



# FROG POND EAST AND SOUTH INFRASTRUCTURE FUNDING PLAN

On November 15, 2015, the Wilsonville City Council (Council) adopted the Frog Pond Area Plan, which includes an Infrastructure Funding Plan (Appendix H of the Frog Pond Area Plan). The funding plan evaluates the infrastructure needs for the entire 500-acre Frog Pond area and offers strategies of how to fund those infrastructure improvements. As part of the Frog Pond West Master Plan, adopted by Council in July 2017, the Infrastructure Funding Plan was updated with revised infrastructure projects, associated costs, and more detailed and refined funding mechanisms necessary to implement the Frog Pond West Master Plan. In December 2022, Council approved the Frog Pond East and South (“FPE/S”) Master Plan (“Master Plan”). However, the FPE/S update to the Infrastructure Funding Plan was deferred, allowing staff, consultants, and stakeholders additional time to work through the necessary details to ensure efficient, cost effective, and equitable implementation of the infrastructure necessary to realize the FPE/S Master Plan vision.

This FPE/S Infrastructure Funding Plan (“Funding Plan”) memorializes the analysis done for the FPE/S infrastructure identified in the Master Plan and how this Funding Plan relates to, refines or changes the information available and assumptions made as part of the Frog Pond Area Plan, Appendix H: Infrastructure Funding Plan and Frog Pond West Infrastructure Funding Plan update. Both infrastructure funding plans in the Area Plan and Frog Pond West Master Plan rely on and reflect general citywide policy and practice regarding provision of infrastructure improvements as part of development. These previously adopted City policies and practices will continue to establish the baseline assumptions for the FPE/S Funding Plan.

In addition, review of the previous Frog Pond funding plan assumptions is intended to provide the foundation for developing the FPE/S Funding Plan, helping to inform and to establish funding needs and assess potential funding mechanisms needed to support implementation of the FPE/S Master Plan. This analysis is based on work by City staff from the Community Development Department, including Engineering and Planning, the Community Development Director, City Attorney, and Finance Director. City staff was supported by experts on municipal finance from FCS Group. Infrastructure costs were prepared as part of the FPE/S Master Plan by DKS Associates and Consor. Together this group is referred to in the memo as the “Project Team.” This Funding Plan is intended to provide an overarching strategy for future financing tools that may be used to support specific development projects and related infrastructure needs but is not intended to limit the specific financial package that may be needed to support those particular developments and projects.

## Summary of Frog Pond East and South

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The Frog Pond East and South planning area, as shown in Figure 1 below is approximately 300 acres in size with approximately 176 acres gross development area, which excludes known development constraints including natural resource and the extensive Bonneville Power Administration (BPA) easement areas. The Master Plan area includes the following general attributes, which influence the



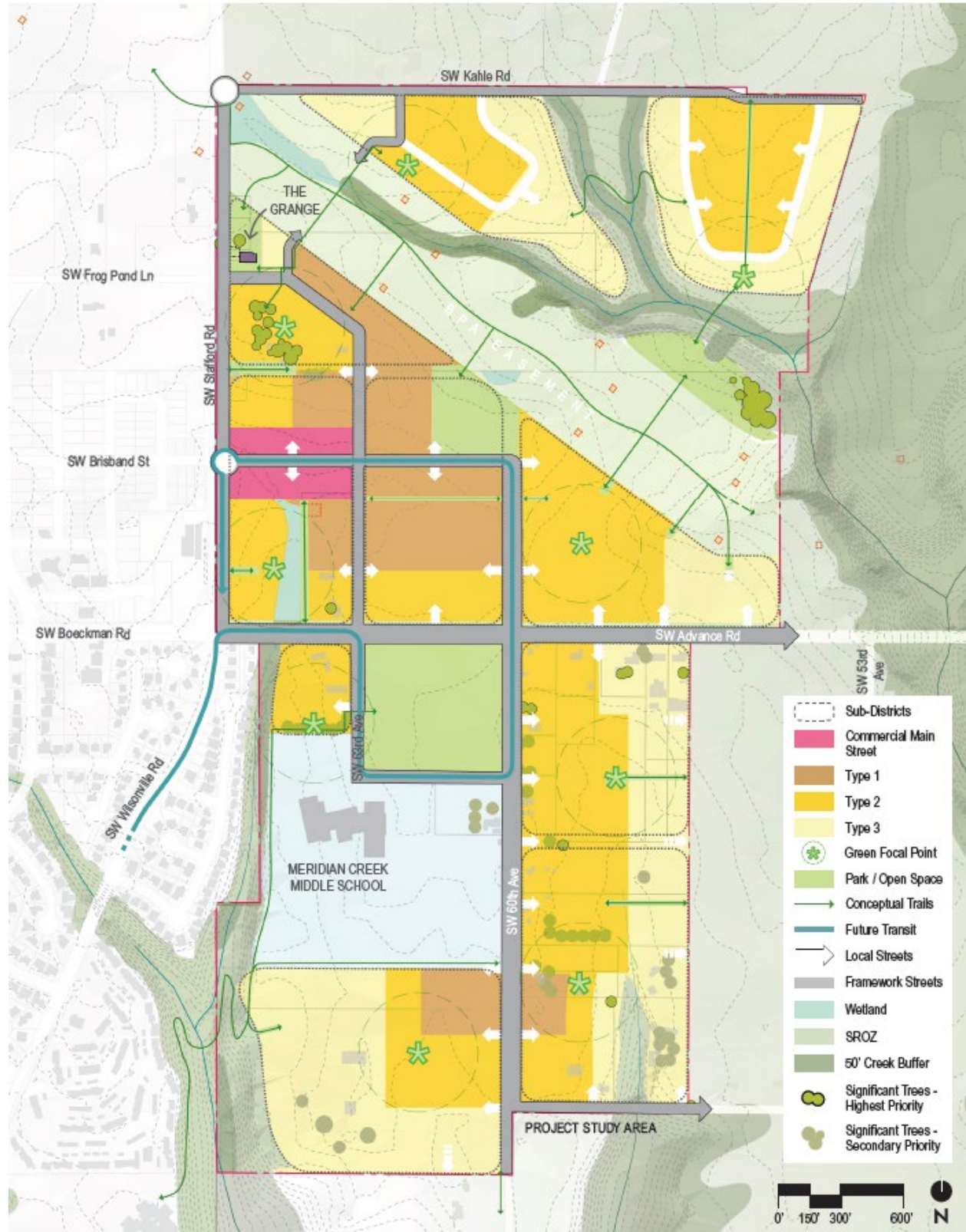
Funding Plan. More information about development assumptions can be found in Section 1 of Attachment 1. Here are some highlights of the Master Plan area:

- A minimum of 1325 housing units are required to be built under the Master Plan pursuant to a Condition of Approval in Metro Ordinance No. 18-1427. The assumed split is 926 within the Frog Pond East area and 399 within the Frog Pond South area.
- The housing units are anticipated to include a wide variety of types including apartments, middle-housing, detached homes, cottages and accessory dwelling units (ADUs), resulting in more housing variety than Frog Pond West.
- A vertical mixed-use development is planned on Brisband Street at the intersection with Stafford Road, estimated to have up to 22,000 square feet of ground floor commercial space with up to four floors of residential above. This is identified in Figure 1 as “commercial main street.”
- There are 8 different property owners (as of 2024) in Frog Pond East and 31 property owners in Frog Pond South. Parcels range in size from just over an acre to 94 acres.
- The West-Linn Wilsonville School District owns a 27-acre site within Frog Pond South, which is home to Meridian Creek Middle School and a 2-acre land banked parcel e adjacent to the middle school site.
- The City owns a 10-acre site in Frog Pond South at the corner of Boeckman Road and 65<sup>th</sup> Avenue, which is planned as a future park site.
- Most of the Frog Pond East and South area is currently outside the city limits, with the exception of the middle school site.
- The entirety of the Frog Pond East and South area is within the Urban Growth Boundary.
- Property owners, particularly in the Frog Pond East area, have expressed an interest in development of their properties in the near term.

This information provides the basis for the development phasing schedule included in the FPE/S Funding Plan, informing the location and pace of development and helping determine when and where infrastructure will be needed first.



Figure 1. Frog Pond East and South Land Use Plan





## Frog Pond East and South Infrastructure Summary

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Consistent with the approach in the Frog Pond West Funding Plan, the infrastructure needed to serve the Frog Pond East/South area has been grouped into three different categories, as described below. “Off-site” and “Framework” or “Master Plan” infrastructure projects have been previously identified and adopted in the City’s infrastructure master plan documents for Transportation, Water, Sanitary Sewer, and Stormwater.

- **Off-site Infrastructure** includes large projects that serve the broader Wilsonville community, are funded through System Development Charges (SDCs) generated by development throughout the City and through other City resources, and are generally located outside of the Frog Pond East/South area. While these projects serve a broader area than Frog Pond East/South, development within Frog Pond East/South will utilize this infrastructure as well and does have a responsibility to contribute to this infrastructure. Examples include:
  - Water line crossing Boeckman Creek at the west end of Frog Pond Lane
  - Water line crossing of Meridian Creek south of Meridian Creek Middle School
  - Boeckman Creek sanitary sewer trunk line
  - West side water reservoir
  - Boeckman “Dip” Bridge
  - Stafford-65<sup>th</sup>-Elligsen Roundabout
  - Advance Road Community Park
- **On-site Infrastructure** includes local projects which serve development of individual properties. Individual developers are responsible for construction and costs of construction of these projects. Examples include:
  - Local streets and sidewalks
  - Sanitary sewer mains
  - Water mains
  - Stormwater management
  - Neighborhood parks
- **“Framework” or “Master Plan” Infrastructure** is the primary focus of this FPE/S Funding Plan. These are called “Framework Projects” in the Area Plan Funding Strategy and “Master Plan Infrastructure” in the Frog Pond West Funding Plan. For this memo and the FPE/S Funding Plan the term “framework projects” or “framework infrastructure” will be used. These projects differ from off-site and on-site infrastructure due to the following factors:
  - Serves the Frog Pond East/South development and includes an “oversize” component that provides capacity beyond the City’s minimum standard to serve future development in FPE/S or other offsite areas.
  - Crosses multiple property ownerships
  - May be too large and expensive for any single developer to complete
  - May have geographically concentrated costs (sanitary lift station), but benefits all of Frog Pond East, South, or both.

The emphasis of the FPE/S Funding Plan is to identify strategies and tools appropriate to fund Framework Infrastructure. While discussed briefly below, Section 1 of Attachment 1 includes a list of needed FPE/S



Framework Infrastructure projects and estimated costs. Funding for off-site and on-site infrastructure is addressed through the City's existing policies.

## Frog Pond East and South Framework Infrastructure Projects

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The FPE/S Funding Plan focuses on funding options for the following key framework infrastructure projects. Infrastructure Funding Strategy framework projects within the FPE/S area:

1. Stafford Road, including sanitary sewer and water
2. Advance Road, including sanitary sewer and water
3. Frog Pond East Neighborhood Park
4. Frog Pond East BPA Easement Trail
5. Frog Pond South Neighborhood Trail

Additional framework infrastructure projects not part of the Frog Pond Area Plan added as part of the FPE/S Master Plan include:

6. 60<sup>th</sup> Avenue, including water and storm
7. Frog Pond East - Kahle East sanitary lift stations and force main
8. Frog Pond East - Advance East sanitary lift station and force main
9. Frog Pond South sanitary lift station and force main

## Citywide Policies and Practices Related to Infrastructure Funding

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Consistent with the Frog Pond Area Plan Infrastructure Funding Strategy and Frog Pond West Funding Plan, the Frog Pond East/South Funding Plan uses the City's existing policies and practices as a basis for planning, as summarized below:

- Developers pay for and construct the "local portion" of infrastructure required to serve their developments, as explained in adopted City policies (Wilsonville Code, Transportation System Plan, and Public Works Standards).
- Developers also initially pay for and construct the "oversize portion" (infrastructure that exceeds the minimum required), and then receive credits against System Development Charges (SDC) due at the time of each building permit ("SDC credits").
- When necessary, the City may pay for infrastructure elements that are:
  - Identified by existing adopted citywide infrastructure master plans (e.g. Water Distribution Master Plan or the Transportation System Plan) and included in the City's five-year Capital Improvement Program (CIP); or
  - Abutting already-developed areas, city-owned land, or land not expected to develop/redevelop by 2045.
- 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 (LID), and development agreements.



## Frog Pond East and South Framework Infrastructure Cost Allocation – Current City Policy

The total cost of the nine FPE/S framework infrastructure projects is allocated to different parties under current City policy. The FPE/S Infrastructure Funding Plan Technical Attachment (Attachment 1) details estimated costs, allocates those costs, and includes a revenue analysis based on anticipated development to inform the FPE/S infrastructure funding plan. Each FPE/S framework infrastructure project is described below with relevant cost allocation information. The following funding allocation, per current City policy, does not preclude the City from considering additional funding strategies to assist developers with construction of needed framework infrastructure as detailed in “Additional Funding Sources for Consideration” section of this Plan.

1. Stafford Road (including sanitary sewer and water). Stafford Road includes a local portion attributable to Frog Pond East and a local portion attributable to Frog Pond West. In addition, there is an oversized portion in excess of the local portion for both East and West. Stafford Road improvements also include two roundabouts at SW Kahle Road and SW Brisband Street, as well as intersection improvements at SW Frog Pond Lane.
  - a. West Portion of Stafford Road
    - i. The Frog Pond West Infrastructure Funding Plan implemented a supplemental fee assessed for each equivalent dwelling unit built within the Frog Pond West neighborhood. This supplemental fee will pay for the construction of the western “local portion” of Stafford Road, including a water and sewer pipeline from Kahle Rd. to Boeckman Rd.
    - ii. City will provide an SDC contribution for the west portion of Stafford Road that exceeds the “local portion” of the road and any oversized portion of the water and sewer pipeline.
    - iii. The west portion of Stafford Road, including the water and sewer pipeline, could be built by the City as a standalone phase of the planned Stafford Road improvements or funded by the City and constructed with the east portion of Stafford Road and/or intersection improvements as part of an agreement with FPE/S local development.
  - b. East Portion of Stafford Road
    - i. Current City policy states developers along Stafford Road are responsible to develop their “local portion” of Stafford Road. Since the relevant Stafford Road frontage serves Frog Pond East, developing the “local portion” of the east side of Stafford 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 east side of Stafford Road, which exceeds the “local portion” of the road.
    - iii. Establishment of a Frog Pond East per door infrastructure fee to pay for the east portion of Stafford Road, like was implemented in Frog Pond West to pay for the west portion of Stafford Road, is not recommended for the following reasons:



- a) Frog Pond West consisted of many smaller development lots, many internal to the area without direct frontage on the higher classified roadways, such as Boeckman Road and Stafford Road, but such internal developments utilize the facilities and should be responsible for contributing to the “local portion” cost of the western portion of Stafford Road. The Frog Pond West supplemental infrastructure fee allowed for roadway improvements to occur in less phases and an equitable distribution of costs across the entire area. Frog Pond East is dominated by two large development properties with no internal lots without major roadway frontage. As a result, the phasing and equitable distribution of costs issues of Frog Pond West are not present in Frog Pond East and do not necessitate creation of a supplemental infrastructure fee.
  - b) A supplemental infrastructure fee results in major roadway improvements being constructed after development has already occurred. As experienced with Frog Pond West, the City receives numerous complaints from the new residents regarding vehicle speeding, poor neighborhood access, lack of safe pedestrian and bike facilities, and impacts of major road construction when roadway improvements are made after development has occurred. Construction of major roadway improvements as part of development is desirable in order to prevent these types of post-development safety, level of service (LOS), and livability issues.
  - c) As experienced with Frog Pond West, construction cost inflation that occurs between the time the supplemental infrastructure fee is collected and the time the infrastructure improvement is constructed creates a significant funding gap that must be backfilled with other City funds in order to complete the infrastructure project. This results in current City residents and businesses subsidizing the cost responsibilities of private development, which is not in line with City policy that “growth pays for growth.”
  - d) Analysis shown and documented in Attachment 1 finds that there is sufficient SDC revenue generated through development within Frog Pond East and South to pay for both City SDC infrastructure funding responsibilities and SDC credits issued to developers for the “oversized” portion of developer-constructed infrastructure. As a result, a supplemental infrastructure fee is not necessary to assist with funding FPE/S framework projects, including the east portion of Stafford Road.
- c. Stafford/Kahle Roundabout
- i. Current City policy states development along Stafford Road are responsible to ensure the City Level of Service (LOS) standard of LOS D is met for all intersections impacted by the development.
  - ii. Also, under current City policy, developments are responsible for providing mitigation for intersections not meeting LOS D proportional to the impact of the development.



- iii. According to the FPE/S Master Plan, any development in Frog Pond East taking access from Kahle Road will cause the intersection of Stafford Road and Kahle Road to fall below LOS D.
  - iv. The mitigation needed at the Stafford Road and Kahle Road intersection is due to development within Frog Pond West and Frog Pond East, not due to existing or future traffic conditions on Stafford Road. If not for the Frog Pond development, mitigation at this intersection would not be needed and is therefore the responsibility of development within Frog Pond to provide mitigation.
  - v. LOS mitigation at the Stafford Road and Kahle Road intersection is a single-lane roundabout per the FPE/S Master Plan and Wilsonville Transportation System Plan.
  - vi. Based on traffic impacts at this intersection documented in the FPE/S Master Plan, Frog Pond West is responsible for 40% of the project cost and Frog Pond East is responsible for 60% of the project cost.
  - vii. Frog Pond West share of mitigation costs may be provided as SDC credits issued to Frog Pond East developer(s) that build the roundabout project as part of the adjacent development.
  - viii. The roundabout could instead be built by the City pursuant to City CIP prioritization and fund availability. However, in this scenario, development failing to meet LOS standards at the intersection could not occur unless the roundabout is scheduled for completion within two years of certificates of occupancy for homes in the development. In such a scenario, Frog Pond East development will be responsible for contributing to Frog Pond East development's financial responsibility for this roundabout.
- d. Stafford/Brisband Roundabout
- i. According to the FPE/S Master Plan, any development taking access from Brisband Street will cause the intersection of Stafford Road and Brisband Street to fall below LOS D.
  - ii. As with the Stafford/Kahle Roundabout, the mitigation needed at the Stafford Road and Brisband Street intersection is due to development within Frog Pond West and Frog Pond East, not due to existing or future traffic conditions on Stafford Road.
  - iii. LOS mitigation at the Stafford Road and Brisband intersection is a single-lane roundabout per the FPE/S Master Plan and Wilsonville Transportation System Plan.
  - iv. Based on traffic impacts at this intersection documented in the FPE/S Master Plan, Frog Pond West is responsible for 35% of the project cost and Frog Pond East is responsible for 65% of the project cost.
  - v. As with the Stafford/Kahle Roundabout, the Frog Pond West share of mitigation costs may be provided as SDC credits issued to the Frog Pond East developer(s) that build the roundabout project as part of the adjacent development.
  - vi. Also similar to the Stafford/Kahle Roundabout instead of developer(s) building the roundabout, it could be built by the City pursuant to City CIP prioritization and fund availability. However, in this scenario, development failing to meet LOS standards at the intersection could not occur unless the roundabout is scheduled for completion within two years of certificates of occupancy for homes in the development. In such a scenario, Frog Pond East development will be responsible





for contributing to Frog Pond East development's financial responsibility for this roundabout.

2. Advance Road (including sanitary sewer and water). Advance Road includes a local portion attributable to Frog Pond East and a local portion attributable to Frog Pond South. In addition, there is an oversized portion in excess of the local portion for both East and South. Advance Road improvements also include a roundabout at 60<sup>th</sup> Avenue.
  - a. North Portion of Advance Road
    - i. As with the eastern portion of Stafford Road, developers in Frog Pond East developing adjacent to Advance Road are responsible for the "local portion" of Advance Road, including sanitary sewer and water.
    - ii. Developers may receive SDC credits for constructing the remainder ("oversize portion") of the north side of Advance Road, which exceeds the "local portion" of the road.
    - iii. Any oversizing of sanitary sewer and water installed by the developers along Advance Road may also be subject to SDC credits.
  - b. South Portion of Advance Road
    - i. The south portion of Advance Road between Wilsonville Road and 63<sup>rd</sup> Avenue was constructed with development of Meridian Creek Middle School. Since that time, the Advance Road roadway cross-section has been modified as part of the FPE/S Master Plan to better match the Boeckman Road roadway cross-section to the west of Stafford Road.
    - ii. Developers in Frog Pond South developing adjacent to Advance Road between Wilsonville Road and 63<sup>rd</sup> Avenue may be required to make improvements to Advance Road consistent with the Advance Road cross-section requirements per the FPE/S Master Plan. Any oversizing would be compensated through SDC credits.
    - iii. The south portion of Advance Road between 63<sup>rd</sup> Avenue and 60<sup>th</sup> Avenue is adjacent to City-owned property planned for a community park. The City, as owner and developer of the property adjacent to Advance Road, is responsible for this section of the south portion of Advance Road as part of the park development.
    - iv. It is preferable to build the south portion of Advance Road between 63<sup>rd</sup> Avenue and 60<sup>th</sup> Avenue concurrent with the developer-funded and constructed north portion of Advance Road. An agreement between the developer and City outlining compensation through City contribution (using available SDC funds) or issuance of SDC credits may be necessary for developer construction of this south portion of Advance Road. Should the City and developer not reach agreement regarding joint construction of both the north and south portions of Advance Road, the south portion can be constructed as a separate, standalone project.
    - v. The properties fronting the south portion of Advance Road between 60<sup>th</sup> Avenue and the east limits of Frog Pond South are largely built out with little opportunity to redevelop in the near future. However, should redevelopment of these properties occur, developers) in Frog Pond South are responsible for the "local portion" of Advance Road. Any oversizing can be compensated through SDC credits. If redevelopment does not occur over time, the City could construct this south



portion of Advance Road utilizing Transportation SDC funds as budget and demand allows.

- c. Advance/60<sup>th</sup> Roundabout
  - i. The FPE/S Master Plan and Wilsonville Transportation System Plan identify a single-lane roundabout at the intersection of Advance Road and 60<sup>th</sup> Avenue, necessary to provide slower speed and improved neighborhood access and visibility.
  - ii. Local development in Frog Pond East or South are responsible for providing the roundabout at the Advance Road and 60<sup>th</sup> Avenue intersection as part of any development that accesses 60<sup>th</sup> Avenue.
  - iii. According to the FPE/S Master Plan, the intersection of Advance Road and 60<sup>th</sup> Avenue is not anticipated to fall below LOS D at full build out.
  - iv. The Advance Road and 60<sup>th</sup> Avenue roundabout is not needed to address level of service performance standards and therefore does not solely address impacts related to development within Frog Pond East and Frog Pond South. As a result, developers may receive SDC credits for constructing the roundabout based on the volume of traffic moving through the intersection not associated with development within Frog Pond East and Frog Pond South.
  - v. Based on traffic impacts at this intersection documented in the FPE/S Master Plan, Frog Pond East is responsible for 27.5% of the project cost, Frog Pond South is responsible for 27.5% of the project cost, and 45% eligible for SDC credit.
  - vi. An agreement between the City and the developer that constructs the roundabout may be necessary to compensate for the proportional project costs from the remaining FPE/S development areas. Formation of a reimbursement district or supplemental infrastructure fee, as discussed later, are potential tools to recoup these costs from future Frog Pond developments accessing 60<sup>th</sup> Avenue.

3. Frog Pond East Neighborhood Park

- a. In accordance with the City's Comprehensive Plan, Parks and Recreation Master Plan, and Parks SDC methodology, neighborhood parks are provided by local development to serve the immediate neighboring area and are most often owned and maintained by a nearby neighborhood homeowner's association. Community and regional parks that serve the Wilsonville community as a whole are built/funded and maintained by the City.
- b. The FPE/S Master Plan identifies a neighborhood park near the intersection of 60<sup>th</sup> Avenue and Brisband Street in Frog Pond East.
- c. The developer of the large parcel south of the BPA easement and north of Advance Road, referred to as the "Azar Property", is responsible for providing the planned neighborhood park.
- d. As with the east portion of Stafford Road, establishment of a Frog Pond East per door infrastructure fee to pay for the neighborhood park like was implemented in Frog Pond West is not recommended for the same reasons as stated previously, including less parcelized development area, avoiding delayed infrastructure construction, and reducing construction inflation factors.

4. Frog Pond East BPA Easement Trail



**EAST & SOUTH  
MASTER PLAN**

- a. The Frog Pond East BPA Easement Trail is included in the Parks SDC methodology at 100% funding and is included in the FPE/S Master Plan. As a result, the trail does not require any contribution from developers beyond the standard Park SDC.
  - b. Under current City policy, developers may receive SDC credits for constructing portions of the BPA Easement Trail adjacent to the development. Local development is responsible for funding and building the trail connections between the development and the BPA Easement Trail in accordance with the FPE/S Master Plan.
5. Frog Pond South Neighborhood Trail
- a. As with the Frog Pond East BPA Easement Trail, the Frog Pond South Neighborhood Trail (Meridian Creek crossing) is included in the Parks SDC methodology at 100% funding and is included in the FPE/S Master Plan. As a result, the trail does not require any contribution from developers beyond the standard Park SDC.
  - b. Developers may receive SDC credits for constructing portions of the South Neighborhood Trail crossing of Meridian Creek adjacent to the development.
6. 60<sup>th</sup> Avenue (including water and storm drainage). 60<sup>th</sup> Avenue includes a local portion attributable to Frog Pond East and a local portion attributable to Frog Pond South. In addition, there is an oversized portion in excess of the local portion for both East and South.
- a. Portion of 60<sup>th</sup> Avenue, North of Advance Road
    - i. As with the eastern portion of Stafford Road, developments in Frog Pond East constructed adjacent to 60<sup>th</sup> Avenue are responsible for the “local portion” of 60<sup>th</sup> Avenue, including water.
    - ii. Developers may receive SDC credits for constructing the remainder (“oversize portion”) of 60<sup>th</sup> Avenue, which exceeds the “local portion” of the road.
    - iii. Any oversizing of water installed by the developers along 60<sup>th</sup> Avenue may also be subject to SDC credits.
  - b. Portion of 60<sup>th</sup> Avenue, South of Advance Road.
    - i. The west portion of 60<sup>th</sup> Avenue between Advance Road and Hazel Street is adjacent to City-owned property for a planned community park. The City is responsible for this section of the west portion of 60<sup>th</sup> Avenue as part of the park development.
    - ii. The west portion of 60<sup>th</sup> Avenue from Hazel Street to the south property boundary, approximately 960 feet south of Hazel Street, fronts property owned by the West Linn-Wilsonville School District (School District). The School District is responsible for the “local portion” of 60<sup>th</sup> Avenue, including water, with any future development on the school-owned property adjacent to 60<sup>th</sup> Avenue.
    - iii. The School District may receive SDC credits for constructing the remainder (“oversize portion”) of the west side of 60<sup>th</sup> Avenue, which exceeds the “local portion” of the road.
    - iv. Currently, the School District does not have plans to further develop the property adjacent to 60<sup>th</sup> Avenue. The City may construct this portion of 60<sup>th</sup> Avenue utilizing Transportation SDCs as funding is available and demand for the project is



- met. Formation of a reimbursement district or supplemental infrastructure fee, as discussed later, are potential tools to recoup the “local portion” of 60<sup>th</sup> Avenue costs from future Frog Pond South developments accessing 60<sup>th</sup> Avenue.
- v. The west portion of 60<sup>th</sup> Avenue, south of the School District property boundary does not exceed the “local portion” of roadway and is the responsibility of adjacent developer(s) to fund and build.
  - vi. As with the north portion of 60<sup>th</sup> Avenue, developments in Frog Pond South constructed adjacent to the east portion of 60<sup>th</sup> Avenue, south of Advance Road, are responsible for the “local portion” of 60<sup>th</sup> Avenue.
  - vii. The properties fronting the east portion of 60<sup>th</sup> Avenue between Advance Road and Hazel Street are largely built out with little opportunity to redevelopment within the near future. However, should redevelopment of these properties occur, developments in Frog Pond South are responsible for the “local portion” of 60<sup>th</sup> Avenue. If redevelopment does not occur over time, the City could construct this east portion of 60<sup>th</sup> Avenue utilizing Transportation SDC funds as budget and demand allows. Formation of a reimbursement district or supplemental infrastructure fee, as discussed later, are potential tools to recoup the “local portion” of 60<sup>th</sup> Avenue costs from future Frog Pond South developments accessing 60<sup>th</sup> Avenue.
  - viii. Developers may receive SDC credits for constructing the remainder (“oversize portion”) of 60<sup>th</sup> Avenue, which exceeds the “local portion” of the road.
  - ix. Any oversizing of water installed by the developers along 60<sup>th</sup> Avenue may also be subject to SDC credits.
- c. 60<sup>th</sup> Avenue Stormwater Pipeline
- i. Under current City policy, stormwater infrastructure within a development area, such as Frog Pond East and South, that serves the development is the responsibility of the local development and is not considered “oversized” unless the infrastructure provides a basin-wide benefit outside the development area, such as a regional stormwater facility.
  - ii. The Kruse Creek drainage basin (Basin K1 in Figure 3 below) south of Advance Road encompasses 60<sup>th</sup> Avenue and areas to east, incorporating only the City-owned property planned for a future community park, west of 60<sup>th</sup> Avenue. The Kruse Creek drainage basin extends north of Advance Road, encompassing a small area centered on 60<sup>th</sup> Avenue. A storm drainage pipeline is envisioned along 60<sup>th</sup> Avenue, serving development within the Kruse Creek drainage basin.
  - iii. The 60<sup>th</sup> Avenue storm drainage pipeline only serves development within Frog Pond East and South and is therefore not considered “oversized”. As a result, a developer is not eligible to receive Storm SDC credits for construction of the 60<sup>th</sup> Avenue storm drainage pipeline.
  - iv. Per the anticipated construction phasing outlined in the FPE/S Infrastructure Funding Plan Technical Appendix (Appendix C), it is likely development will occur within the upper Kruse Creek basin (Basin K1 in Figure 3) in Frog Pond East (north of Advance Road) before Frog Pond South, requiring the developer to construct the offsite portion of the 60<sup>th</sup> Avenue storm drainage pipeline between Advance Road



and the Kruse Creek outfall. Formation of a reimbursement district by the developer or creation of a supplemental infrastructure fee for Frog Pond South by the City, as discussed later, are potential tools to reimburse a developer (reimbursement fee) or City (supplemental infrastructure fee) for offsite construction of the 60<sup>th</sup> Avenue storm drainage pipeline should the Kruse Creek basin (Basin K1 in Figure 3) in Frog Pond East develop before Frog Pond South.

- v. The 60<sup>th</sup> Avenue Stormwater Pipeline project is identified as a needed project in the Stormwater Master Plan and is eligible to be added to the Stormwater SDC project list and methodology. If the project is incorporated into the Stormwater SDC project list and methodology prior to installation, the City may construct the stormwater pipeline utilizing Stormwater SDC funds as budget and demand allows, enter into a development agreement to compensate a developer with SDC funds for the portion of the project serving an area larger than the development site, or issue SDC credits to the developer for construction of the oversized portion of the stormwater pipeline as part of a development project.

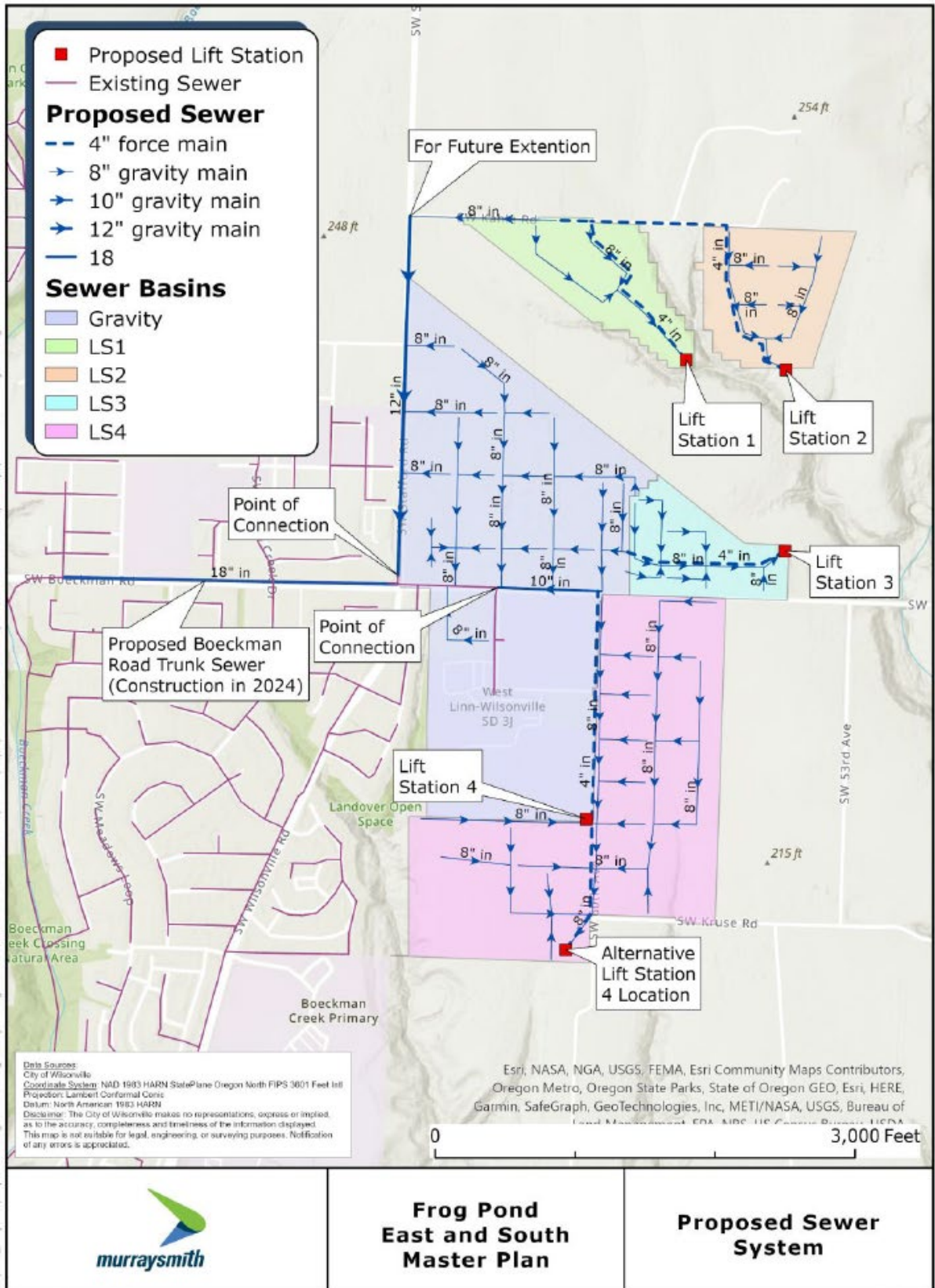




7. Frog Pond East - Kahle East Sanitary Lift Stations (Lift Stations 1 and 2 in Figure 4 below) and Force Main
  - a. The FPE/S Master Plan identifies the need for two sanitary lift stations (Lift Stations 1 and 2 in Figure 4) and 4-inch force main to serve development within Frog Pond East, north of Newland Creek.
  - b. The two sanitary lift stations and force main serve a single, developable property with no potential for an expanded service area in the future. As a result, Frog Pond East development is responsible for providing the two sanitary lift stations and force main and is not eligible to receive Wastewater SDC credits for its construction.
  
8. Frog Pond East - Advance East Sanitary Lift Station (Lift Station 3 in Figure 4 below) and Force Main
  - a. The FPE/S Master Plan identifies the need for a sanitary lift station (Lift Station 3 in Figure 4) and 4-inch force main to serve development at the east end of Frog Pond East, between Newland Creek and Advance Road.
  - b. As with the Kahle East Sanitary Lift Stations (Lift Stations 1 and 2), the Advance East Sanitary Lift Station (Lift Station 3) and force main serve a single, developable property with no potential for an expanded service area in the future and is therefore the Frog Pond East development responsibility and is not eligible to receive Wastewater SDC credits.
  
9. Frog Pond South Sanitary Lift Station (Lift Station 4 in Figure 4 below) and Force Main
  - a. The FPE/S Master Plan identifies the need for a sanitary lift station (Lift Station 4 in Figure 4) and 4-inch force main to serve all development within Frog Pond South, east of 60<sup>th</sup> Avenue and south of the West Linn-Wilsonville School District property.
  - b. The Frog Pond South Sanitary Lift Station (Lift Station 4) and Force Main only serves development within Frog Pond South and is fully the responsibility of development within Frog Pond South to fund the necessary sanitary lift station and force main.
  - c. Any development within Frog Pond South, with the exception of the property west of 63<sup>rd</sup> Avenue, will require the sanitary lift station to provide wastewater service to the area.
  - d. Current City policy would allow the Frog Pond South Sanitary Lift Station (Lift Station 4) and Force Main to be included on the Wastewater SDC project list. If included, the City may construct the lift station and force main utilizing Wastewater SDC funds as budget and demand allows, enter into a development agreement to compensate a developer for the portion of the project serving an area larger than the development site, or issue SDC credits to the developer that constructs the lift station as part of a development project.
  - e. Alternatively, the Frog Pond South sanitary lift station (Lift Station 4) could be omitted from the Wastewater SDC project list. Under this scenario, formation of a reimbursement district by the developer or creation of a supplemental infrastructure fee for Frog Pond South by the City, as discussed later, are potential tools to reimburse a developer (reimbursement district) or City (supplemental infrastructure fee) for construction of the lift station and force main beyond the developer's responsibility for capacity needs to serve their development.



Figure 4. Frog Pond East and South Proposed Sewer System, Figure 34 of the Master Plan







## Recommended Funding Strategy

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As documented in the FPE/S Infrastructure Funding Plan Technical Attachment (Attachment 1), there is sufficient SDC revenue generated through development within Frog Pond East and South to account for both City SDC infrastructure funding responsibilities and SDC credits issued to developers for the “oversized” portion of developer-constructed infrastructure, in accordance with existing City policies and practices for development. Having no other identified funding sources, the City recommends an infrastructure funding strategy for Frog Pond East and South utilizing the traditional methodology whereby the developer constructs the required infrastructure and is issued SDC credits for the “oversized” portion consistent with current City policy. The City further recommends utilizing development agreements to fund developer construction of the City’s identified infrastructure responsibilities where efficiencies, minimized neighborhood impacts, and cost savings can be realized through such an agreement.

It should be noted that if the Frog Pond East & South development and/or infrastructure phasing assumptions change, the City’s required SDC cash flow may be affected and should be reassessed to ensure City SDC commitments can be met as development occurs over time. Consideration of additional funding strategies may be necessary to finance specific projects and ensure adequate funding.

## Additional Funding Sources for Consideration

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Although the FPE/S Infrastructure Funding Plan Technical Attachment (Attachment 1) determined there is sufficient SDC revenue generated in Frog Pond East and South to fund the required infrastructure projects, additional funding strategies may be further considered by the City to assist developers. Use of these strategies would be most relevant with large capital costs early in the Frog Pond East and South development phases, when additional infrastructure funding support is desired by the City, or if there are changes to infrastructure phasing assumptions that affect SDC cash flow as development occurs over time. The following are a number of infrastructure funding strategies that have been assessed as part of this analysis and can be re-examined in the future for implementation within the Frog Pond East and South area as necessary.

1. Supplemental Infrastructure Fee

This funding tool was utilized in Frog Pond West and included assessment of a supplemental fee per equivalent dwelling unit (EDU), collected by the City with each building permit and used to build City-led framework infrastructure projects including Boeckman Road, a neighborhood park, and the west side of Stafford Road. This supplemental fee was in lieu of the Frog Pond West developments constructing the “local portion” of these infrastructure improvements as otherwise required.

Frog Pond West consisted of many small parcel ownerships making “framework project” construction by a private developer infeasible and necessitating an alternative to the traditional developer build/SDC credit methodology to provide the needed infrastructure. Also, the City determined that the “framework projects” were not essential to support initial development of Frog Pond West and could be deferred, allowing time for a supplemental fee to accrue until a sufficient fund balance was accumulated to construct the needed infrastructure at a later date.

In practice, construction of deferred “framework projects” through collection of a supplemental fee has not been successful, resulting in a substantial increase in the permit fee package for each new housing unit, rising infrastructure costs over time due to inflation, and under collection of the



supplemental fee leading to City subsidy of the Frog Pond West developments' "local portion" responsibility. As a result, a supplemental infrastructure fee, as implemented in Frog Pond West, is not recommended as a primary tool to assist in construction of infrastructure needed for Frog Pond East and South.

However, should the City be able to identify a sufficient source of funds and there is enough demand for a specific infrastructure project(s), a supplemental infrastructure fee could be established to help reimburse the City's infrastructure expenditures. Once the infrastructure project is constructed, the supplemental infrastructure fee could be established based on the actual project costs and applied over the area that would benefit or be served by the infrastructure. As development occurs within the designated area, the City's infrastructure costs could be reimbursed through collection of the fee with each building permit.

This practice would resolve the delayed infrastructure construction, inflation pressures, and revenue under-collection associated with the supplemental fee as implemented in Frog Pond West. However, the City would have to identify a sufficient source of funds to construct the initial infrastructure project to establish the supplemental fee. Consideration of the timing of development and the potential payback period is recommended prior to implementing such a strategy.

Examples where this funding tool could be implemented include:

- Stafford and Brisband Roundabout – Frog Pond East Fee
- Frog Pond South share of Advance/65<sup>th</sup> Roundabout – Frog Pond South Fee
- 60<sup>th</sup> Ave. Roadway (Advance Rd. – South WLWSD Prop. Boundary) – Frog Pond South Fee
- 60<sup>th</sup> Ave. Storm Pipe (Advance Rd. – Kruse Creek Outfall) – Frog Pond South Fee
- Frog Pond South Sanitary Lift Station & Force Main – Frog Pond South Fee

Notably all these examples are primarily in Frog Pond South. Frog Pond South has some similar conditions as Frog Pond West that make supplemental infrastructure fees a potential option. A primary one is that, unlike Frog Pond East that is mostly in two ownerships, Frog Pond South has many smaller ownerships leading to anticipated incremental development similar to Frog Pond West. This makes the ability for an individual developer to pay for a large infrastructure project that serves a larger area difficult. In addition, some of the Frog Pond South projects, particularly the lift station and force main, need to occur prior to most development, and the likelihood that a single developer would tie up sufficient land for it to make financial sense for the developer to pay for the entire lift station prior to development is low.

## 2. Reimbursement District

A reimbursement district is an area where one party, typically a developer or a City, fronts capital improvements/investment within a designated Zone of Benefit District (ZBD). The party that establishes the reimbursement district, the developer or City, is then partially reimbursed as new land use development approvals are granted within the ZBD over a period that extends up to 10 years from the date of construction of the improvement (see Wilsonville Code 3.116). While ZBDs have been successfully utilized in Wilsonville in the past, the developer or City would want to assess timing of development within the ZBD and the potential payback period within the reimbursement district period, as there is no guarantee that future revenues will be steady and



reliable. For this reason, establishment of a supplemental infrastructure fee would be preferable to a City initiated reimbursement district.

Examples where a developer-initiated reimbursement district could be implemented include:

- Frog Pond South share of Advance/65<sup>th</sup> Roundabout – Frog Pond South ZBD
- 60<sup>th</sup> Ave. Roadway (Advance Rd. – South WLWSD Prop. Boundary) – Frog Pond South ZBD
- 60<sup>th</sup> Ave. Storm Pipe (Advance Rd. – Kruse Creek Outfall) – Frog Pond South ZBD
- Frog Pond South Sanitary Lift Station & Force Main – Frog Pond South ZBD

### 3. Local Improvement District (LID)

Cities in Oregon have the statutory authority to establish local improvement districts within city limits and levy special assessments on the benefited property to pay for improvements. These are payable in annual installments for up to 30 years. LIDs are generally used for capital improvement projects that involve numerous large tenants and/or private property owners.

The advantage of LIDs is the ability to attain a consistent level of revenue generation early in the development process. Financial intermediaries, such as banks, now view LIDs as a more reliable funding source than some funding sources (such as SDCs) and therefore are more apt to provide loans based on future LID revenue streams. LIDs also allow a developer to spread the infrastructure cost over the development period with the ability to pay the balance at the time the profits are realized from the development, avoiding high upfront capital expenditures at the start of a development project.

LID assessments become a lien on real property until they are paid in full at the time of property transaction, development, or final installation payment. LIDs cannot be established outside jurisdictional boundaries, so annexation and developer agreements may be necessary to implement LIDs in expansion areas. Additionally, Oregon law (ORS 223) and Wilsonville Code require several procedural steps, including notice and public hearing, prior to establishing a LID. Thus, developer and property owner support is key for successful LID implementation. Furthermore, any lending obtained for City projects within a LID will likely require full faith and credit of the City, and so City liabilities have to be evaluated before obtaining financing backed by a LID.

While not a necessary tool to implement in Frog Pond East and South, local improvement districts could be utilized to build the framework infrastructure for larger construction projects instead of a phased approach with each development. This would result in potentially more efficient, less costly infrastructure construction, with reduced impacts to traffic and neighboring residents. These projects include:

- Stafford Road
- Advance Road (including sanitary sewer and water)
- 60<sup>th</sup> Avenue (including water and storm drainage)
- Frog Pond South Sanitary Lift Station & Force Main

### 4. Direct CIP Investment Using Citywide SDCs

Under this scenario, the City constructs “framework projects” utilizing SDCs collected from development across the City. Many of the framework projects are included within the City’s Capital Improvement Program and are eligible to be funded with SDCs. While the City does utilize SDC



funds on eligible projects as the funds accrue over time, the SDC funds cannot typically supplant infrastructure funding that is the responsibility of the developer. Because SDCs are used to fund needed capacity improvement projects across the City, the Frog Pond infrastructure projects need to be prioritized and balanced with other infrastructure needs throughout the City. SDC funds collected from development in Frog Pond East and South will not necessarily go to fund area-specific projects, just as not all SDC funds that will pay for Frog Pond East and South projects will come from development within Frog Pond East and South.

This tool is challenging to implement in Frog Pond East and South as many of the “framework projects” are needed to be in place prior to or as development occurs. This means the City would need to have enough SDC funds on hand to construct the needed infrastructure with development. SDC fees are typically collected at the time of building permit, after infrastructure is already in place, meaning the SDCs needed to construct the “framework projects” would be solely limited to fees collected from development in other parts of the City. In addition, the Frog Pond “framework projects” may not have a higher priority than needed infrastructure in other parts of the City, placing further demand on available SDC funds.

5. Localized Supplemental SDCs

In addition to citywide SDCs specific to each infrastructure system, a special district or overlay supplemental SDC for each relevant infrastructure system may be considered in the area. Like citywide SDCs, the supplemental SDC can only be used to fund the “oversize” portion of the constructed infrastructure. Typically, a supplemental SDC is considered for implementation when there is not enough SDC revenue within a district to fund the needed infrastructure to serve the development area. Per the analysis in Appendix C, FPE/S generates sufficient SDC revenue and a supplemental SDC is not necessary to fund the needed infrastructure.

6. Localized Utility Rate Surcharge

Though not previously used in Wilsonville, area-specific supplemental utility rates for water, sewer, storm, parks and/or transportation facilities are a way to raise local revenues to pay for infrastructure capital costs or operations within a defined district. Rate surcharges require approval and adoption by the City Council and must meet state and local regulations.

There is a heightened administrative cost to collect the surcharge over time and the higher rates increase monthly costs for residents of the defined district over an extended period. Any added monthly costs for future rate payers in the area would need to not be unreasonably high and burdensome, otherwise default rates and costs for collections would increase beyond the relative reduction of housing affordability for residents.

While not a necessary tool to implement in Frog Pond East and South, a utility rate surcharge could be utilized to reimburse the cost of framework infrastructure projects. Careful consideration prior to implementation is needed as the utility rate surcharge cannot be assessed outside of jurisdictional boundaries and shifts the infrastructure funding responsibility from the developer to the future homeowner. However, a utility rate surcharge does provide a more stable, predictable source of revenue than other infrastructure funding tools, such as a reimbursement district.

Examples where a localized utility rate surcharge could be used are:

- 60<sup>th</sup> Ave. Water line – Frog Pond South
- Frog Pond South Sanitary Lift Station & Force Main – Frog Pond South



7. Urban Renewal District

There may be opportunities to utilize funding from the creation of a new Frog Pond Area Urban Renewal District (URD). A key advantage of URD funding is that it is less restrictive than SDCs with respect to the uses of funds. As such, URDs can be used to fund almost any form of capital investment that is authorized by the adopted URD plan. City of Wilsonville urban renewal funding for Frog Pond is not likely, due to the City's urban renewal task force identifying investments elsewhere in the City as higher priority. This tool should be re-evaluated for use in FPE/S if the other infrastructure funding tools are not resulting in the development envisioned for this area or is not generating sufficient infrastructure funding.

8. Grants and Investments by Other Governments

To the extent available, grants should be continuously evaluated and where applicable, aggressively pursued for use within FPE/S. There is a great need for infrastructure funding across the region, resulting in grant opportunities that are highly competitive and currently, have a low chance of award. As a result, the FPE/S infrastructure funding does not include any grant funding as part of the financial analysis. However, the City will continue to partner with the development community to pursue grants or other funding opportunities in the coming years to help offset the infrastructure costs needed to support development within FPE/S.

## Conclusion and Next Steps

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With exact timing and costs of infrastructure development still unknown, the FPE/S Funding Plan to be adopted by Council will rely primarily on existing policies and provide a menu of options for use, in partnership with developers, to fund framework infrastructure over time. As land use entitlements are pursued the City will partner with developer(s) to establish specific financing plans and agreements for the subject development(s) using the framework established in this Funding Plan.

## Attachments:

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Attachment 1: Technical Attachment

Attachment 2: Supporting Documentation for Technical Attachment