

ORDINANCE NO. NS-2495

AN ORDINANCE ESTABLISHING AN ECONOMIC IMPROVEMENT DISTRICT WITHIN THE CITY'S CENTRAL BUSINESS DISTRICT APPLYING ONLY TO COMMERCIAL PROPERTIES, AND ESTABLISHING A PROCESS FOR IMPOSITION OF ASSESSMENTS

Findings

- A. There is an existing Downtown Bend Economic Improvement District (District) that will expire June 30, 2024.
- B. The Downtown Bend Business Association (DBBA), which administers the existing District, requested that the City continue the District with the same boundaries as the existing one, but with a new assessment rate.
- C. ORS 223.112 to ORS 223.161 authorize the City to establish economic improvement districts and to use assessments from the District to fund specific economic improvement projects.
- D. The City Council conducted a public hearing on April 17, 2024, on the question of whether to create the District as requested by DBBA.
- E. The City provided not less than thirty days' notice of the April 17, 2024 hearing.
- F. The area within the proposed boundary of the District is zoned Central Business. While uses other than commercial exist within the district, only the commercial portions of properties will be assessed. The total assessable commercial property within the District boundary is approximately 1,034,471 square feet.
- G. A rate of \$0.30 per square foot of commercial space will be assessed and collected in the first year of the assessment period. The rate will increase by \$0.01 per square foot of commercial space each additional year of the assessment period. For purposes of the assessment, commercial property does not include facilities used by public entities for public purposes, facilities owned and operated by religious organizations, or publicly owned parking lots and parking garages.
- H. The preliminary cost of the economic improvement projects as described in Section 2 of this Ordinance is estimated to be \$310,000 in the first year. The proposed formula for apportioning costs to benefited properties is described in Section 4 of this Ordinance.

I. The City will provide notice to property owners of assessments and then conduct an additional hearing to receive oral testimony and remonstrances, if any.

J. The DBBA will continue to administer the District. It is the express intent of the City Council that, as part of DBBA's administration activities, the DBBA will provide regular updates to the City regarding the District. The updates should include regular submittal of financial and progress reports to City staff, and an annual presentation to the City Council during a work session.

THE CITY OF BEND ORDAINS AS FOLLOWS:

Section 1: Creation of District.

The City Council of Bend creates the Downtown Bend Economic Improvement District ("District"). The District is authorized to make economic improvements as defined by ORS 223.112(2), and in particular, is authorized to expend revenues generated by assessments imposed by this Ordinance and the assessment resolution on the improvements described in Section 2 of this Ordinance, which shall all be deemed part of the economic improvement project undertaken by the District as provided in ORS 223.117(1)(a).

The boundaries of the District are as depicted on Exhibit A to this Ordinance. All commercial property located within the boundary shall be subject to the assessment.

Section 2: Economic Improvement Project.

The economic improvement project will generally consist of beautification and maintenance services, including planters, graffiti removal, snow removal, sidewalk cleaning, tree lights, holiday decorations, and banners; marketing downtown events and businesses; planning and executing events; and as further provided in an agreement between the City and the Downtown Bend Business Association. Beautification projects and maintenance services will be provided equally throughout the District.

Marketing efforts, to include advertising through social media, newsletters, and media coverage, will be executed to promote and highlight events within the District, and to obtain maximum exposure and benefit for all downtown businesses. These efforts will keep downtown a central gathering place for the community, keep it vibrant, and stimulate economic improvement.

The estimated cost of the economic improvement projects as described in this section is \$310,844 in the first year. Based on current assessed square footage, the second year is estimated at \$320,500 and the third year is estimated at \$331,000. Assessed square footage may be adjusted annually based on

development activity.

Section 3: Duration.

The District shall be in effect for three years, commencing upon the effective date of a resolution assessing the affected property as provided in Section 8(d) of this Ordinance and as otherwise provided by law, and continuing until June 30, 2027. Council may extend the duration of the District, after following the required public notice requirements and opportunity for remonstrances contained in ORS 223.124.

Section 4: Assessment Rate.

The property shall be assessed as follows: \$0.30 per square foot per year of real commercial property for the first year, to increase by \$0.01 per square foot per year of the assessment period. Each annual assessment shall not exceed one percent of the real market value of all real property located in the District.

Section 5: Total Assessment.

The initial total assessment each year of the three-year term is expected to be approximately \$310,000, subject to change as the amount of commercial building space changes and the annual \$0.01 assessment increase is phased in.

Section 6: Agreement to administer program and providing for the Expenditure of Funds.

City shall enter into an agreement with the DBBA to provide for administration of the District funds, public meetings, budget adoption and consideration at open publicly noticed meetings, limitations on expenditures, regular District updates to City staff, annual updates to the City Council, and other appropriate matters. The agreement will be adopted at the time of approval of proposed assessments.

Section 7: Limitation on Expenditures.

Money derived from assessments levied under this Ordinance and from interest earned on that money shall be spent only for the economic improvement projects described in this Ordinance and for the cost of City administration of the District. The City shall receive 5% of the total assessment collected to cover the cost of administrative services provided by the City related to the District.

Section 8: Notice of assessments and hearing to receive remonstrances.

- (a) The City Council shall hold a public hearing not sooner than 30 days after the mailing or delivery of notices to affected property


owners at which the owners may appear to support or object to the proposed improvements and assessment.

- (b) The City Finance Director or designee shall prepare the proposed assessment for each lot and file the proposed assessments with the City Recorder. The City Economic Development Manager or designee shall mail or personally deliver to property owners within the boundaries of the District a notice announcing the intention of Council to undertake the economic improvement project and to assess benefited property for a part or all of the cost, identifying the amount of the proposed assessment for each property, and informing the property owner of the time and place of a public hearing at which the property owners may appear to support or object to the proposed improvement and assessment. The public hearing shall not be held sooner than 30 days after the mailing or personal delivery of the notice.
- (c) After the public hearing held pursuant to this section, the City Council shall consider objections and may adopt, correct, modify, or revise the proposed initial \$0.30 per square foot assessment and \$0.01 per square foot annual assessment increase. The Council will not impose the assessment and the economic project will be terminated if written remonstrances are received at or prior to the public hearing from owners of property upon which more than 33 percent (341,375 square feet of commercial property) of the total amount of assessments is imposed.
- (d) After the public hearing, if the Council decides to impose the assessment, it shall impose the assessment by resolution, determine whether the properties within the District shall bear all or a portion of the costs of the activities to be funded, and approve the amount of assessment on each lot.

First Reading Date: April 17, 2024

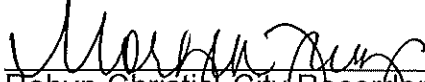
Second Reading and Adoption by Roll Call Vote: May 1, 2024

YES:	Mayor Melanie Kebler	NO:	none
	Mayor Pro Tem Megan Perkins		
	Councilor Barb Campbell		
	Councilor Ariel Méndez		
	Councilor Mike Riley		
	Councilor Megan Norris		

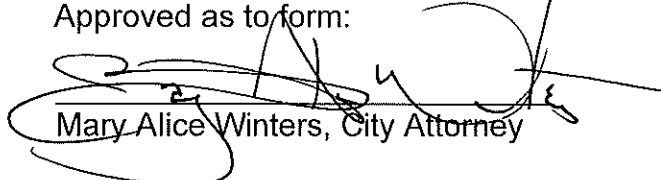


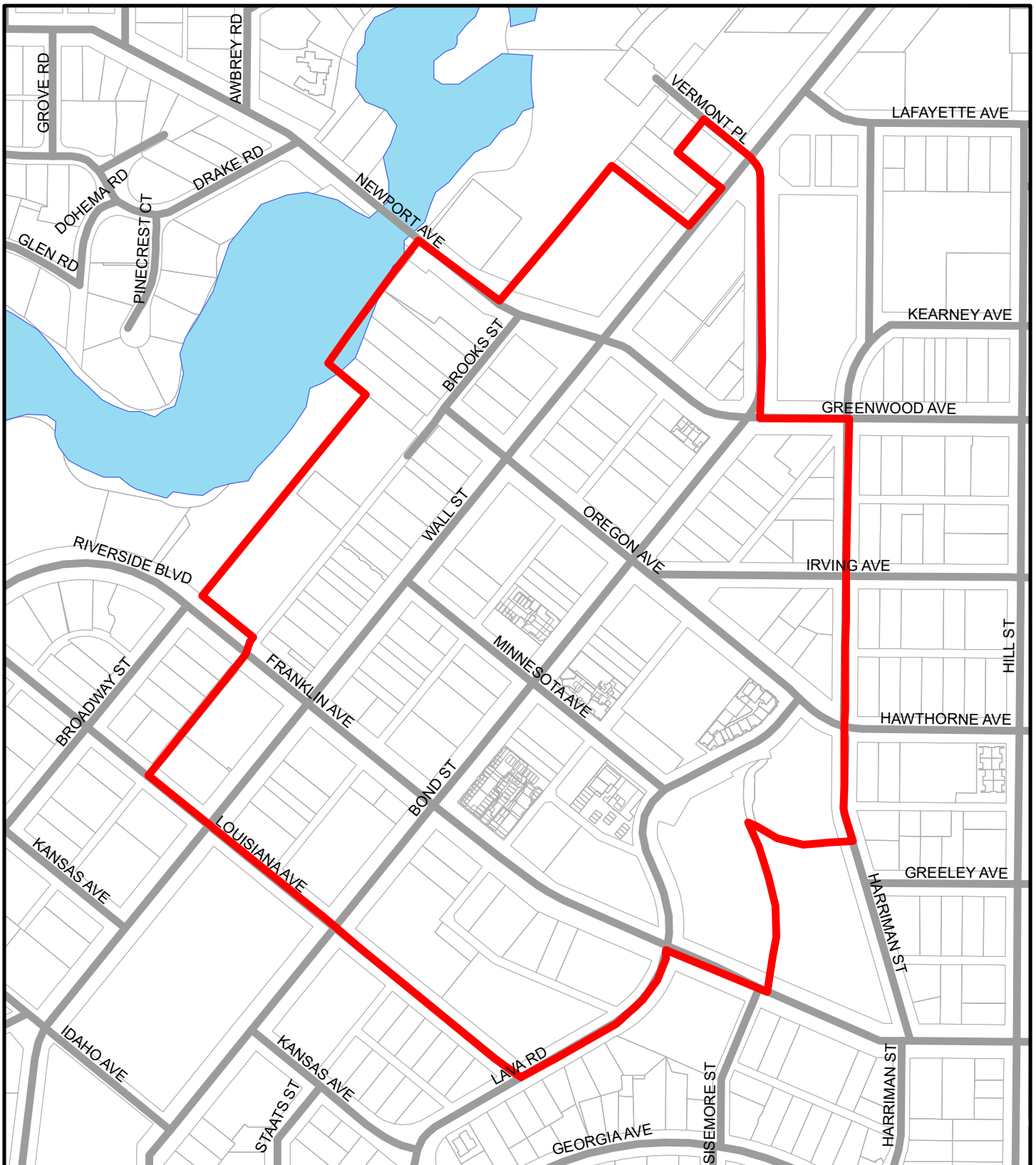
Melanie Kebler, Mayor

ATTEST:


For Robyn Christie, City Recorder

Approved as to form:

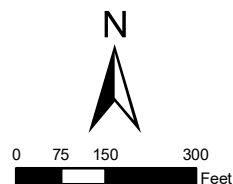

Mary Alice Winters, City Attorney



PROPOSED DOWNTOWN BEND ECONOMIC IMPROVEMENT DISTRICT

FEBRUARY 2024

 District Boundary



Map prepared by S. Layne, City of Bend
Print Date: 4/12/2021
Sources: City of Bend, Deschutes County



CITY OF BEND

This map is for reference purposes only. Care was taken in the creation of this map, but it is provided "AS IS." Please contact the City of Bend to verify map information or to report any errors.