

**ORDINANCE No.**

188619 *As Amended*

Adopt the Transportation System Development Charge Update 2017 rate study; establish an updated rate schedule; and amend Code, effective January 1, 2018 (Ordinance; amend Code Chapter 17.15)

The City of Portland ordains:

Section 1. The Council finds:

1. On June 18, 1997, by Ordinance No. 171301, City Council established a Transportation System Development Charge (TSDC) program, Portland City Code (PCC) Chapter 17.15. Council recognized that development should contribute its fair share to the cost of improvements and additions to transportation facilities necessary to accommodate the capacity needs created by growth. The 1997 rate study projected growth and capital construction needs for 10-years.
2. In 2007, by Ordinance No. 181322, City Council adopted the update of the TSDC program, an update to the TSDC rate schedule and amended Code (PCC 17.15).
3. During the 2017 TSDC program update the City has reviewed the TSDC programs' successes and identified issues and needed reforms.
4. TSDC program funds a portion of the motor vehicle, transit, bicycle, freight and pedestrian supportive improvements required to maintain the City's livability, mobility and economic vitality. Under existing state law, the fees collected may only be used to fund capacity-increasing projects for future users.
5. TSDC revenue is allocated to projects annually through the City's Capital Improvement Plan (CIP) budgeting process.
6. TSDC "methodology" means the narrative, formulas and charts that serve as the framework for determining the system development charges, as set forth in the rate study.
7. TSDC revenue has helped fund the construction of improvements to support residents, freight, businesses, commuters and students. Completed projects include new sidewalks throughout the city; portions of the light rail and streetcar system; improvements to neighborhoods like NE Cully Boulevard that enhanced pedestrian and bike safety; capacity and performance enhancing projects like a neighborhood greenway connecting NE and SE Portland; and SW Moody Avenue multi-modal improvements.

8. TSDC Update has been guided by a multi-tiered public engagement and communication process involving citizens, neighborhood and business groups, modal advocates and key stakeholders.
9. Public outreach was conducted including two technical workshops, over twenty-five presentations and discussions with neighborhood and business groups, public open-houses, a project website, an online open house and a rate setting workshop and targeted communication with project updates and notices through email and the U.S. Postal Service.
10. On December 14, 2016 by Resolution No. 37256, Council authorized the Portland Bureau of Transportation (PBOT) to utilize a “person trip” methodology in the TSDC Update. This methodology better reflects the multi-modal characteristics of Portland and measures PM peak hour travel rather than daily travel to assess the impacts of when the system is most in demand.
11. Oregon’s System Development Act (Oregon Revised Statutes 223.297-223.314) requires that system development charges be based on a methodology that demonstrates consideration of capital improvement costs identified in an adopted project list that are needed to increase capacity to serve the demands of future users.
12. On June 15, 2016, by Ordinance No. 187832, City Council adopted a new Comprehensive Plan, including Exhibit D, Transportation System Plan (TSP) Major Projects List. The proposed TSDC Update project list draws from the adopted TSP Major Projects List, other recently adopted plans or studies and plans or studies in the process of adoption.
13. Using projects from the 1-10 year constrained portion of the TSP Major Projects List, the project team built the proposed TSDC Update list using the principles of geographical and modal equity, while supporting projects with identified additional funding or are of regional in nature. The proposed TSDC Update project list includes 169 projects eligible for TSDC funding.
14. TSDC Update methodology results in more projects being eligible for TSDC funding.
15. Eligible costs of the proposed TSDC Update project list are \$589.3 million, including \$95 million for regional projects.
16. With Portland expected to grow in the next 10 years, improvements to the transportation system are necessary to provide travel options to accommodate growth while meeting Vision Zero, Climate Action and City Comprehensive Plan goals.

17. Based on input from stakeholders and a comprehensive review of fees and charges assessed to development, the proposed TSDC Update rates are based on funding 50 percent of the eligible TSDC project costs.
18. Projected revenue is approximating \$177 million to \$295 million, dependent on actual growth realized and amount of exemptions, credits and discounts granted.
19. Under the existing TSDC rate schedule, there are several land use types for residential development that create complexity. Under the proposed TSDC fee schedule, categories have been combined or eliminated for simplicity, resulting in four categories for residential development.
20. Under the existing TSDC rate schedule, there are several land use types applicable for tenant improvements that create complexity. Under the proposed TSDC fee schedule, categories have been combined or eliminated for increased cost predictability to businesses applying for tenant improvement permits.
21. Consistent with the City's Comprehensive Plan goals to focus growth in the Central City and other centers, corridors, and transit station areas (Goal 3.C) and shift travel away from drive alone trips to more environmentally sustainable modes (Goal 9.D), the proposed TSDC program includes adjustments to person trips for eligible land uses within the Central City and other designated centers.
22. An effective date of January 1, 2018 allows for a smooth transition to the updated program.

NOW, THEREFORE, the Council directs:

- a. City Council adopts the Transportation System Development Charge Update, dated June, 2017 attached to this Ordinance as Exhibit A, effective January 1, 2018.
- b. City Council establishes an updated rate schedule for TSDCs, attached to this Ordinance as Exhibit B, effective January 1, 2018.
- c. City Council amends Portland City Code Chapter 17.15, Transportation System Development Charge, attached to this Ordinance as Exhibit C, effective January 1, 2018.
- d. City Council directs the Portland Bureau of Transportation Director or designee as authorized under PCC 3.12, to update the TSDC Administrative Procedures Guide TRN 9.06, in substantial conformance in Exhibit D.


Passed by the Council: SEP 27 2017

Commissioner Dan Saltzman  
Prepared by: Anne Hill: SP  
Date Prepared: June 9, 2017

**Mary Hull Caballero**  
Auditor of the City of Portland  
By *CP Phillips*  
Deputy



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<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Dan Saltzman</b></p>	<p>CLERK USE: DATE FILED <u>SEP 05 2017</u></p>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance &amp; Administration - Wheeler</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>DS</i></p> <p>Position 4/Safety - Eudaly</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u></u> Deputy</p>
<p><b>BUREAU APPROVAL</b></p> <p>Bureau: Transportation Development Permitting &amp; Transit Group Manager: Christine Leon Bureau Head: Leah Treat <i>CL</i></p> <p>Prepared by: Anna Hill <i>ADD</i> Date Prepared: June 28, 2017 Supervisor: Christine Leon</p>	<p><b>ACTION TAKEN:</b></p> <p style="font-size: 1.2em;">SEP 13 2017 PASSED TO SECOND READING <b>As Amended</b> SEP 27 2017 9:30 A.M.</p>
<p><b>Impact Statement</b></p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p><b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document.</p> <p>Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> required for Code Ordinances <i>TOY OK</i></p>	
<p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>FLS</i></p>	
<p>Council Meeting Date <b>Sept. 13 2017</b></p>	

**AGENDA**

**TIME CERTAIN**   
**Start time: 9:45AM** *90 min*

**Total amount of time needed: 2 hours**  
 (for presentation, testimony and discussion)

**CONSENT**

**REGULAR**

**Total amount of time needed: \_\_\_\_\_**  
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	