

IMPACT STATEMENT

Legislation title: *Amend contract with EcoNorthwest for additional implementation work for the Local Transportation Infrastructure Charge project Phase III (Ordinance; amend contract 30004500)

Contact name: William Hoffman

Contact phone: 3-7219

Presenter name: William Hoffman

Purpose of proposed legislation and background information:

Amend contract with EcoNorthwest to continue work on the implementation of the Local Transportation Infrastructure Charge.

During the course of the year long process to establish a Local Transportation Infrastructure Charge, several issues were raised by community members about how the charge would create a framework for allocating revenue from the charge, to determine project selection, to determine design standards, and to determine overall project financing were raised. Several community members expressed reservations supporting a charge without a commitment from PBOT on addressing these issues.

While making decisions on these issues was not necessary for establishing a charge on development and shifting the model for infill development on unimproved streets from the improvement/appeal/waiver model to a monetary model, in order to make determinations about project selections additional work is needed.

The bureau also seeks to expand its outreach to low income demographics, minorities, and residents on unimproved streets to understand specific challenges to infrastructure development and get input on how any program would be implemented.

Companion item to 10:30 a.m. Time Certain establishing the Local Transportation Infrastructure Charge.

Financial and budgetary impacts:

\$340,000 budgeted GTR in Development, Permitting, and Transit group budget.

Community impacts and community involvement:

There was significant advocacy during the year-long charge establishment process from neighborhoods, district coalitions, and community members to ensure the next phase occurs and funding from the charge is applied equitably and fairly.

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

PBOT

PORTLAND BUREAU OF TRANSPORTATION

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1120 SW Fifth Avenue, Suite 800 Portland, OR 97204 503.823.5185
Fax 503.823.7576 TTY 503.823.6868 www.portlandoregon.gov/transportation

Steve Novick Commissioner Leah Treat Director

Date: April 11, 2016

To: City Council

From: Bill Hoffman, Portland Bureau of Transportation

RE: Amendment request for Council Agenda Item 370

***370** Amend contract with Eco Northwest for additional implementation work for the Local Transportation Infrastructure Charge project Phase III not to exceed \$340,000 (Previous Agenda 340; Ordinance introduced by Commissioner Novick; amend Contract No. 30004500)

Based on Council feedback, PBOT is amending Exhibit A (the contract) to clarify outreach activities for the next phase of the project.

Exhibit A would be amended to replace paragraph two (2) on page five (5) of Exhibit A, Scope of Work as follows:

Community involvement efforts on this project will include a range of techniques to determine the values and needs of Portlanders and test alternative solutions. ~~it will primarily focus on those who have a direct stake in the outcome, those who live or own property on problem streets.~~ The process will be inclusive of both those who live or own property on problem streets and those who live or own property in the neighborhoods that surround problem streets. The process will also build on the lessons and recommendations of previously adopted street design plans. The process and its recommendations will be equitable, transparent, defensible and values-based, and will be appropriately-timed with the decision-making process. Below, we identify the expected elements of the community involvement program:¹

¹ The first immediate action item in Phase 3 will be to write a technical memo clarifying the specific details of the work plan for the community involvement program. This memo will clarify the exact timing, number, and scope of each of the community involvement methods that we propose to use in this evaluation.



ECONorthwest

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DATE: March 29, 2016
 TO: Christine Leon and Erika Nebel
 FROM: Nick Popenuk and Terry Moore
 SUBJECT: RESPONSE TO QUESTIONS ON LOCAL TRANSPORTATION INFRASTRUCTURE CHARGE

Staff from the Office of Commissioner Novick and the Portland Bureau of Transportation (PBOT) met with Commissioner Amanda Fritz on Monday, March 28, 2016 to discuss the proposed Local Transportation Infrastructure Charge (LTIC) that will be considered by the City Council on March 30, 2016. During that meeting, Commissioner Fritz asked several questions on the LTIC, which were relayed to the ECONorthwest consulting team. This memorandum provides brief answers to these questions.

Is there a more specific breakout of the budget for public involvement for the proposed Neighborhood Street Program?

The proposed contract amendment includes additional budget and a new scope of work for Phase 3 of the project to develop a comprehensive Neighborhood Street Program. The scope of work includes six tasks, each with an estimated budget amount. Task 1 is a Community Involvement Program with a budget of \$140,000. Although the scope of work describes the types of activities that would occur within this task, it does not provide a more detailed breakout of the budget. Below, we provide our estimated budget for all key activities:

- **Public opinion polling: \$55,000.** Assumes two rounds of public polling conducted by professional pollsters with a large enough sample size to provide statistically significant results for numerous subgroups, allowing the comparison of results for different geographic and demographic groups.
- **Focus groups: \$40,000.** Assumes two rounds of focus groups, each with two to five focus groups (for a total of four to ten focus groups). Assumes average cost of \$5,000 per focus group. The intent is to focus on equity, and broaden the range of citizens that have a chance to provide input into the process.
- **Bureau Advisory Committee meetings: \$15,000.** Assumes periodic meetings over the course of the project, with meaningful presentations to keep the group informed of the technical work and public involvement results.
- **Community workshops: \$15,000.** Assumes two community events (west side and east side), which would include significant outreach efforts to increase attendance and reach residents who may not typically participate in these types of events.
- **Ongoing public communications: \$15,000.** General efforts for communication and outreach, including responding to citizen questions and comments, posting materials to the project website, and creating materials for distribution at public events.

The approach to community involvement on this project is focused on connecting with a wide-range of Portland residents, especially those who may not have historically been involved in

similar City planning efforts. These efforts will seek input from those who have a direct stake in the outcome (i.e., those who live or own property on problem streets). The process and its recommendations will be equitable, transparent, defensible, and values-based.

What is the direct stipend amount for focus group participants?

The stipend amount will be determined as we refine the public involvement plan at the outset of Task 1: Community Involvement Program. Typically, the stipend for each participant may range from \$0 to \$50, depending on how many participants are needed, how interested participants may be in attending, and how wide of a pool of potential participants we have to draw upon.

Will these efforts rely on neighborhood associations and coalitions to reach out to their residents at their own expense? If so, how much money would be available to District Coalitions for their work?

The scope of work for the Neighborhood Street Program does not assume that Neighborhood Associations or Coalitions would be required to conduct significant outreach efforts. The use of polling on the project allows for a more detailed and statistically significant analysis of public opinions. Successful polling efforts require random sampling, and are not dependent upon recruitment by Neighborhood Associations or Coalitions. Similarly, focus groups will not require significant recruitment efforts from Neighborhood Associations or Coalitions.

It is possible that the Neighborhood Associations and Coalitions could have a more meaningful role to play in the proposed community events. The exact format of these events and the proposed outreach efforts will not be determined until later in the Phase 3. If it is determined that the events would benefit from more direct involvement of the Neighborhood Coalitions and Associations, then it is fair to explore compensating those neighborhood groups for their efforts.

No LTIC funds should be spent until after the completion of phase 3, and after Council approval on where and how those funds should be spent.

This was always the intent of PBOT staff and the consultant team. This will be stipulated in the Administrative Rules. Additionally, we understand that City staff may be exploring an amendment to the Ordinance to the same effect.

Can we explore a smaller charge for streets with curbs but without sidewalks?

The City Attorney and the Stakeholder Work Group considered options that would have a variable charge based on the presence of various street frontage improvements (i.e., unpaved = X, paved without curb = Y, paved with curb but no sidewalk = Z). Ultimately, staff, stakeholders, and the City Attorney recommended the current approach, because it is simple, easy to understand/administer, and for additional legal considerations. This issue could be explored more in the future, though it may be hindered by the legal, administrative and political hurdles that were identified earlier in this process.

Can we have a report come back to Council after one year?

If the City Council approves the contract amendment for the Neighborhood Street Program, that effort is estimated to take approximately one-year, which would result in a report back to Council at that time.

Is the rate too low for southwest Portland?

There is a technical memorandum from Kittelson and Associates (a transportation engineering firm) that was the basis for the initial charge of \$600 per linear foot. The Code language specifies that the amount of the fee is based on the actual cost of improvements made by the City. We examined all local street improvement projects that the City has completed since 2004. Costs varied significantly, but resulted in an average cost of \$600 per linear foot. There were, however, insufficient examples of streets built in southwest Portland to calculate a defensible number for a rate that is different from the rest of the city, which is why the LTIC proposes an initial fee of \$600 per linear foot citywide.

However, after implementation of the LTIC, it is anticipated that the increased funding will allow the City to build more local street improvements (in southwest and elsewhere in the city). Over time, this will give the City the ability to update its historical cost estimates and identify any true differences in costs, which will then be reflected in the updated LTIC rates. This was anticipated in the creation of the LTIC, which is why the proposal calls for two zones. One zone would include all of the City's MS4 areas, which tend to have more challenges addressed stormwater management, and a second zone for all non-MS4 areas of the City.

How often will the rate of the fee be updated or reassessed?

The Code language is not specific about how often the rate of the LTIC would be updated. This will be specified in the Administrative Rules. The current draft of the Administrative Rules states that the charge will be updated annually for inflation, and "periodically" to reflect updated construction costs for actual projects. Given the fact that it will require construction of a significant number of new projects to provide a technically defensible change to the LTIC rate, and given strong feedback from stakeholders in the development community that they desire certainty regarding the rate of the LTIC, the current draft of the LTIC Administrative Rules proposes that these periodic updates would occur not more frequently than once every five years.

What neighborhood and stakeholder groups were engaged during the creation of the LTIC?

City staff and members of the consultant team met with multiple neighborhood and stakeholder groups to provide information on the LTIC and solicit input from those neighborhoods. This included meetings with:

- Development Review Advisory Committee (DRAC)
- Southwest Neighborhoods Inc. (SWNI) Land Use Committee
- East Portland Land Use Committee
- North Columbia Land Use Committee
- In-Fill Development Group, Home Builders Association of Metropolitan Portland

In addition to the groups identified above, we reached out to other neighborhood groups and offered to meet with them on the LTIC. The Bureau of Planning and Sustainability District Liaison Planners were consulted to provide advice on which individuals to contact at each of these neighborhood groups. The following groups declined invitations to meet with PBOT staff on the LTIC, either because they were too busy, or because they would prefer to save their time and efforts for Phase 3 of the project, to discuss where and how streets actually get built. Although these groups declined meetings with PBOT, they all offered to help distribute handouts on the project and the project's web address:

- East Portland Action Plan and East Portland Neighborhood Office
- Central NE Neighbors
- Southeast Uplift

Additionally, members of the Stakeholder Work Group (described below) are involved in several neighborhood associations or coalitions, and provided informal updates to and input from these neighborhood groups.

What was the composition of the Stakeholder Work Group?

The Stakeholder Work Group (SWG) was intended to provide a facilitated discussion among direct stakeholders to support PBOT and assist with surfacing issues for City staff, and ultimately, City Council to consider as they create the LTIC. Members were selected for specific skills and experience in infill development on unimproved streets; the ability to draw upon the feedback and experiences of a larger constituency regarding perspectives on the topic; geographic orientation in the city; and focused on departments and entities that will be most directly affected by the outcomes of the LTIC. These members included:

- **Marianne Fitzgerald**, resident in Southwest Neighborhoods / participant in previous local street improvement efforts / member of PBOT Pedestrian Advisory Committee
- **Maryhelen Kincaid**, Development Review Advisory Committee Chair and member of the Public Works Appeal Panel

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- **Jacob Sherman**, Brentwood-Darlington Neighborhood Association member
 - **Jane Leo**, Portland Metropolitan Association of Realtors, Government Affairs Director
 - **Dan Vizzini**, former LID administrator for the City of Portland
 - **Vic Remmers**, Everett Homes and member of the Home Builders Association
 - **Neil Fernando**, Emerio Design and a member of the Home Builders Association
 - **Justin Wood**, Fish Construction and member of the Home Builders Association
 - **Sue Williams**, Bureau of Environmental Services Systems Development Manager
 - **Kyle Chisek**, PBOT project manager for the Local Residential Street Program
 - **Kurt Krueger**, PBOT Development Review Manager