

Council Business Meeting

November 16, 2021

Agenda Item	Revenue Options Discussion	
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SUMMARY

Preliminary Discussion of Revenue Options

BACKGROUND AND ADDITIONAL INFORMATION

The City Council scheduled a discussion of revenue alternatives as a part of its series of financial review meetings.

Revenue options in Oregon are very limited under State Law. Ashland has already enacted many of those revenue measures, such as the Food and Beverage Tax. This report is not a comprehensive look at revenue options.

Staff has attached some revenue options material utilized by the City of Salem in 2020; a report generated by the Sustainable Services Revenue Task Force. The topic recommendation from that citizens committee effort was to enact a “City Operations Fee” of \$6.40 pr month to be collected through the monthly utility bill. Cities have increasingly used a fee attached to utility service as a mechanism to either pay for specific services, general operations or capital improvements. The City of Brookings has a long-standing “system replacement fee” (SRF) that is collected through the water/sewer bill at a cumulative rate of \$12.14 monthly (Water, Sewer, Storm Drain combined). Brookings dropped its streets SRF when the voters approved a fuel tax about five years ago.

Voter-approved levies (property tax) have also been used to fund operating costs. These are typically five-year levies. For example, the voters in Port Orford approved two successive five year levies to sustain their Police Department. Repeated levy attempts in Curry County to fund law enforcement have failed.

In Ashland, a citizens Ad Hoc Committee studied various revenue options in 2019-2020. It appears that operating levies were discussed as the principal options at that time. These included property tax levies for capital projects (this proposal failed voter passage), “essential services” (police, fire, court), “value services” (CERT, housing, band, economic development grants, social service grants). The other option listed was a “Live Entertainment Ticket Tax.” It does not appear that a fuel tax to fund street repair was among the options listed. Brookings voters have twice approved a local fuel tax.

Recognizing that voters are experiencing “tax and fee fatigue”, cities have increasingly focused on developing public/private partnerships to not only undertake capital projects, but to generate revenue from projects in which the City is a “partner.” In about 2005 when I was in South Gate, California, the City used the value of the infrastructure it was providing in support of a new shopping center development, as well as its work in assembling a site for the project, to secure an equity share in the project itself. This has resulted in generating over \$5.0 million in equity partner revenues to the City’s General fund. I have included information in the packet about the company I worked with in crafting this deal; they would be willing to explore partnership opportunities in Ashland.

STAFF RECOMMENDATION

None

ACTIONS, OPTIONS & POTENTIAL MOTIONS

Discussion and direction to staff.

REFERENCES & ATTACHMENTS

Attachment 1. Ashland Revenue Option Summary 2019-2020

Attachment 2. Salem Alternate Revenue Options
Attachment 3. Kosmont

Revenue Options
12/12/2019

NEW

CAPITAL

PROJECT	EST. COST	FEE AMOUNT	TERM	Rate	TERM
City Hall	\$7,000,000.00				
Pioneer Hall	\$500,000.00				
Community Center	\$500,000.00				
Solar Installation (3)	\$2,100,000.00				
Perozzi Fountain	\$350,000.00				
Total	\$10,450,000.00	\$6.97	10 Years	0.1915	20 Years

For a residence assessed at \$400,000 the 20-year levy would equal \$76.60/year

PROGRAMS	EST. COST	FEE AMOUNT	TERM	LEVY	TERM
FAC Program Assistant	\$ 110,000	0.73		0.0403	
Project Fund	200,000	1.33		0.0733	
Maintenance Fund	350,000	2.33		0.1283	
Weed Abatement Fund	20,000	1.3		0.0073	
		5.69	Continuous	0.2492	5-Years

For a residence assessed at \$400,000 the 20-year levy would equal \$99.68/year

EXISTING

ESSENTIAL SERVICES
STAFF & PROGRAMS

Public Safety

PROJECT	EST. COST	FEE AMOUNT	TERM	LEVY	TERM
2 Police Officers	\$ 400,000	\$2.67		0.1466	
3 Firefighters	600,000	\$4.00		0.2199	
Deputy Fire Chief	180,000	\$1.20		0.066	
Fire Overtime	100,000	\$0.67		0.0366	
Fire M&S	100,000	\$0.67		0.0366	
Court Clerk	50,000	\$0.33		0.0183	
Total	\$1,430,000.00	\$9.54	Continuous	0.524	5-Years

For a residence assessed at \$400,000 the 5-year operating levy would equal \$209.60/year

Other General Fund

STAFF & PROGRAMS

PROJECT	EST. COST	FEE AMOUNT	TERM	LEVY	TERM
Finance Director	60,000	\$0.40		0.022	
Communications	150,000	\$1.00		0.055	
Assistant Planner	110,000	\$0.73		0.0403	
Total	320,000	\$2.13	Continuous	0.1173	5-Years

For a residence assessed at \$400,000 the 5-year operating levy would equal \$46.92/year

EXISTING

VALUE SERVICES
STAFF & PROGRAMS

PROJECT	EST. COST	FEE AMOUNT	TERM	LEVY	TERM
CERT	120,000.00	0.80		0.044	
Affordable Housing	200,000.00	1.33		0.0733	
Social Service Grants	134,000.00	0.89		0.0491	
Econ Dev Grants	150,000.00	1.00		0.055	
Band	70,000.00	0.47		0.0257	
Total	674,000.00	4.49	Continuous	0.2471	5-Year

For a residence assessed at \$400,000 the 5-year operating levy would equal \$98.84/year

Live Entertainment Ticket Tax

Based on selling 320,000 tickets

Per Ticket	Yield	Fee	5-Year Levy	
\$ 3.00	\$960,000.00	\$6.40	0.0704	
\$ 2.50	\$800,000.00	\$5.33	0.0586	
\$ 2.00	\$640,000.00	\$4.27	0.0469	

City of Salem Alternate Revenue Options

At its first meeting, the Sustainable Services Revenue Task Force was provided this matrix along with white papers on each of the below-noted revenue options. Task force members were asked to rank the five options of greatest interest. The results are summarized below with total scores and corresponding ranking for each revenue option. Scores were weighted to allow for consistent calculation across revenue options and member votes. For example, a rank of 1 by a member would score the revenue option 5 points, a rank of 2 would score 4 points, and so on. Members were also offered the opportunity to write-in additional ideas, which generated a cigarette tax and soda tax.

Revenue options with an asterisk (*) next to the ranking indicate a tie with another revenue option. The rows highlighted in green demonstrate where the three final recommended revenue sources placed in relation to other options.

Rank	Score	Option	Summary Description	Strategic Initiative	Authorization	Implementation	Revenue Potential
1	28	City Operating Fee	Additional fee on City utility statement in a similar fashion as existing Streetlight Fee. Fee could be tied to specific programs (Public Safety, Parks, Library) or for general purposes.	Sustainable Services	Council Adoption; Potential Voter Referral	Less Difficult - Utilize existing City utility bill; Monthly fee structure.	High - Greater than \$1M depending on fee size and structure.
2	26	Payment in Lieu of Taxes	Fee assessed to State Agencies for services that are generally funded by property tax revenue. Examples include a Fire/Medical fee based on square footage or personnel.	Sustainable Services	State Legislature	Very Difficult - Would require legislative changes.	High - Greater than \$1M depending on fee size and structure.
3	18	Income Tax (Payroll Tax)	Local tax based on a percentage of employee wages, paid by employers on behalf of employees or paid by employees through a wage deduction. Could be remitted annually or quarterly.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Would require clear communication to community about what tax revenue use.	High - Greater than \$1M depending on tax size and structure.
4	15	Construction Excise Tax	Excise tax on building permit valuation to fund affordable housing initiatives.	Affordable Housing	Council Adoption; Potential Voter Referral	Less Difficult - Invoiced under current permit system.	High - Greater than \$1M depending on fee size/inclusion.
5	14	Local Gas Tax	Local tax on gasoline sales. Transportation focus.	Critical Infrastructure	Council Adoption; Requires Voter Referral	Difficult - Potentially utilizing existing system of collection by the State of Oregon.	High - Greater than \$1M depending on tax size and structure.
6*	13	Local Option Levy	Voter approved local option levies are the only mechanism to raise operating revenue beyond the permanent rate; can be tied to a specific program. Subject to Measure 5 compression and are the first levies to be compressed. The levy would need to be larger (less efficient) since compression is present in Salem.	Sustainable Services	Council Adoption; Requires Voter Approval; Maximum 5 years	Difficult - Requires voter approval every 5 years. Subject to compression.	High - Greater than \$1M depending on levy size and structure.
6*	13	Retirement Community/Skilled Nursing Facility Bed Fee	Fee to offset usage costs (Fire/Medical) for this type of provider. Could be billed monthly/quarterly.	Sustainable Services	Council Adoption; Potential Voter Referral	Less Difficult - Could be invoiced like Downtown Parking Tax.	Low - Between \$50K and \$900K based on size/inclusion.
7	11	911 Tax Increase	Increase to Emergency Communication Tax (9-1-1 tax), which supports operation and improvement of emergency reporting systems. Current rate is \$0.75 per phone line, per device capable of reaching 9-1-1, or per retail transaction of prepaid wireless services.	Sustainable Services	State Legislature	Difficult - Would require state legislative action and broad, state-wide support. Possible referral to voters.	Varies - \$600K-\$3.5M additional revenue depending on intent to cover cost of service (33%-100%).
8	9	Business License Fee	Annual Business License Fee for all businesses operating in City limits. Structure could include small/large businesses, multi-family housing, or other variations.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Application processing and collection (similar to short-term rentals).	Medium - Between \$500K and \$1M depending on fee size/inclusion.

Rank	Score	Option	Summary Description	Strategic Initiative	Authorization	Implementation	Revenue Potential
9	6	Property Tax Reform	Oregon's property tax system operates under two constitutional amendments, Measure 5 and Measure 50, designed to limit property taxes and make them predictable for taxpayers each year. The current system has no periodic recalibration of values and would require legislative reform to address the inequity across the system.	Sustainable Services	State Legislature	Difficult - Would require state legislative action to modify, or implement new functions, within existing system.	Varies - Could generate significant additional revenue depending on the changes implemented.
10*	4	New Taxing District/Dividing a Taxing District/Merging a Taxing District	Formation of a new taxing district, annex into a current district to provide a specified service, or merge with another taxing district.	Sustainable Services	Council Adoption; Overlapping Taxing district approval; Voter Approval.	Very Difficult - Would require a lengthy approval process.	High (Savings) - Could result in savings and operational stability.
10*	4	Admission/Amusement Tax	Tax on admission into events. Could be structured as a flat rate, a rate of the ticket value or a percent of gross receipts. Would be remitted via return-monthly or quarterly.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Would need a larger number of employees to manage program which may offset revenue.	Varies - Between \$400K and \$2M depending on tax size and structure.
11	1	Prepared Food/Beverage Tax	Local tax on the prepared food sales in City limits. Would not include hospital or university dining halls. Captures revenue from non-residents.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Would need an operational process established, plus potential registration of food businesses.	High - Greater than \$1M depending on tax size and structure.

New Funds are Needed for Valued City Services

Categories: [News \(/Pages/news.aspx\)](#)

April 6, 2020

Our community is growing, but our funding isn't growing enough to keep up. To keep pace, we need a more balanced way to pay for services.

To maintain current City services and keep pace with our growing community's needs, the City must raise \$16.2 million more per year. This money will pay for public safety needs, and much-needed additional support for parks, our library, and other community services.

Without more funding, the City will struggle to provide services our community has come to expect. In the 1990s, Oregon tax limitation measures capped property tax revenue. As a result, the City's budget has not kept pace with inflation and property taxes are no longer enough to support existing services. After considering options and community input, the Salem City Council proposed to raise this much-needed money in two ways.

Together, these funding sources will help support valued City services. An operations fee will help as soon as February 2020. An employee-paid payroll tax offers a longer-term solution; however, will not be on the ballot in May 2020. By sharing the cost, we will be able to do things like add firefighters, police officers, library hours, and parks maintenance.

Operations fee

The operations fee will be used to continue current services and staffing levels in the near term.

A City operations fee is a separate fee to continue existing emergency, library, park maintenance, social, and other essential services. In Oregon, 50 cities use an operations fee to help pay for city services. This flat fee will be collected through City utility bills based on the type of account (a single family home pays a different rate than an apartment building, for example), not based on property value. Those who qualify for the Utility Rate Relief Program will not pay this fee.

When: As soon as February 2020.

New funds: \$7.1 million in 2020 at \$8/month for single family home accounts, \$6.40/month per unit for multifamily home accounts, and \$38.56/month for public, commercial, industrial, and institutional accounts.

Employee-paid payroll tax - Removed from May Ballot – March 23, 2020

The employee-paid payroll tax will be used to increase public safety staffing to help us prevent crime and prepare for emergencies, respond faster and be there when you need us.

The City Council referred the proposed employee-paid payroll tax to the voters in the May 2020 election. If passed, the employee-paid payroll tax will be dedicated to keeping pace with our community's growing public safety needs.

Based on a percent of total hourly wages, this tax will be paid by all employees in Salem's private and public sectors, with the exception of minimum wage earners. By including the more than 60,000 workers who commute to Salem, the cost of public safety services will be shared by people who live and work in Salem alike. As our economy and jobs grow, funds from this source will grow. Retirement and disability income will not be taxed.

When: The employee-paid payroll tax will not be referred to voters in the May 2020 election.

New funds for public safety: \$9.1 million, using a tiered rate structure with most workers paying a rate of 0.39% on income earned within the City limits. At 0.39%, a person working in Salem earning \$50,000 annually would pay \$195 per year. Employees earning minimum wage would be exempt and those earning a wage up to and including \$15 per hour would pay a lower rate of 0.266%.

[Estimate your employee-paid payroll tax using this calculator](https://egov.cityofsalem.net/PayrollTaxCalculator/) (<https://egov.cityofsalem.net/PayrollTaxCalculator/>).

Why ask for more money now?

The City has restored services cut during the recession. Changes in the economy forced us to make big changes in 2009 and 2013 to the services we were able to provide. We closed two fire stations, and reduced library hours, recreation services, and support to neighborhoods. Since then, we've re-opened the two fire stations and made improvements to services the community expects and values.

We have stepped in where our community has asked the City to fill gaps. For example, launched in 2017 with \$1.4 million from the City, the Homeless Rental Assistance Program has served more than 240 chronically unsheltered people in our community. Traditionally, this valuable work has been outside the City's core service areas. Continuing this commitment, in addition to costs of ongoing services, outpaces available funding.

We must align our services with available funding within the next two years. Without reducing services we provide our community or investing in new funding sources, the City will not have enough money to fund services in the year beginning July 1, 2022.

- These are hard choices. If we are unable to raise money within the next two years, we will not be able to continue doing all we do. The City Council, in conversation with our community, would provide direction for reducing City services. An \$8 million reduction would be the equivalent of decreasing services by 65 police officers, **or** five fire stations, **or** all park maintenance **and** all the library services.

Being more efficient helps but is not enough. We are always looking for ways to be more efficient while providing high-quality services. To be good stewards of the resources entrusted to us, we are using technology in new ways and changing how we provide services, using more energy-efficient products, charging for services that make sense, and engaging support of volunteers and foundations.

Revenue isn't keeping pace with community need. As we continue to grow, the need for essential services grows. In the past 10 years, Salem population has grown by more than 9%. City services rely on people. Our staffing today is lower than it was in 2008.

- One measure of public safety is officers per 1,000 people in a community. In Salem, officers per 1,000 people is 8% less than 10 years ago. During this same time, crime rates have increased almost 22%.

- Salem has grown park lands by 25% and has 68% more miles of walkways and trails within our parks. As of 2018, Salem has 14.13 acres of park land per 1,000 residents. Staffing for needed parks maintenance has not kept pace, increasing by three positions (or 8%) and some of the park land is not yet ready for community use.
- Code enforcement officers respond to neighbor complaints of dangerous properties, trash, and debris, and concerns about public health, safety, and welfare. Calls for help are increasing, but there are 7% fewer staff than 12 years ago.

Revised 12/5/19

How did we get here?



Revenues are not keeping pace and community needs exceed available resources. This situation has taken time to develop and is rooted in property tax ballot measures from the early 1990s which capped property tax revenues. As a result, money the City receives from property taxes is not keeping pace with inflation, population and development growth, and the increasing costs of City services. This year (July 1, 2018 to June 30, 2019), expenses are estimated to be about \$5.2 million more than the revenues we take into the General Fund. The General Fund supports Police, Fire and emergency medical services, the Library, operating Salem's parks, and supporting Salem's neighborhoods.

We have stepped in where our community has asked the City to fill gaps. In the 2017 Strategic Plan, residents looked to the City to do more to provide affordable housing and serve the homeless in our community. Traditionally, this valuable work has been outside the City's core service areas. This continuing commitment, in addition to costs of ongoing services, outpaces available funding.

We've restored services. Changes in the economy forced us to make big changes in 2009 and 2013 to the services we were able to provide. We closed two fire stations, reduced library hours, recreation services, and support to neighborhoods. Since then, we've re-opened the two fire stations and have made improvements to services the community expects and values.

Costs of services are increasing. City services rely on people. Costs to provide service have increased as the cost of public sector retirement escalates and as Salem remains a competitive employer in a robust job market.

Other sources of funding are limited to specific services or projects. For example, a portion of State-collected gas taxes helps pay for streets and bridges. Water fees paid by residents, businesses and other local customers can only be used to pay for new drinking water treatment, equipment, and pipes to get the water to your home and business. Funds from recent voter-approved bonds for a new police station and upgrades to the Salem Public Library can only be used for those projects.

Revenue timeline

Time period	Activity
1990s	Oregon voters approve permanent property tax rates and limits to annual growth in property tax revenue. Costs of providing City services are separated from revenue for those services. In Salem, these services include police, fire, library, recreation and parks maintenance, neighborhood support.

2009-2013

Salem cuts more than 80 positions from its General Fund budget in response to economic downturn's effect on revenues.

- Elimination of the Community Services Department
- Closed two fire stations
- Reduced library hours
- Discontinued City operation of two pools

2017-18

Reopen Fire station 8, respond to Strategic Plan priorities with Homeless Rental Assistance Program, discontinue General Fund support for Transportation Services Fund.

2018-19

Reopen Fire station 11

Fall 2018 Revenue Task Force meets to examine 13 revenue options, recommends two options for the General Fund and one for increased transportation funding.

April 15, 2019

City Council and Revenue Task Force hold joint work session

June 17, 2019

City Council holds work session on operating fee and employee-paid payroll tax

July 8, 2019

City Council directs staff to prepare ordinance for operating fee and for employee-paid payroll tax

August 12, 26

First reading, public hearing, and second reading of the operating fee and employee-paid payroll tax

2020

City maintains current staffing levels with operating fee (\$7.1 million)

2022

Employee-paid payroll tax (\$9.1 million) allows City to maintain current services to keep pace with increased needs and city growth. Possible examples include increased Police and Fire service, increased library hours and services, and homeless assistance programs

2035

Estimated 60,000 more people live in Salem

Close

What is the City's financial shortfall?

Since November 2018, when the City's most recent [five-year forecast](#) ([/Pages/view-city-of-salem-financial-reports.aspx](#)) was released, there have been many conversations in our community about the City's financial shortfall. Now, with an [adopted budget](#) ([/Pages/view-the-city-budget.aspx](#)), which includes all the programs and services the City will provide to the community in the coming year, the financial shortfall is more clear.

In the adopted budget for Fiscal Year 2020 (beginning July 1, 2019 through June 30, 2020), the difference between anticipated revenue (\$128.8 million) and expenditures (\$139.8 million) or the budgeted shortfall is \$10.9 million. We assume there will be some natural savings over the course of the fiscal year and Council may

approve some use of contingency funds for unanticipated expenses. Savings and unused contingency may be as much as \$5.15 million or 3.7% of the total General Fund portion of the budget. This would leave the City of Salem short \$5.8 million for FY 2020.

Fiscal Year 2020 is the fourth year the City has used savings for ongoing expenses. Without reducing the services we provide our community or increasing the revenue available, the City's funding for police, fire, library and parks will be insufficient to continue current services levels, and many programs will be reduced or eliminated.

You may have also heard us describe the financial shortfall in several other ways.

- To meet the [City Council's reserve policy](#) ([\(citydocuments/council-policy-manual-c-11-general-fund-balance-reserve-policy.pdf\)](#), which sets a target of 15% of budgeted revenues in reserves, we would need to end the year with at least \$19.3 million. Without changes to expenses or revenues, we would be below Council Policy by \$3.9 million on July 1, 2020, when the new fiscal year begins.
- To maintain current staffing levels, we would need an additional \$7-8 million in annual revenue.
- To enhance services to meet [Strategic Plan](#) ([\(Pages/developing-salem-strategic-plan.aspx\)](#) outcomes and community need, we would need to raise another \$8-9 million, for a total of \$16 million in new revenue.

How do PERS (public employee retirement system) and wage-related costs affect the City of Salem?

- City services rely on employees. Costs to provide service have increased as the cost of public sector retirement escalates and as Salem remains a competitive employer in a robust job market.
- [PERS](https://www.oregon.gov/pers/Pages/index.aspx) (<https://www.oregon.gov/pers/Pages/index.aspx>) increases are impacting all local governments. On July 1, 2019 a PERS employer rate increase went into effect, as determined by the State of Oregon, that range from 21.0% to 37.1% depending on the employee plan (referred to as Tier One, Tier Two, OPSRP). Additional rate increases are expected in the next rate cycle that begins July 1, 2021. There are multiple efforts underway to reduce the PERS obligation on local governments. In Salem, the City has taken steps to reduce the financial impact of the PERS obligation by issuing a pension obligation bond. Use of the bond lowered the City's PERS expenses. At the State level, efforts to reduce the PERS liability are ongoing. The latest reform attempt is Senate Bill 1049. There is litigation pending against this bill and it isn't clear the amount of relief this reform effort will provide or when it may be enacted.
- Public budgeting is complex. For the best comparisons, compare the FY 2019 adopted budget to the FY 2020 adopted budget to see the real budgeted increase from year to year. (The variance between the last year's actual estimate (Fiscal Year (FY) 2019 actual estimate) and this year's budget (proposed FY 2020 budget) seem particularly large. This is because the FY 2019 estimate does not account for spending that did not occur due to position vacancies.
- The two major drivers of the year-over-year increase in employee costs are an increase of \$3,062,390, or 17.1%, for Public Employees Retirement System and an increase of \$1,355,980, or 2.5%, for base wages. The PERS increase alone represents 58.1% of the total \$5,268,140 year-over-year increase in employee costs. The difference in the PERS employer rates from the FY 2019 adopted budget to the FY 2020 adopted budget is \$2,853,770 or 26.0%. This is due to a PERS employer rate increase, as determined by the State of Oregon, that range from 21.0% to 37.1% depending on the employee plan (referred to as Tier One, Tier Two, OSP).

[Close](#)

Where did these revenue options come from?

A 14-member [Sustainable Services Revenue Task Force](#) ([/Pages/sustainable-services-revenue-task-force.aspx](#)) was asked to identify revenue options to sustain services. After looking at details of 13 options, the Task Force recommended two options for General Fund revenues to the City Council. The General Fund revenue options were recommended as methods to fund City services, share cost of service among Salem residents, commuters and businesses, and provide the most flexibility in raising revenue. The group included representatives from:

- Salem City Council and Budget Committee
- Salem 350
- Straub Environmental Learning Center
- Salem Fire Foundation
- Salem Police Foundation
- Marion and Polk Counties Homebuilders Association
- SEDCOR
- Salem Parks and Recreation Advisory Board
- Oregon Marshallese Community Organization
- Latino Business Alliance

[Close](#)

What is the General Fund?

The City's General Fund **supports public safety, planning, code enforcement, public library, social services, municipal court, parks and recreation, and other services that provide a citywide benefit**. In recent years, expenditures to fund essential City services have exceeded revenues received. The City has funded the difference from its working capital account, which is like money in a savings or reserve account. The City's financial health is measured by its ability to align its expenditures with its anticipated revenues while maintaining a fiscally responsible level of reserves.

If the City does not align its spending with its anticipated revenues, the City's General Fund working capital will be gone by June 30, 2022. This alignment can occur by increasing revenues and decreasing expenditures. Without additional revenue, we will not have enough money to pay for all the services we provide today.

[Close](#)

Videos:

[Police Chief Jerry Moore: Policing a Growing Community](#) ([https://youtu.be/d7sfU7PzxA](#))

[Fire Chief Mike Niblock: The Importance of Rapid Emergency Response](#) ([https://youtu.be/ovjwdfZSgl](#)).

Budget documents

financial advisory, economic development strategies, public / private project transactions, sustainable infrastructure, housing projects, market studies and economic analysis for the public, non-profit and private sectors.

Founded in 1986, Kosmont Companies is a nationally recognized expert in economic development, public/private finance and real estate development projects involving government and private sector partnerships.

Innovation

Kosmont is on the cutting edge of evolving industry trends, challenges and solutions. We understand the needs of the public and private sectors and consistently deliver on successful projects that improve the quality of life for communities while generating market returns for private investors, developers and corporations. We are leaders in specialized economic development tools and how best to implement strategies and projects. We are not just a study company, rather we are transactional; a firm with a 33-year reputation for taking hands-on approach to client management and real estate services.

Integration

Whether the objective is getting a project entitled and approved, or developed and operating, or if the goal is to generate new tax revenues, jobs or business opportunities, Kosmont Companies focuses on successful outcomes. We have integrated and strategic alliances with our real estate brokerage and public finance firms that in the aggregate, provide a depth and breadth of services to a diverse client base.

Intelligence

We know the market. Kosmont's diverse and uniquely qualified professional team of advisors provides the depth and expertise required to help clients analyze, strategize, structure and implement projects of all product types, sizes and complexities. Our highly educated staff includes former City Managers, Directors of Economic Development/Redevelopment, Community Development, and development/commercial real estate experts.

Integrity

We recognize the powerful social and economic benefits of community development, and Kosmont is committed to bringing public, private, and non-profit organizations together in meaningful and transparent real estate transactions that help communities flourish. Kosmont has been trustworthy advisors to hundreds of public, private sector and non-profit clients for over 30 years.

Contact Us

Services

Real Estate and Financial Advisory

Economic Development Consulting

Kosmont Retail NOW!®

Sales Tax Assessment Revenue (STAR*)®

EIFDs / CRIAs / Special Tax Districts

Opportunity Zones

Development Opportunity Reserve (D.O.R.)™

RFPs / RFQs Services

Redevelopment Dissolution

Housing / TOD / Sustainability

state policy and related legislative tools to implement successful real estate and economic development at the local level.

Land Use Planning and Economics

- › Tailoring General Plans, Specific Plans, and other land use planning to accommodate and incentivize blended-use, transit-oriented development with appropriate housing densities
- › Evaluation of fiscal impacts and economic benefits to prioritize and improve general fund solvency, while addressing climate action, housing, and sustainability goals
- › Considering pro forma financial feasibility to promote successful private sector investment in local communities
- › Utilizing housing and density as a tool to incentivize project development with Development Opportunity Reserve (D.O.R.)™

Climate Action Plan Implementation

- › Formulation of funding and financing strategies to implement local and regional Climate Action Plans and achieve State compliance, while catalyzing and supporting new private sector investment and economic development.

Project Funding and Financing Tools

- › Targeting and utilizing the broad set of tools now available to public agencies and real estate developers to implement climate action, housing, and sustainable infrastructure
 - › Tax increment financing districts
 - › EIFD – Enhanced Infrastructure Financing Districts
 - › CRIA – Community Revitalization and Investment Authorities
 - › AHA – Affordable Housing Authorities
 - › NIFTI and NIFTI 2 – Neighborhood Infill Finance and Transit Improvement Acts

- › SEIFD – Seaport Infrastructure Financing Districts
- › Military Base Infrastructure and Revitalization Financing Districts
- › Special assessment districts
 - › CFD – Community Facilities District
 - › BID – Business Improvement District
 - › Assessment District, Parking District, etc.
- › Entitlement and CEQA streamlining tools
 - › WHOZ – Workforce Housing Opportunity Zone
 - › HSD – Housing Sustainability District
 - › SB 35
 - › D.O.R.™
- › State and Federal Grants
 - › IIG – Infill Infrastructure Grants
 - › AHSC – Affordable Housing and Sustainable Communities
 - › EDA – Economic Development Administration
 - › Proposition 1, Proposition 68
- › Opportunity Zones (OZ) Funds for real estate and operating business investments

Contact Us

Services

Real Estate and Financial Advisory

Economic Development Consulting

Kosmont Retail NOW!®

Sales Tax Assessment Revenue (STAR*)®

EIFDs / CRIAs / Special Tax Districts