

Portland Planning and Sustainability Commission

May 9, 2017

12:30 p.m.

Meeting Minutes

Commissioners Present: Jeff Bachrach, Andre' Baugh, Mike Houck, Gary Oxman, Katie Larsell, Michelle Rudd, Katherine Schultz, Chris Smith, Eli Spevak, Maggie Tallmadge, Teresa St Martin

City Staff Presenting: Joe Zehnder, Bruce Walker, Arianne Sperry, Tom Armstrong; Art Pearce, Christine Leon (PBOT)

Other Presenters: Sean Loughran, Port of Portland; Jeff Owen, PDX CAC Chair

Chair Schultz called the meeting to order at 12:31 p.m. and gave an overview of the agenda.

Documents and Presentations for today's meeting

Items of Interest from Commissioners

- *Commissioner Smith* gave an update on street safety. We had 20 fatalities by May 4 last year, but only 9 this year, so that's about back at about the 2015 levels. But now it's actually 10 since there was one more this week. The first public draft of the state public transportation funding is out, so now is the time to advocate for more safety enhancements.
- *Commissioner St Martin* gave an update on the Mixed Use Affordable Commercial Bonus Program work being led by the PDC. We had the second meeting with joint group this morning, *Commissioners Smith* and *Baugh* are also in this advisory group. There is some question if rent reduction in exchange for FAR will be enough to help small businesses obtain access to commercial space. There are also questions regarding the costs of administering this type of program over the long term. The meetings will continue and the results of the effort will come to the PSC at a later date.
- *Commissioner Houck*: We had 22 international experts working on nature in the cities here for the Intertwine event at the end of April. It went really well. Their observation after the summit at the zoo was that they were blown away by commitment and expertise of local citizens. The downside was that some individuals couldn't get visas, so the group generally doesn't want to come back to the US for the 2018 event. We're pushing for Vancouver BC. Thank you to Teresa and Chris for attending and helping out.
- *Commissioner Bachrach*: I am the DRAC rep from the PSC. I forwarded a letter yesterday, the almost-final draft, about what DRAC has been thinking about in terms of SDCs; the key recommendation is about increased SDCs. They don't have purview of this, but the concern is the inconsistency between the Mayor's push for watching the costs of housing and SDCs, which are the most expensive portion of the development fees, keep pushing up. They are asking Council to not have any SDC increases come on July 1 and have a more holistic review. I am asking the PSC if we want to have a similar letter from our Commission. We do have the TSDC presentation today.
 - *Chair Schultz*: This is an item that I also raised to staff. It might be a longer discussion, so let's hold on this until the end.
 - *Commissioner Houck*: I have lots of concern about signing a letter without knowing more about the potential impacts. We need a deep understanding of the ups and downs before I sign onto a letter.
 - *Commissioner Baugh*: We have looked at all the charges that come into housing. I'd be cautious with this. I'm trying to figure out what would be different: asking for a moratorium is fraught with many other issues.

- *Commissioner Spevak*: Is there a map that overlays transportation funding and the fatalities?
 - *Commissioner Smith*: Vision Zero website has a map of the crashes, but I'm not sure if it's exactly mapped.

Director's Report

Joe Zehnder

- Introduced Catherine Ciarlo, who is with CH2M.
- Catherine: Welcome on behalf of CH2M to this room. I served on the Planning Commission 2006-09. When I left, I went to the Mayor's office, and it was actually the hardest choice for me to make in terms of leaving the Planning Commission so I could work for the City. This is the heart of what happens in the city. I know it's also lots of work, so thank you for your diligence.

Consent Agenda

- Consideration of Minutes from April 25, 2017 PSC meeting.

Commissioner Smith moved to approve the Consent Agenda. *Commissioner Baugh* seconded.

The Consent Agenda was approved with an aye vote.

(Y11 – Bachrach, Baugh, Houck, Larsell, Oxman, Rudd, Schultz, Smith, Spevak, St Martin, Tallmadge)

Solid Waste & Recycling Rates

Hearing/Recommendation: Bruce Walker, Arianne Sperry

Bruce gave a recap about the briefing from April 25. BPS oversees residential services that are provided to private haulers to residential (up to 4-plexes) buildings in the city. We establish rates on an annual review process. The commercial sector is not franchised. The City sets service standards to provide the services to businesses, and we collect a commercial tonnage fee to help fund BPS programs. We are not proposing changes to the commercial tonnage fee this year. For residential rates, we conducted the annual rate review, received by a CPA, and the information is given to us in a rate model. The process occurs annually so we don't get too far out of line with what the actual costs of our system are.

Arianne gave an overview of the key rate factors that are included in the review. 44 percent of customers have the 35-gallon roll cart, and the changes in fees are shown in slide 3. We collect substantially more compost than garbage, so it has both financial and environmental benefits.

Overall, the rate is proposed to increase \$.10. The cost to provide the collection service on the Westside is more expensive to service, so we include a terrain fee. In order to ensure all franchisees have the opportunity to earn the 9.5 percent operating margin, a terrain fee is added to rates in a specified area on Portland's west side that includes about 15 percent of the residential customer base. The terrain fee is currently \$4.00 per month and this year is proposed to increase to \$4.20 (for the 35-gallon roll cart collected every other week).

Note that even with the proposed \$0.10 rate increase, the rates are still lower than they were five years ago. The haulers have incentives to be more efficient, and that incentive is passed on to customers.

Commissioner Houck: I know Metro Parks & Nature program gets substantial funding from tipping fees because illegal dumping has negative impacts on the environment in general. I have been asked if a similar portion of the fee be applied to Portland Parks. I'm not suggesting this is part of today's conversation, but I thought to put it out there.

- One of the elements we've worked on is Metro's service, the RID Program, to address illegal dumping. That is available in the region. I'd be hesitant to duplicate this, though I see the point in terms of connecting with Parks and contracting for their trash removal system. We have cooperation with them but not direct funding. So some of Metro's workforce does the clean up within Portland, including our parks. We could do further work with this option.

Commissioner Smith: I had asked this last year but want to get it on the record: Solid waste vehicles represents lots of the heavy vehicles on our streets. Other jurisdictions require safe guards on the trucks and specialize mirrors. I understand the next time regulations for these trucks are issued, we're likely to see some improvements and progress.

- We had an internal meeting yesterday. BPS is prepared to work with PBOT to coordinate our efforts through the Vision Zero program. We also want to establish some next steps for the safety improvements to haulers' vehicles.

Testimony

1. Beth Vargas Duncan, OR Refuse, representing the Portland Haulers' Association: We have been working with City staff on the annual rate review process, which is robust. Haulers work closely with staff to come up with the rate calculations. Then the rate review happens, and we collectively discuss the calculations. Haulers also have a rate consultant, and it's a collaborative process. We don't always agree, but there is agreement today regarding the change in rates. It has been a fair process and has resulted in fair rates. In terms of further efficiency, haulers have proposed moving away from cans to the roll carts exclusively. We're hoping by this time or July 2018 we will have a fully carted system.

Commissioner Baugh: It's my understanding that some haulers gave carts to make the transition easier, but some have not. I would be interested in seeing how that incentive has worked.

Beth: There are 2 companies that provided the carts as part of the business model. The others are at varying degrees of being fully carted. Haulers are proposing to go ahead and by July 2018 transition to fully carted. So companies would have to buy them up front. They would then look at the expenses to be included as part of next year's rate review as an expense. Under the current rate structure, it's an additional \$.65/month from a 32-gallon can to a 35-gallon cart. I can't speak to the labor calculation, but this would be included in next year's review. Cans do cause much more stress and injuries from lifting the cans versus using the automated cart system. There is a broader diversity among the workforce when we have the cart system since it's automated.

Commissioner Oxman: What is the fate of the existing cans when we move to cans solely? To what extent will the plan include options to manage the waste that's created by not using the cans? My suggestion is that you include a way for customers recycle the unused can.

The can is privately owned by the customer, so they would manage the use of that. The carts are owned by the haulers. We can certainly look into how we can help with the old cans.

Chair Schultz closed the hearing at 1:13 p.m.

Commissioner Spevak: I like that the proposal is skewed to encourage smaller cans. But I'm curious about the price incentive to get rid of the cans and have people move to the roll cart. Is there a cost incentive we can work into this?

- We can look into this as we review next steps, before we come back to the PSC.

Commissioner Baugh: Last year in our letter we added that we wanted to look at MWESB participation in the franchise component. My understanding is that you're going into the franchise relook, so I just want to be sure we include this in our letter again. Also, with the recycling and the commercial side,

as part of the CAP, we have a requirement for all trucks to meet an emissions standard. This is impactful for the smaller companies on the commercial side. I'd like to look at coming up with a way we can use part of the rate to help small businesses to cover some costs so they don't go out of business.

- This is the franchise review, which we're proposing to bring back to the PSC as the first step in a launch of this mid-term franchise review. MWESB is definitely part of the conversation. In terms of the clean fleet, Council adopted this in 2007. As part of that plan, we began the work in the residential section in 2016. In the commercial sector, we'll begin next year. We'll look at the impact on the service provider.

Commissioner Bachrach: Thank you to the staff and the haulers.

Commissioner Tallmadge: I'm curious about the diesel issue. Has this been a part of the conversation at the state legislature in terms of garbage and composting trucks (I know it has been for buses and other large trucks)? Do we have a map of routes to see how they may impact low-income communities?

- We have the pattern of where collection occurs, but on the commercial side, it's up to the owner how many times they want collection, so we don't have that information. We have noticed a big switch to compressed natural gas from diesel. Clean fleet standards are tied to the EPA standards.

Commissioner Smith: Going back to why the commercial hauling is not franchised, I was involved in this conversation years ago when the conversation was about noise and nuisance. You could have multiple haulers come by in one night. But competition was upheld at that point. But now, what about looking at it from an air toxics and efficiency issue... has this been discussed?

- Most recently in 2008 there was consideration, but Council chose not to follow that path at that time. There are other trade-offs for the business community.

Motion

Commissioner Baugh moved to recommend the rates as presented today. *Commissioner Smith* [and other commissioners] seconded.

(Y11 – Bachrach, Baugh, Houck, Larsell, Oxman, Rudd, Schultz, Smith, Spevak, St Martin, Tallmadge)

The rate hearing at Council is scheduled for May 18, with rates taking effect on July 1. The PSC will send a letter of recommendation.

Airport Futures Progress Report

Briefing: Tom Armstrong; Sean Loughran, Port of Portland; Jeff Owen, PDX CAC Chair

Today we're providing an update on the Airport Future program, which was adopted by the City in 2011. This is the 2016 Annual Report being shared today. On the land use side, the airport itself went to a plan district, which now sits in the Zoning Code. At the same time, we created the PDX CAC, which includes a number of community and neighborhood representatives. I am the BPS rep, and *Commissioner Larsell* also sits on the board. We meet quarterly.

Sean noted that Catherine Ciarlo was the first Planning Commission representative when we started this process in 2007. We're grateful for the City's participation. He gave a background about the PDX CAC.

The three main products of the Airport Futures project included the Airport Master Plan; City Land Use Plan, and the ongoing PDX CAC. We had a consensus recommendation in 2011, adopted by the Port Commission, Portland City Council and Vancouver City Council. This included three IGAs as well.

It's been about 10 years since we reviewed aviation demand. We do a regular refresh of the forecast, look at key issues and trends, then look ahead. The most recent was in June 2016. We bring this updated forecast back to the CAC for their review. As of that review, PDX passenger traffic is within 1 percent of the 2010 Master Plan.

Commissioner Smith: My understanding is that what came out of the last process was a trigger for when we start to raise the third runway question.

- This is related to aircraft operations. We are at about 224,000 annual operations today, about 100,000 less than in 2008. We think 500,000 operations is the current capacity, so we have a long way to go before we have to consider a third runway.

In terms of the PDX CAC, it was designed to and collaborative public dialogue and engagement on airport-related planning and development. It has raised awareness of what's going on at the airport. We look at these members as community liaisons. We cover a number of topics, and the committee does regular reporting to sponsors and appointing organizations. We were recognized by the DLCD with a STAR award, which recognizes best examples of citizen involvement in land use planning.

Sean shared projects that are happening and will be coming to PDX via the PDX Next program (slides 14-23).

There is also a unique wildlife management program, which started in 2002. The Port works with a committee of experts. We are a national leader in this realm, and the work is based on four pillars as outlined in slide 24.

Jeff noted the many stakeholders on the CAC. We get into good debating and weigh lots of the airport's benefits and impacts.

Commissioner Houck: Kudos – This is a Bob Sallinger-approved wildlife management program, so I know it's exemplary. We did the policy makers ride at the airport a couple times. Since you'll be doing lots of redevelopment, I'd like to see a comprehensive bike/transit hub that would include bike rentals and a kiosk, maps, etc. There is an opportunity here, and it got a bit pushed off to the side. I'll share a recommendation with the CAC directly.

- Jeff is the multi-modal chair for the committee as well. I was also impressed with what they're doing in Oakland.

Commissioner Spevak: We have minimal industrial lands available. you own much of it. Would you be looking into leasing property that's currently unused?

- We do long-term leases for industrial uses. We can only do long-term leases. We are actively looking at this for lots of the properties.

Commissioner St Martin: This is some impressive work being done. What about more signage in the airport itself that highlights this work?

Transportation System Development Charges Update

Briefing: Art Pearce, Anne Hill, Christine Leon, Richard Eisenhauer (PBOT)

Christine introduced the SDC program. It's the rate study that is reviewed, updated and adopted. We need to have a forward-looking project list as part of the update. The first transportation SDC was adopted in 2007.

The three components that are reviewed and included are:

- Methodology used to calculate the TSDCs
- List of projects eligible for TSDC funding
- Rates

Three key shifts in the 2017 updates from the 2007 update include:

1. Trip methodology move to person trip methodology
2. Used established project lists to build the TSDC list
3. Created a community centered vs committee centered outreach approach

We met with more than 24 neighborhood, business and community organizations – including meeting with this body, a first for any SDC update – inviting feedback and input throughout the process. Several of these organizations we met with multiple times including neighborhood coalitions, city modal committees and business associations.

To boost more participation from communities that do not traditionally participate in civic processes, we hosted an online open house over a two-month period inviting citizens to review the project list, provide feedback and learn more about how SDCs affect their communities.

Additionally, we use Facebook ads to push Portlanders to the open house. This resulted in 33,000 seeing the TSDC update link and video and 700 people clicking on the online open house link.

The online open house received more than 240 comments – more than any update.

One thing we're changing in the 2017 methodology is to a person-trip model to allow us to use better data than what the current system has used. Instead of separating trips into modes of transportation, counts all trips in a multi-modal system. This provides conversation between the TSP, RTP, and we're now counting things that matter to us: how people move through the system via all modes.

Art introduced the project list. As part of the Comprehensive Plan, the PSC reviewed the list of projects in the TSP. PSC considered PBOT's evaluation of those projects and how this list meets the goals and policies of the Comprehensive Plan.

The TSP includes a forecast of implementation funding reasonably expected over the TSP planning horizon. This forecast/budget is used to create the fiscally constrained list of projects. The PSC helped in shaping that list, so your advice and feedback about our following through is important for Council to hear.

Since the PSC approved the TSP as part of the new Comp Plan, PBOT began a regular process to renew the TSDC program. TSP projects were assessed based on equity factors.

In designing the new TSDC program, PBOT considered the policies of the Comp Plan includes those of particular concern for the PSC:

- Do the new projects align with the growth strategy?
- Does the list align with equity policies?
- In general, how might the new TSDC program affect housing supply and costs?
- The proposed list has 154 projects valued at \$589M.

We are proposing a broader SDC list this year than in the past. This will help us to have a bigger set of options to give to a specific opportunity.

If the project list were funded at 100 percent, the rate we charge would be higher. This gets to the question of the rate we can set. We start with the list and look at the change in PM peak-hour trips. We divide this by the projected cost per trip. But we also need the development PM peak-hour trip total. The test for the number is based on the LOS we've established as the existing system travel. We want to figure out what rate we should set that's less than this.

We compare our rates to other jurisdictions. We are currently on the low end. With the proposed changes and methodology, and we move to the middle of the pack. As proposed to her by staff, our

director is moving to fund 50 percent of the eligible projects list. Developers don't necessarily move to other jurisdictions based on SDC charges.

In the context of the City's development charges and fees and where they come from. There was a GART report and used the data to show where the fees come from based on two scenarios. We added in land use fees as well, so it's comprehensive for a project to building permit.

Commissioner Smith: What's the policy rationale why different bureaus would have different recovery target percentages? Our discussion is about cumulative impacts is important.

- It's not necessarily policy. Bureaus take their rates and SDCs to Council independently. PBOT tends to stay in the middle of the pack.
- *Commissioner Houck:* Parks is not 100 percent of Parks' needs. What it boiled down to is where we fit in with other cities in the region, so that's similar to the TSDCs and wanting to be about in the middle.

We know all trips are not the same. If you build to a certain land use and density that meet the City's goals for good growth, you have a reduction in trips you make. We're looking at 33 percent in the Central City and 8 percent in Centers and Corridors.

The Council hearing for the TSDCs is July 26. The public comment period is open for 90 days (instead of the required 60 days). The new SDCs would go into effect in January 2018.

Commissioner Smith: I like the person-trip methodology. But where does freight get accommodated for here?

- This is still based on a person-trip. Freight has the number of trips that each development generates and that's based either on the observable data, or we have had to extrapolate from the ITE handbook to get to person-trip equivalents.

A question to consider: When we discussed the Rose Quarter project, we put funding limits on this. That project is in this list for \$10M. Do we want SDCs to be part of the City's contribution and funding for this?

Commissioner Smith: In regard to public involvement, the demographics are still a bit less diverse than the city is as a whole. Did you consider targeted messages? I appreciate the online open house and Facebook information. Lots of this is the groups you went out to, but I see some categories of groups missing. For example, did you talk to Oregon Walks and The Street Trust particularly about the TSDCs? CAT? Environmental justice groups like OPAL?

- APANO is a good example, but we didn't get lots of results. We are still happy to go out and get feedback.

Commissioner Spevak: In terms of how fees are distributed, Parks had a different approach and scaled the SDC based on house size. Why didn't you do the same here?

- We had that on the agenda when we first started in 2015. What we have is an update that relies on the best data we can get, and the data for person-trips is not supported by the square footage of a house; it's more supported by the context of the area. There could be a policy for single-family homes to make it more affordable.

Commissioner Bachrach: I appreciate PBOT's approach to this. I know there are wrinkles in the methodology, but I think you've been reasonable. Are you still going to allow an individual developer to make an adjustment application?

- Yes. We will still allow an alternative rates study, but we expect we won't have as many as we have before. We've had some struggles with different types of development, so there are alternate rate studies. For single-family, it would be difficult to show a difference, but we'd want to see that during this process.

80-90 percent of the dollars were TSDC-eligible (thus capacity-enhancing). How did you make that judgment about what is capacity-enhancing versus maintenance?

- Seismic rebuilding of bridges is an example of a large project that doesn't change capacity in the system significantly. The neighborhood greenway projects are on this list. Capacity is performance-enhancing as well.

Art: On the project side, since you (the PSC) helped form the list, does this match well with your expectations from the TSP process? You are the experts we need to hear from. The PSC doesn't have purview over the list, but you do have the opportunity to make a recommendation about the items listed in green (current project plans going to Council). There are also projects listed in yellow that are minor tweaks staff is working on. We're using the TSP as a living document, so we're tracking the changes in a way we haven't tried to do before.

If we were to ask staff to come back for a public comment type of meeting, that would be specifically for the items in green.

Commissioner Tallmadge noted this is not the full TSP list. I'm curious why there aren't more Vision Zero projects on this list that are prioritized.

- Mostly these are projects listed that are in yellow. The Vision Zero team will bring that set of recommendations before Council. Some are in white, and those capture the Vision Zero intent. MLK is a good example.

Commissioner Bachrach: I was confused by the PSU comments that costs for non-motorized trips are 6x more expensive than a car. Isn't that counter-intuitive?

- The critique is about the flaws in the current system. I think this is unfairly representing the non-motorized costs as being much higher than they are. We based on motorized, transit and bicycle and compared them project-by-project based on the level of service. But holistically, the auto trip was the cheapest means of getting funding through the current system because there were more motor vehicle trips.

Commissioner Larsell: Is the project list in there just to set the SDC charge? I wasn't as much a part of putting together the list, so what does it mean to be on this list?

- In the TSP, there is conceptual funding and project lists. But the SDC list is a way to look at pursuing the projects; they are projects that have the potential to be funded. But we still need additional funding to actually get them started. With going to a higher amount of SDC funds, we can then be able to fund the project more (thus will need less outside funding).

Commissioner Smith: To clarify, the list is a filter. If the project is not on this list, it can't get SDC funds.

I'm ready to discuss if we're asking staff to come back and/or if we have a public comment time.

Joe: The list is to develop the fee. There are projects proposed to be added that are considered to calculate the fee. Before they're real, they will be amended into the TSP. That comes back to the PSC. So the full list comes back here. I wanted to put a frame for what makes sense for the PSC's consideration: it's about advancing the Comprehensive Plan goals and policies. The TSP list is part of this. Keep this in mind as the frame for suggesting additional public comment. Of what I've heard today, the one I think resonates the most is about the impact on the cost of housing. And the size question.

Commissioner Rudd: In terms of the affordable housing package and potential City off-sets, are these within the potential realm in terms of being waived?

- Affordable housing has SDCs waived, and that will remain unchanged. One of the strategies is to waive SDCs, but right now the code allows affordable units to be exempt from all four bureaus' SDCs.

Commissioner Smith: I agree with Joe's framing. I do want more time to consider this to dive into the methodology. There is our legislative nexus as the Planning Commission. But as the PSC, we added a

wider purview, and I think there is a legitimate policy question around how much we fund this at. I hope we will take the wider view. In terms of public comment as part of that process, I have heard there haven't been enough opportunities for public comment in this. Do we want to provide that opportunity? Will that help us arrive at the factors we want to weigh in on before we send a letter to Council?

Chair Schultz: I'm concerned having a hearing here that will be nothing but frustration to people. If it would be valuable in terms of what we recommend to Council, I'd think that would be good, but we'd have to frame the question correctly.

Commissioner Spevak: If PBOT doesn't have its own review body, this is a proxy for the public to speak up. My inclination is to accept public comment with a good framing. I know the PSC has been shy about writing letters without hearing public comment.

Christine: We are still accepting public comment, and we're still doing outreach. That will be incorporated into the Council hearing. It complicates matters when we have pointed people to the website and Council for commenting and then possibly have a hearing (in person) at the PSC that hasn't yet been part of how we're telling people they can comment.

Commissioner Houck: I hope we don't wind up pitting parks against transportation.

Commissioner Bachrach: I'm satisfied, since we're only commenting on the list, not to have further public comment on this.

Commissioner Larsell: What would the public hearing be on exactly?

Chair Schultz: I'm inclined to have you come back but not encourage public comment. If we were to try to take the lens on what the list is looking at, we don't hear concern about this in our discussion today. I'd like to have another meeting with how we talk about the methodology of SDCs and how works with our other priorities to look at and balance everything as a whole.

Joe: If PBOT comes back, it sounds like our concerns have specific questions. So then staff could answer those and help resolve those.

Chair Schultz: I recommend that if there are additional specific items, please send to Julie. We can discuss at the Thursday officer meeting next steps and if PBOT staff will come back to the PSC for final discussion before we write a letter to Council.

Adjourn

Chair Shultz adjourned the meeting at 3:42 p.m.