



Molalla City Council – Meeting Agenda
Meeting located at: Molalla Adult Center
315 Kennel Ave, Molalla, OR 97038

July 27, 2016

WORK SESSION BEFORE MEETING 6:30PM

Business meeting will begin at 7:00PM. The Council has adopted Public Participation Rules. Public comment cards are available at the entry desk. Request to speak must be turned into to the Mayor prior to the start of the regular Council meeting.

Executive Session : After meeting

1. **CALL TO ORDER – 1,762nd Regular Meeting**
 - A. Call the meeting to order
 - B. Flag Salute and Roll Call

2. **COMMUNICATIONS AND PUBLIC COMMENT**
 - A. Minutes: July 13, 2016 – Motion to approve

3. **AWARDS, RECOGNITIONS & PRESENTATIONS**
4. **PROCLAMATIONS**
5. **PUBLIC HEARINGS**
6. **NEW BUSINESS**

7. **CONTINUING BUSINESS**
 - A. Molalla River School District Bond Measure – Discussion Item
 - B. Molalla River School District Request – Discussion Item
 - C. Clackamas County Gas Tax – Discussion Item

8. **RESOLUTIONS**
 - A. 2016-14 – SDC Methodology Approval

9. **ORDINANCES**

10. **REPORTS AND ANNOUNCEMENTS**

11. **EXECUTIVE SESSIONS**

The City Council of the City of Molalla will now meet in executive session held pursuant to Oregon Public Record Law under ORS 192.660 (2)(E) Real Property Transactions and under ORS (2) (f) to consider information or records that are exempt by law from public

12. **ADJOURNMENT**

Minutes of the Molalla City Council Regular Meeting
Molalla City Hall
117 N. Molalla Ave., Molalla, OR 97038
Wednesday July 13, 2016

ATTENDANCE: Mayor Rogge, Present; Councilor Pottle, Absent; Councilor Thompson, Present; Councilor Griswold, Present; Councilor Riggs, Present. Councilor Clark, Present; Councilor Childress, Present.

STAFF IN ATTENDANCE: City Recorder Sadie Cramer, Present; Gerald Fisher, Public Works Director, Present.

COMMUNICATIONS AND PUBLIC COMMENT

Mayor Rogge read a letter she wrote to the Molalla Police Station. The Chief and some Officers were present. It reads as follows:

Dear Chief Lucich,

I am writing this to follow up on the events seen in the media over the past week concerning the shootings in Louisiana, Minnesota and Texas.

I thought of you and your officers frequently over the weekend and knew that I wanted to express my gratitude and appreciation for the Molalla Police Department. I thought of pizza, flowers and maybe a card, but that didn't seem enough somehow. That was too easy and does not adequately express what I need to convey. I am ashamed to say that it has taken these radical events for me to really think deeply about what it must feel like to go in harm's way every day and what these officers' families must feel watching the evening news and wondering how safe it is even in the small town of Molalla.

I understand the call to serve but that does not mean no fear is involved. I greatly respect those that serve anyway. Your officers are light bearers in a sometimes dark world even here in Molalla.

This is so much bigger than a thank you. It is a profound respect that I feel that your officers that serve the Molalla citizens every day with the care and compassion they show. I know that Molalla is a good community and many feel as I do, but have not taken the time to express it directly, so please allow me to do this on their behalf.

Mayor Rogge

Minutes of 06/08/16 and 06/22/16 – A revision to the minutes regarding the vote for the City Manager's salary was 6-1 to reflect the nay vote per Griswold. Griswold made the motion to amend the minutes and approve them. Childress seconded. Motion carried 6-0.

Library Minutes for May 2016 – Information Only

NEW BUSINESS

2016 LOC Legislative Agenda – Discussion by Council took place regarding what top 4 items listed would be priority. Each Council member voiced their top choices. The vote that will be sent to the League of Oregon Cities will be:

K – Nonprofit Property Tax Exemption
Z – Transportation Funding and Policy Package
AA – Funding water System Resilience
CC – Water Supply Development Fund

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RESOLUTIONS

Thompson made the motion to approve 2016-13 “A Resolution Approving Referral to the Electors of the City of Molalla The Question Of Imposing A Three Percent Tax on The Sale of Marijuana Items by a Marijuana Retailer within the City.” Childress seconded. Motion carried 5-1. Griswold, Nay. He would like to see a heftier tax if not 100% be imposed.

REPORTS AND ANNOUNCEMENTS

Cramer announced that the candidacy packets are ready for distribution to interested citizen that would like to serve on council. They are online and can be picked up at City Hall. There are 3 vacancies that includes the Mayor and 2 councilors.

Fisher reported that new curbs are being poured and overall the timeline for completion is around December 1st. Childress asked Fisher about the black top patch during the 4th of July at Molalla Avenue and Main Street and then dug up. Fisher said there was a modification in contract. The gravel base will be reused and it was put into place for public safety reasons. There was an extra cost and the main portion of that was the asphalt that we can not reuse. The additional project was between \$12-13 thousand. However, the city gained in areas of the contract that made this patch job a was. Childress said she heard from people it had cost \$25 thousand. Fisher also for the record stated he has heard that the water rate increase was done to pay for the road improvements. This in incorrect. Funds collect for water and sewer can only be expended for water and sewer projects.

Riggs mentioned that there were a number of illegal fireworks in Lexington Estates and would have like to asked the Chief earlier how many calls were made. Thompson said that he lived there last year and a number of Officers came out into that area but they physically have to see that person fire them off in order to do anything.

Griswold thanked the public for supporting the VFW Pancake Breakfast and said he will be attending the National Veteran’s Conference in North Carolina taking a southern route. He would like to convey Molalla’s feeling regarding that situation.

Thompson shared information regarding the possible gas tax or an increase in DMV registration fee. The department of Transportation and Development for Clackamas County is sending these to the ballot. To participate the Council will need to pass a resolution by September 1st otherwise our share will be divided by the remaining participating cities. It is going to the ballot and these are funds Molalla wants to receive which would be around \$150,000.

Childress stated that if it passes the fee is going to be collected regardless of if we participate, that is loss revenues that we could use for our streets in Molalla. We don’t have anything to lose by passing a resolution.

Thompson also stated that he attended the C4 Conference and transportaion is a big topic. Both of Molalla’s road improvement project were in the 3rd tier ranked by SEATAC and we were the only town to receive votes for both in that tier. The second big discussion was affordable housing and domestic violence situations. Currently, 9 out of 10 people are being turned away. Solutions are being discussed at the next C4 meeting and increasing resources for those in a domestic violence situation Discussion of rising house prices plus supply and demand briefly took place between the Council. A residential vacancy tax was discussed as a incentive for banks holding homes in foreclosure to put them on the market faster.

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Rogge stated Rondel Court is expanding and it could be an opportunity. She has researched the vacancy tax and there are only 2 states that do commercial and not residential. It can be something the Council can consider after further due diligence takes place perhaps in the next fiscal cycle. Childress stated Portland is working on something similar so hopefully we can learn about their process if enacted.

Rogge stated she worked the 4th of July Parade by volunteering as part of the Community Emergency Response Team. She managed an intersection as assigned to allow emergency vehicles through if needed. It was a very enjoyable experience and the public really enjoy the event. Rogge thanked the Molalla Buckaroo Association and all the people who make the 4th happen. She commended the Public Works Department for all of their hard work and the public for being tolerable of the construction.

Motion to adjourn made by Riggs. Childress seconded. Motion carried 6-0 at 7:52pm.

Sadie Cramer, City Recorder

Mayor Debbie Rogge

City Of Molalla

City Council Meeting

Agenda Category: New Business

Subject: *Molalla Aquatic Center*

Recommendation: Council Discussion

Date of Meeting to be Presented: *July 27, 2016*

Fiscal Impact: N/A

Background:

Attached to this memo is a request provided by the Molalla River School District regarding Council support of a regional aquatics district. Council may recall that this is something the City promoted and indicated that we would support a regional district if all participated. The School District would like your support and partnership in this matter.

We had intended to provide you with a resolution but have instead suggested that you hold discussions and then consider adopting a resolution at your regular meeting on August 10th. MRSD representatives will be present for your July 27th meeting.

Staff has been in contact with the Clackamas County Clerk and the Molalla Fire Department. Any information we gather will be presented during the meeting on the 27th.

SUBMITTED BY: Dan Huff, City Manager

APPROVED BY: Dan Huff, City Manager



412 S. Sweigle Avenue
Molalla, Oregon
97038

Tony Mann, Superintendent

Date: July 15, 2016
To: Dan Huff, Molalla City Manager
From: Tony Mann, Superintendent
Re: Request for City Council Resolution

Dear Mr. Huff,

As you are aware, I convened a committee this spring for the purpose of recommending a process that will lead to the creation of a regional aquatic district. The committee was led by Rick Gill, MRSD Business Director, and has included members of Molalla City Council, the Molalla School Board and Friends of the Molalla Pool.

The committee recently recommended a petition be initiated for the purpose of placing the issue before the voters in 2017. I fully support this recommendation and the committee's work on this matter. Additionally, at their July 7, 2016 business meeting, the Molalla River School Board acted to accept this recommendation and asked that I make a formal request of City Council, through your office.

Therefore, on behalf of the Molalla River School Board, I request that City Council be presented with an opportunity to act on a resolution that establishes the City of Molalla as a joint petitioner in this matter.

In our conversation today, you indicated this can go before City Council at their Meeting on July 27, 2016. I will attend, together with Rick Gill, to frame the matter for City Council. Please let me know if he and I can assist you in crafting the resolution.

Regards,

A handwritten signature in black ink that reads "Tony Mann". The signature is written in a cursive style with a long horizontal stroke at the end.

Tony Mann
Superintendent

City Of Molalla

City Council Meeting

Agenda Category: Continuing Business

Subject: *Clackamas County Gas Tax*

Recommendation: Council Discussion

Date of Meeting to be Presented: *July 27, 2016*

Fiscal Impact: Potentially \$150,000 in Revenue

Background:

Included with this memo is an Intergovernmental Agreement provided by Clackamas County detailing the components of the City of Molalla's ability to obtain a portion of the Clackamas County Gas Tax that will be voted on in November of 2016. As of the Agenda delivery time we had not received the draft Resolution referred to in the IGA.

Although Council discussed this matter during their July 13th Regular Meeting we believed it was important to keep this on the agenda as new information is available. Council will need to eventually make two specific decisions regarding this matter:

1. Authorize signing the IGA
2. Adopting the Resolution "supporting" the County's effort to obtain voter approval of the Gas Tax.

We should have a discussion of the limitations on the use of the Gas tax funds and how these funds could be paired with a City Street Fee.

SUBMITTED BY: Dan Huff, City Manager

APPROVED BY: Dan Huff, City Manager

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY
AND
THE PARTICIPATING CITIES OF CLACKAMAS COUNTY**

I. PARTIES

This intergovernmental agreement is entered into between Clackamas County (COUNTY) and the Cities of Barlow, Canby, Estacada, Gladstone, Happy Valley, Johnson City, Lake Oswego, Milwaukie, Molalla, Oregon City, Portland, Rivergrove, Sandy, Tualatin, West Linn, and Wilsonville (CITIES). This Agreement is authorized pursuant to ORS 190.110.

II. PURPOSE

The purpose of this agreement is to memorialize a revenue sharing plan for the net receipt of motor vehicle fuel tax revenues collected in Clackamas County pursuant to ORS 319.950.

III. SCOPE OF WORK AND COOPERATION

A. CITIES agree to:

1. Support COUNTY'S effort to obtain voter approval of a \$0.06 per gallon, seven-year, county-wide motor vehicle fuel tax at the November 2016 general election by on or before September 1, 2016, adopting a resolution or proclamation supporting the imposition of a voter approved \$0.06 per gallon, seven-year, county-wide motor vehicle fuel tax;
2. To cooperate to the full extent necessary to achieve the objectives of the Agreement to the collective benefit of the CITIES and COUNTY; and
3. To devote all revenues derived from the motor vehicle fuel tax for the purposes of construction, reconstruction, improvement, repair, maintenance, operation and use of city highways, roadways and streets within the jurisdictional boundaries of the city as set forth under Art. IX, Section 3a of the Oregon Constitution.

B. COUNTY agrees to:

1. Submit to the voters of Clackamas County a measure seeking voter approval of a temporary \$0.06 per gallon motor vehicle fuel tax. The tax would sunset after a period of seven years after the tax implementation date;

2. Place the measure on the ballot for the November 2016 general election;
3. Receive proceeds from the state and distribute 40% of the net proceeds of the motor vehicle fuel tax revenues, based on population, to all participating CITIES within the COUNTY; and
4. To devote all revenues derived from the motor vehicle fuel tax for the purposes of county highways, roadways, streets and bridges within the jurisdictional boundaries of the COUNTY and as more specifically set forth in the County's ballot measure and Art. IX, Section 3a of the Oregon Constitution.

IV. DISTRIBUTION

- A. COUNTY shall receive motor vehicle fuel tax revenues from the Oregon Department of Transportation;
- B. COUNTY will distribute 40% of the net revenues received to the participating CITIES;
- C. Distributions to the participating CITIES will be every six months; and
- D. The distribution to participating CITIES shall be pro-rated based on the population of that City from figures provided annually by Portland State University Population Research Center.

V. SPECIAL REQUIREMENTS

- A. COUNTY and CITIES agree that in order for an individual city to be eligible to receive any motor vehicle fuel tax revenues under this Agreement, the City must first comply with the terms of this Agreement by September 1, 2016; and
- B. COUNTY and CITIES agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.

VI. AMENDMENT

This agreement may be amended at any time with the concurrence of all parties. Amendments become a part of this agreement only after the written amendment has been signed by all parties.

VII. TERM OF AGREEMENT

This Agreement shall become effective upon signing by the jurisdictional representative. The terms of this Agreement become operative and enforceable only after the successful passage of the scope of work and cooperation provisions in Section III of this Agreement. Unless earlier terminated or extended, this Agreement shall expire seven years after the tax is first implemented.

IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Agreement to be executed by their duly authorized officers.

CITIES

**CLACKAMAS COUNTY
BOARD OF COUNTY COMMISSIONERS**

Signing on Behalf of the Board:

CITY OF BARLOW

John Ludlow, Chair

Date: _____

Date: _____

CITY OF CANBY

Date: _____

CITY OF ESTACADA

Date: _____

CITY OF GLADSTONE

Date: _____

CITY OF HAPPY VALLEY

Date: _____

CITY OF JOHNSON CITY

Date: _____

CITY OF LAKE OSWEGO

Date: _____

CITY OF MILWAUKIE

Date: _____

CITY OF MOLALLA

Date: _____

CITY OF OREGON CITY

Date: _____

CITY OF PORTLAND

Date: _____

CITY OF RIVERGROVE

Date: _____

CITY OF SANDY

Date: _____

CITY OF TUALATIN

Date: _____

CITY OF WEST LINN

Date: _____

CITY OF WILSONVILLE

Date: _____

City Of Molalla

City Council Meeting



Agenda Category: Continuing Business

Subject: Modifications for System Development Charge Amounts

Recommendation: Council to Approve Fee Modifications

Date of Meeting to be Presented: July 27, 2016

Fiscal Impact: SDC Adjustments as identified in report Analysis and Tables

Background:

On September 1, 2015, Project Delivery Group (PDG) review the SDC methodology report and recommend modification for calculating system development charges. On January 13, 2016, staff presented the recommendations to City Council from PDG's report.

With exception to Transportation that is to be reviewed at a later time, it is recommended all SDC fees listed in this report are adjusted to correct rounding errors and inconsistencies based on the Analysis provided. It is also recommended that the inflationary increases for 2014 and 2015 are applied to the SDC fees in accordance with the methodology. No changes are recommended to the methodologies of the plan at this time.

SUBMITTED BY: Gerald Fisher, Public Works Director
APPROVED BY: Dan Huff, City Manager

RESOLUTION 2016-14

A RESOLUTION OF THE CITY OF MOLALLA UPDATING AND REPEALING THE EXISTING AND ADOPTING AN UPDATED SYSTEM DEVELOPMENT CHARGE RATES FOR THE WATER, SANITARY SEWER, STORMWATER, TRANSPORTATION AND PARK SYSTEM FOR EACH UTILITY.

WHEREAS, Chapter 223 of the Oregon Revised Statutes authorizes the City of Molalla to establish System Development Charge methodologies and rates for utilization of eligible public utilities; and

WHEREAS, Chapter 13.14 of the Molalla Municipal Code provides for the establishment and revision of System Development Charges by resolution; and

WHEREAS, the City of Molalla commissioned Project Delivery Group, LLC. consulting engineers to review the existing System Development Charge (SDC) Methodology & Capital Improvement Plan Update (January 2014) which establishes revised methodologies and Capital Improvement Plans for each of the five infrastructure systems and is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, the Project Delivery Group, LLC. consulting engineers found minor errors in the calculations of the new System Development Charge Rates for each of the five infrastructure systems and is attached as Exhibit "B" and incorporated herein by reference; and

WHEREAS, the no changes were made to the Methodologies or Capital Improvement Plans which would require public notice; and

WHEREAS, a Discussion Item under New Business was held by the City Council on January 13, 2016 and no public testimony was received; and

WHEREAS, an inflationary index of 2.4% for 2014 and 2.0% for 2015 based on the Construction Cost Index identified in Exhibit "A" shall be applied to the revised SDC Rates and attached as Exhibit "C" and incorporated herein by reference.

NOW, THEREFORE, IT IS HEREBY RESOVLED by the City Council of the City of Molalla as follows:

1. The revised Rates established in the System Development Charge (SDC) Methodology & Capital Improvement Plan Update (January 2014), attached hereto as Exhibit "C" are hereby adopted.
2. The inflationary index shall be applied by Staff yearly based on the Engineering News Record (ENR) cost escalation factor Construction Cost Index (CCI) in accordance with the SDC methodology.
3. The following resolutions: 1997-14 increasing the Water System Development Charge; 2006-07 adopting a revised Sanitary Sewer System Development Charge; 1999-13 establishing System Development Charges for the City's Storm water

system; 1999-23 revising the System Development Charges for the City's Transportation system; 2005-04 establishing Parks & Recreation System Development Charges; and any associated capital improvement plans are hereby amended to include all eligible projects upon which SDC revenues were previously expended and are then repealed.

DULY ADOPTED AND EFFECTIVE the ____ day of _____, 2016, by a vote of _____ ayes and _____ nays.

Mayor Debbie Rogge

ATTEST this ____ day of _____, 2016:

City Recorder, Sadie Cramer

ENGINEERING REPORT

City of Molalla

SYSTEM DEVELOPMENT CHARGE (SDC) METHODOLOGY & CAPITAL IMPROVEMENT PLAN UPDATES

**Water System, Sanitary Sewer, Stormwater,
Transportation & Parks/Recreation SDCs**

Clackamas County, Oregon

January, 2014

**CURRAN-McLEOD, INC., CONSULTING ENGINEERS
6655 SW Hampton Street, Suite 210
Portland, Oregon 97223**

City of Molalla
**SYSTEM DEVELOPMENT CHARGE METHODOLOGY &
 CAPITAL IMPROVEMENT PLAN UPDATES**

Water System, Sanitary Sewer, Stormwater,
 Transportation & Parks/Recreation
 January, 2014

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City of Molalla
**SYSTEM DEVELOPMENT CHARGE METHODOLOGY &
CAPITAL IMPROVEMENT PLAN UPDATES**

Water System, Sanitary Sewer, Stormwater,
Transportation & Parks/Recreation
January, 2014

INTRODUCTION & BACKGROUND

In November, 2013, the CITY OF MOLALLA contracted with CURRAN-McLEOD, INC. to assist in documenting the City's five public utility Capital Improvement Plans (CIP) and to update the System Development Charge (SDC) methodologies to maintain compliance with state statutes. This effort was completed with assistance from the City Manager, Mr. Dan Huff, the City's Finance Director, Ms. Heather Penni, the Public Works Director, Mr. Marc Howatt and the superintendents of the Water and Wastewater Treatment facilities, Mr. Keith Stiglbauer and Mr. Jon Patrick.

This text is intended to be a single point source document that summarizes all eligible capital improvement projects for each of the five public infrastructure components and the methodologies adopted to equitably allocate the cost to benefitted users. These Capital Improvement Plans are based on the Master Plans for each area of the municipal infrastructure as supplemented by an inventory of projects identified by City staff subsequent to adopting the plans. Although all projects are contained in this SDC document, additional detail on each of the listed projects can be found in the respective planning documents.

The City of Molalla's System Development Charges are divided into five areas of infrastructure in compliance with the requirements of the Oregon Revised Statutes, to include:

1. Water Supply, Treatment, Distribution and Storage system;
2. Wastewater Collection, Treatment and Disposal;
3. Stormwater and Flood Control systems;
4. Transportation Systems; and,
5. Parks & Recreation facilities.

This text identifies the detail of each of the five infrastructure systems, including specific summaries of the value and capacity of existing facilities, an estimate of costs of needed capital improvement for future growth, and an allocation of costs to benefitted users. The goal of this effort is to provide an understandable, equitable and defensible framework of charges that represent the proportionate cost of providing service for each benefitted user.

The SDC fees are intended to include only that portion of the connection charge that is greater than the amount necessary to reimburse the agency for the actual cost of inspecting and/or connecting to each system.

SDC METHODOLOGY OVERVIEW

Oregon Revised Statute 223.297 through 223.314 provides the statutory basis for application of System Development Charges. This statute is intended to provide a uniform framework for development of equitable funding to support orderly growth.

According to the statute, SDCs are composed of:

- Reimbursement Fees to address the value of existing improvements,
- Improvement Fees to address the cost of needed future improvements, or
- Combination of both Reimbursement and Improvement Fees.

The City's updated methodologies will identify current "replacement value" for all existing improvements to establish the basis of the Reimbursement Fee. The basis for the Improvement Fee is the "estimated cost" of improvements not yet constructed but needed to serve future populations.

Existing improvements typically have surplus capacity for future users as well as deficiencies in serving the existing users. Similarly, projects on the Capital Improvement Plan listing are required to provide capacity for future users but also frequently resolve deficiencies in service to the existing users. To account for the available capacity in the City's infrastructure and the concurrent need to undertake capital improvements to resolve deficiencies, the Molalla SDC Methodologies include a combination of both Reimbursement Fees and Improvement Fees.

To assure an equitable allocation of costs between existing and future users, the value of all existing facilities and the estimated cost of all future improvements are allocated to all users, current and future equally, based on their proportionate use of the available capacity. This method of allocating costs to all users assures that the charge to future connections is equitable and that it is no more than the proportionate cost allocated to each existing user. This methodology avoids double charging for capacity and is also independent of current population. With this approach there is no need to identify percentage of remaining capacity to serve future users, nor to estimate future population growth. This allocation is dependent only upon the ultimate capacity of the facility and the value or cost of the facility.

Although all SDCs are primarily related to population, the rate of population growth has no impact on calculation of the fee. The fee is based on funding needed improvements to support growth, independent of when that population growth is realized. In periods of high growth, SDC revenues will accrue more quickly to allow undertaking needed improvements earlier to support the accelerated growth. In periods of low growth, revenues will accrue more slowly, but the need for infrastructure improvements to support this growth is also protracted.

SDCs are typically collected with building permits which are not based on population. As a result, the unit of measure for allocating SDC costs is defined in various unique forms for each utility, but is generally based on the impact of one single family residential unit which is adopted to be one Equivalent Dwelling Unit (EDU).

EQUIVALENT DWELLING UNIT (EDU) DEFINITIONS

A water system EDU is based on the Maximum Daily Demand (MDD); that being the amount of water used during a peak day event by a single family residential unit. A wastewater EDU is based on the Maximum Monthly Dry Weather Flow (MMDWF) measured at the treatment facility per single family residential unit. A single stormwater EDU is based on the estimate of impervious area of a typical single family residential unit. Transportation EDUs are based on the average number of weekday Equivalent Length New Daily Trips (ELNDT) identified for a single family residential unit. Costs for Parks and Recreation improvements are based entirely on per capita needs, and therefore an EDU is allocated simply on the average population of a single family residential unit.

In each update below, the cost per basic unit is calculated and then multiplied by the number of basic units that define the typical use for a single family residential housing unit, which then defines one EDU.

Water and wastewater basic units are gallons for the City of Molalla. A water system EDU is 260 gallons per capita per day, times the average of 2.67 people per household, as defined in the 2010 census for the City of Molalla, for a total of 700 gallons per EDU at MDD. A wastewater EDU is 300 gallons per capita times 2.67 people per household for a total of 800 gallons per EDU at MMDWF.

Stormwater basic units are square feet of impervious area, with a typical single family residential unit, or one EDU, estimated as having 2,640 square feet of impervious area, as was defined in the existing SDC methodology.

The basic unit for the transportation system is an Equivalent Length New Daily Trip (ELNDT) with 9.52 ELNDT estimated for a single family residential dwelling unit as defined in the ITE Trip Generation Manual, 9th Edition, which then defines one EDU.

Parks and Recreation EDUs are based on the cost of providing a required Level of Service (LOS), which has been adopted previously to be 12.5 acres of parklands per 1,000 population. The per capita cost to fund this defined LOS times the average of 2.67 people per household establishes the cost of an EDU. Parks and Recreation fees are unique in that they are based the cost of providing a per capita Level of Service (LOS) as opposed to completion of a Capital Improvement plan or reimbursement for existing improvements.

ANNUAL ADJUSTMENTS

As permitted by the state statutes, the SDC should be reviewed annually and the cost of maintaining the SDC program recovered from the SDC improvement fees as part of the Planning line item in each CIP. Annual adjustments should include updating the Improvement Fee CIP cost estimates, the value of existing facilities listed in the Reimbursement Fee schedules, the values of credits for eligible public works projects, and the resulting Reimbursement and Improvement Fees, all in accordance with an adopted cost index.

The statutes require an adopted cost index to be:

- (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.

The Engineering News Record (ENR) publishes a nationwide 20-city average cost escalation factor called the Construction Cost Index (CCI) that satisfies the criteria in this statute. The use of this 20-city average provides a well established and well known industry standard for the average change in construction costs. For reference, this current SDC update is based on an ENR CCI for December 2013 of 9,668.

In accordance with ORS 223.309(2), the City may adjust any of the capital improvement plans, project cost estimates, or values of existing improvements, by resolution or ordinance at anytime. However, if the SDC is increased as a result of the addition of a new “capacity increasing capital improvement” project, the City must provide a written notice a minimum of 30 days prior to adoption of the modifications to persons who have requested notice under ORS 223.304(6). Subsequently, the City must hold a public hearing for adoption only if within seven days of the proposed adoption the City receives a written request for a hearing.

If the City elects to modify the cost allocation methodology as opposed to only adjusting the project values or CIP inventories, written notice is required to be mailed 90 days prior to any adoption hearings to all persons who have requested notification. Additionally, the revised methodology must subsequently be made available for public review a minimum of 60 days prior to the hearing for adoption.

If no one has requested to be on the list of interested persons, then no special notification is required for any adjustments.

CREDITS FOR ELIGIBLE CONSTRUCTION

ORS 223.304(4) requires that a method of credits be available for the construction of qualified public improvements. The statute further defines qualified public improvements as those required as a condition of development approval, identified in the plan and list adopted pursuant to ORS 223.309 and either:

- (a) Not located on or contiguous to property that is the subject of development approval; or
- (b) Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

As a result of ORS 223.304(4)(a), credits must be provided for 100% of the cost of eligible off-site public improvements; and in accordance with ORS 223.2304(4)(b), a credit must be provided for on-site development only for the component of an eligible improvement which has capacity greater than the local government's minimum standard facility size or capacity. Under each infrastructure section below, minimum standard facility size and values for credits are summarized.

The value of the credits granted in accordance with ORS 223.304(4)(a) are ultimately collected from the adjacent benefited property owners as an SDC Overlay for the minimum standard facility size as each intervening benefited property develops. All credits granted as a result of ORS 223.304(4)(b) for on-site over-sizing are ultimately supported by the regional SDC revenues.

SITE SPECIFIC SDC OVERLAY

If a credit is provided under ORS 223.304(4)(a) for the entire cost of an off-site public improvement, a site-specific SDC Overlay allocation (as opposed to regional) should also be adopted by resolution specific to the improvement project. A site specific SDC Overlay is intended to collect the value of the 'minimum standard facility size' that will exclusively serve any undeveloped, off-site benefitting properties, such as the 8" waterline component, the 8" sanitary sewer component or a 36 foot street improvement.

A resolution defining a site specific SDC Overlay should be adopted at the time any off-site credits are provided to a developer. The resolution must contain a description of the benefitted properties and the allocation of cost based on the benefitted area. SDC Overlay fees are due and payable concurrently with the regional SDC, at the time of issuing of a building permit or change in use of the benefitted property.

The methodology of adopting an SDC Overlay is defined within this SDC document, so the process of the Overlay adoption is simplified. Technically no special notice is required as long as the project was on the CIP list, however, to be conservative a 30 day notice should be provided to impacted parties prior to adoption of the Overlay allocation.

Where there is no potential for additional development of off-site properties abutting a development, the credit can be issued for the entire cost of the off-site improvements without establishing a site specific SDC Overlay.

Additionally, when growth pressures mandate the improvement of infrastructure within fully developed areas or unrelated to any specific development, the entire cost of the improvement may be funded with SDC revenues. Improvement Fee revenues may be used if the project is listed in the CIP and Reimbursement Fee revenues may always be used for any capital improvement for the utility for which the fee was collected.

SDC CREDIT PAYMENTS

Credits are typically used to offset the SDC fees due from the developing property. In the event the credit exceeds the fees due from the development, the City has the option of reimbursing the developer with cash from current SDC reserves, cash receipts from future SDC revenues, and/or providing a credit against future development. Technically, the statutes limit the application of a credit for future development to a maximum of 10 years, but do not prevent the City from adopting any method of credits that are greater than the minimum stated.

In the interests of equity, cash payments should be made to the developer for any excess credit value if financially feasible for the SDC accounts. This eliminates the need to account for long term repayment agreements. Additionally, if a project from the CIP is undertaken by a developer, a credit should be made available for the entire cost incurred, which may exceed the Improvement Fee component of the SDC fees due from a specific development.

It is significant to note that reimbursements to private developers from SDC funds are not required to comply with prevailing wage or public bid laws if the City is not a party to the actual construction contract. This provides an opportunity to have needed capital improvements constructed at lower costs as a component of development by private developers.

CREDIT FOR PRE-EXISTING USE

A system development charge is imposed on all new construction or when a change of use on a parcel increases the demand on the utility. In the event of a change of use, the system development charge for the new use shall be offset by a credit in the amount of the calculated system development charge for the pre-existing use.

Infrastructure services must be in-service to receive a credit against a changed use. Service discontinued for more than 24 months will be considered abandoned and no offsetting credits shall be provided against any SDC fees due for development.

SDC ADMINISTRATION REQUIREMENTS

Per ORS 223.311, System Development Charge revenues must be deposited in dedicated accounts for each utility and an annual accounting prepared identifying amounts collected for each utility, amounts spent on each qualified project, and the annual cost of complying with these requirements.

The statute mandates that Reimbursement fees may be expended on any capital improvements or associated debt service within the subject infrastructure. Improvement Fees may only be spent on projects that are included in the Capital Improvement Plan for each infrastructure, including associated debt service. Accordingly it is important to account for reimbursement and improvement fees separately.

The City needs to establish administrative procedures to contest the methodology or calculations of the SDC fees. The SDC Methodology may only be contested within 60 days of adoption. Expenditures may only be contested within two years of the date of expenditure. The City must also advise a person making any written objection to the calculation of SDC fees of their right to petition for review pursuant to ORS 34.010 to 34.100.

Oregon Revised Statutes 223.307(5) allows SDC revenues to be expended for costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of administration and providing annual accounting of development charge expenditures. Accordingly, annual costs are estimated to be 2% of the annual revenues derived from SDCs. A 2% surcharge is added to each identified fee.

Annually, a transfer from each SDC fund in the amount of 2% of the annual collections should be made to the City's general fund to cover the costs of administration for calculations, collections, accounting and annual fee adjustments. This expenditure should be identified in each annual summary.

PUBLIC INFRASTRUCTURE SDC UPDATES

The following sections each contain a summary for each of the five public infrastructure systems of existing improvements with associated replacement value and capacity, a summary of the Capital Improvement Plans with estimate of project costs, capacity, timing and percentage of eligible costs, and last, allocation calculations to determine the updated System Development Charges.

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City of Molalla

WATER SYSTEM SDC UPDATE

January 2014

W-I. OVERVIEW

The City of Molalla Water System Master Plan was a joint effort completed in March of 1996. That document provided an evaluation of the existing water system, calculated the system demands and projected future demand and a listing of the Capital Improvement Plan (CIP). In 1997, the City prepared the System Development Charge (SDC) methodology and cost allocations based on the earlier Master Plan, which was then adopted in Resolution 1997-14 and currently remains in-force.

To be conservative, the capacity of all water system components, excepting distribution, is based on the ability to meet the Maximum Daily Demand (MDD). This assures that adequate resources are available at all times to serve the demand and replenish supplies within 24 hours. As the observed MDD approaches the system capacity, capital improvements should be undertaken to expand the system.

The MDD was derived in the 1996 Water System Master Plan to be 345 gallons per capita per day (gpcd). In 1996 demand records also indicated system losses that exceeded 30%. Subsequent distribution system repairs have resulted in a reduced per capita demand. The Maximum Day Demand recorded from 2010 through 2013 averaged 260 gallons per capita per day (gpcd). Average Day Demands over the same period were 125 gpcd.

Based on the 2010 US Census, the average household size for Molalla was 2.67 people per residence which defines the population of an Equivalent Dwelling Unit (EDU). This average is a substantial reduction from the 1990 census figure of 2.87 persons per household that was used in the previous SDC calculations. This reduction will allow for a greater number of EDUs to be served by the existing facilities and the projected capital improvements listed in the 1996 Master Plan. Accordingly, the current Maximum Day Demand per EDU is 2.67 people multiplied by 260 gpcd for a total of 700 gallons per day per EDU (gpd/EDU). Note these average values also include the demands for commercial/industrial improvements.

Using this per EDU MDD figure, it is easy to identify the existing EDU capacity of source, treatment and storage components and to identify the improvements required to serve future population growth. The 1996 Master Plan improvements were predicated on providing 4.0 Million Gallons per Day (MGD) capacity to meet maximum day demands, equivalent to the peak day demands of 5,710 EDU.

Distribution system capacities are defined not only by their ability to deliver the MDD plus fire flows, but also by a geographical service area. The distribution system provides the backbone for expanding the system throughout the service area or Urban Growth Boundary. As a result, cost allocations for distribution system improvements are based on the resulting MDD for the number of EDUs calculated at build-out of the UGB area.

There are multiple methods of calculating the build-out population of the UGB, and there are several varying estimates and growth rates contained in the City's various master plans. The most definitive document on the current growth projections is the Residential Land Needs Report completed for the City of Molalla in July of 2008. In that document, the City has projected an overall residential density of 7 housing units per net acre over all residential zoned properties. Gross acreage is estimated to be reduced by 20% to derive Net Acres, to account for right-of-way and public needs.

Each of the Master Plans was prepared based on the UGB adopted by the original 2000 Comprehensive Plan for the City of Molalla. The areas designated for all residential development total 721.8 gross acres. Committing 20% for right-of-way and public use and applying 7 housing units per net acre results in a build out population of 10,800 people and 4,040 EDU within the UGB.

Distribution system capital improvements serve the geographical service area defined by the UGB. The total number of EDU benefitting from the distribution system improvements are then limited to 4,040 barring future revision of the UGB or development densities.

W-II. CREDITS FOR ELIGIBLE CONSTRUCTION

As discussed previously, credits must be available for eligible public works construction that met the requirements of the statute. Credits should be issued for 100% of eligible off-site improvements, identified herein as an Offsite Credit, or for the oversize component only of eligible on-site improvements, identified herein as an Oversize Credit. The oversize component would be any improvements that exceed the local government's minimum standard facility size, which for a water line is 8" diameter. Thus in this SDC update, oversize credits will apply only to lines sized above the minimum 8" diameter.

The following table summarizes estimated construction costs, including 20% engineering and administration, which is recommended to be used as the basis for any SDC credits given for eligible distribution system improvements:

**CITY OF MOLALLA
WATERLINE CONSTRUCTION CREDITS
January 2014**

LINE SIZE	6"	8"	10"	12"	14"	18"
CONSTRUCTION COST	\$48/LF	\$54/lf	\$66/lf	\$78/lf	\$92/lf	\$108/lf
OFFSITE CREDIT	\$48/lf	\$54/lf	\$66/lf	\$78/lf	\$92/lf	\$108/lf
OVERSIZE CREDIT	\$0	\$0	\$12/lf	\$24/lf	\$38/lf	\$54/lf

W-III. WATER SYSTEM CAPITAL IMPROVEMENT PLAN

The most recent Capital Improvement Plan was prepared in the 1996 Water System Master Plan, and has minimal relevance today. The majority of all work identified in that document has been completed and is now contained in the Reimbursement schedules.

In an overview, source development is the most critically needed element of the CIP and should be undertaken within the next ten years. On the near term, demands can be accommodated with a transfer of water rights from Trout Creek. Due to the limited flows in Trout Creek, this CIP anticipates 3 cubic feet per second (2.0 MGD) will be the maximum amount available and anticipate the Oregon Water Resources Department will require installation of a stream gauging station to assure sufficient flow is available.

Due to a limited supply in the Molalla River and in Trout Creek, long term demands will mandate that additional source capacity be developed, such as a new well source located near the distribution system.

Treatment and transmission system improvements include several minor projects needed at the water treatment facility. Operationally, in order to meet more stringent regulatory treatment requirements, a filter to waste provision should be incorporated into the process piping of the old conventional ECI filters. Additionally, filter effluent pumps and piping should be upgraded at the same time to assure system wide reliability.

HVAC improvements are needed to condition the control room and lab facilities at the Treatment Plant. Access improvements to the plant will also be mandated in the future as the existing Logging Road surfacing fails.

Transmission piping leaving the plant is limited to one 20" pipe to Adams Cemetery Road. With all of the City's treatment and storage facilities located at the plant site, this creates a critical point of vulnerability. A redundant, parallel transmission line should be constructed along this initial reach to provide redundancy. From the intersection of the Molalla Forest Road and Adams Cemetery Road to the City limits, the existing transmission line consists of two lines in parallel, which provides the needed redundancy.

Reservoir storage volume is not adequate to serve the planning window defined in the 1996 Master Plan. An additional reservoir will be required to support Maximum Daily Demands in the 11 to 20 year time frame and should be separated from the existing storage. Additionally, minor improvements are required on the existing reservoirs to meet current regulations and design standards.

The following table lists capital improvements that have been identified by City Staff subsequent to publication of the 1996 Master Plan, as well as a description of the work scope. The cost estimates in the following table are based on an ENR CCI of 9,668 for December 2013. This table is published to document the list of needed capital improvements to serve growth, and to satisfy the requirements of ORS 223.309:

CITY OF MOLALLA
WATER SYSTEM CAPITAL IMPROVEMENT PLAN
BASED ON ENR CCI 9,668
January 2014

NO.	PROJECT DESCRIPTION	PROJECT PRIORITY	ELIGIBLE COST	EDU CAPACITY	SDC COST PER EDU
Source Development: Total Source Capacity 4.0 MGD (5,710 EDU)					
1.	Transfer Trout Creek Water Rights to the Molalla River, Install Trout Creek flow monitoring Station	1-5 yrs	\$40,000	5,710	\$7.00
2.	Alternative Well Source Development in NW quadrant	6-10 yrs	\$300,000	5,710	52.53
3.	Molalla River Intake Capacity Expansion to 4.0 MGD	6-10 yrs	\$150,000	5,710	26.27
Treatment Improvements: Total Ultimate Treatment Capacity 4.0 MGD (5,710 EDU)					
4.	ECI Treatment Unit Process Piping Modifications, filter to waste, pumping equipment	6-10 yrs	\$60,000	5,710	1.51
5.	HVAC Improvements for power distribution room and office /lab facilities	6-10 yrs	\$15,000	5,710	2.63
6.	Molalla Forest Road / WTP Access Road Improvements	6-10 yrs	\$200,000	5,710	35.03
Distribution System Improvements: MDD of UGB Build-out is 2.83 MGD (4,040 EDU)					
7.	20" Parallel Transmission Piping, WTP to Adams Cemetery Road, est. 2,000 LF	1-5 yrs	\$240,000	6,800*	35.29
8.	1996 Master Plan CIP Distribution System upgrades to the EXISTING system:				
8.A	Patrol Street - 700 lf of 6" from dead end to Hwy 211	1-20 yrs	33,600	4,040	8.32
8.B	Cole street - 750 lf of 6" from E. 4th to E. Main Street	1-20 yrs	36,000	4,040	8.91

8.C	Debra Street - 350 lf of 8" N from Frances to 14" main	1-20 yrs	18,900	4,040	4.68
8.D	Frances Christopher link - 200 lf of 6" Upgrade	1-20 yrs	9,600	4,040	2.38
8.E	Hood Street - 300 lf 6" South of 5th Street	1-20 yrs	14,400	4,040	3.56
8.F	Metzler Ave - 800 lf of 6" Section Street to 7th Street	1-20 yrs	38,400	4,040	9.51
8.G	7th Street - 700 lf of 8" from Hart Street to S Molalla Ave	1-20 yrs	37,800	4,040	9.36
8.H	Toliver Road - 1,850 lf of 12" from Del Mar to Molalla Ave	1-20 yrs	144,300	4,040	35.72
8.I	Main Street - 6,350 lf of 12" from Hwy 213 to Shaver St	1-20 yrs	495,300	4,040	122.60
9.	1996 Master Plan CIP Distribution System upgrades to the FUTURE system:				
9.A	EW Grid 1 - 5,200 lf of 14" N Molalla Ave to Highway 213	1-20 yrs	478,400	4,040	118.42
9.B	EW Grid 2 - 5,200 lf of 10" N Molalla Ave to Meadowlawn	1-20 yrs	343,200	4,040	84.95
9.C	EW Grid 3 - 6,060 lf 10" Section St to Highway 213	1-20 yrs	400,000	4,040	99.01
9.D	School NS Grid 2 - 4,400 lf 12" Main Street North	1-20 yrs	343,200	4,040	84.95
9.E	School NS Grid 2 - 900 lf 10" Main Street South	1-20 yrs	59,400	4,040	14.70
9.F	Western NS Grid 1 - 4,400 lf 12" Main Street North	1-20 yrs	343,200	4,040	84.95
9.G	Western NS Grid 1 - 950 lf 10" Main Street South	1-20 yrs	62,700	4,040	15.52
9.H	Del Mar Tie to N UGB - 2,450 lf 12" water main	1-20 yrs	191,100	4,040	47.30
9.I	Highway 213 - 2,000 lf 12" Main Street to Toliver Road	1-20 yrs	156,000	4,040	38.61
9.J	Highway 213 - 1,500 lf 10" Main Street to South UGB	1-20 yrs	99,000	4,040	24.51
9.K	Big Meadows Tie N - 1,650 lf 10" Meadows Dr to north grid	1-20 yrs	108,900	4,040	26.96

9.L	Molalla Avenue - 1,600 lf 14" Miller St to north grid	1-20 yrs	147,200	4,040	36.44
9.M	5th Street - 1,300 lf 14" Mathias Rd to Eckerd Ave	1-20 yrs	119,600	4,040	29.60
Storage Improvements: Total Capacity 5.2 MG (6,800 EDU plus 0.4 MG Fire Storage)					
10.	New 2.0 MG Reservoir & Jockey Pump Station per Master Plan (1996 ENR 5,620)	11- 20 yrs	1,740,000	6,800	25.59
11.	1.2 MG Reservoir Safety & Access Hatch Improvements, exterior ground-level painting	1-5 yrs	40,000	6,800	5.88
Planning & General Improvements - Benefit to the entire UGB (4,040 EDU)					
12.	Planning & SDC Updates	1-20 yrs	50,000	4,040	12.38
13.	Miscellaneous Pipeline Upsizing and Oversizing	1-20 yrs	150,000	4,040	37.13
TOTAL			\$6,665,200	per EDU	\$1,150

*Transmission line capacity was equated to the capacity of the storage system.

W-IV. WATER SYSTEM SDC IMPROVEMENT FEE CALCULATION

The Improvement Fee is intended to quantify the cost of needed improvements to serve future users. The fee is based on the cost per EDU for each capital improvement listed in the above table. The Improvement Fee component of the SDC is thus:

$$\text{SDC Improvement Fee} = \$1,150 \text{ per EDU}$$

W-V. WATER SYSTEM SDC REIMBURSEMENT FEE ASSET SUMMARY

The Reimbursement Fee is intended to quantify the value of existing capacity available to serve future demands. The following table lists the current value of each capital improvement completed to-date, based on actual costs adjusted to the December 2013 ENR CCI of 9,668, or an estimated current value if actual costs are not available. The current value is then divided by the capacity in EDU of each existing facility to determine the cost per EDU.

Values for the majority of the existing system improvements were based on the acquisition costs provided in the 2013 Capital Asset Inventory prepared by the City of Molalla. The following table lists the replacement value of all existing source, treatment, storage and a summary of distribution oversizing for inclusion in the reimbursement fee calculation.

CITY OF MOLALLA
WATER SYSTEM REIMBURSEMENT FEE
EXISTING IMPROVEMENTS SUMMARY & CAPACITY
 January 2014

No.	PROJECT DESCRIPTION	2013 ASSET VALUE	CAPACITY IN EDU	SDC COST PER EDU
1.	Molalla River Intake, Building Structure, piping & Land	\$1,139,100	5,710	\$199
2.	Water Treatment Plant & Lands	\$4,421,860	5,710	774
3.	Water Transmission Lines	\$5,054,000	6,800*	743
.	2.0 MG Concrete Reservoir	\$1,307,400	6,800	192
5.	1.2 MG Concrete Reservoir	\$1,200,000	6,800	176
6.	System Oversizing			
	2,300 LF 10" @ \$12/LF	\$27,600	4,040	7
	50,750 LF 12" @ \$24/LF	\$1,218,000	4,040	302
7.	1996 Water System Master Plan	\$30,000	4,040	7
8.	2013 SDC Update	\$5,200	4,040	1
	TOTAL	\$14,403,160	Per EDU	\$2,400

*Transmission line capacity was equated to the capacity of the storage system.

W-VI. WATER SYSTEM SDC REIMBURSEMENT FEE CALCULATION

Similar to the Improvement Fee, the reimbursement component of the SDC is cost per EDU identified in the table above:

$$\text{SDC Reimbursement Fee per EDU} = \$2,400$$

W-VII. WATER SYSTEM SDC FEE SUMMARY

All residential units are assigned one EDU per dwelling unit. Commercial and industrial developments are assessed proportionate SDC charges based on the capacity of water meter used to service the facility. All SDC costs also include a charge of 2% for staff administration.

SDC charges apply to all meters serving domestic demands. Meters installed for the sole purpose of fire protection, which are completely isolated from any demands other than fire protection, will not be assessed an SDC charge for connection to the system.

CITY OF MOLALLA
WATER SYSTEM SDC FEE SCHEDULE
 January 2014

METER SIZE	EDU FACTOR	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMINISTRATION FEE (2%)	TOTAL SDC
3/4"*	1	\$1,150	\$2,400	70	\$3,620
1"	1.66	\$1,910	\$4,000	\$120	\$6,030
1 1/2"	3.33	\$3,830	\$8,000	\$240	\$12,070
2"	5.33	\$6,130	\$12,800	\$380	\$19,310
3"	11.67	\$13,420	\$28,000	\$830	\$42,250
4"	20	\$23,000	\$48,000	\$1,400	\$72,400

* Includes 5/8" x 3/4" and 3/4" x 3/4" meters

City of Molalla
SANITARY SEWER SYSTEM SDC UPDATE

January 2014

SS-I. OVERVIEW

The sanitary sewer system is well defined in the 2000 Wastewater Facility Plan and in preparation for construction, was again updated in a 2005 Wastewater Facility Plan. The current System Development Charge (SDC) methodology was adopted in Resolution 2006-07, and incorporated the CIP from the 2005 Facility Plan to support the SDC Improvement Fee. Resolution 2006-07 does not include a Reimbursement Fee for the wastewater system.

This current 2014 document is intended to update the 2006 SDC and is based on the CIP from the 2005 Facility Plan as well as additional improvements identified by City staff needed to support growth. This current document also establishes a basis for a Reimbursement Fee to account for the capacity of the existing collection, treatment and disposal systems.

The capacity of the wastewater collection, treatment and disposal system is defined as its ability to convey and treat the Maximum Monthly Dry Weather Flow (MMDWF). Based on the Facility Plan calculations, the MMDWF was calculated to be 300 gallons per capita per day (GPCD). The capacity of the current collection and treatment facilities is defined as 4.0 million gallons per day (MGD), and therefore has a capacity to serve the future population identified in the Facility Plans of 13,370, which includes growth beyond the current Urban Growth Boundary (UGB).

Based on the 2010 census average of 2.67 persons per household for the City of Molalla, the design loading per Equivalent Dwelling Unit (EDU) is 2.67 times 300 gpcd, for a total of 800 gallons per EDU per day. Based on the projected population of 13,370, the collection, treatment and disposal system has the capacity to serve a total of 5,008 EDUs.

The value of all current system improvements as well as the estimated cost of needed future improvements to serve a population of 13,370, or 5,008 EDUs, is defined in this current update to support the SDC Reimbursement and Improvement Fees.

SS-II. CREDITS FOR ELIGIBLE CONSTRUCTION

The minimum line size under DEQ standards for a public sewer is 8” diameter. Similar to the water and stormwater systems, SDC credits are required for the oversized component of any on-site improvements, and for 100% of off-site improvements. To receive a credit, the project must be a qualified public improvement contained in the Capital Improvement Plan.

The following table summarizes estimated construction costs for 2014, including engineering, which will be used as the basis for any SDC credits for eligible collection system improvements:

**CITY OF MOLALLA
SANITARY SEWER COLLECTION SYSTEM
VALUE OF CONSTRUCTION CREDITS
January 2014**

LINE SIZE	8"	10"	12"	16"	18"	24"
CONSTRUCTION COST	\$64/lf	\$74/lf	\$84/lf	\$94/lf	\$102/lf	\$122/lf
OFFSITE CREDIT	\$64/lf	\$74/lf	\$84/lf	\$94/lf	\$102/lf	\$122/lf
OVERSIZE CREDIT	\$0	\$10/lf	\$20/lf	\$30/lf	\$40/lf	\$60/lf

SS-III. SANITARY SEWER CAPITAL IMPROVEMENT PLAN

As a result of the methodology defined in this current update, 100% of the estimated costs of the CIP are allocated over the entire benefitted population, in contrast to the previous methodology that estimated a current population and only allocated that portion of each project to growth. The methodology used in this 2014 update equitably accounts for excess capacity as well as various system deficiencies, by allocating the value of existing improvements and the cost of all needed improvements over all users. The magnitude of the resulting fee is identical to that resulting from the previous methodology if an accurate estimate of existing capacity and future benefitting population is available.

Under the old methodology, inaccuracies are incorporated by making gross assumptions of percentage related to future growth of each individual improvement. Each system component will have varying capacities, and specific deficiencies that need resolution. Additionally, if a gross percentage is identified and allocated to future growth only, that percentage would change with each annual SDC update, creating a substantial task to complete for each update.

A more accurate and defensible method of accounting for the existing improvements and needed future improvements is to allocate the total value (as in the Reimbursement Fee) and estimated cost (in the Improvement Fee) over the entire benefitted population.

The following table identifies the capital improvements listed in the 2000 and 2005 Wastewater Facilities Plan as well as improvements required to support growth identified subsequent to the last Facility Plan update. All estimated costs have been adjusted from the 2006 average of 7,751 to the reference December 2013 ENR CCI of 9,668.

CITY OF MOLALLA
SANITARY SEWER CAPITAL IMPROVEMENT PLAN
January 2014

No.	PROJECT DESCRIPTION	PROJECT PRIORITY	ELIGIBLE COST	CAPACITY EDU	SDC COST PER EDU
Collection System Improvements: Total Design Capacity 4.0 MGD, 5,008 EDU					
1	Collection System I/I Abatement & System Expansion (50% SDC eligible to increase capacity)	1-20 yrs	\$310,000	5,008	\$62
2	Treatment Plant Trunk Upgrade - new 30" trunk from confluence of Bear Cr and Toliver Rd trunk to the WWTP; new 24" from confluence to Toliver Rd and to Hwy 213 (Project C1)	1-5 yrs	\$750,000	5,008	\$150
3	Bear Creek Trunk Upgrade - New 21" trunk from Hwy 211 to Hwy 213 (Project C4)	6-10 yrs	\$560,000	5,008	\$112
Treatment System Improvements: Total Design Capacity 4.0 MGD MMDWF, 5,008 EDU					
4	Install 3 - 10 Hp Aspirating Aerators at west end of Lagoon 1 (Project T-6)	1-5 yrs	\$62,000	5,008	\$12
5	Ph. I Solids Management - partition Lagoon 1 for sludge cell, (Project T-14), install wet sludge loadout, loading dock	1-5 yrs	\$600,000	5,008	\$120
6	Ph. I Secondary Treatment Upgrades (Project T-13) create two aerated cells in Lagoon 1	6-10 yrs	\$1,860,000	5,008	\$371
7	Phase I Effluent Disinfection Upgrades (Project T-15) Install Dechlorination Facilities	6-10 yrs	\$475,000	5,008	\$95
8	Install Grit Removal Facilities	6-10 yrs	\$400,000	5,008	\$80
9	Staff Building, Locker/showers, Rest room, break/meeting room	6-10 yrs	\$300,000	5,008	\$60
Planning & General Improvements - Benefit to the entire UGB					
10	Misc Upsizing and Oversizing	1-20 yrs	\$50,000	5,008	\$10
11	Planning & SDC Update	1-20 yrs	\$50,000	5,008	\$10
TOTAL			\$5,417,000	TOTAL	\$1,082

SS-IV. SANITARY SEWER SDC IMPROVEMENT FEE CALCULATION

The Improvement Fee is the total of the per EDU cost of each CIP project listed above and is intended to quantify the cost of needed improvements to serve future users. The Improvement Fee component of the Wastewater SDC is thus:

$$\text{SDC Improvement Fee} = \$1,082 \text{ per EDU}$$

SS-V. SANITARY SEWER SDC REIMBURSEMENT FEE ASSET SUMMARY

The Reimbursement Fee is intended to quantify the value of all existing improvements available to serve future demands. The following table lists the current value of each capital improvement completed to-date, based on actual costs adjusted to the December 2013 ENR CCI of 9,668, or an estimated current value if actual costs are not available. The current value is then divided by the capacity in EDU of each existing facility to determine the cost per EDU.

Values for the existing system improvements are based on the acquisition costs listed in the 2013 Capital Asset Inventory prepared by the City of Molalla, adjusted by the ENR CCI and industry pricing. The following table lists the replacement value of all existing treatment and disposal improvements as well as a summary of oversizing in the collection system:

CITY OF MOLALLA
SANITARY SEWER REIMBURSEMENT FEE
EXISTING IMPROVEMENTS SUMMARY & CAPACITY
 January 2014

No.	PROJECT DESCRIPTION	2013 ASSET VALUE	CAPACITY IN EDU	SDC COST PER EDU
1	Wastewater Treatment Plant	\$9,000,000	5,008	\$1,797
2	Effluent Irrigation / Molalla River Effluent Force Main	\$6,260,000	5,008	\$1,250
3	Cascade Aeration Structure	\$40,000	5,008	\$8
4	Cole Street Lift Station	\$150,000	5,008	\$30
5	South Molalla Street Lift Station	\$150,000	5,008	\$30
6	Coho Street Lift Station	\$180,000	5,008	\$36
7	Taurus Street Lift Station	\$150,000	5,008	\$30
8	Stowers Lift Station	\$180,000	5,008	\$36
9	Trunk Systems Upgrade	\$800,000	5,008	\$159

10	Collection Oversizing & Upgrades 4,275 LF 10" @ \$10/LF 5,200 LF 12" @ \$20/LF	\$42,750 \$104,000	5,008 5,008	\$8 \$20
11	Highway 211 Improvements	\$60,000	5,008	\$12
12	Master Planning & SDC Update	\$60,000	5,008	\$12
	TOTAL	\$17,176,750	Per EDU	\$3,428

SS-VI. SANITARY SEWER SDC REIMBURSEMENT FEE CALCULATION

Similar to the Improvement Fee, the Reimbursement Fee is the total of the per EDU cost of each system improvement. The Reimbursement Fee component of the Sanitary Sewer SDC is thus:

$$\text{SDC Reimbursement Fee} = \$3,426 \text{ per EDU}$$

SS-VII. SANITARY SEWER SDC FEE SUMMARY

All residential units are assigned one EDU per dwelling unit which is based on 2.67 people per UDU and 800 gpd at MMDWF per EDU. All Commercial and industrial developments are assessed proportionate SDC charges based on the capacity of the water meter serving the property in relationship to a typical 3/4" meter serving a typical single family residence, in accordance with the following table. All SDC costs also include a charge of 2% for staff administration.

CITY OF MOLALLA
SANITARY SEWER SDC FEE SCHEDULE
January 2014

	EDU FACTOR	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMIN FEE (2%)	TOTAL SDC
Single Family and Multi Family Residential:					
	1	\$1,082	\$3,428	\$90	\$4,600
Commercial / Industrial Development:					
METER SIZE	EDU FACTOR	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMIN FEE (2%)	TOTAL SDC
3/4"*	1	\$1,082	\$3,428	\$90	\$4,600
1"	1.66	\$1,800	\$5,710	\$150	\$7,660
1 1/2"	3.33	\$3,600	\$11,420	\$300	\$15,320
2"	5.33	\$5,770	\$18,270	\$480	\$24,520
3"	11.67	\$12,620	\$40,000	\$1,050	\$53,670
4"	20	\$21,640	\$68,560	\$1,800	\$92,000

* Includes 5/8" x 3/4" and 3/4" x 3/4" meters

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City of Molalla
STORMWATER SDC UPDATE
January 2014

SD-I. OVERVIEW

The existing Storm Drainage System Development Charge (SDC) was adopted through Resolution 1999-13 and although very brief, does provide a methodology to allocate costs of needed improvements. The existing SDC methodology was prepared prior to any master planning, and was based on a Capital Improvement Plan (CIP) prepared by City staff and was allocated over a conservatively low arbitrary number of projected Equivalent Dwelling Units (EDU). The existing 1999 SDC is limited to an Improvement Fee only.

In 2003 the City of Molalla prepared a Stormwater Master Plan that included a new CIP to accommodate build-out of the Urban Growth Boundary (UGB). This current SDC Update incorporates the CIP from the 2003 Master Plan and allocates the costs to all benefitting properties. The 1999 text makes reference to an EDU being 2,640 square feet of impervious area, which will define an EDU and will be used as the basis to allocate costs to development in all land use designations.

This current SDC Update will incorporate the value of existing improvements as the foundation for a Reimbursement Fee, and will allocate the cost of needed improvements identified in the 2003 Master Plan CIP based on the projected area of impervious surface at build-out of the UGB.

SD-II. CREDITS FOR ELIGIBLE CONSTRUCTION

Common to all SDCs, credits must be available for eligible public works construction that met the requirements of the statute. When a project is listed in the Capital Improvement Plan, credits must be issued for 100% of off-site improvements, which are typically improvements made in existing developed areas that are needed to support growth in other areas, which are called Offsite Credits. Additionally, credits are mandated when the on-site utility improvements are required to be made larger than needed for the specific development, which are identified as Oversizing.

The minimum line size for storm drainage system piping improvement is defined to be 12” diameter. Thus, oversizing credits apply only to storm sewers sized above the minimum 12” diameter.

The following table summarizes construction costs, including engineering, as the basis for SDC credits for eligible storm drainage system improvements:

CITY OF MOLALLA
STORMWATER SYSTEM CONSTRUCTION CREDITS
 January 2014

LINE SIZE	12"	15"	18"	21"	24"	27"	30"	36"
CONSTRUCTION COST	\$38/lf	\$44/lf	\$50/lf	\$56/lf	\$64/lf	\$72/lf	\$82/lf	\$94/lf
OFFSITE CREDIT	\$38/lf	\$44/lf	\$50/lf	\$56/lf	\$64/lf	\$72/lf	\$82/lf	\$94/lf
OVERSIZE CREDIT	\$0	\$6/lf	\$12/lf	\$18/lf	\$26/lf	\$34/lf	\$44/lf	\$56/lf

When offsite improvements are approved with credits, an SDC overlay should be adopted to allocate the cost to the base pipeline size, the cost of a 12” pipeline, over the frontage of the offsite undeveloped properties. At the time the future offsite development occurs, both the regional SDC and the SDC overlay should be collected from the developer.

If there are no undeveloped offsite properties, the cost of an offsite improvements required to support growth can be funded 100% from SDC revenues.

SD-III. STORMWATER SYSTEM CAPITAL IMPROVEMENT PLAN

The most recent stormwater planning effort was published as the 2003 Stormwater Master Plan. This document includes an analysis of system components and a listing of needed capital improvements. The improvements were designed to support build-out of the UGB established in the 1980 Comprehensive Plan.

The need to complete drainage system improvements is a result of growth pressure contributing additional runoff to the existing conveyance system. As discussed in the introduction to this SDC Update document, all capital improvement costs are allocated over all of the population, existing and future, which assures an equitable allocation of costs and accommodates expansion as well as system deficiencies. As a result of these two concepts, all Capital Improvements are deemed to be 100% SDC eligible.

The following table summarizes the capital improvements identified in the Stormwater Master Plan and as identified by City staff, with associated costs adjusted to the December 2013 ENR CCI of 9,668. This table is published to satisfy the requirements of ORS 223.309 and provides the CIP listing of projects eligible for SDC expenditures.

CITY OF MOLALLA
STORMWATER CAPITAL IMPROVEMENT PLAN
January 2014

PROJECT DESCRIPTION	ELIGIBLE COST	CONSTRUCTION SCHEDULE	PROJECT COST
2nd St/Railway Alignment Storm System - 15' to 60" pipeline and open channel Lola Avenue to Creamery Cr <i>-Or Alternatively-</i> 15" to 48" pipeline Lola Avenue to Creamery Creek at Heintz Street	100%	1 - 5 yrs	\$1,770,000
Detention at Mathias Ave & Creamery Cr. - Temporary detention on est 10 acres up to 3 feet deep, with controlled outfall	100%	1 - 5 yrs	\$140,000
Heintz Street Collector Replacement - 18" to 60" pipeline, Intercept Creamery Creek at Indian Oak Ct and divert Creek to Heintz Street, pipe on Heintz to Kennel Avenue.	100%	6 - 10 yrs	\$1,725,000
Shirley Street Drainage Improvements - 24" pipeline to intercept Shirley St drainage and divert to Heintz Street	100%	6 - 10 yrs	\$130,000
Miller Street Drainage Improvements - 12" to 15" pipeline from Affolter Ave to N Molalla Avenue	100%	6 - 10 yrs	\$65,000
Sunrise Acres Drainage Improvements - 12" pipelines on E 5th, 6th and 7th to Stowers lane	100%	6 - 10 yrs	\$60,000
Bear Cr Culvert Replacements, 20% Match , 12' Bridge at Mathias Rd; 14' Bridge at Molalla Ave; 15' Bridge at Ona Way; 18' Bridge at Highway 213	100%	6 - 20 yrs	\$360,000
Master Planning & SDC Update	100%	1 - 20 yrs	\$50,000
System Upsizing and Oversizing	100%	1 - 20 yrs	\$100,000
TOTAL CIP COST			\$4,400,000

SD-IV. STORMWATER SYSTEM IMPROVEMENT FEE CALCULATION

The EDU capacity of each capital improvement is based on serving the impervious area at build-out of the UGB. An estimate of the impervious area within the build-out UGB can be made based on population estimates and the inventory of employment lands identified for the City of Molalla.

Based on the 2009 Residential Land Needs Inventory, build-out population or EDU can be estimated based on an average density of 7 housing units per net acre. The 1981 UGB includes 721.8 gross acres of residential land use, which results in a net acreage of 577.4 acres for a total of 4,040 housing units, or EDU, and an estimated build-out population of 10,800 people. This equates to a total of 245 acres of impervious area based on an estimated 2,640 square feet of impervious area on average per EDU as established in the prior SDC.

Commercial impervious area is based on an estimated 30% lot coverage. Based on 203 acres of Commercial land use in the Molalla UGB, this results in 60.9 acres of impervious area. The 419 acres of Industrial lands identified in the UGB are estimated to have 15% lot coverage, resulting in 62.8 acres of impervious area.

The total impervious area in residential, commercial and industrial lands is thus estimated to be 368.7 acres at build-out.

The Stormwater Improvement Fee is based on the CIP cost being allocated over the total projected impervious area within the UGB. A single family residential Equivalent Dwelling Unit is estimated to have an average of 2,640 square feet of impervious area. The Improvement Fee calculation is:

$$\text{SDC Cost per SF} = (\text{Eligible CIP Cost}) / (\text{Total Impervious area})$$

$$\text{SDC Cost per SF} = (\$4,400,000) / (368.7 \text{ Acres} * 43,560 \text{ sf/ac})$$

$$\text{SDC Cost per SF} = \$0.274 \text{ per SF}$$

$$\text{SDC Improvement Fee} = (2,640 \text{ sf/EDU}) * (\$0.274 \text{ per SF})$$

$$\text{SDC Improvement Fee} = \mathbf{\$724 \text{ per EDU}}$$

SD-V. STORMWATER SYSTEM REIMBURSEMENT FEE

The Reimbursement Fee is intended to quantify the value of existing capacity available to accommodate future growth. This is the value of the existing improvements that have been constructed by the existing residents, and provides the backbone for collection of increased runoff created by growth. Only the value of the oversize component, the incremental value over 12" diameter, is defined as providing capacity for growth.

The following table lists the current value of all existing storm system oversizing, based on an estimated current construction cost. Similar to the improvement fee calculation, the current value is then divided by the amount of total impervious area estimated within the UGB. A summary of all oversized components was derived from the most recent asset inventory prepared by the City of Molalla:

CITY OF MOLALLA
STORM DRAINAGE SYSTEM REIMBURSEMENT FEE
EXISTING IMPROVEMENTS SUMMARY
 January 2014

PROJECT DESCRIPTION	CURRENT VALUE
Collection System Upgrades & Oversizing:	
15" Pipeline, 2,700 LF @ \$6 per LF	\$16,200
18" Pipeline, 1,275 LF @ \$12 per LF	\$15,300
24" Pipeline, 200 LF @ \$26 per LF	\$5,200
36" Pipeline, 425 LF @ \$56 per LF	\$23,800
Master Planning & SDC Methodology	\$65,000
TOTAL REIMBURSEMENT VALUE	\$125,500

SD-VI. STORMWATER SDC REIMBURSEMENT FEE CALCULATION

As determined in the above table, the Reimbursement Fee required to recover the cost of existing facilities that have been installed with capacity to serve future growth is the value per KSF times the impervious area. For a single family residential dwelling, one EDU is equal to 2,800 square feet of impervious area:

$$\text{SDC Cost per SF} = (\text{Total Reimbursement Value}) / (\text{Total Impervious area})$$

$$\text{SDC Cost per SF} = (\$125,500) / (368.7 \text{ Acres} * 43,560 \text{ sf/ac})$$

$$\text{SDC Cost per SF} = \$0.008 \text{ per SF}$$

$$\text{SDC Reimbursement Fee} = (2,640 \text{ sf/EDU}) * (\$0.008 \text{ per SF})$$

$$\text{SDC Reimbursement Fee} = \mathbf{\$21 \text{ per EDU}}$$

SD-VII. STORM DRAINAGE SYSTEM SDC FEE SUMMARY

All residential units are assigned one EDU per dwelling unit, which is based on an average of 2,640 square feet of impervious area. Commercial and industrial developments are assessed SDC charges based on the actual impervious area times the unit costs for Improvement and Reimbursement fees. All SDC costs also include a charge of 2% for program administration.

**CITY OF MOLALLA
STORM DRAINAGE SDC FEE SCHEDULE
January 2014**

LAND USE	UNITS	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMINISTRATION FEE (2%)	TOTAL SDC
Residential	EDU	\$724	\$21	\$15	\$ 760 / EDU
Commercial/ Industrial	KSF*	\$274	\$8	\$6	\$ 288 / KSF

* Units are per 1,000 square feet of impervious area on the development site.

City of Molalla
TRANSPORTATION SDC UPDATE
January 2014

T-I. OVERVIEW

The current Transportation System Development Charge (SDC) was adopted by Resolution 1999-23 and was based on implementing the June 2001 Transportation System Plan (TSP). That plan projected a planning window population of 13,370, whereas build-out of the Urban Growth Boundary was limited to an estimated 8,842 population. As a result, the Capital Improvement Plan (CIP) adopted in the SDC is predicated on providing transportation improvements beyond the current UGB.

This 2014 SDC Update will incorporate the Capital Improvement Plan (CIP) contained in the 2001 TSP, adjust all project cost estimates to a current construction cost index, and provide a methodology of equitably allocating these costs to support the SDC Improvement Fee. Additionally, this SDC Update will quantify the investment in the existing transportation system to establish a basis to add a new Reimbursement Fee to recover costs of existing improvements.

The 2001 TSP identified thirty capital improvement projects required to serve the projected population in the year 2019. Since 2001, five of these thirty projects have been completed and the remaining projects are reincorporated into this update.

T-II. CREDITS FOR ELIGIBLE CONSTRUCTION

State statutes require a credit be made available to private developers for construction of qualified public improvements. This could include oversizing street improvements on a development site, or construction of transportation improvements off-site.

Qualified public improvements within a development site are eligible for Oversizing Credits if required to be constructed larger than the local government standards. The Oversize credit would be equal to the incremental cost of that portion of the construction that exceeds the minimum street standards. The minimum street standard adopted as a component of this SDC includes a 36-foot street construction with curbs and sidewalks, within a 50-foot right-of-way.

The value of transportation credits given for qualified improvements required off-site of the development property are mandated by statute to be equal to 100% of the costs of the eligible improvement, and are noted as Offsite Credits in the following table. The following table lists the eligible credits, including engineering fees, to be applied to all eligible transportation improvements, for half street construction on a front foot basis:

CITY OF MOLALLA
TRANSPORTATION SDC FOR STREET CONSTRUCTION
CREDIT FOR FULL STREET CONSTRUCTION
 January 2014

	UP TO 36'	40'	44'	48'
Total Cost	\$270 / ft	\$290 / ft	\$310 / ft	\$330 / ft
Offsite Credit	\$270 / ft	\$290 / ft	\$310 / ft	\$330 / ft
Oversizing Credit	\$ 0 / ft	\$ 20 / ft	\$ 40 / ft	\$ 60 / ft

T-III. TRIP RATE FACTORS:

An industry standard for allocating demands on a transportation system is to proportion the costs based on the relative number of trips created by a development. Trips are technically referred to as Equivalent Length New Daily Trips (ELNDT), and trip rates are published by the Institute of Transportation Engineers (ITE) for various land uses. This 2014 SDC Update adopts the use of Weekday Average Trips as contained in the current ITE Trip Generation Manual, 9th Edition, as the basis for the ELNDT generation standards.

In addition, this update incorporates a Local Factor that considers the length of a typical trip, the number of shared trips and pass-by trips. This factor is an estimate of how many of the trips specific to the subject land use are linked to other destinations, where the actual trip is shared by multiple destinations or multiple stops on the same trip. All commercial / industrial development has been assigned a Local Factor of 0.50. This adjustment encourages commercial / industrial development which in-turn supports the vitality of the community.

ITE Trip Rates and associated Local Factors are listed at the end of this document.

T-IV. TRANSPORTATION SYSTEM CAPITAL IMPROVEMENT PLAN:

The 2001 TSP provided a CIP to support a 20-year growth projection. The projected population for the year 2019 exceeds the build-out population of the current Urban Growth Boundary (UGB). As a result, the cost of needed capital improvements and the value of existing improvements are allocated over a population beyond the build-out population.

Similar to the Water, Stormwater and Sanitary Sewer SDCs, the Transportation SDC allocates 100% of the costs of needed improvements over all users, existing and future. This assures an equitable allocation of cost and equitably incorporates existing system deficiencies. All projects are included in the list due to the impacts of anticipated growth within the City.

The following table summarizes the improvements identified in the June, 2011 Transportation CIP as well as the projects discussed in the 2007 Downtown Development Plan. All entries have been adjusted to the Engineering News Record Construction Cost Index (ENR CCI) of 9,668 for December 2013 dollars.

CITY OF MOLALLA
TRANSPORTATION SYSTEM CAPITAL IMPROVEMENT PLAN
 January 2014

NO	PROJECT DESCRIPTION	PROJECT PRIORITY	CURRENT COST
1	Toliver Road / HWY 213 Intersection	1-5 yrs	\$495,000
2	Meadow Drive / Hwy 213 Intersection	1-5 yrs	\$225,000
3	May Avenue, Between 5th and 6th Streets	1-5 yrs	\$115,000
4	Section Street, Molalla to Hart Avenues	1-5 yrs	\$150,000
5	S. Cole Avenue, south of Main Street	1-5 yrs	\$210,000
6	Mathias Road / Freyrer Park Rd Intersection	1-5 yrs	\$150,000
7	Main St / Grange St / Berkley Intersection Safety Improvements	1-5 yrs	\$30,000
8	Molalla Avenue / Main Street Intersection Improvement, Signalization	6-10 yrs	\$245,000
9	Molalla Avenue / Toliver Road Intersection	6-10 yrs	\$225,000
10	Toliver Road Widening	6-10 yrs	\$3,050,000
11	Leroy Avenue / Main Street Intersection	11-20 yrs	\$300,000
12	Molalla Avenue / Shirley Street Intersection	11-20 yrs	\$225,000
13	Mathias Road / Main Street Intersection	11-20 yrs	\$600,000
14	Molalla Forest Rd / Main St Intersection including Signalization Improvements	11-20 yrs	\$500,000
15	Downtown Bypass - Hwy 211 Widening	11-20 yrs	\$275,000
16	Mathias Road Widening	11-20 yrs	\$1,950,000
17	S. Ona Way, Main St to Molalla Forrest	11-20 yrs	\$625,000
18	S. Lowe Road, Ona Way to Hwy 213	11-20 yrs	\$1,450,000
19	Ped & Bicycle Improvements (\$25k/yr) Downtown Pedestrian District Improvements	1-20 yrs	\$500,000

20	County / ODOT Projects (Vick Rd southbound left turn lane; Vaughn Rd (County/ODOT Cont) northbound left turn lane; Hwy 213 Bike Lanes; Sawtell Rd/Molalla Ave/Wilhoit Rd Realignment; Sawtell Rd/Eaves Rd Realignment)*	1-20 yrs	\$680,000
21	Molalla Avenue Widening	1-20 yrs	\$2,860,000
22	OR Hwy 211 Streetscape - Seed Funds**	1-20 yrs	\$1,000,000
23	Downtown Streetscape - Seed Funds**	1-20 yrs	\$1,000,000
24	Downtown Land Use / Transportation Concept - Seed Funds**	1-20 yrs	\$1,000,000
25	Realign Intersections - (Hart/Kennel and Berkley/Grange)	1-20 yrs	\$1,200,000
26	Main/Molalla Intersection signalization Improvements	1-20 yrs	\$410,000
27	Other OR 211 Intersection Improvements (OR 211/Ridings; Thelander)*	1-20 yrs	\$600,000
28	Molalla Forest Road - Main to Mathias	1-20 yrs	\$6,500,000
29	Master Planning & SDC Update	1-20 yrs	\$50,000
30	Miscellaneous Roadway Oversizing	1-20 yrs	\$50,000
		TOTAL	\$26,670,000

* Match funds for County and ODOT jurisdiction projects were estimated at 50% of the estimated project costs

** Seed Funds for Downtown Plan Projects were set at \$1,000,000 per project

T-V. TRANSPORTATION SYSTEM SDC IMPROVEMENT FEE CALCULATION

The transportation SDC costs are allocated based on the number of Equivalent Length New Daily Trips (ELNDT) generated by the benefitting properties. The TSP estimated benefitted population through the year 2019 at approximately 13,370. No projections were made for Average Weekday ELNDT nor was the total area of the expanded UGB defined in the 2001 TSP.

Based on the areas contained within the existing UGB, the estimated build-out population and estimates of commercial / industrial development, an estimate of ELNDT can be made for the proportionately larger planning area used in the 2001TSP. Assumptions used to calculate the UGB build-out are:

- 20 percent of gross acres are dedicated to public use for all zones
- Average of 7 EDU per net acre in all residential zones
- Average of 2.67 people per EDU population
- Average of 8 ELNDT per EDU for all residential zones
- Average 30% lot coverage for buildings in commercial zones

- Average 15% lot coverage for buildings in industrial zones
- Average of 10 ELNDT/KSF Commercial and 3 ELNDT/KSF industrial

The number of ELNDT within the existing UGB is estimated in the following table:

CITY OF MOLALLA
ESTIMATED EQUIVALENT LENGTH NEW DAILY TRIPS
WITHIN THE 2000 UGB
 January 2014

LAND USE	Gross Acres	Estimated Units	ELNDT Per Unit	ELNDT AVE WEEKDAY
RESIDENTIAL	721.8	4,040 EDU	8	32,320
COMMERCIAL	203	2,653 KSF	10	26,530
INDUSTRIAL	419	2,740 KSF	3	8,220
TOTAL	1,343.8		TOTAL	67,070

The 2001 TSP is based on infrastructure improvements to serve a population of 13,370. Build-out population of the UGB is 4,040 EDU and at 2.67 people per EDU equates to 10,800 population. The TSP planning window population is 24% greater, therefore the estimate of total ELNDT in the planning window is estimated at 124% of the UFB trip estimate, or a total of 83,000 ELNDT. This estimate assumes the commercial industrial UGB expansions remain in the same relative proportion to residential as in the current UGB.

The SDC improvement fee cost per ELNDT is then:

$$\text{SDC Improvement Fee} = (\text{SDC ELIGIBLE COSTS}) / (\text{Total ELNDT})$$

$$\text{SDC Improvement Fee} = (\$26,670,000) / (83,000 \text{ ELNDT})$$

$$\text{Improvement Fee} = \mathbf{\$321 \text{ per ELNDT}}$$

T-VI. TRANSPORTATION SYSTEM SDC REIMBURSEMENT FEE:

A Reimbursement Fee is incorporated into this 2014 SDC Update to quantify the value of existing transportation system improvements with capacity to accommodate future growth. The value of the oversize component will include the incremental value over a 36 foot wide roadway. Offsite improvements include the total value of a transportation system improvement if not associated with a private development site. These existing improvements provide the network of transportation improvements to serve the needs of the existing residents and future growth.

The following table lists the value of the existing transportation system improvements with capacity to serve buildout of the UGB:

CITY OF MOLALLA
EXISTING TRANSPORTATION SYSTEM IMPROVEMENTS
 January 2014

No.	PROJECT DESCRIPTION	CURRENT VALUE
1	Arterial Street Improvements: Highway 211, Highway 213, Molalla Ave	\$364,000
2	Collector Street Improvements: Mathias Road, Heintz Road, S Cole Street	\$200,000
3	Minor / Local Street Improvements: May Street, Molalla Forest, 5th Street, Shirley Street	\$400,000
4	Master Planning & SDC Updates	\$75,000
TOTAL		\$1,039,000

T-VII. TRANSPORTATION SDC REIMBURSEMENT FEE CALCULATION:

As determined in the above table, the value of existing improvements is estimated at \$2,724,000. The Reimbursement Fee component of the SDC is calculated by dividing the total value by the number of benefitting ELNDT:

$$\text{SDC Cost per SF} = (\text{Total Reimbursement Value}) / (\text{Total ELNDT})$$

$$\text{SDC Cost per SF} = (\$1,039,000) / (83,000 \text{ ELNDT})$$

$$\text{SDC Reimbursement Fee} = \mathbf{\$12 \text{ per ELNDT}}$$

T-VIII. TRANSPORTATION SYSTEM TOTAL SDC FEE CALCULATION

Based on the identified Capital Improvement Plan, reimbursement values and the projected number of new Equivalent Length New Daily Trips through the planning period, the SDC fee is summarized below:

$$\text{SDC Improvement Fee} = \$321 \text{ per ELNDT}$$

$$\text{SDC Reimbursement Fee} = \$12 \text{ per ELNDT}$$

$$\text{Transportation SDC} = \mathbf{\$333 \text{ per ELNDT}}$$

The cost per ELDNT should be applied to the ITE Trip Generation factor, as adjusted by the Local Factor, to determine the specific charge for each land use. The ITE Trip Generation factor should be based on the average weekday trips from the best category fit in the most current Trip Generation Manual, which is included at the end of this text as listed in the 9th Edition.

The ITE tables publish average trip rates for each land use, however, they do not account for length of trip or linked trips because those factors are specific to each community. The length factor is an estimate of the ratio of the subject land use trip length to an average single family residential trip length. The linked trip factor is an estimate of how many of the trips specific to the subject land use are linked to other destinations, where the actual trip is shared by multiple destinations or multiple stops on the same trip.

The following table lists the SDC costs for selected land use, including a 2% charge for administration. Attached at the end of this section is a complete listing of all available ITE trip categories with published average weekday trip rates from the 9th Edition as adjusted by the factors discussed above.

CITY OF MOLALLA
TRANSPORTATION SDC FEES FOR SELECTED LAND USES
BASED ON ITE AVERAGE WEEKDAY ELNDT
 January 2014

	ITE CATEGORY, UNITS	ELNDT/ UNIT	TRIP FACTOR	FEE PER ELNDT	ADMIN FEE (2%)	SDC COST
--	All ITE Trip Categories	--	--	\$333	\$6	\$339
	Residential					
210	Single family, per unit	9.52	100%	\$333	\$63	\$3,225
220	Apartment, per unit	6.65	100%	\$333	\$44	\$2,260
	Commercial / Industrial					
110	Light Industrial, per KSF*	6.97	50%	\$333	\$23	\$1,185
120	Heavy Industrial, per KSF*	1.50	50%	\$333	\$5	\$255
320	Motel, per room	5.63	50%	\$333	\$19	\$955
630	Medical Clinic, per KSF*	31.45	50%	\$333	\$105	\$5,340
710	General Office, per KSF*	11.03	50%	\$333	\$37	\$1,875
814	Variety Store, per KSF*	64.03	50%	\$333	\$213	\$10,875

* Units are per 1,000 square feet of gross building area

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TRANSPORTATION SDC FEES
AVERAGE WEEKDAY ELNDT FACTORS
* ITE 9th Edition

ITE #	LAND USE	ITE TRIP RATE*	LOCAL FACTOR	ELNDT RATE
Port & Terminal Use				
10	Waterport / Marine Terminal, Per Acre	11.93	50%	5.97
21	Commercial Airport, Per Commercial Flight per day	122.21	50%	61.10
22	General Aviation Airport, Per Average Flights per Day	1.97	50%	0.98
30	Truck Terminal, Per Acre	81.9	50%	40.95
90	Park-and-Ride Lot with Bus Service, Per Parking Space	4.50	50%	2.25
93	Light Rail Transit Station with Parking, Per Parking Space	2.51	50%	1.25
Industrial Use				
110	General Light Industrial, Per KSF	6.97	50%	3.48
120	General Heavy Industrial, Per KSF	1.50	50%	0.75
130	Industrial Park, Per KSF	6.83	50%	3.41
140	Manufacturing, Per KSF	3.82	50%	1.91
150	Warehousing, Per KSF	3.56	50%	1.78
151	Mini-Warehouse, Per KSF	2.50	50%	1.25
160	Data Center, Per KSF	0.99	50%	0.49
Residential Use				
210	Single-Family Detached Housing, Per Dwelling	9.52	100%	9.52
220	Apartment, Per Dwelling	6.65	100%	6.65
221	Low-Rise Apartment, Per Occupied Unit	6.59	100%	6.59
222	High-Rise Apartment, Per Dwelling	4.20	100%	4.20
230	Residential Condominium/ Townhouse, Per Dwelling	5.81	100%	5.81
232	High-Rise Residential Condominium /Townhouse, Per Dwelling	4.18	100%	4.18
240	Mobile Home Park, Per Occupied Dwelling	4.99	100%	4.99
251	Senior Adult Housing - Detached, Per Dwelling	3.68	100%	3.68
252	Sr. Adult Housing - Attached, Per Occupied Dwelling Unit	3.44	100%	3.44

ITE #	LAND USE	ITE TRIP RATE*	LOCAL FACTOR	ELNDT RATE
253	Congregate Care Facility, Per Occupied Dwelling Unit	2.15	100%	1.07
254	Assisted Living, Per Bed	2.66	100%	1.33
255	Continuing Care Retirement Community, Per Occupied Unit	2.50	100%	1.25
260	Recreational Home, Per Dwelling	3.16	100%	3.16
270	Residential Planned Unit Development, Per Dwelling	7.50	100%	7.5
Lodging				
310	Hotel, Per Room	8.17	50%	4.08
311	All Suites Hotel, Per Room	4.90	50%	2.45
312	Business Hotel, Per Occupied Unit	7.27	50%	3.63
320	Motel, Per Room	5.63	50%	2.81
Recreational				
411	City Park, Per Acre	1.89	50%	0.94
412	County Park, Per Acre	2.28	50%	1.14
413	State park, Per Acre	0.65	50%	0.32
414	Water Slide Park, Per Parking Space	2.27	50%	1.13
415	Beach Park, Per Acre	29.81	50%	14.90
417	Regional Park, Per Acre	4.57	50%	2.28
418	National Monument, Per Acre	5.37	50%	2.68
420	Marina, Per Berth	2.96	50%	1.48
430	Golf Course, Per Acre	5.04	50%	2.52
435	Multipurpose Recreational Facility, Per Acre	90.38	50%	45.19
437	Bowling Alley, Per KSF or Per Lane	33.33	50%	16.66
443	Movie Theater without Matinee, Per KSF	78.06	50%	39.03
444	Movie Theater with Matinee, Per KSF	99.28	50%	49.64
452	Horse Track, Per Acre	43.00	50%	21.50
460	Arena, Per Acre	33.33	50%	16.66
480	Amusement Park, Per Acre	75.76	50%	37.88
481	Zoo, Per Acre	114.88	50%	57.44
488	Soccer Complex, Per Field	71.33	50%	35.66
490	Tennis Courts, Per Court	31.04	50%	15.52
491	Racquet/Tennis Club, Per KSF	14.03	50%	7.01
492	Health/Fitness Club, Per KSF	32.93	50%	16.46

ITE #	LAND USE	ITE TRIP RATE*	LOCAL FACTOR	ELNDT RATE
493	Athletic Club, Per KSF	43.00	50%	21.50
495	Recreational Community Center, Per KSF	33.82	50%	16.91
Institutional				
520	Elementary School, Per KSF	15.43	50%	7.71
522	Middle School/Junior High School, Per KSF	13.78	50%	6.89
530	High School, Per KSF	12.89	50%	6.44
540	Junior/Community College, Per KSF	27.49	50%	13.74
560	Church, Per KSF	9.11	50%	4.55
561	Synagogue, Per KSF	10.64	50%	5.32
565	Day Care Center, Per KSF	74.06	50%	37.03
566	Cemetery, Per Acre	4.73	50%	2.36
590	Library, Per KSF	56.24	50%	28.12
Medical				
610	Hospital, Per KSF	13.22	50%	6.61
620	Nursing Home, Per KSF	7.60	50%	3.80
630	Clinic, Per KSF	31.45	50%	15.72
Office				
710	General Office Building, Per KSF	11.03	50%	5.51
714	Corporate Headquarters Building, Per KSF	7.98	50%	3.99
715	Single Tenant Office Building, Per KSF	11.65	50%	5.82
720	Medical-Dental Office Building, Per KSF	36.13	50%	18.06
730	Government Office Building, Per KSF	68.93	50%	34.46
731	State Motor Vehicles Department, Per KSF	166.02	50%	83.01
732	United States Post Office, Per KSF	108.19	50%	54.09
733	Government Office Complex, Per KSF	27.92	50%	13.96
750	Office Park, Per KSF	11.42	50%	5.71
760	Research and Development Center, Per KSF	8.11	50%	4.05
770	Business Park, Per KSF	12.44	50%	6.22

ITE #	LAND USE	ITE TRIP RATE*	LOCAL FACTOR	ELNDT RATE
Retail				
812	Building Materials & Lumber Store, Per KSF	45.16	50%	22.58
813	Free-Standing Discount Superstore, Per KSF	50.75	50%	25.37
814	Variety Store, Per KSF	64.03	50%	32.01
815	Free-Standing Discount Store, Per KSF	57.24	50%	28.62
816	Hardware/Paint Store, Per KSF	51.29	50%	25.64
817	Nursery (Garden Center), Per KSF	68.10	50%	34.05
818	Nursery (Wholesale), Per Acre	39.00	50%	19.50
820	Shopping Center, Per KSF	42.70	50%	21.35
823	Factory Outlet Center, Per KSF	26.59	50%	13.29
826	Specialty Retail Center, Per KSF	44.32	50%	22.16
841	New Car Sales, Per KSF	32.30	50%	16.15
843	Automobile Parts Sales, Per KSF	61.91	50%	30.95
848	Tire Store, Per KSF	24.87	50%	12.43
849	Tire Superstore, Per KSF	20.36	50%	10.18
850	Supermarket, Per KSF	102.24	50%	51.12
851	Convenience Market (Open 24 Hours), Per KSF	737.99	50%	368.99
853	Convenience Market with Gasoline Pumps, Per KSF	845.60	50%	422.80
854	Discount Supermarket, Per KSF	90.86	50%	45.43
857	Discount Club, Per KSF	41.80	50%	20.90
860	Wholesale Market, Per KSF	6.73	50%	3.36
862	Home Improvements Superstore, Per KSF	30.74	50%	15.37
863	Electronics Superstore, Per KSF	45.04	50%	22.52
863	Book Superstore, Per KSF	143.53	50%	71.76
869	Discount Home Furnishing Superstore, Per KSF	20.00	50%	10.00
875	Department Store, Per KSF	22.88	50%	11.44
876	Apparel Store, Per KSF	66.40	50%	33.20
879	Arts and Craft Store, Per KSF	56.55	50%	28.27
880	Pharmacy/Drugstore without Drive-Through Window, Per KSF	90.06	50%	45.03

ITE #	LAND USE	ITE TRIP RATE*	LOCAL FACTOR	ELNDT RATE
881	Pharmacy/Drugstore with Drive-Through Window, Per KSF	96.91	50%	48.45
890	Furniture Store, Per KSF	5.06	50%	2.53
897	Medical Equipment Store, Per KSF	6.00	50%	3.00
Service				
912	Drive-In Bank, Per KSF	148.15	50%	74.07
931	Quality Restaurant, Per KSF	89.95	50%	44.97
932	High-Turnover (sit-Down) Restaurant, Per KSF	127.15	50%	63.57
933	Fast Food Restaurant without Drive-Through Window, Per KSF	716.00	50%	358.00
934	Fast Food Restaurant with Drive-Through Window, Per KSF	496.12	50%	248.06
937	Coffee / Donut Shop w/Drive Thru, Per KSF	818.58	50%	409.29
938	Coffee / Donut Shop Drive Thru Only, Per KSF	1,800.00	50%	900.00
941	Quick Lubrication Vehicle Shop, Per Bay	40.00	50%	20.00
942	Automotive Care Center, Per KSF	23.72	50%	11.86
944	Gasoline/Service Station, Per Fueling Positions	168.56	50%	84.28
945	Gasoline/Service Station with Convenience Market, Per Fueling Positions	162.78	50%	81.39
946	Gasoline/Service Station with Convenience Market and Car Wash, Per Fueling Positions	152.84	50%	76.42
947	Self-Service Car Wash, Per Wash Stall	108	50%	54.00

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City of Molalla
PARKS & RECREATION SDC UPDATE

January 2014

P-I. OVERVIEW

In 2005 the City of Molalla adopted Resolution 2005-04 updating the City Parks & Recreation System Development Charge (SDC) Fees. The Parks & Recreation SDC fee is only applied to residential development and assumes 2.5 persons per Equivalent Dwelling Unit (EDU). In 2005 the SDC Fee was increased to \$903 per EDU and has not been adjusted since adoption. Similar to the previously adopted 1999 SDC methodology, the 2005 SDC fee was based on a projected list of needed improvements and an estimate of benefitting population.

In 2007 the City of Molalla prepared a Parks, Recreation & Trails Master Plan to establish development standards to guide future development of the parks & recreation infrastructure. The Plan quantified the desired Level of Service (LOS) and priorities to generally comply with the recommendations of the National Recreation and Park Association (NRPA). General capital improvement projects were identified based on Level of Service standards and a list of specific capital improvements was also identified to guide the City in park facility development.

Based on the standards adopted in the 2007 City of Molalla Parks, Recreation & Trails Master Plan, this current SDC update modifies the Parks & Recreation SDC methodology to adopt a Level of Standards approach for needed capital improvements. This approach simplifies the application of the SDC fee by eliminating the need to project the increase in population, and eliminates the need to define that portion of any capital improvement that specifically benefits future population. The overall LOS of 12.5 acres per 1,000 population has been adopted through the master planning process. 2.5 acres per 1,000 population was intended to be on unbuildable lands, with the remaining 10 acres per 1,000 on buildable lands.

An LOS approach is independent of population growth and establishes a per capita demand for park facilities. The 2005 Park, Recreation and Trails Master Plan identified the following LOS for the City of Molalla:

Neighborhood Parks	3.0 Acres per 1,000 residents
Community Parks	3.0 Acres per 1,000 residents
Natural/Open Space	4.0 Acres per 1,000 residents
Other Facilities	2.5 Acres per 1,000 residents
Trails	Within 1/2 mile of all residents
Baseball/Softball Fields	1 per 1,500 residents
Soccer Fields	1 per 1,000 residents
Football/Rugby/Lacrosse	1 per 4,000 residents
Basketball Courts	1 per 500 residents
Tennis Courts	1 per 1,500 residents

A variety of populations per household numbers have been used in the City's planning documents, varying from 2.5 persons per household to over 2.8 persons per household. The 2010 census defined the average number of 2.67 persons per household for the City of Molalla. As a result, an EDU for Parks and Recreation will be defined in this update as a household of 2.67 population.

P-II. CREDITS FOR ELIGIBLE CONSTRUCTION

In accordance with the state statutes, credits must be available for eligible public works construction. Credits must be issued for 100% of eligible off-site improvements, and for the oversized component only of on-site improvements.

Parks and Recreation improvements differ from typical infrastructure in that each facility generally benefits a wide region of residents and are not typically located in all developments. As a result, except for the value of donated land, credits within any specific development would be unusual. Improvements should generally be defined and improved by the City with growth typically paying their share through the SDC fee.

The amount of any credit should be based on actual costs, but also generally follow the values listed in the CIP tables. If the City elects to have park improvements constructed by private development, the City should be integrally involved in the selection of materials and purchase of equipment and pre-approve all expenditures.

P-III. PARKS & RECREATION CAPITAL IMPROVEMENT PLAN

The 2005 Parks, Recreation and Trails Master Plan identified the required capital improvements for Parks and Recreation based on population. The following table identifies each component of the parks & recreation system and identifies the estimated cost from the Master Plan for needed capital improvements.

The total cost of the CIP in the Master Plan was approximately \$27 million dollars in 2007. Cost per acre or per facility to fully develop each improvement was derived from Table 11 in the 2007 Master Plan for the improvements defined in Table 5. The costs were then revised to include recent cost history and adjusted to the December 2013 ENR CCI of 9,668. Funding improvements to the level identified in the Master Plan is not financially feasible without sources of revenue outside of the SDC. As a result, the table anticipates 30% grant or alternative funding source participation in each of the four major park types.

The Master Plan also identified \$3.072 million of deficiencies from the desired level of service in the existing park and recreation system improvements. Using the unit pricing of fully developed facilities from the following table, the existing park system is valued in 2013 dollars at \$17,800,000. The deficiencies amount to approximately 17% of the fully developed value of the existing parks. Accordingly, the SDC fee should be reduced by 17% to provide an equivalent LOS to future users.

CITY OF MOLALLA
PARKS & RECREATION SYSTEM
LEVEL OF SERVICE ESTIMATES
January 2014

No	PROJECT DESCRIPTION	DEVELOPMENT PRIORITY	ESTIMATED COST	BENEFITTED POPULATION	COST PER PERSON
1	Neighborhood Parks, 3 acres @ \$240k	1-20 yrs	\$500,000*	1,000	\$500
2	Community Parks, 3 acres @ \$240k	1-20 yrs	\$500,000*	1,000	500
3	Natural/Open Space, 4 acres @ \$150k	1-20 yrs	\$420,000*	1,000	420
4	Other Facilities, 2.5 acres @ \$250k	1-20 yrs	\$420,000*	1,000	420
5	Trails, Walking Paths	1-20 yrs	\$50,000	1,000	50
6	Baseball/Softball Fields, each	1-20 yrs	\$150,000	1,500	100
7	Soccer Fields, each	1-20 yrs	\$300,000	1,500	200
8	Football/Rugby/Lacrosse Fields, each	1-20 yrs	\$300,000	1,500	200
9	Basketball Courts, each	1-20 yrs	\$40,000	500	80
10	Tennis Courts, each	1-20 yrs	\$60,000	1,500	40
11	Master Planning & SDC Update	1-20 yrs	\$40,000	12,100	3
Total Cost Per Person					\$2,463
Reduction of 17% to match existing LOS					(418)
Net Cost Per Person					\$2,045

* Assumes Grant or alternative participation of approximately 30%

P-IV. PARKS & RECREATION SDC IMPROVEMENT FEE CALCULATIONS

The Parks and Recreation SDCs are based on population only. This approach does not incorporate the collection of any SDCs from institutional, commercial or industrial development as it is difficult to define the nexus between non-residential land use and park facilities.

The 2010 census documented the average residential household population for the City of Molalla to be 2.67 people per unit, which will be used for defining an EDU in this SDC update. Using a methodology based on residential population, with the cost per person as identified in the CIP table above, and the average population per household from the Census Bureau estimates, the Parks and Recreation SDC Improvement Fee per EDU is calculated as follows:

SDC Improvement Fee = (\$2,045 per person) * (2.67 people per EDU)

SDC Improvement Fee = \$5,460 per EDU

The Improvement Fee revenues are based on providing the defined Level of Service and can be expended on any capital improvements within the Park System towards that goal.

P-V. PARKS & RECREATION SDC REIMBURSEMENT FEE SUMMARY

This SDC Update provides support for a Level of Service based Improvements Fee and does not include any costs for reimbursement.

The 2007 Master Plan provided details to conclude the existing park system was approximately 17% deficient from the adopted LOS standards. As a result, the LOS for future growth was reduced by 17% to provide for a comparable level of service to future users.

P-VI. PARKS & RECREATION SDC FEE SUMMARY

All Parks & Recreation SDCs are charged based on average population per residential dwelling unit. No Parks & Recreation SDC is allocated to commercial / industrial development. Additionally, a 2% administration fee is incorporated into each SDC charge as shown.

CITY OF MOLALLA
PARKS & RECREATION SYSTEM SDC FEES
January 2014

TYPE OF UNIT	POPULATION PER EDU	IMPROVEMENT FEE PER EDU	REIMBURSEMENT FEE PER EDU	ADMINISTRATION FEE (2%)	TOTAL SDC PER EDU
Single & Multi Family Residential	2.67	\$5,460	\$0	\$110	\$5,570

Recommendations for Modifications

Related to

**City of Molalla Engineering Report for SDC Methodology & Capital Improvement Plan
Updates - Jan 2014**

January 08, 2016

Prepared for:



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Introduction

On September 1, 2015, Project Delivery Group (PDG) was asked to review the SDC methodology report and recommend any potential modification to the methodology for calculating system development charges. This work was performed under an existing engineering services contract executed and returned to PDG on May 8, 2015. This objective of this report is to comment on possible deficiencies and provide alternatives available to the City. Curran-McLeod, Inc. prepared an engineering report for an SDC and Capital Improvement Plan (CIP) update for the water, sanitary sewer, storm drainage, transportation, and parks/recreation systems. The following is a brief summary of the findings of that report.

Water

Water SDC Methodology

W-I Overview: The water SDC methodology used city records and noted a change in Maximum Daily Demand (MDD) from 345 gallons per capita per day (gpcd) in 1996 to an average of 260 gpcd over the period from 2010 to 2013. The Average Daily Demand (ADD) was also calculated at 125 gpcd. The report identified data from the 2010 US Census showing a drop of the average household size from 2.87 to 2.67 persons per household. This yielded a rounded MDD of 700 (2.67 x 260) gallons per day per household or equivalent dwelling unit (EDU). These demand values included commercial and industrial water demands. The report stated that the MDD at the end of the 20 year planning period of the 1996 Water System Master Plan would be 4.0 million gallons per day (MGD) equivalent to the peak daily demands of 5,710 EDU. The report then used information from the 2008 Residential Land Needs Report to assume an average density of 7 housing units per acre with a 20% acreage reduction for roadways and public uses. The 2000 Comprehensive Plan designated 721.8 acres for residential development, of which 80% (577.4 acres) was used in the SDC report to estimate a build out population of 10,800 (577.4 x 7 x 2.67) and 4,040 EDU (577.4 x 7).

Analysis – The methodology used residential property information and no mention was made related to commercial or industrial lands in the report.

W-II Credits for Eligible Construction: A table was provided that set oversizing credit value for all developments on a per lineal foot basis and included a 20% engineering and administration cost. The table below identifies the credits available for pipe sizes above the City's minimum waterline size of 8 inches in diameter.

CITY OF MOLALLA Waterline Construction Credits*
January 2014

LINE SIZE	6"	8"	10"	12"	14"	18"
CONSTRUCTION COST	\$48/LF	\$54/lf	\$66/lf	\$78/lf	\$92/lf	\$108/lf
OFFSITE CREDIT	\$48/lf	\$54/lf	\$66/lf	\$78/lf	\$92/lf	\$108/lf
OVERSIZE CREDIT	\$0	\$0	\$12/lf	\$24/lf	\$38/lf	\$54/lf

*2014 Curran-McLeod, Inc. Report

Analysis – Waterline construction credits were provided but no comment was made on where these numbers came from and if the 20% engineering and administration fee was accurate. Typical engineering fees in a planning level document range from 15%-25% and administrative and legal range from 10%-15%. The table above sets the SDC credit value whether the developer pays more or less for the waterline upsizing. A more accurate way to credit SDC's



is to base the credit on actual construction values paid by the developer at the time of construction and then calculate the credit based on the difference in cost to install a pipe size larger than the minimum 8-inch waterline.

W-III Water Capital Improvement Plan: A capital improvement plan was provided from the 1996 Water Master Plan and the report recommended source development as a priority along with transmission and storage improvements. A list of projects was provided and inflated to 2013 construction cost values. All projects were SDC eligible and assigned an EDU capacity between 4,040 and 6,800.

Analysis – No information was provided on how the report arrived at these numbers per project. Project 12 is identified for planning and SDC updates. If the intent of the planning was to facilitate an update to the water master plan then the value of that update is more likely on the order of approximately \$100,000 to \$150,000. There were three calculation errors, two of significance, in the CIP table. Costs per EDU were recalculated for Project 4 (\$10.51), 8f (\$9.51), and 10 (\$25.59). The correction yields a cost per EDU of \$1,391.48 versus \$1,152.20 (\$1,150 in report). This amount distributed over the 4,040 estimated EDU creates an improvement SDC collection shortfall of approximately \$966,691

W-IV Water System SDC Improvement Fee Calculation: For the Improvement SDC calculation, the report stated that the CIP from the 1996 Water System Master Plan was mostly completed and a new CIP was developed focusing on work to be completed within the next 10 years. It identified source development as the most critical component to the water system along with treatment plant and transmission improvements. The total CIP value was set at \$6,665,200 and cost per EDU was calculated at \$1,150 per EDU but there was no explanation as to how the percent capacity was determined in EDU.

Analysis – This fee should be revised to \$1,392.

W-V Water System SDC Reimbursement Fee Asset Summary: For the Reimbursement SDC calculation, the report identified completed improvements from a 2013 Capital Asset Inventory report prepared by the City. Like the Improvement SDC's, it is not clear how capacity in EDU was calculated.

Analysis – Except for one project, all of the costs per EDU were rounded down to the nearest dollar. The unrounded calculations yields a cost per EDU of \$2,402.90 versus \$2,401.00 (\$2,400 in report). This amount distributed over the 4,040 estimated EDU creates a reimbursement SDC collection shortfall of approximately \$7,676.

W-VI Water System SDC Reimbursement Fee Calculation: This section calculated the reimbursement fee based on the total cost of improvements divided by EDU.

Analysis – This fee should be revised to \$2,403.

W-VII Water System SDC Fee Summary: The water SDC summary costs included a 2% administration fee. Industrial and commercial user fees were based on meter sizes and capacity to serve. Residential units were assigned one EDU regardless of meter size required. Meters used for only fire protection services are excluded from SDC fees. A fee schedule based on meter size was provided.

Analysis – A review of the 2% administration fee should be performed to determine if the City will recover actual costs for administering the SDC funds. If the 2% fee is not adequate then the fee should be adjusted upward to a level that covers administrative costs while not exceeding levels set by statute. Residential units should follow the same convention as commercial and industrial users. The only difference is that single family residential homes requiring a



larger meter size due to sprinkler system requirements set by the Fire District should only be charged SDC's based on fixture unit requirements. For example, a home that would normally require a ¾" meter based on fixture units is required to upsize to a 1" meter for sprinkler systems should only be charged the ¾" meter fee. Meters used for only fire protection services are excluded from SDC fees. A fee schedule based on meter size was provided. The fee table should round improvement, reimbursement, and administration fees to the nearest whole dollar to ensure complete recovery of fees without over or undercharging development. The meter factors should also meet equivalent meter ratio standards as provided in AWWA Manual M1, Appendix B. The following fee schedule shows revised amounts based on the recommendations above.

METER SIZE	FACTOR	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMINISTRATION FEE (2%)	TOTAL SDC
3/4"*	1	\$1,392	\$2,403	\$76	\$3,871
1"	1.67	\$2,320	\$4,005	\$127	\$6,452
1 ½"	3.33	\$4,640	\$8,010	\$253	\$12,903
2"	5.33	\$7,424	\$12,816	\$405	\$20,645
3"	10.67	\$14,848	\$25,632	\$810	\$41,290
4"	16.67	\$23,200	\$40,050	\$1,265	\$64,515
6"	33.33	\$46,400	\$80,100	\$2,530	\$129,030

Sanitary Sewer

Sanitary Sewer SDC Methodology

SS-I Overview: The Sanitary Sewer SDC methodology is based on the 2005 Facility Plan and improvements identified by City staff. Based on the Facility Plan, the Maximum Monthly Dry Weather Flow (MMDWF) is 300 gallons per capita per day (gpcd) and the collection and treatment facilities have capacity for 4.0 million gallons per day (MGD). This provides a capacity for a population of 13,370 (4,000,000 ÷ 300). The EDU design loading was calculated based on 2.67 persons per household, which yielded a rounded total number of EDU's at 5,008 (13,370 ÷ 2.67).

Analysis – The methodology used residential population information and no mention was made of commercial or industrial sewer flows in the report.

SS-II Credits for Eligible Construction: A table was provided that set oversizing credit value for all developments on a per lineal foot basis and included a 20% engineering and administration cost. The table below identifies the credits available for pipe sizes above the DEQ's minimum sewer line size of 8 inches in diameter.

CITY OF MOLALLA Sanitary Sewer Construction Credits*

January 2014

LINE SIZE	8"	10"	12"	16"	18"	24"
CONSTRUCTION COST	\$64/lf	\$74/lf	\$84/lf	\$94/lf	\$102/lf	\$122/lf



OFFSITE CREDIT	\$64/lf	\$74/lf	\$84/lf	\$94/lf	\$102/lf	\$122/lf
OVERSIZE CREDIT	\$0	\$10/lf	\$20/lf	\$30/lf	\$40/lf	\$60/lf

*2014 Curran-McLeod, Inc. Report

Analysis – Sewer line construction credits were provided but no comment was made on where these numbers came from and if the 20% engineering and administration fee was accurate. Typical engineering fees in a planning level document range from 15%-25% and administrative and legal range from 10%-15%. This table sets the SDC credit value whether the developer pays more or less for the sanitary sewer upsizing. A more accurate way to credit SDC's is base the credit on actual construction values paid by the developer at the time of construction and then calculate the credit based on the difference in cost to install a pipe size larger than the minimum 8-inch sanitary sewer line.

SS-III Sanitary Sewer Capital Improvement Plan: A capital improvement plan was provided from the 2000 and 2005 Wastewater Master Plan and identified growth improvements. A list of projects was provided and inflated to 2013 construction cost values. All projects were SDC eligible and assigned an EDU capacity of 5,008.

Analysis – No information was provided on how the report arrived at these EDU numbers per project. Project 10 identifies Miscellaneous Upsizing and Oversizing over the 20 year period but it is not clear where the project(s) are located. The total cost per EDU was rounded up to the nearest whole dollar. If the intent of the planning was to facilitate an update to the wastewater master plan then the value of that update is more likely on the order of approximately \$100,000 to \$150,000.

SS-IV Sanitary Sewer SDC Improvement Fee Calculation: For the Improvement SDC calculation, the report generated the CIP from the 2000 and 2005 Wastewater Facilities Plan and identified growth improvements. The total CIP value was set at \$5,417,000 and cost per EDU was calculated at \$1,082 per EDU but there was no explanation as to how the percent of capacity was determined in EDU.

Analysis – There were no cost calculation errors in the CIP table.

SS-V Sanitary Sewer SDC Reimbursement Fee Asset Summary: For the Reimbursement SDC calculation, the report identified completed improvements from a 2013 Capital Asset Inventory report prepared by the City. Like the Improvement SDC's, it is not clear how capacity in EDU was calculated.

Analysis – All of the costs per EDU were rounded to the nearest dollar but did not follow any convention. The unrounded calculations yields a cost per EDU of \$3,429.86 versus \$3,428.00 (\$3,428 in report). This amount distributed over the 5,008 estimated EDU creates a reimbursement SDC collection shortfall of approximately \$9,315.

SS-VI Sanitary Sewer SDC Reimbursement Fee Calculation: This section calculated the reimbursement fee based on the total cost of improvements divided by EDU.

Analysis – This fee should be revised to \$3,430.

SS-VII Sanitary Sewer SDC Fee Summary: The sanitary sewer SDC summary costs included a 2% administration fee. Industrial and commercial user fees were based on meter sizes and capacity to serve. Single and multi-family units were assigned one EDU regardless of water meter size required. A fee schedule based on meter size was provided.



Analysis – A review of the 2% administration fee should be performed to determine if the City will recover actual costs for administering the SDC funds. If the 2% fee is not adequate then the fee should be adjusted upward to a level that covers administrative costs while not exceeding levels set by statute. Residential and multi-family units should follow the same convention as commercial and industrial users. The only difference is that single family residential homes requiring a larger meter size due to sprinkler system requirements set by the Fire District should only be charged SDC's based on fixture unit requirements. For example, a home that would normally require a ¾" meter based on fixture units is required to upsize to a 1" meter for sprinkler systems should only be charged the ¾" meter fee. Meters used for only fire protection services are excluded from SDC fees. A fee schedule based on meter size was provided. The fee table should round improvement, reimbursement, and administration fees to the nearest whole dollar to ensure complete recovery of fees without over or undercharging development. The meter factors should also meet equivalent meter ratio standards as provided in AWWA Manual M1, Appendix B. The following fee schedule shows revised amounts based on the recommendations above.

METER SIZE	FACTOR	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMINISTRATION FEE (2%)	TOTAL SDC
3/4"*	1	\$1,082	\$3,430	\$91	\$4,603
1"	1.67	\$1,804	\$5,717	\$151	\$7,672
1 ½"	3.33	\$3,607	\$11,434	\$301	\$15,342
2"	5.33	\$5,771	\$18,294	\$482	\$24,547
3"	10.67	\$11,542	\$36,587	\$963	\$49,092
4"	16.67	\$18,034	\$57,167	\$1,505	\$76,706
6"	33.33	\$36,067	\$114,334	\$3,009	\$153,410

Stormwater

Stormwater SDC Methodology

SD-I Overview: The Storm Drainage SDC methodology is based on a capital improvement plan prepared by City staff. The methodology predates any master plan and provided a low EDU. The SDC was also limited to an improvement fee only. The final calculations of the 1999 methodology included costs in both SDC's per EDU (\$289.33) and SDC's per SF (\$0.11). Based on the 2003 Stormwater Master Plan, the report uses 2,640 SF of impervious area per EDU.

Analysis – The methodology used 2,640 SF of impervious area as one EDU and should be the basis for all calculations of impervious surface factors.

SD-II Credits for Eligible Construction: A table was provided that set oversizing credit value for all developments on per lineal foot basis and included engineering and administration cost. The table below identifies the credits available for pipe sizes above the City's minimum drainage pipe size of 12 inches in diameter.



CITY OF MOLALLA Stormwater System Construction Credits*
January 2014

LINE SIZE	12"	15"	18"	21"	24"	27"	30"	36"
CONSTRUCTION COST	\$38/lf	\$44/lf	\$50/lf	\$56/lf	\$64/lf	\$72/lf	\$82/lf	\$94/lf
OFFSITE CREDIT	\$38/lf	\$44/lf	\$50/lf	\$56/lf	\$64/lf	\$72/lf	\$82/lf	\$94/lf
OVERSIZE CREDIT	\$0	\$6/lf	\$12/lf	\$18/lf	\$26/lf	\$34/lf	\$44/lf	\$56/lf

*2014 Curran-McLeod, Inc. Report

The report recommended the creation of an SDC overlay for undeveloped properties fronting the offsite improvements to cover the costs of the base pipeline size.

Analysis – Storm drainage construction credits were provided but no comment was made on where these numbers came from and no percentage was provided for engineering and administration fees. Typical engineering fees in a planning level document range from 15%-25% and administrative and legal range from 10%-15%. This table sets the SDC credit value whether the developer pays more or less for the storm upsizing. A more accurate way to credit SDC's is base the credit on actual construction values paid by the developer at the time of construction and then calculate the credit based on the difference in cost to install a line size larger than the minimum 12-inch storm drainage line. An SDC overlay is one method that pays the developer at the time of construction. If no storm system exists to the development area, another more commonly used method is to pay the developer for the oversizing of the storm system and then set up a reimbursement district. If the adjoining land owners develop their properties or connect to the line then they are charge for their portion of the line fronting the property. Tentative assessments are set up for each of the benefitting properties and the assessments last for 10 years. If no properties develop or connect to the system then the no additional credits or reimbursements are provided to the developer.

SD-III Stormwater System Capital Improvement Plan: A capital improvement plan was provided from the 2003 Stormwater Master Plan and the cost allocation was distributed over the entire population, current and future, and the report indicated that all of the projects were 100% SDC eligible.

Analysis – The total cost was based on all projects in the CIP calculated at 100% SDC eligible since the report allocates the cost to both existing and future users. In fact, if it is assumed that there was no future growth and that the existing system were sufficient in size to prevent flooding and other deficiencies then there would be no SDC allocation for the existing users. Future users would then be charged for capacity related improvement as part of the improvement SDC's and charged for existing additional capacity built and paid for by the existing users as part of the reimbursement SDC's. When reviewing the 2003 Master Plan the projects listed were created to relieve flooding and other existing capacity issues within the system; therefore, a majority of the CIP projects should not be classified as 100% SDC eligible and modeling for existing and excess capacity should be performed before assigning SDC eligibility. This was not performed as part of the Master Plan but should have been part of the scope of the project. If the



intent of the planning was to facilitate an update to the stormwater master plan then the value of that update is more likely on the order of approximately \$100,000 to \$150,000.

SD-IV Stormwater System Improvement Fee Calculation: For the Improvement SDC calculation, the report based the EDU on the 2009 Residential Land Needs Inventory numbers and used an average density of 7 units per acre. The 1981 UGB included 721.8 acres of residential land and 577.4 acres were set aside for housing units. This yielded a total housing unit of 4,040 units (577.4 x 7) and a buildout population of 10,800 people (577.4 x 7 x 2.67). Commercial impervious area was based on 203 acres with a 30% lot coverage for a total of 60.9 acres of impervious surface. Industrial impervious area was based on 419 acres with a 15% lot coverage for a total of 62.8 acres of impervious surface. The net impervious area for residential, commercial, and industrial land uses was set at 368.7 acres. The total costs of CIP improvements (\$4,400,000) was then divided by the net acreage (368.7) and converted into cost per square foot ($\$4,400,000 \div (368.7 * 43560)$). This yielded an SDC cost per square foot of \$0.274 per SF and \$724 per EDU.

Analysis – The improvement fee was a mixture of assumed residential, commercial and industrial land that was available for development. Residential was assigned a value of 7 EDU per acre, commercial at 30% impervious, and industrial at 15% impervious. A more realistic number given the terrain of Mollala would be to assign values for residential at 65%, commercial at 85%, and industrial at 72% (TR-55 Table 2-2a Runoff Curve Numbers for Urban Areas). Recalculating and giving weights to each area yields the following values:

$(721.8 * 0.65 + 203 * 0.85 + 419 * 0.72) \div (721.8 + 203 + 419) = 943.4 \div 1343.8 = 70\%$ average impervious for the developable acreage. This yields a total impervious acreage of 505 acres ($721.8 * 0.70$). Calculating the SDC cost per square foot yields \$0.20 per SF ($\$4,400,000 \div (505 * 43,560)$) or \$528 per EDU ($2640 * 0.20$). The fee should be revised to \$0.20 per SF and \$528 per EDU if the City wants to follow the methodology provided for in the report. The \$528 amount should also be limited to only single family residential homes. Duplexes thru four-plexes should be charged by EDU (2 thru 4 EDU's) and apartment complexes should be charged by impervious surface similar to commercial and industrial properties. While this amount is slightly less than the amounts proposed in the report, the impervious areas are more representative of actual calculations for stormwater design.

SD-V Stormwater System Reimbursement Fee: For the Reimbursement SDC calculation, the report identified completed improvements from a 2013 Capital Asset Inventory report prepared by the City. Like the Improvement SDC's, it is not clear how capacity in EDU was calculated.

Analysis – A summary of values was provided for the reimbursement fee for upgrading and oversizing the existing system but it is unclear where the system data is from or if it is based on Master Plan information or existing system information by the City.

SD-VI Stormwater System Reimbursement Fee Calculation: This section calculated the reimbursement fee based on the total cost of improvements divided by EDU.

Analysis – The reimbursement fee was based on the same principles as the improvement fee. Recalculating based on the recommendations in the improvement fee section yields the following values:

Calculating the SDC cost per square foot yields \$0.01 per SF ($\$125,500 \div (505 * 43,560)$) or \$27 per EDU ($2640 * 0.01$) rounded up to the nearest whole dollar. The fee should be revised to \$0.01 per SF and \$26.40 per EDU if the City wants to follow the methodology provided for in the report. The \$27 amount should also be limited to only single family residential homes. Duplexes thru four-plexes should be charged by EDU (2 thru 4 EDU's) and multi-family



apartment complexes should be charged by impervious surface similar to commercial and industrial properties. Multi-family, commercial, and industrial should be charged \$10 per thousand square feet of impervious surface (1,000*0.01).

SD-VII Stormwater System Fee Summary: The storm drainage SDC summary costs included a 2% administration fee. Industrial and commercial user fees were based on actual impervious areas. Residential units were assigned one EDU based on an average of 2,640 square feet of impervious area. A fee schedule based on meter size was provided.

Analysis – A review of the 2% administration fee should be performed to determine if the City will recover actual costs for administering the SDC funds. If the 2% fee is not adequate then the fee should be adjusted upward to a level that covers administrative costs while not exceeding levels set by statute. Multi-family units larger than a four-plex should follow the same convention as commercial and industrial users. The fee table should round improvement, reimbursement, and administration fees to the nearest whole dollar to ensure complete recovery of fees without over or undercharging development. The following fee schedule shows revised amounts based on the recommendations above.

LAND USE	UNITS	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMINISTRATION FEE (2%)	TOTAL SDC
Single Family Residential	Per EDU	\$528	\$27	\$12	\$567/EDU
Duplex, triplex, & fourplex	Per EDU	\$528	\$27	\$12	\$567/EDU
Multifamily	Per KSF	\$200	\$10	\$5	\$215/KSF
Commercial	Per KSF	\$200	\$10	\$5	\$215/KSF
Industrial	Per KSF	\$200	\$10	\$5	\$215/KSF

Parks & Recreation

Parks & Recreation SDC Update

P-I Overview: The Parks & Recreation SDC methodology is based on a capital improvement plan from the 2007 Parks, Recreation, & Trails Master Plan. The plan set an overall level of service (LOS) at 2.5 acres of parkland per 1,000 residents. Because City planning documents vary residents per EDU from 2.5 to 2.8, the report set the number of residents per EDU at 2.67 consistent with the other SDC methodologies. Parks SDC are also only collected from residential developments.

Analysis – Using the 2.67 residents per EDU to match the other SDC methodologies is a good approach.

P-II Credits for Eligible Construction: The report recommended collection of SDC’s from development and parks improvements are developed as part of a development then the City should be involved in the selection and approval of all materials and equipment.

Analysis – Because the City will likely take over maintenance and ownership responsibilities for development parks, the recommendations of the report are consistent with practices by other agencies.



P-III Parks & Recreation Capital Improvement Plan: A capital improvement plan was provided from the 2007 Master Plan and the project costs estimated a 30% outside match to the available SDC's. The total project cost was inflated to 2013 costs and set at \$17,800,000. There were \$3,072,000 in deficiencies identified in the plan and the report recommended reducing the SDC to match the existing LOS.

Analysis – It is not clear where the project list came from since it does not match the listed projects in the 2005 Interim Parks SDC report. The value of projects in that report totaled \$5,686,882 with \$903,328 of those costs as SDC eligible.

With respect to the report reviewed, the objective of a master plan is to provide the community with facilities that meet a certain LOS throughout the community. If the existing system has deficiencies based on maintenance and upkeep then those deficiencies should be addressed by the City through general fund or parks fee revenues. If the deficiencies are capacity related then they should be included in or added on to the cost of identified improvements. Either way, the SDC should not be reduced to provide a lower level of service than what is desired by the community. A calculation error was identified in Projects 1 thru 4 or a total loss of approximately \$25,500 in SDC revenues without the 17% reduction. The following table provides recommended changes to the total cost per person:

No	PROJECT DESCRIPTION	DEVELOPMENT PRIORITY	ESTIMATED COST	BENEFITTED POPULATION	COST PER PERSON
1	Neighborhood Parks, 3 acres @ \$240k	1-20 yrs	\$504,000*	1,000	\$504
2	Community Parks, 3 acres @ \$240k	1-20 yrs	\$504,000*	1,000	504
3	Natural/Open Space, 4 acres @ \$150k	1-20 yrs	\$420,000*	1,000	420
4	Other Facilities, 2.5 acres @ \$250k	1-20 yrs	\$437,500*	1,000	438
5	Trails, Walking Paths	1-20 yrs	\$50,000	1,000	50
6	Baseball/Softball Fields, each	1-20 yrs	\$150,000	1,500	100
7	Soccer Fields, each	1-20 yrs	\$300,000	1,500	200
8	Football/Rugby/Lacrosse Fields, each	1-20 yrs	\$300,000	1,500	200
9	Basketball Courts, each	1-20 yrs	\$40,000	500	80
10	Tennis Courts, each	1-20 yrs	\$60,000	1,500	40
11	Master Planning & SDC Update	1-20 yrs	\$40,000	12,100	3
Total Cost Per Person					\$2,539

* Assumed Grant or alternative participation of approximately 30% from report.

This discrepancy between the 2005 and 2014 reports will need to be resolved before an SDC cost per EDU can be allocated.



P-IV Parks & Recreation SDC Improvement Fee Calculation: For the Improvement SDC calculation, the report calculated the improvement fee defined in the capital improvement plan section times the number of people per EDU to yield a fee per EDU.

Analysis – The improvement fee calculation was simple and based on the number of users per EDU.

P-V Parks & Recreation SDC Reimbursement Fee: No reimbursement fee was provided since the LOS was deficient or under capacity by 17%.

Analysis – This fee should be revisited once park facilities reach a point that provides added capacity.

P-VI Parks & Recreation SDC Fee Summary: The Parks & Recreation SDC summary costs included a 2% administration fee.

Analysis – A review of the 2% administration fee should be performed to determine if the City will recover actual costs for administering the SDC funds. If the 2% fee is not adequate then the fee should be adjusted upward to a level that covers administrative costs while not exceeding levels set by statute. The fee table should round improvement, reimbursement, and administration fees to the nearest whole dollar to ensure complete recovery of fees without over or undercharging development. The following fee schedule shows revised amounts based on the recommendations above but the question of where the project list and cost originated still needs to be resolved.

LAND USE	POPULATION PER EDU	IMPROVEMENT FEE	REIMBURSEMENT FEE	ADMINISTRATION FEE (2%)	TOTAL SDC
Single Family & Multi-Family Residential	2.67	\$6,779	\$0	\$136	\$6,915/EDU



EXHIBIT "C"



CITY OF MOLALLA
SYSTEM DEVELOPMENT CHARGES (SDC)

EFFECTIVE July 27, 2016

1. WATER SYSTEM SDC'S RATE SCHEDULE

METER SIZE	EDU FACTOR	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMIN SDC (2%)	TOTAL SDC
3/4"*	1	\$1,454	\$2,403	\$73	\$3,935
1"***	1.67	\$2,424	\$4,005	\$120	\$6,558
1 1/2"	3.33	\$4,847	\$8,010	\$241	\$13,115
2"	5.33	\$7,755	\$12,816	\$385	\$20,983
3"	10.67	\$15,509	\$25,632	\$841	\$41,964
4"	16.67	\$24,232	\$40,050	\$1,441	\$65,568
6"	33.33	\$48,464	\$80,100	\$2,572	\$131,136

* Includes 5/8" x 3/4" and 3/4" x 3/4" meters.

** Single family required to have a 1" meter due to fire sprinkler system requirements shall be charged at the 3/4" meter rate.

2. SEWER SYSTEM SDC'S RATE SCHEDULE

METER SIZE	EDU FACTOR	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMIN SDC (2%)	TOTAL SDC
Single Family and Multi Family Residential:					
N/A	1	\$1,130	\$3,430	\$92	\$4,652
Commercial / Industrial Development:					
3/4"*	1	\$1,130	\$3,430	\$92	\$4,652
1"	1.67	\$1,884	\$5,717	\$153	\$7,754
1 1/2"	3.33	\$3,768	\$11,434	\$305	\$15,507
2"	5.33	\$6,028	\$18,294	\$487	\$24,809
3"	10.67	\$12,055	\$36,587	\$973	\$49,615
4"	16.67	\$18,836	\$57,167	\$1,521	\$77,524
6"	33.33	\$36,671	\$114,334	\$3,041	\$155,046

* Includes 5/8" x 3/4" and 3/4" x 3/4" meters.

3. STORM DRAINAGE SYSTEM SDC'S RATE SCHEDULE

LAND USE	UNITS	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMIN SDC (2%)	TOTAL SDC
Residential	EDU	\$551	\$21	\$12	\$584/EDU
Commercial/ Industrial	KSF*	\$209	\$10	5	\$224/KSF

* Units are per 1,000 square feet of impervious area on the development.

EXHIBIT "C"

4. TRANSPORTATION SYSTEM SDC'S RATE SCHEDULE

	ITE Category	ELNDT/ UNIT	TRIP FACTOR	IMPROV SDC	REIMB SDC	ADMIN SDC (2%)	TOTAL SDC/ UNIT or KSF
210	Single Family/Unit	9.52	100%	\$3,192	\$114	\$67	\$3,373
220	Apartment/Unit	6.65	100%	\$2,230	\$80	\$47	\$2,356
110	Light Industrial/KSF*	6.97	50%	\$1,168	\$42	\$25	\$1,235
120	Heavy Industrial/KSF*	1.50	50%	\$251	\$9	\$6	\$266
320	Motel, per room	5.63	50%	\$944	\$34	\$20	\$998
630	Medical Clinic/KSF*	31.45	50%	\$5,272	\$189	\$110	\$5,571
710	General Office/KSF*	11.03	50%	\$1,849	\$66	\$39	\$1,954
814	Variety Store/KSF*	64.03	50%	\$10,734	\$384	\$223	\$11,341

* Units are per 1,000 square feet of gross building area.

5. PARKS AND RECREATION SYSTEM SDC'S RATE SCHEDULE

USER TYPE	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMIN SDC (2%)	TOTAL SDC
Single & Multi Family Residential/Unit	\$7,223	\$0	\$145	\$7,368

Annual Improvement Fee Adjustments using Engineering News Record (ENR) Published Annual Index Changes as approved by City Council: Resolution 16-14