

City of King City



SYSTEM DEVELOPMENT CHARGE ANALYSIS

Methodology Report

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(Revised
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Section I. INTRODUCTION

This report reflects revisions to the June 2, 2023 Public Review Draft SDC Methodology Report. Revisions reflect the updated capital improvement projects and costs per the *King City Transportation System Plan*, June 2023. Parks projects and cost estimates are consistent with the revised *Kingston Terrace Master Plan*, July 2023. This report includes a *hybrid SDC scenario* that evolved based on discussions with City staff, Planning Commission members and developer stakeholders.

Key provisions and tables that were originally included in the June Draft SDC Methodology Report are retained, and revisions are denoted with strikeouts (deletions) and underlines (additions).

I.A. PROJECT PURPOSE

The City of King City (City) provides a variety of public improvements to address demand from new growth in housing and business services. Like most cities within the greater Portland region, the City intends to assess system development charges (SDCs) to recover eligible infrastructure costs for parks and transportation facilities that are needed to serve future growth. SDCs provide partial funding for the capital needs of these different systems. In general, SDCs are charged within the City's boundaries on new development that places additional demand on public facilities.

In 2023, the City engaged FCS GROUP to update the methodology for calculating local transportation and parks SDCs. **This report summarizes the findings and SDC policy recommendations.**

I.B. POLICY

SDCs are enabled by state statute, authorized by local ordinance, and constrained by the United States Constitution.

I.B.1. State Statute

Oregon Revised Statutes (ORS) 223.297 to 223.314 enable local governments to establish SDCs, which are one-time fees on development that are paid at the time of development or redevelopment that creates additional demand for public facilities. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future users (i.e., growth).

ORS 223.299 defines two types of SDC:

- **A reimbursement fee** that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists.”
- **An improvement fee** that is designed to recover “costs associated with capital improvements to be constructed.”

This report methodology focuses only on SDC Improvement Fees

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

In addition to the reimbursement and improvement fees, ORS 223.307(5) states, in part, that “system development charge revenues may be expended on the costs of complying” with state statutes concerning SDCs, including “the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.”

I.B.2. Local Ordinance

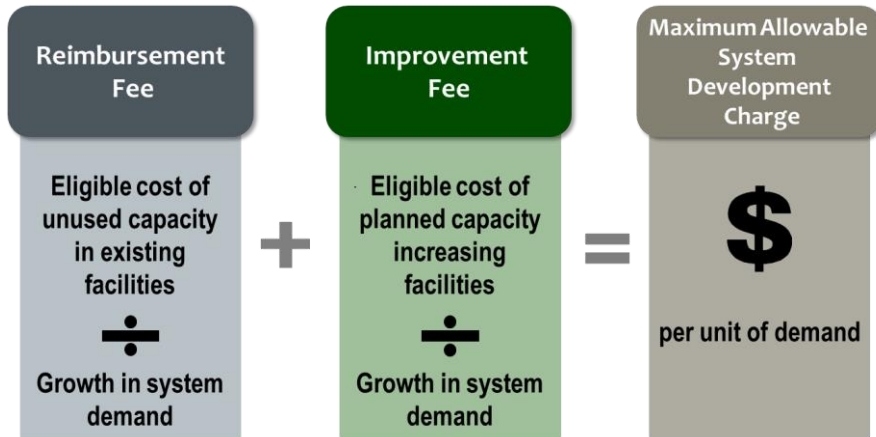
A local ordinance will be adopted as part of the King City Municipal Code to authorize the City to charge SDCs. This code shall authorize and govern the expenditure of SDCs, and specific resolutions can be adopted by the City over time with respect to each public facility type in accordance with state statutes.

I.B.3. United States Constitution

The United States Supreme Court has determined that SDCs, impact fees, or other exactions that comply with state and/or local law may still violate the United States Constitution if they are not proportionate to the impact of the development. The SDCs calculated in this report are designed to meet all constitutional and statutory requirements.

I.C. SDC BACKGROUND

In general, SDCs are calculated by adding a reimbursement fee component (if applicable) and an improvement fee component. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge. Below is an illustration of this calculation:



The methods for calculating each component of an SDC differ slightly depending on the specific public improvement. The calculations for parks and transportation are detailed in the following sections.

D R A F T

Section II. TRANSPORTATION SDC

This section provides the detailed calculations of the maximum allowable transportation SDC.

II.A. GROWTH

The calculation of projected growth begins with defining the units (vehicle trips) by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the SDC calculations.

II.A.1. Unit of Measurement

Because the majority of new transportation facilities are designed to accommodate vehicle trips during peak travel periods, which occur primarily during the PM hours, the City intends to charge its transportation SDC using the PM peak-hour vehicle trip-end method. A PM peak-hour vehicle trip-end represents one vehicle departing or arriving at a particular property during the peak travel time of the afternoon.

The number of PM peak hour vehicle trip ends by land use type are estimated based on the Institute of Transportation Engineers *Trip Generation*, manual. This method is also used for this transportation SDC calculation.

II.A.2. Growth in Demand

The transportation project list is derived from the King City Transportation System Plan (TSP) and includes a subset of the long-range Capital Improvements Plan. Growth is measured from 2023 (base year), the current year of the analysis for a 20-year planning horizon. In order to measure growth between 2023 and 2043, we must first estimate the total number of PM peak hour vehicle trip ends (trip-ends) in 2023 and then forecast trip growth to year 2043.

Based on U.S. Census Bureau data and input from City staff, the number of total households and total employment by land use types has been estimated for 2023 and projected for year 2043. By applying trip generation factors from ITE *Trip Generation* manual, FCS calculated the total number of PM peak hour vehicle trips (PHVT) to be 3,528 in 2023. This analysis assumes that residential based trips will increase by 3.19 % annually and employment trip growth will average 2.09% between 2023 and 2043. Growth assumptions are based on growth rates consistent with the City's TSP and the Kingston Terrace Master Plan (2023).

Transportation demand growth share assumptions are summarized in **Exhibit 1**. This analysis results in a growth forecast of 2,630 PM peak hour vehicle trip ends by year 2043, which will serve as the denominator in the SDC calculation.

Exhibit 1

Trip Growth Forecast, City of King City

Land Use Type	ITE Code	PM Peak		Current Trips (2023)	Future Trips (2043)	20- Year Trip Growth	Growth Share
		Hour	Vehicle Trips				
Industrial	110		0.68	98	142		
Retail	820		1.89	409	593		
Office	710		0.45	325	472		
Total Non-Res.				832	1,208	375	
Single Family	210		1.00	2,049	3,524		
Multi-Family	221		0.67	648	1,427		
Total Residential				2,696	4,951	2,255	
Grand Total				3,528	6,159	2,630	42.71%

Source: ITE Trip Generation Manual, 10th Edition. FCS GROUP analysis.

II.B. IMPROVEMENT FEE

An improvement fee is the eligible cost of planned capital improvements per unit of growth that such projects will serve. Since we have already calculated growth (SDC denominator), the following discussion focuses on the improvement fee cost basis (SDC numerator).

II.B.1. Eligibility

A project’s eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users. Where possible, specific details about a project can provide an eligibility percentage. However, when this is not possible, projects can still be sorted into three broad categories.

The first category is for projects that do not provide capacity for future users. Such projects may be purely replacement projects, or they may be solving a deficiency in the transportation system. Projects in this category are zero percent eligible. The second category is for projects that are purely for future users, such as when new road is required to serve new development. These projects are 100 percent eligible. Finally, projects that provide capacity that will be roughly equally shared between current and future users are eligible at the growth share percentage shown in **Exhibit 1** or 42.71 percent.

Projects for consideration in the improvement fee cost basis were all sorted into these three categories.

II.B.2. Improvement Fee Cost Basis

Projects in the improvement fee cost basis were derived from the City’s current TSP Capital Improvement Program.

Exhibit 2 reflects the projects in the transportation system improvement fee cost basis. The eligibility for each project takes into account funding from other potential (non-City) agencies such as Washington County, Metro and ODOT. The remaining cost share reflects the level of funding that

is to be provided by the City (through SDCs or TDT funds) or developers of the planned transportation system.

The project-specific capital costs serve as the basis used to estimate the total costs required to accommodate new development. The portion of the project facilities cost that is eligible to be funded by the existing Washington County Transportation Development Tax (TDT) and new local SDC varies by the project type and percent of the project that serves future growth. The combined total expenditure of TDT and SDC funding may not exceed the total cost of eligible capacity improvements.

In general, new collector and arterial facilities (including the roadways, bicycle, and pedestrian facilities) needed to serve planned growth are nearly 100 percent SDC and TDT eligible.¹ Existing roadways and bicycle/pedestrian facilities that are planned for expansion to accommodate growth may only be partially eligible for SDC and TDT funding.

SDC and TDT-eligible costs for each project were identified by City staff and DKS by reducing the total project costs to account for regional and non-local trips through the area. The remaining costs are attributable to King City growth and are therefore SDC/TDT eligible. See **Appendix A** for a complete list of projects and eligible costs.

As indicated in **Exhibit 2**, the King City TDT/SDC Cost Basis includes several projects detailed in **Appendix A**, with a total cost basis of approximately ~~\$65.14~~ \$53.13 million (Alt. 2). It should be noted that all of the projects identified in this transportation capital facilities plan are 100% required to address growth requirements of the City over the next 20 years.

¹ Eligible costs are subject to limits on soft costs, as well as specific terms and conditions included in annexation and development agreements.

Exhibit 2: King City Transportation TDT/SDC Improvement Fee Cost Basis

Project Name/Type	TSP Project ID #	Project Cost (2023 Dollars)	Estimated WA	
			County or Metro Cost Share	King City TDT or TSDC Cost Basis
SW Beef Bend Roadway Improvements	8a, 8b, 8d	\$31,050,000	\$30,940,000	\$110,000
Roy Rogers Roadway Improvements	1a, 1b	\$23,000,000	\$23,000,000	\$0
Elsner Roadway Improvements	5a, 5b 6a, 7j	\$15,750,000	\$13,025,000	\$2,725,000
Fischer Roadway Improvements	7a, 7b, 7e	\$32,350,000		\$32,350,000
Other Collector Roadways	8f, 13a	\$5,250,000	\$700,000	\$4,550,000
Intersection Improvements	4c, 7h, 7k, 7l	\$17,450,000	\$3,715,000	\$13,735,000
Bicycle/Pedestrian Facilities	10b, 11b, 13a, 15b, 25a	\$10,150,000	\$100,000	\$10,050,000
Westside Trail along Tualatin River	26a	\$5,600,000	\$5,600,000	\$0
Shared Use Pathways	27a, 27b, 27c, 27	\$13,500,000	\$11,880,000	\$1,620,000
Total		\$154,100,000	\$88,960,000	\$65,140,000

Source: King City Transportation System Plan, March 2023, Table 13 excerpts; based on Appendix A.

Exhibit 2: King City Transportation TDT/SDC Improvement Projects: Alt. 1

Project Name/Type	TSP Project ID #	Project Cost (2023 Dollars)	Estimated WA		King City TDT or TSDC Cost Basis*
			County or Metro Cost Share	TDT Eligible?	
SW Beef Bend Roadway Improvements	8a, 8b, 8d	\$31,050,000	\$30,940,000	yes	\$110,000
Roy Rogers Roadway Improvements	1a, 1b	\$23,000,000	\$23,000,000	yes	\$0
Elsner Roadway Improvements	5a, 5b 6a, 7j	\$13,550,000	\$11,925,000	yes	\$1,625,000
Fischer Roadway Improvements	7a, 7b, 7e	\$31,650,000		yes	\$31,650,000
Collector Roadways: SW Elsner connection with Beef Bend Rd. & S.W. 150th corridor	8f, 13a	\$5,250,000	\$700,000	yes	\$4,550,000
Intersection Improvements	4c, 7h, 7k, 7l, 11b	\$11,400,000	\$2,890,000	yes	\$8,510,000
Bicycle/Pedestrian Facilities	2a, 24a, 10b, 15b, 25a	\$10,050,000	\$50,000		\$10,000,000
Westside Trail along Tualatin River	26a	\$5,600,000	\$5,600,000		\$0
Shared Use Pathways	27a, 27b, 27c, 27d	\$13,500,000	\$11,880,000		\$1,620,000
Total		\$145,050,000	\$86,985,000		\$58,065,000

Source: King City Transportation System Plan, June 2023. Assumes public delivery of all projects.

II.C. CALCULATED SDC

The City has assigned no value to the remaining growth capacity within the City’s current system of collectors and arterial streets. In the absence of reimbursable capacity, the improvement fee cost basis is the only basis needed for finishing the transportation SDC calculation.

The remainder of this section applies adjustments to the improvement fee cost basis, and then divides that by the expected growth. The result is a total SDC per PM peak hour vehicle trip end, which can then be applied to each land use using *Trip Generation*, 10th edition, published by the Institute of Transportation Engineers.

The projected growth in P.M. peak hour vehicle trips (PHVT) based on net new development within King City has been derived from the 20-year growth forecasts for general land use types that were assumed by the Kingston Terrace Master Plan and the King City TSP. As indicated in **Exhibit 3**, the net new PHVT volumes are expected to add 2,630 trips on the transportation system in the City by 2043.

Exhibit 3: King City Transportation Demand Forecast

Land Use Type	ITE Code	PM Peak Hour Vehicle Trips	Current Trips (2023)	Future Trips (2043)	20- Year Trip Growth	Avg. Growth Share
Industrial	110	0.68	98	142		
Retail	820	1.89	409	593		
Office	710	0.45	325	472		
Total Non-Res.			832	1,208	375	
Single Family	210	1.00	2,049	3,524		
Multi-Family	221	0.67	648	1,427		
Total Residential			2,696	4,951	2,255	
Grand Total			3,528	6,159	2,630	42.71%

Source: derived from King City TSP, Kingston Terrace Master Plan, and ITE Trip Generation Manual, 10th Edition.

In light of the fact that the City intends to include non-motorized pathways for bicycles and pedestrians as part of its overall transportation framework, it is also important to understand the level of person trips (by all modes of travel) that future growth will generate. Based on findings from the *U.S. National Household Travel Survey, 2017*, there are 1.68 person trips per vehicle trip. This person trip conversion factor is applied to the vehicle trip assumptions identified above to forecast the net change in person trips over the 20 years as follows:

$$\text{Net New Trips} \times \text{Number of Person Trips} = \text{New Person-Trip Ends}$$

II.C.1. Adjustments

The transportation SDC cost basis includes adjustments which account for: existing transportation bond principal to be used for CIP projects; existing transportation SDC and TDT fund balance commitments to CIP projects; and admin/compliance costs.

Transportation funds generated by the Washington County TDT have been forecasted based on the future level of net new PHVT generation shown above (2,630 PHVT) and by assuming an average of \$7,870 in net revenue (after credits) per PHVT.² The actual level of TDC revenue will vary by land use type based on current TDT rates.

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in the SDC cost basis.

Hence, it is estimated that 5% of capital facility costs should be added to the cost basis to account for compliance costs allowed by statute (this reflects the cost of TSP and TSDC updates and related City in-kind administrative costs).

The adjusted eligible cost basis for the improvement fee is shown below in **Exhibits 4 and 5**.

II.C.2. Calculated SDC

This analysis includes two alternatives (Alt. 1 and Alt. 2) for determining the Citywide TSDC for King City.

Alternative 1 is presented as the maximum defensible TSDC. Alternative 1 assumes that all major improvements identified in the Capital Improvement Plan are delivered by the public sector (City or County) and funding using TSDC revenue that is generated over time on a pay-as-you-go basis. This alternative would allow private developers to fund and construct public facilities, and those developers that do so would receive full value of project right-of-way and construction costs in the form of a combination of TSDC credits and/or TDT credits.

Exhibit 4 summarizes the calculation of the transportation SDC under Alternative 1. As shown, the maximum allowed transportation SDC is ~~\$17,740~~ \$14,916 per PM peak hour vehicle trip end.

² Estimated derived from the Kingston Terrace Master Plan trip generation and TDT revenue forecast assumptions provided by Washington County staff.

Exhibit 4: Alt. 1, Calculated Transportation SDC per Trip (PM Peak Hour Trips)

		Notes	
a	Local TDT/TSDC Cost Basis	\$ 65,140,000	derived from prior tables
b	Less TDT Revenue*	\$ 20,700,000	
c	Equals TSDC Cost Basis	\$ 44,440,000	calculated
d	Proj. PHVT	2,630	see note**
e	TSDC Cost Per Trip	\$ 16,895	calculated (c/d)
f	plus admin cost (@5%)	\$ 845	allowance
g	Draft TSDC Cost per Trip	\$ 17,740	calculated (e+f)
	TSDC per Single Family DU	\$ 17,740	assumes 1.0 PHVT per DU
	TSDC per Multifamily/Other DU	\$ 11,886	assumes 0.67 PHVT per DU

* Assumes avg. TDT collection of \$7,870 per PHVT (after credits).

** assumes 2,630 PHVT added in King City between 2023 and 2043.

Abbreviations: DU = dwelling unit. PHVT = peak pm hour vehicle trips per ITE Trip Gen. Manual, 10th edition. TDT = WA County Transportation Development Tax. TSDC = Transportation Systems Development Charge.

** assumes 1,300 PHVT added in Kingston Terrace plus 619 PHVT added in other city locations

Exhibit 4: Alt. 1, Calculated Transportation SDC per Trip (PM Peak Hour Trips)

		Notes	
a	Local TDT/TSDC Cost Basis	\$ 58,065,000	Based on May 2023 TSP costs.
b	Less TDT Revenue*	\$ 20,700,000	
c	Equals TSDC Cost Basis	\$ 37,365,000	calculated
d	Proj. PHVT	2,630	see note**
e	TSDC Cost Per Trip	\$ 14,206	calculated (c/d)
f	plus admin cost (@5%)	\$ 710	allowance
g	Draft TSDC Cost per Trip	\$ 14,916	calculated (e+f)
	TSDC per Single Family DU	\$ 14,916	assumes 1.0 PHVT per DU
	TSDC per Multifamily/Other DU	\$ 9,994	assumes 0.67 PHVT per DU

* Assumes avg. TDT collection of \$7,870 per PHVT (after credits).

** assumes 2,630 PHVT added in King City between 2023 and 2043.

Abbreviations: DU = dwelling unit. PHVT = peak pm hour vehicle trips per ITE Trip Gen. Manual, 10th edition. TDT = WA County Transportation Development Tax. TSDC = Transportation Systems Development Charge.

** assumes 1,300 PHVT added in Kingston Terrace plus 619 PHVT added in other city locations

Appendix B provides a schedule of the transportation SDC schedule by land use under Alt. 2. It should be noted that the City is also considering varying the SDC charges for single family homes based on the floor area of a dwelling unit. That option is further discussed in Section V of this report.

The transportation SDC for specific land use categories is consistent with the ITE Trip Generation Handbook, 10th Edition estimates of peak hour trip generation by unit of development. The ITE trip generation assumptions include estimates that apply to trip combinations, which occur when people make multiple trip ends during their journey to or from a land use type. For example, a person may stop for coffee on the way to work, or to pick up kids at school on their way home from work.

Alternative 2 assumes that the majority of the capital improvements are privately delivered, designed, and constructed to City/County standards by private developers. Selected improvements such as improvements to Roy Rogers Road, Beef Bend Road, Fisher Road extension and westside trail along the Tualatin River are assumed to be delivered by the public sector. Alternative 2 also

assumes that the City adopts a TSDC policy that requires the future right-of-way for new collector roadways to be dedicated to the City or County as a condition of development approval. This alternative also assumes that the “local neighborhood street” portion of roadway costs is also not eligible for TSDC credits, which reduces the overall TSDC cost basis.

Exhibit 5 summarizes the calculation of the transportation SDC under Alternative 2. As shown, the maximum allowed transportation SDC is ~~\$5,642~~ \$2,630 per PM peak hour vehicle trip end.

Exhibit 5: Alt. 2, Calculated Transportation SDC per Trip (PM Peak Hour Trips)

		Notes
a	Local TDT/TSDC Cost Basis	\$ 65,140,000 <i>derived from prior tables</i>
b	Less TDT Revenue*	\$ 20,700,000
c	Equals TSDC Gross Cost Basis	\$ 44,440,000 <i>calculated</i>
d	Less ROW Costs**	\$ 8,403,000 <i>reflects ROW for new collectors (Source: DKS)</i>
e	Less Non Creditable Dev. Costs**	\$ 21,903,505 <i>estimated local street portion of collectors</i>
f	Adjusted TSDC Cost Basis	\$ 14,133,495
g	Proj. PHVT	2,630 <i>see note***</i>
h	TSDC Cost Per Trip	\$ 5,373 <i>calculated (g/h)</i>
i	plus admin cost (@5%)	\$ 269 <i>allowance</i>
j	Draft TSDC Cost per Trip	\$ 5,642 <i>calculated (e+f)</i>
	TSDC per Single Family DU	\$ 5,642 <i>assumes 1.0 PHVT per DU (based on ACS data)</i>
	TSDC per Multifamily/Other DU	\$ 3,780 <i>assumes 0.67 PHVT per DU (based on ACS data)</i>

* Assumes avg. net TDT revenue of \$7,870 per PHVT (after credits).

** assumes City requires ROW and private construction of collector roadways as condition of approval.

*** assumes 2,630 PHVT added in King City between 2023 and 2043.

Abbreviations: DU = dwelling unit. PHVT = peak pm hour vehicle trips per ITE Trip Gen. Manual, 10th edition. TDT = WA County Transportation Development Tax. TSDC = Transportation Systems Development Charge. ACS = U.S. Census, American Community Survey, 2021.

Exhibit 5: Alt. 2, Calculated Transportation SDC per Trip (PM Peak Hour Trips)

		Notes
a	Local TDT/TSDC Cost Basis	\$ 53,128,000 <i>Based on updatated TSP costs, Appendix A.</i>
b	Less TDT Revenue	\$ 20,700,000 <i>see note*</i>
c	Equals TSDC Gross Cost Basis	\$ 32,428,000 <i>calculated</i>
d	Less ROW Costs	\$ - <i>see note**</i>
e	Less Non Creditable Dev. Costs	\$ 10,835,655 <i>see note***</i>
f	Adjusted TSDC Cost Basis	\$ 21,592,345
g	Proj. PHVT	2,630 <i>see note****</i>
h	TSDC Cost Per Trip	\$ 8,209 <i>calculated (g/h)</i>
i	plus admin cost (@5%)	\$ 410 <i>allowance</i>
j	Draft TSDC Cost per Trip	\$ 8,620 <i>calculated (e+f)</i>
	TSDC per Single Family DU	\$ 8,620 <i>assumes 1.0 PHVT per DU (based on ACS data)</i>
	TSDC per Multifamily/Other DU	\$ 5,775 <i>assumes 0.67 PHVT per DU (based on ACS data)</i>

* Assumes avg. net TDT revenue of \$7,870 per PHVT (after credits); per WA County staff estimate.

** Oversize portion of ROW is included in total cost basis and is TDT or TSDC credit eligible.

*** reflects credit eligible share of planned collector streets, excl.

**** assumes 2,630 PHVT added in King City between 2023 and 2043.

Abbreviations: DU = dwelling unit. PHVT = peak pm hour vehicle trips per ITE Trip Gen. Manual, 10th edition. TDT = WA County Transportation Development Tax. TSDC = Transportation Systems Development Charge. ACS = U.S. Census, American Community Survey, 2021.

Appendix C provides a schedule of the transportation SDC schedule by land use under Alt. 2. It should be noted that the City is also considering varying the SDC charges for single family homes based on the floor area of a dwelling unit. That option is further discussed in Section V of this report.

Section III. PARKS SDC

This section provides the detailed calculations of the maximum allowable parks SDC.

III.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the SDC calculations.

III.A.1. Unit of Measurement

Because City parks and open space are primarily utilized or enjoyed by local residents (rather than employees or visitors), the incremental population added by a new housing development provides a good basis for charging a parks SDC.

To distinguish the levels of demand imposed by different housing types, this methodology considers current U. S. Census Bureau data to estimate the number of residents for different kinds of dwelling units.

III.A.2. Growth in Demand

Based on current population estimates by Portland State University and long-range forecasts assumed by the King City TSP and the Kingston Terrace Master Plan, it is estimated that there were 5,405 full time residents within the City in 2023, and it is forecasted that there will be 12,079 residents by 2043. As shown in the following table, this implies a growth of 4,578 6,674 residents added between 2023 and 2043, which will serve as the denominator in the SDC calculations.

Population Growth Estimates and Forecasts, King City

	2010	2020	2022	AGR	2023 est	2043 Proj
Population	3,115	4,280	5,181	4.33%	5,405	12,079

Source: PSU population estimates (2010-2022). Forecasts based on King City TSP dwelling unit forecasts and 2021 Census estimates of persons per occupied dwelling unit in WA county.

III.B. IMPROVEMENT FEE

An improvement fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the improvement fee cost basis (numerator).

III.B.1. Eligibility

A project's eligible SDC cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users.

For parks SDCs, eligibility is determined by a level-of-service (LOS) analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in an improvement fee cost basis). Park facilities can be measured by sorting them into categories such as neighborhood, community, or natural areas, or by considering their respective units of measurement (e.g., acres per capita and linear feet of trails per capita). In either approach, the current or future parks LOS may be targeted.

III.B.1.a Current Level of Service (By Category and Unit of Measurement)

Determining SDC eligibility for parks projects using the City’s planned level of service requires determining the quantity of parks facilities needed to maintain the current level of service. Any project that adds facilities in excess of that quantity is ineligible.

The City has two current and five planned parks and open space improvements that are used for determining its level of service by category. These facilities will include ~~128.5~~ 125 acres by year 2043. Based on the planned population forecast of (~~9,983~~ 12,079 residents), the City’s planned LOS for parks equates to ~~5.86~~ 5.38 acres for developed parks and ~~7.01~~ 5.80 acres of open space, as shown below.

DRAFT

King City Parks Level of Service Assumptions*

	Acres	Population	L.O.S.*
Existing Parks & Open Space	17.0		
Planned Parks	41.5		
Planned Open Space	70.0		
Total Planned by 2043	128.5	9,983	
Developed Parks L.O.S.			5.86
Open Space L.O.S.			7.01

* Planned Level of Service (LOS) in acres per 1,000 people.

REVISED

King City Parks Level of Service Assumptions, Alt. 1*

	Acres	Population	LOS
Existing Developed Parks	17.0		
Planned Parks	48.0		
Planned Open Space	70.0		
Total Planned by 2043	135.0	12,079	
Developed Parks L.O.S.			5.38
Open Space L.O.S.			5.80

* Planned Level of Service (LOS) in acres per 1,000 people.

The parks facilities capital project list, derived from the *Kingston Terrace Master Plan* includes 38 acres of parks and 70 acres of open space to be added by year 2043. Based on the 2043 population forecast (which assumes 6,898 net new residents added to the City between 2023 and 2043) and the planned LOS estimates noted above, approximately ~~48~~ 58.6 acres of parks and ~~70~~ 70.1 acres of open space will be needed to meet the City’s LOS standards. In light of the fact that the City’s total park

acreage by year 2043 (total of existing and planned parks acreage) will be ~~less than equal to~~ the acres of parks and open space that are planned, all capital costs associated with the ~~111.5 acres of~~ planned park and open space facilities are 100% SDC eligible (see **Exhibit 6**).

Exhibit 6: King City Parks and Open Space Capital Facility Needs, 2023-2043

	Acres	Total Cost	Metro & Other Funding	King City SDC Cost Basis
Open Space preservation	70	\$ 761,538	\$ -	\$ 761,538
Linear Park 1	14.0	\$ 4,878,720	\$ -	\$ 4,878,720
Community Agriculture Park	12.0	\$ 6,272,640	\$ -	\$ 6,272,640
Community Park 1	15.0	\$14,374,800	\$ 11,499,840	\$ 2,874,960
Urban Plaza	0.5	\$ 1,089,000		\$ 1,089,000
Community Recreation Facility		\$35,000,000	\$ 28,000,000	\$ 7,000,000
Alt 1: Total with Rec. Center	111.5	\$62,376,698	\$ 39,499,840	\$ 22,876,858
Alt 2: Total without Rec. Center		\$27,376,698	\$ 11,499,840	\$ 15,876,858

Source: Kingston Terrace Master Plan.

Exhibit 6: King City Parks and Open Space Capital Facility Needs, 2023-2043

	Acres	Total Cost	Metro & Other Funding	King City SDC Cost Basis*	Notes
Open Space preservation	70	\$ 762,300	\$ -	\$ 762,300	Note 1
Linear Park 1	14.0	\$ 9,757,440	\$ -	\$ 9,757,440	Note 1
Park Blocks	7.0	\$ 1,037,284	\$ -	\$ 1,037,284	Note 1 & 2
Community Park 1	15.0	\$ 14,374,800	\$ 11,499,840	\$ 2,874,960	Note 1
Urban Park	2.0	\$ 1,089,000		\$ 1,089,000	Note 1
Community Recreation Facility	10.0	\$ 35,000,000	\$ 28,000,000	\$ 7,000,000	Note 3
Alt 1: Total with Rec. Center	118.0	\$ 62,020,824	\$ 39,499,840	\$ 22,520,984	
Alt 2: Total without Rec. Center	108.0	\$ 27,020,824	\$ 11,499,840	\$ 15,520,984	

¹ Derived from Kingston Terrace Master Plan, July 2023 (selected Tier 1 projects)

² Based on cost estimate provided by Pacific Community Design, July 19, 2023.

³ Based on preliminary cost estimate.

* Cost for parks exclude land that is to be dedicated at condition of approval.

III.B.2. Expansion Projects

The list of park expansion projects for King City includes projects that have been identified in the current Kingston Terrace Master Plan that are slated for construction between now and 2043. Parks and open space improvements which expand the capacity of the parks system are identified in **Exhibit 6**. The eligibility of the project list varies depending on the method used. Under the “policy level of service” standards, the eligible SDC cost of the expansion list ranges from ~~\$15.9~~ \$15.52 million (without the new community recreation center to ~~\$22.9~~ \$22.52 million with the recreation center included).

III.B.3. Infill/System Projects

The second type of eligible SDC projects include improvements that will not expand the inventory of the parks or trails system by adding acres/miles but will nevertheless add capacity for future users of

the City's parks and trail system. At this time, no additional parks infill improvements are included in the PSDC calculation.

III.B.4. Calculated Improvement Fee Cost Basis

After determining the eligible cost of each list (expansion and infill/system), a full improvement fee cost basis can be calculated. This draft methodology report includes two parks SDC alternatives. Alternative 1 includes a portion (20%) of the total cost of the community recreation facility in the PSDC cost basis. Alternative 2 does not include the community recreation facility in the cost basis. Under either alternative the majority of funding for the community recreation facility is assumed to be derived from new funding sources that have not yet been solidified, such as City G.O. bonds, urban renewal district tax increment financing (TIF) revenue or other sources of financing.

This section combines the eligible costs from the two project lists and applies adjustments for fund balance and compliance costs. The result is a total Parks SDC per resident. We then use census data to estimate the number of residents per dwelling unit and calculate SDCs for residential dwelling units.

III.B.5. Adjustments

The Parks SDC cost basis includes adjustments for SDC administration/compliance costs and any current SDC fund balance that have been committed to the CIP projects.

After accounting for a 5% estimated compliance cost and potential non-local grant funding assumptions, the adjusted total SDC eligible cost basis for the parks SDC equates to ~~\$29,029,876~~, as is shown in **Exhibits 7 and 8**.

III.B.6. Calculated SDC

Exhibit 8 summarizes the calculation of the full Parks SDC for Alternative 1 (with community recreation center) and provides a basis for charging the parks SDC based on average number of people added per dwelling unit. As shown, the new parks SDC results in a charge of ~~up to \$5,755~~ \$3,433 per new resident. Based on current U.S. Census estimates for average persons per dwelling unit type, the new Parks SDC equates to a ~~maximum~~ average charge of ~~\$8,863~~ \$7,416 per multifamily dwelling (3 or more units per structure) and ~~\$10,865~~ \$9,682 per single family dwelling unit (1 or 2 units per structure).

Exhibit 8: Alt. 1, Calculated Parks SDCs for King City (with community rec. center)

		Notes
a	Citywide Parks SDC Cost Basis	\$ 22,876,858 <i>derived from prior tables.</i>
b	Less Reserves	\$ -
c	Equals Parks SDC Cost Basis	\$ 22,876,858 <i>calculated</i>
d	Proj. Change in Citywide Dwellings	2,639 <i>derived from prior tables.</i>
e	Parks SDC per Dwelling	\$ 8,669 <i>calculated (c/d)</i>
f	<i>plus admin cost (@5%)</i>	\$ 433 <i>allowance</i>
g	Avg. Citywide Parks SDC Rate	\$ 9,102 <i>calculated (e+f)</i>
	Avg. SDC per pop.*	\$ 5,755 <i>based on 1.582 pop per DU</i>
	SDC per Single Family Dwelling	\$ 10,865 <i>based on 1.89 pop per DU</i>
	SDC per Multifamily/Other Dwelling	\$ 8,863 <i>based on 1.54 pop per DU</i>

* people per dwelling unit based on U.S. Census, American Community Survey, 2021 5-year estimates for King City occupied dwellings.

Exhibit 8: Alt. 1, Calculated Parks SDCs for King City (with Community Rec. Center)

		Notes
a	Citywide Parks SDC Cost Basis	\$ 22,520,984 <i>derived from prior tables.</i>
b	Less Reserves	\$ -
c	Equals Parks SDC Cost Basis	\$ 22,520,984 <i>calculated</i>
d	Proj. Change in Citywide Dwellings	2,639 <i>derived from prior tables.</i>
e	Proj. Change in New Residents	6,888 <i>based 2.61 people per DU</i>
f	Parks SDC per Resident	\$ 3,270 <i>calculated (c/e)</i>
g	<i>plus admin cost (@5%)</i>	\$ 163 <i>allowance</i>
h	Avg. Citywide Parks SDC Per Person	\$ 3,433 <i>calculated (f+g)</i>
	SDC per Single Family Dwelling	\$ 9,682 <i>based on 2.82 pop per DU</i>
	SDC per Multifamily/Other Dwelling	\$ 7,416 <i>based on 2.16 pop per DU</i>

* people per dwelling unit based on U.S. Census, American Community Survey, 2021 5-year estimates for WA County occupied dwellings.

Exhibit 9 summarizes the calculation of the Parks SDC for Alternative 2 (without community recreation center) and provides a basis for charging the parks SDC based on average number of people added per dwelling unit. As shown, the new parks SDC results in a charge of up to ~~\$3,994~~ \$2,366 per new resident. Based on current U.S. Census estimates for average persons per dwelling unit type, the new Parks SDC equates to a ~~maximum~~ average charge of ~~\$6,151~~ \$5,111 per multifamily dwelling (3 or more units per structure) and ~~\$7,540~~ \$6,672 per single family dwelling unit (1 or 2 units per structure).

Exhibit 9: Alt. 2, Calculated Parks SDCs for King City (without community rec. center)

		Notes
a	Citywide Parks SDC Cost Basis	\$ 15,876,858 <i>derived from prior tables.</i>
b	Less City Reserves	\$ -
c	Equals Parks SDC Cost Basis	\$ 15,876,858 <i>calculated</i>
d	Proj. Change in Citywide Dwellings	2,639 <i>derived from prior tables.</i>
e	Parks SDC per Dwelling	\$ 6,016 <i>calculated (c/d)</i>
f	<i>plus admin cost (@5%)</i>	\$ 301 <i>allowance</i>
g	Avg. Citywide Parks SDC Rate	\$ 6,317 <i>calculated (e+f)</i>
	Avg. SDC per pop.*	\$ 3,994 <i>based on 1.582 pop per DU</i>
	SDC per Single Family Dwelling	\$ 7,540 <i>based on 1.89 pop per DU</i>
	SDC per Multifamily/Other Dwelling	\$ 6,151 <i>based on 1.54 pop per DU</i>

* people per dwelling unit based on U.S. Census, American Community Survey, 2021 5-year estimates for King City occupied dwellings.

Exhibit 9: Alt. 2, Calculated Parks SDC for King City (without Community Center)

		Notes
a	Citywide Parks SDC Cost Basis	\$ 15,520,984 <i>derived from prior tables.</i>
b	Less City Reserves	\$ -
c	Equals Parks SDC Cost Basis	\$ 15,520,984 <i>calculated</i>
d	Proj. Change in Citywide Dwellings	2,639 <i>derived from prior tables.</i>
e	Proj. Change in New Residents	6,888 <i>based 2.61 people per DU</i>
e	Parks SDC per Resident	\$ 2,253 <i>calculated (c/e)</i>
f	<i>plus admin cost (@5%)</i>	\$ 113 <i>allowance</i>
g	Avg. Citywide Parks SDC Per Person	\$ 2,366 <i>calculated (f+g)</i>
	SDC per Single Family Dwelling	\$ 6,672 <i>based on 2.82 pop per DU</i>
	SDC per Multifamily/Other Dwelling	\$ 5,111 <i>based on 2.16 pop per DU</i>

* people per dwelling unit based on U.S. Census, American Community Survey, 2021 5-year estimates for WA County occupied dwellings.

It should be noted that the City has the option of varying the SDC charges for single family homes based on the floor area of a dwelling unit. That option is further discussed in Section IV of this report.

III.B.7. Hybrid Scenario

During the development of the SDC methodology report, a hybrid scenario emerged which is based on the Transportation SDC Alternative #2 and the Parks SDC Alternative #1. This combination of charges is considered to have the general support from both the City and stakeholders that reviewed the draft SDC methodology report, and is described herein as the “recommended SDC Alternative.”

Section IV. IMPLEMENTATION

This section addresses practical aspects of implementing SDCs and provides a comparison with relevant jurisdictions.

IV.A.INDEXING

ORS 223.304 allows for the periodic indexing of SDCs for inflation, as long as the index used is:

- (A) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;
- (B) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and
- (C) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution or order.

In accordance with Oregon statutes, we recommend that the City use the *Engineering News-Record* (ENR) Construction Cost Index (CCI) Seattle Region Average as the basis for adjusting Parks and Water SDCs annually. This is the region that is nearest to North Plains.

For Transportation SDCs, it is recommended that the City use the *Washington County TDT Index* for annual indexing.

IV.B.COMPARISONS

This section provides comparisons for the City's current and proposed SDCs against those of comparable jurisdictions. As shown in **Exhibit 10**, if the transportation and parks SDCs are implemented as proposed, the King City SDCs combined with the Washington County TDT and other system development charges are likely to be on par with other urbanizing areas within the greater Portland Region. An important note to Exhibit 9 is that not all SDCs shown are set by the relevant city or planning agency (such as Tigard for water, and CWS for sewer/storm).

It should also be noted that several of the jurisdictions that are identified in Exhibit 10 are in the process of updating their fees and charges for FY 2023-24; and they are likely to increase their SDCs measurably when they complete their fee updates so direct "apples to apples" comparisons are not advised.

Exhibit 9: Estimated SDC, TDT and Special Assessments Per Single Family Detached Dwelling

SDCs per New Single Family Detached Dwelling*								
Jurisdiction	Parks SDC	Storm-water SDC	Sewer SDC	Water SDC	Transport. TDT	Transp. SDC	Other Unique Fees	Total
North Plains	\$ 8,823	\$ 585	\$ 6,625	\$ 11,615	\$ 10,599	\$ 2,870		\$ 41,117
Wilsonville (excl. Frog Pond area)	\$ 7,349	\$ 1,110	\$ 6,631	\$ 11,492	\$ -	\$ 16,099	\$ -	\$ 42,681
King City (Alt. 2 Draft)	\$ 7,540	\$ 585	\$ 6,605	\$ 13,876	\$ 10,599	\$ 5,642	\$ -	\$ 44,847
Tigard	\$ 10,614	\$ 585	\$ 6,625	\$ 13,876	\$ 10,599	\$ 7,044	\$ -	\$ 49,343
Beaverton - South Cooper Mountain	\$ 14,739	\$ 1,327	\$ 6,625	\$ 13,161	\$ 10,599	\$ 9,051	\$ -	\$ 55,503
Tigard - River Terrace	\$ 11,187	\$ 585	\$ 6,625	\$ 13,876	\$ 10,599	\$ 10,996	\$ -	\$ 53,869
Hillsboro - South Hillsboro (LID Area 1)	\$ 9,334	\$ 585	\$ 6,625	\$ 16,553	\$ 10,599	\$ 10,996	\$ -	\$ 54,692
North Bethany	\$ 17,815	\$ 585	\$ 6,625	\$ 12,383	\$ 10,599	\$ 7,403	\$ -	\$ 55,410
Hillsboro - South Hillsboro (Area 2)	\$ 9,334	\$ 585	\$ 6,625	\$ 16,553	\$ 10,599	\$ 13,120	\$ -	\$ 56,816
Beaverton	\$ 12,609	\$ 1,327	\$ 6,625	\$ 13,161	\$ 10,599	\$ 9,051	\$ -	\$ 53,372
King City (Alt. 1 Draft)	\$ 10,865	\$ 585	\$ 6,605	\$ 13,876	\$ 10,599	\$ 17,740	\$ -	\$ 60,270
Wilsonville - Frog Pond West	\$ 7,349	\$ 1,110	\$ 6,631	\$ 11,492	\$ -	\$ 16,099	\$ 20,209	\$ 62,890

Source: Survey conducted by FCS GROUP. Analysis assumes 2,000 SF home with 3/4" meter.

*Assumes 3/4 inch water meter. Includes local (City) and regional Joint Water Commission SDCs if applicable.

Other cities SDCs are assumed to increase by 3% from FYE 2022 estimates.

Exhibit 9: Estimated SDC, TDT and Special Assessments per Single Family Dwelling

SDCs per New Single Family Detached Dwelling*								
Jurisdiction	Parks SDC	Storm-water SDC	Sewer SDC	Water SDC	Transport. TDT	Transp. SDC	Other Unique Fees	Total
North Plains	\$ 8,823	\$ 585	\$ 6,625	\$ 11,615	\$ 10,599	\$ 2,870		\$ 41,117
King City (Alt. 2 Draft)	\$ 7,051	\$ 585	\$ 6,605	\$ 13,876	\$ 10,599	\$ 2,818	\$ -	\$ 41,534
Wilsonville (excl. Frog Pond area)	\$ 7,349	\$ 1,110	\$ 6,631	\$ 11,492	\$ -	\$ 16,099	\$ -	\$ 42,681
Tigard	\$ 10,614	\$ 585	\$ 6,625	\$ 13,876	\$ 10,599	\$ 7,044	\$ -	\$ 49,343
King City (recommended)	\$ 10,232	\$ 585	\$ 6,605	\$ 13,876	\$ 10,599	\$ 9,109	\$ -	\$ 51,006
Tigard - River Terrace	\$ 11,187	\$ 585	\$ 6,625	\$ 13,876	\$ 10,599	\$ 10,996	\$ -	\$ 53,869
Hillsboro - South Hillsboro (LID Area 1)	\$ 9,334	\$ 585	\$ 6,625	\$ 16,553	\$ 10,599	\$ 10,996	\$ -	\$ 54,692
North Bethany	\$ 17,815	\$ 585	\$ 6,625	\$ 12,383	\$ 10,599	\$ 7,403	\$ -	\$ 55,410
Beaverton - South Cooper Mountain	\$ 14,739	\$ 1,327	\$ 6,625	\$ 13,161	\$ 10,599	\$ 9,051	\$ -	\$ 55,503
Hillsboro - South Hillsboro (Area 2)	\$ 9,334	\$ 585	\$ 6,625	\$ 16,553	\$ 10,599	\$ 13,120	\$ -	\$ 56,816
Beaverton	\$ 12,609	\$ 1,327	\$ 6,625	\$ 13,161	\$ 10,599	\$ 9,051	\$ -	\$ 53,372
King City (Alt. 1 Revised)	\$ 10,232	\$ 585	\$ 6,605	\$ 13,876	\$ 10,599	\$ 12,945	\$ -	\$ 54,842
Wilsonville - Frog Pond West	\$ 7,349	\$ 1,110	\$ 6,631	\$ 11,492	\$ -	\$ 16,099	\$ 20,209	\$ 62,890

Source: Survey conducted by FCS GROUP. Analysis assumes 2,200 SF home with 3/4" meter.

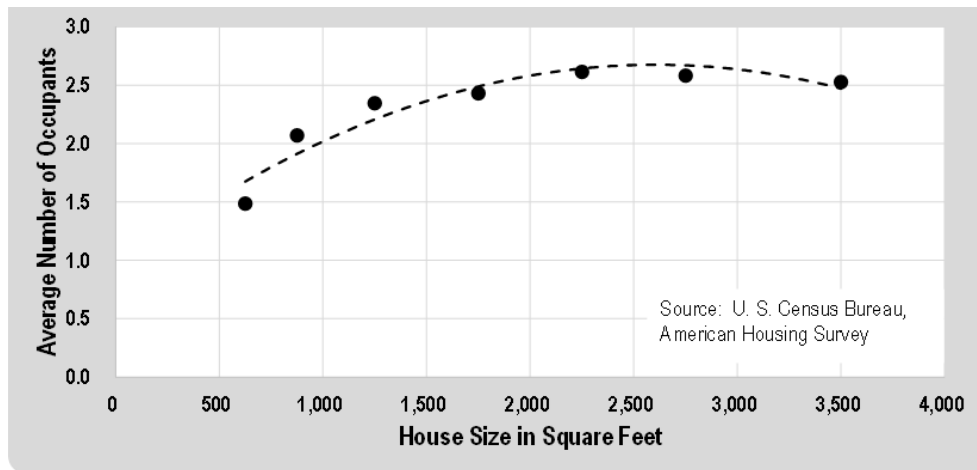
*Assumes 3/4 inch water meter. Includes local (City) and regional Joint Water Commission SDCs if applicable.

Other cities SDCs are assumed to increase by 3% from FYE 2022 estimates.

IV.C. SDCS BY HOME SIZE

King City has the option of further varying SDCs based on the relative impact each new development is anticipated to have on the utility systems that are owned or maintained by the City. Many jurisdictions in Oregon and nationally have gravitated to methodologies that consider the size and type of development when determining their impacts.

Data from the U. S. Census Bureau for the greater Portland-Vancouver-Hillsboro Metropolitan Statistical Area indicate that, up to a point, the number of occupants in a single-family dwelling unit is positively correlated with that dwelling unit's size as measured in square feet as shown in the chart below:



Houses that have heated floor area of 2,605 square feet or larger are subject to the cap and have an estimated occupancy of 3.048 demand-adjusted users. Houses that are smaller than 2,605 square feet have an estimated occupancy that varies based on finished (heated) floor area as shown above.

Exhibit 11 reflects the relative change in PM peak hour vehicle trip generation by dwelling unit size using a combination of ITE vehicle trip generation and U.S. Census estimates. These factors, when applied to housing types, can be used to calculate a scalable SDC for single family dwellings.

As shown in Exhibit 11, the transportation SDC (Alt. 2) for single family dwellings equates to \$4.14 per SF with a maximum cap at 2,605 SF. This results in a charge that ranges from \$3,312 for an 800 SF accessory dwelling unit to \$10,788 for an estate home with 3,000 SF.

Exhibit 11: Relative Variation in Transportation SDC by Single Family Home Size, Alt. 1

Transportation SDC per Single Family Dwelling	\$ 17,740
Average residents per DU	1.89
Transportation SDC per Resident	\$ 9,397

Transportation SDC Schedule for a Single-Family Home	Square Feet	Residents	SDC
SDC per resident	738	1.0000	\$9,397
SDC per square foot of single-family residence	1	0.0014	\$12.73
Maximum SDC per single-family residence	2,605	3.5294	\$33,166

SDC Calculator for Single-Family Residences	
House size in square feet	2,250
Implied occupancy	3,048
Calculated SDC	\$28,641

Transportation SDC Schedule	
738	\$9,397
950	\$12,093
1,000	\$12,729
1,250	\$15,912
1,500	\$19,094
1,750	\$22,276
2,000	\$25,459
2,250	\$28,641
2,500	\$31,824
2,605+	\$33,166

Exhibit 11: Transportation SDC by Single Family Home Size, Alt. #2 (Recommended)

Transportation SDC per Single Family Dwelling	\$ 8,620	<i>average</i>
Average residents per Dwelling*	2.82	
Transportation SDC per Resident	\$ 3,057	

* Based on Washington County, Amercian Community Survey, 2021, 5-year avg.

Transportation SDC Schedule for a Single-Fam	Square Feet	Residents	SDC
SDC per resident	738	1.0000	\$3,057
SDC per square foot of single-family residence	1	0.0014	\$4.14
Maximum SDC per single-family residence	2,605	3.5294	\$10,788

SDC for Single-Family Residences		House Type/Size Examples					
Transportation SDC: Alt. 2		ADU	Cottage	Townhome	Alley Loaded Detached	Standard Detached	Estate
House size in square feet	800	1,250	1,350	1,725	2,200	3,000	
Implied avg. occupancy (persons)	1.08	1.69	1.83	2.34	2.98	3.53	
Calculated SDC	\$3,312	\$5,176	\$5,590	\$7,142	\$9,109	\$10,788	
<i>average cost per SF</i>	<i>\$4.14</i>	<i>\$4.14</i>	<i>\$4.14</i>	<i>\$4.14</i>	<i>\$4.14</i>	<i>\$3.60</i>	

ADU = accessory dwelling unit. House size denoted in square feet of heated floor area.

A similar approach may be considered for scaling single family parks SDCs by home size and estimated number of occupants. As indicated in **Exhibit 12**, under Alt. 1. the scaled SDCs for parks would range from \$3,721 for accessory dwellings (800 SF) to \$12,117 for an estate home with 3,000 SF.

This type of approach would also enable the City to charge SDCs for detached homes based on changes in floor area, with charges per square foot (SF) declining inversely with the size of the housing unit given economies of scale and other demand factors discussed above

Other types of development, including attached and multifamily housing and non-residential uses would incur SDCs as described earlier in this report.

Exhibit 12: Relative Variation in Parks SDC by Single Family Home Size, Alt. 1.

Parks SDC per Single Family Dwelling	\$	10,865
Average residents per DU		1.89
Parks SDC per Resident	\$	5,755

Parks SDC Schedule for a Single-Family Home	Square Feet	Residents
SDC per resident	738	1.0000
SDC per square foot of single-family residence	1	0.0014
Maximum SDC per single-family residence	2,605	3.5294

SDC Calculator for Single-Family Residences	
Avg. House size in square feet	2,250
Implied average occupancy	3.048
Calculated SDC	\$17,541

Parks SDC Schedule by Square Footage	
738	\$5,755
950	\$7,406
1,000	\$7,796
1,250	\$9,745
1,500	\$11,694
1,750	\$13,643
2,000	\$15,592
2,250	\$17,541
2,500	\$19,490
2,605+	\$20,312

Exhibit 12: Parks SDCs by Single Family Home Size, Alt. 1 (Recommended)

Parks SDC per Single Family Dwelling	\$	9,682
Average residents per Dwelling*		2.82
Parks SDC per Resident	\$	3,433

* Based on Washington County, Amercian Community Survey, 2021, 5-year avg.

Parks SDC Schedule for a Single-Family Home	Square Feet	Residents	SDC
SDC per resident	738	1.0000	\$3,433
SDC per square foot of single-family residence	1	0.0014	\$4.65
Maximum SDC per single-family residence	2,605	3.5294	\$12,117

Parks SDCs by Home Size	Housing Type Examples					
	ADU	Cottage	Townhome	Alley Loaded Detached	Standard Detached	Estate
Parks SDCs for Single Family Homes, Alt. 1 (estimates)						
Avg. House size in square feet	800	1,250	1,350	1,725	2,200	3,000
Implied average occupancy	1.08	1.69	1.83	2.34	2.98	3.53
Calculated SDC	\$3,721	\$5,813	\$6,279	\$8,023	\$10,232	\$12,117
average cost per SF	\$4.65	\$4.65	\$4.65	\$4.65	\$4.65	\$4.04

The multifamily SDCs (3+ units per structure) can also be scaled based on square feet (SF) of heated floor area. Multifamily dwellings are estimated to range from 675 SF for studio/1-bedroom units, 975 SF for 2-bedroom units, and 1,275 SF for 3-bedroom units. An evenly distributed weighted average of these housing types results in an average size for multifamily units of 975 SF.

The methodology for calculated the SDCs for multifamily units using Parks SDC Alternative 1 assumes the following:

1. An average SDC cost per multifamily unit of \$5,775 for transportation Alt. 2 and \$7,416 for parks Alt. 1 (derived from Exhibits 5 and 8).
2. Average size of multifamily unit of 975 SF (gross heated floor area per unit) and a net to gross square feet ratio of 1.25.

These assumptions result in an SDC cost for multifamily development of \$4.74 per SF for transportation and \$6.08 per SF for parks. The resulting scalable transportation and parks SDCs for multifamily structures for Alt. 1 (recommended) is shown in **Exhibit 13A and 13B.**

Exhibit 13A: Transportation SDCs for Multifamily Housing, Alt. 1 (Recommended)

Transportation SDC by Home Size	Multifamily Unit Size Examples				
Alternative 2	1 Bedroom	2 Bedroom	3 Bedroom	Average	Notes
House size in square feet	675	975	1,275	975	Weighted average
Calculated SDC	\$3,199	\$4,620	\$6,042		
<i>average cost per SF</i>	\$4.74	\$4.74	\$4.74	\$4.74	SDC per gross SF of floor area

Exhibit 13B: Parks SDCs for Multifamily Housing, Alt. 1 (Recommended)

Parks SDCs by Home Size	Multifamily Unit Size Examples				
Alt. 1	1 Bedroom	2 Bedroom	3 Bedroom	Average	Notes
Avg. House size in square feet	675	975	1,275	975	Weighted average
Calculated SDC	\$4,107	\$5,933	\$7,758		
<i>average cost per SF</i>	\$6.08	\$6.08	\$6.08	\$6.08	SDC per gross SF of floor area

By applying the ~~scalable methodology to both SDC Alternatives, the City could opt to adopt a two-tiered SDC fee structure, with a base charge for the first 1,000 SF of heated floor area and a surcharge for each additional SF over the first 1,000 SF~~ recommended hybrid SDC alternative (which assumes Transportation SDC Alt. #2 and Parks SDC Alt. #1) and a scaled fee structure, the resulting charges are shown below in **Exhibit 14.**

Exhibit 13: Relative Variation in SDCs by Single Family Home Size

	Alt. 1.	Alt. 2
Transportation SDC		
Base SDC (up to 1,000 SF)	\$ 12,729	\$ 4,048
plus charge per SF (over 1,000 SF)	\$ 12.73	\$ 4.05
Parks SDC		
Base SDC (up to 1,000 SF)	\$ 5,755	\$ 3,994
plus charge per SF (over 1,000 SF)	\$ 7.79	\$ 5.41

Source: derived from prior tables and stated assumptions.

Exhibit 14: Recommended SDCs

Land Use Type	(Alt. 2)	(Alt. 1)
Single Family (1 or 2 units per structure)	\$4.14 per SF*	\$4.66 per SF*
Multifamily (3+ units per structure)	\$4.74 per SF	\$6.08 per SF
Non-Residential	\$8,620 per PHVT	N/A

SF = gross square feet of heated floor area. * Maximum charge reached at 2,605 SF.

PHVT = PM peak hour vehicle trip per ITE Handbook.

IV.D. CREDITS

A credit is a reduction in the amount of the SDC for a specific development. The Oregon SDC Act requires that credit be allowed for the construction of a "qualified public improvement" which (1) is

required as a condition of development approval, (2) is identified in the City's capital improvements program, and (3) either is not located on or contiguous to property that is the subject of development approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., a transportation improvement can only be used for a credit for a future transportation SDC), and must be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project up to the amount of the improvement fee. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

In addition to these required credits, the City 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 City's SDC Capital Improvements Plan, or provide a share of the cost of an improvement by other means (i.e., partnerships, other City revenues, etc.).

IV.E. EXEMPTIONS AND DISCOUNTS

The City may "exempt" specific classes of development (i.e., minor additions under 500 SF, etc.) from the requirement to pay transportation SDCs.

The City may "discount" the amount of the SDC by reducing the portion of growth-required improvements to be funded with SDCs. Alternatively, the City may decide to charge only a percentage (i.e., 50%, 75%, etc.) of the SDC rates required to fund identified growth-related facility costs. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as general fund contributions to maintain levels of service.

APPENDIX A. TRANSPORTATION FACILITY IMPROVEMENTS

REVISED

Highest Priority Improvements (Years 1-10)

TSP Project ID #	Project Type	Preliminary Project Cost (2023 Dollars)*	Preim. WA County or Metro Cost Share	City or Developer Cost Share (may be TDT/TSDC Credit eligible)	King City Cost Share	TDT Eligible?	Potential Local TSDC Eligible?
8a, 8b, 8d	Beef Bend Roadway (South Side)	\$31,050,000	\$30,940,000	\$110,000		yes	
8f	New Roadway: SW Colyer & Peachtree Drive Realignment Connection with SW 137th	\$1,400,000	\$700,000	\$700,000			yes
4c, 7h	New Intersections/Signals	\$4,350,000	\$990,000	\$3,360,000		yes	
2a, 24a	New Bicycle/Pedestrian Facilities	\$6,550,000	\$0	\$6,550,000			yes
A3	Transit/Other	\$250,000	\$225,000		\$25,000		
	Total	\$43,600,000	\$32,855,000	\$10,720,000	\$25,000		

Source: King City Transportation System Plan, June 2023.

Next Priority Improvements (Years 10 to 20)

TSP Project ID #	Project Type	Preliminary Project Cost (2023 Dollars)*	Preim. WA County or Metro Cost Share	City or Developer Cost Share (may be TDT/TSDC Credit eligible)	King City Cost Share	TDT Eligible?	Potential Local TSDC Eligible?
1a, 1b	Roy Rogers Roadway Improvements	\$23,000,000	\$23,000,000			yes	
5a, 5b 6a, 7j	Elsner Roadway Improvements	\$13,550,000	\$11,925,000	\$ 1,625,000		yes	yes
7a, 7b, 7e	Fischer Roadway Improvements	\$31,650,000		\$31,650,000		yes	yes
13a	Local Collector Roadway	\$3,850,000		\$3,850,000		yes	yes
7k, 7l, 11b 10b, 15b,	Intersection Improvements	\$7,050,000	\$1,900,000	\$5,150,000		yes	yes
25a	New Bicycle/Pedestrian Facilities	\$3,500,000	\$50,000	\$3,450,000			yes
26a	Westside Trail along Tualatin River	\$5,600,000	\$5,600,000	\$ -	\$ -	No	yes
27a, 27b, 27c, 27d	Shared Use Pathways	\$ 13,500,000	\$ 11,880,000		\$1,620,000	No	yes
	Total	\$101,700,000	\$54,355,000	\$45,725,000	\$1,620,000		

Source: King City Transportation System Plan, June 2023.

APPENDIX B. TSDC ALT. 1 SDCS BY LAND USE

REVISED

Transportation SDC by ITE Land Use Code: FY 2023-24

TSDC per PHVT \$ 8,619.54

ITE Code	Land Use	Unit	PM Peak			Net PM Peak		Local TSDC
			Hour Vehicle	Trips	Primary	Pass	By	
110	General Light Industrial	Employee	0.68	100%	0%	100%	0.68	\$ 5,861
130	Industrial Park	1,000 SFGFA	0.40	100%	0%	100%	0.40	\$ 3,448
140	Manufacturing	1,000 SFGFA	0.79	100%	0%	100%	0.79	\$ 6,809
150	Warehousing	1,000 SFGFA	0.24	100%	0%	100%	0.24	\$ 2,069
151	Mini-Warehouse	1,000 SFGFA	0.20	100%	0%	100%	0.20	\$ 1,724
154	High-Cube Transload and Short-Term Storage Warehouse	1,000 SFGFA	0.16	100%	0%	100%	0.16	\$ 1,379
210	Single-Family Detached Housing	Average per Standard DU	1.00	100%	0%	100%	1.00	\$ 8,620
220	Multifamily Housing (Low-Rise)	Dwelling Units	0.67	100%	0%	100%	0.67	\$ 5,775
221	Multifamily Housing (Mid-Rise) / Duplex, Triplex, Quadplex	Dwelling Units	0.41	100%	0%	100%	0.41	\$ 3,534
222	Multifamily Housing (High-Rise)	Dwelling Units	0.39	100%	0%	100%	0.39	\$ 3,362
240	Mobile Home Park	Dwelling Units	0.49	100%	0%	100%	0.49	\$ 4,224
251	Senior Adult Housing - Detached	Dwelling Units	0.39	100%	0%	100%	0.39	\$ 3,362
252	Senior Adult Housing - Attached	Dwelling Units	0.31	100%	0%	100%	0.31	\$ 2,672
	Accessory Dwelling Unit	Dwelling Units	0.34	100%	0%	100%	0.34	\$ 2,931
254	Assisted Living	Beds	0.34	100%	0%	100%	0.34	\$ 2,931
255	Continuing Care Retirement Community	Units	0.25	100%	0%	100%	0.25	\$ 2,155
265	Timeshare	Dwelling Units	0.43	100%	0%	100%	0.43	\$ 3,706
310	Hotel	Rooms	0.61	100%	0%	100%	0.61	\$ 5,258
420	Marina	Berths	0.20	100%	0%	100%	0.20	\$ 1,724
430	Golf Course	Holes	3.68	100%	0%	100%	3.68	\$ 31,720
444	Movie Theater	1,000 SFGFA	14.06	100%	0%	100%	14.06	\$ 121,191
495	Recreational Community Center	1,000 SFGFA	2.30	100%	0%	100%	2.30	\$ 19,825
520	Elementary School	1,000 SFGFA	3.16	59%	41%	100%	1.86	\$ 16,070
522	Middle School/Junior High School	1,000 SFGFA	3.33	59%	41%	100%	1.96	\$ 16,935
530	High School	1,000 SFGFA	2.15	59%	41%	100%	1.27	\$ 10,934
540	Junior/Community College	1,000 SFGFA	2.27	100%	0%	100%	2.27	\$ 19,566
560	Church / House of Worship	1,000 SFGFA	0.80	100%	0%	100%	0.80	\$ 6,896
565	Day Care Center	1,000 SFGFA	11.82	100%	0%	100%	11.82	\$ 101,883
566	Cemetery	Acres	1.26	100%	0%	100%	1.26	\$ 10,861
590	Library	1,000 SFGFA	8.53	100%	0%	100%	8.53	\$ 73,525
610	Hospital	1,000 SFGFA	0.97	100%	0%	100%	0.97	\$ 8,361
620	Nursing Home	Beds	0.37	100%	0%	100%	0.37	\$ 3,189
710	General Office Building	Employee	0.45	100%	0%	100%	0.45	\$ 3,879
750	Office Park	1,000 SFGFA	1.33	100%	0%	100%	1.33	\$ 11,464
770	Business Park	1,000 SFGFA	1.26	100%	0%	100%	1.26	\$ 10,861
813	Free-Standing Discount Superstore	1,000 SFGFA	4.40	71%	29%	100%	3.12	\$ 26,927
816	Hardware/Paint Store	1,000 SFGFA	1.13	74%	26%	100%	0.84	\$ 7,208
817	Nursery (Garden Center)	1,000 SFGFA	8.37	100%	0%	100%	8.37	\$ 72,146
820	Shopping Center	Employee	1.89	100%	0%	100%	1.89	\$ 16,291
840	Automobile Sales (New)	1,000 SFGFA	2.65	100%	0%	100%	2.65	\$ 22,842
849	Tire Superstore	1,000 SFGFA	2.58	100%	0%	100%	2.58	\$ 22,238
850	Supermarket	Employee	2.35	64%	36%	100%	1.50	\$ 12,964
851	Convenience Market	1,000 SFGFA	53.51	49%	51%	100%	26.22	\$ 226,004
857	Discount Club	1,000 SFGFA	4.61	63%	37%	100%	2.90	\$ 25,034
861	Sporting Goods Superstore	1,000 SFGFA	3.04	100%	0%	100%	3.04	\$ 26,203
862	Home Improvement Superstore	1,000 SFGFA	3.29	58%	42%	100%	1.91	\$ 16,448
863	Electronic Superstore	1,000 SFGFA	4.44	60%	40%	100%	2.66	\$ 22,962
875	Department Store	1,000 SFGFA	2.81	100%	0%	100%	2.81	\$ 24,221

Appendix B (continued)

Transportation SDC by ITE Land Use Code: FY 2023-24

TSDC per PHVT

ITE Code	Land Use	Unit	PM Peak			Total	Net PM Peak
			Hour Vehicle Trips	Primary	Pass By		
881	Pharmacy/Drugstore with Drive-Through Window	1,000 SFGFA	11.32	51%	49%	100%	5.77
882	Marijuana Dispensary	1,000 SFGFA	29.93	100%	0%	100%	29.93
890	Furniture Store	1,000 SFGFA	0.70	47%	53%	100%	0.33
912	Drive-in Bank	1,000 SFGFA	20.06	65%	35%	100%	13.04
930	Fast Casual Restaurant	1,000 SFGFA	43.79	100%	0%	100%	43.79
931	Quality Restaurant	1,000 SFGFA	8.28	56%	44%	100%	4.64
932	High-Turnover (Sit-Down) Restaurant	1,000 SFGFA	17.41	57%	43%	100%	9.92
933	Fast-Food Restaurant without Drive-Through Window	1,000 SFGFA	48.70	50%	50%	100%	24.35
934	Fast-Food Restaurant with Drive-Through Window	1,000 SFGFA	51.36	50%	50%	100%	25.68
936	Coffee/Donut Shop without Drive-Through Window	1,000 SFGFA	28.23	100%	0%	100%	28.23
937	Coffee/Donut Shop with Drive-Through Window	1,000 SFGFA	37.43	100%	0%	100%	37.43
944	Gasoline/Service Station	Vehicle Fueling Positions	14.41	58%	42%	100%	8.36
960	Super Convenience Market/Gas Station	Vehicle Fueling Positions	20.25	100%	0%	100%	20.25

Abbreviations

- CFD commercial flights per day
- ODU occupied dwelling unit
- SFGFA square feet of gross floor area
- SFGLA square feet of gross leasable area
- VFP vehicle fueling position

Source: Institute of Transportation Engineers Trip Generation Handbook, and King City TSP modeling assumptions.

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