

ORDINANCE No. 188891 As Amended

Adopt the allocation methodology for the Local Transportation Infrastructure Charge; establish a maximum fee; amend Charge Required Code; and direct staff to develop additional components of Neighborhood Streets Program (Ordinance; amend Code Section 17.88.090; amend Policy TRN-1.26)

The City of Portland ordains:

Section 1. The Council finds:

1. Within the City of Portland there are approximately 250 miles of unimproved local service streets, including 50 miles of unpaved dirt or gravel roads, and another 200 miles of paved roads without curbs. Paved roads without curbs are very unlikely to have sidewalks or adequate stormwater management infrastructure.
2. Unimproved streets negatively affect the quality of life in the City of Portland in multiple ways, including: lack of safe pedestrian routes, reduced connectivity for all modes of transportation and localized drainage issues.
3. In 1988, a citizen's task force asked the City to offer more flexible, less costly street standards.
4. On July 31, 1991, by Resolution No. 34885, City Council authorized the Portland Bureau of Transportation (PBOT) to implement performance standards for neighborhood streets and adopting "skinny" street standards.
5. On January 25, 1995, by Resolution No. 35360, City Council endorsed the Cheap and Skinny Streets Program.
6. On November 29, 2012, by Ordinance No. 185759, City Council accepted the Residential "Up out of the Mud" Street by Street Program Report and adopted the "Separated" and "Shared" residential street standards as in addition to the traditional residential street standard.
7. On April 13, 2016, by Ordinance No. 187681, City Council established a Local Transportation Infrastructure Charge (LTIC) to fund improvements to unimproved streets. Council directed PBOT to keep funds collected by this charge in a separate fund and not spent until the allocation methodology was approved by Council.
8. "Allocation Methodology" means the framework for project selection to be funded with LTIC, as set forth in Administrative Rules Local Transportation Infrastructure Charge TRN 1.26.
9. Determination of the allocation methodology for LTIC funds and the framework for a comprehensive Neighborhood Streets Program to address the 250 miles of

unimproved local service streets, has been guided by a multi-tiered public engagement and communication process involving citizens, neighborhood groups, modal advocates and key stakeholders.

10. Public outreach was conducted including a phone survey, a multilingual online survey, three focus group events, and presentations to neighborhood coalitions, associations, and advisory committees. Collectively, these outreach efforts resulted in direct feedback from 4,000 residents of the City of Portland, in five different languages: English, Chinese, Russian, Spanish, and Vietnamese. Additionally, all 28,000 households located on an unimproved street were invited to participate in one of three focus groups.
11. The allocation methodology is consistent with the City's equity goals, ADA requirements, implements adopted neighborhood transportation plans, responds to public input, seeks to leverage other available funding sources, and uses the best available data and methods for identifying high-priority transportation and stormwater improvements.
12. The LTIC allocation methodology establishes three fundamental criteria to determine a short list of the highest-priority unimproved local residential street projects to be funded with LTIC. This process is intended to be repeatable for future investment cycles, dependent upon the availability of LTIC funds. These criteria are:
 - 1: Equity: Areas with high concentrations of under-served populations to ensure everyone has access to opportunities necessary to satisfy their essential needs, advance their well-being, and achieve their full potential.
 - 2: Effectiveness & Connectivity: Projects that support connectivity and fill critical gaps in the City's transportation and stormwater infrastructure.
 - 3: Project Readiness: Projects that are consistent with adopted plans, informed by the results of previous community involvement efforts, cognizant of other related improvements occurring in the City, and that make efficient use of limited City resources by leveraging other funds.
13. Analysis in 2016 estimated the average cost for the City to improve local residential streets to the traditional street standard is \$600 per linear foot of frontage, or \$6.3 million per mile. The estimated cost to improve all 250 miles of unimproved local residential streets citywide is \$1.5 billion. Annual LTIC revenue is estimated to be approximately \$2 million. Thus, LTIC revenue by itself will only be sufficient to address a very small fraction of the City's unimproved local service streets.
14. The project team explored the potential for coordination between the LTIC program and efforts to organize Local Improvement Districts to ensure maximum efficiency of public funds for unimproved local residential streets.
15. The project team examined 24,000 home sales in the City of Portland over a two-year period. The study found that improving a dirt or gravel road increases property values by an average of \$18,000 per home, and that improving an under-improved

street to a fully-improved street, increases property values by an average of \$4,100 per home. The estimated average cost to improve local streets to the traditional standard is \$30,000 per home. Thus, on average, the value to adjacent homeowners is less than the cost of making street improvements.

16. Public engagement found that most Portlanders believe the City should be primarily responsible for paying for the cost of improving local residential streets because these streets serve a system-wide function. When property owners are asked to pay for street infrastructure, most Portland residents surveyed desire a range of financing and subsidy options, and believe there is a need to protect low-income households. This program will leverage citywide resources and would not require property owner contributions.
17. In recognition of the magnitude of stormwater volume that originates from streets, the portion of capital costs for local street improvements related to stormwater management, and the limited availability of LTIC funding relative to the total cost of improving Portland's unimproved local street network, the Bureau of Environmental Services (BES) is partnering with PBOT on LTIC-funded projects. Any BES funding contributions would be directed towards stormwater system benefits.
18. Based on input from residents living on unimproved local residential streets the project team identified 4 additional components that would require separate development: (1) maintenance of 50 miles of dirt and gravel streets; (2) Residential Local Improvement District (LID) enhancements; (3) pedestrian improvements for under-improved residential collectors; and (4) Do-It-Yourself Pothole Repair for city maintained local residential streets.
19. Dirt and gravel streets at the neighborhood level are the weak links of the City's local street transportation and stormwater management networks. While maintaining the 50 miles of dirt and gravel streets is not a long-term solution, maintenance requiring grading and gravel on an ongoing basis will improve local access, safety and mobility.
20. Based upon a comprehensive review of building permits subject to the LTIC, PBOT found the LTIC to pose a financial impediment to residential development for a small subset of properties with abnormally large frontages on unimproved streets, especially corner lots. PBOT proposes establishing zone-specific, per-lot maximum numbers of linear feet of unimproved street frontage subject to the LTIC.
21. For the maximum frontage limitations on the LTIC, an effective date of January 1, 2018 allows for a smooth transition to the updated program.

NOW, THEREFORE, the Council directs:

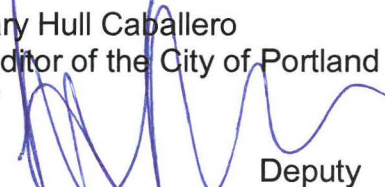
188891

- a. City Council amends Portland City Code Chapter 17.88, Street Access, as follows in Exhibit A.
- b. City Council adopts the LTIC maximum fee, attached to this Ordinance as Exhibit B, effective January 1, 2018 to be included in the fee schedule FY 2018-19 as Exhibit B. LTIC Maximum.
- c. City Council adopts LTIC allocation methodology as updated in Administrative Rules Local Infrastructure Charge TRN-1.26, attached to this Ordinance as Exhibit C.
- d. City Council directs the Portland Bureau of Transportation Director or designee as authorized under PCC 3.12, to update the Administrative Rules Local Transportation Infrastructure Charge TRN-1.26 Exhibit C.
- e. City Council directs PBOT to develop a maintenance program for ongoing grade and gravel of gravel streets and include as a proposal in the development of the FY 2018-19 budget.
- f. City Council directs PBOT to further develop the Neighborhood Streets Program to include:
 - 1) Enhancements to the City's residential LID program, including the use of adopted alternative street standards; and the provision of additional City subsidies and financing options.
 - 2) Funding of prioritized pedestrian improvements to under-improved residential collector streets, as identified in the PedPDX Pedestrian Master Plan.
 - 3) Development of program allowing residents to make their own pothole repairs via permit to City-maintained local residential streets.

APR 11 2018

Passed by the Council,

Commissioner Dan Saltzman
Prepared by: Anne Hill: SP
Date Prepared: November 7, 2017

Mary Hull Caballero
Auditor of the City of Portland
By  Deputy

Agenda No.
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<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: COMMISSIONER DAN SALTZMAN</p>	CLERK USE: DATE FILED <u>NOV 28 2017</u>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Wheeler</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>Don 9/16</i></p> <p>Position 4/Safety – Eudaly</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: Transportation</p> <p>Development Permitting & Transit <i>gym</i></p> <p>Group Manager: Art Pearce <i>Christy</i></p> <p>Director: Leah Treat <i>Leah</i></p> <p>Prepared by: Anne Hill <i>ah</i></p> <p>Date Prepared: October 18, 2017</p> <p>Supervisor: _____</p>	<p>ACTION TAKEN:</p> <p>DEC 06 2017 CONTINUED TO FEB 01 2018 <i>Time Certain 2 P.M.</i></p> <p style="text-align: center;"><i>As Amended</i></p> <p>FEB 01 2018 PASSED TO SECOND READING FEB 28 2018 9:30 A.M.</p>
<p>Impact Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	<p>FEB 28 2018 <i>Rescheduled</i> MAR 07 2018 9:30 A.M.</p>
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<p>MAR 7, 2018 REFERRED TO COMMISSIONER OF PUBLIC AFFAIRS</p>
<p><input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances <i>Toni</i></p>	<p style="text-align: center;"><i>As Amended</i></p>
<p><input checked="" type="checkbox"/> City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i></p>	<p>APR 04 2018 PASSED TO SECOND READING APR 11 2018 9:30 A.M.</p>
<p>Council Meeting Date 12/6/2017</p>	

AGENDA

TIME CERTAIN X
 Start time: **9:45**
 Total amount of time needed: **45**
 (for presentation, testimony and discussion)

CONSENT

REGULAR
 Total amount of time needed: _____
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Eudaly	4. Eudaly	<input checked="" type="checkbox"/>	
Wheeler	Wheeler	<input checked="" type="checkbox"/>	