

Innovation Quadrant Transportation System Development Charge Overlay Project Report



184 756

Prepared for:



Submitted by:

**Henderson,
Young &
Company**

Teamed With:

FEHR & PEERS
and
Parametrix

May 2011

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EXECUTIVE SUMMARY

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System development charges are one-time fees paid by new development to pay for capital costs of public facilities needed to serve new development and the people who occupy or use the new development. The purpose of this study is to establish rates for transportation system development charges (TSDCs) in the Innovation Quadrant (IQ), an area covering the south downtown/south central eastside of the City of Portland, Oregon.

The City of Portland first adopted Citywide TSDCs in 1997, and updated the TSDCs in 2007. In 2009, the City adopted an overlay TSDC for the North Macadam urban renewal area that is in addition to the Citywide TSDC rates. The IQ TSDC Overlay uses the same methodology as the North Macadam TSDC Program.

TSDCs are calculated by dividing the eligible cost of transportation capital improvements by the number of additional trips that will be generated by development. The result is the cost per trip that will be charged to new development. The following sections summarize the steps in calculating the IQ TSDC.

Selection of Projects

First, stakeholders identified over 30 projects as candidates to be funded by the TSDC Overlay. To be eligible for TSDC Overlay funding, projects need to be part of the Transportation System Plan, add capacity to the transportation system, be located on a public street or regional transit facility, and serve additional population and or employment over the next 20 years. The City worked with community stakeholders to select six multi-modal transportation improvement projects for TSDC Overlay funding.

Cost Allocation

Next, each project was analyzed to determine the portion of its cost that was attributable to the three modes of travel: motorized, transit, and non-motorized based on the number of persons served by each mode and the cost of the improvements for each mode.

Some project costs are not eligible for the IQ TSDC. The following adjustments were made to identify the costs that are eligible:

- 1) Exclude existing deficiencies because they were not caused by development.
- 2) Exclude "through" trips that do not start or stop in the Innovation Quadrant because they have no connection to development in the IQ.
- 3) Reduce costs by the amount of revenues already budgeted to the TSDC projects.

The total cost of the TSDC Overlay projects is approximately \$90.4 million. This includes Portland's \$55 million share of the \$1.5 billion Portland-Milwaukie Light Rail Project. The TSDC Overlay projects, total costs and eligible TSDC costs are listed in **Table 1**.

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Project Name	Total Cost (\$)	Total TSDC Cost (\$)
Portland-Milwaukie Light Rail	\$55,000,000	\$5,000,000
Close the Loop	\$22,518,465	\$5,425,243
SE Water Avenue Relocation	\$4,633,839	\$1,565,478
SW 4th Avenue Streetscape	\$2,402,138	\$1,301,088
Broadway Cycle Track and Streetscape	\$1,244,573	\$674,107
Clinton to the River Multi-Use Path	\$4,625,597	\$600,000
Total	\$90,424,612	\$14,565,916

To avoid any duplicate charges from projects on both the Citywide TSDC Project List and the IQ Project List, the eligible costs were reduced by \$362,848 to equal \$14,203,068.

Growth in the Overlay area

New trips on the transportation network are primarily caused by growth in population and employment. The Portland Metro travel demand model forecasts 9,792 new employees and 1,776 new households in the Overlay area by the year 2030. Based on this 20-year land use growth, the model forecasts 77,525 new daily person trip ends¹ in the TSDC Overlay area.

TSDC Rates

TSDC rates for each land use depend on two factors: (1) cost per trip, and (2) the type of development and number of trips it generates. The cost per trip end for each mode is calculated by dividing the costs that are eligible for TSDCs by the number of trip ends for each mode of travel, as shown in **Table 2**.

The Portland-Milwaukie Light Rail Project is part of the Citywide TSDC. The reduction for the Citywide TSDC removes any potential for double-charging for the light rail project.

Mode	Cost Eligible for TSDC (\$)	20-Year Growth in Daily Person Trip Ends	TSDC per Daily Person Trip End (\$)	Reduction for Citywide TSDC	TSDC per Daily Person Trip End (\$)
Motorized	\$1,017,634	35,870	\$28	N/A	\$28
Transit	\$10,648,524	22,678	\$470	\$(16)	\$454
Non-Motorized	\$2,899,759	18,977	\$153	N/A	\$153

TSDC rates vary according to the impact on the transportation network caused by each type of development. The impacts are measured as daily person trip ends. **Table 4-9**, at the end of this study, presents the dollar amount per unit of development for a variety of land use categories.

¹ A trip travels between an origin and a destination. Each trip has two trip ends, one each at the origin and destination. Trip ends are used in the calculation of TSDC rates.

CHAPTER 1 INTRODUCTION

The purpose of this study is to establish rates for an overlay district for transportation system development charges (TSDCs) for transportation facilities in the Innovation Quadrant, an area covering the south downtown/south central eastside of the City of Portland, Oregon. System development charges are one-time fees paid by new development to pay for capital costs of public facilities needed to serve new development and the people who occupy or use the new development.

The City of Portland adopted Citywide TSDCs that became effective October 18, 1997, and updated the TSDCs in October 2007. In 2009, the City adopted an overlay TSDC for the North Macadam urban renewal area that is in addition to the Citywide TSDC rates. The Innovation Quadrant TSDC Overlay (TSDC Overlay) uses the same methodology as the North Macadam TSDC Program.

This rate study includes:

- Chapter 1.** Introduction
- Chapter 2.** Summary of legal requirements and issues that affect the calculation of TSDC rates in Oregon
- Chapter 3.** TSDC Overlay project list
- Chapter 4.** Rate schedule of TSDCs for various types of development in the TSDC Overlay
- Chapter 5.** Public participation process for the development of the TSDC Overlay

Local governments charge SDCs for several reasons:

- To obtain revenue to pay for some of the cost of new public facilities.
- To implement a public policy requiring new development to pay a portion of the cost of facilities that it requires, and ensuring existing development does not pay all of the cost of such facilities.
- To assure that public facilities will be constructed in a timely manner to achieve and maintain local standards for new development without decreasing the level of service for existing residents and businesses.
- To provide predictability to developers and builders about the type, timing, and amount of exactions required by local governments.

DATA SOURCES

The data in this study were provided by the City of Portland, Metro, and TriMet as cited in the report.

DATA ROUNDING

The data in this study were prepared using computer spreadsheet software. In some tables there will be very small variations from results that would be obtained using a calculator to compute the same data. The reason for these slight differences is that the spreadsheet software was allowed to calculate results to more places after the decimal than is reported in the tables of these reports.

CHAPTER 2 LEGAL REQUIREMENTS AND ISSUES AFFECTING SDC CALCULATIONS

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OREGON SYSTEMS DEVELOPMENT ACT

In 1989, the State of Oregon adopted the Oregon Systems Development Act (ORS 223.297 - 223.314) to "provide a uniform framework for the imposition of system development charges by local governments." The statutes outline the types of charges that are considered to be System Development Charges (SDCs) and impose a variety of requirements on governments that impose SDCs. ORS provisions that directly affect calculation of SDC rates require the City of Portland to:

- 1) Adopt a capital improvement plan (to designate capital improvements that can be funded with SDCs).
- 2) Set forth a methodology for the SDC.
- 3) Calculate the SDC as a "reimbursement" fee, or an "improvement" fee, or a combination of both:
 - a. "Reimbursement fee" means a fee associated with capital improvements already constructed or under construction when the fee is established, for which the local government determines that capacity exists.
 - b. "Improvement fee" means a fee for costs associated with capital improvements to be constructed.
- 4) Limit SDCs to five types of capital improvements: transportation, water, sewer, drainage, parks, and recreation.

SDCs AND IMPACTS OF DEVELOPMENT

When determining SDCs, cities generally take the following impacts into account:

1. Demand (Impacts)

Demands placed on public facilities vary among different types of development. The TSDC Overlay is based on the number of trips generated on the transportation system by each type of development. Each type of development generates a different number of trips per unit of development.

Local government SDC rate studies are based on a "standard" impact on public facilities created by "typical" development of different types. The TSDC Overlay is based on trip generation rates reported nationally by the Institute of Transportation Engineers (ITE) and mode of travel data from the Portland area. Portland's City Code 17.15.070 allows developers to submit data and analysis to demonstrate that the impacts of their proposed development are less than the impacts used in this rate study. In order for the City to accept alternative (reduced) impacts, they must be permanent and enforceable (i.e., through land use restrictions, deed restrictions, lease terms, etc.).

2. Benefit Criteria

Benefit criteria include personal use and use by others in the family or business enterprise of the fee-paying property (direct benefit), and use by persons or organizations who provide goods or services to the fee-paying property (indirect benefit).

As noted, the TSDC Overlay is based on the number of trips generated on the transportation system by each type of development, which includes some direct benefit trips and some indirect benefit trips. Each

trip, regardless of benefit type, constitutes a unit of demand (impact) on the system, thus each development's total trip count quantifies the impact of that development. By basing the TSDC on the number of trips, the TSDC is related to the impacts generated and benefits received by the development.

3. Levels of Service

The City of Portland determines its needs for transportation facilities by reviewing a variety of factors, including the volume of traffic and levels of congestion on major roads. Chapter 3 of this study presents the criteria used to identify transportation projects that are eligible for the TSDC Overlay program.

4. Size of Development

SDCs are typically charged on the basis of the size of the development (e.g., number of dwelling units or number of square feet of development). The IQ TSDC Overlay rate schedule lists the TSDC amount per unit of development. The size of each proposed development is multiplied times the TSDC rate per unit.

SDC ADJUSTMENTS

SDCs cannot "double dip" (i.e., they need to take into account the payment by new development of other fees, taxes, etcetera that the government uses to pay for the capital cost of the same public facilities). These other revenues are accounted for by subtracting them from the cost of capital improvement projects that are attributable to SDCs. The adjustment includes only the other revenues that are earmarked for or pro-ratable to the same capital improvements that are the basis for the SDC.

Portland uses General Transportation Revenue (GTR), grants, and funding from other local, state and federal sources to pay for portions of its transportation improvement projects. The TSDC Overlay takes into account the future use of GTR, grants and other funding by subtracting City budgeted commitments for those revenues from the cost of projects in the TSDC Capital Improvement Program (see **Table 4-5**). The TSDC Overlay program also makes an adjustment for Citywide TSDCs paid by development in the TSDC Overlay area (see **Table 4-7**).

In addition to the adjustment described above, a developer may reduce the amount of SDC due by contributing land, improvements or other assets to receive a "credit" for Qualified Public Improvements.

Portland's City Code 17.15.050 allows an exemption from payment of the TSDC for affordable housing. In 2007, the Citywide TSDC Citizens Advisory Committee recommended phasing out the TSDC discount for Transit Oriented Developments (TODs) and this change was adopted in 2007. Consistent with the current City policy, the Innovative Quadrant TSDC Overlay does not include a TOD exemption.

TIMING OF TSDC PAYMENTS

Portland's City Code 17.15.040 authorizes imposition of the TSDC at the time of application for a building permit. The TSDC is due upon issuance of the building permit.

USES OF TSDC REVENUE

SDC revenue can be used for the capital cost of public facilities. SDCs cannot be used for operating or maintenance expenses. The cost of capital facilities that can be paid for by TSDCs are specified in Portland's City Code 17.15.100.

RECEIPT AND EXPENDITURE OF TSDCS

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Portland's City Code 17.15.100 requires TSDC revenues to be deposited into separate accounts of the City of Portland.

Portland's City Code 17.15.090 requires refunding of TSDC payments that are not expended within 10 years from receipt (on the premise that if they cannot be expended in a reasonable time, they were probably not "needed" nor did they contribute to achieving and maintaining an adequate transportation system for new development).

CHAPTER 3 TSDC OVERLAY PROJECT LIST

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Oregon's System Development Act requires that SDCs be based on an adopted capital improvement program (CIP). This chapter presents the City's TSDC capital improvement program for the Innovative Quadrant TSDC Overlay, termed the TSDC Overlay Project List. Adoption of this rate study by the City of Portland, and adoption of the TSDC ordinance that incorporates this rate study by reference, constitute adoption of the TSDC Overlay project list by the City for the purpose of calculating TSDCs.

MODES OF TRAVEL

In the City of Portland, TSDCs are designed to support the principal modes of travel in a multi-modal system. For the purpose of organizing and analyzing data that supports the TSDCs, the City identified three categories to encompass different modes of travel:

- 1) Motorized: travel by automobiles, trucks and motorcycles, but not buses or railcars
- 2) Transit: travel by rail and bus
- 3) Non-motorized: pedestrian and bicycle travel

IDENTIFICATION OF PROJECTS TO BE ELIGIBLE FOR TSDCs

During the first phase of the TSDC Overlay project, stakeholders identified over 30 projects as candidates to be funded by the TSDC Overlay. The City used a set of criteria to identify transportation capital improvement projects that are eligible for TSDCs. The criteria were developed to meet legal requirements (see Chapter 2) and the multi-modal transportation needs of the overlay area. The following minimum qualifications were required for projects to be considered:

- Project includes a component that adds capacity to the transportation system;
- Project is in the Transportation System Plan;
- Project is on a public street, or a regional transit facility;
- Project is not a maintenance project; and,
- Project is designed to serve additional population and or employment over the next 20 years.

Projects that met these qualifications and add new multi-modal capacity to the transportation system were considered potentially eligible for TSDC Overlay funding. The City, working with community stakeholders, selected the six highest priority projects.

TSDC OVERLAY PROJECT LIST

Six multi-modal capacity improvement projects were selected for TSDC Overlay funding. The TSDC projects are listed in **Table 3-1** and depicted in **Figure 3-1**. For each project, the list shows:

- Project name
- Total cost: estimated total cost of project
- Allocation of total costs among the three modes: motorized, transit and non-motorized

The project list covers improvements needed during the next 20 years. The table shows the percentage and resulting cost of each project allocated to each mode.

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PROJECT COSTS

The overall project cost for the Portland-Milwaukie Light Rail Project is approximately \$1.5 billion. The City of Portland's funding responsibility for the light rail project is \$55 million. For the other projects, cost estimates were prepared using typical costs of the components of each project. City engineering staff obtained unit costs from recent bid tabs and applied common contingency costs to establish a consistent set of current year project costs.² Cost estimates were developed using a common set of unit costs. To reflect the base year 2010 cost, any planned future inflation for labor and materials was removed.

The total cost of the TSDC Overlay projects is approximately \$90.4 million. These costs are reflected in the totals shown in **Table 3-1**.

TABLE 3-1: TSDC OVERLAY PROJECT LIST							
Project Name*	Total Cost (\$)	Motorized %	Transit %	Non-Motorized %	Motorized Cost (\$)	Transit Cost (\$)	Non-Motorized Cost (\$)
Portland-Milwaukie Light Rail	\$55,000,000**	0%	100%	0%	\$-	\$55,000,000**	\$-
Close the Loop	\$22,518,465	0%	100%	0%	\$-	\$22,518,465	\$-
SE Water Avenue Relocation	\$4,633,839	60%	20%	20%	\$2,780,303	\$926,768	\$926,768
SW 4th Avenue Streetscape	\$2,402,138	0%	0%	100%	\$-	\$-	\$2,402,138
Broadway Cycle Track and Streetscape Improvements	\$1,244,573	0%	0%	100%	\$-	\$-	\$1,244,573
Clinton to the River Multi-Use Path	\$4,625,597	0%	0%	100%	\$-	\$-	\$4,625,597
Total	\$90,424,612				\$2,780,303	\$78,445,233	\$9,199,076

**The cost represents the City of Portland's funding responsibility for the project.

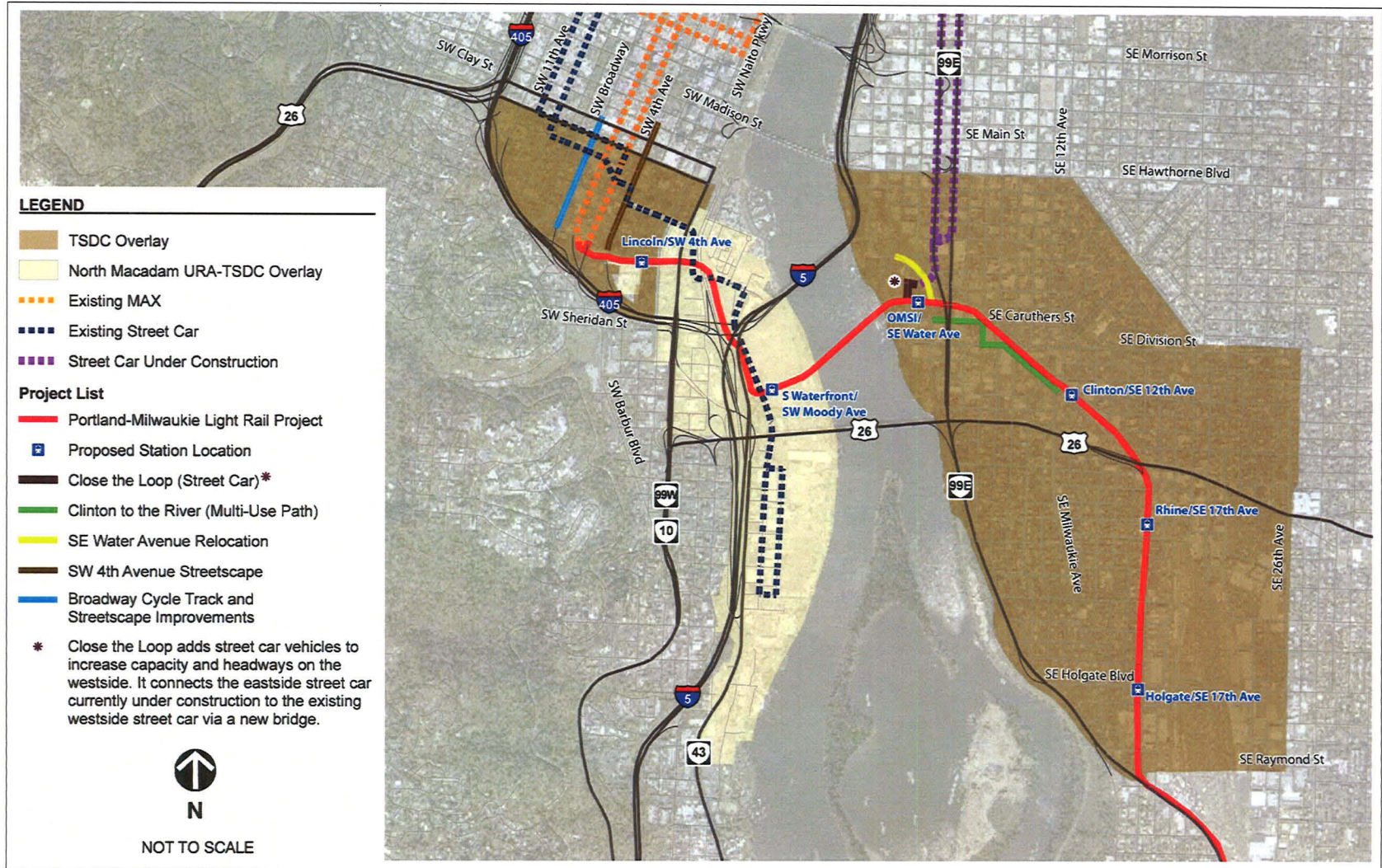
* Project Descriptions	
Portland-Milwaukie Light Rail	Provides high capacity transit service along the Portland-Milwaukie Corridor, including five stations in the Overlay area and a multimodal bridge across the Willamette River.
Close the Loop	Connects the Eastside Streetcar Project currently under construction to existing service in South Waterfront with ramps to the new multimodal bridge, and switches and technology to share the rail connection on the bridge. Project includes additional streetcar vehicles.

² The cost estimates for the SW 4th Avenue Streetscape and Broadway Cycle Track and Streetscape Improvement Projects were prepared by Kurahashi and Associates.

* Project Descriptions	
SE Water Avenue Relocation	Includes realignment of Water Avenue and construction of 1,300 feet of roadway, with two auto travel lanes, bike lanes, and sidewalks. The project will support the new Portland-Milwaukie Light Rail and streetcar connections to the multimodal bridge, providing access between the east and west sides of the river.
SW 4th Avenue Streetscape	Improves the street environment on SW 4th Avenue adjacent to Portland State University by adding bicycle facilities, curb bulb-outs, signalized pedestrian crossings, green street features, and marked crosswalks.
Broadway Cycle Track and Streetscape Improvements	Enhances the existing cycle track and sidewalks on SW Broadway adjacent to Portland State University. Includes the construction of a raised cycle track, sidewalk amenities, green street features, ADA improvements, pedestrian islands, and curb bulb-outs.
Clinton to the River Multi-Use Path	Improves the non-motorized connection between the new multimodal Willamette River bridge and the regional trail network by constructing a multi-use path along the Portland-Milwaukie Light Rail alignment.

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Figure 3-1 Map of TSDC Overlay Projects and Overlay Area



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CHAPTER 4 RATE SCHEDULE CALCULATIONS

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This chapter contains the formulas, variables and data used to calculate the TSDC Overlay rates for the City of Portland. The TSDC Overlay area is a subset of the whole City and the calculations shown in this chapter are aimed at just the cost attributable to the TSDC Overlay area. The chapter begins with an overview of how the TSDC rates were calculated. The balance of the chapter presents the formulas, variables, data, and rate schedule for the TSDC Overlay.

OVERVIEW OF TSDC CALCULATIONS

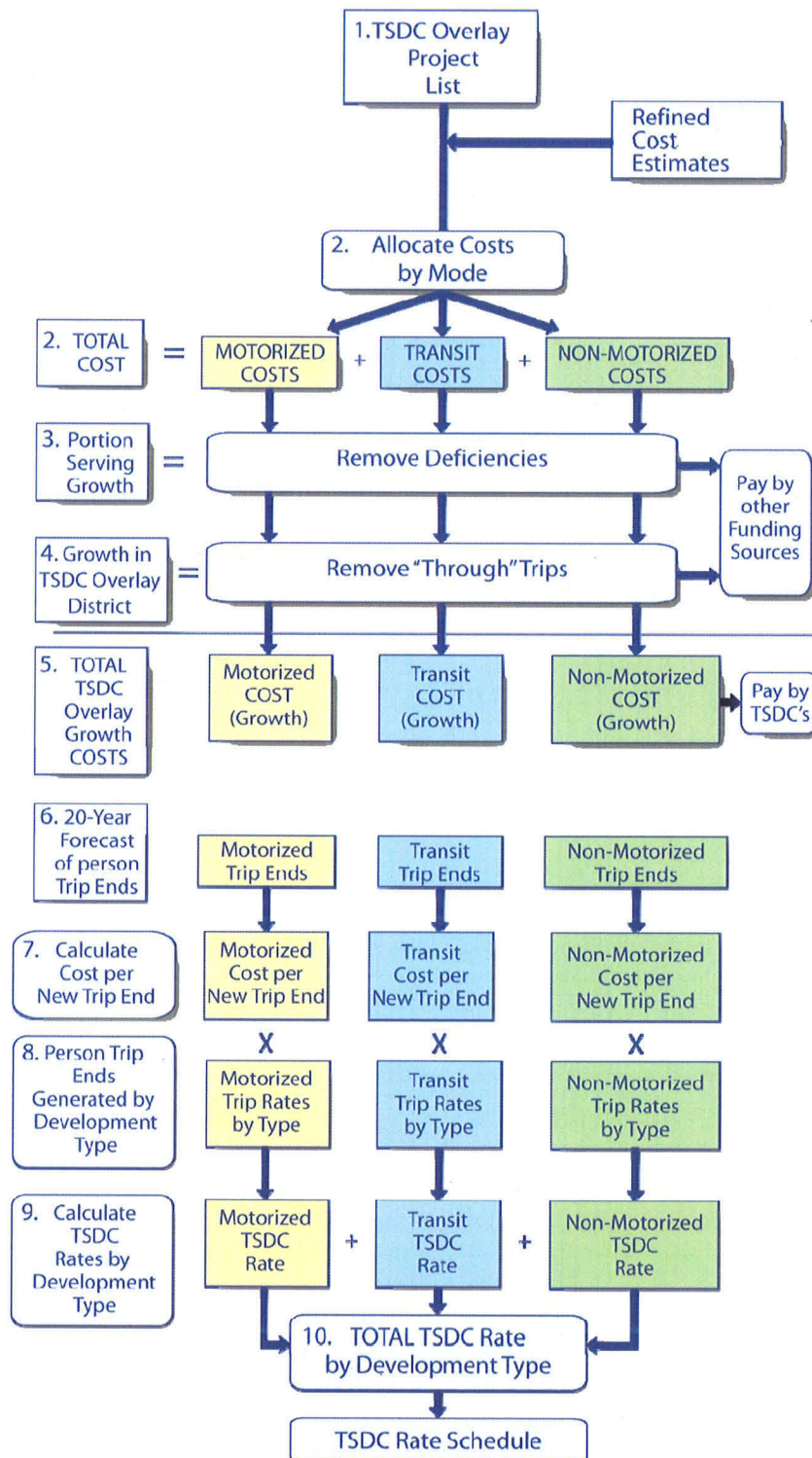
The TSDCs for the overlay area were calculated using the following steps. These are diagrammed in Figure 4-1.

- 1) Identify transportation projects that are needed to serve new development.
- 2) Analyze each project to determine what portion of its cost should be allocated to the modes of travel: motorized, transit, and non-motorized (pedestrian and bicycle).
- 3) Determine the portion of the project costs that serves growth and the portion that addresses existing deficiencies. The growth portion becomes the basis of the TSDCs. The deficiency portion is excluded from TSDCs, and must be paid by other sources of revenue.
- 4) Identify the portion of the growth travel that begins and/or ends within the TSDC Overlay area versus the "through" trips that do not start or stop in that area. Trips that pass through the Overlay area without stopping are excluded from TSDC Overlay calculations and must be paid by other sources of revenue.
- 5) Calculate the amount of the project cost that can be attributable to growth within the Overlay area. This calculation removes the deficiencies (step 3), "through" trips (step 4), and any adjustment for other revenues.
- 6) Estimate the growth in trip ends³ (over 20 years) that will be generated for each mode of travel in the TSDC Overlay area.
- 7) Calculate the cost per new trip end (for each mode) by dividing the costs that are eligible for TSDCs (from steps 1 to 5 above) by the number of new trip ends (from Step 6).
- 8) Calculate the number of new trip ends that are generated by various types of development. These trip ends are estimated for each modal type using the percentage of usage by each mode.
- 9) Calculate the TSDC rate for each type of development and for each mode. The trip rates per development type (Step 8) are multiplied times the cost per trip end (Step 7) to produce TSDC rates. The TSDC rates are expressed in terms of costs per unit of development (e.g., housing units, square feet).
- 10) Combine the TSDC rates for each mode to determine the total TSDC for each type of development. The result is the composite TSDC that can be published as the TSDC rate schedule for the Overlay.

The remainder of this chapter describes these steps in greater detail.

³ A trip travels between an origin and a destination. Each trip has two trip ends, one each at the origin and destination. Trip ends are used in the calculation of TSDC rates.

Figure 4-1. How TSDC Rates were Developed



PREPARE TSDC OVERLAY PROJECT LIST (STEP 1)

Chapter 3 describes the City's process for identifying the transportation projects needed to serve new development in the TSDC Overlay area. The projects are listed in **Table 3-1** and mapped in **Figure 3-1**.

ALLOCATE MODE COSTS FOR EACH PROJECT (STEP 2)

Each project was analyzed to determine the portion of its cost that was attributable to the three modes of travel:

- Motorized: automobile, truck, and motorcycle
- Transit: rail and bus
- Non-motorized: pedestrian and bicycle

Allocation of project costs among the modes was estimated based on the number of persons served by each mode, cost of the improvements for each mode, and factoring that the relocation of SE Water Avenue will enable the streetcar to connect to the new multi-modal bridge across the Willamette River.

Table 3-1 (Chapter 3) shows modal percentages for each TSDC project.

DETERMINE GROWTH PORTION OF PROJECT COSTS (STEP 3)

The growth portion of a project serves new development, contrasted to the deficiency portion that serves existing development. The growth portion is the basis of TSDCs. The deficiency portion is excluded from TSDCs and must be paid by other sources of revenue. Each project on the TSDC list was analyzed to estimate the percentage needed to eliminate existing deficiencies. The remainder of each project was available to serve new growth, and included in the TSDC rate calculation.

The following general equations were used to determine the percent of the project available for growth:

$$\text{Percent of project for growth} = (100) \text{ minus } (\text{Percent for deficiency})$$

The calculation was performed separately for each mode (motorized, transit, and non-motorized). The calculations used are consistent with the methodologies used for the citywide TSDC program adopted in 2007.

Motorized Deficiency Values

For motorized projects, the amount of the project intended to address existing deficiencies was initially calculated using the following formula developed for the citywide TSDC program:

$$\text{Motorized Deficiency} = \frac{(\text{Existing Traffic Volume}) \text{ minus } (\text{Existing Capacity})}{(\text{Future Capacity}) \text{ minus } (\text{Existing Capacity})}$$

If current traffic volume exceeds existing capacity, the amount of this excess volume is the deficient amount. The remainder of future capacity not being used by existing volumes can be allocated to growth.

SE Water Avenue Relocation is the only TSDC project that will serve the motorized mode. Using the above methodology, the SE Water Avenue Relocation project showed zero percent motorized deficiencies.

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Transit Deficiency Values

For TSDC projects with a transit element, the deficiency was evaluated using the average maximum load factor for TriMet bus routes serving the project. This analysis was conducted in the PM peak hour for the peak direction of transit service. The maximum load factor indicates the degree of passenger loading that occurs on the route and run and equals the ratio of passengers to seats on the bus for that run. For projects that have multiple bus routes, the load factor was calculated as the average of the bus routes.

$$\text{Transit Deficiency} = (100) \text{ minus (average maximum load factor for route(s))}$$

The Portland-Milwaukie Light Rail Project will replace TriMet Bus Routes 31, 32, 33 and 99X. The average maximum load factor for the peak direction, peak hour transit service for these four routes showed a 5 percent existing deficiency. The Close the Loop and SE Water Avenue Relocation Projects did not show an existing transit deficiency.

Non-Motorized Deficiency Values

For the TSDC Overlay, the non-motorized deficiency values were calculated by Portland Transportation System Plan (TSP) district, using both a pedestrian deficiency value and a bicycle deficiency value. The selected non-motorized deficiency value was the higher of the two deficiencies.

The pedestrian deficiency for each district is the percent of arterials without sidewalks. This is based on the latest census of sidewalks on arterials throughout Portland. The bicycle deficiency for each district represents the degree to which each district is served by bicycle facilities (existing plus currently funded). Within each district, the mileage of bicycle facilities was divided by the number of households to compute a value of bike lane-miles per 1,000 households. This value was then compared to a citywide average of bicycle lane-miles per 1,000 households. If the district value was less than the citywide average, the percentage difference is considered to be the bicycle deficiency. If the district value was higher than the citywide average, the bicycle deficiency calculation was set at zero (0).

The portion of the TSDC Overlay area west of the Willamette River is within the Central City District, which has zero non-motorized deficiencies. Therefore, no deficiency is assumed for the SW 4th Avenue Streetscape and Broadway Cycle Track and Streetscape Improvement Projects.

For the portion of the TSDC Overlay area east of the Willamette River, the study team decided to apply a conservative deficiency value of 46 percent to the non-motorized project elements. This value reflects the highest non-motorized deficiency percentage for districts within the City. The 46 percent was removed from the non-motorized costs of the Clinton to the River and SE Water Avenue Relocation Projects.

DETERMINE TSDC OVERLAY PORTION OF COST OF EACH PROJECT (STEP 4)

Trips on a transportation network have a beginning (origin) and end (destination). In the jargon of transportation planning, both are called "trip ends." Many trips that use the TSDC Overlay transportation system have one or both "ends" within the Overlay area. Some trips, however, begin and end outside the Overlay area and are known as "through" trips. The through trips are excluded from the TSDC

calculation. The cost of the through-trip portion of projects must be absorbed by others because the City cannot collect TSDCs from development occurring outside the Overlay area.⁴

Each mode of travel was analyzed separately to determine the "through" trips for each project on the TSDC Overlay project list. For motorized travel a "select-link" trip analysis was used. The select-link technique uses the City's travel demand model to identify the origins and destinations of traffic using a specific roadway segment. The resulting trip data were used to calculate the percentage of the traffic that started or ended within the Overlay area.

For transit and non-motorized modes, the travel model was used to create trip matrices showing the trip origins and destinations of each trip. "Overlay" trips for these two modes were defined as trips that started or ended within the Overlay area. Conversely, the trips that had a beginning and end outside the district were treated as "through" trips.

The percent of "Overlay" trips were calculated as follows:

$$\text{Percent of "Overlay" trips} = (100) \text{ minus (Percent "through" trips)}$$

The resulting "Overlay" trip percents were used in **Tables 4-1** through **Table 4-3** to calculate the portion of each project's growth that relates to the Overlay district.

CALCULATE OVERLAY GROWTH COSTS (STEP 5)

The project costs allocated to growth in the Overlay are calculated and shown in **Table 4-1** (motorized), **Table 4-2** (transit), and **Table 4-3** (non-motorized). Each project from the TSDC Overlay project list includes its name and total project cost. The next three columns contain (1) the percentage of the project that is attributed to the mode (from **Table 3-1**); (2) the percentage of the project that is attributed to new growth (as opposed to existing deficiencies); and, (3) the percentage of the project that is attributed to Overlay ("non-through") traffic.

The equation for the cost allocation process multiplies the project cost times each of the three factors to determine the portion of project costs that is eligible for TSDC Overlay funding.

The last column contains the results of this calculation, which is the portion of the cost of the project that is attributable to growth in the Overlay area on that mode of travel.

$$\text{(Project cost attributable to TSDC)}_m = (\text{Project cost}) \times (\text{Mode \%})_m \times (\text{Growth \%})_m \times (\text{"Overlay"}\%)_m$$

Where m = mode (motorized, transit, non-motorized)

⁴ Note that the adopted Citywide TSDC includes some contribution of Citywide TSDC funds to the Portland-Milwaukie Light Rail Project. This adjustment is calculated in Step 5.

TABLE 4-1: PROJECT COSTS ATTRIBUTABLE TO MOTORIZED TRAVEL

Project Name	Total Cost (\$)	Percent for Motorized Mode	Percent Serving Growth	Overlay Portion of Growth	Costs Attributable to Motorized TSDC (\$)
Portland-Milwaukie Light Rail	\$55,000,000	0%	N/A	N/A	N/A
Close the Loop	\$22,518,465	0%	N/A	N/A	N/A
SE Water Avenue Relocation	\$4,633,839	60%	100%	37%	\$1,017,634
SW 4th Avenue Streetscape	\$2,402,138	0%	N/A	N/A	N/A
Broadway Cycle Track and Streetscape Improvements	\$1,244,573	0%	N/A	N/A	N/A
Clinton to the River Multi-Use Path	\$4,625,597	0%	N/A	N/A	N/A
Total	\$90,424,612				\$1,017,634

TABLE 4-2: PROJECT COSTS ATTRIBUTABLE TO TRANSIT TRAVEL

Project Name	Total Cost (\$)	Percent for Transit Mode	Percent Serving Growth	Overlay Portion of Growth	Costs Attributable to Transit TSDC (\$)
Portland-Milwaukie Light Rail	\$55,000,000	100%	95%	16%	\$8,099,820
Close the Loop	\$22,518,465	100%	100%	24%	\$5,425,243
SE Water Avenue Relocation	\$4,633,839	20%	100%	24%	\$223,281
SW 4th Avenue Streetscape	\$2,402,138	N/A	N/A	N/A	N/A
Broadway Cycle Track and Streetscape Improvements	\$1,244,573	N/A	N/A	N/A	N/A
Clinton to the River Multi-Use Path	\$4,625,597	N/A	N/A	N/A	N/A
Total	\$90,424,612				\$13,748,344

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Project Name	Total Cost (\$)	Percent for Non-Motorized Mode	Percent Serving Growth	Overlay Portion of Growth	Costs Attributable to Non-Motorized TSDC (\$)
Portland-Milwaukie Light Rail	\$55,000,000	N/A	N/A	N/A	N/A
Close the Loop	\$22,518,465	N/A	N/A	N/A	N/A
SE Water Avenue Relocation	\$4,633,839	20%	54%	65%	\$324,564
SW 4th Avenue Streetscape	\$2,402,138	100%	100%	54%	\$1,301,088
Broadway Cycle Track and Streetscape Improvements	\$1,244,573	100%	100%	54%	\$674,107
Clinton to the River Multi-Use Path	\$4,625,597	100%	54%	65%	\$1,619,931
Total	\$90,424,612				\$3,919,690

Adjustment for Other Revenue

As stated previously, SDCs must take into account payment of other fees and taxes by new development for the capital cost of the same public facilities. Portland uses General Transportation Revenue (GTR), grants, and funding by partner agencies to pay for a portion of its transportation improvement projects. Consequently, Portland's SDCs take into account future use of GTR, grants and partner funding by subtracting estimated non-TSDC revenues from the cost of projects in the TSDC Capital Improvement Program.

Table 4-4 presents the amounts of non-TSDC revenues that have been estimated for specific projects that are eligible for TSDC Overlay, and calculates the remaining funds needed. If the cost that is unfunded (column A in **Table 4-4**) is greater than the eligible cost (column B), the eligible cost was used in the TSDC calculation. For the Overlay area, this situation occurred for four of the six projects. For the Portland-Milwaukie Light Rail and the Clinton to the River projects, the eligible costs are greater than the unfunded costs. Therefore, the TSDC cost was adjusted to match the unfunded costs (column A).

Project Name	Total Cost (\$)	Estimated Non-TSDC Funds for TSDC Projects (\$)	Remaining Funds Needed (A)	Eligible TSDC Cost (\$) (B)	TSDC Adjustment Needed? (compare A to B)	Final TSDC Cost (\$)
Portland-Milwaukie Light Rail	\$55,000,000	\$50,000,000	\$5,000,000	\$8,099,820	Yes	\$5,000,000
Close the Loop	\$22,518,465	\$-	\$22,518,465	\$5,425,243	No	\$5,425,243
SE Water Avenue Relocation	\$4,633,839	\$3,029,840	\$1,603,999	\$1,565,478	No	\$1,565,478
SW 4th Avenue Streetscape	\$2,402,138	\$-	\$2,402,138	\$1,301,088	No	\$1,301,088
Broadway Cycle Track and Streetscape Improvements	\$1,244,573	\$-	\$1,244,573	\$674,107	No	\$674,107
Clinton to the River Multi-Use Path	\$4,625,597	\$4,025,597	\$600,000	\$1,619,931	Yes	\$600,000
Total	\$90,424,612	\$57,055,437	\$33,369,175	\$18,685,667		\$14,565,916

FORECAST NEW TRIPS GENERATED BY EACH MODE (STEP 6)

New trips on the transportation network are primarily caused by growth in population and employment. **Table 4-5** displays the demographic growth used in the Portland Metro travel demand model for the Overlay area. The years selected for the TSDC analysis were 2010 and 2030.

TABLE 4-5. GROWTH IN EMPLOYMENT AND HOUSEHOLDS			
TSDC Overlay Area			
Land Use	2010	2030	20-Year Growth
Employees	32,138	41,930	9,792
Households	6,176	7,952	1,776

Source: Portland Metro travel demand model

The City's travel demand model uses employees and households to predict the number of trips that will be generated on the transportation network. The model is able to generate total person trips and trips for each mode (motorized, transit, and non-motorized). **Table 4-6** shows the forecast of trip ends for 2010 and 2030. Trip "ends" represent the beginning and end of each trip. These data show that transit and non-motorized trips will increase at a faster rate than motorized trips during the next 20 years. The mode share of the 77,525 growth trips is shown in the last column of **Table 4-6**, and these percentages are used in the Step 8 calculations.

TABLE 4-6. GROWTH IN DAILY PERSON TRIP ENDS					
TSDC Overlay Area					
Trip Type	2010	2030	20 Year Growth	Growth Percent	Growth Mode Share
Motorized	228,551	264,421	35,870	16%	46%
Transit	39,723	62,401	22,678	57%	29%
Non-Motorized	38,304	57,281	18,977	50%	25%
Total Daily Person Trip Ends	306,578	384,103	77,525	25%	100%

Note: Data shown are trip 'ends'. Each trip has two ends.
 Source: Portland Metro travel demand model

CALCULATED COST PER TRIP END (STEP 7)

TSDC rates for each land use depend on two factors: (1) cost per trip, and (2) number of trips generated by the new development. The cost per trip end for each mode is calculated by dividing the costs that are eligible for TSDCs (from **Table 4-4**) by the number of trip ends (from **Table 4-6**). The following formula is used:

$$\text{Cost per person trip end} = \frac{\text{(Total cost attributable to TSDC)}\ m}{\text{(20-year growth in daily person trip ends)}\ m}$$

Where *m* = mode (motorized, transit, non-motorized)

The calculations of cost per trip end are shown in **Table 4-7**. The results vary by mode, depending on the modal allocation of the costs and the magnitude of growth occurring in the TSDC Overlay area.

Table 4-7 shows that a “Citywide TSDC Reduction” was made to the rates. Of the six TSDC Overlay projects, only the Portland-Milwaukie Light Rail Project is part of Citywide TSDC Project List. All City developments pay for a portion of the light rail project. The reduction equals the amount of the Citywide TSDC paid by development in the Overlay area that would be allocated to the light rail project. The reduction removes any potential for double-charging of TSDC fees. The Citywide TSDC reduction for the light rail project equals \$362,848 (\$16 per transit trip end multiplied by 22,678 new daily transit trip ends projected in the next 20 years).

As a result of the reduction for Citywide TSDC, the gross TSDC eligible cost would be reduced to a net cost of \$14,203,068.

Mode	Cost Eligible for TSDC (\$)	20-Year Growth in Daily Person Trip Ends	TSDC per Daily Person Trip End (\$)	Reduction for Citywide TSDC	TSDC per Daily Person Trip End (\$)
Motorized	\$1,017,634	35,870	\$28	N/A	\$28
Transit	\$10,648,524	22,678	\$470	\$(16)	\$454
Non-Motorized	\$2,899,759	18,977	\$153	N/A	\$153

GENERATE PERSON TRIPS FOR VARIOUS TYPES OF DEVELOPMENT (STEP 8)

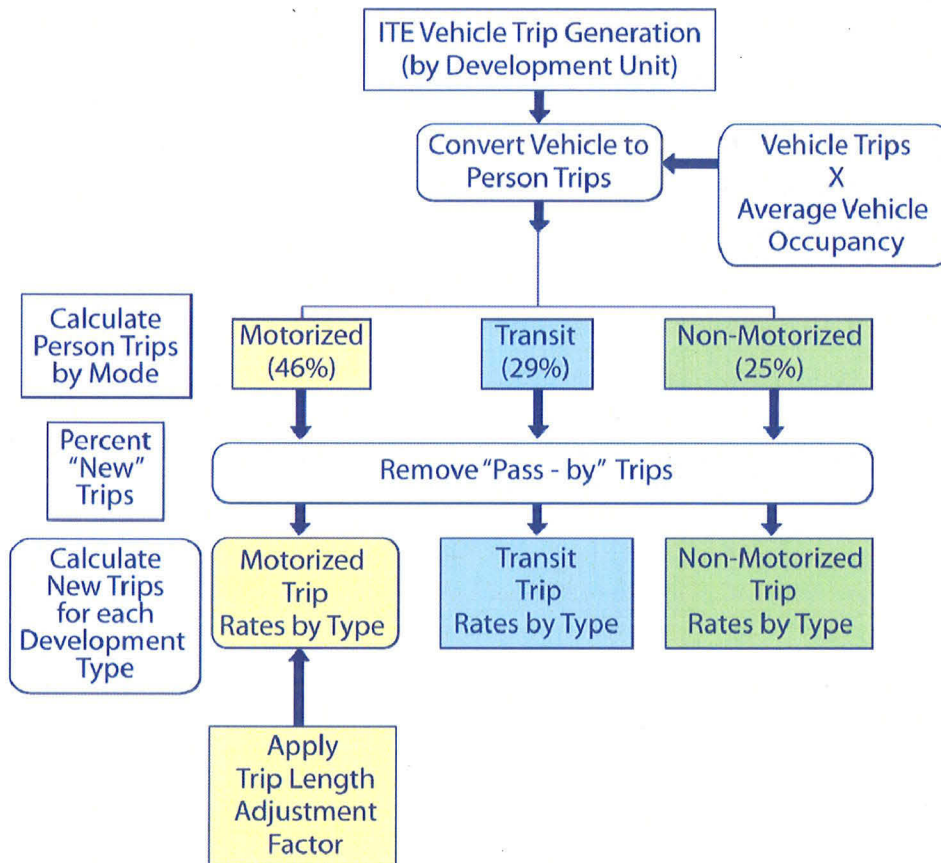
TSDC rates vary according to the impact on the transportation network caused by each type of development. Impacts are measured in “trip ends.” Trip generation rates for each development type were derived from the Institute of Transportation’s (ITE) report, *Trip Generation* (8th Edition, 2008). The ITE rates are expressed as daily vehicle trip ends entering and leaving a property.

The ITE rates were adjusted to match the needs of the TSDC program. There were three primary adjustments:

- 1) Conversion of vehicle trips to person trips
- 2) Removal of the "pass-by" trips
- 3) Separation into trips by mode (i.e., motorized, transit, non-motorized)

A further adjustment for trip lengths was made for the motorized trip component. **Figure 4-2** shows the flow of steps used to develop the trip rates.

Figure 4-2 Generation of Trips by Development Type



Derive Person Trips

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The daily vehicle trip rates were converted to person trips per unit as follows:

$$\text{Daily Total Person Trips/unit} = \frac{(\text{Daily vehicle trips/unit}) \times (\text{Average Vehicle Occupancy})}{(\text{Motorized mode \%})}$$

The daily vehicle trips per unit were taken from the ITE *Trip Generation* report, 8th Edition (2008). These rates represent national averages for land uses surveyed primarily in urban fringe and suburban areas. The conversion units for person trips were chosen to match these geographic conditions. Average vehicle occupancy of 1.13 was selected based on review of region-wide traffic count data for Portland and other national sources. A motorized mode share of 90 percent was used to represent the geographical locations typical of the ITE trip generation surveys. Combining these factors resulted in a factor of 1.26 used to multiply vehicle trip rates to create person trip rates.

Separate "New" Trips versus "Pass-by" Trips

The trip generation rates represent total traffic entering and leaving a property at driveway points. For some land uses (e.g., retail), a substantial amount of this traffic is already passing-by the property and merely interrupts a trip between two other locations. These pass-by trips do not add to the impact on the surrounding street system. As a result, pass-by trips are subtracted from the total trips generated by each type of land use. The remaining trips are considered "new" to the street system and are therefore subject to TSDC calculation. Pass-by trip percentages are derived primarily from ITE data and from available surveys conducted around the country. This adjustment was applied in **Table 4-8** by multiplying the daily person trips per unit by the corresponding "new" trip percentage for each land use type.

Separate Into Trips by Mode

"New" person trips were split into the three modal categories by applying forecasted modal shares for the TSDC Overlay for 2030. These mode shares, shown in the last column of **Table 4-6**, are as follows:

Motorized mode share = 46%

Transit mode share = 29%

Non-motorized mode share = 25%

Each mode share is multiplied by total new person trips to produce trips by mode. The results are displayed in **Table 4-8** for the land uses included in the TSDC calculations.

PRODUCE TSDC RATE SCHEDULE (STEPS 9 AND 10)

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The TSDC rate schedule is a table where rates are represented as dollars per unit of development for a variety of land use categories (as defined in ITE's *Trip Generation*). **Table 4-9** shows the calculations used to derive these rates for each mode, which are then combined into a total TSDC rate. For each mode, the TSDC rate equals the person trip rate (from **Table 4-8**) times the cost per person trip end (from **Table 4-7**). The equation for the TSDC for each mode is:

$$\text{(Motorized TSDC) } lu = \text{(daily new motorized person trips/unit) } lu \times \text{(trip length adjustment factor) } lu \times \text{(cost per motorized trip end)}$$

$$\text{(Transit TSDC) } lu = \text{(daily new transit person trips/unit) } lu \times \text{(cost per transit trip end)}$$

$$\text{(Non-Motorized TSDC) } lu = \text{(daily new non-motorized person trips/unit) } lu \times \text{(cost per non motorized trip end)}$$

Where *lu* = land use category

Trip Length Adjustment for Motorized Trips

A variable that affects motorized traffic impacts is the length of trips generated by each type of land use. ITE trip rates represent an "average" trip without regard to the length of each trip. If a given trip is shorter than the average, then its relative traffic impact on the street system will be less. Conversely, longer trips will impact a larger portion of the transportation network.

To reflect these differences, an adjustment factor is used, which is calculated as the ratio between the trip length for a particular land use type and the "average" trip length for Portland. Trip length data were estimated using limited national survey results. The adjustment uses a ratio of each land use's trip length to the average of all trip lengths.

Table 4-9 shows the trip length adjustment factor for each land use type and its application to the motorized TSDC rate per unit. These adjustment factors are consistent with the factors applied in the Citywide TSDC program.

TABLE 4-8: TSDC TRIP GENERATION BY MODE

	LUC ¹	Unit of Measure [*]	Daily Vehicle Trips/Unit	Daily Person Trips/Unit ²	Percent "New" Trips	"New" Person Trips/Unit			
						Total	Motorized	Transit	Non-Motorized
Future Mode Split							46%	29%	25%
Residential									
Single Family	210	dwelling	9.57	12.02	100%	12.02	5.56	3.51	2.94
Multiple Family	220	dwelling	6.65	8.35	100%	8.35	3.86	2.44	2.04
Senior Housing, detached	251	dwelling	3.71	4.66	100%	4.66	2.16	1.36	1.14
Accessory Dwelling Unit	1/2 of 210	dwelling	4.79	6.01	100%	6.01	2.78	1.76	1.47
Rowhouse / Townhouse / Condo	230	dwelling	5.81	7.29	100%	7.29	3.38	2.13	1.79
Nursing Home	620	bed	2.37	2.98	95%	2.83	1.31	0.83	0.69
Congregate Care/Asst Living	253	dwelling	2.02	2.54	95%	2.41	1.11	0.70	0.59
Commercial - Services									
Bank	912	sq ft/GFA	148.15	186.01	80%	148.81	68.85	43.53	36.43
Day Care	520	student	1.29	1.62	85%	1.38	0.64	0.40	0.34
Library	590	sq ft/GFA	56.24	70.61	75%	52.96	24.50	15.49	12.96
Post Office	732	sq ft/GFA	108.19	135.84	75%	101.88	47.14	29.80	24.94
Hotel/Motel	310	room	8.17	10.26	100%	10.26	4.75	3.00	2.51
Service Station/Gasoline Sales ³	944	VFP	168.56	211.64	40%	84.65	39.17	24.76	20.72
Movie Theater	444	Screen	153.33	192.51	85%	163.64	75.71	47.87	40.06
Carwash	947	Wash Stall	108	135.60	65%	88.14	40.78	25.78	21.58
Health Club	492	sq ft/GFA	32.93	41.35	90%	37.21	17.22	10.88	9.11
Marina	420	berth	2.96	3.72	90%	3.34	1.55	0.98	0.82
Commercial - Institutional									
School, K-12	520, 530 avg	student	1.5	1.88	85%	1.60	0.74	0.47	0.39
University/College	550	student	2.38	2.99	90%	2.69	1.24	0.79	0.66
Church	560	sq ft/GFA	9.11	11.44	95%	10.87	5.03	3.18	2.66
Hospital	610	sq ft/GFA	16.5	20.72	85%	17.61	8.15	5.15	4.31
Park	411	acre	1.59	2.00	85%	1.70	0.79	0.50	0.42
Commercial - Restaurant									
Restaurant	931	sq ft/GFA	89.95	112.94	75%	84.70	39.19	24.78	20.73
Quick Service Restaurant (Drive-through)	934	sq ft/GFA	496.12	622.91	40%	249.16	115.28	72.89	60.99
Commercial - Retail									
Miscellaneous Retail	814	sq ft/GLA	44.32	55.65	50%	27.82	12.87	8.14	6.81
Shopping Center	820	sq ft/GLA	42.94	53.91	65%	35.04	16.21	10.25	8.58
Supermarket	850	sq ft/GFA	102.24	128.37	60%	77.02	35.64	22.53	18.85
Convenience Market ⁴	851	sq ft/GFA	737.99	926.59	35%	324.31	150.05	94.87	79.39
Free Standing Discount Store	815	sq ft/GFA	57.24	71.87	70%	50.31	23.28	14.72	12.31
Car Sales - New/Used	841	sq ft/GFA	33.34	41.86	80%	33.49	15.49	9.80	8.20
Commercial Office									
Administrative Office	710	sq ft/GFA	11.01	13.82	90%	12.44	5.76	3.64	3.05
Medical Office/Clinic	720	sq ft/GFA	36.13	45.36	75%	34.02	15.74	9.95	8.33
Industrial									
Light Industrial / Manufacturing	130	sq ft/GFA	6.96	8.74	90%	7.86	3.64	2.30	1.93
Warehousing/Storage	150	sq ft/GFA	3.56	4.47	90%	4.02	1.86	1.18	0.98
Self Storage	151	sq ft/GFA	2.5	3.14	95%	2.98	1.38	0.87	0.73
Truck Terminal	30	acre	81.9	102.83	100%	102.83	47.58	30.08	25.17

* For uses with Unit of Measure in sq ft, trip rate is given as trips per 1000 sq ft and the TSDC rate is per sq ft

GFA = Gross Floor Area

GLA = Gross Leasable Area

VFP = Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)

1) Land Use Code - Reference TRIP GENERATION, 8th Edition, Institute of Transportation Engineers, 2008

2) Daily Person Trips/Unit = Daily Vehicle Trips/Unit multiplied by 1.26

3) With or Without Minimart (not to exceed 1,500 SF) and/or Carwash (Fuel is Primary Use)

4) If gasoline sales included on-site, use Service Station/Gasoline Sales SDC rate.

These results are shown in adjacent columns of **Table 4-9** for each mode. The TSDC for motorized travel also includes an adjustment for trip lengths, as described in the text box.

The total TSDC rate is the sum of the rates for each mode and is shown in the final column of the table. This is the rate that would be required to fully fund all of the TSDC Overlay eligible costs of identified projects.

The total TSDC rate per unit in **Table 4-9** is used to calculate the total TSDC that is to be paid by each new development. The type of development is identified in the first column of **Table 4-9**, the number of units is identified from the application for development, and the number of units is multiplied times the TSDC rate per unit in **Table 4-9**. The result is the total TSDC for the proposed development. Because the final step in calculating TSDCs depends on the number of units of development in each proposed development, a separate calculation is made for each development using this study and the developer's application.

TABLE 4-9: INNOVATIVE QUADRANT TSDC OVERLAY RATES

	LUC *	Unit of Measure*	Motorized				Transit		Non-Motorized		Total
			Person Trips/Unit	Trip Length (Miles)	Trip Length Adjustment Factor	TSDC/Unit (\$)	Person Trips/Unit	TSDC/Unit (\$)	Person Trips/Unit	TSDC/Unit (\$)	
Cost per Trip End						28		454		153	
Average Trip Length (Miles)					4.00						
Residential											
Single Family	210	dwelling	5.56	3.5	0.88	138	3.51	1,594	2.94	449	2,181
Multiple Family	220	dwelling	3.86	3.7	0.93	101	2.44	1,108	2.04	312	1,521
Senior Housing, detached	251	dwelling	2.16	2.8	0.70	43	1.36	618	1.14	174	835
Accessory Dwelling Unit	1/2 of 210	dwelling	2.78	3.5	0.88	69	1.76	798	1.47	225	1,092
Rowhouse / Townhouse / Condo	230	dwelling	3.38	3.7	0.93	89	2.13	968	1.79	273	1,330
Nursing Home	620	bed	1.31	2.8	0.70	26	0.83	375	0.69	106	507
Congregate Care/Asst Living	253	dwelling	1.11	2.8	0.70	22	0.70	320	0.59	90	432
Commercial - Services											
Bank	912	sq ft/GFA	68.85	1.5	0.38	0.73	43.53	19.74	36.43	5.57	26.04
Day Care	520	student	0.64	2.0	0.50	9	0.40	183	0.34	51	243
Library	590	sq ft/GFA	24.50	1.7	0.43	0.30	15.49	7.03	12.96	1.98	9.31
Post Office	732	sq ft/GFA	47.14	1.7	0.43	0.57	29.80	13.52	24.94	3.81	17.90
Hotel/Motel	310	room	4.75	4.0	1.00	135	3	1,361	3	384	1,880
Service Station/Gasoline Sales ²	944	VFP	39.17	1.7	0.43	472	25	11,232	21	3,166	14,870
Movie Theater	444	Screen	75.71	2.3	0.58	1,235	48	21,711	40	6,121	29,067
Carwash	947	Wash Stall	40.78	1.6	0.40	463	26	11,694	22	3,297	15,454
Health Club	492	sq ft/GFA	17.22	3.1	0.78	0.38	10.88	4.94	9.11	1.39	6.71
Marina	420	berth	1.55	3.1	0.78	34	1	444	1	125	603
Commercial - Institutional											
School, K-12	520, 530 avg	student	0.74	2.0	0.50	11	0.47	212	0.39	60	283
University/College	550	student	1.24	3.0	0.75	26	0.79	357	0.66	101	484
Church	560	sq ft/GFA	5.03	3.7	0.93	0.13	3.18	1.44	2.66	0.41	1.98
Hospital	610	sq ft/GFA	8.15	5.0	1.25	0.29	5.15	2.34	4.31	0.66	3.29
Park	411	acre	0.79	5.0	1.25	28	0.50	225	0.42	63	316
Commercial - Restaurant											
Restaurant	931	sq ft/GFA	39.19	3.4	0.85	0.95	24.78	11.24	20.73	3.17	15.36
Quick Service Restaurant (Drive-through)	934	sq ft/GFA	115.28	2.0	0.50	1.64	72.89	33.06	60.99	9.32	44.02
Commercial - Retail											
Miscellaneous Retail	814	sq ft/GLA	12.87	1.7	0.43	0.16	8.14	3.69	6.81	1.04	4.89
Shopping Center	820	sq ft/GLA	16.21	1.7	0.43	0.20	10.25	4.65	8.58	1.31	6.16
Supermarket	850	sq ft/GFA	35.64	2.1	0.53	0.53	22.53	10.22	18.85	2.88	13.63
Convenience Market ³	851	sq ft/GFA	150.05	1.3	0.33	1.38	94.87	43.03	79.39	12.13	56.54
Free Standing Discount Store	815	sq ft/GFA	23.28	2.1	0.53	0.35	14.72	6.67	12.31	1.88	8.90
Car Sales - New/Used	841	sq ft/GFA	15.49	4.6	1.15	0.51	9.80	4.44	8.20	1.25	6.20
Commercial Office											
Administrative Office	710	sq ft/GFA	5.76	5.1	1.28	0.21	3.64	1.65	3.05	0.47	2.33
Medical Office/Clinic	720	sq ft/GFA	15.74	4.8	1.20	0.54	9.95	4.51	8.33	1.27	6.32
Industrial											
Light Industrial / Manufacturing	130	sq ft/GFA	3.64	5.1	1.28	0.13	2.30	1.04	1.93	0.29	1.46
Warehousing/Storage	150	sq ft/GFA	1.86	5.1	1.28	0.07	1.18	0.53	0.98	0.15	0.75
Self Storage	151	sq ft/GFA	1.38	5.1	1.28	0.05	0.87	0.40	0.73	0.11	0.56
Truck Terminal	30	acre	47.58	5.1	1.28	1,721	30.08	13,643	25.17	3,846	19,210

* For uses with Unit of Measure in sq ft, trip rate is given as trips per 1000 sq ft and the TSDC rate is per sq ft

GFA = Gross Floor Area

GLA = Gross Leasable Area

VFP = Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)

1) Land Use Code - Reference TRIP GENERATION, 8th Edition, Institute of Transportation Engineers, 2008

2) With or Without Minimart (not to exceed 1,500 SF) and/or Carwash (Fuel is Primary Use)

3) If gasoline sales included on-site, use Service Station/Gasoline Sales SDC rate.

CHAPTER 5 PUBLIC PARTICIPATION PROCESS FOR THE DEVELOPMENT OF THE TSDC OVERLAY 184756

The TSDC Overlay District described in this rate study was developed with substantial involvement by area residents, businesses, and property owners. Specifically, the project team used a three-tiered Public Engagement and Communications (PE&C) process to develop the recommended Overlay District. The first tier of the PE&C effort was a Project Advisory Committee (PAC) representing neighborhood and business associations from the affected area, as well as property owners and developers who would likely be assessed TSDC Overlay District fees. The PAC met five times from October 2010 through March 2011. With technical assistance from the project team and Portland Bureau of Transportation (PBOT) staff, the PAC discussed in depth the various components of a TSDC Overlay, including rates, boundaries and a project list.

Members of the PAC included:

- Jean Baker, Division/Clinton Business Association
- Bernie Bottomly, Portland Business Alliance
- Paul Carlson, Oregon Museum of Science and Industry
- Dick Cooley, Portland Streetcar, Inc.
- William Danneman, South Portland Neighborhood Association
- Brian Dunn, Central Eastside Industrial Council
- Jennifer Geske, Portland Downtown Neighborhood Association
- Chris Eykamp, Hosford-Abernethy Neighborhood Development
- Brad Malsin, Beam Development
- Mike O'Conner, Brooklyn Action Corps
- Valeria Ramirez, Portland Opera
- David Weislogel, Greater Brooklyn Business Association
- Les Youngbar, NW Natural
- Dan Zalkow, Portland State University

Because the Overlay District is of interest to many who live, work, and own property in inner Southeast and Southwest Portland, the second communications tier included outreach to a variety of key stakeholders. This effort included a series of stakeholder interviews conducted in the summer of 2010 to help identify key issues and potential PAC members. The stakeholders interviewed shared a vested interest in the transportation system needs along the light rail alignment and included property owners and developers, neighborhood and business associations, and government agencies that represent the diverse geographical area. The stakeholder interviews included associations representing downtown, the Central Eastside Industrial District, and the Hosford-Abernethy and Brooklyn neighborhoods.

Stakeholder outreach continued over the life of the project, and was both proactive and in response to requests from interested individuals and organizations. Stakeholder outreach included presentations to the Portland Business Alliance Development Committee, Central Eastside Industrial Council, CEIC's Land Use Committee, the Bicycle Advisory Committee, Pedestrian Advisory Committee, Greater Brooklyn Action Corps, Portland Streetcar, Inc. and HAND (Hosford-Abernethy Neighborhood Development), as well as one-on-one conversations with representatives of other interests, including the South Portland Neighborhood Association.

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The third tier of the PE&C effort focused on the general public. The project team used an array of communications tools to ensure this broader audience was informed of project progress and was provided a significant opportunity to engage in the process. Communications tools to reach the general public primarily consisted of 1) written information, 2) a project Web page, and 3) project open houses. Written information included a Fact Sheet intended for PBOT distribution to interested parties and for PAC member distribution to those they represented. Written materials were also posted on the project Web site hosted by PBOT (<http://www.portlandonline.com/transportation/index.cfm?c=53625>) so that interested parties could stay up to date on the status of the project. Posted documents included PAC meeting agendas, summaries, and copies of all PAC meeting presentations and handouts.

Two public open houses were held to engage the broader public and further engage PAC members and key stakeholders. The two open houses were held on Jan. 20, 2011 – a morning session in Downtown and a late afternoon/evening session in Southeast Portland. The primary purpose of the open houses was to present PBOT-proposed TSDC Overlay District rates, boundaries, and projects and receive public feedback.

Notices of both open houses were emailed to the project mailing list of interested parties and to TriMet's mailing list of those interested in the Portland-Milwaukie Light Rail Project. To increase participation in the public open houses, invitations were sent to neighborhood and business associations, adjacent property owners, the Portland Business Alliance (PBA) Central City Committee, and the "Portland Milwaukie Light Rail" Interest Group list. Ads were placed in the SE Examiner newspaper and information was posted on City, neighborhood, PBA, and the Central Eastside Industrial Council websites. After the open houses, a "virtual" open house was posted on the project Web site to provide Web users an opportunity to review open house materials and provide feedback.

Exhibit B

to

Ordinance to Adopt the Innovation Quadrant District Transportation System Development Charge Overlay Project Report, establish a fee schedule and amend Code effective October 3, 2011

Fee Schedule

Innovation Quadrant Transportation System Development Charge Overlay

	LUC ¹	Unit of Measure [*]	Motorized				Transit		Non-Motorized		Total
			Person Trips/Unit	Trip Length (Miles)	Trip Length Adjustment Factor	TSDC/Unit (\$)	Person Trips/Unit	TSDC/Unit (\$)	Person Trips/Unit	TSDC/Unit (\$)	
Cost per Trip End						28		454		153	
Average Trip Length (Miles)					4.00						
Residential											
Single Family	210	dwelling	5.56	3.5	0.88	138	3.51	1,594	2.94	449	2,181
Multiple Family	220	dwelling	3.86	3.7	0.93	101	2.44	1,108	2.04	312	1,521
Senior Housing, detached	251	dwelling	2.16	2.8	0.70	43	1.36	618	1.14	174	835
Accessory Dwelling Unit	1/2 of 210	dwelling	2.78	3.5	0.88	69	1.76	798	1.47	225	1,092
Rowhouse / Townhouse / Condo	230	dwelling	3.38	3.7	0.93	89	2.13	968	1.79	273	1,330
Nursing Home	620	bed	1.31	2.8	0.70	26	0.83	375	0.69	106	507
Congregate Care/Asst Living	253	dwelling	1.11	2.8	0.70	22	0.70	320	0.59	90	432
Commercial - Services											
Bank	912	sq ft/GFA	68.85	1.5	0.38	0.73	43.53	19.74	36.43	5.57	26.04
Day Care	520	student	0.64	2.0	0.50	9	0.40	183	0.34	51	243
Library	590	sq ft/GFA	24.50	1.7	0.43	0.30	15.49	7.03	12.96	1.98	9.31
Post Office	732	sq ft/GFA	47.14	1.7	0.43	0.57	29.80	13.52	24.94	3.81	17.90
Hotel/Motel	310	room	4.75	4.0	1.00	135	3	1,361	3	384	1,880
Service Station/Gasoline Sales ²	944	VFP	39.17	1.7	0.43	472	25	11,232	21	3,166	14,870
Movie Theater	444	Screen	75.71	2.3	0.58	1,235	48	21,711	40	6,121	29,067
Carwash	947	Wash Stall	40.78	1.6	0.40	463	26	11,694	22	3,297	15,454
Health Club	492	sq ft/GFA	17.22	3.1	0.78	0.38	10.88	4.94	9.11	1.39	6.71
Marina	420	berth	1.55	3.1	0.78	34	1	444	1	125	603
Commercial - Institutional											
School, K-12	520, 530 avg	student	0.74	2.0	0.50	11	0.47	212	0.39	60	283
University/College	550	student	1.24	3.0	0.75	26	0.79	357	0.66	101	484
Church	560	sq ft/GFA	5.03	3.7	0.93	0.13	3.18	1.44	2.66	0.41	1.98
Hospital	610	sq ft/GFA	8.15	5.0	1.25	0.29	5.15	2.34	4.31	0.66	3.29
Park	411	acre	0.79	5.0	1.25	28	0.50	225	0.42	63	316
Commercial - Restaurant											
Restaurant	931	sq ft/GFA	39.19	3.4	0.85	0.95	24.78	11.24	20.73	3.17	15.36
Quick Service Restaurant (Drive-through)	934	sq ft/GFA	115.28	2.0	0.50	1.64	72.89	33.06	60.99	9.32	44.02
Commercial - Retail											
Miscellaneous Retail	814	sq ft/GLA	12.87	1.7	0.43	0.16	8.14	3.69	6.81	1.04	4.89
Shopping Center	820	sq ft/GLA	16.21	1.7	0.43	0.20	10.25	4.65	8.58	1.31	6.16
Supermarket	850	sq ft/GFA	35.64	2.1	0.53	0.53	22.53	10.22	18.85	2.88	13.63
Convenience Market ³	851	sq ft/GFA	150.05	1.3	0.33	1.38	94.87	43.03	79.39	12.13	56.54
Free Standing Discount Store	815	sq ft/GFA	23.28	2.1	0.53	0.35	14.72	6.67	12.31	1.88	8.90
Car Sales - New/Used	841	sq ft/GFA	15.49	4.6	1.15	0.51	9.80	4.44	8.20	1.25	6.20
Commercial Office											
Administrative Office	710	sq ft/GFA	5.76	5.1	1.28	0.21	3.64	1.65	3.05	0.47	2.33
Medical Office/Clinic	720	sq ft/GFA	15.74	4.8	1.20	0.54	9.95	4.51	8.33	1.27	6.32
Industrial											
Light Industrial / Manufacturing	130	sq ft/GFA	3.64	5.1	1.28	0.13	2.30	1.04	1.93	0.29	1.46
Warehousing/Storage	150	sq ft/GFA	1.86	5.1	1.28	0.07	1.18	0.53	0.98	0.15	0.75
Self Storage	151	sq ft/GFA	1.38	5.1	1.28	0.05	0.87	0.40	0.73	0.11	0.56
Truck Terminal	30	acre	47.58	5.1	1.28	1,721	30.08	13,643	25.17	3,846	19,210

* For uses with Unit of Measure in sq ft, trip rate is given as trips per 1000 sq ft and the TSDC rate is per sq ft

GFA = Gross Floor Area

GLA = Gross Leasable Area

VFP = Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)

1) Land Use Code - Reference TRIP GENERATION, 8th Edition, Institute of Transportation Engineers, 2008

2) With or Without Minimart (not to exceed 1,500 SF) and/or Carwash (Fuel is Primary Use)

3) If gasoline sales included on-site, use Service Station/Gasoline Sales SDC rate.

Exhibit C
to

Ordinance to Adopt the Innovation Quadrant District Transportation System Development Charge Overlay Project Report, establish a fee schedule and amend Code effective October 3, 2011

Chapter 17.15

**TRANSPORTATION SYSTEM
DEVELOPMENT CHARGE**

(Added by Ordinance No. 171301,
effective July 18, 1997.)

Sections:

17.15.010	Scope and Purposes
17.15.020	Definitions
17.15.030	Rules of Construction
17.15.040	Application
17.15.050	Partial and Full Exemptions
17.15.060	SDC Credits, SDC Credit Transfers and SDC Reimbursements
17.15.070	Alternative Calculation for SDC Rate, Credit or Exemption
17.15.080	Payment
17.15.090	Refunds
17.15.100	Dedicated Account and Appropriate Use of Account
17.15.110	Challenges and Appeals
17.15.120	City Review of SDC
17.15.130	Time Limit on Expenditure of SDCs
17.15.140	Implementing Regulations; Amendments
17.15.150	Amendment of SDC-CIP List
17.15.160	Severability

17.15.010 Scope and Purposes.

(Amended by Ordinance Nos. 181322 and 182652, effective April 8, 2009.)

- A.** New development within the City of Portland contributes to the need for capacity increases for roads, multi-modal transportation and related transportation improvements, to enable new development to take advantage of transit systems and, therefore, new development should contribute to the funding for such capacity increasing improvements. This SDC will fund a portion of the needed capacity increases for arterial, boulevard and collector roads, multi-modal transportation improvements and associated bus and transit improvements, sidewalks, bicycle and pedestrian facilities, street lighting and stormwater drainage and treatment facilities, and other public facilities specified in the City of Portland Transportation System Plan.

- B. ORS 223.297 through 223.314 grant the City authority to impose a SDC to equitably spread the costs of essential capacity increasing capital improvements to new development.
- C. The SDC is incurred upon application to develop property for a specific use or at a specific density. The decision regarding uses, densities, and/or intensities causes direct and proportional changes in the amount of the incurred charge. This SDC is separate from other fees provided by law or imposed as a condition of development. It is a fee for service because it contemplates a development's receipt of transportation services based upon the nature of that development.
- D. The SDC imposed by this Chapter is not a tax on property or on a property owner as a direct consequence of ownership of property within the meaning of Section 11b, Article XI of the Oregon Constitution or legislation implementing that section. This Chapter does not shift, transfer or convert a government product or service, wholly or partially paid for by ad valorem property taxes, to be paid for by a fee, assessment or other charge, within the meaning of Section 11g, Article XI of the Oregon Constitution.
- E. The funding provided by this Chapter constitutes a mandatory collection method based upon the guidelines set forth in ORS 223.297 through 223.314 to assure the construction of capacity increasing improvements to arterial, boulevard and collector roads as well as to bicycle, pedestrian and transit facilities as contemplated in the Transportation Element of the City Comprehensive Plan, City of Portland Transportation System Plan and the list of projects, referred to as the SDC-CIP, to be funded with money collected under this Chapter and incorporated as Table 3-2 in the attached Update of Transportation System Development Charges rate study, (dated July 2007), as well as Table 3-2 in the attached North Macadam Transportation System Development Charge TSDC Overlay Rate Study, (dated January 2009) and Table 3-1 in the attached Innovation Quadrant Transportation System Development Charge Overlay Project Report (dated May 2011). The SDC-CIP is not to be confused with the City of Portland Capital Improvement Program.
- F. This Chapter is intended only to be a financing mechanism for the capacity increases needed for major City traffic and collector streets, multi-modal improvements associated with new development and capacity increasing transportation improvements and does not represent a means to fund maintenance of existing roads or the elimination of existing deficiencies.
- G. The City hereby adopts the methodology report and rate study entitled Update of Transportation System Development Charges, (dated July 2007), as well as ~~Table 3-2 in the attached North Macadam Transportation System Development Charge TSDC Overlay Rate Study, (dated January 2009),~~ and the attached Innovation Quadrant Transportation System Development Charge Overlay Project Report (dated May 2011) and incorporates herein by this reference the assumptions, conclusions and findings in the report which refer to the determination of anticipated costs of capital improvements required to accommodate growth. These reports are hereinafter referred to as "City Rate Study" and is attached to Ordinance No. 181322 as Exhibit A, ~~and "North Macadam Overlay Rate Study",~~ attached to Ordinance No. 182652 as Exhibit A, and "Innovation Quadrant Overlay Project Report", attached to Ordinance No. _____ as Exhibit A. The

City Council may from time to time amend or adopt a new City Rate Study by Ordinance.

- H. The Transportation SDC provided for in this Chapter is designed to help finance the Transportation System facilities listed in Table 3-2 in the SDC-CIP as a means of ensuring that adequate capacity is maintained in the City's Transportation System. However, the City specifically recognizes that the entire project list will likely not receive full funding from the proceeds of this SDC, and it is unlikely that every one of the projects listed will be constructed. The City recognizes that the project list in the SDC-CIP is not complete but that construction of other projects, not included on the SDC-CIP, may also advance the policy objective of maintaining capacity in the City's Transportation System.
- I. In conjunction with the Transportation System capacity objectives of this Chapter, the City also seeks to encourage certain types of development by granting a partial or full credit for the Transportation SDC. In particular, the city places a high priority on the development of low-income housing. The City has also recognized a higher public purpose in Transit Oriented Development (TOD) in creating a more dense, mixed-use urban design that promotes and integrates transit ridership with housing. Likewise, the development of low-income housing promotes the public purpose of providing quality housing options for families and individuals earning 60% or less of the Area Median Income. Providing a credit for the Transportation SDC will make it possible to develop more and better low income housing within the metropolitan area where jobs and shopping are available by transit and non-motorized modes. For both the low income housing and TOD credit, the City has made the policy decision that the entire SDC-CIP project list may not be fully funded, but that other policy objectives, equally important as maintaining transportation system capacity, will be advanced.

17.15.020 Definitions.

(Amended by Ordinance Nos. 171698, 172677, 173121, 175717, 176782, 181322, 182389 and 182652, effective April 8, 2009.)

- A. **"Accessway"** means a walkway that provides pedestrian and/or bicycle passage either between streets or from a street to a building or other destination such as a school, park, or transit stop. Accessways generally include a walkway and additional land on either side of the walkway, often in the form of an easement or right-of-way, to provide clearance and separation between the walkway and adjacent uses. Accessways through parking lots are generally physically separated from adjacent vehicle parking or parallel vehicle traffic by curbs or similar devices and include landscaping, trees and lighting. Where Accessways cross driveways, they may be raised, paved or marked in a manner which provides convenient access for pedestrians.
- B. **"Administrator"** means that person as appointed by the Director of Transportation to manage and implement this SDC program.

- C. **“Alternative System Development Charge”** means any SDC established pursuant to Section 17.15.070 of this Chapter.
- D. **“Applicant”** means the person who applies for a Building Permit.
- E. **“Application”** means the written request by an Applicant for a Building Permit.
- F. **“Building Official”** means that person, or his designee, certified by the State and designated as such to administer the State Building Codes for the City.
- G. **“Building Permit”** means that permit issued by the City Building Official pursuant to the State of Oregon Structural Specialty Code or as amended, and the State of Oregon Residential Specialty Code or as amended. In addition, Building Permit shall mean the Manufactured Home Installation Permit issued by the City Building Official, relating to the placement of manufactured homes in the City.
- H. **“City”** means City of Portland, Oregon.
- I. **“City Rate Study”** means the methodology report entitled *Update of Transportation System Development Charges*, dated July 2007 and adopted as Exhibit A to Ordinance No. 181322.
- J. **“Comprehensive Plan”** means the current, adopted Comprehensive Plan of the City of Portland.
- K. **“Condition of Development Approval”** is a Bureau of Transportation requirement imposed on an Applicant by a city land use or limited land use decision, site plan approval or building permit either by operation of law, including but not limited to the City Code or Rule or regulation adopted thereunder, or a condition of approval.
- L. **“Construction Cost Index”** means the Oregon Composite Construction Cost Index published by the Oregon Highway Division.
- M. **“Credit”** means the amount by which an Applicant may be able to reduce the SDC fee as provided in this Chapter.
- N. **“Developer”** means the person constructing a Qualified Public Improvement prior to the construction of the New Development.
- O. **“Development”** means all improvements on a site, including buildings, other structures, parking and loading areas, landscaping, paved or graveled areas, and areas devoted to exterior display, storage or activities which has the effect of generating additional weekday or weekend trips. Development includes improved open areas such as plazas and walkways, but does not include natural geologic forms or unimproved land.
- P. **“Director of Transportation”** means that person or her or his designee who is responsible for managing the Bureau of Transportation.
- Q. **“Finance Director”** means that person or his or her designee who is responsible for managing the Finance Department for the City of Portland.

- R.** **“Innovation Quadrant Overlay Project Report”** means the methodology report entitled Innovation Quadrant Transportation System Development Charge Overlay Project Report, dated May 2011 and adopted as Exhibit A to Ordinance No. _____.
- S.** **“Innovation Quadrant Transportation System Development Charge TSDC Overlay”** means a transportation system development charge (TSDC) zone over the Innovation Quadrant area, as it presently exists or may be amended in the future, in which additional SDCs are collected and expended on capacity-increasing projects to serve future users within the Innovation Quadrant.
- RT.** **“Institutional Development”** means development associated with a medical or educational institution and associated uses, on a site of at least five acres in area. Medical institutional campuses include medical centers and hospitals. Educational institutional campuses include universities, colleges, high schools, and other similar institutions offering course of study leading to a high school diploma or a degree certified by a recognized accreditation body. Associated uses on institutional campuses may include some commercial or light industrial uses, residential and other uses.
- SU.** **“ITE Manual”** means that manual entitled “An Institute of Transportation Engineers Informational Report - Trip Generation” Seventh Edition (2003) or as amended. A copy of the ITE Manual shall be kept on file with the Bureau of Transportation.
- FV.** **“Multi-Modal”** means vehicular, transit, bicycle, pedestrian and wheel chair transportation.
- UW.** **“New Development”** means Development on any site which increases overall trip generation from the site according to Table 4-9 of The City Rate Study or pursuant to Section 17.15.070 of this Chapter. Except as provided under Section 17.15.050, New Development for purposes of this Chapter includes remodeling to the extent that it generates additional trips.
- VX.** **“Non-Motorized”** means transportation that is neither vehicular or transit. Non-motorized includes pedestrian and bicycle transportation. Pedestrian transportation includes wheelchair transportation regardless of whether the wheelchair is motorized or hand propelled.
- Y.** **“North Macadam Overlay Rate Study”** means the methodology report entitled North Macadam Transportation System Development Charge TSDC Overlay Rate Study, dated January 2009 and adopted as Exhibit A to Ordinance 182652.
- WZ.** **“North Macadam Transportation System Development Charge TSDC Overlay”** means a transportation system development charge (TSDC) zone over the entire North Macadam urban renewal area (URA), as it presently exists or

may be amended in the future, in which additional SDCs are collected and expended on capacity-increasing projects to serve future users within North Macadam.

XAA. “**Over-capacity**” means that portion of an improvement that is built larger or with greater capacity (over-capacity) than is necessary to serve the Applicant’s New Development or mitigate for transportation system impacts attributable to the Applicant’s New Development. There is a rebuttable presumption that improvements built to the City’s minimum standards are required to serve the Applicant’s New Development and to mitigate for transportation system impacts attributable to the Applicant’s New Development.

~~**Y.** “**Overlay Rate Study**” means the methodology report entitled North Macadam Transportation System Development Charge TSDC Overlay Rate Study, dated January 2009 and adopted as Exhibit A to Ordinance.~~

ZBB. “**Pedestrian Connection**” means a continuous, unobstructed, reasonably direct route between two points that is intended and suitable for pedestrian use. Pedestrian connections include but are not limited to sidewalks, walkways, stairways and pedestrian bridges. On developed parcels, pedestrian connections are generally hard surfaced. In parks and natural areas, pedestrian connections may be soft-surfaced pathways. On undeveloped parcels and parcels intended for redevelopment, pedestrian connections may also include rights-of-way or easements for future pedestrian improvements.

AACC. “**Permit**” means a Building Permit.

BBDD. “**Planned light rail station**” means a station included in local and regional transportation plans for which a full funding agreement has been executed by the Federal Transit Administration or other U. S. governmental agency, which agreement contains the terms and conditions applicable to the approval of a light rail project and the grant of federal funds for that project which includes construction of planned stations and other light rail facilities.

CCEE. “**Port Development**” means a planned development owned or operated by a unit of government involving a facility used for cargo freight or passenger transportation by air, water, rail or public mass transit, including accessory uses. Uses that are accessory to Port Development are those which send or receive cargo freight or are related to passenger movement or service.

DDFF. “**Previous use**” means the most recent permitted use conducted at a particular property. Where the site was used simultaneously for several different uses (mixed use) then, for purposes of this Chapter, all of the specific use categories shall be considered. Where one use of the site accounted for 70% or more of the total area used, then that dominant use will be deemed to be the sole previous use of the site. Where the previous use is composed of a primary use with one or more ancillary uses that support the primary use and are owned and operated in common, that primary use shall be deemed to be the sole use of the property for purposes of this chapter.

EEGG. “**Proposed use**” means the use proposed by the Applicant for a New Development. Where the Applicant proposes several different uses (mixed use)

for the New Development then, for purposes of this Chapter, all of the specific use categories shall be considered. Where the proposed use is composed of a primary use with one or more ancillary uses that support the primary proposed use and are owned and operated in common, that primary use shall be deemed to be the sole proposed use of the property for purposes of this chapter.

FFHH. “**Qualified Public Improvement**” means any transportation system capital improvement or conveyance of an interest in real property that increases the capacity of the City’s Transportation System and is in one of the following categories:

1. Is a capital improvement listed on the City’s SDC-CIP regardless of the improvement’s proximity to the Applicant’s New Development site or
2. Pertains to an arterial or collector street and is required by the Bureau of Transportation as a condition of the development approval and in the opinion of the Administrator is built larger or with greater capacity (over-capacity) than is necessary to serve the Applicant’s New Development or mitigate for transportation system impacts attributable to the Applicant’s New Development. There is a rebuttable presumption that improvements built to the Bureau of Transportation’s minimum standards are required to serve the Applicant’s New Development and to mitigate for transportation system impacts attributable to the Applicant’s New Development. Potentially eligible improvements include, but are not limited to:
 - a. vehicle travel, turning or refuge lanes and traffic signals and sidewalks
 - b. bicycle lanes, bicycle parking facilities or bicycle lockers, other than those required by the Bureau of Transportation to serve the Applicant’s New Development, or
 - c. any improvement to traffic or transportation safety that corrects an identified safety problem or defect in the City’s transportation system.

GGII. “**Remodel**” or “**Remodeling**” means to alter, expand or replace an existing structure.

HHJJ. “**Right-of-Way**” means that portion of land that is dedicated for public use including use for pedestrians, bicycles, vehicles and transit, utility placement and signage.

HKK. “**Roads**” means streets, roads and highways.

JLL. “**Temporary use**” means a construction trailer or other non-permanent structure.

KKMM. “Transit Oriented Development” means

1. All development located within the following subdistricts of the Central City Plan District as shown on Map 510-8 of PCC Chapter 33.510: DT 1 through DT 6-2; UD 1-1 and UD 1-2; RD 3,4,5-1 and 5-2; GH 1; CE 2 and 3; and LD 1-4.
2. Any development located in any other subdistrict of the Central City Plan District that either
 - a. includes at least 40 units of housing per net acre, or
 - b. achieves a floor area ratio of 2 to 1.
3. Any development, except an auto-related use as defined in City Code 33.910, located outside the Central City Plan District that is within 500 feet of a street with fixed-route frequent (every 15 minutes or better during the day) transit service or within 1,000 feet of a light rail station and that either:
 - a. includes at least 30 units of housing per acre of site, and there are no drive through facilities, or
 - b. achieves a floor area ratio of 1 to 1, and there are no drive through facilities, or
 - c. is located in a commercial zone where no parking is required by the Planning and Zoning code of the City of Portland and no on-site parking is provided and there are no drive through facilities.

For purposes of this definition, “site” shall include the building footprint and all associated land required for parking, landscaping and the like. For the purpose of this definition, “fixed-route frequent transit service” shall include the I-205 light rail corridor and “light rail station” shall include the I-205 light rail stations.

LLNN. “Transportation SDC Capital Improvement Plan,” also called SDC-CIP, means the City program set forth in the City Rate Study that identifies all of the major transportation system and facilities capacity, safety, reconstruction, bicycle, pedestrian, transit and bridge improvements projected to be necessary to accommodate existing and anticipated transportation system demands within the next 10 years as described in the Update of Transportation System Development Charges, (dated July 2007), and within the next 20 years as described in the North Macadam Transportation System Development Charge TSDC Overlay Rate Study, (dated January 2009).

MMOO. “Transportation System Development Charge,” or “SDC,” refers to the fee to be paid under this Chapter.

NNPP. “Transportation System Plan” or “TSP”, means the current, adopted 20-year plan for transportation improvements in the City of Portland.

OOQQ. “**Vehicle**” means motorcycles, automobiles, trucks, boats and recreational vehicles, but does not include transit, bicycles and motorized wheelchairs for the disabled.

PPRR. “**Vehicular**” means a reference to a vehicle.

QQSS. “**Walkway**” means an area intended and suitable for use by pedestrians, that meets standards of the American with Disabilities Act, located in public right-of-way.

17.15.030 Rules of Construction.

For the purposes of administration and enforcement of this Chapter, unless otherwise stated in this Chapter, the following rules of construction shall apply:

- A. In case of any difference of meaning or implication between the text of this Chapter and any caption, illustration, summary table, or illustrative table, the text shall control.
- B. The word “shall” is always mandatory and not discretionary; the word “may” is permissive.
- C. Words used in the present tense shall include the future; and words used in the singular number shall include the plural and the plural the singular, unless the context clearly indicates the contrary.
- D. The phrase “used for” includes “arranged for,” “designed for,” “maintained for,” or “occupied for.”
- E. Where a regulation involves two or more connected items, conditions, provisions, or events:
 - 1. “And” indicates that all the connected terms, conditions, provisions or events shall apply;
 - 2. “Or” indicates that the connected items, conditions, provisions or events may apply singly or in any combination.
- F. The word “includes” shall not limit a term to the specific example, but is intended to extend its meaning to all other instances or circumstances of like kind or character.

17.15.040 Application.

(Amended by Ordinance Nos. 181322 and 182652, effective April 8, 2009.) This Chapter applies to all New Development throughout the City of Portland except for those areas where Washington County, Multnomah County or Clackamas County imposes a transportation SDC or Traffic Impact Fee. The amount of the Transportation SDC shall

be calculated according to this section. For ~~only~~ any New Development within the North Macadam Urban Renewal Area boundaries, the transportation SDC shall be the sum of two calculations, the first based upon the City Rate Study and the second based upon the North Macadam Overlay Rate Study. For any New Development within the Innovation Quadrant area boundaries, the transportation SDC shall be the sum of two calculations, the first based upon the City Rate Study and the second based upon the Innovation Quadrant Overlay Project Report.

A. New Development.

1. Except as otherwise provided in this Chapter, a Transportation SDC shall be imposed upon all New Development for which an Application is filed after October 18, 1997.
2. The Applicant shall at the time of Application provide the Administrator with the information requested on an SDC application form regarding the previous and proposed use(s) of the property, including the following:
 - a. A description of each of the previous and proposed uses for the property for which the Permit is being sought--with sufficient detail to enable the City to calculate trip generation for the entire property under the previous use and for the proposed use(s) of the New Development.
 - b. For residential uses--the number of residential dwellings, including type, e.g., single family or multi-family.
 - c. For commercial uses--the square footage for each type of commercial use, e.g., office, retail, etc.
3. Except as otherwise provided in this Chapter, the amount of the SDC due shall be determined by estimating the trip generation of the previous use(s) on the property and the trip generation for all of the proposed use(s) and then calculating the total SDC for the previous use(s) and the proposed uses(s) as provided in Table 4-9 of The City Rate Study, and if applicable, Table 4-9 of the North Macadam Overlay Rate Study or Table 4-8 of the Innovation Quadrant Overlay Project Report.
 - a. If the SDC attributable to the proposed use of the New Development is within 15%± of the SDC attributable to the total previous use of the property, the Applicant is not required to pay any SDC and is not eligible for any SDC reimbursement or credit.
 - b. If the SDC attributable to the proposed use of the New Development is more than 115% of the SDC attributable to the total previous use, the Applicant shall pay the difference between the SDC attributable to the proposed use and the SDC attributable to the total previous use.
 - c. If the SDC attributable to the proposed New Development is less than 85% of the SDC attributable to the total previous use(s), the

Applicant shall be eligible for an SDC Reimbursement under Section 17.15.060.

4. In the event an identified use does not have a basis for trip determination stated in The City Rate Study, the Administrator shall identify the land use or uses that has/have a trip generation rate most similar to the use(s) in question and apply the trip generation rate most similar to the proposed use or uses.
5. Notwithstanding any other provision, the dollar amounts of the SDC set forth in The City Rate Study as well as the North Macadam Overlay Rate Study and the Innovation Quadrant Overlay Project Report shall on July 1st of each year be increased or decreased automatically by the difference of the 10-year moving average of the Oregon Composite Construction Cost Index published by the Oregon Highway Division.

B. Institutional Development.

1. Institutional Development shall be subject to assessment under this Subsection or under Subsection 1 above, at the election of the Applicant. If the Applicant elects assessment under this Subsection, this method of assessment shall be utilized on Institutional properties designated in the election for a period of not less than three years from date of initial election.
2. Within 60 days of election of the alternate assessment under this Subsection, the Applicant Institution shall submit the proposed methodology for counting trips to the Administrator. The Administrator shall determine whether the proposed methodology is acceptable within twenty (20) days from the date of election and submission, and, if the methodology is rejected, the Administrator shall provide an explanation for the decision.
3. Within one year of the date of election of the alternative method of assessment under this Subsection, at the time(s) designated in the accepted methodology to count trips, the applicant Institution shall establish the average weekday trip count. Such data and related analysis shall be based upon a methodology to calculate trips accepted by the Administrator. This average weekday trip count shall be calculated, unless otherwise specified in the accepted methodology, by dividing the total current average weekday trips that occur in each mode during an average week by the number of weekdays.
4. The amount of the SDC shall be determined at the end of each 12 month period by multiplying the applicable dollar amount, as provided in the City Rate Study, by the change in average weekday trip count by mode type during the intervening 12 month period over the highest prior documented

average weekday trip count since October 18, 1997. Such SDC, if any, shall be due and payable within 45 days from the close of the 12-month period. A reduction in trips by any mode shall allow the Applicant Institution to reduce future annual assessment against the same mode by the number of such reduced trips.

5. For uses that calculate the SDC using a unit of measure other than square feet, such as the number of students, movie screens, etc., the first Application submitted for such a use that is subject to this Chapter shall establish the baseline number of existing units of measure. No SDC shall be assessed against that baseline. A baseline trip rate so established shall be valid, and need not be recalculated, for the next 12 months.
- C. Port Development. At the applicant's option, Port Development may be subject to assessment under Subsection A. of this section, or under this Subsection. If the Applicant elects assessment under this Subsection C., the Applicant and the City shall negotiate an agreement for the payment of a fee in lieu of the Transportation SDC that includes the following elements:
1. A methodology for estimating the amount of the SDC which would be imposed pursuant to Subsection A. or B. above, during a period of not less than either 3 years or until the expiration of the SDC project list, whichever is less, nor more than 10 years as specified by the Applicant. The methodology shall take into account the Port Development anticipated under the Applicant's master plan during the period specified in that plan, the trips that the Port Development is expected to generate, trip levels against which SDC charges have historically been assessed, the anticipated increases or decreases in the dollar amounts of the SDC during the specified period, any applicable credits or exemptions and any other factors which the Administrator deems to be relevant. In no event shall the charge estimated under this Subsection be less than the SDC that would otherwise be due for the Port Development and the Applicant shall indicate its agreement to the methodology in writing; and
 2. A payment period shall be imposed by which the Applicant shall pay in full the amount due within 12 months of the Applicant's agreement to the methodology
 3. In the event the Applicant and the City are unable to agree to a methodology under this Subsection, the normal method of calculating and assessing the SDC under Subsection A. or B. shall apply.

17.15.050 Partial and Full Exemptions.

(Amended by Ordinance Nos. 171698, 173437, 177198, 181322, 182389, 182652, 183679 and 183448, effective July 1, 2010.) The uses listed and described in this section shall be exempt, either partially or fully, from payment of the Transportation SDC. Any Applicant seeking an exemption under this Section shall specifically request that exemption within 180 days after building permit issuance for the New Development. Where New Development consists of only part of one or more of the uses described in this section, only that/those portion(s) of the development which qualify under this section are eligible for an exemption. The balance of the New Development which does not qualify for any exemption under this section shall be subject to the full SDC. Should

the Applicant dispute any decision by the City regarding an exemption request, the Applicant must apply for an Alternative Exemption calculation under Section 17.15.070. The Applicant has the burden of proving entitlement to any exemption so requested.

- A. Temporary uses are fully exempt so long as the use or structure proposed in the New development will be used not more than 180 days in a single calendar year.
- B. New Development which, will not generate more than 15% more vehicle trips than the present use of the property shall be fully exempt.
- C. Affordable housing is exempt pursuant to Section 30.01.095.
- D. The City of Portland is phasing out the exemption for the Transit Oriented Development (TOD) as calculated per Section 17.15.050 D.1. and 3. below. From January 1, 2008 through December 31, 2008, eligible development shall receive 100% of the exemption; from January 1, 2009 through December 1, 2009, eligible development shall receive 67% of the total exemption; and from January 1, 2010 through December 31, 2010, eligible development shall receive 33% of the total exemption. No TOD exemption shall be provided after December 31, 2010, as calculated per Section 17.15.050 D.1. and 3. Transit Oriented Development (TOD) as calculated per Section 17.15.050 D.2. shall be exempt from the SDC as described below from January 1, 2008 through December 31, 2012. No TOD exemption shall be provided after December 31, 2012.

No exemption for Transit Oriented Development (TOD) shall be provided for any SDC based upon the North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report.

- 1. Within the Central City Plan District, New Development that meets Transit Oriented Development definition ~~KKMM~~.1., ~~KKMM~~.2.a. or ~~KKMM~~.2.b. shall be liable for only 10% of the vehicle portion of the SDC and 90% of the transit and non-motorized portion of the SDC.
- 2. For all areas outside of the Central City Plan District, New Development that meets Transit Oriented Development definition ~~KKMM~~.3.a., ~~KKMM~~.3.b., or ~~KKMM~~.3.c. shall be liable for only 50% of the vehicle portion of the SDC and 100% of the transit and non-motorized portion of the SDC.
- 3. For all areas outside of the Central City Plan District, New Development that meets the density requirements in Transit Oriented Development definition ~~KKMM~~.2.a., or ~~KKMM~~.2.b. shall be liable for only 10% of the vehicle portion of the SDC and 90% of the transit and non-motorized portion of the SDC.

- E. Graded Scale: A change in occupancy of an existing building where the gross enclosed floor area does not exceed 3,000 square feet is fully exempt. A change in occupancy of an existing building where the gross floor area is between 3,000 square feet and 5,000 square feet shall be assessed on a graded scale. The percentage of the rate to be assessed on the entire existing building shall be calculated by the following equation:

$$(\text{size of existing building} - 3,000 \text{ square feet}) / 2,000 \text{ square feet}$$

Examples of Graded Scale Assessment Calculations

$(4,000 - 3,000) / 2,000 = 0.50$ Existing 4,000 square foot building assessed at 50% of the rate

$(3,200 - 3,000) / 2,000 = 0.10$ Existing 3,200 square foot building assessed at 10% of the rate

$(4,900 - 3,000) / 2,000 = 0.95$ Existing 4,900 square foot building assessed at 95% of the rate

- F. Alteration permits for tenant improvements, new construction or remodeling where
1. no additional dwelling unit(s) or structure(s) are created;
 2. which is not reasonably expected to result in a significant increase in additional trips according to table 4-9 of the City Rate Study, and if applicable, the North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report;
 3. the use or structure is of a temporary nature and is used less than 180 days in a calendar year;
- G. The construction of accessory buildings or structures which will not create additional dwelling units or which do not create additional demands on the City's capital improvements.
- H. Any newly permitted and constructed accessory dwelling unit (ADU) conforming to the Title 33 definition of an ADU will receive a waiver of SDC fees if a complete building permit application is submitted for the ADU from April 15, 2010 through June 30, 2013, provided that the new ADU receiving a waiver obtains an occupancy permit no later than June 30, 2014. If an occupancy permit is not obtained by June 30, 2014, an occupancy permit will not be issued until the SDC are paid at the rates in effect at the time the occupancy permit is issued.
- I. For New Development which includes a mix of exempt and non-exempt forms of development, the applicable exemption(s) shall apply only to that portion of the New Development to which the exemption applies.

17.15.060 SDC Credits, SDC Credit Transfers and SDC Reimbursements.

(Amended by Ordinance Nos. 172677, 173121, 173437, 174936, 181322 and 182652, April 8, 2009.)

A. SDC Credits:

1. The City shall grant a credit against the Transportation SDC, which is otherwise assessed for a New Development, for any Qualified Public Improvement(s) constructed or dedicated as part of that New Development. The Applicant bears the burden of evidence and persuasion in establishing entitlement to an SDC Credit and to a particular value of SDC Credit.

a. To obtain an SDC Credit, the Applicant must specifically request a credit within 180 days after building permit issuance for the New Development. In the request, the Applicant must identify the improvement(s) for which credit is sought and explain how the improvement(s) meet the requirements for a Qualified Public Improvement. The Applicant shall also document, with credible evidence, the value of the improvement(s) for which credit is sought. If, in the Administrator's opinion, the improvement(s) are Qualified Public Improvement, and the Administrator concurs with the proposed value of the improvement(s), an SDC Credit shall be granted. The value of SDC Credits under Section 17.15.060 A.1. shall be determined by the Administrator based on the cost of the Qualified Public Improvement, or the value of land dedicated, as follows:

- (1) For dedicated lands, value shall be based upon a written appraisal of fair market value by a qualified, professional appraiser based upon comparable sales of similar property between unrelated parties in an arms-length transaction;
- (2) For improvements yet to be constructed, value shall be based upon the anticipated cost of construction. Any such cost estimates shall be certified by a professional architect or engineer or based on a fixed price bid from a contractor ready and able to construct the improvement(s) for which SDC Credit is sought;
- (3) For improvements already constructed, value shall be based on the actual cost of construction as verified by receipts submitted by the Applicant;
- (4) For all improvements for which credit is sought, only the fraction of over-capacity in the improvement as described in the definition of Qualified Public Improvement is eligible for SDC Credit. There is a rebuttable presumption that improvements built to the City's minimum standards are required to serve the Applicant's New Development

and to mitigate for transportation system impacts attributable to the Applicant's New Development;

- (5) For all improvements for which credit is sought within the North Macadam Transportation System Development Charge Overlay, the Administrator shall apportion the credit based upon the percent of the total SDC charge attributable to the City Rate Study and the Overlay Rate Study.
 - (6) For all improvements for which credit is sought within the Innovation Quadrant Transportation System Development Charge Overlay, the Administrator shall apportion the credit based upon the percent of the total SDC charge attributable to the City Rate Study and the Innovation Quadrant Overlay Project Report.
- b. The Administrator will respond to the Applicant's request in writing within 21 days of when the request is submitted. The Administrator shall provide a written explanation of the decision on the SDC Credit request.
 - c. If an Applicant disputes the Administrator's decision with regard to an SDC Credit request, including the amount of the credit, the Applicant may seek an alternative SDC Credit calculation under Section 17.15.070. Any request for an Alternative SDC Credit calculation must be filed with the Administrator in writing within 10 calendar days of the written decision on the initial credit request.
2. Granting SDC Credits to New Development Prior to Commencing Construction of New Development. When a Qualified Public Improvement is built by a Developer prior to an Applicant applying for Building Permits for the New Development, the City shall grant a credit for any Qualified Public Improvement(s) to be constructed or dedicated as a Condition of Development Approval of that New Development. Credits issued pursuant to Section 17.15.060 A.3. are in lieu of any other SDC Credits that could otherwise be claimed in connection with the Qualified Public Improvement, and are issued pursuant to the following requirements and conditions:
- a. The Developer must specifically request a credit prior to the first Application for a Building Permit, but after the issuance of the Public Works Permit for the Qualified Public Improvement;
 - b. For improvements yet to be constructed, the Developer shall provide the City with an enforceable mechanism to guarantee completion of the Qualified Public Improvement, either in the form of a performance bond or other financial guarantee acceptable to the Administrator;

c. The Developer shall submit written confirmation to the Administrator on the form provided acknowledging:

(1) That SDC credits issued pursuant to this Section are in lieu of any other credits that could be claimed by the Developer or other Applicants on account of the Qualified Public Improvement and

(2) That it is the Developer's obligation to advise subsequent Applicants of the New Development that SDC credits associated with the Qualified Public Improvement have already been issued and that no further credits are available.

3. Where the amount of an SDC Credit approved by the Administrator under this section exceeds the amount of the Transportation SDC assessed by the City upon a New Development, the excess may be transferred. SDC Credit Transfers shall be issued by the City for a particular dollar value to the Applicant. The Applicant may convey by any means and for any value an SDC Credit Transfer to any other party. The Applicant or any other party to whom the credits are transferred may use the SDC Credit Transfers to satisfy Transportation SDC requirements for any other New Development within the City, with the following exceptions: ~~SDC Credit Transfers approved in connection with New Development outside the North Macadam Urban Renewal District, if applied to SDCs payable on New Development inside the North Macadam Urban Renewal District, may only be applied to the portion of that New Development's SDC charges payable under the City Rate Study. Such SDC Credit Transfers may not be applied to SDCs payable under the Overlay Rate Study.~~

a. SDC Credit Transfers approved in connection with New Development outside the North Macadam Urban Renewal District, if applied to SDCs payable on New Development inside the North Macadam Urban Renewal District, may only be applied to the portion of that New Development's SDC charges payable under the City Rate Study. Such SDC Credit Transfers may not be applied to SDCs payable under the North Macadam Overlay Rate Study.

b. SDC Credit Transfers approved in connection with New Development outside the Innovation Quadrant, if applied to SDCs payable on New Development inside the Innovation Quadrant, may only be applied to the portion of that New Development's SDC charges payable under the City Rate Study. Such SDC Credit Transfers may not be applied to SDCs payable under the Innovation Quadrant Overlay Project Report.

4. The City shall accept at face value any SDC Credit Transfer presented as full or partial payment for the Transportation SDC due on New Development, except that SDC credits approved in connection with New Development outside the North Macadam Renewal District and applied to New Development inside the North Macadam Urban Renewal District may only be applied to the portion of that New Development's SDC charges payable under the City Rate Study, and SDC credits approved in connection with New Development outside the Innovation Quadrant and applied to New Development inside the Innovation Quadrant may only be applied to the portion of that New Development's SDC charges payable under the City Rate Study. Neither the City nor any of its employees or officers shall be liable to any party for accepting a SDC Credit Transfer, approved and issued by the City under this Section, as payment for a Transportation SDC.
5. SDC Credit Transfers are void and of no value if not redeemed with the City for payment of a Transportation SDC within 10 years of the date of issuance.
6. It shall be a violation of this title for any person to counterfeit or forge an SDC Credit Transfer or knowingly attempt to negotiate or redeem any counterfeit or forged SDC Credit Transfer.
7. Notwithstanding Subsections 3. and 4. above, transportation SDC credits approved in connection with New Development subject to the North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report may be applied against transportation SDCs that accrue in subsequent phases of the original New Development.

B. SDC Reimbursement.

1. If an Applicant proposes New Development on property on which there is already a use which generates at least 15% more vehicle trips than the proposed use, then the Applicant shall be entitled to an SDC Reimbursement. The SDC Reimbursement shall be in the form of a credit equal to the difference between the SDC Rate of the previous use and that for the proposed use. The Applicant bears the burden of evidence and persuasion in establishing entitlement to an SDC Reimbursement and to a particular amount of such a reimbursement.
2. To obtain an SDC Reimbursement, the Applicant must request the Reimbursement within 180 days after building permit issuance for the New Development and document the basis for the request with traffic reports prepared and certified to by a Professional Traffic Engineer.
3. If, in the Administrator's opinion, the Applicant has sufficiently demonstrated that the new use will generate fewer trips than did the previous use, the Administrator shall refund to the Applicant the difference between the Transportation SDC that was paid on the previous use and the Transportation SDC amount that would be assessed for the proposed use. The Administrator shall notify the Applicant in writing of its decision on the SDC Reimbursement request and shall provide a

written explanation of the decision. For all improvements for which Reimbursement is sought within the North Macadam Transportation System Development Charge Overlay, the Administrator shall apportion the Reimbursement based upon the percent of the total SDC charge attributable to the SDC calculated from the City Rate Study and from the North Macadam Overlay Rate Study. For all improvements for which Reimbursement is sought within the Innovation Quadrant Overlay, the Administrator shall apportion the Reimbursement based upon the percent of the total SDC charge attributable to the SDC calculated from the City Rate Study and from the Innovation Quadrant Overlay Project Report.

4. If an Applicant disputes the Administrator's decision with regard to an SDC Reimbursement decision, including the amount of the Reimbursement, the Applicant may seek an Alternative SDC Reimbursement calculation under Section 17.15.070 in the same manner as for an Alternative SDC Rate request. Any request for an Alternative SDC Reimbursement calculation must be filed with the administrator in writing within 10 calendar days of the written decision on the initial reimbursement request.

17.15.070 Alternative Calculation for SDC Rate, Credit or Exemption.

(Amended by Ordinance Nos. 181322 and 182652, effective April 8, 2009.)

- A. Pursuant to this section, an applicant may request an alternative SDC calculation, alternative SDC credit determination or alternative SDC exemption, but only under the following circumstances:
 1. The Applicant believes the number of vehicle trips resulting from the New Development is, or will be, less than the number of trips established in The City Rate Study and if applicable, the North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report, and for that reason the Applicant's SDC should be lower than that calculated by the City.
 2. The Applicant believes the City improperly excluded from consideration a Qualified Public Improvement that would qualify for credit under Section 17.15.060, or the City accepted for credit a Qualified Public Improvement, but undervalued that improvement and therefore undervalued the credit.
 3. The Applicant believes the City improperly rejected a request for an exemption under Section 17.15.050 for which the Applicant believes it is eligible.
- B. Alternative SDC Rate Request:
 1. If an Applicant believes the number of trips resulting from the New Development is less than the number of trips established in The City Rate

Study, and if applicable, the North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report, the Applicant must request an alternative SDC rate calculation, under this section, within 180 days after building permit issuance for the New Development. The City shall not entertain such a request filed after 180 days after building permit issuance for the New Development. Upon the timely request for an alternative SDC rate calculation, the Administrator shall review the Applicant's calculations and supporting evidence and make a determination within 21 days of submittal as to whether the Applicant's request satisfies the requirements of this Section.

2. In support of the Alternative SDC rate request, the Applicant must provide complete and detailed documentation, including verifiable trip generation data, analyzed and certified to by a Professional Traffic Engineer. The Applicant's supporting documentation must rely upon generally accepted sampling methods, sources of information, cost analysis, traffic and growth projections and techniques of analysis as a means of supporting the proposed alternative SDC rate. The proposed Alternative SDC Rate calculation shall include an explanation by a registered engineer explaining with particularity why the rate established in The City Rate Study, and if applicable, the North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report, does not accurately reflect the New Development's impact on the City's capital improvements
3. The Administrator shall apply the Alternative SDC Rate if, in the Administrator's opinion, the following are found:
 - a. The evidence and assumptions underlying the Alternative SDC Rate are reasonable, correct and credible and were gathered and analyzed by a suitable, competent professional in compliance with generally accepted engineering principles and methodologies and consistent with this Section, and
 - b. The calculation of the proposed Alternative SDC rate was by a generally accepted methodology, and
 - c. The proposed alternative SDC rate better or more realistically reflects the actual traffic impact of the New Development than the rate set forth in The City Rate Study, and if applicable, the North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report.
4. If, in the Administrator's opinion, all of the above criteria are not met, the Administrator shall provide to the Applicant by certified mail, return receipt requested, a written decision explaining the basis for rejecting the proposed alternative SDC rate.

C. Alternative SDC Credit Request:

1. If an Applicant has requested an SDC Credit pursuant to Section 17.15.060, and that request has either been denied by the City or approved but at a lower value than desired, the Applicant may request an Alternative

SDC Credit calculation, under this section. Any request for an Alternative SDC Credit calculation must be filed with the Administrator in writing within 10 calendar days of the written decision on the initial credit request. The City shall not entertain such a request filed after 10 calendar days of the written decision on the initial credit request. Upon the timely request for an Alternative SDC Credit calculation, the Administrator shall review the Applicant's calculations and supporting evidence and make a determination within 21 days of submittal as to whether the Applicant's request satisfies the requirements of this Section.

2. In support of the Alternative SDC credit request, the Applicant must provide complete and detailed documentation, including appraisals, cost analysis or other estimates of value, analyzed and certified to by an appropriate professional, for the improvements for which the Applicant is seeking credit. The Applicant's supporting documentation must rely upon generally accepted sources of information, cost analysis and techniques of analysis as a means of supporting the proposed Alternative SDC credit.
3. The Administrator shall grant the Alternative SDC Credit if, in the Administrator's opinion, the following are found:
 - a. The improvement(s) for which the SDC Credit is sought are Qualified Public Improvement(s), and
 - b. The evidence and assumptions underlying the Applicant's Alternative SDC Credit request are reasonable, correct and credible and were gathered and analyzed by an appropriate, competent professional in compliance with generally accepted principles and methodologies, and
 - c. The proposed alternative SDC Credit is based on realistic, credible valuation or benefit analysis.
4. If, in the Administrator's opinion, any one or more of the above criteria is not met, the Administrator shall deny the request and provide to the Applicant by certified mail, return receipt requested, a written decision explaining the basis for rejecting the Alternative SDC Credit proposal.

D. Alternative SDC Exemption Request:

1. If an Applicant has requested a full or partial exemption under Section 17.15.050, and that request has been denied, the Applicant may request an Alternative SDC Exemption under this section. Any request for an Alternative SDC Exemption calculation must be filed with the Administrator in writing within 10 calendar days of the written decision on the initial credit request. The City shall not entertain such a request filed after 10 calendar days of the written decision on the initial credit

request. Upon the timely request for an Alternative SDC Exemption, the Administrator shall review the Applicant's request and supporting evidence and make a determination within 21 days of submittal as to whether the Applicant's request satisfies the requirements of section 17.15.050 for exemptions.

2. In support of the Alternative SDC Exemption request, the Applicant must provide complete and detailed documentation demonstrating that the Applicant is entitled to one of the exemptions described in section 17.15.050.
3. The Administrator shall grant the exemption if, in the Administrator's opinion, the Applicant has demonstrated with credible, relevant evidence that it meets the pertinent criteria in section 17.15.050.
4. Within 21 days of the Applicant's submission of the request, the Administrator shall provide a written decision explaining the basis for rejecting or accepting the request.

17.15.080 Payment.

(Amended by Ordinance Nos. 173437, 181322, 182389 and 183447, effective July 1, 2010.)

- A. The Transportation SDC required by this Chapter to be paid is due upon issuance of the Building Permit. However, in lieu of payment of the Full SDC, the applicant may elect to pay the SDC in installments as provided in ORS chapter 223 and Chapter 17.14 of this Code. If the Applicant elects to pay the SDC in installments, a lien will be placed against the property that is subject to the SDC, and that lien will be given first priority as provided by statute. The Applicant's election to pay the SDC by installments shall be memorialized in an SDC Deferral or Installment Agreement entered into by the Applicant and the City on a form provided by the City, and which may provide for the deferral of payments as set forth in Chapter 17.14 of this Code. In any event, the Applicant shall either pay the SDC in full or enter into an SDC Deferral or Installment Agreement as provided in this section, before the City will issue any building permits.
- B. Upon written request of the Bureau of Transportation, the City Auditor is authorized to cancel assessments of SDCs, without further Council action, where the New Development approved by the Building Permit is not constructed and the Building Permit is cancelled.
- C. For property that has been subject to a cancellation of assessment of SDCs, a new installment payment contract shall be subject to the code provisions applicable to SDCs and installment payment contracts on file on the date the new contract is received by the City.
- D. The City of Portland shall not be responsible for nor have any responsibility to honor or enforce agreements made by private parties regarding the payment or collection of SDC assessments.

17.15.090 Refunds.

(Amended by Ordinance No. 181322, effective January 1, 2008.) Refunds may be given by the Administrator upon finding that there was a clerical error in the calculation of the SDC. Refunds shall not be allowed for failure to timely claim credit or for failure to timely seek an Alternative SDC Rate calculation. The City shall refund to the Applicant any SDC revenues not expended within ten (10) years of receipt.

17.15.100. Dedicated Account and Appropriate Use of Account.

(Amended by Ordinance Nos. 181322 and 182652, effective April 8, 2009.)

A. There is created a dedicated account entitled the "SDC Account." All monies derived from the SDC shall be placed in the SDC Account. Funds in the SDC Account shall be used solely to provide the SDC-CIP listed capacity increasing improvements according to the SDC-CIP as it currently exists or as hereinafter amended, and eligible administrative costs. All monies derived from the Overlay Rate Study shall be placed in a sub-account. The monies in the Overlay sub-account shall only be spent on projects serving the North Macadam urban renewal area. All monies derived from the Innovation Quadrant Overlay Project Report shall be placed in a sub-account. The monies in the Overlay sub-account shall only be spent on projects serving the Innovation Quadrant. In this regard, SDC revenues may be used for purposes which include:

1. project development, design and construction plan preparation;
2. permitting;
3. right-of-way acquisition, including any costs of acquisition or condemnation;
4. construction of new through lanes for vehicular, transit, or bicycle use;
5. construction of turn lanes;
6. construction of bridges;
7. construction of drainage and stormwater treatment facilities in conjunction with new roadway construction;
8. purchase and installation of traffic signs and signals;
9. construction of curbs, medians and shoulders;
10. relocating utilities to accommodate new roadway construction;
11. construction management and inspection;
12. surveying and soils and material testing;

13. construction of Accessways, bicycle facilities, Pedestrian Connections and Walkways;
14. landscaping;
15. bus pullouts, and transit shelters, fixed rail transit systems and appurtenances;
16. demolition that is part of the construction of any of the improvements on this list;
17. payment of principal and interest, necessary reserves and costs of issuance under any bonds or other indebtedness issued by the City to provide money to construct or acquire transportation facilities;
18. direct costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charges methodologies and providing an annual accounting of system development charges expenditures.

B. Money on deposit in the SDC Accounts shall not be used for:

1. any expenditure that would be classified as a maintenance or repair expense; or
2. costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements; or
3. costs associated with acquisition or maintenance of rolling stock.

17.15.110 Challenges and Appeals.

(Amended by Ordinance Nos. 173121 and 181322, effective January 1, 2008.)

- A. Any person with interest may challenge the expenditure of SDC revenues by filing a challenge to the expenditure with the Administrator within two years after the date of the disputed SDC revenue expenditure. The fee for filing such a challenge shall be \$250.
- B. Except where a different time for an Administrator's determination is provided in this Chapter, all determinations of the Administrator shall be in writing and shall be delivered to the Applicant within 21 days of an Application or other Applicant request for an Administrator determination. Delivery of such determination shall be deemed complete upon the earlier of actual delivery to the Applicant or upon deposit by the Administrator in the mail, first class postage prepaid, addressed to the address for notice Applicant has designated in the Application. Such determination shall be accompanied by a notice of the Applicant's right to appeal and an outline of the procedures therefore.
- C. Any Applicant aggrieved by an Administrator's determination may appeal that determination to the Code Hearings Officer as provided in Chapter 22.10 of this Code. Notwithstanding any other provisions of this Code, there shall be a non-refundable fee of \$250 for any appeal pursuant to this subsection. Such fee must

accompany any such appeal and no such appeal shall be considered filed or received until such fee is paid in full.

- D. The City shall withhold all permits and other approvals applicable to the Applicant's property of the New Development pending resolution of all appeals under this Chapter unless the SDC is paid in full or the Applicant provides, for the pendency of the appeal, a financial guarantee or security for the charge in a form acceptable to the City Attorney

17.15.120 City Review of SDC.

(Amended by Ordinance Nos. 181322 and 182652, effective April 8, 2009.)

- A. No later than every two (2) years as measured from initial enactment, the City shall undertake a review to determine the total SDC's assessed and collected by transportation district and the total SDC's expended and programmed by transportation district and project; to determine that sufficient money will be available to help fund the SDC-CIP identified capacity increasing facilities; to determine whether the adopted SDC rate keeps pace with inflation, whether the SDC-CIP should be modified, and to ensure that such facilities will not be overfunded by the SDC receipts.
- B. In the event that during the review referred to above, it is determined an adjustment to the SDC is necessary for sufficient funding of the SDC-CIP improvements listed in City Rate Study ~~or~~ North Macadam Overlay Rate Study or the Innovation Quadrant Overlay Project Report or to ensure that such SDC-CIP improvements are not overfunded by the SDC, the City Council may propose and adopt appropriately adjusted SDCs.
- C. The City Council may from time to time amend or adopt a new City Rate Study by resolution.
- D. Beginning January 1, 2009 through December 31, 2012, the City shall undertake an annual review to determine the amount of Transit Oriented Development (TOD) exemptions provided by district.

17.15.130 Time Limit on Expenditure of SDCs.

The City shall expend SDC revenues within ten (10) years of receipt, based on the priorities in the SDC-CIP list.

17.15.140 Implementing Regulations; Amendments.

(Amended by Ordinance Nos. 171698 and 181322, effective January 1, 2008.) The City Council delegates authority to the Director of Transportation to adopt administrative rules and procedures necessary to implement provisions of this Chapter including the appointment of an SDC program Administrator. All rules pursuant to this delegated authority shall be files with the office of City Auditor and be available for public inspection.

17.15.150 Amendment of SDC-CIP List.

(Amended by Ordinance No. 182652, effective April 8, 2009.) The City may, by resolution, amend its SDC-CIP as set forth in the City Rate Study and Overlay Rate Study, from time to time to add projects the City deems appropriate.

17.15.160 Severability.

(Amended by Ordinance No. 181322, effective January 1, 2008.) The provisions of this Chapter are severable, and it is the intention to confer the whole or any part of the powers herein provided for. If any word, definition, clause, section or provision of this Chapter shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of this Chapter shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein. In the event a definition is held to be invalid or is severed, the defined word or term shall be deemed to have the meaning given to that word or term under Oregon law if Oregon law contains such a definition. If there is no established definition of the word or term under Oregon law, the word or term shall have its ordinary dictionary meaning. It is hereby declared to be the Council's express legislative intent that this Chapter would have been adopted had such an unconstitutional or otherwise invalid provision not been included herein.