

## IMPACT STATEMENT

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

**Contact name:** William Hoffman

**Contact phone:** 3-7219

**Presenter name:** William Hoffman

**Purpose of proposed legislation and background information:**

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. The City of Portland has a longstanding problem of not collecting fees or requiring infrastructure improvements from new development on unpaved or under-improved streets. Instead, developers on problem street typically receive a "waiver of remonstrance," a legally-binding agreement that is passed on to the homeowner to participate in any future local improvement district (LID) for infrastructure improvements.

Given the high cost of street improvements, and the difficulty imposing these costs 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 property actually has a waiver on their title, the City has pursued very few LIDs for local streets in recent years. Thus, the waivers of remonstrance received by developers (roughly 12,500 issued to date) are for LIDs that have never materialized.

Working with a group of community stakeholders, including developers and neighborhoods, PBOT has developed a proposal that offers another option for addressing infill developers' obligations to local street improvements - charging a Local Transportation Infrastructure Charge (LTIC).

This City Code change will rectify the current situation and begin to move to a more consistent and workable system for providing improvements in neighborhoods.

**Financial and budgetary impacts:**

This Council action and Code section will enable PBOT to collect a fee of \$600 per linear foot of frontage. After the Council hearings (1<sup>st</sup> and 2<sup>nd</sup> reading) and the 30 days for the City Code section to take effect, the fee won't be applicable until early May 2016 at the soonest. Further, the bureau cannot at this time accurately assess the number of developments which will take advantage of this option instead of building the transportation improvements. For the remainder of the fiscal year, PBOT could make adjustments in both the Spring Budget Monitoring Process and the Fall Budget Monitoring Process to ensure this new revenue is accurately reflected in the budget. The fee schedule for Fiscal Year 16-17 will accurately account for the fee moving forward into future fiscal years.

**Community impacts and community involvement:**

PBOT and its consultant worked for over a year with a stakeholder group comprised of developers, real estate professionals, and neighborhood representatives to craft changes that resulted in the shift of the approach for infill development on unimproved streets. PBOT also engaged district coalitions, DRAC, and other business organizations deeply invested in this issue.

While some questions on how PBOT approaches making improvements remain for the next phase of the project, the fee will result in better outcomes for the bureau, developers, and neighborhoods.

PBOT has attempted to reform its process several times over the past two decades with limited successes. The outcome of this public process allows PBOT to address other related issues in the next phase of the project and issues related to busier streets lacking in infrastructure.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

YES: Please complete the information below.

NO: Skip this section

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

KK 3-1-16

4-6-2016

187681

Amendment 1. Prevent the expenditure of LTIC revenue until future City Council action, pending completion of the Neighborhood Streets Program

This amendment was proposed during the City Council hearing on March 30, 2016. The amendment language added a new Council directive:

done  
March 30

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.

City Council voted 5-0 in favor of the amendment. No further action is required on this amendment.

NF-2nd

Amendment 2. Clarification of local streets

City Code section 17.88.010 should be modified as follows in order to address a drafting error:

F. "Unimproved Street" means any local street without a curb other than a local street that has been formally accepted by the Bureau of Transportation as having been fully built to an adopted Residential Shared or Residential Separated City street standard that does not require a curb.

Amendment 3. Clarification on building permits

City Code section 17.88.090 should be modified as follows:

A. An applicant for a new, single-family, residential, building permit for ~~a single-family home~~ a project of one or two units or for approval to create multiple lots other than as part of a subdivision on real property within a single-family residential zone must pay a Local Transportation Infrastructure Charge.

DS-2nd

Amendment 4. Clarification of findings

Clarify the ordinance's findings for readability and re-number them as needed:

NF-2nd

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 . . . [etc.]

Item 293 Fritz amendment 3-30-16

1:56:37

AF: amendment to SN amendment to directive b: strike "results are presented to" and change to "allocation methodology is approved by" the City Council.

Christine Leon: Yes, I think that is fine. Not a code change.  
CH consider friendly amendment

AF amendment: continue to have waiver of remonstrance  
CH I have that question too  
CL part of our stakeholders group...  
[deal with this as amendment next week]

# PBOT

PORTLAND BUREAU OF TRANSPORTATION

187681

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Steve Novick Commissioner Leah Treat Director

Date: March 29, 2016

To: City Council

From: Bill Hoffman, Portland Bureau of Transportation

RE: Amendment request for Council Agenda Item 293

**293 TIME CERTAIN: 10:30 AM** – Create a Local Transportation Infrastructure Charge to fund improvements to unimproved streets (Ordinance introduced by Commissioner Novick; amend Code Chapter 17.88)

Through discussion with City Council offices, and in keeping with the commitment to neighborhood groups by PBOT, Agenda Item 293 would be amended to ensure it is clear that any funds collected through the Local Transportation Infrastructure Charge are not spent until the robust public process envisioned in the next phase (Council Item 294) is completed and the results are presented to Council upon completion of that phase. The amendment will be presented at the Council meeting on March 30, 2016 during the 10:30 a.m. Time Certain.

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 results are presented to City Council.



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