

# MENDOCINO CROSSINGS CREATES PUBLIC REVENUE FOR COMMUNITY IMPROVEMENTS

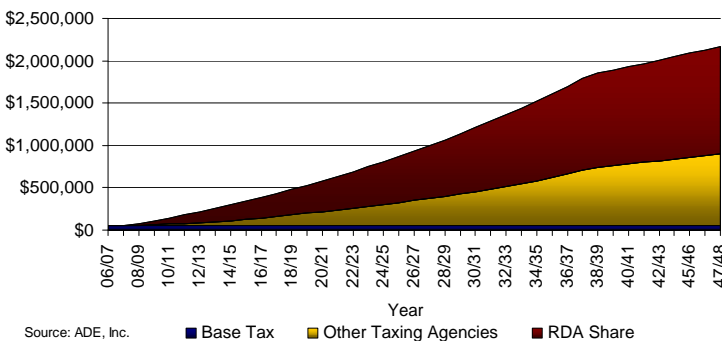
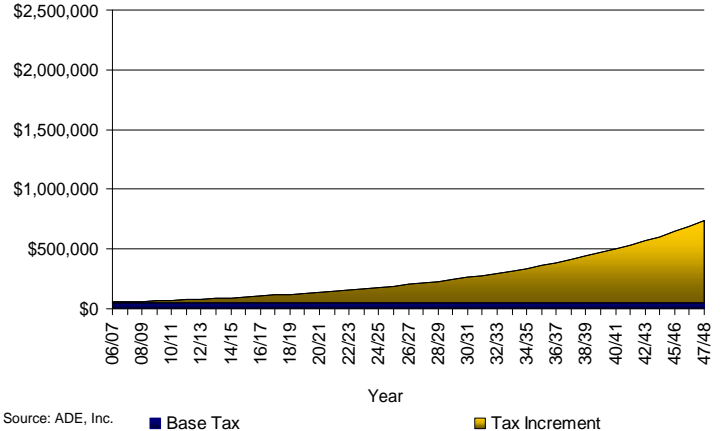
The former Masonite site is in a County Redevelopment Project Area. Mendocino Crossings will help the County create redevelopment tax increment revenues to fund community improvements. The project will also create important sales taxes to help fund County services.

- ✓ By including retail along with others uses on the site, the Mendocino Crossings project will greatly increase the revenues available to the County, compared to the development of only industrial uses.
- ✓ Mendocino Crossings is projected to create \$74 million in redevelopment revenues by 2048, compared to only \$25 million if the site remained industrial only.
- ✓ Backed by Mendocino Crossings' future revenue stream of \$74 million, the County can *immediately* issue \$25 million in redevelopment bonds, **at NO COST to taxpayers**, to fund and complete major improvements that the community needs right now and in the near future. If the site remains in industrial use only, the potential bond financing would be limited to about \$6.5 million.
- ✓ In addition, Mendocino Crossings would generate \$1.8 million annually in sales tax revenues for the County General Fund, and another \$2.25 million per year for other County funds such as transportation and public safety. Industrial development would not contribute to County sales tax revenues.
- ✓ In short, Mendocino Crossings is a significantly better way to help the community achieve its economic development and community improvement needs.

**FIGURE 1. HOW DOES REDEVELOPMENT WORK?**

Without redevelopment, assessed value grows slowly. Currently, property taxes on the former Masonite site are just over \$50,000 per year, represented as the blue line along the bottom of the chart on the right. Based on average Mendocino County growth rates, property tax revenues would grow to about \$750,000 per year by 2048, shown as tax increment\* (in yellow) in the chart.

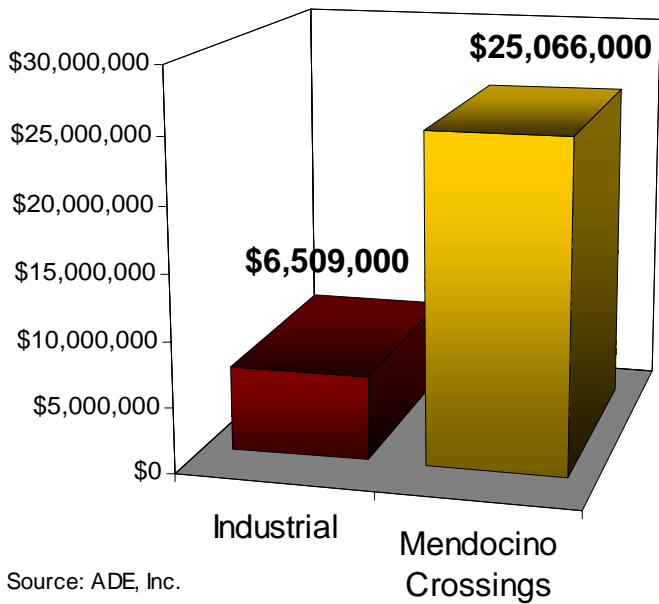
\*Tax increment is the growth in tax revenues over the base, or existing assessed value, on a property.



**FIGURE 2. REDEVELOPMENT STIMULATES GROWTH**

With successful redevelopment, tax revenues grow more quickly. The Redevelopment Agency uses the added revenues from the tax increment (shown in red on the left) to fund housing as well as infrastructure to support economic development.

In addition, other taxing agencies, such as the local schools, share in the increased revenues to help fund their services (shown in yellow on the left).



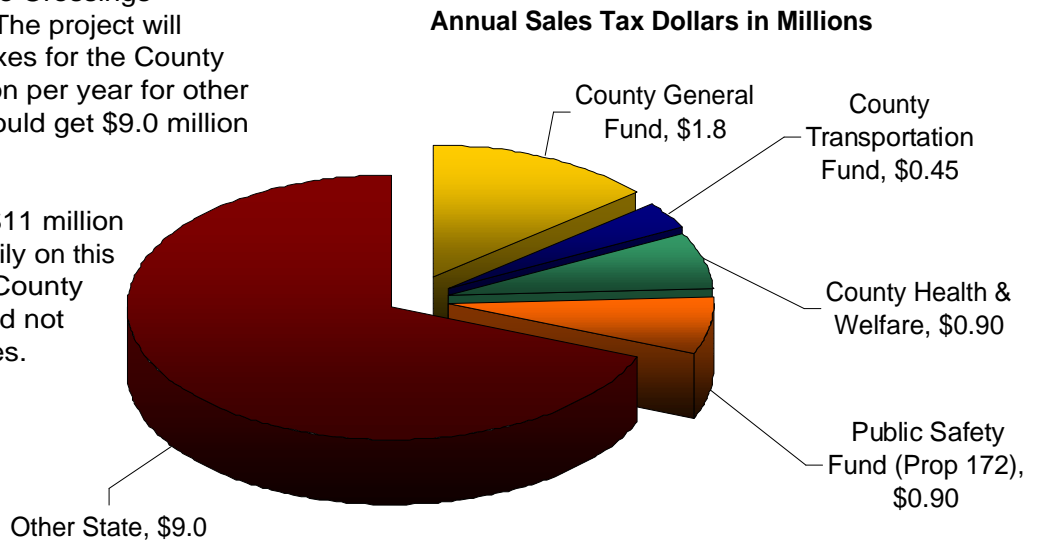
**FIGURE 3. MENDOCINO CROSSINGS CREATES FINANCIAL LEVERAGE**

The Redevelopment Agency can issue bonds, **at NO COST to taxpayers**, based on the tax increment growth to fund major improvement projects for the community. With redevelopment *and* the Mendocino Crossings project, the agency could issue \$25 million in bonds compared to only \$6.5 million with industrial development.

**FIGURE 4. SALES TAX IS CRITICAL TO COUNTY FINANCES**

Mendocino Crossings will also generate sales taxes for the County and other agencies. The chart to the right shows projected sales tax from the Mendocino Crossings project, in millions of dollars annually. The project will create \$1.8 million per year in sales taxes for the County General Fund and another \$2.25 million per year for other County funds. In addition, the State would get \$9.0 million per year.

Currently, the County receives about \$11 million each year in sales tax, and relies heavily on this discretionary revenue to fund critical County services. Industrial development would not contribute to County sales tax revenues.



Source: ADE, Inc.