



Metro

December 30, 2005

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE *[Signature]*
CHIEF EXECUTIVE OFFICER

FROM: CAROL INGE *[Signature]*
INTERIM CHIEF PLANNING OFFICER

SUBJECT: CONGESTION MITIGATION FEE NEXUS STUDY

ISSUE

The Metro Board has authorized work on a Nexus Study to explore the feasibility of partnering with local governments to implement a congestion mitigation fee. If enacted, such a program would require new development to pay a fee to mitigate the impacts of growth on the regional transportation system. This could generate new revenue to address unmet transportation needs and meet local responsibilities to implement a Deficiency Plan under the State-mandated Congestion Management Program (CMP).

In June 2005, staff provided the Board with a report on the completion of Phase I of the two-phase CMP Nexus Study. Phase I outlined a framework for how a fee program could work, the guiding principles for the program's development, potential revenue scenarios, along with comments from sub-regional stakeholders, local governments, the building industry, and other interested parties. It clarified that while Metro would administer the countywide program, local governments would have local control to implement the program, including identifying their transportation priorities, collecting developer fees, and ultimately building new projects.

During the Phase II of the study, staff will outreach extensively with stakeholders to develop the countywide program that is tentatively scheduled for Metro Board consideration in June 2006. Starting in January, staff will meet with subregional Councils of Governments, local governments, the private sector, and other parties to solicit input, address outstanding issues, and build consensus. During this outreach, several program issues important to local government implementation will be addressed. This includes how to identify unfunded project needs and priorities, determining an appropriate mitigation fee structure, crediting those local governments with existing fee programs, and developing implementation guidelines.

As the program is developed, Metro will ensure that State legal requirements are met in two key areas. First, it will develop a Nexus Study that meets State impact fee law and allows local governments to adopt ordinances that implement the program. Staff will also develop the program to address the State requirements for a CMP Deficiency Plan, which requires that new development mitigate the transportation impacts of growth on the regional transportation system.

NEXT STEPS

Staff tentatively plans to present a status update to Planning and Programming Committee in February 2006. This report will outline the progress to date, the outreach strategy, schedule of key milestones, and an outline of the Congestion Mitigation Fee program. Staff plans to present a comprehensive program for the Board's consideration tentatively in June 2006. If approved, the program would move into an implementation phase. The current debit-credit approach to the CMP's Deficiency Plan would be replaced with the Congestion Mitigation Fee program as early as summer 2007.

Prepared by: Heather Hills, Transportation Funding Manager, V
Douglas Kim, Director, Long Range Planning