

Parks System Development Charges

Funding parks, trails and recreation facilities



When Oregon adds housing and population, demand grows across the entire park and recreation system—including indoor and outdoor facilities. Parks SDCs are specifically designed to make new growth contribute toward the additional capital capacity that growth requires.

Why SDCs?

To address growth, local control, taxpayer fairness, and infrastructure-capacity.

System Development Charges (SDCs) are charged by local governments for the provision of potable water, transportation, parks, sanitary and storm water. They are a critical funding source that pays for what communities need, insulate the broader community from the cost of new development and ensure that the increased demand on those systems that result from new development pays for its impacts on the community's infrastructure. Without SDCs, the existing community members who have already paid for the infrastructure would have to pay again to meet the needs of new residents.

Parks Reliance on SDCs

As communities grow, as new neighborhoods emerge, as new multifamily housing is developed on even smaller lots, the need for indoor and outdoor recreation facilities has become even more important. Unlike water and sewer systems, parks and recreation agencies generally do not have a utility rate base that can finance new infrastructure and recover those costs over time. Without Parks SDCs, communities must rely more heavily on existing taxpayers, voter-approved bonds or limited general funds to provide capacity needed because of new growth. Removing recreation facilities from SDC eligibility does not remove the need—it shifts the cost.

Local Funding & Community Needs

Community choice and decision-making drive the need for new indoor and outdoor facilities. Public planning guides all recreation construction decisions. That same public input lets local governments know when SDCs need shifting.

Existing statutes provide significant flexibility for a local government to make a change in SDCs to respond to community interests, concerns, and priorities.

Many local governments have policies that provide for exemptions, waivers and/or deferrals of specific SDCs to address identified priorities or special needs in the community, especially those that advance a public benefit.

These are decisions made locally. Fact is, there must be local control and flexibility for financing of demanded infrastructure to meet each community's goals and needs. Statute grants local government the ability to enact SDC's; communities should have the choice to determine whether there is a need for them in their local community.

AVERAGE SDC CHARGES BY TYPE

Water	\$4,500
Stormwater	\$1,078
Sanitary sewer	\$4,644
Transportation	\$4,433
Parks	\$3,829
Combined Total	\$15,047*

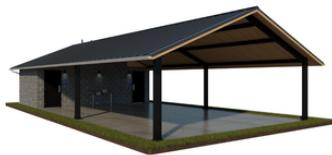
* Average of the totals for each jurisdiction, rather than a sum of the averages for each system.

Without Parks SDCs or a viable alternative, the infrastructure that the legislature and communities demand, and that all people deserve, is at risk. Please protect local authority to use Parks System Development Charges for parks, trails and recreation facilities.

PROJECT EXAMPLES FROM OREGON COMMUNITIES



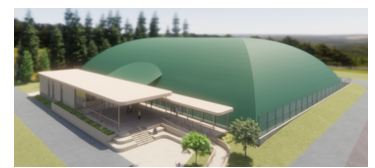
**Bend Parks & Rec District
Art Station at Larkspur Park**
5,000 ft² building for art and enrichment programs and activities in one of Oregon's fastest growing regions.



**City of La Grande
Candy Cane Park**
SDC funds provide the required match for a Land & Water Conservation Grant, which the city could not afford for many years.



**City of Medford
Rogue X**
Multi-purpose events and aquatics center with dedicated classrooms & meeting rooms. Response to 10%+ growth in population in last decade.



**Tualatin Hills Park & Rec District
HMT Pickleball Facility**
To meet community demand, facility includes 12 outdoor pickleball courts and a permanent building to support year-round recreation.

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Importance of Parks

Oregon's statewide efforts to increase "middle housing"—duplexes, triplexes, quadplexes, townhouses and cottage clusters—has led to denser development, which means that yards, places for kids to play, facilities for indoor and weather impacted activities, spaces for pets and open area for sports and recreation are decreased.

All Oregonians deserve equitable access to the benefits of high-quality parks and nature, recreation facilities and trails that create healthy, resilient and economically vibrant communities. Affluent neighborhoods will likely not be targeted, yet areas of denser multifamily housing need recreation facilities the most.

Low-income communities of color have historically received even lower recreational investments than whiter, wealthier communities. This has contributed to health disparities in communities of color, where rates of obesity, heart disease, anxiety, and depression are significantly higher.

The recent pandemic and resulting isolation exemplified the need for outdoor places for all and the need for indoor spaces for communities to safely gather. Access to indoor and/or outdoor recreation facilities correlates with greater physical activity, improved mental health, and overall public health.

Parks SDCs are a means to ensuring that all Oregonians have equitable access to high-quality parks, access to nature, trails, and recreation facilities—not just those living in certain neighborhoods.

Parks SDCs & Developers

Parks SDCs help ensure that the quality of life keeps pace with changing cities and thriving communities by providing additional parks, trails and recreation facilities needed to accommodate community growth. We know this and so do developers, that is why you will often see developers highlighting the presence of parks and recreation facilities—present or future—as part of their marketing for new developments.

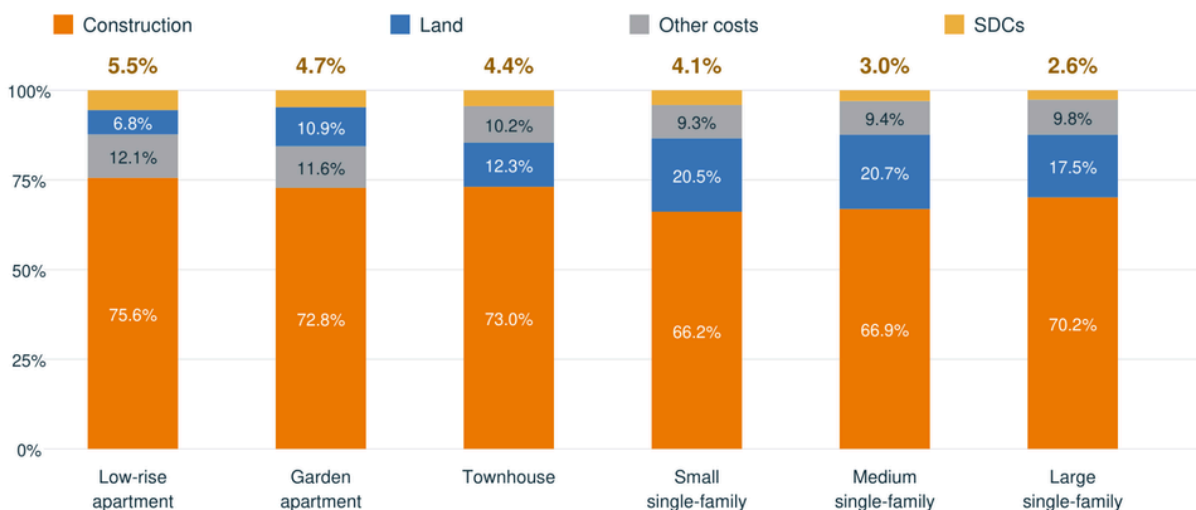
Private amenities (like a gated HOA pool) must be maintained entirely by the residents, driving up monthly HOA dues—which deters buyers. By using SDC credits to build facilities, developers hand the future maintenance costs over to the local city or park district. They can market a home with "world-class recreational facilities" while keeping the monthly HOA fees incredibly low.

Parks SDCs are regulated and tightly limited to growth-related capital costs. They are not general operating revenue. Under Oregon law, Parks SDC improvement fees may fund only capital improvements that increase system capacity needed to serve future users. They cannot pay for routine operations or maintenance, and SDC-funded projects must be identified through local capital planning and public processes. Additionally, local governments must account for SDC revenues and expenditures.

The fees that developers and homebuilders charge do not have such public input, transparency and oversight.

Development Costs by Housing Type

Moderate-cost Oregon market | 2022 modeled estimates



Data Source for Charts: ECONorthwest for OHCS, Oregon System Development Charges Study (December 2022), Exhibits 21 and 34.

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