

# City of Portland Professional Employees' Association (COPPEA) Value Capture

*April 20, 2016 - Agenda Item #382*

WE KEEP PORTLAND MOVING.



DeLacy  
Consulting



**PBOT**  
PORTLAND BUREAU OF TRANSPORTATION

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# LIDs One Option to Build Infrastructure

## 15-year Snapshot

### LID Program Collaboration with COPPEA:

Dispersed functions across bureaus centralized in 2000

LID process reflected sequentially in Code; amended in 2003

### Infrastructure Deficiencies Reduced by 35 Street LIDs since 2000:

Unpaved from 60.0 to 55.7 miles (-7.2%)

Paved Without Curb from 308.1 to 306.8 miles (-0.4%)

Project scopes included streets, signals, water mains, sanitary sewer

Neighborhood livability, housing and multimodal access enhanced

LIDs tool for financial leverage and public/private partnerships

# Historical Perspective

## Mayor Harry Lane (served 1905-1909)

“Mayor Lane beseeched the Council to repeal existing ordinances requiring hard surfaced streets. He suggested that the city resort to tarred Macadam surfaces.”

## Mayor Joseph Simon (served 1909-1911)

“As the June 1911 municipal election loomed ... the costs of street paving had soared.”

“One job in Portland Heights, on Upper S.W. Hall St. and Heights Terrace cost the adjacent property owners \$30,000.”

E. Kimbark MacColl: *The Shaping of a City: Business and Politics in Portland, Oregon 1885 - 1915*

# SW Texas Green Street LID

## Before & After



SW 28th Avenue South of Texas Street Looking North: Prior to Construction



SW 28th Avenue South of Texas Street Looking North: After Substantial Completion of Construction



# NE Alberta Street Phase I LID

## Before



# NE Alberta Street Phase I LID

## After



# SE 119th & Pine LID

## Before Construction



# SE 119th & Pine LID

## During Construction





# SE 119th & Pine LID

## After Construction



# Examples of Tax Increment Increase

## Improvements to City's Tax Base & Livability

### NE 148th Avenue LID (Airport Way URA)

\$5.146 million in 2004 to \$32.868 million in 2013

### NW 13th Avenue Phase II LID (River District URA)

\$19.125 million in 2004 to \$93.188 million in 2013 (return on \$850K PDC investment)

## SE 119th & Pine LID

## Examples of both continuity and change outside URA

### Increase from 59 to 71 taxlots (+20%) to date near MAX light rail

22 additional attached housing units built on several properties

development of Pine Point Apartments; strip club with fatal shooting now closed

taxlots with 20-25%, 32% and 45% annualized increases in assessed value (redevelopment)

taxlots with 3 - 4% annualized increases in assessed value (no development) with many

longtime property owners remaining after nearly 12 years

# COPPEA - LID Value Capture

**Goal: Economically Sustainable Cycle of Public Infrastructure & Private Investments**

- 1) Council approves COPPEA Value Capture Resolution
- 2) LID Administrator annually tracks increase in City tax increment
- 3) Calculations validated by City Economist
- 4) City tax increment from development above 3% used for LIDs
- 5) Council approves Value Capture funding upon LID formation
- 6) All City tax increment returned to General Fund after 20 years
- 7) Pay as you go - no borrowing costs
- 8) No increase in administrative costs - all funds for infrastructure
- 9) Targeted to R2.5 / higher and commercial / industrial zoning

# Project Selection

## Annual Report to Council on LIDs & Value Capture

- 1) Property owners' willingness to participate
- 2) Ability to generate tax increment for City
- 3) Geography: 95 neighborhoods' infrastructure deficiency ranking
- 4) Equity: Underserved populations
- 5) Achieving City housing objectives
- 6) Proximity to schools, parks and transit
- 7) Financial need & inability to meet valuation to assessment ratio
- 8) Council approves all use of Value Capture Funds & each LID