

ORDINANCE NO. 18-1001

AN ORDINANCE OF THE CITY OF OREGON CITY CREATING THE DOWNTOWN ECONOMIC IMPROVEMENT DISTRICT

WHEREAS, making public improvements in the downtown commercial area increases property owner opportunity to generate revenue, increases the value of properties within the economic improvement district boundaries, increases the economic return realized by businesses within the economic improvement district boundary, supports special programs to improve downtown, and encourages other businesses to be attracted to the downtown area;

WHEREAS, pursuant to its home rule authority the City Commission is authorized to create and did create a downtown economic improvement district on April 15, 2011, to provide for business recruitment, marketing and promoting activities, economic development programs, streetscape improvement projects, and district management;

WHEREAS, pursuant to Ordinance 15-1003, the downtown economic improvement district expires on July 16, 2018;

WHEREAS, the economic improvement district created on April 15, 2011, improved the downtown commercial area, increased property owners' opportunity to generate revenue, increased the value of properties within the economic improvement boundaries, increased the economic return realized by the businesses within the economic improvement district boundary, supported special programs to improve downtown, and encouraged other businesses to be attracted to the downtown area;

WHEREAS, the City Commission has considered a new downtown economic improvement district boundary, in accord with Resolution No. 17-27 and the procedures set forth in Ordinance No. 10-1009, An Ordinance Containing Procedures for Creation of Economic Improvement Districts;

WHEREAS, the City Commission desires to create the downtown economic improvement district to enhance economic opportunities in this area by partially offsetting the cost of marketing, promoting as well as beautifying, downtown Oregon City;

WHEREAS, the City Commission proposes to adopt an assessment on the person using real property in the district to conduct business or generate income from other than single-family residential uses;

WHEREAS, creation of the economic improvement district will allow the downtown commercial area to continue to improve and provide for business recruitment, marketing and promotion activities, economic development programs, streetscape improvement projects, and District management; and

WHEREAS, the City Commission mailed notice to affected property owners on January 5, 2018, at least thirty (30) days prior to the public hearing on February 7, 2018 notifying affected property owners of its intent to create the downtown economic improvement district.

NOW, THEREFORE, OREGON CITY ORDAINS AS FOLLOWS:

Section 1. The City Commission hereby creates the Downtown Economic Improvement District ("EID") pursuant to the City's home rule authority for the purposes of funding the following economic improvement projects and taking actions necessary to create those projects, among others:

1. Economic development programs focused on business and developer recruitment, which may include, but are not limited to, advertising campaigns, direct marketing and support of programs like the business recruitment campaign.
2. Marketing and promotions focused on the downtown marketplace which may include, but are not limited to, organizing special events, and promoting projects that highlight the downtown marketplace and public events.
3. Infrastructure improvement projects within the EID for downtown streetscape enhancements that may include, but are not limited to, installation of tree lights, bicycle racks, and public art.
4. Downtown program operations and management activities that may include, but are not limited to, grant writing, publicity, advocacy, project management, rent for office space, office expenses, and salaries.

Section 2. The City Commission estimates that the probable revenue derived under this ordinance is approximately \$95,000 per year and the estimated cost of the projects outlined in Section 1 are \$200,000-\$380,000 per year.

Section 3. The City is hereby authorized to impose and does impose an annual assessment on each tax lot in the EID, except tax lots exempted for the year of the assessment by Section 3(5) or 3(6) of Ordinance 18-1001, in the amount set forth in this schedule:

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.
4. The "Primary Business User" of a tax lot in the EID shall mean:

- a. the record owner of each tax lot in the EID, if the record owner of the tax lot uses that tax lot to conduct business or generate income, or makes that tax lot available to another to conduct business or generate income at any time during the calendar year. If more than one person is the record owner of a tax lot, all record owners shall be jointly and severally liable for the assessment; or
- b. the person or persons designated in writing by the record owner or owners of a tax lot if the person or persons designated are reasonably acceptable to the City and agree to such designation in writing to the City.

5. No EID assessment shall be owed in connection with real property in the EID unless that real property is used by the fee owner or another to conduct business or generate income during the calendar year. A fee owner of real property in the EID may obtain an annual exemption by demonstrating to the City that the property has not been and will not be used to conduct business or generate income during the calendar year. If a property is unused at the date of the annual EID assessment and is thereafter used to conduct business or generate income or changes from an exempt to non-exempt use, the annual EID assessment will be levied on a prorated basis.

6. No EID assessment shall be owed in connection with real property in the EID for any portion of a year that the property is used for single-family residential purposes or is owned by a governmental entity. If a property owner generates income from a property, including leasing property for all uses, other than single family residential, the property owner shall be deemed a Primary Business User of a tax lot and is subject to the EID assessment.

Section 4. All downtown EID assessments shall be used exclusively for the purposes set forth in Section 1 of Ordinance 18-1001, and not for any other purpose.

Section 5. The boundaries of the downtown EID shall be as described below and shown in the graphic attached hereto as Exhibit "A":

Zone 1 is comprised of tax lots adjacent to Main Street, Railroad Avenue, and McLoughlin Boulevard, and numbered side streets between the Willamette Falls Downtown District Zone and 11th Street between McLoughlin Boulevard and the bluff; and includes all of the properties located within the Willamette Falls Downtown District Zone.

Zone 2 is comprised of tax lots adjacent to Main Street, McLoughlin Boulevard, and numbered side streets between 11th Street and 16th Street between McLoughlin Boulevard and the railroad right of way; and includes tax lot 2-2E-30DD-00200.

Zone 3 is comprised of tax lots adjacent to Washington Street, Center Street, 14th Street, and 15th Street between the railroad right of way and Center Street; and includes tax lots 2-2E-30DD-02400 and 2-2E-29CC-08301.

In the event of a conflict between the map and this written description, the map attached hereto as Exhibit "A" shall prevail.

Section 6. Assessments for the EID shall be made through December 31, 2022 beginning July 17, 2018.

Section 7. The City will invoice the Primary Business User of each tax lot in the EID for the EID

assessments annually. The person who is the Primary Business User of a tax lot in the EID on the date of the invoice shall be primarily liable for the EID assessment on that tax lot. However, if an EID assessment is not paid when due, subsequent Primary Business Users of a tax lot with an overdue EID assessment shall be liable for the unpaid amount of the EID assessment plus late penalties and interest.

Section 8. At its discretion, the City may pursue enforcement for non-compliance through fines, refusal to issue a business license or other city permits, through a court-ordered judgment, or any other legal remedy.

Section 9. The City shall send mailed notice to affected property owners with the proposed assessment for each affected property. The City Commission shall hold a public hearing not sooner than thirty (30) days after the mailing of notices to affected property owners, at which the owners may appear to support or object to the proposed assessment. The City will not take this ordinance to its second reading if written objections are received at the public hearing held by the City regarding the EID from record owners of property having an assessed value equal to or more than 33 percent of the total assessed value of the property within the EID subject to assessment under this ordinance, based on the latest information available from the tax assessor.

Section 10. The City Commission may appoint Main Street Oregon City as the advisory committee to the City Commission for the expenditure of funds assessed and collected from this economic improvement district; and Main Street Oregon City and the City of Oregon City may enter into an agreement wherein Main Street Oregon City provides the services to accomplish the goals and objectives of the proposed EID. The agreement between Oregon City and Main Street Oregon City shall be approved by the City Commission and ratified by the Board of Main Street Oregon City.

Section 11. The City Commission grants the City Manager or designee of the Manager rulemaking power to invoice and collect assessments under Section 7, to determine due dates for assessment payments, to determine the amount of any late fees and penalties for overdue assessments, and to establish other rules to provide for the day-to-day operations of Ordinance 18-1001 with respect to the aforesaid extension of the Downtown Oregon City Economic Improvement District.

Section 12. This ordinance shall become effective 30 days from the date of passage.

Read for the first time at a regular meeting of the City Commission held on the 20th day of December 2017, and the City Commission finally enacted the foregoing ordinance this 7th day of February 2018.

DAN HOLLADAY, Mayor

Attested to this 7th day of February 2018,

Approved as to legal sufficiency:

Kattie Riggs, City Recorder

City Attorney