



## Staff Report

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**File #:** 20-59

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**Item #:** 3.2a.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Peter Fernandez, PE, Public Works Director

### **SUBJECT:**

Amendments to the Transportation and Wastewater System Development Charge Eligible Project Lists

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Safe, Reliable, and Efficient Infrastructure.

### **ISSUE:**

Shall the City Council adopt Resolution No. 2020-6, amending the Transportation and Wastewater System Development Charges Eligible Project Lists to specify eligibility of specific infrastructure projects?

### **RECOMMENDATION:**

Adopt Resolution No. 2020-6, amending the Transportation and Wastewater System Development Charges Eligible Project Lists to specify eligibility of specific infrastructure projects.

### **SUMMARY:**

System Development Charges (SDCs) are expended for construction of parks, transportation, water, wastewater, and stormwater infrastructure needed to serve developable land. Under *Oregon Revised Statutes* (ORS) 223.309, the City is required to prepare a list of projects (309 Lists) that are to be funded with SDCs. These 309 Lists are periodically modified to ensure that infrastructure needed to serve new developments is eligible for SDC expenditures. Resolution 2020-6 amends the Transportation and Wastewater 309 Lists in response to changing development patterns.

### **FACTS AND FINDINGS:**

1. Resolution 2020-6 (Attachment 1) amends the Transportation and Wastewater 309 Lists shown in Tables 22, 23, and 39 of the SDC methodology adopted under Resolution No. 2019-7 by City Council on February 25, 2019, and as amended under Resolution No. 2019-25 adopted by City Council on July 22, 2019.
2. Modifications to the Transportation 309 List for Intersections (Resolution Exhibit 1 -Table 22) are explained as follows:
  - a. Cherry/Salem Parkway. The comprehensive plan change for development of Capitol Subaru located along Auto Group Drive NE required construction of an additional westbound to northbound right turn lane at the intersection of Cherry Avenue NE and Salem Parkway NE. The developer is eligible for credits up to 100 percent of the total cost pursuant to Administrative Rule 109-200.
  - b. Cherry/Pine. The comprehensive plan change for development of Capitol Subaru located along Auto Group Drive NE required construction of an additional northbound to westbound left-turn lane at the intersection of Cherry Avenue NE and Pine Street NE. The developer is eligible for credits up to 100 percent of the total cost pursuant to Administrative Rule 109-200.
  - c. Portland/Hazelgreen. The tentative subdivision for Northstar subdivision between Kale Street NE and Hazelgreen Road NE is required to construct the following improvements at the Portland/Hazelgreen intersection: northbound double left-turn lanes and an additional westbound receiving lane, and a separate eastbound right-turn-only lane. The developer is eligible for credits up to 100 percent of the total cost pursuant to Administrative Rule 109-200.
  - d. Broadway/Pine. This intersection project is an SDC-eligible component of a larger project programmed in the City's Capital Improvement Plan under project number 631. The intersection project will add a right-turn lane from northbound Broadway Street NE to eastbound Pine Street NE.
2. Modifications to the Transportation 309 List for Corridors (Resolution Exhibit 1 - Table 23) are explained as follows:
  - a. Battle Creek Road SE from Kuebler Boulevard SE to Hillrose Street SE. The portion of this project from Reed Road SE to Hillrose Street SE is being eliminated because it is eligible for funding from Fairview Development District Fees.
  - b. Gaffin Road SE from Gaia to Cordon. The tentative subdivision for property located at the intersection of Gaia Street SE and Gaffin Road SE required street improvements along Gaffin Road SE at Gaia Street SE. The current Capital Improvement Program proposes improvements along Gaffin Road SE in FY 2021/22 under project number

253.

- c. Greencrest Street NE from Auburn Road NE to State Street. A tentative subdivision located in the area of this proposed street requires these improvements to be constructed by the developer. The developer is eligible for credits of 19 percent of the total cost of the collector street improvement pursuant to Administrative Rule 109-200. The cost estimate has been reduced from \$3,285,000 to \$624,000 to reflect the reduction in anticipated cost.
  - d. Hawthorne Avenue SE from Mill Creek bridge to State Street. A validation of unit of land application approved in March 2016 required street improvements along Hawthorne Avenue SE south of Kettle Court SE. This street is underimproved in several areas between Mill Creek and State Street. The developer is eligible for credits of 46 percent of the total cost of the minor arterial street improvement pursuant to Administrative Rule 109-200.
  - e. Hayesville Drive NE between Tie Street and Cordon Road. This street is anticipated to be a required improvement for an Urban Growth Preliminary Declaration application submitted in June 2019. The developer is eligible for credits up to 19 percent of the total cost of the collector street improvement pursuant to Administrative Rule 109-200.
  - f. Landaggard Drive NW between Orchard Heights and Colorado. This street is anticipated to be a required improvement for a tentative subdivision application submitted in November 2019. The developer is eligible for credits up to 100 percent of the total cost of the collector street improvement pursuant to Administrative Rule 109-200.
  - g. Park Avenue NE between D and Center. The tentative subdivision for development of the North Campus of Oregon State Hospital required construction of a street improvement along Park Avenue NE between D Street NE and Center Street NE. The developer is eligible for credits up to 19 percent of the total cost of the collector street improvement pursuant to Administrative Rule 109-200.
3. Modifications to the Wastewater 309 List for Pipes (Resolution Exhibit 1 - Table 39) are explained as follows:
- a. Fairview - Main. A tentative subdivision application approved in November 2019 required construction of a sewer main in Battle Creek Road SE north of Landau Street SE. The developer is eligible for credits up to 100 percent of the total cost of the sewer main pursuant to Administrative Rule 109-200.
  - b. Upper Claggett - Collector. An Urban Growth Preliminary Declaration application submitted in January 2020 is anticipated to require downstream collector sewer

improvements in the Upper Claggett sewer basin. The developer is eligible for credits up to 100 percent of the total cost of the sewer main pursuant to Administrative Rule 109-200.

4. Staff recommends approval of Resolution 2020-6 in order to specify SDC eligibility of infrastructure projects required for new development.

## **BACKGROUND:**

*Oregon Revised Statutes* (ORS) Chapter 223 authorizes the City of Salem to charge System Development Charges (SDCs) on new development to recover all or part of the cost of building certain infrastructure needed to serve developable land. SDC funds may only be expended on capital improvements associated with the system(s) for which the fees are collected.

Under ORS 223.309, the City is required to prepare a master plan and list of projects that are to be funded with these SDCs. This list is commonly referred to as the "309 List." Only projects on the 309 Lists can be funded with SDCs. However, the 309 Lists can be amended at any time by City Council to add or remove projects or make other modifications.

City Council adopted SDC methodologies for Parks, Transportation, Water, Sewer, and Stormwater under Resolution No. 2019-7 on February 25, 2019, and amended under Resolution 2019-25 on July 22, 2019. The 309 Lists adopted under Resolution 2019-7 are based on a projected development pattern as depicted in the Buildable Lands Opportunity Boundary in Figure 1 of the methodology. As development patterns change, the 309 Lists are customarily modified to ensure that infrastructure needed to serve new developments is eligible for SDC credits as appropriate.

Robert D. Chandler, PhD, PE  
Assistant Public Works Director

## **Attachment:**

1. Resolution No. 2020-6
2. Resolution No. 2020-6, Exhibit 1