



December 1, 2011

Rebecca Gershow
Planning and Development
Willamalane Park and Recreation District
250 South 32nd Street
Springfield, OR 97478

RE: 2012 SDC Rate Adjustments

Dear Ms. Gershow:

The Willamalane Park and Recreation District's adopted Parks and Recreation SDC Resolution includes the following provisions requiring annual adjustment of the SDC rates based on changes in costs.

Section 4(g)(1): The District shall adjust SDC rates to account for changes in valuation that may affect future tax revenues (the "Debt Service Credit").

- (i) On or about December 1 of each year, the District shall access information from the local Regional Multiple Listing Service (RMLS) to obtain the current average assessed valuation for single family, detached dwelling units constructed during the prior twelve month period.*
- (ii) Using the current average RMLS valuation, the District shall calculate an updated Debt Service Credit per single family, detached dwelling unit reflecting any change in the net present value of expected future tax payments for debt service included in Table 4.3 of the SDC Methodology Report*

The RMLS has informed the District that the mean average value for single family, detached dwelling units for 2011 is \$193,153. Following, on page 2, are the updated Debt Service Credit amounts reflecting changes in the net present value of expected future tax payments for debt service included in Table 4.3 of the SDC Methodology Report.

2012 REVISED TABLE 4.3

DEBT SERVICE CREDIT PER DWELLING UNIT

<u>Dwelling Unit Type</u>	<u>Debt Service Credit Per Dwelling Unit</u>
Single Family Detached	\$668
Single Family Attached	\$571
Multi-Family	\$326

(iii) *The District shall calculate an updated total SDC per single family, detached dwelling unit by subtracting the updated Debt Service Credit from the Improvement Fee per Dwelling Unit for a Dwelling Unit Detached, Single Family as shown in Table 4.4 of the SDC Methodology Report.*

Following are the updated total SDC rates reflecting subtraction of the updated Debt Service Credit from the Improvement Fee per Dwelling Unit as shown in Table 4.4 of the SDC Methodology Report.

2012 REVISED TABLE 4.4

TOTAL SDC PER DWELLING UNIT

<u>Dwelling Unit Type</u>	<u>Improvements Cost Per Dwelling Unit*</u>	-	<u>SDC Debt Service Credit Per Dwelling Unit</u>	=	<u>Debt Service Adjusted SDC Per Dwelling Unit</u>
Single Family Detached	\$4,086		- \$668		\$3,418
Single Family Attached	\$3,929		- \$571		\$3,358
Multi-Family	\$3,100		- \$326		\$2,774

* Adjusted to reflect changes in costs in 2006 - 2010.

(2) *The District shall adjust SDC rates to account for changes in the cost of acquiring land and developing parks and recreation facilities (the “Acquisition and Development Cost Adjustment”). The Acquisition and Development Cost Adjustment factor shall be used to adjust the District’s SDCs, unless otherwise adjusted by the District based on either: 1) adoption of an updated methodology, or 2) other adjustments or modifications made in accordance with ORS 223.309(2).*

(i) *On or about December 1 of each year, the District shall access 1) information from the Lane County Tax Assessor to obtain the percentage change in the average assessed valuation for vacant, residential land, during the most recent twelve month period for which records are available; and 2) The Engineering News Record (ENR) to obtain the percentage change in the ENR Construction Cost Index (CCI) for Seattle, Washington, during the most recent twelve month period for which records are available.*

(ii) *The Acquisition and Development Cost Adjustment factor shall be weighted as follows:*

- 1) *Change in Land Value Multiplied by 28%*
(land portion of SDC-Eligible CIP)
- + 2) *Change in CCI Multiplied by 72%*
(facilities portion of SDC-Eligible CIP)
- = 3) *System Development Charges Adjustment Factor*

The Lane County Assessor's office has informed the District that the change in average market value between 2010 and 2011 for property class 100 (unimproved residential land) is -1.6 percent. The CCI for Seattle for the past year has changed by 3.9 percent as reported in the November, 2011, issue of ENR.

The cost adjustment formula yields the following adjustment factor:

$$\begin{array}{r} -1.6\% \times 0.28 = -0.45\% \\ + \quad 3.9\% \times 0.72 = 2.81\% \\ \hline = \quad \quad \quad 2.36\% \end{array}$$

(iii) *The Acquisition and Development Cost Adjustment factor shall be applied as follows:*

- 1) *System Development Charges Adjustment Factor*
- X 2) *Total SDC Per Dwelling Unit (following any Debt Service Credit adjustment)*
- = 3) *Adjusted Total SDC Per Dwelling Unit*

Application of this adjustment factor produces the following SDC rates:

<u>Dwelling Unit Type</u>	<u>SDC Adjustment Factor</u>	X	<u>Debt Service Adjusted SDC Per Dwelling Unit</u>	=	<u>Adjusted Total SDC Per Dwelling Unit</u>
Single Family Detached	102.36%		\$3,418		\$3,499
Single Family Attached	102.36%		\$3,358		\$3,437
Multi-Family	102.36%		\$2,774		\$2,839

We appreciate the opportunity to be of continued service to the District. Please let us know if you need any additional information.

Sincerely,



John Ghilarducci
Principal