

Council Business Meeting

February 4, 2020

Agenda Item	Mayor Presentation Capital Needs and Financing Bond Proposal	
From	Mayor Stromberg	Mayor
Contact	council@ashland.or.us	

SUMMARY

The Mayor is presenting the Capital Needs and Financing bond proposal to Council with the outcome of the town hall held on January 22, 2020. The presentation is a result of the working group formed by Mayor Stromberg which includes Councilors Graham and Rosenthal, former Mayor Cathy Shaw along with staff support from the City Administrator, the City Attorney, and the Administrative Services Manager. The group has met ten times to produce recommendations for increasing revenue to meet the City's capital needs. As this is a bond proposal, the group met with bond attorneys Harvey Rogers and Carol McCoog from the legal firm Hawkins, Delafield & Wood LLP.

PREVIOUS COUNCIL ACTION

On June 4, 2019, the City Council gave direction to form two ad hoc committees; one looking at revenue and another looking at expenditures to help address concerns that arose when approving the 2019-2021 biennial budget.

On July 8, 2019, the Mayor called a special meeting to form the Cost Reduction/Efficiency/Alternative Funding/PERS & healthcare Strategies ad hoc committee (later named the Cost Review ad hoc committee) and a revenue working group.

On January 7, 2020, the Mayor presented a Capital Needs and Financing presentation to the City Council. The Council requested more time to discuss this topic and to hold a town hall for citizens to speak on this issue.

On January 22, 2020, Mayor Stromberg and Councilors Graham and Rosenthal held a town hall for citizens to ask questions and give general comments on the proposal. An online survey was provided from January 14 until January 23 for those unable to attend the town hall or who wished to provide questions and comments beforehand. The input from the online survey can be found in Attachment 1.

BACKGROUND AND ADDITIONAL INFORMATION

The working group started with multiple concerns. The City Administrator was concerned about necessary General Fund infrastructure maintenance/development projects without provisions for their funding. Mayor Stromberg and Councilor Rosenthal were concerned with cuts contained in the budget that would undermine delivery of essential services. Councilor Graham had proposed during the Budget Process that the City integrate the City's adopted Climate Energy Action Plan (CEAP) with specific funding appropriations. Former Mayor Shaw suggested the group explore issuing long term bonds as a way of reducing the burden of the Public Employee Retirement System (PERS) assessments and the rising cost of health care benefits. All of the group felt it was time to move ahead with a Live Entertainment Ticket Tax as a new source of revenue that would tap discretionary income, primarily of visitors.

The group has focused their efforts on four specific concepts, the first two of which are contained in this Council Communication. They are:

1) Funding a bundle of capital projects via a 20-year facilities bond to be brought to the voters in the May 2020 primary election.

- 2) One component of the above bundle involves solar generating facilities for emergency power/disaster recovery for General Fund Departments and the Emergency Operations Center (EOC). (This 'qualifies' as carbon mitigation in the context of the CEAP.) Similar generating capacity could be developed by the Water, Wastewater and Electric utilities for their disaster recovery needs.
- 3) Restoring funding for currently vacant essential services staffing via a dedicated fee.
- 4) Starting the process of modifying the AMC to establish a Live Entertainment Ticket Tax.

Specifics of items 1) and 2) are contained in this Council Communication. Mayor Stromberg will provide a recommendation to the Council regarding item 4) at a Council meeting early in 2020. A recommendation for item 3) will wait for the results of the facilities bond election (if the Council should choose to put it forth) because the City Administrator will need to move all employees out of City Hall if the City is not making demonstrable progress on addressing its seismic risk. The yet unknown cost of moving employees currently housed in City Hall will require additional funds not provided for in the current budget and must be addressed. Also, by May the group will have a better assessment of the performance of non-property-tax General Fund funding sources (Occupancy and Meals Taxes, franchise fees, etc. as well as a possible ticket tax) all of which may affect the exact amount of the proposed meter fee.

Here are the following findings and recommendation for funding vital capital expenditures:

Project	Estimated Cost
City Hall	\$7,200,000
Resiliency - Solar	\$2,100,000
Community Center	\$500,000
Pioneer Hall	\$500,000
Butler-Peruzzi Fountain	\$350,000
TOTAL	\$10,650,000

City Hall: The City Council, during the [October 15, 2019 City Council Business](#) meeting, approved construction of City Hall at the current location. Subsequently, during the [December 3, 2019 City Council Business](#) meeting the City Council approved moving forward with a new City Hall building.

The new City Hall will:

- Be a two-story replacement of the existing building
- Not look like a two-story version of the four-story rendition that was presented to the City Council as a previous Council meeting
- Have a faster project completion timeline than building a building within the current City Hall building. This is important due to the spatial and economic sensitivity of the downtown area
- Allow for 600 feet of additional space for no additional cost. This is due to the fact that the second floor of the current City Hall is only partially enclosed. Mechanical equipment occupies space on a part of the building's rooftop. Many people don't know about this as the mechanical equipment can't be seen from the street.
- Be less costly to meet the energy efficiency goals set out by the City Council via the Climate and Energy Action Plan

Community Center: The Ashland Women's Civic Improvement Club was founded in 1908 for the purpose of improving and beautifying Ashland. The home for this civic organization was built from 1921 to 1922, and was later known as the Winburn Way Community Center (source: nps.gov). After the formal dedication of the clubhouse, the facility was used for meetings, banquets, shows and tourist events until it became a United Service Organization (USO) headquarters during World War II. After the War, it served as the home of the Ashland Parks and Recreation Department for a number of years.

The building became quite run down, and in 1985 the City of Ashland took control of the property, which was restored and rededicated to its original use for local club meetings, dances, exhibitions and presentations. The north facing wall of the building is canted such that the building has been declared unusable. The repair will entail, at a minimum, a new roof structure and wall. As this is an older building, staff is not certain that once the roof is removed that there will not be more damage to repair. It has been estimated that the repair will no more than \$500,000.

Pioneer Hall: Pioneer Hall was originally built in 1921 with the kitchen added in 1925. Significant restoration and expansion was completed in 1988. Pioneer Hall is a City-owned building that has traditionally been used as a community hall, available by reservation for public and private events. A structural assessment and code evaluation of Pioneer Hall identified a number of facility deficiencies primarily focused on the roof structure, seismic rehabilitation, HVAC and ADA requirements. The roof on Pioneer Hall can become overloaded with a snow load and this limits its ability to be utilized in the winter. It has been estimated that the facilities repairs will cost no more than \$500,000

Butler-Perozzi Fountain: The fountain is an historical asset of Lithia Park and has been identified as a high priority for repair due to its age and the rate at which the original stone is deteriorating. The Parks Director has received a quote on the fountain project and believes that \$350,000 from the bond, plus \$70,000 dedicated from the Food and Beverage tax will complete the project. If additional funding is necessary, the Ashland Parks Foundation is willing to launch another fund-raising effort that would focus on the Butler-Perozzi Fountain to bridge the gap. Additionally, the Fregonese Family has also promised to help in the fund-raising effort to honor the late John Fregonese, who was instrumental in repairing the fountain in 1999. With the financial assistance possible through this bond, APRC is confident that the repair and preservation of the treasured Butler-Perozzi Fountain will be successful, and many more generations will be able to enjoy this historic piece of Ashland.

Solar/Micro-Grid Project: An expandable designed, solar and battery storage system, at the EOC for resilient operations in the event of an emergency. Solar/Micro-grid Project Funding

- Expansion of existing resiliency infrastructure at City Service Center/EOC
- Phase one of multi-phased, multi-year solar energy and battery storage system build out
- Expandable design as additional funding and operational opportunities arise
- Ongoing power generation for general City operations when not needed in emergency situations

This project would apply to the entire campus at 90 N. Mountain, which includes the Emergency Operations Center and the center of operations for both Public Works and our Electric Department. Please note that the proposed solar facilities are not associated with the water and wastewater treatment facilities, which are Enterprise Funds. Solar facilities associated with those essential services must be paid for through rates.

FISCAL IMPACTS

The Mayor has assessed the available funding sources which include a fee or a General Obligation Capital Bond and recommends a 20-year capital improvement bond. This is a typical method of funding capital expenditures. For example, most recently the City used the funding mechanism to pay for Fire Station #2.

Project	Estimated Cost	20-Year Bond Per \$1,000 of Assessed Value – Tax Rate
Capital Projects	\$10,650,000	\$0.2625

A property tax payer with a residence with an assessed value of \$400,000 would pay an estimated \$105.00 per year. Currently that same property tax payer pays \$92.00 per year in taxes that will go off the tax rolls June 30, 2020.

Property tax payers in Ashland currently pay \$0.23 per \$1,000 of assessed value for Fire Station #2 (\$0.1035) and the Jackson County Library Construction Bond which was used to build libraries in almost every town in Jackson County including Ashland (\$0.1265). These two bonds will go off the tax rolls on June 30, 2020. In essence, the proposed 20-Year General Obligation Capital Bond to improve City-owned structures will be close to equal to the amount that is going off the tax rolls making it no more than property tax payers are paying now.

MAYOR'S RECOMMENDATION

The City Council has been moving forward with a new City Hall at the current location for over a year and the question of where City Hall should be has been discussed for over 20 years. The City Council appointed an ad Hoc committee whose recommendation was to keep City Hall in its current location downtown. It is time to move forward with a new City Hall in the current location. The City Council has been informed that the City is putting City staff at risk, as City Hall is an unreinforced concrete building that will likely collapse in an earthquake. In addition, the City Council is putting the financial wellbeing of the City at risk as City Hall is a known liability. The City has two well-loved community buildings that are in desperate need of repair. These are old buildings and while they have been regularly maintained the issues that these buildings are experiencing, while not foreseeable are not a surprise considering the age of the structures. These buildings are used by the community and should be restored for the communities' use. The issues with the Butler-Perozzi fountain are similar to that of the Community Center and Pioneer Hall. Finally, the City needs to move forward with energy resiliency. In an emergency the Service Center will be the hub of emergency services including the Emergency Operations Center and much of the Public Works and Electrical Departments.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

I move that staff produces the documentation to move forward with a \$10,650,000 20-year General Obligation Capital Bond with a tax rate of \$0.2625 per \$1,000 of assessed value to pay for the construction of a new City Hall, rehabilitating the Community Center and Pioneer Hall, rehabilitating the Butler-Perozzi Fountain and a solar/micro-grid project at the City's Service Center located at 90 N. Mountain Avenue for the May 12, 2020 Jackson County election.

I move that staff calculate the new price and tax rate per \$1,000 of assessed value and produces the documentation to move forward with a 20-year General Obligation Capital Bond to pay for ...

REFERENCES & ATTACHMENTS

Attachment 1: Town Hall Online Input Results

Attachment 2: Town Hall Presentation



Capital Needs and Financing Bond Town Hall

January 24, 2020, 8:49 AM

Contents

i.	Introduction	2
ii.	Summary of responses	3
iii.	Survey questions	4
iv.	Individual responses	5

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

Introduction

The Ashland City Council recently discussed a \$10,650,000 bond measure to address Ashland's capital needs which includes a replacement to the current seismically unsafe City Hall, rehabilitating the Community Center and Pioneer Hall, installing solar panels to serve the Public Works and Electrical yard and the Emergency Operations Center, and beginning the repair of the Butler-Perozzi fountain. The Council will hold a town hall meeting to hear from citizens with questions and concerns on Wednesday, January 22, 2020 at 6:30 p.m. in the Council Chambers, 1175 E. Main Street.

The meeting will include a presentation by City staff on the topic followed by a period of questions from the public. After, general comments will be taken by Councilors who will be able to talk to residents one-on-one. For those who cannot attend the meeting or would like to submit questions beforehand, they may enter this information online at ashland.or.us/engage selecting the Capital Needs and Financing Bond Town Hall option. If you would like your questions answered at the meeting, please submit them by Friday, January 17. This survey will close on Thursday, January 23.

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

Summary Of Responses

As of January 24, 2020, 8:49 AM, this forum had:		Topic Start	Topic End
Attendees:	68	January 14, 2020, 11:27 AM	January 24, 2020, 8:48 AM
Responses:	34		
Hours of Public Comment:	1.7		

QUESTION 1

Submit your questions about the capital needs and financing bond here. These questions will be answered at the town hall if they are submitted by Friday, January 17.

Answered	10
Skipped	24

QUESTION 2

Submit your comments about the capital needs and financing bond here for the City Council to consider.

Answered	20
Skipped	14

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

Survey Questions

QUESTION 1

Submit your questions about the capital needs and financing bond here. These questions will be answered at the town hall if they are submitted by Friday, January 17.

QUESTION 2

Submit your comments about the capital needs and financing bond here for the City Council to consider.

Individual Responses

Name not available

January 14, 2020, 1:11 PM

Question 1

No response

Question 2

No response

Name not shown

inside Ashland

January 14, 2020, 6:57 PM

Question 1

Yes, we citizens of Ashland are being taxed to the max these days. Yes, we live in a wonderful town and are willing to pay for that privilege, even though many of us did not realize years ago that it would become this expensive. At this time, however, it is not appropriate to add on another huge bond. Simply put, it is the timing of this. Yes, it would be nice to have an earthquake city hall. But realize this: most of those who own our homes, do not live in "earthquake proof" structures and we live in them 24/7.....not just 9:00 to 5:00 five days a week. Obviously, most of us cannot afford to make our homes earthquake proof. If, in fact, we had an earthquake, we living on the mountainsides of Ashland would probably be more affected than the downtown section of town. We're not receiving a salary to live in our homes, as those do that were elected or chose to work at City Hall downtown. Few of us can spend huge amounts to make our houses "earthquake proof", and should one happen most of us haven't spend the very expensive yearly premium to add earthquake insurance to our homes.

It's the timing of this bond that is not justifiable at this point-in-time. Perhaps if Ashland somehow continues to enjoy the tourist industry which greatly affects our income, in the future, and also overcomes the issue of the smoke that we've endured for the past several years, this would be an acceptable bond. If that scenario evolves, the best option in my opinion would be to gut the shell of the current historical building and retrofit it to be earthquake proof.

I think this is eventually a needed solution, but only if the City had an excess of funds. JUST NOT NOW (when we have been bombarded this past year with yet more capital improvement issues.....Reeder reservoir, the TID Ditch, the Pioneer Hall, etc.

Question 2

No response

Name not available

January 14, 2020, 7:18 PM

Question 1

the fountain is in the park and parks dept recently found money for a pool they can surely find money to repair the fountain. Also new basketball court being built at Ashland Creek Park, why not use that money? The bond is already a hard sell why make it even less attractive by combining projects?

Question 2

No response

Name not available

inside Ashland

January 15, 2020, 6:00 AM

Question 1

No response

Question 2

I do not see a need to include the Butler-Perozei Fountain in the proposal for the following reason:
- Parks has had many opportunities over the years and has not found it a high priority to address.
- Funding only a portion of a project that does not have funding for the rest of it does not seem appropriate.

Name not available

inside Ashland

January 15, 2020, 6:26 AM

Question 1

No response

Question 2

You need to find a different source of funding for these projects. Sell Briscoe, Sell Hardesty, Whatever... The bottom line is that we CANT pay anymore taxes. My 60 hour weeks are not an endless supply of money for

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

you to draw from. In all my decades here Not once have taxes or fees ever gone down... Its always more and more and it has to stop if you want to keep people moving Into Ashland.

Name not available

January 15, 2020, 9:27 AM

Question 1

No response

Question 2

No response

Tamara Cottongim

inside Ashland

January 15, 2020, 10:11 AM

Question 1

No response

Question 2

I have been a resident and homeowner in Ashland since 1979. My husband and I have worked long term at Ashland community hospital and support many civic charities and organizations. This bond measure proposal is mind boggling. The current city administration has grown to believe that we as taxpayers are the cash cow you can milk instead of setting and keeping within budget boundaries like we all have to. Our town used to strive towards attracting diversity, families and affordable living for all our public servants, while currently it seems you would drown all of us in unbelievable property taxes. We already pay the highest taxes in the state based on local income levels. People are struggling for the most basic needs, and yet you all feel this is an appropriate time to push more taxes on us. There is NO WAY my Husband nor I will vote for this bond measure . Not only that, it makes me sad, disappointed and angry that city government has so few smart solutions to their own budget issues and instead relies on milking the hard working families and hoping-to-retire citizens with more and more bonds. STOP IT. REALLY. JUST STOP.
Tamara Hebert RN BSN

Name not available

January 16, 2020, 6:32 AM

Question 1

No response

Question 2

No response

Name not available

inside Ashland

January 16, 2020, 9:53 AM

Question 1

No response

Question 2

I'm not in favor of redoing the building downtown. For years we've all spoken of congestion and parking problems downtown. All of the city employees have to park as well as the folks needing to do business. This is NOT helping the overcrowding problem with parking. Moving the location would greatly affect all these complaints , plus more money would not need to be spent to redo" the downtown to make it more user-friendly.

Linda Peterson Adams

inside Ashland

January 16, 2020, 11:33 AM

Question 1

No response

Question 2

No response

Name not available

January 16, 2020, 5:30 PM

Question 1

No response

Question 2

No response

Name not shown

inside Ashland

January 17, 2020, 4:56 AM

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

Question 1

No response

Question 2

Whatever the Council's decision, I urge you to present each perceived need for financing separately. People may support expenditures for one or more things but oppose others. We should have the chance to vote separately for each item.

Name not available

January 17, 2020, 5:26 AM

Question 1

No response

Question 2

No response

Name not available

January 17, 2020, 5:56 AM

Question 1

No response

Question 2

No response

Larry Cooper

inside Ashland

January 17, 2020, 7:47 AM

Question 1

Please provide the following information:

1. A complete list of all capital projects that are approved and in progress including total cost of each project, ongoing annual maintenance cost of each project when it is complete, expected life of the project before it needs replacement, and source of all financing for the project including capital funds used, loans, bonds, and fees charged to users of city services.
2. Explain what alternatives there are in each of the proposed new projects to accomplish the need of the project with a smaller expenditure. This should include not doing the project at all and what consequence

that would have for the city. Alternatives should include grants, private fundraising of donations, etc.

3. Please explain why these projects are not being folded into regular operations and funding of the city.

4. List the average residential and business cost of city services by listing the typical utility bill details, city tax levy, apportioned cost of meals tax, transient occupancy tax, and any other "regular" charges that residents and businesses pay the city.

5. What would be the cost of building new at the East Main campus to replace city hall?

6. Present an example of a similar size tourist mecca and its capital costs compared to Ashland

7. Provide a list of all current and proposed capital projects prioritized based on proven need and consequence of not doing the project (this would be a summary of some of the above information).

Question 2

No response

Name not available

January 17, 2020, 7:57 AM

Question 1

No response

Question 2

No response

Name not available

January 17, 2020, 8:17 AM

Question 1

No response

Question 2

No response

Name not available

January 17, 2020, 8:24 AM

Question 1

How do you expect to pay for this? It is becoming impossible to live in this town! Bond measure after bond measure passed in the backs of the

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

citizens. PLEASE STOP RAISING OUR UTILITIES! Make the current building work as every other city employee does.

Question 2

With the new jail bond measure also in play, how much will the combined measures cost the average citizen in addition to what we already pay? How much more do you think you can tax us? Find another way!!! This is absurd!

Name not available

January 17, 2020, 10:56 AM

Question 1

No response

Question 2

No response

Name not shown

inside Ashland

January 17, 2020, 11:34 AM

Question 1

Why are we bundling the proposed new City Hall with other capital improvements? These seem to be small enough that they should be paid out of reserves. Before any bond should be considered, we should be considering the sale of properties that were purchased and not being used for that purchase. Briscoe school, the 700 acres across the freeway and any excess parkland that is not under development. The city needs to consider the other bond proposals on the county level as well and school bonds that might be proposed in the near future. It might be more prudent to consider moving the City Hall functions to other city owned locations.

Question 2

I concern my self with risk assessment. According to the U.S. Forest service, Southern Oregon communities are at the highest risk in the state for structural loss due to fire. The Cascade subduction earthquake is estimated at a 40% and Southern Oregon would most likely sustain damage to older buildings and those not bolted to their foundations. Considering which is a higher risk, the economic damage from either could be great, but the likelihood of more forest fires with smoke in our area are likely to occur and be economically disastrous to our community. Future fires or smoke as that of 2018 could reduce revenue for the city

and result in an exodus of residents and businesses.

Also, how many building in our down town and community are considered seismically unsafe? schools? SOU? other city structures, and the reservoir? What city structures aside from the city hall are considered seismically unsafe? If there are those deemed unsafe, what are the future plans to mitigate?

Mary Lynne Jarvis

inside Ashland

January 17, 2020, 12:23 PM

Question 1

It's obvious you need a new city hall, but why does it have to be at the most desirable real estate location in Ashland, the entrance to Lithia Park. Have you looked into selling the property you are on to a high end developer and using the funds to buy a property nearer the Police Department on Main or the DMV on Tolman Creek Road, or some other property that is not as valuable? Saving the taxpayers should be a top priority.

Question 2

You could aid the citizens of Ashland in doing city business if you would move to a location where parking is not at such a premium. Please consider moving out of the downtown area so we can access you better. Serving the public should be a top priority.

Lenore Shisler

inside Ashland

January 18, 2020, 1:29 PM

Question 1

No response

Question 2

I'm an Ashland resident who has sorely missed the Community Center since it's closure last year. With its capacity to serve larger groups and welcoming presence, the Community Center has been a beloved landmark that has functioned as a vital structure in the heart of Ashland for many different types of groups. And, as the name "Center" indicates, the location of this space has drawn residents together in a way that has also fed the downtown. For example, dance groups that I participated in used to meet at the Center for weekly classes, then walk downtown afterward for drinks and dinner. That no longer happens because the loss of the structure has rippled out, resulting in a loss of activities, a decrease in group gatherings and an increasingly "deader" downtown. The Grove has not been able to accommodate all of the activities that were once

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

held at the Center, so some classes stopped being offered while others have struggled to compete for time slots and to fit into much smaller spaces on the periphery of the City. With no natural, easy extension of nearby restaurants/bars, participants don't share a drink or meal afterward--they just go home. The Community Center, it's location by Lithia Park and the downtown, is absolutely worth maintaining for Ashland residents and to help keep downtown businesses alive.

Dan Dawson

inside Ashland

January 18, 2020, 4:35 PM

Question 1

I am away and cannot attend the session so I will offer written comments. While I understand the desire to pursue the projects to be supported by the bond issue, I do not think they are the most pressing. I believe the most pressing issue is wildfire preparedness. If we pass a bond it should support wide scale fuel reduction and defensible space in town and adequate staffing for the fire department. A new city hall won't matter if the whole town burns like Paradise. Furthermore, I believe the risk associated with city hall is exaggerated. The chance of the Cascadian earthquake is something like a 30% chance of it occurring within 100 years. We have more immediate risks.

Question 2

No response

Name not shown

outside Ashland

January 18, 2020, 8:42 PM

Question 1

No response

Question 2

It is heartbreaking and absurd that the town of Ashland does not have a space available for the community. The community center was a safe and multicultural space for women like me whom every week, on Mondays, met to dance, to share, to learn, to explore, to discover and to create and be part of a community. The closing of the community center and the lack of a space for communion vanished, and with it dancers from different ages, backgrounds, abilities; our community was broken and what is more devastating is that even though we made efforts to continue with classes, building and empowering our own community and sisterhood the town of Ashland made it impossible for us to continue; yes, The Grove was made available

for a short month but what about after that period?

Did you ever stop to think about those who were affected by the closing of the community center?

Why was not The Grove open to the public, especially when there was not a conflict in schedules, I am only speaking in reference to the class I was attending?

Also, why was The Grove not more understanding of the needs of the community and it's policies changed as to accommodate the new changes?

The town of Ashland is small and finding a space to hold approximately 15-20 dancers is almost impossible, please, believe me when I say I have done my research

It appears as if the closing of the community center was a tactic to later on move in a direction not at all beneficial to the community, however, to a more private group.

I will appreciate it if the town of Ashland makes an effort to either rebuild the community center or to open a space for enrichment.

Kindly,

Name not shown

inside Ashland

January 18, 2020, 9:01 PM

Question 1

No response

Question 2

I have been so grateful for the Ashland Community Center over the past 10 years. It provided myself and others with a perfect space to develop and grow the African Dance community into something truly special and beautiful. Because of that space we were able to host teachers from Africa to come through every year and share their culture with the community at large. This helped to foster a greater understanding and appreciation of other cultures. It also helped to support numerous children and families in Africa as the African Dance community raised funds every year that supported children (specifically girls) to go to school and learn not just basic education but trades to support themselves, their families, and their local communities. This loss cannot be calculated using figures that justify a new city hall wrapped up in a proposal that feels more like blackmail instead of responsibility to the community. This city had, and still has, better options for the city hall that have been chosen to be ignored by the current governing body. I am personally appalled that, a) this city didn't begin fixing the community center right away, b) this city is trying to wrap together and thereby blackmail its citizens into a vote so the government can get its new city hall, and c) that a reasonable alternative was not offered such as the Grove especially given the original purpose of building the Grove had already been disrespected by the city government. This city government has a lot to answer for, and I am ashamed when I speak to my friends

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

about this city and what it has chosen to do and how it has disrespected it's citizens in such a blatant manner, and those that I do speak to can't believe that we don't have a community center and that the city is attempting to pull such a blatant farce on its citizens. Where is your self respect? Where is your desire to improve the city for its citizens? Because in the past 10 years I have lived here I have not seen it. Please just fix the community center using the funds that are already available for projects like this. Then fix Pioneer Hall. Then get a study from an alternative engineering firm to retrofit the historic building that is already used as city hall.

Name not available

January 20, 2020, 7:07 AM

Question 1

No response

Question 2

Please prioritize rehabilitating the Community Center and Pioneer Hall. These spaces are essential to Ashland residents as a gathering place for events. The downtown location was essential to a weekly event I hosted at the community center for nine years. Use of the community center also benefited local business as our group frequented downtown restaurants. Thank you.

Rob Cain

inside Ashland

January 21, 2020, 2:26 PM

Question 1

While this is past the deadline, I would like to understand how much money we have in reserve for various capital projects and the source of that money. I have heard everything from \$20 million to \$40 million.

Question 2

I would like the Council to place a priority on each of the projects and a timeline for each. Currently it appears we need to do all right now, even though we have been living with the existing infrastructure for decades.

Name not shown

inside Ashland

January 22, 2020, 9:54 AM

Question 1

Has the council considered the cost and disruption of moving out of the existing City Hall for construction and again moving out of temporary quarters into the new City Hall compared to the cost and disruption of moving once to a new City Hall at, for example, the Briscoe site?

Has the council considered the additional construction costs of building in a restricted and congested Plaza site compared to the relatively low activity and spacious nature of the Briscoe site?

Has the Council considered the cost to local businesses due to noise, congestion and lack of parking during construction at the existing Plaza site?

Has the Council considered the disruption and congested atmosphere placed on local citizens and tourists in the Plaza area during construction?

Has the Council considered the long term parking burden on an already overburdened parking infrastructure in the Plaza area?

Has the council performed due diligence in obtaining multiple alternative construction cost estimates and alternative site location and building design proposals from multiple professional planners, architects, engineers and construction contractors?

Question 2

Has the council considered the cost and disruption of moving out of the existing City Hall for construction and again moving out of temporary quarters into the new City Hall compared to the cost and disruption of moving once to a new City Hall at, for example, the Briscoe site?

Has the council considered the additional construction costs of building in a restricted and congested Plaza site compared to the relatively low activity and spacious nature of the Briscoe site?

Has the Council considered the cost to local businesses due to noise, congestion and lack of parking during construction at the existing Plaza site?

Has the Council considered the disruption and congested atmosphere placed on local citizens and tourists in the Plaza area during construction?

Has the Council considered the long term parking burden on an already overburdened parking infrastructure in the Plaza area?

Has the council performed due diligence in obtaining multiple alternative construction cost estimates and alternative site location and building design proposals from multiple professional planners, architects, engineers and construction contractors?

Name not shown

inside Ashland

January 22, 2020, 11:31 AM

Question 1

If you've known about the need for renovation to the city hall for many years, why have you not saved for the project?

If the city hall has stood for 130 years, why not leave it for another 30

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

years while you save money for the project?

Question 2

It is irresponsible to demolish a National Historic Building.
It is irresponsible to ask tax payers to pay for your lack of financial planning.
The property taxes in Ashland are already ridiculously too high.
You can't have affordable housing and \$600 per month property taxes.
There are already too many city employees per capita. Eliminate some positions to save money.

Name not available

inside Ashland

January 22, 2020, 12:30 PM

Question 1

No response

Question 2

Regarding the liability issue:
1)What does the city pay currently Pay for liability insurance?
2)What would the savings in liability insurance be after the upgrade?
If this is the principal issue do you feel the \$7 million plus price tag is a financially sound investments?

Phil Hutchings

inside Ashland

January 22, 2020, 5:12 PM

Question 1

No response

Question 2

dear city , I pay two different city electric and water bills including lots of added on taxes , please consider not adding any more costs to the city bills.and the tax bills , Levys and or any additional costs . I think you should spend within your means , and reduce your overhead, meaning do the hard work of being fiscally responsible. bring our city back in balance of a budget that makes sense as compared to similar cities. as to this city hall idea. fix the building with bids from experienced contractors in retrofitting , keep city hall downtown. thanks Phil hutchings

Name not available

inside Ashland

January 22, 2020, 5:59 PM

Question 1

No response

Question 2

Demolition of the existing City Hall will cost about the same as demolition of the Briscoe School building. The Briscoe site would provide a construction site that would be significantly better than the site created by the demolition of City Hall. Reconstruction on the existing City Hall site poses very difficult conditions for construction staging and hence significant extra cost.

The size of the Briscoe site would allow for a design that could incorporate a civic plaza space and could potentially allow for future expansion.

Brenda Leishman

outside Ashland

January 22, 2020, 6:23 PM

Question 1

No response

Question 2

I would like to know a) why the Council has not engaged the services of a restoration company to assess what it would cost to repair and rebuild city hall; b) why Council only got one opinion for one architectural company; c) why these proposals have been formulated behind closed doors without input from the Budget Committee; d) why this is being proposed without looking first at cost cutting measures ; and finally, e) what is the Council's vision for the city - does it include a place where ordinary people, young and working families, senior citizens on limited income, can live or is it a vision of an Oregon Jackson Hole? Thank you for your attention.

Name not available

January 22, 2020, 10:33 PM

Question 1

No response

Question 2

This is excessive and it seems that all bids that the city receives always exceeds original bids and their preferred vendors only make a profit

Capital Needs and Financing Bond Town Hall

Capital Needs and Financing Bond Town Hall

without any benefit to the residents of Ashland. We are already paying high utility bills and insane "user taxes." City of Ashland is making harder and harder for businesses and residents here and not providing incentives for us to stay. Not to mention making it hard for the police department to enforce the law without any consequences if people break the law, it's a joke. This is what you are choosing to spend money on??? There are existing buildings the city hall could occupy at a much cheaper cost. You do not need to be on the plaza. How about cutting overpaid city employees? How about not allowing vendors to go over original bids? Stop spending money on things we don't need? How about finding more ways to generate revenue instead of only spending? Permit parking throughout neighborhoods like they do in San Francisco? This gets rid of excess vehicles being stored on the streets and frees up parking. The permit costs and enforcement would pay not only for enforcement but generate revenue by parking tickets. Clean up our city and stop killing potential business and tourism revenue. The actions I have witnessed over the short few years being here it is clear that this city is headed to a serious overhaul and needs to expose this poor spending choices and who is really benefiting from the money being spent. Please find another option than spending this amount of money for your fancy new building and community center...



Capital Facilities Projects and Financing

Kelly A. Madding
City Administrator
January 22, 2020



Mayor Stromberg's Working Group

Mayor's Working Group

- June 4, 2020: the Mayor proposed a working group to the City Council to analyze a variety of revenue options for City capital and operational needs.
- The group met 10 times and various community members and staff participated in brainstorming and discussing ideas.

City Council Decisions 2016 - Present

Council Decision Milestones

Feasibility Phase

2016: Council reviewed findings of City Hall Seismic Evaluation, and directed staff to seek competitive proposals to study the options for replacing City Hall:

- Rebuilding new at the current City Hall location
- Building new at Pioneer St. Parking Lot
- Expanding Community Development Building

Staff received 4 competitive proposals from local architects. ORW Architecture selected based on their high qualifications and low proposed cost

2017: ORW's findings are presented to Council. Council directs staff to establish an advisory committee to recommend the best seismic alternative

Committee reports findings to Council. Most members favor rebuilding a new City Hall at the current site

Council Decision Milestones

Concept Design Phase

2017: Conceptual designs and costs of 3 revised options for replacing City Hall:

- Rebuild a new 4-story structure at the current City Hall location
- Building a new structure at the current location of Courts/Council Chambers
- Retrofit and remodel Briscoe School

2018: ORW Architecture awarded contract (2 bidders)

2019: Council asked staff to return with a concept and design for a seismic retrofit (aka renovation) that would guarantee a “100+ year building” ORW’s conceptual designs and findings

Based on the retrofit/renovation concept and cost Council supported keeping City Hall at its current site. Directed staff to return with a comparison the retrofit/renovation vs. rebuilding a new, 2-story City Hall at the current site.

Council approved the rebuild of a 2-story structure as the lowest cost alternative.

Rebuild Vs. Seismic Retrofit and Renovation

A Summary of ORW's Recommendation for
Rebuilding a New 2-Story Building

Rebuild vs. Retrofit & Renovate

Both options:

- Provide a safe accessible, durable building for ~100 years
- Update the building systems
- Comply with current structural codes
- Present opportunities for environmental sustainability
- Occupy a similar footprint
- Have similar costs
- Will be disruptive during construction to Plaza uses and businesses

Where Retrofit/Renovate Falls Short

A retrofit:

- Results in at least 600 square feet less than rebuilding City Hall
- Many unknowns and very high risk, which could be costly
- Has a longer construction schedule – more disruption
- Risk of exterior wall decomposition
- Added costs for materials testing and shoring of existing walls
- Has higher costs for demolition, sitework and foundation prep, design fees, and contractor's contingency

Why Building New is Recommended

“ORW Architecture recommends pursuing new construction for Ashland City Hall to provide a building that is safer and more durable, has a larger floor area, and is constructed faster with less risk and less expense.”

-Memo from ORW Architecture titled “Ashland City Hall – New or Renovation Considerations” 10/31/19

City Hall A Historical Perspective

Photo History of City Hall

City hall was constructed
in 1889 as a fire station

Undated photo of original
construction, viewed from
East Main Street



Photo History of City Hall

Original
construction, pre-
1913

Undated photo,
viewed from
North Main
Street

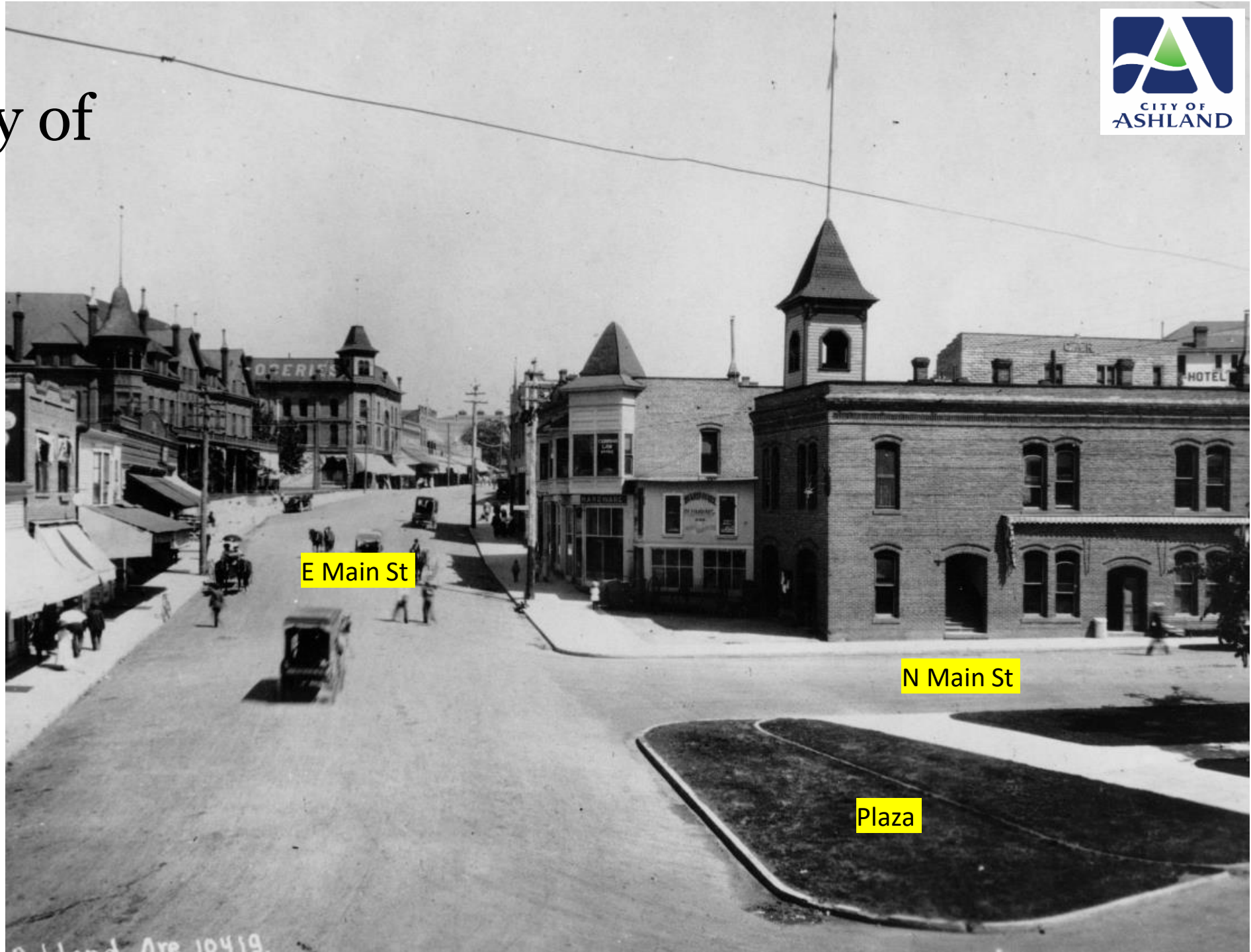
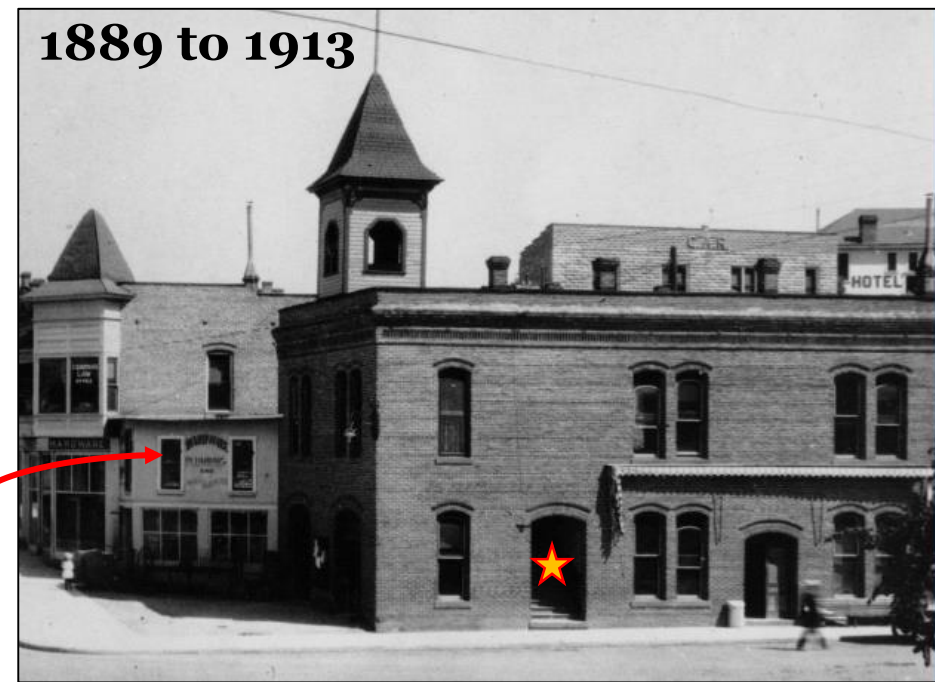


Photo History of City Hall – 1913 Remodel

Removed adjoining building
on E Main to expand south
and east.



Large addition on plaza-facing
side to expand north. Exterior
staircase remains



1913 remodel



Photo History of City Hall – 1913 Remodel

Second floor addition on south end (1997)

Minor addition on south end (date unknown)



Historic Significance

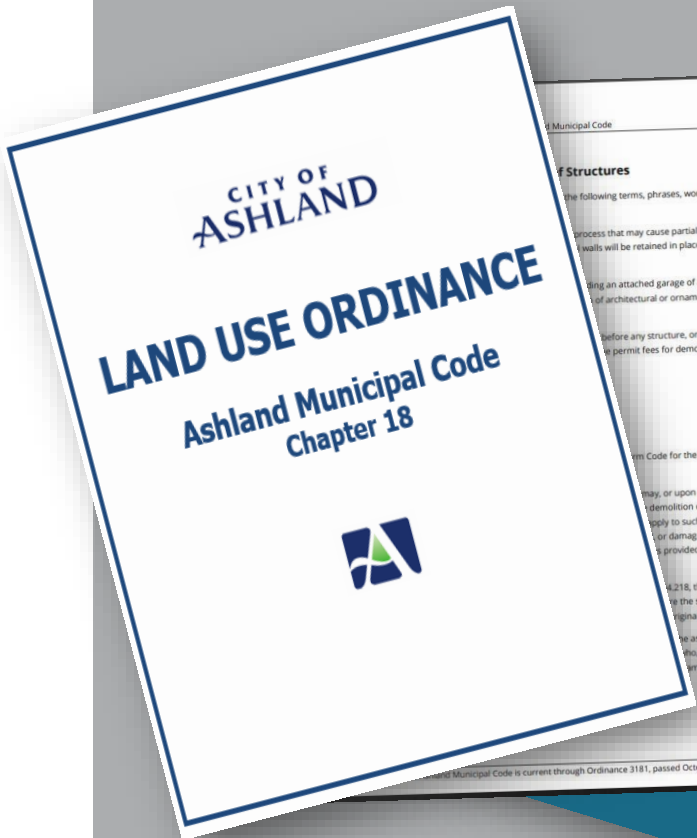
- City Hall is listed as a “Primary Contributing Resource” in the Ashland Downtown Historic District
- The Ashland Downtown Historic District is listed on the National Register of Historic Places
- Impacts to City Hall are evaluated through the City’s Demolition Permit Review and Site Design and Review process and the State Historic Preservation Office (SHPO)

What does this mean for the proposed demolition?

- City will need to consult with the Historic Commission and SHPO early in the design process
- These parties will develop a plan for mitigating the removal of this historic resource. **MITIGATION** may include:
 - Documentation
 - Protective covenants
 - Public education
 - Other historic preservation work to benefit the community

Local Review Process

1. Planning Application
 2. Demolition Permit
 3. Building Permit
-



Local Review Process

1. Planning Application

- Requires approval of Site Design Review for new building in the downtown
- Building over 2,500 square feet in size requires a public hearing at the Planning Commission
- Includes review of conformance with Historic District Design Standards

Local Review Process

2. Demolition Permit

- For structure 45 years or older, demonstrate cannot rehabilitate or reuse building or it is structurally unsound
- Development plan (Site Design Review) must be approved prior to demolition

Local Review Process

3. Building Permit

- Building construction drawings submitted
- Reviewed for consistency with State Building Code and approved planning application
- Once permit is issued, project is inspected by City staff

Pioneer Hall & Community Center

Pioneer Hall

Repair costs: \$403k -
\$500k (2022 dollars)

Overloaded roof under snow
(and possibly wind) loads

Overloaded floor joists and
beams under a live load

Seismic deficiencies

Architectural code deficiencies

Other “inhabitability”
deficiencies (e.g. insufficient
ventilation and lighting)

No fire protection system

Community Center

Repair costs: \$469k -
\$481k (2022 dollars)

Excessive and consistent roof
deflection causing

Outward deflection of exterior
wall

Downward deflection of ceiling
in main hall

Over spanned, sagging rafters

Floor deformation caused by
settling in the crawl space and
over-spanned floor joists

Why Do Public Buildings Cost More Than Residential Construction?

- Public facilities are required to pay “prevailing wage.” Prevailing wage adds to the cost of the job and may reduce those interested in bidding.
- The building code requirements create additional costs for commercial buildings such additional fire protection, accessibility requirements
- There are fewer commercial contractors

Butler-Perozzi Fountain

Butler-Perozzi Fountain

Historical Significance:

- Butler-Perozzi Fountain was sculpted by Antonio Frilli in Florence, Italy
- Showcased at a world art expo in San Francisco in 1915
- 1916: fountain gifted to Ashlanders by Gwin S. Butler and Domingo Perozzi
- Listed in the Ashland Cultural Resource Inventory Survey
- Lithia Park and the Butler-Perozzi Fountain are listed in the National Register of Historic Places

Butler-Perozzi Fountain



Butler-Perozzi Fountain

1980's Resoration:

- By the 1980s, all that remained of the fountain was the base
- John Fregonese found a sculptor trained in Italy money was raised for a complete restoration
- The sculptor restored and recreated the fountain bowls and Cupid statue, even sourcing the marble from the same Italian quarry as the original in Carrara Italy
- The project was completed in 1987

Solar/Micro Grid

Solar/Micro Grid Project

- Expansion of existing resiliency infrastructure at City Service Center/Emergency Operations Center
- Phase one of multi-phased, multi-year solar energy and battery storage system build out
- Expandable design as additional funding and operational opportunities arise
- Ongoing power generation for general City operations when not needed in emergency situations



Funding

Funding: Capital Bond

20- Year General Obligation Bond

- General Obligation Funding: For public projects that serve the public good. It is not associated with a fund (e.g. water, sewer) where rates are charged for use. A general obligation bond is backed by the full faith and credit of the City.
- A General Obligation (GO) Bond is commonly 20 years.

Funding via 20-Year Capital Bond

Projects:

• City Hall	\$7,200,000
• Pioneer Hall	\$ 500,000
• Community Center	\$ 500,000
• Solar	\$2,100,000
• Butler-Perozzi Fountain	\$ 350,000
<i>TOTAL</i>	<i>\$10,650,000</i>

Funding via 20-Year Capital Bond

Property Tax Implications:

Project	Estimated Cost	20-Year Bond Per \$1,000 of Assessed Value – Tax Rate
Capital Projects	\$10,650,000	\$0.2625

For a house assessed at \$400,000 the total annual taxes would be \$105.00

Funding via 20-Year Capital Bond

What if the project costs less than the amount bonded for?

The difference would have to be put back into the bond payments. The money could be spent on nothing else.

Why are multiple capital items bundled into one bond?

The cost of a bond are high. Bond Counsel recommends not bonding for <\$5,000,000

QUESTIONS?