



February 2, 2022

Joint Committee on Ways and Means Sub-Committee on Capital Construction
Senator Fred Girod, Co-Chair
Representative Paul Holvey, Co-Chair
900 Court Street, NE
Salem, OR 97301

RE: Request for state lottery bond funding for Eugene Steam Plant Redevelopment Project

Senator Girod and Representative Holvey:

The City of Eugene formally requests the consideration of the Joint Ways and Means-Capital Construction Sub-Committee to allocate, as part of the 2022 Lottery Bond-Economic Development allocation, approximately \$5 million to support the Eugene Steam Plant Redevelopment Project.

Eugene Downtown Riverfront Overview

Major transformation of Eugene's Downtown Riverfront is underway, fulfilling the community's visions of transforming vacant, inaccessible riverfront property into a vibrant, active and accessible district and community destination. The redevelopment of the Downtown Riverfront has been planned for decades and reinforced through numerous public engagement opportunities over several years. The City's Urban Renewal Agency now owns 16 acres of riverfront property that will become Eugene's riverfront neighborhood – directly connecting our downtown and campus areas to the Willamette River and creating more access points for the community to enjoy this natural asset

As part of the 2021 Oregon Legislature's Lottery Bond allocation, the [Downtown Riverfront Park](#) was awarded \$5M in Lottery Bond funding. With phase one construction substantially completed, this world class park sits along the bank of the Willamette River and anchors the greater riverfront development project with beautiful open river views, overlooks, integrated artwork and more. Phase two park construction will include a one-acre public plaza and is scheduled for completion in 2024. [The Riverfront Redevelopment Project](#) addresses a critical need for housing in downtown and links together several economic and educational hubs. With the addition of hundreds of market-rate and affordable housing units, and a hotel with retail and office space within the planned-for Steam Plant redevelopment, the new neighborhood and park will bring residents and daytime workers to the edge of downtown and create demand for retail goods and services. By creating a vibrant mixed-use neighborhood that is centrally located and easily connects the University of Oregon to Eugene's downtown, Eugene is strengthening our region's ability to build an economy that will prosper throughout the 21st century.

Steam Plant Redevelopment Project

The requested Lottery Bond allocation will support redevelopment of the Steam Plant. Constructed in three phases between 1931 and 1950, the 28,000 square foot concrete and steel framed building is the oldest standing structure on the Downtown Riverfront property. The Steam Plant was originally used to provide backup and standby generation to ensure uninterrupted power supply to the Eugene Water and

Electric Board's service area. Commercial steam generation began in 1962 and continued until 1995. Operations in the building ceased in 2012.

[Redevelopment of the Steam Plant](#) is a once-in-a-lifetime opportunity to honor the historic significance of the Downtown Riverfront site while embracing its potential to be a place of community pride. In 2018 the City released a Request for Qualifications, seeking creative ideas driven by collaboration, innovation, excellent design, and thoughtful renovation. After a competitive process, in 2019, the City began negotiations with a local development team led by Mark Miksis of deChase Miksis and Mark Frohnmayer of Arcimoto. The development team will transform the Steam Plant into a vibrant mixed-use center. The redevelopment vision includes a 70+ room hotel, flexible office space to function as a 'knowledge transfer bridge' in cooperation with the University of Oregon and local businesses, and a flexible and adaptive performance and exhibit space as the centerpiece of the building. Outdoor public spaces developed as park amenities will bring additional programming and dining service to the river's edge immediately east of the building, and above the original water intake structure.

Unfortunately, after years of disuse, general aging, and the very specialized use it was designed and built for, the building will need considerable investment and restoration before becoming a once-again safe and functional facility. Adaptive re-use of the Steam Plant is an ambitious project and faces substantial environmental, seismic, and financial challenges. The team also plans on listing it on the National Register of Historic Places which adds project complexity.

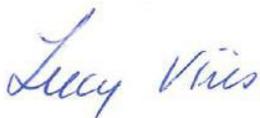
Funding support for Redevelopment of Historic Steam Plant

The City of Eugene is seeking funding to address the financial gap in the redevelopment of the historic Steam Plant along the Willamette River and anchoring the City's redevelopment efforts of the former 16-acre EWEB site for housing, commerce, and recreation. This \$230M project includes public and private investments in up to 800 units of housing, a new world class park/plaza, new roads and infrastructure, and the redevelopment of the historic Steam Plant. Over \$30M in public support is leveraging an estimated \$200M in private investment for this new downtown asset.

The Steam Plant project is a \$56M project, with private partners providing \$49M, to save and restore an iconic structure that will become a unique opportunity for locals and visitors alike to experience the Willamette River and the cultural heritage of Oregon. Eugene is seeking \$5M of state funding support to match a planned investment of \$1.5M from the Urban Renewal Agency to close the gap on this important redevelopment project. Further details are included in the attached *Steam Plant Prospectus*, or can be viewed on-line at this [link](#).

Thank you for your consideration and continued support for Eugene's Riverfront Project.

Sincerely,



Mayor Lucy Vinis