

City of Sandy

Agenda

Parks & Trails Advisory Board Meeting

Meeting Location: Sandy
Community/Senior Center- 38348
Pioneer Blvd. Sandy, OR 97055

Meeting Date: Wednesday, July 13,
2022

Meeting Time: 7:00 PM



Page

1. MEETING FORMAT NOTICE

Topic: PTAB Meeting / Hybrid / 2nd Wed. of the Month
Time: Jul 13, 2022 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/88642522802?pwd=a0Q1d1FIWXBsMEZ4V2RoWUVVMm5UQT09>

Meeting ID: 886 4252 2802

Passcode: 789855

2. ROLL CALL

3. PUBLIC COMMENT

4. CONSENT AGENDA

4.1. Meeting Minutes

[Parks & Trails Advisory Board - 08 Jun 2022 - Minutes - Pdf](#)

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5. CHANGES TO THE AGENDA

6. NEW BUSINESS

7. OLD BUSINESS

7.1. SDC / Fee in Lieu implementation plan (data analysis by FCS)

[7.13.22 SDC FIL IMPLMENTATION](#)

29 - 63

8. STAFF UPDATES

9. ADJOURN



MINUTES
Parks & Trails Advisory Board Meeting
Wednesday, June 8, 2022 City Hall- Council
Chambers, 39250 Pioneer Blvd., Sandy,
Oregon 97055 7:00 PM

BOARD MEMBERS PRESENT: Don Robertson, Board Member, David Breames, Board Member, Will Toogood, Board Member, and Alexandria Gale, Board Member

BOARD MEMBERS ABSENT: Upekala Wijayratne, Board Member

STAFF PRESENT: Laurie Smallwood, Councilor and Rochelle Anderholm-Parsch, Parks and Recreation Director

MEDIA PRESENT:

1. MEETING FORMAT NOTICE

The Parks and Trails Advisory Board will conduct this hybrid meeting both in-person and electronically using the Zoom video conference platform.

If interested in attending in person the meeting will be held at the Sandy Community Center, located at 38348 Pioneer Blvd., Sandy, OR 97055.

Members of the public may listen, view, and/or participate in this meeting using Zoom.

Topic: PTAB Meeting / Hybrid / 2nd Wed. of the Month
Time: Jun 8, 2022 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting
<https://us02web.zoom.us/j/88642522802?pwd=a0Q1d1FIWXBsMEZ4V2RoWUVVMm5UQT09>
Meeting ID: 886 4252 2802
Passcode: 789855

2. Roll Call

Staff Present:

Chelsea Jarvis, Executive Assistant
John Wallace, Center Manager
Tiana Rundell, Parks Maintenance
Shelley Denison, Associate Planner
Emily Meharg, Senior Planner

Melissa Baxter, Envision Sandy 2050 Committee Member

3. Public Comment

4. Consent Agenda

4.1. Meeting Minutes

5. Changes to the Agenda

6.2 Envision Sandy 2050 Comprehensive plan was presented first, followed by 6.1 Vista Loop Subdivision

6. New Business

6.1. Vista Loop Subdivision

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Vista Loop Subdivision is a 73 lot residential subdivision intended for future construction of single family homes and three open space tracts. Applicant, Maria Miller, AKS Engineering & Forestry, posed several questions in their pre-application documents.

Rochelle goes through a PowerPoint presentation that goes over their questions and additional information. Emily Meharg adds additional context.

Alexandria Gale asks since there is a park proposed in that location, does that affect this discussion?

Don Robertson answers that we're covered whether it's parkland or fee in lieu, however he would like to see parkland dedication from a Parks & Trails Master Plan Perspective.

David states he thinks the developer should have to build the park since he feels it will be that neighborhood using it.

Don recounts by asking David if he would still feel the same way if it was a ball field.

David confirms he would approve of a ball field.

Don summarizes that the Board would be interested in Parkland Dedication.
(The Board was not able to offer an official recommendation during this meeting due to a lack of quorum.)

[6.8.22 Vista loop borntedt vill comp plan](#)

6.2. Envision Sandy 2050- Comprehensive Plan

Shelley Denison led the group in information gathering for what the Parks Board would like Sandy to look like in the future (by 2050).

Questions such as:

What changes people want to see/be sustained in the next 30 years

Why did you chose to live in Sandy

What assets the city has that we don't want to lose

What does a small town feel mean to you

What needs improving

The group had a good discussion about what they like about Sandy and what they feel is needed in the future.

7. Old Business

7.1. Bornstedt Views Subdivision

This is an updated application that has already come before the board. It now is a proposed 43 lot subdivision (it was formerly 42). There are currently 2 other parks within a .1 to .3 mile range of this proposed park location. The proposed park system map does not show a need to add an additional park in this location due to service level requirements already being met by the existing parks.

Rochelle reviews PowerPoint Presentation.

Emily Meharg provides additional knowledge.

The Fee in lieu would be based on old fee structure since the application was submitted before the code changes.

Don Robertson asks about Lot 27 (shown on PowerPoint and in the agenda attachments).

Emily confirms it's a steep area with some retention trees.

Discussion ensues.

Alex likes the current recommendation.

David agrees.

Don concurs- initial action stands- The board recommends fee in lieu of parkland dedication for this updated application.

(The Board was not able to offer an official recommendation during this meeting due to a lack of quorum.)

8. STAFF UPDATES

John updates:

New building monitor has been hired- we are officially reopen for rentals

A Recreation Coordinator Position is now open for applicants

Upcoming events/fall programming

Ongoing work within the Parks & Recreation department to create a vision/mission statement.

Tiana updates:

Seasonal employee, Jacob, is working out great

Dog park is closed during June

Longest Day Parkway is coming up June 23rd- crew has been busy getting Cascadia Park ready.

Meinig Park- Park is being cleaned up to get ready for Mountain Festival in July.

Rochelle updates:

The RFP for the Community Campus has received a high volume of interest.

SDC methodology is going before the Parks Board July 13th, then on to Council, and then adoption in September.

Parks and Trails Board Advisory Interviews are Monday, June 13th.

9. Adjourn



PTAB

June 8, 2022

**Vista Loop, Envision Sandy 2050 Comprehensive Plan, Bornstedt Views
Subdivision**

Agenda

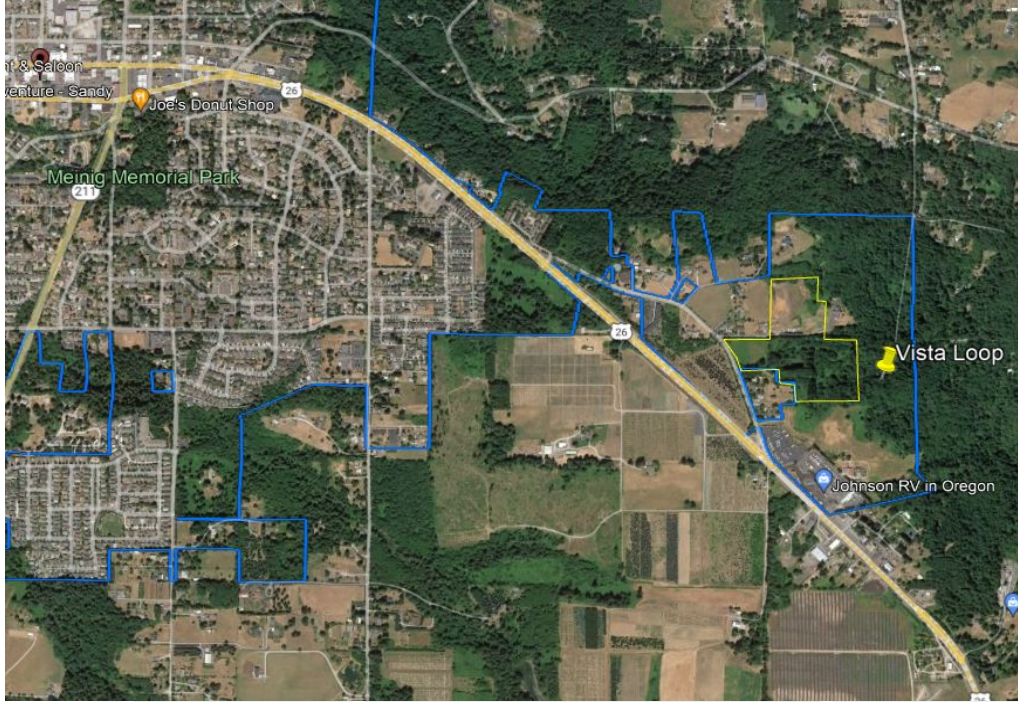
- 6.1 Vista Loop
- 6.2 Envision Sandy 2050 - Comprehensive Plan
- 7.1 Bornstedt Views Subdivision



NEW BUSINESS: 6.1 Vista Loop Subdivision

- Pre-Application meeting held June 2, 2022
- Input from the Parks Board will be submitted in writing to Planning

Location

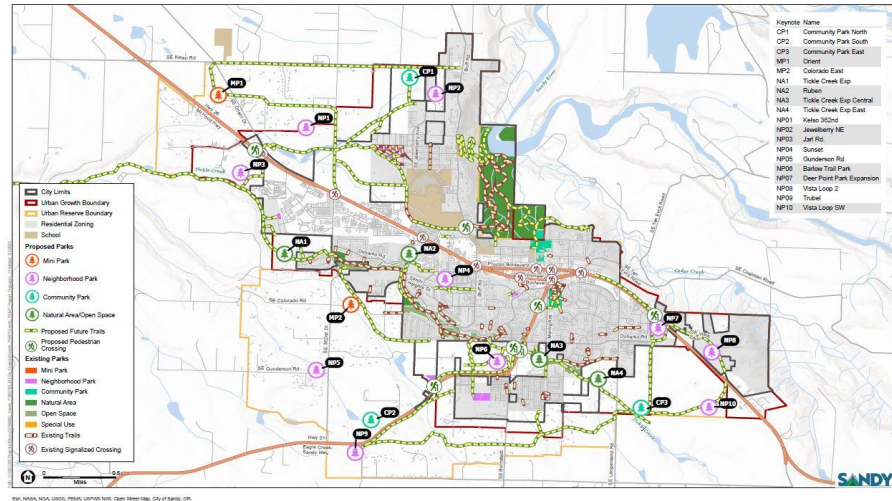


Question Posed by the applicant in the pre-app meeting



Does the 2022 PTMP show a future park in this location

Yes. NP8

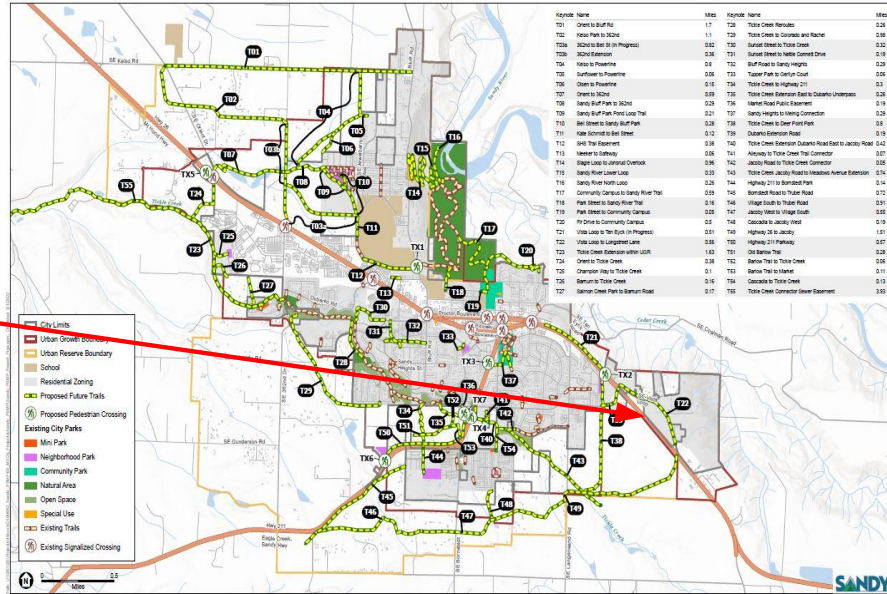


Map 8
Proposed Park System

Question Posed by the applicant in the pre-app meeting



PTMP shows a future trail T22.
Will the project be required to
accommodate a future trail?



Question Posed by the applicant in the pre-app meeting



City Staff indicated that it was planned to increase the multiplier listed in the code from 0.0043 to 0.0053.

- On June 6, 2022 there is a public hearing to adopt the code changes to 17.32 & 17.86
 - If the ordinance is adopted via an emergency clause the code changes will go into effect immediately
- The multiplier will be increased to 0.0068

Question Posed by the applicant in the pre-app meeting



Applicant asked to be advised if the active parkland obligation can be satisfied by payment of fee-in-lieu.

- FIL using 0.0043 = \$226,540
- FIL using 0.0068 = \$359,090
- Parkland dedication using 0.0043 = ±0.94 acres
- Parkland dedication using 0.0068 = ±1.49 acres

- To note:
 - The SDC/FIL methodology is being updated (as reviewed during the May 5, 2022 PTAB meeting)
 - This could result in a higher FIL multiplier. This is ultimately a policy decision made by Council

Staff Recommendation

- PTAB should recommend that the future development should accommodate for a trail as listed in the PTMP
- PTAB should also recommend for parkland dedication as opposed to FIL

Discussion and Questions

Vista Loop



6.2 Envision Sandy 2050 - Comprehensive Plan

- Shelley Denison, City of Sandy Associate Planner



Discussion and Questions
Envision Sandy 2050 - Comprehensive Plan



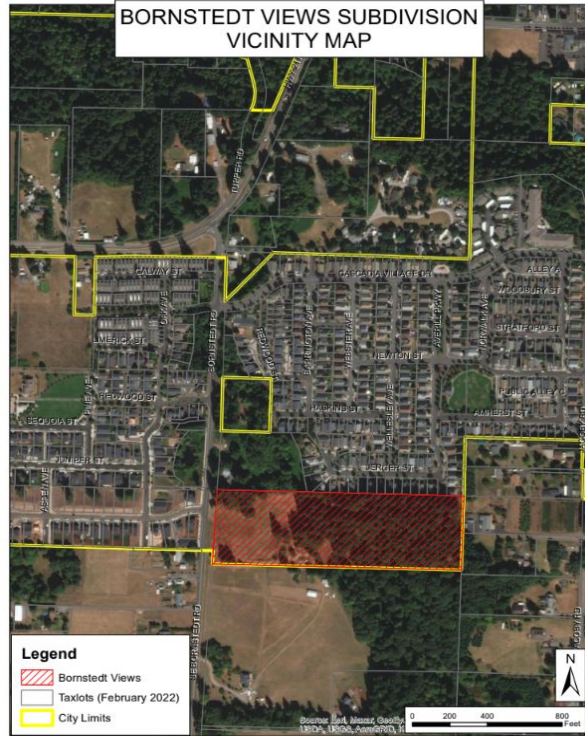
END NEW BUSINESS



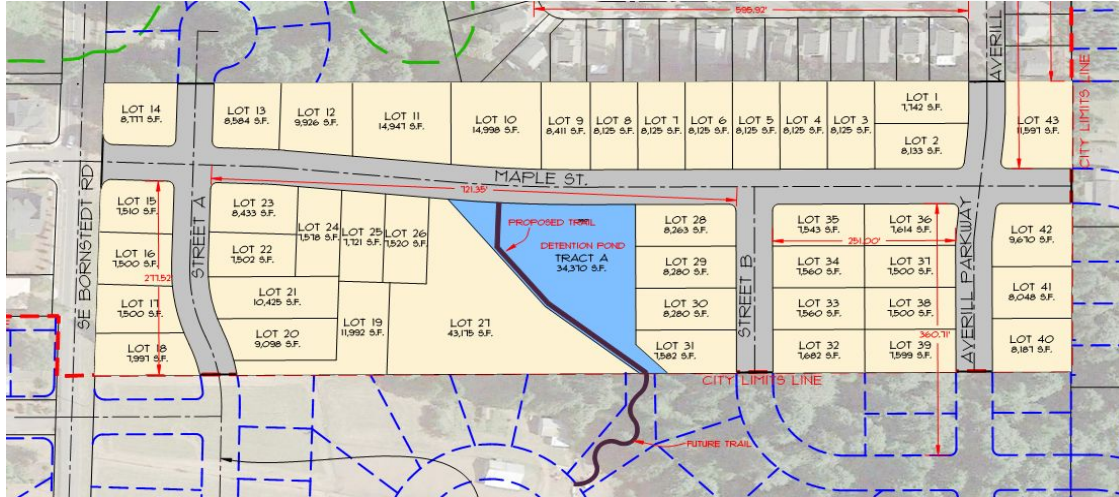
OLD BUSINESS: 7.1 Bornstedt Views Subdivision

- Aug. 11, 2021 PTAB reviewed the 'Bornstedt Views Proposed Development'.
 - 42-Lot subdivision
 - PTAB supported FIL
 - Property is located to two existing neighborhood parks (0.3 miles from Bornstedt Park, and 0.1 mile from Cascadia Park)
- May 24, 2022, Mac Even of Even Better Homes submitted an updated application for a 43-Lot subdivision

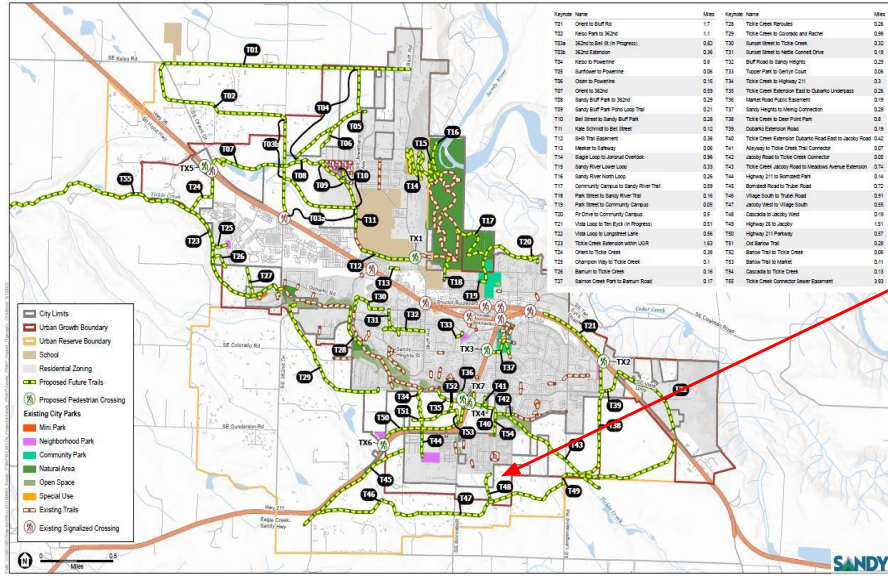
Location



Proposed Trail



PTMP Location of Trail

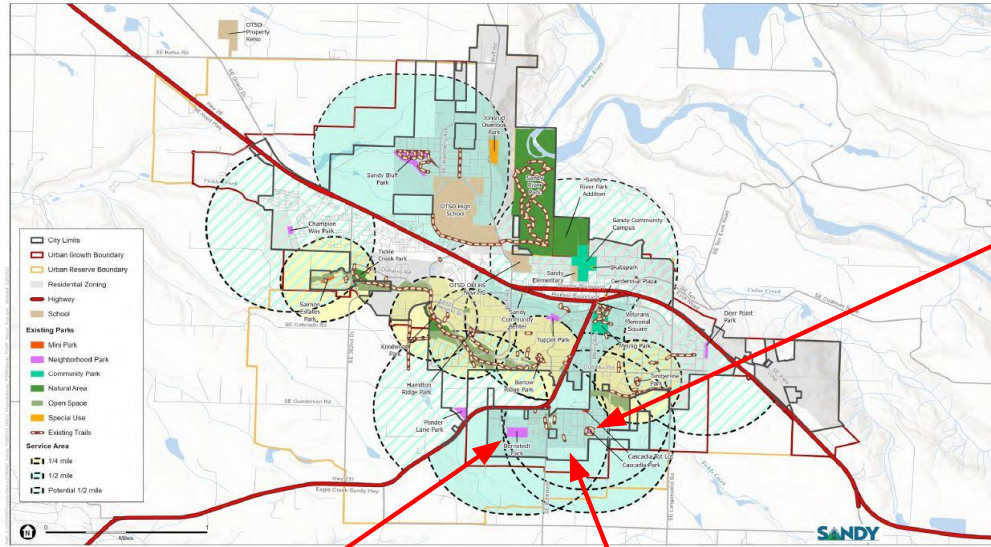


Future Trail
T48 in the PTMP



Map 14
Proposed Trail System

PTMP Existing Parks



Cascadia Park

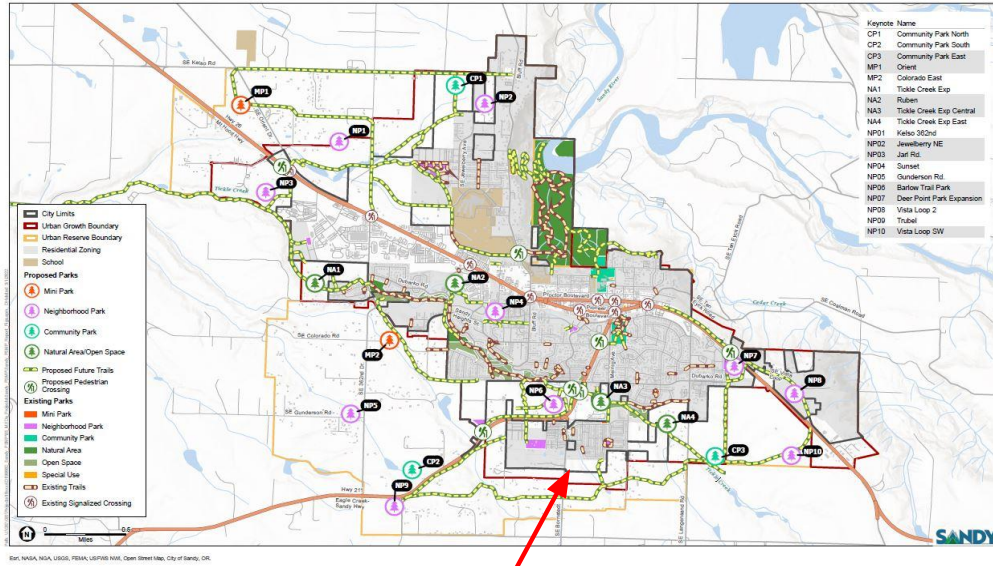
Bornstedt Park

Proposed Development



Map 7
Existing Park Service Areas

PTMP Proposed Location of Future Parks



Proposed Development



Map 8
Proposed Park System

Staff Recommendation

- That PTAB should continue to support Fee-in-Lieu of parkland dedication for the updated application for Bornstedt Views Proposed Development
- That PTAB supports that the future development of Bornstedt Views accommodates the proposed trail as illustrated in slide 16

Discussion and Questions
Bornstedt Views Subdivision



END OLD BUSINESS





City of Sandy
39250 Pioneer Blvd.,
Sandy, OR 97055

Meeting Date: July 13, 2022
To: Parks and Trails Advisory Board
From: Rochelle Anderholm-Parsch, Parks and Recreation Director
Subject: Parks System Development Charges(SDC) and Fee-in-Lieu (FIL) Implementation Plan and Strategies

DECISION TO BE MADE:

Discuss the data and proposed implementation strategies to raise SDC and FIL fees and provide a recommendation for a preferred approach to the Council for consideration.

PURPOSE / OBJECTIVE:

There are several different routes and policy decisions a Council must consider when raising Parks SDC's and FIL. The Parks Board should review, discuss, and then provide a recommendation to the Council regarding the possible implementation strategies as presented by the FCS Group. The Parks Board recommendation to Council will be taken into account when deciding the timeline and amount at which to increase Parks SDC and FIL rates.

BACKGROUND / CONTEXT:

In September 22, 2021 the City entered into a contract with ESA to help manage the work associated with updating the Parks System Development Charge and Fee in Lieu. ESA worked with FCS Group to compile background data on the proposed park and trail projects and costs included in the adopted Park and Trail Master Plan. ESA provided project management and coordination between the City of Sandy and FCS. FCS used data from the adopted Parks and Trails System Master Plan and Capital Improvement Plan (CIP), input from City staff, and City Council to prepare an update to the Parks and Trails System Development Charge (SDC) and the Parks Fee-in-Lieu (FIL) Methodology.

At the [May 5, 2022](#), Parks Board meeting, the FCS Group, provided the final results of the Parks SDC and Fee in Lieu methodology update and presented their findings.

On [June 6, 2022](#), FCS presented their findings to the City Council.

What is a SDC and Fee-in-Lieu:

A system Development Charge is a “one-time charge on new development and certain types of redevelopment to help pay for existing and planned infrastructure to serve that development.”¹ These fees are governed by Oregon Revised Statutes (ORS) 223.297 to 223.314. Parks SDCs in Sandy are governed by Sandy Municipal Code (SMC) Chapter 15.28. SMC 15.28(A) provides that SDCs “shall be established and may be revised by resolution of the council.”

¹ Leoni, M., & Adamsick, C. (2020, December 17). System Development Charges / Issue Brief / LPRO. Retrieved April 27, 2022, from <https://www.oregonlegislature.gov/lpro/Publications/Issue%20Brief%20-%20System%20Development%20Charges.pdf>

The City’s current parks SDCs are a combination of a main parks SDC and an SDC specifically for trails. The main parks SDC is imposed by Resolution 2013-24, which took effect on September 3, 2013. The methodology on which the main parks SDC is based was adopted on September 3, 2013, as an exhibit to Resolution 2013-23. The SDC for trails is imposed by Resolution 2016-08, which took effect on July 5, 2016. The methodology on which the SDC for trails is based was developed by FCS GROUP and adopted on July 5, 2016, as an exhibit to resolution 2016-07.²

Fee in Lieu are governed by SMC 17.86.40. New residential subdivisions, multi-family or manufactured home park developments shall be required to provide parkland to serve existing and future residents of those developments.³ At the city’s discretion only, the city may accept payment of fee in lieu of land dedication. A payment in lieu of land dedication is separate from Park SDCs.

In short, parks SDC and FIL fees, in part, provide the means to implement the Parks and Trails Master Plan. A SDC fee funds future park improvement and development, and a FIL fee provides the funding for future parkland acquisition.

FCS Findings:

ESA and FCS completed their work and analysis in April of 2022. Below is a table summarizing the SDC and fee-in-lieu calculations, including the incorporation of a reimbursement fee as requested by the Parks Board during the May 5, 2022 meeting.

		SDC	Fee-in-Lieu	Total
Calculated Maximum Fee per Resident		\$ 11,478	\$ 5,911	\$ 17,389
Fee Schedule:	Residents per Dwelling Unit			
Single-family Dwelling Unit	2.73	\$ 31,333	\$ 16,135	\$ 47,468
Multi-family Dwelling Unit	2.02	23,231	11,963	\$ 35,195
Mobile home Dwelling Unit	2.20	25,237	12,996	\$ 38,234

Current SDC and Fee in Lieu fees are as follows. Single-Family Dwelling, \$3,717; Multi-Family, \$2,495; Congregate Multi-Family, \$1,967. And, FIL is ~\$3,108.⁴

The proposed updated SDCs and FIL fees are significantly higher than Sandy’s current rates. Additionally, the City of Sandy’s SDCs rates are low compared to surrounding areas that assess SDC fees. For instance, Lake Oswego’s SDC for a single-family dwelling is \$14,511. On the other hand, the lowest pulled comparable was the City of Milwaukie at \$3,985. The average SDC fee was \$8,039, based on data collected from 14 different cities.

KEY CONSIDERATIONS / ANALYSIS:

FCS will present 4 implementation options. The first series of options will illustrate a phased-in approach reaching the maximum allowable charge of \$11,478 over 5, 10, and 15 years. It is important to note that if Sandy phases in the maximum allowable charge, the City of Sandy will have more than double the highest SDC rate for comparables.

² *Parks System Development Charge Audit* (pp. 1-9, Publication). (2018). Lake Oswego, OR: FCS Group.

³ SMC Sec. 17.86.10 - Minimum parkland dedication requirements

⁴Current Sandy FIL is \$241,000/ per acre. Converting FCS’s \$16,135 FIL calculations to per acre equals \$869,242.

The other option that will be presented to the Parks Board is to raise the SDC fee to a midpoint in relation to comparable cities..

The City of Sandy has not raised its Parks SDC since 2016. In 2016 the Parks SDC was \$2,311 SFR. Resolution 2016-08 imposed a SDC for trails and increased the amount by \$1,406, resulting in today's SDC rate of \$3,717.

There is a code in place that allows SDC to be raised annually based on the ENR Construction Cost Index. Sandy Municipal Code (SMC), Sec. 15.28.040. states that, *"C. In accordance with ORS 223.304(8)(b), the City Manager or designee may annually adjust the amounts of the City's system development charges by applying the ENR Construction Cost Index ? Seattle, WA to account for changes in costs over an identified time period for materials, labor and real property. An adjustment to the City's system development charges under this subsection is not a modification to a system development charge methodology. (Ord. No. 10-91, § 2(part), 1991; Ord. No. 2020-14)"*

If the Parks SDC's had realized a very conservative estimated annual increase of 4% based on the ENR Construction Cost Index, today's Parks SDC would be approximately \$4,703.

For further consideration, there are several other SDC fees collected by the City; sewer, street, and water. Current fees are as follows: Sewer (\$5,479), Street (\$4,316), Water (\$3,841). Evaluation of these fees and its methodology are planned with anticipated increases forthcoming.

Raising SDC's and FIL fees in a systematic and mindful manner will support the future development of Sandy's parks system and future parkland acquisition as the City of Sandy continues to grow.

RECOMMENDATION:

Staff recommends that it is necessary to raise SDC and FIL fees which will assist the Parks and Recreation Department in meeting the goals as listed in the Parks and Trails Master Plan, in keeping with the pace of growth that the City of Sandy is experiencing.

BUDGETARY IMPACT:

Presented in the slide deck provided by FCS.

SUGGESTED MOTION LANGUAGE:

Depending on the Parks Board direction, staff will assist the Parks Board in formulating a draft motion for adoption.

LIST OF ATTACHMENTS / EXHIBITS:

Attachment A: Parks System Development Charge and Fee-In-Lieu Update (Published Draft Report)

City of Sandy

PARKS SYSTEM DEVELOPMENT CHARGE AND FEE- IN-LIEU UPDATE

Draft Report
July 7, 2022

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FCS GROUP
Solutions-Oriented Consulting

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Section I. INTRODUCTION

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

I.A. PROJECT

The City of Sandy (City) imposes a system development charge (SDC) to provide partial funding for the capital needs of its parks system. The current SDC is charged only to residential developments based on the number of dwelling units (DUs). The rate is currently \$3,717 for a single-family residence.

In addition, at the City's discretion, the City may charge developers a fee in lieu of land dedication for parkland (fee-in-lieu). The fee-in-lieu is calculated by multiplying the average cost of land in the City by the number of acres required for land dedication. The City currently expects developers to dedicate 0.0068 acres per resident expected in the development, and the City's codified cost per acre is \$241,000.

In 2022, the City engaged FCS GROUP to update the City's parks SDC based on their 2022 parks master plan, and to update the fee-in-lieu based on more recent land acquisition cost estimates and level-of-service calculations.

I.B. POLICY

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

I.B.1. State Statutes

Oregon Revised Statutes (ORS) 223.297 to 223.314 enable local governments to establish SDCs, which are one-time fees on development that are paid at the time of development or redevelopment that creates additional demand for park facilities. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future users -- growth.

ORS 223.299 defines two types of SDC:

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

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

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

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

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

I.B.2. Local Ordinance

Chapter 15.28 of the Sandy Municipal Code authorizes and governs the imposition and expenditure of parks SDCs in Sandy. Chapter 17.86 authorizes and governs the imposition of the fee-in-lieu. The City will need to modify its code to allow for the proposed changes to the fee-in-lieu, as discussed in Section IV.A of this report.

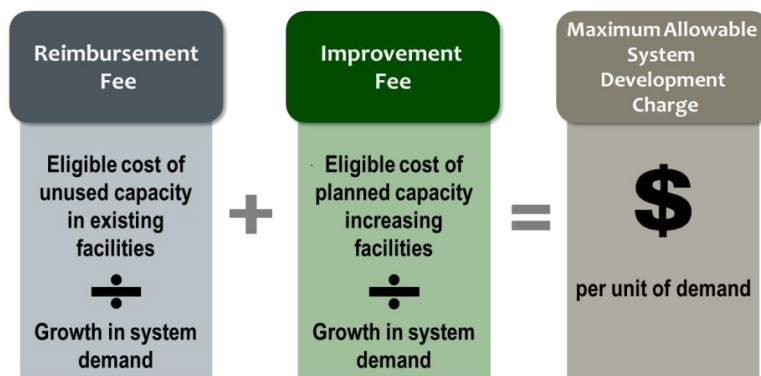
I.B.3. United States Constitution

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

Section II. SDC ANALYSIS

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

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



II.A. GROWTH

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

II.A.1. Unit of Measurement

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

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

II.A.2. Growth in Demand

The current (2020) population, representing demand for parks facilities, is 12,612 residents. During the forecast period from 2020 to 2035, the population is expected to grow by 6,488 residents to a total of 19,100 residents (based on the 2022 Parks and Trails Master Plan). Therefore, 6,488 residents will be the denominator for the SDC calculations later in this report.

II.B. IMPROVEMENT FEE

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

II.B.1. Eligibility

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

For parks SDCs, eligibility is often determined by a level-of-service analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in an improvement fee cost basis). Park facilities can be measured by sorting them into categories such as neighborhood, community, or mini parks, or by considering their respective units of measurement. Further, in either approach, the current or future level of service may be targeted. These two separate choices create four distinct and equally defensible ways of calculating the eligibility percentage of each project.

Each method will be examined in the sections below.

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

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

The City has seven relevant parks categories for determining its level of service by category. These are shown in the upper panel of the first column in Table 1. Each category receives its own level of service. Using mini parks as an example, the City currently has 3.87 acres of mini parks. Using the 2020 population discussed above, this implies that there is 0.31 acres of mini parks per 1,000 residents. The parks project list, when completed, will add 1.00 acres of mini parks. Based on the 2035 population and the current level of service, 1.99 additional acres of mini parks are needed. So, all the City's mini park projects are eligible for inclusion in the improvement fee cost basis.

The same line of reasoning is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement also follows the same approach. The eligibility percentage for each parks category or unit of measurement is shown in the last column of Table 1.

Table 1 – Eligibility under the Current Level of Service

	Units	2020 Quantity	2020 Units per 1,000 Residents	Change in Quantity	Additional Needed to Maintain LoS	Eligibility
By category:						
Mini Park	Acres	3.87	0.31	1.00	1.99	100.00%
Neighborhood Park	Acres	16.89	1.34	22.40	8.69	38.79%
Community Park	Acres	11.07	0.88	46.25	5.69	12.31%
Natural & Open Space	Acres	224.64	17.81	0.00	115.56	0.00%
Undeveloped Park	Acres	22.26	1.76	-18.15	11.45	0.00%
Special Use Area	Number	4.00	0.32	0.00	2.06	0.00%
Trail	Miles	9.96	0.79	24.01	5.12	21.34%
By Unit of Measurement:						
Acres of Parks and Natural Areas	Acres	278.73	22.10	51.50	143.39	100.00%
Number of Special Use Sites	Number	4.00	0.32	0.00	2.06	0.00%
Miles of Trails	Miles	9.96	0.79	24.01	5.12	21.34%

Source: 2021 Parks and Trails Master Plan, Section 4 (2020 quantity); previous tables

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

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

As in the previous section, calculating SDC eligibility based on future level of service can be done both when measuring parks facilities by category and when measuring by unit of measurement. Table 2 below outlines both methods using the future level of service. Using neighborhood parks as an example, the City currently has 16.89 acres of neighborhood parks. The parks project list, when completed, will add 22.40 acres of neighborhood parks. This results in a future level of service of 2.06 acres of neighborhood parks per 1,000 residents in 2035. If that level of service was applied to the 2020 population, a minimum of 25.94 acres would be needed. However, there are currently 16.89 acres of neighborhood parks. Thus, 9.05 acres must be added to the parks system to cure the deficiency in the parks system. So, only the remaining 13.35 acres added by the project list, or 59.58 percent of neighborhood parks projects, are eligible for inclusion in the improvement fee cost basis under this method.

The same approach is used to develop the eligibility percentages for other parks categories. Further, calculating eligibility using level of service by unit of measurement follows the same logic. The eligibility percentage for each parks category or unit of measurement is shown in the “Eligibility” column of Table 2 below.

When calculating an SDC based on the future level of service, it is possible that there may be park facilities eligible for inclusion in a reimbursement fee. This occurs when the future level of service for a parks category or unit of measurement is lower than the current level of service. If this is this case, then it follows that the parks system has available capacity in its parks facilities. The final

column of Table 2, “Reimbursable Quantity,” shows the reimbursable quantity of parks facilities by category and unit of measurement.

Table 2 - Eligibility under the Future Level of Service

	Units	2020 Quantity	2020 Units per 1,000 Residents	Change in Quantity	2035 Units per 1,000 Residents	2020 Minimum Quantity	Eligibility	Reimbursable Quantity
By category:								
Mini Park	Acres	3.87	0.31	1.00	0.25	3.22	100.00%	0.65
Neighborhood Park	Acres	16.89	1.34	22.40	2.06	25.94	59.58%	-
Community Park	Acres	11.07	0.88	46.25	3.00	37.85	42.10%	-
Natural & Open Space	Acres	224.64	17.81	0.00	11.76	148.33	0.00%	76.31
Undeveloped Park	Acres	22.26	1.76	-18.15	0.22	2.71	0.00%	19.55
Special Use Area	Number	4.00	0.32	0.00	0.21	2.64	0.00%	1.36
Trail	Miles	9.96	0.79	24.01	1.78	22.43	48.06%	-
By Unit of Measurement:								
Acres of Parks and Natural Areas	Acres	278.73	22.10	51.50	17.29	218.06	100.00%	60.67
Number of Special Use Sites	Number	4.00	0.32	0.00	0.21	2.64	0.00%	1.36
Miles of Trails	Miles	9.96	0.79	24.01	1.78	22.43	48.06%	-

Source: 2021 Parks and Trails Master Plan, Section 4 (2020 quantity); previous tables

II.B.2. Expansion Projects

The first of the City’s two project lists includes projects that will expand the inventory of the parks system and are therefore subject to the eligibility calculations described above. These projects are listed in Tables 3 and 4 below.

Table 3 lists all expansion projects that add acres of parkland to the parks system, and includes the acres added by each project. The last column of this table also shows the acres absorbed from other park categories (in this case, for the “Undeveloped Park” category).

Table 4 lists all expansion projects that add miles of trails to the parks system. Note that some trails projects are also considered to be part of the City’s transportation system, but that the costs listed in Table 4 are only those costs allocated to the parks system.

Table 3 – Expansion List (Acres of Parkland)

Park Name	Park Type	Tier	Timing	Total Cost	Acres Added	Acres
						Absorbed
Deer Point Park	Neighborhood Park	Tier 1	0-5 years	\$ 1,442,800	1.41	1.41
Champion Way Park	Neighborhood Park	Tier 1	0-5 years	998,700	0.99	0.99
Ponder Lane Park	Neighborhood Park	Tier 1	0-5 years	1,848,000	2.00	2.00
Deer Point Expansion	Neighborhood Park	Tier 1	0-5 years	1,700,000	2.00	-
Sunset	Neighborhood Park	Tier 1	0-5 years	1,700,000	2.00	-
Community North	Community Park	Tier 1	0-5 years	5,900,000	10.00	-
Tickle Creek Expansion - West	Natural & Open Space	Tier 1	0-5 years	-	-	-
Jarl Road	Neighborhood Park	Tier 2	5-10 years	1,700,000	2.00	-
Jewelberry NE	Neighborhood Park	Tier 2	5-10 years	1,700,000	2.00	-
Vista Loop	Neighborhood Park	Tier 2	5-10 years	1,700,000	2.00	-
Community East	Community Park	Tier 2	5-10 years	6,900,000	12.50	-
Tickle Creek Expansion - Central	Natural & Open Space	Tier 2	5-10 years	-	-	-
Tickle Creek Expansion - East	Natural & Open Space	Tier 2	5-10 years	-	-	-
Orient	Mini Park	Tier 3	10-15 years	490,000	0.50	-
Colorado East	Mini Park	Tier 3	10-15 years	490,000	0.50	-
Kelso 362nd	Neighborhood Park	Tier 3	10-15 years	1,700,000	2.00	-
Gunderson Road West	Neighborhood Park	Tier 3	10-15 years	1,700,000	2.00	-
Barlow Trail	Neighborhood Park	Tier 3	10-15 years	1,700,000	2.00	-
Trubel	Neighborhood Park	Tier 3	10-15 years	1,700,000	2.00	-
Vista Loop SW	Neighborhood Park	Tier 3	10-15 years	-	-	-
Community South	Community Park	Tier 3	10-15 years	5,900,000	10.00	-
Ruben	Natural & Open Space	Tier 3	10-15 years	-	-	-
Sandy Community Campus - Phases 1-4	Community Park		0-15 years	9,950,200	13.75	13.75
Total				\$ 49,219,700	69.65	18.15

Source: Environmental Science Associates, City staff.

Table 4 – Expansion List (Miles of Trail)

Trail Name	Tier	Timing	Total Cost	
			Allocated to Parks System	Miles Added
Kelso to Powerline	Tier 1	0-5 years	\$ 185,800	0.80
Sunflower to Powerline	Tier 1	0-5 years	32,500	0.06
Olson to Powerline	Tier 1	0-5 years	81,300	0.15
Sandy Bluff Park to 362nd	Tier 1	0-5 years	198,100	0.29
Sandy Bluff Park Pond Loop Trail	Tier 1	0-5 years	143,500	0.21
Bell Street to Sandy Bluff Park	Tier 1	0-5 years	191,300	0.28
Kate Schmidt to Bell Street	Tier 1	0-5 years	82,000	0.12
SHS Trail Easement 1	Tier 1	0-5 years	259,600	0.38
Meeker to Safeway	Tier 1	0-5 years	32,500	0.06
Community Campus to Sandy River Trail	Tier 1	0-5 years	23,700	0.59
Park Street to Community Campus	Tier 1	0-5 years	2,000	0.05
Tickle Creek Reroutes	Tier 1	0-5 years	93,750	0.26
Sunset Street to Tickle Creek	Tier 1	0-5 years	12,800	0.32
Sunset Street to Nettie Connett Drive	Tier 1	0-5 years	103,000	0.19
Bluff Road to Sandy Heights	Tier 1	0-5 years	11,600	0.29
Tupper Park to Gerilyn Court	Tier 1	0-5 years	32,500	0.06
Tickle Creek Extension East to Dubarko Underpass	Tier 1	0-5 years	125,000	0.26
Tickle Creek to Deer Point Park	Tier 1	0-5 years	432,000	0.80
Tickle Creek Extension Dubarko East to Jacoby	Tier 1	0-5 years	400,000	0.42
Alleyway to Tickle Creek Trail Connector	Tier 1	0-5 years	37,500	0.07
Bornstedt Park	Tier 1	0-5 years	78,000	0.14
Highway 211 Parkway	Tier 1	0-5 years	406,250	0.57
Cascadia to Tickle Creek	Tier 1	0-5 years	30,200	0.13
Slagle Loop to Jonsrud Viewpoint	Tier 2	5-10 years	38,500	0.96
Sandy River Lower Loop	Tier 2	5-10 years	13,300	0.33
Sandy River North Loop	Tier 2	5-10 years	10,400	0.26
Park Street to Sandy River Trail	Tier 2	5-10 years	6,400	0.16
Fir Drive to Community Campus	Tier 2	5-10 years	20,100	0.50
Tickle Creek Extension within UGR 2	Tier 2	5-10 years	380,900	1.64
Champion Way to Tickle Creek	Tier 2	5-10 years	4,400	0.11
Barnum to Tickle Creek	Tier 2	5-10 years	6,800	0.17
Salmon Creek Park to Barnum Road	Tier 2	5-10 years	92,200	0.17
Tickle Creek to Highway 211	Tier 2	5-10 years	69,700	0.30
Sandy Heights to Meinig Connection	Tier 2	5-10 years	11,500	0.29
Tickle Creek Jacoby Rd to Meadows Ave extension	Tier 2	5-10 years	172,600	0.74
Orient to Bluff Road 4,5	Tier 3	10-15 years	-	1.70
Kelso to 362nd	Tier 3	10-15 years	255,500	1.10
Orient to 362nd 2 (Bell Street Extension)	Tier 3	10-15 years	675,000	0.59
Vista Loop to Longstreet Lane	Tier 3	10-15 years	303,600	0.56
Orient to Tickle Creek	Tier 3	10-15 years	88,300	0.38
Tickle Creek to Colorado & Rachel	Tier 3	10-15 years	227,600	0.98
Bornstedt Road to Trubel Road	Tier 3	10-15 years	495,400	0.73
Village South to Trubel Road	Tier 3	10-15 years	623,600	0.91
Jacoby West to Village South	Tier 3	10-15 years	373,100	0.55
Cascadia to Jacoby West	Tier 3	10-15 years	102,300	
Old Barlow Trail	Tier 3	10-15 years	151,700	0.28
Barlow Trail to Tickle Creek	Tier 3	10-15 years	13,900	0.06
Barlow Trail to Market	Tier 3	10-15 years	25,600	0.11
Tickle Creek Connector Sewer Easement 4	Tier 3	10-15 years	914,000	3.94
Tickle Creek Bridge at Market	Tier 3	10-15 years	500,000	-
Total			\$ 8,571,300	24.01

Source: Email from Tracy Johnson, 2/2/2022

II.B.3. Infill Projects

The second of the City’s two project lists includes projects that will not expand the inventory of the parks system by adding acres but that will nevertheless add capacity for future users by adding amenities. As shown in Table 5 below, this project list has a total cost of \$4.0 million. Each project is assigned one of two eligibility percentages: zero percent if the project is for repair or replacement of existing assets, and 33.97 percent if the project adds new amenities. That 33.97 percent represents the share of total users made up of new users in 2035, and assigning a project that percent recognizes that existing and future users are expected to share new amenities in existing parks proportionately. The total eligible cost of the infill list is \$1.1 million.

Table 5 – Infill List

	Tier	Timing	Total Cost	Eligibility	Eligible Cost
Sandy Bluff Park	Tier 1	0-5 years	\$ 250,000	33.97%	\$ 84,921
Meinig Memorial Park	Tier 1	0-5 years	100,000	0.00%	-
Sandy River Park - Phase 1	Tier 1	0-5 years	800,000	33.97%	271,749
Bornstedt Park - Phase 2	Tier 2	5-10 years	652,000	33.97%	221,475
Tupper Park	Tier 2	5-10 years	750,000	33.97%	254,764
Meinig Memorial Park	Tier 2	5-10 years	273,200	33.97%	92,802
Sandy River Park - Phase 2	Tier 2	5-10 years	650,000	33.97%	220,796
Meinig Memorial Park	Tier 3	10-15 years	500,000	0.00%	-
Sandy River Park Addition	Tier 3	10-15 years	-	33.97%	-
Total			\$ 3,975,200		\$ 1,146,508

Source: Environmental Science Associates, City staff.

II.B.4. Calculated Improvement Fee Cost Basis

After determining the costs dedicated to expanding capacity on each of the two lists (expansion and infill), the improvement fee cost basis is calculated by multiplying those costs by their respective eligibility percentages. As discussed above, eligibility for capacity-expanding costs on the expansion list were determined through level-of-service calculations. Projects on the infill list were assigned the growth share percentage if they added amenities to existing parks and assigned zero percent if they were for repair or replacement.

As shown in Table 6 below, the total improvement fee cost basis ranges from \$15.1 million under the current level of service by category, up to \$54.5 million under the future level of service by unit of measurement.

Table 6 – Improvement Fee Cost Basis

	Cost	Current LoS		Future LoS	
		Eligibility	Eligible Cost	Eligibility	Eligible Cost
By Category					
Mini Park	\$ 980,000	100%	\$ 980,000	100%	\$ 980,000
Neighborhood Park	19,589,500	39%	7,598,570	60%	11,671,719
Community Park	28,650,200	12%	3,527,690	42%	12,061,452
Natural & Open Space	-	0%	-	0%	-
Undeveloped Park	-	0%	-	0%	-
Special Use Area	-	0%	-	0%	-
Trail	8,571,300	21%	1,829,024	48%	4,119,280
Expansion Projects Total	\$ 57,791,000		\$ 13,935,284		\$ 28,832,451
Infill Projects	3,975,200		1,146,508		1,146,508
Total	\$ 61,766,200		\$ 15,081,792		\$ 29,978,959
By Unit of Measurement					
Acres of Parks and Natural Areas	\$ 49,219,700	100%	\$ 49,219,700	100%	\$ 49,219,700
Number of Special Use Sites	-	0%	-	0%	-
Miles of Trails	8,571,300	21%	1,829,024	48%	4,119,280
Expansion Projects Total	\$ 57,791,000		\$ 51,048,724		\$ 53,338,980
Infill Projects	3,975,200		1,146,508		1,146,508
Total	\$ 61,766,200		\$ 52,195,232		\$ 54,485,488

Source: Previous tables.

II.C. REIMBURSEMENT FEE

A reimbursement fee is the eligible cost of the park facilities available for future users per unit of growth that such facilities will serve. Since growth was calculated in Section II.A, we will focus on the eligible cost of the park facilities available for future users. That is, we will focus on the cost of reimbursable park facilities.

II.C.1. Reimbursable Park Facilities

Reimbursable park facilities are those existing facilities which are not required to meet the City’s level of service and thus are available to future users. As discussed in Section II.B.1, an excess of park facilities only exists when the future level of service is currently being exceeded. When calculating the number of reimbursable facilities by category, there are 0.65 reimbursable acres of mini parks, 76.31 reimbursable acres of natural and open space, 19.55 reimbursable acres of undeveloped parks, and 1.36 reimbursable special use areas. When calculating the number of reimbursable facilities by unit of measurement, there are 60.67 reimbursable acres of parks and natural areas, and 1.36 reimbursable special use areas. There is no amount of reimbursable trails in either calculation.

II.C.2. Calculated Reimbursement Fee Cost Basis

The reimbursement fee cost basis is the product of the reimbursable quantity of park facilities and the eligible cost of those facilities. To calculate the eligible cost of reimbursable park facilities, several

approaches may be taken as long as they reflect the actual costs borne by the parks system for those parks facilities.

For this analysis, a unit cost of development per park category and generalized park acre is used for calculating the reimbursable costs for the City’s parks and natural areas. For special use sites, the unit cost is simply the average cost per site. These unit costs are adjusted downwards to account for inflation using a relevant index and the acre-weighted age of each park category. These discounted unit costs are then multiplied by the reimbursable quantity of park facilities in each category to get the reimbursable costs of each category.

The unit cost of development for each unit of measurement were based on the 2022 Parks and Trails Master Plan and is shown in the third column of Table 7 below. The unit costs adjusted for inflation are shown in the sixth column. Column 7 shows the reimbursable quantity by unit per category. The outside funding percentage is shown in Column 8. The final reimbursable cost must be reduced by that percentage. Finally, the total reimbursable cost is shown in the last column. As shown, the total reimbursable cost of parks facilities is \$578,569 when calculating by category, and \$21.1 million when calculating by unit of measurement.

Table 7 – Reimbursement Fee Cost Basis

	Units	2020 Development Cost per Unit	Weighted Average Age	Inflation Adjustment Factor	Estimated Original Cost per Unit	Reimbursable Quantity	Outside Funding Percentage	Total Reimbursable Cost
By Category:								
Mini Park	Acres	\$ 980,000	14.57	64.94%	\$ 636,417	0.65	100.00%	\$ -
Natural & Open Space	Acres	-	19.36	55.31%	-	76.31	0.00%	-
Undeveloped Park	Acres	-	4.64	87.51%	-	19.55	No data	-
Special Use Area	Number	824,665	21.75	51.63%	425,812	1.36	0.00%	578,569
	Total							\$ 578,569
By Unit of Measurement:								
Acres of Parks and Natural Areas	Acres	\$ 706,672	19.83	54.26%	\$ 383,423	60.67	11.59%	\$ 20,567,588
Number of Special Use Sites	Number	824,665	21.75	51.63%	425,812	1.36	0.00%	578,569
	Total							\$ 21,146,157

Source: Environmental Science Associates (2020 cost per unit); Engineering News-Record (inflation adjustment factor); previous tables (reimbursable quantity)

II.D. CALCULATED SDC

This section combines the eligible costs from the two project lists and applies adjustments for fund balance and compliance costs. The result is a total SDC per resident. We then use data from the Census Bureau to estimate the number of residents per dwelling unit and calculate SDCs for residential dwelling units.

II.D.1. Adjustments

The City estimates that it has \$1,223,401 in its improvement fee fund balance as of June 30, 2020. Unspent improvement fee revenue represents projects that remain unbuilt. Because these projects remain on the project list and are part of the improvement fee cost basis, it is reasonable to reduce this cost basis by the amount of revenue already received for those projects that remain on the list.

Table 8 – Adjustments to Improvement Fee Cost Bases

	Current by Category	Future by Category	Current by Unit	Future by Unit
Unadjusted Improvement Fee Cost Basis	\$ 15,081,792	\$ 29,978,959	\$ 52,195,232	\$ 54,485,488
Estimated Improvement Fee Fund Balance	(1,223,401)	(1,223,401)	(1,223,401)	(1,223,401)
Improvement Fee Cost Basis	\$ 13,858,391	\$ 28,755,558	\$ 50,971,831	\$ 53,262,087

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report also includes compliance costs as a separate cost basis. This cost basis is calculated based on the cost of the SDC methodology, once every five years for the full 15 years of the planning horizon.

II.D.2. Calculated SDC

Table 9 below is a complete schedule of parks SDCs showing the improvement fee, reimbursement fee, and compliance fee per resident and by land use for all methods of calculating the eligible cost of the expansion list.

Table 9 – Calculated SDC

	Current by Category	Future by Category	Current by Unit	Future by Unit
Cost Basis:				
Improvement Fee	\$ 13,858,391	\$ 28,755,558	\$ 50,971,831	\$ 53,262,087
Reimbursement Fee	-	578,569	-	21,146,157
Compliance Costs	62,430	62,430	62,430	62,430
Total Cost Basis	\$ 13,920,821	\$ 29,396,557	\$ 51,034,261	\$ 74,470,674
Growth in Residents	6,488	6,488	6,488	6,488
Improvement Fee per Resident	\$ 2,136	\$ 4,432	\$ 7,856	\$ 8,209
Reimbursement Fee per Resident	-	89	-	3,259
Compliance Fee per Resident	10	10	10	10
Total SDC per Resident	\$ 2,146	\$ 4,531	\$ 7,866	\$ 11,478
Fee Schedule:				
Single-family dwelling unit	\$ 5,857	\$ 12,368	\$ 21,472	\$ 31,333
Multi-family dwelling unit	4,343	9,170	15,920	23,231
Mobile home dwelling unit	4,718	9,962	17,295	25,237

Source: 2015-2019 American Community Survey 5-Year Estimates, Tables B25024 and B25033
(residents per dwelling unit)

As shown above, the maximum allowable charge is \$11,478 per resident under the future level of service by unit of measurement. The resulting SDC is \$31,333 for a single-family dwelling unit based on an estimated 2.73 residents per dwelling unit, \$23,231 for a multi-family dwelling unit based on an estimated 2.02 residents per dwelling unit, and \$25,237 for a mobile home dwelling unit based on an estimated 2.20 residents per dwelling unit.

II.D.3. Comparison

This section provides comparisons for the City’s current and proposed SDCs against those of comparable jurisdictions. As shown in Table 10, if SDCs are implemented as proposed, the City will have a higher parks SDC than all comparable cities in this survey.

Table 10 – Parks SDC per SFR Comparison

	Parks SDC per SFR	
Sandy (Maximum)	\$	31,333
Lake Oswego		15,672
Tigard		10,345
Sherwood		8,998
Happy Valley		8,515
Canby		6,025
Hubbard		4,558
Eugene		4,246
Milwaukie		3,985
Sandy (Current)		3,717
Molalla		2,643

Source: Survey by FCS GROUP, as of 4/26/2022

Section III. FEE-IN-LIEU ANALYSIS

This section provides the detailed calculations of an updated fee in lieu of parkland dedication. The City will need to update its municipal code to accommodate the calculation.

III.A. LAND DEDICATION REQUIREMENT

The City currently requires developers to dedicate 0.0068 acres per resident added by a new development to give the City enough parkland to reach its goals for the park system. This is based on its existing inventory and on data from the 2022 Parks and Trails Master Plan.

III.B. LAND ACQUISITION COSTS

The City currently uses \$241,000 as its estimate for the cost of an acre of land in its fee-in-lieu calculation. However, FCS GROUP used assessor data to determine a more recent cost per acre based on the cost of undeveloped, platted land. That data revealed the average price per acre to be \$869,242.

III.C. CALCULATED FEE-IN-LIEU

Based on the previous sections, the fee-in-lieu calculation is summarized in Table 11 below. As shown, the calculated fee-in-lieu per resident is \$5,911, and the fee-in-lieu per dwelling unit ranges from \$11,963 up to \$16,135.

Table 11 – Fee-in-Lieu Calculation

Current cost per acre		\$869,242
Targeted acres per resident		0.0068
Calculated Fee-in-Lieu per resident		\$5,911
Fee Schedule:	<u>Residents per Dwelling Unit</u>	
Single-family dwelling unit	2.73	\$16,135
Multi-family dwelling unit	2.02	\$11,963
Mobile home dwelling unit	2.20	\$12,996

The table above uses data from the Census Bureau to calculate the number of residents per dwelling unit. Those calculations were also used to calculate the SDC per dwelling unit.

The City may choose instead to use its current occupancy assumptions, as described in Sandy Municipal Code Sec. 17.86.10. Under those assumptions, the fee-in-lieu ranges from \$8,866 for a congregate multi-family dwelling unit, up to \$17,733 for a single-family dwelling unit.

Table 12 – Fee-in-Lieu Calculation with City's Current Occupancy Estimates

Current cost per acre		\$869,242
Targeted acres per resident		0.0068
Calculated Fee-in-Lieu per resident		\$5,911
Fee Schedule:	<u>Residents per Dwelling Unit</u>	
Single-family dwelling unit	3.00	\$17,733
Multi-family dwelling unit	2.00	\$11,822
Mobile home dwelling unit	2.00	\$11,822
Congregate multi-family dwelling unit	1.50	\$8,866

Section IV. IMPLEMENTATION

This section addresses practical aspects of implementing SDCs and an updated fee-in-lieu.

IV.A. FEE-IN-LIEU CHANGES

The City determined to keep its existing occupancy estimates when calculating the fee-in-lieu for a new development, so no adjustment is needed to match the occupancy estimates shown in Tables 9 and 11.

IV.B. INDEXING

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

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

In accordance with Oregon statutes, we recommend that the City use the *Engineering News-Record* (ENR) Construction Cost Index (CCI) 20-City Average as the basis for adjusting SDCs annually.

City of Sandy Parks SDC and Fee-in-Lieu Implementation

John Ghilarducci and
Zech Hazel

July 13, 2022














Summary of Calculations

		SDC	Fee-in-Lieu	Total
Calculated Maximum Fee per Resident	\$	11,478	\$ 5,911	\$ 17,389
Fee Schedule:	<u>Residents per Dwelling Unit</u>			
Single-family Dwelling Unit	2.73	\$ 31,333	\$ 16,135	\$ 47,468
Multi-family Dwelling Unit	2.02	23,231	11,963	\$ 35,195
Mobile home Dwelling Unit	2.20	25,237	12,996	\$ 38,234



SDC Comparison

	Parks SDC per SFR	
Sandy (Maximum)	\$ 31,333	
Lake Oswego	15,672	
Tigard	10,345	
Sherwood	8,998	
Happy Valley	8,515	
Canby	6,025	
Hubbard	4,558	
Eugene	4,246	
Milwaukie	3,985	
Sandy (Current)	3,717	
Molalla	2,643	

Source: Survey by FCS GROUP, as of 4/26/2022

- **The average SDC of jurisdictions above (excluding Sandy) is \$7,221**



Phase-In Example

- **Some communities prefer to phase in their SDCs over time**
 - » They can simultaneously index their SDC to account for inflation
- **Example from Hermiston:**

SDC Implementation Schedule	Future SDCs Effective				
	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Water SDC per MCE	\$ 294.00	\$ 314.00	\$ 326.00	\$ 337.00	\$ 347.11
Sewer SDC per MCE	251.00	285.00	311.00	336.00	346.08
Parks SDC per resident	178.76	204.58	224.44	244.31	251.64
Transportation SDC per PM peak hour vehicle trip end	100.00	206.00	315.00	428.00	440.84

SDC Implementation Schedule	Future SDCs Effective				
	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031
Water SDC per MCE	\$ 357.52	\$ 368.25	\$ 379.30	\$ 390.68	\$ 402.40
Sewer SDC per MCE	356.46	367.16	378.17	389.52	401.20
Parks SDC per resident	259.18	266.96	274.97	283.22	291.71
Transportation SDC per PM peak hour vehicle trip end	454.07	467.69	481.72	496.17	511.05



Phase-In Options

- Phase in over 5 years
- Phase in over 10 years
- Phase in over 15 years
- **Set SDC to average of comparable communities, immediate implementation of full fee-in-lieu**



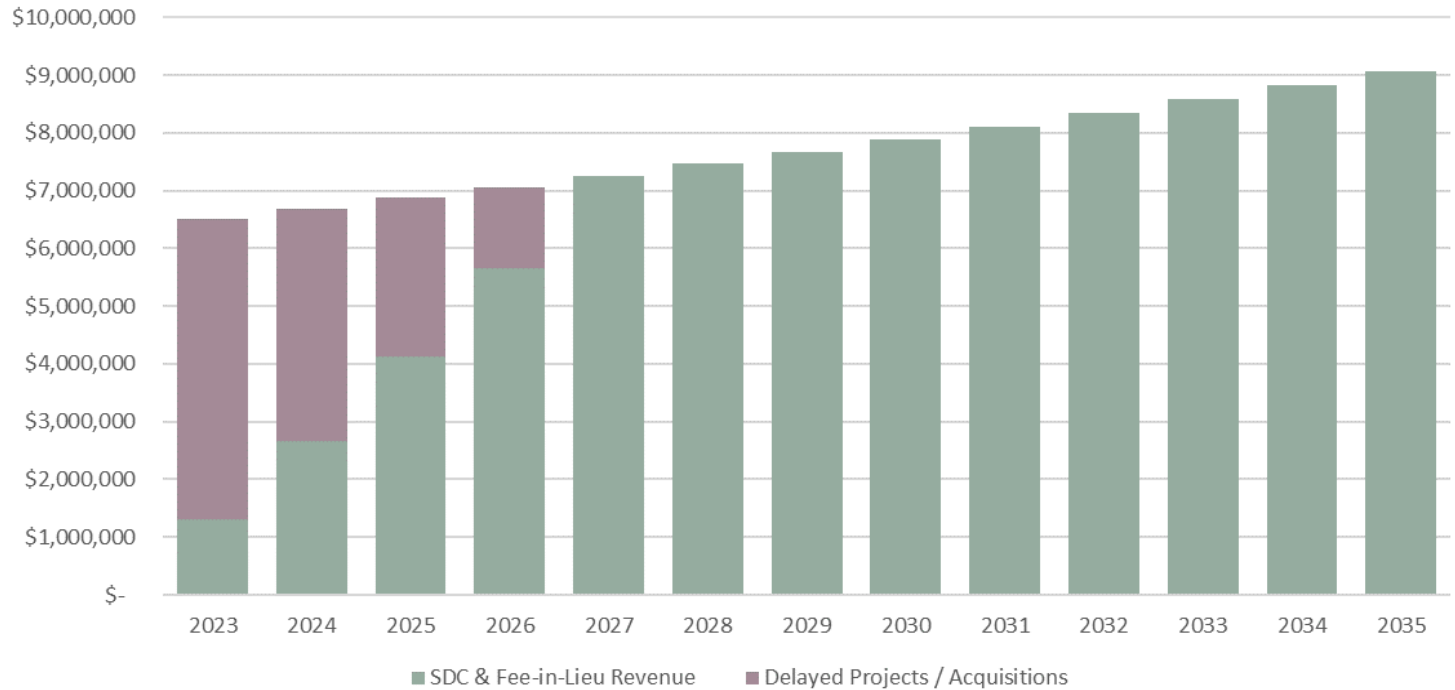
5-Year Phase-In

	SDC per SFR	Fee-in-Lieu per SFR
2023	\$ 6,267	\$ 3,227
2024	12,533	6,454
2025	18,800	9,681
2026	25,066	12,908
2027	31,333	16,135

- **SDC increases by \$6,267 per year**
- **Fee-in-Lieu Increases by \$3,227 per year**



5-Year Phase-In



- **\$8.8 million in delayed projects - 50% of Tier 1 projects**
- **\$4.5 million in delayed acquisitions**



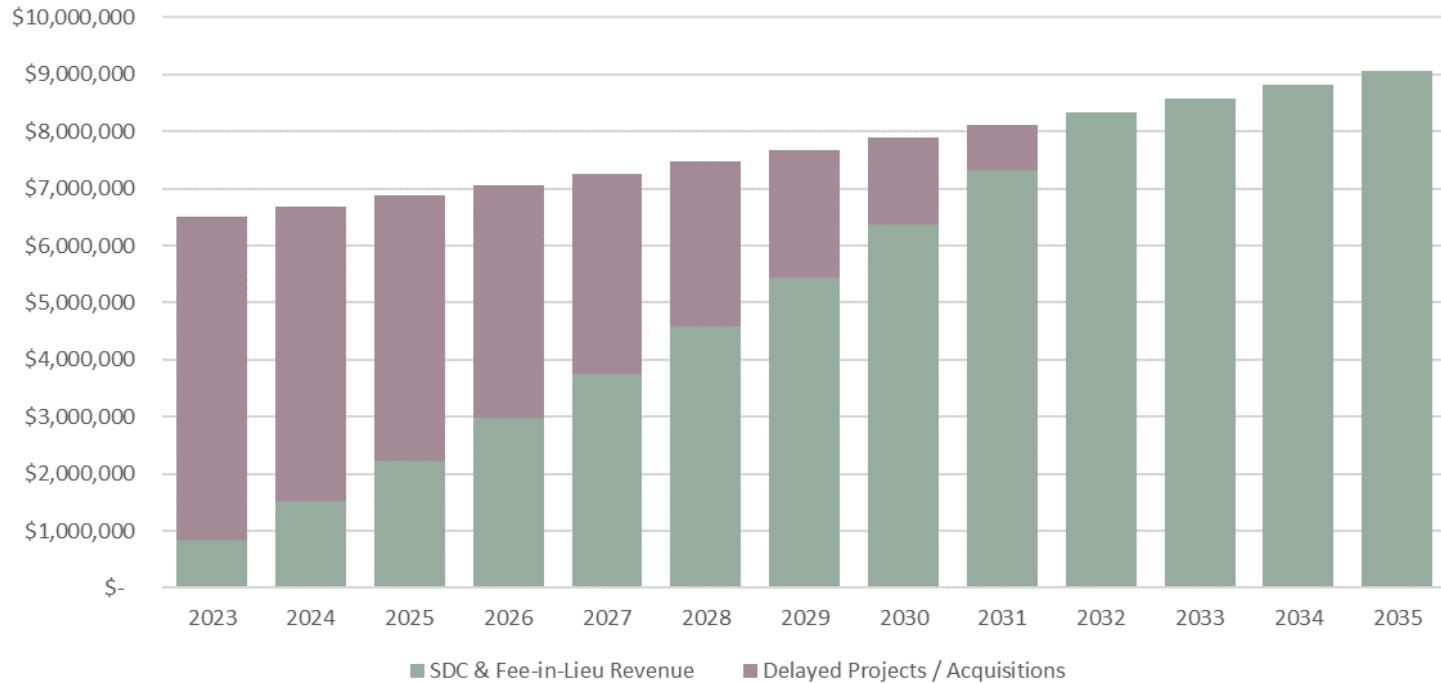
10-Year Phase-In

	SDC per SFR		Fee-in-Lieu per SFR	
2023	\$	3,133	\$	3,109
2024		6,267		4,556
2025		9,400		6,004
2026		12,533		7,451
2027		15,666		8,898
2028		18,800		10,346
2029		21,933		11,793
2030		25,066		13,241
2031		28,200		14,688
2032		31,332		16,135

- **SDC increases by \$3,068 per year**
- **Fee-in-Lieu Increases by \$1,447 per year**



10-Year Phase-In



- **\$20.8 million in delayed projects - 62% of Tier 1 and 2 projects**
- **\$9.6 million in delayed acquisitions**



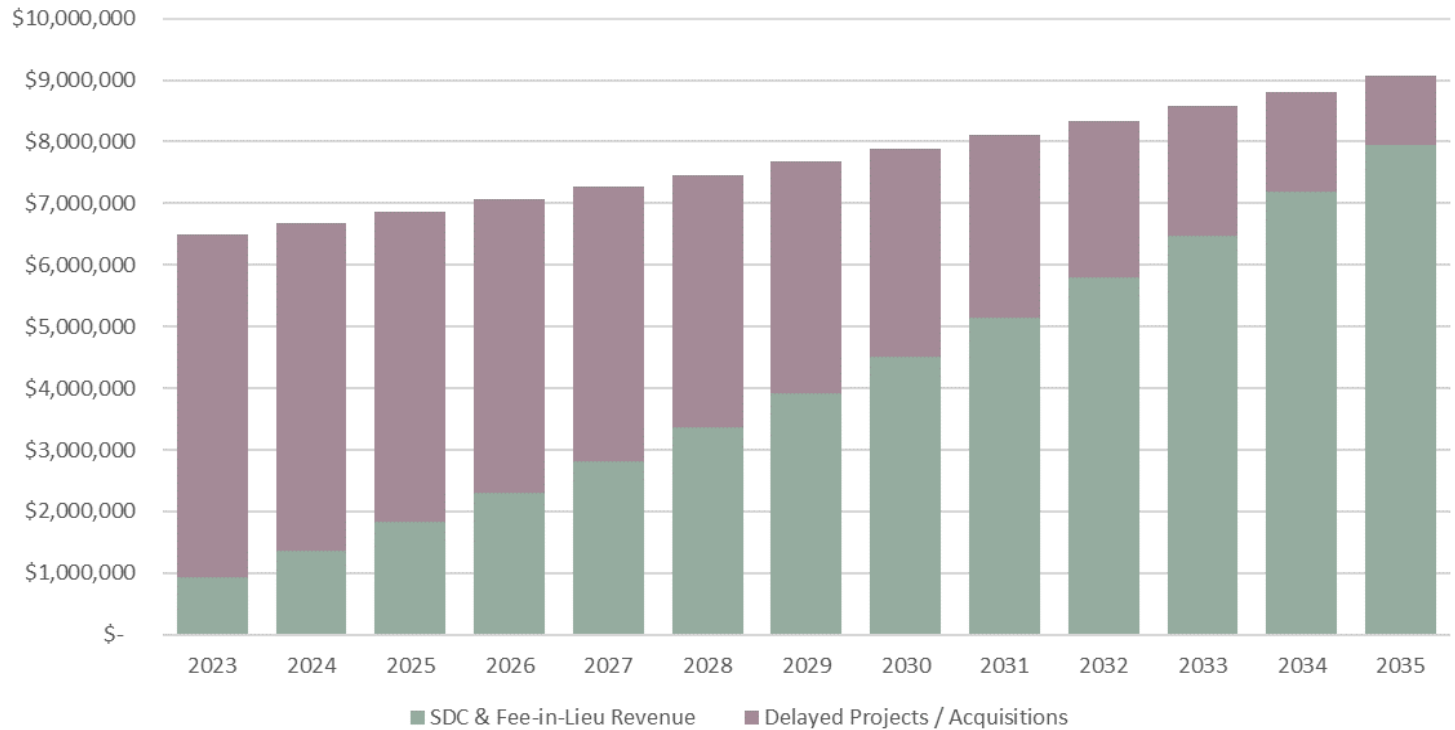
15-Year Phase-In

	SDC per SFR		Fee-in-Lieu per SFR	
2023	\$	3,717	\$	3,109
2024		5,690		4,039
2025		7,662		4,970
2026		9,635		5,900
2027		11,607		6,831
2028		13,580		7,761
2029		15,552		8,692
2030		17,525		9,622
2031		19,498		10,553
2032		21,470		11,483
2033		23,443		12,413
2034		25,415		13,344
2035		27,388		14,274
2036		29,360		15,205
2037		31,333		16,135

- **SDC increases by \$1,973 per year**
- **Fee-in-Lieu Increases by \$930 per year**



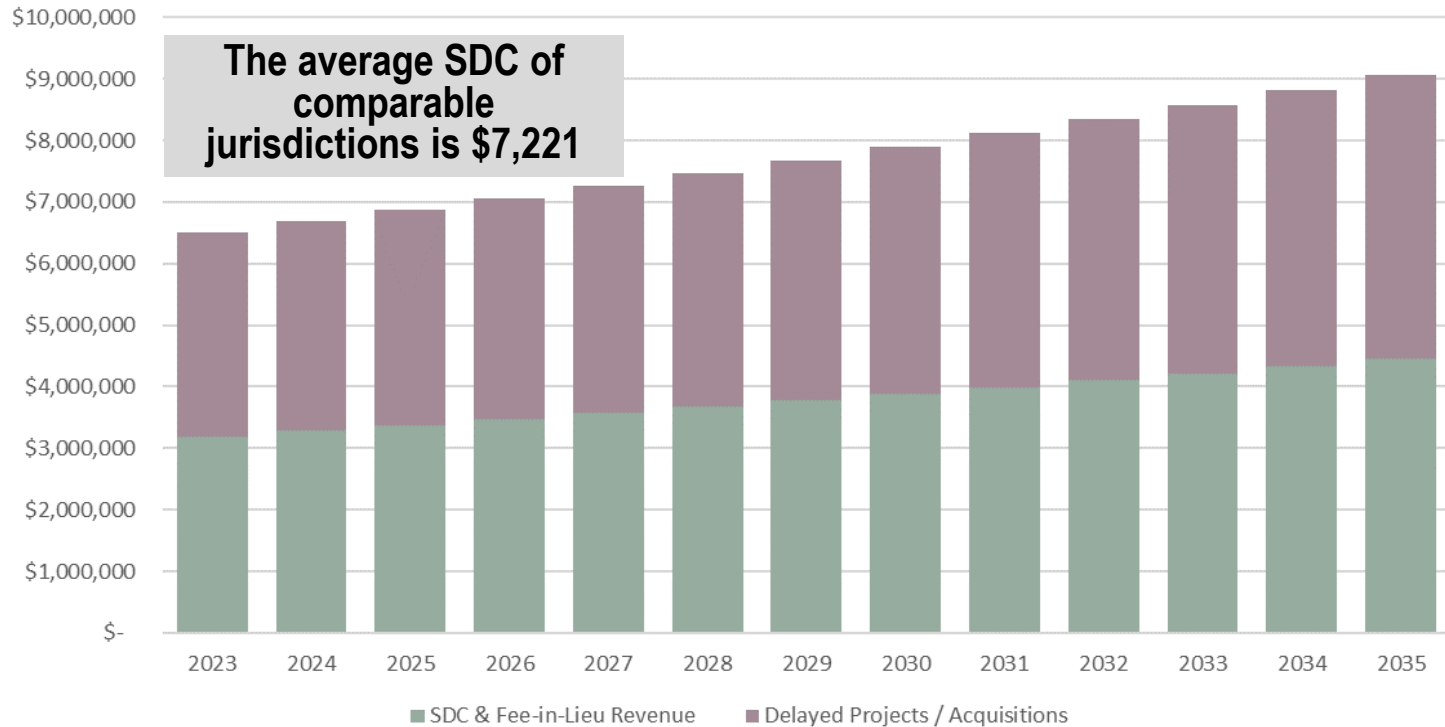
15-Year Phase-In



- **\$31.7 million in delayed projects - 51% of all projects**
- **\$15.1 million in delayed acquisitions**



Set to Average of Comparable Communities



- **\$50.9 million in delayed projects - 83% of all projects**
- **No delayed acquisitions (fee-in-lieu set to maximum immediately)**



SDCs with Inflation (Example)

- The City should increase its SDC annually based on changes in the ENR-CCI 20-City Average
- For illustration only, the table to the right shows how the SDCs might increase with inflation
 - » The table assumes that the SDC escalates by about 3% each year

	5-year Phase-in	10-year Phase-in	15-year Phase-in	Set to Average SDC
2023	\$ 6,453	\$ 3,827	\$ 3,827	\$ 7,435
2024	13,289	7,195	6,033	7,656
2025	20,526	10,759	8,366	7,884
2026	28,181	14,528	10,832	8,118
2027	36,274	18,512	13,438	8,359
2028	37,352	22,720	16,188	8,608
2029	38,461	27,162	19,091	8,864
2030	39,604	31,848	22,151	9,127
2031	40,781	36,788	25,377	9,398
2032	41,993	41,993	28,775	9,677
2033	43,241	43,241	32,352	9,965
2034	44,526	44,526	36,117	10,261
2035	45,849	45,849	40,076	10,566
2036	47,212	47,212	44,240	10,880
2037	48,615	48,615	48,615	11,203

Thank you! Questions?

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