



Meeting Summary

Transportation System Development Charge

Working Group Meeting #5

May 18, 2016, 2:00 p.m. – 4:00 p.m.

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

Participants – Committee Members

Karen Buehrig – *Clackamas County*

Tom Ellis – *City of Happy Valley*

Abbot Flatt – *Clackamas County*

Martha Fritzie – *Clackamas County*

Paul Grove – *Home Builders Association*

Monte Hurley – *AKS Engineering*

Mark Meek – *North Clackamas Chamber of Commerce*

Rick Nys – *Clackamas County*

Natalie Thomas – *Home Builders Association*

Michael Walter – *City of Happy Valley*

Project Team and Staff

Jimmy Thompson – *Clackamas County*

Diedre Landon – *Clackamas County*

Carl Springer – *DKS Associates*

Deb Galardi – *Galardi Rothstein Group*

Sylvia Ciborowski – *JLA Public Involvement*

Welcome and Introduction

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

He reviewed the purpose of the meeting:

- To review revised framework and criteria for developing draft TSDC project lists.
- To review and discuss project team's proposed framework and preliminary calculations for project growth share.

Jimmy reviewed the Working Group purpose and project history. Clackamas County recently updated its Transportation System Plan (TSP) that puts a greater emphasis on multimodal travel and other goals. Happy Valley is updating its TSP in 2016. The Clackamas County TSDC has not been updated since 2006. Updates to the TSDC methodology are needed to support new TSP goals.

At their first and second meetings, the TSDC Working Group reviewed current and proposed TSDC methodology alternatives. Recommendations from staff and the Working Group were then presented to

the Clackamas County Board of County commissioners and Happy Valley City Council. At the third and fourth Working Group meetings, members discussed criteria to use to develop draft TSDC project lists.

Revised TSDC Project Lists

Staff Presentation

Jimmy Thompson and Carl Springer reviewed the framework and criteria used to develop the TSDC project lists. The project team started with three project lists: 1) Clackamas County Transportation System Plan project list, 2) Happy Valley Transportation System Plan project list, and 3) projects identified as part of the Clackamas Regional Center Mixed-use Multimodal Area process. Altogether, the three lists encompass over five hundred projects with an estimated cost of around \$3 billion dollars.

At the last Working Group meeting, members discussed metrics and criteria to use to refine the lists. The team used member input to refine the three lists, using the following process:

- **Clackamas TSP project list:** The team removed Tier 3 projects from the list, and filtered the remaining list to those projects scoring a 1 or 2 for:
 - Goal #2: Improve access to employment areas,
 - Goal #4: Improve safety; and
 - Goal #3: Increase connections to daily needs and services.

The result of this first prioritization reduced the list to 111 projects with a cost of \$605 million. Then, the county went through a second filtering process to bring the list down to 15 rural and 22 urban projects. The process included:

- Excluding projects with dedicated funding.
 - Excluding projects that were classified as studies or multi-use paths.
 - Only included projects that scored an 8 or higher on the TSP (to show projects that are most important to the community).
 - Including only projects on roads that have a high functional class (i.e., major or minor arterials in rural area; and projects not on connector or local roads in urban areas). The purpose of this filter was to only include projects that have access to or are in close proximity to development.
- **Happy Valley TSP project list:** The process to refine the projects on the Happy Valley TSP list was simpler: the team refined the list to include only those projects that scored well for Goal #2: improve mobility and Goal #8: provide for efficient movement of goods and services. This resulted in a list of 32 projects with a cost of \$134 million. The list is composed of intersection improvements, new roadways/extensions, and road widening projects. The list includes no stand-alone bike/ped projects, although some of the road projects include bike/ped elements.
 - **Clackamas Regional Center projects:** The team reduced the list to those projects scoring highest for safety and motor vehicle related criteria.

Working Group Discussion

The project team asked members if they had any questions about the process for developing the TSDC project lists; and whether the prioritization framework generally satisfies Working Group members.

Comments included:

- **Members requested a chance to review the projects on the draft TSDC project lists.** While the criteria and prioritization process makes sense theoretically, it is difficult to embrace the process without seeing what projects made it to the resulting lists.
 - Staff responded that they can provide members with the lists for review, but that projects should not be added back onto the list unless they meet criteria that is important for the TSDC process (i.e., show that the project is important to the community, provides access to employment areas, etc.). The purpose of the systematic prioritization process is to avoid debating the merits of projects and instead objectively select projects that meet TSDC goals.
 - A stakeholder noted that it makes sense to review the resulting project list to make sure projects that truly meet TSDC goals were not omitted by some technicality; but agreed that projects should not make it back onto the list simply due to fear that they would not get funded otherwise.

- Question about what kind of projects are included in some of the **roadway functional classifications** (for example, what are “minor arterial, collector” projects?). Members would like to see the actual projects included in these classifications. There is concern that using functional classification definitions from the TSP might not be the best description for the TSDC prioritization process; and that some projects affecting major roads may fall off of the list inadvertently.
 - A member clarified that the “minor arterial, collector” projects classification defines intersection projects that include the intersection of a minor arterial with a collector road.
 - Staff noted that they did review the projects in each functional classification. For example, there was one project classified as “minor arterial, local” that is a minor arterial project that intersects a local road. (However, this is a \$24 million project to widen a shoulder for bikes, so the portion of that would be eligible for TSDC funding would be nominal.)

Jimmy explained that after this meeting, the project team will estimate growth shares for each of the projects on the TSDC project lists. Members will review these growth shares at the next Working Group meeting. If the resulting TSDC rate is very high or too low, then it will be necessary to apply additional criteria to further reduce or expand the TSDC project lists.

Framework for Determining Growth Share

Staff Presentation

Deb Galardi, Galardi Rothstein Group, made a presentation on the project team’s proposed framework to develop preliminary growth shares. Working Group members reviewed sixteen components of the TSDC methodology at their first two meetings. At Meeting #5, members discussed six of those components; and will review the remaining components at the next meeting.

No.	Description	Current Approach	Recommended Alternative
1	Modes of travel	Motor vehicle only	Motor vehicle plus active (bike & pedestrian)
2	Priority of projects	All projects	Financial constrained/prioritized
3	Types of projects	Capacity only	Capacity & enhanced level of service
4	Capacity costs	Roads & streets for motor vehicles	Additional criteria for multimodal
5	Growth costs	% of future trips	Total \$ less any existing deficiency \$
6	Future projects & completed projects	Future & completed projects	Future; limit completed projects to those with unpaid debt

Key points from the presentation included:

Components 1(modes of travel), **2** (priority of projects) **and 6** (future projects and completed projects) have to do with selection of projects for the TSDC list.

Component 6: The assumption is that if a project is funded by another source (including debt service), then it would not be included in the TSDC project list. A technical Working Group member asked if current projects with debt service could be included on the TSDC project list (for example, the 172nd Ave project). Staff responded that the project would need to have a reimbursement component.

Component 5: Growth Share

- Two models are general used in the industry to determine growth share:
 1. **Capacity Utilization model:** Clackamas County currently relies on this model. It calculates growth share as the portion of trips that new development will generate on that roadway. Under current calculations, the result is that on average only 28% of a project becomes SDC eligible, and the remainder has to be funded by other sources. This is a very conservative approach.
 - Under this model, the repair or replacement component of a project is not SDC eligible. Expansion/new facility component is SDC eligible (but only the percentage of future trips).

2. **Standards-Based model:** This is the more commonly used model today (i.e., used by Washington County and City of Portland). In this approach, growth share can be up to 100%. The basic approach is to:
 - Allocate project cost among its auto, bike, and pedestrian components.
 - Using the mobility metric for that mode, determine whether there is a deficiency today:
 - If there is no deficiency today, but new development would bring new trips that lead to system failure, then it triggers the additional improvement. In this case, 100% of project cost is SDC eligible.
 - If there is a deficiency today then the project is not SDC eligible.
- The project team proposes the following **2-part methodology to calculate growth share** for TSDC projects for Clackamas County:
 1. Use the standards based approach for all *capacity projects*.
 - Benefits of using this approach include:
 - It would lead to enhanced project cost recovery because many projects would not require other funding sources..
 - It simplifies SDC administration, including developer credits because many projects would be 100% SDC eligible, rather than having some small portion as SDC eligible and requiring other funding.
 - It is more equitable. Existing development has paid for the transportation system that already exists; new development is not being asked to pay for existing system facilities, but instead pays for the facility expansions that are triggered by that next increment of development within the planning period.
 - Bike projects growth share calculation: The draft TSDC project lists include projects that total 17.8 miles of bike lane. Under the standards-based approach, the County would calculate how many bike lanes are needed in the future due to growth. The project team did an initial assessment and found that 23.7 miles of bike lane would be needed in the future due to growth. Thus, all of the bike lane projects are 100% SDC eligible.
 2. Use capacity utilization approach for *projects that are not “pure capacity”* (i.e., projects that improve level of performance or deal with safety or operational issues). This is more equitable, especially when capacity expansion is not tied specifically to new development.
- Staff presented some **examples of how growth share would be calculated** using the proposed 2-part methodology, for select projects on the draft TSDC project lists.
- The project team will need help from technical Working Group members to address the following **technical issues**:

1. Need more data around project cost allocations by mode. The TSP spreadsheet did not provide enough data.
2. Need all available data on intersection performance.
3. Need clarification of planning period in order to move forward with bike/ped level of service analysis.
4. Need to make adjustments based on which projects are located within unincorporated Clackamas County versus Joint Happy Valley/Clackamas County area.

Working Group Discussion

Members asked questions and made comments regarding the proposed methodology. Discussion and comments included:

- The growth share calculation should **use full build-out data** so that it is using the same timeframe as the TSP. Staff responded that if full build-out data is available and can be easily pulled out from the GIS data, then it can be used to calculate growth share.
- A member asked **how many projects are less than 100% SDC eligible** under the proposed methodology. Staff replied that the team is still refining calculations, but at this point there is only one project on the Clackamas County TSP list that is 0% eligible, and 4 projects on the Happy Valley TSP list that are less than 100% eligible. Under the proposed methodology, all auto capacity projects will be either 0% (if current mobility metrics indicate failure against standard) or 100% SDC eligible (if no current deficiency) and all level of performance projects will be some partial growth share.
- Members wanted more clarification around the **rationale and benefits of using the standards-based model** rather than the capacity utilization model. There is concern that so many projects are either 0% or 100% SDC eligible, rather than some portion SDC eligible as today.
 - Staff reiterated that the current capital utilization methodology only looks at how many trips new development will put on the new road; this does not fairly take into account all of the real transportation impact of the new development. It is also difficult to fund projects that are only 28% SDC eligible. The proposed methodology is more equitable because development would pay for the impacts to the system that they are causing. Under the County's capital utilization model, all projects on the TSP list are on the TSDC list, and the County found a way to calculate a lower growth share in order to result in a reasonable TSDC fee. The goal with the new methodology is to have a shorter project list that more equitably places the SDC-eligible burden on developers, rather than having a large list that is very difficult to fund.
- Members asked how the proposed methodology can justify charging developers 100% of the cost of building **new bike lanes**, when trips to the new development are not the sole users of new bike lanes.

- Staff responded that new development will get benefit from the extensive network of bike facilities that already exist. However, new development is only being asked to pay for its system capacity share by funding a portion of the additional miles that are being constructed. Assessing bike/ped growth share relies on system-wide standards, because specific facility use data is not available as it is for vehicle movement. It is standard process in other jurisdictions to calculate bike/ped growth share using the proposed methodology.
- **Rural bike shoulder projects** do not seem attributable to growth, and will be difficult to justify to developers. Staff noted that the rural bike shoulder projects have only a 39% growth share based on the system-wide level of service analysis.
- Staff clarified that the model uses **population and employment growth projections** to calculate growth share for *vehicle projects*. For *bike/ped level of service*, the model uses only population growth projections because it is difficult to use employment growth metrics for that project type.
- **Unit costs should be consistent** among projects on the three TSDC project lists.
- Members requested more **examples of SDC calculations** for specific projects, in order to explain to developers and stakeholders. The examples should show how growth share is calculated for different project types (vehicle, bike/ped, capacity, and level of performance). Staff responded that they can provide examples for projects that have existing data and send to members by email.
- The TSDC process is complicated. It will be important to **develop key messages** to be able to explain it easily to stakeholders, elected officials, and developers—and to help them understand the benefits of the proposed new methodology.

Next Steps

Michael Walter provided a recap of the May 17 Happy Valley City Council meeting, where City staff presented the proposed method for developing the draft TSDC project lists. City Council members recognized that not all Happy Valley projects could be reasonably included in the TSDC project list, and that TSDC revenues will need to be supplemented with significant other funding to build out the city's transportation system.

County staff will meet with the Clackamas County Board of County Commissioners on May 24 to present the proposed method for developing the draft TSDC project lists.

The **next meetings of the TSDC Working Group** are scheduled for:

- Tuesday, 5/31/2016, 10:00am-12:00pm
- Thursday, 6/30/2016, 9:00-11:00am
- Tuesday, 7/19/2016, 1:00-3:00pm