M I N U T E S

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

April 25, 2012
Noon

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

Her Honor Mayor Kitty Piercy called the April 25, 2012, work session of the Eugene City Council to order.

A. WORK SESSION: Downtown Urban Renewal Projects

Business Loan Analyst Amanda Nobel Flannery of the Planning and Development Department led the council through a PowerPoint presented titled *Downtown Urban Renewal Projects & the Expenditure Review Panel's 1st Annual Report*. Sue Cutsogeorge of the Finance Division and Denny Braud, Nan Laurence, and Mike Sullivan of the Planning and Development Department were also present to answer questions.

Councilors asked questions clarifying the information presented with a particular focus on the status and anticipated progress of unfinished projects. Councilors were generally complimentary of the progress that had been made and thanks were offered to the members of the committee, Chris Looney, Josh Burstein, Tom Kamis, David Mandelblatt, and Tamara Irminger-Underwood.

Responding to inquiries from Mayor Piercy and Mr. Zelenka, Ms. Laurence said ideas for expansion or relocation of the Farmers Market had not been resolved and more work remained to be done during the fall/winter 2012-2013. Assistant City Manager Sarah Medary said that City staff was working actively with Lane County on the space issue and exploring a number of ideas. Ms. Laurence anticipated the staff would report back on progress and solicit council input.

Ms. Ortiz asked when downtown could be deemed a success so the City would look at improvements in other areas of the community. Mayor Piercy suggested that progress on all fronts was not incompatible.

Ms. Taylor advocated for free parking on Saturdays for patrons of Saturday Market. She recalled that two lanes of Oak Street had been closed to accommodate the market in the past and that worked.

Mayor Piercy recommended that 8th Avenue be closed to accommodate Saturday Market on a trial basis so the City and the market could see how that worked. She pointed out the parking garages proximate to Saturday Market were free on Saturdays. She appreciated the citizen oversight provided by the committee.

B. WORK SESSION:
Capstone Collegiate Communities Student Housing Development Project

Senior Planner Nan Laurence and Urban Services Manager Denny Braud of the Planning and Development Department led the council through a PowerPoint presentation titled *Capstone Collegiate Communities Proposed Downtown Student Housing Project*. Councilors asked questions clarifying the details of the presentation.

Mr. Farr indicated his concerns about the project had been addressed. He emphasized the importance of student housing that was located near the University of Oregon (UO). He was excited by the potential of having more students downtown. Speaking to the proposed Multi-Unit Property Tax Exemption (MUPTE) sought by the developer, Mr. Farr pointed out the City could collect no taxes from housing provided by the University.

Mayor Piercy asked staff to consider the needs of the elderly and disabled using the bicycle path. She also asked that staff consider requiring the developer to provide air conditioning for upper story residents of Olive Plaza. She questioned if the City could require improvements to improve the functionality of the sidewalk near Olive Plaza.

Ms. Taylor said the MUPTE score did not mean the council must approve the MUPTE application. She pointed out the property in question was one of the last vacant properties in the area and suggested it could be put to a better use, like a county hospital or a youth center. She expressed concern that student housing did not meet the purpose of the MUPTE. She did not believe there was a shortage of student housing.

Ms. Ortiz was prepared to take action on the MUPTE application at this time. She said there had been many opportunities for someone else to buy the property. She believed that if someone bought a property it should be their decision about what the property could be used for. She did not know if she would support the MUPTE if the City could own the property but since that was not a possibility she recommended that the council move on.

Mr. Brown perceived no critical shortage of student housing to justify the project. He reviewed University of Oregon enrollment projections and contrasted it to available housing and noted that did not even account for other student housing projects. He did not see a need for the development. He asked if the City needed to subsidize 1,200 new beds given that the existing supply was sufficient for ten years. Mr. Brown anticipated the development would take money away from existing landlords. He did not think the project was in the public interest.

Mayor Piercy acknowledged some would never be supportive of the proposal and suggested that the council get everyone on board possible for the decision it needed to make, and if that took more time she believed the council should take it.

Mr. Clark believed the council's decision should be simple given the pending budget crisis at the County and the City's own shortfalls in funding for human services. He believed the project was a good one and would increase the property tax revenues that paid for services.

Mr. Pryor agreed with the mayor that the council should take its time.

Mr. Poling encouraged the council to avoid changing the MUPTE rules midway through the process. He said he did not consider the MUPTE score alone; he considered other factors, such as the overall community benefit of a project.

Mr. Poling recommended that the council consider a separate ordinance regarding long-term on-site management for multi-unit projects over a certain size.

Ms. Ortiz declared a potential conflict of interest due to her employment with PeaceHealth.

Mr. Zelenka noted the letter the council received from the Sustainability Commission in support of the project. The commission had recommended the council create a mechanism for accountability in regard to the green building aspect of the project. He asked how the council could assure accountability outside the MUPTE resolution. Ms. Laurence indicated that the developer's commitments could be memorialized in the resolution adopted by the council adopting the MUPTE. Assistant City Manager Medary indicated that staff could look at other technical approaches as well.

> Ms. Ortiz, seconded by Mr. Brown, moved to extend the meeting for ten minutes. The motion passed, 7:1; Ms. Taylor voting no.

Ms. Taylor emphasized the council's authority over the MUPTE. She left the meeting.

Mr. Brown feared that Capstone Collegiate Communities would sell the development as it had sold developments in other communities and would not continue to manage it. The problems occurred after the developer was gone, which heightened the importance of ensuring the developer's commitments were transferable to another party.

Mayor Piercy adjourned the meeting at 1:33 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(Recorded by Kimberly Young)