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# 191561

Ordinance

## Extend Lloyd Business District property management license fee for an additional ten years and amend District Property Management License Code to update fees and due dates (amend Code Sections 6.06.260 and 6.06.270)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Pursuant to Section 6.06.260 of the City Code, the City has established a property management license fee within the Lloyd Business District, also called the "Lloyd District" or the "District." The purpose of the license fee is to provide revenues to fund supplement transportation management activities, cleaning services, funding for community-based partner organizations including the Lloyd Community Association and Right 2 Dream Too, and various economic development services within the District.
2. Sunset review of the District is required by City Code Section 6.06.280 every ten years. Resolution No. 37043, approved by the City Council on November 20, 2013 extended the District for an additional ten years through January 31, 2024.
3. In preparation for renewal, Lloyd BID, Inc. (the City's hired contractor to perform District services) conducted outreach within the District to assess the District's effectiveness and gauge support for continuation. This outreach included four open houses, several email communications, two online surveys which received 93 responses and a mailing to all ratepayers. Feedback received through these efforts were overwhelmingly supportive of continuing the District for an additional 10 years.
4. The Lloyd District Enhanced Services District Board of Directors submitted a formal request for renewal on September 29, 2023. This request is attached as Exhibit A to this ordinance.

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance](#)

Contact

Karl Lisle

Spectator Venues Program

Manager

✉ [karl.lisle@portlandoregon.gov](mailto:karl.lisle@portlandoregon.gov)

📞 [503-823-5876](tel:503-823-5876)

Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

December 20, 2023


Changes City Code


5. To reflect recent inflation allow the expanded service provision desired by the District Board, gradual increases to the rates payable by licensees are proposed. These changes are supported by the District Board and require amendment of City Code Section 6.06.260. These amendments are detailed in Exhibit B to this ordinance.
6. The parties desire to make minor adjustments to District license fee due dates for consistency with City practices in other enhanced services districts. These changes would take effect in 2025 and are detailed in Exhibit B to this ordinance.
7. Notice of the City Council hearing on this ordinance was mailed to the current District licensees on November 20, 2023 as required by City Code Section 6.06.280.
8. On August 13, 2020, the City Auditor released a report regarding all enhanced service districts in Portland, including the Lloyd District, entitled "Enhanced Service Districts: City provides little oversight of privately funded public services" which found the City failed to provide guidance on district governance or allowable services, and provided little oversight of services provided in districts.
9. Renewals of other enhanced services districts since 2020 have included new contract provisions intended to increase oversight and transparency of district services and operations, as well as a commitment to work with the City on future changes in response to the Audit. A new Lloyd management agreement will include similar provisions for oversight, subcontracting and reporting to those in other recent enhanced services district management agreements, and the District is committed to working with the City to implement future changes to the enhanced services district program as needed.

NOW, THEREFORE, the Council directs:

- A. The Lloyd Business District property management license fee is renewed for ten years beginning February 1, 2024.
- B. City Code Sections 6.06.260 and 6.06.270 are amended as shown in Exhibit B.

## Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/ordinance-lloyd-bid-renewal-exhibit-a-letter.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2023/ordinance-lloyd-bid-renewal-exhibit-a-letter.pdf) 192.01 KB

 [Exhibit B \(https://www.portland.gov/sites/default/files/council-documents/2023/lloyd-code-change-exhibit-b-11-21-23.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2023/lloyd-code-change-exhibit-b-11-21-23.pdf) 107.04 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
December 20, 2023

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

The Lloyd Enhanced Services District (Lloyd ESD), established in Portland City Code (PCC) Chapter 6.06 and specifically described in PCC 6.06.250 requires the City Council to conduct a public hearing(s) to determine whether the Lloyd ESD property management license fee should be terminated. This is required in 2024 and every ten years thereafter.

The Lloyd ESD was formed in 2001 at the request of property managers/owners to allow them to fund additional transportation management and assistance, community engagement and resource sharing, neighborhood promotion, right-of-way landscaping projects, and affordable housing assistance to those experiencing houselessness in the Lloyd District. This District has been in existence since 2001.

The proposed amendments to City Code 6.06.260 changes the property management fee structure, originally based on property tax assessments in 2010-2011, and adjusts to inflation rates over the past ten years, yielding a more robust projected operating revenue for the Lloyd ESD, which plans to add right-of-way cleaning to the bevy of work they currently provide their District. In addition, the timing of payment due dates is adjusted to conform to standard practices in other ESDs. These rate changes were requested by and approved by the Lloyd ESD Board.

### Financial and Budgetary Impacts

This ordinance increases the amount of the license fee paid by district property owners. This increases the resources available to the ESD Board to spend on procuring additional services within the district. The City charges administrative fees to collect and distribute these fees. These fees total between 3 and 4% of the total revenue collected and cover the Revenue Division's costs to collect and distribute fees, a variable fee associated with the costs of the City's ITS system replacement and a portion of the cost of the ESD Coordinator position housed within the Office of the CAO at OMF. These details are described in the new 5-year contract scheduled to be approved at the same City Council meeting by separate companion ordinance.

## Community Impacts and Community Involvement

Providing additional services for this District contributes to the attractiveness and vitality of the Lloyd ESD, enhancing the vibrancy for all who live, work, or visit the Lloyd District. Furthermore, these services increase the District's resiliency and aids in the attraction and retentions of businesses, residents, and visitors from near and far. Home to the Moda Center and the Oregon Convention Center, a vibrant and attractive Lloyd District is imperative due to this District's ability to attract conferences, exhibitions, and sports fans from all over. A vital Lloyd District increases tourism and business revenue, which increases city tax revenue that supports the General Fund and other public services.

The Lloyd ESD conducted extensive outreach to district ratepayers to assess the value of their services and build support for district renewal, with gradual rate increases reflected in the proposed PCC amendments. The City mailed a postcard and letter about the renewal process on November 17th. The mailer included a link to a survey and provided information on how to submit comments, attend a virtual open house on November 28, or participate in the City Council hearing on December 13.

### 100% Renewable Goal

Not applicable.

## Budget Office Financial Impact Analysis

The second ordinance approves the new five-year agreement with Lloyd Business Improvement District (BID) for Enhanced Services District (ESD) management services, while the first legislation is a companion ordinance to meet the sunset review requirements in City Code 6.06.280 and extend the Lloyd District for an additional ten (10) years.

The amendments proposed via the companion ordinance to City Code 6.06.260 change the property management fee structure, originally based on property tax assessments in 2010-2011, and adjusts to inflation rates over the past ten years, yielding a more robust projected operating revenue for the Lloyd BID, which plans to add right-of-way cleaning to the bevy of work they currently provide on behalf of the Lloyd ESD. This change will increase the projected operating revenue for the Lloyd BID to continue existing work while adding in new right-of-way cleaning work, further contributing to the vibrancy of the District.

The fee established for management of business and residential property in the Lloyd District for a license year will be the sum of the following:

1. The \$0.40 (cents) per \$1,000 of assessed value of improvements for the 2010-2011 property tax assessment year will be increased to \$0.45 (cents) per \$1,000;

2. Regarding improvements, the rate will be \$3.50 per 290 square feet of improvements, up from the earlier \$2.25 per 290 square feet;
3. For the license year commencing February 1, 2024, the rate will be \$0.022 (cents) per square foot of land, up from the \$0.015 (cents) per square foot of land as of July 1, 2020. For subsequent license years, the rate per square foot of land will be \$0.024 in 2025, \$0.026 in 2026, \$0.028 in 2027, and \$0.03 in 2028 and ensuing years;
4. For the license year commencing February 1, 2024 only, an additional 10% escalator will be applicable, in addition to the earlier 2.3% annual escalator, and the total escalator will be 12.3%.

The total not-to-exceed amount under the contract shall be \$3,550,000 over five years. The agreement gradually increases the license fee paid by district property owners. This increases the resources available to the ESD Board to spend on procuring additional services within the district. The City charges administrative fees to collect and distribute these license fees. These administrative fees total between 3 and 4% of the total revenue collected and cover the Revenue Division's costs to collect and distribute fees, a variable fee associated with the costs of the City's Integrated Tax System replacement and a portion of the cost of the ESD Coordinator position housed within the Office of the CAO at OMF. The expenditure to Lloyd BID for the net license fees collected will be budgeted at \$669,000 in FY 2024-25. These disbursements are always equal to the net of license fees revenue collected within the District less the Revenue Division's administrative fee and City overhead costs.

## Agenda Items

**1050 Time Certain in [December 13, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/12/13)  
(<https://www.portland.gov/council/agenda/2023/12/13>)**

Passed to second reading

Passed to second reading December 20, 2023 at 9:30 a.m.

**1070 Regular Agenda in [December 20, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/12/20)  
(<https://www.portland.gov/council/agenda/2023/12/20>)**

Passed

Commissioner Mingus Mapps Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Absent