



# Tigard River Terrace Draft Funding Strategy

October 21, 2014  
City Council Work Session



# Community Input

## Consider.IT

- Growth should pay for growth

## SWG Survey

- Costs should be split equally amongst:
  - ✓ Future residents
  - ✓ Tigard residents
  - ✓ Developers
  - ✓ Government

## Developers

- Learn from North Bethany.
- Keep it affordable.

## WA County

- Don't count on MSTIP dollars.
- Strategically refine transportation project list.

# Methodology & Approach

- Developed Master Plans with project lists and cost estimates
- Identified near term projects
- Identified funding gaps and revenue sources
- Developed funding scenarios and ranked with evaluation criteria
- Obtained input on draft recommendations from City Council, Stakeholders and public at large
- Revised Funding Strategy
  - ✓ New Transportation Strategy
  - ✓ New Parks Strategy

# Funding Strategy Report Outline



## ■ Purpose

- ✓ Prepare a funding plan for major capital facilities in River Terrace for:
  - ◆ Six years (near-term)
  - ◆ Build-out (long-term)

## ■ Contents

- ✓ Methodology
- ✓ Community Input
- ✓ Evaluation Criteria
- ✓ Potential Funding Sources
- ✓ Draft Infrastructure Funding Plan
- ✓ Policy Considerations

# Evaluation Criteria

- Equity
  - Are costs equally distributed?
- Reliability of Funds
  - Will funding generate predictable revenue?
- Facilitates Development
  - Will funding leverage near-term private investment?
- Ease of Implementation
  - Voter approval required?
  - Precedence?
  - City staffing costs?
- Ability to Address Costs (Near-term and Long-term)

## Revised Sample

Equity (1: lower cost burden - 5: higher cost burden)	Funding Scenario			
	A (status quo)	B	C	D
Citywide Resident Cost Burden				
Citizens in Subdistrict Cost Burden				
Developer/Property Owner Cost Burden				
<b>Evaluation Criteria (1: worst - 5: best)</b>				
Cost Equity *				
Reliability of Funds				
Facilitates Development				
Ease of Implementation				
Ability to Address Near-Term Costs				
Ability to Address Long-Term Costs				
<b>Total Score (sum of Evaluation Criteria)</b>		<b>12</b>		<b>19</b>
				<b>17</b>
				<b>21</b>

\* denotes relative variance from "uniform" equity (whereas developers, future residents and existing residents would split costs equally)

Revised evaluation criteria

**City Council input:**  
**Focus equity on 3 (not 4)**  
**categories: citywide residents,**  
**new RT residents, and developers**

## Potential Funding Sources in Urbanizing Areas

- Fund Transfers (e.g., gen. fund, street fund, etc.)
- Utility Rates (streets, water, sewer, storm)
- Transportation Development Tax (TDT)
- Local Improvement Districts
- Reimbursement Districts
- System Development Charges (SDCs)
- Urban Renewal District
- Special Districts (e.g., drainage district)
- Bonds
- Grants (Metro, state, federal)
- Developers (dedication of local improvements)

# Water Funding Scenario

Near term projects: Cach reservoir, trunk lines (city), and 550 to 410 pressure reducing valve

## Recommended Scenario (Scenario A)

Funding Mechanism	Who Pays?	How Much \$?	Notes
Utility Fees (Water Fund)	Customers	Avg. monthly water utility rates = \$38 per account*	Planned water utility rate increases
SDC (City wide, Water SDC Fund)	Developers	Water SDCs = \$7,580 per SFD*	Developers pay SDCs and provide local water lines

\* these rates/SDCs are to be adjusted as part of citywide rate/SDC analysis for water by Jan. 2015.

# Sanitary Sewer Funding Scenario

## Near term projects:

River Terrace north/south force mains and pump stations, Barrows Road trunk upsizing, and Scholls Ferry trunk extension

Recommended Scenario (Scenario A)

Funding Mechanism	Who Pays?	How Much \$?	Notes
Utility Fees (Sewer Fund)	Customers (within city service district)	Avg. monthly sewer utility rates = \$54 per account	Additional citywide sewer rate surcharge required with or without River Terrace
SDC (Citywide, Sewer SDC Fund)	Developers	Sewer SDCs: \$4,900 per SFD	Developers provide local lines and pay sewer SDCs
CWS Capital Fund	Customers in CWS		CWS (capital fund)

# Parks Funding Scenario B

## Near term projects:

Land acquisition for future parks and trails

Funding Mechanism	Who Pays?	How Much \$?	Notes
City General Fund	Citizens		Fund Transfers
SDC (City wide)	Developers	Parks SDCs = \$6,451 per SFD (existing)	Developer SDCs
Utility Fee (new city wide)	Customers	+/- \$1.00 per month	New parks utility fee (with or without River Terrace)
G.O. Bond	Citizens	Bond costs \$47/year for \$311,100 median home	New city \$10M G.O. bond funded by levy of \$0.15 per \$1,000 assessed value
Grants	Other	+/- \$186,000	Metro, state or federal grants

***Draft funding scenario would result in under  
funded parks improvements***

# Parks Funding Scenario D

## Near term projects:

Land acquisition for future parks and trails

Funding Mechanism	Who Pays?	How Much \$?	Notes
City General Fund	Citizens	\$250,000	Fund Transfers
SDC (City wide)	Developers	Parks SDCs = \$1,800 per SFD (est. avg)	Developer SDCs; 75% allotted to RT
SDC (RT District)	Developers	Parks SDCs = \$4,700 per SFD (est. avg)	Developer SDCs; 100% allotted to RT
Utility Fee (new city wide)	Customers	+/- \$1.11 per month (est. avg)	New citywide parks utility fee (75% alloted to RT)
G.O. Bond	Citizens	Bond costs \$63/year for \$311,100 median home	New city \$13 M.G.O. bond; \$0.20 per \$1,000 AV (70% allotted to RT)
Grants	Other	+/- \$996,000	Metro, state

***New funding scenario results in greater equity and more \$ for parks improvements***

# Stormwater Funding Scenario

## Near-term Projects:

- ✓ Stormwater modeling & design standards
- ✓ Development-Driven Facilities (as needed)
- ✓ Reimbursement District(s)

Recommended Scenario (Scenario D)

Funding Mechanism	Who Pays?	How Much \$?	Notes
General Fund	Citizens	Avg. of \$42,000 per year to seed reimbursement dist.	Discretionary fund transfers
SDC (City wide)	Developers	Current fee of \$500 per dwelling	Existing storm SDCs may be adjusted
Utility Fee (city wide)	Customers (city wide)	Avg. monthly storm utility rates = \$8.75	Existing rates may be adjusted
Utility Fee (RT subdistrict)	River Terrace Customers	\$12/month surcharge	New fee surcharge for River Terrace subdistrict
Reimbursement Districts	Developers or City advances financing; with future payments by builders	Assumes \$1-2M per district (every 6 years)	Focus may be on facilities involving multiple property owners with off site impacts
Developers	Developers		Developer dedications (on site)

# Transportation Funding Scenario C

## Near-term Projects

- ✓ Roy Rogers Signal
- ✓ Scholls Ferry Signal
- ✓ River Terrace Blvd. (segments)
- ✓ Local traffic calming

***City Council  
input:  
URD may be  
better suited  
in Tigard  
Triangle***

Recommended Scenario (Scenario C)

Funding Mechanism	Who Pays?	How Much \$?	Notes
Fund Transfers	Citizens	Avg. \$1 million a year contributions	Could come from local or state gas tax funds
SDC (City wide)	Developers	Transportation SDCs = \$6,000 per dwelling (avg)	New citywide SDC (with % dedicated to RT)
TDT	Customers	TDT = \$6,323 per dwelling (avg)	Existing TDT (city could dedicate % of funds on RT)
Urban Renewal District	See Note 1		Urban Renewal District in RT
Street Dedications	Developers	Local street and ROW dedications	Focus is usually for on site improvements
WA County (cost share)	County Citizens	varies by project	
ODOT/Metro (cost share)	State/Metro Citizens	varies by project	

Note 1: tax increment finance revenue derived from new property tax payments by property owners within district; results in opportunity cost impact to taxing districts; and impacts how city collects/spends new revenues.

# Transportation Funding Scenario D

## Near-term Projects

✓ Same as Scenario C

**City Council input:  
many issues and  
concerns**

**Developer input:  
market not ready for  
this level of cost  
burden**

**But  
100% credit for  
collector/arterial costs  
is good**

Draft Funding Strategy (Scenario D)

Funding Mechanism	Who Pays?	How Much \$?	Notes
Fund Transfers	Citizens	Avg. \$1 million a year contributions	Could come from local or state gas tax funds
SDC (Citywide)	Developers (citywide)	Transportation SDCs = \$6,000 per dwelling (avg)	New citywide SDC (with % dedicated to RT)
TDT (existing)	Developers (citywide)	TDT = \$6,323 per dwelling (avg)	Existing TDT (city could dedicate % of funds on RT)
SDC (RT Subdistrict)	Developers (RT only)	Subdistrict Transportation SDCs = \$7,946 per dwelling (avg)	New subdistrict SDC (100% dedicated to RT)
LIDs (RT Subdistrict)	Property Owners (RT only)	varies by project	source of gap funding
Street Dedications	Developers (RT only)	Local street and ROW dedications	Focus is usually for on site improvements
Local Tax Levy (citywide)	Property owners (citywide)	Bond costs \$24/year for \$311,100 median home	New city G.O. bond with \$5M to River Terrace (levy \$0.075 per \$1,000 assessed value)
WA County (cost share)	County property owners/citizens	varies by project	
ODOT/Metro (cost share)	State/Metro citizens	varies by project	

# Transportation Funding Scenario E (new recommended scenario)

## Near-term Projects

- ✓ Same as Scenario C

## Long-term Projects

- ✓ Focus on projects within City of Tigard
- ✓ Focus on city-owned facilities
- ✓ Assume longer-term (year 21+ ) phasing for projects outside city limits

**Other issues:**  
**Partial credit for collector/arterial improvements assumed (like current TDT policy);**  
**City policy regarding TDT/SDC allocations**

Draft Funding Strategy (Scenario E)

Funding Mechanism	Who Pays?	How Much \$?	Notes
Fund Transfers	Citizens	Avg. \$150,000 a year	Could come from local contributions or state gas tax funds
SDC (Citywide)	Developers (citywide)	tbd	New citywide SDC
TDT (existing)	Developers (citywide)	TDT = \$6,323 per dwelling (avg)	Existing TDT (city could dedicate 75% of funds on RT)
SDC (RT Subdistrict)	Developers (RT only)	Subdistrict Transportation SDCs = \$4,300 per dwelling (avg)	New subdistrict SDC (100% dedicated to RT)
Street Utility Fee Surcharge in RT	Property Owners (RT only)	\$20/month surcharge	100% dedicated to RT projects
Street Dedications	Developers (RT only)	Local street and ROW dedications	Focus is usually for on site improvements
Grants	State/Metro citizens	\$900,000	focus on trails
WA County (cost share)	County property owners/citizens	varies	County roadway improvements
ODOT/Metro (cost share)	State/Metro citizens	varies	Hwy 99 improvements

tbd= to be determined

# Policy Considerations

## General

- Consider adopting an Adequate Public Facilities ordinance
- Continue coordination regarding cost sharing
- Extend CIP to six years
- Update rates and SDCs to account for River Terrace
- Update SDC credit policy
- Consider SDC/TDT policies that dedicate portion of funding collected in RT to RT projects