

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JUNE 21, 2004.

The City of Springfield council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, June 21, 2004 at 6:00 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Woodrow, Lundberg, Ralston and Fitch. Also present were Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

1. Springfield's Acknowledgement of National Home Ownership Month and an Allocation of \$52,976 in American Dream Downpayment Incentive (ADDI) Funding from Housing and Urban Development (HUD).

Housing Program Assistant Jodi Peterson presented the staff report on this item. June is National Homeownership Month. June also marks the 70th anniversary of the creation of HUD's Federal Housing Administration (FHA). In order to improve homeownership rates nationwide HUD is providing ADDI funds to assist first time homebuyers.

Ms. Peterson introduced Tom Cusak, Oregon HUD Field Office Director. Mr. Cusak had requested time before the council to discuss Springfield home ownership and home value rates and the infusion of ADDI funds to help first time homebuyers.

The ADDI funds will be administered as part of the HOME Investment Partnership Program (HOME). The Eugene-Springfield HOME Consortium will use the funding to enhance their down payment assistance programs.

The SHOP program has been assisting low-income, first-time homebuyers in Springfield since 1993. In that time the city has helped 295 Springfield households buy their first home. To create this home ownership opportunity the SHOP investment of \$1,106,983 of HOME funding has leveraged \$26,254,894 in Springfield market rate homes. The HOME funds used for the SHOP are a loan; over the life of the program the city has received \$298,073 in loan repayments. These funds are then cycled back into the SHOP and other HOME funded projects.

City staff recently surveyed our SHOP clients. Of the 58 surveys received to date, 96% of the respondents indicated that if they had not received assistance from the SHOP they would not have been able to purchase a home at all or would have had to wait and purchase at a later date. Many of those indicating that they would have been forced to wait until a later date to buy a home acknowledged that rising interest rates and housing costs might have precluded them from finding affordable housing.

The SHOP survey respondents reported a 100% satisfaction rate in owning their home in Springfield; 68% of those indicated that they were “very satisfied.” In addition, 71% of those surveyed said that they had made major improvements to their home and 21% felt that the improvements they made to their homes inspired others in the neighborhood to do the same.

Mr. Cusak thanked the Mayor and council for allowing him to share his presentation with them. He has visited several other cities throughout Oregon as part of National Homeowners’ Month. He presented a power point presentation and distributed handouts including the presentation information. He said that much of the information regarding home ownership rates and median value returns by city is available on HUD’s website. He noted his e-mail address which was listed in the handout. He encouraged council to e-mail him if they had any questions in the future.

The topics of Mr. Cusak’s presentation included 1) Financial benefits of homeownership, 2) Homeownership rates and gaps, 3) FHA 70 Year Anniversary, and 4) New resources. He discussed median value data which included data for all Oregon cities and counties. All numbers are inflation adjusted. He discussed the specifics on local financial return from homeownership and outlined the return on investment since 1990. Recent value changes have been more moderate. He noted that renters don’t have a share in the increase in home values and home ownership rates vary by race/ethnicity.

Mr. Cusak said the return on investment from 1990 through 2000 for Springfield was double that of the return for the United States. He referred to the chart which showed that Springfield had an 893 percent return based on the investment from 1990 through 2000. The return on investment for the United States, however, was only 195 percent. This was unusual growth, but was still higher than that of Lane County, Oregon and Lake Oswego, one of the highest income communities in the state of Oregon. He said Springfield has paid attention to homeownership and has looked at that as a way to increase value over the last several years.

Mr. Cusak referred to his power point which showed homeownership rates, homeownership gaps, and new resources. Homeownership rates are less today than they were in Oregon in 1950 and the gaps between minorities and whites owning their homes is higher in Oregon. The increase in wealth that comes from homeownership can be a great tool for self-sufficiency. He discussed the new programs in detail as outlined in the power point presentation and how these can be used to increase homeownership for minorities. All of these programs have the goal of assisting citizens with downpayments so they can become homeowners and become self-sufficient. They are not give-away programs. Assistance with down payments have a much bigger impact than interest rate reduction alone. He discussed the Fannie Mae and Freddie Mac programs.

Mr. Cusak said the FHA Home Loan Program started in the 1930’s as a jobs creation program. In those days a large downpayment of twenty to fifty percent was required to purchase a home. The FHA Loan Program was the first low downpayment program that was made available allowing middle class individuals to get long-term mortgages allowing them to purchase a home. It was part of the New Deal. He referred to a slide of the first Oregon FHA home loan home which is located in Astoria, Oregon. It is still a very nice home and has been well maintained. In 1935, one hundred forty-five FHA home loans were issued. In 2003, sixteen thousand loans were issued statewide and six thousand of those were first time buyers.

Mr. Cusak said FHA programs are not limited to, but offer the most assistance to first time homebuyers. The program combines well with the state bond program and provides low downpayment, which is available to all borrowers, not just those with the highest credit score. There is no income limit, but there is a maximum mortgage amount. Last year 583 families in Springfield chose to use FHA loans and nearly two hundred families who were first time homebuyers. These programs are working well in Springfield.

Mr. Cusak said the programs use private sector money guaranteed by the government. It is not government money loaned. In the last fiscal year, FHA home loans actually reduced the Federal Budget Deficit by over \$2 Billion. The FHA is a program that pays for itself and is one of the most successful programs he has seen. He thanked the Mayor and council for allowing him to present this information to them.

Mayor and Councilor Fitch thanked Mr. Cusak for his presentation.

Ms. Peterson said the city is receiving their second small grant from the Windermere Foundation. Last year the city's housing department received \$1800 which was used for scholarships for the ABC's of Home Buying class. This year the city will receive \$1200 to help pay for utilities in the city's Emergency Rental Assistance Program. This summer the city will hold a lender and realtor training that will be very successful in promoting these programs. The focus is to show how easy the city's programs are to use.

2. Proposed Springfield Development Code Amendments.

City Planner Gary Karp and Community Development Manager John Tamulonis presented the staff report on this item. Last year, the Springfield City Council established the Campus Industrial Advisory Committee (CIAC) to evaluate the siting of new uses and the reuse of existing buildings within the CI District, and to eliminate ambiguities of current Code language.

The proposed amendments arose from the denial of a Formal Interpretation application submitted to the city in late 2002. Northbank Properties LLC, representing Eugene Moving and Storage, stated their client should be able to locate within the CI District because their use was a Regional Distribution Headquarters, even though there was no industrial component to the proposed use. The Hearings Official disagreed and denied the application. In March 2003, Northbank agreed to drop an appeal if the City Council established a CIAC to review Article 21 with staff. The CIAC consisted of: City Councilor Stu Burge, Planning Commissioner Steve Moe; Jack Roberts, representing the Eugene-Springfield Metro Partnership; David Divini, representing Northbank Properties LLC; and Silva Sullivan, representing Chambers Construction. The proposed amendments apply to the city's two CI District sites, Gateway and the Pierce property. The proposed amendments are based upon suggestions by the CIAC, balanced against the current Metro Plan designation and State-wide Planning Goals 9 (Economic Development) and 12 (Transportation). Staff discussed the proposed amendments with the Springfield Chamber of Commerce's Legislative Committee and the Area Commercial/Industrial Realtors group. Staff also met with representatives from the Oregon Department of Transportation and the Lane Regional Air Pollution Authority. Staff presented the proposed amendments to the Planning

Commission at a work session on May 4th and at a public hearing on May 18th where the record was requested to be held open for 10 days. On June 15th, the Planning Commission discussed this issue and voted 5 to 0 with 2 abstentions to forward the proposed amendments to the City Council for adoption. However, the June 15th date did not allow for the completion of the adopting Ordinance in a timely manner for the June 21st City Council public hearing. A property owner notice consistent with State regulations was mailed in April that announced both the Planning Commission public hearing date (May 18th) and the City Council public hearing date (June 21st) to all affected land owners. In order to avoid re-noticing these property owners, staff requests that the City Council open the public hearing on June 21st with a continuance until July 6th in order to allow public comment on revisions to the proposed amendment.

Mr. Karp distributed two handouts related to the proposed amendments. The first is a document which highlights the proposed amendment and the second is a revision of Attachment I included in the agenda packet, which includes the comments the Planning Commission received at its June 15, 2004 meeting.

Mr. Tamulonis referred to a map showing both the Gateway and Pierce Property and where it is zoned Campus Industrial.

Councilor Ballew asked if the size of the Pierce Property has changed.

Mr. Tamulonis said the alignment had changed slightly, but not the size.

Councilor Ralston asked where the armory would be located and if it had been started.

Mr. Tamulonis pointed out the area the armory would be located on the maps on the wall. He said the armory would be started in late summer of this year.

Discussion was held regarding the age of the maps and several developments that were not shown on the maps displayed.

Mr. Karp referred to the first handout which referred to the highlights of the proposed amendments. Items a.1 and a.2 were a direct result of the moving storage issue that was addressed in 2002 and 2003. He explained the standards and other processes staff created regarding Campus Industrial Zoning Districts as outlined in the handout.

Mr. Tamulonis said one of the issues that has been up for discussion is how to classify the existing uses. He said Mr. Karp was very creative and focused in trying to make things work in the Gateway area. He referred to a map that showed the current vacancies and the ownership of those properties. Staff looked at what might be considered within a business park to retain the focus of Campus Industrial. There was no limitation on corporate headquarters as they anticipated changes in the future. They looked at how to anticipate those changes and how to make them work. Staff looked at already permitted uses, including the Sony facility and the Sherwood Packaging and supportive uses, such as Federal Express. At this time the McKenzie-Gateway Corporate Park includes the following as noted on the map: 1) McKenzie-Gateway Corporate Park Boundary; 2) Approved/Existing Corp/Regional Headquarters not in the business

park; 3) existing business park firms; 4) primary uses built; and 5) other uses. He discussed the number of corporate headquarters that could have been built on three acre parcels with their past system. That commercial use is not what the city was looking for, but rather Campus Industrial and supportive uses.

Councilor Fitch asked how many acres are taken up with this zoning.

Mr. Tamulonis distributed a handout showing the acreage for each of the areas shown on the map. He discussed some of the primary uses in the Gateway area which include Sherwood, Sony and an area the city owns. Out of the 270 acres, there could be approximately 109.6 acres that could be a business park. He discussed the Sony site and the limitations with the building. One option is to allow the Sony building to be used as a business park. If it was changed from Campus Industrial use to a business park, there would be flexibility to have a larger number of uses for that location. He discussed the number of unused, empty buildings throughout the country. Staff is trying to be creative, but maintain the forty percent for business park uses.

Mayor Leiken reminded council the Sony site was one of the eleven certified sites in the state.

Mr. Tamulonis said they are encouraging reusing these buildings, maintain the overall emphasis on Campus Industrial, but allowing flexibility for existing facilities that need to be reused and others that may need to be reused in the future. They are also encouraging multiple story buildings.

Councilor Ballew asked about the areas shown in white on the map.

Mr. Tamulonis said they are areas within the 270 acres which are vacant at this time. These areas could be potential development property.

Mayor Leiken commended Mr. Karp for bringing the ideas into focus on this issue. This is a great opportunity and government is responding to the changes in economic dynamics. This is a good step and he appreciates staff for responding.

Mr. Karp said the document referenced bringing this back to the Planning Commission and City Council in two to five years. The Planning Commission asked staff to return in two years or when they reach thirty percent to look at this district again and make appropriate adjustments.

Council concurred with the Planning Commission's recommendation.

3. Development Code Fees Ordinances and Resolution.

Planning Supervisor Mel Oberst presented the staff report on this item. Mr. Oberst said currently the Development Code fees are adopted by ordinance. Amendments by ordinance to the Springfield Development Code are necessary in order to provide the council with authority to adopt development code fees by resolution and to repeal the fee schedule from Appendix 1 of the code.

A separate resolution amending the *Master Schedule of Miscellaneous Fees and Charges, Rates, Permits and Licenses* to include all fees in the attached development code fee schedule and adoption by resolution is proposed to become effective July 1, 2004. The ordinances have emergency clauses to expedite the authority of the council to adopt new development code fees by resolution so they will be effective by beginning of the fiscal year on July 1, consistent with the budgetary intent of the council.

The amended development code fee schedule proposed to be adopted by resolution reflects an increase in fees generally from 35% cost recovery to 50% cost recovery of the cost of the particular services provided by the land use application review program.

In November 2003 the council directed staff to return to them in the spring 2004 with a proposal for increasing recovery of all cost for the land development review program. Staff prepared fee increases reflecting a 50%, 75% and 100% cost recovery for the council's consideration. At the March 29, 2004 work session the City Council established a policy to attain a 50% cost recovery of the land development review program and instructed staff to bring a new fee schedule for review and adoption reflecting their policy. Land development fees are codified as Appendix 1 of the Springfield Development Code. Any changes to the fees require a change by ordinance with public notice and a public hearing before the City Council. All other fees of the city are contained within the *Master Schedule of Miscellaneous Fees and Charges, Rates, Permits and Licenses* which is maintained by the Finance Director and routinely amended by the council by Resolution in a public meeting. The resolution process is the expedient method to conduct the business of the council in a uniform manner for all city fees.

Councilor Ballew asked if the fees could be accessed on our website.

Mr. Oberst said they would be and staff would be giving out that information.

Councilor Fitch asked if the fees were based on last year's salaries or current salaries.

Mr. Oberst said they are based on the FY03-04 figures and will be reviewed annually.

Councilor Ballew asked about fees set by the state.

Mr. Oberst said those are part of the building fees which are in the Master Fee Schedule adopted by resolution.

Councilor Fitch asked about the credibility on the figures.

Mr. Oberst said that Senior Management Analyst Bob Brew directed Mr. Oberst to use the appropriate map for these calculations. Mr. Oberst and Mr. Brew both checked the figures and they are confident in the schedule presented to council.

ADJOURNMENT

The meeting was adjourned at 6:45 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder