



WASHINGTON COUNTY OREGON

November 12, 2010

TO : WCCC Transportation Advisory Committee

FROM : Andy Back, Principal Planner *AB*

SUBJECT: **WCCC TAC MEETING**

DATE: Thursday November 18, 2010
TIME: 1:30 – 3:00 p.m.
PLACE: Beaverton Library Conference Room
12375 SW Fifth Street -- Beaverton

A G E N D A

- * 1. Transportation Development Tax: Discussion/Action
"Previous Use" Definition Options
- * 2. Transportation Development Tax: Discussion
Amending the project list
- * 3. Transportation Development Tax: Information
2009/10 Annual Report, Draft
- * 4. FY2012 Federal Appropriations Priorities Discussion
- 5. TPAC Meeting Information
- 6. Updates: Information
ODOT, Metro, TriMet,
THPRD, Port of Portland
- * 7. Other Business
WCCC 2011 Schedule, Draft

No WCCC TAC meeting is scheduled in December, 2010. The next regular WCCC TAC meeting is scheduled for **1:30 PM Thursday January 6, 2011.**

* -- Material enclosed in packet



Memorandum

To: Washington County Coordinating Committee – Transportation Advisory Committee
From: SK Steve L Kelley, Transportation Planner
Date: November 9, 2010
Re: Transportation Development Tax – Previous Use Change Options

At the October meeting of the WCCC TAC, the committee voted unanimously to forward a change of the previous use language to the WCCC at a future meeting. The recommendation was to change “36 months” to “72 months”. As shown below.

TDT code as proposed:

3.17.050.B "For new development for which a previous use existed on the property, the amount of the TDT due shall be determined by calculating the TDT of the previous use(s) on the property and subtracting that sum from the TDT for all of the proposed use(s) as provided in Paragraph A above. Except as provided for in subsection C of this section, the proposed use and the previous use shall be determined based on the rates listed in Appendix B."

*"AA. "Previous use" means the most intensive lawful, permitted use existing at a particular property within the past **72 months** prior to the date of application for a building permit. Where the site was used simultaneously for several different uses (mixed use) then, for the purposes of this Chapter, all of the specific use categories shall be considered. Where the previous use is composed of a primary use with one or more ancillary uses that support the primary use and are owned and operated in common, that primary use shall be deemed to be the sole use of the property."*

AB. "Proposed use," means the use proposed by the applicant for the new development. Where the applicant proposes several different uses (mixed use) for the new development then, for purposes of this Chapter, all of the specific use categories shall be considered. Where the proposed use is composed of a primary use with one or more ancillary uses that support the primary proposed use and are owned and operated in common, that primary use shall be deemed to be the sole proposed use of the property."

The proposed change would double the length of time that the use could be considered as a “previous use” for calculation of the TDT.

The unanimous vote was conditioned upon further review of the administrative provisions necessary to implement the previous use language change. This review would be completed prior to forwarding the recommendation to the WCCC policy group. The Home Builders Association of Metropolitan Portland requested that the transportation advisory committee provide time for review and comment prior to forwarding this recommendation to the WCCC.

The administration procedures to consistently implement the previous use provisions allows for a minimal level of discretion. Three primary considerations have been identified in determining if a previous use should be considered within the TDT calculation.

1) **Determination of the date a previous use ceased to exist**

The burden of proof is upon the applicant. Washington County staff's current interpretation in the procedures manual says: "the previous use must have been permissible but not necessarily active or ongoing at the property." Another way of saying this is: **The date at which a new building permit would be necessary to continue the previous use, becomes the date on which the previous use ceased to exist.** Often contact with the County assessor's office may provide additional evidence to aid in determining this date.

A vacant or unoccupied structure would (under most circumstances) continue to be an existing use. However, uninhabitable or otherwise not intact structures would not be considered a previous use. The date a structure became uninhabitable may be difficult to determine. The county assessor's office may provide evidence based on building value. Third party factual documentation of such structures may be also available by independent appraisal, a fire marshal determination, or other agencies acceptable by the jurisdiction. The burden of proof that a vacant structure was intact and habitable is upon the applicant.

Temporary uses are not considered previous uses.

2) **Calculation of the date a new use starts**

The TDT previous use language says "the date of application for a building permit." By setting time limit (72 months) from the date on which the previous use ceased to exist, the date of application for a building permit becomes critical for the calculation.

The application must be for the structure(s) on which the TDT is being paid. Only reasonably complete applications for generally the same structure should be considered. If the application is no longer valid, and/or a new application is necessary – only the date of submittal of the new or current application should be considered. Prior building permit applications do not apply to the previous use calculation.

For a multi-phase development Washington County staff recommends that the "date of application for a building permit" be interpreted as **the date of application for a building permit on the first unit or phase of the development.** All subsequent building permit applications for units within the same development would be able to apply the previous use as determined at the time the charge for the first unit was calculated. The determination of what constitutes a "multi-phase development" or "within the same development" would be reviewed and notification made on a case by case basis.

3) Application of the previous use towards a multi-phase development.

Note this issue is generally more problematic for residential and multi-party development, than for single larger developments. Two alternative methods of application of the previous use towards the new multi-phase development are possible. For either, at the start of a multi-phase development, the calculation of the TDT from any previous use should be established, and the methodology to apply the previous use must be determined.

Option 1: The previous use is determined for each prior unit. The determination can be allocated geographically across the properties or by total prior units. As each phase or structure of the proposed multi-phase development is issued building permits, the appropriate previous use allocation is applied. The previous use amount would be calculated at the time the proposed use is issued a building permit.

Example (total prior units): A 3,000 square feet office building is removed, and 3 new 20,000 square foot industrial buildings are to be constructed. Each new industrial building would apply 1,000 square feet of office building within TDT calculation. The amount for the previous 1,000 square feet of office building would be calculated at the time the TDT for each industrial building is paid.

Discussion: this option spreads the previous use over each phase of the proposed use. The proposed multi-phase development may never be completed or may be completed differently (or by different parties) than expected when initiated. This option allows the previous use to track with the properties over time.

Option 2: The previous use determined at the onset of a multi-phase development would function similar to a credit. As each building permit within the multi-phase development is issued, the previous use allowance would be reduced by the TDT that would otherwise be paid. The multi-phase development would apply the previous use on a first come basis.

Example: A 3,000 square feet office building is removed, and 3 new 20,000 square foot industrial buildings are to be constructed. The first 20,000 square foot industrial building would reduce its TDT paid by the amount of the 3,000 square foot office building.

Discussion: this option treats the previous use similar to a credit. Once the development has exceeded the amount of the previous use, then the TDT must be paid as each subsequent phase is developed.

4) On what date is the charge calculated?

Washington County staff advises that the TDT charge should be calculated based on the rate in effect on the date the payment is made. Each July the TDT rate is scheduled to be adjusted based on the TDT phase-in schedule and index. If the charge is calculated in June but paid in July the effect of the rate adjustment can be significant. Washington County staff advises that the applicant should be appropriately notified of this rate change. Planning staff advises that **each jurisdiction should establish the date the charge is calculated based on the administrative procedures of that jurisdiction.** Secondly, the date of the calculation affects the previous use determination. The applicant would have 72 months between the date at which the previous use ceased to exist and the date on which the TDT is paid or deferred until occupancy. These specific dates can become very important.



Memorandum

To: WCCC Transportation Advisory Committee
From: SK Steve L Kelley, Transportation Development Tax Coordinator
Date: November 12, 2010
Re: Transportation Development Tax – Project List Amendment

Several jurisdictions have commented that amendments to the Transportation Development Tax (TDT) project list are desired. Because adding projects to the project list reduces the percentage of the need that the TDT will cover, County staff believes it would be useful to consider project list amendments as part of the annual TDT review process.

The attached annual report includes the amount invested in TDT eligible improvements from other funding sources since the list was created in 2008 (approximately 19.4 million). The amount of revenue the TDT is designed to capture was initially estimated as approximately 28% of the eligible SDC improvements. With the completion of projects from other revenue sources it is estimated that the TDT would now be targeted to capture 28.2% of the revenue necessary to complete these improvements. Additions made to the TDT project list can be added to the SDC eligible costs, and the capture rate percentage can be calculated.

Staff believes the WCCC TAC and the WCCC should discuss and define the rules and merits for amendments to the project list prior to proceeding with any particular change. A policy discussion about the merits of adding projects to the TDT project list should consider priorities, equity, and credit eligibility. The discussion should also consider if projects should be added without removing existing projects. Once the policy for amending the project list is established, county staff believes the procedure for amending the project list should be similar to the one outlined below.

A jurisdiction wishing to amend the Transportation Development Tax project list, should submit a request to the County Transportation Development Tax Coordinator that includes the following information:

- Jurisdiction,
- Road name,
- Project Limits,
- Brief Project Description,
- Project Cost (in current year dollars –not year of expenditure),
- Other project funding sources expected, and;
- Expected project completion timeframe.

Additionally, Washington County staff will need to determine the proportion of the project related to capacity (see the table below), and assess the future growth share.

GUIDELINE FOR DETERMINING PROPORTION OF IMPROVEMENT RELATED TO CAPACITY

Type of Improvement	Percent of Improvement Related to Need for Extra Capacity*			
	100%	75%	50%	25%
Add through-lane	✓			
Add turn lane	✓			
Extend existing or construct new Roadway	✓			
Grade separate intersection	✓			
Reconfigure intersection (e.g., roundabout)	✓			
Add signal interconnect or adaptive Signal system	✓			
Add new signal, upgrade existing traffic signal, or change signal phasing		✓		
Do minor lane widening requiring Reconstruction			✓	
Realign roadway				✓
Add backage road to improve access				✓

*For projects with multiple improvement elements, percentage of improvement related to extra-capacity need is equal to the element having the highest individual assigned percentage. Improvements not listed on this table have no significant extra-capacity element which would qualify them for SDC eligibility.

The table is used to determine of the proportion of improvement related to capacity. Once that determination has been made, Washington County staff will assess the future growth share based on a methodology similar to the one used during the development of the TDT.

The process for adding projects to the TDT project list has defined by both the adopted TDT Ordinance (A-Engrossed Ordinance 691, as amended by Ordinance 729); and the Inter-Governmental Agreements established between Washington County and each City within Washington County. The general procedure is outlined below:

1. Review and recommendation by Washington County transportation planning staff,
2. Review by the WCCC Transportation Advisory Committee,
3. Review and recommendation by the Washington County Coordinating Committee, and
4. Adoption by the Washington County Board of Commissioners via Resolution and Order.



Memorandum

To: WCCC Transportation Advisory Committee
From: SK Steve L Kelley, Transportation Development Tax Coordinator
Date: November 10, 2010
Re: Transportation Development Tax – DRAFT Annual Report

Attached is a copy of the DRAFT Countywide Transportation Development Tax 2009/2010 annual report. Please review the draft and bring comments to the meeting. A final version of the report will be submitted to the WCCC at their December meeting.



Washington County Oregon

Countywide Transportation Development Tax

2009/2010 Fiscal Year
Annual Report

July 1, 2009 through June 30, 2010

Washington County
Department of Land Use
and Transportation
Planning Division

December 2010

Board of County Commissioners

Tom Brian, Chair

Dick Schouten • Desari Strader • Roy Rogers • Andy Duyck

Planning Commission

Marc San Soucie, Chair

Aaron Crowley • Liles Garcia • Herbert Hirst
Veta Holscher • Matthew Larrabee • Rick Lesniak
Mary Manseau • Scott Rickard

County Administrator

Robert Davis

Department of Land Use & Transportation

Andrew Singelakis, Director

Brent Curtis, Long Range Planning Manager

Greg Miller, County Engineer

Andy Back, Principal Planner

Project Staff

Steve L. Kelley, Senior Planner

**COUNTYWIDE
TRANSPORTATION DEVELOPMENT TAX**

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I. EXECUTIVE SUMMARY

Transportation Development Tax Overview

On November 4, 2008 the voters of Washington County approved a Transportation Development Tax (TDT). The TDT is governed by the Washington County Code section 3.17 as instituted by A-Engrossed Ordinance 691 as amended. The TDT replaced the previous tax, known as the Traffic Impact Fee (TIF), passed county-wide in 1990. The TDT went into effect on July 1, 2009, increasing the previous TIF rates as well as updating and clarifying various procedures. The TDT essentially doubled the TIF rates developers pay for the impact new development has on the transportation system.

The TDT is levied throughout Washington County including within the Cities. The new rate is phased in over four years, through July 1, 2012. After July 1, 2013 the rates can increase at a rate of no more than 10% per year, based on an index tracking the costs of road construction material, labor, and right-of-way. Non-residential developments which had land use approvals prior to July 1, 2009 are charged based on the prior TIF rates until July 1, 2012. Developments may also receive credits for constructing eligible public transportation improvements.

The TDT is based on the estimated traffic generated by each type of development. All revenue is dedicated to transportation capital improvements designed to accommodate growth. Eligible projects are on major roads, including sidewalks and bike lanes, as well as transit capital projects.

The TDT is not a property tax. It is a tax on development, structured like a system development charge (SDC). New development is required to pay the tax when a building permit or occupancy permit is issued. Remodeling, temporary uses, and state and federal government buildings are exempt. The TDT was thoroughly reviewed by the Washington County Coordinating Committee (WCCC), a partnership of mayors, County Commissioners and other elected officials representing local governments. The WCCC was formed in the 1980s to make recommendations about transportation issues of countywide significance.

Ordinance 729

In light of current economic conditions, Ordinance 729 was approved by the County Board of County Commissioners on October 20, 2009, and became effective December 1, 2009. Ordinance 729 provides a temporary discount of the TDT rates during the phase-in period. The Board will review the discount schedule annually. The rate schedule and other documents below have been revised to reflect the discounts enacted by Ordinance 729.

Reporting Requirements

The purpose of this Transportation Development Tax (TDT) Annual Report is to fulfill the state statutory requirements for System Development Charge reporting as described in ORS 223.311. Furthermore, the TDT itself requires annual reporting as described in section 3.17.140. In summary those requirements include:

- An annual accounting, showing the total amount of revenues collected,
- The projects that were funded by the TDT in the previous fiscal year,
- A list of the amount spent on each project funded, and
- The amount of revenue attributed to the costs of administering the charge.

The county code requires the review to consider whether additional revenues should be generated to provide extra capacity improvements needed to address new development and whether revenues exceed identified demands. In so doing, the county shall consider:

- Construction of facilities on the project list by federal, state or other revenue sources,
- Receipt of unanticipated funds from other sources for construction of facilities on the project list,
- New information provided by the Institute of Transportation Engineers adjusting trip rates, and
- The impact of credits.

Summary of Revenues and Expenditures

Between July 1, 2009 and June 30, 2010 the Transportation Development Tax (TDT) collected \$4,166,572 in cash proceeds. No projects were funded with TDT revenues, and no TDT credits were issued. \$9,263 dollars were spent on miscellaneous compliance charges relating to administration of the fund (mostly charges necessitated from payments via credit card). Countywide the TDT accounts generated \$25,232 in interest and investment revenue. Ordinance 729 reduced TDT rates by 20% effective December 1, 2009. Furthermore, Ordinance 729 allowed refunds of the difference between the July 1 rate and the December rate. The TDT program refunded \$148,650 in compliance with Ordinance 729. The countywide TDT account balance was \$4,033,891 as of June 30, 2010.

Over \$19.4 million in revenue from other sources was invested in projects on the TDT project list since it was developed and enacted in 2008.

Rate Phase-in Schedule and Construction Cost Adjustments

The Transportation Development Tax (TDT) includes a phase-in period starting July 1, 2009 through June 2013. The phase-in schedule resulted in a total increase of 100%, divided equally among the four years.

Ordinance 729 adjusted the effective rates during the phase-in period. Fiscal year 2009/2010 rates were reduced 20%, and allowed for refunds of the tax increase for payments between July 1, 2009 and the effective date. The fiscal year 2010/2011 rates were reduced 10%, and the fiscal year 2011/2012 rates were reduced 5%. The rates after the phase-in period will follow the annual index as described below.

Beginning in July of 2013, the rates are to be adjusted based on the annual index. The index includes the five-year moving average with three components: Materials (weighted 50%), Labor (weighted 30%), and Right-of-Way (weighted 20%). The TDT rate shall follow the index up or down effective each July 1. However, in no event can an increase be greater than 10% per year.

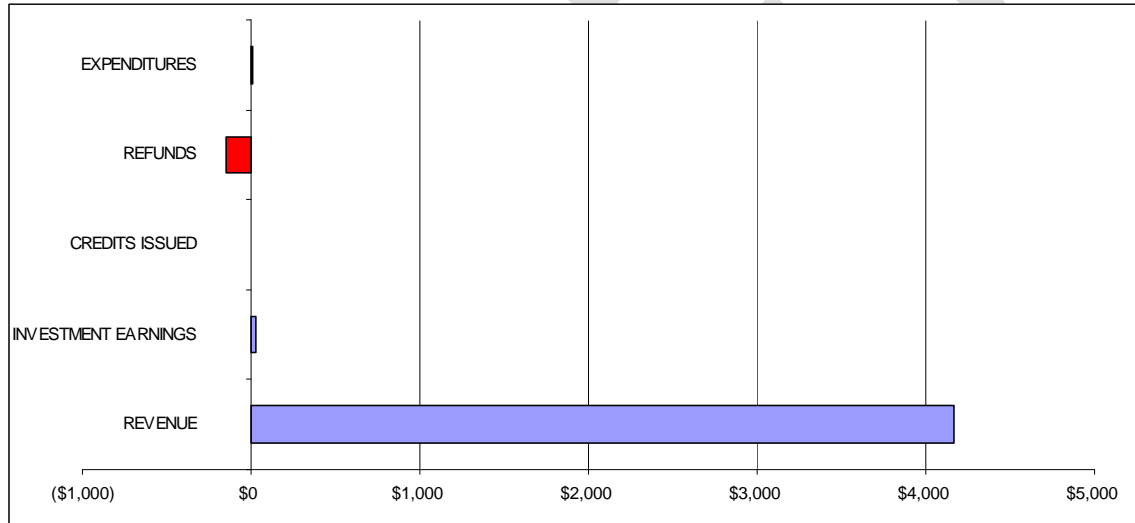
II. COUNTYWIDE FINANCIAL ANALYSIS

Countywide Total Financial Activity and Balance

This section reviews the financial activity of the countywide Transportation Development Tax (TDT) program for fiscal year 2009/2010. Figure II.1 shows a summary of TDT financial activity. In 2009/2010, \$4,166,572 in TDT revenue was collected countywide. Interest amounting to \$25,275 was earned by the TDT accounts. No TDT credits have been issued. One time refunds under Ordinance 729 amounted to \$148,650. Therefore, the total cash payments, investment earnings and credits issued for the first fiscal year (2009/2010) of the Countywide program is \$4,043,197. Expenditures, including payment of receipts via credit card, accounted for \$9,263. Therefore the countywide TDT balance on June 30, 2010 was: \$4,033,933.

Figure II.1 below summarizes the countywide TDT financial activity for the 2009/2010 fiscal year.

FIGURE II.1
COUNTYWIDE FINANCIAL ACTIVITY
2009/2010 SUMMARY
(THOUSANDS)



The TDT is imposed on all development within Washington County, including inside the cities. The cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, North Plains, Sherwood, Tigard, Tualatin, and Wilsonville have signed Intergovernmental Agreements with Washington County to administer the TDT within their jurisdiction. Other cities including Portland and Lake Oswego have decided to allow Washington County to administer the TDT within their jurisdiction.

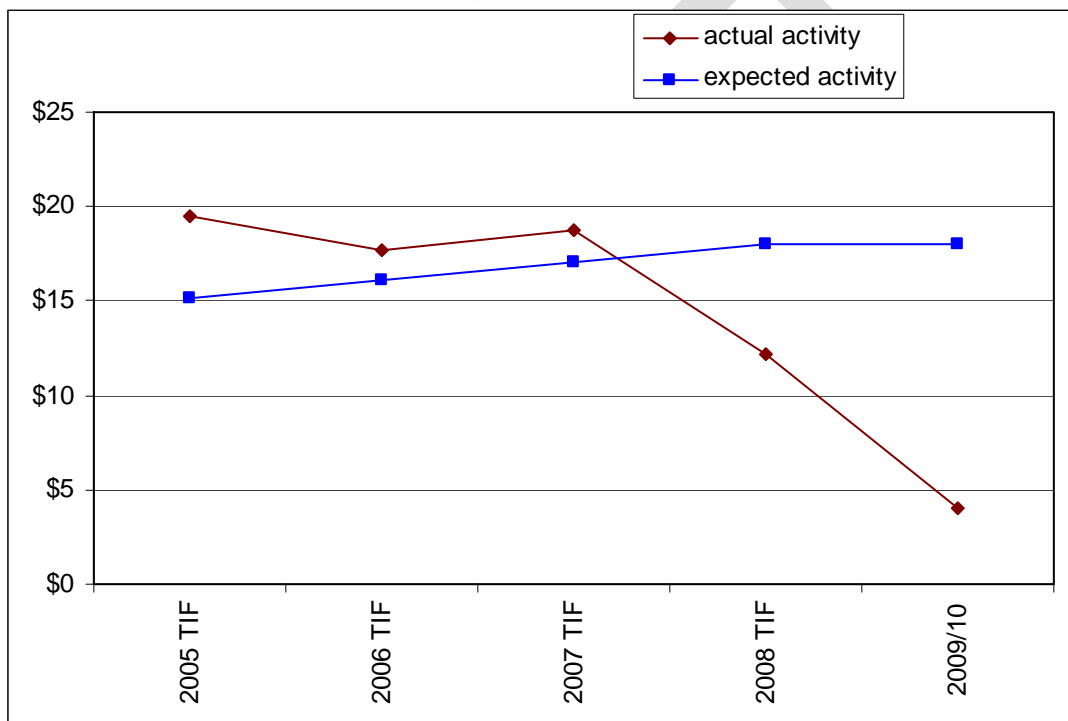
Actual vs. Expected Total Financial Activity

In 2008, the countywide Transportation Development Tax (TDT) program anticipated annual revenues that would approximately double the TIF revenues after the four year phase-in. Ordinance 729 created a 20% discount in TDT rates due to economic conditions. The expected reduced financial activity of the TDT of the 2009/2010 fiscal year would be \$18,034,000.

The substantial reduction in development has resulted in substantially less revenue than would have been generated at the prior level of activity.

Figure II.2 compares the actual annual revenues with the expected financial activity.

FIGURE II.2
ACTUAL vs. EXPECTED TOTAL FINANCIAL ACTIVITY*
(MILLIONS)

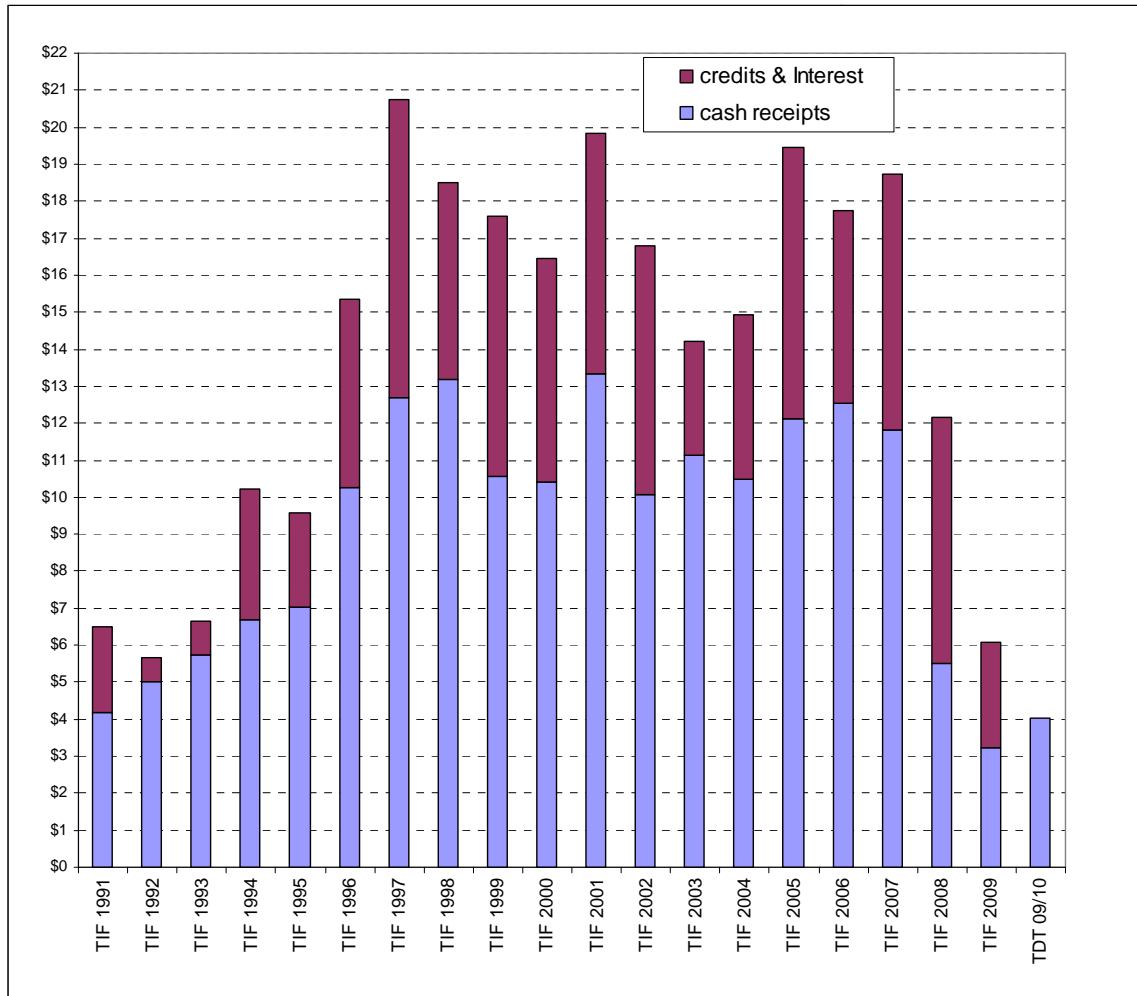


*Total includes revenue, credits issued, and interest

Comparison of Annual Financial Activity

Figure II.3 below compares the total countywide Transportation Development Tax (TDT) activity for the TDT fiscal year 2009/2010 with TIF activity from prior calendar years. Some continuing Traffic Impact Fee (TIF) activity also took place during the fiscal year. This activity is limited and controlled by the transition provisions of the TDT. The 2009/2010 TDT activity is down significantly from prior TIF activity. The TDT revenue generated during fiscal year 2009/2010 is the lowest year on record since the implementation of TIF as a countywide program in 1990.

**FIGURE II.3
ANNUAL PROGRAM COMPARISON
(MILLIONS)**

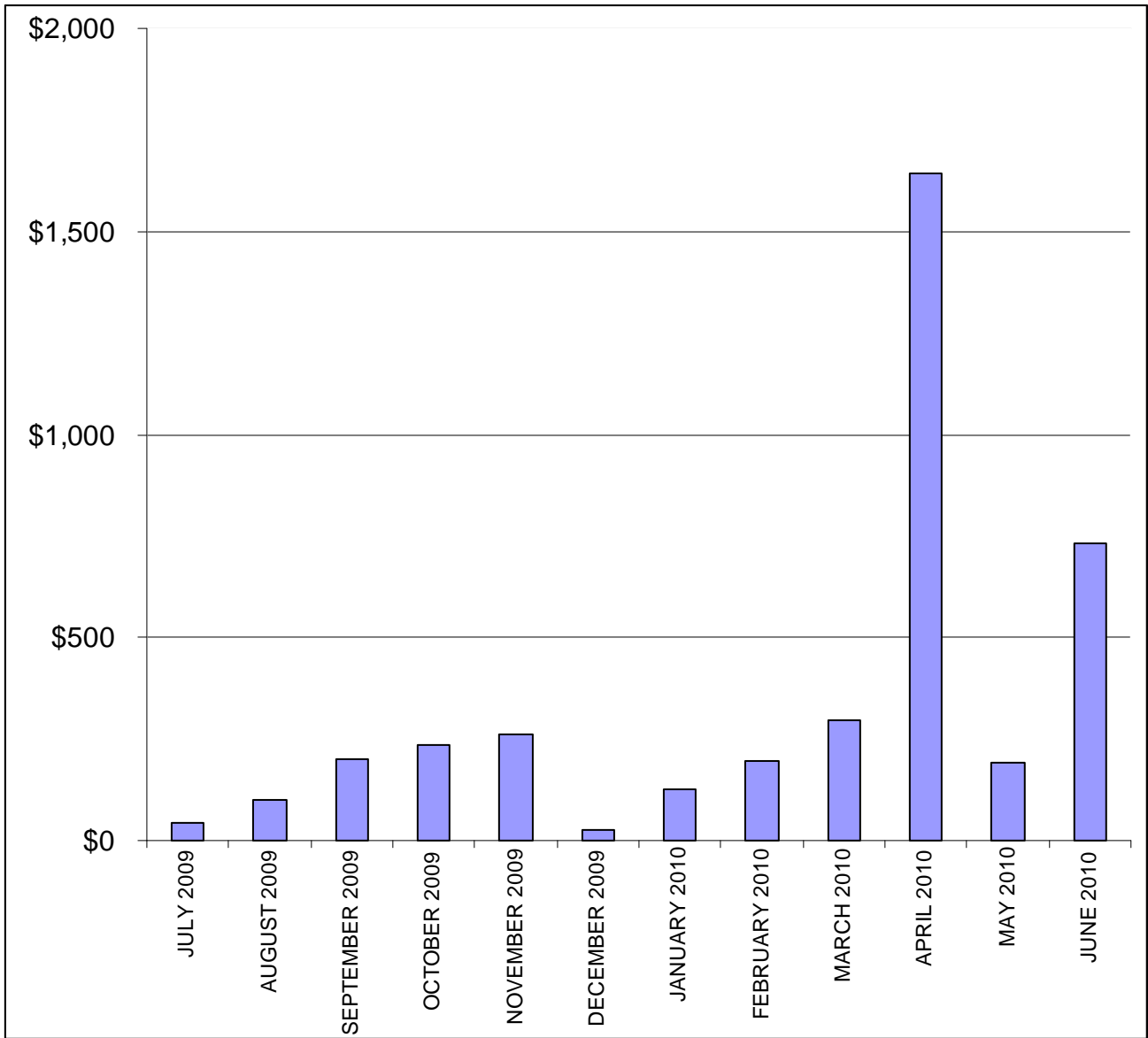


Countywide TIF also collected \$1,036,420 in revenue between July 1, 2009 and December 30, 2009. Additional TIF revenue during the 2009/2010 fiscal year may be reported in the 2010 countywide TIF report. Including the \$1,036,420 in TIF revenue collected with the \$4,008,616 in TDT revenue collected (after rebates and investment earnings) would increase the total combined revenue collected to \$5,045,036 during the fiscal year.

Payment of Fees at Issuance of Building Permits

Between July 1, 2009 and June 30, 2010, the Transportation Development Tax (TDT) program collected \$4,162,292 in cash payments and refunded \$148,650 of these payments as directed by Ordinance 729. Figure II.4 depicts the monthly flow of TIF revenues. This figure shows that revenues were highest during the month of April 2010.

FIGURE II.4
CASH RECEIPTS BY MONTH
(THOUSANDS)



Interest Earned

During the first fiscal year 2009/2010, the countywide Transportation Development Tax (TDT) program collected interest as payments were deposited within the accounts. These dedicated funds earned a total of \$25,232 in interest revenue. Each jurisdiction in the county invests TDT funds through its own individual investment program. Refer to table II.5 for a breakdown of each jurisdiction's interest earnings.

Credits

The countywide Transportation Development Tax (TDT) program provides opportunities for developers to reduce or eliminate TDT charges by improving facilities. As facilities are improved by developers and project acceptance obtained, a request for credit eligibility is submitted. Each request is reviewed by the applicable jurisdiction in order to ensure that the project meets eligibility requirements, and that the actual construction costs incurred are reasonable. If all criteria are met, the jurisdiction issues credits for the applicable properties for a specific dollar amount. During the next 10 years following the issuance of credits, the developer of the subject properties may submit credit vouchers in lieu of payment of TDT.

Credit may be available for improvements made to projects identified on the TDT project list. Reduced credits may be available and issued for improvements to arterial or collector facilities identified as such on the jurisdiction's transportation system plan. Limited transfer of TDT credits may be allowed.

No credits were issued during the 2009/2010 fiscal year.

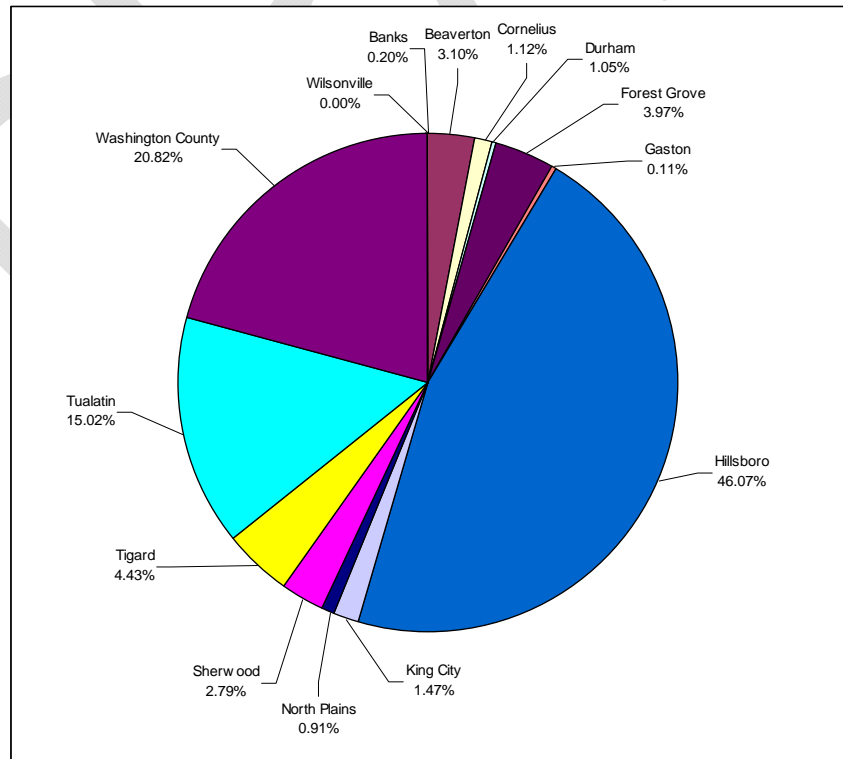
Jurisdiction Comparison

Table II.5 and Figure II.6 below summarize the Transportation Development Tax (TDT) financial activity by jurisdiction during fiscal year 2009/2010. Each jurisdiction in the county is responsible for collecting, monitoring and utilizing the countywide TDT individually.

**TABLE II.5
FINANCIAL ACTIVITY BY JURISDICTION**
(rounded to nearest dollar)

Jurisdiction	Balance as June 30, 2009	Receipts	Interest Earnings & Transfers	Expenses & Refunds	FY 2009 / 2010 Total	Balance as of June 30, 2010
Banks	0	0	0	0	0	0
Beaverton	0	\$142,694	\$340	\$17,749	\$125,285	\$125,285
Cornelius	0	\$44,149	\$1,334	0	\$45,483	\$45,483
Durham	0	\$7,358	0	0	\$7,358	\$7,358
Forest Grove	0	\$160,040	\$346	0	\$160,386	\$160,386
Gaston	0	\$4,280	0	0	\$4,280	\$4,280
Hillsboro	0	\$1,895,429	\$15,629	\$49,387	\$1,861,671	\$1,861,671
King City	0	\$59,424	\$182	0	\$59,606	\$59,606
North Plains	0	\$40,470	\$128	\$3,680	\$36,918	\$36,918
Sherwood	0	\$121,454	\$247	\$8,887	\$112,814	\$112,814
Tigard	0	\$189,502	0	\$10,259	\$179,243	\$179,243
Tualatin	0	\$607,012	\$389	0	\$607,401	\$607,401
Washington County	0	\$894,758	\$6,677	\$67,951	\$833,484	\$833,484
Wilsonville	0	0	0	0	0	0
Countywide Total	0	\$4,166,572	\$25,275	\$157,913	\$4,033,933	\$4,033,933

**FIGURE II.6
ANNUAL FINANCIAL ACTIVITY COMPARISON (FY 2009/2010)**



III. PROJECT EXPENDITURES

During fiscal year 2009/2010 no public improvements were constructed using TDT funds.

The TDT project list was developed during 2008, and some listed improvements or parts of listed improvements have been constructed with non-TDT funding since the project list was developed. Over \$19.4 million have been invested in improvements on the project list; all of this revenue has been from other sources than the TDT. The \$19.4 million dollars represents less than 1% of the total TDT eligible project list.

The TDT was developed with a target of providing about 28.0% of the revenue necessary to complete eligible components of the projects on the project list. Completion of these improvements from other sources will allow the TDT, once fully phased in, to cover 28.2% of the TDT project list.

For informational purposes only, an updated SDC Eligible Cost per Person Trip-End from the 2008 Methodology Report is included below (Table III.1). Comparing the new SDC Eligible Costs (\$2,310,373,476) to the Total New Person Trip-Ends (1,666,558); results in an SDC-Eligible Cost per New Person Trip-End of \$1,386 per motor vehicle trip. The phased-in Captured Cost per New Person Trip-End remains at \$391, which would now be 28.2% of the eligible motor vehicle costs.

TABLE III.1
SDC-ELIGIBLE COST PER PERSON TRIP-END
(Including completed projects)

Type of Cost	SDC Eligible Costs	Total New ADT Person Trip-Ends	SDC-Eligible Cost per New Person Trip-End	Capture Rate	Captured Cost per New Person Trip-End
Motor Vehicle	\$2,310,373,476	1,666,558	\$1,386	28.2%	\$391
Transit Cost	\$264,412,104	1,666,558	\$159	28.0%	\$44
Compliance Cost	\$5,234,000	1,666,558	\$3	100%	\$3
Total	\$2,599,496,517		\$1,560		\$439

Table III.2 below details the TDT project expenditures and revenue source for TDT-eligible projects on the TDT list.

TABLE III.2
DETAILED TDT ELIGIBLE PROJECT LIST EXPENDITURES

Jurisdiction	Road: From / To	Project	SDC Eligible Amount (2008 estimate)	TDT Expended	Expended from Other Sources	Source and Year
Beaverton	Crescent from Hall to Westgate	Extend 2-lane multimodal	\$3,864,000	\$0	\$65,237	TIF 2009/10
Beaverton	125 th from Brockman to Hall	Extend 2-lane multimodal	\$15,345,600	\$0	\$142,300	TIF 2009/10
Cornelius	Cornelius- Schefflin from S. City Limit to Verboot Circle	Add new traffic signals and widen existing lanes	\$5,550,000	\$0	\$4,536,627 Plus \$3,860,987 on East-leg (estimated as 45% eligible)	OTIA 3 & MSTIP3 2009/10
Forest Grove	David Hill E Terminus to HWY47	Complete 3 lane	\$6,428,075	\$0	\$160,024	MSTIP3b 2009/10
Forest Grove	Sunset at Willamina	Add Turn lanes and signal	\$1,198,406	\$0	\$4,423 from another improvement estimated 2% eligible	MSTIP3 2009/10
Hillsboro	Witch Hazel Road at River Road	Signalize	\$289,675	\$0	\$220,480	MSTIP3c 2009/10
Hillsboro	Cornell/Main at 10th	Add lanes	\$3,811,924	\$0	\$158,829	Road Fund 2009/10
Hillsboro	Brookwood from TV HWY to River Road	Extend as 3 lane	\$15,449,329	\$0	\$309,490	MSTIP3b 2009/10
Sherwood	Adams Ave South from 1 st & Oregon to Tualatin- Sherwood	Construct 3 lane road	\$9,115,104	\$0	\$139,954	Sherwood 2009/10
Sherwood	Adams Ave North from Tualatin- Sherwood to 99W	Construct 3 lane road	\$3,244,359	\$0	\$257,936	Sherwood 2009/10
Sherwood	Oregon St from Railroad Crossing to Murdock Roundabout	Add turn lanes and center median	\$4,171,319	\$0	\$24,243	Sherwood 2009/10
Sherwood	Pine St from Willamette to Sunset	New Rd extension and widening across railroad track	\$3,808,260	\$0	\$50,011	Sherwood 2009/10
Washington County	Bethany Blvd at Kaiser	Add turn lanes	\$1,390,440	\$0	\$471,744	TIF 2009/10
Washington County	209 th from TV HWY to Farmington	Realign and widen to 3 lanes	\$32,443,592	\$0	\$1,928,670	Road Fund 2009/10
Washington County	Cornell from Murray to HWY26	Widen to 5 lanes	\$40,322,750	\$0	\$1,181,329	MSTIP3b 2009/10

TABLE III.2
DETAILED TDT ELIGIBLE PROJECT LIST EXPENDITURES

Jurisdiction	Road: From / To	Project	SDC Eligible Amount (2008 estimate)	TDT Expended	Non-TDT Expended (eligible for TDT)	Source and Year
Washington County	Kaiser from Bethany to Cornell	Widen to 3 lanes	\$28,735,753	\$0	\$91,841	TIF 2009/10
Washington County	Tualatin- Sherwood from 99W to Teton	Widen to 5 lanes	\$25,244,862	\$0	\$179,829	TIF 2009/10
Washington County	185 th from TV HWY to Farmington	Widen to 5 lanes	\$19,002,675	\$0	\$3,318,789	MSTIP3c 2009/10
Washington County	Cornelius Pass from Amberwood to TV HWY	Widen to 5 lanes	\$45,421,028	\$0	\$2,297,767	MSTIP3c 2009/10
Washington County	Tonquin Rd from Grahams Ferry to Oregon St	Realign and widen to standard	\$7,724,665	\$0	\$618 from another improvement estimated 1% eligible	MSTIP3 2009/10
Washington County	Evergreen from East of 25 th to West of 253 rd	Widen to 5 lanes	\$12,408,906	\$0	\$75,809	TIF 2009/10
			TOTAL	\$0	\$19,476,937	

Note: 2009/10 improvements include eligible expenditures made prior to the 2009/10 fiscal year.

IV. ANNUAL REVIEW

Review Requirements

The Countywide Transportation Development Tax (TDT) program requires an annual review. Section 3.17.140 identifies the items the annual review shall include:

1. A list of the amount spent on each project funded, in whole or in part, with TDT revenues.
 - No projects were funded with TDT revenues. However, 21 TDT eligible projects were funded from other sources.
2. The amount of revenue collected from each jurisdiction.
 - A total of \$4,166,572 in revenue was collected, see figure II.5 above.
3. The costs of complying with the System Development Charge provisions (ORS 223.297 to 223.314), and/or other administrative expenses.
 - For fiscal year 2009/2010 TDT administrative expenses countywide were: **\$9,263**. The majority of these expenses were incurred accepting TDT payments via credit card, which facilitated collection.
4. The TDT requires that the TIF annual review continue.
 - This is completed as a separate annual report each spring.

Ordinance 729

Ordinance 729 was developed conceptually by the Washington County Coordinating Committee (WCCC), and passed by the Washington County Board of Commissioners (BCC). Ordinance 729 became effective on December 1, 2009. The primary effect of Ordinance 729 was to discount the Transportation Development Tax (TDT) rates during the phase-in period (through June 30, 2012). The Ordinance was passed to account impact that national economic conditions had upon the construction industry. The provisions of Ordinance 729 include:

- Amended section 3.17.080 to specifically identify that TIF credits may be issued to satisfy TDT obligations.
- Establish procedures for refunds of TDT due between July 1, 2009 and December 1, 2009 for the difference between the discount rate and the initial rate. A total of **\$148,650.43** in refunds were actually issued.
- Established a 20% discount for charges paid between December 1, 2009 and June 30, 2010.
- Established a 10% discount for charges paid between July 1, 2010 and June 30, 2011 – subject to review by the WCCC and the BCC (note WCCC and the BCC conducted this review and elected to continue the discount).
- Established a 5% discount for charges paid between July 1, 2011 and June 30, 2012 – subject to review by the WCCC and the BCC – the outcome of this review shall be included in the FY 2010/11 annual report.
- Established provisions for residential TIF credit recalculation under the TDT credit procedures.

Phase-in schedule

The Washington County Coordinating Committee and Board of County Commissioners addressed concerns regarding the economic impact the Transportation Development Tax (TDT) rate structure might have on current development activity by establishing a phase-in rate schedule. The phase-in schedule substitutes for the annual index between July 1, 2009 and June 30, 2012. The phase-in schedule accounts for the automatic six percent (6%) annual Traffic Impact Fee increase.

The phase in schedule was adjusted by Ordinance 729, see above.

Construction Cost Index

Although the Construction Cost Index does not go into effect until July 1, 2013, tracking the construction cost index during the phase-in period provides greater information about the history of the index. See Table V.1 on page 14.

Other Issues

During the fall of 2010 County staff has begun working with jurisdictions and the homebuilders to refine the “previous use” definition and administration within the Transportation Development Tax (TDT). The outcome of those discussions shall be reviewed in the 2010/11 annual report.

V. ANNUAL CONSTRUCTION COST ADJUSTMENT

**Table V.1
Construction Cost Adjustment**

Year	2002	2003	2004	2005	2006	2007	2008	2009
Materials Component (50%)								
Oregon Construction Cost Index ¹	164.3	171.7	161.7	205.8	248.0	240.9	243.8	220.9
% Annual Change		4.5%	-5.8%	27.3%	20.5%	-2.9%	1.2%	-9.4%
Ave. 5-year Change						8.7%	8.1%	7.3%
Labor Component (30%)								
BLS Employment Cost Index ²	90.1	93.5	96.7	100	103.6	107.6	110.9	111.7
% Annual Change		3.8%	3.4%	3.4%	3.6%	3.9%	3.1%	0.7%
Ave. 5-year Change						3.6%	3.5%	2.9%
Right-of-Way Component (20%)								
Ave. Total Real Market Value ³	\$270,176	\$279,865	\$308,772	\$315,784	\$342,179	\$399,958	\$435,632	\$409,972
% Annual Change		3.6%	10.3%	2.3%	8.4%	16.9%	8.9%	-5.9%
Ave. 5-year Change						8.3%	9.4%	6.1%
Weighted Average Index⁴						7.1%	6.9%	5.8%

Foot Notes:

1. Construction Cost Trends, Composite Index (Oregon Dept of Transportation)
2. March 2001 – December 2007 Table 5. Employment Cost Index for Total Compensation, for private industry workers by occupational group and industry, construction group (Bureau of Labor Statistics).
3. Calculated as: (Total Real Market Value) / (Total Property Accounts – Personal Property Accounts – Public Utility Accounts). Source: Annual Summary of Assessment & Tax Roll, Total Value on the Tax Role and Total Taxes Extended on the Roll tables (Washington County Dept. of Assessment & Taxation).
4. Weighted Avg. = ((Materials % Ave Annual 5-year Change x 0.5) + (Labor % Ave Annual 5-year Change x 0.3) + (Right-of-Way % Ave Annual 5-year Change x 0.2)).

Note:

The Annual Construction Cost Adjustment is reported for informational purposes only. The Transportation Development Tax (TDT) rates are based on the established phase-in schedule through June 30, 2012.



WASHINGTON COUNTY

OREGON

November 12, 2010

To: WCCC TAC Members

From: Clark Berry, Senior Planner *CFB*

Subject: **Draft Regional Appropriations and Authorization Priorities**

Attached for your review is a draft position paper prepared by Andy Cotugno concerning regional priorities for the federal Appropriations and Authorization processes. A version of this paper is scheduled to go to JPACT for discussion in December, followed by adoption of a policy direction and project list at the January JPACT meeting.

Much of the paper deals with proposed policy direction for an Authorization bill. It also identifies various projects within the New Starts transit program category, the Columbia River Crossing, Sellwood Bridge and the Active Transportation project category as projects that could or should have consensus support throughout the region.

Although it is still unclear as to what the regional (and congressional delegation's) appetite is for having a FFY2012 Appropriations list, there appears to be general support for developing a broad policy direction piece together with the identification of three or so top regional priorities, which is then followed by a short list of additional Appropriations requests from local jurisdictions. Criteria for developing the short list of Appropriations requests are similar to those used for the FFY2011 list, and are described on page 8 of the attachment. Note that Washington County and its cities are limited to two requests.

Please give some thought as to how we might ensure consistency with the emerging regional processes above, while also satisfying the WCCC's previously stated desire to propose one or two Washington County Appropriations priorities in each funding category (transit, roads and active transportation) and identify our one or two top overall priorities out of this group.

Attachment

DRAFT

2011 Regional Priorities for Federal Transportation Legislation

- 6-year Reauthorization Bill
- FY 2012 Appropriations

The federal environment for transportation policy and appropriations is shifting and the potential direction is not clear at this time. As a result, the region should be prepared with priority interests defined but be nimble in reacting to a changing environment.

Comment [t1]: This introductory section could use some preamble language that frames the document around the need to invest in transportation to support economic recovery and long-term prosperity. -RT

From a policy perspective, in January 2009 the region adopted a comprehensive set of priorities for policy making in the reauthorization bill by Resolution No. 09-4016 FOR THE PURPOSE OF ENDORSING A REGIONAL POSITION ON REAUTHORIZATION OF THE SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT, TRANSPORTATION ACT: A LEGACY FOR USERS (SAFETEA-LU). Later in 2009, the House Transportation and Infrastructure Committee, Subcommittee on Highways and Transit passed the bill THE SURFACE TRANSPORTATION AUTHORIZATION ACT OF 2009 incorporating most of the policy priorities of the Portland region. In January 2010, the region endorsed as priorities key elements of the Surface Transportation Act of 2009 by Resolution No. 10-4124. Attachment "A" summarizes the policy priorities of the Portland region.

From a project perspective, the prospect for earmarking is also unclear with the likelihood that there will be fewer opportunities. However, as demonstrated by recent competitive grant solicitations, there appears to be a trend toward more competitive grant opportunities. The region has a list of possible project earmarks in the event there is an authorization bill that includes earmarks. However, an overall strategy for federal transportation funding is needed to provide a framework to guide the region's advocacy in the context of a changing environment.

Attachment "B" is a strategic approach for federal project funding.

Attachment "C" (in progress) is the specific authorization project earmark requests.

Attachment "D" (in progress) is the specific FY 2012 appropriations project earmark requests.

Strategic Policy Direction

- Adopt a six-year Authorization Bill

The new authorization bill is now two years overdue and, at best, will be three years overdue before a new bill is enacted. It is essential that the Congress prioritize adoption of an authorization bill because all aspects of transportation, including planning, programming of funds, construction and reconstruction and operations and management, are long-term initiatives and require more funding stability. It often takes many years to plan, engineer and assemble funds for projects. This is much more difficult and expensive without funding stability at the federal level.

Comment [t2]: We might want to more clearly call for a bold bill, as opposed to a "limp along" approach. -RT

In addition, the 6-year authorization bill plays an important role in setting national transportation policy. It is important to clarify key aspects of policy direction to enable states, regions and local governments to take the necessary steps to implement. Delays in clarifying policy delay implementation.

- Increase the program in the next six-year authorization Bill

There is a clear need to increase the level of funding in the next authorization bill. In the past two years, the level of appropriations has not been supported by Highway Trust Fund receipts and the General Fund has been used to backfill. In addition, there is a clear need to meet increasing multi-modal demands and address a backlog of projects needed to reach a state of good repair.

- Protect key existing policy interests

The past three authorization bills have significantly advanced the region's agenda, particularly with the flexibility provided through the Surface Transportation Program (STP), the Congestion Mitigation Air Quality Program (CMAQ), the Transportation Enhancement Program and the New Starts Program. Through these programs the region has been able to advance an impressive array of projects and programs across all modes in support of the region's 2040 Growth Concept. In the current political climate, it is possible that these or other key programs could be put on the table. Of particular concern is the region's commitment of STP and CMAQ funds through 2027 for construction of the Portland to Milwaukie light rail and project development for Portland to Lake Oswego and the Southwest Corridor. Similarly, the Oregon Transportation Investment Act was predicated on long-term commitments of federal Highway Bridge Repair and Replacement Program funds. It is important that these programs be retained and, if possible, expanded rather than reduced or eliminated in the name of narrowing the scope of national interest.

- Priority authorization bill policy/program direction

While the Surface Transportation Act of 2009 will die as the 111th Congress adjourns, it provides a template for a new authorization bill to be taken up by the 112th Congress. Programs of interest to the Portland region are:

- Creation of a new Metropolitan Mobility and Access Program;
 - Significant program improvements and substantial increased funding in the New Starts and Small Starts Programs;
 - Creation of a new competitive "Projects of National Significance" Program from which the region would seek the federal share supporting the highway elements of the Columbia River Crossing Project.
 - Strong linkage to a climate change policy direction;
 - Incorporation of a "practical design" directive;
 - Consolidation of the current Interstate, National Highway System (NHS) and Highway Bridge Repair and Replacement Program (HBRR) into a program to maintain a "Good State of Highway Repair" ;
 - Creation of a new Freight Improvement Program;
 - Consolidation of several smaller programs into a new Critical Access (transit) Program;
 - Consolidation of several smaller programs into a comprehensive Safety Program.
- Other supportive legislative proposals

Related legislation with strong ties to federal transportation policy and funding should also be supported either through separate legislation, through linkages in the transportation authorization bill, or both. Of particular interest are:

- The Livable Communities Act of 2010, which would formalize the partnership between HUD, DOT and the EPA and support projects that integrate transportation, economic development, housing affordability and environmental concerns.
- The Active Transportation Act advancing competitive funding for more aggressive investment in bike and pedestrian facilities.
- Climate change legislation recognizing the component related to transportation emissions and reconciling transportation and energy policy.

Strategic Project direction

1. New Starts Pipeline

The Portland region has aggressively implemented a regional high capacity transit system and the role of the federal government has been very significant to this success. To carry this out, the region has generally followed the approach of keeping a series of projects moving through the "pipeline" from planning to engineering to construction. As one project is built, another can move into the construction phase. In turn, as one moves from engineering to construction, another can move from planning to engineering. By following this "Pipeline" approach, the region has been able to maximize the receipt of federal funds. This has required the region to be disciplined in clearly defining priority corridors, recognizing the system has to be implemented one corridor at a time.

In the authorization bill, it is important that the New Starts program be retained, expanded in funding in recognition of the increased need nationally, and improved in its administration to ensure it recognizes the full array of benefits to mobility, land use, economic vitality, air quality and social equity. In the appropriations bills, incremental funding earmarks are important to match state, regional and local funds to keeping planning and engineering progressing to facilitate advancing each corridor to construction. For the next decade, the region's priorities are clear and federal assistance through earmarks in the authorization bill and appropriations bills will be needed to advance:

- o Portland to Milwaukie into construction;
- o The New Starts component of the Columbia River Crossing project into construction;
- o Portland to Lake Oswego from planning to engineering and then to construction;
- o Southwest Corridor into planning, then engineering and finally into construction.

The region's New Starts agenda is also very compatible with and should leverage the Administration's Livable Communities Partnership between USDOT, HUD and EPA and would benefit from passage of the Livable Communities Act of 2010. With this policy direction under development at the federal level, it is important that the region make every effort to demonstrate how federal investment leverages the broader interests relating to land use, the environment and livable communities.

Small Starts – The region should continue to advocate for a Small Starts program, providing a more streamlined approach to smaller, cost-effective rail and bus projects. Within this program, the region will advance segments of streetcar and Bus Rapid Transit projects.

2. Columbia River Crossing Project

Implementation of the Columbia River Crossing Project is a significant undertaking involving two states, two MPOs, two transit districts and multiple units of local government. The project is comprised of an integral package of replacing the existing bridge with a new 10-lane structure, reconstructing the interchanges within a 5.5 mile bridge influence area, extending light rail from Portland to Vancouver, Washington, constructing a "world-class" bike and pedestrian system and implementing a comprehensive demand management program including peak-period pricing as both a demand management tool and a financing tool. The funding strategy for the

Comment [t3]: This section should be reframed in a way that more explicitly lays out for IPACT the choices we discussed at the retreat: we can either keep doing what we have been doing – engaging in the earmark paper chase and burying the high priority regional projects described here in a longer list of appropriations earmarks that have no chance of being funded while hoping they rise to the top – or more clearly identify what we generally agree are the region's top priorities and relegate other projects to a secondary or backup status (described in item 6 as "just in case"). --RT

project entails use of toll revenues, funding from the Oregon and Washington Legislatures and a federal contribution in some form.

In order to hold harmless the general federal transportation assistance to Oregon (and Washington), it is important to implement a federal legislative strategy to establish a funding program that recognizes the unique circumstances of the Columbia River Crossing. At this point three possibilities are emerging to seek a minimum of \$400 million:

- o Creation of a Projects of National Significance Program allowing the unique circumstances to be the basis for a competitive grant application;
- o Establishment of a national infrastructure bank to take on a share of the revenue risk by providing access to low cost debt financing to be repaid through toll revenues; and/or
- o Earmarking by the Oregon and Washington congressional delegations in the authorization bill and multiple appropriations bills.

3. Sellwood Bridge

Replacement of the Sellwood Bridge has progressed through planning and environmental studies to the point of selecting a preferred alternative and developing a financing plan. The financing plan requires substantial commitments of ODOT, City of Portland and Multnomah County funding through the Oregon Jobs and Transportation Act of 2009 and increased vehicle registration fees from Multnomah and Clackamas Counties. The final increment of this complex funding program is needed through federal assistance via the authorization bill, multiple appropriations bills and/or competitive grant solicitation such as the recent TIGER program.

4. Active Transportation

The region is pursuing a more aggressive approach to building out its planned bicycle and pedestrian system in support of providing more mobility choices, community livability and environmental sustainability through a comprehensive approach to federal, state, regional and local funding. Because of the diverse set of program objectives, funding is being pursued from sources that are provided for transportation purposes, parks and open spaces and community development. The approach is to follow the "light rail model" and define a set of large-scale increments of the system that provide a complete traveling experience rather than the random small segment associated with a road project. Significant work has been done to define the overall system and the increments of the system that serve as a phasing strategy. This approach provides the region with the basis for a disciplined approach to moving these system increments through a planning, engineering and construction pipeline using multiple funding approaches, including through federal authorization and appropriations earmarks. At the federal level it is particularly important to the region to maintain and increase existing sources through the Surface Transportation Program (STP), the Congestion Mitigation Air Quality Program (CMAQ), and Transportation Enhancements and to expand access to federal funding through the Active Transportation Act introduced by Congressman Blumenauer.

5. 6-year Authorization Bill earmarking (list in progress)

The region has already adopted a set of project priorities that will be updated to reflect the latest cost estimates and account for other funding commitments already secured.

6. Appropriations earmarking (list in progress)

While the trend in Congress is to reduce or eliminate earmarks, the region should be prepared with a focused list of earmark priorities just in case. Criteria for establishing the priority list are as follows:

- Two requests per jurisdiction or group of jurisdictions as follows:
 - Portland
 - Multnomah County and Cities of Multnomah County
 - Clackamas County and Cities of Clackamas County
 - Washington County and Cities of Washington County
 - TriMet
 - Metro
 - ODOT
 - Port of Portland
- Requests should be of an amount consistent with what can likely be earmarked
- Consistency with interests of member of Congress
- Job creation during construction and on-going support of permanent jobs
- Project readiness – funds must be able to be obligated by the end of FY 2012; there are no significant technical, environmental, financial or political hurdles that could hold up obligating funds
- Inclusion in the financially constrained element of the new RTP
- Non-federal funds should be identified
- Ability to proceed with a partial earmark (must include a written approach to implementation with a partial earmark)
- Likelihood of proposed category to be successfully earmarked (particularly those that are not oversubscribed)
- There should be a written explanation describing how this request links to a broader strategy, including the relationship of the project to the region's broader land use and transportation improvement strategy and the relationship of these funds to other federal, state or local funds.

7. TIGER and other grant solicitations

There is a clear trend within USDOT toward more discretionary grant opportunities as part of a movement away from earmarking. As such, the region should evaluate these opportunities as they become available for implementing this federal strategy. To the extent the grant criteria allow for competitive project applications, JPACT and the region should endorse specific applications that further this priority direction.



WASHINGTON COUNTY OREGON

November 12, 2010

To: Washington County Coordinating Committee
WCCC Transportation Advisory Committee

From: Andrew Singelakis, Director
Department of Land Use & Transportation

Subject: **2011 MEETING SCHEDULE, January through June**

<u>Washington County Coordinating Committee</u> 12:00 PM – 1:30 PM
Monday, January 10 – Beaverton Library Conference Room
Monday, February 7 – Beaverton Library Meeting Room A
Monday, March 7 – Beaverton Library Meeting Room A
Monday, April 11 – Beaverton Library Conference Room
Monday, May 9 – Beaverton Library Conference Room
Monday, June 6 – Beaverton Library Conference Room
Monday, July 11
Monday, August 8
Monday, September 5
Monday, October 10
Monday, November 7
Monday, December 5

<u>WCCC Transportation Advisory Committee</u> 1:30 – 3:00 pm.
Thursday, January 6 – Beaverton Library Conference Room
Thursday, January 27 – Beaverton Library Conference Room
Thursday, February 24 – Beaverton Library Conference Room
Thursday, March 24 – Beaverton Library Conference Room
Thursday, April 28 – Beaverton Library Conference Room
Thursday, May 26 – Beaverton Library Conference Room
Thursday, June 30 – Beaverton Library Conference Room
Thursday, July 28
Thursday, August 25
Thursday, September 22
Thursday, October 27
Thursday, November 17
December – No meeting

Meeting Locations

Beaverton City Library, 12375 SW 5th St. Beaverton, OR 97005 (503) 644-2197
Beaverton Resource Center, 12500 SW Allen Blvd. (Hall and Allen) Beaverton, OR (503) 350-4071

Department of Land Use & Transportation • Long Range Planning Division
155 N. First Avenue, Suite 350-14, Hillsboro, OR 97124-3072
phone: (503) 846-3519 • fax: (503) 846-4412