I. AGENDA ITEM SUMMARY

This item is a discussion regarding multiple efforts focused on potential redevelopment of publicly owned properties in downtown Eugene. Primary among these efforts is Lane County’s work in planning for a new Courthouse, the City of Eugene’s design and construction of City Hall, and the Lane County Farmers Market’s assessment of the market demand for an expanded and more permanent farmers market. Staff is seeking direction from the Board that will help focus the County’s evaluation of potential courthouse sites and define the County’s role in identifying and collaborating with appropriate stakeholders and partners.

II. VALUES AND PRINCIPLES

To help guide the work associated with this item, staff has developed a set of values and supporting principles. These high-level values and principles, which are based on the Board’s strategic plan, are intended to ensure staff’s efforts are focused on the appropriate processes and outcomes from the outset, even before project specifics and key objectives are fully defined. These values and their supporting principles are:

Accountability: The project team is committed to accountability through clearly defined project performance measures, including scope, schedule and cost.

Transparency: The project team is committed to an open and public process with an emphasis on public outreach and engagement.

Collaboration: The project team is committed to coordinating with key stakeholders and establishing strong relationships with project partners to leverage shared interests
and the common good for the community.

Stewardship: The project team is committed to a shared vision that provides significant value to the community for generations to come, through efficient use of public spaces, enhanced access to quality services and responsible management of taxpayer resources.

Funding assistance for Courthouse planning was recently approved by the State legislature and work on a courthouse facility needs assessment has neared completion. County staff has begun work on a Courthouse Planning Project Charter that will reflect these values and principles. County staff plans to bring a draft of the project charter to the Board at a future meeting for review and comment to ensure it meets the Board’s expectations before it is ratified.

III. BACKGROUND

Lane County Courthouse

The Board of County Commissioners held a work session on April 29, 2014 and a follow-up public hearing on June 3, 2014 to discuss potential collaboration with the City of Eugene to coordinate planning for a new Courthouse, City Hall and potentially a more suitable and permanent home for the Lane County Farmers Market. Additionally, the Board heard a report on July 25, 2014 regarding the County’s efforts to collaborate with the City and to pursue state matching funds for courthouse planning. At that meeting, the County’s intent to engage the National Center for State Courts (NCSC) to conduct a courthouse facility needs assessment was discussed. On December 2, 2014, the Board authorized the County Administrator to execute a contract with the NCSC for courthouse planning and space programming services. On May 24, 2016, the Board heard a presentation on the NCSC’s draft court facility needs assessment, including methodology and findings. The draft study includes a quantification of the space required to house the Courts and court-related agencies. This quantification of need is intended to support an analysis of potential courthouse sites, which is integral to the broader urban planning work discussed here.

Eugene City Hall

For some time now, the City of Eugene has been working toward construction of a new City Hall. On November 22, 2004, the City Council approved the establishment of a Facility Replacement Reserve and agreed to move forward with a master planning and public participation process to inform future decisions related to City Hall and/or a Public Safety Building. On May 25, 2005, the City Council directed staff to proceed with the Policy Advisement Phase (Phase 1) of a proposed “City Hall/Police Building Action Plan” (later renamed “City Hall Complex Action Plan”). What followed was a number of public forums and Council work sessions that supported the City consultant’s work in defining project values and position statements.
On December 14, 2005, the City Council directed the City Manager to proceed with the Development Plan Phase (Phase 2) of the City Hall Complex Action Plan. This phase included technical work and public input required to generate an overall development plan for a City Hall Complex. This was again followed by a number of public forums and Council workshops, resulting in the presentation of two preferred site options to the Council on September 20, 2006. The two preferred sites were the existing City Hall site and a site that included the county-owned Butterfly Lot with adjacent privately-owned properties. Following additional Council workshops, the City Council voted on December 11, 2006 to proceed with schematic design and other planning for a new City Hall, without a police patrol function, at the Butterfly Lot site. Several Council work sessions focused on options for City offices and a new City Hall followed. However, the feasibility of the City Hall plan at the Butterfly Lot site stalled for various reasons, including presumed challenges in obtaining the needed properties from multiple owners, perceived obstacles associated with the property’s original platting and land donation (“deed restrictions”), and physical limitations and cost implications associated with the property’s size when compared against a City Hall concept that consolidated the bulk of City services at one location. Given these considerations, on July 11, 2007 the City Council directed the City Manager to use the site of the existing City Hall in developing concept designs in the Implementation Plan Phase (Phase 3) of the City Hall Complex Action Plan.

On July 29, 2009, the City Council authorized the City Manager to execute purchase and sale agreement for a property on Country Club Road for use as police facility, to implement a plan for moving the remaining functions out of City Hall, and to return with options and a public input process for the future use of the existing City Hall site. On September 8, 2010, the City Council received an update from City staff and directed the City Manager to return with concept plans and proposed financial strategies for City Hall including options for both the current City Hall site and the EWEB Administrative Building. After several more Council work sessions, public forums and meetings of the Council Sub-Committee on City Hall, the City Council directed the City Manager to complete an analysis for rebuild and new construction options for City Hall on the current City Hall site on December 12, 2012. This action effectively eliminated the EWEB Administrative Building from further consideration. On February 10, 2014, the City’s design team presented the results of their research, analysis, and design exploration work for the City Hall Rebuild project culminating in a project team recommendation to proceed with a new construction design concept that could maintain the option of reusing existing council chambers. The design team explained challenges and limitations inherent in reusing the existing council chamber and suggested it would likely be less expensive to build a new council chamber than trying to rebuild the existing council chamber to meet current functional and code requirements. Following public outreach and Council work sessions on the technical and budgetary aspects of the options, the City Council directed the City Manager to proceed with new construction on the existing City Hall site on September 24, 2014. The existing City Hall was deconstructed in the first half of 2015, leaving a cleared site of compacted gravel roughly at grade with the adjacent streets. On April 27, 2016, the City Council finalized the desired design elements of City Hall and approved the design as presented. It is anticipated that City staff will return to the City Council in the near term to present
the guaranteed maximum price for City Hall and, once approved, commence construction.

**Lane County Farmers Market**

Parallel to the effort to plan for a new Courthouse, Lane County has been actively engaged in leading conversations with a variety of stakeholders regarding the topic of a Public Market in downtown Eugene. For a number of years, County officials have had conversations with the Farmers Market related to our community’s shared interest in a more permanent location in downtown Eugene. All stakeholders share the end goal of finding a permanent home for the Farmers/Public Market, and there are a variety of questions that require resolution in order to make a fully informed decision. Lane County has been in a lead role in the process to answer critical questions and fill the gaps in knowledge necessary to have a better understanding of what a downtown Public Market might look like.

Specifically related to the Farmers Market, Lane County has partnered with the City of Eugene, the Farmers Market, the University of Oregon and others on detailed analysis to ensure we have the necessary information to make informed decisions related to a Public Market. In 2014, the Lane County Public Market and Food Hub Market Analysis was completed. This study provided a great deal of information regarding what the community would support in terms of a Food Hub and/or Public Market. The study included a random sample household survey about current grocery spending and potential use of a public market. It also included a technical resource group that met regularly along with targeted interviews with local food experts that informed the conversation on specific topics, such as supply and distribution.

As a follow-up to the Public Market and Food Hub Market Analysis, in June of 2015, Lane County convened a group of stakeholders to discuss next steps and targeted interests. These stakeholders included Lane County, City of Eugene, Farmers Market representatives, private industry/developers, restauranteurs, the University of Oregon, and local non-profit organizations. Over the course of several meetings, these stakeholders determined that a strategic focus on a Public Market (as opposed to a Food Hub or some combination of the two) was of most interest and the next step was to conduct a financial feasibility assessment along with some general space planning.

In the Fall of 2015 the Eugene Downtown Public Market Feasibility Analysis was initiated. This process was initiated by Lane County, the City of Eugene, Lane County Farmers Market, Saturday Market, EWEB and the University of Oregon. The purpose of the Feasibility Analysis is to conduct initial financial analysis along with some conceptual work on what a permanent facility might look like in terms of a space program and operational models. The study has a technical resource group, largely made up of the same stakeholders that met in June 2015, that continue to inform the discussion. This effort is ongoing and is expected to conclude in late summer of 2016.
IV. NEEDS AND RESOURCES

The parallel efforts of the County, the City and the Farmers Market, if fully coordinated, have the potential to realize a transformational shared vision for some of the most prominent and well-visited public spaces and facilities in Eugene. There are several dynamics that have created this unprecedented opportunity to reshape the center of Eugene’s downtown through the comprehensive redevelopment of public space. These dynamics must be fully explored and accounted for if the optimal outcome is to be reached. First, it is helpful to understand the facility needs each entity is trying to address and the physical resources that are available to address them.

Facility Needs:

Lane County - Create an optimally configured and sited County Courthouse. Initial facility needs assessment finds that the facility will require up to 250,000 square feet.

City of Eugene - Create an optimally configured and sited City Hall. The City is nearing completion of a design for City Hall - Phase I on the west half of the property where the previous City Hall was located. The current design for Phase I is four stories with 32,000 total square feet. The ground floor contains the public meeting rooms, council support spaces, public restrooms, and mechanical and electrical rooms. The public meeting rooms are double-height spaces leaving a partial second floor that contains offices and meeting rooms along with additional mechanical room space. The third floor contains the bulk of the office space for the City Manager’s Office and the fourth floor is shelled space for future completion and occupancy.

Farmers Market - The Lane County Farmers Market has expressed a desire to expand their current footprint and to operate year-round. A study that will conceptually outline what a permanent Farmers Market facility might look like in terms of a space program and operational models is expected to be completed in late summer of 2016.

Physical Resources:

City Hall Property – The site of the former City Hall was cleared of all improvements in the first half of 2015. The property is currently compacted gravel, roughly at grade with the adjacent streets. The entire property is currently owned by the City.

Butterfly Lot – The Butterfly Lot was constructed in 1959 as supporting facility to the Lane County Courthouse. While the facility plays a critical role in supporting the County and the Court’s operations, its inflexible and inefficient configuration limits this prominent property’s ability to realize its highest and best use. The property is owned by the County, and the Farmers Market leases areas around the structure to conduct market activities on specific days.

V. POTENTIAL DEVELOPMENT SCENARIOS

Given the facilities needs of the three entities identified here, and the identifiable physical resources available to meet them, a number of scenarios can be developed by which each
entity’s needs are met, to varying extents. For the purposes of discussion, three are presented here:

**Courthouse at Butterfly Lot:**

For some time, the perceived solution to the need for a new courthouse has been to build a new facility on the property where the Butterfly Lot is currently located. The Butterfly Lot presents perhaps the clearest path forward for a new courthouse in that it is County-owned, would require little change in practice for those entities and individuals that currently support and interact with the Courts in their current location, and provides opportunity for co-location with other justice partners and County functions given the site’s close proximity to the County’s Public Service Building (PSB) and current Courthouse building. While meeting the County’s needs, this scenario would likely require the majority of the site to be developed and dedicated to the Court facility, leaving a relatively modest amount of public space and further limiting any available footprint for the Farmers Market. Alternatively, under this scenario the Farmers Market’s desire for a more suitable and permanent setting could be met on the east half of the City Hall property. City Hall’s current design leaves the east half of the property as an unprogrammed land bank, prepared to be developed to support a use compatible with the planned improvements on the property’s west side. With the potential for additional urban renewal funds dedicated to the Farmers Market and the inclusion of the City Hall property in the Downtown Urban Renewal District, the possibilities for establishing a Farmers Market space on the east half of the City Hall property that leverages the improvements and public spaces planned for the west half is intriguing.

**City Hall and Farmers Market at Butterfly Lot:**

The City Hall project has advanced to the final stage of design so it may be challenging for this scenario to be considered by the City however, given the compelling opportunity to meet the needs of stakeholders, an evaluation of the scenario should be considered. The design for City Hall on the west half of the site of the former City Hall was recently approved by the City Council, and the final construction budget is expected to be heard by the Council in the near term.

In 2006, an architectural consultant hired by the City to develop a City Hall Complex Master Plan evaluated 25 potential sites. The consultant concluded there was a clear preference for the Butterfly Lot and adjacent property along 7th Ave as the site for a new City Hall. What followed was a number of discussions regarding the feasibility of locating a City Hall Complex on the preferred site. There were several factors that ultimately limited the feasibility of this plan. First, the properties were not owned by the City and the private owner of the needed property adjacent to the Butterfly Lot was reluctant to sell. Second, there was concern over the original donation of land on which the Butterfly Lot sits and potential limitations on its development. Third, the relatively modest size and the configuration of the preferred site posed physical limitations on the significant space demands of a consolidated City Hall Complex.
Ultimately, the City abandoned pursuit of the Butterfly Lot site and chose to focus on redevelopment of the current City Hall property. However, there are a number of circumstances that have changed that would perhaps address the primary challenges associated with the City’s originally preferred site for City Hall.

- **Ownership**: The space program for a City Hall Complex at the time the Butterfly Lot was initially evaluated was much larger than the Phase I and Phase II City Hall concepts currently planned. With City Fire, Police, and Municipal Court functions now located elsewhere, the space demanded by Phase I and Phase II could be accommodated on the Butterfly Lot property, without need for adjacent properties. This limits discussion of the potential to acquire the property to just one property owner, the County. Assuming an appropriate alternative site for a new Courthouse can be identified, the County may be willing to sell the property.

- **Deed Restrictions**: There have been many misconceptions and misrepresentations of “deed restrictions” associated with the Butterfly Lot, the park blocks, and even the entire Skinner and Mulligan land donations. County Legal Counsel was recently tasked with providing a comprehensive review of these issues and has determined that there appears to be no significant limitations on the County’s ability to transfer the Butterfly Lot property to another public agency, nor upon its use as a site for a Farmers Market, public building, or other use compatible with a public square.

- **Size**: The consolidated City Hall Complex contemplated at the time the Butterfly Lot was identified as the preferred site for City Hall was large enough to demand the site be expanded to include adjacent properties. The City Hall Phase I and Phase II concepts the City is currently pursuing have been designed to fit on a half block at the site of the former City Hall. This concept could presumably be applied to the half-block Butterfly Lot as well.

Should the Butterfly Lot prove to be a suitable fit for the current City Hall plan, the County could focus its efforts toward a new Courthouse on the site of the former City Hall. Trading the planned locations of these facilities addresses several needs and provides a number of benefits. Also, this scenario provides perhaps the most expeditious path forward for each entity in that transferring ownership of each of the properties through sale would immediately free the Butterfly Lot for redevelopment dedicated to City Hall and the Farmers Market. This resolves a number of timing challenges associated with staggered timelines associated with the advanced design of City Hall, the early planning of a new Courthouse, and the initial visioning for a Farmers Market.

From a design perspective, the relatively modest scale of City Hall – Phase I would fit on the Butterfly Lot site. City Hall’s limited footprint and planned public plaza allow for generous public space on the southern portion of the Butterfly Lot, allowing for rededication of at least a portion of the northwest park block and potential for a permanent and suitable home for the Farmers Market. For the County, dedicating the entire site of the former City Hall to the Courthouse would allow for a larger footprint.
and greater setbacks, potentially reducing construction costs and addressing security/circulation challenges posed by a “tight” half block site and the vertical construction it necessitates. Additionally, under this scenario, the current courthouse building would be situated between the new City Hall and the County’s Public Service Building. Once vacated by the Courts, the current courthouse would be well-positioned for co-location of City and County services.

Finally, from a civic planning standpoint, this scenario presents a number of potential synergies between a City Hall/Farmers Market on the Butterfly Lot and expanded convention space associated with the Hilton, across 7th Avenue.

While the scenario described above represents a bold and transformative plan for the civic center, the City Hall project’s advancement to the final stages of design may preclude this scenario from consideration by the City. The design for City Hall on the west half of the site of the former City Hall was recently approved by the City Council, and the final construction budget is expected to be heard by the Council in the near term. The City Hall project team currently anticipates that construction will commence in the fall of 2016. Pursuing this scenario would have a dramatic impact on these efforts and it is unclear whether its benefits are compelling enough for the City to undertake a redesign of City Hall for an alternate site.

City Hall and Courthouse Together, Farmers Market at Butterfly Lot:

The current design of City Hall contemplates development of the west half of the full-block property where the former City Hall was located. This half block contains a public plaza, the City Hall – Phase I building, and a parking area where Phase II is planned. The east half of the block is yet to be programmed, and has been characterized in some City Council discussions as a “land bank”. The City has expressed a willingness to explore the potential of a new County Courthouse being sited on this land bank, so that the Butterfly Lot may be made available for redevelopment. Under this scenario, redevelopment of the Butterfly Lot would likely include re-establishment of the northwest park block (south half of the Butterfly Lot site) as a public park and some more intensive development of the northern half of the property, potentially in support of a more permanent Farmers Market.

While this scenario maximizes the potential for expanded public space near the existing park blocks, it presents a number of functional and architectural challenges to the Courthouse planning and design effort. Siting a new Courthouse facility at either the Butterfly Lot or on the entire property previously occupied by the former City Hall offers the ability to closely connect with County departments at the existing Courthouse/Public Service Building complex. Under this scenario, the new Courthouse would be separated from the Courthouse/Public Service Building complex by City Hall, inhibiting connectivity among the County’s various functions and potentially resulting in inefficiencies, depending upon which tenants are housed in the new Courthouse and which may remain at the existing Courthouse. Additionally, the compatibility of the new City Hall’s design with that of a new Courthouse in both form and function, when sited so closely together, will present
architectural challenges that may be costly. Finally, co-tenancy on the site of the former City Hall by both a new City Hall and a new County Courthouse will demand regular, ongoing coordination and cooperation to ensure the entire site is operated efficiently and in the best interest of the public each facility serves. With potentially differing operational standards, organizational objectives, and statutory obligations, this shared responsibility could present a number of challenges that do not appear to exist if the new County Courthouse was sited independently, as in the other scenarios explored here.

VI. ACTION/RECOMMENDATION

Provide direction to the County Administrator to communicate the County’s desires and requirements for siting a future Courthouse and for other uses of public space to the City of Eugene and other potential partners. This may include endorsement of one or more of the scenarios presented here or alternate scenarios the Board defines. Further, direct staff to refine deal points for the preferred scenario(s), in coordination with the appropriate project partners, for consideration by the Board at a future public meeting.