



Park System Development Charge (SDC) Frequently Asked Questions

Q: What are SDCs?

A: *SDC stands for System Development Charge. SDCs are one-time fees assessed on new development to cover a portion of the costs of providing certain types of public capital facilities to address impact created by new development. Oregon law provides for establishment of SDC fees for transportation, water, wastewater (sewer), stormwater, and parks and recreation facilities.*

Q: What is the Portland Parks and Recreation SDC?

A: *The Portland Parks and Recreation SDCs cover a portion of the cost to provide for parks and recreation facilities that are needed to serve new development in Portland. If you receive a building permit from the City of Portland for certain types of new development, you are assessed a Parks SDC fee.*

Q: Why is Portland Parks and Recreation updating its Parks SDC?

A: *There are several reasons we review and update park SDCs every 5 years. Primarily we need to determine that sufficient money will be available to help fund the Park SDC Capital Improvement Plan and that such facilities will not be over-funded by the SDC receipts. To accomplish this, we need to review our park level of service, update the costs of acquiring and developing parks facilities, confirm population and employment growth projections, and review the latest information about number of persons per dwelling unit. Prior to this update, specific issues have arisen concerning the rates for college dormitories and multi-family housing. You will be reviewing these topics during your Taskforce meetings.*

Q: Do other local communities have similar fees?

A: *The Portland Metro area cities of Canby, Durham, Gresham, Hillsboro, Lake Oswego, Oregon City, Sherwood, Tigard, and Wilsonville; and the Tualatin Hills Park and Recreation District (PRD) have implemented parks SDCs for new development within their boundaries.*

Q: How are parks and recreation facilities now funded in the City of Portland?

A: *Portland Parks and Recreation facilities are funded primarily from five sources: 1) SDCs on new residential and commercial development; 2) proceeds from voter-approved general obligation bonds; 3) limited urban renewal tax increment funds; 4) limited City general fund contributions; and 5) grants, donations and other sources.*

Q: What types of facilities will Parks SDCs fund?

A: *Portland Parks and Recreation has a 20-year plan to build more capacity into the park system. SDC revenues will be used to further the goals of this plan and help provide new parks and facilities to meet the growth needs throughout the City. During the life of the SDC program, the City plans to acquire new land for neighborhood and*

community parks, trails, and habitat, and to help fund development of neighborhood and community parks and trails.

Q: When and how are SDC fees paid?

A: *The Parks SDC is assessed after a building permit application is submitted and is due upon building permit issuance. There are three options for payment:*

- 1. Pay the fee in full when the permit is issued in the Permit Center.*
- 2. Defer payment of the fee from six to eighteen months, with interest, from the date the permit is issued. The length of the deferral is based upon the project valuation and building permit type.*
- 3. Finance the fee in monthly installments, with interest, over a period of 5, 10, or 20 years.*

Q: Are exemptions and credits available?

A: *Yes. Certain types of affordable housing are exempt from paying the SDC through a program under the Portland Housing Bureau. A credit that will reduce or eliminate the SDC fee is also available for builders who convey property or facilities to Portland Parks and Recreation. Credits are available for qualified public improvements, such as property for community parks, neighborhood parks, trails, or natural areas. Proposed public improvements are reviewed for compliance with Portland Parks and Recreation goals and standards set out in Portland Parks and Recreation SDC ordinance and Portland City Code.*

Q: What will be the process for considering updates to the Parks SDC?

A: *First, Commissioner Nick Fish and Parks Director Mike Abbaté have appointed a Taskforce to assist Parks in updating its Parks System Development Charges. These Taskforce members, representing a broad spectrum of stakeholders, will meet 3-4 times throughout the process of the update. They are charged with studying thoroughly the proposed modifications to the Parks SDC and making recommendations to the Parks Board and the Portland City Council for a Parks SDC update. In addition, the public is welcome to visit Park's website where draft documents and summaries of Taskforce meetings will be available for review and comment. Parks will also conduct open houses, and the City Council will conduct public hearings during consideration of the proposed updates to the Parks SDC.*

Q: How will Portland pay for maintaining these new parks?

A: *Funding for maintenance of Portland's parks and recreation facilities currently comes from the City of Portland's general fund revenues. It's anticipated that this will continue to be the primary source for funding operations and maintenance of the City's parks system.*

Q: What are the economic benefits of parks?

A: *Communities are learning that open space conservation is not an expense, but an investment that produces economic benefits. Studies have found that some of the benefits of parks and open space include attracting investment, revitalizing cities, sustaining quality of life, boosting tourism, and safeguarding the environment.*

- **Parks attract economic investment.** Parks attract investment by creating a high quality of life attractive to tax-paying businesses and residents to*

communities. One study found that corporate CEOs cited employee quality of life as the third most important factor in locating a new business.

- **Parks revitalize cities.** Urban parks, gardens and recreational open space stimulate commercial growth and promote inner-city revitalization.
- **Parks help sustain a city's quality of life.** Preserving open space helps communities grow smart, preventing the higher costs of unplanned development. Access to parks and open spaces has become a measure of community wealth. Parks and open spaces have become a tool for attracting businesses and residents by guaranteeing quality of life and economic health.
- **Parks boost tourism.** Parks and open space boost local economies by attracting tourists and supporting outdoor recreation. Parks, rivers, scenic lands, wildlife areas, and open space help to support the \$502 billion tourism industry in the U.S. Because tourists cite natural beauty and quality of view to be the most important criteria in selecting a destination, many communities are striving to protect scenic views and to protect trees and historic buildings.
- **Parks and open space safeguard the environment.** Conserving open space often is the least expensive way to safeguard drinking water, clean the air and achieve other environmental goals. One acre of wetland is estimated to generate \$150,000 to \$200,000 in economic benefits. Forested lands control erosion, help clean the air and absorb carbon monoxide and other harmful greenhouse gasses. Wetlands serve as wildlife habitat, absorb storm and flood water, and reduce pollutant and sediment loads in watershed runoff. Preservation of natural areas helps mitigate the impact of development on the environment.

Q: Where can the SDC money be spent?

A: SDC money can be spent only on capital improvements that increase the capacity of parks and recreation in order to offset the impact of new development, such as buying land or building new facilities.

Q: Can SDC money be used to fund operations and maintenance of parks and recreation facilities?

A: No. SDC money can be used to buy land and construct facilities for parks, but SDCs cannot be used to operate and maintain parks.