



# Downtown Business District Expansion and Fee Formula A Summary of Findings and Options

January 2012

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City of Portland Revenue Bureau  
Office of Management and Finance

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## District Background

The Downtown Business District encompasses a 213 block area of downtown Portland, Oregon. The District, also known as the "Clean & Safe District", includes the heart of Portland's downtown commercial, cultural and residential core. A non-profit organization, Clean & Safe, Inc., provides enhanced cleaning and security services in this area to ensure the District is a comfortable place to shop, visit and live.

Clean & Safe partners with local organizations like Central City Concern, Portland Patrol, Inc. and the Portland Business Alliance to deliver a range of services including cleaning, security and community justice services; the Downtown Retail and Marketing Program, which focuses on retail advocacy, marketing and communication; and the Sidewalk Ambassador Program, which offers information and assistance to downtown visitors. Clean & Safe also provides a Holiday Lighting Program in the core retail area.<sup>1</sup>

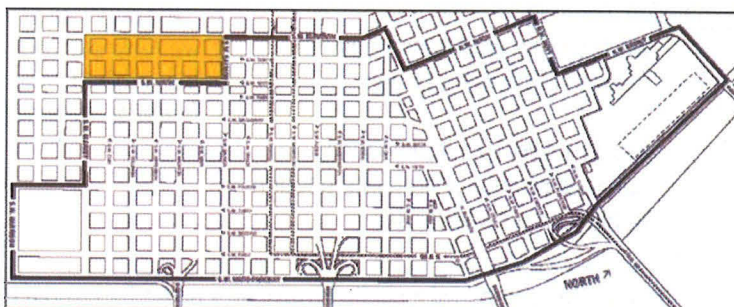
To pay for Clean & Safe programs, downtown property managers within the District pay a "property management license fee" under Portland City Code Chapter 6.06. Fees totaled about \$4.4 million during the year ended June 30, 2011. The highest fee billed was \$178,600, the lowest was \$15 and the average was \$8,008. Assessments vary widely based on a range of factors, principally building square footage and assessed value.<sup>2</sup>

The Downtown Business District has existed in various forms since 1988. Prior to 2009, only commercial property managers within the District were assessed a fee. In 2009, City ordinance 182925 removed the exclusion for residential condominium property managers, resulting in a new assessment for these properties.

## District Sunset Review and Renewal

Under Portland City Code 6.06.220, the City Council must review and approve the renewal of the Downtown Business District every ten years. Pursuant to this requirement, the Council passed resolution 36857 on April 20, 2011, thereby renewing the District and directing Clean & Safe and the Revenue Bureau to accomplish these objectives:

[1] "Clean & Safe, Inc., with assistance from the Revenue Bureau and the Office of Management and Finance, should evaluate the benefits and costs of expansion of the District. If the analysis supports expansion, the Revenue Bureau should include the expanded area in any PCC



**Figure 1:** Current and proposed Downtown Business District boundaries. The yellow highlighted area indicates the 12 proposed expansion blocks.

<sup>1</sup> Contrary to widely held belief, residential property managers including apartments and condominiums *do not pay for this program*.

<sup>2</sup> See the appendix for a description of current fee factors.

6.06 code changes brought forward by ordinance to the City Council, and;

[2] [that] the Revenue Bureau, with assistance from Clean & Safe, Inc., should review the need for a cap of District fees for Cultural Institutions and a change to the fee formula for Condos. Any change to the fee formula for the Condos should be revenue neutral to District fee revenues paid by this group."

In addition, several Council members requested that Revenue Bureau management integrate expanded public involvement into the discussion regarding the expansion and fee formula questions.<sup>3</sup> In response, the Revenue Bureau initiated a broad public process comprised of the following channels:

1. An open-ended **written comment** general solicitation was mailed and e-mailed to 9,848 District stakeholders resulting in a response from 77 people.<sup>4</sup>
2. A **focus group** general solicitation was sent to the same 9,848 stakeholders. 62 people attended three focus groups.
3. An **online poll** targeted solicitation was extended to the 2,692 existing District condominium owners and stakeholders in the proposed expansion area.<sup>5</sup> 436 valid polls were received.<sup>6</sup>

A large majority of the 575 responses detailed in items 1-3 above were provided by condominium owners.<sup>7</sup> The results of these efforts are summarized in the sections that follow.

## Summary of Written and Focus Group Feedback

Written and focus group themes were very similar in content so they are presented here in aggregate. To help the reader gauge the relative frequency of a given theme or sentiment, we will use quantifiers such as "most," "many," "some," and "a few." Themes are grouped under the headings "Expansion Themes" and "Fee Formula Themes".

### Expansion Themes

1. Most people said they are not in favor of District expansion.
2. Most people said that security services are not offered late enough at night or on weekends.

*"We don't need security during the day and we have our own security staff at night. We hire staff to clean the street around our building during the day."*

– focus group participant

<sup>3</sup> The Gallatin Group provided a public involvement report for District renewal on April 20, 2011 but its designed focus was on renewal, not expansion or fee changes.

<sup>4</sup> A few "written" comments were actually summarized telephone conversations.

<sup>5</sup> Expansion block stakeholders were defined as renters, condominium and business owners, apartment complex and business managers, and non-profit organizations within the 12 block area.

<sup>6</sup> A small number of poll takers took the wrong poll or polled more than once. Invalid and duplicate polls were redacted from the results discussed here and elsewhere in this report.

<sup>7</sup> By design, bureau solicitations did not bar people from participating in multiple feedback channels; 575 is therefore not an absolute count of *individual participants*, but of *viewpoints conveyed*.



3. Many people said they already pay for police and cleaning services through their property taxes and home owner's association (HOA) fees used for privately contracted services. They should not have to pay a "third time" through a District assessment.
4. Many people said the very name of the City Code – "Downtown Business District" – points to the true intent and beneficiaries of District services. Many said the Code language no longer reflects the true makeup of the District.
5. Some said the proposed expansion area does not have the same needs as other downtown areas; it is a residential area with few businesses.
6. Some said the costs and benefits of the District should be spread and should thus include the 12 block expansion area.
7. Some supported expansion. A few stated that the District should be expanded all the way to I-405 and/or include portions of the Portland State University campus to the south.

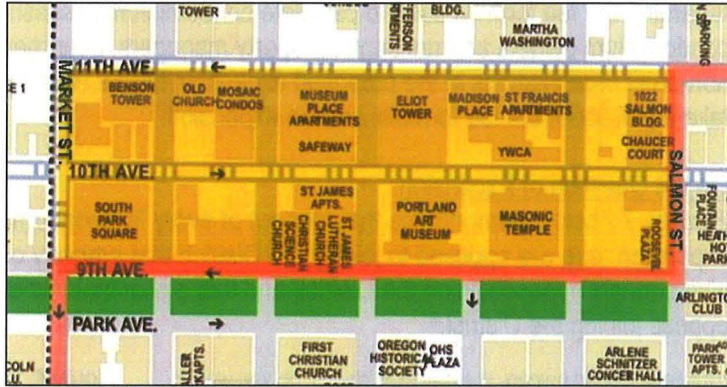


Figure 2: Detail of the 12 blocks being considered for expansion. Boundaries are SE Salmon St. to the north, SE 9<sup>th</sup> Ave. to the east, SE Market St. to the south and SE 11<sup>th</sup> Ave. to the west.

#### Fee Formula Themes

1. Most condominium owners said the fee formula applied to condos is unfair and too complex. Most feel it should be based on an easy to understand metric like square footage or the number of units at a given condominium.
2. Many condominium owners feel they should not be assessed any fee. Many feel they already have their own contracted cleaning and security services and perceive little or no benefit to added services as currently delivered.
3. Most condominium owners feel that if they must be assessed a fee, it should be less than the fees charged to commercial businesses. Condominium owners cannot write off or pass the fee to customers, nor do condominiums create foot traffic like businesses do.
4. Many people said that Clean & Safe is a valuable service and generally does a good job with cleaning and security services. Some of these same people questioned the hours during which security services are provided or whether they need cleaning service.

5. A few people said that any assessment will be unpopular no matter how it is calculated, and that any formula will have a flaw.

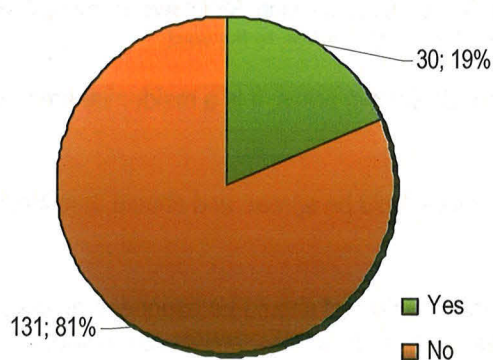
### Summary of Online Poll Results

The Revenue Bureau invited all condominium owners in the current District to take an online poll regarding the fee formula used to calculate condominium assessments. In addition, all condominium owners and residents, property managers, apartment renters, cultural institutions and non-profit organizations in the proposed expansion blocks (see *Figure 2* above) were invited to take a poll about the fee formula *and* the expansion.

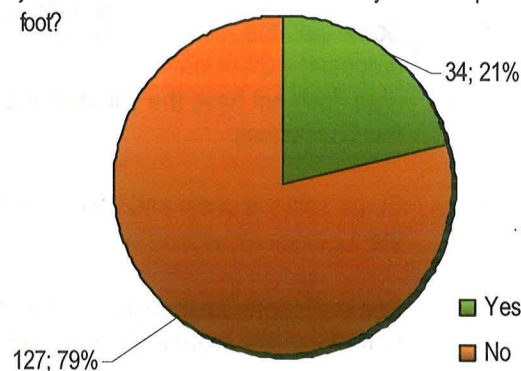
#### On the Question of Expansion

*Figures 3-7* below demonstrate that four out of every five condominium owners in the proposed expansion area are opposed to joining the District; that property owners, businesses and renters also strongly oppose joining the District; and that a slim majority of residents in the Eliot Tower oppose joining the District.<sup>8</sup>

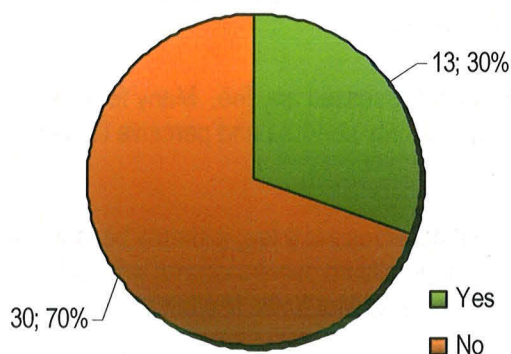
**Figure 3:** Condo owners in expansion blocks: do you want to join the District under the current fee formula?



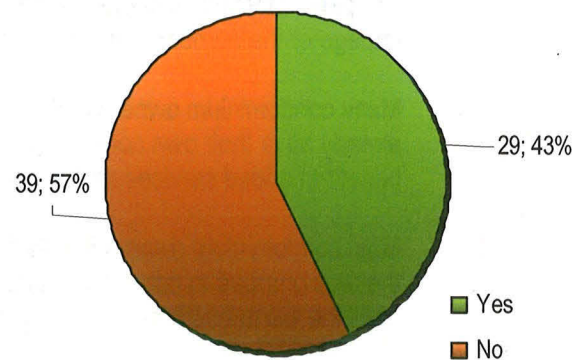
**Figure 4:** Condo owners in expansion blocks: do you want to join the District with a formula based only on a rate per square foot?



**Figure 5:** Renters, property owners and businesses in expansion blocks: do you want to join the District?



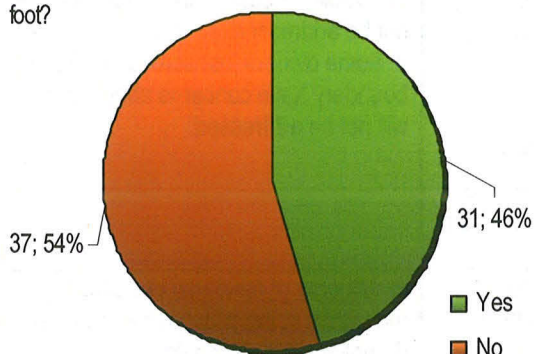
**Figure 6:** Condo owners in the Eliot Tower: do you want to join the District under the current fee formula?



<sup>8</sup> Eliot owner results are separately displayed because the Eliot Towers HOA voted to endorse joining the District but many Eliot owners turned out in focus groups to object to joining.



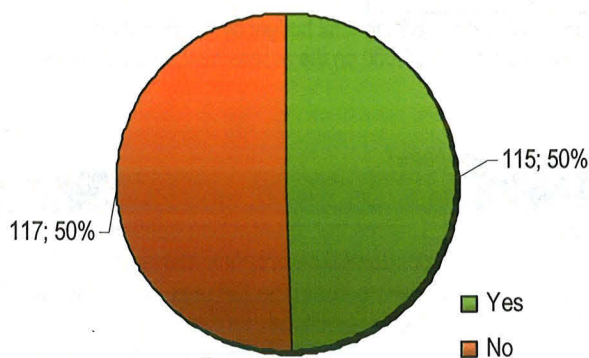
**Figure 7:** Condo owners in the Eliot Tower: do you want to join the District under a formula based only on a rate per square foot?



#### On the Question of the Fee Formula

*Figure 8* below illustrates that half of those polled supported moving to a simplified fee formula based only on a factor for square footage. While a large fraction of comments received from stakeholders at the focus groups and in writing supported moving to a formula based only on square footage (or unit), when polled, condominium owners voted for the method most likely to result in a reduction to their charges, not necessarily a more simplified formula.<sup>9</sup>

**Figure 8:** Condo owners in existing District should the condo fee formula be based only on a rate per square foot?



### **Options for Consideration**

Based upon the feedback summarized above and extensive financial analysis, the Revenue Bureau has identified decision options with pros and cons. The Revenue Bureau will not recommend Code changes until after stakeholders and the Clean & Safe Board of Directors have provided feedback and a vote of the Board, respectively. In the tables that follow, pros and cons are included for each option under consideration.

<sup>9</sup> An analysis by Revenue Bureau staff showed that owners voted overwhelmingly based on the financial impact to their HOA; a fee-simplifying change resulting in a lower assessment was supported, while a fee-simplifying change resulting in a higher assessment was not.

Table 1: *Expansion Options Pros and Cons*<sup>10</sup>

Option	Pros	Cons
<b>Do not expand</b>	<ol style="list-style-type: none"> <li>1. A large majority of residents and property managers in the proposed expansion area do not support expansion.</li> <li>2. Expansion costs exceed projected revenues by \$74,000. See <i>Table 2</i>.</li> <li>3. Not expanding validates feedback from the majority of stakeholders in the expansion area.</li> </ol>	<ol style="list-style-type: none"> <li>1. Livability issues in the expansion area will not be addressed.</li> <li>2. Some owners just across the District boundary have concerns about equity that will not be addressed.</li> </ol>
<b>Expand by 12 blocks</b>	<ol style="list-style-type: none"> <li>1. Adds additional cleaning and security services to this area which may help address the concerns of homelessness, drug transactions and other livability issues in the area.</li> <li>2. Expands a program that many feel is very successful.</li> </ol>	<ol style="list-style-type: none"> <li>1. Majority of residents and property managers in the proposed expansion area do not support expansion.</li> <li>2. Addition of fee feels to some like double or triple taxation with no value added.</li> <li>3. Service costs will continue to exceed revenue projections if a change to the condominium fee formula is made.</li> </ol>

Table 2: *Revenue and Expenses for Proposed 12 Block Expansion Area*

	Projected Revenue	Cost Allocation	Difference (deficit)
<b>Proposed 12 block expansion</b>	\$ 153,140	\$ 227,316	\$ (74,176)

Note: Clean and Safe's cost above for service delivery was calculated by dividing total budget by number of blocks serviced, multiplied by 12. Projected revenue includes an assumed cap of \$5,000 on the assessment for the Portland Art Museum (the cultural institution cap).

Table 3: *Fee Formula Options Pros and Cons* (continued on next page)

Option	Pros	Cons
<b>No change to formula</b>	<ol style="list-style-type: none"> <li>1. Retains current District revenue level.</li> <li>2. Retains fees at levels most owners have been paying since 2009.</li> <li>3. Keeps fee calculation formula similar to the rest of the District.</li> </ol>	<ol style="list-style-type: none"> <li>1. Does not change perceptions by condominium property managers and owners about the fairness or complexity of the assessment.</li> <li>2. Does not provide relief to those who feel they pay too much.</li> </ol>
<b>Change formula to be based on square foot only</b>	<ol style="list-style-type: none"> <li>1. Simplifies calculation.</li> <li>2. Method often proposed in focus group and written feedback.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regressive. Removes a factor that introduced an "ability to pay" concept.</li> <li>2. Support for a per square foot only approach seems to be predicated upon how much owners must pay, not necessarily how it is calculated (see Figure 8).</li> <li>3. Requires an increase in rates charged against other metrics to meet Council direction to achieve revenue neutrality.</li> </ol>

<sup>10</sup> The Revenue Bureau studied options for partial expansion and determined that no *District-contiguous* subgroup of the 12 block expansion area has a balanced budget (all combinations would be deficit budgets).



Option	Pros	Cons
<b>Delete one factor (elevator calculation)</b>	1. Removes factor that made the least sense to focus group participants. 2. Reduces amount paid by condominium property owners.	1. Reduces Clean & Safe's budget. 2. Reduction to each condominium property varies in amount and relative proportion to the fee. 3. Does not meet City Council direction regarding holding fee revenue neutral. 4. Requires an increase in rates charged against other metrics to meet Council direction to achieve revenue neutrality.
<b>Delete two factors (square foot and 15% inflation calculations)</b>	1. Simplifies calculation. 2. Evens out reduction variances between condominium properties.	1. Reduces Clean & Safe's budget. 2. Requires an increase in rates charged against other metrics to meet Council direction to achieve revenue neutrality.

### Summary of Other Suggested Code Changes

City Council directed the Revenue Bureau to make necessary housekeeping and administrative changes to the Code. Based on our review, the Revenue Bureau recommends changes be made to Portland City Code 6.06 to correct or clarify the following:

1. Change the name of the Downtown Business District to the Clean and Safe District throughout the code and identify the district as an "enhanced services district" instead of a business district.
2. Change out of date bureau names for the Revenue Bureau and the Water Bureau throughout the code.
3. Remove references regarding issuing a physical license, since that has never been done, and change references regarding applications to registrations.
4. Update the definition and calculation of the CPI factor and provide for a way to set the CPI adjustment for a year at 0% change while ensuring that District contractors with low wages are not adversely impacted.
5. Housekeeping change to language, including changing "shall" to "must" or "will" and correcting word tense errors.
6. Removing references to forms that do not exist.
7. Clarify the responsible party for an installment billing in the event of a property manager change during the license year.
8. Provide for credits on account in addition to refunds of overpayments.
9. Clarify penalty and interest calculations and identify how payments are applied against outstanding balances due.

10. Clarify due dates for the Lloyd Business District.

### Next Steps

1. The Bureau will disseminate the report to all interested parties and stakeholders on record. An open comment feedback period will close on Friday, February 10, 2012. All parties interested in commenting should e-mail the Revenue Bureau Director:

Thomas W. Lannom  
[Thomas.Lannom@Portlandoregon.gov](mailto:Thomas.Lannom@Portlandoregon.gov)

Comments can also be mailed or delivered to:

Thomas W. Lannom  
Revenue Bureau Director  
111 SW Columbia St., Suite 600  
Portland, OR 97201

2. The Clean & Safe, Inc., Board of Directors will consider this report at its next full Board meeting on Tuesday, January 24, 2012. The Mayor has requested the Board take a vote regarding the questions of expansion and the fee formula as captured in the options tables above.
3. The Revenue Bureau will review the Clean & Safe Board vote and feedback received from stakeholders prior to finalizing recommendations. The Revenue Bureau will post final recommendations and proposed Code changes on its website and inform stakeholders of same.
4. City Council will hold a public hearing on the ordinance prepared by the Revenue Bureau. The tentative date for the first reading is Wednesday, February 29, 2012. The Revenue Bureau will request a "time certain" presentation and communicate the hearing time to all known stakeholders and interested parties.

## Appendix: Current Fee Factors Explained

A brief explanation of the factors used to determine fees under the current City Code language follows.

Factors for engaging in Business Property Management Activities:

**Value of improvements:** This factor creates the bulk of the charge. Using this factor allows recognition of an ability to pay, at least at the time of building construction or when the district funding formula was moved under the City's taxing/licensing authority.

**Square foot of improvements and land:** This factor brings in the concept of space/presence in the district. Using this factor ensure that properties in the District that don't have significant improvements on them, such as surface parking lots, contribute to the clean and safe efforts of the district.

**Elevator Capacity:** This factor brings in the concept of foot traffic in the area, both from customers and employees. The number of elevators and pound capacity estimates how many people use the property each day.

**Ranking Premium or Discount:** This factor was included to recognize that the largest 50 payers in the district have more ability to pay than other and should support the district a little more as a result, so a premium was added to their calculation. The next 100 payers, on the other had, were allowed a discount on their fee. Any property manager ranked after 150 had no premium or discount change to their calculation.

**Holiday Lighting:** This factor was added to fund the holiday lighting program that began in the early 2000's. It is based on square footage of improvements and land, again to ensure that all business properties, including surface parking lots, contribute to the lighting program.

**Inflation factors (currently 2):** These factors were added to recognize that the value of improvements has increased since they were initially established in the 1990s. The first factor was added to recognize the increased market value (value of improvements) that had happened in the past and the 2nd factor was added to account for future increases. Additionally, these factors allow the district to be able to maintain the level of services when costs increase with inflation. Without these factors, the level of services would decrease slowly over time.

Factors for engaging in Residential Property Management Activities:

These factors are the same as above, EXCEPT that there is NO ranking premium or discount and NO holiday lighting charge. Condominium property managers are currently included under this category for fee calculation purposes.

684.881

Factors for engaging in Affordable Residential Rental Property Management Activities:

The only factor is a specific rate times the number of units. The rate varies, less if the property manager is a non-profit or government entity and slightly higher if the entity is a for-profit enterprise.





## Downtown Business District Expansion and Fee Formula Final Recommendations

June 2012

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City of Portland Revenue Bureau  
Office of Management and Finance

## Background

For context about this report and the Portland Downtown Business District ("the District") in general, see the report titled *Downtown Business District Expansion and Fee Formula, A Summary of Findings and Options*, which is available on the Revenue Bureau's website.<sup>1</sup>

## Executive Summary

The Revenue Bureau (the "Bureau") recommends the following regarding the District:

1. That the District not be expanded at this time.
2. That no City Code amendments regarding cultural institutions occur because such amendments are unnecessary if the District does not expand (i.e., the Portland Art Museum will not be in the District).
3. That the condominium fee formula should remain as it is.
4. That Portland City Code concerning the District should be amended to implement a number of housekeeping changes unrelated to items 1-3 above.

## Rationale for Recommendations

### Recommendation 1: Do not expand the District

The Bureau recommends that the District not be expanded for the following reasons.

1. Nearly four out of five stakeholders in the proposed 12 block expansion area who responded to a poll voiced opposition to being included in the District.
2. Focus groups and written feedback from stakeholders made it clear that viewpoints against expansion were not only pervasive, but that they were very strongly held.
3. Economic conditions are difficult and are projected to remain so for the foreseeable future.
4. The Clean and Safe, Inc., Board of Directors narrowly voted in favor of District expansion but did not take public testimony regarding expansion.<sup>2</sup>
5. The Bureau analyzed responses received from property managers and owners residing in the proposed 12 block expansion area. The Bureau concluded that if the 12 blocks themselves constituted the entire District, the 12 blocks would "terminate" as a District under PCC 6.06.230 because more than 33% of the total revenues received in the 12 block area would remonstrate if they had the ability to do so.

<sup>1</sup> The report can be found at <http://www.portlandonline.com/omf/index.cfm?c=42217>.

<sup>2</sup> The Mayor requested the Board of Directors of Clean & Safe, Inc. to hold public hearings after the Board voted in favor of expansion, and requested they consider whether the 12 blocks would "remonstrate" if they were able to do so (see item 5 in this list).

Recommendation 2: No Cultural Institution Code Amendments

Assuming the first recommendation is accepted by the City Council, the Portland Art Museum is not joining the District and no cultural institution code language is necessary.

Recommendation 3: No Change to the Condominium Fee Assessment

The Bureau recommends that no changes be made to the condominium fee assessment for the following reasons.

1. City Council resolution 36857 directed the Bureau to consider changes to the condominium fee formula subject to the provision that, "Any change to the fee formula for the Condos should be revenue neutral to District fee revenues paid by this group." Therefore, any elimination or reduction of rates or metric(s) used to calculate the fee would need to be offset by an increase in one or more of the remaining rates or metrics.<sup>3</sup>
2. The feedback provided at the focus groups made it clear that stakeholders were interested in a simplified fee formula with fewer metrics. While there was no agreement on what the simplified formula would be, many suggested that a rate based on square footage or number of units would be simple and fair.
3. The Bureau posted a survey on its website and asked condominium owners to vote on a hypothetical simplified fee formula based only on square footage. 115 verified condominium residents voted for the proposal, and 117 voted against. An analysis by Revenue Bureau staff showed that owners voted overwhelmingly based on the impact to their condominium's assessment; a fee-simplifying change resulting in a lower assessment was supported, while a fee-simplifying change resulting in a higher assessment was not. Based on these results, the complexity of the formula appears to be less of an issue than the total amount of the assessment. While the formula could be less complex, changing it would result in widely different impacts to the assessments of various condominiums; some condominiums would see a large increase and others, a large decrease.
4. The Clean and Safe Board of Directors voted against changing fee structures.

Recommendation 4: Make Housekeeping Changes to Portland City Code

See the "Next Steps" portion of this document, below.

**Stakeholder Comments about the Report**

The Bureau received a great deal of feedback concerning the original report. Much of the feedback was a reiteration of points already noted in the report. However, there were some factual errors and omissions in the report that should be corrected.

1. Several stakeholders correctly noted that in some cases, the online poll results were mischaracterized as being a universal sentiment of all the residents of a given

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<sup>3</sup> See the appendix titled "Current Fees Explained" in the original report for a discussion of the components of the fee.

condominium. This was an oversight. The poll results are only indicative of the sentiments of those stakeholders who took the polls.

2. The report incorrectly stated, "[T]he Eliot Towers HOA voted to endorse joining the District." In fact, it was the Eliot Tower Board of Directors that voted to join the District.
3. Several stakeholders commented that the original report did not reflect the full range of positive remarks some focus group attendees made about the District. The Bureau agrees that a large number of attendees at the focus groups were happy with Clean & Safe services. Additional examples of positive remarks left out of the report include owner statements about higher property values, added security, increased neighborhood livability and close coordination with the Portland Police Bureau.
4. One stakeholder pointed out that Table 2 in the original report allocated full costs (including administration and overhead) onto the proposed 12 expansion blocks, and that an alternate representation of cost allocation should have been displayed; if incremental costs (added cleaning and security contract costs only) were allocated the table would have been more accurate. The Bureau believes that both allocation methods should have been displayed.

### Next Steps

The Bureau will draft amendments to Portland City Code Chapter 6.06 to address the issues listed below. All other portions of the City Code concerning District boundaries and fees will remain the same. The proposed City Code amendments will be in substantial conformance to those found in the appendix of this document.

1. Change the name of the Downtown Business District to the Clean and Safe District throughout the code and identify the district as an "enhanced services district" instead of a business district.
2. Change out of date bureau names for the Revenue Bureau and the Water Bureau throughout the code.
3. Remove references regarding issuing a physical license, since that has never been done, and change references regarding applications to registrations.
4. Update the definition and calculation of the CPI factor and provide for a way to set the CPI adjustment for a year at 0% change while ensuring that District contractors with low wages are not adversely impacted.
5. Housekeeping change to language, including changing "shall" to "must" or "will" and correcting word tense errors.
6. Removing references to forms that do not exist.
7. Clarify the responsible party for an installment billing in the event of a property manager



change during the license year.

8. Provide for credits on account in addition to refunds of overpayments.

9. Clarify penalty and interest calculations and identify how payments are applied against outstanding balances due.

10. Clarify due dates for the Lloyd Business District.

#### **Appendix: Proposed Amendments to Portland City Code Chapter 6.06**

The Revenue Bureau will recommend to City Council that changes to Portland City Code be made in substantial conformance to the changes outlined below. Minor edits may occur. New text is underlined and text being deleted is struck through.

NOW, THEREFORE, the Council directs:

a. Portland City Code Subsection 6.06.010. is amended as follows:

Any person engaged in property management activities within a District will ~~shall~~ pay ~~obtain~~ a license fee for such activities covering each license year, or if ~~application~~ registration is made after the beginning of a license year, then for the balance of the license year. The term "license," as used in this Chapter, will ~~shall~~ not be construed to mean a permit and no physical license will be issued. The license fees prescribed herein are for the privilege of engaging in the activity of property management in a District, and the revenues collected will be used to provide, through a qualified contractor, cleaning, security, crime prevention, business development, transportation, public policy, housing, and marketing and communications services, or any such services, that benefit properties in the District. The payment of a license fee required hereunder and the acceptance of such fee and issuance of a license by the City will ~~shall~~ not entitle a licensee to engage in any activities not in compliance with all the requirements of this Code, including but not limited to the requirements of Title 7, and all other applicable laws.

b. Portland City Code Subsection 6.06.020 is amended as follows:

~~As used in this Chapter, unless~~ Unless the context requires otherwise, the terms used in this Chapter will ~~shall~~ be defined as follows:

A. "Assessed Value of Improvements" means, for property tax years beginning on or before July 1, 1996, the assessed value of improvements as recorded in the assessment roll for Multnomah County for a specified assessment year and, for property tax years beginning on or after July 1, 1997, the real market value of improvements as recorded in the assessment roll for Multnomah County for a specified assessment year; or, as to property assessed by the Oregon Department of Revenue, the real market value of the property where real market value means the minimum amount in cash which could be reasonably expected by an informed seller acting without compulsion from an informed

buyer acting without compulsion, in an arms length transaction during that assessment year.

B. "Bureau" means the Revenue Bureau ~~Bureau of Licenses~~ of the City of Portland, along with its employees and agents;

C. "Business property" means real property that is not residential property and is not exempt property. If real property in the District in part is residential or exempt property and in part is neither residential nor exempt property, then business property is that portion of the real property that is neither residential nor exempt property, including a proportionate share of the land. For a condominium, all condominium units and their undivided interests in the common elements will ~~shall~~ be treated as a single property;

D. "CPI-W" means the Consumer Price Index for Urban Wage Earners and Clerical Workers for Portland-Salem, OR-WA, not seasonally adjusted, ~~for January of each year~~ as published semi-annually by the United States Bureau of Labor Statistics;

E. "CPI-W adjustment factor" for a license year means the fraction in which the numerator is the CPI-W HALF1 ~~for the January~~ immediately preceding the commencement of that license fee year and the denominator is the CPI-W for ~~January 2000, with the January 2000 CPI-W adjusted from time to time as necessary to reflect any change by the United States Bureau of Labor Statistics in the CPI-W reference base~~ HALF1 for 2011;

F. "District" means an enhanced services ~~business~~ district as described in this Chapter;

G. "Elevator capacity" means the pounds of elevator capacity for elevators type PXH, PXVE, and PXE as recorded in the records of the Building Codes Division of the Oregon Department of Consumer and Business Services;

H. "Engaged in property management activities" means:

1. Being financially responsible for a water service provided to a building or, if there is no building on property, to land within the District, in the event there is a single water service serving the property;

2. Being financially responsible for operation of a business or a residential use that exclusively occupies a building or, if there is no building on property, land within the District, in the event there is no water service serving the property;

3. Being financially primarily responsible for the indicia of management of property within the District, in cases not covered by Subsection 1. or 2. Indicia of management of property include, in order of importance, but need not be limited to:

a. Being responsible for a water service provided to common areas of a building;

- b. Being responsible for waste disposal service provided to a building, including common areas, or, if there is no building, to land;
  - c. Being responsible for providing fire insurance for a building;
  - d. Being responsible for repair and maintenance of a building;
  - e. Being responsible for operation of heating, ventilating, and air conditioning equipment that serves a building, including common areas; and
  - f. Being responsible for the operation and maintenance of fire prevention and suppression equipment that serves a building, such as alarm systems and sprinklers.
4. Notwithstanding Subsections 1. through 3. of this Subsection, being an owner of property whose activities in relationship to the property consist only of activities that the owner is mandated by law to carry out will ~~shall~~ not constitute being engaged in property management activities.
- I. "Exempt property" means:
- 1. Mass shelters, as defined in Chapter 33.910 of this Code;
  - 2. Property owned or being purchased by religious organizations including:
    - a. Houses of public worship and other additional buildings and property used solely for administration, education, literary, benevolent, charitable, entertainment, and recreational purposes by religious organizations, the lots on which they are situated, and the pews, slips, and furniture therein. However, exempt property does not include any part of any house of public worship or other additional buildings or property which is kept or used as a store or shop or for any purpose other than those stated in this subsection; and
    - b. Parking lots used for parking or any other use as long as that parking or other use is permitted without charge for no fewer than 355 days during the license year; and
  - 3. Any other property in a particular District established by this Chapter that this Chapter identifies as exempt property for that District.
- J. "Licensee" means a person licensed to engage in property management activities within the District under this Chapter;
- K. "Manager" means the Director ~~Manager~~ of the Revenue Bureau ~~Bureau of Licenses~~ or his or her designee;
- L. "Notice" means a written document mailed by the Bureau by first class mail to the last known address of a licensee as provided to the Bureau in the latest application on file at the Bureau; or, if mailed to a person who is not a licensee, then to the last known

address of the person as provided to the Portland Water Bureau of Water Works or, if that Bureau has no address record, as provided to the Revenue Bureau Bureau of Licenses in the latest general business license tax return application on file at the Bureau or, if none, then to such address as may be determined following reasonable investigation;

M. "Person" means a natural person, sole proprietorship, partnership, joint venture, association, club, trust, estate, corporation (for profit or not-for-profit), or any other entity capable of engaging in property management activities within the District;

N. "Qualified contractor" means a non-profit corporation or other non-profit entity established by property owners or licensees in the District for the purpose of providing services that benefit the District;

O. "Residential Property" means real property that is exclusively in residential use and is not exempt property. If part of real property is in residential use and part is not in residential use or is exempt property, then residential property is that portion of the real property that is exclusively in residential use and is not exempt property, and a proportionate share of land. Property is considered to be in residential use if the use is within a Residential Use Category as defined by Chapter 33.920 of this Code. For a condominium, all condominium units and their undivided interests in the common elements will shall be treated as a single property; and

P. "Square feet" and "square footage", except as otherwise expressly stated in this Chapter, means square footage as recorded in the records of the Multnomah County Office of Assessment and Taxation or, if not so recorded, as measured using the same method as used by the Multnomah County Office of Assessment and Taxation.

c. Portland City Code Subsection 6.06.030 is amended as follows:

A. The Manager may adopt rules, procedures, and forms to implement the provisions of this Chapter.

B. Adoption of Rules.

1. Prior to the adoption of any rule by the Manager pursuant to this Section, a public hearing will shall be conducted. The Manager will shall give reasonable public notice of his or her proposal to adopt rules not less than ten nor more than thirty days before such public hearing. Such notice will shall include the place, time, and purpose of the public hearing, a brief description of the proposed rules, and the location at which copies of the full text of the proposed rules may be obtained.

2. During the public hearing, the Manager will shall hear statements or receive written comment concerning the proposed rules. The Manager will shall either adopt the proposed rule, modify it, or reject it, taking into consideration the comments received during the public hearing. If a substantial modification is made, additional public review may shall be conducted, but no additional public notice will shall be required if an announcement is made at the hearing of a future hearing for a date, time and place certain at which the modification will be discussed. Unless otherwise stated, all rules will shall be effective upon adoption by the Manager. All rules adopted by the Manager will shall



be filed in the Bureau's office. Copies of all current rules will ~~shall~~ be made available to the public upon request.

3. Notwithstanding Sections 6.06.030 B.1.-2., the Manager may adopt an interim rule without prior public notice upon a finding that failure to act promptly will result in serious prejudice to the public interest or the interest of the affected parties, including the specific reasons for such prejudice. Any rule adopted pursuant to this paragraph will ~~shall~~ be effective for a period of not longer than 180 days.

d. Portland City Code Section 6.06.040 is amended as follows:

No person will ~~shall~~ engage in property management activity within the District unless such person first will ~~shall~~ have paid a license fee installment as described in Section 6.06.140 ~~and obtained a license under this Chapter.~~

e. Portland City Code Section 6.06.060 is amended as follows:

A. Except as provided in this Section, no license will ~~shall~~ be transferable from one person to another.

B. The Bureau may ~~shall~~ allow transfer of a license for the balance of its term to a successor or transferee who continues the acts that constituted property management activities requiring a license under this Chapter. Any transfer will ~~shall~~ be reported to the Bureau in writing or on a form provided by the Bureau and will ~~shall~~ be effective when the Bureau approves the transfer form as complete. The licensee will ~~shall~~ be responsible for any license fee installments which become payable prior to the Bureau's approval; and the transferee will ~~shall~~ be responsible for any license fee installments which become payable after the Bureau's approval.

f. Portland City Code Sections 6.06.070 and 6.06.080 are deleted.

g. Portland City Code Section 6.06.090 is amended as follows:

On or before August 1 of each year, the Bureau will ~~shall~~ make a preliminary determination of each person engaged in property management activity within the District and subject to the license fee requirement and of the amount of license fee payable by the person for the next license year. On or before August 1, the Bureau will ~~shall~~ mail to each person preliminarily determined to be engaged in property management activity within the District and subject to the license fee requirement a notice which contains the following information:

A. That the Bureau has determined the person is engaged in property management activity within the District that is subject to the license fee requirement;

B. The amount of the license fee the Bureau has determined to be payable by the person for the next license year, including the data and formula used in determining the amount;

C. The activities which constitute being engaged in property management activities, as defined in Section 6.06.020.H 1.-3.;

D. The activities which do not constitute being engaged in property management activities, as defined in Section 6.06.020 H.4.;

E. The exemption provisions of Section 6.06.050 and the definition of exempt property as set out in Section 6.06.020 I and any other provision of this Chapter applicable to the District;

F. That any appeal from the determinations of the Bureau as to the person's engagement in property management activity within the District, as to the person's being subject to the license fee requirement, or as to the amount of the license fee payable by the person for the next license year, must be filed in writing with the Bureau not later than 30 days after the notice is mailed. Appeal information from Section 6.06.100 ~~An appeal form shall~~ will be included ~~enclosed~~ with the notice.

h. Portland City Code Section 6.06.095 is amended as follows:

In cases in which the sections of this Chapter establishing a license fee formula for the District provide for a license fee adjustment, the Bureau, following City issuance of authorization to occupy improvements or any portion of improvements, will ~~shall~~ make a preliminary determination of the license fee adjustment for the balance of the license year. The Bureau will ~~shall~~ mail to the licensee a notice which contains the following information:

A. That the Bureau has determined that the licensee is subject to a fee adjustment;

B. The amount of the adjusted license fee the Bureau has determined to be payable by the licensee for the balance of the license year, including the data and formula used in determining the adjusted amount;

C. That any appeal from the determinations of the Bureau as to the ~~person's licensee's~~ being subject to a license fee adjustment, or as to the adjusted amount payable for the balance of the license year, must be filed in writing with the Bureau ~~on an enclosed form~~ not later than 30 days after the notice is mailed.

Failure to receive notice as provided in this Section will ~~shall~~ not relieve a person from the obligation to pay an adjusted license fee payable under this Chapter.

i. Portland City Code Section 6.06.100 is amended as follows:

A. Persons to whom the Bureau mails a ~~a~~ notices under Section 6.06.090 will ~~shall~~ be presumed to be engaged in property management activity within the district, to be subject to the license fee requirement, and to be liable for the amount indicated in the notice as the license fee payable by the person for the next license year, unless the person files with the Bureau an appeal ~~on a form provided by the Bureau~~ not later than 30 days after the date of mailing of the notices.

B. Persons to whom the Bureau mails a ~~a~~ notices under Section 6.06.095 will ~~shall~~ be presumed to be subject to a license fee adjustment, and to be liable for the adjusted amount indicated in the notice as payable for the balance of the license year, unless the person files with the Bureau an appeal ~~on a form provided by the Bureau~~ not later than 30 days after the date of mailing of the notices.

C. A person may appeal a preliminary determination of the Bureau made under Section 6.06.090 on the following grounds:

1. The person is not engaged in property management activity within the District as defined in Section 6.06.020 H 1.-4.;

2. The person is not subject to the license fee requirement because the person is exempt under Section 6.06.050;

3. The amount of license fee determined by the Bureau to be payable by the person for the next license year is incorrect because the data reviewable under Subsection E. of this Section or the application of the formula to the data is incorrect.

D. A person may appeal a preliminary determination of the Bureau made under Section 6.06.095 on the following grounds:

1. The licensee is not subject to a fee adjustment;

2. The amount of the adjusted license fee determined by the Bureau to be payable by the ~~licensee~~ person for the balance of the license year is incorrect because the data reviewable under Subsection E. of this Section or the application of the formula to the data is incorrect.

E. The Bureau, in its discretion, may grant an appeal without audit or may audit an appeal to determine whether the appeal should be granted. The audit may include review of such evidence as the Bureau deems appropriate. If the person appeals on the ground that the data used in determining the license fee payable are incorrect, the Bureau will ~~shall~~ not be bound by the data contained in the record sources identified in the sections of this Chapter establishing the license fee formula for the District and may consider other evidence as to data, except that the Bureau will ~~shall~~ be bound by the assessed value data as recorded in the Multnomah County assessment roll, by the square footage data as recorded in the records in the Multnomah County Office of Assessment and Taxation, by the City Bureau of Development Services written documentation of authorization to occupy improvements or portions of improvements, by the City Bureau of Development Services building permit application records of the cost of physical changes, and by the City Bureau of Development Services building permit application records of the additional square feet of improvements, when those record sources are designated for use by a section of this Chapter establishing the license fee formula for the District. In the event the Bureau determines that an appeal should or should not be granted, in whole or in part, then the Bureau will ~~shall~~ give the appealing person written notice of the determination and the reasons, by mail or personal delivery. The Bureau's determination ~~is shall be~~ final.

j. Portland City Code Section 6.06.110 is amended as follows:

A. All persons required to obtain a license under this Chapter ~~may shall apply register with to~~ the Bureau either in writing or on specific forms if provided by the Bureau. Registrations Applications will shall be filed, together with the specified license fee installment if known or due at the time of registration:

1. Before the property manager applicant ~~applicant~~ engages in property management activities in the District; or

2. ~~In the case of an application for renewal of a prior license, p~~Prior to commencement of the new license year.

B. The Bureau may, for good cause, allow further time for filing registrations applications, except that no extension may be granted for more than 30 days.

C. The registration application may ~~may~~ contain a written declaration, verified by the property manager applicant, that the statements made therein are true.

D. The Bureau ~~will~~ shall prepare information applications containing appropriate data and fee calculations and make them available at its office, on request. Failure to receive or secure a form, file a registration or to receive notice as provided in Section 6.06.090, ~~will shall~~ not relieve a person from the obligation to pay a license fee and register for ~~obtain~~ a license under this Chapter.

k. Portland City Code Section 6.06.120 is amended as follows:

When the time for filing a license ~~application~~ registration is extended at the request of the applicant, interest at the rate specified in Section 6.06.150 B. ~~will shall~~ be added and paid on the license fee installment or portion thereof not paid within the time originally allowed.

m. Portland City Code Section 6.06.140 is amended as follows:

Except as otherwise provided by Section 6.06.145, District license fees ~~will shall~~ be payable as follows:

A. Except as provided in Subsection F. of this Section, the license fee computed under a section of this Chapter establishing a license fee formula for the District ~~will shall~~ be payable in two equal installments, with the first installment due on October 1 of the license year and the second installment due on April 1 of the license year.

~~B. Each application for a license, other than a renewal application, shall be accompanied by payment of the first installment for the license year. If the licensee has not engaged in property management activities within the District until after the beginning of a license year, then the fee payment required shall be the installment that would be due for the installment period in which the licensee became engaged in District property management activities, multiplied by a fraction, the numerator of which is the number of whole and partial months remaining in the installment period following the engagement in the activities and the denominator of which is six.~~

~~C. Each application for a renewal license shall be accompanied by payment of the first installment of the fee for the license year.~~

~~B D. On or before February 15 of each license year, the Bureau will shall mail notice to each licensee stating the amount of the second installment payable from the licensee on April 1 of the license year. The licensee shall pay the second installment on or before April 1 of the license year.~~

C. The property manager or licensee on record as of the billing date of the notice of fee each license year is presumed to be the responsible party for the entire license year unless the Bureau approves the transfer to another property manager or licensee under Section 6.06.060. If the licensee has not engaged in property management activities within the District until after the beginning of the license year and a transfer has been approved, then the fee payment required will be the next installment due, provided that the property management activities within the District began no later than the billing notice of the next installment.

D E. In computing the license fee payable by a licensee who has not engaged in District business property management activities until after the beginning of a license year, no fee

will be payable in relation to any real property which, for that license year, has been paid ~~included in computing the license fee payable~~ by another licensee.

E F. In case of a license fee adjustment under a subsection of this Chapter establishing a license fee formula for the District:

1. The amount of any adjustment increase allocable to the portion of the license year between October 1 and March 31 will shall be due 30 days after the Bureau's mailing of notice of the fee adjustment to the licensee under Section 6.06.095, subject to any change in the adjustment in an appeal under Section 6.06.100 B.
2. The amount of any adjustment increase allocable to the portion of the license year between April 1 and September 30 will shall be due on April 1 of the license year or 30 days after the Bureau's mailing of notice of the fee adjustment to the licensee under Section 6.06.095, whichever is later, subject to any change in the adjustment in an appeal under Section 6.06.100 B.
3. The amount of any adjustment decrease allocable to the portion of the license year between October 1 and March 31, provided that the amount previously determined to be due as of that October 1 has already been paid, will shall be refunded to the licensee or credited to an outstanding installment amount due within 30 days after the Bureau's mailing of notice of the fee adjustment to the licensee under Section 6.06.095, subject to any change in the adjustment in an appeal under Section 6.06.100 B.; and
4. The amount of any adjustment decrease allocable to the portion of the license year between April 1 and September 30, provided that the amount previously determined to be due as of that April 1 has already been paid, will shall be refunded to the licensee or credited to an outstanding installment amount due within 30 days after the Bureau's mailing of notice of the fee adjustment to the licensee under Section 6.06.095, subject to any change in the adjustment in an appeal under Section 6.06.100 B.

n. Portland City Code Section 6.06.145 is amended as follows:

If a qualified contractor for a District has filed a written request approved by resolution of the City Council that the District license fee be payable in one installment, District license fees for future license fee years will shall be payable as follows, until such time as the City Council by resolution determines that the District license fee will shall be payable in two installments in accord with Section 6.06.140:

A. Except as provided in Subsection E. of this Section, the license fee computed under a section of this Chapter establishing a license fee formula for the District will shall be payable in one installment due on October 1 of the license year.

B. Each registration application for a license, ~~other than a renewal application, will shall~~ be accompanied by payment of the license fee for the license year if known. ~~If the licensee has not engaged in property management activities within the District until after the beginning of a license year, then the fee payment required shall be the payment that would be due for the license year in which the licensee becomes engaged in District property management activities, multiplied by a fraction, the numerator of which is the number of whole and partial months remaining in the license fee year following the engagement in the activities and the denominator of which is twelve.~~

C. ~~Each application for a renewal license shall be accompanied by payment of the license fee for the license year. The property manager or licensee on record as of the~~

billing date of the notice of fee each license year is presumed to be the responsible party for the entire license year unless the Bureau approves the transfer to another property manager or licensee under Section 6.06.060.

D. In computing the license fee payable by a licensee who has not engaged in District business property management activities until after the beginning of a license year, no fee ~~will~~ ~~shall~~ be payable in relation to any real property which, for that license year, has been included in computing the license fee payable by another licensee.

D. In case of a license fee adjustment under a subsection of this Chapter establishing a license fee formula for the District:

1. The amount of any adjustment increase for a license year ~~will~~ ~~shall~~ be due 30 days after the Bureau's mailing of notice of the fee adjustment to the licensee under Section 6.06.095, subject to any change in the adjustment in an appeal under Section 6.06.100 B.

2. The amount of any adjustment decrease for a license year, provided that the amount previously determined to be due has already been paid, ~~will~~ ~~shall~~ be refunded to the licensee or credited to an outstanding installment amount due within 30 days after the Bureau's mailing of notice of the fee adjustment to the licensee under Section 6.06.095, subject to any change in the adjustment in an appeal under Section 6.06.100 B.

o. Portland City Code Section 6.06.150 is amended as follows:

A. If a person:

1. Fails to file a correct registration application at the time required by or under this Chapter; or

2. Fails to pay a fee installment at the time it becomes due, unless it is shown that the failure is due to reasonable cause and not due to neglect, then there ~~will~~ ~~shall~~ be added to the amount of a fee installment a penalty of:

a. 5 percent of the amount of the unpaid fee installment, but not less than \$20, if the failure is for not more than 1 month; and

b. Additional penalties of 5 percent of the unpaid fee installment for each additional month or fraction thereof during which the failure continues, up to a maximum of four (4) additional months ~~provided that such additional penalties shall in no event exceed 20 percent of the fee installment.~~

B. Interest ~~will~~ ~~shall~~ be collected on any unpaid fee installment at the rate of 10 percent simple interest per annum, computed on the balance still due at the end of each month following the date the fee installment became due. For purposes of this subsection, "unpaid fee installment" ~~will~~ ~~shall~~ not include penalties or interest.

C. If a person fails to file a registration application on the prescribed date, as determined with regard to any extension for filing, the Bureau may determine the fee and fee installment payable. If the Bureau determines the fee and fee installment payable, the Bureau ~~will~~ ~~shall~~ determine appropriate penalties and interest and ~~will~~ ~~shall~~ send notice to the person of the determination.

D. The Bureau may apply payments to penalty and interest assessments before applying payments to fee installments due.

p. Portland City Code Section 6.06.160 is amended as follows:

A. The Manager may impose a civil penalty of up to \$500 for each of the following violations of this Chapter:

1. Failure to file any application registration within 90 days of the Bureau's original written request notice to file;

2. Failure to pay any fee installment within 90 days of the Bureau's original written request notice for payment.

B. The Manager may only impose a civil penalty under this section if the Bureau gives notice of the potential for assessment of civil penalties for failure to comply in the original written request preliminary determination notice issued under Sections 6.06.090, 6.06.095.

C. The determination of a violation and imposition of a civil penalty under this Section will shall be subject to appeal to the Code Hearings Officer under the provisions of Chapter 22.10 of this Code.

q. Portland City Code Section 6.06.180 is amended as follows:

If any portion, clause, or phrase of this Chapter is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, and if such portion, clause, or phrase is not so substantial that the City Council would not have adopted this Chapter without it, then the remaining portions, clauses, and phrases will shall not be affected but will shall remain in full force and effect.

r. Portland City Code Section 6.06.190 is amended as follows:

6.06.190 Clean & Safe Downtown Business District.

A. The Clean & Safe Downtown Business District is that area within the boundaries formed by NW and SW Front Avenue on the east; SW Harrison between SW Front and SW 4th; SW 4th between SW Harrison and SW Market; SW Market between SW 4th and SW 9th; SW 9th between SW Market and SW Salmon; SW Salmon between SW 9th and SW 11th; SW 11th between SW Salmon and W Burnside; W Burnside between 11th and 9th; NW 9th between W Burnside and NW Hoyt; NW Hoyt between NW 9th and NW Broadway; and the Broadway Bridge on the north; but excluding the area known as 1800 SW First Avenue, more particularly described as part of Block 1, South Auditorium Addition, Blocks A, B, I, J and partial Block H (all comprising Tax Lot 2 of Block 1), at the southeast corner of the District.

B. Notwithstanding the exclusion set out in Subsection A. of this Section, beginning with the license year commencing October 1, 2004, the Clean & Safe Downtown Business District also will shall include the area known as 1800 SW First Avenue, more particularly described as part of Block 1, South Auditorium Addition, Blocks A, B, I, J and partial Block H (all comprising Tax Lot 2 of Block 1), at the southeast corner of the District.

s. Portland City Code Section 6.06.200 is amended as follows:



6.06.200 Clean & Safe Downtown Business District Fee Rates for Engaging in Business Property Management Activities.

A. The fee established by this Chapter for management of business property in the Clean & Safe Downtown Business District in a license year will shall be the sum of the following amounts, computed separately in relation to each such property within the District as to which the licensee is engaged in property management activities:

1. \$.87 (cents) per \$1,000 of value of improvements, measured as set out in Subsection B. of this Section;
2. Plus \$5.52 per 290 square feet of the sum of improvements and land square footage as of the July 1 immediately preceding commencement of the license fee year;
3. Plus \$.46 (cents) per pound of elevator capacity as of the July 1 immediately preceding commencement of the license fee year;
4. Plus 2.5 percent of the sum of Subsections A.1. through 3., as to any business property as to which the licensee is engaged in property management activities, if the business property is among the 50 District business properties used primarily for business activities with the highest value of improvements; and
5. Less 2.5 percent of the sum of Subsections A.1 through .3., as to any business property as to which the licensee is engaged in property management activities, if the business property is among the 51st to the 150th District business properties used primarily for business activities with the highest value of improvements;
6. Plus 15 percent of the amounts determined under subsections A.1. through 5.;
7. Plus \$.01401 (1.401 cents) per square foot of improvements and, for surface parking lots, per square foot of land square footage, as of the July 1 immediately preceding commencement of the license fee year;
8. Plus 20.03 percent of the amounts determined under subsections A.1. through 7. which is the inflation that occurred during license years 2001 through 2011.
9. Plus ~~With~~ the total of the amounts determined under Subsections A.1. through 7. being multiplied by the CPI-W factor, for license fee years commencing on or after October 1, ~~2012~~2001.

B. "Value of improvements" under this Section will shall be measured as follows:

1. For business property as to which, on or after July 1, 1994, there has been no physical change resulting in an increase or decrease in square footage of the sum of improvements and land or in elevator capacity, "value of improvements" is the assessed value of improvements for the 1993-94 property tax assessment year;
2. For business property as to which, on or after July 1, 1994 but before July 1, 1997, there has been physical change resulting in an increase or decrease in square footage of the sum of improvements and land or in elevator capacity, "value of improvements" is the assessed value of improvements for the 1996-97 property tax assessment year, discounted by 8.8 percent;
3. For business property as to which, on or after July 1, 1997 but before July 1, 2001, there has been physical change resulting in an increase or decrease in square footage of the sum of improvements and land or in elevator capacity, "value of improvements" is:
  - a. For license fee years that commence before the January 1 immediately preceding the first property tax assessment year in which the assessment roll reflects the change or would reflect it were the property not assessed by the Oregon Department of Revenue,

the amount determined under whichever of Subsections B.1. or 2. or C.1. otherwise would be applicable plus the cost of the physical changes as determined from the City Bureau of Development Review records of all building permits issued authorizing or in association with the physical changes, discounted by a percent equal to 8.8 percent plus an additional 2.9 percent for each year between the 1996-97 assessment year and such occupancy authorization date; or

b. For license fee years that commence after the January 1 immediately preceding the first property tax assessment year in which the assessment roll reflects the change or would reflect it were the property not assessed by the Oregon Department of Revenue, the assessed value of improvements for the first assessment year in which the assessment roll reflects the physical change or would reflect it were the property not assessed by the Oregon Department of Revenue, discounted by a percent equal to 8.8 percent plus an additional 2.9 percent for each year between the 1996-97 assessment year and such first assessment year;

4. For business property as to which, on or after July 1, 2001, there has been physical change resulting in an increase or decrease in square footage of the sum of improvements and land square footage or in elevator capacity, but the physical change has not resulted in there being a new building on the property, "value of improvements" is the amount determined under whichever of Subsections B.1., 2., or 3. otherwise would be applicable, multiplied by a fraction the numerator of which is the square footage of improvements after the physical change and the denominator of which is the square footage of improvements prior to the physical change. For purposes of this Subsection and Subsection B.5. of this Section, building on a property will ~~shall~~ be considered new if the cost of the physical change, as determined from the City Bureau of Development Services records of all building permits issued authorizing or in association with the physical change, is more than 50 percent of the assessed value of improvements on the property immediately prior to the physical change;

5. For business property as to which, on or after July 1, 2001, there has been physical change that has resulted in there being a new building on the property, "value of improvements" is \$73.00 per square foot of improvements.

C. Notwithstanding Subsections A. and B. of this Section, if as of July 1 immediately preceding commencement of a license year, the Multnomah County Assessor in accord with ORS 307.340 has cancelled the property tax assessment on a business property building, structure, or addition for the property tax assessment year beginning on that July 1, then:

1. For purposes of initially determining the license fee for such license year, the value of improvements, improvements square footage, and elevator capacity attributable to the business property building, structure, or addition will ~~shall~~ be deemed to be zero; and

2. If, after that July 1 and prior to completion of such license year the City Bureau of Development Services issues an authorization to occupy the building, structure, or addition as to which the property tax assessment was cancelled, then the license fee payable for such license year will ~~shall~~ be adjusted. For purposes of adjustment, value of improvements will ~~shall~~ be measured as set out in set out in Subsection B. of this Section, improvements square footage will ~~shall~~ be measured as of the date of such authorization, and elevator capacity will ~~shall~~ be measured as of the date of such authorization. The adjusted license fee will ~~shall~~ be the amount determined under Subsection A. of this

Section multiplied by a fraction, the numerator of which is the number of whole and partial months after the date of such authorization remaining in the license year and the denominator of which is twelve. For purposes of this Subsection, the date of such authorization ~~will~~ shall be the date the Bureau of Development Services issues a written authorization to occupy all new improvements on the business property or the date 180 days after the Bureau issues a written authorization to occupy some but not all new improvements on the property, whichever occurs first.

t. Portland City Code Section 6.06.210 is amended as follows:

**6.06.210 Clean & Safe Downtown Business District Fee Rates for Engaging in Residential Property Management Activities.**

A. The fee established by this Chapter for management of residential property in the Clean & Safe Downtown Business District for a license year, other than affordable residential rental property as defined in Section 6.06.211, ~~will~~ shall be the sum of the following amounts, computed separately in relation to each such property within the District as to which the licensee is engaged in property management activities:

1. \$.87 (cents) per \$1,000 of value of improvements, measured as set out in Subsection B. of this Section;
2. Plus \$5.52 per 725 square feet of the sum of improvements and land square footage as of the July 1 immediately preceding commencement of the license fee year;
3. Plus \$.46 (cents) per pound of elevator capacity as of the July 1 immediately preceding commencement of the license fee year;
4. Plus 15 percent of the amounts determined under subsections A.1. through 3.;
5. Plus 20.03 percent of the amounts determined under subsections A.1. through 4. which is the inflation that occurred during license years 2001 through 2011.
- ~~6~~ 5. Plus ~~With~~ the total of the amounts determined under Subsections A.1. through 4. ~~being~~ multiplied by the CPI-W adjustment factor, for license fee years commencing on or after October 1, 2012 ~~2001~~.

B. "Value of improvements" under this Section ~~will~~ shall be measured as follows:

1. For residential property as to which, on or after July 1, 1994, there has been no physical change resulting in an increase or decrease in square footage of the sum of improvements and land or in elevator capacity, "value of improvements" is the assessed value of improvements for the 1993-94 property tax assessment year;
2. For residential property as to which, on or after July 1, 1994 but before July 1, 1997, there has been physical change resulting in an increase or decrease in square footage of the sum of improvements and land or in elevator capacity, "value of improvements" is the assessed value of improvements for the 1996-97 property tax assessment year, discounted by 8.8 percent;
3. For residential property as to which, on or after July 1, 1997 but before July 1, 2001, there has been physical change resulting in an increase or decrease in square footage of the sum of improvements and land or in elevator capacity, "value of improvements" is:
  - a. For license years that commence before the January 1 immediately preceding the first property tax assessment year in which the assessment roll reflects the change or would reflect it were the property not assessed by the Oregon Department of Revenue,

the amount determined under whichever of Subsections B.1. or 2. or C.1. otherwise would be applicable plus the cost of the physical changes as determined from the City Bureau of Development Services records of all building permits issued authorizing or in association with the physical changes, discounted by a percent equal to 8.8 percent plus an additional 2.9 percent for each year between the 1996-97 assessment year and such occupancy authorization date; or

b. For license years that commence after the January 1 immediately preceding the first property tax assessment year in which the assessment roll reflects the change or would reflect it were the property not assessed by the Oregon Department of Revenue, the assessed value of improvements for the first assessment year in which the assessment roll reflects the physical change or would reflect it were the property not assessed by the Oregon Department of Revenue, discounted by a percent equal to 8.8 percent plus an additional 2.9 percent for each year between the 1996-97 assessment year and such first assessment year;

4. For residential property as to which, on or after July 1, 2001, there has been physical change resulting in an increase or decrease in square footage of the sum of improvements and land square footage or in elevator capacity, but the physical change has not resulted in there being a new building on the property, "value of improvements" is the amount determined under whichever of Subsections B.1., 2., or 3. otherwise would be applicable, multiplied by a fraction the numerator of which is the square footage of improvements after the physical change and the denominator of which is the square footage of improvements prior to the physical change. For purposes of this Subsection and Subsection B.5. of this Section, building on a property will ~~shall~~ be considered new if the cost of the physical change, as determined from the City Bureau of Development Services records of all building permits issued authorizing or in association with the physical change, is more than 50 percent of the assessed value of improvements on the property immediately prior to the physical change;

5. For residential property as to which, on or after July 1, 2001, there has been physical change that has resulted in there being a new building on the property, "value of improvements" is \$68.00 per square foot of improvements.

C. Notwithstanding Subsections A. and B. of this Section, if as of July 1 immediately preceding commencement of a license year, the Multnomah County Assessor in accord with ORS 307.340 has cancelled the property tax assessment on a residential property building, structure, or addition subject to this Section, for the property tax assessment year beginning on that July 1, then:

1. For purposes of initially determining the license fee for such license year, the value of improvements, improvement square footage, and elevator capacity attributable to the building, structure, or addition will ~~shall~~ be deemed to be zero; and

2. If, after that July 1 and prior to completion of such license year the City Bureau of Development Services issues an authorization to occupy new residential improvements on the property, then the license fee payable for such license year will ~~shall~~ be adjusted. For purposes of adjustment, value of improvements will ~~shall~~ be measured as set out in ~~set out in~~ Subsection B. of this Section, improvements square footage will ~~shall~~ be measured as of the date of such authorization, and elevator capacity will ~~shall~~ be measured as of the date of such authorization. The adjusted license fee will ~~shall~~ be the amount determined under Subsection A. of this Section multiplied by a fraction, the

numerator of which is the number of whole and partial months after the date of such authorization remaining in the license year and the denominator of which is twelve. For purposes of this Subsection, the date of such authorization will ~~shall~~ be date the Bureau of Development Services issues a written authorization to occupy all new residential improvements on the property or the date 180 days after the Bureau issues a written authorization to occupy some but not all new residential improvements on the property, whichever occurs first.

u. Portland City Code Section 6.06.211 is amended as follows:

6.06.211 Clean & Safe Downtown Business District Fee Rates for Engaging in Affordable Residential Rental Property Management Activities.

A. The fee established by this Chapter for management of affordable residential rental property in the Clean & Safe Downtown Business District for a license year will ~~shall~~ be the sum of the following amounts, computed separately in relation to each such residential property within the District as to which the licensee is engaged in property management activities:

1. If the licensee is a not-for-profit corporation or a government entity, \$20.00 multiplied by the number of affordable residential dwelling units managed by the licensee; and

2. If the licensee is other than a not-for-profit corporation, \$44.00 multiplied by the number of affordable residential dwelling units managed by the licensee.

B. For purposes of this Section, "affordable residential rental property" means single room occupancy housing, as defined in Chapter 33.910 of this Code; low income housing; and subsidized housing. For purposes of this Subsection, low income housing is dwelling units available for rent at rates that are considered affordable, under federal affordability standards in effect on the July 1 immediately preceding commencement of the license year, to persons earning 60 percent or less of the Portland region median income as identified in the records of Metro as of that July 1. For purposes of this Subsection, subsidized housing is housing units available for rent at below market rates because either the units qualify for federal income tax benefits under Section 42 of the Internal Revenue Code; or the units are subsidized through United States Department of Housing and Community Development Section 8 subsidies or other public or private organization subsidies. Subsidized housing includes but is not limited to student housing owned by the Oregon State System of Higher Education and housing owned by non-profit organizations that is subsidized through charitable contributions and grants.

C. For purposes of this Section, "dwelling units" means dwelling units as defined in Chapter 33.910 of this Code.

v. Portland City Code Section 6.06.212 is amended as follows:

6.06.212 Clean & Safe Downtown Business District Exempt Property.

The Clean & Safe Downtown Business District property management license requirements will ~~shall~~ not apply to exempt property. For purposes of this Section, exempt property means exempt property as defined in Section 6.06.020 I and also means exempt residential property. Exempt residential property means a dwelling unit as defined in Chapter 33.910 of this Code that is owner-occupied and has its own separate water service.

w. Portland City Code Section 6.06.213 is amended as follows:

6.06.213 Computation of Clean & Safe Downtown Business District License Fee for Management of Mixed Use Properties.

In computing Clean & Safe Downtown Business District property management license fees under Sections 6.06.200, 6.06.210, and 6.06.211, in relation to property within the District as to which the licensee is engaged in property management activities, where the property is a combination of any two or more of business property that is subject to Section 6.06.200, residential property that is subject to Section 6.06.210, residential property that is subject to Section 6.06.211, exempt property that is subject to Section 6.06.212, or property managed by a person generally exempt under Section 6.06.050 but where the exemption does not apply in relation to part of the property the person manages, the fee in relation to property management activities will ~~shall~~ be the sum of the following:

A. For management of the part of the property that is business property subject to Section 6.06.200, the fee computed under Section 6.06.200 computed as though the entire property were such business property, multiplied by a fraction, the numerator of which is the square footage of business property improvements on the property subject to Section 6.06.200 and the denominator of which is the square footage of all improvements on the property;

B. For management of the part of the property that is residential property subject to Section 6.06.210, the fee computed under Section 6.06.210 computed as though the entire property were such residential property, multiplied by a fraction, the numerator of which is the square footage of residential property improvements on the property subject to Section 6.06.210, and the denominator of which is the square footage of all improvements on the property; and

C. For management of the part of the property that is residential property subject to Section 6.06.211, the fee computed under Section 6.06.211.D. If there are common area improvements in a property subject to this Section, then in computing square footage of business property improvements subject to Subsection A. of this Section and of residential property improvements subject to Subsection B. of this Section, such square footage will ~~shall~~ be deemed to include an allocated portion of the common area improvements. The allocated portion of common area improvements will ~~shall~~ be determined by multiplying the square footage of common area improvements by a fraction, the numerator of which is the square footage of business property improvements subject to Subsection A of this Section or the square footage of residential property improvements subject to Subsection B of this Section, whichever is appropriate, and the

denominator of which is the square footage of all improvements on the property less the square footage of the common area improvements.

x. Portland City Code Section 6.06.214 is amended as follows:

6.06.214 Clean & Safe ~~Downtown Business~~ District Square Footage of Improvements.

For purposes of Sections 6.06.200, 6.06.210 and 6.06.213 only, the terms "square footage of improvements" and "improvements square footage" will ~~shall~~ not include:

- A. Surface area of surface parking lots;
- B. Landscaped area;
- C. Unenclosed sidewalk, plaza, and courtyard area;
- D. Below grade parking area (but, for parking structures that have above grade parking, will ~~shall~~ include both any at grade parking area within the parking structure and all above grade parking area within the parking structure); and
- E. Other below grade area unless improved for occupancy by employees or tenants.

y. Portland City Code Section 6.06.215 is amended as follows:

6.06.215 Pledging of Clean & Safe ~~Downtown Business~~ District License Fee Revenues.

A. In addition to the uses of District revenues set out in Section 6.06.010, the City, if so requested in writing by a qualified contractor and approved by the City Council, may pledge Clean & Safe ~~Downtown Business~~ District license fee revenues as security for City debt incurred to finance the design, acquisition, construction, and installation of improvements within the District and may pledge Clean & Safe ~~Downtown Business~~ District license fee revenues to a qualified contractor or its designee in order that the contractor or designee may have revenues sufficiently ensured to enable the contractor or designee to incur debt to finance the design, acquisition, construction, installation, operation and maintenance of improvements within the District. Any such pledge of Clean & Safe ~~Downtown Business~~ District license fee revenues will ~~shall~~ be subject to any limitations set out in Oregon law or in the City Charter. In addition, no City pledge or combination of pledges under this Section for City payment of actual debt service or to enable the qualified contractor or its designee to make payments of actual debt service, but not including pledges to provide excess coverage for City payment of actual debt service or to enable the qualified contractor or its designee to provide excess coverage for payments of actual debt service, at any time will ~~shall~~ exceed one-third of the Clean & Safe ~~Downtown Business~~ District license fee revenues.

B. In making a request under Subsection A. of this Section, the qualified contractor will ~~shall~~ submit to the City a description of the improvements to be funded in whole or in part with the proceeds of the debt financing. The request also will ~~shall~~ include a description of any previously provided Clean & Safe ~~Downtown Business~~ District services proposed to be reduced or not provided due to the pledge of the District license fee revenues.



C. Notwithstanding Section 6.06.010, if the City pledges District license fee revenues for City debt incurred in accord with this Section, the City will ~~shall~~ retain the pledged portion of the District license fee revenues, to be used for repayment of the debt.

z. Portland City Code Section 6.06.216 is amended as follows:

A. As used in this Chapter, "lighting revenues" means that portion of Clean & Safe Downtown Business District revenues collected under Section 6.06.200 A.7. as adjusted each year under Section 6.06.200 A.8.

B. As used in this Chapter, "lighting program" means the design, acquisition, construction, installation, operation, and maintenance of all components, including but not limited to electrical connections and decorative lighting fixtures, necessary for a seasonal and decorative lighting system within portions of the District.

C. Notwithstanding Section 6.06.010, lighting revenues will ~~shall~~ be used only:

1. For the lighting program, including but not limited to the pledging of such revenue as provided under Section 6.06.215;

2. For a proportionate share of the Bureau's costs of administration of the license fee directed by the City Council to be recovered from license fee revenues, based on the ratio of lighting revenues to total District revenues; or

3. If a qualified contractor determines that lighting revenues in a license year will exceed or have exceeded the costs and expenses of the lighting program in that license year and that the excess revenues will not be needed to fund a prudent reserve or for the costs and expenses of the lighting program in future license years, then for distribution by the qualified contractor to the payers of the lighting revenues of that portion of the excess determined by the qualified contractor not to be so needed, in proportion to the amount paid by each payer in the license year that produced the excess.

aa. Portland City Code Section 6.06.220 is amended as follows:

6.06.220 Clean & Safe Downtown Business District Periodic Sunset Review.

During 2011 and each tenth year thereafter, the City Council will ~~shall~~ conduct a public hearing or hearings to determine whether the Clean & Safe Downtown Business District property management license fee should be terminated. Prior to the first such hearing in 2011 and in each tenth year thereafter, the City will ~~shall~~ mail notice of the hearing to the then current Clean & Safe Downtown Business District licensees under this Chapter.

bb. Portland City Code Section 6.06.230 is amended as follows:

6.06.230 Clean & Safe Downtown Business District Early Termination.

If the City Council, on or before March 30 of any license fee year, receives written objections signed in that license fee year by licensees responsible for more than 33 percent of the total revenues generated from the Clean & Safe Downtown Business District property management license fee during that year, then the license fee for the Clean & Safe Downtown Business District will ~~shall~~ be terminated as of September 30 of

that license fee year except that the fee ~~will~~ shall continue, at a rate reduced equally proportionally as to each licensee, to the extent necessary to meet any City pledge obligations incurred as authorized by Section 6.06.215.

cc. Portland City Code Section 6.06.240 is added as follows:

6.06.240 Request Annual CPI Increase to be different than calculated.

A. The contractor's Board of Directors may recommend that the annual CPI adjustment be set to an amount other than the CPI calculation, but not less than zero for a license year.

1. The Board must pass a resolution during a regular board meeting and submit the resolution, any minutes from the meeting and the results of the vote to the Revenue Bureau no later than June 10th. The resolution must contain the following information:

a. The reason why the board is requesting the annual CPI adjustment to be set at a rate that is different than calculated;

b. What the CPI adjustment amount for the license year should be; and

c. The impact on the upcoming budget that will result if a different CPI adjustment is made, specifically as it relates to contract employee wages and contract service levels.

d. The impact to services.

2. The Revenue Bureau will review the information from the contractor's Board of Directors and evaluate impacts to contract employee wages to ensure wages for these employees do not decrease inappropriately as a result of a lower CPI adjustment. The Revenue Bureau will make a recommendation to City Council if a different CPI adjustment is warranted for the upcoming license year.

3. City Council must approve a different CPI adjustment prior to August 1<sup>st</sup>;

4. An approved different CPI adjustment will apply to the license year that begins on October 1<sup>st</sup>.

B. Once one or more different CPI adjustments have been approved by City Council, the Revenue Bureau has authority to adjust the CPI component in the fee rate formulas in Subsections 6.06.200 A. 9., and 6.06.210 A. 6. The Revenue Bureau will document via written policy all changes to the CPI calculation as a result of City Council approval and this policy will supersede the calculation defined in Subsection 6.06.020 E .

dd. Portland City Code Section 6.06.260 is amended as follows:

A. Except as set out in Subsection B. of this Section, the fee established by this Chapter for management of business and residential property in the Lloyd Business District for a license year ~~will~~ shall be the sum of the following amounts, computed separately in relation to each such property within the District as to which the licensee is engaged in property management activities:

1. \$.30 (cents) per \$1,000 of assessed value of improvements for the 1999-2000 property tax assessment year;

2. Plus \$1.60 per 290 square feet of improvements as of July 1, 1999;

3. Plus \$.015 (cents) per square foot of land as of July 1, 1999.

B. In relation to business and residential property other than exempt

residential property where physical changes to the property on or after July 1, 1999 have resulted in an increase or decrease in square footage of improvements, as compared to the square footage as of July 1, 1999, the fee established by this Chapter, for management of such property in the Lloyd Business District in a license year, will shall be as provided in this Subsection:

1. During the period between the date the City Bureau of Development Services issues an authorization, documentable by written documentation, to occupy the improvements, or during the period between 180 days after the date the Bureau of Development Services issues such an authorization to occupy any portion of the improvements that was not occupied while the physical changes were being made, and the date of beginning of the license year following the first property tax assessment year in which the assessment roll reflects the physical changes, the fee otherwise payable during the period will shall be adjusted to the following amount, prorated based on the number of days of the period in the applicable license year:

- a. The amount determined under Subsection A.1., plus \$.30 (cents) per \$1,000 of the cost of the physical changes, as determined from the City Bureau of Development Services records of all building permits issued authorizing or in association with the physical changes;
- b. Plus the amount determined under Subsection A.2., plus \$1.60 per 290 additional square feet of improvements, resulting from the physical changes, as determined from the City Bureau of Development Services records of building permits issued authorizing or in association with the physical changes;
- c. Plus the amount determined under Subsection A.3.

2. Beginning with the license year following the first property tax assessment year in which the assessment roll reflects the physical changes, the fee will shall be:

- a. \$.30 (cents) per \$1,000 of assessed value of improvements for the first property tax assessment year in which the assessment roll reflects the physical changes or would reflect the changes were the property not assessed by the Oregon Department of Revenue;
- b. Plus \$1.60 per 290 square feet of improvements, as of July 1 of the first property tax assessment year in which the assessment roll reflects the physical changes or would reflect the changes were the property not assessed by the Oregon Department of Revenue;
- c. Plus the amount set out in Subsection A.3.

C. In computing the fee as provided in Subsection A. or B.:

1. In relation to real property within the Lloyd Business District as to which a licensee is engaged in property management activities, where the property in part is exempt residential property or religious organization property or

2. In relation to persons generally exempt from the license requirements of this Chapter under Section 6.06.050 but where the exemption does not apply to property management activities in relation to part of the property they manage, the fee in relation to property management activities as to such real property will shall be the fee computed as though management of the entire property were subject to the fee multiplied by a fraction, the numerator of which is the square footage of the area in which the licensee is engaged in property management activities subject to the fee (including land or improvements, as

applicable) and the denominator of which is the square footage of the entire real property parcel (including land or improvements, as applicable).

D. Notwithstanding the amount of the fee computed under Subsections A., B., and C, of this Section, in no case will shall the fee payable by a licensee, in relation to all real property within the Lloyd Business District as to which the licensee is engaged in property management activities, exceed \$20,000.

E. The Lloyd Business District license requirements will shall not apply to exempt property. For purposes of this Section, exempt property means exempt property as defined in Section 6.06.020 I. and also means exempt residential property. For purposes of this Section, exempt residential property means a dwelling unit as defined in Chapter 33.910 of this Code that is owner-occupied and has its own separate water service; single room occupancy housing, as defined in Chapter 33.910 of this Code; low income housing; and subsidized housing. For purposes of this Subsection, low income housing is dwelling units available for rent at rates that are considered affordable, under federal affordability standards in effect on July 1, 1997, to persons earning 60 percent or less of the Portland region median income as identified in the records of Metro as of July 1 of each year. For purposes of this Subsection, subsidized housing is housing units available for rent at below market rates because either the units qualify for federal income tax benefits under Section 42 of the Internal Revenue Code, as in effect on January 1, 1997; or the units are subsidized through United States Department of Housing and Community Development Section 8 subsidies, as in effect on January 1, 1997, or other public or private organization subsidies. Subsidized housing includes but is not limited to student housing owned by the Oregon State System of Higher Education and housing owned by non-profit organizations that is subsidized through charitable contributions and grants.

F. For purposes of this Section only, the terms "square feet of improvements" and "square footage of improvements" will shall not include:

1. Surface and structured parking lot area;
2. Landscaped area;
3. Unenclosed sidewalk, plaza, and courtyard area; and
4. Below grade area unless improved for occupancy by employees or tenants.

ee. Portland City Code Section 6.06.270 is amended as follows:

Notwithstanding that Sections 6.06.010 through 6.06.180 are based on a license fee year of

October 1 through September 30, the license fee year for the Lloyd Business District will shall be February 1 through January 31, with the first license fee year to commence February 1, 2001. Therefore, the due dates set out in Sections 6.06.010 through 6.06.180, for purposes of the Lloyd Business District, will be February 15 and September 15 ~~adjusted by 4 months to account for the 4 month difference in the commencement of the license fee year, except that the August 1 date set out in Section 6.06.090 will be January 5 1.~~ Any other dates are also changed to provide at least 30 days notice before a due date and may be clarified by the Revenue Bureau in a written policy.

ff. Portland City Code Section 6.06.280 is amended as follows:

During 2013 and each tenth year thereafter, the City Council will ~~shall~~ conduct a public hearing or hearings to determine whether the Lloyd Business District property management license fee should be terminated. Prior to the first such hearing in 2013 and in each tenth year thereafter, the City will ~~shall~~ mail notice of the hearing to the then current Lloyd Business District licensees under this Chapter.

gg. Portland City Code Section 6.06.290 is amended as follows:

If the City Council, on or before July 31 of any license fee year, receives written objections signed in that license fee year by licensees responsible for more than 33 percent of the total revenues generated from the Lloyd Business District property management license fee during that year, then the license fee for the Lloyd Business District will ~~shall~~ be terminated as of January 31 of that license fee year.

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 (date):  July 5, 2012	4b. Calendar (Check One)  <div style="display: flex; justify-content: space-around;"> <span>Regular <input checked="" type="checkbox"/></span> <span>Consent <input type="checkbox"/></span> <span>4/5ths <input type="checkbox"/></span> </div>		5. Date Submitted to Commissioner's office and FPD Budget Analyst:  June 26, 2012
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 rename the Downtown Business District to the Clean & Safe District, to update the CPI calculation, to clarify the Lloyd Business District payment due dates and to make other housekeeping changes. (Ordinance; amend Code Chapter 6.06)

**2) Purpose of the Proposed Legislation:**

Changes to PCC 6.06 are needed to reflect changes in Bureau names; changes in the Revenue Bureau's administrative procedures, including not issuing a physical license; to change the name of the downtown business district to reflect the "brand" that has developed over the years; to change the CPI calculation to properly reference what is published by the US Bureau of Labor Statistics and to reflect the last three years where City Council approved zero percent inflation in the factor; to provide the Clean & Safe Board of Directors an opportunity to request City Council to approve an amount other than the calculated CPI; to correct the payment due dates for the Lloyd Business District; and to make housekeeping changes in word usage and grammar.

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

**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 ordinance will not change the revenues, current or in the future, coming to the City of Portland.

**5) Expense:** What are the costs to the City related to 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 years. 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 costs to the City as a result of this ordinance.

**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 change in staffing is required as a result of this ordinance.

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

No positions will be created or eliminated in the future as a result of this ordinance.

*(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.)*

NONE.

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.

While not directly related to this ordinance, outreach was conducted following Council adoption of Resolution 36857 on April 20, 2011. Details of the outreach conducted to consider District expansion and fee formula changes can be reviewed at

<http://www.portlandonline.com/omf/index.cfm?c=42217&a=353827>

Additionally, Resolution 36857 acknowledged that the Revenue Bureau would return with needed housekeeping changes to PCC 6.06. This ordinance brings those housekeeping changes to Council for approval.

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

**a) What impacts are anticipated in the community from this proposed Council item?**

**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?**

**c) How did public involvement shape the outcome of this Council item?**


**d) Who designed and implemented the public involvement related to this Council item?**

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

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

No additional outreach is anticipated or necessary because the ordinance before Council only makes the housekeeping changes that were anticipated in Resolution 36857.

Thomas W. Lannom



BUREAU DIRECTOR (Typed name and signature)



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE  
**Sam Adams, Mayor**  
**Jack D. Graham, Chief Administrative Officer**

Revenue Bureau  
**Thomas W. Lannom, Director**  
111 SW Columbia St., Suite 600  
Portland, OR 97201  
(503) 823-6881

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

**DATE:** June 25, 2012

**TO:** Mayor Sam Adams

**FROM:** Thomas W. Lannom, Revenue Bureau Director

185495

**RE: ORDINANCE TITLE** \*Amend the District Property Management License code to rename the Downtown Business District to the Clean & Safe District, to update the CPI calculation, to clarify the Lloyd Business District payment due dates and to make other housekeeping changes. (Ordinance; amend Code Chapter 6.06)

1. **INTENDED THURSDAY FILING DATE: 7-05-2012**
2. **REQUESTED COUNCIL AGENDA DATE 7-11-2012**
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**

In April, 2011, City Council passed Resolution #36857, renewing the Downtown Business District, known as the Clean & Safe, District for 10 years beginning October 1, 2011. Additionally, this resolution directed the Revenue Bureau to evaluate the benefits and costs of expanding the District, to review the need for a change in the fee formula as applied to residential condominiums and to determine if there was a need for a fee cap for Cultural Institutions in the District. This resolution also directed the Revenue Bureau to bring an ordinance to City Council any recommended changes above, as well as needed housekeeping changes. Due to an extensive public outreach process inside the downtown district, the original due date of October 1, 2011 was extended by City Council.

The Revenue Bureau has issued two reports on the findings of this public outreach process and the Bureau's recommendations, in January 2012 and June 2012 respectively. As a result, the Bureau is recommending to City Council that:

- No expansion take place;
- Without expansion, there is no need for a fee cap on Cultural Institutions; and
- No change in the fee formula for residential condominiums.

The Revenue Bureau does have a number of housekeeping changes that need to be made to PCC 6.06, including:

- Bureau name corrections;
- Change the name of the Downtown Business District to the Clean & Safe District to reflect the main

mission and key services of the district, and to change the district from a “business” district to an “enhanced services” district;

- Update the definitions and calculations for the CPI adjustment factor to match the US Bureau of Labor Statistics methodology;
- Establish a process to allow the Clean & Safe Board of Directors to request an inflation factor other than the calculated CPI established in the code;
- Reflect actual administrative processes around the application process, license issuance and forms;
- To clarify responsibility for installment payments when property managers change during a license year;
- To fix word usage and other grammar errors; and
- To clarify the Lloyd Business District installment due dates.

## **8. FINANCIAL IMPACT**

There is no financial impact to the City as a result of the housekeeping changes requested in this ordinance.

## **9. RECOMMENDATION/ACTION REQUESTED**

The Bureau respectfully requests that the ordinance be passed to ensure that the CPI calculation for the upcoming license year can be calculated correctly. Additionally, correcting references and due dates in the code ensures that the Bureau and the districts don’t inadvertently violate code requirements.