

ROUGHLY EDITED TRANSCRIPT
CITY OF EUGENE
WORK SESSION
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>> MAYOR KNUDSON: The broadcast is on channel 21, by calling into one of the phone numbers listed for this meeting. In case of emergency, access are located through the back of the room. Thank you all again for joining us. And I now call the April 8, 2026 work session of the Eugene city council to order. The city council will now meet in executive session. Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the meeting. Representatives of the news media, are specifically directed not to record or report on any of the deliberations during the executive session. It's up to state, the general subject of the session as previously announced. No decisions may be made in executive session. At the end of executive session we will begin the regular meeting. Councilors, please log out of this meeting and log back in to the executive session meeting.

>> MAYOR KNUDSON: I will now turn to the city manager to introduce our second topic.

>> This presentation is part of our long range financial planning series, and Anne, if you could advance the slide. And focuses on economic development. Just a quick reminder of our time line for these conversations. Through the spring and fall. We started with a conversation on the benchmarking that came out of the technical advisory group work on March 11th. And in may, we'll have two work sessions that cover a variety of financial topics into June. As a way to work our way toward the

June 26 city council workshop, where we'll be looking at financial policies and other areas of focus and real depth. Just a reminder that we had the technical advisory group process in the fall and that was really an intensive process with, a group of technical experts, and finance, organizational leadership, labor, nonprofits, coming together to take a deep dive to look at the city's budget, and really three areas, they generated recommendations, operational efficiencies and expenditures. And the area of economic development, some of the information underscores how much Eugene has been underperforming in this area for the past 30 years, in both number of jobs generated and the average wage of jobs. This is an opportunity to talk about what it might look like to actually invest to a level that we're a strong regional partner in this work. And that we can work together to try to change the trajectory of job creation in this region and for Eugene specifically. Given our short amount of time, I'm going to pass it over to Anne for the rest of the presentation.

>> Thank you. Can you hear me okay? I'm the economic development manager in the city's community development division. And I'm going to provide a quick summary of what we do now for economic development, but before I do that. I want to quickly review some of the data that came from the tag's efforts. On March 11th, very recently, you had a work session that focused on the comparable cities for the tag. That workbench marked some key metrics to other cities, including Salem, and Bend. They're not exactly comparable to Eugene, but the comparison provides interesting insights. One of the things that comparison analysis looked at was employment growth. This chart shows annual employment growth since 1991, Eugene is the orange line at the bottom. We've been outpaced by all five cities, and really outpaced by Boise and Bend. Fewer jobs means less economic opportunity for Eugeneans. That shows up in household income. This chart shows median household income which is the mid point of incomes. Half of the households have more, half have less. Eugene is the orange bar at the bottom. The bars at the far left show median income per household. It's particularly interesting to look at how households in their prime earnings compare. They have lower incomes in Eugene than in the comparison cities. Those are the households that make up the great majority of their workforce. These households get most of their employment from earnings. Eugene's households have jobs that pay less in these other cities. There's fewer economic opportunities. It's harder to move up to a better job. The lower earnings translates into less tax revenue for the city, the schools and the county, lower earnings means higher demand for social services. Making it harder as households struggle to make ends meet. They're less likely to have medical insurance. The lack of economic opportunity affects all kinds of services. Now, I'll talk about what the city does for economic development, but first, the basics, what is economic development. It's overarching goal is to improve the economic well being for community members, an essential component of economic growth is growing jobs and income for members of the community. The community development division is charged with economic development. The prosperity team in the community development division focuses on these areas on the slide, with the majority of our time spent on supporting existing businesses. The team also focuses

on downtown improvements, an important part of our work, today I'm focusing on the work that applies citywide.

We do this work with the city's business liaison, the business loans and me. The business liaison is the first point of contact for businesses. He works for businesses to understand their issues, and then identifies what part of the city can work to resolve them. He's talked to over 700 businesses in the last five years. It's time-consuming work, but there's no shortcut to replace time spent listening to and working with people. It shows business owners in town, that the city listens to them, and works with them. We have intentionally focused our resources in this area, because it's essential to work with employers already in the community. Recruitment, expansion is really hard with existing businesses the. Other staff person who are 100% focused on citywide economic development is our business loans ab lift, we've had a business program for over 40 years across the community. It's been a resource for our food and beverage manufacturing, recycling. And many others. Our team does some work on recruitment. This is a Flyer we've used to showcase some of our region's advantages, recruitment generally includes working with local individuals to start new businesses, as well as firms possibly looking too locate here. For recruitment, we primarily react to opportunities.

We do very little proactive work, just due to limited capacity. The last thing I want to touch on, and what we're doing now for economic development is our work on partnerships. The economic development team regularly coordinates with our counterparts at different agencies and organizations, so we have -- we all have a shared understanding and can support each other. This work also includes working at the state for our priorities and legislative sessions. Our staff is part of the team that has advocated for funding for the state, that will in the long term help us address challenges on shovel ready supply. I'm going to hand it over to will now who will walk you through some of our staffing challenges and a proposed solution.

>> Thank you, I'm Will Dowdy, I'm going to focus on the work we've done listening to the information highlighted through council's long range financial planning. Assessing that in light of the strategic plan. As you know, economic development is a community partnership venture, we're not solely responsible for, yet we are uniquely positioned to coordinate between various city operations, support efforts and initiatives that come out of the work of our community partners, and meet businesses where they are. When you review the city's current staffing structure that Anne described, we stack up like this we have our leadership engaged with public leaders and organizations. You'll find Anne and me, our involvement is coordinating with these other partners and enabling our teams. As I know you are aware, neither Anne nor myself is dedicated to the business growth aspect and managing our development renewal programs and projects, and I oversee our work in affordable housing and homeless services.

The two positions we have are the two that Anne describes. One of these is funded by the revolving loan program. And the other, the business liaison is our only

general funded position. There's a noticeable gap in the structure right in the middle. It's program development and broader implementation. Having the leadership engagement and technical capacity is the clear priority. And has enabled us to support the community as much as we have. Officer, this middle slot is the place for investing in more capacity. We agree with the key steps outlined with the tag, beginning with participating in a regional economic development strategy, aimed at retaining, enhancing and attracting business. The most important tasks fall into four positions, three of which would need general funds and a fourth that could be self-funded. Business development manager would be the position to achieve to help us with our economic growth.

This would be the key strategy described by the tag, and would lead the development and execution of a resulting action plan the business analyst depends on a whole bunch of follow through. Because housing featured in the top, the third position is a housing position analyst. This would include creating an implementing programs along the lines of the moderate income housing incentive, the moderate income involving loan or the last on the list is a relaunch of the building permit services or BPS division. Strong economy depends on clarity, and we have a team in place that has embraced this position. The development liaison can help projects and also support system improvements to make our processes run more smoothly. It would be self-funded. We included it here because it's part of an overall package. A year ago, the city manager's budget includes cutting a vacant position, it was part of the budget that you all adopted. Let's talk about what's changed between then and now, and why we would propose this in a time of financial constraint. Because of the long range financial planning, these positions now make sense. We have a clear understanding why they are needed, what they need to accomplish, how they can connect to the work of our partners, how we can measure success, and how the investment pays off in increased tax revenue and prosperity. The cost would be \$800,000 a year in general funds to support these positions. Including studies for the supports that would be necessary for this kind of implementation. As mentioned earlier, the development liaison would not require any general funds. This is what we see as the opportunity, an aggressive, yet achievable goal. If we hit the target economic growth goals, consistent with those recommended by the tag report, the city would receive \$10 million in new taxes every year. This would be a 1,000 percent return on this investment. The increase would far exceed the investment. It's important to talk about measures of success.

The work of the tag, shown a spotlight on a number of ways, in which Eugene is failing to keep pace with new cities. I'm not going to go through each item on the screen, but we have tax base and broader impact to quantify our pursuit of these goals. Before closing, let's talk about an economic initiative that is a catalyst to help achieve these jobs, household income and tax base. The southern Willamette valley innovation capitalizes on our many regional strengths and flag ship institutions. With engaged private and public partners, it has the opportunity to obtain the next generation of talent coming out of our educational institutions. Already our city manager is engaged in high level regional conversations, Anne and

I are talking with partners. But unless it's time to start talking to individual businesses, we lack the ability to development and implement an action plan. Any other initiatives repeat the same pattern, supporting the Bethel neighborhood plan that you'll be discussing in a couple weeks. Taking advantage of the billion dollar campus. There is a significant opportunity to fill this gap in the middle and plug into the regional work being good engaged partners and bringing value to the community. You've set us on a path toward long range financial sustainability. The tag helped call attention to this community need. And we assessed this with our best plan to move forward. There's a motion in the packet, and we're here for your questions.

>> MAYOR KNUDSON: Thank you. We have several councilors in the cue. I'll entertain a motion to make the time limit 1:30 for the first round.

>> Thank you, mayor, this says this is going to be funded with new general funds. What does that mean?

>> What that really means is it's coming out of the existing general fund resources, we have. So that's part of what we want to acknowledge, this is fairly unique, especially after coming out of a budget, we had substantial cuts, we don't typically come to you with this kind of an ask, but it's within the framing of what we see as needed.

>> Thank you. I feel a little bit like we're going out of order. We had one, two, and now we're on three, and that we have a bunch more work sessions culminating in the packet, and our council workshop in June. I kind of thought that the process would be in June, that our financial conditions update, the policies, unfunded needs, debt capacity, strategic plan, we'd have all that information, which would then result in an action plan we can move forward with. I am supportive of these positions, and this work is highly needed to be able to meet our goals, I just am not ready to designate this level of funding, without having that information at hand first. So that's just where I'm sitting right now. But I love this work. I want to see us really being more actively engaged in saying, hey, we have this land, that's developable, we have goals in big in a business, really doing that recruitment like you're saying, national recruitment, let's bring in the business we want to see. Bring in the jobs that we need, do that planning. I just am not ready to vote on this piece today. Thank you.

>> MAYOR KNUDSON: Councilor Clark?

>> COUNCILOR CLARK: Thank you. I have a hard time spending more money when we already know we're 2 to 10 in the hole. This is where the prioritization meets the road, at the same time, I have to say, it's my opinion that this is the only way for us to move forward in a healthy fashion. That's it. We have no hope in my opinion of getting ourselves off the road to bankruptcy, unless we have a very clear plan about how we will grow our local economy. So it sounds like a good

first step. I'm in favor of starting, but I want to have a lot more conversations about this, in a similar way. One of the questions I would have for that would be. We haven't gone through barriers that we might easily remove. And that's one of the things I'd love to see some more information on, especially with the other 5 communities. Where do we have barriers they do not? If either will or an would like to comment on that I'd like to hear it.

>> I'll weigh-in. I think the barriers would be identified in a regional strategic planning process.

>> MAYOR KNUDSON: Thank you for that clarification, very important doing the work to answer the questions. Councilor Groves?

>> COUNCILLOR GROVES: Thank you, Anne. I'm eager to help move this forward. A question I do have in light of our budget constraints. Has any consideration been made in these three positions being contracted out through -- [Inaudible] Or does some of this work, is there a way we can collaborate and maybe put funding toward it that would have a lower number? I think the development liaison, which is something that I've talked about since I've been in office, I called it a shepherd for lack of a better term. Someone who could help people through the process, and have one point of contact when you're having problems rather than bouncing back and forth between different people. That's something we better, if we have someone that finds out the answers and gets the differences worked out before we -- [Inaudible] Is that something you've considered?

>> It's something we've looked at. Part of the conversation, what makes sense to have within the city. There's a lot of tasks we want performed in our recruitment. But you the is city has this unique role of, we get engaged in certain ways, having someone inside the city, who is coordinating, large and big like clear lake, there's a lot of infra structure that needs to go into that. Having someone who is within the city organization to be doing that coordination is highly impactful. That's where this proposal is coming from. We're not trying to take on all the work, but what makes sense to have embedded in the city, so we can be a bigger partner.

>> Thank you. I know you have to spend money to make money, that's kind of what we're seeing here. Still concerns me, how we best utilize the limited resources we have. And how we really move this thing forward. My last comment would be, I think even with the clear lake development area, I think we're still short of commercial and industrial lands. That's really what we need in order to move our economy forward.

>> MAYOR KNUDSON: Councilor Kashinsky?

>> COUNCILOR KASHINSKY: Yes, thank you. And thank you for the work. I have many similar questions as to councilor leech. I feel this is out of order, while I see the value to the community as a whole for the economic development efforts,

the connection to the budget and it's -- I think everybody agrees it's not a short term fix. And we're going to have some short term. We need to have more short term conversations as well pretty soon. We would like to be able to contextualize that within those conversations. Wanting to see a financial conditions report, some prioritization work, before we sort of say, okay, let's make this commitment right now. I think that's kind of where it is, I see the value in this work, but given the way a lot of our things are structured, I feel like that return on investment is a long way out. And I don't want to accidentally end up in a position where we're having conversations about cutting things that -- [Inaudible]

>> MAYOR KNUDSON: Councilor Zelenka is next. One point of reference, they were looking at a \$10 million gap. When we would like to or if we would like to initiate development as a community, has to do with the fact that I think also former city manager Medary had indicated a challenge and threat to opportunity within this community that we are already facing, I absolutely appreciate comments from council about what more we can learn and will continue to learn. And also am very interested in seeing us do the policy work we can do to invest in economic development and opportunity we have for our community. We have great data to indicate we are behind in that work. Councilor ZELENKA?

>> COUNCILOR ZELENKA: Yeah, I have an important meeting at 1:30, these cycles go in and out. We're saying this is a long term strategy. It will take years to do this. It's nonsensical as a short term strategy. Growth does not always pay for itself. The development liaison, is that position only funded if revenue shows up, and does the back stop if it isn't funded?

>> The development liaison position is within funding that is currently available in building permit services, so they have the ability to do that, separate from the 800,000.

>> Currently?

>> So I share concerns -- I fear we're going into reduced budgets. But it's our zero sum. And I'd be a good strategy to do that, but we need to hear about what we're cutting to make -- to do this, so it has to be really clear, and it's not to me yet. And I agree, it seems premature to our June workshop and our budget process. I'm sorry, I need to run.

>> MAYOR KNUDSON: So council, we have two councilors in the cue, councilor Evans, but we're out of time with you. [Inaudible] We do not have a motion on the table. Thank you both. We are at time, so you want to check in with this body as to whether or not there's a motion to extend.

>> I move to extend the meeting by 10 minutes.

>> Second.

>> MAYOR KNUDSON: All in favor? Aye

>> MAYOR KNUDSON: So we are extending our meeting by 10 more minutes, Councilor Yeh, you're in the cue next.

>> COUNCILOR YEH: I wonder if you could -- I guess I'm a little confused about where this money, general fund resources -- can you tell me where that's coming from?

>> It is coming from existing resources. So this would be allocating budget -- the unbudgeted general fund toward this work. And I just want to put out there that I realize this is not typical, and we wanted to see whether council was in the place to support this at this time. If council's not in that place, that's okay. There's time to have this conversation, in more depth and to relate it to some of the other long term financial planning work that we'll have before we get to opportunity, if you chose to do it, to add positions, to the supplemental budget. We wanted to present the option as soon as we had figured out what we thought it would be, knowing this is a long term opportunity right now regionally, to actually work toward this.

>> Okay. Thank you. I'm not actually against doing something. In the order we normally do, especially if it's certainly important, and it's certainly not the only time we've allocated budget money that wasn't during the session, so I don't have a problem with that. I do feel the general vibe of council is not in -- maybe not today, so it might -- I have less concerns in that area, this seems very important, it seems like it's timely, often times things that take a long time, it's easy to push them off. Because you think you have a lot of time, and I'd rather get going on some of these important projects, and getting you the staff you need to do them well, we still have the opportunity. It sounds like maybe what would be helpful is a little more understanding about -- maybe we have this unbudgeted funding now, what would that look like 2 or 3 years down the road. It sounds like maybe that would be a little helpful. In general, I think this makes sense. And these positions are clearly defined, which is helpful, so yeah, I would be in favor of moving this forward once we get a majority, if council's comfortable with how it's going to be funded long term.

>> MAYOR KNUDSON: Councilor Kashinsky, and then we'll move toward closing the meeting.

>> COUNCILOR KASHINSKY: We will get a budget in June, and should we include this. Would a supplemental budget be a deciding point?

>> We don't need to decide now. I think it could be later in the long term financial planning process. There is kind of a cutoff by which we put information into the supplemental budget, but I think TWILA Miller, our finance director as we go through that process could highlight that as we're coming up to it.

>> So there's the potential to bring this back later and have that still make it's way into the supplemental budget?

>> Yes.

>> MAYOR KNUDSON: Councilor Keating or councilor Clark, I'm not seeing -
- councilor Clark.

>> COUNCILOR CLARK: Sorry about that. I think there would be -- there may be a majority to move forward to place this in the supplemental, and I would be in favor of us making such a motion.

>> MAYOR KNUDSON: I'm certainly willing to move forward with that conversation, councilor Keating?

>> COUNCILOR KEATING: I'm a little less comfortable, if we have some breathing room, I would be more comfortable tabling it. I would like to have a full compliment of council here at the table. I'd like to touch base with our incoming city manager. I don't see the need to take action today to put this piece in the supplemental budget. I get the pitch. 1,000 plus percent ROI sounds awesome, sounds too good to be true. But I think it will be premature to hold a vote today without a full compliment of council in the after mentioned conversations that need to happen.

>> MAYOR KNUDSON: Councilor Groves?

>> COUNCILOR GROVES: I would be willing to move this ahead for a vote and see where people are.

>> MAYOR KNUDSON: We can come back to that, it's helpful to have the information for the future. I am certainly willing to entertain a vote today. I'll turn to the council President to put a motion forward.

>> President leech: I would direct the staff to add three related positions to the supplemental -- [Inaudible]

>> Second.

>> Mayor, we can't hear the motion being made. Can it be repeated. I think I know why, I wrote this to cherish. I think others are having their microphone on while someone else is speaking, it may be picking up the audio -- those of us online, we're hearing every other word.

>> Councilor Keating, I will move to make the motion. Move to direct the city manager for implementation for the tag, to add three related positions to the supplemental budget.

>> Second.

>> MAYOR KNUDSON: Any further discussion from council? Is that councilor Clark with your hand raised for further discussion? Just checking. With that, I will take a vote for this motion. All in favor of the motion, please raise your hand. Four. And all opposed? Councilor YEH. All in favor please raise your hands again? Three in favor. Sorry, lots of hands going up and down. And all opposed? At this time. I will vote in the affirmative in favor. So the motion passes with a vote of 4-3. Thank you council for concluding our agenda today. And to staff for an incredibly robust discussion. I will now close the April 8th, 2026 city council work session, and we are adjourned.