mid 1960's. Based on its date of construction and significance ties to Eugene's transportation history, the Ferry Street Bridge and Viaduct meet the MUPTE application's definition of "historic locale."

The Steam Plant went into construction in December 1930 and was up and running by December 1931. The plant produced steam to heat the homes of residents and places of business up until 2008 when it was finally decommissioned. At that point, it was serving only 75 customers with the final two, PeaceHealth and the former City Hall, being disconnected in 2012. The plant is rich in history, and that history will be preserved under a design proposal that renames the Steam Plant to Dream Plant and re-envision the space into a community-centered, multi-use and activated anchor to Eugene's history and future.

The building will require extensive upgrades, but the general industrial aesthetic on the exterior and interior will be preserved. Staff will review the proposed design for Parcel 10 taking into consideration the development of the Steam Plant and how the design responds to the historic characteristics that will be preserved and realized in the Dream Plant. The Dream Plant will go through a historic designation process which will formally list the structure on the National Register of Historic Places.

No buildings or housing have been demolished in the last two years for the purpose of this proposed development. Staff find no reason to conclude that the proposal will have a negative impact on the identified historic locales. The proposal has the potential to elevate the stature of the district and to help foster a neighborhood steeped in legacy.

Financial Information

Eugene River District
ERD Parcel 10A (Lot 13A)

Financial Information

Eugene Riverfront District
ERD Parcel 10

Unit Mix	Avg SF Per Unit	Unit Count	Monthly		2024 Annual
			Avg Rent	Rent/SF	
Average/Total	936	76	\$ 2,619	\$ 2.80	\$ 2,388,480
Studio	485	12	\$ 1,529	\$ 3.15	\$ 220,176
1 Bedroom	684	20	\$ 2,055	\$ 3.00	\$ 493,200
2 Bedroom 1 Bath	991	4	\$ 2,666	\$ 2.69	\$ 127,968
2 Bedroom	1,166	16	\$ 3,173	\$ 2.72	\$ 609,216
2 Bedroom + Den	1,210	24	\$ 3,257	\$ 2.70	\$ 937,920

Without MUPTE**Revenue**

	Number Of Units	Avg Unit SF	Avg Rent Per SF	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Total Units	76	936	\$2.80	\$ 2,388,480	4.641%	\$ 2,951,651
Vacancy loss		5.30%		(\$126,589)		(\$156,438)
Other Income						
Parking	84	\$107.14	/Stall/Mo.	\$108,000	3.100%	\$ 124,537
Storage	0	\$0	/Unit/Mo.	\$0	3.100%	\$ -
Deposit on Turnover				\$4,606	3.100%	\$ 5,311
Other				\$30,275	3.100%	\$ 34,910
Utility Billback			95.00%	\$41,425		\$ 47,552
Effective Gross Income				\$ 2,446,196		\$ 3,007,523

Operating Expenses

	PUPM	PUPY	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Payroll	\$142.92	\$1,715	\$130,341	3.0%	\$ 149,620
Administration	\$9.67	\$116	\$8,822	3.0%	\$ 10,127
Advertising/Marketing	\$32.36	\$388	\$29,513	3.0%	\$ 33,878
Repairs/Maintenance	\$11.93	\$143	\$10,880	3.0%	\$ 12,489
Turnover	\$6.41	\$77	\$5,849	3.0%	\$ 6,714
Utilities	\$47.81	\$574	\$43,605	3.0%	\$ 50,054
Contracted Services	\$20.15	\$242	\$18,375	3.0%	\$ 21,092
Insurance (prop + excess)	\$31.65	\$380	\$28,861	3.0%	\$ 33,129
Property Taxes	\$412.85	\$4,954	\$376,517	3.0%	\$ 436,487
Management Fee 4.0%	\$107.29	\$1,287	\$97,848		\$120,301
Reserve/Replacement	\$20.83	\$250	\$19,000	3.0%	\$ 21,810
Total Expenses	\$843.87	\$10,126	\$769,610		\$895,702

Net Operating Income	\$1,676,585	\$2,111,821
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With MUPTE**Revenue**

	Number Of Units	Avg Unit SF	Avg Rent Per SF	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Total Units	76	936	\$2.80	\$ 2,388,480	4.6%	\$ 2,951,651
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Utilities	\$47.81	\$574	\$43,605	3.0%	\$ 50,054
Contracted Services	\$20.15	\$242	\$18,375	3.0%	\$ 21,092
Insurance (prop + excess)	\$31.65	\$380	\$28,861	3.0%	\$ 33,129
Property Taxes	\$50.55	\$607	\$46,102	3.0%	\$ 53,445
Management Fee 4.0%	\$107.29	\$1,287	\$97,848		\$120,301
Reserve/Replacement	\$20.83	\$250	\$19,000	3.0%	\$ 21,810
Total Expe	17.95%	\$481.57	\$5,779	\$439,195	\$512,660

Net Operating Income	\$2,007,001	\$2,494,863
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ERD Parcel 10

Lease Up Year Pro Forma without MUPTF

Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	6	0	0	
Units Occupied		20	30	40	50	60	70	76	76	76	
Occupancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	100.0%	100.0%	100.0%	
with Vacancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,729	\$97,094	\$129,458	\$161,823	\$194,188	\$226,552	\$245,971	\$245,971	\$245,971	\$1,611,757
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,036)	(\$13,036)	(\$13,036)	(\$39,109)
Other Income											
Parking		\$2,731	\$4,097	\$5,462	\$6,828	\$8,193	\$9,559	\$10,378	\$10,378	\$10,378	\$68,004
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$349	\$408	\$443	\$443	\$443	\$443	\$2,900
Other		\$766	\$1,148	\$1,531	\$1,914	\$2,297	\$2,680	\$2,909	\$2,909	\$2,909	\$19,063
Utility Billback		\$1,043	\$1,564	\$2,086	\$2,607	\$3,128	\$3,650	\$3,963	\$3,963	\$3,963	\$25,966
Effective Gross Income		\$69,385	\$104,078	\$138,770	\$173,463	\$208,155	\$242,848	\$250,627	\$250,627	\$250,627	\$1,688,580
Operating Expenses											
Expenses		\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$237,828
Management Fee	4.00%	\$2,775	\$4,163	\$5,551	\$6,939	\$8,326	\$9,714	\$10,025	\$10,025	\$10,025	\$67,543
Property Taxes											
Land		\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$39,691
Improvements		\$31,607	\$31,607	\$31,607	\$31,607	\$31,607	\$31,607	\$31,607	\$31,607	\$31,607	\$284,465
Total Property Taxes		\$36,017	\$36,017	\$36,017	\$36,017	\$36,017	\$36,017	\$36,017	\$36,017	\$36,017	\$324,155
Reserve/Replacement		\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$16,358
Total Operating Expenses		\$67,036	\$68,423	\$69,811	\$71,199	\$72,586	\$73,974	\$74,285	\$74,285	\$74,285	\$645,884
Net Operating Income		\$2,350	\$35,654	\$68,959	\$102,264	\$135,569	\$168,874	\$176,342	\$176,342	\$176,342	\$1,042,695

10-Year Pro Forma without MUPTF

		Year									
		1 (LEASE-UP)	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Revenue		\$1,611,757	\$3,040,201	\$3,131,407	\$3,225,349	\$3,322,109	\$3,421,773	\$3,524,426	\$3,630,159	\$3,739,063	\$3,851,235
Vacancy loss	5.30%	(\$39,109)	(\$161,131)	(\$165,965)	(\$170,943)	(\$176,072)	(\$181,354)	(\$186,795)	(\$192,398)	(\$198,170)	(\$204,115)
Other Income											
Parking	3.0%	\$68,004	\$128,273	\$132,121	\$136,085	\$140,167	\$144,372	\$148,703	\$153,164	\$157,759	\$162,492
Storage	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover	3.0%	\$2,900	\$5,470	\$5,634	\$5,803	\$5,977	\$6,157	\$6,341	\$6,532	\$6,728	\$6,929
Other	3.0%	\$19,063	\$35,958	\$37,036	\$38,147	\$39,292	\$40,471	\$41,685	\$42,935	\$44,223	\$45,550
Utility Billback	3.0%	\$25,966	\$48,978	\$50,448	\$51,961	\$53,520	\$55,126	\$56,779	\$58,483	\$60,237	\$62,044
Effective Gross Income		\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses											
Expenses	3.0%	\$237,828	\$326,617	\$336,415	\$346,508	\$356,903	\$367,610	\$378,639	\$389,998	\$401,698	\$413,749
Management Fee	4.00%	\$67,543	\$123,910	\$127,627	\$131,456	\$135,400	\$139,462	\$143,646	\$147,955	\$152,394	\$156,965
Property Taxes											
Land	3.0%	\$39,691	\$54,509	\$56,144	\$57,828	\$59,563	\$61,350	\$63,190	\$65,086	\$67,039	\$69,050
Improvements	3.0%	\$284,465	\$390,665	\$402,385	\$414,457	\$426,890	\$439,697	\$452,888	\$466,474	\$480,469	\$494,883
Total Property Taxes		\$324,155	\$445,174	\$458,529	\$472,285	\$486,453	\$501,047	\$516,078	\$531,560	\$547,507	\$563,932
Reserve/Replacement	3.0%	\$16,358	\$22,465	\$23,138	\$23,833	\$24,548	\$25,284	\$26,043	\$26,824	\$27,629	\$28,457
Total Operating Expenses		\$645,884	\$918,165	\$945,710	\$974,081	\$1,003,304	\$1,033,403	\$1,064,405	\$1,096,337	\$1,129,227	\$1,163,104
<i>Expense % of EGI</i>		38.3%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%
Net Operating Income		\$1,042,695	\$2,179,584	\$2,244,971	\$2,312,321	\$2,381,690	\$2,453,141	\$2,526,735	\$2,602,537	\$2,680,613	\$2,761,032

ERD Parcel 10

10-Year Operating Pro Forma with MUPTE
Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	6	0	0	
Units Occupied		20	30	40	50	60	70	76	76	76	
Occupancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	100.0%	100.0%	100.0%	
with Vacancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,729	\$97,094	\$129,458	\$161,823	\$194,188	\$226,552	\$245,971	\$245,971	\$245,971	\$1,611,757
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,036)	(\$13,036)	(\$13,036)	(\$39,109)
Other Income											
Parking		\$2,731	\$4,097	\$5,462	\$6,828	\$8,193	\$9,559	\$10,378	\$10,378	\$10,378	\$68,004
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$291	\$349	\$408	\$443	\$443	\$443	\$2,900
Other		\$766	\$1,148	\$1,531	\$1,914	\$2,297	\$2,680	\$2,909	\$2,909	\$2,909	\$19,063
Utility Billback		\$1,043	\$1,564	\$2,607	\$3,128	\$3,650	\$3,963	\$3,963	\$3,963	\$3,963	\$25,966
Effective Gross Income		\$69,385	\$104,078	\$138,770	\$173,463	\$208,155	\$242,848	\$250,627	\$250,627	\$250,627	\$1,688,580
Operating Expenses											
Expenses		\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$237,828
Management Fee	4.00%	\$2,775	\$4,163	\$5,551	\$6,939	\$8,326	\$9,714	\$10,025	\$10,025	\$10,025	\$67,543
Property Taxes											
Land		\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$39,691
Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes		\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$39,691
Reserve/Replacement		\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$16,358
Total Operating Expenses		\$35,428	\$36,816	\$38,204	\$39,591	\$40,979	\$42,367	\$42,678	\$42,678	\$42,678	\$361,419
Net Operating Income		\$33,957	\$67,262	\$100,566	\$133,871	\$167,176	\$200,481	\$207,949	\$207,949	\$207,949	\$1,327,160

10-Year Pro Forma with MUPTE

		Escalator	Year									
			1 (LEASE-UP)	2	3	4	5	6	7	8	9	10
			2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
			2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Revenue		3.0%	\$1,611,757	\$3,040,201	\$3,131,407	\$3,225,349	\$3,322,109	\$3,421,773	\$3,524,426	\$3,630,159	\$3,739,063	\$3,851,235
Vacancy loss	5.30%		(\$39,109)	(\$161,131)	(\$165,965)	(\$170,943)	(\$176,072)	(\$181,354)	(\$186,795)	(\$192,398)	(\$198,170)	(\$204,115)
Other Income												
Parking		3.0%	\$68,004	\$128,273	\$132,121	\$136,085	\$140,167	\$144,372	\$148,703	\$153,164	\$157,759	\$162,492
Storage		3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		3.0%	\$2,900	\$5,470	\$5,634	\$5,803	\$5,977	\$6,157	\$6,341	\$6,532	\$6,728	\$6,929
Other		3.0%	\$19,063	\$35,958	\$37,036	\$38,147	\$39,292	\$40,471	\$41,685	\$42,935	\$44,223	\$45,550
Utility Billback		3.0%	\$25,966	\$48,978	\$50,448	\$51,961	\$53,520	\$55,126	\$56,779	\$58,483	\$60,237	\$62,044
Effective Gross Income			\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses												
Expenses		3.0%	\$237,828	\$326,617	\$336,415	\$346,508	\$356,903	\$367,610	\$378,639	\$389,998	\$401,698	\$413,749
Management Fee	4.00%		\$67,543	\$123,910	\$127,627	\$131,456	\$135,400	\$139,462	\$143,646	\$147,955	\$152,394	\$156,965
Property Taxes												
Land		3.0%	\$39,691	\$54,509	\$56,144	\$57,828	\$59,563	\$61,350	\$63,190	\$65,086	\$67,039	\$69,050
Improvements		3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes			\$39,691	\$54,509	\$56,144	\$57,828	\$59,563	\$61,350	\$63,190	\$65,086	\$67,039	\$69,050
Reserve/Replacement		3.0%	\$16,358	\$22,465	\$23,138	\$23,833	\$24,548	\$25,284	\$26,043	\$26,824	\$27,629	\$28,457
Moderate-Income Housing Fee					\$35,550	\$35,550	\$35,550	\$35,550	\$35,550	\$35,550	\$35,550	\$35,550
Total Operating Expenses			\$361,419	\$527,500	\$578,875	\$595,175	\$611,963	\$629,256	\$647,067	\$665,413	\$684,308	\$703,771
<i>Expense % of EGI</i>			21.4%	17.0%	18.1%	18.1%	18.1%	18.0%	18.0%	18.0%	18.0%	17.9%
Net Operating Income			\$1,327,160	\$2,570,249	\$2,611,806	\$2,691,227	\$2,773,030	\$2,857,288	\$2,944,073	\$3,033,462	\$3,125,532	\$3,220,364

Return on Cost
ROC without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,676,585	\$2,111,821
Total Project Cost	\$46,389,792	\$46,389,792
Return on Cost	3.61%	4.55%

ROC with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,007,001	\$2,494,863
Total Project Cost	\$46,389,792	\$46,389,792
Return on Cost	4.33%	5.38%

Debt Yield
Debt Yield without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,676,585	\$2,111,821
Total Loan Amount (50.0% LTC)	\$23,195,000	\$23,195,000
Debt Yield	7.23%	9.10%

Debt Yield with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,007,001	\$2,494,863
Total Loan Amount (50.0% LTC)	\$23,195,000	\$23,195,000
Debt Yield	8.65%	10.76%

ERD Parcel 10

Debt Service

Debt Calculation

Loan Amount	\$23,195,000
Interest Rate	5.25%
Amortization	30
Annual Debt Service	\$1,537,004

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income	\$1,042,695	\$2,179,584	\$2,244,971	\$2,312,321	\$2,381,690	\$2,453,141	\$2,526,735	\$2,602,537	\$2,680,613	\$2,761,032
Construction Loan Interest 6.11%	\$1,062,911									
Permanent Loan Debt Service	\$0	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
<i>Debt Service Coverage Ratio (DSCR)</i>		1.42	1.46	1.50	1.55	1.60	1.64	1.69	1.74	1.80
Before Tax Cash Flow	(\$20,215)	\$642,580	\$707,968	\$775,317	\$844,686	\$916,137	\$989,731	\$1,065,533	\$1,143,609	\$1,224,028

Debt Service with MUPTE

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income	\$1,327,160	\$2,570,249	\$2,611,806	\$2,691,227	\$2,773,030	\$2,857,288	\$2,944,073	\$3,033,462	\$3,125,532	\$3,220,364
Construction Loan Interest 6.11%	\$1,062,911	\$0								
Permanent Loan Debt Service	\$0	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
<i>Debt Service Coverage Ratio (DSCR)</i>		1.67	1.70	1.75	1.80	1.86	1.92	1.97	2.03	2.10
Before Tax Cash Flow	\$264,249	\$1,033,245	\$1,074,803	\$1,154,223	\$1,236,027	\$1,320,284	\$1,407,069	\$1,496,458	\$1,588,528	\$1,683,361

ERD Parcel 10**Projected 10-Year Cash-on-Cash Rate of Return Analysis**

		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income		\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses		\$645,884	\$918,165	\$945,710	\$974,081	\$1,003,304	\$1,033,403	\$1,064,405	\$1,096,337	\$1,129,227	\$1,163,104
Net Operating Income		\$1,042,695	\$2,179,584	\$2,244,971	\$2,312,321	\$2,381,690	\$2,453,141	\$2,526,735	\$2,602,537	\$2,680,613	\$2,761,032
Debt Service		\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Cash Flow		(\$20,215)	\$642,580	\$707,968	\$775,317	\$844,686	\$916,137	\$989,731	\$1,065,533	\$1,143,609	\$1,224,028
Cash-on-Cash Return	Equity: \$23,194,792	-0.09%	2.77%	3.05%	3.34%	3.64%	3.95%	4.27%	4.59%	4.93%	5.28%

Discount Rate	5.0%	\$6,375,270
Annualized	10	\$637,527
Cash-on-Cash Return	Equity: \$23,194,792	2.75%

Cash-on-Cash Return with MUPTE

Cash-on-Cash Return with MPUTE		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income		\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses		\$361,419	\$527,500	\$578,875	\$595,175	\$611,963	\$629,256	\$647,067	\$665,413	\$684,308	\$703,771
Net Operating Income		\$1,327,160	\$2,570,249	\$2,611,806	\$2,691,227	\$2,773,030	\$2,857,288	\$2,944,073	\$3,033,462	\$3,125,532	\$3,220,364
Debt Service		\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Cash Flow		\$264,249	\$1,033,245	\$1,074,803	\$1,154,223	\$1,236,027	\$1,320,284	\$1,407,069	\$1,496,458	\$1,588,528	\$1,683,361
Cash-on-Cash Return	Equity: \$23,194,792	1.14%	4.45%	4.63%	4.98%	5.33%	5.69%	6.07%	6.45%	6.85%	7.26%

Discount Rate	5.0%	\$9,545,360
Annualized	10	\$954,536
Cash-on-Cash Return	Equity: \$23,194,792	4.12%

ERD Parcel 10**Projected 10-Year Cash-on-Cash Rate of Return Analysis, with Townhome Land Sale**

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses	\$645,884	\$918,165	\$945,710	\$974,081	\$1,003,304	\$1,033,403	\$1,064,405	\$1,096,337	\$1,129,227	\$1,163,104
Net Operating Income	\$1,042,695	\$2,179,584	\$2,244,971	\$2,312,321	\$2,381,690	\$2,453,141	\$2,526,735	\$2,602,537	\$2,680,613	\$2,761,032
Debt Service	\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	(\$20,215)	\$642,580	\$707,968	\$775,317	\$844,686	\$916,137	\$989,731	\$1,065,533	\$2,143,609	\$1,224,028
Cash-on-Cash Return Equity: \$23,194,792	-0.09%	2.77%	3.05%	3.34%	3.64%	3.95%	4.27%	4.59%	9.24%	5.28%

Discount Rate	5.0%	\$7,052,110
Annualized	10	\$705,211
Cash-on-Cash Return Equity: \$23,194,792		3.04%

Cash-on-Cash Return with MUPTE

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses	\$361,419	\$527,500	\$578,875	\$595,175	\$611,963	\$629,256	\$647,067	\$665,413	\$684,308	\$703,771
Net Operating Income	\$1,327,160	\$2,570,249	\$2,611,806	\$2,691,227	\$2,773,030	\$2,857,288	\$2,944,073	\$3,033,462	\$3,125,532	\$3,220,364
Debt Service	\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	\$264,249	\$1,033,245	\$1,074,803	\$1,154,223	\$1,236,027	\$1,320,284	\$1,407,069	\$1,496,458	\$2,588,528	\$1,683,361
Cash-on-Cash Return Equity: \$23,194,792	1.14%	4.45%	4.63%	4.98%	5.33%	5.69%	6.07%	6.45%	11.16%	7.26%

Discount Rate	5.0%	\$10,222,199
Annualized	10	\$1,022,220
Cash-on-Cash Return Equity: \$23,194,792		4.41%

Cost Summary**Eugene Riverfront District****ERD Parcel 10****Development Budget**

		Total
Land Acquisition	68,204 SF	\$3,257,014
Purchase Price From City (\$31.09/SF)	\$2,120,468	
Land Acquisition Soft Costs	\$1,136,546	
Schematic Design and MUPTE Application		\$600,000
A/E Concept and Schematic Design	\$350,000	
MUPTE Application / Other SD Soft Costs	\$250,000	
Architectural / Engineering Design & Permitting		\$3,880,243
A/E Design Development	\$500,000	
A/E Construction Documents and Permitting	\$611,100	
Other Owner Soft Costs	\$1,693,143	
City Permit Fees, SDC	\$1,076,000	
Construction		\$34,428,893
Direct Construction (subject to Federal Davis Bacon Residential Prevailing Wage)	\$30,757,000	
A/E Construction Observation and Administration	\$624,000	
Insurance (OCIP and Builder Risk)	\$1,055,000	
Other Owner Supplied Hard Costs	\$1,992,893	
Project Contingency		\$2,588,394
Soft Cost Contingency	\$909,184	
Hard Cost Contingency	\$1,679,211	
Project Finance and Operating Carry Costs		\$1,635,248
Finance Costs and Construction Loan Interest	\$1,541,725	
Operating Carry Costs during Lease Up	\$93,523	
Total Project Cost		\$46,389,792

H. Application Finalization Worksheet

Application Fee Information

An application fee of \$3,970 should be made payable to City of Eugene at the time of submission. This is comprised of a \$400 base fee, a \$650 newspaper publication fee, and \$2,920 for the independent financial consultant. Payment of other reasonable costs may be required if incurred by the City or County in processing this application, such as additional consultant charges. Additional costs must be paid prior to City Council taking action on this application.

Property Owner Authorization

If the applicant is not the current property owner, the applicant must either have the property owner sign on the application below OR include documentation authorizing the applicant to apply for the tax exemption on the owner's behalf.⁶

By: _____

Property Owner's Signature

Date: _____

18 OCT 2024

Application Verification

I swear or affirm that all information contained in this application is accurate and all statements are true.

By: _____

Applicant Signature

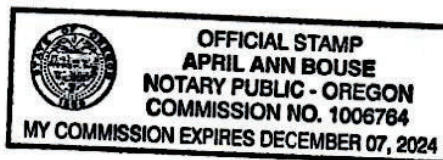
Date: _____

18 OCT 2024

State of OREGON

County of LaneSigned and sworn to (or affirmed) before me on October 18, 2024, by James L. Atkins

Notary Public for Oregon



⁶ Administrative Order 53-20-02-F

Appendix

Eugene River District
ERD Parcel 10A (Lot 13A)

www.lanecounty.org/at

SITUS ADDRESS: 10 UNKNOWN
ANYTOWN, OR

PROPERTY CLASS: 700
TAX CODE AREA: 00496 ACRES: 1.57
MAP & TAX LOT : 17-03-32-22-02900

ERD BLOCK 10 LLC
%EUGENE RIVERFRONT DISTRICT II, LLC
1255 NW 9TH AVE STE 119
PORTLAND, OR 97209

ACCOUNT # 1904754

LAST YEAR'S TAX
See back for explanation of taxes marked with (*)

CURRENT TAX BY DISTRICT

CE Eugene School District	10,675.97
Eugene School District Local Option	3,476.23
CE Lane Education Service Dist	504.75
CE Lane Community College	1,400.00
Education Totals:	16,056.95
CE City of Eugene	15,838.87
City of Eugene - LO Library	347.62
City of Eugene - LO Parks & Rec	650.29
CE Lane County	2,892.46
Lane County 4-H /Extension LO	64.89
Lane County Parks Local Option	370.80
Lane County Public Safety LO	1,274.62
Eugene Urban Renewal Downtown	373.35
Eugene Urban Renewal Riverfront	594.91
CE Upper Willamette Soil & Water	158.52
General Government Totals:	22,566.33
CE Eugene School District Bond II	5,039.60
CE Lane Community College Bond II	502.20
CE Lane Community College Bond III	250.06
CE City of Eugene Bond II	1,686.90
Bonds - Other Totals:	7,478.76

VALUES AS OF 01/01/2023	LAST YEAR	THIS YEAR
REAL MARKET VALUE		
LAND	4,773,210	5,680,119
STRUCTURES	0	0
TOTAL	4,773,210	5,680,119
M5 SPECIAL		
ASSESSED VALUE	0	0
M5 REAL MKT VALUE	4,773,210	5,680,119
ASSESSED VALUE	3,249,297	2,317,489
EXEMPTIONS	3,249,297	0
TAXABLE VALUE	0	2,317,489

MORTGAGE CO:

If a mortgage company pays your taxes,
this statement is for your records only.

TAX PAYMENT OPTIONS
(See back of statement for payment instructions)

	Pay By	Discount	Net Amount Due
In Full	11/15/2023	1,383.06	44,718.98
2 / 3	11/15/2023	614.69	30,120.00
1 / 3	11/15/2023	None	15,367.34

2023-2024 TAXES BEFORE DISCOUNT	46,102.04
TOTAL TAX (After Discount)	44,718.98

▲ Tear Here

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Tear Here ▲

Tax Year 2023-2024

ACCOUNT #: 1904754

Pay	Pay By	Discount %	Discount Amt	Net Amount Due
In Full	11/15/2023	3%	1,383.06	44,718.98
2 / 3	11/15/2023	2%	614.69	30,120.00
1 / 3	11/15/2023	None	None	15,367.34

TOTALS INCLUDE DELINQUENT TAXES, IF ANY.

DISCOUNT IS LOST AFTER DUE DATE & INTEREST WILL APPLY.

Enter Payment Amount
\$

Mailing address change on back

004937

ERD BLOCK 10 LLC
%EUGENE RIVERFRONT DISTRICT II, LLC
1255 NW 9TH AVE STE 119
PORTLAND, OR 97209

Please make checks payable to:
Lane County Tax Collector
PO Box 10526
Eugene, OR 97440-2526

20000019047540004471898000301200000015367347
Application Page: 60

CC Agenda Page 165

March 10, 2025 Work Session - Item 1

Date 2 October 2024
Project Name ERD Parcel 3BC (Portal) & ERD Parcel 7 (Heartwood)
Project Number 2103015, 2103016



Subject Sustainability Achievements Reflection

Remarks The following memorandum evaluates how the Eugene River District (ERD) Heartwood and Portal as-built projects achieved the sustainability goals. These achievements illustrate the proven track record of the developer and design team to meet or exceed the sustainability goals included in a MUPTE application.

Goal	Heartwood (Parcel 7)	Portal (Parcel 3BC)
Green Building Certifications/Pathway		
1. BPS: 10% above energy code minimum (based on building Performance Cost Index (PCI))	Exceeded <ul style="list-style-type: none"> 30% more efficient than code minimum (based on energy modeling) 	Exceeded <ul style="list-style-type: none"> 29% more efficient than code minimum (based on energy modeling)
2. Earth Advantage Certification Target: Gold	Exceeded <ul style="list-style-type: none"> Earth Advantage Platinum (on target) (project is under review by EA) 	Exceeded <ul style="list-style-type: none"> Earth Advantage Platinum (on target) (Project is under construction)
3. Fitwel Certification	Achieved <ul style="list-style-type: none"> Fitwel One Star – Achieved 	Achieved <ul style="list-style-type: none"> Fitwel One Star – On Target
	Heartwood (Parcel 7)	Portal (Parcel 3BC)
4. Biophilic Design Elements <ul style="list-style-type: none"> Daylighting Access to views Connection to outdoors. Operable windows Finishes with natural colors, textures, and patterns. Site landscaping 	Achieved <ul style="list-style-type: none"> Large windows in all units, amenity spaces and lobby increase access to views, daylighting, and connect occupants to the outdoors. All units have operable windows for increased occupant control and access to fresh air. Wood finishes on doors, ceilings and wall cladding and natural finish colors on painted surfaces. Site landscaping includes drought tolerant species and eliminates vast oceans of hardscape. 	Achieved <ul style="list-style-type: none"> Large windows in all units, amenity spaces and lobby increase access to views, daylighting, and connect occupants to the outdoors. All units have operable windows for increased occupant control and access to fresh air. Wood finishes on doors, ceilings and wall cladding and natural finish colors on painted surfaces. Landscaped amenity courtyards provide sanctuaries surrounded by nature accessible to all residents.
5. Mechanical systems prioritizing occupant health	Achieved <ul style="list-style-type: none"> Energy recovery ventilator systems improve air quality and reduce humidity in each unit. Improved HVAC filters reduce indoor contaminants and reduces impact from wildfire smoke. 	
6. Interior materials to reduce toxins.	Achieved <ul style="list-style-type: none"> Low VOC paints and adhesives Low or no added urea formaldehyde products used. Greenguard finishes selected where appropriate. 	Achieved <ul style="list-style-type: none"> Low VOC paints and adhesives Low or no added urea formaldehyde products used. Greenguard finishes selected where appropriate. All-electric unit appliances reduce indoor

			contaminants from cooking heat source.
7. Enhanced unit compartmentalization for improved air quality	Achieved		<ul style="list-style-type: none"> Careful attention to air sealing at unit perimeter walls, ceiling and floor. Enhanced air sealing at Level 4 unit ceilings to attic. Decentralized ERV systems serve each unit separately Minimize or eliminate back-to-back electrical junction boxes for improved acoustical and air separation.
8. Acoustical treatment to improve livability near the railroad.	Achieved		<ul style="list-style-type: none"> Use of brick as a primary cladding provides increased mass. Acoustically enhanced glazing in windows. Post occupancy resident comment complementing how quiet the units are.
9. Efficient exterior building envelope to improve thermal comfort	Achieved		<ul style="list-style-type: none"> Use of Soprema Sopraseal Stick VP, a self-adhered weather barrier, greatly improves air tightness reducing heat loss through uncontrolled air loss.
10. Secure bike storage promoting an active lifestyle	Achieved		<ul style="list-style-type: none"> In-unit bike storage is provided in addition to exterior bike racks for resident convenience.
11. Radon Mitigation	Achieved	Achieved	<ul style="list-style-type: none"> Full passive radon system installed. Passive radon system installed at Level 1 slab on grade. Vented basement provides radon mitigation under balance of building.
Energy Efficiency and Emission Reduction			
	Heartwood (Parcel 7)		Portal (Parcel 3BC)
12. Efficient centralized hot-water heating system	Achieved		<ul style="list-style-type: none"> Energy efficient, gas powered, centralized hot water system provided.
13. Efficient exterior building envelope	Achieved		<ul style="list-style-type: none"> Continuous air and weather barrier achieved with Soprema Sopraseal Stick VP, a self-adhered weather barrier.
14. Solar heat gain window coatings and operable windows	Achieved		<ul style="list-style-type: none"> High quality vinyl windows with solar heat gain coefficient (SHGC) between 0.22 and 0.16 provided at unit windows. The lower the SHGC the less solar heat it transmits. All units include operable windows.
15. Rooftop treatment to reduce heat absorption into the building	Achieved		<ul style="list-style-type: none"> A white roof membrane with an initial solar reflectivity of 95 (ASTM E1980) substantially reduces building solar heat gain.
16. Water-efficient plumbing fixtures and water submetering	Achieved		<ul style="list-style-type: none"> Units include water submetering to encourage water conservation. Low-flow plumbing fixtures include 0.5gpm aerators at vanity faucets, 1.5gpm at kitchen faucets, 1.75gpm shower heads, and 1.28gpf water closets.
17. LED lighting throughout	Achieved		<ul style="list-style-type: none"> Fixtures are LED for reduced energy consumption.
18. On-site EV car charging station infrastructure	Exceeded	Exceeded	<ul style="list-style-type: none"> Five charging stations to serve up to ten vehicles are installed. Infrastructure to add future chargers is provided. Charging stations are being installed. Infrastructure to add future chargers is provided.
Sustainable Sites			
	Heartwood (Parcel 7)		Portal (Parcel 3BC)
19. Landscaping with native plant species	Achieved		<ul style="list-style-type: none"> Native, drought tolerant planting provide opportunities for habitat and reduce irrigation demand.

20. Stormwater Treatment	Achieved	Achieved
	<ul style="list-style-type: none"> A large stormwater swale is located in the parking lot to manage surface water runoff and treat stormwater from the parking lot and roof. 	<ul style="list-style-type: none"> Roof runoff is routed through existing stormwater planters for treatment before entering the stormwater system.
21. Treatments to minimize heat absorption and urban heat island effect.	Achieved	
	<ul style="list-style-type: none"> A white roof membrane with an initial solar reflectivity of 95 (ASTM E1980) substantially reduces building solar heat gain and minimizes contribution to the urban heat island effect. 	
22. Consideration of bird-safe glazing	Not Pursued	
	<ul style="list-style-type: none"> Bird-safe glazing was considered and determined to have a detrimental cost impact to the project. 	
Additional Sustainability Measures		
	Heartwood (Parcel 7)	Portal (Parcel 3BC)
23. Durable exterior materials, rainscreen facade and appropriately installed weather barrier	Achieved	
	<ul style="list-style-type: none"> Brick and fiber cement cladding have a proven track record for durability and longevity. All wall cladding is installed as a rainscreen system with a drainage cavity outboard of the weather barrier. Periodic inspection by qualified envelope consultant and the weather barrier manufacturer ensured a high-quality weather barrier installation. 	
24. Energy Star Appliances	Achieved	
	<ul style="list-style-type: none"> Energy Star rated appliances were installed where available for the appliance type. 	
25. Solar PV Ready	Achieved	
	<ul style="list-style-type: none"> Projects include roof structure, conduit and electrical infrastructure for future ballasted solar PV array installation. 	

From Joshua Lupkin, SERA
cc File

Appendix - Carport Precedent

Eugene River District
ERD Parcel 10A (Lot 13A)

The project proposes carports as a solution to provide covered parking over vehicular surface parking spaces to reduce UV and weather exposure to vehicles, meet anticipated covered parking expectations of future residents, and reduce the heat island effect associated with dark asphalt paving. Steelport, LLC is the manufacturer of the carports installed on the nearby Heartwood Apartments project in the River District. Carports of the same or similar design aesthetic with a flat roof and columns located mid-parking space are proposed. A sheet metal fascia will trim the roof line with a finish color appropriate and complementary to the building exterior color palette.



Heartwood Apartments



Heartwood Apartments



Heartwood Apartments

View approximately 10-feet above sidewalk
Application Page: 64

Appendix – Financial Clarifications

Eugene River District
ERD Parcel 10A (Lot 13A)

City of Eugene Questions re 10A MUPTE Application Financials

1. The development budget includes the land acquisition cost for the whole Parcel 10, but the MUPTE application is for development on a portion of the parcel. Can you provide a rationale for using the townhouse portion of the parcel in this pro forma? This question also applies to the property tax values for land.
 - Atkins Dame has no plans for townhome development. It is foreseeable that townhomes may never be developed. These facts notwithstanding, we have added a notional sale of the townhome portion of the parcel for \$1.0 million in the ninth operating year. This added revenue modestly improves the forecasted cash-on-cash return and does not materially improve the financial feasibility of the project.
2. Page 2 of the application says there will be 74 onsite parking spaces but the pro forma says there are 84 parking spaces. Why the discrepancy?
 - The application narrative has been amended to reflect the 84 parking spaces shown in the pro forma.
3. Why is the escalation for rent assumed to be 4.641% before 2029, and then assumed to be 3%?
 - Please see the “Rent Escalation 2024-2029” worksheet in the attached Excel workbook, “ERD Parcels 9 and 10 – Rent Escalation and Property Tax Calculation.xlsx” that documents the 2024 through 2029 rent escalation assumptions.
 - For the five-year period until project lease-up, limited competing comparable project is forecast to come on market. We are assuming above normal rent escalation can be achieved because of limited competing comparable product delivery during this five-year period. For 2030 and going forward, we are assuming supply equilibrium will be achieved in the market and, therefore, using historic rent escalation.
4. Why is the escalation for “Other Income” assumed to be 3.1% before 2029, and then assumed to be 3%?
 - Using the same rationale as in the preceding response, we are assuming modestly elevated escalation for other income for the period 2024 through 2029, before returning to historic other income escalation.

5. Property taxes in 2029. It looks like you've pro-rated the tax in the same way you've pro-rated other OpEx costs, thus underestimating your expected Property Tax costs in 2029. Taxes will not be pro-rated.
 - Escalation of property taxes have been changed to five full years in the period between 2024 and 2029, in the pro forma.
6. Property Tax for Land. To calculate the 2029 value, it appears that you escalated the 2024 value at 3% for 4.6667 years. (It looks like you've used this 4.667 number to escalate all costs to 2029, I'm guessing to pro-rate the estimated costs from Aug 2024 to 2029). Property taxes increase 1x per year. The pro-rating under-estimates your property tax estimates throughout the 10 years.
 - Escalation of property taxes for land have been changed to five full years in the period between 2024 and 2029, in the pro forma.
7. Debt calculation. I could not re-create your numbers. Using the PMT formula in Excel and these inputs: PV=\$23,195,000, interest=5.25%, and 30-year term, I get an annual payment of \$1,552,138. That is about \$15,000 more than what your documents show. Can you explain how you calculated the annual debt service?
 - The debt service calculation in the pro forma assumes monthly loan payments. Your calculation assumes one loan payment per year. We expect that lenders will require monthly loan payments.
8. Property Tax for Improvements. Can you please provide some information on how you calculated your property taxes for the Improvement Value. What's you estimated RMV, what CPR did you use, and what tax rate?
 - Please see the "Property Tax Calculation" worksheet in the attached Excel workbook, "ERD Parcels 9 and 10 – Rent Escalation and Property Tax Calculation.xlsx", that documents the methodology for property tax calculation, including assumptions for CPR and the Consolidated Property Tax Rate.
9. The development budget for Parcel 10 shows a substantially lower number for "Schematic Design and MUPTE Application" than in Parcel 9. Can you explain why?
 - The development budget for Parcel 9 included the cost for project design and preparation of the MUPTE applications for prior higher-density schemes in 2021–2022 that, due to changing market conditions, were proven to not be viable.
 - These costs have been excluded in the revised development budget and pro forma.

ERD Parcel 10
Rent Escalation from 2024 to 2029

Start Date	Escalation to Initial Occupancy						Total Escalation	Escalation Rate	
	8/1/2024	Full Yr.	Full Yr.	Full Yr.	Full Yr.	4/1/2029	56 mos.	Monthly	Annual
	4 mos.	12 mos.	12 mos.	12 mos.	12 mos.	4 mos.			
Months of Escalation	2024	2025	2026	2027	2028	2029		0.379%	4.641%
Rent	3.00%	4.00%	5.00%	5.00%	5.00%	5.00%	23.579%		

ERD Parcel 10
Property Tax Calculation

Parcel 10

	Total	Land	Improvements
Project Cost	\$46,389,792	\$5,680,119	
Changed Property Ratio	0.408	0.408	
Assessed Value	\$18,927,035	\$2,317,489	\$16,609,546
Consolidated Property Tax Rate	19.8931	19.8931	
Annual Property Taxes	\$376,517	\$46,102	\$330,415

Seat	Member
Developer	Sarah Bennett Bennett Management Company, LLC <i>1st term expires November 2025</i>
Building Trades	Jeff McGillivray UA Local 290 Plumbers and Steamfitters Union <i>1st term expires November 2025</i>
Environment Professional	Aaron Whitney 2fORM Architecture <i>1st term expires November 2027</i>
Architect/Green Building	Britni Jessup Rowell Brokaw Architects <i>1st term expires November 2025</i>
Public Health	<i>Vacant</i>
Human Rights Representative	Kevin Cronin Springfield Eugene Tenant Association <i>1st term expires November 2025</i>
At-Large Neighborhood Rep	Eric Dziura <i>1st term expires November 2027</i>
At-Large Neighborhood Rep	Joshua Purvis <i>1st term expires November 2027</i>

Neighborhood Specific Members	Contact Information
Downtown Neighborhood Association	Pete Knox
Downtown Neighborhood Association	Sherry Schaefer

MUPTE Review Panel Conclusions
Riverfront Parcel 9A

General Requirements	
Overall	Concerns
<p>The Panel agreed that the Project meets the general requirement criteria, including:</p> <ul style="list-style-type: none"> • The proposed project is not student or transient housing, has 5 or more units, and is within the boundary; and • The required neighborhood engagement for this point in the process was met with the applicant presenting the proposed project to the Downtown Neighborhood Association. 	None.

REQUIRED PUBLIC BENEFITS

1. Compact Urban Development	
Overall	Concerns
<p>The Panel agreed that the proposed project meets the minimum density required by the MUPTE program. The site is zoned as S-DR Downtown Riverfront Special Area Zone with a Mixed Use subdistrict and /2 People overlay. The S-DR MU/2 zoning carries no minimum residential unit density. The proposal includes 80 dwelling units at 74 units per acre.</p>	None.

2. Green Building Features	
Overall	Concerns
<p>In order to achieve the green building public benefit threshold of performing at least 10% more efficiently than the Oregon Energy Efficiency Specialty Code, the applicant chose the City of Eugene Building and Permit Services pathway. The Panel agreed that the application materials included what was necessary and noted that the project, if approved and constructed, would need to meet the energy efficiency and green building documentation requirements set out in the program (energy model at permit application and commissioning report 18 months after Certificate of Occupancy).</p>	None.

3. Local Economic Impact Plan	
<i>Local Conditions</i>	
Overall	Concerns
The Panel agreed that the applicant provided a plan that adequately demonstrates how the applicant will ensure that more than 50% of dollar volume of professional services and construction costs will be local to Lane County.	None.
<i>Minority and Women Business Enterprises</i>	
Overall	Concerns
The Panel agreed that the applicant provided a plan that adequately describes how they will provide an equitable opportunity for minority and women business enterprises to compete for development related contracts.	None.
<i>Compliance with Laws</i>	
Overall	Concerns
The Panel agreed that the applicant provided a plan that adequately describes how they intend to ensure that all parties involved, including contractors and subcontractors, will comply with wage, tax, and licensing laws.	None.

4. Moderate-Income Housing Contribution	
Overall	Concerns
The Panel agreed that the applicant plans to meet the moderate-income housing contribution requirement by paying a fee equal to 10% of the total tax exemption.	None.

5. Project Design and Compatibility	
Overall	Concerns
<p>The Panel discussed the project's overall design elements and agreed that the applicant provided a narrative and accompanying graphics that adequately demonstrate how the project addresses the basic design principles, including:</p> <ul style="list-style-type: none"> • Scale, form, and quality of building, • Mixture of project elements, • Relationship to the street and surrounding uses, and • Parking and circulation. 	None.

6. Historic and Existing Housing Sensitivity	
Overall	Concerns
The Panel agreed that the project does not impact historic locales or existing housing.	None.

7. Project Need	
Overall	Concerns
Overall, the majority of Panel concluded that the exemption is needed for the project's financial feasibility. Based on PNW Economics' analysis, six members voted to conclude the project demonstrates need for a 10-year MUPTE; one member abstained.	None.

Overall recommendation to the City Manager:
Provide a ten-year MUPTE.

MUPTE Review Panel Conclusions*Riverfront Parcel 10A*

General Requirements	
Overall	Concerns
<p>The Panel agreed that the Project meets the general requirement criteria, including:</p> <ul style="list-style-type: none"> • The proposed project is not student or transient housing, has 5 or more units, and is within the boundary; and • The required neighborhood engagement for this point in the process was met with the applicant presenting the proposed project to the Downtown Neighborhood Association. 	None.

REQUIRED PUBLIC BENEFITS

1. Compact Urban Development	
Overall	Concerns
<p>The Panel agreed that the proposed project meets the minimum density required by the MUPTE program. The site is zoned as S-DR Downtown Riverfront Special Area Zone with a Mixed Use subdistrict and /2 People overlay. The S-DR MU/2 zoning carries no minimum residential unit density. The proposal includes 76 dwelling units at 78 units per acre.</p>	None.

2. Green Building Features	
Overall	Concerns
<p>In order to achieve the green building public benefit threshold of performing at least 10% more efficiently than the Oregon Energy Efficiency Specialty Code, the applicant chose the City of Eugene Building and Permit Services pathway. The Panel agreed that the application materials included what was necessary and noted that the project, if approved and constructed, would need to meet the energy efficiency and green building documentation requirements set out in the program (energy model at permit application and commissioning report 18 months after Certificate of Occupancy).</p>	None.

3. Local Economic Impact Plan	
<i>Local Conditions</i>	
Overall	Concerns
The Panel agreed that the applicant provided a plan that adequately demonstrates how the applicant will ensure that more than 50% of dollar volume of professional services and construction costs will be local to Lane County.	None.
<i>Minority and Women Business Enterprises</i>	
Overall	Concerns
The Panel agreed that the applicant provided a plan that adequately describes how they will provide an equitable opportunity for minority and women business enterprises to compete for development related contracts.	None.
<i>Compliance with Laws</i>	
Overall	Concerns
The Panel agreed that the applicant provided a plan that adequately describes how they intend to ensure that all parties involved, including contractors and subcontractors, will comply with wage, tax, and licensing laws.	None.

4. Moderate-Income Housing Contribution	
Overall	Concerns
The Panel agreed that the applicant plans to meet the moderate-income housing contribution requirement by paying a fee equal to 10% of the total tax exemption.	None.

5. Project Design and Compatibility	
Overall	Concerns
The Panel discussed the project's overall design elements and agreed that the applicant provided a narrative and accompanying graphics that adequately demonstrate how the project addresses the basic design principles, including: <ul style="list-style-type: none"> • Scale, form, and quality of building, • Mixture of project elements, • Relationship to the street and surrounding uses, and • Parking and circulation. 	None.

6. Historic and Existing Housing Sensitivity	
Overall	Concerns
The Panel agreed that the project does not impact historic locales or existing housing.	None.

7. Project Need	
Overall	Concerns
Overall, the Panel concluded that the exemption is needed for the project’s financial feasibility. Based on PNW Economics’ analysis, the Panel unanimously concluded that the project demonstrates need for a 10-year MUPTE.	None.

Overall recommendation to the City Manager:
Provide a ten-year MUPTE.

**MARKET & FINANCIAL
ANALYSIS
EUGENE RIVER DISTRICT
PARCEL 9A (LOT 12A)
MIXED-USE PROJECT
MUPTE PROGRAM
APPLICATION
NOVEMBER 2024**

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1. Executive Summary

Introduction

PNW Economics, LLC was retained by the City of Eugene to review the Eugene River District Parcel 9A (Lot 12A) Multi-Unit Property Tax Exemption ("MUPTE") program application as part of City market and financial analysis of the project. Specifically, PNW Economics, LLC was tasked with:

- Reviewing project application assumptions including market comparables, bank underwriting assumptions, and other pertinent assumptions;
- Evaluate projected cash-on-cash return for the project without MUPTE and with MUPTE, which grants a ten-year property tax exemption for the project in order to incent its financial performance such that investment and development is possible and positively contributes to the downtown Eugene economy in place of property underutilization; and
- Communicates all analysis and findings appropriately for review by community members and elected officials.

This document represents completion of these tasks for review by the City of Eugene and its partners and stakeholders.

Summary of Findings

An independent pro forma and cash flow analysis was conducted by PNW Economics for the proposed River District Parcel 9A project in downtown Eugene. The following table provides a concise summary of the outcome of not awarding and awarding a MUPTE to the project, which comprises 80 apartment units.

Table A – River District Parcel 9A Project Cash-on-Cash Return With & Without MUPTE: 80 Units

	Year 1 2029	Year 2 2030	Year 3 2031	Year 4 2032	Year 5 2033	Year 6 2034	Year 7 2035	Year 8 2036	Year 9 2037	Year 10 2038
80 Units NO MUPTE										
+ MUPTE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash-on-Cash Return	1.7%	2.4%	2.7%	2.9%	3.2%	3.5%	3.8%	4.1%	4.5%	4.8%
80 Units YES MUPTE										
+ MUPTE	\$396,847	\$408,753	\$421,015	\$433,646	\$446,655	\$460,055	\$473,856	\$488,072	\$502,714	\$517,796
Cash-on-Cash Return	3.3%	4.1%	4.2%	4.5%	4.8%	5.2%	5.6%	5.9%	6.3%	6.7%

- Award of the MUPTE – starting in Year 1 at an estimated \$396,847 – does help the project achieve positive cash-on-cash returns, but the project and the very expensive development costs it finds itself realizing are a difficult hurdle to strong economic success – not unlike most projects recently evaluated by the City.
 - Without a MUPTE, the project does not reach the benchmark 6% cash-on-cash return that is usually utilized to judge a project feasible as an investment, and therefore, development opportunity.
 - Without a MUPTE, Net Operating Income offers positive but modest cash-on-cash return which is expected to grow slowly during the first ten years of the project.
 - With a MUPTE, the project does not achieve the 6.0% cash-on-cash return benchmark, but comes closer due to the MUPTE.
 - With a MUPTE, cash-on-cash return is estimated to achieve a maximum of **6.7%** in Year 10.

- Ultimately, the MUPTE plays an important role in helping this project avoid being outright financially infeasible, but like recent development projects in downtown, project development costs are high enough such that the MUPTE only helps the project achieve modest cash-on-cash return under the assumptions of this independent analysis.

Review of all development and financial assumptions in the MUPTE Application for the River District Parcel 9A project yielded the following general finds and comments:

- Project type, units, and rents are generally consistent with the downtown Eugene market, and are on-par with the scale of projects that have recently gone through the MUPTE process.
- For each unit type, the River District Parcel 9A project assumes market rents appropriate to what comparable existing market rate units are bearing in the market.
- Development costs per unit of the project are higher than most recent projects that have gone through MUPTE evaluation. On a per-square foot basis, costs for the project are higher than recent projects but not unreasonably high given the continued annual year over year increase in construction and other development costs.
- Lastly, one note regarding the four-year timeline upon which assumptions in this independent analysis rest. The project is not expected in the market until 2029 and all costs, rates, revenues, and tax rates have greater uncertainty four years out. For example, a new Federal administration imposes greater economic uncertainty due to potential tariffs and new immigration policy which may have significant inflationary effect on construction costs or other factors relating to this project. With this consideration in view, the assumptions of the analysis are generally reasonable and they do not err on the side of making expenses look high or income look low in a manner that make a MUPTE look more necessary.

Overall, it was found that the River District Parcel 9A MUPTE Application financial analysis used reasonable assumptions and much of the independent pro forma and cash flow analysis in this report utilizes similar assumptions as the Applicant. Differences in assumptions, which are few, are noted in this document.

2. Review of Market Rent & Lease Income Assumptions

Apartment Market Analysis: Documented Rents

This section of the report provides a discussion of apartment rents that the Applicant has documented will be charged at the proposed project. Apartment rents are discussed as a comparison of the proposed apartment gross rents with comparable and competitive apartment projects in the downtown Eugene market area.

Comparison of the proposed project to other, comparable apartment projects in the downtown Eugene market is important as it gives contextual evidence for how well-suited the project is given prevailing rents that renters seeking to live downtown are willing to pay.

- Rents that are above market indicate the project is more expensive, which can be acceptable to renters if new rents are not *too* much higher and new, high-quality units are worth the price premium. New construction of market-rate apartments will tend to achieve highest rents, all things equal. This is usually due to the newest project “premium” as well as the most-recent construction costs driving those rents.
- Higher-density urban projects tend to have smaller average unit sizes, all things equal, though will tend to still have higher rents and certainly higher rents-per-square-foot. As floors rise, units can have view premiums that are not achievable in lower-density projects. Urban, downtown projects also tend to be in districts that are highly amenitized by dining, shopping, services, and transit within short walking distance. The convenience of such offerings gets capitalized into monthly rents as a result.

From a MUPTE need perspective, rents that tend to be higher than current market will tend to understate the need for a tax exemption as the resulting rent income is higher as occupancy stabilizes. Such rent assumptions will be viewed as conservative from a MUPTE review perspective. Alternatively, if project rents are identified as being lower than the observed market, the lower rent income expressed in a project pro forma will tend to overstate the need for a tax exemption. Lower rents would not be viewed as conservative from a MUPTE review perspective.

Applicant Compared to Prevailing Comparable Projects: Unit Gross Rents

Seven downtown Eugene apartment projects were selected as most comparable and competitive to Parcel 9A should it be developed: Heartwood, Gordon Lofts, 35 Club, The Fairway and planned River District projects at parcels 3A, 3BC and 10A. Heartwood, Gordon Lofts, 35 Club and The Fairway rents are actual observed market rents as of November 2024. Rents here expressed for the three planned River District projects are from those three project MUPTE applications and are purely for context. Below is a description of each project and its competitive advantages and disadvantages relative to each other and any new projects that may be built in downtown Eugene.

- Heartwood: This 95-unit building is the first of the River District projects to be constructed. The project, which opened to residents in the summer of 2024, has both unfurnished and furnished units. Of interest to this review are the unfurnished units and rents, which include Studio (6 units), One-Bed (29 units), and Two-Bed (39 units) units.
- Gordon Lofts: The 127-unit mixed-use project at 550 Pearl Street is a previous MUPTE program participant and comprises Studio, 1-Bed, and 2-Bed units at top-of-market rents. The project has various retail businesses in its ground floor and the commercial building anchored by the Nike

Store to the south forms a market area that is an extension of the larger 5th Street Market area development.

- **35 Club:** The 110-unit project at 35 Club Road opened in 2019 and comprises Studio, 1-Bed, and 2-Bed units. The project is one of two higher end projects located just across the Willamette River in the Ferry Street Bridge neighborhood that was considered in this analysis.
- **The Fairway:** The 160-unit project at 185 Fairway Loop opened in 2024 with furnished and unfurnished Studio, 1-Bed, and 2-Bed units. Only unfurnished units are considered in this analysis. The project is one of two higher end projects located just across the Willamette River in the Ferry Street Bridge neighborhood that was considered in this analysis.
- **River District Parcel 3B&C (“Portal”) Project:** The 130-unit planned project is slated for the River District redevelopment and began construction in 2023 and is due to open in 2025. The project comprises Studio (19 units), One-Bed (34 units), Two-Bed (73 units), and Three-Bed (4 units) units.
- **River District Parcel 3A (“The Landing”) Project:** The 237-unit project is the largest to be built of the River District mixed-use projects. The project will comprise 75 Studio units, 131 One-Bed units, and 31 Two-Bed units, all of which are oversized compared to market as “Live Work” units for extra office space for tenants.
- **River District Parcel 10A Project:** The 76-unit planned project is slated for the River District redevelopment and will likely begin construction in 2027. The project comprises Studio (12 units), One-Bed (20 units) and Two-Bed (44 units) units.

Table 1 provides a comparison of planned gross monthly rents at River District Parcel 9A with the seven comparable and competitive projects in downtown Eugene.

Table 1 – River District Parcel 9A Project Gross Rents Compared to Competitive Projects

MARKET RATE Unit Type	Gross Monthly Rent							
	Parcel 9A	Heartwood Parcel 7	Gordon Lofts	35 Club	The Fairway	Portal Parcel 3B&C	The Landing Parcel 3A	Parcel 10A
Studio	\$1,504	\$1,600	\$1,740	\$1,525	\$1,580	\$1,900	\$1,576	\$1,529
One bedroom	\$2,052	\$2,012	\$2,235	\$1,810	\$2,285	\$2,132	\$2,327	\$2,055
Two bedroom	<u>\$3,099</u>	<u>\$2,750</u>	<u>\$3,296</u>	<u>\$2,350</u>	<u>\$3,415</u>	<u>\$2,662</u>	<u>\$3,941</u>	<u>\$3,173</u>
Subtotals/Averages	\$2,598	\$2,368	\$2,008	\$1,915	\$2,552	\$2,404	\$2,300	\$2,619

Overall, market rents planned at the River District Parcel 9A project:

- **Studios:** Rents are lower than all comparable existing units and planned River District projects. However, rents are roughly consistent with current average rents observed at 35 Club and The Fairway as well as planned studio units at Parcel 3A and Parcel 10A.
- **One-Bed:** Parcel 9A One-Bed units are about the same size as comparable existing and planned River District units where the average unit size is 705 square feet. Planned rents are also roughly comparable to the average market price of \$2,154.
- **Two-Bed:** Rents planned at the Parcel 9A project are generally on-par with the average market price for Two-Bed units of \$2,957. The highest priced Two-Bed units at Gordon Lofts and planned River District “The Landing” are slightly larger than planned Two-Beds at Parcel 9A. Based on existing projects, achievable rents per square foot for Two-Beds may be somewhat lower than planned rents and the project may find rents to be potentially high and modified downward based on market

reception. Sensitivity will only be known at lease-up and modified rent assumptions were not utilized for this independent analysis.

Two competing factors may impact achievable rents during the next five years:

- **Current Achievable River District Rents:** With the opening of Heartwood earlier this year, PNW Economics was able to compare unit rents achieved at Heartwood to those established by the MUPTE application for Parcel 7. In general, current rents observed at Heartwood are about ten to fifteen percent lower for Studio and One-Bed units than expected in the MUPTE application. Rents for Two-Beds are about as expected.
- **River District Momentum:** Despite lower than expected rents at Heartwood, the River District is a superior location for market rate units compared to its peer group and as development along the river continues, it is likely that units at Heartwood and forthcoming developments will begin to realize higher achievable rents.

The unknown resolution of these factor's aside, the project's expected rents are generally aligned with market rents. PNW Economics finds that rents established by the applicant are reasonable and achievable. However, given the uncertainties in achievable rents discussed above, the only change in assumptions made in this analysis is that PNW Economics will maintain a three percent escalation assumption for rents between 2024 and 2029 rather than adopting the applicant's annual escalator of 4.641 percent.

The upshot for analysis of the need for the MUPTE for this project is as follows:

- If Parcel 9A rents are documented as significantly higher than the market, the Applicant pro forma and cash flow analysis will overstate income and in turn will actually tend to understate the need

2023) which documented per unit costs of \$247,562 and per square foot costs of \$343.13 and Gordon Lofts (dated June 2018) which documented per unit costs of \$267,717 and per square foot costs of \$296.80.

Table 2 – River District Projects Development Costs Comparison

	Parcel 9A	Other River District MUPTE Projects			
		October 2021	October 2021	April 2023	October 2024
		Heartwood	"Portal" 3BC	"Landing" 3A	Parcel 10A
Units	80	95	130	237	76
Sq. Ft.	106,229	107,631	174,000	272,983	105,132
Land Acquisition	\$3,404,941	\$3,780,783	\$2,713,659	\$2,782,504	\$3,257,014
Schematic Design & MUPTE Application	\$600,000	\$685,628	\$770,389	\$761,733	\$600,000
A/E Design & Permitting	\$4,041,729	\$3,701,395	\$4,740,507	\$8,880,119	\$3,880,243
Construction	\$35,906,329	\$31,908,532	\$46,599,620	\$96,444,138	\$34,428,893
Project Contingency	\$2,714,931	\$1,780,215	\$2,514,683	\$10,959,236	\$2,588,394
Project Finance & Carry Costs	<u>\$1,699,163</u>	<u>\$1,050,600</u>	<u>\$1,256,600</u>	<u>\$6,944,450</u>	<u>\$1,635,248</u>
Total Development Costs	\$48,367,093	\$42,907,153	\$58,595,458	\$126,772,180	\$46,389,792
Total Costs per Unit	\$604,589	\$451,654	\$450,734	\$534,904	\$610,392
Total Costs per Square Foot	\$455.31	\$398.65	\$336.76		\$441.25

Overall, development costs seem to be substantially higher than recently documented non-River District development applications with the MUPTE program. Acknowledging that each project is uniquely planned and so apples-to-apples comparisons are impossible, Parcel 9A does appear to have significantly higher per-housing unit and per square foot costs. Generally speaking, since 2019 commercial development costs have experienced year over year escalation costs averaging about six percent. However, according to MUPTE applications, per unit project costs for River District projects seems to be escalating at about 10 percent annually while per square foot costs are escalating at an annual average of five to ten percent.

In a scenario where PNW Economics assumes that per square foot costs for Parcel 9A are closer to \$429.25 which would reflect a situation where development costs are assumed to have escalated at six percent annually since the 2021 River District applications, it would not impact the overall findings of this analysis. For example, without MUPTE, the project would achieve a 1.9% Cash-on-Cash Return in Year 1 and 5.6% by Year 10. With MUPTE, the project would achieve a 3.5% Cash-on-Cash Return in Year 1 and 6.3% by Year 7. Given this, PNW Economics uses the applicant's assumptions for development costs in this analysis.

Debt vs. Equity & Project Financing

Table 3 provides a summary of Applicant project permanent financing assumptions taken from the Parcel 9A MUPTE application. PNW Economics has updated the applicant's assumptions with an annual cost escalation of six percent.

Table 3 – River District Parcel 9A Project Application Permanent Debt Finance Assumptions: Before Stabilization

	No MUPTE - 80 Units	Yes MUPTE - 80 Units
Total Development Cost	\$48,367,093	\$48,367,093
Permanent Loan	\$24,184,000	\$24,184,000
Equity	\$24,183,093	\$24,183,093
Percent Financed		50%
Annual Interest Rate	5.25%	5.25%
Amortization (Years)	30	30
Annual Permanent Debt Service	(\$1,602,539)	(\$1,602,539)

The application pro forma assumes that permanent debt will be financed at estimated project costs in 2024 dollars. Generally, PNW would assume permanent debt financing at escalated 2029 dollars. However, for purposes of a conservative analysis, PNW Economics will utilize the Applicant's more optimistic lending assumptions as documented in the MUPTE application pro formas.

Table 3 lists permanent debt financing under no MUPTE and MUPTE, which in this instance would not have an impact on level of debt financing. However, if debt financing is higher than anticipated, it would strengthen the case for a MUPTE as the higher annual debt service would decrease cash flow, all things equal.

Assumed Rents & Escalation

Table 4 provides a summary of apartment rents utilized in the pro forma analyses in this section. As noted earlier in this document, review of market rents in the Downtown Eugene area indicated that Applicant anticipated rents for all units are, in the opinion of PNW Economics, well aligned with market rents. Annually after 2024, rents are assumed to escalate by 3% annually.

Table 4 – River District Parcel 9A Project Market Apartment Rent Assumptions

MARKET RATE	Unit Mix		Average Unit	Monthly	Rent per
Unit Type	Units	Percentage	Size (Sq. Ft.)	Rent	Square Foot
Studio	12	15%	462	\$1,504	\$3.26
One bedroom	20	25%	680	\$2,052	\$3.02
Two Bedroom	28	35%	1,010	\$2,904	\$2.88
Two Bedroom + Den	20	25%	1,262	\$3,372	\$2.67
Totals/Averages	80		908	\$2,598	\$2.92

Non-Rent Revenues

Table 5 summarizes the various sources of revenue for the project in addition to standard rent planned for the occupancy for units.

Table 5 – River District Parcel 9A Project Market Apartment Non-Rent Assumptions

Non-Rent Revenue	Per-Unit Monthly Non-Rent Revenues					Gordon Lofts	Projected Parcel 9A		
		Heartwood Parcel 7	Portal Parcel 3BC	The Landing Parcel 3A	Parcel 10A		Units	2024	2029
Parking	\$100.99	\$50.00	\$115.00	\$200.00	\$107.14		101	\$122,400	\$141,895
Storage	-	\$35	\$50	-	-			-	-
Deposit on Turnover	\$5.05	\$8.75	\$8.75	\$5.05	\$5.05			\$4,848	\$5,620
Other	\$31.88	\$19.50	\$19.50	\$15.32	\$33.20			\$30,605	\$35,480
Utility Billback	\$45.42	\$41.30	\$41.30	\$36.21	\$45.42			\$43,605	\$50,550
Total Non-Rent Revenue								\$201,458	\$233,545
Average Annual Non-Rent Revenue	\$2,518	\$1,601	\$1,942	\$2,782	\$2,425	\$759	80	\$2,518	\$2,919

The information of note in Table 5 is the fact that on an average, per-unit basis, non-rent revenues are generally higher compared to a similar calculation from previous River District MUPTE projects, based on their own MUPTE applications. Here, “Average Non-Rent Revenue per Apartment” is simply the total non-rent revenue at project stabilization (95% full) divided by the number of apartment units planned. Math here aggregates different non-rent charges (per parking space, per storage space, etc.) in order to just get at how much revenue per apartment unit annually is planned to happen from other sources than just monthly rent.

The higher average per-unit costs anticipated at Parcel 9A seem to originate from the anticipation of higher costs for non-rent other and utility expenses. Given the increases in costs during the last couple years, this increase in expected prices does not seem to be unreasonable. PNW Economics assumes these revenue numbers in the independent analysis.

Operating Expenses

Apartment Operating Expenses

Table 6 below provides a comparison of annual operations expenses per unit anticipated at the Subject as well as expected at the other downtown area projects. Operational expenses, excluding property taxes, are about average compared to other MUPTE applications. As compared to properties with higher operating expenses such as Heartwood and Portal Parcel 3BC, Parcel 9A offers fewer amenities, as noted in Table 5.

Table 6 – River District Parcel 9A Project Operating Expenses Per Unit vs. Comparable Projects

	Per Unit Expenses Annually					
	Parcel 9A	Heartwood Parcel 7	Portal Parcel 3BC	The Landing Parcel 3A	Parcel 10A	Gordon Lofts
Before Property Tax						
Expenses: Stabilized	\$5,166	\$6,754	\$6,556	\$5,503	\$5,172	\$4,894

For pro forma financial analysis in the next section of this report, PNW Economics assumes operating expenses supplied by the Applicant.

Property Taxes

Table 7 provides estimates for property taxes that will be paid on both the land as well as expected improvements value on a “Cost of Replacement” basis – the total development cost of improvements alone if built new.

Table 7 – River District Parcel 9A Estimated Property Tax: Land & Improvements in FY 24 and FY29 Estimated

			Cost of Replacement - Apartment Structure			\$48,367,093					
			Change Ratio - Multiple Housing			<u>0.414</u>			Measure 50 Maximum TAV Escalation: 3%		
			FY 29 Taxable Assessed Value			\$20,023,977					
			<u>Taxable Assessed Value (FY 24)</u>						<u>Taxable Assessed Value (FY 29)</u>		
Account #	Acres	Zoning	Land	Improvements	Total	Land	Improvements	Total			
1904753	1.65	Multifamily Vacant	<u>\$2,508,651</u>	<u>\$0</u>	<u>\$2,508,651</u>	<u>\$2,908,214</u>	<u>\$0</u>	<u>\$2,908,214</u>			
		Total	\$2,508,651	\$0	\$2,508,651	\$2,908,214	\$0	\$2,908,214			
		Tax Code Area 00496 (per \$1,000 TAV)	<u>19.8186</u>	<u>19.8186</u>	<u>19.8186</u>	<u>19.8186</u>	<u>19.8186</u>	<u>19.8186</u>			
		Total Property Tax - Land Only	\$49,718	\$0	\$49,718	\$57,637	\$0	\$57,637			
1904753	1.65	Multifamily Vacant				<u>\$2,908,214</u>	<u>\$20,023,977</u>	<u>\$22,932,191</u>			
		Total				\$2,908,214	\$20,023,977	\$22,932,191			
		Tax Code Area 00496 (per \$1,000 TAV)				<u>19.8186</u>	<u>19.8186</u>	<u>19.8186</u>			
		Total Property Tax - Combined				\$57,637		\$454,484			

Parcel taxable assessed value (TAV) data is directly from the Lane County Department of Assessment & Taxation parcel database online. Taxable assessed value estimated for the value of improvements assumes total improvement development costs as expressed by the Applicant and then converted to Measure 50 TAV via the Lane County 2024 Change Ratio of 0.414 for properties. Finally, the tax rate of \$19.8186 per \$1,000 of TAV was utilized for Tax Code Area 00496 for the portion of downtown that includes the subject property.

Estimates for the tax bill expected in 2029, to better match pro forma analysis conducted in this report and in the River District Parcel 9A application, were achieved by applying the Measure 50 maximum annual TAV growth rate of 3% for five years.

Financial Feasibility Analysis of River District Parcel 9A

Introduction to Terms

To evaluate whether or not a project is financially feasible, that is whether or not the project meets investment rates of return benchmarks, a pro forma analysis is conducted. A pro forma is simply a financial modeling exercise to examine how a development project performs as a business investment over a specified period of time.

Variables that are modeled, or estimated, in this report are as follows:

Apartment Rent Income: The annual rent income if all apartment units in a project were occupied and charging full, assumed market rent. This grows by 3% each year.

Gross Project Income: The sum of Apartment Rent Income and Other Income streams such as parking, storage fees, and miscellaneous other income. This increases annually due to normal market rent and lease rate escalation over time.

Vacancy: 5% of apartment space and retail space is assumed to always be vacant and represent income loss.

Lease-Up Vacancy & Concessions: This category of expense reflects different sources of loss to revenue as a result of project vacancy and discounts to apartment rents to realize and keep an average 5% vacancy rate.

- In year 1 of the project only, PNW Economics assumes a 20% loss in potential rent income will occur due to new units being vacant prior to first occupancy ("absorption") consistent with Applicant assumption about project performance.

Effective Gross Income: Gross Project Income less Vacancy and Lease-Up Vacancy & Concessions.

Apartment Operating Expense: Annual operating expenses of \$5,166 per apartment unit starting in year 1 and growing by 3% annually thereafter. In year 1 only, apartment operating expenses are reduced by the 20% absorption vacancy described in the Lease-Up Vacancy & Concessions definition.

MUPTE: When included, MUPTE is a 10-year exemption from local property taxes levied on the value of the improvement constructed in place, in this case the Parcel 9A project. Based on an estimated cost-of-replacement of \$48.4 million in 2029 dollars and a local, existing total property tax rate of \$0.0198186 (Tax Code Area 004-96), the estimated MUPTE exemption beginning in year 1 would be \$396,847. This would increase by an assumed 3% annually, consistent with the annual maximum under Oregon property tax law. It is restated that in this analysis, a MUPTE exemption is assumed to be granted to all improvement.

Net Operating Income (NOI): Effective Gross Income less Apartment Operating Expense less Retail

development of the property that is “taken out” or paid off by permanent, long-term debt financing. Such interest is only paid during the duration of construction activity until permanent financing is secured.

Debt Service: The annual, fixed debt service payment made by the developer for permanent debt financing of the project.

Before Tax Cash Flow: Net Operating Income Less Debt Service.

Cash-on-Cash Return: Before Tax Cash Flow divided by development equity (\$24.2 million in this analysis). Cash-on-Cash Return is also known as Return on Equity and usually needs to be at least 6% in early years of a project to be a satisfactory investment for equity partners in a project. This can vary depending upon developer and equity partners, however.

Loan-To-Cost (LTC): The amount of debt a project can take on as a percentage of its cost to develop. This analysis assumes a 50% LTC ratio consistent with prevailing commercial lending market conditions, but lower than assumed by the Applicant.

Equity: The share of total development cost that is funded by invested dollar assets rather than by debt.

80 Apartment Units at River District Parcel 9A

River District Parcel 9A Pro Forma Without MUPTE

Table 8 reports the resulting pro forma analysis for the Parcel 9A project without MUPTE.

Results indicate that without the tax exemption, the project would earn a **1.7%** cash-on-cash return for year 1, but thereafter would earn modestly positive cash-on-cash return through year 10. By year 10, cash-on-cash return is estimated to at best reach 4.8% without the MUPTE.

The project should not be viewed as feasible and would not likely be developed given the early losses without significant recovery for the rest of the first ten years. Essentially, development costs are unsubstantiated by potential income from rent.

Table 8 – River District Parcel 9A Pro Forma Without MUPTE

	Ann. Esc.	Year 1 2029	Year 2 2030	Year 3 2031	Year 4 2032	Year 5 2033	Year 6 2034	Year 7 2035	Year 8 2036	Year 9 2037	Year 10 2038
Apartment Rent Income	3%	\$2,891,322	\$2,978,062	\$3,067,404	\$3,159,426	\$3,254,209	\$3,351,835	\$3,452,390	\$3,555,962	\$3,662,641	\$3,772,520
Other Income											
Other - Parking	3%	\$141,895	\$146,152	\$150,536	\$155,053	\$159,704	\$164,495	\$169,430	\$174,513	\$179,748	\$185,141
Other - Deposit on Turnover	3%	\$5,620	\$5,789	\$5,962	\$6,141	\$6,326	\$6,515	\$6,711	\$6,912	\$7,119	\$7,333
Other - Misc Other	3%	\$35,480	\$36,544	\$37,640	\$38,769	\$39,933	\$41,131	\$42,364	\$43,635	\$44,944	\$46,293
Other - Utility Backlog		<u>\$50,550</u>	<u>\$52,067</u>	<u>\$53,629</u>	<u>\$55,238</u>	<u>\$56,895</u>	<u>\$58,601</u>	<u>\$60,360</u>	<u>\$62,170</u>	<u>\$64,035</u>	<u>\$65,956</u>
Other Income Total		\$233,545	\$240,551	\$247,768	\$255,201	\$262,857	\$270,743	\$278,865	\$287,231	\$295,848	\$304,723
Gross Project Income		\$3,124,867	\$3,218,613	\$3,315,172	\$3,414,627	\$3,517,066	\$3,622,578	\$3,731,255	\$3,843,192	\$3,958,488	\$4,077,243
- Stabilized Vacancy	5%	<u>(\$156,243)</u>	<u>(\$160,931)</u>	<u>(\$165,759)</u>	<u>(\$170,731)</u>	<u>(\$175,853)</u>	<u>(\$181,129)</u>	<u>(\$186,563)</u>	<u>(\$192,160)</u>	<u>(\$197,924)</u>	<u>(\$203,862)</u>
- Lease-Up Vacancy & Concessions		<u>(\$624,973)</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$2,343,650	\$3,057,683	\$3,149,413	\$3,243,895	\$3,341,212	\$3,441,449	\$3,544,692	\$3,651,033	\$3,760,564	\$3,873,381
Apartment Operating Expense	3%	<u>(\$269,679)</u>	<u>(\$277,769)</u>	<u>(\$286,102)</u>	<u>(\$294,685)</u>	<u>(\$303,526)</u>	<u>(\$312,632)</u>	<u>(\$322,010)</u>	<u>(\$331,671)</u>	<u>(\$341,621)</u>	<u>(\$351,870)</u>
Management Expense (3.5% of EGI)		<u>(\$82,028)</u>	<u>(\$107,019)</u>	<u>(\$110,229)</u>	<u>(\$113,536)</u>	<u>(\$116,942)</u>	<u>(\$120,451)</u>	<u>(\$124,064)</u>	<u>(\$127,786)</u>	<u>(\$131,620)</u>	<u>(\$135,568)</u>
Property Tax (Land)	3%	<u>(\$57,637)</u>	<u>(\$59,366)</u>	<u>(\$61,147)</u>	<u>(\$62,981)</u>	<u>(\$64,871)</u>	<u>(\$66,817)</u>	<u>(\$68,821)</u>	<u>(\$70,886)</u>	<u>(\$73,012)</u>	<u>(\$75,203)</u>
Property Tax (Improvements)	3%	<u>(\$396,847)</u>	<u>(\$408,753)</u>	<u>(\$421,015)</u>	<u>(\$433,646)</u>	<u>(\$446,655)</u>	<u>(\$460,055)</u>	<u>(\$473,856)</u>	<u>(\$488,072)</u>	<u>(\$502,714)</u>	<u>(\$517,796)</u>
Reserve & Replacement	3%	<u>(\$22,958)</u>	<u>(\$23,647)</u>	<u>(\$24,356)</u>	<u>(\$25,087)</u>	<u>(\$25,839)</u>	<u>(\$26,615)</u>	<u>(\$27,413)</u>	<u>(\$28,235)</u>	<u>(\$29,083)</u>	<u>(\$29,955)</u>
- Operating Expenses		<u>(\$829,148)</u>	<u>(\$876,553)</u>	<u>(\$902,850)</u>	<u>(\$929,935)</u>	<u>(\$957,833)</u>	<u>(\$986,568)</u>	<u>(\$1,016,165)</u>	<u>(\$1,046,650)</u>	<u>(\$1,078,050)</u>	<u>(\$1,110,391)</u>
+ MUPTE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Net Operating Income (NOI)		\$1,514,502	\$2,181,129	\$2,246,563	\$2,313,960	\$2,383,379	\$2,454,880	\$2,528,527	\$2,604,383	\$2,682,514	\$2,762,990
- Construction Loan Interest (6.11%)		<u>(\$1,108,232)</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (50% Loan-to-Cost)		<u>\$0</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>
= Before Tax Cash Flow		\$406,270	\$578,590	\$644,024	\$711,421	\$780,840	\$852,341	\$925,987	\$1,001,843	\$1,079,975	\$1,160,450
Cash-on-Cash Return		1.7%	2.4%	2.7%	2.9%	3.2%	3.5%	3.8%	4.1%	4.5%	4.8%

River District Parcel 9A Pro Forma With MUPTE

Table 9 reports the same pro forma as Table 8, but assumes the project is awarded the MUPTE equal to \$396,847 in its first year and growing by 3% every year thereafter. The project's estimated cash-on-cash return in Year 1 is **3.3%**. Under the assumptions of this independent analysis, the project is not estimated to reach the 6% cash-on-cash return threshold until Year 9 of the project. Estimated cash-on-cash return reaches a maximum of **6.7%** in Year 10. Results are more negative than the Applicant's pro forma which realizes cash-on-cash return of 6.0% in year 7 of the project with the MUPTE. This is due, in large part, to the Applicant assuming a higher escalation in rental rates between 2024 and 2029 leading to higher income assumptions starting in Year 2 and the applicant assumes less income in Year 1 than PNW Economics due to vacancy and concessions. PNW Economics assumes a 20 percent loss in revenue during Year 1 Lease Up while the applicant assumes closer to 50 percent loss.

Table 9 – River District Parcel 9A Pro Forma WITH MUPTE

	Ann. Esc.	Year 1 2029	Year 2 2030	Year 3 2031	Year 4 2032	Year 5 2033	Year 6 2034	Year 7 2035	Year 8 2036	Year 9 2037	Year 10 2038
Apartment Rent Income	3%	\$2,891,322	\$2,978,062	\$3,067,404	\$3,159,426	\$3,254,209	\$3,351,835	\$3,452,390	\$3,555,962	\$3,662,641	\$3,772,520
Other Income											
Other - Parking	3%	\$141,895	\$146,152	\$150,536	\$155,053	\$159,704	\$164,495	\$169,430	\$174,513	\$179,748	\$185,141
Other - Deposit on Turnover	3%	\$5,620	\$5,789	\$5,962	\$6,141	\$6,326	\$6,515	\$6,711	\$6,912	\$7,119	\$7,333
Other - Misc Other	3%	\$35,480	\$36,544	\$37,640	\$38,769	\$39,933	\$41,131	\$42,364	\$43,635	\$44,944	\$46,293
Other - Utility Backlog	3%	<u>\$50,550</u>	<u>\$52,067</u>	<u>\$53,629</u>	<u>\$55,238</u>	<u>\$56,895</u>	<u>\$58,601</u>	<u>\$60,360</u>	<u>\$62,170</u>	<u>\$64,035</u>	<u>\$65,956</u>
Other Income Total		\$233,545	\$240,551	\$247,768	\$255,201	\$262,857	\$270,743	\$278,865	\$287,231	\$295,848	\$304,723
Gross Project Income		\$3,124,867	\$3,218,613	\$3,315,172	\$3,414,627	\$3,517,066	\$3,622,578	\$3,731,255	\$3,843,192	\$3,958,488	\$4,077,243
- Stabilized Vacancy	5%	<u>(\$156,243)</u>	<u>(\$160,931)</u>	<u>(\$165,759)</u>	<u>(\$170,731)</u>	<u>(\$175,853)</u>	<u>(\$181,129)</u>	<u>(\$186,563)</u>	<u>(\$192,160)</u>	<u>(\$197,924)</u>	<u>(\$203,862)</u>
- Lease-Up Vacancy & Concessions		<u>(\$624,973)</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$2,343,650	\$3,057,683	\$3,149,413	\$3,243,895	\$3,341,212	\$3,441,449	\$3,544,692	\$3,651,033	\$3,760,564	\$3,873,381
Apartment Operating Expense	3%	<u>(\$269,679)</u>	<u>(\$277,769)</u>	<u>(\$286,102)</u>	<u>(\$294,685)</u>	<u>(\$303,526)</u>	<u>(\$312,632)</u>	<u>(\$322,010)</u>	<u>(\$331,671)</u>	<u>(\$341,621)</u>	<u>(\$351,870)</u>
Management Expense (3.5% of EGI)		<u>(\$82,028)</u>	<u>(\$107,019)</u>	<u>(\$110,229)</u>	<u>(\$113,536)</u>	<u>(\$116,942)</u>	<u>(\$120,451)</u>	<u>(\$124,064)</u>	<u>(\$127,786)</u>	<u>(\$131,620)</u>	<u>(\$135,568)</u>
Property Tax (Land)	3%	<u>(\$57,637)</u>	<u>(\$59,366)</u>	<u>(\$61,147)</u>	<u>(\$62,981)</u>	<u>(\$64,871)</u>	<u>(\$66,817)</u>	<u>(\$68,821)</u>	<u>(\$70,886)</u>	<u>(\$73,012)</u>	<u>(\$75,203)</u>
Property Tax (Improvements)	3%	<u>(\$396,847)</u>	<u>(\$408,753)</u>	<u>(\$421,015)</u>	<u>(\$433,646)</u>	<u>(\$446,655)</u>	<u>(\$460,055)</u>	<u>(\$473,856)</u>	<u>(\$488,072)</u>	<u>(\$502,714)</u>	<u>(\$517,796)</u>
Reserve & Replacement	3%	<u>(\$22,958)</u>	<u>(\$23,647)</u>	<u>(\$24,356)</u>	<u>(\$25,087)</u>	<u>(\$25,839)</u>	<u>(\$26,615)</u>	<u>(\$27,413)</u>	<u>(\$28,235)</u>	<u>(\$29,083)</u>	<u>(\$29,955)</u>
Moderate-Income Housing Contribution				<u>(\$56,868)</u>	<u>(\$56,868)</u>	<u>(\$56,868)</u>	<u>(\$56,868)</u>	<u>(\$56,868)</u>	<u>(\$56,868)</u>	<u>(\$56,868)</u>	<u>(\$56,868)</u>
- Operating Expenses		<u>(\$829,148)</u>	<u>(\$876,553)</u>	<u>(\$959,717)</u>	<u>(\$986,803)</u>	<u>(\$1,014,701)</u>	<u>(\$1,043,436)</u>	<u>(\$1,073,033)</u>	<u>(\$1,103,518)</u>	<u>(\$1,134,917)</u>	<u>(\$1,167,259)</u>
+ MUPTE		\$396,847	\$408,753	\$421,015	\$433,646	\$446,655	\$460,055	\$473,856	\$488,072	\$502,714	\$517,796
= Net Operating Income (NOI)		\$1,911,349	\$2,589,882	\$2,610,711	\$2,690,738	\$2,773,166	\$2,858,067	\$2,945,515	\$3,035,587	\$3,128,361	\$3,223,917
- Construction Loan Interest (6.11%)		<u>(\$1,108,232)</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (50% Loan-to-Cost)		<u>\$0</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>	<u>(\$1,602,539)</u>
= Before Tax Cash Flow		\$803,117	\$987,343	\$1,008,172	\$1,088,199	\$1,170,627	\$1,255,528	\$1,342,976	\$1,433,048	\$1,525,821	\$1,621,378
Cash-on-Cash Return		3.3%	4.1%	4.2%	4.5%	4.8%	5.2%	5.6%	5.9%	6.3%	6.7%

Prepared for: City of Eugene

Prepared by: PNW Economics, LLC

Market & Financial Analysis of River District Parcel 9A MUPTE Program Application

Page 11

**MARKET & FINANCIAL
ANALYSIS
EUGENE RIVER DISTRICT
PARCEL 10A (LOT 13A)
MIXED-USE PROJECT MUPTE
PROGRAM APPLICATION
NOVEMBER 2024**

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1. Executive Summary

Introduction

PNW Economics, LLC was retained by the City of Eugene to review the Eugene River District Parcel 10A (Lot 13A) Multi-Unit Property Tax Exemption ("MUPTE") program application as part of City market and financial analysis of the project. Specifically, PNW Economics, LLC was tasked with:

- Reviewing project application assumptions including market comparables, bank underwriting assumptions, and other pertinent assumptions;
- Evaluate projected cash-on-cash return for the project without MUPTE and with MUPTE, which grants a ten-year property tax exemption for the project in order to incent its financial performance such that investment and development is possible and positively contributes to the downtown Eugene economy in place of property underutilization; and
- Communicates all analysis and findings appropriately for review by community members and elected officials.

This document represents completion of these tasks for review by the City of Eugene and its partners and stakeholders.

Summary of Findings

An independent pro forma and cash flow analysis was conducted by PNW Economics for the proposed River District Parcel 10A project in downtown Eugene. The following table provides a concise summary of the outcome of not awarding and awarding a MUPTE to the project, which comprises 76 apartment units.

Table A – River District Parcel 10A Project Cash-on-Cash Return With & Without MUPTE: 76 Units

	Year 1 2029	Year 2 2030	Year 3 2031	Year 4 2032	Year 5 2033	Year 6 2034	Year 7 2035	Year 8 2036	Year 9 2037	Year 10 2038
76 Units NO MUPTE										
+ MUPTE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash-on-Cash Return	1.4%	2.0%	2.3%	2.6%	2.8%	3.1%	3.4%	3.7%	4.0%	4.3%
76 Units YES MUPTE										
+ MUPTE	\$380,624	\$392,042	\$403,804	\$415,918	\$428,395	\$441,247	\$454,485	\$468,119	\$482,163	\$496,627
Cash-on-Cash Return	3.0%	3.7%	3.8%	4.1%	4.4%	4.8%	5.1%	5.5%	5.9%	6.2%

- Award of the MUPTE – starting in Year 1 at an estimated \$380,624 – does help the project achieve positive cash-on-cash returns, but the project and the very expensive development costs it finds itself realizing are a difficult hurdle to strong economic success – not unlike most projects recently evaluated by the City.
 - Without a MUPTE, the project does not reach the benchmark 6% cash-on-cash return that is usually utilized to judge a project feasible as an investment, and therefore, development opportunity.
 - Without a MUPTE, Net Operating Income offers positive but modest cash-on-cash return which is expected to grow slowly during the first ten years of the project.
 - With a MUPTE, the project does not achieve the 6.0% cash-on-cash return benchmark, but comes closer due to the MUPTE.
 - With a MUPTE, cash-on-cash return is estimated to achieve a maximum of **6.2%** in Year 10.

- Ultimately, the MUPTE plays an important role in helping this project avoid being outright financially infeasible, but like recent development projects in downtown, project development costs are high enough such that the MUPTE only helps the project achieve
-

Review of all development and financial assumptions in the MUPTE Application for the River District Parcel 10A project yielded the following general finds and comments:

- Project type, units, and rents are generally consistent with the downtown Eugene market, and are on-par with the scale of projects that have recently gone through the MUPTE process.
- For each unit type, the River District Parcel 10A project assumes market rents appropriate to what comparable existing market rate units are bearing in the market.
- Development costs per unit of the project are higher than most recent projects that have gone through MUPTE evaluation. On a per-square foot basis, costs for the project are higher than recent projects but not unreasonably high given the continued annual year over year increase in construction and other development costs.
- Lastly, one note regarding the four-year timeline upon which assumptions in this independent analysis rest. The project is not expected in the market until 2029 and all costs, rates, revenues, and tax rates have greater uncertainty four years out. For example, a new Federal administration imposes greater economic uncertainty due to potential tariffs and new immigration policy which may have significant inflationary effect on construction costs or other factors relating to this project. With this consideration in view, the assumptions of the analysis are generally reasonable and they do not err on the side of making expenses look high or income look low in a manner that make a MUPTE look more necessary.

Overall, it was found that the River District Parcel 10A MUPTE Application financial analysis used reasonable assumptions and much of the independent pro forma and cash flow analysis in this report utilizes similar assumptions as the Applicant. Differences in assumptions, which are few, are noted in this document.

2. Review of Market Rent & Lease Income Assumptions

Apartment Market Analysis: Documented Rents

This section of the report provides a discussion of apartment rents that the Applicant has documented will be charged at the proposed project. Apartment rents are discussed as a comparison of the proposed apartment gross rents with comparable and competitive apartment projects in the downtown Eugene market area.

Comparison of the proposed project to other, comparable apartment projects in the downtown Eugene market is important as it gives contextual evidence for how well-suited the project is given prevailing rents that renters seeking to live downtown are willing to pay.

- Rents that are above market indicate the project is more expensive, which can be acceptable to renters if new rents are not *too* much higher and new, high-quality units are worth the price premium. New construction of market-rate apartments will tend to achieve highest rents, all things equal. This is usually due to the newest project “premium” as well as the most-recent construction costs driving those rents.
- Higher-density urban projects tend to have smaller average unit sizes, all things equal, though will tend to still have higher rents and certainly higher rents-per-square-foot. As floors rise, units can have view premiums that are not achievable in lower-density projects. Urban, downtown projects also tend to be in districts that are highly amenitized by dining, shopping, services, and transit within short walking distance. The convenience of such offerings gets capitalized into monthly rents as a result.

From a MUPTE need perspective, rents that tend to be higher than current market will tend to understate the need for a tax exemption as the resulting rent income is higher as occupancy stabilizes. Such rent assumptions will be viewed as conservative from a MUPTE review perspective. Alternatively, if project rents are identified as being lower than the observed market, the lower rent income expressed in a project pro forma will tend to overstate the need for a tax exemption. Lower rents would not be viewed as conservative from a MUPTE review perspective.

Applicant Compared to Prevailing Comparable Projects: Unit Gross Rents

Seven downtown Eugene apartment projects were selected as most comparable and competitive to Parcel 10A should it be developed: Heartwood, Gordon Lofts, 35 Club, The Fairway and planned River District projects at parcels 3A, 3BC and 9A. Heartwood, Gordon Lofts, 35 Club and The Fairway rents are actual observed market rents as of November 2024. Rents here expressed for the three planned River District projects are from those three project MUPTE applications and are purely for context. Below is a description of each project and its competitive advantages and disadvantages relative to each other and any new projects that may be built in downtown Eugene.

- Heartwood: This 95-unit building is the first of the River District projects to be constructed. The project, which opened to residents in the summer of 2024, has both unfurnished and furnished units. Of interest to this review are the unfurnished units and rents, which include Studio (6 units), One-Bed (29 units), and Two-Bed (39 units) units.
- Gordon Lofts: The 127-unit mixed-use project at 550 Pearl Street is a previous MUPTE program participant and comprises Studio, 1-Bed, and 2-Bed units at top-of-market rents. The project has various retail businesses in its ground floor and the commercial building anchored by the Nike

Store to the south forms a market area that is an extension of the larger 5th Street Market area development.

- **35 Club:** The 110-unit project at 35 Club Road opened in 2019 and comprises Studio, 1-Bed, and 2-Bed units. The project is one of two higher end projects located just across the Willamette River in the Ferry Street Bridge neighborhood that was considered in this analysis.
- **The Fairway:** The 160-unit project at 185 Fairway Loop opened in 2024 with furnished and unfurnished Studio, 1-Bed, and 2-Bed units. Only unfurnished units are considered in this analysis. The project is one of two higher end projects located just across the Willamette River in the Ferry Street Bridge neighborhood that was considered in this analysis.
- **River District Parcel 3B&C (“Portal”) Project:** The 130-unit planned project is slated for the River District redevelopment and began construction in 2023 and is due to open in 2025. The project comprises Studio (19 units), One-Bed (34 units), Two-Bed (73 units), and Three-Bed (4 units) units.
- **River District Parcel 3A (“The Landing”) Project:** The 237-unit project is the largest to be built of the River District mixed-use projects. The project will comprise 75 Studio units, 131 One-Bed units, and 31 Two-Bed units, all of which are oversized compared to market as “Live Work” units for extra office space for tenants.
- **River District Parcel 9A Project:** The 80-unit planned project is slated for the River District redevelopment and will likely begin construction in 2027. The project comprises Studio (12 units), One-Bed (20 units) and Two-Bed (48 units) units.

Table 1 provides a comparison of planned gross monthly rents at Parcel 10A with the seven comparable and competitive projects in downtown Eugene.

Table 1 – River District Parcel 10A Project Gross Rents Compared to Competitive Projects

MARKET RATE Unit Type	Gross Monthly Rent							
	Parcel 10A	Heartwood Parcel 7	Gordon Lofts	35 Club	The Fairway	Portal Parcel 3BC	The Landing Parcel 3A	Parcel 9A
Studio	\$1,529	\$1,600	\$1,740	\$1,525	\$1,580	\$1,900	\$1,576	\$1,504
One bedroom	\$2,055	\$2,012	\$2,235	\$1,810	\$2,285		\$2,327	\$2,052
Two bedroom	\$3,173	\$2,750	\$3,296	\$2,350	\$3,415	\$2,662	\$3,941	\$3,099
Subtotals/Averages	\$2,619	\$2,368	\$2,008	\$1,915	\$2,552	\$2,404	\$2,300	\$2,598

Overall, market rents planned at the River District Parcel 10A project:

- **Studios:** Rents and unit sizes are comparable to existing units and planned River District projects. On a per square foot basis, rents are roughly consistent with current average rents per square foot observed at 35 Club and The Fairway but below other River District units.
- **One-Bed:** Planned One-Bed units at Parcel 10A are on par with comparable existing units as well as planned River District units. Of comparable units, the average unit size is 699 square feet compared to 684 at Parcel 10A. Planned rents are also roughly comparable to the average market price of \$2,154.
- **Two-Bed:** Rents for Two-Bed units at the Parcel 10A project are generally on-par with the average market price for Two-Bed units of \$2,946. The highest priced Two-Bed units at Gordon Lofts and planned River District “The Landing” are slightly larger than planned Two-Beds at Parcel 10A. Based on existing projects, achievable rents per square foot for Two-Beds may be somewhat lower than

planned rents and the project may find rents to be potentially high and modified downward based on market reception. Sensitivity will only be known at lease-up and modified rent assumptions were not utilized for this independent analysis.

Two competing factors may impact achievable rents during the next five years:

- **Current Achievable River District Rents:** With the opening of Heartwood earlier this year, PNW Economics was able to compare unit rents achieved at Heartwood to those established by the MUPTE application for Parcel 7. In general, current rents observed at Heartwood are about ten to fifteen percent lower for Studio and One-Bed units than expected in the MUPTE application. Rents for Two-Beds are about as expected.
- **River District Momentum:** Despite lower than expected rents at Heartwood, the River District is a superior location for market rate units compared to its peer group and as development along the river continues, it is likely that units at Heartwood and forthcoming developments will begin to realize higher achievable rents.

The unknown resolution of these factor's aside, the project's expected rents are generally aligned with market rents. PNW Economics finds that rents established by the applicant are reasonable and achievable. However, given the uncertainties in achievable rents discussed above, the only change in assumptions made in this analysis is that PNW Economics will maintain a three percent escalation assumption for rents between 2024 and 2029 rather than adopting the applicant's annual escalator of 4.641 percent.

The upshot for analysis of the need for the MUPTE for this project is as follows:

- If Parcel 10A rents are documented as significantly higher than the market, the Applicant pro forma and cash flow analysis will overstate income and in turn will actually tend to understate the need for MUPTE when the real risk is that rents will not be that high in those units and the MUPTE would likely be more crucial.
- If Parcel 10A rents are documented significantly lower than the market, the Applicant pro forma and cash flow analysis will understate income and in turn will tend to overstate the need for MUPTE when rents will be realized to be higher. This would tend to make the MUPTE look more necessary than it actually is.

3. Financial Feasibility Analysis

Financial Feasibility ("Pro Forma") Assumptions

Project Development Cost

The Parcel 10A project MUPTE application details an expected total project development cost of \$48,367,094. On a per-unit basis, total development costs are:

- Cost per Apartment Unit: \$610,392
- Cost per Building Square Foot: \$441.25.

For context, the planned project costs for four River District MUPTE applications are included in Table 2. The most recent and comparable project for development costs would be the Parcel 9A project. Aside from

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the River District projects, other recent MUPTE applications include 1059 Willamette (dated September 2023) which documented per unit costs of \$247,562 and per square foot costs of \$343.13 and Gordon Lofts (dated June 2018) which documented per unit costs of \$267,717 and per square foot costs of \$296.80.

Table 2 – River District Projects Development Costs Comparison

	Parcel 10A	Other River District MUPTE Projects			
		October 2021	October 2021	April 2023	October 2024
		<u>"Heartwood" 7</u>	<u>"Portal" 3BC</u>	<u>"Landing" 3A</u>	<u>Parcel 9A</u>
Units	76	95	130	237	80
Sq. Ft.	105,132	107,631	174,000	272,983	106,229
Land Acquisition	\$3,257,014	\$3,780,783	\$2,713,659	\$2,782,504	\$3,404,941
Schematic Design & MUPTE Application	\$600,000	\$685,628	\$770,389	\$761,733	\$600,000
A/E Design & Permitting	\$3,880,243	\$3,701,395	\$4,740,507	\$8,880,119	\$4,041,729
Construction	\$34,428,893	\$31,908,532	\$46,599,620	\$96,444,138	\$35,906,329
Project Contingency	\$2,588,394	\$1,780,215	\$2,514,683	\$10,959,236	\$2,714,931
Project Finance & Carry Costs	\$1,635,248	\$1,050,600	\$1,256,600	\$6,944,450	\$1,699,163
Total Development Costs	\$46,389,792	\$42,907,153	\$58,595,458	\$126,772,180	\$48,367,093
Total Costs per Unit	\$610,392	\$451,654	\$450,734	\$534,904	\$604,589
Total Costs per Square Foot	\$441.25	\$398.65	\$336.76	\$464.40	\$455.31

Overall, development costs seem to be substantially higher than recently documented non-River District development applications with the MUPTE program. Acknowledging that each project is uniquely planned and so apples-to-apples comparisons are impossible, Parcel 10A does appear to have significantly higher per-housing unit and per square foot costs. Generally speaking, since 2019 commercial development costs have experienced year over year escalation costs averaging about six percent. However, according to MUPTE applications, per unit project costs for River District projects seems to be escalating at about 10 percent annually while per square foot costs are escalating at an annual average of five to ten percent.

In a scenario where PNW Economics assumes that per square foot costs for Parcel 10A are closer to \$429.25 which would reflect a situation where development costs are assumed to have escalated at six percent annually since the 2021 River District applications, it would not impact the overall findings of this analysis. For example, without MUPTE, the project would achieve a 1.7% Cash-on-Cash Return in Year 1 and 5.1% by Year 10. With MUPTE, the project would achieve a 3.4% Cash-on-Cash Return in Year 1 and 6.2% by Year 8. Given this, PNW Economics uses the applicant's assumptions for development costs in this analysis.

Debt vs. Equity & Project Financing

Table 3 provides a summary of Applicant project permanent financing assumptions taken from the Parcel 10A MUPTE application. PNW Economics has updated the applicant's assumptions with an annual cost escalation of six percent.

Table 3 – River District Parcel 10A Project Application Permanent Debt Finance Assumptions: Before Stabilization

	<u>No MUPTE - 76 Units</u>	<u>Yes MUPTE - 76 Units</u>
Total Development Cost	\$46,389,792	\$46,389,792
Permanent Loan	\$23,195,000	\$23,195,000
Equity	\$23,194,792	\$23,194,792
Percent Financed	50%	50%
Annual Interest Rate	5.25%	5.25%
Amortization (Years)	30	30
Annual Permanent Debt Service	(\$1,537,004)	(\$1,537,004)

The application pro forma assumes that permanent debt will be financed at estimated project costs in 2024 dollars. Generally, PNW would assume permanent debt financing at escalated 2029 dollars. For purposes of conservative analysis, PNW Economics will utilize the Applicant's more optimistic lending assumptions as documented in the MUPTE application pro formas.

Table 3 lists permanent debt financing under no MUPTE and MUPTE, which in this instance would not have an impact on level of debt financing. However, if debt financing is higher than anticipated, it would strengthen the case for a MUPTE as the higher annual debt service would decrease cash flow, all things equal.

Assumed Rents & Escalation

Table 4 provides a summary of apartment rents utilized in the pro forma analyses in this section. As noted earlier in this document, review of market rents in the Downtown Eugene area indicated that Applicant anticipated rents for all units are, in the opinion of PNW Economics, well aligned with market rents. Annually after 2024, rents are assumed to escalate by 3% annually.

Table 4 – River District Parcel 10A Project Market Apartment Rent Assumptions

MARKET RATE	Unit Mix		Average Unit	Monthly	Rent per
Unit Type	Units	Percentage	Size (Sq. Ft.)	Rent	Square Foot
Studio	12	16%	485	\$1,529	\$3.15
One bedroom	20	26%	684	\$2,055	\$3.00
Two Bedroom 1 Bath	4	5%	991	\$2,666	\$2.69
Two Bedroom	16	21%	1,166	\$3,173	\$2.72
Two Bedroom + Den	24	32%	1,210	\$3,257	\$2.69
Totals/Averages	76		936	\$2,619	\$2.85

Non-Rent Revenues

Table 5 summarizes the various sources of revenue for the project in addition to standard rent planned for the occupancy for units.

Table 5 – River District Parcel 10A Project Market Apartment Non-Rent Assumptions

Non-Rent Revenue	Per-Unit Monthly Non-Rent Revenues						Projected Parcel 10A		
	Parcel 10A	Heartwood	Portal	The Landing	Parcel 9A	Gordon	Units	2024	2029
		Parcel 7	Parcel 3BC	Parcel 3A		Lofts			
Parking	\$107.14	\$50.00	\$115.00	\$200.00	\$100.99		84	\$107,997	\$125,198
Storage	-	\$35	\$50	-	-				-
Deposit on Turnover	\$5.05	\$8.75	\$8.75	\$5.05	\$5.05			\$4,606	\$5,340
Other	\$33.20	\$19.50	\$19.50	\$15.32	\$31.88			\$30,275	\$35,097
Utility Billback	\$45.42	\$41.30	\$41.30	\$36.21	\$45.42			\$41,425	\$48,023
Total Non-Rent Revenue								\$184,303	\$213,658
Average Annual Non-Rent Revenue	\$2,425	\$1,601	\$1,882	\$2,782	\$2,518	\$759	76	\$2,425	\$2,811

The information of note in Table 5 is the fact that on an average, per-unit basis, non-rent revenues are generally higher compared to a similar calculation from previous River District MUPTE projects, based on their own MUPTE applications. Here, "Average Non-Rent Revenue per Apartment" is simply the total non-rent revenue at project stabilization (95% full) divided by the number of apartment units planned. Math here aggregates different non-rent charges (per parking space, per storage space, etc.) in order to just get at how much revenue per apartment unit annually is planned to happen from other sources than just monthly rent.

The higher average per-unit costs anticipated at Parcel 10A seem to originate from the anticipation of higher costs for non-rent other and utility expenses. Given the increases in costs during the last couple years, this increase in expected prices does not seem to be unreasonable. PNW Economics assumes these revenue numbers in the independent analysis.

Operating Expenses

Apartment Operating Expenses

Table 6 below provides a comparison of annual operations expenses per unit anticipated at the Subject as well as expected at the other downtown area projects. Operational expenses, excluding property taxes, are about average compared to other MUPTE applications. As compared to properties with higher operating expenses such as Heartwood and Portal Parcel 3BC, Parcel 10A offers fewer amenities, as noted in Table 5.

Table 6 – River District Parcel 10A Project Operating Expenses Per Unit vs. Comparable Projects

	Per Unit Expenses Annually					
	Parcel 10A	Heartwood Parcel 7	Portal Parcel 3BC	The Landing Parcel 3A	The Parker Parcel 9A	Gordon Lofts
Before Property Tax						
Expenses: Stabilized	\$5,172	\$6,754	\$6,556	\$5,503	\$5,166	\$4,894

For pro forma financial analysis in the next section of this report, PNW Economics assumes operating expenses supplied by the Applicant.

Property Taxes

Table 7 provides estimates for property taxes that will be paid on both the land as well as expected improvements value on a "Cost of Replacement" basis – the total development cost of improvements alone if built new.

Table 7 – River District Parcel 10A Estimated Property Tax: Land & Improvements in FY24 and FY29 Estimated

			Cost of Replacement - Apartment Structure			\$46,389,792						
			Change Ratio - Multiple Housing			0.414			Measure 50 Maximum TAV Escalation: 3%			
			FY 29 Taxable Assessed Value			\$19,205,374						

Parcel taxable assessed value (TAV) data is directly from the Lane County Department of Assessment & Taxation parcel database online. Taxable assessed value estimated for the value of improvements assumes total improvement development costs as expressed by the Applicant and then converted to Measure 50 TAV via the Lane County 2024 Change Ratio of 0.414 for properties. Finally, the tax rate of \$19.8186 per \$1,000 of TAV was utilized for Tax Code Area 00496 for the portion of downtown that includes the subject property.

Estimates for the tax bill expected in 2029, to better match pro forma analysis conducted in this report and in the River District Parcel 10A application, were achieved by applying the Measure 50 maximum annual TAV growth rate of 3% for five years.

Financial Feasibility Analysis of River District Parcel 10A

Introduction to Terms

To evaluate whether or not a project is financially feasible, that is whether or not the project meets investment rates of return benchmarks, a pro forma analysis is conducted. A pro forma is simply a financial modeling exercise to examine how a development project performs as a business investment over a specified period of time.

Variables that are modeled, or estimated, in this report are as follows:

Apartment Rent Income: The annual rent income if all apartment units in a project were occupied and charging full, assumed market rent. This grows by 3% each year.

Gross Project Income: The sum of Apartment Rent Income and Other Income streams such as parking, storage fees, and miscellaneous other income. This increases annually due to normal market rent and lease rate escalation over time.

Vacancy: 5% of apartment space and retail space is assumed to always be vacant and represent income loss.

Lease-Up Vacancy & Concessions: This category of expense reflects different sources of loss to revenue as a result of project vacancy and discounts to apartment rents to realize and keep an average 5% vacancy rate.

- In year 1 of the project only, PNW Economics assumes a 20% loss in potential rent income will occur due to new units being vacant prior to first occupancy ("absorption") consistent with Applicant assumption about project performance.

Effective Gross Income: Gross Project Income less Vacancy and Lease-Up Vacancy & Concessions.

Apartment Operating Expense: Annual operating expenses of \$5,172 per apartment unit starting in year 1 and growing by 3% annually thereafter. In year 1 only, apartment operating expenses are reduced by the 20% absorption vacancy described in the Lease-Up Vacancy & Concessions definition.

MUPTE: When included, MUPTE is a 10-year exemption from local property taxes levied on the value of the improvement constructed in place, in this case the Parcel 10A project. Based on an estimated cost-of-replacement of \$46.4 million in 2029 dollars and a local, existing total property tax rate of \$0.0198186 (Tax Code Area 004-96), the estimated MUPTE exemption beginning in year 1 would be \$380,624. This would increase by an assumed 3% annually, consistent with the annual maximum under Oregon property tax law. It is restated that in this analysis, a MUPTE exemption is assumed to be granted to all improvement.

Net Operating Income (NOI): Effective Gross Income less Apartment Operating Expense less Retail Operating Expense plus the MUPTE (if assumed).

Construction Loan Interest: The interest (assumed to be 6.11%) paid on a construction loan for development of the property that is “taken out” or paid off by permanent, long-term debt financing. Such interest is only paid during the duration of construction activity until permanent financing is secured.

Debt Service: The annual, fixed debt service payment made by the developer for permanent debt financing of the project.

Before Tax Cash Flow: Net Operating Income Less Debt Service.

Cash-on-Cash Return: Before Tax Cash Flow divided by development equity (\$23.2 million in this analysis). Cash-on-Cash Return is also known as Return on Equity and usually needs to be at least 6% in early years of a project to be a satisfactory investment for equity partners in a project. This can vary depending upon developer and equity partners, however.

Loan-To-Cost (LTC): The amount of debt a project can take on as a percentage of its cost to develop. This analysis assumes a 50% LTC ratio consistent with prevailing commercial lending market conditions, but lower than assumed by the Applicant.

Equity: The share of total development cost that is funded by invested dollar assets rather than by debt.

76 Apartment Units at River District Parcel 10A

River District Parcel 10A Pro Forma Without MUPTE

Table 8 reports the resulting pro forma analysis for the Parcel 10A project without MUPTE.

Results indicate that without the tax exemption, the project would earn a **1.4%** cash-on-cash return for year 1, but thereafter would earn modestly positive cash-on-cash return through year 10. By year 10, cash-on-cash return is estimated to at best reach 4.3% without the MUPTE.

The project should not be viewed as feasible and would not likely be developed given the early losses without significant recovery for the rest of the first ten years. Essentially, development costs are unsubstantiated by potential income from rent.

Table 8 – River District Parcel 10A Pro Forma Without MUPTE

	Ann. Esc.	Year 1 2029	Year 2 2030	Year 3 2031	Year 4 2032	Year 5 2033	Year 6 2034	Year 7 2035	Year 8 2036	Year 9 2037	Year 10 2038
Apartment Rent Income	3%	\$2,689,831	\$2,770,526	\$2,853,642	\$2,939,251	\$3,027,429	\$3,118,252	\$3,211,799	\$3,308,153	\$3,407,398	\$3,509,620
Other Income											
Other - Parking	3%	\$125,198	\$128,954	\$132,823	\$136,808	\$140,912	\$145,139	\$149,493	\$153,978	\$158,597	\$163,355
Other - Deposit on Turnover	3%	\$5,340	\$5,500	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376	\$6,567	\$6,764	\$6,967
Other - Misc Other	3%	\$35,097	\$36,150	\$37,234	\$38,351	\$39,502	\$40,687	\$41,908	\$43,165	\$44,460	\$45,794
Other - Utility Billback	3%	\$48,023	\$49,464	\$50,948	\$52,476	\$54,050	\$55,672	\$57,342	\$59,062	\$60,834	\$62,659
Other Income Total		\$213,658	\$220,068	\$226,670	\$233,470	\$240,474	\$247,688	\$255,119	\$262,772	\$270,655	\$278,775
Gross Project Income		\$2,903,489	\$2,990,594	\$3,080,311	\$3,172,721	\$3,267,902	\$3,365,940	\$3,466,918	\$3,570,925	\$3,678,053	\$3,788,395
- Stabilized Vacancy	5%	(\$145,174)	(\$149,530)	(\$154,016)	(\$158,636)	(\$163,395)	(\$168,297)	(\$173,346)	(\$178,546)	(\$183,903)	(\$189,420)
- Lease-Up Vacancy & Concessions		(\$580,698)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$2,177,617	\$2,841,064	\$2,926,296	\$3,014,085	\$3,104,507	\$3,197,643	\$3,293,572	\$3,392,379	\$3,494,150	\$3,598,975
Apartment Operating Expense	3%	(\$256,195)	(\$263,881)	(\$271,797)	(\$279,951)	(\$288,350)	(\$297,000)	(\$305,910)	(\$315,087)	(\$324,540)	(\$334,276)
Management Expense (3.5% of EGI)		(\$76,217)	(\$99,437)	(\$102,420)	(\$105,493)	(\$108,658)	(\$111,917)	(\$115,275)	(\$118,733)	(\$122,295)	(\$125,964)
Property Tax (Land)	3%	(\$54,842)	(\$56,487)	(\$58,182)	(\$59,927)	(\$61,725)	(\$63,577)	(\$65,484)	(\$67,449)	(\$69,472)	(\$71,556)
Property Tax (Improvements)	3%	(\$380,624)	(\$392,042)	(\$403,804)	(\$415,918)	(\$428,395)	(\$441,247)	(\$454,485)	(\$468,119)	(\$482,163)	(\$496,627)
Reserve & Replacement	3%	(\$21,810)	(\$22,464)	(\$23,138)	(\$23,832)	(\$24,547)	(\$25,284)	(\$26,042)	(\$26,824)	(\$27,628)	(\$28,457)
- Operating Expenses		(\$789,687)	(\$834,312)	(\$859,341)	(\$885,122)	(\$911,675)	(\$939,025)	(\$967,196)	(\$996,212)	(\$1,026,099)	(\$1,056,881)
+ MUPTE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Net Operating Income (NOI)		\$1,387,930	\$2,006,752	\$2,066,955	\$2,128,963	\$2,192,832	\$2,258,617	\$2,326,376	\$2,396,167	\$2,468,052	\$2,542,093
- Construction Loan Interest (6.11%)		(\$1,062,911)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (50% Loan-to-Cost)		\$0	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)
= Before Tax Cash Flow		\$325,019	\$469,748	\$529,951	\$591,959	\$655,828	\$721,613	\$789,372	\$859,163	\$931,048	\$1,005,090
Cash-on-Cash Return		1.4%	2.0%	2.3%	2.6%	2.8%	3.1%	3.4%	3.7%	4.0%	4.3%

River District Parcel 10A Pro Forma With MUPTE

Table 9 reports the same pro forma as Table 8, but assumes the project is awarded the MUPTE equal to \$380,624 in its first year and growing by 3% every year thereafter. The project's estimated cash-on-cash return in Year 1 is **3.0%**. Under the assumptions of this independent analysis, the project is not estimated to reach the 6% cash-on-cash return threshold until Year 10 of the project. Estimated cash-on-cash return reaches a maximum of **6.2%** in Year 10. Results are more negative than the Applicant's pro forma which realizes cash-on-cash return of 6.0% in year 7 of the project with the MUPTE. Most likely, this is due to the Applicant assuming a higher escalation in rental rates between 2024 and 2029 leading to higher income assumptions starting in Year 2. The applicant assumes less income in Year 1 than PNW Economics due to vacancy and concessions. PNW Economics assumes a 20 percent loss in revenue during Year 1 Lease Up while the applicant assumes closer to 50 percent loss.

Table 9 – River District Parcel 10A Pro Forma WITH MUPTE

	Ann. Esc.	Year 1 2029	Year 2 2030	Year 3 2031	Year 4 2032	Year 5 2033	Year 6 2034	Year 7 2035	Year 8 2036	Year 9 2037	Year 10 2038
Apartment Rent Income	3%	\$2,689,831	\$2,770,526	\$2,853,642	\$2,939,251	\$3,027,429	\$3,118,252	\$3,211,799	\$3,308,153	\$3,407,398	\$3,509,620
Other Income											
Other - Parking	3%	\$125,198	\$128,954	\$132,823	\$136,808	\$140,912	\$145,139	\$149,493	\$153,978	\$158,597	\$163,355
Other - Deposit on Turnover	3%	\$5,340	\$5,500	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376	\$6,567	\$6,764	\$6,967
Other - Misc Other	3%	\$35,097	\$36,150	\$37,234	\$38,351	\$39,502	\$40,687	\$41,908	\$43,165	\$44,460	\$45,794
Other - Utility Billback	3%	\$48,023	\$49,464	\$50,948	\$52,476	\$54,050	\$55,672	\$57,342	\$59,062	\$60,834	\$62,659
Other Income Total		\$213,658	\$220,068	\$226,670	\$233,470	\$240,474	\$247,688	\$255,119	\$262,772	\$270,655	\$278,775
Gross Project Income		\$2,903,489	\$2,990,594	\$3,080,311	\$3,172,721	\$3,267,902	\$3,365,940	\$3,466,918	\$3,570,925	\$3,678,053	\$3,788,395
- Stabilized Vacancy	5%	(\$145,174)	(\$149,530)	(\$154,016)	(\$158,636)	(\$163,395)	(\$168,297)	(\$173,346)	(\$178,546)	(\$183,903)	(\$189,420)
- Lease-Up Vacancy & Concessions		(\$580,698)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$2,177,617	\$2,841,064	\$2,926,296	\$3,014,085	\$3,104,507	\$3,197,643	\$3,293,572	\$3,392,379	\$3,494,150	\$3,598,975
Apartment Operating Expense	3%	(\$256,195)	(\$263,881)	(\$271,797)	(\$279,951)	(\$288,350)	(\$297,000)	(\$305,910)	(\$315,087)	(\$324,540)	(\$334,276)
Management Expense (3.5% of EGI)		(\$76,217)	(\$99,437)	(\$102,420)	(\$105,493)	(\$108,658)	(\$111,917)	(\$115,275)	(\$118,733)	(\$122,295)	(\$125,964)
Property Tax (Land)	3%	(\$54,842)	(\$56,487)	(\$58,182)	(\$59,927)	(\$61,725)	(\$63,577)	(\$65,484)	(\$67,449)	(\$69,472)	(\$71,556)
Property Tax (Improvements)	3%	(\$380,624)	(\$392,042)	(\$403,804)	(\$415,918)	(\$428,395)	(\$441,247)	(\$454,485)	(\$468,119)	(\$482,163)	(\$496,627)
Reserve & Replacement	3%	(\$21,810)	(\$22,464)	(\$23,138)	(\$23,832)	(\$24,547)	(\$25,284)	(\$26,042)	(\$26,824)	(\$27,628)	(\$28,457)
Moderate-Income Housing Contribution				(\$54,543)	(\$54,543)	(\$54,543)	(\$54,543)	(\$54,543)	(\$54,543)	(\$54,543)	(\$54,543)
- Operating Expenses		(\$789,687)	(\$834,312)	(\$913,884)	(\$939,664)	(\$966,218)	(\$993,568)	(\$1,021,739)	(\$1,050,755)	(\$1,080,641)	(\$1,111,424)
+ MUPTE		\$380,624	\$392,042	\$403,804	\$415,918	\$428,395	\$441,247	\$454,485	\$468,119	\$482,163	\$496,627
= Net Operating Income (NOI)		\$1,768,553	\$2,398,794	\$2,416,215	\$2,490,338	\$2,566,685	\$2,645,321	\$2,726,317	\$2,809,743	\$2,895,672	\$2,984,178
- Construction Loan Interest (6.11%)		(\$1,062,911)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (50% Loan-to-Cost)		\$0	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)	(\$1,537,004)
= Before Tax Cash Flow		\$705,642	\$861,791	\$879,212	\$953,334	\$1,029,681	\$1,108,318	\$1,189,314	\$1,272,739	\$1,358,668	\$1,447,174
Cash-on-Cash Return		3.0%	3.7%	3.8%	4.1%	4.4%	4.8%	5.1%	5.5%	5.9%	6.2%

Prepared for: City of Eugene

Prepared by: PNW Economics, LLC

Market & Financial Analysis of River District Parcel 10A MUPTE Program Application



Memorandum

Date: February 12, 2025
To: Eugene City Council
From: Annie Loe, Urban Designer, Planning & Development
Subject: Riverfront Parcel 9A MUPTE: Design Changes

The development team for Riverfront Parcel 9A has made changes to the building design that was adopted as part of Council's approval of a Multi-Unit Property Tax Exemption (MUPTE) for the project. In CDD's review of the proposed changes, with concurrence from Urban Design staff, the updated design continues to meet all design and compatibility criteria outlined in the MUPTE application.

As a summary of the changes, the most extensive revision to the design is replacing a large portion of the brick with metal as the façade material. The updated drawings indicate that this will be applied throughout the building in several locations.

The decision to replace brick with metal is due to budgetary reasons. The metal façade retains an industrial characteristic and holds other positive attributes such as low-maintenance and durability. However, it does not have the same warmth and timeless character as brick. The tradeoffs of replacing brick with metal as a dominant façade material are neutral, from design integrity and aesthetic standpoints.

If you have questions about these design changes, please contact Annie Loe at x5445 or ALoe@eugene-or.gov

Memorandum



Date 7 February 2025
Project Name ERD Parcel 9A (Lot 12A)
Project Number 2103016

Attention Dylan Huber-Heidorn
 Development Analyst
 Community Development, City of Eugene
Address 99 W 10th Ave
 Eugene, OR 97401

Subject MUPTE Changes Narrative – During MUPTE Approval Process

Remarks Dylan,
 The following narrative outlines changes made to the ERD Parcel 9A project that deviate from the current MUPTE application under review by the City. Please process this package for review and approval under the current MUPTE process. We feel the proposed changes provide a positive or neutral impact to the design.

The following changes are in response to the evolving economic environment and bring the project budget in alignment with the construction budget submitted with the current MUPTE application. There is no cost savings associated with these changes and the changes are necessary to keep the project on budget and financially feasible.

Note, the fenestration locations and patterns remain unchanged. Significant breaks in the overall building massing also remain largely unchanged.

Ferry St Façade

1. No changes. As the prominent façade facing the plaza, Ferry St, and highly visible from the Ferry St Bridge viaduct, maintaining the high quality brick materiality remained a priority.

Annie Mims Façade

2. Ground Floor Wall
 - a. Shift ground floor wall along parking garage towards the river to create a strong transition between materials above and strengthen definition of the massing above.
 - b. Maintain brick veneer cladding at ground floor level as a high-quality, durable, and lasting material at the pedestrian level.
3. Central Massing
 - a. Change brick veneer at levels 2-4 to be to be concealed fastener metal wall panel siding with fiber cement panel accents. Metal panel is to have a profile to add character and depth. The profile will also reduce potential for oil canning. Metal wall panel is a high quality, durable material with self-cleaning properties. The fiber cement will be detailed to a high level in alignment with the quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.
4. Easterly Massing (corner of Annie Mims and Wiley Griffon)
 - a. Same material changes as the central massing, replacing brick veneer with concealed fastener metal wall panel and fiber cement

panel accents. Detailing is to align with the central massing for a cohesive vocabulary across the two volumes. The ground floor level will remain as brick veneer.

Wiley Griffon Facade

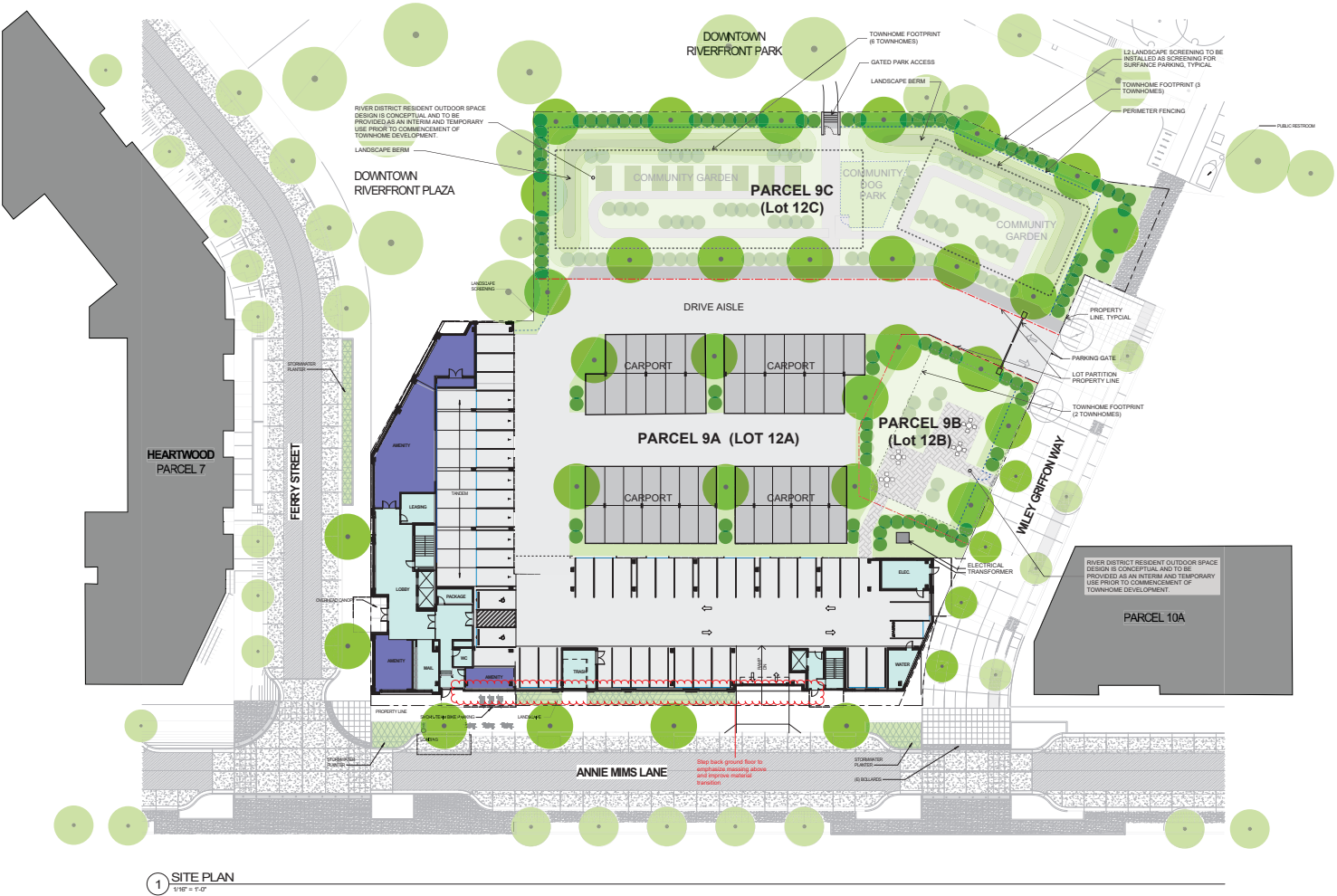
5. Ground Floor
 - a. Brick veneer will remain the dominate ground floor level cladding to enhance the pedestrian experience.
 - b. The ground floor wall shifts westerly to create a horizontal transition between the brick and massing above.
6. Metal Pannel in lieu of Brick
 - a. Change brick veneer at levels 2-4 to be to be concealed fastener metal wall panel siding with fiber cement panel accents. Metal panel is to have a profile to add character and depth. The profile will also reduce potential for oil canning. The fiber cement will be detailed to a high level in alignment with the quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.

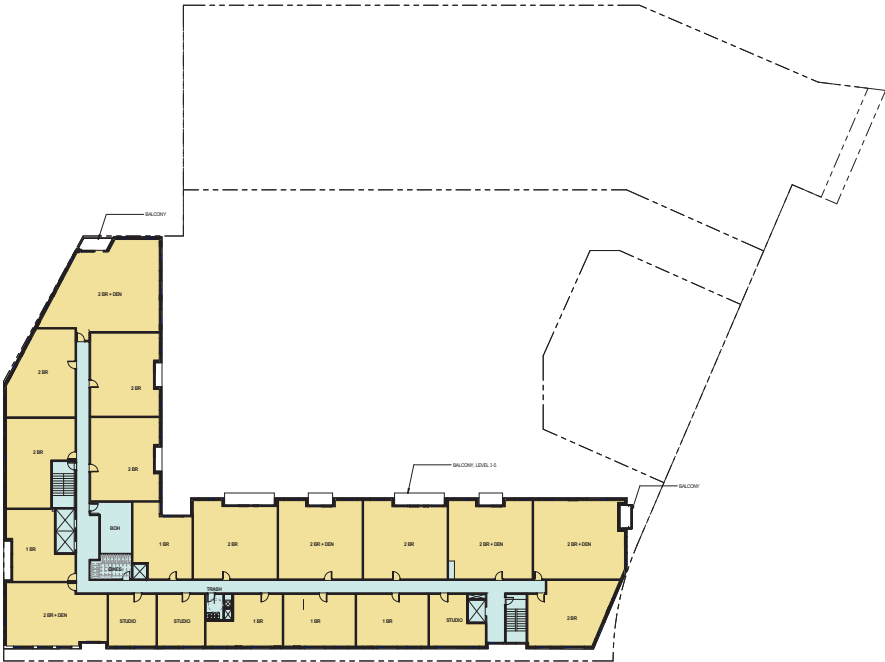
Courtyard and River Facing Façade

1. Ground Floor
 - a. The brick veneer remains as the dominate cladding material at the ground floor level and wraps the easterly corner to strengthen the ground floor massing.
2. Easterly Massing
 - a. Change brick veneer on the easterly massing at levels 2-4 to be concealed fastener metal wall panel siding with fiber cement panel accents. Metal panel and fiber cement accent detailing will align with the Annie Mims and Wiley Griffon facades in quality and character to strengthen the masing at the easterly terminus of the building.
3. The central massing will remain as fiber cement panel cladding in alignment with the previous design and be detailed to a high level in alignment with the quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.
 - a. The fiber cement panel siding will extend onto the easterly facing courtyard façade in alignment with the original design. The northerly portion of this façade will be an extension of the westerly brick massing to strengthen the pedestrian experience in the adjacent plaza and park.
4. The westerly massing will remain predominantly brick veneer in alignment with the previous design contributing to the pedestrian experience in the adjacent plaza and park.

From Joshua Lupkin, SERA

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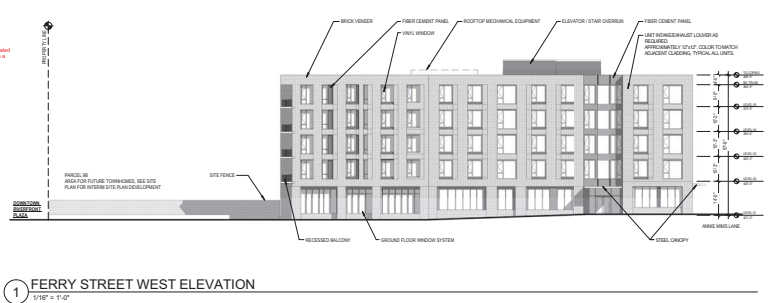
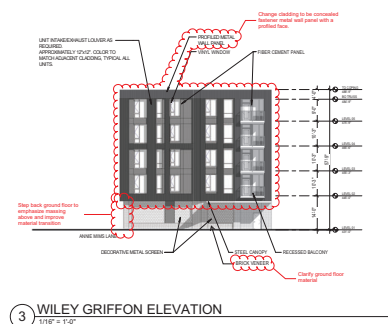
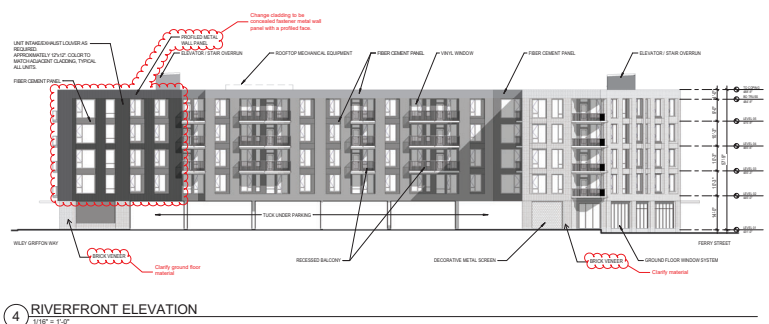




1 PLAN LEVEL 02-05
1/8" = 1'-0"



EUGENE RIVER DISTRICT - PARCEL 9A 6 FEBRUARY 2025









Memorandum

Date: February 12, 2025
To: Eugene City Council
From: Annie Loe, Urban Designer, Planning & Development
Subject: Riverfront Parcel 10A MUPTE: Design Changes

The development team for Riverfront Parcel 10A has made changes to the building design that was adopted as part of Council's approval of a Multi-Unit Property Tax Exemption (MUPTE) for the project. In CDD's review of the proposed changes, with concurrence from Urban Design staff, the updated design continues to meet all design and compatibility criteria outlined in the MUPTE application.

As a summary of the changes, the most extensive revision to the design is replacing a large portion of the brick with metal as the façade material. The updated drawings indicate that this will be applied throughout the building in several locations.

The decision to replace brick with metal is due to budgetary reasons. The metal façade retains an industrial characteristic and holds other positive attributes such as low-maintenance and durability. However, it does not have the same warmth and timeless character as brick. The tradeoffs of replacing brick with metal as a dominant façade material are neutral, from design integrity and aesthetic standpoints.

If you have questions about these design changes, please contact Annie Loe at x5445 or ALoe@eugene-or.gov

Memorandum



ARCHITECTURE
URBAN DESIGN + PLANNING
INTERIOR DESIGN

Date 7 February 2025
Project Name ERD Parcel 10A (Lot 13A)
Project Number 2303155

Attention Dylan Huber-Heidorn
 Development Analyst
 Community Development, City of Eugene

Address 99 W 10th Ave
 Eugene, OR 97401

Subject MUPTE Changes Narrative – During MUPTE Approval Process

Remarks Dylan,
 The following narrative outlines changes made to the ERD Parcel 10A project that deviate from the current MUPTE application under review by the City. Please process this package for review and approval under the current MUPTE process. We feel the proposed changes provide a positive or neutral impact to the design.

The following changes are in response to the evolving economic environment and bring the project budget in alignment with the construction budget submitted with the current MUPTE application. There is no cost savings associated with these changes and the changes are necessary to keep the project on budget and financially feasible.

Note, the fenestration locations and patterns remain unchanged. Significant breaks in the overall building massing also remain largely unchanged.

Wiley Griffon Façade

1. Brick veneer remains as the predominant cladding material with fiber cement panel accents.
2. The pattern around the fenestration on Levels 2-4 has been slightly simplified to avoid an overly complex façade when paired with the metal wall panel cladding on the Annie Mims façade.
 - a. Brick has been simplified to one color and remains as the dominate material.
 - b. Fiber cement panel accents have been consistently applied adjacent to fenestration on Levels 2-4 and will be detailed to a high level in alignment with the quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.

Annie Mims Façade

3. Ground Floor Wall
 - a. Shift ground floor wall along parking garage towards the river to create a strong transition between materials above and strengthen definition of the massing above.
 - b. Maintain brick veneer cladding at ground floor level as a high-quality, durable, and lasting material at the pedestrian level.
4. Central Massing
 - a. Change brick veneer at levels 2-4 to be to be concealed fastener metal wall panel siding with fiber cement panel accents. Metal panel is to have a profile to add character and depth. The profile will also reduce potential for oil canning. Metal wall panel is a high quality, durable material with self-cleaning properties. The fiber cement will be detailed to a high level in alignment with the

- quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.
- b. The fenestration pattern and location of adjacent accent cladding remains unchanged.
- 5. Westerly Massing (corner of Wiley Griffon and Annie Mims)
 - a. In alignment with the Wiley Griffon façade, brick remains the dominate cladding material with fiber cement panel accents. The brick massing contributes to a material pattern marching down the Annie Mimms corridor with brick massing occurring at each street intersection. The pattern creates an architectural rhythm and breaks down the building massing along a long view corridor.
 - b. The location of accent cladding is in alignment with the treatment on the Wiley Griffon façade with high quality detailing applied.
 - c. Fenestration locations remain unchanged.
- 6. Easterly Massing (corner of Annie Mims and Nak Nak)
 - a. As a dominant corner facing the southeasterly access to the district, brick cladding remains the primary material with quality accent material adjustments to align with the westerly Wiley Griffon façade.

Nak Nak Façade

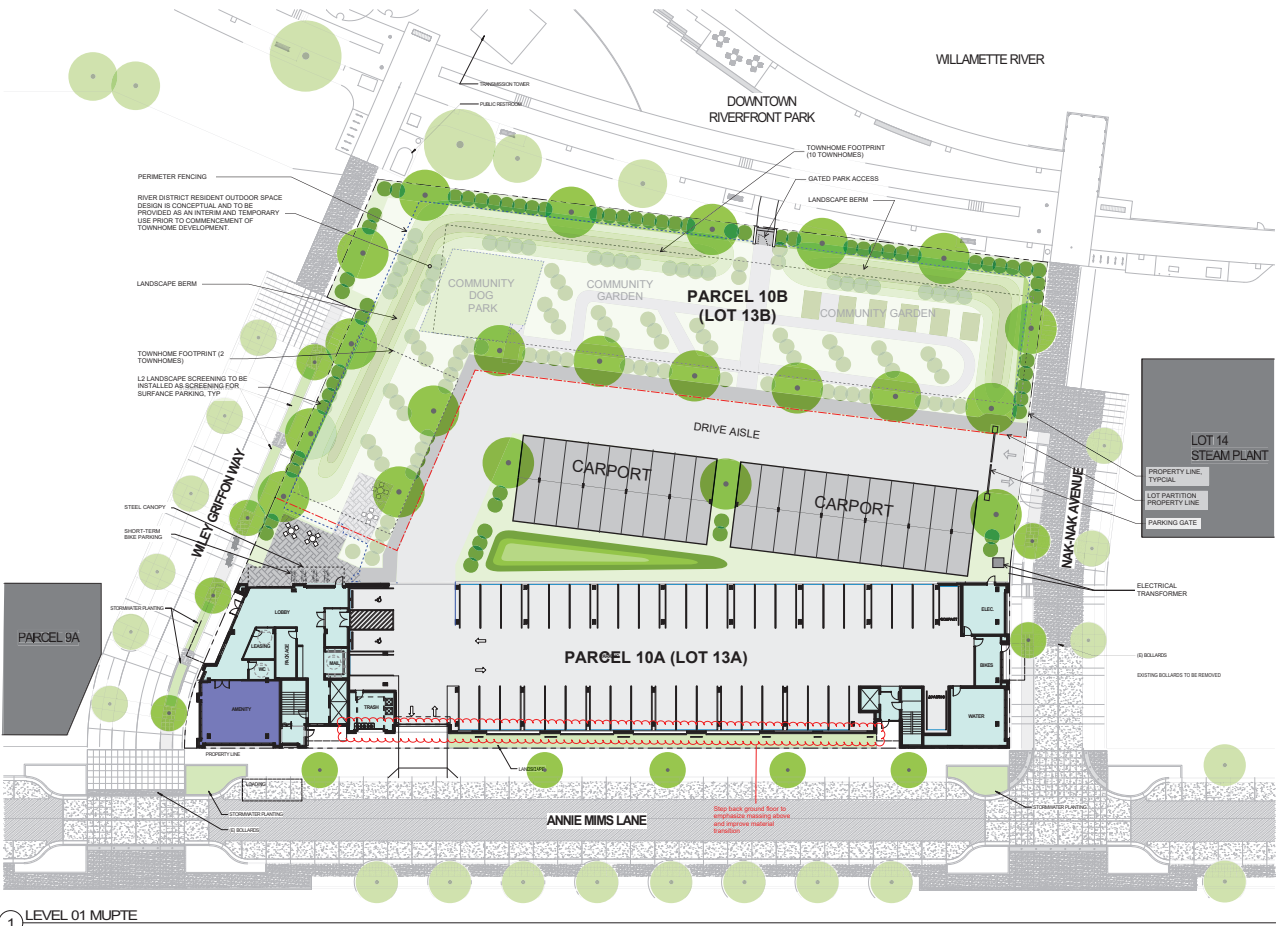
- 7. In alignment with the Wiley Griffon façade, brick remains the dominant material with detailing updates to align with the other brick facades. Fiber cement accent panels will be detailed to a high level in alignment with the quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.

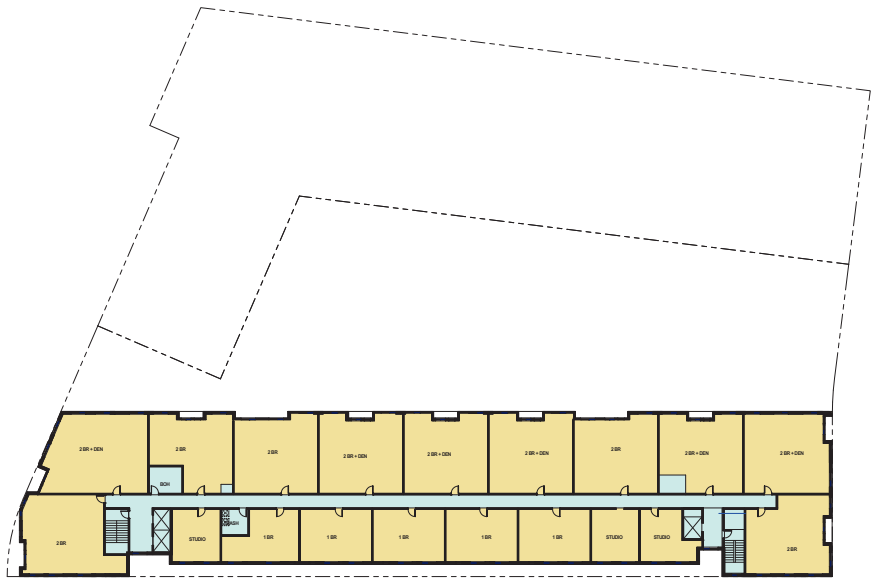
Courtyard and River Facing Façade

- 8. Ground Floor
 - a. The brick veneer remains as the dominate cladding material at the ground floor level, where there is cladding, and wraps the easterly corner to strengthen the ground floor massing.
- 9. Easterly Massing
 - a. Maintain brick as the dominant cladding for the corner massing including two window bays.
 - b. Change brick veneer west of the corner massing at levels 2-4 to be to be fiber cement panel siding in alignment with the central massing material in the original application. Fiber cement panel will be detailed to a high level in alignment with the quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.
- 10. The central massing will remain as fiber cement panel cladding in alignment with the previous design and be detailed to a high level in alignment with the quality and character of the fiber cement panels installed on the adjacent Parcel 7/Heartwood project.
- 11. Westerly Massing
 - a. The westerly massing will remain predominantly brick veneer in alignment with the previous design.
 - b. The location of accent cladding is to be in alignment with the treatment on the Wiley Griffon façade with high quality detailing applied.
 - c. Fenestration locations remain unchanged.

From
cc

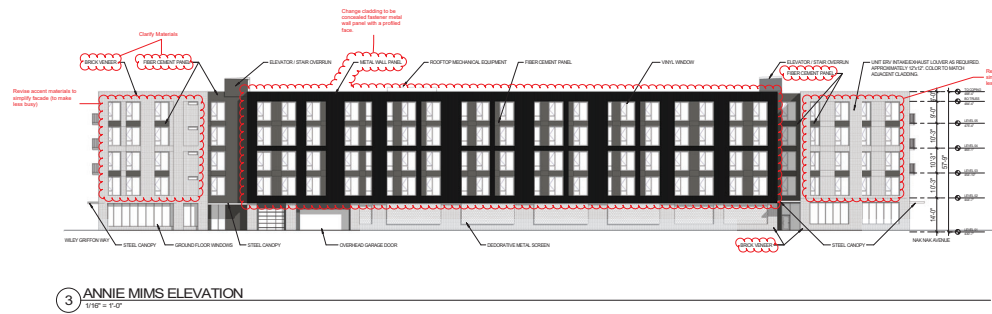
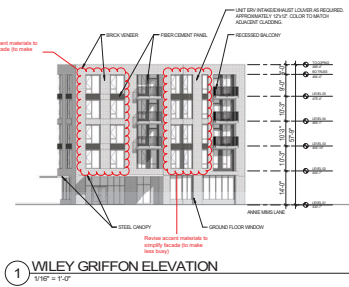
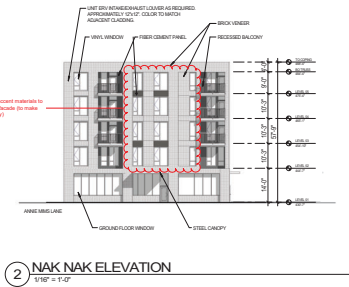
Joshua Lupkin, SERA
File





1 LEVEL 02 MUPTE
1/8" = 1'-0"









VIEW FROM CORNER OF ANNIE MIMS AND NAK NAK



MAIN ENTRY VIEW

Parcel 9A
Applicant's Revised Financial Information Sheets
Submitted 11/26/24

Financial Information
Eugene Riverfront District
ERD Parcel 9

Table with 6 columns: Unit Mix, Avg SF Per Unit, Unit Count, Monthly Avg Rent, Monthly Rent/SF, and 2024 Annual. Rows include Average/Total, Studio, 1 Bedroom, 2 Bedroom, and 2 Bedroom + Den.

ATTACHMENT M

Without MUPT

Table with 7 columns: Revenue, Number Of Units, Avg Unit SF, Avg Rent Per SF, Aug-2024 Annualized, Annual Escalator, Apr-2029 Annualized. Rows include Total Units, Vacancy loss, Other Income, Parking, Storage, Deposit on Turnover, Other, Utility Billback, and Effective Gross Income.

With MUPT

Table with 7 columns: Revenue, Number Of Units, Avg Unit SF, Avg Rent Per SF, Aug-2024 Annualized, Annual Escalator, Apr-2029 Annualized. Rows include Total Units, Vacancy loss, Other Income, Parking, Storage, Deposit on Turnover, Other, Utility Billback, and Effective Gross Income.

Operating Expenses

Table with 6 columns: PUPM, PUPY, Aug-2024 Annualized, Annual Escalator, Apr-2029 Annualized. Rows include Payroll, Administration, Advertising/Marketing, Repairs/Maintenance, Turnover, Utilities, Contracted Services, Insurance (prop + excess), Property Taxes, Management Fee, Reserve/Replacement, Total Expenses, and Net Operating Income.

Operating Expenses

Table with 6 columns: PUPM, PUPY, Aug-2024 Annualized, Annual Escalator, Apr-2029 Annualized. Rows include Payroll, Administration, Advertising/Marketing, Repairs/Maintenance, Turnover, Utilities, Contracted Services, Insurance (prop + excess), Property Taxes, Management Fee, Reserve/Replacement, Total Exper, and Net Operating Income.

ERD Parcel 9

ATTACHMENT M

Lease Up Year Pro Forma without MUPTe

Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	10	0	0	
Units Occupied		20	30	40	50	60	70	80	80	80	
Occupancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	100.0%	100.0%	100.0%	
with Vacancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,211	\$96,317	\$128,423	\$160,529	\$192,634	\$224,740	\$256,846	\$256,846	\$256,846	\$1,637,392
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,613)	(\$13,613)		(\$40,838)
Other Income											
Parking		\$2,940	\$4,411	\$5,881	\$7,351	\$8,821	\$10,292	\$11,762	\$11,762	\$11,762	\$74,982
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$291	\$349	\$408	\$466	\$466	\$466	\$2,970
Other		\$735	\$1,103	\$1,470	\$1,838	\$2,206	\$2,573	\$2,941	\$2,941	\$2,941	\$18,748
Utility Billback		\$1,043	\$1,564	\$2,086	\$2,607	\$3,128	\$3,650	\$4,171	\$4,171	\$4,171	\$26,591
Effective Gross Income		\$69,046	\$103,570	\$138,093	\$172,616	\$207,139	\$241,662	\$262,573	\$262,573	\$262,573	\$1,719,845
Operating Expenses											
Expenses		\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$250,345
Management Fee	4.00%	\$2,762	\$4,143	\$5,524	\$6,905	\$8,286	\$9,666	\$10,503	\$10,503	\$10,503	\$68,794
Property Taxes											
Land		\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$42,586
Improvements		\$33,606	\$33,606	\$33,606	\$33,606	\$33,606	\$33,606	\$33,606	\$33,606	\$33,606	\$302,455
Total Property Taxes		\$38,338	\$38,338	\$38,338	\$38,338	\$38,338	\$38,338	\$38,338	\$38,338	\$38,338	\$345,041
Reserve/Replacement		\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$17,219
Total Operating Expenses		\$70,829	\$72,210	\$73,591	\$74,972	\$76,353	\$77,734	\$78,570	\$78,570	\$78,570	\$681,399
Net Operating Income		(\$1,783)	\$31,360	\$64,502	\$97,644	\$130,786	\$163,929	\$184,003	\$184,003	\$184,003	\$1,038,446

10-Year Pro Forma without MUPTe

		Escalator	Year									
			1 (LEASE-UP)	2	3	4	5	6	7	8	9	10
			2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Revenue		3.0%	\$1,637,392	\$3,174,615	\$3,269,853	\$3,367,949	\$3,468,987	\$3,573,057	\$3,680,248	\$3,790,656	\$3,904,376	\$4,021,507
Vacancy loss	5.30%		(\$40,838)	(\$168,255)	(\$173,302)	(\$178,501)	(\$183,856)	(\$189,372)	(\$195,053)	(\$200,905)	(\$206,932)	(\$213,140)
Other Income												
Parking		3.0%	\$74,982	\$145,376	\$149,737	\$154,229	\$158,856	\$163,622	\$168,531	\$173,586	\$178,794	\$184,158
Storage		3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		3.0%	\$2,970	\$5,758	\$5,931	\$6,109	\$6,292	\$6,481	\$6,675	\$6,875	\$7,082	\$7,294
Other		3.0%	\$18,748	\$36,350	\$37,440	\$38,563	\$39,720	\$40,912	\$42,139	\$43,404	\$44,706	\$46,047
Utility Billback		3.0%	\$26,591	\$51,556	\$53,103	\$54,696	\$56,337	\$58,027	\$59,768	\$61,561	\$63,408	\$65,310
Effective Gross Income			\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses												
Expenses		3.0%	\$250,345	\$343,807	\$354,122	\$364,745	\$375,688	\$386,958	\$398,567	\$410,524	\$422,840	\$435,525
Management Fee	4.00%		\$68,794	\$129,816	\$133,710	\$137,722	\$141,853	\$146,109	\$150,492	\$155,007	\$159,657	\$164,447
Property Taxes												
Land		3.0%	\$42,586	\$58,484	\$60,239	\$62,046	\$63,907	\$65,825	\$67,799	\$69,833	\$71,928	\$74,086
Improvements		3.0%	\$302,455	\$415,372	\$427,833	\$440,668	\$453,888	\$467,505	\$481,530	\$495,976	\$510,855	\$526,181
Total Property Taxes			\$345,041	\$473,856	\$488,072	\$502,714	\$517,796	\$533,329	\$549,329	\$565,809	\$582,783	\$600,267
Reserve/Replacement		3.0%	\$17,219	\$23,647	\$24,356	\$25,087	\$25,840	\$26,615	\$27,413	\$28,236	\$29,083	\$29,955
Total Operating Expenses			\$681,399	\$971,127	\$1,000,260	\$1,030,268	\$1,061,176	\$1,093,011	\$1,125,802	\$1,159,576	\$1,194,363	\$1,230,194
<i>Expense % of EGI</i>			39.6%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%
Net Operating Income			\$1,038,446	\$2,274,273	\$2,342,502	\$2,412,777	\$2,485,160	\$2,559,715	\$2,636,506	\$2,715,601	\$2,797,069	\$2,880,981

ERD Parcel 9

ATTACHMENT M

10-Year Operating Pro Forma with MUPTE
Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	10	0	0	
Units Occupied		20	30	40	50	60	70	80	80	80	
Occupancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	100.0%	100.0%	100.0%	
with Vacancy		25.0%	37.5%	50.0%	62.5%	75.0%	87.5%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,211	\$96,317	\$128,423	\$160,529	\$192,634	\$224,740	\$256,846	\$256,846	\$256,846	\$1,637,392
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,613)	(\$13,613)	(\$13,613)	(\$40,838)
Other Income											
Parking		\$2,940	\$4,411	\$5,881	\$7,351	\$8,821	\$10,292	\$11,762	\$11,762	\$11,762	\$74,982
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$291	\$349	\$408	\$466	\$466	\$466	\$2,970
Other		\$735	\$1,103	\$1,470	\$1,838	\$2,206	\$2,573	\$2,941	\$2,941	\$2,941	\$18,748
Utility Billback		\$1,043	\$1,564	\$2,086	\$2,607	\$3,128	\$3,650	\$4,171	\$4,171	\$4,171	\$26,591
Effective Gross Income		\$69,046	\$103,570	\$138,093	\$172,616	\$207,139	\$241,662	\$262,573	\$262,573	\$262,573	\$1,719,845
Operating Expenses											
Expenses		\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$27,816	\$250,345
Management Fee	4.00%	\$2,762	\$4,143	\$5,524	\$6,905	\$8,286	\$9,666	\$10,503	\$10,503	\$10,503	\$68,794
Property Taxes											
Land		\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$42,586
Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes		\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$4,732	\$42,586
Reserve/Replacement		\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$1,913	\$17,219
Total Operating Expenses		\$37,223	\$38,604	\$39,985	\$41,366	\$42,747	\$44,128	\$44,964	\$44,964	\$44,964	\$378,943
Net Operating Income		\$31,824	\$64,966	\$98,108	\$131,250	\$164,393	\$197,535	\$217,609	\$217,609	\$217,609	\$1,340,902

10-Year Pro Forma with MUPTE

10-Year Pro Forma with MUPTÉ			Year										
			1 (LEASE-UP)	2	3	4	5	6	7	8	9	10	
Effective Gross Revenue	Escalator	5.30%	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	
			\$1,637,392	\$3,174,615	\$3,269,853	\$3,367,949	\$3,468,987	\$3,573,057	\$3,680,248	\$3,790,656	\$3,904,376	\$4,021,507	
			Vacancy loss	(\$40,838)	(\$168,255)	(\$173,302)	(\$178,501)	(\$183,856)	(\$189,372)	(\$195,053)	(\$200,905)	(\$206,932)	(\$213,140)
			Other Income										
			Parking	\$74,982	\$145,376	\$149,737	\$154,229	\$158,856	\$163,622	\$168,531	\$173,586	\$178,794	\$184,158
			Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			Deposit on Turnover	\$2,970	\$5,758	\$5,931	\$6,109	\$6,292	\$6,481	\$6,675	\$6,875	\$7,082	\$7,294
			Other	\$18,748	\$36,350	\$37,440	\$38,563	\$39,720	\$40,912	\$42,139	\$43,404	\$44,706	\$46,047
			Utility Billback	\$26,591	\$51,556	\$53,103	\$54,696	\$56,337	\$58,027	\$59,768	\$61,561	\$63,408	\$65,310
Effective Gross Income			\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176	
Operating Expenses													
Expenses	4.00%	3.0%	\$250,345	\$343,807	\$354,122	\$364,745	\$375,688	\$386,958	\$398,567	\$410,524	\$422,840	\$435,525	
			Management Fee	\$68,794	\$129,816	\$133,710	\$137,722	\$141,853	\$146,109	\$150,492	\$155,007	\$159,657	\$164,447
			Property Taxes										
			Land	\$42,586	\$58,484	\$60,239	\$62,046	\$63,907	\$65,825	\$67,799	\$69,833	\$71,928	\$74,086
			Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes			\$42,586	\$58,484	\$60,239	\$62,046	\$63,907	\$65,825	\$67,799	\$69,833	\$71,928	\$74,086	
Reserve/Replacement		3.0%	\$17,219	\$23,647	\$24,356	\$25,087	\$25,840	\$26,615	\$27,413	\$28,236	\$29,083	\$29,955	
Moderate-Income Housing Fee					\$37,516	\$37,516	\$37,516	\$37,516	\$37,516	\$37,516	\$37,516	\$37,516	
Total Operating Expenses			\$378,943	\$555,755	\$609,944	\$627,116	\$644,804	\$663,023	\$681,788	\$701,116	\$721,024	\$741,530	
Expense % of EGI			22.0%	17.1%	18.2%	18.2%	18.2%	18.2%	18.1%	18.1%	18.1%	18.0%	
Net Operating Income			\$1,340,902	\$2,689,645	\$2,732,818	\$2,815,928	\$2,901,532	\$2,989,703	\$3,080,520	\$3,174,061	\$3,270,408	\$3,369,646	

ATTACHMENT M

Return on Cost ROC without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,753,186	\$2,208,032
Total Project Cost	\$48,367,094	\$48,367,094
Return on Cost	3.62%	4.57%

Debt Yield Debt Yield without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,753,186	\$2,208,032
Total Loan Amount (50.0% LTC)	\$24,184,000	\$24,184,000
Debt Yield	7.25%	9.13%

ROC with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,101,054	\$2,611,306
Total Project Cost	\$48,367,094	\$48,367,094
Return on Cost	4.34%	5.40%

Debt Yield with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,101,054	\$2,611,306
Total Loan Amount (50.0% LTC)	\$24,184,000	\$24,184,000
Debt Yield	8.69%	10.80%

ERD Parcel 9
Debt Service

ATTACHMENT M

Debt Calculation	12 Pmts/Yr
Loan Amount	\$24,184,000
Interest Rate	5.25%
Amortization	30
Annual Debt Service	\$1,602,539

Debt Service without MUPTE		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income		\$1,038,446	\$2,274,273	\$2,342,502	\$2,412,777	\$2,485,160	\$2,559,715	\$2,636,506	\$2,715,601	\$2,797,069	\$2,880,981
Construction Loan Interest	6.11%	\$1,108,232									
Permanent Loan Debt Service		\$0	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Debt Service Coverage Ratio (DSCR)			1.42	1.46	1.51	1.55	1.60	1.65	1.70	1.75	1.80
Before Tax Cash Flow		(\$69,785)	\$671,734	\$739,962	\$810,237	\$882,621	\$957,175	\$1,033,967	\$1,113,062	\$1,194,530	\$1,278,442

Debt Service with MUPTE		Year									
		1	2	3	4	5	6	7	8	9	10
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income		\$1,340,902	\$2,689,645	\$2,732,818	\$2,815,928	\$2,901,532	\$2,989,703	\$3,080,520	\$3,174,061	\$3,270,408	\$3,369,646
Construction Loan Interest	6.11%	\$1,108,232	\$0								
Permanent Loan Debt Service		\$0	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Debt Service Coverage Ratio (DSCR)			1.68	1.71	1.76	1.81	1.87	1.92	1.98	2.04	2.10
Before Tax Cash Flow		\$232,670	\$1,087,106	\$1,130,279	\$1,213,389	\$1,298,992	\$1,387,164	\$1,477,980	\$1,571,521	\$1,667,869	\$1,767,107

ERD Parcel 9

Projected 10-Year Cash-on-Cash Rate of Return Analysis

ATTACHMENT M

Cash-on-Cash Return without MUPT

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses	\$681,399	\$971,127	\$1,000,260	\$1,030,268	\$1,061,176	\$1,093,011	\$1,125,802	\$1,159,576	\$1,194,363	\$1,230,194
Net Operating Income	\$1,038,446	\$2,274,273	\$2,342,502	\$2,412,777	\$2,485,160	\$2,559,715	\$2,636,506	\$2,715,601	\$2,797,069	\$2,880,981
Debt Service	\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Cash Flow	(\$69,785)	\$671,734	\$739,962	\$810,237	\$882,621	\$957,175	\$1,033,967	\$1,113,062	\$1,194,530	\$1,278,442
Cash-on-Cash Return	Equity: \$24,183,094	-0.29%	2.78%	3.06%	3.35%	3.65%	3.96%	4.28%	4.60%	5.29%

Discount Rate	5.0%	\$6,612,343
Annualized	10	\$661,234
Cash-on-Cash Return	Equity: \$24,183,094	2.73%

Cash-on-Cash Return with MUPT

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses	\$378,943	\$555,755	\$609,944	\$627,116	\$644,804	\$663,023	\$681,788	\$701,116	\$721,024	\$741,530
Net Operating Income	\$1,340,902	\$2,689,645	\$2,732,818	\$2,815,928	\$2,901,532	\$2,989,703	\$3,080,520	\$3,174,061	\$3,270,408	\$3,369,646
Debt Service	\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Cash Flow	\$232,670	\$1,087,106	\$1,130,279	\$1,213,389	\$1,298,992	\$1,387,164	\$1,477,980	\$1,571,521	\$1,667,869	\$1,767,107
Cash-on-Cash Return	Equity: \$24,183,094	0.96%	4.50%	4.67%	5.02%	5.37%	5.74%	6.11%	6.50%	6.90%

Discount Rate	5.0%	\$9,984,654
Annualized	10	\$998,465
Cash-on-Cash Return	Equity: \$24,183,094	4.13%

ERD Parcel 9

Projected 10-Year Cash-on-Cash Rate of Return Analysis, with Townhome Land Sale

ATTACHMENT M

Cash-on-Cash Return without MUPTE	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses	\$681,399	\$971,127	\$1,000,260	\$1,030,268	\$1,061,176	\$1,093,011	\$1,125,802	\$1,159,576	\$1,194,363	\$1,230,194
Net Operating Income	\$1,038,446	\$2,274,273	\$2,342,502	\$2,412,777	\$2,485,160	\$2,559,715	\$2,636,506	\$2,715,601	\$2,797,069	\$2,880,981
Debt Service	\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	(\$69,785)	\$671,734	\$739,962	\$810,237	\$882,621	\$957,175	\$1,033,967	\$1,113,062	\$2,194,530	\$1,278,442
Cash-on-Cash Return Equity: \$24,183,094	-0.29%	2.78%	3.06%	3.35%	3.65%	3.96%	4.28%	4.60%	9.07%	5.29%

Discount Rate	5.0%	\$7,289,183
Annualized	10	\$728,918
Cash-on-Cash Return Equity: \$24,183,094		3.01%

Cash-on-Cash Return with MUPTE	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,719,845	\$3,245,400	\$3,342,762	\$3,443,045	\$3,546,336	\$3,652,726	\$3,762,308	\$3,875,177	\$3,991,433	\$4,111,176
Operating Expenses	\$378,943	\$555,755	\$609,944	\$627,116	\$644,804	\$663,023	\$681,788	\$701,116	\$721,024	\$741,530
Net Operating Income	\$1,340,902	\$2,689,645	\$2,732,818	\$2,815,928	\$2,901,532	\$2,989,703	\$3,080,520	\$3,174,061	\$3,270,408	\$3,369,646
Debt Service	\$1,108,232	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539	\$1,602,539
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	\$232,670	\$1,087,106	\$1,130,279	\$1,213,389	\$1,298,992	\$1,387,164	\$1,477,980	\$1,571,521	\$2,667,869	\$1,767,107
Cash-on-Cash Return Equity: \$24,183,094	0.96%	4.50%	4.67%	5.02%	5.37%	5.74%	6.11%	6.50%	11.03%	7.31%

Discount Rate	5.0%	\$10,661,494
Annualized	10	\$1,066,149
Cash-on-Cash Return Equity: \$24,183,094		4.41%

ATTACHMENT M

Return on Cost ROC without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,753,186	\$2,208,032
Total Project Cost	\$48,367,094	\$48,367,094
Return on Cost	3.62%	4.57%

Debt Yield Debt Yield without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,753,186	\$2,208,032
Total Loan Amount (00.0% LTC)	\$24,184,000	\$24,184,000
Debt Yield	7.25%	9.13%

ROC with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,101,054	\$2,611,306
Total Project Cost	\$48,367,094	\$48,367,094
Return on Cost	4.34%	5.40%

Debt Yield with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,101,054	\$2,611,306
Total Loan Amount (00.0% LTC)	\$24,184,000	\$24,184,000
Debt Yield	8.69%	10.80%

Parcel 10A

Applicant's Revised Financial Information Sheets

Submitted 11/26/24

Financial Information
Eugene Riverfront District
ERD Parcel 10

Unit Mix	Avg SF Per Unit	Unit Count	Monthly		2024 Annual
			Avg Rent	Rent/SF	
Average/Total	936	76	\$ 2,619	\$ 2.80	\$ 2,388,480
Studio	485	12	\$ 1,529	\$ 3.15	\$ 220,176
1 Bedroom	684	20	\$ 2,055	\$ 3.00	\$ 493,200
2 Bedroom 1 Bath	991	4	\$ 2,666	\$ 2.69	\$ 127,968
2 Bedroom	1,166	16	\$ 3,173	\$ 2.72	\$ 609,216
2 Bedroom + Den	1,210	24	\$ 3,257	\$ 2.70	\$ 937,920

ATTACHMENT M

Without MUPTE

Revenue

	Number Of Units	Avg Unit SF	Avg Rent Per SF	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Total Units	76	936	\$2.80	\$ 2,388,480	4.641%	\$ 2,951,651
Vacancy loss		5.30%		(\$126,589)		(\$156,438)
Other Income						
Parking	84	\$107.14	/Stall/Mo.	\$108,000	3.100%	\$ 124,537
Storage	0	\$0	/Unit/Mo.	\$0	3.100%	\$ -
Deposit on Turnover				\$4,606	3.100%	\$ 5,311
Other				\$30,275	3.100%	\$ 34,910
Utility Billback			95.00%	\$41,425		\$ 47,552
Effective Gross Income				\$ 2,446,196		\$ 3,007,523

Operating Expenses

	PUPM	PUPY	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Payroll	\$142.92	\$1,715	\$130,341	3.0%	\$ 149,620
Administration	\$9.67	\$116	\$8,822	3.0%	\$ 10,127
Advertising/Marketing	\$32.36	\$388	\$29,513	3.0%	\$ 33,878
Repairs/Maintenance	\$11.93	\$143	\$10,880	3.0%	\$ 12,489
Turnover	\$6.41	\$77	\$5,849	3.0%	\$ 6,714
Utilities	\$47.81	\$574	\$43,605	3.0%	\$ 50,054
Contracted Services	\$20.15	\$242	\$18,375	3.0%	\$ 21,092
Insurance (prop + excess)	\$31.65	\$380	\$28,861	3.0%	\$ 33,129
Property Taxes	\$417.35	\$5,008	\$380,624	3.0%	\$ 441,247
Management Fee	4.0%	\$107.29	\$1,287		\$120,301
Reserve/Replacement	\$20.83	\$250	\$19,000	3.0%	\$ 21,810
Total Expenses	\$848.37	\$10,180	\$773,716		\$900,462

Net Operating Income			\$1,672,479		\$2,107,061
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With MUPTE

Revenue

	Number Of Units	Avg Unit SF	Avg Rent Per SF	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Total Units	76	936	\$2.80	\$ 2,388,480	4.6%	\$ 2,951,651
Vacancy loss		5.30%		(\$126,589)		(\$156,438)
Other Income						
Parking	84	\$107.14	/Stall/Mo.	\$108,000	3.1%	\$ 124,537
Storage	0	\$0	/Unit/Mo.	\$0	3.1%	\$ -
Deposit on Turnover				\$4,606	3.1%	\$ 5,311
Other				\$30,275	3.1%	\$ 34,910
Utility Billback			95.00%	\$41,425		\$ 47,552
Effective Gross Income				\$ 2,446,196		\$ 3,007,523

Operating Expenses

	PUPM	PUPY	Aug-2024 Annualized	Annual Escalator	Apr-2029 Annualized
Payroll	\$142.92	\$1,715	\$130,341	3.0%	\$ 149,620
Administration	\$9.67	\$116	\$8,822	3.0%	\$ 10,127
Advertising/Marketing	\$32.36	\$388	\$29,513	3.0%	\$ 33,878
Repairs/Maintenance	\$11.93	\$143	\$10,880	3.0%	\$ 12,489
Turnover	\$6.41	\$77	\$5,849	3.0%	\$ 6,714
Utilities	\$47.81	\$574	\$43,605	3.0%	\$ 50,054
Contracted Services	\$20.15	\$242	\$18,375	3.0%	\$ 21,092
Insurance (prop + excess)	\$31.65	\$380	\$28,861	3.0%	\$ 33,129
Property Taxes	\$51.10	\$613	\$46,605	3.0%	\$ 54,028
Management Fee	4.0%	\$107.29	\$1,287		\$120,301
Reserve/Replacement	\$20.83	\$250	\$19,000	3.0%	\$ 21,810
Total Expen	17.97%	\$482.12	\$5,785		\$513,243

Net Operating Income			\$2,006,498		\$2,494,280
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ERD Parcel 10

ATTACHMENT M

Lease Up Year Pro Forma without MUPTe

Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	6	0	0	
Units Occupied		20	30	40	50	60	70	76	76	76	
Occupancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	100.0%	100.0%	100.0%	
with Vacancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,729	\$97,094	\$129,458	\$161,823	\$194,188	\$226,552	\$245,971	\$245,971	\$245,971	\$1,611,757
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,036)	(\$13,036)	(\$13,036)	(\$39,109)
Other Income											
Parking		\$2,731	\$4,097	\$5,462	\$6,828	\$8,193	\$9,559	\$10,378	\$10,378	\$10,378	\$68,004
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$291	\$349	\$408	\$443	\$443	\$443	\$2,900
Other		\$766	\$1,148	\$1,531	\$1,914	\$2,297	\$2,680	\$2,909	\$2,909	\$2,909	\$19,063
Utility Billback		\$1,043	\$1,564	\$2,086	\$2,607	\$3,128	\$3,650	\$3,963	\$3,963	\$3,963	\$25,966
Effective Gross Income		\$69,385	\$104,078	\$138,770	\$173,463	\$208,155	\$242,848	\$250,627	\$250,627	\$250,627	\$1,688,580
Operating Expenses											
Expenses		\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$237,828
Management Fee	4.00%	\$2,775	\$4,163	\$5,551	\$6,939	\$8,326	\$9,714	\$10,025	\$10,025	\$10,025	\$67,543
Property Taxes											
Land		\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$40,521
Improvements		\$32,268	\$32,268	\$32,268	\$32,268	\$32,268	\$32,268	\$32,268	\$32,268	\$32,268	\$290,415
Total Property Taxes		\$36,771	\$36,771	\$36,771	\$36,771	\$36,771	\$36,771	\$36,771	\$36,771	\$36,771	\$330,935
Reserve/Replacement		\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$16,358
Total Operating Expenses		\$67,789	\$69,177	\$70,564	\$71,952	\$73,340	\$74,727	\$75,039	\$75,039	\$75,039	\$652,664
Net Operating Income		\$1,596	\$34,901	\$68,206	\$101,511	\$134,816	\$168,121	\$175,588	\$175,588	\$175,588	\$1,035,916

10-Year Pro Forma without MUPTe

		Escalator	Year									
			1 (LEASE-UP)	2	3	4	5	6	7	8	9	10
			2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Revenue		3.0%	\$1,611,757	\$3,040,201	\$3,131,407	\$3,225,349	\$3,322,109	\$3,421,773	\$3,524,426	\$3,630,159	\$3,739,063	\$3,851,235
Vacancy loss	5.30%		(\$39,109)	(\$161,131)	(\$165,965)	(\$170,943)	(\$176,072)	(\$181,354)	(\$186,795)	(\$192,398)	(\$198,170)	(\$204,115)
Other Income												
Parking		3.0%	\$68,004	\$128,273	\$132,121	\$136,085	\$140,167	\$144,372	\$148,703	\$153,164	\$157,759	\$162,492
Storage		3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		3.0%	\$2,900	\$5,470	\$5,634	\$5,803	\$5,977	\$6,157	\$6,341	\$6,532	\$6,728	\$6,929
Other		3.0%	\$19,063	\$35,958	\$37,036	\$38,147	\$39,292	\$40,471	\$41,685	\$42,935	\$44,223	\$45,550
Utility Billback		3.0%	\$25,966	\$48,978	\$50,448	\$51,961	\$53,520	\$55,126	\$56,779	\$58,483	\$60,237	\$62,044
Effective Gross Income			\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses												
Expenses		3.0%	\$237,828	\$326,617	\$336,415	\$346,508	\$356,903	\$367,610	\$378,639	\$389,998	\$401,698	\$413,749
Management Fee	4.00%		\$67,543	\$123,910	\$127,627	\$131,456	\$135,400	\$139,462	\$143,646	\$147,955	\$152,394	\$156,965
Property Taxes												
Land		3.0%	\$40,521	\$55,649	\$57,318	\$59,038	\$60,809	\$62,633	\$64,512	\$66,447	\$68,441	\$70,494
Improvements		3.0%	\$290,415	\$398,836	\$410,801	\$423,125	\$435,819	\$448,893	\$462,360	\$476,231	\$490,518	\$505,233
Total Property Taxes			\$330,935	\$454,485	\$468,119	\$482,163	\$496,627	\$511,526	\$526,872	\$542,678	\$558,959	\$575,727
Reserve/Replacement		3.0%	\$16,358	\$22,465	\$23,138	\$23,833	\$24,548	\$25,284	\$26,043	\$26,824	\$27,629	\$28,457
Total Operating Expenses			\$652,664	\$927,476	\$955,300	\$983,959	\$1,013,478	\$1,043,882	\$1,075,199	\$1,107,455	\$1,140,678	\$1,174,899
<i>Expense % of EGI</i>			38.7%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%	29.9%
Net Operating Income			\$1,035,916	\$2,170,273	\$2,235,381	\$2,302,442	\$2,371,516	\$2,442,661	\$2,515,941	\$2,591,419	\$2,669,162	\$2,749,237

ERD Parcel 10

ATTACHMENT M

10-Year Operating Pro Forma with MUPTE
Lease-up Year

		Month									Annual Total
		1	2	3	4	5	6	7	8	9	
		Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	
Units Leases		20	10	10	10	10	10	6	0	0	
Units Occupied		20	30	40	50	60	70	76	76	76	
Occupancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	100.0%	100.0%	100.0%	
with Vacancy		26.3%	39.5%	52.6%	65.8%	78.9%	92.1%	94.7%	94.7%	94.7%	
Effective Gross Revenue		\$64,729	\$97,094	\$129,458	\$161,823	\$194,188	\$226,552	\$245,971	\$245,971	\$245,971	\$1,611,757
Vacancy loss	5.30%	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,036)	(\$13,036)	(\$13,036)	(\$39,109)
Other Income											
Parking		\$2,731	\$4,097	\$5,462	\$6,828	\$8,193	\$9,559	\$10,378	\$10,378	\$10,378	\$68,004
Storage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		\$116	\$175	\$233	\$291	\$349	\$408	\$443	\$443	\$443	\$2,900
Other		\$766	\$1,148	\$1,531	\$1,914	\$2,297	\$2,680	\$2,909	\$2,909	\$2,909	\$19,063
Utility Billback		\$1,043	\$1,564	\$2,086	\$2,607	\$3,128	\$3,650	\$3,963	\$3,963	\$3,963	\$25,966
Effective Gross Income		\$69,385	\$104,078	\$138,770	\$173,463	\$208,155	\$242,848	\$250,627	\$250,627	\$250,627	\$1,688,580
Operating Expenses											
Expenses		\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$26,425	\$237,828
Management Fee	4.00%	\$2,775	\$4,163	\$5,551	\$6,939	\$8,326	\$9,714	\$10,025	\$10,025	\$10,025	\$67,543
Property Taxes											
Land		\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$40,521
Improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes		\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$4,502	\$40,521
Reserve/Replacement		\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$1,818	\$16,358
Total Operating Expenses		\$35,521	\$36,908	\$38,296	\$39,684	\$41,071	\$42,459	\$42,770	\$42,770	\$42,770	\$362,250
Net Operating Income		\$33,865	\$67,169	\$100,474	\$133,779	\$167,084	\$200,389	\$207,857	\$207,857	\$207,857	\$1,326,330

10-Year Pro Forma with MUPTE

		Escalator	Year									
			1 (LEASE-UP)	2	3	4	5	6	7	8	9	10
			2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Revenue		3.0%	\$1,611,757	\$3,040,201	\$3,131,407	\$3,225,349	\$3,322,109	\$3,421,773	\$3,524,426	\$3,630,159	\$3,739,063	\$3,851,235
Vacancy loss	5.30%		(\$39,109)	(\$161,131)	(\$165,965)	(\$170,943)	(\$176,072)	(\$181,354)	(\$186,795)	(\$192,398)	(\$198,170)	(\$204,115)
Other Income												
Parking		3.0%	\$68,004	\$128,273	\$132,121	\$136,085	\$140,167	\$144,372	\$148,703	\$153,164	\$157,759	\$162,492
Storage		3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deposit on Turnover		3.0%	\$2,900	\$5,470	\$5,634	\$5,803	\$5,977	\$6,157	\$6,341	\$6,532	\$6,728	\$6,929
Other		3.0%	\$19,063	\$35,958	\$37,036	\$38,147	\$39,292	\$40,471	\$41,685	\$42,935	\$44,223	\$45,550
Utility Billback		3.0%	\$25,966	\$48,978	\$50,448	\$51,961	\$53,520	\$55,126	\$56,779	\$58,483	\$60,237	\$62,044
Effective Gross Income			\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses												
Expenses		3.0%	\$237,828	\$326,617	\$336,415	\$346,508	\$356,903	\$367,610	\$378,639	\$389,998	\$401,698	\$413,749
Management Fee	4.00%		\$67,543	\$123,910	\$127,627	\$131,456	\$135,400	\$139,462	\$143,646	\$147,955	\$152,394	\$156,965
Property Taxes												
Land		3.0%	\$40,521	\$55,649	\$57,318	\$59,038	\$60,809	\$62,633	\$64,512	\$66,447	\$68,441	\$70,494
Improvements		3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Property Taxes			\$40,521	\$55,649	\$57,318	\$59,038	\$60,809	\$62,633	\$64,512	\$66,447	\$68,441	\$70,494
Reserve/Replacement		3.0%	\$16,358	\$22,465	\$23,138	\$23,833	\$24,548	\$25,284	\$26,043	\$26,824	\$27,629	\$28,457
Moderate-Income Housing Fee					\$35,879	\$35,879	\$35,879	\$35,879	\$35,879	\$35,879	\$35,879	\$35,879
Total Operating Expenses			\$362,250	\$528,640	\$580,378	\$596,713	\$613,538	\$630,868	\$648,718	\$667,103	\$686,040	\$705,545
<i>Expense % of EGI</i>			21.5%	17.1%	18.2%	18.2%	18.1%	18.1%	18.1%	18.0%	18.0%	18.0%
Net Operating Income			\$1,326,330	\$2,569,109	\$2,610,303	\$2,689,688	\$2,771,455	\$2,855,675	\$2,942,422	\$3,031,771	\$3,123,801	\$3,218,591

ATTACHMENT M

Return on Cost ROC without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,672,479	\$2,107,061
Total Project Cost	\$46,389,792	\$46,389,792
Return on Cost	3.61%	4.54%

Debt Yield Debt Yield without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,672,479	\$2,107,061
Total Loan Amount (50.0% LTC)	\$23,195,000	\$23,195,000
Debt Yield	7.21%	9.08%

ROC with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,006,498	\$2,494,280
Total Project Cost	\$46,389,792	\$46,389,792
Return on Cost	4.33%	5.38%

Debt Yield with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,006,498	\$2,494,280
Total Loan Amount (50.0% LTC)	\$23,195,000	\$23,195,000
Debt Yield	8.65%	10.75%

ERD Parcel 10
Debt Service

ATTACHMENT M

Debt Calculation

Loan Amount	\$23,195,000
Interest Rate	5.25%
Amortization	30
Annual Debt Service	\$1,537,004

Debt Service without MUPTE

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income	\$1,035,916	\$2,170,273	\$2,235,381	\$2,302,442	\$2,371,516	\$2,442,661	\$2,515,941	\$2,591,419	\$2,669,162	\$2,749,237
Construction Loan Interest 6.11%	\$1,062,911									
Permanent Loan Debt Service	\$0	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Debt Service Coverage Ratio (DSCR)		1.41	1.45	1.50	1.54	1.59	1.64	1.69	1.74	1.79
Before Tax Cash Flow	(\$26,995)	\$633,269	\$698,377	\$765,439	\$834,512	\$905,657	\$978,937	\$1,054,416	\$1,132,158	\$1,212,233

Debt Service with MUPTE

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Operating Income	\$1,326,330	\$2,569,109	\$2,610,303	\$2,689,688	\$2,771,455	\$2,855,675	\$2,942,422	\$3,031,771	\$3,123,801	\$3,218,591
Construction Loan Interest 6.11%	\$1,062,911	\$0								
Permanent Loan Debt Service	\$0	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Debt Service Coverage Ratio (DSCR)		1.67	1.70	1.75	1.80	1.86	1.91	1.97	2.03	2.09
Before Tax Cash Flow	\$263,419	\$1,032,105	\$1,073,299	\$1,152,685	\$1,234,452	\$1,318,672	\$1,405,418	\$1,494,767	\$1,586,797	\$1,681,587

ERD Parcel 10
Projected 10-Year Cash-on-Cash Rate of Return Analysis
ATTACHMENT M
Cash-on-Cash Return without MUPT

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses	\$652,664	\$927,476	\$955,300	\$983,959	\$1,013,478	\$1,043,882	\$1,075,199	\$1,107,455	\$1,140,678	\$1,174,899
Net Operating Income	\$1,035,916	\$2,170,273	\$2,235,381	\$2,302,442	\$2,371,516	\$2,442,661	\$2,515,941	\$2,591,419	\$2,669,162	\$2,749,237
Debt Service	\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Cash Flow	(\$26,995)	\$633,269	\$698,377	\$765,439	\$834,512	\$905,657	\$978,937	\$1,054,416	\$1,132,158	\$1,212,233
Cash-on-Cash Return Equity: \$23,194,792	-0.12%	2.73%	3.01%	3.30%	3.60%	3.90%	4.22%	4.55%	4.88%	5.23%

Discount Rate	5.0%	\$6,294,500
Annualized	10	\$629,450
Cash-on-Cash Return Equity: \$23,194,792		2.71%

Cash-on-Cash Return with MUPT

	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses	\$362,250	\$528,640	\$580,378	\$596,713	\$613,538	\$630,868	\$648,718	\$667,103	\$686,040	\$705,545
Net Operating Income	\$1,326,330	\$2,569,109	\$2,610,303	\$2,689,688	\$2,771,455	\$2,855,675	\$2,942,422	\$3,031,771	\$3,123,801	\$3,218,591
Debt Service	\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Cash Flow	\$263,419	\$1,032,105	\$1,073,299	\$1,152,685	\$1,234,452	\$1,318,672	\$1,405,418	\$1,494,767	\$1,586,797	\$1,681,587
Cash-on-Cash Return Equity: \$23,194,792	1.14%	4.45%	4.63%	4.97%	5.32%	5.69%	6.06%	6.44%	6.84%	7.25%

Discount Rate	5.0%	\$9,533,443
Annualized	10	\$953,344
Cash-on-Cash Return Equity: \$23,194,792		4.11%

ERD Parcel 10

Projected 10-Year Cash-on-Cash Rate of Return Analysis, with Townhome Land Sale

ATTACHMENT M

Cash-on-Cash Return without MUPTE	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses	\$652,664	\$927,476	\$955,300	\$983,959	\$1,013,478	\$1,043,882	\$1,075,199	\$1,107,455	\$1,140,678	\$1,174,899
Net Operating Income	\$1,035,916	\$2,170,273	\$2,235,381	\$2,302,442	\$2,371,516	\$2,442,661	\$2,515,941	\$2,591,419	\$2,669,162	\$2,749,237
Debt Service	\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	(\$26,995)	\$633,269	\$698,377	\$765,439	\$834,512	\$905,657	\$978,937	\$1,054,416	\$2,132,158	\$1,212,233
Cash-on-Cash Return Equity: \$23,194,792	-0.12%	2.73%	3.01%	3.30%	3.60%	3.90%	4.22%	4.55%	9.19%	5.23%

Discount Rate	5.0%	\$6,971,339
Annualized	10	\$697,134
Cash-on-Cash Return Equity: \$23,194,792		3.01%

Cash-on-Cash Return with MUPTE	Year									
	1	2	3	4	5	6	7	8	9	10
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Effective Gross Income	\$1,688,580	\$3,097,749	\$3,190,681	\$3,286,402	\$3,384,994	\$3,486,544	\$3,591,140	\$3,698,874	\$3,809,840	\$3,924,136
Operating Expenses	\$362,250	\$528,640	\$580,378	\$596,713	\$613,538	\$630,868	\$648,718	\$667,103	\$686,040	\$705,545
Net Operating Income	\$1,326,330	\$2,569,109	\$2,610,303	\$2,689,688	\$2,771,455	\$2,855,675	\$2,942,422	\$3,031,771	\$3,123,801	\$3,218,591
Debt Service	\$1,062,911	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004	\$1,537,004
Sale of Townhome Portion of Parcel									\$1,000,000	
Cash Flow	\$263,419	\$1,032,105	\$1,073,299	\$1,152,685	\$1,234,452	\$1,318,672	\$1,405,418	\$1,494,767	\$2,586,797	\$1,681,587
Cash-on-Cash Return Equity: \$23,194,792	1.14%	4.45%	4.63%	4.97%	5.32%	5.69%	6.06%	6.44%	11.15%	7.25%

Discount Rate	5.0%	\$10,210,283
Annualized	10	\$1,021,028
Cash-on-Cash Return Equity: \$23,194,792		4.40%

ATTACHMENT M

Return on Cost ROC without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,672,479	\$2,107,061
Total Project Cost	\$46,389,792	\$46,389,792
Return on Cost	3.61%	4.54%

Debt Yield Debt Yield without MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$1,672,479	\$2,107,061
Total Loan Amount (00.0% LTC)	\$23,195,000	\$23,195,000
Debt Yield	7.21%	9.08%

ROC with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,006,498	\$2,494,280
Total Project Cost	\$46,389,792	\$46,389,792
Return on Cost	4.33%	5.38%

Debt Yield with MUPTE

	Untrended 2024	Stabilized 2029
Net Operating Income	\$2,006,498	\$2,494,280
Total Loan Amount (00.0% LTC)	\$23,195,000	\$23,195,000
Debt Yield	8.65%	10.75%