

MINUTES

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

July 27, 2011
Noon

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

Her Honor Mayor Kitty Piercy called the July 27, 2011, work session of the Eugene City Council to order.

A. WORK SESSION:
Envision Eugene—Single-Family Housing and Industrial Lands

The council was joined by Technical Resource Group (TRG) members Shawn Boles, Rick Duncan, Mia Nelson, and Sue Prichard. Planning Director Lisa Gardner, Metropolitan/Community Planning Manager Carolyn Weiss, City Attorney Emily Jerome, and Planner Jason Dedrick were also present for the item.

Mr. Dedrick led the council through a PowerPoint presentation entitled *Envision Eugene: Project Update for Eugene City Council, July 27, 2011*. Councilors asked questions clarifying the information presented.

The presentation highlighted the findings of the TRG's Partially Vacant Lands Subcommittee and the impact of the findings on the housing supply and land inventory. Mr. Dedrick indicated that 1,800 to 2,500 additional housing units could be located on existing lots that were larger than one acre in size; when combined with the capacity that existed on lots less than one acre there were between 2,400 and 3,100 housing units that could be accommodated on partially vacant land inside the urban growth boundary (UGB) over the next 20 years. Efficiency strategies (alley access and secondary units) could yield an additional 160 housing units and redesignation of medium-density residentially zoned land to low-density could potentially create an additional 1,200 additional housing units. Mr. Dedrick said that in total, the findings suggested that there was capacity inside the UGB for 6,860 to 7,650 housing units.

Mr. Dedrick compared the land need for single-family housing using different mixes of single-family/multi-family. A 60:40 mix would require land for 1,400 to 2,100 dwelling units; that fell to 650-1,350 dwelling units under a 55:45 mix; to 0-600 dwelling units under a 50:50 mix; and to 0 dwelling units under a 40:60 mix. He then shared information about the land demand for uses typically located on low-density residential land, such as schools, parks, and public facilities, which indicated a need for 210 acres inside the UGB and 260 acres outside the UGB.

Mr. Dedrick estimated the single-family housing land need under the different mixes, indicating that a 60:40 mix required 560-735 acres; a 55:45 mix required 370-55 acres; a 50:50 mix required 210-360 acres; and a 40:60 mix required no additional acreage. He said the range in acreage was based on the fact that it would be necessary to consider the characteristics of the land added to the UGB.

Mr. Dedrick briefly reviewed the remaining steps in the TRG process.

Mayor Piercy invited comment from the TRG members.

Ms. Nelson hoped the TRG could work out the issues that remained in regard to the partially vacant land analysis to avoid future community controversy. Mr. Duncan concurred. He emphasized the expertise that TRG members had gained and thanked Ms. Nelson for the research she had done to help the subcommittee understand State law as it related to the issue of partially vacant lands. He believed the work the subcommittee had done was innovative and would have far-reaching implications.

Ms. Prichard added that the term “partially vacant” was not defined by the State, and it was up to Eugene to determine what it meant for its purposes. The issue was very complex. She said the subcommittee’s work was ground-breaking. Mr. Boles agreed. He said the subcommittee was wrestling with some difficult issues, including the ambiguity of State law. He reported that the TRG had another subcommittee working on the housing mix at a spreadsheet level to generate data from the assumptions and that group was awaiting results of the Partially Vacant Land Subcommittee’s work.

Mr. Boles asked the council to consider the housing mix in light of all of the Seven Pillars of Envision Eugene. He said the housing mix was not merely an economic development or housing issue. The mix also spoke to the community’s quality of life and its ability to sustain itself across time in the face of diminishing resources.

Mayor Piercy expressed appreciation for the TRG’s ground-breaking work.

Ms. Taylor suggested that multi-family housing was more likely to be affordable than single-family. Mr. Dedrick said that housing affordability was a hot topic of discussion among TRG members. The TRG wanted to ensure its assumptions were backed with facts. Ms. Prichard added that new construction of any kind was going to be more expensive than not. That did not mean such construction should not occur because it resulted in a stock of more affordable older housing. She believed that truly affordable multi-family housing was only possible with massive subsidies.

Mr. Duncan said he had discussed the topic with staff of the Department of Land Conservation and Development (DLCD) and the Housing and Urban Development as well as a planner from Newburg who completed a study of affordability in that community. There did not seem to be any empirical information that supported the assumption multi-family housing was more affordable. However, DLCD staff considered it a given fact. He had reviewed studies that were focused on much larger communities such as Atlanta and Detroit that indicated an increase in multi-family helped affordability, but those communities had longer travel distances and other considerations not applicable to Eugene. He said the TRG would continue to study the issue.

Mr. Boles noted that Eugene lacked a modeling system that allowed the TRG to see how aged housing was absorbed by different income levels.

Ms. Taylor clarified that she was not talking about subsidized housing but rather housing that was accessible to different income groups. She asked if the TRG had discussed inclusionary zoning. Mr. Boles said the TRG had not discussed that as a group. He considered inclusionary zoning to be a strategy, and the TRG was at the pre-strategy level as it was working on the capacity issue.

Ms. Taylor hoped the council received a minority report from the TRG. Mr. Boles responded that the TRG was trying to avoid a minority/majority report and instead was attempting to capture the concerns of all members regardless of their political point of view. Ms. Gardner emphasized the goal of the Community Resource Group and the TRG was to build agreement.

Mr. Farr believed the TRG was working well together and he was optimistic about its ultimate product. He thanked the TRG members present for what he termed the “ridiculous” amount of work they were doing.

Mayor Piercy suggested Eugene needed a good and acceptable definition of “affordable” and “low-income” so it was clear what was being talked about.

Mr. Pryor also expressed appreciation for the work of the TRG and for its collaborative approach. The TRG was providing the council with the technical analysis it needed to make challenging policy decisions. He did not think there was a way to avoid the fact that the TRG’s recommendations were going to come down to competing values. The council needed the TRG’s guidance in making the right choices because he did not think they would necessarily be clear; instead, he anticipated the council would face a choice between one good value over another good value. While he hoped there would be no minority report, he did not expect the TRG’s work to be easy.

Mr. Zelenka agreed with the remarks of Mr. Pryor and hoped the TRG was able to reach a consensus position. He asked what the TRG had learned in regard to recent trends in housing and the housing mix. Mr. Boles said the TRG was working with limited data about local housing trends because the data available was limited to the years 2001-2008. He did not think the TRG would be able to secure much more information. He anticipated that in the future the City would have data to help it gauge such trends.

Ms. Nelson suggested that while historic trends could be useful they were not always an indicator of the future. The council would have to wrestle with that issue and in the end, make a judgment call. She termed it “crystal ball stuff” and wished it was not, given its dramatic effect on the housing mix.

Mr. Duncan emphasized the importance of monitoring the implementation of the outcome of Envision Eugene so the City could make needed short-term changes.

Mr. Zelenka liked an approach where the City adopted aggressive assumptions about the mix and adjusted them if necessary in the future. He asked what point in the range of single-family mixes triggered a need to seek additional land for multi-family housing outside the UGB. Mr. Dedrick said there may be a threshold at which a reliance on redevelopment did not realize sufficient land, but he was unsure of the answer and would keep the question in mind.

Ms. Ortiz thanked TRG members and expressed appreciation for their collaborative approach. She said the TRG was providing the council with the data it needed to make a decision. She was happy to hear there would be no minority report.

Mayor Piercy observed that the Seven Pillars represented community values and there were natural tensions between the values. However, she did not think the community should think of them as competing values because they all mattered and the council needed to consider all of them in its decision making.

Ms. Gardner introduced the next section of the presentation, which regarded the industrial land supply. She reported that the Community Resource Group (CRG) had heard presentations on the topic from a range of private, public, and nonprofit experts. The CRG formed an Economic Development Subcommittee and that group created a portfolio of needed sites. The CRG used that information to discuss what the resulting need might look like without reaching a consensus. The CRG produced a report that summarized the work of the subcommittee and staff used that information to propose adding

400-500 acres of industrial land to the UGB. The council held a public hearing and directed staff to continue exploring areas that needed additional analysis.

Mr. Dedrick led the council through the remainder of the PowerPoint presentation. He reported that while the City technically had more industrial land than needed based on its jobs forecast, much of that land was in small parcels of less than two acres. The CRG had discussed the City's lack of large industrial parcels that might attract larger employers. State law allowed cities to be aspirational in regard to its industrial land needs and Eugene could use its economic objectives to identify a land need above projected need.

Mr. Dedrick reviewed a series of strategies embedded in the first pillar of Envision Eugene, ***Provide ample economic opportunities for all community members.***

1. *Meet all of the 20-year commercial land needs within the existing UGB.*
 - *Redesignation*
 - *Redevelop core commercial areas*
 - *Increase flexibility*
2. *Implement the JEO Regional Prosperity Economic Development Plan and complete the following actions:*
 - *Feasibility study of green industry cluster and an intermodal rail-truck transport hub*
3. *Consolidate and develop or redevelop existing vacant lands and developed sites.*
 - *Industrial land trust*
 - *Pilot brownfield site of at least 20 acres*
 - *Reduce constraints*
4. *Support the development or redevelopment of industrial sites that are and will remain outside the UGB.*
5. *Determine an appropriate portfolio of industrial sites.*
 - *Target lands of at least > 50 acres*
 - *Site choice*
 - *Provide realistic siting criteria*
6. *Expand UGB by 400-500 acres for industrial uses.*
 - *Ensure lands cannot be rezoned for another use*
 - *Explore concept of "just in time" inventory*

Mr. Dedrick described the process the Economic Development Subcommittee used to develop a portfolio of sites. He also noted the subcommittee's discussion of an industrial land bank. Staff used the information developed by the committee to establish the range of need.

Mr. Dedrick shared slides of maps showing the four areas outside the UGB being considered for industrial expansion and described some of the constraints and considerations associated with each area. Those areas encompassed 600 acres in the Clear Lake area; 300 acres in the Coburg/Game Farm area; 450 acres in the Russell Creek basin; and 300 acres in the Goshen area. Focusing more specifically on the Clear Lake area, Mr. Dedrick shared a map that illustrated the results of a preliminary wetlands analysis and suggested the costs of development could be prohibitive without a creative approach to mitigation. Staff had contacted several of the property owners in the Clear Lake area and most were interested in discussing the potential of being brought inside the UGB.

Mr. Dedrick concluded by reporting that there were challenges to developing all the available potential land for industrial use. He posited there might be other viable, smaller parcels inside the city. Staff would continue to work to address site constraints and would continue to work on the land trust. He reminded the council of the upcoming open houses on Industrial Lands and Housing.

Ms. Gardner said the TRG would also like an opportunity to look at industrial lands and she anticipated that review would begin soon.

Mr. Farr asked if staff envisioned a process for maintaining the industrial lands supply. Mr. Dedrick said the Economic Development Subcommittee had raised the idea of a rolling portfolio but did not have extensive discussions on the topic. Mr. Farr hoped that the subcommittee would consider that.

Ms. Taylor determined from Mr. Dedrick that the Hynix site was about 200 acres in size and it was not included in the inventory because it had no more capacity due to the presence of wetlands.

Ms. Taylor asked what type of industry needed 100 acres. Mr. Dedrick said the Economic Development Committee acknowledged that the demand for such sites was fairly narrow but also discussed the potential such sites could be divided into smaller parcels. He did not know what type of industry needed such a site. Ms. Gardner explained that the City was seeking not just to attract large businesses, but allow local businesses to grow in place and encourage start-ups through the provision of a variety of parcel sizes. She said there was more work to be done on the issue.

Ms. Taylor asked for examples of large “clean and green” industries. Mr. Dedrick cited solar manufacturers, wind power manufacturers, and electric vehicle manufacturers. He noted that in recent years the majority of clean and green companies locating on sites larger than 100 acres have been solar or wind power manufacturers.

Ms. Taylor asked for examples of how the City could reduce site constraints. Mr. Dedrick cited assistance with wetlands mitigation and infrastructure improvements as examples.

Mr. Brown asked if the Metropolitan Wastewater Management Commission’s poplar farm contained wetlands. Mr. Dedrick said the site contained wetlands that were inventoried but not protected. It contained several acres of wetland “fingers” that made site development challenging. The level of mitigation needed would be too costly for many businesses. Mr. Brown noted the site’s current industrial zoning and asked the site had sufficiently large areas unaffected by wetlands that could allow for development. Mr. Dedrick believed it did but said that would require more investigation. Mr. Brown suggested the site could be developed more intensely than it currently was given its location inside the UGB and its current zoning.

Mr. Zelenka suggested the poplar farm was a poplar farm because of the presence of wetlands and noted the role that the poplar farm played in removing heavy metals from sludge.

Mr. Zelenka said he understood the group working on industrial lands was not in consensus about the recommendation and that the process was close to breaking down. He asked if the need finding opened the City up to legal arguments. Ms. Gardner would not characterize the process as broken down. She said the process concluded without consensus on the final report. The TRG has offered to work with the chair of the Economic Development Subcommittee and the CRG on the issue.

Mr. Zelenka expressed a desire to have the Economic Development Subcommittee present to the council.

Speaking to Mr. Zelenka’s question regarding the potential of a legal challenge based on lack of need, Ms. Jerome said the City would not move forward with a proposal to expand the UGB for industrial use without offering a justification. While the City did not appear to have a need for additional industrial land on paper and there were differences about the level of need, there was general agreement there was some

need. There was little statutory or rule guidance on how to demonstrate that need. The State was clear that the City needed to provide some market choice. Woodburn recently proposed expanding its UGB by 409 acres for industrial land and a considerable amount of that acreage was for market choice. The State had accepted Woodburn's analysis, although the Court of Appeals called for more findings supporting the number. The results of that case would inform Eugene's work.

Mayor Piercy adjourned the meeting at 1:30 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)