

Benefits and Costs for the Proposed 1220 Main Street Development:

BENEFITS

- Catalyst for future redevelopment of this area of downtown
- Job creation – 50 full time
- Help to accommodate tourists and compel visitors to linger longer thereby stimulating the local economy
- Public parking would be preserved but the property would also be placed on the tax rolls generating revenue for the City rather than just a public parking lot with no tax revenue. Revenues are estimated as follows using the rate of 7.8% with 6% going to Oregon City:

Average nightly room rate:	\$95.00
Annualized occupancy rate:	55%
Number of Rooms	100
Annual Revenues	\$1,860,100
Hotel room taxes at 7.8%	\$145,087
City's Share of this tax is 6%	\$111,606 per year

Estimated Property Taxes (\$10 mil. building) –

Urban Renewal (current tax rate @ \$15.778/\$1,000) - \$160,000 per year

City (without UR District; current tax rate @ \$4.409/\$1,000) - \$44,000 per year

Total Annual Revenues: \$272,000 per year (w/ UR tax rate)

- Aesthetic improvement to this portion of downtown
- Generates additional activity in downtown
- The commercial space provides additional choices for retail and restaurant patrons in Oregon City

COSTS

- Costs estimates to City: (estimates only)
 - Credit for land - \$920,000 (appraised value)
 - Re-routing of high voltage transmission lines - \$300,000 (approx.)
 - Purchase and installation of parking kiosk - \$12,000
 - Broker fee - \$13,800 (1.5%)
 - Striping of public parking spaces - \$ 7,500
 - PGE installation of distribution lines and customer hook up - \$
 - Site survey - \$5,000
 - Closing fees – \$10,000
- Temporary reduction in parking capacity (12th and Main will not accommodate 90 spaces)

**1220 Main Street was originally purchased by the City in 1996 for \$325,543.30*