

ORDINANCE NO. 189374

* Establish Business Property Management License Fee for Central Eastside Industrial District (Ordinance; amend Chapter 6.06)

The City of Portland ordains:

Section 1. The Council finds:

1. The City in 1988 at the request of downtown business owners and managers, established the Downtown Economic Improvement District. At the request of downtown business property owners and managers, beginning in October 1994, through Ordinance No. 167514, the City replaced the Downtown Economic Improvement District with the Downtown Business District, supported by a downtown business property management license fee. In 2012, the Downtown Business District was renamed to be the Clean & Safe District.
2. Business property owners and managers in the Lloyd District area of Northeast Portland, having witnessed the success of the Clean & Safe District, investigated and considered the desirability of establishing a Lloyd Business District, supported by a property management license fee. Following this investigation and consideration, business property owners and managers petitioned the City to establish such a district and fee authorized by City Charter Section 2-105(a)(17), to fund needed district services.
3. Business property owners and managers in the Central Eastside area of Portland, having witnessed the successes of the Clean & Safe District and the Lloyd Business District, investigated and considered the desirability of establishing a Central Eastside Industrial District, supported by a property management license fee. Following this investigation and consideration, business property owners and managers have petitioned the City to establish such a district and fee authorized by City Charter Section 2-105(a)(17), to fund needed district services.
4. Covering the area stretching from I-84 to the Ross Island Bridge and the Willamette River to 12th Avenue, the Central Eastside Industrial District is one of Portland's most dynamic communities. Home to more than 2,000 businesses and 20,000 jobs, this diverse district actively welcomes makers, innovators, creatives, employees, customers and visitors 24 hours a day. Rapid district changes, including an unprecedented number of new developments in the last 18 months, significant increases in retail, restaurants, and food and beverage suppliers district wide, and thousands of new residents have brought positive national and international attention to Central Eastside and Portland. At the same time, increases in unwanted crime and grime, including a 64% increase in crimes against people and property in the past year, have pervaded the district and threaten Central Eastside's emerging reputation and business viability. To shape its future and ensure its economic prosperity, the Central Eastside must take advantage of new tools to clean, beautify, promote and secure the area.
5. The Central Eastside Industrial District's service plan includes six categories.

Sidewalk Operations and Safety, Streetscape Improvement and District Identity, Parking and Transportation, Community Workforce Innovation Fund, Advocacy and Administration, and Contingency Reserve.

- 6. It is the determination of the City Council that the business property management license fee established by this ordinance is not subject to the limits of section 11 or 11b, Article XI of the Oregon Constitution, and the Council therefore classifies the fee as not subject to those limits. The City shall give notice of this determination by published notice within 15 days after adoption of this ordinance, in accord with the provisions of ORS 305.583(8).
- 7. From the factors reviewed, a license fee formula has been developed that would require a Central Eastside Industrial District property manager to pay an annual fee calculated generally as follows:
 - 1. \$.45 (cents) per \$1,000 of assessed value of improvements as of July 1, 2017;
 - 2. Plus \$3.50 per 290 square feet of improvements less parking structures(s) as of July 1, 2017;
 - 3. Plus \$.02 (cents) per square foot of land as of July 1, 2017.
 - 4. Plus the total of the amounts determined under Subsections A.1. through A.3. multiplied by a 2.3 percent annual escalator for license years commencing on or after July 1, 2020.

This formula yields a fair representation and is the best formula that be developed taking into consideration fairness and availability of existing public databases.

- 8. The City Council has considered the adoption of this ordinance based on the express request and petition of those potentially responsible for in excess of 47% of the total revenues generated by this license fee.
- 9. The Revenue Division has reviewed property manager letters of support provided by the Central Eastside Industrial Council and concluded that substantial support exists to create the Enhanced Service District. Revenue Division's staff analysis of the level of support is show in Exhibit B.

NOW, THEREFORE, the Council directs:

- a. Chapter 6.06 of the Portland City Code is amended as shown in Exhibit A.
- b. The Amendments to Chapter 6.06 of the Portland City Code shall be effective 61 days after the adoption of this ordinance if no petition is filed within 60 days of adoption of this ordinance in the Oregon Tax Court challenging the City Council's classification of the fee, in Finding 6. If such petition is filed within 60 days of adoption of this ordinance, then the amendments to Chapter 6.06 of the Portland City Code in Exhibit A, shall become effective on the date that a final Tax Court Judgement upholding the City Council's classification, has become final with an right to appeal having expired without being exercised; or, if a Tax Court judgment regarding the City Council's classification is appealed and review is

accepted, then the amendments shall become effective on the date of a final Oregon Supreme Court judgement, upholding the City Council's classification of the fee.

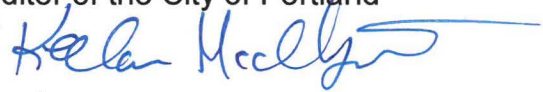
Section 2. The Council declares that an emergency exists because of the short timeline to set up the program and give proper notification to property managers of their responsibility. Therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council, FEB 06 2019

Mayor Ted Wheeler
Prepared by: Tyler Wallace
Date prepared: December 27, 2018

Mary Hull Caballero
Auditor of the City of Portland

By



Deputy

Agenda No. _____

Item Type: Ordinance No. 189374

Council Meeting Date: February 6, 2019

Title: *Establish Business Property Management License Fee for Central Eastside Industrial District.
(Ordinance; amend Chapter 6.06)

AGENDA TYPE

CONSENT REGULAR TIME CERTAIN Start Time: 10:05 Item 2 of 2

Total amount of time needed for presentation, testimony and discussion (Regular and Time Certain): 1.5 Hours

INTRODUCED BY: Mayor Wheeler

COMMISSIONER / AUDITOR APPROVAL

Mayor - Finance & Administration - Wheeler MTF
Position 1/ Utilities - Fritz _____
Position 2/ Works - Fish _____
Position 3/ Affairs - Saltzman Hardesty _____
Position 4/ Safety - Eudaly _____
City Auditor - Hull Caballero _____

BUREAU APPROVALS

Bureau: OMF/BRFS
OMF/CAO: _____
Bureau Approval: Jennifer Cooperman Digitally signed by Jennifer Cooperman Date: 2019.01.29 11:54:53 -0800
Prepared By: Tyler Wallace
Date Prepared: January 29, 2019

1) Is a completed Impact Statement attached? Yes

2) Does the item amend the budget? Yes No
If yes, Budget Office Approval

3) Is the item a Code ordinance? Yes No
If yes, Auditor Office Approval Tom/Kir

4) Is this item a contract, code, easement, franchise, comp plan or Charter? Yes No
If yes, Attorney Office Approval Tom

5a) Is item a Portland Policy Document or Administrative Rule? Yes No

5b) If yes, is the City Policy/Admin Rule directive in the ordinance or resolution? Yes

ACTION TAKEN:

CLERK USE: DATE FILED JAN 29 2019

Mary Hull Caballero
Auditor of the City of Portland

By: [Signature]
Deputy

| FOUR-FIFTHS AGENDA | COMMISSIONERS VOTED AS FOLLOWS: | |
|---------------------------------|-------------------------------------|------|
| | YEAS | NAYS |
| 1. Fritz | <input checked="" type="checkbox"/> | |
| 2. Fish | <input checked="" type="checkbox"/> | |
| 3. Saltzman Hardesty | <input checked="" type="checkbox"/> | |
| 4. Eudaly | <input checked="" type="checkbox"/> | |
| Wheeler | <input checked="" type="checkbox"/> | |