



JACKSON COUNTY

Oregon

Board of Commissioners

Rick Dyer (541) 774-6118
Dave Dotterer (541) 774-6119
Colleen Roberts (541) 774-6117
Fax: (541) 774-6705

10 South Oakdale, Room 214
Medford, Oregon 97501

February 7, 2023

Jordan Rooklyn, City Manager
City of Talent, Oregon
110 East Main Street
Talent OR 97540
JRooklyn@cityoftalent.org

RE: Comments on Proposed Talent Urban Renewal Agency Plan

Dear Ms. Rooklyn:

Thank you for your time, and the time of Mayor Darby Ayers-Flood and Ms. Elaine Howard, in attending the January 24, 2023, Work Session of the Jackson County Board of Commissioners to consult with the Board and County on the draft Urban Renewal Plan for the City of Talent (Draft Plan). As an initial matter, we appreciate the thoughtful revisions evidenced in the Draft Plan that we discussed at this meeting, as compared to the draft Urban Renewal Plan presented at the July 19, 2022, Work Session of the Jackson County Board of Commissioners. The current Draft Plan clearly addresses, and attempts to mitigate, many of the concerns expressed by the County, other local governments and districts, and the public, with the draft Urban Renewal Plan that was presented at that July 19, 2022, Work Session. With that said, the County continues to have concerns with, and opposes, the current Draft Plan as presented.

The Draft Plan has the effect of locking in the losses to property tax revenue suffered by the County, the City of Talent, Fire District No. 5, and all of the other taxing districts by the devastating 2020 Almeda Fire. Since the Fire, rebuilding and recovery in the City of Talent has occurred, but has not been completed. By adopting the Draft Plan, the replacement improvements for those improvements lost in the Fire, which were funding local government services before the Almeda Fire, will not provide revenue that the taxing entities had relied upon to fund critical services. The City's own calculations show that the County will lose \$2,461,382 during the duration of the Urban Renewal Area if the Draft Plan is adopted. This loss of revenue is truly a loss of revenue instead of not receiving potential new revenue as it is not the result of new improvements being constructed in the Urban Renewal Area, but the replacement of destroyed improvements that will not contribute to funding services. The City of Talent will, itself, see a loss of \$3,957,511 in property tax revenue and Fire District No. 5 will experience a loss of \$3,915,870. These losses in revenue, again actual losses not deferment of gains in revenue from truly new improvements, will leave the taxing districts no option but to reduce service levels as there is not an available source of replacement revenue. Fortunately, the City of Talent has several options under which the City could still achieve all of the goals of the Draft Plan with substantially the same timeframe set forth in the Draft Plan.

First, the City of Talent could delay the implementation of the Draft Plan for one year. Based on the City's own analysis, generously conducted by and provided by the City, a delay of one year only results in an increase in maximum indebtedness of 7 percent, and increases the duration of the Urban Renewal Area from 17 years to 20 years. In exchange, the property tax base frozen by the adoption of the Draft Plan increases 26 percent, providing more revenue to the County, the City, and all of the other taxing districts to replace the revenue lost by the destruction of the improvements in the Fire. In our opinion, an increase of

only 7 percent in maximum indebtedness, and an additional three years for the Urban Renewal Area, is a small inconvenience to the implementation of the goals of the Draft Plan with a large benefit for the taxing entities impacted by the Draft Plan who relied on, and need to replace, the revenue lost to those entities from the Fire.

Second, the City of Talent could forgo adopting the Draft Plan and look at alternative financing to pursue the goals set forth in the Draft Plan. For example, the City of Talent could issue general obligation bonds to pursue improvements to the City of Talent. General obligation bonds would use the City of Talent's revenue to pursue and construct improvements in the City of Talent without impacting, the ability of the other taxing entities to provide critical services. Furthermore, the Draft Plan indicates that over 60 percent of the funds collected for Urban Renewal will be spent on improvements and other costs which will never add additional value to the property tax rolls as they will be publicly-owned improvements which are not subject to ad valorem property taxes. Of the \$15,094,132 estimated cost of implementing the Draft Plan, \$3,731,852 will be spent on nontaxable City infrastructure improvements, \$4,313,830 will be spent on resiliency and decreased risk, and an incredible \$1,342,177 will be spent on administration and financing. As such, only \$5,706,264 of a total of \$15,094,123 is targeted to be spent on actual improvements that will add value to the tax roll for the impacted tax entities to realize no earlier than 2041. The County believes that general government taxing entities losing \$11,354,514 in tax revenue over 17 years, to realize only a total of \$5,704,264 in increased value to the tax roll is not acceptable. As such, the use of general obligation bonds by the City of Talent to pursue its identified necessary public improvements is a way for Talent to realize its goals of improved public infrastructure in a fair and equitable manner to the other taxing districts that would be impacted by the adoption of the Draft Plan.

Third, the City could take the simple action of increasing the fees charged to its citizens to pursue the goals set forth in the Draft Plan. It is our understanding that the City of Talent has not increased the fees that the City charges its citizens in many years. In fact, one of your City Council members specifically inquired if the adoption of the Draft Plan would permit the City of Talent to continue to delay increasing fees needed for provided services as an alternative source of revenue. The County strongly believes that the adoption of an Urban Renewal Area, in this case, simply shifts the cost of conducting the business and interests of the City of Talent from the residents of Talent, who will benefit from the improvements and goals set forth in the Draft Plan, to the residents of the entire County. As such, we strongly encourage the City of Talent to review the option of increasing fees to pursue its goals as set forth in the Draft Plan. We believe that the residents and businesses of Talent are better positioned to incur the costs of benefits for the City of Talent than the residents of the entire County and those of the other impacted taxing districts.

Fourth, based on Ms. Rooklyn's presentation on the Draft Plan, it is our understanding that many of the public improvements identified in the Draft Plan are the result of the City of Talent's failure within its City Ordinance to require developers to pay for impacts of private development on the public infrastructure; for example, curbs, gutters, and sidewalks. We believe that the City should rectify this failure with all due haste and, like almost every other government entity with whom we are familiar, require private development to pay for the impacts of private development. The proposed projects in the Draft Plan, specifically 60 percent of the Draft Plan which focuses on public improvements, represents an unacceptable gift from the property taxpayers of the entire County, and the taxpayers of the other impacted taxing entities, to private developers and corporations due to the City's failure to make private development pay for its impacts on the public infrastructure. Further, we strongly recommend that, if the City intends to pursue the adoption of the Draft Plan, any gifts to private developers through the identified projects to the public infrastructure be removed from the projects set forth in the Draft Plan. In addition to being a matter of equity and fairness to the taxpayers throughout the entire County by not gifting public funds to private developers, the removal of these projects would reduce the projected costs of implementing the projects identified in the Draft Plan,

Ms. Rooklyn
February 7, 2023
Page 3 of 3

thus reducing the losses in revenue that the County and the other taxing districts will incur if the Draft Plan is adopted.

Fifth, the County has concerns on the ability of the City of Talent to implement the scope of its identified projects in the Draft Plan in the proposed timeline. The Draft Plan is very “frontloaded,” with many projects in the early years of the Urban Renewal Area. Simply put, we do not know if the current levels of staffing and administration at the City are sufficient to spend the money on projects within the timelines identified in the Draft Plan, and in compliance with the myriad of regulations and laws impacting the spending of funds from the issuance of municipal bonds, as identified by the City. Returning to the above recommendation of delaying the implementation of the Draft Plan for an additional year, this would also have the effect of smoothing over the years that the Urban Renewal Area would generate, allowing the City to pursue projects at a more even pace within the City’s existing staffing and other resources.

Sixth, we applaud the City of Talent’s decision to refer the adoption of the Draft Plan to the citizens of Talent for an advisory vote and pledging to respect the results of that advisory vote. We believe that such a referral, while not unprecedented, is something that other entities pursuing Urban Renewal should also consider. However, under the current laws governing urban renewal, if the citizens of Talent approve the plan at the advisory vote, the City of Talent could conduct minor and major amendments to the Urban Renewal Plan without referring those amendments to the citizens of Talent. We strongly encourage the City of Talent to expressly put in their Urban Renewal Plan that any major amendments to the Plan must also be submitted to the citizens of Talent for an advisory vote. While a public vote is not required under the laws governing urban renewal, we believe that placing such a requirement in the Plan would be binding under the Plan and in the spirit of, and continuing, the transparency that Talent has identified as a priority by submitting the Plan itself to the voters for approval.


Again, thank you for your time, and the time of your Mayor, in presenting the Draft Plan to the County and for your consideration of these comments on your Draft Plan. We believe that incorporation of some, or all, of our comments and suggestions will enable Talent to pursue its worthy goals without impacting the ability of the other taxing districts reliant upon the property tax revenue generated within the proposed Urban Renewal Area to provide needed and critical public services.

Sincerely,

JACKSON COUNTY BOARD OF COMMISSIONERS



Colleen Roberts, Chair



Rick Dyer, Commissioner



Dave Dotterrer, Commissioner

:jb/kk

By: Email Only

M:\Correspondence\2023\2023_02_07_Comments_TURAPlan_Final.docx