

GREATER DOWNTOWN SERVICES

Service Description

Greater Downtown Services strives to reinforce downtown Eugene as the cultural, economic and government center for the region. "Greater Downtown" includes the areas covered in the Downtown Plan and the City's two urban renewal districts. With the goal of enhancing the vitality of downtown, a broad range of services are provided, including management of two Urban Renewal Agency districts, administration of downtown development incentives, development assistance, planning support for downtown, and management of contracts related to downtown services and facilities.

Management of the Downtown Urban Renewal District and the Riverfront Urban Renewal District is a primary service. The districts generate tax increment and other revenue that is reinvested in projects within the districts that support both urban renewal plans and the Downtown Plan. Administration of a revitalization loan program occurs within the downtown urban renewal program. The Eugene City Council serves as the Urban Renewal Agency Board of Directors.

Greater Downtown Services also provides planning support and development assistance for projects related to the implementation of the Vision for Greater Downtown Eugene and the Downtown Plan. Both private and public projects are included in the areas of housing, commercial, retail, public facilities, and infrastructure. Two tax exemption programs: Multi-Unit Property Tax Exemption (MUPT) and the Vertical Housing Development Zone support housing and mixed-use development. Contracts related to the provision of public safety services and public space management within the Downtown and West University services districts are also included in this service category.

On-going service objectives include encouraging the development of new downtown housing, redevelopment of vacant commercial and retail properties, and support for public facilities and infrastructure. Specific project objectives include redevelopment within the new federal courthouse area, site assistance related to a downtown hospital, redevelopment of the Sears building site for the Oregon Research Institute, and revitalization of the properties along the reopened portion of Broadway and Willamette.

The total service budget for FY05 is \$840,291, with \$295,119 coming from the Urban Renewal General Fund, \$366,217 coming from Downtown and West University service district fees, and the remainder associated with the

lease of commercial space in the parking program. The service is staffed by 1.58 FTE.

Historic Perspective

- 1968 Downtown Urban Renewal Plan approved.
- 1970 Pedestrian mall constructed.
- 1984 Downtown Plan adopted.
- 1984 Hult Center opened
- 1985 Riverfront Research Park Urban Renewal District approved.
- 1996 Willamette Street reopened and Broadway Plaza re-constructed.
- 1997 US Bank Building opened
- 1998 Downtown Urban Renewal District revenues directed to construct a new downtown library
- 1998 LTD Eugene Station completed
- 1998 High Street Terrace apartments opened
- 1999 Broadway Place mixed-use project opened
- 2002 Eugene Public Library opened
- 2002 Broadway reopened to traffic between Oak and Charnelton
- 2003 Council approves "tools" to assist downtown including Multi-Unit Housing Property Tax Exemption and Vertical Housing Tax Exemption, and downtown loan programs
- 2003 Aurora Apartments at 11th and Oak, opened
- 2004 Riverfront Urban Renewal Plan updated, with a geographic expansion and extension of the plan's term
- 2004 Downtown Plan update adopted
- 2004 Eugene Redevelopment Advisory Committee (ERAC) established
- 2004 Wayne Morse Federal Courthouse groundbreaking
- 2004 Central Eugene (Downtown) Urban Renewal Plan updated and eligible activities expanded

Citizen Involvement

The City Council acts as the Urban Renewal Agency Board. The Budget Committee represents the public interest in reviewing the annual budget for this service. The Eugene Redevelopment Advisory Committee (ERAC) provides guidance for urban renewal activities.

Customer Input

The Greater Downtown service staff receives feedback from their customers through a variety of formal and informal methods. These include advice from the Eugene Redevelopment Advisory Committee (ERAC), The Loan Advisory Committee, direct phone calls, communications to City Council and through the PSO, letters, e-mail communications, news media, contacts from

specific business customers such as Downtown Eugene Inc. (DEI), Eugene in Common (EIC) and one-on-one dialogues. Additionally, the City of Eugene Community Survey contains questions concerning citizen satisfaction with City support for and development of the greater downtown area.

Mission

Our mission is to reinforce downtown as the economic, cultural and governmental focus of the region by developing and supporting projects that increase density, foster business vitality, and promote downtown's attractiveness as an active, inviting, economically strong urban center.

Outcomes

- A well-managed, vibrant downtown.
- Compact growth consistent with growth management policies.
- Vitality in the greater downtown area.
- Redevelopment in the Downtown and Riverfront Urban Renewal areas, including the federal courthouse area.
- A healthy business climate.
- Private investment to redevelop vacant and underutilized sites for housing, commercial, retail and mixed use purposes.
- Public infrastructure that promotes long-term downtown health.
- Increased assessed valuation in the greater downtown area.

Operating Principles

- Focus services on our customers in support of the vision and policies and strategies in the Downtown Plan.
- Operate efficiently, cost effectively, and act with integrity in all things.
- Strive for excellence and continually seek improvement.
- Collaborate with others internally and externally.
- Treat all people with mutual respect, equitably and fairly.
- Be flexible and willing to change.
- Communicate openly and listen effectively.
- Be strategic and proactive to accomplish our mission.

Current Operating Environment

External Trends

Interest in the Riverfront Area

There is increasing interest in private sector investment in the areas of downtown closer to the Willamette River. McKenzie-Willamette Hospital is negotiating to purchase EWEB property for a new hospital and the U of O bookstore is pursuing development of their property across from the new federal courthouse.

Increased Market Interest in Downtown Housing

There is an increasing demand for downtown housing. The Tiffany Building, High Street Terrace, Broadway Place, Aurora Building, Ya Po Ah Terrace, Eugene Hotel, Washington Abbey, Lincoln Terrace and Olive Plaza are all examples of multiple unit housing that operate with very low vacancy rates. Additionally, the Tate Condominiums are proposed to begin construction in 2005. Despite the recent demand, the economics of new housing construction have created significant perceived risks associated with market-rate new construction in the core area.

Downtown Business Climate

While the retail vacancy rate has declined four years in a row to 6.85% (the lowest level in at least 18 years) the downtown office vacancy rate is currently at 24.88% (the highest level in at least 18 years). However, 91% of the office vacancies are in six structures, and are primarily large spaces. The cost and availability of convenient parking is an impediment to the financial success of the core of downtown, when compared to development sites further away from the heart of the city. No significant changes are anticipated in the next 2-3 years. (Source: Duncan & Brown Appraisers, Spring 2004)

Despite the vacancy rates, there has been increased activity in larger downtown investments. These include the new library, Aurora Building, the 10th and Mill building, the Heron Building, the remodeled AMTRAK station and the proposed ORI building.

Downtown as a Growing Center for Entertainment, Education, and Festivals

The Hult Center, The Shedd, McDonald Theater, WOW Hall, and a variety of smaller theaters and music venues regularly draw increasingly significant numbers of patrons to the downtown area. Lane Community College, Pacific University, WINGS, the Baker Center and specialty schools such as Downtown English and Dance schools, further contribute to the importance of downtown as a center for arts and education. Additionally, the Eugene Celebration, Bach Festival and the Oregon Festival of American Music draw thousands of guests from out of town, resulting in customer support for art galleries, restaurants and shops. The Downtown Initiative for the Visual Arts (DIVA) hopes to establish a museum downtown. There is also increased interest in attracting a downtown movie theater.

Downtown Safety – A Safe and Inviting Civic Center

For many years downtown had a reputation as a gathering place for people who behaved in ways that were counter to the business nature of the area.

While problems still exist, there has been a dramatic decrease in large groups congregating. People's perceptions of downtown have improved. The downtown pedestrian mall was replaced with streets, the Park Blocks are programmed more often with Saturday Market, Farmers Market and push carts selling food. While perceptions have improved, staffing shortages have resulted in reductions in the police foot patrol and Downtown Guides.

Internal Conditions

Increased City Support and Confidence in Downtown

The adoption of the new Downtown Plan, The Riverfront and Downtown Urban Renewal Plan Amendments, and new incentives, including commercial loan programs and property tax exemptions for housing demonstrate substantial public support for implementing the Vision for a Greater Downtown. The Central Area Transportation Study (CATS), updated in 2004, will soon result in additional two-way streets and Bus Rapid Transit. As a result of the strong policy support, there is an increased cooperation among City departments to implement recommendations. The City's Cultural Services Division has become a significant booster of live entertainment downtown.

Unfortunately, the City General Fund budget is limited and the Riverfront Renewal District has very limited resources to allocate. The result is that the City will not have the financial resources to support some development ideas.

Downtown City Facilities

The City is committed to building an improved and enlarged police headquarters. Voters recently rejected a proposal to fund office space for domestic violence services and other activities to support the Civic Center. Alternative funding will be explored in the future. A new fire station is under construction at 13th and Willamette. Council and staff are exploring the replacement or expansion of City Hall.

Performance Measures

Core Processes

Create and support greater downtown private investment and business vitality

- Assessed value of taxable property in the downtown area.
- Work with Police and the DEI Downtown Guides to create a safer downtown.
- Projects under construction or completed

Plan for the Greater Downtown area

- Pedestrian traffic counts to measure the intensity of uses downtown.
- Planning and policy actions that improve the framework for desired development.

Improve infrastructure and facilities for the Greater Downtown area

- Acquisition and disposition of properties
- Investment of urban renewal funds in infrastructure and utilities.

Total System

Effectiveness

- Annual downtown office and retail vacancy rates.
- Approximate annual private investment in downtown.

Efficiency

- Amount of private investment leveraged by public dollars (Dollars of private investment per agency dollar invested).

Financial

- Total private investment (as measured by assessed value of property in greater downtown area).
- Assessed value of property in the two renewal districts.

Customer Satisfaction

- Percent of citizens who are satisfied or very satisfied with downtown, as reported in the City's annual community survey.

Strategies

Strategy 1:

Promote downtown vibrancy (active retail, restaurants, and entertainment venues) consistent with the Downtown Plan and Growth Management Policies.

Objective:

Increase pedestrian traffic counts by stimulating more activities and business downtown that contributes to the vitality of the area, through the use of recently adopted "tools," including the use of urban renewal funds for loans and public infrastructure. (To be measured by pedestrian traffic counts)

Strategy 2:

Promote downtown density consistent with the Downtown Plan and Growth Management Policies

Objective:

Stimulate more intense development of downtown property through the use of recently adopted "tools," including property tax exemptions for housing and the use of urban renewal funds for loans and public infrastructure. (To be measured through an annual evaluation of permit and construction activity)

Work Activities:

- Support the Wayne Morse Federal Courthouse completion by the end of 2007.
- Provide support for the transportation improvements related to the

- Federal Courthouse.
- Work with private landowners in the courthouse area to support new compatible development.
- Provide needed support to locate a hospital in downtown by 2008.
- Transfer the Sears site and complete needed alley vacations to assist the Oregon Research Institute to locate downtown.
- Provide active support, as needed, to locate new development

- downtown, particularly along the “great streets.”
- Collaborate with other City departments to implement the Civic Center concept.
- Administer downtown “tools” to assist development
- Implement a downtown directional sign program

