



Home Builders Association
of Metropolitan Portland

December 6, 2010

Mayor Craig Dirksen
City Councilors
City of Tigard
13125 SW Hall Blvd.
Tigard, OR 97223

RE: Tigard Water System Development Charge Methodology

Dear Mayor Dirksen and Councilors:

My comments are submitted on behalf of the 1,000+ members of the Home Builders Association of Metro Portland (HBA). I am very appreciative of city staff as well as your consultants for taking time to brief me on the essentials of this proposal.

There is no doubt that the capital improvements envisioned in this proposal are extensive, and the resulting recommended increase in the system development charge (SDC) is very large, it is also understood that the city really has little choice but to go forward with its implementation.

The HBA is fully supportive of the methodology as presented in the report by Red Oak Consulting, dated September 29, 2010.

The methodology proposes a net increase in the SDC for a basic 5/8"x3/4" meter of \$4,433, from \$2,041 to \$6,474, a **217% increase**. Similar and proportional increases are also proposed for larger meter sizes.

As we all know, these are indeed trying economic times. Many homebuilders and others in the development community are struggling, and have little ability to absorb a 217% increase in the water SDC for any project they may hope to get under way in the next year.

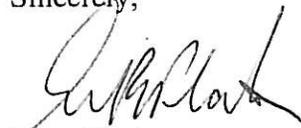
In light of the magnitude of this proposed increase, the HBA supports the staff recommendation as to the methodology and **urges the council to phase in this increase in four steps over three years**; i.e. 1/4 on the effective date of your action, 1/4 one year later, 1/4 two years following the effective date, and the final increment on the 3rd anniversary of the implementation. This will provide a reasonable transition and enable those who might have projects on the drawing board to get underway without having to absorb the full 217% increase for which they probably have not been able to plan.

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Finally, as to the effective date. It is the suggestion of the HBA that the first increment of the increase be effective at least 30 days following the decision by the council. If the council were to make the actual fees and charges decision at their December 28 meeting, then February 1, 2011 would be a reasonable implementation date.

Thank you for the opportunity to offer these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernie Platt", written in a cursive style.

Ernie Platt
Director of Local Government Affairs