EXHIBIT A

PORTLAND PARKS & RECREATION
Healthy Parks, Healthy Portland

Park System Development Charge
Methodology Update Report

For Council Hearing
March 5, 2008

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City of Portland
Parks and Recreation

System Development Charge Methodology Update 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 City of Portland adopted a Park SDC methodology in 1998 and last updated this methodology in 2004.

City parks, facilities, and services are important community resources benefiting both existing and future City residents, businesses, non-resident employees, and visitors. Currently, however, Portland's Park SDCs apply only to residential development. In 2005, the Portland City Council directed Portland Parks & Recreation to prepare a recommendation for an updated Park System Development Charge Methodology that includes both a residential and a non-residential component. This report updates the City's Park SDC methodology and rates to accommodate the need for parks and recreation facilities generated by the growth of new residential and non-residential development, and documents the calculation of the Park SDC rates.

The park classifications included in *Parks 2020 Vision* provided the framework for identifying facility needs. For purposes of this methodology, some park classifications have been grouped into categories depending on whether they primarily serve "local access" needs or "citywide access" needs. In the Central City, Local Access Parks are considered to include Neighborhood Parks, Community Parks, Community Gardens, a portion of Local Access Regional Park acreage, and 50% of Urban Parks. In all park planning sub-areas outside the Central City (Non-Central City), Local Access Parks are considered to include Neighborhood Parks, Community Parks, Community Gardens, and a portion of Local Access Regional Parks acreage. Citywide Access facilities are considered to include Regional Parks (less that included in Local Access Regional Parks acreage), Botanical Gardens, and 50% of Urban Parks. Habitat and Trailways are considered to be citywide service facilities.

In March 2006, the City Council appointed an ad hoc Task Force of representatives from community, business, development, neighborhood, and other stakeholder groups to advise the update of the Park SDCs methodology. Their recommendations and observations are included in a separate Park SDC Task Force Report.

This report presents the technical basis for the methodology used to calculate the updates to the Park SDCs for new residential and non-residential development within the City of

Portland. The proposed fee structure differentiates between residential and non-residential developments, Central City and neighborhoods outside the Central City, and by the projected mix of users.

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 Park SDCs, Section 4.0 presents the calculation of residential Park SDC Rates, and Section 5.0 presents the calculation of non-residential Park SDC Rates. The SDC Capital Improvement Plan that identifies acquisition and development projects that may be funded with SDC revenues is included as Appendix A 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 City's own plenary authority to adopt this type of fee. While SDCs have been in use in Oregon since the mid-1970s, 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 Improvement 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 Park SDC), and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

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

(2) Exemptions

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

(3) Discounts

The City may discount the SDC rates 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 to be funded from sources other than improvement fee SDCs. For example, the City may charge new development an SDC rate sufficient to recover only 85% 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 and develop growth-required facilities.

3.0 PARK SDC METHODOLOGY

Level of Service (LOS) Standards, based primarily on existing levels of service were calculated and then used to determine future capital facility needs based on growth projections.

The methodology used to update the City's Park SDCs reflects the proportionate need for specific types of parks and recreation facilities for residents and resident equivalents. These SDCs meet statutory requirements because they are based on the type of development and its growth-related impact on parks and recreation facilities.

The Park SDCs are based on population (for the residential Park SDC) and resident equivalents (for the non-residential Park SDC), and the SDC rates are calculated based on the specific impact a development is expected to have on the City's parks and recreation needs. For facilities that are not generally used by non-residents (e.g., Local Access Parks outside the Central City), only a residential Park SDC may be charged. For facilities that benefit both residents and non-residents (i.e., Local Access Parks in the Central City, Citywide Access facilities, Trailways, etc.), Park SDCs may be charged for both residential and non-residential development.

A. Population and Employment Growth

The Park SDCs are based on costs per "capita" (person). Estimates of current and projected population and employment within the city 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 2020 are shown in Table 3.1 on page 7. A map of the City's Central City and non-Central City park planning sub areas (e.g., North, Northwest, Northeast, Southeast, Southwest, and Outer East) is included on page 13 of this report.

TABLE 3.1

PROJECTED POPULATION AND EMPLOYMENT INCREASES FROM NEW DEVELOPMENT (2007 – 2020)

	2020 (Projected)		Estimated 2007		Projected Increase
City Population	609,304	-	539,009	=	70,295
Central City Population:	69,697	-	44,064	=	25,633
Non-Central City (North, Northwest, Northeast, Southeast, Southwest and Outer East) Population:	539,607	-	494,945	=	44,662
City Employment	668,005	-	566,130	=	101,875
Central City Employment:	228,521	-	196,198	=	32,323
Non-Central City (North, Northwest, Northeast, Southeast, Southwest and Outer East) Employment:	439,484	-	369,932	=	69,552

B. Persons Per Dwelling Unit

The residential Park 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 City for the 2000 Census and the 2005 American Community Survey (ACS) were analyzed. For the Central City, the average number of persons per dwelling unit was found to be approximately 83% of that for the City as a whole. These differences are reflected in the calculations displayed in Table 3.2.

TABLE 3.2

AVERAGE PERSONS PER DWELLING UNIT

Unit	Central City	Non-Central City
Single Family	2.06	2.48
Multi-Family	1.30	1.60
Manufactured Housing	1.70	2.05
Accessory Dwelling Unit*	1.03	1.24
Single Room Occupancy**	1.00	1.00

* accessory dwelling unit persons per unit estimated at 1/2 of single family unit.
** single room occupancy unit persons per unit estimated at 1 person per unit.

C. Benefit of Facilities

Facility needs must consider the proportionate benefit each type of facility provides for residents and non-residents. A resident is any person whose place of residence is within the City. A non-resident is any person whose place of residence is outside the City.

For purposes of this methodology, Local Access Parks outside the Central City are considered to be used primarily by residents, rather than by non-residents. All other facilities including Local Access Parks in the Central City, Citywide Access Parks, Habitat, Trailways, etc., are considered to be used by both residents and non-residents.

The amount of time parks and recreation facilities are available for use by non-residents is not the same as for residents. In order to equitably apportion facilities between non-residents and residents, a non-resident demand percentage must be developed based on the potential time that 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 City), and seasonal variances were taken into account and are displayed in Table 3.3.

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

[(Summer Hours/Day X 3 months) + (Spring/Fall Hours/Day X 6 months) + (Winter Hours/Day X 3 months)] ÷ 12 = Annual Average Weighted Hours of Daily Availability

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
Summer (June-Sept)					
Weekday					
Before Work			1		1
Meals/Breaks			1		1
After Work			2		2
Other Leisure	12	12	2	2	
Sub-Total	12	12	6	2	4
Weekend					
Leisure	12	12	12	12	0
Sub-Total	12	12	12	12	0
Summer Hrs/Day	12	12	7.71	4.86	2.86
Spring/Fall (April-May, Oct-Nov)					
Weekday					
Before Work			0.5		0.5
Meals/Breaks			1		1
After Work			1		1
Other Leisure	10	4	2	2	
Sub-Total	10	4	4.5	2	2.5
Weekend					
Leisure	10	10	10	10	0
Sub-Total	10	10	10	10	0
Spring/Fall Hours/Day	10	5.71	6.07	4.29	1.79

Winter (December-March)					
Weekday					
Before Work			0.5		0.5
Meals/Breaks			1		1
After Work			0.5		0.5
Other Leisure	8	2	1	1	
Sub-Total	8	2	3	1	2
Weekend					
Leisure	8	8	8	8	0
Sub-Total	8	8	8	8	0
Winter Hours/Day	8	3.71	4.43	3	1.43
Annual Weighted Average Hours	**10**	**7.14**	**6.07**	**4.05**	**2.02**

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

TABLE 3.4

TOTAL ANNUAL 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
Population & Employment Data (2005 Amer. Community Survey and Metro TAZ data)	143,387	78,784	187,489	70,021	249,808	729,489
x Annual Weighted Avg. Hours	10	7.14	6.07	4.05	2.02	
Total Annual Weighted Average Hours	1,433,870	562,743	1,138,326	283,418	505,564	

Next, the available hours (from Table 3.4) were allocated between residents and non-residents, as displayed in Table 3.5.

TABLE 3.5

TOTAL RESIDENT AND NON-RESIDENT AVAILABILITY OF PARKS AND RECREATION FACILITIES

Resident Demand	**Hours**
Non-Employed Adult	1,433,870
5-17 Kids	562,743
Live In/Work In	1,138,326
Live In/Work Out	283,418
Total Resident Hours	3,418,356
Non-Resident Demand	
Non-Resident Hours	505,564
TOTAL HOURS	3,923,921

Finally, the Non-Resident Parks Demand Percentage was calculated by dividing the total non-resident hours by the total hours (from Table 3.5, page 9), with the result shown in Table 3.6.

TABLE 3.6

NON-RESIDENT
PARKS DEMAND PERCENTAGE

Weighted Average Hours per Non-Resident		Total Weighted Average Hours		Non-Resident Parks Demand Percentage
505,564	÷	3,923,920	=	12.88%

D. Facility Needs

The park classifications included in *Parks 2020 Vision* provided the framework for identifying facility needs. Specific needs were determined based on the application of Level of Service (LOS) standards based on "Units of Facility Per 1,000 Persons." The current average Levels of Service (LOS) for Local Access facilities, Citywide Access facilities, and Trailways were used as LOS standards providing the framework for identifying facility needs included in the SDC Capital Improvement Plan (Appendix A). For Habitat, the LOS standard is based on the amount of additional Habitat Parks and Natural Areas identified in the Portland Parks & Recreation *Natural Area Acquisition Strategy*, accepted by the Portland City Council in November 2006.

The LOS standards identified in Table 3.7 provided objective criteria by which the facility needs have been determined.

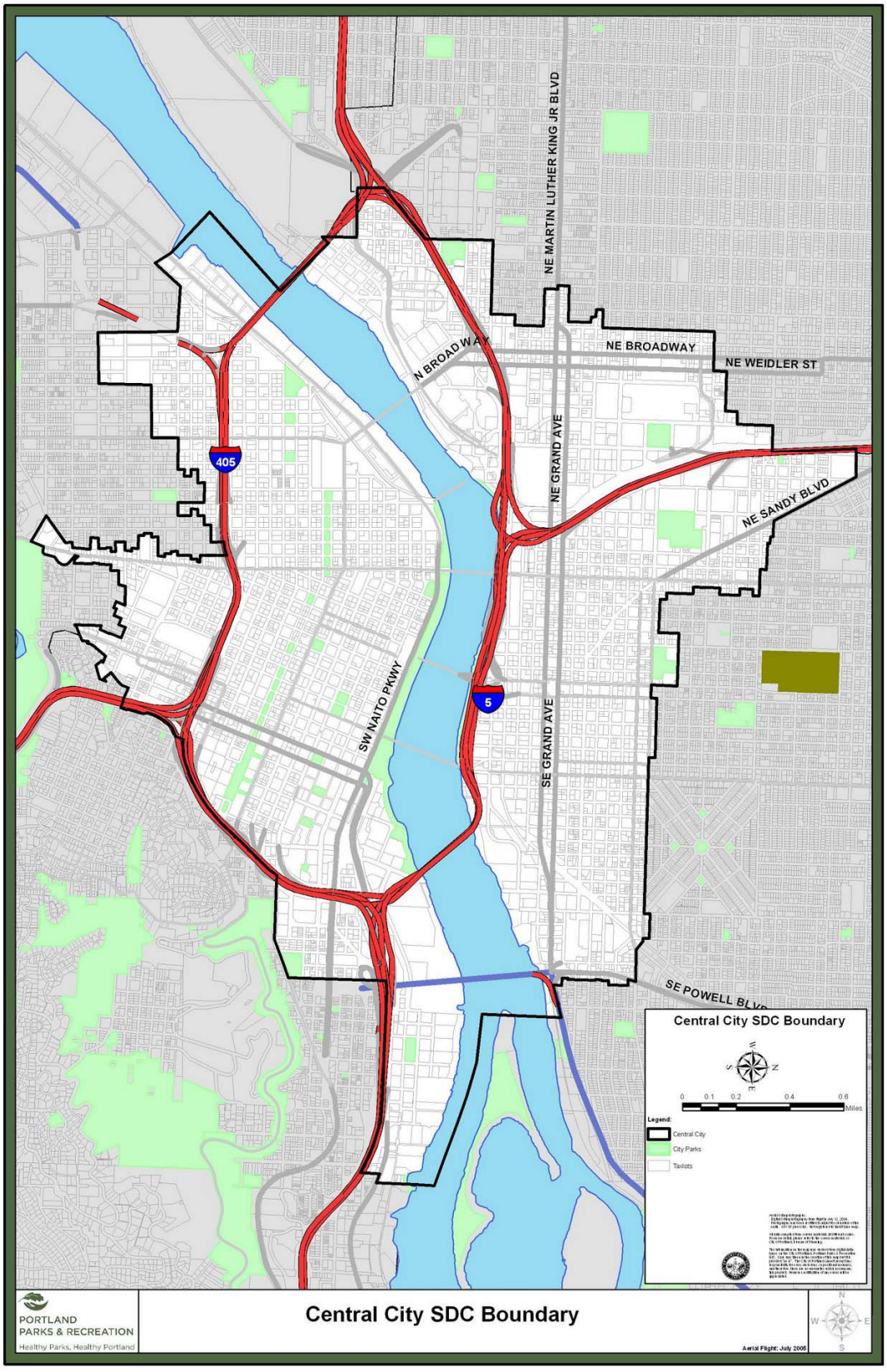
TABLE 3.7

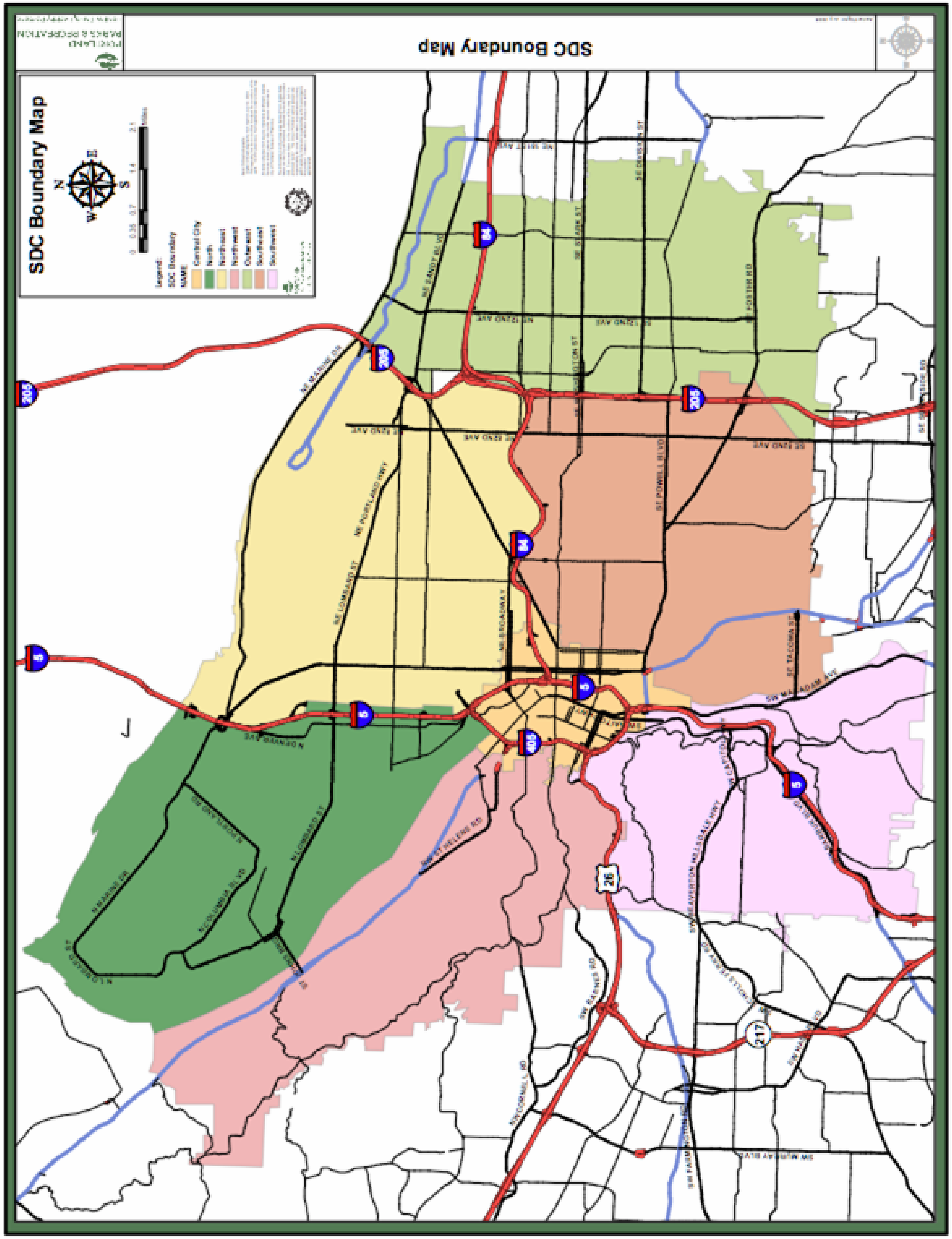
CURRENT AVERAGE LEVELS OF SERVICE (LOS)
AND APPLIED LOS STANDARDS

Facility Type	Area of Application	Current Average LOS (Units per 1,000 persons)	Applied LOS Standard
Developed Central City			
Local Access Park	Central City	0.72 acres	0.72 acres
Developed Non-Central City			
Local Access Park	Non-Central Sub-Areas	2.21 acres	2.21 acres
Trailways	Citywide	0.54 acres	0.54 acres
Habitat and Natural Areas	Citywide	11.32 acres	12.11 acres*
Citywide Access Facilities	Citywide	1.54 acres	1.54 acres

* the Applied LOS standard for Habitat and Natural Areas is based on the City's adopted *Natural Area Acquisition Strategy*

To determine facility needs, the LOS standards for facilities were applied to 2020 population and employment projections. For Citywide Access facilities, Habitat Parks and Natural Areas, and Trailways, the LOS standards were applied on a citywide basis, with needs determined for the City as a whole. For Local Access Parks, the LOS standards were applied to each of seven sub-areas of the City (Central City, Northwest, East, North, Northeast, Southeast, and Southwest). The boundary for the Central City sub-area is shown on the map on page 12. All other sub-area boundaries are shown on the map on page 13.


NE MARTIN LUTHER KING JR BLVD
NE BROADWAY
NE WEIDLER ST
N BROADWAY
NE GRAND AVE
NE SANDY BLVD
405
5
SW NAITO PKWY
SE GRAND AVE
SE POWELL BLVD
Central City SDC Boundary
0 0.1 0.2 0.4 0.6 Miles
Legend:
Central City
City Parks
Taxlots
PORTLAND PARKS & RECREATION
Healthy Parks, Healthy Portland
Central City SDC Boundary
Aerial Flight: July 2006


SDC Boundary Map
SDC Boundary Map

Based on application of the LOS standards, there are deficiencies (e.g., fewer facilities than are required to serve the current population) in the number of Habitat and Natural Area acres and also in the acres of developed Local Access Parks available to serve current residents outside the Central City sub-area. Alternative, non-SDC sources of revenue must be used to repair these existing deficiencies. Improvement fee SDC revenues must be used only to address growth-required needs, and may not be used to remedy existing deficiencies.

Facility needs for 100% growth and deficiency repair needs are shown in Table 3.8.

TABLE 3.8

FACILITY NEEDS FOR GROWTH AND DEFICIENCY REPAIR (2007 - 2020)

Facility Type	Current Acres	Deficiency Repair Acres	Growth-Required Acres	Total Additional Needed Facilities
Central City Local Access Park Land (acres)	56.51	0.00	14.38	14.38
Central City Local Access Park Development (acres)	49.58	0.00	21.31	21.31
Non-Central City Local Access Park Land (acres)	1,254.18	49.23	60.36	109.60
Non-Central City Local Access Park Development (acres)	1,092.21	201.53	70.04	271.57
Trailways (acres)	333.46	0.00	45.46	45.46
Habitat Parks and Natural Areas (acres)	7,002.91	410.34	1,010.56	1,420.90
Citywide Access Park Land (acres)	944.76	0.00	126.03	126.03
Citywide Access Park Development (acres)	942.33	0.00	128.46	128.46

The recommended funding portions included in Table 3.9, page 15, have been used to develop the list of projects included in the SDC CIP (Appendix A).

TABLE 3.9

RECOMMENDED FACILITIES FOR GROWTH AND DEFICIENCY REPAIR (2007 - 2020)

Facility Type	Recommended Funding	Recommended Deficiency Repair Acres	Recommended Growth-Required Acres	Recommended Total Additional Acres*
Central City Local Access Park Land	58.55%**	0.00	8.43	8.43
Central City Local Access Park Development	50%	0.00	10.66	24.18
Non-Central City Local Access Park Land	100%	49.23	60.37	109.60
Non-Central City Local Access Park Development	75%	151.15	52.53	203.67
Trailways Acquisition	100%	0.00	45.46	45.46
Trailways Development	100%	0.00	45.46	45.46
Habitat Acquisition	70%	287.24	707.39	994.63
Habitat Restoration	50%	0.00	100.00	100.00
Citywide Access Park Land	100%	0.00	126.03	126.03
Citywide Access Park Development	100%	0.00	126.46	126.46

* The total number of additional acres to be acquired and developed depends on the availability of funding from SDCs and other revenues, SDCs exemptions and discounts will reduce these totals unless other funds are made available to replace lost revenues resulting from the exemptions and discounts.
** 58.55% represents a combination of recommended funding at 60% for the residential portion and 50% for the non-residential portion of growth needs.

E. Acquisition and Development Costs

The estimated growth costs for facility acquisition and development identified in Table 3.9 are displayed in Table 3.10, page 16.

TABLE 3.10

PARK ACQUISITION AND DEVELOPMENT COSTS FOR GROWTH AND DEFICIENCY REPAIR (2007 - 2020)

Facility Type	Estimated Cost Per Unit	Deficiency Repair Costs	Residential SDC-Eligible Growth Costs*	Non-Residential SDC-Eligible Growth Costs**
Central City Local Access Service Area Facilities				
Central City Local Access Park Land	$4,000,000	$0	$30,266,629	$4,251,927
Central City Local Access Park Development	$3,000,000	$0	$28,027,205	$4,733,441
TOTAL CENTRAL CITY LOCAL ACCESS FACILITY COSTS		**$0**	**$58,293,833**	**$8,985,368**
Non-Central City Local Access Service Area Facilities				
Non-Central City Local Access Park Land	$450,000	$22,153,500	$27,687,825	$0
Non-Central City Local Access Park Development	$500,000	$75,576,250	$26,769,025	$0
TOTAL NON-CENTRAL CITY LOCAL ACCESS FACILITY COSTS		**$97,729,750**	**$54,456,833**	**$0**
City-Wide Service Area Facilities				
Trailways Acquisition	$125,000	$0	$4,880,537	$947,489
Trailways Development	$398,997	$0	$15,578,556	$3,024,361
Habitat Acquisition	$80,000	$22,979,932	$48,603,936	$9,435,782
Habitat Restoration	$10,640	$0	$913,839	$177,409
Citywide Access Park Land	$400,000	$0	$43,297,426	$8,405,596
Citywide Access Park Development	$500,000	$0	$55,165,311	$10,709,582
TOTAL CITYWIDE SERVICE AREA FACILITY COSTS		**$22,979,932**	**$168,439,604**	**$32,700,219**

* reflects a 3.85% reduction in total funds required from residential growth to account for SDC fund balance (approx. $10.5M), and includes a 6% surcharge for compliance and administration costs.
** includes a 6% surcharge for compliance and administration costs.

4.0 RESIDENTIAL PARKS SDC RATES

The City's residential Park 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 City. The formulas identify:

a) the service area residential improvements cost per capita (Formula 4a, below),
b) the service area residential improvements cost per dwelling unit (Formula 4b, page 18),
c) the total residential improvements cost per dwelling unit (Formula 4c, page 19),
d) the residential tax credit per dwelling unit (Formula 4d, page 20), and
e) the residential SDC per dwelling unit (Formula 4e, page 20).

The residential Park 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 3.10, page 16) by the increase in the population expected to be created by new development during the planning period (from Table 3.1, page 7).

4a.	Residential SDC-Eligible Improvements Cost	÷	Population Increase	=	Residential Improvements Cost Per Capita

Table 4.1 presents the calculation of the residential improvements cost per capita for each service area (Citywide, Central City, and Non-Central City).

TABLE 4.1

SERVICE AREA RESIDENTIAL IMPROVEMENTS COST PER CAPITA

Service Area	Residential SDC Eligible Costs		Population Increase		Residential Improvements Cost Per Capita
Citywide Service Facilities	$168,439,604	÷	70,295	=	$2,396
Central City Local Access Facilities	$58,293,833	÷	25,633	=	$2,274
Non-Central City Local Access Facilities	$54,456,850	÷	44,662	=	$1,219

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

The residential improvements cost per dwelling unit for each service area is calculated by multiplying the average number of persons per dwelling unit (from Table 3.2, page 7) by the residential improvements cost per capita (from Table 4.1, page 17).

4b.	Persons Per Dwelling Unit	x	Residential Improvements Cost Per Capita	=	Residential Improvements Cost Per Dwelling Unit

The results of these calculations are displayed in Table 4.2.

TABLE 4.2

SERVICE AREA RESIDENTIAL IMPROVEMENTS COST PER DWELLING UNIT

Service Area/Unit	Average Persons Per Dwelling Unit	x	Residential Improvements Cost Per Capita	=	Residential Improvements Cost Per Dwelling Unit
Citywide Service Area Facilities					
CENTRAL CITY SERVICE AREA					
Central City Single Family	2.06		$2,396		$4,936
Central City Multi-family	1.30		$2,396		$3,115
Central City Manufactured Housing	1.70		$2,396		$4,073
Central City Accessory Dwelling Unit	1.03		$2,396		$2,468
Central City Single Room Occupancy	1.00		$2,396		$2,396
NON-CENTRAL CITY SERVICE AREAS					
Non-Central City Single Family	2.48		$2,396		$5,942
Non-Central City Multi-family	1.60		$2,396		$3,834
Non-Central City Manufactured Housing	2.05		$2,396		$4,912
Non-Central City Accessory Dwelling Unit	1.24		$2,396		$2,971
Non-Central City Single Room Occupancy	1.00		$2,396		$2,396
Local Access Service Area Facilities					
CENTRAL CITY SERVICE AREA					
Central City Single Family	2.06		$2,274		$4,684
Central City Multi-family	1.30		$2,274		$2,956
Central City Manufactured Housing	1.70		$2,274		$3,866
Central City Accessory Dwelling Unit	1.03		$2,274		$2,342
Central City Single Room Occupancy	1.00		$2,274		$2,274
NON-CENTRAL CITY SERVICE AREAS					
Non-Central City Single Family	2.48		$1,219		$3,024
Non-Central City Multi-family	1.60		$1,219		$1,951
Non-Central City Manufactured Housing	2.05		$1,219		$2,500
Non-Central City Accessory Dwelling Unit	1.24		$1,219		$1,512
Non-Central City Single Room Occupancy	1.00		$1,219		$1,219

C. Formula 4c: Total Residential Improvements Cost Per Dwelling Unit

The total residential improvements cost per dwelling unit is calculated by adding the Citywide Residential Improvements Cost Per Dwelling Unit (from Table 4.2, page 18) to the Residential Improvements Cost Per Dwelling Unit for each local access parks service area (from Table 4.2).

	Citywide Residential		Local Access Residential		Total Residential
4c.	Improvements Cost	+	Improvements Cost	=	Improvements Cost
	Per Dwelling Unit		Per Dwelling Unit		Per Dwelling Unit

The results of these calculations are displayed in Table 4.3.

TABLE 4.3

TOTAL RESIDENTIAL IMPROVEMENTS COST PER DWELLING UNIT

Service Area/Unit	Citywide Residential Improvements Cost Per Dwelling Unit	+	Local Access Residential Improvements Cost Per Dwelling Unit	=	Total Residential Improvements Cost Per Dwelling Unit
CENTRAL CITY SERVICE AREA					
Central City Single Family	$4,936		$4,684		$9,620
Central City Multi-family	$3,115		$2,956		$6,071
Central City Manufactured Housing	$4,073		$3,866		$7,939
Central City Accessory Dwelling Unit	$2,468		$2,342		$4,810
Central City Single Room Occupancy	$2,396		$2,274		$4,670
NON-CENTRAL CITY SERVICE AREAS					
Non-Central City Single Family	$5,942		$3,024		$8,966
Non-Central City Multi-family	$3,834		$1,951		$5,785
Non-Central City Manufactured Housing	$4,912		$2,500		$7,412
Non-Central City Accessory Dwelling Unit	$2,971		$1,512		$4,483
Non-Central City Single Room Occupancy	$2,396		$1,219		$3,615

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

Bonds and property taxes have been used in the past and 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 to account for outstanding debt and possible future debt based on the following assumptions:

- $60.0 million in 20 year G.O. bonds at 4.5% for park improvements to be issued in 2011, with another $60.0 in 20 year G.O bonds issued in 2017,
- 5.0% average annual increase in total City property valuation for taxes,
- 3.0% annual increase in assessed property valuations,
- 3.0% annual inflation (decrease in value of money),

- average 2007 per unit property valuations for new construction in the Central City at $600,000 for single family, $350,000 for multi-family, $220,000 for manufactured housing, $150,000 for accessory dwelling unit, and $80,000 for single room occupancy; and
- average 2007 per unit property valuations for new construction outside the Central City at 70% of the valuation for the Central City.

4d.	Present Value of Property Tax Payments	=	Tax Credit Per Dwelling Unit

The amounts of this credit are shown in Table 4.4.

TABLE 4.4

TAX CREDIT PER DWELLING UNIT

Unit	Tax Credit Per Dwelling Unit
CENTRAL CITY SERVICE AREA	
Central City Single Family	$1,952
Central City Multi-family	$1,132
Central City Manufactured Housing	$476
Central City Accessory Dwelling Unit	$488
Central City Single Room Occupancy	$260
NON-CENTRAL CITY SERVICE AREAS	
Non-Central City Single Family	$1,366
Non-Central City Multi-family	$797
Non-Central City Manufactured Housing	$333
Non-Central City Accessory Dwelling Unit	$342
Non-Central City Single Room Occupancy	$182

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) from the improvements cost (Table 4.3, page 19).

4e.	Improvements Cost Per Dwelling Unit	–	Tax Credit Per Dwelling Unit	=	Residential SDC Per Dwelling Unit

The results of these calculations are shown in Table 4.5, page 21.

TABLE 4.5

RESIDENTIAL SDC PER DWELLING UNIT

Service Area/Unit	Total Residential Improvements Cost Per Dwelling Unit	–	Tax Credit Per Dwelling Unit	=	Residential SDC Per Dwelling Unit
CENTRAL CITY SERVICE AREA					
Central City Single Family	$9,620		(1,952)		$7,668
Central City Multi-family	$6,071		(1,139)		$4,932
Central City Manufactured Housing	$7,939		(476)		$7,463
Central City Accessory Dwelling Unit	$4,810		(488)		$4,322
Central City Single Room Occupancy	$4,670		(260)		$4,410
NON-CENTRAL CITY SERVICE AREAS					
Non-Central City Single Family	$8,966		(1,366)		$7,600
Non-Central City Multi-family	$5,785		(797)		$4,988
Non-Central City Manufactured Housing	$7,412		(333)		$7,079
Non-Central City Accessory Dwelling Unit	$4,483		(342)		$4,141
Non-Central City Single Room Occupancy	$3,615		(182)		$3,433

5.0 NON-RESIDENTIAL PARK SDC RATE

The City's non-residential Park SDC rates are calculated using a series of sequential formulas which, when completed, yields the total Park SDC rates for new non-residential development in the City. The formulas identify:

a) the service area non-residential improvements cost per resident equivalent (Formula 5a, page 22),
b) the total non-residential improvements cost per resident equivalent (Formula 5b, page 22),
c) the non-residential tax credit per resident equivalent (Formula 5c, page 23),
d) the non-residential SDC per resident equivalent (Formula 5d, page 23), and
e) the non-residential SDC rates by type of development (Formula 5e, page 24).

The non-residential Park SDC is an "improvement fee" only, and does not include a "reimbursement fee" component.

A. Formula 5a: Service Area Non-Residential Improvements Cost Per Resident Equivalent

The non-residential improvements cost per resident equivalent for each service area is calculated by dividing the non-residential portion of net SDC-Eligible Costs (identified in Table 3.10, page 16) by the increase in the employment expected to be created by new development during the planning period (from Table 3.1, page 7).

5a.	Non-Residential SDC-Eligible Improvements Cost	÷	Employment Increase	=	Non-Residential Improvements Cost Per Resident Equivalent

Table 5.1 presents the calculation of the non-residential improvements cost per resident equivalent for each service area (Citywide, Central City, and Non-Central City).

TABLE 5.1

SERVICE AREA NON-RESIDENTIAL IMPROVEMENTS COST PER RESIDENT EQUIVALENT

Service Area	Non-Residential SDC Eligible Costs		Employment Increase		Non-Residential Improvements Cost Per Resident Equivalent
City-Wide Service Facilities	$32,700,219	÷	101,875	=	$321
Central City Local Access Facilities	$8,985,368	÷	32,323	=	$278
Non-Central City Local Access Facilities	$0	÷	69,552	=	$0

B. Formula 5b: Total Non-Residential Improvements Cost Per Resident Equivalent

The total non-residential improvements cost per resident equivalent is calculated by adding the Citywide Non-Residential Improvements Cost Per Resident Equivalent (from Table 5.1) to the Non-Residential Improvements Cost Per Resident Equivalent for each Local Access Parks service area (from Table 5.1).

5b.	City-Wide Non-Residential Improvements Cost Per Resident Equivalent	+	Local Access Non-Residential Improvements Cost Per Resident Equivalent	=	Total Non-Residential Improvements Cost Per Resident Equivalent

The results of these calculations are displayed in Table 5.2.

TABLE 5.2

TOTAL IMPROVEMENTS COST PER RESIDENT EQUIVALENT

Zone/Unit	City-Wide Non-Residential Improvements Cost/ Resident Equivalent		Local Access Non-Residential Improvements Cost/ Resident Equivalent		Total Non-Residential Improvements Cost/ Resident Equivalent
Central City Resident Equivalent	$321	+	$278	=	$599
Non-Central City Resident Equivalent	$321	+	$0	=	$321

C. Formula 5c: Non-Residential Tax Credit Per Resident Equivalent

Bonds and property taxes have been used in the past and 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 to account for outstanding debt and possible future debt based on the following assumptions:

- $60 million in 20 year G.O. bonds at 4.5% for park improvements to be issued in 2011, with another $60 in 20 year G.O bonds issued in 2017,
- 5.0% average annual increase in total City property valuation for taxes,
- 3.0% annual increase in assessed property valuations,
- 3.0% annual inflation (decrease in value of money), and
- average 2007 property valuations for new non-residential construction in the Central City equivalent to $70 per resident equivalent; and
- average 2007 property valuations for new non-residential construction outside the Central City at 70% of the valuation for the Central City.

	Present Value of		Tax Credit Per
5c.	Property Tax Payments	=	Resident Equivalent

The amounts of this credit are shown in Table 5.3.

TABLE 5.3

TAX CREDIT PER RESIDENT EQUIVALENT

Unit	Tax Credit Per Resident Equivalent
Central City Resident Equivalent	$228
Non-Central City Resident Equivalent	$159

D. Formula 5d: Non-Residential SDC Per Resident Equivalent

The non-residential SDC per resident equivalent is calculated by subtracting the tax credit per resident equivalent (Table 5.3) from the improvements cost (Table 5.2, page 22).

	Improvements		Tax Credit		Non-Residential
5d.	Cost Per	–	Per	=	SDC Per
	Resident Equivalent		Resident Equivalent		Resident Equivalent

The results of these calculations are shown in Table 5.4, page 24.

TABLE 5.4

NON-RESIDENTIAL SDC PER RESIDENT EQUIVALENT

Service Area/Unit	Total Non-Residential Improvements Cost Per Resident Equivalent	–	Tax Credit Per Resident Equivalent	=	Non-Residential SDC Per Resident Equivalent
Central City Resident Equivalent	$599		(228)		$371
Non-Central City Resident Equivalent	$321		(159)		$162

E. Formula 5e: Non-Residential SDC Rates by Type of Development

The non-residential SDC for each type of non-residential development is calculated by multiplying the Non-Residential SDC Per Resident Equivalent (from Table 5.4) by the number of resident equivalents per 1,000 square feet of non-residential development.

5e. Non-Residential SDC Per Resident Equivalent + Resident Equivalents Per 1,000 Square Feet = Non-Residential SDC Rate by Type of Development

The results of these calculations are displayed in Table 5.5.

TABLE 5.5

NON-RESIDENTIAL PARK SDC RATES BY TYPE OF DEVELOPMENT

Building Use Types		Resident Equivalents Per 1,000 sq. ft.	Central City SDC Rate Per 1,000 sq. ft.	Non-Central City SDC Rate Per 1,000 sq. ft.
General Occupancy Category[1]	Additional uses in Category[1]			
Hospital	Convalescent Hospital, Day Care	2.86	$1,062	$462
Office	Bank	2.70	$1,002	$436
Retail	Restaurant, Nightclub	2.13	$791	$344
Industrial	School, Assembly, Motel/Hotel	1.35	$501	$218
Warehouse	Storage, Parking Garage, Mausoleum	0.30	$111	$48

1. Building Use Occupancy Categories and Code Groups per Oregon Structural Specialty Code.

APPENDIX A

PORTLAND PARKS AND RECREATION

SDC CAPITAL IMPROVEMENTS PLAN 2/22/08

A. CENTRAL CITY LOCAL ACCESS PARKS

Estimated Project Timing	Facility			Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Deficiency Repair Share ($)
	LOCAL ACCESS PARK LAND ACQUISITION						
	CENTRAL CITY						
2008 - 2014	Acquire land for local access parks to serve growth needs.						
	total acres:	4.21	Acquisition	$16,854,000			
	SDC acres:	4.21	Development	$0			
	recovery % =	58.55%	Total Cost	$16,854,000	100.00%	$16,854,000	$0
	LOCAL ACCESS PARK LAND ACQUISITION						
	CENTRAL CITY						
2015 - 2020	Acquire land for local access parks to serve growth needs.						
	total acres:	4.21	Acquisition	$16,854,000			
	SDC acres:	4.21	Development	$0			
	recovery % =	58.55%	Total Cost	$16,854,000	100.00%	$16,854,000	$0
	LOCAL ACCESS PARK DEVELOPMENT						
	CENTRAL CITY						
2008 - 2014	Develop local access parks to serve growth needs.						
	total acres:	5.33	Acquisition	$0			
	SDC acres:	5.33	Development	$15,982,500			
	recovery % =	50%	Total Cost	$15,982,500	100.00%	$15,982,500	$0
	LOCAL ACCESS PARK DEVELOPMENT						
	CENTRAL CITY						
2015 - 2020	Develop local access parks to serve growth needs.						
	total acres:	5.33	Acquisition	$0			
	SDC acres:	5.33	Development	$15,982,500			
	recovery % =	50%	Total Cost	$15,982,500	100.00%	$15,982,500	$0
TOTAL				**$65,673,000**	100.00%	**$65,673,000**	**$0**
Land				$33,708,000	100.00%	$33,708,000	$0
Development				$31,965,000	100.00%	$31,965,000	$0

PORTLAND PARKS AND RECREATION

SDC CAPITAL IMPROVEMENTS PLAN 2/22/08

B. NON-CENTRAL CITY LOCAL ACCESS PARKS

Estimated Project Timing	Facility			Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Deficiency Repair Share ($)
	LOCAL ACCESS PARK LAND ACQUISITION						
	NON-CENTRAL CITY						
2008 - 2011	Acquire land for local access parks to repair deficiencies and serve growth.						
	total acres:	36.50	Acquisition	$16,425,000			
	SDC acres:	20.12	Development	$0			
	recovery % =	100%	Total Cost	$16,425,000	55.12%	$9,054,000	$7,371,000
	LOCAL ACCESS PARK LAND ACQUISITION						
	NON-CENTRAL CITY						
2012 - 2015	Acquire land for local access parks to repair deficiencies and serve growth.						
	total acres:	36.50	Acquisition	$16,425,000			
	SDC acres:	20.12	Development	$0			
	recovery % =	100%	Total Cost	$16,425,000	55.12%	$9,054,000	$7,371,000
	LOCAL ACCESS PARK LAND ACQUISITION						
	NON-CENTRAL CITY						
2016 - 2020	Acquire land for local access parks to repair deficiencies and serve growth.						
	total acres:	36.60	Acquisition	$16,470,000			
	SDC acres:	20.13	Development	$0			
	recovery % =	100%	Total Cost	$16,470,000	55.00%	$9,058,500	$7,411,500
	LOCAL ACCESS PARK DEVELOPMENT						
	NON-CENTRAL CITY						
2008 - 2011	Develop local access parks to repair deficiencies and serve growth.						
	total acres:	67.89	Acquisition	$0			
	SDC acres:	17.51	Development	$33,946,250			
	recovery % =	75%	Total Cost	$33,946,250	25.79%	$8,755,000	$25,191,250
	LOCAL ACCESS PARK DEVELOPMENT						
	NON-CENTRAL CITY						
2012 - 2015	Develop local access parks to repair deficiencies and serve growth.						
	total acres:	67.89	Acquisition	$0			
	SDC acres:	17.51	Development	$33,945,000			
	recovery % =	75%	Total Cost	$33,945,000	25.79%	$8,755,000	$25,190,000
	LOCAL ACCESS PARK DEVELOPMENT						
	NON-CENTRAL CITY						
2016 - 2020	Develop local access parks to repair deficiencies and serve growth.						
	total acres:	67.90	Acquisition	$0			
	SDC acres:	17.51	Development	$33,950,000			
	recovery % =	75%	Total Cost	$33,950,000	25.79%	$8,755,000	$25,195,000
TOTAL				**$151,161,250**	35.35%	**$53,431,500**	**$97,729,750**
Land		109.60		$49,320,000	55.08%	$27,166,500	$22,153,500
Development		203.68		$101,841,250	25.79%	$26,265,000	$75,576,250

PORTLAND PARKS AND RECREATION

SDC CAPITAL IMPROVEMENTS PLAN 2/22/08

C. CITY-WIDE SERVICE FACILITIES Estimated Project Timing	Facility			Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Deficiency Repair Share ($)
2008 - 2011	SERVICE AREA: CITY-WIDE **HABITAT ACQUISITION** Acquire habitat acres to serve growth and non-growth needs.						
	total acres:	331.00	Acquisition	$26,480,000		$18,832,576	$7,647,424
	SDC acres:	235.00	Restoration	$0		$0	
	recovery % :	70%	Total Cost	$26,480,000	71.12%	$18,832,576	$7,647,424
2012 - 2015	SERVICE AREA: CITY-WIDE **HABITAT ACQUISITION** Acquire habitat acres to serve growth and non-growth needs.						
	total acres:	331.00	Acquisition	$26,480,000		$18,832,576	$7,647,424
	SDC acres:	235.00	Restoration	$0		$0	
	recovery % :	70%	Total Cost	$26,480,000	71.12%	$18,832,576	$7,647,424
2016 - 2020	SERVICE AREA: CITY-WIDE **HABITAT ACQUISITION** Acquire habitat acres to serve growth and non-growth needs.						
	total acres:	332.63	Acquisition	$26,610,400		$18,925,316	$7,685,084
	SDC acres:	237.39	Restoration	$0		$0	
	recovery % :	70%	Total Cost	$26,610,400	71.12%	$18,925,316	$7,685,084
2008 - 2020	SERVICE AREA: CITY-WIDE **HABITAT RESTORATION** Restore habitat acres to serve growth.						
	total acres:	100.00	Acquisition	$0		$0	
	SDC acres:	100.00	Restoration	$1,064,000		$1,064,000	$0
	recovery % :	50%	Total Cost	$1,064,000	100.00%	$1,064,000	$0
2008 - 2011	SERVICE AREA: CITY-WIDE **CITY-WIDE ACCESS PARK LAND** Acquire land for City-Wide Access Parks such as regional parks, urban parks, botanical gardens, etc. to serve growth.						
	total acres:	42.01	Acquisition	$16,804,000		$16,804,000	
	SDC acres:	42.01	Development	$0		$0	
	recovery % :	100%	Total Cost	$16,804,000	100.00%	$16,804,000	$0
2012 - 2015	SERVICE AREA: CITY-WIDE **CITY-WIDE ACCESS PARK LAND** Acquire land for City-Wide Access Parks such as regional parks, urban parks, botanical gardens, etc. to serve growth.						
	total acres:	42.01	Acquisition	$16,804,000		$16,804,000	
	SDC acres:	42.01	Development	$0		$0	
	recovery % :	100%	Total Cost	$16,804,000	100.00%	$16,804,000	$0

APPENDIX A

PORTLAND PARKS AND RECREATION

SDC CAPITAL IMPROVEMENTS PLAN 2/22/08

C. CITY-WIDE SERVICE FACILITIES

Estimated Project Timing	Facility			Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Deficiency Repair Share ($)
	SERVICE AREA: CITY-WIDE						
2016 - 2020	**CITY-WIDE ACCESS PARK LAND** Acquire land for City-Wide Access Parks such as regional parks, urban parks, botanical gardens, etc. to serve growth.						
	total acres:	42.01	Acquisition	$16,804,000		$16,804,000	
	SDC acres:	42.01	Development	$0		$0	
	recovery % :	100%	Total Cost	$16,804,000	100.00%	$16,804,000	$0
	SERVICE AREA: CITY-WIDE						
2008 - 2011	**CITY-WIDE ACCESS PARK DEVELOPMENT** Develop City-Wide Access Parks such as regional parks, urban parks, botanical gardens, etc. to serve growth.						
	total acres:	42.82	Acquisition	$0		$0	
	SDC acres:	42.82	Development	$21,410,000		$21,410,000	
	recovery % :	100%	Total Cost	$21,410,000	100.00%	$21,410,000	$0
	SERVICE AREA: CITY-WIDE						
2012 - 2015	**CITY-WIDE ACCESS PARK DEVELOPMENT** Develop City-Wide Access Parks such as regional parks, urban parks, botanical gardens, etc. to serve growth.						
	total acres:	42.82	Acquisition	$0		$0	
	SDC acres:	42.82	Development	$21,410,000		$21,410,000	
	recovery % :	100%	Total Cost	$21,410,000	100.00%	$21,410,000	$0
	SERVICE AREA: CITY-WIDE						
2016 - 2020	**CITY-WIDE ACCESS PARK DEVELOPMENT** Develop City-Wide Access Parks such as regional parks, urban parks, botanical gardens, etc. to serve growth.						
	total acres:	42.82	Acquisition	$0		$0	
	SDC acres:	42.82	Development	$21,410,000		$21,410,000	
	recovery % :	100%	Total Cost	$21,410,000	100.00%	$21,410,000	$0
	SERVICE AREA: CITY-WIDE						
2008 - 2020	**TRAILS LAND ACQUISITION** Acquire land for trails to serve growth.						
	total acres:	45.46	Acquisition	$5,682,500		$5,682,500	
	SDC acres:	45.46	Development	$0		$0	
	recovery % :	100%	Total Cost	$5,682,500	100.00%	$5,682,500	$0
	SERVICE AREA: CITY-WIDE						
2008 - 2020	**TRAILS DEVELOPMENT** Develop trails to serve growth.						
	total acres:	45.46	Acquisition	$0		$0	
	SDC acres:	45.46	Development	$18,138,404		$18,138,404	
	recovery % :	100%	Total Cost	$18,138,404	100.00%	$18,138,404	$0
TOTAL				**$219,097,304**	89.51%	**$196,117,372**	**$22,979,932**
Land				$135,664,900		$112,684,968	$22,979,932
Development				$83,432,404		$83,432,404	$0