



April 6, 2011

**Revised Intergovernmental Grant Agreement with TriMet for  
City contributions to fund the final design and  
construction of the South Corridor Phase II:  
Portland Milwaukie Light Rail Project**

# Portland Milwaukie LRT

- Opens for service 2015
- 7.3 Mile Extension
- 10 new Light Rail stations
- New pedestrian, bike and transit bridge
- Streetcar connections
- Quiet Zone



## Funding History:

- On June 17, 2009 City Council accepted Resolution No. 36709 which outlined the recommended conceptual funding plan for the \$30 million City of Portland contribution to the South Corridor Phase II: Portland-Milwaukie Light Rail Project
- On February 24, 2010, the Portland City Council approved Ordinance No. 183554, in which the City Council affirmed its \$30 million funding plan for Local Matching Funds for the Project and authorized and IGA with TriMet.

# FTA Funding Contribution

- In August 2010, the FTA advised TriMet that the maximum share of New Starts funds it would provide for the Project was 50 percent.
- As a result TriMet prepared a revised finance plan for the Project that requires additional Local Matching Funds including an additional \$25 million from the City of Portland.

## Portland Milwaukie Light Rail Project Funding Plan

PDC Tax Increment Financing – North Macadam URA	\$10M
PBOT Parking Revenue	\$3.22M
Innovation Quadrant TSDC Overlay	\$5M
Citywide TSDC	\$1.78M
North Macadam TSDC Overlay	\$10M
<b>In Kind-Property Contributions, General Transportation Revenues</b>	<b>\$25M</b>
<b>Total LRT Match</b>	<b>\$55M</b>

# Innovation Quadrant TSDC Overlay

- On February 24, 2010 City Council directed PBOT to pursue the Innovation Quadrant Overlay district to contribute \$ 5 million to the Portland Milwaukie Light Rail

**Innovation Quadrant  
Transportation System Development  
Charge (TSDC)  
Overlay Proposal**

Why are we proposing an  
increase in some TSDC fees?



# **Innovation Quadrant TSDC Overlay Project**

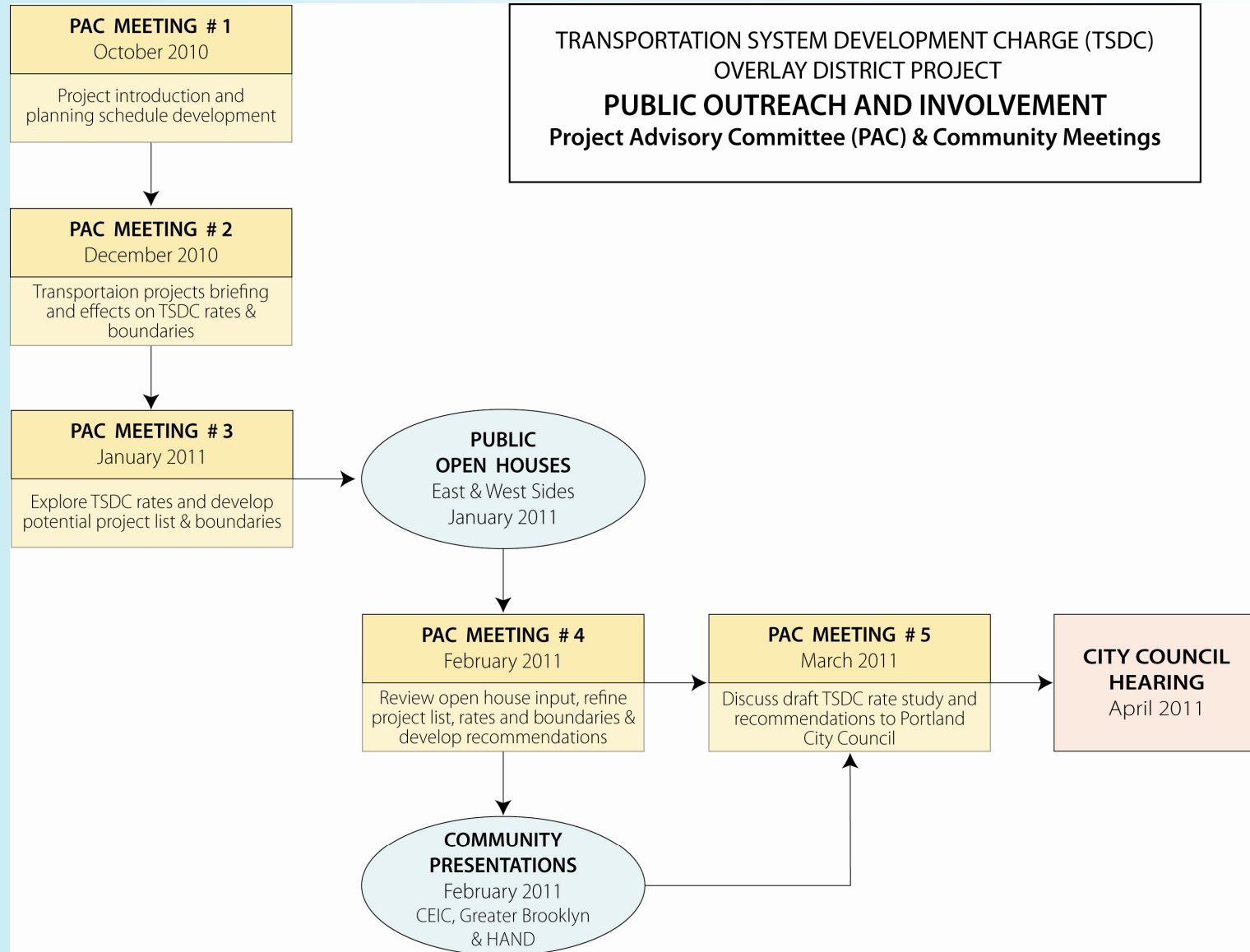
- The Overlay proposal realizes the unique benefit of the PMLR to the Innovation Quadrant, by linking the East and West neighborhoods with the new transit, bike and pedestrian bridge.
- The transit investments in district will be catalytic, unlocking development potential in a neighborhood has struggled with significant transportation challenges.
- This proposal funds real solutions for the districts.

What was the process for  
developing the proposal?

# **Innovation Quadrant TSDC Overlay Project Process**

- Council Direction
- Stakeholder Interviews
- Consolidate feedback
- Develop Project Advisory Committee
  - Hosford Abernethy Neighborhood District
  - Portland Business Alliance
  - Central Eastside Industrial Council
  - OMSI
  - Portland Opera
  - PSU
  - Interested Parties
- Project Website

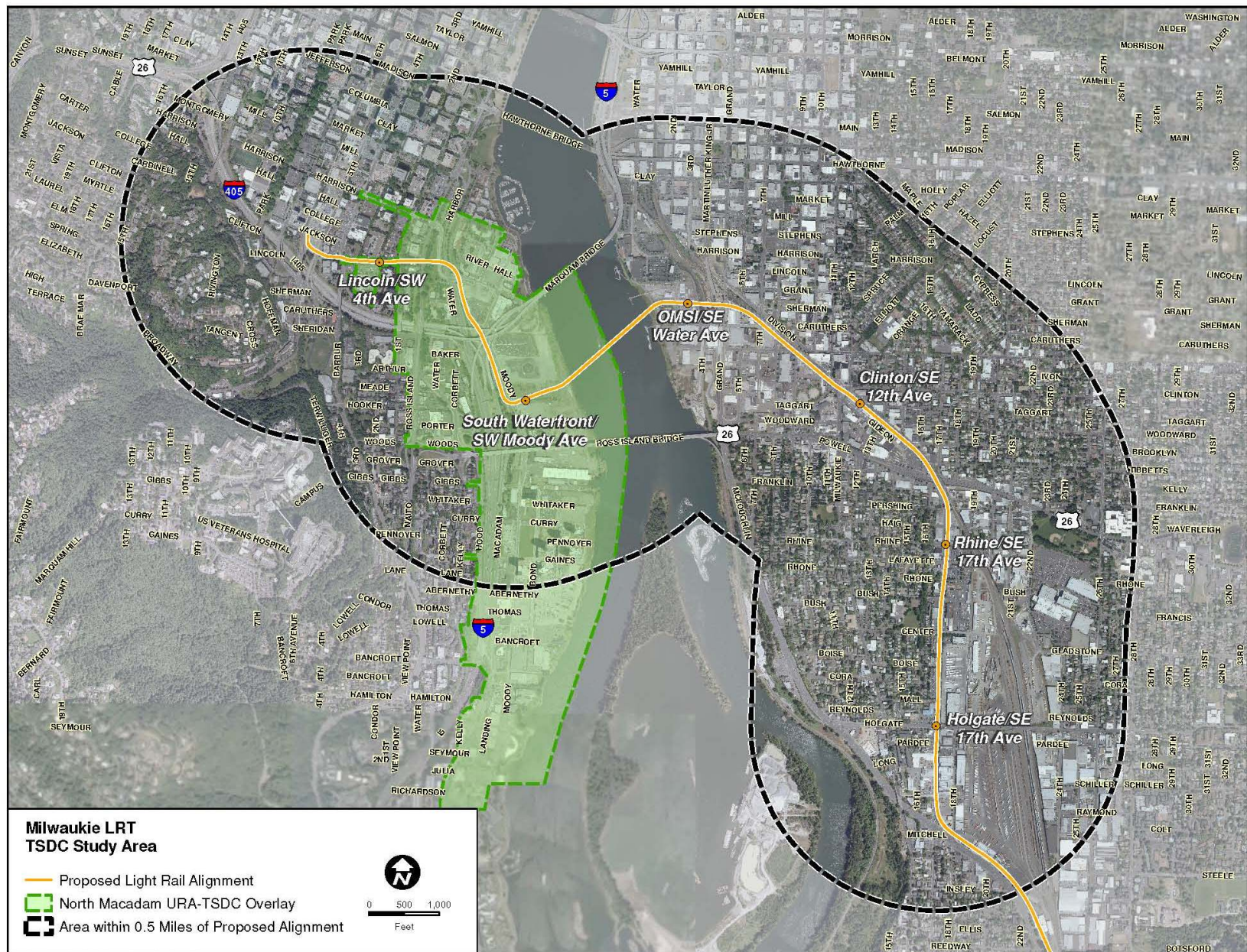
TRANSPORTATION SYSTEM DEVELOPMENT CHARGE (TSDC)  
OVERLAY DISTRICT PROJECT  
**PUBLIC OUTREACH AND INVOLVEMENT**  
Project Advisory Committee (PAC) & Community Meetings



March 23, 2011

What is the Innovation  
Quadrant Overlay proposal?









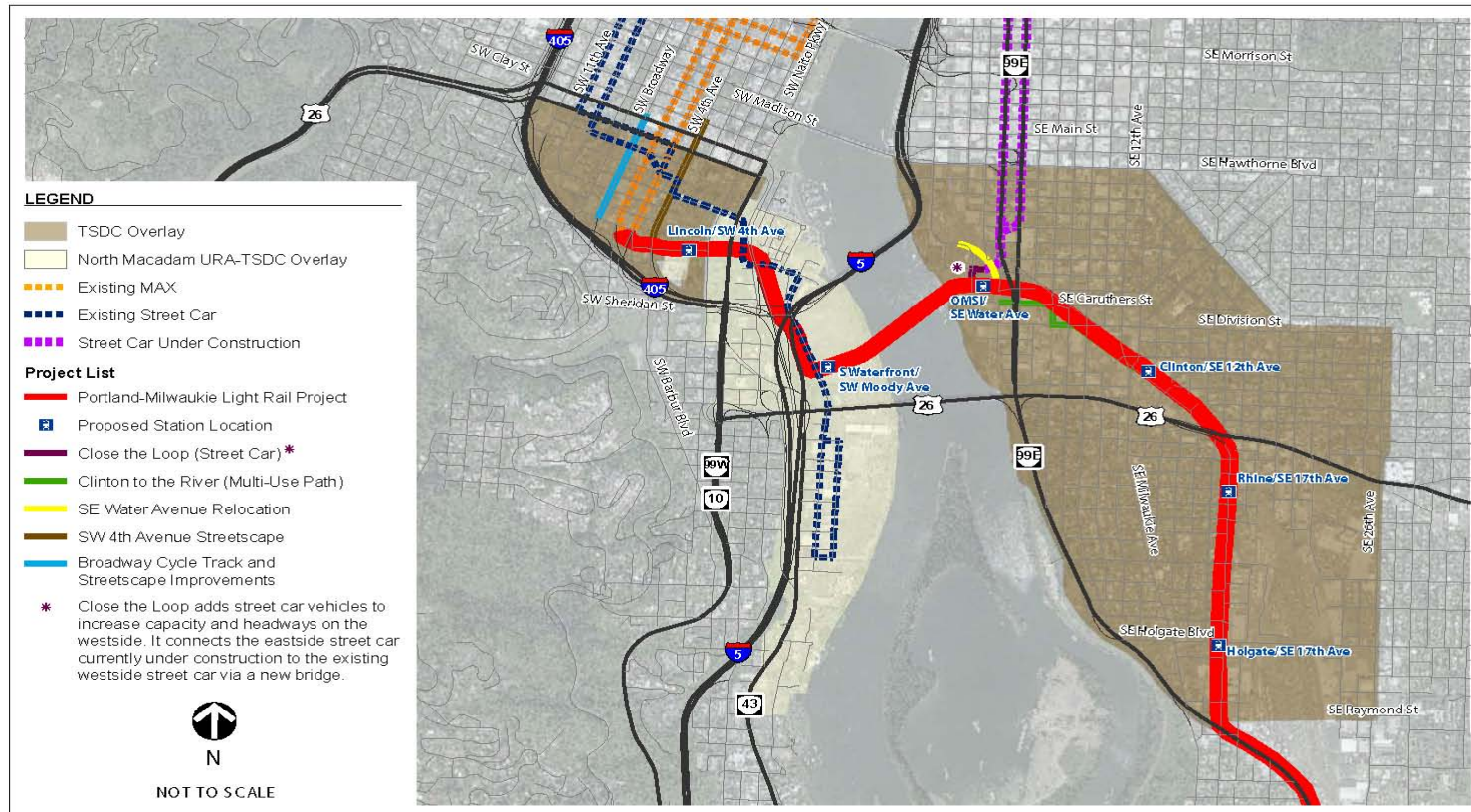
# Who pays ?

- only new development or
- changes in use that exceed 3000 square feet
- Existing property owners that are currently operating can expand their use up to 15 % square feet and not pay a TSDC fee
- temporary uses (under 6 months) do not pay
- other exemptions as determined by council
  - Currently ADUs are exempt and would continue to be exempt under the proposal until that exemption expires



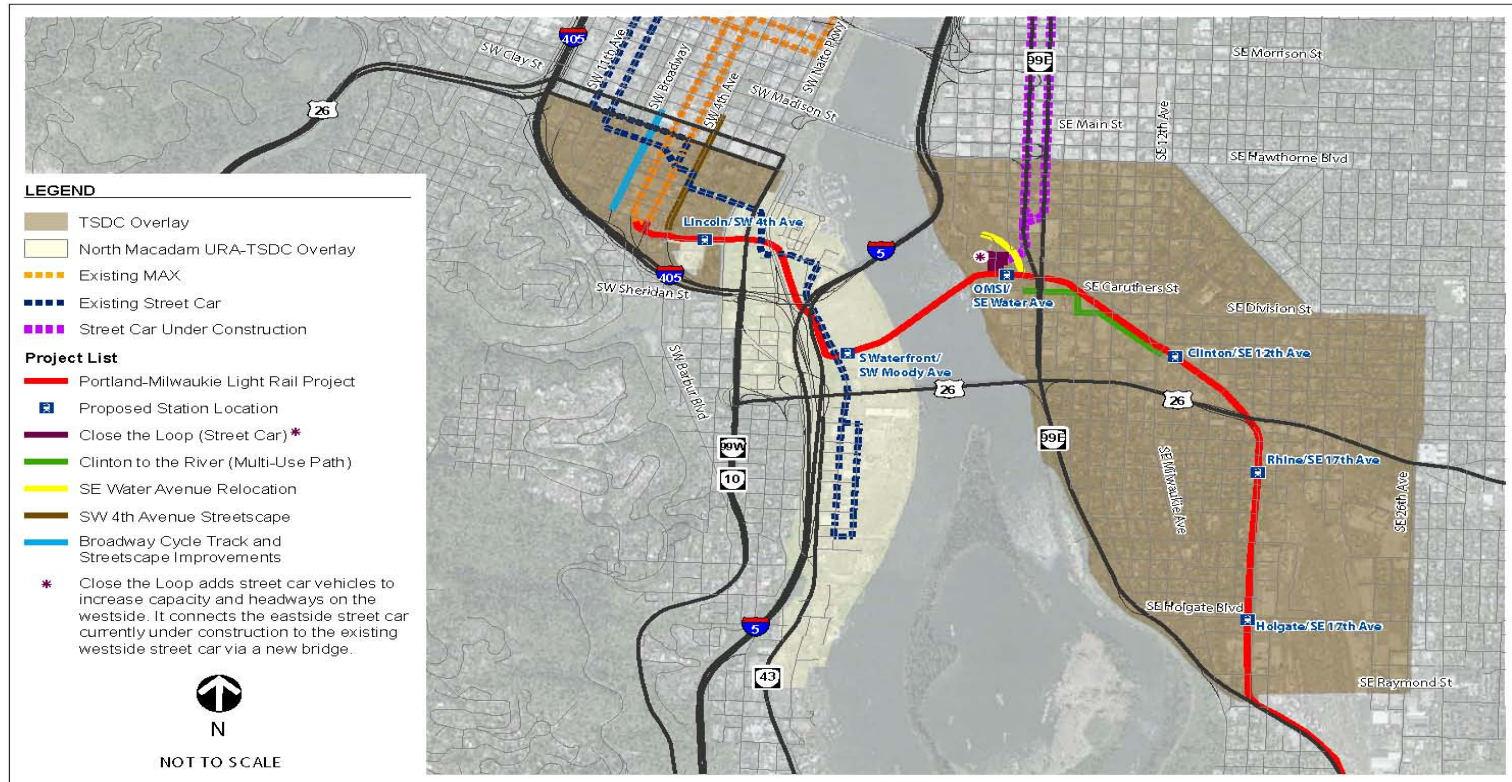
What is on the project list?

# Portland to Milwaukie Light Rail



## PROJECT LIST FOR PORTLAND TSDC OVERLAY ANALYSIS

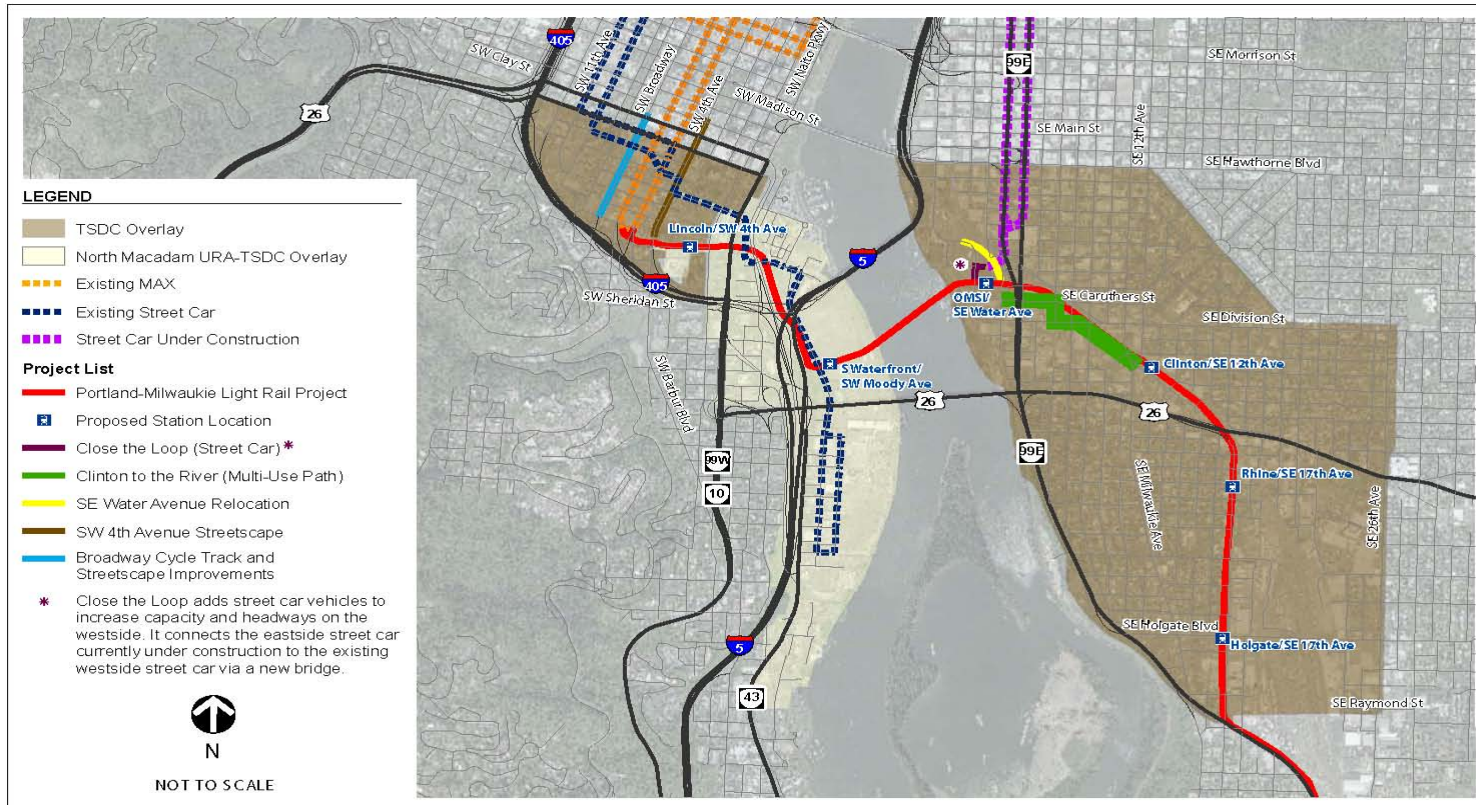
# Close the Loop



## PROJECT LIST FOR PORTLAND TSDC OVERLAY ANALYSIS

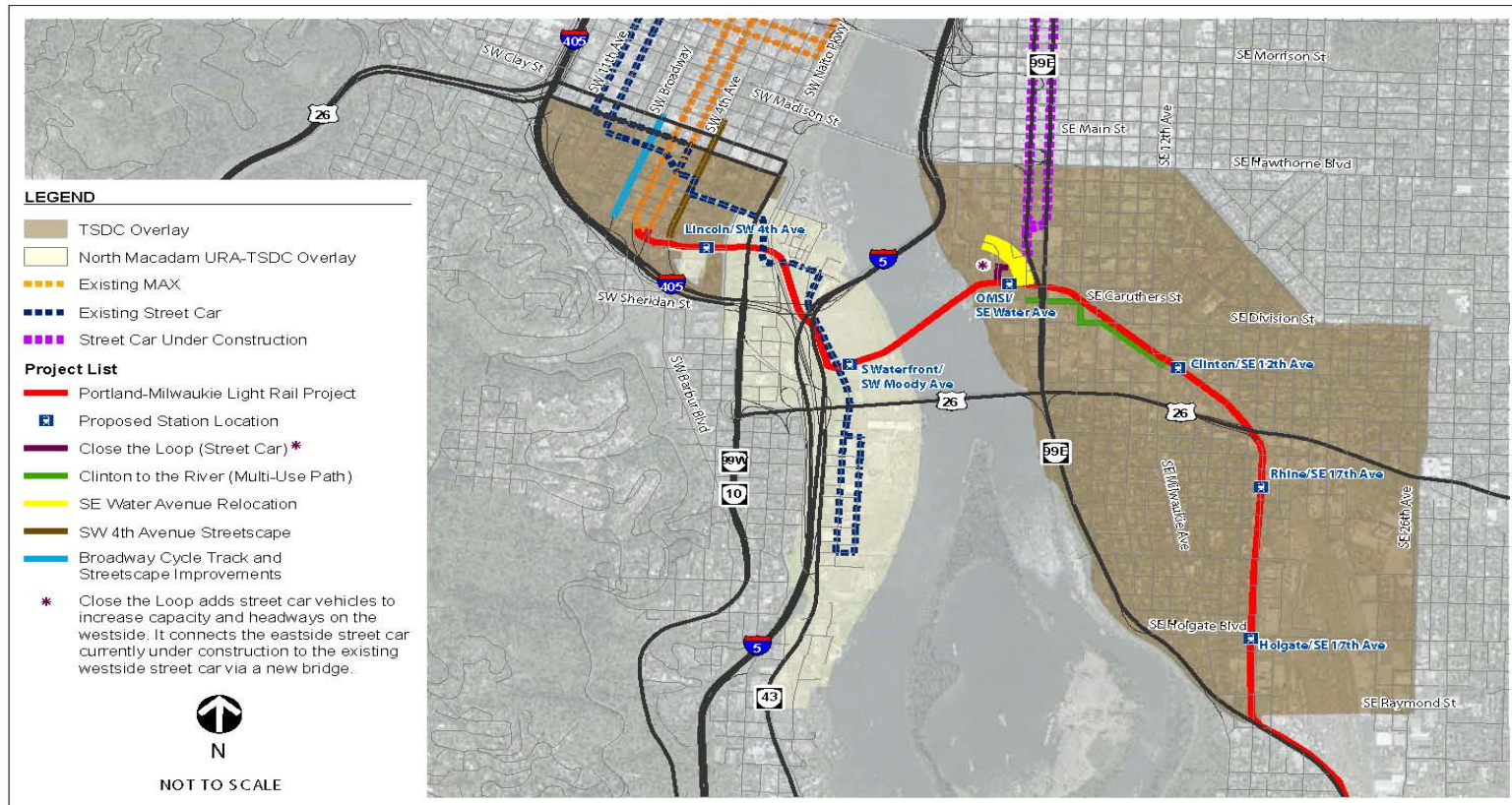


# Clinton to the River



## PROJECT LIST FOR PORTLAND TSDC OVERLAY ANALYSIS

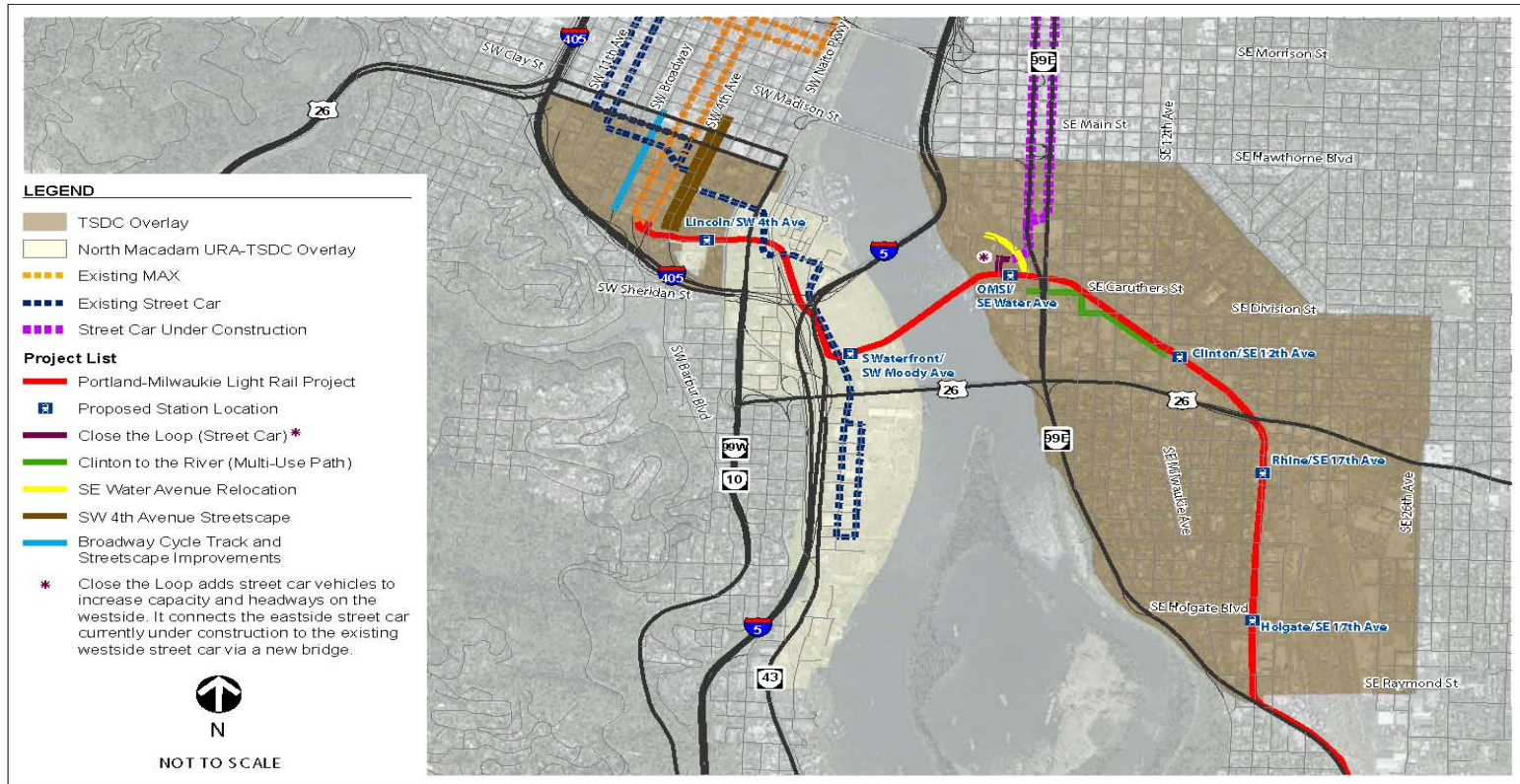
# Water Avenue Relocation



## PROJECT LIST FOR PORTLAND TSDC OVERLAY ANALYSIS

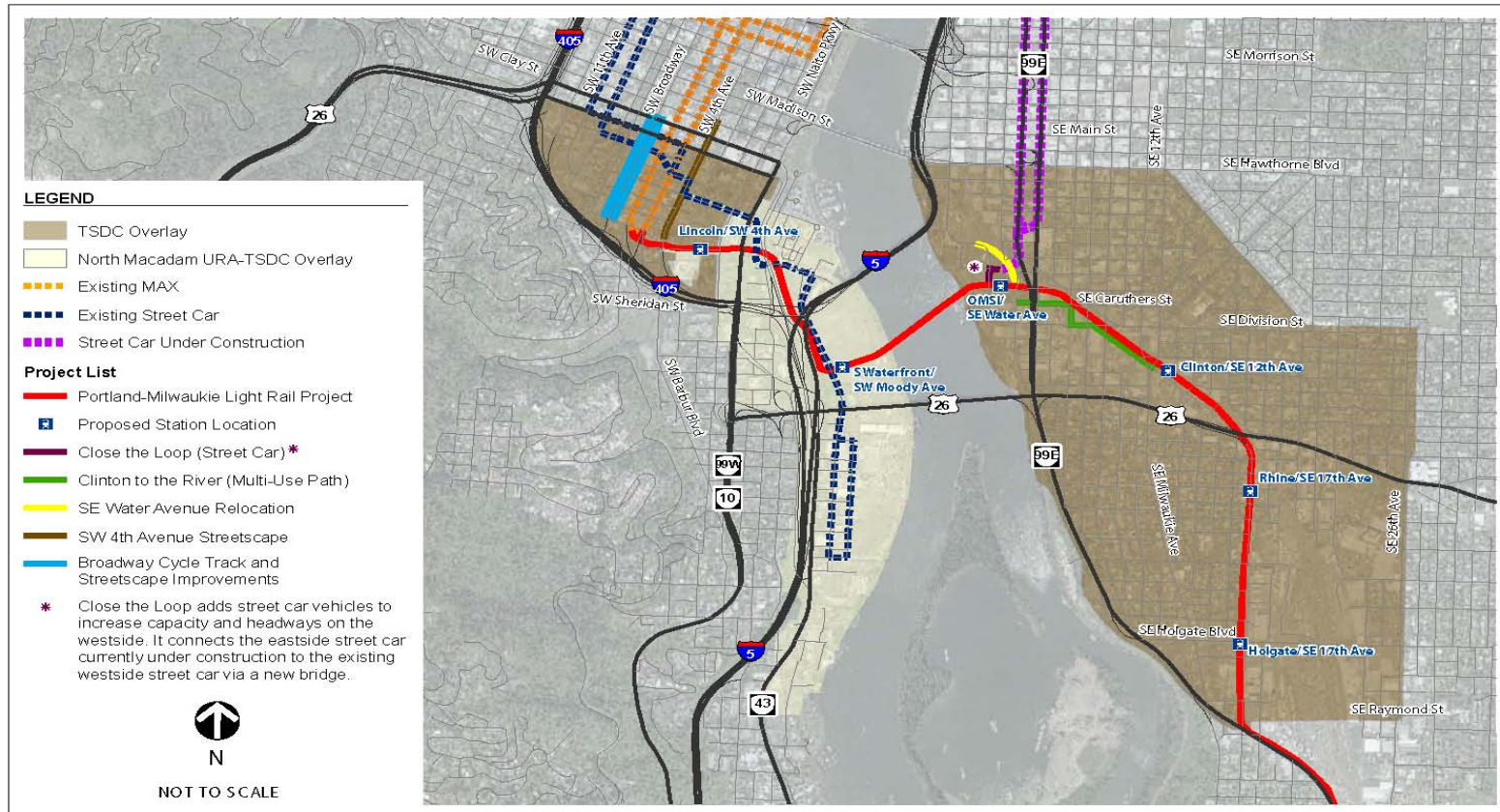


# SW Fourth Avenue Streetscape



## PROJECT LIST FOR PORTLAND TSDC OVERLAY ANALYSIS

# SW Broadway Streetscape (Cycletrack)



## PROJECT LIST FOR PORTLAND TSDC OVERLAY ANALYSIS

# Innovation Quadrant TSDC Overlay Proposal

Innovation quadrant TSDC Overlay Project List	Total Cost ( <i>Low Confidence Level Estimate</i> )	Maximum TSDC Eligible Amount Based on Capacity Improvements	Constructed with PLMR	Project Eligible for Citywide TSDC Funding	Staff Recommended TSDC Portion
South Light Rail ( <i>Portland Milwaukie Light Rail City Contribution</i> )	\$55,000,000	\$8, 0999,820	Yes	Yes	\$5,000,000
Close the Loop Streetcar Improvements – Connects Streetcar to bridge and vehicles	\$22,518,465	\$5,425,243	Yes	No	\$5,425,243
Water Avenue Relocation- Builds complete street with bike lanes and sidewalks	\$4,633,839	\$1,565,478	Yes	No	\$1,565,478
SW 4 <sup>th</sup> Ave Streetscape Improves pedestrian facilities on SW 4 <sup>th</sup> and builds safer crossings	\$2,402,138	\$1,301,088	No	No	\$1,301,088
Broadway Streetscape (Cycletrack) Enhances the existing cycletrak on SW Broadway adjacent to PSU	\$1,244,573	\$674,107	No	No	\$674,107
Clinton to the River Multi Use Path	\$4,625,592	\$1,619,931	Yes	No	\$600,000
<b>Total</b>					\$14,565,916



# Innovation Quadrant TSDC Overlay Proposal

- \$14.5 million contribution seeks to build \$90 million in transportation investments by leveraging other transportation funds.

Estimated TSDC Rates for Three Development Types	Estimated Overlay Rate	Citywide Rate FY 08/09	Total Combined
Office	\$ 2.33	\$ 3.30	\$ 5.63
Miscellaneous Retail	\$ 4.89	\$ 4.33	\$ 9.22
Apartment	\$ 1,521.00	\$ 1,836.00	\$ 3,357.00

**Table 1**

Summary of TSDCs for Sample Developments in Portland Metropolitan Area (\$)

Note	Jurisdiction	Single Family Dwelling (1 DU)	Apartment Building (104 DU)	Single/Multi Tenant Office (67,500 sq ft)	Lower Turnover Restaurant (5,200 sq ft)	Supermarket (47,400 sq ft)	Medical Office Building (235,000 sq ft)	Hospital (1,750,000 sq ft) (a)	Community College (2500 students) (b)	OVERALL RANKING (c)
	Happy Valley	7,682	560,976	664,403	210,662	2,100,294	7,223,195	10,047,000	1,797,500	1
(3)	Sherwood	8,057	577,907	700,402	188,733	1,803,832	7,361,403	8,457,480	1,240,404	2
	Gresham -- Springwater	6,801	434,208	786,363	104,910	1,345,712	5,886,863	13,905,710	2,020,200	3
	<b>Portland (w/ N. Macadam Overlay)</b>	<b>4,895</b>	<b>361,712</b>	<b>404,325</b>	<b>177,320</b>	<b>1,249,464</b>	<b>3,741,200</b>	<b>14,700,000</b>	<b>2,580,000</b>	<b>4</b>
	West Linn	6,694	427,336	587,858	87,391	796,604	3,949,410	na	1,325,000	5
	<b>Portland (w/ Innovation Quadrant Over</b>	<b>4,747</b>	<b>349,128</b>	<b>380,025</b>	<b>172,484</b>	<b>1,261,788</b>	<b>3,527,350</b>	<b>13,825,000</b>	<b>2,535,000</b>	<b>6</b>
(4)(6)	Wilsonville	5,874	375,024	679,118	120,968	1,516,184	3,485,050	1,200,500	5,539,500	7
	Gresham -- Pleasant Valley	4,955	316,339	572,898	76,432	980,407	4,288,825	10,130,890	1,471,800	8
(2)	Beaverton	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
(2)	Hillsboro	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
(2)	Tigard	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
(2)	Tualatin	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
	Washington Co.	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
	Clackamas Co.	3,560	260,000	307,935	97,635	973,454	3,347,810	4,657,000	832,500	14
	Gladstone	3,560	260,000	307,935	97,635	973,454	3,347,810	4,657,000	832,500	14
	<b>Portland (w/out Overlay)</b>	<b>2,566</b>	<b>190,944</b>	<b>222,750</b>	<b>92,612</b>	<b>615,726</b>	<b>2,042,150</b>	<b>8,067,500</b>	<b>1,325,000</b>	<b>16</b>
	Oregon City	3,698	235,052	430,077	38,826	454,071	3,022,476	7,163,437	1,085,549	17
	Lake Oswego	3,319	256,152	220,253	78,161	312,603	1,877,885	7,556,500	1,352,500	18
	Gresham	2,823	180,222	326,386	43,544	558,548	2,443,389	5,771,675	838,500	19
	Milwaukie	1,627	103,897	188,160	62,757	798,125	1,408,598	3,327,335	483,390	20
	Vancouver-East City (high)	2,148	155,195	175,252	41,144	487,192	1,905,279	6,479,550	673,200	21
(5)	Vancouver-Vancouver District (low)	1,131	81,713	92,273	21,663	256,514	1,003,158	3,411,581	354,450	22
(4)	Troutdale	730	46,619	84,428	11,264	143,935	587,871	1,442,385	688,658	23
(1)	Wood Village									
(1)	Fairview									
	<b>Median</b>	<b>4,895</b>	<b>348,608</b>	<b>354,105</b>	<b>76,432</b>	<b>666,918</b>	<b>3,527,350</b>	<b>5,214,338</b>	<b>972,500</b>	

(a) Other variables used by jurisdictions include number of beds

(b) Other variables used by jurisdictions include number of employees and square footage

(c) Represents the rank of the overall jurisdiction averages for all of the development types combined.

Notes:

(1) No transportation SDC

(2) Washington Co. Fee

(3) Washington Co. Fee, plus City overlay

(4) School fees based on thousand gross square feet (TGSF) of building space not students

(5) City has 5 Transportation Impact Fee Districts

(6) Without I-5 supplement

3/29/2011

**Table 2**

Summary of ALL SDCs for Sample Developments in Portland Metropolitan Area (\$)

	Jurisdiction	Single Family Dwelling (1 DU)	Apartment Building (104 DU)	Single/Multi Tenant Office (67,500 sq ft)	Lower Turnover Restaurant (5,200 sq ft)	Supermarket (47,400 sq ft)	Medical Office Building (235,000 sq ft)	Hospital (1,750,000 sf) (a)	Community College (2500 students) (b)	OVERALL RANKING (c)
(6)	Gresham -- Springwater	31,101	1,899,839	1,016,143	210,126	1,908,068	6,205,324	15,221,470	3,526,341	1
	Happy Valley	27,110	1,173,675	951,475	327,810	2,329,419	8,092,233	16,821,750	2,458,138	2
(1)(7)	Sherwood	26,409	1,657,693	810,050	230,014	1,921,334	7,538,386	10,676,978	1,532,917	3
(6)	Gresham -- Pleasant Valley	24,627	1,453,573	760,604	138,443	1,289,345	4,541,826	10,941,770	2,195,141	4
	<b>Portland (w/ N. Macadam Overlay)</b>	<b>19,543</b>	<b>1,292,588</b>	<b>548,046</b>	<b>215,063</b>	<b>1,370,369</b>	<b>4,111,268</b>	<b>18,863,972</b>	<b>2,931,167</b>	<b>5</b>
	<b>Portland (w/ Innovation Quadrant Overlay)</b>	<b>19,395</b>	<b>1,280,004</b>	<b>523,746</b>	<b>210,227</b>	<b>1,382,693</b>	<b>3,897,418</b>	<b>17,988,972</b>	<b>2,886,167</b>	<b>6</b>
	Clackamas Co.	19,426	1,422,045	576,436	206,222	1,179,112	4,227,616	11,573,400	1,494,025	7
(5)	Gladstone	19,395	1,280,004	523,746	210,227	1,382,693	3,897,418	17,988,972	2,886,167	7
(3)(8)	West Linn	28,427	1,512,292	747,684	152,326	984,454	4,287,827	2,338,367	1,749,741	9
	Wilsonville	19,857	1,139,132	780,507	185,780	1,746,279	3,702,498	3,243,905	5,762,796	10
(1) (2)	Beaverton	22,424	1,396,403	443,204	119,087	793,518	4,413,649	4,219,434	1,356,122	11
(1)(6)	Hillsboro	18,681	1,188,977	537,809	132,775	864,041	4,657,265	4,615,798	1,389,941	12
(1)(2)	Washington Co.	21,483	1,284,987	424,325	114,672	729,887	4,380,571	4,225,798	1,254,647	13
(1)	Tigard	16,679	1,223,315	465,703	110,248	755,400	4,497,099	5,011,623	1,404,575	14
	Oregon City	16,039	874,000	634,814	113,994	620,653	3,662,756	12,069,590	1,702,678	15
	<b>Portland (w/out Overlay)</b>	<b>17,214</b>	<b>1,121,820</b>	<b>366,471</b>	<b>130,355</b>	<b>736,631</b>	<b>2,412,218</b>	<b>12,231,472</b>	<b>1,676,167</b>	<b>16</b>
	Lake Oswego	18,862	912,028	378,116	94,808	420,346	2,371,751	11,132,290	1,752,675	17
(1)(3)	Tualatin	17,125	1,264,772	425,246	104,758	746,008	4,309,492	3,599,677	1,151,568	18
	Gresham	16,693	775,690	485,123	86,138	760,926	2,621,970	6,026,795	1,182,241	19
(3)	Troutdale	14,652	1,187,274	117,771	104,071	246,772	666,900	2,948,932	1,459,527	20
	Milwaukie	8,643	646,211	224,214	80,238	886,627	1,476,270	3,936,653	740,950	21
(9)	Wood Village	9,621	800,488	51,284	16,067	51,284	51,284	192,428	51,284	22
(3)(4)	Fairview	7,089	593,918	30,916	12,956	53,794	31,153	133,611	106,203	23
	<b>Median</b>	<b>19,395</b>	<b>1,223,315</b>	<b>523,746</b>	<b>130,355</b>	<b>864,041</b>	<b>4,227,616</b>	<b>6,026,795</b>	<b>1,494,025</b>	

(a) Other variables used by jurisdictions include number of beds

(b) Other variables used by jurisdictions include number of employees and square footage

(c) Represents the rank of the overall jurisdiction averages for all of the development types combined

Notes:

(1) Wastewater SDC's derived from Clean Water Services Methodology

(2) Water SDCs were not available for meter size 2 inch and up

(3) Park SDCs are not assessed on commercial property

(4) No transportation SDC

(5) Gladstone SDCs are collected by Clackamas County

(6) Water and Sewer SDCs are not available for meter sizes larger than 2 inch

(7) Sewer SDC includes regional and local SDC charges combined

(8) Transportation SDCs for Hospital are not available

(9) No transportation, park, or stormwater SDCs

# Real world examples

- 3819 SE 21<sup>st</sup> Ave – 3200 SF Manufacturing Building

Improvement valuation: \$220,000

PBOT SDC: \$6,080

BES SDC: \$4,333

Water SDC: \$1,787

Total SDC \$12,220 or 5.5 % the project total

Proposed \$18,240 or 8% of the project total

- 5 SE 10<sup>th</sup> Ave – Small Office Addition

Improvement valuation: \$18,500

Total PBOT SDC: \$988 or 5 % of the project total

Proposed \$ 1,976 or 10% of the project total

- 2435 SE 10<sup>th</sup> Ave – Warehouse Addition

Improvement valuation: \$62,000

PBOT SDC: \$1,512

BES SDC: \$2,041

Total SDC \$ 3,553 or 5.4 % of project total

Proposed \$5,065 or 8% of the project total

# Real world examples

- 250 SE Division Place - SK Northwest - Boat sales and repair facility  
Improvement valuation: \$2,500,000  
PBOT SDC: \$45,617  
BES SDC: \$15,199  
Parks SDC: \$2,600  
Total SDC     \$ 63,416 or 2.5 % of the project total  
Proposed     \$ 109,033 or 4.3 % of project total
- 1515 SE Water Ave – Holman Building (Group Mackenzie and other tenants)  
Total improvement valuation: \$8,672,965  
PBOT SDCs: \$161,552  
BES SDCs: \$45,408 estimated  
Total SDC     \$ 206,960 or 2.3 % of the project total  
Proposed     \$ 371,512 or 4.2 % of the project total

Why do we have to implement  
the Innovation Quadrant  
Overlay now?

# **Innovation Quadrant**

## **TSDC Overlay Timing**

- The PMLR project needs to finalize their full funding grant agreement with the FTA in June
  - Need to know if the Clinton to the River project and Water Avenue should continue to be project elements
- Property owners are receiving the benefit of significant transportation investments and reasonable for contributions to be timed with development
- Maximum notice for the changes

# Innovative Quadrant TSDC Overlay Proposal

- Today's Resolution
  - Accepts our rate study and our methodology
  - Authorizes PBOT to notify the public of the hearing on the changes to the TSDC program
  - Council resolves to have a hearing on July 13<sup>th</sup> on the rate methodology
- Staff recommends:
  - that the program sunset when the funds are collected if they are collected before the expiration of the fee
  - any changes to the project list must be brought to council and address in a public hearing
  - the current exemptions apply to the new overlay district including the exemption that benefit small businesses like the exemption for changes in use < 3000



# Innovative Quadrant TSDC Overlay Proposal

- Key Dates
  - April 7<sup>th</sup> – Publish Rate Study & Fee Schedule and Notify Interested Parties of Hearing  
90 days notice by law
  - April – June Additional Public Outreach
  - July 13<sup>th</sup> – Proposed Public Hearing on TSDC Overlay Methodology at City Council
  - October 3<sup>rd</sup> – Proposed Implementation Date

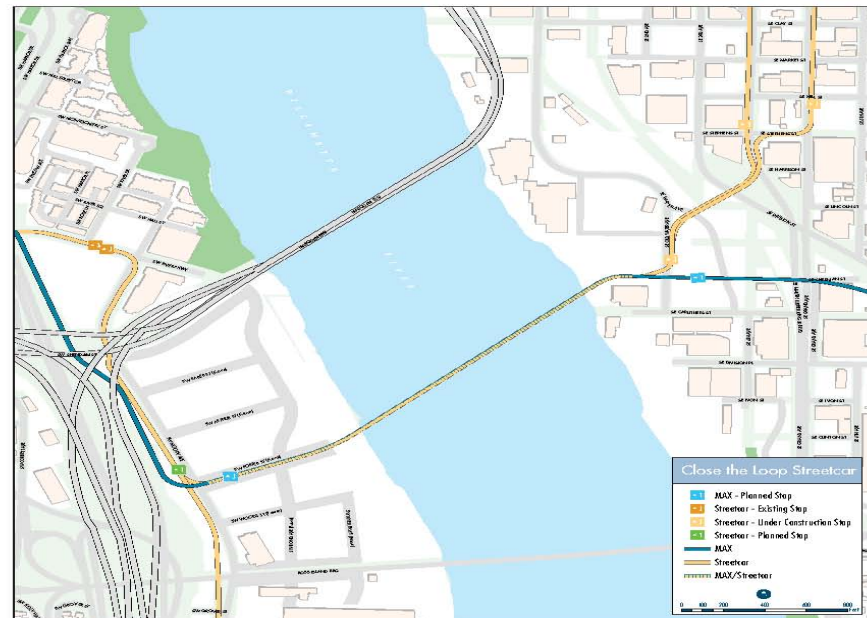
**Innovation Quadrant  
Transportation System Development  
Charge (TSDC)  
Overlay Proposal**

# Close the Loop Streetcar & SE Water Avenue Relocation Projects

The Close the Loop streetcar project will provide a single seat ride from South Waterfront to the Central Eastside and MLK/Grand couplet. This project improves transit access between the east and west sides of the Willamette River, making a continuous streetcar loop. The project provides the infrastructure and vehicles required to foster private development and investment. It connects the South Waterfront's 120 acres of former industrial, now mostly vacant land, with the 11,000 employers and 17,000 jobs in the dense Central Eastside Industrial District. It also connects to close-in residential neighborhoods.

## The Close the Loop project includes:

- Installation of streetcar track connecting to a state of the art transit/bike and pedestrian bridge (see alignment below)
- Additional streetcar vehicles to increase the frequency of streetcar service





## SW 4th Avenue Streetscape

This project provides traffic calming and a rich pedestrian/bicycling environment. This area has heavy traffic volumes and significant conflict between pedestrians and vehicles. This project would increase safety and reduce speeds, complementing neighborhood goals and supporting local development.

## SW Montgomery Green Street

This project aims to be Portland's boldest green street project to date. The 9-block project area, located from SW 11th Avenue to SW 2nd Avenue, will demonstrate how in even the most urban conditions, downtown streets can be retrofitted to fully manage stormwater runoff and create vibrant pedestrian spaces. The project creates

wider sidewalks and "curbless" street conditions that allow for various site furnishings adjacent to ground floor retail.



A concept rendering of the SW Montgomery Green Street between SW 4th and 5th Avenue.



# Close the Loop Streetcar & SE Water Avenue Relocation Projects

This project is necessary to support planned redevelopment of the area, including redevelopment of brownfield sites, and improve access to education and the arts. The roadway realignment also allows for the new Portland-Milwaukie Light Rail station and the streetcar connections to the proposed Willamette River bridge, providing intermodal access to a growing employment center.

## The SE Water Avenue Relocation Project includes:

- Construction of 1,300 linear feet of roadway
- Two auto travel lanes
- Bike lanes
- Sidewalks



# Clinton to the River Multi-use Path

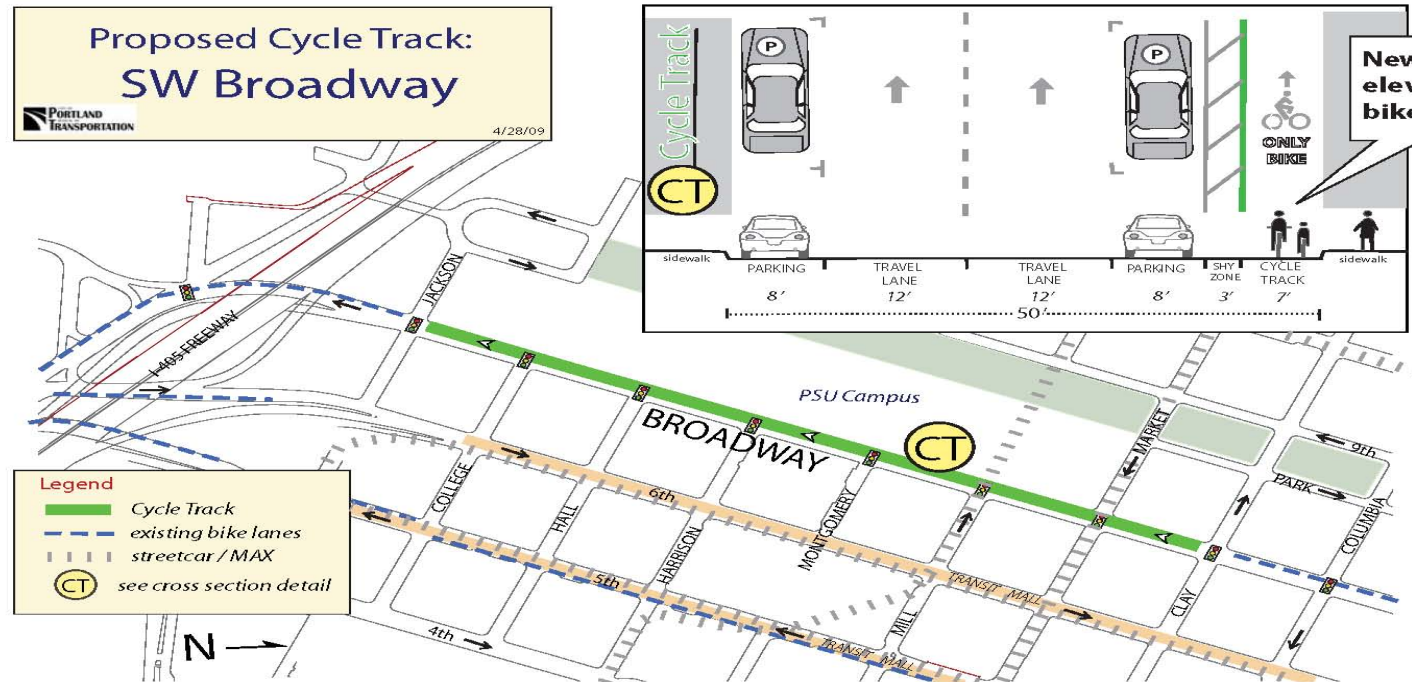
The Clinton to the River project creates a seamless 2.8 mile bicycle and pedestrian route adjacent to the planned Portland-Milwaukie Light Rail alignment. This project will enhance safety and the quality of experience for bicyclists and pedestrians and reduce conflicts with all modes. The project addresses several barriers at the confluence of three bike and pedestrian routes, barriers that make connections in the area challenging and dangerous. The path will support the 2,500 daily users of the Clinton bikeway and accommodate the future demand once the Willamette River Bridge is constructed.



# SW Broadway Cycle Track

This cycle track will provide a grade separated bike travel lane and a buffered auto parking lane. This facility will support the increase in bicyclists traveling to the University District and the increase in area development. Additionally, the cycle track will increase

ridership among bicyclists that prefer a protected or separated facility. The project will also widen sidewalks providing a friendlier pedestrian environment. Curb extensions will provide safer crossings and reduce traffic conflicts.





# Local Improvement Districts used to fund numerous projects in the area

- Streetcar phase I
- Streetcar phase II
- Streetcar phase III
- Streetcar Lowell Extension
- Streetcar Northrup loop
- Eastside Streetcar Loop
- SE Water Ave
- SE Water Ave and Yamhill
- Portland Transit Mall

