

Chapter 8: Funding and Financing

The Elements of an Effective Funding Strategy

Over the course of the next twenty years, the City of Waldport will need to:

- **Acquire the land** needed for parks, trails and recreation facilities,
- **Construct** new park and recreation facilities,
- **Maintain** park, trail and recreation facilities,
- **Operate** facilities, such as the community center or pool, and
- **Manage** the City's park and recreation system.

Like many smaller communities in Oregon, the City of Waldport has budgeted annually a modest portion of its general fund for park purposes and has principally relied upon grants, volunteers and donations to maintain and to make improvements in its park and recreation system.

The City's Development Code (Section 10.040), and subsequent City Council Resolution No. 875 approved in 1997, requires those subdividing property to dedicate 5% of the gross acreage of a proposed subdivision for park purposes or pay an in lieu fee to the City. This requirement has resulted in...INFO NEEDED

An effective strategy for funding parks and recreation needs will not only provide the **quantity** of dollars or other resources needed, but will provide the dollars and resources **when** they are needed (some needs are ongoing and some involve one-time costs) and will **distribute the costs** among the users and beneficiaries of the parks and recreation system in a manner judged by the community to be fair.

Not all resources need to be "city" resources; the City of Waldport anticipates using the donations of time and labor of community residents and businesses and seeking grants from private organizations, the state and others. The City also will partner with other entities to offer parks and recreation opportunities. Doing so can decrease the resources the City itself puts into a project and each party may contribute the land, labor, and/or expertise that it can most afford or is uniquely able to provide. However, the completion of the priority projects identified in this Master Plan will require more than donations and grant funding, the City will need to generate additional dollars.

Committee: Discuss \$\$\$ that the City will need to generate (other than grants) over next five years.

- Preliminary cost of improvements identified in Ch 7 totals \$400,000 - \$500,000 in the first 5 years of the plan. (\$100,000 per year) What portion of this might be good candidates for grant funds?
- Preliminary annual maintenance estimate: \$24,000 - \$32,000 by the end of the 5th year (when those park improvements have been completed) plus \$7,200 per year for restroom maintenance
- Estimate of cost of additional staff needed to develop partnerships, seek grants, coordinate projects, etc: ??

Short-Term Actions to Institute an Effective Funding Strategy

Continue to mobilize and coordinate donated labor and materials. The City of Waldport anticipates using the donations of materials and labor of community residents and businesses to the extent practicable. Volunteer labor is generally best suitable for annual or periodic maintenance activities, such as a community clean up or beautification day, or for labor intensive activities such as trail building and maintenance when supervised by a knowledgeable project coordinator or leader. Caution will be exercised in accepting volunteer services for the design and construction of park facilities, as the City will be accepting the long-term responsibilities and liabilities associated with new or remodeled park structures and will need to ensure that the design and construction meets appropriate standards for functionality, safety and durability. The City will need to ensure that there is adequate staff capacity in order to be able to actively seek and coordinate volunteer labor and materials.

Continue to seek grant funds. The City has been successful in its applications for State and other public agency funds to address park and recreation needs. Grant funding remains a good option for some types of projects. For example, park projects that are compatible with the objectives of the State Comprehensive Outdoor Recreation Plan (SCORP) are eligible for funds through the State Parks and Recreation Department. Trails and other transportation-related improvements may be eligible for funding through grant programs administered by the Oregon Department of Transportation.

A community, however, cannot rely on grants to fully meet its park and recreation needs. First, to be eligible for funding, a project must meet the funding agency's criteria. This will automatically exclude some types of parks and recreation

projects from funding consideration. For example, grants are not a good source of ongoing funding for parks maintenance and operations. Second, grants are competitive and even if a project meets the funding agency's criteria, there is no assurance that a project will be funded. Third, many grants require a local match of cash or in-kind services.

Establish a parks and recreation utility fee: A parks and recreation utility fee will generate ongoing funding for:

- parks maintenance;
- enhanced staff capacity to mobilize and coordinate donations of labor and materials, develop partnerships with other organizations, seek grant funding, and address the other critical implementation tasks identified in Chapter 7; and
- leverage grant or other outside funding.

A \$1.00 per household per month fee would generate approximately \$13,000 in 2005. At \$3.00 per household, the fee would generate approximately \$40,000 in 2005 and as the community grows increase to approximately \$55,000 per year by 2020.

Review and revise the City's Development Code requirements: Revision of the Development Code will be necessary to ensure that new residential developments contribute park land to meet the City level of service (LOS) standard of 5 acres of park land per 1000 residents. The City Development Code currently requires a parkland dedication of 5% of a site subdivided for residential development or the payment of an in lieu fee. For single-family developments, this would result in the dedication of acreage at approximately the City's LOS standard. However, the Waldport Code does not require dedication of land for public park purposes for developments that do not involve a subdivision of land, e.g. multi-family developments. Such a dedication is a typical requirement for residential development in other Oregon communities.

Revision of the Code to relate dedication of land for park purposes more closely to the number of anticipated residents of the development will address that issue. Such a dedication requirement may be based on number of bedrooms anticipated in the homes to be built.

In addition, the Development Code may be revised to incorporate, directly or by reference, the standards related to

Committee: Who will be charged this fee? How many "units" should we estimate?

park site characteristics such as terrain and access. This would advise developers of the City's standards and help ensure that land dedicated for park purposes will be useable as such.

Dedication of land suitable for a neighborhood scale park of five acres would only be possible with a single-family development of twenty acres or more. Therefore, it is important that the City seriously evaluate dedication offers, accepting only those that will add viable park sites, and requiring the in lieu payment in all other cases. The in lieu fee that is currently imposed for subdivisions (development acreage x .05 x \$1.00) should be revised and indexed to more realistically reflect the actual cost of residential land within the City, in order to generate a fund of sufficient size to purchase land for parks at market rates.

Adopt a System Development Charge (SDC) for Parks:

While the Development Code requirement for the dedication of parkland with new residential developments will ensure that land for parks is available, the City must find ways to cover the costs of developing the park and also of acquiring sites for and constructing facilities such as a community pool and trails.

State statutes (ORS 223.297-223.314) allow cities to adopt SDCs for parks and other facilities so that future users pay their proportionate share of the cost of the development of those facilities. SDCs are a one time fee that can only be used for land and facilities acquisition and construction. SDCs cannot be used for ongoing maintenance and operations.

Establishment of an SDC involves the adoption of a parks improvement program or list of projects that would be funded by the SDC and the estimated cost of those projects. An SDC can be charged per dwelling or equivalent dwelling unit basis which allows lodging establishments, recreational vehicle parks, commercial and industrial establishments, as well as residential units to be charged the fee. A community is in the best position to fairly distribute the costs of park improvements, if the SDC is in place before substantial community growth occurs.

Three Central Coast cities have parks SDCs – Lincoln City, Depoe Bay and Newport. These SDCs range from \$300 to \$1350 per dwelling unit or an average of \$687 per dwelling unit. While Waldport's parks SDC would be based on a formula that incorporates the anticipated costs of park facilities and the number of anticipated new dwelling units or equivalent dwelling units within the community, as an example, an SDC of \$500 per new dwelling unit would generate at least \$367,000 by the year

Role of fees,
levies, bonds,
and park district?

2020 and more, if commercial and industrial developments were charged an equivalent dwelling unit fee.

REFERENCE APPENDIX CONTAINING MORE DETAILED DESCRIPTIONS OF FUNDING AND FINANCING MECHANISMS

