

EUGENE URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Work Session: Downtown Update - East Broadway

Meeting Date: February 22, 2006
Department: Planning and Development
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Agenda Item Number: B
Staff Contact: Nan Laurence
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ISSUE STATEMENT

The Eugene Urban Renewal Agency (URA) is asked to approve an intergovernmental agreement between the City and the Urban Renewal Agency. This action is a necessary component of the financing strategy for the public parking garage, as part of the East Broadway/Whole Foods Development Project.

BACKGROUND

Please refer to the Eugene City Council agenda item summaries for February 8 and 22 for background information on this item.

RELATED CITY POLICIES

Relevant Downtown Plan policies include the following:

- Downtown development shall support the urban qualities of density, vitality, livability and diversity to create a downtown, urban environment.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
- Facilitate dense development in the Courthouse area and other sites between the core of downtown and the river.

The Downtown Plan policies emphasize downtown Eugene as a strong regional center, and a diverse, dense, economically strong urban center. The proposed East Broadway/Whole Foods Development Project addresses these policies as a higher density, pedestrian-oriented, public/private redevelopment project in the area of the Wayne Morse Federal Courthouse.

The following project is listed in the Downtown Plan as an example of a possible action to address the Implementation Strategies in the plan:

- Construct a new parking garage to support the east side of downtown and the new Courthouse district.

Relevant Growth Management Policies include the following:

- Policy 1 Support the existing Eugene Urban Growth Boundary by taking actions to increase density and use existing vacant land and under-used land within the boundary more efficiently.
- Policy 2 Encourage in-fill, mixed-use, redevelopment, and higher density development.
- Policy 3 Encourage a mix of businesses and residential uses downtown using incentives and zoning.

The Whole Foods Development project is consistent with the Goals and Objectives of the Riverfront Urban Renewal District Plan, in particular the following:

- 4. *To stimulate development activity and amenities near the new federal courthouse.*

In Section 600 A.6. of the plan, the acquisition and construction of public parking is an authorized project activity. Therefore, the City's participation in the East Broadway/Whole Foods Development Project, which consists of construction of a parking garage, is authorized for spending of Riverfront Urban Renewal funds.

URBAN RENEWAL AGENCY OPTIONS

The Urban Renewal Agency can choose to take action in support of the East Broadway/Whole Foods Development Project by approving the suggested motion below, or decline to support the project as proposed.

AGENCY DIRECTOR'S RECOMMENDATION

The Agency Director recommends that the Urban Renewal Agency take action in support of the East Broadway/Whole Foods Development Project by approving the motion suggested below.

SUGGESTED MOTION

Move to direct the Agency Director to enter into an intergovernmental agreement between the City of Eugene and the Urban Renewal Agency in substantial conformity with the outline of terms described in Attachment A: Intergovernmental Agreement.

ATTACHMENTS:

- A. Intergovernmental Agreement

FOR MORE INFORMATION

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Intergovernmental Agreement

The following is a general outline of terms for an Intergovernmental Agreement between the City of Eugene (the City) and the Urban Renewal Agency (URA). The terms and conditions contained herein are intended to be for discussion purposes and do not represent the final terms for this Intergovernmental Agreement. Based on Council and URA action, the final terms will be in substantial conformity with this outline.

Purchase of Parking Garage

- City is purchasing a parking garage from a developer that will be constructed mainly on City-owned property.
- Because the project is located in the Riverfront Urban Renewal District, the URA/Riverfront District is responsible for paying for as much of the project cost as possible.
- Payment for this project will be made from:
 - URA/Riverfront District: all unobligated funds available in FY06 and FY07, funds that were programmed for purchase of the riparian area on the EWEB site, and proceeds from the sale of urban renewal revenue bonds.
 - City: stormwater funds for rehabilitation the storm line, Library Debt Fund reserves to fund new debt service reserve and costs of debt issuance, and the Facility Reserve.
- If the City Council authorizes an alternative financing strategy, the City would enter into a HUD Section 108 Loan, in connection with BEDI grant funds for this project. In this event, the URA/Riverfront District would not issue urban renewal revenue bonds. The URA/Riverfront District would instead be responsible for making annual payments to the City equal to the debt service on the HUD Section 108 Loan.

Reimbursement to City for Funds Advanced for Garage Purchase

- The City contribution in the form of a Facility Reserve payment or BEDI grant funds shall be reimbursed by the URA/Riverfront to the extent possible, under the following terms:
 - No interest will be due to the City from the URA/Riverfront District for the City's up-front cash contribution to this project.
 - Each year after the audit is completed, the URA/Riverfront District will pay the City a minimum of 1/2 of any excess of current year revenues over current year expenses in the just completed fiscal year for the combined URA/Riverfront District funds.
 - Prior to the URA/Riverfront entering into any additional loans or debt, the URA/Riverfront District will determine a fixed reimbursement schedule to ensure that the City will be fully reimbursed for its Facility Reserve or BEDI grant contribution to the garage project, and will include that fixed reimbursement schedule into the cash flows to determine future borrowing capacity.

Other Terms

If any urban renewal bond documents conflict with the terms of this IGA, then the terms of the bond documents will take priority over the IGA terms.