

Meeting Summary



Transportation System Development Charge

Working Group Meeting #7

June 7, 2017, 1:00 p.m. – 3:00 p.m.

Clackamas County Development Services Building, Room 232, 150 Beaver Creek Rd, Oregon City, OR

Participants – Working Group Members

James Adkins – *Home Builders Association*

Monte Hurley – *AKS Engineering*

Matt Grady – *Gramor Development*

Doug Bean – *Doug Bean & Associates*

Michael Walter – *City of Happy Valley*

Karen Buehrig – *Clackamas County*

Martha Fritzie – *Clackamas County*

Project Team and Staff

Jimmy Thompson – *Clackamas County*

Diedre Landon – *Clackamas County*

Ellen Rogalin – *Clackamas County*

Deb Galardi – *Galardi Rothstein Group*

Sylvia Ciborowski – *JLA Public Involvement*

Welcome, Introductions, and Brief Recap of Process

Jimmy Thompson, Clackamas County, welcomed participants and reviewed the purpose of the meeting: to review public input provided through the TSDC update online open house, and discuss and make recommendations on: 1) an approach to simplifying the rates to calculate TSDC fees, and 2) options to determine the traffic impact of a development. He provided an overview of today's agenda and asked members to introduce themselves.

Review and Discuss Virtual Open House Survey Feedback

PROJECT LIST

Jimmy provided an overview of the Draft TSDC project list and how the list was developed. He reviewed online open house responses to questions about the project list. The team passed out the draft TSDC project list tables that show each project, its description, cost, and eligible percentage per mode.

Discussion

Members made the following questions and comments regarding the TSDC project list:

- A member noted that the list does not include projects to address pedestrian movement around the Clackamas Town Center area. Clackamas County staff replied that the Clackamas Regional Center Mobility Project will specifically look at that issue. That project is not included on the TSDC project list because it is being funded by another source of revenue. The Clackamas Regional Center Mobility Project is currently in its design phase.

- A member asked for clarification around the cost estimates for right-of-way (ROW) acquisition. Staff noted that the TSDC project list costs do not include costs for right-of-way. Actual ROW costs and needs will not be known until the design phase of projects. The cost of ROW is TSDC credit eligible.
- A member asked if other design features such as retaining walls or turn signals are SDC credit eligible. Staff responded that it depends on whether they are required as part of the road improvement.
- A member asked if a project comes off of the list after it is constructed, thus reducing the TSDC fee going forward. Staff briefly provided a response at the meeting, and has developed a more complete response below:
 - When we say a project is "still on the list", what we really mean is that it is still part of the SDC cost basis, because even if it was funded up front by the agency or by a developer, there are still SDCs owing from future developments for that same project. The basis for the SDC unit cost calculation (total SDC-eligible project costs divided by system-wide growth in trips) means that all growth within the planning period pays a share of the project (either before it is constructed or following construction). Payments received following construction are needed to either reimburse the agency for credits it paid out to individual developers who fronted the costs for the overcapacity, or for direct repayment of a portion of the capacity costs.

SIMPLIFYING THE RATE

Deb Galardi, Galardi Rothstein Group, made a presentation on how TSDC rates are calculated. She noted that currently, Clackamas County uses 94 separate rate categories for different land uses. At previous Working Group meetings, members asked the team to explore ways to consolidate or simplify the number of rates. The team considered a number of options and sought input on this issue through the online open house. The options included:

1. No Change
2. Reduction: Reduce land use rates by removing those with less than four studies available that estimate traffic rates.
3. Consolidation by Type: Consolidate land uses into similar use categories.
4. Consolidation by Zone: Consolidate land uses based on land use zoning

Sylvia explained that overall, online open house participants indicated that they preferred the “consolidation by type” option, followed by the “no change” option. People said that the “consolidation by type” option seems simple and while still providing for the uniqueness of various types of land uses.

Deb explained the difference between the options and passed out a spreadsheet that showed how rates would change for each land use under the “no change” or “consolidation by type” options.

Discussion

Sylvia Ciborowski, JLA Public Involvement, led Q&A. Questions and comments included:

- Question about why the “general heavy industrial” rate increases significantly. Staff replied that the current rate for that land use is based on fewer than three traffic studies, so is unreliable. General heavy industrial development rarely occurs in the County, in any case.
- One member noted the difficulty around having a different rate for a general versus medical office building. At the time of pulling the permit, the developer rarely knows if it will be a general or medical office building.

Sylvia asked each member to consider which of the two options they prefer. There was **consensus that “consolidation by type” is the best approach** for simplifying the rate. Working Group members provided the following reasons in support of consolidation:

- It seems simpler and easier to administer.
- Averaging trips reduces the likelihood of “analysis paralysis.” If we try too finely to pinpoint the exact number of trips that each individual land use creates, we will spend too much time and effort doing studies.
- Shopping center land uses do not change much under the “no change” or “consolidation by type” options. Those uses that do seem to have a higher rate are less popular uses (for example, electronic superstores and office supply superstores are rarely built anymore).
- The “no change” approach would rely on past studies, which may be unreliable.

OTHER ADJUSTMENTS

Deb provided a presentation on other adjustments that are factored into calculating the TSDC rate. Two adjustments are used in the current methodology: 1) pass-by reduction and 2) trip length adjustment. At a past TSDC Working Group meeting, members agreed that it makes sense to no longer use the trip length adjustment, because data is extremely limited and the adjustment is not based on a verifiable source. Trip length is more attributable to location/proximity to other uses rather than type of use. Nevertheless, removing this adjustment does lead to some major rate changes for some uses (for example, schools).

The team is recommending adding a new adjustment: diverted link trip adjustment. This adjustment is based on ITE data and more reliable than the trip length adjustment.

DETERMINING TRAFFIC IMPACT and REVIEW OF DRAFT RATE SCHEDULE

Deb made a presentation on ways to determine the traffic impact of land uses. The TSDC rate is based on the amount of traffic a development is likely to create. The team considered two options for determining the amount of added traffic:

- Average Daily Trips to and from a site - Charge fees based on the total amount of traffic that a land use generates in a full day.
- PM Peak traffic - Traffic is heaviest during weekday afternoon commute times. Road improvements are often needed to accommodate these high traffic flows. Because of this, many communities use afternoon rush-hour traffic to assess fees.

Deb presented some pros and cons of each approach. Sylvia explained that public input through the online open house tended to favor the PM Peak traffic option, with members of the public noting that

rush hour is when most congestion issues arise, and when we need the added capacity. There were a fair number of people that preferred the Average Daily Trips option, and said that this better measures the amount of traffic a development would add to roadways.

Discussion

Questions and comments from members included:

- Question about why the Coffee/Donut Shop w/o Drive-Thru Window (ITE 936) rate is so high. Staff said they would look into that rate.
 - Response: The “Updated Adjusted Trip Rate” shown in the prior table for Daily was actually the *unadjusted* trip rate for ITE Code 937 Coffee/Donut Shop w/Drive-thru. ITE code 936 (Coffee/Donut Shop w/out Drive-Thru) does not have a Daily trip rate available. Staff recommends using the adjusted trip rate for ITE Code 937 for all Coffee/Donut shops (both codes 936 and 937), which would reduce the daily rate from the 818 trips shown in the prior table to 90 trips. Also, it should be noted that the current rate schedule lists ITE code 936 as “Drinking Place/Bar”, which in the current ITE manual is code 925. There is no Daily trip rate for code 925. The prior study estimated the trip for Drinking Place/Bar by multiplying the PM Peak rate by 10 (which under the current rates would yield an unadjusted trip rate of 113). This rate was adjusted for pass-by trips (50%), and again for trip length (50%), yielding an adjusted trip rate of only about 28. The Project Team recommends that in the revised Consolidated Rate Option, that Drinking Places (ITE 925) be included with Restaurants (e.g., codes 931 and 932). The updated adjusted daily trip rate for restaurants is 32.75.
- A member noted that the movie theater rate seems high.
 - Response: The PM Peak rate of 13.64 for all categories (443, 444, and 445) shown in the prior table is per movie screen, and is based on ITE data for 445. IF 1,000 sq. ft. were used (as in many other categories), the rate would be about 4.9/unit (comparable to other categories). There is no available trip rate data for Daily trips; the prior study multiplied the PM Peak trip rate by 10 and then adjusted that rate by 1.1 for trip length, yielding an adjusted daily trip rate of about 150/screen for code 445. ITE codes 443 and 444 do not meet the minimum number of studies threshold; therefore data for 445 is recommended as the basis for all movie theaters.
- Concern about the increase in rates for schools. Staff responded that it may be possible to have separate rates for different schools (for example, separate the rates for K-12 schools and colleges).
 - Response: Staff looked at this issue further, and separating K-12 from other school categories would actually increase the rate slightly. The rates shown on the prior schedule are based on the average of all categories except 536 (Private school), which does not meet the minimum number of studies threshold.
- When presenting this information to elected officials who will ultimately decide on the rate: it is important that they understand the impact of using Average Daily Trip versus PM Peak for the calculation. They should understand that many land uses would incur a significantly higher rate

under the PM peak model (even though theoretically PM peak makes sense to use in the rate calculation because that is what we use for planning).

- A Working Group member asked if it is possible to reduce rates overall. Staff responded that in order to reduce the TSDC rate, we would need to remove projects from the TSDC project list.

Sylvia asked each member to consider which of the two options they prefer. **Most said they prefer the “Average Daily Trip” option**, with a few members saying that they do not have a strong opinion either way. One member said that he needed more time to decide, and would provide his comments via email after the meeting. Members provided the following reasons in support of the “Average Daily Trip” option:

- It is not fair to make some uses pay more just because they put cars on the road during the PM Peak. All cars have the same impact on roads, no matter when they are traveling.
- From a traffic planning perspective, using PM peak makes sense (because in general, traffic planning uses PM Peak data as a means to make decisions around improvements to build). However, from an equity perspective it makes sense to spread the cost of improvements to all developments based on how much total traffic they create—not just how much they generate during a two hour period during the day. (Several members echoed this comment.)
- Vehicles have impacts to the system, like wear and tear on the road, throughout the day, not just during the PM Peak hour.
- The City of Happy Valley supports using the Average Daily Trip option.
- Rates increase for many land uses under the PM Peak option, and few land uses seem to benefit from this approach.
- The rate is slightly lower for schools under the Average Daily Trip option.

Additional comments received on this topic from Working Group members following the meeting include:

- The Average Daily Trips option is the fairest method to employ as shown in column (2) of the spreadsheet. As pointed out there are some land use categories that are higher and others lower. It appears that the fee for fuel stations increases. We would like to see the numbers for ADT for the Health and Fitness Clubs and Movie Theater categories.
 - Response: There is no ITE data available for Daily rates for these uses. The prior study estimated by multiplying PM Peak factor X 10.
- Using the PM Peak option may be fairer to commercial developers, because it would keep them from subsidizing other forms of development.

Next Steps

ORDINANCE

Jimmy explained that next steps for the project include:

- Jimmy will email the PowerPoint and draft TSDC rate tables to the group. Members should provide input no later than June 13, 2016. The team will use the input of the group to help craft

the TSDC methodology and rate recommendation for the Board of County Commissioners and Happy Valley City Council.

- Staff will draft new TSDC ordinance language and send it to the group for review in early August. Members will have a week or two to provide their input, before the team provides the ordinance language to BCC and City Council for their consideration. (Jimmy handed out a list of topics that would be included in the ordinance review.)

Members requested a final Working Group meeting to review the final TSDC rate tables and ordinance language.