

Council Business Meeting

February 19, 2019

Agenda Item	Croman Mill District Memorandum of Understanding	
From	Maria Harris	Planning Manager
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SUMMARY

The City Council is being asked to decide whether to participate in a project which would consider the revision of the Croman Mill District to allow for the development of additional housing units. The project would be undertaken in collaboration with the owners of the Croman Mill site, Croman Corporation. The Council directed staff to move forward with developing a memorandum of understanding (MOU) and scope of work for further consideration at the [March 5, 2018](#) meeting.

A draft MOU including a preliminary scope of work is attached and was reviewed by the Legal and Public Works departments. The MOU clarifies work expectations of both the City and Croman Corporation. Croman Corporation reviewed the MOU and indicated they are in agreement with the project as outlined.

The reason for considering potential amendments to the Croman Mill District is to evaluate allowing the development of additional housing units. Currently, housing is permitted in limited areas at the northern, western and southern edges of the plan area. The property owner indicated that the development of additional housing units will facilitate and finance the construction of the main street and necessary utilities (e.g., water, sewer, storm drain and electric) to serve the Croman Mill District. Establishing a road connection to Siskiyou Blvd. would also provide improved access for the trucks involved in the ongoing site clean-up and reclamation project, as well as jumpstart the development of the larger Croman Mill District area.

POLICIES, PLANS & GOALS SUPPORTED

The *2015-2017 Council Goals and Objectives* include the following goals and objectives related to housing and employment land.

- 5.2 *Support and promote, through policy, programs that make the City affordable to live in.*
- 5.2.a. *Pursue affordable housing opportunities, especially workforce housing. Identify specific incentives for developers to build more affordable housing.*
- 15.2 *Evaluate barriers to business startup and expansion.*
- 19.1 *Examine Croman Mill District redevelopment plan.*
- 19.4 *Create predictable pathways for development of employment land.*

The *Ashland Comprehensive Plan* includes a goal to “Ensure a variety of dwelling types and provide housing opportunities for the total cross-section of Ashland’s population, consistent with preserving the character and appearance of the city.

PREVIOUS COUNCIL ACTION

The Council directed staff to move forward with developing a MOU and preliminary scope of work for further consideration at the [March 5, 2018](#) meeting.

BACKGROUND AND ADDITIONAL INFORMATION

1. Croman Mill Plan Area

The Croman Mill Plan area includes approximately 95 acres. The Croman Mill Plan area is bound by the railroad right-of-way to the north and east, Tolman Creek Road and Hamilton Creek to the west and Siskiyou Boulevard to the south (see attached aerial photo).

The majority of the property in the plan area is comprised of the abandoned Croman Mill site (approximately 64 acres), which is the largest, unused parcel of land in the city limits. The nonoperational Croman Mill site is centrally located in the plan area, between Mistletoe Road and the railroad right-of-way. Approximately seven acres of the former Croman Mill site are located outside the city limits but within Ashland's urban growth boundary. This comprises the southerly extent of the Croman Mill Plan area and is immediately to adjacent Siskiyou Boulevard. Also included within the Croman Mill Plan area, is the Oregon Department of Transportation (ODOT) maintenance yard located south of the intersection of Mistletoe and Tolman Creek, as well as some additional properties to the west of Mistletoe Road and near the intersection of Siskiyou Boulevard and Crowson Road area.

The mill site was a former planing and saw mill for 62 years, from 1934 – 1996. As a result, the area has limited utilities and infrastructure to support future development. The property contained an abundance of decommissioned equipment, construction material and piles of debris and organic material. The property owners began preparing the site for development by clearing the equipment, material and buildings after the Croman Mill District was adopted by the City in 2010.

2. Croman Mill Site Redevelopment Plan

The Croman Mill master planning effort began in December 2007 and the plan was adopted in August 2010. Concurrent with the adoption of the Croman Mill Site Redevelopment Plan in 2010, the City adopted the [2007 Economic Opportunity Analysis \(EOA\)](#), added the Croman Mill Plan designation to the Comprehensive Plan map, added the Croman Mill District including five zones to the Zoning map and added [Chapter 18.3.2 Croman Mill District](#) to Title 18 Land Use of the Ashland Municipal Code.

The key elements of the master plan are the preservation of industrial and office use lands, buffering the neighborhood to the west, mitigating traffic impacts to Tolman Creek Road, the preservation of natural features (creeks, pond, and wetlands), a central open space element, improving access into the property, creating a street network incorporating truck, transit, pedestrian and bicycle access, maintaining access to the railroad and creating a unique identity to improve visibility of area.

Prior to the adoption of the master plan, the Planning Commission denied an application in 2001 to change the industrial zoning of the mill site to housing and health-care for approximately two-thirds of the 64 acres and for employment uses for the remaining third of the acreage. In 2007, the City completed the EOA which projects employment growth for Ashland and identifies the land needed to accommodate the projected employment growth. Subsequent to the development of the EOA, the City Council identified a goal to develop a master plan for the Croman Mill site area, and the master planning project was initiated by the City. The master plan was funded by a state Transportation and Growth Management (TGM) grant and a consultant conducted the public workshops and developed a draft plan and design standards.

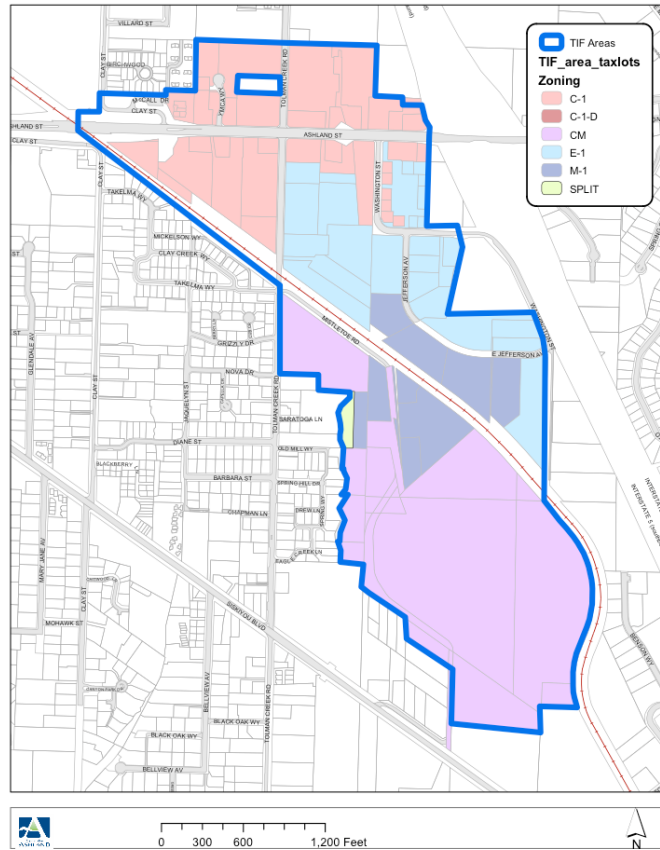
3. Recent Activities

The property owners began preparing the site for development by clearing the equipment, material and buildings after the Croman Mill District was adopted in 2010. At the same time, staff worked with an existing employer in Ashland that considered expanding operations and locating in the Croman Mill District. The discussions also involved a potential state grant to assist with funding the construction of streets and

utilities. The employer ultimately decided not to move forward. As a result, the state grant also didn't move forward because the funding was linked to maintaining and expanding jobs in the community.

The adopted master plan identified several priority projects to implement the plan. One of the recommended implementation projects was analyzing the feasibility of using tax increment financing (TIF) to publicly fund needed infrastructure (e.g., streets and utilities) and public improvements (e.g., central park, parking structure). The City completed an urban renewal feasibility study in 2011 that covered the technical issues pertaining to the feasibility of urban renewal in two study areas. The feasibility study evaluated the East Ashland Study Area which included the Croman Mill District as well as areas to the north and adjacent to Ashland St. (see map below). The feasibility study projected tax increment revenues to cover 53% of the projected infrastructure and public improvement costs for the East Ashland Study Area and identified the need to supplement TIF funds with other revenue sources.

Figure 1: East Ashland Study Area



In 2012, the property owners began a reclamation process to remove layers of organic material from the northwest corner of the site in the former log deck area. The reclamation of the log deck area continues and is projected to be complete in January 2020. Reclamation may also be necessary in other parts of the site and will likely need to occur prior to development. Finally, the Oregon Department of Environmental Quality (DEQ) may require a remediation plan which could involve additional site work.

In 2018, Community Development and City Administration staff had several meetings with the Croman Corporation owner's representative, Mike Montero. Croman Corporation owns and controls the largest amount of acreage within the Croman Mill District. Conversations with Mr. Montero centered around identifying options for jumpstarting private land development and associated public infrastructure installation (i.e. streets and utilities). Also discussed was the construction of a new public street connection to Siskiyou

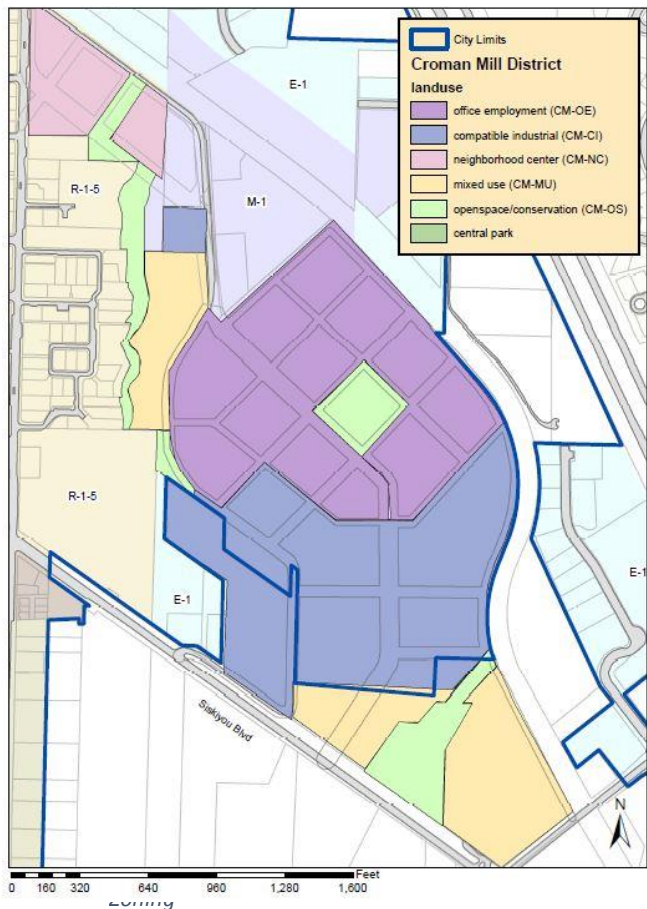
Boulevard to address concerns related to the impacts of ongoing site clean-up and reclamation. The ongoing site clean-up and reclamation activities create dust, noise, track out of debris onto adjoining city streets and truck traffic impacts at the intersection of Tolman Creek Road and Ashland Street.

4. Scope of Work

The MOU includes a preliminary scope of work (pp. 5-6) which includes the following key components.

- Establish objectives for mix and types of housing based on needs identified by the City of Ashland Housing Program, including required affordable housing.
- Prepare concept for amending the Croman Mill District zoning designations to allow for an increase in housing above what is currently permitted. Present concept to the City Council and Planning Commission.
- Update the traffic analysis and buildable lands inventory (BLI) as needed.
- Prepare a phasing plan for the construction of the Central Boulevard.
- Present potential Croman Mill District amendments and Central Boulevard improvement plan to the City Council and Planning Commission.
- Prepare and submit Croman Mill District amendments and annexation application for the formal review process. Schedule and hold public hearings at Housing and Transportation commissions. Schedule and hold public hearings for legislative amendment and annexation request at City Council and Planning Commission.
- If amendments are approved, Croman Corporation submits planning application for housing development consistent with legislative amendment.

Figure 2: Croman Mill District - Existing Zoning



Task 9 in the preliminary scope of work is a contingency to update the buildable lands inventory (BLI). The City may be required by the Oregon Department of Land Conservation and Development (DLCD) to update the BLI as part of changing zoning of additional areas from employment to housing. An update of the BLI would be performed in-house by staff.

Task 8 in the preliminary scope of work will require the expertise of an outside consultant to update of the traffic impact analysis (TIA). The TIA that was prepared with the master plan in 2010 will need to be updated to assess any changes in the projected traffic resulting from a shift from employment uses to housing. In addition, an updated TIA is required to address the state Transportation Planning Rule (TPR) requirements regarding impacts of zone changes to the street network and specifically, any state facilities. Staff estimates hiring a consultant for task 8 will cost approximately \$15,000 to \$20,000.

5. Timeline

The approximate timeline for the project is 12 to 18 months. The project would be undertaken in collaboration with Croman Corporation and Croman Corporation is responsible for significant portions of the work. As a result, adherence to the timeline would be dependent on both parties, the City and Croman Corporation.

FISCAL IMPACTS

The fiscal impacts related to the project fall into two categories – City staff time and specialized analysis requiring outside expertise.

Staff estimates between 540 to 660 hours of City staff time is required to complete the preliminary scope of work include in the MOU. The staff time is approximately equivalent to between \$41,000 to \$48,000. The estimate includes staff time from the Community Development, Public Works and Legal departments. The range of hours and cost of staff time is because of the contingency task for the update of the BLI (task 9), in the preliminary scope of work.

Outside expertise is required for the update of the TIA (task 8). Staff estimates hiring consultants for task 8 will cost approximately \$15,000 to \$20,000. Staff's recommendation is to negotiate cost sharing with the Croman Corporation after the scope of work for the TIA update is determined.

STAFF RECOMMENDATION

Staff recommends approval of the MOU.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

1. Motion to Approve Participation in a Project to Consider Potential Amendments to the Croman Mill District

I move to participate in collaboration with Croman Corporation in a project which would consider the revision of the Croman Mill District and direct the City Administrator to approve the memorandum of understanding.

2. Motion to Decline Participation in a Project to Consider Potential Amendments to the Croman Mill District

I move to decline participating in a project to consider the revision of the Croman Mill District.

REFERENCES & ATTACHMENTS

Attachment 1: Croman Mill District Amendments, Memorandum of Understanding (MOU)

Attachment 2: Croman Mill District Aerial Photo

Attachment 3: Croman Mill District Zoning Map

Attachment 4: Croman Mill District Potential Amendment Areas

CROMAN MILL DISTRICT AMENDMENTS
Memorandum of Understanding

The City of Ashland (hereinafter referred to as “City”) and Croman Corporation (hereinafter referred to as “Croman”) enter into this Memorandum of Understanding (this “MOU”) effective as of _____, 2019 (the “Effective Date”). This MOU explains and memorializes the respective goals and expectations of the City and Croman as they work to bring about a project that substantially benefits both entities. The specific purpose of this collaboration is to facilitate the construction of the Central Boulevard to provide improved access to the site and jumpstart the redevelopment of the Croman Mill Site.

A. Background

The parties acknowledge the following facts.

1. The Croman Mill site was a planing and saw mill for 62 years, from 1934 – 1996. Lumber mills are a land intensive use that is industrial in nature and involve large areas of outdoor storage, primarily shed-like structures and the use of large equipment. As a result, the mill site included an informal, unpaved network of roads and limited water,



McGrew Bros. Sawmill, 1967



sewer and electric utilities. Vehicular access to the mill site was and continues to be by Mistletoe Rd. on the eastern border. Because of the industrial and primarily outdoor use by the mill, the area has limited infrastructure to support future development.

2. Croman purchased the mill property and assumed control in December 1982. The mill continued to operate until 1996. At the end of the operations, most of the mill structures were removed. In 2001, the Planning Commission denied an application to change the industrial zoning of the mill site to housing and health-care for approximately two-thirds of the 64 acres and for employment uses for the remaining third of the acreage.
3. In 2010, the City of Ashland amended its Comprehensive Plan and Land Use Ordinance with the acknowledgement of the Croman Mill Site Redevelopment Plan, a technical report and supporting document of the Comprehensive Plan, and adoption of the Croman Mill District, a special district found in Ashland Municipal Code (AMC) 18.3.10. The Croman Mill District creates a framework for business park that includes professional offices, manufacturing, open space, neighborhood-oriented businesses and residential dwelling units.
4. The Croman Mill Site Redevelopment Plan and AMC 18.3.10 Croman intend to implement the following project goals and principles acknowledged through the plan adoption public involvement process.

Circulation

- Creation of a local street network that provides balanced circulation for pedestrian, bikes, auto/truck and transit and is well connected to existing streets
- Improve visibility and identity for the study area
- Mitigate impacts of auto and truck traffic on Tolman Creek Road and Ashland Street
- Preserve rail access for commuters, passengers and freight
- Provide for non-motorized trails linked to existing trails and parks systems

Land Use

- Promote the creation of a significant number of family wage jobs
- Allow for light industrial and manufacturing
- Create parcels with the flexibility to support local new small business, existing business expansion and large employers
- Consider a range of housing options
- Allow for a mix of uses
- Incorporate a public gathering space



- Preserve streams and wetlands
 - Include sustainable and green development codes
5. The property contained decommissioned equipment, construction material and piles of debris and organic material. The property owners began preparing the site for development by clearing the equipment, material and buildings after the Croman Mill District was adopted by the City in 2010.

The property owners began a reclamation process in 2012 to remove layers of organic material from the northwest corner of the site in the former log deck area. The reclamation of the log deck area continues and is projected to be complete in January 2020. Reclamation will also be necessary in other parts of the site and likely need to occur prior to development.

6. Ashland and Croman endeavor to accomplish specific goals and objectives of Chapter 18.3.10 - Croman Mill District - through cooperation in evaluating and proposing agreed upon adjustments/amendments to the Croman Mill District code and official city maps.

B. Project Objectives

1. Establish a clear pathway to jumpstart private land development and associated public infrastructure installation (i.e. streets and utilities).
2. Accelerate the construction of a new street connection to Siskiyou Boulevard to address concerns related to the impacts of ongoing site clean-up and reclamation, which has resulted in dust, noise, track out of debris onto adjoining city streets as well as presented challenges at the intersection of Tolman Creek Road and Ashland Street.
3. Facilitate a land use application for annexation of the remaining seven-acres of land currently outside the Ashland city limits but within the urban growth boundary (UGB).
4. Collaborate on possible amendments to the Croman Mill District that create momentum for local business expansion/development and facilitate construction of housing types that meet the needs of a cross-section of Ashland's population based upon the findings of technical analyses recognized within the Ashland Comprehensive Plan.



C. Roles and Responsibilities

1. City: Confer with and provide technical and policy suggestions on potential solutions, code amendment options and City policies with respect to housing and local business growth. Prepare Croman Mill District map revisions, ordinance amendments and written findings to address the Oregon Transportation Planning Rule OAR 660-012-0060.
2. Croman: Prepare and submit an application to amend the Croman Mill District including proposed changes to land use, site and street framework plans and a timeline and phasing plan for the Central Boulevard. Prepare and submit an application for annexation of the southerly portion of the plan area that is outside of the city limits and within the Urban Growth Boundary (UGB).
3. City and Croman: The City and Croman will each appoint a project manager to be a principal contact person.

D. Key Contacts

City

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Croman

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E. Scope of Work

Acknowledging the information recited in Section A and the mutually agreed upon project objectives set forth in Section B, the parties agree to the scope of work, as outlined in Exhibit A.



Scope of Work – Exhibit A

	Task	Responsible Party and Deliverables
1	Schedule and hold joint meeting between city staff and Croman representatives to clarify details of the scope of work.	City: Task list and timeline Croman: Schedule meeting
2	Coordinate with state agencies (DLCD, ODOT) to identify potential issues related to the buildable lands inventory (BLI) and traffic impact analysis.	City: Schedule and attend meetings
3	Establish objectives for mix and types of housing based on upon the findings of technical analyses recognized within the Ashland Comprehensive Plan.	City: Copy of relevant City plans Croman: Draft objectives
4	Prepare general site plan, street layout and land uses.	Croman: Draft plans
5	Review and provide feedback on general site plan and proposed housing types.	City: Memo summarizing comments
6	Revise general site plan, street layout and land uses.	Croman: Revised plans
7	Update City Council and Planning Commission.	City: Schedule meetings, written materials for packet and meeting presentation Croman: Attend meetings
8	Update traffic impact analysis (TIA) for proposed changes to existing zoning and identify potential mitigation strategies.	City: Existing TIA, summary of proposed changes to land uses, acreage and floor area/number of residential units, procurement documents and project management Consultant: Updated traffic impact analysis
9	Update BLI, as needed.	City: Updated BLI
10	Prepare timeline and phasing plan for construction of Central Boulevard.	Croman: Central Boulevard plan
11	Review and provide feedback on plan for construction of Central Boulevard.	City: Memo summarizing comments
12	Submit materials for a pre-application conferences between City departments.	Croman: Pre-application conference submittals
13	City Council and Planning Commission study sessions to present proposed Croman Mill District amendments and timeline and phasing plan for the construction of the Central Boulevard.	City: Written materials for packet and meeting presentation Croman: Draft site plan, street layout, land uses and timeline and phasing plan for construction of Central Boulevard; attend meetings



	Task	Responsible Party and Deliverables
14	City Council regular meeting to initiate planning application.	City: Written materials for packet and meeting presentation
15	Jointly prepare major amendments to the Croman Mill District per 18.3.2.020.C, any necessary ordinance amendments and written findings addressing the Statewide Planning Goal 12 Transportation including OAR 660-012-0060.	City: Revised plan maps as needed (e.g. Croman Mill District zoning), draft ordinance amendments and written findings for OAR 660-012-0060 Transportation Croman: Written findings addressing major amendment approval criteria, proposed changes to land uses and proposed changes to site and street framework plans
16	Prepare annexation planning application.	Croman: Application submission requirements
17	Prepare developer agreement (if necessary) to memorialize responsibilities, including but not limited to preparation of civil drawings for public improvements and construction schedule for the Central Boulevard.	City: Developer agreement
18	Submit Type III (Legislative) planning application for annexation and amendments to the Croman Mill District.	Croman
19	Commission hearings (Housing; Transportation; Planning).	City: Commission meeting hearing dates and notices as required Croman: Presentation to commissions
20	City Council Hearing Process on Legislative Changes and Annexation request.	City: City Council meeting date and notices as required Croman: Presentation to City Council
21	Permanent Road Access Permit (ODOT/Jackson County).	Croman
22	Submit Type II application for housing development proposals consistent with revised Croman Mill District.	Croman: Planning application materials

D. Other Considerations

This non-binding MOU will be effective as of the date of the last signature. Any party wishing to terminate this MOU should provide the other party written notice at least 60 days prior to the planned termination.

Except as provided herein, nothing in this MOU shall be construed as obligating either party to expend funds or oblige future payment of money authorized by law and administratively available for this work. The City's participation in the work agreed to in this MOU does not



obligate the City to approve or modify the requirements for, any applications Croman may submit.

City of Ashland

City Administrator

Date

Croman Corporation

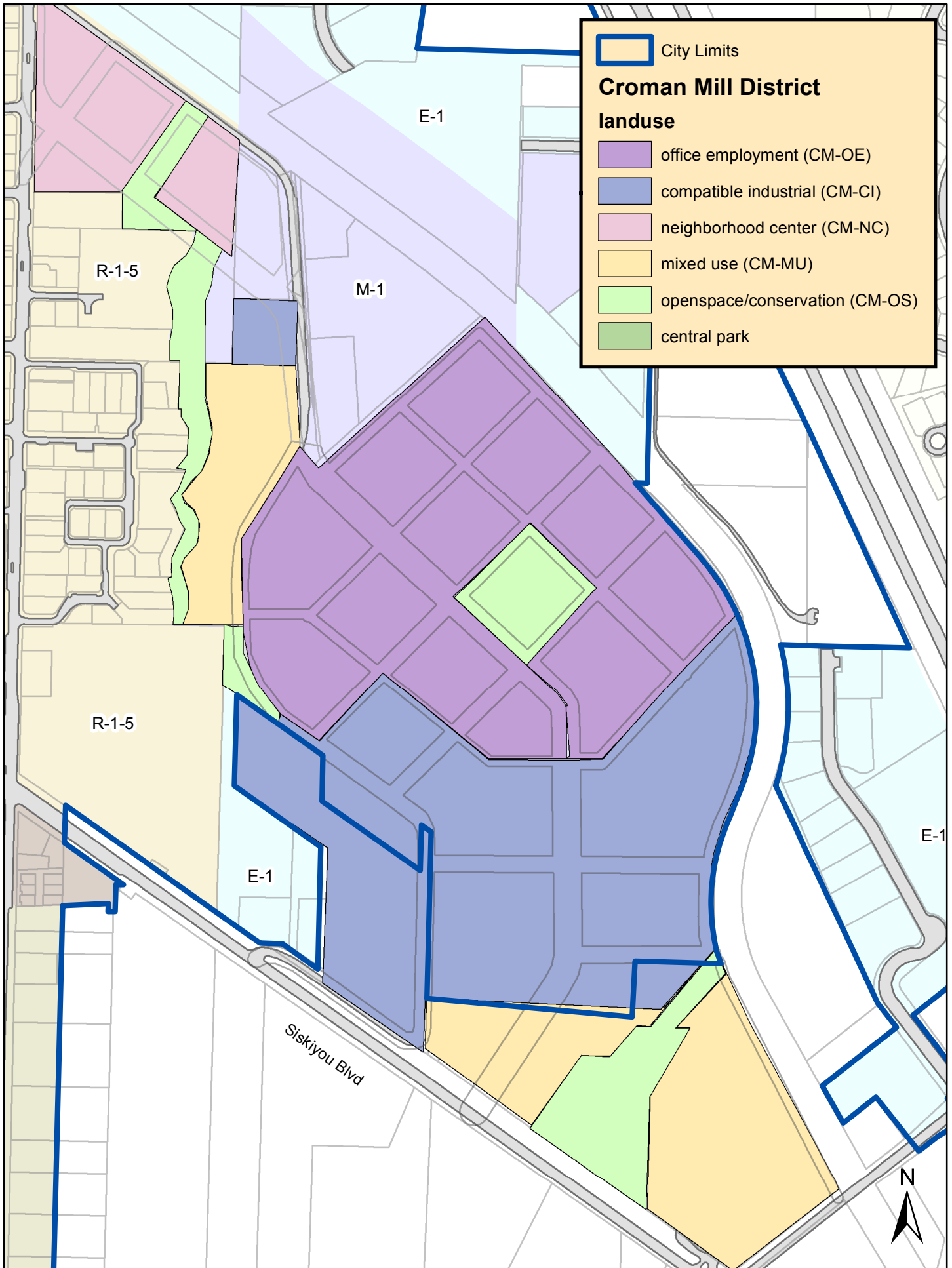
Signature of Official

Date



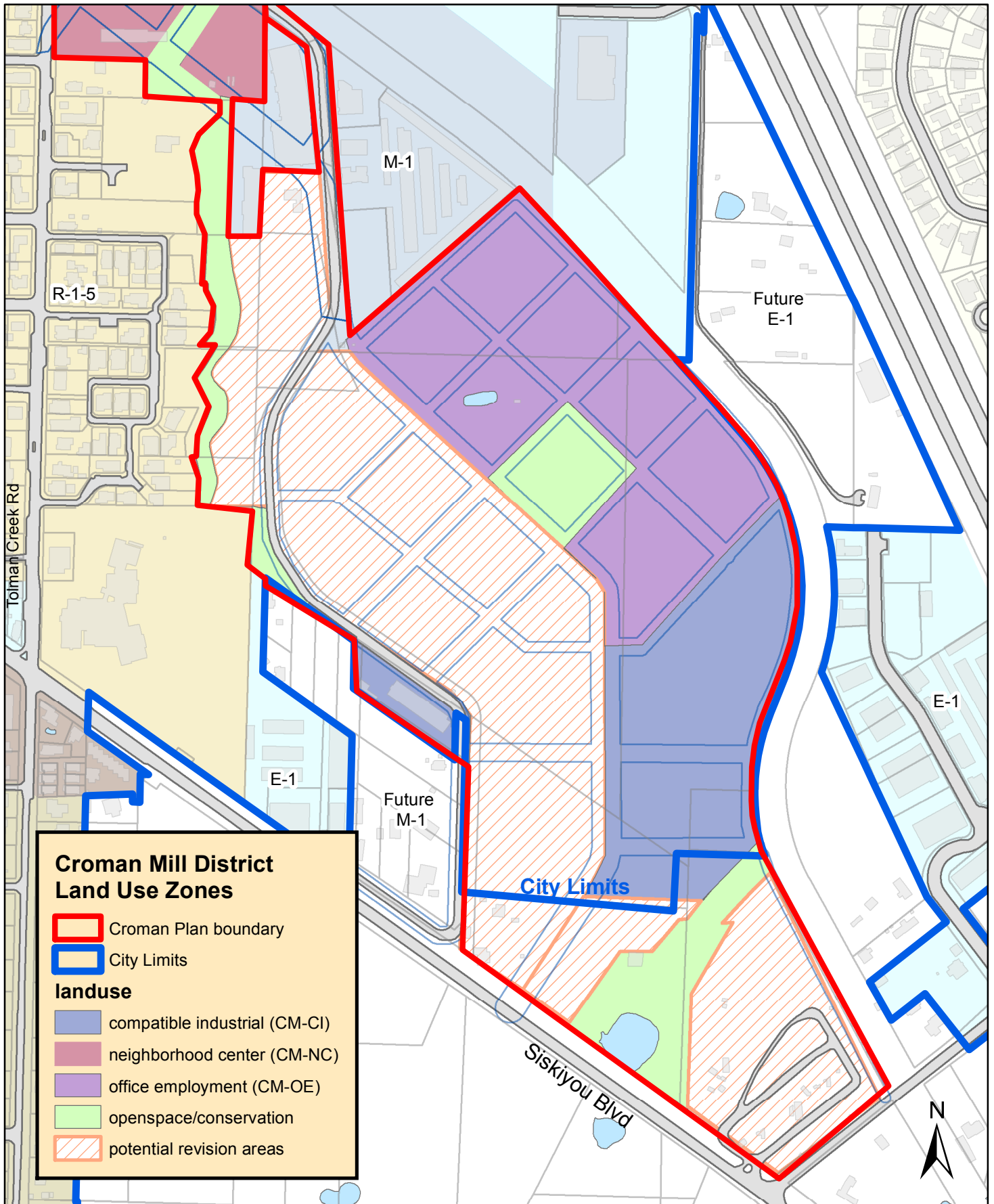


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Croman Mill District Potential Revision Areas (3/05/2018)

Attachment 3



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