

Legislation Text

File #: BILL NO. 19-18, **Version:** 1

An Ordinance approving the petition for establishment of the New Longview Community Improvement District.

(First Reading by Council on February 5, 2019. Passed by unanimous vote.)

Issue/Request:

An Ordinance approving the petition for establishment of the New Longview Community Improvement District.

Key Issues:

This ordinance will approve the New Longview Community Improvement District.

Proposed City Council Motion:

I move for adoption of an Ordinance approving the petition for establishment of the New Longview Community Improvement District.

Background:

Developer M-III Longview, LLC ("Developer"), along with several other property owners in the Longview area, have filed a Petition for the formation of a new CID in the Longview area. The City Council has previously approved two TIF plans (2003 and 2015) and a transportation development district (2003) in the Longview area, and this CID request is a new funding district that is not directly connected with the prior incentive approvals by the Council.

The CID would impose a new 1% sales tax on the commercial retail businesses in the Longview area. Developer is requesting that none of the CID sales tax revenues would be captured by the two active TIF plans in the Longview area and all of the CID sales tax revenues would be devoted to CID purposes and public improvements.

The CID is proposed to fund the following public improvements and associated soft costs in the combined total of about \$5.5M over the life of the CID:

- Activity Plaza west of the theater
- Traffic Signal at 3rd & Kessler and other street improvements
- Grading, Paving and Utilities for right-of-way and shared parking stalls
- Streetscape and Landscape improvements in right-of-way and common areas
- Structured Parking (160 spaces)
- Maintenance of the North Arch

Developer estimates that the CID will generate about \$250,000 per year by the year 2022 (increasing each

year due to sales growth). Developer estimates that this will generate about \$9 million over the 30-year life of the District with a net present value of about \$4.2 million.

The ordinance would make the CID approval contingent upon the CID entering into a cooperative agreement with the CID for implementation of the District. The cooperative agreement would contain the following safeguards and protections for the City:

- The City Finance Department would receive the CID revenues from the Department of Revenue and disburse the revenues pursuant to the terms of the agreement. The City will receive a portion of the CID revenues as reimbursement for this for this administrative work.
- The agreement will require the District to annually fund a maintenance fund to provide for a source of funds to provide for long term maintenance of the CID public improvements in the event that the Longview Business Owners Association or the CID fails to function properly and maintain the CID public improvements after they are constructed and placed into service.
- Reimbursable project costs which are incurred by the Developer or other private parties will be reviewed and approved by City staff and the District prior to reimbursement from District revenues.
- The CID will be a political subdivision of the state and must follow all applicable laws such as the Sunshine Law and annual budgeting laws.

The sales tax would go into effect after the approval of a ballot measure in an election that will be conducted by the Jackson County Election Authority among the property owners in the CID area. The CID sales tax would be in addition to the other sales taxes already in effect in the Longview area, which includes local sales taxes imposed by the City, County, Zoo District and the Longview TDD.

Impact/Analysis:

This CID would impose a new 1% sales tax that would be in addition to the existing sales taxes, which would create the following total sales tax rate in the Longview area:

- 4.225% - State
- 2.250% - City
- 1.250% - County
- 0.125% - Zoo District
- 1.000% - Longview TDD
- 1.000% - Longview CID
- 9.850% - Total

This request presents no direct impact to City general revenues. This will result in up to 30 years of additional 1% sales tax to fund additional public improvements in the Longview area.

Timeline:

Developer would conduct the sales tax election and begin implementation in 2019.

Corey Walker, M-III Longview, LLC

John Hansen, IRR Corporate & Public Finance

David Bushek, Chief Counsel of Economic Development & Planning

Mark Dunning, Assistant City Manager