



City of Tigard
Tigard Business Meeting – Agenda

TIGARD CITY COUNCIL

MEETING DATE AND TIME: April 28, 2015 - 6:30 p.m. Study Session; 7:30 p.m. Business Meeting

MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

PUBLIC NOTICE:

Anyone wishing to speak on an agenda item should sign on the appropriate sign-up sheet(s). If no sheet is available, ask to be recognized by the Mayor at the beginning of that agenda item. Citizen Communication items are asked to be two minutes or less. Longer matters can be set for a future Agenda by contacting either the Mayor or the City Manager.

Times noted are *estimated*; it is recommended that persons interested in testifying be present by 7:15 p.m. to sign in on the testimony sign-in sheet. *Business agenda items can be heard in any order after 7:30 p.m.*

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for Council meetings by noon on the Monday prior to the Council meeting. Please call 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

Upon request, the City will also endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by calling: 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

SEE ATTACHED AGENDA

VIEW LIVE VIDEO STREAMING ONLINE:

<http://live.tigard-or.gov>

CABLE VIEWERS: The regular City Council meeting is shown live on Channel 28 at 7:30 p.m. The meeting will be rebroadcast at the following times on Channel 28:

Thursday	6:00 p.m.	Sunday	11:00 a.m.
Friday	10:00 p.m.	Monday	6:00 a.m.



City of Tigard

Tigard Business Meeting – Agenda

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MEETING DATE AND TIME: April 28, 2015 - 6:30 p.m. Study Session; 7:30 p.m. Business Meeting

MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 PM

- STUDY SESSION

- A. RECEIVE COUNCIL LIAISON REPORTS

- B. REVIEW SOLID WASTE FRANCHISE FEE AUDIT AND POTENTIAL TMC CHANGES **6:45 pm estimated time**

- EXECUTIVE SESSION: The Tigard City Council will go into Executive Session to discuss pending litigation or litigation likely to be filed, under ORS 192.660(2) (h). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public. **7:00 pm estimated time**

7:30 PM

- 1. BUSINESS MEETING

- A. Call to Order

- B. Roll Call

- C. Pledge of Allegiance

- D. Council Communications & Liaison Reports

- E. Call to Council and Staff for Non-Agenda Items

- 2. CITIZEN COMMUNICATION (Two Minutes or Less, Please)

- A. Follow-up to Previous Citizen Communication

- B. Citizen Communication – Sign Up Sheet

3. CONSENT AGENDA: Tigard City Council and Local Contract Review Board These items are considered routine and may be enacted in one motion without separate discussion. Anyone may request that an item be removed by motion for discussion and separate action. Motion to: **7:35 pm estimated time**
 - A. APPROVE CITY COUNCIL MINUTES:
 - March 10, 2015
 - March 24, 2015
 - B. Local Contract Review Board:

AUTHORIZE THE MAYOR TO SIGN AN AGREEMENT REGARDING REVISED FUNDING FOR THE PACIFIC HIGHWAY/GAARDE STREET/MC DONALD STREET INTERSECTION IMPROVEMENTS

• Consent Agenda - Items Removed for Separate Discussion: Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Council/ City Center Development Agency has voted on those items which do not need discussion.
4. CONSIDER HEAL CITY CAMPAIGN RESOLUTION **7:40 pm estimated time**
5. LEGISLATIVE PUBLIC HEARING ON STORM WATER, PARKS, AND TRANSPORTATION SDCs AND FEES **7:50 pm estimated time**
6. AMEND MASTER FEES AND CHARGES FOR PARKS AND TRANSPORTATION SDCs **8:25 pm estimated time**
7. BRIEFING ON CAPITAL IMPROVEMENT PLAN (CIP) PROJECTS **8:30 pm estimated time**
8. LOCAL CONTRACT REVIEW BOARD - UPCOMING CONTRACT DISCUSSION - DOWNTOWN ENTRYWAY MONUMENTS **8:45 pm estimated time**
9. NON AGENDA ITEMS **9:15 pm estimated time**
10. EXECUTIVE SESSION: The Tigard City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
11. ADJOURNMENT **9:20 pm estimated time**

AIS-2054

A.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): 15 Minutes

Agenda Title: Council Liaison Reports

Submitted By: Norma Alley, City Management

Item Type: Update, Discussion, Direct Staff

Meeting Type: Council
Business
Mtg - Study
Sess.

Public Hearing: No

Publication Date:

Information

ISSUE

Council will present liaison reports.

STAFF RECOMMENDATION / ACTION REQUEST

KEY FACTS AND INFORMATION SUMMARY

OTHER ALTERNATIVES

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

No file(s) attached.

AIS-2112

B.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): 15 Minutes

Agenda Title: Review Solid Waste Franchise Fee Audit and Potential TMC Changes

Prepared For: Toby LaFrance

Submitted By: Norma Alley, City Management

Item Type: Update, Discussion, Direct Staff
Meeting Type: Council Business Mtg - Study Sess.

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Brief Council on the results of the Solid Waste Franchise Fee Audit and Potential TMC Changes

STAFF RECOMMENDATION / ACTION REQUEST

Staff is seeking input from Council on:

- Moving forward with an across the board seven percent increase in solid waste rates
- Making changes to Tigard Municipal Code 11.04 - Solid Waste Management
- Timing - These changes are currently scheduled for a hearing on May 26, 2015.

KEY FACTS AND INFORMATION SUMMARY

Potential Rate Change:

As required by Tigard Municipal Code (TMC) Chapter 11-04-090, Tigard's two franchised solid waste haulers have submitted their annual financial reports for the calendar year ending December 31, 2014.

The TMC requires the council be provided with an aggregate report summarizing the franchisee reports and recommendations on rate adjustments based on Resolution No. 01-54-A. This resolution sets a target, aggregate profit rate of 10 percent and calls for the council to consider a rate adjustment if the profit rate falls below 8 percent or exceeds 12 percent.

The aggregate financial report shows a profit rate of 7.6 percent. Based on the resolution, the aggregate profit rate does not fall within the resolution set target percent and a rate adjustment is needed. Tigard finance staff worked with the haulers on expected increases in their cost of providing services. Based upon the cost escalators provided by each hauler, Finance staff is recommending a 7 percent increase in fees for 18 months (July 2015 - Dec 2016). The rationale behind the 7 percent increase is to provide rates that will produce an expected profit of 10 percent in 2016.

When the 7 percent rate increase is modeled with a start date in July 2015 and is compared to the haulers' escalated costs for 2015 and 2016, the rate increase would result in an anticipated profit percentage of 9 percent in calendar year 2015 and 10 percent in calendar year 2016. The lower percentage in 2015 is due to the fact that the rate increase will only be in effect for the last six months of the calendar year. Accordingly, we would want to agree that the target for 2015 would be a profit margin of between 7-11%, instead of the standard 8-12% in the Resolution. As we have discussed, we propose an index that would adjust fees on January 1 of each year starting in January of 2017.

Potential Code Change:

After the last cost of service study took effect in the middle of 2013, there was some discussion between the haulers and city staff. The root of the discussion was the fact that the rate of return in 2013 fell outside the 8-12% parameters set in Resolution No. 01-54-A and whether that constituted the need for a rate increase, even though the new fees had only been in effect for the last 6 months of the year. In a memo from staff to Council on May 14, 2014, Council was advised of the situation and the recommendation was not to increase rates again and allow a full year of the new rates.

In order to avoid this type of confusion in the future, Council may want to consider the following types of changes to TMC 11.04 - Solid Waste Management:

- Setting an index that would adjust fees on January 1 each year
- State that a cost of service study will be conducted at least every five years
- In years where a cost of service study is completed, and the rates take effect in the middle of a calendar year, state that the report should set expected profit for that year that takes into account the fact that the new fees were only in effect for a portion of the year.

OTHER ALTERNATIVES

Staff is seeking input. Council could choose to direct staff in a different direction than has been proposed by staff.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Solid Waste Management is covered by TMC 11.04

DATES OF PREVIOUS CONSIDERATION

This is the first discussion of Solid Waste Rates since rates were adjusted for 2013.

Attachments

Memo to Council from March 24, 2015

Historical Memo to Council from May 14, 2014



City of Tigard Memorandum

To: The Honorable Mayor and City Councilors
City Manager Marty Wine

From: Director of Finance and Information Services Toby LaFrance

Re: Annual Solid Waste Financial Report Finding for 2014

Date: March 24, 2015

As required by Tigard Municipal Code (TMC) Chapter 11-04-090, Tigard's two franchised solid waste haulers have submitted their annual financial reports for the calendar year ending December 31, 2014.

The TMC requires the council be provided with an aggregate report summarizing the franchisee reports and recommendations on rate adjustments based on Resolution No. 01-54-A. This resolution sets a target, aggregate profit rate of 10 percent and calls for the council to consider a rate adjustment if the profit rate falls below 8 percent or exceeds 12 percent.

The aggregate financial report shows a profit rate of 7.6 percent. Based on the resolution, the aggregate profit rate does not fall within the resolution set target percent and a rate adjustment is needed.

The TMC requires that the findings are reported to the council by April 15th. Staff will be presenting the report findings at the April 28th council study session to discuss the next steps. Staff will bring recommendations for any fee changes and propose potential code changes at a hearing scheduled for May 26, 2015. Potential code changes will likely include:

- > Setting an index that would adjust fees on January 1 each year.
- > State that a cost of service study will be conducted at least every five years.
- > In years where a cost of service study is completed, and the rates take effect in the middle of a calendar year, state that the report should set expected profit for that year that takes into account the fact that the new fees were only in effect for a portion of the year.

cc: Mike Leichner, Pride Disposal
Mike Jefferies, Waste Management



City of Tigard Memorandum

Item # 3
Newsletter: 5-15-14

To: Honorable Mayor Cook and the City Council
From: Marty Wine, City Manager
Re: Solid Waste Rates
Date: May 14, 2014

Tigard Municipal Code 11.04.090.E.2 requires a report be provided to the Council about solid waste rates for service including “franchisee reports and propose rate adjustments, if any. The city manager may make such recommendations as appropriate to the rate determination.”

Because the city adjusted solid waste rates in 2013, and has only a half-year of data to determine the waste haulers’ rate of return, I have accepted the recommendation of Toby LaFrance, Finance and Information Services Director, to maintain current solid waste rates for the upcoming fiscal year. (See attached memo.) I find that based on an initial review, the existing solid waste fees appear to be sufficient to produce the profit margin required in Resolution No. 01-54-A in the range of 8-12%.

City staff will be initiating a rate of return analysis based on a full year of financials (July 2013 to June 2014) to consider a full year’s information based on the last increase. This allows the city and solid waste customers a more realistic and timely review of rates for fiscal year 2015-16.

I encourage you to contact me with any questions or concerns that you may have.

RECEIVED

MAY 14 2014

City of Tigard
Administration



City of Tigard
Memorandum

To: Marty Wine, City Manager

From: Toby LaFrance, Finance and Information Services Director

CC: Brian Rager, Interim Public Works Director
Loreen Mills, Assistant to the City Manager

Re: Solid Waste Rates

Date: May 5, 2014

TR

The purpose of this memo is to recommend to you that Tigard maintain current solid waste rates.

The TMC requires the Council be provided with an aggregate report summarizing the franchise reports and recommendations on rate adjustments based on Resolution No. 01-54-A. This resolution sets a target, aggregate profit rate of 10 percent and calls for the Council to consider a rate adjustment if the profit rate falls below 8 percent or exceeds 12 percent. The calendar year 2012 report showed a profit of 5.21%, triggering a rate analysis and new rates that went into effect on July 1, 2013 that target a 10% annual profit.

As required by Tigard Municipal Code (TMC) Chapter 11.04.090, Tigard's two franchised solid waste haulers have submitted their annual financial reports for the calendar year ending December 31, 2013. The result of the analysis for the calendar year 2013 aggregate report showed that the profit, or rate of return, was below the 8 percent threshold; however, that rate of return is impacted by the fact that the new rates were only in effect for the last six months of the calendar year.

Tigard recently hired independent auditors, Merina & Co. LLP., to review solid waste hauler's expenses and revenues for calendar year 2013. On July 1, 2013, new solid waste rates went into effect. The purpose of Merina's review was to determine the aggregate profit, or rate of return (ROR), for the two haulers if the fees had been in effect for the entire year (starting January 1, 2013). The result of Merina's analysis shows that the rate would have produced an aggregate rate of return of 9.1%.

The solid waste haulers, Waste Management and Pride Disposal, have expressed concerns because their actual rate of return for 2013 is below 8%. Due to the timing that is laid out in TMC 11.04.090, new rates can only be in effect for approximately 6 months of a calendar year. Any time that rates are adjusted, it is reasonable to assume that the resulting unadjusted ROR will be outside of the 8-12% range.

TMC 11.04.090.E.2 says the City Manager “may make such recommendations as appropriate to the rate determination.” I interpret that portion of the code to say that the city has the ability to analyze this a bit more. The analysis by Merina supports the existing rates. Rate payers should not be subject to another rate increase when it can be shown that they would essentially be within the acceptable range if a full year of the last increase was considered.

Based on the results of Merina’s analysis, the fact that the timing laid out by the TMC that results in new rates only being available for the last six months of a calendar year, and the authority given to the City Manager in the TMC, I recommend that you determine that the existing solid waste fees are sufficient to produce the profit margin of 8-12% required by Resolution No. 01-54-A. Further, I recommend that staff offer to work with the solid waste haulers to perform a rate of return analysis based on 12 months of financials from July 1, 2013 to June 30, 2014. The purpose of the analysis will be to unofficially determine if the current rates produce the required rate of return over their first full year. While the results will not automatically require a new rate analysis, it will give an indication of the likelihood that new rates will be required during 2015, enabling staff to start the process of hiring a rate consultant and scheduling time with Council. The result will be the ability to perform the rate review required by the TMC within the timeframes and without an extension. We can perform the analysis if both haulers agree to provide their financials for the analysis.

AIS-2231

3. A.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): Consent Item

Agenda Title: Approve City Council Meeting Minutes

Submitted By: Carol Krager, City Management

Item Type: Motion Requested

Meeting Type: Consent
Agenda

Public Hearing: No

Publication Date:

Information

ISSUE

Approve City Council meeting minutes.

STAFF RECOMMENDATION / ACTION REQUEST

Approve minutes as submitted.

KEY FACTS AND INFORMATION SUMMARY

Attached council minutes are submitted for City Council approval:

- March 10, 2015
- March 24, 2015

OTHER ALTERNATIVES

N/A

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

N/A

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

Draft March 10, 2015 Council Minutes

Draft March 24, 2015 Council Minutes



City of Tigard
Tigard City Council Meeting Minutes
March 10, 2015



STUDY SESSION 6:30 pm

- A. **COUNCIL LIAISON REPORTS:** Councilor Henderson said Jennie Proctor, Program Manager for the Washington County Office of Community Development and Tigard’s Associate Planner Marissa Grass were present to discuss the proposed CDBG 2015/16 grant awards. Ms. Proctor discussed some of the prior CDBG funded projects in Tigard which include sidewalks on North Dakota Street which will be completed by mid-2016, Garrett Street sidewalks, the Good Neighbor Center, Bonita Park, the Knoll Apartments, and the Senior Center Remodel. Materials distributed by Ms. Proctor have been added to the packet for this meeting.

- B. **REVIEW OF 2015 COMMUNITY GRANT FUNDING REQUESTS:** Financial and Information Services Executive Assistant Lutz led a discussion on the applications for community organizations for grants for next fiscal year. She displayed a spreadsheet of requested amounts and funding decisions for 18 organizations. There was \$112,186 in requests but \$83,000 in available funds. Council selected amounts that were captured on the spreadsheet and will be discussed at the Budget Committee meetings and included in the FY 15/16 budget. The variance of information provided on the different requests was discussed and council recommended asking each applicant how they used their previous grant. Ms. Lutz said the process may have to begin sooner next year. Mayor Cook recommended that In August or September staff will initiate a discussion with council on getting better and more comparable information from the applicants

1. **BUSINESS MEETING – March 10, 2015** 

- A. Mayor Cool called to order the City Council and Local Contract Review Board meeting.

- B. City Recorder Krager called the roll.

	Present	Absent
Council President Snider	✓	
Councilor Woodard		✓
Mayor Cook	✓	
Councilor Goodhouse		✓
Councilor Henderson	✓	

TIGARD CITY COUNCIL MINUTES – MARCH 10, 2015

- C. Mayor Cook asked everyone to stand and join him in the Pledge of Allegiance.
- D. Call to Council and Staff for Non-Agenda Items – There were none.

2. CITIZEN COMMUNICATION

- A. Follow-up to Previous Citizen Communication – None.
- B. The Tigard High School envoy was in Washington, DC so there was a Tigard High School report this evening.
- C. Tigard Area Chamber of Commerce – Chamber CEO Mollahan gave a report on current and upcoming Chamber activities. Bowlorama went well and she thanked Tigard Bowl for their longtime support. She announced that college scholarship application acceptance period has closed and the applications received are under review. The Tigard Shining Stars event is scheduled for April 25, 2015 and the chamber is accepting donations for the silent auction. A Farmers Market opens a mid-week on Wednesdays at the Tigard Grange and the Sunday Farmers Market opens on Mothers’ Day at the Public Works Building. The Tigard Downtown Alliance is working on sourcing bike racks and baskets for the downtown.
- D. Citizen Communication – Sign-up Sheet

Robert Van Vlack, 15585 SW 109th Avenue, Tigard, OR 97224 represented the Summerfield Civic Association and said he previously brought concerns to the city council regarding safety concerns at the four-way stop at the intersection of SW 98th and Summerfield Drive. He said Public Works Director Rager and staff developed a solution of installing a larger stop sign and red flags. He read a letter from the Summerfield Civic Association Board thanking the city for the upgrades made to this intersection and said they are hopeful that this solution will be effective.

3. CONSENT AGENDA: (Tigard City Council)

Motion to:

- A. RECEIVE AND FILE:
 - Three-month council calendar
 - Tentative Agenda

Council President Snider moved for approval of the Consent Agenda and Councilor Henderson seconded the motion. The motion passed unanimously.

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	Yes	No
Council President Snider	✓	
Councilor Woodard	Absent	
Mayor Cook	✓	
Councilor Goodhouse	Absent	
Councilor Henderson	✓	

4. PROCLAIM NATIONAL COMMUNITY DEVELOPMENT WEEK APRIL 6-11, 2015

Mayor Cook proclaimed April 6-11, 2015, as National Community Development Week. He mentioned many projects in Tigard that Community Development Block Grants have helped build such as the Senior Center, the homeless shelter and sidewalks. He said there is always more need than money. He said the grant money is divided up by county population and a formula based on need. Councilor Henderson noted that the amount is \$3 million per year.

5. LEGISLATIVE PUBLIC HEARING – CONSIDER MARIJUANA FACILITIES DEVELOPMENT COE AMENDMENTS

- a.  Open Public Hearing - Mayor Cook opened the hearing and gave groundrules for public testimony. Three of five council members are in attendance so there is a quorum but he explained that the council may not vote on the code amendments tonight. One councilor is at a park and recreation grant proposal seminar and another is attending the National League of Cities Conference in Washington, DC. He said the absent councilors can watch the meeting video so every member hears the testimony but the vote will likely be continued to another meeting
- b. Hearing Procedures - Mayor Cook said this is a legislative public hearing in which any person shall be given the opportunity to comment.
- c.  Staff Report – Associate Planner Floyd

Associate Planner Floyd said the code amendments are land use controls that would become effective May 1, 2015, when the city temporary moratorium on medical marijuana dispensaries ends. The code amendments were initiated at council direction and satisfy three criteria identified by council:

- Regulation full chain of production and sale
- Must be adaptable to evolving state rules
- Establish a consistency between medical and recreation markets and production systems

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He presented a PowerPoint of recommendations from the Planning Commission for text changes to Tigard's Development Code. Future action dates include:

- May 1, 2015 End of medical marijuana dispensary moratorium
- July 1, 2015 Possession/use of recreational marijuana is legal
- January 1, 2016 OLCC must have rules in place to accept applications for four types of commercial marijuana licenses

He said Oregon already regulates the location of medical marijuana dispensaries by keeping them 1,000 feet from schools with 1,000 feet between dispensaries, as measured from property line to property line, not building to building. Staff used these as foundational basis and build upon these minimums. The recreational marijuana rules are unknown, as they are still under development. Clarifying legislation is likely. There are different regulatory requirements for medical and recreational product and the legislature may combine them for consistency but this has not happened yet.

Measure 91, Section 59, states that cities and counties may adopt reasonable time, place and manner regulations regarding the nuisance aspects of establishments that sell marijuana. SB 1531 states that the governing body of a city or county may impose reasonable regulations on the operation of medical marijuana facilities registered, or applying for registration. He said regulations must be "reasonable," but this is not defined. Staff considered what other cities were doing as well as existing Tigard regulations.

Regulations must be tied to a nuisance impact (exposure to minors, unpleasant odors, noise, increased crime due to cash and controlled substances, noncompliance with codes, explosions from processing agents, or increased fire, police or code enforcement calls). Mr. Floyd said Tigard has experienced recent explosions due to the illegal manufacture of butane honey oil.

Associate Planner Floyd listed community outreach and notifications that were done to obtain public input including, website, online citizen forum, Cityscape articles, business owner surveys, interested parties list, newspaper ads, two public hearings and contact with local reports.

Mr. Floyd summarized proposed text changes as recommended by the Planning Commission.

Chapter 18.210 – General Administrative Provisions

Removes federal consistency requirement and reduces risk of litigation. It increases certainty for investors and property owners and removes the incentive to avoid permits.

Chapter 18.735 – Marijuana Facilities

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This is a new chapter that applies to commercial or public facilities where a state issued permit or registration is required. It establishes local uniformity for medical and recreational project. It does not apply to personal marijuana grows or use, which would be regulated by existing state law and local nuisance regulations. It is additive to underlying use and zone regulations. Future urban farming code amendments to address chickens and bees, etc., may have a chapter on marijuana growing within the city.

Zoning would be retail for retail facilities and general industrial or office for laboratories. The review process is Type 1, a staff-level review with no public notice.

Associate Planner Floyd said the cities are allowed to create time, place and manner regulations. Included in Chapter 18.735 are regulations covering hours of operation, design and operation of facilities and location. He summarized:

- Hours of operation would be 10 a.m. to 8 p.m. This was strongly recommended by the police department. (General industrial uses such as growing and processing are exempted).
- Odor limits. It cannot be detectable beyond the property line.
- Visible entry; the primary entrance must face the street on 99W or Main Street to allow for natural surveillance from citizens and police.
- Exterior lighting is required.
- No temporary structures, trailers or drive-through allowed.

Location was more contentious with the Planning Commission amending the staff recommendation. They decided to split out non-retail from retail.

Retail is restricted to 99W and Main Street and non-retail can occur in a broader area of the city, based on the buffer restrictions. It allows mixing of types if this is authorized by the state and all local criteria are met. All are subject to the 500 foot buffer from parks and 1,000 foot buffer from schools. Non-retail restrictions include being 500 feet from a residential or park zone and 1,000 from schools, measured from the property line.

The Planning Commission felt that the staff proposal did not adequately protect the residences of the city, especially those in single-family homes, and did not adequately protect those living in mixed use zones. There was concern about children living in some zones. There were issues of equity. They found it more expedient to say where it would be allowed rather than list all the area they would not be allowed. The Planning Commission arrived at a unanimous recommendation that they businesses had to front 99W. To avoid concentration they suggested 1,000 feet minimum between retail facilities, the buffer already established by state law for medical facilities.

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Associate Planner Floyd showed a map indicating where the facilities could be located if the Planning Commission recommendations are followed and estimated five to nine retail facilities could operate in the 99W corridor, assuming landlord cooperation and availability. For a 50,000 population, nine stores would adequately serve the city.



Mr. Floyd said staff communicated with nearby jurisdictions as 99W connects with other municipalities and Beaverton responded that they have no concerns with this placement of facilities. In response to a question from Mayor Cook, Mr. Floyd said King City did not respond. He said these two streets are areas where potential operators desire to be. There has been much interest in these areas.

Associate Planner Floyd shows slides of several maps and explained how earlier map versions showed no opportunity for retail businesses in the downtown because of St. Anthony's School to the south of Main Street and a home schooling location on Commercial Street near the north end of Main Street. Updated maps did not show a school and upon further investigation staff found that the school on Commercial had gone out of business. Councilor Henderson asked if this restricts schools from moving into the downtown. Associate Planner Floyd said it would not restrict the school but the marijuana facility would become non-conforming. Mayor Cook said if they remodel, move or get new owners, it would not be allowed to continue. The Planning Commission looked for zones where residential occupancy is not allowed. Industrial lands, neighborhood commercial zones, general commercial. The Planning Commission thought that businesses would not do well in industrial areas because they are more difficult to get to and another reason is their potential to compromise economic development in the industrial zone.

Mayor Cook asked about the visibility from the street and gave an example of a business in a strip mall that may be facing Pacific Highway and have a Pacific Highway address, but cannot be seen from the street. He asked if that property would be eligible. Associate Planner Floyd said under a strict reading, no. There needs to be natural surveillance from the street. Council President Snider said many strip mall businesses have Pacific Highway addresses yet do not face the street. Mr. Floyd said if this is a council concern, staff can clarify this.

Downtown area would be north of Jeffery Allen to the Joy Theater on 99W. One to two facilities could locate downtown and there has been much interest in this area.

Two to three could locate in the Gaarde/McDonald/99W area, depending upon land availability. There is also an area near Bull Mountain Road.

The south end of Tigard near Safeway and Albertsons across from King City could have one to two businesses, because of the large parcel size. Council President Snider asked about residential zoning within 1,000 feet behind the Safeway store. Associate Planner Floyd said staff did not factor in distance to residential areas in the retail location placement.

TIGARD CITY COUNCIL MINUTES – MARCH 10, 2015

d. Mayor Cook called on people who had signed up to give testimony.

Proponents:

Lee Engvall 15461 SW 82nd Place, Tigard, 97224 asked a question about the PowerPoint slide regarding retail facilities and whether the city was extending retail rules to wholesalers. Associate Planner Floyd said they would apply to retail and wholesale facilities selling directly to the public. Mr. Engvall said keeping marijuana out of the hands of children is important. The safety of patients is important and Tigard patients need good access to a local medical marijuana facility. Owners of most of the medical dispensaries are good neighbors that do not want riff-raff hanging around their businesses. He said having a retail shop in town would reduce the carbon footprint because buyers would not have to drive to Portland.

Shanna Bernard, 11640 SW Pacific Highway, Tigard, OR 97223 said she is a community member, mother, business owner and hopefully, a medical marijuana dispensary owner. She said she, “had a lot in the game here.” She said she understands the safety issues and issues about keeping the product away from children. Her husband owns a building on 99W that as discussed previously. She said she realizes the city is considering language modifications regarding the visibility and she wanted to bring something to council’s attention. Her husband’s building sits on a lot on 99W but is not perfectly facing the street. However, their side-facing business location is perfectly visible from the street and she suggested allowing council to use good judgment and change the language to say the entry point should be visible from the road and/or state road frontage.

Ms. Bernard mentioned a second issue. They applied for a minor modification permit from the city that cannot be issued until May 1, but their state provisional marijuana facility license, costing \$4,000, expires on April 21. Council may not have voted on regulations by then. She asked if they could be allowed to get the building permit so they can start building out for their required security measures. She noted that her husband is a business owner who invested a lot of money into the building in an area where others have not. They want to revitalize the community and care about Tigard and want to see it grow. This would be a positive step forward. She said there is a lot of regulation so there will not be many facilities.

Dimitri Yovko said his questions were answered by the information in the PowerPoint slides.

 Brian Bergmann, 11180 SW Hall Boulevard, Tigard, OR 97223, said he has lived in Tigard most of his life. He broke his neck when he was 16 and has used medical marijuana for many years to help manage pain and muscle spasms. Dispensaries provide a valuable service for cardholders to get medicine and restricting the allowed locations to 99W and downtown Tigard will significantly reduce the number of facilities available. He said most landlords for the spaces currently for rent do not want to rent to dispensaries. Adding this to the buffer zone requirements restricts further the potential for dispensaries in Tigard. He said he would like to see dispensaries allowed on 99W, downtown, and other commercial zones within the Tigard city limits. He said he does not want an overabundance of facilities but believes in free enterprise and if multiple dispensaries can open and operate without

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going out of business they should be allowed to operate within any commercial or retail zone.

Mr. Bergmann said the state has set up the buffer zones and he didn't know if the city council can change them but it is unfair to interpret the buffer from an aerial view of property lines. He suggested using a buffer of 1,000 feet in a walkable line, as it is more than 1,000 feet to walk from one facility to another. He referred to the previous conversation regarding the school in downtown Tigard that closed. He said he currently has a medical grow that was in place before Westside Christian School moved to the area. He asked if he could be grandfathered in within this instance.

Opponents:

Connie Ramaekers, 9655 SW Murdoch Street, Tigard, OR 97224, said she has been a resident since 1979, raised seven children that have graduated from Tigard High School and she currently has 15 grandchildren. She has worked for the Tigard-Tualatin School District as a prevention specialist since 1987 and is now the program director for Tigard Turns the Tide, a community coalition. She was present as a representative for Tigard Turns the Tide and for several members of the community.

Ms. Ramaekers said the mission of Tigard Turns the Tide is to promote a safe and healthy community by reducing alcohol, tobacco and other drug-related problems within the community. She listed several proposed recommendations based on issues that Colorado and Washington are faced with since legalization. She provided some written material that has been added to the packet for this meeting.

Additional regulations suggested:

- Facilities should not be located within 1,000 feet of residential areas, parks, schools, public and private daycare facilities, and libraries.
- Marijuana facilities should be restricted to operations only within the confines of Tigard's industrial areas.
- No butane extraction or hash oil production should be allowed, nor storage of such product within the city limits.
- No sales of marijuana edibles attractive to youth such as suckers, gummy bears, cereals, etc.
- Retail sales and dispensary hours should be 11 a.m. to 6 p.m.
- Storefront windows should be frosted or use non see-through glass so there is no glamorization of displays. Signage should have no pictures representing marijuana leaves and words-only signs should be considered.

She strongly encouraged the city council to put the children's' safety and well-being first and foremost and consider the ramifications of these regulations.

Morgan Chamberlain 9350 SW Martha Street, Tigard, OR 97224, is a junior at Tigard High School and represents STUD (Stop Teenage Underage Drinking and Drug Use), a club at the school that promotes awareness of the danger of underage drinking and drug use. She

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spoke before the Planning Commission and wanted to give the same message to council, supporting strict marijuana regulations with an emphasis on banning edibles. Small children have been hospitalized for eating marijuana-infused products. She noted there was no mention of edibles in the regulation discussion tonight. She said it should become more difficult for young people to obtain marijuana and items such as vapor pens and e-cigarettes. She saw three boys on the THS campus with a vapor pen this morning. She said her generation has a twisted perception and a lack of education on the risks of using marijuana. A girl at school told her she believes she drives better while high so has become the designated driver. This ignorance is very dangerous and accidents and hospitalization rates will only grow if regulations are not enacted. She said she does not want to be on the road with high drivers or walk into school through a cloud of smoke.

Nick Albano signed up but did not speak.

Mike Stevenson, owner of a commercial printing business at 9040 SW Burnham, Tigard OR, 97223, spoke as a property owner and as Tigard Downtown Alliance Vice President. He had two comments. As a business owner in an area identified as one in which marijuana facilities will be allowed, he is concerned that this discussion is being held without much public input. He said the Tigard Downtown Alliance wants to be involved in discussions and has received very limited information.

His second comment was to question why Main Street and 99W were lumped together. 99W is a busy thoroughfare with heavy traffic. He thought Main Street was to be revitalized as a much slower, walking, family-friendly area. One goal of the downtown is to add park space. If a marijuana business is located on Main Street will it prevent the city from having park space, a fountain or the development of the Tigard Street Trail? He asked why Scholls Ferry Road, Tigard Triangle, Washington Square and the new area off of Roy Rogers Road were not considered.

Mr. Stevenson said he cannot speak for all TDA members because they have not had time to discuss this. He understands that decisions need to be made but decisions should not be made in a vacuum. The TDA Board wants to speak with their group over the next two months and report any concerns or approvals to council.

Linda Zumwalt signed up to speak but did not.

Sherry Baton, 11020 SW Wilsonville Road #111, Wilsonville, OR said her building is “L-shaped” so the storefront is facing one side but is clearly visible from the street. Mayor Cook agreed that there needs to be clarification about whether visibility is achieved by standing on 99W and looking towards the entrance or if the actual business door needs to face 99W. Associate Planner Floyd clarified that the language states the primary entrance shall be located on street-facing facades and be clearly visible from a public or private street. He said there are instances where because of historical development patterns and the nature of 99W, some buildings may be askew and may have more than one visible façade. There may have to be some case by case analysis.

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She asked if the statement that five to nine facilities could be allowed meant five to nine in a mall area or was it within the entire city. Mayor Cook clarified that by saying staff estimates five to nine facilities on 99W based on a 1,000 foot buffer between them. Associate Planner Floyd said the code does not distinguish between medical and recreational. The two systems may converge at some point. Council President Snider said this was council's direction to keep it simple and consistent in the case that facilities are allowed to have both medical and recreational.

Councilor Henderson asked how many medical marijuana dispensaries are presently in Tigard and Associate Planner Floyd said there were none.

 Mayor Cook said he assumed retail meant recreational marijuana and non-retail meant medical. He asked if a building owner opens a medical dispensary and then decides to change to recreation sales later and the OLCC allows it, would the city determine that they cannot have the two together. Would each type count as one facility and they would have to buy another building 1,000 feet away? He said he would have no trouble with it if a business owner puts a wall down the middle and divides the space. Associate Planner Floyd said co-location could be clarified in the code if council desires.

Council President Snider said to the audience that regulation of edibles have been mentioned but will not be addressed by the city because they do not relate to land use, which is what is being discussed tonight. He said he had the same question about road visibility and wanted that code section made clearer so less is left to interpretation. He asked for staff comment about why, when looking for large retail space in Tigard, Washington Square is not being considered. He also asked about the commercial zone in River Terrace and why it is not identified as potential space.

Associate Planner Floyd said River Terrace was adopted after this process began but the same rules would apply. Under staff recommendation they could locate there but the dimensional calculations have not been made. He showed a slide of the Washington Square area. Council President Snider asked about a gap in the Washington Square area map and Mr. Floyd pointed out that there is a 500-foot buffer around residential and the cemetery is zoned residential.

Councilor Henderson referred to Mike Stevenson's question about what comes first. If a school or park is located within an area, a dispensary would have to remain outside the buffer. But if the dispensary goes in first, a school could still locate there and the dispensary would be in non-compliance. He asked Mr. Stevenson if that explanation answered his question. Mr. Stevenson said as we try to redevelop the downtown area, we are trying to bring in more apartments, condos, parks and more places for families. He said he did not seem why the downtown is the focus and Washington Square is not being considered. He added that the residential (cemetery) zoned area would not generate complaints. He referred to an earlier comment that a location may be 1,000 feet away on a map but it could still take someone 5,000 feet to get there. He asked why that area would be excluded and suggested that the city may be applying rules that are too rigid in one sense but not in others.

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Council President Snider said there needs to be a better solution for non-conformance issues and staff needs to figure what happens in that scenario. As long as the footprint stays the same does the business get to remain in operation? Otherwise, there could be a group of people opening schools just to shut down marijuana businesses.

Mayor Cook asked Associate Planner Floyd if the Planning Commission discussed Washington County's rule that facilities could not be located within 1500 feet of a MAX station. Mr. Floyd said he did not recall that being discussed but said Main Street was identified as easily accessible for a large group of people by transit, walking and driving. He clarified that under the Planning Commission regulations only one facility could be located on Main Street. He said the park buffer distance is for a park zone, not a park boundary. There is no official boundary line for some parks, so it will be measured from a property line. The regulation is only for parks in a park zone. Theoretically there could be a park located in the underlying MU-CBD zone in downtown so the Tigard Street Trail could be implemented through the current zoning. Generally, most parks in the city are in a park zone but it is not always synonymous. Council President Snider asked if there were locations in residential zones that have something on it that would prevent a house from ever being built there, other than the cemetery near Washington Square. Mr. Floyd said there was and mentioned churches, schools, public utility infrastructure and cell towers. Council President Snider said those could be repurposed but a cemetery could not be. Mayor Cook said cemeteries do get moved at times.

In response to a process question from City Manager Wine, Mayor Cook said the public hearing could be closed but questions could still be asked of staff. He said he would rather deliberate when all of the council is present. Councilor Henderson said the other two councilors will be able to speak at the continuance but the TDA requested time to discuss with their members and bring input to council. Mayor Cook suggested that written testimony remain open. Council President Snider requested that staff do more outreach as suggested by the TDA representative. Associate Planner Floyd said the Planning Commission President has requested to speak at the next public hearing but accepting future oral testimony is up to the council. Councilor Henderson said he wanted it to remain open so council "gets it right." Council President Snider said he preferred only accepting written testimony. He said the TDA and Planning Commission President can provide additional written testimony. He said if it is kept open, council's ability to make decisions and take action is problematic. Mayor Cook agreed because there could be two hours of public testimony and we would need to make a decision because this must be done by May 1. If our regulations are not adopted by then, we are under state rules.

Councilor Snider asked if staff had a suggestion for the citizen that has the issue of the provisional license running out before the city can issue a building permit. Associate Planner Floyd said the space may not be approved for retail so a change of use may need to be done. He recommended that the person come in and talk to staff at the Permit Counter. He proposed that the moratorium be lifted early. Mayor Cook asked if the ordinance is approved on April 14, when does it become effective. Associate Planner Floyd said it has an emergency clause and will be effective immediately upon adoption. Assistant Community Development Director McGuire recommended that the prospective applicant who had the permit issue come in and meet with staff to discuss potential solutions. They may be able to

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get their security system in place and change the use later. Council President Snider remarked that his response was the kind of creativity he was looking for. Councilor Henderson asked what the current use is and Associate Planner Floyd said it has been vacant. 

City Manager Wine asked council to raise any questions prior to deliberation on the April 14 continuance date so staff can respond in time for council review of those responses.

Mayor Cook said he would offer some hints about the direction he is considering. He agreed with the TDA and said if Main Street is in the “mix” for marijuana facilities, he wonders why Scholls Ferry Road is not included. A facility would be just as visible from the

Scholls as on Main Street. Council Henderson asked if he was willing to put that in writing for the rest of the council. Mayor Cook said he is just saying that if the majority of council do not want it on Main Street, Scholls Ferry Road or the Washington Square/Hall Boulevard are alternatives. He asked for clarification on the visibility from the street. He also asked if the Les Schwab building would be considered part of the Washington Square area.

Council President Snider said he conceptually likes 99W on some level but it may be overly restrictive on retail. He said he did not know if a business will end up in Washington Square as their management is selective about tenants and there is also no road frontage which challenges the code recommendation about visibility from a street.

Mayor Cook said he met with Councilor Woodard and Councilor Goodhouse about this topic. Councilor Woodard said the 500 foot buffer was too restrictive and wanted a lesser number for a residential buffer.

City Manager Wine said there is also time available at the April 7 CCDA meeting if council would like additional separation between deliberations and the decision. Councilor Henderson said he would prefer that.

- f. Close Public Hearing – Mayor Cook closed the oral testimony and continued the public hearing until April 7, 2015. Written testimony may be submitted through April 1, 2015.
- g. Council Discussion and Consideration of Ordinance 15-04 – hearing was continued to April 7, 2015.

6. NON AGENDA ITEMS - None.

7. EXECUTIVE SESSION: At 9:29 p.m. Mayor Cook announced that the Tigard City Council will enter into an executive session. The executive session is called to discuss real property negotiations under ORS 192.660 (2) (e). He said the city council will adjourn from the Red Rock Creek Conference Room after the Executive Session.

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8. ADJOURNMENT

At 9:45 p.m. Council President Snider moved for adjournment. Councilor Henderson seconded the motion and all voted in favor

	Yes	No
Council President Snider	✓	
Councilor Woodard Absent		
Mayor Cook	✓	
Councilor Goodhouse Absent		
Councilor Henderson	✓	

Carol A. Krager, City Recorder

Attest:

John L. Cook, Mayor

Date

TIGARD CITY COUNCIL MINUTES – MARCH 10, 2015



City of Tigard
City Council and City Center Development Agency
Joint Meeting Minutes
March 24, 2015



6:30 p.m.

STUDY SESSION

A. COUNCIL LIAISON REPORTS

Councilor Woodard reported he attended a Park and Recreation workshop participating in classes such as foundation development, master plans, grant writing, corporations and government, principles, cost recovery, contract services, performance measures and a think tank. There was great networking and educational sessions. He found Ogilvie, Chicago is the example to follow for recreation as they have a 99% cost recovery. He stated he was looking forward to attending again next year.

Councilor Goodhouse reported on his trip to the National League of Cities conference in Washing DC with over 1,300 elected officials. He attended classes on transportation, planning, finance and ideal communities. An ideal community was pedestrian friendly and reports show 88% of citizens want quality of neighborhoods over quality of home. Desire for walkability was at 9%. There was discussion at the conference about ways of bringing in revenue like building apartments versus large box retail. The budget session was enlightening and received ideas like employers providing bus passes to employees to help increase walkability and participation in eco programs. He stated he got to see Senator Merkley on the floor, hear President Obama speak and got to meet Senator Merkley and Senator Wyden. He concluded with saying he got the opportunity to lobby for municipal bonds and transportation infrastructure.

B. EXECUTIVE SESSION

Mayor Cook called the executive session to order at 6:46 p.m. to discuss real property transaction negotiations under ORS 192.660(2)(e) held in the Red Rock Creek Conference Room. Chair Cook closed the executive session at 7:07 p.m. and reconvened the public meeting.

C. ADMINISTRATIVE ITEMS

City Manager Wine stated items for the upcoming 5x1x10s were provided in the mail bag, which included talking points, maps of route options for the SW Corridor, and survey cards for attendees to fill out. She also went over Council's calendar of events.

Mayor Cook adjourned the Study Session at 7:14 p.m.

7:30 p.m.

CITY COUNCIL BUSINESS MEETING

1. CITY COUNCIL AND CITY CENTER DEVELOPMENT AGENCY BOARD MEETING

A. Mayor Cook called the meeting to order at 7:32 p.m.

B. Deputy City Recorder Alley called the roll:

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Mayor Cook	✓	
Councilor Goodhouse	✓	
Councilor Henderson	✓	
Council President Snider		✓
Councilor Woodard	✓	

C. Mayor Cook asked everyone to stand and join him in the Pledge of Allegiance.

D. Call to Council and Staff for Non Agenda Items – None announced.

2. CITIZEN COMMUNICATION

A. Follow-up to Previous Citizen Communication – None to report.

B. Citizen Communication

Mayor announced people wanting to speak on marijuana will need to submit their testimony in writing by April 1 if they want it to go into the record for the April 14 public hearing.

Mr. Shannon Spahan, Lost Park Society Kung Fu Academy Owner, 12215 SW Main Street, Tigard, testified he was notified by his landlord that a marijuana dispensary is moving in next to his establishment. He said he has a martial arts school with children and teaches anti-bully and drug education. He asked what the boundaries were and what was going to happen. Mayor Cook responded dispensaries have to be 1,000 feet from a school and on April 14 council will discuss time, place and manner. Consideration is for Pacific Highway or Main Street, and dispensaries must follow the distance from schools rule. Mr. Spahan said he did not believe a marijuana dispensary on Main Street was appropriate with the events that go on downtown such as the Christmas event, Halloween trick or treating, summer events and others.

Mr. Tom Cook, 13835 SW Hillshire Drive, Tigard, expressed concern for Oregon's definition of schools compared to other states and the close proximity to schools allowing easier access to under aged students. He said he was opposed to a dispensary downtown because a dispensary changes the demographics of downtown. He also said he spoke with the owner of the downtown ballroom center, whom was not aware of this action, and the owner is opposed to it as well.

Ms. Linda Cook, 13835 SW Hillshire Drive, Tigard, testified she is a retired school teacher and shared her concern to have a dispensary in the downtown close to young people. There is an alternative school next to the ballroom club and suggested the location parameters should be extended to more than just an elementary or high school.

Mr. Shawn Keren, 14150 SW Barrows Road, Tigard, stated looking at the marijuana dispensary matter from an economic perspective in relation to how much money was spent for the downtown beautification project and asked if a dispensary is really what the city wants to project for Tigard as that will be the first thing people see. Dispensaries can not be stopped from coming in, but maybe they can have their own area.

Mr. Michael Brewin, 11225 SW Morgan Court, Tigard, testified he is concerned about the noise pollution from air traffic and has noticed flight patterns have changed over Tigard creating more noise. In the past people in the West Hills, Forest Heights and other areas complained about flight patterns. Then the flight patterns changed shifting more over Tigard. Planes are flying at 500 feet, which is lower than the FAA requirement of 1,000 feet. This is increasing the noise and a risks of an accident. Mayor Cook suggested he check with the Port of Portland or the FAA.

Mr. Reid Iford, 11575 SW Pacific Highway, Suite 140, Tigard, stated Tigard citizens can vote to keep marijuana dispensaries out of the city, so he will be collecting signatures to put on the ballot to keep dispensaries out of the city. He requested a moratorium on allowing dispensaries until there is an election. Mayor Cook responded the city has a moratorium for as long as allowable by the state. It does not extend to the November 2016 election when a petition could be on the ballot, so dispensaries can come and will need to move if the measure is approved to ban them in the future.

3. CONSENT AGENDA

A. APPROVE CITY COUNCIL MINUTES:

- January 27, 2015
- February 10, 2015
- February 17, 2015
- February 24, 2015

B. ADOPT A RESOLUTION OF NECESSITY TO ACQUIRE PROPERTY FOR THE WALNUT STREET IMPROVEMENT PROJECT

RESOLUTION NO. 15-09 – A RESOLUTION TO AMEND RESOLUTION NO. 14-46, LEGAL DESCRIPTIONS AND DEPICTIONS, AND TO DECLARE THE NEED TO ACQUIRE PROPERTY FOR THE PURPOSE OF CONSTRUCTING STREET AND OTHER IMPROVEMENTS ALONG SW WALNUT STREET FROM 116TH AVENUE TO TIEDEMAN AVENUE AND AUTHORIZING IMMEDIATE POSSESSION OF THE PROPERTY

C. ADOPT A RESOLUTION SUPPORTING AN OREGON PARKS AND RECREATION LOCAL GOVERNMENT GRANT APPLICATION

RESOLUTION NO. 15-10 – A RESOLUTION IN SUPPORT OF AN APPLICATION FOR AN OREGON PARKS AND RECREATION LOCAL GOVERNMENT GRANT (2015) TO FUND CONSTRUCTION OF AN INTERPRETIVE SHELTER/RESTROOM AT DIRKSEN NATURE PARK

No items were pulled for separate consideration. Councilor Woodard moved for approval of the consent agenda, seconded by Councilor Henderson. Motion passed by unanimous vote of members present.

<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Cook	✓		
Councilor Goodhouse	✓		
Councilor Henderson	✓		
Council President Snider			✓
Councilor Woodard	✓		

4. ADOPT A RESOLUTION SUPPORTING THE METRO REGIONAL GOVERNMENT’S ESTABLISHMENT OF POLICY DIRECTION TO CREATE A REGIONAL SAFE ROUTES TO SCHOOL PROGRAM

Associate Transportation Planner Bernard summarized the staff report in the packet announcing he landed a \$150,000 grant to hire a dedicated Safe Routes to School (SRTS) coordinator for two years. He stated he is seeking council’s support for the SRTS program.

Councilor Henderson asked how the city would raise the money. Mr. Bernard said the \$40 million is the total funding gap need for SRTS for the region. Community Develop Director Asher said this is not saying this is how much Tigard should raise, rather the possible need for the entire SRTS program.

Councilor Goodhouse moved to approve Resolution No. 15-11, seconded by Councilor Woodard. Motion passed by unanimous vote of council members present.

<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Cook	✓		
Councilor Goodhouse	✓		
Councilor Henderson	✓		
Council President Snider			✓
Councilor Woodard	✓		

5. LEGISLATIVE PUBLIC HEARING: APPROVING DEVELOPMENT CODE AMENDMENTS PERTAINING TO PUBLIC TRAILS, ELECTRONIC SIGNS AND UTILITY CABINETS

Open Public Hearing: Mayor Cook opened the public hearing and announced this was a Legislative Public Hearing in which any person shall be given the opportunity to comment.

Staff Report: Associate Planner Floyd and Associate Planner Pagenstecher provided the staff report outlining the four changes to the development code changing the size of utility cabinets, reclassification to community trails inside the transportation corridor, change to the sign code in the Washington Square area allowing electronic message centers on free standing signs and clarifying sign regulations around electronic message centers with illumination and lastly, expansion of the stationary overlay in the downtown allowing for higher density for property zoned residential. Mr. Floyd handed out additional written testimony received since the last public hearing, which were entered into the record.

Public Testimony:

Ms. Carine Arendes, 9524 SW North Dakota Street, Tigard, testified the CCAC reviewed this ordinance and supports it. She said she is also in favor of this ordinance and did not have concerns about the transfer of the parks and recreation zone and as there will be property available for parks. The train designation enhances access to parks and allows more access to downtown. Lastly, the expansion of the overlay is going to expand opportunities for downtown and flexibility for individual property owners.

Mr. Michael Brewin, 11225 SW Morgan Court, Tigard, expressed concern for the language establishing a design for above ground utility cabinets on private property and how large they may be as shown in pictures he handed out, which were entered into the record. He asked if these regulations were applicable to only new development or if it would affect existing neighborhoods. Mr. John Floyd said regulations are only for new development. Mr Brewin suggested the council consider restricting above ground utility boxes to commercial property or on main arterial roads, restrict the maximum height to 36 inches and be cognizant and respectful of neighborhood CC&Rs.

Staff Recommendation: Associate Planner Floyd stated staff recommends approval of the proposed ordinance.

Close Public Hearing: Mayor Cook closed the public hearing.

Council Deliberation:

Mayor Cook asked how neighborhood CC&Rs could be taken into consideration. City Attorney Olsen replied if the cabinets are in a public easement the public easement would control, but if it was on private property and a new easement was created it would be subject to the neighborhood CC&Rs.

Discussion commenced on the height requirement and changing it from 48 inches to 36 inches.

Councilor Woodard motioned to approve Ordinance No. 15-05, amending the size requirement from 48 inches to 36 inches, seconded by Councilor Henderson. Motion passed by unanimous vote of council members present.

<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Cook	✓		
Councilor Goodhouse	✓		
Councilor Henderson	✓		
Council President Snider			✓
Councilor Woodard	✓		

6. **LEGISLATIVE PUBLIC HEARING: APPROVING A POST ACKNOWLEDGEMENT PLAN AMENDMENT TO TIGARD’S ECONOMIC OPPORTUNITIES ANALYSIS**

Open Public Hearing: Mayor Cook opened the public hearing and announced this was a Legislative Public Hearing in which any person shall be given the opportunity to comment.

Staff Report: Economic Development Manager Purdy and Associate Planner Pagenstecher summarized the staff report accompanied by a PowerPoint presentation which was entered into the record. They reported this ordinance amends the EOA allowing owners of industrial zone property with a slope greater than ten percent to request a zone change and then prompts the council to refer to the EOA to gauge available land supply.

Public Testimony:

None.

Staff Recommendation: Economic Development Manager Purdy stated staff recommends approval as presented.

Close Public Hearing: Mayor Cook closed the public hearing.

Council Deliberation:

Councilor Goodhouse motioned to approve Ordinance No. 15-06, seconded by Councilor Henderson. Motion passed by unanimous vote of council members present.

<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Cook	✓		
Councilor Goodhouse	✓		
Councilor Henderson	✓		
Council President Snider			✓
Councilor Woodard	✓		

7. APPROVE A RESOLUTION GRANTING FIVE NON-PROFIT LOW INCOME HOUSING PROPERTIES EXEMPTION FROM PROPERTY TAXES UNDER TMC 3.50

Finance and Information Services Director LaFrance presented the staff report stating this is an annual routine tax exemption request.

Councilor Henderson motioned to approve Resolution No. 15-12, seconded by Councilor Woodard. Motion passed by unanimous vote of council members present.

<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Cook	✓		
Councilor Goodhouse	✓		
Councilor Henderson	✓		
Council President Snider			✓
Councilor Woodard	✓		

8. NON AGENDA ITEMS – None

CITY CENTER DEVELOPMENT AGENCY

9. EXECUTIVE SESSION

Chair Cook called the City Center Development Agency executive session to order at 9:10 p.m. to discuss real property transactions under ORS 192.660(2)(e) held in the Red Rock Creek Conference Room. Chair Cook closed the executive session at 9:39 p.m. and reconvened the public meeting in Town Hall.

10. ADJOURNMENT

At 9:39 p.m. Councilor Goodhouse motioned to adjourn the meeting, seconded by Councilor Woodard. Motion passed by unanimous vote of the council members present.

<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Cook	✓		
Councilor Goodhouse	✓		
Councilor Henderson	✓		
Council President Snider			✓
Councilor Woodard	✓		

Norma I. Alley, Deputy City Recorder

Attest:

John L. Cook, Mayor

Date: _____

AIS-2058

3. B.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): Consent Item

Agenda Title: Authorize the Mayor to Sign an Agreement Regarding Revised Funding for the Pacific Highway/Gaarde St./McDonald St. Intersection Improvements

Prepared For: Mike McCarthy **Submitted By:** Judy Lawhead,
Public Works

Item Type: Motion Requested **Meeting Type:** Consent
Agenda

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall council authorize the mayor to sign an agreement regarding revised funding for the Pacific Highway/Gaarde Street/McDonald Street intersection improvements?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the council authorizes the mayor to sign the agreement.

KEY FACTS AND INFORMATION SUMMARY

At a December 9, 2014, meeting, the council discussed a funding shortfall related to the Pacific Highway/Gaarde Street/McDonald Street intersection improvement project. Due to higher construction costs, the project bid was \$1.1 million more than expected. The council subsequently voted to increase city funding of the project to cover the increased cost, and the mayor acknowledged the city's commitment to provide this additional funding in a letter to ODOT. The minutes from the December 9 meeting and the mayor's letter are attached.

The project budget was adjusted accordingly during the second quarter supplemental budget adjustment.

This amendment to the IGA:

- Formalizes the city's commitment to provide the additional project funding.
- Includes a provision that allows the city to receive a refund of up to \$1.1 million if the actual total project costs are less than the expected \$10,944,630 estimate.

- Updates the project manager's name and contact information.

OTHER ALTERNATIVES

This amendment formalizes action taken by the council on December 9, 2014. Within the constraints of the council's previous action, the council could propose changes to the amendment.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

This project is included in Tigard's Transportation System Plan, and is included as project number 95033 in the adopted Capital Improvement Plan.

DATES OF PREVIOUS CONSIDERATION

- At a December 9, 2014, meeting, the council voted to increase city funding—by \$1.1 million—to cover the increased project cost.
- In October 2014, the council approved the first amendment to the IGA, which increased county funding and acknowledged construction of a city-owned water line across Pacific Highway.
- In February 2013, the council approved the original IGA.

Fiscal Impact

Cost: \$1.1 million

Budgeted (yes or no): Yes

Where Budgeted (department/program): CIP #95033

Additional Fiscal Notes:

This amendment increases the city's contribution to the project by \$1.1 million to cover higher-than-expected construction costs.

At a December 9, 2014, meeting, the council voted to increase city funding of the project to cover the increased cost, and the project budget was adjusted accordingly during the second quarter supplemental budget adjustment.

Attachments

IGA Amendent

Mayor's Letter to ODOT

Excerpt of December 9, 2014, Minutes

**AMENDMENT NUMBER 02
COOPERATIVE IMPROVEMENT AGREEMENT
2003 OREGON TRANSPORTATION INVESTMENT ACT MODERNIZATION and
SURFACE TRANSPORTATION PROGRAM – Urban
OR 99W: Gaarde/McDonald Intersection Improvements**

The **STATE OF OREGON**, acting by and through its Department of Transportation, hereinafter referred to as “State;” and Washington County, acting by and through its Board of County Commissioners, hereinafter referred to as “County,” and the City of Tigard, Acting by and through its elected officials, hereinafter referred to as “City,” all herein referred to individually or collectively as “Party” or “Parties,” entered into an Agreement on April 10, 2013 and Amendment No. 1 on October 22, 2014. Said Agreement and Amendment covers the modernization and intersection improvements to OR 99W at SW Gaarde Street and SW McDonald Street.

It has now been determined by Parties that the Agreement referenced above shall be amended to increase the City’s contribution to address the increase in total Project cost due to high construction bid. Except as expressly amended below, all other terms and conditions of the Agreement are still in full force and effect.

Revised Exhibit A-1 shall be deleted in its entirety and replaced with the attached Revised Exhibit A-1 (V2). All references to “Exhibit A” shall hereinafter be referred to as “Revised Exhibit A-1 (V2).”

TERMS OF AGREEMENT, Paragraph 2, Page 3, which reads:

2. The Project is estimated to cost \$9,840,000. Due to the uncertainty of cost estimates, the Parties agree to finance the Project at \$9,850,000. Funding will come from the following funding sources: \$944,630 from the 2003 OTIA Modernization Program: \$3,000,000 from the Surface Transportation Program: \$1,500,000 from City and up to \$4,400,000 from County funds. The estimate for the total Project cost is subject to change. City shall be responsible for any nonparticipating costs, and Project costs beyond the State, County, and federal money that is being contributed pursuant to paragraphs 3 and 4 below.

Shall be deleted in its entirety and replaced with the following:

2. The Project is estimated to cost \$10,915,000. Funding will come from the following funding sources: \$944,630 from the 2003 OTIA Modernization Program; \$3,000,000 from the Surface Transportation Program; up to \$2,600,000 from City; and up to \$4,400,000 from County funds. The estimate for the total Project cost is subject to change. City shall be responsible for any nonparticipating costs, and Project costs beyond the State, County, and federal money that is being contributed pursuant to paragraphs 3 and 4 below.

TERMS OF AGREEMENT, Paragraph 13, shall be added as follows:

13. The Parties agree that the City's additional contribution of \$1,100,000, provided as of this Amendment No. 2, shall be applied to Project costs after all previously agreed to Federal and County contributions and after the City's original \$1,500,000 contribution. In the event the Project costs do not exceed the expected total Project financing cost of \$10,944,630, the City shall be refunded any remaining City funds in excess of its original \$1,500,000 contribution.

CITY OBLIGATIONS, Paragraph 11, Page 7, which reads:

11. City's Project Manager for this Project is Michael Stone, City Engineer, 13125 SW Hall Blvd, Tigard OR 97223, 503-718-2759, mstone@tigard-or.gov, or assigned designee upon individual's absence. City shall notify the other Parties in writing of any contact information changes during the term of this Agreement.

Shall be deleted in its entirety and replaced with the following:

11. City's Project Manager for this Project is Mike McCarthy, Senior Project Engineer, 13125 SW Hall Blvd, Tigard OR 97223, 503-718-2462, mikem@tigard-or.gov, or assigned designee upon individual's absence. City shall notify the other Parties in writing of any contact information changes during the term of this Agreement.

This Amendment may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Amendment so executed shall constitute an original.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

This Project is in the 2012-2015 Statewide Transportation Improvement Program, (Key #16968) that was adopted by the Oregon Transportation Commission on March 21, 2012 (or subsequently approved by amendment to the STIP).

Signature Page to Follow

County/City/State
Agreement No. 28161-02

CITY OF TIGARD, by and through its
elected officials

By _____

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
City Counsel

Date _____

WASHINGTON COUNTY, by and through
its Board of County Commissioners

By _____

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
County Counsel

Date _____

City Contact:

Mike McCarthy, P.E.
13125 SW Hall Boulevard
Tigard, OR 97223
503-718-2462
mikem@tigard-or.gov

County Contact:

Gary Stockhoff, CPM
1400 SW Walnut St., MS 18
Hillsboro, OR 97123-5625
503-846-7820
Gary.Stockhoff@co.washington.or.us

STATE OF OREGON, by and through
its Department of Transportation

By _____
Highway Division Administrator

Date _____

APPROVAL RECOMMENDED

By _____
Region 1 Manager

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By David B. Hutton
Assistant Attorney General

Date 3/12/2015

State Contact:

Matthew Freitag, P.M.
123 NW Flanders St
Portland, OR 97209
503-731-4851
matthew.d.freitag@odot.state.or.us



REVISED EXHIBIT A-1(V2)
PROJECT DESCRIPTION
City of Tigard
Washington County
OR 99W: Gaarde/McDonald Intersection Improvements

The City of Tigard proposed, and the Oregon Transportation Commission has endorsed a Federal Transportation Reauthorization Request to improve safety and capacity of this heavily congested intersection of Highway 99W. Considering the fact that the new arterials proposed for addressing traffic demand from 99W to I-5 are likely a number of years away, it is important that the existing route function as safely and efficiently as possible. The planned improvement include improved bicycle, pedestrian and transit connections, access management, improved capacity and additional turn-lanes.

Project Cost Estimate		Project Financing	
Preliminary engineering & design	\$1,850,000	City Contribution	\$2,600,000
Right of way purchase	\$3,565,000	County Contribution	\$4,400,000
Construction	<u>\$5,500,000</u>	STP (including match)	\$3,000,000
Total	\$10,915,000	OTIA	<u>\$ 944,630</u>
		Total	\$10,944,630



December 9, 2014

Shelli Romero, Interim Region 1 Manager
Oregon Department of Transportation
123 NW Flanders Street
Portland, OR 97209

RE: Hwy 99W/Gaarde Street/McDonald Street Improvement Project

Dear Ms. Romero,

We understand that the recently opened bids for the Hwy 99W/Gaarde Street/McDonald Street project came in higher than expected and that the total project cost is now expected to be about \$10.9 million; about \$1.1 million more than the amount of funding currently allocated for this project. We have identified funds that we currently have available and are willing to use to fill this funding gap up to the anticipated project cost of \$10.9 million.

City Council voted on December 9, 2014, to authorize use of those funds for this project. We request that ODOT award the construction contract for this project and take other action as necessary to advance the project.

It is our understanding that an amended Intergovernmental Agreement (IGA) will be prepared to memorialize this revised project funding. While we are thankful for ODOT's expertise in managing this project, we are concerned about the potential for further cost overruns in the construction phase, beyond the city's control. We have very little funding available to cover additional costs. We understand that ODOT and city staff have discussed this matter and have proposed additional amendments to the IGA. We ask that the IGA amendment include a provision that ODOT, Washington County and the city proportionally share any costs above the anticipated \$10.9 million project cost.

Sincerely,

John L. Cook, Mayor
City of Tigard

Excerpt from December 9, 2014, Minutes

15. NON AGENDA ITEMS

City Manager Wine and Public Works Director Rager provided an update on the Hwy 99W/McDonald/Gaarde Project (HMGP) and requested a motion authorizing the mayor to send a letter to ODOT confirming Tigard's commitment to the HMGP at this phase, including the future commitment of city gas tax funds per TTAC recommendation.

Ms. Wine said during the last week and a half staff received information that the project bid is \$10.1 million which is \$1.1 million more than estimated for the project. This project is a partnership with the city of Tigard, ODOT, and Washington County who all have invested monies into seeing it completed. ODOT is requesting a letter from the mayor confirming the city of Tigard's commitment to fund and move forward with the project. Ms. Wine asked for council's support to draft this letter.

Councilor Snider asked if it was written into the project agreement that the city is responsible for any overages of funds. Ms. Wine answered that is correct, whether the project is in the design or construction phase Tigard is responsible for overages.

Councilor Woodard said this is one of the highest injury intersections and is in desperate need of a fix. This area needs to be taken care of and this is an important project. There has been a lot in the works for this project and a lot of commitment from partners.

Councilor Buehner said this project and all of the issues on 99W the main reason the city council was urged to adopt the gas tax. The Greenburg Road intersection was looked at as the first to fix

and the Gaarde/McDonald intersection as the second project. She said she is pleased the city has a fairly stable income source to fund these types of projects.

Councilor Snider said his heartache is understanding how the estimate was off by so much. This is a big difference in the design estimate perspective. Councilor Snider said before he was prepared to act he thought the council deserved some sort of explanation.

Streets and Transportation Senior Project Engineer McCarthy introduced ODOT Project Manager Matt Freitag and ODOT Interim Area Manager Shelli Romero. Mr. Freitag reported all jurisdictions came to an agreement through the intergovernmental agreement (IGA) on the original project cost. At about 50 percent into design it was recognized the original footprint was not a good fit so the original footprint and scope of the project was reduced and funds were added through the IGA in order to move forward.

Mr. McCarthy said the project need was established in 2008 and in 2009 the city worked with the state to collect investment act funding. City staff began preliminary design and in 2010-2011 the city thought it would be best if the project was led by ODOT at which point the initial IGA came together. In 2013 it was identified that the project would not fit into the original budget so work began to scale back the scope. This brings us to today and the economy has picked up, prices are rising and cost of construction material has gone up from estimates put together four years ago. Mr. Freitag added with the scale back there has been a \$200,000.00 savings on the right-of-way.

Councilor Snider asked how much money would be left on the table from other jurisdictions if the city walked away and what the implication would be to the project. Mr. McCarthy replied there would be over \$8 million from other jurisdictions. Ms. Wine commented one of the reasons the partnership was mentioned is not only the financial commitment, but also the good will of working with the county and state.

Councilor Snider said he is going to support moving the project forward, but felt it was important for the community to understand how this decision affects them and the good of the project.

Councilor Woodard said the council could decide to not do this and wait to complete the project, but costs will get more expensive.

Council President Henderson said many dollars will be lost if the project does not get done now.

Councilor Snider moved to authorize the mayor to send a letter to ODOT confirming Tigard's commitment to the McDonald/Gaarde Project at this phase, including the future commitment of city gas tax funds per TTAC recommendation. Councilor Buehner seconded the motion. The motion passed with the following vote.

Name	Yes	No	Absent
Mayor Cook			✓
Council President Henderson	✓		
Councilor Buehner	✓		
Councilor Snider	✓		
Councilor Woodard	✓		

16. EXECUTIVE SESSION – None held.

AIS-2179

4.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): 10 Minutes

Agenda Title: Consider HEAL City Campaign Resolution

Prepared For: Dana Bennett, City Management **Submitted By:** Dana Bennett, City Management

Item Type: Resolution **Meeting Type:** Consent Agenda

Public Hearing: No **Publication Date:**

Information

ISSUE

Council to consider a resolution declaring the City of Tigard a participant in the Healthy Eating Active Living (HEAL) City Campaign.

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends that Council adopt the HEAL City Resolution.

KEY FACTS AND INFORMATION SUMMARY

The HEAL City Campaign is a project of the Oregon Public Health Institute and the League of Oregon Cities and is funded by Kaiser Permanente Community Health Initiatives.

The HEAL Campaign encourages cities to create policies that expand options for every person to have affordable and convenient access to wholesome foods, encourage and provide access to physical activity, and build a culture of wellness for municipal employees.

The Campaign has three components.

- Encourages education about the impact our built environment and food environment have on our health, emphasizing that the status quo presents an on-going health risks to children.
- Offers alternatives and resources. Campaign staff members have compiled a library of model policies and best practices from cities around the country to create more options for active living, healthy eating, and workplace wellness.
- Provides free technical assistance to help each city identify, adopt and implement the necessary policies

As a HEAL city, Tigard would join a consortium of 25 Oregon cities that are working to

improve the public health of their residents through the adoption and implementation of policies and programs. These cities have adopted and implemented policies supporting healthy options such as bike lanes, community gardens, and city employee health incentives.

Tigard enjoys a number of policies and initiatives that support healthy living in our community, from our farmer's markets, to our recently adopted strategic plan. As official participants in the Campaign, that work will be recognized through our initial evaluation and city designation. The HEAL program has four levels—level 1 is designated for cities doing minimal work toward encouraging healthy eating, active living and/or workplace wellness. While Level 4 is designated for cities with well-developed programs. In our opinion, Tigard will be initially designated at level 3 initially. We will have an opportunity to reach level 4 through new initiatives being planned.

As a HEAL City participant, we will work to improve the community health of Tigard residents. The need for improved community health is highlighted in Washington County statistics that show we still have a ways to go to mitigate health issues associated with chronic diseases, cancer, heart disease, diabetes, obesity, strokes, chronic lower respiratory disease and Alzheimer's disease.

By adopting the HEAL resolution, the City of Tigard will be furthering our Strategic Plan goal to be the most walkable city in the Pacific Northwest where people of all ages and abilities can lead healthy interconnected lives. Participating will allow the city to show its commitment to its residents and internal staff by being leaders in adopting policies and programs geared towards ensuring that our residents and staff have access to education and healthier choices.

OTHER ALTERNATIVES

Council could decide against joining the campaign.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

Joining the HEAL City campaign furthers the city's strategic plan to make Tigard more walkable and to encourage people of all ages and abilities to enjoy healthy and interconnected lives.

DATES OF PREVIOUS COUNCIL CONSIDERATION

NA

Attachments

HEAL Resolution

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-

A RESOLUTION SETTING FORTH THE CITY OF TIGARD'S
COMMITMENT TO HEALTHY LIVING FOR THE COMMUNITY

WHEREAS, improving livability and community health are important goals; and

WHEREAS the nutrition and physical activity choices that individuals make for themselves and their families are influenced by their environment; and

WHEREAS local policies on land use & transportation, access to healthy food, and shared use determine whether options for healthy eating and active living are within reach of the people who live, work, go to school, play or worship in the city; and

WHEREAS high rates of costly chronic disease among both children and adults are correlated to environments with few or no options for healthy eating and active living; and

WHEREAS, the City of Tigard is a member of the League of Oregon Cities (LOC); and

WHEREAS, in 2010, the LOC partnered with and supported the national Let's Move! Campaign led by the First Lady of the United States, and has encouraged Oregon cities to adopt preventive measures to fight obesity; and

WHEREAS, in 2012, the LOC partnered with the Oregon Public Health Institute (OPHI) in the Healthy Eating Active Living (HEAL) Cities Campaign, and encouraged all Oregon cities to join the HEAL Cities Campaign and qualify as a HEAL City by accepting information, training and technical assistance from OPHI staff on policies to support healthier eating and increased physical activity levels for all residents, create more livable communities, and create a culture of wellness at municipal workplaces, and adopting at least one recommended HEAL policy; and

WHEREAS, the city has reviewed the Heal Cities Policy Menu and finds it meets multiple criteria outlined in each of the policy menu areas;

WHEREAS, the city has or is in the process of implementing aspects of its Strategic Planning goals to address walkability and promote a healthier lifestyle both for its citizens and employees including supporting Tigard Walks and Safe Routes to Schools;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby recognizes that joining the HEAL Cities Campaign has the potential to improve local livability and have a positive impact on the community's health and well-being. To that end, the City of Tigard adopts this HEAL Resolution;

BE IT FURTHER RESOLVED that staff shall work with HEAL Cities Campaign Staff to explore HEAL policies and identify those policies that may be suitable for the City's unique local circumstances. Those policies shall then be evaluated and considered for adoption.

BE IT FURTHER RESOLVED that city staff will establish a goal of increasing the City of Tigard's HEAL designation up one level within twelve months of the adoption of this resolution, though the implementation of additional policies and programs as determined through working in partnership with the HEAL Campaign staff.

This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

AIS-2000

5.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): 35 Minutes

Agenda Title: Legislative Public Hearing on Storm water, Parks, and Transportation SDCs and fees

Prepared For: Toby LaFrance

Submitted By: Debbie Smith-Wagar
Financial and Information Services

Item Type: Motion Requested **Meeting Type:** Council
Resolution Business
Public Hearing - Legislative Meeting -
Main

Public Hearing Yes

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall Council adopt an ordinance adopting a methodology and other provisions relating to the imposition and collection of parks and transportation system development charges (SDCs) for the City of Tigard?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends adoption of the ordinance.

KEY FACTS AND INFORMATION SUMMARY

Staff has been reviewing ways to finance Tigard's future system infrastructure (streets, water, sewer, storm, parks and public facilities systems) over the last year. This effort is being done for citywide purposes, in concert with the River Terrace Infrastructure Funding Strategy. On December 16, 2014, Council adopted the River Terrace Infrastructure Funding Strategy, representing the financial toolbox for funding needed infrastructure in River Terrace. Many of the adopted recommendations need Council action to implement.

Included in that strategy are System Development Charges (SDCs) for Parks and Transportation. SDC's are one-time charges paid by developers to pay for their impact on city infrastructure. Council discussed the SDC proposal in workshops on February 17, 2015 and March 17, 2015.

The city currently has a citywide Parks SDC and the funding strategy recommends an update as well as the creation of an area-specific Parks SDC for River Terrace. The city does not have its own Transportation SDC, but uses the Washington County Transportation Development Tax (TDT) for a similar purpose (to fund transportation system needs as a result of growth). A citywide Transportation SDC provides additional needed resources to help build and improve roads. The funding strategy recommends that Tigard create a citywide Transportation SDC and develop a River Terrace specific Transportation SDC.

Based on the direction provided in the River Terrace Funding Strategy and the two workshops, this hearing provides Council the opportunity to adopt Parks and Transportation SDC's with the following key policy decisions:

1. Both Parks and Transportation SDC's will have a citywide reimbursement portion, citywide improvement portion, and River Terrace Overlay.
2. Both Parks and Transportation SDCs are discounted from the maximum fee permitted by law. This is consistent with the River Terrace Funding Strategy
3. The citywide SDCs for parks and transportation and the River Terrace Overlay SDC for parks will issue credits in the current standard method where SDC credits are issued to overbuilding a facility beyond the local portion.
4. The River Terrace Overlay Transportation SDC will issue additional credits roughly equal to 50% of the local portion of the facility. This is to incentivize construction and share the costs of River Terrace Blvd.
5. SDC Credits will be transferable between developers within the SDC fee area for which they were earned.
6. SDC Credits will expire within 10 years.
7. Transportation SDCs will be discounted for smaller homes and for transit oriented developments in Downtown.

Adoption of the new fees requires two hearings. This first hearing will adopt the SDC methodology and procedures by amending the TMC. A second hearing to follow will adopt the fees by amending the Master Fees and Charges.

Attached to this hearing packet are:

1. Staff PowerPoint presentation
2. Ordinance adopting the SDC methodology and procedures by replacing TMC 3.24, including **Exhibit A** with the new TMC language.
3. Parks SDC Methodology Report, including:
 - a. Original Public Review Draft of the Methodology Report that has been available for review for over 60 days, as required by state law.
 - b. Addendum to the Original Public Review Draft showing the changes that have been made to the document, based on Council policy direction provided in public workshops.
 - c. **Exhibit B** - Final Methodology Report that is being adopted. This is the clean copy that amends the original document with the changes presented in the addendum.

4. Transportation SDC Methodology Report, including:
 - a. Original Public Review Draft of the Methodology Report that has been available for review for over 60 days, as required by state law.
 - b. Addendum to the Original Public Review Draft showing the changes that have been made to the document, based on Council policy direction provided in public workshops.
 - c. **Exhibit C** - Final Methodology Report that is being adopted. This is the clean copy that amends the original document with the changes presented in the addendum.

OTHER ALTERNATIVES

Council can continue the hearing to request additional information from staff and consultants prior to adoption of the SDC methodology. This will result in a delay in implementing the SDCs.

Council could propose no action on the SDCs. The result of no action is that funding for infrastructure does not keep up with growth.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Infrastructure Financing Project (River Terrace and Citywide)

- Council briefing
- SDC notice and methodology
- Council hearing

DATES OF PREVIOUS CONSIDERATION

05/20/2014 - River Terrace Funding Strategy Introduction
06/17/2014 - River Terrace Preliminary Funding Strategy and Parks and Transportation System Plan Addenda Briefing
07/08/2014 - Infrastructure Financing Project (River Terrace & Citywide) Discussion
08/12/2014 - LCRB award to FCS Group for Infrastructure Financing Study
09/23/2014 - River Terrace Draft Funding Strategy Briefing
10/21/2014 - River Terrace Draft Funding Strategy Plan Briefing Follow-up
12/16/2014 - River Terrace Funding Strategy Adoption
02/17/2015 - Parks and Transportation SDCs Workshop
03/17/2015 - Second Parks and Transportation SDCs Workshop

Attachments

Presentation

Ordinance and Exh. A

Exhibit B - Parks SDC Methodology Report

Exhibit C - Transportation SDC Methodology Report

Parks SDC Public Review Draft

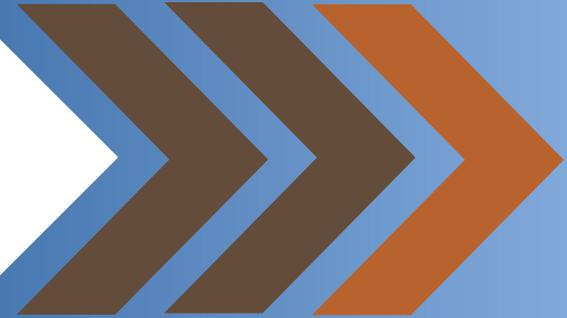
Parks SDC Addendum

Transportation SDC Public Review Draft

Transportation SDC Addendum



City of Tigard



System Development Charges for Parks and Transportation

Council Hearing
April 28, 2015



 **FCS GROUP**
Solutions-Oriented Consulting



Presentation Agenda

- ◆ SDC for Parks
 - Policy direction
 - Residential SDCs
 - Non-residential SDC based on square feet
- ◆ SDC for Transportation
 - Policy direction
 - Residential SDC based on size of house
 - SDC discounts for transit-oriented development
- ◆ Results and Comparison of SDCs to neighboring jurisdictions



Tigard Parks SDC Update

- ◆ Reimbursement fee, improvement fee, and admin fee elements
- ◆ SDC overlay for River Terrace
- ◆ Discount SDCs to foster development
- ◆ Assess non-residential development based on square feet
- ◆ Only development to pay SDC





Parks SDCs: Current and Proposed

	SDC Current
Current Tigard Parks & Trails SDC	
Residential SDC per capita	\$ 2,753
SDC per single family dwelling	\$ 6,451
SDC per multifamily dwelling	\$ 5,156
Non-residential SDC per employee	\$ 446

		SDC-i (proposed)*		Total SDC (proposed)	
		SDC-r	Citywide	River Terrace Overlay	Citywide Total
Proposed Tigard Parks & Trails SDC					
Residential SDC per capita	\$ 399	\$ 2,281	\$ 983	\$ 2,681	\$ 3,664
SDC per single family dwelling	\$ 1,017	\$ 5,807	\$ 2,502	\$ 6,824	\$ 9,327
SDC per multifamily dwelling	\$ 766	\$ 4,372	\$ 1,884	\$ 5,138	\$ 7,022
Non-residential SDC per employee**	\$ 105	\$ 602		\$ 707	\$ 707

Source: derived from prior tables. SDC-r = reimbursement fee; SDC-i = improvement fee. * Includes compliance fee. ** Non-residential SDCs calculations for new development are to be based on square feet of floor area (see Table 5.2)



Non-Residential Parks SDC - Square Feet

Parks SDC Conversion Factors for Non-Residential Uses

Category	Parks SDC Per Employee	Employees Per 1,000 SF	Parks SDC Per 1,000 SF
General Industrial	\$707	1.25	\$884
Warehousing/Distribution	\$707	0.80	\$566
Flex	\$707	1.60	\$1,132
Office	\$707	3.33	\$2,357
Retail	\$707	2.22	\$1,572
Institutional	\$707	2.00	\$1,414

Source: Discussions with Metro, compiled by FCS GROUP.



Tigard Transportation SDC

- ◆ Reimbursement fee, improvement fee, and admin fee elements
- ◆ SDC overlay for River Terrace
- ◆ Discount SDCs to foster development
- ◆ New charge to supplement other funding sources
- ◆ Only development to pay **SDC**





Policy Direction

- ◆ Discount SDCs to foster development
- ◆ Adjust SDC based on size of single family detached home
- ◆ Discounts for transit-oriented developments
- ◆ Special credit policy for River Terrace Boulevard





Transportation SDCs: Proposed

- ◆ No current SDC
- ◆ Costs represent River Terrace Blvd. local elements being 50% credit eligible in addition to elements beyond local streets are 100% credit eligible.

Development Type	Citywide Base SDC-r	SDC-i & Compliance Fee		Total SDC (after discount)	
		Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential Development					
Avg. charge per dwelling	\$273	\$4,727	\$2,312	\$5,000	\$7,312
Charge per single family detached dwelling	\$312	\$5,402	\$2,642	\$5,714	\$8,356
Charge per multifamily dwelling	\$182	\$3,151	\$1,541	\$3,333	\$4,875
Non-Residential Development ¹					
Avg. charge per P.M. Peak Hour Vehicle Trip	\$483	\$8,362	\$1,030	\$8,844	\$9,874

¹ 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. No adjustments made for linked-trips.



Single Family Detached Home TSDC based on size of structure

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.



Transportation SDC Discounts for Transit Oriented Developments in Downtown

Benefit Based on...	Reduction Level	Transportation Impact & Potential TSDC Reduction	Development Requirement ¹
Proximity to Transit Service	Level 1	10% Vehicle Trip Reduction	New development within 0.5 miles from Tigard Transit Center
Proximity to Transit Service and Development Type/Mix	Level 2	17% Vehicle Trip Reduction	Minimum Res. Density of 24 dwellings per gross acre
	Level 3	20% Vehicle Trip Reduction	Minimum Res. Density of 24 dwellings per acre <u>and</u> at least 15% of the ground floor area devoted to commercial
			or Minimum FAR of 1.0 per acre for non-res. development
	Level 4	25% Vehicle Trip Reduction	Minimum res. density of 55 dwellings per acre <u>and</u> at least 15% of ground floor area devoted to commercial uses
or Minimum FAR of 1.5 per acre for non-res. development			

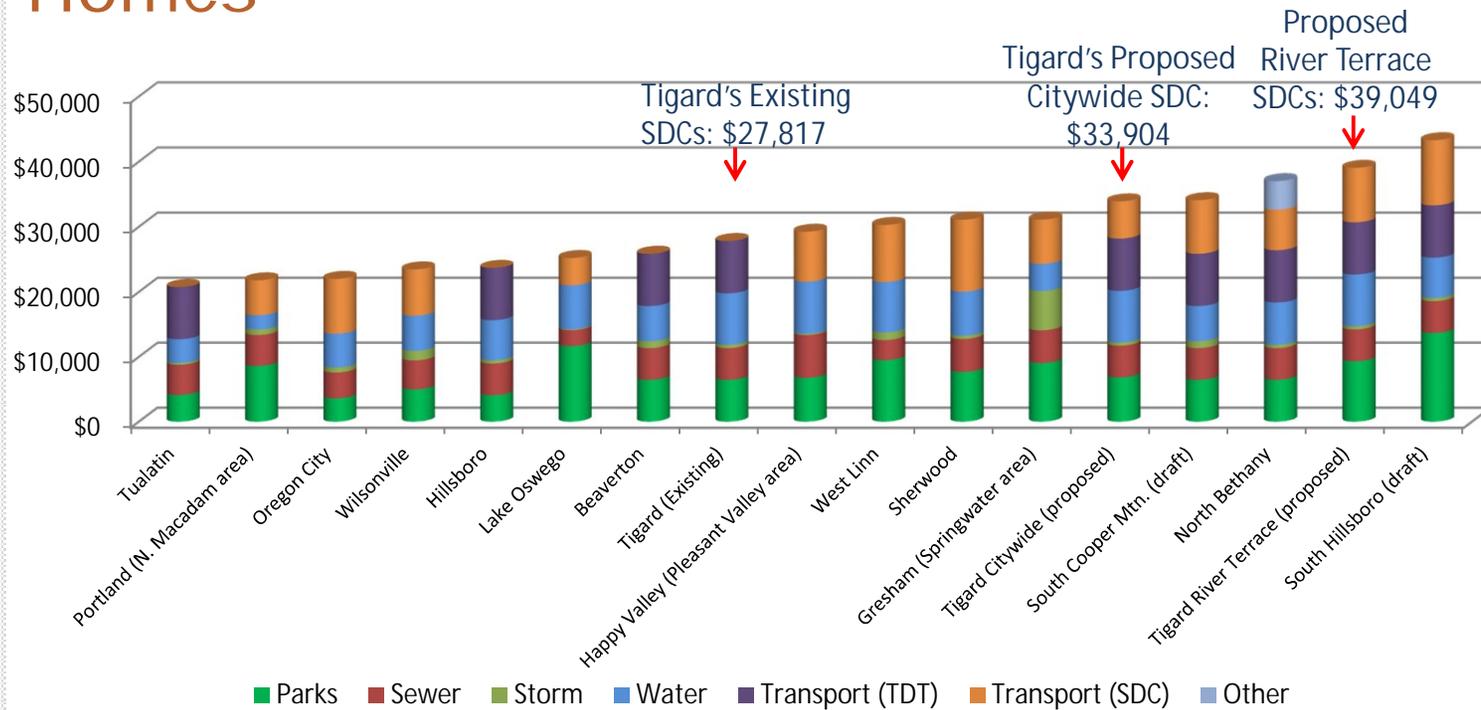
- ◆ Discounts TSDCs up to 25% depending upon proposed development mix and location
- ◆ Discounts are not additive

Notes:

¹ Some portion of the development site must be located within a 0.50 (one half) mile radius (straight line distance measurement) of Tigard Transit Center to qualify for TSDC reduction.



SDC Comparison – Single Family Detached Homes

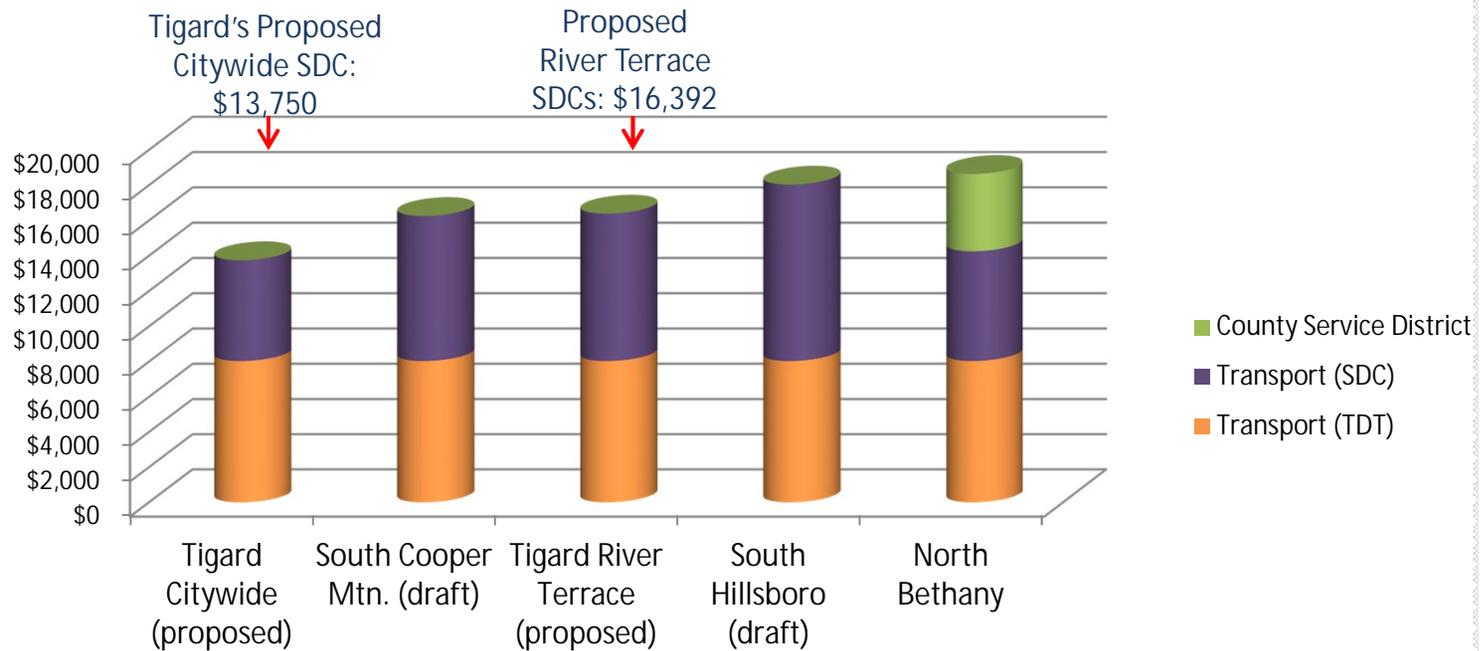


North Bethany comparison includes a cap value of the County Service District required to pay for infrastructure improvements

*Fees shown include existing and proposed SDCs



Transportation SDC Comparison - Single Family Detached Home

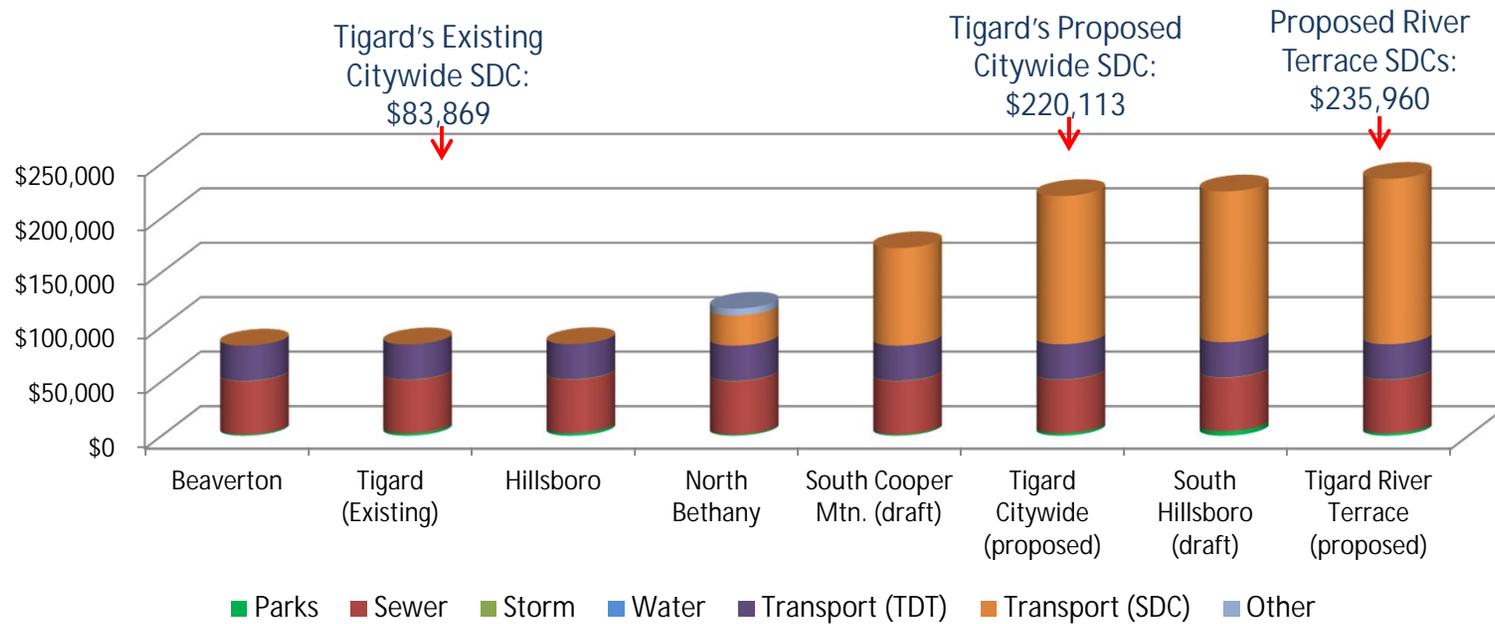


North Bethany comparison includes a cap value of the County Service District required to pay for infrastructure improvements

*Fees shown include existing and proposed SDCs



SDC Comparison – 1.5KSF Coffee Shop



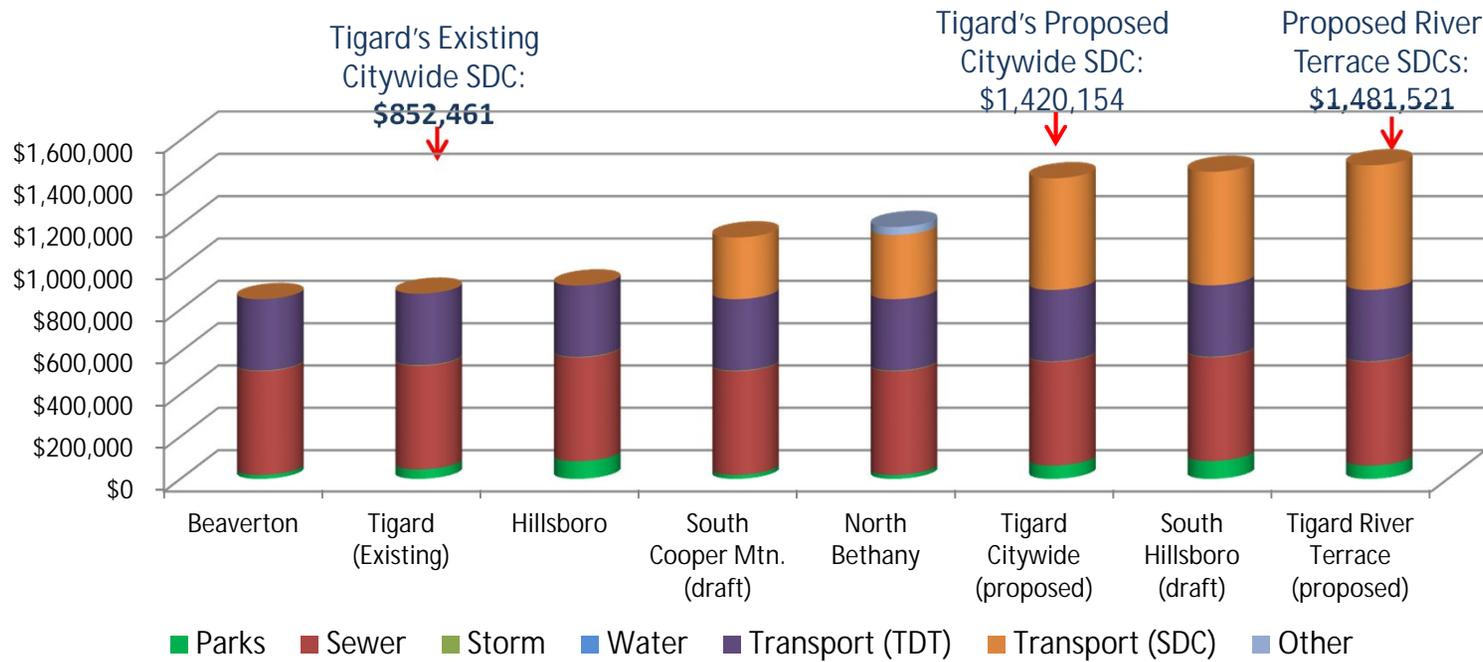
Assumes 5 employees, 1KSF parking lot, 2" sewer meter, 160 fixtures, land use code 936, and building value of \$500,000. Water SDCs unavailable.

North Bethany comparison includes a cap value of the County Service District required to pay for infrastructure improvements

*Fees shown include existing and proposed SDCs



SDC Comparison – 40KSF Office Bldg.



Assumes 100 employees, 5KSF parking lot, 8" sewer meter, 1,600 fixtures, land use code 710, and building value of \$3,000,000. Water SDCs unavailable.

North Bethany comparison includes a cap value of the County Service District required to pay for infrastructure improvements

*Fees shown include existing and proposed SDCs



CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
ORDINANCE NO. 15-

AN ORDINANCE REPEALING ORDINANCE NO. 95-28 AND 93-33 IN THEIR ENTIRETY AND ADOPTING A METHODOLOGY AND OTHER PROVISIONS RELATING TO THE IMPOSITION AND COLLECTION OF SYSTEM DEVELOPMENT CHARGES FOR PARKS AND TRANSPORTATION FACILITIES AND REPLACING TMC 3.24.

WHEREAS, the City has commissioned and authorized the preparation of a methodology for calculation of transportation related system development charges (SDCs) for the City of Tigard, resulting in a new “Parks SDC Methodology Report” and “Transportation SDC Methodology Report,” ; and

WHEREAS, the City intends to use its transportation SDCs as a way to balance the capital funding needed for improved transportation facilities between existing residents and future residents of this community; and,

WHEREAS, the City Council desires to adopt a revised and updated system development charge program that reflects the current requirements and authorizations of ORS 223.297 through 223.314.

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

- SECTION 1: TMC 3.24 set by Ordinance No. 95-28 and 93-33 are hereby repealed in their entirety
- SECTION 2: The System Development Charge program in Exhibit A is hereby adopted pursuant to ORS 223.297 through 223.314 and replaces TMC 3.24.
- SECTION 3: The Parks SDC Methodology Report in Exhibit B is adopted.
- SECTION 4: The Transportation SDC Methodology Report in Exhibit C is adopted.
- SECTION 5: This ordinance shall be effective on July 1, 2015 after its passage by the council, signature by the mayor, and posting by the city recorder.

PASSED: By _____ vote of all council members present after being read by number and title only, this _____ day of _____, 2015.

Carol A. Krager, City Recorder

APPROVED: By Tigard City Council this _____ day of _____, 2015.

John L. Cook, Mayor

Approved as to form:

City Attorney

Date

Exhibit A

System Development Charge Program

Sections

3.24.010	Purpose
3.24.020	Scope
3.24.030	Definitions
3.24.040	System Development Charge Established
3.24.050	Methodology
3.24.060	Authorized Expenditures
3.24.070	Expenditure Restrictions
3.24.080	Capital Improvement Plan
3.24.090	Collection of Charge
3.24.100	Installment Payments
3.24.110	Exemptions
3.24.120	Credits
3.24.130	Notice
3.24.140	Segregation and Use of SDC Revenue
3.24.150	Appeals and Procedure
3.24.160	Prohibited Connection
3.24.170	Penalty
3.24.180	Severability
3.24.190	Effective Date

3.24.010 Purpose

- A. This ordinance is intended to implement the authority provided by ORS 223.297 through 223.314 adopting and imposing system development charges (SDC) for capital improvements for the purpose of creating a fund to pay for the installation, construction, extension, and expansion of capital improvements. The purpose of the system development charge is to impose a portion of the cost of capital improvements for water, wastewater drainage, streets, flood control, and parks upon those developments and redevelopments that create the need for or increase the demands on the system.

3.24.020 Scope

- A. The SDC created and imposed by this ordinance is separate from, and in addition to, any applicable tax, assessment, charge, fee in lieu of assessment, or fee otherwise provided by law or imposed as a condition of development.

3.24.030 Definitions

For purposes of this Ordinance, the following definitions apply:

- A. "Accessory dwelling unit" means a second residential dwelling unit created on a single lot with a single-family or a manufactured housing dwelling unit. The second unit is created auxiliary to, and is always smaller than, the single family or manufactured housing residential dwelling unit.
- B. "Administrator" means that person, or persons, appointed by the City to manage and implement the SDC program or portions thereof.
- C. "Applicant" means the person who applies for a building permit.
- D. "Building Official" means that person, or designee, certified by the State and designated as such to administer the State Building Codes for the City.
- E. "Building Permit" means that permit issued by a Building Official pursuant to the State of Oregon Structural Specialty Code Section 301 or as amended, and the State of Oregon One and Two Family Dwelling Code Section R-109 or as amended. In addition, "Building Permit" shall mean a Manufactured Home Installation Permit issued by the Building Official, relating to the placement of manufactured homes in the City.
- F. "Capital Improvements" means facilities or assets used for the following:
 - 1. Water supply, treatment, distribution, or any combination;
 - 2. Sewage and wastewater collection, transmission, and disposal;
 - 3. Drainage or flood control;
 - 4. Transportation; or
 - 5. Parks and Recreation.
- G. "Capital Improvements Plan" also called the CIP, means the City program that identifies facilities and improvements projected to be funded, in whole or in part, with SDC revenues.
- H. "City" means the City of Tigard, Oregon.
- I. "Condition of Development Approval" is any requirement imposed on an Applicant by the City, a City or County land use or limited land use decision, or site plan approval.
- J. "Construction Cost Index" means the Engineering News Record (Seattle) Construction Cost Index.
- K. "County" means Washington County, Oregon.

- L. "Credit" means the amount by which an Applicant may be able to reduce the SDC fee as provided in this Ordinance.
- M. "Development" means a building or other land construction, or making a physical change in the use of a structure or land, in a manner which increases the usage of capital improvements or which may contribute to the need for additional or enlarged capital facilities.
- N. "Duplex" means two attached single-family dwelling units on a single lot.
- O. "Improvement Fee" means a fee for costs associated with capital improvements to be constructed after the effective date of this ordinance.
- P. "Multi-Family Housing" means three or more attached residential dwelling units located on a single lot.
- Q. "New Development" means development for which a Building Permit is required.
- R. "Over-capacity" means that portion of an improvement that is built larger or with greater capacity than is necessary to serve the Applicant's New Development or mitigate for system impacts attributable to the Applicant's New Development.
- S. "Permit" means a Building Permit.
- T. "Permittee" means the person to whom a building permit, development permit, a permit or plan approval to connect to the sewer or water system, or right-of-way access permit is issued.
- U. "Previous use" means the most intensive use conducted at a particular property within the past 18 months prior to the date of application for a building permit. Where the site was used simultaneously for several different uses (mixed use) then, for the purposes of this Ordinance, all of the specific use categories shall be considered. Where the previous use is composed of a primary use with one or more ancillary uses that support the primary use and are owned and operated in common, that primary use shall be deemed to be the sole use of the property for purposes of this Ordinance.
- V. "Proposed use" means the use proposed by the Applicant for the New Development. Where the Applicant proposes several different uses (mixed use) for the New Development then, for purposes of this Ordinance, all of the specific use categories shall be considered. Where the proposed use is composed of a primary use with one or more ancillary uses that support the primary proposed use and are owned and operated in common, that primary use shall be deemed to be the sole proposed use of the property for purposes of this Ordinance.
- W. "Qualified Public Improvement" means any system capital facility or conveyance or an interest in real property that increases the capacity of the City's System and is:
 - 1. Required as a condition of development approval;
 - 2. Identified as a need in the SDC Methodology Report; and

3. Not located on or contiguous to property that is the subject of development approval, or
 4. Located in whole or in part on or contiguous to property that is the subject of development approval and, in the opinion of the Administrator, is required to be built larger or with greater capacity (over-capacity) than is necessary for the Applicant's New Development or mitigate for system impacts attributable to the Applicant's New Development. There is a rebuttable presumption that improvements built to the City's minimum standards are required to serve the Applicant's New Development and to mitigate for system impacts attributable to the Applicant's New Development.
- X. "Reimbursement Fee" means a fee for costs associated with capital improvements that have been constructed or were under construction prior to the effective date of this ordinance.
- Y. "Remodel" or "remodeling" means to alter, expand or replace an existing structure.
- Z. "Residential Dwelling Unit" means a building or a portion of a building consisting of one or more rooms, which include sleeping, cooking, and plumbing facilities and are arranged and designed as permanent living quarters for one family or household.
- AA. "Row house" means an attached single-family residential dwelling unit on a single lot.
- BB. "Single-family dwelling unit" means one detached residential dwelling unit, or one-half of a duplex, or one row house.
- CC. "Parks SDC Methodology Report" means the report entitled *Parks and Recreation System Development Charge Methodology Report*, dated April 27, 2015.
- DD. "Transportation SDC Methodology Report" means the report entitled *Transportation System Development Charge Methodology Report*, dated April 27, 2015.
- EE. "SDC Administration Procedures Guide" means that report entitled *System Development Charges Administration Procedures Guide*, dated April 27, 2015.

3.24.040 Systems Development Charge Established

- A. SDCs shall be established and may be revised from time to time by resolution of the council. The resolution shall set the amount of the charge, the type of permit to which the charge applies, the methodology used to set the amount of the charge, and if the charge applies to a geographic area smaller than the entire city, the geographic area subject to the charge.

- B. Unless otherwise exempted by the provisions of this ordinance or any other applicable local or state law, a SDC is hereby imposed upon all development within the city. SDCs are imposed upon the act of making a connection to the City water or sewer system within the City, upon all development outside the boundary of the City that connects to or otherwise uses the sewer or water facilities of the City, and whenever the City Council has authorized an intergovernmental agreement which permits the City to impose a parks SDC outside the City limits.

3.24.050 Methodology

- A. The methodology used to establish the reimbursement fee shall be based on ratemaking principles employed to finance publicly owned capital improvements, prior contributions by then-existing users, gifts or grants from federal or state government or private persons, the value of unused capacity available to future system users or the cost of the existing facilities, and other relevant factors identified by the city council. The methodology shall promote the objective that future systems users shall contribute no more than an equitable share of the cost of then-existing facilities and shall be available for public inspection.
- B. The methodology used to establish the improvement fee shall consider the projected cost of capital improvements identified in the plan and list adopted pursuant to Section 3.24.080 that are needed to increase the capacity of the systems to which the fee is related and for which the need for increased system capacity will be required to serve the demands placed on the system by future users. Improvement fees shall be calculated to obtain the cost of capital improvements for the projected need for available system capacity for future users.
- C. The methodology shall also provide for periodic indexing of system development charges for inflation, as long as the index used satisfies the following criteria:
 - 1. “(A) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;
 - 2. (B) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and
 - 3. (C) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution or order.”
- D. Except when authorized in methodology adopted under subsection 3.24.050, any fees imposed or required to be paid, assessed, or collected as part of a local improvement district or a charge in lieu of a local improvement district assessment, or the cost of complying with requirements or conditions imposed by a land use decision are separate from and in addition to the SDC and shall not be used as a credit against an SDC.

- E. The methodology used to establish the improvement fee or the reimbursement fee, or both, shall be adopted by resolution by the council.

3.24.060 Authorized Expenditures

- A. Reimbursement fees. Reimbursement fees shall be applied only to capital improvements (and not operating expenses) associated with the system for which the fees are associated, including expenditures relating to repayment of indebtedness.
- B. Improvement Fees.
 - 1. Improvement fees shall be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for the improvements. An increase in system capacity may be established if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of the improvements funded by improvement fees must be related to the need for increased capacity to provide service for future users.
 - 2. A capital improvement being funded wholly or in part from revenues derived from the improvement fee shall be included in the plan adopted by the city pursuant to Section 3.24.080.
 - 3. Notwithstanding subsections 3.24.060.B.1 and .2, SDC revenues may be expended on the costs of complying with the provisions of this Chapter, including the costs of developing systems development charge methodologies and providing an annual accounting of systems development charge funds.

3.24.070 Expenditure Restrictions

- A. SDCs shall not be expended for the following:
 - 1. Costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements; or
 - 2. Costs of the operation or routine maintenance of capital improvements.

3.24.080 Capital Improvement Plan

- A. The council shall adopt a capital improvement plan that:
 - 1. Lists the capital improvements that may be funded with improvement fee revenues; and

2. Lists the estimated cost, percentage of costs eligible to be funded with revenues from the improvement fee for each improvement, and time of construction; and
3. Describes the process for modifying the plan. If a SDC will be increased by a proposed modification of the list to include a capacity increasing capital improvement, the city shall provide, at least thirty (30) days prior to the adoption of the modification, notice of the proposed modification to the persons who have requested written notice under Section 3.24.130. The city shall hold a public hearing if a written request for a hearing on the proposed modification is received within seven (7) days of the date the proposed modification is scheduled for adoption.

3.24.090 Collection of Charge

- A. The SDC is payable upon issuance of:
 1. A building or construction permit of any kind, including any permit or permits issued in connection with the set-up or installation of any trailer, mobile or manufactured home;
 2. A development permit;
 3. A development permit for development not requiring the issuance of a building permit;
 4. A permit to connect to the sewer system; or
 5. A permit to connect to the water system.
- B. If development is commenced or connection is made to the water system, sewer system, or storm system without an appropriate permit, the SDC shall be immediately due and payable upon the earliest date that a permit was required.
- C. The Administrator shall collect the applicable SDC from the Permittee. The Administrator shall not issue such permit or allow such connection until the charge has been paid in full, or unless an exemption is granted pursuant to Section 3.24.110, or unless provision for installment payments has been made, pursuant to Section 3.24.100, which follows.

3.24.100 Installment Payment

- A. When a SDC is due and payable, the Permittee may apply for payment in twenty (20) semi-annual installments, secured by a lien on the property upon which the development is to occur or to which the utility connection is to be made, to include the SDC along with the following:

1. Interest on the obligation at the rate stated in the city's Master Fees and Charges. If no rate is set, then the interest on the obligation will default to prime rate as published by the Wall Street Journal the day of application plus 4%;
 2. Any and all costs, as determined by the Administrator, incurred in establishing payment schedules and administering the collections process;
- B. The intent of this section is to recognize that the payment of an SDC by installments increases the administrative expense to the city. It is the intent of this subsection to shift that added expense to the applicant, so that the city will not lose SDC revenue by accepting installment payments on such charges. Subject to the provisions of this section, all costs added to the SDC will be determined by the Administrator.
- C. An Applicant requesting installment payments shall have the burden of demonstrating the Applicant's authority to assent to the imposition of a lien on the property and that the interest of the Applicant is adequate to secure payment of the lien.
- D. The Administrator shall docket the lien in the lien docket. From that time, the City shall have a lien upon the described parcel for the amount of the SDC together with the costs in paragraph 3.24.100.A.1 and .2. The lien shall be enforceable in the manner provided in ORS Chapter 223, and shall be superior to all other liens pursuant to ORS 223.230.

3.24.110 Exemptions

- A. The following are exempt from a SDC.
1. Structures and uses established and existing on or before the effective date of the resolution which sets the amount of the SDC are exempt from the charge, except water and sewer charges, to the extent of the structure or use existing on that date and to the extent of the parcel of land as it is constituted on that date. Structures and uses affected by this subsection shall pay the water or sewer charges pursuant to the terms of this Chapter upon the receipt of a permit to connect to the water or sewer system.
 2. Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the Building Code adopted pursuant to Section 14.04 of this Code, are exempt from all portions of the SDC.
 3. An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of a capital improvement are exempt from all portions of the SDC.

3.24.120 Credits

- A. A SDC shall be imposed when a change of use of a parcel or structure occurs, but credit shall be given in an amount equal to the existing SDC as applied to the pre-existing type and level use. The credit so computed shall not exceed the calculated SDC. No refund or credit shall be made on account of such credit.
- B. An improvement fee credit shall be given for the cost of a bonded or completed qualified public improvement associated with a development upon acceptance by the City of the improvement, subject to the following conditions:
 - 1. Such credit shall be only for the improvement fee charged for the type of improvement being constructed, and credit for qualified public improvements under Subsection 3.24.030.W may be granted only for the actual, estimated, or agreed-upon cost of that portion of such improvement that exceeds the city's minimum standard facility size or capacity needed to serve the particular development property or project. The applicant shall have the burden of demonstrating that a particular improvement qualifies as a Subsection 3.24.030.W qualified public improvement. The request for credit shall be filed in writing no later than sixty (60) days after acceptance of the improvement by the City.
 - 2. When the construction of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project, if any.
- C. Credits shall be used within ten (10) years from the date the credit is given, after which the credit shall expire, and be null and void, without the need for the city to take any further action.
- D. Credit shall not be transferable from one type of capital improvement to another.
- E. Credits may be transferable from one development to another.
- F. Credits for any SDC, or for the Washington County Transportation Development Tax, shall only be used for obligations relating to the charge and capital improvement type for which the credit was issued.

3.24.130 Notice

- A. After the effective date of this ordinance, the city shall maintain a list of persons who have made a written request for notification prior to adoption or amendment of a methodology for any SDC. Written notice shall be mailed to persons on the list at least ninety (90) days prior to the first hearing to establish or modify a SDC, and the methodology supporting the adoption or amendment shall be available at least sixty (60) days prior to the first hearing to adopt or amend. The failure of a person on the list to receive a notice that was mailed shall not invalidate the city's subsequent action.

- B. The city may periodically delete names from the list, but at least thirty (30) days prior to removing a name from the list the city must notify the person whose name is to be deleted that a new written request for notification is required if the person wishes to remain on the notification list.
- C. A change in the amount of a reimbursement fee or an improvement fee is not a modification of the SDC methodology if the change in amount is based on a change in cost of materials, labor or real property applied to projects or project capacity as set forth on the list adopted pursuant to Section 3.24.080 or the periodic application of one or more specific cost indices published by a recognized organization or agency and is incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution, or order.

3.24.140 Segregation and Use of SDC Revenue

- A. All funds derived from a particular type of SDC are to be segregated by accounting practices from all other funds of the city. That portion of the SDC calculated and collected on account of a specific facility system shall be used for no purpose other than those set forth in this Chapter.
- B. The Administrator shall provide an annual accounting of SDCs showing the total amount of system development charge revenues collected for each type of facility and the projects funded from the account.

3.24.150 Appeals and Procedure

- A. A person aggrieved by a decision required or allowed to be made by the city recorder under this ordinance or a person challenging the propriety of an expenditure of SDC revenues may appeal the decision or the expenditure to the City Council by filing a written request with the Administrator describing with particularity the decision of the Administrator or the expenditure from which the person appeals.
- B. Appeal of an Expenditure: An appeal of an expenditure must be filed within two (2) years of the date of the alleged improper expenditure. The council shall determine whether the Administrator's decision or the expenditure is in accordance with this ordinance and the provisions of ORS 223.297 to 223.314 and may affirm, modify or overrule the decision. If the Council determines that there has been an improper expenditure of SDC revenues, the council shall direct that a sum equal to the misspent amount shall be deposited within one (1) year to the credit of the account or fund from which it was spent.
- C. Appeal of an SDC Methodology: Legal action challenging the methodology adopted by the council pursuant to Section 3.24.050 shall not be filed later than sixty (60) days after the date of adoption, and shall be contested according to the

procedure set forth in ORS 34.010 to 34.100, and not otherwise.

D. Appeal of an SDC Calculation or Credit Determination.

1. A person aggrieved by a decision made by the Administrator relating to the calculation of SDCs may file an appeal within ten (10) days of the Administrator's action.
2. Appeals must be made by filing a written request with the Administrator and must include a recommended solution to the issue that has initiated the appeal.
3. Appeals may be filed to challenge only the trip generation rate or land use category that is applicable to the project.
4. The City Council shall consider all appeals and shall render a decision to affirm, modify, or overrule the decision of the Administrator.
5. The City Council's decision shall be made in accord with the intent of the provisions of this ordinance.

3.24.160 Prohibited Connection

- A. No person may connect to the water or sewer or storm systems of the City unless the appropriate SDC has been paid.

3.24.170 Penalty

- A. Violation of this Chapter is a Class A infraction punishable by a fine not to exceed \$500.

3.24.180 Severability

- A. The provisions of this ordinance are severable, and it is the intention to confer the whole or any part of the powers herein provided for. If any clause, section, or provision of this ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of this ordinance shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein. It is hereby declared to be the Council's intent that this ordinance would have been adopted had such an unconstitutional provision had not been included herein.

Exhibit B

Tigard, Oregon



PARKS & RECREATION SYSTEM DEVELOPMENT CHARGE METHODOLOGY REPORT

April 9, 2015



This entire report is made of readily recyclable materials, including the bronze wire binding and the front and back cover, which are made from post-consumer recycled plastic bottles.

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APPENDIX 16

SECTION I: BACKGROUND

This section describes the policy context and project scope upon which the body of this report is based.

A. POLICY

Oregon Revised Statutes (ORS) 223.297 to 223.314 authorize local governments to establish system development charges (SDCs). These are one-time fees on new development which are paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

B. PROJECT

In August, 2014, the City of Tigard (City) contracted with FCS GROUP to update its SDCs for parks. This report documents our findings and recommendations.

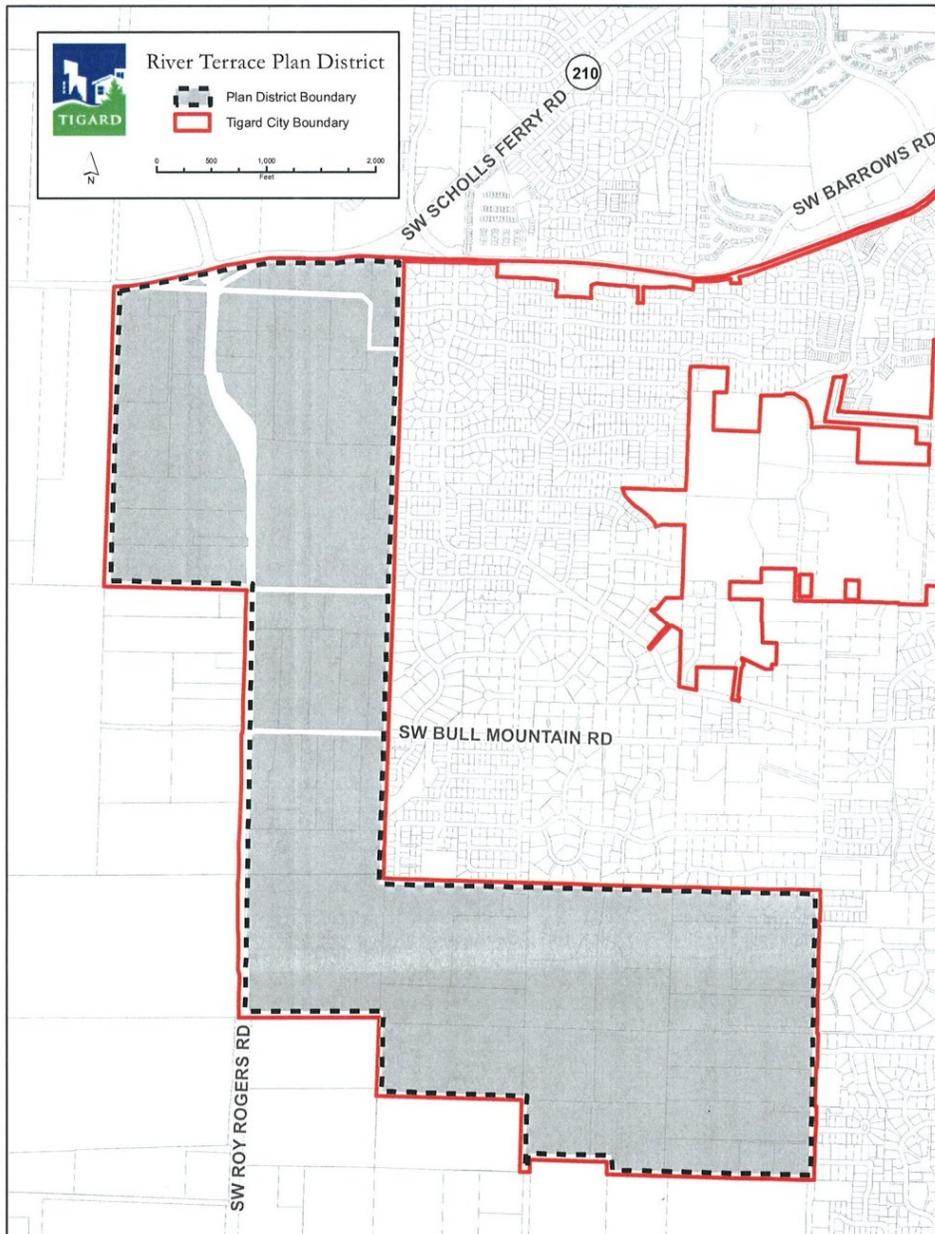
We approached this project as a series of three steps:

- **Framework for Charges.** In this step, we worked with City staff to identify and agree on the approach to be used and the components to be included in the analysis.
- **Technical Analysis.** In this step, we worked with City staff to isolate the recoverable portion of planned facility costs and calculate draft SDC rates.

- **Draft Methodology Report Preparation.** In this step, we documented the calculation of the draft SDC rates included in this report.

This Tigard Parks and Recreation SDC Methodology Report is intended to be generally consistent with the River Terrace Funding Strategy, adopted by Tigard City Council in December 2014. The adopted funding strategy supports the creation of an SDC overlay district within the River Terrace Plan District. Please refer to City of Tigard Community Development Code: Map 18.660 for tax lots that are included in the River Terrace Plan District (**Exhibit 1.1**). Once this Parks SDC methodology is adopted, future development in Tigard would be subject to a citywide SDC, and development within River Terrace would also be subject to both the citywide SDC and the River Terrace SDC.

Exhibit 1.1: River Terrace Plan District



SECTION II: APPROACH

This section provides a non-numeric overview of the calculations that result in SDC rates.

A. REIMBURSEMENT FEE

In order for a reimbursement fee to be calculated, excess (i.e., not currently utilized) capacity must be available to serve future growth. The reimbursement fee is the original cost of available capacity per unit of growth which will use that capacity. The unit of growth, whether number of new residents or number of new employees, is the basis of the fee.

For parks facilities, available capacity is equal to that portion of the current inventory of parks facilities that exceeds the adopted standard for level of service.

B. IMPROVEMENT FEE

The improvement fee is the cost of capacity-increasing capital projects per unit of growth that those projects will serve. The unit of growth, whether number of new residents or number of new employees, is the basis of the fee. In reality, the capacity added by many projects serves a dual purpose of both meeting existing demand and serving future growth. To compute a compliant SDC rate, growth-related costs must be isolated and costs related to current demand must be excluded.

We have used the “capacity approach” to allocate costs to the improvement fee basis. Under this approach, the cost of a given project is allocated to growth in proportion to the growth-related capacity that projects of a similar type will create. For example, suppose that a city’s master plan included the acquisition and development of 100 acres of new neighborhood parks. Suppose further that our analysis determined that 30 acres were required to meet existing demand, and 70 acres were required to serve future users. In that case, only 70 percent of the cost for any new neighborhood park would be eligible for recovery with an improvement fee.

C. GROWTH

Growth should be measured in units that most directly reflect the source of demand. In the case of parks, the most applicable units of growth are population and, where appropriate, employees (or new jobs). However, the units in which demand is expressed may not be the same as the units in which SDC rates are charged. Many SDCs, for example, are charged in the basis of new dwelling units. Therefore, conversion is often necessary from units of demand to units of payment. For example, using an average number of residents per household, the number of new residents can be converted to the number of new dwelling units.

D. COMPLIANCE COSTS

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in its SDC rates.

E. GEOGRAPHIC ALLOCATION

Parks SDCs are often calculated and applied uniformly throughout a municipality, but such uniformity is not a legal requirement. Municipalities can calculate and impose area-specific SDCs. Area-specific SDCs allow a municipality to identify and isolate differential costs to serve particular areas within its jurisdiction. SDCs are calculated separately for each area, and improvement fees must be spent on projects in the improvement fee cost basis for the area in which those improvement fees were earned.

Area-specific SDCs can be implemented in two ways. The first way is to divide the municipality into a set of non-overlapping areas. Under this method, the SDCs for a particular area are determined by the assets, projects, and projected growth in that area. The second method is a layered approach. The first layer consists of a citywide SDC based on assets and projects of citywide benefit. The second layer consists of one or more overlays. Each overlay is a separate list of assets and projects that benefit a particular area within the city. For each overlay, the cost bases are divided by projected growth in that particular area. Development within an overlay pays both the citywide SDC and the overlay SDC. Development outside of an overlay pays only the citywide SDC.

Given the City’s desire to isolate the costs of serving River Terrace, we recommend (and have calculated in this report) both a citywide SDC and an overlay SDC for River Terrace.

F. SUMMARY

In general, SDC rates are calculated by adding the reimbursement fee component, improvement fee component, and compliance cost component. Each component is calculated by dividing the eligible cost by the growth of units of demand. The unit of demand becomes the basis of the charge. **Exhibit 2.1** shows this calculation in equation format:

Exhibit 2.1 – SDC Equation						
Eligible costs of available capacity in existing facilities	+	Eligible costs of capacity-increasing capital improvements	+	Costs of complying with Oregon SDC law	=	SDC per unit of growth in demand
Units of growth in demand						

Section III of this report provides detailed calculations related to growth in demand, which is the denominator in the SDC equation. **Section IV** of this report provides detailed calculations on eligible costs, which is the numerator in the SDC equation.

SECTION III: GROWTH CALCULATION

This section provides detailed calculations related to growth in demand, which is the denominator in the SDC equation.

A. RELEVANT TYPES OF GROWTH

Parks and recreation facilities benefit City residents, businesses, non-resident employees, and visitors. The methodology used to update the City's Parks and Recreation SDCs establishes the required connection between the demands of growth and the SDC by identifying specific types of park and recreation facilities and analyzing the proportionate need of residents and employees for each type of facility. The SDCs to be paid by a development meet statutory requirements because they are based on the nature of the development and the extent of the impact of that development on the types of park and recreation facilities for which they are charged.

The Parks and Recreation SDCs are calculated based on the specific impact a development is expected to have on the City's population and employment. For facilities that are not generally used by employees (e.g., neighborhood parks), only a residential SDC may be charged. For facilities that benefit both residents and employees (e.g., community parks), an SDC may be charged for both residential and non-residential development.

B. POPULATION GROWTH

Having established the relevance of population, we now quantify expected growth in population and convert the result to dwelling units.

B.1 Expected Growth

Based on the City's Transportation System Plan (as amended to include River Terrace), the City's population is expected to grow from 50,851 in 2015 to 72,034 in 2035. In other words, the City is expected to add 21,183 residents over 20 years at a compound average growth rate of 1.76 percent per year.

Of the 21,183 new residents, 6,174 are expected to reside in River Terrace.

B.2 Conversion to Dwelling Units

Residential SDCs are initially calculated based on costs per capita but are ultimately charged based on dwelling units. To convert population to dwelling units, we analyzed data gathered for Tigard from the 2010-2012 American Community Survey. **Table 3.1** shows the resulting conversion factors:

Table 3.1: Residents Per Dwelling Unit, City of Tigard

Dwelling Type	Dwelling Units	Residents	Residents per Dwelling Unit
Single-family residences	14,099	35,891	2.55
Multifamily/other residences	6,718	13,027	1.94
Total or Average	20,817	48,918	2.35

Source: U. S. Census Bureau, 2010-2012 American Community Survey 3-Year Estimates, tables B25024 and B25033. Compiled by FCS Group.

C. EMPLOYMENT GROWTH

Having established the relevance of employment in Section II, we now quantify expected growth in employment and convert the result to population equivalents.

As used here, employee means someone who works in the City regardless of place of residence. Employees may live inside or outside the City. Later in this report, we will be more concerned with non-resident employees in particular.

C.1 Expected Growth

Based on the City’s Transportation System Plan (as amended to include River Terrace), the number of persons employed within the City is expected to grow from 39,536 in 2015 to 54,381 in 2035. In other words, the City is expected to add 14,845 employees over 20 years at a compound average growth rate of 1.53 percent per year.

Of the 14,845 new employees, 75 are expected to work in River Terrace once a small commercial center is added.

C.2 Conversion to Population Equivalents

The parks and recreation facilities described in the recently adopted master plans were mostly designed with the needs of both residents and non-resident employees in mind. It is therefore appropriate to allocate the cost of these facilities to both residents and non-resident employees. The only exceptions are neighborhood parks. These facilities were designed for the needs of residents only and it is therefore appropriate to allocate the cost of these facilities to residents only.

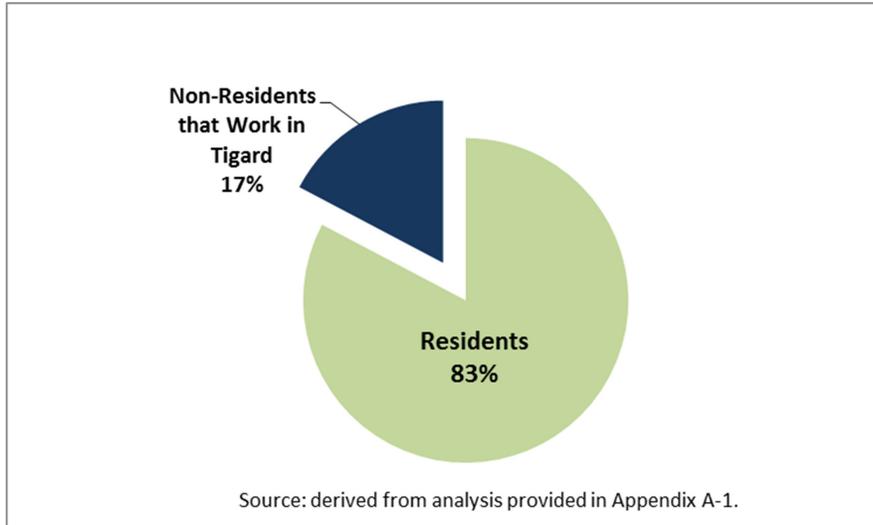
While most parks and recreation facilities benefit residents and non-resident employees, these two groups do not utilize parks and recreation facilities with the same intensity. To apportion the demand for facilities between non-resident employees and residents in an equitable manner, a non-resident-employee-to-resident demand ratio must be calculated based on differential intensity of use.

First, we estimate the potential demand for parks and recreation facilities. **Appendix A-1** identifies potential use by different population groups in a manner that averages day-of-week and seasonal effects. These averages are based on the maximum number of hours per day that each population group would consider the use of parks and recreation facilities to be a viable option. In the final panel of **Appendix A-1** (Demand by Population Group), we multiply the weighted average hours by an actual count for each population group based on data from the U. S. Census Bureau. We then apportion this potential demand among residents (four population groups) and non-residents (one population group).

This approach is used to estimate the allocation of parks usage among residents and non-residents, which is summarized in **Figure 3.2**. The findings indicate that residents comprise 83 percent of the expected level of parks demand and non-residents that work within the city comprise 17 percent of

the demand. These estimates are subsequently used in the next Section of this report to allocate the eligible SDC cost shares between these two user groups.

Figure 3.2: Allocation of Parks Demand by User Group



SECTION IV: COST CALCULATION

This section provides detailed calculations on eligible costs, which is the numerator in the SDC equation.

A. SDC REIMBURSEMENT FEE

Table 4.1 summarizes the reimbursement fee cost basis, which represents the cost of available capacity in existing parks facilities.

Table 4.1: SDC Reimbursement Fee Basis

Reimbursement Fee	Citywide
Cost Basis	
Cost by facility type	
Community parks	\$ 9,313,497
Open space	1,214,637
Total	\$ 10,528,134
Allocation to residential growth:	
Community parks	\$ 7,704,984
Open space	1,004,860
Total allocation to residential growth	\$ 8,709,844
Allocation to non-residential growth:	
Community parks	\$ 1,608,513
Open space	209,777
Total allocation to non-residential growth	\$ 1,818,290
Adjustments and Allocation Summaries	
Adjustments:	
Compliance costs	▼ \$ -
Donated or grant-funded assets	(533,974)
Remaining debt service ¹	234,357
Fund balance	▼ -
Total adjustments	\$ (299,617)
Allocation to residential growth:	
Facilities	\$ 8,709,844
Adjustments	(247,871)
Total allocation to residential growth	\$ 8,461,973
Allocation to non-residential growth:	
Facilities	\$ 1,608,513
Adjustments	(51,746)
Total allocation to non-residential growth	\$ 1,556,767
Calculated SDC-r	
Residential reimbursement fee per capita	\$ 399
Non-residential reimbursement fee per employee	\$ 105

Source: E-mails from Steve Martin (10/08/2014, 10/14/2014 and 10/27/2014); Park System Master Plan, 2009.

¹ Based on Appendix A-2 calculations for remaining debt service on existing parks bond.

B. FACILITY NEEDS

For purposes of this SDC methodology, each of the City's park facilities falls into one of the following five categories:

- Neighborhood and pocket parks
- Community parks
- Linear parks
- Open spaces
- Trails (includes trails not identified in the Tigard Transportation System Development Charge Methodology Report project list)

Appendix A-3 compares the current inventory of facilities in each category with that category's adopted level of service. In the third panel, that comparison leads to a determination of surplus or deficiency for each category.

Projects are eligible for improvement fee funding only to the extent that the projects will benefit future users. Therefore, only the categories with no deficiency (community parks, open space, and trails) are 100 percent eligible for improvement fee funding. As shown in the fifth panel (Improvement Fee Eligibility), the eligibility percentages of the remaining two categories, neighborhood/pocket parks and linear parks, are reduced to reflect the level of deficiency.

Because some facility types have undeveloped land in their current inventory, the deficiency of land decreases within those types. Therefore, neighborhood/pocket parks have a higher improvement fee eligibility percentage for land acquisition.

C. FACILITY COSTS

The City provided a list (**Table 4.2**) of parks projects by category and area of benefit using project improvements identified in adopted parks and trails master plans for Tigard and River Terrace.

Eligibility percentages are derived from the estimates indicated in Figure 3.2. Applying those percentages to the future Parks project capital costs results in a citywide improvement fee cost basis of \$59.6 million and a River Terrace improvement fee cost basis of approximately \$9.0 million.

Table 4.2: SDC Improvement Fee Basis

Planned Improvement Projects	Timing	City Cost for Land	SDCi Eligibility for Land	City Cost for Development	SDCi Eligibility for Development	SDCi Cost Basis
Projects with Citywide Benefit						
Neighborhood/pocket parks:		Cannot exceed 34.05 acres.		Cannot exceed 57.05 acres.		
Bonita Park	0-10 years	\$ -	93.32%	\$ 75,000	55.70%	\$ 41,771
Metzger Elementary School	5-15 years	-	93.32%	437,000	55.70%	243,388
Northview Park	5-15 years	-	93.32%	367,000	55.70%	204,401
Proposed Local Park (P12)	5-15 years	549,840	93.32%	927,000	55.70%	1,029,380
Proposed Local Park (P9)	5-15 years	1,202,775	93.32%	927,000	55.70%	1,638,670
Future Neighborhood Park	10+ years	4,811,100	93.32%	2,947,800	55.70%	6,131,286
Total neighborhood/pocket parks						9,288,896
Community parks:		Cannot exceed 42.10 acres.		Cannot exceed 61.10 acres.		
Sunrise Community Park	0-10 years	-	100.00%	2,468,000	100.00%	2,468,000
New Community Park (P11)	5-15 years	100,000	100.00%	900,000	100.00%	1,000,000
New Community Park Complex	10+ years	6,108,325	100.00%	10,084,000	100.00%	16,192,325
Fanno Creek Park: Urban Plaza	0-10 years	687,300	100.00%	4,100,000	100.00%	4,787,300
Community park in River Terrace	0-10 years	7,508,000	100.00%	8,386,000	100.00%	15,894,000
Total community parks						40,341,625
Linear parks:		Cannot exceed 37.04 acres.		Cannot exceed 37.04 acres.		
Tigard Triangle Area (P3)	0-10 years	-	71.48%	250,000	71.48%	178,707
Commercial Park	5-15 years	-	71.48%	545,000	71.48%	389,580
Englewood Park	5-15 years	-	71.48%	1,340,000	71.48%	957,867
Fanno Creek Park: Park Gateway	0-10 years	-	71.48%	850,000	71.48%	607,602
Fanno Creek Park: Upland Park	0-10 years	-	71.48%	1,100,000	71.48%	786,309
Undeveloped Linear Park (P7)	5-15 years	-	71.48%	275,000	71.48%	196,577
Total linear parks						3,116,642
Open space:		Cannot exceed 66.14 acres.		Cannot exceed 66.14 acres.		
	5-15 years	412,380	100.00%	-	100.00%	412,380
	10+ years	567,023	100.00%	-	100.00%	567,023
Total open space						979,403
Trails:		Cannot exceed 6.75 miles.		Cannot exceed 6.75 miles.		
Fanno Creek (already funded) (trail project)	0-10 years	-	100.00%	670,000	100.00%	670,000
Westside Trail	0-10 years	-	100.00%	-	100.00%	-
Tigard Street (trail project A)	0-10 years	-	100.00%	634,000	100.00%	634,000
Fanno Creek (trail project C)	0-10 years	-	100.00%	1,040,000	100.00%	1,040,000
Fanno Creek & Tualatin River (trail project D)	0-10 years	-	100.00%	1,609,500	100.00%	1,609,500
Summer Creek (trail project F)	0-10 years	-	100.00%	742,500	100.00%	742,500
Fanno Creek (trail project G)	5-15 years	-	100.00%	-	100.00%	-
Fanno Creek (trail project H)	5-15 years	-	100.00%	206,500	100.00%	206,500
Tigard Street (trail project I)	5-15 years	-	100.00%	-	100.00%	-
Ascension (trail project N)	10+ years	-	100.00%	461,000	100.00%	461,000
Krueger Creek & Summer Creek (trail project P)	10+ years	-	100.00%	495,500	100.00%	495,500
Total trails						5,859,000
Total projects with citywide benefit						\$ 59,585,565
Projects with River Terrace Benefit						
Neighborhood/pocket parks		\$3,752,000	93.32%	\$ 2,975,000	55.70%	\$ 5,158,130
Linear parks		3,128,000	71.48%	228,000	71.48%	2,398,956
Trails		690,000	100%	764,000	100%	1,454,000
Total projects with River Terrace benefit						\$ 9,011,086

Source: E-mail (attachment) from Steve Martin, 09/24/2014. Abbreviation: SDCi = improvement fee. Note: This list does not include projects w hose timing as designated as either "completed" or "in process."

SDCi: Improvement Fee

After determining the total eligible costs, they must be allocated between residents and non-residents using the percentages shown previously in Figure 3.2. We also adjust the costs to include costs of compliance and exclude current SDC fund balance and future debt service on the unspent portion of bond proceeds. **Table 4.3** summarizes and allocates the improvement fee cost basis after all adjustments.

Table 4.3: SDC Improvement Fee by Area

Improvement Fee	Area-Specific SDC			Single SDC
	Citywide SDC	River Terrace Overlay SDC	Total	
Project Costs				
Eligible project costs by facility type:				
Neighborhood/pocket parks	\$ 9,288,896	\$ 5,158,130	\$ 14,447,025	\$ 14,447,025
Community parks	40,341,625		40,341,625	40,341,625
Linear parks	3,116,642	2,398,956	5,515,598	5,515,598
Open space	979,403		979,403	979,403
Trails	5,859,000	1,454,000	7,313,000	7,313,000
Total eligible project costs by facility type	\$ 59,585,565	\$ 9,011,086	\$ 68,596,651	\$ 68,596,651
Allocation to residential growth:				
Neighborhood/pocket parks	\$ 9,288,896	\$ 5,158,130	\$ 14,447,025	\$ 14,447,025
Community parks	33,374,315	-	33,374,315	33,374,315
Linear parks	2,578,373	1,984,638	4,563,011	4,563,011
Open space	810,252	-	810,252	810,252
Trails	4,847,106	1,202,883	6,049,988	6,049,988
Total allocation to residential growth	\$ 50,898,942	\$ 8,345,651	\$ 59,244,593	\$ 59,244,593
Allocation to non-residential growth:				
Neighborhood/pocket parks	\$ -	\$ -	\$ -	\$ -
Community parks	6,967,310	-	6,967,310	6,967,310
Linear parks	538,268	414,318	952,586	952,586
Open space	169,150	-	169,150	169,150
Trails	1,011,894	251,117	1,263,012	1,263,012
Total allocation to non-residential growth	\$ 8,686,623	\$ 665,435	\$ 9,352,058	\$ 9,352,058
Adjustments and Allocation Summaries				
Adjustments:				
Compliance costs	\$ 660,000	\$ -	\$ 660,000	\$ 660,000
Debt service for parks bond	(2,550,009)		(2,550,009)	(2,550,009)
Fund balance	(1,124,011)		(1,124,011)	(1,124,011)
Total adjustments	\$ (3,014,020)	\$ -	\$ (3,014,020)	\$ (3,014,020)
Allocation to residential growth:				
Facilities	\$ 50,898,942	\$ 8,345,651	\$ 59,244,593	\$ 59,244,593
Adjustments	(2,574,624)	-	(2,574,624)	(2,603,107)
Total allocation to residential growth	\$ 48,324,318	\$ 8,345,651	\$ 56,669,969	\$ 56,641,486
Allocation to non-residential growth:				
Facilities	\$ 8,686,623	\$ 665,435	\$ 9,352,058	\$ 9,352,058
Adjustments	(439,396)	-	(439,396)	(410,914)
Total allocation to non-residential growth	\$ 8,247,227	\$ 665,435	\$ 8,912,662	\$ 8,941,144
Calculated Total SDCs				
Residential improvement fee per capita	\$ 2,281	\$ 1,352	\$ 3,633	\$ 2,674
Non-residential improvement fee per employee	\$ 602	\$ -	\$ 602	\$ 602

Note: Non-residential SDC is calculated on a citywide basis, even though some costs can be allocated to River Terrace.

SECTION V: SDC CALCULATION

This section provides a detailed calculation of the residential and non-residential SDCs.

A. CALCULATED SDCS BY USE

Dividing the reimbursement and improvement fee cost bases by projected growth in population and employees results in a calculated SDC per unit of growth. The results of this calculation are summarized in **Table 5.1**:

Table 5.1: SDC Improvement Fee by Use*

Calculated SDC Improvement Fees*	Area-Specific SDC		
	Citywide	River Terrace Overlay	River Terrace Total
Residential SDCs			
Total cost basis	\$48,324,318	\$8,345,651	
Growth in population	21,183	6,174	
SDC per capita	\$2,281	\$1,352	\$3,633
SDC per single family dwelling	\$5,807	\$3,441	\$9,248
SDC per multifamily/other dwelling	\$4,372	\$2,591	\$6,963
Non-Residential SDCs			
Total cost basis	\$8,941,144		
Growth in employment	14,845		
SDC per employee**	\$602		\$602

Note: Non-residential SDC is calculated on a citywide basis, even though some costs can be allocated to River Terrace.

* includes compliance costs. ** SDC per employee to be assessed based on square feet of floor area.

Because only 75 new employees are expected in River Terrace over the next 20 years, the non-residential overlay SDC for River Terrace would have been prohibitively expensive. Therefore, we have calculated the non-residential SDC on a citywide basis only.

B. RESIDENTIAL AND NON-RESIDENTIAL SDC CALCULATIONS

B.1 Residential SDC Calculation

When we convert population to the dwelling units, we can determine the total maximum allowable SDC fee per dwelling unit as shown in **Table 5.1**. SDCs for residential development are calculated by multiplying the number of dwellings (by housing category) by the corresponding SDC rate.

B.2 Non-Residential SDC Calculation

To calculate SDCs for proposed redevelopment of existing buildings, the SDC for non-residential uses will take into account the amount of floor area (square feet) proposed as a change in use.

The SDC calculation for new non-residential development takes into account the amount of proposed floor area (square feet). The Parks SDC for non-residential development will vary by the classification of development as shown in **Table 5.2**.

Table 5.2
 Parks SDC Conversion Factors for Non-Residential Uses

Category	Parks SDC Per Employee ¹	Employees Per 1,000 SF ²	Parks SDC Per 1,000 SF
General Industrial	\$707	1.25	\$884
Warehousing/Distribution	\$707	0.80	\$566
Flex	\$707	1.60	\$1,132
Office	\$707	3.33	\$2,357
Retail	\$707	2.22	\$1,572
Institutional	\$707	2.00	\$1,414

¹SDC reflects proposed reimbursement fee, improvement fee, and compliance fee.

²Derived from Metro factors used for 2014 Urban Growth Report
 Source: Compiled by FCS GROUP.

C. ANNUAL ADJUSTMENT

We have reviewed the City’s method for annual adjustment of parks SDCs as summarized in the City’s “Master Fees & Charges Schedule” and described more fully in Exhibit “A” of Resolution 01-74, which the City Council first adopted on December 18, 2001. Because the index constructed under this method includes both land costs (based on data from the Washington County Assessor) and construction costs (based on data from the *Engineering News Record*), it is an especially appropriate index for adjusting parks SDCs. We therefore recommend continuing the current practice.

D. CREDITS, EXEMPTIONS AND DISCOUNTS

The Tigard SDC Procedures Guide will establish local policies for issuing credits and exemptions, annual adjustments, and other administrative procedures.

D.1 Credits

A credit is a reduction in the amount of the SDC for a specific development. The Oregon SDC Act requires that credit be allowed for the construction of a "qualified public improvement" which (1) is required as a condition of development approval, (2) is identified in the City’s capital improvements program, and (3) either is not located on or contiguous to property that is the subject of development approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., parks land or improvements provided by a developer can only be used for a credit for towards parks SDC improvement fee payments), and must be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the

particular project up to the amount of the improvement fee. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the City’s SDC Capital Improvements Plan, or provide a share of the cost of an improvement by other means (i.e., partnerships, other City revenues, etc.).

D.2 Exemptions

The City may exempt specific classes of development (i.e., minor additions, etc.) from the requirement to pay SDCs.

D.3 Discounts

Section IV of this Tigard Parks SDC Methodology Report documented the maximum defensible SDC that can be established in Tigard (see **Table 5.1**). In accordance with the River Terrace Funding Strategy, the City of Tigard desires to establish its Parks SDC at a level that is below the maximum amount that it can charge.

The City may discount the amount of the SDC by reducing the portion of growth-required improvements to be funded with SDCs. Alternatively, the City may decide to charge only a percentage (i.e., 50%, 75%, etc.) of the SDC rates required to fund identified growth-related facility costs. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as general fund contributions in order for the City to maintain levels of service.

D.4 Tigard Parks SDCs After Discount

Table 5.3 summarizes the discounted residential SDC improvement/compliance fees that the City of Tigard would initially charge for residential development after the new SDCs are established. The Tigard City Council has the discretion to remove SDC discounts in the future.

Table 5.3: SDC Improvement Fee, After Discount*

Residential SDC Improvement Fee After Discount*	Area-Specific SDC		
	Citywide	River Terrace Overlay	River Terrace Total
Single-family residences	\$5,807	\$2,502	\$7,728
Multifamily/other residences	\$4,372	\$1,884	\$6,256
Average SDC Per Dwelling Unit	\$5,347	\$2,304	\$7,651
Average SDC Per Capita	\$2,281	\$983	\$3,264

Source: discounted SDCs are consistent with the River Terrace Funding Strategy, December 2014.

* includes compliance costs.

The River Terrace SDCs (after discounts) would be lower than the maximum SDC the City can charge to meet the policy objectives established by the River Terrace funding strategy. Hence, additional funding sources would need to be identified to ensure that all projects contained in the long term capital project list can be funded by year 2035. **Appendix A-4** identifies the amount of SDC revenues and other funding revenues the City of Tigard would likely need to fully fund the projects identified in the SDC capital project list.

E. EXISTING AND PROPOSED SDCS

Table 5.4 summarizes the existing and proposed total Parks SDCs for the City of Tigard for reimbursement, improvement, and compliance charges after discounts.

Once this Methodology Report is adopted, Parks SDCs would vary by location. Parks SDCs within the city (outside River Terrace) would initially be charged \$6,824 per single family dwelling, \$5,138 per multifamily dwelling, and \$707 per new employee. Parks SDCs within River Terrace would initially be charged \$9,327 per single family dwelling, \$7,022 per multifamily dwelling, and \$707 per new employee.

Table 5.4: Current and Proposed Parks SDCs

Current Tigard Parks & Trails SDC	SDC Current
Residential SDC per capita	\$ 2,753
SDC per single family dwelling	\$ 6,451
SDC per multifamily dwelling	\$ 5,156
Non-residential SDC per employee	\$ 446

Proposed Tigard Parks & Trails SDC	SDC-r	SDC-i (proposed)*		Total SDC (proposed)	
		Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential SDC per capita	\$ 399	\$ 2,281	\$ 983	\$ 2,681	\$ 3,664
SDC per single family dwelling	\$ 1,017	\$ 5,807	\$ 2,502	\$ 6,824	\$ 9,327
SDC per multifamily dwelling	\$ 766	\$ 4,372	\$ 1,884	\$ 5,138	\$ 7,022
Non-residential SDC per employee**	\$ 105	\$ 602		\$ 707	\$ 707

Source: derived from prior tables. SDC-r = reimbursement fee; SDC-i = improvement fee. * Includes compliance fee. ** Non-residential SDCs calculations for new development are to be based on square feet of floor area (see Table 5.2)

APPENDIX

Appendix A-1, Estimated Tigard Parks Demand for Residents and Non-Residents

Parks Demand by Place of Residence, City of Tigard	Residents				Non-Residents	Total
	Non-Employed, Ages 18+	Ages 5-17	Work inside City	Work outside City	Work inside City	
Summer (June through September)						
Weekday						
Before work			1.00		1.00	
Meals and breaks			1.00		1.00	
After work			2.00		2.00	
Other leisure	12.00	12.00	2.00	2.00		
Total weekday	12.00	12.00	6.00	2.00	4.00	
Weekend	12.00	12.00	12.00	12.00		
Total summer	12.00	12.00	7.71	4.86	2.86	
Spring/fall (April, May, October, and November)						
Weekday						
Before work			0.50		0.50	
Meals and breaks			1.00		1.00	
After work			1.00		1.00	
Other leisure	10.00	4.00	2.00	2.00		
Total weekday	10.00	4.00	4.50	2.00	2.50	
Weekend	10.00	10.00	10.00	10.00		
Total spring/fall	10.00	5.71	6.07	4.29	1.79	
Winter (December through March)						
Weekday						
Before work			0.50		0.50	
Meals and breaks			1.00		1.00	
After work			0.50		0.50	
Other leisure	8.00	2.00	1.00	1.00		
Total weekday	8.00	2.00	3.00	1.00	2.00	
Weekend	8.00	8.00	8.00	8.00		
Total winter	8.00	3.71	4.43	3.00	1.43	
Weighting factors						
Summer	0.33	0.33	0.33	0.33	0.33	
Spring/fall	0.33	0.33	0.33	0.33	0.33	
Winter	0.33	0.33	0.33	0.33	0.33	
Total weighting factors	1.00	1.00	1.00	1.00	1.00	
Demand by Population Group						
Daily weighted average hours	10.00	7.14	6.07	4.05	2.02	
Census counts in Tigard	12,850	8,286	6,507	18,843	31,303	
Potential daily demand in Tigard	128,500	59,186	39,507	76,269	63,351	366,813
Proportion	35.03%	16.14%	10.77%	20.79%	17.27%	100.00%
Proportion by place of residence	82.73%				17.27%	100.00%

Source: FCS GROUP; U. S. Census Bureau, 2010-2012 American Community Survey 3-Year Estimates, tables DP03, DP05, and B08008; U. S. Census Bureau, On the Map application.

Appendix A-4, Estimated Tigard Parks Bond Payments

Existing Parks Bond Payments	Principal	Interest	Total
Fiscal year ending June 30, 2016	\$ 665,000	\$ 627,525	\$ 1,292,525
Fiscal year ending June 30, 2017	685,000	607,575	1,292,575
Fiscal year ending June 30, 2018	705,000	587,025	1,292,025
Fiscal year ending June 30, 2019	725,000	565,875	1,290,875
Fiscal year ending June 30, 2020	750,000	544,125	1,294,125
Fiscal year ending June 30, 2021	780,000	514,125	1,294,125
Fiscal year ending June 30, 2022	810,000	482,925	1,292,925
Fiscal year ending June 30, 2023	845,000	450,525	1,295,525
Fiscal year ending June 30, 2024	875,000	416,725	1,291,725
Fiscal year ending June 30, 2025	910,000	381,725	1,291,725
Fiscal year ending June 30, 2026	950,000	304,950	1,254,950
Fiscal year ending June 30, 2027	990,000	304,950	1,294,950
Fiscal year ending June 30, 2028	1,030,000	262,875	1,292,875
Remainder of planning period	4,615,000	558,050	5,173,050
	\$ 15,335,000	\$ 6,608,975	\$ 21,943,975
Principal spent	\$ 12,535,000	81.74%	
Principal remaining	2,800,000	18.26%	
	\$ 15,335,000	100.00%	
Adjustment to reimbursement fee	\$ 12,535,000	-1.87%	\$ 234,357
Adjustment to improvement fee	\$ 2,800,000	91.07%	\$ (2,550,009)
Source: City of Tigard; compiled by FCS Group.			

Appendix A-3, Estimated Parks Inventory and Needs by Category

Inventory and Needs by Category	Neighborhood and Pocket Parks	Community Parks	Linear Parks	Open Space	Trails
Current Inventory					
Fully developed facilities					
River Terrace acres (miles for trails)	0	0	0	0	0
Rest of city acres (miles for trails)	51	155	53	240	16
Total fully developed facilities	51	155	53	240	16
Undeveloped land					
River Terrace acres (miles for trails)	0	0	0	0	0
Rest of city acres (miles for trails)	23	19	0	0	0
Total undeveloped land	23	19	0	0	0
Current Level of Service					
Fully developed facilities					
Rest of city acres per 1,000 residents (miles for trails)	1.00	3.05	1.04	4.73	0.32
Entire city acres per 1,000 residents (miles for trails)	1.00	3.05	1.04	4.72	0.32
Land					
Rest of city acres per 1,000 residents (miles for trails)	1.46	3.43	1.04	4.73	0.32
Entire city acres per 1,000 residents (miles for trails)	1.46	3.42	1.04	4.72	0.32
Standards, Surpluses, and Deficiencies					
Standard acres per 1,000 residents (miles for trails)	1.50	3.00	1.25	4.25	0.32
Fully developed facilities surplus (deficiency)					
River Terrace acres (miles for trails)	(0.15)	(0.31)	(0.13)	(0.43)	(0.03)
Rest of city acres (miles for trails)	(25.12)	2.75	(10.44)	24.32	0.03
Total fully developed facilities surplus (deficiency)	(25.28)	2.45	(10.56)	23.88	0.00
Land surplus (deficiency)					
River Terrace acres (miles for trails)	(0.15)	(0.31)	(0.13)	(0.43)	(0.03)
Rest of city acres (miles for trails)	(2.12)	21.75	(10.44)	24.32	0.03
Total land surplus (deficiency)	(2.28)	21.45	(10.56)	23.88	0.00
Growth Needs					
River Terrace					
Current developed acres	0.00	0.00	0.00	0.00	0.00
Development of undeveloped acres	0.00	0.00	0.00	0.00	0.00
Additional acres to acquire and develop	9.41	18.83	7.84	26.67	2.00
Total developed acres needed by 2035	9.41	18.83	7.84	26.67	2.00
Rest of city					
Current developed acres	51.00	155.00	53.00	240.00	16.20
Development of undeveloped acres	23.00	19.00	0.00	0.00	0.00
Additional acres to acquire and develop	24.64	23.27	29.20	39.47	4.75
Total developed acres needed by 2035	98.64	197.27	82.20	279.47	20.95
Entire city					
Current developed acres	51.00	155.00	53.00	240.00	16.20
Development of undeveloped acres	23.00	19.00	0.00	0.00	0.00
Additional acres to acquire and develop	34.05	42.10	37.04	66.14	6.75
Total developed acres needed by 2035	108.05	216.10	90.04	306.14	22.95
Improvement Fee Eligibility					
Development and other costs	55.70%	100.00%	71.48%	100.00%	100.00%
Land acquisition only	93.32%	100.00%	71.48%	100.00%	100.00%
Maximum acres of development	57.05	61.10	37.04	66.14	6.75
Maximum acres of land acquisition	34.05	42.10	37.04	66.14	6.75
Eligible Costs for Reimbursement Fee					
Unit cost per acre of land (mile for trails)		\$ 400,000		\$ 50,855	
Unit cost per acre of development (mile for trails)		\$ 300,000			
Reimbursable cost	\$ -	\$ 9,313,497	\$ -	\$ 1,214,637	\$ -

Source: E-mails from Steve Martin (10/08/2014, 10/14/2014 and 10/27/2014); Park System Master Plan, 2009.

Appendix A-4, Estimated Parks Inventory and Needs by Category

Tigard Parks SDC Discount Methodology	River Terrace			Notes
	Total	City-wide	Terrace	
Parks Improvement Costs and SDC Revenues				
Total Cost (Land & Improvements)*	\$ 86,684,000	\$ 71,173,000	\$ 15,511,000	
Less SDC Eligible Revenue**	\$ 60,499,000	\$ 57,489,000	\$ 3,010,000	Includes discounted SDCs that are supported by River Terrace Funding Strategy
Remaining Funding Required	\$ 26,185,000	\$ 13,684,000	\$ 12,501,000	
Non-SDC Funding Supported by River Terrace Funding Strategy (adopted Dec. 2014)				
	Total	City-wide	Terrace	Notes
Grants	\$ 1,024,000		\$ 1,024,000	Potential Metro, State or foundation grants
Parks Utility Fees (\$1.11/month)	\$ 5,787,000	\$ 2,718,000	\$ 3,069,000	Assumes 100% of RT utility fees, and 50% of citywide fee revenue to be allotted to RT projects
New Citywide Park Bond	\$ 13,000,000	\$ 6,500,000	\$ 6,500,000	Equates to levy of \$0.20 per \$1,000 AV; or \$63/year for average homeowner; and 50% allotted to RT projects
Subtotal Funding Revenue	\$ 19,811,000	\$ 9,218,000	\$ 10,593,000	
Remaining Net Funding Gap***	\$ (6,374,000)	\$ (4,466,000)	\$ (1,908,000)	
* Total project costs to complete long-range capital improvements consistent with River Terrace and other citywide planning documents. ** SDC revenue adjusted to exclude remaining bond principal and include administrative costs.				
Potential Additional "Gap" Funding Sources				
*** Funding Gap Sources:	Percent Dist.	Amount	Notes	
Grants	20%	\$ 1,274,800	This policy may result in project completion delays	
Developer dedications (SDC credit eligible)	10%	\$ 637,400	This policy may result in project completion delays	
City Parks Utility Fees	70%	\$ 4,461,800	This would require a +/- \$2.34 monthly parks utility fee citywide	
Total	100%	\$ 6,374,000		
Source: compiled by FCS Group.				

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Exhibit C

Tigard, Oregon



TRANSPORTATION SYSTEM DEVELOPMENT CHARGE METHODOLOGY REPORT

April 14, 2015



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SECTION I: BACKGROUND

This section describes the policy context and project scope upon which the body of this report is based.

A. POLICY

Oregon Revised Statutes (ORS) 223.297 to 223.314 authorize local governments to establish system development charges (SDCs). These are one-time fees on new development, and they are paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDC:

- ◆ A reimbursement fee that is designed to recover “costs associated with capital improvements already construct, or under construction when the fee is established, for which the local government determines that capacity exists”
- ◆ An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed) and on the costs of compliance with Oregon’s SDC law.

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed) and on the costs of compliance with Oregon’s SDC law.

B. PROJECT

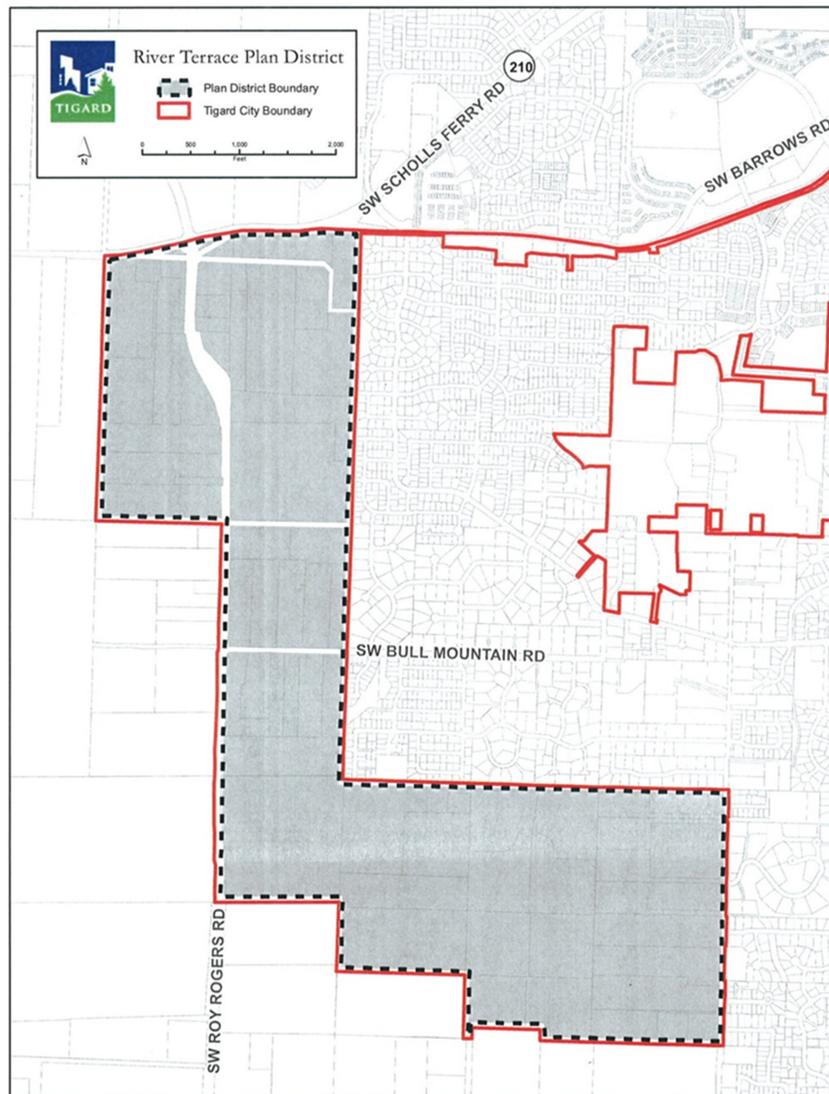
In August 2014, the City of Tigard (City) contracted with FCS GROUP to prepare a new local SDC for transportation facilities that take into account the projects identified in the Tigard Transportation System Plan and the River Terrace TSP Addendum, June 2014. This report documents our findings and recommendations.

We approached this project as a series of three steps:

- ◆ **Framework for Charges.** In this step, we worked with City staff to identify the approach to be used and the components to be included in the analysis.
- ◆ **Technical Analysis.** In this step, we worked with City staff to isolate the recoverable portion of planned facility costs and calculate draft SDC rates.
- ◆ **Draft Methodology Report Preparation.** In this step, we documented the calculation of the draft SDC rates included in this report.

For analysis purposes, the new Tigard Transportation SDC is intended to be consistent with the River Terrace Funding Strategy, adopted by Tigard City Council in December 2014. This Transportation SDC Methodology Report supports the creation of a special SDC overlay district within the River Terrace Plan District boundary (**Exhibit 1.1**). Please refer to City of Tigard Community Development Code: Map 18.660 for tax lots that are included in the River Terrace Plan District. With the adoption of this SDC methodology, future development in Tigard would be subject to a citywide SDC and development within River Terrace would also be subject to the River Terrace SDC overlay fee.

Exhibit 1.1



SECTION II: METHODOLOGY

This section provides a non-numeric overview of the calculations that result in SDC rates.

A. REIMBURSEMENT FEE COST BASIS

The reimbursement fee is the cost of available capacity per unit of growth that such available capacity can serve. In order for a reimbursement fee to be calculated, excess transportation infrastructure capacity must be available to serve future growth. For facility types that have no excess capacity, no reimbursement fee may be charged. This analysis uses the original cost of all SDC or Transportation Development Tax (TDT) infrastructure less the amount currently used as the basis for the reimbursement fee.

B. IMPROVEMENT FEE COST BASIS

The improvement fee is the cost of capacity-increasing capital projects per unit of growth that those projects will serve. Since the capacity added by most projects serves a dual purpose of both meeting existing demand and serving future growth, growth-related costs for each project must be isolated and costs that meet current demand or repair a deficiency must be excluded.

We have used the capacity approach to allocate costs to the improvement fee basis. Under this approach, the cost of a given project is allocated to growth in proportion to the growth-related capacity that projects of a similar type will create. The portion of each project that is attributable to growth is determined and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in demand.

C. COMPLIANCE FEE COST BASIS

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report assumes that compliance costs are equal to 3% of the SDC improvement fee basis.

D. GROWTH

Growth for SDCs is in units that most directly reflect the source of demand. In the case of transportation, the most applicable unit of growth is trips on the infrastructure. In this methodology we have analyzed growth in terms of average daily person trips (ADPT) and P.M. peak hour vehicle trip ends (PHVT).

E. GEOGRAPHIC ALLOCATION

SDCs are often calculated and applied uniformly throughout a municipality, but such uniformity is not a legal requirement. Municipalities can calculate and impose area-specific SDCs. Area-specific SDCs allow a municipality to identify and isolate differential costs to serve particular areas within its jurisdiction. SDCs are calculated separately for each area, and improvement fees must be spent on projects in the improvement fee cost basis for the area in which those improvement fees were earned.

Area-specific SDCs can be implemented in two ways. The first way is to divide the municipality into a set of non-overlapping areas. Under this method, the SDCs for a particular area are determined by the assets, projects, and projected growth in that area. The second method is a layered approach. The first layer consists of a citywide SDC based on assets and projects of citywide benefit. The second layer consists of one or more overlays. Each overlay is a separate list of assets and projects that benefit a particular area within the city. Development within an overlay pays both the citywide SDC and the overlay SDC. Development outside of any overlay pays only the citywide SDC.

Given the City’s desire to isolate the costs of serving certain areas and findings in the River Terrace Funding Strategy adopted by Tigard City Council in December 2014, we recommend (and have calculated in this report) both a citywide SDC and an overlay SDC for River Terrace.

F. SUMMARY

In general, SDC rates are calculated by adding the reimbursement fee component, improvement fee component, and compliance cost component. Each component is calculated by dividing the eligible cost by the growth of units of demand. The unit of demand becomes the basis of the charge. **Exhibit 2.1** shows this calculation in equation format:

Exhibit 2.1: SDC Equation					
Eligible costs of available capacity in existing facilities	+	Eligible costs of capacity-increasing capital improvements	+	Costs of complying with Oregon SDC law	= SDC per unit of growth in demand
Units of growth in demand					

Section III of this report provides detailed calculations related to growth in demand, which is the denominator in the SDC equation. **Section IV** of this report provides detailed calculations on eligible costs, which is the numerator in the SDC equation. **Section V** identifies SDC recommendations.

SECTION III: GROWTH CALCULATION

This section provides detailed calculations related to growth in demand, which is the denominator in the SDC equation.

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. GROWTH IN TRIP ENDS

Having established relevance of ADPT and PHVT, we now quantify expected growth rates.

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).

B.2 Calculating the Eligible SDC Cost Share

The growth share for any project varies by the project type and the percent of the project that serves future growth. See **Appendix A** for a complete list of projects with the appropriate growth shares. In general, new collector or arterial facilities (including the roadways, bicycle, and pedestrian facilities) that are needed only to serve growth are 100% SDC eligible. Existing roadways and bicycle/pedestrian facilities that are planned for expansion to accommodate growth may only be partially eligible for SDC funding.

The share of existing transportation facilities that are planned for capacity upgrades to serve future growth needs varies by type of project and the rubric to determine future growth share is shown in **Appendix B**.

Exhibit 3.1: Average Daily Person Trip-End (ADPT) Growth

Area	2010	2015	2035	Growth - 2015 to 2035
River Terrace	469	1,083	30,737	29,654
Rest of Tigard	525,451	560,100	733,130	173,030
All Tigard	525,920	561,183	763,867	202,684

Source: Trip growth estimates and forecasts were compiled by DKS Associates using data derived from the Metro Regional Transportation Plan model that's consistent with the River Terrace Community Plan Transportation System Plan Addendum (June 2014).

Exhibit 3.2: Tigard Peak-Hour Vehicle Trip-End (PHVT) Growth

Area	2010	2015	2035	Growth - 2015 to 2035
River Terrace	63	119	1,536	1,417
Rest of Tigard	28,319	30,019	38,341	8,322
All Tigard	28,382	30,379	39,877	9,498

Source: Trip growth estimates and forecasts were compiled by DKS Associates using data derived from the Metro Regional Transportation Plan model that's consistent with the River Terrace Community Plan Transportation System Plan Addendum (June 2014).

SECTION IV: COST CALCULATION

This section provides detailed calculations on eligible costs, which is the numerator in the SDC equation.

A. REIMBURSEMENT FEE

As noted in **Section II**, the reimbursement fee is based on the present value of unused capacity that the City has funded in Tigard. For analysis purposes, we have based the reimbursement SDC cost basis on the actual amount of prior capacity investments the city has made using Transportation Development Tax funds over the past nine fiscal years. The expenditures from previous years have been discounted by the trip growth rate in this report to account for increased use since initial construction. **Exhibit 4.1** summarizes the cost basis for the reimbursement fee. Detailed calculations are included in **Appendix C**.

Exhibit 4.1: Reimbursement Fee Basis Calculation

Reimbursement Fee Calculation	Total
Capital Project Expenditures	\$4,955,023
Less Capacity Used Up	\$369,470
Reimbursement fee basis	\$4,585,553

Source: City of Tigard, compiled by FCS GROUP.

Using the calculated growth in PHVT from the previous section and the reimbursement fee basis, **Exhibit 4.2** shows the calculated reimbursement fee. Note that the reimbursement fee is charged irrespective of the SDC overlay district.

Exhibit 4.2: Reimbursement Fee Calculation

Reimbursement Fee per PMPHT	Total
Cost of SDC/TDT Capital Project Expenditures	\$4,585,553
Change in ADPT (2015-2035)	202,684
Reimbursement Fee per ADPT	\$23
Equivalent Reimbursement Fee per PHVT*	\$483

Source: Previous tables and Appendix C, compiled by FCS GROUP. *Assumes ADPT to PHVT conversion factor of 21.34

B. IMPROVEMENT FEE

City staff identified a list of project needs for the transportation SDC using several sources:

- ◆ The Tigard Transportation System Plan
- ◆ The River Terrace Transportation System Plan Addendum
- ◆ The Metro’s Regional Transportation Plan
- ◆ The Tigard’s Capital Improvement Plan

In addition, the current Transportation Development Tax Road Project List has been considered to ensure that potential SDC project expenditures are not included on the TDT project list as well.

Exhibit 4.3 shows a summary list of the Tigard transportation project costs. Overall, the City identified a total need of \$625 million. For a detailed list of Tigard transportation projects see **Appendix A**.

Exhibit 4.3: Transportation Project Capital Costs, City of Tigard, 2015-2035 (in \$1,000s)

Project Location	Arterial	Collector	Bridge	Bike/Ped	TSM*	Total
Citywide	\$479,592	\$39,000	\$15,000	\$34,030	\$17,500	\$585,122
River Terrace	\$0	\$37,850	\$0	\$1,800	\$0	\$40,150
Total	\$479,592	\$76,850	\$15,000	\$35,830	\$17,500	\$625,272

Source: City of Tigard, compiled by FCS GROUP. * TSM = transportation system management.

B.1 SDC-Eligible Costs

Total SDC-eligible costs are a percentage of total projects. The percent of each individual project is calculated and then summed by infrastructure type. Because there is an overlay districts, each project is categorized as either benefitting the overlay district or the entire city. **Exhibit 4.4** shows a summary table by SDC overlay and type of transportation costs. See **Appendix A** for detailed calculations of SDC-eligible costs.

Exhibit 4.4: Transportation SDC Project Capital Costs, City of Tigard, 2015-2035 (in \$1,000s)

Project Location	Arterial	Collector	Bridge	Bike/Ped	TSM*	Total
Citywide	\$222,818	\$19,669	\$5,250	\$5,911	\$13,882	\$267,530
River Terrace	\$0	\$14,623	\$0	\$0	\$0	\$14,623
Total	\$222,818	\$34,292	\$5,250	\$5,911	\$13,882	\$282,153

Source: City of Tigard, compiled by FCS GROUP. * TSM = transportation system management (e.g., traffic signal synchronization and turning movement/access modifications).

B.2 Adjustment for SDC Fund Balance

There is no existing local transportation SDC in Tigard and therefore no fund balances to consider at this time.

B.3 Improvement Fee Summary by District

Similar to the reimbursement fee cost basis above, we calculate the improvement fee cost basis by district in PHVT using growth estimates from the previous section and the SDC-eligible projects shown above. **Exhibit 4.5** shows the potential improvement fee by district before discounts or adjustments.

Exhibit 4.5: SDC Improvement Fee by District

Improvement Fee Calculations (before discounts)	SDC-Eligible Project Costs	Growth in ADPT	Fee per ADPT	Equivalent Fee per PHVT*	SDC Fee per Single-Family Residence
Citywide base charge	\$267,530,222	202,684	\$1,320	\$28,168	\$15,924
River Terrace Overlay	\$14,622,750	29,654	\$493	\$10,523	\$5,949
Total River Terrace SDC	\$282,152,972	232,339	\$1,813	\$38,690	\$21,873

Source: Previous tables and Appendix, compiled by FCS GROUP. * Assumes ADPT to PHVT conversion factor of 21.34; compiled by FCS Group.

C. COMPLIANCE FEE COST BASIS

For the purpose of this study, we assume the compliance costs equal 3% of the SDC improvement fee.

D. SUMMARY CALCULATED SDCS

Exhibit 4.6 shows the calculated SDC per person trip (ADPT) by each fee basis and by district. Note that this is the maximum defensible SDC that Tigard can charge based on forecasted growth in person-trips.

Exhibit 4.6: Total SDC per ADPT (SDC per person trip before discounts)

Area	Reimbursement Fee per ADPT	Improvement Fee per ADPT	Compliance Fee per ADPT	Total SDC per ADPT	SDC Fee per Dwelling Unit
Citywide	\$23	\$1,320	\$40	\$1,382	\$16,675
River Terrace Overlay		\$493	\$15	\$508	\$6,127
River Terrace Total	\$23	\$1,813	\$54	\$1,890	\$22,802

Source: Previous tables and Appendix, compiled by FCS GROUP.

Exhibit 4.7 expresses the maximum SDC that Tigard can charge in terms of growth in P.M peak-hour vehicle trip-ends (PHVT) by each fee basis and by district. This is also the maximum defensible SDC that Tigard can charge based on vehicle trip growth.

Exhibit 4.7: Equivalent Total SDC per PHVT (before discounts)

Area	Reimbursement Fee	Improvement Fee	Compliance Fee	Total SDC per PHVT	SDC Fee per Dwelling Unit
Citywide	\$483	\$28,168	\$845	\$29,495	\$16,675
River Terrace Overlay		\$10,523	\$316	\$10,839	\$6,127
River Terrace Total	\$483	\$38,690	\$1,161	\$40,334	\$22,802

Source: Previous tables and Appendix, compiled by FCS GROUP. * Assumes ADPT to PHVT conversion factor of 21.34; compiled by FCS Group.

SECTION V: RECOMMENDATIONS

This section provides calculations of the residential and non-residential SDCs and recommended SDCs after accounting for credit and discount policies.

A. TRANSPORTATION SDC CALCULATION

The transportation SDC is based on the number of trips that a change in land use generates. The Institute of Transportation Engineers (ITE) *Trip Generation Manual* contains trip rates based on studies conducted nationwide and provides the base data of unadjusted counts of trips generated by various types of land use.

Unadjusted trip counts mean that certain land use types will have high trip counts including all traffic entering or leaving a location but does not account for traffic that passes by or interrupts a primary trip between origin and destination. Trips that interrupt a primary trip are called linked trips and this SDC methodology recommends removing them from the residential calculation because they would occur regardless of development activity.

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.

A.2 Non-Residential SDC Calculation

The proposed SDCs identified in this report include specific recommendations for initial SDCs to be charged based on new PHVT added for non-residential development. New non-residential development in Tigard may include land use types with linked trips. The number of new PHVTs generated for non-residential land use should take into account the following formula:

$$ITE\ Vehicle\ Trip\ Rate \times (1 - \% \text{ Linked Trips}) = Net\ New\ PHVT$$

The SDC per unit of development is calculated for each type of land use by multiplying the new PHVT for each land use by the SDC per PHVT. It is important to note that the *Trip Generation Manual* may not contain some land use categories or may not include trip rates or number of net new trips generated. For such land use categories without data, the City administrator shall use her/his judgment to calculate the transportation SDC.

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. CREDITS AND EXEMPTIONS

The Tigard SDC Procedures Guide will establish local policies for issuing credits and exemptions, annual adjustments, and other administrative procedures.

C.1 Credits

A credit is a reduction in the amount of SDCs paid for a specific development. The Oregon SDC Act requires that credit be allowed for the construction of a "qualified public improvement" which (1) is required as a condition of development approval, (2) is identified in the City’s capital improvements program, and (3) either is not located on or contiguous to property that is the subject of development

approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., transportation right of way or improvements provided by a developer can only be used for a credit for towards transportation SDC improvement fee payments), and must be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project up to the amount of the improvement fee. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the City's SDC Capital Improvements Plan, or provide a share of the cost of an improvement by other means (i.e., partnerships, other City revenues, etc.).

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.

It is important to note that regardless of the credit policy chosen, the City would stipulate that credits provided within the River Terrace district cannot be used in another part of the City. However, citywide SDC credits could be utilized anywhere within the City. This would help ensure that any transportation SDC credits issued in River Terrace will result in continued development investment in River Terrace.

C.2 Exemptions

The City may exempt specific classes of development (i.e., minor additions, etc.) from the requirement to pay SDCs.

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.

Exhibit 5.2: Average Transportation SDC per Dwelling (after discounts)

Area with Tigard	Reimbursement Fee	Improvement Fee	Compliance Fee	Total SDC
Citywide	\$273	\$4,589	\$138	\$5,000
River Terrace Overlay		\$483	\$14	\$497
River Terrace Total	\$273	\$5,072	\$152	\$5,497

Source: Compiled by FCS GROUP based on funding policy objectives stated in the River Terrace Funding Strategy; and prior tables.

Since the River Terrace SDCs would be lower than the maximum SDC the City can justify, additional funding sources would be needed to ensure that all projects contained in the long term capital project list can be funded by year 2035.

Appendix D identifies the amount of SDC revenues and other funding revenues the City of Tigard would likely need to fund the projects identified in the SDC capital project list.

E. EXISTING AND PROPOSED SDCS

Exhibit 5.2 summarizes the existing and proposed total Transportation SDCs for the City of Tigard for reimbursement, improvement, and compliance charges after accounting for discounts.

Once this Methodology Report is adopted, Transportation SDCs would vary by location. SDCs within the city (outside River Terrace) would initially be charged \$5,714 per single family dwelling, \$3,333 per multifamily/other dwelling, and non-residential uses would be charged \$8,844 per P.M. peak-hour vehicle trip-end (PHVT).

The potential SDCs for the River Terrace District have been calculated under three possible credit policy scenarios. Under each scenario the citywide SDC would be the same but the River Terrace SDC would change. It is important to note that the City Council may decide to defer some of the SDC charges identified in the following tables (for example, the City Council could vote to defer implementation of the SDC reimbursement fees but charge SDC improvement fees).

E.1 SDCs with Current Credit Policy

If the City utilized its current credit policy that is consistent with the Washington County TDT credit policy, the local Transportation SDCs within River Terrace would initially be charged \$6,282 per

single family dwelling, \$3,665 per multifamily dwelling, and non-residential uses would be charged \$9,724 per PHVT (**Exhibit 5.3**).

Exhibit 5.3: Proposed Tigard Transportation SDCs (after discounts)

Development Type	SDC Current	Citywide Base SDC-r	SDC-i (after discount) ¹		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
				Citywide		River Terrace Total
Residential Development ²						
Avg. charge per dwelling	n/a	\$273	\$4,727	\$497	\$5,000	\$5,497
Charge per single family detached dwelling	n/a	\$312	\$5,402	\$568	\$5,714	\$6,282
Charge per multifamily dwelling	n/a	\$182	\$3,151	\$331	\$3,333	\$3,665
Non-Residential Development ³						
Avg. charge per PHVT ⁴	n/a	\$483	\$8,362	\$879	\$8,844	\$9,724

Notes:

¹ Includes compliance fee.

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

³ 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.

⁴ 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.

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) ¹		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
				Citywide		River Terrace Total
Residential Development ²						
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
Non-Residential Development ³						
Avg. charge per PHVT ⁴	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.

¹ Includes compliance fee.

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

³ 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.

⁴ 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.

E.3 SDCs with 100% Credit Policy for River Terrace Boulevard

This scenario assumes that River Terrace Boulevard is 100% 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 \$10,453 per single family dwelling, \$6,097 per multifamily dwelling, and non-residential uses would be charged \$10,026 per PHVT (**Exhibit 5.5**).

Exhibit 5.5: Option C, Tigard Transportation SDCs (with 100% RT Blvd. credit policy)*

Development Type	SDC Current	Citywide Base SDC-r	SDC-i (after discount) ¹		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential Development ²						
Avg. charge per dwelling	n/a	\$273	\$4,727	\$4,146	\$5,000	\$9,146
Charge per single family detached dwelling	n/a	\$312	\$5,402	\$4,738	\$5,714	\$10,453
Charge per multifamily dwelling	n/a	\$182	\$3,151	\$2,764	\$3,333	\$6,097
Non-Residential Development ³						
Avg. charge per PHVT ⁴	n/a	\$483	\$8,362	\$1,182	\$8,844	\$10,026

Notes:

* Credit policy assumes River Terrace Blvd. improvements 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.

¹ Includes compliance fee.

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

³ 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.

⁴ 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.

APPENDIX

Appendix A – Transportation Capital Project List

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
River Terrace Benefit																	
Project ID 23A	150th Ave	Collector	Improve 150th Ave. from Bull Mountain Rd. to Beef Bend Rd.	\$400,000	24%	\$306,000		\$94,000	\$94,000	50%	50%	\$23,500	\$0	\$23,500	0%	100%	RT TSP Addendum
Project ID 21A	Bull Mountain Rd	Collector	Upgrade to urban standards	\$1,200,000	29%	\$850,000		\$350,000	\$350,000	50%	50%	\$87,500	\$350,000	\$0	100%	0%	RT TSP Addendum
Project ID 18	Intersection	Collector	Bull Mountain Rd. / N-S collector intersection or roundabout	\$1,500,000	100%			\$1,500,000	\$1,500,000	100%	100%	\$1,500,000	\$0	\$1,500,000	0%	100%	RT TSP Addendum
Project ID 20	Intersection	Collector	Woodhue St. / 161st Ave. extension intersection or roundabout	\$2,000,000	0%	\$2,000,000		\$0	\$0	100%	100%	\$0	\$0	\$0			RT TSP Addendum
Project ID NA 2 1	Intersection	Street	Improvements where new streets meet existing streets - Phase 1	\$500,000	100%			\$500,000	\$0	50%	100%	\$0	\$0	\$0			RT TSP Addendum
Project ID 2	Lorenzo Ln	Collector	Extend Lorenzo Ln. from West UGB to Roy Rodgers Rd.	\$2,500,000	5%	\$2,380,000		\$120,000	\$120,000	100%	100%	\$120,000	\$0	\$120,000	0%	100%	RT TSP Addendum
Project ID 3	Lorenzo Ln	Collector	Extend Lorenzo Ln. from Roshak Rd. to Roy Rodgers Rd.	\$3,500,000	100%			\$3,500,000	\$3,500,000	100%	100%	\$3,500,000	\$0	\$3,500,000	0%	100%	RT TSP Addendum
Project ID NA 1 1	River Terrace Trail	Bke/Ped	River Terrace Trail from Roy Rodgers Rd. to 150th Ave.	\$1,800,000	100%			\$1,800,000	\$1,800,000	0%	100%	\$0	\$0	\$0			RT TSP Addendum
Project ID 5A	RT Blvd	Collector	3 lane N-S collector from Scholls Ferry to Lorenzo Ln. extension - Phase 1	\$6,030,000	43%	\$3,417,000		\$2,613,000	\$2,613,000	100%	100%	\$2,613,000	\$653,250	\$1,959,750	25%	75%	RT TSP Addendum
Project ID 5B	RT Blvd	Collector	3 lane N-S collector from Scholls Ferry to Lorenzo Ln. extension - Phase 2	\$2,970,000	100%			\$2,970,000	\$2,970,000	100%	100%	\$2,970,000	\$742,500	\$2,227,500	25%	75%	RT TSP Addendum
Project ID 6A	RT Blvd	Collector	3 lane N-S collector from Lorenzo Ln. extension to Bull Mountain Rd. - Phase 1	\$4,875,000	48%	\$2,550,000		\$2,325,000	\$2,325,000	100%	100%	\$2,325,000	\$581,250	\$1,743,750	25%	75%	RT TSP Addendum
Project ID 7A	RT Blvd	Collector	3 lane N-S collector from Bull Mountain Rd. to the south City limit - Phase 1	\$4,125,000	46%	\$2,244,000		\$1,881,000	\$1,881,000	100%	100%	\$1,881,000	\$470,250	\$1,410,750	25%	75%	RT TSP Addendum
Project ID 7B	RT Blvd	Collector	3 lane N-S collector from south City limit to the south UGB (phase 2)	\$6,250,000	46%	\$3,400,000		\$2,850,000	\$2,850,000	100%	100%	\$2,850,000	\$712,500	\$2,137,500	25%	75%	RT TSP Addendum
Project ID 8		Collector	2 lane E-W collector between Roy Rodgers Rd. and N-S collector	\$2,500,000	0%	\$2,500,000		\$0	\$0	0%	0%	\$0	\$0	\$0			RT TSP Addendum
Downtown Benefit (included in citywide)																	
Metro Project ID	Ash Ave	Collector	Extend Ash Avenue from Burnham, across the RR, to Commercial Street	\$10,000,000	100%			\$10,000,000	\$10,000,000	50%	100%	\$5,000,000	\$0	\$5,000,000	0%	100%	TSP, RTP, CIP
Tigard Triangle Benefit (included in citywide)																	
Beveland St 70th to 7117 Beveland)	Beveland St	Bke/Ped	Fill 330' Sidewalk Gap	\$40,000	100%			\$40,000	\$40,000	50%	100%	\$20,000	\$0	\$20,000	0%	100%	City staff
Red Rock Creek Greenway	Trail	Bke/Ped	New trail parallel to and south of 99W in triangle	\$3,000,000	100%			\$3,000,000	\$3,000,000	25%	50%	\$375,000	\$0	\$375,000	0%	100%	City staff

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
Citywide Benefit																	
121st Ave, Whistler to Tippitt	121st Ave	Bike/Ped	Add Sidewalks and Bike Lanes	\$3,500,000	100%			\$3,500,000	\$3,500,000	50%	100%	\$1,750,000	\$3,500,000	\$0	100%	0%	City staff
121st Ave over Summer Creek	121st Ave	Bike/Ped	Pedestrian bridge on west side of road	\$50,000	100%			\$50,000	\$50,000	50%	100%	\$25,000	\$0	\$25,000	0%	100%	City staff
121st Street Widening	121st St	Collector	Walnut Street to North Dakota Street - two lanes with turn lanes where necessary plus bike lanes and sidewalks	\$6,000,000	100%			\$6,000,000	\$6,000,000	50%	100%	\$3,000,000	\$6,000,000	\$0	100%	0%	City staff
Metro Project ID 10755	72nd Ave	Arterial	Wden 72nd Ave. to 5 lanes from Hunziker Rd. to Hwy. 99	\$35,000,000	100%			\$35,000,000	\$35,000,000	80%	100%	\$28,000,000	\$9,269,598	\$18,730,402	33%	67%	TSP, RTP, CIP
Metro Project ID 10756	72nd Ave	Arterial	Wden 72nd Ave. to 5 lanes from Hunziker Rd. to Bonita	\$28,166,850	100%			\$28,166,850	\$28,166,850	80%	100%	\$22,533,480	\$7,261,185	\$15,272,295	32%	68%	TSP, RTP, CIP
Metro Project ID 10757	72nd Ave	Arterial	Wden 72nd Ave. to 5 lanes from Bonita Rd. to Durham Rd.	\$15,425,000	100%			\$15,425,000	\$15,425,000	80%	100%	\$12,340,000	\$9,269,598	\$3,070,402	75%	25%	TSP, RTP, CIP
72nd Avenue	72nd Ave	TSM	Provide Arterial Corridor Management along Corridor #19 (Hwy 217) (Hwy 217) in the Metro TSMO Plan	\$1,700,000	100%			\$1,700,000	\$1,700,000	100%	100%	\$1,700,000	\$0	\$1,700,000	0%	100%	City staff
72nd Avenue	72nd Ave	TSM	Provide Arterial Corridor Management on 72nd Avenue along Corridor #2 (I-5) (I-5) near the Upper Boones Ferry Road Interchange in the Metro TSMO Plan	\$1,600,000	100%			\$1,600,000	\$1,600,000	100%	100%	\$1,600,000	\$1,368,928	\$231,072	86%	14%	City staff
Barrows Road	Barrows Rd	Bike/Ped	Add Sidewalks and bike lanes	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	100%	\$1,500,000	\$0	\$1,500,000	0%	100%	City staff
Metro Project ID 10752	Bonita Rd	Arterial	Wden Bonita Rd. to 4 lanes from Bangy to Hall Blvd.	\$45,000,000	100%			\$45,000,000	\$45,000,000	80%	90%	\$32,400,000	\$5,272,615	\$27,127,385	16%	84%	TSP, RTP, CIP
Bull Mountain Road (Hwy 99W to Benchview Terr)	Bull Mountain Rd	Collector	Wden to three lanes with bike lanes and sidewalks	\$8,000,000	100%			\$8,000,000	\$8,000,000	50%	100%	\$4,000,000	\$8,000,000	\$0	100%	0%	RT TSP Addendum
Cascade Ave	Cascade Ave	Bike/Ped	Pave northbound bike lane gap	\$30,000	100%			\$30,000	\$30,000	50%	100%	\$15,000	\$0	\$15,000	0%	100%	City staff
Metro Project ID 10759	Dartmouth St	Collector	Wden Dartmouth St. to 4 lanes from 72nd Ave. to 68th Ave.	\$5,000,000	100%			\$5,000,000	\$5,000,000	80%	100%	\$4,000,000	\$1,853,920	\$2,146,080	46%	54%	TSP, RTP
Metro Project ID 10753	Durham Rd	Arterial	Wden Durham Rd. to 5 lanes from Boones Ferry to Hall Blvd.	\$20,000,000	100%			\$20,000,000	\$20,000,000	80%	90%	\$14,400,000	\$0	\$14,400,000	0%	100%	TSP, RTP, CIP
Metro Project ID 10764	Durham Rd	Arterial	Wden Durham Rd. to 5 lanes from Hall Blvd. To Hwy. 99	\$25,000,000	100%			\$25,000,000	\$25,000,000	80%	95%	\$19,000,000	\$0	\$19,000,000	0%	100%	TSP, RTP, CIP
Durham Road	Durham Rd	TSM	Provide Arterial Corridor Management along Corridor #19 (Hwy 217) in the Metro TSMO Plan	\$1,500,000	100%			\$1,500,000	\$1,500,000	100%	95%	\$1,425,000	\$0	\$1,425,000	0%	100%	City staff
Fanno Creek Trail	Fanno Creek Trail	Bike/Ped	Durham Rd to Tualatin River Trail	\$1,500,000	100%			\$1,500,000	\$1,500,000	25%	100%	\$375,000	\$0	\$375,000	0%	100%	City staff
Metro Project ID 10748	Greenburg Rd	Arterial	Wden Greenburg Rd. from Shady Lane to North Dakota	\$7,000,000	100%			\$7,000,000	\$7,000,000	80%	95%	\$5,320,000	\$6,745,098	\$0	100%	0%	"Project Request"
Metro Project ID 10750	Greenburg Rd	Arterial	Wden Greenburg Rd. to 5 lanes from Tideman Ave. to Hwy. 99	\$12,000,000	100%			\$12,000,000	\$12,000,000	80%	100%	\$9,600,000	\$9,269,598	\$330,402	97%	3%	TSP, RTP
Metro Project ID 11220	Hall Blvd	Arterial	Hall Blvd. Improvements from Locust to Durham	\$16,000,000	100%			\$16,000,000	\$16,000,000	50%	100%	\$8,000,000	\$0	\$8,000,000	0%	100%	TSP, RTP, CIP
Hall Blvd / Fanno Creek Bridge	Hall Blvd	Bridge	Replace with wider bridge with sidewalks and bike lanes	\$6,000,000	100%			\$6,000,000	\$6,000,000	50%	100%	\$3,000,000	\$0	\$3,000,000	0%	100%	City staff

Project ID	Road	Road Classification	Description	Project Costs			Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDT)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
				% City Share	Local Private Funding	ODOT/County Funding										
Citywide Benefit (continued)																
Hall Boulevard	Hall Blvd	TSM	Provide Arterial Corridor Management and Transit Signal Priority on Hall Boulevard from Highway 217 to Highway 99W	\$3,700,000	100%		\$3,700,000	\$3,700,000	100%	100%	\$3,700,000	\$0	\$3,700,000	0%	100%	City staff
Hall Boulevard	Hall Blvd	Arterial	Add an eastbound through lane on Hall Blvd. from Pamelad Road to Greenburg Road	\$500,000	100%		\$500,000	\$500,000	100%	95%	\$475,000	\$0	\$475,000	0%	100%	City staff
Hunziker St (72nd to 77th) Sidewalk	Hunziker St	Bike/Ped	Add sidewalk on north side; completes sidewalk from 72nd to Hall	\$1,000,000	100%		\$1,000,000	\$1,000,000	50%	100%	\$500,000	\$0	\$500,000	0%	100%	City staff
Hwy 217 Northbound Aux Lane	Hwy 217	Arterial	Add a northbound through lane under the Hwy 99W overpass to address a capacity pinch point	\$20,000,000	0%	\$20,000,000	\$0	\$0	50%	100%	\$0	\$0	\$0			City staff
Metro Project ID 10770	Hwy 99	Arterial	Hwy. 99 intersection improvements from 64th Ave. to Durham Rd.	\$50,000,000	100%		\$50,000,000	\$50,000,000	80%	95%	\$38,000,000	\$9,860,000	\$28,140,000	26%	74%	TSP, RTP
Project ID 13	Intersection	Arterial	Roy Rogers Road / E-W collector traffic signal	\$1,000,000	100%		\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	RT TSP Addendum
Project ID 14	Intersection	Arterial	Roy Rogers Road / Bull Mountain Rd traffic signal	\$1,000,000	100%		\$1,000,000	\$1,000,000	100%	95%	\$950,000	\$0	\$950,000	0%	100%	RT TSP Addendum
Project ID 16	Intersection	Arterial	Scholls Ferry Road / N-S collector traffic signal	\$1,000,000	100%		\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	RT TSP Addendum
Metro Project ID 10769	Intersection	Arterial	Intersection improvements at Hall Blvd. And Tiedman Ave.	\$8,000,000	100%		\$8,000,000	\$8,000,000	25%	80%	\$1,600,000	\$0	\$1,600,000	0%	100%	TSP, RTP
Metro Project ID 11223	Intersection	Arterial	Hall/Hunziker/Scoffins Intersection Realignment	\$5,000,000	100%		\$5,000,000	\$5,000,000	75%	100%	\$3,750,000	\$3,862,332	\$0	100%	0%	TSP, RTP, CIP
Metro Project ID 11224	Intersection	Arterial	Greenburg/Tiedeman/N. Dakota Reconfiguration	\$10,000,000	100%		\$10,000,000	\$10,000,000	50%	80%	\$4,000,000	\$0	\$4,000,000	0%	100%	TSP
Hwy 99W/72nd Ave. Intersection	Intersection	Arterial	Turn lanes, aux lanes, sidewalks, bike lanes, crossings; transit improvements	\$8,000,000	100%		\$8,000,000	\$8,000,000	80%	100%	\$6,400,000	\$772,466	\$5,627,534	12%	88%	City staff
Highway 217 SB / Hall Blvd Interchange Improvements	Intersection	Arterial	SB right-turn lane at Hall Blvd/OR 217 ramp	\$5,000,000	100%		\$5,000,000	\$5,000,000	25%	100%	\$1,250,000	\$0	\$1,250,000	0%	100%	City staff
Hwy 99W/68th Ave	Intersection	Arterial	Intersection Improvements. Provide protected left at 68th; transit queue bypass	\$4,000,000	100%		\$4,000,000	\$4,000,000	80%	100%	\$3,200,000	\$2,394,646	\$805,354	75%	25%	City staff
Hall Blvd / Praffle St Traffic Signal	Intersection	TSM	Install new traffic signal; maintain existing lane configuration	\$1,000,000	100%		\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$1,000,000	\$0	100%	0%	City staff
68th/Atlanta/Halines	Intersection	TSM	Install a traffic signal and add turn lanes where necessary	\$500,000	100%		\$500,000	\$500,000	100%	100%	\$500,000	\$173,805	\$326,195	35%	65%	City staff
I-5 / Upper Boones / Carman Interchange	Intersection	Arterial	Add turn lanes and/or auxiliary through lanes, sidewalks, etc	\$10,000,000	100%		\$10,000,000	\$10,000,000	80%	90%	\$7,200,000	\$0	\$7,200,000	0%	100%	City staff
Scholls Ferry / Nimbus Intersection Improvements	Intersection	Arterial	Retain eastbound right-turn lane when 3rd lane added on Scholls Ferry Rd; Retain westbound right-turn lane when 3rd lane added on Scholls Ferry Rd; southbound right-turn lane; Reconfigure northbound and southbound lanes to create exclusive left-turn lanes	\$6,000,000	20%	\$4,800,000	\$1,200,000	\$1,200,000	100%	100%	\$1,200,000	\$1,200,000	\$0	100%	0%	City staff
Scholls Ferry Rd / North Dakota St / 125th Ave	Intersection	Arterial	Intersection Improvement	\$1,500,000	100%		\$1,500,000	\$1,500,000	80%	100%	\$1,200,000	\$0	\$1,200,000	0%	100%	City staff

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source	
Citywide Benefit (continued)																		
72nd/Upper Boones Ferry (Carman)	Intersection	Arterial	Intersection Improvement	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$1,000,000	\$0	100%	0%	City staff	
Bonita / Sequoia Intersection	Intersection	TSM	Traffic Signal	\$1,000,000	100%			\$1,000,000	\$1,000,000	80%	100%	\$800,000	\$1,000,000	\$0	100%	0%	City staff	
Tiedeman Street/Tigard Street	Intersection	Collector	Install a traffic signal; construct left-turn lanes, sidewalk, and bike lanes	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	City staff	
121st/ North Dakota	Intersection	Bike/Ped	Traffic signal	\$500,000	100%			\$500,000	\$500,000	100%	100%	\$500,000	\$231,740	\$268,260	46%	54%	City staff	
McDonald/Hall RT Lane	Hall Blvd	Collector	Add turn lanes and auxiliary lanes with bike lanes and sidewalks on Hall, McDonald, and Bonita to improve traffic flow	\$9,000,000	100%			\$9,000,000	\$9,000,000	90%	90%	\$7,290,000	\$766,702	\$6,523,298	11%	89%	City staff	
Durham/Upper Boones	Intersection	Bike/Ped	Sidewalk on NW Corner, Curb Ramp	\$40,000	100%			\$40,000	\$40,000	50%	100%	\$20,000	\$0	\$20,000	0%	100%	City staff	
Greenburg Rd / Shady Ln	Intersection	Bike/Ped	Pedestrian Islands to facilitate crossing Shady Ln on east side of Greenburg	\$30,000	100%			\$30,000	\$30,000	50%	100%	\$15,000	\$0	\$15,000	0%	100%	City staff	
Bonita Rd near 79th Ave	Intersection	Bike/Ped	Enhanced Ped Crossing - RRFB?	\$20,000	100%			\$20,000	\$20,000	25%	100%	\$5,000	\$0	\$5,000	0%	100%	City staff	
Greenburg Rd	Intersection	Bike/Ped	Enhanced Crossing between Tiedeman and Center St - at 95th?	\$20,000	100%			\$20,000	\$20,000	25%	100%	\$5,000	\$0	\$5,000	0%	100%	City staff	
Hwy 217 SB Ramps/Highway 99W	Intersection	Arterial	Intersection Capacity Improvements including 2nd right turn lane from off ramp	\$2,500,000	100%			\$2,500,000	\$2,500,000	100%	100%	\$2,500,000	\$0	\$2,500,000	0%	100%	City staff	
Hwy 217 NB Ramps/Highway 99W	Intersection	Arterial	Add a second northbound left turn lane	\$1,500,000	100%			\$1,500,000	\$1,500,000	100%	100%	\$1,500,000	\$0	\$1,500,000	0%	100%	City staff	
Metro Project ID 11217	McDonald Rd	Arterial	McDonald Rd. improvements from Hall Blvd. To Hwy. 99	\$8,000,000	100%			\$8,000,000	\$8,000,000	50%	50%	\$2,000,000	\$0	\$2,000,000	0%	100%	TSP, RTP, CIP	
McDonald St	McDonald Rd	Bike/Ped	Enhanced Crossing between Hall and Hwy 99W - at O'Mara? 97th?	\$30,000	100%			\$30,000	\$30,000	25%	50%	\$3,750	\$0	\$3,750	0%	100%	City staff	
Project ID 22A	Roy Rodgers Rd	Arterial	Widen Roy Rodgers Rd. to S Ln. from N of Scholls Ferry Rd. to S. of Beef Bend Rd. Phase 1 (half-treet segments)	\$4,000,000	100%			\$4,000,000	\$4,000,000	100%	100%	\$4,000,000	\$3,000,000	\$1,000,000	75%	25%	RT TSP Addendum	
Project ID 22B	Roy Rodgers Rd	Arterial	Widen Roy Rodgers Rd. to S Ln. from N of Scholls Ferry Rd. to S. of Beef Bend Rd. Phase 2 (half-treet segments)	\$4,000,000	100%			\$4,000,000	\$4,000,000	100%	100%	\$4,000,000	\$3,000,000	\$1,000,000	75%	25%	RT TSP Addendum	
Scholls Ferry Rd Widening, Hwy 217 to 121st	Scholls Ferry Rd	Arterial	Widen to 7 lanes with bike lanes and sidewalks	\$50,000,000	75%		\$12,500,000	\$37,500,000	\$37,500,000	100%	100%	\$37,500,000	\$18,745,186	\$18,754,814	50%	50%	City staff	
Scholls Ferry Rd	Scholls Ferry Rd	TSM	Provide Arterial Corridor Management from River Road to Hall Boulevard	\$4,200,000	100%			\$4,200,000	\$4,200,000	100%	100%	\$4,200,000	\$0	\$4,200,000	0%	100%	City staff	
Tiedeman Ave	Tiedeman Ave	Bike/Ped	Sidewalks from Tigard St to Greenburg Rd	\$1,000,000	100%			\$1,000,000	\$1,000,000	50%	50%	\$250,000	\$0	\$250,000	0%	100%	City staff	
Tigard St (Fanno Creek) Bridge Replacement	Tigard St	Bridge	New bridge with bike lanes and sidewalks	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff	
Metro Project ID 11227	Trail	Bike/Ped	Neighborhood Trails & Regional Trail Connections	\$1,100,000	100%			\$1,100,000	\$1,100,000	25%	50%	\$137,500	\$0	\$137,500	0%	100%	TSP, RTP	

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
Citywide Benefit (continued)																	
Metro Project ID 11228	Trail	Bike/Ped	Portland & Western Rai Trail from Tideman Ave. to Main St.	\$1,250,000	100%			\$1,250,000	\$1,250,000	25%	50%	\$156,250	\$0	\$156,250	0%	100%	TSP, RTP
Tualatin River Trail	Trail	Bike/Ped	Complete multiuse path from Cook Park to the Powerlines Corridor	\$10,000,000	100%			\$10,000,000	\$10,000,000	25%	50%	\$1,250,000	\$0	\$1,250,000	0%	100%	City staff
Fanno Creek Trail	Trail	Bike/Ped	Woodard Park to Grant	\$670,000	100%			\$670,000	\$670,000	25%	50%	\$83,750	\$670,000	\$0	100%	0%	City staff
Fanno Creek Trail	Trail	Bike/Ped	Tiedeman Crossing Realignment	\$250,000	100%			\$250,000	\$250,000	25%	50%	\$31,250	\$0	\$31,250	0%	100%	City staff
Fanno Creek Trail	Trail	Bike/Ped	Complete gaps along the Fanno Creek multiuse path from the Tualatin River to City Hall and from Highway 99W to Tigard Street	\$6,000,000	100%			\$6,000,000	\$6,000,000	25%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff
Upper Boones (Durham to Sequoia)	Upper Boones	Arterial	Wden to five lanes with bike lanes and sidewalks	\$10,000,000	100%			\$10,000,000	\$10,000,000	90%	90%	\$8,100,000	\$4,106,784	\$3,993,216	51%	49%	City staff
Upper Boones Ferry Road	Upper Boones Ferry Rd	TSM	Provide Arterial Corridor Management along Corridor #2 (I-5) in the Metro TSMO Plan	\$1,300,000	100%			\$1,300,000	\$1,300,000	100%	100%	\$1,300,000	\$0	\$1,300,000	0%	100%	City staff
Metro Project ID 11229	Walnut St	Arterial	Wden Walnut St. to 3 lanes from Hwy. 99 to Tiedeman Ave	\$8,000,000	100%			\$8,000,000	\$8,000,000	40%	100%	\$3,200,000	\$4,325,812	\$0	100%	0%	TSP, RTP, CIP
Metro Project ID 10751		Arterial	Hwy. 217 overcrossing Hunzker-72nd Ave.	\$30,000,000	100%			\$30,000,000	\$30,000,000	80%	100%	\$24,000,000	\$0	\$24,000,000	0%	100%	TSP
Hwy 99W/Dartmouth St.		Arterial	Turn lanes, aux lanes, sidewalks, bike lanes, crossings; transit improvements	\$6,000,000	100%			\$6,000,000	\$6,000,000	100%	100%	\$6,000,000	\$308,987	\$5,691,013	5%	95%	City staff
Greenburg Rd. (Hwy 217 to Hall Blvd)		Arterial	Wden to 5 lanes from Locust St to Greenburg Rd; add turn/aux lanes; add bike lanes and sidewalks throughout corridor	\$20,000,000	20%		\$16,000,000	\$4,000,000	\$4,000,000	80%	100%	\$3,200,000	\$0	\$3,200,000	0%	100%	City staff
108th Street Crossing of Tualatin River		Bridge	New bridge crossing north-south over the Tualatin River near 108th Avenue	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff
North Dakota St / Fanno Creek		Bridge	Replace with wider bridge with sidewalks and bike lanes	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff
Dirksen - 121st Ave Trail	Trail	Bike/Ped	New trail along Summer Creek from Dirksen Nature Park to 121st Ave	\$1,000,000	100%			\$1,000,000	\$1,000,000	25%	50%	\$125,000	\$0	\$125,000	0%	100%	City staff
Washington Square Area Signals		TSM	Adaptive Signal Coordination	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	City staff
Totals				\$625,271,850		\$19,647,000	\$53,300,000	\$552,324,850	\$551,824,850			\$392,345,980	\$127,738,750	\$277,069,222			

Notes:
1. Project ID's are consistent with existing local or regional transportation plan project listings.
2. All projects listed are assumed to be completed by year 2035.
3. All widening and newly constructed road projects will include bikelanes and sidewalks, even if not called out specifically.
4. Capacity related portions of projects are consistent with parameters shown in Appendix B.
5. Growth shares are estimated by City staff using Metro 2035 travel demand model, comparing 2010 to 2035 volume/capacity ratios.

Appendix B – Capacity Share Assumptions

Improvement Type	Proportion of Project related to capacity
New travel lanes added	100%
Turn lanes or new traffic signals	100%
New interconnected traffic signals	100%
Road upgrades (widen from 3 to 5 lanes)	80%
Road upgrades (change from local to collector standard)	75%
Traffic signal upgrades	75%
Road upgrades (widening & adding double left turn lanes)	50%
Road upgrades (widening with new bike/ped facilities)	50%
Road upgrades (widening from 2 to 3 lanes)	40%
Access management & center turn lanes	25%
Roadway realignment	25%

Source: consistent with Washington County methodology per Appendix C, Amended TDT Road Project List, Jan. 2014

Appendix C – Reimbursement Fee Calculation

Transportation Capital Project Expenditures

Reimbursement Fee Calculation	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	Reimbursement Fee Basis
Tigard Traffic Impact Fee Fund	\$408,826	\$460,540	\$1,283,017	\$611,167	\$953,489	\$0	\$0	\$0	\$359,140	
Urban Services Traffic Impact Fee Fund	\$450	\$2,554								
Tigard Transportation Development Tax Fund					\$0	\$0	\$0	\$0	\$875,840	
Total	\$409,276	\$463,094	\$1,283,017	\$611,167	\$953,489	\$0	\$0	\$0	\$1,234,980	
Discount Factor (trip growth rate)	12.98%	11.46%	9.96%	8.48%	7.01%	5.57%	4.15%	2.75%	1.37%	
Net Present Value of Capacity Investment	\$356,155	\$410,034	\$1,155,273	\$559,366	\$886,604	\$0	\$0	\$0	\$1,218,120	\$4,585,553

Source: City of Tigard, compiled by FCS GROUP.

Appendix D – Discounted TSDCs per River Terrace Funding Strategy
(using TDT credit policy)

	Total	City-wide	River Terrace	SDC Option A: Districts (avg.)
Total Cost (Land & Improvements)*	\$ 625,271,850	\$ 585,121,850	\$ 40,150,000	
Less SDC Eligible Revenue	\$ 44,516,054	\$ 30,804,818	\$ 13,711,236	\$5,000/per DU citywide; \$5,497/per DU in RT overlay
Remaining Funding Required	\$ 580,755,796	\$ 554,317,032	\$ 26,438,764	
Other Potential Funding Sources				Notes
TDT Revenue	\$ 82,534,026	\$ 81,042,262	\$ 1,491,764	Based on current TDT
ODOT/County/Developer Funded	\$ 72,947,000	\$ 53,300,000	\$ 19,647,000	Possible regional funding solutions in future
Grants	\$ 900,000		\$ 900,000	Metro or state grants available
City Fund Transfers	\$ -		\$ 3,000,000	
Transp. Utility Fee Surcharge (\$5/month RT only)	\$ 1,400,000		\$ 1,400,000	\$5/month TUF fee overlay in RT District
Other	\$ -			
Total Other Funding	\$ 157,781,026	\$ 134,342,262	\$ 26,438,764	
Remaining Funding Required**	\$ (422,974,770)	\$ (419,974,770)	\$ -	
* Total project costs to complete long-range capital improvements consistent with River Terrace and other citywide planning documents. Assumes City's current credit policy.				
** Possible alternatives:	Percent of gap	Funding Required	Notes	
Delay project construction	50%	\$ (211,487,385)	City could reestablish capital spending priorities	
Await non-local contributions (ODOT/County/Grants)	15%	\$ (63,446,215)	Requires new state/regional/county funding	
Require developer dedications (may be credit eligible)	15%	\$ (63,446,215)	This may limit development activity	
City GO Bond(s)	0%	\$ -		
City Fund Transfers (e.g., state and local gas tax)	5%	\$ (21,148,738)	Equates to about \$1M per year	
City TUF increase	15%	\$ (63,446,215)	Requires +/- \$12.50 month TUF increase citywide	
Total	100%	\$ 422,974,770)		

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Tigard, Oregon



PARKS & RECREATION SYSTEM
DEVELOPMENT CHARGE
METHODOLOGY REPORT
(DRAFT)

February 25, 2015



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SECTION I: BACKGROUND

This section describes the policy context and project scope upon which the body of this report is based.

A. POLICY

Oregon Revised Statutes (ORS) 223.297 to 223.314 authorize local governments to establish system development charges (SDCs). These are one-time fees on new development which are paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users, may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

B. PROJECT

In August, 2014, the City of Tigard (City) contracted with FCS GROUP to update its SDCs for parks. This report documents our findings and recommendations.

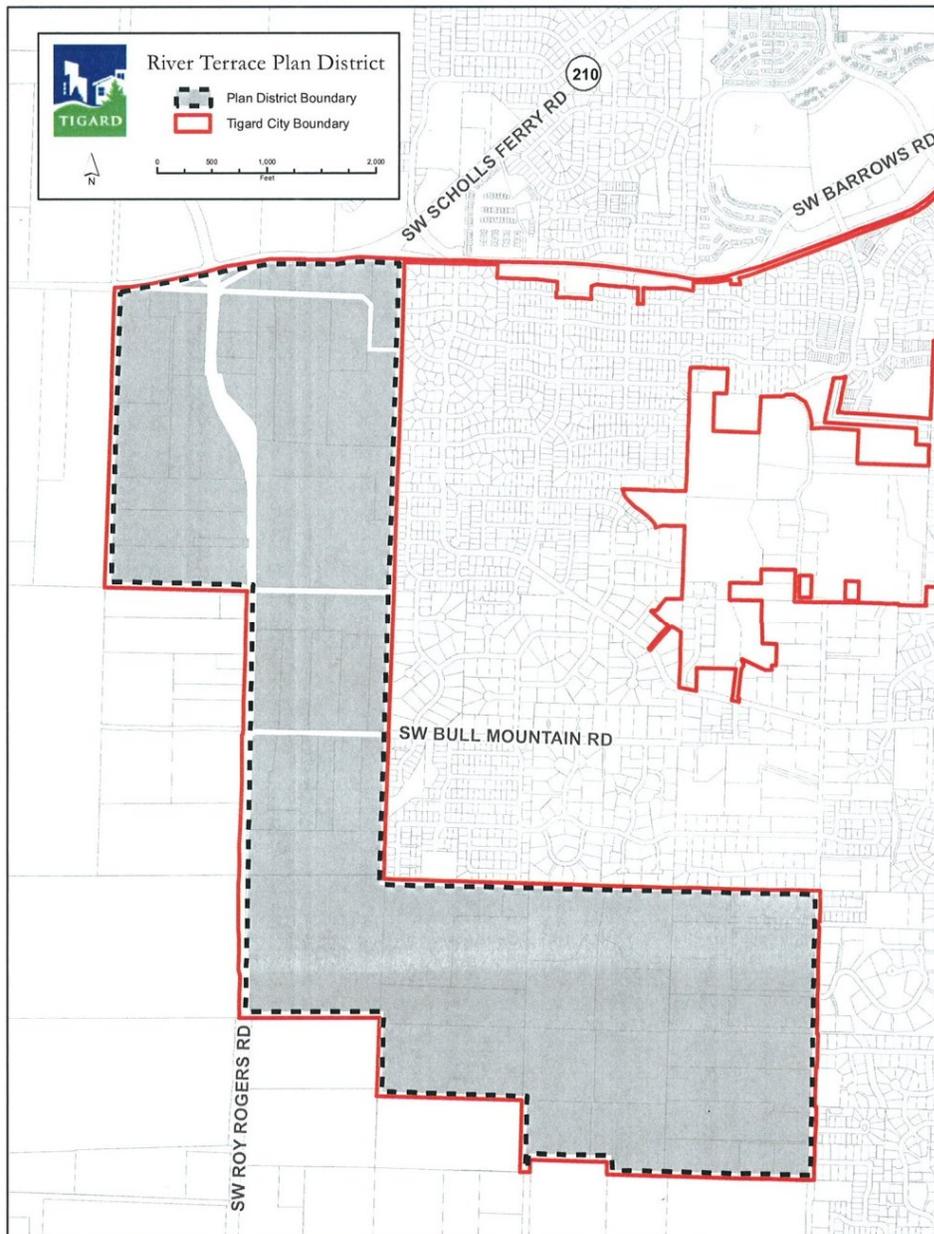
We approached this project as a series of three steps:

- **Framework for Charges.** In this step, we worked with City staff to identify and agree on the approach to be used and the components to be included in the analysis.
- **Technical Analysis.** In this step, we worked with City staff to isolate the recoverable portion of planned facility costs and calculate draft SDC rates.

- **Draft Methodology Report Preparation.** In this step, we documented the calculation of the draft SDC rates included in this report.

This Tigard Parks and Recreation SDC Methodology Report is intended to be generally consistent with the River Terrace Funding Strategy, adopted by Tigard City Council in December 2014. The adopted funding strategy supports the creation of an SDC overlay district within the River Terrace Plan District. Please refer to City of Tigard Community Development Code: Map 18.660 for tax lots that are included in the River Terrace Plan District (**Exhibit 1.1**). Once this Parks SDC methodology is adopted, future development in Tigard would be subject to a citywide SDC, and development within River Terrace would also be subject to both the citywide SDC and the River Terrace SDC.

Exhibit 1.1: River Terrace Plan District



SECTION II: APPROACH

This section provides a non-numeric overview of the calculations that result in SDC rates.

A. REIMBURSEMENT FEE

In order for a reimbursement fee to be calculated, excess (i.e., not currently utilized) capacity must be available to serve future growth. The reimbursement fee is the original cost of available capacity per unit of growth that will use that capacity. The unit of growth, whether number of new residents or number of new employees, is the basis of the fee.

For parks facilities, available capacity is equal to that portion of the current inventory of parks facilities that exceeds the adopted standard for level of service.

B. IMPROVEMENT FEE

The improvement fee is the cost of capacity-increasing capital projects per unit of growth that those projects will serve. The unit of growth, whether number of new residents or number of new employees, is the basis of the fee. In reality, the capacity added by many projects serves a dual purpose of both meeting existing demand and serving future growth. To compute a compliant SDC rate, growth-related costs must be isolated and costs related to current demand must be excluded.

We have used the “capacity approach” to allocate costs to the improvement fee basis. Under this approach, the cost of a given project is allocated to growth in proportion to the growth-related capacity that projects of a similar type will create. For example, suppose that a city’s master plan included the acquisition and development of 100 acres of new neighborhood parks. Suppose further that our analysis determined that 30 acres were required to meet existing demand, and 70 acres were required to serve future users. In that case, only 70 percent of the cost for any new neighborhood park would be eligible for recovery with an improvement fee.

C. GROWTH

Growth should be measured in units that most directly reflect the source of demand. In the case of parks, the most applicable units of growth are population and, where appropriate, employees (or new jobs). However, the units in which demand is expressed may not be the same as the units in which SDC rates are charged. Many SDCs, for example, are charged in the basis of new dwelling units. Therefore, conversion is often necessary from units of demand to units of payment. For example, using an average number of residents per household, the number of new residents can be converted to the number of new dwelling units.

D. COMPLIANCE COSTS

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in its SDC rates.

E. GEOGRAPHIC ALLOCATION

Parks SDCs are often calculated and applied uniformly throughout a municipality, but such uniformity is not a legal requirement. Municipalities can calculate and impose area-specific SDCs. Area-specific SDCs allow a municipality to identify and isolate differential costs to serve particular areas within its jurisdiction. SDCs are calculated separately for each area, and improvement fees must be spent on projects in the improvement fee cost basis for the area in which those improvement fees were earned.

Area-specific SDCs can be implemented in two ways. The first way is to divide the municipality into a set of non-overlapping areas. Under this method, the SDCs for a particular area are determined by the assets, projects, and projected growth in that area. The second method is a layered approach. The first layer consists of a citywide SDC based on assets and projects of citywide benefit. The second layer consists of one or more overlays. Each overlay is a separate list of assets and projects that benefit a particular area within the city. For each overlay, the cost bases are divided by projected growth in that particular area. Development within an overlay pays both the citywide SDC and the overlay SDC. Development outside of any overlay pays only the citywide SDC.

Given the City’s desire to isolate the costs of serving River Terrace, we recommend (and have calculated in this report) both a citywide SDC and an overlay SDC for River Terrace.

F. SUMMARY

In general, SDC rates are calculated by adding the reimbursement fee component, improvement fee component, and compliance cost component. Each component is calculated by dividing the eligible cost by the growth of units of demand. The unit of demand becomes the basis of the charge. **Exhibit 2.1** shows this calculation in equation format:

Exhibit 2.1 – SDC Equation						
Eligible costs of available capacity in existing facilities	+	Eligible costs of capacity-increasing capital improvements	+	Costs of complying with Oregon SDC law	=	SDC per unit of growth in demand
Units of growth in demand						

Section III of this report provides detailed calculations related to growth in demand, which is the denominator in the SDC equation. **Section IV** of this report provides detailed calculations on eligible costs, which is the numerator in the SDC equation.

SECTION III: GROWTH CALCULATION

This section provides detailed calculations related to growth in demand, which is the denominator in the SDC equation.

A. RELEVANT TYPES OF GROWTH

Parks and recreation facilities benefit City residents, businesses, non-resident employees, and visitors. The methodology used to update the City's Parks and Recreation SDCs establishes the required connection between the demands of growth and the SDC by identifying specific types of park and recreation facilities and analyzing the proportionate need of residents and employees for each type of facility. The SDCs to be paid by a development meet statutory requirements because they are based on the nature of the development and the extent of the impact of that development on the types of park and recreation facilities for which they are charged.

The Parks and Recreation SDCs are calculated based on the specific impact a development is expected to have on the City's population and employment. For facilities that are not generally used by employees (e.g., neighborhood parks), only a residential SDC may be charged. For facilities that benefit both residents and employees (e.g., community parks), an SDC may be charged for both residential and non-residential development.

B. POPULATION GROWTH

Having established the relevance of population, we now quantify expected growth in population and convert the result to dwelling units.

B.1 Expected Growth

Based on the City's Transportation System Plan (as amended to include River Terrace), the City's population is expected to grow from 50,851 in 2015 to 72,034 in 2035. In other words, the City is expected to add 21,183 residents over 20 years at a compound average growth rate of 1.76 percent per year.

Of the 21,183 new residents, 6,174 are expected to reside in River Terrace.

B.2 Conversion to Dwelling Units

Residential SDCs are initially calculated based on costs per capita but are ultimately charged based on dwelling units. To convert population to dwelling units, we analyzed data gathered for Tigard from the 2010-2012 American Community Survey. **Table 3.1** shows the resulting conversion factors:

Table 3.1: Residents Per Dwelling Unit, City of Tigard

Dwelling Type	Dwelling Units	Residents	Residents per Dwelling Unit
Single-family residences	14,099	35,891	2.55
Multifamily/other residences	6,718	13,027	1.94
Total or Average	20,817	48,918	2.35

Source: U. S. Census Bureau, 2010-2012 American Community Survey 3-Year Estimates, tables B25024 and B25033. Compiled by FCS Group.

C. EMPLOYMENT GROWTH

Having established the relevance of employment in Section II, we now quantify expected growth in employment and convert the result to population equivalents.

As used here, employee means someone who works in the City regardless of place of residence. Employees may live inside or outside the City. Later in this report, we will be more concerned with non-resident employees in particular.

C.1 Expected Growth

Based on the City’s Transportation System Plan (as amended to include River Terrace), the number of persons employed within the City is expected to grow from 39,536 in 2015 to 54,381 in 2035. In other words, the City is expected to add 14,845 employees over 20 years at a compound average growth rate of 1.53 percent per year.

Of the 14,845 new employees, 75 are expected to work in River Terrace in the future once a small commercial center is added.

C.2 Conversion to Population Equivalents

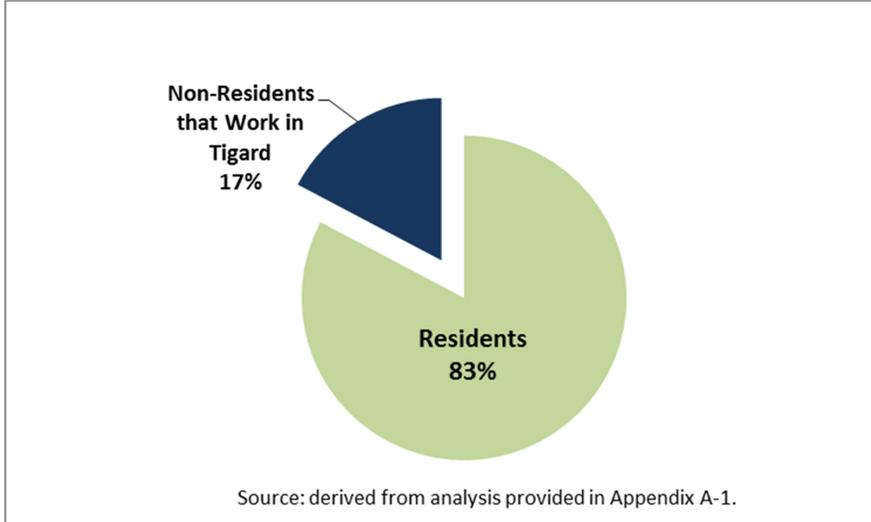
The parks and recreation facilities described in the recently adopted master plans were mostly designed with the needs of both residents and non-resident employees in mind. It is therefore appropriate to allocate the cost of these facilities to both residents and non-resident employees. The only exceptions are neighborhood parks. These facilities were designed for the needs of residents only and it is therefore appropriate to allocate the cost of these facilities to residents only.

While most parks and recreation facilities benefit residents and non-resident employees, these two groups do not utilize parks and recreation facilities with the same intensity. To apportion the demand for facilities between non-resident employees and residents in an equitable manner, a non-resident-employee-to-resident demand ratio must be calculated based on differential intensity of use.

First, we estimate the potential demand for parks and recreation facilities. **Appendix A-1** identifies potential use by different population groups in a manner that averages day-of-week and seasonal effects. These averages are based on the maximum number of hours per day that each population group would consider the use of parks and recreation facilities to be a viable option. In the final panel of **Appendix A-1** (Demand by Population Group), we multiply the weighted average hours by an actual count for each population group based on data from the U. S. Census Bureau. We then apportion this potential demand among residents (four population groups) and non-residents (one population group).

This approach is used to estimate the allocation of parks usage among residents and non-residents, which is summarized in **Figure 3.2**. The findings indicate that residents comprise 83 percent of the expected level of parks demand and non-residents that work within the city comprise 17 percent of the demand. These estimates are subsequently used in the next Section of this report to allocate the eligible SDC cost shares between these two user groups.

Figure 3.2: Allocation of Parks Demand by User Group



SECTION IV: COST CALCULATION

This section provides detailed calculations on eligible costs, which is the numerator in the SDC equation.

A. SDC REIMBURSEMENT FEE

Table 4.1 summarizes the reimbursement fee cost basis, which represents the cost of available capacity in existing parks facilities.

Table 4.1: SDC Reimbursement Fee Basis

Reimbursement Fee	Citywide
Cost Basis	
Cost by facility type	
Community parks	\$ 9,313,497
Open space	1,214,637
Total	\$ 10,528,134
Allocation to residential growth:	
Community parks	\$ 7,704,984
Open space	1,004,860
Total allocation to residential growth	\$ 8,709,844
Allocation to non-residential growth:	
Community parks	\$ 1,608,513
Open space	209,777
Total allocation to non-residential growth	\$ 1,818,290
Adjustments and Allocation Summaries	
Adjustments:	
Compliance costs	\$ -
Donated or grant-funded assets	(533,974)
Remaining debt service ¹	234,357
Fund balance	-
Total adjustments	\$ (299,617)
Allocation to residential growth:	
Facilities	\$ 8,709,844
Adjustments	(247,871)
Total allocation to residential growth	\$ 8,461,973
Allocation to non-residential growth:	
Facilities	\$ 1,608,513
Adjustments	(51,746)
Total allocation to non-residential growth	\$ 1,556,767
Calculated SDC-r	
Residential reimbursement fee per capita	\$ 399
Non-residential reimbursement fee per employee	\$ 105

Source: E-mails from Steve Martin (10/08/2014, 10/14/2014 and 10/27/2014); Park System Master Plan, 2009.

¹ Based on Appendix A-2 calculations for remaining debt service on existing parks bond.

B. FACILITY NEEDS

For purposes of this SDC methodology, each of the City's park facilities falls into one of the following five categories:

- Neighborhood and pocket parks
- Community parks
- Linear parks
- Open spaces
- Trails (includes trails not identified in the Tigard Transportation System Development Charge Methodology Report project list)

Appendix A-3 compares the current inventory of facilities in each category with that category's adopted level of service. In the third panel, that comparison leads to a determination of surplus or deficiency for each category.

Projects are eligible for improvement fee funding only to the extent that the projects will benefit future users. Therefore, only the categories with no deficiency (community parks, open space, and trails) are 100 percent eligible for improvement fee funding. As shown in the fifth panel (Improvement Fee Eligibility), the eligibility percentages of the remaining two categories, neighborhood/pocket parks and linear parks, are reduced to reflect the level of deficiency.

Because some facility types have undeveloped land in their current inventory, the deficiency of land decreases within those types. Therefore, neighborhood/pocket parks have a higher improvement fee eligibility percentage for land acquisition.

C. FACILITY COSTS

The City provided a list (**Table 4.2**) of parks projects by category and area of benefit using project improvements identified in adopted parks and trails master plans for Tigard and River Terrace.

Eligibility percentages are derived from the estimates indicated in Figure 3.2. Applying those percentages to the future Parks project capital costs results in a citywide improvement fee cost basis of \$59.6 million and a River Terrace improvement fee cost basis of approximately \$9.0 million.

Table 4.2: SDC Improvement Fee Basis

Planned Improvement Projects	Timing	City Cost for Land	SDCi Eligibility for Land	City Cost for Development	SDCi Eligibility for Development	SDCi Cost Basis
Projects with Citywide Benefit						
Neighborhood/pocket parks:		Cannot exceed 34.05 acres.		Cannot exceed 57.05 acres.		
Bonita Park	0-10 years	\$ -	93.32%	\$ 75,000	55.70%	\$ 41,771
Metzger Elementary School	5-15 years	-	93.32%	437,000	55.70%	243,388
Northview Park	5-15 years	-	93.32%	367,000	55.70%	204,401
Proposed Local Park (P12)	5-15 years	549,840	93.32%	927,000	55.70%	1,029,380
Proposed Local Park (P9)	5-15 years	1,202,775	93.32%	927,000	55.70%	1,638,670
Future Neighborhood Park	10+ years	4,811,100	93.32%	2,947,800	55.70%	6,131,286
Total neighborhood/pocket parks						9,288,896
Community parks:		Cannot exceed 42.10 acres.		Cannot exceed 61.10 acres.		
Sunrise Community Park	0-10 years	-	100.00%	2,468,000	100.00%	2,468,000
New Community Park (P11)	5-15 years	100,000	100.00%	900,000	100.00%	1,000,000
New Community Park Complex	10+ years	6,108,325	100.00%	10,084,000	100.00%	16,192,325
Fanno Creek Park: Urban Plaza	0-10 years	687,300	100.00%	4,100,000	100.00%	4,787,300
Community park in River Terrace	0-10 years	7,508,000	100.00%	8,386,000	100.00%	15,894,000
Total community parks						40,341,625
Linear parks:		Cannot exceed 37.04 acres.		Cannot exceed 37.04 acres.		
Tigard Triangle Area (P3)	0-10 years	-	71.48%	250,000	71.48%	178,707
Commercial Park	5-15 years	-	71.48%	545,000	71.48%	389,580
Englewood Park	5-15 years	-	71.48%	1,340,000	71.48%	957,867
Fanno Creek Park: Park Gateway	0-10 years	-	71.48%	850,000	71.48%	607,602
Fanno Creek Park: Upland Park	0-10 years	-	71.48%	1,100,000	71.48%	786,309
Undeveloped Linear Park (P7)	5-15 years	-	71.48%	275,000	71.48%	196,577
Total linear parks						3,116,642
Open space:		Cannot exceed 66.14 acres.		Cannot exceed 66.14 acres.		
	5-15 years	412,380	100.00%	-	100.00%	412,380
	10+ years	567,023	100.00%	-	100.00%	567,023
Total open space						979,403
Trails:		Cannot exceed 6.75 miles.		Cannot exceed 6.75 miles.		
Fanno Creek (already funded) (trail project)	0-10 years	-	100.00%	670,000	100.00%	670,000
Westside Trail	0-10 years	-	100.00%	-	100.00%	-
Tigard Street (trail project A)	0-10 years	-	100.00%	634,000	100.00%	634,000
Fanno Creek (trail project C)	0-10 years	-	100.00%	1,040,000	100.00%	1,040,000
Fanno Creek & Tualatin River (trail project D)	0-10 years	-	100.00%	1,609,500	100.00%	1,609,500
Summer Creek (trail project F)	0-10 years	-	100.00%	742,500	100.00%	742,500
Fanno Creek (trail project G)	5-15 years	-	100.00%	-	100.00%	-
Fanno Creek (trail project H)	5-15 years	-	100.00%	206,500	100.00%	206,500
Tigard Street (trail project I)	5-15 years	-	100.00%	-	100.00%	-
Ascension (trail project N)	10+ years	-	100.00%	461,000	100.00%	461,000
Krueger Creek & Summer Creek (trail project P)	10+ years	-	100.00%	495,500	100.00%	495,500
Total trails						5,859,000
Total projects with citywide benefit						\$ 59,585,565
Projects with River Terrace Benefit						
Neighborhood/pocket parks		\$3,752,000	93.32%	\$ 2,975,000	55.70%	\$ 5,158,130
Linear parks		3,128,000	71.48%	228,000	71.48%	2,398,956
Trails		690,000	100%	764,000	100%	1,454,000
Total projects with River Terrace benefit						\$ 9,011,086

Source: E-mail (attachment) from Steve Martin, 09/24/2014. Abbreviation: SDCi = improvement fee. Note: This list does not include projects w hose timing as designated as either "completed" or "in process."

SDCi: Improvement Fee

After determining the total eligible costs, these costs must be allocated between residents and non-residents using the percentages shown previously in Figure 3.2. We also adjust the costs to include costs of compliance and exclude current SDC fund balance and future debt service on the unspent portion of bond proceeds. **Table 4.3** summarizes and allocates the improvement fee cost basis after all adjustments.

Table 4.3: SDC Improvement Fee by Area

Improvement Fee	Area-Specific SDC			Single SDC
	Citywide SDC	River Terrace Overlay SDC	Total	
Project Costs				
Eligible project costs by facility type:				
Neighborhood/pocket parks	\$ 9,288,896	\$ 5,158,130	\$ 14,447,025	\$ 14,447,025
Community parks	40,341,625		40,341,625	40,341,625
Linear parks	3,116,642	2,398,956	5,515,598	5,515,598
Open space	979,403		979,403	979,403
Trails	5,859,000	1,454,000	7,313,000	7,313,000
Total eligible project costs by facility type	\$ 59,585,565	\$ 9,011,086	\$ 68,596,651	\$ 68,596,651
Allocation to residential growth:				
Neighborhood/pocket parks	\$ 9,288,896	\$ 5,158,130	\$ 14,447,025	\$ 14,447,025
Community parks	33,374,315	-	33,374,315	33,374,315
Linear parks	2,578,373	1,984,638	4,563,011	4,563,011
Open space	810,252	-	810,252	810,252
Trails	4,847,106	1,202,883	6,049,988	6,049,988
Total allocation to residential growth	\$ 50,898,942	\$ 8,345,651	\$ 59,244,593	\$ 59,244,593
Allocation to non-residential growth:				
Neighborhood/pocket parks	\$ -	\$ -	\$ -	\$ -
Community parks	6,967,310	-	6,967,310	6,967,310
Linear parks	538,268	414,318	952,586	952,586
Open space	169,150	-	169,150	169,150
Trails	1,011,894	251,117	1,263,012	1,263,012
Total allocation to non-residential growth	\$ 8,686,623	\$ 665,435	\$ 9,352,058	\$ 9,352,058
Adjustments and Allocation Summaries				
Adjustments:				
Compliance costs	\$ 660,000	\$ -	\$ 660,000	\$ 660,000
Debt service for parks bond	(2,550,009)		(2,550,009)	(2,550,009)
Fund balance	(1,124,011)		(1,124,011)	(1,124,011)
Total adjustments	\$ (3,014,020)	\$ -	\$ (3,014,020)	\$ (3,014,020)
Allocation to residential growth:				
Facilities	\$ 50,898,942	\$ 8,345,651	\$ 59,244,593	\$ 59,244,593
Adjustments	(2,574,624)	-	(2,574,624)	(2,603,107)
Total allocation to residential growth	\$ 48,324,318	\$ 8,345,651	\$ 56,669,969	\$ 56,641,486
Allocation to non-residential growth:				
Facilities	\$ 8,686,623	\$ 665,435	\$ 9,352,058	\$ 9,352,058
Adjustments	(439,396)	-	(439,396)	(410,914)
Total allocation to non-residential growth	\$ 8,247,227	\$ 665,435	\$ 8,912,662	\$ 8,941,144
Calculated Total SDCs				
Residential improvement fee per capita	\$ 2,281	\$ 1,352	\$ 3,633	\$ 2,674
Non-residential improvement fee per employee	\$ 602	\$ -	\$ 602	\$ 602

Note: Non-residential SDC is calculated on a citywide basis, even though some costs can be allocated to River Terrace.

SECTION V: SDC CALCULATION

This section provides a detailed calculation of the residential and non-residential SDCs.

A. CALCULATED SDCS BY USE

Dividing the reimbursement and improvement fee cost bases by projected growth in population and employees results in a calculated SDC per unit of growth. The results of this calculation are summarized in **Table 5.1**:

Table 5.1: SDC Improvement Fee by Use*

Calculated SDC Improvement Fees*	Area-Specific SDC		
	Citywide	River Terrace Overlay	River Terrace Total
Residential SDCs			
Total cost basis	\$48,324,318	\$8,345,651	
Growth in population	21,183	6,174	
SDC per capita	\$2,281	\$1,352	\$3,633
SDC per single family dwelling	\$5,807	\$3,441	\$9,248
SDC per multifamily/other dwelling	\$4,372	\$2,591	\$6,963
Non-Residential SDCs			
Total cost basis	\$10,469,428		
Growth in employment	14,845		
SDC per employee	\$705		\$705

Note: Non-residential SDC is calculated on a citywide basis, even though some costs can be allocated to River Terrace.

* includes compliance costs.

Because only 75 new employees are expected in River Terrace over the next 20 years, the non-residential overlay SDC for River Terrace would have been prohibitively expensive. Therefore, we have calculated the non-residential SDC on a citywide basis only.

B. RESIDENTIAL SDC PER DWELLING UNIT

When we convert population to the dwelling units, we can determine the total maximum allowable SDC fee per dwelling unit as shown in **Table 5.1**.

C. ANNUAL ADJUSTMENT

We have reviewed the City's method for annual adjustment of parks SDCs as summarized in the City's "Master Fees & Charges Schedule" and described more fully in Exhibit "A" of Resolution 01-74, which the City Council first adopted on December 18, 2001. Because the index constructed under this method includes both land costs (based on data from the Washington County Assessor) and construction costs (based on data from the *Engineering News Record*), it is an especially

appropriate index for adjusting parks SDCs. We therefore recommend continuing the current practice.

D. CREDITS, EXEMPTIONS AND DISCOUNTS

The Tigard SDC Procedures Guide will establish local policies for issuing credits and exemptions, annual adjustments, and other administrative procedures.

D.1 Credits

A credit is a reduction in the amount of the SDC for a specific development. The Oregon SDC Act requires that credit be allowed for the construction of a "qualified public improvement" which (1) is required as a condition of development approval, (2) is identified in the City's capital improvements program, and (3) either is not located on or contiguous to property that is the subject of development approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., parks land or improvements provided by a developer can only be used for a credit for towards parks SDC improvement fee payments), and must be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project up to the amount of the improvement fee. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the City's SDC Capital Improvements Plan, or provide a share of the cost of an improvement by other means (i.e., partnerships, other City revenues, etc.).

D.2 Exemptions

The City may exempt specific classes of development (i.e., minor additions, etc.) from the requirement to pay SDCs.

D.3 Discounts

Section IV of this Tigard Parks SDC Methodology Report documented the maximum defensible SDC that can be established in Tigard (see **Table 5.2**). In accordance with the River Terrace Funding Strategy, the City of Tigard desires to establish its Parks SDC at a level that is below the maximum amount that it can charge.

The City may discount the amount of the SDC by reducing the portion of growth-required improvements to be funded with SDCs. Alternatively, the City may decide to charge only a percentage (i.e., 50%, 75%, etc.) of the SDC rates required to fund identified growth-related facility costs. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as general fund contributions in order for the City to maintain levels of service.

D.4 Tigard Parks SDCs After Discount

Table 5.2 summarizes the discounted residential SDC improvement/compliance fees that the City of Tigard would initially charge for residential development after the new SDCs are established. The Tigard City Council has the discretion to remove SDC discounts in the future.

Table 5.2: SDC Improvement Fee, After Discount*

Residential SDC Improvement Fee After Discount*	Area-Specific SDC		
	Citywide	River Terrace Overlay	River Terrace Total
Single-family residences	\$5,807	\$2,502	\$7,728
Multifamily/other residences	\$4,372	\$1,884	\$6,256
Average SDC Per Dwelling Unit	\$5,347	\$2,304	\$7,651
Average SDC Per Capita	\$2,281	\$983	\$3,264

Source: discounted SDCs are consistent with the River Terrace Funding Strategy, December 2014.

* includes compliance costs.

The River Terrace SDCs (after discounts) would be lower than the maximum SDC the City can charge to meet the policy objectives established by the River Terrace funding strategy. Hence, additional funding sources would need to be identified to ensure that all projects contained in the long term capital project list can be funded by year 2035. **Appendix A-4** identifies the amount of SDC revenues and other funding revenues the City of Tigard would likely need to fully fund the projects identified in the SDC capital project list.

E. EXISTING AND PROPOSED SDCS

Table 5.3 summarizes the existing and proposed total Parks SDCs for the City of Tigard for reimbursement, improvement and compliance charges, after accounting for discounts.

Once this Methodology Report is adopted, Parks SDCs would vary by location. Parks SDCs within the city (outside River Terrace) would initially be charged \$6,824 per single family dwelling, \$5,138 per multifamily dwelling, and \$810 per new employee. Parks SDCs within River Terrace would initially be charged \$9,327 per single family dwelling, \$7,022 per multifamily dwelling, and \$810 per new employee. It is important to note that the City Council may decide to defer some of the SDC charges identified in the following tables (for example the City Council could vote to defer implementation of the SDC reimbursement fees but charge SDC improvement fees).

Table 5.3: Current and Proposed Parks SDCs, After Discount

Current Tigard Parks & Trails SDC	SDC Current
Residential SDC per capita	\$ 2,753
SDC per single family dwelling	\$ 6,451
SDC per multifamily dwelling	\$ 5,156
Non-residential SDC per employee	\$ 446

Proposed Tigard Parks & Trails SDC	SDC-r	SDC-i (after discount)*		Total SDC (after discount)	
		Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential SDC per capita	\$ 399	\$ 2,281	\$ 983	\$ 2,681	\$ 3,664
SDC per single family dwelling	\$ 1,017	\$ 5,807	\$ 2,502	\$ 6,824	\$ 9,327
SDC per multifamily dwelling	\$ 766	\$ 4,372	\$ 1,884	\$ 5,138	\$ 7,022
Non-residential SDC per employee	\$ 105	\$ 705		\$ 810	\$ 810

Source: derived from prior tables. SDC-r = reimbursement fee; SDC-i = improvement fee. * Includes compliance fee.

APPENDIX

Appendix A-1, Estimated Tigard Parks Demand for Residents and Non-Residents

Parks Demand by Place of Residence, City of Tigard	Residents				Non-Residents	Total
	Non-Employed, Ages 18+	Ages 5-17	Work inside City	Work outside City	Work inside City	
Summer (June through September)						
Weekday						
Before work			1.00		1.00	
Meals and breaks			1.00		1.00	
After work			2.00		2.00	
Other leisure	12.00	12.00	2.00	2.00		
Total weekday	12.00	12.00	6.00	2.00	4.00	
Weekend	12.00	12.00	12.00	12.00		
Total summer	12.00	12.00	7.71	4.86	2.86	
Spring/fall (April, May, October, and November)						
Weekday						
Before work			0.50		0.50	
Meals and breaks			1.00		1.00	
After work			1.00		1.00	
Other leisure	10.00	4.00	2.00	2.00		
Total weekday	10.00	4.00	4.50	2.00	2.50	
Weekend	10.00	10.00	10.00	10.00		
Total spring/fall	10.00	5.71	6.07	4.29	1.79	
Winter (December through March)						
Weekday						
Before work			0.50		0.50	
Meals and breaks			1.00		1.00	
After work			0.50		0.50	
Other leisure	8.00	2.00	1.00	1.00		
Total weekday	8.00	2.00	3.00	1.00	2.00	
Weekend	8.00	8.00	8.00	8.00		
Total winter	8.00	3.71	4.43	3.00	1.43	
Weighting factors						
Summer	0.33	0.33	0.33	0.33	0.33	
Spring/fall	0.33	0.33	0.33	0.33	0.33	
Winter	0.33	0.33	0.33	0.33	0.33	
Total weighting factors	1.00	1.00	1.00	1.00	1.00	
Demand by Population Group						
Daily weighted average hours	10.00	7.14	6.07	4.05	2.02	
Census counts in Tigard	12,850	8,286	6,507	18,843	31,303	
Potential daily demand in Tigard	128,500	59,186	39,507	76,269	63,351	366,813
Proportion	35.03%	16.14%	10.77%	20.79%	17.27%	100.00%
Proportion by place of residence	82.73%				17.27%	100.00%

Source: FCS GROUP; U. S. Census Bureau, 2010-2012 American Community Survey 3-Year Estimates, tables DP03, DP05, and B08008; U. S. Census Bureau, On the Map application.

Appendix A-4, Estimated Tigard Parks Bond Payments

Existing Parks Bond Payments	Principal	Interest	Total
Fiscal year ending June 30, 2016	\$ 665,000	\$ 627,525	\$ 1,292,525
Fiscal year ending June 30, 2017	685,000	607,575	1,292,575
Fiscal year ending June 30, 2018	705,000	587,025	1,292,025
Fiscal year ending June 30, 2019	725,000	565,875	1,290,875
Fiscal year ending June 30, 2020	750,000	544,125	1,294,125
Fiscal year ending June 30, 2021	780,000	514,125	1,294,125
Fiscal year ending June 30, 2022	810,000	482,925	1,292,925
Fiscal year ending June 30, 2023	845,000	450,525	1,295,525
Fiscal year ending June 30, 2024	875,000	416,725	1,291,725
Fiscal year ending June 30, 2025	910,000	381,725	1,291,725
Fiscal year ending June 30, 2026	950,000	304,950	1,254,950
Fiscal year ending June 30, 2027	990,000	304,950	1,294,950
Fiscal year ending June 30, 2028	1,030,000	262,875	1,292,875
Remainder of planning period	4,615,000	558,050	5,173,050
	\$ 15,335,000	\$ 6,608,975	\$ 21,943,975
Principal spent	\$ 12,535,000	81.74%	
Principal remaining	2,800,000	18.26%	
	\$ 15,335,000	100.00%	
Adjustment to reimbursement fee	\$ 12,535,000	-1.87%	\$ 234,357
Adjustment to improvement fee	\$ 2,800,000	91.07%	\$ (2,550,009)
Source: City of Tigard; compiled by FCS Group.			

Appendix A-3, Estimated Parks Inventory and Needs by Category

Inventory and Needs by Category	Neighborhood and Pocket Parks	Community Parks	Linear Parks	Open Space	Trails
Current Inventory					
Fully developed facilities					
River Terrace acres (miles for trails)	0	0	0	0	0
Rest of city acres (miles for trails)	51	155	53	240	16
Total fully developed facilities	51	155	53	240	16
Undeveloped land					
River Terrace acres (miles for trails)	0	0	0	0	0
Rest of city acres (miles for trails)	23	19	0	0	0
Total undeveloped land	23	19	0	0	0
Current Level of Service					
Fully developed facilities					
Rest of city acres per 1,000 residents (miles for trails)	1.00	3.05	1.04	4.73	0.32
Entire city acres per 1,000 residents (miles for trails)	1.00	3.05	1.04	4.72	0.32
Land					
Rest of city acres per 1,000 residents (miles for trails)	1.46	3.43	1.04	4.73	0.32
Entire city acres per 1,000 residents (miles for trails)	1.46	3.42	1.04	4.72	0.32
Standards, Surpluses, and Deficiencies					
Standard acres per 1,000 residents (miles for trails)	1.50	3.00	1.25	4.25	0.32
Fully developed facilities surplus (deficiency)					
River Terrace acres (miles for trails)	(0.15)	(0.31)	(0.13)	(0.43)	(0.03)
Rest of city acres (miles for trails)	(25.12)	2.75	(10.44)	24.32	0.03
Total fully developed facilities surplus (deficiency)	(25.28)	2.45	(10.56)	23.88	0.00
Land surplus (deficiency)					
River Terrace acres (miles for trails)	(0.15)	(0.31)	(0.13)	(0.43)	(0.03)
Rest of city acres (miles for trails)	(2.12)	21.75	(10.44)	24.32	0.03
Total land surplus (deficiency)	(2.28)	21.45	(10.56)	23.88	0.00
Growth Needs					
River Terrace					
Current developed acres	0.00	0.00	0.00	0.00	0.00
Development of undeveloped acres	0.00	0.00	0.00	0.00	0.00
Additional acres to acquire and develop	9.41	18.83	7.84	26.67	2.00
Total developed acres needed by 2035	9.41	18.83	7.84	26.67	2.00
Rest of city					
Current developed acres	51.00	155.00	53.00	240.00	16.20
Development of undeveloped acres	23.00	19.00	0.00	0.00	0.00
Additional acres to acquire and develop	24.64	23.27	29.20	39.47	4.75
Total developed acres needed by 2035	98.64	197.27	82.20	279.47	20.95
Entire city					
Current developed acres	51.00	155.00	53.00	240.00	16.20
Development of undeveloped acres	23.00	19.00	0.00	0.00	0.00
Additional acres to acquire and develop	34.05	42.10	37.04	66.14	6.75
Total developed acres needed by 2035	108.05	216.10	90.04	306.14	22.95
Improvement Fee Eligibility					
Development and other costs	55.70%	100.00%	71.48%	100.00%	100.00%
Land acquisition only	93.32%	100.00%	71.48%	100.00%	100.00%
Maximum acres of development	57.05	61.10	37.04	66.14	6.75
Maximum acres of land acquisition	34.05	42.10	37.04	66.14	6.75
Eligible Costs for Reimbursement Fee					
Unit cost per acre of land (mile for trails)		\$ 400,000		\$ 50,855	
Unit cost per acre of development (mile for trails)		\$ 300,000			
Reimbursable cost	\$ -	\$ 9,313,497	\$ -	\$ 1,214,637	\$ -

Source: E-mails from Steve Martin (10/08/2014, 10/14/2014 and 10/27/2014); Park System Master Plan, 2009.

Appendix A-4, Estimated Parks Inventory and Needs by Category

Tigard Parks SDC Discount Methodology	River Terrace			Notes
	Total	City-wide	Terrace	
Parks Improvement Costs and SDC Revenues				
Total Cost (Land & Improvements)*	\$ 86,684,000	\$ 71,173,000	\$ 15,511,000	
Less SDC Eligible Revenue**	\$ 60,499,000	\$ 57,489,000	\$ 3,010,000	Includes discounted SDCs that are supported by River Terrace Funding Strategy
Remaining Funding Required	\$ 26,185,000	\$ 13,684,000	\$ 12,501,000	
Non-SDC Funding Supported by River Terrace Funding Strategy (adopted Dec. 2014)				
	Total	City-wide	Terrace	Notes
Grants	\$ 1,024,000		\$ 1,024,000	Potential Metro, State or foundation grants
Parks Utility Fees (\$1.11/month)	\$ 5,787,000	\$ 2,718,000	\$ 3,069,000	Assumes 100% of RT utility fees, and 50% of citywide fee revenue to be allotted to RT projects
New Citywide Park Bond	\$ 13,000,000	\$ 6,500,000	\$ 6,500,000	Equates to levy of \$0.20 per \$1,000 AV; or \$63/year for average homeowner; and 50% allotted to RT projects
Subtotal Funding Revenue	\$ 19,811,000	\$ 9,218,000	\$ 10,593,000	
Remaining Net Funding Gap***	\$ (6,374,000)	\$ (4,466,000)	\$ (1,908,000)	
* Total project costs to complete long-range capital improvements consistent with River Terrace and other citywide planning documents. ** SDC revenue adjusted to exclude remaining bond principal and include administrative costs.				
Potential Additional "Gap" Funding Sources				
*** Funding Gap Sources:	Percent Dist.	Amount	Notes	
Grants	20%	\$ 1,274,800	This policy may result in project completion delays	
Developer dedications (SDC credit eligible)	10%	\$ 637,400	This policy may result in project completion delays	
City Parks Utility Fees	70%	\$ 4,461,800	This would require a +/- \$2.34 monthly parks utility fee citywide	
Total	100%	\$ 6,374,000		
Source: compiled by FCS Group.				

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Addendum of Proposed Edits for Final Version:
Tigard Parks System Development Charge Methodology Report (2/25/2015)

Introduction

This document summarizes the proposed changes to the Public Review Draft Tigard Parks 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 Parks System Development Charge Methodology Report, the following edits are proposed for consideration in the final version of the document.

SECTION V. SDC CALCULATION

Table 5.1 SDC Improvement and Compliance Fees

Calculated SDC Improvement Fees*	Area-Specific SDC		
	Citywide	River Terrace Overlay	River Terrace Total
Residential SDCs			
Total cost basis	\$48,324,318	\$8,345,651	
Growth in population	21,183	6,174	
SDC per capita	\$2,281	\$1,352	\$3,633
SDC per single family dwelling	\$5,807	\$3,441	\$9,248
SDC per multifamily/other dwelling	\$4,372	\$2,591	\$6,963
Non-Residential SDCs			
Total cost basis	\$8,941,144		
Growth in employment	14,845		
SDC per employee**	\$602		\$602

Note: Non-residential SDC is calculated on a citywide basis, even though some costs can be allocated to River Terrace.

* includes compliance costs. ** SDC per employee to be assessed based on square feet of floor area.

B. Residential and Non-residential SDC Calculations

B.1 Residential SDC Calculation

When we convert population to the dwelling units, we can determine the total maximum allowable SDC fee per dwelling unit as shown in **Table 5.1**. SDCs for residential development are calculated by multiplying the number of dwellings (by housing category) by the corresponding SDC rate.

B.2 Non-Residential SDC Calculation

To calculate SDCs for proposed redevelopment of existing buildings, the SDC for non-residential uses will take into account the amount of floor area (square feet) proposed as a change in use.

The SDC calculation for new non-residential development takes into account the amount of proposed floor area (square feet). The Parks SDC for non-residential development will vary by the classification of development as shown in **Table 5.2**.

Table 5.2
Parks SDC Conversion Factors for Non-Residential Uses

Category	Parks SDC Per Employee¹	Employees Per 1,000 SF²	Parks SDC Per 1,000 SF
General Industrial	\$707	1.25	\$884
Warehousing/Distribution	\$707	0.80	\$566
Flex	\$707	1.60	\$1,132
Office	\$707	3.33	\$2,357
Retail	\$707	2.22	\$1,572
Institutional	\$707	2.00	\$1,414

¹SDC reflects proposed reimbursement fee, improvement fee, and compliance fee.

²Derived from Metro factors used for 2014 Urban Growth Report
Source: Compiled by FCS GROUP.

E. Existing and Proposed SDCs (page 14)

Table 5.4 summarizes the existing and proposed total Parks SDCs for the City of Tigard for reimbursement, improvement and compliance charges, after accounting for discounts.

Once this Methodology Report is adopted, Parks SDCs would vary by location. Parks SDCs within the city (outside River Terrace) would initially be charged \$6,824 per single family dwelling, \$5,138 per multifamily dwelling, and \$707 per new employee. Parks SDCs within River Terrace would initially be charged \$9,327 per single family dwelling, \$7,022 per multifamily dwelling, and \$707 per new employee.

Table 5.4: Current and Proposed Parks SDCs

Current Tigard Parks & Trails SDC	SDC Current
Residential SDC per capita	\$ 2,753
SDC per single family dwelling	\$ 6,451
SDC per multifamily dwelling	\$ 5,156
Non-residential SDC per employee	\$ 446

Proposed Tigard Parks & Trails SDC	SDC-r	SDC-i (proposed)*		Total SDC (proposed)	
		Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential SDC per capita	\$ 399	\$ 2,281	\$ 983	\$ 2,681	\$ 3,664
SDC per single family dwelling	\$ 1,017	\$ 5,807	\$ 2,502	\$ 6,824	\$ 9,327
SDC per multifamily dwelling	\$ 766	\$ 4,372	\$ 1,884	\$ 5,138	\$ 7,022
Non-residential SDC per employee**	\$ 105	\$ 602		\$ 707	\$ 707

Source: derived from prior tables. SDC-r = reimbursement fee; SDC-i = improvement fee. * Includes compliance fee. ** Non-residential SDCs calculations for new development are to be based on square feet of floor area (see Table 5.2)

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.

Tigard, Oregon



TRANSPORTATION SYSTEM
DEVELOPMENT CHARGE
METHODOLOGY REPORT
(DRAFT)

February 25, 2015



This entire report is made of readily recyclable materials, including the bronze wire binding and the front and back cover, which are made from post-consumer recycled plastic bottles.

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SECTION I: BACKGROUND

This section describes the policy context and project scope upon which the body of this report is based.

A. POLICY

Oregon Revised Statutes (ORS) 223.297 to 223.314 authorize local governments to establish system development charges (SDCs). These are one-time fees on new development, and they are paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDC:

- ◆ A reimbursement fee that is designed to recover “costs associated with capital improvements already construct, or under construction when the fee is established, for which the local government determines that capacity exists”
- ◆ An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed) and on the costs of compliance with Oregon’s SDC law.

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users, may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed) and on the costs of compliance with Oregon’s SDC law.

B. PROJECT

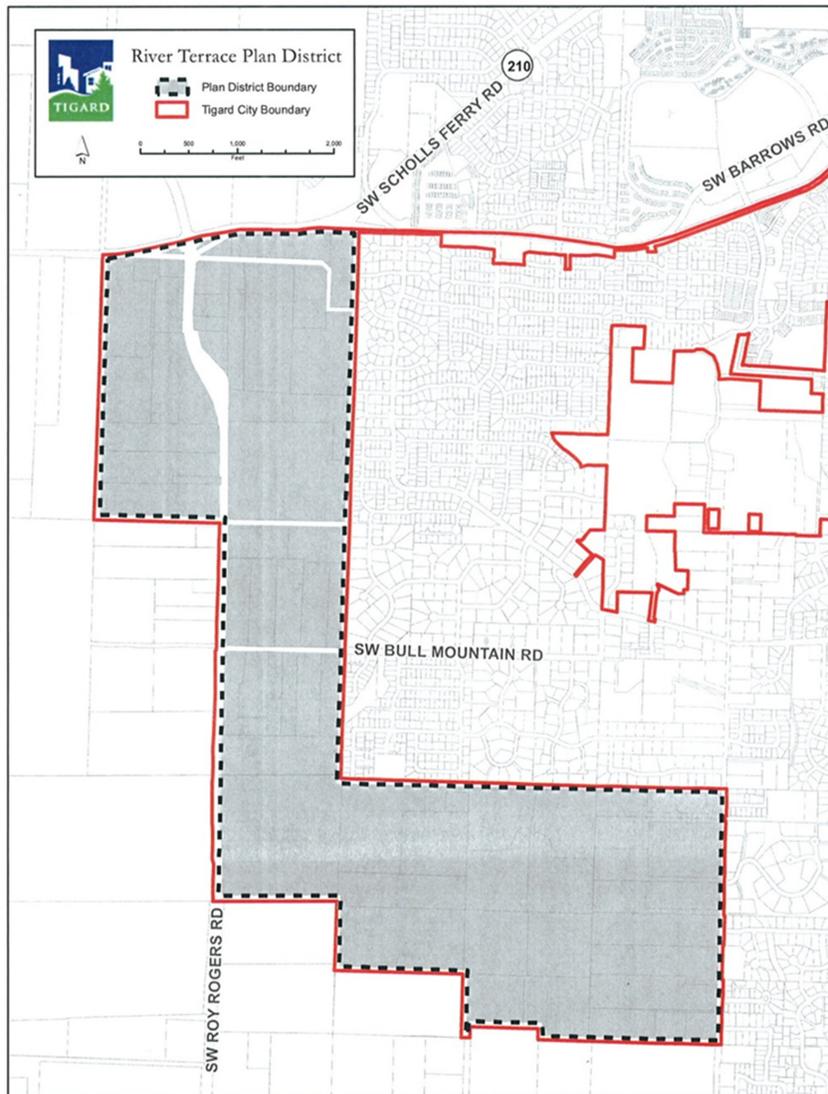
In August 2014, the City of Tigard (City) contracted with FCS GROUP to prepare a new local SDC for transportation facilities that take into account the projects identified in the Tigard Transportation System Plan and the River Terrace TSP Addendum, June 2014. This report documents our findings and recommendations.

We approached this project as a series of three steps:

- ◆ **Framework for Charges.** In this step, we worked with City staff to identify the approach to be used and the components to be included in the analysis.
- ◆ **Technical Analysis.** In this step, we worked with City staff to isolate the recoverable portion of planned facility costs and calculate draft SDC rates.
- ◆ **Draft Methodology Report Preparation.** In this step, we documented the calculation of the draft SDC rates included in this report.

For analysis purposes, the new Tigard Transportation SDC is intended to be consistent with the River Terrace Funding Strategy, adopted by Tigard City Council in December 2014. This Transportation SDC Methodology Report supports the creation of a special SDC overlay district within the River Terrace Plan District boundary (**Exhibit 1.1**). Please refer to City of Tigard Community Development Code: Map 18.660 for tax lots that are included in the River Terrace Plan District. With the adoption of this SDC methodology, future development in Tigard would be subject to a citywide SDC and development within River Terrace would also be subject to the River Terrace SDC overlay fee.

Exhibit 1.1



SECTION II: METHODOLOGY

This section provides a non-numeric overview of the calculations that result in SDC rates.

A. REIMBURSEMENT FEE COST BASIS

The reimbursement fee is the cost of available capacity per unit of growth that such available capacity can serve. In order for a reimbursement fee to be calculated, excess transportation infrastructure capacity must be available to serve future growth. For facility types that have no excess capacity, no reimbursement fee may be charged. This analysis uses the original cost of all SDC or Transportation Development Tax (TDT) infrastructure less the amount currently used as the basis for the reimbursement fee.

B. IMPROVEMENT FEE COST BASIS

The improvement fee is the cost of capacity-increasing capital projects per unit of growth that those projects will serve. Since the capacity added by most projects serves a dual purpose of both meeting existing demand and serving future growth, growth-related costs for each project must be isolated and costs that meet current demand or repair a deficiency must be excluded.

We have used the capacity approach to allocate costs to the improvement fee basis. Under this approach, the cost of a given project is allocated to growth in proportion to the growth-related capacity that projects of a similar type will create. The portion of each project that is attributable to growth is determined and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in demand.

C. COMPLIANCE FEE COST BASIS

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report assumes that compliance costs are equal to 3% of the SDC improvement fee basis.

D. GROWTH

Growth for SDCs is in units that most directly reflect the source of demand. In the case of transportation, the most applicable unit of growth is trips on the infrastructure. In this methodology we have analyzed growth in terms of average daily person trips (ADPT) and P.M. peak hour vehicle trip ends (PHVT).

E. GEOGRAPHIC ALLOCATION

SDCs are often calculated and applied uniformly throughout a municipality, but such uniformity is not a legal requirement. Municipalities can calculate and impose area-specific SDCs. Area-specific SDCs allow a municipality to identify and isolate differential costs to serve particular areas within its jurisdiction. SDCs are calculated separately for each area, and improvement fees must be spent on projects in the improvement fee cost basis for the area in which those improvement fees were earned.

Area-specific SDCs can be implemented in two ways. The first way is to divide the municipality into a set of non-overlapping areas. Under this method, the SDCs for a particular area are determined by the assets, projects, and projected growth in that area. The second method is a layered approach. The first layer consists of a citywide SDC based on assets and projects of citywide benefit. The second layer consists of one or more overlays. Each overlay is a separate list of assets and projects that benefit a particular area within the city. Development within an overlay pays both the citywide SDC and the overlay SDC. Development outside of any overlay pays only the citywide SDC.

Given the City’s desire to isolate the costs of serving certain areas and findings in the River Terrace Funding Strategy adopted by Tigard City Council in December 2014, we recommend (and have calculated in this report) both a citywide SDC and an overlay SDC for River Terrace.

F. SUMMARY

In general, SDC rates are calculated by adding the reimbursement fee component, improvement fee component, and compliance cost component. Each component is calculated by dividing the eligible cost by the growth of units of demand. The unit of demand becomes the basis of the charge. **Exhibit 2.1** shows this calculation in equation format:

Exhibit 2.1: SDC Equation					
Eligible costs of available capacity in existing facilities	+	Eligible costs of capacity-increasing capital improvements	+	Costs of complying with Oregon SDC law	= SDC per unit of growth in demand
Units of growth in demand					

Section III of this report provides detailed calculations related to growth in demand, which is the denominator in the SDC equation. **Section IV** of this report provides detailed calculations on eligible costs, which is the numerator in the SDC equation. **Section V** identifies SDC recommendations.

SECTION III: GROWTH CALCULATION

This section provides detailed calculations related to growth in demand, which is the denominator in the SDC equation.

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. ADPT is an important measure of growth

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 (also known as pass-by trips) for certain types of developments, such as fast food restaurants and fuel stations, which have relatively high rates of linked-trip activity.

B. GROWTH IN TRIP ENDS

Having established relevance of ADPT and PHVT, we now quantify expected growth rates.

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). Or conversely, for every 21 average daily person trip-ends that originate or terminate in Tigard (includes people making trips by vehicles, bicycle, pedestrian and transit) there is one P.M peak-hour vehicle trip-end expected (PHVT).

B.2 Calculating the Eligible SDC Cost Share

The growth share for any project varies by the project type and the percent of the project that serves future growth. See **Appendix A** for a complete list of projects with the appropriate growth shares. In general, new collector or arterial facilities (including the roadways, bicycle, and pedestrian facilities) that are needed only to serve growth are 100% SDC eligible. Existing roadways and bicycle/pedestrian facilities that are planned for expansion to accommodate growth may only be partially eligible for SDC funding.

The share of existing transportation facilities that are planned for capacity upgrades to serve future growth needs varies by type of project and the rubric to determine future growth share is shown in **Appendix B**.

Exhibit 3.1: Average Daily Person Trip-End (ADPT) Assumptions

Area	2010	2015	2035	Growth 2015 to 2035
River Terrace	469	1,083	30,737	29,654
Rest of Tigard	525,451	560,100	733,130	173,030
All Tigard	525,920	561,183	763,867	202,684

Source: Trip growth estimates and forecasts were compiled by DKS Associates using data derived from the Metro Regional Transportation Plan model that's consistent with the River Terrace Community Plan Transportation System Plan Addendum (June 2014).

Exhibit 3.2: Tigard Peak-Hour Vehicle Trip-End (PHVT) Assumptions

Area	2010	2015	2035	Growth 2015 to 2035
River Terrace	63	119	1,536	1,417
Rest of Tigard	28,319	30,019	38,341	8,322
All Tigard	28,382	30,379	39,877	9,498

Source: Trip growth estimates and forecasts were compiled by DKS Associates using data derived from the Metro Regional Transportation Plan model that's consistent with the River Terrace Community Plan Transportation System Plan Addendum (June 2014).

SECTION IV: COST CALCULATION

This section provides detailed calculations on eligible costs, which is the numerator in the SDC equation.

A. REIMBURSEMENT FEE

As noted in **Section II**, the reimbursement fee is based on the present value of unused capacity that the City has funded in Tigard. For analysis purposes, we have based the reimbursement SDC cost basis on the actual amount of prior capacity investments the city has made using Transportation Development Tax funds over the past nine fiscal years. The expenditures from previous years have been discounted by the trip growth rate in this report to account for increased use since initial construction. **Exhibit 4.1** summarizes the cost basis for the reimbursement fee. Detailed calculations are included in **Appendix C**.

Exhibit 4.1: Reimbursement Fee Basis Calculation

Reimbursement Fee Calculation	Total
Capital Project Expenditures	\$4,955,023
Less Capacity Used Up	\$369,470
Reimbursement fee basis	\$4,585,553

Source: City of Tigard, compiled by FCS GROUP.

Using the calculated growth in PHVT from the previous section and the reimbursement fee shown in **Exhibit 4.1**, **Exhibit 4.2** shows the calculated reimbursement fee. Note that the reimbursement fee is charged irrespective of the SDC overlay district.

Exhibit 4.2: Reimbursement Fee Calculation

Reimbursement Fee per PMPHT	Total
Cost of SDC/TDT Capital Project Expenditures	\$4,585,553
Change in ADPT (2015-2035)	202,684
Reimbursement Fee per ADPT	\$23
Equivalent Reimbursement Fee per PHVT*	\$483

Source: Previous tables and Appendix C, compiled by FCS GROUP. *Assumes ADPT to PHVT conversion factor of 21.34

B. IMPROVEMENT FEE

City staff identified a list of project needs for the transportation SDC using several sources:

- ◆ The Tigard Transportation System Plan
- ◆ The River Terrace Transportation System Plan Addendum
- ◆ The Metro's Regional Transportation Plan
- ◆ The Tigard's Capital Improvement Plan

In addition, the current Transportation Development Tax Road Project List has been considered to ensure that potential SDC project expenditures are not included on the TDT project list as well.

Exhibit 4.3 shows a summary list of the Tigard transportation project costs. Overall, the City identified a total need of \$625 million. For a detailed list of Tigard transportation projects see **Appendix A**.

Exhibit 4.3: Transportation Project Capital Costs, City of Tigard, 2015-2035 (in \$1,000s)

Project Location	Arterial	Collector	Bridge	Bike/Ped	TSM*	Total
Citywide	\$479,592	\$39,000	\$15,000	\$34,030	\$17,500	\$585,122
River Terrace	\$0	\$37,850	\$0	\$1,800	\$0	\$40,150
Total	\$479,592	\$76,850	\$15,000	\$35,830	\$17,500	\$625,272

Source: City of Tigard, compiled by FCS GROUP. * TSM = transportation system management.

B.1 SDC-Eligible Costs

Total SDC eligible costs are a percentage of total projects. The percent of each individual project is calculated and then summed by infrastructure type. Because there is an overlay districts, each project is categorized as either benefitting the overlay district or the entire city. **Exhibit 4.4** shows a summary table by SDC overlay and type of transportation costs. See **Appendix A** for detailed calculations of SDC-eligible costs.

Exhibit 4.4: Transportation SDC Project Capital Costs, City of Tigard, 2015-2035 (in \$1,000s)

Project Location	Arterial	Collector	Bridge	Bike/Ped	TSM	Total
Citywide	\$222,818	\$19,669	\$5,250	\$5,911	\$13,882	\$267,530
River Terrace	\$0	\$14,623	\$0	\$0	\$0	\$14,623
Total	\$222,818	\$34,292	\$5,250	\$5,911	\$13,882	\$282,153

Source: City of Tigard, compiled by FCS GROUP. * TSM = transportation system management (e.g., traffic signal synchronization and turning movement/access modifications).

B.2 Adjustment for SDC Fund Balance

There is no existing local transportation SDC in Tigard and therefore no fund balances to consider at this time.

B.3 Improvement Fee Summary by District

Similar to the reimbursement fee cost basis above, we calculate the improvement fee cost basis by district in PHVT using growth estimates from the previous section and the SDC-eligible projects shown above. **Exhibit 4.5** shows the potential improvement fee by district before discounts or adjustments.

Exhibit 4.5: SDC Improvement Fee by District

Improvement Fee Calculations (before discounts)	SDC-Eligible Project Costs	Growth in ADPT	Fee per ADPT	Equivalent Fee per PHVT*	SDC Fee per Single-Family Residence
Citywide base charge	\$267,530,222	202,684	\$1,320	\$28,168	\$15,924
River Terrace Overlay	\$14,622,750	29,654	\$493	\$10,523	\$5,949
Total River Terrace SDC	\$282,152,972	232,339	\$1,813	\$38,690	\$21,873

Source: Previous tables and Appendix, compiled by FCS GROUP. * Assumes ADPT to PHVT conversion factor of 21.34; compiled by FCS Group.

C. COMPLIANCE FEE COST BASIS

For the purpose of this study, we assume the compliance costs equal 3% of the SDC improvement fee.

D. SUMMARY CALCULATED SDCS

Exhibit 4.6 shows the calculated SDC per person trip (ADPT) by each fee basis and by district. Note that this is the maximum defensible SDC that Tigard can charge based on forecasted growth in person-trips.

Exhibit 4.6: Total SDC per ADPT (SDC per person trip before discounts)

Area	Reimbursement Fee per ADPT	Improvement Fee per ADPT	Compliance Fee per ADPT	Total SDC per ADPT	SDC Fee per Dwelling Unit (average)
Citywide	\$23	\$1,320	\$40	\$1,382	\$16,675
River Terrace Overlay		\$493	\$15	\$508	\$6,127
River Terrace Total	\$23	\$1,813	\$54	\$1,890	\$22,802

Source: Previous tables and Appendix, compiled by FCS GROUP.

Exhibit 4.7 expresses the maximum SDC that Tigard can charge in terms of growth in P.M peak-hour vehicle trip-ends (PHVT) by each fee basis and by district. This is also the maximum defensible SDC that Tigard can charge based on vehicle trip growth.

Exhibit 4.7: Equivalent Total SDC per PHVT (before discounts)

Area	Reimbursement Fee	Improvement Fee	Compliance Fee	Total SDC per PHVT	SDC Fee per Dwelling Unit
Citywide	\$483	\$28,168	\$845	\$29,495	\$16,675
River Terrace Overlay		\$10,523	\$316	\$10,839	\$6,127
River Terrace Total	\$483	\$38,690	\$1,161	\$40,334	\$22,802

Source: Previous tables and Appendix, compiled by FCS GROUP. *Assumes ADPT to PHVT conversion factor of 21.34; compiled by FCS Group.

SECTION V: RECOMMENDATIONS

This section provides calculations of the residential and non-residential SDCs and recommended SDCs after accounting for credit and discount policies.

A. TRANSPORTATION SDC CALCULATION

The transportation SDC is based on the number of trips that a change in land use generates. The Institute of Transportation Engineers (ITE) *Trip Generation Manual* contains trip rates based on studies conducted nationwide and provides the base data of unadjusted counts of trips generated by various types of land use.

Unadjusted trip counts mean that certain land use types will have high trip counts including all traffic entering or leaving a location but does not account for traffic that passes by or interrupts a primary trip between origin and destination. Trips that interrupt a primary trip are called “linked trips” and this SDC methodology recommends removing them from the residential calculation because they would occur regardless of development activity.

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.

A.2 Non-Residential SDC Calculation

The proposed SDCs identified in this report include specific recommendations for initial SDCs to be charged based on new PHVT added for non-residential development. New non-residential development in Tigard may include land use types that include linked trips.

The number of new PHVTs generated for non-residential land use should take into account the following formula:

$$\text{ITE Vehicle Trip Rate} \times (1 - \% \text{ Linked Trips}) = \text{Net New PHVT}$$

The SDC per unit of development is calculated for each type of land use by multiplying the new PHVT for each land use by the SDC per PHVT. It is important to note that the *Trip Generation Manual* may not contain some land use categories or may not include trip rates or number of net new trips generated. For such land use categories without data, the City administrator shall use her/his judgment to calculate the transportation SDC.

B. ANNUAL ADJUSTMENT

We have reviewed the City's method for annual adjustment of parks SDCs as summarized in the City's "Master Fees & Charges Schedule" and described more fully in Exhibit "A" of Resolution 01-74, which the City Council first adopted on December 18, 2001. The index constructed under this method which includes both land costs (based on data from the Washington County Assessor) and construction costs (based on data from the *Engineering News Record*) is an especially appropriate index for adjusting transportation SDCs. We therefore recommend application of this practice.

C. CREDITS AND EXEMPTIONS

The Tigard SDC Procedures Guide will establish local policies for issuing credits and exemptions, annual adjustments, and other administrative procedures.

C.1 Credits

A credit is a reduction in the amount of SDCs paid for a specific development. The Oregon SDC Act requires that credit be allowed for the construction of a "qualified public improvement" which (1) is required as a condition of development approval, (2) is identified in the City's capital improvements program, and (3) either is not located on or contiguous to property that is the subject of development approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., transportation right of way or improvements provided by a developer can only be used for a credit for towards transportation SDC improvement fee payments), and must be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project up to the amount of the improvement fee. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the City's SDC Capital Improvements Plan, or provide a share of the cost of an improvement by other means (i.e., partnerships, other City revenues, etc.).

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 is based on current practice in the City and 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 "hybrid" 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 75% 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 \$6.5 million over Option A.

Option C. This credit policy is similar to Option B, but expands the exception make for the planned River Terrace Boulevard project from 75% 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.

It is important to note that regardless of the credit policy chosen, the City would stipulate that credits provided within the River Terrace district cannot be used in another part of the City. However, citywide SDC credits could be utilized anywhere within the City. This would help ensure that any transportation SDC credits issued in River Terrace will result in continued development investment in River Terrace.

C.2 Exemptions

The City may exempt specific classes of development (i.e., minor additions, etc.) from the requirement to pay SDCs.

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 or 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. If the City discounts SDCs, the revenues will decrease and amounts that must come from other sources will increase, such as general fund contributions, 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 an citywide average SDC of \$5,000 per dwelling unit and an average supplemental River Terrace SDC of \$497 per dwelling unit. **Exhibit 5.1** summarizes the residential SDCs that the City would charge new development initially once the new SDCs are established.

Exhibit 5.1: Average Transportation SDC per Dwelling (after discounts)

Area with Tigard	Reimbursement Fee	Improvement Fee	Compliance Fee	Total SDC
Citywide	\$273	\$4,589	\$138	\$5,000
River Terrace Overlay		\$483	\$14	\$497
River Terrace Total	\$273	\$5,072	\$152	\$5,497

Source: Compiled by FCS GROUP based on funding policy objectives stated in the River Terrace Funding Strategy; and prior tables.

Since the River Terrace SDCs would be lower than the maximum SDC the City can justify, additional funding sources would be needed to ensure that all projects contained in the long term capital project list can be funded by year 2035.

Appendix D identifies the amount of SDC revenues and other funding revenues the City of Tigard would likely need to fund the projects identified in the SDC capital project list.

E. EXISTING AND PROPOSED SDCS

Exhibit 5.2 summarizes the existing and proposed total Transportation SDCs for the City of Tigard for reimbursement, improvement and compliance charges, after accounting for discounts.

Once this Methodology Report is adopted, Transportation SDCs would vary by location. SDCs within the city (outside River Terrace) would initially be charged: \$5,714 per single family dwelling, \$3,333 per multifamily/other dwelling, and non-residential uses would be charged \$8,884 per P.M. peak-hour vehicle trip-end (PHVT).

The potential SDCs for the River Terrace District have been calculated under three possible credit policy scenarios. Under each scenario the citywide SDC would be the same but the River Terrace SDC would change. It is important to note that the City Council may decide to defer some of the SDC charges identified in the following tables (for example the City Council could vote to defer implementation of the SDC reimbursement fees but charge SDC improvement fees).

E.1 SDCs with Current Credit Policy

If the City utilized its current credit policy that is consistent with the Washington County TDT credit policy, the local Transportation SDCs within River Terrace would initially be charged: \$6,282 per single family dwelling, \$3,665 per multifamily dwelling, and non-residential uses would be charged \$9,724 per PHVT (**Exhibit 5.2**).

Development Type	SDC Current	Citywide Base SDC-r	SDC-i (after discount) ¹		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential Development ²						
Avg. charge per single family dwelling	n/a	\$273	\$4,727	\$497	\$5,000	\$5,497
Charge per single family dwelling	n/a	\$312	\$5,402	\$568	\$5,714	\$6,282
Charge per multifamily dwelling	n/a	\$182	\$3,151	\$331	\$3,333	\$3,665
Non-Residential Development ³						
Avg. charge per PHVT ⁴	n/a	\$483	\$8,362	\$879	\$8,844	\$9,724
Notes:						
¹ Includes compliance fee.						
² Variance between single family detached and multifamily dwelling unit charges take into account peak trip adjustment factors derived from the ITE Handbook.						
³ 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.						
⁴ 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 preceeding tables.						

E.2 SDCs with 75% Credit Policy for River Terrace Boulevard

This scenario assumes that River Terrace Boulevard is 75% 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: \$9,410 per single family dwelling, \$5,489 per multifamily dwelling, and non-residential uses would be charged \$9,951 per PHVT (**Exhibit 5.3**).

Exhibit 5.3: Option B, Tigard Transportation SDCs (with 75% RT Blvd. credit policy)*

Development Type	SDC Current	Citywide Base SDC-r	SDC-i (after discount) ¹		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential Development ²						
Avg. charge per single family dwelling	n/a	\$273	\$4,727	\$3,234	\$5,000	\$8,234
Charge per single family dwelling	n/a	\$312	\$5,402	\$3,696	\$5,714	\$9,410
Charge per multifamily dwelling	n/a	\$182	\$3,151	\$2,156	\$3,333	\$5,489
Non-Residential Development ³						
Avg. charge per PHVT ⁴	n/a	\$483	\$8,362	\$1,106	\$8,844	\$9,951

Notes:

* Credit policy assumes River Terrace Blvd. improvements are 75% 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.

¹ Includes compliance fee.

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

³ 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.

⁴ 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.

E.2 SDCs with 100% Credit Policy for River Terrace Boulevard

This scenario assumes that River Terrace Boulevard is 100% 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: \$10,453 per single family dwelling, \$6,097 per multifamily dwelling, and non-residential uses would be charged \$10,026 per PHVT (**Exhibit 5.4**).

Exhibit 5.4: Option C, Tigard Transportation SDCs (with 100% RT Blvd. credit policy)*

Development Type	SDC Current	Citywide Base SDC-r	SDC-i (after discount) ¹		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential Development ²						
Avg. charge per single family dwelling	n/a	\$273	\$4,727	\$4,146	\$5,000	\$9,146
Charge per single family dwelling	n/a	\$312	\$5,402	\$4,738	\$5,714	\$10,453
Charge per multifamily dwelling	n/a	\$182	\$3,151	\$2,764	\$3,333	\$6,097
Non-Residential Development ³						
Avg. charge per PHVT ⁴	n/a	\$483	\$8,362	\$1,182	\$8,844	\$10,026

Notes:

* Credit policy assumes River Terrace Blvd. improvements 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.

¹ Includes compliance fee.

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

³ 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.

⁴ 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.

APPENDIX

Appendix A – Transportation Capital Project List

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
River Terrace Benefit																	
Project ID 23A	150th Ave	Collector	Improve 150th Ave. from Bull Mountain Rd. to Beef Bend Rd.	\$400,000	24%	\$306,000		\$94,000	\$94,000	50%	50%	\$23,500	\$0	\$23,500	0%	100%	RT TSP Addendum
Project ID 21A	Bull Mountain Rd	Collector	Upgrade to urban standards	\$1,200,000	29%	\$850,000		\$350,000	\$350,000	50%	50%	\$87,500	\$350,000	\$0	100%	0%	RT TSP Addendum
Project ID 18	Intersection	Collector	Bull Mountain Rd. / N-S collector intersection or roundabout	\$1,500,000	100%			\$1,500,000	\$1,500,000	100%	100%	\$1,500,000	\$0	\$1,500,000	0%	100%	RT TSP Addendum
Project ID 20	Intersection	Collector	Woodhue St. / 161st Ave. extension intersection or roundabout	\$2,000,000	0%	\$2,000,000		\$0	\$0	100%	100%	\$0	\$0	\$0			RT TSP Addendum
Project ID NA 2 1	Intersection	Street	Improvements where new streets meet existing streets - Phase 1	\$500,000	100%			\$500,000	\$0	50%	100%	\$0	\$0	\$0			RT TSP Addendum
Project ID 2	Lorenzo Ln	Collector	Extend Lorenzo Ln. from West UGB to Roy Rodgers Rd.	\$2,500,000	5%	\$2,380,000		\$120,000	\$120,000	100%	100%	\$120,000	\$0	\$120,000	0%	100%	RT TSP Addendum
Project ID 3	Lorenzo Ln	Collector	Extend Lorenzo Ln. from Roshak Rd. to Roy Rodgers Rd.	\$3,500,000	100%			\$3,500,000	\$3,500,000	100%	100%	\$3,500,000	\$0	\$3,500,000	0%	100%	RT TSP Addendum
Project ID NA 1 1	River Terrace Trail	Bke/Ped	River Terrace Trail from Roy Rodgers Rd. to 150th Ave.	\$1,800,000	100%			\$1,800,000	\$1,800,000	0%	100%	\$0	\$0	\$0			RT TSP Addendum
Project ID 5A	RT Blvd	Collector	3 lane N-S collector from Scholls Ferry to Lorenzo Ln. extension - Phase 1	\$6,030,000	43%	\$3,417,000		\$2,613,000	\$2,613,000	100%	100%	\$2,613,000	\$653,250	\$1,959,750	25%	75%	RT TSP Addendum
Project ID 5B	RT Blvd	Collector	3 lane N-S collector from Scholls Ferry to Lorenzo Ln. extension - Phase 2	\$2,970,000	100%			\$2,970,000	\$2,970,000	100%	100%	\$2,970,000	\$742,500	\$2,227,500	25%	75%	RT TSP Addendum
Project ID 6A	RT Blvd	Collector	3 lane N-S collector from Lorenzo Ln. extension to Bull Mountain Rd. - Phase 1	\$4,875,000	48%	\$2,550,000		\$2,325,000	\$2,325,000	100%	100%	\$2,325,000	\$581,250	\$1,743,750	25%	75%	RT TSP Addendum
Project ID 7A	RT Blvd	Collector	3 lane N-S collector from Bull Mountain Rd. to the south City limit - Phase 1	\$4,125,000	46%	\$2,244,000		\$1,881,000	\$1,881,000	100%	100%	\$1,881,000	\$470,250	\$1,410,750	25%	75%	RT TSP Addendum
Project ID 7B	RT Blvd	Collector	3 lane N-S collector from south City limit to the south UGB (phase 2)	\$6,250,000	46%	\$3,400,000		\$2,850,000	\$2,850,000	100%	100%	\$2,850,000	\$712,500	\$2,137,500	25%	75%	RT TSP Addendum
Project ID 8		Collector	2 lane E-W collector between Roy Rodgers Rd. and N-S collector	\$2,500,000	0%	\$2,500,000		\$0	\$0	0%	0%	\$0	\$0	\$0			RT TSP Addendum
Downtown Benefit (included in citywide)																	
Metro Project ID	Ash Ave	Collector	Extend Ash Avenue from Burnham, across the RR, to Commercial Street	\$10,000,000	100%			\$10,000,000	\$10,000,000	50%	100%	\$5,000,000	\$0	\$5,000,000	0%	100%	TSP, RTP, CIP
Tigard Triangle Benefit (included in citywide)																	
Beveland St 70th to 7117 Beveland)	Beveland St	Bke/Ped	Fill 330' Sidewalk Gap	\$40,000	100%			\$40,000	\$40,000	50%	100%	\$20,000	\$0	\$20,000	0%	100%	City staff
Red Rock Creek Greenway	Trail	Bke/Ped	New trail parallel to and south of 99W in triangle	\$3,000,000	100%			\$3,000,000	\$3,000,000	25%	50%	\$375,000	\$0	\$375,000	0%	100%	City staff

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
Citywide Benefit																	
121st Ave, Whistler to Tippitt	121st Ave	Bike/Ped	Add Sidewalks and Bike Lanes	\$3,500,000	100%			\$3,500,000	\$3,500,000	50%	100%	\$1,750,000	\$3,500,000	\$0	100%	0%	City staff
121st Ave over Summer Creek	121st Ave	Bike/Ped	Pedestrian bridge on west side of road	\$50,000	100%			\$50,000	\$50,000	50%	100%	\$25,000	\$0	\$25,000	0%	100%	City staff
121st Street Widening	121st St	Collector	Walnut Street to North Dakota Street - two lanes with turn lanes where necessary plus bike lanes and sidewalks	\$6,000,000	100%			\$6,000,000	\$6,000,000	50%	100%	\$3,000,000	\$6,000,000	\$0	100%	0%	City staff
Metro Project ID 10755	72nd Ave	Arterial	Wden 72nd Ave. to 5 lanes from Hunziker Rd. to Hwy. 99	\$35,000,000	100%			\$35,000,000	\$35,000,000	80%	100%	\$28,000,000	\$9,269,598	\$18,730,402	33%	67%	TSP, RTP, CIP
Metro Project ID 10756	72nd Ave	Arterial	Wden 72nd Ave. to 5 lanes from Hunziker Rd. to Bonita	\$28,166,850	100%			\$28,166,850	\$28,166,850	80%	100%	\$22,533,480	\$7,261,185	\$15,272,295	32%	68%	TSP, RTP, CIP
Metro Project ID 10757	72nd Ave	Arterial	Wden 72nd Ave. to 5 lanes from Bonita Rd. to Durham Rd.	\$15,425,000	100%			\$15,425,000	\$15,425,000	80%	100%	\$12,340,000	\$9,269,598	\$3,070,402	75%	25%	TSP, RTP, CIP
72nd Avenue	72nd Ave	TSM	Provide Arterial Corridor Management along Corridor #19 (Hwy 217) in the Metro TSMO Plan	\$1,700,000	100%			\$1,700,000	\$1,700,000	100%	100%	\$1,700,000	\$0	\$1,700,000	0%	100%	City staff
72nd Avenue	72nd Ave	TSM	Provide Arterial Corridor Management on 72nd Avenue along Corridor #2 (I-5) near the Upper Boones Ferry Road Interchange in the Metro TSMO Plan	\$1,600,000	100%			\$1,600,000	\$1,600,000	100%	100%	\$1,600,000	\$1,368,928	\$231,072	86%	14%	City staff
Barrows Road	Barrows Rd	Bike/Ped	Add Sidewalks and bike lanes	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	100%	\$1,500,000	\$0	\$1,500,000	0%	100%	City staff
Metro Project ID 10752	Bonita Rd	Arterial	Wden Bonita Rd. to 4 lanes from Bangy to Hall Blvd.	\$45,000,000	100%			\$45,000,000	\$45,000,000	80%	90%	\$32,400,000	\$5,272,615	\$27,127,385	16%	84%	TSP, RTP, CIP
Bull Mountain Road (Hwy 99W to Benchview Terr)	Bull Mountain Rd	Collector	Wden to three lanes with bike lanes and sidewalks	\$8,000,000	100%			\$8,000,000	\$8,000,000	50%	100%	\$4,000,000	\$8,000,000	\$0	100%	0%	RT TSP Addendum
Cascade Ave	Cascade Ave	Bike/Ped	Pave northbound bike lane gap	\$30,000	100%			\$30,000	\$30,000	50%	100%	\$15,000	\$0	\$15,000	0%	100%	City staff
Metro Project ID 10759	Dartmouth St	Collector	Wden Dartmouth St. to 4 lanes from 72nd Ave. to 68th Ave.	\$5,000,000	100%			\$5,000,000	\$5,000,000	80%	100%	\$4,000,000	\$1,853,920	\$2,146,080	46%	54%	TSP, RTP
Metro Project ID 10753	Durham Rd	Arterial	Wden Durham Rd. to 5 lanes from Boones Ferry to Hall Blvd.	\$20,000,000	100%			\$20,000,000	\$20,000,000	80%	90%	\$14,400,000	\$0	\$14,400,000	0%	100%	TSP, RTP, CIP
Metro Project ID 10764	Durham Rd	Arterial	Wden Durham Rd. to 5 lanes from Hall Blvd. To Hwy. 99	\$25,000,000	100%			\$25,000,000	\$25,000,000	80%	95%	\$19,000,000	\$0	\$19,000,000	0%	100%	TSP, RTP, CIP
Durham Road	Durham Rd	TSM	Provide Arterial Corridor Management along Corridor #19 (Hwy 217) in the Metro TSMO Plan	\$1,500,000	100%			\$1,500,000	\$1,500,000	100%	95%	\$1,425,000	\$0	\$1,425,000	0%	100%	City staff
Fanno Creek Trail	Fanno Creek Trail	Bike/Ped	Durham Rd to Tualatin River Trail	\$1,500,000	100%			\$1,500,000	\$1,500,000	25%	100%	\$375,000	\$0	\$375,000	0%	100%	City staff
Metro Project ID 10748	Greenburg Rd	Arterial	Wden Greenburg Rd. from Shady Lane to North Dakota	\$7,000,000	100%			\$7,000,000	\$7,000,000	80%	95%	\$5,320,000	\$6,745,098	\$0	100%	0%	"Project Request"
Metro Project ID 10750	Greenburg Rd	Arterial	Wden Greenburg Rd. to 5 lanes from Tideman Ave. to Hwy. 99	\$12,000,000	100%			\$12,000,000	\$12,000,000	80%	100%	\$9,600,000	\$9,269,598	\$330,402	97%	3%	TSP, RTP
Metro Project ID 11220	Hall Blvd	Arterial	Hall Blvd. Improvements from Locust to Durham	\$16,000,000	100%			\$16,000,000	\$16,000,000	50%	100%	\$8,000,000	\$0	\$8,000,000	0%	100%	TSP, RTP, CIP
Hall Blvd / Fanno Creek Bridge	Hall Blvd	Bridge	Replace with wider bridge with sidewalks and bike lanes	\$6,000,000	100%			\$6,000,000	\$6,000,000	50%	100%	\$3,000,000	\$0	\$3,000,000	0%	100%	City staff

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDT)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
Citywide Benefit (continued)																	
Hall Boulevard	Hall Blvd	TSM	Provide Arterial Corridor Management and Transit Signal Priority on Hall Boulevard from Highway 217 to Highway 99W	\$3,700,000	100%			\$3,700,000	\$3,700,000	100%	100%	\$3,700,000	\$0	\$3,700,000	0%	100%	City staff
Hall Boulevard	Hall Blvd	Arterial	Add an eastbound through lane on Hall Blvd. from Pamelad Road to Greenburg Road	\$500,000	100%			\$500,000	\$500,000	100%	95%	\$475,000	\$0	\$475,000	0%	100%	City staff
Hunziker St (72nd to 77th) Sidewalk	Hunziker St	Bike/Ped	Add sidewalk on north side; completes sidewalk from 72nd to Hall	\$1,000,000	100%			\$1,000,000	\$1,000,000	50%	100%	\$500,000	\$0	\$500,000	0%	100%	City staff
Hwy 217 Northbound Aux Lane	Hwy 217	Arterial	Add a northbound through lane under the Hwy 99W overpass to address a capacity pinch point	\$20,000,000	0%		\$20,000,000	\$0	\$0	50%	100%	\$0	\$0	\$0			City staff
Metro Project ID 10770	Hwy 99	Arterial	Hwy. 99 intersection improvements from 64th Ave. to Durham Rd.	\$50,000,000	100%			\$50,000,000	\$50,000,000	80%	95%	\$38,000,000	\$9,860,000	\$28,140,000	26%	74%	TSP, RTP
Project ID 13	Intersection	Arterial	Roy Rogers Road / E-W collector traffic signal	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	RT TSP Addendum
Project ID 14	Intersection	Arterial	Roy Rogers Road / Bull Mountain Rd traffic signal	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	95%	\$950,000	\$0	\$950,000	0%	100%	RT TSP Addendum
Project ID 16	Intersection	Arterial	Scholls Ferry Road / N-S collector traffic signal	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	RT TSP Addendum
Metro Project ID 10769	Intersection	Arterial	Intersection improvements at Hall Blvd. And Tiedman Ave.	\$8,000,000	100%			\$8,000,000	\$8,000,000	25%	80%	\$1,600,000	\$0	\$1,600,000	0%	100%	TSP, RTP
Metro Project ID 11223	Intersection	Arterial	Hall/Hunziker/Scoffins Intersection Realignment	\$5,000,000	100%			\$5,000,000	\$5,000,000	75%	100%	\$3,750,000	\$3,862,332	\$0	100%	0%	TSP, RTP, CIP
Metro Project ID 11224	Intersection	Arterial	Greenburg/Tiedeman/N. Dakota Reconfiguration	\$10,000,000	100%			\$10,000,000	\$10,000,000	50%	80%	\$4,000,000	\$0	\$4,000,000	0%	100%	TSP
Hwy 99W/72nd Ave. Intersection	Intersection	Arterial	Turn lanes, aux lanes, sidewalks, bike lanes, crossings; transit improvements	\$8,000,000	100%			\$8,000,000	\$8,000,000	80%	100%	\$6,400,000	\$772,466	\$5,627,534	12%	88%	City staff
Highway 217 SB / Hall Blvd Interchange Improvements	Intersection	Arterial	SB right-turn lane at Hall Blvd/OR 217 ramp	\$5,000,000	100%			\$5,000,000	\$5,000,000	25%	100%	\$1,250,000	\$0	\$1,250,000	0%	100%	City staff
Hwy 99W/68th Ave	Intersection	Arterial	Intersection Improvements. Provide protected left at 68th; transit queue bypass	\$4,000,000	100%			\$4,000,000	\$4,000,000	80%	100%	\$3,200,000	\$2,394,646	\$805,354	75%	25%	City staff
Hall Blvd / Praffle St Traffic Signal	Intersection	TSM	Install new traffic signal; maintain existing lane configuration	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$1,000,000	\$0	100%	0%	City staff
68th/Atlanta/Halines	Intersection	TSM	Install a traffic signal and add turn lanes where necessary	\$500,000	100%			\$500,000	\$500,000	100%	100%	\$500,000	\$173,805	\$326,195	35%	65%	City staff
I-5 / Upper Boones / Carman Interchange	Intersection	Arterial	Add turn lanes and/or auxiliary through lanes, sidewalks, etc	\$10,000,000	100%			\$10,000,000	\$10,000,000	80%	90%	\$7,200,000	\$0	\$7,200,000	0%	100%	City staff
Scholls Ferry / Nimbus Intersection Improvements	Intersection	Arterial	Retain eastbound right-turn lane when 3rd lane added on Scholls Ferry Rd; Retain westbound right-turn lane when 3rd lane added on Scholls Ferry Rd; southbound right-turn lane; Reconfigure northbound and southbound lanes to create exclusive left-turn lanes	\$6,000,000	20%		\$4,800,000	\$1,200,000	\$1,200,000	100%	100%	\$1,200,000	\$1,200,000	\$0	100%	0%	City staff
Scholls Ferry Rd / North Dakota St / 125th Ave	Intersection	Arterial	Intersection Improvement	\$1,500,000	100%			\$1,500,000	\$1,500,000	80%	100%	\$1,200,000	\$0	\$1,200,000	0%	100%	City staff

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
Citywide Benefit (continued)																	
72nd/Upper Boones Ferry (Carman)	Intersection	Arterial	Intersection Improvement	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$1,000,000	\$0	100%	0%	City staff
Bonita / Sequoia Intersection	Intersection	TSM	Traffic Signal	\$1,000,000	100%			\$1,000,000	\$1,000,000	80%	100%	\$800,000	\$1,000,000	\$0	100%	0%	City staff
Tiedeman Street/Tigard Street	Intersection	Collector	Install a traffic signal; construct left-turn lanes, sidewalk, and bike lanes	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	City staff
121st/ North Dakota	Intersection	Bike/Ped	Traffic signal	\$500,000	100%			\$500,000	\$500,000	100%	100%	\$500,000	\$231,740	\$268,260	46%	54%	City staff
McDonald/Hall RT Lane	Hall Blvd	Collector	Add turn lanes and auxiliary lanes with bike lanes and sidewalks on Hall, McDonald, and Bonita to improve traffic flow	\$9,000,000	100%			\$9,000,000	\$9,000,000	90%	90%	\$7,290,000	\$766,702	\$6,523,298	11%	89%	City staff
Durham/Upper Boones	Intersection	Bike/Ped	Sidewalk on NW Corner, Curb Ramp	\$40,000	100%			\$40,000	\$40,000	50%	100%	\$20,000	\$0	\$20,000	0%	100%	City staff
Greenburg Rd / Shady Ln	Intersection	Bike/Ped	Pedestrian Islands to facilitate crossing Shady Ln on east side of Greenburg	\$30,000	100%			\$30,000	\$30,000	50%	100%	\$15,000	\$0	\$15,000	0%	100%	City staff
Bonita Rd near 79th Ave	Intersection	Bike/Ped	Enhanced Ped Crossing - RRFB?	\$20,000	100%			\$20,000	\$20,000	25%	100%	\$5,000	\$0	\$5,000	0%	100%	City staff
Greenburg Rd	Intersection	Bike/Ped	Enhanced Crossing between Tiedeman and Center St - at 95th?	\$20,000	100%			\$20,000	\$20,000	25%	100%	\$5,000	\$0	\$5,000	0%	100%	City staff
Hwy 217 SB Ramps/Highway 99W	Intersection	Arterial	Intersection Capacity Improvements including 2nd right turn lane from off ramp	\$2,500,000	100%			\$2,500,000	\$2,500,000	100%	100%	\$2,500,000	\$0	\$2,500,000	0%	100%	City staff
Hwy 217 NB Ramps/Highway 99W	Intersection	Arterial	Add a second northbound left turn lane	\$1,500,000	100%			\$1,500,000	\$1,500,000	100%	100%	\$1,500,000	\$0	\$1,500,000	0%	100%	City staff
Metro Project ID 11217	McDonald Rd	Arterial	McDonald Rd. improvements from Hall Blvd. To Hwy. 99	\$8,000,000	100%			\$8,000,000	\$8,000,000	50%	50%	\$2,000,000	\$0	\$2,000,000	0%	100%	TSP, RTP, CIP
McDonald St	McDonald Rd	Bike/Ped	Enhanced Crossing between Hall and Hwy 99W - at O'Mara? 97th?	\$30,000	100%			\$30,000	\$30,000	25%	50%	\$3,750	\$0	\$3,750	0%	100%	City staff
Project ID 22A	Roy Rodgers Rd	Arterial	Widen Roy Rodgers Rd. to S Ln. from N of Scholls Ferry Rd. to S. of Beef Bend Rd. Phase 1 (half-treet segments)	\$4,000,000	100%			\$4,000,000	\$4,000,000	100%	100%	\$4,000,000	\$3,000,000	\$1,000,000	75%	25%	RT TSP Addendum
Project ID 22B	Roy Rodgers Rd	Arterial	Widen Roy Rodgers Rd. to S Ln. from N of Scholls Ferry Rd. to S. of Beef Bend Rd. Phase 2 (half-treet segments)	\$4,000,000	100%			\$4,000,000	\$4,000,000	100%	100%	\$4,000,000	\$3,000,000	\$1,000,000	75%	25%	RT TSP Addendum
Scholls Ferry Rd Widening, Hwy 217 to 121st	Scholls Ferry Rd	Arterial	Widen to 7 lanes with bike lanes and sidewalks	\$50,000,000	75%		\$12,500,000	\$37,500,000	\$37,500,000	100%	100%	\$37,500,000	\$18,745,186	\$18,754,814	50%	50%	City staff
Scholls Ferry Rd	Scholls Ferry Rd	TSM	Provide Arterial Corridor Management from River Road to Hall Boulevard	\$4,200,000	100%			\$4,200,000	\$4,200,000	100%	100%	\$4,200,000	\$0	\$4,200,000	0%	100%	City staff
Tiedeman Ave	Tiedeman Ave	Bike/Ped	Sidewalks from Tigard St to Greenburg Rd	\$1,000,000	100%			\$1,000,000	\$1,000,000	50%	50%	\$250,000	\$0	\$250,000	0%	100%	City staff
Tigard St (Fanno Creek) Bridge Replacement	Tigard St	Bridge	New bridge with bike lanes and sidewalks	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff
Metro Project ID 11227	Trail	Bike/Ped	Neighborhood Trails & Regional Trail Connections	\$1,100,000	100%			\$1,100,000	\$1,100,000	25%	50%	\$137,500	\$0	\$137,500	0%	100%	TSP, RTP

Project ID	Road	Road Classification	Description	Project Costs	% City Share	Local Private Funding	ODOT/County Funding	Total City Cost	City Cost After Identified Local Funding	Capacity Related Percent	Growth Percent of Capacity	Total SDC/TDT Eligible Costs	Capacity Related City Cost (TDI)	Capacity Related City Cost (SDC)	TDT % of Eligible Project Costs	SDC % of Eligible Project Costs	Source
Citywide Benefit (continued)																	
Metro Project ID 11228	Trail	Bike/Ped	Portland & Western Rai Trail from Tideman Ave. to Main St.	\$1,250,000	100%			\$1,250,000	\$1,250,000	25%	50%	\$156,250	\$0	\$156,250	0%	100%	TSP, RTP
Tualatin River Trail	Trail	Bike/Ped	Complete multiuse path from Cook Park to the Powerlines Corridor	\$10,000,000	100%			\$10,000,000	\$10,000,000	25%	50%	\$1,250,000	\$0	\$1,250,000	0%	100%	City staff
Fanno Creek Trail	Trail	Bike/Ped	Woodard Park to Grant	\$670,000	100%			\$670,000	\$670,000	25%	50%	\$83,750	\$670,000	\$0	100%	0%	City staff
Fanno Creek Trail	Trail	Bike/Ped	Tiedeman Crossing Realignment	\$250,000	100%			\$250,000	\$250,000	25%	50%	\$31,250	\$0	\$31,250	0%	100%	City staff
Fanno Creek Trail	Trail	Bike/Ped	Complete gaps along the Fanno Creek multiuse path from the Tualatin River to City Hall and from Highway 99W to Tigard Street	\$6,000,000	100%			\$6,000,000	\$6,000,000	25%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff
Upper Boones (Durham to Sequoia)	Upper Boones	Arterial	Wden to five lanes with bike lanes and sidewalks	\$10,000,000	100%			\$10,000,000	\$10,000,000	90%	90%	\$8,100,000	\$4,106,784	\$3,993,216	51%	49%	City staff
Upper Boones Ferry Road	Upper Boones Ferry Rd	TSM	Provide Arterial Corridor Management along Corridor #2 (I-5) in the Metro TSMO Plan	\$1,300,000	100%			\$1,300,000	\$1,300,000	100%	100%	\$1,300,000	\$0	\$1,300,000	0%	100%	City staff
Metro Project ID 11229	Walnut St	Arterial	Wden Walnut St. to 3 lanes from Hwy. 99 to Tiedeman Ave	\$8,000,000	100%			\$8,000,000	\$8,000,000	40%	100%	\$3,200,000	\$4,325,812	\$0	100%	0%	TSP, RTP, CIP
Metro Project ID 10751		Arterial	Hwy. 217 overcrossing Hunzker-72nd Ave.	\$30,000,000	100%			\$30,000,000	\$30,000,000	80%	100%	\$24,000,000	\$0	\$24,000,000	0%	100%	TSP
Hwy 99W/Dartmouth St.		Arterial	Turn lanes, aux lanes, sidewalks, bike lanes, crossings; transit improvements	\$6,000,000	100%			\$6,000,000	\$6,000,000	100%	100%	\$6,000,000	\$308,987	\$5,691,013	5%	95%	City staff
Greenburg Rd. (Hwy 217 to Hall Blvd)		Arterial	Wden to 5 lanes from Locust St to Greenburg Rd; add turn/aux lanes; add bike lanes and sidewalks throughout corridor	\$20,000,000	20%		\$16,000,000	\$4,000,000	\$4,000,000	80%	100%	\$3,200,000	\$0	\$3,200,000	0%	100%	City staff
108th Street Crossing of Tualatin River		Bridge	New bridge crossing north-south over the Tualatin River near 108th Avenue	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff
North Dakota St / Fanno Creek		Bridge	Replace with wider bridge with sidewalks and bike lanes	\$3,000,000	100%			\$3,000,000	\$3,000,000	50%	50%	\$750,000	\$0	\$750,000	0%	100%	City staff
Dirksen - 121st Ave Trail	Trail	Bike/Ped	New trail along Summer Creek from Dirksen Nature Park to 121st Ave	\$1,000,000	100%			\$1,000,000	\$1,000,000	25%	50%	\$125,000	\$0	\$125,000	0%	100%	City staff
Washington Square Area Signals		TSM	Adaptive Signal Coordination	\$1,000,000	100%			\$1,000,000	\$1,000,000	100%	100%	\$1,000,000	\$0	\$1,000,000	0%	100%	City staff
Totals				\$625,271,850		\$19,647,000	\$53,300,000	\$552,324,850	\$551,824,850			\$392,345,980	\$127,738,750	\$277,069,222			
Notes: 1. Project ID's are consistent with existing local or regional transportation plan project listings. 2. All projects listed are assumed to be completed by year 2035. 3. All widening and newly constructed road projects will include bikelanes and sidewalks, even if not called out specifically. 4. Capacity related portions of projects are consistent with parameters shown in Appendix B. 5. Growth shares are estimated by City staff using Metro 2035 travel demand model, comparing 2010 to 2035 volume/capacity ratios.																	

Appendix B – Capacity Share Assumptions

Improvement Type	Proportion of Project related to capacity
New travel lanes added	100%
Turn lanes or new traffic signals	100%
New interconnected traffic signals	100%
Road upgrades (widen from 3 to 5 lanes)	80%
Road upgrades (change from local to collector standard)	75%
Traffic signal upgrades	75%
Road upgrades (widening & adding double left turn lanes)	50%
Road upgrades (widening with new bike/ped facilities)	50%
Road upgrades (widening from 2 to 3 lanes)	40%
Access management & center turn lanes	25%
Roadway realignment	25%

Source: consistent with Washington County methodology per Appendix C, Amended TDT Road Project List, Jan. 2014

Appendix C – Reimbursement Fee Calculation

Transportation Capital Project Expenditures

Reimbursement Fee Calculation	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	Reimbursement Fee Basis
Tigard Traffic Impact Fee Fund	\$408,826	\$460,540	\$1,283,017	\$611,167	\$953,489	\$0	\$0	\$0	\$359,140	
Urban Services Traffic Impact Fee Fund	\$450	\$2,554								
Tigard Transportation Development Tax Fund					\$0	\$0	\$0	\$0	\$875,840	
Total	\$409,276	\$463,094	\$1,283,017	\$611,167	\$953,489	\$0	\$0	\$0	\$1,234,980	
Discount Factor (trip growth rate)	12.98%	11.46%	9.96%	8.48%	7.01%	5.57%	4.15%	2.75%	1.37%	
Net Present Value of Capacity Investment	\$356,155	\$410,034	\$1,155,273	\$559,366	\$886,604	\$0	\$0	\$0	\$1,218,120	\$4,585,553

Source: City of Tigard, compiled by FCS GROUP.

Appendix D – Discounted TSDCs per River Terrace Funding Strategy
(using TDT credit policy)

	Total	City-wide	River Terrace	SDC Option A: Districts (avg.)
Total Cost (Land & Improvements)*	\$ 625,271,850	\$ 585,121,850	\$ 40,150,000	
Less SDC Eligible Revenue	\$ 44,516,054	\$ 30,804,818	\$ 13,711,236	\$5,000/per DU citywide; \$5,497/per DU in RT overlay
Remaining Funding Required	\$ 580,755,796	\$ 554,317,032	\$ 26,438,764	
Other Potential Funding Sources				Notes
TDT Revenue	\$ 82,534,026	\$ 81,042,262	\$ 1,491,764	Based on current TDT
ODOT/County/Developer Funded	\$ 72,947,000	\$ 53,300,000	\$ 19,647,000	Possible regional funding solutions in future
Grants	\$ 900,000		\$ 900,000	Metro or state grants available
City Fund Transfers	\$ -		\$ 3,000,000	
Transp. Utility Fee Surcharge (\$5/month RT only)	\$ 1,400,000		\$ 1,400,000	\$5/month TUF fee overlay in RT District
Other	\$ -			
Total Other Funding	\$ 157,781,026	\$ 134,342,262	\$ 26,438,764	
Remaining Funding Required**	\$ (422,974,770)	\$ (419,974,770)	\$ -	
* Total project costs to complete long-range capital improvements consistent with River Terrace and other citywide planning documents. Assumes City's current credit policy.				
** Possible alternatives:	Percent of gap	Funding Required	Notes	
Delay project construction	50%	\$ (211,487,385)	City could reestablish capital spending priorities	
Await non-local contributions (ODOT/County/Grants)	15%	\$ (63,446,215)	Requires new state/regional/county funding	
Require developer dedications (may be credit eligible)	15%	\$ (63,446,215)	This may limit development activity	
City GO Bond(s)	0%	\$ -		
City Fund Transfers (e.g., state and local gas tax)	5%	\$ (21,148,738)	Equates to about \$1M per year	
City TUF increase	15%	\$ (63,446,215)	Requires +/- \$12.50 month TUF increase citywide	
Total	100%	\$ 422,974,770)		

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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) ¹		Total SDC (after discount)	
			Citywide	River Terrace Overlay	Citywide Total	River Terrace Total
Residential Development ²						
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
Non-Residential Development ³						
Avg. charge per PHVT ⁴	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.

¹ Includes compliance fee.

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

³ 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.

⁴ 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.

AIS-2223

6.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): 5 Minutes

Agenda Title: Amend Master Fees and Charges for Parks and Transportation SDCs

Submitted By: Norma Alley, City Management

Item Type: Resolution

Meeting Type: Council Business Meeting - Main

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall Council adopt a resolution adopting system development charges for parks and transportation and authorize the City Manager to approve and amend the system development procedures guide.

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends adopting the resolution

KEY FACTS AND INFORMATION SUMMARY

Staff has been reviewing ways to finance Tigard's future system infrastructure (streets, water, sewer, storm, parks and public facilities systems) over the last year. This effort is being done for citywide purposes, in concert with the River Terrace Infrastructure Funding Strategy. On December 16, 2014, Council adopted the River Terrace Infrastructure Funding Strategy, representing the financial toolbox for funding needed infrastructure in River Terrace. Many of the adopted recommendations need Council action to implement.

Included in that strategy are System Development Charges (SDCs) for Parks and Transportation. SDC's are one-time charges paid by developers to pay for their impact on city infrastructure. Council discussed the SDC proposal in workshops on February 17, 2015 and March 17, 2015.

The city currently has a citywide Parks SDC and the funding strategy recommends an update

as well as the creation of an area-specific Parks SDC for River Terrace. The city does not have its own Transportation SDC, but uses the Washington County Transportation Development Tax (TDT) for a similar purpose (to fund transportation system needs as a result of growth). A citywide Transportation SDC provides additional needed resources to help build and improve roads. The funding strategy recommends that Tigard create a citywide Transportation SDC and develop a River Terrace specific Transportation SDC.

Based on the direction provided in the River Terrace Funding Strategy and the two workshops, this hearing provides Council the opportunity to adopt Parks and Transportation SDC's with the following key policy decisions:

1. Both Parks and Transportation SDC's will have a citywide reimbursement portion, citywide improvement portion, and River Terrace Overlay.
2. Both Parks and Transportation SDCs are discounted from the maximum fee permitted by law. This is consistent with the River Terrace Funding Strategy
3. The citywide SDCs for parks and transportation and the River Terrace Overlay SDC for parks will issue credits in the current standard method where SDC credits are issued to overbuilding a facility beyond the local portion.
4. The River Terrace Overlay Transportation SDC will issue additional credits roughly equal to 50% of the local portion of the facility. This is to incentivize construction and share the costs of River Terrace Blvd.
5. SDC Credits will be transferable between developers within the SDC fee area for which they were earned.
6. SDC Credits will expire within 10 years.
7. Transportation SDCs will be discounted for smaller homes and for transit oriented developments in Downtown.

Adoption of the new fees requires two hearings. A first hearing adopted the SDC methodology and procedures by amending the TMC. This second hearing will adopt the fees by amending the Master Fees and Charges and set administrative procedures for staff to implement the SDCs.

Attached to this hearing packet are:

1. The Resolution to adopt the SDCs and authorize the City Manager to approve and amend the System Development Charge Administrative Procedures Guide, and
2. Exhibit A - Setting Parks and Transportation SDCs
3. Exhibit B - The SDC Administrative Procedures Guide document that provides staff with procedures for implementation and administration of SDCs.

OTHER ALTERNATIVES

Council can continue the hearing to request additional information from staff and consultants prior to adoption of the SDCs. This will result in a delay in implementing the SDCs.

Council could propose no action on the SDCs. The result of no action is that funding for infrastructure does not keep up with growth.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Infrastructure Financing Project (River Terrace and Citywide)

- Council briefing
- SDC notice and methodology
- Council hearing

DATES OF PREVIOUS CONSIDERATION

05/20/2014 - River Terrace Funding Strategy Introduction

06/17/2014 - River Terrace Preliminary Funding Strategy and Parks and Transportation System Plan Addenda Briefing

07/08/2014 - Infrastructure Financing Project (River Terrace & Citywide) Discussion

08/12/2014 - LCRB award to FCS Group for Infrastructure Financing Study

09/23/2014 - River Terrace Draft Funding Strategy Briefing

10/21/2014 - River Terrace Draft Funding Strategy Plan Briefing Follow-up

12/16/2014 - River Terrace Funding Strategy Adoption

02/17/2015 - Parks and Transportation SDCs Workshop

03/17/2015 - Second Parks and Transportation SDCs Workshop

Attachments

Resolution

Exhibit A - SDC Charges

Exhibit B - Administrative Procedures Guide

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-

A RESOLUTION ADOPTING THE PARKS AND TRANSPORTATION SYSTEM DEVELOPMENT CHARGES WHICH AMENDS RESOLUTION NO 14-31 AND AUTHORIZING THE CITY MANAGER TO APPROVE AND AMEND SYSTEM DEVELOPMENT CHARGE PROCEDURES GUIDE.

WHEREAS, the City of Tigard has a Master Fees and Charges Schedule, including System Development Charges (SDCs) ; and

WHEREAS, City of Tigard has adopted new SDC Methodology Reports for Parks and Transportation SDCs;

WHEREAS, system development charges are one-time fees paid by developers to help offset the impact of growth on the city's infrastructure; and

WHEREAS, the SDC Administrative Procedures Guide will provide staff procedures for implementation and administration of the City of Tigard's System Development Charges for new development within the City ;

WHEREAS, the system development charges will be indexed to account for changes in costs of infrastructure;

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The system development charges for parks and transportation for the City of Tigard are enumerated and set as shown in the attached schedule (Exhibit A).

SECTION 2: The City Manager is authorized to approve and amend the System Development Charge Administrative Procedures Guide (Exhibit B).

SECTION 3: This resolution is effective July 1, 2015.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

Exhibit A

City of Tigard, Oregon

Parks and Transportation System Development Charge Schedule

Fiscal Year 2015 - 2016

Adopted
April 28, 2015



Department	Revenue Source	Fee or Charge	Effective Date
COMMUNITY DEVELOPMENT - DEVELOPMENT SERVICES PLANNING			
Park System Development Charge (SDC)*			
	Single Family Unit	\$6,451.34	7/1/2014
	Single Family Dwelling - Reimbursement	\$1,017.00	7/1/2015
	Single Family Dwelling - Improvement	\$5,807.00	7/1/2015
	Single Family Dwelling - River Terrace Overlay	\$2,502.00	7/1/2015
	Multi-family Unit	\$5,156.28	7/1/2014
	Multi-Family Dwelling - Reimbursement	\$766.00	7/1/2015
	Multi-Family Dwelling - Improvement	\$4,372.00	7/1/2015
	Multi-Family Dwelling - River Terrace Overlay	\$1,884.00	7/1/2015
	Commercial/industrial (per employee)	\$446.14	7/1/2014
	Non-residential SDC per employee - Reimbursement	\$105.00	7/1/2015
	Non-residential SDC per employee - Improvement	\$602.00	7/1/2015
	Non-residential SDC per employee - River Terrace Overlay	\$0.00	7/1/2015

***See Methodology Report used to calculate the charges.**

**** Non-residential SDC calculations for new development are to be based on square feet of floor area. See Table 5.2 of Adopted "Parks and Recreation SDC Methodology Report"**

For more detailed and updated information on calculating Park SDC's see "Parks and Recreation System Development Charge Methodology Report," by FCS Group, April 9, 2015.

Department	Revenue Source	Fee or Charge	Effective Date
	Park SDC Annual Adjustment		4/10/2001

Parks SDC fees shall be adjusted annually on July 1st of each year beginning in 2011. The new fee will be determined by multiplying the existing fees by the average of two indices, one reflecting changes in development/construction costs and one reflecting changes in land acquisition costs. The average of these two indices is a reasonable approach because the Parks SDC fee is roughly split 50% between land acquisition land development components.

The index for the Land Acquisition component will be the base cost for residential tract land in Tigard, as determined by the Washington County Appraiser. The average cost for residential tract land was selected because it is readily identified and is the lowest priced of the buildable lands in Tigard. Changes in this base cost can be calculated in terms of a percentage increase, to create the level of change to the original index, and projected to the overall acquisition cost. In accordance with Measure 5, the Washington County Appraiser's office will determine appraised values on July 1 of each year.

The index for the Land Development component of the Parks SDC will be the Construction Cost Index for the City of Seattle as published in the May issue of the Engineering News Record (ENR). The Seattle cost index will be used because the city is the geographically closest to Tigard of twenty metropolitan areas for which the ENR maintains cost data. This index is adjusted monthly, quarterly, and annually. The annual index for each year will be selected beginning with the index for May 2012.

The revised Parks SDC fees were derived from the costs of land and projects provided in the Tigard Park System Master Plan Update, adopted July 2009 and the Tigard Greenway Trails Master Plan adopted in July 2011. The costs for projects in both plans were adjusted using both the Land Acquisition and Land Development indices for the appropriate years.

Park SDC Annual Adjustment (cont.)

Calculation Definitions:

SDC (2012) = Current SDC fee

L (2012) = Average cost of residential tract land 2012

L (2013) = Average cost of residential tract land 2013

L (2xxx) = Average cost of residential tract land 2xxx

C (2012) = Construction cost index of 2012

C (2013) = Construction cost index of 2013

C (2xxx) = Construction cost index of 2xxx

LCI = Land Cost Index: change from the current year from previous year

CCI = Construction Cost Index: change from the current year from previous year

ACI = Average cost index change of LCI + CCI

Formula:

$$L (2014) / L (2013) = LCI$$

and

$$C (2014) / C (2013) = CCI$$

therefore

$$LCI + CCI / 2 = ACI$$

then

$$SDC (2014) X ACI = SDC (2015)$$

Each year subsequent to 2002, the costs shall be revised using the current year and previous year's data. Notwithstanding the foregoing, all calculations shall be carried out to the thousandth place. A final product ending in .49 or less shall be rounded down to the nearest dollar, .50 or more up to the next dollar.

Department	Revenue Source	Fee or Charge	Effective Date
------------	----------------	---------------	----------------

COMMUNITY DEVELOPMENT - DEVELOPMENT SERVICES PLANNING

Residential Transportation System Development Charge (SDC)*

Single Family Detached Dwelling - Reimbursement	\$312.00	7/1/2015
Single Family Detached Dwelling - Improvement	\$5,402.00	7/1/2015
Single Family Detached Dwelling - River Terrace Overlay**	\$2,642.00	7/1/2015
Multi-Family Dwelling - Reimbursement	\$182.00	7/1/2015
Multi-Family Dwelling - Improvement	\$3,151.00	7/1/2015
Multi-Family Dwelling - River Terrace Overlay	\$1,541.00	7/1/2015

Non-Residential Transportation System Development Charge (SDC)***

Avg. charge per PHVT - Reimbursement**	\$483.00	7/1/2015
Avg. charge per PHVT - Improvement**	\$8,362.00	7/1/2015
Avg. charge per PHVT - River Terrace**	\$1,030.00	7/1/2015

*See Adopted Methodology Report used to calculate the charges.

**Based on 50% Credit Policy for the "local" elements of River Terrace Blvd.

*** Non-residential SDCs will be based on average charges by Peak Hour Vehicle Trips (PHVT) and shall vary by land use type using procedures established in the Tigard SDC Procedures Guide. Adjustments may include reductions for linked trips.

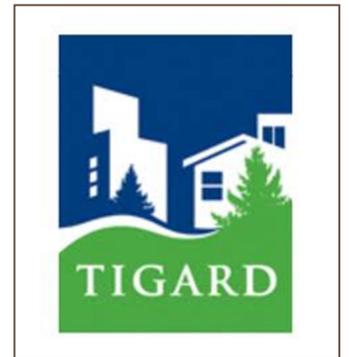
For more detailed and updated information on calculating Transportation SDC's see "Transportation System Development Charge Methodology Report," by FCS Group, April 14, 2015.

Transportation SDC Annual Adjustment

7/1/2015

Transportation SDC fees shall be adjusted annually on July 1st of each year beginning in 2016. 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 plus 10 percent multiplied by the Oregon Department of Transportation monthly asphalt price (annualized) percent change.

City of Tigard



SYSTEM DEVELOPMENT
CHARGE
ADMINISTRATIVE
PROCEDURES GUIDE

April 27, 2015

FCS GROUP

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SECTION I: PURPOSE OF ADMINISTRATIVE PROCEDURES GUIDE

The purpose of this guide is to provide procedures for implementation and administration of the City of Tigard's (City) System Development Charges (SDCs) for new development within the City. This document provides guidance regarding the following items:

- ◆ Determination of when SDCs should be charged;
- ◆ Calculation of SDCs for individual developments;
- ◆ Treatment of SDC revenues and expenditures; and
- ◆ SDC refunds, appeals, and record keeping.

The guide presents information that is to be referenced by the Transportation SDC Ordinance and provides forms, notifications, and directions at a level of detail more specific than is provided in the Transportation SDC Methodology Report(s).

Note information provided in text boxes, as the one below, references specific portions of Tigard code related to SDCs or references to the SDC credit policy in **Section II**.

... ORS 223.297 - 223.314, adopted in 1989, authorizes local governments to impose system development charges to provide equitable funding for orderly growth and development...

SECTION II: SDC CREDITS

A. TIGARD CREDIT POLICY BASIS

An applicant for a building permit, or occupancy permit if deferral has been granted, shall be entitled to a credit against the SDC for constructing eligible capital improvements as defined in this section. Tigard's Transportation SDC credit policy, for the most part, follows the Washington County TDT credit policy and procedures guide with a special condition for River Terrace Boulevard.

B. PARKS CREDIT POLICY

Credit eligibility shall be determined by the SDC administrator. The value of the SDC Credits under this section shall be determined by the SDC administrator based on the cost of the Qualified Public Improvement, or the value of Real Property Interests, as follows:

1. For Real Property Interests, the value shall be based upon a written appraisal of fair market value by a qualified, professional appraiser based upon comparable sales of similar property between unrelated parties in an arms-length transaction;
2. For improvements yet to be constructed, value shall be based upon the anticipated cost of construction. Any such cost estimates shall be certified by a professional architect or engineer or based on a fixed price bid from a contractor ready and able to construct the improvement(s) for which SDC Credit is sought. The City will give immediate credits based on estimates, but it will provide for a subsequent adjustment based on actual costs: a refund to the Applicant if actual costs are higher than estimated, and an additional SDC to be paid by the Applicant if actual costs are lower than estimated. The City shall inspect all completed Qualified Public Improvement projects before agreeing to honor any credits previously negotiated. The City shall limit credits to reasonable costs. Credits shall be awarded only in conjunction with an application for development;
3. For improvements already constructed, value shall be based on the actual cost of construction as verified by receipts submitted by the Applicant.

C. TRANSPORTATION CREDIT POLICY

An applicant for a building permit, or occupancy permit if deferral has been granted, shall be entitled to a credit against the SDC for constructing eligible capital improvements as defined in this section. Credit eligibility shall be determined by the SDC administrator.

- A. A transportation capital improvement constructed on a public road or transit facility, and accepted by the city, is eligible for credit provided it meets all the following criteria:
 1. The city's authorized SDC administrator determines that the timing, location, design, and scope of the improvement is consistent with and furthers the objectives of the capital improvement program of the city.
 2. The improvement is required to fulfill a condition of development approval issued by the city.

3. The improvement must provide additional capacity to meet future transportation needs, or be constructed to address an existing safety hazard. Improvements to mitigate a safety hazard created primarily by the development are not eligible.
 4. Improvements which primarily function as access to a private street, driveway, or development parcel are not eligible.
 5. The applicant shall have the burden of demonstrating in its application for credit that a particular improvement qualifies for credit.
 6. Improvements, including travel lanes and bike lanes, must be at ultimate alignment, line, and grade. No credit shall be granted for interim (e.g., half street) improvements.
 7. No credit shall be granted for minor realignments not designated on the comprehensive plan.
 8. New roads are eligible projects as long as they meet the remaining project eligibility criteria. An existing dirt or gravel road is deemed new if its daily traffic volume is below two hundred vehicles per day.
 9. Bike lanes and multiuse pathways are eligible if required pursuant to applicable transportation or road standards.
 10. No credit shall be granted for utility relocation except for that portion which otherwise would have been the legal obligation of the jurisdiction pursuant to a franchise, easement, or similar relationship.
 11. No credit shall be granted for minor realignments not designated on the comprehensive plan.
 12. No more than thirteen point five percent (13.5%) of the total eligible construction cost shall be creditable for survey, engineering, and inspection.
 13. No credits shall be granted for storm sewer improvements that are also eligible for stormwater SDC credits.
- B. The SDC administrator shall provide credit for the documented, reasonable cost of construction of all or part of a qualified public improvement listed in the Methodology Report Appendix A based on the following criteria:
1. Transportation improvements located neither on nor contiguous to the property that is the subject of development approval shall be eligible for full credit.
 2. Transportation improvements located on or contiguous to the property that is the subject of development approval, and required to be built larger, or with greater capacity than is necessary for the particular development project shall be eligible. Credit for these improvements may be granted only for the cost of that portion of the improvement that a) exceeds the local government's minimum standard facility size; or b) exceeds the capacity needed to serve the particular development project or property.
 3. Road right-of-way required to be dedicated pursuant to the applicable comprehensive plan or development conditions is eligible as follows:
 - a. To the extent an improvement is located neither on nor contiguous to the property that is the subject of development approval, the reasonable market value of land purchased by the applicant from a third party and necessary to complete that improvement is creditable.
 - b. Road right-of-way located on or contiguous to the property that is the subject of development approval shall be eligible for credit to the extent necessary to construct the facility in excess of the local government's minimum standard facility needed to serve the particular development project or property. Credit for such right-of-way shall be allowed based on market value as determined by the county SDC records.
- C. For an improvement that is eligible for both TDT and Tigard TSDC credits, the TDT credits shall be calculated first. Total credits, including Tigard TSDC credits, together with TDT credits, shall not be issued in an amount that exceeds the eligible capital improvement cost for which the credits were issued.

- D. For all improvements for which TSDC credit is sought within a TSDC overlay, the city’s SDC administrator shall apportion the credit based upon the percent of the total SDC charge attributable to the City SDC and the overlay SDC.

Please refer to **Exhibits 2.1 and 2.2** for how to determine credit values.

Exhibit 2.1: Guidance on Determination of Transportation Credits

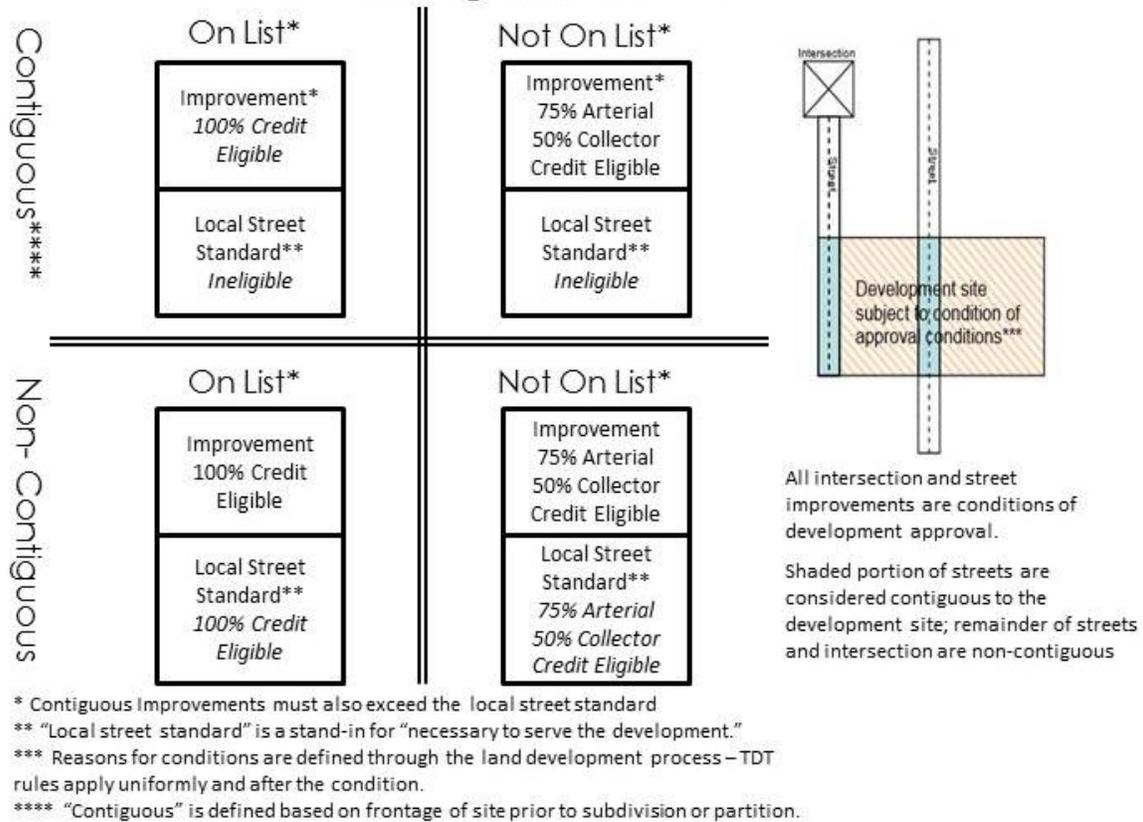
Road Classification	Is the Project...		Credit % of Project Costs (Eligible Components Only)	Credit Eligible (at applicable credit %)	
	Contiguous?	On Project List?		Local Street Standard	Right of Way
Collector	No	No	50%*	Yes	Yes
Collector	Yes	No	50%*	No	No
Collector	No	Yes	100%	Yes	Yes
Collector	Yes	Yes	100%	No*	Yes**
Arterial	No	No	75%	Yes	Yes
Arterial	Yes	No	75%	No	No
Arterial	No	Yes	100%	Yes	Yes
Arterial	Yes	Yes	100%	No	Yes**

Source: adapted from the Washington County TDT procedures manual.

* River Terrace Boulevard improvements are 100% credit eligible for elements beyond the local street standard; and 50% credit eligible for other project elements.

** Right of way credit applies only to the portion above local standard.

Exhibit 2.1: Guidance for Determination of Contiguity
Contiguous Definition



Adapted from Washington County TDT procedures manual

D. SDC CREDIT APPLICATION AND ADMINISTRATION

- A. All requests for credit vouchers must be in writing and filed with the SDC administrator not more than sixty days after acceptance of the improvement. Improvement acceptance shall be in accordance with the practices, procedures, and standards of the city. The amount of any credit shall be determined by the SDC administrator and based upon the subject improvement contract documents and other appropriate information provided by the applicant for the credit. In the request, the applicant must identify the improvement(s) for which credit is sought and explain how the improvement(s) meet the requirements of this section. The applicant shall also document, with credible evidence, the value of the improvement(s) for which credit is sought. If, in the SDC administrator's opinion, the improvement(s) meets the requirements of this section and the SDC administrator concurs with the proposed value of the improvement(s), a SDC credit shall be granted for the eligible amount. The value of the SDC credits under this section shall be determined by the SDC administrator based on the actual cost of construction and right-of-way, as applicable, as verified by receipts and other credible evidence submitted by the applicant. Upon a finding by the SDC administrator that the contract amounts, including payments for right-of-way, exceed prevailing market rates for a similar project, the credit shall be based upon market rates.
- B. The SDC administrator shall respond to the applicant's request in writing within thirty days of receipt of a technically complete request. The SDC administrator shall provide a written explanation of the decision on the SDC credit request.

- C. Upon approval, the SDC administrator shall provide the applicant with a credit voucher, on a form provided by the department. The original of the credit voucher shall be retained by the department. The credit voucher shall state a dollar amount that may be applied against any SDC imposed against the subject property. In no event shall a subject property be entitled to redeem credit vouchers in excess of the SDC imposed. Credits are limited to the amount of the charge attributable to the development of the specific lot or parcel for which the credit is sought and shall not be a basis for any refund.
- D. A credit shall have no cash or monetary value. A credit shall only apply against the SDC and its only value is to be used to reduce the SDC otherwise due, subject to all conditions, limitations, and requirements of this chapter.
- E. Tigard transportation SDC credits may not be used for TDT obligations or for payment of other SDCs.
- F. TDT credits may not be used for payment of Tigard transportation SDC obligations.
- G. When issued by the SDC administrator, a credit shall be the personal property of the applicant. Credits shall remain the personal property of the applicant unless transferred by the applicant or its authorized agent as transferor. Any person claiming the right to redeem a credit shall have the burden of demonstrating that any credit issued to another person has been transferred to him or her.
- H. Credits shall be apportioned against the property that was subject to the requirement to construct an improvement eligible for credit. Unless otherwise requested by the applicant, apportionment against lots or parcels constituting the property shall be proportional to anticipated average weekday trips generated by the respective lots or parcels. Upon written application to the SDC administrator, however, credits shall be reapportioned from any lot or parcel to any other lot or parcel within the confines of the property originally eligible for the credit. In the case of multi-phase development, excess credit generated in one phase may be applied to reduce the SDC in subsequent phases of the original development project. Reapportionment shall be noted on the original credit voucher retained by the department.
- I. Credits may be reassigned from a property to another property if all the following conditions are met.
 - 1. A request for reassignment of a credit voucher must be made in writing to the SDC administrator signed by the person who owns the credit. The request for reassignment of a credit voucher shall contain all the information necessary to establish that such a reassignment is allowable under this subsection. The burden of proof that a reassignment is allowable is on the applicant. The SDC administrator shall respond in writing to the applicant's request for reassignment within thirty days of receipt of the request.
 - 2. A credit voucher for the River Terrace SDC overlay district may not be reassigned to a property outside the identified SDC overlay district as identified by the map in **Appendix A**.
 - 3. Credits may be reassigned if the SDC administrator determines that either:
 - i. The lot or parcel that is to receive the credit is adjacent to and served by the transportation improvements that generated the credits, or
 - a. The development on property receiving the credit would have impacts and traffic patterns affecting substantially the same facilities as the property that generated the credit.
 - 4. When a credit voucher or portion of a credit voucher is reassigned a notation shall be placed on the initial credit voucher that a reassignment has been made. The amount reassigned shall be deducted from the credit voucher.
 - 5. When a reassignment occurs a new credit voucher shall be issued for the reassigned credit amount.

- a. The new credit voucher shall note the property to which the initial credit was assigned, subsequent reassignments shall also note the property to which the initial credit was assigned.
 - b. The new credit voucher shall note the credit voucher number from which it was reassigned, if multiple reassignments occur each credit voucher number shall be noted.
 - c. The new credit voucher shall have the same expiration date as the initial credit voucher.
 - d. Apportionment against lots or parcels constituting the property to which a reassignment has been made is allowed as described in subsection F of this section.
6. A reassigned credit voucher shall follow all rules regarding redemption of credits.
 7. The city may charge a fee for administering the reassignment of credits.
 8. SDC credit reassignments approved in connection with new development outside SDC overlay districts, if applied to SDCs payable on new development inside overlay districts, may only be applied to the portion of that new development's SDC charges payable under the City SDC. Such SDC credit reassignments may not be applied to SDCs payable for a SDC overlay.
- J. Any credit must be redeemed not later than the issuance of the building permit or, if deferral was permitted, issuance of the occupancy permit. The applicant is responsible for presentation of any credit prior to issuance of the building or occupancy permit. Under no circumstances shall any credit redemption be considered after issuance of a building permit or, if deferral was granted, issuance of an occupancy permit.
 - K. Credit vouchers shall expire on the date ten years after the acceptance of the applicable improvement by the appropriate jurisdiction. No extension of this deadline shall be granted.

E. REDEEMING CREDITS

A developer can redeem credits for development within the City subject to the following constraints.

Credit Application and Administration

- J. Any credit must be redeemed not later than the issuance of the building permit or, if deferral was permitted, issuance of the occupancy permit. The applicant is responsible for presentation of any credit prior to issuance of the building or occupancy permit. Under no circumstances shall any credit redemption be considered after issuance of a building permit or, if deferral was granted, issuance of an occupancy permit.

SECTION II: APPLICABILITY OF SDCs

SDCs apply to all new development within the City unless it is specifically exempted from the SDC (see Chapter 3 of this guide regarding exemptions). Tigard Municipal Code states that SDCs are imposed on the following development within the City.

3.24.040 System Development Charge Imposed; Method for Establishment Created.

- A. Unless otherwise exempted by the provisions of this ordinance or any other applicable local or state law, a SDC is hereby imposed upon all development within the city. SDCs are imposed upon the act of making a connection to the City water or sewer system within the City, upon all development outside the boundary of the City that connects to or otherwise uses the sewer or water facilities of the City, and whenever the City Council has authorized an intergovernmental agreement which permits the City to impose a parks SDC outside the City limits.

In a case where there is a modification to an existing structure (such as a change in use, alteration, expansion, or replacement), the SDC is charged only if the modification will result in a net increase in the impact on the system for which the SDC is charged.

SECTION III: EXEMPTIONS

Certain types of new development are either fully or partially exempt from paying SDCs.

A. FULLY EXEMPT NEW DEVELOPMENT

The following types of development are fully exempt from SDC charges.

3.24.110 Exemptions

A. The following are exempt from a SDC.

1. Structures and uses established and existing on or before the effective date of the resolution which sets the amount of the SDC are exempt from the charge, except water and sewer charges, to the extent of the structure or use existing on that date and to the extent of the parcel of land as it is constituted on that date. Structures and uses affected by this subsection shall pay the water or sewer charges pursuant to the terms of this Chapter upon the receipt of a permit to connect to the water or sewer system.
2. Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the Building Code adopted pursuant to Section 14.04 of this Code, are exempt from all portions of the SDC.
3. An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of a capital improvement are exempt from all portions of the SDC.

C. APPLYING FOR EXEMPTION

Developers may apply for exemptions against the amount of SDCs owed to the City of Tigard. Correspondence must be made in writing to the City Manager or the SDC administrator. Exemptions may be given by the SDC administrator or designee for portions of the development that meets the above conditions. The City Manager or designee will respond to the Applicant's request in writing within 30 days of when a complete request is submitted. The City Manager or designee shall provide a written explanation of the decision on the SDC Exemption request.

D. APPEALING A DENIAL OF EXEMPTION

The decision of the City Manager or designee may be appealed to the City Council, as described in **Section VII** of these guidelines. In addition, all persons who object to the calculation of a system development charge have a right to challenge the decision and petition for review of a final City decision pursuant to ORS 34.010 to 34.100.

SECTION IV: AMOUNT AND PAYMENT OF SDCs

A. CALCULATION OF THE SDC AMOUNT

A.1 New Development

SDCs for new development are calculated in accordance with the System Development Charge Methodology Report, using the worksheet included in Appendix C.

The City Manager or designee (i.e., Building Department) shall calculate SDCs by doing the following:

- ◆ Identifying the SDC rates per unit of development for each system;
- ◆ Multiplying each SDC rate (from step 1) by the appropriate number of units of development (e.g., thousand square feet of gross floor area [T.S.F.G.F.A.], students, VFPs, equivalent dwelling units). Any proposed use which constitutes 10% or less of the total building space is considered an ancillary use and does not require a separate calculation; however, the building space for such uses must be included in the total for other non-residential uses.

A.2 Parks SDC Calculations

A.2.a Residential SDC Calculations

Parks SDCs for residential development is calculated by multiplying the number of dwellings (by housing category) by the corresponding SDC rate:

$$\text{Number of Dwellings} \times \text{Parks SDC Rate (by use)} = \text{Total Parks SDC charge}$$

A.2.b Non-Residential SDC Calculations

To calculate parks SDCs for proposed redevelopment of existing buildings, the SDC for non-residential uses will take into account the amount of floor area (square feet) proposed as a change in use. The Parks SDC for non-residential development will vary by the classification of development as shown in **Exhibit 4.1** with the calculation as follows:

$$\text{Development Floor Area (by use)} \times \text{Parks SDC Rate Per Employee} \\ \times \text{Employees to SF Conversion Factor} = \text{Total Parks SDC charge}$$

Note that development floor area is to be based on the net leasable floor area of new development.

Exhibit 4.1

Parks SDC Conversion Factors for Non-Residential Uses

Category	Parks SDC Per Employee ¹	Employees Per 1,000 SF ²	Parks SDC Per 1,000 SF
General Industrial	\$707	1.25	\$884
Warehousing/Distribution	\$707	0.80	\$566
Flex	\$707	1.60	\$1,132
Office	\$707	3.33	\$2,357
Retail	\$707	2.22	\$1,572
Institutional	\$707	2.00	\$1,414

¹SDC reflects proposed reimbursement fee, improvement fee, and compliance fee.

²Derived from Metro factors used for 2014 Urban Growth Report
Source: Compiled by FCS GROUP.

A.3 Transportation SDC Calculations

A.3.a Residential SDC Calculation

Transportation SDC calculations for residential development will be charged based on new single family detached and multifamily/other dwellings added to the City. These types of calculations take into account the net new dwellings added multiplied by the SDC per dwelling unit.

SDC rates for specific residential developments are to be determined using the ITE Trip Generation Handbook, 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 4.2** will be used to calculate SDC rates for single family detached homes.

Exhibit 4.2

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.

The number of new PHVTs generated for residential land use should take into account the following formula:

$$\text{ITE Vehicle Trip Rate (by use code)} \times \text{Dwellings} \times \text{TSDC Adjustment Factor (if applicable)} \\ = \text{Total TSDC charge}$$

A.3.b Non-Residential SDC Calculation

The proposed SDCs identified in this report include specific recommendations for initial SDCs to be charged based on new PHVT added for non-residential development. New non-residential development in Tigard may include land use types with linked trips. The number of new PHVTs generated for non-residential land use should take into account the following formula:

$$\text{ITE Vehicle Trip Rate} \times (1 - \% \text{ Linked Trips}) = \text{Net New PHVT}$$

The SDC per unit of development is calculated for each type of land use by multiplying the new PHVT for each land use by the SDC per PHVT (see **Appendix B**). It is important to note that the *Trip Generation Manual* may not contain some land use categories or may not include trip rates or number of net new trips generated. For such land use categories without data, the City administrator shall use her/his judgment to calculate the transportation SDC.

In the event that the proposed land use is a use that is not listed in the SDC Methodology Report or applicable ITE Handbooks (for transportation SDCs), the City may calculate the SDC charge based on the estimated increase in units of development for the proposed use, or may consider independent engineering studies submitted by the developer indicating the net impact of the proposed development.

A.4 Modification, Expansion, or Redevelopment

If the new development is a modification or expansion of an existing structure, or redevelopment of a property from a previous use, the SDC amount is based on the net increase in the number of units for each system, calculated as follows:

1. Calculate an SDC for each system in the new development as though the entire development was subject to the SDC;
2. Calculate an SDC for each system in the existing development, before modification, expansion, or redevelopment, as though the existing development was subject to the SDC;
3. Calculate the net SDC amount for each system by subtracting the results of Step 2 from the results of Step 3; if the result is zero or less than zero for a system, no SDC is due for that system.

B. SDC DISCOUNTS FOR TRANSIT ORIENTED MIXED USE DEVELOPMENTS IN DOWNTOWN

Additional transportation SDC discounts may be permitted by the SDC administrator if the proposed new development meets the conditions for transit oriented mixed use developments (TOD) shown in **Exhibit 4.3**. The discounts for transit oriented mixed use developments apply to new development in downtown Tigard that are within 0.50 miles of the Tigard Transit Center. Additionally, transportation SDC discounts are allowed when new development is to be constructed with the minimum density and floor area mix assumptions shown in **Exhibit 4.3**. These discounts are based on the expected level of internal trip capture as documented by the U.S. Environmental Protection Agency (EPA) *Mixed-Use Trip Generation Model 4.0*. The discount takes into account the level of transit access afforded by the combination of frequent bus service and commuter rail service from this location. The total discount ranges from 10% to 25% of transportation SDC base calculations and the TOD discounts are not additive.

Exhibit 4.3 TSDC Discount Criteria in Downtown Tigard

Benefit Based on...	Reduction Level	Transportation Impact & Potential TSDC Reduction	Development Requirement
Proximity to Transit Service	Level 1	10% Vehicle Trip Reduction	Location within 0.5 miles from Tigard Transit Center
Proximity to Transit Service and Development Type/Mix	Level 2	17% Vehicle Trip Reduction	Minimum Res. Density of 24 dwellings per gross acre
	Level 3	20% Vehicle Trip Reduction	Minimum Res. Density of 24 dwellings per acre <u>and</u> at least 15% of the ground floor area devoted to commercial
			or Minimum FAR of 1.0 per acre for non-res. development
	Level 4	25% Vehicle Trip Reduction	Minimum res. density of 55 dwellings per acre <u>and</u> at least 15% of ground floor area devoted to commercial uses
or Minimum FAR of 1.5 per acre for non-res. development			

Notes:

¹ Some portion of the development site must be located within a 0.50 (one half) mile radius (straight line distance measurement) of Tigard Transit Center to qualify for TSDC reduction.

² The minimum residential density for this TSDC reduction level has been interpolated based on ITE results.

Source: ITE, Trip Generation Handbook, 9th Edition, Appendix B; and EPA Travel Demand Model, 4.0.

C. ALTERNATIVE SDC RATE CALCULATION

An Applicant may request an alternative SDC rate calculation if:

1. The Applicant believes that the impact of facilities resulting from the new development is, or will be, less than that contemplated in the SDC Methodology Report, and for that reason, the Applicant's SDC should be lower than that calculated by the City.
2. The Applicant believes that SDCs paid by the property subject to development are, or will be, more than is provided by any credit for SDC payments which may be included in the SDC Methodology Report, and for that reason, the Applicant's SDC should be lower than that calculated by the City.
3. The Applicant agrees to reimburse the City for any additional time or resources necessary to provide a decision.

The following process shall be used for an alternative SDC rate request.

1. If an Applicant believes that the assumptions for the class of structures that includes the new development are not appropriate for the subject new development, the Applicant must request an alternative SDC rate calculation, under this Section, no later than the time of issuance of a Building Permit for the New Development. Alternative SDC rate calculations for occupancy

must be based on analysis of occupancy of classes of structures, not on the intended occupancy of a particular new development.

2. In support of the Alternative SDC rate request, the Applicant must provide complete and detailed documentation, including verifiable data, analyzed and certified by a suitable and competent professional (such as a Transportation Engineer with a current professional engineering license to practice in the State of Oregon). The Applicant's supporting documentation must rely upon generally accepted sampling methods, sources of information, cost analysis, demographics, growth projections, and techniques of analysis as a means of supporting the proposed alternative SDC rate. The proposed Alternative SDC Rate calculation shall include an explanation with particularity why the rate established in the SDC Methodology does not accurately reflect the new development's impact on the City's capital improvements.
3. The City Manager or designee shall apply the Alternative SDC Rate if, in the City Manager's opinion, the following are found:
 - a. The evidence and assumptions underlying the Alternative SDC Rate are reasonable, correct, and credible and were gathered and analyzed in compliance with generally accepted principles and methodologies consistent with this Chapter;
 - b. The calculation of the proposed Alternative SDC rate was by a generally accepted methodology;
 - c. The proposed alternative SDC rate better or more realistically reflects the actual impact of the new development than the rate set forth in the SDC Methodology Report; and
 - d. The applicant has compensated the City for the additional cost of administrative services associated with the review of the alternative SDC rate (administrative review charges to be calculated by the City Manager or designee).¹
4. Within 30 days of the Applicant's submission of the request, the City Manager or designee shall provide a written decision explaining the basis for rejecting or accepting the request.

The decision of the City Manager or designee may be appealed to the City Council, as described in **Section VII** of these guidelines. In addition, all persons who object to the calculation of a system development charge have a right to challenge the decision and petition for review of a final City decision pursuant to ORS 34.010 to 34.100.

D. WHEN PAYMENT IS DUE

Payment is due according to the following criteria.

¹ It is noted that any additional SDC charges for this purpose are in addition to the charges included in the SDC Methodology Report, including the improvement fee, reimbursement fee and the compliance fee; as well as other permitting and inspection charges, fees or SDCs applied to new developments.

3.24.090 Collection of Charge

- A. The SDC is payable upon issuance of:
 - 1. A building or construction permit of any kind, including any permit or permits issued in connection with the set-up or installation of any trailer, mobile or manufactured home;
 - 2. A development permit;
 - 3. A development permit for development not requiring the issuance of a building permit;
 - 4. A permit to connect to the sewer system; or
 - 5. A permit to connect to the water system.
- B. If development is commenced or connection is made to the water system, sewer system, or storm system without an appropriate permit, the SDC shall be immediately due and payable upon the earliest date that a permit was required.
- C. The Administrator shall collect the applicable SDC from the Permittee. The Administrator shall not issue such permit or allow such connection until the charge has been paid in full, or unless an exemption is granted pursuant to Section 3.24.110, or unless provision for installment payments has been made, pursuant to Section 3.24.100, which follows.

The permittee, or the one paying the SDC, can apply to make installment payments on the SDC according to the following section of Tigard code.

3.24.100 Installment Payment

- A. When a SDC is due and payable, the Permittee may apply for payment in twenty semi-annual installments, secured by a lien on the property upon which the development is to occur or to which the utility connection is to be made, to include the SDC along with the following:
 - 1. Interest on the obligation at the prime rate as published by the Wall Street Journal the day of application plus 4%;
 - 2. Any and all costs, as determined by the Administrator, incurred in establishing payment schedules and administering the collections process;
- B. The intent of this section is to recognize that the payment of an SDC by installments increases the administrative expense to the city. It is the intent of this subsection to shift that added expense to the applicant, so that the city will not lose SDC revenue by accepting installment payments on such charges. Subject to the provisions of this section, all costs added to the SDC will be determined by the Administrator.
- C. An Applicant requesting installment payments shall have the burden of demonstrating the Applicant's authority to assent to the imposition of a lien on the property and that the interest of the Applicant is adequate to secure payment of the lien.

SECTION V: UPDATING THE SDC RATES

A. ANNUAL COST ADJUSTMENT

Oregon law dictates that the City is allowed to adjust SDCs based on escalation factors. Please refer to the respective SDC methodology for specific cost escalations. After calculating the SDC adjustment factor, each of the adopted SDC rates, fees, and charges included in a methodology report and outlined in this Administrative Procedures Guide shall be adjusted, effective on July 1st of each year to coincide with the start of a new fiscal year.

A.1 Parks SDC Adjustment

The adjusted parks SDC fee will be determined by the multiplying the existing fees by the average of two indices, one reflecting changes in land acquisition costs and one reflecting changes in development/construction costs (**Exhibit 5.1**).

The index for the land acquisition component will be based on cost of residential tract land in Tigard, as determined by the Washington County Assessor/Appraiser. The average cost for residential land and year over year change (e.g., July 1 to July 1) will be measured as a percentage basis, to create the level of change in the original index, and projected as the overall change in Land Acquisition cost for Tigard.

The index for the construction cost component of the SDC will be the Construction Cost Index for the City of Seattle as published in May issue of the Engineering News Record (ENR). The Seattle Cost Index will be used because it is the most proximate city to Tigard of the twenty metropolitan areas for which the ENR maintains cost data. The index is adjusted monthly and will be calculated based on year to year changes in construction cost (e.g., July 1 to July 1) and projected as the overall change in construction cost for Tigard.

Exhibit 5.1: Parks SDC Escalation

$$\begin{aligned} & (\text{Change in Average Residential Land Value} \times 0.50) \\ & + (\text{Change in Construction Cost Index} \times 0.50) \\ & = \text{Parks SDC Adjustment Factor} \end{aligned}$$

A.2 Transportation SDC Adjustment

The adjusted parks SDC fee will be determined by the multiplying the existing fees by the average of two indices, one reflecting changes in construction costs and one reflecting changes in asphalt prices (**Exhibit 5.2**).

The index for the construction cost component of the SDC will be the Construction Cost Index for the City of Seattle as published in May issue of the Engineering News Record (ENR). The index is adjusted monthly, and will be calculated based on year to year changes in construction cost (e.g., July 1 to July 1) and projected as the overall change in Construction cost for Tigard. The index for the asphalt price will be the annualized change in Oregon Department of Transportation (ODOT) published monthly change in asphalt prices.

Exhibit 5.2: Transportation SDC Escalation

$$\begin{aligned} & (\textit{Change in Construction Cost Index} \times 0.90) \\ & + (\textit{Change in Annualized ODOT Asphalt Price} \times 0.10) \\ & = \textit{Transportation SDC Adjustment Factor} \end{aligned}$$

SECTION VI: RECEIPT, EXPENDITURE, AND REFUNDS OF SDC REVENUE

A. DEPOSITS

All SDC revenues collected by the City must be deposited in the appropriate SDC accounts. Until needed for an authorized use, funds deposited in the SDC accounts may be invested by the City with interest earned credited to the SDC accounts.

3.24.140 Segregation and Use of Revenue

- A. All funds derived from a particular type of SDC are to be segregated by accounting practices from all other funds of the city. That portion of the SDC calculated and collected on account of a specific facility system shall be used for no purpose other than those set forth in this Chapter.

B. PERMITTED USES

Each type of SDC has specific permitted uses listed below.

B.1 Reimbursement Fees

Reimbursement Fee SDC revenues can be used for any type of capital improvement within the system for which the fee is collected. The capital improvements must be included in the City's Capital Improvement Plan (CIP). The CIP must do the following:

- ◆ List the specific projects that may be funded with SDC revenues,
- ◆ Provide the cost of each project,
- ◆ Provide the estimated timing of each project, and
- ◆ Provide the percentage of each project being funded with SDC revenues.

The CIP may be amended at any time.

3.24.060 Authorized Expenditures

- A. Reimbursement fees. Reimbursement fees shall be applied only to capital improvements (and not operating expenses) associated with the system for which the fees are associated, including expenditures relating to repayment of indebtedness.

B.2 Improvement Fees

Improvement Fee SDC revenues can be used only for capacity-increasing capital improvements.

3.24.060.B Authorized Expenditures; Improvement Fees

1. Improvement fees shall be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for the improvements. An increase in system capacity may be established if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of the improvements funded by improvement fees must be related to the need for increased capacity to provide service for future users.
2. A capital improvement being funded wholly or in part from revenues derived from the improvement fee shall be included in the plan adopted by the city pursuant to Section 3.24.080.

B.3 Compliance Fees

SDC revenues may be used and for the direct costs of complying with the State statutes governing SDCs, for the costs of administering the SDCs, and for the costs of developing SDC methodologies.

3.24.060.B Authorized Expenditures

3. Notwithstanding subsections 3.24.060.B.1 and .2, SDC revenues may be expended on the costs of complying with the provisions of this Chapter, including the costs of developing systems development charge methodologies and providing an annual accounting of systems development charge funds.

C. PROHIBITED USES

Money on deposit in any SDC accounts shall not be used for the following items.

3.24.070.A Expenditure Restrictions

1. Costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements; or
2. Costs of the operation or routine maintenance of capital improvements.

D. REFUNDS OF SDCS

The City shall grant a refund of SDCs for the following reasons:

- ◆ The City Manager finds that... there was a clerical error in the calculation of the SDC, or
- ◆ The SDCs have not been expended within ten years of receipt.

In no case will a cash refund be available to the property owner/applicant. When one of the above referenced scenarios gives rise to a credit amount greater than the systems development charge that would otherwise be levied against the project receiving development approval, the amount of the remaining credit shall be included in an agreement signed by the applicant and the City Manager or designee that states the amount of the remaining credit and the effective date of the agreement. The remaining credit may be applied against system development charges that accrue in subsequent phases of the original development project.

Credit may be transferable from one development to another. As noted above, remaining credit shall expire 10 years from the date the credit is given. Credits shall only fulfill obligations of SDCs of the capital improvement type for which the credit was issued.

SECTION VII: CHALLENGES AND APPEALS

A. CHALLENGES OF EXPENDITURES

If there is a challenge of either SDC expenditures or credits, Tigard code stipulates the following procedure.

3.24.150 Appeal Procedure.

- A. A person aggrieved by a decision required or allowed to be made by the city recorder under this ordinance or a person challenging the propriety of an expenditure of SDC revenues may appeal the decision or the expenditure to the City Council by filing a written request with the Administrator describing with particularity the decision of the Administrator or the expenditure from which the person appeals.
- B. Appeal of an Expenditure: An appeal of an expenditure must be filed within two years of the date of the alleged improper expenditure. The council shall determine whether the Administrator's decision or the expenditure is in accordance with this ordinance and the provisions of ORS 223.297 to 223.314 and may affirm, modify or overrule the decision. If the Council determines that there has been an improper expenditure of SDC revenues, the council shall direct that a sum equal to the misspent amount shall be deposited within one year to the credit of the account or fund from which it was spent.
- C. Appeal of an SDC Methodology: Legal action challenging the methodology adopted by the council pursuant to Section 3.24.050 shall not be filed later than sixty (60) days after the date of adoption, and shall be contested according to the procedure set forth in ORS 34.010 to 34.100, and not otherwise.
- D. Appeal of an SDC Calculation or Credit Determination.
 1. A person aggrieved by a decision made by the Administrator relating to the calculation of SDCs may file an appeal within ten (10) days of the Administrator's action.
 2. Appeals must be made by filing a written request with the Administrator and must include a recommended solution to the issue that has initiated the appeal.
 3. Appeals may be filed to challenge only the trip generation rate or land use category that is applicable to the project.
 4. The City Council shall consider all appeals and shall render a decision to affirm, modify, or overrule the decision of the Administrator.
 5. The City Council's decision shall be made in accord with the intent of the provisions of this ordinance.

The City will review the challenge and determine whether or not an expenditure was made in accordance with the provisions of the SDC Ordinance and ORS 223. If the City finds that the expenditure was not appropriate, the SDC account(s) must be reimbursed from other revenue sources. The City shall notify the person who submitted the challenge of the results of the review within 30 days following completion of the review.

SECTION VIII: RECORD KEEPING

A. RECORDS OF RECEIPTS

All SDCs received should be listed in chronological order, with each record indicating the date received, the amounts received, the name and location of the development for which the SDC was paid, the number(s) of the building permit(s), and the name of the Applicant who paid the SDC.

B. RECORDS OF INVESTMENTS

Any funds on deposit in the SDC accounts that are not immediately necessary for expenditure may be invested by the City with all income derived from such investments deposited in the account. All investment transactions should include the date and a description of the transaction.

C. RECORDS OF EXPENDITURES

Records of disbursements should be recorded for each account and should include the date of the expenditure and the name of the specific capital improvement project for which the funds are expended. In the case of a refund, the date and name of the person receiving the refund should be recorded.

D. TIMELINESS OF RECORDS

Records of receipts and disbursements of SDCs shall be updated on the business day during which a transaction occurred.

E. REPORTS

The City is required by ORS 223 to prepare by January 1 of each year an annual report accounting for all receipts and expenditures of SDC revenues. The annual report must show the total amount of system development charge revenues collected for each system and the projects that were funded in the previous fiscal year. It must also include a list of the amount spent on each project funded, in whole or in part with system development charge revenues.

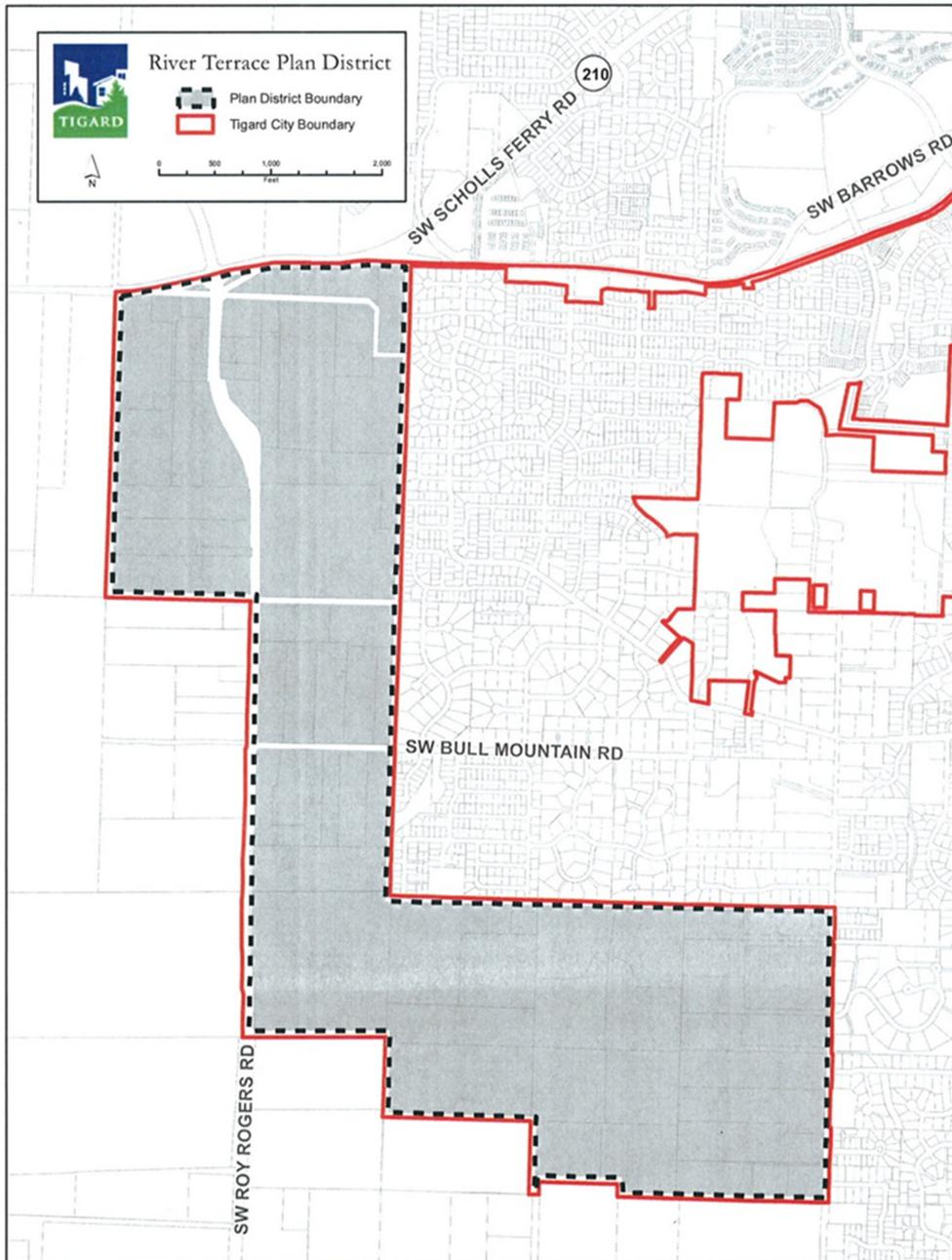
3.24.140 Segregation and Use of Revenue

- B. The Administrator shall provide an annual accounting of SDCs showing the total amount of system development charge revenues collected for each type of facility and the projects funded from the account.

APPENDIX

Appendix A: River Terrace District

The River Terrace SDC overlay boundary is referenced by the City of Tigard Community Development Code Map 18.660.



Appendix B: Transportation SDCs by Use (as of July 1, 2015)

Tigard TSDC Rates by Selected Land Use Category (as of July 1, 2015)														
		Trip Categories					Adjusted Trip Rates		Tigard TSDC Rate Per Peak Trip					
									\$483	\$8,362	\$1,104			
ITE Code	Land Use	Unit	Weekday PM Peak-Hour Trips	Pass Diverted			Total	Daily	Weekday PM Peak-Hour	SDC-R charge per Unit	SDC-I citywide charge per Unit	SDC-I River Terrace Overlay charge per Unit	Citywide Total TSDC per Unit	River Terrace Total TSDC per Unit
				Primary	By	Linked								
110	General Light Industrial	1,000 SFGFA	1.08	100%			100%	5.26	1.08	\$522	\$9,031	\$1,192	\$9,553	\$10,745
130	Industrial Park	1,000 SFGFA	0.84	100%			100%	5.34	0.84	\$406	\$7,024	\$927	\$7,430	\$8,357
140	Manufacturing	1,000 SFGFA	0.75	100%			100%	3.03	0.75	\$362	\$6,272	\$828	\$6,634	\$7,462
151	Mini-Warehouse	1,000 SFGFA	0.29	100%			100%	2.37	0.29	\$140	\$2,425	\$320	\$2,565	\$2,885
160	Data Center	1,000 SFGFA	0.14	100%			100%	0.99	0.14	\$68	\$1,171	\$155	\$1,238	\$1,393
210	Single-Family Detached Housing*	Dwelling unit	1.02	100%			100%	9.45	1.02	\$312	\$5,402	\$3,672	\$5,714	\$9,386
220	Apartment	Dwelling unit	0.67	100%			100%	6.50	0.67	\$182	\$3,151	\$2,142	\$3,333	\$5,475
230	Residential Condominium/Townhouse	Dwelling unit	0.52	100%			100%	5.65	0.52	\$182	\$3,151	\$2,142	\$3,333	\$5,475
240	Mobile Home Park	ODU	0.60	100%			100%	4.90	0.60	\$290	\$5,017	\$662	\$5,307	\$5,969
254	Assisted Living	Bed	0.35	100%			100%	2.56	0.35	\$169	\$2,927	\$386	\$3,096	\$3,482
310	Hotel	Room	0.61	100%			100%	7.86	0.61	\$295	\$5,101	\$673	\$5,395	\$6,069
320	Motel	Room	0.56	100%			100%	5.63	0.56	\$270	\$4,683	\$618	\$4,953	\$5,571
411	City Park	Acre		100%			100%	6.13		\$0	\$0	\$0	\$0	\$0
417	Regional Park	Acre	0.26	100%			100%	4.99	0.26	\$126	\$2,174	\$287	\$2,300	\$2,587
430	Golf Course	Acre	0.39	100%			100%	5.27	0.39	\$188	\$3,261	\$431	\$3,450	\$3,880
492	Health/Fitness Club	1,000 SFGFA	4.06	100%			100%	30.32	4.06	\$1,961	\$33,950	\$4,482	\$35,911	\$40,393
495	Recreational Community Center	1,000 SFGFA	3.35	100%			100%	27.40	3.35	\$1,618	\$28,013	\$3,698	\$29,631	\$33,329
520	Elementary School	1,000 SFGFA	3.11	59%	41%		100%	7.12	1.83	\$886	\$15,343	\$2,026	\$16,230	\$18,255
522	Middle School/Junior High School	1,000 SFGFA	2.52	59%	41%		100%	6.36	1.49	\$718	\$12,433	\$1,641	\$13,151	\$14,792
530	High School	1,000 SFGFA	2.12	59%	41%		100%	5.95	1.25	\$604	\$10,459	\$1,381	\$11,063	\$12,444
540	Junior/Community College	1,000 SFGFA	2.64	100%			100%	21.41	2.64	\$1,275	\$22,076	\$2,915	\$23,351	\$26,265
560	Church	1,000 SFGFA	0.94	100%			100%	13.22	0.94	\$454	\$7,860	\$1,038	\$8,314	\$9,352
565	Day Care Center	1,000 SFGFA	13.75	33%	67%		100%	18.02	4.54	\$2,192	\$37,943	\$5,009	\$40,134	\$45,144
610	Hospital	1,000 SFGFA	1.16	100%			100%	12.17	1.16	\$560	\$9,700	\$1,281	\$10,260	\$11,541
620	Nursing Home	1,000 SFGFA	1.01	100%			100%	7.21	1.01	\$488	\$8,446	\$1,115	\$8,933	\$10,048
710	General Office Building	1,000 SFGFA	1.49	100%			100%	8.38	1.49	\$720	\$12,459	\$1,645	\$13,179	\$14,824
720	Medical-Dental Office Building	1,000 SFGFA	4.27	100%			100%	27.31	4.27	\$2,062	\$35,706	\$4,714	\$37,768	\$42,482
750	Office Park	1,000 SFGFA	1.48	100%			100%	8.50	1.48	\$715	\$12,376	\$1,634	\$13,091	\$14,725
760	Research and Development Center	1,000 SFGFA	1.07	100%			100%	6.22	1.07	\$517	\$8,947	\$1,181	\$9,464	\$10,645
770	Business Park	1,000 SFGFA	1.26	100%			100%	9.44	1.26	\$609	\$10,536	\$1,391	\$11,145	\$12,536
812	Building Materials and Lumber Store	1,000 SFGFA	5.56	100%			100%	43.13	5.56	\$2,685	\$46,493	\$6,138	\$49,178	\$55,316
813	Free-Standing Discount Superstore	1,000 SFGFA	4.40	72%	28%		100%	38.46	3.17	\$1,530	\$26,491	\$3,497	\$28,021	\$31,518

Appendix B: Transportation SDCs by Use (continued)

Tigard TSDC Rates by Selected Land Use Category (as of July 1, 2015)										Tigard TSDC Rate Per Peak Trip				
ITE Code	Land Use	Unit	Weekday PM Peak-Hour Trips	Trip Categories				Adjusted Trip Rates		\$483	\$8,362	\$1,104	Citywide Total TSDC per Unit	River Terrace Total TSDC per Unit
				Primary	Pass By	Diverted Linked	Total	Daily	Weekday PM Peak-Hour	SDC-R charge per Unit	SDC-I citywide charge per Unit	SDC-I Terrace Overlay charge per Unit		
814	Variety Store	1,000 SFGFA	6.99	48%	17%	35%	100%	30.57	3.34	\$1,612	\$27,910	\$3,685	\$29,522	\$33,207
815	Free-Standing Discount Store	1,000 SFGFA	5.57	48%	17%	35%	100%	28.22	2.66	\$1,285	\$22,240	\$2,936	\$23,525	\$26,461
816	Hardware/Paint Store	1,000 SFGFA	4.74	45%	26%	30%	100%	25.91	2.11	\$1,019	\$17,638	\$2,329	\$18,657	\$20,985
817	Nursery (Garden Center)	1,000 SFGFA	9.04	100%			100%	82.86	9.04	\$4,366	\$75,592	\$9,980	\$79,959	\$89,939
820	Shopping Center	1,000 SFGLA	3.71	50%	34%	16%	100%	20.68	1.86	\$898	\$15,555	\$2,054	\$16,453	\$18,507
826	Specialty Retail Center	1,000 SFGLA	5.02	100%			100%	40.58	5.02	\$2,425	\$41,977	\$5,542	\$44,402	\$49,944
841	Automobile Sales	1,000 SFGFA	2.80	100%			100%	29.27	2.80	\$1,352	\$23,414	\$3,091	\$24,766	\$27,857
843	Automobile Parts Sales	1,000 SFGFA	6.44	44%	43%	13%	100%	27.24	2.83	\$1,369	\$23,695	\$3,128	\$25,063	\$28,191
848	Tire Store	1,000 SFGFA	3.26	69%	28%	3%	100%	17.08	2.24	\$1,081	\$18,719	\$2,471	\$19,800	\$22,271
850	Supermarket	1,000 SFGFA	8.37	39%	36%	25%	100%	47.34	3.24	\$1,567	\$27,121	\$3,581	\$28,688	\$32,268
851	Convenience Market (Open 24 Hours)	1,000 SFGFA	53.42	33%	61%	6%	100%	246.81	17.38	\$8,392	\$145,294	\$19,183	\$153,687	\$172,869
857	Discount Club	1,000 SFGFA	4.63	100%			100%	42.35	4.63	\$2,236	\$38,716	\$5,112	\$40,952	\$46,064
862	Home Improvement Superstore	1,000 SFGFA	3.17	44%	48%	8%	100%	16.73	1.39	\$674	\$11,663	\$1,540	\$12,337	\$13,877
880	Pharmacy/Drugstore without Drive-Through	1,000 SFGFA	11.07	42%	53%	5%	100%	38.13	4.69	\$2,263	\$39,187	\$5,174	\$41,450	\$46,624
881	Pharmacy/Drugstore with Drive-Through	1,000 SFGFA	9.72	38%	49%	13%	100%	36.83	3.69	\$1,784	\$30,886	\$4,078	\$32,670	\$36,748
890	Furniture Store	1,000 SFGFA	0.53	37%	53%	10%	100%	1.83	0.19	\$94	\$1,625	\$215	\$1,719	\$1,933
911	Walk-in Bank	1,000 SFGFA	12.13	100%			100%		12.13	\$5,859	\$101,431	\$13,392	\$107,290	\$120,681
912	Drive-in Bank	1,000 SFGFA	26.69	27%	47%	26%	100%	33.54	7.30	\$3,524	\$61,003	\$8,054	\$64,527	\$72,581
925	Drinking Place	1,000 SFGFA	15.49	100%			100%		15.49	\$7,482	\$129,527	\$17,101	\$137,009	\$154,110
931	Quality Restaurant	1,000 SFGFA	9.02	43%	44%	14%	100%	37.42	3.83	\$1,852	\$32,056	\$4,232	\$33,907	\$38,139
932	High-Turnover (Sit-Down) Restaurant	1,000 SFGFA	18.49	40%	43%	17%	100%	52.58	7.35	\$3,550	\$61,459	\$8,114	\$65,009	\$73,123
934	Fast-Food Restaurant with Drive-Through	1,000 SFGFA	47.30	41%	50%	9%	100%	219.07	19.37	\$9,354	\$161,945	\$21,381	\$171,299	\$192,680
936	Coffee/Donut Shop without Drive-Through	1,000 SFGFA	25.81	40%	43%	17%	100%		10.26	\$4,955	\$85,790	\$11,326	\$90,745	\$102,072
937	Coffee/Donut Shop with Drive-Through	1,000 SFGFA	36.16	41%	50%	9%	100%	335.16	14.81	\$7,151	\$123,804	\$16,345	\$130,955	\$147,300
938	Coffee/Donut Kiosk	1,000 SFGFA	96.00	17%	83%		100%	306.00	16.32	\$7,883	\$136,468	\$18,017	\$144,350	\$162,368
944	Gasoline/Service Station	VFP	15.65	35%	42%	23%	100%	59.00	5.48	\$2,646	\$45,803	\$6,047	\$48,448	\$54,496
945	Gasoline/Service Station with Convenience M	VFP	13.57	13%	56%	31%	100%	20.80	1.73	\$837	\$14,499	\$1,914	\$15,337	\$17,251
946	Gasoline/Service Station with Car Wash	VFP	14.52	24%	49%	27%	100%	36.51	3.47	\$1,675	\$29,005	\$3,829	\$30,680	\$34,510

Source: ITE Trip Generation Handbook, 9th Edition. * note, for single family detached rate calculations see Section IV of the Tigard SDC Procedures Manual.

Abbreviations	
CFD	commercial flights per day
ODU	occupied dwelling unit
SFGFA	square feet of gross floor area
SFGLA	square feet of gross leasable area
VFP	vehicle fueling position
SDC-r	SDC reimbursement fee
SDC-i	SDC improvement & compliance fee

Appendix C: System Development Charge Form

**City of Tigard System Development Charges
APPLICATION AND CALCULATION WORKSHEET**

DATE: _____

APPLICANT

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE: _____

DEVELOPMENT

TYPE OF DEVELOPMENT: _____

PARCEL NUMBER OR SDC LOT NUMBER: _____

LOCATION: _____

BUILDING PERMIT NUMBER: _____

CURRENT USE(S):

Site is Vacant

Site Currently Has Residential Dwelling Units

Number of Single-Family Dwelling Units _____

Number of Multi-Family Dwelling Units _____

Number of Manufactured Housing Dwelling Units _____

Site Currently Has Non-Residential Structure(s)

Size(s) _____

Current Land Use(s) _____

SDC CALCULATIONS

SDC Exemption Request

Is the proposed development in one of the following exempt categories?

Alteration of existing building - no additional impacts.

Accessory buildings or structures - no additional impacts.

Mobile/manufactured home placement for a unit on which SDCs have already been paid.

Temporary Use (less than 180 days).

(EXPLAIN): _____

OFFICIAL USE ONLY

Exemption denied. Applicant may appeal denial.

Exemption determination referred to City Council on _____ (date)

By: _____
(Signature of City Official)

SDC Credit Request

If the development is donating or constructing a Qualified Public Improvement, a credit against the SDC may be available. A Qualified Public Improvement is a capital improvement required as a condition of development approval. To obtain an SDC Credit, the Applicant must submit a letter to the City specifically requesting a credit prior to the issuance of a building permit for the Development. In the request, the Applicant must identify the improvement(s) for which Credit is sought and explain how the improvement(s) meet the requirements for a Qualified Public Improvement. The Applicant must also document the value of the improvement(s) for which Credit is sought.

SDC Credit is Requested

Alternative SDC Rate Calculation Request

An Applicant may request an Alternative SDC Rate Calculation if the Applicant believes that the impact on facilities resulting from the development will be less than the rates established in the SDC Methodology Report. In support of the Alternative SDC Rate request, the Applicant must provide complete and detailed documentation.

Alternative SDC Rate Calculation is Requested

SDC Calculation Worksheet

Single Family Detached Residential SDC Rates

(1) Type of SDC	(2) SDC Per Dwelling Unit	(3) # Units	(4) Total
Citywide TSDC Imp.*	\$ 5,402	_____	_____
RiverTerrace TSDC Imp.*	\$ 3,672	_____	_____
Transportation- Reimb. Fee	\$ 312	_____	_____
Water	\$ 7,930	_____	_____
Wastewater	\$ 4,900	_____	_____
Stormwater	\$ 500	_____	_____
Citywide Parks SDC Imp.*	\$ 5,807	_____	_____
RiverTerrace Parks SDC Imp.*	\$ 2,502	_____	_____
Parks Reimbursement Fee	\$1,017	_____	_____
Total		_____	_____

*includes administration fee.

Non-Residential SDC Rates

(See Table 1 for appropriate SDC Rates)

(1) Type of SDC (Transportation, Water, Wastewater, etc.)	(2) Unit of Measure	(3) Number of Units	(4) SDC Rate	(5) Fee
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

OFFICIAL USE ONLY

TOTAL SDC FEES: _____

Less: CREDIT FOR CONTRIBUTION OF
QUALIFIED PUBLIC IMPROVEMENTS (_____)

Less: ALLOWANCE FOR EXISTING USES (_____)
(expansion or redevelopment)

NET SDCs DUE: _____

Staff provides the council with regular briefings on the status of CIP projects. The last briefing was on February 17, 2015.

Attachments

[2015-04-28 CIP Update](#)

CITY OF TIGARD

Respect and Care | Do the Right Thing | Get it Done



Capital Improvement Project Update

FY 2014-15

Third Quarter

Tigard City Council Meeting

April 28, 2015

CITY OF TIGARD

Lighter, Quicker, Cheaper – Spruce Street



CITY OF TIGARD

LQC - Spruce Street



CITY OF TIGARD

Lighter, Quicker, Cheaper – N Dakota



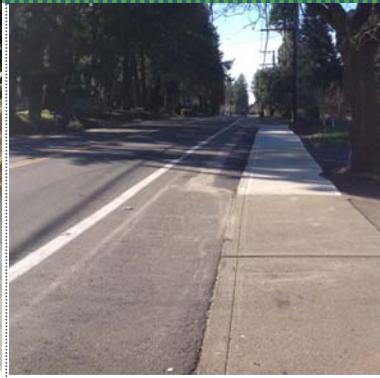
CITY OF TIGARD

LQC - North Dakota Sidewalk

Before



After



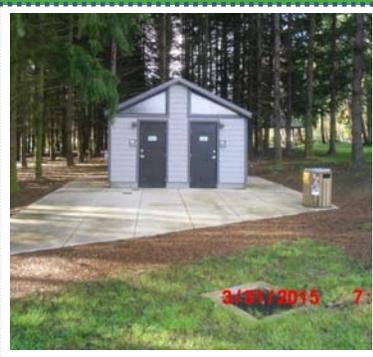
CITY OF TIGARD

Summerlake Park Restrooms are underway!

Before



East Butte Park example



CITY OF TIGARD

99W/Gaarde/McDonald

- ▶ Water line crossing complete →
- ▶ Utility relocation complete
- ▶ Most retaining walls complete
- ▶ Roadway widening in progress



CITY OF TIGARD

99W/Gaarde/McDonald

Water line crossing:
launching the
first casing
and auger...



CITY OF TIGARD

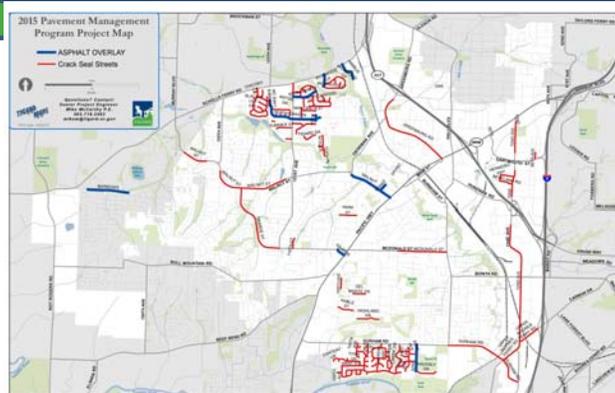
99W/Gaarde/McDonald

Water line crossing:
excavation



CITY OF TIGARD

Pavement Overlays & Crack Sealing



CITY OF TIGARD

Pavement Management Program

Example Before



Example After



CITY OF TIGARD

Congrats to Engineering's Carla Staedter!

Tualatin Riverkeepers 2015 Green Heron Award Winner

TRK recognized Carla for:

- Efforts to mediate conflicts with wetlands with the public,
- Work with TRK's education program at Dirksen Nature Park,
- Cooperative work on restoration projects such as plantings at Cook Park.



CITY OF TIGARD

Kudos for Derry Dell Creek Restoration:

Earns an Oregon Land Board Stream Project Award!



Before



After

AIS-2215

8.

Business Meeting

Meeting Date: 04/28/2015

Length (in minutes): 30 Minutes

Agenda Title: Upcoming Contract Discussion - Downtown Entryway Monuments

Prepared For: Joseph Barrett

Submitted By: Joseph Barrett, Financial and Information Services

Item Type: Update, Discussion, Direct Staff
Meeting Type: Local Contract Review Board

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Discussion of potential public improvement contract for the construction of the downtown entryway monuments.

STAFF RECOMMENDATION / ACTION REQUEST

Staff is seeking Council direction on any additional information or direction they would like to see in preparation of an award decision for this proposed contract.

KEY FACTS AND INFORMATION SUMMARY

The city is looking to construct gateway improvements at one or both intersections of Main Street and Pacific Highway. Improvements at the sites include 237 lineal feet of wall with natural stone facing, "Welcome to Downtown Tigard" signage and seating, landscaping, artwork base, electrical and water utilities.

This project will implement the City Center Urban Renewal Plan and the Tigard Downtown Streetscape Design Plan. The prominence of the gateway and artwork will help attract new visitors to downtown and assist in place making for the downtown and the city. This project is supported by Council/Board of the City Center Development Agency and the City Center Advisory Commission.

Public art was identified in the Tigard Downtown Streetscape Design Plan as an important

element “to bring more vitality to the downtown experience by creating a set of interconnected places and emphasizing the flow of people, history, and nature.” The Tigard Downtown Alliance and others have also identified art as an important component to a vital downtown and has organized events like the Tigard Art Walk this May.

On January 7, 2014 the CCDA Board approved the “Petals” concept by artist Brian Borrello that was recommended by the CCAC and the CCAC Public Art Subcommittee. Mr. Borrello has completed fabrication of the 16 foot tall steel sculptures. The pieces have been reviewed by a structural engineer. An art conservation specialist has also reviewed it for durability and ease of maintenance. The city has an IGA with ODOT to allow a project which is technically ODOT right-of-way. ODOT reviewed sight distances and issued a permit in September, 2014.

The city contracted with Koch Landscape Architecture on a plan for the gateway area landscaping lighting plan, and stonework in conjunction with the base for the artwork. It will feature a stone wall, including built-in seating made of rock, similar to the Hall Boulevard and Burnham Street gateway. It will feature the message “Welcome to Downtown Tigard.” The artwork would rest on a mounded area behind the wall (approximately 8 feet above grade) to make the artwork highly visible, which was considered a priority by the CCAC Public Art Subcommittee, CCAC and CCDA.

The landscape architect had provided a rough estimate of \$150,000 for the gateways before any design work had begun. The significantly higher final costs are mainly due to 1) the length and height of wall and stone veneer; 2) the fact that this stone wall is serving as a retaining wall for the mounded earth (unlike the Burnham Street and Hall Boulevard gateway); and 3) the cost to install electric utilities for lighting.

The city issued an Invitation to Bid (ITB) for the construction of the gateway improvements on March 23rd. Public Notice of the project ran in both the Daily Journal of Commerce and the Tigard Times. The work detailed under the ITB consisted of the following:

1. Mobilization, Traffic Control, Erosion Control, Clearing and Grubbing
2. Excavation, Embankment, and Grading
3. Installation of Gateway Walls with Natural Stone Veneer Finish
4. Installation of Wall Drainage
5. Installation of Concrete Hardscape and Sidewalk.
6. Installation of Landscaping and Irrigation
7. Electrical Work including: Monument Lighting, Circuits, and Conduit, etc.
8. Performance of additional and incidental work as called for by the specifications and plans.

Three bid schedules in the Invitation to Bid:

1. A Base Bid – Build the South Gateway only.

2. Alternate 1 – Build the North Gateway concurrent with the South Gateway.
3. Alternate 2 – Build the North Gateway 12 to 18 months after the South Gateway.

The city asked for these alternatives to give flexibility into the construction schedule to allow for any funding issues that may have arisen. The ITB was clear to bidders that the city would determine low bidder based either on the Base Bid or Alternative 1, whichever the city had budget appropriation to complete depending on CCDA and LCRB decisions.

A mandatory pre-bid meeting and site visit was held on March 31st as staff felt it was vital that potential bidders understand the project and the potential traffic and staging issues with the sites. Four potential bidders attended this meeting.

The closing date for the ITB was April 7th and the city received bids from three firms. The results of those bids are as follows:

Firm	Base Bid South Entryway	Alternate 1 Concurrent Build	Alternate 2 Phased Build
Lee Contractors	\$171,400	\$349,000	\$361,400
Subcom Excavation, LLC	\$226,447	\$454,147	\$474,147
Paul Brothers, Inc.	\$233,323	\$480,162	\$516,433

Staff has vetted these bids and has determined that Lee Contractors has submitted the lowest responsible bid for both the Base Bid and Alternative 1. Lee Contractors is not listed on the Oregon Bureau of Labor and Industries list of ineligible contractors and has had no disciplinary actions by the State Construction Contractors Board. In addition, Lee Contractors was recently a subcontractor on the city’s 72nd/Dartmouth project and performed solid work on the retaining walls on that project. Given these facts and the provided quotes from Lee Contractors, staff will be recommending they receive the contract for Alternative 1, construction of both Gateways concurrently, in the amount of \$349,000 at the May 12th business meeting.

Staff is requesting guidance from the CCDA Board whether to pursue this course of action or if only the South Gateway should be constructed at this time. This decision will be placed in context with other urban renewal budget priorities.

OTHER ALTERNATIVES

Direct staff to bring forth an award recommendation based on construction of the South Gateway (Base Bid) only. (A reduction of \$177,600 from the recommendation from staff but only one gateway built.)

Direct staff to bring forth an award recommendation based on a phased construction approach (Alternative 2) with the South Gateway built now and the North Gateway constructed in the next 18 months. (An increase of \$12,400 from the recommendation from staff.)

Direct staff to reject all bids and rescope the project for a more economical alternative. The rough estimate for the redesign is between \$25,000 and \$40,000.

Direct staff to reject all bids and place the project on hold.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

City Council 2015-17 Goals and Milestones

Goal #2 Make Downtown Tigard a Place Where People Want to Be

- Strengthen downtown's identity by completing gateway improvements and install art at both Main Street entrances.

Tigard Downtown Streetscape Design Plan

DATES OF PREVIOUS COUNCIL CONSIDERATION

March 3, 2015: Receive update on Main Street art and gateway design.

September 2, 2014: Main Street Gateway Art Update

January 7, 2014: Consider Approval of the CCAC/Public Art Subcommittee Recommended Gateway Art Concept

October 1, 2013

July 23, 2013

May 7, 2013

March 6, 2012

Fiscal Impact

Cost: \$349,000

Budgeted (yes or no): Indirectly

Where budgeted?: CCDA

Additional Fiscal Notes:

The cost of building the two gateways concurrently is \$349,000. This is an estimated \$12,400 less than a phased construction approach. The CCDA budget has close to \$400,000 to use on this project that was previously allocated to a property purchase that ended up being eligible for parks bond funds.

Attachments

No file(s) attached.
