



# PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

## Portland Parks and Recreation Park System Development Charge Update Taskforce

### Meeting Summary – July 9, 2013

(for Taskforce members who did not attend the June 13 meeting)

#### Attending:

##### Taskforce Members

Bev Bookin, Community Member at Large  
Aubré Dickson, Community Member at Large  
Nolan Lienhart, Community Member at Large  
Jill Sherman, Developer at Large  
Keith Skille, Development Review Advisory Board  
Jim Owens, Portland Parks Board  
Justin Wood, Home Builders Association of Metropolitan Portland

##### City Staff:

Warren Jimenez, Assistant Park Director  
Jeff Shafer, Park Finance Manager  
Riley Whitcomb, Park SDC Program Manager

##### Consulting Team:

Randy Young, Henderson, Young & Company  
Shannon Roth, PRR

Each Taskforce member introduced themselves and Riley Whitcomb provided an introduction describing the goals of this supplemental meeting, specifically to provide additional follow-up to the June 13 Taskforce meeting where a number of Taskforce members were absent. Randy Young explained that the meeting will be informal. A summary from the June 13 meeting hasn't been distributed to the Taskforce in order to allow absent Taskforce members opportunity to review and comment on the draft recommendations. Randy noted that the meeting discussion will include comparison data between 2008 and 2013 park SDCs and findings on dormitory rates and residential occupancy rates, which were provided in memorandums to the Taskforce. These documents are attached to this meeting summary. The following notes summarize the discussion.

#### Comparison of Data for 2008 and 2013 Park SDCs

Randy Young presented data relevant to assessment Parks SDCs, comparing 2008 and 2013 data. It was noted by a Taskforce member that the Parks SDC charges changed as of July 1 and asked if the change was related to the current review process. Riley explained that this increase is not related. Rather, it is a result of an annual indexing process that happens each year. Sometimes the cost goes

#### Finance

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Amanda Fritz, Commissioner  
Mike Abbaté, Director



up, and other years it goes down. Randy Young added that the decisions resulting from information currently being discussed will not be implemented until next year.

The first three points of comparison addressed items #1: *Current Population*; #2: *Future Population*; and #3: *Population Growth* in the city of Portland. Randy explained that these are items about growth in the city. Taskforce comments were as follows:

- For item 1, some expressed surprise at the drop by more than 6,000 in central city population – Randy explained that this statistic is really the result of an “improved correlation” from the previous data set available.
- A taskforce member asked about the source of the numbers from item 2. Randy clarified that the numbers are provided by 2010 Metro.
- For item 3, a member asked about the 1/3 and 2/3 growth figures, how these numbers were determined, and why there is an accelerated growth rate. Randy and Riley explained that these numbers are directly from Metro. Randy suggested that Riley and Randy will ask Metro for more clarification about the numbers on future growth.
- A task force member suggested that there is a need to check the numbers against what the city published in the recently released comprehensive growth plan report. Are these numbers the same? Both Randy and Riley agreed to check on this.
- Taskforce members asked for clarification about the difference in values between central city and outlier areas. Riley explained that the data reflects numbers received directly from Metro. The data gaps between 2008 Study and 2013 update are a result of City officials agreeing to forecast to 2035 for 2013, rather than 2020 which was previously used.
- A member of the task force expressed concern about the way that the columns are labeled and numbers are presented. Randy explained that it is a technical document that acknowledges the numbers and will not be used for public consumption.

Randy provided an overview on the next three points of comparison, items #4: *Current Employment*; #5: *Future Employment*; #6: *Employment Growth*. He noted that even though the data from 2008 contains some errors, these figures will not ultimately affect the fees. They may impact the capital plan, but not the SDC charges.

- A taskforce member asked if there is any further information on what kind of employment growth is expected, whether it will be commercial, industrial, etc. in order to find out more details on the type of industry. Riley responded that it would not directly impact fees.
- A task force member noted that 2008 was the first time that Park SDCs were applied to non-residential and commercial/industrial developments. At that time, there were conversations that involved trying to determine *who* uses the city parks in order to develop applicable and appropriate policy.

The next tables reviewed included #7: *Average Number of Persons per Housing Unit – Central City*; #8: *Average Number of Persons per Housing Unit – Non-Central City*; #9: *Non-Resident Percentage of Total Hours Available for Parks*; and #10: *Current Level of Service for Fully Developed Parks*:

- A taskforce member asked if there is a corresponding data set for type of properties. Randy responded that there is not a corresponding data set.
- The taskforce asked Riley to explain the differences between type of parks (citywide access, habitat and natural areas, trails, local access). Schools are not considered park land.
- For item #10, it was asked what the target level of service is. The group discussed the potential pitfalls of matching the existing level of service.
  - A member noted that it seems like there is constant growth – a “leapfrog effect” with the numbers constantly increasing. Randy explained that there are certain categories that go up, others that go down.
  - A task force member asked if there are any national numbers comparing Portland fees and level of service with other areas and regions. Randy explained that there are no real national standards. Rather, localities need to look at their level of service more holistically.
  - A member of the taskforce suggested breaking down level of service by geography, rather than by “city-wide” and “non-central city.” Riley and Randy explained that zones were done for park SDCs previously, but it was too constraining. The categorization was changed to these two categories to allow for more flexibility with the “donut” breakdown (central/non-central acres) to work on deficiency levels within those areas.

Regarding item #11: *Needs for Growth* and #12: *SDC Funding Percentage*:

- On item 11 there was a question about whether there is enough available acreage to purchase the acres being presented in the figures. Also, a member asked about the habitat and natural areas restore numbers and what they mean. Why are they so different? For example, why are the percentages so much more increased? There is a 319% increase in park services/growth, but the population growth is half of that. Why is land being added at such an increased rate? Do we need this much land? Is it possible to even acquire?

Riley will follow up with the city planners to see what acreage is available. This information may lead to a change in the anticipated level of service if acreage is not available for acquisition.

Table #12: *SDC Funding Percentage* reflects current funding policy status. Randy explained there are policy decisions that need to be made by the City, including how much park growth is needed, what are the projected maintenance needs, and what funding percentages to cover. In 2008, SDCs covered a portion of the costs; in 2013 the portion may change. It was noted that the Parks board will want to see the figures calculated at 100% funding rather than 78%. Randy noted he will take a look at running the 100% statistics.

Randy presented data for items #13: *Cost per Unit*, #14: *Net Cost for Growth*, #15: *Tax Credit – Central City*, #16: *Tax Credit – Non-Central City*, #17: *Residential Cost per Person*; and #18: *Non-Residential Cost per Employee*:

- He noted that Park development is expensive and a focus will be placed on increasing the capacity of the land that Parks currently has.
- A taskforce member noted that it doesn't seem viable to obtain land, given the high cost of acreage combined with the high cost of development.
- The taskforce confirmed that the final SDC fee will be calculated using the "Residential Cost per Person" multiplied by the number of people per housing unit; the same calculations are true for commercial SDCs. Randy noted that employment ratios per square foot will be provided in September.

### **Dormitory Rates – White Paper**

Randy presented key findings in a white paper on dormitory rates. The report summarized concerns expressed about applying single room occupancy rates to dormitories, with specific concerns about definitions of terminology and the use of dormitories in summer months. Data were gathered from Portland colleges to inform the analysis and draft recommendations.

The white paper recommends the City of Portland revise its method of calculating park SDCs for new or expanded dormitory space. The new method should account for the average number of students per dorm room, a reduction for sports and recreation space provided by colleges for students and reduction for campus space that benefits the community. The recommendation is to charge at a rate of **.73 students per dorm room**.

Taskforce discussion included the following:

- A taskforce member asked what the response back from the campus representatives was during the original meeting on June 13. Randy stated that that they are taking it under advisement and a response will be provided by University of Portland.
- A taskforce member asked for clarification on what is meant by "unit." Specifically, there could be some differences in the number count if the newer style of building dormitories is taken into consideration. There is a shift in removing high density rooms in dorms (i.e., instead of three residents per room, now only one per room). Is there a way to take into account the newer style? For example, rather than counting "units" how about counting "beds?"
- A taskforce member noted that it is difficult to accept an overall 10% reduction in SDC charges for the public use of campus property because campuses are more closed off; people in the general public don't necessarily keep them in mind as an open space to use as park land (see response below); however, a 26% reduction based on percent of city park ratios provided by colleges for their students makes sense.

Another taskforce member countered that the 10% reduction is easier to understand when considering that local community residents often use campus spaces to walk their dogs, go running on the track, etc.

## Residential Occupancy Rates – White Paper

Randy reviewed a white paper on residential occupancy rates.

The report includes a rationale behind recommending a shift away from using a different occupancy rate for each type of house (e.g., single-family, multi-family, etc.) toward an assessment based on square footage. Larger housing units typically have more people than smaller housing units, but this difference is not addressed in the current park SDC methodology. Data from American Housing Surveys and American Community Surveys were analyzed by the Population Research Center at Portland State University. Additionally, Portland Parks and Recreation provided analysis of data from the 2010 census.

As a result of this analysis, a different methodology is proposed for the 2013 park SDCs. **The new method of assessing park SDCs on new development should be based on the estimated occupancy rates of each new housing unit based on the square footage of the living area of each unit.**

The Taskforce briefly discussed the Size (square footage) versus Type (single-family, multi-family).

- A taskforce member noted that these figures assume that there is a clear line between size of unit and amount of people in the home: the bigger space you have, the more people that will be there.
- A taskforce member noted that when you put square footage constraints on SDC calculations, there will be houses that come in right under the square footage category limits. For example, a house originally designed at 1515 square feet will be revised down to 1498 square feet to fall under the smaller category charges.
- A taskforce member expressed a concern that changing to square footage would be a major change and could pose a big policy issue, particularly if a fiscal analysis has not been conducted with the proposed numbers. Randy responded that changing to square footage rather than type of housing is revenue neutral.
- Several taskforce members voiced support of the change:
  - The distinctions between condos or apartments or manufactured housing, etc. can be easily muddied. Changing to square footage makes it easier at the permit process.
  - This change would recognize that housing in central city is getting smaller.
  - Other permitting charges are based on square footage already, it would make the process more consistent across multiple departments, as well as at the design and construction processes.
- A taskforce member requested confirmation that the final SDC rate would be based on the cost per person totals being multiplied by the occupancy rates. Randy confirmed the calculation for the group.
- A task force member stated there is a major policy issue because affordable housing does not pay SDCs, and the charges are passed along to others. While this is true, it is not part of the policy issue of residential occupancy rates based on type or size of housing.

The meeting concluded with Riley Whitcomb thanking Taskforce members for attending and noting that a tentative date for the next meeting has been set for September 19.