

# City of Sandy Transportation System Development Charge Draft Methodology Report

**City Council Work Session**

**March 18, 2024**

*Prepared by FCS GROUP*



# Agenda

- **Transportation SDC Background**
- **Analysis**
- **Procedures and Next Steps**



# Background



# Key Characteristics of SDCs

- SDCs are one-time charges, not ongoing rates. Paid at the time of development.
- SDCs are available for water, wastewater, stormwater, transportation, and parks.
- SDCs are for capital only, in both their calculation and in their use.
- SDCs include both existing and future (planned) infrastructure cost components.
- SDCs are for “system” facilities, not “local” facilities.



# Legal Framework for SDCs

ORS 223.297 - 316, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”



Sandy last major update to its TSDCs was in 2005. Sandy complies with state laws and requirements per SMC Chapter 15.28.



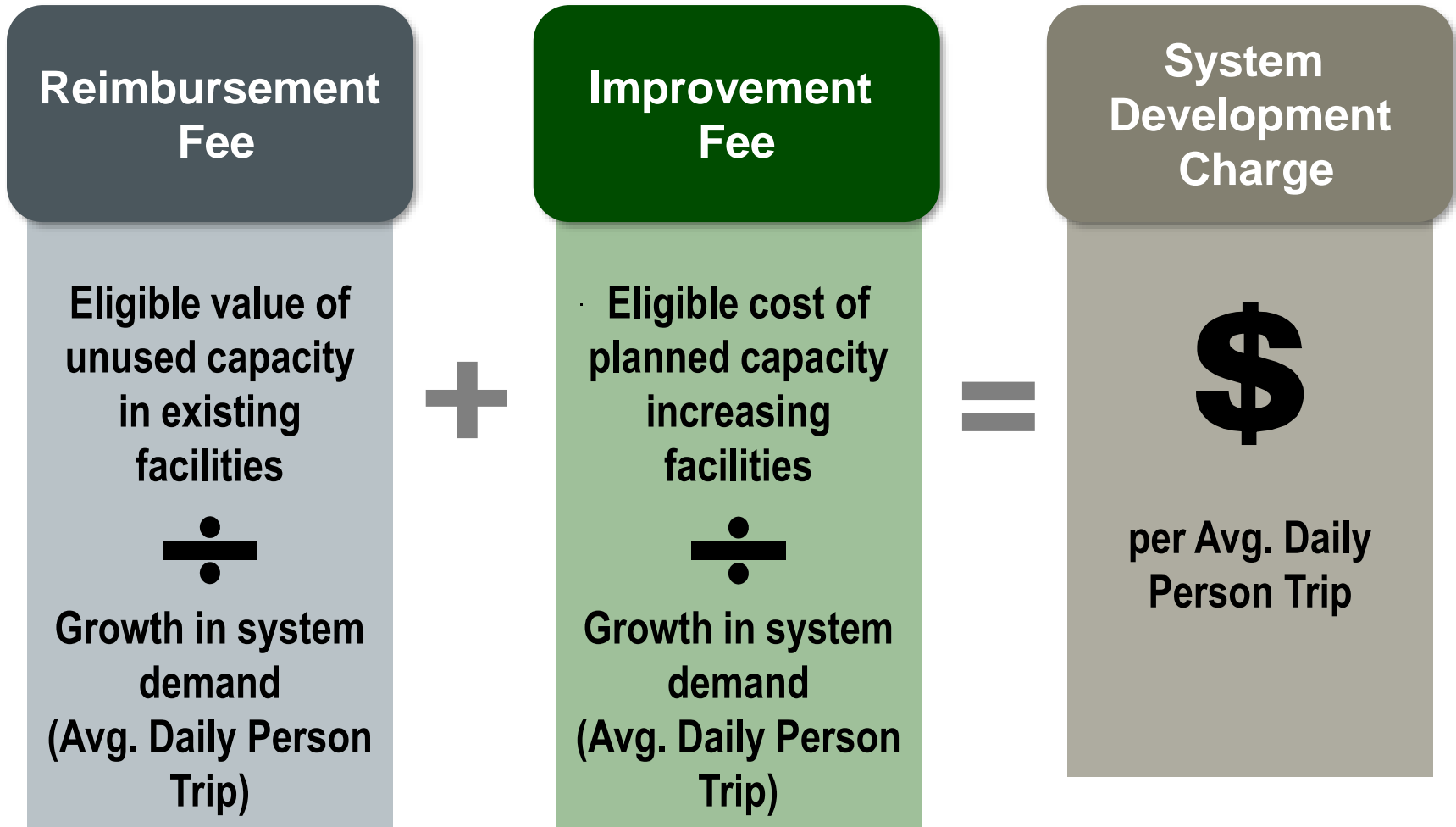
# Legal Framework for SDCs

## Relevant Sections of the Oregon Revised Statutes

- 223.297 Policy
- 223.299 Definitions for ORS 223.297 to 223.316
- 223.301 Certain system development charges and methodologies prohibited
- 223.302 System development charges; use of revenues; review procedures
- 223.304 Determination of amount of system development charges; methodology; credit allowed against charge; limitation of action contesting methodology for imposing charge; notification request
- 223.307 Authorized expenditure of system development charges
- 223.309 Preparation of plan for capital improvements financed by system development charges; modification
- 223.311 Deposit of system development charge revenues; annual accounting
- 223.313 Application of ORS 223.297 to 223.316
- 223.314 Establishment or modification of system development charge not a land use decision
- 223.316 Local governments required to make system development charge information public



# The Transportation SDC Calculation





# Analysis



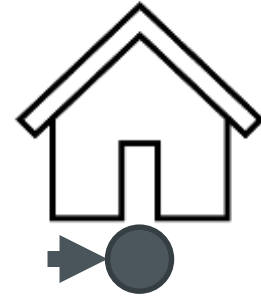
# Unit of Growth



Leaving work:  
1 trip end



Stopping at and leaving  
the grocery store:  
2 pass-by trip ends



Arriving at home:  
1 trip end

- Vehicle trip ends measure the number of vehicles entering or leaving a particular development
- Person trip ends measure the number of people entering or leaving a particular development, regardless of transportation mode



# TSDC Growth Forecast: 20 years

- Proj. Net New growth of 74,887 average daily person trip ends
- Proj. Net New growth of 44,576 average daily vehicle trip ends

Land Use	2023 Est.	2043 Proj.	Growth (20 years)	Trip Rate (Average Daily)	Est. Average Daily Trip Ends in 2023	Est. Average Daily Trip Ends in 2043	20-year Growth in Average Daily Trip Ends
Industrial	802 jobs	1,245 jobs	443 jobs	3.71	2,972	4,613	1,641
Retail Commercial	1,349 jobs	1,567 jobs	218 jobs	18.62	25,112	29,170	4,058
Office & Services	2,783 jobs	4,461 jobs	1,678 jobs	10.28	28,618	45,873	17,255
Government	580 jobs	764 jobs	184 jobs	7.45	4,321	5,692	1,371
Single-family	3,572 DUs	5,026 DUs	1,454 DUs	9.43	33,684	47,399	13,715
Multi-family (3+ units per structure)	745 DUs	1,715 DUs	970 DUs	6.74	5,021	11,556	6,535
<b>Total (Vehicle Trips)</b>					99,728	144,304	<b>44,576</b>
<b>Total (Person Trips)</b>					167,543	242,430	<b>74,887</b>

**Source:** Growth assumptions derived from Sandy HNA and EOA, draft report. Trip rates from Institute of Transportation Engineers, Trip Generation Manual, 11th Edition. Person trip conversion factor of 1.68 from U.S. Department of Transportation, 2017 National Household Travel Survey.

***Growth forecasts are consistent with Sandy's long range Comprehensive Plan and its Transportation System Plan***



# Improvement Fee Cost Basis

Local Transportation Project Capital Costs were derived from the recently updated Sandy Transportation System Plan (by DKS).

Four Project Prioritization Scenarios were evaluated for consideration.

- Scenario A: Highest priority projects = \$58.5 M with \$16.9 M in TSDC eligible costs
- Scenario B: Medium + High priority projects = \$131.2 M with \$38.2 M in eligible costs
- Scenario C: Low + Medium + High projects = \$190.6 M with \$56.6 M in eligible costs
- Scenario D: All Projects = \$716 M with, \$180.4 million in eligible costs

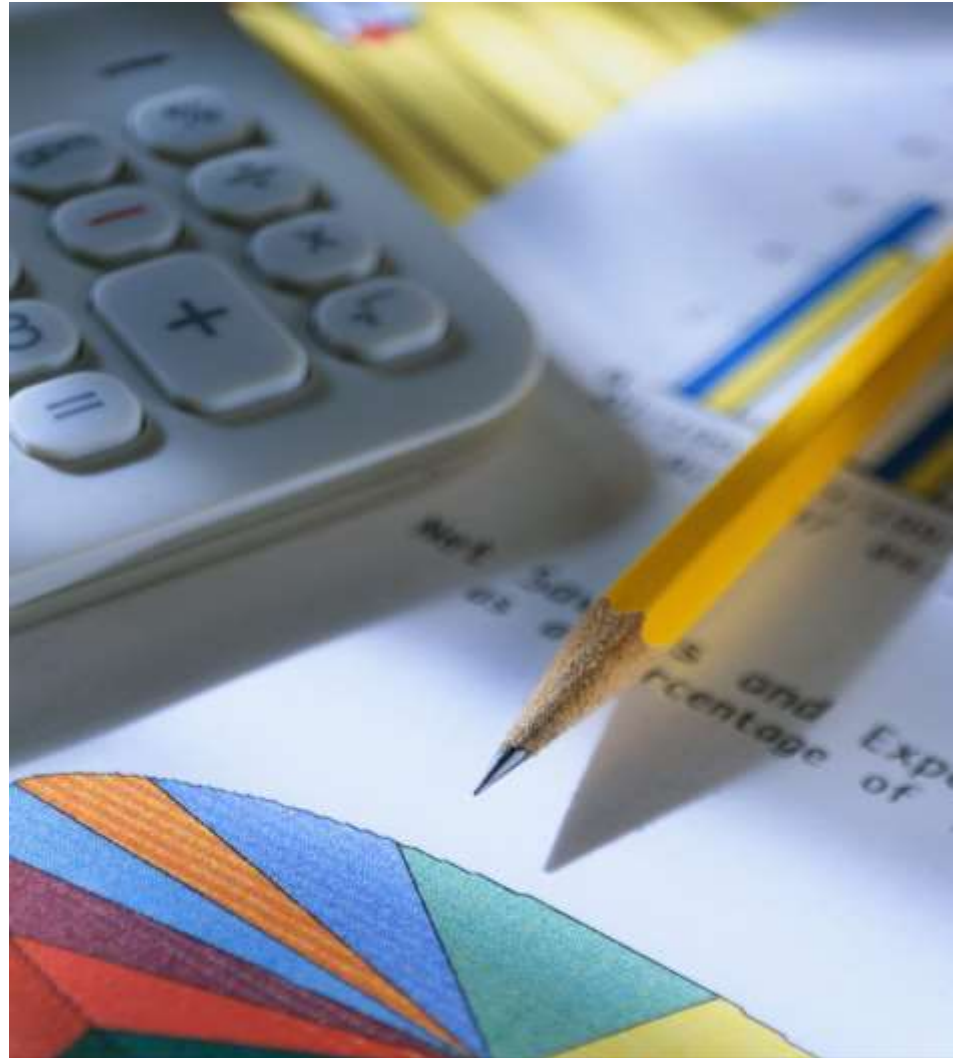
Project Prioritization Scenario	Total Cost (2024)	SDC-Eligible Cost	Number of Projects
A. High Priority Projects Only	\$ 58,517,640	\$ 16,933,808	52
B. Medium & High Priority Projects	131,205,404	38,240,094	111
C. Low, Medium & High Priority Projects	190,586,403	56,605,149	123
D. All Projects Total	716,055,538	180,451,425	132

**Source:** Sandy TSP, DKS Associates, City staff



# Capital Improvement Plan Discussion

- 132 total projects with a cost of \$716 million
- \$180.5 million in eligible total transportation costs
- To what extent does the city want to include projects?
- Should the city adopt the maximum defensible methodology and discount the fee?





## Reimbursement Fee Cost Basis

- **Actual City expenditures on recent roadway capacity = \$8 million**
- **Current Value of Remaining Capacity: Actual expenditures discounted by annual change in trip growth between 2010 and 2023 (2.353%)**
- **Value of remaining capacity = \$7.5 million**

Fiscal Year	Capacity Improvement Expenditures	Estimated Remaining Capacity	SDC-Eligible Cost
2010	\$ 243,994	67.1%	\$ 163,611
2011	258,055	69.4%	179,112
2012	82,800	71.8%	59,419
2013	-	74.1%	-
2014	85,961	76.5%	65,732
2015	360,885	78.8%	284,454
2016	-	81.2%	-
2017	28,108	83.5%	23,478
2018	-	85.9%	-
2019	-	88.2%	-
2020	501,866	90.6%	454,627
2021	290,020	92.9%	269,546
2022	361,816	95.3%	344,787
2023	4,581,044	97.6%	4,473,244
2024	1,207,656	100%	1,207,656
<b>Total</b>	<b>\$ 8,002,205</b>		<b>\$ 7,525,668</b>



# TSDC Calculation

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	\$ 16,933,808	\$ 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
<b>Total Cost Basis</b>	<b>\$ 24,618,996</b>	<b>\$ 45,925,281</b>	<b>\$ 64,290,336</b>	<b>\$ 188,136,613</b>
<b>Proj. Growth in Daily Person-Trip</b>	<b>74,887</b>	<b>74,887</b>	<b>74,887</b>	<b>74,887</b>
Improvement Fee per Trip End	\$ 226.12	\$ 510.64	\$ 755.87	\$ 2,409.65
Reimbursement Fee per Trip End	\$ 100.49	\$ 100.49	\$ 100.49	\$ 100.49
Compliance Fee per Trip End	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13
<b>Total SDC per Trip End (rounded)</b>	<b>\$ 328.75</b>	<b>\$ 613.26</b>	<b>\$ 858.50</b>	<b>\$ 2,512.27</b>

**Source:** City staff, previous tables

## Calculated Range in TSDCs per Person Trip



# Transportation SDC Comparisons

Transportation SDC per SFR	
<b>Sandy (Scenario D)</b>	\$39,800
Wilsonville	\$16,823
Oregon City	\$13,939
<b>Sandy (Scenario C)</b>	\$13,601
Happy Valley	\$12,304
<b>Sandy (Scenario B)</b>	\$9,716
Molalla	\$8,722
<b>Sandy (Scenario A)</b>	\$5,208
<b>Sandy (Current)</b>	\$4,826
Gladstone	\$4,440
Estacada	\$3,827
Milwaukie	\$2,470
Sherwood	\$2,120
Troutdale	\$1,297

**Sandy TSDC  
Scenarios shown  
in Bold font**

**Depicts Maximum  
TSDC Rate per  
New Single Family  
Detached Home  
(before any credits  
are granted)**

**Source:** FCS GROUP Survey, 1/4/2024.



## Next Steps

- **Select Locally Preferred TSDC Scenario**
  - » Out of the four scenarios, what do you feel the most comfortable with advancing?
  - » Is the City Council in favor of working towards a scenario with a phased fee approach?
- **Public Hearings for Adoption**
  - » Adopt a Revised Long Range Transportation Capital Improvement List
  - » Adopt a New TSDC Methodology Report
  - » Adopt New Rates and Charges in the Fee Schedule



# Thank you! Questions?

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