

City of Philomath

PARKS SYSTEM DEVELOPMENT CHARGE METHODOLOGY UPDATE

Benton County, Oregon

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City of Philomath
**PARKS SYSTEM DEVELOPMENT
CHARGE METHODOLOGY UPDATE**

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INTRODUCTION & BACKGROUND

The City of Philomath first adopted a System Development Charge fee for the City's Park System in Resolution 94-18 at \$250 per housing unit, or Equivalent Dwelling Unit. In 1998, the City completed a Parks Master Plan and adopted Resolution 98-29 which increased the park SDC to \$517 per Equivalent Dwelling Unit. That fee is increased annually in accordance with the ENR construction cost index. The current 2018 fee is \$967 per EDU.

In conjunction with the current fee, developers in Philomath are required to dedicate 15 acres per 1,000 population to the City for new park land. This method of creating parks has inherent inequities when considering smaller developments or infill projects, where land dedication is not feasible or desired.

In 2016, the City completed an update to the Park Master Plan which updated the parks needs and defined a desired Level of Service (LOS). This current Park SDC update is intended to incorporate the information from the 2016 Park Master Plan Update, and to define an equitable methodology to quantify the value of park land dedication and development and allocate the costs to all benefitted users through the SDC fee.

SDC METHODOLOGY OVERVIEW

Oregon Revised Statutes 223.297 through 223.314 provides the statutory basis for application of System Development Charges. These statutes are intended to provide a uniform framework to develop an equitable methodology and means of funding orderly growth. The City of Philomath codified the requirements for System Development Charges in the Philomath Municipal Code Chapter 14.15.

The City of Philomath Park Master Plan Update has adopted the park development standards published in the Oregon State Comprehensive Outdoor Recreation Plan (SCORP), and the National Park and Recreation Association (NPRA) standards. As a result, the methodology used in this SDC Update establishes the Improvement Fee based on providing a recommended Level of Service (LOS) for park facilities.

A Level of Service methodology defines the cost per capita to provide the recommended park facilities. This negates the need for a Reimbursement Fee and is independent of population growth.

CREDITS FOR ELIGIBLE CONSTRUCTION

In accordance with the state statutes, credits must be available for eligible public works construction completed by private development. Credits must be issued for eligible off-site improvements, and for the oversize component only of on-site improvements.

Parks improvements differ from typical infrastructure in that each facility generally benefits a wide region of residents and are not typically located in all developments. As a result, except for the value of donated land, credits within any specific development would be unusual. Improvements should generally be defined and improved by the City with growth typically paying their share through the SDC fee.

If the City elects to have park improvements constructed by private development or land dedicated through the use of SDC credits, the City should be integrally involved in the selection of the site, materials, and equipment, and pre-approve all expenditures. Improving park facilities using SDC credits does eliminate all public bid and contract requirements, so potentially can be more cost effective for the City.

PARK SDC IMPROVEMENT FEE

The 2016 Parks Master Plan Update adopted park development guidelines based on the recommendations contained in Oregon's Statewide Comprehensive Outdoor Recreation Plan (SCORP) and the National Parks & Recreation Association (NPRA) plan. The Master Plan Update adopted a standard of providing 10.875 acres of parks, including community, neighborhood, and mini-parks, per 1,000 population.

The City currently has 42 acres of developed parkland and a 2017 population of 4,710. This equates to 8.9 acres of park facilities per 1,000 population, which is in the mid range of the SCORP recommended guidelines, but less than the Master Plan standard. As a result, 8.9 acres per 1,000 population will be used as the LOS to be comparable to the current services.

As is common with many communities in Oregon, the Philomath School District has a substantial amount of recreation facilities that complement the City park system. The Philomath School facilities include 71.29 acres of park facilities that equates to over 15 acres per 1,000 population. These facilities are provided by the School District and are not funded by the City. As a result, the school facilities are considered part of the City park system but are not included in the calculation of service levels to support the SDC fees.

The current practice for securing new park land is to require land be donated and dedicated to the City during the development process. This works acceptably for large parcels that benefit from on-site park facilities, if they are in an area where parks are needed but is not feasible to use with smaller developments. The current process of land donations is a substantial cost to a developer and creates inequities by not requiring comparable dedications from smaller developments or infill projects.

As an example, a theoretical 10 acre site in Philomath could develop five residential lots per acre for a total of 50 units. At the census figure of an average of 2.64 persons per household, these 50 units would equate to a population of 132 people. The current park land dedication requirement of 15 acres per 1,000 population would require the developer dedicate 1.98 acres for City parks.

At \$100,000 per acre, a 1.98 dedication would equate to a cost of \$4,000 per lot in addition to the SDC fees paid to the City, and in addition to the lost revenues from the additional lots lost to the parks. Depending on the actual appraised value of the land, the cost impact to the developer would be substantially more than this estimate.

This SDC Update is recommending the land costs be incorporated into the Parks SDC fee, so the fee is equitably applied to all developments, and developers would be reimbursed for the land desired for parks. The raw land values are estimated at only \$100,000 per acre, which is very low, but accounts for average land values inside and outside of the current City limits. If dedicated by a developer, the actual appraised value should be used.

The proposed SDC Improvement Fee is based on the cost per capita to provide the adopted level of service for park facilities. The SDC is adjusted to account for the current level of service provided to the community, to account for any current deficiencies, to ensure future users are not required to pay more or less than the Level of Service currently provided.

To determine the per capita cost for park development, land cost and an estimate of the cost to develop park facilities is required. In the 2016 Master Plan Update, costs were estimated at \$137,600 per acre for improvements. Accounting for inflation, the 2021 Master Plan cost per acre would be \$150,000 for the development cost on average for all park types.

The Master Plan also identified some deficiencies in the community parks, totaling approximately \$300,000 in 2016, or \$35,000 per acre in 2021 dollars. This reduces the estimated improvement costs used in the SDC if future users are to pay an amount comparable to the existing level of service. The net cost used in this SDC Update to develop new parks to a level comparable to the existing parks is \$115,000 per acre.

The table below identifies the maximum SDC fees the City can adopt to provide an equitable allocation of park land and development costs, comparable to the existing 8.9 acres per 1,000 population level of service. The Parks SDCs are based on population only. This does not allocate any SDC costs to institutional, commercial, or industrial development, as it is difficult to define the nexus between non-residential land use and park facilities.

**CITY OF PHILOMATH
PARK SDC IMPROVEMENT FEE
PER CAPITA SDC COST AT LOS 8.9**

December 2020, ENR CCI 11,626

No	PROJECT DESCRIPTION	DEVELOPMENT PRIORITY	SDC ELIGIBLE COST (100%)	BENEFITTED POPULATION	COST PER PERSON
1	Park Land Acquisition, LOS 8.9 at \$100,000 per Acre	1-20 yrs	\$890,000	1,000	\$890
2	Park Development, LOS 8.9 At \$115,000 per acre	1-20 yrs	\$1,023,500	1000	\$1,023
3	Planning & SDC Update	1-20 yrs	20,000	1,000	20
Total Cost Per Person					\$1,933

The 2010 census documented the average residential household population for the City of Philomath to be 2.64 people per unit, which will be used for defining an EDU for the Parks SDC. With the per capita cost identified in the table above, and the average population per household from the Census Bureau estimates, the Parks and Recreation SDC Improvement Fee per EDU is calculated as follows:

$$\begin{aligned} \text{SDC Improvement Fee} &= (\text{Cost per Person}) * (\text{Persons per Household}) \\ \text{SDC Improvement Fee} &= (\$1,933 \text{ per person}) * (2.64 \text{ people per EDU}) \\ \text{SDC Improvement Fee} &= \mathbf{\$5,100 \text{ per EDU}} \end{aligned}$$

The Improvement Fee revenues are based on providing the defined Level of Service and can be expended on any listed capital improvements within the Park System towards that goal. The projects listed in the 2016 Park Master Plan are reproduced in the following table, and adjusted to the current ENR CCI:

**CITY OF PHILOMATH
PARKS CAPITAL IMPROVEMENT PLAN**

December 2020, ENR CCI 11,626

PARK/TRAIL NAME	PROJECT TYPE	2016 Estimated Eligible Cost	2021 SDC Eligible Cost	Improvement Priority
Hunsaker Trail	Trail Lighting	\$ 20,000	\$ 22,400	1 - 5 yr
N. 11th St. Park	New Neighborhood Park	120,000	134,400	1 - 5 yr
Triangle Park	Replace Play Equipment	30,000	33,600	1 - 5 yr
City Park	Replace Bathrooms	50,000	56,000	1 - 5 yr
City Park	Benches, Replace Fountain	8,000	8,960	1 - 5 yr
City Park	Replace Fall Surface	50,000	56,000	1 - 5 yr
City Park	Replace Play Structures	150,000	168,000	1 - 5 yr

City Park	New Natural Surface Trail	8,000	8,960	1 - 5 yr
Marys River Park	Add Natural Surface Trail	20,000	22,400	1 - 5 yr
Marys River Park	New Benches (5)	4,000	4,480	1 - 5 yr
Marys River Park	New Dog Park	5,000	5,600	1 - 5 yr
Neabeack St. Park	New Neighborhood Park	34,400	38,528	1 - 5 yr
Neabeack Hill Trail	New Hard Surface Trail	\$ 48,400	\$ 54,208	6 - 10 yr
Tennis Courts	New City/School Courts	250,000	280,000	6 - 10 yr
N. 16th St Park	New Neighborhood Park	68,800	77,056	6 - 10 yr
South School Trail	New Hard Surface Trail	69,000	77,280	6 - 10 yr
Starlight Summit	Community Park & Amphit.	\$ 412,800	\$ 462,336	1 - 20 yr
N. 12th St. Park	Community Park & Fields	412,800	462,336	1 - 20 yr
Chapel Dr. Park 5	Neighborhood Park & Pond	137,600	154,112	1 - 20 yr
Chapel Dr. Park 6	Neighborhood Park	137,600	154,112	1 - 20 yr
Chapel Dr. Park 7	Neighborhood Park	137,600	154,112	1 - 20 yr
Hunsaker Trail	Extend to Chapel & City Pk	120,000	134,400	1 - 20 yr
26th Street Trail	Main St to Reservoir Rd	164,560	184,307	1 - 20 yr
Industrial Way Tr	Industrial Way to N 9th	69,000	77,280	1 - 20 yr
12th St. Trail	N 12th to Reservoir Rd	108,000	120,960	1 - 20 yr
Sunshine Trail	Sunshine Ave to Starlight	30,000	33,600	1 - 20 yr
Southside Bwy	Bellfountain to Marys River	257,000	287,840	1 - 20 yr
Northside Bwy	West Hills Rd, 9th to Reser.	210,000	235,200	1 - 20 yr
TOTAL		\$ 3,132,560	\$3,508,467	

PARKS SDC FEE SUMMARY

This SDC Update provides support for a Level of Service based Improvements Fee and does not include any costs for reimbursement. All Parks SDCs are charged per single family, multi family and ADU residential dwelling unit. No Parks SDC is charged to Commercial / Industrial development. Additionally, a 1% administration fee is incorporated into each SDC charge for permit processing and annual accounting.

CITY OF PHILOMATH
PARKS SDC FEE SUMMARY
December 2020, ENR CCI 11,626

<i>TYPE OF UNIT</i>	<i>IMPROVEMENT FEE PER EDU</i>	<i>REIMBURSEMENT FEE PER EDU</i>	<i>ADMINISTRATION FEE (1%)</i>	<i>TOTAL SDC PER EDU</i>
Single & Multi Family Residential	\$5,100	\$0	\$50	\$5,150