

ORDINANCE No. 184756

Adopt the Innovation Quadrant District Transportation System Development Charge Overlay Project Report, establish a fee schedule and amend Code effective November 1, 2011 (Ordinance; amend Code Chapter 17.15)

The City of Portland ordains:

Section 1. The Council finds:

1. In June of 1997, the City Council established the Transportation System Development Charge program to fund a portion of the vehicle, transit, bicycle, and pedestrian supportive improvements required to maintain the City's livability, mobility, and economic vitality.
2. Council recognized that development should contribute its fair share to the cost of improvements and additions to transportation facilities necessary to accommodate the capacity needs created by growth.
3. Under existing state law, the fees collected may only be used to fund capacity-increasing projects for future users and cannot be spent on correcting existing deficiencies.
4. On October 3, 2007, by Ordinance No. 181322, City Council adopted the ten-year update to the citywide Transportation System Development Charge (TSDC) program.
5. On April 9, 2009, City Council passed an ordinance to establish a TSDC overlay district in the North Macadam district to supplement the fees collected from the citywide TSDC and support transportation priorities in the newly developing area.
6. On February 24, 2010, City Council adopted Ordinance 183554, which authorized TriMet and the City to enter into an IGA, committed the City to \$30 million dollar City of Portland contribution to the South Corridor Phase II: Portland-Milwaukie Light Rail Project, and outlined the City's funding plan for the contribution; \$10 million from the North Macadam TSDC overlay is directed to the Portland Milwaukie Light Rail Project.
7. The City Council directed the Portland Bureau of Transportation (PBOT) to analyze the viability of developing a TSDC overlay to support light rail and other community supported transit and transportation investments in the Central Eastside to University District.
8. PBOT and the project team performed interviews with key stakeholders and developed a plan forward to establish a project list based on the key priorities of the community. PBOT assembled a Project Advisory Committee made up of neighborhood leaders, business owners and institutions in the district reviewed councils directions and the initial project list of over 30 projects.

9. The recommended TSDC Overlay project list and fee schedule were developed with substantial involvement by the Project Advisory Committee. The project team met regularly with the PAC, conducted one-on-one stakeholder interviews, small group and neighborhood meetings specifically with property owners, and participated in two public Open Houses.
10. In general, participants of the small group meetings indicated greater support for a shorter project list and a mid-range TSDC Overlay rate to reduce the impact to development.
11. With these results, the potential project list was reduced to the PMLR and five additional key projects. These six projects are designed to improve multi-modal access into and through the Central Eastside and the University District that make up TSDC Overlay district.
12. The Portland-Milwaukie Light Rail project on the TSDC Overlay project list is also on the citywide TSDC project list. The Portland-Milwaukie Light Rail project would be eligible for funding from both the TSDC Overlay monies as well as the citywide TSDC; indeed, fully funding this project would likely require monies from both TSDCs.
13. The total low-confidence level cost estimate for all of these projects is \$90,424,612 of which \$14,595,916 million are eligible TSDC project costs.
14. To avoid any duplicate charges from projects on both the citywide TSDC project list and the IQ Project list, the eligible costs were reduced to equal \$14,203,068.
15. These funds would be used to maximize partnership opportunities with other local, state and federal sources, in order to fully fund as many of these projects as possible. As none of these projects can be fully funded by TSDCs, all of the projects require matching funds.
16. To fairly distribute project costs and avoid double counting, only trips that begin or end in the Overlay District are used to calculate that portion of the project that would be funded with TSDC Overlay dollars. Similarly, these trips were excluded from citywide TSDC calculations.
17. On April 6, 2011, City Council accepted the report, attached as Exhibit A, and noticed this hearing on the changes to the TSDC program. PBOT was directed to continue outreach to Central Eastside Industrial Council, Brooklyn Action Corps, Hosford Abernathy Neighborhood Association, South Portland Neighborhood Association and the Portland Business Alliance. PBOT has communicated with all the organizations, offered to attend meetings, attended open houses sponsored by partner agencies, attended the meetings held by the Hawthorne Business Association, the Clinton/ Division Neighborhood Association, the Central Eastside URAC, the CEIC Land Use Committee and sent a notice to interested parties as governed by state statute ORS 223.297-223.314.

18. Adoption of the Overlay project list attached in Exhibit A, fee schedule attached as Exhibit B and code changes attached in Exhibit C are needed to create additional local leverage to attract other monies to fund these high priority projects.
19. The recommended effective date for the TSDC Overlay is November 1, 2011. This would allow for consideration of the Overlay proposal through this public hearing, and an additional 60-day delay during which any current development applicants could complete their applications.

NOW, THEREFORE, the Council directs:

- a. City Council adopts the methodology report entitled Innovation Quadrant Transportation System Development Charge Overlay Project Report dated May 2011, attached to this Ordinance as Exhibit A, and incorporates the assumptions, conclusions and findings in the report which refer to the determination of anticipated costs of capital improvements required to accommodate growth.
- b. City Council establishes a fee schedule for Innovation Quadrant Transportation System Development Charge Overlay, attached to this Ordinance as Exhibit B.
- c. City Council directs that the Bureau of Transportation inform the Central Eastside Industrial Council, Brooklyn Action Corps, Hosford Abernathy Neighborhood Association, Clinton Division Business District, the Hawthorne Business Association and the Portland Business Alliance of the annual collection and expenditure of TSDC funds within the Innovation Quadrant Transportation System Development Charge Overlay district.
- d. City Council directs that \$5 million of the estimated future TSDC Overlay revenue be used to help fund a portion of the local match for the Portland Milwaukie Light Rail Project (also known as the South Light Rail Project).
- e. City Council directs that any changes to the list of projects in Exhibit A shall take effect only after review and approval by City Council.
- f. City Council directs that when the Innovation Quadrant TSDC Overlay collects the \$14,203,068 to fund the eligible costs in the Innovation Quadrant Transportation System Development Charge Overlay Project Report, or on October 31, 2031 the fee shall expire.
- g. Section 17.15, Transportation System Development Charge is amended as attached to this Ordinance as Exhibit C

Passed by the Council, JUL 20 2011

Mayor Sam Adams
Prepared by: Shoshanah Oppenheim:slg
Date Prepared: June 2, 2011

LaVonne Griffin-Valade

Auditor of the City of Portland
By


Deputy

Agenda No. **ORDINANCE NO. 184756**

Title

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<p>INTRODUCED BY Commissioner/Auditor: MAYOR SAM ADAMS</p> <p><i>K. Saltzman on behalf of Mayor Adams</i></p> <p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p> <p>BUREAU APPROVAL</p> <p>Bureau: Bureau of Transportation Group Manager: Greg Jones Development & Capital Program Other:</p> <p>Prepared by: Shoshannah Oppenheim :slg Date Prepared: June 2, 2011</p> <p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <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>Council Meeting Date JULY 13, 2011</p> <p>City Attorney Approval</p>	<p>CLERK USE: DATE FILED <u>JUL 08 2011</u></p> <p>LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p>ACTION TAKEN:</p> <p>JUL 13 2011 PASSED TO SECOND READING JUL 20 2011 9:30 A.M.</p>
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✓ Tom-OK

mev

AGENDA

TIME CERTAIN
Start time: **2:00 PM**

Total amount of time needed: 1 1/2 HRS. *15 min*
(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	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	—	<i>Recused</i>
4. Leonard	4. Leonard	—	
Adams	Adams	✓	