



**Washington County Fiscal Year 2021-22 Proposed Budget  
North Bethany County Service District for Roads  
Questions and Answers  
(Does not include questions answered during the committee meeting)**

1. Looking at the NBCSDR budget, process, and impact, does DEI have any reflections, assessments, or recommendations they could share with us?

**Office of Equity, Inclusion and Community Engagement Response:**

The Office of Equity, Inclusion and Community Engagement will be working with County Leadership to establish a budget equity review process to be built into our process for FY 22-23 and beyond. The equity review process will include asking departments to consider a range of questions to consider (see examples below) as they build their budgets which should provide additional information for budget committees:

- What racial and/or economic inequities experienced by community members will be addressed via specific allocations in the Department's overall budget and improvement requests?
- How did the department use racial and socioeconomic data to prioritize and develop criteria for allocations of financial, human, and other resources? What qualitative data did your department use in this regard?
- What are the potential impacts of proposed budgetary changes (increase and decrease) or fee changes (if applicable) on communities of color and low-income communities? What strategies does the Department recommend mitigating any potential adverse impacts? What are the anticipated positive equity outcomes of these allocations?
- How will proposed budget build the Department's capacity to engage with, and include, communities of color and low-income communities (for e.g., improved leadership opportunities, advisory committees, boards and commissions, targeted community meetings, stakeholder groups, increased outreach, etc.)?
- What dollar amount and percentage of your Department's budget is allocated for translation and interpretation services?
- How will community members, including communities of color and low-income communities, be consulted to identify programming and/or service needs, and how is this reflected in the proposed budget?

North Bethany should be able to consider race/ethnicity and economic data that either matches or approximates their geographic catchment area based on census tracts or census block groups.



### Land Use and Transportation Response:

- A detailed equity analysis has not been performed. The North Bethany Transportation Funding Strategy was adopted by the Board in 2011, before the Board's adoption of the County's Equity Resolution in February 2020.
  - The funds being allocated through this budget process are generated within a defined geographic boundary and can only be used to design and construct a defined list of capital improvement projects in the area. Both the district boundary and project list were established by the Board of County Commissioners in 2011. There was significant community engagement—including public open houses, neighborhood coffees, and individual property owner meetings—conducted over a period of several years leading up to adoption of the North Bethany community plan and funding strategy.
  - While highly diverse, residents in this area are generally quite affluent compared to County median income.
  - Project funding comes from multiple sources, including a property tax (North Bethany County Service District for Roads, or NBCSDR) and transportation fees paid by builders and developers—the Transportation Development Tax (TDT) and North Bethany Transportation System Development Charge (NBTSDC).
    - The NBCSDR property tax district was approved by a majority of voters living in the area in 2011, prior to its urban development. It is the only taxing district of its kind in the unincorporated area of Washington County.
    - The tax rate is consistent across all properties in the district, so the amount of the tax reflects the estimated value of the property being taxed. A lower-valued property has a lower tax imposed; a higher-valued property has a higher tax imposed.
    - These taxes and fees increase housing costs within the district. Those increased costs will have a disproportionate impact on people having lower incomes who often need to use a higher share of their income for housing and transportation-related needs.
  - The funds being allocated through this process are being used for transportation improvements that serve people regardless of how they travel – by walking, cycling, driving and using transit. As a result, those living in the district should experience benefits from the transportation improvements being funded.
2. 2011 cost projections were \$69 million. Cost to complete for remaining projects is \$42.6 m (and estimated to be actually \$22.1m with development) according to the April 19 NBCSDR Budget Subcommittee Memo. Have the completed projects come in on/over/under budget? What have we spent so far out of the estimated \$69 million?

Actual project costs have been higher than the planning level cost estimates in the North Bethany Transportation Funding Strategy. Project expenditures to date have totaled more than \$23 million for project elements initially estimated to cost about \$16 million (44% increase). Reasons include:

- Cost escalation was not considered: The planning-level cost estimates used to arrive at the original \$69 million total were in 2010 dollars with no cost escalation factor built in. Simple inflation over that time would indicate a 22.5% increase, and construction-related costs have risen even faster.



- Accuracy/contingency: Due to the lack of engineering design when the 2010 cost estimates were created, the estimates for the Springville Road and 185th Avenue projects appear to have been significantly underestimated, even after accounting for cost escalation. A robust contingency amount should have been included in these larger project estimates to account for the degree of uncertainty.

To overcome this uncertainty, our recent “cost-to-complete” estimates (refer to attached April 19 memo) do include contingency amounts to help account for the lack of engineering for several of the projects.

It’s also worth noting that the \$22.1 million figure noted in the question includes the \$8.7 million needed to complete the remaining improvements to Springville Road, which would be allocated under the proposed FY 2021-22 budget. With approval of the FY 2021-22 budget, the remaining public funding need could be approximately \$15 million.

3. With an assumed build out of 20 years but 7 years in, we are 2/3 the way there already, what does that mean for our revenue streams compared to our spending projections, especially with MSTIP exhausted?

The North Bethany Transportation Funding Strategy assumed that a significant amount of the identified improvements would be constructed by development. It also assumed that both the amount and mix of revenues available to publicly fund the identified transportation improvement projects would change over time. Both of these assumptions have held true.

Combined incoming funding for delivery of the identified project list through FY 2020-21 has totaled about \$37 million, including the MSTIP commitment, which helped fund 185th Avenue and Springville Road improvements.

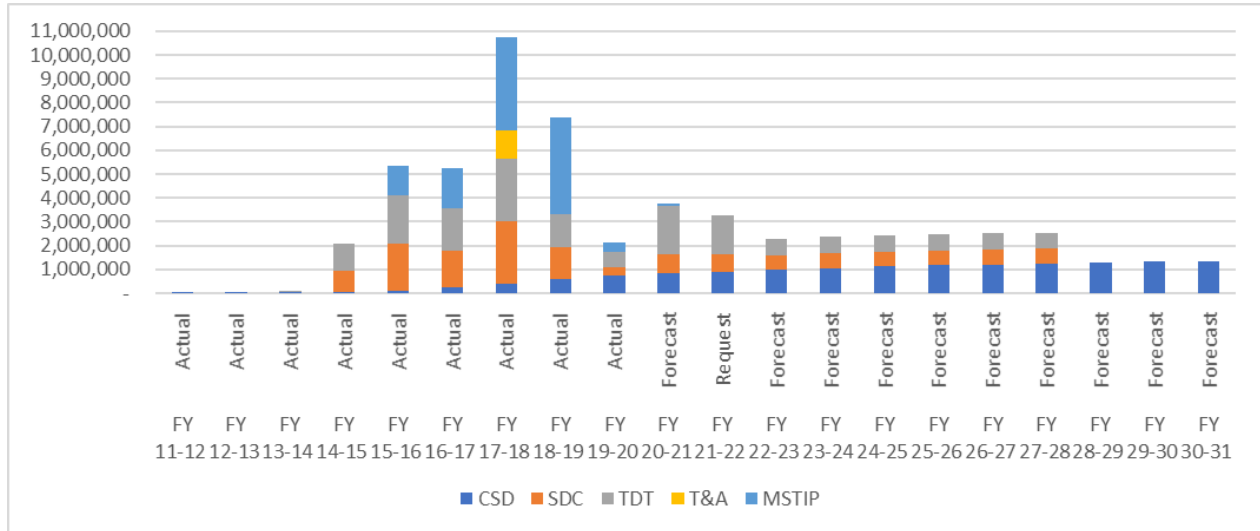
As substantial build-out of North Bethany is achieved, revenue from the developer fees (TDT and NBTSDC) will fall sharply. In the meantime, as the build-out continues, the NBCSDR property tax revenue will continue growing as new development value is added to the property tax rolls. In addition, the assessed value of properties within the district is expected to continue growing over time, resulting in continued incremental annual revenue growth for the NBCSDR property tax revenue even after substantial build-out is achieved.

Staff projections for future revenue indicate that about \$22 million can conservatively be anticipated over the upcoming 10 years, including FY 2021-22. Within 5-7 years, we anticipate the area will be substantially built out. After build-out, the NBCSDR property tax will be the primary source of ongoing revenue for public delivery of the identified transportation improvements. The property tax can reasonably be expected to generate at least \$1.3 million per year 10 years from now. The chart below indicates the potential changes in funding sources over time.

(continued)



### NORTH BETHANY TRANSPORTATION FUNDING STRATEGY FUNDING MIX OVER TIME



4. For the pedestrian improvements on Kaiser, what is the timeline for those? Who and how will determine those improvements?

We anticipate further clarity regarding the potential for developer-constructed improvements on Kaiser Road later this summer.

In the meantime, a County staff team is scoping potential pedestrian improvements and will prepare associated cost estimates. This information will be shared with the North Bethany County Service District for Roads Budget Subcommittee members when it is available later this summer. We will seek feedback from the subcommittee members to help refine the potential pedestrian project elements, and seek feedback on which pedestrian improvements should be constructed within the \$2.1 million being allocated in the proposed FY 2021-22 budget.

Timing of any pedestrian improvements will depend on securing concurrence with proposed improvements and the subsequent project design/delivery schedule, but could take from 12 to 24 months to complete.

Attachment: April 19, 2021 “cost-to-complete” memo, including Springville Road Phase 4, Kaiser Road, and a table showing the current status of all 12 projects in the North Bethany Transportation Funding Strategy that are eligible for public funding, with updated cost-to-complete estimates for the remaining projects (2 pages)

# North Bethany County Service District for Roads

## “Cost-to-Complete” Estimates

Updated April 19, 2021

The following information updates the project cost estimates that were provided to the Budget Committee in May 2020.

### Springville Road Phase 4 “cost-to-complete” estimate

- Springville Phase 4 refers to the segment between the PCC Rock Creek Campus entrance and Joss Avenue.
- Improvements will include widening Springville Road to provide three vehicle lanes (one lane each way plus center turn lane/median), buffered on-street bicycle lanes, sidewalks, street lighting, a potential traffic signal at the Springville/Joss intersection (subject to meeting traffic signal warrants), and associated stormwater conveyance and water quality treatment facilities.
- The total estimated project cost is \$10.5 million.
- A total of \$1.8 million has previously been allocated to this project—\$900,000 in FY 2019-20 for preliminary design (up to 50%) plus an additional \$900,000 in FY 2020-21 to complete final design and get the project to “ready for construction” status.
- **The remaining anticipated funding allocation needed to complete construction is \$8.7 million** (\$10.5 million total cost - \$1.8 million allocated to date = \$8.7 million remaining funding need).

### Kaiser Road “cost-to-complete” estimate

- This “cost-to-complete” estimate addresses the portion of Kaiser Road from Springville Road to Ridgeline Drive (north of Sato school).
- Improvements would include widening Kaiser Road to provide three vehicle lanes (one lane each way plus center turn lane/median), bicycle facilities, sidewalks, street lighting, and associated stormwater conveyance and water quality treatment facilities.
- These cost estimates assume Washington County will be responsible for project design/ engineering, right-of-way acquisition, project construction and administration.
- No funding has been allocated for these improvements to date.

Segment	Estimated Cost
Southern (Springville Road to Brugger Road)*	\$4.5 million
Middle (Brugger Road to Shackelford Road)*	\$4.0 million
Northern (Shackelford Road to Ridgeline Road)	\$4.5 million
<b>Total “cost-to-complete” estimate</b>	<b>\$13.0 million</b>

\* The southern and middle segments were jointly identified as project 6 in the original North Bethany Funding Strategy Project List

## NBCSDR “Cost to Complete” Estimates

April 19, 2021

### Updated North Bethany Funding Strategy Project List with unfunded cost-to-complete estimates

This table lists the original project segments from the 2011 North Bethany Transportation Funding Strategy, including original cost estimates, provides the current status of each segment and the estimated unfunded amount that would be needed for Washington County to design and construct those portions of the projects that have not been completed to date.

Project #	Project Description	Original Estimate (2011)	Project Status (March 2021)	Unfunded Cost-to-Complete Estimate
1	Shackelford (west boundary to Brugger)	\$9.3 M	Complete	N/A
2	Shackelford (Brugger to Kaiser)	\$8.8 M	About 20% complete; expect most of the remainder to be built with development	\$9.0 M
3	Springville Ph. 1, 2 & 4 (185th to Joss)	\$11.1 M	Ph. 1 & 2 complete; Ph. 4 in design	\$8.7M
4	Springville Ph. 3(Joss to Kaiser)	\$3.6 M	\$5.4M construction funding allocated; completion in summer 2021	N/A
6	Kaiser (Shackelford to Springville) <sup>1</sup>	\$7.8 M	Potential voluntary improvement by developer	\$8.5 M
7	185th (Springville to West Union)	\$4.5 M	Complete	N/A
9	Shackelford (½ cost of bridge over Rock Creek)	\$7.3 M	Long-term horizon (pending future UGB expansion)	\$7.3 M
10	185th/Springville Intersection	\$0.9 M	Complete	N/A
11	Kaiser (Springville to Bethany)	\$6.1 M	Interim bike lane/sidewalk improvement completed; ultimate improvement not funded	\$6.1 M
12	Brugger (Joss to Kaiser)	\$3.2 M	About 85% complete; expect remainder to be built with development in FY 2021-22.	\$2.5 M
13	Joss/Brugger (Shackelford to Brugger)	\$4.1 M	About 95% complete; expect remainder to be built with development	\$0.5 M
14	160th Ave/P15 (Springville to Brugger)	\$2.3 M	Complete	N/A
<b>Totals:</b>			<b>\$69.0 M</b>	<b>\$42.6 M<sup>2</sup></b>

#### Table Notes:

1. This project extent does not include the portion of Kaiser Road north of future Shackelford Road (the “northern” segment identified in the Kaiser Road cost-to-complete estimate on Page 1).
2. Excluding the remaining project segments that staff anticipates may be constructed by development (projects 2, 6, 12 and 13), the unfunded cost-to-complete drops to an estimated \$22.1 million.