



City of Oregon City

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Staff Report

File Number: 17-660

Agenda Date: 12/20/2017

Status: Draft

To: City Commission

Agenda #: 6a.

From: Economic Development Manager Eric Underwood

File Type: Ordinance

SUBJECT:

First Reading of Ordinance No. 18-1001, Creating the Downtown Economic Improvement District

RECOMMENDED ACTION (Motion):

Staff recommends that the City Commission conduct a public hearing and approve the attached ordinance adopting the Economic Improvement District for downtown Oregon City

BACKGROUND:

On April 1, 2015 the City Commission adopted a resolution to call for a public hearing to adopt the Economic Improvement District (EID) in downtown Oregon City for a period of three (3) years. The initial EID became effective on April 15, 2011 with a term of four years to allow for District project completion but expired in April 2015. This is a second effort to establish the EID in downtown with the first attempt to renew the EID failed earlier this year due to receiving more than 33% remonstrance from affected property/primary business owners as regulated ORS 223.117. A successful second effort to establish the EID will result in the assessment period becoming effective July 17, 2015. The purpose of the EID is to fund economic development activities that specifically benefit main street commerce in downtown Oregon City. Throughout the District's four-year term, many successful projects and promotional activities have been carried out resulting in positive impacts on Oregon City's Main Street community. A new EID is necessitated by the activities that have yet to be completed that will further enhance the economic viability of Main Street. Examples of those projects are as follows:

- * Bolstering of business/developer recruitment for downtown
- * Housing recruitment program
- * Ongoing marketing and promotions
- * Infrastructure improvements including gateway art, light pole flags and public right-of-way enhancements
- * Grant writing, publicity and advocacy

In order to be able to assess the property in the EID, the City Commission needs to enact an ordinance with a provision for assessments to occur within a specified number of years granting to the property owners in the District the notice and right of remonstrance described in ORS 223.117(2)(b) to (e). The current proposal includes assessment rates in three contiguous zones and the breakdown of the proposed assessment is as follows:

Zone 1 assessment shall be equal to the lesser of \$1,250 or \$0.25 per square foot of tax lot area.

Zone 2 assessment shall be equal to the lesser of \$1,250 or \$0.15 per square foot of tax lot area.

Zone 3 assessment shall be equal to the lesser of \$975 or \$0.10 per square foot of tax lot area.

Assessments shall increase 3% for each calendar year beginning with the 2020 assessment.

No assessment shall be more than 1% of the assessed value of the tax lot.

2018 assessment shall be pro-rated for the number of remaining calendar days.

Assessed value and tax lot area shall be based on the most recent information available from the county tax assessor.

1. The assessment shall be paid by the Primary Business User of each tax lot in the EID, as defined in Section 3(4) of Ordinance 18-1001.
2. The assessment shall be imposed on a calendar year basis.
3. The assessments may cover only a portion of the economic improvements within the EID.

Assessments would be collected by the City and expenditure of funds would be determined by the Downtown Oregon City Association Board subject to a Personal Services Agreement signed by the City Commission and the Downtown Oregon City Association Board. A second public hearing is scheduled for February 7, 2018 and notice of the proposed assessment rate will be sent to individual property owners at least 30 days prior. A map of the District boundaries along with a brochure highlighting the specific benefits of the EID program are attached for consideration by the City Commission.