

# PBOT

PORTLAND BUREAU OF TRANSPORTATION

1120 SW Fifth Avenue, Suite 800 Portland, OR 97204 503.823.5185  
Fax 503.823.7576 TTY 503.823.6868 [www.portlandoregon.gov/transportation](http://www.portlandoregon.gov/transportation)

**Dan Saltzman** Commissioner **Leah Treat** Director

June 8<sup>th</sup>, 2017

**To:** Portland Planning and Sustainability Commission  
**CC:** Joe Zehnder, Eric Engstrom, Sandra Wood, Julie Ocken  
**From:** Anne Hill

**RE: RESPONSES TO PLANNING & SUSTAINABILITY COMMISSIONER TSDC QUESTIONS**

Thank you for submitting your questions regarding the Portland Bureau of Transportation's (PBOT) Transportation System Development Charge (TSDC) Update. We hope the responses below answer your questions. We look forward to meeting with you.

**Q:** Is overall funding level (50% of need) appropriate (my question from last meeting)?

—From Chris Smith

**R:** Yes. Transportation's System Development Charge is based on a methodology assessing new development their fair share of trip growth and applying it to a forward-looking capital-based program to meet transportation levels of service. The base and threshold level of service is a dollar-value investment per person-trip in the pm-peak. Our updated methodology including trip projections, the capital project list, and development trip rates supports any rate 100% or below funding for the SDC capital list. A 50-percent funded CIP list is appropriate. It is also supportable based on looking comprehensively at fees and charges assessed development. The current TSDC program uses a complex process for measuring project eligibility and has resulted in a high proportion of the projects being ineligible for TSDC funds from the start. This TSDC Update simplifies the way that TSDC fees are calculated, using the value of Portland's existing transportation system as an upper limit for setting TSDC fees, which are then right sized to the



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TSDC project list. This results in a higher proportion of growth-accommodating projects being eligible for TSDC funding.

The regional project contributions (\$95 million), together with eligible costs of City-only projects (\$494 million), result in a total TSDC -eligible cost of \$589 million for 156 projects. The current TSDC program has 54 eligible projects on the TSDC project list and has raised \$75 million in revenue over 10 years. Based on input from developer, business and neighborhood groups, PBOT supports the TSDC rates based on funding 50% of the eligible TSDC project costs. The TSDC revenues are projected to be \$294.7 million over 10 years—a substantial increase over the current TSDC program. As you know, while the recommended TSDC rate is less than the maximum allowable amount, not all projects on this list are expected to be funded and constructed over the next 10 years.

**Q:** Does the structure of fee for residential support other policies. For example, does it reinforce goals of residential infill strategy?

--From Chris Smith

**R:** Yes. The methodology used to establish the person trip rate is based on data showing the number of trips generated by people from a variety of types of development such as single family houses, restaurants or mixed use developments. For single family homes, neither the OHAS (Oregon Housing and Associated Services) data nor the standard ITE (Institute of Traffic Engineers) data are sensitive to the square footage of a dwelling.

Regarding residential housing types, proposed rates are as follows:

- Single dwelling: \$5,141
- Single dwelling (currently described as less than 1,000 square feet): \$2,570
- Multiple dwelling (incl. duplexes, triplexes, and townhouses): \$2,504/unit

PBOTs proposal landed at 1,000 sqft. as the “smaller house” threshold that is intended to capture ADU’s should the current waivers no longer be extended and as a reasonable size limit to reflect a small bungalow.

Residential Infill Project (RIP) staff analysis indicates, -- to understand the size of structures---, the most common are 2,500 sqft. structures on 5,000 sqft. R5 lots. These structures could be used for either a single dwelling or a duplex. In some cases, the lots could be split to allow two “semidetached” units. It was suggested, to the extent practicable, to treat the same size 2-unit duplex and 2 semidetached houses similarly. The RIP proposal also calls for allowing “cottage clusters” which would be comprised of small homes around 1,100 s.f. each.

Based on this discussion, our proposal is to slightly increase the small structure from 1,000 to 1,200 sqft. as a way of treating the middle housing types more consistently (i.e. duplexes, triplexes, small cottages, semidetached houses) while also encouraging smaller single units. For final consistency alignment, we looked at the Parks SDC thresholds, not as policy guidance or for their methodology, but in terms of reducing variations in SDC thresholds for applicants. Parks set their threshold at “Less than 1,200 square feet.”

We therefore will be recommending changing the distinction for single dwelling SDCs to “less than 1,200 sqft.” as it furthers the goals of the Residential Infill Project.

**Q:** Up to \$20M is allocated for streetcar extensions that we haven't recommended yet. I suspect some commissioners may want to discuss that.

--From Chris Smith

**R:** The streetcar is carrying over 16,000 passengers/day; this exceeds two of the light rail lines, and all but two(2) bus lines. There are four(4) distinct streetcar related projects in the proposed TSDC list.

- \$10 million (2 proposed @ \$5 million each) for extensions of the streetcar (Broadway & Montgomery Park),
- \$7.2 million for procurement of additional streetcars, and
- \$5 million for operational improvements to increase capacity on the existing system.

The PSC have been briefed on the Broadway and Montgomery Park extensions because they are included in the TSP. The additional cars and operational improvements are not included in the TSP because these type of operational capital projects are not included in the TSP.

**Q:** I contacted Christine at PDOT directly last week for their consultant's SDC fee analysis.  
--From Eli Spevak

**R:** Attached please find the TSDC memorandum summarizing the analysis of single family and multifamily rates as requested by Commissioner Spivak.

**Q:** I'd like to understand why additional street car expansion on the west side is on the list (in yellow) as in why it has been identified by Portland Streetcar as a near term extension. What are the priority criteria for Portland Streetcar evaluations?  
--From Michelle Rudd

**A:** The Comp Plan and the TSP identified five (5) potential streetcar extensions in the financially unconstrained lists. The TSP called for an "Inner Ring" study to further evaluate potential streetcar alignments for inclusion in the Regional Transportation Plan (RTP). There was a similar "Outer Ring" study to look at appropriate transit investments in parts of East Portland. The five (5) streetcar alignments were included as complementary to the planned land-uses and intensity of development.

Portland Streetcar, Inc. (PSI), funded a study to better understand which alignments were the most promising for near term extensions, and which alignments perhaps needed more work or

perhaps just didn't make sense given other planned investments in transit. The question for PSI has never been "eastside" or "westside" but rather, which potential investment has the best opportunity to advance our shared goals for the system. For streetcar, that means being able to provide quality transit at a reasonable price, and in partnership with the planning bureau, providing a catalyst for affordable housing and development in the places the Comp Plan is calling for growth.

Our evaluation looked at engineering fatal flaws, as well as operations, planning, capital cost, consistency with Federal Transit Administration (FTA) criteria, ability to garner local match, economic development potential including ability to generate market-rate housing and affordable housing, equity and displacement, and importantly, public support. The two (2) lines proposed for TSDC list in the short term (which PBOT would combine and run as one line) share important traits:

1. They have enough ridership today to meet the baseline criteria for FTA funding. FTA will share up to 60% of the project cost but they no longer evaluate project based on future ridership. We must demonstrate the ridership is there on opening day in order to be eligible at a baseline level.
2. There is a reasonable chance a Local Improvement District, or other value capture mechanism could be put in place and garner enough funding to provide some local match to the FTA.
3. There was a significant difference in land use and economic development potential between the "no-build" and "build streetcar" scenarios and they are directly tied to the Comp Plan's land use vision.
4. Both alignments include significant support from the adjacent neighborhood and business districts.
5. Both alignments are technically feasible and provide an operational benefit to the existing alignment.