



AGENDA COVER MEMO

Memorandum Date: August 24, 2023

Report Date: August 29, 2023

TO: Board of County Commissioners

DEPARTMENT: County Administration

PRESENTED BY: Lorren Blythe, Interim Operations Director; Jessie Steiger, Kloth Group; Jeff Caldwell, Kloth Group

AGENDA ITEM TITLE: REPORT / DISCUSSION / In the Matter of Reporting on the Proposed Lane Events Center Multi-Use Community Facility.

I. MOTION

Not applicable.

II. AGENDA ITEM SUMMARY

This item is an update on the Lane Events Center (LEC) Multi-Use Community Facility project with the Eugene Emeralds (Ems) as the anchor tenant.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

December 14, 2021: The Board directed staff to assess the feasibility of constructing a Multi-Use Community Facility on the LEC campus with the Ems as the anchor tenant.

May 24, 2022: The Board directed staff to continue this work, including exploration of additional funding options, extending consultant contracts, and performing additional due diligence activities such as a traffic impact analysis, environmental study, and site survey.

June 15, 2022: The Board passed Order 22-06-15-01 approving an exemption to the competitive bidding process and authorizing a progressive design-build procurement process.

August 23, 2022: The Board was presented with project cost estimates, funding

options, and an analysis of projected economic benefits. The Board passed Order 22-08-23-07 which authorized funding for due diligence activities and directed staff to bring back an ordinance proposing a two percentage point increase in Transient Lodging Tax (TLT) and Car Rental Tax (CRT) as a potential funding source for the project.

September 13, 2022: The Board approved the first reading of Ordinance 22-07 for a two percentage point increase to TLT and CRT in support of tourism-related facilities in Lane County.

September 27, 2022: The Board conducted the second reading and public hearing of Ordinance 22-07 for a two percentage point increase to TLT and CRT in support of tourism-related facilities in Lane County. The Board approved the ordinance and the increase becomes effective January 1, 2023. The Board has not yet allocated this future revenue.

October 18, 2022: Staff provided a report to the Board that included an update on due diligence efforts, public input opportunities, and the Notice of Intent to award a progressive design-build contract.

November 1, 2022: Staff conducted a work session with the Board that included Ems ownership, the Ems General Manager, and representatives from Major League Baseball.

November 8, 2022: The Board passed three Orders: 22-11-08-03 for the design phase portion of the progressive design-build contract to Lease Crutcher Lewis, LLC; 22-11-08-04 for a land use planning contract to Satre Group, LLC; and 22-11-08-05 for consulting services to Klosh Group, Inc.

June 27, 2023: Staff conducted a work session with the Board that included the Ems General Manager, the County's contracted owner's rep, and representatives from the design-build team. The Board was presented with an update on the conceptual design, construction estimate, and status of project funding.

B. Policy Issues

This item directly addresses Objective C of the Vibrant Communities strategic priority within Lane County's Strategic Plan: *Evaluate a Multi-Use Community Facility with the Emeralds baseball team as an anchor tenant that provides economic benefits and services to the broader community.*

In addition, the LEC supports and contributes to the Robust Infrastructure and Vibrant Communities strategic priorities by providing a venue and opportunities for business, education, entertainment, and emergency response.

C. Board Goals

Strategic Plan objectives are described in the Policy Issues section above.

D. Financial and/or Resource Considerations

No financial decisions are being requested in this report. Following this report, a separate item and Board order will be presented for a contract amendment with Kloth Group, Inc., for additional project management and professional services on an as-needed basis.

E. Health Implications

There are no significant health implications for this item.

F. Analysis

Project details and analysis will be provided in the presentation material at the Board session and are attached to this memo.

G. Alternatives/Options

Not applicable.

IV. RECOMMENDATION

Not applicable.

V. ATTACHMENTS

Attachment A - Presentation

Lane County Multi-Use Facility



Board Meeting, August 29, 2023

Agenda

- Introductions
- Work Session Recap
- O&M Negotiation Update
- Funding Source Update
- Project Status
- Path Forward
- Q&A/Discussion





Recap 6/27 Board Work Session

- Stadium will overlap existing Livestock facility triggering demo and re-build
- Multiple design & budgeting iterations have resulted in a Total Project Budget of \$100.5M
- Current funding gap is in excess of \$43M
- Funding gap assumes Lane County allocating approximately 1.5% TLT/CRT
- Construction costs are escalating at \$300k+ per month of delay
- Scenario 1 provides an option to continue with design while additional funding is secured
- Scenario 2 places the project on hold while funding is secured



O&M Negotiation Update

- Negotiations in progress with multiple rounds of discussions
- Terms to be finalized prior to authorization of full construction funding
- High level terms:
 - Facility Operator (Emeralds) responsible for day-to-day operations including booking and operating events, stakeholder coordination, meeting regulatory requirements, security, custodial, grounds maintenance. Coordination with LEC required.
 - Regular repair and maintenance performed by Operator with shared planning and prioritization
 - Options for revenue sharing, naming rights, and parking arrangements are being discussed



Funding Source Summary

Funding Source	Committed	Pursuing	Timeframe	Discussion
Federal	\$1.5M for immediate occupancy	\$1.5M for immediate occupancy	2 nd \$1.5M is unlikely in 2023	Funds have special conditions which won't work for stadium, but can be applied to livestock rebuild
State	\$7.5M	\$7.5M	2024 special session - March 2024	Funding request will be resubmitted in 2024
City	None	Up to \$15M	Unknown	Multiple meetings with staff. Council discussed in July 2023 meeting.
Transient Lodging Tax/Car Rental Tax	None	\$35M	Commitment needed prior to bond issuance	Funded via TLT/CRT allocation of approx. 1.5%.
Eugene Emeralds	\$13.5M	None	N/A	Emeralds stated this is their maximum contribution
TOTAL	\$22.5M	\$59M		If all funds being pursued were approved, project funding gap would be \$19M



Funding Source Detail

- City of Eugene
 - Discussed at City Council in July 2023
 - Multiple meetings over the last year
 - No predictions as of today
- Lane County
 - Proposed funding not by property taxpayers – use of Transient Lodging Tax (TLT) and Car Rental Tax (CRT) to be applied
 - TLT can only be used to support tourism related facilities
 - Board increased TLT by 2% in 2022 specifically to support tourism-related facilities, such as the Multi-Use Facility

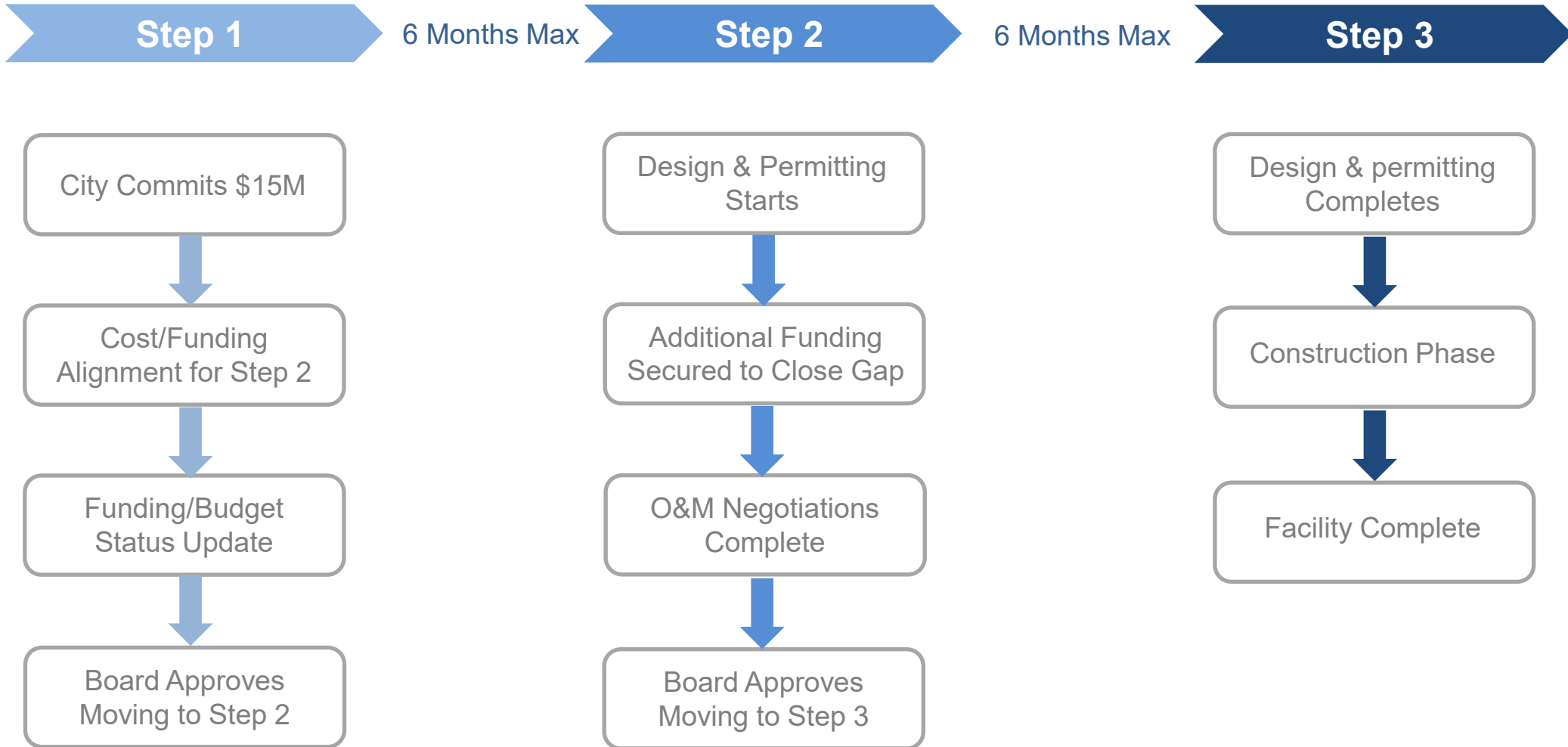


Project Status

- Project is on hold until funding sources can be identified and committed
- Resuming project would be as directed by Board when additional funding is identified
- Creates uncertainty for future of project
- Project hold time period not recommended to exceed 6 months
 - Construction costs will escalate \$300k+ per month so funding gap will be harder to close
 - Existing project procurements and contracts not structured for being on hold indefinitely
 - Creates deadline for securing funding



Path Forward





Questions and Discussion

