

*File*  
*Repealed / Sec 593*  
*6-7-95*

IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of An Ordinance	)	
Providing for the Imposition of	)	
System Development Charges for	)	
Parks and Recreation Capital	)	
Facilities; and Authorizing and	)	ORDINANCE No. 573
Establishing Procedures for	)	
Receipt and Expenditure of	)	
Such Charges; Declaring an Emer-	)	
gency; Effective June 13, 1994.	)	

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON ("the Board") sat for the transaction of county business in special session on June 8, 1994, commissioners Dennis L. Goecks, Ted Lopuszynski and Debi Owens being present.

THE BOARD MAKES THE FOLLOWING FINDINGS:

- A. Future growth should contribute its fair share to the cost of improvements and additions to County parks and recreation facilities that are required to accommodate the needs of such growth.
- B. The imposition of system development charges will provide a source of revenue to fund the construction or improvement of the County's parks and recreation facilities necessitated by growth.
- C. ORS 223.297 to 223.314 authorizes local governments to impose system development charges under certain circumstances. System development charges are charges incurred upon the decision to develop property at a specific use, density and/or intensity, and the incurred charge equals, or is less than the actual cost of providing public facilities commensurate with the needs of the chosen use, density, and/or intensity. Decisions regarding uses, densities, and/or intensities cause direct and proportional changes in the amount of the incurred charge.
- D. System development charges are separate from and in addition to any applicable tax assessment, charge, fee in lieu of assessment, or other fee provided by law or imposed as a condition of development.
- E. System development charges are fees for services because they are based upon a development's receipt of services considering the specific nature of the development.

94-352

F. System development charges are imposed on the activity of development, not on the land, owner, or property, and therefore, are not taxes 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 the legislation implementing that section.

G. This Ordinance is intended only to be a financing mechanism for needed extra capacity capital facilities associated with new development and does not represent the consideration of land use planning issues, funding for maintenance of existing facilities, or elimination of any possible existing capacity deficiencies; NOW, THEREFORE,

**THE YAMHILL COUNTY BOARD OF COMMISSIONERS ORDAINS AS FOLLOWS:**

**Section 1. POLICY, PURPOSE AND TITLE**

1.1 POLICY. The Board recognizes that ORS 223.297 to 223.314 authorizes local governments to impose system development charges on new development for the purpose of providing a source of funding for certain capital facilities, including parks and recreation facilities, which will serve needs created by such development.

The Board further recognizes that if system development charges are not imposed on future development, a burden will be placed on current residents of the County who will be faced with the choice of either paying increased taxes and/or other fees in order to provide the additional parks and recreation facilities required to serve future development, or experiencing reduced levels of service at such facilities as a result of overcrowding.

Pursuant to the provisions of ORS 223.297 to 223.314, the Board finds it necessary to impose system development charges on new development for the purpose of providing a source of funding for parks and recreation capital facilities to serve new development.

1.2 PURPOSE. ORS 223.304 requires that system development charges must be established by ordinance or resolution. The ordinance or resolution must set forth a methodology that considers the cost of projected capital improvements needed to increase the capacity of facilities to meet the needs of future development and it must provide for a credit against the system development charge for the construction of a "qualified public improvement". This ordinance is enacted to comply with these requirements and to:

- (1) Identify exemptions from the system development charge,
- (2) Provide for appeals and review hearings,

- (3) Provide for a periodic review of the system development charge methodology and rates,
- (4) Establish a trust account,
- (5) Outline authorized and prohibited uses of system development charge revenues,
- (6) Provide for an annual accounting report, and
- (7) Establish a procedure for challenging expenditures of system development charge revenues.

1.3 TITLE. This ordinance may be cited as the "Yamhill County Parks and Recreation System Development Charge Ordinance".

## Section 2. RULES OF CONSTRUCTION AND DEFINITIONS

2.1 RULES OF CONSTRUCTION. For the purposes of administration and enforcement of this ordinance, unless otherwise stated in this ordinance, the following rules of construction shall apply:

(1) In case of any difference of meaning or implication between the text of this ordinance and any caption, illustration, summary table, or illustrative table, the text shall control.

(2) The word "shall" is always mandatory and not discretionary; the word "may" is permissive.

(3) Words used in the present tense shall include the future; words used in the singular shall include the plural and the plural the singular, unless the context clearly indicates the contrary; and use of the masculine gender shall include the feminine gender.

(4) The phrase "used for" includes "arranged for", "designed for", "maintained for", or "occupied for".

(5) Unless the context clearly indicates the contrary, where a regulation involves two or more items, conditions, provisions, or events connected by the conjunction "and", "or" or "either...or", the conjunction shall be interpreted as follows:

(a) "And" indicates that all the connected terms, conditions, provisions or events shall apply.

(b) "Or" indicates that the connected items, conditions, or provisions or events may apply singly or in any combination.

(c) "Either...or" indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.

(6) 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.

2.2 DEFINITIONS. As used in this ordinance, the terms defined in this section shall have the defined meanings unless the context requires otherwise. The following definitions apply:

(1) "Applicant" shall mean the owner or other person who applies for a building permit or development permit within Yamhill County.

(2) "Building" shall mean any structure, either temporary or permanent, built for the support, shelter or enclosure of persons, chattels or property of any kind. This term shall include tents, trailers, mobile homes or any vehicles serving in any way the function of a building. This term shall not include temporary construction sheds or trailers erected to assist in construction and maintained during the term of a building permit.

(3) "Building Permit" shall mean an official document or certificate authorizing the construction or siting of any building. For purposes of this Ordinance, the term "Building Permit" shall also include any construction, installation or placement permit which may be required for those structures or buildings, such as a mobile home, that serve as dwelling units but do not require a building permit in order to be occupied.

(4) "Capital Improvements" shall mean public facilities or assets used for parks and recreation purposes.

(5) "Citizen or Other Interested Person" shall mean any person who is a legal resident of the Yamhill County as evidenced by registration as a voter in the County, or by other proof of residency; or a person who owns, occupies, or otherwise has an interest in real property which is located within the County or is otherwise subject to the imposition of system development charges, as outlined in Section 3 of this ordinance.

(6) "County" shall mean Yamhill County, Oregon.

(7) "Credit" shall mean the amount of money by which the parks and recreation system development charge for a specific development may be reduced because of construction of eligible capital facilities as outlined in this ordinance.

(8) "Development" shall mean a building or other land construction, or making a change in the use of a structure or land, in a manner which increases the usage of any capital improvements or which will contribute to the need for additional or enlarged capital improvements.

(9) "Dwelling Unit" shall mean a building or a portion of a building designed for residential occupancy, consisting of one or more rooms which are arranged, designed or used as living quarters for one family only.

(10) "Encumbered" shall mean monies committed by contract or purchase order in a manner that obligates the County to expend the encumbered amount upon delivery of goods, the rendering of services, or the conveyance of real property provided by a vendor, supplier, contractor or Owner.

(11) "Improvement Fee" shall mean a fee for costs associated with capital improvements to be constructed after the effective date of this ordinance. Notwithstanding anything in this ordinance to the contrary, it is an incurred charge or cost based upon the use of or the availability for use of the systems and capital improvements required to provide services and facilities necessary to meet the routine obligations of the use and ownership of property, and to provide for the public health and safety upon development.

(12) "Owner" shall mean the person holding legal title to the real property upon which development is to occur.

(13) "Person" shall mean an individual, a corporation, a partnership, an incorporated association, or any other similar entity.

(14) "Qualified Public Improvement" shall mean a capital improvement that is:

(a) Required as a condition of development approval;

(b) Identified in the capital improvement plan adopted pursuant to Section 4.4; and

(c) (i) Not located on or contiguous to property that is the subject of development approval, or

(ii) Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

(15) "System Development Charge" shall mean an improvement fee assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit or building permit. System development charges are separate from and in addition to any applicable tax, assessment, fee in lieu of assessment, or other fee or charge provided by law or imposed as a condition of development. In this ordinance, "SDC" refers to the system development charge.

(16) "Yamhill County Parks and Recreation System Development Charge Methodology Report" shall mean the report adopted pursuant to Section 3.2, as amended and supplemented pursuant to Section 3.8.

### Section 3. IMPOSITION OF SYSTEM DEVELOPMENT CHARGES

3.1 DEVELOPMENT SUBJECT TO CHARGES. System development charges are imposed on all new residential development within the unincorporated area of Yamhill County and for the change in use, alteration, expansion or replacement of a dwelling unit if such change in use, alteration, expansion or replacement results in an increase in the number of dwelling units compared to the present use of the development. The system development charges shall be paid in addition to all other fees, charges and assessments due for development, and are intended to provide funds only for parks and recreation capital improvements necessitated by new development.

#### 3.2 RATES OF CHARGES; OFFSET.

(1) The County hereby adopts and incorporates by reference the report attached as Exhibit "A" to this ordinance entitled "Yamhill County Parks and Recreation System Development Charges Methodology Report", dated March 9, 1994. Exhibit "A" is expressly made a part of this ordinance by reference.

(2) Based on the methodology report attached as Exhibit "A", the County hereby adopts a system development charge at the following rates for the following types of dwelling units:

<u>Type of Dwelling Unit</u>	<u>System Development Charge Per Unit</u>
Single Family.....	\$403.68
Multi-Family (for each unit).....	\$294.58
Mobile Home.....	\$338.22

(3) Upon request by the applicant made prior to issuance of the building permit, any system development charge imposed by this ordinance shall be reduced by the amount previously paid as a fee to the Park Trust Fund under Section 9.020 of the Yamhill County Land Division Ordinance, No. 205, as amended by Ordinances 427 and 529, that was attributable to the parcel

for which the applicant's building permit or development permit has been issued.

3.3 PAYMENT OF CHARGES. Except as may be provided elsewhere in this ordinance, applicants for building permits within Yamhill County shall pay the applicable system development charges prior to the issuance of the permit.

3.4 EXEMPTIONS. The following development shall be exempt from payment of the parks and recreation system development charges:

(1) Non-residential development.

(2) Alterations, expansion or replacement of an existing dwelling unit where no additional dwelling units are created.

(3) The construction of accessory buildings or structures which will not create additional dwelling units and which do not create additional demands on the County's capital improvements.

(4) Development with vested rights, determined as follows:

(a) Any owner of land which was the subject of a building permit or development permit issued prior to the effective date of this ordinance may petition the County for a vested rights determination which would exempt the landowner from the provisions of this ordinance for the property subject to the permit. Such petition shall be evaluated by the County Counsel and a decision made by the Board of County Commissioners based on the following criteria:

(i) The existence of a valid, unexpired permit issued by the County authorizing the specific development for which a determination is sought;

(ii) Substantial expenditures or obligations made or incurred in reliance upon the authorizing governmental act;

(iii) Other factors that demonstrate it is highly inequitable to deny the owner the opportunity to complete the previously approved development under the conditions of approval by requiring the owner to comply with the requirements of this ordinance. For the purposes of this paragraph, the following factors shall be considered in determining whether it is inequitable to deny the owner the opportunity to complete the previously approved development:

(A) Whether the injury suffered by the owner outweighs the public cost of allowing the development to go forward without payment of the system development charges required by this ordinance; and

(B) Whether the expenses or obligations for the development were made or incurred prior to the effective date of this Ordinance.

3.5 CREDITS. The County shall grant a credit against the system development charges imposed pursuant to Sections 3.1 and 3.2 for the donation or construction of qualified public improvements.

(1) A qualified public improvement is land or a capital facility which is:

(a) Required as a condition of development approval;

(b) Identified in the capital improvement plan adopted pursuant to Section 4.4; and

(c) (i) Not located on or contiguous to property that is the subject of development approval, or

(ii) Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

(2) Prior to issuance of a building permit or development permit, the applicant shall submit to the Director of Planning and Development a proposed plan and estimate of cost for contributions of qualified public improvements. The proposed plan and estimate shall include:

(a) a designation of the development for which the proposed plan is being submitted;

(b) a legal description of any land proposed to be donated and a written appraisal prepared in conformity with Section 3.6(3)(a);

(c) a list of the contemplated capital improvements contained within the plan;

(d) an estimate of proposed construction costs certified by a professional architect or engineer; and

(e) a proposed time schedule for completion of the proposed plan.

(3) The credit provided for construction of a qualified public improvement shall be only for the cost of that portion of such improvement that exceeds the minimum standard facility size or capacity needed to serve the particular development project or property. The applicant shall have the burden of

demonstrating that a particular improvement qualifies for credit. The amount of credit to be applied shall be determined according to the following standards of valuation:

(a) The value of donated lands shall be based upon a written appraisal of fair market value by a qualified and professional appraiser based upon comparable sales of similar property between unrelated parties in a bargaining transaction; and

(b) The cost of anticipated construction of qualified public improvements shall be based upon cost estimates certified by a professional architect or engineer.

(4) If a donation or construction of a qualified public improvement gives rise to a credit amount greater than the amount of the parks and recreation SDC that would otherwise be levied against the project receiving development approval, the excess credit may be applied against parks and recreation SDC's that accrue in subsequent phases of the original development project. Any excess credit must be used not later than ten years from the date the credit is given.

(5) The decision of the Director of Planning and Development as to whether to accept the proposed plan of contribution and the value of such contribution shall be in writing and issued within fifteen (15) working days of the review. A copy shall be provided to the applicant.

(6) Any applicant who submits a proposed plan pursuant to this Section and desires the immediate issuance of a building permit or development permit, shall pay the applicable system development charges. Said payment shall be deemed paid under "protest" and shall not be construed as a waiver of any review rights. Any difference between the amount paid and the amount due, as determined by the Director of Planning and Development, shall be refunded to the applicant. In no event shall a refund by County under this subsection exceed the amount originally paid by the applicant.

### 3.6 APPEALS AND REVIEW HEARINGS.

(1) An applicant who is required to pay a system development charge shall have the right to request a hearing to review the denial of either of the following:

(a) A petition for vested rights pursuant to Section 3.5(5), or

(b) A proposed credit for contribution of qualified public improvements pursuant to Section 3.6.

(2) Such hearing shall be requested by the applicant within thirty (30) days of the date of first receipt of the denial. Failure to request a hearing within the time provided shall be deemed a waiver of such right.

(3) The request for hearing shall be filed with the Board and shall contain the following:

(a) The name and address of the applicant;

(b) The legal description of the property in question;

(c) If issued, the date the building permit or development permit was issued;

(d) A brief description of the nature of the development being undertaken pursuant to the building permit or development permit;

(e) If paid, the date the system development charges were paid; and

(f) A statement of the reasons why the applicant is requesting the hearing.

(4) Upon receipt of such request, the County shall schedule a hearing before the Board at a regularly scheduled meeting or a special meeting called for the purpose of conducting the hearing and shall provide the applicant written notice of the time and place of the hearing. Such hearing shall be held within forty-five (45) days of the date the request for hearing was filed.

(5) Such hearing before the Board shall be conducted in a manner designed to obtain all information and evidence relevant to the requested hearing. Formal rules of civil procedures and evidence shall not be applicable; however, the hearing shall be conducted in a fair and impartial manner with each party having an opportunity to be heard and to present information and evidence.

(6) Any applicant who requests a hearing pursuant to this Section and desires the immediate issuance of a building permit or development permit shall pay prior to or at the time the request for hearing is filed the applicable system development charges pursuant to Section 3.2. Said payment shall be deemed paid under "protest" and shall not be construed as a waiver of any review rights.

(7) An applicant may request a hearing under this Section without paying the applicable system development charges, but no building permit or development permit shall be issued until

such system development charges are paid in the amount initially calculated or the amount approved upon completion of the review provided in this Section.

3.7 REVIEW. This ordinance and the Yamhill County Parks and Recreation System Development Charge Methodology Report shall be reviewed at least once every four years. The review shall consider new estimates of population and other socioeconomic data, changes in the cost of construction and land acquisition, and adjustments to the assumptions, conclusions or findings set forth in the report adopted by Section 3.2. The purpose of this review is to evaluate and revise, if necessary, the rates of the system development charges to assure that they do not exceed the reasonably anticipated costs of the County's capital improvements. In the event the review of the ordinance or the report alters or changes the assumptions, conclusions and findings of the report, or alters or changes the amount of system development charges, the report adopted by reference in Section 3.2 shall be amended and updated to reflect the assumptions, conclusions and findings of such reviews and Section 3.2 shall be amended to adopt by reference such updated reports.

#### Section 4. RECEIPT AND EXPENDITURE OF SYSTEM DEVELOPMENT CHARGES

4.1 TRUST ACCOUNT. The County hereby establishes a separate trust account in a fund to be designated as the "Parks and Recreation SDC Account", and which shall be maintained separate and apart from all other accounts of the County. All parks and recreation system development charge payments shall be deposited into this fund immediately upon receipt.

4.2 USE OF SYSTEM DEVELOPMENT CHARGES. The monies deposited into the trust account shall be used solely for the purpose of providing capital improvements necessitated by development, including, but not limited to:

- (1) design and construction plan preparation;
- (2) permitting and fees;
- (3) land and materials acquisition, including any costs of acquisition or condemnation;
- (4) construction of improvements and structures;
- (5) design and construction of new drainage facilities required by the construction of capital improvements and structures;
- (6) relocating utilities required by the construction of improvements and structures;

- (7) landscaping;
- (8) construction management and inspection;
- (9) surveying, soils and material testing;
- (10) acquisition of capital equipment;
- (11) repayment of monies transferred or borrowed from any budgetary fund of the County which were used to fund any of the capital improvements as herein provided;
- (12) payment of principal and interest, necessary reserves and costs of issuance under any bonds or other indebtedness issued by the County to fund capital improvements;
- (13) direct costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charges methodologies, providing an annual accounting of system development charges expenditures or preparing a capital improvement plan.
- (14) administrative costs associated with collection of system development charge revenues.
- (15) any other costs directly attributable to the provision of capital improvements necessitated by development.

4.3 PROHIBITED USES OF SYSTEM DEVELOPMENT CHARGES. Funds on deposit in system development charge trust accounts shall not be used for:

- (1) any expenditure that would be classified as a routine 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.

4.4 AUTHORIZED CAPITAL IMPROVEMENTS.

(1) Any capital improvement being funded wholly or in part with system development charges revenue shall be included in the County's capital improvement program. The capital improvement program shall:

(a) list the specific capital improvement projects that may be funded with system development charges revenues;

(b) provide the cost of each capital improvement project; and

(c) provide the estimated timing of each capital improvement project.

(2) The capital improvement program in effect at the time of the adoption of this ordinance is attached to this ordinance as the Exhibit "B" entitled "Yamhill County Parks and Recreation Captital Improvement Plan (1994-1997)." The capital improvement plan may be amended from time to time by Board Order without the amendment of this ordinance. Any amendment of the capital improvment program shall be consistent with the requirements of this ordinance.

4.5 INVESTMENT OF TRUST ACCOUNT REVENUES. Any funds on deposit in the system development charges trust account which are not immediately necessary for expenditure shall be invested by the County as deemed appropriate by the county treasurer. All income derived from such investments shall be deposited in the system development charges trust account and used as provided herein.

4.6 REFUNDS OF SYSTEM DEVELOPMENT CHARGES. System development charges shall be refunded in accordance with the following requirements:

(1) An applicant or owner shall be eligible to apply for a refund if:

(a) The building permit or development permit has expired and the development authorized by such permit has not been substantially completed; or

(b) The system development charges have not been expended or encumbered prior to the end of the fiscal year immediately following the tenth anniversary of the date upon which such charges were paid. For the purposes of this Section, system development charges collected shall be deemed to be expended or encumbered on the basis of the first system development charges in shall be the first system development charges out.

(2) The application for refund shall be filed with the Director of Planning and Development and contain the following:

(a) The name and address of the applicant;

(b) The location of the property which was the subject of the system development charges;

(c) A notarized sworn statement that the petitioner is the then current owner of the property on behalf of which the system development charges were paid, including proof of

ownership, such as a certified copy of the latest recorded deed;

(d) The date the system development charges were paid;

(e) A copy of the receipt of payment for the system development charges; and, if appropriate,

(f) The date the building permit or development permit was issued and the date of expiration.

(3) The application shall be filed within ninety (90) days of the expiration of the building permit or development permit or within ninety (90) days of the end of the fiscal year following the tenth anniversary of the date upon which the system development charges were paid. Failure to timely apply for a refund of the system development charges shall waive any right to a refund.

(4) Within thirty (30) days from the date of receipt of a petition for refund, the County will advise the petitioner of the status of the request for refund, and if such request is valid, the system development charges shall be returned to the petitioner.

(5) A building permit or development permit which is subsequently issued for a development on the same property which was the subject of a refund shall pay the systems development charges as required by Section 3 of this ordinance.

4.7 ANNUAL ACCOUNTING REPORT. The County shall prepare an annual report accounting for system development charges, including the total amount of system development charges revenue collected, and the capital improvement projects that were funded.

4.8 CHALLENGE OF EXPENDITURES. Any citizen or other interested person may challenge an expenditure of system development charges revenues.

(1) Such challenge shall be submitted, in writing, to the Director of Planning and Development for review within two years following the subject expenditure, and shall include the following information:

(a) The name and address of the citizen or other interested person challenging the expenditure;

(b) The amount of the expenditure, the project, payee or purpose, and the approximate date on which it was made; and

(c) The reason why the expenditure is being challenged.

(2) If the County determines that the expenditure was not made in accordance with the provisions of this ordinance and other relevant laws, a reimbursement of system development charges trust account revenues from other revenue sources shall be made within one year following the determination that the expenditures were not appropriate.

(3) The County shall make written notification of the results of the expenditure review to the citizen or other interested person who requested the review within ten (10) days of completion of the review.

**Section 5. SEVERABILITY**

5.1 If any clause, section or provision of this ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said ordinance shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

**Section 6. EFFECTIVE DATE**

6.1 This ordinance, being necessary for the health, safety and welfare of the citizens of Yamhill County and an emergency having been declared to exist, shall become effective on June 13, 1994.

DONE at McMinnville, Oregon this 8th day of June, 1994.

ATTEST



CHARLES STERN  
County Clerk

YAMHILL COUNTY BOARD OF COMMISSIONERS

Dennis L. Goecks  
Chairman DENNIS L. GOECKS

By: Jayne Mitchell  
Deputy WYNIE MITCHELL

Ted Lopuszynski  
Commissioner TED LOPUSZYNSKI

FORM APPROVED BY:

John M. Gray, Jr.  
JOHN M. GRAY, JR.  
Yamhill County Counsel

Debi Owens  
Commissioner DEBI OWENS

**YAMHILL COUNTY**  
**PARKS AND RECREATION**  
**System Development Charge Methodology Report**

(Revised Draft as of  
March 9, 1994)

Don  
Ganer &  
Associates

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**YAMHILL COUNTY**  
**PARKS AND RECREATION**  
**System Development Charge Methodology Report**

**1.0 BACKGROUND**

System Development Charges are fees charged to new development to help pay a portion of the costs associated with building capital facilities to meet the needs created by growth. While SDC's have been in use in Oregon since the mid-1970's, state legislation regarding SDC's was not adopted until 1989, when the Oregon Systems Development Act (ORS 223.297 - 223.314) was passed. The purpose of the SDC Act was to "...provide a uniform framework for the imposition of system development charges...". In 1993, SB 122 was passed to include additional statutory provisions. Together, these pieces of legislation require local governments and special districts to:

1. Enact SDC's by ordinance or resolution.
2. Develop a methodology outlining how the SDC's were developed.
3. Maintain a list of and notify persons who have made a written request for notification prior to adoption or amendment of an SDC methodology.
4. Adopt a capital improvement program to designate capital improvements that can be funded with SDC revenues.
5. Provide credit against the amount of the SDC for the construction of certain "qualified public improvements".
6. Separately account for and report receipt and expenditure of SDC revenues.
7. Use SDC revenues only for capital expenditures (operations and maintenance expenditures from SDC's are prohibited).
8. Adopt procedures for public challenges of expenditures for a period of two years after an expenditure occurs.

In August, 1993, Yamhill County engaged Don Ganer & Associates to develop an SDC for parks and recreation capital improvements. This report presents the methodology used to develop the SDC, and documents the calculation of SDC rates.

## 2.0 METHODOLOGY

The methodology section of this report presents the rationale for how the SDC rates were developed. In particular, this section of the report:

- A. Discusses and presents the methodology approach used to develop the SDC,
- B. Explains the difference between "reimbursement fee" and "improvement fee" SDC's.
- C. Analyzes credits,
- D. Establishes the rational nexus of benefit for the SDC, and
- E. Summarizes census data regarding persons per dwelling unit.

### *A. SDC Methodology Approach*

There are two basic approaches used in developing SDC's: (A) Capital Projects-Driven and (B) Level of Service (LOS)-Driven. Capital Projects-Driven SDC's are based on a specific list of planned capital improvements, and the amount of the SDC is determined by allocating a portion of the cost of the planned improvements (the "fair share" that can be attributed to growth) among the projected developments that will be paying SDC's. Capital Projects-Driven SDC's work best when individual public facilities can be allocated between current and future users on the basis of objective data. If such data is not available, this approach is not appropriate because allocation of the cost of improvements between current and future residents becomes arbitrary and subject to dispute.

Level of Service (LOS)-Driven SDC's work best when individual public facilities cannot be allocated between current and future users on the basis of objective data, and instead are provided on the basis of a level of service. The amount of the SDC is determined by multiplying the current LOS for each facility by the estimated cost per unit of facility. SDC's cannot be used to pay for eliminating deficiencies in the current LOS, or for providing a higher LOS than that which currently exists unless either (1) an alternative non-SDC revenue source is available to pay for eliminating existing deficiencies, or (2) the primary recipients of the higher LOS will be future residents..

Yamhill County's current parks and recreation facilities are primarily regional in nature, and serve both current and new residents in the County. Planned capital improvements are also regional in nature and do not lend themselves to allocation between current and future residents. Therefore, the Parks and Recreation SDC was developed using the LOS-Driven approach.

To develop a LOS-Driven SDC, the current LOS (i.e., acres of land per capita, number of boat ramps per capita, etc.) is multiplied by the current cost of the land or facility to arrive at a cost per capita. The cost per capita is then multiplied by the average number of persons that occupy residential single-family, multi-family, and mobile home dwelling units, resulting in the cost by type of dwelling unit. The cost by type of dwelling unit represents the investment that will be required in the future in order to maintain the current level of service.

Table 2.1 (page 4) displays: (1) the current quantities of each major facility component (2) these quantities expressed as units per capita, and (3) the current cost of each component. The table also specifies which of these facilities are located at the fairgrounds (a special-use parks and recreation facility), and which are located elsewhere within the County's parks and recreation system . The quantities of park land and recreation facilities are based on an inventory of existing facilities. Costs are based on construction costs, where available, or on research of costs of similar facilities.

**TABLE 2.1**  
**CURRENT LEVELS OF SERVICE (LOS) AND COSTS**

<u>Component (unit of measure)</u>	<u>Current Quantity</u>	<sup>1</sup> <u>Current LOS Per Capita</u>	<u>Cost Per Unit of Facility</u>
<b>FAIRGROUNDS</b>			
<sup>2</sup> Land & Infrastructure (acre)	36.60	0.00053	\$34,369.98
Playground Equip (each)	2.00	0.00003	\$1,000.00
Flush Restroom (each)	2.00	0.00003	\$65,000.00
Maintenance Shop (sq. ft.)	1,728.00	0.02437	\$55.00
Enclosed Arena/Bldg (sq. ft.)	44,056.00	0.62138	\$55.00
Caretaker Res (ea)	1.00	0.00001	\$40,000.00
Bleachers (ea. seat)	4,000.00	0.05642	\$20.00
Show Barn (sq.ft.)	22,060.00	0.31114	\$25.00
Outdoor Arena/sheds/stalls (sq. ft.)	56,140.00	0.79172	\$15.00
Greenhouse (sq. ft.)	3,000.00	0.04231	\$10.00
Stage (sq. ft.)	400.00	0.00564	\$25.00
Commercial Kitchen (sq. ft.)	600.00	0.00846	\$95.00
Sprinkler System (sq. ft.)	600.00	0.00846	\$15.00
RV Space w/hook-ups	30.00	0.00042	\$135.00
RV Space w/out hook-ups	25.00	0.00035	\$45.00
<b>OTHER PARKS FACILITIES</b>			
<sup>2</sup> Land & Infrastructure (acre)	91.73	0.00129	\$34,369.98
Playground Equip (each)	10.00	0.00014	\$1,000.00
Flush Restroom (each)	1.00	0.00001	\$65,000.00
Maintenance Shop (sq. ft.)	1,000.00	0.01410	\$55.00
Storage Shed (sq.ft.)	1,428.00	0.02014	\$20.00
Picnic Stall w/table & grill/stove (each)	11.00	0.00016	\$650.00
Picnic Shelter (each)	2.00	0.00003	\$10,000.00
Picnic Table (each)	98.00	0.00138	\$180.00
Camp Stove (each)	29.00	0.00041	\$200.00
Horseshoe Court (each)	4.00	0.00006	\$100.00
Handicap Pit RR (each)	1.00	0.00001	\$8,500.00
Recreational Lake (acre ft.)	20.00	0.00028	\$6,000.00
Boat Ramp (lane)	5.00	0.00007	\$18,900.00
Floats (sq. ft.)	2,366.00	0.03337	\$24.00

<sup>1</sup> The Current Level of Service per capita was calculated by dividing the current quantity of each component by the estimated population of the County (70,900) for 1993.

<sup>2</sup> Land & Infrastructure is a composite which includes existing land and basic amenities such as water lines and/or wells/pumps, irrigation, electricity, gravel and/or paved roadways, parking, access/foot bridges, fences, drinking fountains, and signage.

The Level of Service Standard per capita is equal to the level of dollars of investment per capita. Dollar standards are used because they are easy to understand and they allow for direct comparison of facilities that are otherwise difficult to compare.

Using dollars to measure the standard also permits flexibility in determining the precise mix of facilities that the County builds to meet the needs of its residents. If the standard were the number of facilities, the County would be obliged to build each facility, even if residents indicate a preference for a different facility. By using dollars as the standard, the County can exchange one type of facility for another (i.e. build 2 horseshoe courts instead of installing 1 camp stove) as long as the total investment per capita attains the required level of dollars per capita. A standard measured in dollars requires the County to make an equitable investment per capita, and it avoids the problem of building unwanted facilities.

*B. "Reimbursement fee" and "Improvement fee" SDC's*

The Oregon Systems Development Act provides for the imposition of two types of SDC's: (1) "reimbursement" fees, and (2) "improvement" fees. Reimbursement fee SDC's may be charged for the costs, including carrying costs, associated with capital improvements which are already constructed or are under construction, and may be charged if "excess" capacity is available to accommodate growth. "Improvement" fees may be charged for new capital improvements that will increase capacity available for new development, and may not be used for the construction of administrative office facilities that are more than an incidental part of other capital improvements.

The LOS-Driven approach used in developing the Yamhill County Parks and Recreation SDC considers the current level of service to be the minimum standard for future development; therefore, no excess capacity exists on which to base a "reimbursement fee" SDC. The SDC is an "improvement fee" only and does not include a "reimbursement fee" component.

### *C. Credits*

In the 1993 legislative session, SB 122 was passed to modify the statutory requirements regarding SDC credits. A credit is a reduction in the amount of the SDC which a development is required to pay. A credit must be allowed for the construction of a "qualified public improvement", or for the payment of taxes or other monies that will be used to build capacity-increasing public facilities.

A "qualified public improvement" is a capital 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 in whole or in part on or contiguous to property the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (i.e., parks and recreation, etc.), and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity (LOS standard) needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDC's that accrue in subsequent phases of the original development project.

In addition to the required credits, the County 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. Any provisions for credits which exceed those required by statute are completely at the discretion of the County, but they must be applied uniformly to all development.

The County must also give credit to new development for future taxes or other monies development will pay that will be used for expansion of the County's parks system in order to maintain the current level of service. Because the County does not have a plan in place for funding new parks and recreation capital facilities using tax revenues, and because the proposed SDC is an "improvement fee" only, there are no expected future payments for which the County is required to provide credit.

#### *D. Nexus of Benefit*

The "rational nexus of benefit" principle requires a reasonable connection (1) between the need for new parks and recreation facilities and growth from SDC-paying development, and (2) between the expenditure of SDC revenues and the benefits received by SDC-paying development. SDC revenues must be expended within a "reasonable" period of time (usually interpreted to mean within 10 years, maximum) in order for any benefits from new capital facilities to be considered timely.

At the time the County implements the Parks and Recreation SDC, the County will also adopt a Parks and Recreation Capital Improvements Plan (CIP) which includes planned capacity-increasing improvements to parks and recreation facilities in Yamhill County. Because the SDC is an "improvement fee" and includes no reimbursement component, the CIP provides the nexus of benefit between the SDC-paying development and the benefit to be received.

All of the County's existing parks and recreation facilities are considered to be regional facilities designed to serve all residents of the County. SDC revenues will be used to expand existing regional facilities and to add new regional facilities in order to meet the capacity needs created by growth.

The County's parks and recreation system is used, for the most part, by individuals and groups rather than businesses or other non-residential land uses, therefore the SDC for parks and recreation facilities is charged only to residential development.

*E Persons per Dwelling Unit*

The SDC is based on capital costs per capita and is charged based on the number of persons per dwelling unit. Dwelling units typically house different numbers of persons depending on the type of unit (i.e., single family, multi-family, etc.). To determine the appropriate number of persons per dwelling unit, census data maintained by the Center for Population Research and Census at Portland State University was analyzed, and the resulting calculations are displayed in Table 2.2.

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TABLE 2.2

AVERAGE PERSONS PER DWELLING UNIT IN YAMHILL COUNTY

<u>Type of Unit</u>	<u>1990 Census Avg. Persons Per Dwelling Unit</u>
Single-Family	2.96
Multi-Family	2.16
Mobile Home	2.48

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3.0 CALCULATION OF PARKS AND RECREATION FACILITIES SDC

Yamhill County's Parks and Recreation SDC is calculated using formulas which:

- a) determine the facilities cost per capita of park land and each type of facility,
- b) calculate the legal compliance cost per capita,
- c) convert the costs per capita to a cost per dwelling unit, and
- d) calculate the SDC rates for various types of dwelling units

*A. Formula 1: Facilities Cost per Capita*

The cost per capita for each type of park land or facility is determined by multiplying the current quantity of facility per capita by the current cost per facility:

$$\begin{array}{rcccl} 1. & \text{Current Quantity} & \times & \text{Current Cost} & = & \text{Facilities Cost} \\ & \text{Per Capita} & & \text{Per Facility} & & \text{Per Capita} \end{array}$$

Table 3.1 presents the calculation of costs for individual park land and recreation facilities, and the total facilities cost per capita, based on current levels of service.

**TABLE 3.1**  
**FACILITIES COST PER CAPITA**

<u>Component (unit of measure)</u>	<u>Current LOS Per Capita</u>	<u>Current Cost Per Facility</u>	<u>Facilities Cost Per Capita</u>
<b>FAIRGROUNDS</b>			
Land & Infrastructure (acre)	0.00053	\$34,369.98	\$17.74
Playground Equip (each)	0.00003	\$1,000.00	\$0.03
Flush Restroom (each)	0.00003	\$65,000.00	\$1.83
Maintenance Shop (sq. ft.)	0.02437	\$55.00	\$1.34
Enclosed Arena/Bldg (sq. ft.)	0.62138	\$55.00	\$34.18
Caretaker Res (ea)	0.00001	\$40,000.00	\$0.56
Bleachers (ea. seat)	0.05642	\$20.00	\$1.13
Show Barn (sq.ft.)	0.31114	\$25.00	\$7.78
Outdoor Arena/sheds/stalls (sq. ft.)	0.79172	\$15.00	\$11.88
Greenhouse (sq. ft.)	0.04231	\$10.00	\$0.42
Stage (sq. ft.)	0.00564	\$25.00	\$0.14
Commercial Kitchen (sq. ft.)	0.00846	\$95.00	\$0.80
Sprinkler System (sq. ft.)	0.00846	\$15.00	\$0.13
RV Space w/hook-ups	0.00042	\$135.00	\$0.06
RV Space w/out hook-ups	0.00035	\$45.00	\$0.02
Sub-Total (Fairgrounds):			\$78.04
<b>OTHER PARKS FACILITIES</b>			
Land & Infrastructure (acre)	0.00129	\$34,369.98	\$44.47
Playground Equip (each)	0.00014	\$1,000.00	\$0.14
Flush Restroom (each)	0.00001	\$65,000.00	\$0.92
Maintenance Shop (sq. ft.)	0.01410	\$55.00	\$0.78
Storage Shed (sq.ft.)	0.02014	\$20.00	\$0.40
Picnic Stall w/table & grill/stove (each)	0.00016	\$650.00	\$0.10
Picnic Shelter (each)	0.00003	\$10,000.00	\$0.28
Picnic Table (each)	0.00138	\$180.00	\$0.25
Camp Stove (each)	0.00041	\$200.00	\$0.08
Horseshoe Court (each)	0.00006	\$100.00	\$0.01
Handicap Pit RR (each)	0.00001	\$8,500.00	\$0.12
Recreational Lake (acre ft.)	0.00028	\$6,000.00	\$1.69
Boat Ramp (lane)	0.00007	\$18,900.00	\$1.33
Floats (sq. ft.)	0.03337	\$24.00	\$0.80
Sub-Total (Other Parks Facilities):			\$51.37
<b>Total Facilities Cost Per Capita:</b>			<b>\$129.41</b>

*B. Formula 2: Compliance Cost per Capita*

ORS 223.307(5) allows the County to recoup the direct costs of complying with Oregon law in the determination of SDC's. Recoupable costs include consulting, engineering, and legal fees as well as the cost of accounting for revenues and expenditures. The compliance cost per capita is determined by dividing the total of the compliance costs by the estimated level of population increase:

$$2. \quad \begin{array}{r} \text{Total Compliance} \\ \text{Cost} \end{array} + \begin{array}{r} \text{Population} \\ \text{Increase} \end{array} = \begin{array}{r} \text{Compliance Cost} \\ \text{Per Capita} \end{array}$$

Table 3.2 presents the calculation of the compliance cost per capita based on recoupment of these costs over a period of two years.

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TABLE 3.2

COMPLIANCE COST PER CAPITA

<u>Estimated Total Compliance Cost</u>	+	<sup>1</sup> <u>Estimated Population Increase</u>	=	<u>Compliance Cost Per Capita</u>
\$25,000	+	3,589	=	\$6.97

<sup>1</sup>The estimated increase in population was calculated based on an annual growth rate of 2.5% during each of the next two years.

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*C. Formula 3: Standard Cost per Capita*

The Standard Cost per Capita represents the equivalent amount of investment required of each new resident in order to maintain the current level of service and pay compliance costs. The calculation is completed by adding the facilities cost per capita (from Table 3.1) and the compliance cost per capita (from Table 3.2).

$$3. \quad \begin{array}{l} \text{Facilities Cost} \\ \text{Per Capita} \end{array} + \begin{array}{l} \text{Compliance Cost} \\ \text{Per Capita} \end{array} = \begin{array}{l} \text{Standard Cost} \\ \text{Per Capita} \end{array}$$

The results of this calculation are displayed in Table 3.3.

TABLE 3.3

STANDARD COST PER CAPITA

<u>Facilities Cost</u> <u>Per Capita</u>	+	<u>Compliance Cost</u> <u>Per Capita</u>	=	<u>Standard Cost</u> <u>Per Capita</u>
\$129.41	+	\$6.97	=	\$136.38

*D. Formula 4: SDC Per Dwelling Unit*

The amount of the SDC for each type of dwelling unit is calculated by multiplying the average number of persons per dwelling unit (from Table 2.2) by the Standard Cost Per Capita (from Table 3.3). The results of these calculations are displayed in Table 3.4:

TABLE 3.4

SDC BY TYPE OF DWELLING UNIT

<u>Type of Dwelling Unit</u>	<u>Average</u> <u>Persons Per</u> <u>Dwelling Unit</u>	X	<u>Standard</u> <u>Cost</u> <u>Per Capita</u>	=	<u>SDC Per</u> <u>Dwelling Unit</u>
Single-Family:	2.96		\$ 136.38		\$ 403.68
Multi-Family:	2.16		\$ 136.38		\$ 294.58
Mobile Home:	2.48		\$ 136.38		\$ 338.22

(DRAFT)

**YAMHILL COUNTY**  
**PARKS AND RECREATION**

**Capital Improvement Plan**  
**(1994-1997)**

When the County adopts a System Development Charge (SDC), ORS 223.309 requires the preparation of a plan which lists the capital improvements that may be funded with SDC revenues. This plan must include the estimated cost and timing for each improvement, and it may be modified at any time. SDC revenues may only be used for capacity-increasing improvements, and they may not be used for operations, repair, or maintenance purposes.

The following projects have been identified by County staff as the initial improvements for which SDC revenues may be used.

	<u>Project description</u>	<u>Year(s)</u>	<u>Estimated Cost</u>
1.	Install H/A Pit Restroom at Deer Creek Park	1994-95	\$8,500
2.	Install Flush Restroom at Lafayette Locks Park	1994-95	\$65,000
3.	Expand Sprinkler System at Delashmutt Arena	1994-97	\$70,000
4.	Construct Fairgrounds Pole Building	1995	\$35,000
5.	Install H/A Flush Restroom at Fairgrounds (Delashmutt Arena)	1995	\$65,000
6.	Install Flush Restroom at Stewart Grenfel Park	1995-96	\$65,000
7.	Install Flush Restroom at Ed Grenfel Park	1995-96	\$65,000
8.	Install H/A Pit Restroom at Deer Creek Park	1995-96	\$8,500

9. Install Covered Walkways at Fairgrounds	1996	\$10,000
10. Install Gazebo at entertainment area at Fairgrounds	1996	\$10,000
11. Install H/A Pit Restroom at Dayton Boat Ramp	1996-97	\$8,500
12. Install H/A Pit Restroom at Menefee Park	1996-97	\$8,500
13. Expand Paved Parking at Fairgrounds	1997	\$600,000
14. Construct Multi-Purpose Building at Fairgrounds	1997	\$750,000
15. Install Flush Restroom at Fairgrounds (RV area)	1997	\$65,000
16. Construct Covered Stock Pens at Fairgrounds	1997	\$4,000
17. Construct additional Show Barns (2) at Fairgrounds	1997	\$250,000