



## City of Tigard Memorandum

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**To:** Marcy McInelly and Erika Warhus, King City Consultants

**From:** Susan P. Shanks, Senior Planner, City of Tigard  
Lori Faha, City Engineer, City of Tigard

**Re:** King City URA Draft Concept Plan and Funding Strategy

**Date:** January 25, 2018

The City of Tigard received the January 2018 Preliminary Draft Concept Plan and Funding Strategy for King City Urban Reserve Area (URA) 6D and appreciates the opportunity to review and comment on these documents. As stated in the Concept Plan, the City of Tigard is the water service provider for the City of King City pursuant to a 2014 intergovernmental agreement between the two cities. Tigard is responsible for planning, designing, building, financing, operating, maintaining, repairing, and replacing the water supply and distribution systems within King City's boundaries. King City is responsible for demand forecasting in order that Tigard may fulfill its role as the water service provider.

With the knowledge that King City aspires to grow and is seeking an expansion of the urban growth boundary (UGB) and subsequent annexation of properties west of its current city limits, i.e. URA 6D, Tigard has begun work to update its water master plan. This plan is expected to be completed by the end of 2019 and includes an early action item to evaluate the water service needs in URA 6D. Tigard's work plan also includes a water rate study to be completed in 2020.

It is against this backdrop that Tigard offers the following comments on the preliminary drafts of the King City URA 6D Concept Plan and Funding Strategy.

- Tigard is many years away from being able to provide water service to URA 6D because there is no existing water capacity or distribution system in place at this time. Preliminary analysis indicates that a storage facility (reservoir) will be needed to serve this area for firefighting and emergency water supply purposes in addition to the construction of a distribution system (pipes and pumps). A new reservoir will require the purchase of property outside the URA 6D plan area that must meet specific size and elevation requirements. Acquiring the right property may be challenging.
- The provision of water service to URA 6D, including funding and construction, needs to be carefully evaluated and realistically integrated into the development phasing timeline

proposed by the Concept Plan. This may require a reevaluation of where and when development may be able to most feasibly occur based on Tigard’s ability to provide water service. For example, the westernmost area is anticipated to develop first. However, it is the furthest from any existing water infrastructure as compared to other URA 6D areas. As a result, development in the westernmost area may be delayed for lack of water service or may require more work and funds to serve first.

- The Tigard water master planning process will help determine the infrastructure needs and timeline for serving URA 6D. As this process gets underway, Tigard may request more detailed information from King City about future demand in this area in order to effectively plan for the expansion of its water infrastructure in a coordinated, logical, and fiscally sound manner.
- Finally, Tigard reserves the right to conduct updates to its water system development charges (SDCs) and may impose “supplemental SDCs” on URA 6D or subareas. This is consistent with Tigard’s practice that growth within certain areas of the Tigard Water Service Area fund its own water improvements serving that growth. Tigard conducted such a study specifically for River Terrace and determined that no additional supplemental charges were warranted because most of the development provided the capital contributions and because the fee structure put in place after the 2010 methodology update accounted for water storage needs. A King City expansion was not included in the 2010 update and, therefore, was not part of any review or assessment of project capitalization necessary to serve such an expansion.

In summary, a significant amount of water infrastructure is needed to make this area ready for development. It will take time to plan, fund, and build this infrastructure, and it will require close coordination between the two cities as King City moves forward with its expansion plans and Tigard moves forward with an update to its water master plan. As currently drafted, the Concept Plan and Funding Strategy do not adequately describe or evaluate how the location and timing of the development concepts relate to the provision of this infrastructure. Tigard recommends updating the following Concept Plans sections to reflect the information provided in this memo:

- IV. Base Conditions and Key Findings
  - Land Use Base Conditions: Development Constraints and Infrastructure Financing
  - Public Utilities Baseline Report: Water
- V. Concept Planning Framework
  - Public Utilities Framework: Future Service Needs: Water
  - Infrastructure Funding
- VI. Concept Plan Recommendation
  - Development Phasing

Tigard also offers the following specific comments on the Funding Strategy:

- Add water infrastructure as a standalone infrastructure project in the various project tables and text. As described in this memo, this area will need more than just pipes in the right-of-way. The type of water infrastructure needed potentially falls into the Major Off-Site Infrastructure and Framework Infrastructure categories.
- Clarify that the timing and phasing of development will also be affected by the timing and phasing of infrastructure (Page 2).
- Identify City of Tigard as a key service provider (Pages 2, 15, and 16).
- Consider revising the approach to neighborhood parks. Leaving them out of the Funding Strategy may inhibit the city's ability to build them (no funding source) or incentivize them (with SDC credits). Neighborhood parks are difficult to outright require as a condition of land use approval for many reasons.
- Clarify whether the Community Park proposed in the area is included in the city's existing SDC or CIP. There was some inconsistency in the document on this point.
- Research whether it's appropriate to remove all of the right-of-way costs from the street estimates. It is our understanding that oversized portions of right-of-way are eligible for SDC credits (Page 6).
- Explain which roads need culverts and why culverts are listed as a separate project and not part of the associated road improvement project.
- Clarify what kind of fee is proposed for the "supplemental fee." This information is critical for understanding who will be paying for the infrastructure to serve future development in URA 6D (e.g. developers, existing residents, future residents, city, others) and when the money will be available for use.

One final note of clarification on the Concept Plan:

- Pursuant to Tigard's recently completed stormwater master plan, the proposed high-flow bypass pipe in south River Terrace down to the Tualatin River is no longer a recommended project. Properties in south River Terrace may still develop, but they must meet the River Terrace stormwater management standards for detention. Please update the information on Pages 24 and 74 accordingly.