



**Bureau of Planning and Sustainability**  
Innovation. Collaboration. Practical Solutions.

## Portland Planning and Sustainability Commission

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July 13, 2017

Mayor Wheeler and Council,

As you know, the Planning and Sustainability Commission was deeply involved in the development of the new Transportation System Plan (TSP), adopted in 2016 with the new 2035 Comprehensive Plan. The TSP identified needed transportation system investments to help us become the kind of city we want to be. These investments will help us reduce reliance on fossil fuels, and maintain mobility by expanding transportation choices, including expanding transit, improving bike networks, addressing pedestrian safety, and improving freight reliability. The TSP included a financial plan, outlining the ways that the City could make these important infrastructure investments. An update to the Transportation System Development Charges (TSDCs) is one of the mechanisms identified to fund projects identified in the TSP. Accordingly, the PSC urges you to adopt the updated TSDCs.

Although the PSC does not have a formal role in recommending the City's fee structures and financial strategies, we are deeply interested in ensuring the TSP is implemented. We would like to thank PBOT staff for briefing us on the TSDC project, and discussing the details with us. During that discussion, commissioners identified several issues we believe the Council should discuss.

**Geographic Equity.** The TSP project list was carefully balanced to ensure that investments are being made across the City. In particular, the new TSP identified significant investments in East Portland to address longstanding gaps in transportation services. We believe the Council should ask PBOT to regularly report TSDC spending by geography. Although the TSP project list is well balanced, there is considerable latitude as to how PBOT will choose to sequence identified investments. We also know that the revenues will not be sufficient to build all of the identified projects. We want to be sure that East Portland projects remain a high priority, and do not get set aside in favor of potentially more visible Central City projects.

**Data and Impact on Housing.** The PSC discussed the proposed residential fees at length, and urged PBOT to consider how they could be more fine-tuned to avoid disincentives to build more affordable compact housing. Building on PBOT's decision to focus on person trips rather than VMT, we recommend that the fee structure for homes and apartments have several tiers, using data relating home size to average household size. This would more accurately scale residential SDCs to demands on our transportation system by the number of residents living in them (since people use



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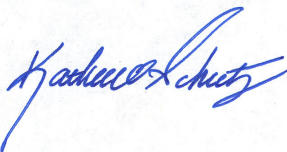
our transportation system, not homes), and would be closer to the way retail and office TSDCs are handled, based on square footage. We would like to see a commitment to further refining the methodology for residential units both from this round on the way to Council and to improve future methodology to make this more accurate next time around. It is important that PBOT continue to collect data on the relationship between trip generation and different land uses and development types. Fees that are based on transportation impacts are only as good as the data underlying the fee calculation. Many transportation SDCs are based on decades old traffic engineering studies, done in other states. These studies were traditionally very vehicle-centric, and ignored other modes. We urge Council to push PBOT to continue to refine the data underlying the fees, particularly to better understand how denser mixed use development impact travel behavior, and the use of other modes. We support how the new methodology is centered on “person trips” rather than vehicles.

**Rail transit.** There are a number of large rail transit investments contemplated in the TSP, including the SW Corridor, an eventual connection to Vancouver, and several additional streetcar lines. Although these are important investments, needed to support the region’s land use and transportation goals, we urge Council to avoid cannibalizing pedestrian and bike safety projects to fund these potentially large transit investments. We therefore support the SDC contribution caps toward these kind of capital intensive projects, to ensure we don’t end up spending the entire allowance on one thing. We also strongly believe that any large rail transit investment should be accompanied by a housing strategy. We appreciate that Council has asked for such a strategy with the SW Corridor, and we urge a similar approach with any future streetcar investment. If the streetcar system is expanded, it should be done in the context of an equitable housing strategy to ensure a cross section of Portlanders can benefit from the investment.

**Future considerations.** The design of the SDC programs is critical on the ability to meet Comprehensive Plan goals. Working with staff on this project has brought to light that there is a role for the PSC to hold hearings to review system development charges for all bureaus. This will help to ensure Comprehensive Plan goals are being evaluated as we structure SDCs and to review holistically their full policy impacts.

Thank you for considering our input.

Sincerely,



Katherine Schultz  
Chair

