



# **Park System Development Charge**

## *Methodology Update Report*

**As Amended April 15, 2015**

For Council Hearing  
April 15, 2015

## CONTENTS

	<u>page</u>
1.0 INTRODUCTION	1
2.0 AUTHORITY AND BACKGROUND INFORMATION	2
A. Authority	2
B. “Improvement fee” and “Reimbursement fee” SDCs	2
C. Requirements and Options for Credits, Exemptions, and Discounts	2
3.0 PARK SDC METHODOLOGY	4
A. Population and Employment Growth	4
B. Persons Per Dwelling Unit	6
C. Benefit of Parks to Different Populations	6
D. Level of Service: Investment per Person	9
E. Costs for Growth	10
4.0 PARK SDC RESIDENTIAL RATES	14
A. Formula 4a: Service Area Residential Cost Per Person	14
B. Formula 4b: Service Area Residential Cost Per Dwelling Unit	14
C. Formula 4c: Total Residential Cost Per Dwelling Unit	14
D. Formula 4d: Residential Cost, Tax Credit and SDC Per Dwelling Unit	15
E. Formula 4e: Residential SDC Per Dwelling Unit	16
5.0 PARK SDC NON-RESIDENTIAL RATES	17
A. Formula 5a: Service Area Non-Residential Cost per Resident Equivalent	17
B. Formula 5b: Total Non-Residential Cost Per Resident Equivalent	17
C. Formula 5c: Non-Residential Tax Credit Per Resident Equivalent	18
D. Formula 5d: Non-Residential SDC Per Resident Equivalent	18
E. Formula 5e: Non-Residential SDC Rates By Type of Development	18
APPENDIX A: REPLACEMENT VALUE OF PARK LAND AND IMPROVEMENTS	20
APPENDIX B: SDC CAPITAL IMPROVEMENTS PLAN	22

**TABLES**

	<b><u>page</u></b>
TABLE 3.1: Projected Population and Employment Increases From New Development (2013 - 2035)	5
TABLE 3.2: Average Number of Persons Per Dwelling Unit	6
TABLE 3.3: Estimates of Average Daily Availability of Parks and Recreation Facilities	7
TABLE 3.4: Residential and Non-Residential Availability of Parks and Recreation Facilities: Hours and Percentages	8
TABLE 3.5: Equivalent Population	9
TABLE 3.6: Investment Per Person: Current Park Land and Improvements	10
TABLE 3.7: Value Needed for Growth (2015-2035)	11
TABLE 3.8: Investment Needed for Growth (2015-2035)	11
TABLE 3.9: Potential Revenue from Other Sources (2015-2035)	12
TABLE 3.10: Other Revenue's Portion of Investment Needed for Growth (2015-2035)	12
TABLE 3.11: Investment to be Paid by Growth (2015-2035)	12
TABLE 3.12: Allocation Between Residential and Non-Residential Development of Investment to be Paid by Growth (2015-2035)	13
TABLE 4.1: Service Area Residential Improvements Cost Per Person and Per Dwelling Unit	15
TABLE 4.2: Cost, Tax Credit and Park SDC Residential Rates Per Dwelling Unit	16
TABLE 5.1: Service Area Non-Residential Improvements Cost Per Resident Equivalent	17
TABLE 5.2: Cost, Tax Credit and SDC Per Resident Equivalent	18
TABLE 5.3: Park SDC Non-Residential Rates By Type of Development	19
TABLE A.1: Portland Park Land and Improvements Summary of Values	20
TABLE A.2: Portland Park Land Values	20
TABLE A.3: Portland Park Improvements Values	21
TABLE B.1: SDC Capital Improvements Plan	20

**FIGURE**

	<b><u>page</u></b>
FIGURE 3.1: Central City SDC Boundary Map	5

# 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. Throughout this report the word “growth” means new development, such as residences and non-residential buildings, and the people that occupy the new development.

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 updated the Park SDC methodology in 2004 and again in 2008.

City parks, facilities, and services are important community resources benefiting both existing and future City residents, businesses, non-resident employees, and visitors. This report updates the City’s Park SDC methodology and rates to accommodate the needs for parks and recreation facilities generated by growth of new residential and non-residential development, and documents the calculation of the Parks and Recreation SDC rates.

In November 2012, 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 Parks SDCs methodology.

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 areas outside the Central City, and by the projected mix of park 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. Appendix A summarizes the inventory of Portland’s parks and recreational facilities and the replacement value of the land and improvements. Appendix B contains the SDC Capital Improvement Plan.



## 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-1970's, State legislation regarding SDCs was not adopted until 1989, when the Oregon Systems Development Act (ORS 223.297 - 223.314) was passed. The purpose of this Act was to "...provide a uniform framework for the imposition of system development charges...." Additions and modifications to the Oregon Systems Development Act have been made in 1993, 1999, 2001, and 2003. Together, these pieces of legislation require local governments that enact SDCs to:

- adopt SDCs by ordinance or resolution;
- develop a methodology outlining how the SDCs were developed;
- adopt a capital improvements program to designate capital improvements that can be funded with "improvement fee" SDC revenues;
- provide credit against the amount of the SDC for the construction of "qualified public improvements";
- separately account for and report receipt and expenditure of SDC revenues, and develop procedures for challenging expenditures; and
- use SDC revenues only for costs related to capital expenditures (operations and maintenance uses are prohibited).

### B. "Improvement fee" and "Reimbursement fee" SDCs

The Oregon Systems Development Act provides for the imposition of two types of SDCs: (1) "improvement fee" SDCs, and (2) "reimbursement fee" SDCs. "Improvement fee" SDCs may be charged for new capital improvements that will increase capacity. Revenues from "improvement fee" SDCs may be spent only on capacity-increasing capital improvements identified in the required Capital Improvements Plan (CIP) that lists each project, and the expected timing and cost of each project. "Reimbursement fee" SDCs may be charged for the costs of existing capital facilities if "excess capacity" is available to accommodate growth. Revenues from "reimbursement fees" may be used on *any* capital improvement project, including major repairs, upgrades, or renovations. Capital improvements funded with "reimbursement fee" SDCs do not need to increase capacity, but they must be included in the list of projects to be funded with SDC revenues.

Portland's Park SDC is an improvement fee, and does not include any reimbursement fees.

### 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 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

The Level of Service (LOS) Standard was calculated as the existing amount of investment in park land and improvements per person. The LOS is then applied to growth projections to determine future capital investment needs for growth.

The methodology used to update the City's Park SDCs reflects the proportionate need for investment in park land and improvements 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 parks SDC) and resident equivalents (for the non-residential parks 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. The specific impact of residential development is measured by the number of dwelling units and the average number of persons per dwelling unit. The specific impact of non-residential development is measured by the number square feet of non-residential development and the average equivalent population per square foot of non-residential development.)

#### *A. Population and Employment Growth*

The Park SDCs are based on costs per person. Estimates of current and projected population and employment within the City were calculated using data from Metro. Metro has developed detailed estimates and projections for population and employment for each of hundreds of Transportation Analysis Zones (TAZ) within the region in order to track current and future development in small geographic areas. For Portland's Park SDC, the TAZ data was aggregated in the two SDC service areas: Central City and Non-Central City.

The 2013 population and employment estimates were prepared by Metro. The 2035 projections are an adjusted version of Metro's projections. In order to be conservative in estimating future needs for growth, Portland's Park SDC methodology reduces the 2035 projections so that the increase from 2013 to 2035 is half of the increase in Metro's estimates. This has no effect on the SDC rates per person, but it reduces the total investment needed in Portland's CIP to levels that are consistent with the City's experience. If growth is greater than the estimates in this methodology, adjustments can be made at Portland's next update of its Park SDC in approximately 5 years.

Population and employment for 2013 and 2035 and the increases are shown in Table 3.1 for each service area. Figure 3.1 is a map of the Central City service area for Park SDC. The remainder of the City is the Non-Central City service area.

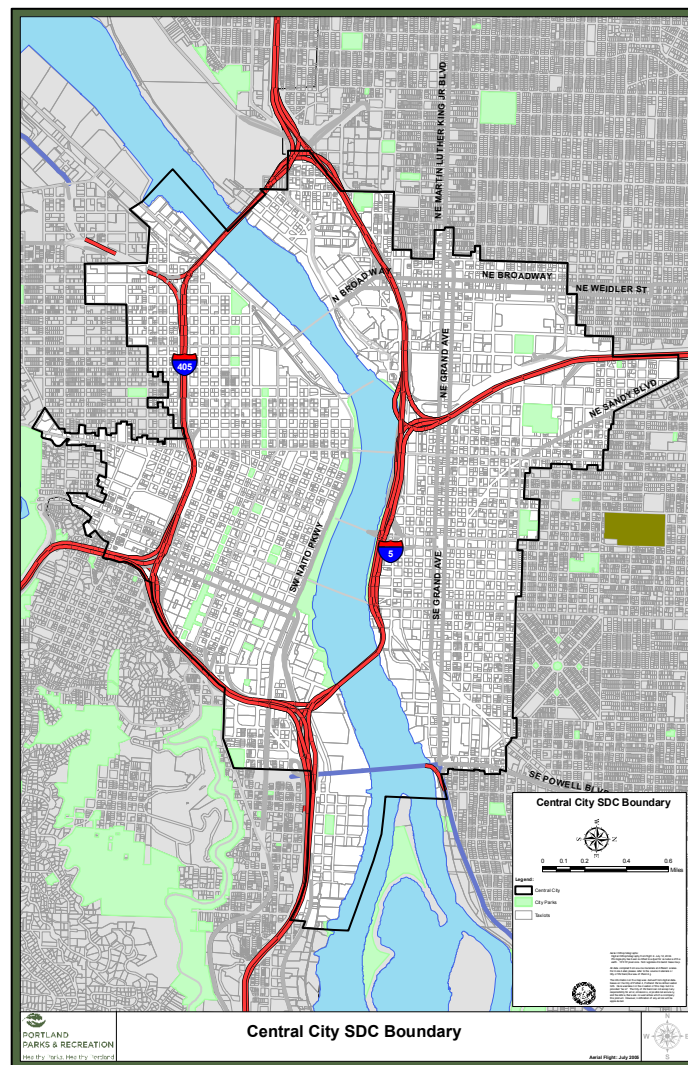
**TABLE 3.1**

**PROJECTED POPULATION AND EMPLOYMENT INCREASES FROM NEW DEVELOPMENT (2013 – 2035)**

	2013 Actual	2035 Projected	Increase (Growth)
<b>Population</b>			
Central City	39,735	73,275	33,540
Non-Central City	555,358	621,270	65,912
City Total	595,093	694,545	99,452
<b>Employment</b>			
Central City	145,399	165,858	20,459
Non-Central City	254,762	287,584	32,822
City Total	400,161	453,441	53,280

**FIGURE 3.1**

**CENTRAL CITY SERVICE AREA: PARK SDC**



### ***B. Persons Per Dwelling Unit***

The Residential Park SDCs are based on costs per person and are calculated based on the number of persons per dwelling unit. To determine the appropriate number of persons per dwelling unit, data was gathered for the City by Portland State University's Population Research Center for five ranges of dwelling unit size tabulated from the 2011 American Housing Survey. The City analyzed the data to estimate the persons per dwelling unit in the Central City and Non-Central City areas. The average number of persons per dwelling unit in the Central City was found to be approximately 65% of that for the City as a whole, and the average in the Non-Central City was approximately 104% of the City as a whole. These differences are reflected in the calculations displayed in Table 3.2.

**TABLE 3.2**

#### **AVERAGE NUMBER OF PERSONS PER DWELLING UNIT**

<b>Dwelling Unit Size</b>	<b>Central City</b>	<b>Non-Central City</b>
Less than 700 square feet	0.765	1.235
700 – 1,199 square feet	1.144	1.848
1,200 – 1,699 square feet	1.376	2.221
1,700 – 2,199 square feet	1.562	2.522
2,200 or more square feet	1.729	2.792

### ***C. Benefit of Parks to Different Populations***

Park SDCs must consider the proportionate benefit parks provide for occupants of residential property and non-residential property. Different occupants in different types of property receive different benefits from Portland's parks based on the amount of time that they have the ability to use Portland's parks during their occupancy of each type of property.

The amount of time parks and recreation facilities are available for use by occupants of non-residential property is not the same as for occupants of residential property. For example, employed persons spend about one-third of their day ( $\pm 8$  hours) at non-residential property (work) and the other two-thirds ( $\pm 16$  hours) at other locations (primarily their residence).

In order to equitably apportion benefits between occupants of residential and non-residential properties, each type of property will have a demand percentage calculated based on the relative amount time that the occupants have the ability to use Portland's parks.

For residential property, there are three different occupant groups that have different amounts of time to use Portland's parks: adults who work, adults who do not work, and kids. For non-residential property, there is one category: workers.

First, estimates were prepared for the average number of hours per day that each occupant group could use Portland parks during different seasons during weekdays and during weekends. Children's ages, adult employment status, seasonal

variances and day-of-week 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:

$$[(\text{Summer Hours/Day} \times 3 \text{ months}) + (\text{Spring/Fall Hours/Day} \times 6 \text{ months}) + (\text{Winter Hours/Day} \times 3 \text{ months})] \div 12 = \text{Annual Average Weighted Hours of Daily Availability}$$

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

Time Period	Residential Not-Employed Adult (18+)	Residential 5-17 Kids	Residential Employed Adult (18+)	Non- Residential
<b>Summer</b> (June-Sept)				
<u>Weekday</u>				
Before Work				1
Meals/Breaks				1
After Work				2
Other Leisure	12	12	2	
Sub-Total	12	12	2	4
<u>Weekend</u>				
Leisure	12	12	12	0
Sub-Total	12	12	12	0
<b>Summer Hrs/Day</b>	<b>12.00</b>	<b>12.00</b>	<b>4.86</b>	<b>2.86</b>
<b>Spring/Fall</b> (April-May, Oct-Nov)				
<u>Weekday</u>				
Before Work				0.5
Meals/Breaks				1
After Work				1
Other Leisure	10	4	2	0
Sub-Total	10	4	2	2.5
<u>Weekend</u>				
Leisure	10	10	10	0
Sub-Total	10	10	10	0
<b>Spring/Fall Hours/Day</b>	<b>10.00</b>	<b>5.71</b>	<b>4.29</b>	<b>1.79</b>
<b>Winter</b> (Dec-Mar)				
<u>Weekday</u>				
Before Work				0.5
Meals/Breaks				1
After Work				0.5
Other Leisure	8	2	1	0
Sub-Total	8	2	1	2
<u>Weekend</u>				
Leisure	8	8	8	0
Sub-Total	8	8	8	0
<b>Winter Hours/Day</b>	<b>8.00</b>	<b>3.71</b>	<b>3.00</b>	<b>1.43</b>
<b>Annual Weighted Average Hours</b>	<b>10.00</b>	<b>7.14</b>	<b>4.05</b>	<b>2.02</b>

Next, the Annual Weighted Average Hours (from Table 3.3) were applied to current population and employment data for the City (2011 American Community Survey and 2010 Metro TAZ Data) to determine the Total Annual Weighted Average Hours

for each category. The percentage of available hours were calculated for residential and non-residential properties by dividing each category's hours by the total hours. The results are displayed in Table 3.4.

**TABLE 3.4**  
**RESIDENTIAL AND NON-RESIDENTIAL**  
**AVAILABILITY OF PARKS AND RECREATION FACILITIES**  
**HOURS AND PERCENTAGES**

<b>Category</b>	<b>Population &amp; Employment</b>	<b>Average Hours per Day per Person (Seasonally Weighted)</b>	<b>Total Hours per Day</b>	<b>Demand Percent (% of Total Hours)</b>
<b>Residential</b>				
Non-Employed Adults (18+)	177,663	10.00	1,776,630	
5-17 Kids	79,254	7.14	566,100	
Live In/Work In (Residential)	226,572	4.05	917,077	
Live In/Work Out	75,012	4.05	303,620	
Total Residential			3,563,427	85.53%
<b>Non-Residential</b>				
Live In/Work In (Non-Residential)	226,572	2.02	458,539	
Live Out/Work In	71,398	2.02	144,496	
Total Non-Residential			603,035	14.47%
			4,166,462	100.00%

The non-residential percentage (14.47%) will be used in the next step to calculate the equivalent residential population of employees.

In order to calculate the benefit of parks per person for non-residential development the employment data needs to be adjusted to an "equivalent" population. In residential development, such as houses and apartments, one person is the same as one "equivalent person", but for non-residential development employees are a fraction of one "equivalent person". The result allows business to pay its proportionate share of parks for growth based on the 14.47% the "equivalent population" that non-residential development generates.



**TABLE 3.5**  
**EQUIVALENT POPULATION**

	<b>2013 Actual</b>	<b>2035 Projected</b>	<b>Increase (Growth)</b>
<b>Employment</b>			
Central City	145,399	165,858	20,459
Non-Central City	254,762	287,584	32,822
City Total	400,161	453,441	53,280
<b>Non-Resident Equivalents</b>			
Equivalent Resident %	14.47%	14.47%	14.47%
Central City	21,044	24,005	2,961
Non-Central City	36,873	41,624	4,750
City Total	57,917	65,629	7,712
<b>Population</b>			
Central City	39,735	73,275	33,540
Non-Central City	555,358	621,270	65,912
City Total	595,093	694,545	99,452
<b>Total Resident Equivalents</b>			
Central City	60,779	97,280	36,501
Non-Central City	592,231	662,893	70,662
City Total	653,010	760,173	107,163

The resident equivalent population will be used in the next step to calculate the current investment per person (e.g., per equivalent population).

#### ***D. Level of Service: Investment per Person***

The level of service (LOS) for Portland's Park SDC is the current investment per person in park land and improvements. In a later step the LOS will be applied to growth projections to determine future capital investment needed to provide growth the same investment per person as is currently provided to existing residents and businesses.

The capacity of the existing park system has been acquired for the use and benefit of the current population. There is no existing unused capacity, nor is there any existing deficiency. The SDC will recover the true cost of providing additional parks facilities to serve the increased demands on the system created by new development. Because there is no existing unused capacity, the SDC is not recovering the costs of existing development. And because there is no existing deficiency, the SDC is not attempting to recover the cost of filling deficiencies in the existing level of service.

Using investment per person provides flexibility for the City to provide the highest priority needs in each area of the City, and avoids the constraints of older methodologies that are based on acres of park per 1,000 population.

The current investment is the replacement value of the existing inventory of parks, open space and recreation facilities, including the land value of each park and the replacement cost of each type of improvement. The sum of all of the values equals

the current investment of Portland's park and recreation system. Table 3.6 includes the total value of land and improvements, and details about these values are presented in Appendix A: Replacement Value of Park Land and Improvements.

For purposes of this methodology, parks have been grouped into categories depending on whether they primarily serve "local access" needs or "city-wide access" needs. In the Central City, Local Access Parks are considered to include Neighborhood Parks, Community Parks, Community Gardens, a portion of Regional Parks acreage that in some cases serves as Local Access Parks, and 50% of Urban Parks. In the Non-Central City, Local Access Parks are considered to include Neighborhood Parks, Community Parks, Community Gardens, and, again, a portion of Regional Parks acreage that serves as Local Access Parks. Citywide Access facilities are considered to include Regional Parks (less the portion included in Local Access Regional Parks acreage), Golf Courses, Botanical Gardens, and 50% of Urban Parks. Habitat and Trails are considered to be Citywide service facilities.

The LOS standards (i.e., current investment per equivalent person) are calculated in Table 3.6 by dividing the replacement values from Appendix A by the equivalent population from Table 3.5.

**TABLE 3.6**  
**INVESTMENT PER PERSON**  
**CURRENT PARK LAND AND IMPROVEMENTS**

Area	Replacement Value of Current Investment	Current Equivalent Population	Current Investment per Equivalent Population
Citywide	\$2,081,040,009	653,010	\$ 3,187
Central City Local Access	223,061,747	60,779	3,670
Non-Central City Local Access	1,236,057,050	592,231	2,087
Total	3,540,158,806		

### ***E. Costs for Growth***

The need for additional park capacity for growth is determined by using the current level of service (investment in parks per person or equivalent population) and projections of future development. New development will receive the same investment per person in order to maintain the same ratio as existed before the new development, and total of those investments per person are the costs to serve growth.

The park investment needed for growth is calculated by multiplying the current investment per capita (from Table 3.6) times the equivalent population growth from 2015 through 2035 (from Table 3.5). Table 3.7 shows the result of these calculations for each area: Citywide, Central City, Non-Central City, and total.

**TABLE 3.7**  
**VALUE NEEDED FOR GROWTH**  
**2015 - 2035**

<b>Area</b>	<b>Current Investment per Equivalent Population</b>	<b>2015-2035 Growth Equivalent Population</b>	<b>Value Needed For Growth</b>
Citywide	\$ 3,187	107,163	\$ 341,511,388
Central City Local Access	3,670	36,501	133,959,288
Non-Central City Local Access	2,087	70,662	147,480,189
Total			622,950,865

As noted in section 2.0, cities can charge “reimbursement fee” SDCs for any had any unused capacity (“reserve capacity”) in its park system that isn’t used by current population. This occasionally occurs when cities have “land banked” acreage in excess of local standards. But Portland’s level of service standard is the existing ratio of capital investment to current population. By definition, the existing ratio is “used up” by the current population, so there is no unused reserve capacity value that can be used to serve future population growth.

Table 3.8 shows the calculation of the investment in parks that is needed for growth. The value of parks needed to serve growth (from Table 3.7) is reduced by any value of existing reserve capacity, in this case zero, and the result shows that Portland needs to invest an additional \$622.9 million in its park system in the next 20 years in order to provide future growth the same investment per person as the current population receives now.

**TABLE 3.8**  
**INVESTMENT NEEDED FOR GROWTH**  
**2015 - 2035**

<b>Area</b>	<b>Value Needed For Growth</b>	<b>Value of Existing Reserve Capacity</b>	<b>Investment Needed For Growth</b>
Citywide	\$ 341,511,388	\$ 0	\$ 341,511,388
Central City Local Access	133,959,288	0	133,959,288
Non-Central City Local Access	147,480,189	0	147,480,189
Total	622,950,865	0	622,950,865

The future investment in parks that is needed for growth may be funded in part by other revenues the City invests in its parks. The City of Portland has historically received a combination of grants and some local revenues to pay for part of the cost of park and recreation capital facilities. The City expects limited amounts of these sources will be available in the future. Table 3.9 lists the sources and amounts that Portland estimates it will receive from these sources of revenue.

**TABLE 3.9**  
**POTENTIAL REVENUE FROM OTHER SOURCES**  
**2015 - 2035**

<b>Source</b>	<b>Estimated Annual Revenue</b>	<b>Other Revenue For Parks 2015-2035</b>
General Fund Contribution	\$ 50,000	\$ 1,000,000
Federal and State Grants	372,322	7,446,432
Other Bureau & Agency Transfers	1,279,611	25,592,214
Donations & Sponsorships	826,288	16,525,754
Urban Renewal Funding	1,000,000	20,000,000
Metro Bond Measure(s)	n.a.	400,000
<b>Total</b>	<b>3,528,220</b>	<b>70,964,400</b>

The other revenues for parks are applied equally to all of the investment needed for growth by determining the percent that other revenues are of the total investment needed to serve growth. Table 3.10 shows that the estimated \$70.9 million of other revenues is 11.39% of the total investment of \$622.95 million.

**TABLE 3.10**  
**OTHER REVENUE'S PORTION OF INVESTMENT NEEDED FOR GROWTH**  
**2015 - 2035**

<b>Investment Needed For Growth</b>	<b>Other Revenue for Parks</b>	<b>Percent of Investment</b>
\$ 622,950,865	\$ 70,964,400	11.39%

The other revenue for parks subtracted from each area's total costs. Table 3.11 shows the total investment in parks that needs to be paid by growth. The investment in parks needed to serve growth in each area is listed (from Table 3.8). The next column calculates 11.39% of the total as the amount of other revenues that will help pay for parks. The last column shows the investment needed for growth that will be paid by growth is \$551.96 million (88.61% of the total).

**TABLE 3.11**  
**INVESTMENT TO BE PAID BY GROWTH**  
**2015 - 2035**

<b>Area</b>	<b>Investment Needed For Growth</b>	<b>Other Revenue for Parks @ 11.39% of Total</b>	<b>Investment to be Paid by Growth @ 88.61% of Total</b>
Citywide	\$ 341,511,388	\$ 38,903,792	\$ 302,607,596
Central City Local Access	133,959,288	15,260,177	118,699,111
Non-Central City Local Access	147,480,189	16,800,431	130,679,758
<b>Total</b>	<b>622,950,865</b>	<b>70,964,400</b>	<b>551,986,465</b>

The total cost of the investment to be paid by growth is allocated between residential growth and non-residential growth, using the growth data from Table

3.5. For example, the Citywide population growth of 99,452 represents the residential portion of total Citywide resident equivalent growth of 107,163. Dividing the population portion by the total shows that 92.80% of Citywide resident equivalent growth is residential population (and therefore the other 7.2% is non-residential growth. Table 3.12 repeats the total investment to be paid by growth (from Table 3.11), the residential growth percentage calculated from data in Table 3.5, and allocates the total between residential and non-residential development in each area.

**TABLE 3.12**

**ALLOCATION BETWEEN RESIDENTIAL AND NON-RESIDENTIAL  
DEVELOPMENT OF INVESTMENT TO BE PAID BY GROWTH  
2015 - 2035**

<b>Facility Type</b>	<b>Investment to be Paid by Growth</b>	<b>Percent of Growth from Residential Growth</b>	<b>Cost for Residential Growth</b>	<b>Cost for Non- Residential Growth</b>
Citywide	\$ 302,607,596	92.80%	\$ 280,831,806	\$ 21,775,790
Central City Local Access	118,699,111	91.89%	109,069,870	9,629,240
Non-Central City Local Access	130,679,758	93.28%	121,894,487	8,785,271
Total Costs	551,986,465		511,796,164	40,190,302

The cost for residential growth in Table 3.12 is used in Section 4.0 to calculate the Park SDC residential rates, and the cost for non-residential growth in Table 3.12 will be used in Section 5.0 to calculate the Park SDC non-residential rates.

#### 4.0 PARK SDC RESIDENTIAL RATES

The City’s Park SDC rates for residential development are calculated using a series of sequential formulas which, when completed, yields the total SDC rate for each type of new dwelling unit in the City.

##### A. Formula 4a: Service Area Residential Cost Per Person

The residential improvements cost per person for each service area is calculated by dividing the residential portion of the investment to be paid by growth (from Table 3.12) by the increase in the population (from Table 3.5).

$$4.a \quad \begin{array}{c} \text{Cost for} \\ \text{Residential} \\ \text{Growth} \end{array} \div \begin{array}{c} \text{Population} \\ \text{Growth} \end{array} = \begin{array}{c} \text{Residential} \\ \text{Cost per} \\ \text{Person} \end{array}$$

These calculations of the residential investment cost per person for each service area (Citywide, Central City, and Non-Central City) appear in the first three rows of data in Table 4.1.

##### B. Formula 4b: Service Area Residential Cost Per Dwelling Unit

The residential cost per dwelling unit for each service area is calculated by multiplying the average number of persons per dwelling unit (from Table 3.2 and repeated in the second column of Table 4.1) by the residential investment cost per person (from the third row of Table 4.1).

$$4.b \quad \begin{array}{c} \text{Persons per} \\ \text{Dwelling} \\ \text{Unit} \end{array} \times \begin{array}{c} \text{Residential} \\ \text{Cost per} \\ \text{Person} \end{array} = \begin{array}{c} \text{Residential} \\ \text{Cost per} \\ \text{Dwelling Unit} \end{array}$$

These calculations are made for each combination of service area and size of dwelling unit. The results are listed in the third, fourth and fifth columns of Table 4.1. Note that the Citywide cost per person applies to the housing in both Central City and Non-Central City service areas, but the local access costs per person apply only to the service area for which that cost per person was calculated. Where a combination of costs and persons per dwelling unit is not applicable, “n.a.” is shown in Table 4.1.

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

The total residential cost per dwelling unit is calculated by adding the Citywide Residential Cost Per Dwelling Unit to the Residential Cost Per Dwelling Unit for each local access parks service area.

$$4.c \quad \begin{array}{c} \text{Citywide} \\ \text{Residential} \\ \text{Cost per} \\ \text{Dwelling Unit} \end{array} + \begin{array}{c} \text{Local Access} \\ \text{Residential} \\ \text{Cost per} \\ \text{Dwelling Unit} \end{array} = \begin{array}{c} \text{Total} \\ \text{Residential} \\ \text{Cost per} \\ \text{Dwelling Unit} \end{array}$$

The results of these calculations are displayed in the last column of Table 4.1.

**TABLE 4.1**  
**SERVICE AREA RESIDENTIAL COST**  
**PER PERSON AND PER DWELLING UNIT**

Description	Citywide	Central City Local Access	Non-Central City Local Access		
Cost for Residential Growth	\$280,831,806	\$109,069,870	\$121,894,487		
Population Growth	99,452	33,540	65,912		
Cost per Person	\$ 2,824	\$ 3,252	\$ 1,849		
	<b>Persons per Dwelling Unit</b>				<b>Total</b>
<b>Central City</b>					
Less than 700 square feet	0.765	\$ 2,160	\$ 2,488	n.a.	\$ 4,648
700 – 1,199 square feet	1.144	3,231	3,721	n.a.	6,953
1,200 – 1,699 square feet	1.376	3,885	4,474	n.a.	8,359
1,700 – 2,199 square feet	1.562	4,411	5,080	n.a.	9,491
2,200 or more square feet	1.729	4,883	5,624	n.a.	10,507
<b>Non-Central City</b>					
Less than 700 square feet	1.235	3,488	n.a.	2,284	5,772
700 – 1,199 square feet	1.848	5,217	n.a.	3,417	8,634
1,200 – 1,699 square feet	2.221	6,273	n.a.	4,108	10,381
1,700 – 2,199 square feet	2.522	7,123	n.a.	4,665	11,787
2,200 or more square feet	2.792	7,885	n.a.	5,164	13,049

***D. Formula 4d: Residential Cost, Tax Credit and SDC Per Dwelling Unit***

In previous Park SDC methodology reports there were plans for future bonds to pay for some improvements that would add capacity to the park system. A portion of those future bond repayments would be paid by growth in the form of future property tax payments, so a tax credit was calculated to account for these payments in order to avoid charging growth twice: once through the SDC, and a second time through property taxes.

The 2014 bond for parks is for renovation and repairs of the existing park system. No tax credit is calculated because the bond-funded projects do not add capacity to provide the investment per person level of service for new development. In addition, there are no plans for future park bonds to add capacity, therefore no tax credit has been calculated to account for possible future debt. In the event that the City requests, and voters approve, a future bond for park capacity projects, formula 4d would be used, and the results would appear in Table 4.2.

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



***E. Formula 4e: Residential SDC Per Dwelling Unit***

The residential SDC per dwelling unit is calculated by subtracting the tax credit per dwelling unit from the cost per dwelling unit (Table 4.1).

$$4.e \quad \begin{array}{r} \text{Total} \\ \text{Residential} \\ \text{Cost per} \\ \text{Dwelling Unit} \end{array} - \begin{array}{r} \text{Tax Credit} \\ \text{per Dwelling} \\ \text{Unit} \end{array} = \begin{array}{r} \text{Residential} \\ \text{SDC Rate per} \\ \text{Dwelling Unit} \end{array}$$

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

**TABLE 4.2****COST, TAX CREDIT AND PARK SDC RESIDENTIAL RATES PER DWELLING UNIT**

Description	Total Parks Cost per Dwelling Unit	Tax Credit per Dwelling Unit	SDC per Dwelling Unit
<b>Central City</b>			
Less than 700 square feet	\$ 4,648	\$ 0	\$ 4,648
700 – 1,199 square feet	6,953	0	6,953
1,200 – 1,699 square feet	8,359	0	8,359
1,700 – 2,199 square feet	9,491	0	9,491
2,200 or more square feet	10,507	0	10,507
<b>Non-Central City</b>			
Less than 700 square feet	5,772	0	5,772
700 – 1,199 square feet	8,634	0	8,634
1,200 – 1,699 square feet	10,381	0	10,391
1,700 – 2,199 square feet	11,787	0	11,787
2,200 or more square feet	13,049	0	13,049

## 5.0 PARK SDC NON-RESIDENTIAL RATES

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

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

The non-residential cost per resident equivalent for each service area is calculated by dividing the non-residential portion of the investment to be paid by growth (from Table 3.12) by the increase in the non-resident equivalent population (from Table 3.5).

$$5.a \quad \begin{array}{c} \text{Cost for Non-} \\ \text{Residential} \\ \text{Growth} \end{array} \div \begin{array}{c} \text{Non-Resident} \\ \text{Equivalent} \\ \text{Growth} \end{array} = \begin{array}{c} \text{Non-Residential} \\ \text{Cost per Resident} \\ \text{Equivalent} \end{array}$$

These calculations of the non-residential investment cost per resident equivalent for each service area (Citywide, Central City, and Non-Central City) appear in the first three rows of data in Table 5.1.

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

The total non-residential cost per resident equivalent is calculated by adding the Citywide Non-Residential Cost Per Resident Equivalent to the Non-Residential Cost Per Resident Equivalent for each local access parks service area.

$$5.b \quad \begin{array}{c} \text{Citywide Non-} \\ \text{Residential} \\ \text{Cost per} \\ \text{Resident} \\ \text{Equivalent} \end{array} + \begin{array}{c} \text{Local Access} \\ \text{Non-Residential} \\ \text{Cost per} \\ \text{Resident} \\ \text{Equivalent} \end{array} = \begin{array}{c} \text{Total Non-} \\ \text{Residential} \\ \text{Cost per} \\ \text{Resident} \\ \text{Equivalent} \end{array}$$

The results of these calculations are displayed in the last column of Table 5.1.

**TABLE 5.1**

### SERVICE AREA NON-RESIDENTIAL COST PER RESIDENT EQUIVALENT

Description	Citywide	Central	Non-	Total
		City Local	Central	
		Access	City Local	
Cost for Non-Residential Growth	\$21,775,790	\$9,629,240	\$8,785,271	
Non-Residential Growth	53,280	20,459	32,822	
Cost per Resident Equivalent	\$ 409	\$ 471	\$ 268	
Central City Resident Equivalent	409	471	n.a.	879
Non-Central City Resident Equivalent	409	n.a.	268	676

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

In previous Park SDC methodology reports there were plans for future bonds to pay for some improvements that would add capacity to the park system. A portion of those future bond repayments would be paid by growth in the form of future property tax payments, so a tax credit was calculated to account for these payments in order to avoid charging growth twice: once through the SDC, and a second time through property taxes.

The 2014 bond for parks is for renovation and repairs of the existing park system. No tax credit is calculated because the bond-funded projects do not add capacity to provide the investment per person level of service for new development. In addition, there are no plans for future park bonds to add capacity, therefore no tax credit has been calculated to account for possible future debt. In the event that the City requests, and voters approve, a future bond for park capacity projects, formula 5c would be used, and the results would appear in Table 5.2.

$$5.c \quad \begin{array}{l} \text{Present Value} \\ \text{of Property} \\ \text{Tax Payments} \end{array} = \begin{array}{l} \text{Tax Credit} \\ \text{per Resident} \\ \text{Equivalent} \end{array}$$

**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 from the cost per resident equivalent (Table 5.1).

$$5.d \quad \begin{array}{l} \text{Total Non-} \\ \text{Residential Cost} \\ \text{per Resident} \\ \text{Equivalent} \end{array} - \begin{array}{l} \text{Tax Credit} \\ \text{per Resident} \\ \text{Equivalent} \end{array} = \begin{array}{l} \text{Non-Residential} \\ \text{SDC Rate per} \\ \text{Resident} \\ \text{Equivalent} \end{array}$$

The results of these calculations are shown in Table 5.2.

**TABLE 5.2**  
**COST, TAX CREDIT AND SDC PER RESIDENT EQUIVALENT**

Description	Total Parks Cost per Resident Equivalent	Tax Credit per Resident Equivalent	SDC per Resident Equivalent
Central City Resident Equivalent	\$ 879	\$ 0	\$ 879
Non-Central City Resident Equivalent	676	0	676

**E. Formula 5e: Non-Residential SDC Rates (per square foot) By Type of Development**

The non-residential SDC for each type of non-residential development is calculated by multiplying the Non-Residential SDC Rate Per Resident Equivalent (from Table

5.2) by the number of resident equivalents per square foot of each type of non-residential development.

$$5.e \quad \begin{array}{c} \text{Non-Residential} \\ \text{SDC Rate per} \\ \text{Resident} \\ \text{Equivalent} \end{array} \quad \times \quad \begin{array}{c} \text{Resident} \\ \text{Equivalents} \\ \text{per Square} \\ \text{Foot} \end{array} \quad = \quad \begin{array}{c} \text{Non-Residential} \\ \text{SDC Rate per} \\ \text{Square Foot of} \\ \text{Development} \\ \text{Type} \end{array}$$

The results of these calculations are shown in Table 5.3.

**TABLE 5.3**

**PARK SDC NON-RESIDENTIAL RATES  
BY TYPE OF DEVELOPMENT**

<b>General Occupancy Category</b>	<b>Residential Equivalents per sq. ft.</b>	<b>SDC Rate per sq. ft.</b>
<b>Central City Service Area</b>		
Cost per Resident Equivalent		\$ 879
Hospital <sup>1</sup>	0.00286	2.52
Office <sup>2</sup>	0.00270	2.37
Retail <sup>3</sup>	0.00231	2.03
Industrial <sup>4</sup>	0.00135	1.19
Warehouse <sup>5</sup>	0.00030	0.26
<b>Non-Central City Service Area</b>		
Cost per Resident Equivalent		676
Hospital <sup>1</sup>	0.00286	1.93
Office <sup>2</sup>	0.00270	1.83
Retail <sup>3</sup>	0.00213	1.44
Industrial <sup>4</sup>	0.00135	0.91
Warehouse <sup>5</sup>	0.00030	0.20

<sup>1</sup> Additional uses in this category: Convalescent Hospital, Day Care

<sup>2</sup> Additional uses in this category: Bank

<sup>3</sup> Additional uses in this category: Restaurant, Nightclub

<sup>4</sup> Additional uses in this category: School, Assembly, Motel/Hotel

<sup>5</sup> Additional uses in this category: Storage, Parking Garage, Mausoleum

## APPENDIX A: REPLACEMENT VALUE OF PARK LAND AND IMPROVEMENTS

The level of service for Portland's Park SDC is the current investment per person in park land and improvements. The total investment is the replacement value of the existing inventory of parks, open space and recreation facilities, including the land value of each park and the replacement cost of each type of improvement. The sum of all of the values equals the current investment of Portland's park and recreation system. Table A.1 is a summary of the value of land and improvements.

**TABLE A.1**

### PORTLAND PARK LAND AND IMPROVEMENTS SUMMARY OF VALUES (2013)

Area	Land Value	Improvements Value	Total Investment
Citywide	\$ 1,466,504,249	\$ 614,535,760	\$ 2,081,040,009
Central City Local Access	158,143,330	64,918,417	223,061,747
Non-Central City Local Access	602,062,144	633,994,906	1,236,057,050
Total	2,226,709,722	1,313,449,083	3,540,158,806

Table A.2 provides more information about the valuation of park land in Portland. The values of park land in this study are based on the average per acre Real Market Value of all tax parcels in Portland from Multnomah County's tax assessment data base. The values of habitat and natural areas and trailways are the average of Portland's purchases of such land in the years 2007-2013.

**TABLE A.2**

### PORTLAND PARK LAND VALUES (2013)

Facility Type	Unit of Capacity	Land Cost per Unit	Total Inventory (Units)	Total Value
<b>Citywide</b>				
Citywide Access Facilities	acres	\$ 509,794	1,891.86	\$ 964,458,877
Habitat and Natural Areas	acres	65,480	7,299.02	477,939,830
Trailways	miles	212,066	113.67	24,105,542
Total				1,466,504,249
<b>Central City Local Access Parks</b>				
	acres	2,578,564	61.33	158,143,330
<b>Non-Central City Local Access</b>				
Local Access Parks	acres	459,365	1,291.21	593,136,682
Community Gardens	acres	459,365	19.43	8,925,462
Total				602,062,144

Table A.3 lists in alphabetical order the type of park improvements that make up Portland's existing park system. The values of improvements are based on the replacement value of each type of recreational facility. The data summarized in Table A.3 are derived from detailed inventories of the number of each type of improvement and the replacement value of each of improvement. Replacement value is the estimated installed cost to replace the improvement in kind, without increasing its size or changing its functionality.

**TABLE A.3**  
**PORTLAND PARK IMPROVEMENT VALUES (2013)**

<b>Improvement Type</b>	<b>Citywide Improvements Total Value</b>	<b>Central City Improvements Total Value</b>	<b>Non-Central City Improvements Total Value</b>
Ball Fields	\$ 10,143,000	\$ 2,131,500	\$ 89,743,500
Basketball Courts	226,380	80,850	8,817,060
Bocce	12,863	12,863	22,050
Buildings	193,096,776	17,271,756	231,880,336
Community Gardens	NA	0	2,881,200
Dock Ramps	15,178,581	10,650,628	0
Dog Off Leash Areas	504,812	108,796	1,516,554
Furnishings	3,543,938	1,380,279	13,287,384
Golf Courses	21,168,000	0	0
Horse Shoe Pits	1,470	0	389,550
Landscaping - Botanical Gardens	193,809,975	0	NA
Landscaping - Community Parks	2,686,273	2,686,273	106,466,561
Landscaping - Neighborhood Parks	NA	1,264,336	72,821,116
Landscaping - Regional Parks	36,031,472	823,387	1,455,875
Landscaping - Urban Parks Mostly Landscaped	1,946,209	1,946,209	NA
Landscaping - Urban Parks with Mostly Hard Surface	133,029	133,029	NA
Lighting	8,731,800	2,328,113	15,565,830
Paths and Walkways	4,295,930	0	10,851,126
Paved Surfaces - Neighborhood Parks	NA	950,321	0
Paved Surfaces - Regional Park	6,807,763	756,418	0
Paved Surfaces - Urban Parks with Mostly Hard Surface	5,746,852	5,746,852	NA
Paved Surfaces - Urban Parks Mostly Landscaped	2,270,577	2,270,577	NA
Playgrounds	2,168,250	191,100	14,707,350
Roads	21,419,004	0	3,202,983
Skateparks	0	0	2,673,496
Sports Fields	8,911,140	1,764,000	13,241,760
Stadiums	3,337,841	0	0
Tennis Courts	2,789,325	1,212,750	14,593,425
Tracks	183,750	183,750	3,946,950
Trails	54,132,519	NA	NA
Water Features	15,258,233	11,024,633	25,930,800
<b>Total</b>	<b>614,535,760</b>	<b>64,918,417</b>	<b>633,994,906</b>

## APPENDIX B: SDC CAPITAL IMPROVEMENTS PLAN

### TABLE B.1

#### SDC CAPITAL IMPROVEMENTS PLAN 2015 - 2035

Service Area	Annual	Total 2015-2035
<b>Citywide</b>		
Costs	\$ 17,075,569	\$ 341,511,388
Funding: Park SDCs	15,130,380	302,607,596
Funding: Other Revenue Sources	1,945,190	38,903,792
<b>Central City Local Access</b>		
Costs	6,697,964	133,959,288
Funding: Park SDCs	5,934,956	118,699,111
Funding: Other Revenue Sources	763,009	15,260,177
<b>Non-Central City Local Access</b>		
Costs	7,374,009	147,480,189
Funding: Park SDCs	6,533,988	130,679,758
Funding: Other Revenue Sources	840,022	16,800,431
<b>Total</b>		
Costs	31,147,543	622,950,865
Funding: Park SDCs	27,599,323	551,986,465
Funding: Other Revenue Sources	3,548,220	70,964,400



**EXHIBIT B****Modification to City Code, Chapter 17****Chapter 17.13 Parks and Recreation System Development Charge****-Note**

(New Chapter added by Ordinance No. 172614, effective October 1, 1998.)

**17.13.010 Scope and Purposes.**

(Amended by Ordinance No. 181669, effective January 1, 2009.)

- A. New development within the City of Portland contributes to the need for capacity increases for parks and recreation facilities and, therefore, new development should contribute to the funding for such capacity increasing improvements. This SDC will fund a portion of the needed capacity increases for urban, neighborhood, and community parks, trails, and habitat facilities as identified in the City of Portland Parks and Recreation SDC Capital Improvement Plan (SDC-CIP).
- B. ORS 223.297 through 223.314 grant the City authority to impose a SDC to equitably spread the costs of essential capacity increasing capital improvements to new development.
- C. The SDC is incurred upon the application to develop property for a specific use or at a specific density. The decision regarding uses, densities, and/or intensities causes direct and proportional changes in the amount of the incurred charge. The SDC is separate from other fees provided by law or imposed as a condition of development. It is a fee for service because it contemplates a development's receipt of parks and recreation services based upon the nature of that development.
- D. The SDC imposed by this Chapter is not tax on property or on a property owner as a direct consequence of ownership of property within the meaning of Section 11b, Article XI of the Oregon Constitution or legislation implementing that section. This Chapter does not shift, transfer, or convert a government product or service, wholly or partially paid for by ad valorem property taxes, to be paid for by a fee, assessment or other charge, within the meaning or Section 11g, Article XI of the Oregon Constitution.
- E. The funding provided by this Chapter constitutes a mandatory collection method based upon the guidelines set forth in ORS 223.297 through 223.314 to assure the provision of capacity increasing improvements for parks and recreation facilities as contemplated in *Parks 2020 Vision, July 2001*; *Recreational Trail Strategy, June 2006*; *Parks Natural Area Acquisition Strategy, November 2006*; and, more

specifically, the list of projects, identified in the Parks and Recreation SDC-CIP, to be funded with money collected under this Chapter and incorporated as an Appendix to the most recently adopted Parks SDC Methodology Report. The Parks and Recreation SDC-CIP is not to be confused with the City of Portland Parks and Recreation Capital Improvement Program.

- F. This Chapter is intended only to be a financing mechanism for a portion of the capacity increases needed for parks and recreation facilities associated with new development and does not represent a means to fund maintenance of existing facilities or the elimination of existing deficiencies.
- G. The City hereby adopts the report entitled “Park System Development Charges Charge Methodology Update Report” (dated ~~March 5, 2008~~ April 15, 2015), and incorporates herein by this reference the assumptions, conclusions and findings in the report which refer to the determination of anticipated costs of capital improvements required to accommodate growth, and the rates for the parks and recreation SDC to finance these capital improvements. This report is hereinafter referred to as “SDC Methodology Report” and is attached to Ordinance No. 181669 passed by Council on ~~March 12, 2008~~. The City Council may from time to time amend or adopt a new SDC Methodology Report by ordinance.

#### 17.13.020 Definitions.

(Amended by Ordinance Nos. 173386, 173565, 174617, 176511 and 181669, effective January 1, 2009.)

- ~~A.~~ “~~Accessory Dwelling Unit~~” means ~~a second dwelling unit created on a single lot with a single family or a manufactured housing dwelling unit. The second unit is created auxiliary to, and is always smaller than the single family or manufactured housing unit.~~
- BA. “Administrator” means that person, or designee, appointed by the City Council to manage and implement this Parks and Recreation SDC program.
- ~~C.~~ “~~Alternative System Development Charge~~” means ~~an SDC established pursuant to Section 17.13.080 of this Chapter.~~
- DB. “Applicant” means the person who applies for a building permit.
- EC. “Application” means the Parks SDC Information Form together with other required forms and documents submitted at the time of application for a building permit.
- FD. “Building Official” means that person, or designee, certified by the State and designated as such to administer the State Building Codes for the City.

- GE.** “Building Permit” means that permit issued by the City Building Official pursuant to the State of Oregon Structural Specialty Code Section 301 or as amended, and the State of Oregon One and Two Family Dwelling Code Section R-109 or as amended. In addition, Building Permit shall mean the Manufactured Home Installation Permit issued by the City Building Official, relating to the placement of manufactured homes in the City.
- F.** “Campus Housing” means dormitories and other buildings arranged and designed as living quarters on a college or university campus for students enrolled at that college or university. College or university campus is any property owned or controlled by the college or university within a Conditional Use Master Plan, Impact Mitigation Plan or other campus zone boundary.
- HG.** “Central City” means the area identified in the SDC Methodology Report as the Central City Service Area, and whose boundaries are included on the map in the SDC Methodology Report. This area is also referred to as the Central City sub-area.
- IH.** “City” means the City of Portland, Oregon.
- JL.** “Comprehensive Plan” means the City’s generalized, coordinated land use map and policy statement that interrelated all functional and natural systems and activities relating to the use of lands, including but not limited to sewer, water and transportation systems, educational and recreation facilities and natural resources and air and water quality management programs.
- KJ.** “Condition of Development Approval” is any requirement imposed on an Applicant by a City land use or limited land use decision, site plan approval or Building Permit either by operation of law, including but not limited to the City Code or Rule or regulation adopted thereunder, or a condition of approval.
- LK.** “Cost Index” related to construction costs means the Seattle Area Engineering News Record (ENR) Construction Cost Index and related to land acquisition costs means the change in average market value of residential and commercial land in the City, according to the records of the Multnomah County Tax Assessor.
- ML.** “Credit” means the amount by which an Applicant may be able to reduce the SDC fee as provided in this Chapter.
- N.** ~~“Dependent Care Facility” means a facility in which the resident cannot perform any part of activities of daily living; it must be done entirely by someone else.~~
- OM.** “Development” means a building or other land construction, or making a physical change in the use of a structure or land, in a manner which increases the usage of parks and recreation capital improvements or which may contribute to the need for additional or enlarged parks and recreation capital facilities.

- PN.** “Director” means the Director of the Bureau of Parks and Recreation for the City of Portland.
- Q.** ~~“Duplex” means two attached single-family dwelling units on a single lot.~~
- RO.** “Dwelling Unit” means a building or a portion of a building consisting of one or more rooms which include sleeping, cooking, and plumbing facilities and are arranged and designed as living quarters for one family or household.
- S.** ~~“Employee” means any person who received remuneration for services, and whose services are directed and controlled either by the employee (self-employed) or by another person or organization.~~
- T.** ~~“Manufactured Housing” means a Dwelling Unit constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed in accordance with federal Manufactured Housing construction and safety standards and regulations in effect at the time of construction.~~
- U.** ~~“Manufactured Housing Park” means any place where four or more Manufactured Housing Dwelling Units are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent or lease space or keep space for rent or lease to any person for a charge or fee paid or to be paid for the rental or lease or use of facilities or to offer space free in connection with securing the trade or patronage of such person. “Manufactured Housing Park” does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one Manufactured Housing Dwelling Unit per lot.~~
- V.** ~~“Minimum standards” for the City’s park requirements are described and quantified in *Parks 2020 Vision* and the “SDC Methodology Report”.~~
- W.** ~~“Multi-family Dwelling Unit” means a portion of a building consisting of one or more rooms including living, sleeping, eating, cooking, and sanitation facilities arranged and designed as permanent living quarters for one family or household; attached to two or more dwelling units by one or more common vertical walls; and with more than one dwelling unit on one lot. This term includes, but is not limited to, triplex, quadraplex, condominium ownership, and apartment structures containing three (3) or more dwelling units.~~
- XP.** “Non-Central City” means all portions of the City outside the Central City Service Area.
- YQ.** “Non-Residential Development” means development which does not include dwelling units.

- ZR.** “New Development” means Development for which a Building Permit is required.
- ~~AA.~~ “Non-profit” means an entity that is certified as tax-exempt under Section 501(c)(3) of the Internal Revenue Code.
- BBS.** “Occupancy Group Codes” means the use codes (A-1, B, H, e.g.) in the *Oregon Structural Specialty Code*, “Use and Occupancy Classification.”
- ECT.** “Occupancy Use Types” means the occupancy classifications in the *Oregon Structural Specialty Code*, “Use and Occupancy Classification.”
- DDU.** “Parks and Recreation SDC Capital Improvement Plan” also called the Parks and Recreation SDC-CIP, means the City program set forth in the “SDC Methodology Report” that identifies all of the major parks and recreation system and facilities capacity-increasing improvements projected to be funded with Parks and Recreation SDC revenues.
- EEV.** “Permit” means a Building Permit.
- FFW.** “Previous use” means the most intensive use conducted at a particular property within the past 36 months from the date of completed Application. Where the site was used simultaneously for several different uses (mixed use) then, for the purposes of this Chapter, all of the specific use categories shall be considered. Where one use of the site accounted for 70% or more of the total area used, then that dominant use will be deemed to be the sole Previous Use of the site. Where the Previous Use is composed of a primary use with one or more ancillary uses that support the primary use and are owned and operated in common, that primary use shall be deemed to be the sole Previous Use of the property for purposes of this Chapter.
- GGX.** “Proposed use” means the use proposed by the Applicant for the New Development. Where the Applicant proposes several different uses (mixed use) for the New Development then, for purposes of this Chapter, all of the specific use categories shall be considered. Where the Proposed Use is composed of a primary use with one or more ancillary uses that support the primary Proposed Use and are owned and operated in common, that primary use shall be deemed to be the sole Proposed Use of the property for purposes of this Chapter.
- HHY.** “Qualified Public Improvement” means any parks and recreation system capital facility or conveyance of an interest in real property that:
1. increases the capacity of the City’s Parks and Recreation System;
  2. pertains to the park categories defined in *Parks 2020* or in the Park SDC/CIP: local access, city-wide access, regional, urban, neighborhood or community parks, botanic and community gardens trails, or habitat. If the

proposed donation is a habitat, it must be adjacent to a Portland Parks property, or it must be a minimum of 3 contiguous acres with at least 66% of its area covered by the City's environmental overlay zone. If the proposed donation is a trail, it must be designated as a recreational trail on the City's Comprehensive Plan;

3. is approved by the Director of ~~Parks~~; and
4. is in any of the following categories:
  - a. Is a capital improvement listed on the City's Parks and Recreation SDC-CIP or two year funded list of City of Portland Parks and Recreation Capital Improvement Program, regardless of the improvement's proximity to the Applicant's New Development site, and is not a Real Property Interest already committed by contract or other obligation to public recreational use;
  - b. Is a public recreational trail improvement within the Willamette River Greenway overlay zone as designated on the Official Zoning Maps within the Central City plan boundary, and that exceeds all development standards currently contained in PCC Title 33 (Chapter 33.440, 33.272, and 33.248). Credits will be given for improvements which will result in enhancement for habitat or public recreational use on the landward side of the top of the bank. Credits will be valued at 100% of the value of Real Property Interests that ensures perpetual public access (subject to reasonable temporary closures) and/or improvements that occur on the landward side of the required 25' minimum Greenway setback width, if the increase of width is at least 5'. The credit transfer mechanism described in 17.13.070 E is applicable to Real Property Interests at 25 percent of its appraised value. The use of Greenway credit transfers are valid only for New Development within the Central City, and is not available to Applicants that are using the Willamette River Greenway Bonus Option described in City Code 33.510.210 C. 9.  
Reasonable improvements within the required 25' minimum Greenway setback shall also receive full Credit only for improvements that exceed the current basic required standards described in PCC Title 33 (Chapters 33.440, 33.272, and 33.248) or landscaping or mitigation plantings that are required as a Condition of Development Approval. The Credit transfer mechanism described in 17.13.070 E is not applicable to Greenway improvements. Greenway improvement SDC Credits may be used only on the New Development that included the Greenway improvement, including subsequent phases of multi-phase Development.

- c. Is a conveyance of Real Property Interests or capital improvements for public recreational use that is required as a condition of development approval. For purposes of this section, the phrase “required as a condition of development approval” means
    - (1) requirements to construct improvements or convey Real Property Interests for public recreational use that are imposed as specifically listed conditions pursuant to a Code provision authorizing such conditions, or
    - (2) features of a development that are specifically stated as an element of a proposal that is approved by the review body.
  - d. An improvement or conveyance of Real Property Interests for parks and recreational use which does not otherwise meet the requirements of this section, is not already committed by contract or other obligation to public recreational use, and in the opinion of the Director of Parks in his or her reasonable discretion the improvement or conveyance serves the City’s public parks and recreation needs as well or better than the improvements or conveyance described above.
5. Conveyances of Real Property Interests or capital improvements for public recreational use specified in a development agreement between the City and a developer entered into after the effective date of this Ordinance are excluded from the definition of “qualified public improvement” unless the development agreement specifically provides otherwise. If the development agreement does include conveyances of Real Property Interests that are intended to be eligible for Parks SDC Credits, the value of the Real Property Interests must be established at the time the development agreement is finalized by the appraisal methods described in 17.13.070. The date of valuation is the date of the final development agreement. If there are subsequent amendments to the development agreement, the date of valuation will be the date of the original development agreement unless otherwise specified in future amendments.
6. In addition to capital improvements described in section 17.13.020 HH.1. through 5., the term “qualified public improvement” also includes agreements for long-term enhanced maintenance of park facilities within the City’s Parks and Recreation System, provided the following requirements are met:
- a. The Parks and Recreation System facilities for which enhanced maintenance is provided are located within the Central City Plan District as identified in PCC chapter 33.510;



- b. The long-term maintenance obligations are specifically described in a binding agreement that contains adequate financial assurances to ensure performance of the maintenance obligations for the duration of the agreement;
- c. The Parks Director has determined the net present value of the maintenance obligations in order to establish the amount of SDC credits; and
- d. The Parks Director has determined, in each instance where long-term maintenance obligations are accepted, that acceptance of the long-term maintenance obligations will promote the interests of the City's Parks and Recreation System as well or better than acceptance of capital improvements.

**HZ.** "Rate Group" means one of four rates or groups of rates, each of which has its own percentage split between land costs and development costs as follows:

	Central City	Non Central-City
Residential	55% <del>71%</del> Land Portion 45% <del>29%</del> Development Improvement Portion	55% <del>49%</del> Land Portion 45% <del>51%</del> Development Improvement Portion
Non-Residential	53% Land Portion 47% Development Portion	57% Land Portion 43% Development Portion

**JJAA.** "Real Property Interests" means fee title, easement, or other permanent interests in real property as documented in a written conveyance.

**KKBB.** "Remodel" or "remodeling" means to alter, expand or replace an existing structure.

**LLCC.** "Resident Equivalent" means a measure of the impact on parks and recreation facility needs created by non-residential development, as compared to the impact of a resident.

**MM.** ~~"Row house" means an attached single family Dwelling Unit on a single lot.~~

**NN.** ~~"Single Family Dwelling Unit" shall mean a building or a portion of a building consisting of one or more rooms including living, sleeping, eating, cooking, and sanitation facilities arranged and designed as permanent living quarters for one family or household; may be attached to one or more than one other dwelling units by one or more vertical walls. In addition to detached single family dwelling units, this definition also includes duplex, zero lot line, townhouse, and row house dwelling units designed for one family or household.~~

~~OO~~DD. "SDC Methodology Report" means the methodology report entitled *Parks System Development Charge Methodology Update Report*, dated ~~March 5, 2008~~ April 15, 2015 and adopted as Exhibit A to Ordinance 181669 \_\_\_\_\_.

~~PP~~. "~~Single Room Occupancy Unit (SRO)~~" means ~~one dwelling unit that provides a living unit that has a separate sleeping area and some combination of shared bath or toilet facilities. The structure may or may not have separate or shared cooking facilities for the residents. "SRO" includes structures commonly called residential hotels and rooming houses.~~

~~QQ~~EE. "Temporary use" means a construction trailer or other non-permanent structure.

~~RR~~. "~~Town House~~" means ~~an attached single family Dwelling Unit on a shared lot.~~

### 17.13.030 Rules of Construction.

For the purposes of administration and enforcement of this Chapter, unless otherwise stated in this Chapter, the following rules of construction shall apply:

- A. In case of any difference of meaning or implication between the text of this Chapter and any caption, illustration, summary table, or illustrative table, the text shall control.
- B. The word "shall" is always mandatory and not discretionary; the word "may" is permissive.
- C. Words used in the present tense shall include the future; words used in the singular number shall include the plural and the plural the singular, unless the context clearly indicates the contrary.
- D. The phrase "used for" includes "arranged for," "designed for," "maintained for," or "occupied for."
- E. Where a regulation involves two or more connected items, conditions, provisions, or events:
  - 1. "And" indicates that all the connected terms, conditions, provisions or events shall apply;
  - 2. "Or" indicates that the connected items, conditions, or provisions or events may apply singly or in any combination.
- F. The word "includes" shall not limit a term to the specific example, but is intended to extend its meaning to all other instances or circumstances of like kind or character.

### 17.13.040 Application.

(Amended by Ordinance No. 181669, effective January 1, 2009.) This Chapter applies to all New Development throughout the City of Portland. The amount of the Parks and Recreation SDC shall be calculated according to this section, using the rates set forth in the SDC Methodology Report.

- A. Except as otherwise provided in this Chapter, a Parks and Recreation SDC shall be imposed upon all New Development for which an Application is filed on or after the effective date of this ordinance.
- ~~B. Except as otherwise provided in this Chapter, Manufactured Housing shall be charged at the Manufactured Housing SDC rate.~~
- CB. The Applicant shall at the time of Application provide the Administrator with the information requested on an SDC application form regarding the previous and proposed use(s) of the property, including the following:
1. A description of each of the previous and proposed uses for the property for which the Permit is being sought--with sufficient detail to enable the City to calculate dwelling units and square footage for the entire property under the previous use and for the proposed use(s) of the New Development.
  2. For residential uses--the number of residential dwellings, including type (i.e., single family, multi-family, etc.) and the square footage of each dwelling unit.
  3. For non-residential uses--the square footage for each type of occupancy use type (i.e., office, retail, etc.).
- DC. Except as otherwise provided in this Chapter, the amount of the SDC due shall be calculated by determining the number of dwelling units, square footage of each dwelling unit, and/or square footage of non-residential development for the previous use(s) of the property and the number of dwelling units, square footage of each dwelling unit, and/or square footage of non-residential development for all of the proposed use(s); calculating the total SDC for the previous use(s) and the proposed uses(s); and subtracting the total SDC for the previous use(s) from the total SDC for the proposed use(s) to arrive at the net Park SDC due. If the previous use(s) were vacant for more than 50 percent of the 5 years prior to the date of the application, the SDC shall be the full amount of the SDC for the proposed use(s) and no reduction shall be made for previous use(s).
- ED. Notwithstanding any other provision, the dollar amounts of the SDC set forth in the SDC Methodology Report are based on ~~October 2007~~ 2013 values and shall be adjusted on ~~January 2009~~ July 1, 2016 and thereafter annually on ~~January~~ July 1st to account for changes in the costs of acquiring and constructing parks facilities. The adjustment factor shall be based on:

1. the percent change in average market value of residential and commercial land in the City, measured from ~~October, 2007~~ Tax Year 2013-14, annually, to the quarter prior to the rate change most recent annual tax year report, according to the records of the Multnomah County Tax Assessor,
2. the portion of Rate Group growth costs for land identified in the ~~SDC-CIP Subsection 17.13.020.HZ.~~
3. the percent change in average construction costs measured from ~~October, 2007~~ 2013, annually, to the quarter prior to the rate change, according to the Engineering News Record (ENR) Northwest (Seattle, Washington) Construction Cost Index, and
4. the portion of Rate Group growth costs for ~~development~~ improvement identified in the ~~SDC-CIP Subsection 17.13.020.HZ.~~

The adjustment factor for each Rate Group shall be determined as follows:

$$\begin{array}{r}
 \text{Percent change in Land Value multiplied by the Rate Group's Land} \\
 \text{Portion (percent)} \\
 + \text{ Percent change in Construction Cost Index multiplied by the Rate Group's} \\
 \text{Development Portion (percent)} \\
 = \text{ Park SDC Rate Group Adjustment Factor}
 \end{array}$$

The resulting Adjustment Factor shall be multiplied by the adopted SDC rates by Rate Group and added to the base charges.

- FE.** Notwithstanding any other provision, the adjustment shall not exceed a total of 12 percent in any consecutive two-year period. This shall be calculated by dividing the proposed new rate by the rate of two years prior. If the resulting change is greater than 12 percent, the rate shall be set at 12 percent variance from the rate of two years prior.

#### **17.13.050 Application Requirements**

(Amended by Ordinance Nos. 176955 and 181669, effective January 1, 2009.) All Applications must meet the application completeness requirements of the Planning Bureau and Bureau of Development Services. Where construction requires a land division, the Applicant must have final plat approval prior to submitting a Building Permit Application.

This Ordinance shall apply to all Building Permits for New Development not yet complete as of the effective date and those which are subsequently submitted or made complete. Fees are assessed based on the rate schedule in use on the date that the permit application is made complete. For purposes of this Section, a complete Application shall be one for which the following documents have been submitted by the Applicant and accepted by the City: meet all the requirements of the Bureau of Development Services.

- ~~A. For Multi-Family Housing and additions, and for all non-residential development and additions, the following documents must be submitted:~~
- ~~1. A completed Building Permit Application form.~~
  - ~~2. Payment of the required plan review and processing fees for the Site Development Permit.~~
  - ~~3. Completed System Development Charge information form.~~
  - ~~4. Information sufficient to construct building foundations for the proposed structure, including engineering and structural calculations, soils report, 100 percent construction documents for foundation.~~
- ~~B. For Manufactured Housing Park New Development, the following documents must be submitted:~~
- ~~1. A completed Building Permit Application form.~~
  - ~~2. Payment of the required plan review and processing fees for the site development permit.~~
  - ~~3. Information sufficient to construct the Manufactured Housing Park for the future placement of the manufactured homes, which could include engineering and structural calculations, soils report, 100 percent construction documents for foundations.~~
- ~~C. For residential changes of use and alteration projects resulting in additional residential units, the following documents must be submitted:~~
- ~~1. A completed Building Permit Application form.~~
  - ~~2. Payment of the required plan review and processing fees for the site development permit.~~
  - ~~3. A floor plan indicating the previous uses.~~
  - ~~4. A floor plan indicating the proposed changes in use.~~
  - ~~5. 100 percent construction drawings.~~
- ~~D. For new single family, separate manufactured home on an individual lot (as opposed to a manufactured home park), townhouses/row houses, and duplex construction, the following documents must be submitted:~~
- ~~1. A completed Building Permit Application form.~~

- ~~2. Payment of the required plan review and processing fees for the site development permit.~~
- ~~3. 100 percent construction drawings sufficient to construct the building, including any required soils reports, engineering calculations and drawings.~~

**17.13.060 Partial and Full Exemptions.**

(Amended by Ordinance Nos. 176511, 179008, 181669 and 183448, effective July 1, 2010.) The uses listed and described in this Section shall be exempt, either partially or fully, from payment of the Parks and Recreation SDC. Any Applicant seeking an exemption under this Section shall specifically request that exemption no later than the time of the City's completion of the final inspection. Where New Development consists of only part of one or more of the uses described in this section, only that/those portion(s) of the development which qualify under this section are eligible for an exemption. The balance of the New Development which does not qualify for any exemption under this section shall be subject to the full SDC. Should the Applicant dispute any decision by the City regarding an exemption request, the Applicant must apply for an Alternative Exemption calculation under Section 17.13.080. The Applicant has the burden of proving entitlement to any exemption so requested.

- A. Temporary uses are fully exempt so long as the use or structure proposed in the New Development will be used for not more than 180 days in a single calendar year.
- B. Affordable housing is exempt pursuant to Section 30.01.095.
- C. Alteration permits for tenant improvements are fully exempt.
- D. New construction or remodeling of Dwelling Units where no additional Dwelling Unit(s) are created and the or non-residential square footage of each remodeled dwelling unit does not change the range of square footage in the SDC Methodology Report are created is fully exempt.
- E. New construction or remodeling of non-residential development where no additional square footage is created is fully exempt.
- F. Campus Housing is fully exempt.
- EG. For New Development which includes a mix of exempt and non-exempt forms of Development, the applicable exemption(s) shall apply only to that portion of the New Development to which the exemption applies.

**17.13.070 SDC Credits and SDC Reimbursements.**

(Amended by Ordinance Nos. 172732, 172758, 173386, 174617 and 181669, effective January 1, 2009.) SDC Credits:

- A. The City shall grant a Credit against the Parks SDC, which is otherwise assessed for an New Development, for any Qualified Public Improvement(s) constructed or conveyed as part of that New Development. For purposes of this section, a Qualified Public Improvement will be considered part of a New Development when the application for a credit is made and the New Development is identified by a Building Permit Number. The Applicant bears the burden of evidence and persuasion in establishing entitlement to an SDC Credit and to a particular value of SDC Credit.
- B. To obtain an SDC Credit, the Applicant must specifically request a Credit prior to the City's completion of the final inspection for the new Development. In the request, the Applicant must identify the improvement(s) for which Credit is sought and explain how the improvement(s) meet the requirements for a Qualified Public Improvement. The Applicant shall also document, with credible evidence, the value of the improvement(s) for which Credit is sought. If, in the Administrator's opinion, the improvement(s) is a Qualified Public Improvement, and the Administrator concurs with the proposed value of the improvement(s), an SDC Credit shall be granted. The value of the SDC Credits under this section shall be determined by the Administrator based on the cost of the Qualified Public Improvement, or the value of Real Property Interests, as follows:
1. For Real Property Interests, the value shall be based upon a written appraisal of fair market value by a qualified, professional appraiser based upon comparable sales of similar property between unrelated parties in an arms-length transaction;
  2. For improvements yet to be constructed, value shall be based upon the anticipated cost of construction. Any such cost estimates shall be certified by a professional architect or engineer or based on a fixed price bid from a contractor ready and able to construct the improvement(s) for which SDC Credit is sought. The City will give immediate credits based on estimates, but it will provide for a subsequent adjustment based on actual costs: a refund to the Applicant if actual costs are higher than estimated, and an additional SDC to be paid by the Applicant if actual costs are lower than estimated. The City shall inspect all completed Qualified Public Improvement projects before agreeing to honor any credits previously negotiated. The City shall limit credits to reasonable costs. Credits shall be awarded only in conjunction with an application for development;
  3. For improvements already constructed, value shall be based on the actual cost of construction as verified by receipts submitted by the Applicant;
- C. The Administrator will respond to the Applicant's request in writing within 21 days of when the request is submitted. The Administrator shall provide a written explanation of the decision on the SDC Credit request.

1. The "Request for Parks SDC Credit for Qualified Public Improvement" (Form PSDC-7) and accompanying information will be sent to the Parks SDC Administration Section, who will prepare a staff report and convene the SDC Credit Review Committee. The Committee shall be composed of representatives of the following organizations:
  - a. Metropolitan Home Builders Association
  - b. Coalition for a Livable Future
  - c. League of Women Voters
  - d. Developer-at-Large
  - e. Parks Board Member or Designee
  - f. Portland Business Alliance Member or Designee

If a vacancy occurs, the organization will nominate a replacement. Members of the committee will be nominated by their respective organizations and appointed by the Director of Parks and Recreation.

2. The Committee shall review each proposal and forward a recommendation, along with any minority viewpoints. The Director will make a decision within 60 days of the application.
  3. Certified copies of the decision and the Committee recommendations will be transmitted to the Auditor of the City of Portland, who will file them in a special record of such decisions. All such decisions of the Director shall be accessible to the public under like terms as ordinances of the City of Portland. Any decision of the Director shall be subject to amendment, repeal, or alteration by the City Council, but any such action must take place within 30 days of the decision.
- D.** If the Applicant disputes the Administrator's decision with regard to an SDC Credit request, including the amount of the Credit, the Applicant may seek an alternative SDC Credit calculation under Section 17.13.080. Any request for an Alternative SDC Credit calculation must be filed with the Administrator in writing within 10 calendar days of the written decision on the initial Credit request.
- E.** When the construction or donation of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project. For purposes of this paragraph, "subsequent phases of the original development project" means additional New Development that is



approved as part of the same regulatory development approval, (such as elements approved as part of the same conditional use master plan or planned unit development) or other portions of the same "site" (as defined by PCC 33.901.030) that are explicitly defined in the application for SDC credits as subsequent phases of the original development project. For multi-phased developments, the applicant must describe all subsequent phases at the time application is made for SDC credits and must document to the satisfaction of the SDC Administrator that the subsequent phases are integrally connected with the original development rather than independent projects.

- F. The Applicant may request that the portion of the Park SDC credit relative to the Non-Local Access portion of the SDC fee be applied to their development anywhere within the City. The proportional breakdown of Local Access portion to Non-Local Access portion is 43 percent Local Access and 57 percent Non-Local Access, as follows:

	Central City	Non-Central-City
Residential	49% Local Access 51% Non-Local Access	34% Local Access 66% Non-Local Access
Non-Residential	46% Local Access 54% Non-Local Access	0% Local Access 100% Non-Local Access

- G. Parks and Recreation SDC Credits are void and of no value if not redeemed with the City for payment of a Parks and Recreation SDC within 10 years of the date of issuance.
- H. Notwithstanding any other provisions of this section, with respect to conveyances of Real Property Interests specified in development agreements adopted before June 21, 2000, the value of the credit will be 25 percent of the appraised value of the Real Property Interest.

**17.13.080 Alternative Calculation for SDC Rate, Credit, or Exemption.**

(Amended by Ordinance No. 181669, effective January 1, 2009.)

- A. Pursuant to this section, an Applicant may request an alternative Parks and Recreation SDC rate calculation, alternative SDC Credit determination, or alternative SDC exemption, but only under the following circumstances:
  - 1. The Applicant believes that the number of persons per Dwelling Unit for residential development, or resident equivalents per 1,000 square feet for non-residential development, resulting from the New Development is, or will be, less than the number of persons per Dwelling Unit or resident equivalents per 1,000 square feet established in the SDC Methodology

Report, and for that reason, the Applicant's SDC should be lower than that calculated by the City.

2. The Applicant believes the City improperly excluded from consideration a Qualified Public Improvement that would qualify for Credit under Section 17.13.070, or the City accepted for Credit a Qualified Public Improvement, but undervalued that improvement and therefore undervalued the Credit.
3. The Applicant believes the City improperly rejected a request for an exemption under Section 17.13.060 for which the Applicant believes it is eligible.

**B. Alternative SDC Rate Request**

1. If an Applicant believes that the occupancy assumptions for the class of structures that includes New Development are inaccurate, in that, for residential development, the number of persons per Dwelling Unit is, or will be, less than the number of persons per Dwelling Unit established in the SDC Methodology Report, or for non-residential development, the number of resident equivalents per 1,000 square feet is, or will be, less than the number of resident equivalents per 1,000 square feet established in the SDC Methodology Report, the Applicant must request City consideration of an alternative SDC rate calculation, under this section, no later than the time the City completes the final inspection for the New Development. Alternative SDC rate calculations must be based on analysis of occupancy of classes of structures, not on the intended occupancy of a particular New Development. The City shall not entertain such a request filed after the City has completed the final inspection for the new Development. Upon the timely request for an alternative SDC rate calculation, the Administrator shall review the Applicant's calculations and supporting evidence and make a determination within 21 days of submittal as to whether the Applicant's request satisfies the requirements of this Section.
2. In support of the Alternative SDC Rate request, the Applicant must provide complete and detailed documentation, including verifiable dwelling occupancy data, analyzed and certified by a suitable and competent professional. The Applicant's supporting documentation must rely upon generally accepted sampling methods, sources of information, cost analysis, demographics, growth projections, and techniques of analysis as a means of supporting the proposed alternative SDC rate. The proposed Alternative SDC Rate calculation shall include an explanation with particularity why the rate established in the SDC Methodology Report does not accurately reflect the New Development's impact on the City's capital improvements.

3. The Administrator shall apply the Alternative SDC Rate if, in the Administrator's opinion, the following are found:
  - a. The evidence and assumptions underlying the Alternative SDC Rate are reasonable, correct and credible and were gathered and analyzed in compliance with generally accepted principles and methodologies consistent with this Section, and
  - b. The calculation of the proposed Alternative SDC rate was by a generally accepted methodology, and
  - c. The proposed alternative SDC rate better or more realistically reflects the actual impact of the New Development than the rate set forth in the SDC Methodology Report.
4. If, in the Administrator's opinion, all of the above criteria are not met, the Administrator shall provide to the Applicant (by Certified mail, return receipt requested) a written decision explaining the basis for rejecting the proposed alternative Parks and Recreation SDC Rate.

C. Alternative SDC Credit Request

1. If an Applicant has requested an SDC Credit pursuant to Section 17.13.070, and that request has either been denied by the City or approved but at a lower value than desired, the Applicant may request an Alternative SDC Credit calculation, under this section, no later than the time the City completes the final inspection for the New Development. The City shall not entertain such a request filed after the City has completed the final inspection for the new Development. Upon the timely request for an Alternative SDC Credit calculation, the Administrator shall review the Applicant's calculations and supporting evidence and make a determination within 21 days of submittal as to whether the Applicant's request satisfies the requirements of this Section.
2. In support of the Alternative SDC Credit request, the Applicant must provide complete and detailed documentation, including appraisals, cost analysis or other estimates of value, analyzed and certified to by an appropriate professional, for the improvements for which the Applicant is seeking Credit. The Applicant's supporting documentation must rely upon generally accepted sources of information, cost analysis, and techniques of analysis as a means of supporting the proposed Alternative SDC Credit.
3. The Administrator shall apply the Alternative SDC Credit if, in the Administrator's opinion, the following are found:
  - a. The improvement(s) for which the SDC Credit is sought are Qualified Public Improvement(s), and

- b. The evidence and assumptions underlying the Applicant's Alternative SDC Credit request are reasonable, correct, and credible and were gathered and analyzed by an appropriate competent professional in compliance with generally accepted principles and methodologies, and
  - c. The proposed Alternative SDC Credit is based on realistic, credible valuation analysis.
4. If, in the Administrator's opinion, any one or more of the above criteria is not met, the Administrator shall deny the request and provide to the Applicant (by Certified mail, return receipt requested) a written decision explaining the basis for rejecting the proposed Alternative Parks and Recreation SDC Credit proposal.

**D. Alternative SDC Exemption Request:**

- 1. If an Applicant has requested a full or partial exemption under Section 17.13.060 and that request has been denied, the Applicant may request an Alternative SDC Exemption under this Section, no later than the time the City completes the final inspection for the new Development. The City shall not entertain such a request filed after the City has completed the final inspection for the New Development. Upon the timely request for an Alternative SDC Exemption, the Administrator shall review the Applicant's request and supporting evidence and make a determination within 21 days of submittal as to whether the Applicant's request satisfies the requirements of Section 17.13.060 for exemptions.
- 2. In support of the Alternative SDC Exemption request, the Applicant must provide complete and detailed documentation demonstrating that the Applicant is entitled to one of the exemptions described in Section 17.13.060.
- 3. The Administrator shall grant the exemption if, in the Administrator's opinion, the Applicant has demonstrated with credible, relevant evidence that it meets the pertinent criteria in Section 17.13.060.
- 4. Within 21 days of the Applicant's submission of the request, the Administrator shall provide a written decision explaining the basis for rejecting or accepting the request.

**17.13.090 Payment.**

(Amended by Ordinance Nos. 173565, 181669 and 183447, effective July 1, 2010.)

- A. The Parks and Recreation SDC required by this Chapter to be paid is due upon issuance of the Building Permit. However, in lieu of payment of the full Parks

and Recreation SDC, the Applicant may elect to pay the SDC in installments as is authorized by ORS Chapter 223.208 and Chapter 17.14 of this Code. If the Applicant elects to pay the SDC in installments, a lien will be placed against the property that is subject to the SDC Deferral or Installment Agreement entered into by the Applicant and the City on a form provided by the City, and which may provide for the deferral of payments as set forth in Chapter 17.14 of this Code. In any event, the Applicant shall either pay the SDC in full or enter into an SDC Deferral or Installment Agreement as provided in this Code, before the City will issue any Building Permits.

- B. Upon written request of Portland Parks & Recreation, the City Auditor is authorized to cancel assessments of SDCs, without further Council action, where the New Development approved by the Building Permit is not constructed and the Building Permit is cancelled.
- C. For property that has been subject to a cancellation of assessment of SDCs, a new installment payment contract shall be subject to the code provisions applicable to SDCs and installment payment contracts on file on the date the new contract is received by the City.

**17.13.100 Refunds.**

(Amended by Ordinance No. 181669, effective January 1, 2009.) Refunds may be given by the Administrator upon finding that there was a clerical error in the calculation of the SDC. The City shall refund to the Applicant any SDC revenues not expended within ten (10) years of receipt. Refunds will be given, upon request by the Applicant, when a building permit application is canceled.

**17.13.110 Dedicated Account and Appropriate Use of Account.**

(Amended by Ordinance No. 181669, effective January 1, 2009.)

- A. There is created a dedicated account entitled the "Parks and Recreation SDC Account." All monies derived from the Parks and Recreation SDC shall be placed in the Parks and Recreation SDC Account. Funds in the Parks and Recreation SDC Account shall be used solely for the purpose of providing capacity-increasing capital improvements as identified in the adopted Parks and Recreation SDC-CIP as it currently exists or a hereinafter amended, and eligible administrative costs. In this regard, SDC revenues may be used for purposes which include:
  1. design and construction plan preparation;
  2. permitting;
  3. land and materials acquisition, including any costs of acquisition or condemnation;
  4. construction of parks and recreation capital improvements;

5. design and construction of new drainage facilities or streets required by the construction of parks and recreation capital improvements and structures;
  6. relocating utilities required by the construction of improvements;
  7. landscaping;
  8. construction management and inspection;
  9. surveying, soils and material testing;
  10. acquisition of capital equipment that is an intrinsic part of a facility;
  11. demolition that is part of the construction of any of the improvements on this list;
  12. payment of principal and interest, necessary reserves and costs of issuance under any bonds or other indebtedness issued by the City to provide money to construct or acquire parks and recreation facilities;
  13. direct costs of complying with the provisions of ORS 223.297 to 223.314, including the consulting, legal, and administrative costs required for developing and updating the system development charges methodologies and capital improvement plan; and the costs of collecting and accounting for system development charges expenditures.
- B.** Money on deposit in the Parks and Recreation SDC Account shall not be used for:
1. any expenditure that would be classified as a maintenance or repair expense; or
  2. costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements; or
  3. costs associated with acquisition or maintenance of rolling stock
- C.** The City may prioritize SDC-funded projects and may spend SDC revenues for growth-related projects anywhere in the City. However, during any period of twenty years, the City shall not spend less SDC revenues for local access parks within any City parks planning sub-area than the total amount of SDC revenues collected for local access parks within that sub-area.

**17.13.120 Challenges and Appeals.**

(Amended by Ordinance No. 174617, effective July 28, 2000.)

- A. Any person may challenge the expenditure of SDC revenues by filing a challenge to the expenditure with the Administrator within two years after the date of the disputed SDC revenue expenditure. The fee for filing such a challenge shall be \$100.
- B. Except where a different time for an Administrator's decision is provided in this Chapter, all Administrator decisions shall be in writing and shall be delivered to the Applicant within 21 days of an Application or other Applicant request for an Administrator determination. Delivery shall be deemed complete upon the earlier of actual delivery to the Applicant or upon deposit by the Administrator in the mail, first class postage prepaid, addressed to the address for notice Applicant has designated in the Application. Any person may appeal any decision of the Administrator made pursuant to this Chapter to the City Hearings Officer by filing a written request with the Administrator within fourteen (14) days after the delivery of the Administrator's written decision to the Applicant. The fee for appealing a decision to the Hearings Officer shall be \$250 and shall accompany the request for appeal. An outline of these appeal procedures shall be included in the Administrator's written decision.
- C. The decision of the Hearings Officer shall be reviewable solely under ORS 34.010 through 34.100.
- D. The City shall withhold all Permits and other approvals applicable to the Applicant's property of the New Development pending resolution of all appeals under this Chapter unless the SDC is paid in full or Applicant provides, for the pendency of the appeal, a financial guarantee or security for the charge in a form acceptable to the City Attorney.

**17.13.130 City Review of SDC.**

(Amended by Ordinance No. 181669, effective January 1, 2009.)

- A. No later than every five (5) years as measured from initial enactment, the City shall undertake a review to determine that sufficient money will be available to help fund the Parks and Recreation SDC-CIP identified capacity increasing facilities; to determine whether the adopted SDC rate keeps pace with inflation, whether the Parks and Recreation SDC-CIP should be modified, and to ensure that such facilities will not be over-funded by the SDC receipts.
- B. In the event that during the review referred to above, it is determined an adjustment to the SDC is necessary and consistent with state law, the City Council may propose and adopt appropriately adjusted SDCs.
- C. The City Council may from time to time amend or adopt a new SDC Methodology Report by ordinance.

**17.13.140 Time Limit on Expenditure of SDCs.**

The City shall expend SDC revenues within ten (10) years of receipt, based on the priorities in the Parks and Recreation SDC-CIP list.

**17.13.150 Implementing Regulations.**

The Director of the ~~Bureau of Parks and Recreation~~ may adopt regulations to implement the provisions of this chapter.

**17.13.160 Amendment of the Parks and Recreation SDC-CIP List.**

(Amended by Ordinance No. 181669, effective January 1, 2009.) The City Council may, by resolution, amend its Parks and recreation SDC-CIP list as set forth in the SDC Methodology Report, from time to time to add or remove projects the City deems appropriate. The Administrator may, at any time, change the timing and sequence for completion of projects included in the Parks and Recreation SDC-CIP list.

**17.13.170 Severability.**

The provisions of this Chapter are severable, and it is the intention to confer the whole or any part of the powers herein provided for. If any clause, section or provision of this Chapter shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of this Chapter shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein. It is hereby declared to be the legislative intent that this Chapter would have been adopted had such an unconstitutional provision not been included herein.