

RESOLUTION NO. 1382

A RESOLUTION ADJUSTING THE RATE AND CAPITAL IMPROVEMENT PLAN FOR PARKS AND RECREATION SYSTEM DEVELOPMENT CHARGES AND RESCINDING RESOLUTION NO. 944-R.

WHEREAS, Section 12.02.020 of the Troutdale Municipal Code establishes system development charges to impose an equitable share of the public costs of capital improvements upon those developments that create the need for, or increase the demands on, capital improvements; and

WHEREAS, Resolution No. 944-R, which is currently in effect, adopted the original capital improvement plan and rate for the parks and recreation system development charge; and

WHEREAS, in November 1995, the City adopted a Parks, Recreation and Greenways Plan which identified a more comprehensive list of capital improvement projects; and

WHEREAS, staff has recently updated the Capital Improvement Plan for the parks and recreation system, adjusted the cost estimates, and proposed a revision of the rate.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. Purpose.

The purpose of the parks and recreation system development charge is to require developments that create the need for parks and recreation facilities or increase the demand on existing parks and recreation facilities to pay an equitable share of the cost of those improvements. System development charges for parks and recreation shall be improvement fees rather than reimbursement fees.

Section 2. Methodology.

- A. The methodology used to establish the improvement fee is based on the estimated cost of projected capital improvements needed to increase the

capacity of the parks and recreation system, including costs of financing, over a designated period, as set forth in Attachment A, Methodology for Parks Systems Development Charge, City of Troutdale, Oregon, May 1998, applied equally to the anticipated number of permanent residential dwelling units to be constructed within the city.

- B. Parks and recreation system development charges will be levied against permanent residential uses only.

Section 3. Cost.

The system development charge hereby imposed as set forth in Attachment A, Table 5, is due and payable at the time of issuance of a building permit by the City. Except as otherwise provided in Chapter 12.02 of the Troutdale Municipal Code, no building permit shall be issued for a development subject to this system development charge unless the system development charge is first paid in full.

Section 4. Exemptions.

The following development is exempt from parks and recreation system development charges:

- A. Remodeling or replacement of any single-family structure [including manufactured homes];
- B. Multi-family structure remodeling or replacement that does not include the addition of dwelling units;
- C. Office, business, commercial, industrial or institutional structures that do not allow for residential occupancies.

Section 5. Effective Date.

The effective date of this resolution is August 15, 1998.

Section 6. Distribution of Funds.

The system development funds collected under authority of this Resolution shall be deposited in the Parks Improvement Fund. These funds may only be expended for accomplishing the capacity-enhancing parks and recreation projects as set forth in the Capital Improvement List, Table 4 of Attachment A, which may be amended from time to time by resolution of the Council.

Section 7. Applicability of Troutdale Municipal Code.

The provisions of Chapter 12.02 of the Troutdale Municipal Code govern credits, refunds, collection, appeals, and other matters pertaining to the charge established in this Resolution.

Section 8. Administration.

The Community Development Director of the City of Troutdale or the Director's designee shall be responsible for the administration of this Resolution.


Section 9. Previous Resolution Rescinded.

Resolution No. 944-R is rescinded effective August 15, 1998.

YEAS:	<u>6</u>
NAYS:	<u>0</u>
ABSTAINED:	<u>0</u>


Paul Thalhofer, Mayor

Dated: 6-15-98


George Martinez, City Recorder
Adopted: 6-9-98

**METHODOLOGY FOR PARKS SYSTEMS DEVELOPMENT CHARGE
CITY OF TROUTDALE, OREGON**

May 29, 1998

Economic & Financial Analysis
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INTRODUCTION AND SUMMARY

The City of Troutdale contracted with Economic & Financial Analysis (EFA) to update the City's Park & Recreation Systems Development Charge. The City's current SDC is \$374 per housing unit, and is applied only to residential developments. It is an improvement fee.¹ The City implemented the current SDC six years ago, February 26, 1992, and has not changed it since then.

In November 1995 the City completed the *Troutdale Parks Recreation & Greenways Plan* (the Plan).² This plan has been the City's guide to park and greenway land acquisition and development. The plan identified \$3.32 million of park developments to be completed over a 6-year period. These improvements were designed for a population that was expected to grow from 11,400 people in 1995 to 21,400 people by the year 2015 within the Troutdale urban growth area.

Since 1995, the City's population has grown to 13,880 people, the City has acquired more park land, and it has added projects to its capital improvements list. Taking these changes into consideration with the Plan, EFA recommends the City amend its park SDC to increase the improvement fee. Since the park system is still deficit the gross acres needed to meet the plans adopted standards (acres of park land per 1,000 people), no reimbursement fee is possible.

Table 1 summarizes the current and proposed park SDC by fee. The proposed park SDC will be applied only to housing developments.

Table 1: Summary of Current and Proposed Park SDC

Current Improvement Fee	Proposed		Total	Percent Increase
	Reimbursement Fee	Improvement Fee		
374		790	790	111%

¹A SDC may be composed of a reimbursement fee and an improvement fee. The reimbursement fee covers costs already incurred to build facilities to be used by future populations. The improvement fee covers cost to be incurred for facilities used by future development.

²City of Troutdale, *Troutdale Parks Recreation & Greenways Plan*, written by JC Draggoo & Associates, and adopted by City Ordinance No. 635, November 15, 1995.

BACKGROUND INFORMATION

Park Standards

The Plan contains standards for park development that are contained in Table 2. Table 2 also shows the existing ratios of acres in parks to population. For example, in 1995 the ratio of community parks was 1.08 acres per 1,000 people, i.e.,

$$1.08 \text{ acres} = \frac{12 \text{ acres}}{11,400 \text{ people} / 1,000}$$

The adopted standard increases this ratio to 2.50 acres per 1,000 people. To meet this standard, the City would have to have 28.5 acres (2.5 acres x 11.4 thousand people). Since it only actually had 12 acres in 1995, the City had a deficit of 16.5 acres of community park land (28.5 acres minus 12 acres).

EFA calculated the needed park land for each type of park for the 1995 population and found that the City had an overall deficit of about 60 acres, or about 24 percent more land was needed in 1997 to meet the adopted standards. Table 3 shows the calculation of the deficit for 1997. The acres of park land "Needed" is determined by applying the adopted park standards to the population. The acres of actual park land is how much the City had in 1997. The "Surplus (Deficit)" is the difference between actual acres and needed acres.

For the purposes of SDCs, future development cannot be expected to pay for the existing deficit. To account for the deficit, EFA reduced the expected cost of the unfinished parks by the deficit in 1997, 22.93 percent.

Table 2: Park Standards

	Actual, 1995 Ratios		Adopted Standards	
	Acres per	Population	Acres per	Population
Mini	0.18	1,000	0.10	1,000
Neighborhood	1.26	1,000	1.50	1,000
Community	1.08	1,000	2.50	1,000
Special Use Areas	0.59	1,000	1.10	1,000
Linear	0.00	1,000	0.70	1,000
Natural Open Spaces	4.92	1,000	12.40	1,000
Landscaped Areas	0.16	1,000	0.25	1,000
Undeveloped land	3.60	1,000		1,000

Source: Ibid, Troutdale, page V-5.

Table 3: Acres of Park Land and Current Deficit of Land

	Actual Acres	Needed 13,880	Surplus (Deficit)
Mini	5.74	1.39	4.35
Neighborhood	19.02	20.82	(1.80)
Community	15.00	34.70	(19.70)
Special Use Areas	2.74	15.27	(12.53)
Linear	2.80	9.72	(6.92)
Natural Open Spaces	119.33	172.11	(52.78)
Other City & State Parks	15.71		15.71
Undeveloped Acres	12.89		12.89
Total	193.23	254.00	(60.77)
Percent Deficit			-23.93%

Acquisitions since 1995

Source: Compiled by EFA from City records and the Plan.

Completed and Proposed Capital Improvements (since 1995)

Table 4 shows the list of capital improvements contained in the 1995 Plan and additional projects added to the Plan's list to compose the Capital Improvements List for the purposes of establishing a parks systems development charge (SDC). Table 4 shows completed and uncompleted projects. EFA uses the uncompleted projects to determine the improvement fee portion of the SDC.

The original budget for projects are stated either in 1995 dollars or in dollars for the year built (sometime between 1995 and 1997).³ In that time inflation has increased the cost of construction and the cost of land has increased more rapidly than the cost of construction. To estimate what these parks will cost to acquire and build in 1998, we compared the budget costs to the actual cost for completed projects. The Plan forecast a cost of \$854,000 for the 13 completed projects (including some acquisitions) and the actual cost amounted to \$1,045,934, 22.5 percent higher than planned. Based on the fact that these projects were constructed in 1995 through 1997, EFA

³The Plan itself gives only level-of-planning estimates of cost and no detailed cost estimates. Also much of the research was done in 1994 meaning that the data were more likely to be in 1994 dollars than in 1995 dollars.