



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

April 16, 2025

12:00 p.m. CITY COUNCIL WORK SESSION

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

Meeting of April 16, 2025; Her Honor Mayor Kaarin Knudson Presiding

Councilors

Greg Evans, President
Alan Zelenka
Randy Groves
Matt Keating

Lyndsie Leech, Vice President
Jennifer Yeh
Mike Clark
Eliza Kashinsky

12:00 p.m. CITY COUNCIL WORK SESSION

- 1. WORK SESSION and POSSIBLE ACTION: MUPTE Application - Station House**
- 2. WORK SESSION: Review of 2024 Implementation of Bond Measure to Fix Streets and Pavement Management Report**

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

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

For more information, contact the Council Coordinator at 541-682-5010,
or visit us online at www.eugene-or.gov.

April 16, 2025 Work Session

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session and Possible Action: MUPTE Application - Station House

Meeting Date: April 16, 2025
Department: Planning and Development
www.eugene-or.gov

Agenda Item: 2
Staff Contact: Dylan Huber-Heidorn
Contact Telephone Number: 541-682-5475

ISSUE STATEMENT

City Council is asked to consider a request for a Multiple-Unit Property Tax Exemption (MUPTE) for the Station House development on 5th Avenue at Oak Street. (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 and transient housing are 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. 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 MUPTE program criteria, process, and boundary. See Attachment C for a summary of the program.

Project Overview

The City received the complete Station House MUPTE application on November 13, 2024, from Obie Companies Inc. ("Obie Co."). The development site currently includes a large surface parking lot, a vacant retail building (formerly occupied by Buffalo Exchange and will be demolished) and the railway station annex building (which will remain). The development team proposes a six-story, mixed-use multi-unit housing and commercial development on 5th Avenue, on the north side of the intersection with Oak Street. The proposed project includes 163,000 square feet of total space and 124 residential units (41 studio, 71 one-bedroom, and 12 two-bedroom units). On the ground floor along 5th Avenue, the building would front the street with over 7,100 square feet of retail commercial space; the applicant has requested that MUPTE be applied to commercial portions of the building. Behind the proposed building, an attached two-level parking structure would provide parking for commercial visitors on the ground floor and residential tenants on the upper floor. See Attachment D for the MUPTE application, which is also publicly available at www.eugene-or.gov/MUPTE.

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 the project and its compliance with the required public benefits; the report is included as Exhibit A to the resolution in Attachment B. Below is a summary of the project's compliance with the MUPTE program requirements and public benefit criteria.

- *General Eligibility.* The project is located within the MUPTE boundary. The project is not 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 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 proposed project meets the minimum density required by the MUPTE program. The program requires that projects must reach at least 175 percent of the minimum density applicable to the property's zoning designation. The property is zoned as C-2 Community Commercial with Residential Density and Transit Oriented Development overlay zones with a small area zoned C-3 Major Commercial. The Residential Density overlay imposes a minimum density of 20 dwelling units per acre with no maximum density. The proposed project includes 124 dwelling units on the 2.15-acre site (57 units/acre).
- *Green Building Features.* The project will utilize the City of Eugene Building and Permit Services pathway to demonstrate that it will perform at least ten percent more efficiently than the Oregon Energy Efficiency Specialty Code. If Council approves the 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.* The development team proposes a plan for an estimated 75 percent of the project's dollar volume of professional services and construction contracts to be local to Lane County. The general contractor is Essex Construction. The development team and their contractor 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 team 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 the job site during construction of the project; and d) after construction, provide a report of the home city or zip code of all construction labor workers.

- *Moderate-Income Housing Contribution.* The project will pay a fee dedicated to moderate-income housing, satisfying the requirement of the MUPTE program. The fee will be 10 percent of the total 10-year exemption benefit, or an estimated \$876,000. The fee is intended to help support moderate-income housing projects in the community.
- *Project Design and Compatibility.* The project will address basic design concepts in the context of the project location and will be designed and permitted for construction as shown in the resolution (should City Council approve the MUPTE). The basic design concepts include 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. See the Design Changes section below for details regarding compliance with these criteria.

The project builds on the design foundation of the Market District, providing a major visual anchor at the north end of Oak Street and contributing to 5th Avenue's commercial vitality. The design is intended to harmonize with the scale, form, and quality of onsite and adjacent development. It meets the design intent of designing for human scale, is appropriate for the local climate and natural resiliency, promotes transparency between the sidewalk and interior spaces, helps define a sense of place, fits the neighborhood, and employs high-quality materials.

The building places parking areas at the back of the building, away from public view, and includes parking accommodations for both commercial customers and residential tenants in a two-story parking structure.

- *Historic and Existing Housing Sensitivity.* The project is directly adjacent to two designated historic locales: the Oregon Electric Station and the Southern Pacific Passenger Depot. Per a concept plan reviewed by the Planning and Development Department staff, the project is determined to preserve and enhance existing historic locales and includes no direct structural impacts to any 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.
- *Project Need.* PNW Economics, an independent real estate economics firm, provided an evaluation of the 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 the project would not be viable without the availability of the exemption and that MUPTE is critical to the success of the project from a financial feasibility perspective. The consultant found the applicant's assumptions to be reasonable overall. The only significant change made in PNW's analysis was to adjust rents slightly downward to better match actual rents at comparable projects. See Attachment G for PNW Economics' analyses, including a preliminary review and an updated review for the applicant's revised financial 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 E for the member list.

The Review Panel concluded the project meets the required public benefit criteria and recommended a ten-year exemption for residential and commercial improvements and parking improvements dedicated to residential tenants.

The Review Panel considered the application—including compliance with program criteria and the independent consultant's financial review—during three meetings held on January 10, January 29, and March 14, 2025. After their first meeting, the Review Panel asked for additional information from the applicant, which is included in Attachment H. At their second meeting, on January 29, based on the initial financial information contained in the MUPTE application and the financial consultant's review of that information, the Review Panel voted (six in favor; none opposed) to recommend to the City Manager that the proposed project receive a seven-year tax exemption.

The applicant was informed of the recommendation and subsequently submitted updated financial details for the project, stating that changing economic conditions since the application was submitted in November have impacted the project's financial feasibility. Key changes included a higher interest rate for construction financing and increased construction costs, including higher material pricing and the costs associated with the improved building design. See Attachment I for the revised financial information.

Staff provided the updated financial information to the third-party financial consultant, PNW Economics, who provided an updated evaluation. The Panel considered the updated application details and evaluation at their third meeting, on March 14; concluded the project meets the required public benefit criteria; and recommended a ten-year exemption for residential and commercial improvements including parking improvements dedicated to residential tenants. Attachment F contains the Review Panel's preliminary and final conclusions and their recommendation to the City Manager.

Along with the updated financial information, the applicant provided revised building designs in February. The Panel's preliminary January conclusions included a recommendation related to the Design and Compatibility criteria which is no longer relevant. The revised building designs address the Review Panel's concerns. The updated design drawings (attached as Exhibit B to the resolution in Attachment B) have been fully reviewed by the Review Panel and staff, and they are the basis for the Planning and Development Director's Report and Recommendation as well as the City Manager's recommendation.

Exemption for Commercial Areas

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. The proposed commercial space along 5th Avenue will bring activity to a downtown Great Street and engage the building with the public realm. The parking area dedicated to commercial customers and other non-resident visitors, however, does not accomplish those goals and does not contribute to the core MUPTE goal of incentivizing housing. The recommendations of the City Manager, Planning and Development Director, and MUPTE Review Panel include applying the tax exemption for the roughly 7,100 square feet of commercial storefront space but not for parking areas that do not serve residential tenants.

Tax Impact

The property generated roughly \$58,500 in tax revenue in 2024, mostly stemming from the value of the land. The land will continue to generate property tax revenue throughout the exemption period should the MUPTE be approved. During a 10-year exemption period, 2027-2036, the total taxes to be paid on the land will be approximately \$685,000. After the exemption period, when the development is fully subject to property tax, it will generate an estimated \$1.1 million in year 11. The total tax exemption for a 10-year MUPTE would be roughly \$9.62 million.

Public Comment and Neighborhood Engagement

A display advertisement was published in *The Register-Guard* on November 22, 2024, soliciting comments for 30 days. The period ended on December 22, 2024. No comments had been received as of April 2, 2025.

MUPTE requires applicants to contact the relevant neighborhood association to share project information and seek input. Representatives of Obie Co. attended the September 25, 2024, general meeting of the Downtown Neighborhood Association and presented the project. Prior to finalizing their designs, the development team will hold another neighborhood engagement meeting.

HIP Connection

Downtown housing will contribute to the [Housing Implementation Pipeline \(HIP\)](#) goals. The HIP is the five-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, the project would provide 124 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 656 units have been approved for MUPTE and are either under construction or awaiting groundbreaking. This brings the total number of approved units

(not including canceled projects) to 928, or 62 percent of the volume cap. The 124 units in the Station House project would bring the total number of approved units to 1,052, or 70 percent of the program's volume cap.

Timing

The MUPTE program requires the City Manager provide Council with a recommendation no later than 135 days after an application is deemed complete, which was March 28, 2025. The City Manager's recommendation was provided via email on March 28, 2025. By State statute and City code, if Council has not acted within 180 days from the date the applications were deemed complete (May 12, 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.
- Downtown development shall support the urban qualities of density, vitality, livability, and diversity to create a downtown, urban environment.
- Emphasize Broadway, Willamette Street, 5th and 8th Avenues as Great Streets through public improvements and development guidelines.

[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% 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 Councilor Brown and Councilor Zelenka)

COUNCIL OPTIONS

1. Approve the MUPTE application and adopt the resolution in Attachment B.
2. Approve the application with amended conditions of approval.
3. Direct the City Manager to bring back a resolution denying the application 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 project, and the contributions it will make toward expanding housing opportunities and improving downtown Eugene, the City Manager recommends approval of the MUPTE application for Station House on the terms and conditions specified in the attached resolution (Attachment B).

SUGGESTED MOTION:

Move to adopt the resolution approving a Multiple-Unit Property Tax Exemption for property located at 131 East 5th Avenue, attached as Attachment B to this AIS.

ATTACHMENTS

- A. Map of Station House Project Site
- B. Resolution Approving the Property Tax Exemption
 - a. Exhibit A: Report and Recommendation of the Planning and Development Director
 - b. Exhibit B: Building Elevations and Site Plan
- C. MUPTE Program Summary
- D. MUPTE Application for Station House
- E. MUPTE Review Panel Member List
- F. MUPTE Review Panel Conclusions
- G. PNW Economics Financial Review Memoranda
- H. Applicant Responses During Review Panel Process
- I. Applicant's Updated Financial Information

A copy of the MUPTE application is available at www.eugene-or.gov/MUPTE.

FOR MORE INFORMATION

Staff Contact: Dylan Huber-Heidorn, Development Analyst
Telephone: 541-682-5475
E-mail: dhuber-heidorn@eugene-or.gov



RESOLUTION NO. _____**A RESOLUTION APPROVING A MULTIPLE-UNIT PROPERTY TAX EXEMPTION FOR RESIDENTIAL PROPERTY LOCATED AT 131 EAST 5TH AVENUE, EUGENE, OREGON (APPLICANT OBIE COMPANIES, INC.)****The City Council of the City of Eugene finds that:**

A. OES #2, LLC (296 E. 5th Avenue, Eugene, Oregon), is the owner of real property located at 131 East 5th Avenue, Eugene, Oregon (Assessor's Map Number 17-03-30-44, Tax Lot 09700) ("the Property").

B. Obie Companies, Inc. ("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 and commercial spaces to be constructed on the property ("the project").

C. The proposed project consists of the development of 41 studio units, 71 one-bedroom units, and 12 two-bedroom units, for a total of 124 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. The proposed project will also include approximately 7,136 square feet of commercial space for which the applicant has requested the tax exemption. A MUPTE may be applied to commercial space when it is deemed to be a required design element or a public benefit of the project. The proposed commercial space along 5th Avenue will bring activity to a downtown Great Street and engage the building with the public realm in a way that could not be accomplished if the ground floor consisted of residential units. The inclusion of commercial space and activation of the street significantly contribute to the project's compliance with the Design and Compatibility public benefit subcriteria of scale, form, and quality; mixture of project elements; and relationship to the street and surrounding uses.

E. The proposed project will also include approximately 69,500 square feet of parking in an attached two-story parking garage. The bottom floor of the garage, approximately 34,750 square feet, will be used by non-resident visitors such as customers of the commercial tenants. The top floor of the garage, also approximately 34,750 square feet, will be dedicated for use by residents. The applicant has requested the exemption for the parking area dedicated for use by residents. Parking for residents supports the residential use and, as proposed, meets requirements for parking and circulation.

F. An independent outside professional consultant was retained and reviewed the project's financial pro-forma. A Review Panel was convened and reviewed the independent consultant's conclusions and also reviewed the application 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.

G. 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 Multiple-Unit Housing Property Tax Exemption Rule R-2.945 ("Rule R-2.945").

H. 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 as required in EC 2.945, EC 2.946, and Rule R-2.945, and the applicant is in compliance with the policies contained therein.

I. The City Council has concluded that the criteria described in EC 2.946 and Rule R-2.945 have been met.

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 the City Council's review 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 Obie Companies, Inc. for an ad valorem property tax exemption under the City's Multiple-Unit Property Tax Exemption Program for the residential units, commercial space, and parking dedicated for use by residents to be constructed at 131 East 5th Avenue, Eugene, Oregon (Assessor's Map Number 17-03-30-44, Tax Lot 09700) subject to the following conditions:

- 1.1 Compact Urban Development. The project will consist of the development of 41 studio units, 71 one-bedroom units, and 12 two-bedroom units, for a total of 124 residential units, none of which are for transient use or vacation occupancy. There are 7,136 square feet of commercial space on the ground floor of the building for which the applicant has requested tax exemption. The proposed project will also include approximately 69,500 square feet of parking in an attached two-story parking garage. The top floor of the garage, approximately 34,750 square feet, will be dedicated to residents and is included in the tax exemption. The bottom floor of the garage, approximately 34,750 square feet, is not dedicated to residents and is not eligible for 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 residentially zoned properties 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 on land zoned with a combination of C-2 Community Commercial and C-3 Major Commercial, neither of which are residential zones and neither of which includes 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. 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 1.1.2.3 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. Consistent with the requirements of Administrative Rule R-2.945-C 1.3, 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 \$962,600.
- 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 proposed design features a broad 6-story mixed-use apartment building at the terminus of Oak Street and 5th Avenue. Brick façade spans the entirety of the tall ground floor and is extended up into the archway entrances. The design incorporates aluminum storefront windows at the ground floor and stucco as the primary exterior material on higher floors.

The ground floor commercial space is organized around a plaza area that defines the building's most important relationship with the street and the public realm along 5th Avenue and at the intersection with Oak Street. The project provides parking spaces for both residential tenants and visitors to the commercial improvements in a two-story garage. The garage is situated behind the building against the railroad right-of-way with access to Willamette Street and 5th Avenue. 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 and commercial space as well as the parking area dedicated for use by residents 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 April, 2025.

City Recorder

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

EXHIBIT A

Station House Application for Multiple-Unit Property Tax Exemption

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

1. OES #2, LLC is the current owner of real property located at 131 East 5th Avenue in Eugene, Oregon (Assessor's Map #17-03-30-44, tax lot 09700), at the intersection of East 5th Avenue and Oak Street. Obie Companies Inc. ("Obie Co.") 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 41 studio units, 71 one-bedroom units, and 12 two-bedroom units for a total of 124 residential units, none of which will be used for transient use or vacation occupancy.
 - 2.2 The proposed project will also include approximately 7,136 square feet of commercial space for which the applicant has requested tax exemption. A MUPTE may be applied to commercial space when it is deemed to be a required design element or a public benefit. The proposed commercial space will bring activity to a downtown Great Street and engage the building with the public realm in a way that could not be accomplished if the ground floor consisted of residential units. The inclusion of commercial space and activation of the street significantly contribute to the project's compliance with the Design and Compatibility public benefit subcriteria of scale, form, and quality; mixture of project elements; and relationship to the street and surrounding uses.
 - 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-B.4. requires that in order to be eligible for a MUPTE, projects on residentially zoned properties 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 on land zoned with a combination of C-2 Community Commercial and C-3 Major Commercial, neither of which are residential zones and neither of which includes a minimum residential unit density.
- 2.6.2 Green Building Features. Consistent with the requirements of Administrative Rule R-2.945-C 1.1.2.3, 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 1.1.2.3 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 75%) 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 1.2.1. 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 1.2.2. 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 1.2.4.
- 2.6.4 Moderate-Income Housing Contribution. Consistent with the requirements of Administrative Rule R-2.945-C 1.3, 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 \$962,600.

- 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 proposed design features a broad 6-story mixed-use apartment building at the terminus of Oak Street and 5th Avenue. It is a prominent location, and the design responds to the qualities of the existing architecture and calls on the historic characteristics of Oregon Electric Station. Brick façade spans the entirety of the tall ground floor and is extended up into the grand archway entrance. The main entrance is flanked by two secondary entrances, both featuring brick archways. Aluminum storefront windows enhance the building's stature and characteristics.

Considering the larger context of the neighborhood, the attributes of the Station House and its mixture of elements, it contributes to the neighborhood. Site and building lighting will be incorporated to create a sense of safety and ambiance. Lighting at the street level reinforces a human scale necessary for a building of this size. The concept for the plaza space associated with the main entrance will serve a mix of uses and programming and feature a variety of materials, finishes, and furniture to create a sense of arrival and an inviting outdoor space. The plaza area is an important component to the success of the building's relationship with the street and the public realm.

Bicycle parking is provided in various locations within the building and around the site. Access to bikeways is convenient and pedestrian connections are easily navigated as the building is situated directly on a street featuring a vibrant mix of uses and modes of transportation.

The building's location within the mixed-use Market District adds value to the District and provides access for its future residents to services as well as commercial and retail businesses. The building's position along 5th Avenue and at the terminus of Oak Street anchors itself as a central element of the district.

The project provides 218 parking spaces. This provides the neighborhood with additional vehicle parking options. The structured parking garage is situated behind the building against the railroad right-of-way with access to parking from the east off 5th Avenue as well as from the west end off Willamette Street and between the Southern Pacific Passenger Depot's Annex building and Oregon Electric Station.

The application indicates the project will install EV charging stations for 14% of parking spaces as well as conduit and equipment for future charging stations for an additional 6-20% of spaces.

The project intends to add to the strength and richness of the Market District. 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 a historic locale, Oregon Electric Station building, but the historic locale 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 Obie Co. submitted in their application is based on projections prior to finalizing financing, construction, and tenancing. 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. In their own analysis, the consultant made several minor adjustments relative to the applicant’s assumptions, including decreasing residential rents to better match rents seen in recent downtown developments, reducing the escalation rate for retail rents over the early years of the project, and adjusting for more applicable Lane County tax rates.

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 Obie Co. attended a neighborhood engagement meeting regarding Station House for the Downtown Neighborhood Association on September 25, 2024.

2.7.1 Future Neighborhood Engagement. Prior to completing final drawings, Obie Co. will hold another neighborhood engagement meeting. Before submitting for permits, Obie Co. 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 22, 2024. The period for comment expired on December 22, 2024, with no written testimony received.
4. The community-member MUPTE Review Panel considered the project application, including compliance with program criteria, the independent consultant's financial review, and updated project design and financial details submitted by the applicant, during three meetings held on January 10, January 29, and March 14, 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 recommended that the tax exemption be applied to residential and commercial portions of the building and to portions of the parking improvements dedicated for use by residential tenants. The Panel did not recommend that the exemption be applied to parking dedicated to retail customers. The Panel Conclusions document will be provided to the City Council with their work session materials.

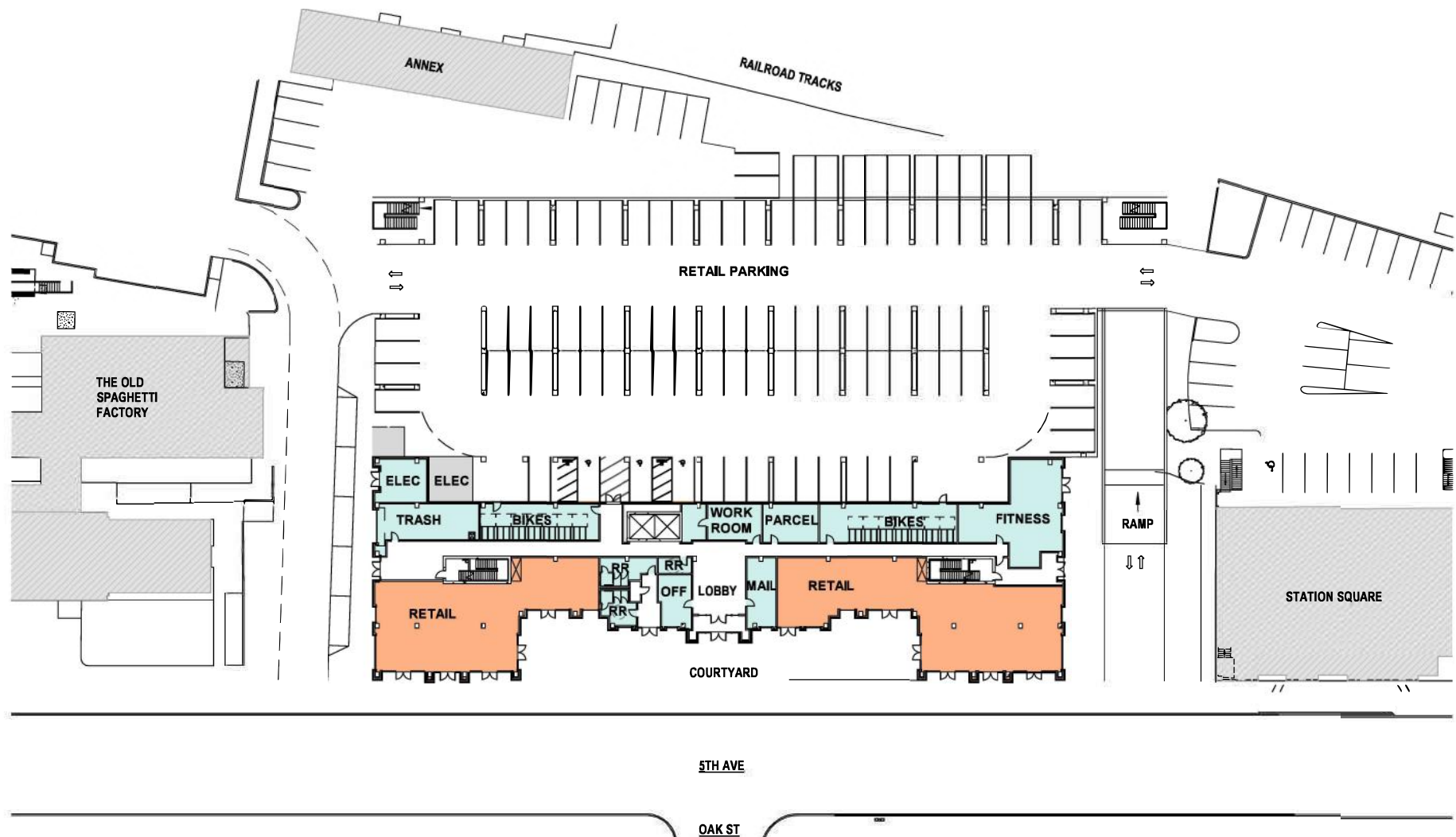
Therefore, based upon the above findings, the project is, or will be at the time of completion, in conformance with all applicable local plans and provisions of the Eugene Code, 1971, planning regulations, the Metropolitan Area General Plan, and the criteria set forth in the City's adopted administrative rules. I recommend that the application be approved for a ten-year tax exemption except for those portions of the parking improvements for use by commercial tenants and/or retail customers.

Dated this 27 day of March, 2025.

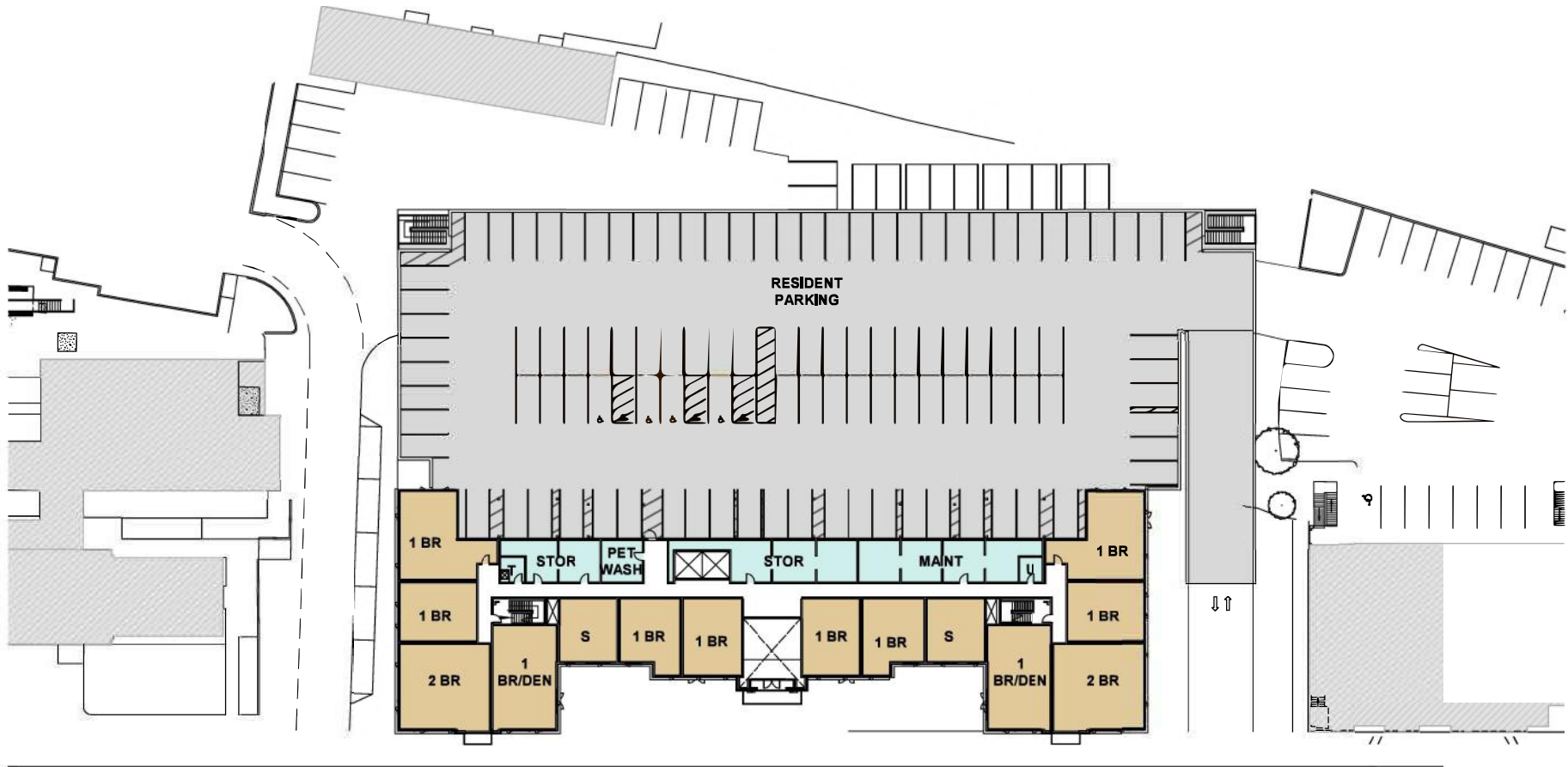

Denny Braud (Mar 27, 2025 12:54 PDT)

Denny Braud
 Executive Director
 Planning & Development Department

Exhibit B

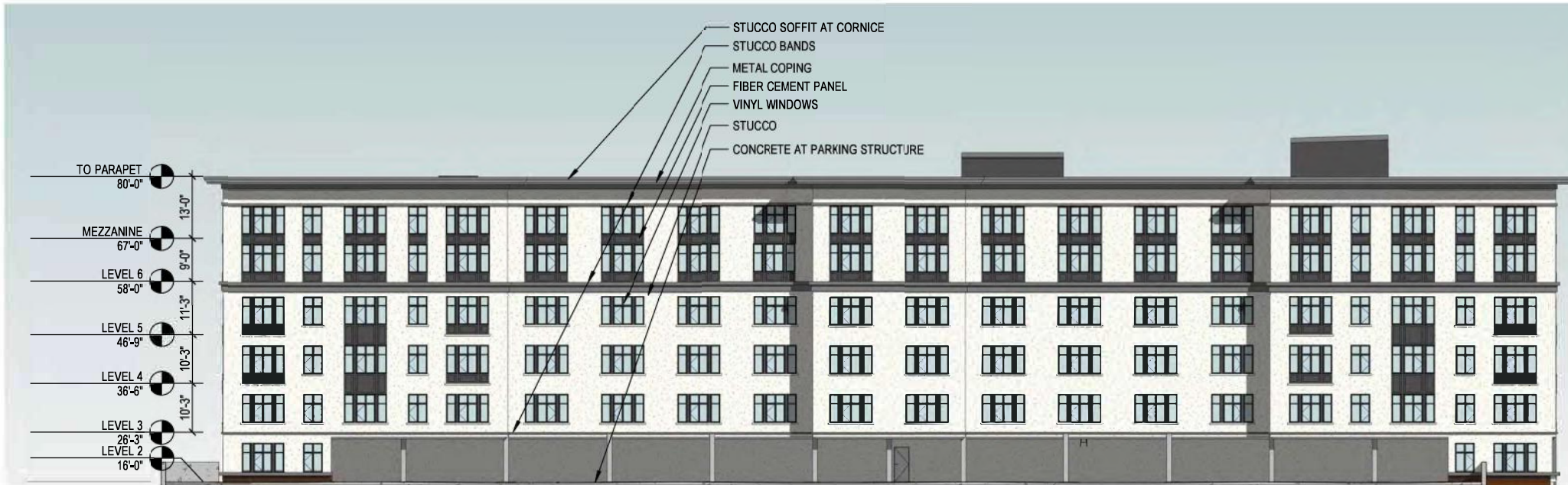


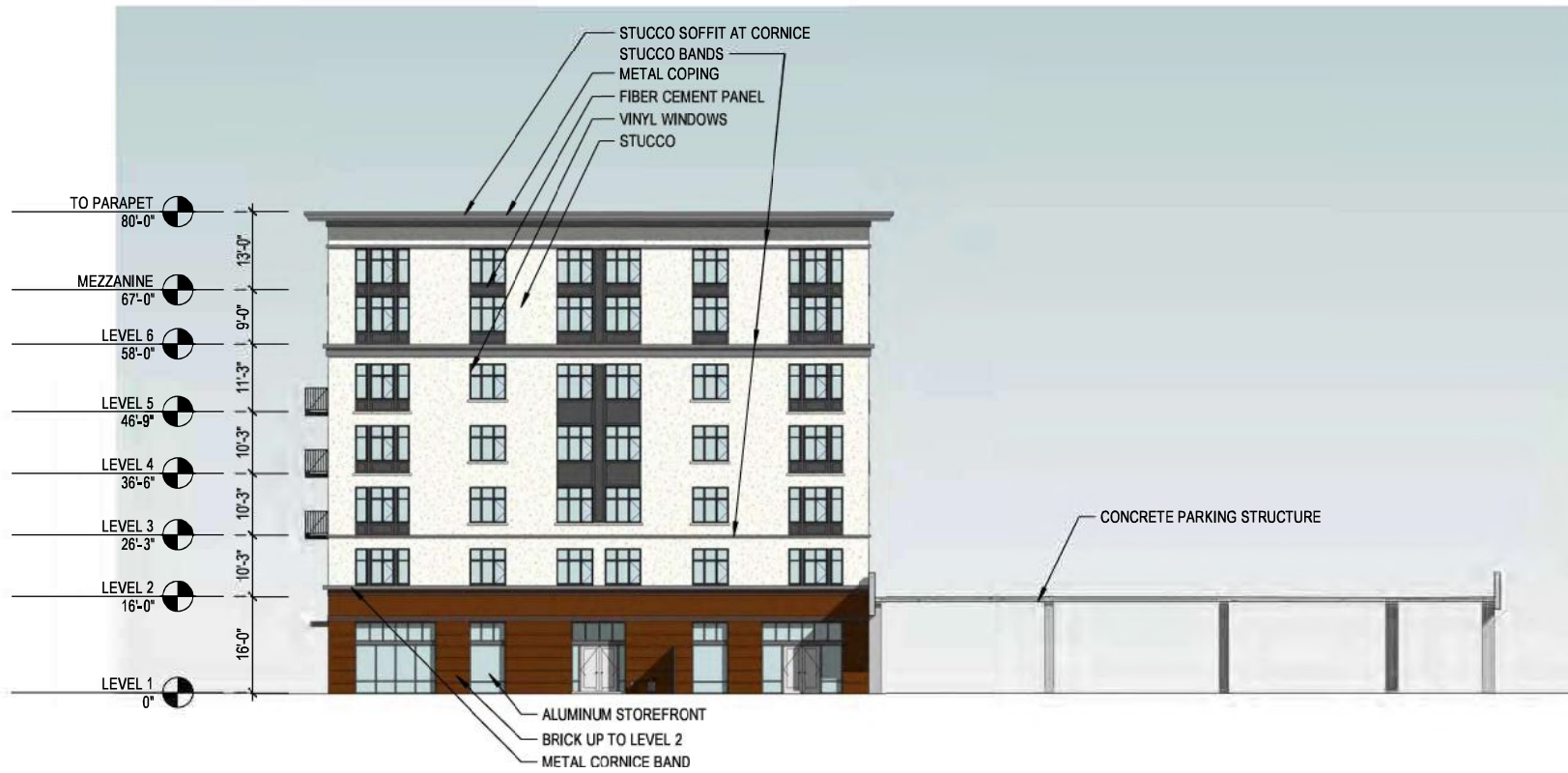
ATTACHMENT B



ATTACHMENT B









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:

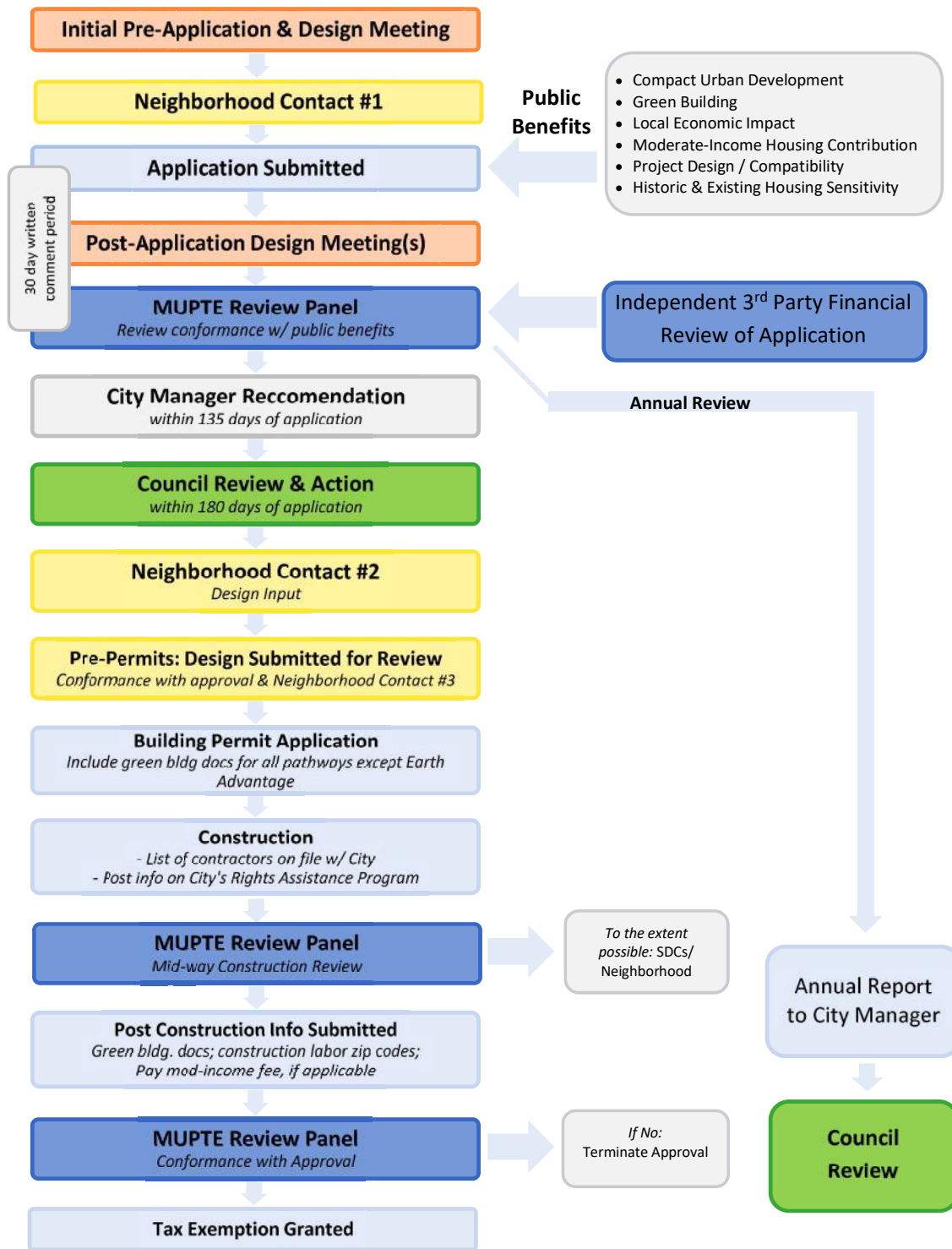
- Reviews the project applications, including the consultant's review of the project's financial projections.

- 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





Annually:

- Moderate-income housing: Pay fee in years 3 – 10 or update lease rates on mod-income units & submit docs.
- BPS pathway energy usage, if applicable.

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.



THE
**STATION
HOUSE**
AT THE MARKET



**The Station House
MUPTE Application
October 2024**

Application Page: 1



296 East 5th Avenue, Suite 300
Eugene, OR, 97401 T: (541) 484-0383

Wednesday, October 30, 2024

City of Eugene
Planning and Development Department
99 W 10th Avenue
Eugene, OR 97401

Dear City of Eugene Staff,

Thank you for the opportunity to submit this application for the Multi-Unit Property Tax Exemption (MUPTE) program. This submission represents a critical project that aligns with the City's goals to address the ongoing housing crisis and foster our community's desire for urban growth.

Our updated development, located in the Market District, is now planned as a market-rate housing project, reflecting the city's urgent need for additional housing across all income levels. This project will no longer be exclusive to senior housing but will still provide much-needed residential units in an environment where the demand for housing continues to exceed supply.

As you know, Eugene is experiencing an acute housing shortage that is felt city-wide. One of the clearest solutions is increasing the supply of housing at all price points, and this development will directly contribute to that effort. This project will offer 124 market-rate apartments, increasing the housing supply while encouraging more people to live and work in the heart of Eugene. The project will contribute to a more vibrant and engaged community in downtown, adding energy to social, recreational, and cultural activities.

Moreover, the project presents broader long-term benefits. While the development itself will add crucial housing supply, it will also result in significant financial contributions to the City. Upon approval of the MUPTE, this project is estimated to contribute approximately \$653,437 to Eugene's Affordable Housing Trust Fund, which can be leveraged for additional affordable housing developments. As seen in prior MUPTE-supported projects, such contributions play a pivotal role in helping the city meet its affordable housing goals.

In addition to this immediate financial impact, the long-term tax benefits are substantial. Currently, the property generates approximately \$58,586 annually in tax revenue. Once the development is complete and the MUPTE term expires, the property is projected to generate

OBIECOMPANIES.COM

Application Page: 2

over \$850,000 annually, significantly increasing the tax base for the benefit of all taxing jurisdictions.

Despite the significant potential of this project, the current economic climate has made it extremely challenging to move forward without assistance. Like many other developers, we are grappling with rising construction costs, high interest rates, and market uncertainty. These conditions have made it clear that without MUPTE approval, this project cannot proceed. The financial review included in this application demonstrates the necessity of this exemption to ensure the financial feasibility of the development.

We respectfully submit this MUPTE application with optimism and a commitment to advancing this key project within the Market District. We believe this development will serve as a crucial piece of Eugene's housing landscape and provide substantial long-term benefits to the city.

Sincerely,

Brian B. Obie
CEO and President
Obie Companies

Casey Barrett
COO and Executive Vice President
Obie Companies

OBIECOMPANIES.COM

Application Page: 3

MUPTE Application



A. General Project Information

Applicant Information

Applicant's Name: Obie Companies Inc.
 Address: 296 E. 5th Avenue, Suite 300
 City: Eugene State: OR Zip Code: 97401
 Telephone Number: 541-484-0383
 E-mail Address: bobie@obie.com; casey@obie.com
 Housing Project Name: The Station House

Site Location

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

 Attach legal description of the property.

Current Use & Site Information

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

 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

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

Total Number of Dwelling Units: 124 (All projects must have 5 or more units)

Total Number of Bedrooms: 136

No. of Floors: 6

UNIT MIX

Unit Size	#	Avg. Square Feet Per Unit	Proposed Avg. Rental Rate
Studio / efficiency		See attached info sheet	
One bedroom		See attached info sheet	
Two bedroom		See attached info sheet	
Three bedroom			
Four bedroom			
Five bedroom			
Commercial/retail		See attached info sheet	
ADA Accessible		See attached info sheet	
Parking – onsite		See attached info sheet	
Parking – offsite			

Compliance with Local Law

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

- a) 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
- b) Licensing laws.

BO 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

5th Street Market

Station House Apartments

SITE LOCATION

Assessor's Property Acct No.	1743234
Map & Tax Lot No.	17-03-30-44-09700
Site Location	North side of E 5 th Ave, west side is aligned with Oak Alley, north side is bound by the railroad tracks and east side abuts the Station Square site, mid-block between Pearl Street and Oak Street

CURRENT USE & SITE INFORMATION

Current Zoning	C-2 Community Commercial, C3 Major Commercial. Transit, Site Review, Nodal Development, and Residential Density Overlays.
Parcel Size	2.15 Acres (93,654 SF)
Minimum Density Allowed	NA (0 Units)
Maximum Density Allowed	NA (none)
Number of Parking Spaces Required	None
Assessed Value of Land	\$6,398,070
Existing Use of Property	Motor vehicle parking, asphalt pavement, no vegetation. In the northwest corner and easter portion of the site are existing vacant commercial buildings.

PROPOSED PROJECT INFORMATION

Density of Proposed Project	60 units/acre
Proposed Number of Parking Spaces	218
Proposed Lot Coverage	57%
Building Footprint	52,296 SF
Building Square Footage	163,007 SF
Commercial Square Footage	7,136 SF
Total Number of Dwelling Units	124
Total Number of Bedrooms	136
Number of Stories	6

LEGAL DESCRIPTION

NE 1/4 Section 31, T17 S, R 3 W WM, Eugene, Lane County Oregon

WRITTEN DESCRIPTION

Property is developed with an automobile parking lot (non-structured) and two existing commercial use buildings. The existing building in the northwest corner of the property is a City Landmark, Point of Interest.

UNIT MIX**Unfurnished**

	Unit Count	Avg SF/Unit	2027 Projection	
			Monthly Rent	Annual Rent
Studio	28	533	\$ 59,259	\$ 711,113
1 BR	50	779	\$ 154,251	\$ 1,851,009
1BR + DEN	8	950	\$ 27,849	\$ 334,190
2BR 2 BATH	8	1,175	\$ 32,144	\$ 385,734
2BR + 2 BATH + DEN	2	1,600	\$ 9,923	\$ 119,070
	96		\$ 283,426	\$ 3,401,115

Furnished

	Unit Count	Avg SF/Unit	2027 Projection	
			Monthly Rent	Annual Rent
Studio	13	533	\$ 43,714	\$ 524,570
1 BR	11	690	\$ 43,659	\$ 523,908
1BR + DEN	2	1000	\$ 8,820	\$ 105,840
2BR 2 BATH	2	1167	\$ 10,518	\$ 126,214
2BR + 2 BATH + DEN	0	0	\$ -	\$ -
	28		\$ 106,711	\$ 1,280,532

TOTAL	124		\$ 390,137	\$ 4,681,647
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Commercial and Parking

Floor	Unit Type	Sq Ft	2027
			Monthly Rent
1	108 Parking Stalls	34,752	23,814.00
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
2	110 Parking Stalls	34,752	25,467.75
			69,788.25

Neighborhood Engagement

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

Neighborhood Association: Downtown Neighborhood Association

Date of Meeting: 9/25/2024

Name(s) of Principal(s)/Owner(s) in Attendance: Casey Barrett



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: Obie Station House
Purpose: Eugene Downtown Neighborhood Meeting
Location: Eugene Public Library, 100 W 10th Ave.

1. Introduction
 - a. Introduced project location, agencies and project design.
2. Exterior materials were discussed: The 5th Ave facade has brick accents and the balance of the facade is primarily stucco with some fiber cement accents. The other facades are primarily stucco finish with fiber cement accents.
3. Questions
 - a. Why does this project need MUPTE?
 - i. Construction costs necessitate MUPTE to be financially feasible in today's economy.
 - ii. There is a housing shortage, and the tax exemption makes it possible to develop housing.
 - iii. A community member highlighted the MUPTE program does not give money to the development but provides a tax exemption for the first 10 years after the project is built. After 10 years, the projects will pay property taxes.
 - b. How much is the MUPTE tax exemption going to be?
 - i. The value needs to be calculated, which is in process by the developer. The project financials will be available once the MUPTE application becomes public record.
 - c. Will bike parking be provided on the project?
 - i. Yes, there will be secured long-term bike parking for residents and short-term parking available to the public.
 - d. A concern of over parking downtown was raised.
 - i. It was noted that parking is needed based on the market demand to make the residential and commercial uses feasible.
 - e. Have you considered integrating affordable housing into the project?
 - i. Small studios are provided as a lower rent option but will be at market rate rents.
 - f. What will be demolished to allow this development to move forward?
 - i. The Buffalo Exchange building and asphalt parking lot will be demolished prior to construction of the proposed project.
 - ii. The historic train baggage building will remain and the future use is still under review by the developer.
 - g. What is the difference between today's design and the design presented a few years ago?
 - i. The current design is smaller and now includes market-rate units as opposed to a 55-plus target market.

Meeting End Time: 7:30PM

Recorded By: Joshua Lupkin, SERA

Date Recorded: 9/26/2024

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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 #140	206-246-9972	erin.birnel@gmail.com
4	Pete Knapp	265 W 1st St. #2		pkknapp@gmail.com
5	Suzanne Taylor	250 W Broadway #154	541-337-0999	SuzanneTaylor20@gmail.com
6	ANITA LEIPER	1133 OLIVE APT 411	541-210-7072	STRANTRAVEL@GMAIL.COM
7	EMILY TONES	411 NE 4th ST PORTLAND, OR	503-782-9221	emily@seradesign.com
8	Kurt Schultz	600 SW 10th Ave #500 Portland, OR 97205	503-445-1931	Kurts@sera.ndx.com
9	Casey Barrett	590 Pearl St. Eugene, OR	541-844-5371	Casey@obie.com
10	Sherry Warrick	1133 Olive St Eugene		
11	CLIFF BOYD	151 SHELTON MCORPHEI	704-309-7824	CLIFF.BOYD@ICLOUD.COM
12	LINDA SAGE	222 E. Broadway Apt. 207	541-342-3124	LindaCSage@msn.com
13	Scott Fife	342 W. 8th Ave. Apt. 4	541-232-2868	iconoclasm.scott@gmail.com
14	Shauna Carter	800 OLIVE ST Eugene	541-321-8197	INFO@ONESECURITYCOMPANY.COM
15	Leah M. Munn	303 Williamette St. Eugene	541-484-0808	leah@smithhouse.org
16	KATIE WILGUS	PO BOX 11076, 97440	503-504-7799	KATIEW@DOWNTOWNEUGENE.COM
17	Bonnie Richman	250 W. Broadway #180	541-242-1002	
18	Jim ATKINS	500 FERRY #97	503-512-5104	Jimatkinsolame.com
19	Noah Birnel	372 W Broadway	206-406-4564	nbirnel@gmail.com
20				
21				
22				
23				
24				

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: 58 units per net 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).

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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 5th Street Public Market The Station House Apartments

The Station House project builds upon the successful community and pedestrian engagement of the surrounding Market District. 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 vibrant and active 5th Street Market District neighborhood. 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 58 dwelling units per acre in contrast to the typical single-family neighborhood with less than 10 dwelling units per acre. With a six-story building proposed, the project significantly exceeds the minimum density of a one-story building.

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 a generous retail-focused court, canopies for refuge from the rain, and commercial-retail spaces fronting 5th Ave with large windows connecting to the public realm.

2. Green Building Features

The project will meet or exceed the City of Eugene BPS program to perform at least 10% more efficiently than the energy code. The project is pursuing design measures 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 redevelopment of a paved and previously developed urban lot 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 design measures to reduce the carbon footprint of the development. The following elements contribute to reducing the environmental impact of the development.

- a. Access to multiple modes of public transportation to reduce reliance on single-occupancy vehicles.
- b. Electric vehicle (EV) charging stations are to be installed for approximately 14% of parking spaces with additional EV charger-ready infrastructure for 6 to 20% of parking spaces. EV ready spaces include conduits installed and electrical system sized for future installation of chargers. The electric vehicle charging systems 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 developed site contribute to reducing the environmental impact 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 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.
- 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 pursuing 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. Multiple Peace Health Rides bike-share stations are located near the site at the intersection of E 5th Ave and Pearl St to serve residents, and visitors of the commercial retail spaces and 5th Street Market. 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. Within a half-mile from the site, access to the new Downtown Riverfront Park, future 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 the Farmers Market being three blocks to the south, the community has increased access to healthy food, promoting nutritious eating and supports enhanced social interaction.
- g. 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.
- h. 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.
- i. Elements of biophilic design are used to enhance the human connection to nature, contributing to reduced stress and enhanced mental health.
- j. 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.

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 adjacent to 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 through the City of Eugene MUPTE program.

5. Design and Compatibility

Inspired by the Market District's historic architectural vocabulary and vibrant 5th Street Public Market, the project is designed to activate street frontages, compliment the Classical Revival architecture of the historic Oregon Electric Station, and contribute to the successful Eugene 5th Street Market. Situated at the prominent north terminus of Oak Street, the design responsibly centers the symmetrical massing in alignment with the greater urban axis.

Drawing from the vocabulary of the District's historic character, the project employs durable and lasting façade materials including brick veneer, stucco, and ground-floor storefront windows that can withstand the test of time while maintaining the quality of its character. A generous street level courtyard on 5th Avenue provides opportunities for shops to spill out into the public realm, activating the street edge and inviting the community in. 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 expands the active Market, the project utilizes evenly distributed lighting along street frontages, alleys, and within parking areas to improve perceived safety and reduce crime. Large windows in units, commercial spaces along the sidewalk, roof terraces, and balconies engaging the street edge 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 enhance the pedestrian experience, creating biophilic connections within the urban context.

6. Historic and Existing Housing Sensitivity

The project is on a site with no existing residential use; thus this development does not displace any existing housing. The two existing buildings on the northern portion of the site include the Southern Pacific Rail Depot, a locally designated Historic Landmark, and a single-story commercial/retail building. The project intends to remove the east building, which is not a historic landmark designated building. Structure removal will provide proper notification in alignment with jurisdictional requirements. City staff have determined there is no reason to conclude the proposed development will result in a negative impact to the Southern Pacific Rail Depot. 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.

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Public Benefits

7. Project Need

As the third largest city 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 September 2022, Eugene home prices were up 16.2% compared to the prior year [redfin.com], contributing to residents being priced out of the homeownership market and forced into apartment living. The Station House 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.

Financial Information

5th Street Market

Station House Apartments

Attached are the following financial statements/schedules:

1. Projected average unit rent amounts and projected monthly income for parking and commercial
2. 10-year proforma **WITHOUT** MUPTE
3. 10-year proforma **WITH** MUPTE
4. Projected 10-year debt service and covenant compliance **WITHOUT** MUPTE
5. Projected 10-year debt service and covenant compliance **WITH** MUPTE
6. Projected 10-year cash flow and cash-on-cash return **WITHOUT** MUPTE
7. Projected 10-year cash flow and cash-on-cash return **WITH** MUPTE
8. Loan Amortization Schedule
9. Calculation of applicable tax on concluded project with and without MUPTE
10. Project cost/development budget, inclusive of hard and soft costs

ASSUMPTIONS

Construction Costs:

All hard construction costs are taken as provided by the pre-construction general contractor partner, Essex Construction. Essex utilized schematic design documents generated in conjunction with SERA Architect and additional schematic input provided internally to generate multiple rounds of pricing estimates, culminating in the amounts used in the Station House proformas attached herein. The most recent pricing estimates were completed in October 2024.

Likewise, construction and escalation contingencies were taken as provided by Essex Construction, based on their most recent estimates.

Forecasted soft costs were generally estimated based on previous development experience. Financing and carrying costs were estimated based on the proposed capitalization structure and construction timeline for the project, and the associated calculation of construction period interest.

Unit Rent Amounts:

Estimates for unit rents are based on analysis of the local (Eugene) and regional (Northwest) markets for multi-family residential properties, as well as previous development and multifamily property experience.

Initial vacancy rates were based on a lease-up timeline that was generated based on previous multifamily property experience. Stabilized vacancy rates were likewise based on previous multifamily experience.

The assumed escalation rate for all income is 5% annually.

Other Income Amounts:

Parking income and retail income were based on previous property management experience and prevailing rates. Parking is factored in at 100% occupancy every year. We have also factored in a 5% vacancy annually for retail.

Operating Costs:

Estimated operating costs were derived from previous multifamily property experience.

Expense escalation in the proforma is 3.75% annually. Administrative expenses include Manager and Leasing staff salaries, payroll, taxes, benefits, legal, accounting, leasing commissions, training, phone, equipment, web, and supplies. The Management fee is for management services provided by Boutique Property Management, charged at 4% of total Revenue.

Financing Amounts and Costs:

Estimated loan-to-cost and borrowing rates were arrived at based on previous development experience, as well as consultation with local and regional banking partners and consideration of the prevailing interest rate environment.

Furniture Fixtures and Equipment (FFE):

The project costs include Furniture, Fixtures, and Equipment (FFE) for the Station House project, which is estimated based off of previous project experience and includes the FFE needed for common areas, fitness, parking structure equipment, unfurnished and furnished units.

Additionally, an FFE Reserve is included in the proforma at an estimated 4% of total revenue. The reserve is a typical lender requirement that is accumulated for all units' replacements, which would include furnished units, unfurnished units, common area, fitness, retail, and parking structure.

MUPTE Property Tax Benefit and Moderate-Income Housing Fee:

For the sake of calculating the expected property taxes in the "Without MUPTE" scenarios, we utilized the 2024 Lane County Changed Property Ratios and the 2024 tax rate of 1.98186% for the property's Tax Code Area as provided by the Lane County Department of Assessment and Taxation and applied them to the estimated construction cost of the project, less the existing value of the land.

The development does not plan to offer moderate-income housing units, and as a result, anticipates paying a fee in lieu of totaling 10% of the total tax benefit, amortized annually over years 3-10 of operations. Please see the attached schedule detailing the calculation of the additional property tax and the moderate-income housing fee.

DEBT SERVICE AND COVENANT COMPLIANCE ANALYSIS

The feasibility of the Station House project from a financing and investment perspective is reliant on the successful application for a MUPTE exemption.

As detailed in the Projected 10-Year Debt Service exhibit, without a MUPTE exemption, the project is not expected to generate enough Net Operating Income ("NOI") to eclipse the lender required 1.2x Debt Service Coverage Ratio ("DSCR") until year seven of operations (and four-year post stabilization in year three). As a result, we would not expect to be able to successfully secure lender financing on the project, making construction impossible.

With the MUPTE exemption, the project is forecasted to achieve a 1.2X DSCR in year four of operations, which is the first year following the fully stabilized year of the project. This is expected to be adequate to secure lender financing for the project.

The DSCR is calculated as a 10-year term and 30-year amortization schedule.

CASH FLOW AND CASH-ON-CASH RETURN

As with lender financing, the successful application of the MUPTE exemption is necessary to make the Station House project attractive to potential investment partners and secure required equity financing.

As detailed in the Projected 10-Year Cash Flow and Cash-on-Cash Return exhibit, without a MUPTE exemption, the project is forecasted to generate minimal, low single digit cash-on-cash returns through the entirety of the initial 10-year period, with a maximum cash-on-cash return of 9.1% in year 10 of operations. These return levels are not expected to be adequate to incentivize equity investment in the project, resulting in the infeasibility of the development.

With the MUPTE exemption, the project is forecasted to generate cash-on-cash returns that are approximately four percentage points better in each given year, culminating in a maximum annual cash-on-cash return of 13.95% in year 10 of operations. Based on our prior development experience and previous investment solicitation, we expect these return levels to be sufficient to attract the required equity investment to make the project feasible.

UNIT MIX**Unfurnished**

	Unit Count	Avg SF/Unit	2027 Projection	
			Monthly Rent	Annual Rent
Studio	28	533	\$ 59,259	\$ 711,113
1 BR	50	779	\$ 154,251	\$ 1,851,009
1BR + DEN	8	950	\$ 27,849	\$ 334,190
2BR 2 BATH	8	1,175	\$ 32,144	\$ 385,734
2BR + 2 BATH + DEN	2	1,600	\$ 9,923	\$ 119,070
	96		\$ 283,426	\$ 3,401,115

Furnished

	Unit Count	Avg SF/Unit	2027 Projection	
			Monthly Rent	Annual Rent
Studio	13	533	\$ 43,714	\$ 524,570
1 BR	11	690	\$ 43,659	\$ 523,908
1BR + DEN	2	1000	\$ 8,820	\$ 105,840
2BR 2 BATH	2	1167	\$ 10,518	\$ 126,214
2BR + 2 BATH + DEN	0	0	\$ -	\$ -
	28		\$ 106,711	\$ 1,280,532

TOTAL	124		\$ 390,137	\$ 4,681,647
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Commercial and Parking

Floor	Unit Type	Sq Ft	2027
			Monthly Rent
1	108 Parking Stalls	34,752	23,814.00
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
2	110 Parking Stalls	34,752	25,467.75
			69,788.25

10 Year Proforma - **WITHOUT MUPTE**

Apartments Assumed Occupancy	60%	85%	95%	95%	95%	95%	95%	95%	95%	95%
<u>REVENUE</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 20231</u>	<u>FY 2032</u>	<u>FY 2033</u>	<u>FY 2034</u>	<u>FY 2035</u>	<u>FY 2036</u>
Apartments	\$ 2,812,687	\$ 4,182,254	\$ 4,907,518	\$ 5,152,894	\$ 5,410,539	\$ 5,681,066	\$ 5,965,119	\$ 6,263,375	\$ 6,576,544	\$ 6,905,371
Retail	233,774	240,787	248,011	255,451	263,115	271,008	279,139	287,513	296,138	305,022
Parking	591,381	620,950	651,998	684,597	718,827	754,769	792,507	832,132	873,739	917,426
Total Income	<u>\$ 3,637,842</u>	<u>\$ 5,043,991</u>	<u>\$ 5,807,527</u>	<u>\$ 6,092,943</u>	<u>\$ 6,392,481</u>	<u>\$ 6,706,843</u>	<u>\$ 7,036,764</u>	<u>\$ 7,383,020</u>	<u>\$ 7,746,421</u>	<u>\$ 8,127,819</u>
<u>EXPENSES</u>										
Administrative	285,741	296,457	307,574	319,108	331,074	343,490	356,370	369,734	383,599	397,984
Property Tax	653,438	673,041	693,232	714,029	735,450	757,513	780,239	803,646	827,755	852,588
Advertising & Marketing	246,599	255,846	265,440	275,394	285,722	296,436	307,553	319,086	331,052	343,466
Utilities & Garbage	211,370	219,297	227,520	236,052	244,904	254,088	263,616	273,502	283,758	294,399
Repairs & Maintenance	364,586	378,258	392,442	407,159	422,427	438,269	454,704	471,755	489,446	507,800
Turn-Over	110,159	114,290	118,575	123,022	127,635	132,422	137,387	142,539	147,885	153,430
Insurance	102,889	106,748	110,751	114,904	119,213	123,683	128,321	133,133	138,126	143,306
Property Tax	15,836	16,311	16,801	17,305	17,824	18,359	18,909	19,477	20,061	20,663
FFE Reserve (4%)	109,135	151,320	174,226	182,788	191,774	201,205	211,103	221,491	232,393	243,835
Management Fees (4%)	145,514	201,760	232,301	243,718	255,699	268,274	281,471	295,321	309,857	325,113
Total Expenses	<u>\$ 2,245,267</u>	<u>\$ 2,413,326</u>	<u>\$ 2,538,863</u>	<u>\$ 2,633,479</u>	<u>\$ 2,731,723</u>	<u>\$ 2,833,738</u>	<u>\$ 2,939,673</u>	<u>\$ 3,049,684</u>	<u>\$ 3,163,931</u>	<u>\$ 3,282,584</u>
NET OPERATING INCOME	<u>\$ 1,392,575</u>	<u>\$ 2,630,665</u>	<u>\$ 3,268,664</u>	<u>\$ 3,459,464</u>	<u>\$ 3,660,758</u>	<u>\$ 3,873,104</u>	<u>\$ 4,097,091</u>	<u>\$ 4,333,336</u>	<u>\$ 4,582,489</u>	<u>\$ 4,845,235</u>
Operating Expense Ratio	61.7%	47.8%	43.7%	43.2%	42.7%	42.3%	41.8%	41.3%	40.8%	40.4%

10 Year Proforma - WITH MUPTÉ

Apartments Assumed Occupancy

60% 85% 95% 95% 95% 95% 95% 95% 95%

REVENUE

	FY 2027	FY 2028	FY 2029	FY 2030	FY 20231	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Apartments	\$ 2,812,687	\$ 4,182,254	\$ 4,907,518	\$ 5,152,894	\$ 5,410,539	\$ 5,681,066	\$ 5,965,119	\$ 6,263,375	\$ 6,576,544	\$ 6,905,371
Retail	\$ 233,774	\$ 240,787	\$ 248,011	\$ 255,451	\$ 263,115	\$ 271,008	\$ 279,139	\$ 287,513	\$ 296,138	\$ 305,022
Parking	\$ 591,381	\$ 620,950	\$ 651,998	\$ 684,597	\$ 718,827	\$ 754,769	\$ 792,507	\$ 832,132	\$ 873,739	\$ 917,426
Total Income	\$ 3,637,842	\$ 5,043,991	\$ 5,807,527	\$ 6,092,943	\$ 6,392,481	\$ 6,706,843	\$ 7,036,764	\$ 7,383,020	\$ 7,746,421	\$ 8,127,819

EXPENSES

Administrative	285,741	296,457	307,574	319,108	331,074	343,490	356,370	369,734	383,599	397,984
Property Tax	15,836	16,311	16,801	17,305	17,824	18,359	18,909	19,477	20,061	20,663
Advertising & Marketing	246,599	255,846	265,440	275,394	285,722	296,436	307,553	319,086	331,052	343,466
Utilities & Garbage	211,370	219,297	227,520	236,052	244,904	254,088	263,616	273,502	283,758	294,399
Repairs & Maintenance	364,586	378,258	392,442	407,159	422,427	438,269	454,704	471,755	489,446	507,800
Turn-Over	110,159	114,290	118,575	123,022	127,635	132,422	137,387	142,539	147,885	153,430
Insurance	102,889	106,748	110,751	114,904	119,213	123,683	128,321	133,133	138,126	143,306
Moderate Income Housing Fee	-	-	81,680	81,680	81,680	81,680	81,680	81,680	81,680	81,680
FFE Reserve	109,135	151,320	174,226	182,788	191,774	201,205	211,103	221,491	232,393	243,835
Management Fees (4%)	145,514	201,760	232,301	243,718	255,699	268,274	281,471	295,321	309,857	325,113
Total Expenses	\$ 1,591,829	\$ 1,740,285	\$ 1,927,310	\$ 2,001,130	\$ 2,077,953	\$ 2,157,905	\$ 2,241,115	\$ 2,327,718	\$ 2,417,856	\$ 2,511,676

NET OPERATING INCOME

	\$ 2,046,013	\$ 3,303,706	\$ 3,880,216	\$ 4,091,813	\$ 4,314,528	\$ 4,548,938	\$ 4,795,650	\$ 5,055,302	\$ 5,328,565	\$ 5,616,143
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Operating Expense Ratio	43.8%	34.5%	33.2%	32.8%	32.5%	32.2%	31.8%	31.5%	31.2%	30.9%
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DEBT SERVICE

DSCR

1.20

WITHOUT MUPTÉ

Bank Financed Loan	46,188,906	75% LTC	Partner/Sponsor Equity				15,896,302				
Interest	6.2%										
Amortization	30										
	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	
Interest	\$ 2,852,983	\$ 2,818,138	\$ 2,781,066	\$ 2,741,625	\$ 2,699,664	\$ 2,651,175	\$ 2,603,434	\$ 2,552,643	\$ 2,498,606	\$ 2,441,116	
Principal	\$ 545,326.86	\$ 580,172.36	\$ 617,244.43	\$ 656,685.34	\$ 698,646.46	\$ 747,135.35	\$ 794,876.08	\$ 845,667.37	\$ 899,704.13	\$ 957,193.76	
Total Debt Service	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	
Outstanding Balance	\$ 45,643,579	\$ 45,063,407	\$ 44,446,162	\$ 43,789,477	\$ 43,090,831	\$ 42,343,695	\$ 41,548,819	\$ 40,703,152	\$ 39,803,448	\$ 38,846,254	
Net Operating Income	\$ 1,392,575	\$ 2,630,665	\$ 3,268,664	\$ 3,459,464	\$ 3,660,758	\$ 3,873,104	\$ 4,097,091	\$ 4,333,336	\$ 4,582,489	\$ 4,845,235	
Debt Service	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	
Debt Service Coverage Ratio	0.41	0.77	0.96	1.02	1.08	1.14	1.21	1.28	1.35	1.43	

WITH MUPTÉ

Bank Financed Loan	46,188,906	75% LTC	Partner/Sponsor Equity				15,896,302				
Interest	6.2%										
Amortization	30										
	FY 2027	FY 2028	FY 2029	FY 20230	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	
Interest	\$ 2,852,983	\$ 2,818,138	\$ 2,781,066	\$ 2,741,625	\$ 2,699,664	\$ 2,651,175	\$ 2,603,434	\$ 2,552,643	\$ 2,498,606	\$ 2,441,116	
Principal	\$ 545,327	\$ 580,172	\$ 617,244	\$ 656,685	\$ 698,646	\$ 747,135	\$ 794,876	\$ 845,667	\$ 899,704	\$ 957,194	
Total Debt Service	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	
Outstanding Balance	\$ 45,643,579	\$ 45,063,407	\$ 44,446,162	\$ 43,789,477	\$ 43,090,831	\$ 42,343,695	\$ 41,548,819	\$ 40,703,152	\$ 39,803,448	\$ 38,846,254	
Net Operating Income	\$ 2,046,013	\$ 3,303,706	\$ 3,880,216	\$ 4,091,813	\$ 4,314,528	\$ 4,548,938	\$ 4,795,650	\$ 5,055,302	\$ 5,328,565	\$ 5,616,143	
Debt Service	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	
Debt Service Coverage Ratio	0.60	0.97	1.14	1.20	1.27	1.34	1.41	1.49	1.57	1.65	

CASH FLOW & CASH-ON-CASH RETURN

WITHOUT MUPTE	FY 2027	FY 2028	FY 2029	FY 20230	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Income	\$ 3,637,842	\$ 5,043,991	\$ 5,807,527	\$ 6,092,943	\$ 6,392,481	\$ 6,706,843	\$ 7,036,764	\$ 7,383,020	\$ 7,746,421	\$ 8,127,819
Expenses	\$ 2,245,267	\$ 2,413,326	\$ 2,538,863	\$ 2,633,479	\$ 2,731,723	\$ 2,833,738	\$ 2,939,673	\$ 3,049,684	\$ 3,163,931	\$ 3,282,584
Net Operating Income	\$ 1,392,575	\$ 2,630,665	\$ 3,268,664	\$ 3,459,464	\$ 3,660,758	\$ 3,873,104	\$ 4,097,091	\$ 4,333,336	\$ 4,582,489	\$ 4,845,235
Debt Service	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310
Before Tax Cashflow	(2,005,735)	(767,645)	(129,646)	61,154	262,448	474,794	698,781	935,026	1,184,179	1,446,925
Annual Cash on Cash Return	-12.6%	-4.8%	-0.8%	0.4%	1.7%	3.0%	4.4%	5.9%	7.4%	9.1%

WITH MUPTE	FY 2027	FY 2028	FY 2029	FY 20230	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Gross Income	\$ 3,637,842	\$ 5,043,991	\$ 5,807,527	\$ 6,092,943	\$ 6,392,481	\$ 6,706,843	\$ 7,036,764	\$ 7,383,020	\$ 7,746,421	\$ 8,127,819
Expenses	\$ 1,591,829	\$ 1,740,285	\$ 1,927,310	\$ 2,001,130	\$ 2,077,953	\$ 2,157,905	\$ 2,241,115	\$ 2,327,718	\$ 2,417,856	\$ 2,511,676
Net Operating Income	\$ 2,046,013	\$ 3,303,706	\$ 3,880,216	\$ 4,091,813	\$ 4,314,528	\$ 4,548,938	\$ 4,795,650	\$ 5,055,302	\$ 5,328,565	\$ 5,616,143
Debt Service	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310	\$ 3,398,310
Before Tax Cashflow	(1,352,297)	(94,604)	481,906	693,503	916,218	1,150,628	1,397,340	1,656,992	1,930,255	2,217,833
Annual Cash on Cash Return	-8.51%	-0.60%	3.03%	4.36%	5.76%	7.24%	8.79%	10.42%	12.14%	13.95%

Loan Amortization Schedule

Investor Capital \$ 15,896,302.03

Enter values		Unpaid Prin. Bal.	End of YR 5	End of YR 10	Loan summary							
Loan amount	\$ 46,188,906.08	Enter Loan Details Here	\$ 43,090,830.63	\$ 38,868,106.55	Monthly Scheduled payment	\$ 283,192.51						
Annual interest rate	6.21 %		Amortization period - Number of Months	360								
Amortization Period	30		Actual (loan term) number of payments	120								
Number of payments per year	12											
Start date of loan	12/31/2026											
Optional extra payments	\$ -											
Name: <div>Description</div>												
		Principal	\$ 545,326.86	\$ 580,172.36	\$ 617,244.43	\$ 656,685.34	\$ 698,646.46	\$ 747,135.35	\$ 794,876.08	\$ 845,667.37	\$ 899,704.13	\$ 957,193.76
		Interest	\$ 2,852,983.28	\$ 2,818,137.78	\$ 2,781,065.71	\$ 2,741,624.80	\$ 2,699,663.68	\$ 2,651,174.79	\$ 2,603,434.06	\$ 2,552,642.77	\$ 2,498,606.01	\$ 2,441,116.38
		Total	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14	\$ 3,398,310.14

Enter expected number of payments

ESTIMATED PROPERTY TAX

Total Development Costs (Less Existing Value)	\$	52,585,208				
	Proportional Value	Factor	Taxable Value	Tax	Annual Tax	
Portion Residential	\$ 47,326,687.29	0.62700	\$ 29,673,832.93	1.98186%	\$ 588,093.83	
Portion Retail	\$ 5,258,520.81	0.62700	\$ 3,297,092.55	1.98186%	\$ 65,343.76	
Annual Tax Exemption					\$ 653,437.58	
Total Tax Exemption (Annual Exemption x 10)	\$	6,534,375.84				
10% Moderate-Income Housing Fee	\$	653,437.58				
Annual Penalty - Years 3-10	\$	81,679.70				

New Construction Tax Estimate

Date Submitted 10/23/2024
 Account Number 1743234
 Owner Name OES #2 LLC
 Property Change Ratio 0.6270
 Tax Rate 19.8186
 Estimated Taxes 765,273.94

Disclosure

The purpose of this tool is to provide an estimate for the amount your property taxes may increase, due to changes in your property such as new construction, remodels, etc.

Due to limitations created by Oregon's property tax system, the Assessor's Office will not have values for these types of changes available until values are certified on the tax roll, just shortly before the tax statements are mailed in October. To use this tool, you will need to estimate the market value of your project to the best of your ability. You may wish to use the sales price, recent appraisal from financing, or cost of the project (knowing that cost does not always equal market value).

The factors needed to provide this estimate are tied to the property, so the account number is required. Providing the account number will return the changed property ratio and tax rate for the property from the last certified tax roll. Each year the tax roll is certified in October, and represents the value of the property on January 1 of the same year.

This tool does not take into account any new bonds, levies, or rate changes by taxing districts.

Please visit [Tax Reports by Year](#) for a full list of property values and tax rates for each tax year.

We hope you find this tool helpful, but remember it is only an estimate. It will not include any special assessments, exemptions, discounts, or prior year's taxes.

Station House Development**HARD COSTS****Construction Costs**

Trades/Hard Construction	37,341,006
Construction (3%) & Escalation Contingency (2%)	1,867,050
Insurance - Builders Risk	372,477
Contractor's Fee	1,385,319
OR CAT Tax	159,767
Total - Construction Costs	41,125,619

Land Value

Bare Land	9,000,000
Total - Land Value	9,000,000

TOTAL HARD COSTS **50,125,619**

SOFT COSTS**Third Party Consultants**

Soft Costs Contingency	449,385
Architectural/Engineering/Design	1,800,000
Testing & Inspection	75,000
EWEB & Plan Reviews	120,000
Total	2,444,385

Project Management

Project Manager	150,000.00
Project Accounting Position	60,000.00
Total	210,000.00

Professional Fees

Legal Services	100,000.00
Accounting & Audit	50,000.00
Total	150,000.00

Permits & Fees

SDC's	800,000.00
Permits	400,000.00
Miscellaneous Fees	-
Total	1,200,000.00

FFE

FF&E - Common Areas/Amenity Spaces	150,000.00
FF&E -furnished units	650,000.00
Total	800,000.00

Developer Fees

Developer Fee - Project Period - 4%	2,022,508.00
Total	2,022,508.00

Construction, Financing & Carrying Costs

Development Period Property Tax	130,000
Insurance	70,000
Inspection Fees/Construction Review	8,000
Construction Period Interest	2,489,696
Total	2,697,696.00

Permanent Financing Fees & Costs

Loan and Bank Fees	100,000
Title Insurance & Escrow Fees	55,000
Total	155,000

Pre-Opening Costs

Ramp Up Costs	800,000.00
Broker's Commission	50,000.00
Tenant Improvements	930,000.00
Other Construction Period Expenses	
Total	1,780,000.00

TOTAL SOFT COSTS **11,459,589**

SUB-TOTAL COSTS **61,585,208**
 Plus Working Capital **500,000**
TOTAL PROJECT COSTS **62,085,208**

Soft Costs as a % of Hard Costs **28%**

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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.

~~BO~~ 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.

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

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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 Construction ³
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: <ol style="list-style-type: none"> 1. Documentation of Earth Advantage certification, and 2. Commissioning report.
City of Eugene BPS	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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.

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.

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 5th Street Public Market
The Station House Apartments

The sustainability features of the Station House support and enhance the design of the 5th Street Market 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 measures 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 MUPTE 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 Station House 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.
- 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, Station House will achieve energy savings of 10% or greater than Oregon code and perform building commissioning. The strategies used to achieve this 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.
- LED lighting throughout to reduce energy demand.
- On-site electric car charging stations and infrastructure to support future expansion of electric vehicle charging stations for reduced vehicular emissions. Charging stations are to be provided

for approximately 14% of parking spaces and infrastructure to support future expansion to 20% or greater of total parking.

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

Station House 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 goal 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.
- 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. Station House 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.

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>\$43,930,004</u>	Total Estimated Professional Services and Construction Contracts
<u>\$32,947,503</u>	Local to Lane County
<u>75%</u>	% of Total that is Estimated to be Local
<u>\$10,982,501</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:

- BO 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/>).
- BO 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>).
- BO 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.

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:

BO 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.*

BO 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.

BO 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.

BO 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 General Construction

Station House

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.

Project Design and Compatibility Narrative

Eugene 5th Street Public Market
The Station House Apartments

Scale Form and Quality

Inspired by the district's historic and eclectic architectural vocabulary, the Station House project is designed to activate 5th Avenue, contribute to the urban character of the 5th Street Public Market, and respond to the site's location at the northern terminus of Oak St.

Situated at the prominent north terminus of Oak Street along 5th Avenue, the design responsibly centers the symmetrical massing in alignment with the major urban axis of Oak Street. In plan view, the building is configured with a courtyard facing south and centered on Oak Street. Taller, seven-story masses flank the two-story central courtyard and stand proud of the lower central mass to define a shallow street level courtyard and primary pedestrian entrance to the site.

The exterior materials predominantly consist of stucco with brick accents. Fiber cement panel siding limited to accent material typically located above the pedestrian realm. The project will use large storefront windows 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 evokes a brick and stucco historic architectural aesthetic, inspired by the classical revival vocabulary of the neighboring Oregon Electric Station and Southern Pacific Passenger Depot, two national historic landmarks, and responsive to the context of the district. The arrangement of the large windows and piers establishes a consistent architectural rhythm that enriches the streetscape experience by breaking down the massing to a human scale. Projecting balconies reinforce the architectural rhythm and introduce interesting shadows. The elevation design is further punctuated by details such as stucco reveals, window trim, and corbels at the upper roof.

Mixture of Project Elements

The building is designed to contribute to a walkable downtown. The central massing of the building is set back from the property line to create an inviting entry to the residential lobby and flanking commercial spaces from 5th Avenue and to provide an opportunity for the commercial spaces to flow into the public realm and further activate the sidewalk. The residential lobby is located under a grand archway that recalls the image of a historic train station, highlighting the center of the building as the public interface to the district and distinguishing the residential entrance from the commercial spaces. The

Design and Compatibility
Application Page: 40

architectural elements prominent on the primary 5th Avenue frontage wrap around the facades to maintain a high level of quality on all elevations.

Two levels of structured parking are tucked to the back of the site adjacent to the railroad, screened from the primary 5th Avenue frontage. Parking access will be tucked between the primary building massing and adjacent Station Square building. The garage will provide opportunities for public parking to support the well visited public market and replace the existing public surface parking displaced by ongoing development within the district.

Relationship to the Street and Surrounding Uses

Entries to the building are sheltered by large steel canopies creating opportunities to seek refuge from inclement weather and shake off an umbrella as one enters the building. Large ground floor windows provide a high degree of transparency at all street facing façades. The commercial spaces at ground level, upper-level amenity decks, and balconies bring residents out to interface with the street. Street trees and stormwater planting further enrich the streetscape.

Parking and Circulation

Structured parking is tucked to the back of the site adjacent to the railroad, screened from the primary 5th Avenue frontage. Parking access is located mid-block to reduce potential conflict with adjacent intersections. To improve traffic flow and reduce pedestrian-vehicular encounters, the garage has a secondary entrance/exit on the west elevation providing access to the existing alley serving the Oregon Electric Station, Southern Pacific Rail Depot, and Amtrak train station.

The project will incorporate site and building mounted lighting to support community comfort and safety at all hours.

In alignment with the City of Eugene's Climate Action Plan to reduce transportation emissions and increase use of electric vehicles, the project will include electric vehicle charging stations at approximately 14% of the parking spaces and include infrastructure for future expansion to serve at least 20% of the spaces and support market demand. The EV charging station infrastructure for expansion will include empty conduit, pull vaults, and electrical system sizing appropriate to support future installation. 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.



OBIE STATION HOUSE

10/25/24

MUPT



LOCATION MAP C01
Application Page: 43

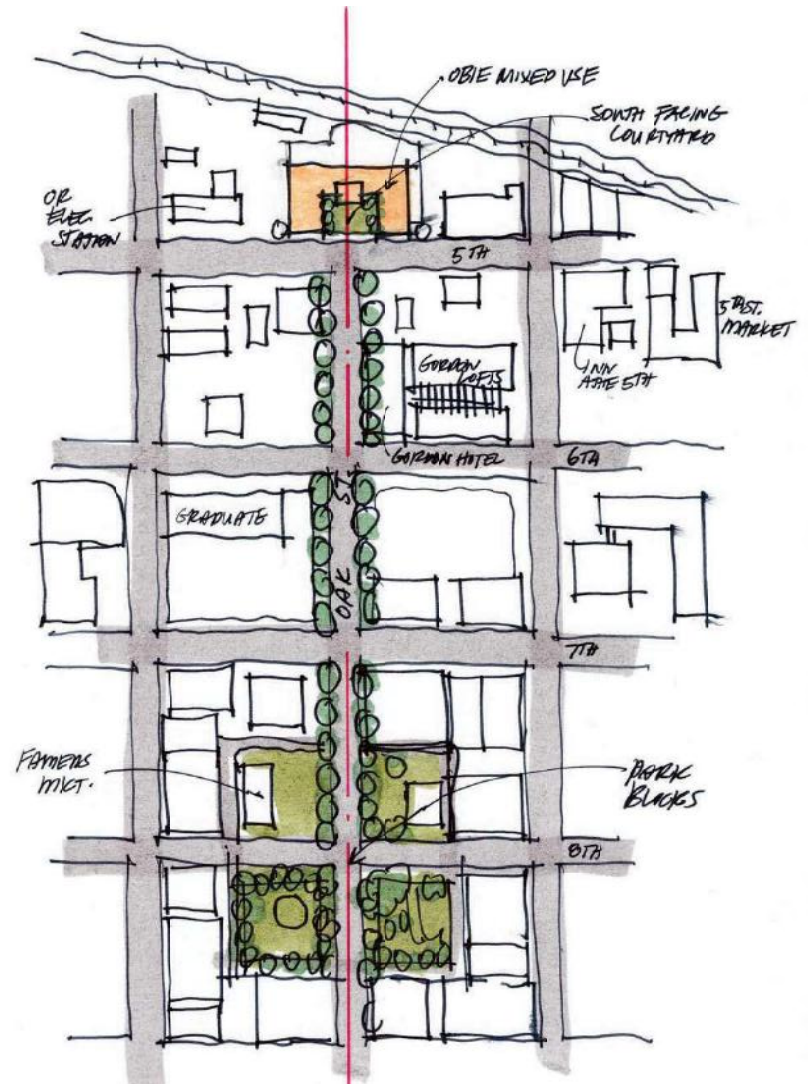


THE STATION HOUSE

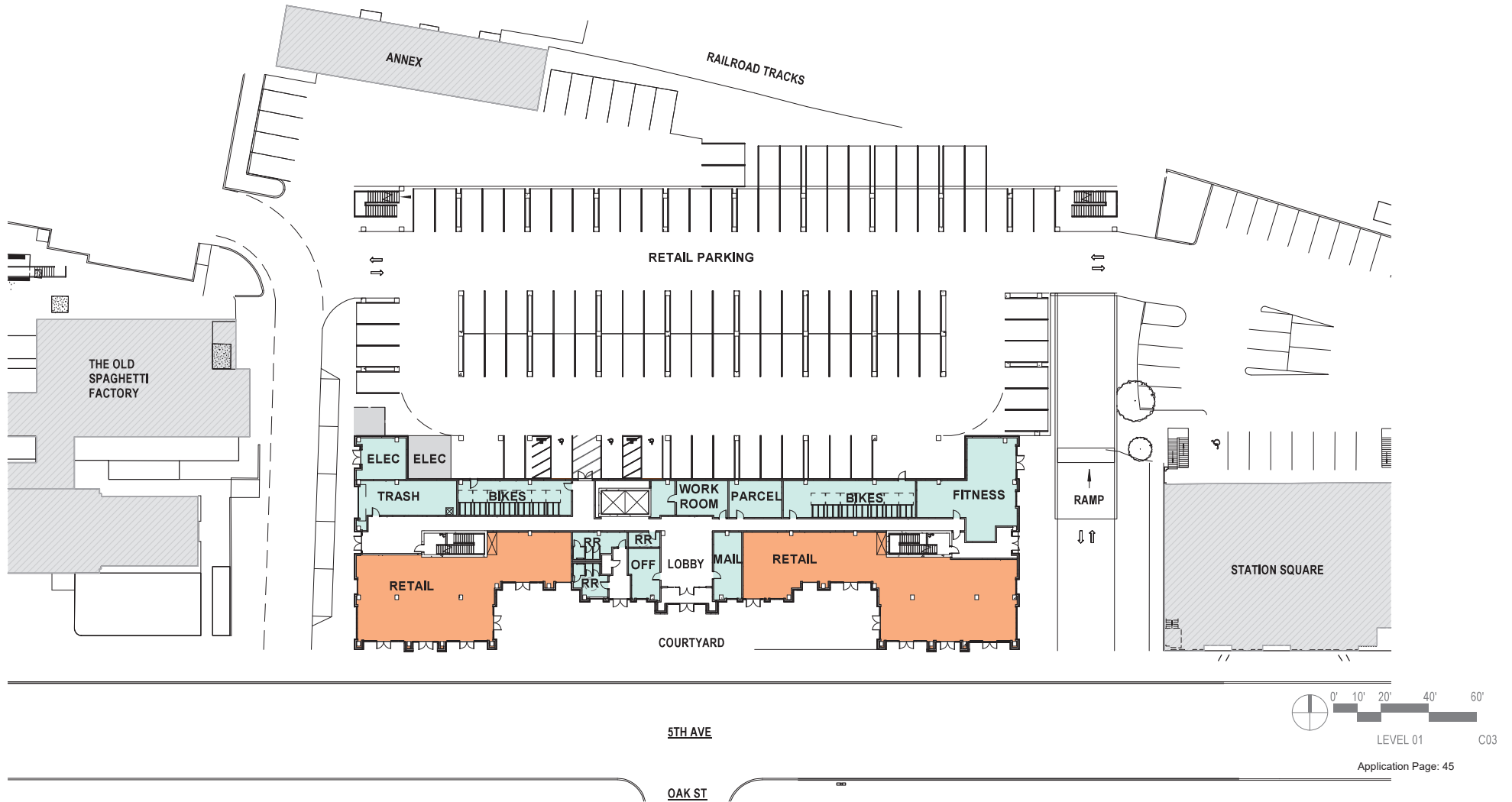
The Obie Companies Station House is conceived to be a distinctive landmark in the Eugene downtown as well as being complementary to the high architectural quality being established by the Obie Companies in the Market District. The site is located in a very extraordinary place in Eugene downtown, being the terminus to Oak street. Our goal is to create a visual focal point and terminus to Oak street that becomes an instant landmark in Eugene.

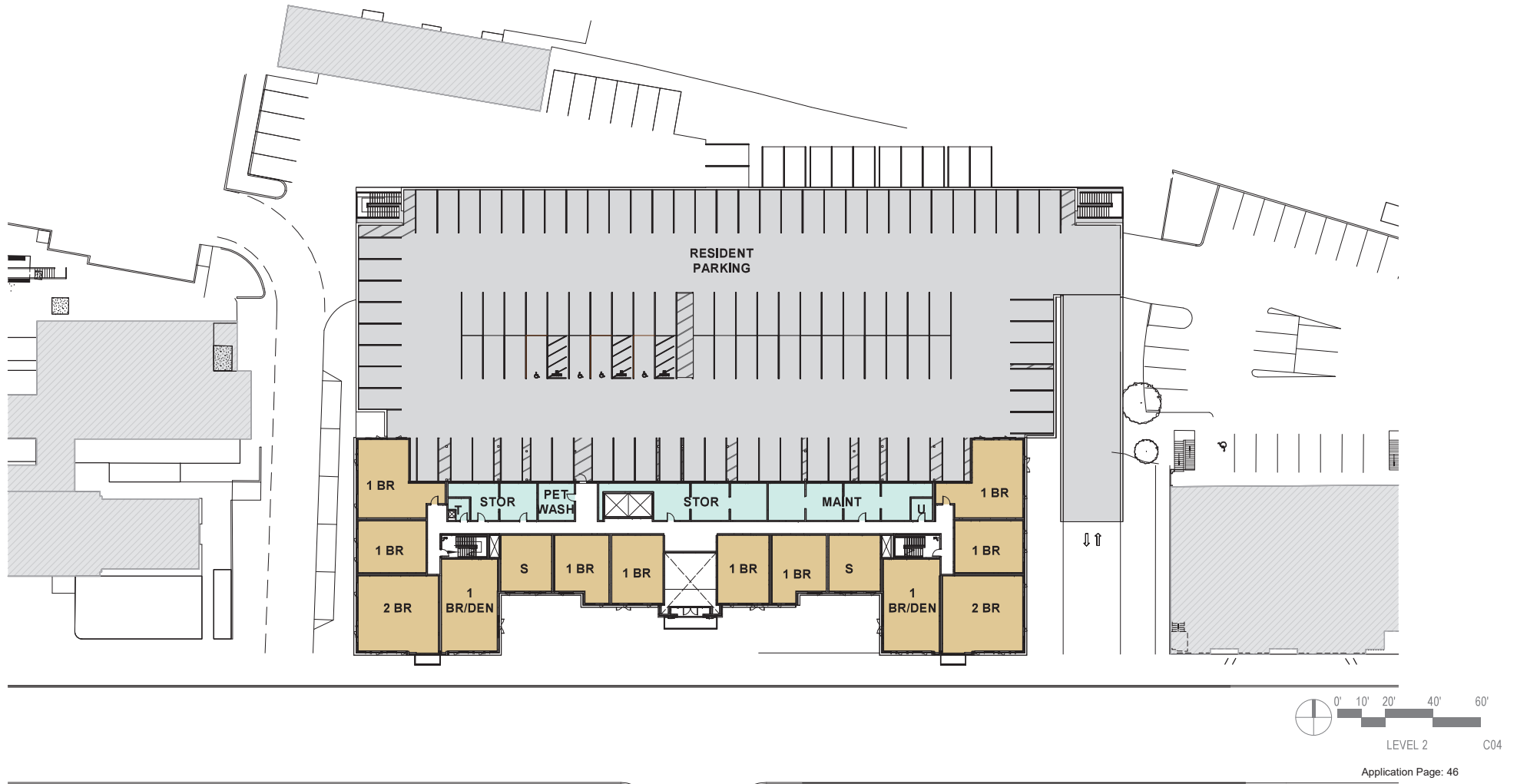
We have designed the Station House with a south facing courtyard that allows for a large outdoor space on 5th Ave activated by retail shops that looks south down Oak street, aligning with the view of Spencer's Butte. The south facing courtyard also acts as a terminus to Oak street for urban residents and visitors. There is a community room and outdoor terrace located on the 6th floor as well with south facing views straight down Oak street. South facing retail activates the 5th street frontage and extends the Market district to the west.

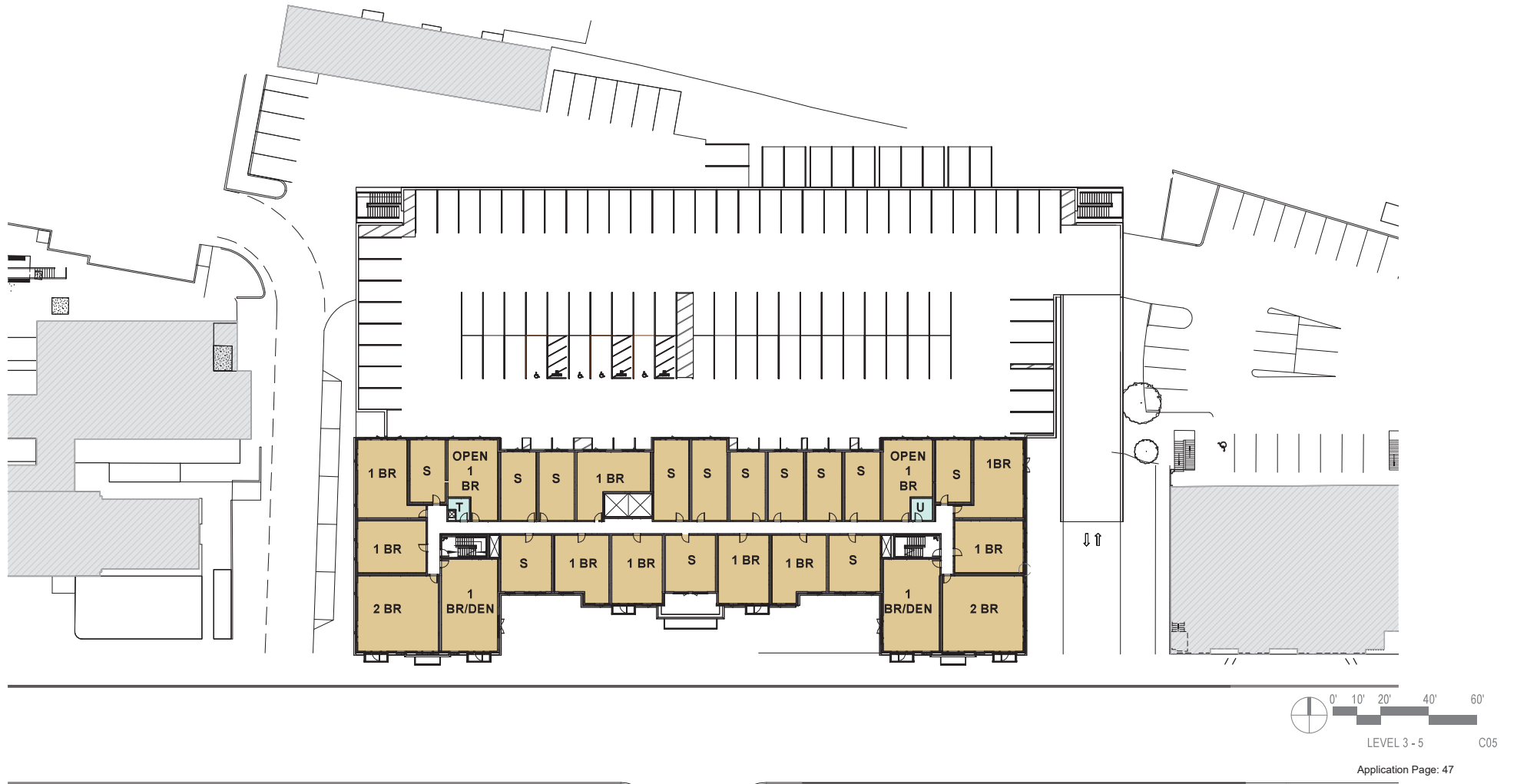
We envision a distinctive architectural character that is complementary to the high-quality buildings of the Market District. The Station House is designed with a classic sense of composition and proportion that reflects the history of train travel on the site.

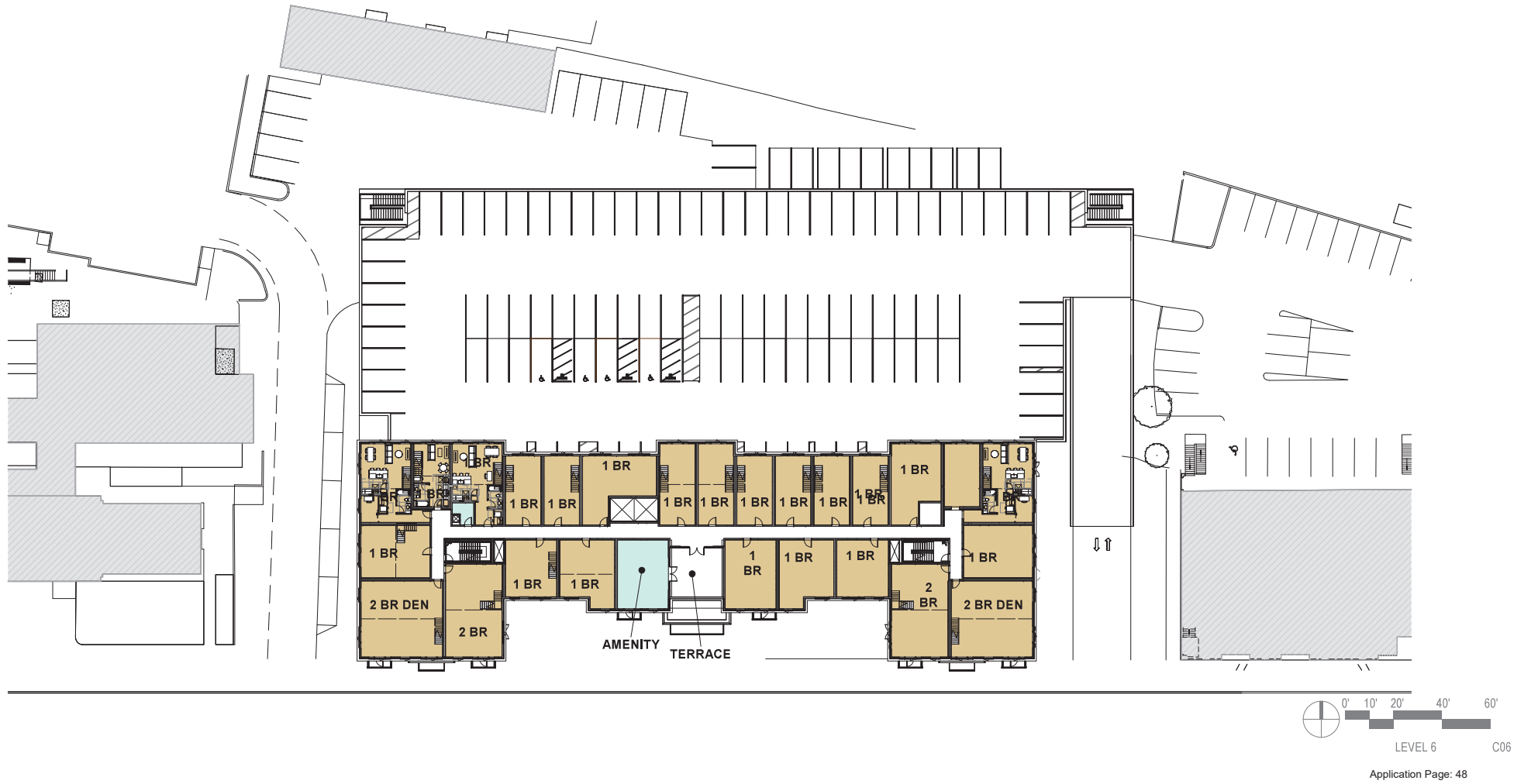


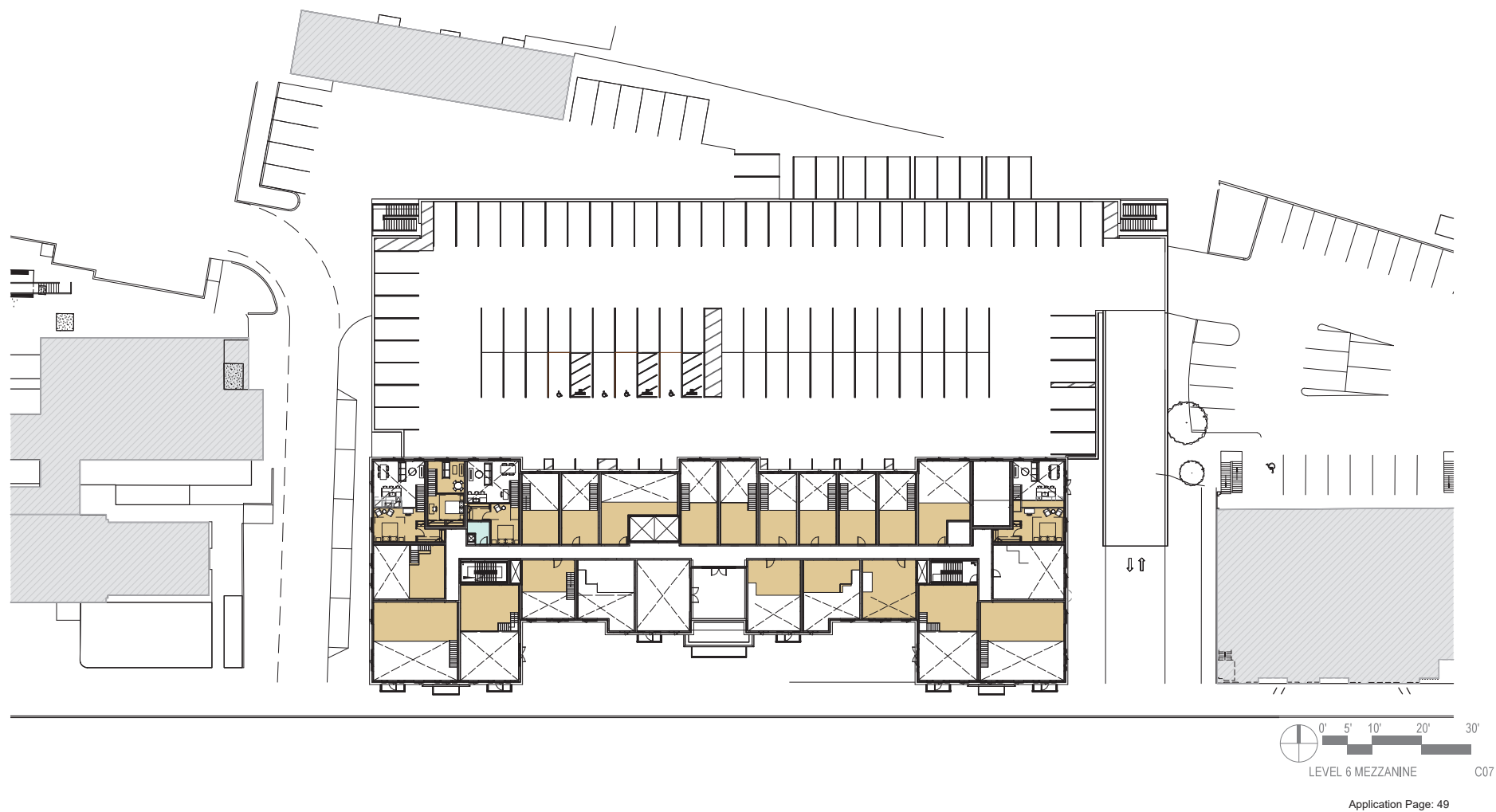
DESIGN CONCEPT
Application Page: 44 C02













OBIE STATION HOUSE

10/25/24

MUPTC

VIEW FROM SOUTH

C08

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OBIE STATION HOUSE

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MUPTE

VIEW FROM NW

C09

Application Page: 51



OBIE STATION HOUSE

10/25/24

MUPTE











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)



The Atrium Building
 99 West 10th Avenue, Eugene, Oregon 97401
 Phone: 541.682.5377 | Fax: 541.682.5572
www.eugene-or.gov/planning

MEMORANDUM

Date: October 6, 2022
To: OBIE Companies
From: Althea Sullivan, Senior Planner
Subject: Historic Sensitivity Review – MUPTE Application

Obie Companies submitted a letter on September 30, 2022 which provides project details for an upcoming MUPTE request. As part of the MUPTE process, consideration of the impact to historic resources is required. The letter from Obie Companies correctly identifies the Oregon Electric Station and Southern Pacific Passenger Depot as existing historic resources on and adjacent to their site.

The Oregon Electric Station was designed by Portland architectural firm Doyle, Patterson, and Beach in 1913, and was constructed the following year. The Oregon Electric Station is Georgian revival style architecture. The Station reached peak passenger service from 1914 to 1916, representing a time in American history where mass transportation was favored over individual transportation.

The Southern Pacific Railroad Depot was the third passenger depot built at the north end of Willamette Street, and was constructed in 1908. The design of the building is reminiscent of the Romanesque revival designs made famous by Henry Hobson Richardson, which came to be known as the Richardsonian Romanesque style.

Both buildings are listed as historic resources by the City of Eugene and are on the National Register of Historic Places. The materials submitted from Obie Companies note that while development will occur near the buildings, both will remain. Based on the retention of the structures, the proposal for development will not result in an adverse impact on the resources. In the event alteration of the structures is proposed, the City of Eugene must be contacted to determine if changes will impact the integrity of the resources.

For Additional Information:

Please contact Althea Sullivan, Senior Planner, Eugene Planning Division, by phone at (541) 682-5485, or by e-mail, at: ASullivan@eugene-or.gov

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:  Date: 10/30/24
 Property Owner's Signature
ERIC CUMMINGS, Managing Director

Application Verification

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

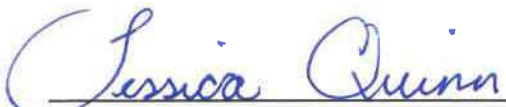
By:  Date: 10/30/24
 Applicant Signature

State of OREGON

County of Lane



Signed and sworn to (or affirmed) before me on October 30 2024, by William Casey Obie Barrett


 Notary Public for Oregon

⁶ Administrative Order 53-20-02-F

17-03-30-44-09700
1743234

Page 3

ND TL 9700

EXHIBIT "D"

**Legal Description of the Tract 2 Property
(after adjustment)
Assessor's Map No. 17-03-30-44 TL No. 9700**

Beginning at a 5/8" rebar referencing the southeast corner of that certain tract of real property described in a Bargain and Sale Deed recorded on December 29, 1992 as Reception No. 92-73694 Lane County Oregon Deeds and Records, said 5/8" rebar also being on the northerly boundary of Parcel 1 of Land Partition Plat No. 2023-P3121 as platted and recorded on June 9, 2023 as Reception No. 2023-015596 Lane County Oregon Deeds and Records; thence along the south boundary of the Bargain and Sale Deed tract and the north boundary of Parcel 1 of said Land Partition Plat No. 2023-P3121 North 80°07'00" West 389.46 feet; thence leaving said common boundary and running North 9°42'00" East 132.15 feet to a point on the north boundary of the said Bargain and Sale Deed tract, said point being 25.00 feet distant from, when measured perpendicular to, the centerline of the Southern Pacific Transportation Company spur tracks; thence along the north boundary of the said Bargain and Sale Deed tract, parallel to and 25.00 feet southerly of the said spur tracks the following five (5) courses: 1) South 79°44'17" East 73.41 feet, 2) South 77°44'35" East 98.56 feet, 3) South 76°12'54" East 43.05 feet, 4) South 77°00'44" East 54.50 feet and 5) South 79°09'46" East 120.73 feet to the northeast corner of the said Bargain and Sale Deed tract; thence along the east boundary of the said Bargain and Sale Deed tract South 9°55'17" West 119.69 feet to the point of beginning, all in Lane County Oregon.

Together with, all that part of Parcel 1 of Land Partition Plat No. 2023-P3121 as platted and recorded on June 9, 2023, Reception No. 2023-015596 Lane County Oregon Deeds and Records lying easterly of the following described line;

Beginning at a point on the south boundary of Parcel 1 of Land Partition Plat No. 2023-P3121 as platted and recorded on June 9, 2023 Reception No. 2023-015596 Lane County Oregon Deeds and Records, said point being South 89°54'33" East 191.00 feet from the southwest corner of said Parcel 1; thence leaving said south boundary and running NORTH 144.22 feet to a point on the north boundary of said Parcel 1 and there ending, all in Lane County Oregon.

Contains m/l 2.10 AC

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

The MUPTE Review Panel initially considered the Station House MUPTE application during two meetings held on January 10 and January 29. Following those two meetings, the Panel made an initial recommendation. Following the receipt of additional information, the Panel met again on March 10 and voted on a new recommendation. (See the Agenda Item Summary for more information on the Review Panel process.)

This attachment includes the Panel's final recommendation and conclusions about the project's compliance with MUPTE program criteria. The attachment also includes the Panel's initial recommendation from their January review, which is superseded by the final conclusions document.

FINAL MUPTE Review Panel Conclusions*Station House**March 14, 2025*

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 C-2 Community Commercial with Residential Density as well as Transit Oriented Development overlay zones as well as a small area of C-3 Major Commercial. The Residential Density overlay imposes a minimum density of 20 dwelling units per acre with no maximum density. The project includes 124 dwelling units at 57 units/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, including the revised building design submitted 2/6/25. The Panel agreed that the applicant provided a narrative and illustrations 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 Panel concluded that the exemption is needed for the project's financial feasibility. Based on PNW Economics' analysis and the updated financial information provided by the applicant on 3/6/25, the Panel unanimously voted to conclude the project demonstrates need for a 10-year MUPTE.	None.

8. Commercial Exemption	
Overall	Concerns
The Panel recommended the commercial space on the ground floor represents a public benefit and should be included in the exemption. However, they recommended against tax exemption for the portion of the parking improvements intended to serve retail customers.	The Panel agreed that parking that is not tied to the residential use and instead generates revenue by providing parking for commercial uses should not be classified as a public benefit.

Overall recommendation to the City Manager:
Provide a ten-year MUPTE for improvements related to the Station House development to include residential and commercial portions of the building and that portion of parking improvements dedicated to residential tenants.

PRELIMINARY MUPTE Review Panel Conclusions
Superseded by final conclusions, presented for record purposes

Station House
 January 29, 2025

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 C-2 Community Commercial with Residential Density as well as Transit Oriented Development overlay zones as well as a small area of C-3 Major Commercial. The Residential Density overlay imposes a minimum density of 20 dwelling units per acre with no maximum density. The project includes 124 dwelling units at 57 units/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, including the revised building design submitted 1/24/25. As is, the design does not meet the criteria. Please review the questions posed by the Review Panel and the responses from the applicant, including the revised design in the attachments to the Agenda Item Summary, to determine if the final specifications align with the concerns of the Panel and the Design and Compatibility criteria. The Panel unanimously determined the design did not meet the program requirements for Project Design and Compatibility, which require fully detailed plans to be submitted for their review.	In their vote, the Panel indicated they believe the revised design shows marked improvement, but in the absence of new elevation drawings and material details, they felt they could not come to a conclusion that the project meets the criteria.

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
The Panel unanimously concluded that the exemption is needed for the project's financial feasibility, but the need for a 10-year exemption is not supported by the financial projections provided by the applicant and analyzed by the financial consultant. Based on PNW Economics' analysis, the Panel voted to conclude the project demonstrates need for a 7-year MUPTE.	None.

8. Commercial Exemption	
Overall	Concerns
The Panel recommended the commercial space on the ground floor represents a public benefit and should be included in the exemption. However, the portion of the parking improvements intended to serve retail customers did not warrant exemption as a public benefit and should be separated from the portion serving residents of the building.	None.

Overall recommendation to the City Manager:

Provide a seven-year MUPTE for improvements related to the Station House development to include residential and commercial portions of the building and that portion of parking improvements dedicated to residential tenants.

This recommendation was replaced by a revised recommendation on 3/14/25.

**MARKET & FINANCIAL
ANALYSIS
THE STATION HOUSE
MIXED-USE PROJECT
MUPTE PROGRAM
APPLICATION
MARCH 2025 UPDATE**

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Memorandum

March 10, 2025

TO: Dylan K Huber-Heidorn, City of Eugene

FROM: Bill Reid, PNW Economics

RE: Review of Updated Financials for Station House MUPTE Application

PNW Economics reviewed the updated financial packet for the proposed Station House project in downtown Eugene. The updated financials included changes to Development Costs and Financing only. All other assumptions, such as those for Revenue and Operating Costs, remained unchanged from the original application.

Below, we report on updates to our original analysis.

Summary of Findings

The following tables provide a comparison of the updated financials with changes to Development Costs and Financing with the findings of the original application.

Original Application Station House Apartment Project Cash-on-Cash Return With & Without MUPTE: 124 Units

	Year 1 2027	Year 2 2028	Year 3 2029	Year 4 2030	Year 5 2031	Year 6 2032	Year 7 2033	Year 8 2034	Year 9 2035	Year 10 2036
124 Units NO MUPTE										
+ MUPTE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash-on-Cash Return	-10.3%	-4.4%	-3.4%	-2.2%	-1.0%	0.3%	1.7%	3.1%	4.6%	6.2%
124 Units YES MUPTE										
+ MUPTE	\$764,488	\$787,423	\$811,045	\$835,377	\$860,438	\$886,251	\$912,839	\$940,224	\$968,431	\$997,484
Cash-on-Cash Return	-5.4%	0.6%	1.2%	2.5%	3.9%	5.3%	6.8%	8.5%	10.2%	11.9%

Updated Financials Station House Apartment Project Cash-on-Cash Return With & Without MUPTE: 124 Units

	Year 1 2027	Year 2 2028	Year 3 2029	Year 4 2030	Year 5 2031	Year 6 2032	Year 7 2033	Year 8 2034	Year 9 2035	Year 10 2036
124 Units NO MUPTE										
+ MUPTE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash-on-Cash Return	-14.7%	-9.3%	-8.3%	-7.3%	-6.2%	-5.0%	-3.8%	-2.5%	-1.1%	0.3%
124 Units YES MUPTE										
+ MUPTE	\$839,674	\$864,864	\$890,810	\$917,534	\$945,060	\$973,412	\$1,002,614	\$1,032,693	\$1,063,674	\$1,095,584
Cash-on-Cash Return	-9.7%	-4.2%	-3.8%	-2.6%	-1.3%	0.0%	1.4%	2.8%	4.4%	6.0%

A review of the new financials resulted in the following:

- Award of the MUPTE – starting in Year 1 at an estimated \$839,674 – 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 does not offer positive cash-on-cash return during the first ten years of the project.
- With a MUPTE, the project *achieves the 6.0% cash-on-cash return benchmark in Year 10*.

Financial Feasibility (“Pro Forma”) Assumptions

Project Development Cost

The updated financials for the Station House project MUPTE application details an expected total project development cost of \$68,135,758. On a per-unit basis, total development costs are:

- *Cost per Apartment Unit: \$549,482*
- *Cost per Building Square Foot: \$417.99*

The updated planned project costs are compared to six other MUPTE applications in the Table below.

Table 1 – MUPTE Application Projects Development Costs Comparison

		2018	October 2021	October 2021	April 2023	October 2024	October 2024
	Station House	Gordon Lofts	Heartwood	"Portal" 3BC	"Landing" 3A	Parcel 9A	Parcel 10A
Units	124	127	95	130	237	80	76
Sq. Ft.	163,007	114,555	107,631	174,000	272,983	106,229	105,132
Land Acquisition	\$9,000,000	\$2,563,157	\$3,780,783	\$2,713,659	\$2,782,504	\$3,404,941	\$3,257,014
Schematic Design & MUPTE Application	\$2,492,338	\$1,204,361	\$685,628	\$770,389	\$761,733	\$600,000	\$600,000
A/E Design & Permitting	\$2,150,000	\$1,338,744	\$3,701,395	\$4,740,507	\$8,880,119	\$4,041,729	\$3,880,243
Construction	\$48,401,656	\$23,131,649	\$31,908,532	\$46,599,620	\$96,444,138	\$35,906,329	\$34,428,893
Project Contingency	\$1,780,000	\$4,355,989	\$1,780,215	\$2,514,683	\$10,959,236	\$2,714,931	\$2,588,394
Project Finance & Carry Costs	<u>\$4,311,764</u>	<u>\$1,406,100</u>	<u>\$1,050,600</u>	<u>\$1,256,600</u>	<u>\$6,944,450</u>	<u>\$1,699,163</u>	<u>\$1,635,248</u>
Total Development Costs	\$68,135,758	\$34,000,000	\$42,907,153	\$58,595,458	\$126,772,180	\$48,367,093	\$46,389,792
Total Costs per Unit	\$549,482	\$267,717	\$451,654	\$450,734	\$534,904	\$604,589	\$610,392
Total Costs per Square Foot	\$417.99	\$296.80	\$398.65	\$336.76	\$464.40	\$455.31	\$441.25

Overall, development costs seem to be comparable to recently documented development applications with the MUPTE program.

Debt vs. Equity & Project Financing

Table 2 provides a summary of updated project permanent financing assumptions taken from the Applicant's Revised Financial Packet. PNW Economics has updated the applicant's assumptions with an annual cost escalation of six percent.

Table 2 – Station House Project Application Permanent Debt Finance Assumptions: Before Stabilization

	<u>No MUPTE - 124 Units</u>		<u>Yes MUPTE - 124 Units</u>	
	2024 Dollars	2027 Dollars	2024 Dollars	2027 Dollars
Total Development Cost	\$57,208,097	\$68,135,758	\$57,208,097	\$68,135,758
Permanent Loan	\$42,906,073	\$50,726,819	\$42,906,073	\$50,726,819
Equity	\$14,302,024	\$17,408,940	\$14,302,024	\$17,408,940
Percent Financed	75%	75%	75%	75%
Annual Interest Rate	7.47%	7.47%	7.47%	7.47%
Amortization (Years)	30	30	30	30
Annual Permanent Debt Service	(\$3,589,495)	(\$4,243,774)	(\$3,589,495)	(\$4,243,774)

Financial Feasibility Analysis of Station House

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 5% 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 \$9,542 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 Station House project. Based on an estimated cost-of-replacement of \$68.1 million in 2027 dollars and a local, existing total property tax rate of \$0.0198186 (Tax Code Area 004-00), the estimated MUPTE exemption beginning in year 1 would be \$839,674. 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 7.47%) 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 (\$17.4 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 75% 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.

124 Apartment Units at Station House

Station House Pro Forma Without MUPTE

Table 4 reports the resulting pro forma analysis for the Station House project without MUPTE.

Results indicate that without the tax exemption, the project would earn a **-14.3%** cash-on-cash return for year 1, and thereafter would not see positive cash-on-cash return until year 10. By year 10, cash-on-cash return is estimated to reach 0.3% 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 4 – Station House Pro Forma Without MUPTE

	Ann. Esc.	Year 1 2027	Year 2 2028	Year 3 2029	Year 4 2030	Year 5 2031	Year 6 2032	Year 7 2033	Year 8 2034	Year 9 2035	Year 10 2036
Apartment Rent Income	5%	\$4,320,465	\$4,536,488	\$4,763,313	\$5,001,478	\$5,251,552	\$5,514,130	\$5,789,836	\$6,079,328	\$6,383,295	\$6,702,459
Retail Rent Income	5%	\$246,078	\$258,382	\$271,301	\$284,866	\$299,110	\$314,065	\$329,768	\$346,257	\$363,570	\$381,748
Other Income											
Parking	3%	\$558,227	\$574,974	\$592,223	\$609,990	\$628,290	\$647,139	\$666,553	\$686,549	\$707,146	\$728,360
Other Income Total		\$558,227	\$574,974	\$592,223	\$609,990	\$628,290	\$647,139	\$666,553	\$686,549	\$707,146	\$728,360
Gross Project Income		\$5,124,771	\$5,369,845	\$5,626,837	\$5,896,335	\$6,178,952	\$6,475,333	\$6,786,157	\$7,112,134	\$7,454,010	\$7,812,568
- Stabilized Vacancy	5%	(\$256,239)	(\$268,492)	(\$281,342)	(\$294,817)	(\$308,948)	(\$323,767)	(\$339,308)	(\$355,607)	(\$372,700)	(\$390,628)
- Lease-Up Vacancy & Concessions		(\$1,024,954)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$3,843,578	\$5,101,352	\$5,345,495	\$5,601,518	\$5,870,004	\$6,151,567	\$6,446,850	\$6,756,527	\$7,081,309	\$7,421,939
Apartment Operating Expense	3%	(\$905,108)	(\$1,165,327)	(\$1,200,287)	(\$1,236,296)	(\$1,273,384)	(\$1,311,586)	(\$1,350,934)	(\$1,391,462)	(\$1,433,205)	(\$1,476,202)
Retail Operating Expense	3%	(\$41,437)	(\$53,350)	(\$54,951)	(\$56,599)	(\$58,297)	(\$60,046)	(\$61,848)	(\$63,703)	(\$65,614)	(\$67,583)
Management Expense (3.5% of EGI)		(\$134,525)	(\$178,547)	(\$187,092)	(\$196,053)	(\$205,450)	(\$215,305)	(\$225,640)	(\$236,478)	(\$247,846)	(\$259,768)
Property Tax (Land)	3%	(\$59,800)	(\$61,594)	(\$63,442)	(\$65,345)	(\$67,305)	(\$69,324)	(\$71,404)	(\$73,546)	(\$75,753)	(\$78,025)
Property Tax (Improvements)	3%	(\$846,673)	(\$872,073)	(\$898,235)	(\$925,182)	(\$952,938)	(\$981,526)	(\$1,010,972)	(\$1,041,301)	(\$1,072,540)	(\$1,104,716)
Reserve & Replacement	3%	(\$109,135)	(\$112,409)	(\$115,781)	(\$119,255)	(\$122,832)	(\$126,517)	(\$130,313)	(\$134,222)	(\$138,249)	(\$142,396)
Moderate Income Housing Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Operating Expenses		(\$2,096,679)	(\$2,443,301)	(\$2,519,788)	(\$2,598,730)	(\$2,680,207)	(\$2,764,305)	(\$2,851,110)	(\$2,940,712)	(\$3,033,207)	(\$3,128,690)
+ MUPTE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Net Operating Income (NOI)		\$1,746,899	\$2,658,052	\$2,825,707	\$3,002,788	\$3,189,797	\$3,387,262	\$3,595,740	\$3,815,815	\$4,048,103	\$4,293,249
- Construction Loan Interest		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (75% Loan-to-Cost)		(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)
= Before Tax Cash Flow		(\$2,496,874)	(\$1,585,722)	(\$1,418,066)	(\$1,240,986)	(\$1,053,977)	(\$856,512)	(\$648,034)	(\$427,959)	(\$195,671)	\$49,476
Cash-on-Cash Return		-14.3%	-9.1%	-8.1%	-7.1%	-6.1%	-4.9%	-3.7%	-2.5%	-1.1%	0.3%

Station House Pro Forma With MUPTE

Table 5 reports the same pro forma as Table 4, but assumes the project is awarded the MUPTE equal to \$839,674 in its first year and growing by 3% every year thereafter. The project's estimated cash-on-cash return in Year 1 is **-9.7%**. Under the assumptions of this independent analysis, the project is estimated to reach the 6% cash-on-cash return threshold in Year 10 of the project.

Results differ slightly from than the Applicant's pro forma which falls short of realizing cash-on-cash return of 6.0% in year 10 of the project with the MUPTE. The difference in results is likely due to differences in assumptions in rents, vacancy and concessions. Due to our review of current market conditions, PNW Economics assumes lower rents for certain unit types and higher occupancy rates than the applicant. PNW Economics assumes a 20 percent loss in revenue during Year 1 Lease Up and thereafter maintaining a five

percent vacancy rate. The applicant assumes a 40 percent loss in apartment rent revenue in Year 1, fifteen percent in Year 2 and thereafter maintaining a ten percent vacancy rate during the remaining eight years.

Table 5 – Station House Pro Forma WITH MUPT

	Ann. Esc.	Year 1 2027	Year 2 2028	Year 3 2029	Year 4 2030	Year 5 2031	Year 6 2032	Year 7 2033	Year 8 2034	Year 9 2035	Year 10 2036
Apartment Rent Income	5%	\$4,320,465	\$4,536,488	\$4,763,313	\$5,001,478	\$5,251,552	\$5,514,130	\$5,789,836	\$6,079,328	\$6,383,295	\$6,702,459
Retail Rent Income	5%	\$246,078	\$258,382	\$271,301	\$284,866	\$299,110	\$314,065	\$329,768	\$346,257	\$363,570	\$381,748
Other Income											
Parking	3%	<u>\$558,227</u>	<u>\$574,974</u>	<u>\$592,223</u>	<u>\$609,990</u>	<u>\$628,290</u>	<u>\$647,139</u>	<u>\$666,553</u>	<u>\$686,549</u>	<u>\$707,146</u>	<u>\$728,360</u>
Other Income Total		\$558,227	\$574,974	\$592,223	\$609,990	\$628,290	\$647,139	\$666,553	\$686,549	\$707,146	\$728,360
Gross Project Income		\$5,124,771	\$5,369,845	\$5,626,837	\$5,896,335	\$6,178,952	\$6,475,333	\$6,786,157	\$7,112,134	\$7,454,010	\$7,812,568
- Stabilized Vacancy	5%	(\$256,239)	(\$268,492)	(\$281,342)	(\$294,817)	(\$308,948)	(\$323,767)	(\$339,308)	(\$355,607)	(\$372,700)	(\$390,628)
- Lease-Up Vacancy & Concessions		(\$1,024,954)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$3,843,578	\$5,101,352	\$5,345,495	\$5,601,518	\$5,870,004	\$6,151,567	\$6,446,850	\$6,756,527	\$7,081,309	\$7,421,939
Apartment Operating Expense	3%	(\$905,108)	(\$1,165,327)	(\$1,200,287)	(\$1,236,296)	(\$1,273,384)	(\$1,311,586)	(\$1,350,934)	(\$1,391,462)	(\$1,433,205)	(\$1,476,202)
Retail Operating Expense	3%	(\$41,437)	(\$53,350)	(\$54,951)	(\$56,599)	(\$58,297)	(\$60,046)	(\$61,848)	(\$63,703)	(\$65,614)	(\$67,583)
Management Expense (3.5% of EGI)		(\$134,525)	(\$178,547)	(\$187,092)	(\$196,053)	(\$205,450)	(\$215,305)	(\$225,640)	(\$236,478)	(\$247,846)	(\$259,768)
Property Tax (Land)	3%	(\$59,800)	(\$61,594)	(\$63,442)	(\$65,345)	(\$67,305)	(\$69,324)	(\$71,404)	(\$73,546)	(\$75,753)	(\$78,025)
Property Tax (Improvements)	3%	(\$846,673)	(\$872,073)	(\$898,235)	(\$925,182)	(\$952,938)	(\$981,526)	(\$1,010,972)	(\$1,041,301)	(\$1,072,540)	(\$1,104,716)
Reserve & Replacement	3%	(\$109,135)	(\$112,409)	(\$115,781)	(\$119,255)	(\$122,832)	(\$126,517)	(\$130,313)	(\$134,222)	(\$138,249)	(\$142,396)
Moderate Income Housing Fee		\$0	\$0	(\$120,324)	(\$120,324)	(\$120,324)	(\$120,324)	(\$120,324)	(\$120,324)	(\$120,324)	(\$120,324)
- Operating Expenses		(\$2,096,679)	(\$2,443,301)	(\$2,640,112)	(\$2,719,054)	(\$2,800,531)	(\$2,884,629)	(\$2,971,434)	(\$3,061,036)	(\$3,153,531)	(\$3,249,014)
+ MUPT		<u>\$839,674</u>	<u>\$864,864</u>	<u>\$890,810</u>	<u>\$917,534</u>	<u>\$945,060</u>	<u>\$973,412</u>	<u>\$1,002,614</u>	<u>\$1,032,693</u>	<u>\$1,063,674</u>	<u>\$1,095,584</u>
= Net Operating Income (NOI)		\$2,586,573	\$3,522,916	\$3,596,193	\$3,799,998	\$4,014,533	\$4,240,350	\$4,478,030	\$4,728,184	\$4,991,452	\$5,268,509
- Construction Loan Interest		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (75% Loan-to-Cost)		(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)	(\$4,243,774)
= Before Tax Cash Flow		(\$1,657,200)	(\$720,858)	(\$647,581)	(\$443,775)	(\$229,241)	(\$3,423)	\$234,257	\$484,410	\$747,679	\$1,024,736
Cash-on-Cash Return		-9.7%	-4.2%	-3.8%	-2.6%	-1.3%	0.0%	1.4%	2.8%	4.4%	6.0%

**MARKET & FINANCIAL
ANALYSIS
THE STATION HOUSE
MIXED-USE PROJECT
MUPTE PROGRAM
APPLICATION
DECEMBER 2024**

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1. Executive Summary

Introduction

PNW Economics, LLC was retained by the City of Eugene to review the Station House 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 Station House 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 124 apartment units.

Table A – Station House Apartment Project Cash-on-Cash Return With & Without MUPTE: 124 Units

	Year 1 2027	Year 2 2028	Year 3 2029	Year 4 2030	Year 5 2031	Year 6 2032	Year 7 2033	Year 8 2034	Year 9 2035	Year 10 2036
124 Units NO MUPTE										
+ MUPTE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash-on-Cash Return	-10.3%	-4.4%	-3.4%	-2.2%	-1.0%	0.3%	1.7%	3.1%	4.6%	6.2%
124 Units YES MUPTE										
+ MUPTE	\$764,488	\$787,423	\$811,045	\$835,377	\$860,438	\$886,251	\$912,839	\$940,224	\$968,431	\$997,484
Cash-on-Cash Return	-5.4%	0.6%	1.2%	2.5%	3.9%	5.3%	6.8%	8.5%	10.2%	11.9%

- Award of the MUPTE – starting in Year 1 at an estimated \$764,488 – 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 until Year 10.
 - Without a MUPTE, Net Operating Income offers positive and increasing cash-on-cash return which is expected to grow moderately during the first ten years of the project.
 - With a MUPTE, the project achieves the 6.0% cash-on-cash return benchmark in Year 7.

- With a MUPTE, cash-on-cash return is estimated to achieve a maximum of **11.9%** 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 Station House 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 Station House project assumes market rents that are generally higher but within reason given unit sizes and amenities that will be offered at Station House relative to comparable existing market rate units in the market. While the applicant's anticipated rents are higher than other projects that have gone through the MUPTE process, rents at Station House include fees, such as utilities and deposits, that are charged on top of rent at other projects.
- Development costs per unit of the project are lower than many recent projects that have gone through MUPTE evaluation. On a per-square foot basis, costs for the project are also lower than recent projects.

Overall, it was found that the Station House 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 the Station House should it be developed: Heartwood, Gordon Lofts, 35 Club and planned River District projects at parcels 3A, 3BC, 9A and 10A. Heartwood, Gordon Lofts and 35 Club rents are actual observed market rents as of November 2024. Rents here expressed for the four planned River District projects are from those four 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. The project includes unfurnished Studio (6 units), One-Bed (29 units), and Two-Bed (39 units) units and furnished Studio (6 units), One-Bed (9 units) and Two-Bed (6 units) units. Heartwood also has One- and Two-Bed + Den units.
- Gordon Lofts: The 127-unit mixed-use project at 550 Pearl Street is a previous MUPTE program participant and comprises Studio, One-Bed, and Two-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. Gordon Lofts offers Furnished and Unfurnished units.

- **35 Club:** The 110-unit project at 35 Club Road opened in 2019 and comprises Studio, One-Bed, and Two-Bed units. The project is located just across the Willamette River in the Ferry Street Bridge neighborhood.
- **River District Parcel 3B&C (“Portal”) Project:** The 130-unit planned project that is slated for the River District redevelopment 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. Portal will offer One- and Two-Bed + Den 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.
- **River District Station House 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 Station House with the seven comparable and competitive projects in downtown Eugene.

Table 1 – Station House Project Gross Rents Compared to Competitive Projects

MARKET RATE Unit Type	Gross Monthly Rent							
	Station House	Gordon Lofts	Heartwood	35 Club	Portal	The Landing	Parcel 9A	Parcel 10A
Studio	\$1,828	\$1,743	\$1,524	\$1,525	\$1,900	\$1,576	\$1,504	\$1,529
One bedroom	\$2,665	\$2,235	\$2,004	\$1,810	\$2,081	\$2,327	\$2,052	\$2,055
One bedroom + Den	\$3,007	-	\$2,400	-	\$2,300	-	-	-
Two bedroom	\$3,471	\$3,900	\$2,825	\$2,350	\$2,600	\$3,941	\$3,099	\$3,072
Two bedroom + Den	<u>\$4,286</u>	=	<u>\$2,598</u>	=	<u>\$2,750</u>	=	=	<u>\$3,257</u>
Subtotals/Averages	\$2,550	\$2,033	\$2,339	\$1,915	\$2,404	\$2,301	\$2,598	\$2,598
Furnished Unit Type	Gross Monthly Rent							
	Station House	Gordon Lofts	Heartwood	35 Club	Portal	The Landing	Parcel 9A	Parcel 10A
Studio	\$2,905	\$2,515	\$2,175					
One bedroom	\$3,429	\$3,600	\$3,204					
One bedroom + Den	\$3,810	-						
Two bedroom	<u>\$4,543</u>	<u>\$5,100</u>	<u>\$4,025</u>					
Subtotals/Averages	\$3,292	\$3,738	\$3,135					

Overall, market rents planned at the Station House project:

- **Studios:** Rents levels are higher and unit sizes are larger compared to existing units and planned River District projects. On a per square foot basis, rents are higher than current average rents per square foot with the exception of units at Gordon Lofts and planned River District projects, Portal and The Landing. Furnished Studio units at Station House are planned to be priced above the estimated market price for similar units.

- One-Bed: Planned One-Bed units at Station House are larger and higher priced than comparable existing units and planned River District units. Of comparable units, the average unit size is 686 square feet compared to 779 square feet at Station House One-Bed units. Planned rents are roughly twenty-five percent higher than the average market price of \$2,140. Station House includes eight One-Bed + Den units. These units are also planned to be larger and higher priced than similar units at River District properties. Furnished One-Bed units at Station House are planned to be priced at about the estimated average market price for similar units.
- Two-Bed: Rents for Two-Bed units at the Station House project are on the higher end of the market at \$3,471 compared to the average market price for Two-Bed units of \$2,985. The highest priced Two-Bed units at Gordon Lofts and planned River District “The Landing” whose average unit size is similar to those planned at Station House. On a rent per square foot basis, rents for Two-Bed units are situated between Gordon Lofts and planned units at The Landing. Furnished Two-Bed units at Station House are planned to be priced at about the estimated average market price for similar units.

Other factors to consider which may impact achievable rents during the next five years:

- **Achievable Rents:** PNW Economics has observed some evidence indicating other MUPTE projects are not achieving rents estimated within MUPTE applications during lease-up. While this does not appear to be the case across the board, it may indicate that rents are not increasing as quickly as predicted. Additionally, Station House, with its significantly higher anticipated rents, will be entering the market alongside three River District properties, the Portal with 130 units, the Landing with 237 units and Parcel 9.
- **Downtown Redevelopment Momentum:** Despite lower than expected rents at new properties, downtown is a superior location for market rate units and as redevelopment in downtown continues, it is possible that new units will begin to realize higher achievable rents.

Given the uncertainties in achievable rents discussed above, in this analysis PNW Economics will maintain the applicant’s five percent escalation assumption for rents between 2024 and 2027.

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

- If Station House 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 Station House 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 Station House project MUPTE application details an expected total project development cost of \$62,085,208. On a per-unit basis, total development costs are:

- Cost per Apartment Unit: \$500,687
- Cost per Building Square Foot: \$380.87

For context, the planned project costs for six other MUPTE applications are included in Table 2. The most recent and comparable project for development costs would be the Parcel 9A and 10A projects. Aside from projects listed, 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.

Table 2 – MUPTE Application Projects Development Costs Comparison

		2018	October 2021	October 2021	April 2023	October 2024	October 2024
	<u>Station House</u>	<u>Gordon Lofts</u>	<u>Heartwood</u>	<u>"Portal" 38C</u>	<u>"Landing" 3A</u>	<u>Parcel 9A</u>	<u>Parcel 10A</u>
Units	124	127	95	130	237	80	76
Sq. Ft.	163,007	114,555	107,631	174,000	272,983	106,229	105,132
Land Acquisition	\$9,000,000	\$2,563,157	\$3,780,783	\$2,713,659	\$2,782,504	\$3,404,941	\$3,257,014
Schematic Design & MUPTE Application	\$1,160,000	\$1,204,361	\$685,628	\$770,389	\$761,733	\$600,000	\$600,000
A/E Design & Permitting	\$3,644,385	\$1,338,744	\$3,701,395	\$4,740,507	\$8,880,119	\$4,041,729	\$3,880,243
Construction	\$41,125,619	\$23,131,649	\$31,908,532	\$46,599,620	\$96,444,138	\$35,906,329	\$34,428,893
Project Contingency	\$2,280,000	\$4,355,989	\$1,780,215	\$2,514,683	\$10,959,236	\$2,714,931	\$2,588,394
Project Finance & Carry Costs	<u>\$4,875,204</u>	<u>\$1,406,100</u>	<u>\$1,050,600</u>	<u>\$1,256,600</u>	<u>\$6,944,450</u>	<u>\$1,699,163</u>	<u>\$1,635,248</u>
Total Development Costs	\$62,085,208	\$34,000,000	\$42,907,153	\$58,595,458	\$126,772,180	\$48,367,093	\$46,389,792
Total Costs per Unit	\$500,687	\$267,717	\$451,654	\$450,734	\$534,904	\$604,589	\$610,392
Total Costs per Square Foot	\$380.87	\$296.80	\$398.65	\$336.76	\$464.40	\$455.31	\$441.25

Overall, development costs seem to be in the lower than recently documented development applications with the MUPTE program. Acknowledging that each project is uniquely planned and so apples-to-apples comparisons are impossible, Station House does appear to have significantly lower per-housing unit cost and moderate cost per square foot.

Debt vs. Equity & Project Financing

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

Table 3 – Station House Project Application Permanent Debt Finance Assumptions: Before Stabilization

	<u>No MUPTE - 124 Units</u>		<u>Yes MUPTE - 124 Units</u>	
	<u>2024 Dollars</u>	<u>2027 Dollars</u>	<u>2024 Dollars</u>	<u>2027 Dollars</u>
Total Development Cost	\$52,127,938	\$62,085,208	\$52,127,938	\$62,085,208
Permanent Loan	\$39,095,953	\$46,563,906	\$39,095,953	\$46,563,906
Equity	\$13,031,984	\$15,521,302	\$13,031,984	\$15,521,302
Percent Financed	75%	75%	75%	75%
Annual Interest Rate	6.21%	6.21%	6.21%	6.21%
Amortization (Years)	30	30	30	30
Annual Permanent Debt Service	(\$2,876,452)	(\$3,425,900)	(\$2,876,452)	(\$3,425,900)

For purposes of this analysis, PNW Economics will utilize the Applicant's lending assumptions as documented in the MUPTE application pro formas. The applicant is planning for an LTC of 75% with a 6.2% annual interest rate and 30-year amortization which yields annual debt service of roughly \$2.9 million in current dollars.

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 generally at the high end of market rents. For this reason, after accounting for non-rent costs, PNW Economics adjusted unit rents for certain unit types downward to more closely match what is currently being achieved in the downtown market. Rents were adjusted for One Bedroom, One Bedroom + Den and Two Bedroom + Den units. Annually after 2024, rents are assumed to escalate by 5% annually.

Table 4 – Station House Project Market Apartment Rent Assumptions

MARKET RATE Unit Type	Unit Mix Units	Percentage	Average Unit Size (Sq. Ft.)	Monthly Rent	Rent per Square Foot
Studio	28	29%	533	\$1,828	\$3.43
One bedroom	50	52%	779	\$2,265	\$2.91
One bedroom + Den	8	8%	950	\$2,507	\$2.64
Two bedroom	8	8%	1,175	\$3,471	\$2.95
Two bedroom + Den	<u>2</u>	<u>2%</u>	<u>1600</u>	<u>\$3,286</u>	<u>\$2.05</u>
Subtotals/Averages	96	100%	772	\$2,280	\$3.02
Furnished Unit Type	Unit Mix Units	Percentage	Average Unit Size (Sq. Ft.)	Monthly Rent	Rent per Square Foot
Studio	13	46%	533	\$2,905	\$5.45
One bedroom	11	39%	690	\$3,429	\$4.97
One bedroom + Den	2	7%	1,000	\$3,810	\$3.81
Two bedroom	<u>2</u>	<u>7%</u>	<u>1,167</u>	<u>\$4,543</u>	<u>\$3.89</u>
Subtotals/Averages	28	100%	673	\$3,292	\$5.03

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 – Station House Project Market Apartment Non-Rent Assumptions

Non-Rent Revenue	Per-Unit Non-Rent Revenues							Projected Station House		
	Station House	Gordon Lofts	Riverfront Projects					Units	2024	2027
Parking	\$200.00		\$50.00	\$115.00	\$200.00	\$50.00	\$107.14	218	\$510,857	\$558,227
Storage			\$35	\$50	-	-	-	n/a		
Deposit on Turnover			\$8.75	\$8.75	\$5.05	\$5.05	\$5.05	n/a		
Other		\$759.30	\$19.50	\$19.50	\$15.32	\$31.88	\$33.20	n/a		
Utility Billback			\$41.30	\$41.30	\$36.21	\$45.42	\$45.42	n/a		
Total Non-Rent Revenue:									\$510,857	\$558,227
Average Non-Rent Revenue per Apartment	\$200	\$759	\$1,601	\$1,882	\$2,782	\$2,518	\$2,425	124	\$200	\$205
Average Retail Revenue	\$53,143							4	\$212,572	\$239,114

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 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 revenues anticipated at Station House originates from the anticipation of higher revenue for parking which will be open to residents and non-residents. PNW Economics assumes these revenue numbers in the independent analysis.

Station House will also include four retail spaces which are expected to rent for \$4,429 per month in today's dollars. This rate is on the high end of the market but not unreasonable for new, prime space in downtown. PNW Economics adopts the Applicant's assumptions for retail revenue rates but will maintain a four percent escalation assumption for retail revenue rather than Applicant's escalation assumption of five percent.

Operating Expenses

Apartment Operating Expenses

Table 6 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 significantly higher than other recent MUPTE applications. As compared to properties, Station House anticipates operating expenses that are about 61 percent higher than the average of per unit expenses at other properties. The difference appears to come down to much larger anticipated expenses within the application for all expense line items including Administrative, Advertising & Marketing, Utilities & Garbage, Repairs & Maintenance, Turn-Over and Insurance.

Table 6 – Station House Project Operating Expenses Per Unit vs. Comparable Projects

	Per Unit Expenses Annually						
	Station House	Gordon Lofts	Heartwood	Portal	The Landing	Parcel 9A	Parcel 10A
Before Property Tax							
Expenses: Stabilized	\$9,542	\$4,894	\$6,754	\$6,556	\$5,503	\$5,166	\$5,172

Due to the extent of the difference in operating expenses for Station House relative to other recent MUPTE applications, PNW Economics tested a scenario wherein operating expenses for Station House were assumed to match the average operating expenses estimated in other recent MUPTE applications. While this scenario improved financial performance for the project (the project reaches 6.0% Cash-on-Cash return in Year 8 without a MUPTE), it did not alter the project's feasibility threshold. For this reason, PNW Economics assumes operating expenses supplied by the Applicant for pro forma financial analysis in the next section of this report.

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 – Station House Estimated Property Tax: Land & Improvements in FY24 and FY27 Estimated*

			Cost of Replacement - Apartment Structure	\$59,367,288				
			Change Ratio - Commercial	<u>0.627</u>	Measure 50 Maximum TAV Escalation: 3%			
			FY 27 Taxable Assessed Value	\$37,223,289				
			Cost of Replacement - Retail Shell & Core	\$2,717,920				
			Change Ratio - Commercial	<u>0.627</u>				
			FY 27 Taxable Assessed Value	\$1,704,136				
			<u>Taxable Assessed Value (FY 24)*</u>			<u>Taxable Assessed Value (FY 27)</u>		
Account #	Acres	Zoning	Land	Improvements	Total	Land	Improvements	Total
1743234	2.10	Commercial Industrial Improved	<u>\$2,761,311</u>	<u>\$323,185</u>	<u>\$3,084,496</u>	<u>\$3,017,359</u>	<u>\$353,153</u>	<u>\$3,370,512</u>
		Total	\$2,761,311	\$323,185	\$3,084,496	\$3,017,359	\$353,153	\$3,370,512
		Tax Code Area 00400 (per \$1,000 TAV)	<u>19.5813</u>	<u>19.5813</u>	<u>19.5813</u>	<u>19.8186</u>	<u>19.8186</u>	<u>19.8186</u>
		Total Property Tax	<u>\$54,070</u>	<u>\$6,328</u>	<u>\$60,398</u>	<u>\$59,800</u>	<u>\$6,999</u>	<u>\$66,799</u>
1743234	2.10	Commercial Industrial Improved				<u>\$3,017,359</u>	<u>\$38,927,425</u>	<u>\$41,944,785</u>
		Total				\$3,017,359	\$38,927,425	\$41,944,785
		Tax Code Area 00400 (per \$1,000 TAV)				<u>19.8186</u>	<u>19.8186</u>	<u>19.8186</u>
		Total Property Tax - Combined				<u>\$59,800</u>	<u>\$771,487</u>	<u>\$831,287</u>

*Property taxes for this account were subject to compression in 2024 which reduced the actual tax rate and is reflected in this table for 2024. For this analysis, the full tax rate is assumed in 2027 and beyond.

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 0.627 for properties. Finally, the tax rate of \$19.8186 per \$1,000 of TAV was utilized for Tax Code Area 00400 for the portion of downtown that includes the subject property.

Estimates for the tax bill expected in 2027, to better match pro forma analysis conducted in this report and in the Station House application, were achieved by applying the Measure 50 maximum annual TAV growth rate of 3% for five years.

Financial Feasibility Analysis of Station House

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 5% 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 \$9,542 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 Station House project. Based on an estimated cost-of-replacement of \$62.1 million in 2027 dollars and a local, existing total property tax rate of \$0.0198186 (Tax Code Area 004-00), the estimated MUPTE exemption beginning in year 1 would be \$764,488. 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 6.2%) 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 (\$15.5 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 75% 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.

124 Apartment Units at Station House

Station House Pro Forma Without MUPTE

Table 8 reports the resulting pro forma analysis for the Station House project without MUPTE.

Results indicate that without the tax exemption, the project would earn a **-10.3%** 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 reach 6.2% 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 – Station House Pro Forma Without MUPT E

	Ann. Esc.	Year 1 2027	Year 2 2028	Year 3 2029	Year 4 2030	Year 5 2031	Year 6 2032	Year 7 2033	Year 8 2034	Year 9 2035	Year 10 2036
Apartment Rent Income	5%	\$4,320,465	\$4,536,488	\$4,763,313	\$5,001,478	\$5,251,552	\$5,514,130	\$5,789,836	\$6,079,328	\$6,383,295	\$6,702,459
Retail Rent Income	5%	\$246,078	\$258,382	\$271,301	\$284,866	\$299,110	\$314,065	\$329,768	\$346,257	\$363,570	\$381,748
Other Income											
Parking	3%	\$558,227	\$574,974	\$592,223	\$609,990	\$628,290	\$647,139	\$666,553	\$686,549	\$707,146	\$728,360
Other Income Total		\$558,227	\$574,974	\$592,223	\$609,990	\$628,290	\$647,139	\$666,553	\$686,549	\$707,146	\$728,360
Gross Project Income		\$5,124,771	\$5,369,845	\$5,626,837	\$5,896,335	\$6,178,952	\$6,475,333	\$6,786,157	\$7,112,134	\$7,454,010	\$7,812,568
- Stabilized Vacancy	5%	(\$256,239)	(\$268,492)	(\$281,342)	(\$294,817)	(\$308,948)	(\$323,767)	(\$339,308)	(\$355,607)	(\$372,700)	(\$390,628)
- Lease-Up Vacancy & Concessions		(\$1,024,954)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$3,843,578	\$5,101,352	\$5,345,495	\$5,601,518	\$5,870,004	\$6,151,567	\$6,446,850	\$6,756,527	\$7,081,309	\$7,421,939
Apartment Operating Expense	3%	(\$905,108)	(\$1,165,327)	(\$1,200,287)	(\$1,236,296)	(\$1,273,384)	(\$1,311,586)	(\$1,350,934)	(\$1,391,462)	(\$1,433,205)	(\$1,476,202)
Retail Operating Expense	3%	(\$41,437)	(\$53,350)	(\$54,951)	(\$56,599)	(\$58,297)	(\$60,046)	(\$61,848)	(\$63,703)	(\$65,614)	(\$67,583)
Management Expense (3.5% of EGI)		(\$134,525)	(\$178,547)	(\$187,092)	(\$196,053)	(\$205,450)	(\$215,305)	(\$225,640)	(\$236,478)	(\$247,846)	(\$259,768)
Property Tax (Land)	3%	(\$59,800)	(\$61,594)	(\$63,442)	(\$65,345)	(\$67,305)	(\$69,324)	(\$71,404)	(\$73,546)	(\$75,753)	(\$78,025)
Property Tax (Improvements)	3%	(\$771,487)	(\$794,632)	(\$818,471)	(\$843,025)	(\$868,315)	(\$894,365)	(\$921,196)	(\$948,832)	(\$977,297)	(\$1,006,616)
Reserve & Replacement	3%	(\$109,135)	(\$112,409)	(\$115,781)	(\$119,255)	(\$122,832)	(\$126,517)	(\$130,313)	(\$134,222)	(\$138,249)	(\$142,396)
Moderate Income Housing Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Operating Expenses		(\$2,021,493)	(\$2,365,859)	(\$2,440,024)	(\$2,516,573)	(\$2,595,585)	(\$2,677,144)	(\$2,761,334)	(\$2,848,244)	(\$2,937,964)	(\$3,030,589)
+ MUPT E		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Net Operating Income (NOI)		\$1,822,085	\$2,735,493	\$2,905,472	\$3,084,945	\$3,274,419	\$3,474,423	\$3,685,516	\$3,908,284	\$4,143,346	\$4,391,350
- Construction Loan Interest		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (75% Loan-to-Cost)		(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)
= Before Tax Cash Flow		(\$1,603,815)	(\$690,407)	(\$520,429)	(\$340,955)	(\$151,481)	\$48,522	\$259,615	\$482,384	\$717,445	\$965,449
Cash-on-Cash Return		-10.3%	-4.4%	-3.4%	-2.2%	-1.0%	0.3%	1.7%	3.1%	4.6%	6.2%

Station House Pro Forma With MUPT E

Table 9 reports the same pro forma as Table 8, but assumes the project is awarded the MUPT E equal to \$764,488 in its first year and growing by 3% every year thereafter. The project's estimated cash-on-cash return in Year 1 is **-5.4%**. Under the assumptions of this independent analysis, the project is estimated to reach the 6% cash-on-cash return threshold in Year 7 of the project. Estimated cash-on-cash return reaches a maximum of **11.9%** in Year 10.

Results differ slightly from than the Applicant's pro forma which realizes cash-on-cash return of 6.0% in year 6 of the project with the MUPT E. The difference in results is likely due to the PNW Economics assuming lower rents for certain unit types as well as the applicant assuming 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 a 40 percent loss in apartment rent revenue.

Table 9 – Station House Pro Forma WITH MUPT

	Ann. Esc.	Year 1 2027	Year 2 2028	Year 3 2029	Year 4 2030	Year 5 2031	Year 6 2032	Year 7 2033	Year 8 2034	Year 9 2035	Year 10 2036
Apartment Rent Income	5%	\$4,320,465	\$4,536,488	\$4,763,313	\$5,001,478	\$5,251,552	\$5,514,130	\$5,789,836	\$6,079,328	\$6,383,295	\$6,702,459
Retail Rent Income	5%	\$246,078	\$258,382	\$271,301	\$284,866	\$299,110	\$314,065	\$329,768	\$346,257	\$363,570	\$381,748
Other Income											
Parking	3%	\$558,227	\$574,974	\$592,223	\$609,990	\$628,290	\$647,139	\$666,553	\$686,549	\$707,146	\$728,360
Other Income Total		\$558,227	\$574,974	\$592,223	\$609,990	\$628,290	\$647,139	\$666,553	\$686,549	\$707,146	\$728,360
Gross Project Income		\$5,124,771	\$5,369,845	\$5,626,837	\$5,896,335	\$6,178,952	\$6,475,333	\$6,786,157	\$7,112,134	\$7,454,010	\$7,812,568
- Stabilized Vacancy	5%	(\$256,239)	(\$268,492)	(\$281,342)	(\$294,817)	(\$308,948)	(\$323,767)	(\$339,308)	(\$355,607)	(\$372,700)	(\$390,628)
- Lease-Up Vacancy & Concessions		(\$1,024,954)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Effective Gross Income (EGI)		\$3,843,578	\$5,101,352	\$5,345,495	\$5,601,518	\$5,870,004	\$6,151,567	\$6,446,850	\$6,756,527	\$7,081,309	\$7,421,939
Apartment Operating Expense	3%	(\$905,108)	(\$1,165,327)	(\$1,200,287)	(\$1,236,296)	(\$1,273,384)	(\$1,311,586)	(\$1,350,934)	(\$1,391,462)	(\$1,433,205)	(\$1,476,202)
Retail Operating Expense	3%	(\$41,437)	(\$53,350)	(\$54,951)	(\$56,599)	(\$58,297)	(\$60,046)	(\$61,848)	(\$63,703)	(\$65,614)	(\$67,583)
Management Expense (3.5% of EGI)		(\$134,525)	(\$178,547)	(\$187,092)	(\$196,053)	(\$205,450)	(\$215,305)	(\$225,640)	(\$236,478)	(\$247,846)	(\$259,768)
Property Tax (Land)	3%	(\$59,800)	(\$61,594)	(\$63,442)	(\$65,345)	(\$67,305)	(\$69,324)	(\$71,404)	(\$73,546)	(\$75,753)	(\$78,025)
Property Tax (Improvements)	3%	(\$771,487)	(\$794,632)	(\$818,471)	(\$843,025)	(\$868,315)	(\$894,365)	(\$921,196)	(\$948,832)	(\$977,297)	(\$1,006,616)
Reserve & Replacement	3%	(\$109,135)	(\$112,409)	(\$115,781)	(\$119,255)	(\$122,832)	(\$126,517)	(\$130,313)	(\$134,222)	(\$138,249)	(\$142,396)
Moderate Income Housing Fee		\$0	\$0	(\$109,550)	(\$109,550)	(\$109,550)	(\$109,550)	(\$109,550)	(\$109,550)	(\$109,550)	(\$109,550)
- Operating Expenses		(\$2,021,493)	(\$2,365,859)	(\$2,549,574)	(\$2,626,123)	(\$2,705,135)	(\$2,786,694)	(\$2,870,884)	(\$2,957,793)	(\$3,047,514)	(\$3,140,139)
+ MUPT		\$764,488	\$787,423	\$811,045	\$835,377	\$860,438	\$886,251	\$912,839	\$940,224	\$968,431	\$997,484
= Net Operating Income (NOI)		\$2,586,573	\$3,522,916	\$3,606,967	\$3,810,772	\$4,025,307	\$4,251,124	\$4,488,804	\$4,738,958	\$5,002,226	\$5,279,283
- Construction Loan Interest		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Debt Service (75% Loan-to-Cost)		(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)	(\$3,425,900)
= Before Tax Cash Flow		(\$839,327)	\$97,015	\$181,067	\$384,872	\$599,407	\$825,224	\$1,062,904	\$1,313,057	\$1,576,326	\$1,853,383
Cash-on-Cash Return		-5.4%	0.6%	1.2%	2.5%	3.9%	5.3%	6.8%	8.5%	10.2%	11.9%

Applicant Responses During Review Panel Process



296 East 5th Avenue
Suite 300, Eugene OR 97401
T: (541) 484-0383

Friday, January 24, 2025

City of Eugene

Attn: MUPTE Review Panel and Urban Design Staff

99 W. 10th Avenue

Eugene, OR 97401

Dear Staff and Panelists,

We appreciate the opportunity to provide additional information and clarification regarding our Multi-Unit Property Tax Exemption (MUPTE) application for the Station House project. Below are our responses to the questions and comments raised by your recent review.

Additionally, we wish to underscore the critical role that the commercial and parking components play in ensuring the success of this housing development. The inclusion of commercial space directly supports the viability of the residential units by generating essential income that offsets the high construction costs and cost of capital in today's economic environment. Without this revenue, the project would not pencil and the housing component as proposed would not be achievable.

Furthermore, parking is a vital amenity for attracting and retaining residents, particularly in a competitive housing market. While parking remains one of the most challenging and costly aspects of development, we have prioritized its inclusion by dedicating a full second level exclusively for Multi-Family use. This decision was made with the recognition that secure and convenient parking significantly enhances the livability and appeal of the housing units. By integrating these components—commercial spaces to support financial feasibility and parking to meet resident needs—we are ensuring the long-term success and sustainability of the residential aspect of The Station House. For these reasons, we respectfully request the Panel's consideration of the parking and commercial spaces as integral parts of the MUPTE application.

Question 1: Property Line Adjustment.

Do you intend to pursue a property line adjustment for the land including the railway station annex, or will it remain part of the current property?

No, the railway station annex will remain part of the current property.

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Question 2: Discrepancy in Total Project Costs.

There is an apparent discrepancy between total project costs estimated in the Local Economic Impact Plan and those in the project's financial information: on application page 35, the Plan indicates \$43,930,004 in total costs of professional services and construction contracts, while the financial sheet on page 28 shows \$62,085,208 in total hard and soft costs. Can you explain the discrepancy?

Yes, the total project costs for the Station House are budgeted as \$62,085,208. The language on page 35 of the MUPTE application did not appear to ask for total project costs, instead it requested the total for "professional services and construction contracts". For this calculation, we removed budget categories such as goods, fees, furniture and other ancillary costs. The \$43,930,004 figure represents the total of the construction contract and additional professional services only.

For clarity, we have included a detailed spreadsheet as Attachment A to this response, which provides breakdown of only the professional services and construction contracts. If a revision to the application is required to reflect this total, please let us know, and we will promptly resubmit the information.

Question 3: Electric Vehicle Charging Requirements

The Green Building information indicates that 20% of the project's parking stalls will be reached by conduit or other infrastructure for electric vehicle charging stations. This meets the MUPTE requirements. However, please be aware that in response to state Climate Friendly and Equitable Communities legislation, the City has enacted code requirements that 40% of parking spaces be equipped with infrastructure for electric vehicle charging.

Thank you for bringing this to our attention. We understand the updated requirement and have reiterated it to our architects and design team to ensure compliance with the City's code.

Question 4: Design Concerns Regarding Durability and Neighborhood Character & Aesthetics

Durability: The predominant material used across the façade is stucco according to the drawings included in the application. Although stucco is used on downtown buildings, the design criteria focus on durability as a key principle of the program to ensure that MUPTE awardees are able to contribute positively to the streetscape for decades to come, despite the high wear and tear that comes in urban settings.

Neighborhood character & aesthetics: The proposed building is flanked by two existing buildings that feature brick as a dominant material. The Oregon Electric Station (Old Spaghetti Factory) directly to the west of the proposed building is listed on the National Register of Historic Places, elevating its presence and impact to the overall aesthetic of this stretch along 5th.

With these two points, staff recommends that the design is modified to incorporate brick as the dominant material at minimum on the ground floor. A really nice existing building that exemplifies a mix of materials with brick as a dominant one is Gordon Lofts. If this is infeasible from a budget standpoint, let's discuss.

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We compliment you on your suggestion for adding brick as a part of the exterior. We were remiss in not including brick on the initial design submitted with our application, and have since added this to the design. Attachment B of this response includes an updated rendering with this change.

We recognize the prominence of The Station House within the Market District and the importance of its integration and longevity within the neighborhood. We have been designing the building with this in mind and it remains a staple of our design work in the neighborhood.

For these reasons, the building materials, their durability, and the quality of their installation are of utmost importance to us. All exterior materials, including the stucco assemblies, will reflect the same high standards of quality that Obie Companies has demonstrated with other buildings in the district, such as the Inn at the 5th and the Gordon Lofts. These existing properties showcase a successful combination of brick at the base with stucco above, achieving a balance of durability and aesthetic appeal. If it would be helpful, we can share additional examples to illustrate the level of quality we are incorporating into The Station House project.

Because of the length of the Station House along 5th avenue, we would counter that too much brick would make this building out of scale and “heavy” compared to its surroundings. Of the existing buildings surrounding Station House that do have brick, the brick is applied between 1 and 2 stories high. Station House’s ground floor is 16’ high, and the arches ARE 2-stories high, so we’re somewhere in between. With the current design, the brick at the base firmly roots the building at grade, with the “lighter” stucco levels soaring up from there.

Thank you for your thoughtful review and feedback. We remain committed to delivering a project that aligns with the City’s goals for housing, sustainability, and design excellence. Please do not hesitate to reach out if further clarification or additional materials are needed.

Sincerely,

Brian B. Obie
President and CEO
bobie@obie.com
(541) 484-0383

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Attachment A:**Total Estimated Professional Services and Construction Contracts**

HARD COSTS

Construction Costs	\$	41,125,619
*does not include the cost of the bare land		

SOFT COSTS

Third Party Consultants	\$	2,444,385
Project Management	\$	210,000
Professional Fees	\$	150,000
*does not include fees, furniture, finance costs, and other construction period expenses.		

TOTAL PROFESSIONAL SERVICES AND CONSTRUCTION CONTRACTS	\$	43,930,004
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Entry Plaza: Concept 2

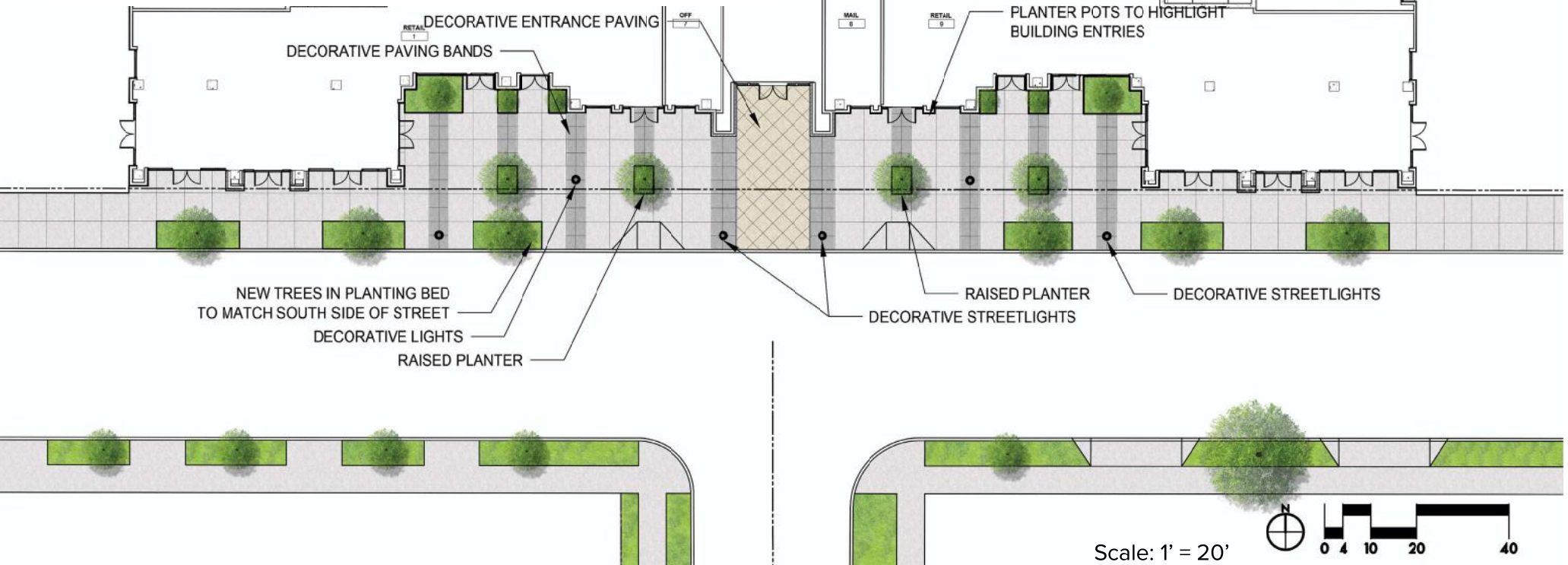
ATTACHMENT H

Design Narrative:

This concept was developed to allow for flexibility in how the plaza space will be used, using design language from the 5th Street Public Market and the Gordon Hotel and Lofts. Using the building articulation as a guide, dark paving bands extend from the building into the R.O.W. Included in these bands are 4 raised planters (~30" ht) with trees and planting along the property line to add definition between the sidewalk and the plaza space. Along the building, additional planters are proposed to soften and define the plaza space. The main entry would be highlighted with decorative paving from the doors to the street curb and with decorative street lights.

In this plan, the streetscape has been redone with all existing trees removed. We are proposing that the street trees and lighting be revised to match the paving pattern, ensuring that the plaza and sidewalk are a unified space.

This option is flexible and would work well for larger retail tenants or for smaller tenants as the space could be utilized as a larger patio space, or could be used informally.



Obie Station House: Landscape SD Set

11/1/2024 **lango.hansen** LANDSCAPE ARCHITECTS PC

Entry Plaza: Concept 2 Precedent Imagery

ATTACHMENT H



Obie Station House: Landscape SD Set

11/1/2024 [lango.hansen](https://lango.hansen.com) LANDSCAPE ARCHITECTS PC



SERA OBIE STATION HOUSE
01/24/25 MUPTE

VIEW FROM SOUTH C08



296 East 5th Avenue
Suite 300, Eugene OR 97401
T: (541) 484-0383

Thursday, March 6th, 2025

City of Eugene

Attn: MUPTE Review Panel and Urban Design Staff

99 W. 10th Avenue

Eugene, OR 97401

Dear Staff and Panelists,

We appreciate your continued engagement in the review of the Station House project and consideration of our MUPTE application. In response to recent discussions and the evolving economic landscape, we have updated our financial packet to more accurately reflect current lending conditions and construction costs.

Since our initial application submission in October 2024, we have encountered significant inflationary pressures and an increase in interest rates of over 100 basis points. These realities present substantial challenges to project feasibility, and it is essential that the MUPTE program fully accounts for these conditions. A 7-year MUPTE simply will not work for this project, and even with a 10-year MUPTE, financial viability remains challenging. We respectfully request the Panel reconsider their recommendation considering the updated projections.

To provide a clear and comprehensive view of the financial constraints we are facing, we have included the following updated materials for your review:

1. **Revised Finance Packet** – Reflecting the most recent construction cost estimates, current lending conditions, and updated pro forma projections.
2. **General Contractor's Updated Cost Estimate** – Supporting the revised financials with the latest construction pricing.
3. **Full Exterior Design Elevations** – Ensuring the Panel has complete information to confirm the project meets the required design criteria.

We hope that these materials provide the necessary detail to fully assess the realities of developing the Station House in today's economic climate. We remain committed to delivering much-needed housing to Eugene's downtown core and look forward to working collaboratively to ensure this project's success.

Please let us know if any additional information is needed. We appreciate your time and consideration and look forward to your feedback.

Sincerely,

Brian B. Obie
President and CEO
bobie@obie.com
(541) 484-0383

OBIECOMPANIES.COM

Financial Information

5th Street Market

Station House Apartments

Attached are the following financial statements/schedules:

1. Projected average unit rent amounts and projected monthly income for parking and commercial
2. 10-year proforma **WITHOUT** MUPTE
3. 10-year proforma WITH MUPTE
4. Projected 10-year debt service and covenant compliance **WITHOUT** MUPTE
5. Projected 10-year debt service and covenant compliance WITH MUPTE
6. Projected 10-year cash flow and cash-on-cash return **WITHOUT** MUPTE
7. Projected 10-year cash flow and cash-on-cash return WITH MUPTE
8. Loan Amortization Schedule
9. Calculation of applicable tax on concluded project with and without MUPTE
10. Project cost/development budget, inclusive of hard and soft costs

ASSUMPTIONS

Construction Costs:

All hard construction costs are taken as provided by the pre-construction general contractor partner, Essex Construction. Essex utilized schematic design documents generated in conjunction with SERA Architect and additional schematic input provided internally to generate multiple rounds of pricing estimates, culminating in the amounts used in the updated Station House proformas attached herein. The latest construction estimate received in February 2025 has risen to \$41.9 million, compared to the estimate of \$37.3 million received in October 2024 at the time of our first application. This increase reflects rising material and labor costs, as well as the cost of incorporating brick veneer on the ground floor at the City's request.

Likewise, construction and escalation contingencies were taken as provided by Essex Construction, based on their most recent estimates.

Forecasted soft costs were generally estimated based on previous development experience. Financing and carrying costs were estimated based on the proposed capitalization structure and construction timeline for the project, and the associated calculation of construction period interest. Our original projections assumed a 6% interest rate, but lenders are now proposing rates exceeding 7%, significantly increasing financing costs. This higher cost of capital materially impacts the projects feasibility and has been updated herein.

Unit Rent Amounts:

Estimates for unit rents are based on analysis of the local (Eugene) and regional (Northwest) markets for multi-family residential properties, as well as previous development and multifamily property experience.

Initial vacancy rates were based on a lease-up timeline that was generated based on previous multifamily property experience. Stabilized vacancy rates were likewise based on previous multifamily experience.

The assumed escalation rate for all income is 5% annually.

Other Income Amounts:

Parking income and retail income were based on previous property management experience and prevailing rates. Parking is factored in at 100% occupancy every year. We have also factored in a 5% vacancy annually for retail.

Operating Costs:

Estimated operating costs were derived from previous multifamily property experience.

Expense escalation in the proforma is 3.75% annually. Administrative expenses include Manager and Leasing staff salaries, payroll, taxes, benefits, legal, accounting, leasing commissions, training, phone, equipment, web, and supplies. The Management fee is for management services provided by Boutique Property Management, charged at 4% of total Revenue.

Financing Amounts and Costs:

Estimated loan-to-cost and borrowing rates were arrived at based on the current conversations with lenders and based on the consultation of multiple local and regional banking partners and consideration of the prevailing interest rate environment. Since October 2024, interest rates have risen over 100 basis points.

Furniture Fixtures and Equipment (FFE):

The project costs include Furniture, Fixtures, and Equipment (FFE) for the Station House project, which is estimated based off of previous project experience and includes the FFE needed for common areas, fitness, parking structure equipment, unfurnished and furnished units.

Additionally, an FFE Reserve is included in the proforma at an estimated 4% of total revenue. The reserve is a typical lender requirement that is accumulated for all units' replacements, which would include furnished units, unfurnished units, common area, fitness, retail, and parking structure.

MUPTE Property Tax Benefit and Moderate-Income Housing Fee:

For the sake of calculating the expected property taxes in the "Without MUPTE" scenarios, we utilized the 2024 Lane County Changed Property Ratios and the 2024 tax rate of 1.98186% for the property's Tax Code Area as provided by the Lane County Department of Assessment and Taxation and applied them to the estimated construction cost of the project, less the existing value of the land.

The development does not plan to offer moderate-income housing units, and as a result, anticipates paying a fee in lieu of totaling 10% of the total tax benefit, amortized annually over years 3-10 of operations. Please see the attached schedule detailing the calculation of the additional property tax and the moderate-income housing fee.

DEBT SERVICE AND COVENANT COMPLIANCE ANALYSIS

The feasibility of the Station House project from a financing and investment perspective is reliant on the successful application for a 10-year MUPTE exemption.

As detailed in the Projected 10-Year Debt Service exhibit, without a MUPTE exemption, the project is not expected to generate enough Net Operating Income ("NOI") to eclipse the lender required 1.2x Debt Service Coverage Ratio ("DSCR") in the first 10 years of operation. As a result, we would not expect to be able to successfully secure lender financing on the project, making construction impossible.

With the MUPTE exemption, the project is forecasted to achieve a 1.2X DSCR in year ten of operations, which is the seventh year following the fully stabilized year of the project. This is expected to be adequate to secure lender financing for the project.

The DSCR is calculated as a 10-year term and 30-year amortization schedule.

CASH FLOW AND CASH-ON-CASH RETURN

As with lender financing, the successful application of the 10-year MUPTE is necessary to make the Station House project attractive to potential investment partners and secure required equity financing.

As detailed in the Projected 10-Year Cash Flow and Cash-on-Cash Return exhibit, without a MUPTE exemption, the project is forecasted to generate negative cash-on-cash returns through the first 9 years of operation with a maximum cash-on-cash return of 1.0% in year 10 of operations. These return levels are not expected to be adequate to incentivize equity investment in the project, resulting in the infeasibility of the development.

With the MUPTE exemption, the project is forecasted to generate cash-on-cash returns that are approximately four percentage points better in each given year, culminating in a maximum annual cash-on-cash return of 5.89% in year 10 of operations. Based on our prior development experience and previous investment solicitation, we expect these return levels to be sufficient to attract the required equity investment to make the project feasible.

UNIT MIX**Unfurnished**

	Unit Count	Avg SF/Unit	2027 Projection	
			Monthly Rent	Annual Rent
Studio	28	533	\$ 59,259	\$ 711,113
1 BR	50	779	\$ 154,251	\$ 1,851,009
1BR + DEN	8	950	\$ 27,849	\$ 334,190
2BR 2 BATH	8	1,175	\$ 32,144	\$ 385,734
2BR + 2 BATH + DEN	2	1,600	\$ 9,923	\$ 119,070
	96		\$ 283,426	\$ 3,401,115

Furnished

	Unit Count	Avg SF/Unit	2027 Projection	
			Monthly Rent	Annual Rent
Studio	13	533	\$ 43,714	\$ 524,570
1 BR	11	690	\$ 43,659	\$ 523,908
1BR + DEN	2	1000	\$ 8,820	\$ 105,840
2BR 2 BATH	2	1167	\$ 10,518	\$ 126,214
2BR + 2 BATH + DEN	0	0	\$ -	\$ -
	28		\$ 106,711	\$ 1,280,532

TOTAL	124		\$ 390,137	\$ 4,681,647
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Commercial and Parking

Floor	Unit Type	Sq Ft	2027
			Monthly Rent
1	108 Parking Stalls	34,752	23,814.00
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
1	Commercial	1,550	5,126.63
2	110 Parking Stalls	34,752	25,467.75
			69,788.25

10 Year Proforma - WITHOUT MUPTÉ

Apartments Assumed Occupancy	60%	85%	90%	90%	90%	90%	90%	90%	90%	90%
REVENUE	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Apartments	\$ 2,812,687	\$ 4,182,254	\$ 4,649,442	\$ 4,881,914	\$ 5,126,010	\$ 5,382,311	\$ 5,651,426	\$ 5,933,997	\$ 6,230,697	\$ 6,542,232
Retail	233,774	240,787	248,011	255,451	263,115	271,008	279,139	287,513	296,138	305,022
Parking	591,381	620,950	651,998	684,597	718,827	754,769	792,507	832,132	873,739	917,426
Total Income	<u>\$ 3,637,842</u>	<u>\$ 5,043,991</u>	<u>\$ 5,549,451</u>	<u>\$ 5,821,963</u>	<u>\$ 6,107,952</u>	<u>\$ 6,408,088</u>	<u>\$ 6,723,072</u>	<u>\$ 7,053,643</u>	<u>\$ 7,400,574</u>	<u>\$ 7,764,680</u>
EXPENSES										
Administrative	285,741	296,457	307,574	319,108	331,074	343,490	356,370	369,734	383,599	397,984
Property Tax	728,623	750,482	772,996	796,186	820,072	844,674	870,014	896,115	922,998	950,688
Advertising & Marketing	246,599	255,846	265,440	275,394	285,722	296,436	307,553	319,086	331,052	343,466
Utilities & Garbage	211,370	219,297	227,520	236,052	244,904	254,088	263,616	273,502	283,758	294,399
Repairs & Maintenance	364,586	378,258	392,442	407,159	422,427	438,269	454,704	471,755	489,446	507,800
Turn-Over	110,159	114,290	118,575	123,022	127,635	132,422	137,387	142,539	147,885	153,430
Insurance	102,889	106,748	110,751	114,904	119,213	123,683	128,321	133,133	138,126	143,306
Property Tax	15,836	16,311	16,801	17,305	17,824	18,359	18,909	19,477	20,061	20,663
FFE Reserve (4%)	109,135	151,320	166,484	174,659	183,239	192,243	201,692	211,609	222,017	232,940
Management Fees (4%)	145,514	201,760	221,978	232,879	244,318	256,324	268,923	282,146	296,023	310,587
Total Expenses	<u>\$ 2,320,453</u>	<u>\$ 2,490,767</u>	<u>\$ 2,600,562</u>	<u>\$ 2,696,668</u>	<u>\$ 2,796,428</u>	<u>\$ 2,899,986</u>	<u>\$ 3,007,491</u>	<u>\$ 3,119,097</u>	<u>\$ 3,234,965</u>	<u>\$ 3,355,264</u>
NET OPERATING INCOME	<u>\$ 1,317,390</u>	<u>\$ 2,553,224</u>	<u>\$ 2,948,889</u>	<u>\$ 3,125,295</u>	<u>\$ 3,311,524</u>	<u>\$ 3,508,101</u>	<u>\$ 3,715,581</u>	<u>\$ 3,934,546</u>	<u>\$ 4,165,609</u>	<u>\$ 4,409,416</u>
Operating Expense Ratio	63.8%	49.4%	46.9%	46.3%	45.8%	45.3%	44.7%	44.2%	43.7%	43.2%

10 Year Proforma - WITH MUPT**Apartments Assumed Occupancy**

60% 85% 90% 90% 90% 90% 90% 90% 90%

REVENUE

	FY 2027	FY 2028	FY 2029	FY 2030	FY 20231	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Apartments	\$ 2,812,687	\$ 4,182,254	\$ 4,649,442	\$ 4,881,914	\$ 5,126,010	\$ 5,382,311	\$ 5,651,426	\$ 5,933,997	\$ 6,230,697	\$ 6,542,232
Retail	\$ 233,774	\$ 240,787	\$ 248,011	\$ 255,451	\$ 263,115	\$ 271,008	\$ 279,139	\$ 287,513	\$ 296,138	\$ 305,022
Parking	\$ 591,381	\$ 620,950	\$ 651,998	\$ 684,597	\$ 718,827	\$ 754,769	\$ 792,507	\$ 832,132	\$ 873,739	\$ 917,426
Total Income	\$ 3,637,842	\$ 5,043,991	\$ 5,549,451	\$ 5,821,963	\$ 6,107,952	\$ 6,408,088	\$ 6,723,072	\$ 7,053,643	\$ 7,400,574	\$ 7,764,680

EXPENSES

Administrative	285,741	296,457	307,574	319,108	331,074	343,490	356,370	369,734	383,599	397,984
Property Tax	15,836	16,311	16,801	17,305	17,824	18,359	18,909	19,477	20,061	20,663
Advertising & Marketing	246,599	255,846	265,440	275,394	285,722	296,436	307,553	319,086	331,052	343,466
Utilities & Garbage	211,370	219,297	227,520	236,052	244,904	254,088	263,616	273,502	283,758	294,399
Repairs & Maintenance	364,586	378,258	392,442	407,159	422,427	438,269	454,704	471,755	489,446	507,800
Turn-Over	110,159	114,290	118,575	123,022	127,635	132,422	137,387	142,539	147,885	153,430
Insurance	102,889	106,748	110,751	114,904	119,213	123,683	128,321	133,133	138,126	143,306
Moderate Income Housing Fee	-	-	91,078	91,078	91,078	91,078	91,078	91,078	91,078	91,078
FFE Reserve	109,135	151,320	166,484	174,659	183,239	192,243	201,692	211,609	222,017	232,940
Management Fees (4%)	145,514	201,760	221,978	232,879	244,318	256,324	268,923	282,146	296,023	310,587
Total Expenses	\$ 1,591,829	\$ 1,740,285	\$ 1,918,643	\$ 1,991,559	\$ 2,067,434	\$ 2,146,390	\$ 2,228,554	\$ 2,314,060	\$ 2,403,045	\$ 2,495,654

NET OPERATING INCOME

	\$ 2,046,013	\$ 3,303,706	\$ 3,630,808	\$ 3,830,404	\$ 4,040,518	\$ 4,261,697	\$ 4,494,517	\$ 4,739,583	\$ 4,997,530	\$ 5,269,026
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Operating Expense Ratio	43.8%	34.5%	34.6%	34.2%	33.8%	33.5%	33.1%	32.8%	32.5%	32.1%
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DEBT SERVICE

DSCR

1.20

WITHOUT MUPTÉ

Bank Financed Loan	50,726,819	75% LTC	Partner/Sponsor Equity				17,408,940			
Interest	7.5%									
Amortization	30									
	FY 2027	FY 2028	FY 2029	FY 20230	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Interest	\$ 3,773,406	\$ 3,737,041	\$ 3,697,865	\$ 3,655,660	\$ 3,610,192	\$ 3,556,960	\$ 3,503,861	\$ 3,446,658	\$ 3,385,032	\$ 3,318,641
Pricipal	\$ 470,367.96	\$ 506,732.75	\$ 545,908.95	\$ 588,113.91	\$ 633,581.80	\$ 686,813.83	\$ 739,912.34	\$ 797,115.98	\$ 858,742.10	\$ 925,132.62
Total Debt Service	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774
Outstanding Balance	\$ 50,256,451	\$ 49,749,718	\$ 49,203,809	\$ 48,615,695	\$ 47,982,113	\$ 47,295,300	\$ 46,555,387	\$ 45,758,271	\$ 44,899,529	\$ 43,974,397
Net Operating Income	\$ 1,317,390	\$ 2,553,224	\$ 2,948,889	\$ 3,125,295	\$ 3,311,524	\$ 3,508,101	\$ 3,715,581	\$ 3,934,546	\$ 4,165,609	\$ 4,409,416
Debt Service	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774
Debt Service Coverage Ratio	0.31	0.60	0.69	0.74	0.78	0.83	0.88	0.93	0.98	1.04

WITH MUPTÉ

Bank Financed Loan	50,726,819	75% LTC	Partner/Sponsor Equity				17,408,940			
Interest	7.5%									
Amortization	30									
	FY 2027	FY 2028	FY 2029	FY 20230	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Interest	\$ 3,773,406	\$ 3,737,041	\$ 3,697,865	\$ 3,655,660	\$ 3,610,192	\$ 3,556,960	\$ 3,503,861	\$ 3,446,658	\$ 3,385,032	\$ 3,318,641
Pricipal	\$ 470,368	\$ 506,733	\$ 545,909	\$ 588,114	\$ 633,582	\$ 686,814	\$ 739,912	\$ 797,116	\$ 858,742	\$ 925,133
Total Debt Service	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774
Outstanding Balance	\$ 50,256,451	\$ 49,749,718	\$ 49,203,809	\$ 48,615,695	\$ 47,982,113	\$ 47,295,300	\$ 46,555,387	\$ 45,758,271	\$ 44,899,529	\$ 43,974,397
Net Operating Income	\$ 2,046,013	\$ 3,303,706	\$ 3,630,808	\$ 3,830,404	\$ 4,040,518	\$ 4,261,697	\$ 4,494,517	\$ 4,739,583	\$ 4,997,530	\$ 5,269,026
Debt Service	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774
Debt Service Coverage Ratio	0.48	0.78	0.86	0.90	0.95	1.00	1.06	1.12	1.18	1.24

CASH FLOW & CASH-ON-CASH RETURN

WITHOUT MUPTE	FY 2027	FY 2028	FY 2029	FY 20230	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Income	\$ 3,637,842	\$ 5,043,991	\$ 5,549,451	\$ 5,821,963	\$ 6,107,952	\$ 6,408,088	\$ 6,723,072	\$ 7,053,643	\$ 7,400,574	\$ 7,764,680
Expenses	\$ 2,320,453	\$ 2,490,767	\$ 2,600,562	\$ 2,696,668	\$ 2,796,428	\$ 2,899,986	\$ 3,007,491	\$ 3,119,097	\$ 3,234,965	\$ 3,355,264
Net Operating Income	\$ 1,317,390	\$ 2,553,224	\$ 2,948,889	\$ 3,125,295	\$ 3,311,524	\$ 3,508,101	\$ 3,715,581	\$ 3,934,546	\$ 4,165,609	\$ 4,409,416
Debt Service	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774
Before Tax Cashflow	(2,926,384)	(1,690,550)	(1,294,885)	(1,118,478)	(932,250)	(735,672)	(528,193)	(309,228)	(78,164)	165,642
Annual Cash on Cash Return	-16.8%	-9.7%	-7.4%	-6.4%	-5.4%	-4.2%	-3.0%	-1.8%	-0.4%	1.0%

WITH MUPTE	FY 2027	FY 2028	FY 2029	FY 20230	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Gross Income	\$ 3,637,842	\$ 5,043,991	\$ 5,549,451	\$ 5,821,963	\$ 6,107,952	\$ 6,408,088	\$ 6,723,072	\$ 7,053,643	\$ 7,400,574	\$ 7,764,680
Expenses	\$ 1,591,829	\$ 1,740,285	\$ 1,918,643	\$ 1,991,559	\$ 2,067,434	\$ 2,146,390	\$ 2,228,554	\$ 2,314,060	\$ 2,403,045	\$ 2,495,654
Net Operating Income	\$ 2,046,013	\$ 3,303,706	\$ 3,630,808	\$ 3,830,404	\$ 4,040,518	\$ 4,261,697	\$ 4,494,517	\$ 4,739,583	\$ 4,997,530	\$ 5,269,026
Debt Service	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774	\$ 4,243,774
Before Tax Cashflow	(2,197,761)	(940,068)	(612,966)	(413,370)	(203,256)	17,924	250,744	495,809	753,756	1,025,253
Annual Cash on Cash Return	-12.62%	-5.40%	-3.52%	-2.37%	-1.17%	0.10%	1.44%	2.85%	4.33%	5.89%

Loan Amortization Schedule

Investor Capital \$ 17,408,939.61

Enter values		Unpaid Prin. Bal.	End of YR 5	End of YR 10	Loan summary							
Loan amount	\$ 50,726,818.82	Enter Loan Details Here	\$ 47,982,113.46	\$ 43,999,190.30	Monthly Scheduled payment	\$ 353,647.80						
Annual interest rate	7.47 %		Amortization period - Number of Months	360								
Amortization Period	30		Actual (loan term) number of payments	120	Enter expected number of payments							
Number of payments per year	12											
Start date of loan	12/31/2026											
Optional extra payments	\$ -											
Name: Station House Project			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Principal		\$	470,367.96	\$ 506,732.75	\$ 545,908.95	\$ 588,113.91	\$ 633,581.80	\$ 686,813.83	\$ 739,912.34	\$ 797,115.98	\$ 858,742.10	\$ 925,132.62
Interest		\$	3,773,405.66	\$ 3,737,040.87	\$ 3,697,864.67	\$ 3,655,659.71	\$ 3,610,191.82	\$ 3,556,959.78	\$ 3,503,861.27	\$ 3,446,657.64	\$ 3,385,031.52	\$ 3,318,641.00
Total		\$	4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61	\$ 4,243,773.61

ESTIMATED PROPERTY TAX

Total Development Costs (Less Existing Value) \$ 58,635,758

	Proportional Value	Factor	Taxable Value	Tax	Annual Tax
Portion Residential	\$ 52,772,182.59	0.62700	\$ 33,088,158.48	1.98186%	\$ 655,760.98
Portion Retail	\$ 5,863,575.84	0.62700	\$ 3,676,462.05	1.98186%	\$ 72,862.33
Annual Tax Exemption					\$ 728,623.31

Total Tax Exemption (Annual Exemption x 10) \$ 7,286,233.09

10% Moderate-Income Housing Fee \$ 728,623.31

Annual Penalty - Years 3-10 \$ 91,077.91

New Construction Tax Estimate

Date Submitted 10/23/2024
Account Number 1743234
Owner Name OES #2 LLC
Property Change Ratio 0.6270
Tax Rate 19.8186
Estimated Taxes 765,273.94

Disclosure

The purpose of this tool is to provide an estimate for the amount your property taxes may increase, due to changes in your property such as new construction, remodels, etc.

Due to limitations created by Oregon's property tax system, the Assessor's Office will not have values for these types of changes available until values are certified on the tax roll, just shortly before the tax statements are mailed in October. To use this tool, you will need to estimate the market value of your project to the best of your ability. You may wish to use the sales price, recent appraisal from financing, or cost of the project (knowing that cost does not always equal market value).

The factors needed to provide this estimate are tied to the property, so the account number is required. Providing the account number will return the changed property ratio and tax rate for the property from the last certified tax roll. Each year the tax roll is certified in October, and represents the value of the property on January 1 of the same year.

This tool does not take into account any new bonds, levies, or rate changes by taxing districts.

Please visit [Tax Reports by Year](#) for a full list of property values and tax rates for each tax year.

We hope you find this tool helpful, but remember it is only an estimate. It will not include any special assessments, exemptions, discounts, or prior year's taxes.

HARD COSTS**Construction Costs**

Trades/Hard Construction	41,922,735
Construction (3%) & Escalation Contingency (2%)	2,096,137
Insurance - Builders Risk	372,477
Contractor's Fee	1,385,319
OR CAT Tax	159,767

Total - Construction Costs **45,936,435**

Land Value

Bare Land	9,000,000
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Total - Land Value **9,000,000**

TOTAL HARD COSTS **54,936,435**

SOFT COSTS**Third Party Consultants**

Soft Costs Contingency	497,338
Architectural/Engineering/Design	1,800,000
Testing & Inspection	75,000
EWEB & Plan Reviews	120,000
Total	2,492,338

Project Management

Project Manager	150,000.00
Project Accounting Position	60,000.00
Total	210,000.00

Professional Fees

Legal Services	100,000.00
Accounting & Audit	50,000.00
Total	150,000.00

Permits & Fees

SDC's	800,000.00
Permits	400,000.00
Miscellaneous Fees	-
Total	1,200,000.00

FFE

FF&E - Common Areas/Amenity Spaces	150,000.00
FF&E -furnished units	650,000.00
Total	800,000.00

Developer Fees

Developer Fee - Project Period - 4%	2,255,221.48
Total	2,255,221.48

Construction, Financing & Carrying Costs

Development Period Property Tax	130,000
Insurance	70,000
Inspection Fees/Construction Review	8,000
Construction Period Interest	3,448,764
Total	3,656,764.00

Permanent Financing Fees & Costs

Loan and Bank Fees	100,000
Title Insurance & Escrow Fees	55,000
Total	155,000

Pre-Opening Costs

Ramp Up Costs	800,000.00
Broker's Commission	50,000.00
Tenant Improvements	930,000.00
Other Construction Period Expenses	
Total	1,780,000.00

TOTAL SOFT COSTS **12,699,324**

SUB-TOTAL COSTS **67,635,758**

Plus Working Capital **500,000**

TOTAL PROJECT COSTS **68,135,758**

Soft Costs as a % of Hard Costs

ESSEX GENERAL CONSTRUCTION

Station House

BUDGET 08 - SD + 1/24 DC LOG

2/21/2025

MONTHS	23.0
TOTAL COST	\$ 41,922,735
\$ GSF (163,007 gsf)	\$ 257
\$ UNIT (124 units)	\$ 338,087

<i>Division & Line Item</i>	<i>Detail</i>	<i>Subtotal</i>	<i>Notes</i>
DIV 01: GENERAL CONDITIONS		\$ 2,138,896	Project staff & temp services
DIV 02: EXISTING CONDITIONS		\$ 39,500	
Testing & Abatement - Asbestos/Mold/Lead Paint	BY OWNER		
Demolition - Site & Hard Surfaces	INCLUDED		
Demolition - Complete Structures		\$ 39,500	Former Buffalo Exchange Building
DIV 03: CONCRETE		\$ 4,869,571	
Concrete		\$ 4,474,486	
Field - Concrete Sub Supervisor		\$ 66,500	
Gypcrete Underlayment		\$ 328,585	1/4" Sound Mat w/ 1" Gypcrete at Units
DIV 04: MASONRY		\$ 528,020	
Masonry - Brick Veneer		\$ 412,174	Incls Brick at Ground Floor
Masonry - CMU		\$ 115,846	Incls CMU at Ground Floor Parking
DIV 05: METALS		\$ 1,500,134	
Structural Steel		\$ 774,283	
Metal Fabrications		\$ 326,014	
Metal Balconies & Railings		\$ 200,637	
Metal Canopies		\$ 144,000	
Bolt On Planter Boxes		\$ 55,200	
DIV 06: WOOD, PLASTICS, AND COMPOSITES		\$ 4,136,249	
Wood Framing - Complete		\$ 3,320,984	Based on \$30/Framed SqFt
Field - Carpentry Supervisor		\$ 83,125	
Rough Carpentry		\$ 222,533	
Material Handling		\$ 37,232	
Millwork		\$ 112,175	
Trim Carpentry		\$ 360,200	
Wood Veneer Wall Paneling	NOT INCL		
DIV 07: THERMAL AND MOISTURE PROTECTION		\$ 3,183,808	
Exterior System - Stucco		\$ 1,113,690	STO Powerwall System Excl Insulation
Exterior System - Fiber Cement		\$ 147,262	
Exterior System - Metal Panel Soffit at Roof		\$ 46,980	
Exterior System - Knotwood Soffits		\$ 30,240	
Exterior System - WRB & SAM Flashing	INCLUDED		STO Gold
Field - Exterior System Supervisor		\$ 83,125	
Flashing & Sheet Metal		\$ 127,060	
Caulking & Joint Sealants		\$ 216,836	
Firestopping - Penetrations	INCLUDED		

Insulation - Thermal & Acoustic		\$	367,643	
Roof Accessories		\$	15,895	
Roof Tie Off / Window Washing Tie Off		\$	38,779	
Roofing - Membrane w/ Rigid Insulation		\$	354,113	80 Mil TPO Roof
Roofing - Add for Fully Adhered		\$	143,660	
Traffic Coatings - Pedestrian		\$	22,530	
Traffic Coatings - Vehicular		\$	420,057	
Dampproofing - Foundation Perimeter		\$	23,268	
Dampproofing - Bentonite at Elevator Pits		\$	21,810	
Waterproofing - Amenity Decks		\$	10,860	
DIV 08: OPENINGS		\$	2,248,597	
Doors, Frames & Hardware		\$	555,036	
Mirrors - Bathrooms - Units		\$	12,400	
Mirrors - Bathrooms - Common Areas		\$	320	
Mirrors - Gym Mirror Panels		\$	7,700	
Storefront & Storefront Entrances		\$	621,936	Kawneer Storefront in lieu of Cascadia
Parking Gates - Ground Floor Garage		\$	88,090	Metro Gate System
Overhead Doors - Trash Room		\$	4,500	
Windows - Vinyl		\$	562,615	Majority of Windows figured as STC 36
Windows - Acoustical Upgrades	ALLOWANCE	\$	86,800	
Windows - Install & SAM Flashing		\$	309,200	
DIV 09: FINISHES		\$	3,907,258	
Gypsum Board Assemblies		\$	2,091,770	
Flooring		\$	658,544	Incls Porcelain tile at Lobby and Mail
Tile - Kitchen Backsplash - Full Height		\$	93,000	\$800 / Unit Furnished & Installed
Painting		\$	776,064	Incls Anti Graffiti at Ground Floor
Field - Finishes Supervisor		\$	83,125	
Punch Lists		\$	41,196	
Upgraded Finishes - Lobby	ALLOWANCE	\$	25,000	For Above and Beyond Finishes
Upgraded Finishes - Amenity Areas	ALLOWANCE	\$	50,000	For Above and Beyond Finishes
Cleaning - Final		\$	88,559	
DIV 10: SPECIALTIES		\$	129,118	
Fire Extinguishers		\$	6,450	
Fireplaces - Common Areas		\$	8,000	
Mailboxes		\$	10,540	
Wire Shelving		\$	19,840	
Shower Doors		\$	12,288	At 2 Bedroom Units
Signage - Code Required		\$	31,000	
Signage - ROUGH-IN for Building Sign		\$	5,000	
Signage - Building & Monument Sign	BY OWNER			
Storage Lockers	NOT INCL			
Toilet Accessories		\$	36,000	
DIV 11: EQUIPMENT		\$	496,000	
Appliances - Furnish, Distribute & Install	ALLOWANCE	\$	496,000	Based on \$4,000 / Unit
DIV 12: FURNISHINGS		\$	941,840	

Casework - Apartment Units		\$	588,578	Lanz Package
Casework & Countertops - Common Areas	ALLOWANCE	\$	25,000	
Countertops - Quartz		\$	185,012	2cm Countertops in Bathrooms
Countertops - Add for 3 CM at Kitchens		\$	5,000	3cm Countertops in Kitchens
Bicycle Racks & Equipment		\$	24,750	
FF&E	NOT INCL			
Site Furnishings	ALLOWANCE	\$	78,500	Terrace and Courtyard Option 2
Site Furnishings - Water Feature		\$	35,000	
Window Coverings	BY OWNER			

DIV 13: SPECIAL CONSTRUCTION **\$ -**

DIV 14: CONVEYING SYSTEM **\$ 1,688,622**

Elevators		\$	461,747	
Trash Chutes		\$	33,000	
Trash Compactor & Container		\$	30,000	
Equipment - Crane - Tower		\$	480,000	
Field - Crane Operator		\$	349,440	
Equipment - Forklift		\$	92,000	
Field - Forklift Operator		\$	115,935	
Equipment Rental - Miscellaneous		\$	126,500	

DIV 21: FIRE SUPPRESSION **\$ 793,449**

Fire Sprinkler System NFPA 13		\$	793,449	Assumes No Fire Pump
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DIV 22: PLUMBING **\$ 2,130,000**

Plumbing		\$	2,130,000	
Plumbing - Fixtures	INCLUDED			

DIV 23: HVAC **\$ 2,442,998**

HVAC		\$	2,311,440	
HVAC - Second Mini Split Head at Lofts		\$	52,000	
HVAC - Temp Heat/Drying/Cooling/Fuel		\$	76,751	
HVAC - Temp Heat/Drying/Cooling/Fuel - Labor		\$	2,807	

DIV 26: ELECTRICAL **\$ 3,694,432**

Electrical - Line Voltage		\$	3,637,775	
Electrical - Lighting Fixtures	INCLUDED			
Electrical - Temp Lighting	INCLUDED			
Electrical - Temp Power Panels/Connections		\$	40,000	
Electrical - Temp J-boxes/Cords/Lights		\$	13,850	
Electrical - Temp J-boxes/Cords/Lights - Labor		\$	2,807	

DIV 27: COMMUNICATIONS **\$ 459,775**

Telephone, Cable & Fiber		\$	440,250	
Elevator 2-Way Comm / Area of Rescue		\$	19,525	

DIV 28: ELECTRONIC SAFETY AND SECURITY **\$ 412,500**

Fire Alarm System		\$	247,500	
Access Control System	ALLOWANCE	\$	115,000	

Security & Video System	ALLOWANCE	\$	50,000
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DIV 31: EARTHWORK		\$	1,183,852
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Earthwork COMPLETE		\$	905,852	
Deep Foundation - RAM / Geopiers		\$	198,000	In lieu of Over-Excavating Footings
Dewatering & Over-Excavation & Pier Casing	ALLOWANCE	\$	80,000	
Contaminated Soil - Testing, Haul Off & Disposal	NOT INCL			

DIV 32: EXTERIOR IMPROVEMENTS		\$	668,720
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Asphalt Paving		\$	44,800	
Asphalt Paving - Add for West Driveway		\$	56,992	
Sidewalks, Curbs, and Driveways		\$	148,388	
Storm Water Planter Walls		\$	117,980	
Drive Gate at Ramp	ALLOWANCE	\$	30,000	
Fencing & Gates		\$	80,600	At Garage Stairs/Storage and Ramp
Fencing at Stormwater Planter		\$	50,850	
Landscaping & Irrigation	ALLOWANCE	\$	100,000	
Pavement Marking / Signage / Wheel Stops		\$	6,500	
Pavers		\$	32,610	

DIV 33: UTILITIES		\$	306,960
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Electrical Utility Vaults, Trench & Conduit	ALLOWANCE	\$	150,000
Wet Utilities - Storm, Sewer, Dom. Water & Fire		\$	156,960

TOTAL HARD CONSTRUCTION COST		\$	37,900,299
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Preconstruction & Estimating		\$	51,470	
Prevailing Wages	NOT INCL			
Low Voltage Utility Fees & Infrastructure Costs	BY OWNER			
Plan Submittal, Review & Permit Fees	BY OWNER			
Power Utility Design Fees & Infrastructure Costs	BY OWNER			
SDC / Meter Fees & Costs	BY OWNER			
Testing & Special Inspections	BY OWNER			
Jobsite Security	ALLOWANCE	\$	68,000	Monitored Camera System
Traffic Control, Flagging, Street/Sidewalk Rental	ALLOWANCE	\$	25,000	
Weather Protection	ALLOWANCE	\$	20,000	
Early Procurement / Storage	NOT INCL			
Fuel Surcharges	NOT INCL			
Oregon Corporate Sales Tax	NOT INCL			

Estimating Contingency	5.00%	\$	1,903,238
Cost Escalation Contingency	BY OWNER		

Insurance - CGLI	0.95%	\$	379,696
Insurance - Builder's Risk	BY OWNER		

Contractor's Fee	3.50%	\$	1,412,170
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Tax - OR CAT	0.39%	\$	162,862
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TOTAL CONSTRUCTION COST		\$	41,922,735
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OBIE STATION HOUSE

01/24/25

MUPTE

VIEW FROM SOUTH

C08



OBIE STATION HOUSE

01/24/25

MUPTE

VIEW FROM NW

C09



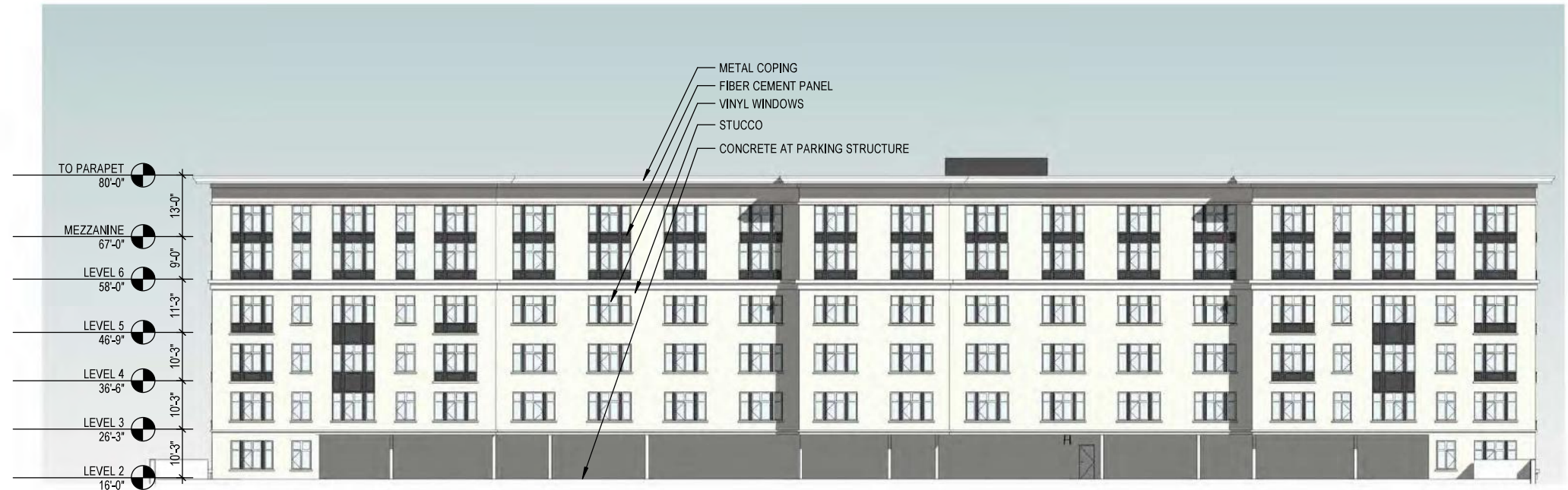
OBIE STATION HOUSE

01/24/25

MUPTE

0' 25' 50' 75'
SOUTH ELEVATION WITH CONTEXT C10









EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Review of 2024 Implementation of Bond Measure to Fix Streets and Pavement Management Report

Meeting Date: April 16, 2025
Department: Public Works
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Katie Marwitz
Contact Telephone Number: 541-501-0380

ISSUE STATEMENT

Staff will present the Street Repair Review Panel (SRRP) 2024 Annual Report and Pavement Management System Report. The Street Repair Review Panel report is prepared in compliance with Measure 20-275, the 2017 bond measure to fix streets. In addition to the Street Repair Review Panel's annual report, the independent accountant's report by Isler CPA is also included.

BACKGROUND

In 2017, Eugene voters approved Measure 20-275 and \$51.2 million of general obligation bonds to fund street repairs and safety improvements for people who walk and bike over a five-year period. In November 2022 voters, for the fourth time, approved Measure 20-333 and \$61.2 million of general obligation bonds for projects that are scheduled for 2025-2029.

The Street Repair Review Panel (SRRP) was initially formed in 2009 to review the implementation of the 2008 street repair bond. Since that time, City Council has received annual reports from the SRRP and an independent accountant (auditor) regarding implementation of the 2008, 2012, and 2017 street repair bond measures.

The 2017 bond measure to fix streets continues the requirements related to accountability included in the 2008 and 2012 measures. The City Council resolution and the information provided to voters specified:

- In order to promote accountability in the use of bond proceeds, the City Manager will contract with an outside auditor to prepare an annual written report on the use of the bond proceeds. The auditor will ascertain and report on whether the bond proceeds were used for the authorized purposes and in compliance with the restrictions set forth above. The City Manager will provide the report to the Council and make the report publicly available. (Resolution 5204, Section H)
- To further promote accountability and citizen involvement in street preservation projects, the City Manager will convene the citizen street repair review panel. The citizen street repair review panel will prepare an annual report, separate and distinct from the report

prepared by the outside auditor, documenting the City's use of the bond proceeds and noting whether the bond proceeds were used in compliance with the terms of this Resolution. The City Manager will provide the SRRP's report to the Council and make the report publicly available. (Resolution 5204, Section I)

In 2024, 14 street projects were under contract or completed at a total cost of approximately \$10 million. Two projects from the original 2017 street bond project list will be completed in 2025 and the rehabilitation of Franklin Blvd will be included as part of the larger federally funded corridor project.

The Street Repair Review Panel concluded, "that the bond proceeds were used for the authorized purposes and in compliance with the limitations and restrictions outlined in Council Resolution 5063."

While the 2024 repair backlog is estimated to be \$145 million, the overall condition of Eugene streets is in very good condition thanks to the series of street repair bond measures passed by voters. Eugene's current overall system PCI is 73; 40 percent of Eugene streets are in excellent condition with little to no maintenance needed; 23 percent of streets are in very good condition with only minor maintenance needed; and 15 percent of streets are in good condition needing surface treatments or overlays. The backlog primarily consists of the 9 percent of streets in fair condition that need more extensive repairs and 13 percent of streets that are in poor or very poor condition needing reconstruction.

RELATED CITY POLICIES

The work of the Street Bond aligns with the following areas of the City's strategic plan:

Safe Community for Community Wellbeing

- Improved safety of transportation system

Equitable, Effective, Accountable Municipal Government

- Transparent and interactive communication
- Inclusive and equitable systems and services

Fair, Stable, and Adequate Financial Resources

- Accessible and transparent financial information

COUNCIL OPTIONS

This work session is informational only and no action is requested.

CITY MANAGER'S RECOMMENDATION

This work session is informational; no action is requested.

SUGGESTED MOTION

This work session is informational; no action is requested.

ATTACHMENTS

A. Street Repair Review Panel 2024 Report, including Auditor's Report and Pavement Management Report.

FOR MORE INFORMATION

Staff Contact: Katie Marwitz, Principal Civil Engineer

Telephone: 541-501-0380

Staff E-Mail: kmarwitz@eugene-or.gov

Memorandum

Date: February 25, 2025
To: Sarah Medary, City Manager
From: Street Repair Review Panel
Subject: 2024 Report of the Street Repair Review Panel

It is our pleasure to present the 2024 annual report of the Street Repair Review Panel, focusing on the final year of implementing the 2017 bond measure to fix streets and build active transportation infrastructure. The content of this year's memo is consistent with the panel's previous reviews but in a more concise format.

Based on a review of all materials presented to us, we unanimously conclude that the bond proceeds were used for the authorized purposes and in compliance with the limitations and restrictions outlined in Council Resolution 5063. We are also providing a detailed report, prepared at our request and with our approval, from the Public Works staff on the bond projects in progress and constructed in 2024

The Why

The Street Repair Review Panel was initially formed in 2009 to review the implementation of the 2008 street repair bond. This year's report responds to the accountability provisions in Measure 20-275, the 2017 bond measure to fix streets. The panel met three times over a three-month period in preparation of this report. We reviewed and accepted the report prepared by the City's external auditor (Appendix D) with respect to the City's use of the bond proceeds through December 31, 2024.

The ongoing charge of the group is to ensure appropriate and prudent spending of public funds as well as advocating and reporting on steps made to further City goals related to the Transportation System Plan (TSP), Vision Zero Action Plan, and CAP 2.0.

The What

Measure 20-275 was \$51.2 million and identified 91 named street segments for repair and rehabilitation, totaling nearly 90 lane miles. The measure included an average of \$1 Million annually for bicycle and pedestrian projects guided by the Transportation System Plan (TSP), City staff, and the Active Transportation Committee (ATC). Appendix A contains a detailed list of projects.

In 2024, 14 street projects were under contract or completed at a total cost of approximately \$10 million. Two projects from the original 2017 street bond project list will be completed in 2025 and the rehabilitation of Franklin Blvd will be included in the larger corridor project that is federally funded and outside the purview of this group.

Measure 20-233 was passed by voters in November of 2022. The projects for this newest bond are scheduled to begin in 2025. This new bond is a shift in the format and makeup of previous bond funds and includes, for the first time, named projects in the categories of walking, biking, and safety. There is also identified funding for street trees. While we will not be formally reporting on this bond measure yet, City staff leveraged existing projects to get a head start on two projects from the new bond list.

How Much

The committee is pleased to see that staff have continued their practice of value engineering and economical design and planning choices that lead to reducing the projected cost overruns in 2024 projects. However, additional local funds will be needed to complete the 3 remaining projects identified in the original bond measure street list. The street rehabilitation portion of the bond had a total budget of \$45.9 million and the current projected cost overrun is approximately \$1.9 million. This gap will be filled with a mix of local gas tax funds and system development charges funds as appropriate. We appreciate the effort staff continue to take looking for opportunities to combine projects and/or leverage funds to get the most out of public funds.

Impacts

Construction, by nature, is disruptive and residents recognize that in a busy construction season it is a challenge to coordinate activities to keep a project on schedule. The panel encourages the department to continue to proactively coordinate communications and minimize impact to the public, including the ongoing work of managing temporary access routes, particularly for people walking and biking.

Eugene has established itself as an industry leader using reclaimed asphalt materials and warm mix asphalt to save energy and reduce emissions. The panel encourages staff to continue to look for additional ways to responsibly implement emerging technologies to address climate impacts of construction and help achieve the goals of the Climate Action Plan 2.0. Several 2024 projects included concrete that had a significantly higher percentage of recycled cement materials. New to 2024, the City implemented the use of concrete Environmental Product Declarations (EPDs), a nutrition label for global warming potential.

Next Steps

The panel recognizes their roles and responsibilities will need to evolve with the 2022 bond measure that will begin in 2025. There are new focus areas outside of just streets with the addition of specific funding for walking, biking, safety, and street trees. The group will be taking on additional evaluation of appropriate use of funds.

Bottom Line

We believe the community is getting a good return for its investment in street repairs, and the bond funds are being used wisely to meet the objectives of Ballot Measure 20-275. A functioning transportation system is essential to our community's safety and economy, and the bond is an important component to maintaining City infrastructure while creating local jobs. An upfront investment in repairing and maintaining Eugene's streets saves the community significant money.

We feel Public Works staff are doing an excellent job designing and constructing bond measure projects. We appreciate the support they have given us in the course of our review. The committee also continues to express its appreciation to the voters and taxpayers of Eugene for their ongoing support of the bond measures that have made our community a better place to live and do business.

Additional information about the Street Repair Review Panel can be found at www.eugene-or.gov/2110/Street-Repair-Review-Panel. Please feel free to contact any of us for additional information.

SRRP Members

John Barofsky	Allen Hancock
Matt Roberts	Ollie Snowden
Jeannine Parisi	Gary Wildish
Rob Zako	Sue Wolling

City of Eugene Staff

Sarah Medary	Lacey Risdal
Eric Johnson	Rich Hoey
Katie Marwitz	Jenifer Willer
Jamie Garner	Rachael Love
Jessica Terra	

Eugene Street Repair Review Panel

2024 Report

Implementation Update for Measure 20-275 Bonds to Fix Streets



2024 Report to the Street Repair Review Panel

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Acknowledgements

SRRP Members:

John Barofsky	Rob Zako
Sue Wolling	Matt Roberts
Jeannine Parisi	Ollie Snowden
Allen Hancock	Gary Wildish
Jim Mender	

City of Eugene Staff:

Marion Barnes	Mike Stever
Eric Johnson	Lacey Risdal
Rachael Love	Rich Hoey
Katie Marwitz	Jamie Garner
Susan Weixelman	Jenifer Willer
Kristi Hayden	Jessica Terra

Cover photo from 2024 projects: Completed paving on Monterey Avenue.

INTRODUCTION

BACKGROUND

This report has been compiled for use by the Street Repair Review Panel (SRRP). It is intended to provide background on projects included in the 2017 voter-approved Bond Measure 20-275, the schedule for construction of these projects, and the details of bond projects constructed in 2023. The street repair measure approved \$51.2 million in bonding authority over a five-year period. With this funding, construction of bond-funded projects will be completed in 2024.

KEY TERMS

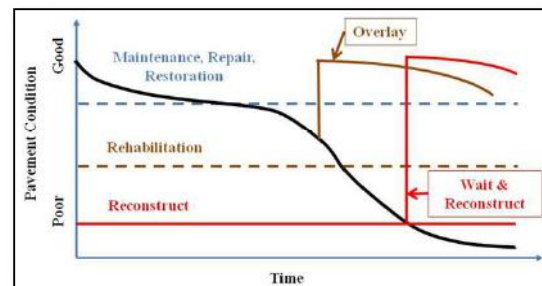
Bond - Bond Measure 20-275, Bonds to Fix Streets, approved by Eugene voters in November 2017.

Inlay – An inlay treatment consisting of removing a specified depth of the existing pavement surface and repaving that same depth with a new pavement surface. This treatment works well where the pavement distress is isolated to the removed portion of the pavement. At times, the inlay treatment needs to be supplemented with an “overlay,” which is when an additional thickness of pavement is placed over the inlaid pavement. An overlay is used when engineering analysis shows that the existing structure does not have sufficient strength to accommodate the projected traffic volume. The term “overlay” is commonly used to describe both the inlay and overlay practices.

One of the benefits of performing an inlay treatment is that the new pavement surface will match existing adjacent structures and not increase the street cross grade. Another benefit of an inlay is that in the removal of the existing pavement, contractors grind up the old pavement and stockpile the material to be recycled into new pavement.

Full Depth Reclamation (FDR) – An alternative to a traditional reconstruction treatment that utilizes and reuses existing pavement and/or road base materials. The existing roadway materials are pulverized to a specified depth, mixed with a cement paste for strengthening, and allowed to cure for 18-48 hours. Once cured, the roadway is repaved. Two of the benefits of performing a reclamation treatment are reducing mining and producing new materials by reusing what is on-site and shortening the time the neighborhood is impacted due to lane closures.

Pavement Preservation Program (PPP) - This is the current capital project program to preserve Eugene’s improved street system. A priority for this program is to preserve streets that have not yet degraded to a point where reconstruction is required. Preserving a street through inlay or similar treatment is four to five times more cost effective than waiting to repair a street until after it requires reconstruction. This



Pavement Life Cycle – City of Eugene
Transportation Service Profile Presentation

program was initiated in 2003 and, until passage of the 2008, 2012, and 2017 street repair bond measures, was predominately funded with local fuel tax revenue and the reimbursement fee component of transportation system development charges.

Reclaimed Asphalt Pavement (RAP) - Reclaimed asphalt pavement is the grindings from the existing pavement during the inlay process, described above. The most common and effective use of this material is to supplement virgin materials used to make new asphalt pavement and reduce the use of costly asphalt binder. In Oregon, it is common to specify up to 30 percent of asphalt pavement can be made up of reclaimed asphalt pavement. The City of Eugene has recently increased that percentage to 35 percent for all paving projects and has piloted even higher amounts. Other reclaimed asphalt materials, such as shingles, can also be used to replace virgin asphalt binder in pavements. Reclaimed asphalt pavements can also be used as base rock.

Reconstruction – Once the street has deteriorated to the point that it can no longer be repaired with an inlay or overlay, it is repaired by reconstructing the pavement and underlying base. Traditional reconstruction involves digging up the existing pavement, any existing base rock, and subsurface soils to the depth that will accommodate a new pavement structure. As discussed above, full depth reclamation may sometimes be used as an alternative to traditional reconstruction. Reconstruction may be four to five times more expensive than an inlay treatment, making it the most expensive of the repair options, which is why the City prioritizes preserving streets before they reach the point of needing reconstruction.

Warm Mix Asphalt - Warm mix asphalt pavement is identical to conventional hot mix asphalt pavement, except that through a special mixing process it is produced at a temperature approximately 50 to 100 degrees cooler than conventional hot mix asphalt. In Eugene, all asphalt concrete producers have retrofitted their plants to produce warm mix asphalt using a water-foaming process. The foaming process allows temperature reductions of approximately 50 degrees. This reduction in temperature has several advantages:



Paving on Bailey Lane

1. It reduces energy consumption to produce asphalt concrete, lowering costs and greenhouse gas emissions.
2. It reduces off-gassing (smoke) of asphalt concrete by keeping the temperature under the boiling point of “light oils” in the liquid asphalt, benefiting construction workers and the public.
3. Because the light oils are not boiled off, the liquid asphalt coating the rock particles is slightly thicker, which slows the aging process of the asphalt.
4. It reduces the oxidation caused during high temperature production that causes premature aging of the asphalt, which should provide a longer life product.

The use of warm mix asphalt pavement is specified for all City of Eugene paving projects. Over the life of the 2017 Street Bond, a total of 139,948 tons of warm mix asphalt pavement have been installed within the City of Eugene.

SRRP MISSION

Per Resolution No. 5063 the SRRP “will prepare an annual report, separate and distinct from the report prepared by the outside auditor, documenting the City’s use of the bond proceeds and noting whether the bond proceeds were used in compliance with the terms of this Resolution.”

CRITERIA FOR PROJECT SELECTION AND SCHEDULING

STREET PROJECTS

Street projects to be financed by the bond were specifically listed in the Bond (see Appendix A). All street projects were identified by the Public Works Pavement Management System as priorities for repair. In addition, the following criteria were used to select streets for the bond measure:

1. Citizen input with respect to prioritizing major streets in need of reconstruction.
2. Scientific information about needed street rehabilitation and reconstruction from the pavement management system.
3. Geographic distribution throughout the community to ensure all areas of the City receive a benefit from the bond proceeds.



The City has a longstanding policy to use capital preservation funds on the improved street system. An improved street has been designed for the type of soils and traffic use of the street and includes a storm drainage system. Curb and gutter are the traditional mark of a storm drainage system but can include roadside swales and planters. The bond measure street list consisted of improved streets in need of preservation as identified in the pavement management system.

The list of the street bond projects, with their estimated repair cost from the Pavement Management System and the year constructed or planned year of construction, is included in Appendix A of this report. In scheduling the street repair projects, the priorities were preserving streets prior to their needing reconstruction, grouping projects by location for cost savings, and coordinating with utility work to be completed prior to construction. The list includes a comparison of programmed costs to actual costs with any difference noted. Differences in total project costs on individual projects may affect the funding available for future projects.

BICYCLE AND PEDESTRIAN IMPROVEMENT PROJECTS

The 2017 bond measure stated that the City will allocate an annual average of \$1,000,000 to support bicycle and pedestrian projects, also known as active transportation projects. These

projects were not named in the bond measure; rather, the selection of the projects would be guided by the Pedestrian and Bicycle Master Plan, City staff, the Active Transportation Committee, and the City's goals to increase safety on City streets. In 2024, active transportation and safety improvements were added to several projects. These improvements are further described in the project details, below, and included in Appendix C of this report.



Bike Lockers Installed at Amtrak Station

Move EUG was a planning project led by the City's Transportation Planning Team to identify and prioritize walking, biking, and safety programs and infrastructure projects throughout Eugene. The primary objective of Move EUG was to develop a list of walking, biking, and safety infrastructure projects for funding through the 2022 bond measure. City Council approved the Move EUG Funding Proposal on October 23, 2023. Between 2025-2029, Eugene will see \$11 million dollars of Street Repair Bond funding allocated to walking, biking and safety projects. An additional \$2 million is unprogrammed and will be used to leverage grant funding or to achieve economies of scale. There was also \$2 million allocated for street trees. Overall, the City of Eugene will invest \$15 million of the bond funds to enhance our transportation network and increase the street tree canopy.



Move EUG
shaping our sustainable
transportation future

Overlap of 2017 & 2022 Bond Measures to Fix Streets

With the 2017 bond measure coming to a close in 2024, the City proposed a fourth bond measure to continue producing high-quality work in street repairs and complete streets for people in Eugene.

Voters approved the fourth five-year street repair bond measure in November 2022 for \$61.2 million. The 2022 bond measure set aside significantly more money than previous bond measures for walking, biking, safety and street tree projects. City staff drafted a specific project list for the walking, biking, safety and street tree projects that was approved by City Council in November 2023.



Pedestrian & Bicycle Improvements at 24th Ave and Amazon Path Crossing

While the 2022 bond measure projects don't fully commence until 2025, funding was available as early as 2024. The City decided to leverage funding from both the 2017 and 2022 bond measures in 2024 for projects that are in the same geographic area as other scheduled projects or ready to be advertised for construction bids. These projects include both paving and active transportation improvements.

City staff will continue to look to maximize and leverage funding from the road bond measure, striving to produce high-quality work and complete streets for people in Eugene.

COMPLETE STREETS AND USE OF OTHER FUNDS IN CONJUNCTION WITH STREET BOND FUNDS

The use of street-repair bond funds is limited to the overlay or reconstruction of the driving surface of streets as well as to preserve existing elements of the street such as curbs, gutters, on-street bike lanes, traffic signals, streetlights, medians, traffic calming devices, and other integral parts of a street preservation project. In addition, the City will allocate an annual average of \$1,000,000 of the bond proceeds over a period of five years to fund bicycle and pedestrian projects.



Stormwater Pipe Work on Bailey Lane

However, there is often a need or an opportunity to complete additional work as part of the construction contracts for street preservation. The additional work may be funded by wastewater and stormwater utility funds, state and local gas taxes, transportation system development charges, or state and federal grants.

Wastewater and stormwater utility funds are typically used to repair and rehabilitate the city utilities that underlie much of the city's street system. Making these repairs in coordination with the street bond projects is a cost-effective way to accomplish the work and precludes emergency repairs in the future that would require cutting new pavement.

Local gas taxes have been used to include adjacent streets in the street bond project contracts. State gas taxes have been used to pay for signal upgrades and traffic calming.

Transportation system development charges (SDCs) are often used to upgrade existing signal systems during pavement preservation projects. The work typically includes installing new conduit under the pavement to connect the traffic detection loops to the signal controllers and installing audible pedestrian devices for pedestrian crossing signals.

Vision Zero

In November of 2015, the Eugene City Council joined a growing number of cities around the country in adopting a Vision Zero Resolution that states "no loss of life or serious injury on our transportation system is acceptable." Vision Zero is a data-driven approach to educate the

community and enable the City to prioritize resources based on evidence of the greatest need and impact.



The City regularly combines Vision Zero principles with ongoing pavement preservation projects. Cost effective intersection enhancements such as countdown pedestrian signals and audible pedestrian signals will continue to be a priority and standard practice on future

projects. ODOT has shown that the inclusion of these types of enhancements can significantly reduce fatal and life-changing injury crashes.

ADA Transition Plan

As part of Title II of the Americans with Disabilities Act (ADA) of 1990, the City of Eugene conducted an evaluation of its public rights-of-way and developed a transition plan that outlines in detail how the organization will ensure safe access to all facilities for all individuals. Public Works collected detailed data on over 15,000 ramps and 250 pedestrian signals to develop transition schedules specific to these facilities. The Public Works Director approved an updated supplement to the City's ADA Transition Plan focused on the Public Rights-of-Way by Administrative Order in July 2015. Federal rules require that agencies upgrade curb ramps when the street pavement is altered (or re-paved). All capital paving projects are evaluated for accessibility compliance and potential improvements during scoping and preliminary design.



ADA Ramp Under Construction on Carmel Avenue



The ADA Transition plan identifies a goal of upgrading 200 ramps annually 2021-2053. In 2024, the City constructed and upgraded 375 sidewalk ramps, 336 through capital improvement projects and 39 through private development construction. Over the life of the 2017 bond, the City has constructed and upgraded a total of 1,733 sidewalk ramps, including both capital improvement and private development projects. The ADA Transition plan and yearly updates can be viewed at the following link: <https://www.eugene-or.gov/2416/ADA-Transition-Plan>

CAP 2.0 & Capital Waste Diversion

The City of Eugene Public Works Engineering Division is addressing climate change by implementing actions from the City's Climate Action Plan 2.0. The City of Eugene adopted new construction specifications earlier this year to include EPD requirements and GWP benchmark setting for various strengths of concrete. They are captured below and can also be found online here: <https://www.eugene-or.gov/DocumentCenter/View/73905/PART-02000-2024-A1->

(f) Embodied Carbon – The following embodied carbon thresholds apply to all concrete types listed in Table 02001-3a and are measured by global warming potential (GWP). GWP shall be calculated in units of kilograms of carbon dioxide-equivalent (kg CO₂e). The GWP of a specific concrete mix shall be verified by a product-specific Type III Environmental Product Declaration (EPD) that is 3rd party verified and within its 5-year period of validity. Compliance with the embodied carbon thresholds can be achieved on a "per mix" basis, as further defined in 2001.20(f)(1).

(1) Embodied Carbon Thresholds – Per Mix

The embodied carbon of a concrete mix, based on an approved EPD, shall not exceed the value given in Table 02001-3a (per yd³).

*To be enforced January 2025.

Table 02001-3a: Concrete Embodied Carbon Thresholds (per yd³)

Concrete Strength (psi) (1)	Maximum GWP (kg CO ₂ e)/yd ³ Portland Cement Concrete (PCC), including: Commercial Grade Concrete (CGC), Concrete Pavement, High- Performance Concrete (HPC)/Structural Concrete	Controlled Low-Strength Material (CLSM)
2500	180	180
3000	200	
4000	242	
5000	295	
6000	312	
8000	373	

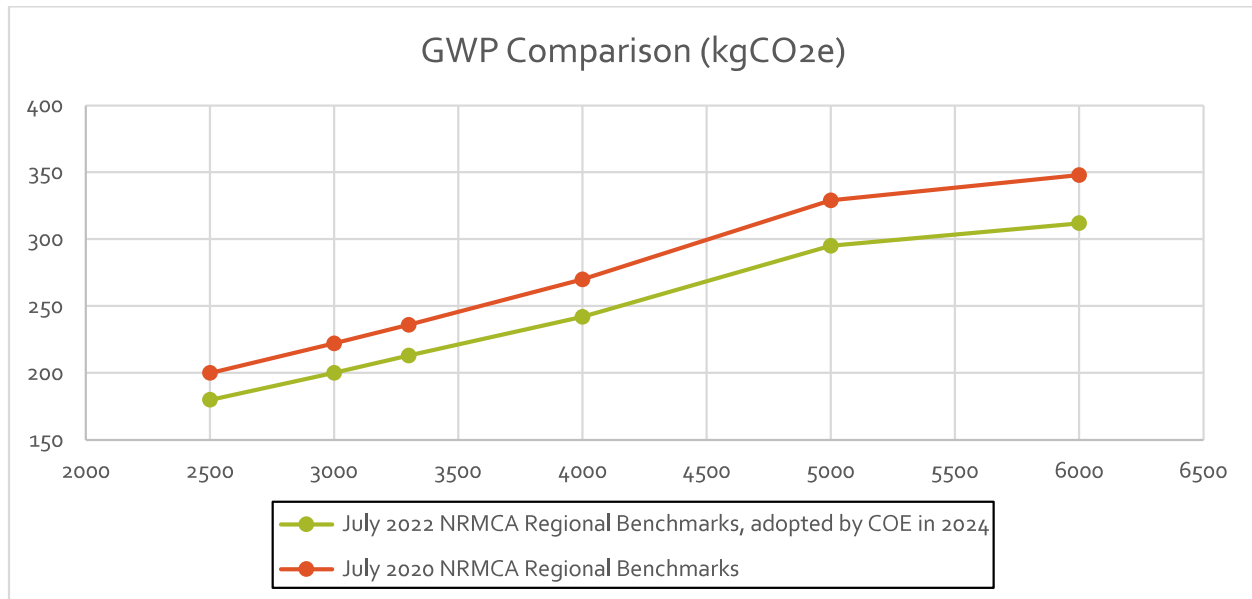
(1) For concrete strengths between the stated values, use linear interpolation to determine cement and/or embodied carbon limits, rounded to the nearest whole number.

Example: for a 3300psi CGC mix:
 $(242-200)/(4000-3000) = 0.042$
 $(0.042 \cdot (3300-3000)) + 200 = 212.6$
 213 is the Maximum GWP/yd³ for a 3300psi mix.

The reporting unit of interest for all concrete EPD's is known as global warming potential, GWP, and is expressed as kgCO₂e/yd³, or kilogram of carbon dioxide equivalent per yard cubed. CO₂e is a unit for expressing different GHGs as a common unit, and it signifies the amount of CO₂ that would have an equivalent global warming impact. The estimates, where applicable, reflect GHG emissions from embodied energy, or the energy used to extract materials and manufacture goods. An example of embodied energy includes the energy used to produce and transport construction materials such as asphalt, steel, and concrete.

It is important to note that not all concrete mixes share equivalent GWPs and similar mix strengths from different producers vary (the geographic location from which the raw materials are sourced vary across producers). As compressive strength increases, so does the global warming potential. This is why sourcing low carbon concrete and utilizing supplemental cementitious material is paramount across the construction industry. Through the Capital Improvement Program process, GWPs from low carbon concrete bid items were calculated post-construction using the city's standard drawings, final pay summaries, acquired EPD's, and NRMCA industry standards.

The 11 projects calculated for 2023 contributed approximately 370 metric tons of CO₂e, a 10% decrease compared to 2020 NRMCA industry standards, as the figure below illustrates.



While GHGs are an inevitable byproduct of construction, this inclusion aligns with the City's long-term strategic goals to procure materials for infrastructure construction and maintenance that have lower embodied greenhouse gas emissions than traditional materials, including identification of opportunities to reuse and recycle materials.

Last year, approximately 16,255 tons of materials across 11 projects were reported in the post-project construction waste reports with approximately 8,864 tons reported as diverted from the waste stream yielding a diversion rate of 55%. Concrete made up approximately 9% of that waste by weight, 16% diversion was reported. Asphalt made up 44% by weight, 72% diversion was reported.

In 2024, approximately 37,540 tons of materials across 11 projects were reported in the post-project construction waste reports with approximately 29,710 tons reported as diverted from the waste stream yielding a diversion rate of 79%. Concrete made up approximately 16% of that waste by weight, 1% diversion was reported. Asphalt made up 75% by weight, 100% diversion was reported.

Concrete and asphalt, depending on the project type, continue to have the greatest potential for additional diversion opportunities.

Funding Status and Forecast

Project cost estimates, used in project selection, were based on the overall surface condition of each street as described in the City's Pavement Management System. A unit cost was assigned to each street based on whether the street rehabilitation treatment was assumed to be a reconstruct or an inlay/overlay. Approximately 18 months prior to construction, more detailed pavement testing is conducted to determine specific treatments to each street based on the existing pavement structure, subgrade soil conditions, and traffic loading. Actual rehabilitation treatments may be different than the original assumptions, requiring more, less, or a combination of rehabilitation techniques.

There are three projects, 5 streets, from the 2017 Bond that are still in design and will be in construction in 2025 or later. These projects are being reported on in this year's report and are included in the following pages:

- Broadway Street, between Mill Street and E 11th Avenue
- Hilyard Street, between W Amazon Drive and 40th Avenue
- 24th Avenue, between Harris Street and Agate Street
- Alder Street, between 30th Avenue and 32nd Avenue
- Franklin Boulevard, between Walnut Street and E 11th Avenue

Details on an annual project-by-project basis are provided in the following pages and summarized in Appendix A. From 2023 to 2024, the City has continued to make good progress by delivering delayed projects and decreasing the expected budget overrun. Based on costs to date we are currently \$1,891,426 dollars over budget, which decreases the total projected budget overrun from 2023 by \$208,411. We are still projecting to exhaust the bond total which will require the use of additional local funds to supplement the remaining construction projects in 2025.

The 2017 bond measure also allocated an average of \$1,000,000 for pedestrian and bicycle improvements each year. In 2024 the project expenditures on all pedestrian and bicycle improvements funded by the bond were estimated at \$395,114, which will exhaust the remaining active transportation funding for the bond. Additional details are provided in Appendix C.

2024 Bond Construction Projects & Project Development

The following pages are reports on individual projects completed in 2024. The total costs for each project listed are estimated as not all of the 2024 construction-related costs have been finalized as of January 3, 2024.

CARMEL AVENUE, BREWER AVENUE, LINNEA AVENUE, MONTEREY AVENUE, TARPON STREET, LEMMING AVENUE, AND NORWOOD STREET PAVING (COMPLETED)

Project Description: This project consists of rehabilitation of seven streets in the Cal Young Neighborhood in Council Wards 4 and 5.

- Carmel Avenue from Diane Street to Norwood Street
- Brewer Avenue from Brewer Avenue to the south end
- Linnea Avenue and cul-de-sac from Norkenzie Road to Tarpon Street
- Monterey Avenue from Norkenzie Road to Larkspur Avenue
- Tarpon Street and cul-de-sac from Brewer Avenue to Lemming Avenue
- Lemming Avenue from Tarpon Street to Shiloh Street
- Norwood Street from Monterey Street to Marlow Street

Treatment Methodology:

- Carmel Avenue, Linnea Avenue, Monterey Avenue, and Tarpon Street were rehabilitated by removing 6 inches of surfacing and paving back 6 inches for a total pavement depth of 6 inches.
- Lemming Avenue and Brewer Avenue were rehabilitated by removing 2 inches of surfacing and paving back 2 inches for a total of 5.5 to 7 inches of pavement.
- The northern section of Norwood Street from Marlow Street to Carmel Avenue was rehabilitated by removing 2 inches of surfacing and paving back 2 inches for a total pavement depth of 5 inches. The southern section of Norwood Street from Carmel Avenue to Monterey Avenue was rehabilitated by removing 6 inches of surfacing and paving back 6 inches for a total depth of 6 inches.

Costs: Total project costs, from all funding sources, are estimated at \$2,329,419.

Preliminary Estimate based on Pavement Management System (PMS) Surface Evaluation =		\$1,998,530
Total Projected/Actual Paving Bond Funds Used =		\$1,998,530
Difference =		\$0

Additional Sources of Funding: Local Gas Tax, EWEB, Stormwater Utility, and Wastewater Utility funds.

Local gas tax funds were used to slurry seal parking lanes on Carmel Avenue, Lemming Avenue, and Norwood Street.

Project Photo:



COMPLETED PAVING ON CARMEL AVENUE

BROADWAY STREET PAVING (IN DESIGN)

Project Description: This project consists of rehabilitation one street in West University Neighbors & Downtown Neighborhood in Council Ward 3.

- Broadway Street from Mill Street to E 11th Avenue

Treatment Methodology:

- Broadway Street will be rehabilitated by removing 3 inches of pavement and paving back 4 inches for a total depth of 8 to 11 inches in the Summer 2025.

Costs: Total project costs, from all funding sources, are estimated at \$4,104,286.

Preliminary Estimate based on Pavement Management System (PMS) Surface Evaluation =	\$1,033,000
Total Projected/Actual Paving Bond Funds Used =	\$1,033,000
Difference =	\$0

Additional Sources of Funding: Urban Renewal, 2017 Street Bond Active Transportation, 2022 Street Bond Active Transportation, Local Gas Tax, Road Traffic Operations Improvements, EWEB, and Stormwater Utility funds.

This project includes removing the southern most eastbound travel lane from Mill Street to Alder Street to widening the sidewalk on the south side of the street and add on street parking.

Project Photo:



Broadway near Mill Street – Existing Conditions

COBURG ROAD PAVING (COMPLETED)

Project Description: This project consisted of rehabilitating one street in the Cal Young Neighborhood and the Harlow Neighbors neighborhood in Council Wards 4 and 5.

- Coburg Road from Oakway Road to Ferry Street Bridge

Treatment Methodology:

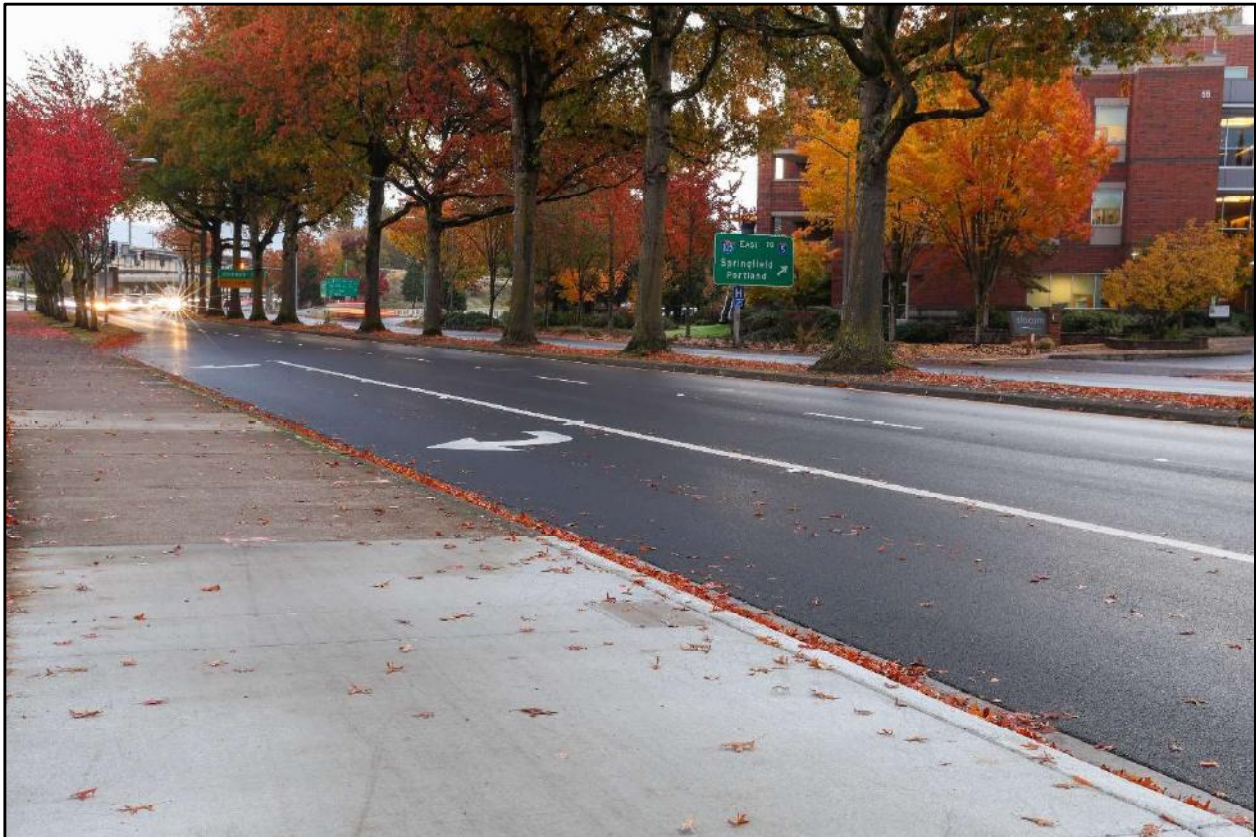
- Coburg Road was rehabilitated by removing 4 inches of surfacing and paving back 4 inches for a total pavement depth of 9 to 11 inches.

Costs: Total project costs, from all funding sources, are estimated at \$1,623,023.

Preliminary Estimate based on Pavement Management System (PMS) Surface Evaluation =	\$2,524,200
Total Projected/Actual Paving Bond Funds Used =	\$1,605,875
Difference =	\$918,325

Additional Sources of Funding: EWEB and Stormwater Utility funds.

Project Photo:



Completed Paving on Coburg Road

BAILEY LANE PAVING (COMPLETED)

Project Description: This project consisted of rehabilitation of one street in the Harlow Neighbors neighborhoods in Council Ward 4.

- Bailey Lane from Bogart Lane to Luella Street

Treatment Methodology:

- Bailey Lane was rehabilitated by overlaying the street with 2 inches of asphalt for a total depth of 6 inches.

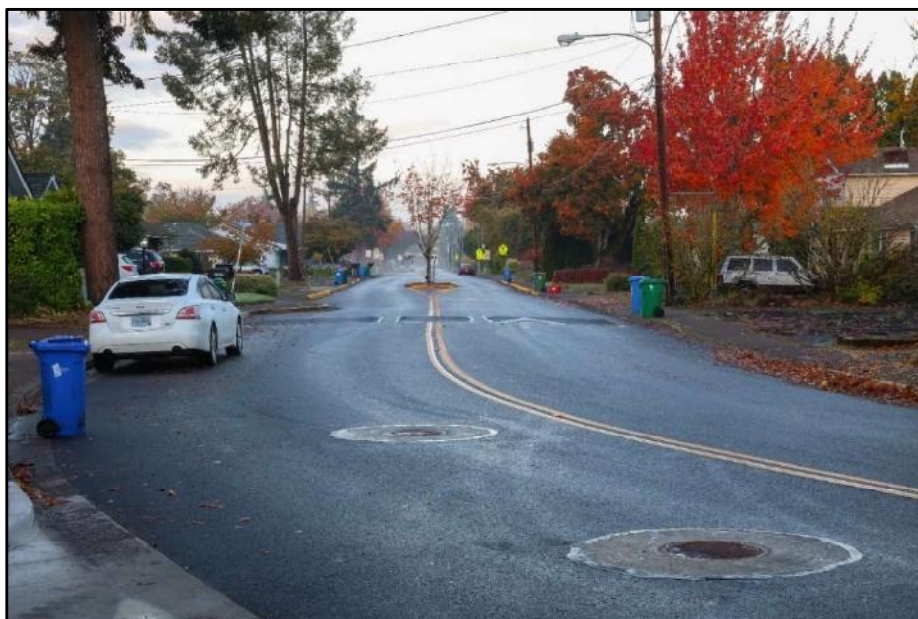
Costs: Total project costs, from all funding sources, are estimated at \$1,831,502.

Preliminary Estimate based on Pavement Management System (PMS) Surface Evaluation =	\$496,400
Total Projected/Actual Paving Bond Funds Used =	\$496,400
Difference =	\$0

Additional Sources of Funding: Local Gas Tax, 2022 Street Bond, Traffic Operations Improvement, Traffic Calming, Transportation SDCs, EWEB, Stormwater Utility, and Wastewater Utility funds.

Local Gas Tax funds were used to pave Luella Street from Bailey Lane to the north end of the street and 2022 Street Bond funds were used to pave Bailey Lane from Luella Street to Coburg Road and Van Avenue from Luella Street to approximately 730 feet east. Traffic Operations Improvement funds were used to replace pedestrian audible push buttons and to add a bike detection camera at the Bailey Lane and Coburg Rd intersection. Traffic Calming and Transportation SDC funds were used to add 18 speed cushions and 37 bike sharrows along Bailey Lane, Bogart Street, Satre, and Van Duyn.

Project Photo:



Completed Paving on Bailey Lane

HILYARD STREET, 24TH AVENUE, AND ALDER STREET PAVING (IN DESIGN)

Project Description: This project consists of rehabilitation of three streets in Southeast Neighbors, Amazon Neighbors & South University Neighborhood in Council Wards 2 and 3.

- Hilyard Street from W Amazon Drive to 40th Avenue
- 24th Avenue from Harris street to Agate Street
- Alder Street from 30th Avenue to 32nd Avenue

Treatment Methodology:

- Hilyard Street will be rehabilitated by full depth reclamation and paving back 8 inches in the Spring 2025.
- 24th Avenue will be rehabilitated by removing and repaving a variable depth of 2 to 9 inches of pavement.
- Alder Street will be rehabilitated by removing and repaving 6 inches of pavement for a total depth of 6 inches.

Costs: Total project costs, from all funding sources, are estimated at \$5,011,953.

Preliminary Estimate based on Pavement Management System (PMS) Surface Evaluation =		\$1,844,500
Total Projected/Actual Paving Bond Funds Used =		\$1,844,500
Difference =		\$0

Additional Sources of Funding: Local Gas Tax, Transportation SDCs, Active Transportation, EWEB, Stormwater Utility, and Wastewater Utility funds.

Leveraging non-bond funds, this project also includes adding a pedestrian mid-block crossing on Friendly Street, adding traffic calming on Hilyard Street, making path repairs and adding an path extension in Tugman Park, and adding buffered bike lanes on 24th Avenue. Curb bumpouts were also added to Hilyard St and Alder St.

Project Photo:



Hilyard Street – Existing Conditions

W 11TH AVENUE PAVING (IN PROGRESS)

Project Description: This project consists of rehabilitation one street in Far West, Jefferson Westside Neighbors & Downtown Neighborhoods in Council Ward 1.

- W 11th Avenue from Charnelton Street to Grant Street

Treatment Methodology:

- W 11th Avenue will be rehabilitated by removing and paving back 4 inches between Charnelton Street and Polk Street and by removing and paving back 2 inches between Polk Street and Grant Street for a total depth of 8 to 10 inches in the Spring 2025.

Costs: Total project costs, from all funding sources, are estimated at \$3,700,168.

Preliminary Estimate based on Pavement Management System (PMS) Surface Evaluation =		\$1,546,400
Total Projected/Actual Paving Bond Funds Used =		\$1,690,391
Difference =		(\$143,991)

Additional Sources of Funding: Local Gas Tax, Active Transportation, Transportation SDCs, Traffic Operations Improvement, EWEB, Stormwater Utility, and Wastewater Utility funds.

Transportation SDCs and Traffic Operations Improvement funding was used to upgrade pedestrian signal push buttons. The project also includes Active Transportation funds to construct curb bumpouts in select locations.

Project Photo:



Existing Pavement on W 11th Avenue

FRANKLIN BOULEVARD PAVING (IN DESIGN)

Project Description: This project consists of rehabilitation of one street in the Fairmount Neighborhood in Council Ward 3.

- Franklin Boulevard from Walnut Street to E 11th Avenue

Treatment Methodology:

- Pavement treatment for Franklin Blvd is still being developed.

Costs: Total project costs, from all funding sources, are estimated at \$26,648,248.

Preliminary Estimate based on Pavement Management System (PMS) Surface Evaluation =	\$1,732,162
Total Projected/Actual Paving Bond Funds Used =	\$342,750
Difference =	\$1,389,412

Additional Sources of Funding: Federal grants, Local Gas Tax, 2022 Street Bond, Transportation SDCs, EWEB, LTD, and Wastewater Utility funds.

The City of Eugene and City of Springfield received the RAISE grant from FHWA as a partnership to transform Franklin Blvd in both jurisdictions to include constructing roundabouts. Transportation SDCs are being used as the match to the RAISE grant. The project also includes Active Transportation funds from the 2022 Street bond to construct bike and pedestrian facilities along the corridor. Both EWEB and LTD are also partnering with the City of Eugene to upgrade their facilities within the corridor to include a new waterline and to build a second EmX track. Wastewater Utility funds will be used to upgrade the wastewater system and laterals between Walnut St and Moss St.

Project Photo:



Design Rendering on Franklin Blvd at the Moss St Intersection

ATTACHMENT A

5-Year Street Bond (2017) Project List - Costs and Forecast

Project Map #	Project Number	Street name	From	To	Ward(s)	Proposed Treatment	Programmed Cost (2017) plus inflation	Projected/ Actual Cost	Difference
Construction Year 2019									
9	900049	11th Ave (A)	Tyinn St	Bertelsen St	8	Overlay	1,874,000	736,581	1,137,419
12	900044	19th Avenue (C) (incl 2019 Construction)	Hilyard St	Agate St	1	Reconstruction	1,130,700	1,399,223	(268,523)
1	900051	3rd Avenue (L)	High St	Pearl St	7	PCC panel replacement	118,000	1,797,473	99,527
65		Mill Street (L)	2nd Ave	3rd Ave		Reconstruction/Overlay	60,000		
3		5th Avenue (L)	Chambers St	Grant St		Reconstruction/Overlay	250,000		
36		Charnelton Street (L)	4th Ave	6th Ave		Reconstruction/Overlay	360,000		
70		Olive Street (L)	5th Ave	6th Ave		Pavement Removal and Replacement	131,000		
60		Lawrence Street (L)	NS Dwy 36	6th Ave		Reconstruction	978,000		
27	900047	Brookside Drive (L) (incl 2019 Construction)	Brae Burn Dr (North)	Address 999	2	Reconstruction	0	671,181	135,819
28		Brookside Drive	Brae Burn Dr (South)	Montara Way		Reconstruction	437,000		
83		Sundance Street (L)	Sundial Rd	East End		Pavement Removal and Replacement	270,000		
84		Sundance Street CDS (L)	North End	Sundance St		Pavement Removal and Replacement	100,000		
18	900045	Alder Street (L)	24th Ave	27th Ave	3	Reconstruction/Pavement Removal and Replacement	309,000	588,465	(279,465)
44	900048	Fair Oaks Drive (L)	Oakway Rd	Fairway Lp	4	Reconstruction	253,000	1,687,277	(413,277)
24		Bedford Way (L)	Oakway Rd	Fair Oaks Dr		Reconstruction	200,000		
54		Lariat Drive (L)	Oakway Rd	Lariat Dr		Reconstruction	392,000		
55		Lariat Meadows Drive (L)	Lariat Dr	East End		Pavement Removal and Replacement	300,000		
56		Lariat Mesa (L)	Lariat Dr	East End		Reconstruction/Pavement Removal and Replacement	129,000		
23	900046	Balfour Street (L)	Terresa Ave	North End	5	Reconstruction	150,000	1,233,924	(73,924)
29		Calgary Street (L)	Holly Ave	Elanco Ave		Reconstruction	254,000		
43		Elanco Ave + CDS (L)	Norkenzie Rd	North End		Reconstruction	137,000		
87		Terresa Avenue (L)	Montreal Ave	Gilham Rd		Reconstruction	237,000		
76		Quebec Street (L)	Calgary St	Elanco Ave		Reconstruction	224,000		
67		Montreal Avenue (L)	Calgary St	Balfour St		Reconstruction	158,000		
Projected Construction Year 2019 Totals =							8,451,700	8,114,125	337,575
Construction Year 2020									
73	900135	Polk Street (L)	6th Ave	7th Ave	7	Overlay	124,800	129,650	120,470
34		Chambers Street (C) (incl 2020 Construction)	11th Ave	13th Ave		Pavement Removal and Replacement	125,320		
12	900044	19th Avenue (C) (incl 2020 Construction)	Hilyard St	Agate St	1	Reconstruction	397,300	186,483	210,817
27	900047	Brookside Drive (L) (incl 2020 Construction)	Brae Burn Dr (North)	Address 999	2	Reconstruction	238,160	467,799	(229,639)
49	900133	Garden Avenue (L)	Moss St	Walnut St	3	Pavement Removal and Replacement	411,840	611,408	(74,768)
89		Walnut Street (L)	Garden Ave	Frankling Blvd		Pavement Removal and Replacement	124,800		
5	900070	8th Avenue (L) (Design & Permitting)	Willamette St	Mill St	1	Pavement Removal and Replacement	533,500	495,849	37,651
13	900253	20th Avenue (A) (Design & Permitting)	Willamette St	Oak St	1	Overlay	104,000	22,283	81,717
69		Oak Street (A) Design & Permitting)	18th Ave	19th Ave		Overlay	0		
69		Oak Street (A) Design & Permitting)	19th Ave	20th Ave		Overlay	0		
Projected Construction Year 2020 Totals =							2,059,720	1,913,471	146,249

ATTACHMENT A

5-Year Street Bond (2017) Project List - Costs and Forecast

Project Map #	Project Number	Street name	From	To	Ward(s)	Proposed Treatment	Programmed Cost (2017) plus inflation	Projected/ Actual Cost	Difference
Construction Year 2021									
20	900244	Arrowsmith Street (L)	Terry St	11th Ave	8	Overlay	228,200	2,075,756	(655,884)
21		Bailey Hill Rd (A)	5th Ave	11th Ave	8	Overlay	629,640		
79		Roosevelt Blvd (A)	Beltline	800' East	8	Overlay	222,912		
88		Terry Street (C)	Royal Ave	Roosvelt Blvd	8	Overlay	339,120		
62	900257	Lincoln Street (C)	13th Ave	22nd Ave	1	Reconstruct	1,717,200	2,118,626	(401,426)
13	900253	20th Avenue (A) (incl 2021 Construction)	Willamette St	Oak St	1	Overlay	104,000	658,242	(87,142)
69		Oak Street (A) (incl 2021 Construction)	19th Ave	20th Ave		Overlay	259,200		
69		Oak Street (A) (incl 2021 Construction)	18th Ave	19th Ave		Overlay	207,900		
45	900104	Fairmount Blvd (L)	15th Ave	Columbia St	3	Reconstruct	1,092,960	2,406,746	(356,906)
12		19th Avenue (C)	Agate St	Fairmount Blvd	3	Overlay	956,880		
57	900242	Laurelhurst Drive + 5 CDS (L)	Melrose Lp	Barger Dr	6	Overlay	395,280	1,106,912	(427,592)
59		Laveta Lane (L)	Barger Dr	South End	6	Overlay	129,600		
75		Primrose Street + 1 CDS (L)	Barger Dr	100' N of Parker Pl	6	Overlay	154,440		
34	900135	Chambers Street (C) (incl 2021 Construction)	11th Ave	13th Ave	7	Pavement Removal and Replacement	125,320	265,821	(140,501)
91	900240	Windsor Circle East/West (L)	Wilshire Ln	Wilshire Ln	8	Reconstruct	838,080	822,271	15,809
Projected Construction Year 2021 Totals =							7,400,732	9,454,372	(2,053,640)
Construction Year 2022									
33	900246	Catalina Street (L)	Juhl St	Willhi St	6	Overlay	168,700	965,155	124,820
37		Chase Street + CDS (L)	500' N of Marshall St	North End	6	Overlay	168,700		
40		Concord Street (L)	Berntzen Rd	Jacobs Dr	6	Overlay	252,000		
42		Echo Hollow CDS (L)	West End	Echo Hollow Rd	6	Reconstruct	168,700		
48		Fuller Avenue (L)	Echo Hollow Rd	Jay St	6	Overlay	135,000		
50		Hawthorne Avenue (L)	West End	Fairfield Ave	7	Overlay	196,875		
30	900245	Candlelight Drive	Avalon	Royal Ave	6	Overlay	366,750	1,518,545	(484,670)
82		Stagecoach	Candlelight Dr	Surrey Ln			112,500		
85		Surry Lane (L)	Stagecoach Rd	Welcome Wy			135,000		
90		Welcome Way	Candlelight Dr	Royal Ave			163,125		
80		Royal Ave CDS	Royal Ave	End			112,500		
58		Laurelhurst Drive + Sheffield Ct CDS (L)	Harriet Ave	Royal Ave			144,000		
10	900151	17th Avenue (L)	Oak Street	Hilyard St	3	Reconstruct	821,880	1,853,025	(577,545)
11		19th Avenue (C)	Oak Street	High St	1	Overlay	324,000		
64		Mill Street (L)	16th Ave	18th Ave	3	Overlay	129,600		
2	900043	4th Avenue (C)	Pearl St	Coburg Rd	7	Overlay	262,800	392,600	(65,000)
65		Mill Street (L)	3rd Ave	4th Ave			64,800		
52	900353	Jessen Drive (L)	Elizabeth St	Hwy 99	6	Overlay	252,000	404,175	191,265
38		Clarey Street (L)	Bean St	1071' South			162,000		
78		Robin Avenue (L)	200' E of Ruskin St	396' E of Taney St			181,440		
Projected Construction Year 2022 Totals =							4,322,370	5,133,499	(811,129)

ATTACHMENT A

5-Year Street Bond (2017) Project List - Costs and Forecast

Project Map #	Project Number	Street name	From	To	Ward(s)	Proposed Treatment	Programmed Cost (2017) plus inflation	Projected/ Actual Cost	Difference
Construction Year 2023									
15	900357	46th Avenue (C)	Fox Hollow Rd	Donald St	2	Overlay	516,000	1,135,585	69,415
16		Agate Street (C)	163 Black Oak Rd	Firland St			689,000		
19	900355	Amazon Parkway (A)	19th Ave	2693 S of E 24th	2	Reconstruct	1,661,200	1,760,356	386,344
74		Portland Street (L)	29th Ave	31st Ave		Overlay	485,500		
35	900360	Chambers Street (C)	18th Ave	24th Ave	1	Overlay	1,062,200	1,344,239	(282,039)
69	900358	Oak Street (A)	7th Ave	13th Ave	1	Overlay	698,400	2,942,503	(391,478)
69		Oak Street (A)	13th Ave	17th Ave	1		1,126,125		
69		Pearl Street (A)	Broadway	17th Ave (Amazon Bridge)	3		726,500		
77	900354	River Road (A)	Maxwell Rd	Beltline Rd	7	Overlay	792,000	1,026,275	(234,275)
6	900356	8th Avenue (C)	Monroe St	Garfield St	1	Overlay	2,264,800	2,264,800	0
72	900302	Polk Street (C)	W 18th Ave	28th Ave	1	Overlay	751,400	751,400	0
81	900304	Spyglass Drive (L)	Cal Young Rd	Spyglass Dr	5	Overlay	723,300	723,300	0
53	900294	Lakeview Drive	207' E of Sarah Ln	Gilham Rd	5	Reconstruct	258,700	539,900	0
41		Crescent Avenue	Norkenzie Rd	Address 1670		Overlay	281,200		
5	900070	8th Avenue (L) <i>(inc construct)</i>	Williamette St	Mill St	1	Pavement Removal and Replacement	493,961	1,574,400	(1,080,439)
Projected Construction Year 2023 Totals =							12,530,286	14,062,758	(1,532,472)

Construction Year 2024									
63	900405	Linnea Avenue + 1 CDS (L)	Norkenzie Rd	Tarpon St	5	Reconstruct	216,000	2,186,444	(187,914)
25		Brewer Avenue (L)	Brewer Ave	South End	5	Reconstruct	181,500		
31		Carmel Avenue (L)	Diane St	Norwood St	4,5	Reconstruct	547,500		
66		Monterey Avenue (L)	Norkenzie Rd	Larkspur Ave	5	Reconstruct	216,600		
68		Norwood Street (L)	Monterey St	Marlow St	4	Reconstruct	373,500		
86		Tarpon Street + CDS	Brewer Ave	Lemming Ave	5	Reconstruct	321,860		
61		Lemming Avenue	Tarpon St	Shilo St	5	Reconstruct	141,570		
26	900359	Broadway (A)	Mill St	11th Ave	3	Overlay	1,033,000	883,000	150,000
39	900103	Coburg Road (A)	Oakway Rd	Ferry Street Bridge	4	Overlay	2,524,200	1,605,875	918,325
22	900403	Bailey Lane (C)	Bogart Ln	Luella St	4	Overlay	496,400	602,019	(105,619)
14	900402	24th Avenue (A)	Harris St	Agate St	3	Overlay	439,200	1,844,500	0
17		Alder Street (L)	30th Ave	32nd Ave	2	Reconstruct	522,000		
5		Hilyard Street (C)	W Amazon	40th Ave	2	Overlay	883,300		
8	900401	11th Ave (A)	Charnelton St	Grant St	1	Overlay	1,546,400	1,688,613	(142,213)
46	900468	Franklin Blvd (A)	Walnut	11th Ave	3	Overlay	1,732,162	342,750	1,389,412
Projected Construction Year 2024 Totals =							11,175,192	9,153,201	2,021,991

(x) Street Classification Key: (L) = Local; (C) = Collector; (A) = Arterial

Total Programmed Costs =
45,940,000 47,831,426 (1,891,426)

Pedestrian and Bicycle Improvements Project List

Projects	Project Number	Average Annual Allocation \$1,000,000	Projected/ Actual Cost	Difference
Construction Year 2019				
Alder Street Paving	900045		107,026	
W 11th Avenue Paving	900049		4,508	
E 19th Avenue Paving	900044		58,198	
Construction Year 2019 Pedestrian & Bicycle Repairs Total =			169,732	830,268
Construction Year 2020				
Garden Avenue, Walnut Street, Villard Street & Moss Street Paving	900133		91,924	
Roosevelt Path	900009		74,039	
Safe Routes to School: Crosswalk Enhancements & Speed Monitoring (2020 Local Match)	900166		139,757	
5th, Olive, and Charnelton Street Paving	900051		3,965	
Construction Year 2020 Pedestrian & Bicycle Repairs Total =			309,685	690,315
Construction Year 2021				
South Bank Shared Use Path Repair & Realignment	900126		126,834	
Downtown Riverfront Park	965302		500,000	
Lincoln/Jefferson/High Street Paving	900257		25,033	
West Bank Path Lighting & Resurfacing	900100		631,181	
STM 39th Avenue and Donald Street	900213		28,529	
NE Livable Pedestrian Improvements	965282		346,930	
Construction Year 2021 Pedestrian & Bicycle Repairs Total =			1,658,507	(658,507)

Pedestrian and Bicycle Improvements Project List

Projects	Project Number	Average Annual Allocation \$1,000,000	Projected/ Actual Cost	Difference
Construction Year 2022				
Willamette Street and 18th Avenue Signal Reconstruction	900253		106,447	
17th Avenue, 19th Avenue, Mill Street Pedestrian Improvements	900151		55,948	
Path Wayfinding	900321		10,000	
3rd Avenue, 4th Avenue & Mill Street Two-Way Bikeway	900043		215,000	
Bailey Hill & Terry Street Paving	900244		29,670	
13th Ave Bikeway (Construction Complete in 2020)	975684		222,437	
Fern Ridge Path Rehabilitation	900352		346,935	
Construction Year 2022 Pedestrian & Bicycle Repairs Total =			986,437	13,563
Construction Year 2023				
Oak Street & Pearl Street Paving	900358		83,572	
River Road - Maxwell Road to Betline Road	900354		33,539	
8th Avenue - Willamette Street to Mill Street	900070		140,000	
Regional Bicycle Enhancements (Central Lane Metropolitan Planning Organization)	900455		15,730	
Prairie Mountain Crosswalks	900346		206,847	
Howard Elementary Pedestrian Path	900347		148,866	
Fern Ridge Path Lighting	900368		582,466	
River Road / Hatton Enhanced Crossing	900380		69,506	
River Road & Irving Road Improvements	975774		200,000	
Construction Year 2023 Pedestrian & Bicycle Repairs Total =			1,480,525	(480,525)
Construction Year 2024				
Maxwell/Prairie Sidewalks	900125		97,500	
11th Avenue Paving	900401		127,614	
Path Etiquette Striping & Signage	900578		70,000	
Broadway Street Paving	900359		100,000	
Construction Year 2024 Pedestrian & Bicycle Repairs Total =			395,114	604,886

Total Pedestrian and Bicycle Improvement Project Costs = 5,000,000 5,000,000 (0)

Summary of Bond Costs

Total Street Projects in 2017 Dollars with inflation = \$ 45,940,000

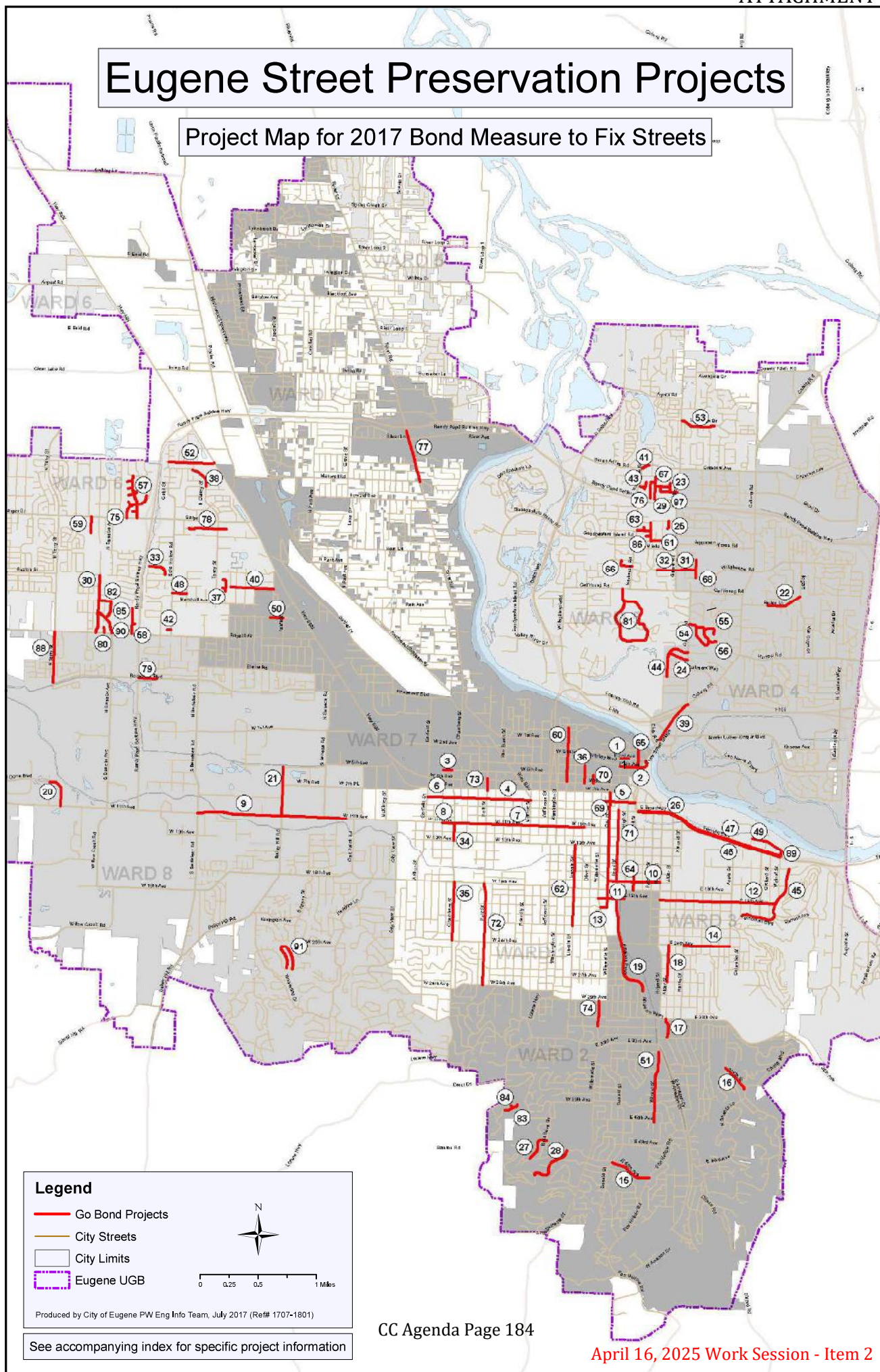
Total Pedestrian & Bicyclist Improvements = \$ 5,000,000

Bond Issuance Costs = \$ 260,000

Total Bond Costs = \$ 51,200,000

Eugene Street Preservation Projects

Project Map for 2017 Bond Measure to Fix Streets



Project List for 2017 Bond Measure to Fix Streets

MAP NUMBER	STREET NAME	FROM	TO
1	03RD AVENUE	HIGH ST	PEARL ST
2	04TH AVENUE	COBURG RD	PEARL ST
3	05TH AVENUE	CHAMBERS ST	GRANT ST
4	08TH AVENUE	CHAMBERS ST	MONROE ST
5	08TH AVENUE	WILLAMETTE ST	MILL ST
6	08TH AVENUE	GARFIELD ST	CHAMBERS ST
7	11TH AVENUE	CHARNELTON ST	CHAMBERS ST
8	11TH AVENUE	CHAMBERS ST	GRANT ST
9	11TH AVENUE	TYINN ST	BERTELSEN RD
10	17TH AVENUE	HILYARD ST	OAK ST
11	19TH AVENUE	WILLAMETTE ST	HIGH ST
12	19TH AVENUE	HILYARD ST	FAIRMOUNT BLVD
13	20TH AVENUE	WILLAMETTE ST	OAK ST
14	24TH AVENUE	HARRIS ST	AGATE ST
15	46TH AVENUE	FOX HOLLOW RD	DONALD ST
16	AGATE STREET	N 163 BLACK OAK RD	FIRLAND ST
17	ALDER STREET	30TH AVE	32ND AVE
18	ALDER STREET	24TH AVE	27TH AVE
19	AMAZON PARKWAY	19TH AVE	2693 S OF E 24TH
20	ARROWSMITH STREET	TERRY ST	11TH AVE
21	BAILEY HILL ROAD	5TH AVE	11TH AVE
22	BAILEY LANE	BOGART LN	LUELLA ST
23	BALFOUR STREET	TERRA AVE	NORTH END
24	BEDFORD WAY	OAKWAY RD	FAIR OAKS DR
25	BREWER AVENUE	BREWER AVENUE	SOUTH END
26	BROADWAY	MILL ST	11TH AVE
27	BROOKSIDE DRIVE	BRAE BURN DR (NORTH)	ADDR 999
28	BROOKSIDE DRIVE	BRAE BURN DR (SOUTH)	MONTARA WAY
29	CALGARY STREET	HOLLY AVE	ELANCO AVE
30	CANDLELIGHT DRIVE	AVALON	ROYAL
31	CARMEL AVENUE	GILHAM RD	NORWOOD ST
32	CARMEL AVENUE	DIANE ST	GILHAM RD
33	CATALINA STREET	JUHL ST	WILLHI ST
34	CHAMBERS STREET	11TH AVE	13TH AVE
35	CHAMBERS STREET	18TH AVE	24TH AVE
36	CHARNELTON STREET	4TH AVE	6TH AVE
37	CHASE STREET + CDS	500' NORTH OF MARSHALL	NORTH END
38	CLAREY STREET	BEAN ST	1071' S OF BEAN ST
39	COBURG ROAD	FERRY STREET BRIDGE	OAKWAY RD
40	CONCORD STREET	BERNTZEN RD	JACOBS DR
41	CRESCENT AVENUE	NORKENZIE RD	ADDRS 1670
42	ECHO HOLLOW CDS	WEST END (CDS) (880-960)	ECHO HOLLOW RD
43	ELANCO AVENUE + 1 CDS (NORTH)	NORKENZIE RD	END OF NORTHERLY CDS
44	FAIR OAKS DRIVE	OAKWAY RD	FAIRWAY LP
45	FAIRMOUNT BOULEVARD	15TH AVE	COLUMBIA ST
46	FRANKLIN BOULEVARD EB	WALNUT ST	11TH AVE
47	FRANKLIN BOULEVARD WB	WALNUT ST	11TH AVE

Project List for 2017 Bond Measure to Fix Streets

Exhibit B

MAP NUMBER	STREET NAME	FROM	TO
48	FULLER AVENUE	ECHO HOLLOW RD	JAY ST
49	GARDEN AVENUE	MOSS ST	WALNUT ST
50	HAWTHORNE AVENUE	WEST END	FAIRFIELD AVE
51	HILYARD STREET	W AMAZON DR	40TH AVE
52	JESSEN DRIVE	ELIZABETH ST	HWY 99
53	LAKEVIEW DRIVE	207' E OF SARAH LN	GILHAM RD
54	LARIAT DRIVE	OAKWAY RD	LARIAT DR
55	LARIAT MEADOWS DRIVE	LARIAT DR	EAST END
56	LARIAT MESA	LARIAT DR	EAST END
57	LAURELHURST DRIVE + 5 CDS	MELROSE LP	BARGER DR
58	LAURELHURST DRIVE + SHEFFIELD CT	HARRIET AVE	ROYAL AVE
59	LAVETA LANE	BARGER DR	SOUTH END
60	LAWRENCE STREET	DRWY 36	6TH AVE
61	LEMMING AVENUE	TARPON ST	SHILO ST
62	LINCOLN STREET	13TH AVE	22ND AVE
63	LINNEA AVENUE + 1 CDS	NORKENZIE RD	TARPON ST
64	MILL STREET	16TH AVE	18TH AVE
65	MILL STREET	2ND AVE	4TH AVE
66	MONTEREY AVENUE	NORKENZIE RD	LARKSPUR AVE
67	MONTREAL AVENUE	CALGARY ST	BALFOUR ST
68	NORWOOD STREET	MONTEREY ST	MARLOW ST
69	OAK STREET	7TH AVE	20TH AVE
70	OLIVE STREET	5TH AVE	6TH AVE
71	PEARL STREET	BROADWAY	17TH AVE (AMAZON BRIDGE)
72	POLK STREET	18TH AVE	28TH AVE
73	POLK STREET	67' N OF 6TH AVE	72' S OF 7TH AVE
74	PORTLAND ST	29TH AVE	31ST AVE
75	PRIMROSE STREET + 1 CDS	BARGER RD	100' N OF PARKER PL (S)
76	QUEBEC STREET	CALGARY ST	ELANCO ST
77	RIVER ROAD	MAXWELL RD	BELTLINE RD
78	ROBIN AVENUE	200' EAST OF RUSKIN ST	396' EAST OF TANEY ST
79	ROOSEVELT BLVD	BELTLINE	APPROX 800' EAST OF BELTLINE
80	ROYAL AVENUE CUL DE SAC	ROYAL AVE	N END CDS
81	SPYGLASS DRIVE	CAL YOUNG RD	LOOP AROUND BACK TO SPYGLASS DR
82	STAGECOACH ROAD	CANDLELIGHT DR	SURREY LN
83	SUNDANCE STREET	SUNDIAL RD	EAST END
84	SUNDANCE STREET CDS	NORTH END	SUNDANCE ST
85	SURRY LANE	STAGECOACH	WELCOME WY
86	TARPON STREET + CUL-DE-SAC	BREWER AVE	LEMMING AVE
87	TERRESA AVENUE	MONTREAL AVE	GILHAM RD
88	TERRY STREET	ROYAL AVE	ROOSEVELT BLVD
89	WALNUT STREET	FRANKLIN BLVD	GARDEN AVE
90	WELCOME WAY	CANDLELIGHT DR	ROYAL AVE
91	WINDSOR CIRCLE EAST/WT	WILSHIRE LN	WILSHIRE LN

December 2024

Street Repair Review Panel,

This memo summarizes walking and bicycling projects completed using the 2017 Pavement Bond Measure funds.

Background

The 2017 Pavement Bond Measure stipulates that the city identify and complete an average of \$1 million in safety improvements for people who bike and walk each year of the bond (2019-2023). Transportation Planning staff worked with the Active Transportation Committee (ATC) to develop a list of walking and bicycling projects for review, based on guidance provided by the Transportation System Plan, maintenance needs, and community requests, including partners at LTD and Safe Routes to School. The projects generally included additions to scheduled pavement projects as well as stand-alone projects.

Where do the Walking and Biking Projects Come From?

Staff used the Transportation System Plan (TSP) to identify network improvements for walking and bicycling. The TSP is the city's transportation policy document and long-term vision for transportation improvements.

For pavement preservation projects city staff consult the TSP to determine what network improvements should be made based on system connectivity needs. Pavement projects present an opportunity to implement some TSP project types, such as bike lane striping, because striping will be entirely replaced as part of the pavement project.

There were also projects developed based on community input (ATC, etc.), coordination with 4j and Bethel Safe Routes to School programs, and through site investigations by city staff. The Vision Zero Action Plan is also used to evaluate project locations to improve safety outcomes for people walking and bicycling.

Through discussions with staff and the Active Transportation Committee, it was recommended that about half of the money should be spent on shared use path maintenance with the other half used for discretionary walking and bicycling projects throughout Eugene.

How Were PBM Walking/Biking Funds Spent Overall?

Below is a summary of walking and bicycling projects that were delivered using pavement bond funds throughout the lifecycle of bond. Projects include additions to paving projects and standalone projects.

Projects Occurring with Pavement Projects

- Alder Street (24th to 27th). Alder Street was retrofitted with Neighborhood Greenway treatments to make the sharing of travel lanes more comfortable for people bicycling. Shared lane markings and speed humps were added to Alder Street between 24th Avenue and 30th Avenue. Curb extensions and crosswalks were also added at Alder Street at 26th Avenue to improve the walking experience on Alder Street. This street is also the first to include "Neighborhood Greenway" signage to identify it as a street that prioritizes walking and bicycling.
- Barger Drive (Altamont to Primrose). A variety of bicycling infrastructure and stormwater management devices were added during construction. Notably for people bicycling, there are now buffered bike lanes on Barger Drive and the intersection of Barger Drive at Cubit Street was redesigned to feature a protected sidewalk-level bike lane and bicycle signal.

- Lawrence (Clark to 6th). A green bike lane was added in the eastbound direction on 5th Avenue at Lawrence Street.
- 11th (Tyinn to Bertelsen). The southbound bike lane on Seneca Road was located curbside at 11th Avenue. This presented a safety hazard in that the adjacent traffic would turn right across the bike lane. The safer condition was for people riding bikes to use the crosswalk across 11th Avenue so a sidewalk access ramp was installed on Seneca Road just north of 11th so people on bikes could access the crosswalk more safely.
- 19th (Hilyard to Agate). Temporary diversion was added to 19th Avenue at Alder Street. The diversion allows people walking and bicycling to cross 19th Avenue as normal but diverts all automobile traffic onto 19th Avenue.
- Garden Avenue (Walnut to Moss); Walnut Street (Franklin to Garden); Villard Street (Franklin to Garden); Moss Street (Franklin to Garden). These streets, located just north of Franklin Boulevard were all bid as one project. Garden Avenue is an important walking and bicycling street because it connects segments of the South Bank Path together. As such, Garden Avenue was developed as a “neighborhood greenway” where all street users feel comfortable sharing the road.
- Bailey Hill Road at 7th Avenue. When 7th Avenue was repaved a few years ago, bike lanes were added in each direction to connect to bike lanes on Bailey Hill Road. As a result of the curvature of the southeast corner of the intersection from Bailey Hill Road at 7th Avenue, encroachment into the bike lanes is common. The Bailey Hill Road pavement project included curb separation for people bicycling north on Bailey Hill Road who turn east onto 7th Avenue. Encroachment was eliminated by physically separating the two transportation modes.
- 17th Avenue/19th Avenue/Mill Street. A small segment of 2-way protected bikeway was added to the north side of 19th Avenue as part of the street repair project. The project included a raised crosswalk from the northern terminus of the Amazon Path across 19th Avenue. The protected bike lanes will make transition from the Amazon Path to the High Street Bikeway easier once that project is completed in 2023.
- 4th Avenue and Mill Street. This project installed a 2-way protected bikeway on the south side of 4th Avenue from the DeFazio Bridge entrance to Mill Street. It eliminates the need for people riding bikes to cross 4th Avenue near the intersection of the Ferry Street Bridge to travel downtown. The bikeway keeps all active transportation users on the south side of 4th Avenue between the DeFazio Bridge and Mill Street. It was very well used during the Riverfront Festival during the World Athletic Championships Oregon22.
- Fern Ridge Path Repair Project. A segment of the Fern Ridge Path near the western terminus of 13th Avenue at Amazon Creek structurally failed. The project was engineered to provide a solution to the constant need for repair. Replacement of the pavement, installation of overhead lighting, and complete replacement of subsurface structures was completed to make this segment of path safer for all path users.

Discretionary Projects

- West Bank Path Lighting and Resurfacing. The West Bank Path from Stephens Drive to Copping Street was rehabilitated. In addition to resurfacing the path, overhead lighting was installed.
- Roosevelt Path. The Roosevelt Path, north of Roosevelt Boulevard was extended from Maple Street to HWY 99 in 2020 primarily using grant funds. However, the project bid came in higher than anticipated so a portion of the PBM funds were used to finish the project.
- Safe Routes to School. A state SRTS grant was used to install school speed zone flashers, enhanced pedestrian crossings, and speed feedback signs throughout Eugene. However, the project bid came in higher than anticipated so a portion of the PBM funds were used to finish the project.
- Donald Street Stormwater. A stormwater project near Donald Street at 39th Avenue presented an opportunity to align the sidewalk access ramps with the accessway connecting Donald Street to 39th Avenue. Ramp relocation was paid for using PBM Walking/Bicycling funds.
- South Bank Path and Downtown Riverfront Park. A grant was received from ODOT to replace and repair the South Bank Path from the Frohmyer Bridge to the Hilyard Street entrance at the former EWEB property. A portion of the bond money was used to pay the grant match required by ODOT for

the path replacement. In addition, the dedication of \$500,000 toward the Downtown Riverfront Park was drawn from the bond measure to rebuild the South Bank Path through the new Riverfront Park. The new path features separate paths for people walking and bicycling to improve comfort and safety for all park users.

- Northeast Livable Streets. A grant was received from ODOT to add enhanced crossings and improved pedestrian connections in the northeastern neighborhoods of Harlow, Northeast, and Cal Young. Additional money from the bond measure was used with the ODOT funds to complete the projects and improve walking and bicycling safety across busy streets, and to improve pedestrian safety at intersections.
- High Street Protected Bike Lanes (ODOT). Some bond funding was used to deliver a 2-way protected bike lane on west side of High Street from 19th Avenue to 6th Avenue.
- 8th Avenue Protected Bike Lanes (ODOT). Some bond funding was used to deliver protected bike lanes on 8th Avenue from Mill Street to Lincoln Street.
- SRTS Bethel (ODOT). Some bond funds were used to pay the grant match for enhanced pedestrian crossings of Royal Avenue and North Danebo Avenue.
- Fern Ridge Path Repair Project. A segment of the Fern Ridge Path near the western terminus of 13th Avenue at Amazon Creek structurally failed. The project was engineered to provide a solution to the constant need for repair. Replacement of the pavement, installation of overhead lighting, and complete replacement of subsurface structures was completed to make this segment of path safer for all path users.

What Projects using the new 2022 Pavement Bond were Completed in 2024?

The list of walking, bicycling, and safety improvements for the 2022 Pavement Bond were adopted by City Council as part of the MoveEUG process. Different from past years, specific projects have been identified for each year of the five-year bond. For 2024, these included the following projects:

- 24th Avenue at Amazon Path: overhead lighting was added at this shared use path crossing of E 24th Avenue. The crosswalk was also raised to path grade, and an adjacent driveway was closed to make the intersection more predictable.
- Martin Luther King Jr Blvd: as part of an overall traffic safety project which added Bus and Turn (BaT) lanes there was green colorant added to the shared use path along MLK, Jr Blvd. In addition, a pedestrian crossing was added across MLK, Jr Blvd near Chevy Chase Street.
- North Danebo Sidewalk Infill: sidewalks were added to the west side of North Danebo Avenue to connect Danebo Elementary to Barger Drive.
- 15th Avenue Sidewalk Infill: sidewalks were added to the north side of 15th Avenue to complete the sidewalk network near the pedestrian signal across Chambers Street.
- Fern Ridge Path Undercrossing Lights: new lighting was added at the bridge underpasses along the Fern Ridge Path.

If you have any questions about planning for walking and bicycling projects, or use of PBM funds to deliver these projects, please contact me: RDunbar@eugene-or.gov, (541) 682-5727.

Sincerely,
 Reed Dunbar, AICP
 Senior Transportation Planner (Bicycle and Pedestrian Planner)



Report of Independent Accountants

City of Eugene, Oregon

For the Year Ended December 31, 2024



MOSSADAMS



Report of Independent Accountants

To City of Eugene, Oregon

We have performed the procedures enumerated below on the 2017 and 2022 General Obligation Bond funded expenditures of the City of Eugene, Oregon (the "City") for the year ended December 31, 2024 (the "Reporting Period"). The City is responsible for the 2017 and 2022 General Obligation Bond funded expenditures (the "Expenditures").

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's 2017 and 2022 General Obligation Bond funded Expenditures in order to meet the requirements of voter approved Ballot Measures 20-275, 20-333, and City Council Resolutions No. 5204 and 5364, for the Reporting Period. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed and our findings are as follows:

- 1) We obtained from the City a listing of the Expenditures for the Reporting Period. The total amount of expenditures was \$14,287,513.
- 2) We sorted the Expenditures by dollar amount, and in descending order by dollar amount, we selected the largest expenditure amounts until 33.3% or more of the total expenditures were selected. This resulted in selecting 14 expenditures totaling \$4,946,136, or 34.6% of total Expenditures. We agreed each selected expenditure's reported account and fund number, and reported accounting period date to a vendor invoice, certification of payment, or signed contract provided by the City. We noted no variances between expenditures and supporting documentation.
- 3) For expenditures selected in the previous step, we noted each expenditure was for an eligible cost as described in voter approved Ballot Measures 20-275, 20-333, and City Council Resolutions No. 5204 and 5364.
- 4) We obtained from the City a listing of new construction projects awarded during the Reporting Period, which were funded by 2017 and 2022 General Obligation Bond proceeds. We haphazardly selected one new construction project awarded and obtained the procurement file from the City. We compared the procurement file to the procurement requirements contained in the City's Public Contracting Rules and noted no differences.
- 5) We obtained from the City an accounting of the \$2,221,738 in unspent 2017 General Obligation Bond proceeds as of December 31, 2024. We compared that amount to the \$14,651,320 in unspent bond proceeds as of December 31, 2023, as reported in the prior year report of independent accountants on applying agreed upon procedures dated January 23, 2024 less the \$12,429,583 of expenditures for the year ended December 31, 2024 provided by the City. We did not note variances between the listing and the calculated amount.

- 6) We obtained from the City an accounting of the \$59,342,070 in unspent 2022 General Obligation Bond proceeds as of December 31, 2024. We compared that amount to the \$61,200,000 in bond proceeds per the General Obligation Series 2022 bond closing memorandum, less the \$1,857,930 of expenditures for the year ended December 31, 2024 provided by the City. We did not note variances between the listing and the calculated amount.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Expenditures of the City for the Reporting Period. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City, and is not intended to be, and should not be, used by anyone other than this specified party.

A handwritten signature in cursive script that reads "Moss Adams LLP".

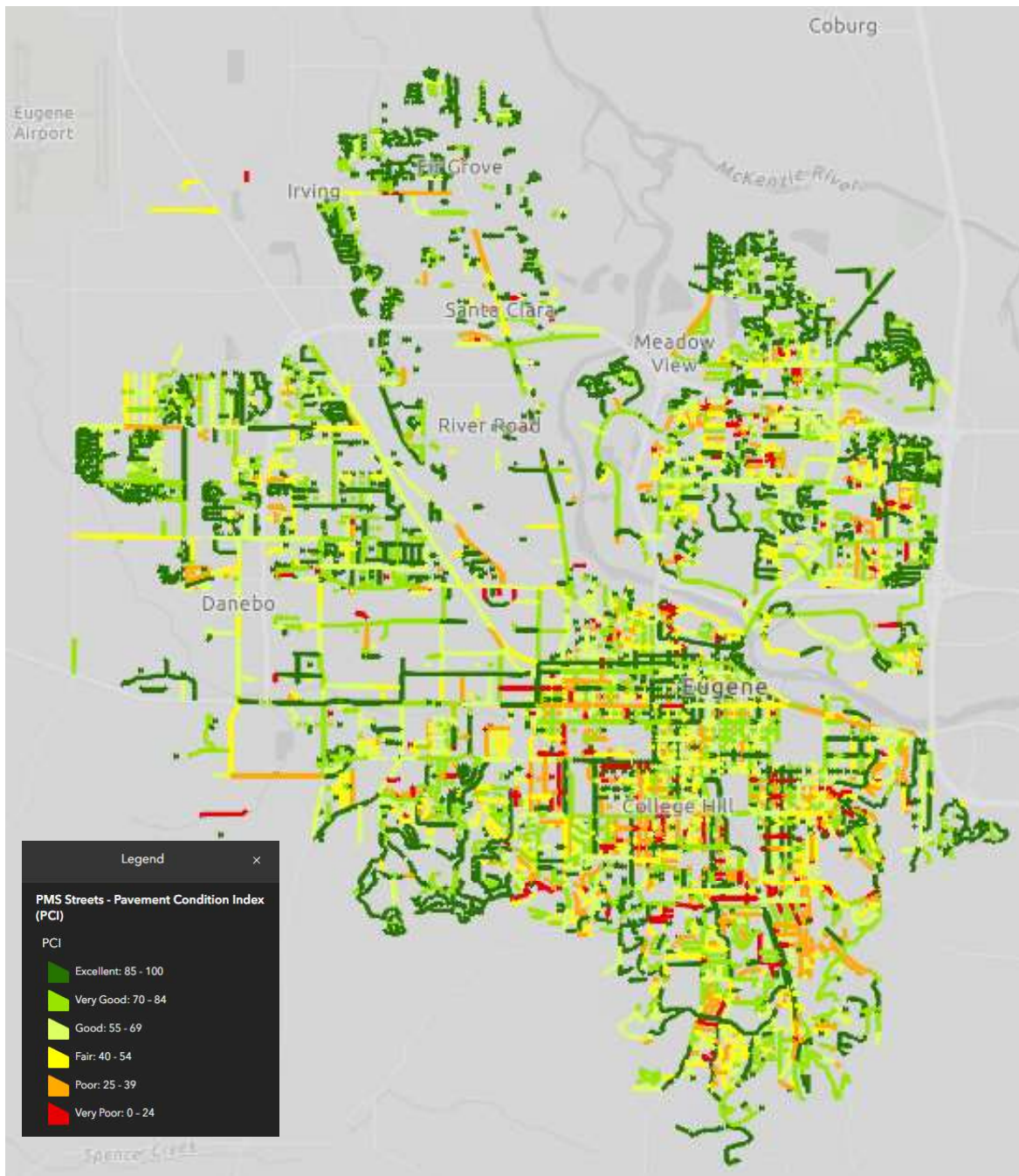
Eugene, Oregon
January 27, 2025



MOSSADAMS

2024 PAVEMENT MANAGEMENT REPORT

An Update on Asphalt Pavement Conditions and Programs (2024 Rating & Inventory Data)



Prepared by:

Public Works Engineering Staff with information and data prepared in coordination with Public Works Maintenance Staff

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Summary of the City of Eugene Pavement Management Report

The City of Eugene, Oregon, is responsible for maintaining a road network spanning 1,408 lane miles. As the city's infrastructure ages, it faces challenges including limited funding, high traffic volumes, and weather-related wear that accelerate pavement deterioration. The city employs a Pavement Management System (PMS) to assess and maintain its road network, using the Pavement Condition Index (PCI) to guide maintenance priorities. Eugene's current overall system PCI is 73, which by industry standards is considered a very good overall rating. The challenge is to address the PCI rating by street classification, improving overall street quality, safety, and cost-efficiency.

This report outlines a comprehensive strategy to achieve improve or maintain PCI ratings for each street classification grouping. Key recommendations include expanding preventive maintenance for roads in fair to good condition, strategically rehabilitating roads in moderate to poor condition, and using predictive analytics to proactively manage pavement deterioration. The report also emphasizes the need for durable materials like polymer-modified asphalt, warm-mix asphalt, and recycled asphalt pavement (RAP) to extend road life and reduce maintenance costs. Additionally, securing funding through bond measures, gas tax, and grants along with community engagement, will support sustained improvements.

If these strategies are implemented, Eugene can improve its road conditions, lower long-term maintenance costs, and build a sustainable, resilient infrastructure resulting in safer, smoother streets, enhanced public satisfaction, and a network better equipped to meet the needs of a growing community.

City of Eugene Pavement Management System and Strategies for Improving PCI

1. Introduction

The City of Eugene's network supports the needs of approximately 175,000 residents, connecting neighborhoods, supporting economic activities, and facilitating safe and efficient movement across the city. The city's transportation infrastructure is composed of arterials, collectors, and local residential streets. Each category of street classification plays a distinct role, with arterials and collectors experiencing higher traffic volumes, while local streets primarily serve local access.

Eugene's pavement faces a range of challenges due to the age of the infrastructure, the impact of heavy rainfall, freeze-thaw cycles, and budget constraints. Effective pavement management is vital for maintaining the transportation network in safe and serviceable conditions, avoiding costly repairs, and optimizing limited financial resources. The Pavement Condition Index (PCI) is a numerical scale used to monitor the condition of Eugene's roads, providing a foundation for prioritizing maintenance activities.

The purpose of this report is to evaluate Eugene's current pavement management practices, analyze the present condition of the street pavements, and propose strategies to improve or maintain the PCI score for each street classification grouping. Through effective management and strategic intervention, Eugene can maximize the lifespan of its transportation network, ensure a safer transportation system, and support the city's long-term growth.

2. Pavement Condition Index (PCI)

Importance of PCI for Pavement Management

Pavement management system's best practice is to adopt a cost-effective, "best-first" approach. This strategy emphasizes applying lower-cost preventative maintenance and preservation treatments, such as slurry seals, micro-surfacing, and crack sealing, and thin inlays/overlays, to streets in very good to good condition. The goal is to extend the pavement's lifecycle before its condition deteriorates to the point where more expensive rehabilitation or reconstruction treatments are necessary.

Typically, paved streets spend approximately three-quarters of their lifecycle in fair to good condition, exhibiting minimal deterioration and providing a high level of service. However, after this period, street conditions begin to decline rapidly. Without proper treatment, they can quickly reach a state requiring costly overlays or full reconstruction. By utilizing surface seals and other preventative measures, the pavement's condition can be preserved at a good level for a longer duration, delaying the need for expensive repairs.

The PCI enables Eugene to make informed decisions about when, where, and how to conduct maintenance and rehabilitation. Regular monitoring of PCI helps identify problem areas early, allowing the city to address issues before they escalate into costly repairs. The Pavement Life Cycle graph depicts how pavements generally deteriorate over time and the typical treatment needs over the lifetime condition. By tracking PCI over time, Eugene can evaluate the effectiveness of its maintenance strategies and adjust them as needed to maximize pavement lifespan and minimize repair costs.

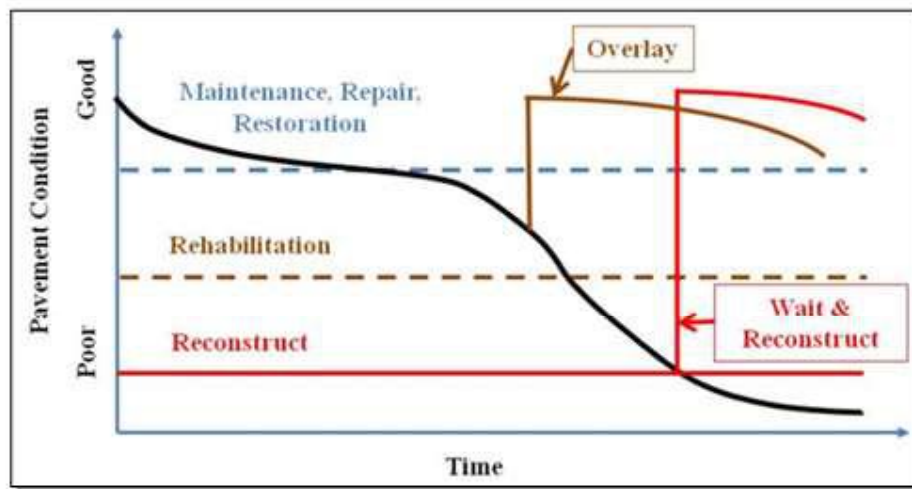
PCI Classification Categories

The Pavement Condition Index (PCI) is an internationally recognized standard for evaluating pavement health. Developed by the Army Corps of Engineers, the PCI score is a numerical scale from 0 to 100, with 100 representing a new, flawless road surface and 0 indicating complete pavement failure. Eugene's PMS uses PCI scores to inform maintenance decisions, categorize roads by condition, and prioritize repairs.

Eugene categorizes PCI scores into the following ranges to guide maintenance decisions:

- **Excellent (85-100):** Street pavement with minimal wear and tear, often requiring only routine inspection and minor preventive measures.

- **Good (70-84):** Pavement shows minor distress and benefit from basic preventive maintenance to prevent early signs of wear from progressing.
- **Fair (55-69):** Pavement shows visible distress such as cracks or surface degradation; requires surface treatments or overlays to prevent further deterioration.
- **Poor (40-54):** Pavement with substantial distress, including potholes, rutting, and cracking; requires substantial repairs, such as inlays or overlays.
- **Very Poor (25-39):** Extensive deterioration necessitates major reconstruction, possibly including subgrade stabilization to maintain structural integrity.
- **Serious to Fail (0-24):** Pavement is critically damaged and requires full reconstruction to restore functional service.



Pavement Life Cycle – City of Eugene Transportation Service Profile

PAVER™ software System Overview

Eugene uses a sophisticated asset management software program focused on managing pavements called PAVER™.

PAVER™ is used to record pavement condition data and to provide predictive modeling to anticipate future pavement degradation based on historical data and observed deterioration patterns. Predictive analytics models help estimate when specific streets will require maintenance, allowing the city to schedule preventive actions before conditions worsen. This approach helps avoid costly emergency repairs and extends pavement life by addressing issues early.

Below is a detailed list of PAVER™ modules, or tools, the City uses to manage the City's street pavement system:

- **Inventory:** The inventory module employs a hierarchical structure comprising network, branch, and sections, where the section represents the smallest pavement unit

managed by the agency. This structure enables users to organize their inventory effectively while providing multiple fields and levels for storing pavement data.

- **Work History:** Similar to the inventory module, the work history module adheres to the hierarchical structure. Updating a pavement section's attributes or work history requires information about the network, branch, and section.
- **Inspection:** In the inspection module, pavement surveys can be conducted manually, or automated survey data can be imported and modified. This module is also used to calculate the Pavement Condition Index (PCI).
- **PCI Family Model:** This module is designed to create a pavement performance model based on historical pavement condition and age data.
- **M&R Family Models:** This module enables users to select treatments, define treatment consequences, specify unit costs, and create a treatment matrix.
- **M&R Working Plans:** The M&R working plans module supports the development of multi-year network- and project-level maintenance and rehabilitation (M&R) planning, scheduling, and budgeting. It allows users to assess the consequences of current funding levels and generate funding scenarios to achieve targeted PCI, reduce backlogs, and more.
- **Reports:** This module provides tools for generating summary charts, condition maps, and user-defined reports. Users can select specific attribute fields to customize their reports.

3. Overview of Eugene's Pavement Management System (PMS)

A Pavement Management System (PMS) is a comprehensive, data-driven approach that aids municipalities in planning and managing pavement maintenance activities. Eugene's PMS integrates several components to create an efficient and systematic framework for monitoring, assessing, and maintaining its road infrastructure. Below are key components of Eugene's PMS:

IMPROVED SYSTEM	Asphalt (ACP)		Asphalt over Concrete (APC)		Concrete (PCC)		Gravel		Undeveloped		Total	
	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles
Major Arterial	20.06	94.21	0.14	0.4	6.68	7.86					26.88	102.47
Minor Arterial	65.87	210.78	2.18	7.31	3.7	12.64					71.75	230.73
Major Collector	36.64	91.54	1.01	2.29	3.11	8.75					40.76	102.58
Neighborhood Collector	20.02	67.17	0.03	0.07	2.01	5.73					22.06	72.97
Residential	318.04	733.17	1.79	4.6	21.01	53.24					340.84	791.01
Total	460.63	1196.87	5.15	14.67	36.51	88.22	0	0	0	0	502.29	1299.76

UNIMPROVED SYSTEM	Asphalt (ACP)		Bituminous Surface-oil Mats (BST)		Concrete (PCC)		Gravel		Undeveloped		Total	
	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles	Miles	12' Lane Miles
Major Arterial												
Minor Arterial	1.69	3.15									1.69	3.15
Major Collector	3.05	6.91									3.05	6.91
Neighborhood Collector	4.13	8.33									4.13	8.33
Residential	44.97	73.64	0.07	0.12	0.03	0.03	8.22	11.96	0.16	0.34	53.45	86.09
Total	53.84	92.03	0.07	0.12	0.03	0.03	8.22	11.96	0.16	0.34	62.32	104.48

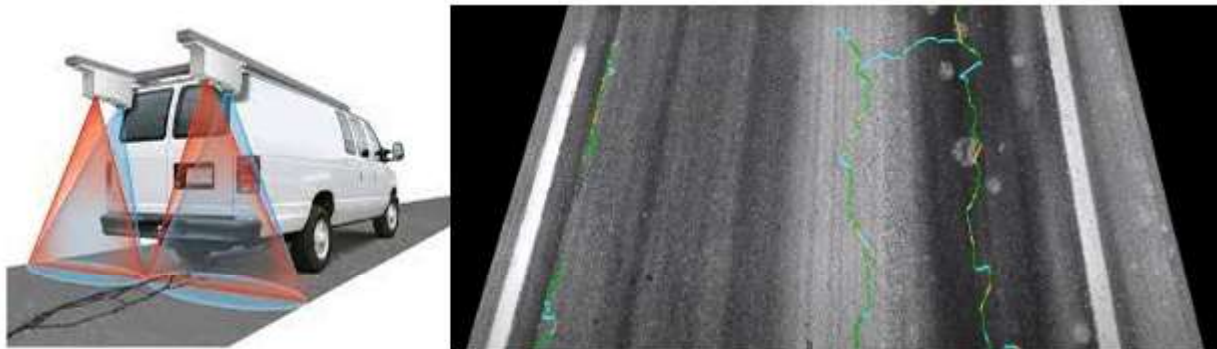
Table 1 Miles and Lane Miles of Street System by Classification and Pavement Type

Inventory Management

Inventory management is essential for cataloging Eugene's street network by street classification, surface material, age, previous repairs, traffic volume, and other characteristics that influence maintenance needs. The city categorizes streets by function (arterial, collector, or residential) and structural composition (asphalt, concrete, or gravel) to streamline maintenance planning and allocate funds effectively. Inventory management enables Eugene's PMS to develop insights into the relative needs of different street categories and schedule repairs accordingly.

Condition Assessment and Data Collection

Eugene's PMS collects condition data through regular inspections, employing both manual surveys and automated technologies. Recent assessments in 2023 used a Laser Crack Measurement System (LCMS) to capture detailed information on surface conditions, including cracks, potholes, rutting, and other distress indicators. These assessments are essential for calculating the PCI score, which gauges the level of maintenance required. Regular condition assessments ensure that data on Eugene's streets remains current, helping city officials make timely maintenance decisions and prevent streets from reaching critical states of deterioration.



LCMS is able to detect pavement distresses as minute as one-millimeter-wide cracks and significant full-lane-width rutting while moving at speeds up to 65 mph which has increased the City's efficiency and consistency in its inspection efforts.

City of Eugene Pavement Condition Index (PCI)

The following table compares the PCI distribution across different conditions for the City of Eugene as of July 2023 and December 2024, which depicts a stable system over this 18-month period.

PCI Range	December 2024 Condition %	July 2023 Condition %	Description	Approximate Cost of Repair (\$/sf)*	Relative Remaining Life	Repair Approach depends on street Classification
85-100	40.2	40.1	Excellent	0 to 2	15 to 25 years	Like new condition – little to no maintenance required when new; routine maintenance such as crack and joint sealing.
70-84	23.2	22.8	Very Good	3 to 6	12 to 20 years	Routine maintenance such as patching and crack sealing with surface treatments such as seal coats or slurries.
55-69	14.5	14.5	Good	5 to 12	10 to 15 years	Heavier surface treatments and thin overlays.
40-54	9.3	9.4	Fair	8 to 17	7 to 12 years	Heavy surface-based inlays or overlays with localized repairs.
25-39	8.4	8.6	Poor	13 to 23	5 to 10 years	Sections will require very thick overlays, surface replacement, base reconstruction, and possible subgrade stabilization.
0-24	4.3	4.5	Very Poor	16 to 26	0 to 5 years	High percentage of full reconstruction.

*Average Cost is provided as a reference for Asphalt Concrete roadways only. Actual cost vary greatly depending on actual field conditions.

The City started to use LCMS in 2023, which provides only limited data to compare at this point. Shifts from year to year are expected, but as the City builds upon this data, we will be able to better track the overall condition of the system and predict future preservation needs.

It is important to maintain a consistent level of funding and preservation treatment in order to prevent the system from deteriorating into more costly repairs. While the City is not significantly expanding the street network, the overall network is becoming increasingly aged, requiring more preservation treatment to achieve acceptable conditions.

Budget Allocation and Prioritization

The PMS guides Eugene in allocating budget resources strategically. Roads are prioritized based on their current PCI scores, traffic volumes, and strategic importance to the City. Higher traffic areas, such as arterials and collectors, are often prioritized as they deteriorate much more quickly than a low volume local street. More deterioration leads to higher costs and more impactful construction. Due to the slow speeds and low traffic volumes, less costly maintenance techniques may be used on local streets allowing them to remain in adequate condition much longer than arterials and collectors. . By using the PMS to plan ahead, Eugene can ensure that its limited resources are invested in projects that yield the greatest benefits for the transportation network and community.

While less costly maintenance techniques are prioritized to extend the life of low traffic local streets, budget constraints mean that a significant portion of Eugene’s streets, especially residential and lower-traffic streets, experience deferred maintenance, leading to a buildup of repairs. The highest classification streets that can be preserved for the least cost are prioritized, at the same time, staff consider geographic distribution of projects to ensure that all areas of

the City benefit from pavement preservation treatments. Despite this prioritization process, many streets remain in need of intervention, creating a backlog of streets requiring attention.

In sum, Eugene's PMS is a vital tool for managing the city's transportation network. However, budget limitations and increased deterioration rates create a backlog of repairs, particularly among residential streets, emphasizing the need for innovative solutions to maximize available funds.

4. Challenges Affecting PCI in Eugene

Maintaining a high PCI across Eugene's entire transportation network involves several challenges:

1. **Funding Limitations:** Despite local taxes, bond measures, and federal grants, Eugene's street maintenance budget remains insufficient to cover all necessary repairs. The limited budget forces prioritization of high-traffic streets, often leaving low-volume local residential streets in deteriorating conditions.
2. **Aging Infrastructure:** Much of Eugene's infrastructure dates back to the 1950s and 1960s, with many streets requiring extensive maintenance. Older streets are more prone to wear, making frequent interventions necessary to preserve PCI.
3. **Environmental Factors:** Eugene experiences significant rainfall and freeze-thaw cycles, both of which accelerate pavement deterioration. High moisture levels can infiltrate cracks, leading to potholes and other surface damage.
4. **Increasing Traffic Volumes:** Eugene's growth has led to higher traffic volumes of heavy vehicles which increase the rate of wear, particularly on arterials and major collectors. This elevated demand accelerates deterioration, especially on streets that were not designed for current traffic loads.

These challenges necessitate a multifaceted approach to pavement management to optimize resources, improve PCI scores, and efficiently maintain Eugene's transportation infrastructure.

5. Current Maintenance Strategies in Eugene

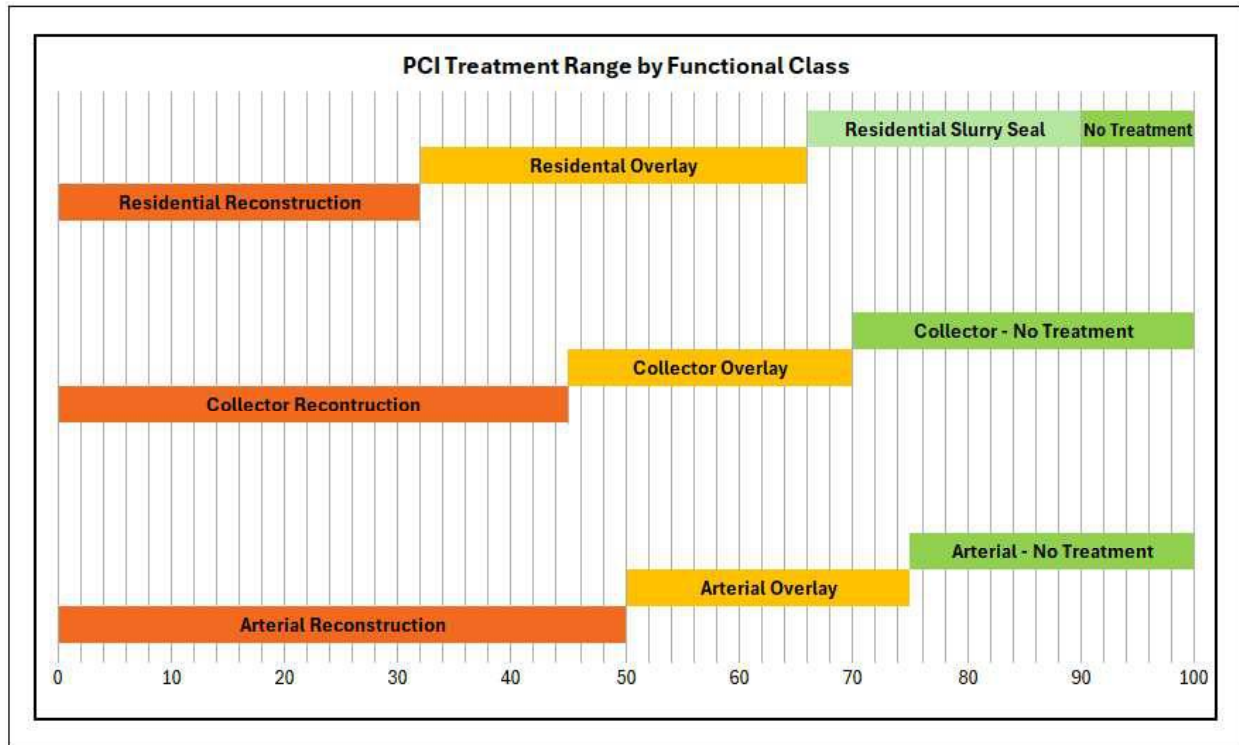
Eugene employs several strategies to maintain its transportation network, including preventive maintenance, rehabilitation, and reconstruction. Each strategy is implemented based on PCI scores and pavement conditions.

Preventive Maintenance

Preventive maintenance is applied to street pavements in good to very good condition to slow and prevent deterioration. Key techniques include:

- **Crack Sealing:** Filling cracks to prevent moisture infiltration, which can accelerate deterioration, especially in freeze-thaw conditions.

- **Slurry Seal and Fog Seal:** Adding a protective layer to the pavement to resist weathering, prevent moisture intrusion, and extend pavement life.



Preventive maintenance reduces long-term repair costs by delaying the need for major rehabilitation or reconstruction.

Rehabilitation

Rehabilitation is used on the broadest range of pavement conditions and includes the broadest range of treatment techniques. Streets with condition ratings from poor to very good which may benefit from a rehabilitation treatment depending on the street classification and severity of pavement deterioration. For street pavements in this condition, Eugene employs rehabilitation strategies such as inlays, inlays with overlay, and thin and deep overlays. These treatments smooth out road surfaces, restore ride quality, and enhance durability which can extend pavement life for another decade or more.

Reconstruction

Reconstruction is reserved for roads in very poor or failed condition depending on street classification. This process involves removing the damaged pavement, up to and/or including the underlying rock and soil and rebuilding the structure. Due to its high cost, which is typically five times, or more, expensive than rehabilitation, reconstruction is generally postponed unless

absolutely necessary as once a street reaches this condition, reconstruction is the only treatment option.

6. Recommendations for Improving PCI

To address Eugene's PCI challenges and enhance pavement management, the following strategies are proposed:

1. Enhanced Data Collection and Predictive Analytics

Eugene should continue integrating advanced technologies such as Ground Penetrating Radar (GPR) and Artificial Intelligence (AI) and continue to expand the body of data on the transportation system condition. These tools offer deeper insights into subsurface conditions and with data covering a longer time period, will help predict future degradation trends. Early detection of potential issues allows for targeted preventive measures, optimizing budget utilization, and improving overall pavement management efficiency.

2. Emphasis on Preventive Maintenance

Investing more in preventive maintenance for roads in very good and good condition can significantly extend pavement life at a much lower cost compared to full reconstruction. Cost-effective treatments like crack sealing, slurry sealing, and fog sealing can curb further deterioration and maintain road usability for longer periods.

3. Optimized Budget Allocation

Continue using a data-driven approach to budget allocation, focusing resources on pavements with moderate deterioration. This strategy prevents these segments from requiring more expensive interventions in the near future, maximizing PCI improvement per dollar spent.

4. Use of Durable and Sustainable Materials

To address the city's unique climate conditions, Eugene continues utilizing durable and sustainable materials such as polymer-modified asphalt, Recycled Asphalt Pavement (RAP), and Warm Mix Asphalt (WMA). These materials enhance durability, reduce environmental impact, and extend the lifespan of the pavement, ensuring sustainable road network management.

Community Engagement and Transparency

Continuing the development of online platforms for residents to report street issues and track maintenance projects can foster transparency and build community support. Public engagement can also provide valuable data on street conditions, assisting Eugene in planning

repairs. The City of Eugene currently provides online information on Current projects, Bond Measure Projects, Pavement Preservation, and Road Work Advisories. The City provides an online Request for Service Form for various public concerns. Typically service requests related to street conditions get routed to the Pavement Data Lead to complete a site inspection to determine if there are any immediate hazards and provide recommendations if any work that could be done soon.

Recently a Pavement Condition Index dashboard has been developed to see the PCI conditions across the City which could be developed to provide it on the City website to allow citizen's access to review.

8. Eugene's Pavement Condition Index (PCI) Target

As described at the beginning of this report, Eugene's current overall system PCI is 73, which by industry standards is considered a very good overall rating. The challenge is to address the PCI rating by street classification, improving overall street quality, safety, and cost-efficiency. This overall PCI of 73 can be examined in further detail by looking at street classification groupings. Current PCI and target PCI by street classification are as follows:

Street Classification	2024 PCI	Target PCI
Major Arterials	65	75
Minor Arterials	68	75
Major Collectors	76	72
Neighborhood Collectors	79	72
Local Streets	69	68

The target PCI is generally based on the PCI Treatment Range by Functional Class graph shown on page 10

Raising or maintaining the PCI score for Eugene's streets to generally meet the target PCI, will require a focused approach that prioritizes preventive maintenance, strategic budget allocation, and advanced data analytics. Achieving this goal will also demand targeted investment in high-impact road segments and maximizing cost-efficiency. Below is a step-by-step strategy that Eugene can adopt to maintain or increase its PCI score sustainably and systematically.

Pavement Condition Index (PCI) and Backlog Projections

The PCI rating can be difficult to visualize and what it means to the system and further translate to how much work is needed to preserve the system. Another option is to consider the amount of work that has been deferred due to insufficient funding. This deferred work is often quantified as a "backlog" cost of repairs.

Using the Paver software tools, the following charts were developed to show that despite the current funding and planned projects, the City's PCI scores are likely to lower due to the street network's current condition, current funding, and projected deterioration over the next five years with nearly all street classifications being below the target PCI by 2030.



The current estimated backlog for repairs on improved asphalt streets at the end of 2024 is estimated to be \$145.5 million down from \$158.1 million in 2023. The backlog estimate does not consider the repairs needed for concrete streets, unimproved streets, sidewalks, off-street shared-used paths, or other elements of the transportation system. Of the \$145.5 million total the backlog by street classification is as follows:

- Arterial Streets: \$56.6M
- Collector Streets: \$13.7M
- Local Streets: \$75.2M

The backlog is calculated using the PAVER software (Family Modeling) by generating Model Data for each Local, Collector and Arterial street from current pavement condition inspections.

A Designated Critical PCI is assigned to each for setting the reconstruction PCI range. Pavement conditions below the Designated Critical line are calculated in the backlog per unit, cost/SqFt of the Maintenance & Rehabilitation Family Models.

Once the Family Models are created and Maintenance & Rehabilitation unit cost is calculated from previous work history then the PAVER software can run a Backlog report.

Name: Arts_Costs			Name: Collector_cost			Name: Residential_cost		
Condition	Cost	Unit	Condition	Cost	Unit	Condition	Cost	Unit
.00	\$25.530	SqRt	.00	\$20.430	SqRt	.00	\$16.340	SqRt
10.00	\$25.530	SqRt	10.00	\$20.430	SqRt	10.00	\$16.340	SqRt
20.00	\$25.530	SqRt	20.00	\$20.430	SqRt	20.00	\$16.340	SqRt
30.00	\$20.430	SqRt	30.00	\$17.420	SqRt	30.00	\$13.210	SqRt
40.00	\$16.850	SqRt	40.00	\$14.400	SqRt	40.00	\$10.080	SqRt
50.00	\$13.280	SqRt	50.00	\$10.460	SqRt	50.00	\$7.730	SqRt
60.00	\$9.660	SqRt	60.00	\$7.730	SqRt	60.00	\$4.490	SqRt
70.00	\$5.950	SqRt	70.00	\$5.250	SqRt	70.00	\$1.250	SqRt
80.00	\$2.250	SqRt	80.00	\$1.150	SqRt	80.00	\$0.900	SqRt
90.00	\$1.150	SqRt	90.00	\$0.800	SqRt	90.00	\$0.000	SqRt
100.00	\$0.000	SqRt	100.00	\$0.000	SqRt	100.00	\$0.000	SqRt

Maintenance & Rehabilitation unit cost

Current Capital Pavement Preservation Funding

Current capital pavement preservation funding comes from three revenue sources:

2017 Street Repair Bond

- Approved for **\$51.2 million** over five years, with construction beginning in 2019.
- Committed \$45.94 million for rehabilitating **91 streets** and allocated **\$5 million** for active transportation improvements.
- Rising construction costs and challenging market conditions resulted in the need to supplement the bond funds with local gas tax funds to complete the projects listed in the bond measure.

2022 Street Repair Bond

- Approved on **November 8, 2022**, for **\$61.2 million** over five years.
- Includes:
 - **\$45.87 million** for **42 street projects** covering **44.6 lane miles**.
 - Bond also included additional funding for walking, biking, and safety improvements, including bike lanes, crosswalks, off-street paths, pedestrian bridges, and street tree projects (2025-2029).

Local Gas Tax

- Charges \$0.05 per gallon of motor vehicle fuel sold at Eugene fueling stations

- Annual revenue is \$2.7 to \$3 million
- \$300,000 per year used for local street repairs and slurry seals
- \$100,000 per year used for capital bridge preservation
- \$2.6 Million or remainder per year used for capital street and bridge preservation
- Based on expected inflation in the construction industry, these funds are likely needed to supplement the completion of bond-funded paving projects.

Future Backlog

Completion of projects currently budgeted as listed in the voter approved bond measures and continuation of the local street repairs and slurry seals program through the end of 2029 will result in a backlog of \$205.1 million, with no funding after 2029 then the projected year end 2034 backlog is to be \$307.2 million.

Ongoing Considerations Impacting the Pavement Preservation Program

1. Funding Constraints

- Inflation: Rising costs for materials like asphalt, concrete, and fuel can erode the purchasing power of allocated funds.
- Grants and External Funding: Securing federal or state grants can be complex and competitive, leaving gaps in funding.

2. Aging Infrastructure

- Many roads in Eugene have exceeded their intended lifespan, requiring more extensive (and costly) repairs than preventive maintenance.
- Deferred maintenance leads to accelerated deterioration, increasing future repair costs.

3. Increased Traffic Loads

- Growing population and urban development in and around Eugene contribute to higher traffic volumes, placing additional stress on roads.
- Heavy vehicles, such as transit buses, garbage, and freight trucks, can cause rapid deterioration, particularly on roads not designed for such loads.

4. Climate and Environmental Factors

- Rain and Freeze-Thaw Cycles: Eugene's wet climate and fluctuating temperatures cause cracking and potholes.
- Sustainability Goals: Balancing pavement preservation with environmental concerns, such as reducing carbon footprints, limits the use of certain materials and techniques.

5. Public Expectations and Transparency

- Residents often expect smooth roads and quick fixes, which can conflict with long-term planning and budget constraints.
- Communicating the value of preventive maintenance versus reactive repairs to the public is important.

6. Labor and Expertise Shortages

- A shortage of skilled labor and engineers can delay project completion and increase project costs.
- The construction industry is experiencing labor shortages resulting in project delays and increased costs.

7. Technological Challenges

- Implementing new technologies for pavement preservation, such as advanced materials and predictive maintenance tools, requires upfront investments and staff training.
- Adopting Geographic Information System (GIS)-based systems and other technology tools for tracking and prioritizing repairs involves significant setup and maintenance costs.

8. Equity Considerations

- Ensuring equitable distribution of resources to maintain roads in all neighborhoods, including historically underserved areas.

9. Coordination with Utility Work

- Pavement work often coincides with underground utility repairs or upgrades (e.g., water, sewer, and fiber optics), requiring careful scheduling to avoid rework and minimize disruptions.

Addressing these considerations requires a combination of innovative approaches, strategic planning, and strong stakeholder engagement to ensure Eugene's streets remain functional and sustainable for years to come.

10. Conclusion

The Pavement Preservation Program remains essential to maintaining the City of Eugene's transportation network, a critical asset supporting mobility and economic activity. While notable progress has been achieved through strategic bond measures and efficient project execution, challenges such as rising costs, aging infrastructure, and environmental factors persist.

To ensure long-term sustainability and address maintenance backlogs, Eugene continues its work to develop a proactive, data-driven approach to pavement management. By prioritizing preventive maintenance, leveraging advanced analytics, engaging the community, and implementing strategic funding initiatives, the city can improve street pavement conditions, optimize resource allocation, and extend the lifespan of its infrastructure. This forward-thinking approach will enable Eugene to build a safer, more resilient, and cost-effective road network that meets the needs of residents and businesses alike for years to come.

If you have any questions about data from the pavement management system, please contact Mike Stever, Associate Engineering Technician, mstever@eugene-or.gov or Jackie Hallett, Public Works Operations Manager, jhallett@eugene-or.gov

Source	Type	Description	Contribution to Report	Website Link
City of Eugene Public Works - Pavement Management Report 2024	Municipal Report	A detailed report by Eugene Public Works covering pavement condition, management practices, and funding updates for Eugene's road network.	Provided current PCI score, inventory details, challenges, and budget information for Eugene's pavement management system.	City of Eugene Public Works
Infrastructure Management Services (IMS)	Industry Report	A report on IMS pavement condition assessment technology, including Laser Crack Measurement System (LCMS) and its use for accurate PCI scoring.	Helped explain Eugene's data collection and condition assessment methods, contributing to the predictive analytics section.	IMS Pavement Condition
Federal Highway Administration (FHWA)	Government Guide	FHWA guidelines on pavement management, preventive maintenance strategies, and advanced pavement technologies.	Supported recommendations on preventive maintenance and durable material use, along with potential funding resources.	FHWA Pavement Management
Pavement Condition Index (PCI) Guide by the Army Corps of Engineers	Technical Guide	The foundational guide on PCI scoring, explaining how scores are calculated, categorized, and applied to pavement management systems.	Provided a basis for PCI scoring methodology, contributing to the section defining PCI and its classification categories.	Army Corps PCI Guide
City of Eugene Capital Improvement Plan (CIP)	City Planning Document	The city's strategic plan for capital improvements, including infrastructure projects and prioritization of high-impact road segments.	Informed the implementation timeline and highlighted key road segments for targeted rehabilitation in Eugene.	Eugene CIP
Oregon Department of Transportation (ODOT)	Government Report	Annual report from ODOT covering Oregon's transportation infrastructure, funding sources, and pavement preservation programs.	Contributed information on funding sources, including grants and state funds that could support Eugene's PCI improvement.	ODOT
Northwest Pavement Management Association (NWPMA)	Industry Resource	Resources on pavement management best practices, including data-driven strategies, preventive maintenance, and community engagement in infrastructure.	Supported recommendations for community engagement and provided insights on data-driven pavement management practices.	https://nwpma-online.com/
Recycled Asphalt Pavement (RAP) and Warm Mix Asphalt (WMA) Overview by National Asphalt	Technical Guide	Detailed resource on eco-friendly, durable materials like RAP and WMA, which extend pavement life and	Informed recommendations on sustainable material use, enhancing Eugene's road	NAPA

Pavement Association (NAPA)		reduce environmental impact.	durability and supporting sustainability goals.	
Public-Private Partnerships for Infrastructure by the Brookings Institution	Research Article	A comprehensive analysis of public-private partnerships (P3s) in municipal infrastructure, focusing on funding, risk-sharing, and partnership benefits.	Contributed to the funding recommendations, suggesting P3s as a means to increase resources for Eugene's pavement projects.	Brookings P3 Research
Case Studies in Urban Pavement Management by Institute of Transportation Engineers (ITE)	Case Study Collection	Real-world examples of cities successfully implementing pavement management practices to improve PCI scores.	Helped validate Eugene's improvement strategies by showing successful outcomes in similar urban settings.	ITE