

**Exhibit A**

Note: Effective January 1, 2025

**CHAPTER 6.06 - DISTRICT PROPERTY MANAGEMENT LICENSE**

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**6.06.010 License Required.**

Any person engaged in property management activity within a District will pay a license fee for the activities covering each license year, or if 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 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 services, that benefit properties in the District. The payment of a license fee required under this Section and the acceptance of fee and issuance of a license by the City will 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.

**6.06.020 Definitions.**

Unless the context requires otherwise, the terms used in this Chapter will 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 arm’s length transaction during that assessment year.
- B. Division** means, for the purposes of this Chapter, the revenue service and program of the City Administrator under Chapter 3.06 of this Code and which may be referred to as “Revenue Division” or “Division”.
- 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 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, as published semi-annually by the United States Bureau of Labor Statistics. Effective January 1, 2018, “CPI-W means the Consumer Price Index for Urban Wage Earners and Clerical Workers for West – Size

Class A, not seasonally adjusted, as published 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 Annual immediately preceding the commencement of that license fee year and the denominator is the CPI-W Annual for 2023.
- F. District** means an enhanced services 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 activity or engagement in property management activity** 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 not constitute being “engaged in property management activity.”

**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

- N. 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 be treated as a single property.

- O. 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.

**6.06.030 Authority of City Administrator to Adopt Rules, Procedures and Forms.**

The City Administrator, as authorized by Charter, may adopt rules, procedures, and forms to implement the provisions of this Chapter.

**6.06.040 License.**

No person will engage in property management activity within the District unless the person first will have paid a license fee installment as described in Section 6.06.140.

**6.06.050 Exemptions from License Requirements.**

Persons who the City is prohibited from licensing or taxing under the Constitution or laws of the United States, the Constitution or laws of the State of Oregon, or the Charter of the City are exempt from the license requirements imposed by this Chapter, to the extent of any prohibition.

**6.06.060 License Transfer.**

- A.** Except as provided in this Section, no license will be transferable from one person to another.
- B.** The Division may allow transfer of a license for the balance of its term to a successor or transferee who continues the acts that constituted property management activity requiring a license under this Chapter. Any transfer will be reported to the Division in writing or on a form provided by the Division and will be effective on the date that engagement with property management activity changes as defined in this Chapter. The licensee engaged in property management activity prior to the change will be responsible for any license fee installments

which were due prior to the change as well as any installments that were due after the change but were paid prior to the change. The entity engaged in property management activity after the change will be responsible for installments which become due after the change unless paid by another entity prior to the change.

**6.06.070      Reserve.**

**6.06.080      License Term.**

- A.** Each license issued under this Chapter will be dated as of the first day of the month in which the license is issued or was required to have been obtained. Each license issued under this Chapter will expire on the day prior to the beginning of the new license year. In no case will a license be valid in excess of 12 months.

**6.06.090      Preparation and Notice of Fee.**

On or before August 1st of each year, the Division will 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 1st, the Division will 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 Division 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 Division 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 activity, as defined in Subsections 6.06.020 H.1.-3.
- D.** The activities which do not constitute being engaged in property management activity, as defined in Subsection 6.06.020 H.4.



- E.** The exemption provisions of Section 6.06.050 and the definition of exempt property as set out in Subsection 6.06.020 I. and any other provision of this Chapter applicable to the District.
- F.** That any appeal from the determinations of the Division 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 Division not later than 30 days after the notice is mailed. Appeal information from Section 6.06.100 will be included with the notice.

**6.06.095 Preparation and Notice of Fee Adjustment.**

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

- A.** That the Division has determined that the licensee is subject to a fee adjustment.
- B.** The amount of the adjusted license fee the Division 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 Division as to the person'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 Division not later than 30 days after the notice is mailed.

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

**6.06.100 Appeals.**

- A.** Persons to whom the Division mails a notice under Section 6.06.090 will 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 Division an appeal not later than 30 days after the date of mailing of the notices. The City Administrator may allow appeals filed after 30 days for reasons including, but not limited to, mail delivery delays, mail returned to the Division as undeliverable, or property tax cancellation as described in Subsection 6.06.200 C.
- B.** Persons to whom the Division mails a notice under Section 6.06.095 will 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 Division an appeal not later than 30 days after the date of mailing of the notices.
- C.** A person may appeal a preliminary determination of the Division 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 Subsections 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 Division 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 Division 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 Division to be payable by the 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 Division, 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 the evidence as the Division deems appropriate. If the person appeals on the ground that the data used in determining the license fee payable are incorrect, the Division will 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 Division will 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 Portland Permitting & Development written documentation of authorization to occupy improvements or portions of improvements, by Portland Permitting & Development building permit application records of the cost of physical changes, and by Portland Permitting & Development 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 Division determines that an appeal should or should not be granted, in whole or in part, then the Division will give the appealing person written notice of the determination and the reasons, by mail or personal delivery. The Division's determination is final.

**6.06.110 Registration for License.**

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

- 1.** Before the property manager engages in property management activity in the District; or

- 2.** Prior to commencement of the new license year.
- B.** The Division may, for good cause, allow further time for filing registrations, except that no extension may be granted for more than 30 days.
- C.** The registration may contain a written declaration, verified by the property manager, that the statements made therein are true.
- D.** The Division will prepare information 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 not relieve a person from the obligation to pay a license fee and register for a license under this Chapter.

**6.06.120 Interest on Delayed Application.**

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

**6.06.140 Fee Payment in Two Installments.**

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

- A.** Except as provided in Subsection 6.06.140 F., the license fee computed under a section of this Chapter establishing a license fee formula for the District will be payable in two equal installments, with the first installment due on October 1st of the license year and the second installment due on April 1st of the license year.
- B.** On or before February 15th of each license year, the Division will mail notice to each licensee stating the amount of the second installment payable on April 1st 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 Division approves the

transfer to another property manager or licensee under Section 6.06.060. If the licensee has not engaged in property management activity 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.

- D.** In computing the license fee payable by a licensee who has not engaged in District business property management activity 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 by another licensee.
- E.** 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 1st and March 31st will be due 30 days after the Division'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 Subsection 6.06.100 B.
  - 2.** The amount of any adjustment increase allocable to the portion of the license year between April 1st and September 30th will be due on April 1st of the license year or 30 days after the Division'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 Subsection 6.06.100 B.
  - 3.** The amount of any adjustment decrease allocable to the portion of the license year between October 1st and March 31st, provided that the amount previously determined to be due as of that October 1st has already been paid, will be refunded to the licensee or credited to an outstanding installment amount due within 30 days after the Division'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 Subsection 6.06.100 B.

4. The amount of any adjustment decrease allocable to the portion of the license year between April 1st and September 30th, provided that the amount previously determined to be due as of that April 1st has already been paid, will be refunded to the licensee or credited to an outstanding installment amount due within 30 days after the Division'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 Subsection 6.06.100 B.

**6.06.145 Fee Payment in One Installment.**

If a qualified contractor for a District has filed a written request approved by resolution of the Council that the District license fee be payable in one installment, District license fees for future license fee years will be payable as follows, until the time as the Council by resolution determines that the District license fee will 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 be payable in one installment due on October 1st of the license year.
- B. Each registration for a license, will be accompanied by payment of the license fee for the license year if known.
- 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 Division 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 activity 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 included in computing the license fee payable by another licensee.

- E.** 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 be due 30 days after the Division'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 Subsection 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 be refunded to the licensee or credited to an outstanding installment amount due within 30 days after the Division'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 Subsection 6.06.100 B.

**6.06.150 Penalty and Interest on Failure to Pay Fee.**

- A.** If a person:
- 1.** Fails to file a correct registration 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 be added to the amount of a fee installment a penalty of:
    - a.** Five percent of the amount of the unpaid fee installment, but not less than \$20, if the failure is for not more than one month; and
    - b.** Additional penalties of five percent of the unpaid fee installment for each additional month or fraction thereof during which the failure continues, up to a maximum of four additional months.
- B.** Interest will 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 not include penalties or interest.

- C.** If a person fails to file a registration on the prescribed date, as determined with regard to any extension for filing, the Division may determine the fee and fee installment payable. If the Division determines the fee and fee installment payable, the Division will determine appropriate penalties and interest and will send notice to the person of the determination.
- D.** The Division may apply payments to penalty and interest assessments before applying payments to fee installments due.

**6.06.160 Civil Penalties.**

- A.** The City Administrator may impose a civil penalty of up to \$500 for each of the following violations of this Chapter:
  - 1.** Failure to file any registration within 90 days of the Division’s original written notice to file.
  - 2.** Failure to pay any fee installment within 90 days of the Division’s original written notice for payment.
- B.** The City Administrator may only impose a civil penalty under this section if the Division gives notice of the potential for assessment of civil penalties for failure to comply in the original written preliminary determination notice issued under Sections 6.06.090 and 6.06.095.
- C.** The determination of a violation and imposition of a civil penalty under this Section will be subject to appeal to the Code Hearings Officer under the provisions of Chapter 22.10 of this Code.

**6.06.180 Severability.**

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 that portion, clause, or phrase is not so substantial that the Council would not have adopted this Chapter without it, then the remaining portions, clauses, and phrases will not be affected but will remain in full force and effect.



**6.06.190      Clean & Safe District.**

- A.** The Clean & Safe District is that area within the boundaries formed by NW and SW Front Ave on the east; SW Harrison between SW Front and SW 4th; SW 4<sup>th</sup> 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 Ave, 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 District also will include the area known as 1800 SW First Ave, 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.

**6.06.200      Clean & Safe District Fee Rates for Engaging in Business Property Management Activity.**

- A.** The fee established by this Chapter for management of business property in the Clean & Safe District in a license year will be the sum of the following amounts, computed separately in relation to each property within the District as to which the licensee is engaged in property management activity:
- 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 1st immediately preceding commencement of the license fee year.
  - 3.** Plus 46 cents per pound of elevator capacity as of the July 1st immediately preceding commencement of the license fee year.

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- 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 activity, if the business property is among the 50 District business properties used primarily for business activities with the highest value of improvements.
  - 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 activity, 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 6.06.200 A.1. through 5.
  - 7.** Plus 1.401 cents per square foot of improvements and, for surface parking lots, per square foot of land square footage, as of the July 1st immediately preceding commencement of the license fee year.
  - 8.** Plus 20.03 percent of the amounts determined under Subsections 6.06.200 A.1. through 7. which is the inflation that occurred during license years 2001 through 2011.
  - 9.** Plus the total of the amounts determined under Subsections 6.06.200 A.1. through 7. multiplied by the CPI-W factor, for license fee years commencing on or after October 1, 2012.
- B.** “Value of improvements” under this Section will 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 1st 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 6.06.200 B.1. or 2. or C.1. otherwise would be applicable plus the cost of the physical changes as determined from the Portland Permitting & Development 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 the occupancy authorization date; or
  - b.** For license fee years that commence after the January 1st 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 the 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 6.06.200 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 6.06.200 B.5., building on a property will be considered new if the cost of the physical change, as determined from the Portland Permitting & Development 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 per square foot of improvements.
- C.** Notwithstanding Subsections 6.06.200 A. and B, if as of July 1st 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 1st, then:

  - 1.** For purposes of initially determining the license fee for the license year, the value of improvements, improvements square footage, and elevator capacity attributable to the business

property building, structure, or addition will be deemed to be zero; and

2. If, after that July 1st and prior to completion of the license year Portland Permitting & Development 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 the license year will be adjusted. For purposes of adjustment, value of improvements will be measured as set out in set out in Subsection 6.06.200 B, improvements square footage will be measured as of the date of the authorization, and elevator capacity will be measured as of the date of the authorization. The adjusted license fee will be the amount determined under Subsection 6.06.200 A multiplied by a fraction, the numerator of which is the number of whole and partial months after the date of the authorization remaining in the license year and the denominator of which is 12. For purposes of this Subsection, the date of the authorization will be the date Portland Permitting & Development issues a written authorization to occupy all new improvements on the business property or the date 180 days after Portland Permitting & Development issues a written authorization to occupy some but not all new improvements on the property, whichever occurs first.

**6.06.210 Clean & Safe District Fee Rates for Engaging in Residential Property Management Activity.**

- A. The fee established by this Chapter for management of residential property in the Clean & Safe District for a license year, other than affordable residential rental property as defined in Section 6.06.211, will be the sum of the following amounts, computed separately in relation to each property within the District as to which the licensee is engaged in property management activity:
  1. 87 cents per \$1,000 of value of improvements, measured as set out in Subsection B. of this Section.

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- 2.** Plus \$5.52 per 725 square feet of the sum of improvements and land square footage as of the July 1st immediately preceding commencement of the license fee year.
- 3.** Plus \$.46 (cents) per pound of elevator capacity as of the July 1st immediately preceding commencement of the license fee year.
- 4.** Plus 15 percent of the amounts determined under Subsections 6.06.210 A.1. through 3.
- 5.** Plus 20.03 percent of the amounts determined under Subsections 6.06.210. A.1. through 4. which is the inflation that occurred during license years 2001 through 2011.
- 6.** Plus the total of the amounts determined under Subsections 6.06.210 A.1. through 4. multiplied by the CPI-W adjustment factor, for license fee years commencing on or after October 1, 2012.

**B.** “Value of improvements” under this Section will 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 1st 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 6.06.210 B.1. or 2. or C.1. otherwise would be applicable plus the cost of the physical changes as determined from Portland Permitting & Development 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 the occupancy authorization date; or
  - b.** For license years that commence after the January 1st 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 the 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 6.06.210 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 6.06.210. B.5., building on a property will be considered new if the cost of the physical change, as determined from Portland Permitting & Development 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 per square foot of improvements.
- C. Notwithstanding Subsections 6.06.210. A. and B., if as of July 1st 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 July 1st, then:
1. For purposes of initially determining the license fee for the license year, the value of improvements, improvement square footage, and elevator capacity attributable to the building, structure, or addition will be deemed to be zero; and
  2. If, after that July 1st and prior to completion of the license year Portland Permitting & Development issues an authorization to occupy new residential improvements on the property, then the license fee payable for the license year will be adjusted. For purposes of adjustment, value of improvements will be measured as set out in Subsection 6.06.210 B., improvements square footage will be measured as of the date of the authorization, and elevator capacity will be measured as of the



date of the authorization. The adjusted license fee will be the amount determined under Subsection 6.06.210 A. multiplied by a fraction, the numerator of which is the number of whole and partial months after the date of the authorization remaining in the license year and the denominator of which is twelve. For purposes of this Subsection, the date of the authorization will be date Portland Permitting & Development issues a written authorization to occupy all new residential improvements on the property or the date 180 days after Portland Permitting & Development issues a written authorization to occupy some but not all new residential improvements on the property, whichever occurs first.

**6.06.211      Clean & Safe District Fee Rates for Engaging in Affordable Residential Rental Property Management Activity.**

- A.** The fee established by this Chapter for management of affordable residential rental property in the Clean & Safe District for a license year will be the sum of the following amounts, computed separately in relation to each residential property within the District as to which the licensee is engaged in property management activity:
- 1.** If the licensee is a not-for-profit corporation or a government entity, \$20 multiplied by the number of affordable residential dwelling units managed by the licensee.
  - 2.** If the licensee is other than a not-for-profit corporation, \$44 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 1st 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 1st. 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.

**6.06.212 Clean & Safe District Exempt Property.**

The Clean & Safe District property management license requirements will not apply to exempt property. For purposes of this Section, “exempt property” means exempt property as defined in Subsection 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.

**6.06.213 Computation of Clean & Safe District License Fee for Management of Mixed-Use Properties.**

In computing Clean & Safe 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 activity, 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 activity will 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 the 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 the 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.
- 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 6.06.213 A. and of residential property improvements subject to Subsection 6.06.213 B., the square footage will be deemed to include an allocated portion of the common area improvements. The allocated portion of common area improvements will 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 6.06.213 A. or the square footage of residential property improvements subject to Subsection 6.06.213 B., 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.

**6.06.214 Clean & Safe 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 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 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.

**6.06.215 Pledging of Clean & Safe 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 Council, may pledge Clean & Safe 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 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 pledge of Clean & Safe District license fee revenues will be subject to any limitations set out in Oregon law or in the 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 exceed one-third of the Clean & Safe District license fee revenues.
- B.** In making a request under Subsection A. of this Section, the qualified contractor will 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 include a description of any previously provided

Clean & Safe 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 retain the pledged portion of the District license fee revenues, to be used for repayment of the debt.

**6.06.216     Lighting and District Amenities Revenues and Program.**

- A.** As used in this Chapter, “lighting revenues” means that portion of Clean & Safe District revenues collected under Subsection 6.06.200 A.7. as adjusted each year under Subsection 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.** As used in this Chapter, “district amenities revenue” means that portion of Clean & Safe District revenues collected under Subsection 6.06.200 A.7. as adjusted each year under Subsection 6.06.200 A.8. in excess of amounts necessary to fund the lighting program in a given year.
- D.** As used in this Chapter, “district amenities program” means the design, acquisition, construction, installation, operation, and maintenance of all components of amenities that improve the safety, function, and appearance of downtown sidewalks including but not limited to:
  - 1.**     Trash receptacles, including solar trash compactors.
  - 2.**     Co-located publication boxes.
- E.** Notwithstanding Section 6.06.010, lighting revenues and district amenities revenues will be used only:

1. For the lighting program and district amenities program as set forth above, including but not limited to the pledging of the revenue as provided under Section 6.06.215;
2. For a proportionate share of the Division's costs of administration of the license fee directed by the Council to be recovered from license fee revenues, based on the ratio of lighting revenue and district amenities revenues to total District revenues; or
3. If a qualified contractor determines that lighting revenue and district amenities revenues in a license year will exceed or have exceeded the costs and expenses of the lighting program and the district amenities 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 and district amenities program in future license years, then the excess can be used to fund any item(s) in Section 6.06.010.

**6.06.220      Clean & Safe District Periodic Sunset Review.**

Unless another length of term has been identified, the Council will conduct a public hearing or hearings prior to July 1st of the tenth year and every tenth year thereafter to determine whether the Clean & Safe District property management license fee should be continued or terminated on the September 30th that immediately follows. The City will mail notice of the hearing to the then current Clean & Safe District licensees under this Chapter. The Council will authorize or reauthorize the fee by ordinance. If the fee is not reauthorized, the District will be deemed sunset, and no further Council action is required.

**6.06.230      Clean & Safe District Early Termination.**

If the Council, on or before March 30th 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 District property management license fee during that year, then the license fee for the Clean & Safe District will be terminated as of September 30th of

that license fee year except that the fee will 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.

**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 Division 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.
    - 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 District services.
  - 2.** The Revenue Division 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 Division will make a recommendation to the Council if a different CPI adjustment is warranted for the upcoming license year.
  - 3.** The Council must approve a different CPI adjustment prior to August 1st.

- 4.** An approved different CPI adjustment will apply to the license year that begins on October 1st.
- B.** Once one or more different CPI adjustments have been approved by the Council, the Revenue Division 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 Division will document via written policy all changes to the CPI calculation as a result of the Council's approval, and this policy will supersede the calculation defined in Subsection 6.06.020 E.

**6.06.241 Clean & Safe District Periodic Value of Improvements Review**

- A.** Prior to January 1st of the license year commencing October 1, 2035 and each tenth year thereafter, the Division will determine whether Assessed Value of Improvements, as defined in Section 6.06.020 A., is readily available from the Multnomah County Office of Assessment and Taxation for the property tax year referenced in Subsections 6.06.200 B. and 6.06.210 B. and is expected to remain so for the next ten license years.
- B.** If the Assessed Value of Improvements are, or expected to be, no longer readily available, then prior to March 1st immediately following the January 1st referenced in Subsection 6.06.241 A., the Division will provide to the contractor's board of directors a forecast of District revenues for the upcoming license year using Assessed Value of Improvements from a property tax assessment year for which data is expected to be readily available for the following ten license years.
- C.** Prior to May 1st immediately following the March 1st referenced in Subsection B. of this Section, the Division will make a recommendation to Council to amend the dates in Subsections 6.06.200 B. and 6.06.210 B. in agreement with the revenue forecast developed in Subsection 6.06.241 B. The recommendation will include amending the denominator for the CPI-W adjustment factor referenced in Subsection 6.06.020 E. to that of the amended property tax assessment year.

**6.06.250 Lloyd District.**

The Lloyd District is that area within the boundaries formed by the Willamette River, from the Broadway Bridge to the point just south of the



Oregon Convention Center at which NE Lloyd Blvd reaches the River; NE Lloyd Blvd, from the Willamette River to NE 16th Ave; NE 16th Ave curving into NE 15th Ave, from NE Lloyd Blvd to NE Halsey St; NE Halsey St, from NE 15th Ave to NE Grand Ave; NE Grand Ave, from NE Halsey St to NE Broadway; and NE Broadway, from NE Grand Ave to the Willamette River.

**6.06.260      Lloyd Business District Fee Rates for Engaging in Property Management Activity.**

- A.** Except as set out in Subsection 6.06.260 B., the fee established by this Chapter for management of business and residential property in the Lloyd District for a license year will be the sum of the following amounts, computed separately in relation to each property within the District as to which the licensee is engaged in property management activity:
- 1.** 40 cents per \$1,000 of assessed value of improvements for the 2010-2011 property tax assessment year.
  - 2.** Plus \$2.25 per 290 square feet of improvements as of July 1, 2010.
  - 3.** Plus \$.015 (cents) per square foot of land as of July 1, 2010.
  - 4.** Plus the total of the amounts determined under Subsections 6.06.260 A.1. through A.3. multiplied by a 2.3 percent annual escalator for license years commencing on or after February 1, 2015.
- B.** In relation to business and residential property other than exempt residential property where physical changes to the property on or after July 1, 2010 have resulted in an increase or decrease in square footage of improvements, as compared to the square footage as of July 1, 2010, the fee established by this Chapter, for management of the property in the Lloyd District in a license year, will be as provided in this Subsection:
- 1.** During the period between the date Portland Permitting & Development issues an authorization, documentable by written

documentation, to occupy the improvements, or during the period between 180 days after the date Portland Permitting & Development issues 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 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 6.06.260 A.1., plus 40 cents per \$1,000 of the cost of the physical changes, as determined from Portland Permitting & Development records of all building permits issued authorizing or in association with the physical changes.
  - b.** Plus the amount determined under Subsection 6.06.260 A.2., plus \$2.25 per 290 additional square feet of improvements, resulting from the physical changes, as determined from Portland Permitting & Development records of building permits issued authorizing or in association with the physical changes.
  - c.** Plus the amount determined under Subsection 6.06.260 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 be:
  - a.** 40 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 \$2.25 per 290 square feet of improvements, as of July 1st 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 6.06.260 A.3.
- d.** Plus the total of the amounts determined under Subsections 6.06.260 B.2.a. through B.2.c. multiplied by a 2.3 percent annual escalator for the license years commencing on or after February 1, 2015.
- Computing the fee as provided in Subsection 6.06.260 A. or B.:
- In relation to real property within the Lloyd District as to which a licensee is engaged in property management activity, where the property in part is exempt residential property or religious organization property or,
- 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 activity in relation to part of the property they manage, the fee in relation to property management activity as to the real property will 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 activity 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).
- In relation to property within the District as to which there is more than one property manager for a given property, the fee for each property manager will be calculated as follows:
- a.** Each property manager's fee will first be computed as though the property manager was subject to the fee for the entire property. That amount will then be multiplied

by a fraction, the numerator of which is the square footage of the area for which the property manager is engaged in property management activity 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); and

- b.** If there are common area improvements in a property subject to Subsection a. above, then in computing square footage of each property manager's improvements, the square footage will be deemed to include an allocated portion of the common area improvements. The allocated portion of common area improvements will be determined by multiplying the square footage of common area improvements by a fraction, the numerator of which is the square footage of the property improvements subject to this fee for each district manager, and the denominator of which is the square footage of all improvements on the property less the square footage of the common area improvements.
- D.** Notwithstanding the amount of the fee computed under Subsections 6.06.260 A., B., and C., in no case will the fee payable by a licensee, in relation to all real property within the Lloyd District as to which the licensee is engaged in property management activity, exceed \$35,000 for nonresidential zoned property and \$8,500 for nonexempt residential zoned property.
- E.** The Lloyd District license requirements will not apply to exempt property. For purposes of this Section, "exempt property" means exempt property as defined in Subsection 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 1st 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 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.

**6.06.270 Revisions to License Fee Year Schedule.**

Notwithstanding that Sections 6.06.010 through 6.06.180 are based on a license fee year of October 1st through September 30th, the license fee year for the Lloyd District will be February 1st through January 31st, 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 District, will be February 15th and September 15th except that the August 1st date set out in Section 6.06.090 will be January 5th. Any other dates are also changed to provide at least 30 days' notice before a due date and may be clarified by the Revenue Division in a written policy.

**6.06.280     Lloyd District Periodic Sunset Review.**

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

**6.06.290     Lloyd District Early Termination.**

If the Council, on or before July 31st 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 District property management license fee during that year, then the license fee for the Lloyd District will be terminated as of January 31st of that license fee year.

**6.06.300     Request That Annual Lloyd District Escalator Be Lowered.**

- A.** The Lloyd District contractor's board of directors may recommend that the annual 2.3 percent escalator adjustment be set to an amount lower than 2.3 percent for a particular 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 Division no later than October 10th. The resolution must contain the following information:
    - a.** The reason why the board is requesting the annual escalator adjustment be set at a rate that is lower than 2.3 percent.
    - b.** What the board recommends as the appropriate escalator amount for the license year.
    - c.** The impact on the upcoming budget that will result if a lower escalator adjustment is made, specifically as it relates to contract employee wages and contract service levels.

- d. The impact to District services.
    2. The Revenue Division will review the information from the Lloyd District 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 escalator adjustment. The Revenue Division will make a recommendation to the Council if a lower escalator adjustment is warranted for the upcoming license year.
    3. The Council must approve a lower escalator adjustment prior to December 1st.
    4. An approved lower escalator adjustment will apply to the next license year that begins on February 1st.
  - B. The Council's approval to decrease the annual escalator for any given year has no effect on future years, and the District contractor's board must follow the process outlined in Subsection 6.06.300 A.1 for each year it wishes to recommend a rate lower than the prescribed 2.3 percent escalator.

**6.06.310 Central Eastside Industrial District.**

- A.** The Central Eastside Industrial District is that area within the boundaries formed by:
- 1.** Northern Boundary: The south side of I-84 between the Willamette River and east side of SE 12<sup>th</sup> Ave;
  - 2.** Southern Boundary: SE Division Pl, north side between I-99 and Willamette River; SE Division Str, including the properties on the south side between SE Grand and SE 10th Ave; both sides between SE 10th and SE 12th Ave; and SE Hawthorne Blvd, including the properties on the south side between SE 10th and SE 11th Ave, and north side between SE 11th and SE 12th Ave;
  - 3.** Eastern Boundary: SE 10th Ave, west side between SE Hawthorne Blvd and SE Division St; SE 12th Ave, west side between I-84 and SE Stark St; including the properties on the

east side between SE Stark St and SE Hawthorne Blvd; I-99, west side between SE Division Pl and SE Division St; and

4. Western Boundary: Willamette River, between I-84 and north side of SE Division Pl.
- B.** The District will also include the properties immediately on both sides of SE Division St between SE 10th and SE 12th Ave and the area within the west side of SE 12th Ave between SE Division St and SE Ivon St.
- C.** The District will also include the property at 1401 SE Morrison St.

**6.06.320 Central Eastside Industrial District Fee Rates for Engaging in Property Management Activity.**

- A.** Except as set out in Subsection 6.06.320 B, the fee established by this Chapter for management of business and residential property in the Central Eastside Industrial District for a license year will be the sum of the following amounts, computed separately in relation to each property within the District as to which the licensee is engaged in property management activity:
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 2 cents per square foot of land as of July 1, 2017.
  4. Plus the total of the amounts determined under Subsections 6.06.320 A.1. through A.3. multiplied by a 2.3 percent annual escalator for license years commencing on or after July 1, 2020.
- B.** In relation to business and residential property other than exempt residential property where physical changes to the property on or after July 1, 2017 have resulted in an increase or decrease in square footage of improvements, as compared to the square footage as of July 1, 2017, the fee established by this Chapter, for management of



the property in the Central Eastside Industrial District in a license year, will be as provided in this Subsection:

- 1.** During the period between the date Portland Permitting & Development issues an authorization, documentable by written documentation, to occupy the improvements, or during the period between 180 days after the date Portland Permitting & Development issues 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 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 6.06.320 A.1., plus 45 cents per \$1,000 of the cost of the physical changes, as determined from Portland Permitting & Development records of all building permits issued authorizing or in association with the physical changes.
  - b.** Plus the amount determined under Subsection 6.06.320 A.2., plus \$3.50 per 290 additional square feet of improvements, resulting from the physical changes, as determined from Portland Permitting & Development records of building permits issued authorizing or in association with the physical changes.
  - c.** Plus the amount determined under Subsection 6.06.320 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 be:
  - a.** 45 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 \$3.50 per 290 square feet of improvements, as of July 1st 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 6.06.320 A.3.
  - d.** Plus the total of the amounts determined under Subsections 6.06.320 B.2.a. through B.2.c. multiplied by a 2.3 percent annual escalator for the license years commencing on or after July 1, 2020.
- C.** In computing the fee as provided in Subsection 6.06.320 A. or B.:
  - 1.** In relation to real property within the Central Eastside Industrial District as to which a licensee is engaged in property management activity, 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 activity in relation to part of the property they manage, the fee in relation to property management activity as to the real property will 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 activity 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).

- 3.** In relation to property within the District as to which there is more than one property manager for a given property, the fee for each property manager will be calculated as follows:

  - a.** Each property manager's fee will first be computed as though the property manager was subject to the fee for the entire property. That amount will then be multiplied by a fraction, the numerator of which is the square footage of the area for which the property manager is engaged in property management activity 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); and
  - b.** If there are common area improvements in a property subject to Subsection 6.06.320 C.3.a, then in computing square footage of each property manager's improvements, the square footage will be deemed to include an allocated portion of the common area improvements. The allocated portion of common area improvements will be determined by multiplying the square footage of common area improvements by a fraction, the numerator of which is the square footage of the property improvements subject to this fee for each district manager, and the denominator of which is the square footage of all improvements on the property less the square footage of the common area improvements.
- D.** The Central Eastside Industrial District license requirements will not apply to exempt property. For purposes of this Section, "exempt property" means exempt property as defined in Subsection 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.

- E.** The Central Eastside Industrial District license fee requirement will be reduced by 50 percent per license year for non-profit organizations organized under section 501 of the U.S. Tax Code.
- F.** The Central Eastside Industrial District license fee requirement will be reduced by 50 percent per license year for low-income 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 1st of each year.
- G.** For purposes of this Section 6.06.320 only, the terms "square feet of improvements" and "square footage of improvements" will 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.

**6.06.330 Revisions to License Fee Year Schedule.**

Notwithstanding that Sections 6.06.010 through 6.06.180 are based on a license fee year of October 1st, through September 30th, the license fee year for the Central Eastside Industrial District will be July 1st, through June 30th, with the first license fee year to commence July 1, 2019. Therefore, the due dates set out in Sections 6.06.010 through 6.06.180, for purposes of the Central Eastside Industrial District, will be July 1st and February 1st except that the August 1st date set out in Section 6.06.090 will be May 1st. Any other dates are also changed to provide at least 30 days' notice before a due date and may be clarified by the Revenue Division in a written policy.

**6.06.340 Central Eastside Industrial District Periodic Sunset Review.**

During the license year ending 2022 and each tenth year thereafter, the Council will conduct a public hearing or hearings to determine whether the

Central Eastside Industrial District property management license fee should be terminated. Prior to the first hearing in the license year ending 2022 and in each tenth year thereafter, the City will mail notice of the hearing to the then current Central Eastside Industrial District licensees under this Chapter.

**6.06.350 Central Eastside Industrial District Early Termination.**

If the Council, on or before June 30th, 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 Central Eastside Industrial District property management license fee during that year, then the license fee for the Central Eastside Industrial District will be terminated as of June 30th of that license fee year.

**6.06.360 Request That Annual Central Eastside Industrial District Escalator Be Lowered.**

- A.** The Central Eastside Industrial District contractor's board of directors may recommend that the annual 2.3 percent escalator adjustment be set to an amount lower than 2.3 percent for a particular 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 Division no later than March 10th. The resolution must contain the following information:
    - a.** The reason why the board is requesting the annual escalator adjustment be set at a rate that is lower than 2.3 percent;
    - b.** What the board recommends as the appropriate escalator amount for the license year;
    - c.** The impact on the upcoming budget that will result if a lower escalator adjustment is made, specifically as it relates to contract employee wages and contract service levels; and
    - d.** The impact to District services.

- 2.** The Revenue Division will review the information from the Central Eastside Industrial District 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 escalator adjustment. The Revenue Division will make a recommendation to the Council if a lower escalator adjustment is warranted for the upcoming license year.
  - 3.** The Council must approve a lower escalator adjustment prior to April 1st.
  - 4.** An approved lower escalator adjustment will apply to the next license year that begins on July 1st.
- B.** The Council's approval to decrease the annual escalator for any given year has no effect on future years, and the District contractor's board must follow the process outlined in Subsection A.1. of this Section for each year it wishes to recommend a rate lower than the prescribed 2.3 percent escalator.