

COLUMBIA CORRIDOR
A S S O C I A T I O N

Dan Saltzman
Commissioner, City of Portland
1221 SW 4th Ave. Rm. 230
Portland, Oregon 97204

12 December 2007

Re: Portland Parks SDC Fees

Dear Commissioner Saltzman,

As a member of the Parks Systems Development Charge Update Task Force, I am writing in support of the methodology the Task Force approved, but concern for the final decision on the recovery rate.

The Columbia Corridor Association (CCA) represents 2500 businesses employing 60,000 individuals in the largest and most productive economic corridor in the state. The Columbia Corridor has seen healthy growth in the past decade, due in large part to Portland Development Commission assistance. This is a tribute to the vision City leaders have had, to protect low-value industrial land from price inflation. The alternative is to push industrial activities to the outer edges, creating a ring of sprawl.

Our Update Task Force spent considerable time evaluating the current Parks SDC methodology and searching for balance, fairness and sensibility. I'm proud of all my fellow Task Force members for holding candid discussions that almost always ended with mutual understanding and agreement. My compliments also to Riley Whitcomb, Portland Parks SDC Manager, for having the nerve to literally rethink the entire map when the old system started to look nonsensical.

While CCA has concern for residential SDC fees, our area of expertise is the new non-residential SDC fee, which would be applied to commercial construction. First, we agree that a non-residential SDC fee should be established and that commercial construction is a logical place to apply the fee.

Second, the methodology has some minor flaws, but we believe it is the best we can develop at this time. A study of Portland parks use needs to be undertaken; the results will be a tremendous help the next Task Force. Also, the number of hours of park availability for non-residents needs further review.

Our primary concern is with the recovery rate. In a perfect city, a 100% recovery rate would be great. However, this is neither legally defensible nor economically wise. A 75% recovery rate is essentially an attempt to get as close to 100% without inviting a lawsuit.

We understand that lower recovery rates seem unfair, in the sense that newcomers do not appear to be paying for the proportionate increase in parks. However, you certainly understand that the picture is not that simple. An older city has a different set of costs and benefits from a newer suburb. It only makes

sense that Portland's SDC fee structure looks different than Wilsonville's, just as our houses, streets and sewer pipes look different.

The basic concern is whether a higher Parks SDC recovery rate is good for the prosperity of the City or whether it will dampen the economic health of our City, resulting in even fewer new parks and employees with less time to enjoy our existing parks.

There are currently an intimidating number of new expenses being placed on the backs of businesses, all of which are well-intentioned. New garbage fees, green building expenses, elimination of the TOD discount, a proposed transportation maintenance fee. In most cases, CCA has not opposed these fees because they are attempts at making Portland a better place to live. We have even strongly supported some expenses. We were also a supporter of last year's Parks Bond Measure from Metro.

CCA is very concerned that increasing the fees so drastically in such a short period of time may lead to a downturn in the commercial real estate market. Commercial developers have made clear to me that there is a bias against development in the City of Portland. This additional fee will only make the bias stronger. It is an appropriate time to step back and analyze the potential impacts of all the new expenses.

CCA recommends:

1. Assembly of a task force consisting of City staff, business representatives and an independent economist that will anticipate all the effects of fees on businesses in Portland.
2. Delaying implementation of the non-residential fee until the Economic Task Force has completed its work. Alternatively, implement the non-residential SDC fees at the current residential recovery rate (20%). After the Task Force has completed its work, it will be easier to specify an SDC recovery rate that will benefit Portland Parks and the Portland economy.
3. Allowing transferability of SDC credits in a fashion similar to transportation SDC credit transferability. This will encourage more creative use of the fee and give the Parks Director more flexibility.

An added benefit of an Economic Task Force could be creation of an online fee calculator for Portland, similar to Seattle's. Developers would be able to enter their building proposal data and get an estimate of all fees. An additional step would be to link to other cities or even have calculators for other cities on PortlandOnline.com. If our fees are low, it would be an enticement. If our fees are high, it would be good for us to know.

It's been a pleasure serving on the Task Force. I hope we have been helpful in your consideration of a Parks SDC update.

Sincerely,

A handwritten signature in black ink that reads "Corky Collier". The signature is written in a cursive, flowing style.

Corky Collier
Executive Director