

# BUILDING A DOWNTOWN

*Downtown Eugene operates in a regional economy.* In order to maintain the economic strength of downtown, the City will take a proactive role in promoting the desired dense, high quality development and targeted investment downtown. The City will prioritize public actions that support downtown development by working closely with developers, leveraging economic tools and City-owned property to achieve desired results. The City will be poised to act on opportunities and challenges as they arise.



The office building at 10th and Mill includes high quality materials, a prominent entry, and use of public art.

## Capitalize on Development Opportunities

The City's ability to capitalize on development opportunities represents the best prospect for bringing the vision expressed in this plan to reality. This plan provides the policy framework that supports appropriate development in downtown. This plan also emphasizes the flexibility and commitment to respond to unanticipated opportunities.

As change occurs with business relocation and expansion, new development opportunities arise. The City will be responsive to the needs and opportunities that these changes represent. Many of the strongest downtown developments in the last twenty years were not predetermined in the previous plan for downtown. Examples include Broadway Place, the Shedd Institute for the Arts, LTD's Downtown Station, and the location of the new library. But the City has worked to be prepared for such opportunities, to facilitate and expand desired development downtown. **The Dozen Downtown Development Opportunity Areas map on page 45** indicates the location of some of these potential sites.

## Building Partnerships

The City cannot be a passive or isolated player in building our downtown; a proactive, collaborative, strategic focus is essential. The City will work with developers and landowners to facilitate projects that build an active, inviting, economically strong downtown. Partnerships and a collaborative work ethic are necessary within the City workforce as well. The City will strive to ensure that every level of the City organization involved in public projects or project review downtown works together in support of the vision for downtown.

The financing for High Street Terrace, a residential high-rise with ground floor commercial uses, included a Multiple Unit Property Tax Exemption (MUPTEx).





Parking remains a key economic tool in encouraging and guiding development. The Pearl Street garage includes a commercial use on the ground floor.

## Financial Tools

The targeted use of economic development tools is a key part of the City's commitment to a vital downtown. Market conditions often result in higher costs for downtown development, due to a variety of financial constraints and barriers such as assembling smaller parcels for larger projects, higher land costs, vertical and mixed-use construction costs and parking needs. However, development in the core area of the city places less impact on infrastructure and transportation systems, which is ultimately less expensive and more sustainable over the long run. Yet the viability of each individual development project is primarily driven by project cost and risk. Therefore, when the cost and complications of development downtown is greater, development will inevitably occur outside of the downtown area.

The City will strategically use collaborative and financial tools to counter these market conditions and influence the location, character and density of development. Collaborative tools focus on technical development assistance such as reviewing projects or working to promote a more favorable lending environment. These tools often have timing and cost implications, such as fast tracking permits or providing fee assistance.

Financial tools include revenue for development projects or incentives from a variety of sources, as listed below. **The Downtown Financial Tools map shown on page 46** indicates the location of those tools that are geographically based, including the urban renewal districts.

Typically, the purpose of economic tools is to close the gap between the development costs in the downtown core and development costs outside of downtown. Incentives can be used to encourage retail activity and improve the architectural

character of new or redeveloped properties. The focused use of these tools materially impacts the location and quality of development, and the image of downtown Eugene as a place to do business and to live.

### • Urban Renewal Districts

Tax increment revenue generated through the two urban renewal districts in downtown is the primary financial tool for downtown projects. This revenue can be used for a wide range of development purposes within each district, from land acquisition to renovation and façade improvements. The City's Urban Renewal District Plans include the requirements of the districts and list examples of downtown-related projects.

### • Commercial Revitalization Loans

Urban renewal revenue can be used to make loans for building rehabilitation, renovation, facade improvements, historic preservation, tenant improvements, accessibility and general property improvements within the Downtown Urban Renewal District.

### • Multi-Unit Property Tax Exemption (MUPTE)

The program offers a ten-year property tax exemption for the construction of new multi-unit rental or ownership housing within an eligible boundary.

### • Vertical Housing Development Zone

The program offers a ten-year tax exemption on mixed-use projects within an eligible boundary that include housing above ground floor commercial.

### • New Markets Tax Credits

This is a federal program that uses funds generated from tax credit sales for economic development.

### • Community Development Block Grant (CDBG)

Funds received from the federal government each year can be used for activities such as job creation, elimination of slums and blight, and accessibility improvements.



The former industrial landscape of the Agripac Cannery will be transformed by new uses.

- **HUD 108 Loan Guarantee**

This federal program allows communities to borrow up to five times their annual CDBG allocation in order to fund eligible CDBG projects.

- **Fee Assistance and Permit Fast-Tracking**

Waiving or reducing the cost of permit fees or System Development Charges (SDCs), or fast-tracking the permit process, can be used to offset the higher cost of developing downtown.

- **Revenue Bonds**

An existing revenue source (i.e. urban renewal tax increment) can be used to generate larger amounts of up-front funding that is paid back over time.

- **General Obligation Bonds**

A voter approved property tax levy is used to generate up-front funding for specific capital improvement projects.

- **Local Improvement Districts**

Infrastructure improvements such as streets and sidewalks are paid through property owner assessments.

- **Parking**

New and existing public parking can be used to assist private development downtown. Easily available parking encourages downtown business and cultural activities, and creates a positive experience and perception of downtown.

## Facilitating Development

The City's role in facilitating development is multifaceted. Planning activities, such as insuring that appropriate zoning are in place downtown, set the stage for desired development. Currently, a number of base zones and overlay zones are in place downtown, including two commercial zones, the Transit Overlay District, and the Broadway Design Standards. All zoning regulations for downtown should be reviewed to look for ways to simplify

and expedite development downtown. In addition, there are underused and vacant sites throughout downtown. Some of these parcels are not designated for commercial use in the Metro Plan, or are designated commercial but not commercially zoned. These sites, which include surface parking lots downtown, need to be redesignated or rezoned to allow for the commercial redevelopment envisioned in this plan.

## Design Quality

Well designed projects create an inviting urban experience and strengthen the overall desirability of downtown in the regional marketplace. Design quality is not dependent on a particular architectural style. It requires an understanding of the elements of buildings necessary to create public spaces that contribute to urban vitality and civic life. Successful project designs typically demonstrate the following principles:

- Use high quality materials, particularly on the first floor;
- Incorporate works of public art;
- Promote active first floor uses;
- Provide prominent entries facing public streets;
- Place buildings close to the sidewalk;
- Respect the context and character of adjacent historic buildings.

Design standards are currently in place in the Land Use Code for commercial and multi-family residential projects. Incentives may be needed to assist high quality development in downtown. Examples include a loan fund for awnings, outdoor seating, historic renovation, or additional streetscape amenities.

## Policies

1. Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
2. Use downtown development tools and incentives to encourage development that provides character and density downtown.
3. Facilitate downtown development by re-designating and rezoning underutilized properties, such as surface parking lots, to a commercial land use designation and a commercial zone such as C-2 or C-3.

## Implementation Strategies

- A. Facilitate desired development by providing financial incentives and resources.
- B. Amend the Riverfront Research Park Urban Renewal Plan to expand the boundaries and extend the district's life. Use it to facilitate desired development, particularly in the courthouse and riverfront areas.
- C. Expand the use of revenues in the Downtown Urban Renewal District in order to provide financial tools and incentives for desired development within the district.
- D. Establish a new Downtown Urban Renewal District to better capitalize on commercial and housing development opportunities in the areas immediately outside of the existing core-area downtown urban renewal district, and between the downtown core and the emerging courthouse development area.
- E. Develop a differential city fee structure or subsidy of fees for downtown development.
- F. Perform a regulatory audit to identify impediments to achieving higher density, mixed-use development and redevelopment downtown.
- G. Identify and facilitate infrastructure improvements as a public incentive for private development.

- H. Create a single zone to unify the downtown core, including the new Federal Courthouse and riverfront areas. Consider amendments to an existing commercial zone, such as C-2 or C-3, and overlay zones such as/TD, /ND, and the Broadway Overlay Zone.

## Projects

Examples of possible projects that address the implementation strategies:

- Provide incentives for the redevelopment of the vacant Bon Marche/Symantec building and vacant Centre Court building.
- Promote dense, mixed-use developments on the surface parking lots located at Broadway and High Street and Broadway and Pearl Street.
- Issue request for proposals for purchase and development of the City-owned property adjacent to the new Federal Courthouse site.
- Provide incentives for façade improvements and redevelopment of retail spaces on Broadway between Willamette Street and Charnelton Street.
- Work with private property owners towards the redevelopment of the commercial warehouses on 8th Avenue in the courthouse area.



The Federal Courthouse on 8th Avenue will be a catalyst for redevelopment of this area of downtown.