

Addendum of Proposed Edits for Final Version:  
Tigard Transportation System Development Charge Methodology Report (4/8/2015)

## Introduction

This document summarizes the proposed changes to the Public Review Draft Tigard Transportation System Development Charge Methodology Report that are needed to finalize the report upon adoption. Based on the input received by City staff from the time of publication of the Public Review Draft Tigard Transportation System Development Charge Methodology Report, the following edits are proposed for consideration in the final version of the document.

## SECTION III. GROWTH CALCULATION

### A Relevant Types of Growth

Transportation engineers commonly use peak-hour trip or average person trip estimates to assess transportation performance and determine system needs. This transportation SDC methodology utilizes both average daily person trips (ADPT) and P.M. peak hour vehicle trip ends (PHVT) in the calculation of the SDC fee.

ADPTs include vehicle trips on collector and arterial streets and non-motor vehicle trips that utilize bicycle, pedestrian, and transit facilities. The proposed SDC charges provide a PHVT to ADPT conversion factor so that non-residential SDCs can also take into account linked trips for certain types of developments, such as fast food restaurants and fuel stations, which have relatively high rates of linked-trip activity.

### B.1 Expected Growth Levels

As mentioned above, this methodology utilizes a citywide SDC with a River Terrace overlay.

**Exhibits 3.1 and 3.2** show the growth in person trips (ADPT) and vehicle trips (PHVT) between now and 2035 for River Terrace and the rest of Tigard. The modeled trip growth forecasts result in a factor of approximately 0.047 for converting average daily person trips (ADPT) into peak hour vehicle trips (PHVT). Conversely, for every 21 average daily person trip-ends that originate or terminate in Tigard (including trips by vehicles, bicycle, pedestrian and transit), there is one P.M peak-hour vehicle trip-end expected (PHVT).

## SECTION V. RECOMMENDATIONS

### A.1 Residential SDC Calculation

The proposed SDCs identified in this report include specific recommendations for initial SDCs to be charged based on new single family detached and multifamily/other dwellings added to the City. These types of calculations are relatively simple and take into account the net new dwellings added multiplied by the SDC per dwelling unit. Residential land use types do not entail a “linked trip” adjustment factor.

SDC rates for specific developments are to be determined using the ITE Trip Generation Handbook in which there are land use categories depicting single family detached (code #210), apartments (code #220), rental townhouses (code #224), and other residential types. Because there is presently no ITE land use code for small, standard, or large single family dwellings, **Exhibit 5.1** will be used to calculate SDC rates for single family detached homes. Small single family detached houses will be

charged 81% of the TSDC for a single family detached residential unit and large houses will be charged 108% of the TSDC.

Exhibit 5.1

Average Daily Vehicle Trips and TSDC Adjustment Factors by SFD home size

Home Size Category	ADPT per 1,000 SF	TSDC Adjustment Factor A (revenue neutral)	Dwelling Unit Size (living area sq.ft.)
Small	4.25	0.81	under 1,900 SF
Medium	5.43	1.03	1,900 to 3,500 SF
Large	5.70	1.08	over 3,500 SF
All SFD	5.28		

Source: compiled by FCS Group based on: Summary of 2011 Travel Activity Survey Results , Metro Transportation Research and Modeling Services; and National Association of Home Builders, Characteristics of Home Buyers , Feb. 8, 2013. ADPT = average daily person trips; SFD = single family detached home.

B. Annual Adjustment

Annual adjustment of transportation SDCs as summarized in the City’s “Master Fees & Charges Schedule” shall be made with City Council approval. The index to be used for adjusting transportation SDCs will be based on the weighted average of the year over year escalation for two measurements: 90 percent multiplied by the Engineering News Record Construction Cost Index for the Seattle Area percent change plus 10 percent multiplied by the Oregon Department of Transportation monthly asphalt price (annualized) percent change.

C.1.a Credit Policy Options

The City is currently considering establishing one of three credit policies for the transportation SDC.

**Option A.** This credit policy, based on current City practice, assumes that the Washington County Transportation Development Tax (TDT) credit policy is applied to future local transportation SDCs within the City.

**Option B.** This credit policy assumes that the City implements a credit policy that applies the TDT credit policy to all SDC eligible projects in the city with an exception made for the planned River Terrace Boulevard project. By expanding the creditable portion of River Terrace Boulevard to 50% of the roadway improvement cost, the city would need to fund the difference by increasing its SDC improvement fee. If this policy is pursued, the eligible transportation improvement cost within the River Terrace district would increase by approximately \$4.3 million over Option A.

**Option C.** This credit policy is similar to Option B, but expands the exception made for the planned River Terrace Boulevard project from 50% to 100% credit eligible. By expanding the creditable portion of River Terrace Boulevard to 100% of the roadway improvement cost, the city would need to fund the difference by increasing its SDC improvement fee. If this policy is pursued, the eligible transportation improvement cost within the River Terrace district would increase by approximately \$8.7 million over Option A.

D. Discounts

This Tigard Transportation SDC Methodology Report has documented the maximum defensible SDC that can be established in Tigard (provided earlier in **Exhibits 4.6 and 4.7**).

The City can discount the SDC amount by reducing the portion of growth-required improvements to be funded with SDCs and the City can decide to charge only a percentage (i.e., 50%, 75%, etc.) of the SDC rates required to fund identified growth-related facility costs. The SDC Procedures Manual will specify how discounts should apply to certain developments, such as transit-oriented development. If the City discounts SDCs, revenues will decrease and amounts that must come from other sources, such as general fund contributions, will increase in order for the City to maintain levels of service.

In accordance with the River Terrace Funding Strategy, the City of Tigard desires to establish its Transportation SDC at a level that is below the maximum amount that it can charge. The City’s currently policy objective for transportation SDCs assume a citywide average SDC of \$5,000 per dwelling unit and an average supplemental River Terrace SDC of \$497 per dwelling unit. **Exhibit 5.2** summarizes the residential SDCs that the City would charge new development initially once the new SDCs are established.

## E.2 SDCs with 50% Credit Policy for River Terrace Boulevard

This scenario assumes that River Terrace Boulevard is 50% credit eligible, and all other transportation facilities would rely upon the current TDT credit policy. The resulting SDCs within River Terrace would initially be charged \$8,356 per single family dwelling, \$4,875 per multifamily dwelling, and non-residential uses would be charged \$9,874 per PHVT (**Exhibit 5.4**).

Exhibit 5.4: Option B (revised), Tigard Transportation SDCs (with 50% RT Blvd. credit policy)\*

Development Type	SDC Current	Citywide Base SDC-r	SDC-i (after discount) <sup>1</sup>		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
<b>Residential Development <sup>2</sup></b>						
Avg. charge per dwelling	n/a	\$273	\$4,727	\$2,312	\$5,000	\$7,312
Charge per single family detached dwelling	n/a	\$312	\$5,402	\$2,642	\$5,714	\$8,356
Charge per multifamily dwelling	n/a	\$182	\$3,151	\$1,541	\$3,333	\$4,875
<b>Non-Residential Development <sup>3</sup></b>						
Avg. charge per PHVT <sup>4</sup>	n/a	\$483	\$8,362	\$1,030	\$8,844	\$9,874

Notes:

\* Credit policy assumes River Terrace Blvd. "local" elements are 50% credit eligible and elements beyond local streets are 100% credit eligible; with increase in cost basis being recovered through SDCs and TDTs collected by future River Terrace development. All other facilities would be subject to the current credit policy.

<sup>1</sup> Includes compliance fee.

<sup>2</sup> Variance between single family detached and multifamily dwelling unit charges take into account peak trip adjustment factors derived from the ITE Handbook.

<sup>3</sup> Non-residential SDCs will be based on average charges by PHVT and shall vary by land use type using procedures established in the Tigard SDC Procedures Guide. Adjustments may include reductions for linked-trips.

<sup>4</sup> Average charge per P.M. peak-hour vehicle trip-end (PHVT) is shown before making potential adjustments for linked-trips.

Source: compiled by FCS Group based on preceding tables.

## Summary

These proposed changes will be presented and discussed during the transportation and parks SDC adoption hearing. Input received by the public and City Council will be considered before finalizing the SDC Methodology Report and establishing the new SDC rates and procedures.