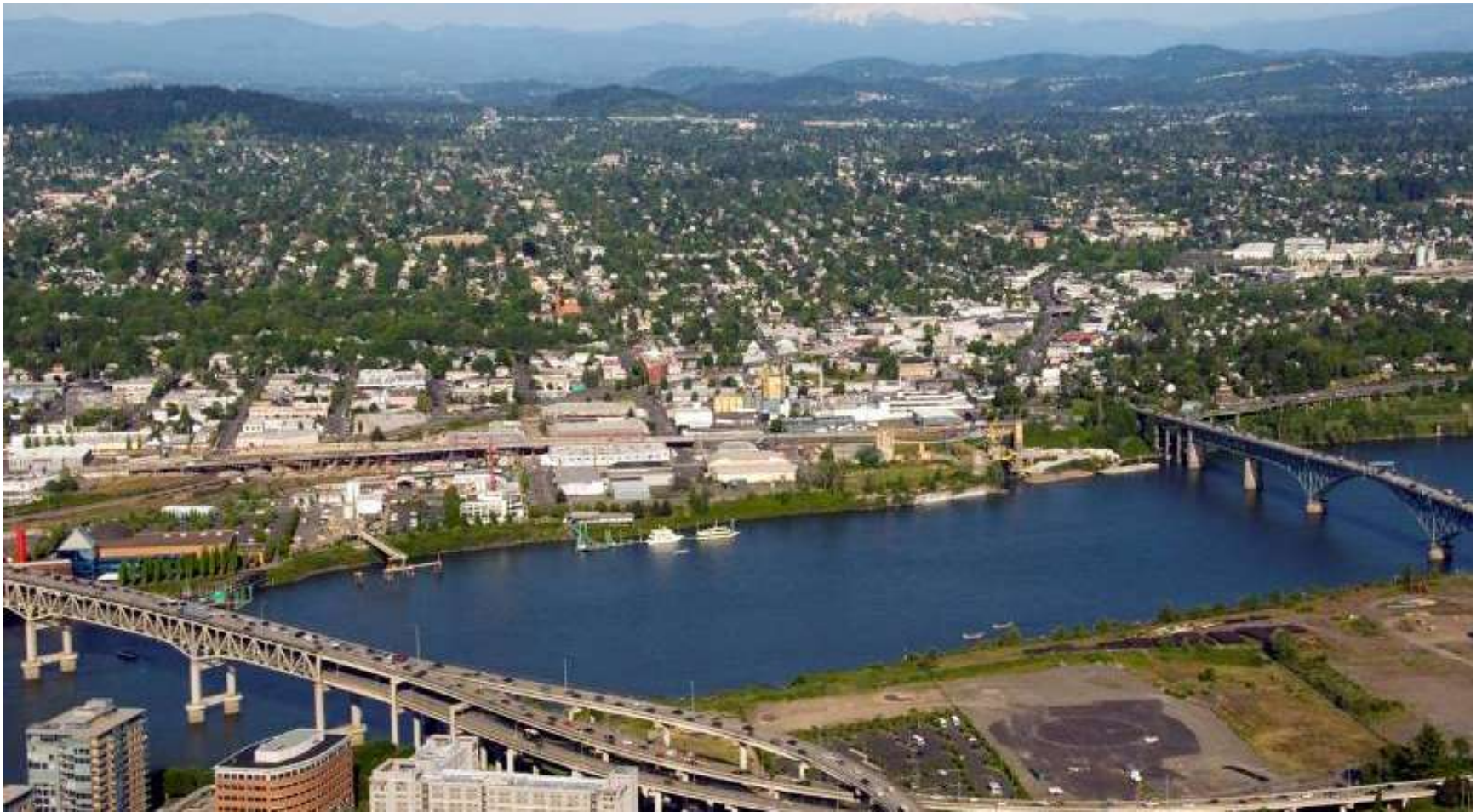
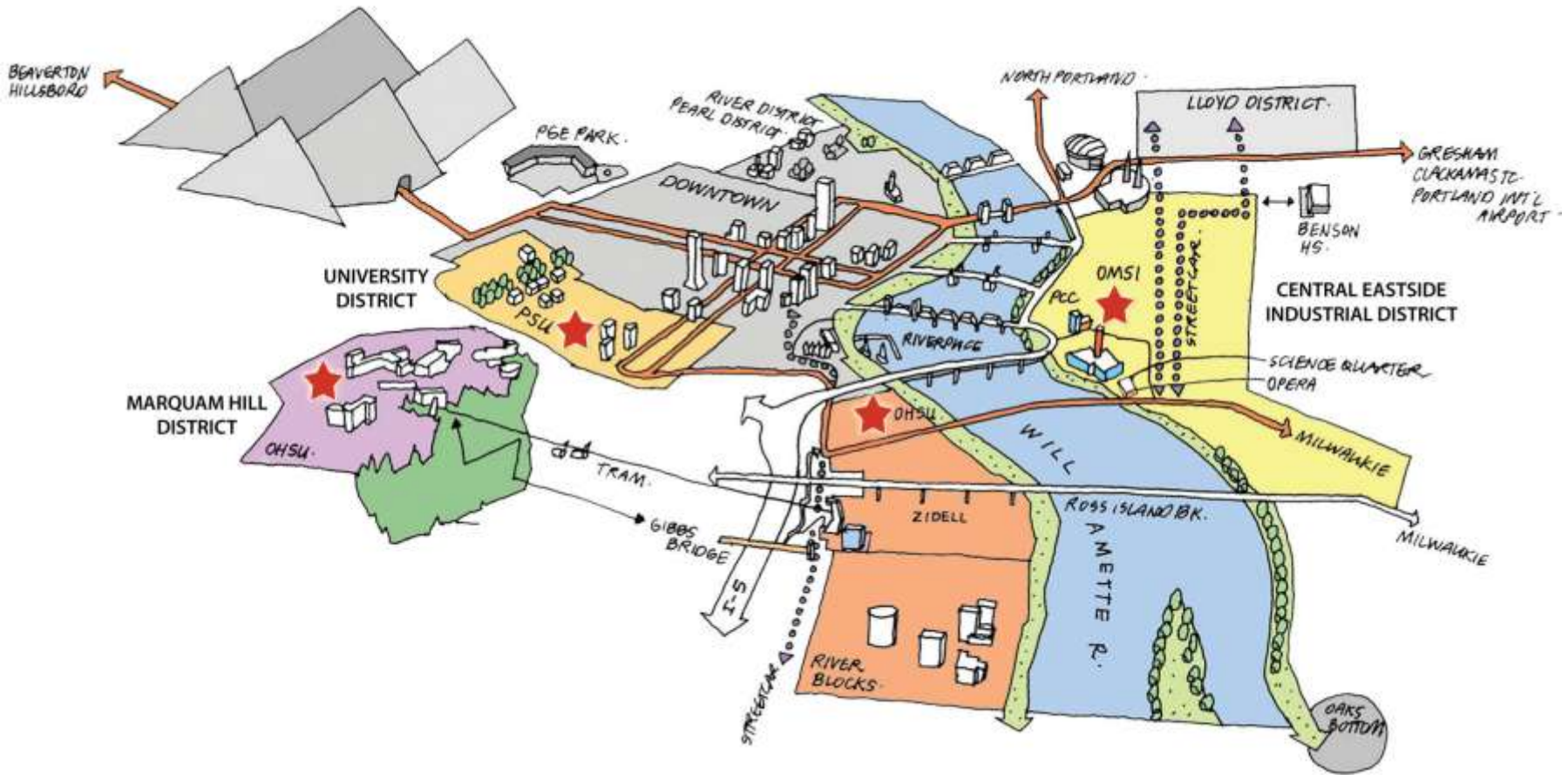


Funding Transportation Improvements in the Innovation Quadrant: Putting the T in TOD



Innovation Quadrant TSDC Overlay Project Area



What was the problem we were solving?

- Support development oriented transit and encourage mixed use/innovative projects
- Provide funding source that would allow City to leverage local and federal grants.
- Balance Portland's investment in light rail in extremely tough economic climate.

PDC Tax Increment Financing – North Macadam URA	\$10M
PBOT Parking Revenue	\$3.22M
North Macadam TSDC Overlay	\$10M
Citywide TSDC	\$1.78M
GAP	\$5 M
Total LRT Match	\$30M

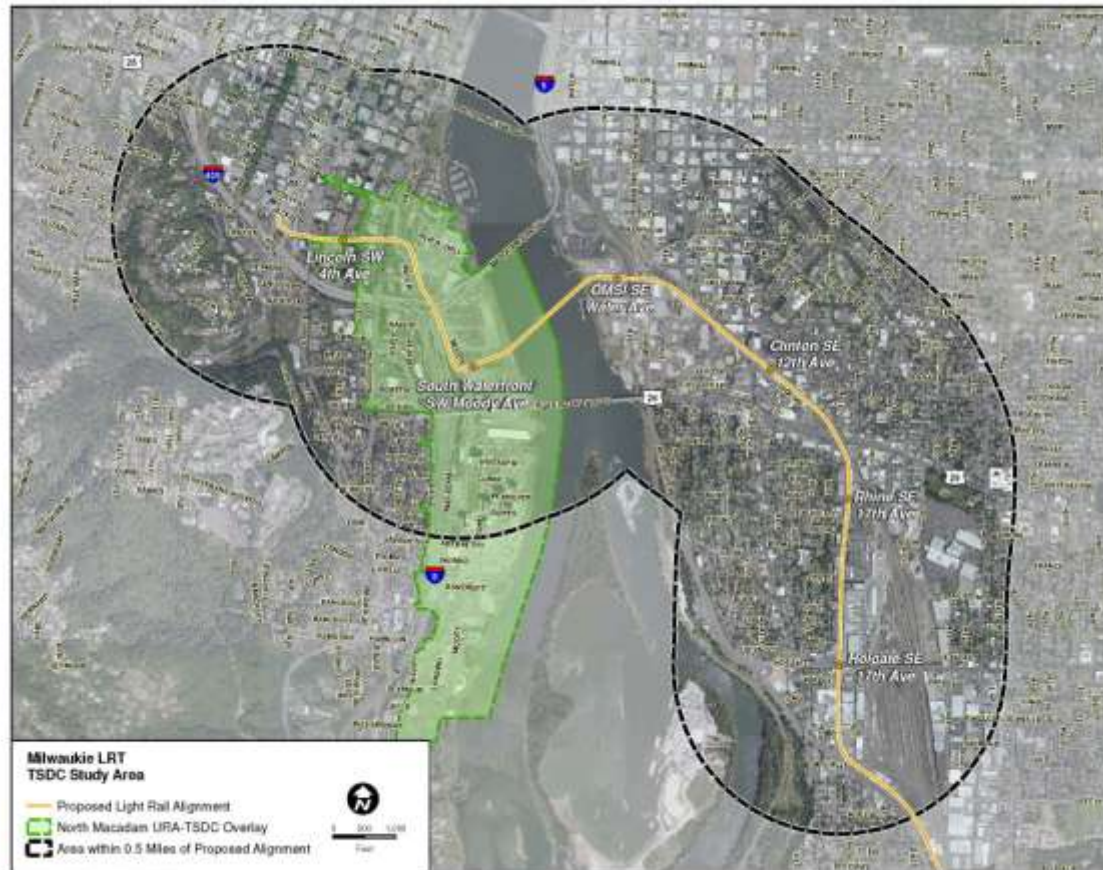
Evaluate funding options

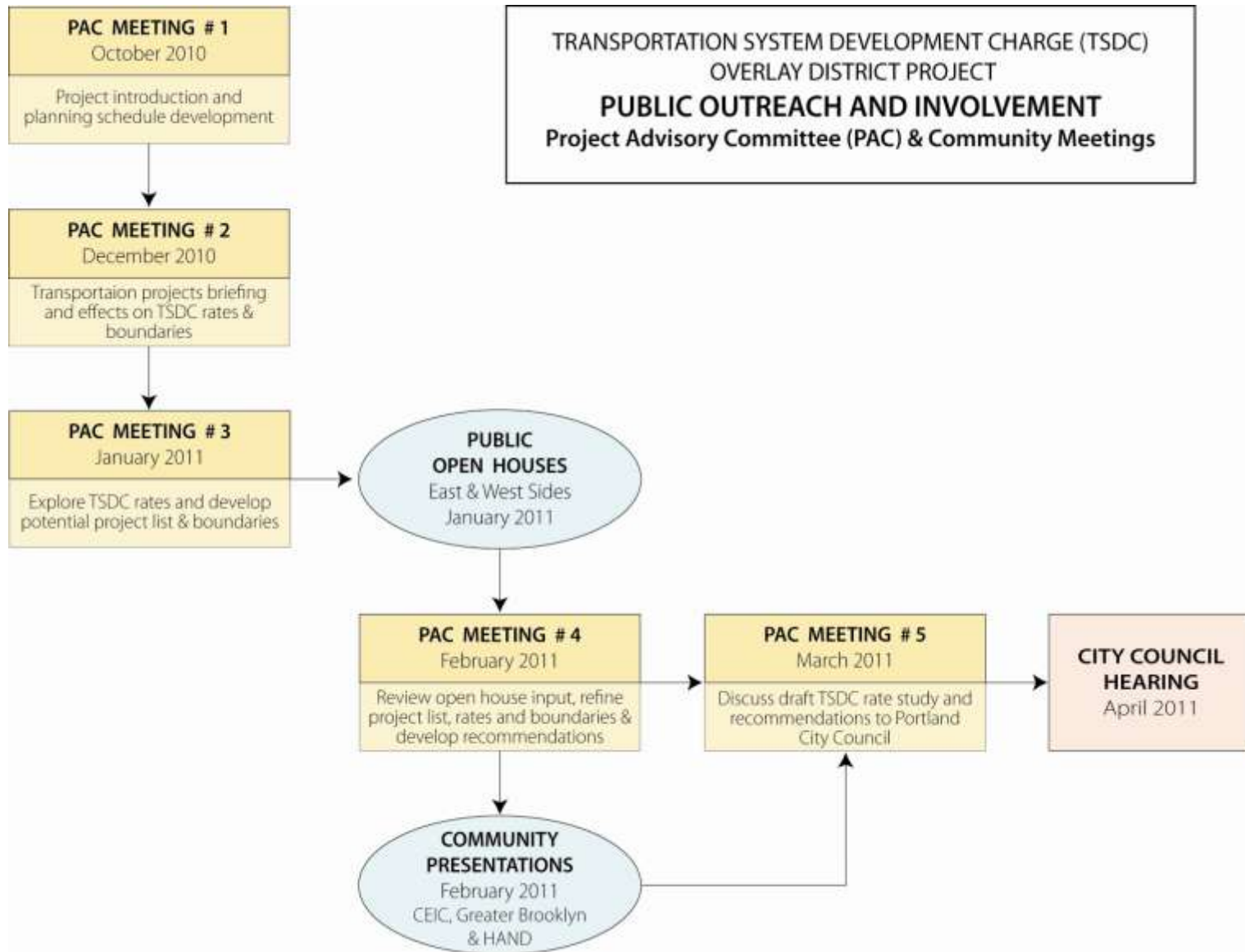
- Tax Increment Funding – Not enough in the district and the priority are tax generating projects. Would drain all resources available for economic development.
- Property tax limited by state statute
- Local authority to raise gas tax limited by state statute.
- No sales tax in Oregon
- Parking revenues – already contributing \$3.22 Million to PMLR and additional increase would not generate enough funding when balanced against competing projects.
- Local improvement district – much of the district was recently assessed for the Portland Streetcar Loop.
- TSDC overlay had been successful to contribute \$10 Million for PM light rail and fund new street network in the south waterfront neighborhood.

Transportation System Development Charges

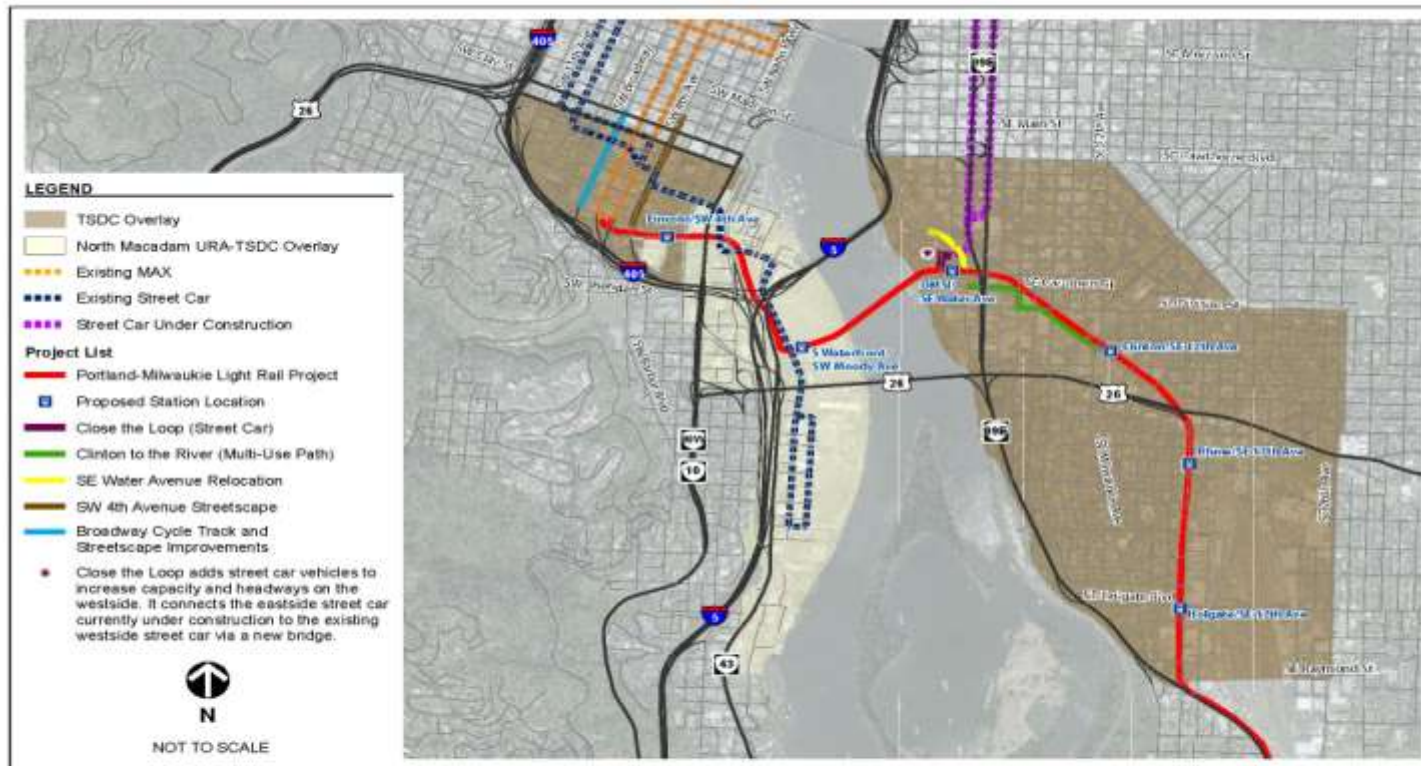
- One time payment charged at the time of development or changes in use
- Assessed for the additional demand that development puts on the existing transportation system – in Portland only for capacity not for deficiency
- Portland program is multimodal so project list can include transit, bike, pedestrian and vehicular improvements
- The Overlay would increase fees for development within the project area

Innovation Quadrant TSDC Overlay Base Projects and Study Area



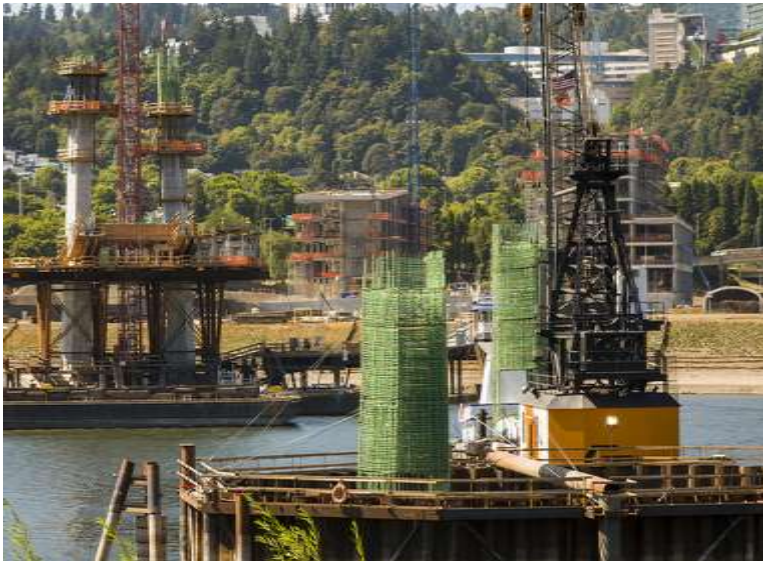


Innovation Quadrant TSDC Overlay Projects List



Results

- \$14.5 million TSDC contribution leverages \$90 million in transportation investments
- Ensured the base projects stayed on schedule and continues to encourage transit oriented development
- Two additional projects coordinated with the PMLR – Close the loop and the Clinton to the River multi use bike path
- Captures a portion of the value created by the transportation investments



Funding Transportation Improvements in the Innovation Quadrant

Shoshanah Oppenheim

Portland Bureau of Transportation

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Real world examples

- 250 SE Division Place - SK Northwest - Boat sales and repair facility

Improvement valuation: \$2,500,000

PBOT SDC: \$45,617

BES SDC: \$15,199

Parks SDC: \$2,600

Total SDC \$ 63,416 or 2.5 % of the project total

Proposed \$ 109,033 or 4.3 % of project total

- 1515 SE Water Ave – Holman Building (Group Mackenzie and other tenants)

Total improvement valuation: \$8,672,965

PBOT SDCs: \$161,552

BES SDCs: \$45,408 estimated

Total SDC \$ 206,960 or 2.3 % of the project total

Proposed \$ 371,512 or 4.2 % of the project total

Table 2

Summary of ALL SDCs for Sample Developments in Portland Metropolitan Area (\$)

Jurisdiction	Single	Apartment Building (104 DU)	Single/Multi Tenant Office (67,500 sq ft)	Lower	Supermarket (47,400 sq ft)	Medical Office	Hospital (1,750,000 sf) (a)	Community College (2500 students) (b)	OVERALL RANKING (c)
	Family Dwelling (1 DU)			Turnover Restaurant (5,200 sq ft)		Building (235,000 sq ft)			
(6) Gresham – Springwater	31,101	1,899,839	1,016,143	210,126	1,908,068	8,205,324	15,221,470	3,528,341	1
Happy Valley	27,110	1,173,675	851,475	327,810	2,329,419	8,082,233	16,821,750	2,458,138	2
(1)(7) Sherwood	26,409	1,657,693	810,050	230,014	1,921,334	7,536,386	10,676,978	1,532,917	3
(6) Gresham – Pleasant Valley	24,627	1,453,573	760,604	138,443	1,289,345	4,541,826	10,941,770	2,195,141	4
Portland (w/ N. Macadam Overlay)	19,543	1,292,588	548,048	215,063	1,370,369	4,111,268	18,863,972	2,931,167	5
Portland (w/ Innovation Quadrant Overlay)	19,395	1,280,004	523,746	210,227	1,382,693	3,897,418	17,988,972	2,886,167	6
Clackamas Co.	19,426	1,422,045	576,436	206,222	1,179,112	4,227,616	11,573,400	1,494,025	7
(5) Gladstone	19,395	1,280,004	523,746	210,227	1,382,693	3,897,418	17,988,972	2,886,167	7
(3)(8) West Linn	28,427	1,512,292	747,684	152,326	964,454	4,267,827	2,338,367	1,749,741	9
Wilsonville	19,857	1,139,132	780,507	185,780	1,746,279	3,702,498	3,243,905	5,762,796	10
(1)(2) Beaverton	22,424	1,386,403	443,204	119,087	793,518	4,413,649	4,219,434	1,356,122	11
(1)(6) Hillsboro	18,681	1,188,977	537,609	132,775	864,041	4,657,265	4,615,798	1,389,941	12
(1)(2) Washington Co.	21,483	1,284,987	424,325	114,672	729,887	4,380,571	4,225,798	1,254,647	13
(1) Tigard	16,679	1,223,315	485,703	110,248	755,400	4,497,099	5,011,623	1,404,575	14
Oregon City	16,039	874,000	634,814	113,994	620,653	3,662,756	12,069,590	1,702,678	15
Portland (w/out Overlay)	17,214	1,121,820	366,471	130,355	736,631	2,412,218	12,231,472	1,676,167	16
Lake Oswego	18,862	912,028	378,116	94,808	420,346	2,371,751	11,132,290	1,752,675	17
(1)(3) Tualatin	17,125	1,264,772	425,246	104,758	746,008	4,309,492	3,599,677	1,151,568	18
Gresham	16,693	775,660	485,123	86,138	760,626	2,621,970	6,026,795	1,182,241	19
(3) Troutdale	14,652	1,187,274	117,771	104,071	246,772	666,900	2,948,932	1,459,527	20
Milwaukie	8,643	646,211	224,214	80,238	888,827	1,478,270	3,936,653	740,950	21
(9) Wood Village	9,621	800,488	51,284	16,067	51,284	51,284	192,428	51,284	22
(3)(4) Fairview	7,089	593,918	30,916	12,956	53,794	31,153	133,611	106,203	23
Median	19,395	1,223,315	523,746	130,355	864,041	4,227,616	6,026,795	1,494,025	

- (a) Other variables used by jurisdictions include number of beds
- (b) Other variables used by jurisdictions include number of employees and square footage
- (c) Represents the rank of the overall jurisdiction averages for all of the development types combined

Notes:

- (1) Wastewater SDCs derived from Clean Water Services Methodology
- (2) Water SDCs were not available for meter size 2 inch and up
- (3) Park SDCs are not assessed on commercial property
- (4) No transportation SDC
- (5) Gladstone SDCs are collected by Clackamas County
- (6) Water and Sewer SDCs are not available for meter sizes larger than 2 inch
- (7) Sewer SDC includes regional and local SDC charges combined
- (8) Transportation SDCs for Hospital are not available
- (9) No transportation, park, or stormwater SDCs

Table 1

Summary of TSDCs for Sample Developments in Portland Metropolitan Area (\$)

Note	Jurisdiction	Single Family Dwelling (1 DU)	Apartment Building (104 DU)	Single/Multi Tenant Office (67,500 sq ft)	Lower Turnover			Hospital (1,750,000 sf) (a)	Community College (2500 students) (b)	OVERALL RANKING (c)
					Restaurant (5,200 sq ft)	Supermarket (47,400 sq ft)	Medical Office Building (235,000 sq ft)			
	Happy Valley	7,682	560,976	664,403	210,662	2,100,294	7,223,195	10,047,000	1,797,500	1
(3)	Sherwood	8,057	577,907	700,402	188,733	1,803,832	7,361,403	8,457,480	1,240,404	2
	Gresham – Springwater	6,801	434,208	786,363	104,910	1,345,712	5,886,863	13,905,710	2,020,200	3
	Portland (w/ N. Macadam Overlay)	4,895	361,712	404,325	177,320	1,249,464	3,741,200	14,700,000	2,580,000	4
	West Linn	6,694	427,336	587,858	87,391	796,604	3,949,410	na	1,325,000	5
	Portland (w/ Innovation Quadrant Overlay)	4,747	349,128	390,025	172,484	1,261,788	3,527,350	13,825,000	2,535,000	6
(4)(6)	Wilsonville	5,874	375,024	679,118	120,968	1,516,184	3,485,050	1,200,500	5,538,500	7
	Gresham – Pleasant Valley	4,955	316,339	572,898	76,432	980,407	4,288,825	10,130,890	1,471,800	8
(2)	Beaverton	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
(2)	Hillsboro	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
(2)	Tigard	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
(2)	Tualatin	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
	Washington Co.	5,227	348,608	354,105	75,998	666,918	4,220,130	1,919,000	972,500	9
	Clackamas Co.	3,560	260,000	307,935	97,635	973,454	3,347,810	4,657,000	832,500	14
	Gladstone	3,560	260,000	307,935	97,635	973,454	3,347,810	4,657,000	832,500	14
	Portland (w/out Overlay)	2,566	190,944	222,780	92,612	615,726	2,042,150	8,067,500	1,325,000	10
	Oregon City	3,698	235,052	430,077	38,826	454,071	3,022,476	7,163,437	1,085,549	17
	Lake Oswego	3,319	256,152	220,253	78,161	312,603	1,877,685	7,556,500	1,352,500	18
	Gresham	2,823	180,222	326,386	43,544	558,548	2,443,389	5,771,675	838,500	19
	Milwaukie	1,627	103,897	188,160	62,757	798,125	1,408,598	3,327,335	493,390	20
	Vancouver-East City (high)	2,148	155,195	175,252	41,144	487,192	1,905,279	6,479,550	673,200	21
(5)	Vancouver-Vancouver District (low)	1,131	81,713	92,273	21,663	256,514	1,003,158	3,411,581	354,450	22
(4)	Troutdale	730	46,619	84,428	11,264	143,935	587,871	1,442,385	688,658	23
(1)	Wood Village									
(1)	Fairview									
	Median	4,895	348,608	354,105	76,432	666,918	3,527,350	5,214,338	972,500	

- (a) Other variables used by jurisdictions include number of beds
- (b) Other variables used by jurisdictions include number of employees and square footage
- (c) Represents the rank of the overall jurisdiction averages for all of the development types combined.

Notes:

- (1) No transportation SDC
- (2) Washington Co. Fee
- (3) Washington Co. Fee, plus City overlay
- (4) School fees based on thousand gross square feet (TGSF) of building space not students
- (5) City has 5 Transportation Impact Fee Districts
- (6) Without I-5 supplement