

City Council Study/Work Session
Agenda

March 18, 2024

5:30 p.m. Public Meeting

Hybrid Meeting in Person and Via Zoom

Phoenix Plaza Civic Center 220 N. Main St./Via Zoom

*A complete agenda packet is available on the city's website. This meeting is being conducted in person and virtually to allow for public participation. A recording of the meeting in its entirety will be posted to www.phoenixoregon.gov. To comment on agenda items, please write your name on the sign-in sheet and include the item number, if attending via Zoom raise your hand when the topic is discussed by Council. **If you need special accommodations, please give the City Recorder 72-hours prior notice.***

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/86089562319?pwd=bLPX00ZpBDCxGFoK4xyCyP-f5jFEdQ.KZpJp5hQiVS7Iz8R> Passcode: 650014

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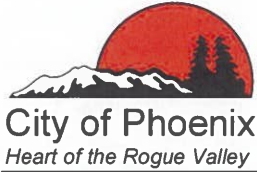
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1. Call to Order / Roll Call / Confirmation of a Quorum

Except as provided in Section 33 of the City Charter, a minimum of four Council Members are needed for a quorum and to conduct city business. If the Mayor is needed to establish a quorum, then he/she may become a voting member for that meeting (Phoenix Municipal Code, Chap. 2.28.020.A.4).

2. Discussion – Parks Fees and SDC’s,.....3

3. Adjournment



City of Phoenix
Heart of the Rogue Valley

Agenda Report to Mayor and Council

Agenda item title: Study Session – Discussion of Parks Utility Billing Fees and System Development Charges

Meeting Date: March 18, 2024

From: Zac Moody, Community Development Manager

Action: Motion, Ordinance, Resolution, Study Session, Other

SUMMARY

Update of the City of Phoenix Park Maintenance Fees and Park System Development Charges.

BACKGROUND AND DISCUSSION

Like most cities, the City of Phoenix collects System Development Charges (SDC) and Utility Billing Fees to expand capacity and to maintain its infrastructure. The city uses its utility billing and SDC revenue as a way to balance the capital funding needed for improved park facilities as well as its water and stormwater infrastructure. It also uses these funds to offset the needs for funding from the general fund. The fees collected are collected from both existing and future residents of the city.

The SDC enabling ordinances were adopted to implement the authority provided by ORS 223.297 through 223.314 adopting and imposing SDCs on new development that creates or increase demand on city services and infrastructure. Utility billing fees are collected from existing residents as a means of maintaining the current infrastructure and to some extent provides funding to offset the costs of capital improvements not funding by SDCs.

The City of Phoenix has not updated its Parks Maintenance Fee since it was adopted in 2019, and it has not updated its Parks and Recreation System Development Charge (Parks SDC) since 2008 (except for periodic inflationary increases). When these fees were updated, an analysis like the one presented here was not completed.

Utility Fees and SDCs are typically updated upon the completion of a masterplan, however, in the case of Phoenix's fees, neither were updated using a comprehensive financial analysis when the plans were updated in 2019. Fees and SDCs are typically updated based on the projects proposed by the plans and reports such as the ones being presented in this study session, help to determine the level of fees and system development charges necessary to complete a portion or even all of the projects outlined in the plans.

Over the past year, the city has found a need to update its billing system and rectify the count of residential and non-residential units charged the fee. Additionally, the Parks Fund has required an additional subsidy from the city's discretionary revenues. Without additional evaluation, the Park Fund is projected to need the subsidy again in 2024 and beyond. These reports were commissioned for these two reasons and this staff report provides a summary of the findings for all recommended park fees. The summary is broken down into two areas of discussion;

Park Fees and Park SDCs

This report proposes the level of the utility fee and Park SDC necessary to complete a portion, or possibly all, of the improvements described in the 2016 Parks Master Plan, and it recalculates the fee based on the corrected utility billing data. The reports projects an increase of the fee over the next three years until the Parks Master Plan is complete, and when a new comprehensive financial analysis can be performed.

The Phoenix Parks Master Plan provides a guiding vision for the development and maintenance of the parks system in Phoenix for the next 20 years. The Phoenix Parks Master Plan articulates the community's vision to provide healthy and enjoyable recreational opportunities to its residents and visitors, as well as build capacity to accommodate Phoenix's changing population and needs.

A critical step in parks planning is identifying how much parkland exists, where parks are located, what facilities and amenities parks provide, and what condition parks are in. Parks are assessed based on level of development, amenities, size and service area. Parks are categorized into the following classification types using the National Recreation and Parks Association (NRPA) methodology: Pocket Parks, Neighborhood Parks, Community Parks, Regional Parks, Special Use Parks, Linear Parks, Greenways, Open Space/Natural Areas, and Undeveloped. As Phoenix's population continues to expand, the city will have to develop new parks in underserved areas.

The 2016 Phoenix Parks Master Plan update established a set of recommendations that serve as a framework for development of the park system. Each recommendation is labeled with a priority level that reflects the urgency of the need as well as the amount of time needed to complete the recommendations. The prioritized projects are then included in the analysis to provide a long-term overview of funds needed to build and maintain the park system.

Some of the recommendations have been completed, but many have not been due to the impacts of the Alameda Fire on revenues and resources. The report inflates the costs the uncompleted list of improvements to current dollars. In total, there are about \$3.8 million in improvements envisioned for the city that are accounted for in the financial study.

What Will It Cost?

Park System Development Charges

The fee per single family unit is multiplied by the ratio of persons per household for the residential unit type compared to a single-family unit. As proposed, the Parks SDC would increase from \$1,261.05 for a single-family unit to \$2,070 in 2024.

Table 14
Current and New 2024 Parks and Recreation SDC

Development Type	SDC for Parks	
	Current	Updated (2024)
	per unit	
Single Family	\$1,261.05	\$2,070
Accessory Dwelling Unit	\$817.02	\$1,341
Attached 2-4 Units	\$941.35	\$1,545
Multi-Family	\$719.33	\$1,181
Mobile Home Park	\$728.21	\$1,195

Source: HEC February 2024.

Example: A detached new single-family home pays \$1,261 under the current SDC schedule. As proposed under the new 2024 schedule, the SDC would increase to \$2,070.

Park Utility Fee

In FY2024 it is projected that the City will have to provide a General Fund subsidy to the Parks Fund, beyond its current budgeted property taxes and franchise fees, in the amount of approximately \$55,000. After accounting for the increase in fees generated by the corrected park units count, there remains a funding gap each year for the next three years that must be filled with an increase to the fee, a continued General Fund subsidy, or some combination of the two. This study provides three different funding scenarios for filling the Parks Fund projected funding gap.

Scenario A

- \$55,000 subsidy from General Fund is gradually reduced to \$0 by 2027

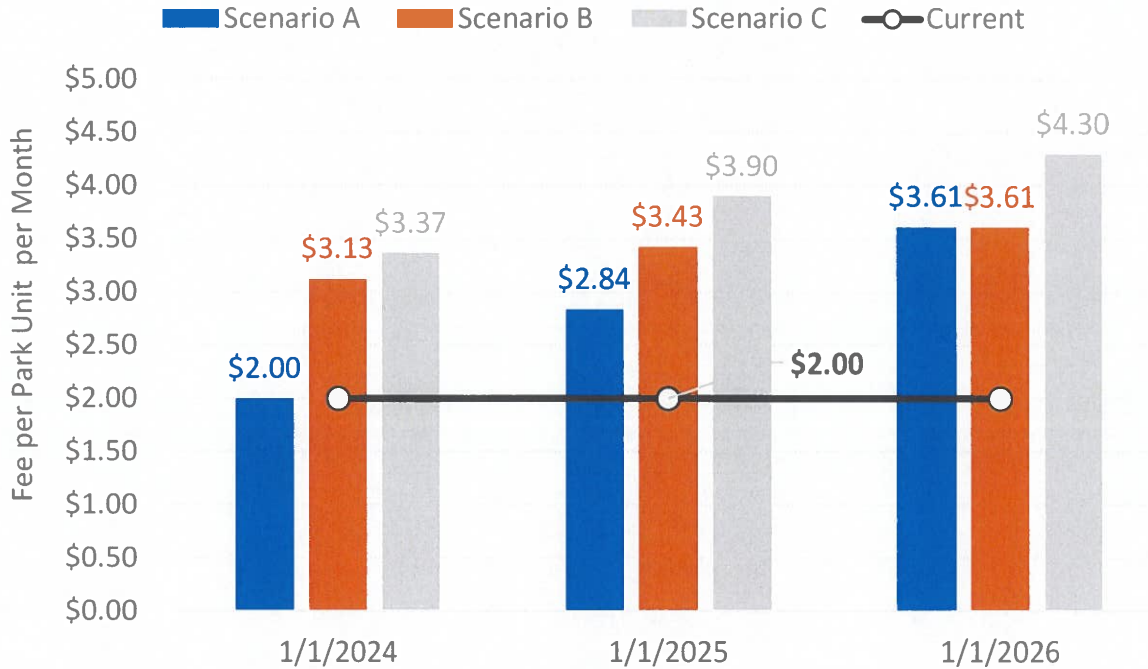
Scenario B

- \$55,000 subsidy from General Fund is removed in 2024.

Scenario C

- \$55,000 subsidy from General Fund is removed in 2024
- Commitment of property taxes to the Park Fund is reduced from \$55,000 to \$20,000 by 2027.

**Figure 4
Parks Maintenance Fee Levels next 3 Years under 3 Funding Strategies**

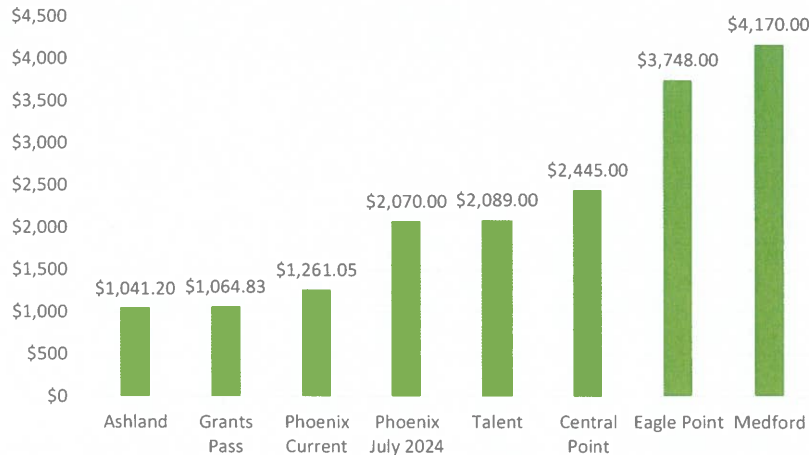


How Does This Compare?

Park System Development Charges

Figure 2 (page 6 of the report) compares Phoenix's current and new Parks SDC with the Parks SDC fee in Ashland, Grants Pass, Talent, Central Point, Eagle Point, and Medford. The SDC would remain lower than in 4 of the 6 comparison communities.

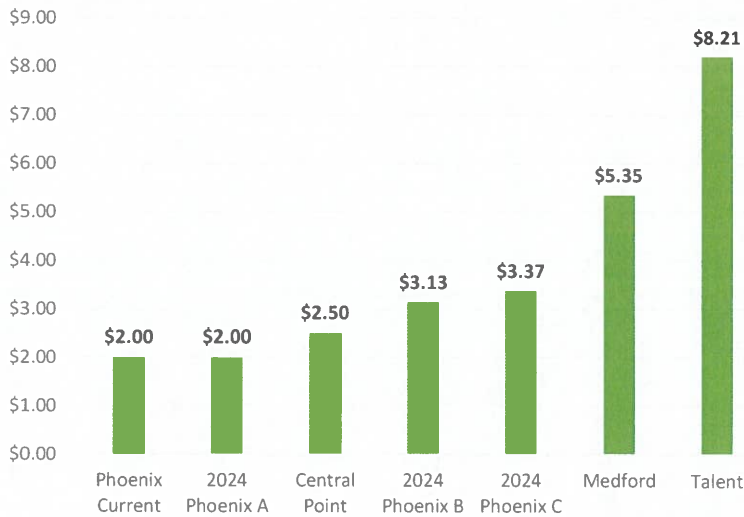
**Figure 2
Parks SDC Comparison for a Single-Family Home**



Park Utility Fees

Figure 1 (page 5 of the report) compares the calculated parks maintenance fee for a single-family home in 2024 with the fee in Central Point, Talent, and Medford. Phoenix’s Park Fee is currently the lowest. Even under Scenario C, the fee would remain below that of Medford and Talent. Under all scenarios, the fee would remain lower than Medford and Talent in 2027.

**Figure 1
Parks Maintenance Fee Comparison for a Single-Family Home**



COUNCIL GOALS SUPPORTED

- Goal 7:** Increase sidewalks and controlled intersections and improve road conditions.
- Goal 11:** Build, create and maintain the best, safest and most family-friendly park system in the Rogue Valley. Enhance opportunities for recreation, functionality and civic engagement in public spaces.
- Goal 15:** Live within our means. Prioritize resources. Encourage savings for future investment. Reduce debt when possible.

FISCAL IMPACT

See Hansford Economic Reports

RECOMMENDATION

Provide consensus on how to proceed

PROPOSED MOTION

None

ATTACHMENTS

See previously provided Park Utility Fees and Park System Development Charges Study