



REQUEST FOR COUNCIL ACTION

Title: Ordinance No. 6 for 2020 - Local Improvement District Amendments

Preferred Agenda: April 28, 2020 (1st Reading)
May 12, 2020 (2nd Reading)

Submitted By: City Attorney, Robert Snyder

Reviewed By: City Manager, Ray Towry

Type of Action: Resolution ____ Motion Roll Call ____ Other ____

Relevant Code/Policy: Vision Statement III WE ASPIRE to provide viable and sustainable infrastructure

Towards Council Goal: Goal 2 section 1 Update and streamline

Attachments: Proposed Ordinance No. 6 for 2020 and SHMC Track Changes

Purpose of this RCA:

The purpose of this ordinance is to update [SHMC Chapter 3.16](#) pertaining to Local Improvement District (LID) procedures. A Local Improvement District is used by the city to help process the building and financing of improvements like water, sewer, streets etc. in a given area of Sweet Home and assessing each property in the area (district) benefited by the improvements.

Background/Context:

The City Council may have a LID before them to process in the near future. In reviewing the current [SHMC Chapter 3.16](#) setting forth the process for a LID some updates need to be looked at to see what the City wants for a LID. The proposed changes in the amendment ordinance presented herewith, are explained by Section as follows: (Please read the “track changes copy” of the current ordinance first to put the proposed amendments in context.)

Section 1. In [SHMC 3.16.010](#) the reference to “City Engineer” in the title is not needed since no City Engineer is referred to in the section. The word “survey” does not need to be in the ordinance since the city does not do an official survey in the LID (Local Improvement District) process but uses maps etc. to define the LID boundaries. In the section the reference to “lien” holder receiving notice like the owner would require the city to do title searches on each property which is not warranted. Unless the city does the lien search through a title company there is no guarantee that you will find the lien and if the city uses a title insurance company it will be costly. The code already requires notification to the owner of the property so that they can object to cost of the project if they think that is needed. I checked two other city codes and found that they only notify the owner in their LID process.

Section 2. In [SHMC 3.16.060 A](#) the removal of the words “and charge” has the Ordinance use the same words as the ORS.

Section 3. In [SHMC 3.16.060 B](#) the change is an update to match the current ORS.

Section 4. In [SHMC 3.16.100](#) the references to “having a lien” are to be removed on the same criteria as stated in Section 1 above for “lien” holder.

Section 5. In [SHMC 3.16.120](#), the last sentence of the section refers to a jury making a decision on an appeal. The fact is an appellant might choose to have the case decided by the Judge, so the amendment language reflexes both.

Section 6. In [SHMC 3.16.140](#) the reference to “and have deferred the sewer hookup charges and sanitary sewer systems development charges for sanitary sewer service to their residences.” in the section does not need to be in the code since it is in effect covered by the general reference to improvements referred to just before it in the same sentence. In talking with Joe, he thinks, the above specific words to the sewer were because when the LID ordinance was adopted that was the project that was then in the works.

Section 7. In [SHMC 3.16.160](#) first line of text refers to “charges” that have been deleted as referred to in Section 6.

Section 8. In [SHMC 3.16.160 C](#) the current code has a Senior Citizen deferral program that uses threshold numbers that have not been updated for a long time. I have checked nine cities and state law and none have in their LID sections a Senior Citizen deferral program. The Finance Director has comparable figures of \$18,210 for \$6,620 gross annual income; of \$24,462 for \$8,800 married couple and of \$1,100 for \$400 each dependent at today’s income levels.

Section 9. In [SHMC 3.16.170](#) the changes in this section are the same as in Section 6 referring to sewer charges that are not needed since general improvements are referred to in the same sentence.

Section 10. In [SHMC 3.16.180](#) the change is to remove the reference to “charges” since as stated above it has been removed and is covered by the reference to “assessment” therein.

Section 11. In [SHMC 3.16.190](#) the change is the same as Section 6 in regard to “charges” and the reference to “chapter” is changed to “Article II” because the section is referring to deferred assessments as set forth in said article.

Section 12. In [SHMC 3.16.200](#) the change is the same as Section 6 in regard to “charges.” and section 11 in regard to “Article II”.

The Challenge/Problem:

Should the city pass the proposed ordinance to update its LID code sections?

Stakeholders:

- **Property Owners:** The owners of properties in the LID area would have up to date figures to use for Senior Deferral status.
- **City Staff:** The City would be making its code reflect what process it is using to do a LID.

Issues and Financial Impacts:

There is a financial impact on deferring payments for Senior Citizens since repayment will not be made until a later specified pay off date.

Elements of a Stable Solution:

These proposed amendments reflect what the LID process is to entail and make the code reflect what the LID process is to be.

Options:

1. Do nothing. Leave the code as written.
2. Request staff to make additional revision. City Council to decide what amendments they want in the code, if any, and direct staff to revise the proposed ordinance.
3. Make a Motion to move Ordinance No. 6 for 2020 to third and final reading.

Recommendation:

Option 3: Make a Motion to move Ordinance No. 6 for 2020 to third and final reading.