

MINUTES

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

September 15, 2010
Noon

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

CITY COUNCIL WORK SESSION AND MEETING OF THE EUGENE URBAN RENEWAL AGENCY

Her Honor Mayor Kitty Piercy called the September 15, 2010, work session of the Eugene City Council to order.

A. WORK SESSION: Recovery Zone Bonds and Downtown Site

City Manager Ruiz introduced the item, terming the proposal before the council a next step in revitalizing Eugene's downtown. Urban Services Manager Denny Braud of the Planning and Development Department (PDD) and Finance Director Sue Cutsogeorge of the Central Services Department were lead staff for the item. Mr. Braud introduced Rob Bennett Sr., Sara Bennett, and Rob Bennett, Jr. of Bennett Management Company, Gene Swann of Wells Fargo Bank, Kevin Sauser and Esther Anunciado of Ankrom Moisan Associated Architects. Interim PDD Director Scott Luell and Mike Sullivan and Nan Laurence of the Planning and Development Department were also present.

Mr. Braud provided a PowerPoint presentation on the project details and the requested City Council and Urban Renewal Agency (URA) actions.

Mayor Piercy termed the vision an exciting one for moving downtown forward and stressed the importance of downtown partnerships to revitalization and job creation.

Mayor Piercy solicited council comments and questions.

Mr. Clark thanked staff for its work on the proposal. He suggested the purpose of a recovery zone bond was to improve a blighted area. Mr. Braud indicated the community had latitude in how it defined economic hardship as the bond was an economic stimulus tool. The findings accompanying the resolution made reference to high unemployment and increased foreclosures. He confirmed, in response to a follow-up question from Mr. Clark, that the boundaries of the recovery zone were acceptable to the federal government and provided additional flexibility to the City. He added that most jurisdictions took a similar approach; he cited Lane County as an example, saying it designated a recovery zone that encompassed the entire county.

Mr. Clark asked about the impact of the recovery zone bond on the bank loan. Mr. Braud said that because the loan was tax exempt, the bank could offer a lower interest rate to a private company. The City was assuming no risk.

Mayor Piercy suggested that current economic conditions and the community's interest in downtown revitalization justified the establishment of the zone.

Ms. Taylor determined from Ms. Cutsogeorge that the bank did not have to pay income taxes on the loan, which Ms. Taylor concluded took money away from government. She asked how many housing units the Lane Community College (LCC) project would contain. Mr. Braud said LCC was discussing housing between 200 and 220 students with an array of unit types. LCC was in the design phase and would attempt to appeal to different students with its design. He did not know how much rent would be charged. He reported that initially, units would be targeted toward LCC students but he envisioned that they could be made available to students from other local colleges.

Ms. Taylor observed that community college students generally did not live on campus. Mr. Braud agreed, but noted that many students were starting their college careers at community colleges due to the higher cost of attending four-year universities. However, they were still looking for a college-like experience, and the market for those students was changing.

Ms. Taylor asked what happened if no one rented the housing and what risk the City bore. Mr. Braud reiterated that recovery zone bonds had no risk for the City. LCC would issue the bonds and assume all risks associated with the performance of the student housing. He noted that LCC was planning on debt financing for the facility, and that would be supported by rents.

Mr. Zelenka commended staff for its creative work on the proposal. He acknowledged the complexity of such financing arrangements. Speaking to the information presented on the recovery zone bonds, he asked what "used by" meant. Mr. Braud said that it meant a substantial draw, which in this case would be an amount of money drawn down to support soft costs, such as architectural costs, related to the project. The timing appeared to work for the Bennett Management Company and LCC project because LCC was already in design and Bennett Management Company could be in design quickly.

Mr. Zelenka asked if Bennett Management Company experienced difficulty in securing financing. Mr. Braud said the company was working with Wells Fargo Bank, which had examined the project and issued some initial terms. An appraisal would be required. Bennett Management Company had a long history of working with Wells Fargo, and every indication the City received from the bank was that the project was headed in the right direction.

Mr. Zelenka expressed enthusiasm for both the Bennett Management Company and LCC projects and indicated his intent to support a motion to that effect.

Responding to questions from Mr. Brown, Ms. Cutsogeorge confirmed the deadlines involved with the use of the funding source.

Mr. Brown reported that his research indicated the funding in question had been available for nearly two years but very little of it had been used because it had been difficult for people to understand how to use it. He was happy to see that Eugene was able to make use of the funds.

Ms. Ortiz supported the actions requested of the council. She said Bennett Management Company had a good track record. She wanted to ensure that the jobs created by the project were filled locally. Mr. Braud said Bennett Management had a history of working with local contractors. He anticipated that LCC would go out to bid for its project.

Mayor Piercy reported she had talked to LCC President Mary Spilde about the project and Ms. Spilde had assured her that LCC would pay the prevailing wage on the project.

Mr. Clark, seconded by Ms. Taylor, moved to approve Bennett Management Company's redevelopment of the Vacant Parcel and authorize the City Manager to enter into the necessary agreements consistent with terms of Attachment A. The motion passed unanimously, 8:0.

Mr. Clark, seconded by Ms. Taylor, moved to adopt Resolution 5014 designating the City of Eugene as an American Recovery and Reinvestment Act (ARRA) Recovery Zone, authorizing preliminary actions in connection with conduit bonds for Bennett Management Company, and authorizing suballocation or transfer of recovery zone economic development bond authority for Lane Community College. The motion passed 8:0.

Mayor Piercy adjourned the meeting of the Eugene City Council and convened a meeting of the URA.

Mr. Clark, seconded by Ms. Taylor, moved to approve the ownership transfer for the Vacant Parcel from Beam to Bennett Management Company, and authorize the Agency Director to enter into the agreements necessary to allow the property transfer and the transfer of Beam's development rights to Bennett Management Company. The motion passed unanimously, 8:0.

Mayor Piercy adjourned the meeting of the URA and reconvened the meeting of the Eugene City Council.

B. WORK SESSION:
Eugene Community Climate and Energy Action Plan—Update

The council was joined by Climate and Energy Action Analyst Matt McRae, who presented a PowerPoint update regarding the Eugene Community Climate and Energy Action Plan. Sustainability Liaison Babe O'Sullivan and Sustainability Commissioners Howard Bonnett and Shawn Boles were also present for the item.

Mayor Piercy acknowledged all those who worked to put the plan together. She particularly thanked the Sustainability Commission and recognized Commissioner Shawn Boles for serving in several capacities. She noted that many of the things mentioned in the plan were also being discussed in the context of the Envision Eugene process.

Mayor Piercy said that the agenda item summary mentioned that staff would make periodic progress reports to the Sustainability Commission, but she also wanted the council to hear such reports.

Mr. Zelenka commended the report. He noted that Appendix 3 of the document listed all those who worked on the report and he thanked them. At Mr. Zelenka's request, Mr. McRae provided an overview of the public forum process.

Mr. Zelenka termed the report one of the best in the country and said the community could be very proud of it. He had shared the report with the Oregon Global Warming Commission's Transportation and Land Use Committee and it had been used by that group to develop the State plan.

Mr. Zelenka believed most of the actions in the plan were cost-effective and would reduce fuel consumption. He further averred that the plan would "make us healthier," reduced pollution, and "did a good job" in trying to get at the triple bottom line. He acknowledged that the social element of the TBL was the weakest element in the plan but it was the weakest in all such analyses and he anticipated more work would occur on it.

Mr. Zelenka asked City Manager Ruiz how the plan would be integrated into the everyday work of the City. City Manager Ruiz anticipated it would be used in many ways. Staff would assign the appropriate staff to implementation items, and he envisioned that the council would see many items implemented through the annual budget process. He pointed out that many of the items in the plan were already moving forward. Mr. Zelenka hoped the City tracked the savings realized by the plan.

Mr. Zelenka asked staff to discuss the health impact assessment (HIA), which he termed innovative and the first in the country. Mr. McRae said the advocacy organization "Upstream Public Health" had done the HIA on the plan and it was the first such HIA done of a climate and energy action plan.

Mr. Clark commended the staff presentation and acknowledged the work of all those who provided input into the plan. He was curious about the impact of the proposed motion on existing policy. He asked what Mr. McRae considered a "policy change." He said there were many recommendations in the document he agreed with but there were implications to other recommendations that caused him concern and led him to questions about the cost-benefit analysis that went into the recommendations. For example, there were several places in the plan where it mentioned diversifying Lane Transit District's source of operational funding. He asked what that meant. The plan also discussed setting aside rights-of-way for future EmX routes, which implied an endorsement of Lane Transit District long-term plans. Some of the capital costs involved with that concerned him a great deal.

Mr. Clark suggested that the community dodged a bullet when the downtown power outage occurred, which was attributed to aging infrastructure that could not handle the load. He noted that many people in the community supported increased residential density, which was also mentioned in the plan. He asked if the City had analyzed the infrastructure costs of serving higher density development so the City could be prepared and could avoid the dangerous situation that led to the power outage. Mr. Clark was concerned that the City would be pushing ahead with actions that required more analysis and information as well as a council decision. City Manager Ruiz anticipated that the council would discuss such actions explicitly. He said that the plan was very similar to other planning efforts in that staff would return with actions to implement the plan and the council would say yes or not to that action.

Ms. Solomon determined from Mr. McRae that existing staff would be assigned to deal with food-related actions discussed in the plan. Ms. Solomon asked if the plan was intended to be externally or internally focused. Mr. McRae said the plan was largely externally focused, although it contained a couple of policies aimed at internal City consumption. Ms. Solomon was more comfortable with a plan that was internally focused. She asked if the plan's recommendations were just that or if they represented mandates. She saw no incentives or rewards in the plan for the community's participation. Mr. McRae said the actions in the plan were recommendations. He acknowledged that more work needed to be done in regard to incentives.

Ms. Solomon said the plan covered six areas that were inclusive of most areas the council addressed. She asked if every future plan or decision would be filtered through the plan. City Manager Ruiz did not think so. He suggested that the City Council would want to go through the triple bottom line analysis for many decisions.

Mayor Piercy hoped the plan encouraged the community to work together to move in certain directions, but she pointed out the City could not force anyone to do something they did not want to do.

Ms. Ortiz thanked Mr. McRae and the commission for their work on the plan. She said the City could not demand that people do the things called for in the plan, but the actions represented best practices if the community wanted to do good things for the environment.

Ms. Ortiz suggested a tie between the plan and the fact that residents living along the Highway 99 corridor lacked a place to buy fresh food and vegetables. Mr. McRae said that “20 minute neighborhoods” was about that topic specifically, and was a topic of discussion through the Envision Eugene process.

Mr. Clark said he would support the proposed motion because it was worded to support the plan goals and called for specific items to come back to the council for later discussion. He believed the essence of the goals were around energy use and its costs and what the community should be prepared for. He said he thought the community needed to be prepared. He did not think that people would be driving cars that burned gas in 20 to 30 years because the cost of gas would be prohibitive and people would have alternatives. It was smart to help people to transition to change.

Ms. Taylor asked how the community would become aware of the plan. Mr. McRae anticipated that education campaigns would be prepared for actions calling for consumer behavioral changes. City Manager Ruiz anticipated that the City’s Web site would be employed to spread word of the plan and suggested that those who participated in the development of the plan, including the Sustainability Commission, would be ambassadors for the plan. He also thought the neighborhood associations could play a role in getting the word out. Ms. Taylor encouraged the neighborhood organizations to schedule general meetings devoted to the topic, and encouraged Sustainability Commissioners to attend those meetings.

Mayor Piercy observed that many neighborhood organizations already had sustainability committees and many association members participated in the plan’s creation. Ms. O’Sullivan reported that the Sustainability Commission’s work plan included a task specific to outreach and messaging, and the commission was actively seeking opportunities to network with the neighborhood associations and other community groups.

Mr. Clark, seconded by Ms. Taylor, moved to direct the City Manager to implement actions that support the Community Climate and Energy Action plan goals and objectives, subject to best practices, resources, collaboration with community partners, and approval by council of future policy changes.

Mr. Zelenka asked Ms. O’Sullivan about her perspective on the plan. Ms. O’Sullivan found the plan to be on the cutting edge. It tried to achieve several objectives that were related but frequently missing in other plans, such as the combined objectives of planning for climate change and adaptation and trying to reduce greenhouse gas impacts by tying those issues directly to fossil fuel use. She thought the connection to public health was another important innovation.

The motion passed unanimously, 8:0.

Mayor Piercy adjourned the meeting at 1:20 p.m.

Respectfully submitted,

Handwritten signature of Sandra J. Stebbins in cursive script. The word "Deputy" is written in a smaller, simpler font directly beneath the signature.

Beth Forrest
City Recorder

(Recorded by Kimberly Young)