



## RESOLUTION 2014-030

### A RESOLUTION REDUCING TRANSPORTATION SYSTEM DEVELOPMENT CHARGES

**WHEREAS**, the City approved and adopted the current methodology for its transportation system development charges and established an updated capital improvement plan on November 8<sup>th</sup>, 2006; and

**WHEREAS**, the City adopted Resolution 2007-085 on November 6<sup>th</sup>, 2007, enacting a 25% reduction of the Transportation System Development Charge (SDC) rates; and

**WHEREAS**, the SDC methodology assumed additional revenues for transportation system project through the Traffic Impact Fee (TIF) and was calculated to ensure that development paid for 100% of the actual transportation impact uses; and

**WHEREAS**, the TIF capped trips for certain uses resulting in greater local transportation SDC's for certain uses than other uses; and

**WHEREAS**, many of the uses where the trips were capped were uses that would benefit the local economy; and

**WHEREAS**, the TIF was replaced by the Transportation Development Tax (TDT) in 2008 which increased the TIF rates resulting in a larger proportion of funds being contributed than anticipated when the SDC methodology was adopted; and

**WHEREAS**, the TDT also capped trips on certain uses, resulting in increased inconsistency in how much some uses were contributing towards the actual transportation impacts versus other uses when adding the local transportation SDC; and

**WHEREAS**, staff has evaluated the general categories and found that some categories are contributing proportionally more towards the total transportation costs while other categories are not; and

**WHEREAS**, the Council acknowledges that even those uses that are not contributing their full share towards the total transportation costs are still paying more in Sherwood than would be required in any other community in Washington County; and

**WHEREAS**, the Council has determined there is an economic development benefit in being more consistent with what is being charged in other jurisdictions, while also ensuring that new development in Sherwood continues to contribute additional funds towards the transportation impacts; and

**WHEREAS**, The Council has determined that, coupled with the additional revenues associated with the TDT, a 50% reduction in the SDC currently assessed would not significantly impact the ability to accomplish identified transportation projects; and

**WHEREAS**, it is recognized that the City is in the process of updating the Transportation System Plan and is expected to have it adopted by July 2014; and

**WHEREAS**, upon adoption of the TSP update a new SDC methodology will be necessary to recalculate the funds needed to implement the TSP identified projects; and

**WHEREAS**, a limited timeframe on the reduction makes clear the Council's intention to revisit the SDC methodology and fee; and

**WHEREAS**, the staff and Council have determined that 3 years is sufficient time to adopt the TSP and complete the work necessary to update the SDC methodology; and

**WHEREAS**, Council recognizes that the reduction will affect existing projects where credits are available and there is not currently a clear process and policy to transfer SDC credits to TDT credits.

**NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:**

**Section 1.** The City Council declares its intent that the City Transportation System Development Charge shall be charged at a rate of 50% of the adopted Fiscal Year 2013-2014 Rate Schedule effective July 1, 2014 until July 1, 2017 unless such action is taken by Council to modify the SDC methodology and calculation sooner.

**Section 2.** The City Manager or his designee is hereby directed to take such action as may be necessary to support this Resolution, including the preparation of a Revised Fee Schedule for City Council adoption.

**Section 3.** The Community Development Director shall ensure that a clear process and policy for the transfer of SDC credits to TDT credits is in place.

**Section 4.** The Community Development Director is directed to provide notice to potentially affected projects.

**Section 5.** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the City Council this 6th day of May 2014.**

  
Bill Middleton, Mayor

Attest:

  
Sylvia Murphy, MMC, City Recorder