

# EUGENE CLEAN ENERGY FUND

The people of the City of Eugene enact the following provision as part of the Eugene City Code:

## Large Retailer License

### Section 1. Findings

(1) Climate change has a disproportionate impact on the health and financial well-being of people who have less access to the benefits of environmental investments while facing greater vulnerability to climate-related harms such as extreme heat, wildfire smoke, vector-borne diseases, and flooding. These Priority Populations are defined in section 3 of this Measure.

(2) Large Retailers, as defined in section 3 of this Measure, are a significant contributor to greenhouse gas emissions. They encourage consumption of heavily packaged and non-recyclable products; have carbon intensive shipping, manufacturing, and supply chain practices; lobby heavily before this City and other levels of government to minimize taxes and other regulations affecting them; and are responsible for a substantial portion of the City's overall greenhouse gas emissions when customer traffic and facility operations are considered. These businesses have an inherent responsibility and the financial capacity to support the goals of this Chapter, and an incentive to remain in the City to engage in retail activities here.

(3) The City of Eugene has adopted numerous climate action goals, foremost the Climate Recovery Ordinance contained in Eugene Code Sections 6.675 to 6.690. The City of Eugene also has adopted multiple Climate Action Plans to implement these goals. These goals affirm the importance of environmental justice; community-based efforts to decrease greenhouse gas emissions; and maximizing the social, economic, and environmental benefits of transitioning away from fossil fuels.

(4) The City of Eugene has acknowledged that actions and measures contained in existing Climate Action Plans are insufficient to meet the City's goals. There is an urgent need to fund and accelerate greenhouse gas emissions reductions and sequestration, especially within Priority Populations as defined in section 3 of this Measure.

(4) To implement the City's climate action goals and the goals of this Measure, there is a critical need for better development and retention of a skilled and trained workforce. Members of Workforce Priority Populations, as defined in this section 3 of this Measure, are under-represented in the skilled work force, and therefore offer an enormous, untapped resource to meet the City's climate action goals.

### Section 2. Purpose

(1) The provisions contained in sections 1 to 10 of this Measure are for the purpose of providing a consistent long-term funding source and oversight structure to invest in climate action projects that support environmental justice and social, economic, and environmental benefits for all Eugene Residents, including the development of a diverse and well-trained workforce and contractor pool to perform work that reduces or sequesters greenhouse gases.

(2) This Chapter requires Large Retailers (those with gross profits exceeding one billion dollars (\$1,000,000,000) nationally, and five-hundred thousand dollars (\$500,000) in Eugene) to pay a surcharge of two percent (2%) on gross profits from retail sales in Eugene, excluding basic groceries, medicines, garbage, recycling, and health care services, in accordance with Section 5(2) of this Measure.

### Section 3. Definitions

For the purposes of sections 1 to 10 of this Measure, the following words and phrases shall have the following meanings, unless the context requires otherwise:

- (1) “Bank” has the same meaning as used in ORS 706.008(1).
- (2) “City” means the City of Eugene.
- (3) “Clean renewable energy” means energy that is not produced from fossil fuels, organic or synthetic methane, or nuclear power, and which is produced from sun, wind, water, or other sources of renewable energy as identified by the City of Eugene other than biomass. In-river hydropower projects that harm or have the potential to harm salmonids or other aquatic species, or Native American or other communities that rely on such species shall not be appropriate for support under this Measure.
- (4) “Energy Efficiency” means a measure of how efficiently an appliance, building, organization or country uses energy. Examples of projects designed to increase energy efficiency include, but are not limited to:
  - (a) heating, lighting, water, and cooling efficiencies;
  - (b) repairs to increase the performance of the building envelope;
  - (c) community initiated energy plans;
  - (d) energy storage; and
  - (e) green building design.
- (5) “Greenhouse gas reduction projects” means a project implemented within the City of Eugene that reduces emissions or the presence of carbon dioxide, methane, or other compounds that contribute to climate change.
- (6) “Greenhouse gas sequestration” means a project that involves long-term storage of carbon dioxide or other pollutants to mitigate or defer global warming. Examples include but are not limited to:
  - (a) protection and restoration of urban tree canopy;
  - (b) protection and restoration of green space and wetlands; and
  - (c) agricultural practices that increase the capacity of the soil to store carbon.
- (7) “Green infrastructure” means a project that uses vegetation, soils, and other elements and practices to restore some of the natural processes required to reduce greenhouse gases while also benefiting water quality and creating healthier urban environments. Examples include but are not limited to:
  - (a) urban tree canopy;
  - (b) green roofs;
  - (c) green space protection;
  - (d) vegetated stormwater facilities.
- (8) “Gross profits” means the measure of the profit of a business obtained after deducting the cost to that business of goods sold from the total sales revenue of that business.
- (9) “High-road responsible contractor” means a contractor as defined in ORS 701.005 that meets all of the following criteria, both at the time of bid and performance:
  - (a) The contractor participates in an apprenticeship program registered with the State Apprenticeship and Training Council as a registered training agent, as defined in ORS 660.010, and ensures that at least fifteen percent (15%) of work hours of each craft are performed by apprentices in applicable apprenticeable occupations;

- (b) The contractor establishes and executes a plan for outreach, recruitment and retention of members of Priority Populations and/or Workforce Priority Populations to perform work on the project, with the aspirational target of having at least fifteen percent (15%) of total work hours performed by individuals in these populations;
  - (c) The contractor pays wages to workers who perform work on the project at a rate that is no less than the prevailing rate of wage, as defined in ORS 279C.800(4);
  - (d) The contractor offers employer-paid retirement and full-family medical benefits to workers who perform labor on the project;
  - (e) The contractor demonstrates a history of material compliance in the previous three (3) years, or provides available history for new businesses, with federal and state wage and hour laws; and
  - (f) The contractor demonstrates a history of material compliance in the previous three (3) years, or provides available history for a new business, with the rules and other requirements of state agencies with oversight regarding occupational safety and health.
- (10) “Large retailer” means a business that:
- (a) had annual gross profits from retail sales from all locations in the United States where the taxpayer conducts business that exceeded one billion dollars (\$1,000,000,000) in the prior tax year; and
  - (b) has annual gross profits from retail sales within the City of five-hundred thousand dollars (\$500,000) or more in the prior tax year.
  - (c) the term “Large Retailer” does not include:
    - (i) any manufacturer or other business that is not engaged in retail sales within the City;
    - (ii) any contractor as defined under ORS 701.005(5);
    - (iii) any entity operating a utility within the City;
    - (iv) any cooperative recognized under state or federal law;
    - (v) a federal or state credit union.
- (11) “Priority Populations” means groups that are under-resourced by sustainability, climate action, and clean energy programs.
- (12) “Program[s]” means an organized effort by a qualified non-profit organization to achieve greenhouse gas reduction outcomes in a framework that delivers the related social justice outcomes identified in this Measure. The qualified non-profit can apply solely or in partnership with other non-profit entities, government entities or for-profit businesses. These programs will be the primary way funds collected under this Measure are distributed from the City to achieve the goals of the Measure.
- (13) “Qualified groceries” means food as defined in 7 U.S.C. 2012(k), but does not include cannabinoid edibles or cannabis seeds.
- (14) “Qualified medicine or drugs” means any medicine, drugs, or medical devices that are regulated by the U.S. Food and Drug Administration as a medicine or drug.
- (15) “Qualified residential garbage or recycling services” means any services provided by a business that are governed by Eugene Code Section 3.245.
- (16) “Qualified health care services” means any service that involves the provision of health care to the public, including but not limited to doctor, medical clinic and hospital visits and all related services, health

insurance, and any care provided by senior care facilities or rehabilitation facilities. This definition includes but is not limited to all services defined as “health care services” under ORS 750.005.

(17) “National gross profits” means the gross profits a business receives nationally in a given year from retail sales.

(18) “Non-profit organization” means any organization recognized by the Internal Revenue Service (IRS) under Sections 501 and 521(a) of the Internal Revenue Code, in addition to other tax-exempt entities recognized by the IRS, such as schools.

(19) “Retail sale” means sale to a consumer for use or consumption, and not for resale. Retail sale includes but is not limited to the sale of services, including but not limited to retail banking services.

(20) “Skilled and trained workforce” means that all of the construction employees of a contractor as defined in ORS 701.005, meet the following requirements:

- (a) no less than thirty-five percent (35%) of all construction journey workers have completed an Oregon state-approved apprenticeship program;
- (b) all construction apprentices are enrolled in a state-registered apprenticeship program as described in ORS 660.010;
- (c) all construction journey workers have completed an OSHA 30 class within the last 24 months; and
- (d) all construction journey workers and apprentices are paid not less than the applicable prevailing rate of wage, as defined in ORS 279C.800.

(21) “Workforce Priority Populations” means groups that are underrepresented or experience barriers to employment in clean energy and climate-related fields.

## Section 4. Large Retailer License Required

- (1) After January 1, 2029, no Large Retailer may operate without first obtaining a Large Retailer license.
- (2) An application for a license under this section shall be submitted pursuant to Eugene Code 3.020, on a form provided by the city. The application shall be accompanied by any additional documents required by the application or in rules issued by the city manager pursuant to Eugene Code 2.019.
- (3) The license may not be assigned or transferred without the prior written consent of the city.
- (4) Neither the issuance of a license hereunder nor any provisions contained therein shall constitute a waiver or bar to the exercise of any governmental right or power, police power, or regulatory power of the city as may exist at the time the license is issued or thereafter obtained.

## Section 5. License Fee on Large Retailers Imposed

- (1) Imposition of Fee and Rate: Large Retailers shall pay a two percent (2%) license fee (the “Large Retailer License Fee”) on gross profits from retail sales within the City, unless specifically exempted.
- (2) Calculation of Gross Profits from Retail Sales. In calculating the amount of gross profits for purposes of this Large Retailer Fee, a deduction is allowed for the following:
  - a. Retail sales of qualified groceries;
  - b. Retail sales of qualified medicines or drugs;
  - c. Retail sales of qualified residential garbage and recycling services; and
  - d. Retail sales of qualified health care services.

(3) Effective Date and Penalties: The Large Retailer License Fee will apply for all tax years beginning on or after January 1, 2027. Payments will be made pursuant to a schedule adopted by the city manager pursuant to Eugene Code 2.019. No penalties or interest for failure to make quarterly estimated payment for the Large Retailer Fee will be charged or imposed for the 2027 and 2028 tax years. Thereafter, penalties and interest will be calculated as provided for in the Eugene Code.

## Section 6. Fee Collection and Enforcement.

(1) The Central Services Department of the City of Eugene shall administer and enforce collection of this Large Retailer fee. The Department or City Manager may adopt rules as necessary to implement the goals and purposes of the Measure.

(2) The Department shall, within six (6) months of the passage of the Measure, prepare a list of businesses it is aware of that meet the definition of a Large Retailer and notify such businesses of their obligations under this Measure.

(3) The Department may recover all reasonable costs for such work from the Fund and such costs will not be considered part of the Fund administrative cost cap.

(4) Should any proceeds under this Measure be deemed to constitute revenues described in Article IX, section 3(a), of the Oregon Constitution, those revenues shall be deposited in a Climate Transportation Investment Account to be managed by the City of Eugene Public Works Administration. Such funds shall, consistent with the limitations in Section 3(a), be used in a manner that promotes the goals of this Measure.

## Section 7. Eugene Clean Energy Fund

(1) The proceeds from the Large Retailer License Fee, after deducting the reasonable costs of administering and collecting the revenue, shall be placed in a special fund to be designated as the “Eugene Clean Energy Fund” (“Fund”).

(2) Money in the Eugene Clean Energy Fund shall be dedicated to the funding of the following, consistent with and as described in more detail in Section 9 below:

(a) Clean Energy Projects:

(i) Renewable energy and energy efficiency projects, with an emphasis on programs that benefit Priority Populations;

(ii) Green infrastructure projects.

(b) Clean Energy Jobs: Programs to increase access to and support for job training, apprenticeship programs and contractor support initiatives that prioritize skills training and workforce development for Workforce Priority Populations.

(c) Priority will be given to programs that both reduce greenhouse gases and promote social, economic and environmental benefits.

(3) No more than ten percent (10%) of the fund shall be spent on expenses associated with administering the fund once established. Specifically, the limitation will not apply to reasonably necessary expenses incurred in calendar years 2026, 2027, 2028, and 2029, while the program is being established and systems put in place for administering and collecting the fee and distributing funds.

(4) The Fund shall be subject to a financial audit every year and a performance audit every two years, with the costs of any audit excluded from the ten percent (10%) limitation for administrative expenses.

(5) The Mayor and City Council shall generally accept the funding recommendations from the Committee. If the Council determines that they will reject a funding recommendation, they shall do so by majority vote and provide the Committee with a written explanation of the decision.

## Section 8. The Eugene Clean Energy Fund Committee

(1) There shall be established a “Eugene Clean Energy Fund Committee” (“Committee”) made up of experts and community members to

- (a) make funding recommendations to the Mayor and City Council; and
- (b) evaluate the effectiveness of the Fund in achieving the goals of this Measure.

(2) The Committee shall be made up of nine (9) members who are residents of the City of Eugene. Appointed members shall serve four (4) year terms, with the exception of the first Committee, which will have five (5) members appointed for four-year terms and four (4) members appointed for two-year terms, determined by random draw.

(3) The Committee shall be composed of the following:

- (a) One (1) member from the City of Eugene, appointed by City Council;
- (b) One (1) member from the Eugene Water and Electricity Board, appointed by EWEB’s Board of Commissioners;
- (c) One (1) member appointed by the City of Eugene’s Sustainability Commission;
- (d) One (1) member appointed by the City of Eugene’s Human Rights Commission; and
- (e) Five (5) members from the general public, appointed from an applicant pool by City Council, who meet the qualifications set forth in Subsection 4(c) of this Section.
- (f) Committee members appointed by the City Council or the Eugene Water and Electricity Board who are no longer members of the appointing agency may complete their term on this committee.

(4) City Council shall appoint members of the Committee under Subsection 3(e) of this Section based on the following qualifications:

- (a) Committee members shall reflect the racial, ethnic, language, age, and economic diversity of the City of Eugene.
- (b) Committee members shall have demonstrated commitment to furthering the goals of the City’s Climate Action Plans and Climate Recovery Ordinance, and empowering Priority Populations and Workforce Priority Populations.
- (c) Committee members shall have significant demonstrated experience in at least one of the following fields:
  - (i) Residential renewable energy and energy efficiency projects;
  - (ii) Commercial renewable energy and energy efficiency projects;
  - (iii) Workforce development, job training and state-registered apprenticeship programs that are targeted at reaching Workforce Priority Populations;
  - (iv) Experience promoting businesses owned by Priority Populations;
  - (v) Sustainable local food production, green infrastructure and greenhouse gas sequestration; and

- (vi) Financing tools that help make renewable energy and energy efficiency available to a broader spectrum of the public.
- (d) While Committee members may have experience in multiple fields, members with deep expertise in a single field will be encouraged in order to create a balanced Committee in which no one area of expertise dominates.
- (5) The Committee shall:
  - (a) Establish and maintain a public website that includes the Committee's membership, meeting agenda, meeting notes, governance standards and policy statements.
  - (b) Solicit applications for funding from qualified nonprofit organizations registered with the State of Oregon. Requests for proposals as well as applications shall be posted on the Committee's website.
  - (c) Evaluate applications for funding to determine whether they meet the allocation priorities set forth in Section 9, and whether the applicant non-profit organization has the capacity to implement the program and project as described and to ensure fiscal accountability.
  - (d) Make recommendations for funding to the Mayor, consistent with the allocation priorities set out in Section 10 below. All applications and final recommendations will be posted on the Committee's website. If the Mayor or City Council reject a funding recommendation, then their explanation for that decision will be posted on the Committee's website.
  - (e) Adopt a methodology to measure, track and report to the public, the Mayor, and the City Council the effectiveness of the programs in implementing the City's Climate Action Plans in a manner that supports social, economic and environmental justice, including developing a diverse and well-trained workforce and contractor pool in the field of energy efficiency, renewables, green energy initiatives generally. All fund recipients shall file a report tracking their success in meeting the stated objectives.
  - (f) Adopt a High-road Workforce and Contractor Plan to ensure that the work funded by the Committee is being performed by historically disadvantaged groups, including measurable and ambitious goals for the training and hiring of Workforce Priority Populations, and measurable goals for contracting with businesses owned or operated by members of Priority Populations. In developing the plan and goals, the Committee shall consult with workforce and contractor equity stakeholders as well as incorporate appropriate best practices from City procurements. Progress in meeting these goals shall be prominently displayed on the Committee's homepage and, if goals are not being met, shall be the Committee's top priority to address.
  - (g) Make recommendations to the City Council on changes to this law as necessary to ensure the effectiveness of this Measure in achieving the stated goals of implementing the City's Climate Recovery Ordinance, Climate Action Plan 2.0, and subsequent Climate Action Plans in a manner that supports social, economic and environmental justice.
- (6) The Committee may:
  - (a) Create and appoint a High-road Clean Energy Supply-Chain Sub-committee to support the local supply-chain of clean energy equipment, affordability, and high-road job creation. The Sub-committee may coordinate with other jurisdictions to meet their respective goals of clean energy deployment.
  - (b) Create and appoint a High-road Advisory Sub-committee that includes labor, apprenticeship/training directors, and employers, to:

- (i) advise on the High-road Workforce and Contractor Plan identified in Section 8(5)(f) of this Measure, particularly on matters including project forecasting, workforce needs, and training timelines.
- (ii) support the development and implementation of the Workforce and Contractor Equity Agreement provisions described in Section 9(3)(b) of this Measure; and

(7) Staff within the City's Department of Public Works and Sustainability Program shall assist the Committee as needed to initiate and begin implementation of the provisions of this Measure. Once the Committee is appointed and a framework for implementing this Measure is in place, the Committee may decide to either continue to utilize City staff to support its work or hire its own program support staff. Staff costs shall be included in the calculation of administrative expenses.

## Section 9. Funding Allocation Priorities

(1) The Committee shall allocate funds consistent with the goals of this Measure and within the following allocation percentages to the extent possible:

- (a) Forty to sixty percent (40% - 60%): Renewable energy and energy efficiency programs.
  - (i) This category includes residential, commercial, industrial, and school-based projects.
  - (ii) Programs broadening access to energy efficiency, clean renewable energy, and other greenhouse gas reduction projects, such as community-initiated energy strategies and decentralized renewable energy, shall be a high priority.
  - (iii) At least one half of the projects under this Section should specifically benefit Priority Populations.
  - (iv) Funding agreements shall include terms to encourage rent stability including, but not limited to, provisions barring owners from using improvements funded by this Measure as a basis for rent increases.
  - (v) Within this allocation, at least twenty percent (20%) of revenues paid into the Fund annually shall be dedicated to supporting the installation of efficient clean energy appliances, weatherization, and essential home upgrades for low- and moderate-income households. The Committee and/or City may develop its own program in order to achieve this goal, including through collaboration with the Eugene Water and Electricity Board, and/or through leveraging additional government or private funding. The administrative costs to create this program shall not count towards the 10% limitation for administrative expenses in Section 7(3) of this Measure.
- (b) Twenty-five to thirty percent (25% - 30%): Clean energy jobs training, apprenticeships and contractor support.
  - (i) This category is intended to support non-profit programs that directly facilitate and promote job training, pre-apprenticeship programs, apprenticeship programs and contractor training and support for Priority Populations and/or Workforce Priority Populations.
  - (ii) Programs supporting entry into union registered apprentice trades shall be a high priority.
- (c) Five to ten percent (5% - 10%): Green infrastructure programs that result in greenhouse gas sequestration.
  - (i) This category is intended to reduce greenhouse gases by supporting green infrastructure programs that result in greenhouse gas sequestration within the City.

- (ii) Programs funded under this category should be designed to help demonstrate and promote the broader adoption of such practices, with a particular focus on low-income communities and communities of color.

(d) Five percent (5%): Future Innovation

- (i) This category is intended to provide the Committee with flexibility to fund a project that does not directly fall under one of the other categories, but which provides an opportunity to further the goals of this Measure.

(2) In making funding decisions, the Committee shall consider the following:

- (a) Co-benefits: Whether a project prioritizes greenhouse gas reduction outcomes in a manner that promotes the economic, social and environmental justice outcomes identified in this Measure.
- (b) Geographical diversity, with the goal of funding projects that operate at the neighborhood level as well as citywide. The Committee may also consider providing support to neighborhood-scale organizations to develop and expand their organizational capacity to implement projects on a larger scale.
- (c) Organizational representation. To ensure that the City's work addressing climate change is inclusive as well as effective, at least twenty percent (20%) of the Committee's Funds shall be awarded to non-profit organizations with a stated mission and track-record of programs that benefit Priority Populations and/or Workforce Priority Populations. The qualified non-profit can apply solely or in partnership with other non-profit entities, government entities or for-profit businesses.
- (d) Leveraging. Programs that would leverage additional governmental or private funding and therefore increase the overall program effectiveness should be priorities, but are not required.
- (e) If there are insufficient qualified applicants, funds may be held over to the following year.
- (f) If the Committee determines that the level of funding under any of these distribution categories is not meeting the climate or equity goals of the Measure, the Committee may recommend that the City Council amend the Measure to alter the allocation percentages.

(3) Terms of Grants

- (a) U.S. made renewable energy products: Solar, wind, or other renewable energy systems purchased with monies provided by the Fund shall be predominantly manufactured in the United States unless a product meeting this criteria is unavailable or the cost is prohibitive.
- (b) Workforce and Contractor Equity Agreement. Recipients of Funds for construction projects must agree to a Workforce and Contractor Equity Agreement approved by the Committee. Any approved Workforce and Contractor Equity Agreement must include requirements that all contractors as defined in ORS 701.005 performing construction work on the project will either:
  - (i) utilize a skilled and trained workforce;
  - (ii) be and maintain their status as a high-road responsible contractor at all times during the bid process and performance of construction work on the project; or
  - (iii) at the contractor's option, submit a copy of an executed project labor agreement as defined in 48 C.F.R. 52.222-3, as in effect on the effective date of this 2026 Initiative.
- (c) Family Wage Benefits. Wage and benefit standards for projects funded by this Measure shall be no less protective of workers than those contained in the State of Oregon's Energy Efficiency and Sustainable Technology Act, ORS 470.560(2)(g). Exceptions to these standards may include a labor peace agreement covering non-construction workers.

## Section 10. Severability clause.

If any part, section or provision of this Measure, or fee imposed pursuant to this Measure is found unconstitutional, illegal or invalid, such a finding will affect only that part, section or provision of the Measure and the remaining parts, sections or provisions shall remain in full force and effect.