



Legislation Details (With Text)

File #: 18-109 **Version:** 1 **Name:** TSDC Methodology & Rate Update 2018
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On agenda: 2/21/2018 **Final action:**
Title: Resolution No. 18-05, Repealing a Portion of Resolution No. 09-02 and Adopting Amounts for the City's Transportation System Development Charge and Establishing Effective Dates
Sponsors: John Lewis
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Attachments: 1. Staff Report, 2. Resolution No. 18-05, 3. Exhibit 1: FCS Group Memorandum, February 9, 2018, 4. Exhibit 2: Maps, 5. Resolutuion No. 09-02

Date	Ver.	Action By	Action	Result
2/21/2018	1	City Commission	adopt	Pass

Resolution No. 18-05, Repealing a Portion of Resolution No. 09-02 and Adopting Amounts for the City's Transportation System Development Charge and Establishing Effective Dates

RECOMMENDED ACTION (Motion):

Authorize the Mayor and City Recorder to execute Resolution No. 18-05, repealing a portion of Resolution No. 09-02 and adopting amounts for the City's Transportation System Development Charge and establishing effective dates.

BACKGROUND:

The City executed a Personal Services Agreement (PSA) with FCS Group in October, 2016, to assist the City with a Transportation System Development Charge (TSDC) update. This work included data collection and review of transportation projects (both completed and included in our Transportation System Plan), consideration and analysis of other TSDC methodologies that the City should consider, and an overall review of our existing SDC ordinance. Once all the data had been reviewed and collected, a technical analysis was completed. This included evaluating the three components of an SDC: Reimbursement Fee, Improvement Fee, and Administrative Cost Recovery Fee.

Over the last two years, the City has been working with the development community and the Oregon City Chamber of Commerce on a variety of SDC initiatives. Back in September of 2015, the City and Chamber hosted "A Collaborative Forum, OC's System Development Charge - From the Ground Up." The event was well attended and allowed a collaborative approach to better understanding SDCs. In April, 2017, the City hosted the Oregon City SDC Roundtable Focusing on Transportation. This event was scheduled as a follow-up meeting to the SDC Forum that would focus on TSDCs. The event was attended by 31 interested parties and included a variety of information and options on the upcoming TSDCs and our approaching updates.

As a consequence of these efforts and resultant follow-up, the City Commission has:

1. Adopted Resolution No. 17-25, updating the transportation projects eligible for TSDC funding associated with Resolution No. 09-02 as attached. Resolution No. 17-25 Transportation

Project List replaced the previous TSDC Project Lists adopted in 2009. The Transportation Project List includes all projects identified in the Transportation System Plan (TSP) and projects added through ancillary transportation documents completed after adoption of the TSP.

2. Approved Ordinance No. 17-1013 Amending Oregon City Municipal Code (OCMC) Chapter 13.20 System Development Charge for Capital Improvements. This Ordinance changed the definition of most recent structure use into a definition that provided more favorable SDC reduction terms for property owners interested in redevelopment of property with a history of prior development.

Resolution No. 18-05 is the concluding action needed to complete the overall TSDC update effort that was initiated in 2015. In general, the changes authorized under Resolution No. 18-05 accomplish the following:

- a. Affirm that the City's current approach of using PM Peak Hour vehicle trips as the basis for recovering costs is appropriate;
- b. Affirm the planned amount of peak hour trip growth in the City;
- c. Affirm the appropriate fees for the reimbursement, improvement, and compliance costs is based on our history of past expenditure accounting, and current estimates of future project costs;
- d. Establish an improvement fee basis that reflects different modes of travel including vehicle and bike/pedestrian trips; and
- e. Further establishes a project split that recognizes some bike/pedestrian projects provide a general benefit to all development areas and other bike/pedestrian projects primarily benefit residential development.
- f. Provides a system of charges that upon complete implementation, and the full build out expected by 2035, would produce charges amounting to one hundred percent of the SDC Eligible 2017 Transportation Project List (Resolution No. 17-25), which includes qualifying transportation capacity projects apportioned to new growth in Oregon City.
- g. Establishes a new TSDC rate effective July 1, 2018, and affirms that all TSDCs shall be annually adjusted on January 1 based on the Seattle Engineering News Record (ENR) Construction Cost Index (CCI).

In addition and more explicitly, Resolution No. 18-05 includes:

- Use of the Institute of Transportation Engineers (ITE) *Trip Generation Manual*, 9th Edition
 - We have previously used the 7th Edition. Switching to the 9th Edition will lower the Single-Family Residential PM Peak Hour Trip rate, as well as many of the industrial uses (general light industrial, industrial park, and manufacturing) and office uses (medical-dental office, office park, research and development center and business park). Additionally, the Shopping Center rate goes down slightly. This is the rate used for all of the downtown mixed-use corridor. A few uses go up which include hotel, recreational community centers, library, nursery/garden center, and gas stations.
- Bike/Pedestrian TSDC Methodology
 - With the increase in the number of walking, biking and shared use projects in the 2013 Transportation System Plan Update, the cost of those projects increases the Bike/Pedestrian TSDC. In October, 2017, at the City Commission Work Session, staff presented an option to divide the Bike/Pedestrian project list into categories. The

categories include those that provide a general benefit to all development area and other projects that primarily benefit residential development areas. This creates two components to the Bike/Pedestrian Charge: one that is charged to all development and one that is charged to Residential development only. This was done to reflect that residential development receives greater benefit from several of the projects on the Bike/Pedestrian Project List, more so than non-residential development.

- Inclusion of the Willamette Falls Downtown District to the areas eligible for the 10% reduction for residential, and the lesser of the Shopping Center trip generation or the non-residential development's estimated trip generation rate can be used.

The attached FCS Memorandum Oregon City Transportation System Development Charges, dated February 9, 2018 (Technical Report) describes these changes in more detail and provides exhibits that include values. In addition, the Technical Report dated February 9, 2018 varies from the December 21, 2017 version that was posted 60 days prior to the public hearing for review and comment, in the following ways:

- Exhibit 8 has been updated
 - Staff identified that Exhibit 8 was using the incorrect PM Peak Hour Vehicle Trips. Oregon City has always used the PM Peak Hour of the Adjacent Street in our TSDC calculations. The Exhibit 8 attached to the December 21, 2017, report used a PM Peak hour of the Generator. This causes many of the rates to change. It was never the intent to change this rate. The updated technical report includes a new Exhibit 8.
- The Technical Report now clearly states that we are proposing to use the Institute of Transportation Engineers (ITE) *Trip Generation Manual*, 9th Edition. This was not clearly noted in the December 21, 2017, report except as a footnote in an Exhibit, but was always the intention.

As required by ORS 223.304, the City issued a 90-day notice of Public Hearing for Changes to the Transportation System Development Charges which was posted on November 20, 2017. This notice states that a technical report addressing the methodology and calculation of the proposed charges would be available for review after December 21, 2017. The technical report was posted to the City Website and available at City Hall.

One public comment letter has been received from Rian Park Development as of February 9, 2018. The comment letter generally stated they are against any TSDC increase, as it hurts affordable housing. It also states that if a TSDC increase is required, they request that the implementation gets pushed back for at least 12 months, and the increase gets phased in over another 12 months.