



**City Council Work Session
May 2, 2017 - 6:00 PM
Public Safety Building 401 East Third Street**

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
- III. REVIEW OF THE COUNCIL AGENDA AND MEETING**
- IV. COUNCIL BUSINESS ITEMS**
- V. YAMHILL COUNTY TRANSIT AUTHORITY PRESENTATION**
- VI. ADJOURNMENT**

PUBLIC COMMENT

WORK SESSIONS ARE INTENDED FOR DISCUSSION. NO ACTION WILL BE TAKEN ON THE AGENDA ITEMS AND NO DECISIONS WILL BE MADE. NO ORAL OR WRITTEN TESTIMONY WILL BE HEARD OR RECEIVED FROM THE PUBLIC.



**City Council Business Session
May 2, 2017 - 7:00 PM
Public Safety Building 401 East Third Street**

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PRESENTATIONS

V. CITY MANAGER'S REPORT

VI. PUBLIC COMMENTS

(30 minutes maximum which may be extended at the mayor's discretion; an opportunity to speak for not more than five (5) minutes per speaker allowed)

VII. CONSENT CALENDAR

VII.a. Council Minutes

[RCA Council Minutes](#)

VIII. PUBLIC HEARINGS

VIII.a. Ordinance 2016-2811, Transportation Utility Fee

[Ord. 2016-2811 Transportation Utility Fee.pdf](#)

[Transportation Utility Fee Presentation.pdf](#)

VIII.b. A Resolution to approve the Transportation System Development Charge Methodology and increase the charge

[Res Transportation SDC.pdf](#)

IX. NEW BUSINESS

IX.a. Resolution 2017-3366: McCaw partition recommendation to Yamhill County

[RCA Resolution 2017-3366 McCaw Partition](#)

X. COUNCIL BUSINESS

XI. ADJOURNMENT

COMMENTS

Council accepts comments on agenda items during the meeting. Fill out a form identifying the item you wish to speak on prior to the agenda item beginning and turn it into the City Recorder. Speakers who wish the Council to consider written material are encouraged to submit written information in writing by 12:00 p.m. (noon) the day of the meeting.

ADA STATEMENT

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than two business days prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please dial 711.

ORDER

The Mayor reserves the right to change the order of items to be considered by the Council at their meeting. No new items will be heard after 11:00 p.m., unless approved by the Council.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2017

Order ____ No.	Ordinance ____ No.	Resolution ____ No.	Motion <u>XX</u>	Information ____
-------------------	-----------------------	------------------------	------------------	------------------

SUBJECT: Minutes

Contact Person (Preparer) for this
Motion: Sue Ryan, City Recorder
Dept.: Administration

RECOMMENDATION:

Approve City Council minutes from March 27th, and April 3rd, 2017.

NEWBERG CITY COUNCIL MINUTES
STUDY SESSION
March 27, 2017, 6:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

A study session was held at 6:00 p.m. Present were Mayor Bob Andrews, Councilors Hayley Delle, Scott Essin, Patrick Johnson, Denise Bacon, and Stephen McKinney. Councilor Mike Corey was absent. Also present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan, Finance Director Matt Zook, Human Resources Director Anna Lee, Information Technology Director Dave Brooks and Senior Accountant Daniel Keuler.

Also present were staff from Tualatin Valley Fire & Rescue including Division Chief Les Hallman, Public Information Officer Stefan Myers, and Division Chief Brian Sherrard.

Mayor Andrews called the meeting to order at 6:00 p.m.

PRESENTATION OF INFORMATION:

Division Chief Hallman presented how the City could proceed with annexing into the Tualatin Valley Fire and Rescue District for Fire and EMS services. Before contracting with TVF&R, the City had been facing limited staffing and a rising call volume that placed the City's fire and EMS services under a tremendous strain. The City had not been able to increase funding for such services since 2006, but there had been an increase in call volume of up to 40 percent. The delivery model included utilizing a combination of both career and volunteer firefighters, and it relied on volunteers to staff two fire engines overnight, which had become increasingly difficult to achieve. There was a nationwide shortage of volunteer firefighters and this led to them having a single engine with two firefighters on duty overnight, which was below the national industry standard for staffing a city of this size. The increasing call volume with limited staffing placed a serious strain on the career firefighters. Because of lack of funds, there did not appear to be any sign of relief. As the former Fire Chief for Newberg, his concerns increased about the safety of the community and firefighters. After contracting with TVF&R, the staffing and services were being provided at the proper level.

Division Chief Sherrard said the TVF&R and Newberg city contract began July 1, 2016. They had increased staffing to a three-person engine and truck company at two stations and two person medic units that responded out of each station. Starting in June 2017, the staffing would be four people on the engine and four people on the truck. There was a battalion chief that was on duty 24 hours a day, 7 days a week. Minimum staffing levels had been established for the water rescue team. Significant upgrades had been made at both stations on communications and infrastructure as well as adding two newer medic units to the system and a newer truck company. One of the biggest assets was TVF&R's depth of resources that were available. There were also more opportunities for training provided through TVF&R. They intended to continue the traditions of events and community-related services important to the City. The insurance service office (ISO) rating in the City was a 3, and an 8, 9, or 10 outside of the City. Should the annexation go through, Newberg would assume the ratings of TVF&R which was a 2 in the urban core and a 3 outside of the cities. The insurance companies that used ISO to set fire insurance rates could give a reduction in people's fire insurance premiums.

Division Chief Hallman said under the terms of the current contract that by July 1 a decision had to be made about moving forward with a permanent agreement. When the contract was originally set up, no in-depth study was done about how this would be achieved. It was thought that it would require a ballot measure and vote. Since that time, it was found out that they actually needed a decision by the Newberg City Council and not an election.

City Attorney Stone discussed a document he prepared about Frequently Asked Questions about the annexation of a City into a Special District (Exhibit A). He referred to ORS 198.866 and how it applied to this process. He said the City Council would approve a resolution, which would then go before the Fire District Board that would have the requirement to conduct an election unless there was an exemption. One exemption applicable to the City was if the population of the city was less than 20 percent of the population of the district. Newberg was at 5% of the district population and no election was required. This referred to the City annexing into the district but not the Newberg Rural Fire Protection District annexing in as they would be governed by a different statute.

Public Information Officer Myers said TVF&R was ready to do a public campaign to inform the Council's decision. This process would allow the community to have input about the level of service they preferred and the future of fire and EMS services in the community. Consultants from Campbell and Delong would be doing the work. Their objective was to

inform but not influence the decision through research. He shared his experience in community outreach to become acquainted with citizens and new programs the district had been offering to engage the community. He had worked with former volunteers and community groups to educate them about the district. The TVF&R campaign would include focus groups, a public attitude survey, direct mailings, and town halls.

John Campbell and Martha DeLong, Campbell DeLong Resources, introduced themselves. Mr. Campbell explained how they would provide research-based information for the district and City officials. Their experience included research and surveys in private and public sectors. They would meet with staff and learn about issues and dynamics to be informed about decisions, tradeoffs, and options. Step 1 would start with focus groups. He explained the technicalities of designing their survey instruments. Ms. DeLong said the focus groups would be comprised from a cross section of community members with two groups in different Newberg. She explained how the groups would work, and how they would document their responses so the City could review their experiences. There would also be a phone survey to represent low-income and Hispanic populations. She explained their sampling approach, criteria and questions. After data was collected, it would be processed by responses from different groups, such as age or gender, to see how they were similar and different. A complete report would be presented to Council.

There was discussion on where else the surveyors had worked, both sides of the issue and how long the focus groups would take. Chief Hallman said a lot of work needed to be done to meet the July 1 deadline of the contract. TVF&R was ready to do the research. They wanted feedback from the City for designing the survey instruments.

There was discussion that neither of the two Newberg fire stations would be closed, and the cost of service and rates. The TVF&R district has the same tax rate for all communities at \$2.08 going into the 2017-18 fiscal year. There was discussion about compression and how TVF&R worked with other entities on these issues. There was discussion on the timeline and why both the City and TVF&R were obligated to make a decision on moving toward annexation by July 1, 2017.

Councilor Essin was concerned the tax rate was higher than what citizens paid now. He wanted to ensure the same level of service. If the community did not want to annex, what would be the cost of the City running the fire service? Chief Hallman said the contract cost the City the same as before. TVF&R immediately increased staff and it would have taken the City 10 to 15 years to reach that level of service. In June, the staffing would increase again.

Finance Director Zook said staff analyzed the past two fiscal years. He referred to the taxable rate analysis in front of them (Exhibit B). In FY 15-16 the total net cost was \$1.81, an average cost of \$3.40 per average assessed value. He explained how those numbers were calculated. In FY 16-17 which showed the contract payment to TVF&R, the net cost was \$1.90 or \$3.97 of average assessed value. The permanent tax rate for Newberg was \$4.38 per 1,000 which levied \$7,435,000 in FY 15-16 and \$7,800,000 in FY 16-17. If the City was to reduce the tax rate for the cost of the fire rate, it would be \$4,300,000 or a tax rate of \$2.57 per 1,000. The TVF&R rate was \$2.10 for FY 15-16 and \$2.09 for FY 16-17. The combined rate was \$4.68. If they subtracted the Newberg permanent tax rate of \$4.38 from the TVF&R rate, the net difference would be 29 cents per thousand for FY 15-16 and for FY 16-17 it would be 19 cents per thousand.

City Manager Hannan said this explanation of providing fire service showed the actual cost in property taxes. The Council decided the tax annually. The City had partnered with the Newberg Rural Fire Protection District and the money they gave the City for service was given to TVF&R. If the Rural District chose to dissolve, the area would become part of TVF&R. If the Rural District chose to continue, they would have to look at other options to provide service. There was discussion on the cost for an average house being \$42 more per year to annex into the district.

Councilor McKinney said people wanted to know how much more the annexation would cost and what services they would receive for their money. The cost was \$42 more per household per year for TVF&R service but for the City to keep up the service, it would cost millions of dollars in personnel and equipment. The tax rate for TVF&R was made up of a permanent rate, like the City, and a bond rate. As the bonds went down, the price went down. The highest rate was \$2.10, and that was likely to go down as new assessed value came up. The \$42 was if the City reduced the rate from \$4.38 to \$2.48.

Chief Hallman explained typically the ownership of the fire station and assets would be assumed by TVF&R, but it would be negotiated after the annexation. CA Stone said the details would be worked out for the contract and the Council would have a role in deciding the negotiations.

There was discussion on the city's property where the Fire Stations were located, and concerns about turning over the Fire Stations to the district. There was additional discussion on future negotiations. CA Stone explained the state mechanism and process for the City to annex into the TVF&R district. An election was not required and citizens could not force a vote. The City could do an advisory vote, however the cost would be around \$50,000. The Newberg Rural Fire District had their own choice to make about contracting with TVF&R.

Mayor Andrews asked how critical the deadline was to meet. Chief Hallman explained the deadline of July 1 was for the City to say yes or no that they wanted to have a permanent relationship with TVF&R. Mayor Andrews asked if there was any reason for them to not to proceed with canvassing the community. There were no objections from the Council.

There was discussion on the importance of knowing the impact of how much it would be now compared to how much in the future if the City annexed, the budgetary impact to the City of reducing the tax rate from \$2.10 to \$1.90, the process for changing the tax assessment or the rate and the process for raising the tax rate back up without a vote, and the timelines for getting an advisory vote onto the November 2017 election and the benefits of holding such a vote.

ADJOURNMENT: The meeting was adjourned at 8:00 p.m.

ADOPTED by the Newberg City Council this 17th day of April, 2017.

Sue Ryan, City Recorder

ATTESTED by the Mayor this ____ day of April, 2017.

Bob Andrews, Mayor

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
April 3, 2017, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

A work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Councilors Hayley Delle, Scott Essin, Mike Corey, Patrick Johnson, and Stephen McKinney. Councilor Bacon was absent. Also present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan, Public Works Director Jay Harris, Community Development Director Doug Rux, Finance Director Matt Zook, Information Technology Director Dave Brooks, Police Chief Brian Casey, Library Director Leah Griffith, and Human Resources Director Anna Lee.

Finance Director Zook said the utility billing system review consultant was on board and working with staff. Part of their work included the Transportation Utility Fee, budget billing, and looking at how revenues were processed. The Pension Subcommittee met and had made a recommendation to Council. Staff was working on the 2017-18 budget. Court operations were continuing to run smoothly.

Police Chief Casey said since January 1, the department responded to 6,226 calls, arrested 247 adults, issued 846 citations, and 1,180 warnings. The new canine, Hammer, was in training. The Police Foundation had received \$26,000 in donations for safety equipment.

Library Director Griffith said a new Latino Services Librarian and new Administrative Assistant had begun work at the Library. The collection was almost done being transitioned to the radio-frequency ID. She hoped to have 19 new computers to replace older ones. Summer activities and programs were being planned. The Library Foundation was moving forward with fundraising plans. There would be one opening on the Library Board.

Information Technology Director Brooks said staff had been working on the new projectors and screens for the Council Chambers, expansion of the back-up system, e-mail upgrade, and new access control system. They were closing an average of 426 work orders per month. The City was receiving an average of 13,000 e-mails per day and 82% of them were being blocked. This was due to phishing attacks.

Human Resources Director Lee said all job descriptions had been updated and would be put on the City's website. The current salary scales and union agreements would also be updated. Public Safety Union negotiations were going well. The new staff orientation and training process was being updated. She would also be having meetings and working with the Finance Department regarding the Springbrook Software System and utilizing the HR module. She was continuing to train employees and was tracking new legislation that might make changes to the City.

Public Works Director Harris said staff had been flushing water lines, and working on Well #9. He thought the water system was in good shape and could meet peak capacity. He was applying for a grant for the Chehalem water line extension. The seismic project and hydraulic mixing on the reservoirs had been done. The main street sweeper was repaired recently and they were three years out from investing in a new sweeper. The Villa Road street improvement project was 80% designed. They were acquiring right-of-way for Villa Road. Pot holes were being patched. The Blaine Street storm drain project was out to bid. The I & I project for the spring would be in the Springbrook Basin. Compost sales were starting to increase. Councilor Corey asked if any roads would receive a pavement overlay. PWSD Harris said 5th street would, and it would be included the budget.

Community Development Director Rux said the new Associate Planner had started. The Building Division did 4,092 inspections from July to February. Single family permits from July to March was 82. The City received a grant for funds to do an inventory and survey of the Cameo Theatre. Historic Preservation Commission

approved the Recipe Restaurant remodel and Cultural Center patio. The Affordable Housing Commission solicited applications for the manufactured home repair maintenance. A \$400,000 grant was received from Business Oregon. Portland Community College representatives toured Yamhill County. The TLT ad hoc committee had met a couple of times. There were two annexation applications in review. The buildable lands inventory and study area report had been submitted. He explained the subdivision, partition, and design review applications that had been received and were being reviewed and two cell phone tower applications along with many other projects.

Councilor Essin reported on the Yamhill County Watershed Board meeting. There were no drought conditions in Oregon, but there was a shortage of water storage for the summer as the area was low on reservoirs. A feasibility study would determine whether there should be modifications to the allocation of Willamette Valley reservoirs to better serve the basin. They also discussed legislative issues and funding needs. The City was applying for a grant for \$250,000 for water line extensions around Highway 240.

The Work Session adjourned at 6:50 p.m.

CALL MEETING TO ORDER

The Mayor called the business session to order at 7:00 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Scott Essin	Stephen McKinney
	Hayley Delle	Mike Corey	Patrick Johnson

Members Absent: Denise Bacon

Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney
	Sue Ryan, City Recorder	Doug Rux, Community Development Director
	Kaaren Hofmann, City Engineer	

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PROCLAMATIONS:

Peace Pole proclamation: Mayor Andrews read the proclamation recognizing and supporting the placing of peace poles throughout the Newberg community as a way to bring together people of all faiths, backgrounds, and cultures to embrace the oneness of our planetary family. He presented the proclamation to Mike Caruso from Rotary International who had brought a peace pole to show the Council.

National Library Week proclamation: Mayor Andrews read the proclamation recognizing April 9-15, 2017, as National Library Week.

National Public Safety Telecommunicators Week proclamation: Mayor Andrews read the proclamation declaring April 9-15, 2017, as National Public Safety Telecommunicators Week.

Arbor Week proclamation: Mayor Andrews read the proclamation declaring the week of April 2-8, 2017, as Arbor Week.

CITY MANAGER'S REPORT: City Manager Hannan reported on current activities across the City including budget preparation, Mountain View Middle School design presentations, meeting with the Newberg Police Foundation about their next steps, attended VFW pancake breakfast for veterans, attended Downtown Coalition board and Economic Development working group meeting, and meeting with the Dale family on a grant application for proposed transfer of airport rights.

PRESENTATIONS: Council Priorities: CM Hannan said the Council met to look at priorities that had been set last year and choose ones for this year. He listed the priorities and costs associated with them including implementing the plans for repairing our roads and Transportation Utility Fee, repairing and replacing sidewalks, UGB expansion, creating affordable housing options, development of a Riverfront Master Plan, implementing an emergency preparedness program, considering an Urban Renewal District in the City, Downtown/99W issues, implementing SharePoint, creating a City-wide trail system, transit system issues, employee retirement system challenges, TVF&R annexation, and improving communication with the public. Councilor Essin suggested the Council hold another meeting on these priorities to go over all of the information.

Councilor McKinney asked of the 450 acres in the Riverfront Master Plan, how much was not annexed at this time. CDD Rux said about 150 acres. The largest unannexed property was the West Rock Mill site. They would be discussing the annexation of the property for redevelopment purposes. Due to new legislation, the Council could approve annexations without having to go a vote as long as it met certain parameters.

PUBLIC COMMENTS:

Robert Soppe, Newberg resident, spoke about the 2007 and 2009 Wastewater Master Plans. He had concerns about sewer capacity on Springbrook since the overflow had occurred. There were significant differences between the 2007 and 2009 plans for that sewer line. The 2007 plan had it operating at 93% capacity during peak flows. The 2009 plan showed it as operating at 67% capacity. This was attributed to a difference in pump station flow, but he did not find data to support that and it was difficult to see why it was changed. He thought the new Highway 240 pump station would have no effect on the Springbrook line. He looked back at the Council agendas and minutes in 2009 when the plan was approved, but he did not find any mention of the plan. It appeared that the 2009 plan had not been adopted. These technical issues could be cleared up if the City was to go back to Brown and Caldwell who were the consultants who did the work. The Crestview Crossing development planned to use the Springbrook sewer line, and if it was at 93% capacity ten years ago it would be a problem to add this new development. He suggested finding out the technical reasons for the significant change to the sewer line capacity between the 2007 and 2009 plans, positively identify whether or not the 2009 plan was adopted, and if the 2009 plan was not in effect, identify and resolve the legal and technical issues that this raised. He requested feedback on these items as they were pursued.

Roger P. Grahn, Newberg resident, spoke about affordable housing. He referred to a handout of the preliminary estimate of costs of his proposal (Exhibit A) given to the Council. He was proposing a 60 unit project on Wyooski. It would cost half a million dollars more to build it than it was worth. The majority of the costs could not be changed, however his money and the City's could be altered. The permission to build costs were one seventh of the total value of the project. No bank would fund such a project. He thought this was a City problem. If they wanted affordable housing, something needed to be done. Councilor Essin asked what the City could do. Mr. Grahn said the City costs needed to be reduced and they needed to allow the fees to be paid over a period of time instead of up front.

///

CONSENT CALENDAR:

MOTION: Corey/Johnson moved to approve the Consent Calendar including Resolution 2017-3364, A Resolution to enter into a Professional Services Agreement with Kittelson & Associates, Inc. to provide engineering, financial, and community outreach services for the integration of the City's pavement system maintenance and funding master plan in the amount of \$53,228.81; appointment of Robert F. Blackmore and Innova Legal Advisors PC, as Special Legal Counsel to the City of Newberg and authorizing the same to pursue the City's legal remedies and damages against Metro West Ambulance Service, Inc. for violation of the Newberg Ambulance Service Area provisions, and authorizing the City Attorney to execute the documents necessary to accomplish the same; to approve the mediated settlement agreement reached between the City and the Newman Living Trust for payment in the amount of \$35,000; and to approve Council Minutes for February 21, March 4 and 6, 2017. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

NEW BUSINESS:

Resolution 2017-3365

CDD Rux said this proposal was based on a request from the Hoover-Minthorn House Museum to either reduce or waive fees related to a foundation permit. A new foundation needed to be put under the museum. Council had reduced fees in the past, one for the Cultural Center building and planning fees and one for the CPRD Pool where the fees were reduced to the 2015 fee schedule. These fees provided a small percentage of revenue to various City funds.

There was discussion on whether the requestors would qualify for tourism money. CDD Rux said the Hoover-Minthorn House Museum did recently receive a small tourism grant award of \$1,400 for signs. CM Hannan recommended not waiving this as it was an outstanding facility in town. There was a large tourism grant that could be used for other improvements on this site that were more related to tourism. City Attorney Truman Stone discussed the definition of tourism related facility and he thought a museum would qualify.

Councilor Essin suggested coming up with a policy that dealt with these kinds of requests. Mayor Andrews thought they should deny waiving the fees, and instead award a \$1,000 grant from the Economic Development Revolving Loan Fund. CDD Rux gave details about the loan fund that was supposed to be used for commercial and industrial development and the two applicants that had used the fund. In the current fiscal year there was \$200,000 in the fund and there had been no applicants. The fund would be reviewed in the next fiscal year to see if it needed to be changed. Councilors Corey and McKinney thought the Mayor's suggestion was a good option.

MOTION: Andrews/Essin moved to approve Resolution 2017-3365, A Resolution denying a reduction or waiver for Building Division plan review, structural, and technology fees; Community Development fee; and City Hall facility fee for a foundation permit for the Hoover-Minthorn House Museum at 115 S. River Street but extend a grant of \$1,000 from the Economic Development Revolving Loan Fund. Motion carried (6 Yes/ 0 No/1 Absent [Bacon]).

COUNCIL BUSINESS: Mayor Andrews said there would be a Town Hall in McMinnville on Thursday. He announced the Camellia Festival activities that would be happening this weekend. The Parkway Committee had been invited to meet with ODOT to discuss the next phase of the Bypass.

///

ADJOURNMENT: The meeting was adjourned at 8:20 p.m.

ADOPTED by the Newberg City Council this 1st day of May, 2017.

Sue Ryan, City Recorder

ATTESTED by the Mayor this ____ day of May, 2017.

Bob Andrews, Mayor

DRAFT

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2017

Order ___ Ordinance XX Resolution ___ Motion ___ Information ___
No. No. 2016-2811 No.

**SUBJECT: An Ordinance Amending Newberg
Municipal Code Title 3 To Add A New Chapter
Adopting A Transportation Utility Fee**

Contact Person (Preparer) for this
Motion: James (Jay) O. Harris, Public Works
Director
Dept.: Public Works
File No.:

HEARING TYPE: ☒ LEGISLATIVE ☐ QUASI-JUDICIAL ☐ NOT APPLICABLE

RECOMMENDATION:

Adopt Ordinance No. 2016-2811 amending Title 3 of the Newberg Municipal Code, adding a new chapter establishing a transportation utility fee to supplement other revenue to maintain and replace pavement surfaces city-wide.

EXECUTIVE SUMMARY:

The citizens of Newberg rely and expect a safe dependable transportation network. The current system is getting older and more expensive to maintain, preserve and replace. The roads are showing significant signs of distress and the current funding sources are not keeping up with the need. For the last couple of years, the City has been evaluating additional revenue options to close the funding gap. It has been determined that to maintain our current pavement conditions city-wide approximately \$2.5 million in funding is needed each year. Approximately \$0.6 million is currently available, leaving a gap/shortfall of \$1.9 million. The funding gap is too large to be generated from one source. The proposed funding sources to close the gap is \$1.2 million generated from a transportation utility fee (TUF) and potentially \$0.7 million generated from another source. This Request for Council Action and the attached ordinance evaluates the TUF portion of the proposed new funding.

Staff first presented the Ordinance to Council on December 5, 2016. At that meeting the City Council listened to public testimony, and changes were incorporated into the revised Ordinance language. The Ordinance was presented to Council a second time at the January 3, 2017, Council meeting. At that meeting Council requested that items such as the maximum fee cap and fee waiver policies were taken back to the Ad-Hoc Committee for review and consideration. The Ad-Hoc Committee met on February 8, 2017, March 2, 2017, and April 18, 2017, to discuss provisions in the Ordinance. A copy of the February 8th, and March 2nd, Ad-Hoc Committee meeting notes is included as Attachment A. The April 18th Ad-Hoc committee meeting was held to improve the public notice of the committee meetings (the meeting notice and agenda was posted on the City website). The recommendation from the committee shown in Attachment A was not modified at the April 18th meeting.

Revisions to the January 3rd Ordinance were completed by staff which follow the recommendations from the Ad-Hoc Committee, as described below.

ORDINANCE MODIFICATIONS:

The Ad-Hoc Committee reviewed the January 3rd Ordinance and provided their input for refinement of the Ordinance (refer to Attachment A), as summarized on the next page:

1. Funding: \$2.5 million total, \$0.6 million existing, \$1.2 million Transportation Utility Fee (TUF), \$0.7 million other future funding source.

No change proposed, keep the targeted revenue for the TUF at \$1.2 million.

2. Maximum Fee Cap: What is the appropriate maximum monthly fee cap amount, \$600, or lower/higher?

Use	Bill with Cap	Bill without Cap
GFU Main Campus	\$600	\$3,300
NSD – High School	\$600	\$1,326
NSD – Middle School	\$600	\$974
NSD – Elementary School	\$600	\$1,045
Providence Hospital	\$600	\$1,175
Cultural Center	\$600	\$751

The Ad-Hoc Committee recommended that the maximum fee cap section be removed from the Ordinance. Staff removed Section 3.45.080.F, Fee Maximum from the proposed Ordinance.

3. Funding Allocation: Should the TUF increase for residential properties to subsidize non-residential uses (i.e.: 35% residential share or 50% residential share)?

Council consensus at the December 5, 2016, hearing was to keep the funding allocation at the 35% residential share. The Ad-Hoc Committee agrees with Council. This rate schedule is attached as Exhibit B to the Ordinance.

4. Prioritization of Improvements:
 - a. A maximum of 70% of revenue is proposed to be allocated to preservation of the good to fair streets, and a minimum of 30% to reconstruct the poor to very poor streets. Should different funding percentages be considered?
 - b. The pavement condition model prioritizes pavement and preservation and replacement projects based on traffic volumes. Is selecting the maintenance prioritization of higher volume streets first acceptable?

The consensus of the Council was to maintain the split of 70% good to fair streets and 30% to poor streets. The Ad-Hoc Committee agrees with Council. Refer to Section 3.45.060, Prioritization of Improvements in the Ordinance.

5. Fee Waivers: Council requested at the November 7, 2016 meeting, information adding low income waivers to the proposed Ordinance. Staff found the other communities include other types of waivers, such as vacancy, unemployment, and motor vehicle discounts, and added the fee waivers to the original (December, 2016) Ordinance. The Ad-Hoc Committee reviewed the fee waiver section in the Ordinance and found the provisions to be acceptable.

The Council expressed some concern about the definition of vacancy at the December 5, 2016 hearing. The definition of “vacancy” was modified in Exhibit A to allow for seasonal vacancies in buildings/units. The Ad-Hoc Committee reviewed the fee waiver provisions and found them to be acceptable. Refer to Section 3.45.130, Waiver of Fees, in the Ordinance.

6. Funding Model: Exhibit B, the monthly rate schedule, shows the four residential and six non-residential rate classes. The “variable within fee class” model was originally chosen by the Ad-Hoc Committee last 13

year over other models such as a flat fee or trip generation model. The Exhibit B table was generated from a financial model prepared by the consultant team, which included the assumptions outlined in the Ordinance language for all of the developed uses in the City. In the recent Ad-Hoc Committee meetings, the subject of the “variable within fee class model” methodology was revised and the group recommended the grouping of the classes in Exhibit B.

The use of the variable within fee class model was recommended a second time by the Ad-Hoc Committee. No change was made to the Ordinance.

7. Heavy Vehicle Clause: The Ad-Hoc Committee discussed the topic of heavy vehicles and the impact of the weight on the city streets.

The Ad-Hoc Committee recommends that a construction impact and/or a loading dock fee be discussed at a later date separate from this Ordinance.

8. Combining Non-Profits: The Ad-Hoc Committee discussed the topic of combining properties for the school district, CPRD, and the City to lower the impact of the transportation utility fee on the governmental non-profits. It was found that the fee reduction would be minimal for CPRD and the City, but combining school district properties into one group for elementary, middle, and high schools would reduce the school district monthly fee by approximately 50% when utilizing a maximum fee cap of \$600 (a total fee of \$1800 per month or \$21,600 per year). The maximum fee caps were removed from the Ordinance, staff reduced the trip rate by each type of school by 50% to reduce the monthly fee. Results are shown below:

ITE #	Description	Quantity	Units	Rate/Unit	Full Cost (Month)	Adj. Cost (Month)
520	Elementary Schools	1,854	Student	\$0.72	\$1,334	\$667
522	Middle Schools	1,173	Student	\$0.90	\$1,056	\$528
530	High School	1,635	Student	\$0.96	<u>\$1,570</u>	<u>\$785</u>
Total/month=					\$3,960	\$1,980
Total/year=					\$47,520	\$23,760

The Ad-Hoc Committee recommends a reduction of the TUF paid by the Public School District only. Section 3.45.100.10 was added to the Ordinance which reduces the trip rate per student by 50%, which in turn reduces their total yearly cost for all of the public schools to approximately \$23,760.00.

Council is invited to review the information presented in this Ordinance and express their opinion on the items listed above. Council could consider the adoption of this Ordinance using/modifying the information presented, or request staff to research additional items and return at a later date to continue the discussion.

BACKGROUND AND HISTORY:

Discussions to adequately fund the pavement maintenance projects have been ongoing for the last decade. In 2002, city staff estimated that the pavement maintenance program needed \$850,000 in yearly funding, with a \$350,000 per year funding shortfall. A TUF ordinance was proposed in 2002, but the work was put on hold to focus on the adoption of a city-wide storm water fee. In 2006, city staff estimated that the funding shortfall/gap had grown to approximately \$700,000 yearly.

In April of 2013, staff continued the discussion with Council regarding the state of our street system. Resolution 14

No.2013-3090 in October of 2013, approved the consultant contract for Pavement Services Inc. to complete a city-wide pavement condition evaluation and to prioritize the street maintenance projects. Over an 8-month period, the consultant walked all of the city streets, evaluating the condition and ride quality of the pavement surfaces, and subsequently entered the data into modeling software. The modeling software calculated the pavement condition index (PCI) for each street segment. A PCI value of 0 was assigned by the software to gravel roads, whereas new pavement was assigned 100. Examples of each type of surface and the corresponding PCI are shown below.

Pavement Condition Index Examples:



In July of 2014, Council adopted Resolution No. 2014-3156, the final Pavement Management System Implementation Report by Pavement Services Inc. The report indicated that the City of Newberg's overall city-wide pavement condition index (PCI) was approximately 73 of 100, with a backlog of street repair projects of about \$14.3 million dollars. Four budget scenarios were identified in the 2014 report:

- A. Eliminate the project backlog by spending \$2.8 million a year over a 7 year period.
- B. Maintain the current \$150,000 per year funding level. The project backlog is proposed to increase to \$21.0 million by 2022.
- C. Increase the annual funding to \$486,000. The project backlog will grow to \$17.9 million by 2022.

D. Maintain the existing overall city-wide PCI of 73, which requires an annual budget of \$1.87 million.

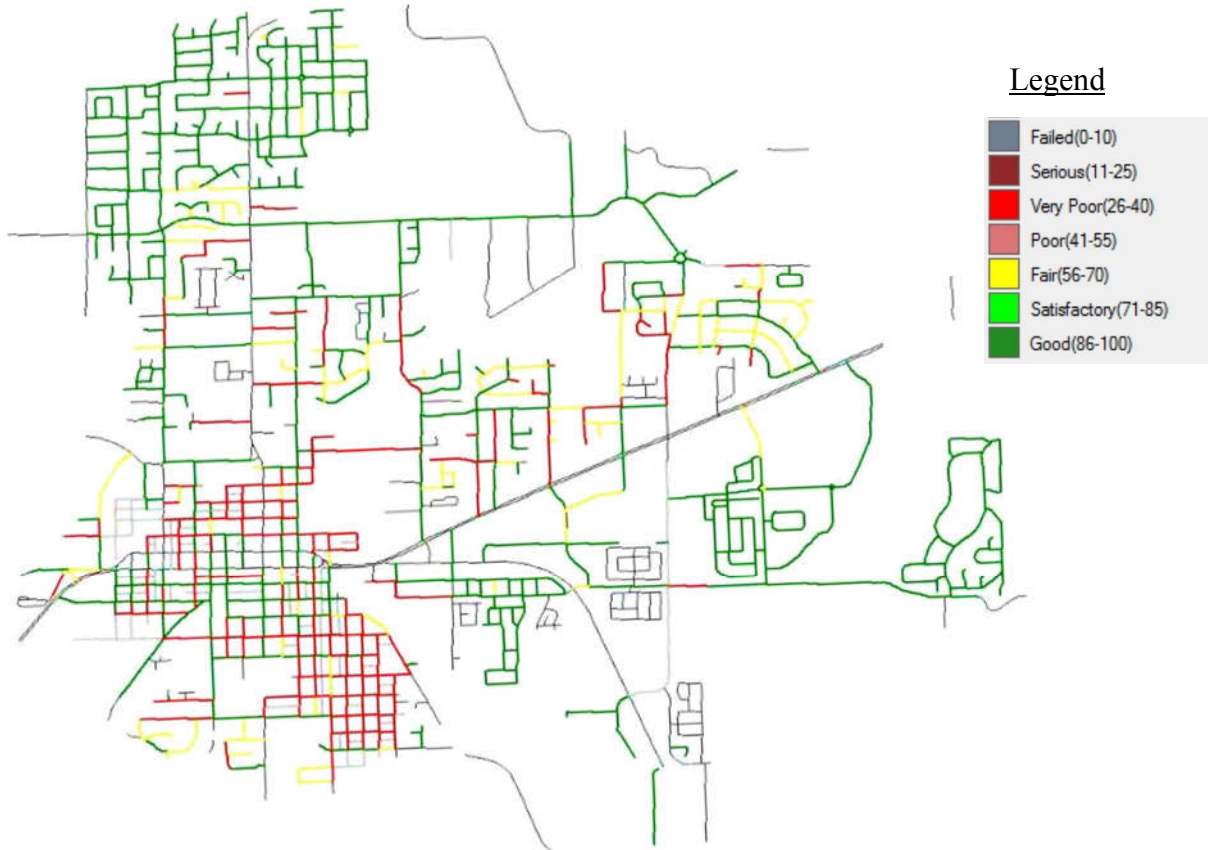
At the September 21, 2015 City Council work session a report was provided that outlined the various pavement maintenance and rehabilitation techniques, and a review of the 2014 Pavement Management System Implementation Report. After Council discussion, direction was to prepare a report on the potential funding options available to maintain the existing city-wide PCI of 73 (shown as option D above).

At the January 19, 2016 City Council business meeting, the report on funding options identified various options to supplement the existing funding sources for pavement maintenance projects. After discussion, consensus was provided to move forward with the preparation of a pavement system maintenance and funding master plan, and to focus on a transportation utility fee (TUF) in the implementation of the first phase of funding. A TUF is a dedicated funding source that cannot be spent on other purposes outside of the adopted intent, and the monthly cost to each user is generally proportional to the use of the system. The TUF can be assessed on the monthly municipal services statement, and should balance the fairness in cost between the users while being administratively feasible by the City. There are multiple models that can be used to determine the appropriate fee from simple, such as a flat rate per meter, to very complex, such as a trip generation model table created for every use in the city.

Last spring, the City posted the pavement master planning proposal on the city website and emailed/called multiple consultants. The City received three proposals from various engineering and financial consultants. Kittelson & Associates was identified as the most qualified consultant with the knowledge, and experience to complete the various phases of work identified in the proposal. The contract for Kittelson & Associates was approved by Council by Resolution No.2016-3281. Over the last 6 months, the consultant team led by Tony Roos at Kittelson & Associates has prepared presentations for the pavement ad-hoc committee meetings, assisted in public outreach efforts, updated the 2014 pavement condition index model, and has painstakingly prepared multiple transportation utility fee financial models.

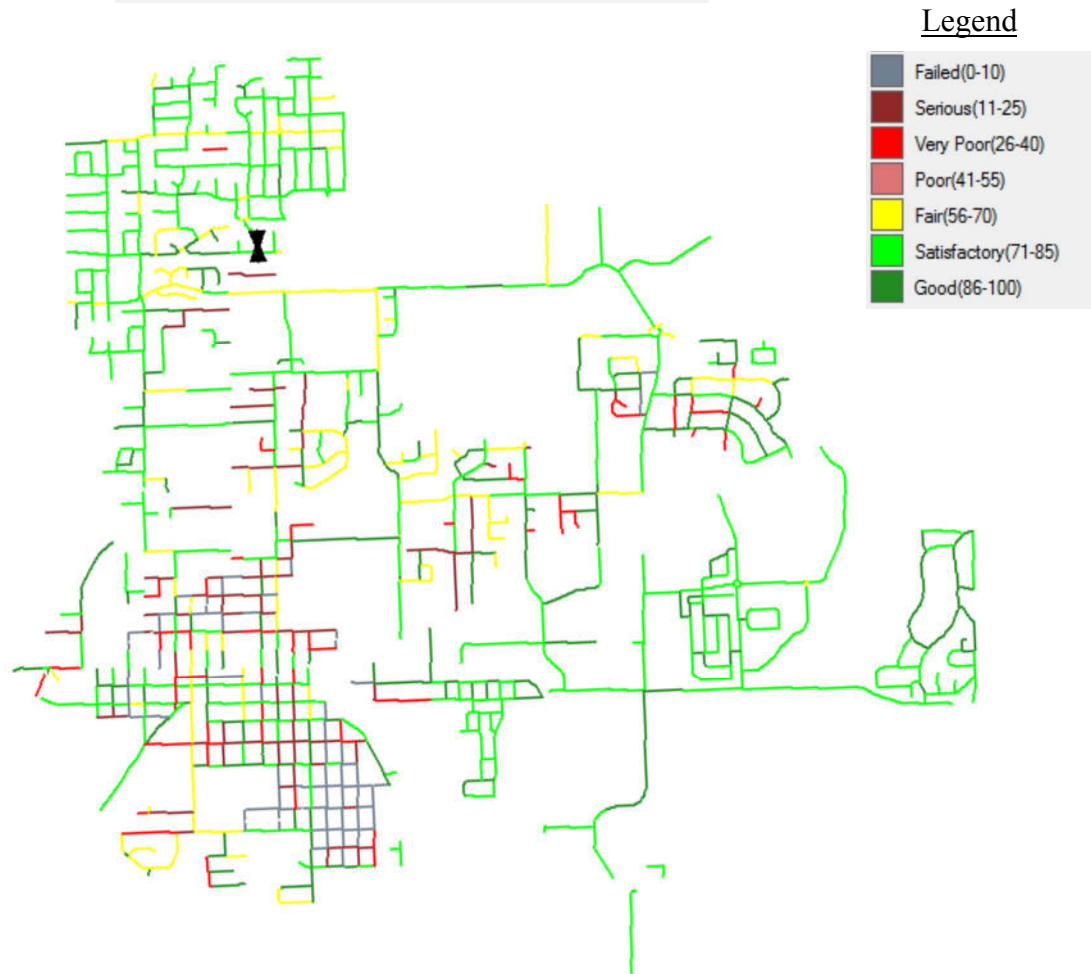
Kittelson & Associates has found that the revised pavement condition index (PCI) has decreased from 73 in 2014 to 68 in the last two years. Kittelson & Associates also estimates that approximately \$2.5 million per year is necessary in order to increase the 2014 PCI over the next ten years. Without an increase in existing funding, the overall pavement condition index is expected to decrease another 9 points to 61 in 2022, as shown on the next page.

2022 Pavement Condition Index Map
Existing Funding Levels: PCI=61



Kittelson & Associates calculates that with the expenditure of \$2.5 million dollars per year, the PCI is anticipated to increase to 78 of 100 by 2026. Additional modeling will be needed in the coming years to confirm that the pavement model is calibrated properly and the city is on course to maintaining (and potentially increasing) the PCI over the next decade.

2026 Pavement Condition Index Map
\$2.5 Million per Year: PCI=78



Last July, an ad-hoc committee was appointed by the Mayor consisting of residents, business owners, non-profits, and representatives from government agencies. The committee met six times and reviewed the issues/methods to maintain and replace pavement systems, and considered multiple transportation utility fee rate models. The models considered by the committee varied from a fixed monthly fee for all users, to various trip rate generation models. The ad-hoc committee also provided input on the public outreach efforts, which is discussed further on the next page. The ad-hoc committee met for the final time on April 18th, and their recommendations are as follows:

- A. The current level of spending to maintain pavement is a problem. Without more regular pavement maintenance and rehabilitation funds, the condition of roads will continue to deteriorate and become even more expensive to address in the future.
- B. There are several types of revenue sources, but there is likely not one single source would generate the annual revenue needed to maintain the system to today's conditions.
- C. Of the various transportation utility fee structures, "Variable Fee within class" was preferred because it was more equitable without being overly complex to administer. It allows the fee to be defined based on both intensity of uses as well as magnitude or size for non-residential payers. Many cities in Oregon with a fee use this structure for the same reasons. The classes are shown on the next page:

<u>Class</u>	<u>Trips/1000 sf*</u>	<u>Examples</u>
Residential		
Single Family	9.5	Residential homes
Multi-Family	6.4	Apartment sites
Mobile Home	5.00	Mobile home parks
Non-Residential		
Class 1	Less than 18	Manufacturing
Class 2	Between 18 and 30	Office
Class 3	Between 30 and 51	Auto Repair, Clinic
Class 4	Between 51 and 80	Sit Down Restaurant
Class 5	Over 80	Convenience Store, Drive Thru
Class 6	Special	Gas Stations, Churches,

*The trips generated are from the Institute of Transportation Engineers Trip Generation Manual.

- D. The target revenue that would need to be collected using a fee may change based on other options, such as a local gas tax. The committee reviewed scenarios that generated \$1 million and \$1.3 million from transportation utility fees and decided that \$1.2 million was the upper limit of revenue from this source of funding.
- E. The allocation of fees to residential and non-residential users reflects “trip generation.” It is estimated that 35% of trips are generated by residential properties. Fees should be calculated by assigning 35% of the funding responsibility to residential and 65% assigned to non-residential, and not weighted more to the residential side to reduce the fees paid by the non-residential uses.
- F. Exploring ways to reduce fees for those that may be financially burdened. Included fee waivers in the Ordinance, but ultimately decided that maximum fee caps were not equitable to all users.
- G. Explore ways to reduce overall fees, such as allowing for a phased in approach, sunset/rate adjustment clause, funding allocation clause, and a funding prioritization clause. Phasing in of fees and a sunset clause were not included in the proposed Ordinance. Funding allocation was ultimately chosen at 35% residential and 65% non-residential, and funding prioritization was selected as 70% towards funding of maintenance for good and fair streets, and 30% towards poor condition streets.

The public involvement efforts led by Kristen Kibler with JLA Associates for the proposed TUF ordinance were significant. A summary of the public outreach and involvement efforts are:

<u>Event Description</u>	<u>Date(s)</u>
Ad-hoc committee meeting #1	July 14, 2016
Ad-hoc committee meeting #2	August 3, 2016
Ad-hoc committee meeting #3	August 31, 2016
Ad-hoc committee meeting #4	November 2, 2016
Ad-hoc committee meeting #5	February 8, 2017
Ad-hoc committee meeting #6	March 2, 2017
Ad-hoc committee meeting #7	April 18, 2017

Website updates	Ongoing
Newsletter article	July, September
Facebook posts	Ongoing
City Council update meeting #1	July 18, 2016
Mayor's Cabinet meeting	September 27, 2016
Open House w/ survey	September 28, 2016
Online Open House w/ survey	September 28-October 16, 2016
Traffic Safety Commission	October 10, 2016
Noon Rotary meeting	October 26, 2016
City Council update meeting #2	November 7, 2016
City Club meeting	November 15, 2016
Morning Rotary meeting	November 17, 2016
Kiwanis meeting	November 17, 2016
City Council Ordinance Presentation #1	December 5, 2016
City Council Ordinance Presentation #2	January 3, 2017
City Council Ordinance Presentation #3	May 2, 2017

JLA prepared a summary below of the open house and online open house surveys. Meeting summary notes from the six ad-hoc committee meetings are on the City website located on the Engineering Division homepage.

City of Newberg Pavement Maintenance and Funding Open House and Public Responses Summary

The City of Newberg Pavement Maintenance and Funding Master Plan Open House was held on September 28, 2016, from 5-7 p.m. at the Public Safety Building. Fifteen attendees signed in to the meeting. The purpose of the open house was to explain the city's current funding challenge regarding aging roads and increasing maintenance expenses. Public feedback on proposed management approaches and potential revenue sources, specifically a transportation utility fee and local gas tax, was collected. Nine comment forms were submitted in person at the event. An online Open House was also available from September 28 to October 15. The website was created for those who couldn't attend the Open House or for those who attended and wanted to view more information online. Input on proposed pavement management spending approaches and potential revenue sources was also collected via an online comment form, with 39 individuals completing the online questions.

Public Responses (through October 18)

In total, 48 respondents completed the comment form, either online or in-person.

- *All respondents agreed that road pavement maintenance is either of concern or significant concern.*
- *Nearly half of respondents (23 out of 48) thought that a Transportation Utility Fee is worth further consideration. A few were unsure at this time, while 19 out of the 48 had concerns about using a Transportation Utility Fee. Of these, many were concerned that water and/or sewer bills are already too high, as well as some stating concerns that road*

users who may live or work outside of the area will not contribute to the cost of maintaining the roads.

- About two-thirds of respondents (31 of 48 respondents) indicated that a Local Gas Tax is worth further consideration. Those who had concerns commented that six cents was too high or that there should be no new taxes at all.
- If there is new revenue for road maintenance, there was more support for spending it on street surface-pavement maintenance and rehabilitation. Out of 48 total forms there was a marked difference in what type of spending was supported.

Street surfaces/pavement – 38

Sidewalks, curbs, ramps – 20

Paths and trail – 15

Bike lanes – 12

Street trees – 16

Lighting – 17

Undergrounding of overhead lines - 10

Of the respondents who completed demographic questions, 34 live in Newberg, 19 work in Newberg, 26 own property in Newberg, and 8 own a business in Newberg (there is overlap in these responses). All who responded, marked their race as white. There was nearly equal representation of male and female respondents. The primary age ranges marked were between 25-34 (11 respondents) and 55-64 (10 respondents) years old.

DISCUSSION:

Combined, the city's existing state gas tax and federal funds exchange allows for approximately \$625,000 to be used for pavement maintenance/preservation projects every year, as shown in the table below. Note that dedicating all of the \$625,000 of existing gas tax funds ongoing each year towards pavement maintenance and replacement projects may affect the funding of other street related projects such as the full conversion of existing street lights to LED lights, completion of key missing segments of sidewalks, roadway widening, and traffic calming projects.

Existing Revenue Sources	Amount
State Gas Tax	\$1,300,000
Federal Gas Tax (exchange fund w/ ODOT)	\$250,000
Total Revenues	\$1,550,000
Existing Expenditures	Amount
Newberg-Dundee Bypass Payment	\$143,000
Street Lights (Electricity, pole replacement, etc.)	\$280,000
Capital Projects not related to pavement rehab (i.e. LED Conversion, sidewalks, street widening, exc.)	\$200,000
Contingency	\$300,000
Total Expenditures	\$923,000
Potential Funds Available for Pavement Projects	\$627,000

To obtain the necessary \$2.5 million dollars in funding to maintain PCI, it is recommended to combine existing funding (\$625,000) with a transportation utility fee (\$1,200,000), with consideration to a voter approved 0.05 cent per gallon gas tax measure (\$675,000). At the July 18, 2016 City Council project update meeting, Council 21

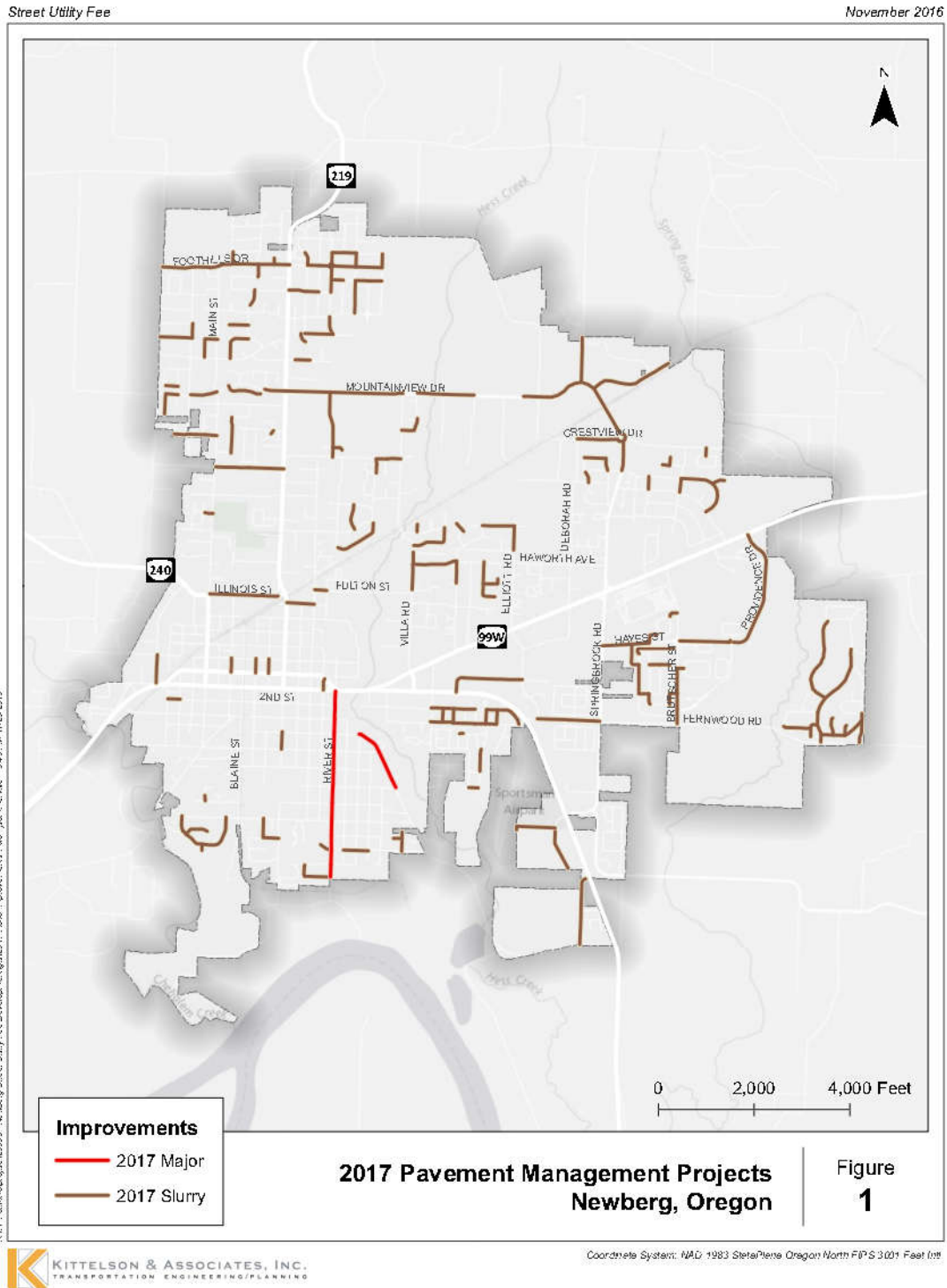
requested that staff complete further research on a ballot measure to consider a local gas tax. It was determined that it was too late to file the ballot measure for the November 2016 election, and the next general election that is not subject to the double majority regulations is in May of 2017. The ad-hoc committee discussed the advantages and disadvantages of a local gas tax, and were of the opinion that a gas tax may be a more equitable funding option when combined with the TUF, compared the passage of a property measure such as a general obligation bond or local option levy.

The identification of the timing and number of projects to be completed in over the next year is difficult to estimate. Most pavement maintenance projects require warm temperatures and dry conditions, which limits the projects to starting in May/June and completing in September/October. If the TUF is adopted in the next month by Council, and the fee is implementation by the Finance Department is completed by the summer of 2017, potentially \$900,000 in revenue could be collected by next summer. Adding in existing funding sources, it may be possible to complete a maximum of \$1.5 million in pavement maintenance projects in the summer of 2018, refer to a preliminary map of the 2018 projects on the next page.

Acquiring additional sources of revenue over the next year to close the funding gap (the City needs to be spending approximately \$2.5 million per year on pavement maintenance) is critical to improving the condition of the pavement systems city-wide over the next 10+ years.

FY 18/19 project list (\$1.5 million): Funding Split: 57% preservation, 43% replacement

Crack sealing \$ 62,000 (City-wide, continue program sealing newer to older streets)
Slurry sealing \$800,000 (214 roadway segments)
Major: Grind-Inlay/Overlay \$638,000 (Wynooski and River Streets)
(Approximately \$900,000 in TUF funds are needed for 2018 summer projects)



FISCAL IMPACT:

With the elimination of maximum fee caps, and applying the fee waivers, the transportation utility fee Ordinance is estimated to generate nearly \$1.2 million in additional funding to maintain and replace pavement city-wide.

STRATEGIC ASSESSMENT (RELATE TO COUNCIL PRIORITIES FROM MARCH 2016):

In March of 2016, city council adopted priorities. None of the city council priorities apply to the preservation and funding of the pavement system.

The preparation of the pavement system maintenance and funding master plan and the subsequent city council adoption of supplemental funding measures will provide the capital improvement project plan and the funding needed to properly maintain the roadways throughout the city. Regular planned maintenance to the street pavement systems will decrease the long term pavement and vehicle maintenance costs, and will increase mobility, comfort, safety and livability for everyone that works, lives and visits the City of Newberg.



ORDINANCE No. 2016-2811

AN ORDINANCE AMENDING NEWBERG MUNICIPAL CODE TITLE 3 TO ADD A NEW CHAPTER ADOPTING A TRANSPORTATION UTILITY FEE

RECITALS:

WHEREAS, the condition of the City of Newberg's street network has been declining as demonstrated by engineering analysis to calculate the pavement condition index (PCI) conducted in 2014 and updated in 2016;

WHEREAS, regular maintenance of streets is cost-effective for the city and for citizens because deteriorated streets are increasingly expensive to repair and maintain, cause increased wear on vehicles, and pose increased safety hazards to the public;

WHEREAS, it is the responsibility of the City of Newberg to ensure safe passage for its citizens on public right-of-way falling within its jurisdiction;

WHEREAS, The city council has indicated a desire to maintain and modernize the city's transportation and utilities infrastructure by creating a stable road maintenance funding source, by looking at alternative funding mechanisms, by developing a street maintenance plan, and secure adequate and stable funding with citizen input and community outreach;

WHEREAS, a well maintained street network enhances the livability, property values and economic vitality of the community;

WHEREAS, revenues from existing sources (including the state motor fuel tax and the Oregon Transportation Investment Act), are not adequate to maintain the City of Newberg's street network to meet these standards;

WHEREAS, it is the intent of the city council to create a utility with all lawful powers to manage, plan, design, construct, maintain, use, and where necessary, alter the transportation system in the City of Newberg by the creation of a funding mechanism that provides the resources necessary to carry out the objectives of a street maintenance program, which is equitable for all citizens and businesses in the City of Newberg;

WHEREAS, all citizens and businesses in the City of Newberg will be served by the program and receive the long-term benefits of such service;

WHEREAS, additional funding is required in order to fund increased maintenance and replacement of the City of Newberg's street system; and

WHEREAS, the Newberg City Council held public hearings on December 5, 2016, January 3, 2017, and May 2, 2017, regarding the adoption of a transportation utility fee;

THE CITY OF NEWBERG ORDAINS AS FOLLOWS:

Section 1: A new chapter adopting a transportation utility fee (TUF) 3.45, is added to and made a part of Title 3, Revenue and Finance, of the Newberg Municipal Code as set forth in attached Exhibit A to this ordinance.

Section 2: Exhibit B to this ordinance, rate schedule, lists the categories, trip rates and unit charges for developed residential and non-residential land use classes within the corporate limits of the City of Newberg, and shall be effective until modified by future resolution of the Council. Section 3.35.080 of attached Exhibit A, outlines the methodology to calculate, collect and adjust the rates and charges outlined in Exhibit B.

Section 3: The city manager is the delegated authority to implement the TUF created by this title when administratively feasible, but not sooner than July 1, 2017

➤ **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: June 2, 2017.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2017, by the following votes: **AYE:** **NAY:** **ABSENT:** **ABSTAIN:**

Sue Ryan, City Recorder

ATTEST by the Mayor this 5th day of May, 2017.

Bob Andrews, Mayor

Chapter 3.45 Transportation Utility Fee

Sections:

3.45.010	Purpose.
3.45.020	Definitions.
3.45.030	Administration.
3.45.040	Street Fund.
3.45.050	Fee imposed.
3.45.060	Prioritization of improvements.
3.45.070	Annual street maintenance program report.
3.45.080	Fee determination, adjustments and termination.
3.45.090	Mixed use and related properties.
3.45.100	Implementation rules.
3.45.110	Billing and collection.
3.45.120	Commencement of charges.
3.45.130	Waiver of fees.
3.45.140	Appeals.
3.45.150	Inspection of developments.
3.45.160	Severability.

3.45.010 Purpose.

A transportation utility fee (TUF) is created to operate and administer the pavement system maintenance and capital improvement programs. This program will manage, plan, design, construct, preserve and maintain the street pavement system in the City of Newberg, excepting county roads and state highways within the city limits. This includes but is not limited to, patching, crack sealing, fog sealing, slurry sealing, chip sealing, grinding, inlaying, overlaying and reconstructing public streets and ADA improvements within the rights-of-way.

The TUF is a fee based on the direct and indirect use of or benefit derived from the use of public transportation facilities and is reasonably related to the cost of providing these services. For purposes of ORS Volume 8 (Revenue and Taxation), the Transportation Utility Fee is not intended to be a tax on property or a property owner as a direct consequence of ownership, but instead is a fee or charge not subject to the limits of Section 11(b), Article XI, of the Oregon Constitution.

3.45.020 Definitions.

For the purposes of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

“City manager” means the city manager or person designated or appointed by the city manager to perform functions or tasks under this chapter.

“City street or street” means a public street, alley and/or right-of-way within the city that is subject to the authority or control of the city.

“Class” means the billing group of similar trip generating uses that the individual categories are assigned.

“Developed property or developed use” means a parcel or portion of real property on which an improvement exists or has been constructed. Improvement on developed property includes but is not limited to, buildings, parking lots, landscaping, commercial agricultural, open space, parks, and outside storage.

“Gross square footage” means the calculation of the area of all structures and stories of structures located on a parcel or lot, measured along the exterior walls of the structures. This includes enclosed courtyards and stairwells, but does not include fences and parking areas that are not enclosed within a structure.

“ITE Manual” means The Institute of Transportation Engineers Trip Generation Manual, latest edition.

“Mixed-use property” means a developed multi-use and/or multi-tenant property with common or separate utility accounts for the individual uses on the property or where condominium ownership establishes common and separate ownership with the same parcel.

“Multi-family residential property” means residential property with more than three separate living units or spaces such as apartment complexes.

“Non-residential property” means a business, commercial, industrial, institutional or nonprofit use of real property that is not used primarily for personal or domestic accommodation.

“Parcel” means a unit of land that is created by a partitioning of land.

“PROWAG” means the Public Right-of-Way Accessibility Guideline as published by the United States Access Board. These guidelines cover pedestrian access to sidewalks and streets, including crosswalks, curb ramps, street furnishings, pedestrian signals, parking and other components of public rights-of-way.

“Residential property” means a use of real property primarily for personal or domestic accommodation, including single-family and multi-family residential property, but not including hotels, motels and other commercial establishments that provide temporary shelter.

“Responsible party” means the person or persons who by occupancy or by contractual arrangement are responsible to pay for utility and other services provided to a developed property or developed use. The person(s) paying the municipal services statement for the developed property or developed use shall be deemed the responsible party. For any developed property or developed use not otherwise required to pay a municipal services statement, “responsible party” shall mean the property owner.

“Single-family residential” means residential real property including single -family detached homes, duplexes and triplexes.

“Trip generation” means the average number of daily vehicle trips as determined by reference to the most recently published edition of the manual, *Trip Generation*, published by the Institute of Transportation Engineers (ITE; ITE manual).

“Unit rate” means the dollar amount charged per adjusted average daily trip. There shall be a unit rate applied to residential land uses identified as the residential unit rate, and a unit rate applied to all other land uses, identified as the non-residential unit rate.

“Use category or category of use” means the code number and resulting trip generation estimate determined with reference to the ITE manual, and applicable to a developed property.

“Vacant” means that the entire developed property building, or unit has no occupant for more than 30 continuous days; when the property use is suspended for a seasonal closure lasting more than 30 days; or property remodel, repair, or reconstruction. An unoccupied portion of a developed property having no separate water meter does not qualify under this definition as vacant.

“Waiver” means partial or full waiving of TUF.

3.45.030 Administration.

A. Authority and Effective Date. The city manager is the delegated authority to implement the TUF created by this title when administratively feasible, but not sooner than July 1, 2017. The city manager may interpret all terms, provisions and requirements of this chapter and determine the appropriate TUF category. A property owner desiring an interpretation or other examination of the TUF category must submit a written application to the city manager. The application must provide sufficient detail to allow an interpretation. The city manager may require additional information, including an engineering study prepared by a licensed professional engineer using ITE manual methodology.

B. Categories of Use. The city manager will establish the assignment of categories of use subject to appeal to the city council.

C. Decisions. Following implementation of the TUF program, within 30 days of the submission of an application with the required information, the city manager will make a final decision on the application. The decision will be written and include findings of fact and conclusions based upon applicable criteria. A copy of the decision will be mailed to the applicant. The city manager will maintain a file containing all decisions. Except as provided under subsection (2) below, decisions of the city manager are final.

1. Categories. If a city manager decision affects the trip generation rate and/or category of the developed property for which an interpretation is requested, the city will assign the proper category to the developed property. An appropriate TUF category will be assigned and applied to the developed property. No back charges or refunds will be made.

2. Appeal. The decision of the city manager under this subsection may be appealed to the city council in accordance with section 3.45.140.

D. Programs. The city manager will develop and maintain programs for the maintenance of city transportation facilities and capital improvement programs to upgrade substandard facilities to current engineering standards for the safety and welfare of the community. Said program is subject to the city budget committee review and city council approval for the allocation and expenditure of budget resources for the transportation facility improvement and maintenance.

E. Fees. The city manager is responsible for the collection of fees under this chapter.

3.45.040 City street fund.

A. All funds collected under this chapter will be deposited into the city street fund. If the TUF collected are insufficient for the intended purpose, the city council may allocate other non-dedicated city funds to pay such costs. All amounts in the street fund may be invested in accordance with state law. Earnings from such investments will be also credited to the street fund.

B. The administration, maintenance and operations expenditures from the city street fund need not relate

to the real property from which the TUF is collected. The TUF may not be used for other city purposes. TUF revenues will be used solely to pay items as noted in 3.45.010.

3.45.050 Fee imposed.

A. A transportation utility fee is imposed upon the owners of all developed property within the corporate limits of the City of Newberg.

B. Property owners with specific activities and uses of property that result in extraordinary wear and tear or structural damage to a city transportation facility may be assessed a special damage assessment fee, which is determined by the city manager on a case by case basis.

C. The TUF may be paid by the owner, occupant or anyone designated by the owner or occupant provided that person is listed as the responsible party on the city utility accounts system.

3.45.060 Prioritization of improvements.

A maximum of seventy percent of the annual revenue will be allocated for maintaining streets that have been determined to be in fair to good condition, with a pavement condition index (PCI) of 60 to 100, as determined by standard engineering practices. A minimum of thirty percent of the annual revenue will be allocated to restoration or reconstruction of residential streets with a pavement condition index (PCI) below 60.

3.45.070 Annual street maintenance program report.

Each year the public works department shall prepare and present to the city council the “Annual Street Maintenance Program Report.” This report shall include a narrative description of the overall condition of the street network, the findings of any new condition assessments, a detailed project schedule for the upcoming year, an updated 5-year project schedule, the project selection criteria employed, a report on the previous year’s projects, and workload impacts and overall program progress. The report shall include revenues received relative to revenue projections, project cost inflation trends and any other developments that impact the adequacy of the program funds to meet program goals.

3.45.080 Fee determination, adjustments and terminations.

A. The TUF will be calculated as a monthly service charge and collected from owners or occupants of developed property in a manner similar to the collection of city water or sewer fees. Fees need not be invoiced monthly but will not be invoiced for intervals longer than three months.

B. Adjustment or termination of the TUF will be approved by city council resolution. The TUF may be modified biennially based on one or more of the following factors:

1. Cost of service adjustment. A rate adjustment reflecting a change in the amount of revenue required to maintain the city transportation pavement facilities defined by this chapter net of other city revenue that may be pledged for that purpose.
2. Inflationary index adjustment. A rate adjustment reflecting the changes in the cost of labor, materials and other services linked to changes to broader economic conditions as measured by the Oregon Department of Transportation Four-Quarter Moving Average Construction Cost Index.
3. New revenue adjustment. An adjustment based on revenue received from outside sources (not locally generated) to provide street maintenance.
4. Road condition assessments. Assessments that forecast reduced costs to maintain the condition of

the road system.

5. Fee termination. The fee can be terminated by the city council if it is determined that the funding is no longer needed to maintain the street system.

C. TUF program review. The adjustment to the TUF determined by Section 3.45.080(B) will not be automatic or pre-determined. The citizen rate review committee will review the TUF program on a biennial basis as defined in Newberg Municipal Code sections 2.15.120 through 2.15.210 and recommend any modification to the amount of TUF collected to the city council.

D. Establishment of Service Fees. Monthly service fees will be established for the following types and classes of developed property or developed use:

1. Residential properties.

a. Single family. Includes developed property with one, two, or three separate dwelling units. Each attached or separate dwelling unit is subject to the TUF for this class.

b. Multi-family. Includes developed property with four or more attached dwellings, condominiums, and town homes including accessory dwelling units. Each dwelling is subject to the TUF for this class.

c. Mobile homes. Property located in parks as defined in ORS 446.003(23).

2. Non-residential properties.

a. Class 1. Those categories generating fewer than eighteen (18) average daily trips per 1000 gross square feet of developed area.

b. Class 2. Those categories generating from eighteen (18) to thirty (30) average daily trips per 1000 gross square feet of developed area.

c. Class 3. Those categories generating more than thirty (30) to fifty-one (51) average daily trips per 1000 gross square feet of developed area.

d. Class 4. Those categories generating more than fifty-one (51) to eighty (80) average daily trips per 1000 gross square feet of developed area.

e. Class 5. Those use categories generating more than eighty (80) average daily trips per 1000 gross square feet of developed area.

f. Class 6. Categories with trip generating characteristics that either are not documented in the ITE manual or have special circumstances that merit separate fee calculation. Examples include: gas stations, hospitals, universities, schools, parks, assisted living centers, fairgrounds, golf courses, and aviation facilities.

3. Non-residential class distribution. The trip ranges described for classes 1 through 5 are established equally, as close as possible by the following steps:

a. Sort all non-class 6 categories from lowest to highest daily trip generation.

- b. Set the break line between each class as close as possible to equally distribute the total trips generated by classes 1 through 5.

E. Fee Minimum. The minimum monthly fee for non-residential accounts shall be equal to the fee imposed for a single family residential home.

3.45.090 Mixed-use and related properties.

A. Special standards may apply for determining the appropriate customer category where developed properties share or utilize common transportation facilities such as walkways, driveways or parking areas. Except as provided in this section, no TUF will be apportioned among mixed-use or related developments or combinations of mixed-use and related developments.

B. Mixed-uses with multiple use categories that share a single water meter will be assessed a total combined TUF based on the sum of each use category fee. Although these standards generally apply to non-residential uses, they also will be used to determine the appropriate customer category in properties with mixed uses of residential and non-residential developments.

C. The following procedure may be used to apportion TUF fees within mixed-use properties for the separate uses:

1. Residential uses. Each equivalent residential unit will be assessed a TUF in accordance with the applicable residential rate for that unit.
2. Non-residential uses. For developed properties with at least one common boundary where the uses would be assigned separate categories if the uses did not share common driveways, walkways or parking areas, and where the property design reduces the number of trip destinations that normally would be assigned to that use, a combined TUF may be established. Related properties may have more than a single water meter and sewer utility service established, and the combined TUF will be apportioned by the city manager between uses as follows:
 - a. Establish a collective trip assignment for the mixed-uses based on the lowest applicable trip generation factors that could be applied to the subject properties. The assignment may include individual trip calculations for some uses and combined trip calculations for other uses.
 - b. Establish the appropriate customer category and related cost-per-trip rate for that category and apply that rate to the collective trip assignment.
 - c. Establish an allocation of the combined fee amount to the water meter/sewer accounts that serve the collective properties using one or more of the following methods:
 - i. Building area square footage.
 - ii. ITE manual daily trip generation factors.
 - iii. Internal traffic counts.
 - iv. Other factors deemed suitable for apportioning the fee commensurate with use.

3.45.100 Implementation rules.

A. The following rules apply to the application of this chapter and the TUF:

1. No fee parking lots are not subject to the TUF as they do not themselves generate traffic. Parking lots that charge for parking (such as a storage or sales lot that charges a fee) are subject to the TUF.
2. Publicly owned undeveloped park land, open spaces and greenways are not subject to the TUF unless there is off-street parking for users.
3. Areas for commercial farming or forestry operations are subject to the TUF as a class 6 trip generation. Where there is more than one developed property on the site, the category will be determined based on Section 3.45.090, mixed-use and related properties.
4. Railroad and public rights-of-way are not subject to the TUF. However, railroad property containing structures, such as maintenance areas, non-rolling storage areas and property used for the transfer of rail transported goods to non-rail transport are subject to the TUF.
5. Categories within the ITE manual will be determined by reference to weekday average trip generation rates.
6. For non-residential developed properties with an ITE manual analysis by acreage rather than square footage, the city manager will convert the ITE manual trip generation rates to a square footage calculation and assign the appropriate TUF. If conversion to a square footage calculation is not practical, the city manager may assign a special trip generation rate for that developed property.
7. Developed property structure area will be multiplied by the number of stories, designed for development use.
8. The TUF applies to all developed property, including developed property owned by local, state, and federal governments, non-profit organizations and to all developed properties that are not subject to ad valorem property tax levies.
9. A developed property that undergoes a change in use must continue to pay the existing TUF. After receiving information about the change in use, the city manager may determine that a different category applies to the developed property. Thereafter, the city will charge and collect the TUF that applies to the revised designation. The city will charge and collect the TUF in accordance with correct information concerning developed properties.
10. The ITE trip rate for public Elementary (code #520), Middle (code #522), and High (code #530) Schools, shall be reduced by 50%, which results in a reduction of the rate per student per month by ½.

B. The city manager will review the operation of this chapter and may make appropriate recommendations for amendments to this chapter or the adoption of administrative rules by city council resolution. Administrative rules may provide guidance to property owners concerning the application and interpretation of the terms of this chapter. Rules adopted by the city council will have full force and effect, unless clearly inconsistent with this chapter.

3.45.110 Billing and Collection.

A. The TUF will be billed and collected with the monthly municipal service statement for developed properties using city water and sewer, and may be billed and collected separately for developed properties not utilizing city water and sewer as follows:

1. For a developed residential property and subject to water and sewer utility charges, the TUF bill will be sent to the responsible party.
2. For a developed non-residential property that is subject to water and sewer utility charges, a common TUF bill will be sent to the responsible party. See subsection 3.45.090 for special rate calculation procedures related to mixed-use properties for exceptions to this rule.
3. For a developed residential or non-residential property that is not subject to water and sewer utility charges, the TUF bill will be sent to the property owner.
4. All TUF bills become due and payable per date noted on the bill.
5. If payments received from city utility billings are inadequate to satisfy in full all balances, credit will be applied proportionately between funds, unless directed otherwise by the city manager.

3.45.120 Commencement of charges and collection

A. For new construction, service charges will commence with the issuance of a building permit or installation of a water meter, whichever comes first. Developed real property annexed to the city shall begin paying the fee the first month following annexation, regardless of whether or not the parcel is connected to city water or sewer.

B. For existing structures, service charges will commence upon the effective date noted in Section 3.45.030.A.

3.45.130 Waiver of Fees.

A. Applying for a waiver. Any person desiring a waiver must submit an application on city forms and be submitted not less than 14 days prior to the billing date of the period for which the waiver will be applied. Persons requesting a waiver must document that they meet the criteria and pay any associated application fee. Only one discount or waiver will be granted at a time for individual properties. Waivers will only be applied prospectively; no retroactive waiver or refund will be issued. Except as set forth below, waivers expire after 12 monthly billing cycles. Those who qualify may reapply within the 60 days prior to the expiration of the waiver.

B. Vacancy Waiver.

1. When any developed property within the city becomes vacant, as defined in section 3.45.020, and water service remains in effect, upon written application of the property owner, the TUF will be billed at the lowest available rate upon the approval of the city manager.
2. When any developed property within the city becomes vacant, as defined in section 3.45.020, and water service is discontinued, upon written application of the property owner, the TUF will not be billed if all current and outstanding water, sanitary sewer, storm server and transportation utility fee charges have been paid in full.
3. The city manager is authorized to investigate any developed property for which a fee reduction or waiver application is submitted to verify any of the information contained in the application. The city manager is also authorized to develop and use a standard form of application for fee reduction or waiver.

The form will provide space for verification of the information and the person signing the form must affirm under penalty of perjury the accuracy of the information provided.

C. Hardship Waiver.

1. The responsible party may qualify for a waiver if the person meets the income criteria, which is defined as a household earning less than 80 percent of the HUD median household income in Newberg.
2. The principal owner of a multi-family residential property may qualify for a waiver if the property is identified as a low income qualified housing identified by the Housing Authority of Yamhill County.

D. Unemployment waiver. An unemployment waiver provides a six-month waiver to residents who have had the responsible party recently laid off from their job. Evidence of receipt of current unemployment benefits and proof of residency at the service address is required. Residents can reapply for the waiver if still receiving unemployment benefits after six months.

E. Motor vehicle discount. A discount can be obtained for residential class households in which no one owns a motor vehicle. The discount is good for one full year after the discount is approved or until a vehicle is acquired by the household. Residents must demonstrate that each member of the household of driving age does not have a vehicle. Qualifying residents must reapply each year to receive a waiver for the next 12 months.

F. The amount of transportation utility hardship waivers will be as follows:

1. Vacancy – 100% waiver
2. Hardship – 50% waiver
3. Unemployment – 50% waiver
4. Motor Vehicle Discount -50% waiver

3.45.140 Appeals.

A. Section 3.45.030, Administration, outlines the process to establish and adjust categories. Any responsible party who disputes any interpretation by the city manager regarding the category assigned to the developed property or developed use, may appeal that interpretation under this section. The appeal will be denied unless it is made within the time allowed, as stated below, and follows the process provided by this section. Appeals that result in changes in the TUF become effective with the next billing cycle.

B. A responsible party who disputes the assigned category may submit a written appeal to the city manager within fifteen business days from the date of the city manager's decision. The appeal must specify the basis for appeal and include an engineering study prepared by a licensed professional engineer using ITE manual methodology, excepting that the pass-by and diverted trip analyses do not apply to this TUF program. Appeals are limited to the facts relating to the developed property improvements and area, traffic generations rates, category of use, and other factors material to the calculation of the TUF.

C. The city manager will place the appeal on a city council meeting agenda and provide the appellant with at least ten business days' written notice of the meeting at which the appeal will be heard. The city council will conduct a hearing and determine whether there is substantial evidence in the record to support the decision of the city manager. The city council may continue the hearing to gather additional information. The city council will make a tentative oral decision and later adopt a final written decision with appropriate findings. The

decision of the city council will be limited to the facts cited in 3.45.140.B above. The city council will base their decision on the relevant testimony and facts provided, but there will be no refund of TUF's previously paid. All city council decisions are final.

3.45.150 Inspection of Developments.

The city manager is authorized to enter upon private property for purposes of conducting any studies or collecting information bearing upon the determination of the assignment of the appropriate TUF under this chapter.

3.45.160 Severability.

If any provision of this ordinance or its application to any person or circumstances is held to be unconstitutional or invalid for any reason, the remainder of this ordinance or the application of the provisions to other persons or circumstances shall not be affected.

Exhibit B – Ordinance 2016-2811

ITE	Description	Trip Rate	Examples/Units	Rate: \$/Unit/ Month
Residential Land Uses				
210	Single-Family Detached Housing	Refer to ITE Manual for current residential trip rates	Residential Home, per Dwelling Unit (DU)	\$ 4.99
220/230	Multi-Family		Apartment Sites, Per DU	\$ 3.37
240	Mobile Home		Mobile Home Park, Per DU	\$ 2.61
Non-Residential Land Uses				
		Per 1000 sf (ksf)		
	Class 1	Less than 18	Manufacturing	\$ 3.72
	Class 2	From 18 to 30	Office	\$ 14.66
	Class 3	More than 30 to 51	Auto Repair, Clinic	\$ 21.35
	Class 4	More than 51 to 80	Sit Down Restaurant	\$ 33.46
	Class 5	More than 80	Convenience Store, Drive Thru	\$ 97.16
Class 6 - Others				
		Special Units		
251	Senior Adult Housing Attached	Refer to ITE Manual for current Class 6 trip rates	Per DU	\$ 2.04
253	Congregate Care		Per DU	\$ 1.12
254	Assisted Living		Per Bed	\$ 1.47
255	Continued Care Retirement Community		Per Unit	\$ 1.33
310	Hotel		Per Room	\$ 4.52
320	Motel		Per Room	\$ 3.12
411	City Park		Per Acre	\$ 1.05
412	County Park, Farmland, Commercial Agriculture		Per Acre	\$ 1.25
430	Golf Course		Per Hole	\$ 19.77
520	*Public Elementary School		Per Student	\$ 0.36
522	*Public Middle/Junior High School		Per Student	\$ 0.45
530	*Public High School		Per Student	\$ 0.48
536	Private School (K-12)		Per Student	\$ 1.37
540	Junior/Community College		Per Student	\$ 0.68
550	University/College		Per Student	\$ 0.95
941	Quick Lubrication Veh. Shop		Per Service Position	\$ 12.87
944	Gas/serve Station		Per Fueling Position	\$ 54.10
945	Gas/Serv. Station with Conv. Market		Per Fueling Position	\$ 39.64
	*Refer to Exhibit A, Section 3.45.100.A.10			

Attachment A

Newberg Pavement Maintenance and Funding Master Plan

Ad-Hoc Advisory Committee Meeting #5

Wednesday, February 8, 2017 6:00 – 9:00

Permit Center – Large Conference Room, City Hall

DRAFT Meeting Summary

Committee Members Present:

Bob Andrews, Mayor
E.C. Bell, Chehalem Valley Presbyterian Church
Patrick Johnson, Council
Greg McKinley, A-DEC
Dave Parker, Newberg School District
Jack Reardon, Citizen
Maureen Rogers, Chapters

Staff and Consultant Team Present:

Jay Harris, City of Newberg
Deb Galardi, GRG
Kristen Kibler, JLA
Tony Roos, Kittelson
Truman Stone, City of Newberg

Committee Members not Present:

Carr Biggerstaff, Chehalem Valley Chamber
Don Clements, CPRD
Fred Gregory, GFU
Dave Hampton, Friendsview Retirement Comm.
Bill Rourke, Citizen
Matt Zook, City of Newberg Finance

Public Present:

Stephen McKinney, City Council

Introductions/Meeting Purpose/Public Comments

The purpose of the meeting was to review the draft ordinance that Council has seen and have some follow-up discussion on several items in the ordinance. Council had several questions and requested some additional discussion and feedback from the ad-hoc committee. The committee will go through several topics and provide feedback to council at this meeting.

There were no public comments at this time.

Review of Staff Work and Council Discussion

Since the last Ad-Hoc meeting, council has had two readings of the draft ordinance. There was discussion and questions at the council meetings, as well as public testimony. Many are curious about potential fee numbers and when a fee might be implemented. The likely start time would be July 1 – to match up with fiscal years and budgeting cycles for many agencies/organizations. The Council minutes for the last reading had been distributed to the committee. If adopted, there will need to be clear public information and web updates related to the fee amounts and how it is calculated or structured. The city assumes there is another phase of funding for roads, such as a gas tax, but that is not being moved forward to voters this year. Everyone agrees that this alone will not fix Newberg roads.

Review of Draft Ordinance with Committee Discussion on specific issues for council

The group discussed the following topics and provided feedback for Council. This has been organized in order of topic, not discussion order that often switched between topics before returning to the topic being

reviewed and discussed.

Funding split—Council had agreed with the ad-hoc committee’s earlier recommendation of using a split that was based on collecting 35% of funds from residences. The data lends itself to this split and there was a sense that residents should not subsidize businesses. More trips are based on business and commercial activities. The group reviewed the differences in the residential classes. Single family, multi-family (condos, apts.), and mobile homes have different classes.

Funding Model—The ad-hoc committee had recommended the “variable fee within class” methodology for calculating fees. Council had reviewed all the models; council members and some community members still wanted to know more about the “trip generation” model methodology. The group discussed the models further. The lower the class means the lower the assumption of trip generation, so trips are still factored in. Some said this was not clear at the council reading. They thought it should be made clear that the classes are based on data about trips for the classes. The trip generation model is based more precisely on trips by each site and would take considerably more FTE to administer. Trip generation would be able to provide more variation in rates, but would still need to plan for similar revenue. The main drawback for the trip generation model was labor needed to administer. There are 584 properties that are non-residential. With the trip generation model, there could be 584 different rates. The “variable fee within class” model was still recommended by the ad-hoc committee.

Heavy Vehicle Clause—The group discussed the impact heavy vehicles have on roads and if or how that could be factored into the fees. The topic had been raised at Council. The fee classes are based on ITE codes, so they do account for more/frequency of trips. Classes do not cover the load size. Everyone agreed that truck weight affected roads, but that it didn’t need to be part of the transportation utility fee. There was some general agreement that it would be too complicated to calculate. Over time, truck routes should be repaired/rehabilitated to carry heavy loads, with thicker base rock under the pavement. The group agreed that this process did not need to include a heavy vehicle clause, but another city process could examine truck routes and making sure road classifications were up to date so that they were scheduled for appropriate repairs. The group recommended that a heavy vehicle clause not be included in a transportation utility fee, but they felt the city should still continue separate discussions related to heavy loads on roads and truck routes. A construction impact fee or loading dock fees were ideas to address this, but could be discussed separate from any TUF.

Prioritization of Improvements—Council had discussed concerns about the funding program and the fees not being equitable if roads in poor condition could not be fixed. The majority of the poor roads are concentrated in the oldest area of the city. The computer model that prioritizes road projects each year chooses a mix of maintenance vs. rebuild, with more emphasis on maintaining good road and not letting the PCI slip lower. However, geographic equity had been discussed at the ad-hoc committee and again at the council. Both groups had recommended that there should be some discretion in being able to make sure there are improvements being made throughout the city. The ad-hoc committee discussed what would happen if a prioritization clause was used. This would mean pushing some poor roads up in the schedule. Since funding would generally be the same over the next years, this might push a 10-12 year program into a 15 year program. There was some discussion about borrowing money in advance to be able to get to some of the worst roads earlier. Borrowing may cost a little more, but it is possible. Borrowing a larger amount up front via a revenue bond allow the City to move forward with a loan sooner. There may also be an ODOT loan that could work – this loan would not promise the full faith of the city. Someone mentioned that inflation and interest also needed to be factored. Any loan would need to be guaranteed through future revenue of the transportation utility fee program, so the city needs to know that the funds are there. There was agreement that

everyone should benefit from paying a fee – either by seeing roads repaired in their neighborhood or on routes to school or work. The ad-hoc committee would want neighbors to see the road repairs and know that the program is working. The group agreed on a recommendation that would assure there would be work scheduled in all areas of the city. They agreed that a prioritization clause should specify that no less than 30% of annual funds should be spent on roads in bad and failed condition in each year.

Waivers—Council did not need any additional feedback on waivers included in the draft ordinance. The ad-hoc committee reviewed what had been included and asked some clarification questions. If properties are vacant (not generating trips), they are eligible for waiver. Income hardship waivers are eligible for a 50% waiver. Unemployment status is eligible for a 6-month, 50% waiver. Non-vehicle owners are eligible for a 50% waiver; the remaining 50% accounts for trips generated by the residence – mail, service calls, garbage truck, etc. The effect of all the waivers is anticipated to be a loss of approximately \$32K. There were some questions about fees on undeveloped properties. An undeveloped property would likely fall under a lower class, depending on what it was used for, and already have a lower rate. This was already captured in the model.

Caps/Maximum Fees—Council had asked for additional feedback on fee caps that could put a maximum fee in place. There are 584 non-residential properties. Tony Roos reviewed minimum and maximum sample bills in the various classes with no cap or maximum fees. Committee members asked about specific properties and Tony showed examples of Newberg properties that would pay the most in fees on one property. They also discussed the effect of having multiple properties. A business in a lower class with multiple properties may pay a combined high fee than one larger property higher class if caps were in place. If a cap of \$600 was in place, there are about a dozen parcels that benefit by the reduced fee. Fred Meyer is a main example that was cited. With a cap, they save considerably. The committee reviewed tables and fees for different properties. The \$600 fee cap seemed too simple and didn't benefit those that fell just below, i.e. a smaller business with fewer trips being charged \$575/month would not benefit by a \$600 cap for a much larger property. This would also reduce overall revenue. When a cap of \$600 is used, the revenue loss is about \$150K. A \$1000 cap would benefit about six parcels and show revenue loss of about \$100K. The committee also discussed how a \$600 cap could benefit non-profits, such as the school district or CPRD. With multiple properties, the total fees add up. This is discussed in next topic section. The group agreed that the caps needed more discussion. There was a request to see some variation in the cap, i.e. a cap based on a percentage over a certain amount. Tony will do more work on this for their review and discussion. Tony could also look at caps that other communities may use. If caps were used, the community would want to know who was benefitting. The group would have another meeting to discuss a different methodology for caps.

Combining non-profit properties—Council had asked for additional feedbacks on combining properties to reduce bills. The school district had given testimony at the council meeting about the fees. They believed they had responsibility in helping maintain the roads that their buses use, but wanted to make sure the fee could work within their budget. With fees applied to each school site, the combined fee could impact their budget, which comes from public taxes. The group discussed other non-profits, such as George Fox or churches. The ITE codes put churches in a classification that has a lower fee. George Fox and the public school district both had methodology that factored number of students. Committee members recognized that George Fox had more ability to pay through internal fees or tuition than the tax-based public school district. Tony reviewed the application of a \$600 cap on schools if the multiple public school properties were combined by type – high school, middle school, and elementary or into just one group. With a cap, the school district would save in monthly fees. The same approach was also taken on all the CPRD properties or all City properties. The group agreed that looking at combining for these groups might make sense. The discussion of caps was tabled until the next meeting, so this would need to be included with that continued discussion.

Targeted revenue—Council had understood the target revenue number of \$2.5M, with about half coming from a transportation utility fee. Caps and waivers can reduce the overall revenue collected, meaning the target won't be collected and the program takes longer to improve roads. The ad-hoc committee discussed whether the target should be raised to accommodate caps and waivers. If that was done, the remaining parcels and residents pay more to subsidize the caps/waivers. Over time, new developments and residents would add to the revenue. The group will discuss again at the next meeting.

Next steps

The ad-hoc committee agreed to meet again to continue their discussion on caps, specifically a method based on percentage above a cap that may be more equitable. They would also follow-up on the combining of non-profit organization properties, like schools and parks. They would also give feedback on target revenue, which is affected by these reductions in fees. There was also a confirmation that the Council could formalize adjustments to the ordinance in the future.

Meeting Adjourned

Attachment A

Newberg Pavement Maintenance and Funding Master Plan

Ad-Hoc Advisory Committee Meeting #6

Thursday, March 2, 2017 4:30 – 6:00

Permit Center – Large Conference Room, City Hall

DRAFT Meeting Summary

Committee Members Present:

Bob Andrews, Mayor
E.C. Bell, Chehalem Valley Presbyterian Church
Fred Gregory, GFU
Dave Hampton, Friendsview Retirement Comm.
Patrick Johnson, Council
Greg McKinley, A-DEC
Dave Parker, Newberg School District
Jack Reardon, Citizen
Matt Zook, City of Newberg Finance

Committee Members not Present:

Carr Biggerstaff, Chehalem Valley Chamber
Don Clements, CPRD
Maureen Rogers, Chapters
Bill Rourke, Citizen

Public Present:

Stephen McKinney, City Council
Mark Grier

Staff and Consultant Team Present:

Joe Hannan, City of Newberg
Jay Harris, City of Newberg
Kristen Kibler, JLA
Tony Roos, Kittelson
Truman Stone, City of Newberg

Introductions/Meeting Purpose/Public Comments

The purpose of the meeting was to continue discussion from the February meeting on fee caps, combining like uses (for school district, CPRD, etc.), and the effect of these reductions on target revenue. The ad-hoc committee feedback would be incorporated into the third Council reading of the ordinance in April.

The group reviewed the direction of the ordinance from their last meeting.

- Funding split – confirmed 35% residential, 65% non-residential
- Variable by class was confirmed as the rate model
- Heavy vehicle clause would not be included in fee ordinance, but recommended to Council/staff for future action
- Prioritization clause would be included to assure that “no less than 30% of funding” would be allocated to poor condition roads. Mayor Andrews stressed the importance of this wording to make sure that at least 30% was always spent on poorest condition roads. More could be spent, but “no less than 30%” of the annual funding.
- Fee waivers were appropriate for low income residents, vacancies, unemployment, and residences with no vehicles.

The group would focus on the remaining topics: Fee caps, combining like uses for non-profit parcels, and target revenue (the number that was initially used to calculate fees)

There were no public comments at this time.

Review of Draft Ordinance with Committee Discussion on specific issues for council (continued from last meeting with updated information)

This discussion was a continuation from the previous meeting with additional information on the impact specifically of fee caps.

Fee Caps— The group had general discussion on fee caps, public perception, and impact of fee caps. They looked at different methods for applying discount caps, specifically caps at \$500, 600, or \$1000 with an additional percentage added in based on the square footage. This was suggested at the last meeting to address businesses in the same classes that fell just below a flat cap and those that benefit greatly with a flat cap, i.e. there should be some noticeable fee difference between businesses in the same class that would pay \$575 vs a business paying a reduced cap of \$600 (from a much higher uncapped fee). They looked up several businesses and compared monthly fees using the table Tony Roos had updated with the discount cap methodology. The following highlights discussion items on fee caps.

- Why would we reduce the revenue by offering caps? If the goal is to address road conditions, caps would reduce the ability to raise revenue.
- Why would we offer caps? There is a desire to be friendly to business and businesses may need to pass along fees to customers, many of which are likely Newberg residents. There are about a dozen businesses that pay quite large monthly fees.
- Will the residents end up paying for the cost of any fees? If there is a cap on some parcels, and the revenue target is increased to make up for the loss of capped fees, the fees would get redistributed for everyone and increase slightly for those not capped. If the revenue target remains the same, there is a revenue loss from the cap.
- Why would some businesses get a break from paying the fee while others do not? The group was concerned about some parcels seeing a large benefit from the cap while others hovered just below the cap limit and saw no reduction of fees. They also discussed businesses that had multiple parcels that may have a combined fee not eligible for a cap.
- Do other cities have caps? Tualatin does not. They started their fee earlier so it is lower and their road never fell into the same condition. Tigard bases fees on parking stalls. This is probably more difficult to administer.

The group discussed the caps throughout the meeting. In the end, they recommended that there be no caps offered. They understood this would be unfavorable to a few businesses, but there was a common sense that there was no fair way to apply caps that didn't reduce the revenue available for roads or create an increase for others paying their full fees.

Combining non-profits—The group discussed whether to combine properties for the school district and parks district. Other consolidation of city buildings would not see any fee reduction, even if caps were in place. Tony Roos had done some additional research on parks trips; there would now be just a negligible difference in the total fee paid by the Chehalis Parks and Recreation District, even if caps were in place. The group agreed that the only non-profit needing some special consideration in how it is grouped is the school district. The group agreed that only the Newberg School District would be combined. The group did not believe any other non-profits or for-profits should be considered for combining parcels when billing. This would be more complicated to administer. Since it was unique, the Newberg School District would be in its own section of the ordinance. It would need to be consolidated for billing purposes, so would need separate language.

Target Revenue—The group knew that caps and waivers would mean reduced revenue. They want to see a fund that is able to accomplish pavement maintenance. They looked at the impact on fees for all the classes if caps were in place. Many felt strongly that the monthly rates should not get higher by increasing the target to capture loss in revenue. Many felt that the residential rates should not go above \$5/month on municipal services bills. This was another factor in not recommending caps. They recommended the target revenue remain at \$1.2M knowing the waivers would still reduce the actual revenue. They also recognized that over time, new businesses and residents would add to the revenue.

Summary of Recommendations from this meeting:

- Keep the target revenue at \$1.2M to avoid increasing rates for those not receiving waivers
- Do not offer caps to be fair among the different non-residential properties
- Combine school district properties in its own section of the ordinance, since it will be calculated differently with combined parcels of high, middle, and elementary schools.

Next steps

Staff will make adjustments in the draft ordinance prior to the next council reading scheduled in April. Ad-hoc committee members are encouraged to attend and testify. If approved, the transportation utility fee could take effect as early as July 1. There will need to be information about the fee amounts for all users and the pavement maintenance.

Meeting Adjourned

1

Transportation Utility Fee Ordinance 3rd Hearing

May 2, 2017



Background

- ▶ The Council and citizens have been concerned about Newberg streets for a long time.
- ▶ Over a year ago, the Council directed staff to prepare a Pavement Maintenance Funding Plan.
- ▶ In July, an ad-hoc committee was formed and began work on a proposed funding package for Phase 1. The ad-hoc committee met a total of 7 times over the last 9 months.
- ▶ Public outreach efforts included:
 - ▶ Several newsletter articles,
 - ▶ An Open House,
 - ▶ An on-line Open House; and
 - ▶ Various presentations to Rotary, City Club, Traffic Safety Commission, Kiwanis
- ▶ The public outreach and ad-hoc committee work lead to a proposed Transportation Utility Fee to raise approximately \$1,200,000 for pavement maintenance.
- ▶ The 1st public hearing of this ordinance occurred on December 5, 2016.
- ▶ The 2nd public hearing of this ordinance occurred on January 3, 2017

Recap of December 5, 2016 Council Meeting

- ▶ Council listened to public testimony and deliberated on the proposed ordinance.
- ▶ Council indicated that the assumptions on the funding amount and funding prioritization were acceptable.
- ▶ Direction was given on the funding allocation, consensus being to keep the 35% residential share.
- ▶ Other concerns were raised about:
 - ▶ Definition of Vacancy
 - ▶ Profit vs Non-Profit
 - ▶ Fee Cap

Recap of January 3, 2016 Council Meeting

- ▶ Council listened to public testimony and deliberated on the proposed ordinance.
- ▶ Concerns were raised about:
 - ▶ Fee Cap Amounts: \$600 or \$1000 per month?
 - ▶ TUF Implementation Date.
 - ▶ Consider Heavy Vehicle Impacts in Ordinance.
 - ▶ Consolidation of Non-Profit Entity Property Uses, to Utilize Fee Cap, such as School District, CPRD, City.
 - ▶ Clarify Appeals Section per City Attorney Comments.
 - ▶ Confirm 35% Residential and 65% Non-Residential Funding Split.
- ▶ Discuss Concerns with the Ad-Hoc Committee and Return with Recommendations.

Ad-Hoc Committee Recommendations

- ▶ The Ad-Hoc Committee met on February 8, 2017, March 2, 2017, and April 18, 2017, to discuss provisions in the Ordinance, and provided their input for refinement of the Ordinance, as summarized below:
- ▶ Funding: \$2.5 million total, \$0.6 million existing, \$1.2 million Transportation Utility Fee (TUF), \$0.7 million other future funding source. **No change proposed, keep the targeted revenue for the TUF at \$1.2 million.**
- ▶ Maximum Fee Cap: What is the appropriate maximum monthly fee cap amount, \$600, or lower/higher? **The Ad-Hoc Committee recommended that the maximum fee cap section be removed from the Ordinance. Staff removed Section 3.45.080.F, Fee Maximum from the proposed Ordinance.**

Ad-Hoc Committee Meetings (cont.)

- Funding Allocation: Should the TUF increase for residential properties to subsidize non-residential uses (i.e.: 35% residential share or 50% residential share)? **Council consensus at the December 5, 2016, hearing was to keep the funding allocation at the 35% residential share. The Ad-Hoc Committee agrees with Council.**
- Prioritization of Improvements: A maximum of 70% of revenue is proposed to be allocated to preservation of the good to fair streets, and a minimum of 30% to reconstruct the poor to very poor streets. Should different funding percentages be considered? **The consensus of the Council was to maintain the split of 70% good to fair streets and 30% to poor streets. The Ad-Hoc Committee agrees with Council. Refer to Section 3.45.060, Prioritization of Improvements in the Ordinance.**

Ad-Hoc Committee Meetings (cont.)

- Fee Waivers: Council requested at the November 7, 2016 meeting, information adding forms of fee waivers to the proposed Ordinance. **The Ad-Hoc Committee reviewed the fee waiver provisions and found them to be acceptable. Refer to Section 3.45.130, Waiver of Fees, in the Ordinance.**
- Funding Model: Exhibit B, the monthly rate schedule, shows the four residential and six non-residential rate classes. The “variable within fee class” model was originally chosen by the Ad-Hoc Committee last year over other models such as a flat fee or trip generation model. **The use of the variable within fee class model was recommended a second time by the Ad-Hoc Committee. No change was made to the Ordinance.**

Ad-Hoc Committee Meetings (cont.)

- Heavy Vehicle Clause: The Ad-Hoc Committee discussed the topic of heavy vehicles and the impact of the weight on the city streets. **The Ad-Hoc Committee recommends that a construction impact and/or a loading dock fee be discussed at a later date separate from this Ordinance.**
- Combining Non-Profits: Combining properties for the school district, CPRD, and the City to lower the impact of the TUF on the governmental non-profits was discussed. It was found that the fee reduction would be minimal or non-existent for CPRD and the City, but combining school district properties into one group for elementary, middle, and high schools would reduce the school district monthly fee by approximately 50%. **The Ad-Hoc Committee recommends a reduction of the TUF paid by the Public School District only. Section 3.45.100.10 in the Ordinance reduces the trip rate per student by 50%, which in turn reduces their total yearly cost for all of the public schools to approximately \$23,760.00.**

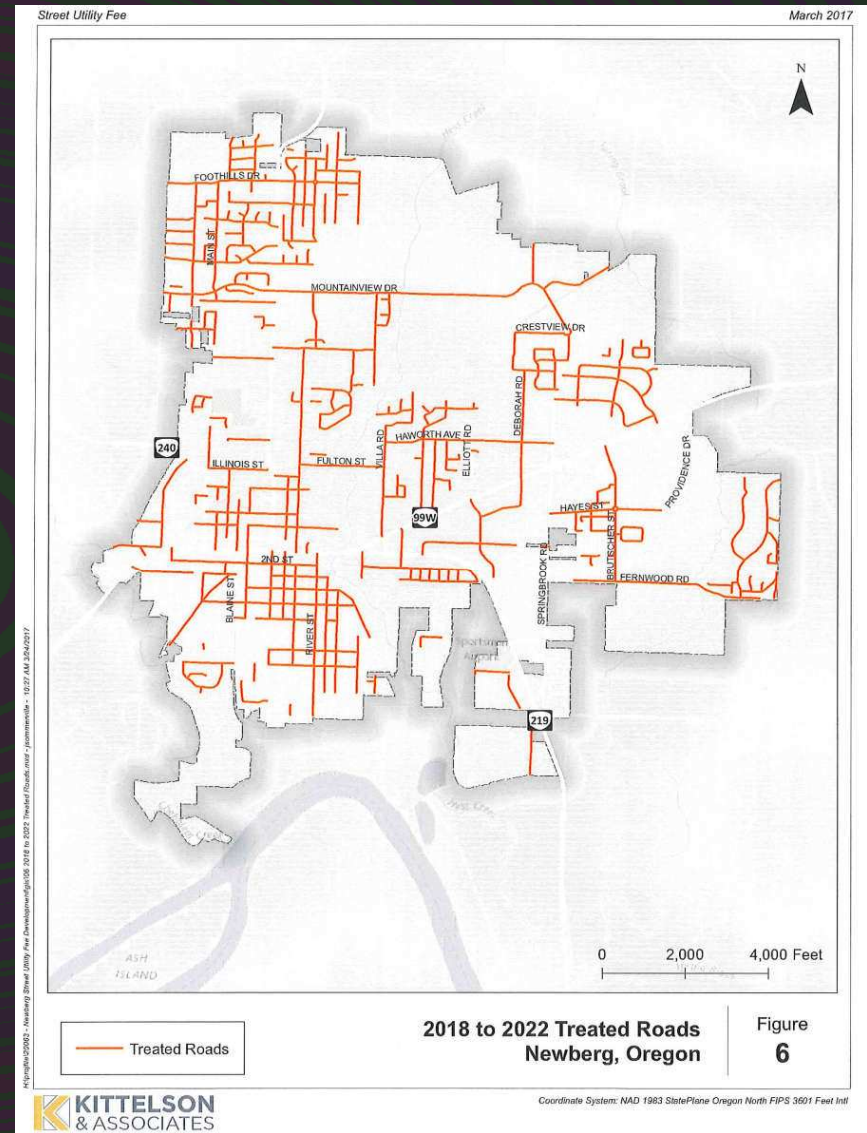
Fee Comparison

Transportation Utility Fee Rate Comparison Oregon Jurisdictions

				RESIDENTIAL		NON-RESIDENTIAL					
CITY	PSU 2013 Certified Population Estimates	CENTERLANE MILES MAINTAINED	FEE TITLE	SFR	MFR	100,000 SQ. FT. MANUFACTURING	30,000 GENERAL OFFICE BUILDING	20,000 SPECIALTY RETAIL	100,000 SUPER MARKET	10,000 DRIVE IN BANK	5,000 FAST FOOD RESTAURANT W/DT
North Plains	2,015	14.21	Transportation Utility Fee	\$ 1.09	\$ 1.09	\$ 450.00	\$ 135.00	\$ 450.00	\$ 1,350.00	NA	\$ 162.00
Philomath	4,625	16.01	Road Maintenance Fee	\$ 4.00	\$ 3.20	\$ 174.00	\$ 145.50	\$ 170.80	\$ 2,184.00	\$ 156.20	\$ 109.20
Phoenix	4,570	19.47	Street User Fee	\$ 2.21	\$ 1.46	\$ 6.12	\$ 52.93	\$ 142.03	\$ 1,146.71	\$ 209.24	\$ 43.72
Hillsboro	93,340	224.24	Transportation Utility Fee	\$ 7.56	\$ 6.81	\$ 29.00	\$ 21.00	\$ 51.00	\$ 513.00	\$ 134.60	\$ 168.60
Milwaukie	20,500	74.01	Street Surface Maintenance Program	\$ 3.35	\$ 2.10	\$ 140.00	\$ 84.00	\$ 224.00	\$ 250.00	\$ 250.00	\$ 224.00
Grants Pass	34,855	151.29	Transportation Utility Fee	\$ 3.52	\$ 2.34	\$ 35.20	\$ 35.20	\$ 70.39	\$ 704.01	\$ 70.39	\$ 35.20
Tualatin	26,510	68.79	Road Utility Fee	\$ 3.92	\$ 3.36	\$ 81.50	\$ 54.70	\$ 94.50	\$ 1,163.50	\$ 311.80	\$ 383.70
Wilsonville	21,550	78.00	Road Maintenance User Fee	\$ 7.62	\$ 4.95	\$ 121.64	\$ 121.64	\$ 214.29	\$ 540.55	\$ 121.64	\$ 214.29
Newberg		65.50		\$ 4.99	\$ 3.37	\$ 371.00	\$ 112.00	\$ 293.00	\$ 3,192.00	\$ 937.00	\$ 487.00
Dufur	605	6.86	Street Maintenance Fee	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Tigard	49,135	151.43	Street Maintenance Fee	\$ 6.56	\$ 6.56	\$ 172.00	\$ 1,714.15	\$ 193.50	\$ 645.00	\$ 58.05	\$ 75.25
Eagle Point	8,575	39.68	Transportation Utility Fee	\$ 7.00	\$ 4.92	\$ 204.00	\$ 176.40	\$ 473.40	\$ 1,444.00	\$ 355.40	\$ 351.65
Lake Oswego	36,990	183.00	Street Maintenance Fee	\$ 8.97	\$ 6.41	\$ 549.00	\$ 370.50	\$ 247.00	\$ 1,235.00	\$ 461.40	\$ 230.70
Ashland	20,295	102.99	Transportation Utility Fee	\$ 8.83	\$ 6.73	\$ 670.00	\$ 237.00	\$ 238.00	\$ 1,190.00	\$ 105.00	\$ 157.50
Medford	75,920	280.70	Street Utility Fee	\$ 7.85	\$ 5.18	\$ 385.60	\$ 255.65	\$ 486.05	\$ 3,275.67	\$ 698.90	\$ 435.73
Oregon City	33,990	135.60	Pavement Maintenance Utility Fee	\$ 11.56	\$ 8.12	\$ 75.64	\$ 65.40	\$ 175.51	\$ 535.59	\$ 131.77	\$ 188.18
Average			Average	\$ 5.59	\$ 4.50	\$ 197.40	\$ 195.14	\$ 191.91	\$ 1,080.73	\$ 231.10	\$ 183.71
High			High	\$ 11.56	\$ 8.12	\$ 670.00	\$ 1,714.15	\$ 486.05	\$ 3,275.67	\$ 937.00	\$ 487.00
Low			Low	\$ 1.09	\$ 0.94	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00

FUTURE CONDITIONS:

- Full Program Funding (\$2.5 million/year) Year 5 Map:
- Total of 65.5 miles of roadway
- 48.2 miles would be treated



Recommendation

- ▶ Adopt Ordinance No. 2016-2811 amending Title 3 of the Newberg Municipal Code, adding a new chapter establishing a transportation utility fee to supplement other revenue to maintain and replace pavement surfaces city-wide.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2017

Order ____ No.	Ordinance ____ No.	Resolution <u>XX</u> No. 2017-3375	Motion ____	Information ____
-------------------	-----------------------	---------------------------------------	-------------	------------------

SUBJECT: A Resolution to approve the Transportation System Development Charge Methodology and increase the charge

Contact Person (Preparer) for this
Motion: Kaaren Hofmann, PE, City Engineer
Dept.: Public Works - Engineering
File No.:

HEARING TYPE: ADMINISTRATIVE

RECOMMENDATION:

Adopt Resolution No. 2017-3375

EXECUTIVE SUMMARY:

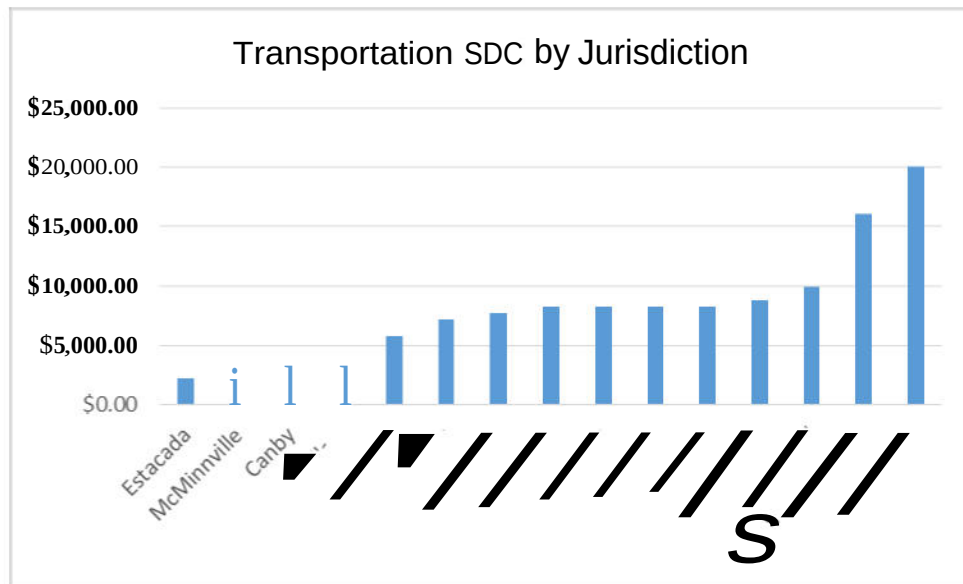
System Development Charges (SDCs) is a fee assessed or collected at the time of increased usage of a capital improvement, at the time of issuance of a development permit or building permit, or at the time of connection to the capital improvement. The purpose of the system development charges is to impose a portion of the cost of capital improvements upon those developments that create the need for or increase the demands on capital improvements in the City.

Per Newberg Municipal Code 13.05.080, the City Council shall adopt a plan that lists the capital improvements that may be funded, and that lists the estimated cost and time of construction and describes the process for modifying the plan. The City Council adopted the updated Transportation System Plan in December 2016. This plan has the proposed list of capital projects and their costs.

The proposed Transportation SDC methodology is included as Attachment A. Development of the SDC charges for capacity projects was completed by FCS Group. The City's prior Transportation SDC calculation was based on average weekday vehicle trip ends. The proposed methodology utilizes a PM peak hour person trip-end (PMPHPT) basis for calculating future trip growth. This appropriately accounts for a balanced transportation system with a mix of motor vehicle, bicycle and pedestrian facilities. Based on the National Household Travel Survey, the conversion of PM peak hour vehicle trips to person trips is 1.68.

NMC 13.05.040 and 13.05.050 note that changes to the fee and methodology shall be adopted by the City Council in a resolution. Oregon Revised Statutes dictate that the methodology for establishing or modifying improvement or reimbursement fees shall be available for public inspection. The local government must maintain a list of persons who have made a written request for notification prior to the adoption or amendment of such fees. The notification requirements for changes to the fees that represent a modification to the methodology are 90-day written notice prior to first public hearing, with the SDC methodology available for review 60 days prior to public hearing. On February 1, 2017, a notification (Attachment B) was sent to the parties noted in Attachment C and was posted on the City website. The methodology report was made available on the City's webpage on March 2, 2017.

Staff did meet with the Home Builder's Association and there were no concerns raised on this proposal. A comparison of Transportation SDCs with other cities is in the chart below.



FISCAL IMPACT:

The proposed SDCs for transportation will be increasing by approximately \$2,226 for a single family residence. This is mainly due use of the person trips instead of vehicular trips. This will allow for the SDCs collected to be used for capacity increases for all modes of travel rather than just vehicular movements.

The proposed SDC per unit is below:

	Reimbursement Fee	Improvement Fee	Compliance Fee	Total
Transportation SDC	\$283	\$3,074	\$15	\$3,371

Table 9 in the methodology report is shown for some land uses but is not the comprehensive list. The total SDC obligation is calculated by multiplying the total SDC by the peak hour person trips estimated for each land use.

$$SDC = \$3,371 \times PMPHPT$$

For example:

Single Family Detached Housing = $\$3,371 \times 1.71 = \$5,764.41$

General Light Industrial (per 1000 SF) = $\$3,371 \times 1.81 = \$6,101.51$

A RESOLUTION TO APPROVE THE TRANSPORTATION SYSTEM DEVELOPMENT CHARGE METHODOLOGY AND INCREASE THE CHARGE

RECITALS:

1. System Development Charges (SDCs) is a fee assessed or collected at the time of increased usage of a capital improvement, at the time of issuance of a development permit or building permit, or at the time of connection to the capital improvement. The purpose of the system development charges is to impose a portion of the cost of capital improvements upon those developments that create the need for or increase the demands on capital improvements.
2. The City Council adopted the updated Transportation System Plan in December 2016. This plan has the proposed list of capital projects and their costs.
3. After the Transportation Master Plan was adopted, the SDC methodology and fees were evaluated and updated. The Transportation SDC methodology report is included as Attachment A.
4. The proposed methodology utilizes a PM peak hour person trip-end (PMPHPT) basis for calculating future trip growth.
5. On February 1, 2017, notification was sent to interested parties and was posted on the website.
6. The methodology report was made available on the City's webpage on March 2, 2017.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council approves the per unit SDC schedule as follows:

	Reimbursement Fee	Improvement Fee	Compliance Fee	Total
Transportation SDC	\$283	\$3,074	\$15	\$3,371

2. The City Council adopts the Transportation SDC methodology of

$$SDC = \$3,371 \times PMPHPT$$

3. The system development charges will be effective on any permit application not yet issued on the effective date shown below.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2017.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2017.

Sue Ryan, City Recorder

ATTEST by the Mayor this 5th day of May, 2017.

Bob Andrews, Mayor

City of Newberg

TRANSPORTATION SYSTEM DEVELOPMENT CHARGE METHODOLOGY REPORT

DRAFT REPORT
March 2017

Washington

7525 166th Avenue NE, Ste. D215
Redmond, WA 98052
425.867.1802

Oregon

4000 Kruse Way Pl., Bldg. 1, Ste 220
Lake Oswego, OR 97035
503.841.6543

www.fcsgroup.com

This entire report is made of readily recyclable materials, including the bronze wire binding and the front and back cover, which are made from post-consumer recycled plastic bottles.



FCS GROUP
Solutions-Oriented Consulting

TABLE OF CONTENTS

Table of Contents	i
List of Tables	ii
Table of Appendices	ii
Section I. Introduction.....	1
I.A. System Development Charges	1
I.B. Updating The Transportation SDC	1
I.C. Calculation Overview	2
I.C.1. Reimbursement Fee	2
I.C.2. Improvement Fee	2
I.C.3. Adjustments	3
Section II. SDC Calculations.....	4
II.A. Growth Calculation	4
II.B. Reimbursement Fee Cost Basis	4
II.C. Improvement Fee Cost Basis	5
II.C.1. Fund Balance Adjustment	6
II.D. Compliance Cost Basis	6
Section III. Conclusion.....	7
III.A. Calculated SDC	7
III.B. Credits, Exemptions, and Waivers	7
III.B.1. Credits	7
III.B.2. Exemptions & Waivers.....	8
III.C. Indexing	8
III.D. Fee Basis	8
III.E. Comparison	13

LIST OF TABLES

Table 1.	SDC Equation	2
Table 2.	Transportation Customer Base	4
Table 3.	Reimbursement Fee Basis Calculation	5
Table 4.	Improvement Fee Basis Summary	5
Table 5.	Ending Fund Balance Adjustment	6
Table 6.	Compliance Cost Estimate	6
Table 7.	Transportation SDC	7
Table 8.	Transportation SDC by Fee Component	9
Table 9.	Transportation SDC by Land Use	10
Table 10.	Transportation SDC Comparison by Select Land Use	13

TABLE OF APPENDICES

Appendix A – Improvement Fee Project List

Section I. INTRODUCTION

This section describes the policy context and project scope upon which the body of this report is based.

I.A. SYSTEM DEVELOPMENT CHARGES

Oregon Revised Statutes (ORS) 223.297 to 223.314 authorize local governments to establish system development charges (SDCs), one-time fees on new development paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDCs:

- A reimbursement fee designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed) and on the costs of compliance with Oregon’s SDC law.

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed) and on the costs of compliance with Oregon’s SDC law.

I.B. UPDATING THE TRANSPORTATION SDC

The City of Newberg (City) contracted with FCS Group to perform an SDC update. We conducted the study using the following general approach:

- **Policy Framework for Charges.** In this step, we worked with City staff to identify and agree on the approach to be used and the components to be included in the analysis.
- **Technical Analysis.** In this step, we worked with City staff and DKS Associates to isolate the recoverable portion of facility costs and calculate SDC rates.
- **Methodology Report Preparation.** In this step, we documented the calculation of the SDC rates included in this report.

I.C. CALCULATION OVERVIEW

In general, SDCs are calculated by adding a reimbursement fee component and an improvement fee component—both with potential adjustments. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge. **Table 1** shows this calculation in equation format:

Table 1. SDC Equation

Eligible costs of available capacity in existing facilities	+	Eligible costs of capacity-increasing capital improvements	+	Pro-rata share of costs of complying with Oregon SDC law	=	SDC per unit of growth in demand
Units of growth in demand		Units of growth in demand				

I.C.1. Reimbursement Fee

The reimbursement fee is the cost of available capacity per unit of growth that such available capacity will serve. In order for a reimbursement fee to be calculated, unused capacity must be available to serve future growth. For facility types that do not have available capacity, no reimbursement fee may be calculated.

I.C.2. Improvement Fee

The improvement fee is the cost of planned capacity-increasing capital projects per unit of growth that those projects will serve. The unit of growth becomes the basis of the fee. In reality, the capacity added by many projects serves a dual purpose of both meeting existing demand and serving future growth. To compute a compliant improvement fee, growth-related costs must be isolated, and costs related to current demand must be excluded.

We have used the capacity approach to allocate costs to the improvement fee basis.¹ Under this approach, the cost of a given project is allocated to growth by the portion of total project capacity that represents capacity for future users. That portion, referred to as the improvement fee eligibility percentage, is multiplied by the total project cost for inclusion in the improvement fee cost basis.

¹ Two alternatives to the capacity approach are the incremental approach and the causation approach. The incremental requires the computation of hypothetical project costs to serve existing users. Only the incremental cost of the actual project is included in the improvement fee cost basis. The causation approach, which allocates 100 percent of all growth-related projects to growth, is vulnerable to legal challenge.

I.C.3. Adjustments

Two cost basis adjustments are applicable to the SDC calculation: fund balance and compliance costs.

I.C.3.a Fund Balance

All accumulated SDC revenue currently available in fund balance is also deducted from its corresponding cost basis. This practice prevents a jurisdiction from double-charging for projects that were in the previous methodology's improvement fee cost basis but have not yet been constructed. The fund balance deduction will be from the improvement fee cost basis.

I.C.3.b Compliance Costs

ORS 223.307(5) authorizes the expenditure of SDCs for "the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures." To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in the SDC calculation.

Section II. SDC CALCULATIONS

This section provides the rationale and calculations supporting the proposed transportation SDCs. As discussed previously, an SDC can include three components: a reimbursement fee, an improvement fee, and compliance cost recovery. Below we provide detailed calculations for each component of the charge.

II.A. GROWTH CALCULATION

Growth is the denominator in both the improvement and reimbursement fee calculations, measured in units that most directly reflect the source of demand. For transportation SDCs, the most applicable and administratively feasible unit of growth is trips.

Newberg's prior transportation SDC growth calculation was based on average weekday vehicle trip-ends. The proposed SDC methodology utilizes a P.M. peak hour person trip-end (PMPHPT) basis for calculating future trip growth. The City desired to reflect the impacts of the P.M. peak hour traffic on transportation system planning. Whereas P.M. peak hour vehicle trips would only include vehicle trips, PMPHPTs include vehicle trips as well as non-motor vehicle trips that utilize bicycle and pedestrian facilities as well as transit. This appropriately accounts for a balanced transportation system with a mix of motor vehicle, bicycle, and pedestrian facilities. **Table 2** shows projected growth in PMPHPTs during the planning period based on the Newberg Transportation System Plan. The Transportation System Plan calculated growth in terms of vehicle trips. P.M. peak hour vehicle trips are converted to PMPHPTs using a factor of 1.68, based on the National Household Travel Survey.

Table 2. Transportation Customer Base

	2012	2017	2035	Growth	Growth as a % of Future Customers	Compound Annual Growth Rate
P.M. Peak Hour Vehicle Trips	16,544	18,565	28,109	9,544	33.95%	2.33%
P.M. Peak Hour Person Trips	27,794	31,189	47,223	16,034	33.95%	2.33%

Source: DKS Associates and National Household Travel Survey.

II.B. REIMBURSEMENT FEE COST BASIS

The reimbursement fee cost basis is the cost of capacity available in the existing system. Calculation of the reimbursement fee begins with the historical cost of assets or recently completed projects that have unused capacity to serve future users. For each asset or project, the historical cost is adjusted by that portion of the asset or project that is available to serve future users. To avoid charging future development for facilities provided at no cost to the City or its ratepayers, the reimbursement fee cost

basis may be reduced by any grants or contributions used to fund the assets or projects included in the cost basis. Furthermore, unless a reimbursement fee will be specifically used to pay debt service, the reimbursement fee cost basis should be reduced by any outstanding debt related to the assets or projects included in the cost basis to avoid double charging for assets paid for by other means. These reductions result in the gross reimbursable cost.

The estimated cost of unused capacity in the City transportation system is determined based on previous expenditures for SDC-funded projects. By definition, these expenditures created new capacity that would serve future users. After adjusting for the growth that has occurred since these monies were expended, we can reasonably assume that most of the added capacity still exists and may serve as a valid reimbursement fee cost basis. For this analysis, we further assume any project built with SDC monies will reach capacity 20 years after construction. **Table 3** shows the reimbursement fee basis calculation.

Table 3. Reimbursement Fee Basis Calculation

Fiscal Year Ending 6/30:	Expenditures in Year	Remaining Capacity
2007	\$958,580	\$479,290
2008	\$3,330,353	\$1,831,694
2009	\$323,068	\$193,841
2010	\$385,545	\$250,604
2011	\$411,818	\$288,273
2012	\$726,100	\$544,575
2013	\$53,522	\$42,818
2014	\$551,134	\$468,464
2015	\$206,315	\$185,684
2016	\$257,580	\$244,701
Total	\$7,204,016	\$4,529,943

Source: City of Newberg.

Note: Capacity increasing capital expenditures and SDC improvement fee expenditures included in reimbursement fee cost basis.

II.C. IMPROVEMENT FEE COST BASIS

The improvement fee cost basis is based on a specific list of planned capacity-increasing capital improvements. The portion of each project that can be included in the improvement fee cost basis is determined by the extent to which each new project creates capacity for future users. **Table 4** shows the total improvement fee-eligible cost basis (see **Appendix A** for a complete list of the projects and eligibility by project). The eligible portion shown in the exhibit is a weighted average of all project allocations.

Table 4. Improvement Fee Basis Summary

	Total
Total Cost of Projects	\$ 116,252,730
Total Eligible Portion	45%
SDC-Eligible Cost	\$ 52,230,743
Number of Projects	116

Source: Appendix B.

II.C.1. Fund Balance Adjustment

After calculating the total improvement fee-eligible cost, we reduce the cost basis by available SDC fund balances. **Table 5** shows the total fund balance deduction of \$2.84 million.

Table 5. Ending Fund Balance Adjustment

Ending Fund Balance 6/30/2016	\$2,837,140

Source: City of Newberg.

II.D. COMPLIANCE COST BASIS

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.”

This SDC methodology assumes two components of the compliance cost estimates: the cost of administering the SDC and the cost of completing SDC studies. We calculate the cost of administering the SDC based on four hours per month at a loaded rate of \$98.61 per hour.

Multiplying the loaded rate by the number of hours per month, number of months in a year, and years in the analysis period results in the total administrative costs over the analysis period. The second portion of the compliance cost is the cost of SDC studies during the analysis period. This total cost, \$150,000, assumes the City will conduct an SDC study every five years. See **Table 6** for the total compliance cost estimate.

Table 6. Compliance Cost Estimate

	Estimate
Hours per Month Administering SDC	4
Loaded Rate per Hour	\$ 98.61
Administrative Costs per Month	\$ 394
Administrative Costs per Year	\$ 4,733
Administrative Costs Over Analysis Period	\$ 89,932
SDC Studies Over Analysis Period	\$ 150,000
Total Compliance Costs Over Analysis Period	\$ 239,932

Source: City of Newberg.

Section III. CONCLUSION

III.A. CALCULATED SDC

Dividing the sum of the net cost bases described previously by the projected PMPHPT growth produces the proposed transportation SDC. **Table 7** summarizes the SDC component calculations. As noted above, fund balance revenues are deducted from the improvement fee cost basis.

Table 7. Transportation SDC

Transportation SDC Calculation			
Reimbursement Fee			
SDC Funded Infrastructure	\$	4,529,943	
Reimbursement Fee Cost Basis	\$	4,529,943	
Growth to End of Planning Period		16,034	PM Peak Person Trip
Reimbursement Fee	\$	282.51	per PM Peak Person Trip
Improvement Fee			
Capacity Expanding CIP	\$	52,230,743	
Less: SDC Fund Balances		(2,837,140)	
Improvement Fee Cost Basis	\$	49,393,603	
Growth to End of Planning Period		16,034	PM Peak Person Trip
Improvement Fee	\$	3,080.48	per PM Peak Person Trip
Compliance Fee			
Costs of Compliance	\$	239,932	
Growth to End of Planning Period		16,034	PM Peak Person Trip
Compliance	\$	14.96	per PM Peak Person Trip
Total System Development Charge			
Reimbursement Fee	\$	282.51	per PM Peak Person Trip
Improvement Fee	\$	3,080.48	per PM Peak Person Trip
Compliance Fee	\$	14.96	per PM Peak Person Trip
Total SDC per PM Peak Person Trip	\$	3,378	per PM Peak Person Trip

III.B. CREDITS, EXEMPTIONS, AND WAIVERS

The City will continue to establish local policies for issuing credits, exemptions, and other administrative procedures.

III.B.1. Credits

A credit is a reduction in the amount of the SDC for a specific development. ORS 223.304 requires that SDC credits be issued for the construction of a qualified public improvement which is: required as a condition of development approval; identified in the City's adopted SDC project list; and either

“not located on or contiguous to property that is the subject of development approval,” or located “on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project....”

Additionally, a credit must be granted “only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve” the particular project up to the amount of the improvement fee. For multi-phase projects, any “excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.”

III.B.2. Exemptions & Waivers

The City may exempt or waive specific classifications of development from the requirement to pay transportation SDCs. However, to do so it must have a cost or demand-based justification. The City may not arbitrarily exempt customers or customer types from SDCs.

The City currently exempts minor additions and temporary structures from SDC consideration and waives the SDC for affordable housing and downtown development. As noted in the issue paper about SDC reductions, we recommend the City charge downtown development SDCs and waive SDCs for affordable housing in compliance with state law.

III.C. INDEXING

Oregon law (ORS 223.304) also allows for the periodic indexing of system development charges for inflation, as long as the index used is:

- “(A) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;
- (B) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and
- (C) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution or order.”

We recommend that the City index its charges to the Engineering News Record Construction Cost Index for the City of Seattle and adjust its charges annually. There is no comparable Oregon-specific index.

III.D. FEE BASIS

The transportation SDC is based on the number of PMPHPTs that a land use generates. The Institute of Transportation Engineers (ITE) *Trip Generation Manual* contains vehicle trip rates based on studies conducted nationwide and provides the base data of unadjusted counts of trips generated by various types of land use. The trip rates include all traffic entering or leaving a location but do not account for traffic that passes by or interrupts a primary trip between origin and destination. We have taken the step of removing pass-by and diverted-linked trips because they would occur regardless of development activity. We have also converted ITE P.M. Peak Hour Vehicle Trips to PMPHPTs using a factor of 1.68 as noted in the growth calculation.

We calculate the number of net new PMPHPTs generated per day for each type of land use with the following formula:

$$ITE\ P.M.\ Peak\ Hour\ Vehicle\ Trip\ Rate \times (1 - \% \text{ Pass-by Trips and Diverted- Linked Trips}) \\ \times \text{ PMPHPT Conversion Factor} = \text{New PMPHPT}$$

The SDC per unit of development is calculated for each type of land use by multiplying the new PMPHPT for each land use by the SDC per PMPHPT.

$$SDC\ per\ PMPHPT \times \text{New PMPHPT by Land Use} = SDC\ by\ Land\ Use$$

Table 8 shows the SDC by component. The total is multiplied by the PMPHPT estimate by land use to derive the total SDC obligation.

Table 8. Transportation SDC by Fee Component

	Reimbursement Fee	Improvement Fee	Compliance Fee	Total
Transportation SDC	\$283	\$3,074	\$15	\$3,371

Source: Previous tables.

Table 9 shows the fee per land use for the transportation SDC. It is important to note that the *Trip Generation Manual* may not contain some land use categories or may not include trip rates or number of net new trips generated. For such land use categories without data, the City SDC Administrator shall use her/his judgment to calculate the transportation SDC.

Table 9. Transportation SDC by Land Use

ITE Code	Land Use	Unit	P.M. Peak Hour Vehicle Trips	Primary Trip Adjustments as a Percent of Total ¹	Adjusted P.M. Peak Hour Vehicle Trips	Number of P.M. Peak Hour Person Trips ¹	Reimbursement Fee	Improvement Fee	Compliance Fee	Total SDC per Unit
21	Commercial Airport	CFD	8.20	100%	8.20	13.78	\$3,892	\$42,437	\$206	\$46,535
30	Intermodal Truck Terminal	Acre	7.24	100%	7.24	12.16	\$3,436	\$37,468	\$182	\$41,087
110	General Light Industrial	1,000 SFGFA	1.08	100%	1.08	1.81	\$513	\$5,589	\$27	\$6,129
130	Industrial Park	1,000 SFGFA	0.84	100%	0.84	1.41	\$399	\$4,347	\$21	\$4,767
140	Manufacturing	1,000 SFGFA	0.75	100%	0.75	1.26	\$356	\$3,881	\$19	\$4,256
151	Mini-Warehouse	1,000 SFGFA	0.29	100%	0.29	0.49	\$138	\$1,501	\$7	\$1,646
160	Data Center	1,000 SFGFA	0.14	100%	0.14	0.24	\$66	\$725	\$4	\$794
210	Single-Family Detached Housing	Dwelling unit	1.02	100%	1.02	1.71	\$484	\$5,279	\$26	\$5,788
220	Apartment	Dwelling unit	0.67	100%	0.67	1.13	\$318	\$3,467	\$17	\$3,802
	Residential									
230	Condominium/Townhouse	Dwelling unit	0.52	100%	0.52	0.87	\$247	\$2,691	\$13	\$2,951
240	Mobile Home Park	ODU	0.60	100%	0.60	1.01	\$285	\$3,105	\$15	\$3,405
254	Assisted Living	Bed	0.35	100%	0.35	0.59	\$166	\$1,811	\$9	\$1,986
310	Hotel	Room	0.61	100%	0.61	1.02	\$290	\$3,157	\$15	\$3,462
320	Motel	Room	0.56	100%	0.56	0.94	\$266	\$2,898	\$14	\$3,178
417	Regional Park	Acre	0.26	100%	0.26	0.44	\$123	\$1,346	\$7	\$1,475
430	Golf Course	Acre	0.39	100%	0.39	0.66	\$185	\$2,018	\$10	\$2,213
444	Movie Theater with Matinee	Movie screen	50.84	100%	50.84	85.41	\$24,129	\$263,097	\$1,278	\$288,504
492	Health/Fitness Club	1,000 SFGFA	4.06	100%	4.06	6.82	\$1,927	\$21,011	\$102	\$23,040
495	Recreational Community Center	1,000 SFGFA	3.35	100%	3.35	5.63	\$1,590	\$17,337	\$84	\$19,011
520	Elementary School	1,000 SFGFA	3.11	59%	1.83	3.08	\$871	\$9,496	\$46	\$10,413
522	Middle School/Junior High School	1,000 SFGFA	2.52	59%	1.49	2.50	\$706	\$7,694	\$37	\$8,438
530	High School	1,000 SFGFA	2.12	59%	1.25	2.10	\$594	\$6,473	\$31	\$7,098
540	Junior/Community College	1,000 SFGFA	2.64	100%	2.64	4.44	\$1,253	\$13,663	\$66	\$14,982
560	Church	1,000 SFGFA	0.94	100%	0.94	1.58	\$446	\$4,865	\$24	\$5,334
565	Day Care Center	1,000 SFGFA	13.75	33%	4.54	7.62	\$2,154	\$23,482	\$114	\$25,750
590	Library	1,000 SFGFA	7.20	100%	7.20	12.10	\$3,417	\$37,261	\$181	\$40,860
610	Hospital	1,000 SFGFA	1.16	100%	1.16	1.95	\$551	\$6,003	\$29	\$6,583
620	Nursing Home	1,000 SFGFA	1.01	100%	1.01	1.70	\$479	\$5,227	\$25	\$5,732
710	General Office Building	1,000 SFGFA	1.49	100%	1.49	2.50	\$707	\$7,711	\$37	\$8,456
720	Medical-Dental Office Building	1,000 SFGFA	4.27	100%	4.27	7.17	\$2,027	\$22,098	\$107	\$24,232
731	State Motor Vehicles Department	1,000 SFGFA	19.93	100%	19.93	33.48	\$9,459	\$103,142	\$501	\$113,102
732	United States Post Office	1,000 SFGFA	14.67	100%	14.67	24.65	\$6,963	\$75,920	\$369	\$83,252
750	Office Park	1,000 SFGFA	1.48	100%	1.48	2.49	\$702	\$7,659	\$37	\$8,399
	Research and Development Center									
760		1,000 SFGFA	1.07	100%	1.07	1.80	\$508	\$5,537	\$27	\$6,072

ITE Code	Land Use	Unit	P.M. Peak Hour Vehicle Trips	Primary Trip Adjustments as a Percent of Total ¹	Adjusted P.M. Peak Hour Vehicle Trips	Number of P.M. Peak Hour Person Trips ¹	Reimbursement Fee	Improvement Fee	Compliance Fee	Total SDC per Unit
770	Business Park	1,000 SFGFA	1.26	100%	1.26	2.12	\$598	\$6,521	\$32	\$7,150
812	Building Materials and Lumber Store	1,000 SFGFA	5.56	100%	5.56	9.34	\$2,639	\$28,774	\$140	\$31,553
813	Free-Standing Discount Superstore	1,000 SFGFA	4.40	72%	3.17	5.32	\$1,504	\$16,395	\$80	\$17,978
814	Variety Store	1,000 SFGFA	6.99	48%	3.34	5.61	\$1,584	\$17,273	\$84	\$18,941
815	Free-Standing Discount Store	1,000 SFGFA	5.57	48%	2.66	4.47	\$1,262	\$13,764	\$67	\$15,094
816	Hardware/Paint Store	1,000 SFGFA	4.74	45%	2.11	3.54	\$1,001	\$10,916	\$53	\$11,970
817	Nursery (Garden Center)	1,000 SFGFA	9.04	100%	9.04	15.19	\$4,291	\$46,784	\$227	\$51,302
820	Shopping Center	1,000 SFGLA	3.71	50%	1.86	3.13	\$883	\$9,627	\$47	\$10,557
826	Specialty Retail Center	1,000 SFGLA	5.02	100%	5.02	8.43	\$2,383	\$25,980	\$126	\$28,488
841	Automobile Sales	1,000 SFGFA	2.80	100%	2.80	4.70	\$1,329	\$14,491	\$70	\$15,890
843	Automobile Parts Sales	1,000 SFGFA	6.44	44%	2.83	4.76	\$1,345	\$14,664	\$71	\$16,081
848	Tire Store	1,000 SFGFA	3.26	69%	2.24	3.76	\$1,062	\$11,585	\$56	\$12,704
850	Supermarket	1,000 SFGFA	8.37	39%	3.24	5.45	\$1,539	\$16,785	\$82	\$18,406
851	Convenience Market (Open 24 Hours)	1,000 SFGFA	53.42	33%	17.38	29.19	\$8,247	\$89,922	\$437	\$98,606
857	Discount Club	1,000 SFGFA	4.63	100%	4.63	7.78	\$2,198	\$23,961	\$116	\$26,275
862	Home Improvement Superstore	1,000 SFGFA	3.17	44%	1.39	2.34	\$662	\$7,218	\$35	\$7,915
880	Pharmacy/Drugstore without Drive-Through	1,000 SFGFA	11.07	42%	4.69	7.87	\$2,224	\$24,253	\$118	\$26,595
881	Pharmacy/Drugstore with Drive-Through	1,000 SFGFA	9.72	38%	3.69	6.21	\$1,753	\$19,115	\$93	\$20,961
890	Furniture Store	1,000 SFGFA	0.53	37%	0.19	0.33	\$92	\$1,006	\$5	\$1,103
911	Walk-in Bank	1,000 SFGFA	12.13	100%	12.13	20.38	\$5,757	\$62,775	\$305	\$68,837
912	Drive-in Bank	1,000 SFGFA	26.69	27%	7.30	12.26	\$3,463	\$37,755	\$183	\$41,400
925	Drinking Place	1,000 SFGFA	15.49	100%	15.49	26.02	\$7,352	\$80,164	\$389	\$87,905
931	Quality Restaurant	1,000 SFGFA	9.02	43%	3.83	6.44	\$1,819	\$19,839	\$96	\$21,755
932	High-Turnover (Sit-Down) Restaurant	1,000 SFGFA	18.49	40%	7.35	12.35	\$3,488	\$38,037	\$185	\$41,710
933	Fast-Food Restaurant without Drive-Through	1,000 SFGFA	52.40	40%	20.83	34.99	\$9,886	\$107,794	\$524	\$118,204
934	Fast-Food Restaurant with Drive-Through	1,000 SFGFA	47.30	41%	19.37	32.54	\$9,192	\$100,227	\$487	\$109,906
936	Coffee/Donut Shop without Drive-Through	1,000 SFGFA	25.81	40%	10.26	17.24	\$4,869	\$53,095	\$258	\$58,222
937	Coffee/Donut Shop with Drive-Through	1,000 SFGFA	36.16	41%	14.81	24.87	\$7,027	\$76,622	\$372	\$84,021

ITE Code	Land Use	Unit	P.M. Peak Hour Vehicle Trips	Primary Trip Adjustments as a Percent of Total ¹	Adjusted P.M. Peak Hour Vehicle Trips	Number of P.M. Peak Hour Person Trips ¹	Reimbursement Fee	Improvement Fee	Compliance Fee	Total SDC per Unit
938	Coffee/Donut Kiosk	1,000 SFGFA	96.00	17%	16.32	27.42	\$7,746	\$84,459	\$410	\$92,615
944	Gasoline/Service Station	VFP	15.65	35%	5.48	9.20	\$2,600	\$28,347	\$138	\$31,085
945	Gasoline/Service Station with Convenience Market	VFP	13.57	13%	1.73	2.91	\$823	\$8,974	\$44	\$9,840
946	Gasoline/Service Station with Car Wash	VFP	14.52	24%	3.47	5.83	\$1,646	\$17,951	\$87	\$19,685

Source: ITE Trip Generation Manual, 9th Edition, compiled by FCS GROUP

1 Person trips calculated with 1.68 P.M. Peak Hour Person Trips per P.M. Peak Hour Vehicle Trip.

Abbreviations

CFD - commercial flights per day

ODU - occupied dwelling unit

SFGFA - square feet of gross floor area

SFGLA - square feet of gross leasable area

VFP - vehicle fueling position

III.E. COMPARISON

We have calculated the maximum defensible SDCs in this methodology. The City can choose to implement lower SDCs, though this will result in a funding deficit for the SDC-eligible project list.

The maximum defensible transportation SDCs calculated in this methodology are higher than the current SDCs being charged. **Table 10** shows the current and maximum defensible transportation SDCs for common land use development types. The exhibit shows the SDC by select land uses. SDCs by land use do not increase equally across the board because of the trip basis difference between the previous and current methodologies.

Table 10. Transportation SDC Comparison by Select Land Use

ITE Code	Land Use	Current	Proposed	Percent Increase
210	Single-Family Detached Housing per Dwelling	\$3,053	\$5,279	73%
110	General Light Industrial per 1,000 SFGFA	\$2,223	\$5,589	151%
710	General Office Building per 1,000 SFGFA ¹	\$4,297	\$7,711	79%
820	Shopping Center per 1,000 SFGFA ²	\$6,389	\$9,627	51%

Source: Previous tables and City of Newberg.

1 Assumes an office building between 100,000-199,999 sf GFA

2 Assumes a shopping center between 200,000-299,999 sf GLA

APPENDIX A – IMPROVEMENT FEE PROJECT LIST

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
E01*	OR 240 Minor Arterial Improvement	Reconstruct OR 240 for approximately 0.36 miles between the west edge of the Urban Growth Boundary and Main Street to full, 3-lane minor arterial street standards.	\$2,160,000	\$ -	\$2,160,000	42.01%	\$907,482	ODOT	11-20 Years	Newberg Transportation System Plan
E03*	N Main Street (OR240) Arterial Improvement	Reconstruct to full minor arterial standards between Illinois and 1st to include three travel lanes, bike lanes, and sidewalks.	1,350,000	-	1,350,000	5.85%	78,999	ODOT	11-20 Years	Newberg Transportation System Plan
E04*	Blaine St Extension	Construct new street between 9th St and River St to major collector standards.	1,682,200	-	1,682,200	100.00%	1,682,200	City	11-20 Years	Newberg Transportation System Plan
E05*	College St Arterial Improvement	Reconstruct to minor arterial street standards between 1st St and Bell Rd to include sidewalks and bicycle lanes on each side of College Street.	8,835,750	-	8,835,750	37.05%	3,273,947	ODOT	0-10 Years	Newberg Transportation System Plan
E06*	Rogers Landing Rd Extension	Construct Rogers Landing Rd from Willamette River to UGB to major collector standards.	1,215,000	-	1,215,000	100.00%	1,215,000	City	11-20 Years	Newberg Transportation System Plan
E07*	Foothills Dr Extension	Construct Foothills Dr from Aldersgate to Villa Rd.	342,150	-	342,150	100.00%	342,150	Developer	0-10 Years	Newberg Transportation System Plan
E08*	Villa Rd Extension	Construct Villa Rd from Mountainview Dr to Aspen Way and construct to major collector standards with sidewalks and bike lanes.	2,835,000	-	2,835,000	100.00%	2,835,000	Developer	0-10 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
E11a*	Mountainview Dr Arterial Improvement	Safety Improvement: Reconstruct Mountainview Dr between Villa Rd and Alice Way to minor arterial standards. Include bike lanes and sidewalks on both sides.	1,023,000	-	1,023,000	35.79%	366,173	Developer	0-10 Years	Newberg Transportation System Plan
E11b*	Mountainview Dr Arterial Improvement	Reconstruct Mountainview Dr between Alice Way and Aspen Way to minor arterial standards. Include bike lanes and sidewalks on both sides.	1,404,000	-	1,404,000	37.24%	522,826	Developer	0-10 Years	Newberg Transportation System Plan
E14*	Crestview Dr Extension	Extend Crestview Dr from southern terminus to OR 99W. Construct to major collector standards (Other Crestview Dr projects S18, S40)	1,830,000	-	1,830,000	100.00%	1,830,000	Developer	1-5 Years	Newberg Transportation System Plan
E15*	Hayes St Extension	Construct Hayes St from its eastern terminus at Deborah St to Springbrook St to minor collector street standards	540,000	-	540,000	100.00%	540,000	Developer	6-10 Years	Newberg Transportation System Plan
E18*	OR219 Arterial Improvement	Reconstruct OR219 to arterial standards between 1st Street and the UGB to include sidewalks and bicycle lanes on each side of OR219.	7,965,000	-	7,965,000	48.03%	3,825,416	ODOT	11-20 Years	Newberg Transportation System Plan
S01*	Dayton Ave Collector Improvement	Restripe Dayton Avenue to major collector street standards between 5th Street and Newberg city limits to include bicycle lanes on each side of Dayton Avenue	13,500	-	13,500	34.01%	4,592	City	11-20 Years	Newberg Transportation System Plan
S02*	3rd St Collector Improvement	Reconstruct 3rd Street to minor collector street standards between OR 99W and Main Street to include sidewalks and on-street parking on each side of 3rd Street	110,250	-	110,250	34.67%	38,222	City	11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
S03*	OR 99W Arterial Improvement	Reconstruct OR 99W to major arterial street standards between Harrison Street and 3rd Street to include sidewalks and bicycle lanes on each side of OR 99W.	1,741,600	-	1,741,600	100.00%	1,741,600	ODOT	11-20 Years	Newberg Transportation System Plan
S07	Downtown Road Diet	Pending (and contingent upon) coordination and agreement with ODOT, implement components of the downtown road diet. Specific details to be developed through coordination with ODOT[1] and the recommendations of the Newberg Downtown Improvement Plan. This concept would generally remove one lane each from Hancock St and 1st St to use for additional enhancement to pedestrian, bicycle, or other amenities. Enhancements could include improved crossings, wider sidewalks, and curb extensions on 1st St and Hancock St. The road diet and related improvements in the downtown area may be implemented after completion of the Phase 1 Bypass on a temporary basis pending future capacity needs and some locations may retain the existing cross section.	6,000,000	-	6,000,000	0.00%	-	ODOT	0-10 Years	Newberg Transportation System Plan
S08*	S Main St Collector Improvement	Restripe to major collector street standards between 1st St and 5th St to include bicycle lanes on each side.	27,000	-	27,000	31.68%	8,554	City	11-20 Years	Newberg Transportation System Plan
S09*	2nd St Collector Improvement	Reconstruct 2nd St to major collector street standards between Main St and River St to include sidewalks, bicycle lanes, and on-street parking on each side of 2nd Street	2,141,600	-	2,141,600	33.95%	727,173	City	11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
S10*	Blaine St Collector Improvement	Reconstruct Blaine St to major collector street standards between Hancock St and 9th St to include sidewalks and bicycle lanes on each side of Blaine Street.	2,025,000	-	2,025,000	14.71%	297,866	City	0-10 Years	Newberg Transportation System Plan
S11*	Chehalem Dr Collector Improvement	Reconstruct Chehalem Dr between OR240 and North Valley Rd to major collector street standards to include bicycle lanes and sidewalks on both sides of the street. Yamhill County and City of Newberg jurisdictions.	4,428,000	-	4,428,000	50.05%	2,216,290	Developer	0-10 Years	Newberg Transportation System Plan
S12*	N Main St Collector Improvement	Reconstruct to full major collector street standards between Illinois St and Mountainview Dr to include sidewalks and bicycle lanes on each side of Main St.	1,350,000	-	1,350,000	63.96%	863,393	City	11-20 Years	Newberg Transportation System Plan
S13*	Illinois St Collector Improvement	Reconstruct Illinois St between Main St and College St to major collector street standards to include on-street parking, bicycle lanes, and sidewalks on each side of the street.	945,000	-	945,000	69.20%	653,964	City	11-20 Years	Newberg Transportation System Plan
S14*	Columbia Dr Collector Improvement	Reconstruct Columbia Dr between Chehalem Dr and College St to minor collector street standards to include a travel lane in each direction, and sidewalks and on-street parking on both sides of the street.	1,512,000	-	1,512,000	83.95%	1,269,288	Developer	0-10 Years	Newberg Transportation System Plan
S15	OR 219 Routing	Add signs for routing traffic using OR 219 through Newberg to reduce neighborhood cut through	25,000	-	25,000	0.00%	-	ODOT	0-10 Years	Newberg Transportation System Plan
S16	North Valley Rd Collector Improvement	Reconstruct North Valley Rd to major collector street standards between College St and Chehalem Dr to include sidewalks and bicycle lanes on each side of North Valley Rd.	2,295,000	-	2,295,000	0.00%	-	Developer	11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
S17*	Foothills Dr Collector Improvement	Reconstruct to major collector street standards between Main St and Aldersgate Dr to include sidewalks and bicycle lanes on each side.	3,240,000	-	3,240,000	33.95%	1,100,131	City	11-20 Years	Newberg Transportation System Plan
S18*	Crestview Dr Collector Improvement	Reconstruct Crestview Dr to minor collector street standards between College St and Villa Rd to include sidewalks and on-street parking. (Other Crestview Dr projects E14, S40)	1,620,000	-	1,620,000	61.96%	1,003,784	City	11-20 Years	Newberg Transportation System Plan
S20*	Vermillion St Collector Improvement	Reconstruct Vermillion St between Meridian St and College St to major collector standards to provide bicycle lanes and sidewalks on each side of the street.	405,000	-	405,000	43.12%	174,625	City	11-20 Years	Newberg Transportation System Plan
S21*	Fulton St Collector Improvement	Reconstruct Fulton St between Meridian St and Villa Rd to major collector standards, providing bicycle lanes and sidewalks on each side of the street.	174,050	-	174,050	36.44%	63,418	City	11-20 Years	Newberg Transportation System Plan
S22*	River St Collector Improvements	Reconstruct to major collector street standards between 1st St and Rogers Landing Rd to include sidewalks and bicycle lanes on each side of River St.	3,105,000	-	3,105,000	35.06%	1,088,680	City	11-20 Years	Newberg Transportation System Plan
S23*	Rogers Landing Rd Collector Improvement	Reconstruct Rogers Landing Rd to major collector street standards between River St and the Willamette River to include sidewalks and bicycle lanes on each side of the street.	540,000	-	540,000	100.00%	540,000	City	11-20 Years	Newberg Transportation System Plan
S24	Villa Rd Wayfinding	Improve wayfinding on OR219 directing traffic bound for 99W onto Villa Rd	5,000	-	5,000	0.00%	-	City	11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
S25*	Villa Rd Collector Improvement	Reconstruct Villa Rd to major collector street standards between OR 99W and Fulton St to include sidewalks and bicycle lanes on each side of Villa Rd.	1,080,000	-	1,080,000	25.89%	279,571	Developer	11-20 Years	Newberg Transportation System Plan
S26*	Villa Rd Collector Improvement	Reconstruct to major collector street standards between Fulton St and Crestview Dr to include sidewalks and bicycle lanes on each side of Villa Rd.	2,920,000	-	2,920,000	85.00%	2,482,000	City	1-5 Years	Newberg Transportation CIP
S27*	Haworth Ave Collector Improvement	Reconstruct Haworth Ave to major collector street standards between Villa Rd and Springbrook St to include sidewalks and bicycle lanes on each side of Haworth St.	1,682,200	-	1,682,200	27.02%	454,566	City	11-20 Years	Newberg Transportation System Plan
S28	Villa Rd Collector Improvement	Reconstruct Villa Rd to major collector street standards between Aspen Way and UGB to include sidewalks and bicycle lanes on each side of Villa Rd.	405,000	-	405,000	0.00%	-	Developer	11-20 Years	Newberg Transportation System Plan
S29*	Aspen Way Collector Improvement	Reconstruct Aspen Way to minor collector standards between Villa Rd and Mountainview Dr to include sidewalks and on-street parking on each side of Aspen Way	4,995,000	-	4,995,000	100.00%	4,995,000	Developer	11-20 Years	Newberg Transportation System Plan
S32*	Elliott Rd Collector Improvement	Reconstruct to full, major collector street standards between OR 99W and Newberg High School to include sidewalks and bicycle lanes on each side of Elliot Rd.	1,850,000	-	1,850,000	60.76%	1,123,997	City	0-10 Years	Newberg Transportation System Plan; costs based on CIP project
S33*	Hayes St Collector Improvement	Reconstruct Hayes Street to minor collector street standards between Elliott Road and Deborah Street to include sidewalks and on-street parking on each side of Hayes Street	87,000	-	87,000	33.95%	29,541	City	11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
S35*	Fernwood Rd Collector Improvement	Reconstruct Fernwood Rd between Springbrook Rd and Creek to major collector standards to include bicycle lanes and sidewalks on each side of the street	972,000	-	972,000	94.42%	917,718	Developer	11-15 Years	Newberg Transportation System Plan
S36*	OR 99W Arterial Improvement	Reconstruct OR 99W to major arterial street standards between Vittoria Way and Harmony Ln to include sidewalks and bicycle lanes on each side of OR 99W.	270,000	-	270,000	28.40%	76,691	ODOT	1-5 Years	Newberg Transportation System Plan
S37*	Wynooski St Collector Improvement	Reconstruct Wynooski Street to major collector street standards between River Street and Bypass to include sidewalks and bicycle lanes on each side of Wynooski Street	4,050,000	-	4,050,000	60.83%	2,463,620	City	11-20 Years	Newberg Transportation System Plan
S38*	Zimri Dr Collector Improvement - in UGB	Improve Zimri Dr within the UGB to major collector standards, providing bicycle lanes and sidewalks on each side of the street	2,160,000	-	2,160,000	100.00%	2,160,000	Developer	6-10 Years	Newberg Transportation System Plan
S40*	Crestview Drive Improvements	Reconstruct Crestview Drive to collector street standards between Springbrook and the City limits. (Other Crestview Dr projects E14, S18)	1,180,400	740,000	440,400	87.04%	383,345	Developer	1-5 Years	Newberg Transportation System Plan
S41	Local System Bypass Monitoring and Enhancements	Monitor traffic use and performance on local system adjacent to bypass (south of OR 99W and east of Springbrook Road) to determine if unintended cut-through traffic between OR 99W and bypass require mitigation. Potential mitigation (placeholder project) may include traffic-calming and/or capacity enhancements, depending on the nature of the impacts	500,000	-	500,000	0.00%	-	ODOT	0-10 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
S42	Hancock Street Arterial Improvement	Reconstruct Hancock Street to major arterial street standards between Harrison Street and Main Street to include sidewalks and bicycle lanes on each side of Hancock Street.	1,113,600	-	1,113,600	0.00%	-	ODOT	11-20 Years	Newberg Transportation System Plan
I01	College St/Illinois St Intersection Safety	Bar left turns or add bypass lane to prevent queuing vehicles from going across RR tracks	100,000	-	100,000	0.00%	-	City	0-10 Years	Newberg Transportation System Plan
I02*	Foothills Dr/College St Intersection	Intersection control upgrade (roundabout or traffic signal) to address mobility needs	825,000	-	825,000	52.07%	429,540	City	6-10 Years	Newberg Transportation System Plan
I03*	Mountainview Dr/Villa Rd Intersection Improvement	Add traffic signal and left turn lanes on all approaches.	860,000	-	860,000	100.00%	860,000	Developer	6-10 Years	Newberg Transportation System Plan
I04*	Villa/Haworth Intersection Improvements	Add southbound left turn lane and northbound right turn lane on Villa to improve safety and operations. Monitor for control upgrade (roundabout or traffic signal)	320,000	-	320,000	28.28%	90,495	City	11-15 Years	Newberg Transportation System Plan
I05*	Villa/Fulton Intersection Improvements	Add SB right turn lane and NB left turn lane on Villa Rd. Monitor for control upgrade (roundabout or traffic signal)	345,000	-	345,000	26.11%	90,093	City	11-15 Years	Newberg Transportation System Plan
I07*	Mountainview Dr/Zimri Dr Intersection Improvements	Add SB left turn lane to Zimri Dr	135,000	-	135,000	100.00%	135,000	Developer	0-10 Years	Newberg Transportation System Plan
I08*	Springbrook Rd/Mountainview Dr Intersection Improvement	Traffic Signal.	270,000	-	270,000	100.00%	270,000	Developer	0-10 Years	Newberg Transportation System Plan
I09*	Springbrook Rd/Haworth Ave	Traffic Signal and left turn lanes on Haworth	400,000	-	400,000	30.22%	120,863	City	0-10 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
	Intersection Improvement									
I10*	Springbrook Rd/Hayes St Intersection Improvement	Traffic Signal. Add 4th leg on west side of Springbrook.	270,000	-	270,000	38.72%	104,535	Developer	11-15 Years	Newberg Transportation System Plan
I11	Vittoria Way/OR 99W Intersection Improvement	Modify intersection to restrict turning movements to RIRO	27,000	-	27,000	0.00%	-	ODOT	0-10 Years	Newberg Transportation System Plan
I12*	Crestview Dr/OR 99W Intersection Improvement	Traffic signal modification to add north leg of Crestview when extended to north.	380,000	-	380,000	33.86%	128,664	Developer	1-5 Years	Newberg Transportation System Plan
I13*	Everest Rd/1st St Intersection Improvements	Traffic Signal and left turn lanes on all approaches. Additional improvements may be needed at the adjacent intersection of 1st/Villa in order ensure mobility along OR 219, including modify control and/or turn restrictions.	735,000	-	735,000	38.77%	284,950	ODOT	0-10 Years	Newberg Transportation System Plan
I14*	Main St/ Illinois St	Perform special study to determine appropriate intersection improvements to address future safety and mobility needs triggered by future growth. Possible alternatives include traffic signal, roundabout, or four-way stop control. Realignment of the intersection may be required; alternatively, closure of either the north or east approach may be considered.	500,000	-	500,000	67.89%	339,432	City	0-10 Years	Newberg Transportation System Plan
P02*	OR 99W Sidewalks	From UGB to 3rd Street	174,150	-	174,150	100.00%	174,150	ODOT	0-10 Years	Newberg Transportation System Plan
P03*	1st St Sidewalks	From UGB to Ore 99W	74,250	-	74,250	70.18%	52,110	City	0-10 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
P08*	9th St Sidewalks	From Blaine St to River St	66,150	-	66,150	57.38%	37,958	City	0-10 Years	Newberg Transportation System Plan
P09*	14th St Sidewalks	From College St to River St	63,180	-	63,180	33.95%	21,453	Developer	0-10 Years	Newberg Transportation System Plan
P12*	11th St Sidewalks	From River St to Wyooski St	59,400	-	59,400	33.95%	20,169	City	0-10 Years	Newberg Transportation System Plan
P13*	College St Sidewalks	From 9th St to 14th St	171,450	-	171,450	71.21%	122,082	City	0-10 Years	Newberg Transportation System Plan
P15*	Meridian St Sidewalks	From Hancock Street to 2nd Street	45,900	-	45,900	19.48%	8,943	City	0-10 Years	Newberg Transportation System Plan
P23*	Meridian St Sidewalks	From Crestview Dr to Fulton St	133,650	-	133,650	33.95%	45,380	City	0-10 Years	Newberg Transportation System Plan
P33*	Crestview Dr Sidewalks	From Emery St to Springbrook St	2,483,100	-	2,483,100	78.26%	1,943,296	Developer	0-10 Years	Newberg Transportation System Plan
P34*	Emery St Sidewalks	From Crestview Drive to Douglas Ave	1,724,300	-	1,724,300	33.95%	585,480	City	11-20 Years	Newberg Transportation System Plan
P35	Douglas Ave Sidewalks	From Emery St to Springbrook Way	1,843,200	-	1,843,200	0.00%	-	City	11-20 Years	Newberg Transportation System Plan
P36	Springbrook Rd Sidewalks	100 ft section between Douglas Ave and Cedar St, beginning at Douglas Ave to 100 ft S of Douglas Ave	104,800	-	104,800	0.00%	-	City	0-10 Years	Newberg Transportation System Plan
P38*	Springbrook Rd Sidewalks	From Crestview Drive to Ore 99W	112,050	-	112,050	29.45%	32,994	Developer	0-10 Years	Newberg Transportation System Plan
P42*	Hayes St Sidewalks	From Springbrook Rd to Burl St	166,050	-	166,050	78.26%	129,952	Developer	0-10 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
P44*	S Elliott Rd Sidewalk Infill	From OR 99W to 2nd St	295,000	-	295,000	33.95%	100,166	City	0-10 Years	Newberg Transportation System Plan
P48*	OR 99W Sidewalk Infill	From Brustcher Street to Vittoria Way	86,400	-	86,400	28.40%	24,541	ODOT	0-10 Years	Newberg Transportation System Plan
B02*	Main St Bike Lanes - with S12, E03, S08	From 5th St to Mountainview Dr.	3,760,000	-	3,760,000	32.73%	1,230,611	City	11-20 Years	Newberg Transportation System Plan
B05*	9th St Bike Boulevard	From Blaine St to River St	102,600	-	102,600	57.38%	58,874	City	0-10 Years	Newberg Transportation System Plan
B12	Jaquith Park Path	New pedestrian/bicycle pathway adjacent to Jacquith Park between Main St and College St	135,000	-	135,000	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan
B19*	11th St Bike Boulevard	East of River St	103,950	-	103,950	33.95%	35,296	City	0-10 Years	Newberg Transportation System Plan
B20	Hess Creek Path	New pedestrian/bicycle pathway along Hess Creek can serve recreational and school bicyclists and pedestrians.	580,500	-	580,500	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan
B22	New Willamette River Pedestrian-Bicycle Bridge	Extended from Rogers Landing Drive across to Champoege Park. This new connection would link the Newberg bicycle-pedestrian system with that of Champoege Park and Marion County	1,215,000	-	1,215,000	0.00%	-	CPRD	0-10 Years	Newberg Transportation System Plan
B25*	Springbrook Road Bike Lanes - Partially with E16	South of OR 99W on west side and north of OR 99W between Haworth and Middlebrook	60,000	-	60,000	41.51%	24,905	City	6-10 Years	Newberg Transportation System Plan
B27	Hancock St Bike Lanes	West of Springbrook	32,400	-	32,400	0.00%	-	City	0-10 Years	Newberg Transportation System Plan
B29*	Vittoria Way Bike Lanes	From Springbrook to OR 99W	145,800	-	145,800	33.95%	49,506	City	11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
B30*	Aspen Way Bike Lanes	From Mountainview Dr to Springbrook	130,950	-	130,950	78.26%	102,483	City	0-10 Years	Newberg Transportation System Plan
B31	Benjamin Rd Bike Lanes	From the railroad to UGB	37,800	-	37,800	0.00%	-	City	11-20 Years	Newberg Transportation System Plan
B100	Path Improvement	Improve existing path from Hancock to Fulton	183,750	-	183,750	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan
B101	Trail	Add connection from Ewing Young Park to 14th St	160,550	-	160,550	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan
CH01	Central Newberg Trail Segment	Bicycle boulevard connections to the Chehalem Cultural Center, Newberg Library, Newberg City Hall, city center shops, George Fox University, local parks, and other places. Includes Sheridan, Howard, and Meridian Street. This portion of the project includes signage and pavement markings.	50,000	-	50,000	0.00%	-	City	11-20 Years	Newberg Transportation System Plan
CH03	Dayton Ave	Combination of bicycle boulevards, bike lanes/bike shoulders, and multi-use paths to connect Memorial Park in Newberg to Billick Park in Dundee.	80,900	-	80,900	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan
CH05	Hess Creek Path	Off-street multi-use trail along Hess Creek	9,941,100	-	9,941,100	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan
CH06	Chehalem Glenn	Multi-use path that connects the Willamette riverfront with Ewing Young Park	157,100	-	157,100	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan
CH07	Bypass and river trail system	Coordinate with CPRD, ODOT, and other stakeholders to identify and implement trail connections to and along the river and adjacent to the Newberg-Dundee bypass alignment.	250,000	-	250,000	0.00%	-	CPRD	11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
T01	Bus Stop Improvements	Amenities and improved pedestrian crossings at bus stops along 99W	70,000	-	70,000	0.00%	-	City	0-10 Years	Newberg Transportation System Plan
T02	Route 5 and 7 Expansion	Expand routes 5 and 7 to new urban growth areas	15,000	-	15,000	0.00%	-	YCTA	0-10 Years	Newberg Transportation System Plan
T03	Rider Information	Enhance information available to riders, including placement of route information and stop location descriptions. Information may include a combination of posted material at stops and brochures for riders.	20,000	-	20,000	0.00%	-	YCTA	0-10 Years	Newberg Transportation System Plan
T05	Transit Amenities [Placeholder Project]	Placeholder project to update/install various transit amenities (signs, benches, shelters, etc.)	100,000	-	100,000	0.00%	-	City	0-10 Years	Newberg Transportation System Plan
BY1	Wilsonville Rd Reroute	Wilsonville Road is to be rerouted to connect to OR 219. Create cul-de-sac section of Wilsonville Road between new extension and Springbrook Road	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY2	Springbrook/Fernwood Traffic Signal	New traffic signal at Springbrook Rd and Fernwood Rd	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY3	Benjamin Closure	Concurrent with the construction of the interchange at OR 99W and the bypass as part of Phase 2, Benjamin Road will be closed at OR99W and reconnected to a new road that will go under the bypass and connect Crestview to Corral Creek Road (reconnection outside of UGB).	-	-	-	0.00%	-		11-20 Years	Newberg Transportation System Plan
BY4	Fernwood Road Crossing	As part of Phase 2, Fernwood Road to be reconnected over the Bypass.	-	-	-	0.00%	-		11-20 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
BY5	Wynooski Realignment	When the bypass interchange at OR 219 is constructed as part of Phase 2, Wynooski Road will be closed at its current location and rerouted south to create a 4-way intersection with realigned Wilsonville Road (BY17).	-	-	-	0.00%	-		11-20 Years	Newberg Transportation System Plan
BY6	Phase 1 Bypass Crossings	Phase 1 crossing locations include Blaine Street, College Street, River Street, Wynooski Street, at milepoint 59.26	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY7	RIRO at OR219/2nd	RIRO at OR 219/2nd to limit through traffic, improve intersection safety	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY8	Newberg-Dundee Bypass Bike Path	New bicycle facility to be developed in conjunction with the Newberg Dundee Bypass. As part of ND Phase 1G-Springbrook Rd, some areas will have a multi-use path as part of a trail system that CPRD, City of Newberg, City of Dundee and Yamhill County are developing (CH07). ODOT has agreed to allow part of the trail to be constructed within ODOT (Bypass) right of way with the agreement when additional funding is secured to build the other half of the Bypass, the trail will need to move. In the Phase D and E construction contracts, the grading work for the trail has been included.	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY9	OR99W/Springbrook Rd	Construct second westbound left turn lane and second southbound receiving lane on Springbrook Road extending 300 feet from Oregon 99W	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY14	14th St Realignment	Preserve access to properties on 14th Street when bypass is built	-	-	-	0.00%	-		1-5 Years	Newberg Transportation

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
										System Plan
BY18	College St Realignment	Realign College St to create a 3-way intersection with realigned 14th St (BY14)	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY19	Frontage Road	Construct frontage road north of the Bypass from College Street to about ½ west with a cul-de-sac.	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY20	Waterfront Rd Extension	Extend Waterfront Rd about 450 feet west with a cul-de-sac.	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY21	Phase 2 Bypass Crossings	Phase 2 crossing locations include Springbrook Creek	-	-	-	0.00%	-		11-20 Years	Newberg Transportation System Plan
BY22	Bypass/Wilsonville Rd Traffic Signal	New Traffic Signal at Bypass and Wilsonville Rd	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY23	OR219 Widening	Widen OR219 between Wilsonville Rd and Springbrook Rd to include a 7-lane cross section, bike lane, median and shoulder	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY24	OR 219 Widening	Widen OR219 between Springbrook Rd and 2nd St to include a 6-lane cross section, bike lane, median and shoulder	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan
BY25	Springbrook Rd Widening	Widen Springbrook Rd between Wilsonville Rd to OR 99W to include a 3-lane cross section, bike lanes, planter strips and sidewalks on both sides.	-	-	-	0.00%	-		1-5 Years	Newberg Transportation System Plan

Proj. #	Project Name	Description	Total Cost	Grants or Other Agencies	Total Costs Eligible for SDC	Portion of Project Providing Capacity for New Users	SDC-Eligible Costs	Project Lead	Timing	Source
BY26	Extend Bypass from OR 219 to OR 99W	Obtain right of way (only currently partially funded through STIP) and construct extension of east end of bypass from Phase 1 terminus at OR 219 and extend northeast to OR 99W. The extension will include a new interchange at OR 219 and at OR 99W.	-	-	-	0.00%	-		11-20 Years	Newberg Transportation System Plan
Total			\$116,252,730	\$740,000	\$115,512,730		\$52,230,743			

Source: Newberg Transportation System Plan, Transportation CIP, and DKS associates.

ISSUE PAPER #1

SDC CHARGE BASES

Issue

The charge basis of a system development charge (SDC) is a way of quantifying the impact of a development on the use of public infrastructure. There are a number of different, valid charge bases for transportation SDCs. This issue paper analyzes a selection of charge bases that are used widely by local governments today.

The City of Newberg's current transportation system development charges are based on Equivalent Length New Daily Trips (ELNDTs), an estimate of average daily vehicle trips, adjusted for pass-by (and diverted/linked) trips and estimated trip length.

Alternatives

The most defensible charge bases are some version of the trip-end. A trip-end is an estimate of the number of trips that either begin from or end at a particular site during a specified period of time. The following are the most commonly used types of trip-ends (hereafter simply "trips"):

- ◆ Peak-hour vehicle trips
- ◆ Average daily vehicle trips
- ◆ Average daily person trips

We also examine the following adjustments to trips:

- ◆ Pass-by trips
- ◆ Diverted/linked trips
- ◆ Trip length

Analysis

TRIP TYPES

Peak-Hour Vehicle Trips

Peak-hour vehicle trips include the number of vehicles travelling to and from a site during peak traffic. There are many ways to measure peak-hour vehicle trips:

- ◆ Trips generated per peak hour of the generator (the site being measured)
- ◆ Trips generated per peak hour of adjacent street traffic
- ◆ Trips generated per during the traditional morning commuting peak period of 7 am to 9 am (AM peak)
- ◆ Trips generated per during the traditional afternoon commuting peak period 4 pm to 6 pm (PM peak)

Transportation engineers commonly use PM peak-hour trip estimates to assess transportation performance and determine road system needs. Peak-hour trips are a proxy for the maximum demand on the road system.

Average Daily Vehicle Trips

Average daily vehicle trips are defined as the average 24-hour total of all vehicle trips to and from a site. This basis includes peak-hour and non-peak-hour trip counts. Average daily trips represent the average demand for the road system of a land use and more accurately reflect the total impact of a land use on the road system. This is the City's current practice.

Average Daily Person Trips

Person trips are defined as the number of people that either begin or end a trip at a site, regardless of transportation mode. This includes vehicle trips captured in average daily trips (multiplied by the number of people in the vehicle) as well as trips for people who utilize bicycle, pedestrian, and transit facilities. The person trip count is the fullest measure of traffic impact because it measures demand for all transportation infrastructure types.

Measuring demand for all transportation infrastructure types allows a city to include all types of transportation infrastructure projects in a TSDC capital improvement list. Adding multi-modal projects in a TSDC based on average daily person trips allows for a full proportional allocation of project costs to growth. Including such projects in a TSDC based on motor vehicle trips reduces the nexus between charge basis and project list.

Data exists allowing for the derivation of average daily person trips using average daily vehicle trips. It may also be possible to derive an estimate of peak-hour person trips. Peak-hour person trips may prove to be an appropriate basis for City of Newberg TSDCs.

ADJUSTMENTS

There are several valid adjustments that can be made to the total number of trips, when calculating trips to and from a site. For example, some trips are linked with several other trips and some trips are longer than others.

Pass-By Trips

These trips are interim stops between the trip origin and the final destination. While pass-by trips count as trip ends for each interim destination, the impact on the system is effectively only one trip. A pass-by trip deduction ensures trip counts reflect only net new trips generated for each land use type. This is particularly relevant for retail developments, which produce large amounts of pass-by trips.

Diverted/Linked Trips

These trips are interim stops similar to pass-by trips, but require a diversion from the original route to access the site being measured.

Trip Length

Trip length factors adjust the estimated trip generation rate applied to a development by the average length of those trips as compared to the average length of all trips system wide. Other things equal, if the average trip length associated with one development is twice as long as the average trip length for the second development, the land use with the longer trip length uses more of the transportation system and should therefore pay a higher transportation charge.

DATA SOURCE

An important aspect of any charge basis is the availability of data. Ideally, every land use would conduct a traffic study which would define the actual number of trips on the system. This approach is infeasible because of its expense.

The Institute of Transportation Engineers (ITE) publishes the *Trip Generation Manual*, currently in its 9th edition. The manual is a detailed compilation of trip generation data by land use. The data in the manual can be used to calculate peak-hour and average daily vehicle trip generation rates and adjustments using available inputs such as land use and building square footage. The ITE manual also includes pass-by and diverted/linked trips.

No comparable data source exists for person trips or trip length. Instead, we derive person trips using ITE data and a person trip conversion factor. Sources for this conversion factor include the National Household Transportation Survey, Metro, and private consultants. Trip length data generally requires additional research or an adaptation of other methodologies (i.e., the Washington County Transportation Development Tax Methodology).

Recommendation

We recommend the City use peak-hour person trips, if possible, as the charge basis for its TSDC. Absent peak-hour person trip generation information, or data that could be used to derive it, we recommend the City use average daily person trips as the charge basis. In either case, person trips (as opposed to vehicle trips) best enable the City to forecast growth on all transportation infrastructure. Additionally, person trips allow the improvement fee cost basis to contain a mix of motor vehicle, bicycle, transit, and pedestrian facility improvements, and to fully allocate growth-related costs.

We also recommend the City make adjustments to the trip generation estimates for pass-by and diverted/linked trips. Estimates for such trip reductions are reported in the ITE manual for specific land use types.

Finally, we recommend the City forgo using a trip length factor unless there is sufficient data to support it. The ITE manual does not contain a trip length adjustment factor and there is little data available for trip lengths by land use. Its applicability for a city the size of Newberg is arguable.

ISSUE PAPER #2

SYSTEM DEVELOPMENT CHARGE CREDITS

Issue

A system development charge (SDC) credit is a reduction in the amount of an SDC paid for a specific development as compensation for the developer's construction of a public improvement.

Oregon Revised Statutes (ORS) 223.304 states the minimum requirements for providing credits against the improvement fee of an SDC. This statute requires that credit be allowed for the construction of a "qualified public improvement" which (1) is required as a condition of development approval, (2) is identified in the City's capital improvements program, and (3) either is "not located on or contiguous to property that is the subject of development approval", or is located on or contiguous to such property and is "required to be built larger or with greater capacity than is necessary for the particular development project." Credit must be granted for the cost of that portion of an improvement which exceeds the capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project. The law specifies that credits must be used within ten years of issuance.

In addition to the required credits, the City may, if it so chooses, provide additional credits above the legal minimum, establish a system for the transferability of credits, or provide credits for a capital improvement not identified in the City's SDC capital improvements plan. This issue paper examines issues related to issuing SDC credits.

Current Credit Policy

The City's current policy largely aligns with the legal minimum. However, the City may wish to consider a policy and resulting code change. Newberg Municipal Code 13.05.130 provides that "the credit provided by this subsection... shall not exceed the improvement fee even if the cost of the capital improvement exceeds the applicable improvement fee."

ORS 223.304(5)(c) provides that "[w]hen the construction of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied... the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project."

We recommend the City consider changing its municipal code to reflect that an SDC credit in excess of an improvement fee may be applied against future improvement fees accruing in subsequent development phases.

Alternatives

Beyond the minimum requirements provided in statute, the City has a number of options for granting and redeeming SDC credits. We outline the most common of these options below.

- ◆ **How to Calculate the Credit.** There are at least three ways to calculate a credit for a developer's construction of a public improvement:
 - Credit actual costs subject to limits based on market rates.
 - Credit the estimated costs in the SDC capital improvement list.
 - Credit the lesser of either the estimated cost in the SDC capital

improvement list or actual costs.

- ◆ **Credits for Public Improvements Not on the List.** The City can provide credit for the construction of public improvements that are not on the adopted SDC project list.
- ◆ **Transferability of Credits.** The City can allow credits to be transferred to other developments or developers.
- ◆ **Credit Escalation.** The City can escalate credits paid out over time.
- ◆ **Cash Redemption for Credits.** The City can allow SDC credits to be redeemed for cash. Several options for this are outlined below.
 - Allow credits to be redeemed for cash from SDCs generated from the subsequent build out of the development in question.
 - Allow for credits granted to be redeemed for cash, if fund balances allow.
 - Provide cash redemption for the full value of the total credit issued.
 - Provide cash redemption for a portion of the total credit issued.
 - Provide cash credits at a fraction of full value, reducing the amount of the total credit issued.
 - Grant only non-cash credits, redeemable to reduce future SDC improvement fees – per current policy.

Analysis

The fundamental choice the City faces is whether (and, if so, how) to grant credits in excess of the legal minimum.

Theoretically, SDC credits for development can encourage private enterprise and assist in providing necessary infrastructure for the community. However, the practice can lead to a loss of institutional control over the construction of projects in the capital plan to the extent that the City provides credits in excess of minimum legal requirements. By constructing projects for credits, a developer is imposing a construction schedule on the City that may conflict with the City's established priorities. SDC funds may not accrue as expected and the City may have to invert or shuffle the CIP schedule.

To the extent that the City chooses to exceed the statutory requirements in any area, that choice must be clearly memorialized in the City's SDC code.

How to Calculate Credits

The City has several options for how to calculate an SDC credit. The City's existing code allows a credit "for the cost of the eligible portion of the improvement." It is unclear how the costs are determined.

The City can provide credits based on the actual costs of construction, subject to market rate limits. This approach reimburses developers for their actual costs, but can potentially reduce the expected City SDC revenues. For example, if a project costs \$1 million in the project list and the developer completes it for \$1.2 million, the City will issue more credits for the project than expected.

The City can provide credits based on cost estimates according to the capital plan list. If a developer builds a project under this approach, that developer

receives credit equal to the projected amount of required funding for the project. This approach ensures that credits do not exceed the revenues for a specific project and the City's expected SDC revenue stays the same. However, this approach can be administratively burdensome if a developer completes a portion of a capital project on the list since cost estimates are generally for the entire project.

An option that would prevent cost over-runs from impacting city resources is to credit the lesser of either the actual cost or the city-planned cost.

Credits for Public Improvements Not on List

ORS 223.304(5)(c) allows local governments to provide SDC credits for the construction of public improvements that are not on the capital improvement list required by ORS 223.309(1). However, the City's code currently prohibits the City from doing this by limiting credits to "qualified public improvements."

Granting credits for projects that are not on the project list used to calculate the SDC jeopardizes the ability of a city to fully recover revenue for the remaining SDC-eligible project costs. Done on a routine basis, this practice would make it almost impossible for a city to construct its planned projects with SDC revenues.

Transferability of Credits

The legal minimum for SDC credits does not require cities to transfer credits between persons or even between developments, unless the development is a subsequent phase of the original development project. The City's current practice prohibits the transfer of credits.

The City can allow credits to transfer between developers. This will make it more likely for developers to construct public improvements since the excess credits can be traded. However, the City must determine the limits of transferability and the administrative cost and effort that the City will spend maintaining a record of transferred credits. As is the case with providing credits above the legal minimum, allowing credits to transfer will likely result in less revenue to the City, limiting its ability to execute the project list as planned.

Credit Escalation

The City can decide to escalate the value of credits as it might escalate the SDC itself. Credits must be used within 10 years, but if the City escalates its SDC fees every year, the credits will lose purchasing power. Escalating the credits at the same rate as SDCs directly benefits developers with big projects. Escalating credits, however, places a large administrative burden on the City and also reduces the overall amount of SDC revenues to the City.

Cash Redemption of SDC Credits

There are many options for the City to provide cash redemption of credits. The City's current practice is not to redeem credits in cash.

There is a potential for cash flow issues in the SDC fund if the City allows for cash redemption of credits. Furthermore, in cases where developers have excess SDC credits, a cash redemption policy will immediately impact the City's cash position instead of deferring the impacts until such time that developers have incurred additional improvement fees.

Cash redemption of credits can generally result in cash flow issues for the City. However, there are cash redemption policies that help limit the availability of cash redemption of credits and minimize negative impacts.

- ◆ **Credits issued only from SDCs generated by the build out of the development in question.** This cash redemption credit policy limits the credits to one particular development and actually issues cash for the credits only after the entire development is fully built. Under this approach, the City will be able to plan for cash redemption.
- ◆ **Credits issued only when fund balances allow, after taking into account near-term project needs.** This is the most conservative cash redemption policy since it does not guarantee any cash redemption. This allows the City to safely determine the correct time for cash redemption.
- ◆ **Credits are redeemable for the full value of the total credit issued.** This approach provides the most flexibility for the developer. However, this can result in city-wide cash flow deficits since credits are redeemable regardless of the SDC fund balance.
- ◆ **Credits are redeemable for only a portion of the total credit issued.** This approach places a limit on the amount of credits a developer could redeem for cash and avoids large cash flow issues for the City. This policy could limit the cash-redeemable amount of credits either by a set amount or on a percent basis.
- ◆ **Credits are redeemable at a fraction of the full credit value.** This approach places the cash value of SDC credits at a portion of full value.

Recommendation

It is important for the City to retain as much control as possible over the prioritization and implementation of its capital improvement program. The City's plans are created to address total system needs – not just the needs of a particular developer. Without control over how and when needs are addressed, and at what cost, project reprioritization can leave important needs unmet while depleting the City's ability to fund necessary improvements.

We recommend that the City consider updating its code to allow for credits in excess of the improvement fee to be applied in subsequent development phases. Credit issuance should further abide by the following criteria:

- ◆ Credits must be for the actual cost of project capacity in excess of that needed to serve the particular development.
- ◆ Credits must only be issued for projects on the SDC project list.
- ◆ Credits cannot be transferable to other developers.
- ◆ Credits cannot be escalated.
- ◆ Credits cannot be redeemed for cash.

ISSUE PAPER #3

SDC REDUCTIONS

Issue

Oregon Revised Statutes (ORS) 223.297 to 223.314 allow local governments to calculate and impose system development charges (SDCs) for capital improvements. SDCs are one-time fees imposed on new development intended to recover an equitable share of the costs of existing and planned facilities that provide capacity to serve growth.

SDCs, as fees for service, are intended to be instruments of cost recovery – the objective being to recover the cost of capacity needed to serve the next increment of growth. It is an important feature of such charges that there is a nexus between the amount charged and the demand for or impact on the service provided.

Recent legislation, Senate Bill (SB) 1533, allows for SDC waivers for affordable housing. Aside from this bill, however, a public agency may generally only reduce an SDC if there remains a proportional relationship between the discounted SDC and a reduced demand for or impact on the system by the developing property.

The City of Newberg currently provides a number of policy-based SDC reductions, waivers, and exemptions. Although not explicitly prohibited in SDC law, policy-based reductions reduce the equity of the charge and jeopardize the ability of an agency to fully recover remaining SDC-eligible project costs.

This issue paper examines SDCs reductions for policy reasons that are unrelated to a reduction in cost to serve, demand, or impact on facilities.

Alternatives

There are three methods the City uses to lower SDCs for specific development.

- ◆ **Deductions.** The City offers reductions to the amount of the SDC prior to assessing the SDC. Although similar to SDC credits, these deductions are provided for reasons other than the construction of a qualified public improvement. See **Issue Paper # 2** for a detailed discussion of SDC credits.
- ◆ **Exemptions.** The City classifies certain types of development as not eligible to be charged SDCs.
- ◆ **Waivers.** The City does not charge SDCs for specific class(es) of development.

Analysis

Deductions

Deductions are often provided commensurate to use. There are several reasons to reduce the SDC based on demand. The City currently deducts the previous use from an SDC.

- ◆ **Deduction for Previous Use.** The City can reduce the SDC for a given development if the property is being redeveloped. Broadly, this means the current development would pay the SDC in excess of an SDC required for

the previous use on the site. Generally, this deduction is calculated based on the most intense use of the property prior to redevelopment within a given time frame. For example, if a property is redeveloped from a single family home to a restaurant, the City would deduct the equivalent of a single family house SDC to reflect that the property has already paid its fair share for the demand generated from the previous land use. The restaurant would then pay the SDC in excess of a single family home SDC. If a property were redeveloped to a less-intense use, the developer would not necessarily receive a refund for redeveloping the property. Rather, the developer would not have to pay SDCs to reflect the fact that previous SDCs collected on behalf of that property have accounted for that property's most intense use to date.

A potential issue with this SDC adjustment is determining previous use if the property was vacant for a period of time. Some cities charge the full SDC if the property was vacant for a specified period of time. The City does not currently have a defined policy in place for this.

- ◆ **Location-Based Deductions.** Cities can choose to deduct the SDC depending on the location of development. For example, some jurisdictions reduce the transportation SDC for transit-oriented development to reflect the decreased use of vehicles when approximate to alternative transportation.

Exemptions

The City may exempt specific classifications of development from the requirement to pay transportation SDCs.

- ◆ **Minor Additions.** Many cities exempt minor additions to a property from the requirement to pay transportation SDCs. Newberg currently does this for residential and non-residential properties provided that the addition “does not increase the parcel’s or structure’s use of the public improvement facility...” This is directly related to demand on infrastructure because, for example, an addition to an existing single family home will likely not increase its use on the transportation system.
- ◆ **Temporary Structures.** Some cities exempt structures that will only exist for a temporary period of time. Examples include construction mobile offices and Christmas tree vendors. The period of time defining temporary is often defined in City code. Newberg does not currently have a provision exempting temporary structures.

It is important to note that some agencies do not charge SDCs to public and/or tax-exempt entities because of a perception that charging such entities transfers money from one public fund to another. In contrast, SDCs are fees for service, to be charged based on demand of the infrastructure. As such, public and tax-exempt entities should be subject to the charge. Newberg currently charges public and tax-exempt development.

Waivers

The City can provide SDC waivers to certain classes of development. We

discuss the three current classes of development receiving SDC waivers.

- ◆ **Affordable Housing.** The City may waive SDCs for affordable housing per SB 1533 and subsequent ORS laws. In exchange for affordable housing, the City can waive SDCs to compensate developers for providing a good for the City. Because state law permits these waivers, a subsidy that compensates the SDC fund for lost revenue is not required for this. The City's current policy, codified in Resolution 2007-2698, provides SDC waivers for up to two houses per year.
- ◆ **Downtown Development.** The City currently waives downtown development SDCs based on the previous SDC methodology adopted in 2000. The SDC wholly excludes the downtown land, termed "C-3 land". There is no demand justification or subsidy to SDC fund.

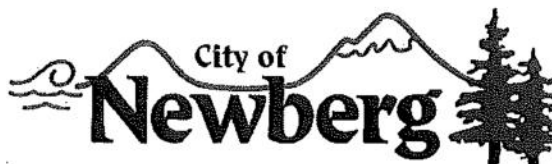
Recommendation

An SDC reduction of any type is acceptable so long as it meets one of three criteria: the reduction is based on decreased demand on the infrastructure, the reduction complies with SB1533, or there is an external subsidy commensurate with the SDC reduction. Such a subsidy must originate from other (non-SDC) City funds.

A reduction that does not satisfy any of the requirements above reduces the equity, and legal defensibility, of the SDC. Based on the information above, we recommend the following adjustments to the City's SDC reductions.

- ◆ Continue to provide an SDC deduction based on the previous, most intensive use of the site. The City should only consider previous uses five years from the date of application for administrative ease.
- ◆ Continue to exempt minor additions to residential and non-residential property provided the addition does not increase demand on the infrastructure.
- ◆ Continue to waive SDCs for affordable housing compliant with recent legislation, SB 1533, and its eventual inclusion in ORS. If the waiver does not comply with state law, we recommend the City implement a subsidy program where SDC funds are reimbursed for the waiver.
- ◆ Include downtown development in the current SDC methodology update, thereby discontinuing the waiver – unless a cost, demand, or impact-based rationale can be developed.

Newberg City Hall
503.537.1240
www.newbergoregon.gov



City Engineer's Office
503.537.1273

ENGINEERING SERVICES DEPARTMENT

P.O. Box 970 • 414 E. First Street • Newberg, Oregon 97132 • 503.537.1273 • Fax 503.537.1277

February 1, 2017

RE: Notification of Intended Adoption of a Water and Transportation System Development Charge (SDC) Methodology, Fees and Credits

Dear Interested Parties,

This letter is to inform you of the proposed adoption of a water and transportation methodology by the City of Newberg and serves to fulfill the 90 day notice to interested parties as required by **ORS 223.304(6)**. If adopted, the proposed local SDC methodology will go into effect for all applicable permits applied for on or after July 1, 2017.

Implementation of the proposed methodology consists of two separate components:

1. The proposed water and transportation SDC methodology will be available for public review on March 1, 2017 (60 days prior to public hearing).
2. The City Council will hold a public hearing on May 1, 2017, regarding the proposed resolution adopting a water and transportation SDC methodology and charges.

The proposed water and transportation SDC methodology will be available for public review on March 1, 2017, at the following location: www.newbergoregon.gov and City Hall.

If you have any questions, please contact City Engineer Kaaren Hofmann at 503-537-1273.

Sincerely,

Kaaren Hofmann, PE, City Engineer
Email: engineeringdepartment@newbergoregon.gov

Enclosure

Cc: Jay Harris, PE, Public Works Director

Paul Chiu

From: Paul Chiu
Sent: Monday, January 30, 2017 1:56 PM
To: Brittney Jeffries
Cc: Kaaren Hofmann
Subject: RE: SDC Interested Parties List ... Mail the notification please
Attachments: SDC Notification Letter_2017_0201.pdf

Brittney,

- Please keep the following list of “interested parties” that came from Kaaren’s email dated 1/23/17.
- Please mail the Notification of Intended Adoption of a Water and Transportation System Development Charge Methodology, Fees and Credits to all of them tomorrow (1/31/17) at the latest.
- Please also post the attached notification letter on the city’s website. Thank you for talcing care of this mailing.

List of “Interested Parties”:

✓ Newberg Downtown Coalition
 Attn: Mike Ragsdale, Executive Director
 502 East Second Street
 Newberg, OR 97132

✓ Thehalem Valley Chamber of Commerce
 Attn: Sheryl Kelsh, Executive Director
 2119 Portland Road
 Newberg, OR 97132

✓ George Fox University
 Attn: Dan Schutter, Assoc Director of Plant Services
 1101 N. Villa Road
 Newberg, OR 97132-1218

✓ George Fox University
 Attn: Clyde Thomas, Director of Plant Services
 1101 N. Villa Road
 Newberg, OR 97132-1218

✓ Providence Newberg Medical Center
 Attn: Jeff Schorzman, Facilities Manager
 1001 Providence Drive
 Newberg, OR 97132

✓ Newberg School District
 Attn: Lariy Hampton, Operations & Safety Coordinator
 703 S. Blaine Street
 Newberg, OR 97132

Werth Properties
 c/o MJG Development, Inc.
 Attn: Mike Gougler

✓ 601 N. Brutscher Street, Suite D352
Newberg, OR 97132

✓ **J&C Homes, LLC**

Attn: Curt Walker
901 N. Brutscher Street, Suite 201
Newberg, OR 97132

✓ **JT Smith Companies**

Attn: John Wyland, Senior Project Planner
5285 Meadows Road, Suite 171
Lake Oswego, OR 97035

✓ **Gramor Development**

Attn: Ryan Cain, Project Manager
19767 SW 72nd Avenue, #100
Tualatin, OR 97062

✓ **Del Boca Vista, LLC**

Attn: Jessica Cain
P.O. Box 486
Newberg, OR 97132

✓ **pel Boca Vista, LLC**

Attn: Dan Danicic
P.O. Box 486
Newberg, OR 97132

✓ **Chehalem Park and Recreation District**

Attn: Don Clements, Superintendent
125 S. Elliott Road
Newberg, OR 97132

✓ **Chehalem Park and Recreation District**

Attn: Jim McMaster, Parks & Facilities Supervisor
125 S. Elliott Road
Newberg, OR 97132

✓ **Friendsview Retirement Community**

Attn: Todd Engle, Executive Director
1301 East Fulton Street,
Newberg, OR 97132

✓ **Austin Industries**

(A-Dec, Springbrook Properties)
Attn: Brett Baker, General Manager
3113 Crestview Drive
Newberg, OR 97132

✓ **Oregon Homebuilders Association**

Attn: Jon Chandler, CEO
2075 Madrona Ave SE, Ste 150
Salem, OR 97302

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2017

Order ____ No.	Ordinance ____ No.	Resolution <u>XX</u> No. 2017-3366	Motion ____	Information ____
-------------------	-----------------------	---------------------------------------	-------------	------------------

SUBJECT: A Resolution recommending that Yamhill County approve a proposed partition at 2201 NE Chehalem Drive, Yamhill County tax lot no. 3218BA-400.

**Contact Person (Preparer) for this Motion: Steve Olson, Senior Planner
Dept.: Community Development
File No.: G-17-002**

HEARING TYPE: LEGISLATIVE

RECOMMENDATION:

Adopt Resolution No. 2017-3366, recommending that Yamhill County approve the proposed partition at 2201 NE Chehalem Drive.

EXECUTIVE SUMMARY: On March 23, 2017 the City of Newberg received a copy of a partition application to divide a property at 2201 NE Chehalem Drive into two parcels. The property is located outside the city limits, but inside the Newberg urban growth boundary. The current zoning is Yamhill County VLDR-1, and the city comprehensive plan designation is LDR (low density residential).

Yamhill County has jurisdiction over the site, and will make the final decision on the partition application. The Newberg Urban Area Growth Management Agreement states that the City Council shall make a recommendation to the County on land use applications, including partitions, within the urban growth boundary. The City has 60 days from the receipt of the application to make a recommendation.

The site is at 2201 NE Chehalem Drive, Yamhill County tax lot no. 3218BA-400. It is approximately 2 acres and contains an existing single family home. The proposal is to divide the property into two 1-acre parcels, and to eventually build a new single family home on the new parcel.

The City's intent in the Urban Area Growth Management Agreement is to recommend that the County only allow development in the Urban Growth Boundary Area that is limited in scope and consistent with the future urban development of the property. The site is in the urban growth boundary, so at some point in the future it is anticipated that the property may be annexed into the city. The proposed partition would not preclude the future urbanization and development of the rest of the property. The applicant's future development plan shows an example of how three additional lots for single-family homes could be developed on the rear of the property if the site was someday annexed into the city. The applicant is not bound by this future development plan; it shows, however, one way the site could be developed to city development standards in the future.

Staff recommends that the City Council approve Resolution 2017-3366, which recommends that Yamhill County approve the requested partition.

FISCAL IMPACT: There is no fiscal impact to the City from the partition.

STRATEGIC ASSESSMENT (RELATE TO COUNCIL PRIORITIES FROM MARCH 2016): Not applicable.

ATTACHMENTS:

Resolution No. 2017-3366 with

Exhibit A: Partition & future development plan

Exhibit B: Comprehensive Plan map

Exhibit C: Findings

1. Partition application



RESOLUTION No. 2017-3366

**A RESOLUTION RECOMMENDING THAT YAMHILL COUNTY APPROVE
A PROPOSED PARTITION AT 2201 NE CHEHALEM DRIVE, YAMHILL
COUNTY TAX LOT NO. 3218BA-400.**

RECITALS:

1. On March 23, 2017 the City of Newberg received a copy of a partition application to divide a property at 2201 NE Chehalem Drive into two parcels. The property is located outside the city limits, but inside the Newberg urban growth boundary. The current zoning is Yamhill County VLDR-1, and the city comprehensive plan designation is LDR (low density residential).
2. Yamhill County will make the final decision on the partition application. Under the terms of the Newberg Urban Area Growth Management Agreement, the City Council shall hold a legislative hearing and make a recommendation to the County within 60 days of receiving a copy of the application.
3. The site is at 2201 NE Chehalem Drive, Yamhill County tax lot no. 3218BA-400. It is approximately 2 acres and contains an existing single family home. The proposal is to divide the property into two 1-acre parcels, and to eventually build a new single family home on the new parcel. The future development plan shows how the site could potentially be developed to city development standards if it was annexed into the city, by partitioning the site to create three additional lots for single-family homes.
4. Notice of the hearing was posted in the *Newberg Graphic* and in four public places on April 19, 2017.
5. The Newberg City Council held a hearing on May 2, 2017 to consider the partition proposal. The City Council finds that the proposal is limited in scope, and consistent with the future urban development of the property.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council finds that the proposed partition, as shown in Exhibit A, meets the criteria for development within the urban growth boundary and adopts the findings, which are attached hereto as Exhibit C. Exhibits A, B and C are hereby adopted and by this reference incorporated.

2. The City Council recommends that Yamhill County approve the proposed partition at 2201 NE Chehalem Drive, Yamhill County tax lot 3218BA-400.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2017.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2017.

Sue Ryan, City Recorder

ATTEST by the Mayor this 4th day of May, 2017.

Bob Andrews, Mayor

EXHIBIT A: PARTITION & FUTURE DEVELOPMENT PLAN

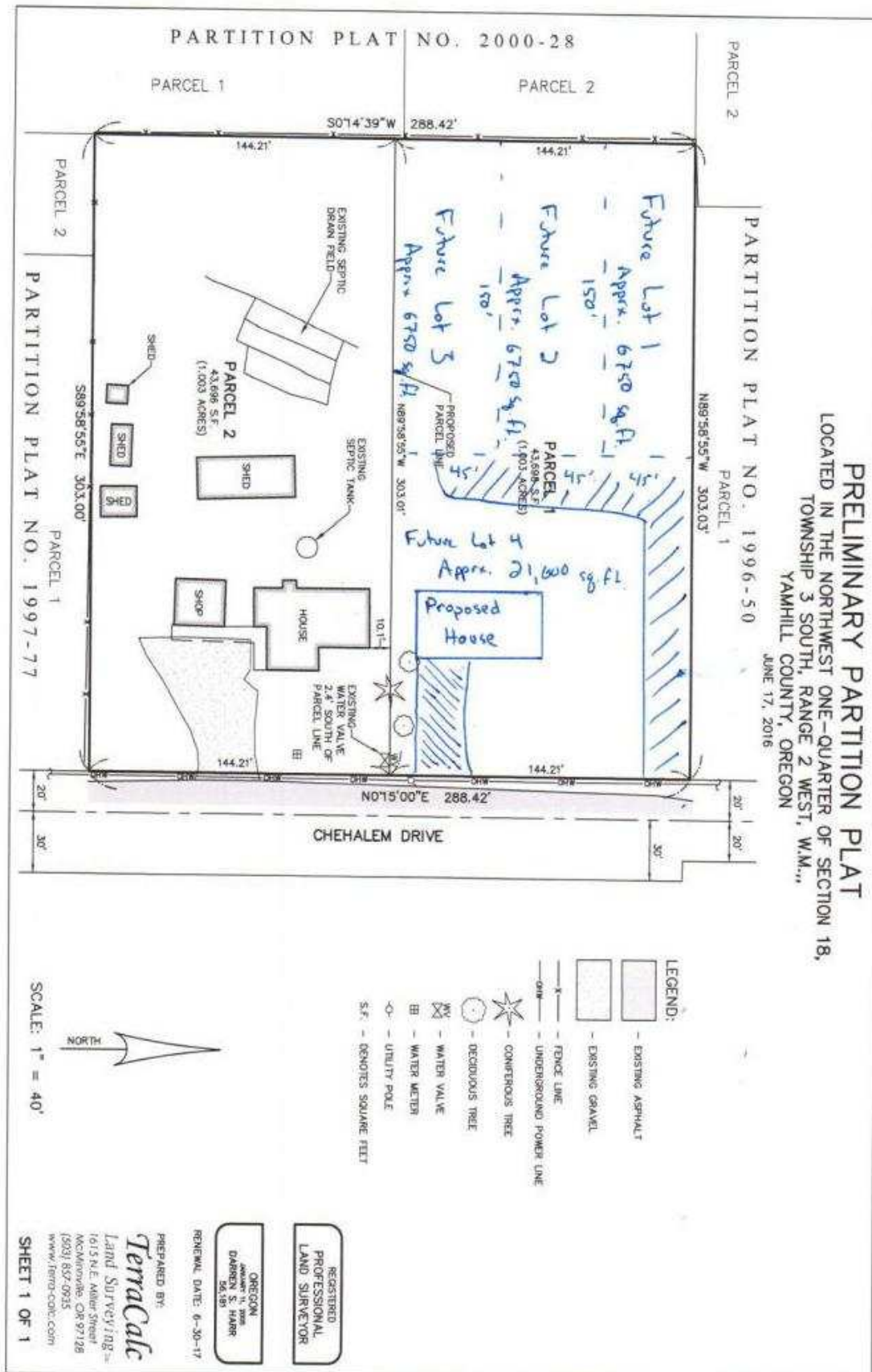


EXHIBIT B: COMPREHENSIVE PLAN MAP – 2201 NE Chehalem Drive
The city limits boundary is in red, and the urban growth boundary line is in green.
The property has a LDR comprehensive plan designation.

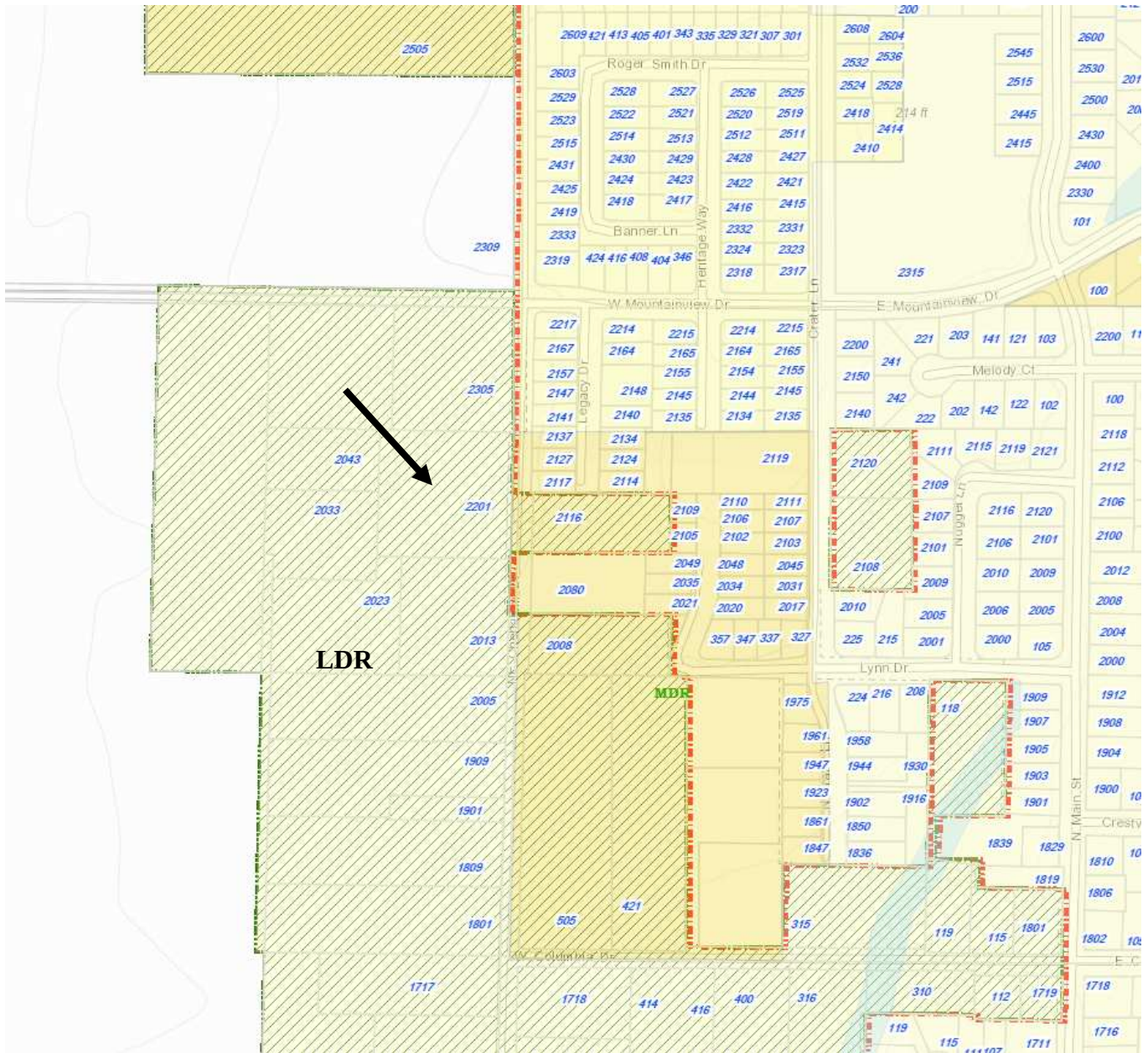


EXHIBIT C: FINDINGS

The applicable Newberg Urban Area Growth Management Agreement criteria are:

The City recommends that that the County only allow development inside the Urban Growth Boundary “*that is **limited in scope and that is consistent with the future urban development of the property.***”

1. Future Development Plan: The City Council shall recommend approval, recommend approval with conditions, or recommend against the future development plan in accordance with the following criteria:

(a) The current development shall not cause more than 10 percent of the property to be used for site improvements including buildings, parking areas, improved recreation areas, and storage areas, unless the City agrees the development intensity will not prohibit future urban development.

(b) The future development plan shall allow for the efficient future urban development of the remainder of the property. It shall allow for construction of future urban streets and utilities, and shall allow for required setbacks to current and future property lines.

(c) The plan is consistent with adopted plans and policies for the area, such as street or utility plans and policies in this agreement.

B. Submittal Requirements 1. A future development plan shall be required for any development in the Urban Reserve Area requiring a Yamhill County Type B or Type C review, excluding any development that involves a change in use to existing buildings only. The future development plan shall be used solely to evaluate the current proposal's compatibility with potential future urban development. It does not bind or commit the applicants, property owners, review bodies, or governing bodies to approve or carry out the proposed future development.

Findings: The site is at 2201 NE Chehalem Drive. It is approximately 2 acres, and contains an existing single-family residential house, with its own septic system. The property is outside of the Newberg city limits but within the urban growth boundary. The site has County VLDR-1 zoning, and a City LDR (low density residential) Comprehensive Plan designation. The applicant is applying to Yamhill County for approval to partition the property into two 1-acre parcels, and plans to eventually construct a new single family home on the new parcel.

The development intensity will not prohibit future urban development. The future development plan shows how a new driveway in a 25 foot wide access easement could be extended to the rear of the new parcel to provide access to three new lots for single family homes. The proposed development is setback more than 5 feet from any potential future property lines. The city’s Transportation System Plan shows that Chehalem Drive will eventually be improved to major collector status; this development is setback far from Chehalem Drive and is consistent with the future widening and improvement of Chehalem Drive.

The City’s intent under the Urban Area Growth Management Agreement is to recommend that the County only allow development in the UGB that is limited in scope and consistent with the future urban development of the property. The proposed partition is limited in scope, and consistent with the future urbanization of the property.

Yamhill County Department of Planning & Development

APPLICATION FOR PARTITION

525 NE Fourth Street, McMinnville, OR 97128 • Tel: 503-434-7516 • Fax: 503-434-7544

Docket p-cn-3016
 Date unl/c
 Rec'd by AE7%
 Receipt # 99884
 Fee \$1875.00

APPLICANT			LEGAL OWNER (IF DIFFERENT)		
McCaw	Matt	L			
Last name	First	MI	Last name	First	MI
12755 NE Richlands Lane					
Mailing address (Street or PO Box)			Mailing address (Street or P O Box)		
Newberg	OR	97132			
City	State	Zip	City	State	Zip
503-367-7065					
Telephone:			Telephone:		
E-mail address: <u>mccawm@hotmail.com</u>			E-mail address: <u>mccawm@hotmail.com</u>		
PROPERTY INFORMATION					
Tax Lot(s) <u>R3218BA-00400</u>			Zone: <u>VLDR-1</u>		
Size of original parcel: <u>2.0</u>			Plan designation: _____		
PROPOSED PARTITION					
Parcel #1	<u>1.0</u>	acres	Dimensions:	Width: <u>151</u>	
			(Average)	Depth: <u>288.42</u>	
Parcel #2	<u>1.0</u>	acres	Dimensions	Width: <u>152</u>	
			(Average)	Depth: <u>288.42</u>	
Parcel #3		acres	Dimensions	Width: _____	
			(Average)	Depth: _____	

PROPERTY INFORMATION:

1. Is there a septic system on the property? ☒ Yes ☐ No
 If yes, which parcel(s) is the septic system on? Parcel X
2. How will water be provided? ☐ on-site spring or creek ☒ well: _____ existing ☒ proposed
 _____ water Association (name) _____
3. What road or easement will be used as access? Chehalem Drive
4. Is the property in a Fire District? YES Name of Fire District: Newberg Rural Fire District
5. Is the property within two miles of any city limits? Yes If yes, name of city: Newberg, OR

To your knowledge, do any of the following exist on the property?

- ☐ Floodplain ☐ Areas of erosion ☐ steep slopes ☐ Fish or wildlife habitat
☐ Soil limitations for building or septic

6. What is the proposed use of the new parcels (e.g. residence, farm, business)?

Residence

I hereby declare under penalties of false swearing (ORS 162.075 and 162.085) that the above information is true and correct to the best of my knowledge. I understand that issuance of an approval based on this application will not excuse me from complying with other effective ordinances and laws regulating the use of the land and buildings.

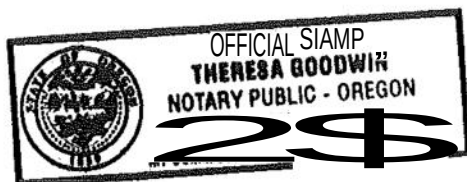
I hereby grant permission for and consent to Yamhill County, its officers, agents, and employees coming upon the above-described property to gather information and inspect the property whenever it is reasonably necessary for the purpose of processing this application.

Matthew McCaw **i - n - U**
Applicant's signature Date

Property owner's signature (if different) Date

State of Oregon)
County of Yamhill)

Signed or attested before me on this 22 ft day of June, 2016
by Matthew McCaw



Theresa Goodwin
Notary Public for Oregon
My Commission expires DLL IX 2018

PARTITION APPLICATION PROCEDURES AND FEES

The information supplied in this section applies to most partitions in Yamhill County. There may, however, be additional requirements that will be explained at the time of the pre-application conference.

PREAPPLICATION CONFERENCE This conference involves discussion of the proposal, explanation of zoning and other requirements that pertain to the request, and identification of potential problems. There is no fee for this conference.

SUBMITTAL OF PRELIMINARY PLAT The application must include a preliminary plat on a separate sheet. 8½ x 11 paper is preferred. The plat should be drawn on reproducible paper at a scale no less than 1" to 200'. A copy of an Assessor's map is acceptable to use as a base. The drawing should be labeled as a preliminary plat and include a north arrow, the date, the map scale, and the name, address, and telephone number of the property owner, the owner's representative, applicant, and surveyor. All proposed parcels should be numbered in consecutive order. The estimated dimensions and boundaries of all parcels to be created should be shown, along with the size of each lot in acres or square feet. The preliminary plat should show all existing and proposed access roads, easements, and public rights-of-way, and their dimensions, the location of sewage disposal facilities and wells, if known, and the location of all existing and proposed structures.

PARCEL SIZE AVERAGING In the AF-10, VLDR, and LDR zones, some of the parcels that will be created may be smaller than the minimum lot size, as long as the average size of all of the parcels complies with the minimum lot size. For example, a 30-acre parcel in the AF-10 zone may be partitioned into three parcels, but each parcel need not be ten acres in size as long as the average parcel size is ten acres.

NOTICE Yamhill County is required to send notice of all partition requests to surrounding property owners, and to publish a notice in a newspaper of general circulation in the county, prior to making a decision on the request. The notice distance varies by zone, from 100 to 500 feet. Those people that receive notice, and others that may be affected, can make comments or request that the application be considered at a public hearing before the county Planning Commission. If no one requests a hearing, the Planning Director will make the decision on whether to approve or deny the partition application.

PRELIMINARY DECISION Upon review and recommendation by Planning Department staff, the Planning Director renders a decision to approve, approve with modifications, or deny the request. The decision will be based on whether the application complies with the requirements of the Yamhill County Land Division Ordinance and the standards of the zoning district. The applicant and surrounding property owners will receive written notice of the decision. If the request is approved, the decision will be preliminary, subject to satisfaction of any conditions placed on the approval.

APPEALS The applicant is entitled to appeal a denial or any condition of a preliminary approval to the Board of County Commissioners. Anyone else that is aggrieved by the decision also has the right to appeal. There is a \$250 fee to file an appeal. This fee is refunded if the appellant prevails in the appeal. The Board will hold a public hearing on the appeal, and their decision may be appealed to the state Land Use Board of Appeals.

ROADWAY DEDICATION REQUIREMENTS A maximum of three parcels of land may have access to a public road via one easement. Dedication of a public road to serve the parcels will be required if the partition would result in more than three parcels having access by one easement. Also, if a parcel being partitioned abuts a county road with a right-of-way less than 60 feet wide, additional dedication along the frontage may be required prior to final plat approval.

ROADWAY CONSTRUCTION Generally, all roadways providing access to a new parcel (not driveways to building sites) shall be constructed, or security arranged, prior to final plat approval. If the access is an easement (not dedicated right-of-way), you may enter into a road construction agreement in lieu of the security requirement. Road construction standards are available from the Public Works Department. Fees are available by contacting Public Works or from the Public Works Web site. New accesses on a state highway must be approved by the Oregon Department of Transportation.

SURVEY REQUIREMENTS All parcels resulting from the partition that are 10 acres or less in size, and the centerline of any access easement or new public right-of-way, must be surveyed prior to final plat approval. Fees are available by contacting the County Surveyor or the County Surveyor web site.

SEPTIC APPROVAL REQUIREMENTS New parcels are required to be approved for on-site subsurface sewage disposal prior to final plat approval, unless it can be demonstrated that other sewage disposal facilities are available. The septic site evaluation is required for all vacant parcels created by the partition. The only way to waive this requirement is if a parcel is labeled on the final plat as nonresidential, and a statement is placed on the face of the final plat attesting that no sewage disposal system will be provided for parcels labeled as nonresidential. The fee for a septic site evaluation is \$669 per lot. In some instances, an evaluation of an existing septic system may also be required when there is a concern about the location of the system and replacement area in relation to the new property lines. The fee for an existing system evaluation is \$269.

FINAL PLAT APPROVAL When all conditions of the preliminary approval have been satisfied and a final partition plat prepared, final approval can be granted. The final plat is prepared by a registered land surveyor, even if no lot or road surveys are required. The property owner must sign the plat in black india type ink (not ball point pen) before a notary public. The plat must be delivered to the County Surveyor's office, where it will be reviewed by the County Engineer and County Surveyor and signed if no deficiencies are found. The plat will be forwarded by the County Surveyor to the Planning Department, where it will be reviewed and signed by the County Sanitarian and Planning Director if all conditions of the preliminary approval have been met. The Planning Department will forward the plat to the County Tax Collector. Before the County Tax Collector will sign the plat, all taxes must have been paid in full. Once the plat has all the necessary signatures, it must be recorded in the deed and mortgage records with the County Clerk. This is the applicant's responsibility. The fee for recording a plat is \$66. The fee for recording other documents, such as a road construction agreement, affidavits, or covenants, is \$26 for the first page and \$5 for each additional page. The final plat must be submitted within one year from the date of preliminary approval, and recorded within 90 days of that date, or the preliminary approval becomes null and void. Please contact the Surveyors Department.

THE APPLICATION MUST INCLUDE:

1. Completed application form, signed by the applicant and property owner (if different). The owner's signature must be notarized.
2. Preliminary plat.
3. Deed or other proof of ownership.
4. Filing fee (Make check payable to Yamhill County).

NOTE: Fees are not refundable.



After recording return to:
Matt L. McCaw and Shannon J.
McCaw
12755 NE Richland Lane
Newberg, OR 97132

Until a change is requested all tax
statements shall be sent to the
following address:
Matt L. McCaw and Shannon J. McCaw
12755 NE Richland Lane
Newberg, OR 97132

File No.: 7016-2660872 (CRW)
Date: May 24, 2016

THIS SPACE RESERVED FOR RECORDER'S USE

Yamhill County Official Records **201607502**
DMRDDMR 06/27/2016 09:22:53 AM
Stn=4 MILLSA
5Pgs \$25.00 \$11.00 \$5.00 \$20.00 \$61.00

I, Brian Van Bergen, County Clerk for Yamhill County, Oregon, certify
that the Instrument Identified herein WAS recorded in the Clerk
records.

Brian Van Bergen - County Clerk

STATUTORY SPECIAL WARRANTY DEED

Wells Fargo Bank, N.A., as Trustee for Carrington Mortgage Loan Trust Series 2007-RFCI
Asset-Backed Pass-Through Certificates, Grantor, conveys and specially warrants to **Matt L.
McCaw and Shannon J. McCaw**, Grantee, the following described real property free of liens and
encumbrances created or suffered by the Grantor, except as specifically set forth herein:

This property is free from liens and encumbrances, EXCEPT:

1. Covenants, conditions, restrictions and/or easements, if any, affecting title, which may appear in
the public record, including those shown on any recorded plat or survey.

See Legal Description attached hereto as Exhibit A and by this reference incorporated herein.

The true consideration for this conveyance is **\$330,000.00**. (Here comply with requirements of ORS 93.030)



After recording return to:
Matt L. McCaw and Shannon J.
McCaw
12755 NE Richland Lane
Newberg, OR 97132

Until a change is requested all tax
statements shall be sent to the
following address:
Matt L. McCaw and Shannon J. McCaw
12755 NE Richland Lane
Newberg, OR 97132

File No.: 7016-2660872 (CRW)
Date: May 24, 2016

THIS SPACE RESERVED FOR RECORDER'S USE

STATUTORY SPECIAL WARRANTY DEED

Wells Fargo Bank, N.A., as Trustee for Carrington Mortgage Loan Trust Series 2007-RFCI Asset-Backed Pass-Through Certificates, Grantor, conveys and specially warrants to Matt L. McCaw and Shannon J. McCaw, Grantee, the following described real property free of liens and encumbrances created or suffered by the Grantor, except as specifically set forth herein:

This property is free from liens and encumbrances, EXCEPT:

1. Covenants, conditions, restrictions and/or easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.

See Legal Description attached hereto as Exhibit A and by this reference incorporated herein.

Title true consideration for this conveyance is **\$330,000.00.** (Here comply with requirements of ORS 93.030)

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 95 day of May, 2016.

Weills Fargo Bank, N.A., as Trustee for
Carrington Mortgage Loan Trust Series 2007-
RFCI Asset-Backed Pass-Through Certificates

By: Carrington Mortgage Services, LLC, as
attorney in fact

By: VA4 Scott VaTen
Name: REO Manager

Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On May 25, 2016 before me, Norma Camarena Notary Public
(insert name and title of the officer)

personally appeared Scott Hazen
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

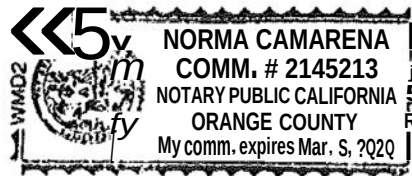
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



Fite No.: 7016-2660872 (CRW)
Date: 05/24/2016

Notary Public for
My commission expires:

EXHIBIT A

LEGAL DESCRIPTION: Real property in the County of Yamhill, State of Oregon, described as follows:

Being a part of the original Donation Land Claim of William Jones and Nancy Jones, his wife, Claim No. 38, Notification No. 1420, in Section 18, Township 3 South, Range 2 West, of the Willamette Meridian in Yamhill County, Oregon, said part being bounded and particularly described as follows:

Beginning at a point 19.79 chains West and South 15' West, 8.74 chains from the Northeast corner of the said Donation Land Claim and as the Northwest corner of the Oliver J. Walker Donation Land Claim, said point being the Southeast corner of tract deeded by Aggie Ginn Gould to Lester G. Young and wife by deed recorded in Book 121, Page 480, Deed Records for said County and State; running thence North 89° 14' West 303 feet; thence North 0° 15' East 288.42 feet; thence East 303 feet to a point; and thence South 0° 15' West, 288.42 feet to the place of beginning.

LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 18,
TOWNSHIP 3 SOUTH, RANGE 2 WEST, W.M.,,
YAMHILL COUNTY, OREGON
JUNE 17, 2016

PARCEL 1

N89°58'55"W 303.03'

43,698 S.F.
(1.003 ACRES)

— PROPOSED
PARCEL LINE

N89°58'55"W 303.01'

EXISTING SEPTIC
DRAIN FIELD

EXISTING
SEPTIC TANK-

HOUSE

EXISTING
WATER VALVE
2.4' SOUTH OF

SHOP

PARCEL 2
43,696 S.F.
(1.003 ACRES)

SHED-

SHED

ED

S89°58'55"E 303.00'

PARCEL 1

PARTITION PLAT NO. 1997-77 18 of 19

PARCEL 2

	- EXISTING ASPHALT
	- EXISTING GRAVEL
	- FENCE LINE
	- UNDERGROUND POWER LINE
	- CONIFEROUS TREE
	- DECIDUOUS TREE
	- WATER VALVE
	- WATER METER
	- UTILITY POLE
S.F.	- DENOTES SQUARE FEET



SCALE: 1" = 40'

REGISTERED
PROFESSIONAL
LAND SURVEYOR

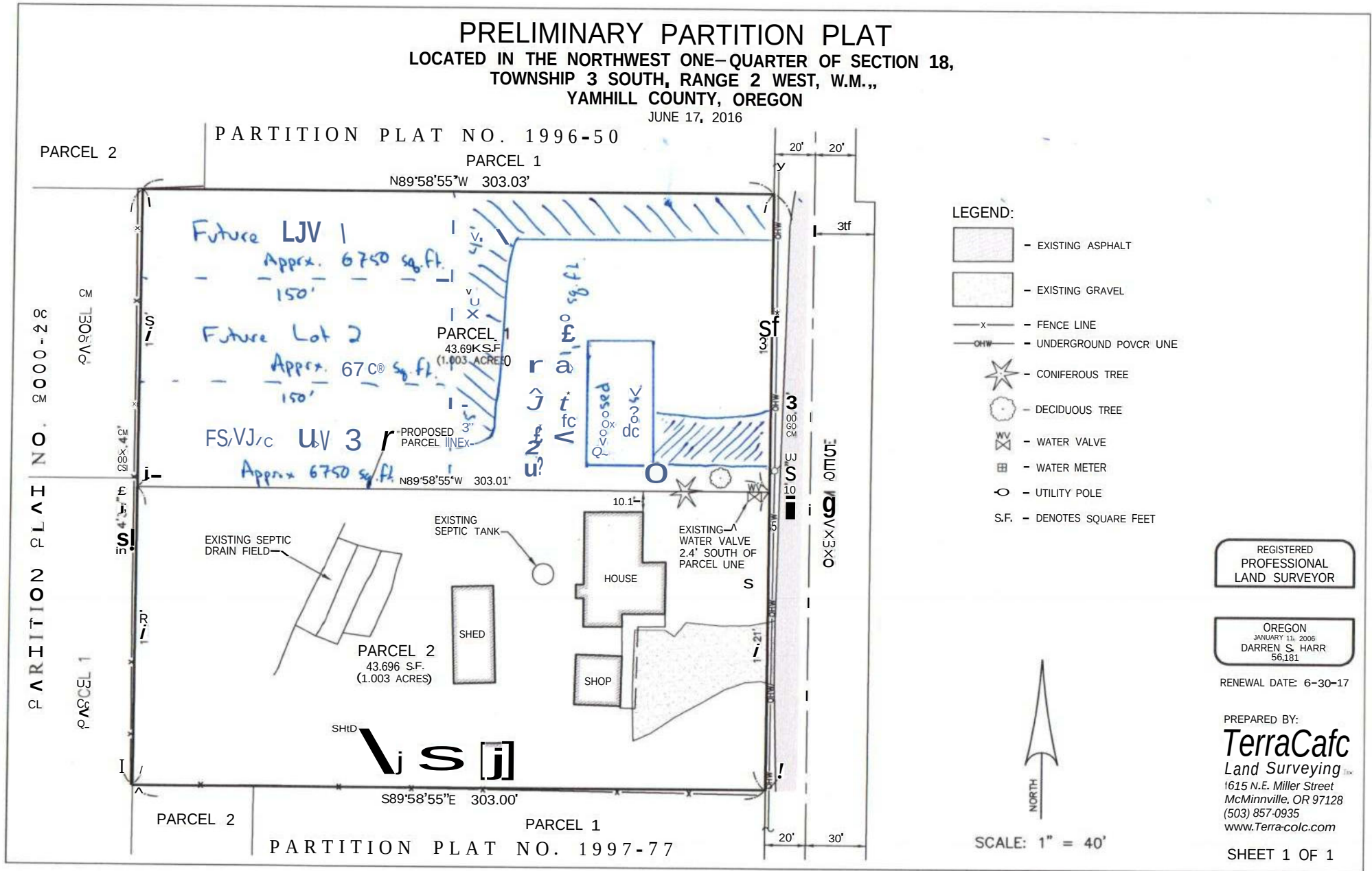
OREGON
JANUARY 11, 2005
DARREN S. HARR
56.181

RENEWAL DATE: 6-30-17

PREPARED BY:
TermCaCc
Land Surveying me
1615 N.E. Miller Street
McMinnville, OR 97128
(503) 857-0935
www.Terra-calc.com

ATTACHMENT 1 - PARTITION APPLICATION

PRELIMINARY PARTITION PLAT
 LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 18,
 TOWNSHIP 3 SOUTH, RANGE 2 WEST, W.M.,
 YAMHILL COUNTY, OREGON
 JUNE 17, 2016



City of Newberg



Transportation System Development Charges

John Ghilarducci

May 2, 2017





Agenda

- ◆ **SDC Background**
- ◆ **Key Inputs**
 - Growth
 - Reimbursement fee cost basis
 - Improvement fee cost basis
 - Compliance costs
- ◆ **Results**
- ◆ **Comparisons**



Key Characteristics of SDCs

- SDCs are one-time charges, not ongoing rates.
- Properties which are already developed do not pay SDCs unless they 'redevelop'.
- SDCs are for capital only, in both their calculation and in their use.
- SDCs include both future and existing cost components.
- SDCs are for general facilities, not 'local' facilities.



Legal Framework for SDCs

ORS 223.297 - 314, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”





SDC Components

**Reimbursement
Fee**

**Fair share of
existing capacity**

**Improvement
Fee**

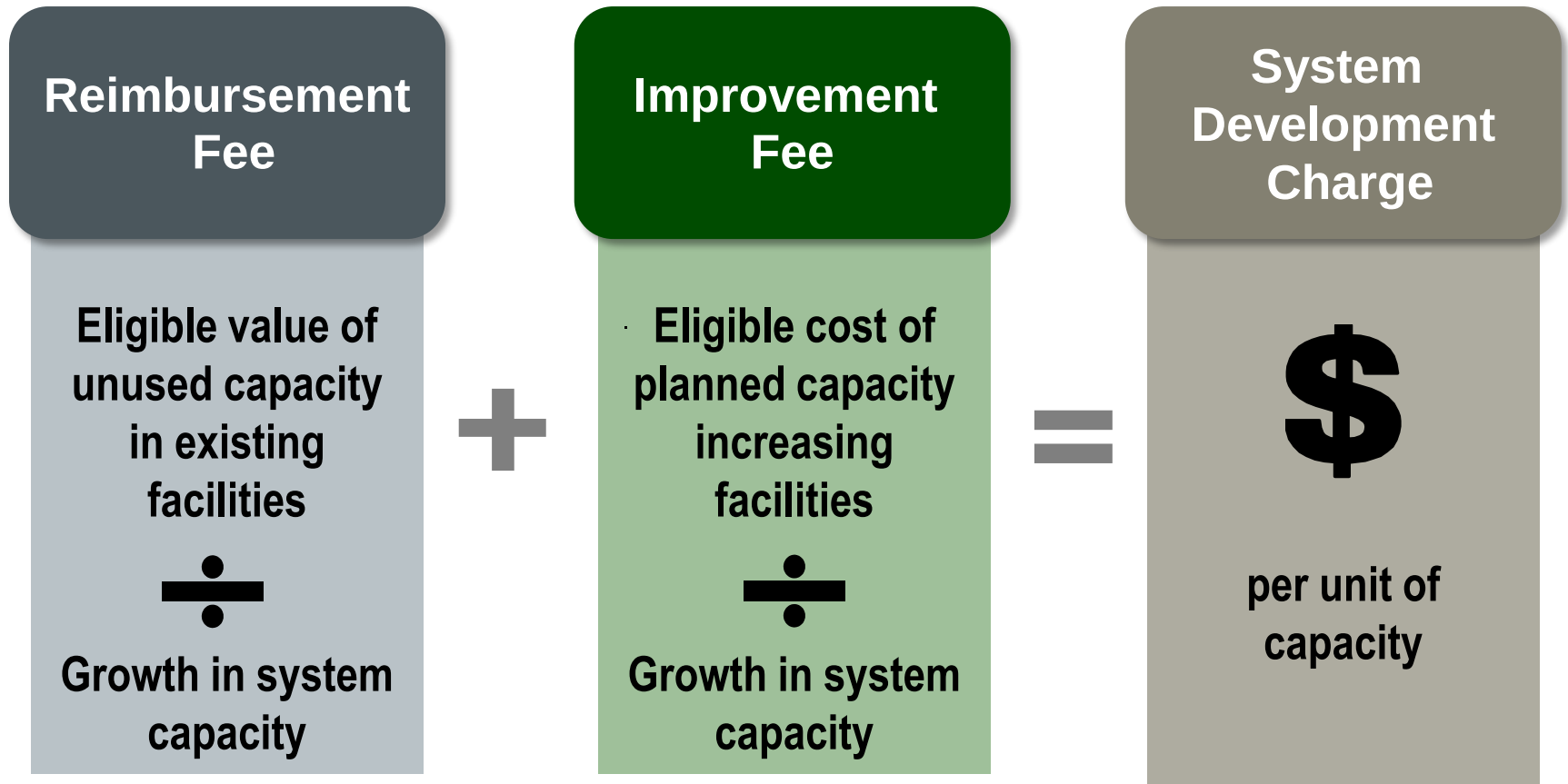
**Fair share of
future planned
capacity**

**System
Development
Charge**

**Fair share of
existing & future
capacity**



The SDC Calculation



SDC Credits

Credits against the improvement fee must be provided for the construction of a capital improvement, which is:

- ◆ **required as a condition of development,**
- ◆ **identified in an adopted capital facilities plan, and**
- ◆ **is either off-site or, if on-site, is required to provide more capacity than needed by the development in question.**
- ◆ **Example: over-sized portion of pipe**





Policy Issues

◆ **Issue: How should the City charge the SDC?**

- Alternatives: temporal (PM peak hour, average daily), modal (vehicle trips, person trips), adjustments (pass-by, diverted/linked).
- Recommendation: Charge PM peak hour person trips. This represents the total impact on transportation system while reflecting importance of PM travel hours on transportation planning.

◆ **Issue: Should the City alter its SDC credit policy?**

- Alternatives: Align with state credit policy or provide additional credits beyond state statute.
- Recommendation: Maintain current SDC credit structure with minor changes to align with state minimum, allows City to have control over how projects are constructed.

◆ **Issue: How should City policies reduce SDC obligations in specific scenarios?**

- Types: Deductions (reduce SDC), exemptions (development not eligible), and waivers (classes not charged).
- Recommendation: Deduct previous use of building from SDC, exempt minor additions, waive SDCs for affordable housing. Discontinue waiver for downtown development.

Growth

- ◆ Growth is the denominator of the SDC equation.
- ◆ Growth measured in P.M. peak hour person trips (PMPHPTs). PMPHPTs include walking, biking, and driving trips between 4 p.m. and 6 p.m.
- ◆ Growth in trips based on Newberg Transportation Master Plan.

Transportation Customer Base

	2012	2017	2035	Growth	Growth as a % of Future Customers	Compound Ann'l Growth Rate
P.M. Peak Hour Vehicle Trips	16,544	18,565	28,109	9,544	33.95%	2.33%
P.M. Peak Hour Person Trips	27,794	31,189	47,223	16,034	33.95%	2.33%



Reimbursement Fee Cost Basis

- ◆ Reimbursement fee is based on the cost of capacity available in the existing system less grants and contributions.
- ◆ Prior SDC-funded projects used to determine capacity.
- ◆ Capacity for expenditures assumed to be reached in 20 years.

Reimbursement Fee Basis Calculation

Fiscal Year Ending 6/30:	Expenditures in Year	Remaining Capacity
2007	\$958,580	\$479,290
2008	\$3,330,353	\$1,831,694
2009	\$323,068	\$193,841
2010	\$385,545	\$250,604
2011	\$411,818	\$288,273
2012	\$726,100	\$544,575
2013	\$53,522	\$42,818
2014	\$551,134	\$468,464
2015	\$206,315	\$185,684
2016	\$257,580	\$244,701
Total	\$7,204,016	\$4,529,943



Improvement Fee Cost Basis

- ◆ Project eligibility determined based on growth from Transportation Master Plan.
- ◆ Total eligible portion weighted by project.

Improvement Fee Cost Basis Summary

Total	
Total Cost of Projects	\$116,252,730
Total Eligible Portion	45%
SDC-Eligible Cost	\$ 52,230,743
<i>Number of Projects</i>	116



Compliance Costs

- ♦ **ORS 223.307(5) authorizes SDC expenditures on complying with SDC law.**
- ♦ **Compliance fee based on cost of administering the SDC and SDC studies.**

Compliance Cost Estimates

	Estimate
Hours per Month Administering SDC	4
Loaded Rate per Hour	\$ 98.61
Administrative Costs per Month	\$ 394
Administrative Costs per Year	\$ 4,733
Administrative Costs Over Analysis Period	\$ 89,932
SDC Studies Over Analysis Period	\$ 150,000
Total Compliance Costs Over Analysis Period	\$ 239,932



Summary

- ◆ Fund balance deducted from improvement fee to prevent double counting.
- ◆ Each fee basis added together to arrive at total SDC.

Transportation SDC Calculation		
Reimbursement Fee		
SDC Funded Infrastructure	\$ 4,529,943	
Reimbursement Fee Cost Basis	\$ 4,529,943	
Growth to End of Planning Period	16,034	PM Peak Person Trip
Reimbursement Fee	\$ 282.51	per PM Peak Person Trip
Improvement Fee		
Capacity Expanding CIP	\$ 52,230,743	
Less: SDC Fund Balances	(2,837,140)	
Improvement Fee Cost Basis	\$ 49,393,603	
Growth to End of Planning Period	16,034	PM Peak Person Trip
Improvement Fee	\$ 3,080.48	per PM Peak Person Trip
Compliance Fee		
Costs of Compliance	\$ 239,932	
Growth to End of Planning Period	16,034	PM Peak Person Trip
Compliance	\$ 14.96	per PM Peak Person Trip
Total System Development Charge		
Reimbursement Fee	\$ 282.51	per PM Peak Person Trip
Improvement Fee	\$ 3,080.48	per PM Peak Person Trip
Compliance Fee	\$ 14.96	per PM Peak Person Trip
Total SDC per PM Peak Person Trip	\$ 3,378	per PM Peak Person Trip



Comparison to Current SDC

- ◆ **SDC increases; increase varies by land use.**
- ◆ **Variation due to different trip consideration in current/proposed methodologies.**
 - Current methodology – average daily vehicle trips
 - Proposed methodology – P.M. peak hour person trips

Transportation SDC Comparison by Select Land Use

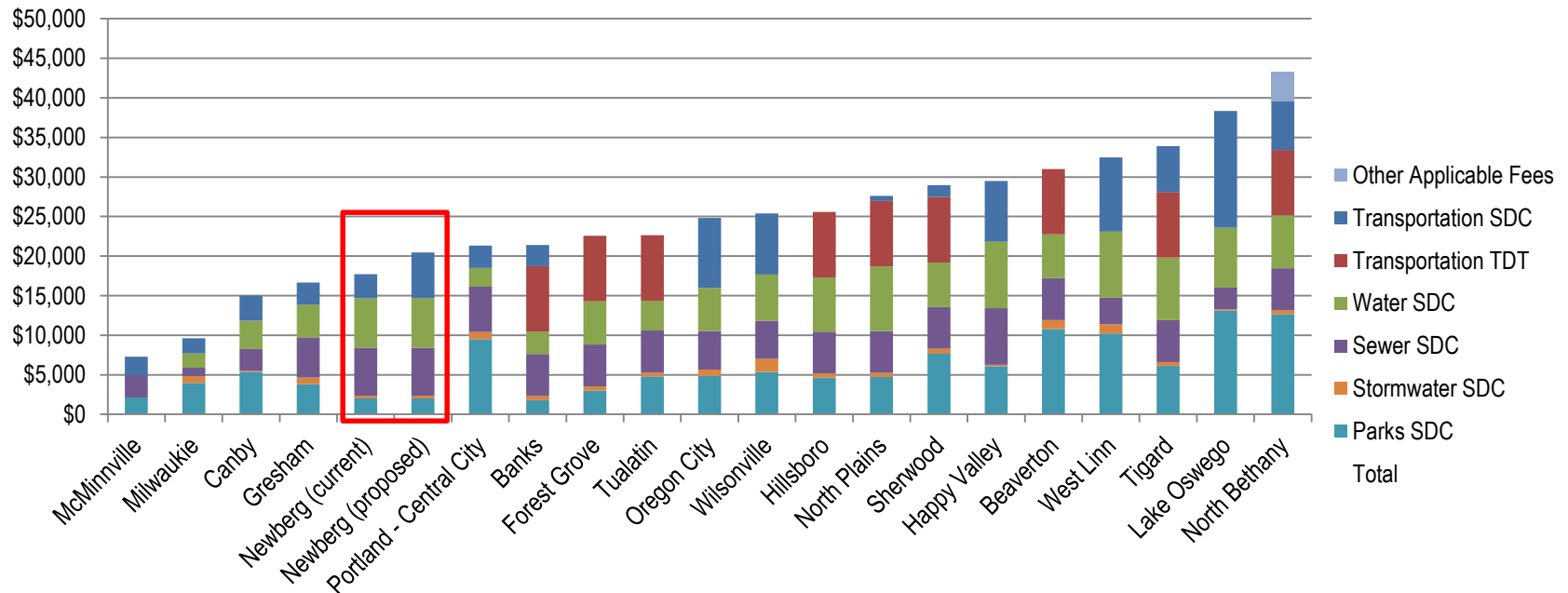
ITE Code	Land Use	Current	Proposed	Percent Increase
210	Single-Family Detached Housing per Dwelling	\$3,053	\$5,788	90%
110	General Light Industrial per 1,000 SFGFA	\$2,223	\$6,129	176%
710	General Office Building per 1,000 SFGFA	\$4,297	\$8,456	97%
820	Shopping Center per 1,000 SFGFA	\$6,389	\$10,557	65%



Comparison with Other Cities (SF Home)

- ◆ Newberg stays in same position relative to surrounding jurisdictions.

SDC Comparison by Jurisdiction - Single Family Detached Home



John Ghilarducci

Principal

(425) 336-1865

Contact FCS GROUP:

(425) 867-1802

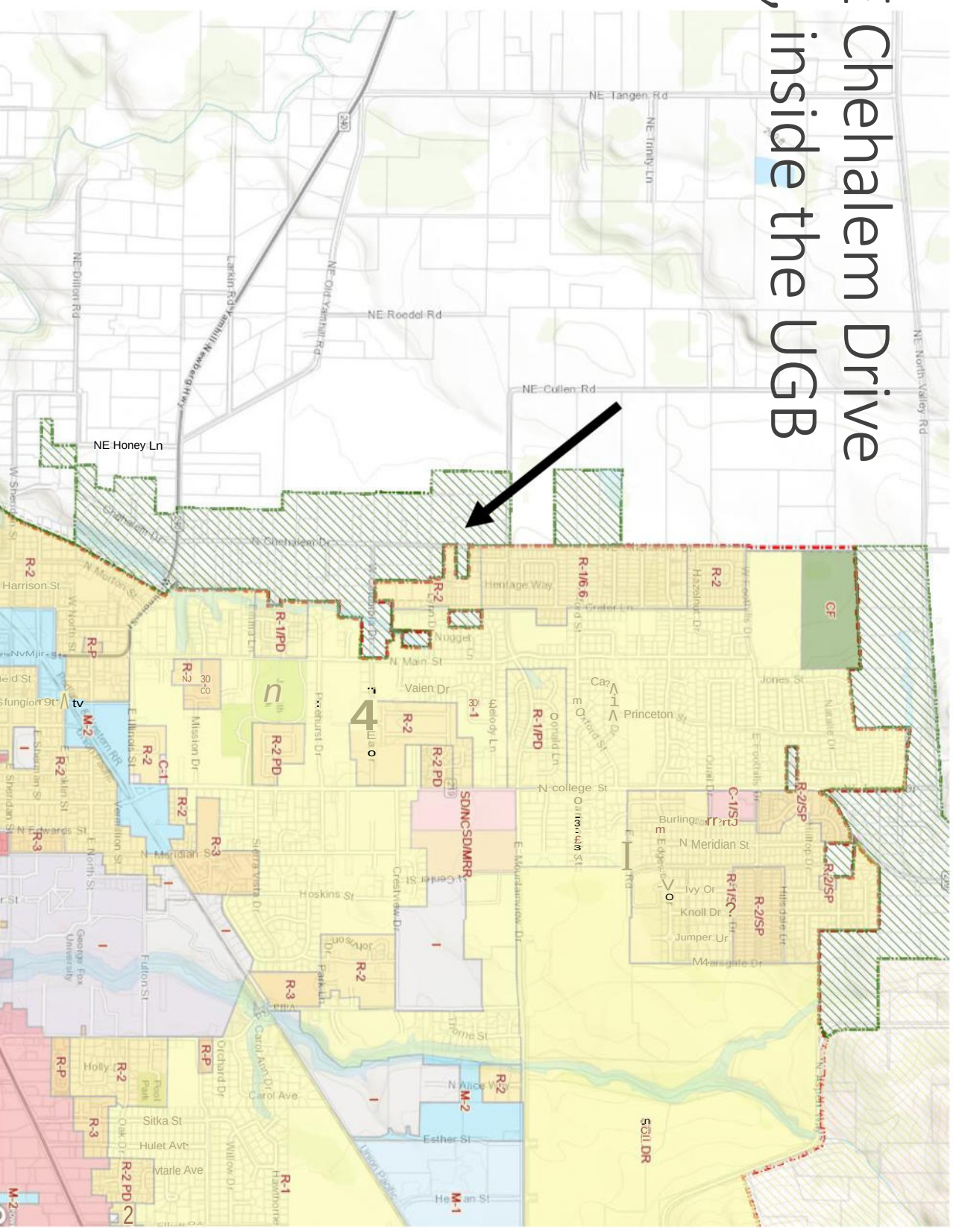
www.fcsgroup.com

McCaw partition application 2201 NE Chehalem Drive (outside city limits) Recommendation to Yamhill County

NEWBERG CITY COUNCIL

MAY 2, 2017

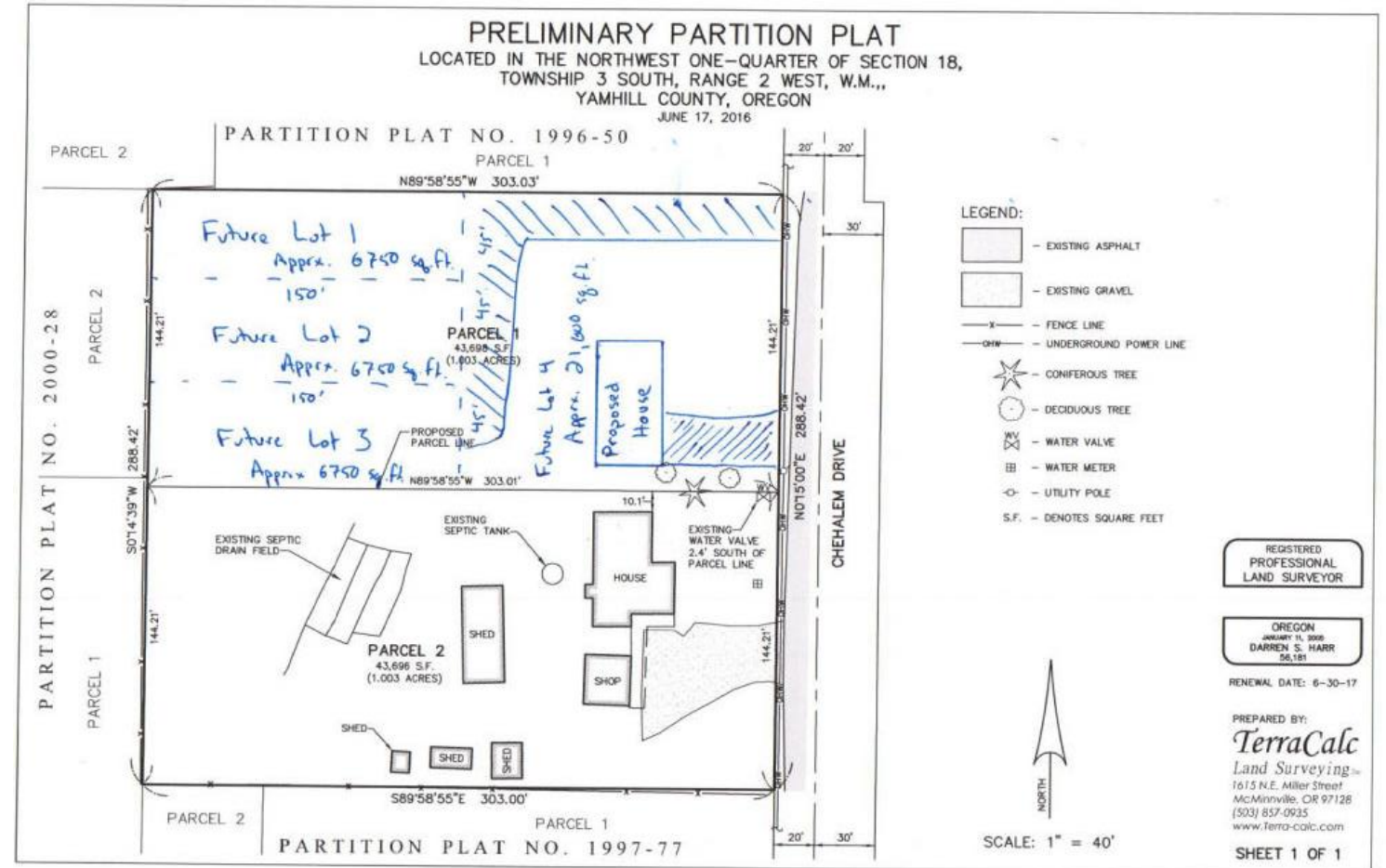
Location: 2201 NE Chehallem Drive
Outside city limits, inside the UGB



Partition & Future Development Plan

Proposal: Divide a 2 acre lot into 2 lots. Build a new house on the northern lot.

Future development plan: Shows how site could potentially be divided in future if annexed into city. Partition does not preclude the future urban development of the property.



Recommendation

Approve Resolution 2017-3366, which recommends that Yamhill County approve the requested partition at 2201 NE Chehalem Drive.



Yamhill County Transit Area

Newberg City Council Work session
May 2, 2017

City Council Meeting

Date:

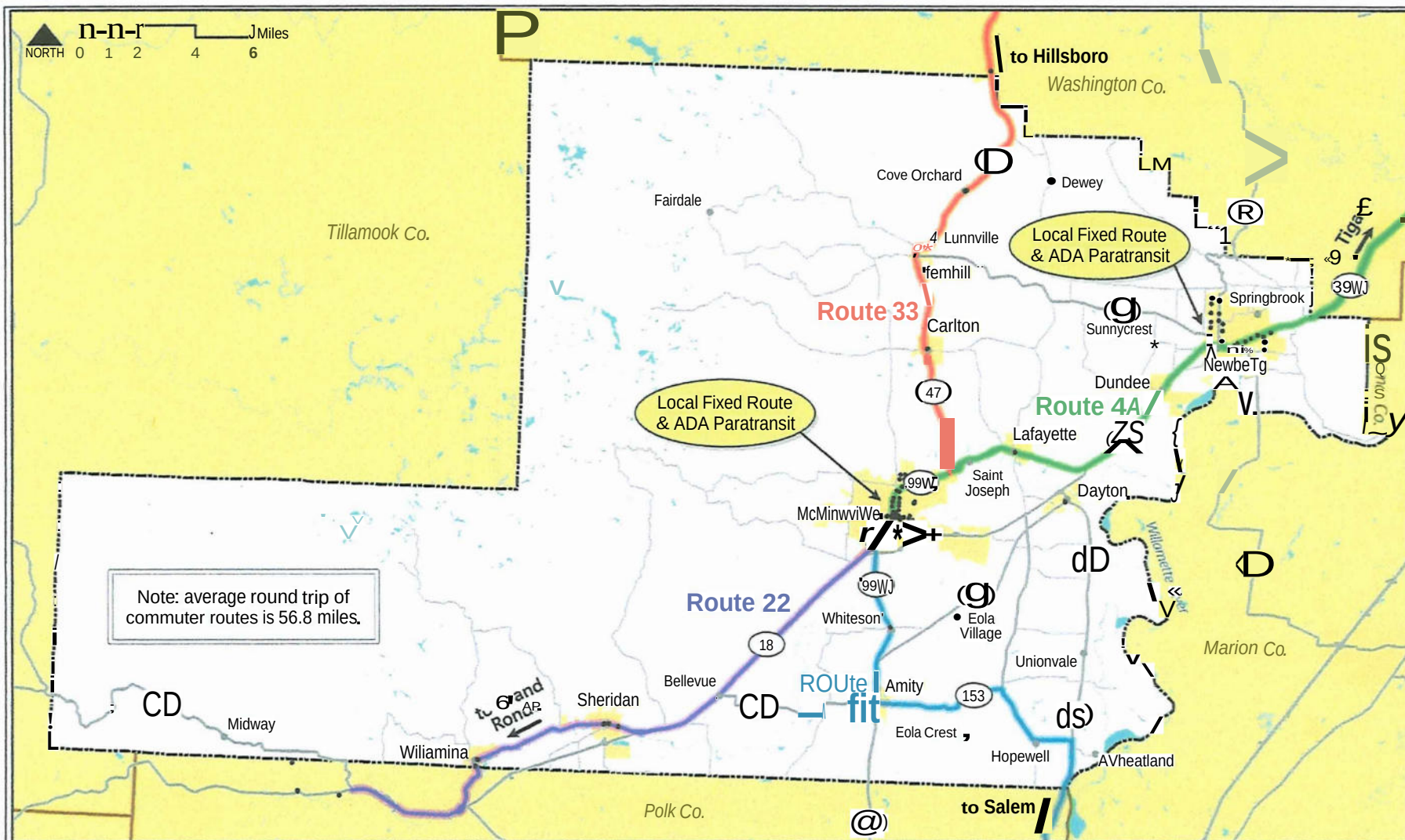
5/2/17

Re:

YCTA - Work Session

Topic:

Transit



Yamhill County
Yamhill County Transit Service Area - Major Routes & Stops

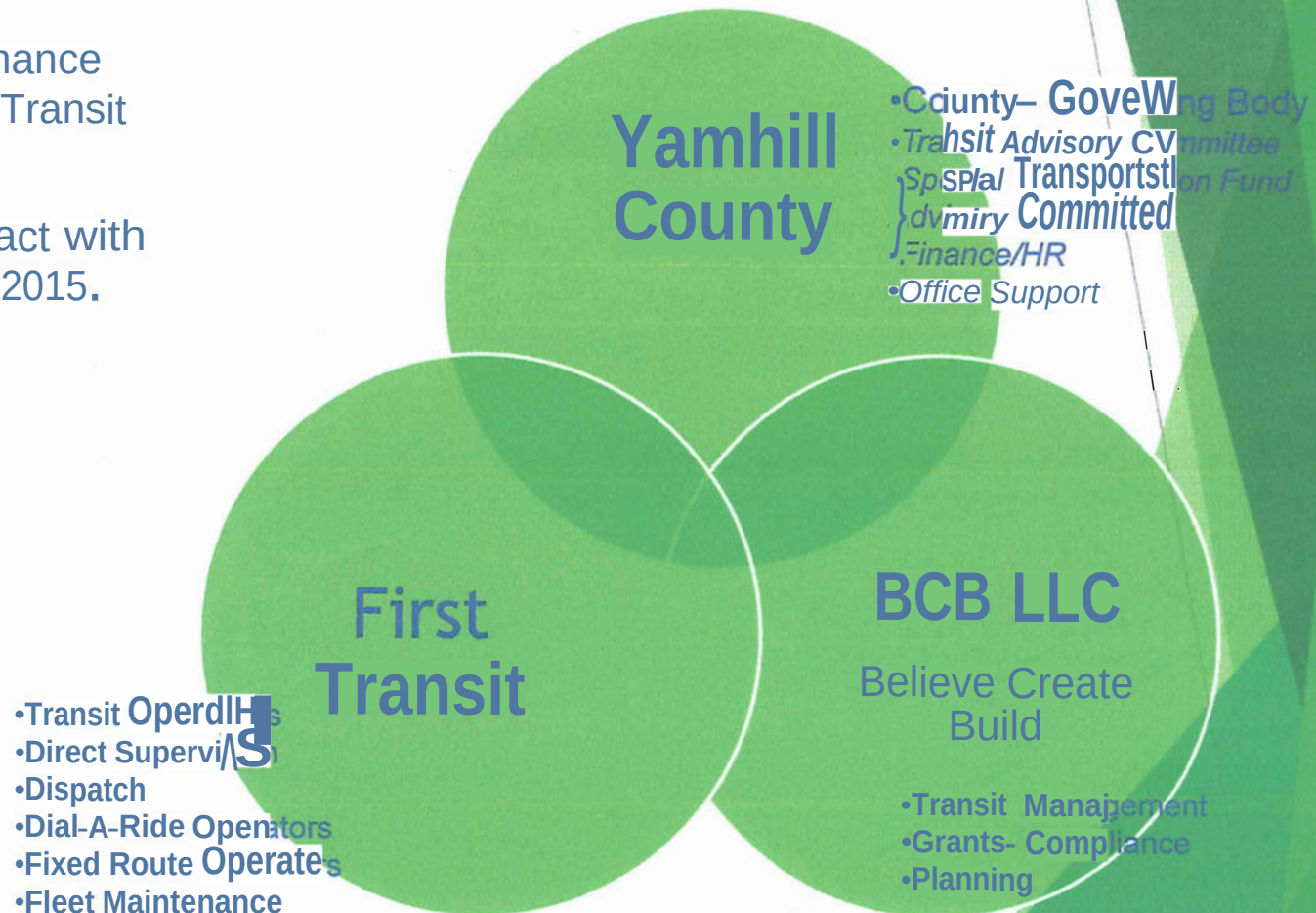
Legend

- Populated Places
- City Limits
- Water
- Highway
- Other Roadway
- Yamhill County
- Other County

YCTA Operating Structure

Transit
Operations/Maintenance
contract with First Transit
since July 2012.

Management Contract with
BCB LLC since July 2015.



YCTA Facts

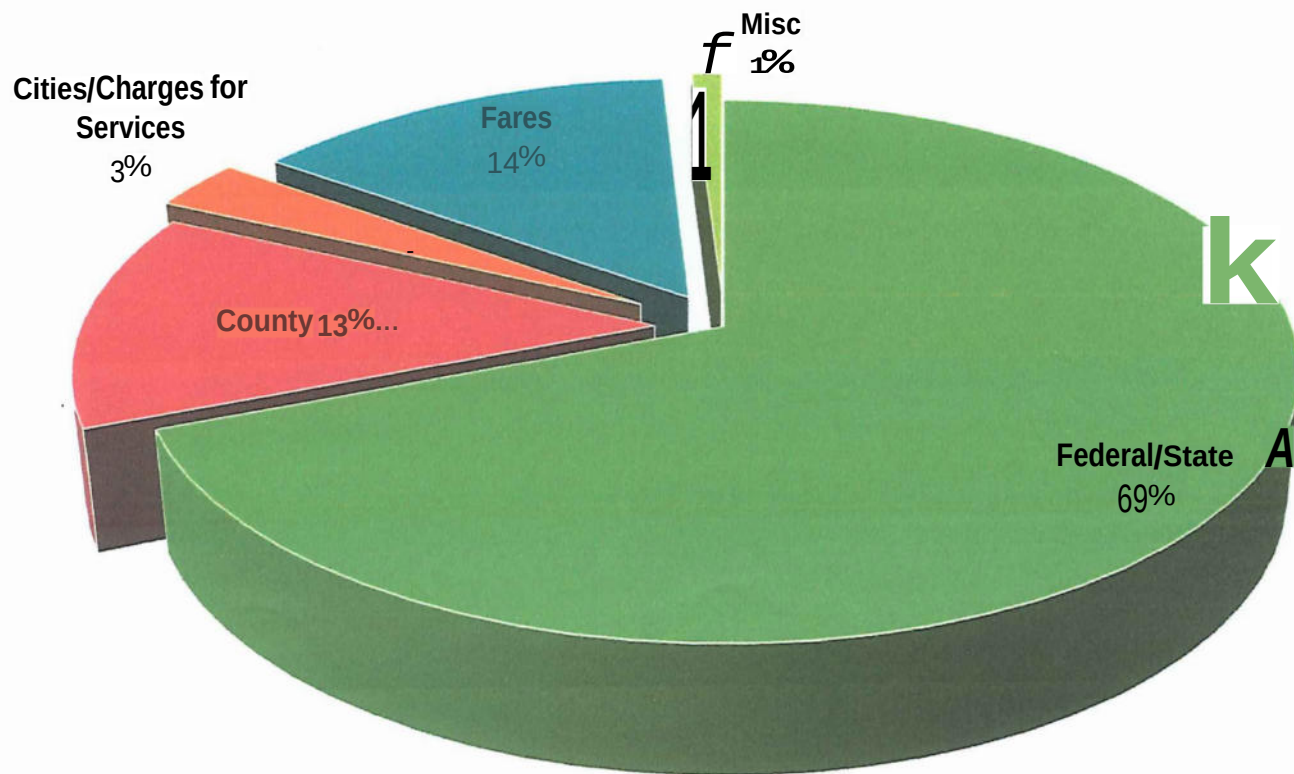
Personnel and Vehicles

- ▶ First Transit Staffing Levels
 - ▶ 5 Admin, Trainer, Dispatch
 - ▶ 1 Manager
 - ▶ 2 Service Techs (Shop)
 - ▶ 30 Drivers /Dispatchers
 - ▶ 38
- ▶ Vehicles (30)
 - ▶ 12- Peak Fixed/Commuter Route
 - ▶ 9- Demand Response
 - ▶ 4 – Contingency
 - ▶ 5 – Spares/Parts
 - ▶ 30

YCTA Facilities

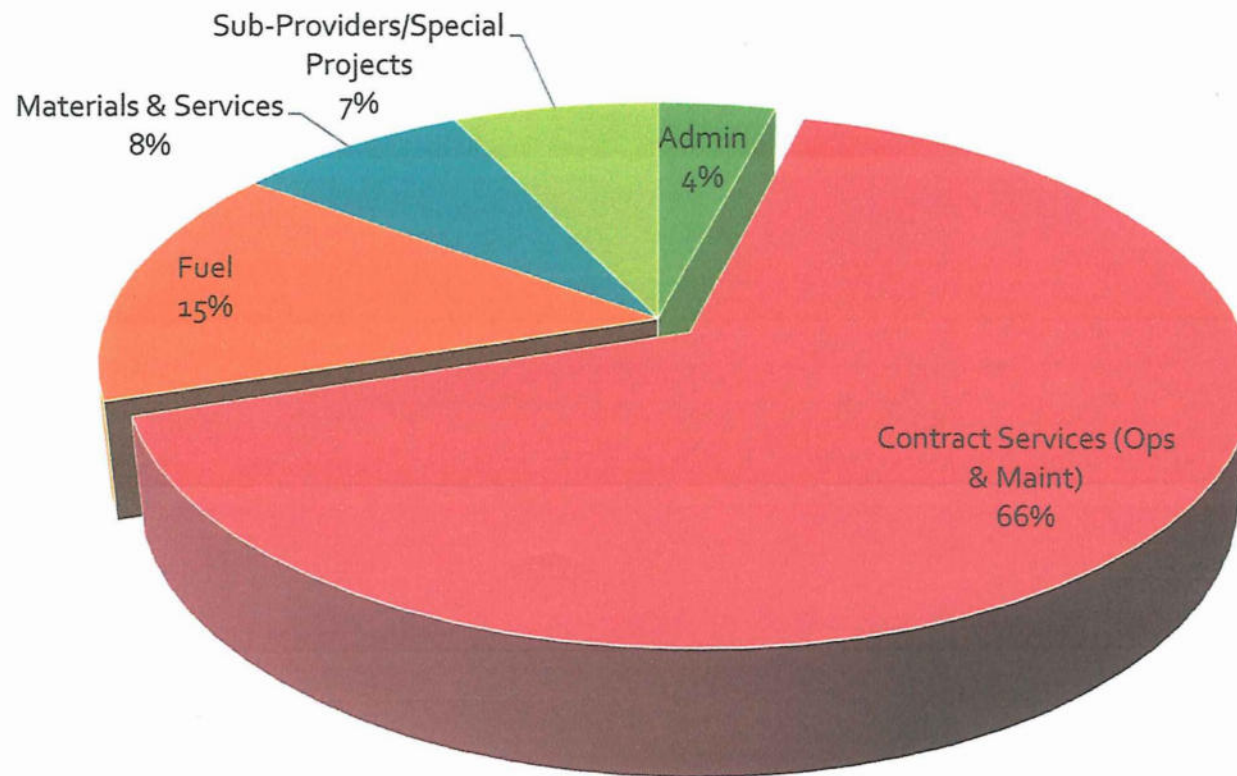
- ▶ Transit Center (2nd Avenue)
 - ▶ First Transit Office staff
 - ▶ Driver Breakroom
 - ▶ Transit Center for 4 buses
 - ▶ 2 Public Restrooms
- ▶ First Transit School Bus Services Shop
 - ▶ Maintenance staff
 - ▶ Maintenance bays (2 shared)
- ▶ Parking for Buses
 - ▶ Parking for 30 buses

YCTA 2016/17 Operating Revenue



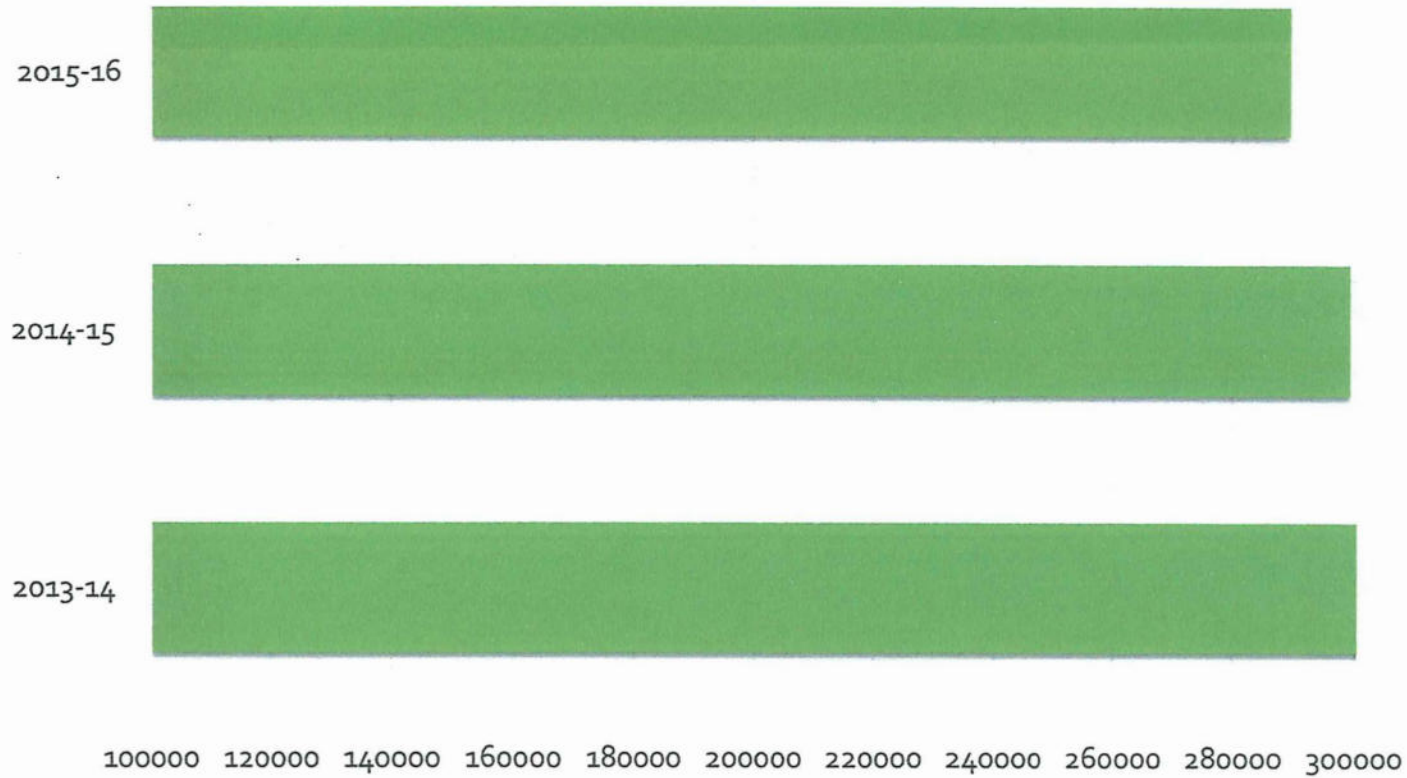
■ Federal/State ■ County ■ Cities/Charges for Services ■ Fares ■ Misc

2016-17 Operating Expenses



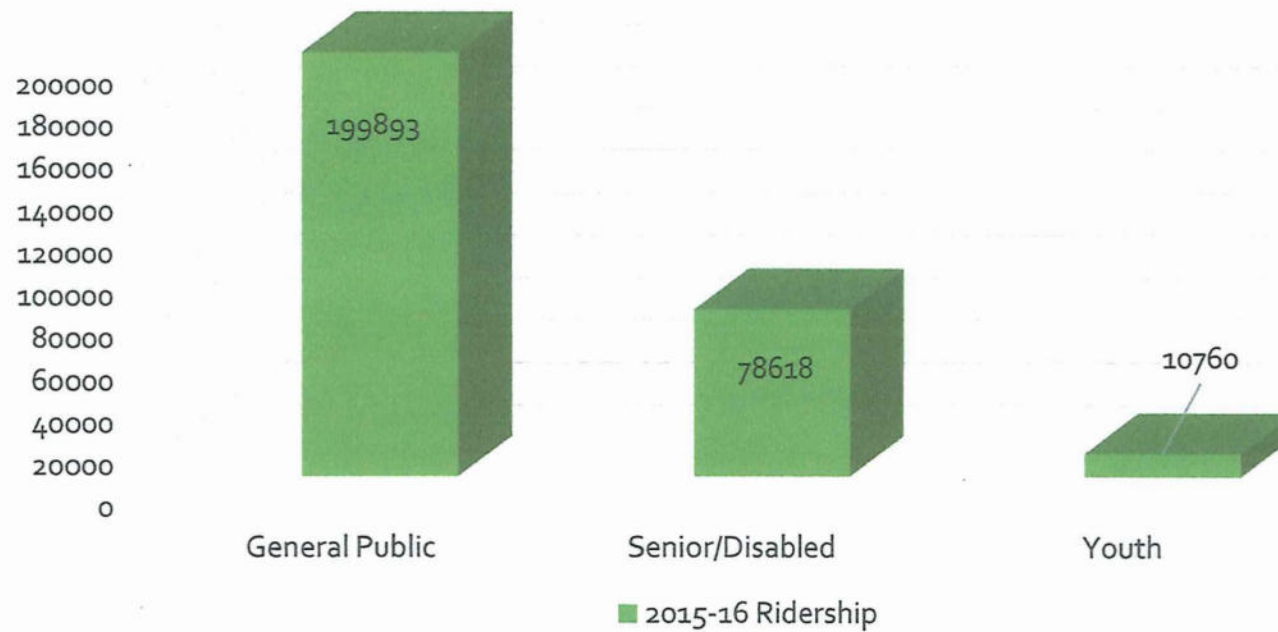
■ Admin ■ Contract Services (Ops & Maint) ■ Fuel ■ Materials & Services ■ Sub-Providers/Special Projects

YCTA Ridership



Who Rides?

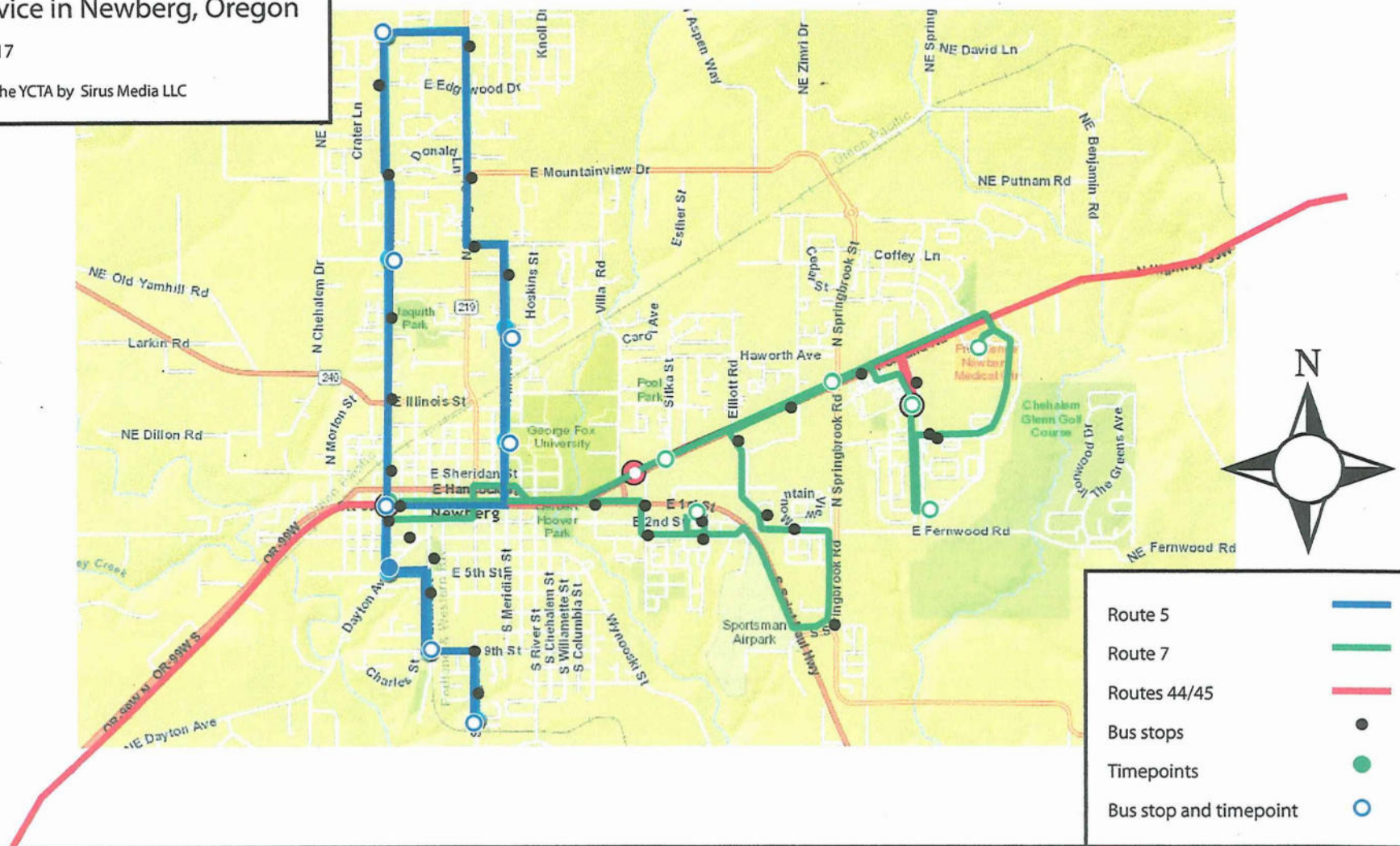
2015-16 Ridership



Bus Service in Newberg, Oregon

January 2017

Prepared for the YCTA by Sirius Media LLC





Yamhill County Transit Area Goals 2017/18

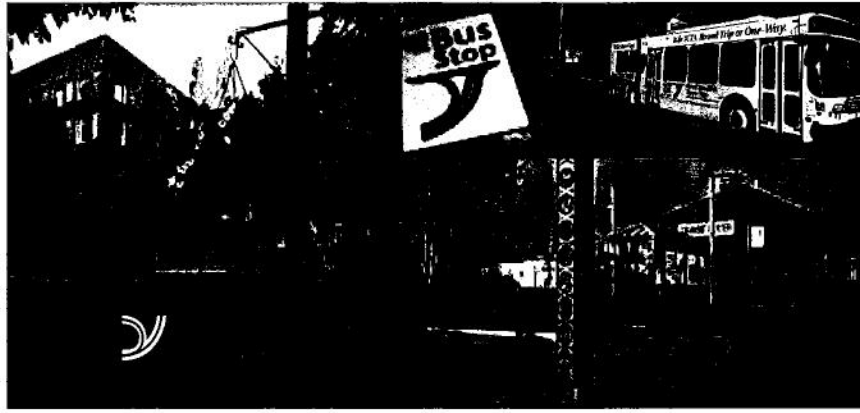
- Transit Development Plan
 - Community Outreach
 - Focus Groups
 - Identify Community Priorities
- New buses delivered and placed in service
- Secure funding to cover shortfall for capital match (\$30,000)
- All ODOT/FTA compliance issues completed
 - Procurement Plan Adoption
 - Asset Management Plan Adoption
- Explore agreement with DHS for full cost reimbursement for DHS client rides
- Transit Technology Grant
 - Procurement and Implementation
 - New Radios
 - Updated Paratransit Software system
 - Real Time Information for customers
- Marketing/Customer Information
 - New image and look for YCTA buses
 - Updated website and collateral materials
 - Develop maps for key transit stops/shelters
- Bus Stops/Shelters
 - Work with ODOT, Cities, and County to develop sustainable approach for siting bus stops/shelter, cleaning, maintenance, and installation.

City Council Meeting

Date: 5/2/17

Re: Transit Service

Topic: YCTA Work Session



Yamhill County Transit Area Accomplishments 2015/16

◆ Operations

- Streamlined fueling system with Bretthauer and First Transit staff for more efficient tracking of fuel by vehicle and drivers
- Contract oversight, monthly meetings, ongoing communication with First Transit Manager, review and respond to customer complaints and incident reports.
- Less than 20 hours of lost service due to weather, breakdowns etc.
- 37,135 hours of service provided in Yamhill County and over 650,000 revenue vehicle miles

◆ Buses and Maintenance

- Completed Fleet Inventory and vehicle files for
 - County owned vehicles
 - State owned vehicles
 - Sub-provider vehicles
- Updated County and State Asset Inventories for YCTA
- Purchased used buses to fill the gap until new buses arrive
 - (1) 2002 Eldorado Escort
 - (3) 1992 Orion's
 - (1) 2011 Gillig Phantom
 - (2) 2009 StarTrans buses (expect delivery in February 2017)
- Grant Agreements in place to purchase (6) new buses
 - Bid specs 90% complete and expect to order buses in February 2017 for delivery for mid-size buses by September and large buses by June 2018.
 - Detailed quarterly Preventive Maintenance Reports saving YCTA match dollars in 5311 funding

◆ Marketing/Customer Information

- Participated in community events; Turkey Rama, UFO Festival
- Provided shuttles for the UFO Festival
- Developed Rider Guide, Dial-A-Ride brochures and updated bus schedules
- Developed stakeholder list and distribution schedule to over 20 locations.
- Solicited price quotes for concept designs for bus wraps and to develop and improve YCTA image
- Rider Alerts and Community Event Notices posted on website, buses, and shelters.

◆ Federal and State Compliance

- ODOT conducted a triennial review audit in October 2015 and there were a number of compliance issues for resolution. Compliance related issues are 90% resolved and included;
 - Civil Rights Title VI and Limited English Proficiency Plan written and adopted
 - * Disadvantaged Business Enterprise Plan written and adopted
 - ADA Plan updated and procedures updated. Customer information updated to meet requirements
 - Procurement Plan written and under review
 - Asset Management Plan in draft anticipated completion February 2017.

◆ Planning

- Coordinated Public Transit and Human Services Transportation Plan
 - Written, reviewed, and adopted December 2016
- Transit Development Plan
 - Scope Development
 - Intergovernmental Agreement adopted December 2016
 - Kick Off 2017 for completion June 2018

◆ Grants

- Special Transportation Fund Operating
 - STF grants submitted for 2015-17 biennium
 - STF grant process for 2017-19 underway
 - STF sub-provider agreements completed and scheduled for approval by Board February 2017
 - STF Discretionary technology and bus match grant submitted and approved and grant agreement scheduled for approval by Board February 2017
- 5310 Operating Grant
 - 5310 grants written and submitted for 2015-17 biennium

- 5310 grant process underway for 2017-19
 - 5311 Operating Grant
 - 5311 grants written and submitted for 2015-17 biennium
 - 5311 grant submitted for 2017-19 biennium
 - 5339 Bus Grant
 - Bus grant submitted and approved and waiting for correction from ODOT
 - STIP Bus Grant
 - STIP 2015-18 bus grant for 3 large buses, grant agreement adopted and bus specs 90% complete, anticipate delivery 2018.
 - STIP 2018-21 grant submitted and approved for \$750,000 (3) buses
 - Transportation Growth Management Grant
 - Long Range Transit Development Plan
- ♦ **\$5,947,701 submitted for operating, capital, technology, and planning grants**
- ♦ **\$5,092,701 Total grants approved and secured since February 2015.**

- **Financial/Budgets**

- Grant Reports completed on time and submitted to ODOT quarterly
 - Transit Reports submitted on time to ODOT/FTA
 - County Audit
 - Assisted with 2015/16 and 2016/17 audit
 - Resolved findings from 2014/15
 - No findings in 2016/17 for transit
 - Budgets
 - Prepared budgets for 2015/16, 2016/17
 - 2017/18 underway
- Committees
 - STF Advisory Committee (Feb, May, Aug, Nov)
 - Quarterly Meetings
 - YCTA Advisory Committee
 - Quarterly Meetings (Jan, Apr, Jul, Oct)
 - After approximately a 1 year hiatus started meetings again in January 2016
- Bus Stops/Shelters
 - Developed inventory of bus stops
 - Purchased (6) bus benches and bus stop sign
 - Identified location for shelter placement in Amity, Lafayette and working with public works staff for installation
 - Developed quote form for outside vendor to assist with shelters/stops
 - Ongoing repair of broken glass or damaged shelters
 - Ordered shelter holders for Transit Center- installation in February 2017

NEWBERG CITY COUNCIL MEETING INFORMATION

Meeting Date: May 2, 2017

Prepared by: Sue Ryan

Councilors	Roll Call	Consent 3/27 & 4/3 Minutes	Ord 2016-2811 Transportation Utility Fee	Res 3375 Transportation System Development Charge	Res 3376 McCaw Partition recommendation to Yamhill County	Motion to accept Councilor Hayley Delle (District 1) resignation
ANDREWS, Bob, Mayor	X	Yes	Yes	Yes	Yes	Yes
BACON, Denise	X	Yes	Yes	Yes	Yes	Yes
COREY, Mike	X	Yes	Yes	Yes	Yes	Yes
DELLE, Hayley	X	Yes	Yes	Yes	Yes	Yes
ESSIN, Scott	X	Yes	No	Yes	Yes	Yes
JOHNSON, Patrick	X via telephone	Yes	Yes	Yes	Yes	Yes
McKINNEY, Stephen	X	Yes	Yes	Yes	Yes	Yes
ROLL CALL VOTES		YES: 7 NO: 0	YES: 6 NO: 1	YES: 7 NO: 0	YES: 7 NO: 0	YES: 7 NO: 0
MOTION (1 st /2 nd):		Corey/Bacon	Johnson/Corey [Essin]	Corey/Bacon	Bacon/Corey	Andrews/McKinney

Meeting adjourned at 9:34 p.m.