



# Meeting Summary

## Transportation System Development Charge Working Group Meeting #2

Tuesday, January 19, 2016

2:00 p.m. – 4:00 p.m.

Development Services Building, 150 Beaver Creek Road, Oregon City, OR 97045

### Participants – Committee Members

Chris Gadel – *Developer*

Abbot Flatt – *Clackamas County*

Lori Phillips – *Clackamas County*

Karen Buehrig – *Clackamas County*

Matt Grady – *Gramor Development*

Rick Nys – *Clackamas County*

### Project Team and Staff

Jimmy Thompson – *Clackamas County*

Diedre Landon – *Clackamas County*

Ellen Rogalin – *Clackamas County*

Carl Springer – *DKS Associates*

Randy Young, *Henderson Young & Co*

Deb Galardi – *Galardi Rothstein Group*

Sylvia Ciborowski – *JLA Public Involvement*

### Meeting Introduction

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Jimmy Thompson, Clackamas County, welcomed participants and thanked them for their participation. The purpose of the meeting was to review working group members' questions and comments on the [TSDC Methodology Alternatives Memorandum](#), and to get their recommendations on alternative methodologies. Staff provided members with copies of comments submitted through an online survey.

On February 16, County staff will meet with the Clackamas County Board of County Commissioners and Happy Valley City Council to present their recommendation on the TSDC methodology. The project team will then move forward with working on the other elements of the TSDC update process, including developing the project list and rate calculations.

### Committee Discussion: TSDC Methodology Memorandum

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Randy Young, Henderson Young & Co, reviewed each of the sixteen components in the memorandum and highlighted the main comments that came in through the survey. Members discussed them in turn.

Members made these comments and recommendations for the TSDC Methodology:

### **Component #1: Modes of Travel**

- Issue #1 – Reference to Transit

*In the survey, a member recommended removing references to transit, or providing clarification that the County cannot provide credit for improvements to transit facilities that the County does not own.*

*Consultant Explanation:* Randy explained that the consultant recommendation is to leave the reference to transit until we develop the project list. If it turns out that the project list has no transit projects, then it would be appropriate to remove the transit reference.

*Comments made at meeting:*

- Since transit operates on County-owned roads it makes sense to include transit projects.
- Elected officials might be more likely to approve the TSDC update if the transit reference is removed, since transit (i.e., light rail) is a hot button issue.
- Developers would like to receive credit for installing bus kiosks and other transit improvements. However, developers cannot receive credit for improvements if the County does not own the shelter or kiosk (currently, TriMet owns all of this infrastructure).

- Issue #2 – Accounting Concerns

*In the survey, members questioned how all modes can be quantified, monitored and updated regularly, and were concerned that this would be more difficult to administer.*

*Consultant Explanation:* Accounting can be done in a number of ways. One way is that the developer submits one SDC payment, and the County then separates that into various pots of money for the different modes. The other accounting method is that all SDC payments are put into one single SDC account, and there is a threshold on what percentage of money can be spent per mode.

*Comments made at meeting:*

- It is important to choose the accounting method that results in the least burden on developers and County staff. Suggest two “pots”: one for vehicular related improvements and one for projects that improve all other modes.

- Issue #3 – Weighing motor vehicle improvements over other modes

*In the survey, a member commented that while the TSDC methodology should consider multiple modes of travel, it should still be weighted heavily on favor of motor vehicles.*

*Consultant Explanation:* Randy explained that the model takes into account the probable projection of mode split, based on what already exists in the project area. Since the area is already heavily weighted toward motor vehicle travel, the TSDC update will not change that. The area will still be very heavily vehicle oriented, even if we do put in some multimodal aspects.

**Committee Recommendation:** Members support the alternative methodology that benefits transit and non-motorized vehicles in addition to motor vehicles. The memorandum should clarify that transit projects should only include projects that are on the CIP list, include infrastructure that the County owns, and are not hot button transit projects. Members support a simple accounting methodology.

## Component #2: Priority of Projects

- Issue #1 – How to prioritize projects

*In the survey, a member suggested developing a prioritized list of projects, not just the list of financially constrained projects from the TSP.*

*Consultant Explanation:* Randy explained an important decision is whether to use the Financially Constrained list as the priority list, or whether to quickly develop an alternative prioritization method and prioritized list. Any additional or alternative priorities will need to be developed by the time the TSDC project list is completed and reviewed during February and March, before it is presented to the elected officials in April.

*Comments made at meeting:*

- We want to make sure we're not just dumping all of our TSP projects onto the list.
- There may be projects that are on the total list, but not on the financially constrained list. We might want some of the multimodal projects from the total list to be included in the SDC list.
- We will need to decide what criteria to use to get projects on the SDC list. Elected officials will want to know what criteria we used. (Randy suggested looking at the criteria that Bend and some other jurisdictions use, as a starting place.)

- Issue #2 – How to prioritize projects

*In the survey, a member asked if the alternative methodology reduces the total project costs, thus reducing the cost per trip and finally reducing the SDC.*

*Consultant Explanation:* Randy explained that a shorter project list, by itself, would likely produce a smaller SDC. On the other hand, components 2 and 5 in the methodology can act to either increase or decrease the SDC.

**Committee Recommendation:** Members support developing a prioritized list of projects using a set of criteria.

## Component #3: Types of Projects

- *Consultant Explanation:* Randy explained that there are projects that improve capacity AND safety, operations, etc. The proposed alternative methodology makes projects eligible, even if they make more than one type of improvement. For example, a developer might receive credit for putting signals on a large road where there is a safety requirement to put in the signal, if that

project also improves capacity. Such a project would not be eligible for credit under the current system.

Using the alternative methodology can lead to a bigger list of projects, but then we can find a way to whittle the list down using other components.

- *Comments made at meeting:*
  - Concern about difficulty administering the alternative methodology. Need more information about how this would work in practice.
  - Support including projects that do not necessarily improving capacity in the customary sense of more throughput of vehicles.
  - The alternative method seems to give us more flexibility.
  - Safety is important to the County and Board of County Commissioners. It seems logical that safety projects be included.

***Committee Recommendation:* Members support the alternative methodology. It is important that the other components of the methodology whittle down the resulting larger project list.**

#### **Component #4: Capacity Costs**

- *Consultant Explanation:* Randy explained that the proposed alternative methodology would develop criteria for non-motorized vehicles. Various accounting options are available (as for component # 1).
- *Comments made at meeting:*
  - Suggest using the alternative performance measures currently being developed in Phase 1 as a starting place for developing criteria for non-motorized vehicles.
  - We'll need two sets of criteria: one set of criteria to categorize project types (component #4) to determine whether they add capacity and thus are eligible for the TSDC, and another set to then prioritize those projects (component #2).

***Committee Recommendation:* Members support the alternative methodology.**

#### **Component #5: Growth Costs**

- *Consultant Explanation:* Randy explained that under the current methodology, a developer only pays for the part of the project that is directly attributable to growth created by the development project. Under the alternative methodology, a calculation is used to charge the developer for increased use of already existing roads. More and more jurisdictions are moving to the alternative methodology.
- *Comments made at meeting:*
  - In support of alternative methodology. Under the current system, the County struggles because developers are required to pay such a small percentage. This means that the County has to find a huge funding match for projects; and developers get a very small

credit for projects. Under the new methodology, there is more likelihood of actually being able to build some projects in the future.

**Committee Recommendation: Members support the alternative methodology.**

### Component #6: Future Projects and Reimbursement Projects

- *Consultant Explanation:* Randy explained that Oregon law allows charging an SDC for reimbursement projects—including projects that were built with no borrowed money. Staff suggests two changes: 1) limit the SDC to only projects that are debt-driven, and 2) reimbursement fee be charged based on cost of the debt-driven project plus interest.
- *Comments made at meeting:*
  - Projects funded through inter-fund loans should be eligible as reimbursement projects.

**Committee Recommendation: Members support the alternative methodology and including interest.**

### Component #7: Trip Types

- *Consultant Explanation:* Moving to “person trips” as opposed to “vehicle trips” is needed to in order to develop an SDC that incorporates non-auto modes of travel.
- *Comments made at meeting:*
  - There are some home occupations (like wineries and wedding venues) that are currently charged an SDC based on the number of trips that the occupation generates. We need to generate a model that helps us take these home occupations into account. (This might be an issue better addressed in component #11.)
  - Trips made by vehicles are charged a different rate than trips made by cyclists and pedestrians.

**Committee Recommendation: Members support the alternative methodology (person trips).**

### Component #8: Trip Time of Day

- *Consultant Explanation:* Randy explained that the alternative methodology charges a higher SDC for certain land uses that cause more traffic during peak hours. High use retail (such as fast food and convenience stores) generates shorter trips. Industrial and manufacturing generates longer trips. Currently, the County uses PM peak travel in its modeling for other aspects of transportation planning.

**Committee Recommendation: All but one member support using PM peak travel data.**

### Component #9: New Trips

- *Consultant Explanation:* Randy explained that the current methodology acknowledges pass by trips (ex: someone is already on the system and stops at a convenience store on the way to another activity). The alternative methodology would add diverted trips as well. Diverted trips are similar to pass by trips, but the diversion might be a bit longer of a detour. Diverted trip would be an additional reduction for some land use types. The quality of data for pass by trips is better/more complete than diverted trip data. In both cases, retail uses get the benefit.
- *Comments made at meeting:*
  - The County already includes diverted trips in other modeling, but not in the current SDC methodology.
  - Retail developers are in support.
  - Concern that diverted trip data is not as complete as pass by trip data. One option is to allow the developer to do a diverted trip study and provide more data.

**Committee Recommendation: Members support adding diverted trips to the methodology.**

### Component #10: Trip Length

- *Consultant Explanation:* Randy explained that trip length data is not robust. Some jurisdictions use very broad land use categories for trip length (5 or 6 categories). It would be possible to extrapolate those broad categories from currently available data for Clackamas County.

**Committee Recommendation: All members but one support the alternative methodology (no trip length adjustment). One member abstained.**

### Component #11: Land Use Types

- *Consultant Explanation:* Randy explained that under the currently methodology there are 94 land use types, each of which has a different TSDC rate calculation. The alternative methodology would use fewer land use types. In order for this simplified system to work, developers would not be allowed to submit studies that their development generates fewer trips than the average development of that land use type. To simplify administration, recommend getting rid of change of use, or just using a small number of land use types (that provides refunds for downzoning).  
  
Some jurisdictions only publish SDC rates for a small number of land uses. However, this creates a problem if a developer comes in and has a land use that is nothing like the ones in the list.
- *Comments made at meeting:*
  - Currently, it is very cumbersome for County staff to calculate SDCs based on so many land use types.
  - It is important to give refunds for downzoning. Otherwise it puts too big a burden on developers.

- Do not support getting rid of change of use. There will be applicants trying to game the system.

**Committee Recommendation:** Generally, members have concerns about both the current and alternatives methodologies and would like to explore other options. One member supports the current methodology.

### Component #12: Residential Development Rates

- *Consultant Explanation:* Randy explained that currently, there is one residential rate for all single family homes, regardless of size and bedroom numbers. The alternative is to have different rates based on square footage. There could be some threshold or ranges to avoid penalizing small square footage additions. Most jurisdictions have flat rates for single family homes, apartments, and multifamily housing; but a growing number of jurisdictions are moving to the different rate system.
- *Comments made at meeting:*
  - Changing the current methodology does not seem necessary. It adds more complication and may lead to more legal challenges from developers.
  - Multifamily homes tend to produce fewer vehicle trips. It is important to not favor single family over multifamily new housing.
  - A struggle with the current system is that assisted living facilities claim to be single family homes. We have to be careful to catch these when they come through permitting.

**Committee Recommendation:** Members support using the current methodology, with minor tweaks.

### Component #13: Service Areas

- *Consultant Explanation:* Randy explained that there are currently two service areas: Clackamas County and Joint Clackamas County-Happy Valley. There are a number of alternatives to the current system: 1) developing an overlay SDC that covers just the new mixed use multimodal area (MMA) area, or 2) developing overlays/sub-areas to capture the urban and rural areas distinction.
- *Comments made at meeting:*
  - Rural areas often feel like they are not benefiting as much as urban areas. Rural and urban separation could help rural areas see some benefit from the SDCs.
  - It will be difficult to convince elected officials that developers won't decide to develop in the cheaper service area.
  - Splitting too much on the urban-rural distinction means less money for rural projects.

**Committee Recommendation:** Members were split between supporting the current methodology and exploring other options. In general, the support getting more information about other options; however, this is lower priority than some of the other components.

#### **Component #14: Compliance Costs**

- *Consultant Explanation:* Randy explained that under the current methodology, the County can include compliance costs (administrative costs, staff, cost to update TSP, etc.) in the SDC. These costs are based on estimates. The alternative methodology is to use actual costs instead.

**Committee Recommendation:** Members support using actual costs to calculate compliance costs, i.e., come up with an overhead cost.

#### **Component #15: Adjustments for Mixed Use and Station Areas**

- *Consultant Explanation:* Randy explained that currently adjustments for mixed use and station areas are documented in code, where they can be misinterpreted as a policy statement. Staff suggests putting the adjustments in the methodology.
- *Comments made at meeting:*
  - It makes sense to include these adjustments in the methodology or as an appendix.
  - If the adjustments are removed from code, there should at least be a reference in the code so that people know the adjustments exist.

**Committee Recommendation:** Members support including the adjustments in the methodology.

#### **Component #16: Indexing Future TSDC Rates**

- *Consultant Explanation:* Randy explained that currently, annual adjustment of TSDC rates is based on a complicated formula. The alternative methodology is to use one published index.

**Committee Recommendation:** Members support using one published index.

### **Next Steps**

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County staff will meet with the Clackamas County Board of County Commissioners and Happy Valley City Council on February 16 to present their recommendation on the TSDC methodology.

The next meeting of the TSDC Working Group will occur the week of February 22. This will be the first of two meetings to discuss the TSDC project list.