

City of Springfield
Special Regular Meeting

MINUTES OF THE SPECIAL REGULAR MEETING
OF THE JOINT SPRINGFIELD CITY COUNCIL/
SPRINGFIELD PLANNING COMMISSION HELD
MONDAY, NOVEMBER 16, 2004.

Minutes of the Special Regular Meeting of the Joint Springfield City Council/Springfield
Planning Commission held on Tuesday, November 16, 2004, at 7 p.m.

ATTENDANCE

Present were Mayor Sid Leiken, Anne Ballew, Dave Ralston, Christine Lundberg, John
Woodrow, Joe Pishioneri, City Council; Steve Moe, Chair; Bill Carpenter, David Cole, Frank
Cross, Gayle Decker, Greg Shaver, Springfield Planning Commission

ABSENT: Tammy Fitch, City Council
Lee Beyer, Springfield Planning Commission.

STAFF: City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, Colin
Stephens, Mel Oberst, Nick Arnis, Gary McKenney, City Attorney Meg Kieran,
Ken Vogeney, Al Gerard, Linda Pauly.

CALL TO ORDER

Mayor Sid Leiken called the meeting of the Springfield City Council to order.

ROLL CALL

City Recorder Amy Sowa called the council roll. City Council President Tammy Fitch was
absent.

Commissioner Carpenter called the meeting of the Springfield Planning Commission to order,
noting that Chair Steve Moe was participating via speakerphone. Commissioner Beyer was
absent.

PLEDGE OF ALLEGIANCE

Those present joined in saying the Pledge of Allegiance.

APPROVAL OF MINUTES

Approval of the minutes was postponed.

BUSINESS FROM THE AUDIENCE

There was no business from the audience.

LEGISLATIVE PUBLIC HEARING

1. PeaceHealth Amendment Remand

Mayor Leiken provided an overview of the proceedings.

At the request of Mayor Leiken, City Attorney Meg Kieran reviewed State statutes related to bias and ethics, specifically Oregon Revised Statute 197.835 and ORS 227.180(3). ORS 197.835 indicated a decision could be reversed or remanded on the basis of *ex parte* contacts or bias if the member of the decision making body did not comply with ORS 227.180(3), which required members of the decision making body with an *ex parte* contact to place that contact on the record. She reviewed the definition of *ex parte* communication from the Springfield Development Code, and noted it did not include communication between staff and the Planning Commission. She reviewed the definition of bias from the code.

Mayor Leiken noted that the City Council had previously voted to open the public hearing and this was a continuation of that hearing.

Commissioner Carpenter opened the public hearing on behalf of the Springfield Planning Commission.

Mayor Leiken called for council *ex parte* contacts or conflicts of interest.

Councilor Woodrow noted that PeaceHealth was a sponsor of the Springfield holiday parade, of which he was president, but it would not bias his decision.

Councilor Pishioneri reported that he had received a campaign donation from the Affinity Group, an organization that may be associated with PeaceHealth, but that would not bias his decision.

Mayor Leiken reported on an *ex parte* contact with PeaceHealth Chief Executive Officer (CEO) Alan Yordy on another topic, the purchase of the Sony building by PeaceHealth's parent company, Oregon Medical Labs.

Commissioner Carpenter called for conflicts of interest or *ex parte* contacts on the part of the Planning Commission.

Commissioner Cole declared a conflict of interest because his wife worked as a nurse at PeaceHealth. He left the dias.

Commissioner Decker indicated she worked for a doctor but it would not bias her decision.

Ms. Kieran clarified that the Court of Appeals chose to remand the decision to the Land Use Board of Appeals (LUBA) rather than reverse it, and LUBA determined that remand, rather than reversal, was the appropriate action because the court clearly expected the City to be able to make findings responsive to the bases for remand, and because many of the provisions of the original plan amendments survived the challenges to them. Ms. Kieran said the remand meant the original plan amendments were not prohibited as a matter of law and do not violate the law. The City's action on remand was the subject of the LUBA winnowing appellate process; no party may challenge those provisions of the original plan amendments surviving the previous appellate challenges. Only actions responsive to the remand were subject to appeal.

Mr. Stephens briefly reviewed the applications before the council and commission and noted the related criteria. He said that testimony must be directed at the criteria, and failure to raise an issue by the close of the record with sufficient specificity to afford the decision makers and all parties an opportunity to respond precludes an appeal to LUBA on that issue.

Mr. Stephens introduced into the record the previous record of all the proceedings related to the applications cited earlier.

Commissioner Carpenter, seconded by Commissioner Shaver, moved to give parties to the remand six minutes rather than three minutes. The motion passed, 5:0

Ms. Kieran indicated that the person's status in the prior case had no relevance to the action before the council and commission. All were entitled to equal opportunity for public participation. The City had historically allowed the applicant additional time.

Councilor Ralston moved to give the parties to the remand wishing to speak six minutes for testimony rather than three minutes. The motion died for lack of a second.

City Manager Mike Kelly suggested the council and commission first hear from the applicant and then decide how to proceed in regard to the amount of time allowed for testimony following the recess.

Alan Yordy, chief executive officer for PeaceHealth, said PeaceHealth was ready to start construction at the RiverBend site. He thought there was no better time or place to develop a regional medical center than now in Springfield.

Mr. Yordy said he received an e-mail earlier that day from Admissions and Patient Coordinator Barb Kessler, who informed him that the hospital was at a critical bed capacity in the short-stay surgery and post-anesthesia recovery units. The hospital was working to determine what patients could be discharged, and was notifying all outlying hospitals it was at critical capacity and to hold patients. Patients might be transferred to Portland. While the hospital had not yet declared the need to divert all patients, it was close to that point.

Mr. Yordy said three challenges remained to the project, which PeaceHealth was prepared to address. He said delays only added to construction costs, and community hospitals needed to be prepared for the future. He thought Ms. Kessler's e-mail message illustrated the impending capacity crisis the community was heading toward. Mr. Yordy said PeaceHealth had the

opportunity to provide the community and region with the best most advanced medical technology in a setting designed to foster healing and meet patient and family needs.

Mr. Yordy reported that a twelve-member progressive hospital organization, Pebble Partners, had recently invited PeaceHealth to join it. Research done at other Pebble Partner facilities indicated that something as simple as a view from a patient room actually sped the healing process and reduced the length of a hospital stay by about ten percent. He said that PeaceHealth was committed to providing open space on the site and enhancing the riparian zone along the river.

Mr. Yordy said the PeaceHealth board was so convinced that the RiverBend site was the correct site for the facility that it approved a \$15 million guarantee to the Oregon Department of Transportation (ODOT) to ensure transportation facilities were in place to serve both the facility and larger community. That was in addition to PeaceHealth's earlier contributions toward road projects in the area.

Mr. Yordy said the two large employers drove the Lane County economy, PeaceHealth and the University of Oregon. In addition to providing a tax base at RiverBend more than double that of residential housing, the proposed development provided an opportunity for partnerships with the University and other groups. The RiverBend campus will provide more than 2,225 family wage jobs, with the potential of adding 300 to 500 additional family wage jobs in the first five years of operation. PeaceHealth brought money into the local economy from outside Lane County and was seeking no subsidies but rather wished to extend a helping hand with its financial assistance in transportation project funding.

Mr. Yordy suggested there may be no better place or even any other place in the community where such a regional medical center could be built. He deferred comment on the remaining issues to be addressed in the remand to Mr. Farrington, and thanked the council and commission for their support.

Philip Farrington, 677 East 12th Avenue, Director of Planning for PeaceHealth, said the City's Medical Services (MS) zone would be applied to the area the site redesignated Community Commercial (CC), and redesignated other nonresidential areas to allow for the application of Mixed-Use Commercial (MUC) zoning. The court ruling did not invalidate the council's policy decision to allow a hospital on the site, nor did it rule the MS zone could not be used. Rather, the court found that the proposed hospital use was essentially commercial in nature, and required the application of a different Metro Plan land use designation. The City's code allowed the MS zone to be implemented on land designated CC, which was consistent with the court's ruling. Mr. Farrington said the mix and proportion of uses underpinning the transportation analysis and master plan previously approved by the council remained unchanged.

Mr. Farrington spoke to the legislative change proposed to the Springfield code regarding the MS zone. The revised text clarified a future hospital must have direct access to an arterial street, but that the hospital site can have frontage on a collector street. That was consistent with the council's previous direction.

Mr. Farrington discussed proposed changes to Springfield's Commercial Lands Study. He said that LUBA ruled that the City did not explain how the adopted ordinances were consistent with the study. Two polices in the study, 1-B and 3-A, called for redesignating and rezoning land to allow for mixed use commercial zoning and higher density development in conjunction with

employment and residential opportunities. Mr. Farrington said that was what the proposal achieved. In addition, it reduced the City's deficit of needed commercial land that was identified in the Commercial Lands Study.

Mr. Farrington said a subordinate implementation strategy in the Commercial Lands Study called for there to be ten to fifteen acres of commercial in the Gateway Refinement Plan Medium-Density Residential (MDR) site. The findings explain that the acreage reference in the strategy was not a limitation on the number of acres or the zoning districts the City employed to implement its policies. The study made a distinction between policies adopted for compliance with Goal 9, Economic Development, and the strategies, which were possible methods of furthering the policies. When adopting the study, the council made findings that nothing limited its ability to use a variety of strategies to implement the policies the study. The City Council had the ability to modify strategies or adopt different ones to realize the economic development goals set out in the study.

Continuing, Mr. Farrington said in addition to findings distinguishing the premises of the policies in the study over those strategies, the City was proposing an amendment to the plan that changed the language of the implementation strategy in question to clarify how the proposed use was considered in the remand ordinances appropriately furthers the study's policies.

Mr. Farrington noted his submission of written testimony and invited questions. He deferred comment on the third remand issue to Mr. Robinson.

Mike Robinson, 1120 NW Couch Street, Portland, Perkins Coie LLP, discussed LUBA's remand of the decision as it related to the Transportation Planning Rule (TPR). He said that PeaceHealth had worked with the City's Planning and Transportation staffs to revise the transportation impact analysis (TIA) to respond to the court ruling. The findings had been revised accordingly.

Mr. Robinson said for the most part, the former TIA was fine but lacked information about whether there was any point in the entire planning horizon where a transportation facility failed. That analysis had been done. The revised TIA looked at the planning horizon through 2020, consistent with the Oregon Highway Plan. The applicant determined that for the vast majority of intersections there was no significant affect and plenty of capacity to accommodate the uses PeaceHealth was asking the council and commission to approve. For those intersections lacking capacity, mitigation measures would be imposed as allowed by the TPR. He summarized the mitigation measures, which included a trip cap and two TransPlan improvement projects, a traffic signal at intersection of Hutton Road and Beltline and eastbound ramps at Pioneer Parkway and Q Street. Those construction costs would be paid by PeaceHealth.

Ed Sullivan, 121 SW Morrison, Suite 111, Portland, said as a result of the Court of Appeals decision, minor modifications were made to PeaceHealth's plans for a regional medical campus. PeaceHealth had tried to meet with and accommodate everyone, but it was impossible to please everyone. Mr. Sullivan said the remand related mostly to the findings, and not to any substantive portion of the project. He expressed the hope the City would restrict its review of the remand to those issues specifically remanded by LUBA. Mr. Sullivan pointed out that the council and commission had previously agreed with PeaceHealth on most of the issues as well as the fact of the development itself. The changes made by PeaceHealth to comply with the appeal decisions did not change the project significantly from that approved previously. Mr. Sullivan said that many people did not like the proposal and he acknowledged change was difficult for some.

However, the question before the elected and advisory officials was whether the development met the City's standards. He noted that LUBA and the courts found the decision was not subject to approval by other jurisdictions. Nothing in the remand changed that.

Mr. Sullivan anticipated that some members of the public would offer testimony in an attempt to distract the council and commission from the relatively few issues at hand. For example, he anticipated the two bodies would hear calls for PeaceHealth to drop the time and investment it had in the RiverBend site and relocate its facilities to Glenwood. He pointed out that there was no requirement for an alternatives analysis. However, Mr. Sullivan noted for the record that PeaceHealth had looked at the "Glenwood alternative" and found it not to be viable for a variety of reasons.

Mr. Sullivan expected to hear that all or a substantial portion of the site should be given to The Nature Conservancy, that it should increase health care costs by settling for an inefficient campus, or give in to the implicit threats of neighboring property owners that if PeaceHealth did not do what they wished, they would hold up the project forever. PeaceHealth did not do business that way, and chose to bring the proposal to the council and commission for resolution of whether the application met the City's standards. Mr. Sullivan concluded by saying the PeaceHealth had addressed the remand issues and complied with existing goals and ordinances.

Mr. Sullivan invited questions of himself and the development team.

Responding to a question from Councilor Ralston about the transportation improvements discussed by Mr. Sullivan, Mr. Robinson reminded him that the Pioneer Parkway intersection project was a condition previously imposed by the council on the development. No party challenged the finding made by the council previously.

Commissioner Carpenter determined from Mr. Robinson that the first year in which traffic was evaluated in the TIA was 2005. Each year from 2005 through 2020 was evaluated.

Commissioner Carpenter asked what the maximum construction work force would be at the site. Mr. Farrington said the peak construction work force would probably be about 600 people. However, they would all be traveling to the site on off-peak hours. In response to a follow-up question from Commissioner Carpenter, Mr. Robinson said construction traffic was not considered in the TIA because the TPR required an analysis of the trips that the allowed use generated. Mr. Farrington added that construction trips were assumed to be implicit in the background study for the regional model. The issue was not relevant to the plan amendment process. Commissioner Carpenter asked about the construction schedule. Mr. Farrington was not sure, noting that traditionally construction workers started work before peak a.m. travel hours. Commissioner Carpenter asked if construction traffic would be addressed as a condition of a later permit. Mr. Farrington responded that PeaceHealth would work with the City's Traffic Engineer to facilitate safe and efficient access to the site and to minimize impact on the surrounding neighborhoods.

Commissioner Carpenter asked if Mr. Robinson was aware of any case law related to the issue of whether construction trips for a major project over a number of years must be evaluated in the TIA and counted in the trip cap. Mr. Robinson said no, because the TPR did not require an analysis of construction traffic.

Mr. Farrington said he would get back to the commission with more information about the projected construction employment levels.

Responding to a question from Commissioner Carpenter, Mr. Farrington indicated that 440 beds were proposed at the new facility. PeaceHealth was licensed for 432 beds at the current facility. He said that the number depended on whether one counted only licensed beds. For example, neonatal and nursery beds and ICU beds were not counted as licensed beds. Mr. Yordy indicated he would provide a side-by-side comparison. He said that neonatal and nursery beds will be expanded significantly. He anticipated that there would be about 30 to 50 additional beds, some under the license and some outside the license.

Mayor Leiken asked if the Hynix construction project included a trip cap. Ms. Kieran said she would research the question.

Mayor Leiken solicited additional questions.

Councilor Lundberg asked for staff clarification of whether construction traffic was already accounted for in the regional model. Mr. Stephens indicated staff would respond in writing after doing more research.

Addressing the earlier discussion about the amount of time provided for public testimony, Ms. Kieran noted there were no time limits on testimony in the State statutes or in the Springfield Development Code. The presiding officer may limit testimony with the concurrence of the council. Under the council's existing policies, a person may speak longer than three minutes if the request is made prior to a meeting. The council must vote on the extension of time, the mayor must approve of that extension, and any motion to concur with the Planning Commission's motion must include a waiver of the council's policy.

Mayor Leiken called for a brief recess. Following the recess, the meeting reconvened.

Commissioner Carpenter, seconded by Commissioner Shaver, moved to allow each speaker four minutes to speak. The motion passed unanimously, 5:0.

Ms. Ballew, seconded by Ms. Lundberg, moved that the council waive its policy regarding testimony and allow four minutes per speaker. The motion passed unanimously, 5:0.

Mr. Pishioneri asked if the transportation improvement projects would be completed prior to the hospital's opening. Mr. Robinson said yes, prior to Phase 1 and the opening of the hospital.

Mr. Pishioneri asked about the issue of public access to the riverbank through the property. Mr. Stephens said that a policy in the Gateway Refinement Plan, GRP Residential Element Policy and Implementation Action 13.4, called for a guarantee of access to the river through the site for the general public. He said if the plan amendments were adopted, the master plan was subject to council approval and the council would be able to decide how access occurred through that process. Having the policy in place assured the issue would be addressed.

Mayor Leiken called for testimony from the general public.

Sue Slaughter Nichols, 885 North 66th Street, Springfield, President of the Springfield Chamber of Commerce, said the chamber's board of directors supported the PeaceHealth project. She said the board believed the best scenario for the metropolitan area was two thriving hospitals. The project was good for economic development and would add good jobs to the community. The chamber found PeaceHealth a good partner in the transportation projects and had worked to find solutions to the problems that had been raised.

John Tupper, 4055 Royal Avenue, Eugene, noted his family's extensive history with PeaceHealth. He served as a volunteer at PeaceHealth now at the Heart to Heart Program. He said he believed in the hospital's mission and said the care given was outstanding. Compassionate caring was continually promoted. He said that beginning with the actions of the Eugene City Council, the issue got off track. He said the address of the hospital was not important because it was a regional hospital. Everyone needed a hospital, and it should be a good one. Mr. Tupper said the hospital was currently over its capacity; during a recent visit he was placed in intensive care because they had no place else to go. Parking at the current facility was terrible. He hoped that people would stop to think about the issue and realize the need that existed for the new facility.

Valerie Bill, 6703 Dogwood Street, Springfield, said as a Springfield resident she would be proud to have the hospital in the community. She was a nurse on the post-surgical floor at the hospital and could attest that the hospital had no beds. She was in charge of placing patients and it was very difficult. The hospital had to put extra staff on in the recovery rooms to hold patients there until there were beds. Ms. Bill noted that it took six hours recently to find her 93-year old father a bed when he had a heart attack.

John Hyland, 89006 Whitewater Road, Springfield, said all those present would have cause to use the new hospital. He pointed out that PeaceHealth was not seeking any tax breaks and merely wanted to build a hospital. He thought the project being proposed was outstanding and it would bring many construction jobs to the community and employ local contractors. He said that construction had been down recently. Mr. Hyland urged the council and commission to approve the plan amendments. He could see no downside to PeaceHealth's proposal.

Sister Barbara Haase, 2214 Ridgeway Drive, Eugene, past administrator of Sacred Heart Medical Center, recalled the hospital's search for land on which to expand in 1989. She supported the RiverBend campus proposal. She noted her work as a liaison between PeaceHealth and the many social and human service agencies in Lane County, and said that the United Way annual needs assessment indicated health care was on the top of the list of local unfunded community needs. Modern facilities to serve patients were needed. Sister Haase said that RiverBend provided that expansion room now and for the future. She noted that since her first employment with the hospital in 1976, the footprint of the existing facility had not changed. She believed the City of Springfield and PeaceHealth shared a goal of serving the community to the best of its ability without ruining the environment of the RiverBend site. She urged the council and commission's support for the proposal so construction could occur as quickly as possible.

Alan Johnson, 2303 SE Grant Street, Portland, represented the appellants, John and Robin Jacqua. He believed that PeaceHealth was asking the council and commission to accept the same arguments that had been rejected by the Court of Appeals and LUBA. He disagreed that PeaceHealth's respond to the remand was satisfactory. He maintained that the commercial

designations being proposed were intended for uses more limited in scale, scope, and impact. He did not believe the Metro Plan allowed the use of the two designations to establish a regional medical center. Mr. Johnson said that the Metro Plan lacked a regional medical designation, which was needed. The plan did not contemplate or allow for the use under consideration. He believed changes were needed to the Metro Plan text to allow the hospital to be built on the site.

Mr. Johnson likened the proposal to the development of Valley River Center, saying it would pull the regional core of the downtown central businesses areas and relocate them to the edge of town. He called for a regional discussion between the cities of Eugene and Springfield and Lane County to create a new regional medical services designation and solve the problems of both PeaceHealth and McKenzie-Willamette/Triad. He suggested that the development could destroy downtown and leave the community with one hospital, one insurer, and one choice in health care. He did not think Springfield could make that choice unilaterally. Mr. Johnson noted his submission of written testimony, and requested that the Planning Commission act independently of the council and continue the hearing for one month, with the record to be left open two weeks following that. He maintained that there were parts of the application that had yet to be submitted to the City.

Mr. Johnson maintained that the scope of the remand was broader than stated by the City's legal counsel and staff, and the public notices were too narrow. His clients did not want to slow the process for the sake of slowing it, but wanted the City to "get it right."

Rob Handy, 455-½ River Road, Eugene, argued that residents needed the dependability provided by refinement plans. He questioned the justification for changing the Gateway Refinement Plan without the involvement of affected neighborhoods. He believed the issue was regional in nature given the regional nature of the hospital and other elected officials from other jurisdictions should also be involved in the decision. Mr. Handy questioned the impacts of the project on the transportation system and the supply of housing. He suggested the family wage jobs brought to the community were more appropriately located in Glenwood than in the RiverBend area as infrastructure to serve the hospital already existed in that area. Mr. Handy endorsed the local rivers as public treasures. He questioned whether public access to the river would occur from the site.

Thomas Row, 1162 Willamette Street, Eugene, a pediatrician with the PeaceHealth Medical Group, discussed the need for a new hospital by describing the conditions at the existing hospital, which had been remodeled repeatedly since its original construction. He said that codes changed throughout the years, making remodeling expensive and challenging. It was difficult to accommodate staff and patients in the facility. He said that PeaceHealth employed more than 5,000 people and many of those employees lived in Springfield. Those employees were happy working at PeaceHealth and, unlike the rest of the country, PeaceHealth had few nursing vacancies. He noted that hospital employees raised \$1,200,000 to support the new RiverBend campus. Dr. Row said that this year, PeaceHealth was rated the eighth best employer in Oregon. The quality of doctors was high and they were drawn to the area from out of the community.

Rob Zako, 1280-B East 20th Avenue, Eugene, Transportation Advocate for 1,000 Friends of Oregon, emphasized that the public hearing concerned a land use and planning proceeding. He noted the peripheral development associated with PeaceHealth wherever it chose to locate the hospital. The question was where in Lane County that occurred. Mr. Zako asserted that the question went to the issue of where the council and commission wished "the heart of the community to be." He suggested that allowing development at one site precluded it elsewhere

because there was only so much economic activity the community could support due to limited public funds for improvements.

Mr. Zako believed that the applicable transportation system plan was TransPlan rather than the Regional Transportation Plan. He wanted to ensure that the TIA referred to TransPlan. He said the projects in the Regional Transportation Plan were not relevant to the application.

Mr. Zako was concerned about transportation-related conditions and agreements being put into place outside of TransPlan. What would prevent the council from undoing those once approved? He suggested that they be codified in TransPlan. He indicated he would provide further comment in writing.

Mr. Zako quoted from TransPlan related to the need for approval of development outside nodes to ensure they were consistent with the area's nodal development strategy. He believed that there was an issue regarding whether the proposal represented nodal development, and pointed out that the City of Springfield was complying with Goal 12 by locating new jobs and housing inside nodes.

Tom Bowerman, 33707 McKenzie View, Eugene, opposed the proposal. He maintained that the City was "gutting" planning documents through consideration of the proposal. He asked why the City spent time on the Gateway Refinement Plan and nodal development strategies only to dispense with all or parts of it with no "stakeholder" input. He asserted that the City of Springfield was ignoring the letter and intent of State goals. Compact urban growth did not mean allowing development anywhere inside the urban growth boundary (UGB). Mr. Bowerman objected to allowing growth on the fringe of the urban growth boundary as he did not think it was good for downtown. He maintained that since adoption of its Growth Management Study, calling for intensification of the urban core, Eugene had increased its taxable value by seven percent while Springfield's "increased at less than half of that, eight percent." He suggested a link between growth management and value. He advocated for proactive planning rather than reactive planning.

Mr. Bowerman asserted a new book on hospital architecture, title not cited, demonstrated that large hospitals should be built at two to four stories for healing and protecting the visual sensitivity of their sites. He believed the proposed facility would destroy the visual qualities of the site.

Mr. Bowerman called for a regional planning effort involving Eugene and Lane County.

Gary Young, 741 East 20th Avenue, Eugene, Eugene Emergency Physicians, supported PeaceHealth's proposal. He said long waits to get into the hospital were very common, and the hospital was frequently unable to meet the demand for beds. His group cared for patients from all over the region and under State law must take transfers from outside the area, such as southern Oregon. He had participated in the hospital planning process and believed the new proposed hospital would be a big improvement over what currently existed. He said that Sacred Heart at its current location was not the major medical center needed for the future, and the longer PeaceHealth delayed in building a new medical center, the longer the waits will be and the more patients would be harmed. Dr. Young urged the council to consider the health of the entire community. He related a story of a patient who experienced a heart attack but had been able to access the cathode lab in time; he noted that at one time, that facility was located in a trailer in the

parking lot while the existing facility was remodeled, and patients were directed from the emergency department to the parking lot.

Commissioner Shaver asked how construction of the new facility would assist with the new hospital as only 18 additional beds were being contemplated. That did not seem like much to him. Dr. Young responded there was more to the issue than the number of licensed beds. For example, the emergency department had 36 beds now, and at RiverBend the department would have between 45 and 50, which was the type of expansion needed. In addition, the State law allows for an increase in hospital bed capacity of ten percent every year, so while the initial plan did not call for a large increase in beds, the emergency department would be bigger and the entire hospital would be bigger and have more square footage in which to expand.

Steve Ferrarini, 818 John Adams Street, Oregon City, Ferrarini & Associates, a real estate economics consulting firm, discussed his firm's analysis of the project. He believed the RiverBend project would be a great asset to Springfield. First, it was a viable project. His analysis indicated both the project and proposed residential densities were supported by the market. Second, while it was large, the development would not preclude nodal development from occurring in other locations in the community. It was unique in character and would not compete with other nodes. There was considerable commercial demand left over. He noted his submittal into the record of a 20-year forecast of demand for various land uses. Third, Mr. Ferrarini said, RiverBend would generate about 5,400 new jobs at buildout, representing a 24 percent increase in Springfield's employment base. The jobs being created are high-wage jobs, and the industry was a fast-growing one. Four, PeaceHealth would pay its way and planned to contribute considerable dollars to transportation projects. Also, the development would generate more tax dollars than would be realized if the site was developed as MDR.

Commissioner Carpenter asked if the analysis addressed the fact PeaceHealth was nonprofit and paid no taxes. Mr. Ferrarini said yes. The net effect was more than the MDR site would have generated on its own. He said his numbers were taken from the analysis done by Duncan and Brown and were part of the record.

Jan Wilson, PO Box 5753, Eugene, CHOICES, requested additional time for the record to be held open so that the public had time to review the staff report and recommendations. She said the findings for the application had been on the Web site for less than one week. She maintained that the application was a wholesale change from the previous application rather than a remand of the original decision. She asked that all the documents from the previous record and all court documents and decisions be entered into the record.

Ms. Wilson averred a new application and new findings were needed. She said that PeaceHealth was engaging in land speculation and the delay was its own making. PeaceHealth could have had a hospital open already if it had chosen a site appropriately zoned with existing infrastructure. Ms. Wilson submitted articles from past editions of *The Register-Guard*, which she interpreted as demonstrating changes in PeaceHealth's position on its needs over time. She maintained there were other options for PeaceHealth to redevelop its Hilyard Street site to meet its expansion needs. She submitted information about those options.

Jim Just, 39625 Almen Drive, Lebanon, Goal 1 Coalition, said his organization championed citizen involvement in local decision making. He spoke to the process, suggesting that the decisions being contemplated went beyond the scope of the remand. He maintained that the

MDR zoning had not previously been “on the table.” Mr. Just cited the Commercial Lands Study revisions as another example. He did not think those issues had been adequately addressed in the materials submitted by the applicant. Mr. Just said the issue was not the need for the hospital but the need for adequate residential and commercial land supplies. He was concerned about the scope of the citizen involvement related to the issue, suggesting the issues were being addressed in a truncated process without addressing the needs of residents in the area.

Lauri Segal, 120 West Broadway, 1,000 Friends of Eugene, supported the request to extend the time the written record was open to give the public more time for review. She asserted that PeaceHealth’s proposal did not comply with State Goal 10, Housing, because it did not maintain an adequate supply of MDR land. Approval of the applications would reduce the land designated for MDR. Ms. Segal said the Metro Plan and Gateway Refinement Plan Diagram amendments failed to ensure an adequate supply of MDR land. She said a monitoring report from April 2004 concluded that Springfield had 163 acres of MDR to meet projected demand in the planning period as of January 30, 2003.

Ms. Segal said that Chapter 40 of the Springfield Development Code required that commercial districts have a commercial predominance. She maintained that could only be realized in this area through high-density development. She believed the record lacked evidence to establish it was possible to allow a commercial use as a dominant use while retaining MDR densities. Ms. Segal submitted written testimony.

Kristin Greene, 2132 Southwest Broadway, Portland, said she represented Cogan Owens Cogan, a firm engaged in “planning, communications, governmental, and community relations, environmental studies, and dispute resolution” located on 813 SW Alder Street, Suite 320, Portland. She said her firm was asked by Mr. Johnson to evaluate the development and master plan proposal against smart growth planning principles, the nodal development principles in TransPlan, and the mixed use and community commercial designations in the Metro Plan and Gateway Refinement Plan. Ms. Greene reviewed some written information she provided to the commission and council to summarize her comparisons, concluding that PeaceHealth’s proposal failed to meet those principles as the development did not represent true mixed use, contained traditional building types and massing, housing was segregated by type, buildings were oriented toward the parking lot rather than the street, development encroached into the floodplain, and the site was too large to be pedestrian friendly. In addition, the development would take away from the employment focus from downtown and worked against the City’s re-use strategy in the core. “New Urbanism” concepts were lacking in the design.

Joseph Cortwright, 1424 Northeast Knott Street, Portland, identified himself as an economist with Improsa, Inc. He indicated he reviewed the staff report at the request of Mr. Johnson. He distinguished between the local and traded sectors, saying PeaceHealth existed to serve the needs of the local sector of the economy, rather than the regional community. Mr. Cortwright opined that the demand for PeaceHealth’s services was stable because the demand came from the local population. The number of health care jobs was not influenced by how many hospitals were built or where they were built. It was a product of demand, and the facility did not change the demand. It did not add to jobs, it merely relocated them.

Mr. Cortwright acknowledged the importance of the health care sector to the community’s economy, and said the siting of the health care sector was a large concentrated source of employment that contributed to the health of business districts. He averred PeaceHealth’s

location at RiverBend would compromise existing central business districts, which are influenced by scale.

Mr. Cortwright discussed the CC designation, saying the scale of the development exceeded the local community intended to be served by the designation. The facility in question was regional in scale, and the Metro Plan did not contemplate a major regional campus serving the entire region in this area. He thought the proposed plan designation was out of scale and not in keeping with the proposed development.

Ken Hamm, General Manager for the Lane Transit District (LTD), emphasized PeaceHealth's commitment to the use of mass transit and alternate modes. He discussed LTD's work with PeaceHealth in regard to how LTD would serve its project, which he anticipated would result in a reduction of trips to the site. He noted PeaceHealth's willingness to facilitate a Bus Rapid Transit (BRT) route to the hospital site. He said that over time, that would mitigate a considerable number of trips generated by the facility.

Mr. Hamm disagreed with testimony suggesting that PeaceHealth was indifferent to the needs of pedestrians and bicyclists traveling through the project area, noting that PeaceHealth had been very responsive to needs of BRT in that regard.

Commissioner Carpenter asked Mr. Hamm what percentage of employees at PeaceHealth currently took advantage of the bus. Mr. Hamm indicated he could provide ridership counts for the facility, noting that PeaceHealth offered its employees a group pass, meaning all employees could ride the bus.

Mayor Leiken called for rebuttal from the applicant.

Regarding Ms. Greene's critique of the master plan, Mr. Farrington pointed out that the master plan was not in question and he would address her comments in his written rebuttal.

Speaking to Ms. Segal's testimony regarding Goal 10, Housing, Mr. Farrington reminded the council and commission that challenges to that issue had not survived. He quoted from the LUBA decision in regard to the residential acreage, which stated that the City did not rest solely on the post decision surplus of MDRdesignated land.

Speaking to suggestions that the hospital was a product of local demand, Mr. Farrington said that PeaceHealth was a regional hospital now at the Hilyard location. It was the largest hospital on the smallest site of its kind in the state. The Hilyard location was the biggest hospital between Portland and San Francisco. Mr. Farrington said more than a third of inpatient admits come from a five-county region outside the Eugene-Springfield area.

Mr. Farrington reminded those present that PeaceHealth had considered redeveloping on the Hilyard campus, which would have cost far more and taken much longer, with service impacts throughout the 12-year construction process which were not considered tenable. The hospital's expansion plans in north Eugene and west of the current site were not supported in Eugene by the Eugene City Council. Now PeaceHealth was left with this site, which he considered the best site. He said that Ms. Wilson's contention that there were plenty of suitable sites for a hospital was not true. There were no commercially zoned 50 acre sites available, particularly with proximity to transportation facilities serving Eugene-Springfield and the five-county region PeaceHealth

served. Mr. Farrington said that because of the appeals that CHOICES made to Eugene's decisions related to McKenzie-Willamette/Triad, there was now even less certainty about what zoning designations allow for hospital uses. The hospital was an allowed use on the four-block site it was located on now, which was designated Community Commercial, the same zoning sought in this instance to facilitate the hospital relocation.

Mr. Farrington indicated he would provide the council and commission with a list of the citizen input opportunities held to inform the public about PeaceHealth's proposed RiverBend campus. He said that PeaceHealth had given great deference to the hopes and desires of those living near the hospital and throughout the community.

Mr. Farrington disagreed with Mr. Just about his contention that the amendments related to the 99 acres were not part of the previous decision. The acreage was referenced throughout the LUBA opinion. The proposal met the housing targets established for the site.

Mayor Leiken closed the public hearing. He invited questions.

Ms. Kieran recommended that the public record be left open.

Commissioner Shaver requested a mapped comparison of what was being proposed now and what had been considered earlier. Mr. Stephens indicated such a map could be provided.

Commissioner Shaver asked what assurances the City had that the property would not become a shopping center if PeaceHealth decided against building a hospital. Mr. Stephens said the conditions of approval prepared for the plan amendments required the master plan to include a hospital. Whatever was proposed by PeaceHealth in the master plan must be approved by commission and council.

Commissioner Shaver expressed concern that the City could rezone the property but the hospital would not be built and then someone would seek a change to address the plan/zone conflict.

Commissioner Shaver moved to defer to the City Council in regard to the length of time the public record was left open. The motion died for lack of a second.

Mayor Leiken asked the council to consider an extension of the record.

Councilor Ballew believed the issues were sufficiently narrowed through the appeals process that two weeks for additional comment was adequate.

Mr. Stephens reminded the council and commission that during the previous process, the record was left open for seven days, and staff was proposing twice that amount.

Councilor Woodrow, seconded by Councilor Ballew, moved to deny the request to extend the record. The motion passed 4:1; Councilor Ralston voting no. (Councilor Fitch absent)

Mr. Cross, seconded by Ms. Decker, moved to accept the schedule as presented.

Commissioner Carpenter expressed concern about the lack of time for public review.

The motion passed unanimously, 5:0.

The meeting adjourned at 9:59 p.m.

Minutes Recorder – Kim Young

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder