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# MEMORANDUM

DATE: February 12, 2015  
TO: Matt Hermen, AICP, Clark County  
FROM: Ray Delahanty, AICP; Benjamin Chaney, EIT  
SUBJECT: Clark County TIF Update  
Task 4: Stakeholder Interviews

P#14199-000-004

DKS staff conducted five stakeholder interviews in February 2015. The purpose of the interviews was to elicit opinions and feedback on the existing TIF program and potential changes as the program is updated. This memo summarizes the interview results.

## Interview Process and Participants

Interview participants are members of this project's Stakeholder Advisory Committee, Clark County's Development Engineering Advisory Board (DEAB) and/or TIF creditholders.

Each interview lasted 30 minutes. Participants were asked:

- How they interact with the TIF program now
- How much they understand about the TIF program today
- What they think is the most important issue we should address in this update
- What is their experience with the credit system
- What other issues they suggest need to be addressed to improve the TIF

## Summary of Input from Interviews

Interview participants represented a variety of perspectives on the TIF program. Themes and highlights from the interviews are summarized below.

### General Program Structure

- There is a general preference for larger and fewer districts. This gives more flexibility to the County to fund big projects, and makes TIF credits more valuable (higher potential to sell or trade) to developers.
- Exemptions, waived fees, and TIF holidays are concerning to many. These make outstanding TIF credits less valuable to credit holders as the pool of potential buyers is reduced, and the exemptions and waivers disproportionately affect different land uses.
- We heard that state law requires exempted TIF fees to be paid from another source, often the general fund. If paid from the general fund, we heard that there should be a mechanism to recoup costs in some way based on development revenue. An alternate approach could be to balance waivers with trip reduction measures that ensure less volume on the transportation system.
- The County should review its funding approach for TIF projects, making use of all legally allowed flexibility to deliver projects sooner (i.e., using TIF funds for full cost of project, not just private share)

### Excess TIF Credit Program

- TIF credits provide appreciated flexibility to developers, but would be more valuable with a brokerage/exchange in place to facilitate sales between developers.
- Latecomer agreements can be administratively burdensome for agency staff and developers, and preclude a TIF credit exchange. Current preference is toward proportional share systems and away from reimbursement systems, which create cash-flow uncertainty for developers.
- The County could consider a Transportation Development Tax and Credit system similar to Hillsboro.

### Developer Transparency and Fairness

- All CFP projects are eligible to receive TIF credits, per Statute. This can have equity impacts for developers, since major-road frontages are often CFP projects while minor-road frontages are not, and more affluent developers are likely to be the ones developing on major-road frontage.
- There is concern of a mismatch between CFP projects and failing intersections that can hinder development – projects that address key concurrency issues should be funded first. Also, a desire to ensure large regional projects are funded by all TIF districts fairly.
- There is concern that fluctuating TIF rates can be unfair to developers, who would like an option to use the lower of two rates (initial application rate & time of development rate).

### Trip Generation

- There are many possible trip generation sources: model trips, ITE rates, ITE equations, and custom trip studies, etc. There was appreciation for a flexible approach to trip generation, but also skepticism of traffic forecasts. Trip generation should be applied uniformly in TIF rate calculations, and acknowledge the mismatch between ITE trip rates and travel demand model trip rates, which tend to be lower.
- County should clarify how changes in use intensity, and therefore trip generation, are handled. Can TIF credits be given for lowering the use intensity of a given parcel?



- Developers would appreciate more TIF fee guidance, especially for multi-tenant developments in mixed-use areas. An online estimator tool would be great.

### **Multimodal Uses**

- There are significant multimodal needs in the County, primarily incomplete sidewalk networks. This is most prominent in Hazel Dell and South Orchards. These “close” projects are more compelling to developers than far-flung regional projects.
- The TIF program should provide funding for multimodal investments, though it may be difficult in rural areas. This evolution to a multimodal (walk/bike/transit) TIF program may be challenging due to County Council political leanings.