

Washington County's

Transportation Development Tax

Ballot Measure 34-164

Election November 4, 2008

Increase a construction tax on development, to pay for growth-related transportation impacts?

Q. Is this a new tax?

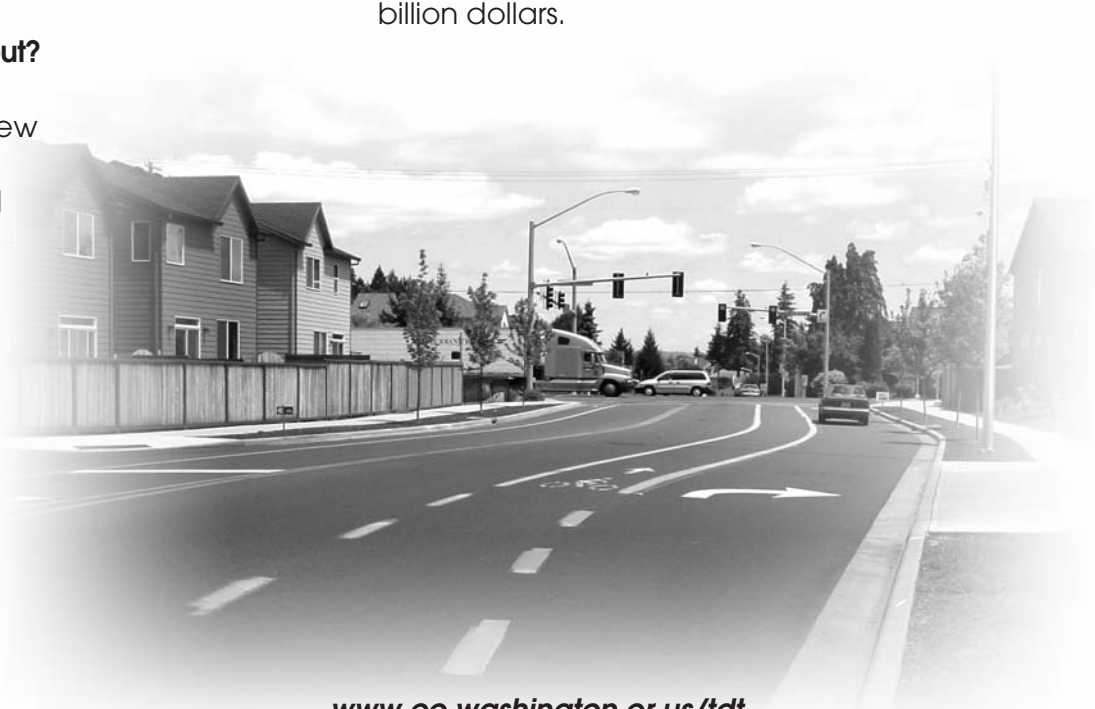
A. No. Washington County has had a county-wide Traffic Impact Fee (TIF) since voters approved it in 1990. The existing county-wide TIF is a charge on construction that pays for transportation impacts. This measure would update the tax calculation, increase rates, conform to current state statutes, and provide expanded credit opportunities. The revised charge would be known as the "transportation development tax" or TDT. If approved, the increased tax would approximately double current rates and revenue. If not approved, the current TIF would remain in place.

Q. Since this is a revision of an existing tax, why is an update proposed?

A. In 1990 TIF provided about 30% of the funding to build growth-related transportation infrastructure; today it accounts for about 14%. The measure would increase the rates to double the revenue. The increase would vary by the type of new construction, and range between 1.5 and 2.5 times the existing charges. The TDT would be based on the estimated traffic generated by each type of development. The rate would be no more than 2.5 times the existing TIF. The money would help fund a list of growth-related transportation projects identified in county and city transportation plans. The total cost of these projects is estimated to be more than two billion dollars.

Q. What is this tax about?

A. Construction of new homes and businesses creates additional traffic on the roads and transit system. The TDT would revise TIF, the one-time charge developers pay prior to receiving a building permit. The measure would continue the current county-wide uniform-rate tax. The TDT measure amends this construction tax and does not increase property taxes.



Q. What would the county and cities do with the additional funds?

A. All revenues from this measure would be directed to paying for capital improvements that add capacity to the transportation system. Eligible projects are major roads, including sidewalks and bike lanes, and transit capital projects, such as bus pull-outs and shelters.

Q. If the TDT does not pass, what happens to the existing TIF?

A. If the TDT is not approved, the current TIF would remain in place. Developer fees would continue to fund about 14% of growth-related transportation infrastructure.

Q. How would the tax be calculated?

A. The TDT would be based on the estimated traffic generated by each type of development. Independent nationwide analysis was used to determine the estimated traffic generated by recognized categories of new development (single family, shopping center, or light industrial, for example). This measure would increase the rates between 1.5 and 2.5 times the existing TIF charges.

Q. When would the rates change?

A. If approved, the increased rates would phase in beginning July 1, 2009, with annual adjustments leading to the full rate necessary to approximately double the revenues by July 1, 2012. Starting in 2013, rates could increase according to an index reflecting increases in the costs of construction materials, labor, and right-of-way (land). The increase may not exceed 10% per year.

Q. How is the tax collected?

A. Developers pay before a building permit is issued. Home remodeling, temporary uses, and state and federal government buildings would be exempt.

Q. Can developers do anything to reduce or avoid this tax?

A. If developers are required to build certain major roads at their own expense, they could be eligible for a credit towards the tax. Credit transfers to other properties may be allowed.

Q. Who developed this proposal?

A. The proposal was developed by the Washington County Coordinating Committee (WCCC), a partnership of mayors, County Commissioners and other elected officials representing Washington County local governments. The WCCC was formed in the 1980s to make decisions about transportation issues of countywide significance.

Q. Can you give us some examples of how Washington County ranks in the amount they charge new development today?

A. Out of 14 Portland area transportation impact fees, Washington County ranks:

- 9th in single family residential
- 12th in shopping center
- 14th in fast food
- 9th in general office
- 10th in general light industrial

Q. Where can community members learn more?

A. Go to www.co.washington.or.us/tdt or Google TIF + Washington County

Q. How is transportation generally funded in Washington County?

A. Currently, funding for local transportation in Washington County comes from three primary sources*:

For Future Capacity
Development fee

The Traffic Impact Fee (TIF) helps provide future roadway capacity.

The proposed TDT would replace the TIF.



For Maintenance
Gas taxes and vehicle fees

Maintains major transportation system to protect investment.

To Meet Existing Deficiencies
Property taxes through the Major Streets
Transportation Improvement Program (MSTIP)

Helps address existing congestion and safety problems.

Q. How do the existing TIF and proposed TDT compare?

A. This chart compares the existing Traffic Impact Fee (TIF) rate schedule and the proposed Transportation Development Tax (TDT) rate schedule during the four year phase-in period.

Example: New single family detached residence

	Today	July 1, 2009	July 1, 2010	July 1, 2011	July 1, 2012
Current TIF**	\$3,390	\$3,593	\$3,809	\$4,038	\$4,280
Proposed TDT***		\$4,599	\$5,807	\$7,016	\$8,225

Rate per single family residence built.

Example: New supermarket per 1,000 square feet

	Today	July 1, 2009	July 1, 2010	July 1, 2011	July 1, 2012
Current TIF**	\$8,500	\$9,010	\$9,551	\$10,124	\$10,731
Proposed TDT***		\$12,067	\$15,634	\$19,201	\$22,768

Rate per 1,000 square feet of supermarket constructed.

Example: New office building per 1,000 square feet

	Today	July 1, 2009	July 1, 2010	July 1, 2011	July 1, 2012
Current TIF**	\$3,026	\$3,208	\$3,400	\$3,604	\$3,820
Proposed TDT***		\$4,428	\$5,829	\$7,230	\$8,632

Rate per 1,000 square feet of office building constructed.

*The County Board of Commissioners may modify the use of property tax and gas tax funds in the future.

**Current TIF cannot exceed rates shown.

***Proposed TDT would be fixed at rates shown.

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Referral of Increased County-wide
Transportation Tax on New Development

www.co.washington.or.us/tdt



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