

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 7/1/2014 **Approx Start Time:** 2:00 p.m. **Approx Length:** 60 Min

Presentation Title: North Clackamas Parks & Recreation District (NCPRD) System Development Charge (SDC) Review

Department: North Clackamas Parks & Recreation District

Presenters: Staff: Gary Barth - Director NCPRD, Chris Storey, NCPRD Legal Counsel

Other Invitees: NCPRD Senior Management Team and Advisors: Laura Zentner, Jeroen Kok, Carl Switzer, Karen Tolvstad. District Advisory Board Members.

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

No action at this time. Informational review only to provide context for future Board action regarding required SDC review and updates.

EXECUTIVE SUMMARY:

The purpose of this study session is to review the adopted NCPRD Ordinance establishing a Park and Recreation System Development Charge on New development and review the current SDC Methodology Report. The methodology report includes, and is based on the required Capital Improvement Plan (CIP). The CIP must identify SDC eligible projects including the estimated cost, timing and percentage of cost eligible to be funded with SDC revenue.

NCPRD first adopted the NCPRD Park SDC Ordinance in October of 1994 with subsequent amendments to the Ordinance in March 2004 and October 2007. The 2004 amendment established the use of SDC "Zones" within the District and created the classification of "zone-specific" and "District-Wide" projects. Only growth related costs of zone-specific projects are eligible for zone-specific SDC charges; only growth related costs of District-wide facilities are eligible for SDC charges from some or all of the geographic zones.

The current SDC Methodology report was approved by NCPRD Board action on October 25, 2007 and took effect February 1, 2008. The ordinance calls for a review of SDC Charge Rates and Plans every five years. Staff delayed the review for one year pending completion of the District's master plan update which will inform the new plan and rates. The update is planned in 2014 and included in the FY 14/15 NCPRD adopted budget.

The current SDC covers the period from 2007 – 2030. The CIP for that forecast period totaled \$134 million with \$83 million deemed SDC eligible growth costs. Of that \$83 million, 95% or \$79 million was projected to come from residential growth and 5% from non-residential growth.

The \$134 million in total capital projects is broken out as follows:

- \$92 million for District-wide projects (community parks, natural resource areas, special use parks, linear parks/trails, etc.). Of that total, 67% are located east of I-205
- 42 million for zone-specific projects, primarily neighborhood parks
 - \$2 million for Zone 1 (Milwaukie) neighborhood parks
 - \$8 million for Zone 2 (west side unincorporated) neighborhood parks
 - \$32 million for Zone 3 (east side) neighborhood parks – includes the City of Happy Valley and unincorporated

The City of Milwaukie had a number of neighborhood parks upon District formation and therefore has a lower demand than the other areas of the District. They also have limited growth projections, severely limiting the collection of SDC charges as a funding source for zone projects. Zone 2 remains underserved in terms of neighborhood parks but also have limited growth projections limiting SDC charges as a zone specific funding source. The rapidly growing east side has a significant need for neighborhood parks and a significant amount of zone related SDC charges to help fund those improvements.

Each zone has two components when calculating the total SDC Charge; a zone charge, based on zone growth and zone projects, as well as a district-wide charge based on district-wide growth and district-wide projects. While the zone charge varies among each of the three zones, the district-wide charge is the same across all three zones. The total zone charge is arrived at by adding the zone specific charge and the district wide charge. The zone charge stays in the zone for zone projects and the district-wide charge is placed in a district-wide fund account for projects classified as district-wide in the SDC CIP.

SDC charges are a function of growth, primarily residential population growth. The current plan identifies a projected population increase of 33,021 or 30% over the 23-year forecast period:

- Zone 1 (Milwaukie) 3,415 or 10%
- Zone 2 (Westside unincorporated) 1,847 or 6%
- Zone 3 (all of eastside including Happy Valley) 27,758 or 84%

In summary, the current plan shows the eastside with 84% of the population growth, 67% of the District-wide projects and generating over 90% of the District's total SDC's.

The CIP is implemented as part of the annual operating plan. Each year the District forecasts projected SDC revenues and other sources of capital funds and identifies capital projects from the CIP based on priority and that available funding. These projects are vetted as part of the annual budgeting process.

The upcoming review of the SDC Methodology Report will include updating the CIP, updated the District population forecast, and reviewing the three zone structure and the methodology and equity around the district-wide charge component within each zone.

APPENDIX B

AN ORDINANCE ESTABLISHING A PARKS AND RECREATION SYSTEM DEVELOPMENT CHARGE ON NEW DEVELOPMENT

The Board of Directors of North Clackamas Park and Recreation District, Oregon finds, determines, and declares that:

Section 1 - Short Title

This Ordinance shall be known as "An Ordinance Establishing a Parks and Recreation System Development Charge On New Development" and may be so pleaded.

[Adopted by Ord. 94-1152 (10/6/94)]

Section 2 - Scope and Purpose

- A. Future growth within the North Clackamas Park and Recreation District should contribute its fair share to the cost of improvements and additions to parks and recreation facilities required to accommodate such growth.
- B. The imposition of system development charges will provide a source of revenue to fund the construction or improvement of the North Clackamas Park and Recreation District's facilities necessitated by growth.
- C. ORS 223.297-223.314, adopted in 1989, authorizes local governments to impose system development charges.
- D. The District includes land which is developed to urban densities and land which is in a rural or semi-rural level of development. The demand for new capital facilities throughout the district varies in part due to the availability of land for new development and the location of existing District facilities. The District Board, if it deems it advisable, may create SDC charges which apply by zone, and may be used, only in those limited geographic areas. If created such charges may vary between the zones, understanding that some facilities may be needed to meet a District-wide demand with some or all geographic areas of the District contributing to the growth related cost of such District-wide facilities.
- E. The SDC methodology document report adopted by subsection J of this section contains a calculation of the total maximum amount of money that may be imposed through the SDC charge to help recover the growth related cost component of new capital facilities as development

occurs in the District. The District Board may not impose a charge structure that recovers more than that total amount, adjusted over time as allowed by law, but may in its discretion impose a charge structure that recovers less than that total amount. In addition, the District Board may in its discretion impose a charge on classes of development types that is less than the maximum allowed by law or may exempt classes of development from the charge in order to promote other public policy considerations.

- F. System development charges are separate from and in addition to any applicable tax, assessment, charge, fee in lieu of assessment, or other fee provided by law or imposed as a condition of development.
- G. System development charges are fees for services because they are based upon a development's receipt of services considering the specific nature of the development.
- H. System development charges are imposed on the activity of development, not on the land, owner, or property, and, therefore, are not taxes on property or on a property owner as a direct consequence of ownership of property within the meaning of Section 11b, Article XI of the Oregon Constitution or the legislation implementing that section.
- I. This Ordinance is intended only to be a financing mechanism for needed extra capacity parks and recreation facilities associated with new development and does not represent the consideration of land use planning issues, funding for maintenance of existing facilities, or elimination of existing capacity deficiencies.
- J. The Board hereby adopts the methodology report entitled "Parks and Recreation System Development Charges Update Methodology Report; draft as of September 28, 2007". and incorporates by reference the assumptions, conclusions and findings in said report which refer to the determination of anticipated costs of capital improvements required to accommodate growth, and the rates for the parks and recreation system development charges to finance these capital improvements.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04); amended by Ord. 09-2007 (10/25/07)]

Section 3 - Definitions

- A. Accessory Dwelling Unit" shall mean a secondary, self-contained dwelling unit that may be allowed only in conjunction with a single family detached dwelling unit. An accessory dwelling unit is subordinate in size, location, and appearance to the primary single family detached dwelling. An accessory dwelling unit generally has its own outside entrance and typically has separate living, sleeping, eating, cooking, and sanitation facilities. An accessory dwelling unit may be located within but distinct from, attached to or detached from the primary single family dwelling unit.

- B. "Applicant" shall mean the owner or other person who applies for a building permit within the boundaries of North Clackamas Park and Recreation District.
- C. "Board" shall mean the North Clackamas Park and Recreation District Board of Directors.
- D. "Building" shall mean any structure, either temporary or permanent, built for the support, shelter or enclosure of persons, chattels or property of any kind. This term shall include tents, trailers, mobile homes or any vehicles serving in any way the function of a building. This term shall not include temporary construction sheds or trailers erected to assist in construction and maintained during the term of a building permit.
- E. "Building Permit" shall mean an official document or certificate authorizing the construction or siting of any building.
- F. "Capital Improvements" shall mean public facilities or assets intended for use for park and/or recreation purposes. "Capital Improvement" shall not include costs of the operation or routine maintenance of capital improvements.
- G. "Citizen or Other Interested Person" shall mean any person whose legal residence is within the boundaries of the North Clackamas Park and Recreation District, as evidenced by registration as a voter within the District, or by other proof of residency; or a person who owns, occupies, or otherwise has an interest in real property which is located within District boundaries or is otherwise subject to the imposition of system development charges, as outlined in Section 5 of this ordinance.
- H. "Director" shall mean the Director of the North Clackamas Park and Recreation District.
- I. "District" shall mean the North Clackamas Park and Recreation District, Oregon, a municipal corporation.
- J. "Development" shall mean a building or other land construction, or making a physical change in the use of a structure or land, in a manner which increases the usage of any capital improvements or which may contribute to the need for additional or enlarged capital improvements, as determined by the Board.
- K. "Development Permit" shall mean an official document or certificate, other than a building permit, authorizing development.
- L. "Dwelling Unit" shall mean a building or a portion of a building designed for residential occupancy, consisting of one or more rooms including permanent provisions for living, sleeping, eating, cooking, and sanitation; and which are arranged, designed or used as living quarters for one family only.
- M. "Employee" means any person who received remuneration for services, and whose services are directed and controlled either by the employee (self-

employed) or by another person or organization.

- N. "Encumbered" shall mean monies committed by contract or purchase order in a manner that obligates the District to expend the encumbered amount upon delivery of goods, the rendering of services, or the conveyance of real property provided by a vendor, supplier, contractor or Owner.
- O. "Improvement Fee" shall mean a fee for costs associated with capital improvements to be constructed after the effective date of this ordinance.
- P. "Lot" shall mean an area of land in one ownership with definitive boundaries ascertainable from a recorded deed or recorded plat.
- Q. "Manufactured Housing" shall mean a dwelling unit which is constructed primarily at one location and is then transported to another location for either permanent or temporary siting.
- R. "Multi-Family Dwelling Unit" shall mean a portion of a building consisting of one or more rooms including living, sleeping, eating, cooking, and sanitation facilities arranged and designed as permanent living quarters for one family or household; attached to two or more dwelling units by one or more common vertical walls; and with more than one dwelling unit on one lot. This term shall include, but is not limited to, triplex, quadraplex, condominium ownership, and apartment structures containing three (3) or more dwelling units.
- S. "Owner" shall mean the person holding legal title to the real property upon which development is to occur.
- T. "Person" shall mean an individual, a corporation, a partnership, an incorporated association, or any other similar entity.
- U. "Qualified Public Improvement" shall mean land and/or a capital improvement that:
 - 1. Is required as a condition of development approval; and
 - 2. Is identified in the plan and list adopted pursuant to Section 9 of the Ordinance; and
 - 3. If located in a Planned Unit Development, is not designated in the development approval order as Open Space required pursuant to ZDO Section 1013.06.A.4; and
 - 4. If located in the Sunnyside Village Plan Area, is required as a condition of a development approval that has a final decision date after the sunset date established by ZDO 1602.07 or the dedication or fee in lieu of dedication requirement established by ZDO Section 1602;

and, is either 1) not located on or contiguous to the property that is the subject of the development approval, or 2) if located in whole or in part on or contiguous to the property, is required to be larger or with greater capacity than is necessary for the particular development project as determined by District standards upon which the capital improvement plan is based.

- V. "Reimbursement Fee" shall mean a fee for costs associated with capital improvements already constructed or under construction when the fee is established for which the District determines that capacity exists.
- W. "Single-Family Dwelling Unit" shall mean a building or a portion of a building consisting of one or more rooms including living, sleeping, eating, cooking, and sanitation facilities arranged and designed as permanent living quarters for one family or household; may be attached to one or more than other dwelling units by one or more vertical walls and may have no more than one dwelling unit on any one lot. In addition to detached single family dwelling units, this definition also includes duplex, zero-lot-line, townhouse, rowhouse, and manufactured housing dwelling units designed for one family or household.
- X. "Single Room Occupancy Dwelling Unit" shall mean a portion of a building consisting of one or more rooms, including sleeping facilities, with a shared or private bath, shared cooking facilities, and shared living/activity area. This definition includes, but is not limited to "assisted living facility."
- Y. "System Development Charge" shall mean a reimbursement fee, an improvement fee, or a combination thereof assessed or collected at the time of issuance of a building permit. System development charges are separate from and in addition to any applicable tax, assessment, fee in lieu of assessment, or other fee or charge provided by law or the cost of complying with requirements or conditions imposed upon a land use decision, expedited land division or limited land use decision.
- Z. "System Development Charges Methodology" shall mean the methodology report adopted pursuant to Section 2J, as amended and supplemented pursuant to Section 9.
- AA. "ZDO" shall mean the Clackamas County Zoning and Development Ordinance.

*[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04);
amended by Ord. 09-2007 (10/25/07)]*

Section 4 - Rules of Construction

- A. In case of any difference of meaning or implication between the text of this ordinance and any caption, illustration, summary table, or illustrative table, the text shall control.
- B. The words "shall" and "must" are always mandatory and not discretionary; the word

"may" is permissive.

- C. Words used in the present tense shall include the future; words used in the singular shall include the plural and the plural the singular, unless the context clearly indicates the contrary; and use of the masculine gender shall include the feminine gender.
- D. The phrase "used for" includes "arranged for", "designed for", "maintained for", or "occupied for".
- E. Unless the context clearly indicates the contrary, where a regulation involves two or more items, conditions, provisions, or events connected by the conjunction "and", "or" or "either...or", the conjunction shall be interpreted as follows:
 - 1. "And" indicates that all the connected terms, conditions, provisions or events shall apply.
 - 2. "Or" indicates that the connected items, conditions, or provisions or events may apply singly or in any combination.
 - 3. "Either...or" indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.
- F. The word "includes" shall not limit a term to the specific example, but is intended to extend its meaning to all other instances or circumstances of like kind or character.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04)]

Section 5 - Application

- A. A Parks and Recreation System Development Charge (herein after referred to as the SDC Charge) is imposed upon all new development within the District for which a building permit is required (as defined below, "New Development"). This shall include new construction and alteration, expansion or replacement of a building or dwelling unit if such activity results in an increase in the number of residential dwelling units on the site or provides the opportunity for an increase in the number of employees reporting to work on the site. For alterations, expansions and replacements, the amount of the SDC Charge to be paid shall be the difference between the rate for the proposed development and the rate that would be imposed for the development prior to the alteration, expansion or replacement.
- B. The amount of the SDC Charge shall be determined using the methodology set forth in the methodology report adopted by Section 2J of this ordinance. Accessory Dwelling Units shall be charged at one-half the Single-Family Dwelling Unit rate. Single Room Occupancy Dwelling Units shall be charged at one-half the Multi-Family Dwelling Unit rate.
- C. The SDC Charge shall be adopted and may from time to time be amended by resolution of the District Board so long as the adopted methodology is

used. A change in methodology shall require an amendment to this ordinance to adopt the new methodology. The SDC charge may be adjusted by the periodic application of one or more specific cost indexes or other periodic data sources. A specific cost index or periodic data source must be:

1. 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;
2. 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
3. Incorporated as part of the established methodology or identified and adopted in a separate resolution.

The resolution that adopts the SDC Charge shall identify the cost indexes to be used.

D. The amount of the SDC Charge in the Sunnyside Village Plan Area, as that area is defined by ZDO Section 1600B, shall be the SDC Charge as adopted by District Board resolution less the charge imposed pursuant to ZDO Section 1602. At such time as the charge imposed pursuant to ZDO Section 1602 sunsets pursuant to ZDO Section 1602.07F, the amount of the SDC Charge in the Sunnyside Village Plan Area shall be the SDC Charge as adopted by District Board resolution with no reduction.

E. The applicant shall at the time of application provide the information requested on a Parks SDC application form regarding the previous and proposed use(s) of the New Development, including a description of each of the previous and proposed uses for the property for which the building permit is being sought, with sufficient detail to enable the District to calculate the number of employees and residential dwelling units under the previous use and for the proposed use(s) of the New Development.

1. For residential uses: the number and type of residential dwelling units for the previous and proposed use(s) of the New Development.
2. For non-residential uses: the square footage for each type of non-residential use (i.e., office, warehouse, industrial, retail, etc.) for the previous and proposed use(s) of the New Development.

F. The amount of the Parks SDC shall be determined by calculating the SDC amount that would have been imposed for the previous use(s) of the property and the SDC amount for the proposed use(s).

G. Applicants may submit alternative rates for system development charges, subject to the following conditions:

1. In the event an applicant believes that the impact on District capital improvements resulting from the development is less than the fee established in Section 5B, such applicant may submit a calculation of an alternative system development charge to the Director.
2. The alternative system development charges rate calculations shall be based on data, information and assumptions contained in this ordinance and the adopted methodology or an independent source, provided that the independent source is:
 - a. a local study supported by a data base adequate for the conclusions contained in such study, and
 - b. the study is performed using a generally accepted methodology and is based upon generally accepted standard sources of information relating to facilities planning, cost analysis and demographics.
3. If the Director determines that the data, information and assumptions utilized by the applicant to calculate the alternative system development charges rates comply with the requirements of this Section by using a generally accepted methodology, the alternative system development charges rates shall be paid in lieu of the rates set forth in Section (G)(2).
4. If the Director determines that the data, information and assumptions utilized by the applicant to calculate the alternative system development charges rates do not comply with the requirements of this Section or were not calculated by a generally accepted methodology, then the Director shall provide to the Applicant (by Certified mail return receipt requested) written notification of the rejection of the alternative system development charges rates and the reason therefore. The decision of the Director shall be in writing and issued within ten (10) working days from the date all data is received for review.
5. Any applicant who has submitted a proposed alternative system development charges rate pursuant to this Section and desires the immediate issuance of a building permit, development permit, or connection shall pay the applicable system development charges rates pursuant to Section 5B. Said payment shall be deemed paid under "protest" and shall not be construed as a waiver of any right of review. Any difference between the amount paid and the amount due, as determined by the Director, shall be refunded to the applicant.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord. 02-2004 (03/25/04); amended by Ord. 09-2007 (10/25/07)]

Section 6 - Collection

- A. The Parks and Recreation System Development Charge is due and payable at the time of issuance of a building permit. The person paying the charge shall be notified of their right pursuant to Section 8 of this ordinance to appeal the calculation of the amount of the charge.
- B. Payment of the SDC Charge by a person who is also eligible for a credit certificate pursuant to Section 7 may be delayed until a date certain to be set by the Director at the time of building permit issuance, but not later than 10 days after the issuance of the credit certificate. A person eligible for delay of payment of the SDC Charge pursuant to this section shall make application to delay payment on a form provided by the Director prior to issuance of the building permit. Payment of the SDC Charge may only be delayed for the same development which is associated with the construction of the capital improvement for which credit is given. If a person applies for delay of payment of the SDC Charge pursuant to this section, the person shall provide the Director with security to secure payment of the Charge. The security shall be in an amount determined by the Director, and must be in a form approved by the County Counsel.
- C. When a SDC Charge is due and payable, the person may apply for payment in (20) semiannual installments, secured by a lien on the property upon which the development is to occur, to include interest on the unpaid balance, if that payment option is required to be made available to the person by ORS 223.207.
1. The Director shall provide application forms for installment payments, which shall include a waiver of all rights to contest validity of the lien, except for the correction of computational errors. The application fee for this option shall be in an amount set by resolution of the District Board.
 2. The applicable interest rate shall be fixed at the current prime lending rate plus three percentage points. Should the District exercise its option to issue long term financing for the amount owed, the interest rate charged the applicant shall be fixed at the interest rate on the bonds issued plus two percentage points (not to exceed the maximum interest rate allowed by State law).
 3. An applicant requesting installment payments shall have the burden of demonstrating the authority to assent to the imposition of a lien on the property and that the interest of the permittee is adequate to secure payment of the lien.
 4. The Director shall cause the lien to be recorded in the lien docket kept by the county Clerk. From that time the district shall have a lien upon the described parcel for the amount of the SDC Charge, together with interest on the unpaid balance at the rate established by the board. The lien shall be enforceable

in the manner provided in ORS Chapter 223, and shall be superior to all other liens pursuant to ORS 223.230. Upon satisfaction of the obligation the Director shall request the County Clerk to release the lien.

D. Notwithstanding Section 6A, the following development shall be exempt from payment of the Parks and Recreation System Development Charges:

1. Alterations, expansion or replacement of an existing non-residential structure where no opportunity is created for the location of additional employees reporting to work at the site.
2. Alterations, expansion or replacement of an existing dwelling unit where no additional dwelling units are created.
3. The construction of accessory buildings or structures which will not create additional dwelling units or which do not create additional demands on the District's capital facilities.
4. The issuance of a permit for a manufactured housing unit on which applicable system development charges have previously been made as documented by receipts issued by the District for such prior payment.
5. Development with vested rights, determined as follows:
 - a. Any owner of land which was the subject of a building permit issued prior to October 11, 2007 for non-residential construction may petition the District for a vested rights determination which would determine the SDC Charge to be paid. Such petition shall be evaluated by the Director and a decision made based on *all three* of the following criteria being met:
 - i. The existence of a valid, unexpired building permit authorizing the specific development for which a determination is sought; and
 - ii. Substantial expenditures or obligations made or incurred in reliance upon the authorizing governmental act; and
 - iii. Other factors that demonstrate it is highly inequitable to deny the owner the opportunity to complete the previously approved development under the conditions of approval by requiring the owner to comply with the requirements of this Ordinance. For the purposes of this paragraph, the following factors shall be considered in determining whether it is highly inequitable to deny the owner the opportunity to complete the previously approved development without payment of the SDC Charge:

- a. Whether the injury suffered by the owner outweighs the public cost of allowing the development to go forward without payment of the system development charges required by this Ordinance; and
- b. Whether the expenses or obligations for the development were made or incurred prior to October 11, 2007 for non-residential construction.

- b. The Director shall make a written determination as to whether the owner has established a vested right in the development and, if so, whether the development would exempt the owner from the provisions of this Ordinance.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04)]

Section 7 - Credit

- A. The person responsible for providing a qualified public improvement shall be entitled to receive a credit certificate that may be used to satisfy a SDC Charge obligation. A credit certificate may also be given for an off-site increased capacity facility which is not a qualified public improvement, if the facility is identified in the plan and list adopted pursuant to Section 9 of this Ordinance. An application for credit must be received no later than ninety (90) days after the date the improvement has been accepted by the District.
- B. The credit amount shall not exceed the portion of the actual cost of the project that is eligible for system development charge funding as shown in the methodology report adopted by Section 2(J).
- C. The "actual cost" of the project or improvement means the cost of materials, land and construction directly attributable to the construction of an increased capacity facility. These costs include design and engineering, construction materials and equipment, labor and land. Land value shall be calculated at a per square foot value using the then current real market value for the real property shown in the records of the County Tax Assessor.
- D. Any credit provided for by this section shall be applied only to the system development charge that applies to the geographic area zone in which the credit eligible improvement is located, unless the credit is for an increased capacity facility that is identified in the methodology report as a project with district wide impact.
- E. Credit will be given for the value of real property donated as a part of the increased capacity facility. The land value shall be calculated at a per square foot value using the then current real market value for the real property shown in the records of the County Tax Assessor.

- F. Any credit certificate provided for in this Ordinance is transferable to any person. No credit may be redeemed for cash. The District shall implement a system to insure the authenticity of the credit documents submitted.
- G. A credit certificate may not be redeemed more than seven (7) years after the date it was issued by the District.
- H. The person requesting the credit has the burden of establishing that the request meets the requirements of this Ordinance. The District may deny the credit provided for in this section if the District demonstrates:
 - 1. That the application does not meet the requirements of this Ordinance; or
 - 2. That the improvement for which credit is sought was not included in the plan and list adopted pursuant to Section 9.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04)]

Section 8 - Appeals and Review Hearings

- A. An applicant who is required to pay the SDC Charge shall have the right to request a hearing to review the denial of any of the following:
 - 1. An alternative rate calculation pursuant to Section 5(D).
 - 2. A petition for vested rights pursuant to Section 6(D)(5).
 - 3. A proposed credit for contribution of qualified public improvements pursuant to Section 7.
 - 4. The calculation of the amount of the SDC Charge.
- B. Such hearing shall be requested by the applicant within thirty (30) days of the date of decision. Failure to request a hearing within the time provided shall be deemed a waiver of such right.
- C. The request for hearing shall be filed with the Board of Directors and shall contain the following:
 - 1. The name and address of applicant;
 - 2. The legal description of the property in question;
 - 3. If issued, the date of the building permit;
 - 4. A brief description of the nature of the development being undertaken pursuant to the building permit;
 - 5. If paid, the date the system development charges were paid; and

6. A statement of the reasons why the applicant is requesting the hearing.

- D. Upon receipt of such request, the District shall schedule a hearing before the Board of Directors at a regularly scheduled meeting or a special meeting called for the purpose of conducting the hearing and shall provide the applicant written notice of the time and place of the hearing. Such hearing shall be held within forty-five (45) days of the date the request for hearing was filed.

- E. Such hearing shall be before the Board of Directors and shall be conducted in a manner designed to obtain all information and evidence relevant to the requested hearing. Formal rules of civil procedures and evidence shall not be applicable; however, the hearing shall be conducted in a fair and impartial manner with each party having an opportunity to be heard and to present information and evidence.

- F. Any applicant who requests hearing pursuant to this Section and desires the immediate issuance of a building permit shall pay prior to or at the time the request for hearing is filed the applicable SDC Charges pursuant to Section S(B). Said payment shall be deemed paid under "protest" and shall not be construed as a waiver of any review rights.

- G. An applicant may request a hearing under this Section without paying the applicable SDC Charges, but no building permit shall be issued until such SDC Charges are paid in the amount initially calculated or the amount approved upon completion of the review provided in this Section.

- H. The decision of the District Board shall be reviewable solely under ORS 34.010 through 34.100. The person who has appealed a decision shall be notified of this right to review of the decision.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord. 04-2004, 3/24/04; amended by Ord. 09-2007 (10/25/07)]

Section 9 - Plan Adoption. Review of Rates and Plan

- A. The SDC Charge Rates and Plan shall be reviewed by the Board at least once every five years. The review shall consider new estimates of population and other socioeconomic data, changes in the cost of construction and land acquisition. The purpose of this review is to evaluate and revise the projects in the Plan and, if necessary, the rates of the SDC Charge to assure that they do not exceed the reasonably anticipated growth related costs of the District's planned capital improvements.

- B. In the event the review of the Ordinance or the methodology leads to alterations or changes the assumptions, conclusions and findings of the methodology the methodology adopted by reference in Section 2J shall be amended and updated to reflect the assumptions, conclusions and findings of such reviews and Section 2J shall be amended to adopt by reference the

updated document.

- C. Notice of the intention to modify the SDC Charge, if the change is based on modifications to the methodology, must be provided ninety (90) days prior to the first hearing to at least the list of persons who have made a written request for notification of such actions. The methodology supporting the charge must be available sixty (60) days prior to the first hearing. A change is not a modification to the SDC Charge, if the change is based on:
1. A change in the cost of materials, labor or real property applied to projects or project capacity as set forth on the list adopted pursuant to this section; or
 2. The periodic application of one or more specific cost indexes or other periodic data sources.
- D. A person wishing to challenge the establishment or modification of the District's system development charge methodology may do so pursuant to ORS 34.010 to 34.100.
- E. Any capital improvement being funded wholly or in part with system development charge revenue must be included in the District's capital improvement plan. The plan shall be adopted by District Board resolution. The capital improvement plan may be modified by Board resolution at any time and shall:
1. list the specific capital improvement projects, or portion of a project, that may be funded with system development charge revenue;
 2. provide the estimated cost of each capital improvement project and percentage of that cost that may be paid by system development charge revenues; and
 3. provide the estimated timing of each capital improvement project.
- F. If the SDC Charge will be increased by a proposed modification of the plan list to include capacity increasing capital improvements:
1. The District shall provide notice of the proposed modification at least thirty (30) days prior to the adoption of the modification.
 2. The District shall hold a public hearing if it receives a written request for a hearing on the proposed modification within seven (7) days of the date of adoption of the modification.
 3. Any person wishing to challenge the decision of the District to increase a system development charge by modifying the plan list may do so pursuant to ORS 34.010 to 34.100.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04)]

Section 10- Receipt and Expenditure of System Development Charges

- A. The District hereby establishes a separate trust account to be designated as the "Parks and Recreation SDC Account", which must be maintained separate and apart from all other accounts of the District. Funds in this account on May 1, 2004 may be used for any SDC eligible project in the District. If the District Board adopts separate zones for SDC Charges, a trust account shall be established for each zone and one for District wide improvements. Funds in these zone accounts may only be used for projects in the zone from which the money was collected. Money in the District-wide account may be used for projects listed in the capital improvement plan as District-wide projects. All system development charge payments must be deposited into the appropriate trust account immediately upon receipt.
- B. The monies deposited into the trust account must be used solely for the purpose of providing capital improvements which provide for the increased capacity necessitated by development, including, but not limited to:
1. design and construction plan preparation;
 2. permitting and fees;
 3. land and materials acquisition, including any costs of acquisition or condemnation;
 4. construction of capital improvements;
 5. design and construction of new drainage facilities required by the construction of capital improvements and structures;
 6. relocating utilities required by the construction of improvements;
 7. landscaping;
 8. construction management and inspection;
 9. surveying, soils and material testing;
 10. acquisition of capital equipment;
 11. repayment of monies transferred or borrowed from any budgetary fund of the District which were used to fund any of the capital improvements as herein provided;
 12. payment of principal and interest, necessary reserves and costs of issuance under any bonds or other indebtedness issued by the District to fund capital improvements;
 13. direct costs of complying with the provisions of ORS 223.297 to

223.314, including the consulting, legal, and administrative costs required for developing and updating the system development charges methodology report, resolution/ordinance, and capital improvements plan; and the costs of collecting and accounting for system development charges expenditures.

- C. Funds on deposit in system development charge trust accounts must not be used for:
1. any expenditures that would be classified as an operation, maintenance or repair expense; or
 2. costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements.
- D. Any funds on deposit in system development charges trust accounts which are not immediately necessary for expenditure shall be invested by the District. All income derived from such investments shall be deposited in the system development charges trust accounts and used as provided herein.
- E. An applicant or owner shall be eligible to apply for a refund of the SDC Charge paid if the building permit has expired and work on the development authorized by such permit has not been commenced.
1. The application for refund shall be filed with the District and contain the following:
 - a. The name and address of the applicant;
 - b. The location of the property which was the subject of the system development charges;
 - c. A notarized sworn statement that the petitioner is the then current owner of the property on behalf of which the system development charges were paid, including proof of ownership, such as a certified copy of the latest recorded deed;
 - d. The date the system development charges were paid;
 - e. A copy of the receipt of payment for the system development charges; and, if appropriate,
 - f. The date the building permit was issued and the date of expiration.
 2. The application shall be filed within ninety (90) days of the expiration of the building permit. Failure to timely apply for a refund of the system development charges shall waive any right to a refund.
 3. Within thirty (30) days from the date of receipt of a petition for refund, the

District will advise the petitioner of the status of the request for refund, and if such request is valid, the system development charges shall be returned to the petitioner.

4. A building permit which is subsequently issued for a development on the same property which was the subject of a refund shall pay the systems development charges as required by Section 5.
- F. The District shall prepare an annual report, to be completed by January 1 of each year, showing the total amount of system development charges revenue collected in the trust accounts, and the capital improvement projects that were funded during the previous fiscal year, the amount spent on each project and the amount spent on the costs of complying with ORS 223.297 to 223.314.
- G. Any citizen or other interested person (as defined in Section 3F) may challenge an expenditure of system development charges revenues.
- a. Such challenge shall be submitted, in writing, to the District for review within two years following the subject expenditure, and shall include the following information:
 - i. The name and address of the citizen or other interested person challenging the expenditure;
 - ii. The amount of the expenditure, the project, payee or purpose, and the approximate date on which it was made; and
 - iii. The reason why the expenditure is being challenged.
 - b. If the District determines that the expenditure was not made in accordance with the provisions of this ordinance and other relevant laws, a reimbursement of system development charges trust account revenues from other revenue sources shall be made within one year following the determination that the expenditures were not appropriate.
 - c. The District shall make written notification of the results of the expenditure review to the citizen or other interested person who requested the review within ten (10) days of completion of the review.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04)]

Section 11- Severability

If any clause, section or provision of this ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said ordinance shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04)]

Section 12- Implementing Regulations: Amendments

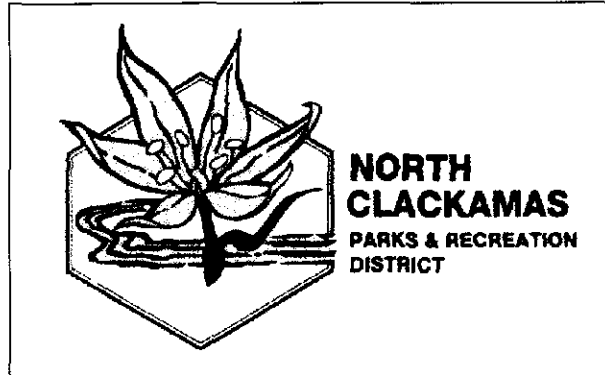
The District Director may adopt regulations to implement the provisions of this ordinance.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord.02-2004 (03/25/04)]

Section 13 -Effective Date

The charge authorized by This Ordinance shall take effect as of February 1, 2008; provided, however, that an application presented before that date, for which all necessary prior approvals have not been granted or other required predicates no met shall not be considered submitted for purposes of this section.

[Adopted by Ord. 94-1152 (10/6/94); amended by Ord. 04-2004, 3/24/04; amended by Ord. 09-2007 (10/25/07)]



**PARKS AND RECREATION
SYSTEM DEVELOPMENT CHARGES**

UPDATE METHODOLOGY REPORT

revised as of
September 28, 2007

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**Don
Ganer &
Associates, Inc.**

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT

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. The North Clackamas Parks and Recreation District adopted parks and recreation SDCs in 1994 and updated the SDCs methodology in 2004.

In May 2006, citizens of the City of Happy Valley voted to become a part of the North Clackamas Parks and Recreation District, creating the need for an updated, single Capital Improvements Plan and SDCs methodology including projects for Happy Valley with those of the rest of the District. In addition, the new Damascus area plan and updated population and employment projections developed by Metro were used to reassess District growth needs. This report presents updated SDC methodologies based on the 2007 – 2030 CIP and documents the calculation of updated Parks and Recreation SDC rates.

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; and (3) requirements and options for credits, exemptions and discounts. Section 3.0 presents the methodologies used to develop the updated Parks and Recreation SDCs, Section 4.0 presents the calculation of Residential Parks and Recreation SDC Rates, and Section 5.0 presents the calculation of Non-Residential Parks and Recreation SDC Rates. The SDC Capital Improvements Plan that identifies projects that may be funded with SDC revenues is included as an Appendix to this report.

2.0 AUTHORITY AND BACKGROUND INFORMATION

A. Authority

The source of authority for the adoption of SDCs is found both in state statute and the District's own plenary authority to adopt this type of fee. 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..". Additions and modifications to the Oregon Systems Development Act have been made in 1993, 1999, 2001, and 2003. Together, these pieces of legislation require local governments that enact SDCs to:

- adopt SDCs by ordinance or resolution;
- develop a methodology outlining how the SDCs were developed;

- adopt a capital improvements program 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 included in the list of projects to be funded with SDC revenues.

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 District 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 (i.e., partnerships, other District revenues, etc.).

(2) Exemptions

The District 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 District may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rates may also be applied on a pro-rata basis to any identified deficiencies, which must be funded from sources other than improvement fee SDCs. For example, the District 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 acquire the facilities included in the Capital Improvements Plan.

3.0 PARKS AND RECREATION SDC METHODOLOGIES

The District’s Parks Master Plan, the Happy Valley Parks Master Plan, and the Damascus plan identify facilities needed to address District needs. A portion of the facility needs identified in these plans are included as projects in the District’s 2007 – 2030 SDC Capital Improvements Plan (appendix).

The District provides a variety of park and recreational facilities and a wide-range of services, including aquatics, community athletics, special events, and specialized recreation programs. District parks, facilities, and services are important community resources benefiting both existing and future District residents, businesses, non-resident employees, and visitors. The methodology used to update the District's Parks and Recreation SDCs establishes the required connection between the demands of growth and the SDCs by identifying specific types of parks and recreation facilities and analyzing the proportionate need of each type of facility for use by residents and non-resident employees. The SDCs to be paid by a development meet statutory requirements because they are based on the nature of the development and the extent of the impact of the development on the types of parks and recreation facilities for which they are charged. The Parks and Recreation SDCs are based on population and employment, and the SDC rates are calculated based on the specific impact a development is expected to have on the District's population and employment. For facilities that are not generally used by employees (e.g., neighborhood parks), only a residential parks and recreation SDC may be charged. For facilities that benefit both residents and employees (i.e., community parks, trails, etc.), parks and recreation SDCs may be charged for both residential and non-residential development.

A. Population and Employment Growth

The Parks and Recreation SDCs are based on costs per "capita" (person). Estimates of current and projected population and employment within the District were calculated using data from Metro. Metro has developed estimates and projections for population and employment for each Transportation Analysis Zone (TAZ) within the region. The most recent TAZ data were developed in 2005 for the years 2005 and 2030. Projected increases in population and employment between 2007 and 2030 are shown in Table 3.1, below.

TABLE 3.1

**PROJECTED POPULATION AND EMPLOYMENT
INCREASES FROM NEW DEVELOPMENT (2007 – 2030)**

	<u>2030 (Projected)</u>		<u>Estimated 2007</u>		<u>Projected Increase</u>
District Population:	145,425	-	112,404	=	33,021
Zone 1 (Milwaukie) Population:	26,626	-	23,211	=	3,415
Zone 2 (Oatfield, Oak Grove/Jennings Lodge, Southgate/Town Center) Population:	51,674	-	49,827	=	1,847
Zone 3 (Sunnyside, Happy Valley) Population:	67,124	-	39,366	=	27,758
District Employment:	95,211	-	61,788	=	33,424
Zone 1 (Milwaukie) Employment:	14,831	-	11,957	=	2,874
Zone 2 (Oatfield, Oak Grove/Jennings Lodge, Southgate/Town Center) Employment:	23,286	-	17,688	=	5,598
Zone 3 (Sunnyside, Happy Valley) Employment:	57,094	-	32,142	=	24,952

B. Persons Per Dwelling Unit

The Residential Parks and Recreation SDCs are based on costs per capita and are calculated based on the number of persons per dwelling unit. To determine the appropriate number of persons per dwelling unit, data gathered for the North Clackamas School District for the 2005 American Community Survey (ACS) was analyzed, and the resulting calculations are displayed in Table 3.2, below. North Clackamas School District data was analyzed because the school district's boundaries are the closest approximation for which ACS data are available.

TABLE 3.2

AVERAGE PERSONS PER DWELLING UNIT

<u>Unit</u>	<u>2000 Census Avg. Persons Per Dwelling Unit</u>
Single Family (1 – 2 units)	2.77
Multi-Family (3 or more units)	2.23

C. Benefit of Facilities

Facility needs must consider the proportionate benefit each type of facility has for residents and non-resident employees. A resident is any person whose place of residence is within the District. An employee is any person who receives remuneration for services, and whose services are directed and controlled either by the employee (self-employed) or by another person or organization.

The parks and recreation facilities discussed in this report are identified in the SDC Capital Improvements Plan (appendix). Upon acquisition, all natural areas included in the SDC Capital Improvements Plan will be open to the public for use as parks and recreation facilities.

For purposes of this report neighborhood parks are considered to be used primarily by residents, rather than by non-resident employees. All other facilities including community parks, linear parks, special use facilities, etc., are considered to be used by both residents and non-resident employees.

The amount of time these facilities are available for use by employees is not the same as for residents. In order to equitably apportion the need for facilities between employees and residents, a non-resident-employee-to-resident demand ratio was developed based on the potential time these facilities are available for use.

First, estimates for the average number of hours per day these facilities are available for use were identified. Children's ages, adult employment status, work location (inside or outside the District), and seasonal variances were taken into account and are displayed in Table 3.3, page 6.

The Annual Weighted Average Hours of availability was calculated for each category of resident and employee using the following formula:

$$\begin{aligned} & (\textit{Summer Hours/Day} \times 3 \textit{ months}) \\ + & \textit{Spring/Fall Hours/Day} \times 6 \textit{ months} \\ + & \textit{Winter Hours/Day} \times 3 \textit{ months} \\ \div & 12 \textit{ months} \\ = & \textit{Annual Average Weighted Hours of Daily Availability} \end{aligned}$$

TABLE 3.3
ESTIMATES OF AVERAGE DAILY
AVAILABILITY OF PARKS AND RECREATION FACILITIES

	Non-Employed Adult (18+)	5-17 Kids	Live In/ Work In	Live In/ Work Out	Live Out/ Work In	Total
Summer (June-Sept)						
<u>Weekday</u>						
Before Work			1		1	2
Meals/Breaks			1		1	2
After Work			2		2	4
Other Leisure	12	12	2	2		28
Sub-Total	12	12	6	2	4	36
<u>Weekend</u>						
Leisure	12	12	12	12	0	48
Sub-Total	12	12	12	12	0	48
Summer Hrs/Day	12	12	7.71	4.86	2.86	39.43
Spring/Fall (April-May, Oct-Nov)						
<u>Weekday</u>						
Before Work			0.5		0.5	1
Meals/Breaks			1		1	2
After Work			1		1	2
Other Leisure	10	4	2	2		18
Sub-Total	10	4	4.5	2	2.5	23
<u>Weekend</u>						
Leisure	10	10	10	10	0	40
Sub-Total	10	10	10	10	0	40
Spring/Fall Hours/Day	10	5.71	6.07	4.29	1.79	27.86
Winter (December-March)						
<u>Weekday</u>						
Before Work			0.5		0.5	1
Meals/Breaks			1		1	2
After Work			0.5		0.5	1
Other Leisure	8	2	1	1		12
Sub-Total	8	2	3	1	2	16
<u>Weekend</u>						
Leisure	8	8	8	8	0	32
Sub-Total	8	8	8	8	0	32
Winter Hours/Day	8	3.71	4.43	3	1.43	20.57
Annual Wtd. Avg. Hours	10	7.14	6.07	4.05	2.02	29.29

Next, the Annual Weighted Average Hours (from Table 3.3, above) were applied to population and employment data for the District (2005 American Community Survey and 2005 Metro TAZ Data) to determine the Total Annual Weighted Average Hours for each category of Resident and Employee. The results are displayed in Table 3.4, page 7.

TABLE 3.4

**TOTAL ANNUAL AVAILABILITY
OF PARKS AND RECREATION FACILITIES**

	<u>Non-Employed Adult (18+)</u>	<u>5-17 Kids</u>	<u>Live In/ Work In</u>	<u>Live In/ Work Out</u>	<u>Live Out/ Work In</u>	<u>Total</u>
Population & Emp. Data (2005 Amer. Community Survey and Metro TAZ data)	31,164	20,766	26,556	25,253	32,849	136,688
X Annual Wtd. Avg. Hours	<u>10</u>	<u>7.14</u>	<u>6.07</u>	<u>4.05</u>	<u>2.02</u>	<u>29.29</u>
Tot. Annual Wtd. Avg. Hrs.	311,640	148,329	161,233	102,215	66,682	790,098

Next, the available hours (from Table 3.4) were allocated between employment-related hours and residence-related hours, as displayed in Table 3.5, below.

TABLE 3.5

**TOTAL RESIDENT AND NON-RESIDENT EMPLOYMENT RELATED
AVAILABILITY OF PARKS AND RECREATION FACILITIES**

	<u>Hours</u>
<u>Resident Demand</u>	
Non-Employed Adult	311,640
5-17 Kids	148,329
Live In/Work In	161,233
Live In/Work Out	<u>102,215</u>
Total Resident Hours	723,416
<u>Non-Resident Employment Demand</u>	
Non-Resident Employee Hours	66,682

Finally, the Non-Resident Employee to Resident Parks Demand Percentage was calculated by dividing the total non-resident employee hours by the total resident hours (from Table 3.5, above), with results summarized in Table 3.6, below.

TABLE 3.6

**NON-RESIDENT EMPLOYEE-TO-RESIDENT
PARKS DEMAND PERCENTAGE**

<u>Weighted Average Hours/Non-Resident Employee</u>		<u>Weighted Average Hours Resident</u>		<u>Non-Resident Employee To Resident Demand Percentage</u>
66,682	÷	723,416	=	9.2%

D. Facility Needs

District parks and recreation facility needs for the period 2007 to 2030 are identified as projects in the SDC Capital Improvements Plan (appendix). Improvement fee SDC revenues must be used only for those facilities needed to serve growth, and may not be used to remedy existing deficiencies or to renovate or repair existing facilities.

E. Growth-Required Facility Costs

Table 3.7, below, shows the estimated total for each type of parks facility included in the SDC Capital Improvements Plan, the estimated growth required portion of costs, and a breakout between the residential and non-residential growth costs for these new facilities.

TABLE 3.7

**POPULATION AND NON-RESIDENTIAL
GROWTH-REQUIRED SDC ELIGIBLE COSTS**

<u>Facility Type/Service Area</u>	<u>Total New Facility Costs</u>	<u>SDC-Eligible Growth Costs</u>	<u>Residential Growth Costs</u>	<u>Non-Residential Growth Costs</u>
<i>District-Wide Service Facilities</i>				
District-Wide Community Parks	\$60,975,000	\$32,624,328	\$29,853,883	\$2,780,445
District-Wide Natural Resource Areas	\$10,358,000	\$3,173,691	\$2,903,293	\$270,398
District-Wide Special Use Parks	\$3,000,000	\$2,489,100	\$2,277,029	\$212,071
District-Wide Linear Parks	\$12,844,000	\$6,713,932	\$6,141,905	\$572,027
District-Wide Other Facilities	<u>\$5,225,000</u>	<u>\$2,505,973</u>	<u>\$2,292,464</u>	<u>\$213,509</u>
Total for District-Wide Service Facilities	\$92,402,000	\$47,517,024	\$43,468,573	\$4,048,450
Less: Residential SDC Fund Balance	<u>(\$105,000)</u>	<u>(\$105,000)</u>	<u>(\$105,000)</u>	<u>\$0</u>
	\$92,297,000	\$47,412,024	\$43,363,573	\$4,048,450
<i>Zonal Service Facilities</i>				
Zone 1 (Milwaukie) Neighborhood Parks	\$1,882,000	\$1,347,700	\$1,347,700	\$0
Zone 2 (Oatfield, Oak Grove/Jennings Lodge, Southgate/Town Center) Neighborhood Parks	\$8,175,375	\$2,578,893	\$2,578,893	\$0
Zone 3 (Sunnyside, Happy Valley) Neighborhood Parks	<u>\$31,895,300</u>	<u>\$31,895,300</u>	<u>\$31,895,300</u>	<u>\$0</u>
Total Required Funding	\$134,247,675	\$83,233,917	\$79,185,466	\$4,048,450
Residential and Non-Residential Growth Portions (%) of Net Required Funding:			95.136%	4.864%

F. Compliance/Administrative Costs

The District incurs costs in the development and administration of the SDCs and may recoup a portion of those costs in accordance with ORS 223.307(5). Compliance/administrative costs during the 23-year collection period have been estimated as follows:

Clackamas County Collection Fees (@ 2.5% of SDC per unit):	\$525,000
Master Plan Updates (four @ \$200,000 each for consulting and staff services)	\$800,000
Annual CIP Management, Accounting and Reporting Costs (approximately \$25,000 per year for consulting, legal, audit, financial reporting and staff services)	\$575,000
SDC Methodology Reviews and Updates (four @ \$25,000 each for consulting legal and staff services)	<u>\$100,000</u>
Total Estimated 23-year Compliance/Administrative Costs	\$2,000,000

These costs are allocated between population and employment based on the growth share percentages included in Table 3.7, page 8, and are shown in Table 3.8, below.

TABLE 3.8

COMPLIANCE/ADMINISTRATIVE COST ALLOCATIONS

<u>Type of Development</u>	<u>Share of Growth Costs</u>	<u>Estimated 23-year Compliance/ Administrative Costs</u>	<u>Compliance/ Administrative Cost Allocation</u>
Population (Residential)	95.136%	\$2,000,000	\$1,902,721
Employment (Non-residential)	4.864%	\$2,000,000	\$97,279

4.0 RESIDENTIAL PARKS AND RECREATION SDC RATES

The District's Residential Parks and Recreation SDC rates are calculated using a series of sequential formulas which, when completed, yields the total SDC rate for each new dwelling unit in the District. The formulas identify:

- a) the service area residential improvements cost per capita (Formula 4a, below),
- b) the service area residential improvement fee per dwelling unit (Formula 4b, page 10),
- c) the total improvement fee per dwelling unit (Formula 4c, page 11),
- d) the residential tax credit per dwelling unit (Formula 4d, page 11), and
- e) the residential SDC per dwelling unit (Formula 4e, page 12).

The Residential SDC is an "improvement fee" only, and does not include a "reimbursement fee" component.

A. Formula 4a: Service Area Residential Improvements Cost Per Capita

The residential improvements cost per capita for each service area is calculated by dividing the residential portion of net SDC-Eligible Costs (identified in Table 3.7, page 8) and Compliance/Administrative Costs (Table 3.8, above) by the increase in the population expected to be created by new development during the planning period (from Table 3.1, page 8).

$$4a. \quad \begin{array}{c} \text{Residential} \\ \text{SDC-Eligible} \\ \text{Improvement Costs} \end{array} \div \begin{array}{c} \text{Population} \\ \text{Increase} \end{array} = \begin{array}{c} \text{Residential} \\ \text{Improvements Cost} \\ \text{Per Capita} \end{array}$$

Table 4.1, page 10, presents the calculation of the residential improvements cost per capita for each service area (District-Wide and Zones).

TABLE 4.1

SERVICE AREA RESIDENTIAL IMPROVEMENTS COST PER CAPITA

<u>Service Area</u>	<u>Residential SDC Eligible Costs</u>	<u>Population Increase</u>	<u>Residential Improvements Cost Per Capita</u>
District-Wide Facilities	\$43,363,573	÷ 33,021	= \$1,313
District-Wide Compliance/Administrative Costs	<u>\$1,902,721</u>	÷ 33,021	= <u>\$58</u>
Total District-Wide Costs	\$45,371,294	÷ 33,021	= \$1,371
Zone 1 (Milwaukee) Facilities	\$1,347,700	÷ 3,415	= \$395
Zone 2 (Oatfield, Oak Grove/Jennings Lodge, Southgate/Town Center) Facilities	\$2,578,893	÷ 1,847	= \$1,396
Zone 3 (Sunnyside, Happy Valley) Facilities	\$31,895,300	÷ 27,758	= \$1,149

B. Formula 4b: Service Area Residential Improvement Fee Per Dwelling Unit

The residential improvement fee per dwelling unit for each service area is calculated by multiplying the average number of persons per dwelling unit (from Table 3.2, page 4) by the residential improvements cost per capita (from Table 4.1, above).

$$4b. \quad \text{Persons Per Dwelling Unit} \times \text{Residential Improvements Cost Per Capita} = \text{Residential Improvement Fee Per Dwelling Unit}$$

The results of these calculations are displayed in Table 4.2, below.

TABLE 4.2

SERVICE AREA RESIDENTIAL IMPROVEMENT FEE PER DWELLING UNIT

<u>Service Area/Unit</u>	<u>Average Persons Per Dwelling Unit</u>	<u>X</u>	<u>Residential Improvements Cost Per Capita</u>	<u>=</u>	<u>Residential Improvement Fee Per Dwelling Unit</u>
District-Wide Single Family (1 - 2)	2.77		\$1,371		\$3,798
District-Wide Multi-family (3 or more)	2.23		\$1,371		\$3,057
Zone 1 Single Family (1 - 2)	2.77		\$395		\$1,092
Zone 1 Multi-family (3 or more)	2.23		\$395		\$880
Zone 2 Single Family (1 - 2)	2.77		\$1,396		\$3,867
Zone 2 Multi-family (3 or more)	2.23		\$1,396		\$3,114
Zone 3 Single Family (1 - 2)	2.77		\$1,149		\$3,182
Zone 3 Multi-family (3 or more)	2.23		\$1,149		\$2,562

C. Formula 4c: Total Residential Improvement Fee Per Dwelling Unit

The total residential improvement fee per dwelling unit is calculated by adding the District-Wide Residential Improvement Fee Per Dwelling Unit (from Table 4.2, page 10) to the Residential Improvement Fee Per Dwelling Unit for each Zone (from Table 4.2, page 10).

$$4c. \quad \begin{array}{l} \text{District-Wide Residential} \\ \text{Improvement Fee Per} \\ \text{Dwelling Unit} \end{array} + \begin{array}{l} \text{Zone Residential} \\ \text{Improvements Fee Per} \\ \text{Dwelling Unit} \end{array} = \begin{array}{l} \text{Total Residential} \\ \text{Improvement Fee Per} \\ \text{Dwelling Unit} \end{array}$$

The results of these calculations are displayed in Table 4.3, below.

TABLE 4.3

TOTAL IMPROVEMENT FEE PER DWELLING UNIT

<u>Zone/Unit</u>	<u>District-Wide Residential Improvement Fee Per Dwelling Unit</u>	<u>+</u>	<u>Zone Residential Improvement Fee Per Dwelling Unit</u>	<u>=</u>	<u>Total Residential Improvement Fee Per Dwelling Unit</u>
Zone 1 Single Family (1 - 2)	\$3,798		\$1,092		\$4,890
Zone 1 Multi-family (3 or more)	\$3,057		\$880		\$3,937
Zone 2 Single Family (1 - 2)	\$3,798		\$3,867		\$7,665
Zone 2 Multi-family (3 or more)	\$3,057		\$3,114		\$6,171
Zone 3 Single Family (1 - 2)	\$3,798		\$3,182		\$6,980
Zone 3 Multi-family (3 or more)	\$3,057		\$2,562		\$5,619

D. Formula 4d: Residential Tax Credit Per Dwelling Unit

Bonds and property taxes will likely be used as future sources for funding capacity improvements needed to repair deficiencies. A portion of these future bond repayments and property taxes will be paid by growth, so 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:

- \$25.0 million in 20 year G.O. bonds at 5.5% for park improvements to be issued in 2009, with another \$25.0 in 20 year G.O bonds issued in 2017,
- 6.0% average annual increase in total District property valuation for taxes,
- 3.0% annual increase in assessed property valuations,
- 3.0% annual inflation (decrease in value of money), and
- average 2007 property valuation for new construction at \$275,000 per dwelling unit for single family and \$100,000 per unit for multi-family.

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

The amounts of this credit are shown in Table 4.4, below.

TABLE 4.4

TAX CREDIT PER DWELLING UNIT

<u>Unit</u>	<u>Tax Credit Per Dwelling Unit</u>
Single Family	\$905
Multi-family	\$329

E. Formula 4e: Residential SDC Per Dwelling Unit

The residential SDC per dwelling unit is calculated by subtracting the tax credit per dwelling unit (Table 4.4, above) from the improvement fee (Table 4.3, page 11).

$$4e. \quad \begin{array}{l} \text{Improvement} \\ \text{Fee Per} \\ \text{ Dwelling Unit} \end{array} - \begin{array}{l} \text{Tax Credit} \\ \text{Per} \\ \text{ Dwelling Unit} \end{array} = \begin{array}{l} \text{Net} \\ \text{Residential Cost} \\ \text{Per Dwelling Unit} \end{array}$$

The results of these calculations are shown in Table 4.5, below.

TABLE 4.5

RESIDENTIAL SDC PER DWELLING UNIT

<u>Zone/Unit</u>	<u>Total Residential Improvement Fee Per Dwelling Unit</u>	-	<u>Tax Credit Per Dwelling Unit</u>	=	<u>Residential SDC Per Dwelling Unit</u>
Zone 1 Single Family (1 - 2)	\$4,890		(\$905)		\$3,985
Zone 1 Multi-family (3 or more)	\$3,937		(\$329)		\$3,608
Zone 2 Single Family (1 - 2)	\$7,665		(\$905)		\$6,760
Zone 2 Multi-family (3 or more)	\$6,171		(\$329)		\$5,842
Zone 3 Single Family (1 - 2)	\$6,980		(\$905)		\$6,075
Zone 3 Multi-family (3 or more)	\$5,619		(\$329)		\$5,290

5.0 NON-RESIDENTIAL PARKS AND RECREATION SDC RATE

The District's Non-Residential Parks and Recreation SDC is calculated using a series of sequential formulas which, when completed, yields the total SDC rate for each new employee added by new development in the District. The formulas identify:

- a) the Non-Residential Improvements Cost Per Employee (Formula 5a, below),
- b) the Tax Credit Per Employee (Formula 5b, page 15), and
- c) the Non-Residential SDC Per Employee (Formula 5c, page 16).

The Non-Residential SDC is an "improvement fee" only, and does not include a "reimbursement fee" component. The SDC rate is based on costs required for and benefits received by new development only, and does not assume that costs are necessarily incurred for capital improvements when an employer hires an additional employee. SDCs are charged for the activity of development, not employment, and the non-residential parks SDC is based on the impacts new capacity for employees will have on the need for parks facilities.

A. Formula 5a: Non-Residential Improvements Cost Per Employee

The non-residential improvements cost per employee is calculated by dividing the non-residential portion of net SDC-Eligible Costs (identified in Table 3.7, page 8) and Compliance/Administrative Costs (Table 3.8, page 9) by the increase in the number of new employees expected to be created by new development through 2030 (from Table 3.1, page 4).

$$5a. \quad \begin{array}{l} \text{Non-Residential} \\ \text{SDC-Eligible} \\ \text{Improvement Costs} \end{array} \div \begin{array}{l} \text{Employment} \\ \text{Increase} \end{array} = \begin{array}{l} \text{Non-Residential} \\ \text{Improvements Cost} \\ \text{Per Employee} \end{array}$$

Table 5.1, below, presents the calculation of the non-residential improvements cost per employee.

TABLE 5.1

NON-RESIDENTIAL IMPROVEMENTS COST PER EMPLOYEE

<u>Service Area</u>	<u>Non-Residential SDC Eligible Costs</u>	<u>÷</u>	<u>Employment Increase</u>	<u>=</u>	<u>Non-Residential Improvements Cost Per Employee</u>
Non-Residential Facilities Costs	\$4,084,450	÷	33,424	=	\$121
Non-Residential Compliance/Administrative Costs	<u>\$97,402</u>	÷	33,424	=	<u>\$3</u>
Total Non-Residential Costs	\$4,145,852	÷	33,424	=	\$124

B. Formula 5b: Non-Residential Tax Credit Per Employee

Bonds and property taxes will likely be used as future sources for funding capacity improvements needed to repair deficiencies. A portion of future bond repayments and property taxes will be 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:

- \$25.0 million in 20 year G.O. bonds at 5.5% for park improvements to be issued in 2009, with another \$25.0 in 20 year G.O bonds issued in 2017,
- 6.0% average annual increase in total District property valuation for taxes,
- 3.0% annual increase in assessed property valuations,
- 3.0% annual inflation (decrease in value of money), and
- an average of 370 square feet per employee (office)

$$5b. \quad \begin{array}{r} \text{Present Value of} \\ \text{Tax Payments Per} \\ \text{Employee} \end{array} = \begin{array}{r} \text{Tax} \\ \text{Credit Per} \\ \text{Employee} \end{array}$$

The amount of this tax credit is shown in Table 5.2, below.

TABLE 5.2

TAX CREDIT PER EMPLOYEE

$$\begin{array}{r} \text{Present Value of Tax Payments} \end{array} = \begin{array}{r} \text{Tax Credit} \\ \text{Per Employee} \end{array} \quad \$ 64$$

C. Formula 5c: Non-Residential SDC Per Employee

The non-residential SDC rate per employee is calculated by subtracting the tax credit per employee (from Table 5.2, above) from the improvements cost (Table 5.1, page 13).

$$5c. \quad \begin{array}{r} \text{Improvements} \\ \text{Cost Per} \\ \text{Employee} \end{array} - \begin{array}{r} \text{Tax Credit} \\ \text{Per} \\ \text{Employee} \end{array} = \begin{array}{r} \text{Non-Residential} \\ \text{SDC} \\ \text{Per Employee} \end{array}$$

The result of these calculations is shown in Table 5.3, below.

TABLE 5.3

NON-RESIDENTIAL SDC PER EMPLOYEE

$$\begin{array}{r} \text{Improvements} \\ \text{Cost Per} \\ \text{Employee} \end{array} - \begin{array}{r} \text{Tax} \\ \text{Credit Per} \\ \text{Employee} \end{array} = \begin{array}{r} \text{Non-Residential} \\ \text{SDC} \\ \text{Per Employee} \end{array}$$

$$\begin{array}{r} \$124 \\ \$64 \\ \$60 \end{array}$$

The parks and recreation SDC for a particular non-residential development is determined by:

- 1) dividing the total building space (square feet) in the development by the number of square feet per employee (from the guidelines in Table 5.4, page 15), and
- 2) multiplying the result (from step 1) by the Parks SDC Per Employee (from Table 5.3, above).

For example, the parks and recreation SDC for a 40,000 square foot office building for services such as finance, insurance and real estate would be calculated as follows:

- 1) 40,000 (sq. ft. building size) ÷ 370 (sq. ft. per employee) = 108 employees,
- 2) 108 employees X \$60 (SDC rate) = \$6,480.

For non-residential development where more than one Standard Industry Classification (SIC) may be used, multiple SICs may be applied based on their percentage of the total development.

TABLE 5.4

SQUARE FEET PER EMPLOYEE
(recommended guidelines from *Metro Employment Density Study*)

Standard Industry Classification (SIC)*	Square Feet Per Employee	Standard Industry Classification (SIC)	Square Feet Per Employee
1 - 19	Ag., Fish & Forest Services; Construction; Mining	37	Transportation Equipment
			700
20	Food & Kindred Products	40 - 42,	
22,23	Textile & Apparel	44, 45, 47	Transportation and Warehousing
24	Lumber & Wood	43, 46, 48,	3,290
25, 32,		49	Communications
39	Furniture; Clay, Stone, & Glass; Misc.		and Public Utilities
			460
26	Paper and Allied	50, 51	Wholesale Trade
27	Printing, Publishing & Allied	52 - 59	1,390
28 - 31	Chemicals, Petroleum, Rubber, Leather	60 - 68	Retail Trade
			470
33, 34	Primary & Fabricated Metals	70 - 79	Finance, Insurance & Real Estate
35	Machinery Equipment	80	370
36, 38	Electrical Machinery, Equipment	81 - 89	Non-Health Services
			770
		90 - 99	Health Services
			350
			Educational, Social, Membership Services
			740
			Government
			530

* Source: U.S. Department of Commerce Standard Industrial Classification Manual

APPENDIX

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT					page 1	
SDC CAPITAL IMPROVEMENTS PLAN					9/27/07	
A. NEIGHBORHOOD PARKS						
Map Location	Facility	Action	Estimated Project Cost (\$)	Growth-Required Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
N-3	SERVICE AREA: Zone 2 NEW NEIGHBORHOOD PARK SOUTHGATE TOWN CENTER NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Southgate/Town Center neighborhood. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	38.66% 24.74% 33.78%	\$773,200 \$267,192 \$1,040,392	1
N-4	SERVICE AREA: Zone 3 ALTAMONT PARK SITE SUNNYSIDE NEIGHBORHOOD Complete development of a neighborhood park at the Altamont park site in the Sunnyside neighborhood (in cooperation with North Clackamas School District). acres = 2.00	<i>Development</i> <i>Total Cost</i>	\$540,000 \$540,000	 100.00%	 \$540,000	1
None	SERVICE AREA: Zone 1 NEW NEIGHBORHOOD PARK NEW NEIGHBORHOOD PARK Develop a neighborhood park in City of Milwaukie (in cooperation with City of Milwaukie). acres = 2.00	<i>Development</i> <i>Total Cost</i>	\$540,000 \$540,000	 71.61%	 \$386,694	1
N-9	SERVICE AREA: Zone 1 NEW NEIGHBORHOOD PARK MILWAUKIE NEIGHBORHOOD Develop a neighborhood park in City of Milwaukie (in cooperation with City of Milwaukie). acres = 2.00	<i>Development</i> <i>Total Cost</i>	\$540,000 \$540,000	71.61% 71.61%	\$386,694 \$386,694	2
N-10	SERVICE AREA: Zone 1 WICHITA PARK MILWAUKIE NEIGHBORHOOD Work with Linwood Neighborhood District Association to implement the neighborhood park master plan for Wichita Park in the Milwaukie neighborhood. acres = 1.00	<i>Develop</i> <i>Total Cost</i>	\$270,000 \$270,000	 71.61%	 \$193,347	2
N-11	SERVICE AREA: Zone 2 NEW NEIGHBORHOOD PARK OAK GROVE/JENNINGS LODGE NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Oak Grove/Jennings Lodge neighborhood. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	38.66% 24.74% 33.78%	\$773,200 \$267,192 \$1,040,392	2

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT					page 2	
SDC CAPITAL IMPROVEMENTS PLAN					9/27/07	
A. NEIGHBORHOOD PARKS			Estimated Project Cost (\$)	Growth-Required Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
Map Location	Facility	Action				
N-19	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK SUNNYSIDE NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Sunnyside neighborhood. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2
N-20	SERVICE AREA: Zone 3 JAMES ABELE PARK SITE SUNNYSIDE NEIGHBORHOOD Develop a new neighborhood park at the James Abele park site in the Sunnyside neighborhood. acres = 2.80	<i>Develop</i> <i>Total Cost</i>	\$756,000 \$756,000	100.00%	\$756,000	1
N-21	SERVICE AREA: Zone 3 JUSTICE PARK SITE SUNNYSIDE NEIGHBORHOOD Develop a new neighborhood park at the Justice park site in the Sunnyside neighborhood. acres = 3.00	<i>Develop</i> <i>Total Cost</i>	\$810,000 \$810,000	100.00%	\$810,000	1
N-23	SERVICE AREA: Zone 3 SUNNYSIDE VILLAGE PARK NO. 5 (Bollam Property) SUNNYSIDE NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Sunnyside neighborhood. acres = 2.20	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$1,100,000 \$594,000 \$1,694,000	100.00%	\$1,694,000	2
N-24	SERVICE AREA: Zone 3 ANDEREGG PROPERTY SUNNYSIDE NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Sunnyside neighborhood. acres = 1.39	<i>Development</i> <i>Total Cost</i>	\$375,300 \$375,300	100.00%	\$375,300	2
N-26	SERVICE AREA: Zone 2 STRINGFIELD FAMILY PARK OATFIELD NEIGHBORHOOD Develop a new neighborhood park connected to the Trolley Trail in the Oatfield neighborhood. acres = 4.50	<i>Development</i> <i>Total Cost</i>	\$2,013,375 \$2,013,375	24.74%	\$498,109	1

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT						page 3	
SDC CAPITAL IMPROVEMENTS PLAN						9/27/07	
A. NEIGHBORHOOD PARKS				Estimated Project Cost (\$)	Growth-Required Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
Map Location	Facility	Action					
N-34	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK SUNNYSIDE NEIGHBORHOOD Acquire land and develop a new neighborhood park in the northeast area, Clackamas Regional Center (currently in the Sunnyside neighborhood). acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2	
HV-1	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK HAPPY VALLEY NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Happy Valley planning area. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2	
HV-2	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK HAPPY VALLEY NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Happy Valley planning area. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2	
HV-3	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK HAPPY VALLEY NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Happy Valley planning area. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2	
HV-4	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK HAPPY VALLEY NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Happy Valley planning area. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2	
HV-5	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK HAPPY VALLEY NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Happy Valley planning area. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2	

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT					page 4	
SDC CAPITAL IMPROVEMENTS PLAN					9/27/07	
A. NEIGHBORHOOD PARKS			Estimated Project Cost (\$)	Growth-Required Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
Map Location	Facility	Action				
HV-6	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK HAPPY VALLEY NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Happy Valley planning area. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2
HV-7	SERVICE AREA: Zone 3 NEW NEIGHBORHOOD PARK HAPPY VALLEY NEIGHBORHOOD Acquire land and develop a new neighborhood park in the Happy Valley planning area. acres = 4.00	<i>Acquisition</i> <i>Development</i> <i>Total Cost</i>	\$2,000,000 \$1,080,000 \$3,080,000	100.00%	\$3,080,000	2
none	SERVICE AREA: Zone 1 SCOTT PARK/LEDDING LIBRARY MILWAUKIE NEIGHBORHOOD Complete Phases II and III of the master plan for Scott Park in the Milwaukie neighborhood. acres = 3.00	<i>Develop</i> <i>Total Cost</i>	\$532,000 \$532,000	71.61%	\$380,965	2
TOTAL			\$41,950,675		\$35,821,893	
PRIORITY 1			\$7,739,375		\$4,031,195	
PRIORITY 2			\$34,211,300		\$31,790,698	
SERVICE AREA						
ZONE 1: Milwaukie			\$1,882,000		\$1,347,700	
ZONE 2: Oak Grove/Jennings Lodge, Oatfield, Southgate/Town Center			\$8,173,375		\$2,578,893	
ZONE 3: Sunnyside			\$31,895,300		\$31,895,300	

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT					page 5	
SDC CAPITAL IMPROVEMENTS PLAN					9/27/07	
B. COMMUNITY PARKS			Estimated Project Cost (\$)	Growth-Required Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
Map Location	Facility	Action				
C-18	SERVICE AREA: District-Wide ELLA V. OSTERMAN PARK Complete development of Osterman community park.					2
	acres = 15.00	Development	\$2,600,000	45.89%	\$1,193,140	
		Total Cost	\$2,600,000	45.89%	\$1,193,140	
HV-C1/C-25	SERVICE AREA: District-Wide NEW COMMUNITY PARK Acquire land and develop a new community park east of I-205. (May include planning and development of facilities such as a community center, ball fields, aquatics facility, X-Treme sports facility, etc.)					1
	acres = 30.00	Acquisition	\$12,000,000	73.26%	\$8,791,200	
		Development	\$21,750,000	45.89%	\$9,981,075	
		Total Cost	\$33,750,000	55.62%	\$18,772,275	
HV-C2	SERVICE AREA: District-Wide NEW COMMUNITY PARK Acquire land and develop a new community park east of I-205.					1
	acres = 30.00	Acquisition	\$5,000,000	73.26%	\$3,663,000	
		Development	\$12,000,000	45.89%	\$5,506,800	
		Total Cost	\$17,000,000	53.94%	\$9,169,800	
none	SERVICE AREA: District-Wide NEW COMMUNITY PARK Working with Clackamas Development Agency develop a new community park west of I-205					2
	acres = 10.00	Development	\$4,000,000	45.89%	\$1,835,600	
		Total Cost	\$4,000,000	45.89%	\$1,835,600	
none	SERVICE AREA: District-Wide NORTH CLACKAMAS PARK Complete development of approximately 10 acres of undeveloped property.					1
	acres = 10.00	Develop	\$3,625,000	45.89%	\$1,663,513	
		Total Cost	\$3,625,000	45.89%	\$1,663,513	
TOTAL			\$60,975,000		\$32,634,328	
PRIORITY 1			\$54,375,000		\$29,605,588	
PRIORITY 2			\$6,600,000		\$3,028,740	
SERVICE AREA						
WEST: Zones 1 & 2			\$7,625,000		\$3,499,113	
EAST: Zone 3			\$53,350,000		\$29,135,215	

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NORTH CLACKAMAS PARKS AND RECREATION DISTRICT					page 6	
SDC CAPITAL IMPROVEMENTS PLAN					9/27/07	
C. NATURAL RESOURCE AREAS			Estimated Project Cost (\$)	Growth-Required Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
Map Location	Facility	Action				
NR-30	SERVICE AREA: DISTRICT-WIDE SPRING PARK Implement Phase II of the master plan for Spring Park.					1
	acres = 6.90	<i>Development</i>	\$138,000			
		<i>Total Cost</i>	\$138,000	30.64%	\$42,283	
NR-33	SERVICE AREA: DISTRICT-WIDE NORTH CLACKAMAS DISTRICT PARK Complete and implement master plan for North Clackamas District Park that reflects site conditions and current environmental regulations. Development may include soft surface trails, picnicking facilities, natural resource signage, and parking.					1
	acres = 83.50	<i>Development</i>	\$8,720,000			
		<i>Total Cost</i>	\$8,720,000	30.64%	\$2,671,808	
none	SERVICE AREA: DISTRICT-WIDE MOUNT TALBERT Implement the master plan for Mount Talbert natural resource area. Development may include soft surface trails, picnicking facilities, natural resource signage, and parking.					1
	acres = 185.00	<i>Development</i>	\$1,500,000			
		<i>Total Cost</i>	\$1,500,000	30.64%	\$459,600	
TOTAL			\$10,358,000		\$3,173,691	
PRIORITY 1			\$10,358,000		\$3,173,691	
PRIORITY 2			\$0		\$0	
SERVICE AREA						
DISTRICT-WIDE All Zones			\$10,358,000		\$3,173,691	
EAST Zone 3			\$0		\$0	
WEST Zones 1 and 2			\$0		\$0	

APPENDIX

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT						page 7	
SDC CAPITAL IMPROVEMENTS PLAN						9/27/07	
D. SPECIAL USE PARKS				Estimated Project Cost (\$)	Growth-Required Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
Map Location	Facility	Action					
SU-8	SERVICE AREA: DISTRICT-WIDE						1
	MILWAUKIE RIVERFRONT PARK						
	Partner with City of Milwaukie to implement Riverfront Master Plan						
	acres =	6.80	<i>Develop</i>	\$3,000,000			
			<i>Total Cost</i>	\$3,000,000	82.97%	\$2,489,100	
TOTAL				\$3,000,000		\$2,489,100	
PRIORITY 1				\$3,000,000		\$2,489,100	
SERVICE AREA							
DISTRICT-WIDE All Zones				\$3,000,000		\$2,489,100	
EAST Zone 3				\$0		\$0	
WEST Zones 1 and 2				\$0		\$0	

APPENDIX

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT						page 8
SDC CAPITAL IMPROVEMENTS PLAN						9/27/07
E. LINEAR PARKS						
Map Location	Facility	Action	Estimated Project Cost (\$)	Growth-requires Portion (%)	SDC-Eligible Growth Share (\$)	Project Priority
	SERVICE AREA: DISTRICT-WIDE TROLLEY TRAIL Work with regional partners to complete Trolley Trail connection to Springwater Corridor (17th Ave)					1
	miles = 1.00	<i>Develop</i>	\$800,000	47.99%	\$383,920	
		<i>Total Cost</i>	\$800,000		\$383,920	
	SERVICE AREA: DISTRICT-WIDE TROLLEY TRAIL Work with regional partners to complete Trolley Trail					1
	miles = 5.70	<i>Develop</i>	\$4,560,000	47.99%	\$2,188,344	
		<i>Total Cost</i>	\$4,560,000		\$2,188,344	
L-32	SERVICE AREA: DISTRICT-WIDE MOUNT SCOTT TRAIL Work with regional partners to acquire land and develop a linear park/trail corridor.					1
	acres = 34.00	<i>Acquisition</i>	\$1,870,000	66.65%	\$1,246,355	
	miles = 2.00	<i>Develop</i>	\$1,940,000	47.99%	\$931,006	
		<i>Total Cost</i>	\$3,810,000		\$2,177,361	
HV-L-1	SERVICE AREA: DISTRICT-WIDE SCOUTERS MT TRAIL (EAST HV TRAILS) Work with regional partners to acquire land and develop a linear park/trail corridor.					2
	acres = 12.00	<i>Acquisition</i>	\$660,000	66.65%	\$439,890	
	miles = 2.00	<i>Development</i>	\$1,720,000	47.99%	\$825,428	
		<i>Total Cost</i>	\$2,380,000		\$1,265,318	
L-43	SERVICE AREA: DISTRICT-WIDE SUNNYSIDE VILLAGE TRAIL Work with regional partners to acquire land and develop a linear park/trail corridor.					2
	acres = 7.60	<i>Acquisition</i>	\$418,000	66.65%	\$278,597	
	miles = 1.00	<i>Development</i>	\$876,000	47.99%	\$420,392	
		<i>Total Cost</i>	\$1,294,000		\$698,989	
	new acres miles					
TOTAL	53.60 6.00		\$12,844,000		\$6,713,932	
PRIORITY 1			\$9,170,000		\$4,749,625	
PRIORITY 2			\$3,674,000		\$1,964,307	
SERVICE AREA						
DISTRICT-WIDE	All Zones		\$12,844,000		\$6,713,932	
	EAST Zone 3		\$0		\$0	
	WEST Zones 1 and 2		\$0		\$0	

APPENDIX

NORTH CLACKAMAS PARKS AND RECREATION DISTRICT					page 9	
SDC CAPITAL IMPROVEMENTS PLAN					9/27/07	
E. OTHER FACILITIES			Estimated	Growth	SDC-Eligible	
Map Location	Facility	Action	Project Cost (\$)	Required Portion (%)	Growth Share (\$)	Project Priority
none	SERVICE AREA: DISTRICT-WIDE ADDITIONAL ACTIVITIES AQUATIC PARK Develop additional aquatic facilities/activities.					1
	acres = ?	<i>Plan & Develop</i>	\$200,000			
		<i>Total Cost</i>	\$200,000	100.00%	\$200,000	
none	SERVICE AREA: DISTRICT-WIDE ADDITIONAL GROUP PICNIC AREAS Develop a group picnic area including one or more shelters in each neighborhood planning area.					1
	acres = ?	<i>Plan & Develop</i>	\$750,000			
		<i>Total Cost</i>	\$750,000	45.89%	\$344,175	
none	SERVICE AREA: DISTRICT-WIDE ADDITIONAL SPORTS FIELDS Increase capacity of existing sport fields and develop new ones in partnership with North Clackamas School District and other partners equivalent to 19 additional natural turf fields.					1
	fields = 19.00	<i>Plan & Develop</i>	\$4,275,000			
		<i>Total Cost</i>	\$4,275,000	45.89%	\$1,961,798	
TOTAL			\$5,225,000		\$2,505,973	
PRIORITY 1			\$5,225,000		\$2,505,973	
PRIORITY 2			\$0		\$0	
SERVICE AREA						
DISTRICT-WIDE All Zones			\$5,225,000		\$2,505,973	
EAST Zone 3			\$0		\$0	
WEST Zones 1 and 2			\$0		\$0	

APPENDIX

UNIT COSTS

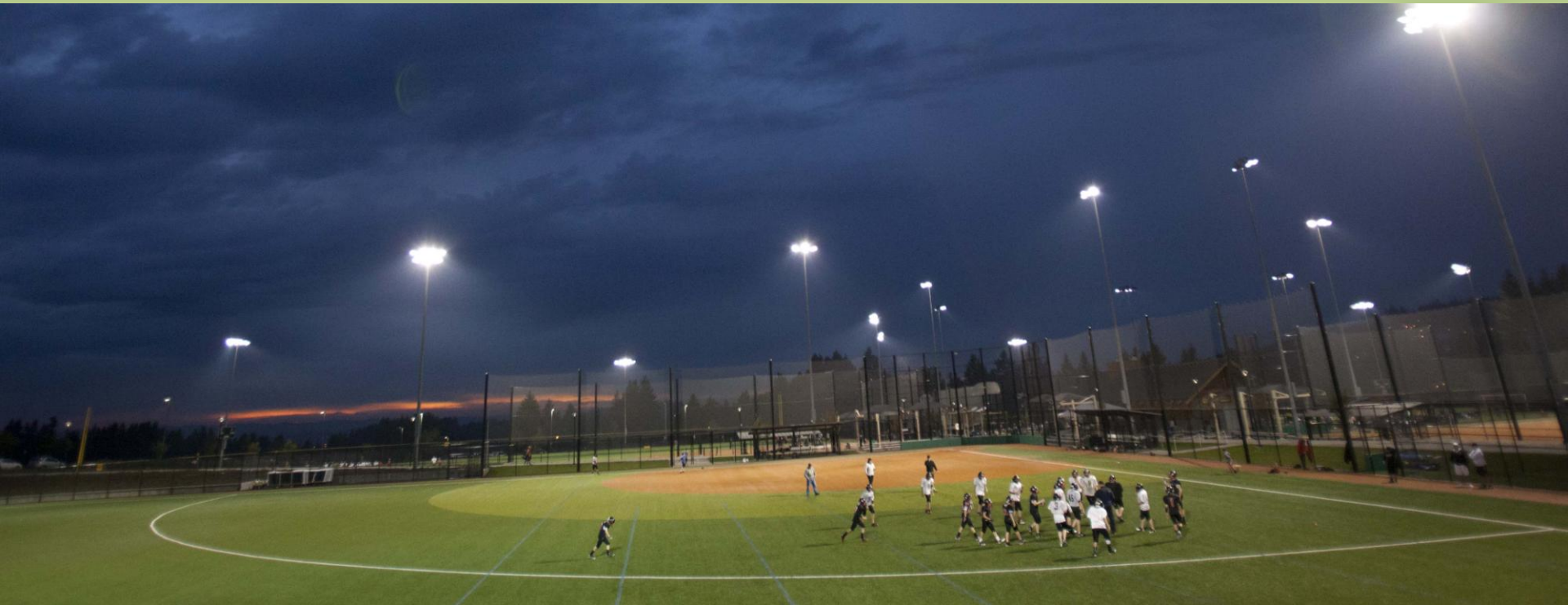
<i>Acquisition</i>	Neighborhood Park (acres)	\$500,000
	Community Park (acres)	\$500,000
	Linear Park (acres)	\$55,000
<i>Development</i>	Neighborhood Park (acres)	\$270,000
	Community Park (acres)*	\$725,000
	Linear Park (acres)	\$10,000
	Natural Resource Area (acres)	\$20,000
	Trails (miles)	\$800,000
	School Park (acres)	\$270,000
	Sport Field (each)	\$225,000
	Indoor Swimming Pool (sq. ft.)	\$0
	Outdoor Swimming Pool (sq.ft.)	\$0
	Community/Senior Centers (sq. ft.)	\$0
	<i>Renovation</i>	Neighborhood Park (acres)
Community Park (acres)		\$200,000
District Park (acres)		\$0
Open Space/Natural Area (acres)		\$10,000
Trails (miles)		\$240,000
Buildings (sq. ft.)		\$200

*Community park development cost for parks without community centers is \$400,000 per/acre



NORTH CLACKAMAS
PARKS & RECREATION DISTRICT

Park System Development Charges



Scope and Purpose



“The imposition of SDC’s will provide a source of revenue to fund construction or improvement of NCPRD facilities necessitated by growth” Source: adopted Ordinance.

“This Ordinance is intended only to be a financing mechanism for needed extra capacity parks and recreation facilities associated with new development and does not represent the consideration of land use planning issues, funding for maintenance of existing facilities or elimination of existing capacity deficiencies” Source: adopted Ordinance.

Adopted by Ordinance



First adopted in October 1994

- Amended March 2004
- Amended October 2007

SDC Charge Rates and Plans to be updated every five years.
Planned update in 2014

Methodology in Developing SDC's

- Develop the NCPRD Capital Improvement Plan
- Categorize capital projects based on area of benefit – single zone or multi-zone (“district-wide” benefit)
- For each project, estimate total cost using defined metrics and identify the growth-related percentage of the projects total cost
- Establish a forecast period
- Forecast the District population growth and corresponding building activity for the forecast period
- Calculate SDC rates – both zone specific and district-wide rates - to fund growth related capital improvements based on permit forecasts. Adjust plans and rates as necessary to address market conditions
- Board adopts the SDC Methodology Report that includes the CIP and rates. The Methodology Report is to be reviewed every five years

Current Plan Period 2007-2030



The current SDC Methodology Report covers a 23 year forecast period from 2007-2030

- Based on master plan update in 2004
- Includes annexation of the City of Happy Valley in 2006
- Combined the NCPRD Capital Plan and the City of Happy Valley Park Master Plan into one CIP

Growth Projections & Population Shift

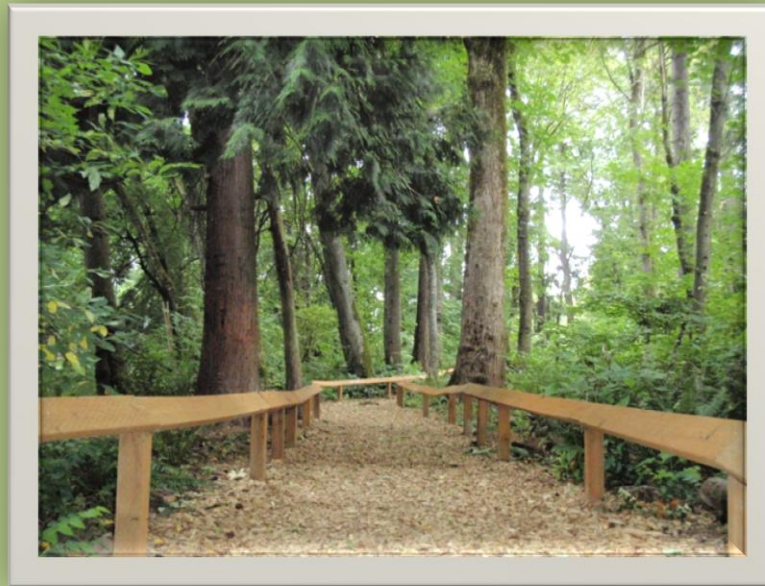
Between 2007-2030 the District's population was forecasted to increase by 33,021 or 30% to 145,425.

	2007 Pop	2030 Pop	Change
Zone 1	23,211	26,626	3,415
	21%	18%	
Zone 2	49,827	51,674	1,847
	44%	36%	
Zone 3	39,366	67,124	24,952
	35%	46%	
Total	112,404	145,425	33,021

SDC Zones

SDC Zones were established by the Board in the amendment in 2004. There are three zones:

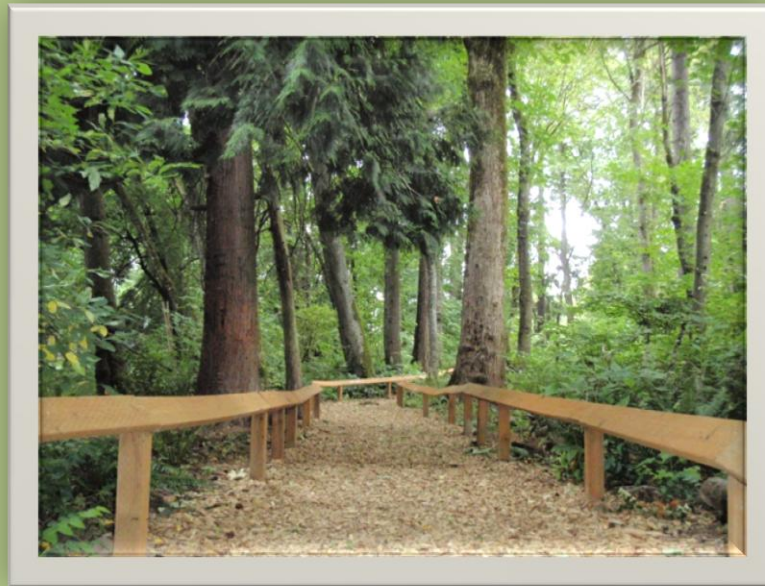
- Zone 1 - City of Milwaukie
- Zone 2 - Unincorporated Westside
- Zone 3 - all of eastside, including Happy Valley which annexed in 2006 after the three zones were established.



Zone vs Districtwide Projects

Zone projects are those that benefit a specific zone. *Growth related costs* of zone specific projects are eligible for zone SDC funding.

Districtwide projects are those that benefit more than one zone. The *growth related costs* of these projects are eligible for SDC funding from one or more zones.



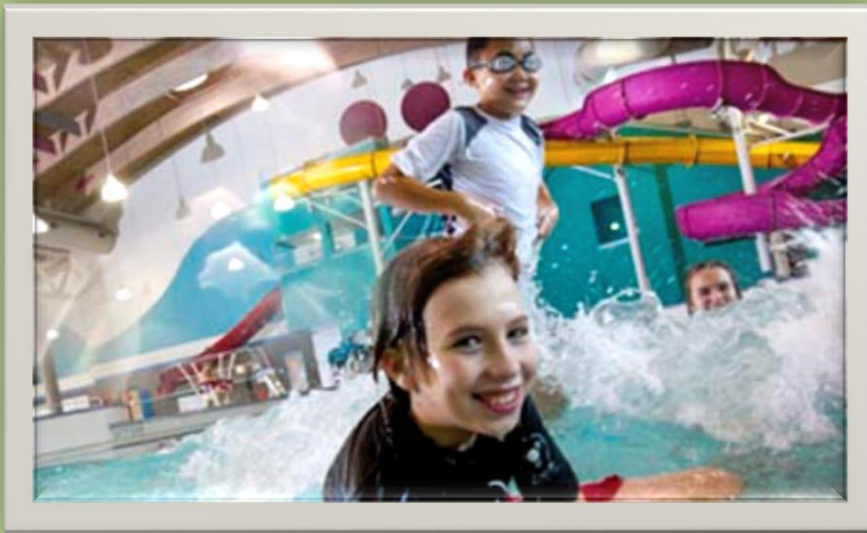
Capital Projects



SDC CIP totals \$134 million

- Districtwide projects = \$92 million
 - 67% in Zone 3 because of projected growth
- Zone 1 Milwaukie – \$2 million in neighborhood parks
- Zone 2 Westside – \$8 million in neighborhood parks
- Zone 3 Eastside – \$32 million in neighborhood parks

Zone Charges



Zone SDC's have two components:

- A zone specific charge based on that zone's projects
- A common districtwide charge added to each zone's charge
- Combined = total SDC charge

	Zone Fee	DW Fee	Total
Zone 1	\$1,092	\$3,798	\$4,890
	22%	78%	
Zone 2	\$3,867	\$3,798	\$7,665
	50%	50%	
Zone 3	\$3,182	\$3,798	\$6,980
	46%	54%	

Considerations for SDC Update

- A. Expand SDC zones from three to six
- Retain Zone 1 Milwaukie
 - Split Zone 2 into three zones; the Milwaukie UGMA (Southgate area), the Oatfield subarea and the Oak Grove/Jennings Lodge subarea
 - Split Zone 3 into two zones; one for the City of Happy Valley (similar to Zone 1 Milwaukie) and the other for the Happy Valley UGMA

This is consistent with the five subarea delineation of the District upon District formation in 1990 with the annexation of Happy Valley creating a sixth zone

Considerations for SDC Update

B. Define all projects as specific zone or sub area projects

- List capital projects by subarea
- SDC's collected in a subarea are available to fund eligible project costs within that subarea
- A comprehensive funding plan for each subarea's capital projects would be developed, with SDC's as one component of that plan.
- Specialized facilities that meet broad district wide needs across many zones would be identified on a separate capital plan and not dependent on zone SDC's

This would highlight the need for alternative funding sources besides SDC's for each of the subareas and for large scale projects, such as community centers that benefit all District residents

Considerations for SDC Update

C. Establish rates for each subarea

- Determine rates based on growth projections and growth related costs associated with capital projects for that subarea
- Try to align the rates in the respective UGMA areas with their assigned city for ease of implementation and long term capital planning purposes.
- This may have the affect of lowering Park SDC charges in certain zones with limited growth and growth related project costs

Considerations for SDC Update

D. Provide the basis for a revised IGA with the City of Happy Valley

- Simplify the current methodology which has been subject to significant misinterpretation and misunderstanding
- Provide the City of Happy Valley the ability to jointly establish growth-related park capital plans with NCPRD commensurate with their population growth and building activity generating SDC charges
- Establish zone rates based solely on zone projects, better aligning sources and uses of SDC funds
- Jointly review the capital projects and SDC's for the City of Happy Valley and the Happy Valley UGMA to leverage SDC's and projects that would benefit the combined area