

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 05/24/2016 **Approx Start Time:** 2:30 pm **Approx Length:** 1 hour

Presentation Title: Update on Transportation System Development Charge (TSDC)
Methodology Update Process

Department: Transportation & Development

Presenters: Dan Johnson, Assistant Director for Development (DTD); Diedre Landon,
Administrative Services Manager (DTD)

Other Invitees: Jimmy Thompson, Senior Policy Analyst (DTD); Carl Springer, Consultant
(DKS Associates)

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Is there concurrence from the Board on the prioritization process used to refine a Transportation System Development Charge specific project list?

EXECUTIVE SUMMARY:

Transportation System Development Charges (TSDCs) are one-time fees charged to new development to help pay a portion of the costs associated with building transportation facilities to meet needs created by growth. Clackamas County has TSDCs for unincorporated areas, and currently the County and City of Happy Valley have Joint TSDCs to cover areas in and around the city.

The current TSDC rates are based on methodology established in 2006 that lists specific capital projects that increase the capacity of transportation facilities in County or City capital improvement programs. The County and City are updating the TSDC methodology to consider ways to estimate and collect TSDCs to provide appropriate project funding and ensure consistency with goals and objectives in the recently adopted transportation system plans.

The methodology update process is designed to:

- Update the TSDC eligible project list.
- Update TSDC rates.
- Streamline and simplify the TSDC program for staff and applicants.

There are numerous options when refining the TSDC project list. The **Transportation System Development Charge (TSDC) Methodology Update - 2016 Project List Refinement** (Attachment 1), provides an overview of the framework for how the 2016 TSDC project list was developed and visually demonstrates how each criteria reduced the total number of projects as we worked to develop the draft TSDC project list.

The TSDC Work Group, which is comprised of community stakeholders and technical members, developed and prioritized criteria that, once applied, further refined both the TSP project list and the Clackamas Regional Connections project list into draft unincorporated County TSDC project lists (see Attachments 2 and 3). Project lists will ultimately be combined into a comprehensive final project list and the growth share of each project will be calculated to estimate the TSDC rates resulting from the final project list and anticipated growth over the next ten years.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? Total Project Cost = \$270,000; \$240,000 FY 2015/16.

What is the funding source? Transportation System Dev. Charges (SDCs); Funds 223 & 227

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
This supports the department’s mission to *provide transportation maintenance and construction, land use planning, permitting ... to residents, property owners, businesses and the traveling public so they and future generations can experience and invest in a safe, well-designed and livable community.*
- How does this item align with the County’s Performance Clackamas goals?
This supports the following County goals:
 - Grow a vibrant economy
 - Build a strong infrastructure
 - Build public trust through good government

LEGAL/POLICY REQUIREMENTS:

TSDCs have been used in Oregon since the mid-1970's; state legislation on SDCs was adopted in 1989. Additions and modifications to the Oregon Systems Development Act (ORS 237.297 - 314) were made in 1993, 1999, 2001 and 2003.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Stakeholder involvement is critical to the success of the TSDC update process. We have convened a TSDC Working Group, made up of Clackamas County and Happy Valley staff, developers and commercial interests, to help shape the TSDC process. The project team is scheduled to meet with the Clackamas County Board of County Commissioners and Happy Valley City Council throughout the process.

OPTIONS:

1. Direct staff to continue the update process with the TSDC Working Group to calculate the growth share of the identified projects and establish draft rate calculations that will be brought back to the BCC for review and comment.
2. Direct staff to revisit the criteria for the development of the draft TSDC project list before moving forward with calculating growth share and establishing draft rate calculations.

RECOMMENDATION:

Staff respectfully recommends Option #1, direct staff to continue the update process with the Working Group to calculate the growth share of the identified projects and establish draft rate calculations that will be brought back to the BCC for review and comment.

ATTACHMENTS:

1. Transportation System Development Charge (TSDC) Methodology Update - 2016 Project List Refinement
2. TSDC Update Process Fact Sheet – May 2016

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

Transportation System Development Charge (TSDC) Methodology Update

2016 Project List Refinement



2006 TSDC Project Lists

Countywide District

106 Projects
\$550.4 Million

Joint District

57 Projects
\$248.4 Million

Improvement

104 Projects
\$510 Million
27.9% AVG SDC Eligible

Reimbursement

2 Projects
\$40.4 Million
4.4% AVG SDC Eligible

Improvement

55 Projects
\$258 Million
35% AVG SDC Eligible

Reimbursement

2 Projects
\$40.4 Million
9.1% AVG SDC Eligible

Did you know...?

We have more than 163 combined projects on our 2006 TSDC lists; yet, on average, we need to find more than 65% match funding to fund a project on the list.

Where we started: 2016 Project Lists

**Clackamas
County
(TSP)**
\$2.8 Billion
400+ Projects

**Clackamas
Regional Center
(CRC)**
\$20 Million
38 Projects

**City of Happy
Valley
(TSP)**
\$148 Million
37 Projects

Compiled Project List

\$3 Billion
500+ Projects

Data Sources & Total Costs

For Comparison:

- *Countywide 2006 TSDC Project List = \$550 Million in total projects.*
- *Approx. 35% of Countywide project List TSDC Eligible = \$142 Million (2006 dollars)*

TSP = Transportation System Plan
CRC = Clackamas Regional Center

Preliminary Prioritization

SET GOALS → Select Criteria

- Top 3-5 metrics/goals using the criteria stakeholders developed to score each specific list

ANALYZE → Set Baseline Score

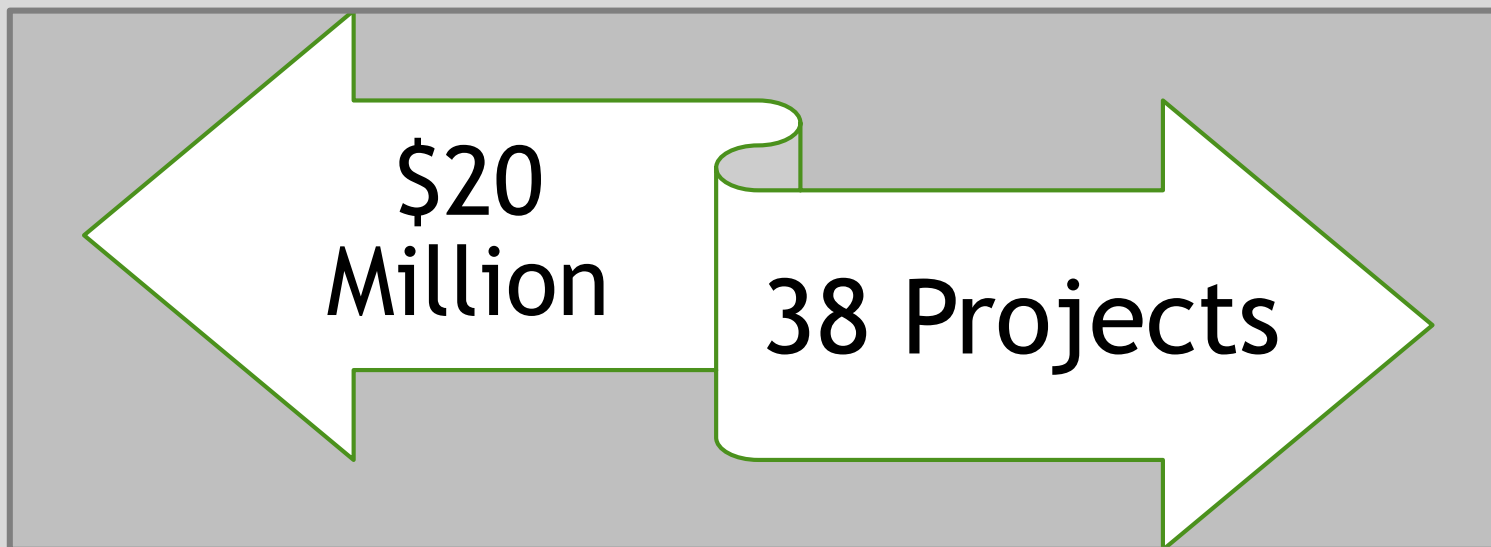
- County TSP & Happy Valley TSP
 - *Score >0*
- Clackamas Regional Center
 - *Project meets performance measure*

REFINE → Apply to projects

- Projects that meet or exceed the baseline score for all selected metrics

Clackamas County

Clackamas Regional Center (CRC)



COMPLETE PROJECT LIST
Estimated Costs & Project Count

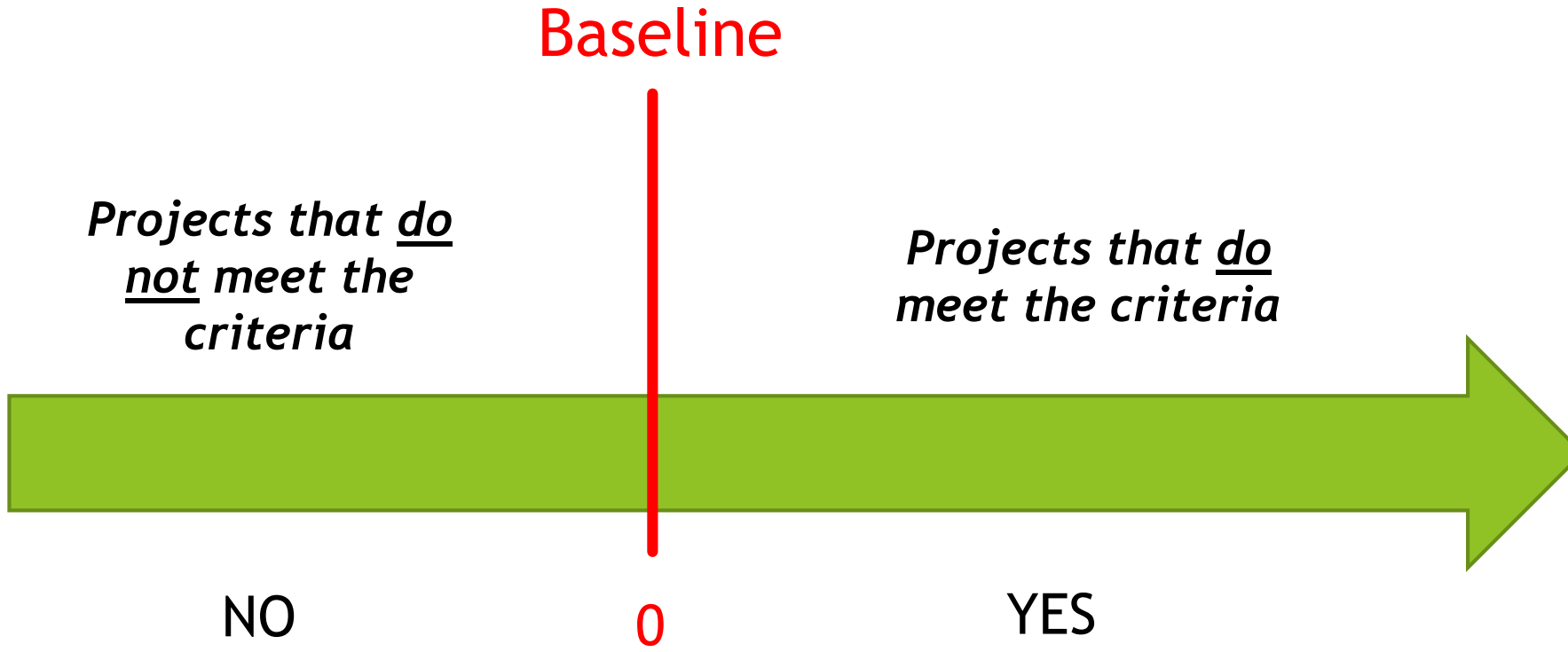
Survey Results: Project Metrics | Clackamas Regional Center

Select criteria that will identify projects that will particularly benefit/influence the ability to develop in Clackamas County.

Members suggest giving highest priority to projects that...

Performance Measure	Weighted Avg
Improve MOVEMENT BY VEHICLES by ensuring that vehicle volumes do not exceed capacity at intersections.	4.54
Improve MOVEMENT BY VEHICLES by improving intersections to provide adequate motor vehicle queuing.	4.54
Improve SAFETY by meeting critical crash rate standards.	4
Make it easier to WALK, including projects that improve street frontage, pedestrian crossings, and accessibility to transit stops.	3.15
Make it easier to BIKE, including projects that improve street frontage and bicycle system connectivity.	2.92

Project Baseline | Clackamas Regional Center



TOTAL PROJECT LIST

\$20 Million
38 Projects

MEETING BASELINE CRITERIA

\$15 Million
12 Projects

CRC

Clackamas County

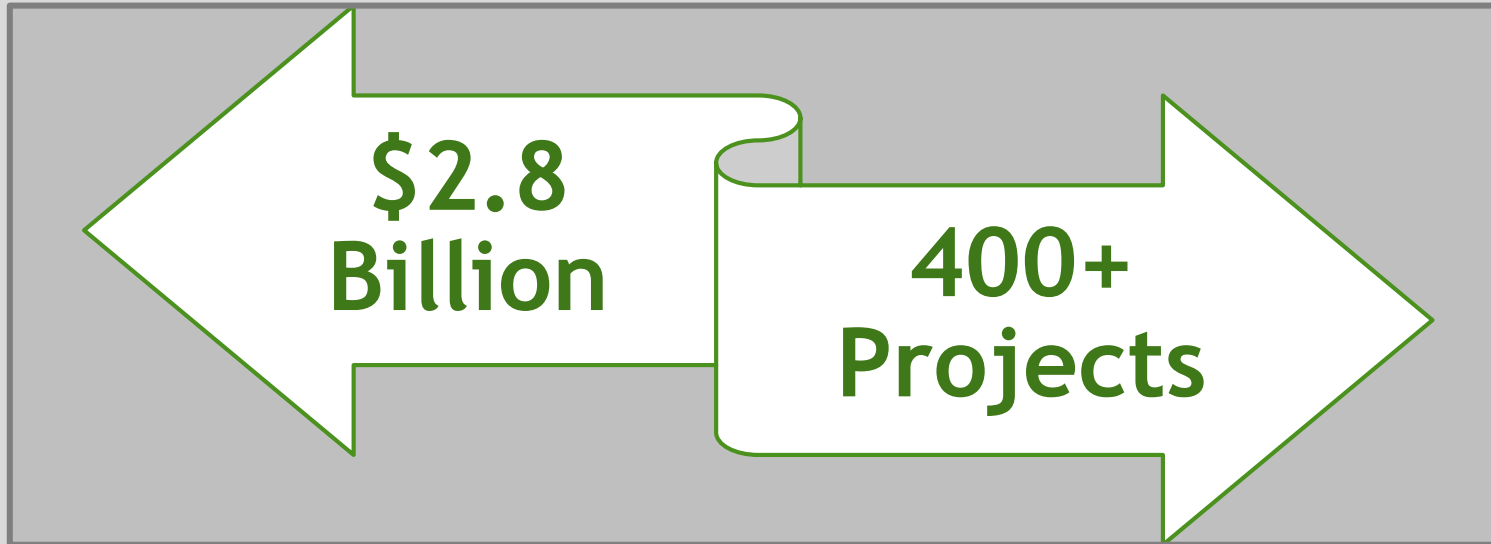
**Clackamas Regional
Center (CRC)**

**Estimated Costs
& Project Count**

Preliminary Results | Clackamas Regional Center

PROJECT CATEGORY - CLACKAMAS REGIONAL CENTER	TOTAL CRC PROJECT LIST		PROJECTS MEETING ALL CRITERIA - DRAFT 2016 COUNTYWIDE TSDC PROJECT LIST	
Vehicle	\$ 14,140,820	70.64%	\$ 14,140,820	92.56%
Safety	\$ 1,135,864	5.67%	\$ 1,135,864	7.44%
Bike/Ped	\$ 3,630,215	18.14%	\$ -	0.00%
Ped	\$ 1,110,428	5.55%	\$ -	0.00%
Total	\$ 20,017,327	100.00%	\$ 15,276,684	100.00%

Clackamas County Transportation System Plan (TSP)



COMPLETE PROJECT LIST
Estimated Costs & Project Count

Survey Results: Project Metrics | County TSP

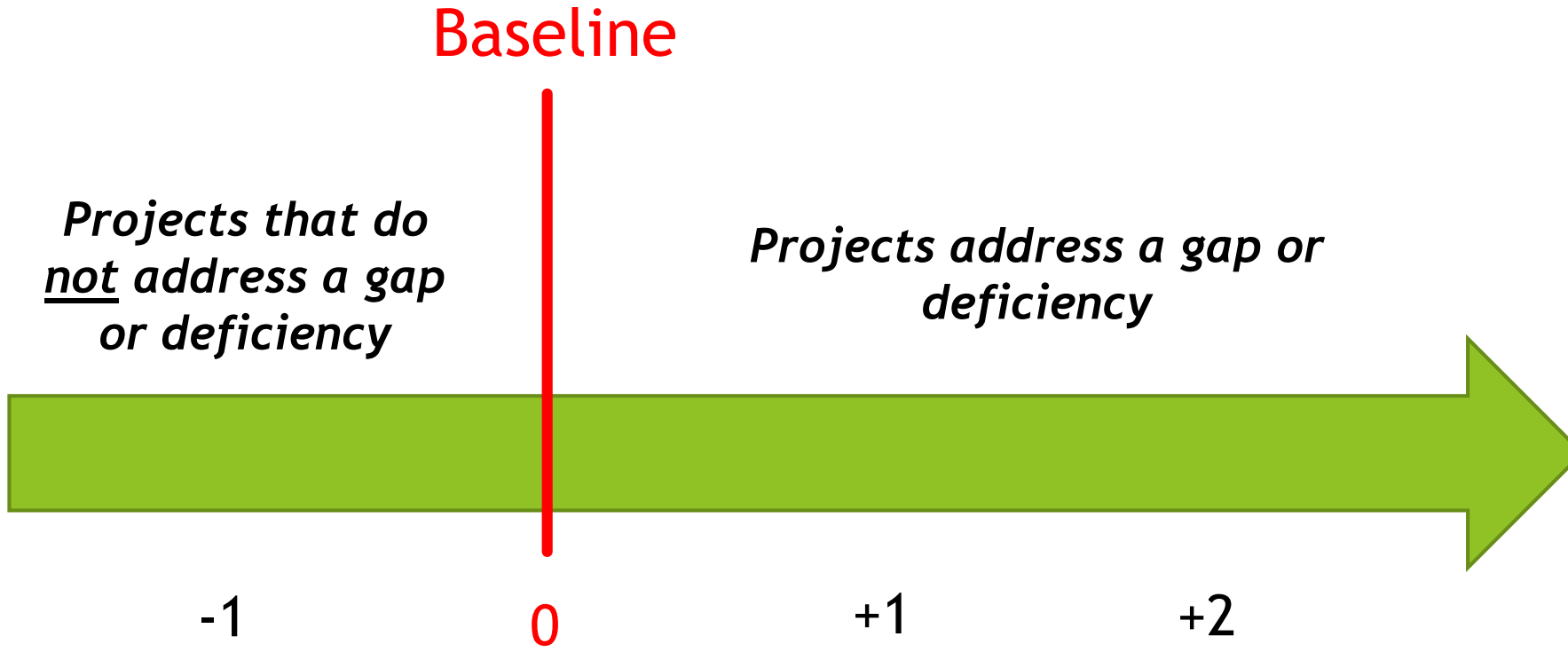
Select criteria that will identify projects that will particularly benefit/influence the ability to develop in Clackamas County.

Members suggest giving highest priority to projects that...



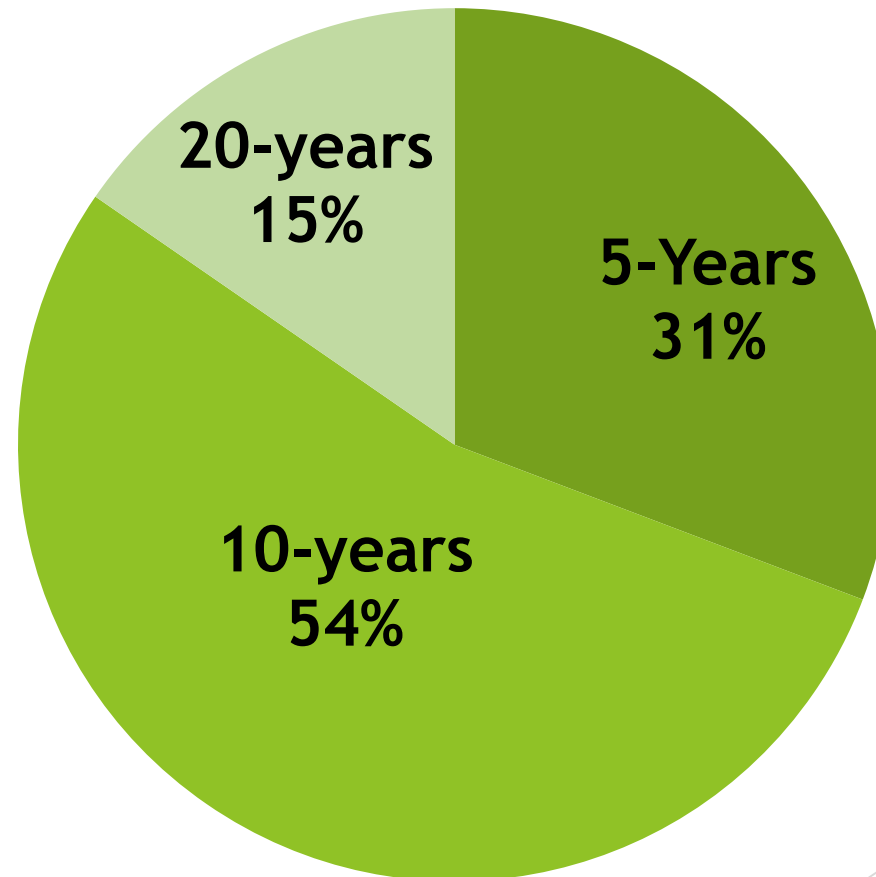
Metric	Weighted Avg.
Create a direct connection from a highway or other major facility to an employment area.	4.57
Are located in or near existing or future employment areas.	4.5
Are most cost-effective.	4
Improve safety on roads.	3.93
Increase connections to daily needs and services.	3.86
Help implement local land use or development plans.	3.64
Improve travel for disadvantaged communities.	3.15
Increase the potential for walking, biking or taking transit.	3.07
Do not negatively impact environmentally sensitive areas.	2.5
Reduce emissions near schools or densely populated areas.	2.21
Reduce the impacts of reoccurring flooding.	2

Project Baseline | Clackamas County TSP



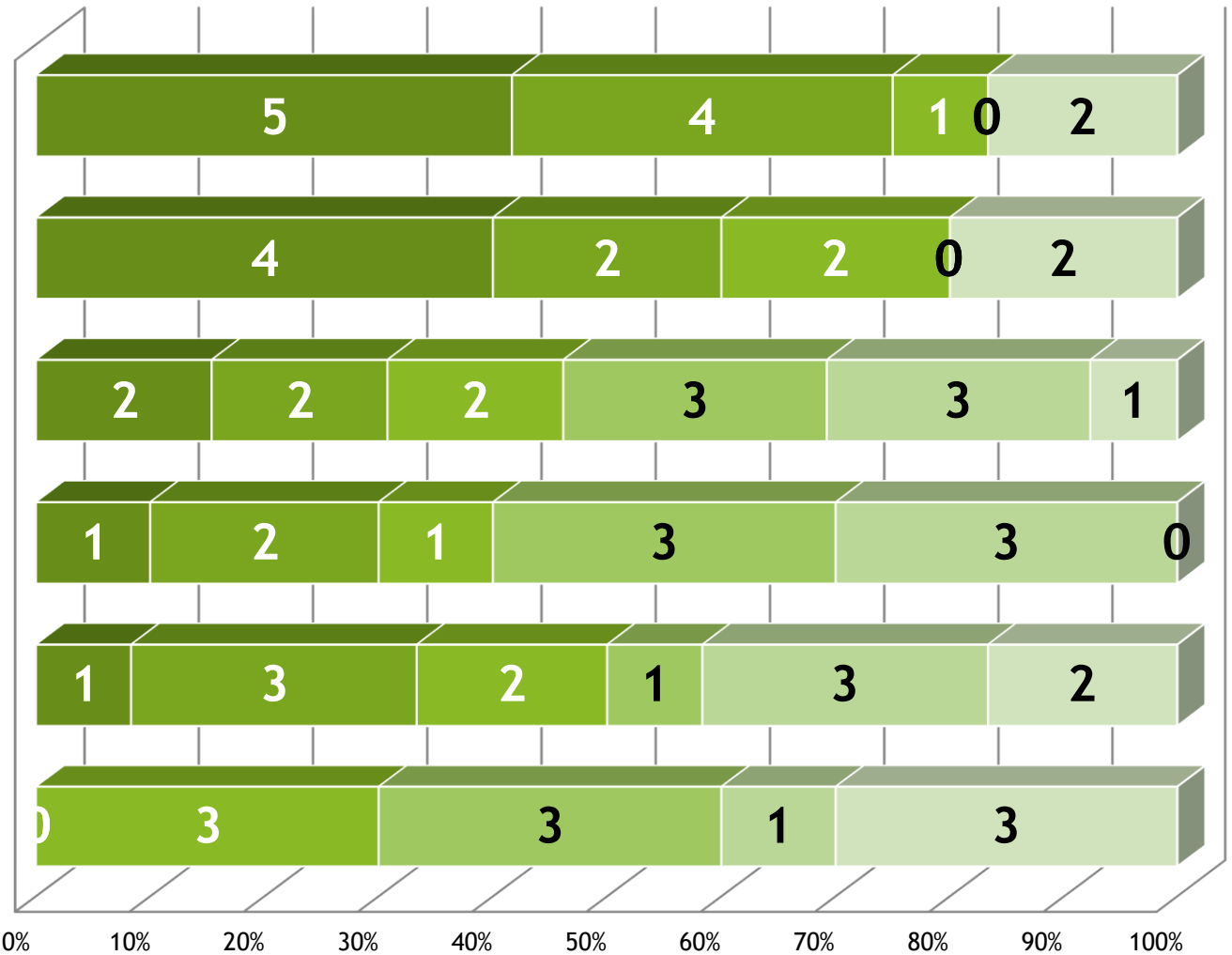
Working Group | Additional Considerations

The TSDC project list should be limited to projects that are likely to be built within...



Working Group | Additional Considerations

- Projects important to community
- Exclude projects with dedicated funding
- Projects in close proximity to development
- Vehicle capacity/level of performance on existing facilities
- Potential for developer credits.
- Vehicle capacity/level of performance on new facilities



1- Most Important
 2-
 3-
 4-
 5-
 6- Least Important

TOTAL PROJECT LIST

\$2.8 Billion
400+ Projects

PROJECTS MEETING BASELINE
CRITERIA + LESS THAN 10-YR
TIMELINE

\$605 Million
111 Projects

REMOVE: FUNDED PROJECTS,
STUDY & MULTI-USE PATHS

\$427 Million
77 Projects

KEEP: HIGH FUNCTIONAL CLASS
+8 OVERALL SCORE

\$292 Million
38 Projects

CC
TSP

Clackamas County
Transportation System
Plan (TSP)

Estimated Costs
& Project Count

Preliminary Results | County TSP

PROJECT TSP CATEGORY	TOTAL TSP PROJECT LIST		PROJECTS MEETING BASELINE CRITERIA + LESS THAN 10-YEAR TIMELINE		PROJECTS MEETING ALL CRITERIA - DRAFT COUNTYWIDE TSDC PROJECT LIST	
Upgrade	\$ 1,950,546,000	68.64%	\$ 276,755,000	45.74%	\$ 145,870,000	50.01%
Upgrade - Active Transportation	\$ 458,660,000	16.14%	\$ 214,810,000	35.50%	\$ 135,970,000	46.62%
Upgrade - Vehicle Capacity	\$ 32,298,000	1.14%	\$ 14,300,000	2.36%	\$ 5,010,000	1.72%
Safety	\$ 66,890,000	2.35%	\$ 5,410,000	0.89%	\$ 4,380,000	1.50%
Bridge	\$ 76,840,000	2.70%	\$ 10,940,000	1.81%	\$ 430,000	0.15%
Multi-Use Path	\$ 93,030,000	3.27%	\$ 52,460,000	8.67%	\$ -	0.00%
New Roadway	\$ 127,780,000	4.50%	\$ 29,950,000	4.95%	\$ -	0.00%
Study	\$ 935,000	0.03%	\$ 400,000	0.07%	\$ -	0.00%
ITS	\$ 1,500,000	0.05%	\$ -	0.00%	\$ -	0.00%
Multi-Modal	\$ 33,000,000	1.16%	\$ -	0.00%	\$ -	0.00%
Other	\$ 90,000	0.00%	\$ -	0.00%	\$ -	0.00%
Total	\$ 2,841,569,000	100.00%	\$ 605,025,000	100.00%	\$ 291,660,000	100.00%

Preliminary Results | 2016 TSDC Project List

2006 Countywide District

106 Projects
\$550.4 Million

2016 Countywide District

50 Projects
\$307 Million

Improvement

104 Projects
\$510 Million
27.9% AVG SDC Eligible

Reimbursement

2 Projects
\$40.4 Million
4.4% AVG SDC Eligible

County TSP

38 Projects
\$292 Million

Clackamas Regional Center

12 Projects
\$15 Million

For Comparison:

- 2006 TSDC Project List = \$550M in total projects | Approx. 35% or less TSDC Eligible (2006 dollars)
- 2016 TSDC Project List = \$307M in total projects | Target 75-100% TSDC Eligible

Next Steps

- ▶ Determination of growth share
- ▶ Calculation of SDC levels
- ▶ TSDC Ordinance update
- ▶ Adoption of 2016 Methodology/Rates





Clackamas Connections Project

Investing in a balanced transportation network

Transportation System Development Charge Update Process

Fact Sheet - May 2016

TSDC Project Lists Development

A key milestone for the TSDC Update process is development of the lists of transportation projects that are eligible to be funded by TSDCs.

How are the TSDC projects lists developed?

The project team started with three project lists that encompass the key transportation projects that have already been identified as important to the communities of Happy Valley and unincorporated Clackamas County. These include:

- Clackamas County Transportation System Plan project list
- Happy Valley Transportation System Plan project list
- Projects identified as part of the Clackamas Regional Center Mixed-use Multimodal Area process

Altogether, the three lists encompass over five hundred projects with an estimated cost of around \$3 billion dollars. The team worked with the TSDC Working Group (comprised of City and County staff and external stakeholder group representatives) to develop a process for filtering these lists into shorter TSDC project lists. The Working Group began by prioritizing criteria and goals that were used to develop the project lists during the TSP and Clackamas Regional Center processes. They added additional considerations to identify those projects that would best address needs created by development and growth. See *Framework graphic on backpage*.

About the Update Process

Clackamas County and the City of Happy Valley are updating their Transportation System Development Charges (TSDCs). This is Phase 2 of a larger process called the Clackamas Connections Project. TSDCs are one-time fees assessed when a developer applies for a permit to create a new development or redevelop an existing property. These fees are used to pay for capacity improvements to the transportation system needed for new development.

This project will update TSDC rates for two areas:

- Unincorporated areas of Clackamas County (*Countywide TSDC district*)
- Happy Valley plus the surrounding unincorporated area (*Joint Happy Valley/Clackamas County TSDC District*)

This update process will:

- Update the TSDC project lists.
- Update TSDC rates and how they are assessed to different types of development.
- Find ways to streamline administration of the TSDC program to simplify the process for applicants.

TSDC Update and Public Process: Next Steps

May-June 2016: Finalize TSDC project lists and update rate calculations

- Meet with Clackamas County Board of County Commissioners and Happy Valley City Council to review the process used to develop criteria to filter the draft TSDC project lists.
- Determine the growth share of each project on the draft TSDC lists and calculate TSDC rates. Further refine project lists if needed.
- Meet with TSDC Working Group to discuss updated TSDC rates.
- Meet with Clackamas County BCC and Happy Valley City Council to review updated TSDC rates.
- Meet with TSDC Working Group to discuss draft ordinances.



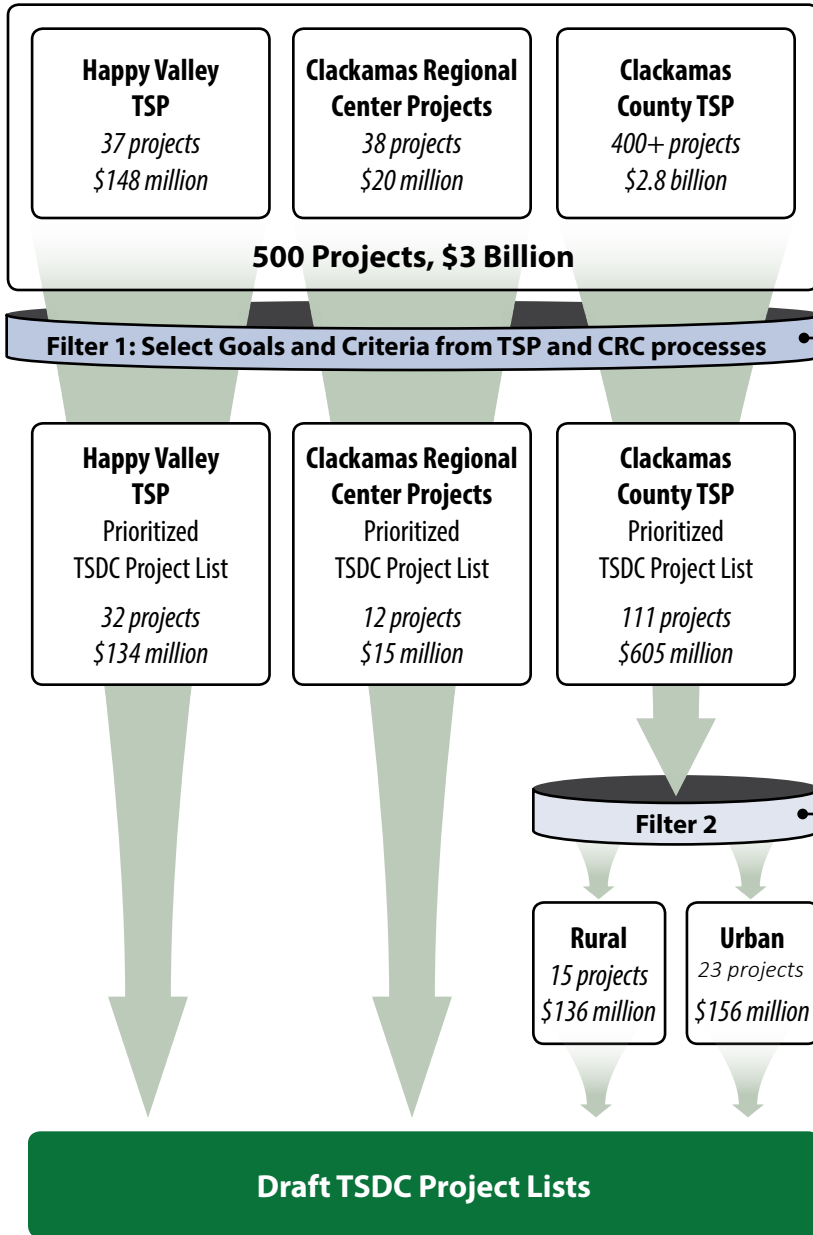
Summer 2016:
60 Day Public Review



Sept 2016: BCC and Happy Valley
City Council Adopt Ordinances

Framework: Developing TSDC Project Lists

The graphic below illustrates the framework and criteria that were used to develop the draft TSDC project lists.



Filter 1: Project lists were narrowed down to include those projects that scored best for the following criteria:

Happy Valley TSP:

Filtered list to those that score best for:

- *Goal #2:* Improve mobility
- *Goal #8:* Provide for efficient movement of goods & services

Clackamas County TSP:

Filtered list to those scoring a 1 or 2 for:

- *Goal #2:* Improve access to employment areas
- *Goal #4:* Improve safety
- *Goal #3:* Increase connections to daily needs and services

Clackamas Regional Center (CRC) Projects:

Filtered list to include projects that:

- Improve movement by vehicles by improving vehicle queuing or ensuring volumes do not exceed capacity at intersections
- Improve safety

Filter 2: Projects from the Clackamas County TSP prioritized list were further reduced by:

- Removing projects funded by other sources as identified in the 5-year Capital Improvement Plan (CIP)
- Removing projects categorized as a "study" or "multi-use path"
- Dividing list into "urban" and "rural" projects:

Rural

- Limiting functional class to projects classified as "Major Arterial," "Major Arterial & Minor Arterial," or "Minor Arterial"
- Limiting list to projects that scored an 8 or higher on the TSP

Urban

- Limiting functional class to projects not of the classification of "Connector," "Local," or "Not applicable"
- Limiting list to projects that scored an 8 or higher on the TSP



More information

www.ClackamasConnections.org

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