

## The Oregonian

### ~~Portland City Council gives final OK to budget that includes several cuts~~

~~By Ryan Kost~~

This story is outdated and has been removed.

### Portland street fee: Is the obscure formula that determines what you pay 'imperfect,' or plain unfair?

By Andrew Theen

In deciding how much to bill each of the city's 62,672 businesses under a proposed fee for road repair, Portland Mayor Charlie Hales and Commissioner Steve Novick turned to an obscure compendium of transportation data that Novick admits might seem like "black magic."

The 2,000-page encyclopedia of numbers is called the Institute of Transportation Engineers Trip Generation Manual. It was designed to be a reference guide for cities and developers to estimate how much traffic will grow once a new development is built, not as the formula behind a new revenue source. Only Oregon and three other states use it for that purpose.

The multi-volume manual in some cases relies on data collected as early as the 1960s, before the Fremont Bridge was constructed and when Harbor Drive still carved through what's now Tom McCall Waterfront Park in downtown Portland.

Traffic counts in the manual are often from as few as two locations. They are also largely from the suburbs, where there's little to no public transit or bike and pedestrian services. There's no differentiating between businesses located in a downtown filled with skyscrapers and shops on the suburban fringe.

Public perceptions of the formula's accuracy have important implications for the future of the street fee plan, which Hales and Novick put on ice until November in the wake of loud and lengthy public opposition at a nearly six hour hearing last month.

Residents and business owners will weigh in once again at a public meeting on the fee proposal Tuesday. Attendance is expected to be big enough that city officials booked the Oregon Convention Center.

Novick and Hales both call the numbers behind the street fee "imperfect." Some business owners use a different term: unfair.

"I would prefer not to go out of business," said Mo Bachmann, owner of Kenton Antiques, a 3,000-square-foot shop in sleepy North Portland.

Bachmann discovered her monthly bill would eventually reach more than \$250, according to the city's online street fee calculator. Bachmann said that would prevent her from finally hiring on another employee five years after opening her doors. "That's a huge impact," she said.

#### How it works

ITE produced its first trip generation manual in 1976 and released its ninth version in 2012.

The latest version includes trip estimates from 5,500 businesses of 172 types across the United States. The businesses are organized into 10 overarching categories – industrial, recreational, lodging, institutional and more.

The massive volumes are virtually ubiquitous in the development world, primarily used to estimate traffic growth tied to new construction. If a developer proposes a new 7-Eleven in downtown Portland, a city transportation engineer might take the hefty manual off the shelf and see how much daily traffic is

associated with 24-hour convenience stores in other cities. That knowledge will dictate whether the city adds new traffic lanes, turning lanes or other infrastructure.

"Oregon could be basing its data on Florida, or Texas, or Arizona," said Brian Taylor, director of the Institute for Transit Studies at UCLA.

### **Portland's calculator**

When it came time for Portland to translate traffic generated by each business into dollar amounts owed under the street fee, the Portland Bureau of Transportation aimed for simplicity, consistency and ease of explanation.

While the ITE manual includes trip estimates during peak hours, on weekends and during other timeframes, the transportation bureau focused strictly on the average weekday. Although the ITE manual includes many variables assessing the size of a business, PBOT uses only square footage of floor space.

Using the bones of an online calculator developed with ITE data during a failed attempt at a street fee in 2008, city officials in May trotted out an updated version that allowed business owners to quickly see what they'd pay.

Users select their business type and type in the square footage, and the calculator processes the estimated car trips. Businesses owe \$.04128 per trip for the first 5,000 trips generated in a given month. Additional trips cost you less.

Residents are already playing with the calculator. The city's OurStreetsPDX web domain received 7,000 page views in May alone.

Once businesses saw the dollar amounts they'd pay, the figures became fodder for testimony against the fee at the hearing that preceded the City Council's decision to put the proposal on hold.

### **Flannel shirts and bikes**

Both the ITE manual and the way Portland has applied it can lead to misleading results without additional refinements, according to transportation experts.

Three independent transportation experts interviewed by The Oregonian said it's essential for cities that enact street fees to measure their own traffic locally, rather than relying on the ITE's collection of figures from around the country.

Even the ITE's user handbook notes the lack of context given to urban environments.

The manual ignores the fact people take buses or trains, ride bikes and walk to convenience stores in midtown Manhattan and downtown Portland more often than to a similar store in Sandy or Gresham.

Taylor, of UCLA said good transit behavior goes unrewarded.

"If all of your customers wear flannel shirts and they walk and bicycle to the coffee shop," Wilson said, "you're still paying the fee."

Phil Caruso, ITE's deputy director for technical projects said he wasn't familiar with cities using the manual as the basis for calculating street fees. But he said it's unlikely the estimates taken from the manual would accurately represent the actual number of trips generated by a given type of business in a given city.

For accuracy, he said, cities should calculate their own trip data, as the ITE user handbook explicitly states.

### **Waiting game**

Novick and Hales have acknowledged limitations in the street fee methodology and say they're open to tinkering with their proposal, perhaps combining a street fee and another funding source.

Despite the criticism thrown at the street fee plan, David Levinson, a professor of transportation at the University of Minnesota, said many transit observers nationally view street fees as progressive and innovative.

Many cities use property tax revenues or a sales tax to raise money for roads, Levinson said, and the latter is particularly regressive. A street fee, Levinson said, is "at least nominally proportional" to use.

Further, Levinson's research has found that many cities customize their street fees, adding exemptions for residents who don't own cars, or charging heavier vehicles for causing more wear and tear.

More precise measurements exist to track how much individual drivers use the roads – think GPS – but transportation experts note such tools would be a tough sell politically due to privacy concerns.

Kelly Clifton, a professor of civil and environmental engineering at Portland State University, said PSU is conducting cutting edge research that would improve on traffic counts and better account for trips generated by other modes of transit, such as walking, bicycling and mass transit.

Clifton contacted Portland Bureau of Transportation officials to offer to help the city refine its traffic counts. That could help alleviate some of the costs on small businesses.

Dylan Rivera, PBOT spokesman, confirmed officials had spoken to Clifton and were open to the possibilities. "We're interested in any help we can get," Rivera said.

## **Portland street fee: How Oregon became the nation's biggest user of street fees**

*By Andrew Theen*

Although every U.S. city is grappling with how to pay for its streets, sidewalks and transit system, only 32 are raising the money through fees tacked onto utility bills paid by homeowners, businesses or both.

Oregon is home to 28.

The state's unusually widespread adoption of the street fee follows largely from Oregon's lack of a sales tax and its relatively limited use of gas taxes by local governments, according to transportation experts. Cities in other states rely heavily on these sources of revenue for road repair.

Cities in Washington, Wisconsin and Florida previously used street fees, but they've since been discontinued or overturned in the courts, according to a 2012 study by the University of Minnesota.

Outside of Oregon, street fees continue to exist in only a few cities -- Austin and Corpus Christi, Texas being the largest corollaries. Loveland, Colorado and Mission Texas have fees, too.

In 1984, Fort Collins, Colorado became the first city to enact a street fee, according to the University of Minnesota study.

A year later, La Grande became the first city in Oregon to establish a street fee.

Fort Collins residents challenged the fee in the courts and it the city rescinded the fee a few years later, according to the study.

Some Oregon cities charge businesses and residents a flat fee; others use the trip generation plan proposed by Novick and Hales based on estimates developed by the Institute of Transportation Engineers.

A stagnant federal gas tax, a common point of contention for Hales and Novick, is a factor in Oregon, according to Portland State University professor Kelly Clifton.

Clifton said despite public concerns about a street fee, Portland does need more money.

"We don't have the resources to keep up with our maintenance and demand on transportation system," she said.

Mayor Charlie Hales and Commissioner Steve Novick, the two elected officials driving the discussion about how to fix Portland's crumbling infrastructure, have gone out of their way to say street fees are in the mainstream – for Oregon, at least.

"If it's good enough for Oregon City," Novick said at a press conference in a Southeast Portland park last month, "it's good enough for Portland."

# Portland street fee: Austin, where roads rule, is the only other Portland-sized city doing it

By Andrew Theen

Twenty-eight Oregon cities are among just 32 in the United States that charge residents utility fees to pay for roads, and the only one that comes close to Portland in size or regional importance is Austin, Texas.

While Oregon's aggressive use of utility fees results is in part from the state's lack of a sales tax – a key mechanism many cities use to pay for roads – the rationale in Austin is a little different.

"In Texas, people love their cars," said Sara Hartley, Austin's public works department spokeswoman. "Unfortunately, that's a blessing and a curse when it comes to this sort of thing," she said.

As Portland contemplates a monthly fee that would phase in from \$6 in 2015 to \$12 in 2017, Austin's 23-year history with the fee offers a real world case study in how such a fee might work out here in the long run.

## HOW CONTROVERSIAL IS IT?

Road conditions are a top priority for Austin's 885,400 residents, according to Harley.

Roads fall just below public safety in terms of importance, she said. The street fee has more than two decades of history, and it's been able to stand the test of time, she said, despite periodic attempts to defeat it.

"After 23 years, people don't really think about it," she added.

## HOW MUCH REVENUE DOES IT GENERATE?

\$47 million last year, with residents contributing \$25.7 million and commercial customers chipping in \$21.3 million. That's roughly in line with the most optimistic revenue estimates under Portland's proposal (net of administrative and other costs).

## HOW MUCH DO RESIDENTS PAY?

Currently, \$7.80 per month, but that can change depending on annual budget needs.

## ARE THERE ANY DISCOUNTS FOR LOW-INCOME FOLKS OR APARTMENT DWELLERS?

No, although residents 65 and older may apply for an exemption. According to Austin's city code, if a resident "does not own or regularly use a private motor vehicle" he or she may also apply for an exemption.

## HOW DO CITY OFFICIALS COLLECT THE STREET FEE?

It's included on Austin's monthly utility bills. Portland is proposing a similar mechanism, although Commissioner Nick Fish (who oversees both water and sewers bureaus) has said that's a nonstarter.

## ARE PARKING LOTS EXEMPT IN AUSTIN?

Yes. The original Portland ordinance included an exemption for parking lots, but city transportation officials backtracked and said they were exploring ways to charge surface lots.

## HOW ARE BUSINESSES CHARGED?

Austin's city code includes estimated trips associated with various business types. The city caps the number of trips for which a business can be charged. Hartley said prior to instituting the street fee in the early 1990s, Austin studied the average trips generated by residents and businesses. She was unclear whether or not the Institute of Transportation Engineers Trip Generation Manual, which Portland is using to calculate fees, was used.

## DOES THE FEE INCREASE ANNUALLY?

It depends. The city does set the fee each year during the budget process. Austin annexed some areas in recent years, and the city is projecting a 6 percent increase in the next fiscal year to cover program costs. Under Portland's proposal, the fee would also be subject to annual increases.

## **SO HOW ELSE DOES AUSTIN PAY FOR ROADS?**

This is the key difference between Austin and Portland. Time after time, Austin voters have approved mega-bond measures that included millions for roadwork. In 2006, Austin voters approved a wide-ranging bond measure of more than \$567 million that included \$105 million for transportation projects across the city (including bike projects). Voters signed off on subsequent bond measures in 2010 and 2012 that included \$233 million in road projects. Portland has not referred a transportation bond measure to voters for decades.

## **SO WHAT DOES THE CITY DO WITH ITS MONEY?**

According to the city's most recent annual report, Austin crews "applied preventative maintenance treatments" to more than 875 lane miles in the city. The budget included \$19.6 million for preventative work, \$5.7 million for street repair, and \$4.6 million for minor construction and repair work. Portland is currently spending roughly \$10 million per year on pavement maintenance and pledged to treat 100 miles of road in the 2013-14 fiscal year.

## **DOES AUSTIN'S FEE APPLY TO PUBLIC AGENCIES, PARKS, ETC.?**

Austin, home to the University of Texas, does not bill the university, which sits on some 900 acres. Other governments, including school districts, don't pay either. Portland's proposed fee would apply to all public agencies including city bureaus.

## **OK, AFTER ALL OF THIS, HOW ARE AUSTIN'S STREETS?**

According to Austin's annual performance data, half of its 7,498 lane miles of road are in excellent or good condition and 28 percent are considered in fair condition. Portland is the polar opposite: More than half of its 4,827 lane miles are in poor or very poor condition.

## **Portland street fee: What's it mean for a Burgerville drive-through in the Lloyd District?**

*By Andrew Theen*

To test out Portland's technique for deciding how much businesses would pay under a proposed street fee, we consulted the big green book known as the Institute of Transportation Engineers Trip Generation Manual, Eighth Edition.

Specifically, Volume 2, page 1,822:

"Fast Food Restaurant with a Drive Through Window."

We wanted to know the damages for a 4,342-square-foot Burgerville located in Northeast Portland near the Oregon Convention Center (P.S., that's near the town hall meeting scheduled for Tuesday to discuss the business and non-residential portion of the street fee)

Type the square footage into the city's online fee calculator, and you'll get \$1211.18. That's in 2017, the year that the fee is fully phased in.

Is \$1,11.18 the same answer the manual gives us?

The big green book says on a weekday, an average of 496.12 cars come or go for every 1,000 square feet of floor space in a fast food restaurant. In a month, that amounts to 66,880 trips for the Lloyd District Burgerville.

The city says it's charging a sliding scale that starts at \$.04128 per trip for the first 5,000 trips when the fee is fully phased in.

Portland Bureau of Transportation officials provided that scale, and we applied the Burgerville's 66,880 trips to it.

And voila!

Well, close.

Our total was \$1,229.87. It's not clear why our result was \$18.69 more than what the city's calculator said the restaurant owed.

But Burgerville probably will take it. That's a few chocolate shakes, right?

A 4,342-square-foot Burgerville's street fee calculated			
Trips	Dollars per Trip	Trips	Fee
1 - 5,000	0.04128	5,000	206.40
5,001-10,000	0.02752	5,000	137.60
10,001-25,000	0.02064	15,000	309.60
25,001-75,000	0.01376	41,880	576.27
Totals	--	66,880	1,229.87

-- Andrew Theen

## East Portland: Slow growth, but don't stop it, city planners recommend

By Brad Schmidt

City planners want to undo some key zoning decisions from nearly 20 years ago that ushered in massive growth to east Portland.

As part of a sweeping update to the city's land-use plan, officials have proposed decreasing density on about 935 acres in east Portland — limiting the amount of potential new units built in a part of town that largely still lacks sidewalks or safe crossings.

In a city known for its smart growth, the downzoning would be the most dramatic in Portland's modern planning era. Officials say existing zoning, particularly in the central city and designated town centers, will accommodate many of the nearly 112,000 new homes, apartments and condos projected for Portland in the next 20 years.

In east Portland, downzoning is targeted to residential neighborhoods along Southeast 122nd Avenue and 136th Avenue — two corridors where city leaders steered dense multifamily construction as part of the 1996 Outer Southeast Community Plan.

Planners say the proposed changes aren't a mea culpa but they do acknowledge problems with previous efforts.

In some cases, new units were built on unpaved roads, construction sprouted along corridors without sidewalks and a flood of new residents burst the David Douglas School District to its seams.

"It's still possible to shut off the spigot and gain some breathing room," said Eric Engstrom, the principal planner for Portland who is leading the city's comprehensive plan update.

Officials aren't proposing to eliminate denser development in east Portland altogether, just limit it from creeping deeply into some neighborhoods, as current zoning allows.

Changes along 122nd are minimal, but abutting neighborhoods would maintain single-family homes instead of apartments. Virtually all of 136th, south of Powell Boulevard, would be downzoned from apartment and townhome designations to ensure single-family construction.

The 136th corridor serves as a prime example of poor planning.

Officials designated the area for apartments that could hold up to 32 units per acre. But needed improvements never followed. A project to build sidewalks along the two-lane road moved forward only after a 5-year-old girl died trying to cross the street in 2013.

#### Broken Promises

City officials hope to ease growth in areas that haven't reached a tipping point, Engstrom said. That means preserving neighborhoods with single family homes by reverting back to lower density zoning, particularly between Southeast Holgate Boulevard and Harold Street and Powell Boulevard and Holgate Street.

Proposed changes also include prohibiting development, or limiting development to very large lots, on the hills of Pleasant Valley.

Based on the revisions, the David Douglas School District would still add an estimated 12,600 new units through 2035 – essentially the same amount that sprouted to date as a result of the city's 1996 zoning plan.

But without changes, Engstrom said, the number of new units in the east Portland school district could be closer to 22,100.

Elsewhere in Portland, officials forecast 33,000 new units in the central city, stretching from Goose Hollow to Southeast 12th Avenue, from the Fremont Bridge to the South Waterfront. Another 28,000 new units would be built in town centers such as St. Johns, Hollywood and Gateway.

Portland's comprehensive update is the first citywide review of land-use planning since developing the original plan in 1980. Proposed changes will be made public by July 21, about a month later than officials originally planned. A spokeswoman blamed the delay on "technical and unforeseen challenges."

The Portland Planning and Sustainability Commission is expected to hold hearings this fall. The City Council would give final approval sometime in 2015.

## The Portland Tribune

### Council poised to expand Portland Children's Levy programs

*By Jim Redden*

The City Council will consider funding programs to fight child hunger with money from the Portland Children's Levy for the first time this week.

Portland voters authorized spending levy money for such programs with they reauthorized it in 2013. A five-person Citizen Allocation Committee has recommended spending approximately \$2.6 million of the levy's nearly \$33 million on two hunger relief programs. The recommended amounts are around \$1.35 million to the Meals on Wheels People and about \$1.3 million to the Oregon Food Bank.

The council will consider approving the committee's recommendations at its Wednesday, June 25, meeting.

The Portland Children's Levy was developed by Commission Dan Saltzman. It raises property tax money for existing nonprofit organization to provide services to at-risk youth. Saltzman convinced the council to first put it on the November 2002, where it was approved. Portland voters renewed it in november 2008 and May 2013.

The original program categories eligible for funding were: early childhood development; after school and mentoring; and child abuse prevention and intervention. Saltzman added the foster care category to the

measure approved by voters in 2008. He added the child hunger category to the 2013 measure after becoming concerned over the large percent of children in the Portland area are going hungry, especially when school is out and subsidized meals are no longer available.

Counting the two hunger relief programs, the allocation committee has recommended funding 59 programs in the various categories. The largest amount — about \$10.3 million — is recommended for early childhood programs. The next largest amounts are nearly 6.5 million for child abuse prevention and intervention, and about \$6 million for after school programs.

A short history of the program and the full list of the recommendation can be seen at: <http://www.portlandonline.com/auditor/index.cfm?c=50265&a=494468>

## **The Daily Journal of Commerce**

### **Revamping city bureau to expedite volume**

*By Jeff McDonald*

When the city of Portland's Bureau of Development Services received approval – and funding – in March to hire 18 new employees, Land Use Division Manager Rebecca Esau knew it would not come in time to stave off the department's summer rush.

Eleven of the approved positions are at various stages of the hiring process. The remaining seven have been filled, but Esau estimates training those new employees will take between six months and one year.

Meanwhile, Portland has experienced a boom of development and construction projects, the result of a recovering economy. The number of customers the bureau deals with, for example, has increased by 9 percent during the first six months of each of the past two years.

"We are overwhelmed," Esau said. "Things have bounced back and bounced back quickly. We are hiring people and trying to get them up to speed."

The bureau has been using aggressive training for the newly hired employees, moving them quickly into job shadowing and mentoring programs. They also are working directly with the public in the department's plan center. But even for new hires with experience in planning and permitting, the learning curve can be steep.

Gina Tynan, who was the department's first hire in April, is a 17-year planning veteran who left a senior position in Memphis, Tennessee to join the BDS staff.

The biggest challenge for Tynan has been getting to know the city's zoning code, which weighs 13 pounds and is approximately 1,000 pages thick, or about three times the size of codes in communities where she's worked in previous jobs.

"Luckily, if you don't know something, you can look it up," Tynan said about Portland's zoning code. "It's pretty large."

At BDS, she's training almost daily on TRACS, which is the city's permitting database. She's been learning GIS mapping software, how to use Portland Maps and how to process planning applications. She's also benefited from having two assigned mentors, experienced BDS staffers she's been able to turn to on a daily basis.

#### **Complicated codes**

The length of time it takes to get new employees up to speed at BDS depends on their levels of experience and their familiarity with Oregon's land use laws and Portland's municipal codes, Esau said.

"It's a very complicated code we're dealing with," she said. "There are base zones, overlay zones and plan districts which have specific regulations to those parts of town. You have to figure out how those interrelate to each other and how to measure different things, like a house shown on a building plan."

The new hires at BDS bring a range of experience, from entry level to senior planners. Tynan, for example, is a level 2, mid-level planner and can handle a range of more complex planning documents.

“She’s a gem,” Esau said. “Because she’s so sharp and knows how to read plans for the most part, she’s a star. She’s ahead of the curve.”

#### Learning to wait

Until its new employees are all on board and trained, the department is trying to ease its backlog by paying experienced staffers overtime for longer days and weekends, Esau said. Many senior planners, meanwhile, also are being tasked with the implementation of the city’s new ITAP system, which will create a more integrated planning and permitting system by 2015. Once that system arrives and new employees are up to speed, the system should be faster and more efficient, Esau said.

Developers and builders who have projects moving through the development process, meanwhile, say they’re learning to expect a wait.

Noel Johnson, a developer with Vancouver, Wash.-based Killian Pacific, said the city planner on Killian’s Goat Blocks project worked three weekends in a row, “writing staff reports and making things happen.”

“I can’t blame him,” Johnson said. “It’s taken us forever to get through the process, but I have a ton of sympathy. It’s been very, very difficult.”

Johnson generally gives city staff credit for putting in the extra hours. But he thinks more front-end investment should have been made last year to hire additional staff as the economy improved.

“The city is fortunate to have people psyched to want to work here,” Johnson said. “The city has the best built environment in the country. It just takes time to do it.”