ASHLAND CITY COUNCIL
STUDY SESSION
MINUTES
June 5, 2023

Mayor Tonya Graham called the meeting to order at 5:30 p.m.

Mayor Graham, Councilor Hyatt, Bloom, Dahle, Kaplan, DuQuenne, and Hansen were present.

1. Public Input

Paul Mozina/Ashland/Requested council set money aside in the budget to investigate the increase in emergency calls over the past few years.

2. Annual Police Report

Police Chief Tighe O'Meara provided the annual report and explained there were fourteen uses of force that included deploying a TASER four times and five incidents where an officer displayed a firearm in 2022. Pepper spray and bean bag shotguns were not used. The remaining incidents involved take downs, joint locks, empty-handed strikes, and control holds. The department's Use of Force Review Board reviewed all occurrences and found them within policy. The Police Department received 29,073 calls for service with 2,650 resulting in investigations where only .005% resulted in use of force. The department went through 1300 hours of use of force training in 2022. He provided a presentation (see attached) on the following:

- APD Annual Report to Council
- APD Use of Force
- Reported Criminal Activity
- Disorderly CFS Downtown
- STOP Data
- Questions?

Chief O'Meara explained how reporting crime statistics made it difficult to ensure 100% accuracy. Part 1 Crimes were now reported to the National Incident Based Reporting System, and it has re-categorized reported crimes. The Police Department still reported what were previously Part 1 Crimes. This included homicide, rape, robbery, aggravated assault, burglary, auto theft, arson, and larceny. There were 526 Part 1 Crimes reported in 2022. Violent crimes included homicide, rape, robbery, and aggravated assault. There were 36 violent crimes reported in 2022. The Police Department's clearance rate for violent crimes was 63%, the national average was 40%-50%.

Chief O'Meara provided background on the Enhanced Law Enforcement Area (ELEA) that was established around 2012. He explained the premise and noted its success.

He described the Statistical Transparency of Policing (STOP) and how it recorded demographic and enforcement data based on how an officer perceived that person's race, and subsequent enforcement action. This data was analyzed by the state with results published yearly. STOP data was not fully accurate because it will never get an exact match. The system did not account for multiracial identification. Ashland 's demographic also skewed the data.

Chief O'Meara responded to questions from Council. He addressed body cameras and explained state law required officers to turn on their camera when enforcement began and not stop the feed until the encounter was over. An exception would be to safeguard someone's privacy and used sexual assault interviews as an example. Body camera footage is reviewed if a situation is brought to their attention that might require training or disciplinary action. All fourteen use of force incidents were reviewed.

He noted the importance of the public contacting the police. Calls were how they captured data. He would investigate ways to encourage people to use the non-emergency dispatch.

Chief O'Meara would review what happened during 2015, 2017, and 2022 that resulted in decreased incidents of use of force. He thought the earlier decrease in ELEA violations was attributed to a prohibited smoking ordinance and an ordinance prohibiting unvaccinated dogs in the downtown area.

He addressed the STOP data slide that depicted 5% black and 8% Latinx and a request the information be further broken down as residents, students, or tourists and separated by month. He explained that specific data was not captured. STOP data was the exclusive property of the Department of Justice and they produced statistics yearly only. It would be complicated to capture that level of data. Although 1% of Ashland's population was black, the STOP data depicting 5% black community was most likely conflated and included people who were multiracial, tourists, or students.

He confirmed the department collected information on age.

Council requested the information on the following for review and to be included in future reports:

- Break down Part 1 Crimes by each category.
- Break down Violent Crimes by each category.
- Violation statistics outside of the ELEA.

3. Croman Mill Redevelopment Update

Community Development Director Brandon Goldman provided background on the update and introduced Michael Mehaffy from Townmakers LLC. Mr. Mehaffy provided the following presentation (see attached):

• Croman Mill Redevelopment Update • Agenda • Planning Team • Other successful communities • Development Team • Public Outreach • Comments 83 comments in total • Ideal urban extension position • Ashland Economic Diversification Strategy (ECONorthwest)	• Family-wage employment... • The post-COVID employment world has changed! • Ashland needs more housing, and more diverse housing... • Potential Use Areas • Current Status • Economics Team • Thank you!

Jerry Johnson explained his role was ensuring compliance with state land use conditions. He provided a presentation (see attached) that included:

- City of Ashland Update and Addendum Economic Opportunities Analysis
- Overview of Findings
- City of Ashland Employment Levels
- Work at Home Trends
- Employment Capacity
- Findings To-Date

Mr. Mehaffy explained they would build some buildings to recruit the appropriate businesses. It would require a formula where they used a certain percentage of land and buildings in each phase before they did residential. They were parenting with SOREDI, The Chamber of Commerce and other agencies to determine what type of business was best suited as well as being shovel ready. There were several businesses currently showing interest. Mr. Johnson noted they were talking to businesses they thought would fit. Mr. Goldman added, part of the development proposal will include a developer agreement and a phased development plan. Each phase will have performance measures.

The present property was a former mill site with potential contamination. DEQ and consultants were conducting testing on the property. The results would be available at the end of June and would inform future remediation work. Staff would share the results at the July 31, 2023, study session.

Mr. Johnson explained the site would be complimentary to the downtown. They were in discussions with the Rogue Valley Transit District regarding transportation, more frequent bus runs, and rerouting a portion of Route 10 to include the Croman Mill site.

Residential would include 4 and 2 plex buildings and a 15-unti courtyard.

Thad Wilson, the public finance consultant for MuniCap Inc., provided a presentation on tax increment finance (see attached0:

- Order ad Goal of the Presentation
- MuniCap, Inc., A public Finance Consultancy
- Thad Wilson, Executive Vice President
- Tax Increment Finance ("TIF")
- General TIF Mechanics
- Example Calculation and Use of TIF Revenue
- Why a TIF could be Right for Croman Mill
- Establishing a Plan of Public Finance
- Key Characteristics of the Plan of Public Finance
- Details of a Place of Public Finance

Mr. Wilson responded to a question on using a TIF and avoiding impacting taxpayers if the land was not developed. Mr. Wilson explained the borrowing would come through a revenue bond which was paid through a defined, specific, and limited source of funds without any obligation or responsibility of City of Ashland. It was normal for these types of projects. The city could set up a borrowing that was a revenue bond by definition and would not generate financial risk to the city.

Mr. Lessard further explained that it would create a separate district that issues the debt, and the debt was only secured by the property that is in the district and not secured by the entire city. When those bonds are purchased, they are taking the risk that your financial plan will support the debt being issued. It was important that the economic analysis, the capital program is satisfactory to the bond market and to the people buying those bonds so the excess growth will generate enough property tax income to pay off that debt. That was how the city was separated from the debt.

The term of the district needed to be determined. Oregon statutes create a mechanism of sharing tax revenue. It was a common thought that part of the tax increment revenue is generated from a site like this needed to pay for the cost of city services. The Oregon statutes have some sharing restrictions and will be part of the process they will work through.

Mr. Goldman explained if a proposal comes back to form a TIF, the city will do an analysis of what the city's role would be, and if it required hiring a consultant to prepare an analysis to meet the city's objectives. The city would work collaboratively with the development proposal to ensure the expenditures they've identified served the public. He confirmed schools were made whole by the state. The TIF would require the city to look at other taxing jurisdictions. Mr. Mehaffy added they were required to construct public improvements with or without a TIF. Mr. Lessard further added it was the developer's obligation to build roads and infrastructure. There will be different levels of participation and staff will come back to discuss the issues and the timeline to create a district with council.

Council comment thought a risk assessment might be needed because the city held the bond. It needed to be represented clearly to the residents. There was an interest in hearing the EPA results before moving forward. Council supported moving forward.

4. Adjournment of Study Session

The Study Session adjourned at 7:23 p.m.

Respectfully Submitted by:

DocuSigned by:
Melissa Huhtala
A02A82A0E5F2482...

City Recorder Melissa Huhtala

Attest:

Mayor Tonya Graham

Study Sessions

Speaker Request Form

THIS FORM IS A PUBLIC RECORD
ALL INFORMATION PROVIDED WILL BE MADE AVAILABLE TO THE PUBLIC

THOSE INTERESTED IN GIVING ORAL TESTIMONY AT A COUNCIL MEETING WILL NEED TO:

1) Complete this form, including the topic you want to speak on and send to the City Recorder: mailto:melissa.huhtala@ashland.or.us
2) Begin the oral testimony during the meeting by stating your name for the record.
3) Limit your comments to the amount of time given to you by the Mayor, usually 3 or 5 minutes.
4) If you present written materials, please email a copy of the materials with this form to the City Recorder for the record.
5) Speakers are solely responsible for the content of their public statement.

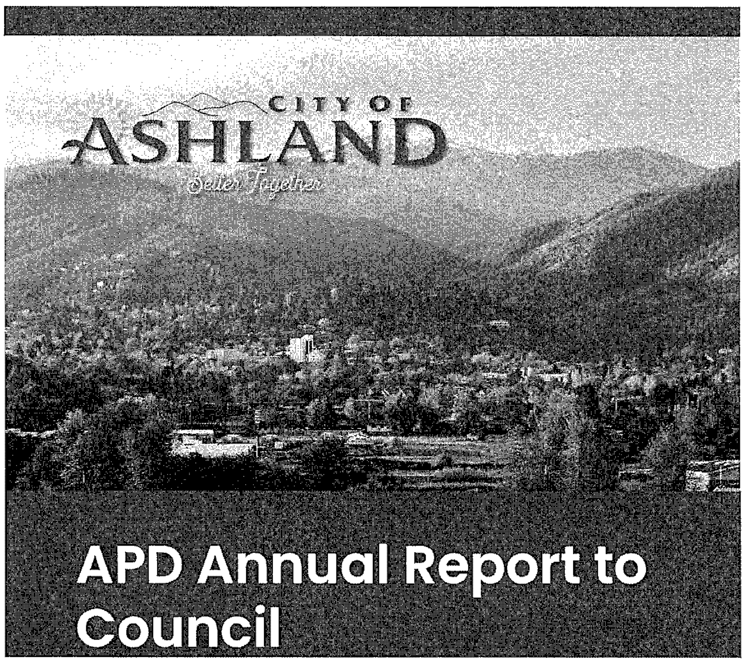
Meeting Date June 5, 2023
Name Paul Mozina
[redacted]

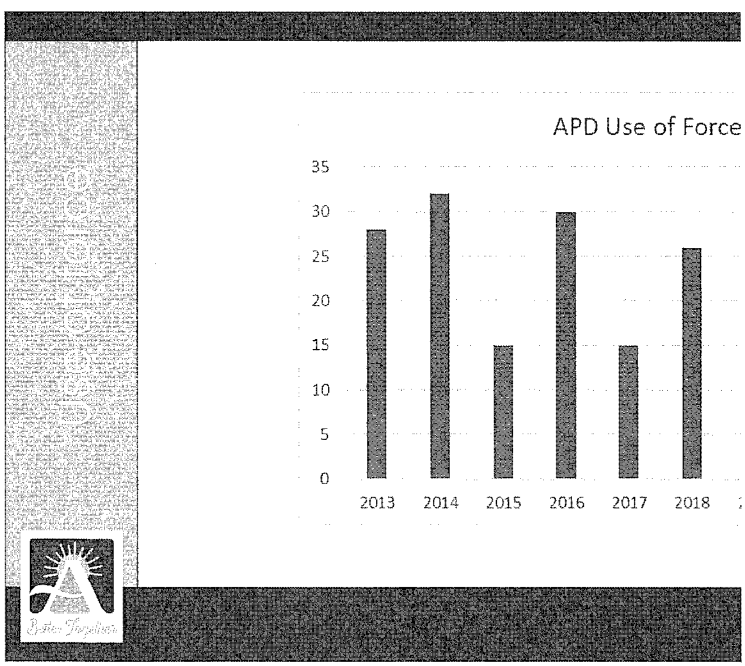
Study Session

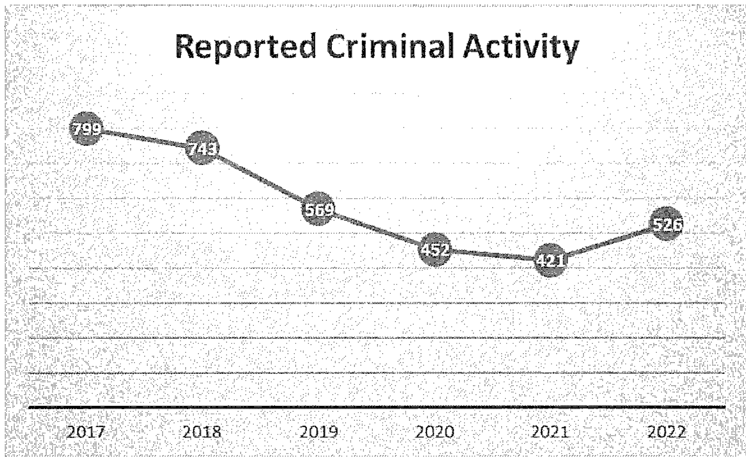
Agenda topic/item number/Topic AFD EMS Division

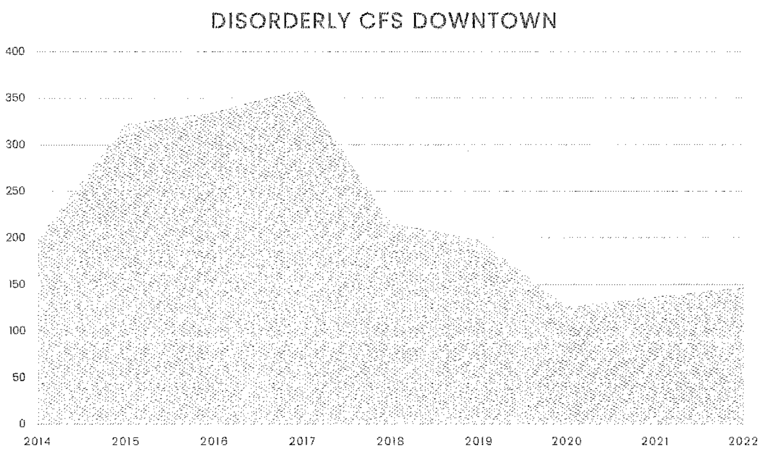
The Public Meeting Law requires that all city meetings are open to the public. Oregon law does not always require that the public be permitted to speak.

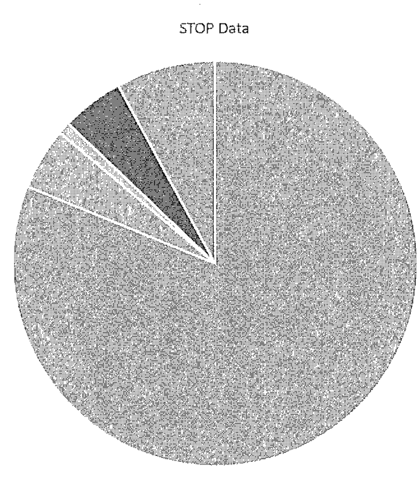
Comments and statements by speakers do not represent the opinion of the City Council, City Officers or employees or the City of Ashland.






Reported Criminal Activity
799
743
569
452
421
526
2017
2018
2019
2020
2021
2022

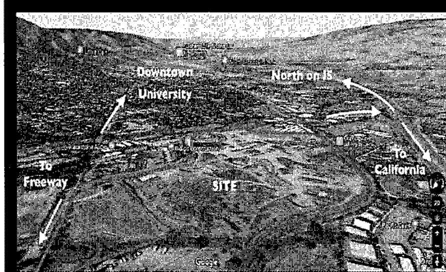

DISORDERLY CFS DOWNTOWN
400
350
300
250
200
150
100
50
0
2014
2015
2016
2017
2018
2019
2020
2021
2022

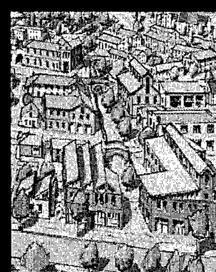

STOP Data
White
Black
ME
NA
Asian/PI
Latinx

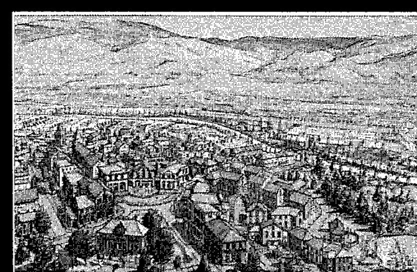
QUESTIONS?

Croman Mill Redevelopment Update

Ashland, Oregon







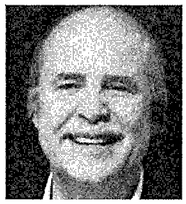
City Council Presentation

June 5, 2023

Agenda

1. Update on project planning and progress
2. Introduction to Jerry Johnson, economics specialist (Johnson Economics)
3. Introduction to Thad Wilson, infrastructure finance specialist (MuniCap)
4. Discuss project goals, opportunity for city-wide benefits, and need for multi-party collaboration to achieve them

Planning Team:
Many years experience in planning and building popular, successful, live-work-play neighborhoods that respect the local character and quality

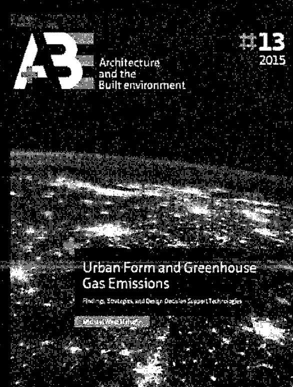


Michael Mehaffy, Ph.D.
Urban Planner
Structura Naturalis Inc.

Laurence Qamar, CNU-A
Urban Designer
Qamar & Associates Inc

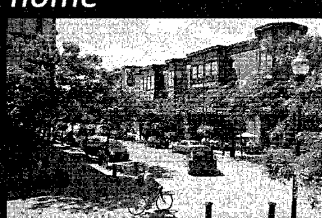
Paul Crabtree, P.E.
Civil Engineer
Crabtree Group Inc.

Planning Team:
Expertise in climate-friendly development, strategic issues and tools



Mehaffy doctoral dissertation on urban form and climate change, Delft University of Technology, 2015

Other successful communities by the planning team
Live, work, shop, create, learn, play...in a five-minute walk from home

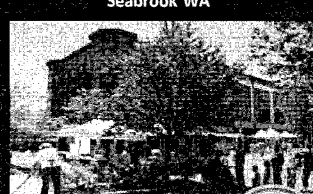


Orenco Station TOD

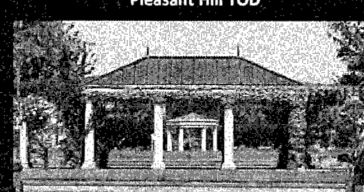
Seabrook WA

Pleasant Hill TOD

Affordable Housing



Markets



Parks

Development Team:
Many years of history in and emotional connection to Ashland as well as the Northwest region

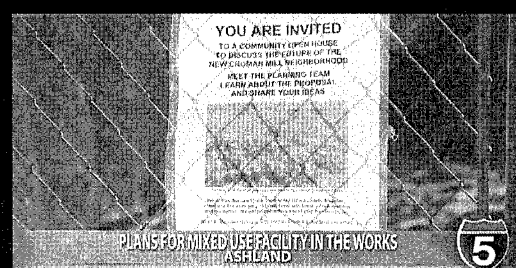
Mike Weinstock
Manager,
Townmakers LLC

Ally Weinstock
Administrator,
Townmakers LLC

Carlene Chin
Team Coordinator,
Townmakers LLC

Public Outreach

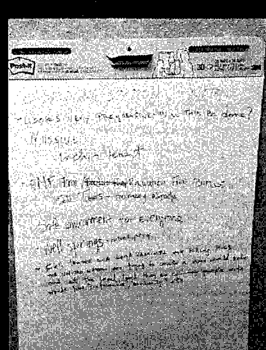
- *Project website*
- *Stakeholder meetings*
- *Community open house*
- *Media coverage*

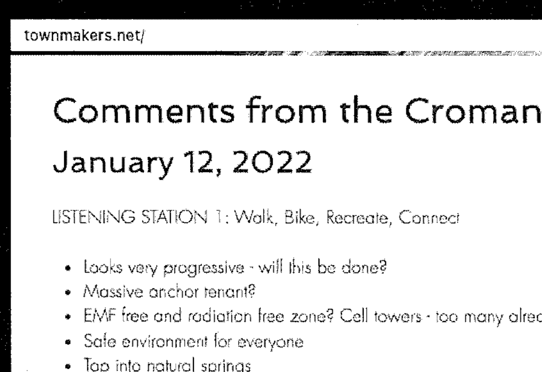


COMMENTS

83 comments in total

- *Safety*
- *Traffic impacts*
- *Construction access*
- *More industrial*




townmakers.net/

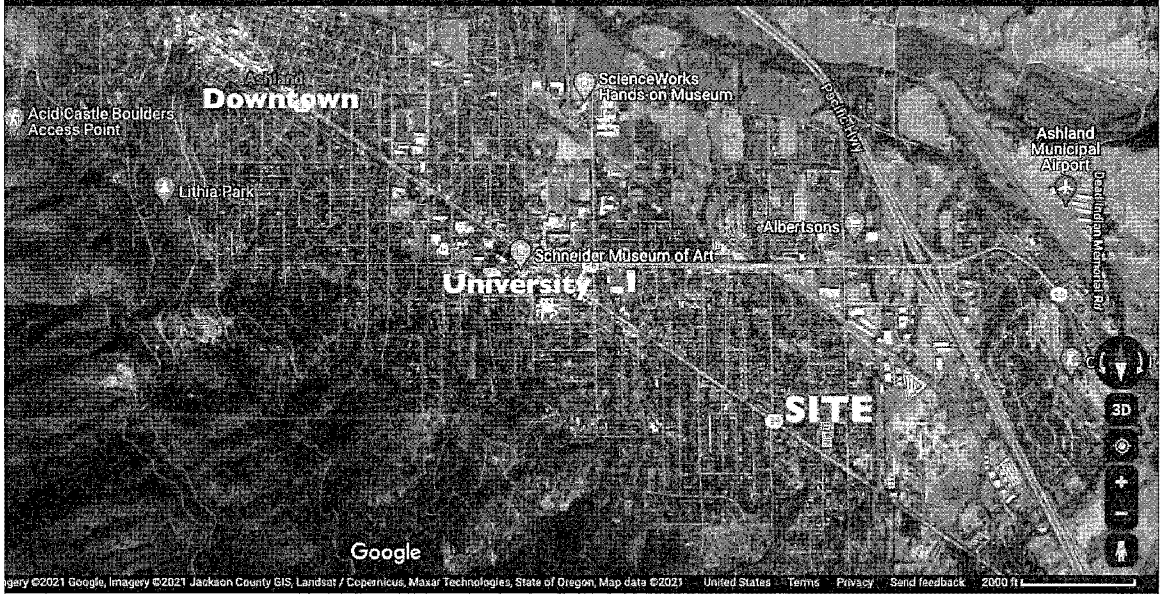
Comments from the Croman

January 12, 2022

LISTENING STATION 1: Walk, Bike, Recreate, Connect

- Looks very progressive - will this be done?
- Massive anchor tenant?
- EMF free and radiation free zone? Cell towers - too many alrea
- Safe environment for everyone
- Tap into natural springs

Ideal urban extension position



Ashland Economic Diversification Strategy (ECONorthwest)

Economic Diversification Strategy
Ashland Chamber of Commerce

ECONorthwest

Support Specialty Districts

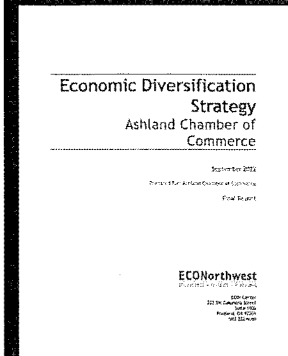
A balanced economy can also be reflected in a city's geography and having different areas with identities that each exert their own gravity. In addition to downtown, there are three districts that show strong potential to continue developing into distinct, mixed-use areas of the city: University District, Railroad District, and the Croman Mill District. Each brings its own potential to expand past residential and commercial into areas like research, flex industrial, entertainment or small manufacturing.

1. **University District** – Southern Oregon University has the potential to transform not only a few properties on its campus, but its role within the city. By developing some strategic locations into dense, mixed-use buildings that cater to students and young professionals, the organization can establish an anchor for both residential and commercial development.
2. **Railroad District** – Already a popular part of the city, with some strategic investments this area could act as a walkable, nearby counterbalance to the downtown and provide the opportunity to define a separate cluster of retail and nightlife activities.
3. **Croman Mill District** – Perhaps the property with the most potential to redefine its area, the former Croman Mill site can provide the type of residential and commercial development at scale to significantly expand the growth of the city. If the city would like to develop more housing for young families, this site provides an opportune landscape. The fact that the site remains undeveloped 15 years after the adoption of the Croman Mill Master Plan suggests that the master plan and implementing ordinances should be revisited.

Ashland Economic Diversification Strategy (ECONorthwest)

3. **Croman Mill District** – Perhaps the property with the most potential to redefine its area, the former Croman Mill site can provide the type of residential and commercial development at scale to significantly expand the growth of the city. If the city would like to develop more housing for young families, this site provides an opportune landscape. The fact that the site remains undeveloped 15 years after the adoption of the Croman Mill Master Plan suggests that the master plan and implementing ordinances should be revisited.

Ashland Economic Diversification Strategy (ECONorthwest)

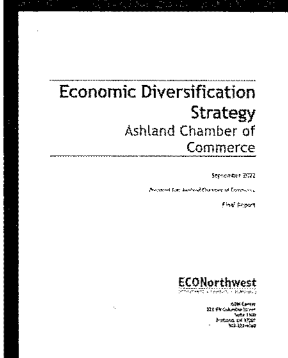


Economic Diversification Strategy
Ashland Chamber of Commerce

ECONorthwest

Potential Actions	Potential Partners:
	Private property owners, City of Ashland, SOU
• Explore branding concepts and public space improvements that build community support for any potential projects. • Develop public financing tools to invest in public infrastructure that can help unlock sites and achieve world class developments. • Work with the city to develop clear and consistent objectives that allow potential private or nonprofit partners to feel confident in the process.	**How to Measure Success:** Projects initiated and completed **First Step:** Meet with SOU and focus on University District

Ashland Economic Diversification Strategy (ECONorthwest)

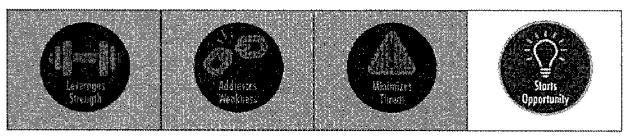


Economic Diversification Strategy
Ashland Chamber of Commerce

ECONorthwest

Establish Small Batch Ashland

Key ingredients to a thriving micro-batch community are: (1) A strong customer base that has disposable incomes and values authentic goods; (2) A city brand that signifies quality and craft; and (3) A culinary community that supports restauranteurs and food entrepreneurs. These are all elements that few cities outside of Ashland have in high concentration. To better support current (or future) small food and beverage manufacturers, the city can provide the tools for those entrepreneurs to easily scale production. By partnering with an operator of a co-working or makerspace, a small facility could be developed with the equipment (bottling, labeling, etc.) that is a common barrier to growth.



Potential Actions	Potential Partners:
• Research the growth process for these types of enterprises and the common challenges.	Small businesses, Rogue Valley Community College, SOU, Talent Maker City

Family-wage employment... not just in isolated districts, but increasingly in more competitive live-work-play neighborhoods

(Sometimes in homes too! Work from home, home-based businesses, live-works et al.)

The post-COVID employment world has changed!

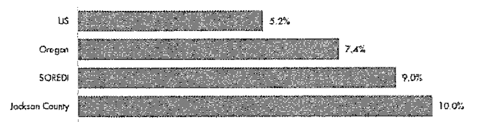
mckinsey.com/featured-insights/leadership/the-next-normal-arrives-trends-that-will-define-2021-and-be...

The COVID-19 pandemic has changed the world, and its effects will last. Here are some factors that business leaders should keep in mind as they prepare for the next normal.

KEY FINDING 3: REMOTE WORKERS
THE REGION HAS A HIGH PERCENTAGE OF REMOTE WORKERS

Remote workers are highly mobile, which is both an opportunity and a challenge. Typically, the first time someone visits a region is as a tourist and increasingly in modern society, people are choosing where they live first (as opposed to going where the jobs are). Remote workers typically choose their homes based on quality of life and amenities, so it is no surprise that Southern Oregon's population of remote workers is nearly double the national average. By creating resources and engaging remote workers, the Rogue Valley will retain their workforce and also have a toolkit that can be used to attract talent to the region.

FIGURE 3. WORKING AT HOME
PERCENT OF WORKERS AGE 16 OR OLDER



Oregon, including the Jackson County Fairgrounds amphitheater.

5.2.2. Encourage tactical urbanism projects, such as pop-up shops in underutilized downtown spaces to encourage foot traffic and community engagement.[25]

- Bolster organizations that focus on downtown vitality, such as chambers of commerce, main streets, and downtown associations.

5.2.3. Support Rogue Valley shop-local initiatives and campaigns that highlight the region's craft and boutique industries, events, and arts and cultural amenities (strategy 4.3). In addition to supportin the local economy, buying local builds resilient downtowns and fosters a sense of a community.

[23] Federal Transit Administration, "Transit-Oriented Development," 11 April 2019, www.transit.dot.gov/TOD.
[24] Accelerator for America, " Opportunity Zone Investment Prospectus Guide," October 2018, www.acceleratorforamerica.com/OZGuide
[25] Street Plans, *Tactical Urbanist's Guide to Materials and Design*, December 2016, tacticalurbanismguide.com.

Ashland needs more housing, and more diverse housing... more affordable, more "missing middle", et al.
This is now a jobs and economic development issue....

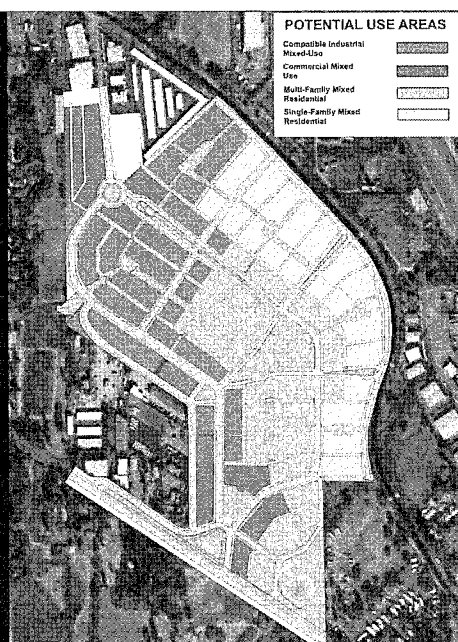
City of Ashland
2021–2041 Housing Capacity Analysis

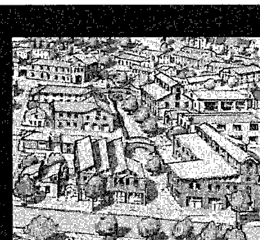
What are the key findings of the Housing Capacity Analysis?

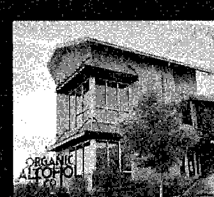
The key findings of the Ashland's Housing Capacity Analysis are that:

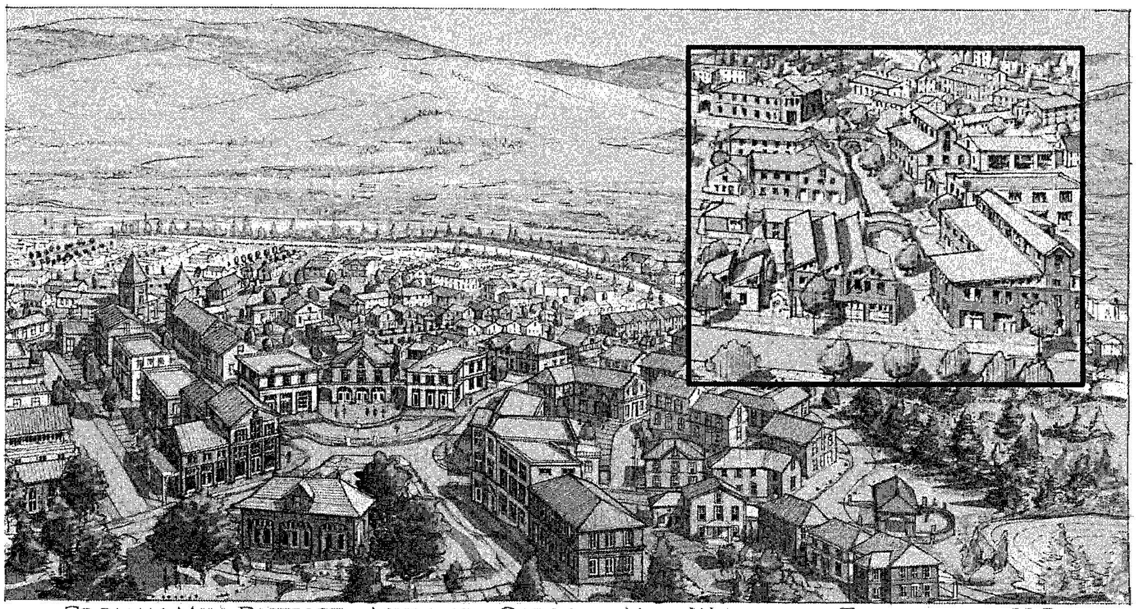
- **Ashland has sufficient land to accommodate its housing forecast between 2021 and 2041** and can accommodate growth (858 dwelling units) over the next 20-years with a surplus of capacity. Some development in the Suburban Residential, Normal Neighborhood, and Multifamily Residential Plan Designations will need to be accommodated in the City's urban growth boundary, outside the City Limits.
- **Ashland is planning for the continued growth of single-family detached units, however, more opportunities for multifamily and single-family attached will need to occur to meet the City's needs.** The factors driving the shift in types of housing needed in Ashland include changes in demographics and decreases in housing affordability. The aging of the baby boomers and the household formation of the millennials and Generation Z will drive demand for renter- and owner-occupied housing, such as single-family detached housing, townhouses, duplexes, tri- and quad-plexes, and apartments. Both groups may prefer housing in walkable neighborhoods, with access to services.
- **Over the 2021 to 2041 period, Ashland will need to plan for more multifamily dwelling units in the future to meet the City's housing needs.** Historically, 66% of Ashland's housing was single-family detached. While 35% of new housing in Ashland is forecast to be single-family detached, the City will need to provide opportunities for the development of new single-family attached (10% of new housing); duplex, triplex, and quadplex housing (10% of new housing); and multifamily units (35% of new housing).
- **Ashland has unmet needs for affordable housing.** Ashland has unmet housing needs for households with extremely-low and very-low-income households, as well as households with low- and middle-income. The forecast shows 273 of Ashland's new households will have incomes of $32,600 (in 2019 dollars) or less. These households can afford monthly housing costs of $820, which is considerably below market rate rents starting around $1,145 for a two-bedroom unit. About 127 of Ashland's new households will have incomes between $32,600 and $52,000 and can afford $820 to $1,300 in monthly housing costs.
- **Ashland will need more diverse housing types to meet these housing needs and address demographic changes.** These housing types include rental and ownership opportunities such as: small single-family detached housing, accessory dwelling units, cottage housing, townhouses, duplexes, tri- and quad-plexes, and apartments. Without the diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs.

The memorandum *Ashland Housing Strategy* (Appendix A of this report) was developed to present recommendations for policy changes to address Ashland's unmet housing needs. Based on this Housing Capacity Analysis report and using the *Ashland Housing Strategy* for guidance, Ashland will need to develop a Housing Production Strategy within one year of adoption of









CROMAN MILL DISTRICT - ASHLAND , OREGON - MIKE WEINSTOCK, TOWNMAKERS LLC.
TOWN PLANNERS AND DESIGNERS: QAMAR & ASSOCIATES, AND STUCTURA NATURALIS - JANUARY 1, 2022

Current Status

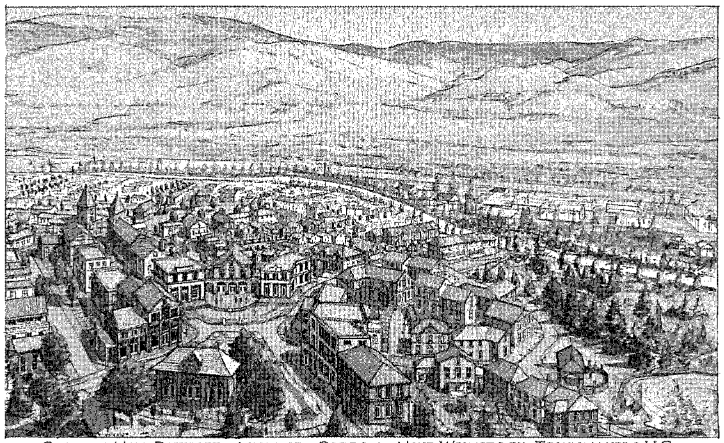
1. Development of proposed site plan, district standards, zoning code, annexation… in progress
2. Traffic Impact Analysis – firm is ready to proceed
3. Economic analysis – report in progress (Johnson Economics); State / DLCD legal requirements as well as City goals
4. Infrastructure finance – proposal in development for public improvements – paths, trails, major streets, parks (MuniCap)

Economics Team:

- Discussion of State Law issues, City economic goals
- Discussion of public-private models to unlock wider benefits for the full district and the city as a whole

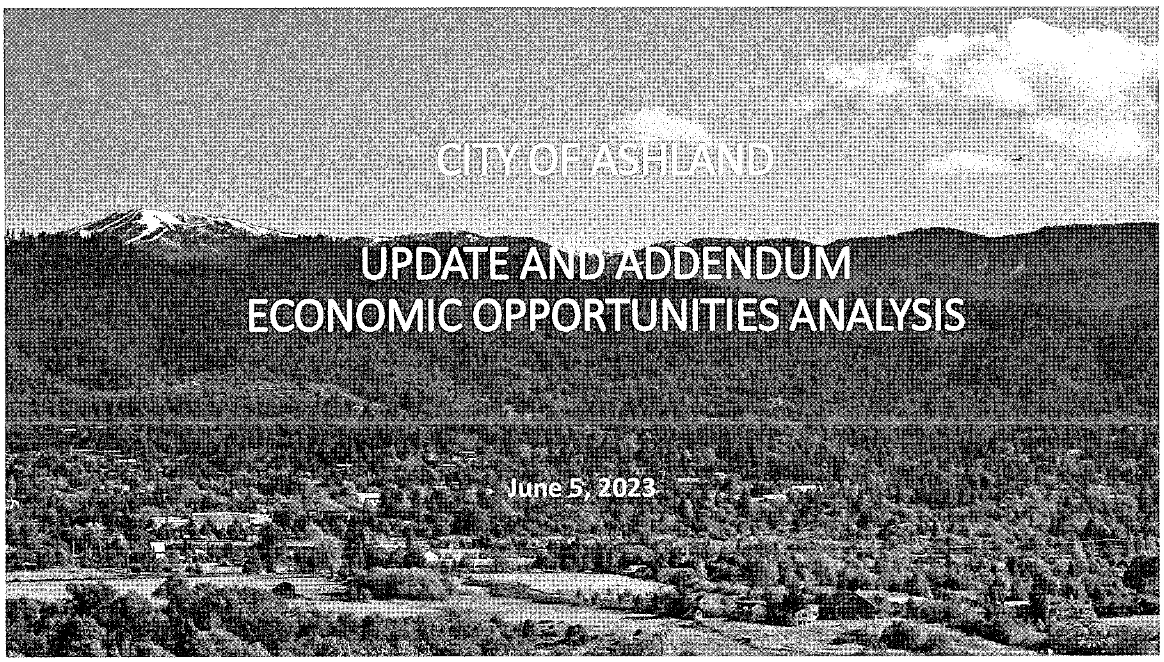
Jerry Johnson
Principal, Johnson Economics

Thad Wilson
Senior Vice President, MuniCap



CROMAN MILL DISTRICT - ASHLAND, OREGON - MIKE WEINSTOCK, TOWNMAKERS LLC.
TOWN PLANNERS AND DESIGNERS: QAMAR & ASSOCIATES, AND STUCTURA NATURALIS - JANUARY 1, 2022

Thank You!



CITY OF ASHLAND

UPDATE AND ADDENDUM ECONOMIC OPPORTUNITIES ANALYSIS

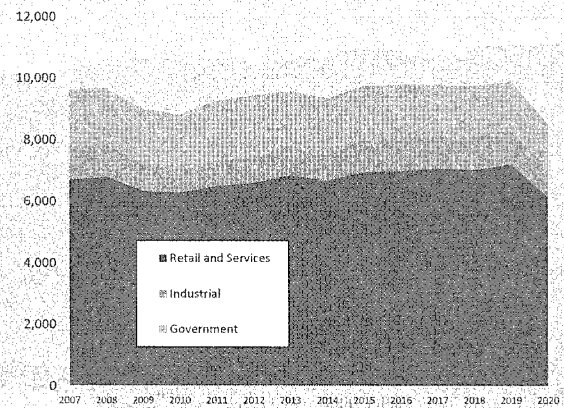
June 5, 2023

- Employment growth in Ashland has been negligible since 2007 EOA
- Shift in work patterns towards remote work
- Ashland is well positioned to capitalize on this shift in work patterns
- New master plan for Croman Mill site responsive to this shifting context
  - Maintains employment capacity
  - Enhancing economic development offerings
    - Community designed to facilitate and encourage remote working

JOHNSON ECONOMICS

CITY OF ASHLAND EMPLOYMENT LEVELS

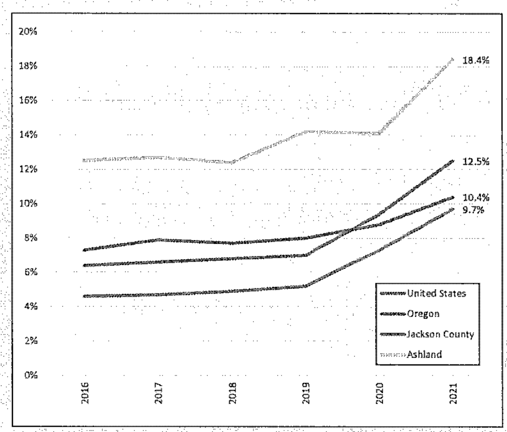
- Employment growth has been modest in the City of Ashland since adoption of the EOA
  - 0.09% AAGR (0.75% forecast)
- Retail and services employment remains dominant, and was the primary source of growth over the last decade
- Employment in most industries dropped significantly during the pandemic



JOHNSON ECONOMICS

WORK AT HOME TRENDS

- Ashland has historically had a disproportionate share of remote workers
- Ashland share of people working from home compared to the county, state, and country.
  - The graph to the right shows the % of all workers (16 and over) who reported to be working from home in 2021.
- This pattern accelerated during the pandemic, but remains persistent



JOHNSON ECONOMICS

EMPLOYMENT CAPACITY

- CITY COMPLETED BLI IN 2019
  - 125 net acres of land designated for employment uses*
  - Capacity for over 1,300 jobs on employment lands*
- SIGNIFICANT ADDITIONAL CAPACITY IN RESIDENTIAL ZONES
  - Assumed at 20% of employment in 2007
  - Likely shift to closer to 40% in certain employment categories
- MORE THAN ADEQUATE EMPLOYMENT CAPACITY TO MEET DLCD REQUIREMENTS

Comp Plan	# Parcels	Net Acres
Airport	10	PMP
Commercial	29	16.7
Croman Mill	22	61.1
Downtown	8	0.4
Employment	88	92.4
HC	3	1.2
HDR	58	11.7
Industrial	6	14.6
LDR	57	18.8
MFR	119	42.2
Normal Neighborhood	29	69.7
NM	14	16.4
SFR	326	205.1
SFRR	48	96.7
SOU	3	1.8
Suburban R	6	7.5
Woodland	9	6.6
Total	835	662.9
Total-Employment*	134	125.3

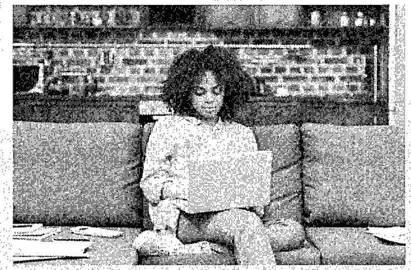
* Excluding Croman Mill

* Excludes Croman Mill Site

JOHNSON ECONOMICS

FINDINGS TO-DATE

- MODEST EMPLOYMENT GROWTH SINCE ADOPTION OF EOA
  - Well below forecast in the City of Ashland
- SHIFTING NATURE OF EMPLOYMENT
  - Significant increase in remote working options
  - Commensurate decrease in demand for traditional office space
  - Tight labor market shifts power towards employee
  - Ashland's lifestyle advantages will increasingly attract more footloose employment
- EMPLOYMENT CAPACITY IS INCREASINGLY CONTAINED IN RESIDENTIAL DEVELOPMENT
  - Proposed development is responsive to changes in workforce and living preferences
  - Desire for third places, live/work/play communities
  - Complementary to downtown



JUNE 5, 2023 PRESENTATION TO ASHLAND CITY COUNCIL

Order and Goal of the Presentation

Introduce MuniCap, Inc. and myself

Provide a summary explanation of "Tax Increment Finance"

Briefly describe the work that we intend to perform in the coming months – preparing a "plan of public finance"

Primary Goal – Help you understand how tax increment finance could be utilized by the City to create a partnership for the development of the Croman Mill site.

MUNICAP, INC.
PUBLIC FINANCE

MUNICAP, INC., A PUBLIC FINANCE CONSULTANCY

- Founded in 1997
- Headquartered in Columbia, MD; providing services in over 30 states;
- Registered as a Municipal Advisor;
- Assisted on over 500 borrowings totaling over $10 billion to fund development projects;
- **Solely focused on funding public infrastructure through public private partnerships.**

MUNICAP, INC.
PUBLIC FINANCE

Thad Wilson, Executive Vice President

- Worked in public finance for 17 years and for MuniCap for over 14 years;
- Served public and private clients across the US;
- Registered as a Municipal Advisor (Series 50 and Series 54);
- Extensive experience helping public entities **establish their first "special" district.**

MuniCap, Inc.
Public Finance

Tax Increment Finance ("TIF")

A public finance tool which allows **a municipality to direct** future, incremental tax revenues from a designated area to fund desired public improvements.

- Typically utilizes real property taxes, including portions from other jurisdictions (county, school);
- Only captures and redirects the increase (the "increment") in taxes;
- Uses a borrowing to provide capital for the cost of the improvements;

MuniCap, Inc.
Public Finance

Tax Increment Finance (continued)

- Used responsively and often across the nation and Oregon;
- Often used as a key backbone of a partnership agreement between a real estate developer and a municipality;
- Can be set up (and is intended to be set up in this case) to provide a **financing solution without creating any financial risk to the City.**

MuniCap, Inc.
Public Finance

General TIF Mechanics

- **Existing ("base") taxes continue to flow in the standard manner;**
- Existence of a TIF district does not impact the total amount of real property tax paid by a property owner;
- Annual calculation of incremental tax revenues, which are directed to a special fund.

Example Calculation and Use of TIF Revenue

When the TIF district is created:

Taxable value - $1,000,000 (serves as the "base value")

Annual real property taxes - $15,000

After redevelopment:

Taxable value - $50,000,000

Annual real property taxes - $750,000

Incremental real property taxes - $735,000 ($750,000 - $15,000 = $735,000)

The previously existing $15,000 of annual real property taxes are distributed as before.

The incremental revenue (subject to Oregon sharing formulas) **is pledged to support a long-term borrowing** that generates funds for public improvements.

Why a TIF Could be Right for Croman Mill

- Opportunity to help cure a brownfield site that has strong development potential (size and location);
- Significant public infrastructure needs;
- Existing community needs;
- High value development uses are possible;
- **Public awareness / expectation that this site needs public assistance.**

Establishing a Plan of Public Finance

Working collaboratively with the City, we intend to craft a plan to efficiently use tax increment finance, and possibly other tools, to help deliver the public improvements as quickly as possible.

This plan is not yet prepared – to be provided at a following Council session.

Key Characteristics of the Plan of Public Finance

- Plan of public finance will be built around a mutually desired development plan, including desired public improvements that will generate a better long-term outcome for the site;
- City will be deeply involved in the preparation of and execution of the plan of public finance;
- **The resulting plan will generate no financial risk to the City.**

Details of a Plan of Public Finance

The plan of public finance will generate a **realistic solution**, considering:

- Estimated costs of the public improvements, and the timing of such costs;
- Estimates for the type, quantity, timing and taxable values of the expected development uses;
- Public policy considerations;
- Borrowing structure and borrowing assumptions.

To be prepared collaboratively with the City and presented at a following City Council session.