

MINUTES

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

January 18, 2012
5:30 p.m.

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

In the absence of Her Honor Mayor Kitty Piercy, Council President George Brown called the January 18, 2012, work session of the Eugene City Council to order.

A. WORK SESSION:
Envision Eugene—Economic Development

The council was joined by Community Development Manager Mike Sullivan and Associate Planner Jason Dedrick, who led the council through a PowerPoint presentation regarding the community's land need as it related to the employment growth rate and industrial demand. Councilors asked questions clarifying the details of the presentation.

Mr. Clark suggested that the aspiration goals in the Regional Prosperity Plan (RPP) indicated the region would need to create 25,000 to 26,000 new jobs over ten years and he questioned what growth rate would be required to achieve that given the recent job losses experienced in the community. Mr. Dedrick could not say but reminded Mr. Clark that commercial jobs were also included in the plan forecast. He anticipated the region would grow three times as many commercial as industrial jobs, and a growth rate of 1.6 percent would result in 8,000 industrial jobs and 25,000 commercial jobs. Mr. Clark hoped to see an updated growth rate percentage analysis before the council discussed additional land needs. City Manager Jon Ruiz emphasized the RPP was a regional plan. He also emphasized the goal of increasing the average median income, which often required more industrial type jobs and could cause the City to shift anticipated growth from commercial to industrial jobs, which would increase the overall total percentage of industrial jobs.

Mr. Clark expressed concern that Springfield proposed to add 600 industrial acres to its land base while Eugene was balking at adding that number. He believed the City should be thinking about a much larger number. He said the City wanted to increase jobs in the targeted clusters but it was losing jobs in each of the clusters. He wanted to see wholesale shifts in the numbers.

Mr. Pryor believed the job mix assumptions were a key factor because some jobs paid better than others. He asked if the commercial category included a traded sector component. Mr. Sullivan said the targeted industries were a mix of commercial and traded sector jobs. Mr. Pryor suggested that mix could result in better quality jobs higher wages and wanted to know what traction the City could achieve in the commercial sector toward the creation of such jobs. He believed the issue could be considered from both a property tax standpoint and a payroll standpoint. In terms of payroll, Mr. Pryor wanted as many high quality jobs as possible for their multiplier effect and suggested that meant it did not matter if the job was in Eugene or Springfield.

Ms. Ortiz agreed with Mr. Pryor, saying she was interested in the overall health of the community. While she wanted to increase the tax base, she also wanted family-wage jobs with benefits. She asked if the business community was considering others approaches to benefits, such as a “tri-share” approach to health insurance.

Mr. Zelenka agreed with Mr. Pryor and Ms. Ortiz. He thought the council should be talking about family-wage jobs and benefits and it mattered less where they were than that they helped to build the regional economy. He suggested that Springfield’s actions had an impact on Eugene that needed to be taken into account and should be considered on a regional basis, such as the development potential that existed in Glenwood.

Mr. Zelenka questioned basing long-term land use decisions on aspirational goals, such as those included in the RPP.

Mr. Zelenka requested a list of the names of the members of the economic development subcommittee.

Mr. Farr said Eugene needed to create incentives to retain local companies and attract new ones. He referred to the information presented by staff regarding parcel sizes associated with large clean tech facility announcements and observed that Eugene had no parcels approaching the sizes listed. He believed Eugene had created disincentives for businesses to remain in, much less come to, Eugene. In recent years, Eugene had lost Grain Millers, Glory Bee Foods, and Rexius Forest Products, and he questioned how they could be replaced.

Speaking to Mr. Pryor’s comments, Mr. Farr was unsure that Springfield residents were going to spend the proceeds from their new jobs in Eugene.

Mr. Farr endorsed the focus on foods as a job cluster and regretted the lack of local food processing facilities.

Ms. Taylor pointed out that Rexius remained in the Eugene-Springfield area. She did not think it mattered where a company located if that location was suitable. She also supported foods and food processing as a job cluster and believed it was important to protect farmland to facilitate food production. She did not think that such lands should be wasted on industrial uses.

Mr. Brown believed it was unrealistic to assume a 1.6 percent growth rate and suggested the lower figure of .9 made more sense.

Mr. Clark did not think that 18 percent of the community’s jobs were industrial given the loss of manufacturing jobs that occurred over the last few years. He wanted the industrial job base to be in Eugene for the sake of jobs and the addition to the tax base that would help stabilize the City’s ability to deliver the services it wanted to and called on Eugene to lead in providing its residents with the best jobs with the best benefits. He believed those were found in the manufacturing, industrial, and traded sectors. Mr. Clark wanted the council to set aside appropriate amounts of land that will help it become a regional leader in the type of jobs that made sense for the community.

Ms. Ortiz pointed out that Eugene incentivized businesses to remain through the West Eugene Enterprise Zone. She believed that Eugene was doing what it could with limited resources.

Ms. Ortiz advocated for a focus on underutilized areas as Four Corners. She said if Eugene put as much effort into that area as it did in downtown it would change the landscape in an area that served as an entry

to the community. Mr. Dedrick said that staff would return with a discussion of commercial redevelopment soon, which could address some of Ms. Ortiz's concerns.

Mr. Zelenka agreed with Ms. Taylor's remarks about Rexius. He did not think Eugene was accurately characterized as anti-growth or anti-businesses and recalled that Forbes had ranked Eugene as the fifth best community in the country for businesses to relocate to. He believed the local business environment was very good in spite of Mr. Clark's "rhetoric." He thought the entire council wanted to see more and better family-wage jobs, and he believed that was what the task before the council was all about. Mr. Zelenka anticipated that Eugene would continue to be the job center for the region.

Mr. Farr believed the major disincentive for businesses to remain in Eugene or come to Eugene continued to be a lack of available land.

Mr. Brown said people must realize there were limits to growth. The community could not build on wetlands, steep slopes, or farmland. He did not think Eugene had many suitable factory sites and said that the council could not pretend Springfield did not exist. .

Mr. Brown requested a breakdown of the private and public investments for the projects reviewed by staff. He also requested the final report of the Green Jobs Task Force if available.

Speaking to Mr. Zelenka's remarks, Mr. Clark suggested that rhetoric was also saying one thing and doing another. He said if the council stated it wanted to increase the community's job base it needed to remove the constraints that kept that from happening. He pointed out that Rexius moved to Springfield because it could not find a suitable site in Eugene. Mr. Clark pointed out the City was facing \$6 million in budget reductions but none of the councilors wanted to cut services. If the council's rhetoric was that it cared about economic growth, wanted to see more jobs, and wanted to fund the desired service levels, it needed to increase the value of land inside the UGB.

Mr. Pryor advocated for the council to depend on actual information to the degree possible and not take things on faith. He believed the community needed to accommodate industrial growth but the issue was to what degree. He said that government could only create an environment for job growth. He suggested that Eugene's anti-business reputation was based on people's perception that it was overly restrictive in its regulations. He believed regulation was necessary but must make sense. Mr. Pryor recommended the council discuss changes in that area to ensure the City was providing a logical, reasonable regulatory environment without "giving away the farm."

Mr. Brown suggested the loss of Rexius was mitigated by the redevelopment that would occur on its former site.

Mr. Brown adjourned the meeting at 1:19 p.m.

Respectfully submitted,

Beth Forrest

Beth Forrest
City Recorder

(Recorded by Kimberly Young)