



## DISTRICT ADVISORY COMMITTEE

### MEETING AGENDA

**Date:** December 6, 2021

**Time:** 5:30-6:30 p.m.

**Location:** Zoom (virtually):

<https://clackamascounty.zoom.us/j/87391416448?pwd=anVFVUVZdzg3RTV2QWx1QldaVjhhQT09>

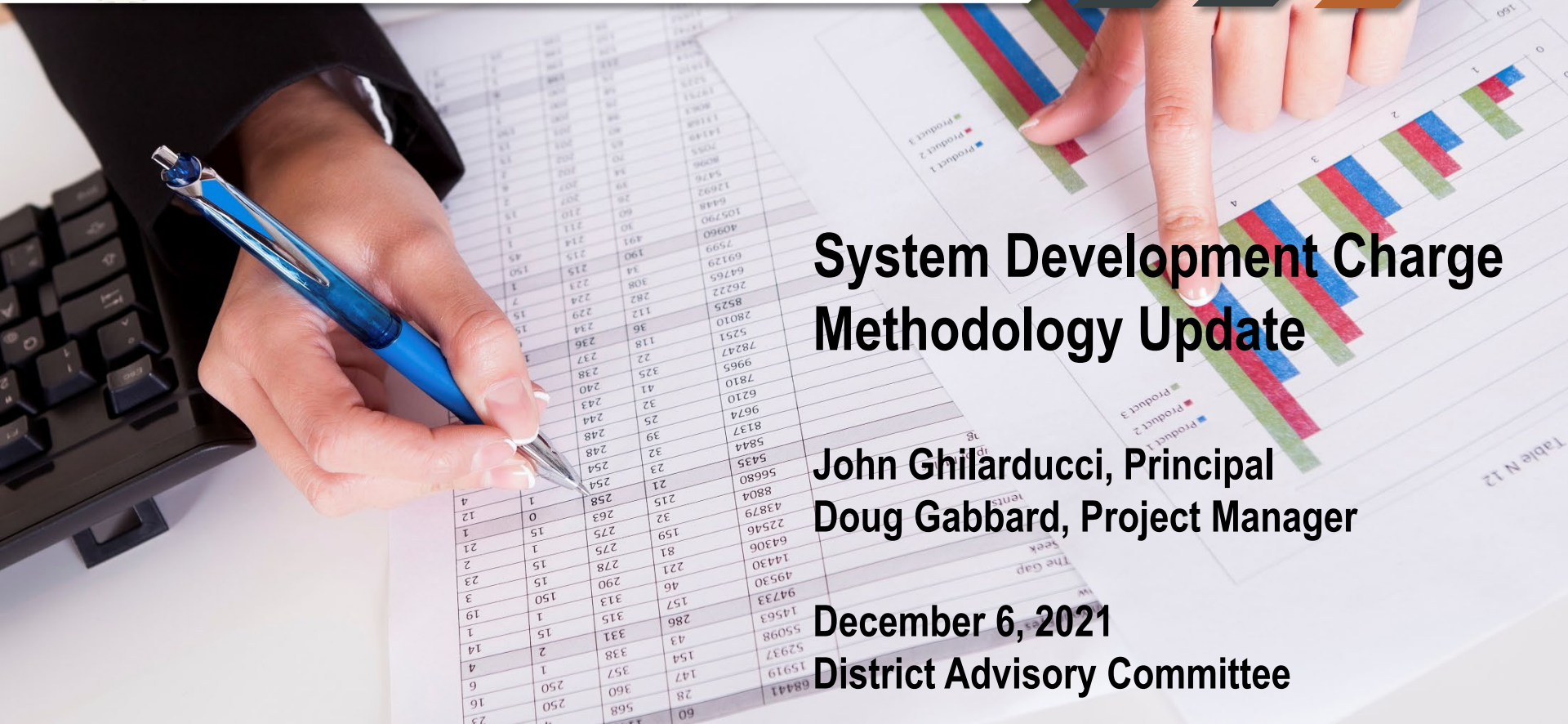
Or by telephone +1 253 215 8782 or +1 346 248 7799 (Webinar ID: 873 9141 6448 Passcode: 609417)

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- I. **Call to Order**
- II. **Discussion Agenda** – (Community members wishing to speak on specific agenda items during public comment - please indicate in “the Zoom chat” which agenda item(s))
  - a. System Development Charges Methodology Update: Presentation and Q&A (FCS Group – Doug Gabbard & John Guillarducci)
- III. **Public Comment**
- IV. **Future Dates**
  - a. Next Regular DAC Meeting: Wednesday December 8, 2021
- V. **Adjournment**



# North Clackamas Parks & Recreation District



## System Development Charge Methodology Update

John Ghilarducci, Principal  
Doug Gabbard, Project Manager

December 6, 2021  
District Advisory Committee



# Key Characteristics of SDCs

- SDCs are one-time charges, not ongoing rates. Paid at the time of development by developers.
- SDCs are available for water, wastewater, stormwater, transportation, and parks.
- SDCs are for capital projects only, in both their calculation and in their use.
- SDCs include both existing and future (planned) infrastructure cost components.
- SDCs represent a share of the entire system, not just nearby facilities.



# Legal Framework for SDCs

**ORS 223.297 - 314, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”**





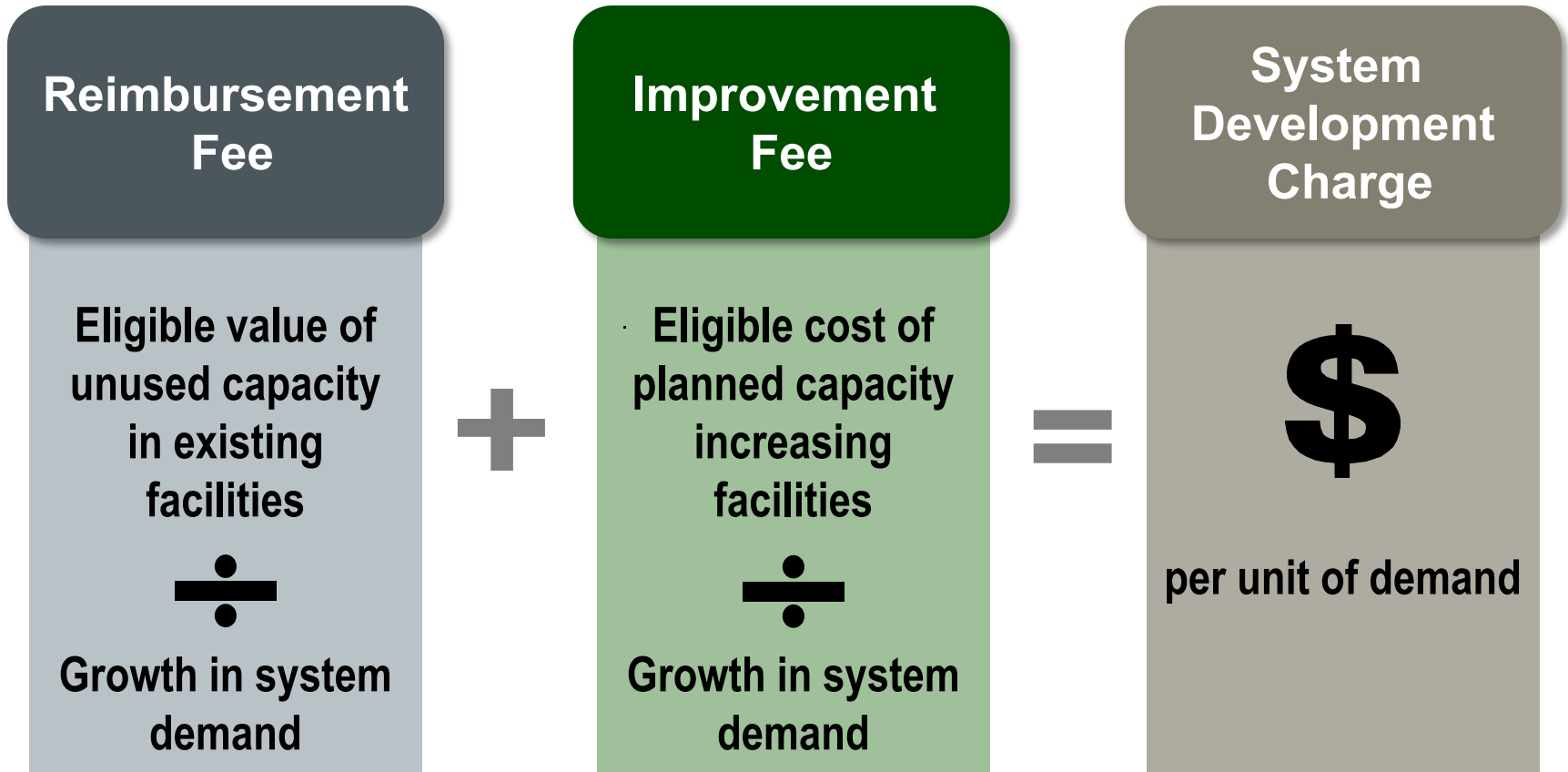
# Legal Framework for SDCs

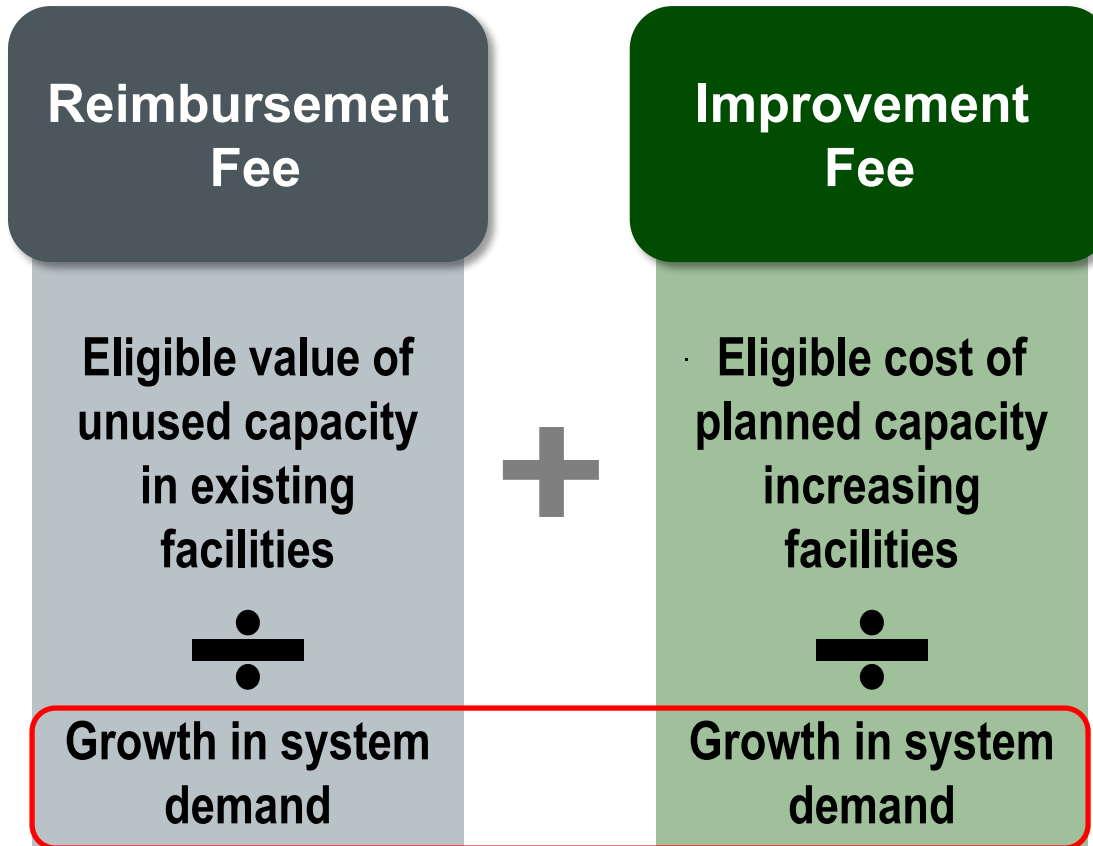
## Relevant Sections of the Oregon Revised Statutes

- 223.297 Policy
- 223.299 Definitions for ORS 223.297 to 223.314
- 223.301 Certain system development charges and methodologies prohibited
- 223.302 System development charges; use of revenues; review procedures
- 223.304 Determination of amount of system development charges; methodology; credit allowed against charge; limitation of action contesting methodology for imposing charge; notification request
- 223.307 Authorized expenditure of system development charges
- 223.309 Preparation of plan for capital improvements financed by system development charges; modification
- 223.311 Deposit of system development charge revenues; annual accounting
- 223.313 Application of ORS 223.297 to 223.314
- 223.314 Establishment or modification of system development charge not a land use decision

Statutes at: [https://www.oregonlegislature.gov/bills\\_laws/ors/ors223.html](https://www.oregonlegislature.gov/bills_laws/ors/ors223.html)

# The SDC Calculation





- **Determine units.**
  - Number of residents or residential equivalents is a common unit for parks SDCs
- **Determine current customer base.**
  - Resident population
  - Employment
- **Project customer base into future.**
  - Master plan or other forecast
  - Consistency with project list
- **Future – current = growth**



# Reimbursement Fee Cost Basis

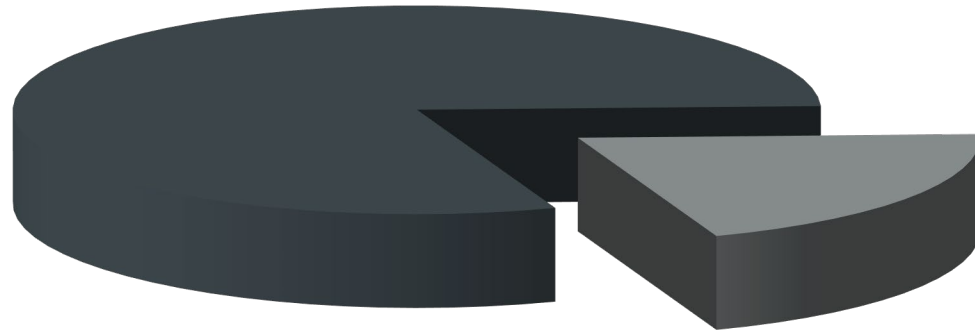
**Reimbursement  
Fee**

**Eligible value of  
unused capacity  
in existing  
facilities**



**Growth in system  
demand**

Capacity Serving Existing Users



Available for Future Users





# Reimbursement Fee

- **Does the current system capacity exceed the current demand?**
  - Answer is mathematical, not observational.
  - Current system includes construction in process.
- **Determine original cost of facilities (or portion of facilities) that exceed demand.**
- **Reduce cost basis to avoid over-reimbursement.**
  - Principal of outstanding debt
  - Grant-funded assets
- **Divide by growth to determine reimbursement fee per unit of growth.**
- **The payoff: flexibility in spending reimbursement fees**



# Improvement Fee Cost Basis

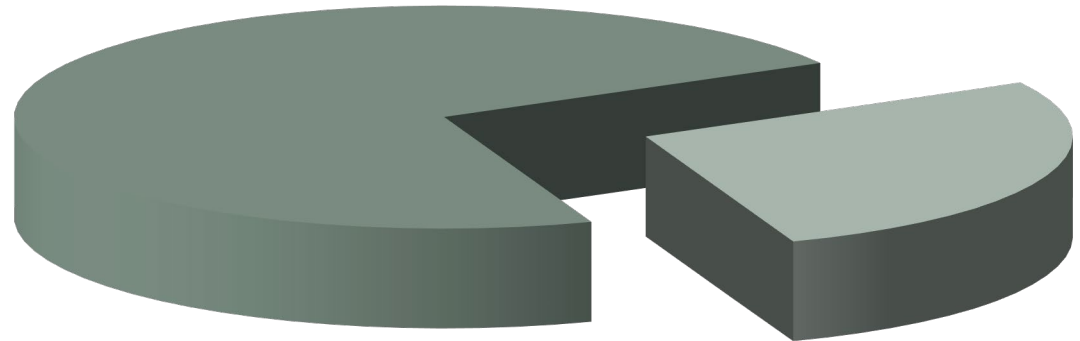
**Improvement  
Fee**

**Eligible cost of  
planned capacity  
increasing  
facilities**



**Growth in system  
demand**

Portions of Projects to Serve Existing Users



Portions of Projects to Serve Future Users

# Improvement Fee

- **Determine total project costs to your agency.**
  - Do not include costs borne by another agency.
  - Maintain consistency with growth.
- **Determine improvement fee eligibility.**
  - Portion of project's capacity that will be used by new users of the asset during planning period.
  - Improvement fee eligibility is lowered if deficiency exists.
  - Usually calculated by category.
- **Divide by growth to determine improvement fee per unit of growth.**

*EXAMPLE ONLY*



*Improvement fee eligible costs in green.*



## **SDC Credits**

**Credits against the improvement fee must be provided for the construction of a capital improvement, which is:**

- ◆ **Required as a condition of development.**
- ◆ **Identified in an adopted capital facilities plan.**
- ◆ **Is either off-site or, if on-site, is required to provide more capacity than needed by the development in question.**



# 2017-18 SDC Study Summary

- **Central question was whether / how to make geographical distinctions in new SDCs.**
- **Developed two policy issue papers. Options included:**
  - Some version of area-specific charges in place at the time
  - A Uniform SDC charge
  - A Hybrid area-specific and uniform charges
- **SDC Steering Committee reached unanimous consensus that SDCs should be charged uniformly throughout the District and that revenues should be available to fund projects in all parts of the District**
- **Milwaukie City Council passed a resolution to support uniform SDCs (elimination of zones)**



# 2017-18 SDC Study Summary

- This table was shown to the Milwaukie City Council on April 17, 2018:

Development Types by LoS	Number of Residential Equivalents	Uniform SDC
<b>Realized LoS</b>		
Per Resident (Single-Room Occupancy)	1.00	\$2,098
Per Employee	0.05	\$113
Single Family Detached per Unit	2.64	\$5,536
Single Family Attached per Unit	2.35	\$4,928
Multifamily per Unit	1.89	\$3,956
Accessory Dwelling Unit	1.45	\$3,043

**Underlying calculations are no longer valid.**



## Current SDCs

	Zone 1 (City of Milwaukie)	Zone 2 (West of I- 205)	Zone 3 (East of I- 205)
Single Family	\$3,985	\$6,760	\$6,075
Multi Family	\$3,608	\$5,842	\$5,290
Non-residential (per employee)	\$60	\$60	\$60

**Thank you!**  
**Questions?**

[www.fcsgroup.com](http://www.fcsgroup.com)