



System Development Charges—From the Ground Up

# A COLLABORATIVE FORUM



# Agenda

- Welcome / Purpose
- Big Picture—Paying for Infrastructure
- Master Planning & Project Lists
- System Development Charges
- Roundtable Discussion
- Closing Remarks / Next Steps
- Adjourn



# Introductions

- **Libby Barg**, Principal with Barney Worth
- **John Ghilarducci**, Principal with FCS Group
- Executive Team: Tony Konkol, Wyatt Parno, Eric Underwood
- Public Works Managers - Aleta Froman-Goodrich, Martin Montalvo, Kathy Griffin, Wendy Marshall
- IT – Michael Pooschke



# What We Heard - Top Seven List

1. “I worry some of the SDC’s that the City collects are used to fund administrative tasks rather than capital.”
2. “There is a conflict between what Citizen’s want or ask for in a Master Planning process and with those who have to pay for those wants.”



# What We Heard - Top Seven List

3. “With regard to redevelopment, if a property was ever developed, then the SDC value of that prior development should never expire.”
4. “It’s not any one specific SDC that’s the problem, it’s the total package.”



# What We Heard - Top Seven List

5. “The City should stop saying... If a business can’t afford the SDC fees then maybe we don’t want that business.”

6. “What if the City reduced the estimated project costs across the board by 20%? Would that help?”



# What We Heard - Top Seven List

7. “Oregon City is at a disadvantage with development because its SDC’s (Non-Residential) are high.”



# Purpose

- Inform attendees about SDC's in Oregon City
- Hear thoughts and concerns about Oregon City's SDC's
- Collaborate on responsible improvements for Oregon City SDC's
- Create an audio/visual record of the forum

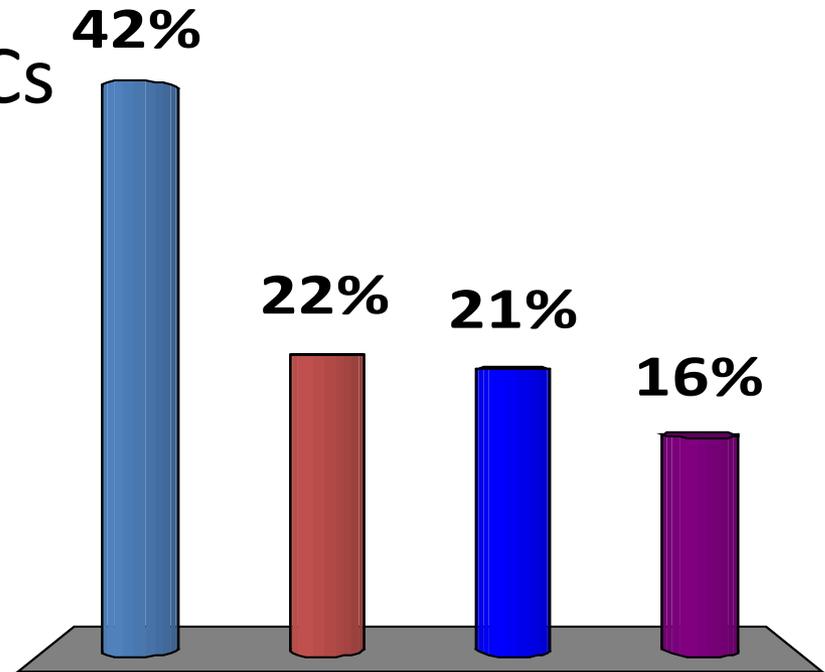


# Electronic Polling



# You are here today to... (select all that apply)

1. Learn more about SDCs
2. Provide feedback
3. Network with others
4. Eat the snacks



Learn more about SDCs

Provide feedback

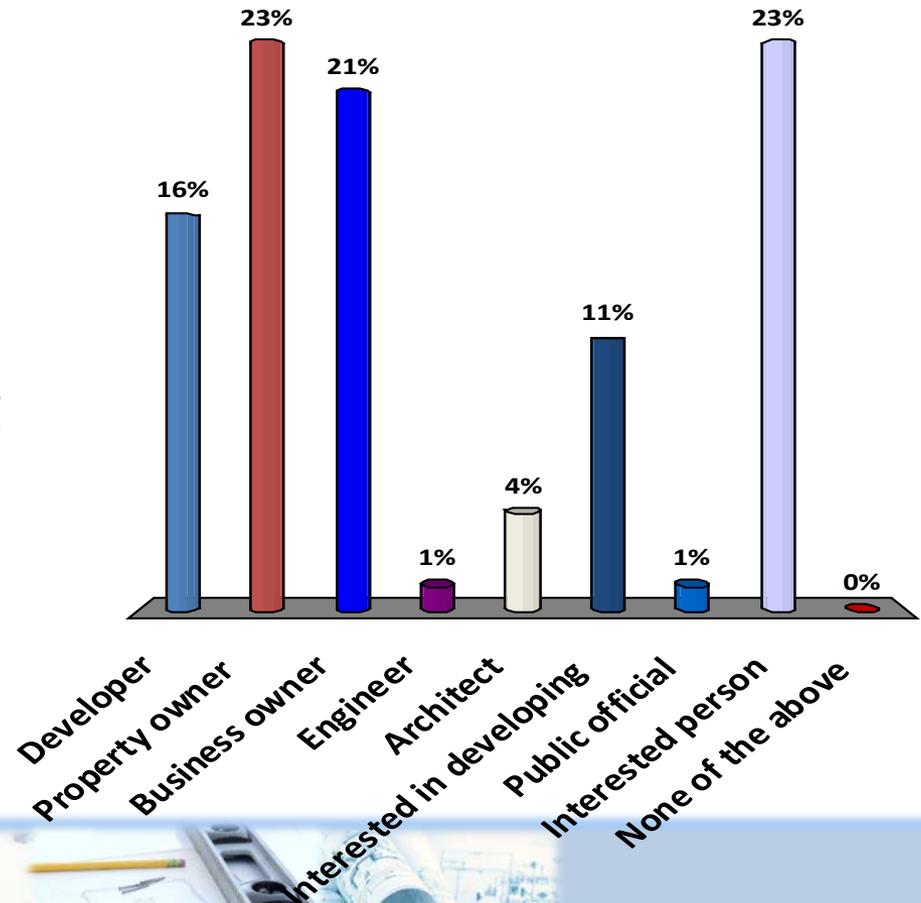
Network with others

Eat the snacks



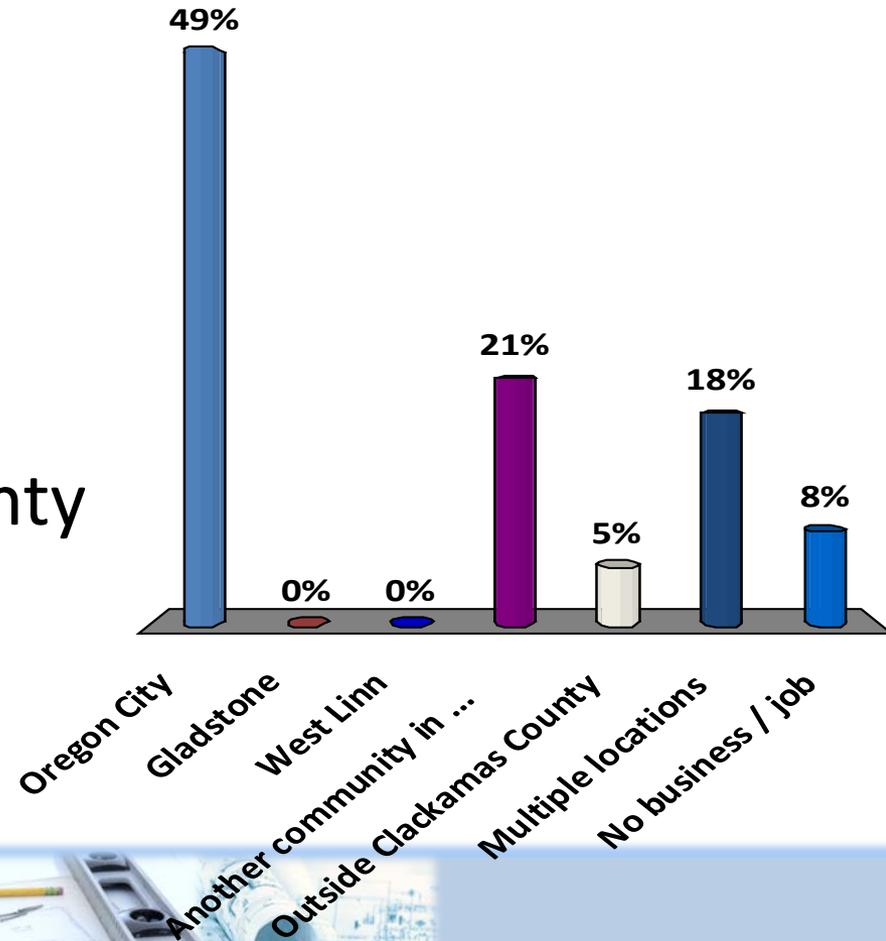
# Your connection to SDCs in Oregon City: (select all that apply)

1. Developer
2. Property owner
3. Business owner
4. Engineer
5. Architect
6. Interested in developing
7. Public official
8. Interested person
9. None of the above



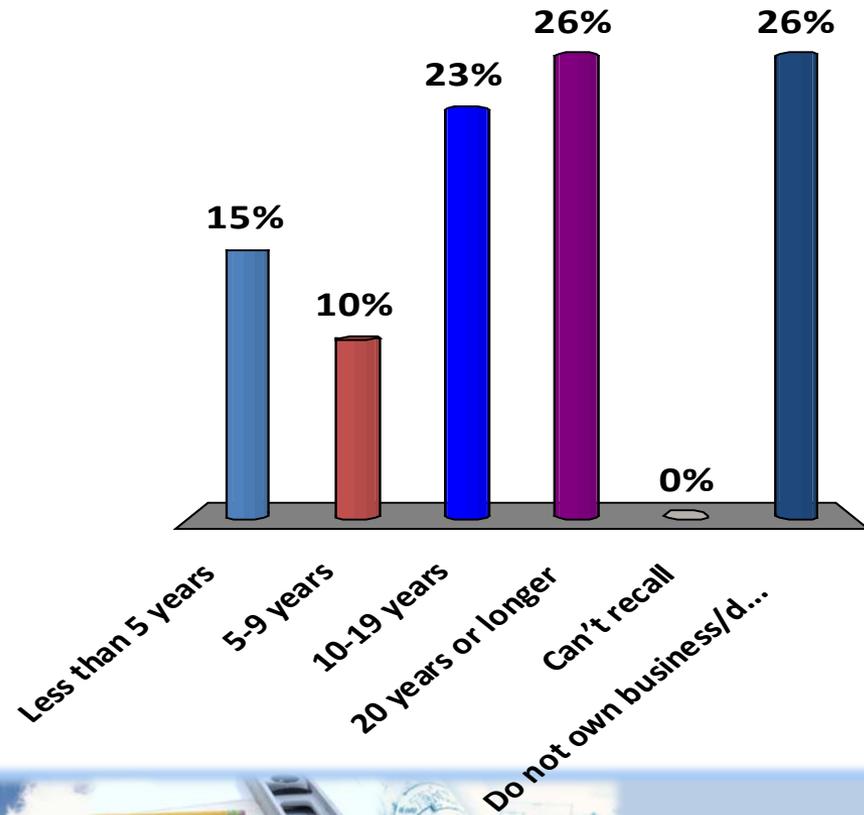
# Your business/job is located in...

1. Oregon City
2. Gladstone
3. West Linn
4. Another community in Clackamas County
5. Outside Clackamas County
6. Multiple locations
7. No business / job



# You have owned a business/developed property in Oregon City for...

1. Less than 5 years
2. 5-9 years
3. 10-19 years
4. 20 years or longer
5. Can't recall
6. Do not own business/develop property



# Your level of understanding of city finances...

8% 1. Do not know anything

21% 2. ...

21% 3. ...

21% 4. ...

16% 5. ...

11% 6. ...

3% 7. Expert understanding

**Mean = 3.58**



# Your level of understanding of infrastructure master planning...

8% 1. Do not know anything

28% 2. ...

20% 3. ...

13% 4. ...

20% 5. ...

13% 6. ...

0% 7. Expert understanding

**Mean = 3.48**



# Big Picture—Paying for Infrastructure

- Overview of City Finances
  - Allocation of Public Funds
  - Legal Framework
- Solvency of SDC Funds
  - General Requirements
  - Accounting for SDCs
- SDC Spending (Infrastructure)



# Overview of City Finances

- Allocation of Public Funds

General Fund

Revenues

**Property Taxes**

User Charges  
State Shared Revenue

Expenses

**Public Safety**

Community Services  
General Government

Utility Funds

**User Charges**

SDCs  
Grants, etc.

**Infrastructure**

Maintenance/Monitoring  
Planning

Business  
Funds

**User Charges**

Property Taxes

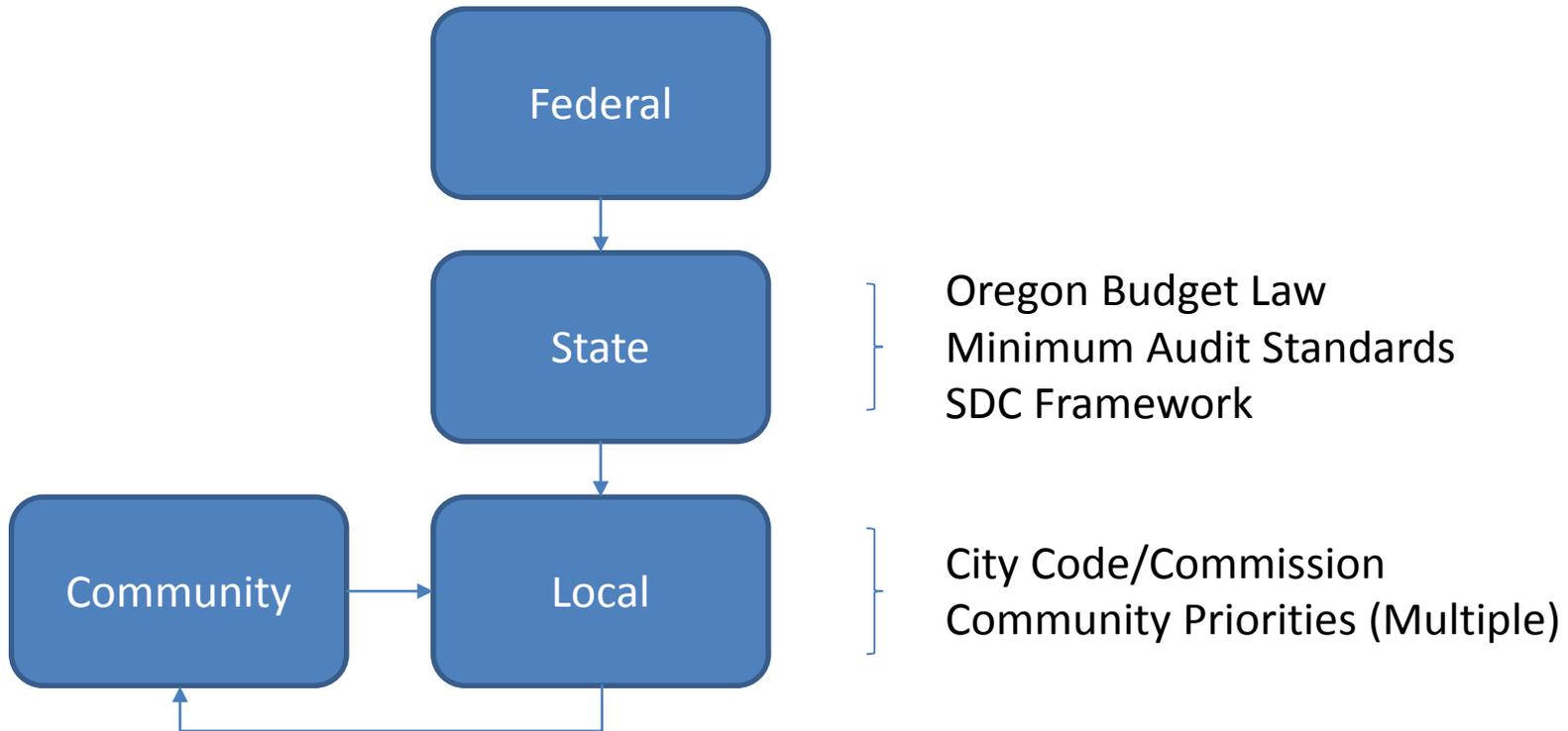
**Customer Service**

Infrastructure  
Inventory



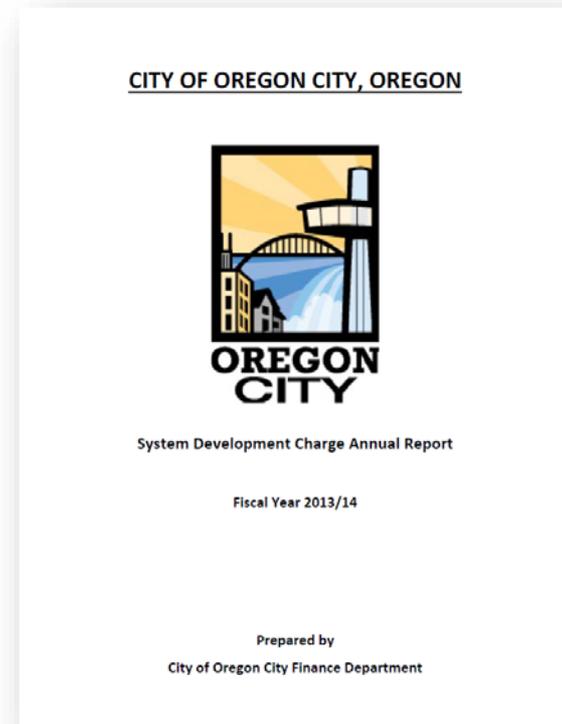
# Overview of City Finances

- Legal Framework



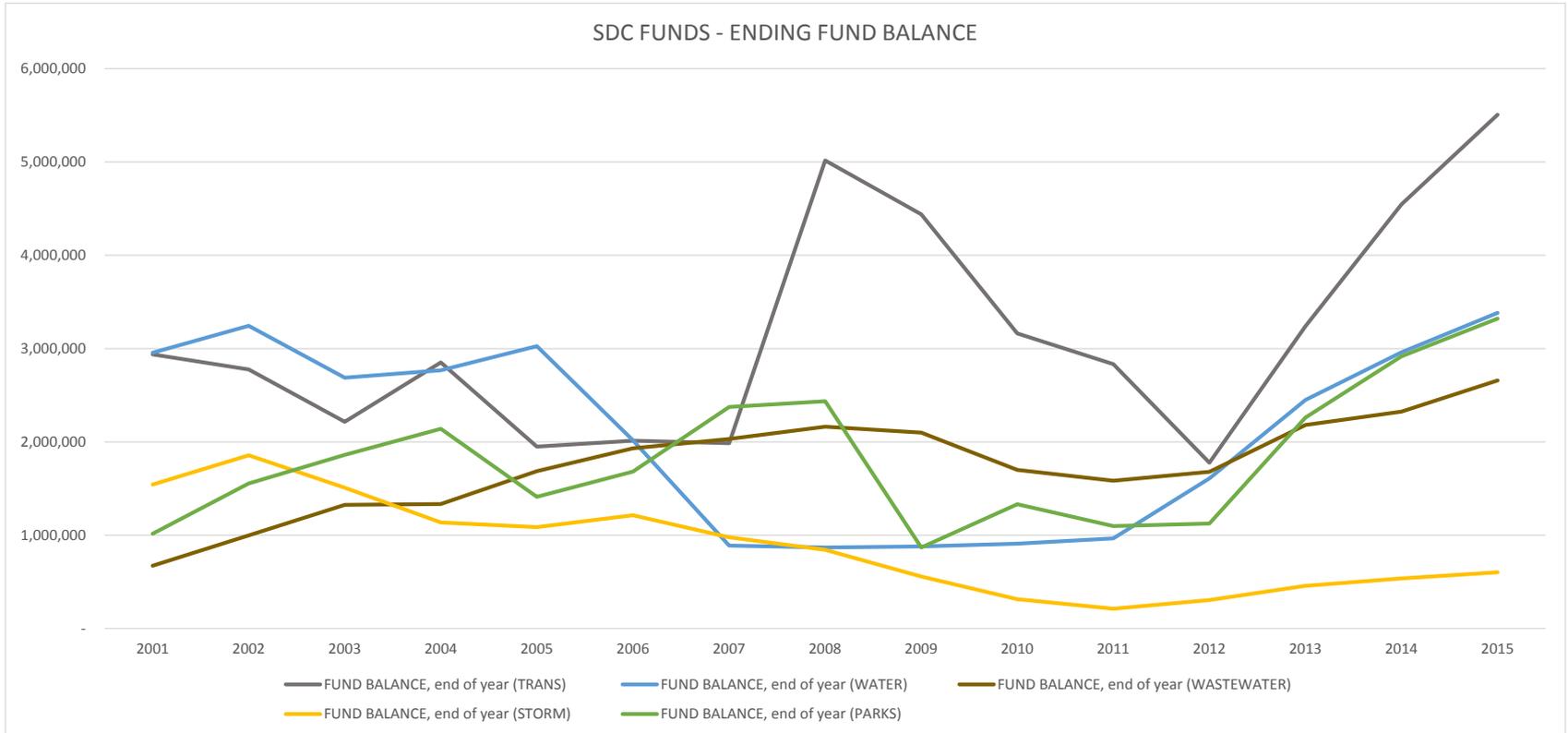
# Solvency of SDC Funds

- General Requirements
  - Methodology & Project List
  - Public Involvement
  - Restricted Uses
  - Segregation of Funds
  - Annual Report

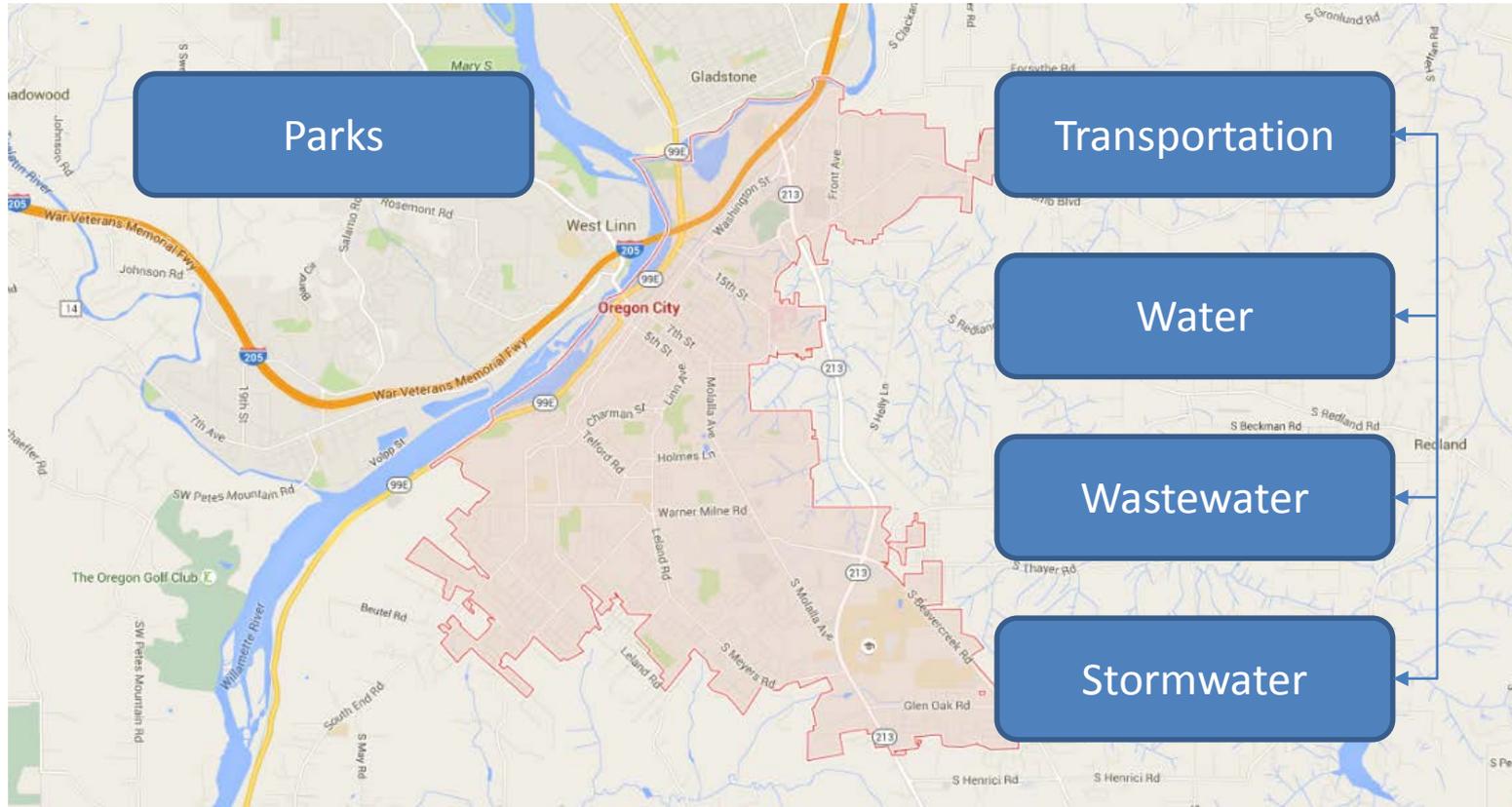


# Solvency of SDC Funds

- Accounting for SDCs



# SDC Spending (Infrastructure)



# SDC Spending (Infrastructure)



Jon Storm Park

Parks

- Hillendale (2003)
- Wesley Lynn (2006) – **New!**
- Filbert Run (2007) – **New!**
- Glen Oak (2008) – **New!**
- Jon Storm (2005, 2009) – **New!**
- Canemah Children's (2012)
- Rivercrest (2006, 2014)

SDCs - \$3.2 million  
**Grants - \$2.0 million**



# SDC Spending (Infrastructure)



Hwy 213 Jughandle

## Transportation

Glen Oak Road (2004) – Residential, HS  
Molalla Avenue (2005) – Connecting  
Meyers Road (2007) – Residential, HS  
Beavercreek Road (2008) – Red Soils  
Hwy 213 Jughandle (2010) – Regional TC  
Main Street (2012) - Downtown  
McLoughlin (2008, 2015) – Downtown

SDCs - \$10.9 million +  
**Grants - \$22.0 million**



# SDC Spending (Infrastructure)



Mountain View Reservoir

Water

Glen Oak Road (2004) – Residential, HS  
Molalla Avenue (2005) – Connecting  
Meyers Road (2007) – Residential, HS  
Beavercreek Road (2008) – Red Soils  
Jon Storm Park (2009) – **New!**  
Mountain View Reservoir (2009) - Hilltop

SDCs - \$5.9 million +  
Developer Built Infrastructure



# SDC Spending (Infrastructure)

Wastewater



Amanda Court Pump Station

- Glen Oak Road (2004)
- Canemah Extension (2008)
- Beavercreek Road (2008)
- Cook Street Pump Station (2009)
- Pease Road Pump Station (2010)
- Warner Milne/Molalla (2012)
- Barclay Hills Pump Station (2014)
- Settlers Point Pump Station (2015)

SDCs - \$2.5 million +



# SDC Spending (Infrastructure)

Stormwater



Detention Pond

Glen Oak Road (2004)  
Beavercreek Road (2008)  
Warner Milne/Molalla (2012)  
Small Sewer Disconnects

SDCs - \$1.6 million +



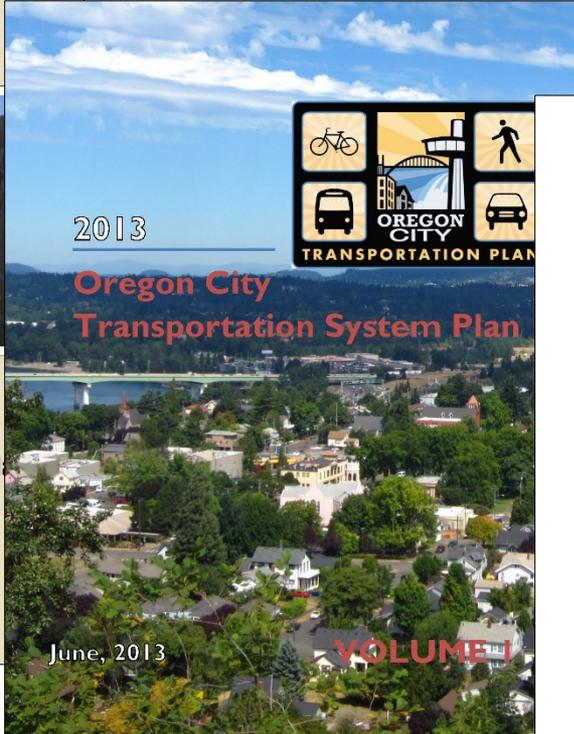
# SDC Spending (Infrastructure)



Hunter Ave. BPS  
Livesey Rd. BPS



PREPARED BY WEST YOST ASSOCIATES - JANUARY 2012  
**Water Distribution System Master Plan**



2013  
**Oregon City  
Transportation System Plan**



OREGON CITY  
TRANSPORTATION PLAN

June, 2013

**VOLUME I**

Prepared for  
City of Oregon City



**Sanitary Sewer Master Plan**

November 2014

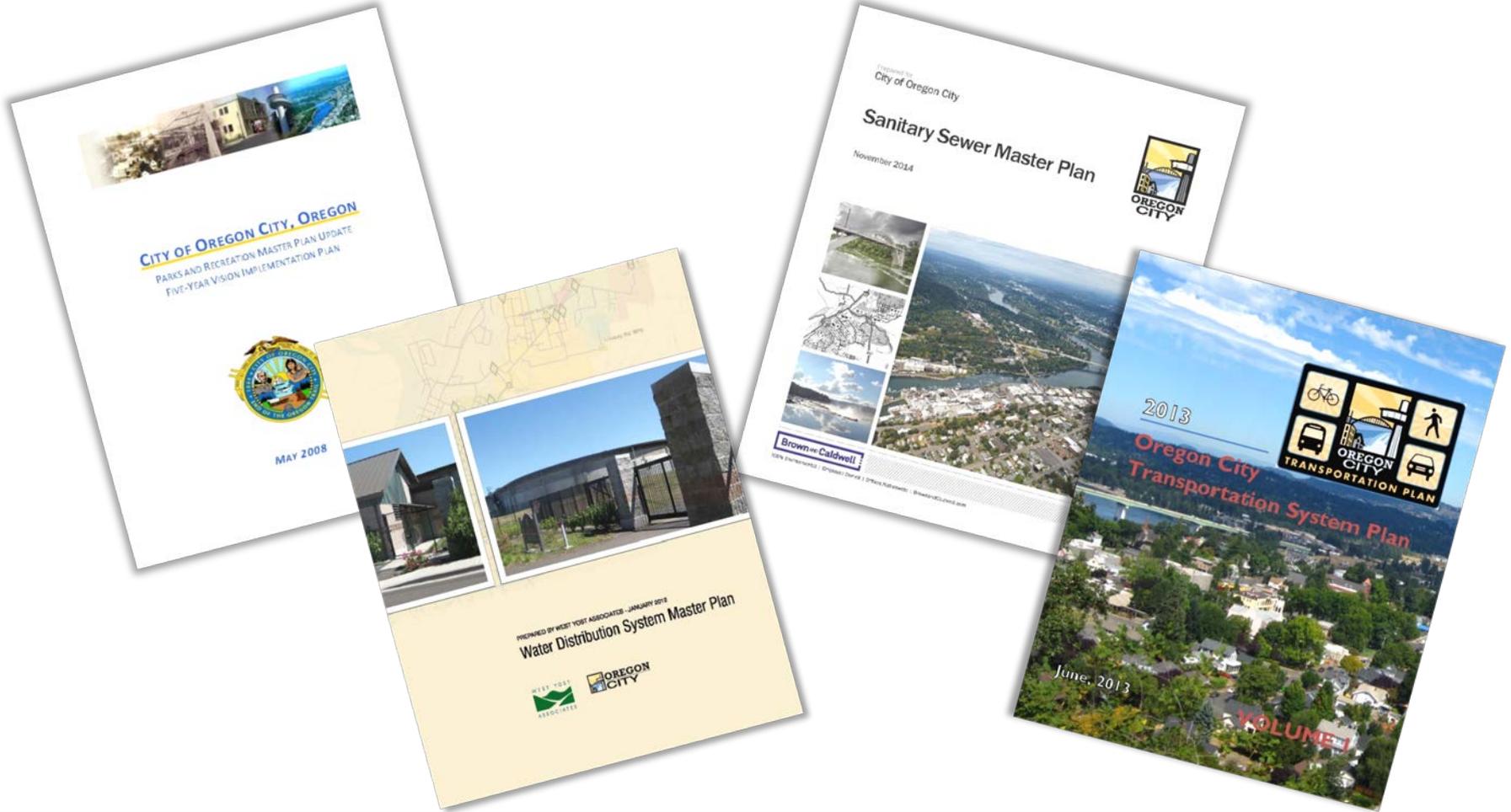


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# Master Planning and Project Lists



# Master Planning

Long term plans for infrastructure investments and program investments.



# Master Planning

- Evaluate current systems
- Design to protect and enhance the quality of life in the community.
- 20-25 year look ahead
- Computer Modeling
- Regulatory requirement
- Guide the work



# Typical Master Planning Goals

- Enhance the health and safety of residents
- Emphasize effective and efficient management of the system
- Foster sustainable systems
- Provide equitable, balanced and connected systems
- Identify solutions and funding necessary to meet the system needs



# Typical Master Planning Goals

- Increase the convenience and availability to the system
- Ensure the system supports a prosperous and competitive economy
- Comply with governing regulations



# Master Planning

## Summary of TSP Public Involvement

- 4 - Stakeholder Advisory Team Meetings
- 3 - Technical Advisory Team Meetings
- 10 - Presentations at Various Oregon City Advisory Committee Meetings
- 3 - Community Open Houses
- 4 - City Commission Presentations
- 3 - City Commission Public Hearings



# Master Plan Project Lists

**Table 8-5. Estimated Cost of Recommended CIP by Project Type**

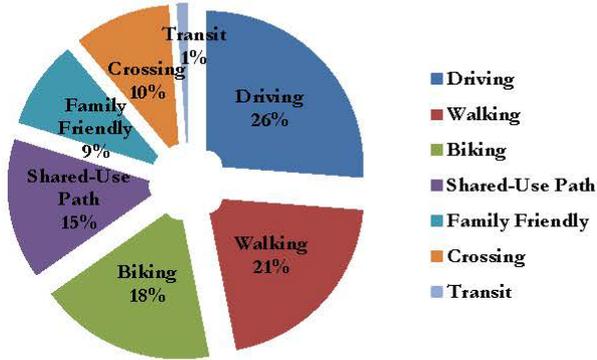
CIP Project Type	Existing System CIP, million dollars	Future System CIP <sup>(a,b,c)</sup> , million dollars	Renewal and Replacement CIP, million dollars	Total CIP Cost <sup>(a)</sup> , million dollars
Storage Facility	-	14.46	0.56	15.02
Pump Station	-	-	-	-
Pipeline Improvement	1.50	20.42	9.09	31.01
PRV Station	0.33	0.58	-	0.91
Operations Facility	6.05	-	-	6.05
<b>Total<sup>(d)</sup></b>	<b>\$7.88</b>	<b>\$35.47</b>	<b>\$9.65</b>	<b>53.00</b>

- (a) Timing of future system improvements will be triggered by specific developments and increase in system demands.
- (b) Future system CIP costs are in current dollars and have not been escalated by the CPI.
- (c) Cost based on a ground level, pre-stressed concrete storage tank.
- (d) Total cost based on the October 2009 ENR index of 8596 and includes construction contingency and project cost allowances.

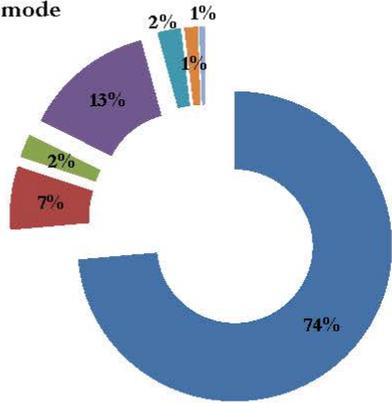


# Master Planning and Project Lists

Figure 12: Breakdown of the Projects and Expenses in the Plan



Projects in the TSP by mode



Project expenses in the TSP by mode

Figure 13: Expected Funding for the Plan

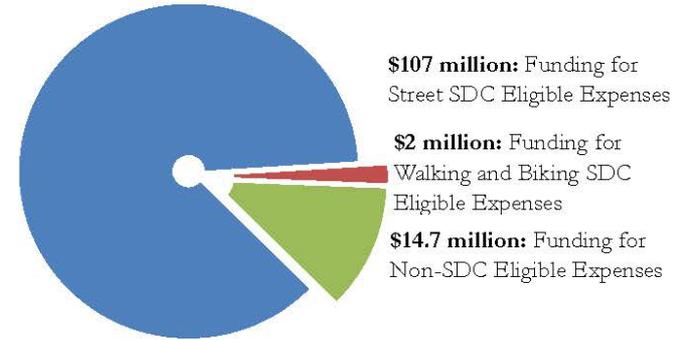
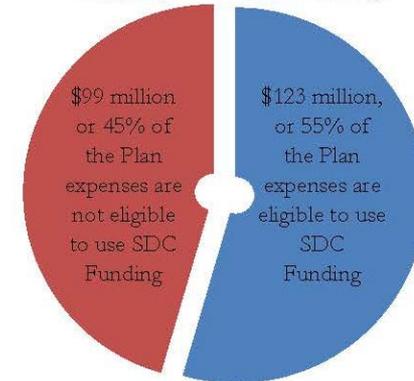
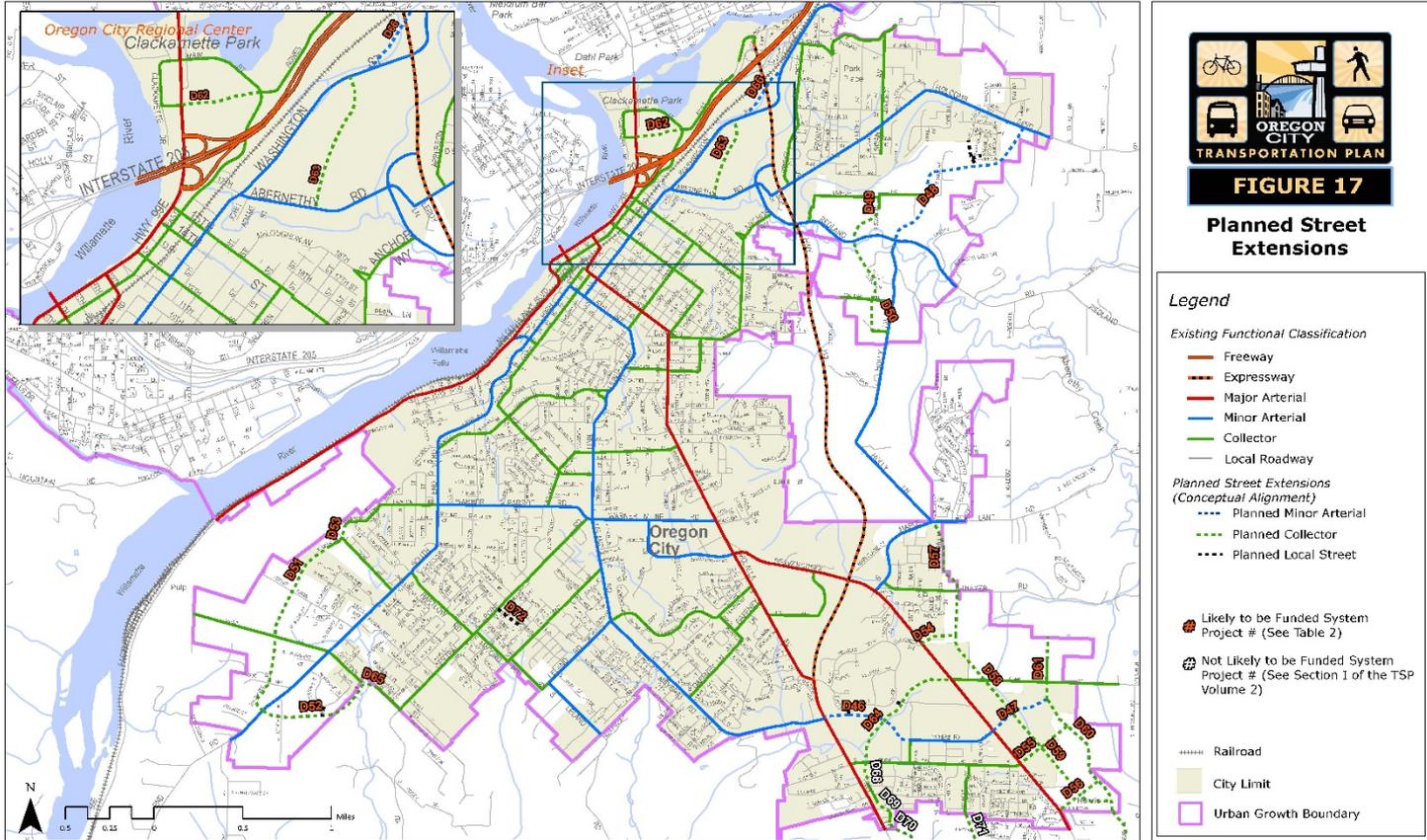


Figure 14: Eligibility of Plan Investments for SDC Funding



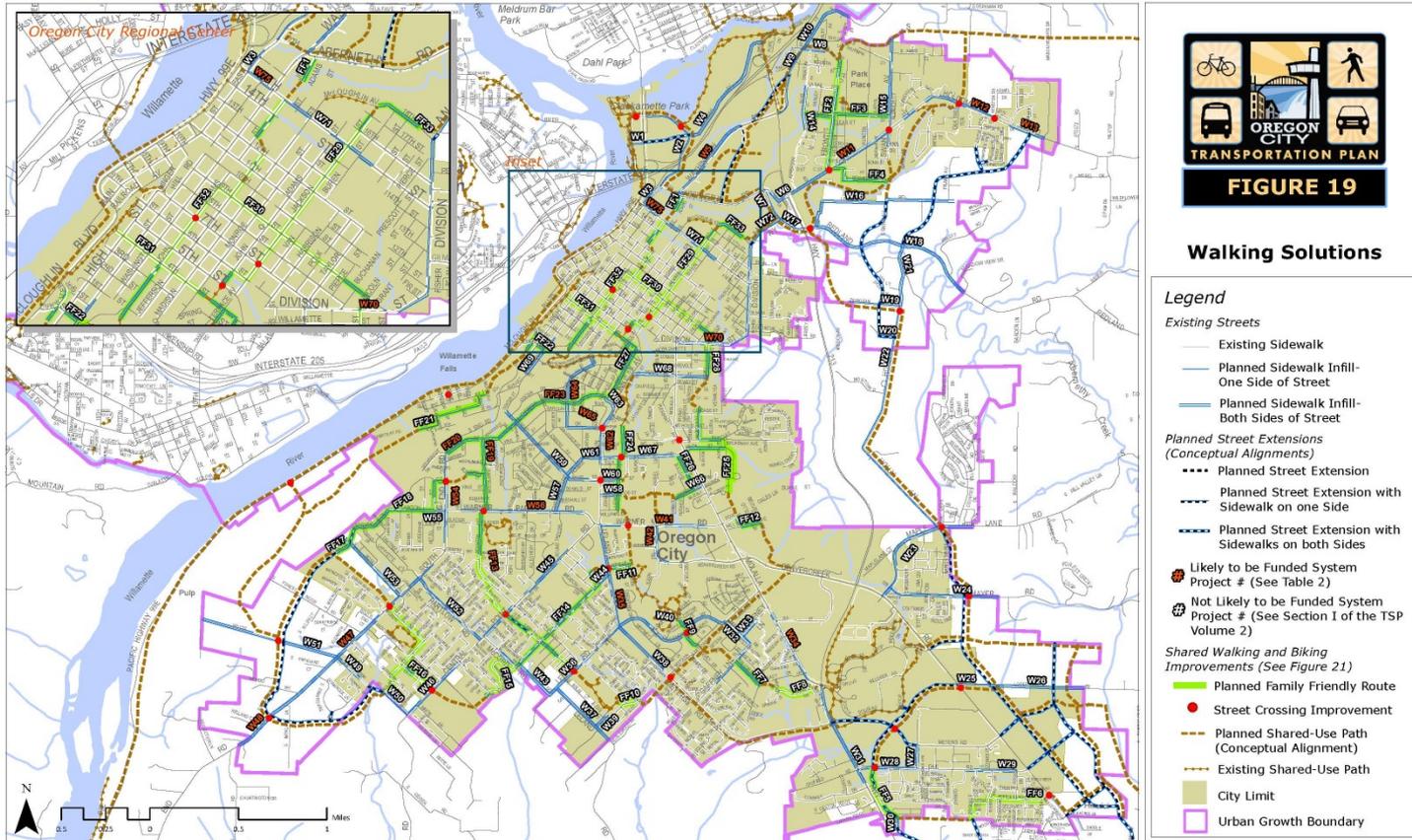
# Planned Street Extensions



**Planned Street Extensions**



# Planned Walking Projects

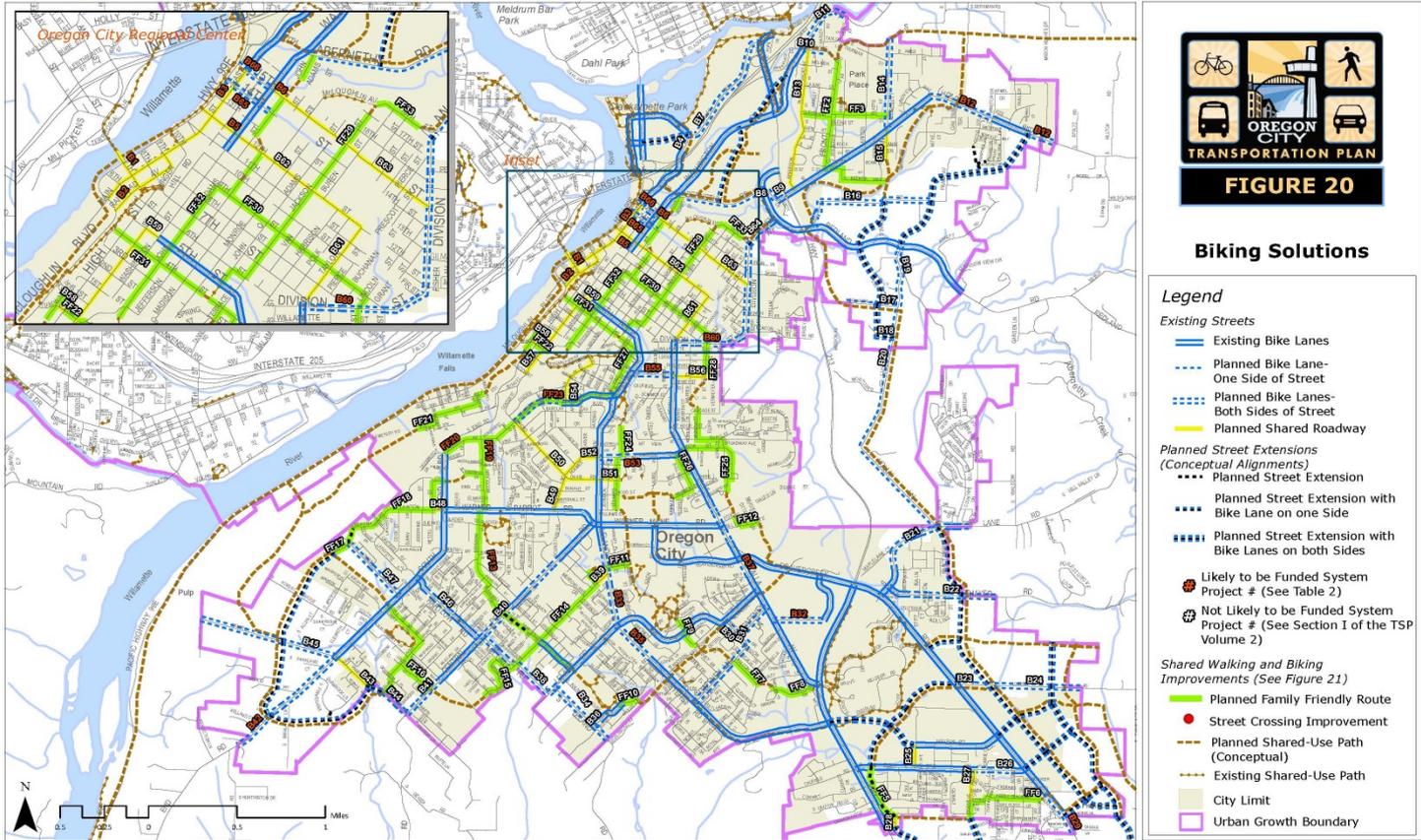


**Walking Solutions**

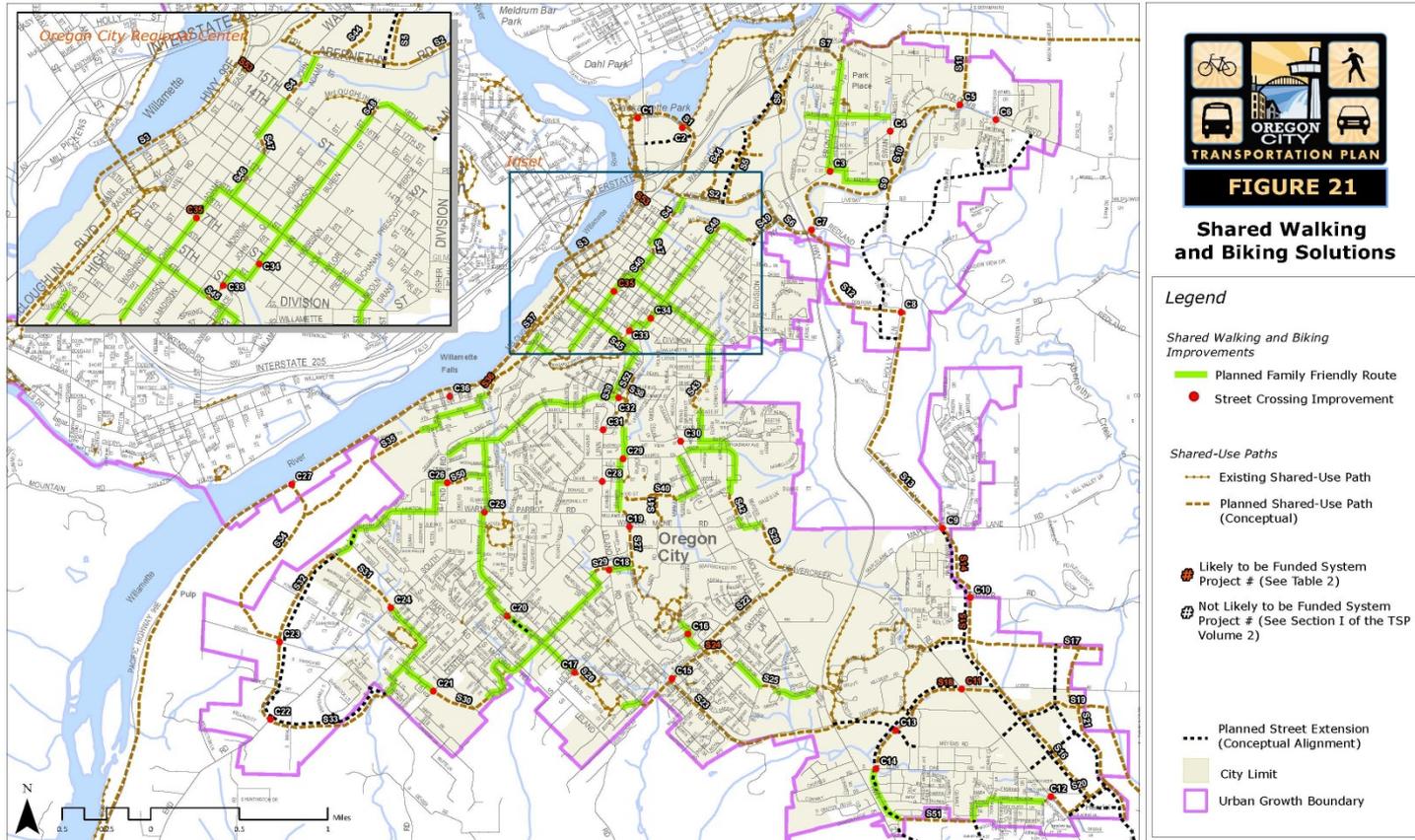
- Legend**
- Existing Streets**
- Existing Sidewalk
  - Planned Sidewalk Infill - One Side of Street
  - Planned Sidewalk Infill - Both Sides of Street
- Planned Street Extensions (Conceptual Alignments)**
- Planned Street Extension
  - Planned Street Extension with Sidewalk on one Side
  - Planned Street Extension with Sidewalks on both Sides
- Likely to be Funded System Project # (See Table 2)**
- Not Likely to be Funded System Project # (See Section I of the TSP Volume 2)**
- Shared Walking and Biking Improvements (See Figure 21)**
- Planned Family Friendly Route
  - Street Crossing Improvement
  - Planned Shared-Use Path (Conceptual Alignment)
  - Existing Shared-Use Path
- City Limit**
- Urban Growth Boundary**



# Planned Biking Projects



# Planned Shared Use Projects



# Sewer SDC Analysis

## Estimated ERU's

<b>Growth in Equivalent Residential Units (ERUs)</b>		<b>Exhibit 1</b>
<b>Location</b>		<b>ERUs</b>
Development of Vacant Parcels		2,190
Redevelopment of Parcels Currently Developed		6,427
Park Place		1,505
Beavercreek		1,780
South End		3,042
Total New ERUs		<u>14,945</u>

*Source: Brown & Caldwell*



# Sewer SDC Analysis

## Calculated Reimbursement Fee

Reimbursement Fee			Exhibit 2
Asset	Historical Cost	Available Capacity	SDC-Eligible Cost
Collection	\$29,234,146	0.0%	\$ -
Pumping	3,310,414	38.8%	1,283,282
General	1,415,097	49.2%	695,678
	<u>\$33,959,656</u>		<u>\$ 1,978,961</u>
Growth in ERUs			14,945
Reimbursement fee per ERU			\$ 132

*Source: City Staff*



# Sewer SDC Analysis

## Improvement Fee

Improvement Fee

Exhibit 3

Project		Total Cost	SDC Eligibility	SDC-Eligible Cost					
1	<b>Sewer Development - SDC Expenses</b>	\$ -	100.0%	\$ -					
2	General Material and Services	6,300	100.0%	6,300					
3	Unique Department M & S	165,000	100.0%	165,000					
4	Capital Outlay	-	100.0%	-					
5	Transfers	65,196	100.0%	65,196					
6	Non-Expenditure Budgets	-	100.0%	-					
7	<b>Capital Projects in Biennial Budget</b>	-	0.0%	-					
8	Barclay Hills Pump Station	447,500	24.3%	108,565	22	<b>Sewer Upgrades (Pipes)</b>	-	50.0%	-
9	Main Street Pipes	250,000	0.0%	-	23	12th Street (2015-2016)	407,000	35.2%	143,126
10	Pavement Related Improvements	75,000	0.0%	-	24	13th Street (2015-2016)	460,000	36.5%	167,702
11	Washington Street Pipes	60,000	0.0%	-	25	Division Street (2017-2018)	424,000	31.5%	133,676
12	Emergency Repairs	50,000	0.0%	-	26	Linn Avenue (2015-2016)	470,000	21.5%	100,886
13	Manhole Installations & Inspections	92,500	0.0%	-	27	Hazelwood Drive (2016-2017)	1,319,000	44.8%	591,524
14	Hidden Creek Pump	35,000	0.0%	-	28	Holcomb Boulevard	60,000	30.9%	18,530
15	Main Street Alley Sewer	18,000	0.0%	-	29	<b>Pump Station &amp; Force Main Improvements</b>	400,000	0.0%	-
16	Canemah Pump Station	15,000	0.0%	-	30	Canemah	360,000	0.0%	-
17	Terrace Avenue Pipe	11,000	0.0%	-	31	Settler's Point	300,000	62.0%	186,000
18	Cook Street Pump Station	10,000	0.0%	-	32	Nobel Ridge	260,000	0.0%	-
19	Sewer Extension Projects	287,000	100.0%	287,000	33	Hidden Creek	60,000	0.0%	-
20	Sewer Capacity Projects	512,500	100.0%	512,500	34	Hilltop	440,000	0.0%	-
21	SDC Other	153,750	100.0%	153,750	35	Parrish Road	750,000	0.0%	-
					36	<b>R&amp;R Program Activities</b>	9,240,000	0.0%	-
					37	<b>I&amp;I Investigative Activities</b>	1,638,000	0.0%	-
					38	<b>Sewer Extensions</b>	-	100.0%	-
					39	Recommended CIPs: Priority 1 Projects	4,567,500	100.0%	4,567,500
					40	Recommended CIPs: Priority 2 Projects	9,097,500	100.0%	9,097,500
					41	South End	8,210,000	100.0%	8,210,000
					42	Beavercreek Road	6,160,000	100.0%	6,160,000
					43	Park Place	4,550,000	100.0%	4,550,000
					44	<b>Vehicles for New FTEs</b>	90,000	0.0%	-
							<b>\$ 51,516,746</b>		<b>\$35,224,755</b>
									14,945
									\$ 2.357

Growth in ERUs  
Improvement fee per ERU

\$ 14,945  
\$ 2.357



# Sewer SDC Analysis

## SDC Adjustments

### SDC Adjustments

Description	Exhibit 4 Amount
Costs of compliance	\$ 60,064
Less SDC fund balance on June 30, 2013	(2,205,022)
Total adjustment	<u>\$ (2,144,958)</u>
Growth in ERUs	14,945
Adjustment per ERU	\$ (144)

Source: City staff

### SDC Components

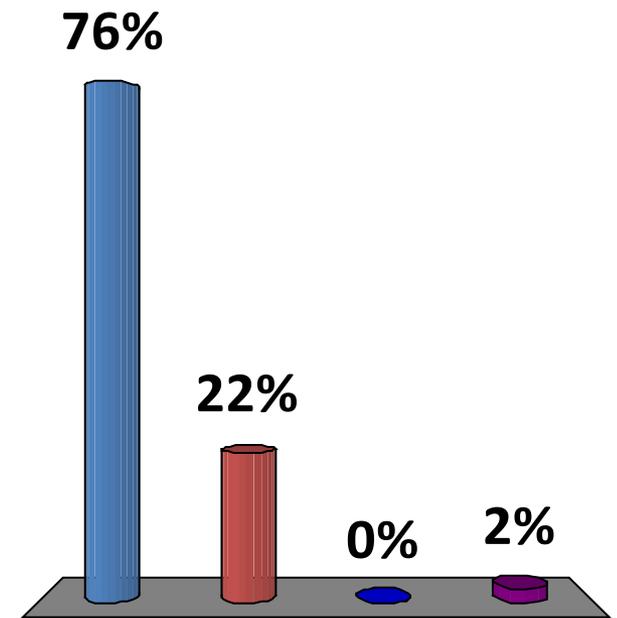
Description	Exhibit 5 Amount
Reimbursement fee	\$ 132
Improvement fee	2,357
Adjustment	(144)
Total fee per ERU	<u>\$ 2,346</u>
Current sewer SDC	\$ 1,987
Proposed change	18.0%

Source: Resolution 05-07 and City Staff



# What is the purpose of SDCs? (select all that apply)

- ✓ 1. Provide funding for growth related infrastructure
- 2. Provide funding for ongoing maintenance
- 3. Provide funding for any city purpose
- 4. Other purpose



Provide funding for grow..

Provide funding for ongo...

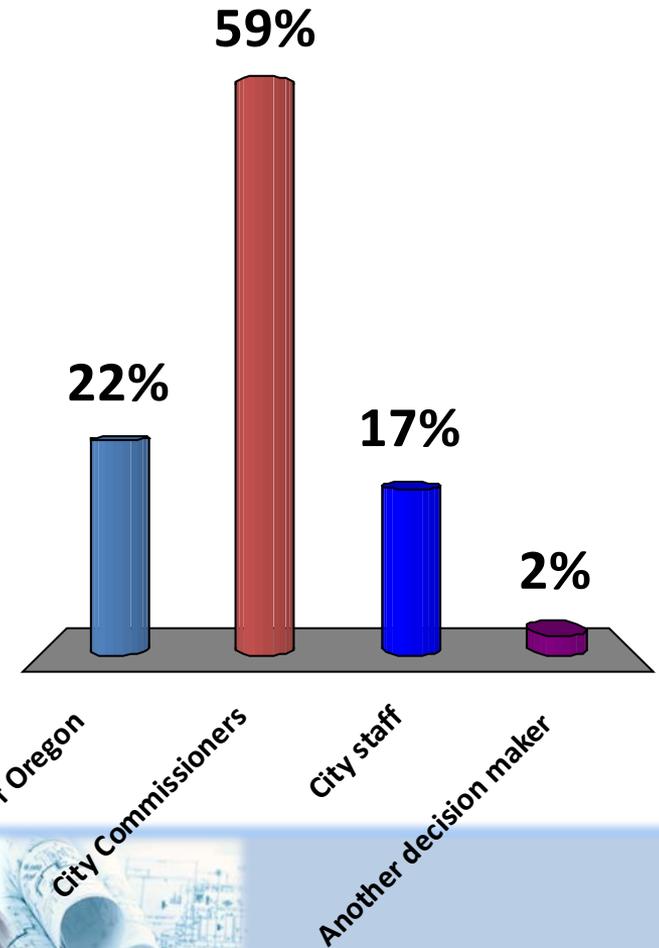
Provide funding for any ci..

Other purpose



# Who makes decisions about SDCs? (select all that apply)

- 1. The State of Oregon
- ✓ 2. City Commissioners
- 3. City staff
- 4. Another decision maker



# You expect to learn something useful about SDCs at today's forum.

3% 1. Disagree strongly

6% 2. ...

0% 3. ...

11% 4. ...

20% 5. ...

23% 6. ...

37% 7. Agree strongly

Mean = 5.57



# You expect to share your views with the city at today's forum.

6% 1. Disagree strongly

3% 2. ...

21% 3. ...

12% 4. ...

24% 5. ...

12% 6. ...

21% 7. Agree strongly

**Mean = 4.67**

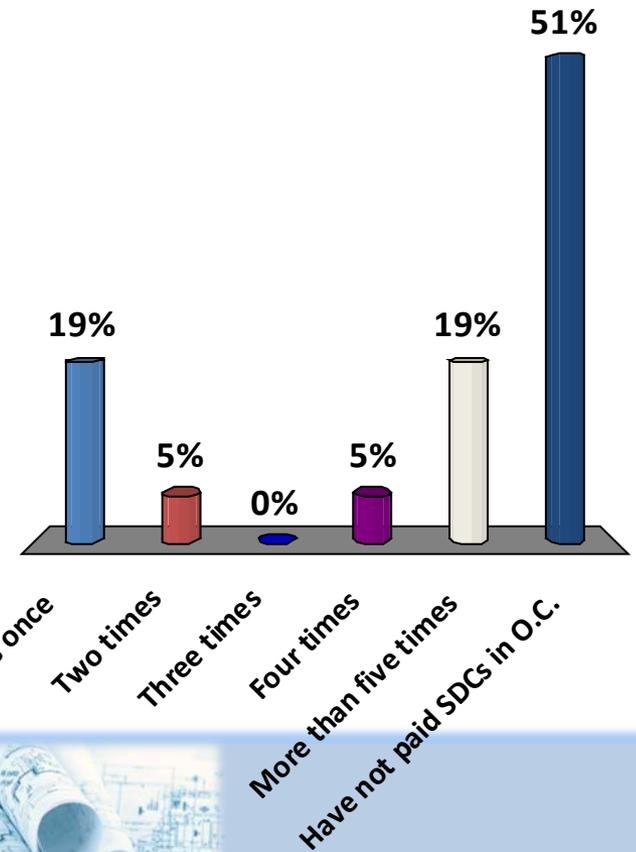


# Electronic Polling



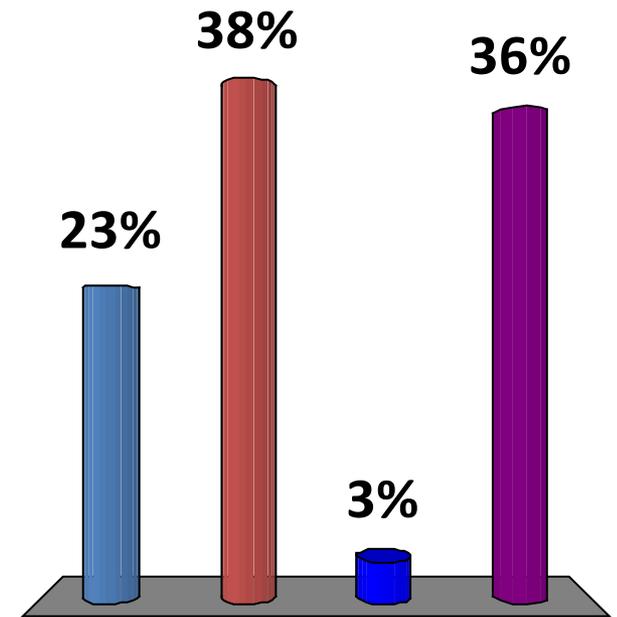
# How many times have you paid SDCs in Oregon City?

1. Only paid SDCs once
2. Two times
3. Three times
4. Four times
5. More than five times
6. Have not paid SDCs in O.C.



# You find Oregon City's SDC are...

1. Similar to other Metro area cities
2. Higher than other cities
3. Lower than other cities
4. Not sure how they compare



Similar to other Metro ar..

Higher than other cities

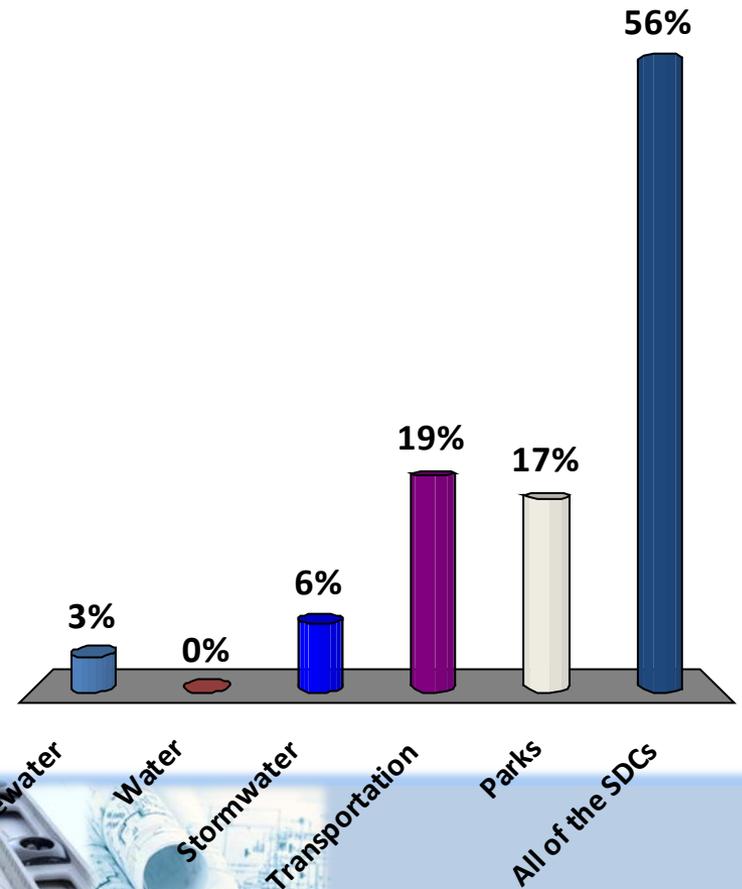
Lower than other cities

Not sure how they compare

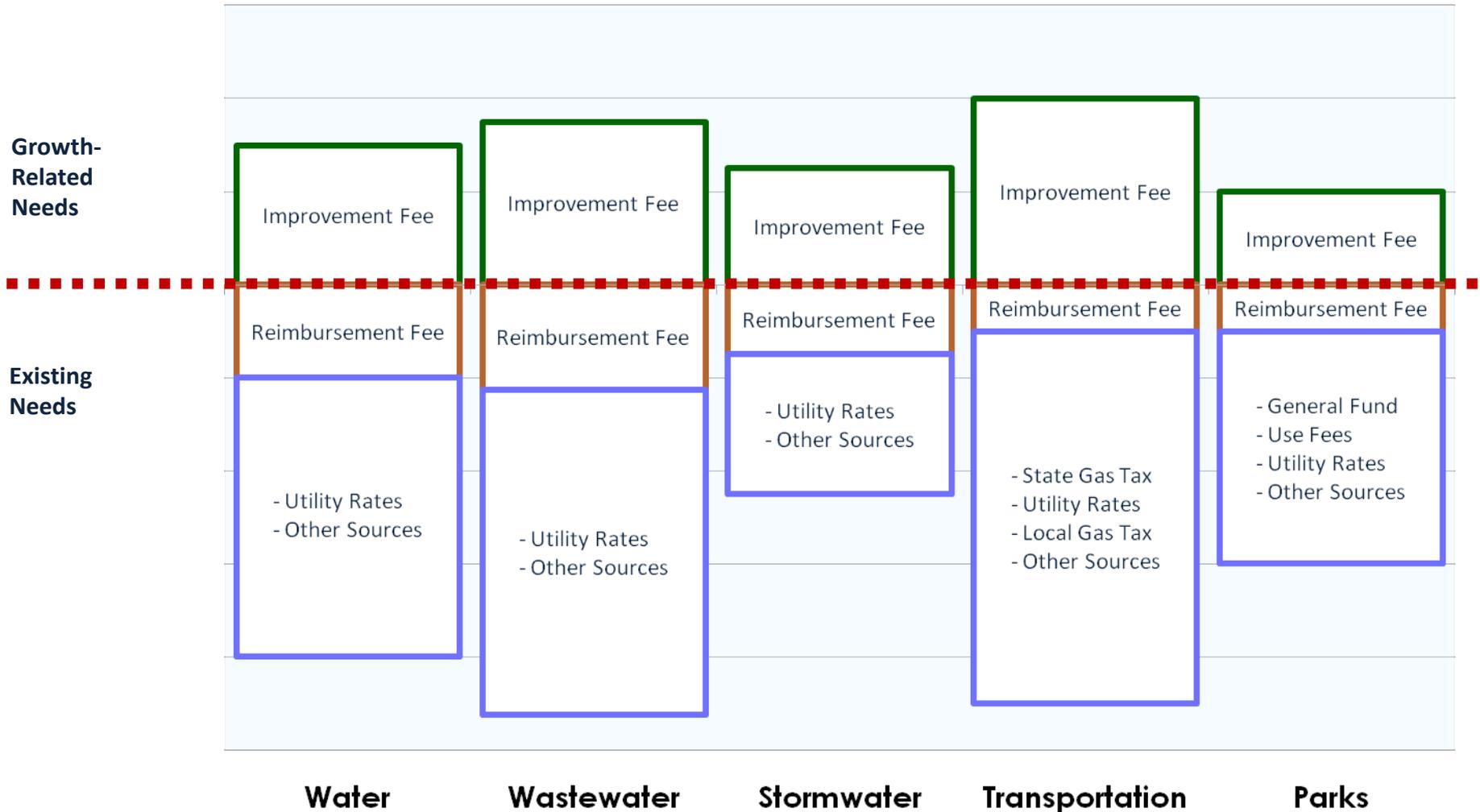


# You have the most questions about Oregon City's \_\_\_\_\_ SDC.

1. Wastewater
2. Water
3. Stormwater
4. Transportation
5. Parks
6. All of the SDCs



# Infrastructure Funding



Water

Wastewater

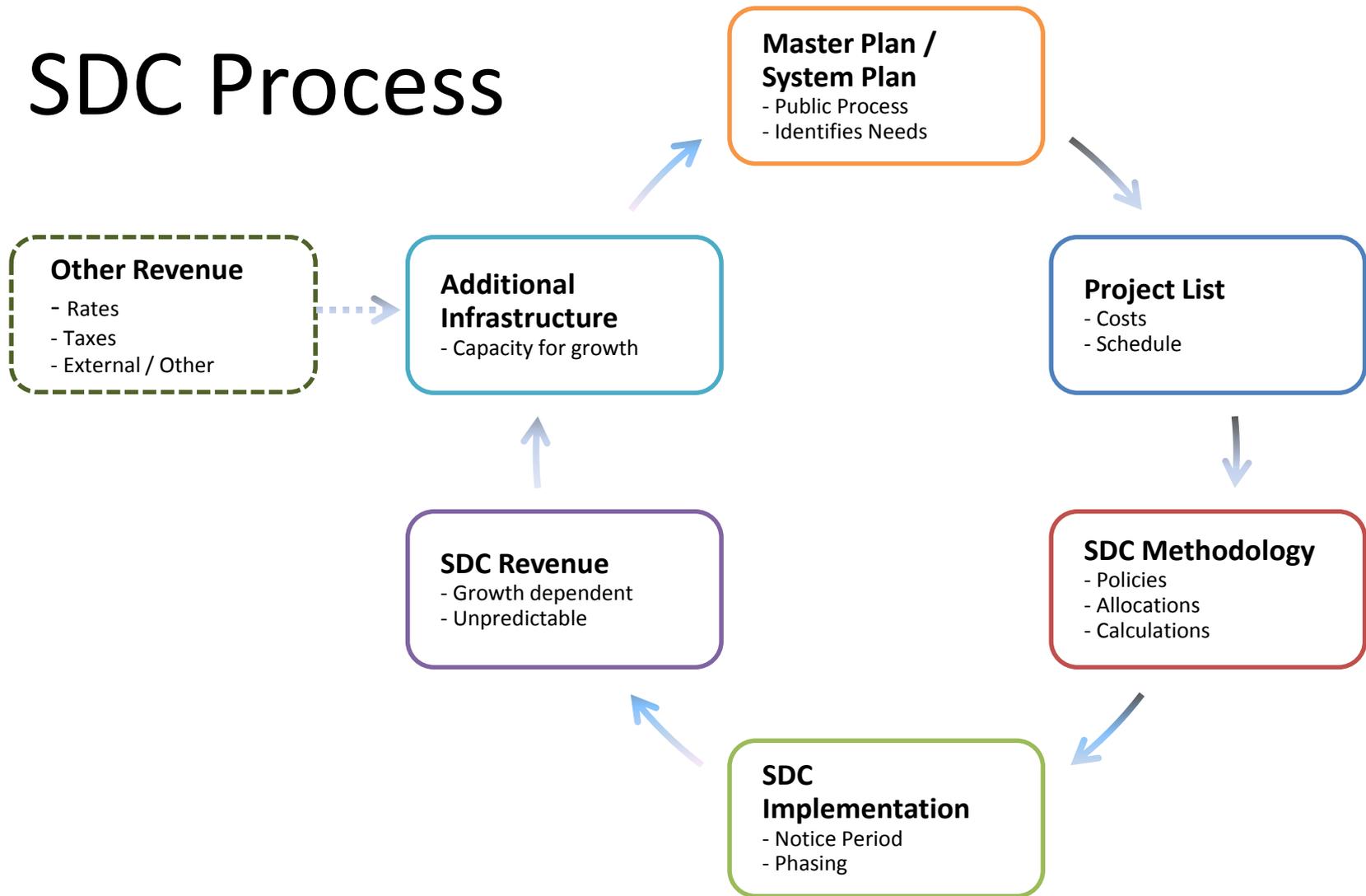
Stormwater

Transportation

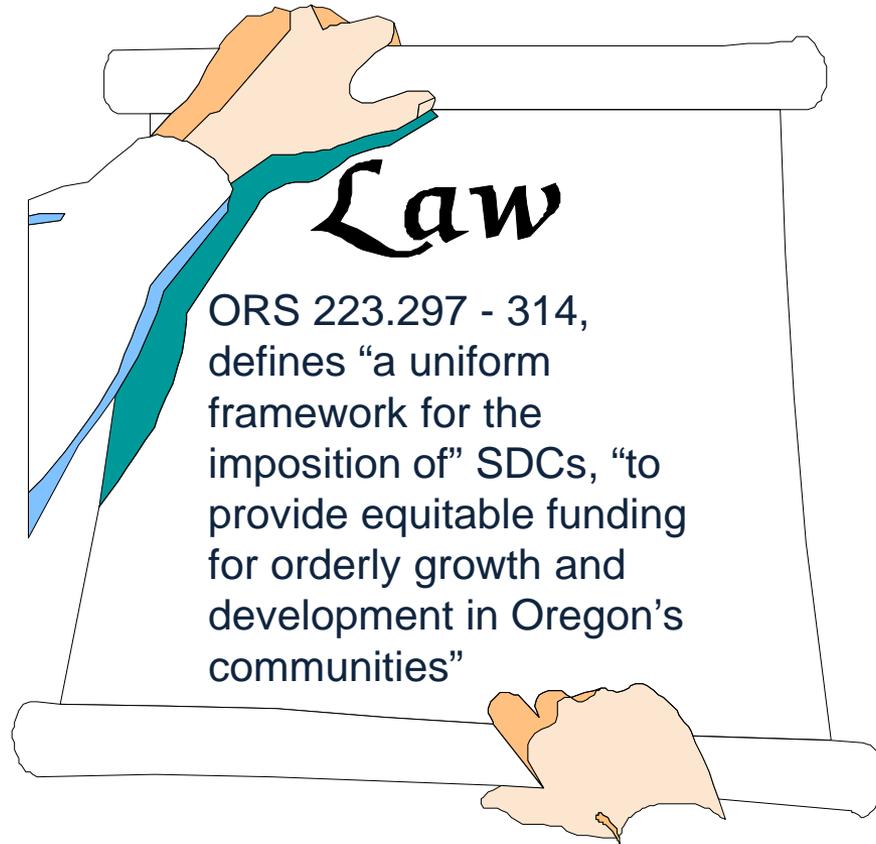
Parks



# SDC Process



# SDC Authorization

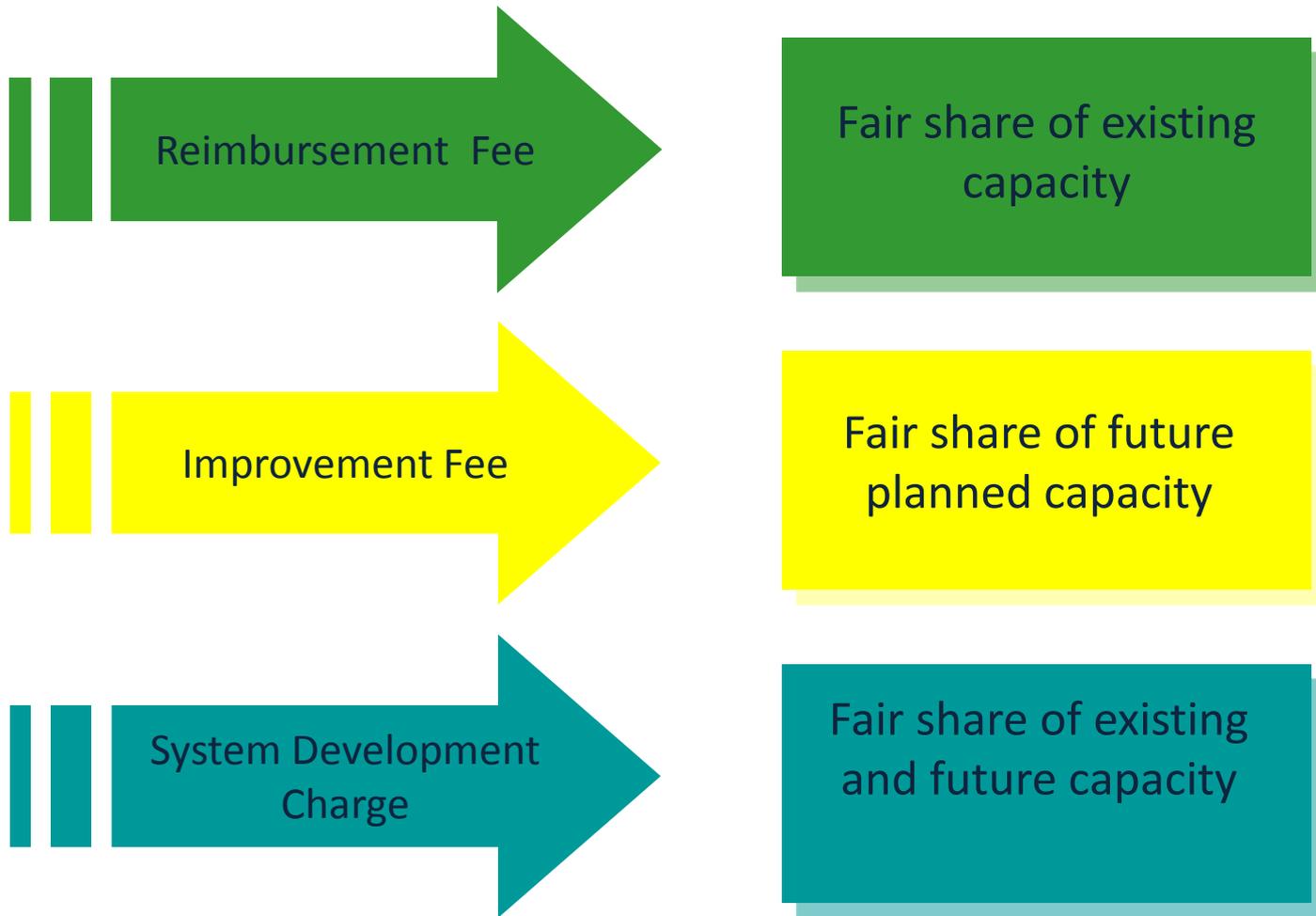


## Key Characteristics

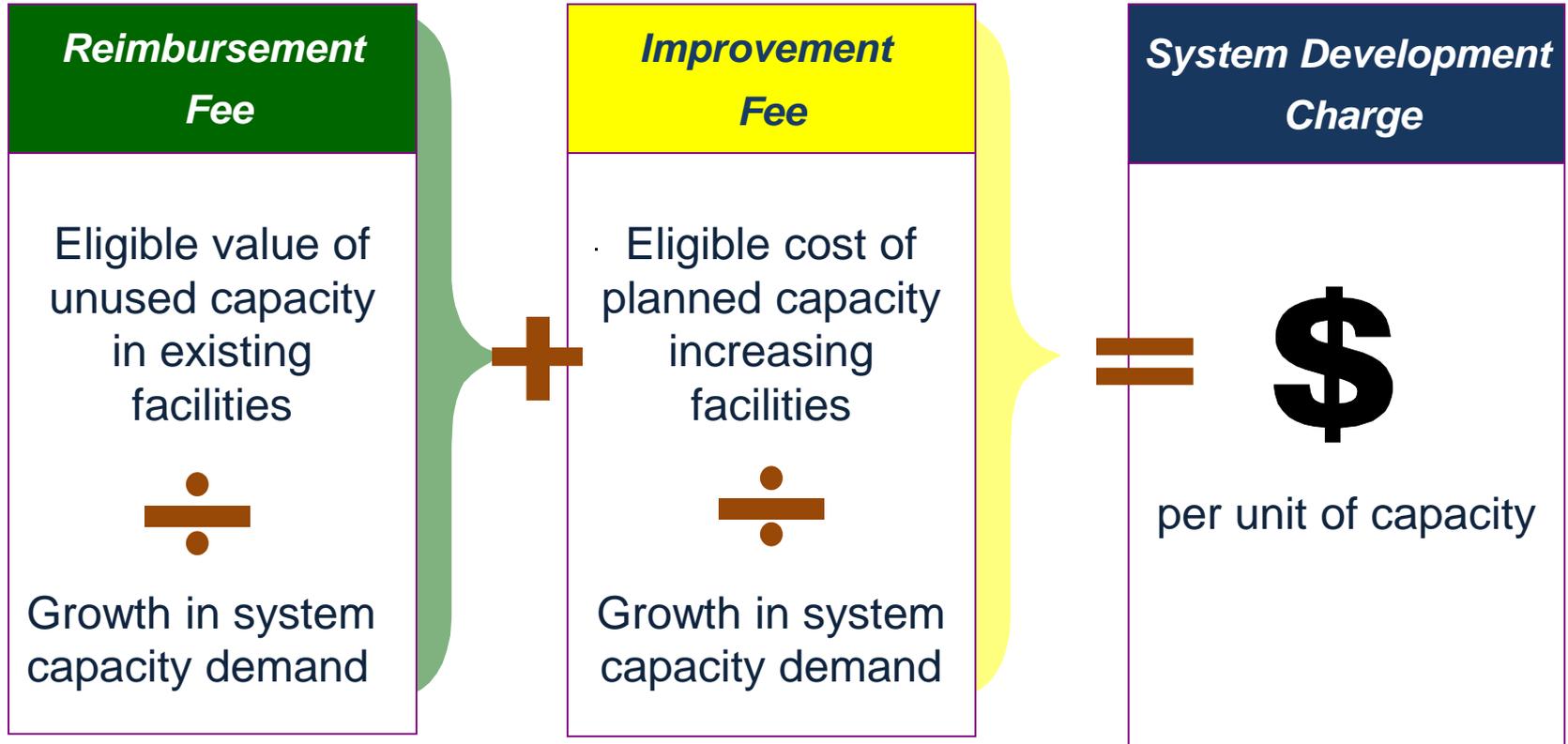
1. SDCs are one-time charges, not ongoing rates.
2. SDCs are for capital only, in both their calculation and in their use.
3. Properties which are already developed do not pay SDCs unless they “redevelop”.
4. SDCs include both future and existing cost components.
5. SDCs are for general facilities, not “local” facilities.



# SDC Components



# SDC Methodology



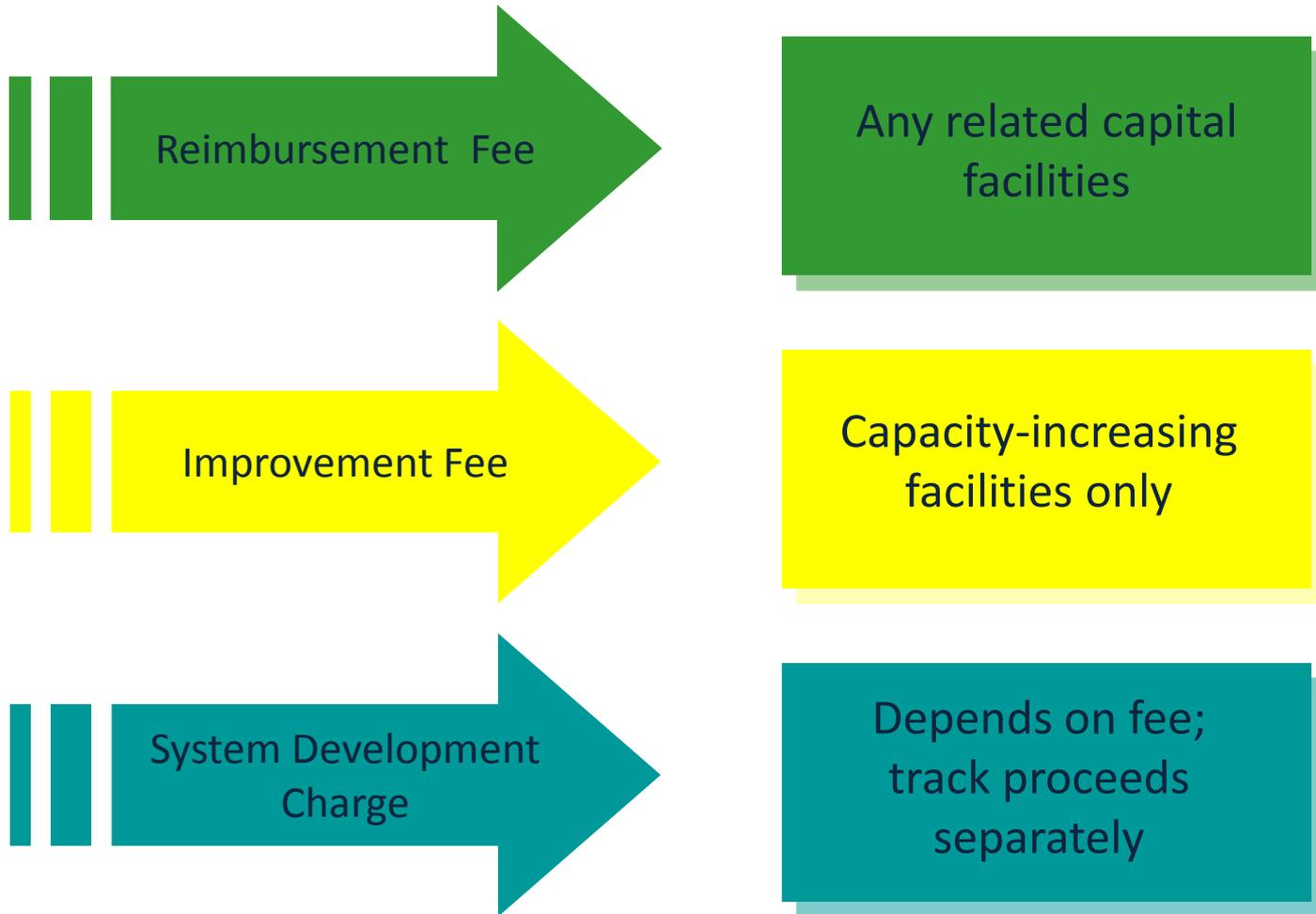
# SDC Credits

Credits against the improvement fee must be provided for the construction of a capital improvement, which is:

- required as a condition of development,
- identified in an adopted capital facilities plan, and
- is either off-site or, if on-site, is required to provide more capacity than needed by the development in question.



# Uses of SDC Receipts



# Key Policy Issues

1. Reimbursement fee cost basis
2. Improvement fee cost basis
3. Unit bases for the charges
4. Credit approaches
5. Area-specific charges
6. Level of service issues (parks & transportation)
7. Nonresidential park SDCs



# Key Features of Oregon City SDCs / Statewide Comparison

## Water

### Meter Size (Flow Capacity) Basis

Size	Meter Unit Equivalent	Meter Installation Charge*	Oregon City SDC**	South Fork Water Board SDC**	Total Fee
5/8" x 3/4"	1	\$ 550	\$ 3,723	\$ 1,621	\$ 5,894
3/4"	1.5	\$ 600	\$ 5,584	\$ 2,432	\$ 8,616
1"	2.5	\$ 650	\$ 9,307	\$ 4,053	\$ 14,010
1½"	5	\$ 2,298	\$ 18,613	\$ 8,106	\$ 29,017
2"	8	\$ 2,478	\$ 29,781	\$ 12,969	\$ 45,228
3"	16	\$ 3,030	\$ 59,562	\$ 25,938	\$ 88,530
4"	25	\$ 4,204	\$ 93,066	\$ 40,529	\$ 137,799
6"	50	\$ 6,695	\$ 186,132	\$ 81,058	\$ 273,885
8"	80	\$ 13,557	\$ 297,812	\$ 129,692	\$ 441,061
10"	115	\$ 18,696	\$ 428,105	\$ 186,432	\$ 633,233



# Wastewater

- Equivalent Dwelling Unit (EDU) Basis
- EDUs assigned by projected flow, as determined by
  - Land use
  - Size

Current charge per EDU	\$ 2,035.00
Tri-City charge per EDU	\$ 2,400.00
Total charge per EDU	\$ 4,435.00



# Stormwater

- Equivalent Dwelling Unit (EDU) Basis
- EDUs assigned by developed (impervious) surface area, as determined by
  - Measurement
  - Zoning / Expected development intensity

Stormwater  
Per EDU

\$773



# Transportation

- Trip Generation Basis
  - Peak-hour
  - Assigned by land use & size (ITE Manual)
  - Adjusted for pass-by / diverted linked trips
- 10% reduction Regional Center and along 7<sup>th</sup>/Molalla transit corridor (for density and mixed use)
- Separate Bike/Ped component

Transportation	
Per Peak-Hour Vehicle Trip	Per Bike/Ped Trip
\$8,402	\$241



# Parks

- Nonresidential Parks SDC adjusted for reduced access to City parks
- Residential distinctions established by average occupancy by dwelling unit type

Parks			
Residential			Non-Residential
Per Single-Family Dwelling Unit	Per Multi-Family Dwelling Unit	Per Manufactured Dwelling Unit	Per Employee
\$4,034	\$3,191	\$3,257	\$264



# SDC Comparison

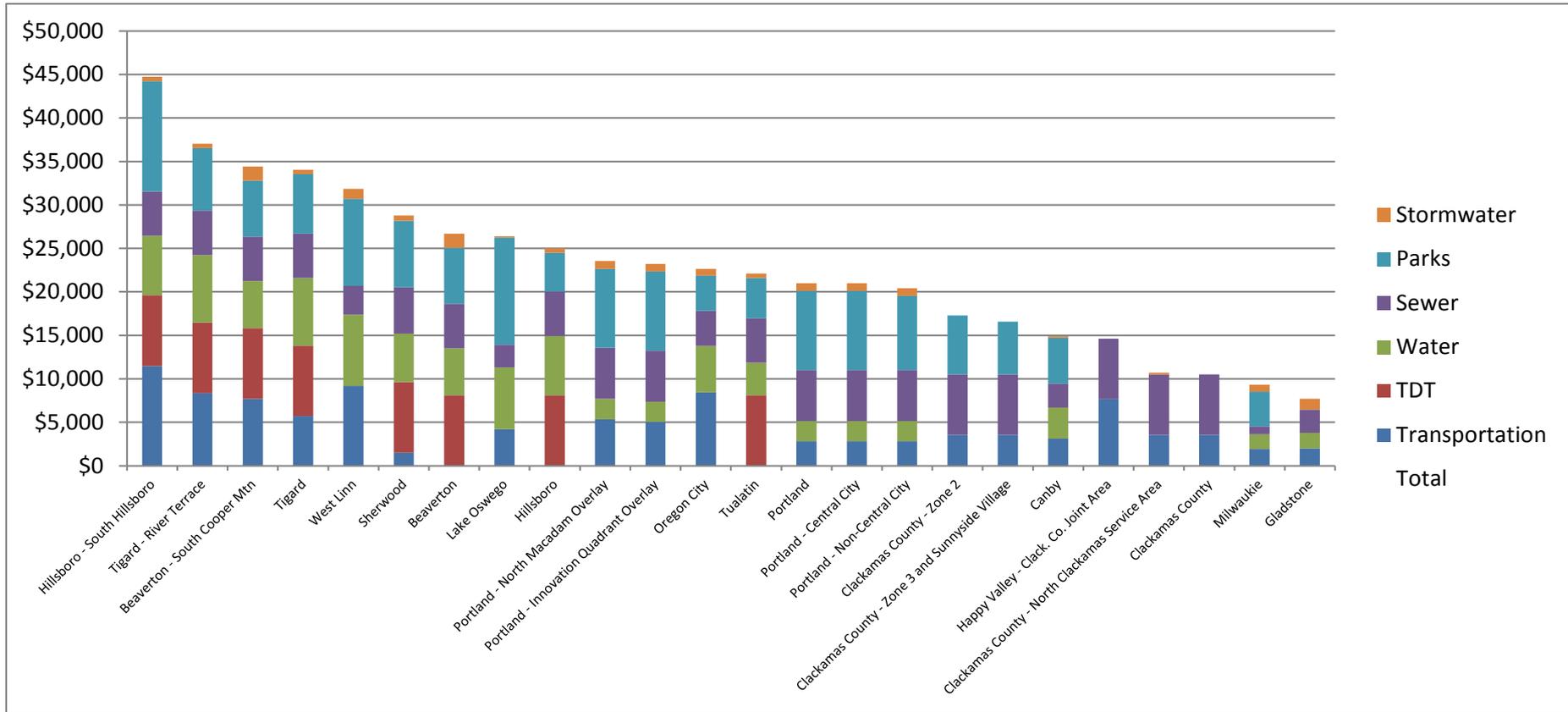
## Single Family Residence

SDC Summary - SFR Home							
City	Transportation	TDT	Water	Sewer	Parks	Stormwater	Total
Hillsboro - South Hillsboro	11,498	8,113	6,830	5,100	12,693	500	44,734
Tigard - River Terrace	8,356	8,113	7,777	5,100	7,202	500	37,048
Beaverton - South Cooper Mtn	7,725	8,113	5,411	5,100	6,450	1,612	34,411
Tigard	5,714	8,113	7,777	5,100	6,824	500	34,028
West Linn	9,208	0	8,184	3,283	10,014	1,144	31,833
Sherwood	1,506	8,113	5,592	5,295	7,669	621	28,796
Beaverton	0	8,113	5,411	5,100	6,450	1,612	26,686
Lake Oswego	4,195	0	7,126	2,595	12,334	142	26,392
Hillsboro	0	8,113	6,830	5,100	4,451	500	24,994
Portland - North Macadam Overlay	5,368	0	2,337	5,867	9,090	884	23,546
Portland - Innovation Quadrant Overlay	5,050	0	2,337	5,867	9,090	884	23,228
<b>Oregon City</b>	8,441	0	5,344	4,055	4,034	773	22,647
Tualatin	0	8,113	3,750	5,100	4,637	500	22,100
Portland	2,814	0	2,337	5,867	9,090	884	20,992
Portland - Central City	2,814	0	2,337	5,867	9,090	884	20,992
Portland - Non-Central City	2,814	0	2,337	5,867	8,523	884	20,425
Clackamas County - Zone 2	3,560	0	0	6,950	6,760	0	17,270
Clackamas County - Zone 3 and Sunnyside Village	3,560	0	0	6,950	6,075	0	16,585
Canby	3,120	0	3,591	2,746	5,265	172	14,893
Happy Valley - Clack. Co. Joint Area	7,682	0	0	6,950	0	0	14,632
Clackamas County - North Clackamas Service Area	3,560	0	0	6,950	0	205	10,715
Clackamas County	3,560	0	0	6,950	0	0	10,510
Milwaukie	1,939	0	1,703	893	3,985	804	9,324
Gladstone	2,029	0	1,765	2,664	0	1,260	7,718



# SDC Comparison

## Single Family Residence



# SDC Comparison

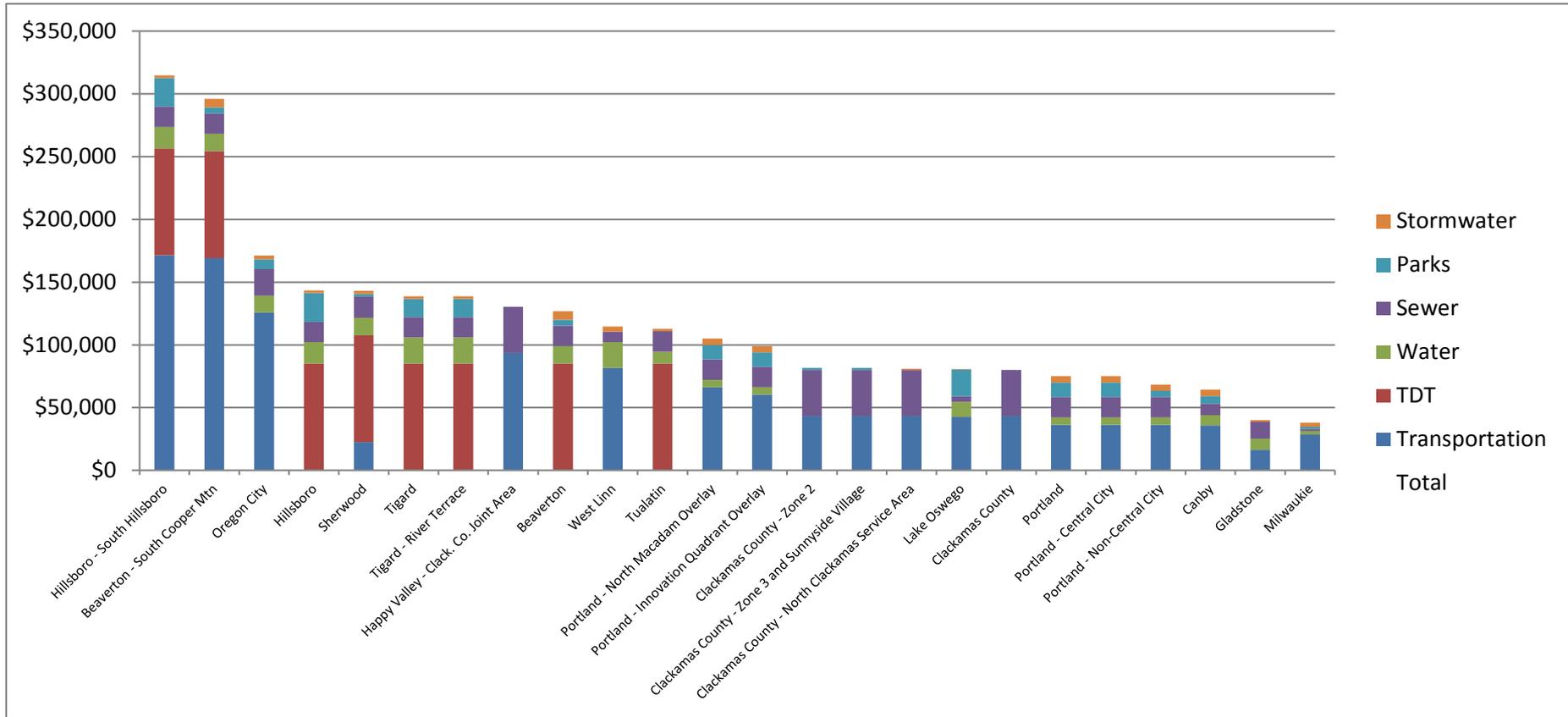
## General Office Building

SDC Summary - General Office Building							
City	Transportation	TDT	Water	Sewer	Parks	Stormwater	Total
Hillsboro - South Hillsboro	171,322	85,120	17,030	16,256	22,788	2,083	314,599
Beaverton - South Cooper Mtn	169,100	85,120	13,852	16,256	4,771	6,717	295,816
<b>Oregon City</b>	125,763	0	13,360	21,342	7,543	3,030	171,038
Hillsboro	0	85,120	17,030	16,256	22,788	2,083	143,278
Sherwood	22,500	85,120	13,979	16,877	2,154	2,589	143,219
Tigard	0	85,120	20,746	16,256	14,433	2,083	138,639
Tigard - River Terrace	0	85,120	20,746	16,256	14,433	2,083	138,639
Happy Valley - Clack. Co. Joint Area	93,670	0	0	36,579	0	0	130,249
Beaverton	0	85,120	13,852	16,256	4,771	6,717	126,716
West Linn	81,680	0	20,460	8,208	0	4,318	114,666
Tualatin	0	85,120	9,375	16,256	0	2,083	112,835
Portland - North Macadam Overlay	66,200	0	5,842	16,379	11,470	5,020	104,911
Portland - Innovation Quadrant Overlay	60,300	0	5,842	16,379	11,470	5,020	99,011
Clackamas County - Zone 2	43,410	0	0	36,579	1,622	0	81,611
Clackamas County - Zone 3 and Sunnyside Village	43,410	0	0	36,579	1,622	0	81,611
Clackamas County - North Clackamas Service Area	43,410	0	0	36,579	0	902	80,891
Lake Oswego	42,690	0	11,875	4,326	21,432	516	80,839
Clackamas County	43,410	0	0	36,579	0	0	79,989
Portland	36,400	0	5,842	16,379	11,470	5,020	75,111
Portland - Central City	36,400	0	5,842	16,379	11,470	5,020	75,111
Portland - Non-Central City	36,400	0	5,842	16,379	4,770	5,020	68,411
Canby	35,896	0	8,259	8,953	6,033	5,206	64,346
Gladstone	16,571	0	8,827	13,319	0	1,460	40,178
Milwaukie	28,608	0	2,836	1,646	1,622	3,268	37,980



# SDC Comparison

## General Office Building



# SDC Comparison

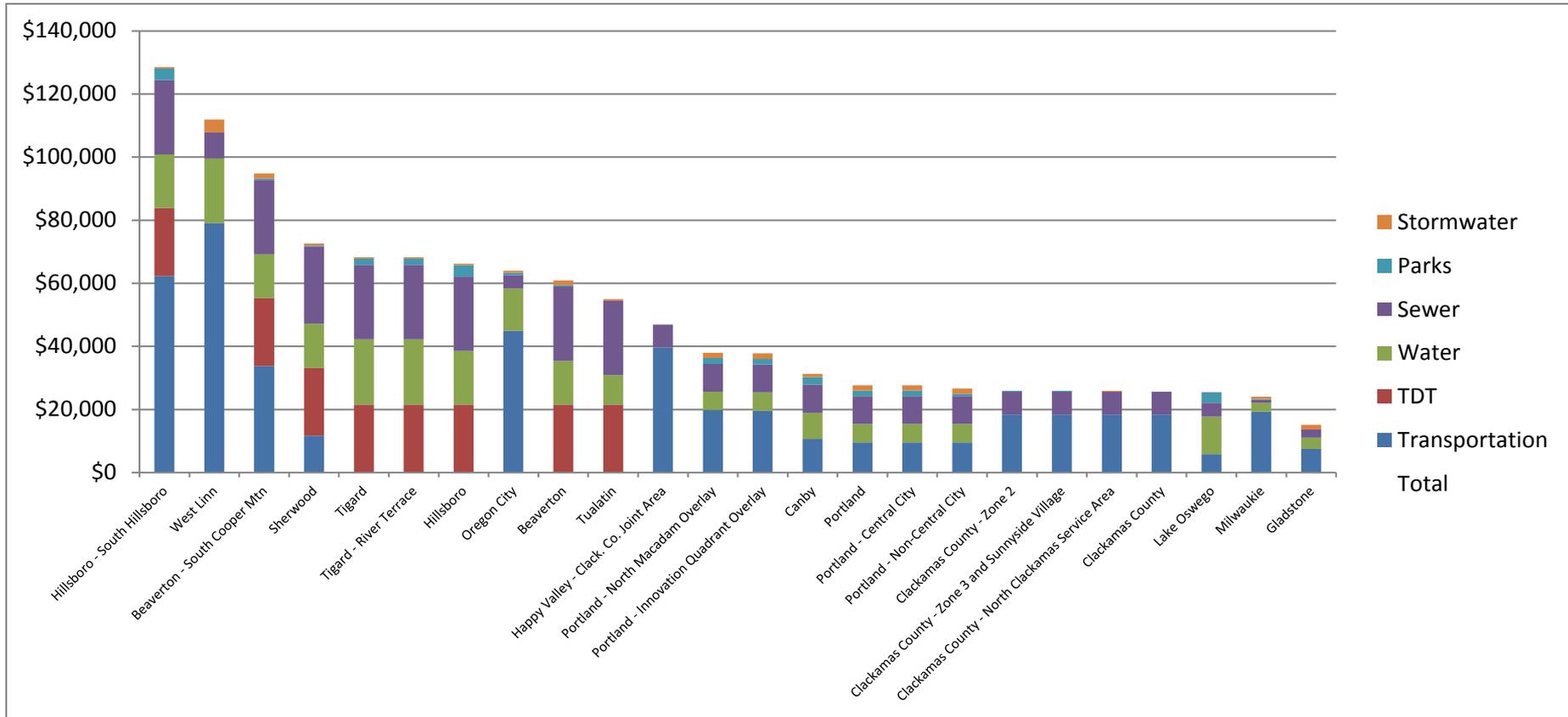
## Specialty Retail

SDC Summary - Specialty Retail							
City	Transportati	TDT	Water	Sewer	Parks	Stormwater	Total
Hillsboro - South Hillsboro	62,320	21,524	17,030	23,588	3,595	473	128,530
West Linn	79,110	0	20,460	8,208	0	4,122	111,900
Beaverton - South Cooper Mtn	33,820	21,524	13,852	23,588	477	1,527	94,787
Sherwood	11,666	21,524	13,979	24,488	339	588	72,585
Tigard	0	21,524	20,746	23,588	1,924	473	68,255
Tigard - River Terrace	0	21,524	20,746	23,588	1,924	473	68,255
Hillsboro	0	21,524	17,030	23,588	3,595	473	66,210
<b>Oregon City</b>	44,978	0	13,360	4,268	754	606	63,966
Beaverton	0	21,524	13,852	23,588	477	1,527	60,967
Tualatin	0	21,524	9,375	23,588	0	473	54,960
Happy Valley - Clack. Co. Joint Area	39,616	0	0	7,316	0	0	46,932
Portland - North Macadam Overlay	19,840	0	5,842	8,801	1,810	1,690	37,982
Portland - Innovation Quadrant Overlay	19,620	0	5,842	8,801	1,810	1,690	37,762
Canby	10,680	0	8,259	8,953	2,413	1,041	31,346
Portland	9,560	0	5,842	8,801	1,810	1,690	27,702
Portland - Central City	9,560	0	5,842	8,801	1,810	1,690	27,702
Portland - Non-Central City	9,560	0	5,842	8,801	752	1,690	26,644
Clackamas County - Zone 2	18,362	0	0	7,316	255	0	25,933
Clackamas County - Zone 3 and Sunnyside Village	18,362	0	0	7,316	255	0	25,933
Clackamas County - North Clackamas Service Area	18,362	0	0	7,316	0	205	25,883
Clackamas County	18,362	0	0	7,316	0	0	25,678
Lake Oswego	5,876	0	11,875	4,326	3,374	117	25,569
Milwaukie	19,277	0	2,836	949	255	743	24,060
Gladstone	7,504	0	3,531	2,664	0	1,460	15,158



# SDC Comparison

## Specialty Retail

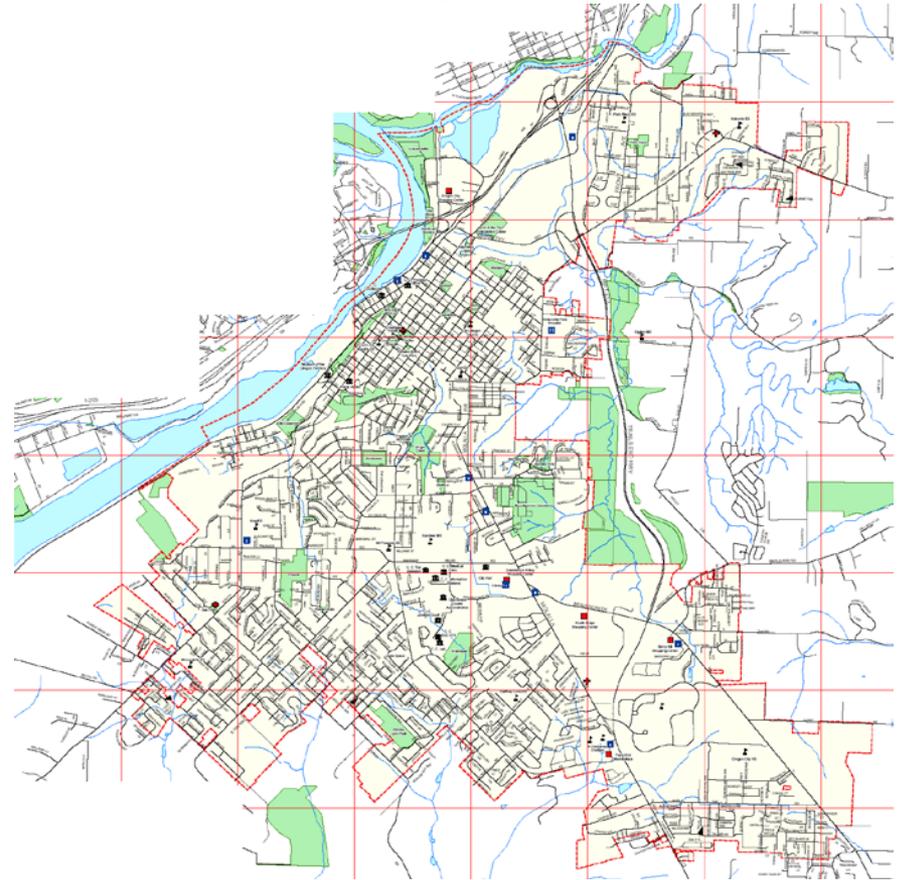


# SDC Case Study Example

## 2008-2009 TSDC Study

### Study Impetus

- Transportation System Plan (TSP) adopted in 2001
- Park Place and Beaver Creek Concept Plans recently adopted (2008)
- A consolidated list of transportation projects (CIP) was developed as part of the TSDC update



# Public Involvement

- Oregon City Transportation Advisory Committee (TAC)
  - Standing Advisory Committee
  - Provides Advice & Recommendations to City Commission
  - 7-9 members (from neighborhood associations, local Chamber of Commerce, community at large)
  - Met with city staff and consultants (FCS and DKS) monthly for 6 months
- Developer Meeting (included Homebuilder's Association)
- City Commission work session and public hearing(s)



# Key Study Issues

1. Reimbursement Fee Cost Basis
2. Improvement Fee Cost Basis
3. SDC Credits / Adjustments
4. Cash Redemption of SDC Credits
5. Basis of Charging
6. Inclusion of Alternative Transportation Modes
7. Development in the Regional Center & on Molalla Avenue
8. Consistency with Metro Objectives



# SDC Calculation

Reimbursement Fee	Roadway Improvements	Bike / Ped Improvements
Cost of Net Unused Capacity	\$ 6,208,392	\$ -
Citywide Growth to End of Planning Period	23,448 Peak-Hour Trips	31,974 Bike / Ped Trips
Reimbursement Fee	\$ 264.78 per P-HT	\$ - per Bike/Ped Trip
<b>Improvement Fee</b>		
Capacity Expanding Projects	\$ 156,840,988	\$ 6,432,131
Citywide Growth to End of Planning Period	23,448 Peak-Hour Trips	31,974 Bike / Ped Trips
Improvement Fee	\$ 6,689.01 per P-HT	\$ 201.17 per Bike/Ped Trip
<b>Total System Development Charge</b>		
Reimbursement Fee	\$ 264.78 per P-HT	\$ - per Bike/Ped Trip
Improvement Fee	\$ <u>6,689.01</u> per P-HT	\$ <u>201.17</u> per Bike/Ped Trip
TSDC Subtotal	\$ 6,953.78 per P-HT	\$ 201.17 per Bike/Ped Trip
plus: Administrative Cost Recovery	\$ <u>46.25</u> per P-HT	\$ <u>1.34</u> per Bike/Ped Trip
<b>Total TSDC</b>	\$ <b>7,000</b> per P-HT	\$ <b>202.51</b> per Bike/Ped Trip

0.67%



# Staff Recommendations Adopted by City Commission

- Implemented (phased) the road component in two equal increments:
  - 1) 30 days after adoption - \$3,583.50
  - 2) January 1, 2011 - \$7,000 (plus annual adjustments).
- Provided a 10% reduction in road component in Regional Center and along 7<sup>th</sup>/Molalla transit corridor.
- Made Bike/Ped component effective 30 days after adoption.



# 2015 Community Suggestions

- Reduced SDCs for Redevelopment
- Project List is Too Big
- Ratepayers Should Pay Greater Share
- Discounted Rates for Special Districts



# Reduced SDCs for Redevelopment

## Alternatives

- Eliminate time limit
- Grant credit for highest previous use
- Buy down SDCs using external sources
- Calculate area-specific charges based on location of improvements
- Allocate original cost of assets between downtown and remaining City

## Considerations

- Capacity may no longer exist
- Incentivize timely redevelopment
- Complexity and administrative effort v. keeping it simple
- Data availability
- Results often counter intuitive due to location of growth



# Project List is Too Big

## Alternatives

- Shorten planning period
- Reduce number of projects on the list
- Discount the charge and leave the list intact

## Considerations

- Denominator changes also if planning period changes
- Projects must be on the list in order to spend SDC money on them
- City may use discretion in establishing % cost recovery



# Current Users Should Pay Greater Share

## Alternatives

- Reduce / Eliminate SDCs
  - Change allocation methodology
  - Remove listed projects
  - Discount charges

## Considerations

- Incentivizes growth
- All benefit from growth
- May stress infrastructure
- Rate affordability
- Opposite of “growth pays for growth”



# Discounted Rates for Special Districts

## Alternatives

- Develop sub-area SDCs based on costs of infrastructure needed to serve those sub-areas
  - Many sub-areas
  - Few sub-areas
- Buy down SDCs in desired locations with external funds
- Create area distinctions by level of previous funding through taxes, etc.

## Considerations

- May reduce City's flexibility to spend SDCs where it sees fit
- Adds complexity to SDC structure(s)
- Results can be counter-productive
- Must use ratemaking principles
  - can't be arbitrary
- Can be seen as divisive



# Break



# Roundtable Discussion

1. What are your expectations for infrastructure development?
2. Who should be responsible to pay for new capacity?
3. Which options are best for Oregon City?

Discuss  
question

Electronic  
polling

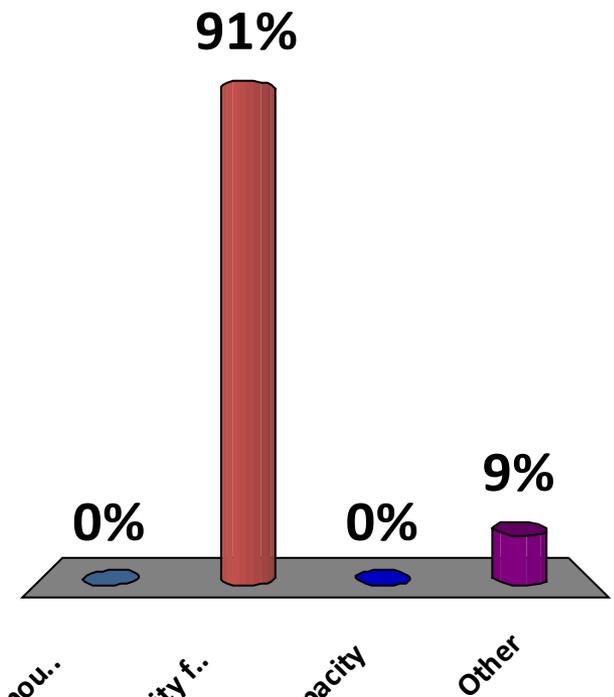


# What are your expectations for infrastructure development?



# What are your expectations for infrastructure development?

1. Plan and build just enough capacity for today's immediate needs
2. Plan and build capacity for future homes and businesses
3. Don't plan or build capacity
4. Other

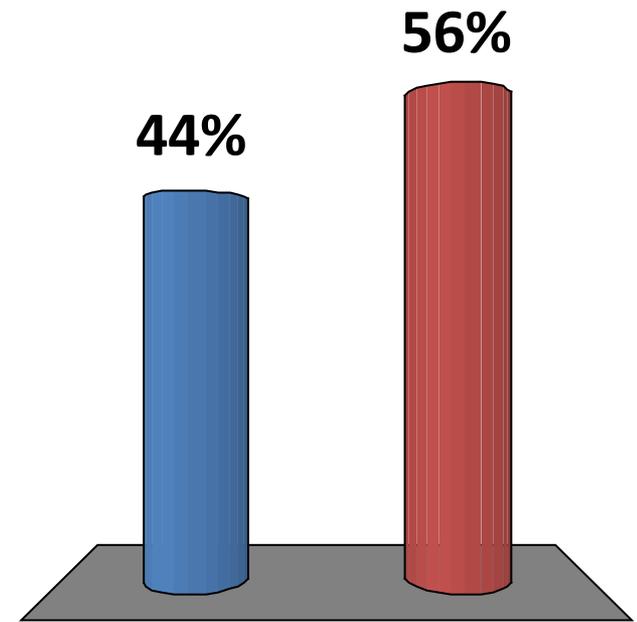


# Who should be responsible to pay for new capacity?



# Who should be responsible to pay for new capacity? (Select all the apply)

1. People who are here now
2. People who are coming



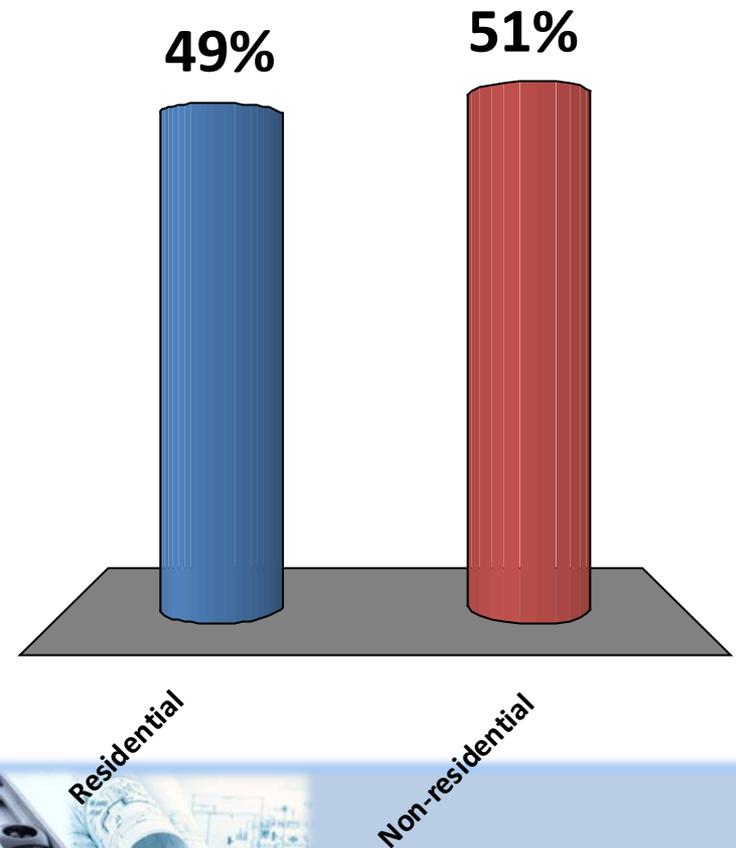
People who are here now

People who are coming



# What type of user should pay for new capacity? (Select all the apply)

1. Residential
2. Non-residential



# Which options are best for Oregon City?



# Which options are best for Oregon City?

## New development continues to pay

0% 1. Strongly disagree

0% 2. ...

0% 3. ...

19% 4. ...

15% 5. ...

31% 6. ...

35% 7. Strongly agree

Mean = 5.81



# Reduce SDCs for redevelopment

7% 1. Strongly disagree

0% 2. ...

4% 3. ...

14% 4. ...

32% 5. ...

21% 6. ...

21% 7. Strongly agree

Mean = 5.14



# Reduce project lists

20% 1. Strongly disagree

28% 2. ...

8% 3. ...

24% 4. ...

8% 5. ...

8% 6. ...

4% 7. Strongly agree

**Mean = 3.12**



# Current users should pay greater share

0% 1. Strongly disagree

15% 2. ...

15% 3. ...

30% 4. ...

33% 5. ...

0% 6. ...

7% 7. Strongly agree

Mean = 4.11



# Special areas with discounted rates should be expanded

26% 1. Strongly disagree

11% 2. ...

4% 3. ...

26% 4. ...

4% 5. ...

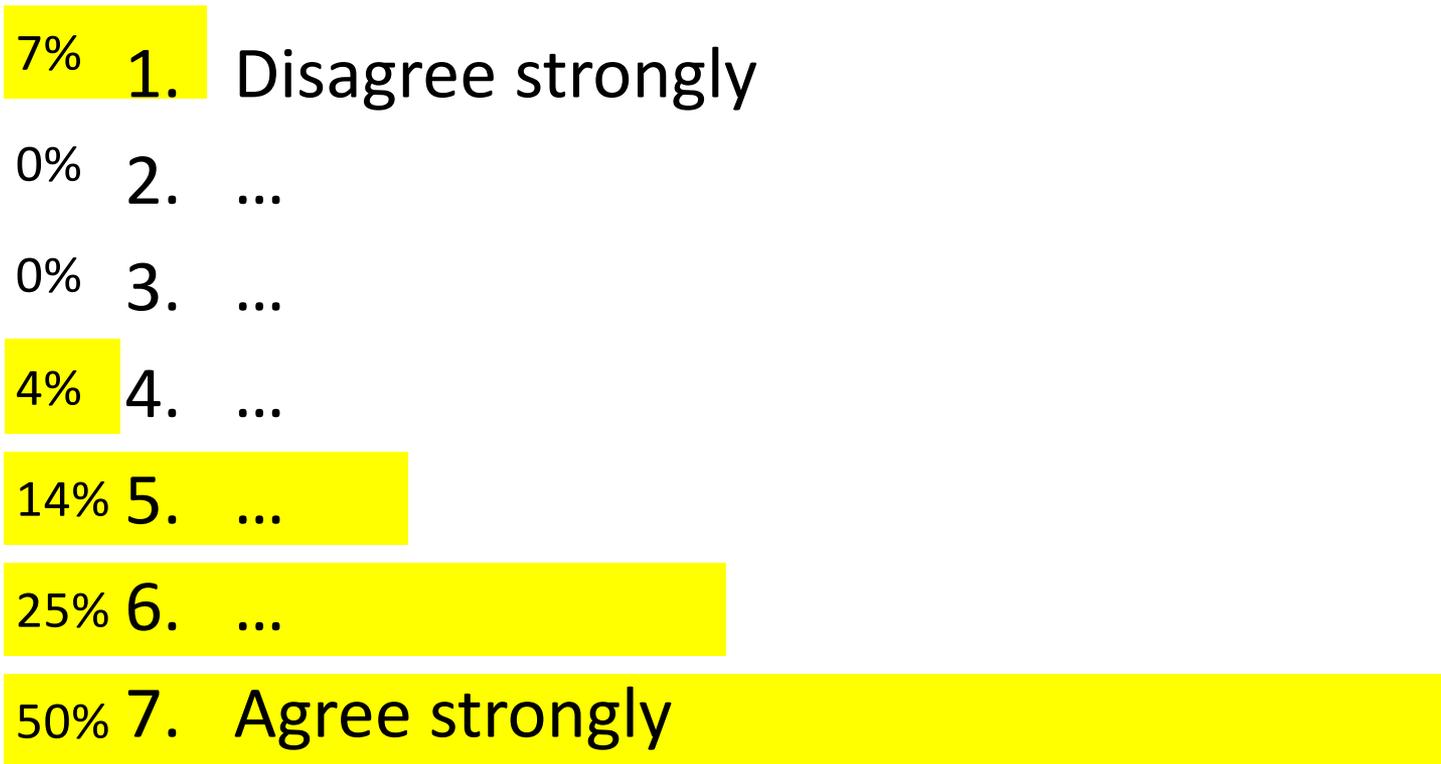
11% 6. ...

19% 7. Strongly agree

Mean = 3.78



# You learned something useful at today's forum.



**Mean = 5.93**



# You shared your views with the city.

0% 1. Disagree strongly

4% 2. ...

4% 3. ...

20% 4. ...

20% 5. ...

28% 6. ...

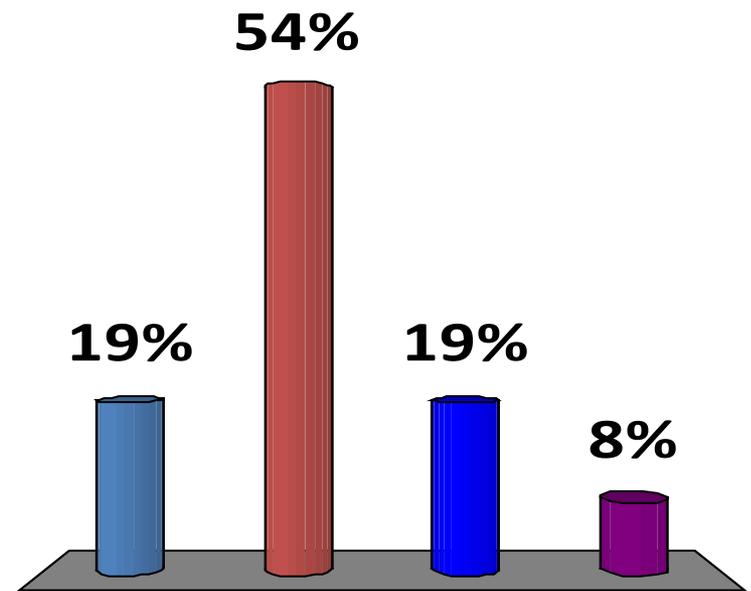
24% 7. Agree strongly

Mean = 5.36



# Would you like to continue to stay involved in future issues regarding SDCs?

1. Yes, willing to volunteer
2. Yes, willing to attend meetings
3. Yes, but prefer to receive information by mail / e-mail
4. No, not interested in further involvement



Yes, willing to volunteer

Yes, willing to attend me...

Yes, but prefer to receive...

No, not interested in fur...



# Closing / Next Steps

Thank you!

- Debrief on what's been said today
- Circle back on ideas that need to be investigated or considered further
- Prepare and present the Summary Report to the City Commission

