

# MINUTES

Eugene City Council  
Council Chamber—City Hall  
777 Pearl Street—Eugene, Oregon

May 9, 2011  
7:30 p.m.

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 May 9, 2011, regular meeting of the Eugene City Council to order.

1. **ACTION:**  
**Resolution 5033 Pronouncing Appreciation to the Communities, Agencies, and Businesses that Assisted the City of Eugene with Events Honoring Fallen Officer Chris Kilcullen**

Mayor Piercy read the resolution:

**The City Council of the City of Eugene finds that:**

A. On April 22, 2011, Eugene Police Officer Chris Kilcullen tragically lost his life in the line of duty. Many communities, agencies, and businesses contributed resources to City of Eugene to assist in paying tribute to Officer Kilcullen. The City of Eugene wishes to express its gratitude for those contributions.

B. The Oregon State Fire Marshal provided an expert Incident Management Team, comprised of members from fire service agencies throughout the state, for comprehensive planning and operations support of the motorcade procession and Celebration of Life event.

C. The University of Oregon provided use of the Matthew Knight Arena and personnel for planning and implementation of the Celebration of Life event and motorcade procession, including event production and parking services.

D. The Lane Transit District, Eugene Water & Electric Board, Oregon Pacific Red Cross, City of Springfield, Lane County, Oregon Department of Transportation, Oregon State Police, Lane County Sheriff, and Federal law enforcement agencies all helped plan the Celebration of Life event and motorcade procession, and supplied resources for implementing the events, including free shuttle service provided by Lane Transit District.

E. Police agencies from Lane County, Springfield, Portland, Cottage Grove, Florence, Junction City, Salem, and the Oregon State Police volunteered police personnel to keep the city safe and provide services during the Celebration of Life event and motorcade procession so that Eugene Police personnel could fully participate in the events. More than 200 honor guard members participated in the honor guard at the Celebration of Life.

F. Local businesses donated materials and services for the Celebration of Life planning effort and events.

**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.** The City of Eugene extends its gratitude and appreciation to the Oregon State Fire Marshal, the University of Oregon, Lane Transit District, Eugene Water & Electric Board, City of Springfield, Lane County, Oregon Department of Transportation, the Red Cross and participating law enforcement agencies for contributing thousands of hours assisting the City of Eugene plan the Celebration of Life event and motorcade procession, donating the use of Matthew Knight Arena, and providing staff to carry out the events.

**Section 2.** The City of Eugene extends its gratitude and appreciation to participating law enforcement agencies for donating law enforcement personnel to patrol Eugene and respond to calls so that Eugene Police personnel could attend the events honoring Officer Kilcullen, and also to the agencies who participated in the honor guard.

**Section 3.** The City of Eugene extends its gratitude and appreciation to intergovernmental partners and businesses for contributing time, money and resources to assist the City in paying tribute to Officer Kilcullen.

Councilor Taylor, seconded by Councilor Brown, moved to adopt Resolution 5033 pronouncing appreciation to the communities, agencies, and businesses that assisted the City of Eugene with events honoring fallen Eugene Police Officer Chris Kilcullen. Roll call vote: The motion passed unanimously, 8:0.

## **2. PUBLIC FORUM**

Mayor Piercy reviewed the rules of the Public Forum. She opened the forum.

**Bob Richards**, 2893 Timberline Drive, Executive Director of Willamette Family Center, advocated for the restoration of funding for the sobering services at Buckley Center. He acknowledged the financial challenges facing local government but emphasized how critical the sobering services were to law enforcement. He pointed out the two CAHOOTS vans would have nowhere to take intoxicated individuals but the emergency rooms at a much larger cost to the public. He urged the City Council to communicate with the Lane Board of County Commissioners to discuss potential solutions.

**Mark Brewer**, 4284 West 7<sup>th</sup> Avenue, project manager for Essex General Construction, spoke in support of the Paradigm on Pearl application for the Multi-Unit Property Tax Exemption (MUPTE). He noted the positive impact of construction spending on the local economy. He spoke of other local projects made possible by the MUPTE and hoped the council supported the application. He said his firm was local and hired locally. The money generated by the project would remain in the local economy. It would directly and indirectly employ hundreds of people. He spoke of the pride those involved with the project felt and described some of its features. He believed the project was appropriate for Eugene.

**Eli Volem**, 2695 Madison Street, representing the firm Earth Advantage, which provided third-party certifications for LEED (Leadership in Energy and Environmental Design) structures, emphasized that the planning for the Paradigm on Pearl project had occurred with a LEED focus. He said that the project might be built without the MUPTE but he doubted it because of the cost of the additional features that supported the LEED certification. He said the goal for the developer was a gold LEED rating. He anticipated the building would be 26 percent more energy-efficient than it would be had it been built to code.

**Dan Neal**, 3555 Agate Street, spoke in support of the MUPTE application for the Paradigm on Pearl. He shared a large-scale rendering of the project and said it was designed to embody community goals for compact urban growth and sustainable development. Mr. Neal said the developer decided to attain LEED certification at the gold or platinum level and to include a private underground parking facility. The developer had earned 440 MUPTE points, which was three times the all-time previous high. He emphasized the importance of MUPTE to the project design as it enabled the developer to include many of the features that supported the LEED certification. Mr. Neal noted that in spite of the MUPTE, the City would begin to collect taxes immediately on the commercial part of the project. He believed the project would enhance the character of the area and strengthen the connections between mid-town and downtown. He asked the council to support the application.

**Zachary Vishanoff**, no address given, opposed the MUPTE. He pointed out the City was using it to increase densities in the densest neighborhood in the city. He suggested there was a connection between such increased densities and what he termed the “micro-riots” that took place in the neighborhood, which were costly to address.

Mr. Vishanoff found the procession for Officer Kilcullen to be valid, but opposed the Champions Parade as unsustainable and unjustified. He said such events should occur only in extraordinary circumstances.

Returning to the MUPTE, Mr. Vishanoff believed that it contributed to the decline of the neighborhood. He said the City could do infill or “instead-of-fill.” It was doing “instead-of-fill” when it removed part of the neighborhood. Mr. Vishanoff believed the developer in question was a good one with good projects in the neighborhood. However, Mr. Vishanoff did not support the project in question. He did not think the tax break was justified in light of other City funding priorities. He believed that smart growth was very divisive. He asked the council to set the MUPTE aside for a deeper conversation about its impact on the West University neighborhood.

**Gary Heldt**, 3477 Onyx Street, expressed frustration about the City’s May 2 administrative order increasing fees in the Stormwater Program. He said the program was already one of the most expensive per capita in the state. The proposed increase of 11 percent would take effect on May 13 without council intervention. Mr. Heldt said that the Public Work Department estimated \$1 million was needed to decommission dry walls, but the actual work would be accomplished by property owners. He asked if any councilors had reviewed the basis for the increase. Mr. Heldt pointed out that there was \$2.6 million in surplus in the program.

Mr. Heldt said the City’s Stormwater Program was one of the worst in terms of expense versus meaningful results. The department wrongly assumed that runoff from roofs contributed to pollution but had no testing to demonstrate that. The Eugene Water & Electric Board (EWEB) tested 500 rooftop samples and found no measurable pollution levels. However, Public Works was uncooperative in regard to rooftop testing. He believed the department was spending millions to manage imaginary levels of pollution. Mr. Heldt said that School District 4J was the City’s largest customer as about half of its total impervious surface was roof. He suggested that one could conclude that there was no justification for \$1.3 million of the \$3 million the City had assessed property owners since the program’s inception.

**Kevin Matthews**, PO Box 1588, Eugene, advocated for high-quality dense development in the downtown area as key to the implementation of Envision Eugene and other City goals. He believed residents resisted density because the City did not have a good record of achieving density with quality. Instead, the result was slums. Mr. Matthews opposed the MUPTE application for the Paradigm on Pearl development because he found the building “grotesque.” He objected to the fact that about half of the

units faced an inner courtyard and suggested that rather than be U shaped, the building should be L shaped to preserve open space.

**Tom McKee**, 925 North Park Avenue, Director of the Buckley Detoxification and Sobering Center, shared some statistics from the sobering services that indicated the majority of clients were from Eugene. He said there was no money for the service in the proposed Lane County budget. He believed the service was critical to Eugene and Lane County residents.

**Paul Cziko**, 1355 Bailey Avenue, representing the organization "Connect Eugene," reported that University of Oregon President Richard Lariviere had asked Oregon Research Institute (ORI) to consider a site other than the intended site in the Riverfront Research Park. He said UO students had authorized the use of student funding to examine how to best move forward with the riverfront in the future. He said Connect Oregon supported 1700 Millrace as the new site of ORI. He asked the council to do what it could to facilitate the switch.

**Allen Hancock**, 2244 Alder Street, Connect Eugene, circulated a photograph of the 1700 Millrace site among councilors. He urged the council to work with the developers and the UO to identify and overcome hurdles to the use of the site.

**Rodney Retzman**, no address given, expressed concern that something very wrong was going on, as evidenced by the experiences of people he knew who needed help but could not get it. He was currently homeless. He was disgusted with the way that things were going in the nation and in Eugene. He did not think that people were getting any trickle-down benefits. He asked why people could not walk up to a homeless person and say hello instead of looking away.

Mayor Piercy closed the Public Forum and thanked those who spoke. She solicited council comments and questions.

Mr. Clark expressed appreciation for the testimony. He wanted to investigate funding options for the Buckley Center and expected the topic would be discussed by the Budget Committee, which was meeting that week. He asked how the council could review the Stormwater Program fee increase. Mr. Klein said he would get back to the council on May 11 with an answer.

Ms. Taylor congratulated those who worked to facilitate the relocation of ORI. She found the news to be good news.

Mr. Zelenka also thanked the Connect Oregon representatives for their hard work and looked forward to the analysis. He welcomed Mr. McKee to Eugene and said he supported the work he did at Buckley Center.

Mr. Poling also welcomed Mr. McKee. He said when he was involved in police work he had taken many people to Buckley Center and believed it was worth every penny of the community's investment. He hoped the City could help the facility with funding.

Mr. Farr thanked those who offered testimony. He noted that Mr. Brewer's company had built the Food for Lane County building, which was a beautiful facility.

Ms. Ortiz thanked those who spoke. Speaking to the MUPTE application, Ms. Ortiz suggested the City had more than its share of MUPTEs in the University area. She believed the MUPTE should be used in areas where the City wanted more construction. She anticipated she would request a work session on the

City's MUPTE. She said she would support the MUPTE application before the council but unless future applications were in the west part of town, she would be unlikely to support them.

### 3. CONSENT CALENDAR

- A. **Approval of City Council Minutes**
  - March 9, 2011, Work Session
  - March 16, 2011, Work Session
  - April 11, 2011, Work Session
  - April 11, 2011, Regular Meeting
  - April 13, 2011, Work Session
- B. **Approval of Tentative Working Agenda**
- C. **Adoption of Resolution 5031 Adopting Inflationary Adjustments to Systems Development Charges for Park System and Amending Resolution No. 4900**

Councilor Taylor, seconded by Councilor Brown, moved to approve the items on the Consent Calendar. Roll call vote: The motion passed unanimously, 8:0

### 4. ACTION:

**Adoption of Resolution 5032 Approving a Multiple Unit Property Tax Exemption for Residential Property Located at 1647 through 1689 Pearl Street and 231 through 235 East 17<sup>th</sup> Avenue, Eugene, Oregon (Pearl Street Sustainable Housing LLC/Applicant)**

City Manager Jon Ruiz introduced the item, which was a resolution to approve a MUPTE for residential property located on 17<sup>th</sup> Avenue and Pearl Street. He recalled that the council had approved a point system for measuring the public benefit from a project and directed staff to recommend projects that received more than 100 points. The project in question, the Paradigm on Pearl, had received points well over that minimum threshold. Amanda Nobel Flannery of the Planning and Development Department was present to answer questions about the application.

Councilor Taylor, seconded by Councilor Brown, moved to adopt Resolution 5032 approving a multiple-unit property tax exemption for residential property located at 1647 through 1689 Pearl Street and 231 through 235 East 17<sup>th</sup> Avenue, Eugene, Oregon (Pearl Street Sustainable Housing LLC/Applicant).

Mr. Clark said he agreed with the testimony offered by Kevin Matthews. He said the more the City did to increase density, the more important quality was. He liked the idea of incentivizing higher quality design. He believed the project, by virtue of the points received, qualified as quality construction. He supported the motion.

Mr. Brown asked questions clarifying the amount of taxes that would be paid by the project.

Mr. Brown recalled the council's discussion about Civic Stadium, during which several councilors expressed concern about finding the money for the project and concern that spending money on the project could affect the funding for social services. He pointed out that the property in question could have been taxed to support those services. He looked forward to a work session on the MUPTE program in general. Mr. Brown did not support the application, and believed the program had outlived its usefulness.

Mr. Zelenka said his concern was about the loss of property tax revenues that would otherwise go to the General Fund. He said the initial reason for the MUPTE was to stimulate development that had not been happening in the West University area. He pointed out over the last two to three years, multiple developments had occurred in the area. Many were located outside the MUPTE boundaries and received no property tax exemption. He suggested the City was granting tax exemptions that were not needed. He agreed with Ms. Ortiz that other areas of the community needed the MUPTE, such as downtown and the Trainsong area.

Mayor Piercy said that development would occur with or without the MUPTE, but the question was what would be built and its quality. She looked forward to a discussion of how to incentivize the type of construction the City wanted to see built.

Mr. Poling found the application unlike any other MUPTE application he had seen because of the inclusion of underground parking and the first-floor commercial retail space. In addition, the development would generate more tax revenue at the beginning on the land and commercial value than it pays now, and in the 11<sup>th</sup> year it would pay all taxes levied against the property. He said the project would enhance the neighborhood. He pointed out that development could also be converted to condominiums in the future. He said the council needed to work with the rules and boundary in place, or change them. The council should not punish people for following the rules.

Ms. Taylor pointed out the council did not have to approve the application. She suggested the City should incentivize better construction everywhere, not just in the area in question. People were struggling to pay their taxes in other parts of the community and questioned such breaks when they heard of them. She said the next-door neighbors were upset about the loss of solar access and the balconies that would be provide views over backyards. She thought the City should receive an advantage when it gave a tax exemption. She did not think the MUPTE was needed in the neighborhood. She hoped that the developer was building a good building because they want to attract renters and build a nice building for the community.

Ms. Ortiz determined from Ms. Nobel Flannery there were no other MUPTE applications pending.

Mr. Pryor was also interested in a council work session on the MUPTE program. He was willing to support the application but that did not guarantee his future support for future applications. He said the discussion pointed to one of the council's challenges, in that each councilor believed each dollar in the budget needed to be spent in a slightly different way.

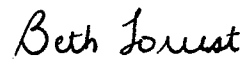
Mr. Farr agreed with the remarks of Mayor Piercy and Mr. Poling regarding the quality of construction and its relationship to City goals. He suggested the development fit Mr. Matthews' goals for quality dense infill. He looked forward to the work session and to discussing how the MUPTE program could be applied in the Trainsong area.

Mr. Zelenka agreed the quality of multi-family housing was important. He pointed out that a development outside the MUPTE zone built without subsidies was seeking LEED certification, and suggested the City look into how that was accomplished. He suggested the City might more appropriately have a LEED certified incentive program. He pointed out that the code allowed such exemptions to be granted if the council found it to be in the public interest to do so. He did not think the MUPTE was needed for this project and hence was not in the public interest. He opposed the motion.

Roll call vote: The motion passed, 5:3; Ms. Taylor, Mr. Zelenka, Mr. Brown voting no.

Mayor Piercy adjourned the meeting at 8:33 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth Forrest".

Beth Forrest  
City Recorder

*(Recorded by Kimberly Young)*