



# Meeting Summary

## Transportation System Development Charge

### Working Group Meeting #6

November 17, 2016, 1:00 p.m. – 3:00 p.m.

Clackamas County Development Services Building, Room 301, 150 Beaver Creek Rd, Oregon City, OR

#### Participants – Committee Members

Paul Grove – *Home Builders Association*

Monte Hurley – *AKS Engineering*

Matt Grody – *Developer*

Michael Walter – *City of Happy Valley*

Karen Buehrig – *Clackamas County*

Rick Nys – *Clackamas County*

Abbot Flatt – *Clackamas County*

#### Project Team and Staff

Jimmy Thompson – *Clackamas County*

Diedre Landon – *Clackamas County*

Ellen Rogalin – *Clackamas County*

Carl Springer – *DKS Associates*

Deb Galardi – *Galardi Rothstein Group*

Vaughn Brown – *JLA Public Involvement*

#### Welcome and Introduction

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Jimmy Thompson, Clackamas County, welcomed participants and thanked them for their participation.

He reviewed the purpose of the meeting:

- Review and discuss project team's proposed framework and calculations for growth share.
- Review Project Lists and SDC Eligible Expenses.
- Discuss Rates

He provided an overview of today's agenda and attendees were asked to introduce themselves.

Jimmy reviewed the Working Group and project history. Clackamas County recently updated its Transportation System Plan (TSP) resulting in a greater emphasis on multimodal travel and other goals. The County's TSDC has not been updated since 2006. Updates to the TSDC methodology are needed to support new TSP goals. The Working Group has been helping develop the TSDC methodology over the previous 5 meetings.

Michael reported that Happy Valley just adopted their new TSP. He described some changes to the Happy Valley – County TSDC methodology.

- Happy Valley has decided to pursue its own TSCDs.
- The joint district approach is shifting to a separate but parallel methodology for the City of Happy Valley, such that the City and the County will have their own SDCs, project lists and SDC collections.
- Happy Valley and the County will continue to work closely together to develop SDC methodologies and project lists to ensure consistency and coordination.
- A Happy Valley-County IGA is being developed to distribute already collected funds.

### Framework for Determining Growth Share

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Deb described the features of multi-modal capacity and performance growth share determination methods.

#### Capacity project SDC eligible cost determination method:

- Autos – determined by comparing current v/c or LOS with the standard on each project segment
- Bike/Ped – determined by comparing existing system-wide miles/capita with future (2025) system-wide miles/capita

Deb provided the following chart to illustrate bike lane and sidewalk shares.

	<b>Total Miles/ 1,000 Population</b>	<b>Project List Additions</b>	<b>Growth Need*</b>	<b>Growth Share</b>
Bike Lanes	0.71	21.9	12.4	57%
Sidewalks	0.92	39.5	16.0	41%

#### Performance project SDC eligible cost determination:

- Autos – determined by share of total auto volume on each project segment
- Bike/Ped – determined by share of total future population

Deb then showed some sample projects from both urban and rural areas that demonstrated how the methods would be applied. An attendee asked why there are different formulas and eligibilities. Deb responded that capacity projects – those that add new facilities or expand existing facilities to address a future failure – are 100% eligible because the need for the improvement is 100% based on growth (no existing deficiency). Reconstruction for improving level of performance (e.g., system operations and safety) is eligible for the growth share portion (as determined based on capacity utilization, similar to

the current methodology). Bike/Ped overpasses are examples of system-wide performance improvements and are therefore allocated in proportion to future population.

## Revised TSDC Boundaries and Project List

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Jimmy walked through the screening process that worked the County TSP list of more than 400 projects with a cost of \$2.8B down to a list of 72 projects with a cost of \$443M. Screening involved identifying projects that met baseline functional class benchmarks and that were scheduled over the next 10 years and eliminating funded projects, studies and multi-use paths. The following chart illustrates the process and outcome.

### Clackamas County TSDC List Prioritization Criteria

	Previous	New
Goal 2, 3, 4	Score of 1 or 2	Score of 1 or 2
Time Frame	Tier 1 or 2	Tier 1 or 2
Alternative Funding	None	None
Total Goal Score	8 or higher	<b>6 or higher, Collectors 8 or higher</b>
Limit Functional Class	No Collectors	<b>Collectors included (as above)</b>
	49 Projects	72 Projects
	\$326 million	\$443 million

Jimmy handed out the list of 72 projects and noted that of the \$443M total cost \$187M is SDC eligible, based on the framework described previously. He also pointed out that average SDC eligibility increased from 34% (under the current methodology) to 42% (under the revised methodological framework).

It was suggested that TSP projects that were eliminated due to alternative funding on information shared with County Commissioners to remind them of those obligations and that funding from other sources continues to be needed to complete those projects. An attendee expressed appreciation that the new list balances modal shares better than the previous prioritization method. It was also suggested that the project map include start/stop points to delineate the extent of each project.

Jimmy explained that this current list indicates a potential increase for single family residential properties of about \$300/year bringing the average residential SDC for the County to around \$3,900.

Jimmy asked if that was a reasonable rate increase. The discussion that followed highlighted that SDC fees are factored into commercial projects and eventually passed on to customers. The SDC fee hasn't been raised for 10 years and the increase proposed here doesn't seem overboard but it does add to an ever-increasing amount of all fees tied to development. Home buyers experience the same thing with more noticeable increases in sewer and water SDCs that this fee increase adds on to and are passed on in price of home. It was noted that if these fees are locked in over 5-7 year time, inflation will eat into the collected revenue's purchasing power.

The group wondered how the estimated project costs were determined. Abbott explained that they come from TSP which means they are planning level costs. She agreed to forward cost information to members and warned that the information is not for wide distribution since it is likely to be confusing to the larger community. League of Oregon Cities comparative fees information will be made available.

Jimmy announced that the new County and Happy Valley areas around the former City of Damascus contain projects that aren't on the County list. Those potential projects can be run through same prioritization scheme and distributed between Clackamas County and Happy Valley.

Michael handed out the draft Happy Valley list. It currently contains 32 TSP projects with \$129M of cost that is SDC eligible. The list represents a potential \$1,300 increase for a single family detached residence. Michael explained that the City Council will determine if that increase is acceptable and adjust the list as needed. Deb also noted that the draft list would undergo some refinement based on the final adopted TSP.

The question was asked if there is a development in Happy Valley with a developer doing an off-site improvement in a Clackamas County project will they get a credit? There was agreement that the developer could get a credit if the County project is on the SDC list but credit would have to be used in County.

Michael also noted that if the Happy Valley TSP is amended due to the void left by Damascus the SDC project list will also need to be updated. He said that tight cooperation will be essential in the former Damascus area.

## **TSDC Assessment Categories and Models**

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Deb introduced this topic by saying that today is only the start of the discussion. The next meeting will cover different scenarios for how the fee is assessed among different land use (LU) categories. Right now there are 94 categories listed in the schedule. The general concern is that categories are based on limited information related to trip generation. There is low confidence in many of the non-residential LU types and use changes cause complications.

Deb showed some examples from Monroe, WA and San Diego that had aggregated categories. The group was interested in seeing how categories might be collapsed down by eliminating ITE categories that do not have much data to support their trip generation. They asked the team to put together some different aggregation approaches and see how rates play out. Some concerns were that if the categories become too broad they lose nuance and limit new retail's ability to find a rate that fits their trip generation. It was also suggested that a new categorization approach should not drop the developer option for an alternative trip review.

## Next Steps and Closing

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Jimmy told the group that a survey will be sent out to a larger group of interested parties to get feedback on the categories and County project list. Feedback will help pare down the categories and projects

Suggestions for survey participants included the Homebuilders Association membership, Economic Development and Development Liaison Committees, Diedre had a couple others?, reoccurring County developers, and builders in Happy Valley. A link to the survey will be sent to group members to forward to their counterparts. It was suggested that project maps (both County and Happy Valley) be available with the survey.

Topics for future working group meetings include different LU categorization approaches and their effect on rates and the proposed County ordinance.

The next meeting is planned for January with a February meeting to discuss the ordinance.