CITY OF ASHLAND

Council Communication

Local Improvement District Subsidy Resolution

Meeting Date:	January 6, 2009	Primary Staff Contact:	Michael R. Faught 552-2411
Department:	Public Works Engineering	E-Mail:	faughtm@ashland.or.us
Secondary Dept.:	Finance / Legal	Secondary Contact:	Jim Olson 552-2412
Approval:	Martha Bennett	Estimated Time:	20 minutes

Question:
Should the City Council approve the resolution titled, "A Resolution Relating to Local Improvement Districts (LIDS) and Establishing: The City's Participation in LIDS; the Potential Unit Method to Determine Assessments; and Required Process to Include Neighborhoods in LID Planning"?

Staff Recommendation:
Staff recommends Council approval of the attached Resolution.

Background:
The City Council began a comprehensive review of Ashland Local Improvement District Ordinance and Resolution 1999-09 in April 2007. Since that time, the Council has discussed potential LID Ordinance amendments at two additional Council meetings. In addition, the Council held a Study Session to discuss and evaluate the impacts of the current LID Subsidies as outlined in Resolution 1999-09.

On December 16, 2008, the Council approved the first reading of an ordinance amending Ashland Municipal Code 13.20 in order to clearly define "Local Improvements", and to clarify sections of the Initiation of Local Improvements, the Hearing Regarding Improvement Resolution, and the Remedies/Review of Assessment. The Second reading of the LID Ordinance is scheduled for consideration during this Council meeting and if approved, the Council will consider approving the resolution reducing LID subsidies and eliminating the cap later in the same meeting.

Therefore, the proposed Resolution amends the subsidy and cap related sections of Resolution 1999-09, Section 1, City Participation and Section 3, Maximum Assessments, consistent with the council's input at the December 1, 2008 Study Session.

The following Chart outlines the proposed amendments in Section 1 of Resolution 1999-09. The chart demonstrates the difference between the current city subsidies and the proposed LID subsidy reductions. In addition, the chart includes new categories within each of the improvement designations and the City Councils final recommendations as discussed at the study session.

Improvement	Current Subsidy	Proposed Categories	Staff Subsidy Recommendation	Council Recommendation
Sidewalk	60%	Arterial Collector Safe Route To School General	50% 50% 50% 0%	50% 50% 60% 10%
Storm Drain	75%	Regional Facility Stream Restoration 18" Diameter or Equivalent Stormwater Conveyance System General	60% 60% 60% 0%	60% 60% 60% 40%
Street Surface	20%	Arterial Collector Residential	20% 10% 0%	20% 10% 0%
Engineering and Administrative	50%	These costs are included in the total project cost estimates	0%	0%

- Note that the amount of the proposed City subsidies includes all potential City revenues (SDC, grants, etc.)

Section 3 proposed amendments eliminates the $5,426 cap ($4,000 in 1999 but increased to $5,426 with inflation) required in Resolution 1999-09. In order to put the impacts of the subsidies and the cap in perspective, the following data demonstrates the impact of the current subsidy/cap:

This example of the impacts the current cap is based on the recently denied Beach Street LID project.

Assessment	Property Owner Assessment		City Participation
Assessment with out subsidy	$10,654	100%	0%
Assessment with subsidy (section 1 of Resolution 1999-09)	$ 7,144	67%	33%
Assessment with subsidy (sections 1 & 3 Resolution 1999-09)	$ 5,426	51%	49%

The proposed resolution eliminates all reference to a cap in Section 3, but still provides language allowing residential property owners the option to pay the estimated LID assessment plus 10% as a final payment. To reflect that change, Section 3 is now renamed to "Assessment on Residential Properties".

Related City Policies:

- AMC 13.20 Local Improvements and Special Assessments (online)
- City of Ashland Budget and Capital Improvement Plan
- Ashland 1998 Transportation System Plan; W&H Pacific (online)
- ORS Chapter 223 — Local Improvements and Works Generally (online)

Council Options:

1) The City Council could determine that the proposed subsidy reductions are appropriate and approve the Resolution.
2) The City Council could decide to provide staff with additional recommendations and direct staff to bring proposed modifications to the Council at a later date.
3) The City Council could decide to take no action leaving the LID subsidy as outlined in Resolution 1999-09.

Potential Motions:

1) Move to approve the Resolution
2) Move to modify ____ the Resolution and direct staff to bring proposed modifications to the Council at a later date.

Attachments:

1. Council Communication (Study Session), April 2, 2007; General Discussion on the Future of Local Improvement Districts.
2. Council Communication, November 5, 2007; Study Session: Local Improvement District Process Update and Next Steps.
3. Council Communication, October 21, 2008; Local Improvement District Policy Update.
4. City of Ashland Resolution 1999-09.
5. Proposed LID Resolution.