

RESOLUTION NO. 1666

A RESOLUTION ADOPTING THE CAPITAL IMPROVEMENT PLAN AND ADJUSTING THE RATE FOR PARKS AND RECREATION SYSTEM DEVELOPMENT CHARGES AND RESCINDING RESOLUTION NO. 1605.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. ORS 223.297-223.314, adopted in 1989, authorizes local governments to impose system development charges on certain capital improvements, including parks and recreation.
2. 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 including those for parks and recreation.
3. Resolution No. 1605, which is currently in effect, adjusted the capital improvement plan methodology and rate for the parks and recreation system development charges.
4. The City retained the services of Don Ganer & Associates to update the capital improvement plan and methodology related to the parks and recreation system development charges.
5. Under the direction of City staff and the Parks Advisory Committee, an updated capital improvement plan and methodology has been prepared which proposes an adjusted parks and recreation system development charge 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, City of Troutdale Parks and Recreation System Development Charges, Update Methodology Report, Revised as of June

18, 2003, 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.

Section 3. Cost.

The system development charge supported by the methodology in Attachment A, is hereby imposed as follows:

- Current: \$811
- Effective September 1, 2003: \$2,600
- Effective July 1, 2004: \$3,100
- Effective July 1, 2005: \$3,600

Provided, however, that if a capital bond measure for parks is approved by the voters before the increases in July 2004 or July 2005 automatically take effect, the City will re-evaluate the amount of the Parks SDC's. The system development charge is 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 new dwelling units;

Section 5. Effective Date.

The effective date of this resolution is immediately.

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-increasing parks and recreation projects as set forth in the Capital Improvement Plan, Appendix to 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.

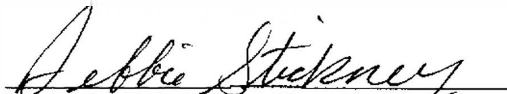
Section 9. Previous Resolution Rescinded.

Resolution No. 1605 is rescinded effective September 1, 2003.

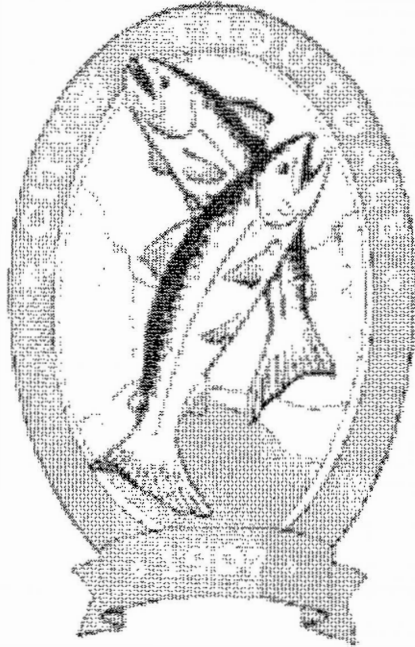
YEAS: 5
NAYS: 2 (Klye, Gorsek)
ABSTAINED: 0


Paul Thalhoffer, Mayor

6-25-03
Date


Debbie Stickney, City Recorder

Adopted: June 24, 2003



**PARKS AND RECREATION
SYSTEM DEVELOPMENT CHARGES
UPDATE METHODOLOGY REPORT**

revised as of
June 18, 2003

CONTENTS

	<u>page</u>
1.0 INTRODUCTION	1
2.0 AUTHORITY AND BACKGROUND INFORMATION	1
A. Legislative Authority	1
B. "Improvement fee" and "Reimbursement fee" SDCs	2
C. Requirements and Options for Credits, Exemptions, and Discounts	2
D. Guiding Concepts	3
E. Alternative Methodology Approaches	4
3.0 PARKS AND RECREATION SDC METHODOLOGY	5
A. Population Growth	5
B. Persons Per Dwelling Unit	5
C. Facility Needs	6
D. Deficiency Repair Facility Costs	8
E. Growth-Required New Facility Costs	9
4.0 PARKS AND RECREATION SDC RATE	9
A. Formula 4a: Net SDC-Eligible New Facility Costs	9
B. Formula 4b: Improvements Cost Per Capita	10
C. Formula 4c: Improvement Fee Per Dwelling Unit	10
D. Formula 4d: Compliance/Administration Fee Per Dwelling Unit	11
E. Formula 4e: SDC Credit Per Dwelling Unit	11
F. Formula 4f: Maximum SDC Per Dwelling Unit	12
5.0 SUMMARY	12

APPENDIX: Capacity Increasing Capital Improvements Plan

TABLES

	<u>page</u>
TABLE 3.1: Projected Population Increase From New Development (2002 - 2015)	5
TABLE 3.2: Average Persons Per Dwelling Unit	6
TABLE 3.3: Level of Service (LOS) Standards	6
TABLE 3.4: Current Inventory of Parks and Recreation Facilities	7
TABLE 3.5: Facility Needs for Population Growth and Deficiency Repair	8
TABLE 3.6: Deficiency Repair New Facility Costs	8
TABLE 3.7: Growth-Required New Facility Costs	9
TABLE 4.1: Net SDC-Eligible New Facility Costs	10
TABLE 4.2: Improvements Cost Per Capita	10
TABLE 4.3: Improvement Fee Per Dwelling Unit	10
TABLE 4.4: Compliance/Administration Fee Per Dwelling Unit	11
TABLE 4.5: Credit Per Dwelling Unit	12
TABLE 4.6: Maximum SDC Per Dwelling Unit	12

CITY OF TROUTDALE

Parks and Recreation System Development Charges Update Methodology Report

1.0 INTRODUCTION

System Development Charges (SDCs) are one-time fees charged to new development to help pay a portion of the costs associated with building capital facilities to meet needs created by growth. SDCs are authorized for five types of capital facilities including transportation, water, sewer, stormwater, and parks and recreation.

In 1995, the City of Troutdale adopted a Parks, Recreation, and Greenways Master Plan which identifies anticipated parks facility needs through the year 2015. The City last updated the Parks and Recreation SDC rates in 1998. In February 2003, the City engaged Don Ganer & Associates, Inc. to update the City's Parks and Recreation SDC methodology and rates to reflect current costs for growth-required facilities. This report presents an updated SDC methodology, documents the calculation of Parks and Recreation SDC rates, and identifies projects to be funded from SDC revenues.

Section 2.0 of this report presents authority and background information including (1) legislative authority for SDCs; (2) an explanation of "improvement fee" and "reimbursement fee" SDCs; (3) requirements and options for credits, exemptions and discounts; (4) guiding concepts for SDCs and (5) alternative methodology approaches. Section 3.0 presents the methodology used to develop the updated Parks and Recreation SDCs, and section 4.0 presents the calculation of the Parks and Recreation SDC Rates. The Parks and Recreation Capacity Increasing Capital Improvements Plan (CIP), which lists projects which may be funded with SDC revenues, is included as an appendix to this report.

2.0 AUTHORITY AND BACKGROUND INFORMATION

A. Legislative Authority

While SDCs have been in use in Oregon since the mid-1970's, State legislation regarding SDCs was not adopted until 1989, when the Oregon Systems Development Act (ORS 223.297 - 223.314) was passed. The purpose of this Act was to "...provide a uniform framework for the imposition of system development charges...". In 1993, 1999, and 2001 additional statutory provisions were added to address concerns and clarify requirements regarding SDCs. The SDC Act requires local governments to:

- Enact SDCs by ordinance or resolution;
- Develop a methodology outlining how the SDCs were developed;
- Adopt a Capital Improvements Plan (CIP) to designate capital improvements that can be funded with "improvement fee" SDC revenues;
- Provide credit against the amount of the SDC for the construction of "qualified public improvements";
- Separately account for and report receipt and expenditure of SDC revenues, and develop procedures for challenging expenditures; and

- Use SDC revenues only for costs related to capital expenditures (operations and maintenance uses are prohibited).

B. "Improvement fee" and "Reimbursement fee" SDCs

The Oregon Systems Development Act provides for the imposition of two types of SDCs: (1) "improvement fee" SDCs, and (2) "reimbursement fee" SDCs. "Improvement fee" SDCs may be charged for new capital improvements that will increase capacity. Revenues from "improvement fee" SDCs may be spent only on capacity-increasing capital improvements identified in the required Capital Improvements Plan (CIP) that lists each project, and the expected timing and cost of each project. "Reimbursement fee" SDCs may be charged for the costs of existing capital facilities if "excess capacity" is available to accommodate growth. Revenues from "reimbursement fees" may be used on *any* capital improvement project, including major repairs, upgrades, or renovations. Capital improvements funded with "reimbursement fee" SDCs do not need to increase capacity, but they must be listed in the CIP.

C. Requirements and Options for Credits, Exemptions, and Discounts

(1) Credits

A credit is a reduction in the amount of the SDC for a specific development. The Oregon SDC Act requires that credit be allowed for the construction of a "qualified public improvement" which (1) is required as a condition of development approval, (2) is identified in the Capital Improvement Plan, and (3) either is not located on or contiguous to property that is the subject of development approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project. The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., a parks and recreation improvement can only be used for a credit for a parks and recreation SDC), and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

(2) Exemptions

The City may exempt certain types of development, such as affordable housing from the requirement to pay parks SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as bonds and property taxes.

(3) Discounts

The City may "discount" the amount of the SDC by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC may also be applied on a pro-rata basis to any identified deficiencies to be funded from non-SDC sources. For example, the City may charge new development an SDC rate sufficient to recover only 75% of identified growth-required costs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP.

Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as bonds or general fund contributions, in order to achieve or maintain adopted levels of service.

D. Guiding Concepts

The Oregon Revised Statutes provide the source of authority for the adoption of SDCs. There is some dispute whether SDCs are also subject to the requirements of U.S. Supreme Court cases; in particular, *Nollan v. California Coastal Commission* and *Dolan v. City of Tigard*. More recent U.S. Supreme Court cases, including *Eastern Enterprises v. Apfel* and *Del Monte Dunes v. City of Monterey*, and an Oregon Court of Appeals decision in *Homebuilders Association et al v. Tualatin Hills Park & Recreation District* suggest that SDCs are not subject to the requirements of *Nollan* and *Dolan*. Nonetheless, even if SDCs are not subject to these requirements, the method described in this report meets those requirements as follows:

(1) "Essential Nexus" Requirement

In a 1987 case, *Nollan v. California Coastal Commission*, the U.S. Supreme Court established that government agencies must show that an "essential nexus" (e.g. reasonable connection) exists between a project's impacts and any dedication requirements. For SDCs, the "essential nexus" requirement means there must be a reasonable connection between the nature of the development and the facilities being funded with the SDC revenues. For example, new parks are needed to serve the recreation needs of new development in order to prevent overcrowding of existing facilities and to meet the needs identified in the City's Parks and Recreation Master Plan; therefore an "essential nexus" exists between new development and the SDCs needed to build parks to serve new development.

(2) "Rough Proportionality" Requirement

In its landmark 1994 decision in *Dolan v. City of Tigard*, the U.S. Supreme Court cited the requirement for "rough proportionality" between the requirements placed on a developer by government and the impacts of the development. This concept of rough proportionality is applied in "improvement fee" SDCs by insuring that new growth is not required to pay (through fees, exactions, or taxes) to upgrade existing deficiencies or provide new facilities beyond a level "roughly proportionate" with the extent of new development's impact; "improvement fee" SDCs can be charged only for the portion of capital facility costs that are attributable to growth. As an example, if a City's adopted Level of Service (LOS) standard for Community Parks is 2.5 acres per 1,000 persons, new development can only be charged a fee sufficient to provide these facilities for new residents at 2.5 acres per 1,000 persons, and cannot be required to pay additional costs that may be needed to eliminate deficiencies.

E. Alternative Methodology Approaches

There are three basic approaches used to develop improvement fee SDCs: "standards-driven", "improvements-driven", and "combination/hybrid".

(1) Standards-Driven Approach

The "standards-driven" approach is based on the application of Level of Service (LOS) Standards for facilities such as neighborhood parks, community parks, etc. Facility needs are determined by applying the LOS Standards to projected future population and employment, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where level of service standards have been adopted but no specific list of projects is available.

(2) Improvements-Driven Approach

The "improvements-driven" approach is based on a specific list of planned capacity-increasing capital improvements. The portion of each project that is attributable to growth is determined, and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in population and employment, as applicable. This approach works best where a detailed master plan or project list is available and the benefits of projects can be readily apportioned between growth and current users.

(3) Combination/Hybrid Approach

The combination/hybrid-approach includes elements of both the "improvements-driven" and "standards-driven" approaches. Level of Service standards may be used to create a list of planned capacity-increasing projects, and the growth-required portions of projects are then used as the basis for determining SDC-eligible costs. This approach works best where Levels of Service have been identified and the benefits of individual projects are not easily apportioned between growth and current users.

3.0 PARKS AND RECREATION SDC METHODOLOGY

The Combination/Hybrid approach has been used to develop the updated Parks and Recreation SDC methodology. The City's 1995 *Parks, Recreation & Greenways Plan* (Master Plan) includes Level of Service Standards for Mini-Parks, Neighborhood Parks, Community Parks, Special Use Areas, Linear Parks, Natural Areas and Open Space, and Landscaped Areas. The Plan also includes standards for facilities including Pathways and Trails, and for field and court facilities typically located at schools and in Community Parks. The adopted Level of Service standards for parks areas and for pathways and trails have been used to identify facility needs. A list of capital improvement projects has been developed to address the facility needs for the City's projected population through the year 2015. The Capital Improvement Plan (Appendix) identifies both growth-required and deficiency repair needs, the estimated timing, and the estimated cost of each project.

Parks and recreation facilities benefit City residents, businesses, non-resident employees, and visitors. The methodology used to update the City's Parks and Recreation SDCs establishes the required "essential nexus" between development impacts and the SDC by identifying the need of for each type of facility for new residents. The SDCs to be paid by a development meet the "rough proportionality" requirement because they are based on the extent of the impact of the development on the need for parks and recreation facilities. The Parks and Recreation SDCs are based on population only, and the SDC rates are calculated based on the specific impact a development is expected to have on the City's population.

A. Population Growth

The Parks and Recreation SDCs are based on costs per "capita" (person). Estimates of current and projected population within the City of Troutdale were calculated using data from Metro and the Population Research Center at Portland State University.

The 2000 population was obtained from U.S. Census data, and the estimated 2002 population was obtained from the Center for Population Research at Portland State University. Metro's projected population for Troutdale for the year 2015 is 21,400. The projected increase in population between 2002 and 2015 is shown in Table 3.1, below.

TABLE 3.1

**PROJECTED POPULATION
INCREASE FROM NEW DEVELOPMENT (2002 - 2015)**

	<u>2015 (Projected)</u>		<u>Estimated 2002</u>		<u>Projected Increase</u>
Population:	21,400	-	14,240	=	7,160

B. Persons Per Dwelling Unit

The Parks and Recreation SDC is based on costs per capita and calculated based on the number of persons per dwelling unit. To determine the number of persons per dwelling unit, official 2000 U.S. Census data was analyzed, and the resulting calculation is displayed in Table 3.2, page 6.

TABLE 3.2

AVERAGE PERSONS PER DWELLING UNIT

<u>Unit</u>	2000 Census Avg. Persons <u>Per Dwelling Unit</u>
Residential Dwelling Unit	2.86

C. Facility Needs

The City's adopted Level of Service standards identified in the 1995 Master Plan provided the framework for identifying the facilities required to serve new development. These standards, shown in Table 3.3, below, provided objective criteria by which the growth-required portions of facility needs were identified. Definitions for each facility type are included in Section VII of the Master Plan.

TABLE 3.3

LEVEL OF SERVICE (LOS) STANDARDS

<u>Facility Type</u>	LOS Standard (Units per 1,000 persons)
Mini-Park	0.10 acres
Neighborhood Park	1.50 acres
Community Park	2.50 acres
Linear Park	0.70 acres
Special Use Areas	1.10 acres
Natural Areas and Open Space	12.40 acres
Pathways and Trails	0.51 miles

The Master Plan also includes specific standards for ballfields, soccer fields, and similar items normally located in Community Parks and at schools. For purposes of the SDC, the costs of such facilities are included in the development costs for Community Parks, so they have not been separately identified.

Table 3.4, page 7 provides a list of the City's current inventory of parks and recreation facilities.

TABLE 3.4

**CURRENT INVENTORY OF
PARKS AND RECREATION FACILITIES**

<u>Facility Type</u>	<u>Units</u>
<i>Mini/Neighborhood Parks</i>	
C.P. Park	0.71 acres
Sweetbriar Park	1.38 acres
Helen Althaus Park	9.51 acres
Kiku Park	2.62 acres
Lewellyn Park	2.39 acres
Sandee Palisades Park	4.62 acres
Weedin Park	2.62 acres
Woodale Park	2.50 acres
<i>Community Parks</i>	
Columbia Park	19.9 acres
Sunrise Park	15.76 acres
Glenn Otto Park (developed acreage)	4.38 acres
Undeveloped Community Park Land	2.0 acres
<i>Special Use Areas</i>	
Depot Park	2.55 acres
Harlow House	1.40 acres
Mayor Square	0.17 acres
Undeveloped Special Use Area Land	2.0 acres
<i>Natural Areas/Open Space</i>	
Beaver Creek Greenway	75.86 acres
Sandy River Greenway	20.21 acres
Metro Greenspaces Acreage	84.7 acres
<i>Landscaped Areas</i>	
Twenty locations ranging in size from 0.02 to 1.16 acres	5.41 acres
<i>Pathways and Trails</i>	
Located in Beaver Creek Greenway and other parks and natural areas	7.06 miles

Table 3.5, page 8, presents a summary of facilities needed through 2015 for growth needs and to repair deficiencies, based on application of the LOS standards identified in Table 3.3.

TABLE 3.5

FACILITY NEEDS FOR POPULATION GROWTH AND DEFICIENCY REPAIR

<u>Facility Type</u>	<u>Current Inventory</u>	<u>Current Need</u>	<u>Surplus or (Deficiency)</u>	<u>2015 Need</u>	<u>Growth Req. Units</u>	<u>Def. Repair Req. Units</u>
Mini-Parks and						
Neighborhood Parks (acres)	26.35	22.78	3.57	34.24	7.89	0.00
Developed Community Parks (acres)	40.04	35.60	4.44	53.50	13.46	0.00
Linear Parks (linear feet)	0.00	9.97	(9.97)	14.98	5.01	9.97
Developed Special Use Areas (acres)	4.12	15.66	(11.54)	23.54	7.88	11.54
Natural Areas/Open Space (acres)	180.77	176.58	4.19	265.36	84.59	0.00
Landscaped Areas (acres)	5.41	3.56	1.85	5.35	0.00	0.00
Pathways and Trails (miles)	7.06	7.26	(0.20)	10.91	3.65	0.20
Undeveloped Land (acres)	4.00	0.00	4.00	0.00	0.00	0.00

There are deficiencies in the number of acres of Linear Parks and Special Use Areas, and in the miles of Pathways and Trails. Improvement fee SDC revenues must be used only for growth needs, and may not be used to remedy existing deficiencies. The City may use improvement fee SDC revenues for Linear Parks, Special Use Areas, and Pathways and Trails only for the portion of the increase in capacity needed to serve growth. Alternative sources of revenue must be used to repair deficiencies.

D. Deficiency Repair Facility Costs

The Capital Improvements Plan (CIP), which is included as an appendix, identifies new facilities needed to repair deficiencies and to serve new development through the year 2015. Table 3.6, below, shows the estimated cost for acquisition and development per unit for each type of parks facility, and the estimated cost to repair existing deficiencies. Unit costs are planning estimates based on expected costs for parks providers for similar facilities in the Portland area. Unit cost estimates include all expected costs for acquisition and full development of facilities such as playgrounds, picnic areas, ballfields, and other amenities appropriate for each type of park facility. Deficiency repair costs must be paid from sources other than improvement fee SDCs.

TABLE 3.6

DEFICIENCY REPAIR NEW FACILITY COSTS

<u>Facility</u>	<u>Deficiency Repair Units</u>	<u>Acquisition and Development Cost Per Unit</u>	<u>Total Deficiency Repair Costs</u>
Mini-Parks/			
Neighborhood Parks (acres)	0.00	\$ 250,000	\$ 0
Community Parks (acres)	0.00	575,000	0
Linear Parks (acres)	9.97	60,000	598,200
Special Use Areas (acres)*	11.54	150,000	1,531,000
Natural Area/Open Space (acres)	0.00	30,000	0
Landscaped Areas (acres)	0.00	125,000	0
Pathways and Trails (miles)	0.20	350,000	70,000
Total			\$2,199,200

* costs for special use areas reflect development of two acres of existing City property.

E. Growth-Required New Facility Costs

The CIP (Appendix) also identifies parks facilities needed to serve new residential growth through the year 2015. Table 3.7, below, shows the number of units for each type of facility and the estimated cost per unit for these new facilities.

TABLE 3.7

GROWTH-REQUIRED NEW FACILITY COSTS

<u>Facility</u>	<u>Growth Required Units</u>	<u>Cost Per Unit</u>	<u>Total Growth Costs</u>
Mini-Parks/ Neighborhood Parks (acres)	7.89	\$250,000	\$ 1,972,500
Community Parks (acres)*	13.46	575,000	7,489,500
Linear Parks (acres)	5.01	60,000	300,600
Special Use Areas (acres)	7.88	150,000	1,182,000
Natural Area/Open Space (acres)	84.59	30,000	2,,537,700
Pathways and Trails (miles)	3.65	350,000	<u>1,277,500</u>
Totals			\$14,759,800

* costs for community parks reflect development of two acres of existing City property.

4.0 PARKS AND RECREATION SDC RATE

The City’s Parks and Recreation SDC rate is calculated using a series of sequential formulas which, when completed, yields the total SDC rate for each new dwelling unit in the City. The formulas identify:

- a) The net SDC-eligible new facility costs (Formula 4a, below)
- b) the improvements cost per capita (Formula 4b, page 10),
- c) the improvement fee per dwelling unit (Formula 4c, page 10)
- d) the compliance/administrative fee per dwelling unit (Formula 4d, page 11)
- e) the SDC credit per dwelling unit (Formula 4e, page 12), and
- f) the SDC per dwelling unit (Formula 4f, page 12).

The Parks and Recreation SDC is an “improvement fee” only, and does not include a “reimbursement fee” component.

A. Formula 4a: Net SDC-Eligible New Facility Costs

The net SDC-eligible new facility costs is calculated by subtracting the current SDC fund balance from the growth-required improvements cost (identified in Table 3.7, above).

$$\begin{array}{rclcl}
 & \text{Growth-Required} & & & \text{Net SDC-} \\
 4a. & \text{New Facility} & - & \text{SDC Fund} & = & \text{Eligible New} \\
 & \text{Costs} & & \text{Balance} & & \text{Facility Costs}
 \end{array}$$

Table 4.1, page 10, presents the calculation of the improvements cost per capita.

TABLE 4.1

NET SDC-ELIGIBLE NEW FACILITY COSTS

<u>Growth-Required Facility Costs</u>		<u>SDC Fund Balance</u>		<u>Net SDC- Eligible New Facility Costs</u>
\$14,759,800	+	137,200	=	\$14,622,600

B. Formula 4b: Improvements Cost Per Capita

The improvements cost per capita is calculated by dividing the net SDC-eligible new facility costs (identified in Table 4.1, above) by the increase in the City's population expected to be created by new development during the planning period (from Table 3.1, page 5).

4b.	<u>Net SDC-Eligible New Facility Costs</u>	÷	<u>Population Increase</u>	=	<u>Improvements Cost Per Capita</u>
-----	--	---	--------------------------------	---	---

Table 4.2 presents the calculation of the improvements cost per capita.

TABLE 4.2

IMPROVEMENTS COST PER CAPITA

<u>New Facility Costs</u>		<u>Population Increase</u>		<u>Improvements Cost Per Capita</u>
\$14,622,600	÷	7,160	=	\$ 2,042

C. Formula 4c: Improvement Fee Per Dwelling Unit

The improvement fee per dwelling unit is calculated by multiplying the average number of persons per dwelling unit (from Table 3.2, page 6) by the improvements cost per capita (from Table 4.2, above).

4c.	<u>Persons Per Dwelling Unit</u>	x	<u>Improvements Cost Per Capita</u>	=	<u>Improvement Fee Per Dwelling Unit</u>
-----	--------------------------------------	---	---	---	--

The result of this calculation is displayed in Table 4.3, below.

TABLE 4.3

IMPROVEMENT FEE PER DWELLING UNIT

<u>Unit</u>	<u>Average Persons Per Dwelling Unit</u>	X	<u>Improvements Cost Per Capita</u>	=	<u>Improvement Fee Per Dwelling Unit</u>
Residential Dwelling Unit	2.86		\$2,042		\$5,841

D. Formula 4d: Compliance/Administration Fee Per Dwelling Unit

The City will incur compliance and administrative costs associated with the Parks and Recreation SDCs. ORS 223.307(5) allows the City to recoup the direct costs of complying with Oregon law regarding SDCs. Recoupable costs include planning, consulting, engineering, and legal fees, as well as the cost of collecting and accounting for revenues and expenditures. The compliance/administrative fee is estimated to total approximately 5% of the improvement fee per dwelling unit.

The compliance/administrative fee per dwelling unit is determined by multiplying the improvement fee (from Table 4.3, page 10) by 5%.

$$4d. \quad \begin{array}{l} \text{Improvement} \\ \text{Fee Per} \\ \text{Dwelling Unit} \end{array} \times \begin{array}{l} \text{Compliance/} \\ \text{Administration} \\ \text{Rate} \end{array} = \begin{array}{l} \text{Compliance/} \\ \text{Admin. Fee Per} \\ \text{Dwelling Unit} \end{array}$$

Table 4.4 presents the compliance/administration fee per dwelling unit.

TABLE 4.4

COMPLIANCE/ADMINISTRATION FEE PER DWELLING UNIT

<u>Unit</u>	<u>Improvement Fee Per Dwelling Unit</u>	X	<u>Compliance/ Administration Rate</u>	=	<u>Compliance/ Admin. Fee Dwelling Unit</u>
Residential Dwelling Unit	\$5,841	X	5%	=	\$ 292

E. Formula 4e: SDC Credit Per Dwelling Unit

Bonds will likely be used as a future source for funding for capacity improvements needed to repair deficiencies. A portion of bond repayments comes from property taxes paid by growth. Therefore, a credit must be calculated to account for these payments in order to avoid charging growth twice; once through the SDC, and a second time through property taxes. A credit has been calculated based on the following assumptions:

- \$1.1 million in 20 year G.O. bonds at 5.5 % for park improvements to be issued in 2005,
- \$1.1 million in 20 year G.O. bonds at 5.5 % for park improvements to be issued in 2010,
- 8.0% average annual increase in total City property valuation for taxes,
- 3.0% annual increase in assessed property valuations,
- 3.0% annual inflation (decrease in value of money),
- Average 2002 property valuations for new construction at \$170,000 for single family, \$55,000 for multi-family, and \$85,000 for manufactured housing units (\$75,000 for unit, \$10,000 for lot); housing mix remains constant.

$$4e. \quad \begin{array}{l} \text{Present Value} \\ \text{of Future Property} \\ \text{Tax Payments} \end{array} = \begin{array}{l} \text{SDC} \\ \text{Credit Per} \\ \text{Dwelling Unit} \end{array}$$

The amount of this credit is shown in Table 4.5, page 12.

System Development Charges Methodology Update Report

6/18/2003

Capacity Increasing Capital Improvements Plan

2003 - 2015

#	PROJECT	YRS	TOTAL PROJECT COST	% PARKS GROWTH NEED	GROWTH PORTION OF TOTAL COST	% DEFICIENCY REPAIR NEED	DEFICIENCY PORTION OF TOTAL COST	PROJECT FUNDING SOURCES
1	Community Park Site Acq. - acquire approximately 8 acres of land for community parks growth needs.	03-07	\$1,000,000	100%	\$1,000,000	0%	\$0	SDC
2	Community Park Dev. - develop approximately 10 acres of community parks to meet growth needs in the City. (includes 2 acres of existing undeveloped land)	03-07	\$4,500,000	100%	\$4,500,000	0%	\$0	SDC
3	Neighborhood/Mini Park Site Acq. - acquire approximately 3.0 acres of land for neighborhood and mini parks in growing areas of the City.	03-07	\$450,000	100%	\$450,000	0%	\$0	SDC
4	Neighborhood/Mini Park Site Dev. - develop approximately 3.0 acres of neighborhood and mini parks in growing areas of the City.	03-07	\$300,000	100%	\$300,000	0%	\$0	SDC
5	Natural/Open Space Acquisition/Development - acquire approximately 30 acres of land of natural areas and open space to meet growth needs of the City.	03-07	\$900,000	100%	\$900,000	0%	\$0	SDC
6	Community Park Site Acq. - acquire approximately 3.46 acres of land for community parks growth needs.	08-12	\$432,500	100%	\$432,500	0%	\$0	SDC
7	Community Park Dev. - develop approximately 3.46 acres of community parks to meet growth needs in the City.	08-12	\$1,557,000	100%	\$1,557,000	0%	\$0	SDC

Capacity Increasing Capital Improvements Plan

2003 - 2015

6/18/2003

#	PROJECT	YRS	TOTAL PROJECT COST	% PARKS GROWTH NEED	GROWTH PORTION OF TOTAL COST	% DEFICIENCY REPAIR NEED	DEFICIENCY PORTION OF TOTAL COST	PROJECT FUNDING SOURCES
8	Neighborhood/Mini Park Site Acq. - acquire approximately 3.0 acres of land for neighborhood and mini parks in growing areas of the City.	08-12	\$450,000	100%	\$450,000	0%	\$0	SDC
9	Neighborhood/Mini Park Site Dev. - develop approximately 3.0 acres of mini and neighborhood parks in growing areas of the City.	08-12	\$300,000	100%	\$300,000	0%	\$0	SDC
10	Natural/Open Space Acquisition/Development - acquire approximately 30 acres of land of natural areas and open space to meet growth needs of the City.	08-12	\$900,000	100%	\$900,000	0%	\$	SDC
11	Neighborhood/Mini Park Site Acq. - acquire approximately 1.89 acres of land for neighborhood and mini parks in growing areas of the City.	13-15	\$283,500	100%	\$283,500	0%	\$0	SDC
12	Neighborhood/Mini Park Site Dev. - develop approximately 1.89 acres of mini and neighborhood parks in growing areas of the City.	13-15	\$189,000	100%	\$189,000	0%	\$0	SDC
13	Natural/Open Space Acquisition/Development - acquire approximately 24.59 acres of land of natural areas and open space to meet growth needs of the City.	13-15	\$737,700	100%	\$737,700	0%	\$0	SDC
14	Linear Park Acquisition/Development - acquire and develop approximately 14.98 acres of linear park.	13-15	\$898,800	33%	\$300,600	67%	\$598,200	SDC, Grants, Donations, Bonds, Partnerships, LIDs, Other

2003 - 2015

6/18/2003

PROJECT TOTALS	YRS	TOTAL PROJECT COSTS	% PARKS GROWTH NEED	GROWTH PORTION OF TOTAL COSTS	% DEFICIENCY REPAIR NEED	DEFICIENCY PORTION OF TOTAL COSTS
sub-total	03-07	\$7,150,000	100.00%	\$7,150,000	0.00%	\$0
sub-total	08-12	\$3,639,500	100.00%	\$3,639,500	0.00%	\$0
sub-total	13-15	\$6,169,500	64.35%	\$3,970,300	35.65%	\$2,199,200
TOTALS		\$16,959,000	87.03%	\$14,759,800	12.97%	\$2,199,200
Total Growth Costs Fundable With SDCs:		\$14,759,800				
Total Required Deficiency Repair Costs:		\$2,199,200				
Neighborhood/Mini Parks		\$1,972,500		\$1,972,500		\$0
Community Parks		\$7,489,500		\$7,489,500		\$0
Linear Parks		\$898,800		\$300,600		\$598,200
Special Use Areas		\$2,713,000		\$1,182,000		\$1,531,000
Natural Areas/Open Space		\$2,537,700		\$2,537,700		\$0
Pathways and Trails		\$1,347,500		\$1,277,500		\$70,000
Totals		\$16,959,000		\$14,759,800		\$2,199,200