

NOT ADOPTED

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF LEVYING,)
APPORTIONING AND SPECIFYING)
COLLECTION OF ASSESSMENTS FOR)
PHASE I OF THE JOHNSON CREEK)
BASIN FLOOD CONTROL AND)
POLLUTION ABATEMENT PROJECT)
LOCAL IMPROVEMENT DISTRICT.)

ORDINANCE NO. 80-92
Introduced by the Regional
Services Committee

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. Purpose

The purposes of this ordinance are to apportion and levy assessments, and specify the method of collection of assessments for Phase I of the Johnson Creek Basin Flood Control and Pollution Abatement Project Local Improvement District.

Section 2.

In accordance with the Preliminary Engineering Report as approved by Metropolitan Service District, Resolution No. 80-149, the total costs to be assessed against the benefitted properties for Phase I of the project are \$770,000. The cost shall be apportioned among the lots, parts thereof, and parcels within the district according to the following formula:

Total cost of Phase I

Total Current Assessed
Value of the District

X Current assessed value of
each lot or part thereof

Section 3.

The costs as specified and apportioned in Section 2 of this ordinance are hereby levied against the lots, parts thereof, and parcels within the Johnson Creek Basin Flood Control and Pollution Abatement Local Improvement District, as specified in the

Preliminary Engineering Report Exhibits I and II for the Johnson Creek Basin Flood Control and Pollution Abatement Project.

Section 4.

In accordance with Metropolitan Service District Ordinance No. 79-78 and Ordinance No. 80-93, the method of collection for assessments, apportioned in Section 2 and levied in Section 3 above, shall be by certification of assessments to the appropriate County Tax Assessor. The Executive Officer is directed to certify the assessments by written contract, agreement, or other lawful means with the County Assessors of the counties in which the assessed lands are located. Any agreement shall provide for deferred payment of assessments in 10 equal semi-annual installments, not exceeding five (5) years, and elderly homestead deferral under Ordinance No. 79-78, as amended by Ordinance No. 80-93.

Section 5.

In accordance with Metropolitan Service District Ordinance No. 79-78 and Ordinance No. 80-93, the Executive Officer is directed to publish notice of this ordinance as required by Section 14 (a) of Ordinance No. 79-78.

ADOPTED by the Council of the Metropolitan Service District

this _____ day of _____, 1980.

Presiding Officer

ATTEST:

Clerk of the Council

TM/gl
8279/118

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AGENDA MANAGEMENT SUMMARY

TO: Metro Council
FROM: Executive Officer
SUBJECT: Proposed Amendments to Ordinance No. 80-92 Regarding
Collection of L.I.D. Assessments

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Adoption of Section 4 of Ordinance No. 80-92 as amended, to (1) establish the procedure by which the appropriate county assessor will collect L.I.D. assessments, and (2) establish an interest rate of 8% on deferred payment of assessments.
- B. POLICY IMPACT: This action will insure that Metro can proceed with the assessments for the Johnson Creek L.I.D. via the county assessor's office.
- C. BUDGET IMPACT: If this measure is not passed, the cost to Metro to establish its own assessment collection procedure would be approximately \$50,000.

II. ANALYSIS:

- A. BACKGROUND: Metro has established a large L.I.D. and is now considering an ordinance for assessing the Phase I project costs. An effective method of assessment collection must be established to insure that the required funds are properly collected and accounted for. As each county has a well established assessment procedure, it is felt that use of these agencies is appropriate. Metro has conducted discussions with the Multnomah County Assessors Office and adjusted the proposed ordinance to facilitate its functions. After the ordinance was prepared the County Assessor requested further changes which he felt necessary to insure the legal collection of L.I.D. assessments for Metro.

The amendment specifying an 8% interest rate on deferred payments is proposed for several reasons. Metro is required to specify an interest rate in the ordinance procedure regarding deferred payments. The 8% rate was chosen as it is considered adequate to pay Metro's anticipated costs for handling this service. Interest rates for deferred payment varies from 7% to 10% among various jurisdictions within Metro's boundaries. The 10% figure is the maximum allowed under Oregon Statute.

- B. ALTERNATIVES CONSIDERED: The possibility of Metro establishing and processing an assessment procedure was considered and rejected because of anticipated costs and duplication of the existing collection system of the county as-

essor's office.

- C. CONCLUSION: The amendments to Ordinance No. 80-92 are required to insure the orderly and correct processing of L.I.D. assessments.

PROPOSED AMENDMENT TO
ORDINANCE NO. 80-92

Section 4 of Ordinance No. 80-92 is amended to read as

follows:

"In accordance with Metropolitan Service District Ordinance No. 79-78 and Ordinance No. 80-93, the method of collection for assessments, apportioned in Section 2 and levied in Section 3 above, shall be by certification of the assessments in Multnomah County to the (appropriate) Multnomah County Tax Assessor. The Executive Officer is directed to certify the assessments (by-written contract, agreement or other lawful means with the County Assessors of the counties in which the assessed lands are located) and to sign any document required by an assessor to be executed in connection with the certification. The method of collection for assessments in Clackamas County shall be by the establishment of a lien docket and the recording of assessment liens. (Any agreement shall provide for) Deferred payment of assessments shall be in ten (10) equal semi-annual installments, not exceeding five (5) years, at a net effective interest rate of eight percent (8%) per annum payable semi-annually, and elderly homestead deferral shall be as provided for under Ordinance No. 79-78 as amended by Ordinance No. 80-93.

TM:bk
9033/33

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
 FROM: Executive Officer
 SUBJECT: Levying, Apportioning and Specifying Collection of Assessments for Phase I of the Johnson Creek Basin Flood Control and Pollution Abatement Project Local Improvement District.

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Adopt Ordinance No. 80-92 apportioning the Phase I assessment for the Johnson Creek Basin Flood Control and Pollution Abatement Project according to the following formula:

$$\frac{\text{Total cost of Phase I}}{\text{Total Current Assessed Value of the District}} \times \text{Current assessed value of each lot or part thereof}$$

- B. POLICY IMPACT: Local Improvement District (LID) Assessments by law, must reflect the benefit to be received by the property assessed. In apportioning the Phase I assessment according to this formula, the Council is determining that all property in the District will benefit equally. This is consistent with the Scope of Work for Phase I which includes the preparation of detailed plans and preliminary engineering for Phase II along with remedial cleaning and snagging of the lower five miles of stream channel. As a part of Phase I, the apportionment formula for Phases II and III will be developed reflecting the specific benefits to be realized in those Phases.
- C. BUDGET IMPACT: Assessment of the local share of project cost against the property within the LID will allow Metro to sponsor the Corps of Engineers Flood Control Project on Johnson Creek. A special account has been established in the FY 81 Metro budget for this project. There is no impact on General fund revenues.

II. ANALYSIS:

- A. BACKGROUND: The Johnson Creek Task Force explored several alternatives for apportioning the Johnson Creek LID assessment. The major determining factor in selecting an assessment formula was the method of notification and collection to be used. Because of the size of the district and the number of accounts involved the best method for both notification and collection was through the County Assessor. The method of assessments, therefore, must be based either on area, assessed value or

a flat rate per lot.

B. ALTERNATIVES CONSIDERED:

Option A - Flat Rate:

1. Single Rate - Basinwide

Advantages: -Costs per lot relatively low.

Disadvantages: -Does not distinguish between basin and floodplain lot.
-Does not differentiate between residential, commercial or industrial properties or lot size.
-Does not reflect benefit.

2. Double Rate - Basin and Floodplain:

Advantages: -Differentiates between basin and floodplain properties.

Disadvantages: -Does not differentiate between residential, commercial or industrial property or lot size.
-Does not reflect benefit.

Option B - Based on Total Assessed Value

1. Single Rate - Basinwide

Advantages: -Rate relatively low.
-Differentiates between property types.
-Differentiates between lot size.
-Reflects benefit as a function of assessed value.

Disadvantages: -Does not differentiate between basin and floodplain property.

2. Double Rate - Basin and Floodplain

Advantages: -All the advantages of B-1 plus
-differentiates between basin and floodplain property.

Disadvantages: -Undeveloped properties which are later developed could reap the benefits of the project at a much lower rate.

Option C - Based on Land Value Assessment Only

1. Single Rate - Basinwide

Advantages: -Same as B-1 plus
 -treats developed and developable
 land equally.

Disadvantages: -Same as B-1 plus
 -does not consider contribution
 to present problem.

2. Double Rate - Basin and Floodplain

Advantages: -Same as C-1 plus
 -differentiates between basin and
 floodplain property.

Disadvantages: -Same as C-1.

C. CONCLUSION: The Regional Services Committee concluded that Option B-1 was the most reasonable method of apportioning Phase I assessments for the following reasons:

- Phase I is substantially one of planning and remedial channel maintenance and its benefits are basinwide.
- Undeveloped property is required to comply with the development guidelines for the Johnson Creek Basin (Ordinance No. 79-81).
- This option is easily administered in relationship to other possible methods and, therefore, lowers the total cost of Phase I.

JL:ss