

RESOLUTION NO. 2542

A RESOLUTION INCREASING AND EXTENDING THE TEMPORARY SEWER SYSTEM DEVELOPMENT CHARGE SUBSIDY FOR DEVELOPMENT OF NEW AND EXPANDED RESTAURANT ESTABLISHMENTS.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That in May 2021 the Council adopted and updated the old Town Center Plan.
2. That the Town Center Plan identified increased demand for additional indoor, sit-down dining options in the Town Center, which reflects and supports the interests of prospective businesses seeking to newly establish, expand, or convert existing commercial spaces to accommodate restaurants in the Town Center.
3. That an increase in indoor, sit-down restaurant facilities in the Troutdale Town Center Overlay District is in the public interest as already identified in the existing and adopted Town Center Plan and will improved the livability of the area, improve the mix local business activity and support overall economic viability in the zone.
4. That feedback from the development community has indicated that the higher costs for Sewer System Development Charges for food and beverage establishments, as compared to other commercial non-restaurant projects, discourages restaurant projects in the City.
5. That restaurants have a real and significant impact on the sanitary sewer system infrastructure, versus other types of commercial developments.
6. That in fairness to residential utility rate payers, Chapter 12.02 of the Troutdale Municipal Code establishes system development charges (“SDC”) to impose an equitable share of the public costs of capital improvements upon those developments that create the need for, or increase the demands on, infrastructure system capacity.
7. That as an economic development activity it is in the public interest to foster development and redevelopment through a targeted Sewer SDC fee subsidy for new and expanded restaurant development projects in the Town Center, which will serve a valuable, desirable, and necessary public purpose, and is for an authorized public purpose of promoting increased livability in Troutdale.
8. That to avoid unnecessarily and unfairly burdening monthly utility rate payers with system infrastructure costs required to support new developments, for many years the City’s customary practice has been to ensure the full SDC fee is collected, whereby the

City pays any reduced or discounted amount of SDC fees from general government revenues.

8. That on April 9th, 2019, pursuant to Resolution 2447, the Council approved a temporary, fiscal year 2019-2020, reduction in the sewer SDC's for new and expanded food and beverage projects in the Town Center Overlay.

9. That on July 14th, 2020, pursuant to Resolution 2506, the Council approved a temporary, fiscal year 2020-2021, reduction in the sewer SDC's for new and expanded food and beverage projects in the City of Troutdale.

10. That on May 14th, 2021, pursuant to Resolution 2530, the Council approved an extension of the temporary, fiscal year 2020-2021, reduction in the sewer SDC's for new and expanded food and beverage projects in the City of Troutdale, and the extension carries into fiscal year 2021-2022.

11. That the Council finds that the reasons for the reduction still exist as stated above. Furthermore, due to the impact of COVID 19 it would be beneficial to extend and expand the subsidy.

12. That Council declares it serves the public interest, and it is necessary and desirable for the City to incentivize new and expanded sit down restaurant development projects in the City, resulting in the public economic benefits of creating new jobs, increasing tax and other revenues, and contributing to urban revitalization.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. The City hereby approves for new and expanded sit-down restaurant projects in the City a subsidy of the Sanitary Sewer SDC fees equal to 100% of the fee for indoor, sit-down restaurants, but excluding Pizza Parlor, Lounge, Bar and Tavern projects. The subsidy shall be applied after the lawful and proper Sewer SDC is calculated, and after any credits applied to that lawful and proper amount.

Section 2. To be eligible for the subsidy, a sit-down restaurant is defined as:

1. Fast Casual Restaurant: A fast casual restaurant is a sit-down restaurant with no wait staff or table service. Customers typically order off a menu board, pay for food before the food is prepared and seat themselves. The menu generally contains higher quality made to order food items with fewer frozen or processed ingredients than fast food restaurants,
2. Quality Restaurant: This land use consists of high quality, full-service eating establishments with a typical duration of stay of at least one hour. Quality restaurants generally do not serve breakfast; some do not serve lunch; all serve dinner. This type of restaurant often requests and sometimes requires reservations and is generally not part of a chain. Patrons commonly wait to be seated, are served by a waiter/waitress, order from menus and pay for meals after they eat.

While some of the study sites have lounge or bar facilities (serving alcoholic beverages), they are ancillary to the restaurant or a

3. High-Turnover (Sit-Down) Restaurant: This land use consists of sit-down, full service eating establishments with typical duration of stay of approximately one hour. This type of restaurant is usually moderately priced and frequently belongs to a restaurant chain. Generally, these restaurants serve lunch and dinner; they may also be open for breakfast and are sometimes open 24 hours a day. These restaurants typically do not take reservations. Patrons commonly wait to be seated, are served by a waiter/waitress, order from menus and pay for their meals after they eat. Some facilities contained within this land use may also contain a bar area for serving food and alcoholic drinks.

Section 3. SDC fees shall be due for any development which increases the required unit quantity of any of the Sanitary Sewer SDC infrastructure system and will be due and payable when required as specified in the Troutdale Municipal Code ("TMC") Section 12.02.060 and may not be prepaid, nor shall any manipulation of timing deadline requirements be allowed.

Section 4. The City shall ensure the combined payment by the project developer and the City provided SDC fee subsidy will total 100% of the Sewer SDC fee and that it is properly credited in full to the Sewer SDC fund.

Section 5. The City shall provide no special consideration apart from the Sanitary Sewer SDC fee subsidy and the Restaurant project developer is not entitled to any special consideration for any development project, and any and all development shall be required to proceed through the normal and customary development permitting process, timing requirements and procedures, and subject to the then applicable zoning and development code requirements.

Section 6. The City finds and declares that it serves the public interest, and it is necessary and desirable for the City to assist the development of new or expanded restaurant development projects in the Town Center, resulting in public economic benefits of creating new jobs, increasing tax and other revenues, and contributing to urban revitalization.

Section 7. The City Manager, and Finance Director, (each a "City Official") are designated to act individually and/or jointly and cooperatively, on behalf of and in the best interest of the City and without further action by the City, and are hereby, authorized empowered and directed to implement the SDC fee subsidy program on behalf of the City, and any and all other required and necessary documents to implement the intent of this resolution.

Section 8. Further, as applicable, to comply with State statutes, administrative rules or local ordinances, and to act in the best interest of the City, and without further action by the City, the City Officials are hereby authorized, directed, and responsible for fulfilling the ministerial, intergovernmental, technical, compliance, procedural or promotional functions as required for the effective administration and implementation of the SDC fee subsidy program, and to take any other action as may be advisable, convenient,

necessary, or appropriate, and the execution thereof by any such City Official shall be conclusive as to such determination.

Section 9. The Finance Director is authorized to disburse funds, subject to annual appropriations, as necessary to fulfill the SDC fee subsidy obligations, and is further directed to implement all such actions necessary to ensure budgetary compliance.

Section 10. The City Manager, or through staff, is directed to inform and advise commercial real estate brokers and leasing agents of the existence of this subsidy, and to generally promote development of Restaurants in the Town Center area and the City of Troutdale overall.

Section 11. However, the maximum expenditure from the General Fund for this subsidy shall be the same \$150,000 in fiscal year 2021 as already determined by the last Resolution on the topic. And a maximum of \$150,000 in fiscal year 2022-2023. Based upon the date and time a building permit is issued, a new or expanded restaurant business will receive priority if the allocated funds are not sufficient to fully, or partially, pay the full subsidy. The last priority application(s) may only receive a partial subsidy or none. The subsidy program shall terminate upon expending the \$150,000 in any fiscal year, or the date hereafter stated, whichever is sooner.

Section 12. This Resolution shall take effect on January 1, 2022 and terminate on June 30, 2023.

YEAS: 4

NAYS: 3 Councilor Glantz, Councilor Kranz, Mayor Lauer

ABSTAINED: 0



Randy Lauer, Mayor

Date: July 14, 2021



Sarah Skroch, City Recorder

Adopted: July 13, 2021