

RESOLUTION NO. 2018-92

**RESOLUTION INDEXING PARKS SYSTEM DEVELOPMENT CHARGES (SDC)
FOR THE CITY OF FOREST GROVE IN ACCORDANCE WITH THE *ENGINEERING
NEWS-RECORD* CONSTRUCTION COST INDEX FOR SEATTLE**

WHEREAS, Ordinance No. 1990-07 requires the City Council to establish the Parks System Development Charges (SDC) by resolution; and

WHEREAS, DHC Planning performed an SDC methodology study for the City of Forest Grove in 2016, satisfying the requirements of ORS 223.297, to ensure fair and equitable capital funding is available to support capital additions; and

WHEREAS, the projected capital improvements were derived from the Parks, Recreation and Open Space Master Plan, approved by City Council in November, 2016; and

WHEREAS, the methodology study found the past SDC fees being collected were insufficient to meet future acquisitions and development needs; and

WHEREAS, ORS 223.304 (8) allows the City of Forest Grove to adjust SDC rates based on an index, to protect against inflation; and

WHEREAS, the City of Forest Grove uses the *Engineering News-Record* Construction Cost Index for Seattle to determine the indexed fee adjustment; and

WHEREAS, the City Council finds the methodology used to calculate the SDC to be fair and reasonable; and

WHEREAS, this index increase only applies to FY2019-20 and the index increases for FY2020-21 will need to be re-evaluated in November, 2019, and approved by City Council; and

WHEREAS, the City Council held a duly-noticed Public Hearing on the proposed resolution on November 26, 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That as of January 1, 2019, the FY2019-2020 Parks SDC rate of \$5,000.00/per Dwelling Unit (DU), adopted by Resolution No. 2017-56, will be indexed to \$5,217.76/per DU.

Section 2. That the City Council directs staff, prior to December 31, 2019, using the *Engineering News-Record* Construction Cost Index (Seattle) to evaluate whether to index the FY2020-2021 SDC rate of \$6010.00/per DU.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 26th day of November, 2018.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 26th day of November, 2018.



Peter B. Truax, Mayor



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CITY RECORDER USE ONLY:	
AGENDA ITEM #:	6
MEETING DATE:	11-26-18
FINAL ACTION:	Reso 2018-92

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: November 26, 2018

PROJECT TEAM: Tom Gamble, Director, Parks and Recreation
Paul Downey, Director, Administrative Services

SUBJECT TITLE: Park System Development Charge Indexing

ACTION REQUESTED:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Order	<input checked="" type="checkbox"/> X	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion	<input type="checkbox"/> Informational
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X all that apply

ISSUE STATEMENT:

ORS 223.304(8) allows municipalities to adjust System Development Charges (SDC) for parks based on an index to ensure rates are consistent with current construction costs.

Using this same index, the City Council is considering whether to index the \$5,000/per dwelling unit Parks SDC fee that goes into effect January 1, 2019, to \$5,217.76/per dwelling unit, effective the same time.

BACKGROUND: In 2017, the City Council approved in the Parks, Recreation and Open Space Master Plan. That Plan included a revised Capital Improvement Plan that estimates costs associated with future park development projects over a ten (10) year planning period.

In addition to the Master Plan, Council adopted Resolution No. 2017-56. This resolution adopted a new SDC for future expansion of the parks system. The Council elected to phase in over a three-year period the full charge which is \$6,010/per dwelling unit.

- January, 2018 \$4,000.00/per Dwelling Unit.
January, 2019 \$5,000.00/per Dwelling Unit.
January, 2020 \$6,010.00/per Dwelling Unit.

Indexing the SDC has not been done in the past. During the SDC approval process, Council considered indexing as an opportunity to protect the expansion projects from increased construction

costs. Council elected to not index the 2018 fee and asked staff to bring back the index question with each subsequent year.

FISCAL IMPACT:

The estimated revenue without indexing the SDC for FY2019-20 is approximately \$550,000. The estimated revenue with indexing the SDC for FY2019-20 is approximately \$573,953 for a difference of approximately \$23,953 in revenue if an index is not applied to FY2019-2020.

STAFF RECOMMENDATION:

The Parks and Recreation Commission approved the Parks SDC increases and approves of indexing. Staff recommends City Council consider adopting the attached resolution indexing the Parks SDC for the FY2019-2020, effective January 1, 2019.

ATTACHMENT(s):

PPT

Resolution



Park SDC Indexing

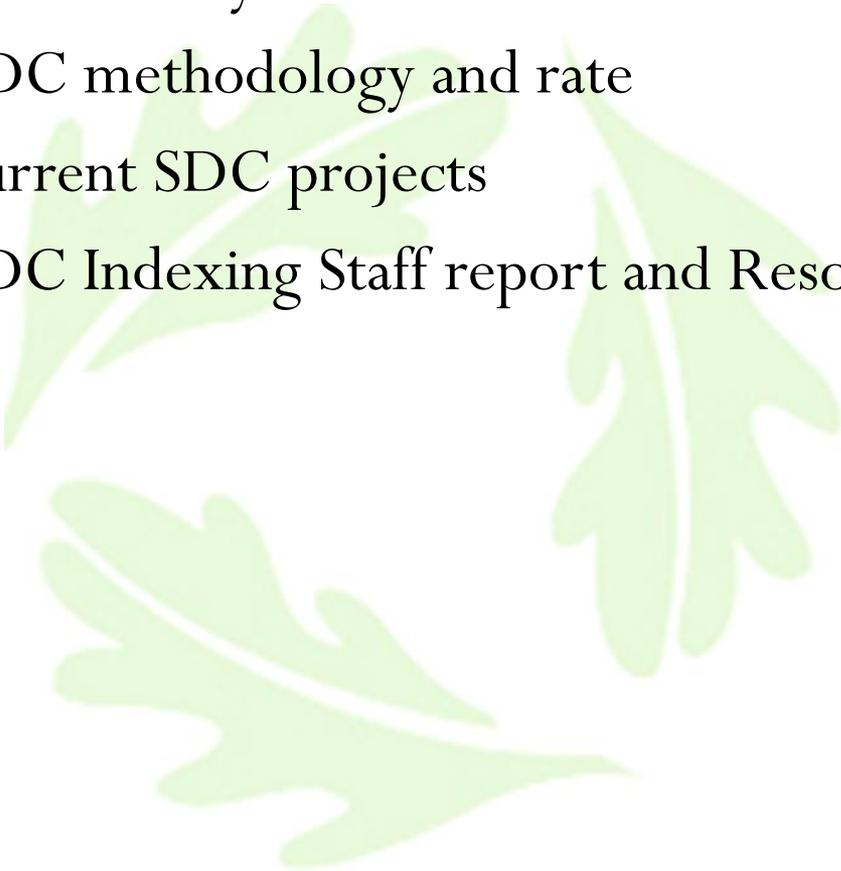
Tom Gamble, Parks & Recreation Director

Paul Downey, Administrative Services Director

Jesse VanderZanden, City Manager

November 26, 2018

Purpose

- Review SDC history
 - Review SDC methodology and rate
 - Review current SDC projects
 - Discuss SDC Indexing Staff report and Resolution
- 

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>
Total Costs:	\$ 13,162,300
Divided by DU's	<u>/ 2,190</u>
SDC Rate per DU :	\$ 6,010

Current SDC Projects

<u>Project</u>	<u>Cost</u>
Rogers Park	\$600,000
Schematic Design RFP	\$80,000
<ul style="list-style-type: none">• AT Smith Park• Stites Park• Lincoln Park North End• Aquatic Space Study	
<ul style="list-style-type: none">• Gales Creek Trail Development	
<ul style="list-style-type: none">• Property Acquisition and/or Improvements East F.G.	
<ul style="list-style-type: none"><ul style="list-style-type: none">• 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 held a work session to discuss indexing on November 13, 2018
- Council requested staff bring a resolution for consideration at the November 23, 2019 meeting.

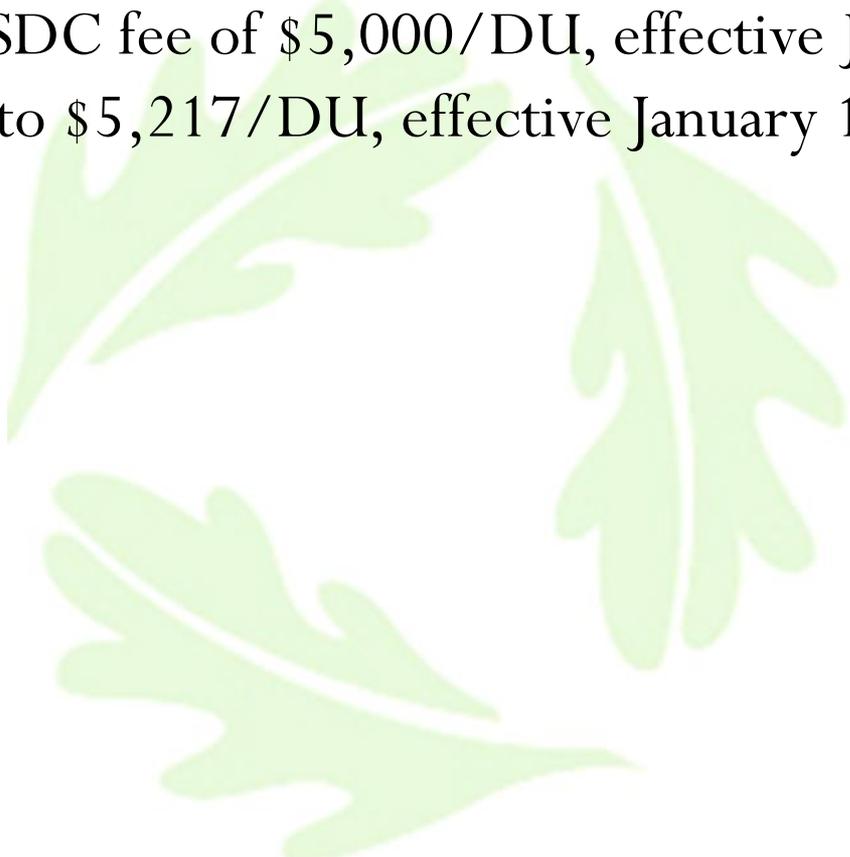


Indexed SDC Rates

- If the current SDC of \$5,000/DU was indexed, the new SDC fee for FY 2019-2020 would be \$5,217/DU as of January 1, 2019.
- The SDC fee of \$5,217 would remain in place until January 1, 2020, when the SDC fee established by Resolution 2017-56 increases to \$6010/DU.
- The Council may consider indexing the SDC fee of \$6010/DU in November, 2019.



Recommendation

- Staff recommends City Council consider indexing the Parks SDC fee of \$5,000/DU, effective January 1, 2019, to \$5,217/DU, effective January 1, 2019.
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NOTICE OF PUBLIC HEARING PROPOSED ADJUSTMENT OF PARKS SYSTEM DEVELOPMENT CHARGES FOR THE CITY OF FOREST GROVE

NOTICE IS HEREBY GIVEN, that the Forest Grove City Council will hold a **Public Hearing** on **Monday, November 26, 2018**, at **7:00 p.m.** or thereafter, in the Community Auditorium, 1915 Main Street, Forest Grove, to consider adopting a resolution that would adjusting the Parks System Development Charges in accordance with the change in the *Engineering News - Record* (ENR) Construction Cost Index (Seattle). The current SDC rate is \$5,000 per dwelling unit and the proposed indexed rate is \$5,217.76 per dwelling unit (residential use). The SDC rates, upon approval by the City Council, would be effective January 1, 2019.

This hearing is open to the public and interested parties are encouraged to attend. A copy of the staff report and proposed resolution are available for inspection prior to the hearing at the City Recorder's Office or by visiting the City's website at www.forestgrove-or.gov. Written comments or testimony may be submitted at the hearing, e-mailed to aruggles@forestgrove-or.gov, or sent to the attention of the City Recorder's Office, P. O. Box 326, 1924 Council Street, Forest Grove, OR 97116, prior to the hearing. For further information, please call the City Recorder's Office at 503.992.3235.

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**Anna D. Ruggles, CMC, City Recorder
City of Forest Grove**

Publish Notice (NewsTimes November 21, 2018)



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AFFIDAVIT OF PUBLICATION

State of Oregon, County of Washington, SS I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of the **Forest Grove News Times, Hillsboro Tribune**, a newspaper of general circulation, serving Forest Grove, Hillsboro in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

**City of Forest Grove
City Council Public Hearing November 26th
Ad#: 79817**

A copy of which is hereto annexed, was published in the entire issue of said newspaper(s) for 1 week(s) in the following issue(s):
11/21/2018

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this 11/21/2018.

[Signature]

NOTARY PUBLIC FOR OREGON

Acct #: 104052
Attn: Anna Ruggles
FOREST GROVE, CITY OF
PO BOX 326
FOREST GROVE, OR 97116

**NOTICE OF PUBLIC HEARING
PROPOSED ADJUSTMENT OF PARKS SYSTEM
DEVELOPMENT
CHARGES FOR THE CITY OF FOREST GROVE**

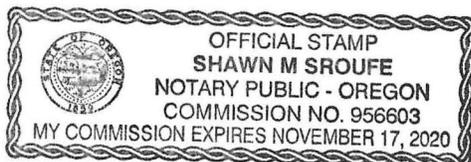
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Published 11/21/2018

FGHT79817



Date: NOVEMBER 26, 2018

Agenda Item: 6.

Subject: PUBLIC HEARING AND RESOLUTION NO. 2018-92 INDEXING PARKS SYSTEM DEVELOPMENT CHARGES (SDC) IN ACCORDANCE WITH THE ENGINEERING NEWS-RECORD CONSTRUCTION COST INDEX FOR SEATTLE

CITY COUNCIL MEETING

Request to Testify at Public Hearing

Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign-in for the Public Hearing prior to the meeting. The Mayor or presiding officer will review the complete hearing instructions prior to testimony. The Mayor or presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Mayor and Council, please move to the witness table (center front of the room). Each person should speak clearly into the microphone and must state their first and last name and provided a mailing address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the Mayor or presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

Please sign-in below to testify.

PROPONENTS: *(Please print legibly)*

First & Last Name:

Address:

City, State & Zip Code:

OPPONENTS: *(Please print legibly)*

First & Last Name:

Address:

City, State & Zip Code:

OTHERS: *(Please print legibly)*

First & Last Name:

Address:

City, State & Zip Code:

Please continue on Page 2: