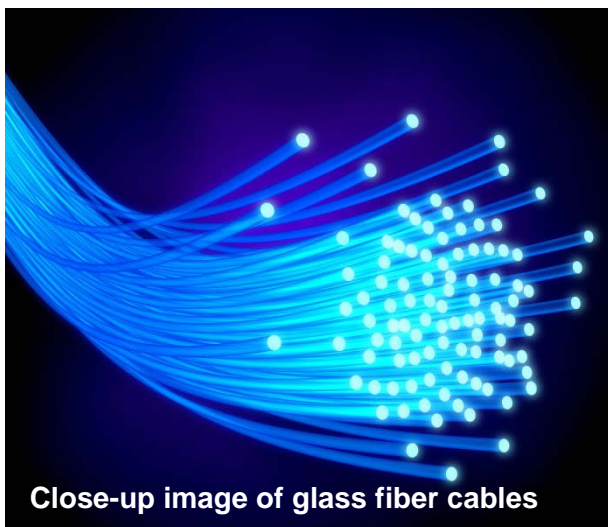


Eugene Fiber Implementation Plan

The City of Eugene and its partners are conducting engineering and financial planning to extend the municipal broadband fiber network to approximately 125 building in the downtown. This documents summarizes the status and purpose of establishing the network.

Background

The 2013 City of Eugene Broadband Strategic Plan identified the development of a downtown fiber network as a strategic goal. After completion of the Strategic Plan, City staff began working with LCOG and EWEB on a pilot project, to test the feasibility of implementation of the development of a downtown network.



Close-up image of glass fiber cables

The City of Eugene provided funds for the pilot project to connect three buildings in the downtown to the Willamette Internet eXchange (WIX) using fiber optics. Through the pilot project, two buildings have been connected: the Broadway Commerce Center and the Woolworth. The RAIN building, at 942 Olive, will be connected sometime this fiscal year. In addition, the fiber is now available in LCOG's building at 859 Willamette Street.

The pilot project determined that using underground electrical conduit is a feasible method to bring fiber to individual buildings. A key advantage is that it eliminates the need to open the streets, as the fiber is installed in tubes, known as 'microduct', that lie within the electrical conduit.

The pilot project was a success. It identified a workable method to connect commercial buildings to the WIX. Independent Internet Service Providers (ISPs) are now providing 1,000-megabit (gigabit) internet service for \$99 per month to about 20 tenants in the connected buildings. The speed and price of the service is comparable to cities in the U.S. known as 'gigabit cities'.

Based on the success of the pilot project, we are now moving forward to develop a plan to construct fiber connections across downtown Eugene. The Fiber Implementation Plan includes three distinct elements:

- **Engineering Plan.** This describes the physical layout and the pathways the fiber will follow.
- **Cost Estimate.** Based on the engineering, we calculated the expected cost.
- **Funding Plan.** We are identifying the different funding sources that could be used, and their advantages and disadvantages.



Microduct-the fiber lies in the small white, 'honeycomb' tubes.

What is a Fiber Network?

A fiber network connects individual buildings to a central connection point (an ‘exchange’) with fiber optic cable. Fiber-optic cables are thin glass strands that transmit data using light. Fiber can transmit very large amounts of data very quickly, and is much faster than copper cables and co-axial cables, which make up the bulk of the physical connections to buildings throughout the US. Most of the ‘back bone’ connections, from major hub to major hub, are fiber. Fiber is the most advanced technology for delivering communications.

The Downtown Eugene network includes both physical and service components. The physical components include:

- **The fiber.** Fiber strands that lie within EWEB’s existing underground conduits that connect into buildings. EWEB owns the fiber.
- **The WIX.** The Willamette Internet eXchange is local exchange located in the basement of the LCOG building at 859 Willamette Street. The individual fiber cables run into the WIX. The WIX is ‘carrier neutral,’ which means that any ISP can connect to it at a low cost. Incumbent service providers—Comcast and Century Link—own their own proprietary exchanges. Independent ISPs can use their facilities, but must pay a premium. The WIX has fiber connections to large, regional exchanges. LCOG owns the WIX.



An ISP connects the fiber to a rack in the WIX.

The service components include:

- **Internet Service Providers (ISPs).** The fiber connecting the buildings to the WIX is ‘dark’ fiber—it has no service associated with it. ‘Lighting the fiber’ means that an ISP has activated a connection from a customer in a building to the WIX and then to the rest of the internet. The ISPs lease fiber strands from EWEB and rack space in the WIX. Because it is a carrier-neutral facility, any ISP can lease the strands and space in the WIX. LCOG’s and EWEB’s lease rates cover maintenance and replacement costs; there is no mark-up for profits.
- **Back-haul connection.** There are also fiber connection from the WIX to large, regional internet exchanges in Portland and (just recently) San Jose, CA. At these regional exchange points, ISPs ‘peer’ (or connect) with other ISPs and major internet providers, such as Microsoft, Amazon, and Netflix. In Eugene, there is a constrained supply of access to the regional exchange points, so the connection speed is lower and cost is higher than in larger cities. The fiber planning team refers to this connection as the ‘Middle Mile’, as it provides the connection between major service providers and local ISPs.

The Implementation Plan

The City and its partners (LCOG, EWEB, and the Technology Association of Oregon, or TAO) are now developing a plan to construct fiber connections across downtown Eugene. We identified the service area for the downtown fiber network to correspond to the area where the utilities lie underground. The planning team identified this area because it covers much of the downtown, and we could design the system using the technology tested in the pilot project. Implementation within the area would occur in

two or more phases based on physical limitations and redevelopment timelines. A map showing the likely first phase will be provided when it becomes available.

The Implementation Plan covers two separate, but related, investments.

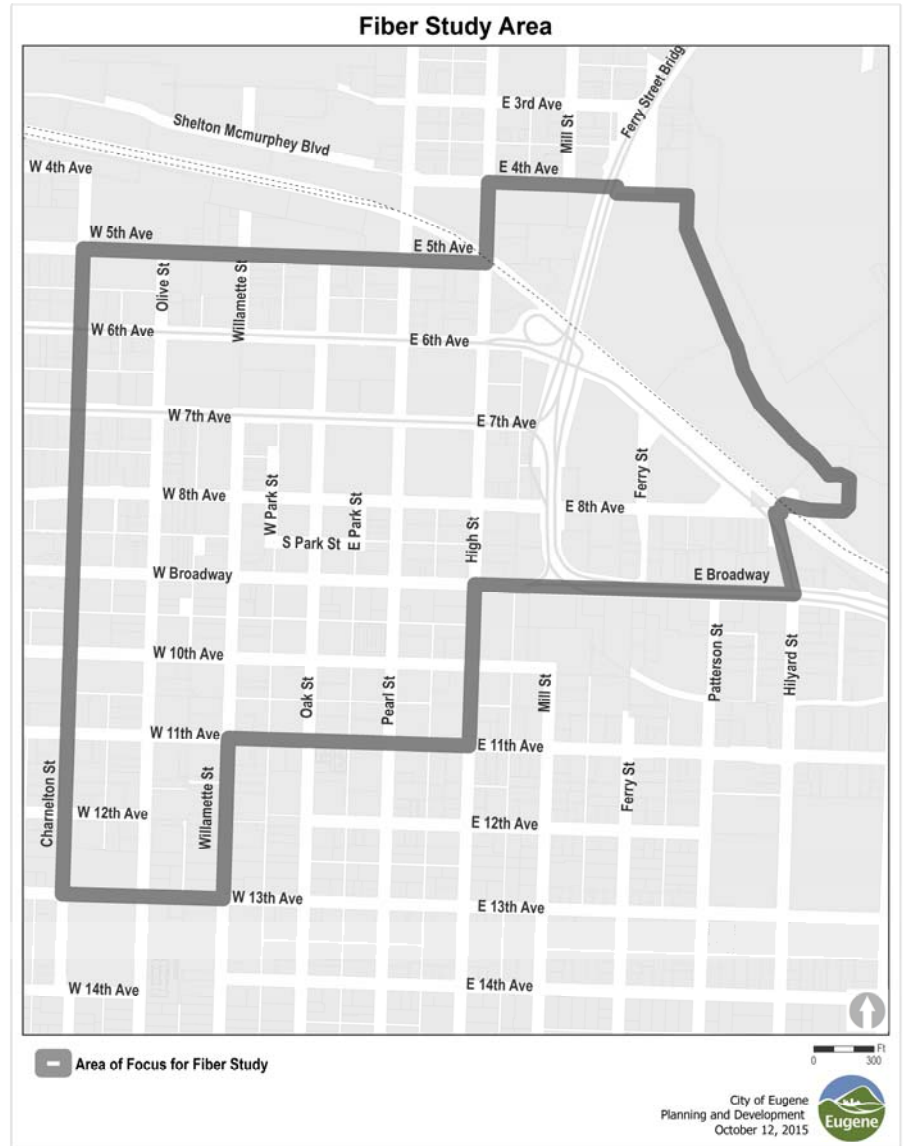
- The fiber to be installed in the electrical conduit under the City streets.
- The lease of a publicly operated Middle Mile connection to the WIX.

EWEB staff have completed the proposed engineering plan to determine the routes from the WIX to an internal patch panel inside each building. This plan has identified 120 buildings that can be connected to the network. The plan allows for additional buildings to connect to the network in the future. For example, there is capacity to allow future, new buildings to connect.

The plan also includes connection points at the physical boundaries of the service area, so that additional fiber outside the service area can splice onto this network. The planning team have worked to make this initial network flexible to accommodate future expansion.

EWEB has estimated that the cost of the full build out for the planned service area to be \$2.7 million. LCOG estimates that it will cost an additional \$750,000 to extend the fiber to service points inside buildings.

The engineering plan and cost estimate are preliminary. The planning team will reach out to key stakeholders (including building owners and ISPs) this winter to review the plan. The engineering plan may change, which will subsequently affect the cost estimate.



Caution: This map is based on imprecise source data, subject to change, and for general reference only.

The Implementation Plan includes the lease of a publicly operated back-haul connection—the Middle Mile. This 'Middle Mile' connection is necessary to deliver the supply needed for the downtown fiber project. The planning team is working to identify the cost of leasing our own 100-gigabit back-haul connection that could be partitioned into 10-gigabit segments and sub-leased to public agencies and ISPs.

Based on initial cost estimates, this publicly operated back-haul connection will have an initial capital cost of \$350,000 and a \$6,000 monthly (\$72,000 annual) fee. The City, other public agencies, school districts,

and ISP's would then have access to wholesale rates comparable to those that exist in the Portland and San Jose markets. The rates would be significantly lower than the rates available today.

While the advantages of a wholesale Middle Mile solution are clear, the actual feasibility needs to be justified before the investment is made. The City and its partners (LCOG and TAO) should prepare a careful business plan of the options. This plan would aim to secure pledges of purchases from other public agencies and local ISPs to ensure the benefits outweigh the costs.

Impacts to the Community

Customers that are in the service area will be able to purchase high-speed internet service for much less than what service providers offer today. For example, firms in the Broadway Commerce Center saw the price of monthly service decline from about \$250 for 150-megabit service, to \$99 for 1,000-megabit service.

The fiber network is creating a competitive landscape for telecommunications. Any ISP can lease the fiber for the same rate. No ISP receives a preferential rate. The publicly owned and operated infrastructure makes it possible for different ISPs to compete for business on a level playing field. They all have the same cost structure for the infrastructure.

The fast fiber-based connection will enhance the community's ability to attract and retain firms in the downtown. The speed and cost in our network makes our infrastructure competitive with larger markets. High-speed, low-cost telecommunications infrastructure has become essential infrastructure for many firms to thrive in the 21st century. The absence of strong network is comparable to having the railroads pass a community in the 19th century or not have an on-ramp to the interstate highway system in the 20th century.

The Middle Mile element will benefit the community beyond the core service area. The bulk lease of a back-haul connection will reduce costs for many different groups:

- **General government agencies.** LCOG, Springfield, Lane County, and Eugene would experience lower prices for their internet service. Our initial cost estimates show that, if the agency's pool resources, the net fiscal impact will be positive.
- **School Districts.** At this time, School Districts receive a federal subsidy for telecommunications. The subsidy is declining and is expected to terminate over the next few years. If the general government agencies lease the Middle Mile connection, the School Districts would benefit from the lower service cost. Each District has its own internet service agreement, but preliminary research shows the Middle Mile could result in savings from between \$9,600 to \$20,000 per year.
- **Private ISPs.** LCOG could lease capacity to ISPs. Today, local ISPs lease capacity from large, regional providers. Based on preliminary estimates, LCOG's lease rate would be significantly lower than existing lease rates. Local ISPs would experience reduced costs. As those ISPs compete for business in the fiber network, the reduced cost structure will allow them to offer higher speeds at lower prices than exists today.
- **Businesses on the fiber network.** The back-haul connection would provide a more direct connection to major national internet providers that have a presence in larger markets of Portland and San Jose. Eugene would then have similar access to large 'Cloud' services from companies such as Microsoft and Amazon. 'Cloud' services are becoming more and more important to businesses as they store their data in the Cloud. This back-haul connection establishes a primary connection from the WIX to these major service providers—greatly increasing the speed for customers on the fiber network.

Preliminary Funding Options

The fiber planning team, working with Finance Division staff, have identified five categories of potential funding sources: City of Eugene, Urban Renewal Agency, State of Oregon, federal agencies, and private contributions. It is possible to use a mix of the sources, described in the table below. The table shows our preliminary assessment of each funding source's advantages and disadvantages. The information will change as we refine the funding plan.

Funding Type	Description	Summary of Advantages/Disadvantages
City of Eugene		
General Fund	The General Fund is the largest fund used to account for discretionary expenditures and revenues. Public safety represents 55% of total General Fund spending, followed by culture and leisure, central business functions, and infrastructure and planning.	Fund is flexible and relies upon stable revenue sources, primarily property taxes. Use of General Funds is at the discretion of City Council. While the fund has stabilized post-recession, there are still insufficient resources to sustainably fund existing services.
Telecom Registration/Licensing Fund	The Telecom Fund accounts for revenues and expenditures associated with the City's 2% registration fee/business privilege tax imposed on providers of telecommunications services in Eugene.	Allowable under the legal limitations set forth in the 1997 Ordinance 20083. The Telecom Fund has sources of ongoing revenue and beginning working capital. Use of Telecom Fund resources would require Executive approval.
General Obligation Bond	A debt instrument that allows the City to raise additional revenues for specific purposes by getting voter approval to raise property taxes to repay debt.	This would require voter approval of a new tax levy. There are significant federal and state law restrictions on using bond funds for a public-private partnership.
Urban Renewal Agency		
Extend Existing Downtown Urban Renewal Plan and District	The Downtown Urban Renewal District currently receives a portion of property taxes collected by various taxing jurisdictions. The only remaining capital project currently authorized in the Plan is for improvements to the Park Blocks for the Farmers' Market. Existing tax increment funding is expected to end in winter of 2016.	An urban renewal project must be located in the boundary of the district and be included as a project in the plan. The Downtown Urban Renewal District covers a portion of the planned service area. The current Downtown Urban Renewal plan would need to be amended by council to extend this funding source. A plan amendment requires significant public process and a lengthy timeline. There is risk that the plan amendment ordinance would not be supported by overlapping taxing districts or would be referred by voters. For larger funding efforts, this could provide significant funding without raising taxes.
Riverfront Urban Renewal Capital Fund	The Riverfront Urban Renewal District currently receives a portion of property taxes collected by various taxing jurisdictions. The Riverfront Urban Renewal Capital Fund accounts for capital revenues and expenditures in the District.	An urban renewal project must be located in the boundary of the district and be included as a project in the plan. The Riverfront Urban Renewal District covers a portion of the planned service area.
State of Oregon		
Infrastructure Finance Authority (IFA) Loan	IFA offers low-interest loans for purposes that meet qualifying criteria. Telecommunications facilities are eligible to receive a loan through IFA's Special Public Works Fund.	This is not a way to pay for the project. It is a way to change the timing of when funds are available. City would need to identify resources to repay the loan.

Funding Type	Description	Summary of Advantages/Disadvantages
IFA Grant	Grants are available through the Special Public Works Fund for construction projects that create or retain traded-sector jobs. The grants are limited to \$500,000 or 85% of the project cost, whichever is less, and are based on up to \$5,000 per eligible job created or retained.	Must collect letters from employers stating expected job growth and document 100 new jobs within 5 years of receiving grant, based on a \$500,000 assumed grant. City must repay any grant funds that are not offset by job creation and retention.
Federal Agencies		
U.S. Department of Commerce Economic Development Administration (EDA)	Federal grants provided through EDA generally fund up to 50% of project costs. The grantee must provide the matching funds and meet economic distress criteria including unemployment rates above the national average and have a demonstrated special need for the grant.	This represents an opportunity to leverage federal grant dollars for the Fiber Project. The City would still need to commit the 50% matching funds for the project. The City currently does not meet the eligibility criteria for economic distress, but we may be able to show we have special needs that make the City eligible.
Private Funds		
Internal building infrastructure	Require building owners to fund connections inside building.	The internal wiring could be owned by the building owner or by the public network, and the ownership will determine funding source. Staff have not yet fully assessed advantages and disadvantages of different ownership models.
Required payment to connect to network	Require building owners contribute funds to connect to the network.	This will reduce the overall cost to the City, but it may limit participation in the network, so the network will not be ubiquitous in the service area. The limited coverage would reduce the overall success of project.
Optional payment to move to the front of the line	Create an option where a property owner can be connected to the network earlier if the property owner pays for the connection.	This will create an incentive for building owners to contribute funds to the construction project, but not require a financial contribution. The network will eventually achieve full coverage.
Voluntary contributions	Ask building owners to contribute to project as they wish.	It is unlikely that property owners would voluntarily contribute funds to a public infrastructure project if there is no clear incentive for them to do so.

Park Blocks Improvements

The Park Blocks are a living legacy of the forethought and civic spirit of the earliest founders of Eugene. On a direct path to the Willamette River from downtown, the design, appearance and function of the Park Blocks are a critical component of Eugene's identity and economic health, the long term location for two beloved organizations, the Saturday Market and the Lane County Farmers' Market, and a key part of the Willamette to Willamette initiative. The Park Blocks have the potential to support the emerging downtown neighborhood and to provide an inviting urban open space in the core of the city for the entire community. Improving these spaces and increasing the opportunities for increased desired activities downtown requires a focused, strategic investment in the amenities, character, and public identity of the Park Blocks, as well as the other key public open spaces downtown. This attachment provides general background, description of the potential city actions, and information on the funding options to reinforce the Park Blocks as our historic town square for the present and the future.

GENERAL BACKGROUND

The Park Blocks are the historic center and most identifiable public space in downtown. Originally delineated as a large square in 1854, the site has undergone significant changes with new designs and structures through the last 152 years. Today, the two south Park Blocks are owned by the City of Eugene and are a park and open space for general public use. While they are used daily, they are best known for the Saturday Market, now in its 40th year, and the Farmers' Market, now 100 years old, which fill the space with significant activity at least weekly for more than half of the year. When the space is not actively programmed, longstanding issues with use, infrastructure, safety, design, and context prevent the Park Blocks from being an inviting civic showcase. Without intensively programmed events such as the markets, even in the best weather, they are a space that is underutilized by the community.



The two north blocks are owned by Lane County; the east block is occupied in part by the Public Service Building and the Free Speech Plaza, dedicated in 2005. The plaza design has low walls that enclose the space resulting in less visual or physical access to the other three quadrants. On the northwest block, the space in front and to the sides of the Butterfly Parking Lot have been used for the Lane County Farmers' Market, but do not provide adequate space for the farmers or circulation space for visitors.

Redesigning the Park Blocks for a more functional and inviting space as well as recreating the original four quadrants has been a part of the community's conversation for many years. The Eugene Downtown Plan, adopted in 2004, supports the careful design of parks and plazas downtown, including the consideration of the four corners that were historically part of the original Park Blocks, as well as the following implementation strategies and projects:

- Prepare an open space plan for downtown that includes the Park Blocks, parks adjacent to downtown and the riverfront path system.
- Reinforce the continued use of the Park Blocks for the Saturday Market and Farmers' Market.
- Work with Lane County to develop a mixed use or civic structure in place of the Butterfly Parking Lot on Oak Street between 7th and 8th Avenues, to better integrate this site with the Park Blocks.

In 2004, shortly after the Downtown Plan was adopted, the Mayor's Civic Visioning Committee released their report and recommendation including a redesign of the Park Blocks, with the northwest quadrant added and the south Park Blocks upgraded. In 2006, the Park Blocks Master Plan was completed, which reinforced the goal of reclaiming the northwest quadrant and proposed significant upgrades to Park Street, which borders the Park Blocks, and changes to the south Park Blocks as well as.

Now that downtown revitalization efforts have resulted in renewed confidence, investment and activity, the community conversation about the design and use of public open spaces highlights the importance of creating and maintaining successful downtown public spaces. The Park Blocks are a critical component of this conversation and demonstrate the continuing need for a downtown environment that is inclusive, welcoming, and active, as part of the city's heritage and of our legacy.

SPECIFIC CITY ACTIONS

Programming & Management

This approach would focus on maintenance, management, and programming with some upfront investment in signage, security, and furniture. Initial capital costs and a consultant to develop a Park Blocks specific management plan could be approximately \$100,000 to \$200,000. Ongoing expenses could include additional staff time for custodial work, security, and event coordination, and increased budgets for necessary materials. The cost estimate for ongoing expenses could be approximately \$100,000 per year.

Infrastructure Related

Community Engagement: This approach begins with asking the community about their aspirations and vision for our town square, as well as a needs assessment in our growing downtown neighborhood. Based on the results of that work, it could likely require a placemaking plan (focusing on uses, amenities, activities and pathways) and a management plan (focusing on operations) to illustrate and implement the community vision. The geographic area could be limited to the Park Blocks or have a broader approach as "Park Blocks Plus," which could include other key downtown open spaces: Hult Plaza, Broadway Plaza, the plaza at the new City Hall, the new riverfront park, and the pedestrian path system in between these places. The cost estimate for this range of community engagement and plans is approximately \$75,000 to \$350,000 depending on the scope.

Implementation: Implementation would be based on the community engagement results. Because council has asked for funding mechanisms, staff considered possible implementation scenarios based on the range of council discussion on January 11 to provide an order of magnitude to analyze the funding mechanisms. Under any scenario, \$500,000 of Downtown Urban Renewal funds is already available for improvements that benefit the Farmers' Market.

- Spruce Up – This approach could include careful additions or upgrades to lighting, landscaping, signage, benches, paving, and the addition of restrooms for the southern Park Blocks. The cost estimate could be approximately \$1 to \$2 million. This does not include

the ongoing cost for maintenance of these improvements. Spending the \$500,000 available for Farmers' Market related improvements would be additional.

- **Blank Slate** – This approach could include implementation of the 2006 Master Plan for the Park Blocks, which focused on changes to all surrounding streets and reincorporating the southern half of the Butterfly Parking Lot; removing barriers on the southeast and southwest Park Blocks, which was not part of the 2006 Master Plan; and building a permanent structure for the Farmers' Market. Implementation would be for the Park Blocks only (rather than for "Park Blocks Plus"). The cost estimate for this type of extensive implementation could be \$15 to \$25 million. This does not include the ongoing cost for maintenance of these improvements.
- **Park Blocks Plus** – This would be a broader approach to include improvements to other key downtown open spaces: Hult Plaza, Broadway Plaza, the plaza at the new City Hall, the new riverfront park. It could also include Willamette to Willamette initiative items such as making 8th Avenue two-way, enhancing the pedestrian path system in between these places, and installation of art and history items.



Summary of Funding Options for Park Blocks Improvements

Funding Type	Description	Summary of Advantages/Disadvantages
City of Eugene		
General Obligation Bond	A debt instrument that allows the City to raise additional revenues for specific purposes by getting voter approval to raise property taxes to repay debt.	This is a familiar funding mechanism that could be coupled with other park projects. Would require voter approval of new taxes; requires significant lead time.
Local Option Property Tax Levy	Time-limited new revenue source.	This is another familiar funding mechanism that could be coupled with other parks needs. Requires voter approval. Falls under the Measure 5 tax rate cap.
General Fund	The General Fund is the largest fund used to account for discretionary expenditures and revenues. Public safety represents 55% of total General Fund spending, followed by culture and leisure, central business functions, and infrastructure and planning.	Fund is flexible and relies upon stable revenue sources, primarily property taxes. Use of General Funds is at the discretion of City Council. While the fund has stabilized post-recession, there are still insufficient resources to sustainably fund existing services, so this source is unlikely to be able provide funding for the Park Blocks Improvements.
Increased Transient Room Tax Rate	The Transient Room Tax (TRT) is a 4.5% tax charged on all overnight stays in the city, including hotels and motels, campgrounds, retreat centers, RV parks, bed and breakfasts, and vacation rentals. These tax dollars are collected under the authority of the City's Transient Room Tax Ordinance, to be used for the promotion and development of tourism and visitor programs for Eugene.	Current TRT dollars are fully programmed, so an increase in the rate would be required to add services. This tax is largely paid by visitors, rather than City residents. Any increase would have to comply with state law restrictions on spending. Higher lodging costs could impact other downtown revitalization goals. The State is considering an increase to TRT for the Track and Field World Championships. Historically, the City tries to move increases in concert with Springfield to maintain competitive balance.
Parks SDCs	Parks System Development Charges (SDCs) are collected on all new development in the City and used to fund park construction and rehabilitation required to support new development. Park SDC fees are set based upon an approved project list.	Paid by new development for park improvements. For eligibility, the project work needs to be listed on the approved SDC project list. Included in the current project list is land acquisition to expand the park blocks and development of a children's playground in the downtown. The project list would need to be amended to include additional projects, or projects could be included in the next project list, which is a step in the current park and recreation system plan update process.
Road Capital Fund	The Road Capital Fund is funded by state and federal grants for specific projects competitively awarded to the City.	If successful, awarded funds could be used for changes to streets that surround the Park Blocks.

Funding Type	Description	Summary of Advantages/Disadvantages
Urban Renewal Agency		
Existing Urban Renewal Funds	The only remaining capital project currently authorized in the Plan is for \$500,000 of improvements to the Park Blocks for the Farmers' Market.	The funds are ready and intended to benefit the Park Blocks and have been since 2010. The Farmers' Market maintains interest in creating a permanent, year-round home for the market in downtown, and is continuing to work with both the City and County to identify the key next steps toward that goal. The \$500,000 set-aside for improvements was determined prior to the land swap concept, and may need an increased investment.
Extend Existing Urban Renewal Plan and District	The Downtown Urban Renewal District currently receives a portion of property taxes collected by various taxing jurisdictions. Existing tax increment funding is expected to end in winter of 2016.	The current Downtown Urban Renewal plan would need to be amended by council to extend this funding source. A plan amendment requires significant public process and a lengthy timeline. There is risk that the plan amendment ordinance would not be supported by overlapping taxing districts or would be referred by voters. For larger funding efforts, this could provide significant funding without raising taxes.
Riverfront Urban Renewal Plan and District	The Riverfront Urban Renewal District currently receives a portion of property taxes collected by various taxing jurisdictions.	An urban renewal project must be located in the boundary of the district.
State or Federal Sources		
State or Federal Grants	Possible funding source for improvements, depending on what is part of implementation.	Grants can be uncertain in terms of timing and amount.
Private Funds		
Downtown Service District Adjustments	Fees paid by downtown property owners to provide special services within the district.	Existing program; property owners share in the cost. Would increase costs for downtown businesses, which could slow the downtown revitalization momentum. Could be perceived as unfair because a small population would be paying for improvements to be used by the entire community.
Private Donations	Community members contribute to a capital campaign to fund particular features in the improvement project.	Could build community enthusiasm for the project. Would take significant effort to develop the campaign; uncertainty about ability to raise the funds could delay project.



Memorandum

Date: December 2, 2015

To: Jon Ruiz, City Manager

From: Sue Cutsogeorge, Finance Director

Subject: Downtown Urban Renewal District Inquiries

We have received inquiries from members of the community and the City's Budget Committee about the status of the Downtown Urban Renewal District. Based on conversations with City Attorney Glenn Klein, we provided the following responses to their questions:

When does the Downtown Urban Renewal District terminate?

According to the 2010 Urban Renewal Plan for the Downtown Urban Renewal District (the Plan): "Upon the repayment or defeasance of debt related to the urban renewal projects specifically identified in the Plan, as amended by the 2010 Amendment, the Downtown Urban Renewal District will be terminated, any unused tax increment funds will be returned to Lane County for redistribution to overlapping taxing districts, and other assets and liabilities transferred to the City of Eugene."

This means that the termination date for the district depends on future tax revenues. We currently expect to have sufficient revenues to repay the debt by December of 2016.

Can the termination date be extended?

On a technical basis, the termination date can be extended. Per section 1200 of the Plan, all changes or amendments to the Downtown Urban Renewal District Plan would be completed through the substantial amendment process (ORS 457.085(2)(i)). However, as is also stated in that section, "it is the intent of this Plan that ... there be no amendments, substantial or otherwise." Section 1200 also contains the following: "The purpose of the 2010 Amendment is to limit any new project activities to the Projects, and once those Projects are completed and the debt is repaid or defeased, to require that the Agency will notify the assessor to cease dividing taxes for the District." Additionally, section 100 states: "Except for these three projects, the Agency will not initiate additional projects to be funded with tax increment dollars after the date of this 2010 Amendment."

When would a Plan amendment have to be in place to retain the current level of tax increment revenues?

In order to account for the possible referral of a proposed amendment, we estimate that any amendment to the current Plan would need to be approved by the City Council by May of 2016. This would allow for the 30 day referral period and if referred, the necessary amount of time for the amendment to be placed on the November ballot.

What would need to happen before the City Council can consider a Plan amendment?

Several steps are required before an amendment can be considered by the City Council:

- The Urban Renewal Agency Board gives the Agency Director direction to prepare a plan.
- The Agency Director prepares a plan and a report (which includes blight findings).
- The Urban Renewal Agency Board forwards the plan to the City Council.
- Affected taxing districts are noticed and concurrence is requested from overlapping taxing jurisdictions.
- A notice is sent to all households and property owners.
- The Planning Commission meets and provides recommendations on the plan.
- The City Council holds a public hearing on the plan.

What happens to current Plan activities if the Downtown District terminates?

The Downtown Revitalization Loan Program (DRLP) – This loan program, which uses non-tax increment funds, is currently operated through the Downtown Urban Renewal District. If the Downtown District is terminated, the loan program could be administered by the City along with other City development loan programs. DRLP administration is currently funded with tax increment dollars, so a new funding source would need to be identified to continue the program.

Projects – Farmers’ Market Improvements – Within the Plan, the Agency Board approved expenditure of funds on infrastructure improvements to the Park Blocks in order to make that location more attractive and functional for the Farmers’ Market. Specifically, the Plan calls for spending up to \$500,000. The funds could be used for street improvements along 8th such as narrowing the street or curb extensions; electrical upgrades, landscape changes; right-of-way improvements for compatibility with neighboring businesses; bike parking; and improvements to the East Park Block. These funds have not been spent. The Farmers’ Market is interested and committed to creating a permanent, year-round home for the market in downtown, and is continuing to work with both the City and County to identify the key next steps toward that goal. If the District terminates, the \$500,000 would continue to be set aside for this purpose.

Staff support of downtown – The Downtown District funds staff support for downtown: program administration including project management, financial services, DRLP administration, debt issuance, legal services; reporting (budgets, financials); and assistance to businesses interested in locating downtown. Many of the activities are provided through an intergovernmental contract between the City and the Agency. If the Downtown District were terminated, some of these activities would no longer be needed, such as reporting on District financial activity. There are, however, some activities that would still occur to support downtown goals, and, an alternative source of funds for these activities would be need to be identified or the activities would cease.

Budget impacts – The Downtown District is expected to receive about \$2 million of tax increment funds in the current fiscal year. If the District were terminated, approximately \$1 million of that amount would be returned to the City’s General Fund as ongoing property tax revenue. Some of that revenue might be used to continue to provide some of the downtown development services funded with tax increment dollars, such as the DRLP administration. In addition, to the extent that there was a desire to contribute dollars to assist with a downtown development project, the newly-created General Fund property tax dollars would be a potential funding source.