

CITY OF NEWPORT
ORDINANCE NO. 2020

**AN ORDINANCE ESTABLISHING AN ECONOMIC IMPROVEMENT DISTRICT IN THE
BAY FRONT AREA FOR PARKING SYSTEM IMPROVEMENTS AND IMPOSITION OF
A BUSINESSLICENSE SURCHARGE FEE PURSUANT TO ORS 223.144 AND
NEWPORT ORDINANCE 2013**

WHEREAS, the Newport Zoning Ordinance (NZO) allows businesses in the Nye Beach, Bay Front, and City Center areas to pay an annual fee of \$175 per space "in lieu" of providing an off-street parking space that would otherwise be required for new development or redevelopment that increases the demand for parking on a property (Section 2-3-6.050).

WHEREAS, the payment in lieu option was put in place in the 1980's and the annual fee has not changed over time.

WHEREAS, the Mayor appointed a Payment in Lieu of Parking Task Force, confirmed by City Council, to evaluate the fee charged with the payment in lieu of parking program. The Task Force held a series of public meetings in 2006 and 2007, which resulted in a recommendation to change the annual fee of \$175 per space to a one-time charge of \$7,500 per space. The Planning Commission and City Council held hearings on the Task Force recommendations, and the Council adopted the recommendations in February of 2008.

WHEREAS, during the hearings, a number of individuals expressed an interest in forming parking districts as an alternative to the existing payment in lieu approach, which they viewed as outdated, and the Task Force recommendations, which they viewed as untenable for many businesses. Council directed staff to assist them in developing concepts and, on February 4, 2008, temporarily set aside the Task Force recommendations to allow the work to proceed.

WHEREAS, the City subsequently sponsored workshops on the basics of forming parking districts and City staff met with interested individuals in the Bay Front area to answer questions and assist in preparing materials. This effort led to the development of an economic development plan, prepared by an ad hoc group of individuals representing tourism, fishing, and economic development interests along the Bay Front, which was offered to the City as the basis for forming an economic improvement district for parking system improvements.

WHEREAS, proponents of the Bay Front area's economic development plan contend that a parking district with a modest assessment on area businesses and contribution

from the Port of Newport provides a source of revenue to fund incremental improvements to the parking system while at the same time facilitating economic growth. They further view such an approach to be more effective and equitable than the existing payment in lieu of parking program.

WHEREAS, the City Council met on April 4, 2011 to consider an initial draft of the economic development plan and business license surcharge fee and chose to initiate the process of forming an economic improvement district in the Bay Front area for parking system improvements by adopting Ordinance No. 2013.

WHEREAS, the City Council held a public hearing on May 16, 2011 at which affected persons could appear to support or object to the proposed parking system improvements and business license surcharge fee. The Council accepted the proposal that businesses within the district bear the cost of the improvements unless the Council otherwise determines that it is appropriate to allocate funding from other sources. The Council further encouraged business owners, fisherman and other interested parties to refine the economic development plan into the concept that has been incorporated into this ordinance.

WHEREAS, ORS 223.141, et seq., authorizes imposition of a "business license fee" to fund certain economic improvements within districts created pursuant to procedural and substantive requirements. The terms "business license surcharge fee" and "business license surcharge" as used herein are synonymous with this statutorily allowed "business license fee." The term "surcharge" is used to distinguish this economic improvement fee from the City's general business license fee imposed pursuant to Newport Municipal Code Section 4.05.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1: Findings: The City Council hereby adopts the above recitals and the following findings of fact as the basis for this Ordinance:

- A. The City Council held public hearings on May 16, 2011 and September 6, 2011 regarding the establishment of an economic improvement district for parking improvements in the Bay Front area, as more specifically described on the map attached as Exhibit A, and incorporated herein by this reference;
- B. Written notice to the affected property owners was mailed no less than thirty (30) days prior to each hearing announcing the Council's intent to form the district and to impose a business license fee upon persons conducting business within the district to pay for the improvements;
- C. Notice of said hearings included the amount of the proposed surcharge and time and place of the hearing at which affected persons could appear to support or object to the formation of a district and proposed business license fee;

- D. Fewer than 33 percent of persons conducting business within the boundaries of the proposed district who will be subject to the business license surcharge submitted written objections to the fee;
- E. Lands within the boundaries of the proposed district include properties that are zoned for commercial or industrial use;
- F. A preliminary estimate of the probable cost of the economic improvements to be funded pursuant to Section 2 of this Ordinance is between \$19,000 and \$20,000 per year, and the proposed schedule for apportioning costs is set forth in Section 3 of this Ordinance;
- G. The business license surcharge to be assessed, and contribution from the Port of Newport, is in proportion to the benefit that each business, the Port and other affected parties may derive from the district.

Section 2: Establishment of a Bay Front Commercial Parking District.

- A. The City Council hereby approves and creates the "Bay Front Commercial Parking District" ("District"). The boundaries of the District as depicted on Exhibit A to this ordinance correspond with water-dependent and water-related zoning in the Bay Front area.
- B. The District is created for the purpose of making economic improvements as defined in ORS 223.141(4), and in particular, for the purpose of the improvement in parking systems in the Bay Front area as allowed under ORS 223.141(4)(e). The economic improvement projects to be undertaken or constructed include:
 1. Parking improvements on available public or private land and undeveloped right-of-way;
 2. Leasing private parking lots for public or employee use with a focus on lots that are underutilized;
 3. Improving signage and striping;
 4. Enhancing the streetscape and sidewalks to encourage pedestrian access;
 5. Supporting transportation alternatives such as shuttles, bus systems and bicycles;
 6. Developing and/or enhancing seasonal pay parking and time limitations in select areas; and
 7. Other activities identified by the District Advisory Committee organized under Section 5 of this Ordinance, as needed to improve the availability or functionality of parking in the Bay Front District.

- C. When identifying projects authorized under subsection 2(b), above, the District Advisory Committee shall consider impacts the projects will have on existing users. Projects that disproportionately impact a particular user group should only be pursued if the District Advisory Committee concludes that reasonable accommodations have been made to offset those impacts.
- D. The District Advisory Committee may identify one or more projects that are outside of the District boundaries if, in the opinion of the Advisory Committee, the project(s) primarily benefit businesses within the District.

Section 3: Enactment of a Business License Surcharge Fee.

- A. Businesses within the District shall be assessed a business license surcharge that is based upon the number of persons employed by the business, as follows:
 - 1. Fewer than 5 employees: \$150.00
 - 2. 5 to 20 employees: \$300.00
 - 3. More than 20 employees: \$600.00
- B. The business license surcharge set forth in subsection 2(a), above, shall be reduced to \$100 for those businesses that provide off-street parking for their customers.
- C. Business license surcharge fees shall be assessed annually upon renewal of a business license pursuant to the schedule set forth in Newport Municipal Code Section 4.05.
- D. For new businesses, a surcharge shall be prorated on a monthly basis, unless such surcharge was paid by the prior occupant, in which case a surcharge is not due until the next business license renewal period.
- E. Businesses shall be assessed a surcharge for each location at which they operate within the District. City will provide businesses in multiple locations with a single invoice listing the fees attributed to each location.
- F. City shall establish a separate account into which shall be paid all revenues from the business license surcharge, and such monies shall be reserved and managed for exclusive use of the District.
- G. Annual surcharges shall apply to businesses that are otherwise exempt from business license fees. Such payments shall be made annually, pursuant to the schedule for business license renewals set forth in Newport Municipal Code Section 4.05.

Section 4: Contribution from the Port of Newport.

A. Pursuant to an Intergovernmental Agreement between the Port of Newport and City of Newport dated October 6, 2011, the Port of Newport will make an annual monetary contribution to the Bay Front Commercial Parking District in an amount of \$6,000. As a potentially impacted party, the Port of Newport is voluntarily participating in the district on behalf of the fisherman and other Port users and its payments shall be considered a contribution from both the Port, as well as from fisherman and other individuals mooring at Port facilities.

- B. Payment from the Port shall be due at the end of each fiscal year.
- C. Port payments shall be made out to the City of Newport, and City shall place such monies into the same account as the business license surcharge fees established under Section 3(f), above.

Section 5: Establishment of a District Advisory Committee.

- A. Council hereby establishes an advisory committee to develop a plan for the completion of improvements per Section 2(b) (Plan) and to allocate expenditure of monies for activities within the scope of the Plan.
- B. In appointing members to a committee, the Council shall include at least one person conducting business within the District, one individual that represents fishing interests, and one representative from the Port of Newport.
- C. The Advisory Committee shall consist of an even number of individuals. The specific number of individuals to serve on the Committee shall be determined by the Council. In making Committee appointments, the Council shall seek to ensure that neither tourism nor fishing business interests are disproportionately represented.
- D. An association of persons conducting business within the District ("Association") may be designated to serve in the capacity of an advisory committee, provided it includes a representative from the Port of Newport. If this occurs, the City and the Association will execute an agreement describing each party's respective responsibilities regarding the District. After entering into an agreement with the City, the Association may enter into agreements with third parties to perform improvements identified in the Plan established under Section 5(a) of this ordinance.
- E. The Advisory Committee or Association may request that the City perform Plan improvements. Should the City elect and be allowed by law to perform Plan improvements, such services will be charged in the amount and manner allowed by law and will be paid for through revenues from the Bay Front Commercial Parking District or augmented with other City funds identified by the City Council if the Council determines that City should bear a portion of the improvement costs.

Section 6: Reporting Requirements: An Association or Advisory Committee shall maintain records of all expenditures made towards the completion of economic improvements and shall provide such records to the City upon request.

Section 7: Availability of Parking Fund Revenues:

- A. In addition to monies generated through a business license surcharge and Port of Newport contribution, an Association or Advisory Committee may develop an improvement plan and make a recommendation on the expenditure of funds the City specifically budgets for use by parking districts. Authorization for the use of such funds shall be subject to City Manager approval and public contracting requirements.
- B. The City Manager is authorized to provide an Association appointed by the Council to serve as the advisory committee, with up to \$1000 of parking fund revenues, to prepare the Association to perform its advisory responsibilities.

Section 8: Payment of Fees in Lieu of Parking.

- A. As allowed under NZO Section 2-3-6.050, the Council hereby waives the requirement for commercial and industrial properties within the District to pay fees in lieu of parking, as of the date this District is formed.
- B. City shall provide notice of conditional use permit applications to the District Advisory Committee. Written comments that the District Advisory Committee elects to provide on an application in regards to the suitability or availability of parking shall be construed by the City decision making authority as expert testimony.
- C. All agreements for payment of fees in lieu of parking between the City and existing businesses within the District shall terminate as of July 1, 2012.
- D. City shall provide a final invoice to each existing business with a balance due for payment of incurred fees in lieu of parking, prior to July 1, 2012. Notwithstanding the termination of any agreement as set forth in subsection (b) above, the City reserves the right to collect all sums due to the City as reflected on the invoice.
- E. For new development, redevelopment or building expansions that generate a demand for more than five (5) new off-street parking spaces, such off-street parking spaces shall be provided in accordance with applicable provisions of the Newport Zoning Ordinance. The City shall determine the amount of off-street parking a business must provide.

Section 9: City Approval Required: City approval is required for economic improvements within public rights-of-way.

Section 10: Exemptions. The provisions of this Ordinance shall not apply to the following:

- A. Residential real property or any portion of a structure used primarily for residential purposes; or

B. Businesses operated on an occasional basis for not more than one or two days per week or one month a year.

C. Persons mooring boats at Port of Newport facilities, as their contribution is covered by the Port's annual payments to the District pursuant to the Intergovernmental Agreement referenced under Section 4(a) of this ordinance.

Section 11: Duration. The District shall be in effect for five (5) consecutive years, commencing upon the effective date of this ordinance. Council may extend the duration of the District, after following the public notice procedure outlined in ORS 223.147. In the event the District is not renewed, then payment in lieu of parking shall apply to the extent provided for in the Newport Zoning Ordinance in effect at the time the District is dissolved.

Section 12: Severability. The sections of this ordinance are severable. The invalidity of a section or part of a section shall not affect the validity of the remaining sections or parts of sections.

Section 13: Effective Date: This ordinance shall take effect 30 days after passage.

Date adopted on initial vote and read by title only: September 19, 2011.

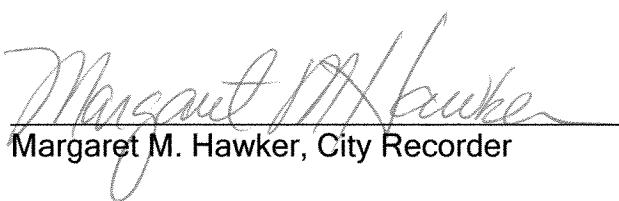
Date adopted on final roll call vote: October 3, 2011.

Signed by the Mayor on 10-14, 2011.



Mark McConnell, Mayor

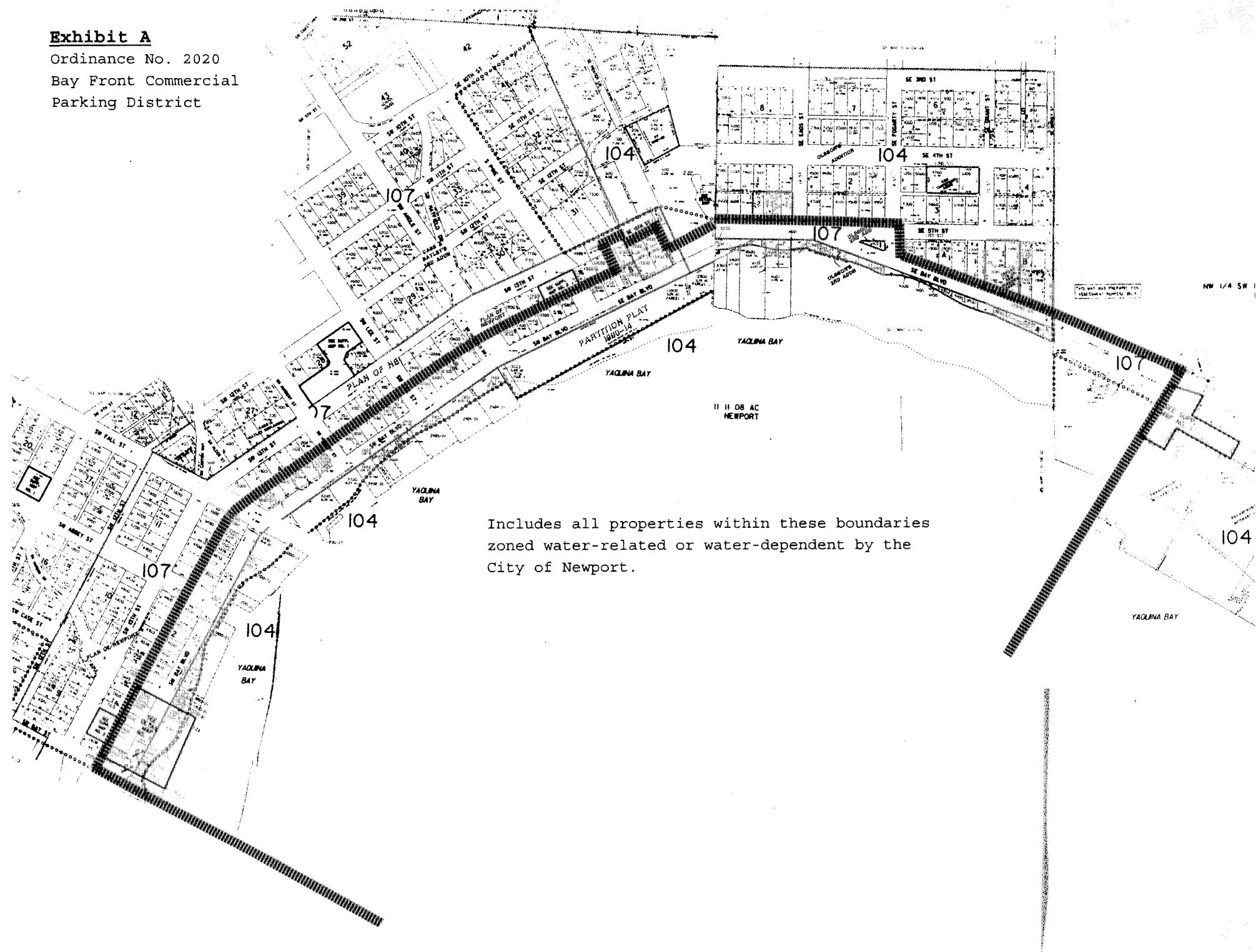
ATTEST:



Margaret M. Hawker, City Recorder

Exhibit A

Ordinance No. 2020
Bay Front Commercial
Parking District



Includes all properties within these boundaries zoned water-related or water-dependent by the City of Newport.