Presented by:

DONOVAN
enterprises, inc.

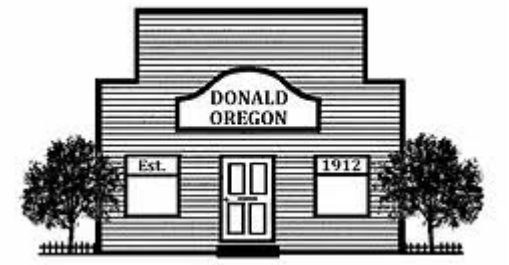
July

2021

Water, Wastewater, Stormwater, Transportation, and Parks System Development Charge Update

Final Report

Prepared for:



Donovan Enterprises, Inc.
9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
☎ 503.517.0671

Printed on Recycled Paper

City of Donald
2021 Water, Wastewater, Stormwater, Transportation, and Parks
SDC Methodology Update

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Introduction/History of the Project

The City of Donald conducts periodic updates to its Comprehensive Plan and its various Public Facility Plans to provide orderly and sustainable growth of municipal infrastructure. A key component to funding these public facilities is the system development charge (SDC) program. The last time the City reviewed its SDC methodology and rates was in 2016. At that time, the City Council adopted its SDC methodology and charges via Resolution no. 403-16 on May 4, 2016. The purpose of this study is to update the schedule of SDCs for current demographic and demand data along with a newly adopted City-wide capital improvement plan (CIP). The new City-wide CIP was adopted by the City Council on February 9, 2021 via Resolution no. 519-21.

The City is not proposing to change the adopted SDC methodologies for its water, wastewater, stormwater, transportation, and parks SDCs. Oregon Revised Statue (ORS) 223.304.8.a specifically allows for the following:

> *"A change in the amount of a reimbursement fee or an improvement fee is not a modification of the system development charge methodology if the change in amount is based on: (a) A change in the cost of materials, labor or real property applied to projects or project capacity as set forth on the list adopted pursuant to ORS 223.309; …"*

SDCs are one-time charges for new development—designed to recover the costs of infrastructure capacity needed to serve new development. This section describes the policy context and project scope upon which the body of this report is based. It concludes with a numeric overview of the calculations presented in subsequent sections of this report for water, wastewater, stormwater, transportation, and parks SDCs.

In January of 2021, the City hired Donovan Enterprises, Inc. to review and update the water, wastewater, stormwater, parks, and transportation SDC fees. With this review and update, the City has stated a number of objectives:

- Review the basis for charges to ensure they are consistent with the currently adopted SDC methodologies;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its way;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions, and results, so that City staff could, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort and was done in close coordination with City staff and available facilities planning documents. The SDC updates comply with Donald Municipal Code (DMC) chapter 152.01 – 152.16.

Table 1 gives a component breakdown for the current and proposed residential equivalent SDCs for water, wastewater, stormwater, transportation, and parks.

Table 1 - Component Breakdown of the Proposed Residential Equivalent SDCs

Line Item Description	Service Unit	Proposed	Current	Difference	Proposed Harvest Gardens
Water:	per 5/8" or 3/4" water meter				
Reimbursement fee		$690	$2,465	$ (1,775)	$690
Improvement fee		1,826	1,537	289	
Administration fee @5%		126	200	(74)	
Total		$2,642	$4,202	$ (1,560)	
Wastewater:	per 5/8" or 3/4" water meter				
Reimbursement fee		$691	$2,267	$ (1,576)	$691
Improvement fee		19,080	1,798	17,282	
Administration fee @ 5%		989	203	786	
Total		$20,760	$4,268	$16,492	
Stormwater:	per Equivalent Residential Unit				
Reimbursement fee		$ -	$29	$ (29)	
Improvement fee		716	166	550	
Administration fee @ 5%		36	10	26	
Total		$752	$205	$547	$752
Transportation:	per detached SF residence				
Reimbursement fee		$160	$95	$65	
Improvement fee		2,530	505	2,025	
Administration fee @ 5%		135	29	106	
Total		$2,825	$628	$2,197	$2,825
Parks:	per detached SF residence				
Reimbursement fee		$ -	$ -	$ -	
Improvement fee		1,339	526	813	
Administration fee @ 5%		67	26	41	
Total		$1,406	$552	$854	$1,406
Total SDCs:					
Reimbursement fee		$1,541	$4,856	$ (3,315)	
Improvement fee		25,491	4,532	20,959	
Administration fee @ 5%		1,353	468	885	
Total		$28,385	$9,855	$18,530	$6,364

Analytical Process for the Methodology Updates

The essential ingredient in the development of an SDC methodology is valid sources of data. For this project, the consultant team has relied on a number of data sources. The primary sources have been the newly formulated and adopted capital improvement plans for water, wastewater, stormwater, and transportation. We have supplemented these data sources with City utility billing records, certified census

data, and other documents that we deemed helpful, accurate, and relevant to this study. Table 2 contains a bibliography of the key documents/sources that we relied upon to facilitate our analysis and hence the resulting SDCs.

Table 2 - Data Sources for the Calculation of SDCs

Service	Master Plan Document and/or Corroborating Source Documentation
Water	• City of Donald Water CIP; December, 2021; Resolution no. 519-21 • City of Donald Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 • City of Donald Water System Fixed Asset Schedule; June 30, 2020; City Records • City of Donald Utility Billing records for fiscal 2019-2020 • Water meters in service per City Staff; effective January 1, 2021
Wastewater	• City of Donald Wastewater CIP; December, 2021; Resolution no. 519-21 • City of Donald Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 • Donald wastewater system fixed asset schedule; June 30, 2020; City records • City of Donald Utility Billing System – wastewater system active accounts and Equivalent Dwelling Units in service report; January 1, 2021 • City of Donald monthly wastewater flows to lagoons reports 2014 through 2020 • Portland State University, College of Urban Affairs, Population Research Center; Certified census for Donald, Oregon; June, 2018
Stormwater	• City of Donald Comprehensive Plan 2015 update • Donald Residential Buildable Lands Inventory; June, 2013; Portland State University
Transportation	• City of Donald Comprehensive Plan 2015 update • Donald Residential Buildable Lands Inventory; June, 2013; Portland State University • City of Donald transportation system fixed asset schedule; June 30, 2020; City records • U.S. Bureau of the Census; American Community Survey: ✓ City of Donald dwelling units; 2019 estimated ✓ City of Donald number of employees; 2019 estimated • Trip Generation Manual; Institute of Transportation Engineers; 10th Edition
Parks	• City of Donald Parks and Recreation Needs Assessment; June, 2014; Portland State University • City of Donald parks system fixed asset schedule; June 30, 2020; City records • U.S. Bureau of the Census; American Community Survey: ✓ City of Donald population; 2019 estimated ✓ City of Donald dwelling units; 2019 estimated ✓ City of Donald number of employees; 2019 estimated • Oregon Department of Parks and Recreation; A guide to Community Park and Recreation Planning for Oregon Communities; April, 2013

The data sources shown in Table 2 were used to formulate the two (2) components of the SDCs. These components are the reimbursement and improvement fees. The City has been constructing the SDCs with

these two components since 2016, and our analysis does not propose to change that methodology. A brief definition of the two components is:

- *The reimbursement fee* considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is future system users contribute no more than an equitable share to the cost of existing facilities. The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.
- *The improvement fee* portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee, each project in the respective service's capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves system capacity to better serve current customers. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent residential units to be served by the City's facilities over the planning period. Such a fee represents the greatest potential for future SDC changes. The improvement fee must also provide a credit for construction of a qualified public improvement.

SDC Legal Authorization and Background

SDCs are authorized by Oregon Revised Statute (ORS) 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development and assessed at the time of development approval or increased usage of the system. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property. Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

Finally, two cost basis adjustments are potentially applicable to both reimbursement and improvement fees: fund balance and compliance costs. In this study, the project team as paid attention to this detail to align future infrastructure costs to those responsible for paying those costs. The reasons for this attention are as follows:

- *Fund Balances* - To the extent that SDC revenue is currently available in fund balance, that revenue should be deducted from its corresponding cost basis. For example, if the city has wastewater improvement fees that it has collected but not spent, then those unspent improvement fees should be deducted from the wastewater system's improvement fee cost basis to prevent charging twice for the same capacity.
- *Compliance Costs* - 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 its SDCs.

Reimbursement Fee Methodology

The reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth-related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted. First, the cost of the system to the City's customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less. Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points. First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing. Second, the cost basis is allocated between used and unused capacity, and, capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to equivalent dwelling units over the planning period. This approach reflects the philosophy, consistent with the City's updated master plans, that facilities have been sized to meet the demands of the customer base within the established planning period.

Improvement Fee Methodology

There are three basic approaches used to develop improvement fee SDCs: "standards driven", "improvements-driven", and "combination/hybrid" approaches. The "standards-driven" approach is based on the application of Level of Service (LOS) standards for facilities. Facility needs are determined by applying the LOS standards to projected future demand, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where level of service standards has been adopted but no specific list of projects is available. The "improvements-driven" approach is based on a specific list of planned capacity increasing capital improvements. The portion of each project that is attributable to growth is determined, and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in projected future demand, as applicable. This approach works best where a detailed master plan or project list is available, and the benefits of projects can be readily apportioned between growth and current users. Finally, the combination/hybrid-approach includes elements of both the "improvements driven" and "standards-driven" approaches. Level of Service standards may be used to create a list of planned capacity-increasing projects, and the growth required portions of projects are then used as the basis for determining SDC eligible costs. This approach works best where levels of service have been identified and the benefits of individual projects are not easily apportioned between growth and current users.

In the past, the City has utilized the "improvements-driven" approach for the calculation of SDCs. This study continues to use this method and has relied on the capital improvement plans that are incorporated in the master plans, and plan updates for the water, wastewater, stormwater, parks, and transportation systems.

For this SDC update, the improvement fee represents a proportionate share of the cost to expand the systems to accommodate growth. This charge is based on the capital improvement plans established by the City for the municipal services. The costs that can be applied to the improvement fees are those that can reasonably be allocable to growth. Statute requires that the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a wastewater collection line that exclusively serves a newly developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An example might be a water distribution reservoir that both expands water storage capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the respective system's capacity to accommodate growth or increase its respective level of performance have been included in the cost basis of the fee. As part of this SDC update, City Staff and their engineering consultants were asked to review the planned capital improvement lists in order to assess SDC eligibility. The criteria in Figure 1 were developed to guide the City's evaluation:

Figure 1 - SDC Eligibility Criteria

City of Donald

Steps Toward Evaluating

Capital Improvement Lists for SDC Eligibility

ORS 223

1. Capital improvements mean the facilities or assets used for:
    a. Water supply, transmission, storage, and distribution
    b. Wastewater collection, transmission, treatment, and disposal
    c. Stormwater, conveyance, detention, treatment, and disposal
    d. Parks, open space, and trails/connections
    e. Transportation – intersection improvements, street reconstruction and widening, roadway enhancement, and bike/ped expansion

    This definition DOES NOT ALLOW costs for operation or routine maintenance of the improvements;
2. The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related;
3. An increase in system capacity is established if a capital improvement increases the "level of performance or service" provided by existing facilities or provides new facilities.

Under the City' approach, the following rules will be followed.

1. Repair costs are not to be included;
2. Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;
3. New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;
4. Costs will not be included which bring deficient systems up to established design levels.

In developing the improvement fee, the project team in consultation with City staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedules developed by the City. The improvement fee is calculated as a function of the estimated number of projected additional Equivalent Residential Units for water, wastewater, stormwater, and parks over the planning horizon.

We measure demand for transportation facilities in Equivalent Length New Daily Trips (ELNDTs). An industry standard for allocating demands on a transportation system is to proportion the costs based on the relative number of trips created by a development. Trips are technically referred to as ELNDTs, and trip rates are published by the Institute of Transportation Engineers (ITE) for various land uses. This SDC Update adopts

the use of Weekday Average Trips as contained in the current ITE Trip Generation Manual, 10th Edition, as the basis for the ELNDT generation standards. In addition, this update incorporates a Local Factor that considers the length of a typical trip, the number of shared trips and pass-by trips. This factor is an estimate of how many of the trips specific to the subject land use are linked to other destinations, where the actual trip is shared by multiple destinations or multiple stops on the same trip.

Methodology for the Granting of Credits, Discounts, and Exemptions

SDC Credits Policy

ORS 223.304 requires that credit be allowed for the construction of a "qualified public improvement" which is required as a condition of development approval, is identified in the Capital Improvement Plan, and 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 and may 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. 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 Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

The City has adopted a policy for granting SDC credits and has codified this policy in the Donald Municipal Code (DMC) §152.13. The adopted SDC credit policy consists of the following items:

DMC §152.13

A. A system development charge shall be imposed when a change of use of a parcel or structure occurs, but credit shall be given for the computed system development charge to the extent that prior structures existed, and services were established on or before July 1, 1991. The credit so computed shall not exceed the calculated system development charge. No refund shall be made on account of this credit.

B. A credit shall be given for the costs of a qualified public improvement which is located partially on and partially off the parcel that is the subject of the development approval. The credit shall be given only for the cost of the portion of the improvement not located on or wholly contiguous to the property. The credit provided for by this division shall be only for the improvement fee charges for the type of improvement being constructed and shall not exceed the improvement fee even if the cost of the capital improvement exceeds the applicable improvement fee.

C. Credit shall not be transferable from 1 development to another, except in compliance with standards adopted by the City Council.

D. Credit shall not be transferable from 1 type of capital improvement to another.

SDC Discount Policy

The City, at its sole discretion may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rates may also be applied on a pro-rata basis to any identified deficiencies, which

must be funded from sources other than improvement fee SDCs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as user fees or general fund contributions, in order to acquire the facilities identified in the updated master plan(s).

Partial and Full SDC Exemption

The City may exempt certain types of development, from the requirement to pay SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as user fees and property taxes. As in the case of SDC credits, the City has articulated a policy relative to partial and full SDC exemption. This SDC exemption policy is codified in DMC §152.12, and is as follows:

A. Structures and uses established and existing on or before July 1, 1991, are exempt from system development charges imposed by this subchapter, except water and sewer charges, to the extent of the structure or use then existing and to the extent of the parcel of land as it is constituted on that date. Structures and uses affected by this division shall pay the water or sewer charges pursuant to the terms of this subchapter upon the receipt of a permit to connect to the water or sewer system.

B. Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the State Uniform Building Code, are exempt from all portions of the system development charge.

C. An alteration, addition, replacement, or change in use that does not increase the parcel's or structure's use of the public improvement facility is exempt from all portions of the system development charge.

Water SDCs

Water Capital Improvement Plan

As discussed in the introduction of this report, the City Council adopted a new City-wide CIP on February 9, 2021. For this water SDC update, the water CIP was reviewed for accuracy with City Staff and where appropriate amended. This amendment process consisted of two steps. The first step was to eliminate master plan projects that City Staff deemed unnecessary at the current time due to the very long lead times anticipated for their development. The second step in the CIP amendment process was to eliminate the cost of planned projects (or portions of projects) that have been funded and constructed since the adoption of the last water master plan in 2019. In this case, the planned future costs are deducted from the CIP. The actual costs spent on these projects were capitalized by the City, and now reside in the water system fixed asset inventory (i.e., balance sheet assets). These historical costs will be included in the reimbursement fee calculations.

The amended water system CIP now consists of future projects that remain a 20-year priority for the City, and only consists of projects yet to be completed. The resulting CIP that was used for this SDC update is shown in summary form in Table 3.

Table 3 – Adopted 2021 Water System Capital Improvement Plan

Project Description	Project Priority	Project Cost	Projected Funding Sources %				
			SDCs	Rates	Harvest Gardens	Fargo Service District	Total
Water							
Decommission Well No. 1	1-2 years	$ 30,000	8%	50%	43%	0%	100%
Capacity Expansion - New Well #3	1-2 years	750,000	8%	50%	43%	0%	100%
Capacity Expansion - New Well #4	10+ years	1,355,000	8%	50%	43%	0%	100%
Add Secondary Containment for Chemical Tanks	6-10 years	10,000	8%	50%	43%	0%	100%
SCADA - Phase 1	1-2 years	100,000	8%	50%	43%	0%	100%
SCADA - Phase 2	6-10 years	75,000	8%	50%	43%	0%	100%
Building Expansion for Staff Facilities	6-10 years	120,000	8%	50%	43%	0%	100%
Backwash Recycle System	1-2 years	30,000	15%	0%	85%	0%	100%
Replace Booster Pumps	1-2 years	200,000	15%	0%	85%	0%	100%
Upsize electrical feed for new well and booster pumps	1-2 years	75,000	15%	0%	85%	0%	100%
Replace Existing Standby Power System at WTP Building	1-2 years	150,000	15%	0%	85%	0%	100%
Master Planning and SDC Updates	1-20 years	60,000	15%	0%	85%	0%	100%
Water Management and Conservation Plan	1-20 years	30,000	8%	50%	43%	0%	100%
Subtotal water		$ 2,985,000					

Water Customers Current and Future Demographics

Existing Water Demand and Population Growth

Current Donald water demands are based on historical customer billing records, and actual water meters in service as of January 1, 2021. Projected demands are estimated based on an approximate population growth rate of 4.1 percent within the City's existing urban growth boundary. This annual population growth factor is based on the population forecasts prepared by the Population Research Center at Portland State University (March, 2021).

Estimated Demand per Equivalent 5/8" or 3/4" Water Meter

The City principally serves single-family residential customers and to a lesser extent, small commercial and industrial customers. Single-family residential water services generally have a consistent daily pattern of water use whereas water demands for multifamily residences, commercial and industrial users may vary significantly from service to service depending on the number of multifamily units per service or the type of commercial enterprise. When projecting future water demands based on population change, the water needs of nonresidential and multi-family residential customers are represented by comparing the water use volume at these services to the average single-family residential water service. A method to estimate this relationship is to calculate "equivalent dwelling units (EDUs)". In the case of Donald, the standard residential unit of demand is the rated capacity (in gallons per minute) of the 5/8" and 3/4" water meter. As of January 1, 2021, the City had 412 active water meters in service, 397 of which were 5/8" x 3/4" and 3/4" x 3/4" meters serving single family residential customers. In other words, roughly 92% of all active water services were assigned to the single-family residential customer class. The process for calculating equivalent ¾" meters is shown below in Table 4.

Table 4 – Estimated ¾" Equivalent Meters in Service as of January 1, 2021

Meter Size	Total Meters In Service	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	3/4" Meter Equivalents	Frequency Distribution
0.625" x 0.75" - Displacement Multi-jet	352	30	1.00	352	82%
0.75"x 0.75" - Displacement Multi-jet	45	30	1.00	45	10%
1.00 inch - Displacement Multi-jet	11	50	1.67	18	4%
1.50 inch - Displacement Class I Turbine	4	100	3.33	13	3%
2.00 inch - Displacement or Class I & II Turbine	-	160	5.33	-	0%
3.00 inch - Displacement	-	300	10.00	-	0%
4.00 inch - Displacement or Compound	-	500	16.67	-	0%
6.00 inch - Displacement or Compound	-	1,000	33.33	-	0%
8.00 inch - Compound	-	1,600	53.33	-	0%
10.00 inch - Compound	-	2,300	76.67	-	0%
Total	412			429	100%

* - AWWA Manual of Practice M3; Safety Practices for Water Utilities; Table 2-2 Total Quantities Registered

Projected Demands

The planning horizon for the master plan is approximately 20 years, through the year 2040. That is the forecast horizon that is used for the water SDC update. In the 2019 master plan, an estimated number of EDUs per acre for each land use type was established based on (then) current water demands by customer class and total developed land area by land use type. Land use type is analogous to customer class, which is to say the land use or zoning of a particular property reflects the type of water service, such as residential or commercial, provided to that property. The estimated number of potential EDUs per acre was applied to developable land within the existing water service area to estimate water demand.

For this SDC update, the project team did not use the old master plan strategy to forecast future water demand based on land use. With the benefit of actual meters in service, and a population growth forecast that is predicated on existing growth trends for the City a forecast of future equivalent ¾" meters was developed. Based upon these decision rules, the forecast of equivalent meters in use for this water SDC update are shown below in Table 5.

Table 5 – Forecast of Equivalent ¾" Meters for the 2021 Water SDC Update Study

	2020	CAGR[1]	2040
Total number of 3/4" meter equivalents 2020	429		
Compound annual growth in Donald population		4.10%	
Projected number of 3/4" meter equivalents 2040			957
Projected growth in 3/4" meter equivalents			529

[1] Compound Annual Growth Rate

Reimbursement Fee Calculations

As discussed earlier in this report, the reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. In theory, this should be a simple calculation. Simply go to the Utility's balance sheet, find the book value of assets in service, and divide that cost by the number of forecasted new connections to the water system. That is a simple calculation, and it is wrong. In order to determine an equitable reimbursement, we have to account for some key issues of rate equity;

- First, the cost of the system to the City's existing customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources.
- Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.
- Third, the accounting treatment of asset costs generally has no relationship to the capacity of an asset to serve growth. In the absence of a detailed asset by asset analysis detailed in the balance

sheet (or fixed asset schedule), a method has to be used to allocate cost to existing and future users of the asset. Generally, it is industry practice to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to equivalent dwelling units (i.e., equivalent ¾" meters) over the planning period.

- Fourth, the Oregon SDC statute has strict limitations on what type of assets can be included in the basis of the reimbursement fee. ORS 223.299 specifically states that a "capital improvement" does not include costs of the operation or routine maintenance of capital improvements. This means the assets on the balance sheet such as certain vehicles and equipment used for heavy repair and maintenance of infrastructure cannot be included in the basis of the reimbursement fee.

For this water SDC methodology update, the following discrete calculation steps were followed to arrive at the recommended water reimbursement fee.

Step 1: Calculate the original cost of water fixed assets in service. From this starting point, eliminate any assets that do not conform to the ORS 223.299 definition of a capital improvement. This results in the **adjusted original cost of water fixed assets**.

Step 2: Subtract from the adjusted original cost of water fixed assets in service the accumulated depreciation of those fixed assets. This arrives at the **modified book value of water fixed assets in service**.

Step 3: Subtract from the modified book value of water assets in service any grant funding or contributed capital. This arrives at the **modified book value of water fixed assets in service net of grants and contributed capital**.

Step 4: Subtract from the modified book value of water fixed assets in service net of grants and contributed capital any principal outstanding on long term debt used to finance those assets. This arrives a **gross water reimbursement fee basis**.

Step 5: Subtract from the gross water reimbursement fee basis the fund balance held in the Water Reimbursement SDC fund (if available). This arrives at the **net water reimbursement fee basis**.

Step 6: Divide the net water reimbursement fee basis by the sum of existing and future EDUs to arrive at the **unit net reimbursement fee**.

The actual data that was used to calculate the total water reimbursement fee is shown below in Table 6.

Table 6 - Calculation of the Water Reimbursement Fee

Line Item Descriptions		Amount
Utility Plant-in-Service (original cost):[1]		
Land	$	18,492
Source of supply		38,971
Treatment		57,247
Storage		536,815
Transmission and distribution		360,687
Meters and customer accounts		58,725
General plant		339,572
Vehicles & Equipment		Eliminated
Water Rights		-
Total Utility Plant-in-Service	$	1,410,509
Accumulated depreciation[1]		
Land	$	-
Source of supply		22,923
Treatment		29,485
Storage		209,943
Transmission and distribution		51,829
Meters and customer accounts		31,378
General plant		339,572
Vehicles & Equipment		Eliminated
Water Rights		-
Total accumulated depreciation	$	685,130
Book value of water utility plant-in-service @ June 30, 2020	$	725,379
Eliminating entries:		
Principal outstanding on bonds, notes, and loans payable:		
2015 US Bank note payable 50% water		65,000
Developer Contributions		-
Grants, net of amortization		-
Total eliminating entries		65,000
Net basis in utility plant-in-service available to serve future customers	$	660,379
Estimated existing and future 3/4" Meter Equivalents (MEs)		957
Calculated reimbursement fee - $ per 3/4" ME	$	690

[1] Source: Donald Accounting Summary Report - Capitalized Assets as of June 30, 2020

Improvement Fee Calculations

The calculation of the water improvement fee is more streamlined than the process used to calculate the water reimbursement fee. This study continues to use the improvements-driven method and has relied on the 2021 water system capital improvement plan. Under this methodology, only three steps are required to arrive at the improvement fee. These steps are:

Step 1: Accumulate the future cost of planned improvements needed to serve growth. This arrives at **the gross improvement fee basis**.

Step 2: Subtract from the gross improvement fee basis the fund balance held in the Water Improvement SDC Fund. This arrives at **the net water improvement fee basis**.

Step 3: Divide the net water improvement fee basis by the forecasted number of growth equivalent ¾" meters over the planning period. This arrives at **the total water improvement fee**.

The actual data that was used to calculate the total water improvement fee is shown below in Table 7.

Table 7 - Calculation of the Water Improvement Fee

Project Name/Line Item Description	Total Cost	SDC Ineligible	SDC Eligible
Decommission Well No. 1	$ 30,000	$ 27,750	$ 2,250
Capacity Expansion - New Well #3	750,000	693,750	56,250
Capacity Expansion - New Well #4	1,355,000	1,253,375	101,625
Add Secondary Containment for Chemical Tanks	10,000	9,250	750
SCADA - Phase 1	100,000	92,500	7,500
SCADA - Phase 2	75,000	69,375	5,625
Building Expansion for Staff Facilities	120,000	111,000	9,000
Backwash Recycle System	30,000	25,500	4,500
Replace Booster Pumps	200,000	170,000	30,000
Upsize electrical feed for new well and booster pumps	75,000	63,750	11,250
Replace Existing Standby Power System at WTP Building	150,000	127,500	22,500
Master Planning and SDC Updates	60,000	51,000	9,000
Water Management and Conservation Plan	30,000	27,750	2,250
Total	$ 2,985,000	$ 2,722,500	$ 262,500

Total Improvement Fee Eligible Costs for Future System Improvements	$ 262,500
less: Water improvement SDC Fund balance as of June 30, 2020	27,293
Adjusted Improvement Fee Eligible Costs for Future System Improvements	$235,207

Total Growth in 3/4" Meter Equivalents (20 year forecast)	529
less: Harvest Gardens 3/4" Meter Equivalents Not Subject to a Water Improvement Fee	400
Total Growth in 3/4" Adjusted Meter Equivalents (20 year forecast)	129
Calculated Water Improvement Fee SDC per Meter Equivalent	$1,826

Water SDC Model Summary

The 2021 water SDC update was done in accordance with Donald Municipal Code Chapter 152, and with the benefit of adopted plan updates for water services. We recommend the City update the SDC charge to reflect the current capital improvement program. Our analysis indicates the City can charge a maximum of $2,642 for the standard ¾" residential water meter. A comparison of the proposed and current water SDCs for the average single-family residential customer is shown below in Table 8.

Table 8 - Proposed and Current Water SDCs for a 5/8" or 3/4" Meter

Water SDC Components	Proposed	Current	Difference
Reimbursement fee	$ 690	$ 2,465	$ (1,775)
Improvement fee	1,826	1,537	289
Administration fee at 5%	126	200	(74)
Total water SDC	$ 2,642	$ 4,202	$ (1,560)

For water meters larger than ¾", the project team has developed a schedule of SDCs based on the general design criteria for meters that are installed in the Donald water service area. This criterion is from the standard approach of using American Water Works Association design criteria for displacement and compound water meters.

The resulting schedule of water SDCs for the array of potential meter sizes is shown below in Table 9.

Table 9 - Proposed Schedule of Water SDCs by Potential Water Meter Size

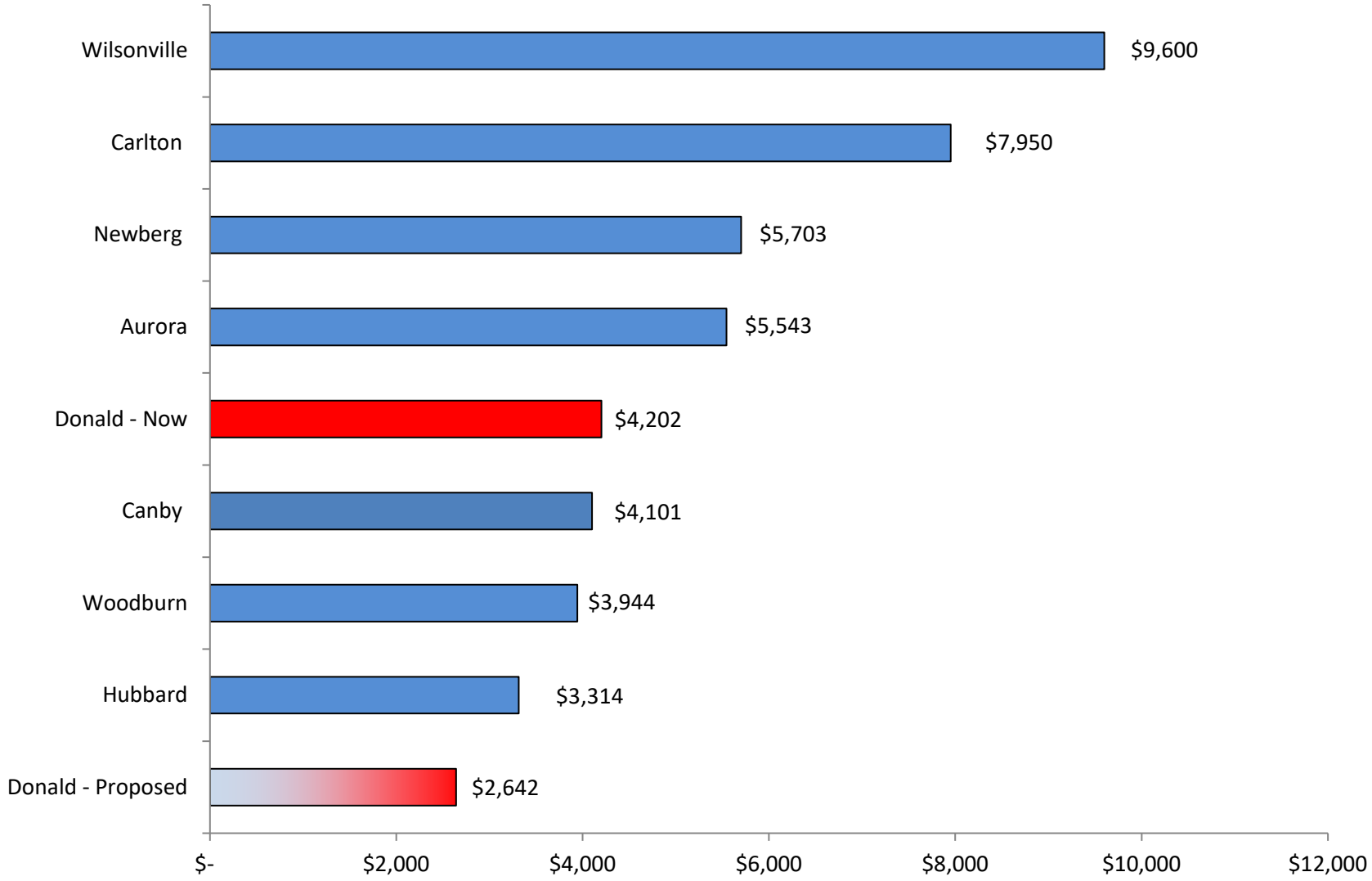
Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Water SDCs			
			Reimbursement	Improvement	Administration	Total
0.625"x 0.75" - Displacement Multi-jet	30	1.00	$ 690	$ 1,826	$ 126	$ 2,642
0.75"x 0.75" - Displacement Multi-jet	30	1.00	690	1,826	126	2,642
1.00 inch - Displacement Multi-jet	50	1.67	1,150	3,043	210	4,403
1.50 inch - Displacement Class I Turbine	100	3.33	2,300	6,087	420	8,807
2.00 inch - Displacement or Class I & II Turbine	160	5.33	3,680	9,739	672	14,091
3.00 inch - Displacement	300	10.00	6,900	18,260	1,260	26,420
4.00 inch - Displacement or Compound	500	16.67	11,500	30,433	2,100	44,033
6.00 inch - Displacement or Compound	1000	33.33	23,000	60,867	4,200	88,067
8.00 inch - Compound	1600	53.33	36,800	97,387	6,720	140,907

* - AWWA Manual of Practice M3; Safety Practices for Water Utilities; Table 2-2 Total Quantities Registered per Month by Meters Operating at Varying Percentages of Maximum Capacity

Water SDCs in Neighboring Communities

Shown below in Figures 2 is a chart that compares the current and proposed water SDC for a single-family customer in Donald to the same charge in similar communities in nearby Clackamas, Yamhill, and Marion Counties.

Figure 2 - Neighboring Communities' Water SDCs (Detached Single Family) April, 2021



Wastewater SDCs

Wastewater Capital Improvement Plan

As in the case of the water SDCs, the principal sources of data for the wastewater system CIP are the 2021 capital improvement plans for wastewater treatment, pumping stations, and collection systems. City Staff have periodically updated these plans for current development conditions. With the assistance of City Staff, the project team has summarized the wastewater system CIPs for this SDC update. The 2021 wastewater system CIP is shown in Table 10.

Table 10 - 2021 Wastewater System CIP

Project Description	Project Priority	Project Cost	Projected Funding Sources % SDCs	Rates	Harvest Gardens	Fargo Service District	Total
Wastewater							
Lagoon No. 5, 7 acres (PUD and Fargo Growth)	1-5 years	2,800,000	0%	0%	85%	15%	100%
Lagoon No. 6, (City Growth)	5-20 years	2,050,000	100%	0%	0%	0%	100%
Chlorination Improvements	1-5 years	40,000	22%	0%	78%	0%	100%
New recycled water pump station		480,000	22%	0%	78%	0%	100%
Recycled water force main to Twin Springs Nursery	1-3 years	890,000	22%	0%	78%	0%	100%
SCADA System Upgrades	1-5 years	100,000	8%	50%	43%	0%	100%
Master Planning and SDC Updates	1-20 years	40,000	15%	0%	85%	0%	100%
WWTP: Effluent Irrigation Contracts Management	1-20 years	30,000	8%	50%	43%	0%	100%
Subtotal wastewater		$ 6,430,000					

Wastewater Customers Current and Future Demographics

Existing Wastewater Demand and Population Growth

Current Donald wastewater demands documented in 2014 through 2020 monthly wastewater flow reports are based on Average Annual Dry Weather Flows (AADWF) to the City's facultative treatment lagoon systems. These flows are expressed in million gallons per day (MGD) figures. For the purpose of this wastewater SDC update, the project team had to translate these MGD figures into standard billing units used for charging out SDCs. In this case, those standard billing figures are expressed in EDUs. In the wastewater industry, an EDU is typically defined as the amount of wastewater a single-family residential customer contributes to the wastewater system during an average month in the winter, where winter is defined as November through April. We have estimated the winter average water consumption for the single-family residential customer class. For the winter period November, 2019 through April, 2020, we estimate the average single-family residential customer contributes 3,986 gallons of water to the wastewater system in the average winter month. This figure translates to 131 gallons per day.

Forecasted EDUs

With this historical consumption data in hand, the project team was able to calculate the number of EDUs relative to the AADWF data from the wastewater treatment system monitoring data that gets reported to the Oregon Department of Environmental Quality on a monthly basis. The EDU calculation methodology is shown in Table 11.

Table 11 - Forecast of Current and Future Wastewater EDUs

	2020	2040	Growth	CAGR[1]
PSU population forecasts	1,158	2,587	1,429	4.1000%
Average Dry Weather Flow (ADWF) Monthly MG[2]	1.6462	3.6770	2.0308	4.1000%
Observed Donald EDU				
Kgal per month - Single Family Residential[3]	3.99	3.99		
Gallons per day - SFR	131.06	131.06		
Estimated EDUs based on ADWF and observed Donald SFR winter average metered water consumption	413	922	509	4.1000%

1 CAGR - Compounded Annual Growth Rate

2 Source: City of Donald Discharge Monitoring Reports 2020

3 Source: City of Donald utility billing system records

Reimbursement Fee Calculations

The wastewater reimbursement fee methodology mirrors that used for the water reimbursement fee. The methodological steps in its construction are restated here.

Step 1: Calculate the original cost of wastewater fixed assets in service. From this starting point, eliminate any assets that do not conform to the ORS 223.299 definition of a capital improvement. This results in the **adjusted original cost of wastewater fixed assets**.

Step 2: Subtract from the adjusted original cost of wastewater fixed assets in service the accumulated depreciation of those fixed assets. This arrives at the **modified book value of wastewater fixed assets in service**.

Step 3: Subtract from the modified book value of wastewater assets in service any grant funding or contributed capital. This arrives at the **modified book value of wastewater fixed assets in service net of grants and contributed capital**.

Step 4: Subtract from the modified book value of wastewater fixed assets in service net of grants and contributed capital any principal outstanding on long term debt used to finance those assets. This includes the principal balance on the Clean Water State Revolving loan that has yet to be repaid. This arrives a **gross wastewater reimbursement fee basis**.

Step 5: Subtract from the gross wastewater reimbursement fee basis the fund balance held in the Wastewater Reimbursement SDC fund (if available). This arrives at the **net wastewater reimbursement fee basis**.

Step 6: Divide the net wastewater reimbursement fee basis by future EDUs to arrive at the **unit net reimbursement fee**.

The actual data that was used to calculate the total wastewater reimbursement fee is shown below in Table 12.

Table 12 - Calculation of the Wastewater Reimbursement Fee

Line Item Descriptions		Amount
Utility Plant-in-Service (original cost):[1]		
Wastewater lagoons and land	$	54,000
Treatment plant		89,537
Collection system		1,990,254
Septic tanks		5,278
Customer accounts		-
General plant		-
Vehicles & Equipment		89,007
Total Utility Plant-in-Service	$	2,228,076
Accumulated depreciation[1]		
Wastewater lagoons and land	$	-
Treatment plant		66,727
Collection system		1,373,456
Septic tanks		5,278
Customer accounts		-
General plant		-
Vehicles & Equipment		80,231
Total accumulated depreciation	$	1,525,692
Book value of wastewater utility plant-in-service @ June 30, 2020	$	702,384
Eliminating entries:		
Principal outstanding on bonds, notes, and loans payable:		
2015 US Bank note payable 50% wastewater		65,000
Developer Contributions		-
Grants, net of amortization		-
Total eliminating entries		65,000
Net basis in utility plant-in-service available to serve future customers	$	637,384
Estimated existing and future EDUs		922
Calculated reimbursement fee - $ per EDU	$	691

[1] Source: Donald Accounting Summary Report - Capitalized Assets as of June 30, 2020

Improvement Fee Calculations

The calculation of the wastewater improvement fee also follows the logic that was used to calculate the water improvement fee. As in the case of water, this study continues to use the improvements-driven method, and has relied on the capital improvement plans, and plan updates for the wastewater treatment, pump stations, and collection systems. Under this methodology, only three steps are required to arrive at the improvement fee. These steps are:

Step 1: Accumulate the future cost of planned improvements needed to serve growth. This arrives at **the gross improvement fee basis**.

Step 2: Subtract from the gross improvement fee basis the fund balance held in the Wastewater Improvement SDC Fund. This arrives at **the net wastewater improvement fee basis**.

Step 3: Divide the net wastewater improvement fee basis by the forecasted number of growth EDUs over the planning period. This arrives at **the total wastewater improvement fee**.

The actual data that was used to calculate the total wastewater improvement fee is shown below in Table 13.

Table 13 - Calculation of the Wastewater Improvement Fee

Project Name/Line Item Description	Total Cost	SDC Ineligible	SDC Eligible
Lagoon No. 5, 7 acres (PUD and Fargo Growth)	$ 2,800,000	$ 2,800,000	$ -
Lagoon No. 6, (City Growth)	2,050,000	-	2,050,000
Chlorination Improvements	40,000	31,200	8,800
New recycled water pump station	480,000	374,400	105,600
Recycled water force main to Twin Springs Nursery	890,000	694,200	195,800
SCADA System Upgrades	100,000	92,500	7,500
Master Planning and SDC Updates	40,000	34,000	6,000
WWTP: Effluent Irrigation Contracts Management	30,000	27,750	2,250
Total	$ 6,430,000	$ 4,054,050	$ 2,375,950

Total Improvement Fee Eligible Costs for Future System Improvements	$ 2,375,950
less: Sewer improvement fee SDC Fund balance as of June 30, 2020	287,752
Adjusted Improvement Fee Eligible Costs for Future System Improvements	2,088,198
Total Growth in Sewer EDUs (20 year forecast)	509
less: Harvest Gardens Sewer EDUs Not Subject to a Sewer Improvement Fee	400
Total Growth in sewer EDUs (20 year forecast)	109
Calculated Wastewater Improvement Fee SDC per Meter Equivalent	$ 19,080

Wastewater SDC Model Summary - Residential

The 2021 wastewater SDC update was done in accordance with Donald Municipal Code Chapter 152, and with the benefit of adopted capital improvement plans and plan updates for wastewater services. We recommend the City update the SDC charge to reflect the current capital improvement program. Our analysis indicates the City can charge a maximum of $20,760 for the standard ¾" residential water meter. A comparison of the proposed and current wastewater SDCs for the average single-family residential customer is shown below in Table 14.

Table 14 - Proposed and Current Wastewater SDCs for a 3/4" Meter

Sewer SDC Components	Proposed	Current	Difference
Reimbursement fee	$ 691	$ 2,267	$ (1,576)
Improvement fee	19,080	1,798	17,282
Administration fee at 5%	989	203	786
Total water SDC	$ 20,760	$ 4,268	$ 16,492

For water meters larger than ¾", the schedule of wastewater SDC uses the same flow factors that were developed for the water SDCs (i.e., AWWA standards for displacement and compound meters). The complete proposed schedule of wastewater SDCs by potential meter size are shown in Table 15.

Table 15 - Proposed Schedule of Residential Wastewater SDCs by Potential Water Meter Size

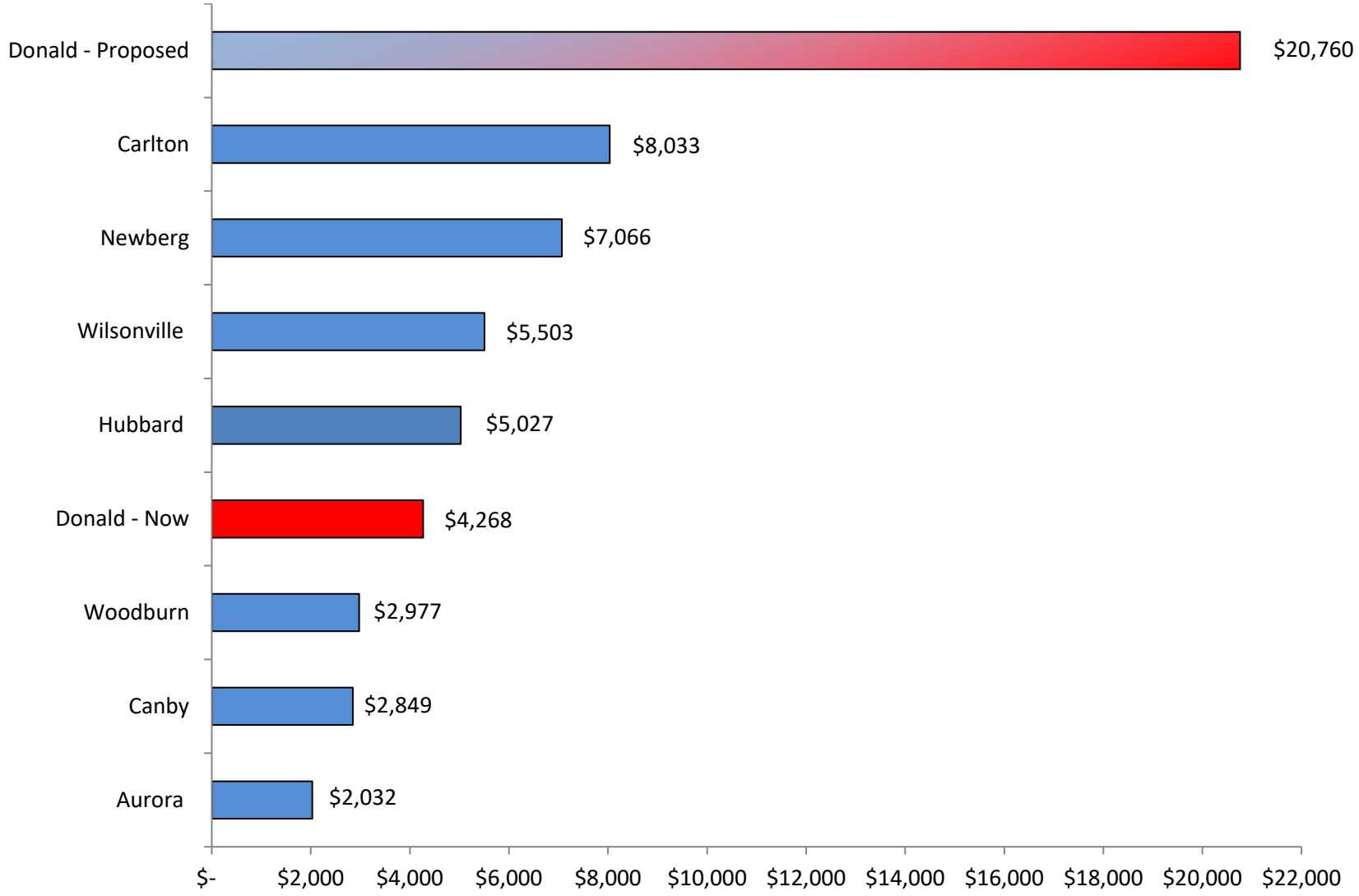
Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Wastewater SDCs			
			Reimbursement	Improvement	Administration	Total
0.625"x 0.75" - Displacement Multi-jet	30	1.00	$ 691	$ 19,080	$ 989	$ 20,760
0.75"x 0.75" - Displacement Multi-jet	30	1.00	691	19,080	989	20,760
1.00 inch - Displacement Multi-jet	50	1.67	1,152	31,800	1,648	34,600
1.50 inch - Displacement Class I Turbine	100	3.33	2,303	63,600	3,297	69,200
2.00 inch - Displacement or Class I & II Turbine	160	5.33	3,685	101,760	5,275	110,720
3.00 inch - Displacement	300	10.00	6,910	190,800	9,890	207,600
4.00 inch - Displacement or Compound	500	16.67	11,517	318,000	16,483	346,000
6.00 inch - Displacement or Compound	1000	33.33	23,033	636,000	32,967	692,000
8.00 inch - Compound	1600	53.33	36,853	1,017,600	52,747	1,107,200

* - AWWA Manual of Practice M3; Safety Practices for Water Utilities; Table 2-2 Total Quantities Registered per Month by Meters Operating at Varying Percentages of Maximum Capacity

Wastewater SDCs in Neighboring Communities

Shown below in Figures 3 is a chart that compares the current and proposed wastewater SDC for a single-family customer in Donald to the same charge in similar communities in nearby Clackamas, Yamhill, and Marion Counties.

Figure 3 - Neighboring Communities' Wastewater SDCs (Detached Single Family) April, 2021



Stormwater SDCs

Stormwater Capital Improvement Plan

The principal source of data for the stormwater system CIP is the 2021 City-wide CIP. City Staff have periodically updated these plans for current development conditions. With the assistance of City Staff, the project team has summarized the 2021 stormwater system CIPs for this SDC update. The 2021 stormwater system CIP is shown in Table 16.

Table 16 - 2021 Stormwater System CIP

Project Description	Project Priority	Project Cost	Projected Funding Sources % SDCs	Rates	Harvest Gardens	Fargo Service District	Total
Stormwater							
Master Plan/SDC Update	1-20 years	$ 70,000	100%	0%	0%	0%	100%
Upsize N. Crissel Street Storm: 130 ft, 12"	7-20 years	16,000	100%	0%	0%	0%	100%
Main Street Storm Line: N. Williams/Crissel (alleyway) Upsize	1-3 years	15,000	100%	0%	0%	0%	100%
East Main Street: Storm Line Installation: 1,173 ft: 12"	1-5 years	150,000	100%	0%	0%	0%	100%
NE Section of Rees Street: Ehlen/Matthieu w/pavement restore 2300', 12"	3-10 years	250,000	100%	0%	0%	0%	100%
Brick/Needy Tile Stormwater Soil Sampling at time of aquistion	10-20 years	20,000	100%	0%	0%	0%	100%
Subtotal storm and surfacewater management		$ 521,000					

Stormwater Customers Current and Future Demographics

Existing Stormwater Demand and Population Growth

In 2016, the City implement a stormwater SDC based on estimated impervious surface area. The average amount of impervious area on a single family residential developed lot within the City is estimated at 2,500 square feet. This equates to one "equivalent service unit" or ESU. SDCs are then calculated as a function of ESUs meaning that each property's fee is calculated as follows:

$$Estimated\ Impervious\ Surface\ \div 2{,}500\ square\ feet\ = Number\ of\ ESUs$$

The number of ESUs is then multiplied by the unit rate to determine the SDC amount. The number of ESUs currently connected to the City's system is 1,281 as estimated from comprehensive plan land use designations and developed parcels delineated in the 2015 Comprehensive Plan update. In order to determine the future capacity requirements of the City's stormwater system, each basin plan and facility plan forecasts the amount of additional impervious surface through the planning period. This forecast is based on future land use conditions and the corresponding runoff coefficients assigned to these various land uses. The future growth in ESUs within each of the City's existing basins and planning areas is based on these specific land use and impervious surface projections.

Forecasted Equivalent Service Units (ESUs)

With current stormwater demand estimated at 1,281 ESUs, the project team was able to calculate the number of ESUs at buildout using the City's Comprehensive Plan out to 2040. These inventories are predicted on the currently approved urban growth boundary (UGB) of the City. As discussed above, the forecast is based on the future land use conditions and the corresponding runoff coefficients assigned to the Comprehensive Plan land use designations. The forecast eliminates lands that are constrained from future development due to severe slopes, wetlands, and riparian corridors.

- *Residential lands* – Based on conversations with City planning staff, the planning standard used to calculate future residential land needs for the City is six (6) dwelling units per acre for single family residential, and 14 dwelling units per acre for multifamily residential. For the calculation of build out impervious surface contributions from residential lands, the project team has also used this planning standard.
- *Commercial lands* – In consultation with the City's engineering staff, the project team has applied a uniform runoff coefficient of .90 (i.e., 90%) to all commercial lands within the UGB. This average value was used based on analysis of general commercial land uses over a range of soils. The data sources for this analysis included the National Resource Conservation Service's Hydrologic manual, Oregon Department of Transportation Department's design standards for stormwater facilities, and the Caltrans Storm Water Quality Handbook SWPPP/WPCP Preparation Manual.
- *Industrial lands* – Also in consultation with City engineering staff, a uniform runoff value of .85 (i.e., 85%) was applied to all industrial lands in the UGB. The same data sources used to arrive at the commercial runoff coefficient was used for the derivation of the industrial value.

The growth ESU forecast methodology is shown in Table 17.

Table 17 - Forecast of Growth in Stormwater ESUs

Comprehensive Plan Land Use Designations		Acres*	Dwelling Units	Dwelling Units per Net Acre	Impervious Surface Coverage	Impervious Surface Acres	Impervious Surface Square Feet	ESUs
Planned Unit Development:								
PUD	Single family residential	54.22	297		2500 sq. ft.	17.05	742,500	297
PUD	Multifamily residential	5.59	67		2500 sq. ft.	3.82	166,250	67
PUD	General commercial	2.00			90%	1.80	78,408	31
	Subtotal PUD	61.81						
Residential:								
R-7	Single family residential	7.95		6.00				
RM	Multifamily residential	1.29		14.00				
UGB	Between City limits and UGB	0.69		6.00				
	Subtotal residential	9.93		7.04	2500 sq. ft.	4.01	174,750	70
Commercial:								
C	General commercial	2.00						
UGB	Between City limits and UGB	-						
	Subtotal commercial	2.00			90%	1.80	78,408	31
Industrial:								
EI	Employment industrial	-						
I	Industrial	12.57						
UGB	Between City limits and UGB	0.89						
	Subtotal industrial	13.46			85%	11.44	498,370	199
Totals		87.20				39.91	1,738,686	695

* Source: Ordinance No. 177-2020 adopted July 14, 2020; City of Donald Comprehensive Plan; 2015 amendment; Mid-Willamette Valley Council of Governments

Reimbursement Fee Calculations

The City does not have a fixed assets inventory for storm and surface water management infrastructure. Historically, trunk drainage system investment costs have been treated as a component cost of street improvement. Hence these costs will be reflected in the streets/transportation reimbursement fee. For this 2021 stormwater SDC analysis, the project team as assumed a zero (0) stormwater reimbursement fee.

Improvement Fee Calculations

The calculation of the stormwater improvement fee also follows the logic that was used to calculate the water improvement fee. As in the case of water, this study continues to use the improvements-driven method, and has relied on the capital improvement plans, and plan updates for the stormwater systems. Under this methodology, only three steps are required to arrive at the improvement fee. These steps are:

Step 1: Accumulate the future cost of planned improvements needed to serve growth. This arrives at **the gross improvement fee basis**.

Step 2: Subtract from the gross improvement fee basis the fund balance held in the Stormwater Improvement SDC Fund. This arrives at **the net stormwater improvement fee basis**.

Step 3: Divide the net stormwater improvement fee basis by the forecasted number of growth EDUs over the planning period. This arrives at **the total stormwater improvement fee**.

The actual data that was used to calculate the total stormwater improvement fee is shown below in Table 18.

Table 18 - Calculation of the Stormwater Improvement Fee

Project Description	Total Cost	SDC Ineligible	SDC Eligible
Stormwater Master Plan CIP: [1]			
Master Plan/SDC Update	$ 70,000	$ -	$ 70,000
Upsize N. Crissel Street Storm: 130 ft, 12"	16,000	-	16,000
Main Street Storm Line: N. Williams/Crissel (alleyway) Upsize	15,000	-	15,000
East Main Street: Storm Line Installation: 1,173 ft: 12"	150,000	-	150,000
NE Section of Rees Street: Ehlen/Matthieu w/pavement restore 2300', 12"	250,000	-	250,000
Brick/Needy Tile Stormwater Soil Sampling at time of aquistion	20,000	-	20,000
Subtotal storm and surfacewater management	$ 521,000	-	$ 521,000

Total Improvement Fee Eligible Costs for Future System Improvements	$521,000
less: Stormwater improvement SDC fund balance June 30, 2020	23,004
Adjusted Improvement Fee Eligible Costs for Future System Improvements	$497,996
Total growth ESUs	695
Calculated stormwater Improvement Fee SDC per EDU	$716
Calculated stormwater Improvement Fee SDC per square foot of Impervious surface	$0.2864

[1] Allocations from City staff

Stormwater SDC Model Summary

The 2021 stormwater SDC methodology update was done in accordance with Donald Municipal Code Chapter 152, and with the benefit of adopted capital improvement plans and plan updates for stormwater services. We recommend the City implement the stormwater SDC charge and methodology to reflect the current capital improvement program. Our analysis indicates the City can charge a maximum of $1,740 per ESU. The proposed stormwater SDCs for the average single-family residential customer is shown below in Table 19.

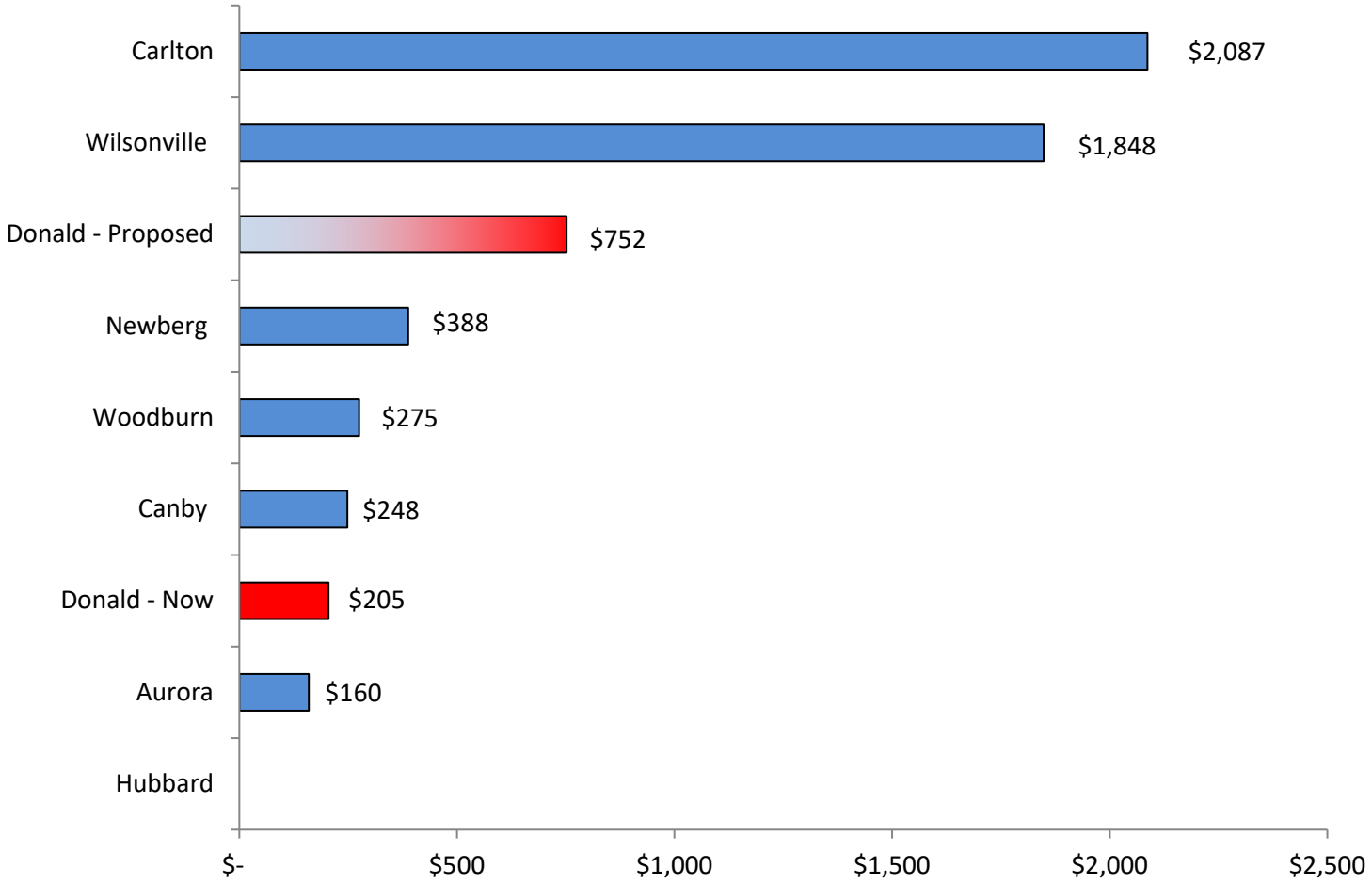
Table 19 - Proposed Stormwater SDCs per ESU and per Square Foot of Impervious Surface

Stormwater SDC Components	Proposed	Current	Difference
Reimbursement fee	$ -	$ 29	$ (29)
Improvement fee	716	166	550
Administration fee at 5%	36	10	26
Total stormwater SDC	$ 752	$ 205	$ 547

Stormwater SDCs in Neighboring Communities

Shown below in Figures 4 is a chart that compares the current and proposed stormwater SDC for a single-family customer in Donald to the same charge in similar communities in nearby Clackamas, Yamhill, and Marion Counties.

Figure 4 - Neighboring Communities' stormwater SDCs (Detached Single Family) April, 2021



Transportation SDCs

Transportation Capital Improvement Plan

The principal source of data for the transportation system CIP is the 2021 Transportation System CIP (a component of the City-wide CIP. At the time of this SDC study, the City does not have a State approved Transportation System Plan (TSP). We recommend the City consider undertaking a planning effort to create a TSP. Funding is generally available for this effort under the State of Oregon's Growth Management Act. Donald's TSP effort could be funded from the proceeds of a Transportation Growth Management (TGM) grant. The TGM program is jointly managed by the Oregon Department of Transportation (ODOT) and the Department of Land Conservation and Development (DLCD). TGM is primarily funded by federal transportation funds, with additional funding provided by the State of Oregon. The primary categories of transportation system improvements are:

- Pedestrian plan alternatives
- Transit plan alternatives
- Intersection alternatives
- Roadway segment enhancement alternatives
- Street connectivity alternatives

With the assistance of City Staff, the project team has summarized the 2021 transportation system CIP for this SDC update. The 2021 transportation system CIP is shown in Table 20.

Table 20 - 2021 Transportation System CIP

Project Description	Project Priority	Project Cost	Projected Funding Sources % SDCs	City	Harvest Gardens	Fargo Service District	Total
Transportation							
1 Block Cone St: Butteville to Crissel Overlay, Classified as Collector	7-10 years	$ 200,000	50%	50%	0%	0%	100%
Rees St Improvements: Matthieu St to NE Corner of 11101 Main ST (Collector)	3-10 years	750,000	75%	25%	0%	0%	100%
Bicycle and Pedestrian Improvements	1-20 years	500,000	100%	0%	0%	0%	100%
Butteville Sidewalk	1-10 years	500,000	100%	0%	0%	0%	100%
East of RR Track on Main Street Sidewalk	1-10 years	250,000	100%	0%	0%	0%	100%
Master Plan/SDC Update	1-20 years	100,000	100%	0%	0%	0%	100%
Subtotal transportation		$ 2,300,000					

Transportation System Current and Future Demand

Existing Transportation Demand

The City's current transportation SDC methodology measure demand for transportation facilities in Equivalent Length New Daily Trips (ELNDTs). The definitions for ELNDTs are as follows:

1. "Average weekday ITE trip rate" means the average number of daily weekday (Monday through Friday) one-way trips that have been observed at specified land uses and reported to the Institute of Transportation Engineers.
2. "Measurement unit" means the parameter that is used to measure the size of the development proposed. The number of measurement units multiplied by the average weekday ITE trip rate (per unit of measurement) results in the estimated number of weekday trips generated by the proposed development, prior to adjustments for linked (also known as a pass-by) trips.
3. "Equivalent length new daily trips" means the number of estimated new daily trips that will be generated by projected new development anticipated by 2040, adjusted to account for different proportions of linked trips.
4. "Linked trip factor" means the factor used to adjust the average weekday ITE trip rate for trips with multiple purposes with respect to the type of development under consideration.

As discussed earlier in this report, an industry standard for allocating demands on a transportation system is to proportion the costs based on the relative number of trips created by a development. Trips are technically referred to as ELNDTs, and trip rates are published by the Institute of Transportation Engineers (ITE) for various land uses. This SDC Update adopts the use of Weekday Average Trips as contained in the current ITE Trip Generation Manual, 10th Edition, as the basis for the ELNDT generation standards. In addition, this update incorporates a Local Factor that considers the length of a typical trip, the number of shared trips and pass-by trips. This factor is an estimate of how many of the trips specific to the subject land use are linked to other destinations, where the actual trip is shared by multiple destinations or multiple stops on the same trip.

Based on data from both the U. S. Census Bureau and the Donald Comprehensive Plan Update (2015), we estimate the transportation system is currently serving 5,192 ELNDTs. The statistical process that was used to arrive at the current demand value is shown in Table 21.

Table 21 - Existing Transportation System Demand Expressed in ELNDTs

	Population	Dwelling Units	Employees	Equivalent Length New Daily Trips by ITE Code: ITE Code[4]	Unadjusted Weekday ADTs	Trip Length Factor[5]	Linked Trip Factor[5]	ELNDTs	Total ELNDTs 2020
Estimated 2019 population:[1]	1,128								
Male	586								
Female	542								
Number of dwelling units:[2]									
Detached single family		233		210	9.44	1.00	1.00	9.44	2,200
Attached single family		-		210	9.44	1.00	1.00	9.44	-
Duplex		-		210	9.44	1.00	1.00	9.44	-
Three or Fourplex		-		210	9.44	1.00	1.00	9.44	-
Multifamily:									
5 to 9 units		-		220	7.32	0.97	1.00	7.10	-
10 to 19 units		-		220	7.32	0.97	1.00	7.10	-
20 to 49 units		-		220	7.32	0.97	1.00	7.10	-
50 or more units		-		220	7.32	0.97	1.00	7.10	-
Mobil home		174		240	5.00	0.97	1.00	4.85	844
Boat, RV, van, etc..		-		240	5.00	0.97	1.00	4.85	-
Number of employees:[3]									
Agriculture, forestry, fishing, hunting, and mining:									
Agriculture, forestry, fishing, hunting, and mining			34	140	2.47	1.00	1.00	2.47	84
Construction			19	180	3.71	1.00	1.00	3.71	70
Manufacturing			145	140	2.47	1.00	1.00	2.47	358
Wholesale trade			19	110	3.05	1.00	1.00	3.05	58
Retail trade			93	820	4.06	0.60	0.75	1.83	170
Transportation, warehousing, and utilities:									
Transportation and warehousing			20	130	2.91	1.00	1.00	2.91	58
Utilities			3	170	4.11	1.00	1.00	4.11	12
Information technology			7	160	0.99	1.00	1.00	0.99	7
Finance, insurance, real estate, rental, and leasing:									
Finance and insurance			12	750	3.54	0.65	1.00	2.30	28
Real estate, rental, and leasing			-	750	3.54	0.65	1.00	2.30	-
Professional, scientific, management, administration, and management services:									
Professional, scientific, and technical services			31	760	3.29	0.67	1.00	2.20	68
Administrative support, waste management/remediation			12	170	4.11	1.00	1.00	4.11	49
Educational services, health care, and social assistance:									
Educational services			5	522	25.15	1.00	1.00	25.15	126
Health care and social assistance			115	720	8.70	0.53	1.00	4.61	530
Arts, entertainment, recreation, accommodation, and food services:									
Arts, entertainment, and recreation			7	495	27.25	0.91	1.00	24.80	174
Accommodation and food service			16	310	14.34	0.69	0.75	7.42	119
Other services (except public administration)			15	710	3.28	0.65	1.00	2.13	32
Public administration			42	538	5.08	0.96	1.00	4.88	205
Totals	1,128	407	595						5,192

[1] Source: U.S. Bureau of the Census; American Community Survey; DP05, demographic and housing estimates; 2019 5-year estimates

[2] Source: U.S. Bureau of the Census; American Community Survey; Table B25024 2019 ACS 5-year estimate

[3] Source: U.S. Bureau of the Census; American Community Survey; Table S2403; Civilian employed population 16 years and over; 2019 ACS 5-year estimates

[4] Trip Generation Manual; Institute of Transportation Engineers; 10th Edition

[5] City of Salem, Oregon; 2019 System Development Charge Methodologies; Table A-4; DKS Engineers

Forecasted ELNDTs

We are estimating the City's transportation system will serve 12,627 ELNDTs by 2040. These estimates imply growth of 7,436 ELNDTs over the planning period. The specific drivers of growth in ELNDTs are:

- Household land use growth
- Retail employment land use growth
- Service employment land use growth
- Educational land use growth
- Other employment land use growth

The Transportation System Plan growth constituents forecast is shown below in Table 22.

Table 22 - Forecasted Growth in ELNDTs

		Existing Zoned Acres[1]	Future Developable Acres[1]	Gross Buildout Acres	Net Buildout Acres	Total Demand Units		ITE Code[2]	Equivalent Length New Daily Trips by ITE Code: Unadjusted Weekday ADTs	Trip Length Factor[3]	Linked Trip Factor[3]	ELNDTs	Total ELNDTs 2040
Planned Unit Development lands:													
PUD	Single family residential	-	54.22	54.22	43.38	297	DU	210	9.44	1.00	1.00	9.44	2,804
PUD	Multifamily residential	-	5.59	5.59	4.47	67	DU	220	7.32	0.97	1.00	7.11	473
PUD	General Commercial	-	2.00	2.00	1.60	17,424	SF	820	37.75	0.49	0.67	12.39	216
	Subtotal PUD	-	61.81	61.81	49.45								
Residential lands:													
R-7	Single family residential	60.29	7.95	68.24	54.59	455	DU	210	9.44	1.00	1.00	9.44	4,292
RM	Multifamily residential	6.87	1.29	8.16	6.53	91	DU	220	7.32	0.97	1.00	7.11	650
UGB	Between City limits and UGB	-	0.69	0.69	0.55	3	DU	210	9.44	1.00	1.00	9.44	31
	Subtotal residential	67.16	133.55	200.71	160.57	18,337	DU						
Commercial lands:													
C	General commercial	8.08	2.00	10.08	8.06	87,817	SF	820	37.75	0.49	0.67	12.39	1,088
UGB	Between City limits and UGB	-	-	-	-	-	SF	820	37.75	0.49	0.67	12.39	-
	Subtotal commercial	8.08	2.00	10.08	8.06	87,817	SF						
Industrial lands:													
EI	Employment industrial	-	-	-	-	-	SF	110	4.96	1.00	1.00	4.96	-
I	Industrial	57.67	12.57	70.24	56.19	611,931	SF	110	4.96	1.00	1.00	4.96	3,035
UGB	Between City limits and UGB	-	0.89	0.89	0.71	7,754	SF	110	4.96	1.00	1.00	4.96	38
	Subtotal industrial	57.67	13.46	71.13	56.90	619,685							12,627

1 City of Donald Residential Buildable Land Inventory; June, 2013; Portland State University. City of Donald Comprehensive Plan, 2015 Amendments

2 Trip Generation Manual; Institute of Transportation Engineers; 10th Edition

3 City of Salem, Oregon; 2019 System Development Charge Methodologies; Table A-4; DKS Engineers

Reimbursement Fee Calculations

The transportation reimbursement fee methodology mirrors that used for the water reimbursement fee. The methodological steps in its construction are restated here.

Step 1: Calculate the original cost of transportation fixed assets in service. From this starting point, eliminate any assets that do not conform to the ORS 223.299 definition of a capital improvement. This results in the **adjusted original cost of transportation fixed assets**.

Step 2: Subtract from the adjusted original cost of transportation fixed assets in service the accumulated depreciation of those fixed assets. This arrives at the **modified book value of transportation fixed assets in service**.

Step 3: Subtract from the modified book value of transportation assets in service any grant funding or contributed capital. This arrives at the **modified book value of transportation fixed assets in service net of grants and contributed capital**.

Step 4: Subtract from the modified book value of transportation fixed assets in service net of grants and contributed capital any principal outstanding on long term debt used to finance those assets. This arrives a **gross transportation reimbursement fee basis**.

Step 5: Subtract from the gross transportation reimbursement fee basis the fund balance held in the Transportation Reimbursement SDC fund (if available). This arrives at the **net transportation reimbursement fee basis**.

Step 6: Divide the net transportation reimbursement fee basis by the sum of existing and future ELNDTs to arrive at the **unit net reimbursement fee**.

The actual data that was used to calculate the total transportation reimbursement fee is shown below in Table 23.

Table 23 - Calculation of the Transportation Reimbursement Fee

Line Item Description	Amount
Original Cost of transportation infrastructure[1]	
Buildings	$ -
Construction work in progress	-
Streets	45,654
Sidewalks	211,074
Vehicles and Equipment	eliminated
Subtotal original cost	256,728
Accumulated Depreciation[1]	
Buildings	-
Construction work in progress	-
Infrastructure	28,537
Land	10,554
Vehicles and Equipment	eliminated
Subtotal accumulated depreciation	39,091
Book value of transportation infrastructure	$ 217,637
Gross reimbursement cost basis	$ 217,637
Eliminating entries:	
Street reimbursement SDC fund balance	-
Principal outstanding on bonds, notes, and loans payable	-
Grants, net of amortization	-
Developer contributions	-
Subtotal eliminating entries	-
Net reimbursement cost basis	$ 217,637
Estimated existing and future equivalent length new daily trips out to 2040	9,092
Transportation reimbursement fee per ELNDT	$ 24

[1] Source: Sutherlin Accounting Summary Report - Capitalized Assets as of June 30, 2020

Improvement Fee Calculations

The calculation of the transportation improvement fee also follows the logic that was used to calculate the water improvement fee. As in the case of water, this study continues to use the improvements-driven method, and has relied on the capital improvement plans, and plan updates for the transportation

infrastructure. Under this methodology, only three steps are required to arrive at the improvement fee. These steps are:

Step 1: Accumulate the future cost of planned improvements needed to serve growth. This arrives at **the gross improvement fee basis**.

Step 2: Subtract from the gross improvement fee basis the fund balance held in the Transportation Improvement SDC Fund. This arrives at **the net transportation improvement fee basis**.

Step 3: Divide the net transportation improvement fee basis by the forecasted number of growth PM PHVTs over the planning period. This arrives at **the total transportation improvement fee**.

The actual data that was used to calculate the total transportation improvement fee is shown below in Table 24.

Table 24 - Calculation of the Transportation Improvement Fee

Project Description	Total Project Costs	SDC Ineligible Costs	SDC Eligible Costs
1 Block Cone St: Butteville to Crissel Overlay, Classified as Colle	$ 200,000	$ 100,000	$ 100,000
Rees St Improvements: Matthieu St to NE Corner of 11101 Mair	750,000	187,500	562,500
Bicycle and Pedestrian Improvements	500,000	-	500,000
Butteville Sidewalk	500,000	-	500,000
East of RR Track on Main Street Sidewalk	250,000	-	250,000
Master Plan/SDC Update	100,000	-	100,000
	$ 2,300,000	$ 287,500	$ 2,012,500

Total Improvement Fee Eligible Costs for Future System Improvements	$ 2,012,500
less: Transportation SDC Fund balance as of June 30, 2020	17,304
Adjusted Improvement Fee Eligible Costs for Future System Improvements	$ 1,995,196
Estimated ELNDTs added over 20 years	7,436
Transportation improvement fee per ELNDT	$ 268

Transportation SDC Model Summary

The 2021 transportation SDC update was done in accordance with Donald Municipal Code Chapter 152, and with the benefit of adopted capital improvement plans and plan updates for transportation services. We recommend the City update the SDC charge to reflect the current capital improvement program. Our analysis indicates the City can charge a maximum of $563 per ELNDT. The proposed transportation SDCs per ELNDT is shown below in Table 25.

Table 25 - Proposed Transportation SDCs per ELNDT

Reimbursement fee	$	17
Improvement fee		268
Administration fee @ 5%		14
Total transportation SDC	$	299

To charge the appropriate SDC, the City must estimate how many ELNDTs will be generated by the development in question. That number can then be multiplied by $299 to determine the amount of SDC owed by new development projects.

The number of ELNDTs that a property will generate is a function of the increase in scope and scale of activities that will occur on that property. By "scope of activities," we mean land use. For example, a new single-family residence will generate trip-ends differently from a new retail store of the same size. By "scale of activities," we mean some measure of quantity. For residential land uses, the number of dwelling units is an appropriate measure of scale. For many commercial and industrial land uses, building floor area is the best measure. For example, a 20,000-square-foot store is likely to generate twice the number of trip-ends as a 10,000-square-foot store of the same type. Table 26 presents proposed transportation SDCs per unit of scale for land uses in the 9th edition of Trip Generation Manual, published by the Institute of Transportation Engineers (ITE):

Table 26 - Proposed Transportation SDCs by ITE Code

ITE Code	Land Use	Unadjusted Weekday ADTs	Trip Length Factor[1]	Linked Trip Factor[1]	ELNDTs	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Port and Terminal (Land Uses 000-099)										
010	Waterport/Marine Terminal	171.52	1.00	1.00	171.52	45,967	2,916	2,444	51,327	Berth
021	Commercial Airport	10.28	1.00	1.00	10.28	2,755	175	147	3,077	Employees
022	General Aviation Airport	14.94	1.00	1.00	14.94	4,004	254	213	4,471	Employee
030	Intermodal Truck Terminal	N/A	1.00	1.00	N/A	-	-	-	-	Employ
090	Park-an-Ride Lot with Bus Service	2.81	1.00	1.00	2.81	753	48	40	841	Parking space
093	Light Rail Transit Station with Parking	2.51	1.00	1.00	2.51	673	43	36	752	Parking space
Industrial (Land Uses 100-199)										
110	General light industrial	4.96	1.00	1.00	4.96	1,329	84	71	1,484	1,000 square feet of gross floor area
120	General heavy industrial	1.50	1.00	1.00	1.50	402	26	21	449	1,000 square feet of gross floor area
130	Industrial park	3.37	1.00	1.00	3.37	903	57	48	1,008	1,000 square feet of gross floor area
140	Manufacturing	3.93	1.00	1.00	3.93	1,053	67	56	1,176	1,000 square feet of gross floor area
150	Warehousing	1.74	1.00	1.00	1.74	466	30	25	521	1,000 square feet of gross floor area
151	Mini-warehouse	1.51	0.47	1.00	0.71	190	12	10	212	1,000 square feet of gross floor area
154	High-Cube Transload and Short-Term Storage Warehouse	1.40	1.00	1.00	1.40	375	24	20	419	1,000 square feet of gross floor area
155	High-Cube Fulfillment Center Warehouse	8.18	1.00	1.00	8.18	2,192	139	117	2,448	1,000 square feet of gross floor area
156	High-Cube Parcel Hub Warehouse	7.75	1.00	1.00	7.75	2,077	132	110	2,319	1,000 square feet of gross floor area
157	High-Cube Cold Storage Warehouse	2.12	1.00	1.00	2.12	568	36	30	634	1,000 square feet of gross floor area
160	Data center	0.99	1.00	1.00	0.99	265	17	14	296	1,000 square feet of gross floor area
170	Utilities	13.24	1.00	1.00	13.24	3,548	225	189	3,962	1,000 square feet of gross floor area
180	Specialty Trade Contractor	10.22	1.00	1.00	10.22	2,739	174	146	3,059	1,000 square feet of gross floor area
Residential (Land Uses 200-299)										
210	Single family detached housing	9.44	1.00	1.00	9.44	2,530	160	135	2,825	Dwelling unit
220	Multifamily housing (low-rise)	7.32	0.97	1.00	7.11	1,905	121	101	2,127	Dwelling unit
221	Multifamily housing (mid-rise)	5.44	0.97	1.00	5.28	1,416	90	75	1,581	Dwelling unit
222	Multifamily housing (high-rise)	4.45	0.97	1.00	4.32	1,157	73	62	1,292	Dwelling unit
225	Off-campus student apartment	3.15	0.97	1.00	3.06	819	52	44	915	Dwelling unit
231	Mid-rise residential with 1st floor commercial	N/A	TBD	TBD	N/A	-	-	-	-	Dwelling unit
232	High-Rise Residential with 1st floor commercial	N/A	TBD	TBD	N/A	-	-	-	-	Dwelling unit
240	Mobile home park	5.00	0.97	1.00	4.85	1,300	82	69	1,451	Occupied dwelling unit
251	Senior Adult Housing - Detached	4.27	0.95	1.00	4.06	1,087	69	58	1,214	Dwelling unit
252	Senior Adult Housing - Attached	3.70	0.95	1.00	3.52	942	60	50	1,052	Dwelling unit
253	Congregate Care Facility	2.02	0.95	1.00	1.92	514	33	27	574	Dwelling unit
254	Assisted living	2.60	0.95	1.00	2.47	662	42	35	739	Bed
255	Continuing Care Retirement Community	2.40	0.95	1.00	2.28	611	39	33	683	Unit
260	Recreational Homes	3.47	1.00	1.00	3.47	930	59	49	1,038	Dwelling unit
265	Timeshare	8.63	1.00	1.00	8.63	2,313	147	123	2,583	Dwelling unit
270	Residential Planned Unit Development	7.38	0.97	1.00	7.16	1,919	122	102	2,143	Dwelling unit

Table 26 - Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Unadjusted Weekday ADTs	Trip Length Factor[1]	Linked Trip Factor[1]	ELNDTs	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Lodging (Land Uses 300-399)										
310	Hotel	8.36	0.69	0.75	4.33	1,159	74	62	1,295	Room
311	All Suites Hotel	4.46	0.69	0.75	2.31	619	39	33	691	Room
312	Business Hotel	4.02	0.69	0.75	2.08	558	35	30	623	Room
320	Motel	3.35	0.69	0.75	1.73	465	29	25	519	Room
330	Resort Hotel	N/A	0.69	0.75	N/A	-	-	-	-	Room
Recreational (Land Uses 400-499)										
411	City Park	0.78	0.90	1.00	0.70	188	12	10	210	Acre
416	Campground/Recreational Vehicle Park	N/A	0.90	1.00	N/A	-	-	-	-	Acre
420	Marina	2.41	0.91	1.00	2.19	588	37	31	656	Berth
430	Golf course	30.38	0.91	1.00	27.65	7,409	470	394	8,273	Holes
431	Miniature Golf Course	N/A	0.91	1.00	N/A	-	-	-	-	Holes
432	Golf Driving Range	13.65	0.91	1.00	12.42	3,329	211	177	3,717	Tees/Driving Position
433	Batting Cages	N/A	0.91	1.00	N/A	-	-	-	-	Cage
434	Rock climbing gym	N/A	0.91	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
435	Multipurpose Recreational Facility	N/A	0.91	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
436	Trampoline park	N/A	0.91	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
437	Bowling Alley	N/A	0.51	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
440	Adult Cabaret	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
444	Movie Theater	78.09	0.46	1.00	35.92	9,627	611	512	10,750	Movie screen
445	Multiplex Movie Theater - Friday	292.50	0.46	1.00	134.55	36,059	2,287	1,917	40,263	Movie screen
452	Horse Racetrack	1.19	0.91	1.00	1.08	290	18	15	323	Seat
453	Automobile Racetrack	N/A	1.00	1.00	N/A	-	-	-	-	Attendee
454	Dog Racetrack	N/A	0.90	1.00	N/A	-	-	-	-	Attendee
460	Arena	N/A	1.00	1.00	N/A	-	-	-	-	Acre
462	Professional baseball stadium	1.24	1.00	1.00	1.24	332	21	18	371	Attendee
465	Ice Skating Rink	N/A	0.90	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
466	Snow Ski Area	N/A	1.00	1.00	N/A	-	-	-	-	Lift
470	Bingo hall	N/A	0.91	1.00	N/A	-	-	-	-	Attendee
473	Casino/Video Lottery Establishment	N/A	0.91	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
480	Amusement Park	53.41	0.90	1.00	48.07	12,882	817	685	14,384	Acre
482	Water slide park - Saturday	150.33	1.00	1.00	150.33	40,288	2,556	2,142	44,986	Acre
488	Soccer Complex	71.33	0.51	1.00	36.38	9,749	618	518	10,885	Field
490	Tennis Courts (Saturday)	30.32	0.51	1.00	15.46	4,144	263	220	4,627	Court
491	Racquet/Tennis Club	27.71	0.51	1.00	14.13	3,787	240	201	4,228	Court
492	Health/Fitness Club	N/A	0.51	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
493	Athletic Club	N/A	0.51	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
495	Recreational Community Center	28.82	0.91	1.00	26.23	7,029	446	374	7,849	1,000 square feet of gross floor area

Table 26 - Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Unadjusted Weekday ADTs	Trip Length Factor[1]	Linked Trip Factor[1]	ELNDTs	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Institutional (Land Uses 500-599)										
501	Military Base - Saturday	2.64	1.00	1.00	2.64	708	45	38	791	Employee
520	Elementary School	19.52	1.00	1.00	19.52	5,231	332	278	5,841	1,000 square feet of gross floor area
522	Middle School/Junior High School	20.17	1.00	1.00	20.17	5,406	343	287	6,036	1,000 square feet of gross floor area
530	High School	14.07	1.00	1.00	14.07	3,771	239	201	4,211	1,000 square feet of gross floor area
534	Private School (K-8) - pm peak hour generator	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
536	Private School (K-12) - pm peak hour generator	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
537	Charter elementary school	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
538	School district office	14.37	0.96	1.00	13.80	3,697	235	197	4,129	1,000 square feet of gross floor area
540	Junior/Community College	20.25	1.00	1.00	20.25	5,427	344	289	6,060	1,000 square feet of gross floor area
550	University/College	26.04	1.00	1.00	26.04	6,979	443	371	7,793	1,000 square feet of gross floor area
560	Church	6.95	1.00	1.00	6.95	1,863	118	99	2,080	1,000 square feet of gross floor area
561	Synagogue	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
562	Mosque	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
565	Day Care Center	47.62	0.23	1.00	10.95	2,935	186	156	3,277	1,000 square feet of gross floor area
566	Cemetery	6.02	1.00	1.00	6.02	1,613	102	86	1,801	Acre
571	Prison - Saturday	6.55	1.00	1.00	6.55	1,755	111	93	1,959	1,000 square feet of gross floor area
575	Fire and rescue station	N/A	0.96	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
580	Museum	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
590	Library	72.05	0.49	1.00	35.30	9,462	600	503	10,565	1,000 square feet of gross floor area
Medical (Land Uses 600-699)										
610	Hospital	10.72	0.95	1.00	10.18	2,729	173	145	3,047	1,000 square feet of gross floor area
620	Nursing Home	6.64	0.95	1.00	6.31	1,691	107	90	1,888	1,000 square feet of gross floor area
630	Clinic	38.16	0.53	1.00	20.22	5,420	344	288	6,052	1,000 square feet of gross floor area
640	Animal Hospital/Veterinary Clinic	21.50	0.53	1.00	11.40	3,054	194	162	3,410	1,000 square feet of gross floor area
650	Free-standing emergency room	24.94	0.95	1.00	23.69	6,350	403	338	7,091	1,000 square feet of gross floor area
Office (Land Uses 700-799)										
710	General office building	9.74	0.65	1.00	6.33	1,697	108	90	1,895	1,000 square feet of gross floor area
712	Small office building	16.19	0.65	1.00	10.52	2,820	179	150	3,149	1,000 square feet of gross floor area
714	Corporate Headquarters Building	7.95	0.65	1.00	5.17	1,385	88	74	1,547	1,000 square feet of gross floor area
715	Single Tenant Office Building	11.25	0.65	1.00	7.31	1,960	124	104	2,188	1,000 square feet of gross floor area
720	Medical-dental office building	34.80	0.53	1.00	18.44	4,943	314	263	5,520	1,000 square feet of gross floor area
730	Government Office Building	22.59	0.96	1.00	21.69	5,812	369	309	6,490	1,000 square feet of gross floor area
731	State Motor Vehicles Department	11.21	0.96	1.00	10.76	2,884	183	153	3,220	1,000 square feet of gross floor area
732	United States Post Office	103.94	0.96	1.00	99.78	26,742	1,696	1,422	29,860	1,000 square feet of gross floor area
733	Government Office Complex	33.98	0.96	1.00	32.62	8,742	555	465	9,762	1,000 square feet of gross floor area
750	Office park	11.07	0.67	1.00	7.42	1,988	126	106	2,220	1,000 square feet of gross floor area
760	Research and development center	11.26	0.67	1.00	7.54	2,022	128	108	2,258	1,000 square feet of gross floor area
770	Business park	12.44	0.67	1.00	8.33	2,234	142	119	2,495	1,000 square feet of gross floor area

Table 26 - Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Unadjusted Weekday ADTs	Trip Length Factor[1]	Linked Trip Factor[1]	ELNDTs	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Retail (Land Uses 800-899)										
810	Tractor Supply Store	N/A	0.60	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
811	Construction Equipment Rental Store	N/A	0.60	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
812	Building Materials and Lumber Store	18.05	0.49	0.75	6.63	1,778	113	95	1,986	1,000 square feet of gross floor area
813	Free Standing Discount Super Store	50.70	0.49	0.75	18.63	4,993	317	266	5,576	1,000 square feet of gross floor area
814	Variety Store	63.47	0.49	0.75	23.33	6,251	397	332	6,980	1,000 square feet of gross floor area
815	Free Standing Discount Store	53.12	0.49	0.75	19.52	5,232	332	278	5,842	1,000 square feet of gross floor area
816	Hardware/Paint Store	9.14	0.49	0.75	3.36	900	57	48	1,005	1,000 square feet of gross floor area
817	Nursery (Garden Center)	68.10	0.49	0.75	25.03	6,707	425	357	7,489	1,000 square feet of gross floor area
818	Nursery (Wholesale)	39.00	0.65	0.75	19.01	5,095	323	271	5,689	1,000 square feet of gross floor area
820	Shopping Center	37.75	0.49	0.67	12.39	3,321	211	177	3,709	1,000 square feet of gross floor area
823	Factory Outlet Center	26.59	0.49	0.75	9.77	2,619	166	139	2,924	1,000 square feet of gross floor area
840	Automobile sales new	27.84	0.60	0.75	12.53	3,358	213	179	3,750	1,000 square feet of gross floor area
841	Automobile Sales used	27.06	0.60	0.75	12.18	3,263	207	174	3,644	1,000 square feet of gross floor area
842	Recreational Vehicle Sales	5.00	0.60	0.75	2.25	603	38	32	673	1,000 square feet of gross floor area
843	Automobile Parts Sales	55.34	0.60	0.75	24.90	6,674	423	355	7,452	1,000 square feet of gross floor area
848	Tire Store	28.52	0.60	0.75	12.83	3,440	218	183	3,841	1,000 square feet of gross floor area
849	Tire Superstore	20.37	0.60	0.75	9.17	2,457	156	131	2,744	1,000 square feet of gross floor area
850	Supermarket	106.78	0.14	0.46	6.88	1,843	117	98	2,058	1,000 square feet of gross floor area
851	Convenience Market	762.80	0.08	0.35	21.36	5,724	363	304	6,391	1,000 square feet of gross floor area
853	Convenience Market with Gasoline Pumps	624.20	0.32	0.22	43.94	11,777	747	626	13,150	1,000 square feet of gross floor area
854	Discount Supermarket	90.87	0.14	0.46	5.85	1,568	99	83	1,750	1,000 square feet of gross floor area
857	Discount Club	41.80	0.60	0.75	18.81	5,041	320	268	5,629	1,000 square feet of gross floor area
858	Farmers Market	N/A	0.49	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
860	Wholesale Market	N/A	1.00	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
861	Sporting Goods Superstore	28.75	0.49	0.75	10.57	2,832	180	151	3,163	1,000 square feet of gross floor area
862	Home Improvement Superstore	30.74	0.49	0.75	11.30	3,028	192	161	3,381	1,000 square feet of gross floor area
863	Electronics Superstore	41.05	0.49	0.75	15.09	4,043	256	215	4,514	1,000 square feet of gross floor area
864	Toy/Children's Superstore	N/A	0.49	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
865	Baby Superstore	N/A	0.49	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
866	Pet Supply Superstore	N/A	0.49	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
867	Office Supply Superstore	N/A	0.49	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
868	Book Superstore	143.60	0.49	0.75	52.77	14,143	897	752	15,792	1,000 square feet of gross floor area
869	Discount Home Furnishing Superstore	20.00	0.49	0.75	7.35	1,970	125	105	2,200	1,000 square feet of gross floor area
872	Bed and Linen Superstore - Saturday	N/A	0.49	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
875	Department Store	22.88	0.49	0.75	8.41	2,253	143	120	2,516	1,000 square feet of gross floor area
876	Apparel Store	66.40	0.49	0.75	24.40	6,540	415	348	7,303	1,000 square feet of gross floor area
879	Arts and Crafts Store	56.55	0.49	0.75	20.78	5,570	353	296	6,219	1,000 square feet of gross floor area
880	Pharmacy/Drugstore without Drive-Through	90.08	0.49	0.75	33.10	8,872	563	472	9,907	1,000 square feet of gross floor area
881	Pharmacy/Drugstore with Drive-Through	109.16	0.49	0.75	40.12	10,751	682	572	12,005	1,000 square feet of gross floor area
882	Marijuana dispensary	252.70	0.08	0.35	7.08	1,896	120	101	2,117	1,000 square feet of gross floor area
890	Furniture Store	6.30	0.49	0.75	2.32	620	39	33	692	1,000 square feet of gross floor area
895	Beverage container recycling center	9.78	1.00	1.00	9.78	2,621	166	139	2,926	1,000 square feet of gross floor area
897	Medical Equipment Store	6.00	0.49	0.75	2.21	591	37	31	659	1,000 square feet of gross floor area
899	Liquor store	101.49	0.14	0.46	6.54	1,752	111	93	1,956	1,000 square feet of gross floor area

Table 26 - Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Unadjusted Weekday ADTs	Trip Length Factor[1]	Linked Trip Factor[1]	ELNDTs	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Services (Land Uses 900-999)										
911	Walk-in Bank	N/A	0.17	0.55	N/A	-	-	-	-	1,000 square feet of gross floor area
912	Drive-in Bank Saturday	86.48	0.17	0.55	8.09	2,167	137	115	2,419	1,000 square feet of gross floor area
918	Hair Salon	N/A	0.53	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
920	Copy, Print and Express Ship Store - pm peak hour generator	N/A	0.49	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
925	Drinking Place	N/A	0.65	1.00	N/A	-	-	-	-	1,000 square feet of gross floor area
926	Food cart pod	N/A	0.19	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
930	Fast casual restaurant	315.17	0.19	0.75	44.91	12,036	763	640	13,439	1,000 square feet of gross floor area
931	Quality Restaurant	83.84	0.65	0.75	40.87	10,954	695	582	12,231	1,000 square feet of gross floor area
932	High-Turnover (Sit Down) Restaurant	112.18	0.19	0.75	15.99	4,284	272	228	4,784	1,000 square feet of gross floor area
933	Fast-food restaurant without drive-through	346.23	0.09	0.75	23.37	6,263	397	333	6,993	1,000 square feet of gross floor area
934	Fast-food restaurant with drive-through	470.95	0.09	0.51	21.62	5,793	367	308	6,468	1,000 square feet of gross floor area
935	Fast-food restaurant with drive-through and no indoor seating	459.20	0.09	0.51	21.08	5,649	358	300	6,307	1,000 square feet of gross floor area
936	Coffee/donut shop without drive-through	N/A	0.09	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
937	Coffee/donut shop with drive-through	820.38	0.09	0.51	37.66	10,092	640	537	11,269	1,000 square feet of gross floor area
938	Coffee/donut kiosk	2,000.00	0.09	0.51	91.80	24,602	1,561	1,308	27,471	1,000 square feet of gross floor area
939	Bread/Donut/Bagel Shop without Drive-Through Window	N/A	0.09	0.75	N/A	-	-	-	-	1,000 square feet of gross floor area
940	Bread/Donut/Bagel Shop with Drive-Through Window	N/A	0.09	0.51	N/A	-	-	-	-	1,000 square feet of gross floor area
941	Quick Lubrication Vehicle Shop	69.57	0.65	0.75	33.92	9,089	577	483	10,149	Servicing Position
942	Automobile Care Center - Saturday	23.72	0.60	0.75	10.67	2,861	181	152	3,194	1,000 sq. ft. of occupied gross leasable ar
943	Automobile Parts and Service Center	16.28	0.60	0.75	7.33	1,963	125	104	2,192	1,000 square feet of gross floor area
944	Gasoline/service station	1,202.83	0.07	0.77	64.83	17,375	1,102	924	19,401	Vehicle fueling position
945	Gasoline/service station with convenience market	1,440.02	0.07	0.77	77.62	20,801	1,319	1,106	23,226	Vehicle fueling position
947	Self-Service Car Wash	108.00	0.60	0.75	48.60	13,025	826	693	14,544	Wash stall
948	Automated Car Wash - Saturday	N/A	0.60	0.75	N/A	-	-	-	-	Wash stall
949	Car wash and detail center	156.20	0.60	0.75	70.29	18,838	1,195	1,002	21,035	Wash stall
950	Truck Stop	455.53	1.00	1.00	455.53	122,082	7,744	6,491	136,317	1,000 square feet of gross floor area
960	Super convenience market/gas station	837.58	0.32	0.22	58.97	15,803	1,002	840	17,645	1,000 square feet of gross floor area
970	Winery	45.96	0.65	0.75	22.41	6,005	381	319	6,705	1,000 square feet of gross floor area

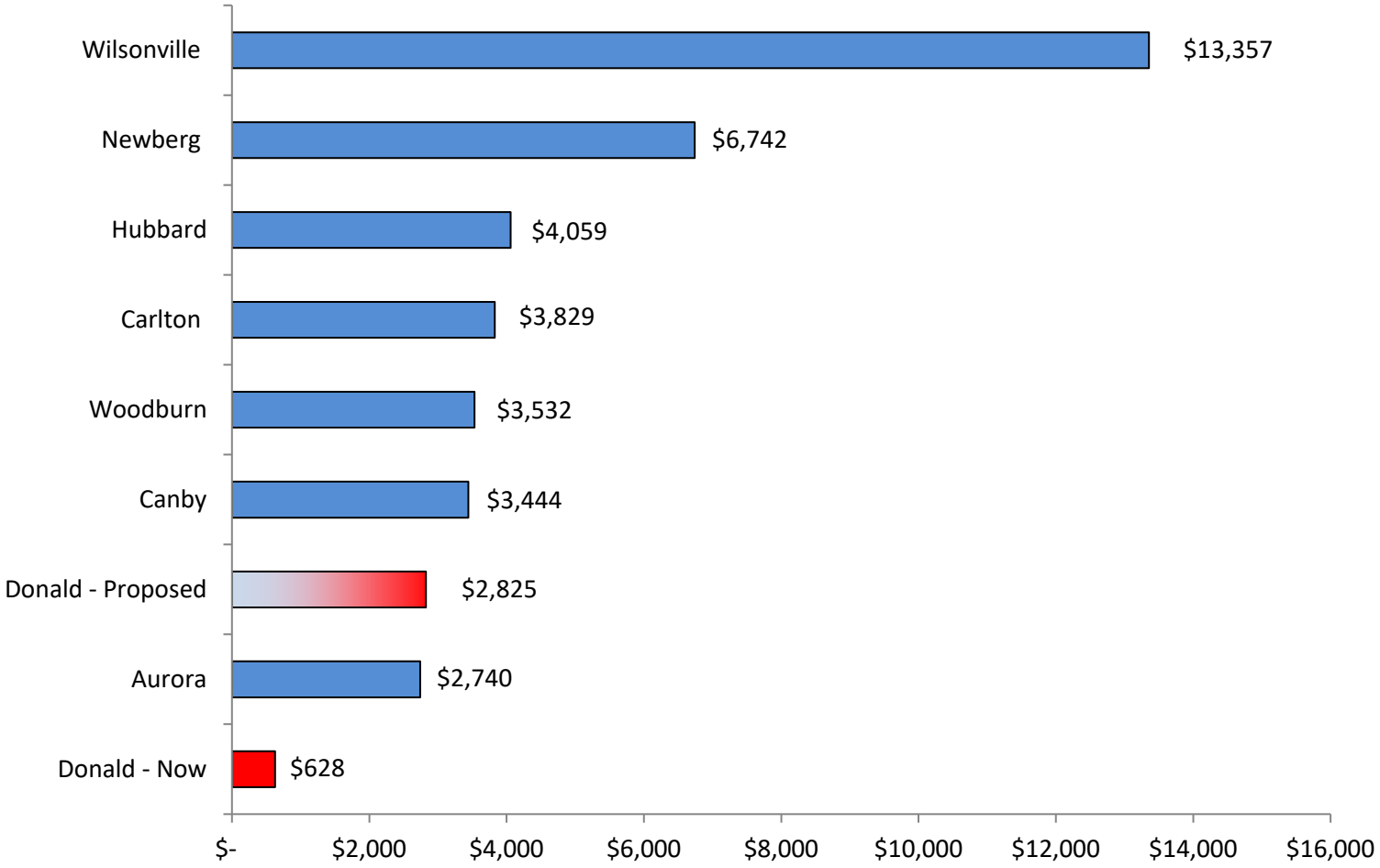
Source: ITE, Trip Generation Manual, 10th edition

[1] City of Salem, Oregon; 2019 System Development Charge Methodologies; Table A-4; DKS Engineers

Transportation SDCs in Neighboring Communities

Shown below in Figures 5 is a chart that compares the current and proposed transportation SDC for a single-family customer in Donald to the same charge in similar communities in nearby Clackamas, Yamhill, and Marion Counties.

Figure 5 - Neighboring Communities' transportation SDCs (Detached Single Family) April, 2021



Parks SDCs

The 2014 Parks and Recreation Needs Analysis Levels of Service

In 2014, the City completed a parks and recreation needs assessment through the year 2035. That needs assessment and the City's current parks SDC methodology rely on levels of service (LOS) to determine the adequacy/needs for current and future parks and trails infrastructure. To determine adequacy, park and recreation providers typically measure existing parklands and facilities and compare them against established standards, typically LOS Standards. LOS standards are measures of the amount of public recreation parklands and facilities being provided to meet that jurisdiction's basic needs and expectations. For example, the amount of parkland currently needed in a particular jurisdiction may be determined by comparing the ratio of existing developed park acres per 1,000 residents (by all providers within the jurisdiction) to the jurisdiction's desired level of parks relative to population. The gap between the two ratios is the currently needed park acreage. As the population grows, the objective is to provide enough additional acreage to maintain the jurisdiction's desired ratio of park acres to 1,000 residents. These ratios can provide insight and act as tools to determine the amount of parkland or trails needed to meet current and future recreation needs.

For this parks SDC update, the project team reviewed recommended parks and trails LOS (by parks classification) for the City based on the 2013-2017 Statewide Comprehensive Outdoor Recreation Plan (SCORP). The SCORP recommended Oregon LOS guidelines were developed after reviewing the National Recreation and Parks Association (NRPA) guidelines and the results from the 2014 statewide average guidelines survey. The recommended Plan LOS by parks category are shown below in Table 27.

Table 27 – Parks and Recreation LOS Standards for Donald

Parkland Type	Average Planning LOS Guidelines in Oregon (Acres /1,000 population)	NRPA Standard LOS Guidelines (Acres /1,000 population)	Recommended Oregon LOS Guidelines (Acres /1,000 population)
Pocket Parks	0.16	0.25 to 0.5	0.25 to 0.5
Urban Plaza Parks	0.18	None	0.1 to 0.2
Neighborhood Parks	1.27	1.0 to 2.0	1.0 to 2.0
Community Parks	2.76	5.0 to 8.0	2.0 to 6.0
Regional Parks	8.99	5.0 to 10.0	5.0 to 10.0
Nature Parks	2.74	None	2.0 to 6.0
Special Use Parks	0.38	None	None
Totals	-	6.25 to 10.5 developed	6.25 to 12.5

A "trail" includes multi-use, pedestrian, and soft surface trails that accommodate a variety of activities such as walking, running, biking, dog walking, rollerblading, skateboarding, and horseback riding. Multi-use trails are designed for use by pedestrians, bicyclists, skateboarders, wheelchairs, and other non-motorized vehicle users. Such trails may be located within parks or along existing streets and roadways as part of the citywide transportation system. For trails, the statewide average planning LOS Guidelines are at 0.62 miles per 1,000 residents and the SCORP recommended LOS for Oregon is anywhere between 0.5 to 1.5 miles of trails per resident. For this park SDC study, we established a minimum trails LOS of 0.5 miles per 1,000 residents with both the current population and a population projection for 2040.

Having established the LOS standards for park lands and trails, the next step is to compare the City's current parks and trails inventory to the standard, and analyze the surpluses/deficiencies by parks category. That data is shown below in Table 28.

Table 28 - Existing Parks and Trails LOS Surplus/Deficiency

Classification and Park Name	Acres Available Gross	Acres Available Net	Linear Miles	Current Level of Service[1]	Recommended LOS[1] Low	Recommended LOS[1] High	LOS Surplus or (Deficiency)	% Capacity Remaining	
Pocket Parks:									
Donald City park	0.17	0.17		0.147	0.250	0.500	(0.103)	Zero	✓
Neighborhood Parks:									
None	-	-		0.000	1.000	2.000	(1.000)	Zero	✓
Community Parks:									
Donald skate park	0.34	0.34							
Donald community center	0.12	0.12							
	0.46	0.46		0.397	2.000	6.000	(1.603)	Zero	✓
Greenways/Natural Areas									
Water tower lot	0.05	0.05		0.043	2.000	6.000	(1.957)	Zero	✓
Subtotal Parks	0.51	0.51		0.44	5.00	14.00	(4.56)	Zero	
Bike and Pedestrian Crossings			-	0.000	0.500	1.500	(0.500)	Zero	✓

Notes:

[1] Oregon Parks and Recreation Department 2013-18 Statewide Comprehensive Outdoor Recreation Plan (SCORP); 2020 estimated population; level of service expressed in units per 1,000 residents 1,158

As the data in Table 28 shows, currently, the City is "park deficient" in all park categories. This will impact the calculation of the parks SDC reimbursement fee in that the current LOS implies 100% of the City's current parks and trails capacity is being absorbed by the City's current population.

Existing and Projected Future Demand for Parks and Trails

Growth should be measured in units that most directly reflect the source of demand. In the case of parks, the most applicable units of growth are population and, where appropriate, employees (or new jobs). ORS 223.29 to 223.314 allow local governments to impose parks and recreation SDCs on non-residential development as well as on residential development. The Donald program imposes parks and recreation SDCs on new residential development and does not impose SDCs on non-residential development.

However, the units in which demand is expressed may not be the same as the units in which SDC rates are charged. Many SDCs, for example, are charged on the basis of new dwelling units. Therefore, conversion is often necessary from units of demand to units of payment. For example, using an average number of residents per household, the number of new residents can be converted to the number of new dwelling units.

Parks and recreation facilities benefit City residents, businesses, non-resident employees, and visitors. The methodology used to update the City's parks and recreation SDCs establishes the required connection between the demands of growth and the SDC by identifying specific types of park and recreation facilities and analyzing the proportionate need of residents and employees for each type of facility. The SDCs to be paid by a development meet statutory requirements because they are based on the nature of the development and the extent of the impact of that development on the types of park and recreation facilities for which they are charged.

The parks and recreation SDCs are calculated based on the specific impact a development is expected to have on the City's population. For facilities that benefit residents, an SDC may be charged for residential development.

Table 29 contains existing and projected population, housing units, and employment for the City. The data in this table establishes the units of demand and the units of payment for the reimbursement and improvement parks SDCs.

Table 29 - Existing and Projected Population, Housing Units, and Employment

		2019 Census Est.	2020 City Est.	2040 Projected	Analysis of Growth Units	Analysis of Growth CAGR*
1	Population	1,128	1,158	2,587	1,459	4.10%
	Single family residential	1,128	1,158	2,587	1,459	
	Multi-family residential	-	-	-	-	
2	Total Housing Units	407	418	933	526	
	Single family residential	407	418	933	526	
	Multi-family residential	-	-	-	-	
	Number of persons per Housing Unit	2.77				
	Single family residential	2.77				
	Multi-family residential	0.00				
3	Employment	595		1,364	769	4.24%
	Employment to population ratio	52.75%				

Data Sources and Notes:

1 Current population source: U.S. Census Bureau, 2020 American Community Survey 5-year summary, Table DP05; 2040 projection per Population Research Center, Portland State University, June 30, 2017

2 Current Housing units source: U.S. Census Bureau, 2020 American Community Survey 5-year summary, Table DP04, Table B25024, B25033; 2040 projection based on 2019 number of persons per occupied housing unit

3 Current employment source: U.S. Census Bureau, 2020 American Community Survey 5-year summary, Table DP03; 2040 projection based on 2019 employment to population ratio

* CAGR - Compound Annual Growth Rate

Reimbursement Fee Calculations

As we discussed above, the City is park deficient on a whole. This has adversely impacted the calculation of the parks SDC reimbursement fee in that the current LOS implies 100% of the City's current parks and trails capacity is being absorbed by the City's current population. That mean only 0% of the system's-built capacity is available to serve growth. Therefore, we are not including a reimbursement fee for the parks SDC calculations.

Parks CIP

The 2021 Parks and Open Space CIP lays out a very specific and prioritized capital improvement plan for the City through 2040. The CIP identifies future costs for new parks and trails, and the future costs for improvements to the City's existing parks inventory. The total CIP from the Plan is shown below in Table 30.

Table 30 - 2019 Parks Master Plan CIP

Project Description	Project Priority	Project Cost
Parks		
Adding Restroom & Utilities at Skate Park	1-5 years	$ 150,000
Land Acquisition for City Parks	1-20 years	500,000
Park Development for City Parks	1-20 years	500,000
Master Plan/SDC Update	1-20 years	60,000
Subtotal parks and recreation		$ 1,210,000

NOTE: Parks SDC only paid for by residential developers

SDC Eligibility of Parks CIP

For purposes of this SDC study, each of the City's park facilities falls into one of the following five categories:

- Pocket parks
- Neighborhood parks
- Community parks
- Special use parks
- Bike and pedestrian pathways

Table 32 compares the current inventory of facilities in each category with that category's adopted level of service. That comparison leads to a determination of surplus or deficiency for each category. Projects are eligible for improvement fee funding only to the extent that the projects will benefit future users. Therefore, only the categories with no deficiency (community parks) are 100 percent eligible for

improvement fee funding. The eligibility percentages of the remaining parks categories are reduced to reflect the level of deficiency.

Table 31 compares the current inventory of facilities in each category with that category's plan-based level of service. That comparison leads to a determination of surplus or deficiency for each category. Projects are eligible for improvement fee funding only to the extent that the projects will benefit future users. Therefore, only the categories with no deficiency are 100 percent eligible for improvement fee funding. The eligibility percentages of the remaining parks categories are reduced to reflect the level of deficiency.

Table 31 - Calculation of Parks CIP SDC Eligibility

Classification	LOS (units/1,000 population) [1, 2]	Inventory Units	Parks Inventory at Current [2]	Planned Additions [3]	Planned 2040	Level of Service Analysis Current need	Surplus / (Deficiency)	Parks SDC Eligibility Growth Need	Growth %
Pocket Parks	0.25	Acres	0.17	0.48	0.65	0.29	(0.12)	0.36	74.93%
Neighborhood Parks	1.00	Acres	-	2.59	2.59	1.16	(1.16)	1.43	55.23%
Community Parks	2.00	Acres	0.46	4.71	5.17	2.32	(1.86)	2.86	60.62%
Greenways/Natural Areas	2.00	Acres	0.05	5.12	5.17	2.32	(2.27)	2.86	55.77%
Subtotal Parks	5.00		0.68	12.90	13.58	6.08	(5.40)	7.50	
Bike and Pedestrian Pathways	0.50	Miles	-	1.29	1.29	0.58	(0.58)	0.71	55.23%

[1] PSU service area population estimate 2020 — 1,158

Level of Service expressed in units per 1,000 residents — 1.16

Estimated 2040 service population per PSU — 2,587

Level of Service expressed in units per 1,000 residents — 2.59

[2] 2014 Parks and Recreation Needs Assessment; page 10

[3] Planned additions to attain 2013-17 SCORP level of service

Improvement Fee Calculations

The improvement fee is the cost of capacity-increasing capital projects per unit of growth that those projects will serve. The unit of growth, the number of new residents, is the basis of the fee. In reality, the capacity added by many projects serves a dual purpose of both meeting existing demand and serving future growth. To compute a compliant SDC rate, growth-related costs must be isolated and costs related to current demand must be excluded. We have used the "capacity approach" to allocate costs to the improvement fee basis. Under this approach, the cost of a given project is allocated to growth in proportion to the growth-related capacity that projects of a similar type will create. The capacity analysis of the parks CIP is shown numerically in Table 31. Table 32 lays out the capacity approach to deriving the parks improvement fee.

Table 32 - Calculation of the Parks Improvement Fee

			<---------- Funding Sources for Parks CIP ---------->			
Classification	Total MP CIP	SDC Eligible %	Existing Users	Total SDC	Residential	Non-Residential
Pocket Parks	57,619	74.93%	14,446	43,173	43,173	-
Neighborhood Parks	230,476	55.23%	103,184	127,292	127,292	-
Community Parks	460,952	60.62%	181,520	279,432	279,432	-
Greenways/Natural Areas	460,952	55.77%	203,883	257,069	257,069	-
Trails	-	55.23%	-	-	-	-
Total	$ 1,210,000	58.43%	$ 503,033	$ 706,967	$ 706,967	$ -

	Total SDC	Residential	Non-Residential
Future parks master plan capacity-expanding costs	$ 706,967	$ 706,967	$ -
Adjustments to improvement fee basis:			
Parks improvement fee SDC fund balance	2,338	2,338	-
Adjusted future parks master plan capacity-expanding costs	$ 704,629	$ 704,629	$ -
Future Demand Units:			
Growth in population (People)		1,459	
Growth in occupied housing units:			
Single family residential		526	
Multi-family residential		-	
Growth in employment (Employees)			
Unit improvement fee Parks SDCs:			
Per person		$ 483	
Per occupied housing unit:			
Single family residential		$ 1,339	
Multi-family residential (per unit)		$ -	
Per employee			

Parks SDC Model Summary

The 2021 parks SDC update was done in accordance with Donald Municipal Code Chapter 152, and with the benefit of the adopted 2016 parks SDC methodology and the 2021 adopted parks CIP. We recommend the City update the SDC charge reflect the current capital improvement program. Our analysis indicates the City can charge a maximum of $1,406 per detached single-family residence. The complete proposed schedule of

parks SDCs is shown below in Table 33. Table 34 give a comparison of the proposed and current parks SDC for a new single-family detached residence.

Table 33 - Proposed Parks SDCs

Customer Classification	Number of Dwelling Units	Proposed Schedule of Parks SDCs Reimbursement	Improvement	Administration	Total
Detached single family	1	$ -	$ 1,339	$ 67	$ 1,406
Mobil/manufactured home	1	-	1,339	67	1,406
Multifamily - $/dwelling unit	1	-	-	-	-
Duplex	2	-	-	-	-
Tri-plex	3	-	-	-	-
Four-plex	4	-	-	-	-
Apartment complex	*	*	*		*
Condominium complex	*	*	*		*
Retirement/Assisted Living cc	*	*	*		*
Business - $/FTE Employee		$ -	$ -	$ -	$ -

* - multiply the number of dwelling units by the corresponding detached multi-family per dwelling unit fee component

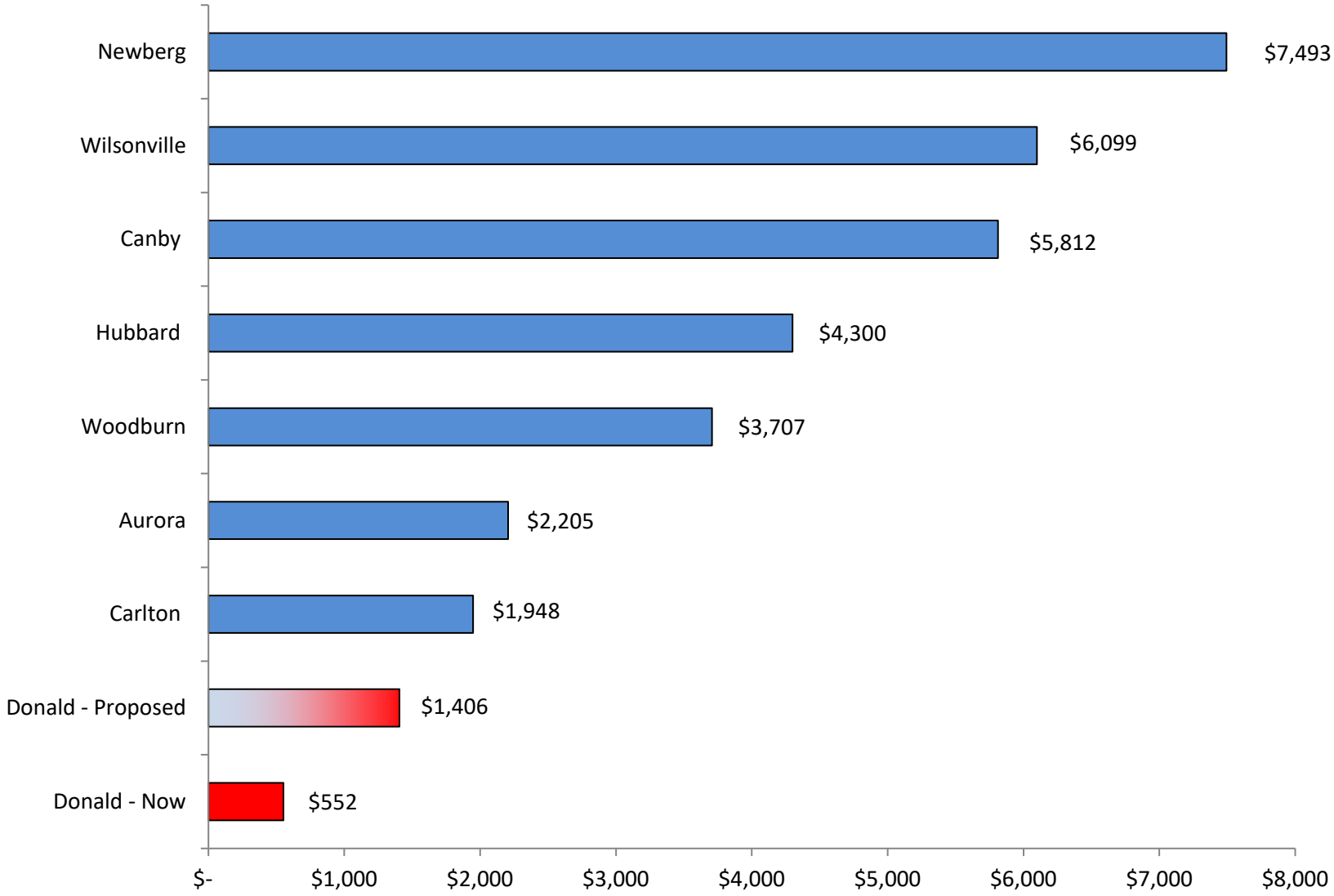
Table 34 - Proposed and Current Parks SDCs for a Detached Single-Family Residence

Parks SDC Components	Proposed	Current	Difference
Reimbursement fee	$ -	$ -	$ -
Improvement fee	1,339	526	813
Administration fee @ 5%	67	26	41
Total parks SDC	$ 1,406	$ 552	$ 854

Parks SDCs in Neighboring Communities

Shown below in Figures 6 is a chart that compares the current and proposed Parks SDC for a single-family customer in Donald to the same charge in similar communities in nearby Clackamas, Yamhill, and Marion Counties.

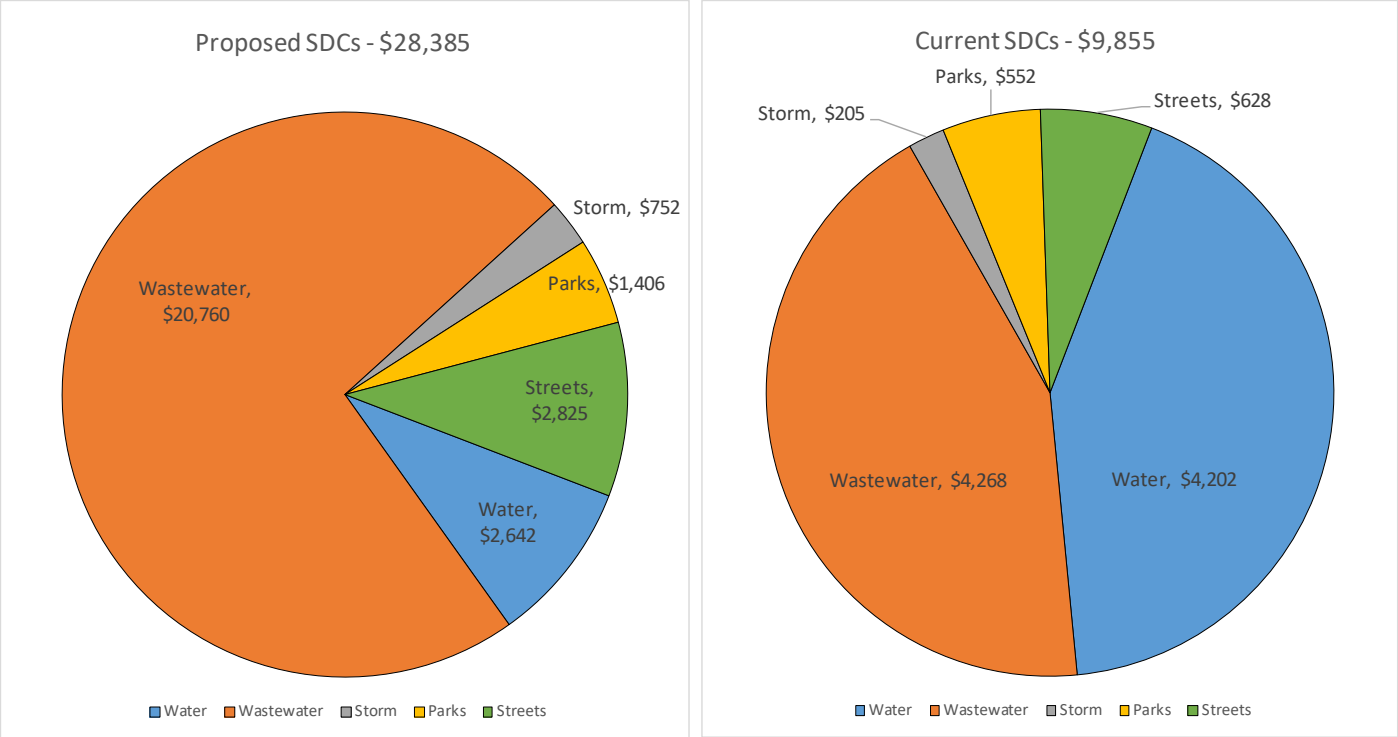
Figure 6 - Neighboring Communities' Parks SDCs (Detached Single Family) April, 2021



Conclusions and Recommendations

The 2021 SDC update was done in accordance with DMC Chapter 152, and with the benefit of adopted plans and plan updates for municipal services. A graphic side by side comparison of the proposed and current schedule of SDCs is shown blow in figure 7.

Figure 7 - Proposed and Current Schedule of SDCs



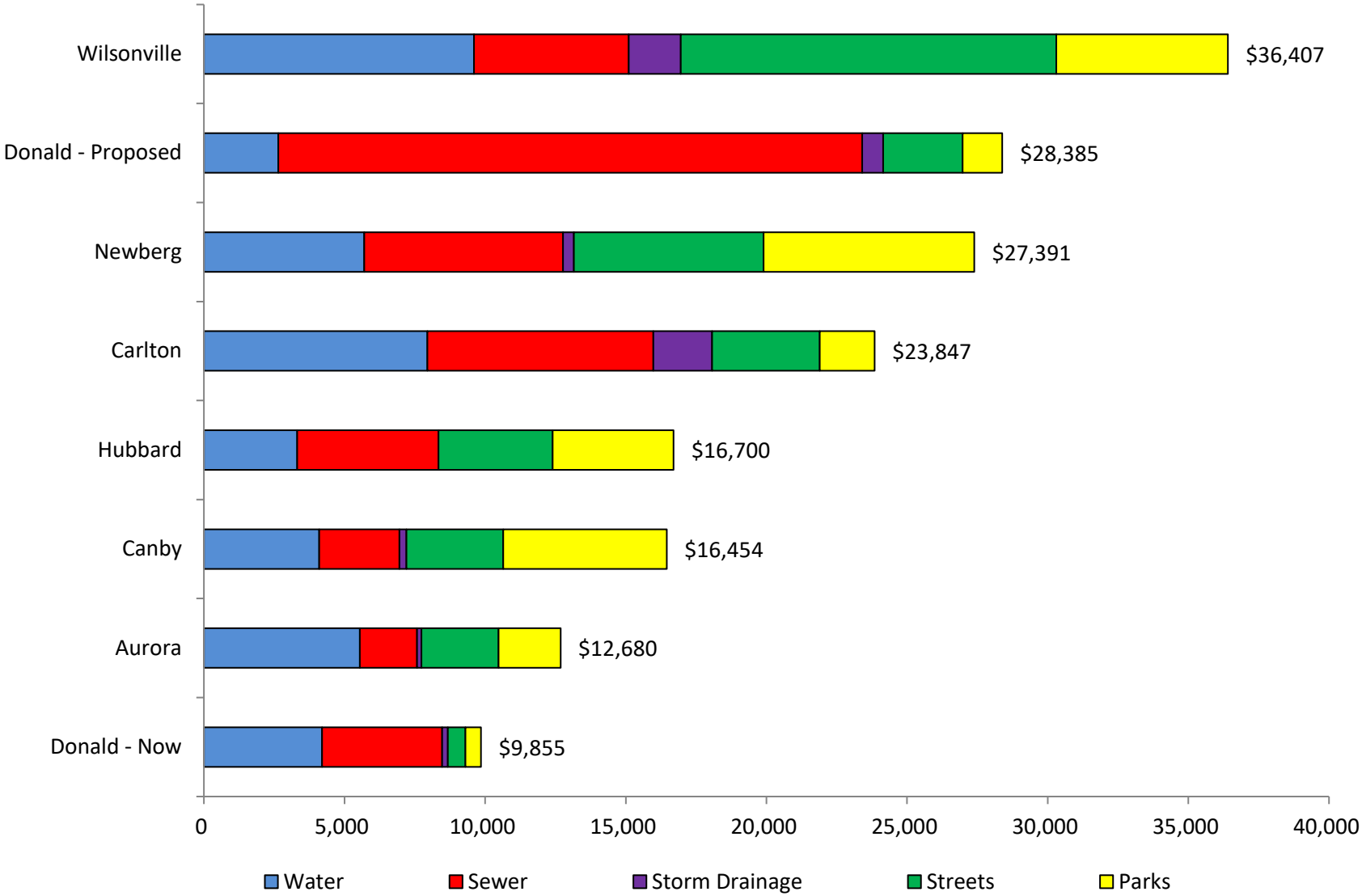
Finally, we recommend the City adopt a policy of reviewing its suite of SDCs every five years. Between the review dates, the city should apply a cost adjustment index to the SDC rates annually to reflect changes in costs for land and construction. This policy should be codified in the Donald Municipal Code (DMC §152.17). We suggest the City consider the following language for that section of the DMC:

1. Notwithstanding any other provision, the dollar amounts of the SDC set forth in the SDC methodology report shall on January 1st of each year be adjusted to account for changes in the costs of acquiring and constructing facilities. The adjustment factor shall be based on:
    a. The change in construction costs according to the Engineering News Record (ENR) Construction Cost Index (CCI) (20 City Average).
    b. The system development charges adjustment factor shall be used to adjust the system development charges, unless they are otherwise adjusted by the city based on a change in the costs of materials, labor, or real property; or adoption of an updated methodology.

Neighboring Communities' SDCs

Shown below in Figures 3 through 9 are charts that compare the current SDCs for a single-family customer in Donald to the same charges in similar communities in Douglas County and Oregon.

Figure 8 - Neighboring Communities' SDCs (Detached Single Family) April, 2021



Appendix A – Marion County Coordinated Population Forecast

Marion County – Historical and Forecast Population for Marion County and its Sub-Areas

	Historical			Forecast				
	2000	2010	AAGR (2000-2010)	2020	2045	2070	AAGR (2020-2045)	AAGR (2045-2070)
Marion County	284,833	315,335	1.0%	349,965	374,826	375,177	0.3%	0.0%
Marion County-outside	46,236	45,683	-0.1%	50,254	47,514	40,460	-0.3%	-0.6%
Larger Sub-Areas								
Keizer	33,143	37,407	1.2%	39,968	45,700	49,466	0.7%	0.3%
Salem (part)*	149,299	164,605	1.0%	183,715	186,157	173,652	0.1%	-0.3%
Silverton	8,215	9,883	1.8%	10,986	13,235	14,495	0.9%	0.4%
Statyon	7,259	8,167	1.2%	9,170	11,008	12,184	0.9%	0.4%
Woodburn	20,861	25,425	2.0%	26,532	29,681	30,877	0.6%	0.2%
Smaller Sub-Areas								
Aumsville	3,211	3,779	1.6%	4,395	6,565	9,109	2.0%	1.3%
Aurora	752	1,017	3.0%	1,332	2,017	2,661	2.1%	1.1%
Detroit	272	209	-2.6%	273	351	386	1.3%	0.4%
Donald	632	1,015	4.7%	1,158	2,625	4,341	4.1%	2.0%
Gates (part)*	446	448	0.0%	490	481	425	-0.1%	-0.5%
Gervais	2,078	2,567	2.1%	3,002	4,788	7,127	2.3%	1.6%
Hubbard	2,523	3,399	3.0%	3,860	4,753	5,377	1.0%	0.5%
Idanha (part)*	138	80	-5.5%	110	117	99	0.3%	-0.7%
Jefferson	2,646	3,284	2.2%	4,038	5,581	7,346	1.6%	1.1%
Mill City (part)*	327	337	0.3%	474	663	895	1.7%	1.2%
Mt. Angel	3,037	3,365	1.0%	3,814	4,631	4,896	1.0%	0.2%
Scotts Mills	334	374	1.1%	458	605	711	1.4%	0.6%
St. Paul	368	414	1.2%	527	724	988	1.6%	1.2%
Sublimity	1,896	2,563	3.0%	3,070	4,227	5,541	1.6%	1.1%
Turner	1,160	1,921	5.1%	2,339	3,401	4,141	1.9%	0.8%

Sources: U.S. Census Bureau; Forecast by Population Research Center (PRC)
Historical trend

Appendix B – City of Donald Metered Wastewater Flows 2019 &2020

			City of Donald			Fargo Interchange Service District		
			Influent Flows MGD		Total Influent	Influent Flows MGD		Total Influent
Observation	Calendar Year	Month	Peak Daily	Ave. Daily	Flow (Q)	Peak Daily	Ave. Daily	Flow (Q)
1	2019	January	0.0790	0.0589	1.8260	0.0530	0.0413	1.2800
2		February	0.0970	0.0665	1.8630	0.0760	0.0566	1.5840
3		March	0.0680	0.0576	1.7860	0.0760	0.0567	1.7590
4		April	0.1000	0.0653	1.9590	0.0790	0.0610	1.8310
5		May	0.0580	0.0519	1.6090	0.0610	0.0477	1.4780
6		June	0.0600	0.0528	1.5850	0.0470	0.0439	1.3180
7		July	0.0590	0.0520	1.6130	0.0490	0.0406	1.2580
8		August	0.0650	0.0520	1.6110	0.0430	0.0367	1.1380
9		September	0.0610	0.0517	1.5520	0.0410	0.0356	1.0670
10		October	0.0530	0.0502	1.5560	0.0390	0.0345	1.0710
11		November	0.0520	0.0504	1.5120	0.0410	0.0366	1.0990
12		December	0.0610	0.0548	1.6990	0.0430	0.0373	1.1560
13	2020	January	0.1070	0.0706	2.1890	0.0520	0.0379	1.1760
14		February	0.0830	0.0611	1.7720	0.0470	0.0381	1.1040
15		March	0.0700	0.0554	1.7160	0.0460	0.0383	1.1860
16		April	0.0710	0.0601	1.8020	0.0480	0.0388	1.1630
17		May	0.0610	0.0560	1.7350	0.0430	0.0361	1.1180
18		June	0.0690	0.0560	1.6810	0.0460	0.0381	1.1440
19		July	0.0580	0.0537	1.6660	0.0450	0.0392	1.2150
20		August	0.0520	0.0494	1.5300	0.0420	0.0380	1.1770
21		September	0.0600	0.0529	1.5870	0.0410	0.0341	1.0240
22		October	0.0580	0.0541	1.6780	0.0410	0.0359	1.1140
23		November	0.0800	0.0554	1.6620	0.0430	0.0348	1.0440
24		December	0.1080	0.0694	2.1520	0.0540	0.0351	1.0890
Calendar 2019 Observed Flows to the Lagoons:								
		ADWF			1.5877			1.2217
		AWWF			1.7742			1.4515
		Peak Factor			112%			119%
Calendar 2020 Observed Flows to the Lagoons:								
		ADWF			1.6462			1.1320
		AWWF			1.8822			1.1270
		Peak Factor			114%			100%

[1] Source: Monthly DEQ Discharge Monitoring Reports

= Average Wet Weather Flow

= Average Dry Weather Flow