

Minutes of the Veneta City Council Work Session

May 11, 2020

Present: Keith Weiss, Mayor; Thomas Cotter, Council President; Calvin Kenney, Councilor (via telephone); Robbie McCoy, Councilor; Pat Coy, Councilor

Others: Matt Michel, City Administrator; Kyle Schauer, Public Works Director; Evan MacKenzie, Community Development Director; Darci Henneman, City Recorder

1. CALL TO ORDER

Mayor called the meeting to order at 5:32 p.m.

2. TRANSPORTATION SYSTEM DEVELOPMENT CHARGES

The Council discussed the following topics in an open discussion:

- a. SDC 101
- b. Fees
- c. Comparison
- d. Project Funding
- e. Project List

MacKenzie said he and Michel worked together on this information and Schauer made some projections as well. He said things were uncertain six months ago, and even more uncertain now. He said we're likely not going to get everything on the list completed. He reviewed the material and asked if the Council had any questions.

In response to a question from Thomas Cotter, Mackenzie said there's nothing wrong with grouping projects by location and we certainly could get more projects completed, possibly cheaper if we do them when the contractor is already there.

Michel said staff is looking for Council direction on how staff should pass the project list to the consultant. He said the detailed study needs to be finalized and brought back to the Council for adoption. Tonight's conversation is about the maximum cap for the SDC at \$13,000 but the Council doesn't have to adopt that as the SDC amount to be charged. He said staff asked the consultant what that SDC would look like with a 20-year revenue horizon and it came out at \$3800 per unit and that figure puts us back in the ballpark.

Thomas Cotter said the Council's decision is based on a level of service and the second one was a much larger level of service or it took more accountability of the types of transportation to be used. If we're applying this method, he would rather see the City using everybody and not just using automobiles. We need to be accountable for bike paths and other services that may not be included in the figure. He said he doesn't know which outlet they were done under. He said basing it on a peak time period includes many things and the possibilities of bottle necking need to be addressed.

MacKenzie said there are a number of projects on the list that are bike/pedestrian related, the study wasn't exclusive to automobiles. He said almost always left turns reduce traffic flow and at some point people adapt and will take another route and that will maintain our capacity.

In response to a question from Robbie McCoy, MacKenzie said the Applegate Landing subdivision, will likely increase traffic on Perkins Rd. He said it's likely traffic from Grocery Outlet will take a right out of the parking lot rather than a left to Territorial Rd.

Mayor Weiss said the Transportation System Plan (TSP) update that was adopted a while ago, addressed how to improve the Jeans Rd/Territorial Rd. intersection. Also the improvements on the Highway 126 corridor, will make an effect on traffic flow.

Schauer said the project list was a product of a public process staff conducted. It was pared down a little and there are really only three or four capacity projects. The goal is to improve roads to bring them to standards and to the level that we determined in the TSP Update. The project list itself, came from public input, so you may not want to take out too many projects. There's certainly more to do in 20 years and there will be projects that we can't fund.

Calvin Kenney suggested removing low priority projects from the list.

Schauer said residents put this list together, the law allows us to collect up to the \$13,000 SDC calculation. The Council can decide what is actually collected up to that figure, but if we don't have the money, we don't do the projects.

Mackenzie said some of the low priority projects are 100% SDC eligible and some aren't. He said we could trim the list but that isn't the only way to get to a lower number.

In response to a question from Pat Coy, Schauer said the high, medium, and low ranking was done during the public process.

In response to a question from Pat Coy, Thomas Cotter said the importance of Transportation SDCs when it comes to development depends on other factors. He said it could depend on all SDCs and not just Transportation SDCs. He said everyone is going to tell us it's too high.

Mackenzie said it also depends on whether or not it's a commercial project. We don't have a deferral program for residential construction to defer the SDC until the home is sold. It doesn't save the developer, they still have to pay the SDC.

Schauer said deferral of SDCs for residential construction was done on a case by case basis and in the past, was based on the economy.

In response to a question from Thomas Cotter, Schauer said we deferred the SDCs for the four low income homes St. Vincent built in Heather Glen and allowed the SDCs to be paid when the homes sold.

Mayor Weiss said \$3800 better aligns us with other communities.

In response to a question from Thomas Cotter, Schauer said removing projects doesn't necessarily lower the numbers. He said Michel had a good idea to see what's foreseeable in the next 20 years and the Council can decide what rate to collect at. He said some of the projects are grant eligible as well or we could do local improvement districts and have residents help pay for it.

Schauer said trimming the low projects limits the list and closes the window for opportunities. He said if low priority projects are removed and we apply for a grant for one of them, grant funders all ask, "Is this project on your Capital Improvement list"?

In response to a question from Pat Coy, Schauer said all the projects on the list are viable to a point, but with any Capital Improvement Plan, we try to think of everything needed for the 20-year horizon.

MacKenzie suggested staff provide three scenarios, high, medium, and low ranked projects and the numbers of each option.

Pat Coy agreed with MacKenzie's suggestion.

Schauer said if you look at this project list, a lot of them were on the 1998 list and we didn't do them. He said this is much the same, a lot of these projects in 20 years may not be completed.

In response to a question from Pat Coy, Michel said we have to complete a study every time we want to increase the SDC and follow an index until another study is done. Basically something major has to happen to change the list, but if we haven't done any projects, why pay a consultant to do another study. It's really driven by how fast we knock projects off the list.

In response to a question from Pat Coy, Schauer said the current rate was based on the prior TSP and it was indexed to inflation as it went along.

Michel said based on the conversation staff will work with the consultant to fine tune some numbers and triangulate a number we feel comfortable with charging. He said we have a couple of methods to do that. One would be to not factor the low priority projects in and come up with a total SDC amount for the high and medium priority projects to figure what a per unit SDC would be. The other approach is to take the 20 year horizon, where we expect 3.8 million dollars in SDC revenue and spreading that over the 20 years, we know we come up with a \$3600 per unit number. The next step would be to triangulate those two numbers, which he suspects will be relatively close to one another. Then the Council can decide which number they are comfortable with and that is the number you can adopt as the implementation. He suggested we keep the entire list and adopt the maximum SDC to keep the window of opportunity as wide as can be and then move to the next step. He said once we know our maximum, we can look at the triangulation and see what's a principled SDC amount that we can offer to the community and developers to let them know we're willing to work with them on a reasonable SDC.

After a brief discussion, there was a consensus of the Council to direct staff to follow Michel's suggestion.

Michel said staff's goal is to bring this back to the Council to review two options before moving forward.

Thomas Cotter said this was very well put together. He suggested considering offering a deferral program or get a better definition of what that would look like. MacKenzie said a deferral program can be a way to incentivize residential development. It doesn't reduce the total costs but it reduces the carrying costs to developers. He said staff can look into that.

3. ADJOURN

Mayor Weiss adjourned the Veneta City Council at 6:24 p.m.



Keith Weiss, Mayor

ATTEST:



Darci Henneman, City Recorder
(Minutes prepared by DHenneman)