City Council Study Session

Agenda

January 31, 2019
IMMEDIATELY FOLLOWING COUNCIL MEETING
Approximately 6:15 p.m.
City Hall, Medford Room
411 W. 8th Street, Medford, Oregon

1. Event Center / Jackson Aquatics Update

2. Concurrency

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TO: City Council

FROM: Rich Rosenthal, Parks, Recreation & Facilities Director

SUBJECT: Recreation Facility Update/Options

DATE: January 24, 2019

The purpose of the Jan. 31 study session is for the City Council to provide staff direction on the following questions:

1. Does the Council wish to consider development of an indoor recreation facility?
2. What type of recreation facility should the City of Medford consider for development?
3. What budget action should be taken regarding the future of the Jackson Aquatics Center?

Recreation Facility Background Information
Based findings and conclusions contained in the City's 2016 Leisure Services Plan (LSP), Medford is severely deficient in indoor recreation facilities. In order to meet current level-of-service recreation facility needs for a City of 81,000 residents, the deficiency is calculated as needing 19 full-size basketball courts, and a surface area roughly equivalent to an Olympic-size swimming pool.

Despite the defeat of the 2012 aquatics facility bond measure, Parks, Recreation and Facilities Department staff continued to examine a variety of recreation facility types.

In 2016, the City commissioned a feasibility study to examine the concept of constructing a convention center. The analysis determined the Medford market could not sustain a convention center, but instead recommended a smaller-but-more-versatile facility type: an event center that could be configured for indoor recreation needs when not needed for conferences or trade shows.

The three most common types of municipal recreation facility types examined for Medford's needs are:

- A "dry" recreation center, such as an event center, that does not contain an aquatic facility;

- An indoor aquatic center featuring leisure and/or competition pools, and other amenities; or
- A community center, which often contains "dry" recreation and aquatics or other amenities under one roof or within close proximity.

Community surveys conducted by the Department in 2015 and 2018 indicated strong support for development of an aquatics facility.

Jackson Aquatic Center Update
Opened in 1960, Jackson Aquatic Center (JAC) has been the City's only municipal swimming pool since the Hawthorne Park outdoor facility was shuttered in 2010. Thanks to outstanding efforts by Facilities Management staff over the years, the oldest unimproved outdoor pool in the state of Oregon is functional despite the constant threat of catastrophic system failure due to facility age and inaccessible underground piping.

JAC is nursed along at an operational cost of approximately $221,000 per year with a 23-percent cost-recovery rate. In 2018, poor air quality limited attendance to 10,949 visits – possibly the lowest total in pool history. By comparison, annual attendance exceeded 20,000 until 2017.

The facility is hampered by antiquated systems that make it difficult to heat and treat the water, and the pool tanks leak over 3,000 gallons per day. Refurbishment is not possible without making the facility code compliant, which would likely require demolition and starting from scratch to be cost effective. The cost of repairs to increase the odds of JAC being viable and safe to customers beyond 2019 are an estimated $700,000.

Staff seeks Council direction as to how to budget for summer aquatics operations at Jackson Park for the 2019-21 biennium. The options are:

1. Status quo – attempt to keep JAC operational for as long as possible at current funding levels (approximately $221,000 per year).
2. Invest in viability repairs to keep facility operational past 2019 (a one-time cost of approximately $700,000).
3. Close and demolish the facility upon conclusion of the 2019 season (a one-time cost of up to $250,000).

Recommendations
The Recreation Facility Focus Group and the Parks and Recreation Commission expressed general interest in the community center facility concept that addresses both aquatics and indoor sport court deficiencies.

However, in light of impending construction of indoor and outdoor aquatics facilities by America's Best Kids at its North Phoenix Road campus, the Department recommends the following:

- Direct staff to focus efforts on the "dry" recreation facility concept for potential development and to bring back cost estimates, architectural renderings, funding mechanisms, operations models, potential locations, and potential public or private partnerships for Council consideration and further discussion.
- Close and demolish Jackson Aquatics Center upon conclusion of the 2019 aquatics season and re-develop the site as a location for a very large splash pad that would be a free-of-charge summertime community aquatics attraction.

MEMORANDUM

Subject	Concurrency and Transportation Impacts (2019 TSP Code Updates)	
File no.	DCA-18-180	
To	Mayor & City Council	*for January 31, 2019 study session*
From	Planning & Public Works Staff Members	
Date	January 24, 2019	

DIRECTION SOUGHT

Staff is preparing updates to the Medford Land Development Code (MLDC) regarding the City's transportation concurrency standards ("concurrency" is the requirement that transportation facilities be constructed, if they are found to be inadequate, at the time of zone change) and transportation impact analyses (TIA) to implement the adopted 2018-2038 Transportation System Plan (TSP). The TSP goals, objectives and action items are driving these updates, specifically Goal 1, Objective 4, Action Item a:

> 4-a: Balance transportation facility capacity with planned land uses by amending the City's concurrency and transportation facility adequacy requirements by adopting local procedures that apply the Oregon Transportation Planning Rule as the determinant of facility adequacy.

Staff will be preparing an amendment to the MLDC to reflect TSP action item 4-a. In order to continue, staff needs direction on the following items:

1) Tier 1 projects identified in the Transportation System Plan will be considered "planned projects" and included as part of the baseline system in TIAs, per the Transportation Planning Rule (TPR). Does Council want to include the South Stage/Foothill/N Phoenix mega-corridor as a "planned project?"

2) In considering the South Stage/Foothill/N Phoenix mega-corridor, shall a mechanism to establish additional funding be established?

3) What methods would the Council like to investigate further in funding the South Stage/Foothill/N Phoenix mega-corridor?

TRANSPORTATION CONCURRENCY SUMMARIZED

Transportation concurrency is the requirement that developments that impact the level of service (LOS) of a roadway intersection must mitigate those impacts at the time of development. In other words, developments must *concurrently* maintain the required level of service in order to be permitted. In Medford LOS is analyzed at the time of zone change to determine facility adequacy, prior to any vertical construction. Developments are then required to determine facility adequacy for the expected build-out year of the project and for the horizon year of the Transportation System Plan (TSP). Currently, only funded projects (projects in a public agency's adopted Capital Improvement Plan) may be included in the baseline system for both of these analyses. The horizon year analysis is required by ORS 660-012, which is known as the Transportation Planning Rule (TPR). The build-out year analysis is required by the Medford Land Development Code (MLDC) and is the part of the process that provides for transportation system concurrency.

Important Terms Used

Horizon Year: The final year the TSP analyzed transportation impacts; year is 2038.

Planning Period: Total time analyzed in TSP (2018-2038).

Future Conditions: How the transportation system will look in 2038 after Tier 1 projects have been built.

Current Conditions: How the transportation system looks in 2018, prior to Tier 1 completion.

Planned Projects: Tier 1 projects in the TSP adopted by the City.

Pipeline trips: Background traffic from approved developments that are approved but not yet built.

Here is a link to the TPR:

https://secure.sos.state.or.us/oard/displayDivisionRules.action;JSESSIONID_OARD=oaFeMSEZsNy6E2C5pkXpouvk0l_HsGBlxW6f0v8zpgfoyLX3gdiZ!327936764?selectedDivision=3062

Staff from the Planning, Public Works, and Legal Departments met with local land use planners, traffic engineers, and developers for Concurrency Working Group meetings in October and November 2018. The consensus of the group is that Medford should remove the concurrency requirement from the MLDC and rely on the TPR to determine facility adequacy, which is consistent with the direction in the TSP.

The implication of Medford's concurrency policies is that transportation system impacts are required to be mitigated before development occurs. This ensures that the intersections in a Traffic Impact Analysis study area never exceed the LOS standard, but it also limits the pace and intensity of development. Below are supplemental details to aid in the understanding of concurrency and its impacts.

Concurrency in Action

The Medford Land Development Code (MLDC) states:

> "Whenever level of service is determined to be below level D for arterials or collectors, development is not permitted unless the developer makes the roadway or other improvements necessary to maintain level of service D respectively." ***10.462 Maintenance of Level of Service D***

Generally, a policy like this is intended to mitigate the impacts of development as it occurs. However, requiring transportation facility concurrency can slow or stop the pace of development when the cost of the improvements needed are beyond what makes sense for any single development. When it is determined that LOS cannot be met at the time of zone change, restrictions are placed on future development until the required LOS can be met (through private or public sector improvements). One such zone change occurred in 2002 in relation to the Summerfield Subdivision in the Southeast Plan Area (ZC-02-181).

Concurrency's Impacts on Development

For a portion of the Summerfield Subdivision, this zone change consisted of 48.84 acres proposed to change from Single-Family Residential – 1 Dwelling Unit per Lot (SFR-00) to Single-Family Residential – 4 units per gross acre (SFR-4). The new zoning allowed for a total of 195 residential units; however, due to the projected traffic impacts the development was limited to 100 residential units, through a Restricted Zoning (RZ) overlay, until improvements to the intersection of Hillcrest and Pierce Roads (a traffic signal) were made. Subsequent to this development approval, the McAndrews Road connection to Hillcrest Road was made and traffic patterns changed enough to make a signal at Hillcrest and Peirce Roads unnecessary.

If the concurrency requirement had been removed from the MLDC, then this development might have been able to fully develop closer to 2002 based on the future condition identified in the TSP. The future condition being where the McAndrews Road connection to Hillcrest Road existed and the impacted intersection of Hillcrest Road/Pierce Road was constructed by the City, since it was a Tier 1 project in the previous TSP. The developer could have moved forward with the subdivision without having to

wait for the improvements to be funded, while the City could have collected SDCs on the new homes being built.

Because the development was modeled based on the existing system and existing traffic patterns, the mitigation (which held up the development for several years) was unnecessary in the future condition. If the concurrency requirement is removed from the MLDC, the analysis using the future network would still be required, per the TPR thus accounting for mitigations beyond what is already planned in the TSP.

Removal of Concurrency

In replacing concurrency, there are not a plethora of options available to the City. The TPR is state law and will still apply to all development if concurrency were eliminated. The City could then augment the TPR with a requirement for concurrency at the time of site plan review, rather than at zone change. However, through the robust engagement process with the development community, staff has heard that this is simply replacing one type of concurrency for another.

The current system (concurrency at zone change) is preferred over analysis at the time of site plan review. A policy for concurrency at the time of site plan would bring to fruition a multitude of transportation impact analyses (TIAs) for developments (every time a site plan is reviewed that generates a certain number of trips) and is seen as more restrictive than the current system.

The TPR only requires analysis of the horizon year (in this case 2038) and allows for "planned" facilities, improvements, or services to be assumed to have been built by then for the purposes of the analysis. Planned facilities, improvements, or services are those that are authorized in a local TSP for which a funding plan or mechanism is in place or approved. The TPR defines planned facilities as those projects for which transportation system development charge revenues are being collected; are conditioned on development through a variety of mechanisms; are part of the financially constrained Regional Transportation System Plan (RTP); are part of ODOT's Construction Statewide Transportation Improvement Program (C-STIP); or when the owner of the facility provides a written statement that the facility, improvement, or service is reasonably likely to be provided by the end of the planning period. For the City of Medford, this would include all Tier 1 projects in the adopted TSP.

Direction is being sought on the fundamental question of whether the South Stage/Foothill/N Phoenix mega-corridor should be included as "...reasonably likely to be funded at the end of the planning period," given that $15M of the nearly $106M projected cost was allocated in the TSP.

In addition to allowing for the use of planned projects in analyses, the TPR also allows for flexibility and alternative mitigation measures to be considered and implemented. Some examples of mitigation measures allowed in the TPR include:

- Amending the TSP or comprehensive plan to provide transportation facilities, improvements, or services adequate to support the proposed land uses including a funding plan or mechanism so that the facility, improvement, or service will be provided by the end of the planning period (this may include requesting projects be changed to a Tier 1 project);
- Amending the TSP to modify the planned function, capacity, or performance standards of the transportation facility (e.g. changing a LOS standard);
- Providing other measures as a condition of development including, but not limited to, transportation system management measures or minor transportation improvements (e.g. corridor signal timing or technology upgrades);
- Limiting the intensity or size of a development to limit the number of trips generated (e.g. trip cap through restricted zoning);
- Providing improvements that would benefit modes other than the significantly affected mode (i.e. pedestrian over auto); improvements to facilities other than the significantly affected facility (i.e. improving other intersections to aid affected one); or improvements at other locations, if the provider of the significantly affected facility provides a written statement that the system-wide benefits are sufficient to balance the significant effect;
- If the significantly affected facility is shown to fail at the end of the planning period in the absence of a proposed development and the development will, at a minimum, mitigate the impacts of the development in a manner that avoids further degradation, then it can be considered adequate.

All of the above methods of mitigating transportation impacts are options established within the TPR. There are other options in the TPR that would need Council approval on a case-by-case basis. These are related to establishing "multimodal mixed-use areas" (MMA) and balancing economic benefits of industrial or traded-sector jobs. While they each have their different impacts, these options will allow for flexibility in development benefiting the developers and City as a whole.

Traversing the Implications of Removing Concurrency

Removing concurrency from the MLDC in favor of using the TPR as the determinate of facility adequacy has benefits and downsides.

Benefits of this change include:

- It aligns with ODOT requirements and simplifies the process for development;
- Development can assume that planned projects, which address LOS problems, are built in the horizon year so they don't have to build them;
- It removes the need for the City to track "pipeline" trips from approved developments that have not yet built out; and
- It allows development to proceed prior to the improvements being in place so the City can collect SDC's to help pay for the transportation system improvements.

Potential downsides include:

- Development can assume that planned projects, which address LOS problems, are built in the horizon year so they will not need to build them, and it becomes more critical for the City to build planned projects by the end of the planning period to ensure the system works as intended in the future (per the TSP);
- The City will be more reliant on the regional model, which the City does not have direct control over, to identify travel patterns and development impacts; and
- It allows development to proceed prior to the planned improvements from the TSP being built so there will be increased congestion in the short-term.

FUNDING TRANSPORTATION SYSTEM IMPROVEMENTS

The TSP has identified the need for additional funding for the South Stage/Foothill/N Phoenix mega-corridor. It states,

> "A total of $15,000,000 has been assigned to the N. Phoenix / Foothill Corridor and the S Stage Extension and Overcrossing of I-5 combined in the short term. Total Project costs, and projected time frames, for individual segments are shown but not included in the total funding allocation. Sources for the balance of the funding will be identified through future partnerships and policy decisions."
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> (*Transportation System Plan 2018-2038*)

Current project estimates have the total project cost, including all segments, estimated at $105,955,000 (with $15,000,000 dedicated) leaving a difference of $90,955,000. Therefore **direction is being sought** as to whether a mechanism to establish additional funding for the South Stage/Foothill/N Phoenix mega-corridor should be established.

HOW TO FUND TRANSPORTATION IMPROVEMENTS

To begin to address the unfunded liability of the South Stage/Foothill/N Phoenix mega-corridor, Council will need to decide who takes the primary funding responsibility. There are generally two ends of the spectrum, those being either the City or the Development Community. Below are four potential funding scenarios:

Note: The use of the word City refers to the population as a whole in regard to taxes, utility fees, and other collected sources of money.

- **City as Primary Funder**

  Includes the use of existing funding sources such as transportation dollars, SDCs, collected fees/taxes, general fund dollars, awarded grants and other funds acquired by the City

- Mixed (City as Primary Funder)

  Less emphasis on collection of fees and other revenues and more responsibility placed on developments through a dedicated fee, city-wide SDC surcharges (like with the South Medford Interchange) or proportionate share contribution.

- Mixed (Development Community as Primary Funder)

  The emphasis would be placed on additional SDCs, proportionate share contributions, location based surcharges and other development driven collection methods.

- **Development Community as Primary Funder**

  Projects unfunded liability would be entirely bore by the development community through either direct construction or collection of fees.

The methods for funding transportation projects are multi-faceted. Many projects are a combination of either the City, Development Community or other government agencies paying for their portion of the project.

Section 4, Transportation Funding & Implementation (Page 56) of the TSP offers the following guidance:

> The City has historically revised System Development Charges (SDCs) to fund projects required in the Transportation System Plan (TSP) after the TSP is adopted.
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> The City has also raised additional funds in the past by adding a surcharge to either SDCs or the street utility fee, typically for substantial project expenses not included in the TSP. Surcharges are added to SDCs when the projects are adding capacity for new development. Surcharges have been added to utility fees when they serve developed areas.
>
> Other funding options to consider are Local Improvement Districts (LIDs), a local gas tax, or use of other Funds such as the General Fund. According to the Oregon Department of Transportation, nine (9) other Oregon cities have local gas taxes, ranging from $0.01/gallon to $0.03/gallon. Twenty-three (23) Oregon cities have local gas tax on diesel fuel. Two (2) Oregon counties have gas taxes.
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> Considering the regional benefit of the Foothill / N Phoenix Corridor and the South Stage Overcrossing, the City of Medford is anticipating that regional partners will contribute to both projects. Regional partners are anticipated to contribute approximately $10M to $15M toward these projects.

Direction is being sought as to what methods the Council would like to investigate further in funding the South Stage/Foothill/N Phoenix mega-corridor?