MINUTES

Eugene City Council
McNutt Room—City Hall
777 Pearl Street—Eugene, Oregon

March 12, 2012
5:30 p.m.

COUNCILORS PRESENT: George Brown, Pat Farr, Andrea Ortiz, George Poling, Chris Pryor, Alan Zelenka.

COUNCILORS ABSENT: Betty Taylor, Mike Clark.

Her Honor Mayor Kitty Piercy called the March 12, 2012, work session of the Eugene City Council to order at 5:40 p.m.

A. COMMITTEE REPORTS AND ITEMS OF INTEREST FROM MAYOR, CITY COUNCIL, AND CITY MANAGER

Mr. Brown reported that the McKenzie Watershed Council (MWC) heard a presentation from Greg Grant of the United States Forest Service on the geology and hydrology of the McKenzie River basin at its February meeting. Brian Wolfer of Oregon Department of Fish and Wildlife had discussed the status of cougars and bears in the basin at the March meeting and AmeriCorps volunteer Danielle Hummel had shared information about the FEAST (Food, Agriculture, Agricultural Solutions Together) Program.

Mr. Farr reported that the Food for Lane County Dining Room Task Force had issued its final report and it appeared the downtown Dining Room would remain open.

Ms. Ortiz noted that "We Are Bethel" event would take place on June 2 at Petersen Barn. She had visited the Bethel Health Center and said it was very nice.

Ms. Ortiz said she had followed up the concerns that North Seneca Road residents had regarding the condition of their road with City Manager Jon Ruiz and hoped to have some responses soon.

Mr. Pryor said the Housing Policy Board continued to discuss how to streamline its Request for Proposals (RFP) process. The Lane Council of Governments Board of Directors met to discuss the agency's budget.

Mr. Zelenka reported that he and Mr. Pryor had attended the Birth to Three fund-raising event on March 9, which was a very good event and much money had been raised.

Mr. Poling asked those wishing to make food donations to "Harlow Serves" to drop them off at Bertha Holt Elementary or Papa's Pizza on Coburg Road by March 19. He noted the success of the last event.

Mr. Poling said the Board of Directors of Travel Lane County would meet on March 14.

Mayor Piercy called attention to the upcoming performances of the opera "Nixon in China" and encouraged residents to attend. She noted that unemployment was down while rail ridership was up. She

reported that Oregon Research Institute would break ground on its new building and the Inn at 5th would have a ribbon cutting later in the week.

Mayor Piercy had attended the most recent Oregon Metropolitan Planning Organization Consortium meeting in Corvallis. She reported that Corvallis stopped charging for the bus and added the costs of the system to the utility fee. That had increased transit ridership by 30 percent.

Mayor Piercy circulated a copy of Portland's Climate Smart Scenario Project. She suggested Eugene might want to pay attention to the work Portland was doing regarding importing in its economic development plan.

Mayor Piercy said the State had issued its new highway mobility standards.

B. WORK SESSION: Adoption of Federal Priorities List

The council was joined by Intergovernmental Relations Director Brenda Wilson, who presented the Federal Priorities List.

Ms. Wilson recalled the council's passage of a resolution calling on Congress to refer an amendment repealing the Supreme Court decision in *Citizens United versus the Federal Communication Commission* to the states; the resolution also stated the item would be included on the City's 2012 federal legislative agenda. She recommended that the City not propose to add the item to the United Front list because, based on past actions, it was unlikely to be supported by Springfield or Lane County. Staff would continue to advocate for the issue as part of the City's federal legislative agenda.

Ms. Wilson reviewed the items on the list. Councilors asked questions clarifying the status of the items on the list.

> Mr. Brown, seconded by Mr. Farr, moved to adopt the recommended Eugene United Front 2012 Federal Priorities List. The motion passed unanimously, 6:0.

C. WORK SESSION: Capstone Collegiate Community Housing Development Proposal

The council was joined by Nan Laurence of the Planning and Development Department, who introduced the members of the Capstone Collegiate Properties development team who were present. Ms. Laurence led the council through a PowerPoint presentation titled *Proposed Downtown Student Housing Project.* The presentation highlighted adopted City plans and policies governing downtown development and included maps showing the site location in the context of downtown and nearby neighborhood associations. The presentation described the project phases and included information about the proposed alley vacation and related bicycle and pedestrian improvements. The presentation concluded with a schedule of public engagement opportunities and the council timeline for action. Councilors asked questions clarifying the details of the presentation.

Mayor Piercy asked that the council be provided with the notes of the public forums held on the proposal.

Mayor Piercy expressed appreciation for the inclusion of open social space in the proposal. She also appreciated the proposed bicycle and pedestrian plans and hoped City staff looked carefully at what other bicycle/pedestrian amenities could be included in the development.

Mayor Piercy encouraged the developers to meet with residents of the Olive Plaza to allay their concerns. She asked about the possibility of including non-student housing in the development. Ms. Laurence indicated that was possible.

Mayor Piercy reported that two local agencies that worked with individuals with disabilities had expressed interest in having space in the development so their staff could work with the students.

Mr. Farr suggested that with the exception of policy 5, the proposal appeared to satisfy the City's Growth Management Policies. Referring to Policy 6, *Increase density of new housing development while maintaining the character and livability of individual neighborhoods,* Mr. Farr asked how the proposal satisfied that policy. Ms. Laurence suggested that placing student housing in the proposed location could lessen the pressure for development in other established residential neighborhoods.

Mr. Farr asked how the proposal satisfied Policy 9, *Mitigate the impacts of new and/or higher density housing, in-fill, and redevelopment on neighborhoods through design standards, open space and housing maintenance programs, and continuing historic preservation and neighborhood planning programs.* Ms. Laurence said the development plans considered the needs of adjacent historic properties including such as the Kennel-Ellis Building and the Florence Apartments and attempted to provide additional and improved access to the Florence Apartments. The Kennel-Ellis Building was less impacted.

Mr. Farr believed that the development was supported by the City's Growth Management Policies. It would provide needed downtown housing and would promote other downtown economic development because students had needs.

Mr. Pryor acknowledged residents' concerns about the proposed development. He believed the council needed to recognize those concerns and address them head-on in a thoughtful and realistic way. He concurred with Mayor Piercy about the need for outreach to residents of Olive Plaza. He suggested that Eugene was turning into a different kind of community and that was sometimes painful. The Growth Management Policies spoke to a desire for more density and that was not just talk. The goal must be accomplished, but the City must be sensitive about how that occurred.

Ms. Ortiz asked if the council timeline worked for the developer. City Manager Ruiz said the developer needed to finalize its plans about mid-May and his goal was to ensure the council could make a decision at the end of April or beginning of May. He said the project was large and unusual for the community and he wanted to ensure there was time to get people answers to their questions.

Ms. Ortiz suggested that the proposed development was exactly what was wanted to downtown to create a critical mass of residents, so she questioned the amount of process that was required and suggested the council re-evaluate the process following its action on the Multi-Family Property Tax Exemption (MUPTE) application.

Responding to a request from Mr. Zelenka for an estimate of the projected annual MUPTE, Community Development Director Mike Sullivan said tentative figures indicated a range of $900,000 and $1.6 million annually. That analysis was still underway. Mr. Zelenka observed that the amount involved was larger than the cumulative amount of taxes exempted to date.

Mr. Zelenka agreed with Mayor Piercy about the importance of communal open space. He emphasized the importance of onsite management for such a development because of the anticipated student population and asked what the City could do to ensure that long-term site management occurred. He suggested that the City codify a requirement for on-site management based on the number of units in a development.

Responding to a question from Mr. Zelenka, Ms. Laurence said the developer planned to build to the LEED silver standard or to Earth Advantage standards. The developer was looking into car sharing and electric vehicle charging stations. Mr. Zelenka challenged the developer to meet the LEED gold standard.

Responding to a question from Mr. Zelenka about bicycle parking, Ms. Laurence said the bicycle parking proposed would exceed the City's code standards. Mr. Zelenka wanted to ensure that there was sufficient vehicle parking on the site to avoid a situation where students drove around looking for on-street parking spaces.

Mr. Brown asked what entities on the property were paying property taxes. Ms. Laurence indicated she would return with more detail.

Mr. Brown requested information about University of Oregon enrollment projections, the current student vacancy rate, and the number of student housing units still under construction.

Mayor Piercy suggested the on-site management proposed would help address behaviors that people were concerned about. She did not think the community would ever be completely in agreement about the MUPTE application.

Mayor Piercy emphasized her commitment to urbanizing the community. Otherwise, she feared Eugene would face sprawl, increased carbon emissions, and less livability. She acknowledged it was a big shift for the community to grow vertically and acknowledged it made some people uncomfortable, but it was where the council said it wanted the community to go.

Responding to a question from Mr. Zelenka about how the City could codify long-term on-site management, City Manager Ruiz said staff would look into what legally could be done.

Mr. Zelenka believed that the development would relieve pressure on neighborhoods around the University of Oregon, where old houses were being removed for the construction of high-density housing right next to single-family houses, which dramatically changed the character of those neighborhoods.

Mr. Brown believed the council should hold as many meetings as possible and hear from as many stakeholders as possible given the size of the proposed development. He said the Downtown Neighborhood Association had been very concerned about the project because of the massing and fact the residents would be students.

Responding to a question from Mr. Farr about the timeline, Ms. Laurence said the developers hoped to begin construction in June so they could begin to rent units in fall 2012. Mr. Farr determined from Ms. Laurence that the timeline took site preparation into account.

Mr. Poling agreed the scope of the proposal warranted extra council scrutiny and he welcomed a two-way conversation with the development team. He asked what experience other communities had with such developments when school was not in session.

Ms. Ortiz suggested that students came in all forms and likened the concerns about the anticipated student residents to profiling. Speaking to the size of the project, Ms. Ortiz pointed out that the MUPTE did not have a maximum unit limit and suggested the City was open for business or it was not.

Mr. Brown said those at the public meeting at Cosmic Pizza were not adamantly opposed to the development but were concerned about long-term on-site management. He had investigated Capstone's development history and found that it had sold three of its four off-campus Texas developments and that pattern was repeated in every state the company operated in. He had found that Capstone tended to retain its on-campus developments. Mr. Brown reported that after Capstone sold its properties, the residents' satisfaction ratings went down.

Mr. Zelenka suggested to Ms. Ortiz that the cohort in question presented a challenge to many of his neighbors and he was willing to pass on some of the e-mails he received. He also noted the fact of the party patrol and its focus on the campus area.

Mr. Zelenka wondered if the on-site parking could be constructed so it could be converted to another use in the future.

Councilors briefly discussed the potential of sending a team of councilors to view a Capstone project in another community or holding a virtual work session with a community that had such a project.

Mr. Farr believed the Capstone project could be a legacy project for the council.

Mayor Piercy hoped the council and community could focus on what it would take to make the project work rather than worry about the bad things it might bring.

Mr. Brown suggested the potential that the general public could use unused parking on the site.

Mr. Zelenka was interested in knowing what the City could do to ensure the property was cared for into the future to maintain its value and ensure that it continued to attract residents. He also wondered what the council could to do to ensure the construction jobs created by the project would be filled by local residents.

Mayor Piercy adjourned the meeting at 7:27 p.m.

Respectfully submitted,

Beth Forrest

Beth Forrest
City Recorder

(Recorded by Kimberly Young)