

ORDINANCE No. 190132

Amend Local Improvement District procedure for technical clarifications (Ordinance; amend Code Chapter 17.08)

The City of Portland ordains:

Section 1. The Council finds:

1. The current Local Improvement District procedure was established by the passage of Ordinance No. 177124 on December 11, 2002. The LID Program housed in the Portland Bureau of Transportation has since managed 54 local improvement districts (LIDs) including 39 completed LIDs and 15 pending LIDs for a total of 54 LIDs as indicated in Exhibit A. A majority of these LIDs are projects for which the Portland Bureau of Transportation is the Responsible Bureau; however, completed and pending LIDs also include projects for which the Bureau of Environmental Services, the Portland Water Bureau and Portland Parks & Recreation have also been designated as Responsible Bureaus within the applicable LID Formation Ordinance. This reflects that there is a Citywide benefit resulting from the construction of additional public infrastructure which would not be financially feasible if projects could be funded only from property taxes or other uniform and broad-based Citywide taxation.
2. The LID Administrator in consultation with the City Attorney has compiled a list of desired Code changes based on the experience of administering the LIDs identified in Exhibit A to provide technical clarifications to rectify minor difficulties in interpreting LID Code. Code changes include:
 - a. The passage of Ordinance 189347 forming the NE 46th Avenue & Bryant Street LID on January 16, 2019 apportions a significant level of special benefit to properties that will become exempt from property taxes with a pending change of ownership. This Code change will codify a longstanding practice of assessing specially benefited public properties for LIDs and clarifies that a property tax exemption is not grounds from exempting a property from an LID assessment.
 - b. A requirement will be codified that an updated Engineer's Estimate be included as an exhibit when Council approves a major cost and/or scope change to an LID, reflecting best practices and notwithstanding that past LID hearings as required by Code section 17.08.080 for street improvement LIDs have always been for betterments to the project scope. This Code change also clarifies that a property owner remonstrance is only against a major scope or cost change and is not against the original LID cost and scope as established in the LID Formation Ordinance.

- c. A clarification is made that an LID hearing is not required to the extent that a major cost or scope change is made but is voluntarily funded by another funding source or voluntarily by property owner(s) within the LID and does not result in an apportionment of this additional project expense to all properties within the LID per the assessment methodology as established at LID formation.
 - d. This LID Code change does not preclude overhead from being charged on LIDs nor an exemption from competitive bidding but does require that both be established at LID formation to ensure that costs are appropriately budgeted to avoid the need for a Council hearing as required by Code section 17.08.080.
 - e. The use of assessed value and/or real market value as assessment methodology criteria are expressly prohibited by this Code change to ensure adherence to property tax limitations as established in the Oregon law, which has strict standards by which LID funds can be deemed to meet the requirement of comprising a capital improvement under Oregon law.
 - f. Existing Code prohibits property owners from amending an LID assessment methodology notwithstanding concurrence among property owners to do so. This Code change clarifies and expressly states Council prerogative to do so under its authority to make findings of special benefit as established by Oregon law.
 - g. Additional Code changes are proposed for consistent use of terminology and to improve readability of LID Code.
3. No major or substantive changes are made by this Ordinance to LID procedure or to roles in administering LIDs.

NOW, THEREFORE, the Council directs:

- a. That Code Chapter 17.08 is amended as shown in Exhibit B.

Passed by the Council, September 16, 2020

Commissioner Chloe Eudaly
Prepared by: Andrew Aebi:cdb
Date Prepared: 7/29/2020

Mary Hull Caballero

Auditor of the City of Portland

By *Keelan McClymont*

Deputy

Agenda No.
ORDINANCE NO. 190132
 Title

Amend Local Improvement District procedure for technical clarifications (Ordinance; amend Code Chapter 17.08)

<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Chloe Eudaly</p>	CLERK USE: DATE FILED <u>9/1/20</u>
<p style="text-align: center;">COMMISSIONER APPROVAL</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u>Karla Moore-Love</u> <small>Digitally signed by Karla Moore-Love Date: 2020.09.01 16:37:45 -07'00'</small> Deputy</p> <p>ACTION TAKEN: September 9, 2020 Passed to Second Reading September 16, 2020 at 9:30 a.m. September 16, 2020 Rescheduled to September 16, 2020 at 2:00 p.m.</p>
Mayor—Finance & Administration - Wheeler	
Position 1/Utilities - Fritz	
Position 2/Works - Ryan	
Position 3/Affairs - Hardesty	
Position 4/Safety - Eudaly <small>Digitally signed by Jamey Duhamel Date: 2020.09.01 16:08:09 -07'00'</small>	
<p style="text-align: center;">BUREAU APPROVAL</p>	
Bureau: PBOT Bureau Head: Christopher Warner <small>Digitally signed by Christopher Warner Date: 2020.09.01 09:08:09 -07'00'</small>	
Prepared by: Andrew Aebi Date Prepared: <u>7/29/20</u>	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: Eric Shaffner <small>Digitally signed by Eric Shaffner Date: 2020.07.29 12:58:03 -07'00'</small> required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date <u>9/2/20</u>	

AGENDA

TIME CERTAIN
 Start time: _____

Total amount of time needed: _____
 (for presentation, testimony and discussion)

CONSENT

REGULAR
Total amount of time needed: _____
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Ryan	✓	
3. Hardesty	✓	
4. Eudaly		
Wheeler	✓	