



**Eugene City Council**

101 W 10th Ave., Suite 203

Eugene, OR 97401

541-682-5010 • 541-682-5414 Fax

[www.eugene-or.gov](http://www.eugene-or.gov)

# **AMENDED AGENDA EUGENE CITY COUNCIL**

**January 26, 2022**

**12:00 p.m. CITY COUNCIL WORK SESSION and  
MEETING OF THE EUGENE URBAN RENEWAL AGENCY**

As the state and community recover from the COVID-19 pandemic, City Council meetings will continue to be held remotely using virtual meeting technology.

Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

---

**Meeting of January 26, 2022;  
Her Honor Mayor Lucy Vinis Presiding**

**Councilors**

Claire Syrett, President

Mike Clark

Randy Groves

Jennifer Yeh

Matt Keating, Vice President

Greg Evans

Emily Semple

Alan Zelenka

---

*Note: This agenda was amended to reflect the addition of Item 2.*

**12:00 p.m. CITY COUNCIL WORK SESSION and  
MEETING OF THE EUGENE URBAN RENEWAL AGENCY**

**Mayor:** *I call the January 26, 2022, meeting of the Eugene Urban Renewal Agency to order.*

**1. WORK SESSION: Steam Plant Redevelopment Proposed Terms**

**Suggested Motion**

**Urban Renewal Agency President:** *I move to authorize the Agency Director to enter into an agreement for the sale and redevelopment of the Steam Plant property that is consistent with the terms in Attachment A and continue working with the development team during the due diligence period to identify funding and strategies to cover the funding gap.*

**Call for vote.**

***Mayor adjourns the meeting of the Eugene Urban Renewal Agency and convenes a meeting of the Eugene City Council.***

**2. WORK SESSION: Public Art Update**

***Adjourn.***

---

For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

<p>For more information, contact the Council Coordinator at 541-682-5010 or visit us online at <a href="http://www.eugene-or.gov">www.eugene-or.gov</a>.</p>
--

# URBAN RENEWAL AGENCY BOARD

## AGENDA ITEM SUMMARY



---

### Work Session: Steam Plant Redevelopment Proposed Terms

---

Meeting Date: January 26, 2022  
Department: Planning and Development  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 1  
Staff Contact: Amanda Nobel Flannery  
Contact Telephone Number: 541-682-5535

---

#### ISSUE STATEMENT

At this work session, the Agency Board will be asked to review and take action on proposed terms for an agreement with a local development team, led by Mark Miksis and Mark Frohnmayer, for the redevelopment of the Steam Plant (see proposed terms in Attachment A). Taking action on the proposed terms will provide the certainty the development team needs to move forward with the project while we work together to identify strategies to close the project funding gap.

#### BACKGROUND

Located prominently along the banks of the Willamette River, the Steam Plant is an iconic representation of our community's history and is ripe with possibility. The redevelopment of the Steam Plant is a once-in-a-lifetime opportunity to honor the significance of the Downtown Riverfront site while embracing its potential to be a place the community is proud of. Unfortunately, after years of disuse, general aging and because of the very specialized use it was designed and built for, the building will need considerable investment and restoration before it can be usable.

On March 14, 2018, the Agency Board directed staff to draft a process and criteria for the disposition and redevelopment of the Steam Plant. Staff solicited feedback on both from the Downtown Neighborhood Association, Historic Review Board, Sustainability Commission, nearby stakeholders, and the River Guides. On April 23, 2018, the Agency Board approved the process and criteria included in Attachment B. After a competitive request for qualifications process, a local team led by Mark Miksis and Mark Frohnmayer was invited to prepare a full proposal for the Steam Plant.

As part of the development of their initial proposal in 2019, the development team brought in architects, engineers, and other experts to assess the building's potential, met with community stakeholders, and explored financing strategies. The team also partnered with the City to complete a public outreach and engagement process in early 2019 (see Attachment B for summary of community engagement efforts). On April 24, 2019, the Agency Board considered the proposal and the River Guides' recommendation and directed the Agency Director to enter into negotiations and to return with terms for the sale and redevelopment of the Steam Plant.

Since April 2019, staff worked with the development team to negotiate terms for the Steam Plant redevelopment. However, the onset of the COVID-19 pandemic in 2020 resulted in market changes and uncertain economic conditions that forced the development team to revisit their initial proposal. Since then, staff have worked with the development team as they shifted their vision and updated their proposal with a feasible building option. The Agency Board received an update on this new proposal, described below, at the October 25, 2021 work session. The feedback from that work session was used to finalize the approach taken with the proposed deal points.

### *Proposed Project*

The team, identified as Dream Plant, LLC (Dream Plant), proposes to save and adaptively re-use the Steam Plant, transforming it into an iconic community destination that connects people with downtown and the Willamette River. The team envisions the ground floor as a gathering place where people come to work and play, collaborate and think big, and experience a setting for arts and culture amidst Eugene's world-class beer, wine, coffee, and food. The upper levels would provide the fiscal foundation to make the redevelopment feasible and sustainable. The team's initial proposal depended exclusively on office space in the upper floors, however market changes and COVID-related impacts led the team to adjust their proposal.

The new mix of uses is a multifaceted approach of vibrancy, accessibility and long-term viability. The Dream Plant team is proposing to anchor the financial aspects of the Steam Plant's preservation with a hotel. The hotel further anchors the experiential aspects of the building, capturing the energy of the historic building and serving as a hub for Eugeneans and visitors to the Willamette Valley alike. The centerpiece of the building will be a flexible and adaptive performance and exhibit space, something added to the project after community members commented that they would like the building to be a place for the creation and enjoyment of art (the hotel also will feature local art throughout and offer 'artist fellowships' for local artists). The building will include flexible office spaces for a variety of tenants to encourage collaboration and leverage its location between Downtown and the University of Oregon. The team will partner with the City to program and activate the new overlook to be built on the water intake structure sitting on the edge of the river, offering food and beverage options with the dramatic industrial backdrop. Beyond the experiential components of the project, the team is committed to two important values in the development: they will list the building on the National Historic Register, ensuring preservation and honoring of the building's historic character; and they will operate the building with progressive environmental practices, including a non-carbon-based fuel source for all the primary mechanical systems in the building (see the Dream Plant proposal in Attachment C).

### *Summary of Terms*

The Dream Plant's initial 2019 proposal had an estimated cost of about \$24M. The Agency Board first reviewed an initial set of proposed terms at their May 19, 2021, work session. The deal reviewed by the Agency Board in May proposed the Agency would make a potential public investment of \$1.5-2M toward the project. Due to the change in project uses and design, inflation of construction costs and materials, and accounting for the prevailing wage determination the Oregon Bureau of Labor and Industry (BOLI) made for the Atkins/Dame part of the Downtown Riverfront redevelopment, the team now estimates the project cost to be about \$56M, with a funding gap of about \$6.7M. The development team currently estimates that the anticipated

prevailing wage determination would increase construction costs by about \$5.2M (please note: no BOLI determination has yet been made for the Steam Plant project).

The following are key elements of the proposed terms with Dream Plant (in Attachment A):

- Dream Plant will list the property on the National Historic Register.
- The project description reflects changes in the demand for office and coworking space. Dream Plant is pursuing hotel and office space uses in the upper floors to establish a fiscal foundation for the building. Any changes to those uses would be subject to Agency Director approval prior to the end of due diligence. The ground floor includes space for art, music, food, and drink.
- The City and Dream Plant will enter into an agreement for the non-exclusive use and exclusive concession rights of the Southern Plaza (which includes the overlook), including maintenance responsibilities.
- The Agency will sell the property to Dream Plant for \$1.
- Agency will abate the remaining asbestos around Boiler 1, estimated to be \$350K in 2019.
- Agency will pay the system development charges and permit fees (approximately \$1.1M).
- The Agency and Dream Plant will work together to identify funding and strategies to cover the remaining funding gap of \$5.2M.
- The City/Agency will work with Dream Plant to identify 125 potential off-site parking spaces.
- Closing on the property and commencement of construction shall occur no later than September 30, 2023.

The total cost of the proposed development is \$56M. With a combination of debt and equity, including historic tax credits, the developer would work to secure \$49.3M. The Agency's investment of approximately \$1.5M would be about 3% of the total project cost. The development team is working to identify \$5.2M (9% of total project cost) to close the funding gap for the project.

#### *District Capacity*

On March 8, 2021, the Agency Board reviewed the Riverfront District's financial capacity (see Attachment D for an updated summary). After paying for projects already funded, and accounting for the proceeds of the sale of property to Atkins/Dame, and other planned expenditures, the projected amount of urban renewal resources show there is approximately \$3.2 million of tax increment and property sale revenue available for future investments. This projection is based on information available as of January 2022 and prior to making the proposed investment in the Steam Plant.

If the Board approves the proposed terms, an estimated \$1.5M of Urban Renewal funds would be available for the Steam Plant, however there is still work that needs to be done to fill the \$5.2M funding gap. As a reminder, Attachment F has funding sources information that was provided to the Board on March 8, 2021. Staff has started exploring State funding opportunities for the Steam Plant.

#### *Advisory Committee*

The River Guides reviewed the proposed terms in Attachment A on November 3 and recommended approval. A summary of their discussion and recommendation will be provided at

the work session (see Attachment E for River Guides member list and their prior deliberations on the Dream Plant project).

#### *Timeline*

If the Agency Board approves the proposed terms in Attachment A, the Agency and Dream Plant can enter into a development agreement that would enable Dream Plant to start its due diligence, including securing investors, preparing project details for financing, begin design refinement, and starting the process to list the building on the National Historic Register. Per the proposed terms and if both parties have identified the necessary funding during due diligence, the team would close on the property and start construction no later than September 30, 2023. Construction would take approximately 18 months.

The adjacent Downtown Riverfront timing includes:

- Park open: Spring 2022
- 8<sup>th</sup>/Hilyard crossing open: July 2022
- Atkins Dame redevelopment starts construction: 2022

#### *Upcoming Riverfront Discussions*

Staff will return to the Agency Board for a work session to discuss other Riverfront projects (Affordable Housing, parking and mobility) in spring of 2022. Staff will update the Agency Board on Steam Plant progress at that work session.

### **PREVIOUS AGENCY BOARD DIRECTION**

#### [October 25, 2021 Agency Board Work Session](#)

The Agency Board received an update on the proposed redevelopment of the Steam Plant.

#### [May 19, 2021 Agency Board Work Session](#)

The Agency Board discussed the proposed Steam Plant deal points. The Board requested additional information which is provided in this summary.

#### [March 8, 2021 Agency Board Work Session](#)

The Agency Board received an update on the current financial status of the Riverfront Urban Renewal district and had an initial discussion of four projects that could be pursued in the future, as requested by the Agency Board: 1) Steam Plant, 2) Plaza, 3) Affordable Housing, and 4) Parking. No action was taken.

#### [April 24, 2019 Agency Board Work Session](#)

Agency directed the Agency Director to negotiate with the Miksis/Frohnmayr development team and return with terms for the sale and development for approval.

#### [April 23, 2018 Agency Board Work Session](#)

Agency Board approved criteria and process for disposition of the Steam Plant.

### March 14, 2018 Agency Board Work Session

Executive session followed by work session. Agency Board directed staff to draft a process and criteria for the disposition and redevelopment of the Steam Plant.

### **AGENCY BOARD OPTIONS**

1. Authorize the Agency Director to enter into an agreement that is consistent with the terms in Attachment A and continue working with the development team during the due diligence period to identify funding and strategies to cover the funding gap.
2. Schedule another work session for more discussion on the proposed terms.

### **AGENCY DIRECTOR'S RECOMMENDATION**

The Agency Director recommends option 1: authorize the Agency Director to enter into an agreement that is consistent with the terms in Attachment A and continue working with the development team during the due diligence period to identify funding and strategies to cover the funding gap.

### **SUGGESTED MOTION**

Move to authorize the Agency Director to enter into an agreement for the sale and redevelopment of the Steam Plant property that is consistent with the terms in Attachment A and continue working with the development team during the due diligence period to identify funding and strategies to cover the funding gap.

### **ATTACHMENTS**

- A. Proposed Terms
- B. Additional Steam Plant Project Background
- C. Updated Dream Plant Redevelopment Proposal (October 2021)
- D. Riverfront District Financial Capacity
- E. River Guides Information
- F. Funding Sources Table, originally provided March 8, 2021

### **FOR MORE INFORMATION**

Staff Contact: Amanda Nobel Flannery  
Telephone: 541-682-5535  
Staff E-Mail: [anobelflannery@eugene-or.gov](mailto:anobelflannery@eugene-or.gov)



## **Proposed Terms for Sale of Steam Plant Property**

Buyer: Dream Plant, LLC “Buyer”

Seller: Urban Renewal Agency of the City of Eugene “Agency”

Property: Steam Plant (Map # 17-03-32-22, Taxlot # 03000)

Purchase Price: \$1.00

Agreement: Following the Agency Board’s approval of terms, Buyer and Seller shall enter into a real property transfer agreement that will be contingent on the Agency Board and Buyer having identified the necessary funding during due diligence.

Due Diligence Period: Upon execution of the Agreement, Buyer will have a period of 120 days in which to review property information and to conduct on-site tests and studies to determine the condition of the property.

Earnest Money Deposit: \$8,000 paid upon execution of Agreement that will become non-refundable after the Due Diligence Period.

Closing Date: The closing of the sale shall occur when financing occurs, no later than September 30, 2023.

National Historic Register: Buyer shall list the property on the National Register of Historic Places.

Project Description: The privately owned, operated, and occupied project shall save and adaptively re-use the Steam Plant, transforming it into a vibrant mixed-use center. The ground floor will look out to the river, drawing the community in for art, music, food, and drink (approximately 7,000 square feet combined). The project will integrate the design with the Riverfront Park. The project will include dedicated flexible and adaptive space for the arts that can accommodate temporary art exhibits, installations, and performance events (approximately 2,000 square feet of the above 7,000 square feet ground floor space described above). The upper levels of the building will include a hotel and office spaces (for uses such as for co-working, community and educational classes, venture incubation for start-ups, and anchor tenants) (approximately 59,000 square feet); any changes would be subject to Agency Director approval prior to the end of due diligence.

Condition of Property/Environmental Condition: Buyer will purchase the Property based on Buyer’s investigation of the condition of the Property, including its environmental condition, and its suitability for Buyer’s intended use. Buyer’s expectations concerning the condition and future use of the Property are to be based solely on the basis of Buyer’s investigation of the Property. As a condition of and prior to closing, Agency will cause any asbestos located around Boiler 1 to be abated, which is estimated to cost \$350,000, per PBS Environmental’s August 23, 2019 estimate. Buyer to acquire the property “as-is” “where-is.”

System Development Charges & Permit Fees: Agency will pay the building and development permit fees for the project. The City will provide facilitated permit review.

Other Financial Assistance: Agency and Buyer recognize that the Steam Plant will likely be a prevailing wage project that would result in an unexpected increase in costs, currently estimated at \$5.2M. Agency and Buyer will work together to identify funding sources and strategies to close the funding gap that results from the prevailing wage impact.

MUPTE: Should the buyer choose to include multi-family housing in the project, and should the Agency Director approve this use, buyer has stated their intent to apply for a Multi-Unit Property



Tax Exemption. In such a case, the sale of the property would then be contingent on the successful approval of their application.

Design and Uses: City staff will review and approve the proposed design and uses to ensure that a high quality design and construction, and agreed-upon uses are substantially consistent with the proposal. Approval by staff shall not be unreasonably withheld.

Commencement of Construction: Construction of the project must begin no later than September 30, 2023.

Right of Repurchase: In the event that the Buyer does not meet the commencement of construction timeline included in the agreement, the Agency has the right to repurchase the Steam Plant property at Buyer's purchase price.

Parking: The City/Agency will work with Buyer to identify access to approximately 125 potential off-site spaces/parking within a 5-minute walk of the property to meet Buyer's project needs. Upon Buyer's request, City/Agency will provide permits, at market rate or bulk rate, if applicable.

Communications: All members of the Buyer's team shall inform the Agency of any media or communications activities related to the Steam Plant redevelopment and shall provide notice of any on-site media opportunities prior to the activity, so that the Agency has a reasonable amount of time to determine if they would like to accompany the visit. Agency will do the same.

Southern Plaza Use Agreement: Buyer and City will enter into an agreement for the non-exclusive use of the Southern Plaza, which includes the overlook, and exclusive concession rights of a portion of the area, including maintenance responsibilities. Any such agreement would allow members of the public to be able to utilize the Southern Plaza without needing to pay for such use and/or purchase food or beverages from Buyer's concessionaires.

Exclusive Negotiation: While negotiating the terms of an agreement with Buyer, Agency will not enter into negotiations with any other party.

Financing: Prior to the closing of the sale, Buyer shall demonstrate that all financing necessary for the project has been secured.

Brokerage Commission: Buyer is responsible for all real estate broker fees. No brokers represent either party.

## Additional Steam Plant Project Background

This attachment includes additional information about the Steam Plant redevelopment, including a summary of the process up to this point, the Agency Board approved criteria and process, and Steam Plant background. This attachment also includes information the Agency Board requested at their May 19, 2021 work session, which was subsequently provided at the October 25, 2021 work session.

### **Project Recap**

At the March 14, 2018 work session, the Agency Board directed staff to draft a process and criteria for the disposition and redevelopment of the Steam Plant. On April 23, 2018, the Agency Board approved the process and criteria included in this attachment. The approved process for disposition was a Request for Qualification/Request for Proposal (RFQ/RFP) process that allowed for flexibility but also provided the needed structure to solicit/collect interest, evaluate concepts, and engage with the public to find the right partner.

### *Qualifications Phase*

The Agency received four submissions in response to the RFQ and two teams were invited to present to the River Guides, the advisory committee for the Riverfront Urban Renewal District. The River Guides recommended that the team led by Mark Miksis, of deChase Miksis Development, and Mark Frohnmayer, of Arcimoto, move forward into the proposal phase. In August 2018, the Agency Director invited the team to prepare a full proposal for the redevelopment of the Steam Plant.

### *Proposal Development and Community Outreach*

The development team brought in architects, engineers, and other experts to assess the building's potential, met with community stakeholders, and explored financing strategies before publishing their initial proposal in January 2019. The team then partnered with the City to complete a public outreach and engagement process in early 2019. Through these efforts, City staff and team representatives:

- Released an online survey, receiving over 900 responses;
- Spoke to over 350 people at First Friday Art Walk and Asian Celebration;
- Held an Open House, attended by over 140 people;
- Spoke to several groups including UO students, Downtown Neighborhood Association, and local business networks;
- Promoted engagement efforts over multiple social media platforms; and
- Received press coverage via KVAL, KEZI, KLCC, KUGN, the Register Guard, and the Daily Emerald.

### *Proposal Selection*

The development team finalized their initial proposal in April 2019. On April 8, 2019, the River Guides evaluated the team's proposal based on the approved criteria. They unanimously recommended negotiating deal points with the development team. On April 24, 2019, the Agency Board considered the development team's proposal and directed the Agency Director to enter into negotiations and return with terms for the sale and development of the Steam Plant. Since the Agency Board provided this direction, staff have been working with the team to negotiate terms, however these terms and the project itself

have been significantly impact by changing and uncertain economic conditions. See Agenda Item Summary (AIS) for updates on the project since April 2019.

### **Agency Board-Approved Steam Plant Disposition Criteria**

The following criteria were used to evaluate responses during the Request for Qualifications and the Proposal Selection phase.

#### *Criteria for Request for Qualifications Phase*

The City seeks responses from interested parties who have a unique vision for the creative, sustainable, and adaptive reuse of the site and building. Preferred applicants or teams will have:

- A proven track record of completing successful, high quality redevelopment projects (including information about project costs);
- Demonstrated experience with redevelopment and adaptive re-use projects in urban settings (experience with historic redevelopment is preferred);
- Demonstrated experience with community-oriented projects with clear benefit to the broader public;
- Demonstrated preference for use of local contractors and/or Minority and Women-owned businesses enterprises;
- Evidence of financial capacity; and
- A preliminary vision for the adaptive re-use of the Steam Plant including ideas about possible proposed use(s).

#### *Criteria for Selection of Proposals*

The criteria listed below were meant to express preferences – projects were not required to demonstrate all the criteria to be considered for selection.

- *Use.* The end use should maximize the Steam Plant's potential and serve as a key destination in the Downtown Riverfront area. The preferred project will redevelop the building to:
  - Provide a use or uses that are aligned with the EWEB Riverfront Master Plan's vision of an active and vibrant downtown riverfront that reflects the Eugene community;
  - Serve as an anchor in the Downtown Riverfront, attracting people to the area and generating economic, social, and cultural vibrancy;
  - Support inclusive uses that will benefit the broader community;
  - Incorporate elements that contribute to an inviting and safe pedestrian environment;
  - Incorporate a use compatible with adjacent developments and park, urban, and riparian contexts; and
  - Provide a parking assessment and a plan to accommodate the parking and transportation needs of the proposed uses.
- *Timeliness & Feasibility.* Preferred concepts will include:
  - Reasonable timeline;
  - Demonstrated understanding of market potential for the proposed concept(s); and
  - Reasonable project budget that minimizes need for public assistance.
- *Additional Public Benefits.* Preference will be given to projects that:
  - Present a holistic vision for the parcel that is compatible with existing, recent, and anticipated development nearby;

- Honor historic and architectural significance of the building, including coordination with the State Historical Preservation Office (when and if needed), and incorporate elements that help tell the story of the building's history;
- Include some indoor and/or outdoor public space accessible to the broader community;
- Positively impact and protect the surrounding environment and riparian areas;
- Integrate art or opportunities for public creativity;
- Incorporate uses which further Eugene as a creative and entrepreneurial hub;
- Include a plan to re-use or salvage materials at all stages of the redevelopment process;
- Complement riverfront park and downtown riverfront development;
- Serve as an iconic link between University of Oregon and Downtown; and
- Demonstrate intention or plan to solicit services from local contractors and/or Minority and Women-owned business enterprises; and
- Description of interest and willingness to work collaboratively with the Agency and City on potential use of site as temporary venue for community activities and engagement associated with Oregon 21 (IAAF World Championships).
- *Consistency with City Policies and Goals.* The Riverfront Urban Renewal Plan, Downtown Plan, and the EWEB Riverfront Master Plan are the primary policy documents that guide public and private redevelopment in the Downtown Riverfront area. Other plans and policy documents also provide guidance including Envision Eugene and the Community Climate and Energy Action Plan. Any proposed development concept must be consistent with the policies and goals for the downtown riverfront as reflected in these documents.

## Agency Board-Approved Steam Plant Disposition Process

Agency Board Action 3/14/18: *Move to direct the Agency Director to work with the River Guides and others to prepare a draft RFP for the disposal of the steam plant and to schedule a work session with the Agency Board to discuss the draft RFP's criteria and process.*

- Staff solicited feedback on draft criteria and process from:
  - Downtown Neighborhood Association ✓
  - Historic Review Board
  - Sustainability Commission
  - Williams and Dame (now Atkins Dame)
  - Obie Companies
  - Cultural Services Department.
- River Guides reviewed draft criteria and process; they agreed that the primary goal of this process should be the adaptive re-use of the building and supported the draft process and criteria. Their recommendations were in the Agency Board materials. (4/17/18) ✓

Agency Board 4/23/18: *Action on draft RFQ/RFP Criteria and Process* ✓

### Qualifications Phase

- Agency issued RFQ (5/3/18) ✓
- Qualification responses submitted (6/11/18)
- River Guides reviewed responses and recommended next steps to Agency Director for the proposals phase.

### Proposals Phase

Depending on the type and number of responses to the RFQ, proposals to be solicited through options such as: a formal competitive RFP, a limited RFP, interviews, or presentations. ✓

### Selection Phase

- Community Outreach (early 2019) ✓
  - Riverfront Park Outreach Events
  - Cultural Services Events
  - Online
  - Other events
- River Guides evaluated responses and community comments and made recommendation to Agency Director and Board (4/8/19)
- Agency Board reviewed responses; selected team; authorized Agency Director to negotiate deal points (4/24/19)
- Agency Board held work session on deal points (5/19/21)
- Agency Board held work session for an update on the status of the deal points (10/25/21)
- River Guides recommended approval of the deal points (11/3/21)

Agency Board 1/26/22: *Work session and possible action on deal points*

We are  
here

## Building Information

### *Building Valuation*

The City contracted with a real estate appraisal firm to estimate the value of the Steam Plant, based on the Dream Plant proposal. The 2019 appraisal determined the value to be negative \$8 million. The appraisal used a *residual land value* approach to estimate the property's value. This method estimates the full value of the proposed completed development and subtracts all the expected costs associated with development, including site preparation, construction materials and labor, costs of financing, and fees, to calculate the remaining or 'residual' value of the land. This method is useful when appraising a property that has no comparable properties in the market, as is the case with the Steam Plant. This appraisal was conducted in 2019 using the initial Dream Plant proposal. It is likely this valuation will have changed given the change in uses and the significantly increased project costs.

### *History of the Steam Plant*

The Steam Plant is the oldest standing structure on the Downtown Riverfront area and is a significant structure at the southeast end of the park property (see map Attachment D). Constructed in 1931 this 28,000 square foot multi-story concrete and steel structure was built to house three steam boilers and turbines. The industrial deco-style building is historically significant for its original use in generating standby electrical power to the pumps bringing river water in to the city's original water treatment plant, and beginning in 1962, to supply district heating to downtown businesses. Steam Plant operations ceased in 2012 and the building is currently vacant. However its unique position as an icon of Eugene's industrial past and location within 50 feet of the top of the riverbank calls for the building to be preserved and repurposed as an important historical landmark at the east end of the Downtown Riverfront property.

### *Alignment with the EWEB Riverfront Master Plan*

The EWEB Riverfront Master Plan was adopted by the EWEB Board in 2010, a key step in reconnecting downtown to the Willamette River. The Master Plan, which included a significant multi-year public engagement process, was adopted by City Council in 2013 along with land use policies to support its implementation. The Steam Plant is highlighted in the Plan as an important piece to retain and embrace. The Master Plan identifies the following guiding principles for proceeding with the Steam Plant's redevelopment:

- The building's structure can be significantly altered and/or upgraded, but the original character of the building should remain.
- The Steam Plant is one of the 2004 Downtown Plan's designated "special places." As part of the Downtown Riverfront redevelopment, the Master Plan emphasizes the wish to reveal the "layers of history" imbedded in the site to create this special, historically significant site.
- The Steam Plant is 55 feet tall. Any additions to the building outside the existing footprint are limited to 55 feet. Additions on top of the existing structure (or otherwise within the existing footprint) can extend to 75 feet, with a minimum of a 5 foot setback at the roof of the existing structure.

### *How Redevelopment of The Steam Plant Meets Riverfront Urban Renewal Plan Goals*

Redevelopment of the Steam Plant site would further six of the seven goals in the Riverfront Urban Renewal Plan:

1. To improve the function, condition, and appearance of the development area;
2. To eliminate existing blight and blighting influences;
3. To strengthen the economic and environmental conditions of the plan area and the metropolitan area;
4. To stimulate development activity and amenities near the new federal courthouse;
5. To stimulate appropriate redevelopment in the Riverfront area currently occupied by EWEB, if EWEB relocates in whole or in part from this property;
7. To protect or enhance the riparian area.

A major focus of the Plan is to encourage redevelopment of areas that are blighted and underutilized (goals #1, #2, and #3).

The Steam Plant is within the Downtown Riverfront site, and as such will have a direct positive impact in encouraging the appropriate redevelopment of the property (goal #5), which is near the federal courthouse (goal #4).

With the Steam Plant so close to the riparian area, it is vital that its redevelopment protect and enhance the natural features of the Willamette River (goal #7)

### *Retaining the Building's Historical Significance*

The Steam Plant is eligible to be listed on the City Landmark or National Register of Historic Places. Because of this, ORS 358.653 applies; this statute obligates cities to consult with the State Historic Preservation Office (SHPO) to avoid inadvertent impacts to historic properties for which they are responsible. Due to its historic significance, any redevelopment of the Steam Plant is likely to involve SHPO review before plans are finalized. The development team intends to list the building on the National Historic Register.

The SHPO process includes an assessment of adverse effects from, if any, proposed changes to the building. Examples of adverse impacts include destruction, alteration, and sale out of public ownership. When a property is restored or repaired in accordance with the Interior's Standards for the Treatment of Historic Properties, then it is not considered an adverse effect. More information about the SHPO requirements can be found on our website: [www.eugene-or.gov/SteamPlant](http://www.eugene-or.gov/SteamPlant)

### *Managing Environmental Impacts*

Prior to selling the property to the Agency in 2018, EWEB did a considerable amount of work around the Steam Plant to address environmental and human health concerns to prepare the area for redevelopment. Activities included removal of an underground storage tank, asbestos abatement and demolition activities on three boilers, and remediation of petroleum-contaminated soil from areas surrounding the Steam Plant. The Oregon Department of Environmental Quality issued a No Further Action (NFA) determination and a Prospective Purchaser Agreement on the entire Downtown Riverfront



site including the Steam Plant, prior to Agency acquisition. Future excavation and construction work at the Steam Plant will need to implement a Contaminated Media Management Plan to ensure the protection of human health and environmental quality. More information about the environmental remediation can be found on our website: [www.eugene-or.gov/SteamPlant](http://www.eugene-or.gov/SteamPlant)

#### *Abiding by Land Use and Code Requirements*

The land use code provides thorough details on land use and design requirements for the Steam Plant site. The Steam Plant property is zoned as Special Area-Downtown Riverfront (S-DR) zone with a water resources overlay. The Steam Plant site falls within the Mixed Use sub-district of the S-DR zone. Eugene Code 9.3130-9.3190 addresses site development specifics for permitted and prohibited uses, adaptive reuse of existing buildings, lot standards, general development standards, height regulations, transportation system standards, parking requirements, landscape and open space requirements, and development standards for the sub-districts and overlays within the S-DR zone. The parking requirements state that residential uses shall have a minimum of 0.75 and a maximum of 2.25 off-street parking spaces per dwelling unit. Non-residential uses shall have no minimum and a maximum of 1 off-street parking space per every 250 square feet of gross floor area. The water resources overlay and applicability of the Willamette River Greenway requirements serve to protect the adjacent riparian area. More information on the zoning specifics can be found here: [www.eugene-or.gov/SteamPlant](http://www.eugene-or.gov/SteamPlant)

Additionally, staff have identified that the most recent addition to the Steam Plant, which was built in the 1950s and not deemed historically significant, does not need to be preserved during the site's redevelopment.

#### **May 19, 2021 Follow-up Information**

At the May 19, 2021 work session, Agency Board members requested information about several topics related to the Steam Plant:

- *Property Value:* The City contracted with a real estate appraisal firm to estimate the value of the Steam Plant, based on the Dream Plant proposal. The 2019 appraisal determined the value to be negative \$8 million. The appraisal used a *residual land value* approach to estimate the property's value. This method estimates the full value of the proposed completed development and subtracts all the expected costs associated with development, including site preparation, construction materials and labor, costs of financing, and fees, to calculate the remaining or 'residual' value of the land. This method is useful when appraising a property that has no comparable properties in the market, as is the case with the Steam Plant. This appraisal was conducted in 2019 using the initial Dream Plant proposal.
- *Price of Vacant Land:* Because the Agency Board provided direction to pursue the adaptive re-use of the building prior to releasing the RFP, an appraisal has not been conducted on the value of the property if the building were to be torn down. The fair market value purchase price for the adjacent Downtown Riverfront parcels that Atkins Dame is purchasing from the Agency is approximately \$31 per square foot. Applying that to the approximately 37,600 square foot Steam Plant parcel would result in a price of about \$1.17M for a vacant site. This estimate does not take into

account demolition costs or land use restrictions on the property, such as easements, that would be subtracted from the value of vacant land.

- *Building Utilities:* The Dream Plant team is committed to a non-carbon-based fuel source for all primary mechanical systems in the building. The heating and cooling will be an electric-powered, ground source heat pump system.

# EUGENE **STEAM PLANT** REDEVELOPMENT



City of Eugene

City Council Presentation

October 8, 2021

Jan. 26, 2022 Work Session - Item 1





# VISION

*“Eugene’s gathering place”*

*“Maximize public utilization  
of an epic structure”*

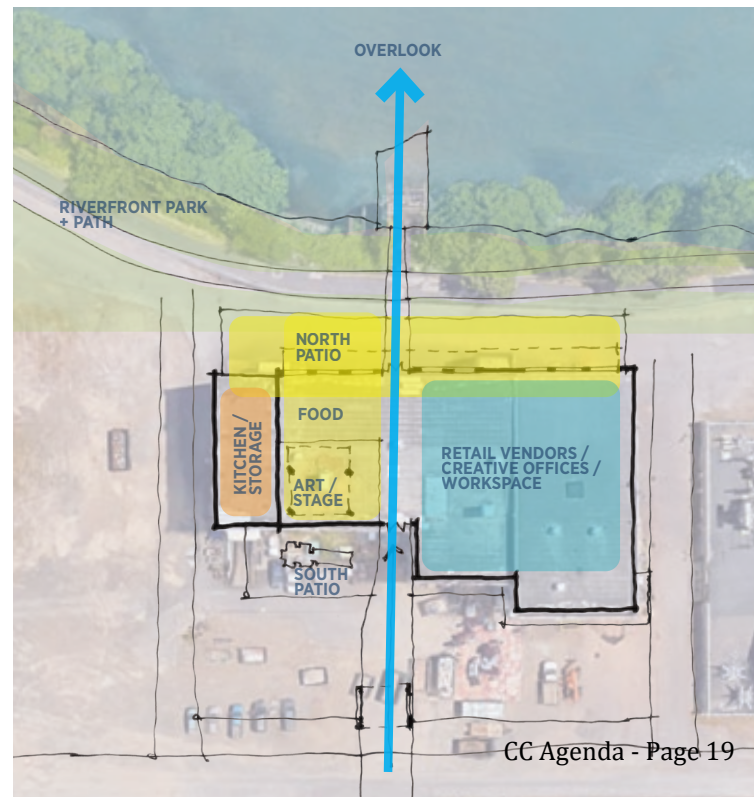




## COMMUNITY ON THE WATER - REALIZATION OF THE MASTER PLAN VISION

The Steam Plant offers a catalyzing opportunity for Eugene's Riverfront District and real hope for fulfilling the promise made to the community for public engagement along the river – a place to work and play, collaborate, and think big, a setting for arts and culture with Eugene's world-class beer, wine, coffee, and food in ready supply.

The Steam Plant has many built-in assets that can be leveraged to realize larger public goals. The building is the closest that any building will ever be to the river. It offers stunning views and exhibits a rich patina of Eugene's history. We will save and adaptively re-use the Steam Plant, as the team has repeatedly done with various locations in Eugene and around the region.







*Gateway to the riverfront park, flanked by Steam Plant amenities and the river overlook*

The Steam Plant is a spectacular, generous, and grand space, with a location along the Willamette River that is wholly unique. We will leverage the location and the proximity to the river to establish an iconic community destination that connects people with downtown and the Willamette River. The building will help realize the 'Restaurant Row' that the community asked for during the riverfront master planning process. The community spaces will be outfitted to maximize the public's enjoyment of the Steam Plant's unique setting along the river's edge.







The Steam Plant will become a destination for visitors to stay and experience all that Eugene has to offer. The building will be anchored by an 'Indie Hotel' representing the unique character and history of the building and community providing a gathering place and launching pad for visitors from around the world.

A large, indoor/outdoor restaurant, immediately adjacent to Riverfront Park, will feature local brews and wines, and with the dramatic industrial backdrop of the Steam Plant and fantastic views of the Willamette River, will be a one-of-a-kind, magnetic draw for locals and visitors alike.







As you enter the center of the Steam Plant from either the Riverfront Park or the opposite side, you will immediately experience grand spaces that both organically invite people in and draw on the history of the building:

An active, public performance space with a sixty-foot ceiling; a generous lobby that serves as an inviting visual connection to 10,000 square feet of co-working space hosting a leadership institute for the visionaries of tomorrow; an electric vehicle and micro-mobility rental amenity and more, which will feature unique industrial objects showcasing the Steam Plant's history.

Lobby elevators will draw people up to the public rooftop deck and bar that will feature unforgettable views of the river and city. Each of these amenities will complement the Riverfront Park and the Steam Plant building, and, together, they will become one of Eugene's iconic gathering places.







*Draft rendering of the existing intake transformed into a public viewpoint over the Willamette River*

## RIVER OVERLOOK

The east entry to the Riverfront Park is bound by the natural gateway between the Steam Plant and the massive historic water intake that was built on the riverbank just north of the building. This existing concrete structure provides an ideal opportunity to create an iconic location for the public to engage with the river – the existing structure will enable the addition of a significant platform without disturbing the riverbank.

The current park design calls for several overlooks along the edge of the river. We have worked with the city to incorporate this overlook into the design work of the Riverfront Park. Located at a bend in the river with views east to the mountains and west to the butte, at the gateway to the park, and adjacent to the Steam Plant amenities, this is where the public will want to be. We will build an Instagram-worthy spot where people go to say they visited Eugene.



*Taco Cima patio in Domino Park, Brooklyn, NY  
Image: Peter Garrita*





## COWORKING AND LEADERSHIP

Downtowns and neighborhoods are changing. Young creative entrepreneurs and downsizing retirees are moving to locations where they do not have to rely on a car to meet their daily needs. To support the increasing desire for a more walkable lifestyle, Eugene's downtown and neighborhoods need to provide new environments with active, interesting restaurants and retail, and vibrant places that inspire people to work and collaborate on new ideas.

The Steam Plant's unique proximity to the University of Oregon, Downtown, and the river provide an opportunity to build a knowledge transfer bridge, further knitting the scholarly community with Eugene's emerging technology and entrepreneurship clusters. The renovated Steam Plant will provide the foundation for this new walkable live/learn/work neighborhood. The ground floor will be open to the river, drawing the public in for art, music, food, and drink. Adjacent to this community gathering space will be flexible office space consisting of a mix of co-working, community, and university classes, venture incubation for early-stage startups, and established anchor tenants. Tenants in this space will include entrepreneurs, artists, founders, freelancers, remote workers, small business owners, digital creatives, makers – both students and professionals.







All these individuals and organizations will be able to lease flexible desks, studios, or office space and reserve flexible conference rooms and classrooms on an as-needed basis. A portion of the square footage may also be dedicated to makerspaces and/or dry labs for the University of Oregon. This flexible-use model will maximize the ability of the working community to participate in the space.

As University President Emeritus Dave Frohnmaier wrote, “Leadership theory can be taught and learned, and the enterprise is supremely worthwhile.” The project team has engaged in dialogue with the University of Oregon about hosting a multidisciplinary leadership institute within this co-working environment. This leadership institute would establish opportunities for Eugene’s community members to learn leadership, not as an inherent privilege of the few, but as a set of skills necessary for all people to work more effectively together.

The Steam Plant redevelopment will be built to succeed long-term. It will be flexible, resilient, and able to adapt over time, as new markets and new demographics emerge. It will be a place to learn and work, designed to bring people together, in a building that inspires them and supports innovation of all flavors.







### INDEPENDENT HOTEL: 'INDIE' HOTEL

The ground floor lobby and upper levels will be anchored by a completely unique, independent hotel 'Indie Hotel.' The hotel will provide the foundation for an iconic gathering place and showpiece for Eugene, capturing the energy and unique appeal of this historic building, activating the building with visitors and locals through a thoughtful mix of guest room types at a range of price points, and amenities including a spa, restaurant, rooftop bar with the best view in the city, and a dynamic performance venue that will be the creative pulse of the building.

Its location on the Willamette River and with walkability to the University and downtown Eugene make it the perfect hub for visitors to discover and explore Eugene and the region.

With 77 rooms, ranging from "cozy, chic", to luxe spacious suites, and bunk rooms for group travel, each space will be designed with an industrial-romantic style, that celebrates the history of the building and finds new functions for old boilers and other found items that will be mixed with new art from local artists.







Anaheim Packing District foodhall, Anaheim, CA

## PERFORMANCE AND COMMUNITY ARTS

We heard loud and clear that the majority of Eugene community members value the Steam Plant as a place for the creation and enjoyment of art. When given a choice between specific types of art experiences, our community survey indicated a rather strong desire for a space that is flexible and adaptive. We value a space that will not constrain the potential of what art can be, what one can experience, or who gets to create it.

A dramatic, performance/lecture/exhibit venue on the Steam Plant's ground floor will be the cultural and visual centerpiece for the building – with a towering, 60-foot ceiling, showcasing Eugene's talented music, dance, and other performers, and will serve as an engaging space for exhibiting visual art, hosting demonstrations, lectures and author/speaker Q and As. The performances will draw local arts enthusiasts, hotel guests, working professionals using the shared office space and will pair well with dinner in the restaurant prior to a show or dinner and drinks on the rooftop after the show.

The hotel will feature local art prominently in fixed and rotating installations with labeling and easy access to information about each artist and how to purchase art as well as social media promotion of featured artists. During the winter months, the hotel will offer “artist fellowship” programs, hosting a local artist for a week, promoting their work with shows, demonstrations, and social media.







## COMMITMENT TO NON-CARBON-BASED FUELS

This past summer has made it abundantly clear that it is now or never to meet the ever-evolving challenges of climate change. We need to prepare for a future where we do not rely on the need for greenhouse gas-emitting building systems.

The Steam Plant is committed to a non-carbon-based fuel source for all the primary mechanical systems in the building. The heating and cooling systems will be an electric-powered, ground source heat pump system that has the potential to exceed code minimum systems by 20-30%.

In addition, the system we have selected requires no rooftop equipment or a large visible physical plant ensuring that we will be able to meet the rigorous requirements of the historic designation we are seeking.





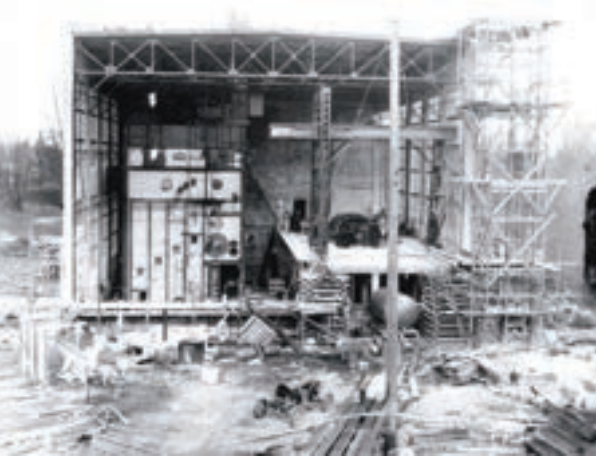


### ARCIMOTO VEHICLE SHARING HUB

Arcimoto, Eugene's home-grown maker of ultra-efficient vehicles, is a partner on the Steam Plant project and envisions the space as a key hub in its plan to deploy equitable, clean transportation solutions for Eugene. Arcimoto vehicles will be available for sharing and rental, including the company's flagship Fun Utility Vehicle, the Deliverator for gig-economy drivers performing last-mile delivery, and its upcoming "Platform 2" program vehicles, a next-generation take on the electric bicycle vehicle class.







## HISTORIC PRESERVATION

The Steam Plant is an important landmark in the history of Eugene, a legacy of one of the significant industrial landscapes along the Willamette River. The building is eligible to be listed on the National Register of Historic Places, and the team intends to pursue this designation. This requires the team to follow the rigorous process of listing the building and demonstrates our commitment to preserving this landmark structure. Historic designation is also necessary to pursue Historic Tax Credits that will be a critical part of financing the project.

Preservation experts have advised on the design direction and have helped the evolution of the design toward a proposal that is in line with the Secretary of the Interior's Standards for Rehabilitation of historic properties. Key aspects of the proposal include preservation of the exterior of the Boiler 1 and Boiler 2 phases of the building, including re-use and rehabilitation of the existing character-defining industrial sash windows. Boiler 3, the last phase of addition, was constructed in a different system, including Asbestos-bearing Transite panels.



CC Agenda - Page 30

Jan. 26, 2022 Work Session - Item 1





Our proposal reconstructs Boiler 3 re-using the existing windows and other exterior features as much as possible while replacing the structure and exterior siding. The rooftop addition is set back from the parapet walls and differentiated from the historic structure with a highly glazed exterior wall. The Steam Plant's new layout prioritizes public activity at the ground level in the original Boiler 2 phase of the building. This public realm will remain a bright, voluminous space that visually connects all floors of the building, as it does today.



Key parts of the boiler itself will be reused, acting as a centerpiece that frames the multi-purpose arts and performance opportunity space. Because the boiler occupies a significant portion of the public realm and its brick furnace walls pose a significant seismic life safety threat, we plan to safely remove the brick and expose the visually striking pipes that occupy the furnace cavity, much like those at the renovated Spokane Steam Plant in Washington. We will preserve the Steam Plant's other extraordinary equipment for display as historic artifacts accompanied by interpretive features, interactive art, and outdoor sculpture on-site.

# PUBLIC OUTREACH

*“I find this project exciting  
and a wonderful investment  
in our community....  
providing opportunities  
for the public to creatively  
engage builds connection  
among our community.”*

*“This is a project that can  
get the community excited.”*

*“Projects like this transform  
a city – not just physically  
but in spirit.”*





## OUTREACH EFFORTS AND RESULTS

The team sought feedback on the initial draft proposal through extensive public outreach, both in-person and online, over the course of a month. We kicked things off on January 23rd at a Downtown Neighborhood Association Meeting where we were encouraged by some positive early feedback.

The team engaged the public for feedback on several occasions at a variety of venues: UO Campus (spoke with ~125 people), downtown at the First Friday Art Walk (chatted with ~200 people), at the State of the Tech Community event (QA with ~150 people), at the EWEB Community Room for an open house (dialogged with ~150 people), as well as at the Lane County Fairgrounds during the annual Asian Celebration (spoke with ~300 people).

We created a website (<https://steamplant.us>) to showcase the draft proposal which has been visited 2,427 times. We also engaged the public through a Steam Plant social media presence on both Facebook and Instagram. Our survey was promoted through the City of Eugene's newsletter, Arts organization newsletters, as well as business and tech community newsletters.

We spoke directly with over a thousand people and collected more than 900 surveys that guided refinements to the draft proposal. We read every single survey that was submitted and took the comments to heart. There was a significant amount of validation of the draft design in the survey results and we listened carefully for comments that would help us refine the draft.

We received significant positive affirmation on the initial proposal. Here are some direct quotes:

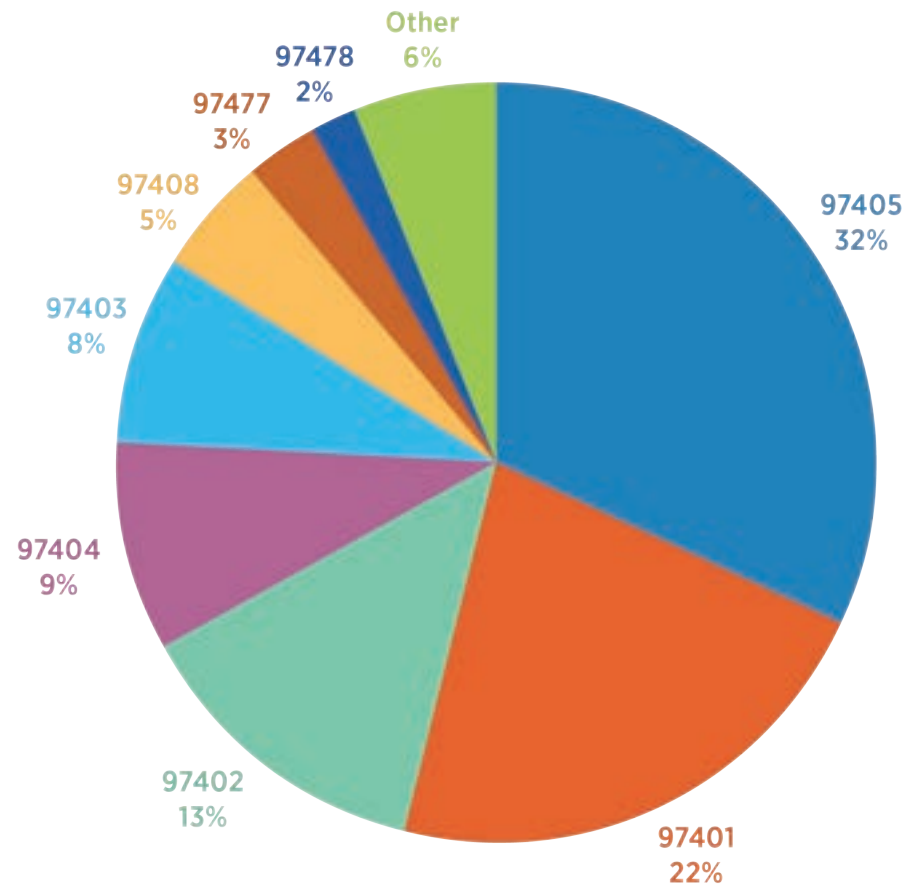
***"I find this project exciting and a wonderful investment in our community. I'm very happy to hear about plans to incorporate creative and cultural components to the project. I feel that providing opportunities for the public to creatively engage builds connections among our community."***

***"For ten plus years, I've been part of a small group of people who have felt that the steam plant had a huge potential to bring people to the river to be entertained, learn and to mingle and your vision fills my Eugene heart and soul with that potential."***

***"Let's do this! Projects like this transform a city-not just physically but in spirit. This is so wonderful for your community."***

The quantitative feedback was also encouraging, 84% of survey respondents told us, for example, that the river overlook feature was important, with more than 60% of respondents actually going further to say that the feature was 'extremely important.'





### SURVEY DISTRIBUTION

The geographic distribution of survey responses reached all Eugene zip codes and included central and East Springfield as well.

877 of the 919 survey respondents provided their zip codes, as follows:

- 97405 had 284 respondents. (South and West Eugene)
- 97401 had 192 respondents. (Downtown and North Eugene)
- 97402 had 116 respondents. (West and North Eugene)
- 97404 had 77 respondents (North Eugene)
- 97403 had 74 respondents. (University and South Eugene)
- 97408 had 45 respondents. (North Eugene and North Springfield)
- 97477 had 24 respondents. (Springfield)
- 97478 had 16 respondents. (East Springfield)
- 49 respondents selected "Other."





TAKEAWAYS AND REVISIONS

We listened very carefully and heard three themes of feedback on the initial draft design:

1. The draft design could do better to fully integrate with the bike path.
2. The open space atrium needs to be more active and inviting. A place people will want to return to again and again.
3. The draft design could more fully optimize for the main attraction, the river.



The design team responded to these themes in three key ways:

- building a new, at-grade level within the existing building envelope will enable truly accessible access to the Steam Plant's public amenities and provide a direct connection to the riverfront park and bike path;
- relocating the historic generators and building continuous floors that connect the upper levels creates more human-scaled, occupiable retail/restaurant space in the public realm, and maximizes usable space with views of the river; and
- opening the building to an attractive patio along the bike path will invite people to stop for refreshments and enjoy the Steam Plant's unique proximity to the Willamette.



# RELEVANT DEVELOPMENT EXPERIENCE

*The five projects on the following pages demonstrate our team's ability to achieve results in Eugene and beyond.*





## 1203 WILLAMETTE

EUGENE, OREGON

*AIA/SWO - Mayor's Choice Award (2017)*

### RELEVANCE

- **Lead Developer**
- **Adaptive Reuse of Commercial Building**

1203 Willamette is a major remodel and tenant improvement in Eugene. The scheme has four big moves: peel back the layers of finishes to reveal the stout timber frame and wood floor and roof structure; strengthen the shell to resist seismic action; open up the solid walls and roof to daylight with large windows and skylights; and open up the west elevation to reveal the timber structure, with maximum transparency, exposure, and connection to Willamette Street.

The 36,000-square-foot building, originally built in the 1940s for Lyons Furniture, consists of two 60'x120' concrete boxes with a simple 20'x20' timber frame grid. A new entry and hallway connects east-west, linking Willamette Street and the abundant parking on the alley. The simple, repetitive timber frame module allows for a range of tenant sizes, encouraging diversity in the tenant mix.

The Willamette Street face is a series of garage-door storefronts, allowing smaller tenants to each connect to the generous sidewalk for outdoor seating and retail. The large overhang clad in reclaimed douglas fir from the original building creates an inviting and striking presence on this promising stretch of Eugene's historic main street.





## 1203 WILLAMETTE

EUGENE, OREGON

### PROJECT SUMMARY

#### TOTAL DEVELOPMENT COST

\$6,500,000

#### TOTAL BUILDING AREA BY USE

36,000 SF  
 (16,000 SF office  
 6,500 SF Restaurant/office  
 14,500 SF Accessory uses and storage)

#### TEAM MEMBER ROLES

Mark Miksis: Development Manager

- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Financing
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements
- Construction Oversight
- Financing Support

John Rowell, Greg Brokaw: Architect

- Overall Design Coordination
- Design Concept
- Core and Shell Design
- Entitlement and permitting
- Construction Administration
- Tenant Improvement Design (RBA, WLR, Claim 52)

#### FINANCING STRUCTURE

Private equity, conventional construction loan

#### DEVELOPMENT PARTNERS

deChase Miksis Development  
 Rowell Brokaw Architects  
 Catena  
 Essex Construction  
 Oregon Pacific Bank

#### USE OF LOCAL CONTRACTORS

This project was developed, designed, constructed and occupied entirely by local businesses. All of the tenants in the building are local businesses that started in Eugene. This project was entirely financed with a local lender and is owned by local investors.

#### TIMELINE TO COMPLETION

Completed in one phase between May of 2017 and May of 2018.



## THE HIXON

BEND, OREGON

### RELEVANCE

- Lead Developer
- Multi-tenant Development
- Eugene Capital Investor

When the City of Bend made the decision not to expand its urban growth boundary their long range planning objectives reset to focus on mixed use infill projects to accommodate the exceptional growth the community is experiencing. During the heavy winter of 2016, exceptional snowfall accumulation on the roof of the vacant Ray's Grocery store in Bend's Westside caused the roof to collapse leading to a complete building loss. These two events led Eugene's G Group, the property owner, to hire deChase Miksis Development to provide complete development services to repurpose the dated shopping center into a vibrant, mixed use center with 20,000 SF of additional retail and 203 apartments. This project meets the long-term planning goals of the city by adding 203 housing units to the city's core while remaking a dated shopping center into a neighborhood center with open space, housing and shops giving the owner a much improved asset.

In order to meet the technical challenges the project presented and the relationships needed to work with the local jurisdiction, partnerships were formed between firms with local knowledge and firms with the background and expertise in this project type. CS Construction and BLRB are the local firms that understand the community and have the relationships with people approving the project. Essex Construction and GGLO Architects are the experts that ensure the design and technical expertise for success. These partnerships equaled more than the sum of their parts providing a lower risk delivery model for this ambitious project. **Jan. 26, 2022 Work Session - Item 1**



## THE HIXON

### BEND, OREGON

#### PROJECT SUMMARY

deChase Miksis is providing complete development oversight for this project from the initial feasibility study to lease up and asset management. Construction is scheduled to commence this summer.

#### TOTAL DEVELOPMENT COST

\$50,000,000

#### TOTAL BUILDING AREA BY USE

208,000 SF  
(203 apartments  
188,000 SF Apartments  
20,000 SF of retail)

#### DEVELOPMENT TEAM'S ROLE IN PROJECT, OR TEAM MEMBER'S ROLE IN PROJECT

Mark Miksis, Dean Pape: Development Manager

- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Financing
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements
- Construction Oversight
- Financing Support

#### FINANCING STRUCTURE

Private equity and conventional construction loan

#### DEVELOPMENT PARTNERS

G Group  
deChase Miksis Development  
CS Construction/Essex Construction  
BLRB architects/GGLO architects

#### USE OF LOCAL CONTRACTORS AND/OR MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES

Yes; see narrative

#### PROJECT TIMELINE FROM SITE CONTROL TO OCCUPANCY OF THE INITIAL BUILDING AND THE FINAL BUILDING, INCLUDING TIMING OF ANY PHASING

Construction start schedule for July of 2018 and completion in spring of 2020.





## THE GIBSON

BOISE, IDAHO

### RELEVANCE

- **Lead Developer**

This multi-family development fits respectfully within the context of the history-rich and distinct Old Boise commercial district. Surrounded by blocks with a diversity of architectural styles, the design of the Gibson seamlessly integrates with complementary architecture and pedestrian-scale massing that is consistent with the district.

In a unique public/private partnership with the City of Boise parks department, this project also developed a city-owned, developer-managed pocket park that allowed the building to step back from the street and pay homage to the adjacent historic building. This park serves as a neighborhood gathering space with a small stage for outdoor summer performances. The design of the Gibson celebrates simple, modest materials and forms that are consistent with other projects in the district.

In alignment with Boise's planning goals, the Gibson's parking is all underground or within the alley. This allows the project to make use of its key corners where retail can encourage visitors and residents to gather and create community.



## THE GIBSON

BOISE, IDAHO

### PROJECT SUMMARY

#### TOTAL DEVELOPMENT COST

\$18,000,000

#### TOTAL BUILDING AREA BY USE

78,000 sf

(3,000 sf retail

75,000 sf housing)

#### TEAM MEMBER ROLES

Dean Pape: Development Manager

- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Financing
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements
- Construction Oversight
- Financing Support

#### FINANCING STRUCTURE

Primary Loan: HUD 221 d4

City of Boise Parks and Capital City Development Corp.  
Funding

Private equity

#### DEVELOPMENT PARTNERS

GGLO, Architect

Hummel, Architect (Boise)

ESI construction (Boise)

#### USE OF LOCAL CONTRACTORS

Yes

#### TIMELINE TO COMPLETION

16 months. Completion target: November 1, 2018.





## INKWELL BUILDING

EUGENE, OREGON

*LEED Platinum – TI Office Tenant*

*LEED Gold – Core and Shell*

### RELEVANCE

- **Mixed-use with diverse tenants and flexible spaces**
- **Ability to achieve potential sustainability goals**

This five-story, 36,000 sf mixed-use office and retail building is the first LEED-certified speculative office building in Lane County.

Occupants enjoy views of both the Coburg Hills and Shadow View Drive's lively mix of shops and restaurants. The building comprises 26,000 square feet of highly functional office space and 7,000 square feet of ground floor retail space. The building is designed to allow maximum flexibility in tenant infill uses within a high performance green building.

The Arlie & Company Corporate Offices were located on the fifth floor of The Inkwell Office Building at Crescent Village. The project received LEED Platinum for the interior, the second project in the state to achieve this level of certification. A primary goal of the project was to embody the identity of the company in the work environment.





## INKWELL BUILDING

EUGENE OREGON

### PROJECT SUMMARY

#### TOTAL DEVELOPMENT COST

\$11,000,000

#### TOTAL BUILDING AREA BY USE

36,000 SF

(26,000 SF office space

7,000 SF retail space)

#### TEAM MEMBER ROLES

Mark Miksis (while at Arlie & Co): Development Manager

- Strategic Planning
- Master Planning / Urban Design
- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements

John Rowell, Greg Brokaw: Architect

- Overall Design Coordination
- Core and Shell Design
- Interior Design
- Entitlement and Permitting

#### FINANCING STRUCTURE

Conventional Equity / Bank Financing

#### DEVELOPMENT PARTNERS

Arlie & Company

Rowell Brokaw Architects

Chambers Construction

#### USE OF LOCAL CONTRACTORS

Yes

#### TIMELINE TO COMPLETION

Completion 2009



## CRESCENT VILLAGE EAST & WEST

EUGENE, OREGON

*AIA Design Award (2009)*

*Multi-Housing News Design Excellence Award*

### RELEVANCE

- **Lead Development Manager**
- **Market pioneer for mixed-use, pedestrian-oriented development with vibrant mix of retail, restaurants, offices, park space and lofts in Eugene, Oregon**

Crescent Village is one of the largest recent real estate developments in Eugene. This 40-acre development succeeded in gaining unanimous support from surrounding residents and businesses because of Arlie & Company's focus on design and livability, plus its transparent response to the needs of the existing neighborhood. Arlie & Company's vision for Crescent Village was to create a mix of high-quality housing, retail shops and services, office space, and integrated parks, transforming the Northeast Eugene neighborhood into a walkable, people-focused community. While working closely with the City, Miksis and his planning and development team introduced and gained approval for new urban concepts that had not previously been attempted in the City of Eugene.

Guided by the principles of New Urbanism, Crescent Village was designed as a place where people could walk to local shops, dine in restaurants close to home, and get to know their neighbors.



## CRESCENT VILLAGE EAST/WEST

EUGENE, OREGON

### PROJECT SUMMARY

#### TOTAL DEVELOPMENT COST

\$30,000,000

#### TOTAL BUILDING AREA BY USE

(2) 80,000 SF buildings (residential over retail)

#### TEAM MEMBER ROLES

Mark Miksis (while at Arlie & Co): Development Manager

- Strategic Planning
- Master Planning / Urban Design
- Project Feasibility Analysis
- Proforma and Financial Analysis
- Real Estate Structure
- Community Outreach
- Contractor Selection and Contract Negotiation
- Design and Construction Management
- Scheduling
- Budget and Cost Control
- Marketing and Lease-Up
- Asset Management
- Property Management
- Entitlements

John Rowell, Greg Brokaw: Architect

- Overall Design Coordination
- Core and Shell Design
- Interior Design
- Entitlement and Permitting

#### FINANCING STRUCTURE

Conventional Equity / Bank Financing

#### DEVELOPMENT PARTNERS

Arlie & Company  
Rowell Brokaw Architects  
Roberts Construction

#### USE OF LOCAL CONTRACTORS

Yes

#### TIMELINE TO COMPLETION

Phase I-III - 5 years  
Completion June 2008



# OTHER RELEVANT EXPERIENCE

*The following projects demonstrate additional experience, knowledge, skills, and a history of success collaborating with others to execute complex community based projects.*



## NORTHWEST COMMUNITY CREDIT UNION HEADQUARTERS

EUGENE, OREGON

*AIA-SWO Mayor's Choice Award (2015)*

*LEED Gold Certified*

### RELEVANCE

- **Site Selection and coordination with City of Eugene for purchase and development within Urban Renewal District**
- **8th to Willamette**

The Northwest Community Credit Union originally intended to reprogram and plan for a substantial renovation of the credit union's existing Gateway facility. After a preliminary analysis and assessment, the credit union decided to construct a new 69,000 SF corporate headquarters with an integrated branch in downtown Eugene. The completed facility provides convenient downtown access, places the credit union in a highly visible location and anticipates future growth. It brings a major employer to Eugene's urban core and builds on the momentum of downtown. Rowell Brokaw designed an active and welcoming street level, with access to the branch, community services, and potential for retail.



<b>Cost</b>	\$24.5M
<b>Size</b>	69,000 SF
<b>Roles</b>	Mark Miksis Owner's Representative Greg Brokaw, John Rowell Architects
<b>Timeline</b>	Completion 2014





## EWEB RIVERFRONT MASTER PLAN

### EUGENE, OREGON

#### RELEVANCE

- **Thorough knowledge of public concept and community needs**

The EWEB Riverfront Master Plan was one of the most challenging and complex planning projects in Eugene's recent history. It involved engaging and leading the community to a compelling vision for the sole opportunity to connect downtown Eugene to the Willamette River and redevelop an iconic property. The project achieved consensus approval from a diverse citizen advisory team, overwhelming support from the public, and was unanimously approved by the EWEB Board of Commissioners in June 2010.

Establishing a new vision for the riverfront property owned by Eugene's public utility was the final step in a decades-long process to renew the connection between Downtown Eugene and the Willamette River. The master plan for this 27-acre property models sustainable redevelopment in a variety of ways: it creates 8 acres of new riverfront open space, requires LEED certification for all new construction, improves public access and the trail system, establishes and enhances habitat, and proposes numerous ways to teach about our river, our history and our city.

<b>Size</b>	27 acres
<b>Role</b>	John Rowell, Greg Brokaw Lead Planners Dean Pape Community Advisory Committee
<b>Timeline</b>	Completion 2010





## EWEB RIVER DISTRICT DEVELOPMENT STUDY

EUGENE, OREGON

### RELEVANCE

- Initial exploration of possibilities
- Thorough knowledge of market and community needs

Rowell Brokaw Architects was selected as the Master Architect for a team led by The UO Foundation to redevelop Eugene's downtown riverfront. The 27-acre property is currently owned by the Eugene Water and Electric Board (EWEB) and has been used for industrial purposes for much of the last 100 years. The UO Foundation conducted due diligence and negotiations with EWEB and the City of Eugene for the property's purchase. The Foundation subsequently decided not to pursue the development.

Rowell Brokaw Architects has been working to support the successful transformation of this property into a vibrant, mixed-use river district since leading the EWEB Riverfront Master Plan in 2009.

<b>Size</b>	27 acres
<b>Roles</b>	Mark Miksis Developer John Rowell, Greg Brokaw Concept Designers and Architects
<b>Timeline</b>	Completion 2014







## THOMPSON'S MILLS STATE HERITAGE SITE

SHEDD, OREGON

### RELEVANCE

- Ability to assess and apply strategic restoration of a historic structure

One of two working watermills in Oregon, Thompson's Mills is the oldest, with water rights going back to 1857. It gets its water from the Calapooia River through a hand-dug canal affectionately called the Sodom Ditch. It was an active grain mill until nearly the end of the 20th Century, though the health regulations in the 1940s forced the flour mill to become a feed mill. Thompson's Mills became a State Heritage Park and museum in 2004. The concrete silos are most likely the oldest slip-form concrete structures in Oregon, dating from 1917.

Historic Building Consultant Don Peting started working on Thompson's Mill back in the early 1970s when the last Thompson was still the owner. In the 1990s, he was part of a team that did HABS drawings, then later a condition assessment of the mill. Later, he was part of the PNWFS Field School in 2003 that brought students to work on the Mills. The FS students' work included archaeology, timber frame construction and repair, wood window construction and repair of the head gates, and a study of water-powered engineering. A decade later, Don and his students completed a condition assessment of the mill house and restoration has been continuing since.

### Roles

Donald Peting

Historic Building Consultant

### Timeline

1857-Present







## 5TH & BLAIR / TACOVORE / GLASS HOUSE

EUGENE, OREGON

### RELEVANCE

- Adaptive Re-use Experience
- Mixed-use with restaurant, coffee, office and fabrication space

This development effort transformed the 10,000 SF one- and two-story building complex on the corner of 5th and Blair in Eugene's historic Whiteaker neighborhood from a carpet garage and dilapidated office space into a venture incubation space and one of Eugene's most successful new restaurants. Special care was taken in the rehabilitation effort to stay true to the original underlying building structure and minimize new material content.



## ARCIMOTO FACTORY

EUGENE, OREGON

### RELEVANCE

- Adaptive Re-use Experience
- Employment densification
- Venture incubation

The Arcimoto Manufacturing Plant in West Eugene is a shining example of this team's ability to execute building rehabilitation efforts on an aggressive timeline. In less than two months, this 30,000 SF warehouse moved from site control to full occupancy. The effort included roof repair, energy-efficient lighting, renovated office space and plumbing, surface treatment, and electrical upgrades sufficient to facilitate a vehicle manufacturing enterprise. As with 5th and Blair above, special care was taken to maximize the value of the original space, while adapting it for higher value utilization.

Jan. 26, 2022 Work Session - Item 1



## Riverfront District Financial Capacity

Note: The figures provided in this Attachment are projections based on information available as of January 2022. These estimates may change (up or down) as actual events unfold.

### Prior to sale of any Downtown Riverfront Property

- Projects funded
  - Phase 1 infrastructure (including borrowing costs, principal, and interest on the City's \$12 million bond issuance)
  - Quiet Zone three eastern crossings (except for \$400,000 used for MGP property acquisition)
  - MGP property acquisition from EWEB
  - Riverfront Park
  - Initial design work for Plaza
- Updated forecast assumptions for projection of remaining current resources \$ 0.8M

### After sale of property to developer

Expected sales proceeds	\$11.1M
Other miscellaneous revenues (e.g., additional property taxes)	\$ 0.1M

Funding previously designated from sales proceeds to other Riverfront projects<sup>1</sup>

Repay phase 1 loan from City funds	\$ 2.0M
Replenish initial Plaza construction	\$ 2.1M
Replenish Riverfront Loan Program	\$ 1.0M
Phase 2 infrastructure	\$ 3.7M

### Projected urban renewal resources available for new projects \$ 3.2M

Current urban renewal property tax projections through FY24 show that tax increment revenues will be sufficient to repay the City's phase 1 infrastructure borrowing. However, it is important to note that expected land sale revenues are a potential source of repayment funds for this borrowing in the unlikely event that tax increment revenues come up short. The Intergovernmental Agreement between the City and the Agency sets out the terms of the construction and financing of the phase 1 infrastructure. The Agency agreed to provide the City with tax increment revenues, as available, to pay the principal, interest, and other costs of the City borrowing. If tax increment revenues are insufficient, the Agency will use proceeds from the sale of one or more of the lots in the redevelopment site to provide the City with the funds to repay the borrowing.

---

<sup>1</sup> May 2020 Supplemental Budget decision for Phase 1 infrastructure & December 2020 Supplemental Budget for Phase 2 infrastructure.

### **River Guides Information**

The River Guides are the advisory committee for the Riverfront Urban Renewal District. Members include:

- Julie Daniel
- Nigel Francisco
- Harris Hoffman
- John Iglesias
- Victoria Nguyen
- Matt Roberts
- Karen Williams

Below is a summary of the River Guides' discussions and involvement in the Steam Plant redevelopment process:

- On April 17, 2018, the River Guides discussed the proposed disposition process and criteria for the Steam Plant and recommended criteria and process that were considered by the Agency Board at their April 23, 2018 work session.
- On April 8, 2019, the River Guides evaluated the team's proposal based on the approved criteria. They unanimously recommended negotiating deal points with the development team.
- On April 19, 2021, the River Guides reviewed a draft of the Steam Plant proposed terms on and unanimously recommended that version of the proposed terms with Dream Plant for renovation of the building.
- The River Guides reviewed the proposed terms in Attachment A on November 3 and recommended approval. A summary of their discussion and recommendation will be provided at the work session.



### Summary of Funding Options for the Steam Plant, originally provided March 8, 2021

The table below provides categories of potential funding sources and a preliminary assessment of each funding source's advantages and disadvantages. Funding has not yet been identified. This information was originally provided with the March 8, 2021 AIS. Only the numbers in the "existing urban renewal funds" row have been updated.

Funding Type	Description	Summary of Issues to Consider
<b>Urban Renewal Agency</b>		
Existing Urban Renewal Funds	After paying for projects already funded, and accounting for the proceeds of the sale of property to Atkins/Dame, and other planned expenditures, the projected amount of Riverfront Urban Renewal resources show there is approximately \$3.2 million of projected tax increment and property sale revenue available for future investments. This is based on information available as of January 2022. (See Attachment D for more information on the District's capacity)	<p>The forecasted \$3.2 million of tax increment and property sale revenue available for projects is insufficient to fund the full anticipated Steam Plant financial gap of \$6.7 million, and use of these funds would make it more difficult to find funds for remaining Downtown Riverfront projects (Affordable Housing and mobility options).</p> <p>If the Board approves the proposed terms in Attachment A, an estimated \$1.5M of the forecasted \$3.2 million of Urban Renewal funds would be available for the Steam Plant. The Agency and development team would work together to identify funding and strategies to cover the remaining funding gap of \$5.2M.</p>
Extend Existing Urban Renewal	The Riverfront District's receipt of tax increment revenue from property taxes will cease at the end of FY24 on June 30, 2024.	Council could choose to pursue a plan amendment to increase the spending limit. A plan amendment requires a public process and takes approximately six months. There is risk that the plan amendment ordinance would not be supported by the overlapping taxing districts or would be referred by voters. For larger public investments, this could provide significant funding without raising taxes.

Funding Type	Description	Summary of Issues to Consider
<b>State or Federal Sources</b>		
State or Federal Grants	Possible funding source, depending on what recovery funding is released and what eligibility requirements are involved.	Grants can be uncertain in terms of timing and amount. So far, this project has not been a good fit for CARES or other recent State/Federal funding opportunities. It is unlikely there will be State funds available to support the Steam Plant during the upcoming session. Should recovery funds become available for which the Steam Plant would be eligible, the City could pursue the opportunity but there are no guarantees that the City would be able to secure it.
State Legislature	Possible source of bond or lottery funds for landmark community projects. The City intends to pursue an ask during the 2023 Legislative session, though availability of funds is unpredictable.	Highly dependent on overall condition of State budget and more recently, highly divisive political realities within the legislative bodies.



# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



---

## Work Session: Public Art Update

---

Meeting Date: January 26, 2022  
Department: Library, Recreation, Cultural Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 2  
Staff Contact: Kate Ali  
Contact Telephone Number: 541-682-6314

---

### ISSUE STATEMENT

This report is an opportunity to update City Council on the Public Art Program. The Public Art Manager will present an overview of the program along with a synopsis of several recent projects.

### BACKGROUND

Eugene has a 40-year history of supporting Public Art through the Percent for Art program. Over the last 10 years our city has been expanding its Public Art programming to include both Mural and Temporary Art initiatives. Each of the specialty areas presented achieve unique outcomes for the community and strengthen the local arts ecosystem. This update on the City's Public Art Program will explore each of these programs and provide examples of current projects and partnerships.

### COUNCIL OPTIONS

Informational only.

### FOR MORE INFORMATION

Staff Contact: Kate Ali  
Telephone: 541-682-6314  
Staff E-Mail: [KAli@eugene-or.gov](mailto:KAli@eugene-or.gov)