

May 9, 2017

The Honorable Dan Saltzman
City of Portland
1221 SW 4th Avenue, Suite 230
Portland, OR 97204

Dear Commissioner Saltzman,

The Portland Business Alliance (“Alliance”) represents more than 1,850 small, medium, and large businesses in the Portland-metro and we are committed to improving the region’s multimodal transportation network to help promote livability and a prosperous economy. We, therefore, appreciate the opportunity to provide feedback on the proposed transportation system development charge (TSDC) methodology and rate structure.

We understand that TSDCs are needed to help fund transportation infrastructure in order to meet demand arising from new development. That said, the demand for development is elastic and is heavily influenced by the costs associated with development. As a result, we are concerned about the cumulative impact of fees and regulation on development. For example, there is a lot of uncertainty about how the city’s new inclusionary housing program may work in the marketplace. We, therefore, strongly recommend that the city of Portland conduct a holistic review of all SDCs that are levied by the city to better understand how the various SDCs (water, parks, transportation, etc.) impact development as a whole. There is no need to rush a city council vote on the proposed TSDCs until such a review of all city SDCs has been completed.

Meantime, we offer the following comments on the proposed TSDC methodology and rate structure:

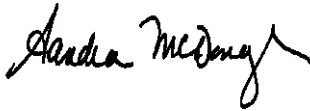
- We appreciate that there is a different rate structure for the central city and centers and corridors. The differentiation acknowledges that the central city and centers and corridors have more existing transportation facilities and mode options than elsewhere, thereby lowering the rate.
- We strongly believe that the new TSDC rates should fund 40 percent of the total TSDC eligible project list of \$589.3 million, which most closely mirrors the funding level of the last TSDC program. Anything more would be extremely difficult for the development community to absorb without chilling development.
- We appreciate that some freight-related projects have been added to the TSDC eligible project list but are still concerned that the list is imbalanced and heavily skewed toward active transportation. The proposed allocations are disproportionate to Portland’s current and future travel demands as indicated by the city of Portland’s own 2035 Comprehensive Plan, which forecasts the mode share of daily person trips at 65 percent for auto, 24 percent for transit, six percent for bicycle and five

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percent for walking. Given the forecasted mode share, we support and suggest there be more priority to transit and road capacity projects, such as improved signalization. To be clear, the Alliance is not against funding active transportation projects but urges that PBOT apply a more holistic approach when allocating limited resources among the various modes in order to ensure a strong multimodal network.

We look forward to working with you to conduct a thorough analysis of all city SDCs to understand how they as a whole impact development. The city may then refine the TSDC methodology and rate structure, accordingly. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Sandra McDonough". The signature is fluid and cursive, with the first name "Sandra" being more prominent than the last name "McDonough".

Sandra McDonough
President and CEO

cc: City Council
PBOT Director Leah Treat