MINUTES

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

January 11, 2010
5:30 p.m.

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

ABSENT: Alan Zelenka.

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

Mayor Piercy thanked City staff for its effort at the recent State of the City event. She had also enjoyed the recent State of the County and Springfield State of the City events. She called the council's attention to its receipt of a letter from David Agnew of the Obama Administration expressing appreciation for the City's work with the Administration. She also noted the potential sale of the downtown United States Post Office and said she had spoken to Representative Peter deFazio's Office, who was sending a letter to the US Postal Service encouraging it to rethink the decision.

Mayor Piercy noted an alteration in the route for the Martin Luther King, Jr., Day walk. She noted the recent town hall meeting conducted by local State legislators and reminded people to vote in the upcoming election.

Mr. Clark reported he attended the recent press conference held by the Eugene Police Department (EPD) in regard to its data-led policing efforts related to property crimes. He complimented EPD staff and Police Chief Pete Kerns for their attempts to be innovative. He had also attended the State of the City and State of the County events and acknowledged the challenges that lay ahead.

Mr. Pryor had also attended the events mentioned by Mayor Piercy and commended the frequent mention of partnerships and collaboration. He also commended the recent council goal setting session. Mr. Pryor said the West Eugene EmX Extension Corridor Advisory Committee recently met at the Eugene Station and display materials regarding the process were available at the site. He had also attended the EPD press conference and encouraged the council to become familiar with the department's approach as he believed property crimes affected people as much as any type of crime.

Ms. Taylor had also gone to the recent town hall held by local State legislators and commended the legislators for being prepared and knowledgeable. She noted that Board of County Commissioners Chair Peter Sorenson had recognized former Congressman Jim Weaver for his achievements at the State of the County event, and the board also gave awards to those who completed the County's government school. She hoped the City emulated the County in that regard, and suggested the first topic of discussion could be the charter limitations that applied to the council.

Ms. Taylor asked if it was possible for the City Council to place a moratorium on the use of tasers. City Attorney Glenn Klein agreed to follow up with a memorandum.

Ms. Taylor spoke to the lack of flexibility in the City's regulations regarding fences and suggested there should be exceptions for certain circumstances.

Ms. Solomon arrived.

Ms. Taylor observed that the council's subcommittee on downtown parking had not met recently and had not yet brought its recommendations to the council, and she had recently learned that the City installed meters that accepted credit cards. She had not known that was happening, and had received a complaint they were so high that short people could not access them. She asked if the City purchased or leased the parking machines.

Ms. Taylor observed that Nashville, Tennessee, had an art gallery in a former post office.

Ms. Ortiz had also commended the Eugene State of the City event and noted her attendance at the Legislative Town Hall. She noted the upcoming Council Committee on Intergovernmental Relations meeting to discuss legislative priorities on January 27.

Ms. Ortiz reported on a discussion by Police Commission members on best ways to capture the conversation at subcommittee meetings and their interest in securing a video camera to record such meetings. She suggested that the council assist the Police Commission and Civilian Review Board by providing audio equipment to substitute for a lack of minutes recorders. She envisioned the funding would come from the Council Contingency Fund. She would have more information about cost later.

Mr. Brown commended Ms. Ortiz' suggestion, saying he had been hearing similar concerns from those groups and some members of the public about the lack of a record. He reported on his attendance at the recent Use of Force Committee meeting, and said the committee was taking its time to carefully review the taser policy. He also noted his attendance at the recent Human Rights Commission retreat and reported it had been a good grounding session for the eight new members. Mr. Brown said he met that day with two citizen members of the Budget Committee and Planning Division staff to discuss some of the remaining concerns and questions about the Beam project.

Mr. Poling also had attended the EPD press conference and anticipated the new approach would allow officers to be more efficient and to focus on particular areas. He noted the upcoming Chamber of Commerce and Lane Council of Governments award dinners.

Mr. Zelenka noted that the meeting was his last as Council President and thanked the council and staff for their support during his tenure. He too had attended the State of the County and two state of the city events, and particularly commended the Wildish Theater, which had been the venue for the Springfield event. He said that Springfield had presented a very well-done slide show that encapsulated 2009 events in Springfield. Mr. Zelenka noted that he had attended the last Civil War basketball game between the University of Oregon and Oregon State University to be held in MacArthur Court and reported that progress on the new arena was steady. He looked forward to seeing the Police Commission's recommendations regarding the taser policy.

City Manager Ruiz reported that boards and commissions training would be held the following day. He planned to attend the next meeting of the Friendly Area Neighbors, and invited councilors to attend the

upcoming Fire and Emergency Medical Services awards the following week. He also reminded councilors of the January 23 goals setting session.

Mayor Piercy thanked Mr. Zelenka for his service as council president and Mr. Clark for his service as council vice president.

Mayor Piercy reported that she had three constituent contacts in regard to the new meters and heard complaints that the meters were too tall and the meter required that one be tall enough to be able to look down at it.

2. WORK SESSION: Downtown Projects

The council was joined by Planner Amanda Nobel Flannery, who provided a PowerPoint presentation on Downtown Projects. Copies of the presentation were provided to the councilors. The presentation touched on strategies for downtown and included funding options and timelines for several downtown projects. The projects included a new Lane Community College downtown center; an arts and entertainment district; a new Veterans Administration clinic; business assistance and housing; rebranding, easy payments, and free parking; green infrastructure; the Beam project; and illegal behavior, consequences, physical spaces, and coordination. The funding options included a general obligation bond; self-supporting bond; local option levies; grants, donations, and tax credits; adjustments to the downtown service district; adjustments to Human Services Commission funding; Urban Renewal Agency (URA) loans and grants; cost shifts to the Urban Renewal District; the General Fund; and redirection of other funds, including the Parking and Facility Reserve funds. Ms. Nobel Flannery invited questions at the conclusion of the presentation.

Responding to a question from Ms. Taylor on how much a tax on unoccupied properties in downtown would realize, Planning and Development Director Susan Muir said such a tax would produce $20,000 to $30,000 annually. She noted that such a fee was recommended by the downtown safety task force convened by Police Chief Kerns. Ms. Taylor indicated her support for such a tax.

Ms. Taylor acknowledged her personal opposition to expanding the urban renewal district or increasing the debt limit. Whatever the City did downtown, she wanted the public to be able to vote on it.

Ms. Ortiz asked questions of Financial Analysis Manager Sue Cutsogeorge clarifying the amount left in the URA ($1.8 million) and the possible cost shifts from the URA contemplated in that option.

In response to a question from Mr. Clark, Ms. Nobel Flannery confirmed that the boundaries of the URA would have to be adjusted to accommodate a VA Clinic at 12th Avenue and Willamette Street. That would require a plan amendment.

Mr. Poling did not object to adjusting the URA boundaries on a case-by-case basis. He questioned why the General Fund was listed as a funding source given it lacked sufficient funds. Ms. Muir indicated that staff was attempting to be exhaustive in the options it offered to the council but it could be taken off the list. City Manager Ruiz suggested that the question came back to what the council priorities were.

Mayor Piercy thought Mr. Poling's remark about the General Fund was well-taken, and pointed out that a choice to use money from the General Fund would be a decision to reduce services in another area.

Ms. Solomon determined from Ms. Muir that there would be $500,000 available for URA grants. Ms. Solomon asked how much Lane Community College (LCC) would ask from the City. Ms. Muir anticipated that LCC could request $8 million. She also clarified that the cost shifts to the URA previously mentioned as a funding option would require a plan amendment to increase the spending limit, and the council's decision on the plan amendment could be referred to the voters.

Responding to a question from Mr. Brown, Ms. Muir did not anticipate that Lane Community College would have all the project details in place by the time the council next discussed the topic. She noted that the project manger was present at the meeting to hear the council's discussion.

Mr. Brown referred to page 25 of the annual financial report of the URA, which indicated the district had

$11 million in equity, accrued cash, and investments. Page 8 indicated the funding was available to be spent at the URA's discretion, which indicated to him that the money could already be spent on Lane Community College. Ms. Cutsogeorge clarified the figure Mr. Brown referred to was for both districts; funds from the Riverfront Research District could not be spent on downtown projects. In addition, the URA plan currently included a maximum indebtedness amount that allowed the City to spend no more than $500,000. The actual amount available had been reduced by the payment of the library debt.

Mr. Clark referred to page 38 of Attachment H and clarified with Ms. Nobel Flannery the amounts associated with the costs of the proposed parking equipment and further determined from Parking Manager Jeff Petry that the number of metered spaces in the core was 427 meters, or about half the total in the Downtown Plan area, and cost estimate for free parking was based on that number.

Mr. Clark emphasized the importance of attracting the VA hospital to downtown and asked City Manager Ruiz what the City could do to address the negative perceptions that might exist in regard to Eugene. Ms. Muir said the council's discussions had helped, and Peace Health had also assisted a great deal. The City had put out the message that staff was here to help, and was working with Peace Health on its submittal package. Staff was following up on the comments recently published in the newspaper that suggested Eugene was considered challenging to work with.

Speaking to the meters mentioned by Ms. Taylor, Ms. Muir agreed they were too tall, and were being removed as a result.

Mr. Pryor suggested the General Fund option, even if constrained, should be retained because it sent a message that the council was interested in change. He said the council should retain the option with the understanding it represented a tradeoff of some kind. Mr. Pryor thought the days of "unrestricted urban renewal growth" were gone and the debt limit could not be increased for unknown reasons or possible future development. However, he wanted to retain the urban renewal financing mechanism for a focused, specific opportunity.

Ms. Solomon supported shifting costs to the URA to pay the Parking Fund debt, which would allow the Parking Fund to contribute to the General Fund to pay for police. She wanted more understanding of the impact on community services.

Mr. Zelenka also supported the VA hospital in downtown. It was a high priority for him and he thought it would be good for both downtown and local veterans. He hoped the City was doing all it could to bring it downtown. Mr. Zelenka wanted to eliminate the General Fund option and indicated there were no tradeoffs he could envision supporting in that regard.

Responding to a question from Mr. Zelenka, City Attorney Glenn Klein clarified the points in the memorandum he prepared for the council regarding urban renewal, and agreed to follow up with the Oregon Department of Revenue on a question regarding the implications of expanding the district or increasing its indebtedness level for a new VA hospital downtown after June 30, 2010. Mr. Zelenka asked under what circumstances the tax base would be calculated to the current assessment level. Mr. Klein believed the City could adopt a new plan and reset the base but would have to wait for increases in assessed value to receive the incremental increase. He agreed to follow up on that question as well.

Speaking to the funding mechanisms under consideration, Mr. Zelenka did not want another divisive community fight about the use of urban renewal in downtown. He preferred the path of least resistance that gained the most community support. He thought several mechanisms could achieve the same or

similar results without divisiveness, and encouraged the council to focus on them. He acknowledged they might not be the most cost-effective, but could be the most politically acceptable.

Mr. Brown opposed the use of urban renewal for the identified projects, except for what was left in the fund. He found all the projects mentioned to be interesting and important but did not think they could be accomplished at the same time. He advocated for a focus on the Beam project and the LCC downtown campus project as a way to address the major eyesore areas of downtown. He questioned spending money on a federal project and suggested that the VA hospital should be in the purview of Peace Health and the General Services Administration (GSA). He questioned why the City would be involved given that Peace Health would continue to own the property.

Mr. Clark suggested to Mr. Brown the value of the VA hospital would be the number of people it would draw downtown, and a synergy could be created by the close proximity of an LCC campus with a nursing program. He was less excited about the Beam project because the City had already contributed a great deal of money without getting the pit filled. He hoped Beam could find tenants because he did not want to see the City end up in the role of tenanting the building. Mr. Clark was more focused on ensuring the City did what it could to encourage LCC and the GSA. He was willing to consider urban renewal to pay for that effort.

Mr. Clark suggested the City consider an idea of turning the existing meters into arts opportunities for local artists that could be contributed to voluntarily.

Ms. Solomon determined from staff that the Parking Fund could realize $700,000 to $800,000 annually until the fund debt was paid off in 2018. Mr. Zelenka asked that the number actually available be double-checked given the other existing demands on the fund.

Mr. Zelenka suggested that each funding mechanism had an economy of scale that required it to be matched to a package of projects that would be appealing to the public. He proposed the council anticipate that any proposal it developed would be referred to a public vote, which would mean that the proposal must attract some yes votes to be successful. Ms. Muir indicated it was staff's intent to return with such a proposal.

Mayor Piercy recalled the success of the City's last Parks and Open Space bond measure, which included elements that were attractive to a wide variety of people.

Ms. Taylor concurred with the remarks of Mr. Brown about the need to focus on the eyesores that existed in downtown. She believed that the issue of the VA hospital was between the GSA and Peace Health, and the City's role was in removing barriers rather than contributing money.

Mr. Brown noted his general opposition to urban renewal because it did not benefit the General Fund. He criticized the downtown urban renewal plan as overly vague and nonspecific about the projects to be funded. He suggested it be eliminated and that the City start over again.

Ms. Solomon said it would be useful to know what other measures might be on future ballots to help guide the council in its decision-making. She also suggested the potential of reducing or eliminating the systems development charge assessed to the VA hospital as a means of assisting the GSA, rather than providing urban renewal funds. Ms. Muir indicated she did not yet have sufficient information to offer input about the systems development charge as a potential tool.

Ms. Ortiz encouraged staff to do what it could to facilitate continued conversation with the GSA. She said that a VA hospital would be an economic development tool and would provide needed access to health care for local veterans, who currently had to travel out of town.

Mayor Piercy suggested the tools the City used to encourage the projects under consideration could take a variety of forms based on the financing the City had available.

Mr. Pryor speculated that the council was probably in general agreement about the City's use of funds to support the development of infrastructure, but disagreement would arise when the council discussed what constituted infrastructure. He might consider certain aspects of public safety to be infrastructure, while others would not. He asked if removing barriers was an infrastructure discussion, or if supporting the construction of an actual building was an infrastructure discussion. Mr. Pryor suggested that those issues needed to be worked out, and that it was difficult to talk about the funding mechanism when the council lacked clarity about what the money would be used for. He suggested the council needed to focus on the strategies for downtown and associated project list and determine where the City was appropriately involved.

Responding to a question from Mr. Zelenka about the status of the Farmers Market, Ms. Nobel Flannery referred him to Attachment I and acknowledged that the cost of buying the butterfly parking lot from Lane County was not included. She suggested the potential of non-cash alternatives, such as a land exchange. Mr. Zelenka said that the Farmers Market had indicated that an impediment to its growth was a lack of space. Ms. Nobel Flannery concurred. Mayor Piercy observed that the Farmers Market vendors had not been of one mind on the topic, and the City had been working with them to attempt to get to a vision for the future that could be supported by most. She suggested that the City attempt to put a timeline on that process. Mr. Zelenka concurred.

Mr. Clark believed the City Council should leverage what already worked downtown, and it was clear that the Farmers Market was working. He wanted to do what was possible in regard to the market. He suggested that the City Council look into the potential of providing more room for the market by further investigation of Professor Mark Gillam's idea for extending the Parks Blocks to the river.

Ms. Taylor determined from Mr. Petry that the City charged the Farmers Market for parking and indicated her opposition to that.

Mayor Piercy adjourned the meeting at 7:05 p.m.

Respectfully submitted,

Jon Ruiz
City Manager

(Recorded by Kimberly Young)