



STAFF REPORT

Meeting Type: City Council
Meeting Date: September 3, 2024
From: Tyler Deems, City Manager
Subject: Transportation System Development Charge Methodology and Rate Update

DECISION TO BE MADE:

Adoption of Resolution 2024-17 and 2024-21, a resolution adopting an updated methodology for transportation system development charges and a resolution amending the master fee schedule for transportation system development chargers, respectively. Upon adoption, Resolution 2024-17 would become effective immediately and Resolution 2024-21 would becoming effective October 1, 2024.

BACKGROUND / CONTEXT:

The Sandy Transportation SDC Methodology is designed to address all known state and local requirements for the establishment and update of the City of Sandy's local transportation SDCs. The Transportation SDC Methodology builds upon the findings contained in the Sandy Transportation System Plan (TSP), the Sandy Housing Capacity Analysis, the Economic Opportunities Analysis, and other long-range planning documents. As a reminder, the project list in the Transportation Master Plan reflects an aspirational list of projects and SDCs are only able to cover a portion of the project costs. Cities should reanalyze SDC methodologies to determine fee adequacy concurrently with revisions to master plans and aspirational project lists. Sandy's current practice is to increase SDCs on an annual basis to cover inflation (based on the Engineering News Record Construction Cost Index), but methodologies have historically been revised more periodically. The Transportation SDC Methodology was last modified in 2016, but the last major modifications to the methodology occurred in 2005.

KEY CONSIDERATIONS / ANALYSIS:

The initial Transportation System Development Charge (SDC) [work session on March 18, 2024](#) discussed the overall methodology and potential implementation of a new SDC rate. During a follow up [work session on May 6, 2024](#), Council provided staff with direction to move forward with adopting the new methodology in its entirety. Since that time, [staff has posted the 90-day noticing requirement for adopting a new methodology of the Transportation SDC](#). In addition, staff also [posted the methodology and other related information on the City's website](#) to be inspected by any interested parties.

The Transportation SDC Methodology that was presented on March 18 and May 6 included a range of improvement fee calculations that reflect varying levels of implementation of the Capital Improvement Plan (CIP) based on a prioritized list of improvements. An additional discussion during the [May 20, 2024 Council Meeting](#) provided direction to staff to set the Transportation SDC rate at \$9,716 per single family home. The Council felt comfortable moving forward with the updated

methodology but had a robust discussion around what the rate for the Transportation SDC should be increased to. Ultimately, Council felt most comfortable setting a rate equal to Option B., which includes medium and high priority projects (see below table).

Calculated TSDC per Person Trip End	A. High Priority Projects Only	B. Medium & High Priority Projects	C. Low, Medium & High Priority Projects	D. All TSP Projects Total
Cost Basis:				
Improvement Fee	\$ 16,933,800	\$ 38,240,094	\$ 56,605,149	\$ 180,451,425
Reimbursement Fee	7,525,668	7,525,668	7,525,668	7,525,668
Compliance Costs	159,520	159,520	159,520	159,520
Total Cost Basis	\$ 24,618,988	\$ 45,925,281	\$ 64,290,336	\$ 188,136,613
Proj. Growth in Daily Person-Trip Ends	74,887	74,887	74,887	74,887
Improvement Fee per Trip End	\$ 226	\$ 511	\$ 756	\$ 2,410
Reimbursement Fee per Trip End	\$ 100	\$ 100	\$ 100	\$ 100
Compliance Fee per Trip End	\$ 2	\$ 2	\$ 2	\$ 2
Total SDC per Trip End (rounded)	\$ 329	\$ 613	\$ 858	\$ 2,512
Equivalent New TSDC Rate per SFR:	\$ 5,208	\$ 9,716	\$ 13,601	\$ 39,800
Equivalent New TSDC Rate per Multi-family Unit:	\$ 3,722	\$ 6,944	\$ 9,721	\$ 28,447

Prior to adopting the SDC methodology or the updated rate, the Council should hold a public hearing for each topic.

BUDGET IMPACT:

Not increasing SDCs will have an impact on the City’s ability to construct projects as identified in our adopted master plans. While it is impossible to determine the exact impact on the budget, based on the number of equivalent residential units in the current pipeline, SDC revenue would increase by approximately \$1.4 million during the period of the existing 420 ERUs currently allocated.

RECOMMENDATION:

- Hold a Public Hearing to receive comments on the updated methodology.
- Hold a Public Hearing to receive comments on the updated rate.
- Adopt Resolutions 2024-17 and 2024-21

SUGGESTED MOTION LANGUAGE:

- “I move to adopt Resolution 2024-17.”
- “I move to adopt Resolution 2024-21.”

LIST OF ATTACHMENTS / EXHIBITS:

- Resolution 2024-17 – A Resolution Adopting an Updated Methodology for Transportation System Development Charges
- Transportation System Development Charge Methodology Report
- Resolution 2024-21 – A Resolution Amending the City of Sandy’s Master Fee Schedule for Transportation System Development Charges