

RESOLUTION No. 3 6 8 5 7 As Amended

Continue the Downtown Business District property management license fee for an additional ten years and direct the Revenue Bureau to analyze expansion options and possible changes to fee calculations (Resolution)

WHEREAS, the City of Portland established the Downtown Economic Improvement District in 1988. The District funded supplemental downtown cleaning, security and marketing services. The District's funding covered the period from October 1988 to September 1991; and

WHEREAS, the City renewed the Downtown Economic Improvement District in 1991, on a voluntary basis due to provisions of Article XI, Section 11b of the Oregon Constitution. The renewed District funded supplemental downtown cleaning, security, business development and marketing services. The District's funding covered the period from October 1991 through September 1994; and

WHEREAS, the City established the downtown business property management license fee in 1994, applicable within the Downtown Business District (known as the Downtown Clean and Safe District) and discontinued the Downtown Economic Improvement District. The District funded supplemental downtown cleaning, security, crime prevention, business development and marketing and communications services to persons doing business in the District. The District's funding covered the period from October 1994 through September 1997; and

WHEREAS, the City renewed the license fee within the Downtown Business District in 1997 and extended it to cover managers of market-rate rental apartments. The District funds supplemental downtown services similar to those provided in the 1994-1997 period. The District's funding covered the period from October 1997 through September 2000; and

WHEREAS, the City Council reviewed continuation of the District in 2000 and determined in Resolution No. 35890 that the District should continue for an additional year and be subject to further review in 2001; and

WHEREAS, Resolution No. 35890 provided for the City Council to conduct a public hearing or hearings to determine whether the District license fee should be terminated and, prior to the first hearing, for the City to mail notice of the hearing to the current licensees. Resolution No. 35890 also provided that if the City, at or before the hearing or hearings, received written objections from licensees responsible for more than 33 percent of the total revenues generated from the license fee during the October 1, 2000 to September 30, 2001 license fee year, then the fee would be terminated as of September 30, 2001. Otherwise, the license fee would continue in effect; and

WHEREAS, those persons responsible for the major portion of the total revenues expected to be generated from an extension of the license fee proposed amendments to City Code Chapter 6.06 that extended the license fee for an additional ten (10) years without the need for expensive reviews every three (3) years; adjusted the license fee rates; slightly modified the District boundaries; extended the license fee to all Downtown rental housing and other changes. Based upon the review hearing and receiving no written objections to

terminate the fee, the changes were adopted by City Council via Ordinance 175729 in June, 2001; and

WHEREAS, the changes to Portland City Code Chapter 6.06 included the addition of Subsection 6.06.220, which calls for a periodic Sunset Review of the Downtown Business District in 2011 and every 10 years thereafter. Notice of today's hearing was mailed by the Revenue Bureau on April 8, 2011, on behalf of the City to the current Downtown Business District licensees under this Chapter as required by this code section; and

WHEREAS, Portland City Code Chapter 6.06 was amended in 2009 to include condominiums in the definition of Residential Property and collect the District license fee from property managers of condominiums; and

WHEREAS, Clean & Safe, Inc. (the City's hired contractor to perform District services) engaged Gallatin Public Affairs to contact property owners/managers in the Downtown Business District to get feedback on the District's effectiveness, weaknesses, potential improvements and general perceptions of District operations. This feedback was obtained by holding three public meetings/open houses for members of the District to attend in Southwest/Downtown (Jan 13, 2011), at the Downtown Retail council (Feb 9, 2011) and in Northwest/Old Town (Mar 8, 2011) and conducting phone and in-person interviews with District payers. Their report is attached as Exhibit A; and

WHEREAS, feedback obtained by Gallatin Public Affairs showed that overall, the vast majority of District payers are satisfied and want the District to continue. District payers are especially satisfied with the cleaning efforts downtown; and

WHEREAS, a significant number of property owners/managers just outside the current District boundaries want to expand the district to include their properties and the District's board is interested in the expansion as long as the fees collected cover the costs of expanding the services to the new area. Map of the area is Exhibit B; and

WHEREAS, certain properties located within the existing or expanded District require the services offered by the District, but may not be able to pay the full fee calculated under the formula without serious impact to their ability to provide their mission. The feasibility of a cap on the fees paid by those properties should be considered; and

WHEREAS, some condo owners/managers feel that the condo fee formula is too high and would like to see the formula changed. One of the two written objections received by the City Auditor by March 30, 2011 as allowed by Portland City Code (PCC) 6.06.230 requesting termination of the District was from a Condo property. The other written objection was received from a commercial property. These two objections represent 2.25% of the revenues generated by the District, which is not enough under PCC 6.06.230 to cause termination of the District. These objections are included as Exhibit C.

NOW THEREFORE, BE IT RESOLVED the Downtown Business District, known as the Clean and Safe District, will be renewed for 10 years starting October 1, 2011; and

BE IT FURTHER RESOLVED that 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 6.06 code changes brought forward by ordinance to the City Council; and

BE IT FURTHER RESOLVED 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; and

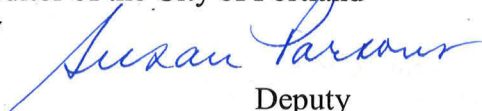
BE IT FURTHER RESOLVED that the Revenue Bureau shall bring an ordinance to City Council reflecting the appropriate changes needed as resolved above, and including any housekeeping changes to PCC 6.06, prior to October 1, 2011.

Adopted by the Council: APR 20 2011

Mayor Sam Adams
Prepared by: Terri Williams
Date Prepared: April 7, 2011

LaVonne Griffin-Valade
Auditor of the City of Portland

By


Deputy

Agenda No. **36857** As Amended
RESOLUTION NO.
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Adams	CLERK USE: DATE FILED <u>APR 15 2011</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	<div style="text-align: right;"> LaVonne Griffin-Valade Auditor of the City of Portland </div> <div style="margin-top: 20px;"> By: Deputy </div>
BUREAU APPROVAL Bureau: Revenue Bureau Head: Thomas W. Lannon	ACTION TAKEN:
Prepared by: Terri Williams Date Prepared: 04/07/2011	
Financial Impact Statement Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input checked="" type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date April 20, 2011	
City Attorney Approval	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: 2:00 pm <div style="text-align: center;">20</div> Total amount of time needed: 60 min (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

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