

APPENDIX D - INFRASTRUCTURE FUNDING PLAN

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Frog Pond West: Infrastructure Funding Plan

Date July 19, 2017
To Chris Neamtzu, City of Wilsonville
From Andy Parks, GEL Oregon
Brian Vanneman, Leland Consulting Group
Joe Dills, Angelo Planning Group



Introduction

The City of Wilsonville has engaged GEL Oregon, Leland Consulting Group, and Angelo Planning Group to prepare an infrastructure funding plan for the Frog Pond West Master Plan ("Master Plan"). The purposes of the Frog Pond West Infrastructure Funding Plan ("Funding Plan") are to:

- Describe strategies and options that provide adequate funding to complete infrastructure (transportation, water, sewer, parks, and storm water) requirements identified in the Master Plan in a timely manner;
- Increase confidence for all parties regarding the projects, costs, resources, and timing required to make Frog Pond West a success;
- Provide flexibility by identifying both primary strategies and tools for funding, as well as additional alternatives, tools, and approaches that could be implemented over time; and
- Provide an equitable distribution throughout Frog Pond West of the costs and benefits of Master Plan infrastructure.

This plan is based on analysis of funding options and discussions with developers and property owners, and is intended to be adopted as part of the final Frog Pond West Master Plan.

Project Summary

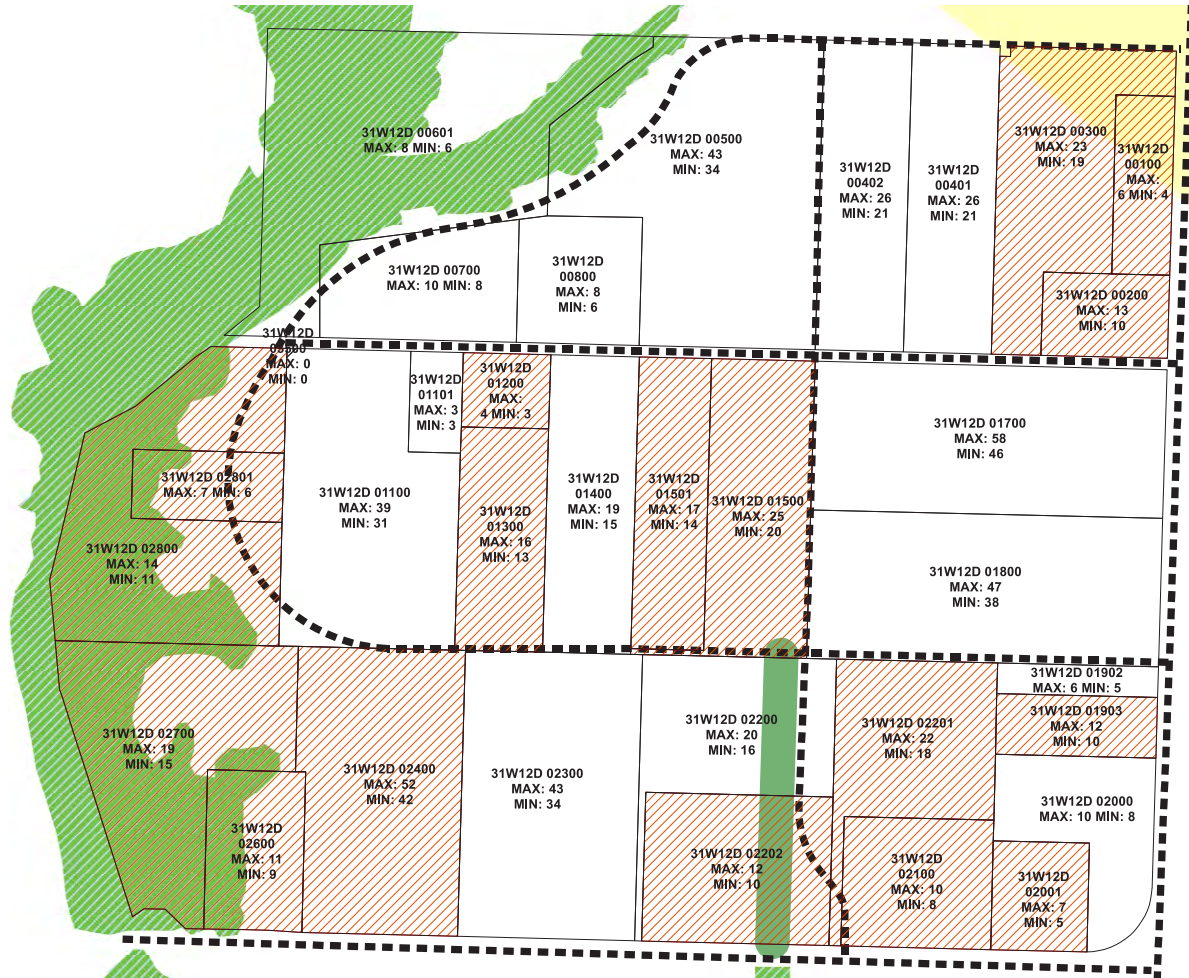
The Frog Pond West planning area, shown in Figure 1 below, is approximately 180 acres in total, with approximately 150 acres outside of the natural resource areas shown in green. The Master Plan area includes the following general attributes, which influence this funding plan:

- 571 housing lots would be allowed to be built under the Master Plan.
- The site is currently outside the city limits, but within the Urban Growth Boundary.
- 26 different property owners (as of 2015) control properties that vary widely in size. The largest single ownership is 25 acres (school district) and the smallest is 0.9 acres.
- The School District owns 25 acres, including a 10-acre future school site adjacent to Boeckman Road, a 5-acre land banked site adjacent to the future school site, and a 10-acre land banked site adjacent to Stafford Road.¹
- Owners of the parcels highlighted in Figure 1 have shown an interest in development. Property owner intent to develop has been taken into account in this Funding Plan since it is likely to drive the location and pace of development and the locations where infrastructure will be needed first.

¹ In this Funding Plan, a portion of the 5-acre land banked site is assumed to be used for a future neighborhood park and the 10-acre land banked site is assumed for future residential development. These assumptions are subject to change based on future decisions by the West Linn-Wilsonville School District and the City of Wilsonville.

Figure 1. Frog Pond West

This map shows the maximum and minimum number of housing units that can be built on each property, pursuant to the Frog Pond West Master Plan. Properties shaded in orange indicate that owners have contacted the City to express an interest in development.



Infrastructure Summary

For purposes of this Funding Plan, the infrastructure necessary to serve Frog Pond West has been put into three different categories, shown below. The emphasis of this Funding Plan is to identify strategies and tools appropriate to fund "Master Plan" infrastructure (the third bullet point below); the strategies and tools necessary to fund the other infrastructure categories are adequately addressed through the City's existing methods.

- **Off-site Infrastructure** includes large projects that serve the broader community, are funded through Systems Development Charges (SDCs) generated by development throughout the City and through other City resources, and are generally located outside of the 180-acre boundary of Frog Pond West. Examples include:
 - Memorial Park pump station
 - Boeckman Creek sanitary sewer trunk line
 - West side water reservoir (funding pending)
 - Boeckman Bridge (the potential Frog Pond West contribution is summarized below)

- **On-site Infrastructure** includes local projects which serve individual properties. The costs of these projects are funded by individual developers. Examples include:
 - Local streets and sidewalks
 - Sanitary sewer lines
 - Water lines
 - Stormwater management
- **Master Plan Infrastructure** is the focus of this Funding Plan. Master Plan infrastructure differs from the above because it typically:
 - Crosses multiple property ownerships
 - May be too large and expensive for any single developer to complete
 - May have geographically concentrated costs (e.g. a park on a single property), but benefits all of Frog Pond West
 - May be adjacent to or within Frog Pond West development parcels

As stated, the focus of this Funding Plan is to identify the Master Plan infrastructure projects and to provide strategies and options for funding those Master Plan infrastructure projects that currently do not have any identified funding source or are not fully funded.

Master Plan Projects

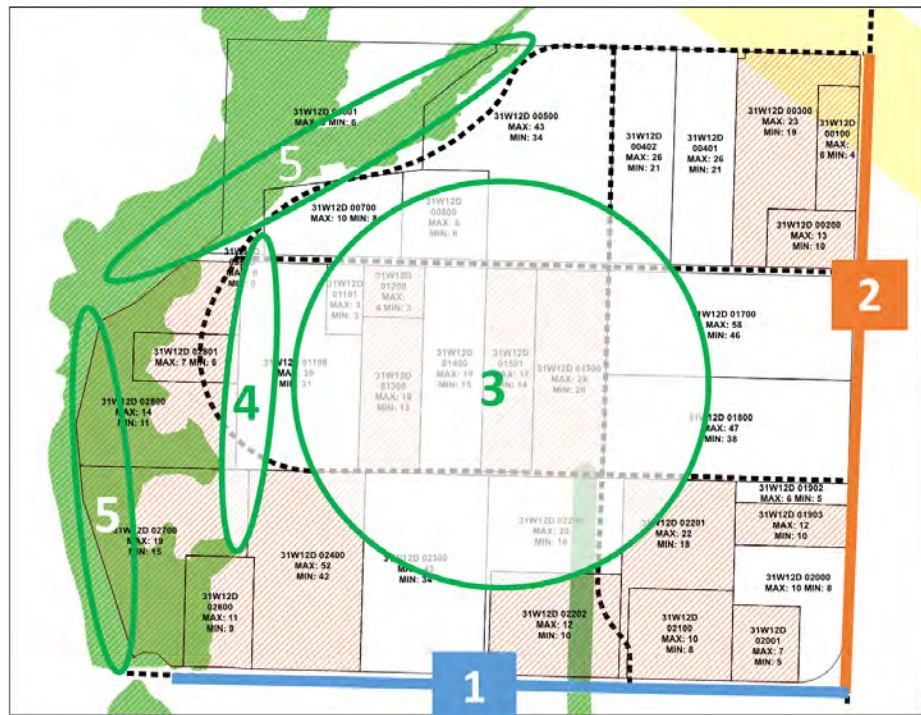
This Funding Plan focuses on funding strategies for the following five key Master Plan projects, which are conceptually represented in the adjacent figure:

1. Boeckman Road, including sanitary sewer
2. Stafford Road, including sanitary sewer and water
3. Neighborhood Park
4. Trailhead Park
5. Boeckman Trail

In addition, this Funding Plan specifically addresses one off-site infrastructure facility, due to its location adjacent to Frog Pond West:

- Boeckman Bridge

Figure 2. Map of Master Plan Projects



Current City Policy

This Funding Plan uses the City’s existing policy and practices as a starting point, summarized below:

- Developers pay for the “local portion” of infrastructure required to serve their developments. For example, the local portion of Boeckman Road is shown below in Figure 3 as the yellow highlighted portion of the road. Typically, this is the first 24 feet of roadway from face of curb, plus planter strips and sidewalks, and including the pavement and road base associated with the local street standard, and water and sewer lines up to 8” in size.
- Developers also pay for the “oversize portion” (infrastructure that exceeds the minimum required), and then receive credits against SDCs due (“SDC credits”).
- Where necessary, the City may pay for infrastructure elements that are:
 - Identified by existing adopted citywide infrastructure master plans (e.g. the Transportation System Plan or Parks and Recreation Master Plan) and included in the City’s five-year Capital Improvement Program (CIP); and
 - Abutting already-developed areas (e.g. the component of Boeckman Road that fronts the Arbor Crossing neighborhood to the south) and therefore not the responsibility of Frog Pond developers.
- The City may implement a variety of tools to facilitate and coordinate infrastructure delivery including SDCs and SDC credits, a supplemental fee, reimbursement districts/agreements, Local Improvement Districts (LIDs), development agreements, etc.

In addition to SDCs and SDC credits, a supplemental fee is the primary funding tool recommended for Frog Pond West and is described further below.

Figure 3. Boeckman Road, including developer responsibility/local portion



Note: Roadway may include other “oversize” elements that are not shown (e.g. additional structural section).

Infrastructure Cost Allocation-Current City Policy

The total cost of the five Master Plan infrastructure projects and the Boeckman Bridge is allocated to different parties under *current* City policy as follows. Recommendations for how these current policies should be adjusted to fit specific conditions in Frog Pond begin on page 6.

1. Boeckman Road (including sanitary sewer)
 - a. Southern Portion of Boeckman Road
 - i. The City will pay for the construction of the southern portion of Boeckman Road, which is identified in the City's Transportation System Plan (TSP) as a "higher priority project."
 - b. Northern Portion of Boeckman Road
 - i. Current City policy states developers along Boeckman Road are responsible to develop their "local portion" of Boeckman Road (see Figure 3 above). Since most of the relevant Boeckman Road frontage and in-street utilities serve Frog Pond West, developing the "local portion" of the north side of Boeckman Road is the responsibility of the adjacent developers.
 - ii. Also under current City policy, developers may receive SDC credits for constructing the remainder of the north side of Boeckman Road, which exceeds the "local portion" of the road.
 - iii. Any oversizing of sanitary sewers installed by the developers along the northern portion of Boeckman Road is also subject to SDC credits.
 - c. Alternative strategies for funding Boeckman Road are outlined on page 6.
2. Stafford Road (including sanitary sewer and water)
 - a. Western Portion of Stafford Road
 - i. As with the northern portion of Boeckman Road, developers in Frog Pond West developing adjacent to Stafford Road are responsible for the "local portion" of Stafford Road, including sanitary sewer and water. Any oversizing can be compensated through SDC credits.
 - b. Eastern Portion of Stafford Road
 - i. Under current City policy, the "local portion" of the east side of Stafford Road will be the responsibility of the developers of Frog Pond East adjacent to Stafford Road.
 - c. Alternative strategies for funding Stafford Road are outlined on page 10.
3. Neighborhood Park
 - a. The cost of the Neighborhood Park is the responsibility of developers within Frog Pond West because the City's Comprehensive Plan, the Parks and Recreation Master Plan, and the Parks SDC methodology require the cost of neighborhood parks to be the responsibility of the local neighborhood, and not borne by the entire City. Strategies for funding the Neighborhood Park Road are outlined on page 11.
4. Trailhead Park
 - a. The cost of the Trailhead Park is accounted for in the Parks SDC and is included in the Parks and Recreation Master Plan, and so does not require any contribution from developers beyond the standard Parks SDC.

5. Boeckman Trail
 - a. Along with the Trailhead Park, the Boeckman Trail is accounted for in the Parks SDC and is included in the Parks and Recreation Master Plan, and so does not require any contribution from developers beyond the standard Parks SDC.
6. Boeckman Bridge
 - a. Frog Pond West's costs for Boeckman Bridge are allocated based on the neighborhood's traffic demand (average daily trips or ADT). Strategies for funding Boeckman Bridge are outlined on page 12.

Master Plan Infrastructure Funding Strategies

Master Plan infrastructure such as Boeckman and Stafford Roads will need to be improved across many properties, and are likely too large and expensive for any single developer to complete alone. Therefore, in order to realize the goals of the Frog Pond Area Plan and the Master Plan, the City has a role to play in coordinating the provision and funding of that infrastructure. The sections below describe strategies for funding the four projects that either exceed the ability of an individual developer to fund, do not have any identified funding source, or would be only partially funded by known sources. Those four projects are: (1) the northern portion of Boeckman Road; (2) the western portion of Stafford Road; (3) the Neighborhood Park; and (4) Boeckman Bridge.

Overall Preferred Strategy: Establish a Supplemental Fee to Distribute Costs Equitably

As described above, existing City policy would require funding for Master Plan infrastructure to generally be borne by developers. This Funding Plan proposes a variation on that policy in which the funding for specified projects would be: (1) borne by all new development in Frog Pond West through an equitable distribution of the costs on an equivalent dwelling unit (EDU) basis; and (2) collected through a supplemental fee that applies to new development. The supplemental fee will generate funds for three projects: Boeckman Road (including sanitary sewer improvements); Stafford Road (including water and sanitary sewer improvements); and the Neighborhood Park. (The funding for Boeckman Bridge is described further below, and includes a separate, dedicated supplemental fee for the bridge.)

The supplemental fee will create revenue that is fungible for use across different Master Plan infrastructure projects so that the timing of project construction would be as flexible as possible. The supplemental fee is a different funding instrument than a supplemental SDC or reimbursement district fee; however, the City retains the option of using those tools if desired.

Figure 4 below summarizes the Frog Pond West supplemental fee, including associated projects, preliminary cost estimates, and allocation per equivalent dwelling unit (EDU). The City reserves the right to complete additional infrastructure design and engineering analysis, which may result in changes to the cost estimates below.

Figure 4. Frog Pond West Estimated Supplemental Fee: Preliminary Cost Estimates and Allocation

All costs shown assume that projects will be built by the City, and therefore public-sector construction cost estimates are used. Additional notes regarding EDUs and costs are below.

Projects	Total Project Cost Public Sector Construction	Oversize Components (City CIP)	City Share	Net Project Cost to Recover (rounded)	Number of EDUs	Allocation per EDU	Admin Overhead 12.0%	Total Allocation per EDU
Boeckman Rd	3,747,161	122,986	2,026,941	1,597,000	538	2,970	356	3,326
Boeckman Rd sanitary sewer	690,625	265,756	-	425,000	490	870	104	974
Stafford Rd	2,585,548	439,544	-	2,146,000	538	3,990	479	4,469
Stafford Rd sanitary sewer	213,281	20,312	-	193,000	490	390	47	437
Stafford Rd water	365,625	71,094	-	295,000	472	630	76	706
Neighborhood parks	2,407,221	-	-	2,407,000	457	5,270	632	5,902
Total	10,009,461	919,692	2,026,941	7,063,000		14,120	1,694	15,814

EDUs. An EDU is an approximation of the infrastructure demand generated by one dwelling unit, and is useful since EDUs can also be estimated for non-residential (e.g. school, commercial, or industrial) development. In the case of the Neighborhood Park, costs are allocated across 457 EDUs in Frog Pond West, which is 80 percent of the 571 total homes allowed in the Master Plan, and accounts for a potential 20 percent “underbuild.” Assuming that 80 percent or more of the allowed homes in Frog Pond West are built, they will generate adequate supplemental fees for the Neighborhood Park, along with the other Master Plan infrastructure projects. In the case of other infrastructure elements (roads, sewer, water), the proposed school will generate infrastructure demand in addition to demand from residential development. For that infrastructure, the City and project team have estimated school demand (in EDUs) based on comparable past projects, and added this to the housing demand. Therefore, the road, sanitary sewer, and water projects are allocated across a greater number of EDUs.

Notes regarding costs. The cost estimates in Figure 4 assume that projects will be funded via the supplemental fee and built by the City, in the year 2019. These fees may adjust for the time cost of money or other inflationary factors if the projects are built beyond that time horizon. Based on input from third-party engineers and City staff, public-sector construction costs are assumed to be approximately 25 percent higher than private-sector construction costs, and therefore, if any components were to be built by the private sector, it is possible that the costs and the associated fees could be reduced. Cost estimates in Figure 4 include hard (construction) costs, plus external engineering (25 percent of hard costs), contingency (30 percent of hard costs), and city overhead (12 percent of all costs, to account for internal City engineering, finance, and related services). The City’s review indicates that total Frog Pond West development fees (the above supplemental fees plus base City SDCs) are comparable to the total fees that developers are paying in comparable master-planned development areas such as South Cooper Mountain

in Beaverton, and River Terrace in Tigard. The City's current SDCs are \$25,388² for a single-family home (EDU), including streets, sanitary sewer, water, stormwater, and parks, and adjust each year to account for inflation.

Boeckman Road Preferred Funding Strategy

The following strategies were prepared after analysis of various options and coordination meetings with the three major property owners/developers on the north side of Boeckman Road. During these meetings, the City explored multiple options and strategies for funding Boeckman Road, working from the foundation of existing City policy and applying the principle of equitable distribution of costs. The Boeckman Road strategies are:

- The City will lead the construction of the Boeckman Road improvements. This strategy evolved out of meetings with property owners/developers during which they stated the following concerns and challenges about the private sector leading construction of Boeckman Road: (1) existing properties are small, so infrastructure costs (even if reimbursed over time) cannot be easily carried or offset against revenues; (2) borrowing money without certainty of repayment is not possible; and (3) they do not have experience working jointly with adjacent developers, which makes coordination difficult. The property owners/developers stated a preference to pay a higher fee and have the City build the improvements, as opposed to a lower fee and private sector construction.

From the City's perspective, a benefit of City-led construction is that the phasing and timing of the improvements can be determined by the City and is flexible. The City would also retain more control over the project to ensure it complies with the Frog Pond West Master Plan and City standards. In addition, City-led construction translates into greater risk for the City. If development does not take place at the pace expected and therefore revenue from the supplemental fee is less than the amount necessary to construct the projects, the City will carry the cost of construction and financing.

In summary, the preferred strategy is for the City to lead the Boeckman Road improvements. The City retains the option for a private sector lead if circumstances are conducive to it in the future. The additional strategies listed below reflect the City's consideration of the trade-offs described above and the crafting of an approach that will, on balance, work for all parties.

- A preference for fewer phases; the preferred approach is two phases; with options for how phasing occurs. The City prefers that Boeckman Road be built in as few phases as possible. This will minimize disruption and reduce costs. The City's specific preference is for a two-phase approach where two of the three major frontages are built simultaneously. The City realizes that individual projects may need to move ahead, and is open to proposals to improve a single frontage. The City will work with the School District to try to coordinate its frontage improvement with either of the adjacent frontages. The City will also work with the owner/developer of the western-most frontage to coordinate its improvements with the Boeckman Bridge replacement.

² Reflects adopted SDCs as of June 4, 2017. On June 5, 2017, the City Council adopted an updated Transportation SDC of \$11,772 per Single Family home (an increase of \$4077 above the previous SDC).

- City funding for the southern part of Boeckman Road. The City will contribute funds for completion of the southern portion of Boeckman Road, which abuts the Arbor Crossing neighborhood and, under current City policy, would not be the responsibility of Frog Pond West developers. An estimate of this cost is shown as the “City share” of Boeckman Road in Figure 4.
- Equitable distribution and reimbursement of costs. Boeckman Road costs will be distributed equitably to all development in Frog Pond West, as described above.
- Coordination of the western portion of Boeckman Road with the Boeckman Bridge replacement. When the Boeckman Bridge is replaced, the project will extend east to include part of the western-most frontage. The City will strive to coordinate the design for the bridge and the road improvement by whichever project is designed first.
- Funds may be sourced from all applicable fees. For City (or private sector) construction of Boeckman Road, funding will be available from supplemental fee revenue, plus applicable SDCs collected or credited. This will help reduce or eliminate carrying costs associated with the construction of Boeckman Road and sanitary sewer facilities.
- Phase 1 construction may be deferred to a time-certain date. At the discretion of the City, the construction of Boeckman Road may be deferred to a time-certain date or number of completed lots in order to accumulate supplemental fees needed to build the project. For the purposes of this Funding Plan, construction is preliminarily set for 2019. Developers will be required to construct interim improvements necessary to support safe pedestrian, bicycle, and motor vehicle movement prior to the full improvements being completed.
- Development agreements will be the implementing instruments and will be established at the time of annexation. The City plans to create an infrastructure supplemental fee, which will require developers to enter into development agreements as a condition of annexation. These development agreements will require developers to pay the supplemental fee at the time of issuance of a building permit. The development agreement template and infrastructure supplemental fee resolution should be approved by the City Council prior to processing any annexation applications.
- Options for Council Consideration. Based on discussions with the three major property owners on the north side of Boeckman Road and analysis by the City team, the strategies listed above are recommended. The key issues for which there are options are:
 - Option A – City leads construction, with improvements deferred to 2019 or a defined number of lots in order to build up funds. The project team estimates that an issuance of permits of 142 EDUs will be required in order to receive sufficient supplemental fees to cover the City’s costs associated with the north side of Boeckman Road.
 - Option B – City leads construction, with improvements not deferred; Boeckman Road would be constructed early and concurrent with development. This option is not recommended due to the risk of delayed pay-back to the City.

- Option C – Private sector leads construction, with improvements deferred to 2019 or a defined number of lots in order to build up funds. This option is not recommended, but is available to the Council for consideration.

Stafford Road Preferred Funding Strategy

There are several challenges associated with the construction of Stafford Road. There is no certainty that Frog Pond East will develop in the near future, and the road is currently under county jurisdiction. Frog Pond East is outside the Urban Growth Boundary and is designated “urban reserve,” defined by Metro as land that is suitable for development in the next 50 years. The developer’s portion of Stafford Road infrastructure on the east side would not be required until annexation and development. Likewise, Frog Pond West developers/property owners along Stafford Road are not as advanced in their planning for development as those along Boeckman Road; therefore, this funding strategy cannot be as specific in its recommendations for Stafford Road.

This Funding Plan recommends that Stafford Road be built and funded via a strategy similar to Boeckman Road:

- Preference for the fewest number of phases that are practicable, with interim improvements to be considered at the discretion of the City. Phasing may be tailored to improve the west side of the road prior to the east side. The specific timing of improvements and phasing is to be determined. The City generally intends to build up funds through the collection of the supplemental fee prior to making improvements to Stafford Road.
- Equitable distribution of costs: Stafford Road improvement costs will be included in the Frog Pond West supplemental fee, and supplemental fee revenues will be used to pay for Stafford Road improvements (roadway, sanitary sewer, water).
- Options for the construction of Stafford Road improvements by either the private sector or the City. Private developers who build segments of the road will be reimbursed via the supplemental fee and SDC credits.
- Development agreements will be the implementing instruments and executed at the time of annexation.

Timing of Stafford Road Improvements

Given that the east side of Stafford Road is not within the Urban Growth Boundary (UGB) it is challenging to provide a time certain, or even a target “threshold” of the number of equivalent dwelling units (EDUs) for required permanent improvements to Stafford Road. Decisions by the City that will impact the timing of Stafford Road improvements include but are not limited to the following:

- Completing Boeckman Road in its entirety prior to Stafford Road improvements.
- Acquiring park land for the Neighborhood Park prior to Stafford Road improvements.
- The timing of improvements to the Neighborhood Park.
- Completing Stafford Road improvements in one or possibly two phases.
- The availability of Transportation System Development Charges for the “oversize” portion of Stafford Road.

Decisions by others that will impact the timing and availability of funding for Stafford Road improvements include but are not limited to the following:

- School District siting and timing decision for a school, including the size and equivalent dwelling units determined.
- Location of and timing of development by property owners.
- Pace of development.
- Inclusion of Stafford Road along with the East and South Neighborhoods into the UGB.

Per the estimated development pace shown below, which reflects feedback received from property owners and developers, development of eighty percent (457 EDUs) of Frog Pond West’s homes plus development of a primary school (43 EDUs) is anticipated by year fifteen. The number of EDUs estimated to fully fund the west side of Stafford Road is 186, or 93 EDUs for two separate phases.

Figure 5. Projected number of Equivalent Dwelling Units to Fund Projects and Project Timing

	Estimated Total Project Cost (000s)	Less: City Portion (000s)	Net Project Cost paid with Supplemental Fee (000s)	Number of EDUs to Fully Fund	Cumulative EDUs to Fully Fund	Estimated Year to Construct
Boeckman Road/sewer	4,438	2,416	2,022	143	143	2-5
Neighborhood Park - land	980	-	980	69	212	2-5
Neighborhood Park – improvements	1,427	-	1,427	101	313	6-10
Stafford Road/water/sewer-phase I	1,582	265	1,317	93	406	11-15
Stafford Road/water/sewer-phase II	1,582	265	1,317	93	499	11-15
	10,009	2,946	7,063	499		

Figure 6. Estimated Development Pace

Years	Boeckman Rd frontage	Other	Total	Cumulative
0-5	138	36	174	174
6-10	43	150	193	367
11-15	0	135	135	502
16-20	0	0	0	502*

* Total lots on the two tables above vary due to rounding.

The City could choose to move forward sooner with Stafford Road improvements (west side) under various scenarios, for example: the project is funded from sources other than the infrastructure supplemental fee; the east side is brought within the UGB before year 15; the project is split into more than one phase; or, the Neighborhood Park improvements are deferred or phased.

Neighborhood Park Preferred Funding Strategies

As stated above, both the Trailhead Park and Boeckman Trail are eligible to use Park SDC funding, including SDC credits, because they are considered to be “regional” park facilities pursuant to the City’s

Parks & Recreation Master Plan and SDC methodology. However, the Neighborhood Park is not eligible to use Park SDCs or Park SDC credits as a funding resource.

It is very unlikely that any single developer or group of developers/property owners will have the financial wherewithal to complete the Neighborhood Park project. Moreover, without a funding strategy, the costs of this park—which would be located on one or several properties—would be concentrated, while the benefits would be throughout Frog Pond West. Therefore, as shown in Figure 4, this Funding Plan recommends including the Neighborhood Park acquisition and improvement costs in the Frog Pond West supplemental fee. This will enable the project to move forward while minimizing the impact on funding for parks projects elsewhere in the City. The priorities of acquisition and construction would be as follows:

- Acquire needed land first. Work proactively with the School District (and/or property owners as necessary) to acquire the land. This may require negotiations with the School District to secure the site via a memorandum of understanding (MOU), intergovernmental agreement (IGA), or other agreement.
- Design and complete park improvements next. Consider building the Neighborhood Park when residential build-out reaches a target, such as 50 percent. Work proactively with the School District, developers, and property owners willing and able to make park improvements in exchange for supplemental fee credits.

Development agreements addressing the supplemental fee (including a Neighborhood Park component) would be signed with each property owner at the time of annexation, as described above. Additional development agreements may be necessary in the event that property owners deed land for or make improvements to the Neighborhood Park that would be creditable against supplemental fee payments, or make other contributions to the Neighborhood Park.

Boeckman Bridge Preferred Funding Options

The proposed Boeckman Bridge is a major piece of transportation infrastructure—significantly greater in cost than the other elements discussed above. Frog Pond West should contribute a modest share of funding for the bridge, consistent with the fact that it is expected to generate a small percentage (less than 15 percent) of the transportation demand for the bridge, with the remainder of the demand generated by existing and new development elsewhere in the City. The majority of funding will be generated by citywide sources, possibly urban renewal funds or other sources.

This Frog Pond West share should be generated by a supplemental fee that would be similar to the fee described above, but likely separate and dedicated to the Boeckman Bridge only. The fee associated with Boeckman Bridge is recommended to be separate from the Frog Pond West supplemental fee (for Boeckman and Stafford Roads, and Neighborhood Park) because a funding strategy for Boeckman Bridge has not been finalized. The selected funding for Boeckman Bridge (e.g. Urban Renewal or CIP) may be comingled in ways that are different from the other Master Plan infrastructure, causing potential accounting challenges if there is just one supplemental fee. Citywide and local (Frog Pond West) funding recommendations are described below.

Citywide Funding Share

While the City's funding strategy for Boeckman Bridge is still being refined, the City is currently considering funding a significant share of Boeckman Bridge via urban renewal funds (tax increment financing), that

would be generated by substantially amending the Year 2000 urban renewal area plan (Year 2000 URA) to include the cost of Boeckman Bridge. The City estimates that the Year 2000 URA could generate enough funds to pay for either the entire cost of Boeckman Bridge, or that cost less the cost associated with Frog Pond West. Other funding mechanisms—primarily SDCs/CIP—could be used to supplement URA funds. The City recently updated the Transportation SDC (TSDC) methodology and rate and elected to exclude Boeckman Bridge from the TSDC project list at this time. While the City is pursuing the citywide component of Boeckman Bridge funds through the Year 2000 URA, the funding specifics will continue to be refined for this major piece of transportation infrastructure. This Funding Plan estimates a supplemental fee based on the portion of the cost to construct Boeckman Bridge that is not funded through other revenue sources (the “Unfunded Portion”).

Frog Pond West Share of Unfunded Portion: Boeckman Bridge Supplemental Fee Estimate

Traffic generated by Frog Pond West is expected to make up a modest portion of the total traffic carried by Boeckman Bridge. The average daily trips (ADT) forecast for Boeckman Bridge in 2035 is 12,750. Frog Pond West’s 571 housing units are expected to generate 1,170 ADT over Boeckman Bridge, or 9.2 percent of the total forecast ADT. At 80 percent development, or 457 units, the ADT is expected to amount to 7.3 percent of the total. The school is estimated to generate 645 ADT, or 5.0 percent of the total. In all, the estimated ADT generated by Frog Pond West, at full build out, is 1,815, or 14.3 percent of total forecasted trips.

The current cost estimate for Boeckman Bridge is \$14.0 million. If the City captures a proportional share of bridge funding from Frog Pond West, a separate supplemental fee appears to be the most appropriate tool. The amount to be raised by housing development in Frog Pond West would be 9.2 percent of the total Unfunded Portion, divided equally between 571 units.³ For each \$1 million of “net unfunded” bridge cost (not covered by URA or other citywide sources), the fee would be \$161 (9.2 percent times \$1,000,000 divided by 571 housing units). The actual fee will depend on the Unfunded Portion of Boeckman Bridge, for example:

- If \$2 million unfunded, the fee per EDU would be \$322
- If \$10 million unfunded, the fee per EDU would be \$1,610
- If \$14 million unfunded, the fee per EDU would be \$2,254

The estimated contribution by the School District is approximately five percent of the Unfunded Portion; however, details regarding the District’s precise share have yet to be worked out.

Summary of Strategies and Recommendations

As described above, this Funding Plan provides the following findings and recommendations:

- Frog Pond West will require that a variety of infrastructure—including transportation, sanitary sewer, water, and parks—be built at the local, Master Plan, and off-site levels. Master Plan improvements are the primary focus of this Funding Plan, as they affect multiple property ownerships, are costly, and require a coordinated plan. Such a coordinated strategy will increase all parties’ confidence that the

³ These calculations, including supplemental fee amount, are the same if both development and ADT are reduced to 80 percent of the full build-out values (i.e., 457 units and 7.3 percent of ADT) since a smaller share of traffic impact would be divided among a proportionately smaller number of units. Since transportation analysis was completed assuming full build out, the figure 571 housing units is used here.

Master Plan will be implemented in a timely manner, and equitably allocate major costs across numerous different development sites.

- The primary funding tool recommended for three key Master Plan infrastructure elements—Boeckman Road (including sanitary sewer improvements), Stafford Road (including sanitary sewer and water improvements), and the Neighborhood Park—is a supplemental fee. This fee would be equitably distributed across all residential and school development in Frog Pond West, commensurate with each development’s demand for the infrastructure. The total costs are allocated on the basis of equivalent dwelling units (EDUs) and summarized in Figure 4 above.
- This Funding Plan recommends and assumes that the City will collect supplemental fees and lead the construction of the Boeckman Road and Stafford Road projects. However, it is also possible that developers could build those projects in exchange for credits against supplemental fees and City SDCs; this would also likely result in lower construction costs.
- Boeckman Bridge is considered to be an “off-site” infrastructure element. Frog Pond West will generate a modest share of demand (15 percent or less) for Boeckman Bridge, with other demand coming from elsewhere in the City, and it is costlier than the Master Plan transportation infrastructure described above. The City is continuing to refine the design and funding strategy for Boeckman Bridge, with most of the funding expected to come from a substantial amendment to the Year 2000 URA. The City is also considering other funding mechanisms (primarily SDCs/CIP). This Funding Plan recommends that an additional and separate supplemental fee be charged to Frog Pond West development for the Boeckman Bridge. This supplemental fee amount will depend on the final design and cost of the bridge, and the amount generated by the URA and/or other sources. Based on Frog Pond West’s transportation demand, the estimated supplemental fee is approximately \$161 per \$1 million of cost that is not provided by the URA and/or other sources.