

RESOLUTION NO. 5-1998

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SETTING THE AMOUNT, STATING THE METHODOLOGY, AND ADOPTING A PROJECT PLAN FOR SYSTEM DEVELOPMENT CHARGES FOR TRANSPORTATION SERVICES.

WHEREAS, Milwaukie Municipal Code Section 13.28.040 authorizes the establishment and amendment of system development charges for the City by resolution; and

WHEREAS, Milwaukie Municipal Code Section 13.28.050 provides for the adopting by resolution of the methodology used to establish the system development charges; and

WHEREAS, pursuant to Milwaukie Municipal Code Section 13.28.080, the City Council has the authority to adopt and amend its system development charge project plan by resolution; and

WHEREAS, the City of Milwaukie finds it beneficial to update the transportation project plan to reflect current charges;

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. Pursuant to Section 13.28.080 of the Milwaukie Municipal Code, the City of Milwaukie hereby adopts the capital improvements listed in Exhibit A as the transportation SDC project plan.

Section 2. The methodology used for calculation of the transportation service system development charge, to consist only of an improvement fee as described in Exhibit B, is as follows:

A.	Allocable Future Facilities Costs (from Exhibit A)	
	Capacity Increasing Planned Improvements (City share)	\$3,971,948
	plus: Other Planned Improvements (City share)	<u>19,351,052</u>
	Total Cost of Planned Improvements (City share)	\$23,323,000
B.	Capacity Analysis	
	Existing Number of Daily Trips (1997)	138,294
	plus: Additional Trips Added with Improvements	<u>28,386</u>
	Total Daily Trips with Improvements (2015)	166,680
C.	Calculation of Improvement Fee	
	Capacity Increasing Planned Improvements (City share)	\$3,971,948
	divided by: Additional Trips Added with Improvements	<u>28,386</u>
	Improvement Fee (per daily trip)	\$ 140

Section 3. The charge shall be applied as follows:

A. Based upon the methodology set out in the above section, the total transportation service Base Unit Charge is \$140 and is composed of \$0.00 for reimbursement fee and \$140.00 for the improvement fee.

B. The System Development Charge, to be collected at the time of issuance of any permit listed in the City Code Section 13.28.090(A), shall equal the total number of estimated daily trips, as estimated in the Institute of Traffic Engineers' *Trip Generation, 5th Edition*, times the Base Unit Charge.

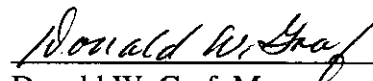
C. The applicable number of unit equivalents shall be determined in part by the following table:

Type of Use	Unit Equivalents (Daily Trips)
Single-Family Residential	9.55 per dwelling unit
Multifamily Residential	6.47 per dwelling unit
All Other Uses	As estimated in <i>Trip Generation, 5th Edition</i>

Section 4. The City Council determines that the charges imposed by this resolution are not a tax subject to the property tax limitations of Article XI, Section 11(b) of the Oregon Constitution.

Section 5. The charges established in this resolution shall be effective on April 3, 1998.

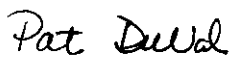
Introduced and adopted by the City Council of the City of Milwaukie, Oregon, on February 3, 1998.



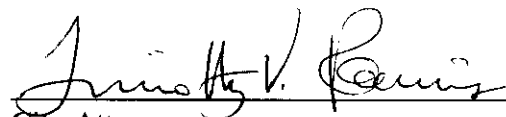
Donald W. Graf, Mayor

ATTEST:

APPROVED AS TO FORM:
O'DONNELL, RAMIS, CREW & CORRIGAN



Pat DuVal, City Recorder



City Attorney

EXHIBIT A
CITY OF MILWAUKIE TRANSPORTATION SDC PROJECT PLAN

I.D.	Priority	Project Name	Total Cost	City Share	City Cost	SDC-Eligible? (1=Y, 0=N)	Maximum Eligible City Cost	% to Growth	SDC Basis
1	1	Improve Intersection (37th & International)	\$700,000	100%	\$700,000	1	\$700,000	17.0%	\$119,211
8	2	Relocate Milwaukie Transit Station	1,000,000	25%	250,000	1	250,000	17.0%	42,575
11	2	Reconstruct 37th Avenue (Railroad-King)	191,000	100%	191,000	1	191,000	17.0%	32,528
15	3	Improve Intersection (Monroe & Linwood)	140,000	50%	70,000	1	70,000	17.0%	11,921
16	2	Improve Alignment (Monroe & 60th)	126,000	100%	126,000	1	126,000	17.0%	21,458
24	3	Reconstruct Edison (35th-ORE 224)	44,000	100%	44,000	1	44,000	17.0%	7,493
25	3	Reconstruct 42nd Ave (Monroe-Railroad)	164,000	100%	164,000	1	164,000	17.0%	27,929
315	2	21st St / Washington St. Intersection	100,000	100%	100,000	1	100,000	17.0%	17,030
340	2	Monroe St Bikeway (ORE 99E-Linwood)	324,000	100%	324,000	1	324,000	17.0%	55,178
342	2	Ochoco Street Bikeway	29,000	100%	29,000	1	29,000	17.0%	4,939
343	2	21st Avenue Bikeway	103,000	100%	103,000	1	103,000	17.0%	17,541
344	2	Washington Street Bikeway	179,500	100%	179,500	1	179,500	17.0%	30,569
345	2	Oak Street Bikeway	57,000	100%	57,000	1	57,000	17.0%	9,707
346	2	Jefferson Street Bikeway	17,000	100%	17,000	1	17,000	17.0%	2,895
347	2	Main Street Bikeway	31,000	100%	31,000	1	31,000	17.0%	5,279
348	2	Sparrow Street Bikeway	56,000	100%	56,000	1	56,000	17.0%	9,537
365	1	ORE 99E Access Control (7 lanes)	50,000,000	10%	5,000,000	1	5,000,000	17.0%	851,509
366	1	ORE 99E Access Control (north)	5,000,000	10%	500,000	1	500,000	17.0%	85,151
369	1	ORE 99E Downtown Improvements	3,800,000	10%	380,000	1	380,000	17.0%	64,715
389	3	Monroe Street @ 52nd Avenue	98,000	100%	98,000	1	98,000	17.0%	16,690
409	1	Johnson Creek Multi-modal (32nd & 43th)	2,594,000	25%	648,500	1	648,500	17.0%	110,441
410	1	Johnson Creek Multi-modal (45th & 82nd)	5,210,000	25%	1,302,500	1	1,302,500	17.0%	221,818
339	2	32nd Avenue Bikeway	308,000	100%	308,000	1	308,000	17.0%	52,453
335	1	37th Avenue Bikeway	113,000	100%	113,000	1	113,000	17.0%	19,244
337	1	42nd Avenue / 43rd Avenue Bikeway	266,000	100%	266,000	1	266,000	17.0%	45,300
357	1	42nd Avenue / JCB Signal	119,000	100%	119,000	1	119,000	17.0%	20,266
312	2	Main Street / Harrison Street Intersection	100,000	100%	100,000	1	100,000	17.0%	17,030
313	2	Harrison Street / 21st Avenue Intersection	100,000	100%	100,000	1	100,000	17.0%	17,030
334	1	Harrison Street Bikeway	390,000	100%	390,000	1	390,000	17.0%	66,418
358	1	ORE 99E / Harrison Street Intersection	1,500,000	25%	375,000	1	375,000	17.0%	63,863
359	1	Harrison Street / 42nd Avenue Signal	140,000	100%	140,000	1	140,000	17.0%	23,842
408	1	Harrison Street Reconstruction	1,950,000	100%	1,950,000	1	1,950,000	17.0%	332,088
322	2	King Road / 42nd Avenue Signal	140,000	100%	140,000	1	140,000	17.0%	23,842
360	1	King Road / 43rd Avenue Signal	140,000	100%	140,000	1	140,000	17.0%	23,842
361	1	King Road / Stanley Avenue Signal	150,000	100%	150,000	1	150,000	17.0%	25,545
407	1	Stanley Road Realignment @ King Rd.	970,000	100%	970,000	1	970,000	17.0%	165,193
332	1	Lake Road Bikeway (Outfield-City Limits)	444,000	100%	444,000	1	444,000	17.0%	75,814
364	1	Outfield Road / Lake Road Intersection	180,000	100%	180,000	1	180,000	17.0%	30,654
403	2	Reconstruct Lake Rd (Outfield-City Limits)	888,000	100%	888,000	1	888,000	17.0%	151,228
330	1	Linwood Avenue Bike (Harmony-JCB)	170,000	50%	85,000	1	85,000	17.0%	14,476
455	1	Oak Street / Monroe Street Signal	105,000	100%	105,000	1	105,000	17.0%	17,882
29	2	Reconstruct Railroad Ave (Harrison-Oak)	228,000	100%	228,000	1	228,000	17.0%	38,829
363	1	Linwood / Railroad / Harmony Intersection	6,860,000	25%	1,715,000	1	1,715,000	17.0%	292,067
388	3	Railroad Avenue @ 37th & Adams	98,000	100%	98,000	1	98,000	17.0%	16,690
400	1	Railroad Avenue Bikeway (37th-Linwood)	150,000	100%	150,000	1	150,000	17.0%	25,545
401	1	Reconstruct Railroad Ave (37th-Linwood)	750,000	100%	750,000	1	750,000	17.0%	127,726
336	1	River Road Bikeway	102,000	100%	102,000	1	102,000	17.0%	17,371
368	1	River Road / ORE 99E Intersection	450,000	25%	112,500	1	112,500	17.0%	19,159
17	2	Improve Vertical Alignment (Hill Street)	50,000	100%	50,000	1	50,000	17.0%	8,515
481	2	Monroe St Improvements (42nd-Linwood)	1,200,000	50%	600,000	1	600,000	17.0%	102,181
482	2	Stanley St Improvements (Railroad-King)	548,000	100%	548,000	1	548,000	17.0%	93,325
483	3	Home Ave Improvements (Railroad-King)	369,000	100%	369,000	1	369,000	17.0%	62,841
484	3	Logus Rd Improvements (43rd-Stanley)	336,000	100%	336,000	1	336,000	17.0%	57,221
485	3	Roswell St Improvements (32nd-42nd)	238,000	100%	238,000	1	238,000	17.0%	40,532
486	3	Olsen St Improvements (32nd-42nd)	236,000	100%	236,000	1	236,000	17.0%	40,191
487	3	Wood Ave Imprvments (Railroad-Monroe)	307,000	100%	307,000	1	307,000	17.0%	52,283
488	2	Main St Bikeway (Milport-Harrison)	71,500	100%	71,500	1	71,500	17.0%	12,177
489	2	19th St Bikeway (Eagle-Sparrow)	78,500	100%	78,500	1	78,500	17.0%	13,369
			\$90,208,500		\$23,323,000		\$23,323,000	17.0%	\$3,971,948

EXHIBIT B

City of Milwaukie Transportation SDCs

System Development Charges (SDCs) are authorized by State of Oregon Revised Statute (ORS) sections 223.297-314. The statute is specific in its definition of system development charges (SDCs), their application, and their accounting. In general, a system development charge is a one-time fee imposed on new development or expansion of existing development, and assessed at the time of development. It is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned capital facilities which serve or will serve the developing property.

Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements. The general approach taken in calculating these charges is the same for all services.

By definition, an SDC is one, the other, or both of the following two components:

- a *reimbursement fee*, designed to recover costs associated with capital improvements already constructed or under construction; and/or
- an *improvement fee*, designed to recover costs associated with capital improvements to be constructed.

The reimbursement fee calculation must at least consider:

- the cost of existing facilities;
- prior contributions by existing users;
- the value of unused capacity; and
- rate-making principles employed to finance publicly owned capital improvements.

The improvement fee calculation must consider the cost of projected, *planned*, capital improvements needed to increase the capacity of the systems to which the fee is related.

Reimbursement fee proceeds may be spent on direct capital costs or debt service related to the systems for which the SDC is assessed. This means that transportation SDCs may be spent on any transportation capital projects, not just capacity-increasing projects. Improvement fee proceeds may be spent only on direct capital costs or debt service related to planned capacity-increasing capital improvements.

SDC Calculation

In general, SDCs are calculated using the following methodology:

Reimbursement Fee		Improvement Fee		System Development Charge
Eligible cost of available capacity in existing facilities <hr style="width: 50%; margin: 0 auto;"/>	+	Eligible cost of planned capacity-increasing facilities <hr style="width: 50%; margin: 0 auto;"/>	=	\$ per unit of capacity
Growth in system capacity		Growth in system capacity		

Unfortunately, the City of Milwaukie has no basis for charging a transportation reimbursement fee. The existing street infrastructure has been paid for almost entirely from tax receipts, franchise fees¹, and outside assistance (county and state). The owner of a developing property may have already paid for a full share of the existing system through those general sources. Therefore, reimbursement fees are not calculated in this analysis. The calculation of the recommended improvement fee is summarized below.

1. Capacity Basis

The capacity basis (denominator) for the improvement fee, and the resulting system development charge, is determined as follows. The City of Milwaukie Transportation System Plan estimated the number of "pm peak hour" trips (1990) in the City to be 12,923. The Plan further projects pm peak hour trips to be 16,668 in the year 2015, assumed to be full buildout. Current (1997) trips were estimated by applying the growth rate(s) implicit in the Plan to the 1990 trip estimates. The resulting estimate for pm peak hour trips (1997) is 13,829. The difference between current pm peak hour trips and pm peak hour trips in 2015, 2,839 pm peak hour trips, converted to daily trips by multiplying by "10"², is the estimated growth yet to occur in the City, or 28,386 daily trips. This will serve as the denominator in the improvement fee calculation. Under this approach, 17% of buildout (28,386/166,680) is yet to occur.

2. Cost Basis

The allocable cost, or cost basis, of planned facilities for the improvement fee is determined as follows. Again, only the costs of those planned projects, or portions of planned projects, which increase capacity may be included in the calculation of the improvement fee.

- First, using the Transportation System Plan as a basis, City staff estimated the City cost share of planned projects that increase capacity.³ This step yielded a cost estimate of \$23,323,000.
- Next the capacity-increasing portion of each project, which will serve growth, is estimated by applying the percent left to buildout (17%). Implicit in this approach is the assumption that all projects are equally needed for existing and future uses. Because many of the projects listed would not be constructed were it not for growth, this is a conservative, but reasonable, approach. The alternative would be to perform a project-by-project engineering analysis to determine the share of each project allocable to growth.

Using this methodology, the estimated improvement fee cost basis is \$3,971,948.

3. SDC Calculation/Application

The improvement fee is calculated in the following manner. The allocable cost of Citywide planned capacity-increasing infrastructure (\$3,971,948) is divided by customer base growth in daily trips (28,386 trips). The resulting improvement fee and SDC is \$140 per daily trip.

Trip Generation, 5th Edition, written by the Institute of Traffic Engineers, is used to determine estimated daily trips on a square footage or other applicable basis. Under this approach, a single-family residence, with an estimated trip generation factor of 9.55, would pay an SDC of \$1,336.

¹ City of Milwaukie Comprehensive Annual Financial Report, June 30, 1996, page 26.

² Per DKS Associates

³ Individual projects and project allocation bases are included in Exhibit A.