



## Clark County considers fee holiday to lure development

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**Elliot Njus, The Oregonian**

When the city of Gresham waived business license and other upfront fees for new shops in certain districts, it lured a number of specialty shops, several restaurants and a downtown grocery store to fill some of its vacant storefronts.

The incentive has inspired an imitator in Clark County, which is considering a proposal for a fee holiday of its own. The county is leveraging its authority to lure developers the way Gresham has lured entrepreneurs by waiving application, inspection and impact fees for certain projects.

The county won't focus on the mom-and-pop stores Gresham sought -- the incentives focus on new development and redevelopment, and mostly in unincorporated areas of the county -- but county officials hope businesses will bring much-needed jobs and businesses to priority areas if they can save a few bucks upfront.

In Gresham, 18 business owners took advantage of the so-called garage-to-storefront incentive by opening in one of three commercial districts. One of them, Lillian Negron, brought the downtown grocery store the city had coveted, and she said that couldn't have happened without the fee holiday.

"It would have been way too expensive," she said.

Negron said the transportation impact fee, which is supposed to pay for infrastructure to accommodate increased traffic the store generates, was particularly pricey.

"I do understand that we need to have a balance of protection and cleanliness," she said. "I just know that financially (a fee holiday) would help so many people who want to start a business."

Lillian's Natural Marketplace now has 15 employees, many of whom were unemployed before Negron hired them.

Depending on its location and the size, a business can save a couple of hundred dollars or tens of thousands, said Kristin Chiles, the city's small-business coordinator. Since April, the program has cost the city about \$54,000 in potential revenue from fees.

"That's quite a bit of savings for the businesses here," Chiles said. "We're happy to do it. It's our investment back in the community, and we'll get it back at the end of the day."

In Clark County, the ordinance originally focused on industrial developments, but the final version could include

commercial developments, too, because of the sales taxes they generate for the county, said county economic development manager Kelly Sills.

Businesses would qualify by opening in one of a half-dozen unincorporated focus areas in the county, or along the county-owned Chelatchie Prairie Railroad.

Businesses also could qualify if they create jobs in a sector with few workers in Clark County.

"We were looking at trying to diversify the regional economy," Sills said. "We wanted to provide a waiver for businesses creating jobs in categories we don't really have."

The draft ordinance also includes businesses that create 10 or more jobs that pay 20 percent more than the metro area average -- \$22.15 an hour in May 2009, according to the Bureau of Labor Statistics -- but that would likely be dropped in the final version, Sills said.

Other communities also have looked to their fees to carve out economic development tools. In May, the Washougal City Council adopted a program to defer some fees for up to a year or until the building is occupied, reducing the upfront cost. La Center has a similar program for residential development.

It's unclear how much the program could cost Clark County in waived revenue, but Sills said his final proposal would contain several scenarios based on existing developments that might have qualified for the incentive.

"It's too much of a crystal ball to predict which developments will come in and in what quantity," he said.

Sills said a final proposal will be ready for the Board of County Commissioners' consideration by the end of the month.

-- **Elliot Njus**

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