

City of Wilsonville

Parks System Development Charge Update

Draft Report
June 21, 2023

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Section I. INTRODUCTION

This section describes the project scope and policy context upon which the body of the report is based.

I.A. PROJECT

The City of Wilsonville (City) imposes a system development charge (SDC) to provide partial funding for the capital needs of its parks system. The current charges are shown in **Exhibit 1.1** below.

Exhibit 1.1 – Current SDCs

Land Use Category	Fee per Unit	Unit
Single-family	\$7,349	Dwelling Unit
Multi-family	\$5,645	Dwelling Unit
Nonresidential	\$261	TGSF*
Office/Finance	\$729	TGSF*
Food Service/Shopping Center	\$1,689	TGSF*
Retail/General Service	\$365	TGSF*
Flex Industrial (less than one employee per 1,000 square feet)	\$154	TGSF*
Industrial/Business/Park/Manuf/Warehouse other than Flex	\$555	TGSF*
Public Schools	\$90	TGSF*

*TGSF = thousand gross square feet

In 2022, the City engaged FCS GROUP to recalculate its parks SDC based on more recent growth estimates, project lists, and inventory data.

I.B. POLICY

SDCs are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution.

I.B.1. State Statutes

Oregon Revised Statutes (ORS) 223.297 to 223.316 enable local governments to establish SDCs, which are one-time fees on development that are paid at the time of development or redevelopment that creates additional demand for system facilities. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future users -- growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”

- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

In addition to the reimbursement and improvement fees, ORS 223.307(5) states, in part, that “system development charge revenues may be expended on the costs of complying” with state statutes concerning SDCs, including “the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.”

I.B.2. Local Ordinance

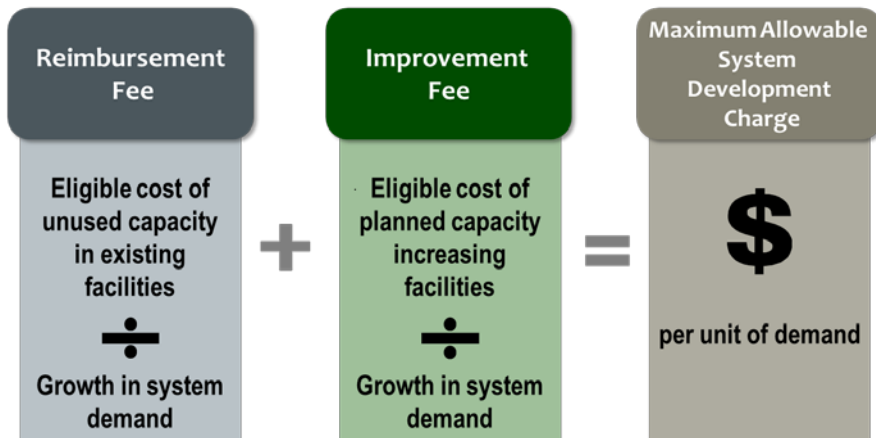
Chapters 11.000 through 11.190 of the Wilsonville Municipal Code authorize and govern the imposition and expenditures of parks SDCs. These code sections may need modifications to accommodate the results of this report.

I.B.3. United States Constitution

The United States Supreme Court has determined that SDCs, impact fees, or other exactions that comply with state and/or local law may still violate the United States Constitution if they are not proportionate to the impact of the development. The SDCs calculated in this report are designed to meet such constitutional and statutory requirements.

I.C. CALCULATION OVERVIEW

In general, SDCs are calculated by adding a reimbursement fee component (if applicable) and an improvement fee component—both with potential adjustments. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge. Below is an illustration of this calculation:



Section II. SDC ANALYSIS

This section provides the detailed calculations of the maximum allowable parks SDC in Wilsonville.

II.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the SDC calculations.

II.A.1. Unit of Measurement

A good unit of measurement allows an agency to quantify the incremental demand of development or redevelopment that creates additional demand for transportation facilities. A more precise unit of measurement allows an agency to distinguish different levels of demand added by different kinds of development or redevelopment.

II.A.1.a Options

For parks SDCs, demand that can be attributed to individual developments is usually measured in the number of people who will occupy a development. For residential developments, the number of occupants means the number of residents. We use data from the U. S. Census Bureau to estimate the number of residents for different kinds of dwelling units. For non-residential developments, the number of occupants means the number of employees. We use industry data to estimate the number employees per square foot for different kinds of non-residential developments.

When an agency chooses to impose a parks SDC on both residential and non-residential developments, the demand of one additional resident must be carefully distinguished from the demand of one additional employee. This is usually accomplished by the calculation of a residential equivalent. One resident is equal to one residential equivalent, and one employee is typically much less than one residential equivalent.

II.A.1.b Recommendation

The City finds that non-residential developments are a source of demand for parks facilities. We therefore recommend that the City continue to charge parks SDCs for both residential and non-residential developments using residential equivalents as the unit of growth.

II.A.2. Demand Adjustment for Non-Residential Users

To charge parks SDCs to both residential and non-residential developments, we must estimate both (1) how much availability non-residential occupants (i.e., employees) have to use parks facilities and (2) how that availability differs from residential occupants (i.e., residents).

The calculation begins with the most recent counts for population and employment in Wilsonville. As shown below, in 2019 (the most recent year for which both population and employment data were available), 24,343 residents lived in Wilsonville, and 19,393 employees worked in Wilsonville. Of these, 1,686 people both lived and worked in Wilsonville.

Exhibit 2.1 – 2019 Population and Employment in Wilsonville

Population and Employment, 2019	Living Inside	Living Outside	Total
	Wilsonville	Wilsonville	
Working Inside Wilsonville	1,686	17,707	19,393
Working Outside Wilsonville	9,185		
Not Working	13,472		
Total	24,343		

Source: U.S. Census Bureau, OnTheMap Application, 2019 Inflow/Outflow analysis (primary jobs), Wilsonville Parks Master Plan, Figure 1 (2019 population)

Next, we estimate the number of hours per week that each category of person would be available to use the parks facilities in Wilsonville. **Exhibit 2.2** below shows an estimate of maximum availability. It assumes that 8 hours each day are used for sleeping for all residents of the City. For those who are not working, the remaining 16 hours of each day are available for use of the parks system, giving a total of 112 hours per week of parks system availability. For workers, 8 hours of each day are assumed to be spent at work, which leaves the remaining 8 hours per weekday available for residential use of the parks system. In addition, workers have 16 hours of residential demand each weekend day, for a total of 72 hours per week of residential demand. During work, 1 hour is assumed to be available for workers to use the parks system, giving 5 hours per week of non-residential demand. These estimates are not of actual use, but maximum availability.

Exhibit 2.2 – Demand Estimates by Category of Parks User

Hours per Week of Park Availability Per Person, Residential Demand	Living Inside Wilsonville
Working Inside Wilsonville	72
Working Outside Wilsonville	72
Not Working	112

Source: FCS GROUP.

Hours per Week of Park Availability Per Person, Non-Residential Demand	Living Inside	Living Outside
	Wilsonville	Wilsonville
Working Inside Wilsonville	5	5
Working Outside Wilsonville		
Not Working		

Source: FCS GROUP.

When the hours of availability above are multiplied by the counts presented earlier, we can determine the relative demand of residents and employees. As shown in **Exhibit 2.3** below, the parks demand of one employee is equivalent to the parks demand of about 0.05 resident. To put it another way, the parks demand of about 18.83 employees is equivalent to the parks demand of one resident.

Exhibit 2.3 – Total Hours per Week of Park Availability

Total Hours per Week of Park Availability, 2019	Residential hours	Non-residential hours	Total Hours
Working Inside Wilsonville	121,392	96,965	218,357
Working Outside Wilsonville	661,320		
Not Working	1,508,888		
Total	2,291,600	96,965	218,357
Hours per resident	94		
Hours per employee		5	
Residents per employee			0.05

Source: Previous tables

II.A.3. Growth in Demand

The current (2021) demand for parks facilities is 26,350 residential equivalents. That number is the sum of 25,280 residents (based on the Parks Master Plan) and 1,070 residential equivalents for 20,139 employees.

During the forecast period from 2021 to 2036, the residential population is expected to grow by 8,276 residents. If total residential equivalents remain proportionate to the residential population, then residential equivalents will grow by 8,626 to a total of 34,976 residential equivalents. Therefore, 8,626 residential equivalents will be the denominator for the SDC calculations later in this report.

Exhibit 2.4 below summarizes these calculations:

Exhibit 2.4 – Growth in Demand

	2019 (Estimate)	2021	2036	Growth (2021-2036)
Population	24,343	25,280	33,556	8,276
Employees	19,393	20,139	26,732	6,593
Residential-equivalent employees	1,030	1,070	1,420	350
Residential equivalents	25,373	26,350	34,976	8,626

Source: Wilsonville Parks Master Plan, Figure 1, Previous tables

II.B. IMPROVEMENT FEE

An improvement fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the improvement fee cost basis (numerator).

II.B.1. Eligibility

A project's eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users.

For parks SDCs, eligibility is often determined by a level-of-service analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in an improvement fee cost basis).

Park facilities can be measured by sorting them into categories such as neighborhood, community, or urban parks, or by considering their respective units of measurement (e.g., acres). Further, in either approach, the current or future level of service may be targeted. These two separate choices create four distinct and equally defensible ways of calculating the eligibility percentage of each project.

Each method will be examined in the sections below.

II.B.1.a Current Level of Service (By Category and by Unit of Measurement)

Determining SDC eligibility for parks projects using the current level of service requires determining the quantity of parks facilities needed to maintain the current level of service. Any projects that add facilities in excess of that quantity are ineligible.

The City has six relevant parks categories for determining its level of service by category. These are shown in the upper panel of the first column in **Exhibit 2.5**. Each category receives its own level of service. Using community parks as an example, the City currently has 140.72 acres of community parks. Using the 2021 population discussed above, this implies that there is 5.57 acres of community parks per 1,000 residents. The parks project list, when completed, will add 14.50 acres of community parks. Based on the 2036 population and the current level of service, 46.07 additional acres of community parks are needed. So, the additional acres of community parks will serve growth rather than improve the City's level of service for community parks, and therefore 100 percent of the cost of those community park projects can be included in the improvement fee cost basis.

The same line of reasoning is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement also follows the same approach. The eligibility percentage for each parks category or unit of measurement is shown in the last column of **Exhibit 2.5**.

Note that when calculating by unit of measurement the number of park acres and natural areas goes down. That is because undeveloped park land already owned by the City is being used to create both community parks and miles of trail. Because miles of trail and acres of park land are differentiated when calculating by unit of measurement, using undeveloped land to develop trail miles reduces the total number of acres of park land.

Exhibit 2.5 – Eligibility under the Current Level of Service

	Units	2021 Quantity	2021 Units per 1,000 Residents	Change in Quantity	Additional Needed to Maintain LoS	Eligibility
By Category:						
Community Park	Acres	140.72	5.57	14.50	46.07	100.00%
Natural Area	Acres	50.97	2.02	0.00	16.69	0.00%
Urban Park	Acres	44.87	1.77	0.00	14.69	0.00%
Undeveloped Parks	Acres	11.38	0.45	-15.48	3.73	0.00%
Trail	Miles	19.65	0.78	4.89	6.43	100.00%
By Unit of Measurement:						
Acres of Parks and Natural Areas	Acres	247.94	9.81	-0.98	81.17	0.00%
Miles of Trail	Miles	19.65	0.78	4.89	6.43	100.00%

Source: Wilsonville Parks Master Plan, City staff

II.B.1.b Future Level of Service (By Category and Unit of Measurement)

To determine SDC eligibility using the future level of service, the proposed additional quantity of parks facilities is added to the current quantity of parks facilities. Using the future population, a future level of service is then calculated. Then, that level of service is compared to the current parks system to determine if any deficiencies exist against the current population. Only the portions of parks projects that do not cure existing deficiencies are considered eligible for the improvement fee cost basis under this method.

As in the previous section, calculating SDC eligibility based on future level of service can be done both when measuring parks facilities by category and when measuring by unit of measurement.

Exhibit 2.6 below outlines both methods using the future level of service. Using community parks as an example again, the City currently has 140.72 acres of community parks. The parks project list, when completed, will add 14.50 acres of community parks. This results in a future level of service of 4.63 acres of community parks per 1,000 residents in 2036. If that level of service was applied to the 2021 population, a minimum of 116.94 acres would be needed. However, there are currently already 140.72 acres of community parks. Thus, any additional community park projects will serve growth, rather than cure a deficiency against the future level-of-service standard. Therefore, 100 percent of the costs of those community park projects can be included in the improvement fee cost basis.

The same approach is used to develop the eligibility percentages for other parks categories. Further, calculating eligibility using level of service by unit of measurement follows the same logic. The eligibility percentage for each parks category or unit of measurement is shown in the “Eligibility” column of **Exhibit 2.6** below.

Exhibit 2.6 – Eligibility under the Future Level of Service

	Units	2021 Units			2036 Units		2021		Reimbursable Quantity
		Quantity	per 1,000 Residents	Change in Quantity	per 1,000 Residents	Minimum Quantity	Eligibility		
By Category:									
Community Park	Acres	140.72	5.57	14.50	4.63	116.94	100.00%	23.78	
Natural Area	Acres	50.97	2.02	0.00	1.52	38.40	0.00%	12.57	
Urban Park	Acres	44.87	1.77	0.00	1.34	33.80	0.00%	11.07	
Undeveloped Parks	Acres	11.38	0.45	-15.48	-0.12	-3.09	100.00%	14.47	
Trail	Miles	19.65	0.78	4.89	0.73	18.48	100.00%	1.16	
By Unit of Measurement:									
Acres of Parks and Natural Areas	Acres	247.94	9.81	-0.98	7.36	186.05	100.00%	61.89	
Miles of Trail	Miles	19.65	0.78	4.89	0.73	18.48	100.00%	1.16	

Source: Wilsonville Parks Master Plan, City staff

II.B.2. Expansion Projects

The first of the City’s two project lists includes projects that will expand the inventory of the parks system and are therefore subject to the eligibility calculations described above. Some projects add entirely new acres or trail miles to the parks system, others absorb already owned, undeveloped park acres. The total cost of these projects is \$67.9 million, and eligibility varies based on the level-of-service calculation chosen. These projects are summarized in **Exhibit 2.7** below.

Exhibit 2.7 – Expansion Projects

SDC #	Project	Type	Year of Construction	Total Project Cost	Quantity	Units
E-1	French Prairie Bridge Landings (Boones Ferry Master Plan, Phase 5)	Community Park	2029	8,000,000	3.00	Acres
E-2	Frog Pond Community Park (Advance Road) (1.7.g)	Community Park	2027	25,000,000	10.00	Acres
E-3	I-5 Pedestrian Bridge Gateway Plaza (IN.1)	Community Park	2026	4,000,000	1.00	Acres
E-4	Town Center Emerald Chain Promenade (IN.12)	Community Park	2027	1,800,000	0.50	Acres
E-5	Basalt Creek Regional Trail	Trail	2029	3,000,000	0.50	Miles
E-6	Boeckman Creek Regional Trail (Memorial Park to Boeckman)	Trail	2026	2,500,000	1.50	Miles
E-7	Frog Pond Regional Trail	Trail	2029	7,000,000	0.75	Miles
E-8	Ice Age Tonquin Trail - Boeckman to Grahms Ferry	Trail	2027	13,900,000	1.25	Miles
E-9	Regional Frog Pond Trail	Trail	2023	900,000	0.34	Miles
E-10	Wiedeman Regional Trail - Parkway to Canyon Creek	Trail	2028	1,800,000	0.55	Miles
Total				\$ 67,900,000		

Source: Wilsonville Parks Master Plan, City staff

II.B.3. Infill List

The second of the City’s two project lists includes projects that will not expand the inventory of the parks system by adding acres but that will nevertheless add capacity for future users by adding amenities. As shown in **Exhibit 2.8** below, this project list has a total cost of \$36.6 million. Each project is assigned one of two eligibility percentages: zero percent if the project is for repair or replacement of existing assets, and 24.66 percent if the project adds new amenities. That 24.66 percent represents the share of total users made up of new users in 2036, and assigning a project that percent recognizes that existing and future users are expected to share new amenities in existing parks proportionately. The total eligible cost of projects on the infill list is \$8.6 million.

Exhibit 2.8 – Infill List

SDC Project Number	Project Title	Projected Completion	Total Project		SDC-Eligible Costs
			Cost	Eligibility	
I-1	Boones Ferry East Restroom (Boones Ferry Master Plan, Phase 1)	2030	\$ 400,000	24.66%	\$ 98,653
I-2	Boones Ferry East Side Shelter (Boones Ferry Master Plan, Phase 2)	2028	300,000	24.66%	73,990
I-3	Boones Ferry Park Adult Fitness Zone (Boones Ferry Master Plan, Phase 1)	2030	350,000	24.66%	86,321
I-4	Boones Ferry Park Bike Skills Course (Boones Ferry Master Plan, Phase 2)	2028	250,000	24.66%	61,658
I-5	Boones Ferry Park Dog Park (Boones Ferry Master Plan, Phase 2)	2030	300,000	24.66%	73,990
I-6	Boones Ferry Park Parking Lot (Main) (Boones Ferry Master Plan, Phase 3)	2024	1,500,000	24.66%	369,949
I-7	Boones Ferry Park Parking Lot (Tauchman) Boones Ferry Master Plan, Phase 4)	2030	1,000,000	24.66%	246,632
I-8	Boones Ferry Regional Water Trail Access (Boones Ferry Master Plan, Phase 1)	2026	1,700,000	24.66%	419,275
I-9	Boones Ferry Restroom	2023	415,000	0.00%	-
I-10	Boones Ferry Shelter (Boones Ferry Master Plan, Phase 3)	2024	150,000	24.66%	36,995
I-11	Community Center Upgrade	2026	1,000,000	24.66%	246,632
I-12	Community Scale Skate Park	2028	800,000	24.66%	197,306
I-13	Forest Shelter Improvement	2025	300,000	0.00%	-
I-14	Forest Shelter Lot	2024	2,000,000	24.66%	493,265
I-15	Forest Shelter Restroom	2024	500,000	24.66%	123,316
I-16	Maintenace Facility Upgrade	2025	1,250,000	24.66%	308,291
I-17	Memorial Park Athletics	2027	14,000,000	24.66%	3,452,855
I-18	Memorial Park Barn Rental Conversion Memorial Park Master Plan, West 2)	2029	1,000,000	24.66%	246,632
I-19	Memorial Park Concession Stand	2028	400,000	24.66%	98,653
I-20	Memorial Park Playground Replacement	2025	1,000,000	24.66%	246,632
I-21	Memorial Park Pump Track	2026	350,000	24.66%	86,321
I-22	Memorial Park River Access	2027	600,000	24.66%	147,979
I-23	Memorial Park Sport Courts	2025	2,000,000	24.66%	493,265
I-24	Murase Ampatheater (Memorial Park Master Plan, Murase 1)	2026	600,000	24.66%	147,979
I-25	River Shelter Parking Lot	2027	2,000,000	24.66%	493,265
I-26	River Shelter Retroom	2027	650,000	24.66%	160,311
I-27	System-wide ADA Projects (Parks and Recreation Master Plan, 1.5.A)	2023-2036	835,000	0.00%	-
I-28	Tauchman House Renovation (Boones Ferry Master Plan, Phase 3)	2030	900,000	24.66%	221,969
Total			\$ 36,550,000		\$ 8,632,137

Source: City staff

II.B.4. Calculated Improvement Fee Cost Basis

After determining the costs dedicated to expanding capacity, the improvement fee cost basis is calculated by multiplying those costs by their respective eligibility percentages. As discussed above, eligibility for capacity-expanding costs on the project list were determined through level-of-service calculations.

As shown in **Exhibit 2.9** below, the total eligible cost varies from \$37.7 million up to \$76.5 million depending on the method chosen for measuring level of service.

Exhibit 2.9 – Improvement Fee Cost Basis

Improvement Fee Cost Basis	Current LoS			Future LoS	
	Cost	Eligibility	Eligible Cost	Eligibility	Eligible Cost
By Category					
Community Park	\$ 38,800,000	100.00%	\$ 38,800,000	100.00%	\$ 38,800,000
Natural Area	-	0.00%	-	0.00%	-
Urban Park	-	0.00%	-	0.00%	-
Trail	29,100,000	100.00%	29,100,000	100.00%	29,100,000
Expansion Projects Total	\$ 67,900,000		\$ 67,900,000		\$ 67,900,000
Infill Projects	36,550,000		8,632,137		8,632,137
Total	\$ 104,450,000		\$ 76,532,137		\$ 76,532,137
By Unit of Measurement					
Acres of Parks and Natural Areas	\$ 38,800,000	0.00%	\$ -	100.00%	\$ 38,800,000
Miles of Trail	29,100,000	100.00%	29,100,000	100.00%	29,100,000
Expansion Projects Total	\$ 67,900,000		\$ 29,100,000		\$ 67,900,000
Infill Projects	36,550,000		8,632,137		8,632,137
Total	\$ 104,450,000		\$ 37,732,137		\$ 76,532,137

Source: Previous tables

II.C. REIMBURSEMENT FEE

A reimbursement fee is the eligible cost of the existing park facilities available for future users per unit of growth that such facilities will serve. Growth was calculated in Section II.A and **Exhibit 2.6** shows the acres available for inclusion in a reimbursement fee. The remaining piece of the reimbursement calculation is the original cost of reimbursable park acres.

II.C.1. Reimbursement Fee Cost Basis

The City provided records for historical expenditures on its parks system going back to 2013, which are totaled by category and unit of measurement in the fourth column of **Exhibit 2.10** below. Dividing those historical expenditures by the quantity of park acres and trail miles yields a calculation of investment per unit. By multiplying that investment per unit by the reimbursable number of park acres and trail miles from **Exhibit 2.6**, the reimbursable cost of those park facilities is calculated. This is shown in the last column of **Exhibit 2.10** and is either \$1.8 million or \$2.4 million depending on whether level-of-service is measured by category or unit of measurement.

Exhibit 2.10 – Reimbursement Fee Cost Basis

Reimbursement Fee Cost Basis		Inventory	Historical Expenditures	Investment/Unit	Reimbursable Units	Reimbursable Amount
By Category:						
Community Park	Acres	140.72	\$ 9,069,998	\$ 64,454	23.78	\$ 1,532,875
Natural Area	Acres	50.97	-	-	12.57	-
Urban	Acres	44.87	492,036	10,966	11.07	121,352
Trail	Miles	19.65	1,659,743	84,481	1.16	98,122
	Total					\$ 1,752,350
By Unit of Measurement:						
Acres of Parks and Natural Areas	Acres	247.94	\$ 9,562,033	\$ 38,566	61.89	\$ 2,386,746
Acres of Trails	Miles	19.65	84,481	4,300	1.16	4,994
	Total					\$ 2,391,740

Source: City staff, previous tables

II.D. CALCULATED SDC

This section combines the eligible cost from the improvement fee cost basis and the reimbursement fee cost basis with an estimate for compliance costs. The result is a total SDC per resident. We then use data from the Census Bureau to estimate the number of residents per dwelling unit and calculate SDCs for residential dwelling unit types. Estimates of employee density by square foot are used to charge the parks SDC to non-residential developments.

II.D.1. Adjustments

The City has an estimated balance of \$2,994,914 in improvement fees. This estimate was derived based on the improvement fee’s share of the total SDC, multiplied by the existing improvement fee fund balance. Because accumulated improvement fees represent incomplete projects, the total improvement fee cost basis must be reduced by this amount to avoid double-charging for any projects that were on the City’s last SDC project list that might have been carried over to the list shown in this report.

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report also includes compliance costs as a separate cost basis. This cost basis is calculated to be 5.00 percent of the cost of the improvement fee and reimbursement fee totals.

II.D.2. Calculated SDC

Exhibit 2.11 below summarizes the parks SDC calculation for all four measures of level of service.

Exhibit 2.11 – Calculated SDC

Calculated SDC	Current by Category	Future by Category	Current by Unit	
Cost Basis:				
Improvement Fee	\$ 73,537,223	\$ 73,537,223	\$ 34,737,223	\$ 73,537,223
Reimbursement Fee	-	1,752,350	-	2,391,740
Compliance Costs	3,676,861	3,764,479	1,736,861	3,796,448
Total Cost Basis	\$ 77,214,085	\$ 79,054,052	\$ 36,474,085	\$ 79,725,412
Growth in Residential Equivalents	8,626	8,626	8,626	8,626
Improvement Fee per Residential Equivalent	\$ 8,525	\$ 8,525	\$ 4,027	\$ 8,525
Reimbursement Fee per Residential Equivalent	-	203	-	277
Compliance Fee per Residential Equivalent	426	436	201	440
Total SDC per Residential Equivalent	\$ 8,951	\$ 9,164	\$ 4,228	\$ 9,242
Fee Schedule:	Residents per Dwelling Unit			
Single-family dwelling unit	2.71	\$ 24,251	\$ 24,829	\$ 11,456
Multi-family dwelling unit	1.82	16,290	16,678	7,695
Mobile home dwelling unit	1.98	17,683	18,104	8,353
Employee	0.05	475	487	225

As shown above, the maximum allowable charge is \$9,242 per residential equivalents under the future level of service by unit of measurement. The resulting SDC is \$25,040 for a single-family dwelling unit based on an estimated 2.71 residents per dwelling unit, \$16,819 for a multi-family dwelling unit based on an estimated 1.82 residents per dwelling unit, and \$18,258 for a mobile home dwelling unit based on an estimated 1.98 residents per dwelling unit.

The rate per employee is \$491 based on the equivalency calculated in **Section II.A**. The non-residential SDC is charged using an estimate of employee density per 1,000 square feet. **Exhibit 2.12** below provides a schedule for the non-residential SDC for all four level-of-service calculations based on employee density estimates from Metro.

Exhibit 2.12 – Calculated Non-residential SDC

	Industry Grouping (SIC)	Square Feet per Employee	Employees per 1,000 Square Feet	By Category		By Unit of Measurement	
				Current (SDC per 1,000 SF)	Future (SDC per 1,000 SF)	Current (SDC per 1,000 SF)	Future (SDC per 1,000 SF)
Ag., Fish & Forest Services; Constr.; Mining	1-19	590	1.695	\$ 805.81	\$ 825.02	\$ 380.65	\$ 832.02
Food & Kindred Projects	20	630	1.587	754.65	772.63	356.48	779.20
Textile & Apparel	22, 23	930	1.075	511.22	523.40	241.49	527.84
Lumber & Wood	24	640	1.563	742.86	760.56	350.91	767.02
Furniture; Clay, Stone & Glass; Misc.	25, 32, 39	760	1.316	625.57	640.47	295.50	645.91
Paper & Allied	26	1,600	0.625	297.14	304.22	140.36	306.81
Printing, Publishing & Allied	27	450	2.222	1,056.51	1,081.69	499.07	1,090.87
Chemicals, Petroleum, Rubber, Leather	28-31	720	1.389	660.32	676.05	311.92	681.80
Primary & Fabricated Metals	33, 34	420	2.381	1,131.98	1,158.95	534.72	1,168.79
Machinery Equipment	35	300	3.333	1,584.77	1,622.53	748.61	1,636.31
Electrical Machinery, Equipment	36, 38	400	2.500	1,188.58	1,216.90	561.45	1,227.23
Transportation Equipment	37	700	1.429	679.19	695.37	320.83	701.28
TCPU--Transportation and Warehousing	40-42, 44, 45, 47	3,290	0.304	144.51	147.95	68.26	149.21
TCPU--Communications and Public Utilities	43, 46, 48, 49	460	2.174	1,033.54	1,058.17	488.22	1,067.16
Wholesale Trade	50, 51	1,390	0.719	342.04	350.19	161.57	353.16
Retail Trade	52-59	470	2.128	1,011.55	1,035.66	477.83	1,044.45
Finance, Insurance & Real Estate	60-68	370	2.703	1,284.95	1,315.57	606.98	1,326.74
Non-Health Services	70-79	770	1.299	617.44	632.16	291.66	637.52
Health Services	80	350	2.857	1,358.37	1,390.74	641.66	1,402.55
Educational, Social, Membership Services	81-89	740	1.351	642.47	657.78	303.49	663.37
Government	90-99	530	1.887	897.04	918.41	423.74	926.21

Source: Metro, "1999 Employment Density Study," Table 4.

Section III. IMPLEMENTATION

This section addresses practical aspects of implementing parks SDCs and provides comparisons to other jurisdictions.

III.A. INDEXING

ORS 223.304 allows for the periodic indexing of SDCs for inflation, as long as the index used is:

- (A) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;
- (B) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and
- (C) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution or order.

In accordance with Oregon statutes, we recommend that the City use the *Engineering News-Record* (ENR) Construction Cost Index (CCI) Northwest (Seattle, Washington) index as the basis for adjusting SDCs annually.

III.B. COMPARISONS

Exhibit 3.1 below shows a comparison parks SDCs calculated for single-family homes for some relevant jurisdictions. THPRD stands for Tualatin Hills Parks and Recreation District.

Exhibit 3.1 – Parks SDC Comparisons

