

## **ORDINANCE No. 187681 As Amended**

Create a Local Transportation Infrastructure Charge to fund improvements to unimproved streets (Ordinance; amend Code Chapter 17.88)

The City of Portland ordains:

Section 1. The Council finds:

1. Approximately 3% of the 2,066 miles of streets in Portland are unimproved (dirt and gravel) and about 15% of Portland streets are under-improved with some pavement and/or sidewalks, but no street curb.
2. In November 2012, Portland City Council, through Ordinance No. 185759, accepted the Portland Bureau of Transportation's "Up Out of the Mud" report and adopted the City's Residential Shared Street standard.
3. The City's efforts to collect fees or require infrastructure improvements from developers of property on unpaved or under-improved streets has had mixed success. Instead, such a developer will typically be allowed to provide a waiver of remonstrance, a legally-binding agreement that requires future homeowners to participate in any local improvement districts (LIDs) for infrastructure improvements.
4. Given the high cost of street improvements, the difficulty of imposing the costs of those improvements on homeowners, and the lack of awareness in the community about what waivers of remonstrance are, what the responsibilities of homeowners are, and whether a the chain of title for a property includes a waiver, the City has pursued very few LIDs for local streets in recent years. Thus, the waivers of remonstrance provided by developers (roughly 12,500 issued to-date) are for LIDs that have never materialized.
5. While the system for issuing waivers has been refined in recent years, neighbors and developers continue to voice their concerns that this process doesn't adequately address Portland's problem streets.
6. Currently, the only alternative to waivers is to require developers to construct partial street improvements directly in front of each building site, resulting in a patchwork of unconnected, half-street improvements scattered throughout the city, if these improvements are built at all.
7. Working with a group of community stakeholders, including developers and neighborhood associations, the Bureau of Transportation has developed a replacement of the requirement to construct improvements. Instead, the City will require payment of a Local Transportation Infrastructure Charge (LTIC).
8. The LTIC is intended to solve two immediate issues: 1) Not charging any fee for infill developers on problem streets is unfair, because some developers are required to build half

streets along their frontages while others can pass those costs on to future homeowners via waivers; and 2) continuing to allow some developers to pass on obligations without providing anything beyond a waiver of remonstrance wastes an opportunity to start accumulating money to make future improvements.

9. The rate of the LTIC per linear foot of frontage will be based on the average actual cost to the City to build local street improvements.
10. The rate of the LTIC will be adjusted annually to account for inflation and may be adjusted periodically to reflect the City's actual cost of construction on recently-completed local street improvement projects.
11. The City may identify different geographic areas of the city with different costs of street improvements and impose different rates in those areas so that the LTIC can reflect the geographic discrepancies in the cost of providing transportation improvements.
12. Subdivisions; all land uses other than single-family residential ones; and properties with frontages on collectors, arterials, or alleyways will be exempt from the LTIC (although the current requirements for properties with those frontages will remain in effect).
13. If a portion of a property's frontage on a local street is improved, and a portion is unimproved, the fee will be based on only the unimproved portion of the frontage.
14. The City will impose an LTIC on certain developments and land use actions that occur in single-family residential zones. These actions include new construction or re-construction of a single-family home and divisions of land into multiple lots. The LTIC will be assessed based on the linear feet of frontage of a property on an unimproved local street as specified in the amended Code language.
15. The applicant for a land use or development action subject to the Local Transportation Improvement Charge outlined in City Code 17.88 may choose to build transportation improvements as described in City Code 17.88.020 B. If the applicant chooses to build transportation improvements per City Code 17.88.020 B, and those improvements are accepted by the Bureau of Transportation as satisfying all relevant City standards, then that property shall no longer be subject to the Local Transportation Improvement Charge.
16. The Local Transportation Improvement Charge shall be collected and administered by the Bureau of Transportation. The funds collected will be used to construct improvements on the City's network of unimproved or under-improved local streets and adjacent or related transportation facilities. The Director of the Bureau of Transportation shall establish rules and procedures for the Local Transportation Improvement Charge.

NOW, THEREFORE, the Council directs:

- a. City Code Chapter 17.88, Street Access, is amended as follows in Exhibit A.
- b. PBOT shall keep funds collected by this charge in a separate fund and not spent until the completion of the next phase of the project and the allocation methodology is approved by Council.
- c. As part of the next phase, PBOT shall explore the potential for coordination between the LTIC program and efforts to organize Local Improvement Districts in order to ensure maximum efficiency and equity in the use of public and private funds for unimproved and under-improved streets.

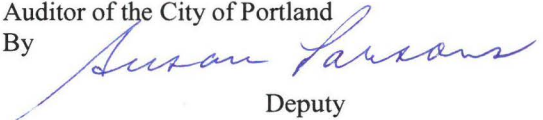
Passed by the Council, APR 13 2016

Commissioner Steve Novick  
Prepared by: William Hoffman:sld  
Date Prepared: February 1, 2016

**Mary Hull Caballero**

Auditor of the City of Portland

By



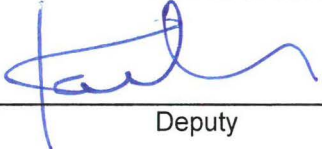
Deputy

J140

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Agenda No. **187681** As Amended  
**ORDINANCE NO.**  
 Title

Create a Local Transportation Infrastructure Charge to fund improvements to unimproved streets (Ordinance; amend Code Chapter 17.88)

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>COMMISSIONER STEVE NOVICK</b></p> <p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety – Novick <i>Aw</i></p> <p><b>BUREAU APPROVAL</b></p> <p>Bureau: <b>Transportation</b>        Development, Permitting &amp; Transit Group  <b>Manager: Christine Leon</b>  <b>Division Mgr:</b>  <b>Assistant Director: Maurice Henderson</b>        Prepared by: William Hoffman:sld        Date Prepared: February 19, 2016 <i>LSA</i>        Supervisor:</p> <p>Impact Statement        Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document        If "Yes" requires City Policy paragraph stated in document.        Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p><b>City Auditor Office Approval:</b>        required for Code Ordinances <i>Toni</i></p> <p><b>City Attorney Approval:</b>        required for contract, code, easement, franchise, comp plan, charter <i>WBS</i></p> <p><b>Council Meeting Date</b>  <b>March 30, 2016</b></p>	<p>CLERK USE: DATE FILED <u>MAR 22 2016</u></p> <p style="text-align: right;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p> <p><b>ACTION TAKEN:</b>        MAR 30 2016 <b>PASSED TO SECOND READING</b> <i>As Amended</i> APR 06 2016 <b>2 P.M.</b>        APR 06 2016 <b>PASSED TO SECOND READING</b> <i>As Amended</i> APR 13 2016 <b>9:30 A.M.</b>  <i>APR 22 3/3/16</i></p>
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<b>AGENDA</b> <i>16FZ</i>
<b>TIME CERTAIN</b> <input checked="" type="checkbox"/> <b>Start time: 10:30</b> <b>Total amount of time needed: 30 minutes</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed: _____</b> (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	✓	