

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

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

1. Name of Initiator Steve Novick	2. Telephone No. 503-823- 4682	3. Bureau/Office/Dept. Commissioner of Public Utilities
4a. To be filed (date): May 28, 2014	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular x Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> </div>	5. Date Submitted to Commissioner's office and CBO Budget Analyst: May 22, 2014
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: Amends City Code to create a Transportation User Fee paid by both businesses/non-residential and households/residential to fund Portland's transportation needs, primarily transportation maintenance and safety needs (Ordinance; add Code Chapter 17.21)

2) Purpose of the Proposed Legislation:

To provide funding to address Portland's street maintenance and transportation safety needs including high crash corridors, busy streets, intersections and around schools, reducing traffic congestion, expanding the bicycle network and improving freight mobility by establishing a Transportation User Fee.

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

FINANCIAL IMPACT

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

This legislation will generate and estimated up to \$40 million net revenue annually. The revenue will be obtained through the creation of a Transportation User Fee.

5) Expense: What are the costs to the City related to 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 year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. 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.)*

For billing related expenses, it is estimated to cost approximately \$1 million per year starting in FY 15-16. This is the cost to administer the billing and collections mechanisms. In addition, there will be one-time implementation expenses of \$0.8 million in the FY 15-16. For project costs and related support activities, it is estimated to cost \$1.2 million in FY 15-16 and \$1.4 million annually for the next 10 years. The level of confidence is moderate. The costs of administration will not exceed 5% in any fiscal year.

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.)*

Yes, it is estimated that approximately up to twenty-three full-time positions will be created in FY 15-16 to provide direct implementation of safety and maintenance work, and there will be up to two FTE to administer the program, including processing appeals, verifying data, organizing the Oversight Committee, coordinating with the Revenue Bureau.

- **Will positions be created or eliminated in future years as a result of this legislation?**

Yes, if not all twenty-three full-time positions are created in FY 15-16, it is estimated that the additional positions will be hired in FY 16-17. In addition to the above twenty-three (23) full-time positions, there will be estimated two additional full-time positions created and sustained into the future given this new revenue.

(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.)*

For FY 15-16, changes in appropriation will be part of the FY 15-16 budget development process.

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

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?

Residential and non-residential customer groups will pay a fee for the maintenance and improved safety of the transportation system. Projects will be completed across each geographic region of the City. Projects include pavement maintenance; improved operations of street lights, traffic signals, street name signs; bridge maintenance; improved safety on busy roads and improved safety on local roads. All users of the City’s transportation system will realize improvements from this new revenue source.

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?

Eight public Town Hall meetings were conducted across the City, including one geared towards small businesses, to solicit input on the transportation needs and funding mechanisms. Two Citywide scientific telephone polls were conducted in English. Those polls were translated into five languages and put online: Chinese, Somali, Vietnamese, Spanish, and Russian.

PBOT contracted with the Office of Equity and Human Rights to work with their Community Engagement Liaisons (CELs) who are elders and leaders in the non-English Language communities in Portland. A few meetings and outreach events were conducted with the CELs as a way to reach the under-represented groups within the City.

Social media was used to communicate about the meetings and the proposal development.

A 26-member Transportation Needs and Funding Advisory Committee was created to provide guidance to Mayor Hales and Commissioner Novick on the proposal development. Members of this committee represented the business community, modal advocates and experts, neighborhood advocates, and non-governmental institutions.

Several articles were placed in community newspapers and letters discussing the proposal and advertising the website that contained information on the details of the proposal.

A Technical Advisory Committee was convened and comprised of internal city stakeholders and regional partner agencies to ensure cross-bureau and cross-agency coordination.

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

Much of the feedback received through the public forums, phone surveys, online feedback and emailed comments were used to shape the elements of the proposal.

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

A team of PBOT employees, led by the lead Public Information Officer, created materials and outreach for this effort.

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

Mark Lear, Special Projects Manager, 503-823-7604; mark.lear@portlandoregon.gov

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

Given the outcome of this proposal, there will be communication to the community about this new fee. In addition, a sample bill will be sent to each property a few months before the first bill is sent.




BUREAU DIRECTOR LEAH TREAT, Bureau of Transportation

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

17.21.010 Definitions.

As used in this Chapter, the following terms mean:

- A. “City Transportation System.” The public roads and rights-of-way, including related facilities, within the City under the jurisdiction or control of the City.
- B. “Customer Group.” Residential or Non-Residential users that have been grouped together for purposes of calculating billing rates.
- C. “Customer.” The person or entity responsible for paying the water and sewer bill for a Developed Use.
- D. “Day.” A calendar day, unless indicated otherwise.
- E. “Developed Square Footage.” The calculation of the area, based on the information in the Multnomah County Assessor and Taxation Database, of all Developed Uses located on a site, measured along the exterior walls of such improvements.
- F. “Developed Use.” The improvements and associated use of those improvements on real property. Improvements include, but are not limited to, buildings and outside storage.
- G. “Gas Station.” Property use where the primary business is the retail sale of motor vehicle fuels.
- H. “Household.” Residential Use
- I. “ITE Manual.” *Trip Generation*, published by the Institute of Transportation Engineers (ITE) 9th Edition, or subsequently published edition adopted by the TUF Administrator.
- J. “Low Income Customer.” Residential Customer who qualifies for City water or sewer low income rate adjustment.
- K. “Low Income Single-Family Residential Use.” Residential Utility Customers in single-family dwellings that receive a low income rate adjustment on their City Utility Bill.
- L. “Low Income Multi-Family Residential Use.” Residential Utility Customers in multi-family dwellings that receive a low income rate adjustment on their City Utility Bill, or who qualify for affordable housing status for households earning at or below 60 percent of median family income as designated by the Portland Housing Bureau.
- M. “Mixed Use.” A single parcel or property with more than one distinct use, which if located on separate parcels without shared amenities, such as walkways, driveways or parking areas, would be assigned to separate Developed Uses. Mixed Use may consist of retail shopping centers with more than one tenant in either shared or separate leasable spaces and shared or common areas such as walkways and on-site traffic areas. Mixed Use may also include a combination of residential and non-residential uses.

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

- N. “Multi-Family Residential Use.” Residential use consisting of two or more separate living units or spaces on a single property that share, a single water meter and sewer utility service.
- O. “Non-Residential Use.” A use of property which is primarily not for personal, domestic accommodation, including but not limited to industrial and commercial uses.
- P. “Occupant.” The person(s) or entity occupying the Developed Use for Residential or Non-Residential Use.
- Q. “Revenue Bureau.” The City Bureau responsible for administering and collecting the TUF.
- R. “Partially Vacant.” A property is considered partially vacant if it receives only one Utility Bill and at least 20 percent of its leasable space is continuously unoccupied for at least 60 days.
- S. “Plan.” The expenditure plan for the TUF funds that allocates TUF resources based on system needs and uses.
- T. “Predominant Developed Use.” Where multiple Developed Uses occur on a property with a common water and sewer bill, the type of use occupying the most developed space on that property.
- U. “Residential Use.” Use of property primarily for personal, domestic accommodation, including single family residential, multi-family residential and group homes, but not including hotels and motels.
- V. “Single Family Residential Use.” Residential use consisting of a single family dwelling.
- W. “Single-Owner Business.” A business owned entirely by an individual or owned jointly by spouses/domestic partners who live in the City of Portland.
- X. “Single Use.” A parcel or property with only one distinct use.
- Y. “Transportation Maintenance.” Activities and programs that preserve, maintain, and prevent deterioration of the existing transportation system. Examples of maintenance include improvements to pavement, bridges, street signals, street lights, signs and crosswalks, curbs and sidewalks.
- Z. “Transportation Safety.” Methods and measures for reducing the risk of a person using the road network being killed or seriously injured and addressing perceptions of risks. Examples include, adding sidewalks, crosswalks, signals, rapid flash beacons, and bicycle lanes, removing vegetation to improve visibility, enforcement mechanisms such as red light cameras, and pedestrian, bicyclist and driver education.

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

- AA.** “Trip Generation.” The average number of vehicle trip ends per Day, as determined by reference to the ITE Manual.
- BB.** “TUF.” Transportation User Fee.
- CC.** “TUF Administrator.” The person or persons designated by the Director of the Portland Bureau of Transportation to administer this Chapter.
- DD.** “Utility Bill.” The bill received by a Utility Customer for water, sewer or stormwater services provided by the City.
- EE.** “Utility Customer.” The person (or entity) who is in the City’s Utility Billing system and receives water, sewer or stormwater services from the City.

17.21.020 Transportation User Fee.

- A.** A Transportation User Fee (“TUF”) is hereby imposed upon all Utility Customers of Developed Uses within the City for the purpose of maintaining, operating, managing and improving the City Transportation System. The fee is based on both the direct and indirect use of the City Transportation System by the Occupants of property as measured by Trip Generation.
- B.** The Utility Customer is responsible for paying the TUF.

17.21.030 Duties of the TUF Administrator.

- A.** The TUF Administrator is responsible for administering this Chapter, including but not limited to: developing administrative procedures, adopting policies, administering fees and determining Customer Groups, overseeing the appeals process, authorizing expenditures, convening the Oversight Committee, and preparing reports on performance and outcomes.
- B.** The TUF Administrator is responsible for developing and maintaining the Plan for the operations, maintenance, management and improvement of the City Transportation System and, subject to City Council approval, allocating and expending budget resources for the Plan in accordance with this Chapter.

17.21.040 Implementing Regulations.

City Council delegates authority to the Director of the Bureau of Transportation to adopt administrative rules, policies and procedures necessary to implement provisions of this Chapter. All rules relating to this delegated authority shall be filed with the City Auditor and be available for public inspection.

17.21.050 TUF Allocated to Transportation Operating Fund.

All funds collected pursuant to this Chapter are allocated to the “Transportation User Fee Subfund” (the “Subfund”) within the City's Transportation Operating Fund. The Subfund must be expended as provided in the Plan to operate and administer the City's Transportation System.

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

The fees paid must be reasonably related to the cost of providing street operations, management, maintenance, safety and improvements and must follow the City's Comprehensive Financial Management Policy FIN-2.06. No particular piece of real property is entitled to any specific portion of the fees collected. Such fees cannot be used for purposes other than those described above.

17.21.060 TUF Allocation of Funds.

No less than 80 percent of the funds collected through the Transportation User Fee shall be dedicated to maintenance and safety improvements. Up to, but not exceeding 20 percent of the revenue may be spent on other transportation services, which may include improving unimproved streets, improving accessibility for persons with disabilities (to the extent such actions are not considered part of maintenance or safety), improving public transit service, and associated administrative costs.

17.21.070 Determination of TUF.

- A. The TUF is based on the following factors:
1. The Developed Use;
 2. The Customer Group; and
 3. For Non-Residential Uses, one or more of the following:
 - a. For uses such as parks, golf courses, and others whose principal trip-determining factor is the size of the site: the acreage of the site.
 - b. For Gas Stations: the number of vehicle fueling positions at the site.
 - c. For all other uses: the Developed Square Footage.
 - d. Other reliable variables contained in current or future versions of the ITE Manual.
- B. The Customer Groups are:
1. Single Family Residential Use;
 2. Low Income Single Family Residential Use;
 3. Multi-Family Residential Use;
 4. Low-Income Multi-Family Residential Use; and
 5. Non-Residential Use.

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

- C. The TUF Administrator shall determine from the A & T Database, the City Business License Tax database, and the ITE Manual the Developed Use and Customer Group that shall apply to each property within the City. When the A & T Database, Business License Tax database, and the ITE Manual are insufficient to establish the Developed Use or Customer Group, the TUF Administrator shall determine the appropriate Customer Group by interpreting the ITE Manual and assigning the Developed Use and Customer Group that most accurately reflects the traffic generated by the particular property.
- D. The monthly fees for each Customer Group shall be established by the TUF Administrator.
- E. The TUF Administrator may provide a credit to a Single-Owner Business with fewer than 10 employees who also resides in the City of Portland and pays the TUF for the household. The credit shall be the amount of the Single Family Residential Use monthly fee or the calculated amount of the fee, whichever is lower. The monthly credit may be allowed on the direct billing of the TUF to the business property once approved. Additional rules for qualifying for the credit and future credit amounts will be established in the Administrative Rules.
- F. The TUF Administrator shall annually adjust the monthly fees and qualifying discount thresholds by a minimum of zero percent to a maximum of five percent using the National Highway Construction Cost Index (NHCCI) to account for the effect of inflation. The TUF Administrator shall publish new rates annually at least thirty days prior to their effective date.

17.21.080 Fee Billing and Collection.

- A. The TUF is billed to and collected from the Customer by the Revenue Bureau.
- B. The Revenue Bureau is responsible for the administration and collection of the TUF, including but not limited to: receive all fees, penalties and interest assessed and maintain an accurate record of revenues deposited to the Transportation User Fee Subfund; accept any and all gifts and donations to the Transportation User Fee Subfund; and if necessary, contract with public or private agencies to fulfill any of its duties.
- C. The City Council delegates authority to the Director of the Revenue Bureau to adopt administrative rules, policies, procedures and notices necessary to implement billing, collection and administration of the TUF. All rules relating to this delegated authority shall be filed with the City Auditor and be available for public inspection.

17.21.090 Administrative Policies.

Administrative policies are intended to provide guidance to Utility Customers regarding the meaning or operation of this Chapter, consistent with policies expressed herein. Policies adopted by the TUF Administrator shall apply uniformly throughout the City with full force and effect. The following policies apply to this Chapter:

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

- A. Parking lots, which are not associated with services other than parking, are not subject to the TUF as they do not generate traffic in and of themselves.
- B. Areas encompassing railroad and public right-of-way are not subject to the TUF.
- C. Railroad property containing structures, such as maintenance areas, non-rolling storage areas and areas used for the transfer of rail transported goods to non-rail transport are subject to TUF.
- D. The TUF applies to all Developed Uses, including local, state, and federal governments as well as Occupants of property that may be entitled to exemption from or deferral of ad valorem property taxation.
- E. The fees imposed under this Chapter are due and payable from and after the date when the occupancy of the property begins. Occupancy is conclusively presumed to have begun on the date the Developed Use receives a Utility Bill.
- F. A change in use does not relieve the Occupant from responsibility for the TUF. The TUF Administrator shall determine and assign the appropriate Customer Group or Developed Use when a change in use occurs.
- G. Nothing in this Chapter should be construed as a waiver of the City's right and responsibility to charge and collect the TUF in accordance with correct information concerning the Developed Use.
- H. If a Non-Residential Use property is no less than 20 percent vacant for an entire billing period as measured by occupancy of the property's Developed Square Footage, the Utility Customer responsible for that property is eligible, upon written petition to the TUF Administrator, for a fee adjustment based on reduced Trip Generation above the 20 percent vacancy.
- I. If a Multi-Family Residential Use property is no less than 20 percent vacant as measured by the number of the property's dwelling units, the Utility Customer responsible for that property is eligible, upon written petition to the TUF Administrator, for a fee adjustment based on reduced Trip Generation above the 20 percent vacancy.

17.21.100 Inspection of Premises.

The TUF Administrator is authorized to request entry upon private property for purposes of conducting any studies or collecting information bearing upon the determination of the appropriate Customer Group or Developed Use in accordance with this Chapter. If entry is denied, the TUF Administrator shall estimate the Developed Use and assign the highest monthly fee rate in the schedule for that Developed Use.

17.21.110 Penalties.

- A. Penalties for providing false information.

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

Any person or Utility Customer that shall fully and knowingly provide false information pursuant to obtaining a rate adjustment under Sections 17.21.050 or 17.21.090 may be subject to civil penalties up to \$2,500 per occurrence. The Director of the Portland Bureau of Transportation shall establish penalties by administrative rule. The TUF Administrator is responsible for determining if false information was provided. The TUF Administrator may waive or reduce such penalties for good cause or consistent with written policies.

B. Late penalties and interest.

The Director of the Revenue Bureau is authorized to establish penalties and interest for late payment of fees by administrative rule. The Revenue Bureau is authorized to assess such penalties and interest to Customers when applicable. The Revenue Bureau may waive or reduce any late penalty for good cause or consistent with written policies. The Revenue Bureau may not waive properly assessed interest, unless specifically provided for by written policy.

17.21.120 Adjustment of TUF Charges.

- A.** When a Utility Customer has been overbilled or under billed, the Revenue Bureau shall adjust the TUF charges on current and prior TUF billings as necessary.
- B.** For overbillings, the charges may only be adjusted for a period not to exceed one year. Utility Customers who receive a back billing or a billing delay may be offered the opportunity to pay the balance due over a period not to exceed 24 months with no interest.
- C.** For underbilling, the charges may be adjusted for a period not to exceed one year.
- D.** Adjustments shall be in the form of credits or additional charges assessed or credited on the next Utility Customer's TUF billing. If the Utility Customer no longer has a City TUF billing account, the Revenue Bureau must make a reasonable effort to contact the Customer to provide a refund or an additional assessment.
- E.** Upon written request, the Revenue Bureau must provide the Customer with a written explanation detailing the circumstances of the error and the calculation of the adjustment.

17.21.130 Administrative Interpretation of TUF Charges; Application for Review.

- A.** The TUF Administrator shall interpret all terms, provisions and requirements of this Chapter and determine the appropriate charges hereunder.
- B.** Any Utility Customer desiring a review of the charges or penalties assessed under this Chapter may submit a written application (the "Application") to the TUF Administrator. The Application must contain sufficient detail to enable the TUF Administrator to review the TUF charges or penalties for errors. The TUF Administrator may require that additional information be submitted by the Utility Customer, including an engineering study prepared by a licensed professional engineer in conformance with the methodology outlined in the ITE.

Exhibit A: Proposed City Code
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- C. The TUF Administrator may delegate to the Revenue Bureau the authority to make corrections or adjustments to Customer accounts of a clerical nature.
- D. For the purpose of determining the appropriate Trip Generation Rate, the TUF Administrator may consider the results of a trip study provided by the Utility Customer. Traffic studies must be conducted in conformance with the methodology outlined in the ITE Manual. The TUF Administrator may assign a Trip Generation Rate on an interim basis, provided that it is not less than the lowest Trip Generation Rate among available residential or nonresidential uses. Trip Studies must be updated at least every three years. The TUF Administrator may waive some or all requirements for a new trip study if the Administrator certifies that:
 - 1. The property use classification has not changed and the property has not been further developed in a way that would affect Trip Generation; or
 - 2. The ITE Manual has not been updated, or if updated does not provide Trip Generation Rates that differ from the previous edition of the Manual.
- E. Within 90 days of the receipt of all required submitted materials, the TUF Administrator shall issue a written Final Determination on the Application for review. The Final Determination shall be based upon applicable criteria, and a copy shall be mailed to the Utility Customer. The TUF Administrator shall maintain a collection of such Determinations.

17.21.140 Appeals.

- A. Any Utility Customer aggrieved by a Final Determination of the TUF Administrator may appeal that Determination to the Transportation Director (the “Director”). The appeal must be in writing and must be filed within 10 days of the TUF Administrator’s Final Determination.
- B. The Director shall send a written decision to the Utility Customer no more than 30 days from the date the Director received the written appeal.
- C. Any Utility Customer aggrieved by a decision of the Director may appeal that decision to the Code Hearings Officer as provided in Chapter 22.10 of this Code. Any such appeal must be in writing, must be filed no more than 10 days after the date of the Director’s written decision, and must contain:
 - 1. A copy of the decision appealed from;
 - 2. A statement of the grounds upon which it is contended that the decision is invalid, unauthorized, or otherwise improper;
 - 3. Such other information as the Code Hearings Officer may by rule require.

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

17.21.150 Severability.

In the event any section, subsection, paragraph, sentence or phrase of this Chapter or any administrative policy is determined by a court of competent jurisdiction to be invalid or unenforceable, the validity of the remainder of the Chapter or policy shall continue to be effective. If a court of competent jurisdiction determines that this Chapter imposes a fee and charge that is therefore unlawful as to certain but not all affected Utility Customers, then as to those certain Utility Customers, an exception or exceptions from the imposition of the TUF shall thereby be created and the remainder of the Chapter and the fees and charges imposed hereunder shall continue to apply to the remaining Utility Customers without interruption. Nothing contained herein should be construed as limiting the City's authority to levy special assessments in connection with public improvements or any other fees and charge imposed pursuant to applicable law. The fees and charges herein are not intended to be taxes.

17.21.160 Effective Date.

This Chapter shall be effective as provided by law. The fees and charges imposed under this Chapter shall begin on July 1, 2015.

17.21.170 Transportation Oversight Committee.

A. Purpose. The Transportation Oversight Committee ("Committee") is hereby created. The Committee's purpose is to monitor and provide guidance to the TUF Administrator, the Transportation Director, and Council regarding the effective and efficient administration of the Transportation User Fee program.

B. Duties. The Committee shall perform the following functions:

- 1.** Annual report to Council. Annually, the Committee shall review and issue a report to Council regarding the performance of the TUF program; the report shall include, but not be limited to the following subjects regarding TUF-funded projects:
 - a.** Distribution of allocated TUF funds;
 - b.** Administrative costs;
 - c.** Implementation status of all active projects;
 - d.** Whether all relevant reporting requirements were met;
 - e.** Whether State, Federal, and SDC funds were leveraged;
 - f.** Whether ORS 279 public contracting requirements were met;
 - g.** Coordination with the Transportation System Plan and the Portland Plan;
 - h.** Equity in the geographical distribution of projects;

Exhibit A: Proposed City Code
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- i. Minimization of the negative impacts of projects to businesses due to construction;
 - j. Progress in facilitating businesses' and neighborhood associations' joint efforts to identify neighborhood traffic safety priorities;
 - k. Utilization of minority-owned, women-owned, and emerging small businesses on project contracts;
 - l. A listing of briefings and reports received from staff, outside experts, and other informed parties; and
 - m. A summary of Committee recommendations to Council and PBOT, and any actions Council or the bureau have taken on the recommendations.
- C. Oversight of the TUF Fund's financial planning and fee collection. The Committee shall review the TUF Administrator's proposed financial plans and revisions and submit the Committee's findings and recommendations to Council as part of the City's annual budget process. The Committee shall also periodically provide recommendations to Council on proposed changes to the TUF rate structure, discounts, and appeals process.
- D. Membership.
 - 1. The Committee shall have 18 members, appointed by Council.
 - 2. All Committee members must either reside or work predominantly within the City of Portland and have a demonstrated interest in transportation, such as: system development and maintenance; service delivery; finance; accessibility; economic development; conservation; or environmental concerns.
 - 3. The Commissioner in Charge shall appoint the Chair of the Committee.
 - 4. Committee members shall serve, without compensation, for a term of four years from the date of Council appointment of the member, or such other date as the Council may establish.
 - 5. To ensure continuity of membership, six of the initially appointed Committee members shall serve a two-year term.
 - 6. No Committee member may serve on the Committee for more than two consecutive terms.
- E. Staffing. The Portland Bureau of Transportation shall provide staffing for the Committee.
- F. Meeting Schedule, Bylaws

Exhibit A: Proposed City Code
Chapter 17.21 Transportation User Fee

1. The Committee shall meet at least quarterly in an open meeting at a venue accessible to the public.
2. Additional meetings may be scheduled as determined by the Committee Chair.
3. Proper notice and documentation of meetings shall be given in accordance with the Oregon Public Meetings law.
4. The Committee shall adopt rules of procedure (bylaws) as necessary for the governance of its proceedings.

Exhibit B: Transportation Projects Implemented in the First Year

The following list of projects will be implemented in the first year of the Transportation User Fee.

Crossings/High Crash Corridors

- Rapid flash beacon crossing improvements for NE Sandy Boulevard to improve pedestrian safety
- Rumble strips on Marine Drive to prevent inattentive drivers from crossing into the other lane or crashing into the river
- Construct two new pedestrian crossings improvements on SW Beaverton-Hillsdale Highway

Safe Routes to School

- Complete the missing sidewalk network around David Douglas High School on SE 135th and SE 130th, from Stark to Division
- Safety improvements for Lent Elementary on SE 97th and Steele; traffic calming around the school boundary
- Pedestrian access to SW Portland's Bridlemile Elementary; traffic calming along SW Hamilton from Scholl's Ferry to Dosch

Exhibit C: Transportation User Fee Rate Schedule

- A.** The Transportation User Fee (TUF) shall be calculated on a monthly basis but may be billed to Customers on a bi-monthly, quarterly, or other basis.
- B.** If the TUF is billed on a time period other than monthly, the bill shall be pro-rated to reflect the length of the billing period.
- C.** The basis of all fees shall be Trip Generation as defined by the most recent edition of the ITE Trip Generation Manual.
- D.** For the purpose of determining the appropriate Developed Use and Customer Group for uses not explicitly listed in the ITE Manual, the TUF Administrator will consider the following factors:
 - 1. the size of the site and the building;
 - 2. the number of employees;
 - 3. other developed sites operated by the same or an affiliated owner for a use generating comparable amounts of traffic;
 - 4. other developed sites operated by a different owner for a use generating comparable amounts of traffic;
 - 5. the number of work shifts;
 - 6. the number of hours of operation; and
 - 7. other relevant factors that indicate vehicle Trip Generation rates.
- E.** The determination of Developed Use and Customer Group are not land use decisions as that term is defined in ORS 197.015.
- F.** The monthly fee for Residential Customer Groups is as follows:
 - 1. Single Family Residential Use, \$11.56 per unit;
 - 2. Single Family Residential Use, low income, \$8.09 per unit;
 - 3. Multi-Family Residential Use, \$6.79 per unit; and
 - 4. Multi-family Residential Use, low income, \$4.75 per unit.
- G.** Non residential:
 - 1. For the first 5,000 trips per month generated by the property, the rate of \$0.03977 per trip;

Exhibit C: Transportation User Fee Rate Schedule

2. For trips in excess of 5,000 per month but not more than 10,000, the rate of \$0.02651 per trip;
3. For trips in excess of 10,000 per month but not more than 25,000, the rate of \$0.01989 per trip;
4. For trips in excess of 25,000 per month but not more than 75,000, the rate of \$0.01326 per trip;
5. For trips in excess of 75,000 per month but not more than 150,000, the rate of \$0.00663 per trip;
6. For trips in excess of 150,000 per month but not more than 250,000, the rate of \$0.00265 per trip;
7. For trips in excess of 250,000 per month, the rate of \$0.00133 per trip;
8. Upon a showing that a property has no Developed Use, a fee will not be charged; and
9. Notwithstanding the foregoing provisions in this paragraph, the minimum fee for a Non-Residential Use property with Developed Use will be equal to the rate for a Single-Family Residential Use.

H. Monthly Fees are calculated as follows.

1. Single-Family Residential Use (detached or row houses, some condos): \$11.56 per month;
2. Multi-Family Residential Use (apartments, most condos): \$6.79 per dwelling unit; and
3. Non-Residential Use properties:
 - a. First calculate trips:
$$\text{Trips} = (\text{Daily Trips per Unit} * \text{Number of Units} * 365/12)$$
 - b. Calculate fee, based on trips and cost per trip. Cost per trip is on a sliding scale, as outlined in Paragraph G.

I. For determination of the appropriate Customer Group for Mixed Uses and apportionment of TUF bills, the following applies:

Exhibit C: Transportation User Fee Rate Schedule

- 1.** Mixed Uses within a single building that receive one Utility Bill will receive only one TUF bill, regardless of the number of tenants or types of Developed Uses found within the building; and
- 2.** When determining the appropriate Developed Use for a Mixed Use property, the TUF Administrator will consider:
 - a.** The predominant Developed Use on the site;
 - b.** The mix of various Developed Uses on the site;
 - c.** The assigned Developed Use for other sites with a similar mix of Developed Uses and generating comparable amounts of traffic;
 - d.** Any and all factors considered in Paragraph D of this Rule, relevant to making a determination of a property's Developed Use; and
 - e.** Other relevant factors that indicate vehicle Trip Generation rates.

Exhibit D: Proposed City Administrative Rule
TRN-14.01 Transportation Oversight Committee

- A. Purpose. The Transportation (TUF) Oversight Committee (“Committee”) is hereby created. The Committee’s purpose is to monitor and provide guidance to the TUF Administrator, the Transportation Director, and Council regarding the effective and efficient administration of the Transportation User Fee program.
- B. Duties. The Committee shall perform the following functions:
1. Annual report to Council. By December 30 of each calendar year, the Committee shall review and issue a report to Council regarding the performance of the TUF program; the report shall include, but not be limited to the following subjects regarding TUF-funded projects:
 - a. Distribution of allocated TUF funds;
 - b. Administrative costs;
 - c. Implementation status of all active projects;
 - d. Whether all relevant reporting requirements were met;
 - e. Whether State, Federal, and SDC funds were leveraged;
 - f. Whether ORS 279 public contracting requirements were met;
 - g. Coordination with the Transportation System Plan and the Portland Plan;
 - h. Equity in the geographical distribution of projects;
 - i. Minimization of the negative impacts of projects to businesses due to construction;
 - j. Progress in facilitating businesses’ and neighborhood associations’ joint efforts to identify neighborhood traffic safety priorities;
 - k. Utilization of minority-owned, women-owned, and emerging small businesses on project contracts;
 - l. A listing of briefings and reports received from staff, outside experts, and other informed parties; and
 - m. A summary of Committee recommendations to Council and the bureau, and any actions Council or the bureau have taken on the recommendations.

Exhibit D: Proposed City Administrative Rule
TRN-14.01 Transportation Oversight Committee

2. Upon the completion of each annual report, the Committee shall participate in a work session with the Council. The purpose of this work session is to present the Annual Report and to create a work plan for the upcoming year.
- C. Oversight of the TUF fund's financial planning and fee collection. The Committee shall review the TUF Administrator's proposed financial plans and revisions and submit the Committee's findings and recommendations to Council as part of the City's annual budget process. The Committee shall also periodically provide recommendations to Council on proposed changes to the TUF rate structure, discounts, and appeals process.
- D. Membership.
1. The Committee shall have 18 members, nominated by the Commissioner in Charge and appointed by Council. Eight members shall constitute a quorum of the Committee.
 2. All Committee members must either reside or work predominantly within the City of Portland and have a demonstrated interest in transportation, such as: system development and maintenance; service delivery; finance; accessibility; economic development; conservation; or environmental concerns.
 3. The Commissioner in Charge shall appoint a Chair and a Co-Chair for the Committee; both shall serve as officers for no more than two years.
 4. Committee members shall serve, without compensation, for a term of four years from the date of Council appointment of the member, or such other date as the Council may establish.
 5. To ensure continuity of membership, six of the initially appointed Committee members shall serve a two-year term.
 6. No Committee member may serve on the Oversight Committee for more than two consecutive terms.
 7. Council may replace any member of the Commission for due cause, including but not limited to malfeasance, incapacity, conflict of interest or neglect of duties.
- E. Staffing. The Portland Bureau of Transportation shall provide staffing for the Committee.
- F. Meeting Schedule, Bylaws.
1. The Committee shall meet at least quarterly in an open meeting at a venue accessible to the public.
 2. Additional meetings may be scheduled as determined by the Committee Chair.

Exhibit D: Proposed City Administrative Rule
TRN-14.01 Transportation Oversight Committee

3. Proper notice and documentation of meetings shall be given in accordance with the Oregon Public Meetings law.
4. The Committee shall adopt rules of procedure (bylaws) as necessary for the governance of its proceedings.

G. Recruitment; Selection; Nominations.

1. The recruitment and selection process for Committee members shall utilize principles, best practices, and tools of public involvement as described by the Public Involvement Advisory Council and the Office of Neighborhood Involvement.
 - a. Committee positions and vacancies and application materials and processes shall be posted on the City website, as well as through local media, print and electronic, with the goal of widespread reach.
 - b. This information shall also be sent to the city's Neighborhood Associations, District Coalitions, Business Associations, Coalition of Communities of Color, and transportation advocacy groups.
 - c. The City's standard Committees and Commissions application form will be submitted to the Bureau for review by the selection committee.
2. A selection panel composed of two representatives from each Commissioner (one member of the public and one City representative and the TUF administrator) shall review all applications and present its nomination recommendations to the Commissioner in Charge based on the composition categories below.
3. In making nominations for Council appointment, the Commissioner in Charge shall attempt to have a range of professional and academic expertise and volunteer experience represented on the Committee.
 - a. Disciplines such as finance, civil engineering, transportation safety, environmental sciences, health sciences, public administration, or urban planning are especially desired.
 - b. In making Committee nominations, the Commissioner in Charge shall strive to ensure that the Committee reflects the diversity of the Portland community.

H. Committee Composition.

1. Council appointments shall reflect the following Committee Composition; and an individual Committee member may reflect more than one of the following categories:

Exhibit D: Proposed City Administrative Rule
TRN-14.01 Transportation Oversight Committee

- a. Businesses: Four Committee members shall represent Portland businesses, one from each category of 1 – 5 employees, 6 – 50 employees, and 51+ employees; non-governmental organization
 - b. Residential Geographic Representation: Five Committee members, individuals from City neighborhoods or from Neighborhood Associations and District Coalitions, each shall represent the five geographic areas within the City:
 - i. Southwest Portland – the area west of the Willamette River outside of the Central City and south of Burnside;
 - ii. Northwest Portland – the area outside of the Central City and north of Burnside;
 - iii. Central Portland – the area within the downtown core, Lloyd District and Central Eastside Industrial District;
 - iv. Inner East Portland – the area outside Central Portland east of the Willamette River and west of Interstate 205; and
 - v. Outer East Portland – the area east of Interstate 205.
 - c. Modal Area Experts: Six members shall be modal experts, one from each of the following categories: individuals and from organizations working to improve services for pedestrians; transit users; persons with disabilities; bicyclists; and individuals from motor vehicle and freight organizations.
 - d. Construction, Finance, and Paving Experts: Three members shall be representatives from construction, paving, and finance industries or disciplines.
- I. Standing Committees.
 - 1. The Committee Chair and Co-Chair shall facilitate ongoing communication between the Committee, the City Council, the TUF Administrator, and the Bureaus.
 - 2. The Committee may, at any time, establish committees of at least three (3) individuals to address specific issues related to the Committee’s purpose.
 - 3. The Committee may designate additional roles and responsibilities for the Executive Committee and any other committee. Such roles may be set forth in the Committee bylaws.

This document was substituted
with a revised version.

See final document:

ORDINANCE No.

1212 - 2014

Amend City Code to create a Transportation User Fee paid by both businesses/non-residential and households/residential to fund Portland's transportation needs, primarily transportation maintenance and safety needs (Ordinance; add Code Chapter 17.21)

The City of Portland ordains:

Section 1. The Council Finds:

1. The City is behind in addressing the maintenance needs of much of its aging infrastructure. Portland's 4,827 lane miles of paved streets show continuing decline, with 48 percent of the city's most trafficked streets in poor or very poor condition, the most expensive categories to repair. The Portland Bureau of Transportation (PBOT) reported that to bring the pavement system to a fair or better condition it would cost an additional \$91 million per year for ten years. The cost of deferring that need will keep increasing as it becomes more expensive to rebuild roads after they have failed, versus conducting preventive maintenance at the right time on the right street.
2. Maintenance and proper operation of the streets is required in order to protect the public health, safety and welfare.
3. The needs of the transportation system have significantly outpaced resource growth.
4. The majority of PBOT's revenue comes from Federal, State, and regional grants, parking revenue, interagency revenues from City bureaus, cost recovery revenues (service charges, licenses, and permits) and the Gas Tax. For the FY 13-14 Adopted Budget, PBOT received two percent of the City of Portland General Fund, of which 63 percent pays for the electricity for street lights.
5. PBOT's Financial Task Force and Budget Advisory Committee have outlined concerns about the future of transportation funding. The State and County gas tax falls short of the revenue needed to address maintenance and safety needs. Federal funds are declining and have restrictions on their use. There is widespread recognition that local governments must solve their funding needs.
6. The average Portland household pays \$25.19 in State and local gas taxes each month. Only 11 percent, or \$2.82, comes directly to PBOT for discretionary spending.
7. To learn more about the needs outlined above and identify a solution, PBOT sought extensive public input on the status of the transportation system. Two citywide scientific polls were conducted asking Portlanders what the top transportation needs are and what the best mechanism is to fund those needs. In addition to the polls, seven Town Halls were held to solicit input from the community.

8. The top priorities for transportation identified through the public outreach include maintaining the existing system, improving the safety of the streets for all users and improving public transit, especially in areas that lack service.
9. The Transportation Needs and Funding Advisory Committee (Advisory Committee) was formed with the purpose of guiding the process to help solve Portland's transportation problems. The Advisory Committee included business people, neighborhood representatives and members of transportation interest groups.
10. The Advisory Committee determined that a new funding mechanism was needed and recommended the Transportation User Fee contained in this ordinance.
11. It is appropriate for those using the transportation system to pay the costs required to maintain the assets and improve the safety of the system. The Transportation User Fee is based upon the premise that all users of the system (transit, bicycle, pedestrians, and motor vehicles) contribute to the maintenance and safety costs.
12. Twenty-eight local jurisdictions in the State of Oregon have a Transportation User Fee to address their maintenance and safety needs.
13. An Oversight Committee shall be formed to oversee the implementation of the TUF and ensure that the implementation principles and objectives of the project are adhered to and that all expenditures are consistent with the Plan detailed in this ordinance. This committee shall be appointed by City Council and include 15 members representing various perspectives in Portland.
14. Funds received under this ordinance shall be placed in the "Transportation User Fee Subfund" within in the City's Transportation Operating Fund, hereinafter referred to as the "Transportation User Fee Subfund." Funds will be dedicated and used exclusively for the transportation projects and activities approved by Council.
15. As a result of the Transportation User Fee (TUF) methodology, collections and expenditures are tied to the costs derived from direct and indirect use of the City Transportation System, based upon the number of trips generated and size and type of facility. This creates an equitable and efficient means for paying for transportation services.
16. Low income rates for the TUF shall be applied for qualifying ratepayers, following the criteria used for reduced water and sewer rates.
17. A low income discount will be applied to multi-family affordable housing units that are designated as 0 - 60 percent of median family income.
18. A credit of up to the single family household fee will be given to single-owner businesses with less than 10 employees and who also live in the City of Portland.

19. The Council finds the following source documents to be generally accepted and reliable for use in implementing the terms of this ordinance:

- (a) *Trip Generation*, 9th Edition, published by the Institute of Transportation Engineers, hereinafter referred to as ITE Manual;
- (b) Multnomah County Assessment and Taxation Database, hereinafter referred to as A&T Database;
- (c) City of Portland Utility Billing System;
- (d) City of Portland Business License Information System; and
- (e) Portland Housing Bureau inventory of low income unit designations.

NOW, THEREFORE, the Council directs:

- a. The City Code is amended to add Chapter 17.21 Transportation User Fee as shown in Exhibit A.
- b. The transportation projects, as shown in Exhibit B, shall be implemented within the first year of Transportation User Fee collection.
- c. The Transportation User Fee shall be based upon the TUF rate calculation methodology as shown in Exhibit C.
- d. The Administrative Rule TRN-14.01, Transportation Oversight Committee, as shown in Exhibit D, is added to the Portland Policy Documents.

Passed by the Council,

Commissioner Steve Novick
Prepared by: Jamie Waltz
Date Prepared: May 21, 2014

LaVonne Griffin-Valade
Auditor of the City of Portland
By

Deputy

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Agenda No.

ORDINANCE NO.

Title

This document was substituted
with a revised version.

See final document:

12112-2014

Amends City Code to create a Transportation User Fee paid by both businesses/non-residential and households/residential to fund Portland's transportation needs, primarily transportation maintenance and safety needs (Ordinance; add Code Chapter 17.21)

INTRODUCED BY Commissioner/Auditor: COMMISSIONER STEVE NOVICK	CLERK USE: DATE FILED <u>MAY 23 2014</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy
BUREAU APPROVAL Bureau: Bureau of Transportation Bureau Head: LEAH TREAT, Director Prepared by: Steve Novick Date Prepared: 5/22/14	ACTION TAKEN:
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Council Meeting Date May 29, 2014	
City Auditor Office Approval: required for Code Ordinances <i>Toni</i>	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>GF</i>	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> <i>1 of 2</i> Start time: <u>2 p.m.</u> Total amount of time needed: <u>2 hours</u> (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz		
2. Fish	2. Fish		
3. Saltzman	3. Saltzman		
4. Novick	4. Novick		
Hales	Hales		