

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Terri Williams		2. Telephone No. 5-2469	3. Bureau/Office/Dept. Revenue
4a. To be filed (hearing date): 11/20/2013	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: 11/5/2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Amend the District Property Management License code to update the fee and cap formulas for the Lloyd Business District, add a yearly fee payment escalator and District Board's opportunity to recommend against it, and make other housekeeping changes (Ordinance; amend Code Chapter 6.06)

2) Purpose of the Proposed Legislation:

This ordinance changes the property management license fee formula and caps beginning with the 2014-15 license year. Changes include increasing the amounts owed per square footage of property, changing the baseline property values from 1999 to 2010, to increase the fee cap for non-residential payers and to add a new fee cap for certain residentially zoned properties. Additionally, an annual escalation factor of 2.3% has been added to the calculation along with a provision that gives the District Board the ability to request City Council to reduce that factor in any given year. The name of the District is changing to reflect both the services provided and the recipients due to the changing nature of this District as more residential properties are being added to the District.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This code change will increase the amount of the revenues collected. However, most of the revenues from the property management license fee generated by the District funds the contract with Lloyd BID Inc to provide the enhanced services within the District. 1.25% of the license fee billings is retained by the Revenue Bureau to help offset our administration of the program.

The increase in the amounts billed will increase the Revenue Bureau's administration fee by approximately \$2,000.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

There are no additional expenses. The administration of this program is included in the Bureau's current year budget.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)

No.

- Will positions be created or eliminated in future years as a result of this legislation?

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES: Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) **What impacts are anticipated in the community from this proposed Council item?** Renewing the District as is will allow the enhanced services currently provided in the District to continue. Increasing the fee formulas will bring in additional revenues to the District which will allow for new services to be funded.

b) **Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?** Since this is a license fee/tax on property managers within the District, the Lloyd BID Inc Board of Directors did substantial outreach with those property managers to get feedback about services being provided, discussed additional services that could be provided and discussed changes in the funding formula that could pay for those additional services. This comprehensive outreach report is attached to the Resolution (Exhibit A) that is also being heard that will renew the District for 10 years.

c) **How did public involvement shape the outcome of this Council item?** Over 76% of the property managers support the district and the proposed fee increases. Because of this support, the Revenue Bureau has worked with the Lloyd District to make these code changes at the same time as City Council conducts the required Sunset Review hearing.

d) **Who designed and implemented the public involvement related to this Council item?** The Board of Directors of the Lloyd Business District, with some guidance provided by the Revenue Bureau.

e) **Primary contact for more information on this public involvement process (name, title, phone, email):** Rick Williams, Executive Director, Lloyd TMA, 503-236-6441, rick@lloydtma.org

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Thomas W. Lannom

APPROPRIATION UNIT HEAD (Typed name and signature)

Thomas W. Lannom
 Revenue Bureau Director



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Charlie Hales, Mayor
Jack D. Graham, Chief Administrative Officer

186356

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FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

DATE: November 4, 2013

TO: Mayor Charlie Hales

FROM: Thomas W. Lannom, Revenue Bureau Director

RE: RESOLUTION TITLE Amend the District Property Management License code to update the fee and cap formulas for the Lloyd Business District, add a yearly fee payment escalator and District Board's opportunity to recommend against it, and make other housekeeping changes (Ordinance; amend Code Chapter 6.06)

1. **INTENDED THURSDAY FILING DATE: 11-14-2013**
2. **REQUESTED COUNCIL AGENDA DATE 11-20-2013**
3. **CONTACT NAME & NUMBER: Terri Williams x52469**
4. **PLACE ON: CONSENT X REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED: X Y N N/A**
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED: Yes No X N/A**

7. BACKGROUND/ANALYSIS

PCC 6.06.280 requires the City Council to conduct a public hearing to determine whether the Lloyd Business District property management license fee continue for another 10 years or be terminated. This first hearing is required to take place during 2013. This resolution, if adopted, will continue the District for another 10 years.

With this resolution and hearing, two ordinances are being filed. One makes code changes to PCC 6.06, including changes to the fee formulas and fee cap increased, simplifying the District name and adding a yearly escalator for inflation. The other combines the two current contracts for District services into one contract, and to sync up the timing of the contract to match the life of the District. The terms are unchanged from the current contracts.

8. FINANCIAL IMPACT

There is a small financial impact to the City as a result of the code changes to PCC 6.06. Since the annual amount of the license fees collected from property managers in the District will increase, the Bureau's administration fee will increase by approximately \$1,800 annually. Fund revenues and expenditures will increase equally, as this is a pass-through Fund.

9. RECOMMENDATION/ACTION REQUESTED

The Bureau respectfully requests that the ordinance be passed to update PCC 6.06.