

RESOLUTION NO. 1145

A RESOLUTION REVISING AND IMPOSING A PARKS & RECREATION CAPITAL IMPROVEMENT SYSTEM DEVELOPMENT CHARGE AND REPEALING RESOLUTION NO. 844.

WHEREAS, Oregon Revised Statutes 223.297, Policy, states:

"The purpose of ORS 223.297 to 223.314 is to provide a uniform framework for the imposition of system development charges by governmental units for specified purposes and to establish that the charges may be used only for capital improvements."; and

WHEREAS, Oregon Revised Statutes 223.299 states:

"As used in ORS 223.297 to 223.314:

(2) 'Improvement fee' means a fee for costs associated with capital improvements already constructed or under construction.

(3) 'Reimbursement fee' means a fee for costs associated with capital improvements already constructed or under construction.

(4)(a) 'System development charge' means a reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement. System development charge includes that portion of a sewer or water system connection charge that is greater than the amount necessary to reimburse the governmental unit for its average cost of inspecting and installing connections with water and sewer facilities."; and

WHEREAS, the City of Wilsonville pursuant to authority set for in ORS 223.297 et. seq. has enacted Ordinance No. 386, as modified by Ordinances No. 430 and 432, which provides the overall city implementing policy and procedures for system development charges (SDCs); and

WHEREAS, it is the purpose of this Resolution to provide a uniform and

equitable methodology for imposition of systems development charges for specific park and recreation capital improvements upon those developments that create the need for or increase the demands for further capital improvements; and

WHEREAS, the October, 1994 Parks and Recreation Master Plan provides a list of capital improvements needed to support continued growth in the City of Wilsonville; and

WHEREAS, the October 1994 Parks and Recreation Master Plan list of capital improvements includes \$210,000 for acquisition of property and construction of a neighborhood park in the vicinity of Wilsonville Meadows; and

WHEREAS, all prior neighborhood parks have been acquired by the city through donations at no expense to the city; and

WHEREAS, payment for the neighborhood park in the vicinity of Wilsonville Meadows would not be equitable for property owners that have previously donated neighborhood parks to the city; and

WHEREAS, the City has provided due notice of the proposed methodology, has conducted a special public hearing for the development community to review the proposed methodology and charges and has duly noticed the public hearing of November 1, 1994, and has heard testimony and received exhibits thereat and continued the public hearing to November 24, 1994 for any further comments concerning the contents of this Resolution..

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILSONVILLE OREGON THAT:

Part 1. DETERMINATIONS & FINDINGS

1. The City Council adopts above recitals as findings and incorporates them by reference in support of this resolution.

2. The City has reviewed the Parks and Recreation Master Plan report and adopts and makes findings and conclusions therein a part of the record. The City Council hereby finds that acres per thousand population for neighborhood, community and regional parks, and square foot per thousand population for community buildings and aquatic centers and linear feet of trail per thousand population for trails are rational basis which also provide a valid proportional basis for allocating the reimbursable and improvement costs for the needed parks and recreation system capital improvements that support the residents of Wilsonville.

3. The City Council finds that payment for the land acquisition for the neighborhood park in the vicinity of Wilsonville Meadows is not equitable and hereby

reduces the Capital Improvements Plan cost for this park to \$50,000 to reflect only a contribution towards the development of the park.

4. The City Council further finds that present and projected park use is a rational basis, which also provides a valid proportional basis, for allocating the reimbursable and improvement costs for parks and recreation system capital improvements of Memorial Park that are used by the commercial and industrial businesses of the city.

5. The City Council hereby determines that the only excess parks and recreation system capacity that is available to serve additional residents and additional employees of commercial and industrial businesses is the regional park system. The City Council hereby finds that:

CALCULATION OF REIMBURSABLE COMPONENT

The net purchase price of regional parks facilities is:	\$2,776,408
The net purchase price is to be discounted by 20% to allow for debt service paid on undeveloped property and is:	(\$555,208)
The net discounted price is:	\$2,221,200
The current value of the regional parks after adjusting for inflation less the discount is:	\$3,247,380
The amount of the SDC eligible reimbursement cost equals the current discounted value times the ratio of future population increases (6,000) divided by projected build-out population, (16,500) and is:	\$1,180,866
Part of the regional parks use is allocated for commercial and industrial (C&I) use and is determined by multiplying the amount eligible for SDC reimbursement by 16% (40% of park use is scheduled and 40% of scheduled use is for city commercial and industrial businesses).	\$188,938
The current ratio of employees to developed commercial and industrial property is:	12.05
The current undeveloped commercial and industrial acreage is:	525
The additional commercial and industrial acreage will develop with the same ratio of employees to acreage as presently exists and the additional employees is 525 X 12.05 or:	6,325
The commercial and industrial reimbursable cost per employee equals the net discounted current value allocated to commercial and industrial employees (\$188,938) divided by the new employees (6,325) and is:	\$30

The value of SDC eligible reimbursable cost allocated to residents is the total discounted value (\$1,180,866) less the amount allocated to C&I (\$188,938) is:	\$991,928
The number of new residents is:	6,000
The SDC reimbursable cost per new resident is the value allocated to new residents (991,928) divided by the number of new residents (6,000) and is:	\$165

6. With regards to improvements the Council finds that:

	Neighborhood Parks	Community Parks	Regional Parks	Multi-Purpose Center Minor	Aquatics Center	Recreation Minor	Trails Major
The total cost of improvements is:	\$250,000	\$2,100,750	\$2,918,000	\$700,000	\$3,050,255	\$56,000	\$1,102,362
The unit cost is:	\$11,925	\$38,195	\$17,685	\$28	\$305	\$47	\$25
The quantity required for new development is:	7.6	45.8	60	13,854.5	3636.4	1163.6	17090.9
The amount eligible for SD funding equals the unit cost times the quantity required for new development and is:	\$90,909	\$1,750,046	\$1,061,091	\$387,907	\$1,109,184	\$54,303	\$428,135

TOTAL SYSTEM

The total amount eligible for SDC is:	\$4,939,777
That as for reimbursement SDCs, the amount allocated to commercial and industrial use is 16% of the regional park cost or:	\$169,775
That as for the reimbursement SDC, the number of new employees is:	6,325
That the improvement SDC per commercial and industrial employee is determined by dividing the amount allocated by the number of employees and is:	\$27
That the amount allocated to residential employees is the total (\$4,881,596) minus the amount for C&I (\$169,775) and is:	\$4,711,821
The SDC per resident is the amount allocated to residents (\$4,711,821) divided by the new residents (6,000) and is:	\$785
The new residents could also pay debt service on bonds that would eliminate deficiencies. A credit of 20.9% is allowed against SDCs per C&I employee or per new resident to correct this potential inequity. Credit per resident: (\$785 X 0.209)	\$168
Credit per C&I employee (\$27 X .209)	\$6

Part 2. METHODOLOGY FOR PARKS AND RECREATION SYSTEMS DEVELOPMENT CHARGES, DEFINITIONS, METHODOLOGY, PARKS

SYSTEMS DEVELOPMENT CHARGES, REPEAL OF PRIOR RESOLUTION AND VALIDITY ARE AS STATED IN SUBSEQUENT ARTICLES.

ARTICLE I
DEFINITIONS

Section 1 The definitions set forth in Ordinance No. 386 shall also apply to those terms as used in this resolution.

Section 2 Park and facility descriptions and standards to include neighborhood parks, community parks, regional parks, minor limited-use and minor multi-use recreation centers, major limited-use and multi-use recreation centers, nature trails, minor pathways, and major pathways are set forth in the Wilsonville Parks and Recreation Master Plan, adopted October 3, 1994 .

ARTICLE II
METHODOLOGY

Oregon Revised Statutes (ORS 223.297 through 223.314) allow improvement fees and reimbursement fees to be included in systems development charges, (SDC). "Improvement fee" means a fee for costs associated with capital improvements to be constructed. "Reimbursement fee" means a fee for costs associated with capital improvements already constructed or under construction.

Section 1 Improvement Fees

1. The Planning Department reviewed the Comprehensive Plan and existing land use and determined that the build-out population of the city with current and projected land uses and the existing Urban Growth Boundary will be 16,500.

2. The Planning Department estimates that the population of the city is 10,500.

3. The Community Development Department reviewed employment and land use figures and determined that there will be an additional 6,325 commercial and industrial employees at build-out.

4. Council appointed a Parks Steering Committee to develop a Parks and Recreation Master Plan. The Steering Committee adopted standards for development of Park and Recreation capital improvements. These standards are described in the Parks and Recreation Master Plan, adopted October 3, 1994. This Master Plan is hereby incorporated into this resolution by reference.

5. Staff provided cost estimates for the required capital improvements. These costs are listed in the Master Plan and total \$10,247,367. The Steering Committee project list with cost estimate was further analyzed to identify costs to serve new development. This breakdown is attached at Table No. 1. which is incorporated into this methodology.

The costs that serve new development are eligible for systems development charges and total \$4,881,596.

6. The regional parks are heavily used by Wilsonville commercial and industrial businesses. Although the commercial and industrial employees use other parks and recreation facilities, the analysis of SDCs for commercial and residential development have been limited to regional parks since records are only readily available concerning regional park use. Forty percent of regional park reservations are for commercial and industrial users from Wilsonville and forty percent of regional park use is by reservation. Calculation of the improvement component of the SDC for commercial and industrial development is as follows:

	Current Undeveloped Acres	Current Employees per Acre in developed areas	Commercial and Industrial New Employees
Industrial & Commercial	525	12.05	6,325

Cost prorated for regional parks to commercial and industrial users:

\$1,061,091 - total SDC improvement cost for regional parks (from Table 1)

X 40% - portion reserved for commercial & industrial users

X 40% - portion managed on reservation system

\$169,775

Commercial and industrial SDC improvement cost = $\$169,775 / 6,325 =$

\$27/employee

7. Calculation of the SDC for residents is as follows:

Master Plan SDC improvement cost \$4,881,596

less commercial and industrial SDC cost 169,775

Net SDC cost for residential development \$4,711,821

Divide by total new residents 6,000

SDC improvement cost per resident \$785

8. SDC for improvements before allowance for pro rata payment of debt service to correct deficiency.

Commercial	\$27/employee
Industrial	\$27/employee
Single family residential 2.5 X 785 =	\$1,962/unit
Multi-family residential 1.9 X 785 =	\$1,492/unit

1. The calculation of the capital improvements used as a basis for the reimbursement fee is as follows:

Date of Purchase	Cost	Description	Discount for Debt Service paid by undeveloped property	Net eligible for reimbursement
1969	\$198,500	61 acres - Memorial Park	20%	\$158,800
1987	\$1,079,447	43 acres - Nike Property	20%	\$863,600
1993	\$1,498,459	22 acres - Boozier/Roberts Property	20%	\$1,198,800
			Total:	<u>\$2,221,200</u>

Detailed figures on assessed valuation for earlier years are not available. It has been assumed present tax deferral for undeveloped property is presently 2.2% of total assessed valuation. Allowing for more undeveloped property in early years we assume that no more than 20% of the total assessed valuation at the times of payment for purchase of regional park land was for undeveloped property so the purchase price has been discounted 20%.

The land has not depreciated. The investment of funds in earlier years benefits new development. The current value of the reimbursable SDC component is calculated as follows:

Parcel	Cost	Date of Purchase	Change in value (6% annual growth)	Present
Original Memorial Park	\$158,800	1969	4.29	\$681,252
Nike Property	\$863,600	1987	1.50	\$1,295,400
Boozier/Roberts Property	\$1,198,800	1993	1.06	\$1,270,728
			Total	<u>\$3,247,380</u>

2. The reimbursement fee for commercial and industrial development is calculated as follows:

SDC eligible reimbursement cost =

$$\$3,247,380 \times \frac{6,000(\text{projected population growth})}{16,500 (\text{Build-out population})} = \$1,180,866$$

X% of scheduled use by commercial and industrial reservation = X 40%
 X% of use that is scheduled = X 40%
 \$188,938

Divided by number of commercial & industrial employees + 6,325
 (from Section 1).

Reimbursable SDC component
 for commercial & industrial employee \$30

3. The calculation of the reimbursable SDC component of the Parks SDC for residential development is as follows:

SDC Eligible Cost	\$1,180,866
Less Commercial & Industrial Costs	\$188,938
Net Reimbursable SDC Costs for Residential Development	\$991,928
Divided by 6,000 new residents	+ 6,000
Reimbursement SDC per individual	\$ 165

Single family = \$165/person X 2.5 people/DU = 413

Multi-family = \$165/person X 1.9 people/DU = 314

ARTICLE III
PARKS SYSTEMS DEVELOPMENT CHARGES

Section 1

1. The Parks and Recreation Systems Development Charge based upon applications of the foregoing methodologies effective December 1, 1994 shall thus be:

	Improvement	Reimbursement	SDC
Commercial	\$21	\$30	\$51
Industrial	\$21	\$30	\$51
Single-family Residential	\$1,552	\$413	\$1,965
Multi-family Residential	\$1,180	\$314	\$1,494

2. Approved Stage II projects that have not received building permits and including those projects for which completed Stage II applications have been submitted and received prior to December 1, 1994 shall have one-half (1/2) of the parks and recreation systems development charge exempted until June 1, 1995.

3. All payments received by the City under provisions of *this* resolution shall be deposited in one of the following accounts.

Parks Improvement SDC Funds shall be deposited in, or credited to, the Parks Systems Development Charge account. Use of these funds shall only be for capacity increasing capital improvements including expenditures for repayment of indebtedness as authorized by ORS 223.307.

Parks Improvement SDC Funds shall be deposited in, or credited to, the Parks Reimbursement Systems Development Charge account. Funds from this account shall only be spent on capital improvements associated with the Parks and Recreation Systems including expenditure related to repayment of indebtedness authorized by ORS 223.307.

ARTICLE IV
REPEAL OF EXISTING RESOLUTION

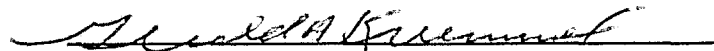
This resolution repeals and replaces Resolution No. 844, dated June 27, 1991.

ARTICLE V
STATEMENT OF VALIDITY

The invalidity of any section, clause, sentence or provision of this resolution shall not affect the validity of any other part or section of this resolution which can be given effect without such invalid part(s).

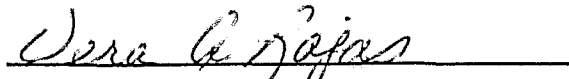
Considered by the Wilsonville City Council at a special meeting thereof the 1st day of November 1994 at which time the resolution was continued for further hearing to a regular meeting thereof on November 21, 1994.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof on the 21st day of November, 1994, and filed with the City Recorder this date.



GERALD A. KRUMMEL, Mayor

ATTEST:



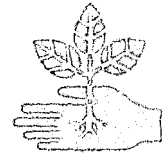
VERA A. ROJAS, CMC/AE, City Recorder

SUMMARY of Votes:

Mayor Krummel	<u>YES</u>
Councilor Lehan	<u>YES</u>
Councilor Benson	<u>YES</u>
Councilor Hawkins	<u>YES</u>
Councilor Sempert	<u>ABSENT</u>

GB-R-823-94
(Parks, Rec & OS SDC]6th Run with C&I (Adopted)

Description	Existing Quantity	New Quantity	Total Required Quantity	Required Quantity For New Development	Unit of Measure	Council Projects Cost	Council Projects Unit Cost	Note	Council Project SDC Eligibility
PARKS AND RECREATION MASTER PLAN QUANTITIES									
Neighborhood Parks									
Total	11	10.0	21.0	7.6	acres	\$250,000	\$11,905	(1)	\$90,909
Community Parks									
Total	71	55	126.0	45.8	acres	\$2,100,750	\$38,195	(2)	\$1,750,046
Regional Parks									
Total	165	0	165.0	60.0	acres	\$2,918,000	\$17,685	(1)	\$1,061,091
Multi-Purpose Center-Minor									
Total	13100	25000	38100.0	13854.5	SF	\$700,000	\$28	(2)	\$387,927
Multi-Purpose Center-Major									
Limited Purpose Center-Aquatics									
Total	0	10000	10000.0	3636.4	SF	\$3,050,255	\$305	(1)	\$1,109,184
Recreation Trails-Minor									
Total	2000	1200	3200.0	1163.6	LF	\$56,000	\$47	(2)	\$54,303
Recreation Trails-Major									
Total	200	46800	47000.0	17090.9	LF	\$1,172,362	\$25	(2)	\$428,135
GRAND TOTAL						\$10,247,367			\$4,881,596
Reduction for C&I Usage of Regional Parks									\$169,775
Adjusted SDC per Resident									\$785
Max SDC per C&I employee									\$27
Note:	(1) Cost divided by total quantity required.		(2) Cost divided by new quantity.						



City of
WILSONVILLE
in OREGON

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COMMUNITY DEVELOPMENT DEPARTMENT
MEMORANDUM

DATE: NOVEMBER 17, 1994
TO: HONORABLE MAYOR AND CITY COUNCILORS
FROM: ELDON JOHANSEN
COMMUNITY DEVELOPMENT DIRECTOR
RE: PARKS SYSTEMS DEVELOPMENT CHARGES

Council previously conducted a public hearing concerning the proposed revision of the parks systems development charges on November 1, 1994. The resolution which was distributed prior to that meeting has been changed as follows:

1. The findings have been strengthened to better reflect compliance with recent court decisions and interpretations.
2. The cost of the proposed park in the Wilsonville Meadows vicinity has been reduced, to a \$50,000 contribution for parks improvements instead of the previous costs which included land acquisition, so that the parks program for acquisition of neighborhood parks is consistent with previous neighborhood park acquisitions.
3. The assessed evaluation for the city has changed and the credits for contributions by owners of new property towards the correction of deficiencies has been changed to reflect current data.
4. One of the recommendations that was received at the public hearing was that we allow a phase-in time for the increase in systems development charges to allow time for the development community to adjust to the changes. The phase-in period has been included with a slight increase effective on December 1, 1994, and the total increase on June 1, 1995. The SDCs under the proposed phase-in schedule are as follows:

Time Period	Single-Family Residential	Multi-Family Residential	Commercial and Industrial
Now thru 11/30/94	\$640	\$640	\$0
12/1/94 - 5/31/95	\$983	\$747	\$26
6/1/95 and after	\$1,965	\$1,494	\$51

One question from the public hearing that has not been resolved is a request from Mr. Jon Hummelt to determine the procedures for obtaining reimbursement for his potential expenses in dedicating and developing a neighborhood park in a new subdivision that he is developing. Mr. Wayne Sorensen, Planning Director, has contacted Mr. Hummelt and requested that he submit his specific request in writing. It is staff's opinion that the park that Mr. Hummelt is developing will need to be added to the Parks and Recreation Master Plan before we can give credits against the parks and recreation systems development charges for any of the potential land acquisition and development costs for the park. This will be addressed as a separate action.

Eldon R. Johansen/md
Eldon R. Johansen, Community Development Director

11/17/94
Date

ej:md

cc: file