

Portland Metro Regional Infrastructure Analysis *Phase 1*

Infrastructure Service Providers
Workshop #1

October 19, 2007

Topics

1. Overview
2. Megatrends
3. Infrastructure Costs
4. Emerging Issues and Examples
5. Wrap Up and Next Steps

Project Goal and Objectives

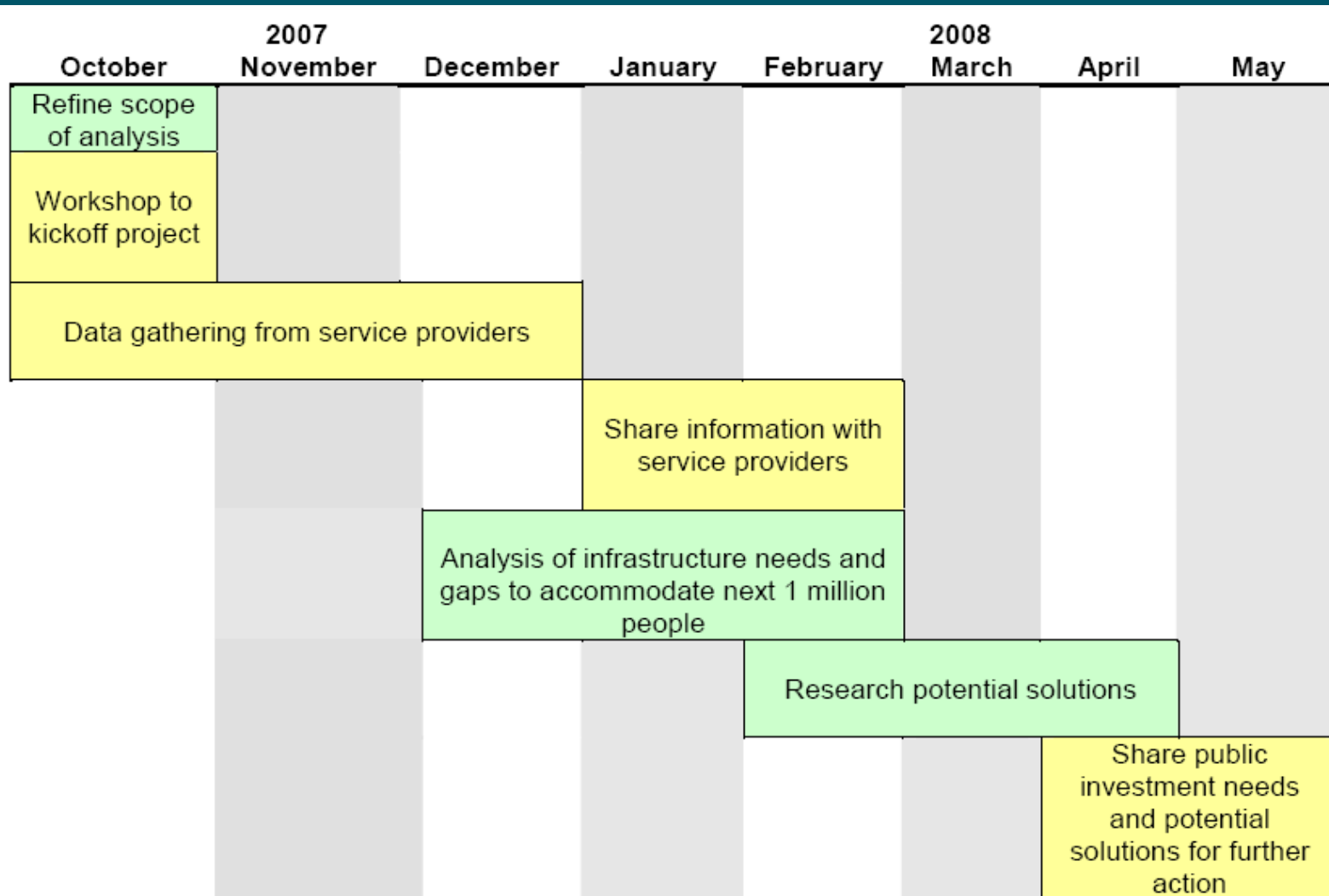
Goal:

- Define issues, opportunities and potential strategies to align public investments with the region's 2040 goals and to accommodate the next one million people.

Objectives:

- Identify issues and opportunities for infrastructure in the Portland metro region.
- Identify potential traditional and non-traditional infrastructure policy and financing strategies to provide infrastructure that is aligned with 2040 objectives.
- Consider innovative approaches to service provision and demand management.
- Build a coalition of service providers willing to discuss and pursue solutions to regional infrastructure needs.
- Produce public investment action plan that describes solution(s) to address the region's infrastructure needs for Metro area to implement.

Schedule



Overview

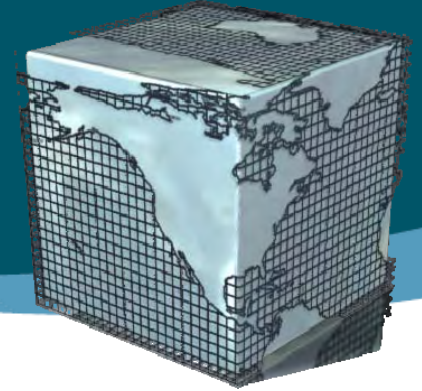
- Objective of Initial Phase
 - Define the challenge of providing adequate public facilities (infrastructure)
 - Demands created from growth of 550,000 new households & 600,000 new jobs in 7-County Region by 2035
 - Aligning public investments to achieve the 2040 Vision
- Conduct open dialogue with stakeholders
- Identify issues and potential solutions

Megatrends

- Globalization, energy shortages/costs, global warming, population (growth and age), health care, housing costs..
- Real household income is flat or falling for many residents
- Infrastructure “Crisis” in America
- Declining federal share of facility costs
- Increasing capital/ROW costs and local share



Megatrends

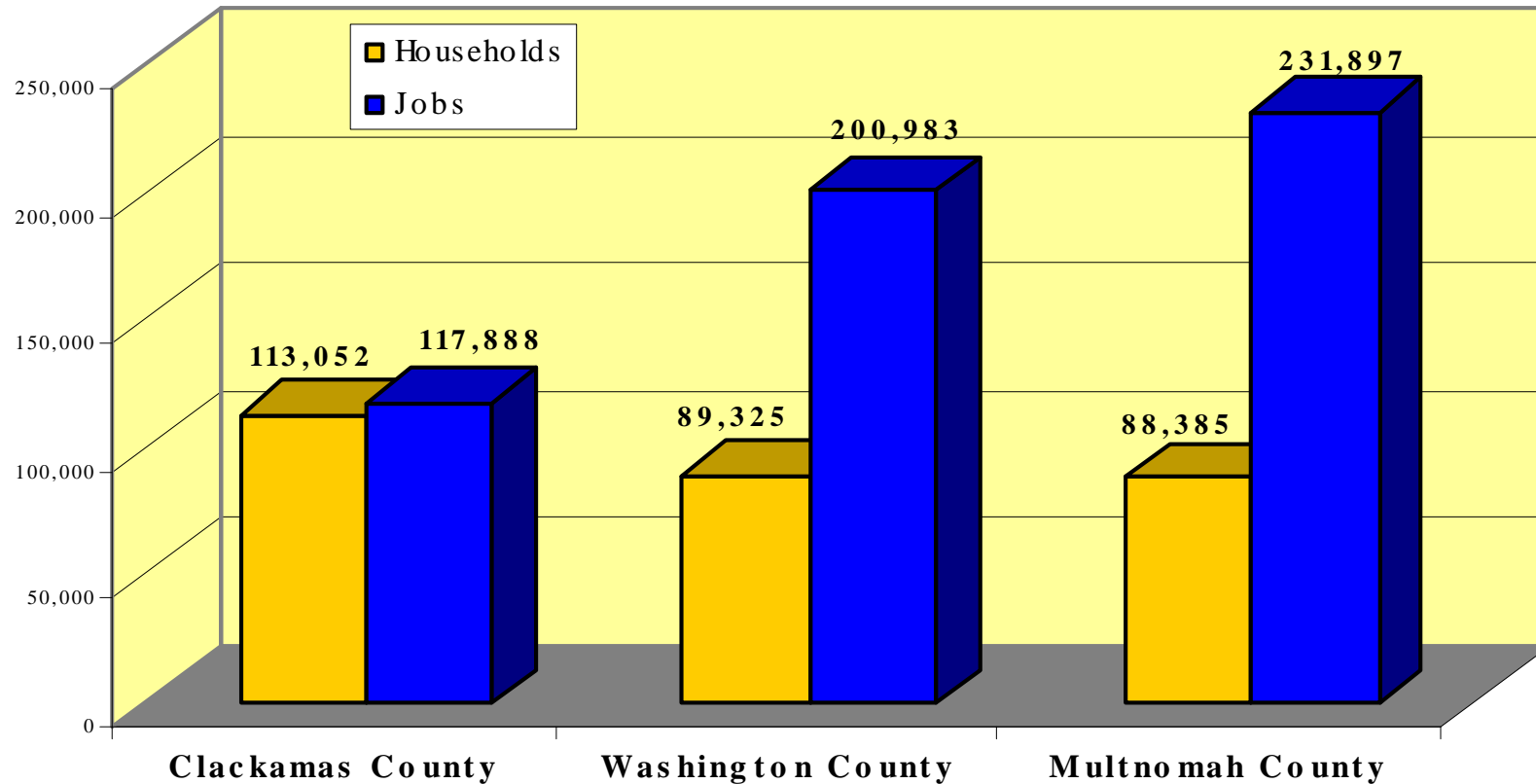


- Information Age and the New Economy
- The “World is Flat” (e.g., China, India, etc.)
- Institutional Investment (major flows of money)
- Increasing accountability (GASB 34)
- Acknowledged costs of sprawl (economic, social, environmental, health related)
- Urban revitalization is up nationally
- Livability motives (relative housing costs, commute time & desire for “second paycheck”)
- Growth in Northwest is outpacing Nation

Metrotrends

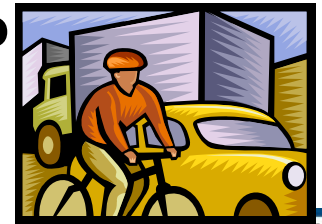
Growth Forecasts 2005-2035

- Newly urbanizing areas are planned to accommodate 25% of regional growth
- Centers, Corridors and Employment Areas need to pick up the rest (75%)



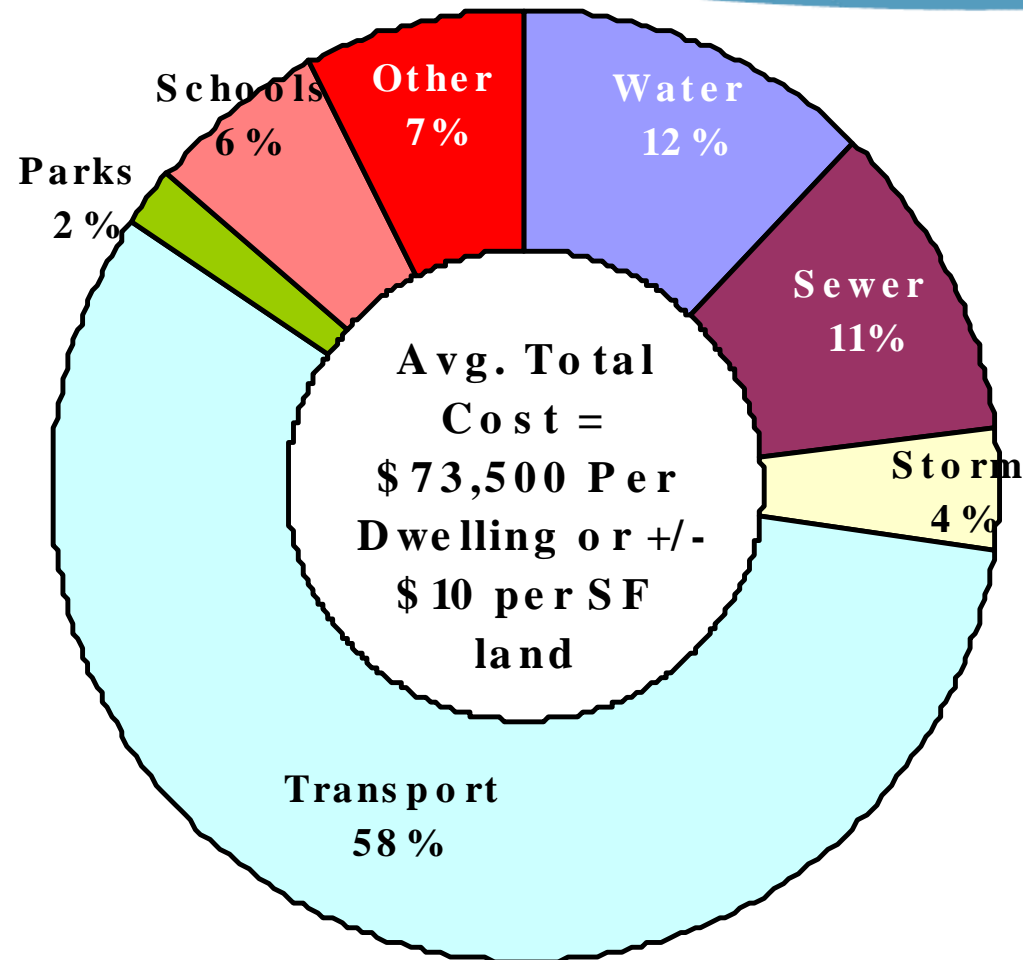
Infrastructure Costs – What we think we know

- Information on infrastructure costs is available for the newly urbanizing areas, where costs vary widely
- Still getting infrastructure cost data for Centers and Corridors inside the UGB
- Metro industrial land supply update indicates 17% of current supply is constrained by lack of infrastructure (1,600 acres)
- Major transportation funding gap per RTP



Infrastructure Costs – What we think we know

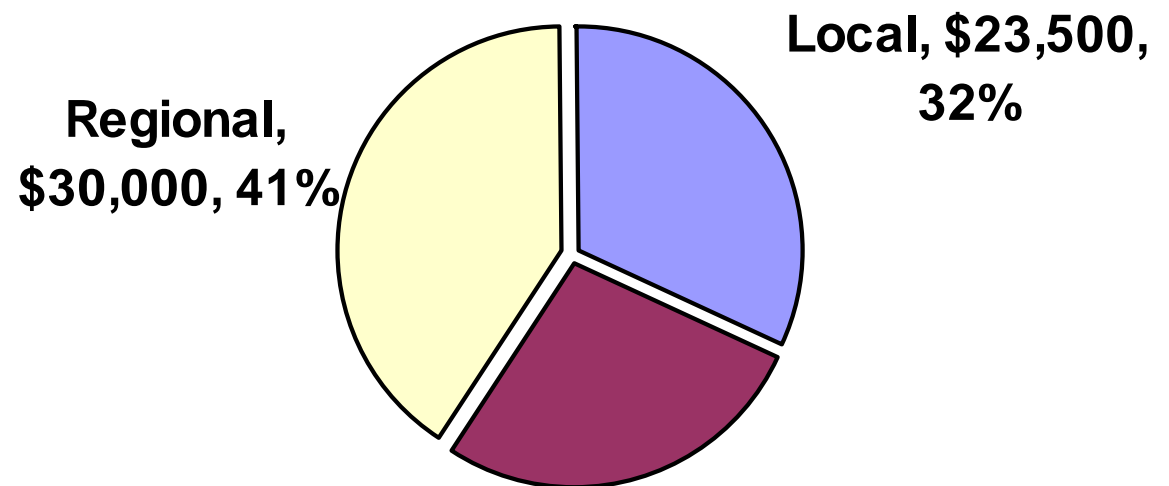
- Metro analysis assumes average Metro Region infra costs to be about \$10/SF or about \$73,500 per dwelling



Infrastructure Costs – What we think we know

Metro analysis considers three types of infrastructure:

1. **Local** (water, sewer, storm drains, local transport & parks)
2. **Community** (water & sewer mains & treatment, storm collection, collector/arterial transport, safety, parks & schools)
3. **Regional** (transit, bridges, state/interstate, marine, air, etc.)



Largest costs are for regional facilities – which are not typically funded by cities or developers!

Infrastructure Costs – What we think we know

- Newly urbanizing area infra costs vary widely by location
- Inconsistent methods
- Incomplete picture on capital and O&M costs

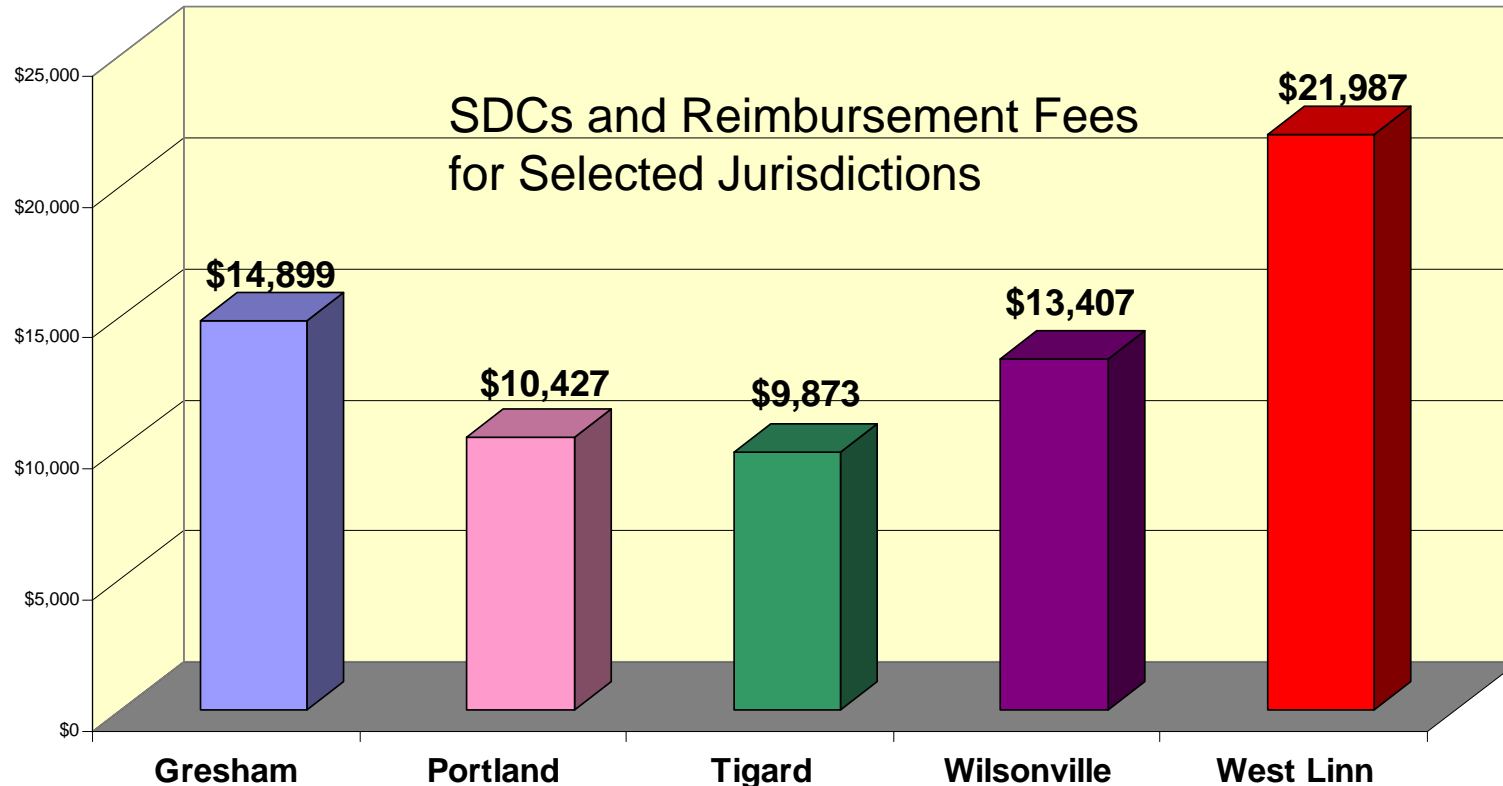
Infra Cost Per New Household	\$20,000 to \$217,000+
Infra Cost Per New Job	\$2,000 to \$23,000+
Infra Cost Per Buildable Land Area (SF)	
Res/Mixed Use Areas	\$3 to \$27+
Employment Areas	\$1 to \$11+

** Summary by Metro and FCS Group. Reflects cost estimates in concept/master plans for Coffee Creek I, Spring Water, SW Tualatin, Rock Creek, Damascus, Shute Road, Witch Hazel, Pleasant Valley and Park Place. Costs shown are in constant 2007 dollar amounts. Costs exclude regional public facilities.*



Infrastructure Costs – What we think we know

- Local jurisdictions are recovering a portion of local infra costs but hardly any community and regional infra costs with traditional tools, such as SDCs and reimbursement fees



Emerging Issues in Funding

- Some areas are providing policy framework for local jurisdictions, mostly focused on transport:
 - California Self Help Counties (leverage state transportation funding with sales tax increases)
 - Florida Local Options Fuel Tax (allows counties to raise fuel tax up to 11 cents for state/local roads)
 - Myrtle Beach Tourism Tax (1% hospitality tax and 0.5% accommodations tax for various public facilities)
 - Portland Metro Region (construction excise tax)



Emerging Issues in Funding

- Trend towards public/private partnerships and innovative finance (even non-profits)
- Trend towards rational (peak pricing) in roads, energy, water
- Trend towards sustainability (environmental and fiscal)
- Growing attention towards demand management (roads, water, etc.)



Emerging Issues in Funding & Governance

- Local, regional, state and federal “partnerships” are forming funding alliances and coalitions for transportation and water/sewer treatment:
 - Happy Valley/Clackamas County SDC
 - Washington County
 - Clark County (regional impact fees)
 - Puget Sound (state project mitigation fees)
 - Public Authorities (e.g., Bridge Authority and Bi-State Compacts are now being considered in Metro Region for bridges)
 - Sewer and Water District Mergers & Consortiums
 - I-5 “Corridors of the Future” (partners on all levels)



Next Steps

- General awareness that growth needs to pay its “fair share”
- Interest in finding equitable solutions with federal, state, local “partners”
- Need to define livability (hang on to core values) as we grow as a region
- Next level of data collection and stakeholder outreach effort will better define issues and solutions



Questions?