

Portland, Oregon

**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Shoshanah Oppenheim		2. Telephone No. 503-823-7677	3. Bureau/Office/Dept. PBOT/PMD
4a. To be filed (hearing date): July 13, 2011	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: July 1, 2011
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title: Adopt the Innovation Quadrant District Transportation System Development Charge Overlay Project Report, establish a fee schedule and amend Code effective November 1, 2011 (Ordinance; amend Code Chapter 17.15)

2) Purpose of the Proposed Legislation: To Accept the Rate Study and Staff Recommendations to create a TSDC overlay and adopt changes to the TSDC program. We have developed an overlay to generate \$5 million for the PMLR project as directed by council. This funding strategy would allow PBOT to support the project list below with the corresponding funding.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|---|---|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input checked="" type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

<p>Revenue and/or Expense: Is ALL the Revenue and/or Expense a part of the current year's budget? or 5-yr CIP? _____ SAP COST OBJECT No(s): <u>9TR00001457</u> All Revenue and Expense financial questions must be completed regardless of the current year's budget. Documents may be returned where the FIS portion has not been sufficiently completed.</p>

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source. Yes. The TSDC overlay will generate approximately \$14.5 Million over the next 20 years. This is based on the current zoning and the Metro model. A more detailed explanation of the rates and the impacts can be found in the report and at <http://www.portlandonline.com/transportation/index.cfm?c=53625>. Sample rate impacts to development with in the overlay zone are outlined below:

Single Family Residential developments in will pay an additional \$2,181 per dwelling.

Multi Family Residential developments will pay an additional \$ 1,521 per dwelling.

Restaurants will pay an additional \$15.36 per square foot.

Office developments will pay an additional \$2.33 per square foot.

Any future revenues will be accounted for in the budgeting process.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please

identify the level of confidence.) There will be minimal administration costs to the city. All costs are subsumed as the basic administration costs for the TSDC program.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)
No. Proposed TSDC program would be administered by same personnel who administer current SDC program.
- Will positions be created or eliminated in future years as a result of this legislation? No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES: Please proceed to Question #9.
- NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

This legislation generates \$14,565,916 to fund the PMLR project and other transportation projects. These funds will be raised from development fees called Transportation System Development Charges.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

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, OMSI
Dick Cooley, Portland Streetcar, Inc.
William Danneman, South Portland Neighborhood Association
Brian Dunn, Central Eastside Industrial Council
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, Brooklyn Action Corps, the Bicycle Advisory Committee, Pedestrian Advisory Committee, 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.

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 January 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. 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. Staff surveyed the attendees at the open houses and on line. Staff reported the level of support for various projects back to the PAC. The project staff recommended reducing the project list as a result of lack a support for the Montgomery Green Street at the open house and the PAC level.

Additionally, to comply with the state notice requirements PBOT sent notices to interested parties about the July 13, 2011 council session. The methodology is available on line on the project website. <http://www.portlandonline.com/transportation/index.cfm?c=53625><http://www.portlandonline.com/transportation/index.cfm?c=53625>

Since the April 6, 2011 hearing, staff met with a representative from the CEIC and attended the following meetings:

Hosford Abernathy Neighborhood Assoc.
 Brooklyn Action Corps
 Hawthorne Business Association
 Division Clinton Business Association
 PMLR Clinton Area Open House
 OMSI Neighborhood Meeting
 PMLR Bike Ped Community Meeting
 CEIC Land USE Committee
 The Central Eastside URA Committee

I offered to attend a meeting with the PBA, but Bernie Bottomly suggested that was not necessary.

While some members of the CEIC continue to have questions about the best way to implement the program and the impact to small business, there has been very little objection to the program outside of a few members.

c) How did public involvement shape the outcome of this Council item?

The PAC was integral to the developing good policy related to the TSDC Overlay. Several issues were refined by the PAC. The boundaries, rates and project list were all considered and informed by the PAC.

d) Who designed and implemented the public involvement related to this Council item?

The project team including the Consultants and project staff.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Shoshanah Oppenheim 503-823-7677, shoshanah.Oppenheim@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Ongoing public involvement will be necessary to continue to inform the community about the benefits of the fee and the need for the transportation projects. We will continue to be available to the stakeholders to explain the revenues received and the status of construction. When leveraging these funds we will highlight the contribution of the developers in the area through the TSDC.

KK 06-09-11

Tom Miller for T.M.

APPROPRIATION UNIT HEAD TOM MILLER, Director, Bureau of Transportation