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LD 1498

I am writing to identify two significant issues with LD1498. The 180 day deadline it sets for use of impacts fees and the requirement that the impact fees only be used for projects immediately adjacent to the project both make the use of impact fees for capital planning far less useful. That will result in less equitable and more expensive mitigation for some housing developments.

The idea of impact fees is, for example, if you find you'll need a new traffic light at an intersection. Without impact fees, you will either pay for it yourself or, often, require the one project that makes the warrant be triggered for that light to pay the full amount. Impact fees are designed to make this more fair and lessen the burden by spreading the cost of that traffic signal to all the projects that contribute to its need. So each project that comes in may pay 10% of the cost because they have 10% of the impact. Once the warrant is triggered and the light needs to be installed, you've collected the funds needed for the signal and can install it.

It almost always takes more than 180 days to collect the amount needed for that signal, and the signal may or may not be immediately adjacent to the development. Since, under this bill, I can't then practically collect impact fees for the signal, I would probably revert under site plan review to require the last project that trips the warrant to pay for the full amount. That's unfair to that specific project, which could very well be a housing development.

The impact fee tool is designed for long-term and municipality-wide capital planning that is thoughtful and fair. Both the 180-day timeframe and the adjacency requirement are inconsistent with those concepts. Given the intent of LD1498 appears to be to lessen the mitigation burden of these developments, I would recommend that the legislature instead follow the process outlined in LD1246 to study impact fees