Eugene Planning Commission

AGENDA

Meeting Location:
Sloat Room—Atrium Building
99 W. 10th Avenue
Eugene, OR 97401

Phone: 541-682-5481
www.eugene-or.gov/pc

The Eugene Planning Commission welcomes your interest in these agenda items. Feel free to come and go as you please at any of the meetings. This meeting location is wheelchair-accessible. For the hearing impaired, FM assistive-listening devices are available or an interpreter can be provided with 48 hour notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hour notice. To arrange for these services, contact the Planning Division at 541-682-5675.

MONDAY, MAY 9, 2016 – REGULAR MEETING (11:30 a.m.)

11:30 a.m. I. PUBLIC COMMENT

The Planning Commission reserves 10 minutes at the beginning of this meeting for public comment. The public may comment on any matter, **except for items scheduled for public hearing or public hearing items for which the record has already closed.** Generally, the time limit for public comment is three minutes; however, the Planning Commission reserves the option to reduce the time allowed each speaker based on the number of people requesting to speak.

11:40 a.m. II. URBAN RENEWAL

Lead City Staff: Amanda Nobel Flannery, 541-682-5535
amanda.nobelflannery@ci.eugene.or.us

1:15 p.m. III. ITEMS FROM COMMISSION AND STAFF

A. Other Items from Staff
B. Other Items from Commission
C. Learning: How are we doing?

Commissioners: Steven Baker; John Barofsky; John Jaworski (Chair); Jeffrey Mills; Brianna Nicolello; William Randall; Kristen Taylor (Vice Chair)

AGENDA ITEM SUMMARY
May 9, 2016

To: Eugene Planning Commission

From: Amanda Nobel Flannery, City of Eugene Community Development Division

Subject: Downtown Urban Renewal District Proposed Plan Amendment & Accompanying Report

ISSUE STATEMENT

This work session is an opportunity for the Planning Commission to review the Downtown Urban Renewal District proposed plan amendment and provide feedback.

BACKGROUND

On March 14, 2016, City Council, acting as the Urban Renewal Agency Board of Directors, started a process to amend the Downtown Urban Renewal Plan as a funding option for a package of downtown projects: creation of a high-speed fiber network downtown, Park Blocks/open space improvements, an improved space for the Farmers' Market, and redevelopment of the old Lane Community College (LCC) building at 1059 Willamette Street. The proposed amendments would 1) increase the spending limit (maximum indebtedness) to cover the four specific projects and 2) expand the District boundary to incorporate the eastern Park Block and the City Hall block. The Planning Commission is asked to review the proposed Downtown Urban Renewal Plan (Attachment A) and accompanying report (Attachment B).

The existing Downtown Urban Renewal Plan (Attachment C), which was last amended in 2010, provides for termination of the Downtown District after sufficient funds have been accumulated to pay for the projects contained therein. This depends on future tax revenues and the current expectation is that sufficient funds will be received by December 2016.

On December 14, 2015, Council directed the City Manager to schedule a work session to inform the Council on the downtown high-speed fiber project and improved Park Blocks and all the mechanisms available for funding these projects. On January 11, 2016, Council discussed the two projects and gave feedback on the scope to inform the January 20 work session on funding mechanisms.

At the January 20 work session, Council discussed a variety of funding options and requested follow-up information that was subsequently provided at the January 27 work session. On February 8, Council provided direction to the City Manager to present to the Agency Board for its

review a proposed amendment to the Downtown Urban Renewal Plan that would increase the spending limit to pay for:

- creation of a high-speed fiber network downtown,
- Park Blocks/open space improvements,
- a permanent, improved space for a possible year-round Farmers' Market, and
- redevelopment of the old LCC building at 1059 Willamette Street.

Council also requested a recommended alternative to the Downtown Urban Renewal funding option.

The Urban Renewal Agency Board reviewed a draft amendment and alternative funding option on March 14 and voted to forward the proposed amendments to the Planning Commission and the overlapping taxing districts, and requested a public hearing on the proposed amendments. The public hearing is scheduled for May 23.

Proposed Downtown Projects:

High-Speed Fiber – Creation of a high-speed fiber network downtown will reduce costs and increase telecommunications speed to support existing businesses and new businesses. High-speed fiber supports employment growth and attracts new investments downtown. The service would also support the City, Lane Community College, Lane County, Lane Council of Governments, and 4J and Bethel School Districts.

Improved Space for Farmers' Market – Improvements to the Park Blocks along 8th Avenue, or another downtown site, will make the location more attractive, functional, and permanent for a possible year-round Farmers' Market. The Lane County Farmers' Market is a cornerstone of downtown activity and one of the most significant public events in the city.

Lane Community College (LCC) Old Building – LCC is assessing interest and potential reuses for its former education facility at 1059 Willamette Street. Recent discussions included creating a multi-tenant facility that could house uses such as maker space, co-working space, wet labs, and affordable business startup and art incubation space. Redevelopment of the vacant 66,000 square feet building would require extensive renovations.

Park Blocks & Open Space Improvements – A broad public engagement effort would collect input from the community on their hopes and vision for the Park Blocks and other downtown open spaces (i.e. Hult Center Plaza, Broadway Plaza, and the new City Hall Plaza). Specific improvements could include more restrooms, lighting, seating, signage, security, paving, or landscaping.

The City's goal of building on downtown momentum, creating jobs, and boosting our local economy requires public support. Using Downtown Urban Renewal is a form of public support that does not impose a new tax; it redistributes taxes from the City, County, and schools to focus on projects within downtown. (Schools are compensated by the State for nearly all the forgone revenue; 4J's local option levy which would continue to generate an additional $360,000 due to changes in tax rate limits.) The four projects included in the draft amendment to the Downtown Urban Renewal Plan are aimed at improving public infrastructure to spark

increased private investment in our community, while creating new jobs, supporting redevelopment of LCC's vacant building at 1059 Willamette Street, and benefiting the community by helping create a vibrant downtown. The projects would support a sustainable local economy by focusing on local jobs, local food production, and high quality public spaces.

Plan Amendment

To use urban renewal funds for these projects, the City must adopt an ordinance amending the Downtown Urban Renewal Plan to increase the spending limit and expand the boundary. The current spending limit of $46.6 million has nearly been spent, with the bulk spent on the Downtown Library, LCC's Downtown Campus on 10th Avenue, and downtown public safety (using urban renewal funds to pay off the debt on the Broadway Place garages, thereby freeing up dollars for safety). The amendments would 1) increase the spending limit by up to an additional $48 million to cover the four projects and 2) expand the district boundary by 10% (seven acres) for the Park Block improvements and potential improvement to the City Hall block for City Hall Plaza or other open space enhancements.

Increasing the spending limit is necessary to allow the Agency to spend tax increment dollars on additional projects. ***Adopting a spending limit figure does not authorize or obligate the Agency to enter into debt.*** Rather, it allows the current and future Agency Boards to have the ability to fund projects over time, either with cash or by issuing debt. Each project will require subsequent approval by the Agency Board.

Attachment A is a proposed amended plan. Attachment B is the draft accompanying report that describes, among other things, the financial impact of the plan. City Council would like feedback on a possible range of spending for the projects of up to an additional $48 million. Because elements of each project are yet to occur (e.g. design engineering for fiber, public engagement for Park Blocks/open space, property negotiations for Farmers' Market, and LCC's project scoping), there is a range of opportunities within each project. Attachment C is the existing Downtown Urban Renewal Plan, which was last amended in 2010.

NEXT STEPS

The proposed plan and accompanying report were sent to the overlapping taxing districts for comment and are available for community review prior to the public hearing in May and action on the ordinance amending the plan in June. (The plan amendment process is provided in Attachment D.) A public notice was mailed to all property owners within the city provided information on the proposed amendments, public hearing date, and ways to get more information.

By starting the process, Council has not committed to enacting the proposed amendments. Circulating the plan amendment to the various groups allows for input to the Council on the possibility of making proposed amendments to the plan. Council has the authority to adopt plan amendments that differ from the ones circulated to the public. Given time constraints, however, Council circulated a broad list of projects and spending to consider and can then

refine or narrow the list based on input (rather than *adding* projects and spending, which could require additional time for recirculating that is not available in the plan amendment timeline).

OPTIONS

1. Recommend that the City Council approve the amended plan
2. Recommend that the City Council approve the amended plan with modifications
3. Recommend that the City Council not approve the amended plan
4. Decline to make a recommendation to City Council

STAFF RECOMMENDATION

None

SUGGESTED MOTION

None

ATTACHMENTS

A. Proposed Downtown Urban Renewal Plan
B. Report on the Proposed Downtown Urban Renewal Plan
C. Existing Downtown Urban Renewal Plan
D. Timeline for Proposed Downtown Urban Renewal Amendment Process

FOR MORE INFORMATION

Contact Amanda Nobel Flannery at 541-682-5535, amanda.nobelflannery@ci.eugene.or.us

Urban Renewal Plan for the Downtown Urban Renewal District

Adopted July 1968
- Modified -
December 1968
December 1989
June 1998
September 13, 2004
May 24, 2010
_____, 2016

Urban Renewal Agency of the City of Eugene, Oregon

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URBAN RENEWAL PLAN FOR THE
DOWNTOWN URBAN RENEWAL DISTRICT

Table of Contents

Section 100 – Introduction - 2 -
Section 200 – Definitions - 2 -
Section 300 – Legal Description - 3 -
Section 400 – Goals and Objectives - 3 -
A. GOALS - 3 -
B. OBJECTIVES - 4 -
Section 500 – Land Use Plan - 4 -
Section 600 – Urban Renewal Projects - 5 -
A. PUBLIC PARKS, PUBLIC PLAZAS, PUBLIC REST ROOMS, PUBLIC OPEN SPACES, AND STREETS - 5 -
B. PUBLIC UTILITIES: High-Speed Fiber - 6 -
C. OTHER PUBLIC FACILITIES: Old LCC Building - 7 -
D. PROJECT DELIVERY AND ADMINISTRATIVE ACTIVITIES - 7 -
E. EXISTING ACTIVITIES - 8 -
Section 700 – Methods for Financing the Projects - 8 -
Section 800 – Annual Financial Statement Required - 8 -
Section 900 – Community Member Participation - 8 -
Section 1000 – Non-Discrimination - 9 -
Section 1100 – Recording of this Plan - 9 -
Section 1200 – Procedures for Changes or Amendments - 9 -
A. TYPE ONE AMENDMENT – SUBSTANTIAL CHANGE REQUIRING SPECIAL NOTICE - 9 -
B. TYPE TWO AMENDMENT – SUBSTANTIAL CHANGE NOT REQUIRING SPECIAL NOTICE - 9 -
C. TYPE THREE AMENDMENT – MINOR AMENDMENT - 10 -
D. AMENDMENT TO THE CITY'S COMPREHENSIVE PLAN OR ANY OF ITS IMPLEMENTING ORDINANCES - 10 -
Section 1300 – Duration and Validity of Approved Plan - 10 -
A. DURATION OF THE PLAN - 10 -
B. VALIDITY - 10 -
Section 1400 – Maximum Indebtedness - 11 -
Section 1500 – Formal Matters - 11 -
PLAN EXHIBIT A: Plan Area Map - 12 -
PLAN EXHIBIT B: Plan Area Description - 13 -

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I. ADOPTION

Resolution Number	Date	Purpose
Resolution No. 257	7/3/1968	Adoption of the Urban Renewal Plan for the Central Eugene Project (the Plan).

II. AMENDMENTS

Amendment Number	Date	Purpose
Resolution No. 1609	12/19/1968	o Modified the Plan to allow for additional projects as required by HUD to receive additional federal funds.
Ordinance No. 19648	11/8/1989	o Aligned the Plan with Metro Plan policies: strengthen the area's position as a regional service center, maintain the Eugene central business district as a vital center, incorporate principles of compact urban growth, encourage retail and commercial development in the downtown area, and promote the development of parking structures in the downtown core. o Expiration set for FY10.
Ordinance No. 20120	6/1/1998	o Responded to Measure 50 to a) include a maximum amount of indebtedness and b) select Option 1 for the city-wide special levy as the method for collecting ad valorem property taxes for payment of debts related to urban renewal projects. o Limited expenditure of new funds to completing existing projects and construction of a new main library. o Removed the business assistance loan program. o Approved a plan to reduce district administration costs over the following three years.
Ordinance No. 20328	9/13/2004	o Expanded the projects for which tax increment funds could be used o Created a public advisory committee o Added the requirement for specific Agency approval of projects greater than $250,000 (other than loans), and adding a limit of $100,000 on the mandate for a public hearing in the event of a plan change (applies to minor amendments that can be approved by the URA without ORS 457.095 approval – Section 1200, C of the 2004 Plan). o Added the Downtown Revitalization Loan Program (DRLP). o Expiration set for 2024.
Ordinance No. 20459	5/24/2010	o Limited scope of two previously approved projects, removed the ability to initiate all other previously approved projects, and authorized one new project expenditure of new funds to completing existing projects and construction of a new main library. o Except for the three projects and existing projects previously approved no initiation of additional projects. o Expiration upon the repayment or defeasance of debt related to the urban renewal projects specifically identified in the Plan.

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URBAN RENEWAL PLAN FOR THE
DOWNTOWN URBAN RENEWAL DISTRICT

Section 100 – Introduction

The Downtown Urban Renewal Plan was revised in 2016 to expand a previously approved project and to authorize several new projects. The previously approved project is "Public Parks, Public plazas, Public Rest Rooms, Public Open Spaces, and Streets: Park Blocks Improvements for the Farmers' Market", which will be expanded to fund improved parks and plazas throughout the Plan Area, including improvements to the Park Blocks for overall community use, to support the continued use for the Saturday Market, and to improve the area for the Farmers' Market. The new projects are "Public Utilities: High-Speed Fiber" for the implementation plan costs that benefit the Plan Area, "Other Public Facilities: Old Lane Community College Building" for the redevelopment of the now vacant school building. Except for these projects, the Agency will not initiate additional projects to be funded with tax increment dollars after the date of this 2016 Amendment.

Upon the repayment or defeasance of debt related to the urban renewal projects specifically identified in the Plan, as amended by the 2016 Amendment, the Downtown Urban Renewal District will cease collecting tax increment dollars, any unused tax increment funds will be returned to Lane County for redistribution to overlapping taxing districts, and the City Council will determine how to close out the Plan.

Section 200 – Definitions

The following definitions will govern this Plan.

2016 Amendment means the update to the Plan that was completed in 2016.

Agency means the Urban Renewal Agency of the City of Eugene.

Butterfly Parking Lot means the property on the northwest corner of 8th Avenue and Oak Street that is owned by Lane County and in use as a two-level parking structure.

Downtown Plan means the Eugene Downtown Plan as adopted by the Eugene City Council in 2004 as a refinement of the Eugene Springfield Metropolitan Area General Plan.

Eugene Fiber Implementation Plan means the plan to extend the municipal high-speed fiber network to downtown buildings and establish the high-speed connection between local and regional internet exchanges.

High-Speed Fiber means the portion of the Eugene Fiber Implementation Plan that is located within the Plan Area and that benefits the Plan Area.

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Old LCC Building means the 66,000 square foot building at 1059 Willamette Street owned by Lane Community College and vacated in January 2013 when the new Lane Community College Downtown Campus opened on 10th Avenue and Olive Street.

Plan means this Urban Renewal Plan for the Downtown District.

Plan Area means the property included in the Downtown Urban Renewal District as more fully described in Section 300.

Projects means only the urban renewal projects that are listed in Section 600 of the Plan, as amended by the 2016 Amendment.

Tax Increment Financing means a method of financing urban renewal projects as authorized by ORS Chapter 457.

Willamette to Willamette Initiative means the collection of projects focusing on infrastructure and activity along 8th Avenue to and from the Willamette River.

Section 300 – Legal Description

The Downtown Urban Renewal District includes an area of approximately 77 acres. The Plan Area includes all of the land within the boundaries designated on the map attached as Plan Exhibit A and described as containing all lots or parcels of property, situated in the City of Eugene, County of Lane, State of Oregon, bounded generally as described in Plan Exhibit B.

Section 400 – Goals and Objectives

A. GOALS

The goals of the Plan are to:

1. Improve the function, condition, and appearance of the Plan Area through:
    a. Infrastructure improvements to parks, plazas, and open space, including the Park Blocks, to provide an inviting civic space aligned with the Willamette to Willamette Initiative, better opportunities for the Farmers' Market, and inviting and accessible connections between the parks, plazas and open space;
    b. Funding of critical utility high-speed fiber;
    c. Redevelopment of the Old LCC Building;

2. Eliminate blight and blighting influences;

3. Strengthen the economic conditions of the Plan Area; and

4. Enhance downtown's role as the regional economic, governmental, and cultural center and a central location for public and private development and investment.

B. OBJECTIVES

Development in the Plan Area has been intended to implement the adopted policies contained in the Downtown Plan and to develop downtown as the heart of a livable, sustainable city. The objectives for the Plan are to ensure that:

1. The parks, plazas and open space provide inviting civic spaces:
    a. Benefit the community overall to bring even more community members into the Plan Area and allow for accessibility and connectivity between the public spaces,
    b. Farmers' Market can continue to bring hundreds of community members into the Plan Area, and
    c. Benefit downtown, as athletes, visitors, media and local residents are in the center of our city for the World Track and Field Championships in 2021;

2. High-speed fiber can:
    a. Increase internet speed for lower monthly costs;
    b. Increase the competitiveness of the existing technology sector, which will increase the number and size of technology businesses and related jobs, in accordance with the Regional Prosperity Economic Prosperity Plan;
    c. Reduce costs and increased telecommunications speed for City, Lane Community College, Lane County, Lane Council of Governments (LCOG), 4j and Bethel school districts; and
    d. Lower the cost of telecommunications service for residential buildings inside the Plan Area and at least two existing affordable housing projects within one block of the Plan Area;

3. Redevelopment of the Old LCC Building will transform a large, vacant building adjacent to Lane Transit District into an active use contributing to downtown vitality;

Section 500 – Land Use Plan

The use and development of all land within the Plan Area shall comply with the regulations prescribed in the City's comprehensive plan, zoning ordinance, subdivision ordinance, City charter, or any other applicable local, State or Federal laws regulating the use of property within an urban renewal area.

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Section 600 – Urban Renewal Projects

To achieve the objectives of this Plan, the Agency may incur indebtedness to finance the following urban renewal projects, and no others, and may pay that indebtedness with tax increment funds:

A. PUBLIC PARKS, PUBLIC PLAZAS, PUBLIC REST ROOMS, PUBLIC OPEN SPACES, AND STREETS

Former Section 600 A of the Plan authorized the Agency to participate in funding infrastructure improvements to the Park Blocks in order to make that location more attractive and functional for the Farmers' Market. Beginning with the effective date of the 2016 Amendment, the Agency will also be able to use tax increment funds to improve any public parks, public plazas, rest rooms, open spaces, and streets within the Plan Area. The Agency may spend tax increment funds on infrastructure improvements to these elements that may include the design, acquisition, construction or rehabilitation of public spaces, or parks or public facilities within the Plan Area, including but not limited to landscaping, walkways, plazas, accessibility improvements, lighting, furniture, and art. A portion of that total may also be spent on changes to the surrounding streets (e.g. 8th Avenue and Oak Street), reincorporating the site of the Butterfly Parking Lot as part of the historic four corners of the Park Blocks, and connecting the public spaces as part of the Willamette to Willamette Initiative. (The planning work was started in the fall of 2015 and is a more comprehensive way of looking at the Park Blocks and 8th Avenue; how they fit into the bigger vision for connecting downtown to the river, and creating a fabulous public realm downtown.)

Council Question 1 – What scope for the park blocks improvements?

- OPTION A: spruce up
- OPTION B: minimum blank slate
- OPTION C: blank slate

Council Question 2 – What scope for the open space improvements?

- OPTION 1: minimal lighting and benches
- OPTION 2: park blocks plus
  a) Broadway Plaza
  b) Hult Plaza
  c) City Hall Plaza
  d) Connections between the spaces (lighting, furniture, art)

Council Question 3 – Should the boundary be expanded?

- OPTION 1: expand to include East Park Block area
- OPTION 2: expand to cover the City Hall Block so that it's a possible location for Farmers' Market and/or so City Hall Plaza could be enhanced
- OPTION 3: keep boundary as it is and only improve the west Park Block

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Community Engagement: The project will begin with asking the community about their aspirations and vision for our town square, as well as a needs assessment in our growing downtown neighborhood. The results of that work could likely necessitate a placemaking plan (focusing on uses, amenities, activities and pathways) and a management plan (focusing on operations) to illustrate and implement the community vision. The geographic area could be limited to the Park Blocks or have a broader approach as "Park Blocks Plus," which could include other key downtown open spaces: Hult Plaza, Broadway Plaza, the plaza at the new City Hall [if added to the Plan Area boundary], the new riverfront park, and the pedestrian path system in between these places. If the scope extends beyond the Plan Area, other sources of funds will contribute to the cost.

Implementation: Implementation would be based on the community engagement results as approved by the Agency Board through its regular course of business in the budget process. It could include implementation of components of the 2006 Master Plan for the Park Blocks, which focused on changes to all surrounding streets and reincorporating the southern half of the Butterfly Parking Lot; removing barriers on the southeast and southwest Park Blocks, which was not part of the 2006 Master Plan; and building a permanent structure for the Farmers' Market. If the Butterfly Parking Lot/Park Blocks is not feasible, the Agency may improve/purchase another location within the Plan Area for the Farmers' Market.

Other downtown open space projects that are not yet developed, but that are vetted through the community engagement project and approved by the Agency Board would also be eligible for implementation.

B. PUBLIC UTILITIES: *High-Speed Fiber*

The Agency may assist with the Eugene Fiber Implementation Plan to extend the municipal high-speed fiber network to downtown buildings and to establish the high-speed connection between local and regional internet exchanges for costs attributable to the Plan Area.

Installing Downtown Fiber: The 2013 City of Eugene Broadband Strategic Plan identified the development of a downtown fiber network as a strategic goal. After completion of the Strategic Plan, City staff worked with Lane Council of Governments (LCOG) and the Eugene Water and Electric Board (EWEB) on a successful pilot project, to test the feasibility of implementing a downtown network. The City, EWEB, and LCOG identified a workable method to connect several commercial buildings by running fiber optics cables through existing electrical conduit. With LCOG, EWEB, and the Technology Association of Oregon, the Fiber Implementation Plan a) calls to construct fiber connections to additional downtown buildings and b) includes the costs and benefits of leasing a publicly operated connection from a local internet connection point to large, regional internet exchanges in Portland and San Jose, California.

High-speed fiber will serve and benefit the Plan Area because: (1) Existing businesses and new businesses benefiting from the high speed and competitive cost will grow employment

and attract new investments to the Plan Area; (2) housing residents will have an added benefit for living within in the Plan Area; and (3), and public agencies within the Plan Area will have reduced costs and increased telecommunication speed for City, Lane Community College, Lane County, and LCOG.

C. OTHER PUBLIC FACILITIES: *Old LCC Building*

The Agency may fund redevelopment of the Old LCC Building, which may include housing or activities that advance the Regional Prosperity Economic Development Plan (e.g. an innovation center with maker space, wet lab, or art/tech incubator). The building will benefit the Plan Area by increasing public usage of the area and stimulating additional public and private investment. This work would include Lane Community College and could include collaboration with others.

D. PROJECT DELIVERY AND ADMINISTRATIVE ACTIVITIES

Many of the Agency's project delivery and administrative activities are provided through a contract between the City of Eugene and the Agency dated June 15, 2004.

1. The Agency may retain the services of independent professional people or organizations to provide project delivery administrative or technical services such as:
    a. Project management;
    b. Preparation of market, feasibility, or other economic studies;
    c. Public engagement;
    d. Preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies;
    e. Preparation of property acquisition appraisals;
    f. Provision of special rehabilitation, restoration, or renovation feasibility and cost analysis studies;
    g. Provision of legal, debt issuance, accounting or audit services;
    h. Assistance with preparation of the annual financial report required under Section 800 of this Plan and the financial review required under Section 900 of this Plan; and
    i. Support ongoing investments within the Plan Area (e.g. potential new businesses, existing businesses with expansion, dealing with safety issues).

2. The Agency may acquire, rent, or lease office space and office furniture, equipment, and facilities necessary for it to conduct its affairs in the management and implementation of this Plan.

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3. The Agency may invest its reserve funds in interest-bearing accounts or securities authorized under ORS 294.

4. The Agency may borrow money, accept advances, loans, or grants from any legal source, issue urban renewal bonds and receive tax increment proceeds as provided for in Section 700 of this Plan.

E. EXISTING ACTIVITIES

The Agency may complete urban renewal projects authorized prior to the 2016 Amendment (for example, the Farmers' Market improvements, the Broadway Commerce Center and Woolworth Building projects at Willamette and Broadway, and downtown lighting).

The Agency also may continue to operate the Downtown Revitalization Loan Program. All dollars loaned must come from program revenue and not from tax increment funds.

Section 700 – Methods for Financing the Projects

The Agency may borrow money and accept advances, loans, grants, and other legal forms of financial assistance from the Federal government, State, City, County, or other public body, or from any source, public or private, for the purposes of undertaking and carrying out the Projects authorized by this Plan.

Ad valorem taxes, if any, levied by a taxing body upon the taxable real and personal property situated in the Plan Area, shall be divided in accord with and pursuant to Section 1c, Article IX of the Oregon Constitution and ORS 457, and used by the Agency for the Projects authorized by this Plan.

The Agency shall adopt and use a fiscal year ending June 30 accounting period. Each year, the Agency shall develop a budget in conformance with the provisions of ORS Chapter 294 and ORS 457, which shall describe sources of revenue, proposed expenditures, and activities.

Section 800 – Annual Financial Statement Required

A financial statement shall be prepared and provide information in accordance with ORS 457. The statement shall be filed with the City Council and notice shall be published in accordance with ORS 457.

Section 900 – Community Member Participation

The activities and projects defined in this Plan, and the adoption of amendments to this Plan shall be undertaken with the participation of community members, owners, tenants as individuals, and organizations who reside within or who have financial interest within the Plan Area together with the participation of general residents of the City. The Agency shall convene not less than once each year a committee of such persons to prepare a report on: a) the activities of the Agency for the previous fiscal year, and b) whether the Agency's

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expenditure of tax increment dollars was limited to the projects authorized by this Plan and the associated administrative costs authorized by the Plan.

Section 1000 – Non-Discrimination

In the preparation, adoption, and implementation of this Plan no public official or private party shall take any action to cause any person, group, or organization to be discriminated against in a manner that violates Section 4.613 of the Eugene Code, 1971.

Section 1100 – Recording of this Plan

A copy of this Plan shall be recorded with the recording officer of Lane County.

Section 1200 – Procedures for Changes or Amendments

The Plan will be reviewed and analyzed periodically and may need to be modified based on public engagement results, design engineering for the fiber project, project negotiations for Farmers' Market, and project scoping for the Old LCC Building. Types of Plan Amendments are:

A. TYPE ONE AMENDMENT – SUBSTANTIAL CHANGE REQUIRING SPECIAL NOTICE

Type One amendments shall require approval per ORS 457.095, and notice as provided in ORS 457.120. Type One plan changes will consist of:

1. Increases in the Plan Area boundary in excess of one percent (1%) of the existing area of the Plan.

2. Increases in the maximum indebtedness that can be issued or incurred under this Plan.

B. TYPE TWO AMENDMENT – SUBSTANTIAL CHANGE NOT REQUIRING SPECIAL NOTICE

Type Two amendments shall require approval per ORS 457.095, but will not require notice as provided in ORS 457.120. Type Two amendments will consist of:

1. The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan <u>and</u> which cost more than $500,000. The $500,000 amount will be adjusted annually from the year 2016 according to the "Engineering News Record" construction cost index for the Northwest area.

2. Any change or provision of this Plan which would modify the goals and objectives or the basic planning principles of this plan.

Substantial changes shall include, but are not limited to, revisions in project boundaries, land uses, project activities, street system changes, or other elements desired by the Agency Board that will change the basic planning principles of this Plan.

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C. TYPE THREE AMENDMENT – MINOR AMENDMENT

Minor amendments may be approved by the Agency Board in resolution form. Such amendments are defined as:

1. Amendments to clarify language, add graphic exhibits, make minor modifications in the scope or location of improvements authorized by this Plan, or other such modifications which do not change the basic planning or engineering principles of the Plan.
2. Acquisition of property for purposes specified in Section 600A of this Plan.
3. Addition of a project substantially different from those identified in Section 600 of the Plan or substantial modification of a project identified in Section 600 if the addition or modification of the project costs less than $500,000 in 2016 dollars.
4. Increases in the Plan Area boundary not in excess of one percent (1%).

D. AMENDMENT TO THE CITY'S COMPREHENSIVE PLAN OR ANY OF ITS IMPLEMENTING ORDINANCES

Should the City Council amend the City's comprehensive plan or any of its implementing ordinances and should such amendment cause a substantial change to this Plan, the City Council amending action shall cause this Plan to be amended provided that the Planning Commission and City Council approve the amendment. In the event of such amendment, the text and/or exhibits of this Plan, if applicable to this Plan, shall be changed accordingly by duly recorded ordinance.

Section 1300 – Duration and Validity of Approved Plan

A. DURATION OF THE PLAN

Taxes may be divided under this Plan only until the maximum indebtedness for the Plan Area has been issued and paid or defeased, or the Agency has determined that it will not issue the full amount of that maximum indebtedness, and all indebtedness that will be issued has been issued and paid or defeased. When that indebtedness has been paid or defeased the Agency will notify the assessor pursuant to ORS 457.450(2) to cease dividing taxes for the Plan Area, and shall return any unused tax increment funds to Lane County for redistribution to overlapping taxing districts. However, the Downtown District and this this Plan may remain in effect as long as legally required to exist and until the Agency transfers any remaining assets and liabilities of the Plan Area to the City of Eugene. As of the date of the 2016 Amendment, it is estimated that: the last fiscal year for which taxes will be divided is FY_____. [Blank to be filled in once Council determines the maximum indebtedness amount; package A = FY25, package B = FY30, package C = FY46]

B. VALIDITY

Should a court of competent jurisdiction find any word, clause, sentence, section, or part of this Plan to be invalid, the remaining words, clauses, sentences, section, or parts shall be unaffected by any such finding and shall remain in full force and effect for the duration of the Plan.

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Section 1400 – Maximum Indebtedness

The sum of $33,000,000 was established in 1998 as the spending limit (maximum amount of new indebtedness which could be issued or incurred from tax increment funds) under this Plan after June 1, 1998. That figure was developed using the estimated project costs, plus a 5% annual inflation factor. The 2010 Amendment increased the maximum indebtedness amount by $13.6 million, to a total of $46.6 million.

The 2016 Amendment increased the maximum indebtedness amount by $___ million [Blank to be filled in once Council determines package size; A = $17M, B = $25M, C = $48M], to a total of $___ million [Blank to be filled in once Council determines package size; which would be added to the existing total]. The 2016 Amendment increased the maximum indebtedness limit established by this Section 1400 does not apply to or limit:

1. The obligation of the Agency to pay interest on indebtedness issued or incurred under this Plan;
2. Any indebtedness issued to refund indebtedness issued or incurred under this Plan, to the extent that the refunding indebtedness does not exceed the principal amount of the refunded indebtedness, plus the amount of the refunding indebtedness that is used to pay costs of the refunding;
3. Funds to repay indebtedness existing on the date of the 1998 Amendment; and
4. Expenditures made from funds other than tax increment funds, such as loans made from the Downtown Revitalization Loan Program.

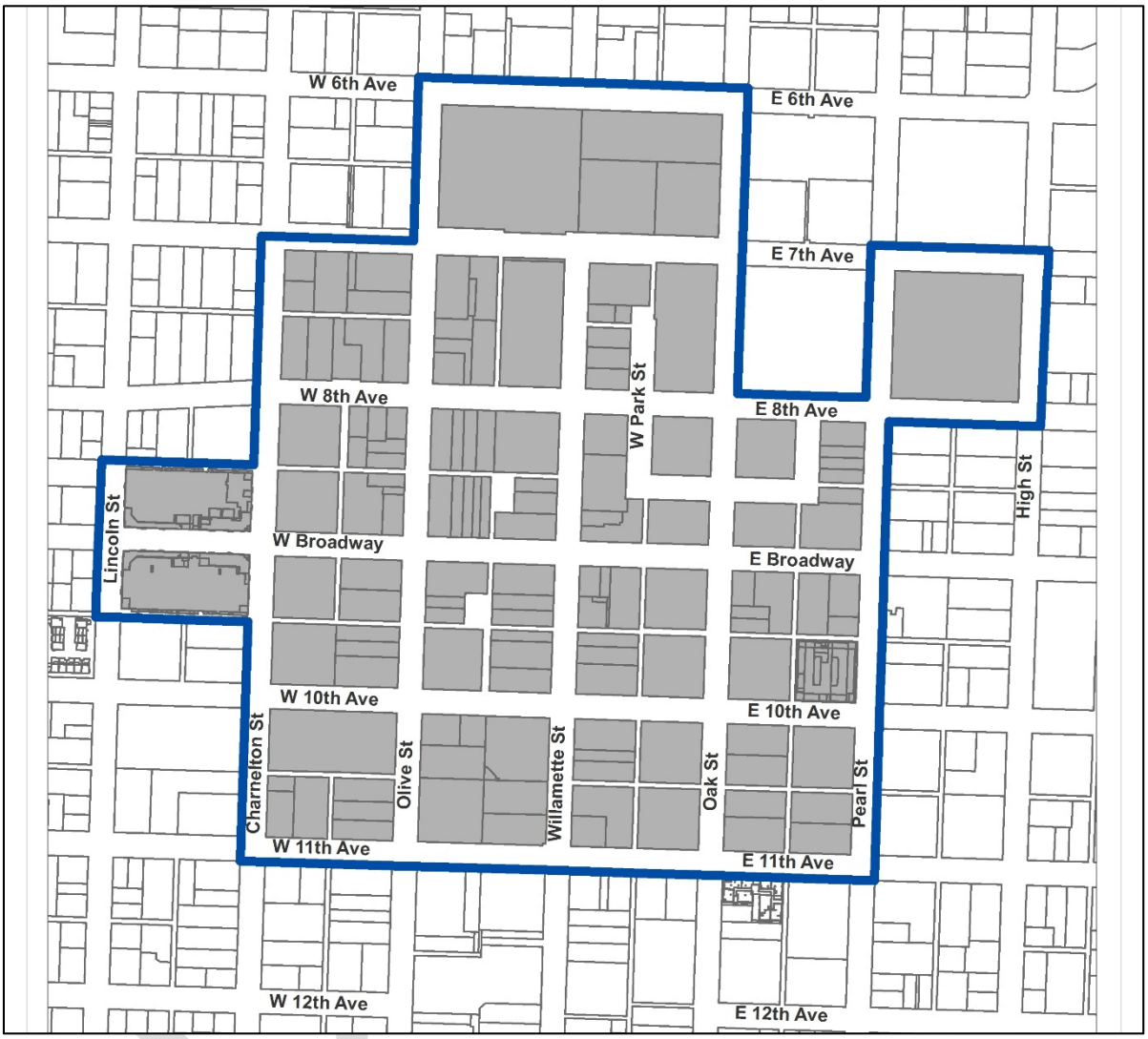
Legislation passed in 2009 (ORS 457.220) placed additional limits on how much a municipality can increase maximum indebtedness. That same legislation, however, also provides that those limitations *"do not apply to the extent the municipality approving a plan obtains the written concurrence of taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal area."* The City concurred with that increase in maximum indebtedness when it approved this Plan. Therefore, the new legislative limitations are not applicable to the proposed maximum indebtedness increase. After consultation with the other overlapping taxing districts, _____.

Section 1500 – Formal Matters

At this time, no property is anticipated to be purchased that would result in relocation. If property is identified for purchase that would involve relocation, the Agency would develop provisions for relocation.

DRAFT

PLAN EXHIBIT A: Plan Area Map



PLAN EXHIBIT B: Plan Area Description

Beginning at the southwest corner of the intersection of 11th Avenue and Charnelton Street in the City of Eugene, Lane County, Oregon, commencing northerly along the west right-of-way line of Charnelton Street to the point of intersection of the south right-of-way line of the alley between 10th Avenue and Broadway;

(1) thence, westerly along the south right-of-way line of said alley to the west line of Lincoln Street;
(2) thence, northerly along the west right-of-way line of Lincoln Street to the point of intersection of the north right-of-way line of the alley between Broadway and 8th Avenue if extended;
(3) thence, easterly along the north right-of-way line of said alley to the west right-of-way line Charnelton Street;
(4) thence, northerly along the west right-of-way line of Charnelton Street to the northwest corner of the intersection of 7th Avenue and Charnelton Street;
(5) thence, easterly along the north right-of-way line of 7th Avenue to the northwest corner of the intersection of 7th Avenue and Olive Street;
(6) thence, northerly along the west right-of-way line of Olive Street to the northwest corner of the intersection of 6th Avenue and Olive Street;
(7) thence, easterly along the north right-of-way line of 6th Avenue to the northeast corner of the intersection of 6th Avenue and Oak Street;
(8) thence, southerly along the east right-of-way line of Oak Street to the northeast corner of Oak Street and South Park Avenue;
(9) thence, easterly along the north right-of-way line of South Park Avenue extended to the east right-of-way line of Pearl Street;
(10) thence, southerly along the east line of Pearl Street to the southeast corner of the intersection of Pearl Street and West 11th Avenue; and
(11) thence westerly along the south right-of-way line of West 11th Avenue to the point of beginning.

City Hall Block

A tract of land located in the Northeast one-quarter of Section 31 in Township 17 South, Range 3 West of the Willamette Meridian being more particularly described as follows; Beginning at the Southwest corner of Block 18 as platted and recorded in Skinner's Donation to Eugene per Judgement Docket "A" page 2, Lane County Oregon Plat Records in Lane County, Oregon; thence Southerly along the westerly line of Block 24 of said Skinner's Donation to Eugene to the Northwest corner of Block A of Mulligan Addition to Eugene as platted and recorded in Volume A, Page 122, Lane County Oregon Plat Records in Lane County, Oregon; thence Westerly along the Northerly line of Block 1 of said Mulligan Addition to Eugene to the Northwest corner of said Block 1 of said Mulligan Addition to Eugene; thence Southerly along the west line of said Block 1 to the Southwest corner of Lot 3 in said Block 1; thence westerly to the centerline of Pearl Street; thence Northerly along

said centerline to the intersection with the Southerly line when extended the south line of Block 7 of said Mulligan Addition to Eugene; thence Westerly along said south line of said Block 7 to the Southeast corner of said Block 7; thence Northerly along the East line of said Block 7 to the Southeast corner of Block 6 of said Mulligan Addition to Eugene; thence Easterly along the south line of Block 17 of Skinner's Donation to Eugene to the point of beginning being the Southwest corner of Block 18 of said Skinner's Donation to Eugene and there ending, all in Eugene, Lane County, Oregon.

East Park Block Area

A tract of land located in the Northeast one-quarter of Section 31 in Township 17 South, Range 3 West of the Willamette Meridian being more particularly described as follows; Beginning at Southeast corner of Lot 1, Block 7 Mulligan Addition to Eugene as platted and recorded in Volume A, Page 122, Lane County Oregon Plat Records in Lane County, Oregon; thence Easterly along the projection of the south line of said Lot 1 to the centerline of Pearl Street; thence Southerly along said Pearl Street centerline to the intersection when projected the south line of Lot 6, Block 12 of said Mulligan Addition to Eugene; thence Westerly along the projected south line of said Lot 6 and along the north right-of-way line of South Park Street to the intersection with the east right-of-way line of Oak Street; thence northerly along said east right-of-way line of said Oak Street to the northerly right-of-way line of East 8th Avenue; thence Easterly along said northerly right-of-way line of said East 8th Avenue to the point of beginning being the Southeast corner of said Lot 1, Block 7 of Mulligan Addition to Eugene and there ending, all in Eugene, Lane County, Oregon.

DRAFT

DOWNTOWN URBAN RENEWAL DISTRICT REPORT

For the Downtown Urban Renewal District Plan
Originally Adopted July 3, 1968 by Eugene Urban Renewal Agency Ordinance No. 257
Amended December 19, 1968 by Eugene City Council Ordinance No. 1609
Amended November 8, 1989 by Eugene City Council Ordinance No. 19648
Amended June 1, 1998 by City Council Ordinance No. 20120
Amended September 13, 2004 by City Council Ordinance No. 20328
Amended May 24, 2010 by City Council Ordinance No. 20459
Amended _____, 2016 by City Council Ordinance No. _____

Urban Renewal Agency of the City of Eugene, Oregon

DRAFT

ACKNOWLEDGEMENTS

Eugene City Council and Urban Renewal Agency Board

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Alan Zelenka, Vice President
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Table of Contents

Chapter 1: Introduction 1

Chapter 2: Description of Physical, Social, Economic, and Environmental Conditions in the Plan Area 2

Chapter 3: Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population 7

Chapter 4: Reasons for Selection of the Plan Area 8

Chapter 5: Relationship Between Existing Conditions and Each Project Activity Undertaken in the Plan 10

Chapter 6: Estimated Total Cost of Each Project or Activity, Sources of Money, and Anticipated Completion Date for Each Project or Activity 13

Chapter 7: Estimated Amount of Money and Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided For Under ORS 457.420 to 457.460 17

Chapter 8: Financial Analysis of the Plan with Sufficient Information to Determine Feasibility 19

Chapter 9: Fiscal Impact Statement that Estimates the Impact of the Tax Increment Financing, Both Until and After the Indebtedness is Repaid, Upon All Entities Levying Taxes Upon Property in the Plan Area 20

Chapter 10: Relocation Report 24

Chapter 11: Appendix 25

Exhibit A: Plan Area Map
Exhibit B: Zoning District Map
Exhibit C: Census Boundaries Map
Exhibit D: Plan Area Map with 2016 Expansion Area Highlighted
Exhibit E: Table 7 – Projected Revenues & Expenditures for the Plan Area [package C]
Exhibit F: Table 8 – Impact of Urban Renewal on an Individual Tax Bill
Exhibit G: Table 9 – Estimated Division of Tax Impact of the Plan on Overlapping Taxing Jurisdictions, FY16 – FY46 [package C]
Exhibit H: Table 10 – Estimated Impact of Downtown District Tax Increment Collections on Overlapping Jurisdictions, FY16 Tax Data (Including the impact of school funding formula and Measure 5/50 tax rate compression)

INDEX OF TABLES

Table 1. Generalized Land Use 3

Table 2. Zoning 3

Table 3. Median Household Income 5

Table 4. Assessed Value of the Frozen Base 6

Table 5. List of Project Activities and Costs 16

Table 6. Maximum Indebtedness Calculation 18

Table 7. Projected Revenues and Expenditures for the Plan Area [package C] 28

Table 8. Impact of Urban Renewal on an Individual Tax Bill 31

Table 9. Estimated Division of Tax Impact of the Plan on Overlapping Taxing Jurisdictions, FY16 – FY46 [package C] 32

Table 10. Estimated Impact of Downtown District Tax Increment Collections on Overlapping Jurisdictions, FY16 Tax Data (Including the impact of school funding formula and Measure 5/50 tax rate compression) 36

Table 11. Estimated Revenue without Downtown District, FY16 Tax Data 21

REPORT ON THE DOWNTOWN URBAN RENEWAL DISTRICT PLAN

Chapter 1: Introduction

The 2016 Amendment to the Downtown Urban Renewal District Plan (the "Plan") makes the following changes:

- Specifies project activities to be undertaken;
- Sets an increase in the maximum indebtedness to allow for those specific projects with a range of sizes to get community feedback prior to City Council making a final decision on whether to approve the 2016 Amendment; and
- Sets the expectation that the Downtown Urban Renewal District will terminate the use of tax increment financing after repayment or defeasance of all debt issued to fund the limited set of projects.

[Throughout this draft Report a range of packages will be used: A = $17 million, B = $25 million, and C = $48 million. In a few instances where clarity would be unduly compromised, package C is used and shows the maximum end of what City Council is considering.]

The City of Eugene has prepared an amendment to the Plan, originally adopted on July 1968 and modified December 1968, December 1989, June 1998, September 2004, and May 2010. This amendment is considered a substantial amendment under ORS 457. City Council considered downtown improvements in 2016 with the desire to foster a vibrant downtown, provide near-term economic stimulus, and prepare for the 2021 World Track and Field Championships in such a way as to result in long-term community benefit. This Report accompanies the Plan and consists of text, tables, and appendices.

The Downtown Urban Renewal District contains approximately 77 acres (the "Plan Area"). The legal description for the Plan Area is in Section 300 of the Plan and is further described on graphic exhibits included in the Plan and in the appendix to this Report.

Chapter 2: Description of Physical, Social, Economic, and Environmental Conditions in the Plan Area

Note: This description and assessment is current to the identified dates.

A. Physical Conditions

1. Land Area

   The Plan Area encompasses about 77 acres, after the seven acre boundary expansion included in the 2016 Amendment. (See Appendix, Exhibit A for a map of the Plan Area.) This seven acre boundary expansion represents 10% of the total Plan Area, and is well within the limit of 20% maximum expansion under ORS 457.220(3).

   The total incorporated land area for the City of Eugene, as of January 2016, is 28,314 acres. The Plan Area represents about 0.27 percent of the City's total land area. This area combined with the Riverfront Urban Renewal District of approximately 178 acres, equals approximately 255 acres in renewal districts, which is less than one percent of the City's total land area and well below the 15 percent maximum allowed by Oregon State law.

   Council Question – What areas to add to the boundary? The expansion can be up to 14 acres.
   - OPTION 1: East Park Block area (1.9 acres)
   - OPTION 2: City Hall block (5 acres)
   - OPTION 3: keep boundary as it is and only improve the west Park Block

2. Existing Land Use and Zoning

   Table 1 below shows generalized land use as of January 2016 by category. Table 2 shows the zoning as of January 2016 by zoning district. A description of each use permitted is found in the City Land Use Code. (The zoning map is located in the Appendix, Exhibit B.)

Table 1. Generalized Land Use

Current Plan Area	
Land Use	*Acres*
Communication	0.7
Educational	1.9
Transportation Related	1.9
Government	1.0
Wholesale Trade	0.03
Industrial	0.3
Religious	0.05
Recreation	7.7
Residential, Multi-Family	6.4
General Services	11.4
Parks	0.7
Residential, Group Quarters	0.3
Retail Trade	18.8
Vacant	0.2
Alleys, walkways, Bikepaths	0.01
Roads	27.9
Total	**79.1**
(Total does not equal current Plan Area acreage due to rounding and vertical land use designations. i.e. parking below residential.) Data: 1/21/16	

City Hall Block	
Land Use	*Acres*
Government	2.6
Roads	2.4
Total	**5**

East Park Block Area	
Land Use	*Acres*
General Services	0.3
Parks	0.5
Retail Trade	0.1
Roads	1.0
Total	**1.9**

Table 2. Zoning

Current Plan Area		
Zoning Designation	*Zoning*	*Acres*
Major Commercial	C-3	46.9
Public Land	PL	3.1
Special-Historic	S-H	0.1
Non-zoned Public Right of Way		19.7
Total		69.8

City Hall Block		
Zoning Designation	*Zoning*	*Acres*
Public Land	PL	2.6
Non-zoned Public Right of Way		2.4
Total		**5**
Data: 3/7/16		

East Park Block Area		
Zoning Designation	*Zoning*	*Acres*
Major Commercial	C-3	0.4
Public Land	PL	0.5
Non-zoned Public Right of Way		1
Total		**1.9**
East park Block acres for east block, not including west block. Both blocks constitute the total taxlot.		
Data: 2/20/16		

3. Historic Structures

In the past, numerous old buildings were lost in the downtown core area due to demolition or neglect. While not all of these structures were historically or architecturally significant, it is clear that our urban heritage was not considered worthy for preservation or re-use. Today, the Agency aims to take an active role in celebrating that urban heritage by preserving and reclaiming obsolete or underutilized buildings as well as parts of the urban landscape in need of

improvements, such as the Park Blocks, that form an important part of the fabric and history of downtown, which is part of our legacy for future generations.

4. Parks and Plazas
   Downtown plays two roles in our city, as both the shared civic, cultural, and economic center, and as a neighborhood of its own. Downtown needs to be served by parks and plazas that provide public gathering spaces, room for events, and areas of nature in the heart of the city. As development continues downtown, the role of these urban open spaces becomes even more important for livability, for conviviality, and as amenities to draw and sustain a high quality and diverse mix of commercial, governmental, residential, and cultural uses. The open spaces that are currently downtown (Broadway Plaza, the Park Blocks, and the Hult Center Plaza) do not appear to meet the area's needs for open space as they are insufficient, deteriorated, uninviting, in places not accessible, and overall not conducive to incidental or intentional use. All of these have obsolete or deteriorated features. They are also underutilized and lack basic infrastructure including adequate lighting, power, and water (gray water and drinking water for public or commercial use) as well as comfortable and inviting amenities such as well-designed seating, restrooms, and public wi-fi. These improvements will increase the utility and desirability of these spaces, make the Plan Area more inviting and attractive overall, and create the conditions for increased residential and commercial investment in the future.

5. Telecommunications Utility System
   The existing infrastructure cannot accommodate the telecommunications needs of firms in business sectors that are growing and anticipated to grow in the 21st century. The existing telecommunications infrastructure offers service that is too slow to meet the requirements of firms that consume or produce large volumes of data, limiting the ability of the Plan Area to attract and retain key industry sectors. The City of Eugene worked with Lane Council of Governments (LCOG) and the Eugene Water and Electric Board (EWEB) on a successful pilot project, to test the feasibility of implementing a downtown municipally owned network. The partners identified a workable method to connect several commercial buildings by running fiber optic cables through existing electrical conduit. The pilot project built new telecommunications infrastructure in three buildings that allows the transfer of large volumes of data at very fast speeds. The City and its partners are identifying the network architecture and cost of constructing a municipally owned fiber network in downtown Eugene.

6. Streets, Alleys, Sidewalks
   Major portions of the streets, alleys, and sidewalks within the Plan Area were upgraded as part of the original renewal project; Based on the blight findings this has changed. Many of our pedestrian walkways and some streets have deteriorated. Park Street runs adjacent to the Park Blocks on three sides. This street needs improvements to accommodate the Park Blocks activities, including sidewalk improvements, curb changes, and a redesign of parking. Oak Street and 8th Avenue

are the major streets bisecting the Park Blocks, both only carrying traffic in one direction. Plans and policy direction support the conversion of 8th Avenue to a two-way street. Both streets need improvement to maintain traffic flow and allow for ease of pedestrian use, such as with lane narrowing and bump-outs.

7. Sanitary Sewer System
   The sanitary sewer system was upgraded as part of the original renewal project. This upgrading consisted of relining the existing lines with plastic pipe liners. Each building was reconnected at that time. The engineering analysis showed that the existing capacity was sufficient.

8. Water Delivery System
   According to the Eugene Water and Electric Board, the water delivery system throughout the original Downtown Urban Renewal District is in sufficient condition and of sufficient capacity to support additional development.

B. Social Conditions

1. Housing
   Census 2010 data reports that there are 194 housing units in census blocks that cover the Plan Area and that housing in the Plan Area is completely renter occupied and market rate. Since 2010, an additional 115 housing units have been built, a majority of which are student housing at the Lane Community College Downtown Campus that has 75 apartment units for 255 residents.

2. Socio-Economic
   As of Census 2010, 264 people were living in Census Blocks that cover the Plan Area. Since then, 115 new housing units were built in the Plan Area contributing to a potential increase in population. In and surrounding the Plan Area, the median income was substantially lower than the City median income. See Table 3 below. See Appendix Exhibit C for a map of census boundaries. No people are living in the potential boundary expansion areas.

Table 3. Median Household Income

	Median Household Income	Margin of Error
City of Eugene	$42,715	+/-1,045
Census Tract 3900, Block Group 1	$12,288	+/-2,703
Census Tract 3900, Block Group 2	$11,633	+/-3,239

Data: Census ACS 2010-2014, Table B19013

3. Employment
   In April 2014, there were 301 employers and 4,497 employees in the Plan Area (QCEW 2014). The largest employers in the district were the City of Eugene, Sykes Enterprises and Venture Data (InfoUSA 2014). Data: Lane Council of Governments, Oregon Employment Department 2014-April Quarterly Census of Employment and Wages (QCEW). InfoUSA - April 2014.

East Park Block area: Total Employers: 8, Total Employees 36 (QCEW)
City Hall Block: Currently vacant

C. Economic Conditions

1. Value of Property
   The FY16 taxable assessed value for the entire City is $13,931,659,840. The total assessed value for the Plan Area as of FY16 is $181,601,898. Table 4 below demonstrates that the frozen base for the two combined urban renewal districts is well below the 15% limit imposed by ORS 457.

Table 4. Assessed Value of the Frozen Base

	Downtown Urban Renewal District	Riverfront Urban Renewal District	Total	Total as a % of City AV
Frozen Base	$31,386,991	$50,609,448	$81,996,439	0.6%

East Park Block Area AV: $2,212,127 (excludes publicly owned property)
City Hall Block AV: n/a (publicly owned, tax exempt)

2. Relationship of the Value of Improvements to the Value of Land
   The current ratio of improvement value to land value within the Plan Area, based on 2015 assessment records and excluding all tax exempt property, is 4.5 to 1.

D. Environmental Conditions

The Plan Area has been an established commercial business area for many years. Most streets, sidewalks, alleys, and sewers are in place and will be upgraded and maintained. The public park areas within the Plan Area will be maintained as needed by the City. There are opportunities through this Plan Amendment, however, to improve the function and condition of some of the streets, public parks, and public plazas. The Park Blocks are directly on a pedestrian, bicycle, and car path to the river and are a critical piece of the Willamette to Willamette Initiative. A central intent of that project is to transform 8th Avenue from a one-way west bound only street with inadequate pedestrian and bicycle amenities into a two-way, inviting, and gracious path to and from the river and the anticipated development on the EWEB property as well as the university area to the east. Significant infrastructure design and construction will be required to implement this transformative project.

Chapter 3: Expected Impact, Including Fiscal Impact, of the Plan in Light of Added Services or Increased Population

The 2016 Amendment allows for several projects (described in more detail in Chapter 5) that will improve the function, condition, and appearance of the Plan Area through:

- Improved parks and plazas throughout the Plan Area, including improvements to the Park Blocks for overall community use, to support the continued use for the Saturday Market, and to improve the area for the Farmers' Market;
- Funding of critical high-speed fiber utility; and
- Redevelopment of the Old LCC Building.

These projects also support the Plan goal to strengthen the economic conditions of the Plan Area. One measure of this goal is the expected increase in the taxable property values caused by the projects. Areas adjacent to the Plan Area are also expected to become more viable. From FY17 through the estimated remaining life of the District [A = FY25, B = FY30, C = FY46], property values in the Plan Area are estimated to increase by about [A = $50M, B = $87M, C = $254M]. The projects will also contribute to the goal of enhancing downtown's role as the regional economic, governmental, and cultural center and central location for public and private development and investment. Improvements to parks and plazas will contribute to the goal of reinforcing the Plan Area as a place to live, work, or visit by providing inviting and highly functional spaces for the community to enjoy on a daily basis as well as for programmed events.

Regarding potential impacts to the 4J school district, while the 2016 Amendment projects are not directed at residential projects, they are likely to increase jobs and amenities downtown, which will ideally increase the number of people living downtown. (See Chapter 9 for a summary of the financial impact that the Downtown District has on 4J.) The Fiber Implementation Plan includes the acquisition of telecommunications infrastructure that would provide a publicly owned and/or operated connection from a local internet connection point to large, regional internet exchanges in Portland and San Jose, California. The infrastructure could lower the telecommunications operating costs for public agencies, including 4J. The 2016 Amendment projects, like all development projects, are expected to impact police services, transportation, utilities, and other public services.

Projects within the Plan Area were selected for the way in which they support planning efforts and strategies, such as Envision Eugene, and adopted policy documents, such as the Eugene Downtown Plan. The planning documents were based on assumptions about the value of and expected need for higher density of uses and development, with a consequent need for new and improved services and amenities. The Plan is expected to facilitate improvements within the Plan Area, thereby addressing the goals of these documents. The policies of the Downtown Plan strongly support increased residential and mixed use development downtown, and the reinforcement of downtown as the economic and cultural center of the community.

The Downtown Plan also contains specific policies in support of improvements to public open spaces downtown. Similarly, the pillars of Envision Eugene that will benefit from the 2016 Amendment are to provide ample employment opportunities, to provide housing affordable to all income levels, and to promote compact development and efficient use of transportation. Specifically, the 2016 Amendment projects are expected to increase jobs and amenities downtown, which could increase housing demand downtown, thereby supporting Envision Eugene strategies to meet more of Eugene's multi-family and jobs needs downtown, increase job opportunities, and transform downtown into a mixed use neighborhood that fosters active, walkable community living. The projects in the Plan do not result in an intensification of development beyond that previously anticipated under the planning documents.

The 2016 Amendment falls under the provisions of Ballot Measure 50. In the Measure 50 environment, taxing bodies "forego" revenue produced by the growth in values over a Plan Area's frozen base. The Agency will use tax increment revenues to carry out the Plan. The use of tax increment revenues will affect the property tax revenues and bonded debt tax rates of other taxing jurisdictions that share assessed value with the Plan Area. The property tax impacts are described in Chapter 9.

Chapter 4: Reasons for Selection of the Plan Area

The Plan Area was adopted in 1968 with approximately 70 acres. This area was selected after a comprehensive community process under the guidance of the Federal Department of Housing and Urban Development (HUD). In 2016, the Agency Board proposed an expansion to the Plan Area by seven acres to include the City Hall block and the East Park Block area. (See Exhibit D for a map of the Plan Area with the expansion areas highlighted.) Two of the four goals of the Plan are to (1) improve the function, condition, and appearance of the Plan Area, (2) reduce blight and blighting influences, (3) strengthen the economic conditions of the Plan Area, and (4) enhance downtown's role as the regional economic, governmental, and cultural center and a central location for public and private development and investment.

According to ORS 457.010, "blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

    (A) Defective design and quality of physical construction;
    (B) Faulty interior arrangement and exterior spacing;

(C) Overcrowding and a high density of population;
(D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
(E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
(c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
(d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
(e) The existence of inadequate streets and other rights of way, open spaces and utilities;
(f) The existence of property or lots or other areas that are subject to inundation by water;
(g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or
(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

A total of 71 or 66% of properties in the Plan Area are determined to have blighted conditions. In addition to the 71 properties, 19 locations have blighted conditions found in roads and sidewalks. These conditions are so prevalent and consistent in the Plan Area that the City concludes that the entire Plan Area is blighted. The blighted conditions impact the safety, health, and welfare of the community through decreased property values and taxes, potentially unsafe conditions for accessibility through deteriorating public right-of-ways, lack of seismic stability, and maintenance in public buildings and open spaces, vacancy and outdated structural designs that are deteriorating. The evidence of blight and blighting influences reduces the economic activity in the Plan Area, leading to lowered value and a disincentive to invest. Urban renewal funds that are directed at improving or reducing the blighted conditions will attract positive activity downtown, stimulate economic development and private investment, promote downtown revitalization, and enhance the value of the Plan Area as a whole. As the number of businesses and opportunities for investment increases, existing businesses and development will also benefit, including restaurants, retail and housing, leading to improved conditions, and higher property values within the Plan Area.

Chapter 5: Relationship Between Existing Conditions and Each Project Activity Undertaken in the Plan

All Projects set forth in Section 600 of the Plan are intended to correct the existing deficiencies in the Plan Area as described in this report (see Chapter 2).

The proposed 2016 Amendment Projects are:

1) Infrastructure improvements to parks, plazas, open space, and streets including the Park Blocks to provide an inviting civic space aligned with the Willamette to Willamette Initiative for the community, better opportunities for the Farmers' Market, and inviting and accessible connections between the public spaces;
2) Funding of critical high-speed fiber utility; and
3) Redevelopment of the Old LCC Building.

1) Improved Parks, Plazas, Open Space, and Streets: Improvements to the parks and plazas in the Plan Area benefit the growing community of employees, commercial and cultural uses, visitors, and residents, as well as the community at large with a revitalized, attractive, safe, and economically healthy downtown core. Improvements to the parks and plazas would be undertaken after a robust public engagement effort to determine what changes are most desired and effective to enhance their function during programmed and non-programmed times. The goal of the public engagement effort would be to draw on the experience and expertise of a wide group of community members to clarify the community's commitment to downtown and to develop parks and plazas in alignment with the community's vision for the heart of the city.

The City founders understood the importance of public space; the Park Blocks are a living legacy of their forethought and civic spirit. The design, appearance and function of the Park Blocks are a critical component of Eugene's identity and economic health and the long-term location for two beloved organizations, the Saturday Market and the Lane County Farmers' Market. On a direct path to the Willamette River from downtown, the Park Blocks are also a key part of the Willamette to Willamette Initiative.

For the three other public spaces in the Plan Area, Broadway Plaza, the Hult Center Plaza, and the new City Hall plaza [if the Plan Area is expanded], improvements are needed to benefit the public in terms of the safety, health, and welfare of residents through the removal of blighted conditions, improved amenities and attractiveness of these spaces as well as their impact on existing and desired adjacent uses. With the needed improvements in place, these downtown spaces will have the potential to more fully support the emerging downtown neighborhood and to provide an inviting urban open space in the core of the city for the entire community. A focused, strategic investment in the amenities, design, and character of these spaces strengthens the conditions for increased desired uses and development downtown.

The Lane County Farmers' Market operates multiple times per week during the spring, summer, and fall on a portion of the Park Blocks on 8th Avenue. The Farmers' Market continues to encounter difficult issues with that location, such as inadequate electrical service, uneven and unpaved surfaces, and lack of a permanent shelter. Reincorporating the Butterfly Parking Lot into the Park Blocks for the Farmers' Market would re-establish the original Park Blocks and support a cornerstone of downtown activity and one of the most significant public event venues in the city. For the past few years, the Farmers' Market has expressed a need and desire to expand its offerings to maintain financial viability and potentially operate year-round. The Agency will improve the Park Blocks in order to make that location more attractive and functional for the Farmers' Market. If that location is not feasible, the Agency may improve/purchase another location within the Plan Area.

The Hult Center is a community asset with an underutilized and awkwardly configured plaza that would benefit from community engagement and subsequent system planning and/or improvements. The Agency assembled the land and donated the property to the City for the Hult Center development. In 1978, voters supported an $18.5 million general obligation bond to finance the Hult Center construction. Since its grand opening in 1982, the Hult Center has been charming audiences with popular performances in the Silva Concert Hall and the Soreng Theater. However the outside of the Hult Center does not create an inviting and safe place for gathering before or after events.

The parks and plazas in the Plan Area have the potential to add to the livability and the economic vitality of the entire downtown. As downtown density increases, these areas could provide much needed urban open spaces to support the growing downtown neighborhood, as well as an inviting destination for the entire community. At present, they are little used outside of programmed events, and need improvement to enhance function, accessibility, attractiveness, and identity.

Blighted conditions in these areas include barren spaces with broken and deteriorated pedestrian open areas and walkways. The expenditure of urban renewal funds for these parks and plazas will improve or remove blighted conditions, attract positive activity downtown, stimulate economic development, promote downtown revitalization, provide a healthier and safer place for residents to congregate, and enhance the value of the Plan Area as a whole.

2) **High-Speed Fiber:** The 2013 City of Eugene Broadband Strategic Plan identified the development of a downtown fiber network as a strategic goal. After completion of the Strategic Plan, City staff worked with LCOG and EWEB on a successful pilot project, to test the feasibility of implementing a municipally owned downtown network. The City, EWEB, and LCOG identified a workable method to connect buildings by running fiber optics cables through existing electrical conduit. The Plan Area has high-speed fiber in several buildings as a result of the pilot project that was completed in 2016. The remainder of the Plan Area has slower telecommunications service with limited access to internet service providers.

In addition, internet service providers in Eugene experience a constrained supply of access to the regional internet exchange points resulting in slower connection speeds and higher costs relative to larger cities. Constructing telecommunications infrastructure would provide a publicly owned and/or operated connection from a local internet connection point to large, regional internet exchanges in Portland and San Jose, California that could lower the telecommunications operating costs for the City, other public agencies, school districts, and internet service providers.

Constructing a municipally owned fiber network will serve and benefit the Plan Area because: (1) existing and new businesses benefiting from the high speed and competitive market will grow employment and attract new investments to the Plan Area; (2) residents will have an added benefit for living within the Plan Area; and (3) public agencies within the Plan Area will have reduced costs and increased telecommunications speed, including the City, Lane Community College, Lane County, and LCOG. The 4J and Bethel school districts (outside the Plan Area) will also benefit.

As the number of businesses and opportunities for investment increases, existing businesses and development will also benefit, including restaurants, retail and housing, leading to improved conditions and higher values within the Plan Area. Increased technological opportunities in the Plan Area can also invite new investment, potentially increasing property values and in turn, property taxes, reducing blighted conditions including depreciation ratios.

3) **Old LCC Building:** The 66,000 square foot Old LCC Building was vacated in January 2013 when the new Lane Community College Downtown Campus opened on 10th Avenue and Olive Street. At present, the vacant Old LCC Building neither provides space for activate uses nor adds to downtown vitality. Redevelopment of this large structure may include housing or activities that advance the Regional Prosperity Economic Development Plan (e.g. an innovation center with maker space, wet lab, or art/tech incubator). An upgraded facility will benefit the Plan Area by improving a blighted building that is currently vacant, increasing the mix of uses in the Plan Area, and stimulating additional public and private investment. Blighted conditions at this property include vacancy, underutilization, decreased property values, and population loss. Redevelopment of this property will help eliminate blight by contributing to reinvestment in the community that can lead to increased property values, through revitalization of a stagnant and underutilized property, and creating an attraction for investors and/or entrepreneurs to reinvest in the Plan Area.

The four projects included in the proposed 2016 Plan Amendment were selected for their ability to address blighted conditions and to serve as catalysts for reducing the prevalence of blight within the Plan Area. The improvements to the Park Blocks and the other downtown open spaces will target areas with documented evidence of blight in order to increase the accessibility, enjoyment and use of these areas. As a result, the downtown open spaces will transform from underutilized areas to amenities drawing additional users and ultimately new residents and employees. Adding high-speed fiber will also add

significant value to the district by creating the conditions for businesses to succeed, particularly those businesses in the growing cluster of high-tech firms. Strengthening businesses in this economic sector increases the ability of firms to add new employees, grow the business base, and add additional value to properties within the Plan Area. Using urban renewal funds to assist in the renovation of the LCC Old Building directly addresses a significant blighted property in the Plan Area. When this large, underutilized, and outdated structure is transformed for new uses, the property will support other activities in the Plan Area and the blighting influence of a vacant property will be removed, which will positively impact adjacent and nearby properties. Improvements for the Farmers' Market will strengthen the local food sector of our regional economy and reduce or remove the blighting conditions of the existing location. A renovated location or new structure will also enhance the ability of the Farmers' Market to serve as an amenity to other businesses and residents' downtown, as well as an attraction for the entire community, leading to additional activity in the Plan Area and, ultimately, greater economic stability and increased values within the Plan Area.

Chapter 6: Estimated Total Cost of Each Project or Activity, Sources of Money, and Anticipated Completion Date for Each Project or Activity

This Report on the 2016 Amendment includes the estimated cost of Projects to be carried out following the adoption of the amendment. Table 5 shows that urban renewal financing is estimated to provide [A = $17M, B = $25M, C = $48M] (or approximately [A = 86%, B = 87%, C = 90%]) of funding out of an estimated total of [A = $19.75M, B = $28.75M, C = $53.05M] of public and private investment from FY17 through [A = FY25, B = FY30, C = FY46].

Table 5 lists the project activities included in the Plan and estimated cost ranges. Because elements of each project are yet to occur (e.g. public engagement for Park Blocks/open space, design engineering for fiber, project negotiations for Farmers' Market, and project scoping for the Old LCC Building), there is a range of opportunities within each project. The estimated range gives a sense of scale and scope. Below is a short description of each of the 2016 Amendment Projects.

Parks, Plazas, Open Space, and Street Improvements: The City will develop a plan for parks, plazas, and open space improvements, after a public engagement process. The Agency will contribute funding for the improvements. Projects could include improvements to the Park Blocks, reincorporation of the Butterfly Parking Lot, and street improvements in order to make that location more attractive and functional for the community and the Farmers' Market. If that location is not feasible, the Agency may improve/purchase another location within the Plan Area. Other open space projects may be developed as a result of the public engagement process. The community work will start in FY17 and the improvements will happen subsequently and following the Agency Board budget approval process.

High-Speed Fiber: The Agency will contribute to the Eugene Fiber Implementation Plan for those costs associated with the Plan Area. This project will enhance the economic prosperity of downtown and increase telecommunications speed for businesses, residents, and public agencies. Federal grants, private party contributions, and other City contributions are anticipated. The project will start in FY17 and is estimated to be completed during FY18.

Old LCC Building: LCC is considering redevelopment options for its currently vacant building on Willamette Street between 11th and 10th Avenues. The specific project activities to be undertaken by the Agency will be defined by the Agency Board and set out in an agreement with LCC. A combination of private party or other public agency contributions would be anticipated. LCC has not released timing information for when they will be ready to finalize plans and move forward with redevelopment. The Agency would hope to complete the transaction by 2019.

Project Delivery Administration: Actions for this activity include program administration (project management, loan administration, support for ongoing investments within the Plan Area, public engagement, financial services, debt issuance and administration); legal services; reporting (budgets, financials); preparation of market, feasibility, or other economic studies; preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies; providing accounting or audit services; providing special rehabilitation, restoration, or renovation feasibility and cost analysis studies; assisting in preparation of the annual financial reports required under Sections 800 and 900 of the Plan; providing property acquisition appraisals; and evaluation of the plan and the success of its activities. Many of the activities are provided through a contract between the City of Eugene and the Agency dated June 15, 2004. The Agency may also acquire, rent, or lease office space and office furniture, equipment, and facilities necessary to conduct its affairs in the management and implementation of this plan.

Projections for district administration assume that once the projects are complete, district administration expenses will be reduced to a level that will be sufficient to run the loan program, support ongoing investments within the Plan Area, and ensure administration of outstanding debt, budget development, annual review of project activities, and financial report preparation. Specifically, the administration projection summarized in the bullet points below includes staffing for project delivery, ongoing financial administration, and the loan program. Additional items in the projection include legal and consulting fees necessary to protect the City/Agency and complete the Projects, debt issuance cost needed for the Projects, and property management.

- *Project delivery:* 2 FTE; $0.27M average per year FY17 thru FY21
- *Loan program administration:* 0.9 FTE; $0.11M - 0.19M average per year FY17 thru [A = FY25, B = FY30, C = FY46]

- *Legal costs, public engagement, financial administration, overhead & misc.:* $0.1M - 0.13M average per year FY17 thru [A = FY25, B = FY30, C = FY46]; higher in the early years and a smaller amount for maintenance over time
- *Debt Issuance costs:* $0.3M - 0.5M when issued; to be determined

Table 5. List of Project Activities and Cost Ranges

Project Activity	Estimated Cost *
Park Blocks Improvements *Based on public engagement results, could include Spruce Up ($1M – 3M) to Blank Slate ($7M – 15M)*	$ 1M – 15M
Open Space Improvements *Based on public engagement results, could include: Hult Plaza, Broadway Plaza, City Hall Plaza, and connections between with art, furniture, lighting*	$ 5M – 10M
Farmers' Market ** *Depends on land cost and structure type*	$ 1M – 6.5M
High-Speed Fiber	$ 1.5M – 3M
Old LCC Building	$ 1M – 3M
Project Delivery Administration	
Project delivery	$ 0.27M/yr
Loan program	$ 0.11M – 0.19M/yr
Legal, public engagement, financial admin, etc.	$ 0.1M – 0.13M/yr
Debt issuance cost	$ 0.3M – 0.5M
	$ 3.8M – 10.5M
Projects Funded from 2016 Amendment	**A = $17M** **B = $25M** **C = $48M**
Projects Funded from Private Sources & Other Federal, State & Local Government	**A = $2.75M** **B = $3.75M** **C = $5.05M**
TOTAL Funding for All Projects	**A = $19.75M** **B = $28.75M** **C = $53.05M**

* The minimum cost estimates for each project added together do not equal package A $17M because package A includes a small contingency in case estimates come in higher.

** The Farmers' Market project would also have an additional $500,000 to add to the total listed in Table 5 from the 2010 Amendment. The resulting estimate for the project would be $1.5M - 7M.

Projects will begin in FY17. Decisions on priorities of funding for Projects will be made by the Agency Board in its annual budget process and at regular Agency Board meetings, all of which are open to the public. Construction of the Projects contemplated in the 2016 Amendment is expected to be completed by FY21. Debt issued to fund the projects is estimated to be paid off by [A = FY25, B = FY30, C = FY46], depending on future tax increment revenue levels.

The Agency shall convene not less than once each year the Expenditure Review Panel to prepare a report on (1) the activities of the Agency for the previous fiscal year, and (2) whether the Agency's expenditure of tax increment dollars was limited to the Projects and the associated administrative costs authorized by the Plan.

Chapter 7: Estimated Amount of Money and Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided For Under ORS 457.420 to 457.460

The contribution from the Agency for Projects is estimated at about [A = $21.5M, B = $36M, C = $103M], including interest, premium, and other costs. The Projects will be funded with a combination of urban renewal tax increment financing under ORS 457 and other sources. The Agency may apply for funding from other federal, state, and local grants in order to complete the projects. In addition, the public facilities included within the Plan may also be funded in part with other public funds, such as systems development charges and general obligation bonds, among other sources.

Oregon Revised Statutes require that each urban renewal district that receives property taxes include a "maximum indebtedness" limit in their urban renewal plan. "Maximum indebtedness" is a required spending cap for all property tax expenditures over a period of time. "Maximum indebtedness" is not a legal debt limit. It is more like a spending limit.

Adopting a maximum indebtedness figure does not authorize or obligate the Agency to spend money or enter into debt. Within the maximum indebtedness limitation, the Agency Board has the ability to fund projects over time, either with cash or by issuing debt.

Certain expenditures are included in the maximum indebtedness calculation and certain expenditures are excluded. For instance, cash payments for projects and administrative expenses are included in the calculation, but expenditures made from sources other than tax increment revenues are not included in the spending limit, such as Downtown Revitalization Loan Program funds. In addition, interest on debt is not included in maximum indebtedness, nor is the refinancing of existing indebtedness.

The City Council amended the Plan in 1998 to include a maximum indebtedness limit of $33 million. The $33 million figure represented the amount that the Agency was allowed to cumulatively spend in tax increment revenues starting in 1998. That figure was based on

the estimated cost of building a new main library, plus continuation of the administrative costs in the district, preparing annual financial statements, disposing of the former Sears building on 10th Avenue and Charnelton Street (which is now the site of the new LCC Downtown Campus), overseeing completion of the Broadway Place and Overpark elevator projects, and administering the loan portfolio. It included an annual inflation factor of 5% on project costs and excluded existing debt.

In 2010, the maximum indebtedness limit of $33 million was almost fully spent or committed, with the bulk having been spent on building the downtown library. City Council amended the Plan in order to complete three projects: LCC downtown campus; Farmers' Market improvements, and assuming the Broadway Place Garages debt. Maximum indebtedness was increased by $13.6 million, which resulted in a revised maximum indebtedness figure of $46.6 million for the cumulative spending in the Plan Area from 1998 to the end of the Plan. This revised maximum indebtedness amount was the estimated amount needed to accomplish the three additional projects and to provide for district administration.

The $46.6 million of maximum indebtedness has almost been fully spent or committed on the three projects included in the 2010 Plan Amendment. In order to accomplish additional projects, it is estimated that an additional [A = $17M, B =$25M, C = $48M] will need to be added to maximum indebtedness, as shown in Table 6 below:

Table 6. Maximum Indebtedness Calculation

Project	Estimated Cost
2016 Plan Amendment	
Park Blocks Improvements	$1M-15M
Open Space Improvements	$5M-10M
Year-Round Farmers' Market	$1-6.5M
High-Speed Fiber	$1.5-3M
Old LCC Building	$1-3M
Project Delivery Admin *(thru A = FY25, B = FY30, C = FY46)*	$3.8M-10.5M
Total Addition to Maximum Indebtedness	A = $17M, B = $25M, C = $48M
1998 Plan Amendment	$33M
2010 Plan Amendment	$13.6M
2016 Plan Amendment	A = $17M, B = $25M, C = $48M
Total Maximum Indebtedness	A = $63.6M, B = $71.6M, C = $94.6M

Table 7 in Exhibit E includes information about future revenues and expenditures in the Plan Area. The timing and amounts for individual project activities will be determined by the Agency Board each year during the annual budget process. Completion dates for individual activities may be affected by changes in the plans of other private or public partners, local economic and market conditions, changes in the availability of tax increment funds, and changes in priorities for carrying out project activities.

Current projections show that the tax increment revenues should be sufficient to pay for the projects and associated debt by [A = FY25, B = FY30, C = FY46]. The district would cease collecting tax increment funds once there are sufficient tax increment funds available to repay all debt issued or obligations created to fund the Projects.

Chapter 8: Financial Analysis of the Plan with Sufficient Information to Determine Feasibility

The financial analysis of the plan shown in Table 7 in Exhibit E includes the anticipated tax increment revenues over the projected remaining life of the Plan. The analysis shows that the anticipated tax increment revenues are based on reasonable projections of new development and appreciation in existing property values. The projection of tax increment revenues is based on the following assumptions:

- Property assessed values will increase by 3% per year, which includes increases on existing property as well as a small amount of new investment in existing downtown area properties.

- No significant, new taxable development is anticipated during the next several years.

- Tax rates applicable to the Downtown Urban Renewal District are projected to go down over time, due to the Oregon statute that says that certain urban renewal plans may only collect tax increment on permanent tax rates or bonds and levies approved by voters prior to October 6, 2001. In particular, bonded debt tax rates applicable to the Downtown Urban Renewal District will be reduced as bonds approved by voters prior to October 6, 2001 are retired.

The projections result in urban renewal tax revenues between FY17 and [A = FY25, B = FY30, C = FY46] of approximately [A = $21.5M, B = $36M, C = $103M]. Together with other revenues and existing fund balances, these revenues will support the [A = $17, B = $25M, C = $48M] of increased maximum indebtedness plus the interest on the debt to fund the 2016 Amendment Projects. In addition to the redevelopment projects, the revenues will be sufficient to pay for other obligations, such as project delivery and administrative activities, including an allocation of overhead costs. Those costs are projected to increase over time due to inflation and higher retirement costs at a rate of about 5% per year.

The Agency will also carry a balance equal to two months of operating costs each year, per City of Eugene financial policy and a debt service reserve account, if required by lenders.

Chapter 9: Fiscal Impact Statement that Estimates the Impact of the Tax Increment Financing, Both Until and After the Indebtedness is Repaid, Upon All Entities Levying Taxes Upon Property in the Plan Area

Taxing bodies that overlap with the Plan Area are affected by the use of tax increment funds to implement the Plan. When a district is first created, the assessed value within the Plan Area is established as the "frozen base." This is a way of keeping the overlapping taxing districts "whole" as of the date the urban renewal district is created. Property taxes from the overlapping jurisdictions (schools, general governments, bonds) are then divided among the jurisdictions that continue to receive taxes on the frozen base. In theory, if urban renewal efforts are successful, the value of the district will grow above the base. That increase is called the "incremental value" or "excess value." The Agency receives taxes on the incremental value. This has an impact on the amount of revenue that the overlapping jurisdictions receive, versus what they would have received if there were no urban renewal districts in effect.

Impact on Tax Bills: In addition to the impact on the overlapping taxing jurisdictions, urban renewal also makes individual tax bills look different. Urban renewal districts do not impose new taxes; rather, they redistribute taxes from overlapping taxing districts to the urban renewal districts. There are two basic steps to understand how an individual's tax bill is affected by tax increment financing in Oregon. The first step determines the amount of property taxes that the urban renewal agency should receive, and the second step determines how the taxes are accounted for on property tax statements.

The first step in determining how tax increment financing affects an individual's tax bill consists of applying the tax rates of the taxing districts (such as the city, county, and school districts) to the incremental value of the urban renewal district. That product is the amount of taxes that the urban renewal agency should receive. The second step determines how to divide or split the tax rates of the taxing districts so that when those "divided rates" are applied to all tax bills in the city, the urban renewal agency receives its share, and the taxing districts receive the remainder. As of January 2016, there were seven urban renewal districts in Lane County, and the calculation is done for each of these districts.

The Lane County Assessor determines how the tax rates for the schools, city, and county should get divided between the taxing districts and the urban renewal districts. As an example, the City's permanent tax rate is $7.0058 per $1,000 of assessed value. The Lane County Assessor divides that tax rate into three pieces: $6.8821 goes to the City of Eugene, $0.0755 goes to the Downtown Urban Renewal District, and $0.0482 goes to the Riverfront Urban Renewal District. This calculation is done for each tax rate on the tax bill.

With the information from the Lane County Assessor about the division of tax rates, an analysis can determine how an individual tax bill is affected by urban renewal division of

tax. For the typical Eugene home that the Lane County Assessor calculated for FY16, this taxpayer would pay the same amount of total taxes before or after urban renewal division of taxes. The only difference is that some of the tax revenues go to the urban renewal districts, instead of to the overlapping taxing districts. Table 8 in Exhibit F sets out this calculation for the typical taxpayer in Eugene. As can be seen, **the before and after urban renewal views of this taxpayer's bill are exactly the same**.

Impact on Tax Rates: Urban renewal nominally affects voter-approved local option levies and bonds because the affected district has less property value to levy taxes against, resulting in slightly higher tax rates. Based on the FY16 tax rates, the estimated impact of this slight tax rate increase from the Downtown Urban Renewal District is about $0.55 per year for the typical Eugene taxpayer, which represents less than 0.02% of the total tax bill of $3,565 in FY16.

The Downtown Urban Renewal District is a "reduced rate plan" under the statutes, which means that the property taxes that may be used to fund urban renewal activities is limited to the permanent tax rates and any bonds or local option levies that were approved by voters prior to October 2001. The projected tax rate used to generate urban renewal revenues for the district will be reduced over time as bonds approved by voters before October 2001 are paid off.

Impact on Overlapping Taxing District Revenues: For the overlapping taxing jurisdictions, a share of property taxes from the "excess value" or "incremental value" is not collected by the overlapping jurisdictions during the period of an active district, which is foregone revenue. The incentive for the overlapping districts to support urban renewal is higher property tax revenues in the long-run and potential direct and indirect benefit from the urban renewal funded projects. When the district is ended, the overlapping taxing districts are able to tax the entire value within the district. Under the theory of urban renewal, this value is higher than it would have been if there had been no district in effect.

The estimated amount of urban renewal taxes to be divided over the remaining term of the Plan (net of discounts, delinquents, etc.) is shown in Table 9 in Exhibit G. Only the permanent tax rates of the overlapping jurisdictions are considered in this analysis because there are no local option levies that impact the Downtown Urban Renewal District, and bonded debt tax rates will be reduced from year to year until the existing bonds are paid off.

As can be seen in Table 9, in FY16, it is estimated that the City of Eugene would forego about $1,000,000 of revenue because of the Downtown Urban Renewal District division of tax calculation. In [A = FY26, B = FY31, C = FY47] after tax increment financing is terminated, the City of Eugene is estimated to receive [A = $1.4M, B = $1.7M, C = $2.8M] of additional tax revenue per year. Lane County is estimated to forego $180,000 of revenue in the first fiscal year, and to benefit by [A = $260,000, B = $300,000, C = $510,000] of additional tax revenue per year after division of tax is terminated in [A = FY26, B = FY31, C = FY47].

The impact on school districts from the termination of the urban renewal district is more complicated. Table 9 shows the foregone taxes, excluding any impacts from tax rate compression under Measure 5 and Measure 50 and excluding any impacts from the State school funding formula. Table 9 shows that the combined school districts (4J, Lane Community College, and Lane Education Service District) are estimated to forego $810,000 of revenue in the first fiscal year, and to benefit by [A = $1.1M, B = $1.3M, C = $2.2M] of additional annual tax revenue after the division of tax is terminated in [A = FY26, B = FY31, C = FY47]. This is not the complete story, however.

The impact on schools from the division of tax calculation for urban renewal districts is largely an impact on the State's budget because schools are mainly funded on a per-pupil funding formula (rather than by the level of property tax dollars generated within their boundaries). The State determines how much money must be allocated for the education of each pupil across the state. If the money is not available from local property taxes, the State will make up the difference. If more funds are available through local school property taxes, the State would have additional dollars to allocate as it chooses. In other words, the State can chose to allocate any extra money to education or to some other budgetary priority. If the State choses to keep the money in education, some of that money would return to Eugene schools based on the applicable statewide school funding formula and the rest would be distributed to school districts across Oregon.

The Lane County Assessor conducted an analysis of the impact of the Downtown Urban Renewal District on School District 4J's local option levy, including the impacts of tax rate compression. It is a net loss of $340,000. The analysis is included as Table 10 in Exhibit H. That analysis is summarized in Table 11 on the following page. Note that the difference in the impact to overlapping districts between Table 9 and Table 10 is due to tax rate compression in the education category for an additional 821 properties that would occur if the Downtown District were not collecting division of tax revenue.

This analysis concludes that 4J is better off financially if the Downtown Urban Renewal District continues to collect tax increment funds than it would be if tax increment financing were terminated. The reason is that taxes that are currently counted under the "general government" category for Measure 5 tax rate limitations (i.e., the "school property tax dollars" that now go to urban renewal) would move into the "education" category. When that happens, the education category of taxes must be reduced for a number of individual properties within the City because schools are already collecting as much as they can under Measure 5 limits for those properties. State law says that local option levy proceeds are the first to be reduced in the event of compression.

Table 11 – Estimated Revenue without Downtown Urban Renewal District
FY16 Tax Data, AFTER Discounts, Delinquencies, & State School Funding Formula

Taxing District	
Eugene School District 4J – *permanent rate*	$20,000
Eugene School District 4J – *local option*	(360,000)
Lane Community College *	70,000
Lane Education Service District *	25,000
Total Education	**($245,000)**
City of Eugene	$1,000,000
Lane County – *permanent rate*	180,000
Lane County – *local option*	0
Eugene Urban Renewal Downtown	(2,015,000)
Eugene Urban Renewal Riverfront	0
Total General Government	**($835,000)**
City of Eugene – *Bond I*	$40,000
City of Eugene – *Bond II*	0
Eugene School District 4J – *Bond I & II*	0
Lane Community College – *Bond II*	0
Total Bonds	**$40,000**
TOTAL TAXES	**($1,040,000)**

* The other school districts that overlap with the Downtown District would experience similar impacts to 4J for the school funding formula (described below), although the specific financial consequences are not calculated in this Report.

In order to understand the Lane County Tax Assessor's analysis for 4J impact, there are three factors to consider:

1. Revenue from 4J's permanent levy would increase by approximately $586,000, for a net gain of approximately $20,000 after applying the State school funding formula. (4J receives about 2.8% of the total State-wide funding.) This is the best-case scenario that assumes all else is equal, and the State decides to provide more funding for schools as a result of having more property tax revenue available.

2. 4J will lose about $360,000 of local option levy proceeds (after discounts and delinquencies) if the Downtown District no longer collects tax increment funds because of compression. The State funding formula does not apply to local option levies, so the full impact of this reduction would be felt in 4J's budget. Both of these estimates are based on FY16 tax roll information and would vary in future years with changes in market conditions. The estimates are also based on gross taxes, without taking into account discounts for early payment or delinquencies.

3. There is also a one-time impact. If tax increment collections are terminated, there would be a return of any excess tax increment funds collected by the Downtown District to the overlapping taxing districts. The amount returned will depend on how much tax increment is on hand at the time of the calculation, which cannot be estimated at this time. However, the State confirmed that this would not represent

additional money to be spent on education in 4J; rather, it would go through the State school funding formula, and 4J would receive about 2.8% of the total on a one-time basis.

In summary, 4J would experience an ongoing loss in its budget of about $340,000 annually as a result of terminating tax increment collections in the Downtown District and a one-time impact of less than 3% of any one-time funds provided to the State. The other school districts that overlap with the Downtown District would experience similar impacts, although the specific financial consequences are not calculated in this report.

Chapter 10: Relocation Report

A. Requirement
An analysis of the existing residences of businesses required to relocate permanently or temporarily as a result of Agency actions under ORS 457.170.

Response
No specific relocation activity is identified in the Plan. If urban renewal assistance results in relocation requirements, a relocation plan will be developed for that purpose. Relocation activities and assistance would be provided in accordance with ORS 281.045 through 281.105.

B. Requirement
A description of the methods to be used for the temporary or permanent relocation of persons living in and businesses situated in, the Plan Area in accordance with ORS 281.045 through 281.105.

Response
No specific relocation activity to be initiated by the Agency is identified in the Plan. If urban renewal assistance results in relocation requirements, a relocation plan will be developed for that purpose. Relocation activities and assistance would be provided in accordance with ORS 281.045 through 281.105.

C. Requirement
An enumeration, by cost range, of the existing housing units in the plan area to be destroyed or altered and new units to be added.

Response
No specific existing housing units are proposed to be removed by actions of the Plan.

D. Requirement
A description of new residential units which are likely to be constructed within the Plan Area.

Response
Some new residential units are expected to be constructed within the Plan Area.

Chapter 11: Appendix

Exhibit A: Plan Area Map

Exhibit B: Zoning District Map

Exhibit C: Census Boundaries Map

Exhibit D: Plan Area Map with 2016 Expansion Area Highlighted

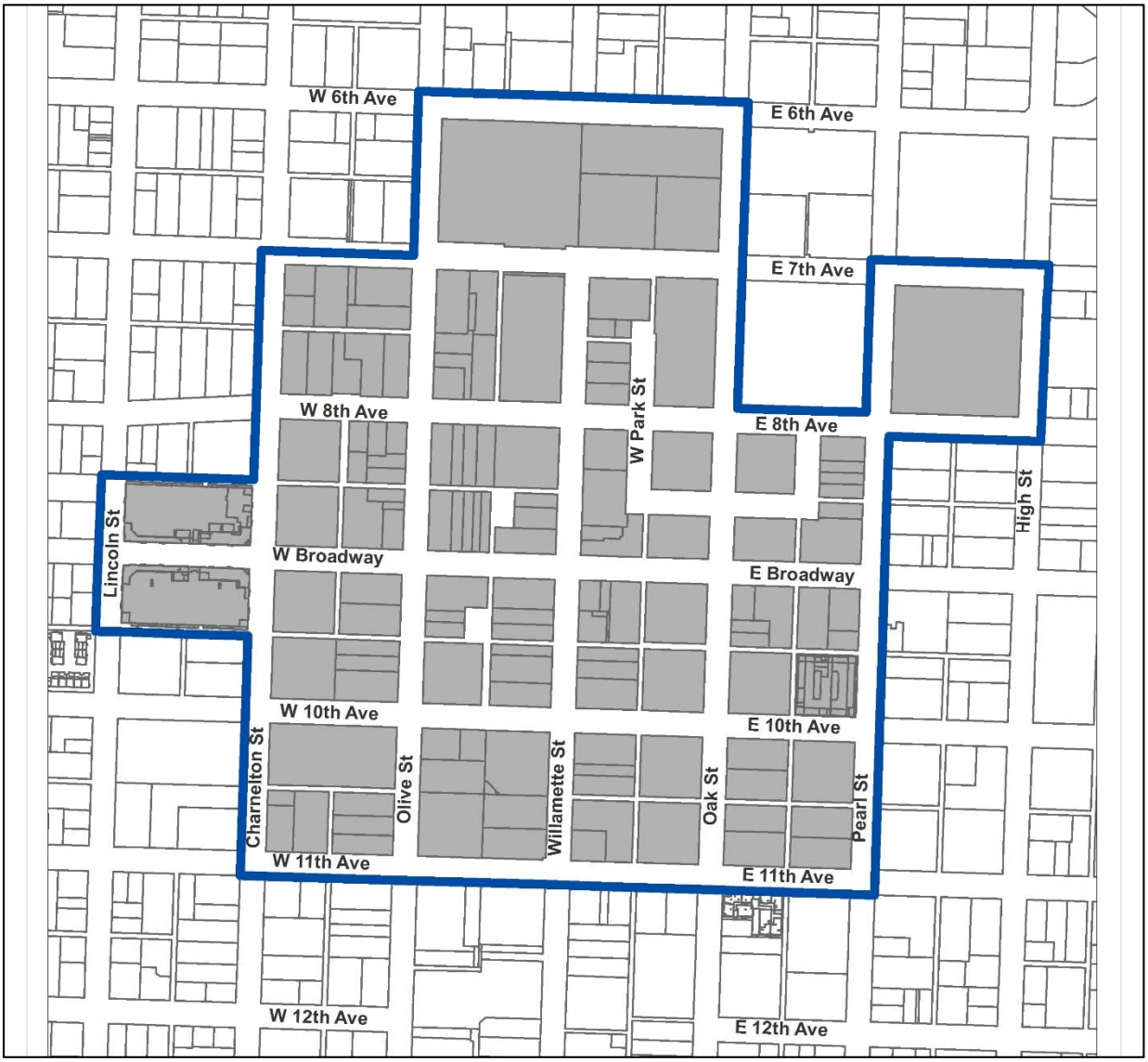
Exhibit E: Table 7 – Projected Revenues and Expenditures for the Plan Area [package C]

Exhibit F: Table 8 – Impact of Urban Renewal on an Individual Tax Bill

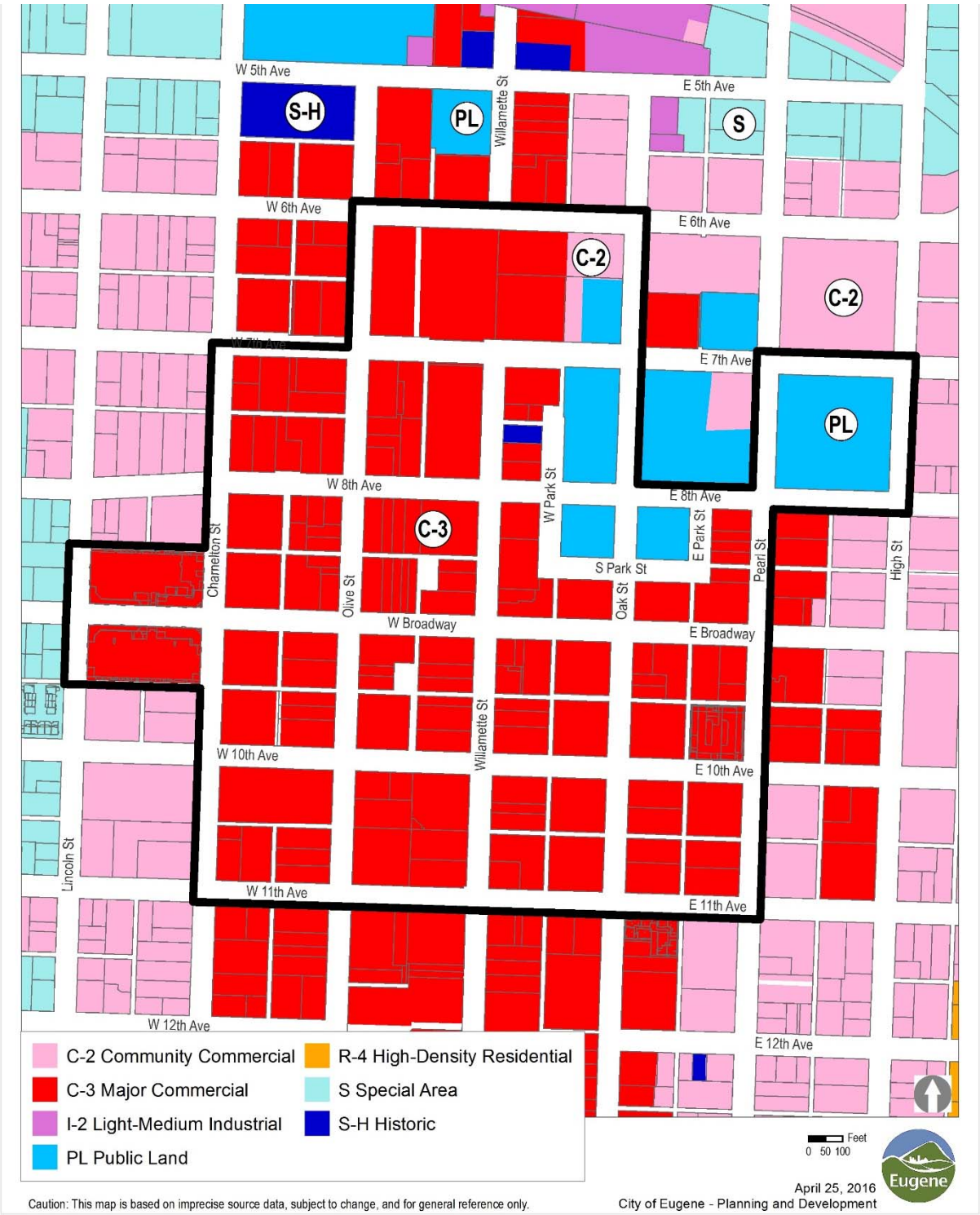
Exhibit G: Table 9 – Division of Tax Impact of the Plan on Overlapping Taxing Jurisdictions, FY16 – FY46 [package C]

Exhibit H: Table 10 – Estimated Impact of Downtown District Tax Increment Collections on Overlapping Jurisdictions, FY16 Tax Data (Including the impact of school funding formula and Measure 5/50 tax rate compression)

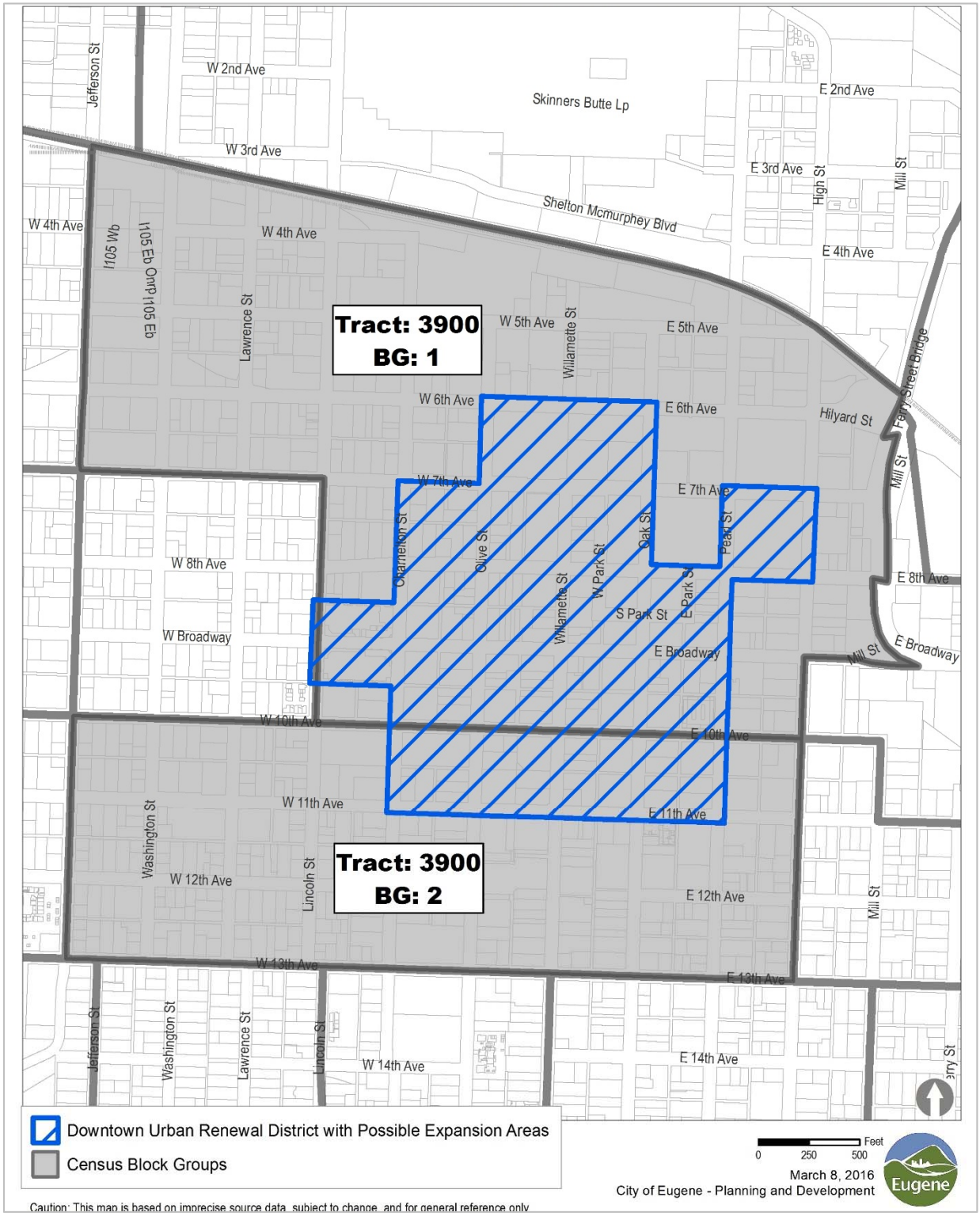
Report Exhibit A – Plan Area Map



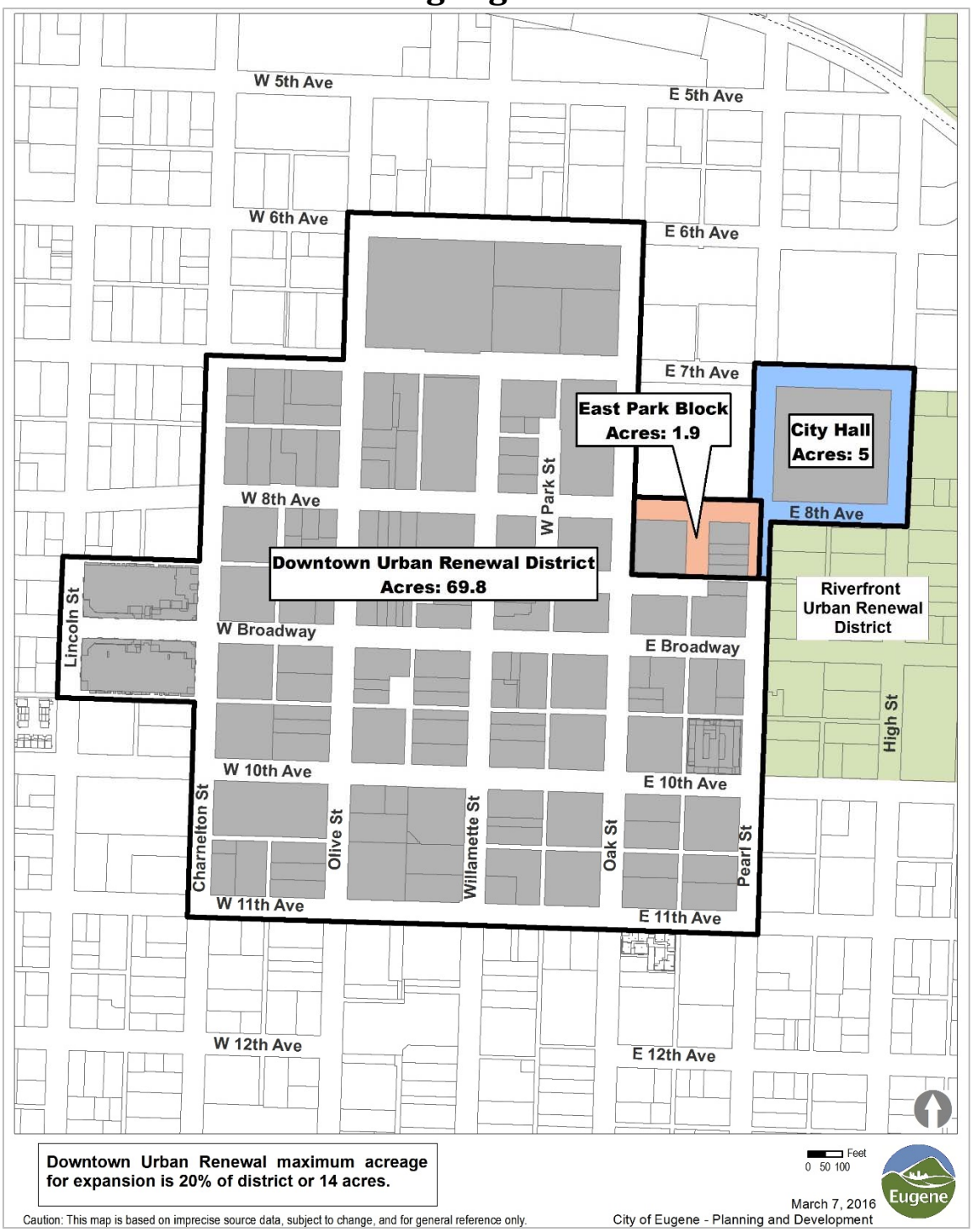
Report Exhibit B – Zoning District Map



Report Exhibit C – Census Boundaries Map



Report Exhibit D – Plan Area Map with 2016 Expansion Area Highlighted



Report Exhibit E: Table 7 – Projected Revenues and Expenditures for the Plan Area* (Part 1)

Resources	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Property Taxes[1]	1,985,000	2,070,000	2,140,000	2,220,000	2,300,000	2,380,000	2,460,000	2,550,000	2,640,000	2,730,000	2,730,000
Debt Issued	-	38,000,000	-	-	-	-	-	-	-	-	-
DRLP Loan Repayments	500,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Interest Earnings	19,000	17,000	28,000	21,000	15,000	10,000	6,000	11,000	19,000	29,000	41,000
Beginning Working Capital	3,513,109	1,019,877	1,362,443	1,009,443	702,443	452,443	252,443	499,443	910,443	1,414,443	2,010,443
Total Resources	6,017,109	41,276,877	3,700,443	3,420,443	3,187,443	3,012,443	2,888,443	3,230,443	3,739,443	4,343,443	4,951,443
Requirements											
Existing Plan Expenditures											
Administration[2] - Existing Cap	134,654	-	-	-	-	-	-	-	-	-	-
Downtown Lighting	15,972	-	-	-	-	-	-	-	-	-	-
Farmers Market improvements	500,000	-	-	-	-	-	-	-	-	-	-
Debt Service & Issuance Costs	2,253,000	1,287,000	-	-	-	-	-	-	-	-	-
Totals Existing Plan	2,903,626	1,287,000	-	-	-	-	-	-	-	-	-
New Plan Expenditures											
Administration[2] - New Cap	-	522,000	543,000	566,000	589,000	613,000	163,000	170,000	177,000	185,000	193,000
Approved Projects	-	37,500,000	-	-	-	-	-	-	-	-	-
Debt Service & Issuance Costs	-	500,000	1,982,000	1,983,000	1,978,000	1,979,000	1,979,000	1,979,000	1,979,000	1,978,000	2,483,000
Totals New Plan	-	38,522,000	2,525,000	2,549,000	2,567,000	2,592,000	2,142,000	2,149,000	2,156,000	2,163,000	2,676,000
Non-Tax Increment Expenditures											
DRLP Loans Granted[3]	2,093,598	105,434	166,000	169,000	168,000	168,000	247,000	171,000	169,000	170,000	170,000
Total Expenditures	4,997,224	39,914,434	2,691,000	2,718,000	2,735,000	2,760,000	2,389,000	2,320,000	2,325,000	2,333,000	2,846,000
Debt Service Reserve[4]	-	-	-	-	-	-	-	500,000	1,000,000	1,500,000	2,000,000
Other Reserves	1,019,885	1,362,443	1,009,443	702,443	452,443	252,443	499,443	410,443	414,443	510,443	105,443
Total Reserves	1,019,885	1,362,443	1,009,443	702,443	452,443	252,443	499,443	910,443	1,414,443	2,010,443	2,105,443
Total Requirements	6,017,109	41,276,877	3,700,443	3,420,443	3,187,443	3,012,443	2,888,443	3,230,443	3,739,443	4,343,443	4,951,443

**Based on package C. Packages A and B would have shorter durations.*

Notes:

1. Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.
2. Administration includes project legal and professional services, and project administration.
3. All available non-tax increment resources are budgeted for loans in each year, but actual loan activity may differ.
4. There may be a potential lender requirement for debt service reserve.

Report Exhibit E: Table 7 – Projected Revenues and Expenditures for the Plan Area* (Part 2)

Resources	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
Property Taxes[1]	2,820,000	2,920,000	3,020,000	3,120,000	3,230,000	3,340,000	3,450,000	3,570,000	3,690,000	3,810,000	3,940,000
Debt Issued	-	-	-	-	-	-	-	-	-	-	-
DRLP Loan Repayments	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Interest Earnings	43,000	47,000	52,000	60,000	59,000	60,000	64,000	59,000	57,000	56,000	58,000
Beginning Working Capital	2,105,443	2,287,443	2,564,443	2,940,443	2,911,443	2,984,443	3,155,443	2,926,443	2,806,443	2,791,443	2,882,443
Total Resources	5,138,443	5,424,443	5,806,443	6,290,443	6,370,443	6,554,443	6,839,443	6,725,443	6,723,443	6,827,443	7,050,443
Requirements											
Existing Plan Expenditures											
Administration[2] - Existing Cap	-	-	-	-	-	-	-	-	-	-	-
Downtown Lighting	-	-	-	-	-	-	-	-	-	-	-
Farmers Market improvements	-	-	-	-	-	-	-	-	-	-	-
Debt Service & Issuance Costs	-	-	-	-	-	-	-	-	-	-	-
Totals Existing Plan	-	-	-	-	-	-	-	-	-	-	-
New Plan Expenditures											
Administration[2] - New Cap	201,000	210,000	219,000	228,000	238,000	249,000	260,000	271,000	283,000	296,000	309,000
Approved Projects	-	-	-	-	-	-	-	-	-	-	-
Debt Service & Issuance Costs	2,481,000	2,480,000	2,478,000	2,981,000	2,979,000	2,981,000	3,483,000	3,479,000	3,480,000	3,480,000	3,980,000
Totals New Plan	2,682,000	2,690,000	2,697,000	3,209,000	3,217,000	3,230,000	3,743,000	3,750,000	3,763,000	3,776,000	4,289,000
Non-Tax Increment Expenditures											
DRLP Loans Granted[3]	169,000	170,000	169,000	170,000	169,000	169,000	170,000	169,000	169,000	169,000	168,000
Total Expenditures	2,851,000	2,860,000	2,866,000	3,379,000	3,386,000	3,399,000	3,913,000	3,919,000	3,932,000	3,945,000	4,457,000
Debt Service Reserve[4]	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Reserves	287,443	564,443	940,443	911,443	984,443	1,155,443	926,443	806,443	791,443	882,443	593,443
Total Reserves	2,287,443	2,564,443	2,940,443	2,911,443	2,984,443	3,155,443	2,926,443	2,806,443	2,791,443	2,882,443	2,593,443
Total Requirements	5,138,443	5,424,443	5,806,443	6,290,443	6,370,443	6,554,443	6,839,443	6,725,443	6,723,443	6,827,443	7,050,443

**Based on package C. Packages A and B would have shorter durations.*

Notes:

1. Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.
2. Administration includes project legal and professional services, and project administration.
3. All available non-tax increment resources are budgeted for loans in each year, but actual loan activity may differ.
4. There may be a potential lender requirement for debt service reserve.

Report Exhibit E: Table 7 – Projected Revenues and Expenditures for the Plan Area* (Part 3)

										Totals
Resources	FY38	FY39	FY40	FY41	FY42	FY43	FY44	FY45	FY46	FY17-46
Property Taxes[1]	4,070,000	4,200,000	4,340,000	4,480,000	4,630,000	4,780,000	4,930,000	5,100,000	5,260,000	102,920,000
Debt Issued	-	-	-	-	-	-	-	-	-	38,000,000
DRLP Loan Repayments	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	5,100,000
Interest Earnings	52,000	49,000	47,000	48,000	52,000	58,000	57,000	59,000	64,000	1,298,000
Beginning Working Capital	2,593,443	2,413,443	2,347,443	2,402,443	2,583,443	2,900,443	2,859,443	2,947,443	3,188,443	1,019,877
Total Resources	6,885,443	6,832,443	6,904,443	7,100,443	7,435,443	7,908,443	8,016,443	8,276,443	8,682,443	148,337,877
Requirements										
Existing Plan Expenditures										
Administration[2] - Existing Cap	-	-	-	-	-	-	-	-	-	-
Downtown Lighting	-	-	-	-	-	-	-	-	-	-
Farmers Market improvements	-	-	-	-	-	-	-	-	-	-
Debt Service & Issuance Costs	-	-	-	-	-	-	-	-	-	1,287,000
Totals Existing Plan	-	-	-	-	-	-	-	-	-	1,287,000
New Plan Expenditures										
Administration[2] - New Cap	323,000	337,000	352,000	368,000	385,000	402,000	421,000	440,000	460,000	9,973,000
Approved Projects	-	-	-	-	-	-	-	-	-	37,500,000
Debt Service & Issuance Costs	3,980,000	3,979,000	3,982,000	3,980,000	3,982,000	4,479,000	4,480,000	4,480,000	4,305,000	90,749,000
Totals New Plan	4,303,000	4,316,000	4,334,000	4,348,000	4,367,000	4,881,000	4,901,000	4,920,000	4,765,000	138,222,000
Non-Tax Increment Expenditures										
DRLP Loans Granted[3]	169,000	169,000	168,000	169,000	168,000	168,000	168,000	168,000	167,000	5,078,434
Total Expenditures	4,472,000	4,485,000	4,502,000	4,517,000	4,535,000	5,049,000	5,069,000	5,088,000	4,932,000	144,587,434
Debt Service Reserve[4]	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-
Other Reserves	413,443	347,443	402,443	583,443	900,443	859,443	947,443	1,188,443	3,750,443	3,750,443
Total Reserves	2,413,443	2,347,443	2,402,443	2,583,443	2,900,443	2,859,443	2,947,443	3,188,443	3,750,443	3,750,443
Total Requirements	6,885,443	6,832,443	6,904,443	7,100,443	7,435,443	7,908,443	8,016,443	8,276,443	8,682,443	148,337,877

**Based on package C. Packages A and B would have shorter durations.*

Notes:
1. Final year of tax increment collections would be adjusted downward based on amount needed to completely fund maximum indebtedness.
2. Administration includes project legal and professional services, and project administration.
3. All available non-tax increment resources are budgeted for loans in each year, but actual loan activity may differ.
4. There may be a potential lender requirement for debt service reserve.

Report Exhibit F: Table 8 – Impact of Urban Renewal on an Individual Tax Bill

Effect of Urban Renewal on Tax Bill for Typical Eugene Home in FY16

	Taxes Before UR Reallocation	Taxes Directed To: Taxing Districts	Downtown UR District	Riverfront UR District	Taxes After UR Reallocation	Difference	
Education Taxes							
Eugene School District 4J	$901.37	$881.93	$11.86	$7.57	$881.93	($19.44)	
Eugene School District 4J LOL	284.73	284.73	0.00	0.00	284.73	0.00	
Lane Community College	117.52	115.47	1.25	0.80	115.47	(2.05)	
Lane Education Service District	42.37	41.63	0.46	0.28	41.63	(0.74)	
Total	**$1,345.98**	**$1,323.75**	**$13.57**	**$8.66**	**$1,323.75**	**($22.23)**	*
General Government Taxes							
City of Eugene	$1,329.85	$1,306.37	$14.33	$9.15	$1,306.37	($23.48)	
Lane County	242.84	238.57	2.60	1.67	238.57	(4.27)	
Lane County Public Safety LOL	104.40	104.40	0.00	0.00	104.40	0.00	
Eugene UR Downtown District	0.00	0.00	0.00	0.00	31.09	**31.09**	
Eugene UR Riverfront District	0.00	0.00	0.00	0.00	23.59	**23.59**	
Total	**$1,677.09**	**$1,649.34**	**$16.93**	**$10.82**	**$1,704.02**	**$26.93**	
Bonded Debt Taxes							
City of Eugene Bond I	51.48	50.59	0.55	0.34	50.59	(0.89)	
City of Eugene Bond II	156.20	155.14	0.00	1.06	155.14	(1.06)	
Eugene School District 4J Bond I	3.32	3.26	0.04	0.02	3.26	(0.06)	
Eugene School District 4J Bond II	292.89	290.45	0.00	2.45	290.45	(2.45)	
Lane Community College Bond II	38.10	37.85	0.00	0.25	37.85	(0.25)	
Total	**$542.00**	**$537.29**	**$0.59**	**$4.12**	**$537.29**	**($4.71)**	
Total Taxes	**$3,565.07**	**$3,510.38**	**$31.09**	**$23.59**	**$3,565.07**	**$0.00**	

Source: Lane County Assessment & Taxation, Table 4e, Detail of Urban Renewal Plan Areas by Taxing District, Tax Year 2015-16. Assessed value of $189,821 for typical Eugene home per Lane County Assessor media release dated 10/19/15.

* See Chapter 9 "Impact on Overlapping Taxing District Revenues" section for more information on net impact to schools.

Report Exhibit G: Table 9 – Division of Tax Impact of the Plan on Overlapping Taxing Jurisdictions, FY16 – FY46* (Part 1)

	Tax Increment Collections							
	Actual FY16	Projected FY17	Projected FY18	Projected FY19	Projected FY20	Projected FY21	Projected FY22	Projected FY23
District Division of Tax Revenue Impact[1]								
School District 4J[2]	$670,000	$690,000	$720,000	$750,000	$770,000	$800,000	$830,000	$860,000
Lane Community College	$90,000	$90,000	$90,000	$100,000	$100,000	$100,000	$110,000	$110,000
Lane Education Service District	$30,000	$30,000	$30,000	$40,000	$40,000	$40,000	$40,000	$40,000
City of Eugene	$990,000	$1,030,000	$1,060,000	$1,100,000	$1,140,000	$1,180,000	$1,220,000	$1,260,000
Lane County	$180,000	$190,000	$190,000	$200,000	$210,000	$220,000	$220,000	$230,000
Permanent Tax Rates								
School District 4J	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485
Lane Community College	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191
Lane Education Service District	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232
City of Eugene	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058
Lane County	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793
Incremental Value in the Downtown UR District[3]	$150,210,000	$155,660,000	$161,270,000	$167,050,000	$173,000,000	$179,130,000	$185,450,000	$191,960,000

**Based on package C. Packages A and B would have shorter durations.*

Notes:
1. Property tax collections for all years is 94.0%.
2. Analysis does not include impact on School District 4J's local option levy, which currently benefits from the existence of the urban renewal districts. Additionally, the impact on schools is really an impact on the State's budget because schools are mainly funded on a per-pupil funding formula rather than by the level of property tax dollars generated within their boundaries. See Chapter 9 "Impact on Overlapping Taxing District Revenues" section for more information and Exhibit H – Table 10.
3. Existing property values increase at 3% per year.
4. Tax increment collections are projected to cease in FY46.
5. FY47 amount is what overlapping districts would receive in taxes after cessation of urban renewal tax collections.

Report Exhibit G: Table 9 – Division of Tax Impact of the Plan on Overlapping Taxing Jurisdictions, FY16 – FY46* (Part 2)

	Tax Increment Collections							
	Projected FY24	Projected FY25	Projected FY26	Projected FY27	Projected FY28	Projected FY29	Projected FY30	Projected FY31
District Division of Tax Revenue Impact[1]								
School District 4J[2]	$890,000	$920,000	$950,000	$980,000	$1,020,000	$1,050,000	$1,090,000	$1,120,000
Lane Community College	$120,000	$120,000	$120,000	$130,000	$130,000	$140,000	$140,000	$150,000
Lane Education Service District	$40,000	$40,000	$40,000	$50,000	$50,000	$50,000	$50,000	$50,000
City of Eugene	$1,310,000	$1,350,000	$1,400,000	$1,450,000	$1,500,000	$1,550,000	$1,600,000	$1,660,000
Lane County	$240,000	$250,000	$260,000	$260,000	$270,000	$280,000	$290,000	$300,000
Permanent Tax Rates								
School District 4J	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485
Lane Community College	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191
Lane Education Service District	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232
City of Eugene	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058
Lane County	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793
Incremental Value in the Downtown UR District[3]	$198,660,000	$205,560,000	$212,670,000	$219,990,000	$227,530,000	$235,300,000	$243,300,000	$251,540,000

**Based on package C. Packages A and B would have shorter durations.*

Notes:
1. Property tax collections for all years is 94.0%.
2. Analysis does not include impact on School District 4J's local option levy, which currently benefits from the existence of the urban renewal districts. Additionally, the impact on schools is really an impact on the State's budget because schools are mainly funded on a per-pupil funding formula rather than by the level of property tax dollars generated within their boundaries. See Chapter 9 "Impact on Overlapping Taxing District Revenues" section for more information and Exhibit H – Table 10.
3. Existing property values increase at 3% per year.
4. Tax increment collections are projected to cease in FY46.
5. FY47 amount is what overlapping districts would receive in taxes after cessation of urban renewal tax collections.

Report Exhibit G: Table 9 – Division of Tax Impact of the Plan on Overlapping Taxing Jurisdictions, FY16 – FY46* (Part 3)

	Tax Increment Collections							
	Projected FY32	Projected FY33	Projected FY34	Projected FY35	Projected FY36	Projected FY37	Projected FY38	Projected FY39
District Division of Tax Revenue Impact[1]								
School District 4J[2]	$1,160,000	$1,200,000	$1,240,000	$1,280,000	$1,320,000	$1,370,000	$1,410,000	$1,460,000
Lane Community College	$150,000	$160,000	$160,000	$170,000	$170,000	$180,000	$180,000	$190,000
Lane Education Service District	$50,000	$60,000	$60,000	$60,000	$60,000	$60,000	$70,000	$70,000
City of Eugene	$1,710,000	$1,770,000	$1,830,000	$1,890,000	$1,950,000	$2,020,000	$2,080,000	$2,150,000
Lane County	$310,000	$320,000	$330,000	$350,000	$360,000	$370,000	$380,000	$390,000
Permanent Tax Rates								
School District 4J	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485
Lane Community College	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191
Lane Education Service District	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232
City of Eugene	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058
Lane County	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793
Incremental Value in the Downtown UR District[3]	$260,030,000	$268,770,000	$277,770,000	$287,040,000	$296,590,000	$306,430,000	$316,560,000	$327,000,000

**Based on package C. Packages A and B would have shorter durations.*

Notes:
1. Property tax collections for all years is 94.0%.
2. Analysis does not include impact on School District 4J's local option levy, which currently benefits from the existence of the urban renewal districts. Additionally, the impact on schools is really an impact on the State's budget because schools are mainly funded on a per-pupil funding formula rather than by the level of property tax dollars generated within their boundaries. See Chapter 9 "Impact on Overlapping Taxing District Revenues" section for more information and Exhibit H – Table 10.
3. Existing property values increase at 3% per year.
4. Tax increment collections are projected to cease in FY46.
5. FY47 amount is what overlapping districts would receive in taxes after cessation of urban renewal tax collections.

Report Exhibit G: Table 9 – Division of Tax Impact of the Plan on Overlapping Taxing Jurisdictions, FY16 – FY46* (Part 4)

	Tax Increment Collections							Revenue to Overlapping Districts when Tax Increment Ceases
	Projected FY40	Projected FY41	Projected FY42	Projected FY43	Projected FY44	Projected FY45	Projected FY46[4]	Projected FY47[5]
District Division of Tax Revenue Impact[1]								
School District 4J[2]	$1,510,000	$1,560,000	$1,610,000	$1,660,000	$1,710,000	$1,770,000	$1,830,000	$1,890,000
Lane Community College	$200,000	$200,000	$210,000	$220,000	$220,000	$230,000	$240,000	$250,000
Lane Education Service District	$70,000	$70,000	$80,000	$80,000	$80,000	$80,000	$90,000	$90,000
City of Eugene	$2,220,000	$2,300,000	$2,370,000	$2,450,000	$2,530,000	$2,610,000	$2,700,000	$2,780,000
Lane County	$410,000	$420,000	$430,000	$450,000	$460,000	$480,000	$490,000	$510,000
Permanent Tax Rates								
School District 4J	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485	$4.7485
Lane Community College	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191	$0.6191
Lane Education Service District	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232	$0.2232
City of Eugene	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058	$7.0058
Lane County	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793	$1.2793
Incremental Value in the Downtown UR District[3]	$337,750,000	$348,820,000	$360,230,000	$371,980,000	$384,080,000	$396,540,000	$409,380,000	$422,480,000

**Based on package C. Packages A and B would have shorter durations.*

Notes:

1. Property tax collections for all years is 94.0%.
2. Analysis does not include impact on School District 4J's local option levy, which currently benefits from the existence of the urban renewal districts. Additionally, the impact on schools is really an impact on the State's budget because schools are mainly funded on a per-pupil funding formula rather than by the level of property tax dollars generated within their boundaries. See Chapter 9 "Impact on Overlapping Taxing District Revenues" section for more information and Exhibit H – Table 10.
3. Existing property values increase at 3% per year.
4. Tax increment collections are projected to cease in FY46.
5. FY47 amount is what overlapping districts would receive in taxes after cessation of urban renewal tax collections.

Report Exhibit H: Table 10 – Estimated Impact of Downtown District Tax Increment Collections on Overlapping Jurisdictions[1], FY16 Tax Data (Including the impact of school funding formula and Measure 5/50 tax rate compression)

Taxing District	Levy	With Downtown Tax Increment[2]	Without Downtown Tax Increment[2]	Difference	Estimated Revenue After Discounts, Delinquencies, & School Funding Formula[3]
EDUCATION					
Eugene School District 4J	Permanent	52,436,917	53,023,217	586,300	20,000[4]
Eugene School District 4J	Local Option	11,760,371	11,382,386	(377,985)	(360,000)
Lane Community College	Permanent	8,371,200	8,445,856	74,656	70,000
Lane Education Service District	Permanent	3,017,925	3,045,123	27,198	25,000
Total Education		**$75,586,413**	**$75,896,582**	**$310,169**	**($245,000)**
GENERAL GOVERNMENT					
City of Eugene	Permanent	95,803,317	96,854,328	1,051,011	1,000,000
Lane County	Permanent	17,509,307	17,700,169	190,862	180,000
Lane County	Local Option	16,570,854	16,570,854	-	-
Eugene Urban Renewal Downtown	Urban Renewal	2,122,696	-	(2,122,696)	(2,015,000)
Eugene Urban Renewal Riverfront	Urban Renewal	1,597,478	1,597,478	-	-
Total General Government		**$133,603,652**	**$132,722,829**	**($880,823)**	**($835,000)**
BONDS					
City of Eugene	Bond I	3,712,786	3,753,187	40,401	40,000
City of Eugene	Bond II	11,386,348	11,386,348	-	-
Eugene School District 4J	Bond I	196,187	198,468	2,281	-
Eugene School District 4J	Bond II	17,452,656	17,452,656	-	-
Lane Community College	Bond II	2,775,096	2,775,096	-	-
Total Bonds [5]		**$35,523,073**	**$35,565,755**	**$42,682**	**$40,000**
TOTAL TAXES		**$244,713,138**	**$244,185,166**	**($527,972)**	**($1,040,000)**

Notes:
1. Numbers vary from the FY16 Adopted Budget document due to the use of current year's tax data and the inclusion of compression.
2. Data provided by Lane County Assessment & Taxation, tax year 2015-16.
3. The assumed collection rate is 95%.
4. Assumes that legislature allocates the additional property taxes to schools throughout the State and 4J receives its 2.8% share of the total.
5. Bonded debt tax rates would be slightly reduced if tax increment collections were ceased. An estimate based on $40,000 of bonded debt taxes is a tax rate decrease of approximately $0.0029 per $1,000 of assessed value, or about $0.55 per year for the typical home.

Urban Renewal Plan for the Downtown Urban Renewal District

Adopted July 1968
- Modified -
December 1968
December 1989
June 1998
September 13, 2004
June 25, 2010

Urban Renewal Agency of the City of Eugene, Oregon

URBAN RENEWAL PLAN FOR THE DOWNTOWN URBAN RENEWAL DISTRICT

Table of Contents

Section 100 – Introduction ..... ***- 2 -***
Section 200 – Definitions ..... ***- 2 -***
Section 300 – Legal Descriptions ..... ***- 3 -***
Section 400 – Goals and Objectives ..... ***- 3 -***
A. GOALS ..... - 3 -
B. OBJECTIVES ..... - 3 -
Section 500 – Land Use Plan ..... ***- 4 -***
Section 600 – Urban Renewal Projects ..... ***- 4 -***
A. PUBLIC PARKS, PUBLIC PLAZAS, REST ROOMS, AND OPEN SPACES: Park Blocks Improvements for the Farmers' Market ..... - 4 -
B. PUBLIC PARKING AND PUBLIC TRANSPORTATION FACILITIES: Broadway Place Garages & Public Safety Improvements ..... - 4 -
C. LANE COMMUNITY COLLEGE NEW DOWNTOWN CAMPUS ..... - 5 -
D. ADMINISTRATIVE ACTIVITIES ..... - 5 -
E. EXISTING ACTIVITIES ..... - 6 -
Section 700 – Methods for Financing the Projects ..... ***- 6 -***
Section 800 – Annual Financial Statement Required ..... ***- 7 -***
Section 900 – Citizen Participation ..... ***- 7 -***
Section 1000 – Non-Discrimination ..... ***- 7 -***
Section 1100 – Recording of this Plan ..... ***- 7 -***
Section 1200 – Procedures for Changes or Amendments ..... ***- 7 -***
Section 1300 – Duration and Validity of Approved Plan ..... ***- 8 -***
A. DURATION OF THE PLAN ..... - 8 -
B. VALIDITY ..... - 8 -
Section 1400 – Maximum Indebtedness ..... ***- 8 -***
Section 1500 – Formal Matters ..... ***- 9 -***
PLAN EXHIBIT A: Plan Area Map ..... ***- 10 -***
PLAN EXHIBIT B: Plan Area Description ..... ***- 11 -***

I. ADOPTION

Resolution Number	Date	Purpose
Resolution No. 257	3-Jul-68	Adoption of the Urban Renewal Plan for the Central Eugene Project (the Plan).

II. AMENDMENTS

Amendment Number	Date	Purpose
Resolution No. 1609	19-Dec-68	o Modified the Plan to allow for additional projects as required by HUD to receive additional federal funds.
Ordinance No. 19648	8-Nov-89	o Aligned the Plan with Metro Plan policies: strengthen the area's position as a regional service center, maintain the Eugene central business district as a vital center, incorporate principles of compact urban growth, encourage retail and commercial development in the downtown area, and promote the development of parking structures in the downtown core. o Expiration set for FY10.
Ordinance No. 20120	1-Jun-98	o Responded to Measure 50 to a) include a maximum amount of indebtedness and b) select Option 1 for the city-wide special levy as the method for collecting ad valorem property taxes for payment of debts related to urban renewal projects. o Limited expenditure of new funds to completing existing projects and construction of a new main library. o Removed the business assistance loan program. o Approved a plan to reduce district administration costs over the following three years.
Ordinance No. 20328	13-Sep-04	o Expanded the projects for which tax increment funds could be used o Created a public advisory committee o Added the requirement for specific Agency approval of projects greater than $250,000 (other than loans), and adding a limit of $100,000 on the mandate for a public hearing in the event of a plan change (applies to minor amendments that can be approved by the URA without ORS 457.095 approval – Section 1200, C of the 2004 Plan). o Added the Downtown Revitalization Loan Program (DRLP). o Expiration set for 2024.

URBAN RENEWAL PLAN FOR THE DOWNTOWN URBAN RENEWAL DISTRICT

Section 100 – Introduction

The Downtown Urban Renewal Plan (formerly known as the Central Eugene Project Plan), was revised in 2010 to limit the scope of two previously approved projects, to remove the ability to initiate all other previously approved projects, and to authorize one new project. The two previously approved projects are: (1) public parks, public plazas, rest rooms, and open spaces, which will be limited to funding infrastructure improvements to the Park Blocks to provide better opportunities for the Farmers' Market; and (2) public parking and transportation facilities, which will be limited to additional assistance for the Broadway Place Garages. The new project is assistance to Lane Community College (LCC) for development of the 10th and Charnelton Site. Except for these three projects, the Agency will not initiate additional projects to be funded with tax increment dollars after the date of this 2010 Amendment.

Upon the repayment or defeasance of debt related to the urban renewal projects specifically identified in the Plan, as amended by the 2010 Amendment, the Downtown Urban Renewal District will be terminated, any unused tax increment funds will be returned to Lane County for redistribution to overlapping taxing districts, and other assets and liabilities transferred to the City of Eugene.

Section 200 – Definitions

The following definitions will govern this Plan.

10th and Charnelton Site means the Agency owned property bounded by Charnelton Street on the west, 10th Avenue on the south, and Olive Street on the east. The downtown public library is directly across 10th Avenue from this site.

2010 Amendment means the update to the Plan that was completed in 2010.

Agency means the Urban Renewal Agency of the City of Eugene.

Broadway Place Garages means the structured parking at Broadway and Charnelton streets, construction of which was partially paid for with urban renewal funds.

Downtown Plan means the Downtown Plan as adopted by the Eugene City Council in 2004 as a refinement of the Eugene Springfield Metropolitan Area General Plan.

Plan means this Urban Renewal Plan for the Downtown District.

Plan Area means the property included in the Downtown Urban Renewal District as more fully described in Section 300.

Projects means only the urban renewal projects that are listed in Section 600 of the Plan, as amended by the 2010 Amendment.

Tax Increment Financing means a method of financing urban renewal projects as authorized by ORS Chapter 457.

Section 300 – Legal Descriptions

The Downtown Urban Renewal District includes an area of approximately 70 acres. The Plan Area includes all of the land within the boundaries designated on the map attached as Plan Exhibit A and described as containing all lots or parcels of property, situated in the City of Eugene, County of Lane, State of Oregon, bounded generally as described in Plan Exhibit B.

Section 400 – Goals and Objectives

A. GOALS

The goals of the Plan are to:

1. Improve the function, condition, and appearance of the Plan Area through:
    a. Improved site for the Farmers' Market;
    b. Funding of critical parking assets;
    c. Improved safety for visitors to locations and business within the Plan Area; and
    d. Redevelopment of the excavated vacant lot at the 10th and Charnelton Site.

2. Eliminate blight and blighting influences;

3. Strengthen the economic conditions of the Plan Area; and

4. Enhance downtown's role as the regional economic, governmental, and cultural center and a central location for public and private development and investment.

B. OBJECTIVES

Development in the Plan Area has been intended to implement the adopted policies contained in the Downtown Plan and to develop downtown as the heart of a livable, sustainable city. The objectives for the Plan are to ensure that:

1. The Farmers' Market can continue to bring hundreds of employees and residents into the Plan Area;
2. The Broadway Place Garages remain available and in good condition to support other development and redevelopment in downtown and, at the same time, to enable improvements to public safety downtown; and
3. LCC is able to redevelop the 10th and Charnelton Site with a campus that will bring thousands of people into the Plan Area.

Section 500 – Land Use Plan

The use and development of all land within the Plan Area shall comply with the regulations prescribed in the City's comprehensive plan, zoning ordinance, subdivision ordinance, City charter, or any other applicable local, State or Federal laws regulating the use of property within an urban renewal area.

Section 600 – Urban Renewal Projects

To achieve the objectives of this Plan, the Agency may undertake the following urban renewal projects, and no others, with tax increment funds:

A. PUBLIC PARKS, PUBLIC PLAZAS, REST ROOMS, AND OPEN SPACES: *Park Blocks Improvements for the Farmers' Market*

Former Section 600 A.5 of the Plan authorized the Agency to participate in funding the design, acquisition, construction or rehabilitation of public spaces, or parks or public facilities within the urban renewal area, including but not limited to walkways and plazas and accessibility improvements. Beginning with the effective date of the 2010 Amendment, the Agency will not use tax increment funds to initiate any public parks, public plazas, rest rooms or open spaces except the Park Blocks improvements for the Farmers' Market that are described in the next paragraph.

The Agency may spend up to $500,000 of tax increment funds, plus associated interest, premium and other costs, on infrastructure improvements to the Park Blocks in order to make that location more attractive and functional for the Farmers' Market.

B. PUBLIC PARKING AND PUBLIC TRANSPORTATION FACILITIES: *Broadway Place Garages & Public Safety Improvements*

Former Section 600 A.6 of the Plan authorized the Agency to participate in funding the acquisition and construction and enhancement of public parking and public transportation facilities within the renewal area. Prior to the 2010 Amendment, the Agency provided approximately $2.5 million of assistance for the construction of the Broadway Place Garages. After the effective date of the 2010 Amendment, the Agency will not use tax increment funds to initiate any public parking or transportation facilities funding except the funding for the Broadway Place Garages described in the next paragraph.

After the 2010 Amendment, the Agency may spend up to $4.9 million of tax increment funds to pay the principal of City obligations issued to finance those garages, or of Agency obligations that are issued to refinance the City obligations, plus associated interest, premium and other costs, but only if the City agrees to a) continue to make the garages available for businesses and residents downtown and b) enhance public safety in the Plan Area.

The proposed funding for the Broadway Place Garages serve and benefit the Plan Area because: (1) The Broadway Place Garages provide an essential public parking facility that directly serves

the business, customer, and resident parking needs in the Plan Area, thereby supporting continued redevelopment in the Plan Area; (2) The Plan Area is a parking exempt zone, and the Broadway Place Garages relieve property owners in the Plan Area from the requirement to provide imbedded parking in new and redeveloped properties; and (3) The additional funding will allow the Broadway Place Garages to continue to provide these services to the Plan Area.

C. LANE COMMUNITY COLLEGE NEW DOWNTOWN CAMPUS

The Agency may spend up to $8 million of tax increment funds, plus associated interest, premium and other costs, to assist LCC in the development of a new downtown building for its programs at the 10th and Charnelton Site. Upon agreement by LCC and the City, the project may include a public plaza or open space area at the site and potentially a downtown public safety station. The Agency already has approved the sale of this site to LCC.

LCC is proposing to build a new 80,000 square foot, mixed-use, state-of-the-art downtown education facility. The education building is targeted for LEED Platinum certification. LCC is also considering the construction of approximately 200 beds of student housing on the 10th & Charnelton Site. The new, highly-sustainable education building is expected to be a teaching tool for LCC's nationally recognized Energy Management program and to become a model for sustainable development. The new education facility will secure LCC's presence downtown for several decades and will be a major activity generator for downtown. The Agency may provide assistance with project related costs for the new education facility and housing, including construction hard and soft costs, site improvements, infrastructure, open space, green building features, art, and other project related cost.

The LCC New Downtown Campus will serve and benefit the Plan Area because: (1) Existing education programs and new programs to be included in the new building will draw thousands of students and visitors to the Plan Area each year; (2) New housing residents will generate more activity in the Plan Area; and (3) This landmark building, coupled with the activity it generates, will become a major anchor that will support adjacent retail and services in the Plan Area, enhance the perception of safety by introducing high volumes of new pedestrian traffic in the Plan Area, and attract new investments in the Plan Area.

D. ADMINISTRATIVE ACTIVITIES

Many of the Agency's administrative activities are provided through a contract between the City of Eugene and the Agency dated June 15, 2004.

1. The Agency may retain the services of independent professional people or organizations to provide administrative or technical services such as:
    a. Project management;
    b. Preparation of market, feasibility, or other economic studies;
    c. Preparation of design, architectural, engineering, landscaping architectural, planning, development, or other developmental studies;

d. Preparation of property acquisition appraisals;

e. Provision of special rehabilitation, restoration, or renovation feasibility and cost analysis studies;

f. Provision of legal, debt issuance, accounting or audit services; and

g. Assistance with preparation of the annual financial report required under Section 800 of this Plan.

2. The Agency may acquire, rent, or lease office space and office furniture, equipment, and facilities necessary for it to conduct its affairs in the management and implementation of this Plan.

3. The Agency may invest its reserve funds in interest-bearing accounts or securities.

4. The Agency may borrow money, accept advances, loans, or grants from any legal source, issue urban renewal bonds and receive tax increment proceeds as provided for in Section 700 of this Plan.

E. EXISTING ACTIVITIES

The Agency may complete urban renewal projects authorized prior to the 2010 Amendment (for example, the Beam Development project at Willamette and Broadway and downtown lighting).

The Agency also may continue to operate the Downtown Revitalization Loan Program. All dollars loaned must come from the program revenue in the loan fund and not from tax increment funds.

Section 700 – Methods for Financing the Projects

The Agency may borrow money and accept advances, loans, grants, and other legal forms of financial assistance from the Federal government, State, City, County, or other public body, or from any source, public or private, for the purposes of undertaking and carrying out the Projects authorized by this Plan.

Ad valorem taxes, if any, levied by a taxing body upon the taxable real and personal property situated in the Plan Area, shall be divided in accord with and pursuant to Section 1c, Article IX of the Oregon Constitution and ORS 457.420 through 457.460, and used by the Agency for the Projects authorized by this Plan.

The Agency shall adopt and use a fiscal year ending June 30 accounting period. Each year, the Agency shall develop a budget in conformance with the provisions of ORS Chapter 294 and ORS 457.460, which shall describe sources of revenue, proposed expenditures, and activities.

Section 800 – Annual Financial Statement Required

A financial statement shall be prepared and provide information in accordance with ORS 457. The statement shall be filed with the City Council and notice shall be published in accordance with ORS 457.

Section 900 – Citizen Participation

The activities and projects defined in this Plan, and the adoption of amendments to this Plan shall be undertaken with the participation of citizens, owners, tenants as individuals, and organizations who reside within or who have financial interest within the Plan Area together with the participation of general residents of the City. The Agency shall convene not less than once each year a committee of such persons to prepare a report on: a) the activities of the Agency for the previous fiscal year, and b) whether the Agency's expenditure of tax increment dollars was limited to the projects authorized by this Plan and the associated administrative costs authorized by the Plan.

Section 1000 – Non-Discrimination

In the preparation, adoption, and implementation of this Plan no public official or private party shall take any action to cause any person, group, or organization to be discriminated against in a manner that violates Section 4.613 of the Eugene Code, 1971.

Section 1100 – Recording of this Plan

A copy of this Plan shall be recorded with the recording officer of Lane County.

Section 1200 – Procedures for Changes or Amendments

It is the intent of this Plan that, except as provided in the following paragraphs, no changes will be made to the Plan. The purpose of the 2010 Amendment is to limit any new project activities to the Projects, and once those Projects are completed and the debt is repaid or defeased, to require that the Agency will notify the assessor to cease dividing taxes for the District.

ORS 457.085(2)(i), however, requires that an urban renewal plan include a description of what types of plan amendments constitute "substantial amendments" which require the same notice, hearing and approval procedure required of the original plan. The statute also identifies two types that must be included as "substantial amendments" (increases in maximum indebtedness and expansions of territory in excess of 1%). It is the intent of this Plan that, with the exceptions listed below, there be no amendments, substantial or otherwise. Since the statutes require a description of substantial amendments, the Plan defines all amendments as substantial amendments, other than the following.

The following amendments will be treated as minor amendments, and may be made by resolution of the Agency Board:

1. Amendments to correct clerical or similar errors; and
2. Amendments to respond to a decision by a court or state agency, if someone challenges the 2010 Amendment and this Plan is remanded.

Section 1300 – Duration and Validity of Approved Plan

A. DURATION OF THE PLAN

Taxes may be divided under this Plan only until the maximum indebtedness for the Plan Area has been issued and paid or defeased, or the Agency has determined that it will not issue the full amount of that maximum indebtedness, and all indebtedness that will be issued has been issued and paid or defeased. When that indebtedness has been paid or defeased the Agency will notify the assessor pursuant to ORS 457.450(2) to cease dividing taxes for the Plan Area, and shall return any unused tax increment funds to Lane County for redistribution to overlapping taxing districts. However, this Plan may remain in effect as long as legally required to exist and until the Agency transfers any remaining assets and liabilities of the Plan Area to the City of Eugene. As of the date of the 2010 Amendment, it is estimated that: the last fiscal year for which taxes will be divided is FY2016/2017; and the District will terminate after the financial audit for FY2017/2018 is complete and the Agency has approved a budget to transfer all remaining tax increment funds to Lane County for redistribution to the overlapping taxing districts.

B. VALIDITY

Should a court of competent jurisdiction find any word, clause, sentence, section, or part of this Plan to be invalid, the remaining words, clauses, sentences, section, or parts shall be unaffected by any such finding and shall remain in full force and effect for the duration of the Plan.

Section 1400 – Maximum Indebtedness

The sum of $33,000,000 was established in 1998 as the spending limit (maximum amount of new indebtedness which could be issued or incurred from tax increment funds) under this Plan after June 1, 1998. That figure was developed using the estimated project costs, plus a 5% annual inflation factor.

The 2010 Amendment increased the maximum indebtedness amount by $13.6 million, to a total of $46.6 million. The maximum indebtedness limit established by this Section 1400 does not apply to or limit:

1. The obligation of the Agency to pay interest on indebtedness issued or incurred under this Plan;
2. Any indebtedness issued to refund indebtedness issued or incurred under this Plan, to the extent that the refunding indebtedness does not exceed the principal amount of the refunded indebtedness, plus the amount of the refunding indebtedness that is used to pay costs of the refunding;

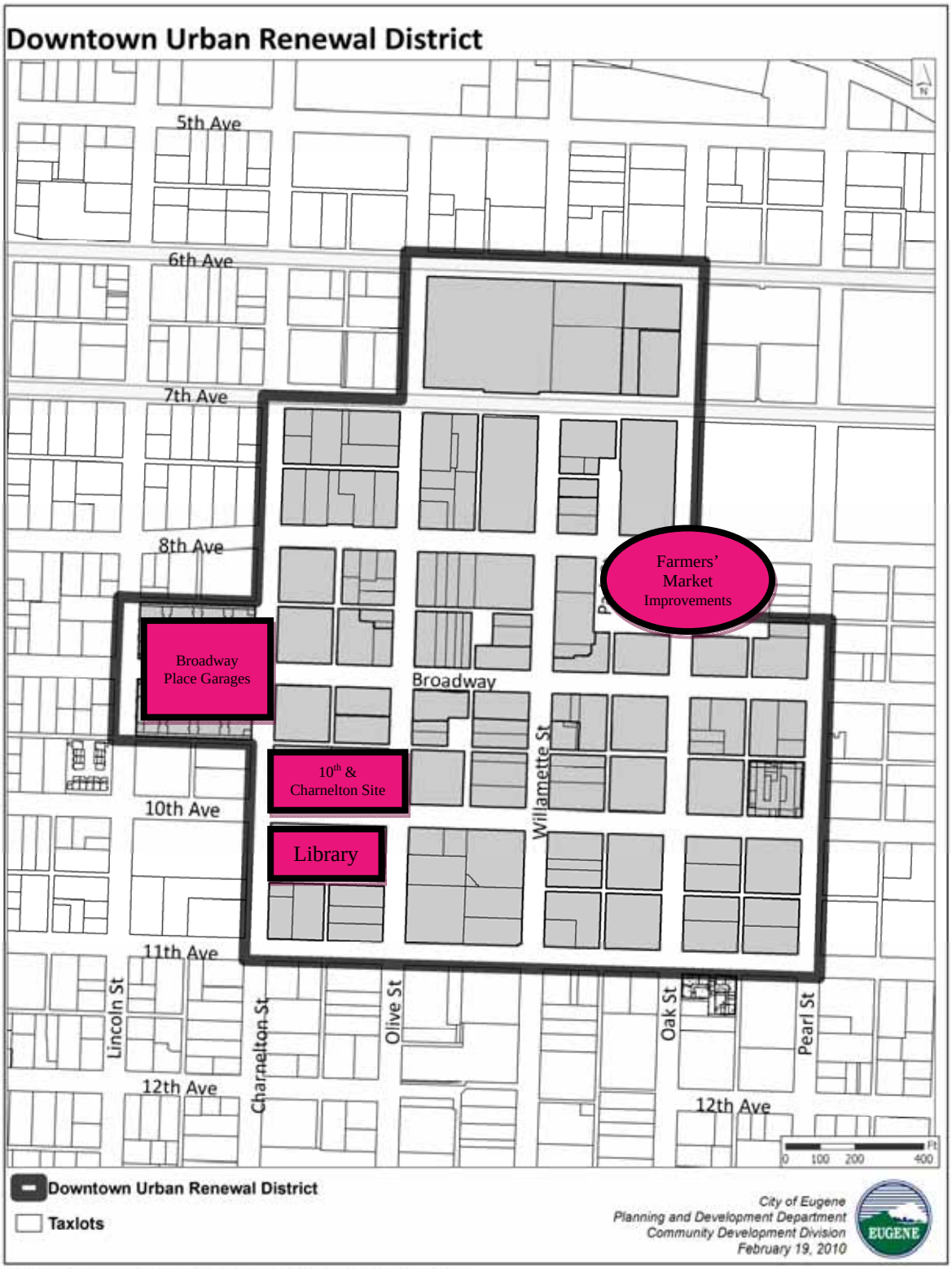
3. Funds to repay indebtedness existing on the date of the 1998 Amendment; and
4. Expenditures made from funds other than tax increment funds, such as loans made from the Downtown Revitalization Loan Program.

Legislation passed in 2009 places new limits on how much a municipality can increase maximum indebtedness. That same legislation, however, also provides that those limitations *"do not apply to the extent the municipality approving a plan obtains the written concurrence of taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal area."* Together School District 4J and the City impose at least 75% of the amount of taxes imposed under permanent rate limits in the Plan Area. On May 19, 2010, the School Board for District 4J adopted a motion, for purposes of that statute, concurring with the increase in maximum indebtedness. The City concurred with that increase in maximum indebtedness when it approved this Plan. Therefore, the new legislative limitations are not applicable to the proposed maximum indebtedness increase.

Section 1500 – Formal Matters

In compliance with ORS 457.085: no relocation provisions are included in this Plan because the Projects in this Plan do not require relocating persons; and, no real property will be acquired to carry out this Plan.

PLAN EXHIBIT A: Plan Area Map



PLAN EXHIBIT B: Plan Area Description

Beginning at the southwest corner of the intersection of 11th Avenue and Charnelton Street in the City of Eugene, Lane County, Oregon, commencing northerly along the west right-of-way line of Charnelton Street to the point of intersection of the south right-of-way line of the alley between 10th Avenue and Broadway;

(1) thence, westerly along the south right-of-way line of said alley to the west line of Lincoln Street;
(2) thence, northerly along the west right-of-way line of Lincoln Street to the point of intersection of the north right-of-way line of the alley between Broadway and 8th Avenue if extended;
(3) thence, easterly along the north right-of-way line of said alley to the west right-of-way line Charnelton Street;
(4) thence, northerly along the west right-of-way line of Charnelton Street to the northwest corner of the intersection of 7th Avenue and Charnelton Street;
(5) thence, easterly along the north right-of-way line of 7th Avenue to the northwest corner of the intersection of 7th Avenue and Olive Street;
(6) thence, northerly along the west right-of-way line of Olive Street to the northwest corner of the intersection of 6th Avenue and Olive Street;
(7) thence, easterly along the north right-of-way line of 6th Avenue to the northeast corner of the intersection of 6th Avenue and Oak Street;
(8) thence, southerly along the east right-of-way line of Oak Street to the northeast corner of Oak Street and South Park Avenue;
(9) thence, easterly along the north right-of-way line of South Park Avenue extended to the east right-of-way line of Pearl Street;
(10) thence, southerly along the east line of Pearl Street to the southeast corner of the intersection of Pearl Street and West 11th Avenue; and
(11) thence westerly along the south right-of-way line of West 11th Avenue to the point of beginning.

Attachment D

Timeline for Proposed Downtown Urban Renewal Amendment Process

April 18 Notify taxing districts by mail that amendments are proposed and inform them of the proposed hearing date (ORS 457.085)

- Districts receive a copy of the draft plan and accompanying report and are invited to comment; School District 4J asked to provide concurrence
- Districts given an opportunity to meet and review the maximum indebtedness and other proposed amendments to the plan

April 18 Mail notice to the general public – include hearing date, web address, etc. (ORS 457.120)

- Place draft plan and accompanying report on City website

May 9 Planning Commission review and recommendation to the City Council on the proposed amendments (ORS 457.085)

May 23 City Council Public Hearing on ordinance amending the Downtown Urban Renewal Plan

May 25 City Council work session to review comments and recommendations from the public, overlapping taxing bodies, and the Planning Commission

May 30 Refined plan amendments prepared by staff, including financial analysis (considering comments received by the public, other taxing jurisdictions, and Planning Commission)

June 8 Council meeting to consider adoption of ordinance amending the Downtown Urban Renewal Plan

[If the ordinance is adopted, the referendum signature process would need to be completed by 7/11 at 5pm]

July 12 If Council adopts ordinance on June 8 and is immediately signed by Mayor, ordinance becomes law – *unless ordinance referred*

[If the referendum is successful, the election would be on 11/8]