



# Park SDC Indexing Work Session

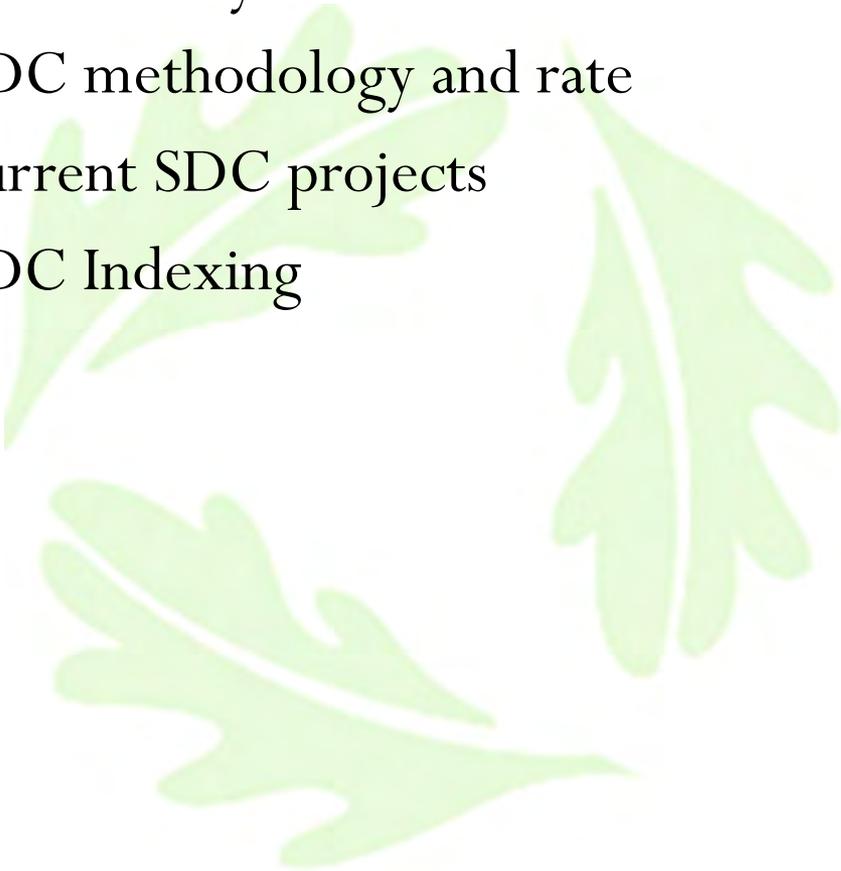
Tom Gamble, Parks & Recreation Director

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November 13, 2018

# Purpose

- Review SDC history
  - Review SDC methodology and rate
  - Review current SDC projects
  - Discuss SDC Indexing
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# SDC History

- 2002 SDC and rate:
  - Council adopted Resolution No. 2002-36.
    - Rate \$3,000.00/DU
- 2017 SDC and rate
  - Council Adopted Resolution No. 2017-56.
    - Rate \$6,010.00/DU Implemented over 3 years
      - January, 2018 \$4,000.00/DU
      - January, 2019 \$5,000.00
      - January, 2020 \$6,010.00/DU
- Current SDC fund balance:
  - \$3,200,000.00

# SDC Methodology

- SDC's are regulated by state law and must be based on a Capital Improvement Plan and a fee methodology.
- Forest Grove's SDC is based on the Capital Improvement Plan and fee methodology contained in the Master Plan, approved by Council in November, 2016

# SDC Rate Calculation

- SDC fees are charged per Developable Unit (DU)
- The forecast is 2,190 DU's within the existing Urban Growth Boundary
- The past three years have averaged approximately 110 units/year

## *Current SDC Rate Calculation*

Cost Factor	Amount
Future Park Land Costs	\$ 3,400,000
Eligible Park Improvement Costs	9,670,000
Administrative Costs	<u>92,300</u>
<b>Total Costs:</b>	<b>\$ 13,162,300</b>
Divided by DU's	<u>/ 2,190</u>
<b>SDC Rate per DU :</b>	<b>\$ 6,010</b>

# Current SDC Projects

<u>Project</u>	<u>Cost</u>
Rogers Park	\$600,000

Schematic Design RFP	\$80,000
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- AT Smith Park
- Stites Park
- Lincoln Park North End
- Aquatic Space Study
  
- Gales Creek Trail Development
  
- Property Acquisition and/or Improvements East F.G.
  - Using current construction costs, these projects are estimated to cost between \$6-9 million, depending on the scope of the project.

# Should Park SDC's be Indexed?

- ORS 223.304(8) allows jurisdictions to adjust SDC rates based on an index.
- Purpose. To protect against inflation risk. Preventing large fee increases to catch up.
- Council requested indexing be reviewed annually to ensure rates are consistent with current construction costs.



# Indexed SDC Rates

- If current SDC was indexed, what would fee be?
- Current Fee: \$4,000.00/DU
  - if indexed: \$4,175
- January 2019: \$5,000.00/DU
  - if indexed: \$5,217
- January 2020: \$6,000.00/DU
  - if indexed: \$6,260



# Options

- Option 1: Defer Indexing for one year and reconsider November, 2019.
- Option 2: Defer Indexing until the full rate is implemented and reconsider in November, 2020.
- Option 3: Index and raise the SDC from \$5,000/dwelling unit to \$5,217/dwelling unit.

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