



Fact Sheet

What is the purpose of a Transportation System Development Charge (TSDC)?

Transportation SDCs are one-time fees assessed to new development and changes in property use. The fees help cover the cost of transportation projects needed to serve the new development: i.e., street and transit improvements enabling employees, residents and customers to get to and from the site. However, by state law, SDC funds can only be used for capacity-increasing capital improvements, i.e., not for routine maintenance.

Why are we updating Portland's TSDC program?

The original project list and rate study was a 10-year look ahead to 2007. It is now time to make a new 10-year forecast to 2017. Next summer, the City Council will consider adopting the next 10-year project list and rate study, which will identify a list of transportation projects for funding and set rates to be charged to new development.

How are TSDCs calculated?

A new development or redevelopment project must generate more than 15 percent new transportation trips to the site and meet certain other criteria to be assessed a TSDC. The TSDC total is then determined by multiplying the number of projected additional trips by a rate set for the proposed land use. (TSDC details can be found on this Web page: www.portlandonline.com/transportation/index.cfm?c=36168.)

Portland's Innovative TSDC

When the city established its initial TSDC program in 1997, it was the first multi-modal TSDC program in the country. This means it focused not only on motor vehicle trips and street improvements, but also factored in rail and bus transit, cyclists and pedestrians. The intent, then as now, was to provide a way to equitably fund all forms of capital transportation improvements that provide capacity increases for future users.

Portland also strove for the middle ground when setting its TSDC rates, compared to other jurisdictions in Oregon. For example, the city's 2004 rates placed it in 12th place out of 19 for single-family dwelling fees and seventh of 18 for an office building.

Who determines what projects receive TSDC funds?

To generate the list of projects receiving TSDC funding, Office of Transportation staff is working with the public to identify priority transportation projects across the city. The potential project list will then be further refined based on which projects qualify for TSDC funding by providing capacity increases for future users. Projects are also evaluated against additional criteria, such as whether they provide multi-modal improvements and/or enable the efficient movement of goods and services in and out of Portland's major industrial and commercial areas. The City Council then reviews and adopts a final list.

How well has Portland's TSDC program kept pace with transportation needs so far?

The TSDC program will collect an estimated \$44.7 million by June 2007. This will help pay for 70 percent of the projects on the 1997-2007 TSDC project list. (To encourage transit-oriented development, affordable housing, and small-scale development, the city has offered TSDC discounts and exemptions, thereby reducing TSDC revenues.) As much as possible, TSDC funds are used to leverage federal, state and other available funds to get maximum value from the investment – sometimes attracting as much as 85 percent of a project's cost from other sources. As a result, the total value of projects completed so far is nearly \$119 million.

What are some projects TSDCs have helped to fund?

TSDC Project Examples			
Project Name	Total Cost	TSDC Funds	TSDC %
Central City streetcar	\$57.0 million	\$1.9 million	3%
N. Marine Dr. improvements	\$14.0 million	\$2.3 million	16%
Lower Albina Street rail overcrossing	\$ 6.3 million	\$2.5 million	40%
SE Foster Rd. – at Jenne and at 162nd	\$ 5.8 million	\$2.0 million	36%
SE Water Ave. extension (credits)	\$ 4.8 million	\$1.8 million	37%
SW Capital Hwy segments	\$ 2.9 million	\$ 345,000	12%

Discussion points

Between 2000 and 2025, the number of households in Portland is expected to increase by nearly one-third (79,597), with a comparable growth in jobs (168,278). We now need to look at whether the TSDC program generates adequate funding to address the transportation impacts of new development and a growing population, and whether rates and policies for collecting TSDCs have stood the test of time and remain equitable.

Some of the issues the TSDC update project will explore include:

- **Equity.** Who pays and who benefits, e.g., where are TSDC funds spent in the City? Are the rates for different business types equitable? Which qualifying projects should be placed on the next project list? How do we address the needs of multiple modes of travel, including transit, bikes, pedestrians and vehicles?
- **Discounts/exemptions.** How well have current programs worked, such as those for transit-oriented developments, small businesses and affordable housing? How could they be improved?
- **Additional "overlay" districts.** Should the city consider additional assessments in specific high-growth areas where the need for transportation improvements is considerably greater?

TSDC Update Project: We want to hear from you

Over the next nine months, Portland citizens, businesses, developers and institutions will have opportunities to weigh in on the city's TSDC project list, rates and policies. City transportation staff is working closely with a consultant team and Citizen Advisory Committee (CAC) to evaluate the TSDC program, draft a new 10-year project list and ultimately make a recommendation for City Council consideration. Integral to the process are interviews with key stakeholders, meetings with business and neighborhood groups, and a public open house to be held in early 2007.

If you would like more information about the TSDC update project, contact Kathryn Levine, PDOT Project Manager, (503) 823-7085, Kathryn.Levine@ pdxtrans.org.