



MEMO: Boardman City Council

From: Boardman Housing Committee via Missing Middle Housing Fund (consultants)
Re: Tax reimbursement proposal for future development projects

June 30, 2026

For discussion (not action) at the July 7, 2026 City Council Meeting; action recommended at August 4, 2026 City Council Meeting. Formal recommendation from Housing Committee at that time. This memo is for informational purposes.

Cobalt, a regional developer, is proposing to build 240 apartment units in Boardman. As a part of their development, they are proposing a 25% CITY tax reimbursement for 10 years as an incentive to deliver the units. The tax reimbursements make the development more viable in an era of higher development costs (labor, materials, borrowing costs/rates, etc.) making it more possible to deliver highly needed units to Boardman.

Essentially, the owner of the development pays their taxes like normal, proves they paid them, and then the City gives them a reimbursement for some portion of the taxes, for some number of years. It's not an uncommon tool for cities to use to incentivize development, costs the City no upfront capital, and only costs a portion of future revenues. (Of course the City gets no future tax revenues if nothing is built – which is the current status of the land in question). It should be noted that this proposal only concerns CITY taxes – no other taxing bodies are involved.

Hermiston has a similar but different tax reimbursement program (you can read more about it [here](#)), where they give a gradually descending reimbursement over a 5 year period.

When the developer made this proposal to the Housing Committee, the Committee determined it would best to recommend a tool like this for ALL future developments, rather than a single development, for fairness and simplicity reasons. The tool could then be revisited from time to time.

Some notes:

- The Housing Committee does not yet have a formal recommendation, but will discuss at their next meeting on July 21, and aims to have a recommendation for this Council then, in time for your next meeting on August 4.
- The Housing Committee recently went through a “Developer 101” training in order to better understand developers’ financial realities, motivations, and processes, sponsored by the Oregon Community Foundation and delivered by the Missing Middle Housing Fund (MMHF).



- A month later, the Housing Committee got feedback from 10 developers and land owners who have done work in Boardman on what is helpful and what causes delays and additional costs for their projects. The MMHF is compiling a report on this feedback for the July 21 Housing Committee meeting.

A comparison between the Cobalt Proposal and Hermiston’s Model

COBALT	HERMISTON
25% tax reimbursement on CITY taxes for 10 years	100% tax reimbursement on CITY taxes for years 1 and 2
	75% tax reimbursement on CITY taxes for year 3
	50% tax reimbursement on CITY taxes for years 4 and 5
	25% tax reimbursement on CITY taxes for year 6

Since COBALT will take several years to develop the 240 units in phases, their tax bill will change and grow over time. Hermiston’s was structured with a higher reimbursement early to reflect that the development would not generate any income for the developers in the first year plus, and take a while to lease up.

The Housing Committee will look at these models plus more over the next month and make a recommendation – but fundamentally believes this is a useful tool for the City to formalize; AND believes that the City should make a tool like this available to any developer building commercial and/or housing developments, with whatever guardrails the Committee and Council find appropriate.

- It costs the City no on-hand cash (only taxes the currently non-existent development would pay if it was built)
- It helps make projects “pencil” in a high cost era and environment
- It helps deliver the types of projects the City wants