

\$275,000 Infill Development Fee TR_02 FY 14/15
Local Transportation Infrastructure Fee

SE 46th & Nehalem



Project Summary

The goal of this project is to adopt a Local Transportation Infrastructure Fee that will assess development projects for transportation infrastructure improvements (sidewalks and streets). One-time funds will be used to design a fee program that has key stakeholder support and generates revenue to further City goals encouraging Complete Neighborhoods.

The process to adopt a Local Transportation Infrastructure Fee will address multiple stakeholder interests. The City, as primary custodian of the right-of-way, is an advocate for complete streets and needs revenue to address system deficiencies; neighborhood residents want safe sidewalks and paved streets; and developers want the lowest reasonable costs for permitting and street improvements. Finding agreement between these groups is an essential element of this project

Project Objectives

- Establish the legal basis for the fee in the context of Nolan/Dolan, Koontz and other court rulings.
- Establish a defensible methodology for determining the fee.
- Establish criteria to prioritize where—and for what—fee generated revenue is best used.
- Establish the economic benefit of infill development (for fee context and balance).
- Establish a well educated stakeholder group and a public process that supports informed decision making.
- Develop a recommendation to Council for adoption.

The Need is Significant

There are 45 miles of single-family residential streets lacking pavement and 167 miles of single-family residential streets lacking sidewalks. The density goals of our Comprehensive Plan are dependent on infill development. The goals for complete neighborhoods are dependent on paved streets and sidewalks. Both of these goals are dependent on a fair and reliable means to fund local transportation infrastructure.

The City depends on new development to pay-its-way for street infrastructure improvements. However, it is not uncommon for some or all of these requirements to be delayed for single-family homes built on under-improved streets. In most situations the requirements are delayed because, by virtue of the existing street being (all or mostly) under-improved, the new infrastructure would have nothing to connect to within a reasonable distance.

This puts the City in a difficult position. City policy supports both infill development and complete neighborhoods. Too often, especially in Portland's outer Eastside and Southwest neighborhoods, both policy objectives cannot be met. And, too often, the street is left incomplete creating a liability for the City. Adopting a development fee to fund infrastructure improvements in conjunction with infill development is clearly needed.

Adopting a Local Transportation Infrastructure Fee is also important as a result of several court decisions. The Nolan/Dolan and Koontz decisions have resulted in increased challenges to the City's process of exacting improvements.