



**City of
McMinnville**

PARKS & RECREATION

Parks SDC Methodology Update – Work Session 2

August 11, 2026

West Hills
Neighborhood Park

Work Session

- Purpose: Continue the discussion of the Parks SDC methodology following adoption of the PROS Plan
- Focus: Review development cost impacts and key methodology policy considerations
- Goal: Obtain Council direction on policy choices so staff can proceed with development and implementation of the updated methodology

METHODOLOGY REVIEW



1

ESTIMATE GROWTH

Project future population and employment for the planning period (2022–2041).



POPULATION

Year	Population	CAGR
2022 (Base)	34,666	—
2041 (Horizon)	47,498	1.7%
Growth 2022–2041	12,832	1.7%



EMPLOYMENT

Year	Employment	CAGR
2022 (Base)	22,459	—
2041 (Horizon)	29,042	1.4%
Growth 2022–2041	6,583	1.4%



Growth in both residents and jobs creates future demand for parks and recreation.

2 CONVERT TO EQUIVALENT POPULATION

Nonresidential development typically has a lower demand for parks than residents.

We apply Equivalent Population Coefficients (Appendix A) to convert jobs to “equivalent” population.



**Residential
Coefficient
= 1.00**



**Nonresidential
Coefficient
= 0.33**

3

CALCULATE EQUIVALENT POPULATION

Multiply actual population and employment by the coefficients to get equivalent population.

Exhibit 4. Growth of Equivalent Population and Employment

Equivalent Population	2022 Base Year Full Population	2041 Horizon Year Full Population	2022–2041 Growth Equivalent Population
Permanent Population (Residents)	34,666	47,498	12,832
Nonresidential Population (Jobs)	7,423	9,599	2,176
TOTAL EQUIVALENT POPULATION	42,089	57,097	15,008



Equivalent population growth 2022–2041 = 15,008

This is the demand that new development will create for parks.

4

DETERMINE COSTS TO SERVE GROWTH



Identify parks system projects that add capacity from the Capital Improvements Plan (2022–2041).

Estimate the cost eligible to be funded by SDCs after applying credits and adjustments required by law.

COST COMPONENTS



Projects that
Add Capacity

+



Eligible SDC
Project Costs

+



Adjustments &
Credits

=



Total SDC
Recoverable
Cost

5 CALCULATE SDC RATES BY DEVELOPMENT TYPE



Divide the total SDC recoverable cost by the equivalent population growth to get a cost per equivalent person. Then apply service unit factors for each land use type (based on dwelling unit size or building square footage) to calculate the SDC rates.

RESULT: PARK SDC RATES (MAXIMUM ALLOWABLE)

RESIDENTIAL (Per Dwelling Unit)

Less than 500 sq ft	\$6,042.16
500 to 999 sq ft	\$9,560.46
1,000 to 1,999 sq ft	\$12,513.07
2,000 to 2,999 sq ft	\$13,820.14
3,000 to 3,999 sq ft	\$15,029.40
4,000 or more sq ft	\$15,576.50

NONRESIDENTIAL (Per Square Foot)

Industrial/Manufacturing	\$2.77
Warehousing	\$0.78
Retail/Restaurant/Hospitality	\$3.47
Office	\$2.96



Park SDCs help ensure adequate parks, open space and recreation facilities to maintain quality of life for current and future **McMinnville** residents and businesses.

Does Council have any questions on the assumptions used in the methodology development?



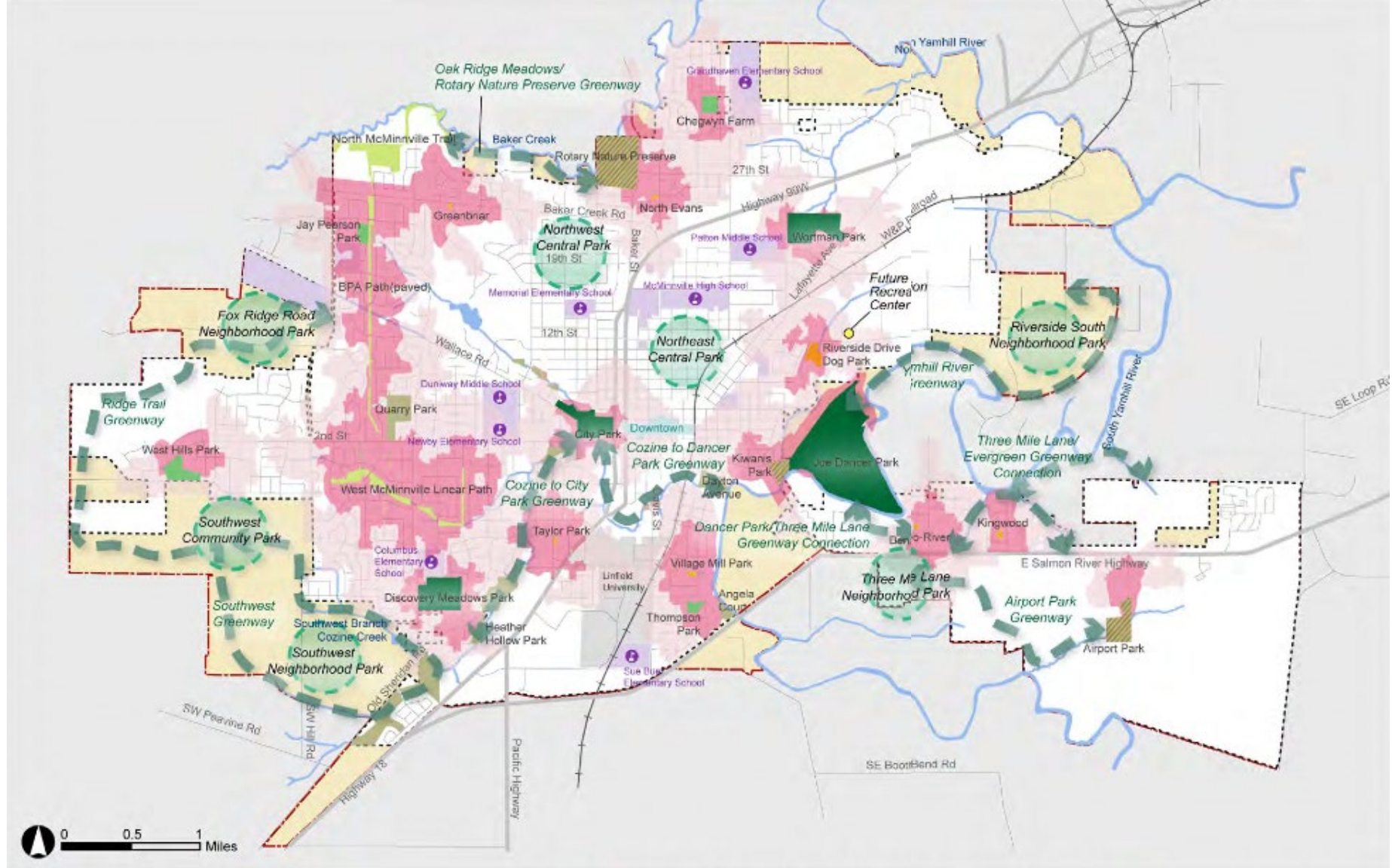
CAPITAL PROGRAM RECAP

Proposed Parks & Greenways – Capital Cost Summary

Category	Key Projects	Acres	Miles	Estimated Capital Cost
Proposed Neighborhood Parks	Fox Ridge, Riverside South, Southwest, Three Mile Lane, Northeast Central, Northwest Central (land acquisition + park development)	29.2	0.0	\$33,580,000
Proposed Community Parks	Southwest Community Park (land acquisition + park development)	20.0	0.0	\$26,000,000
Proposed Greenways (Development Only)	Airport Park, Cozine–City Park, Cozine–Dancer, Joe Dancer/Three Mile, Oak Ridge/Rotary, Ridge Trail, Southwest, Three Mile/Evergreen, Yamhill River	92.4	16.8	\$20,787,955
Subtotal – Proposed Parks & Greenways	—	141.6	16.8	\$80,367,955

Capital Program Supported

- 60 total parks in PROS Plan CIP
- 35 parks include SDC-eligible capacity projects
- Total park capital program $\approx$ \$115M
- SDC-eligible capacity projects $\approx$ \$93.3M



Park and Recreation Facilities

	Community Parks		Parklettes
	Neighborhood Parks		Special Use Parks
	Linear/Trail Parks		Undeveloped Parks
	Developed Natural Areas		
	Undeveloped Natural Areas		

Developed Parks Service Area

	1/4 Mile Walk
	1/2 Mile Walk

Future Parks and Trails

	Proposed Park Search Areas
	Proposed Greenways

Base Map Features

	Major Streets		School District Property
	Streets		Linfield University
	Railroads		Water Bodies
	City Boundary		Urban Growth Boundary

Projects not Included

- Maintenance and Replacement Projects
- Recreation Center and Aquatic Center Replacements (Bond Projects)

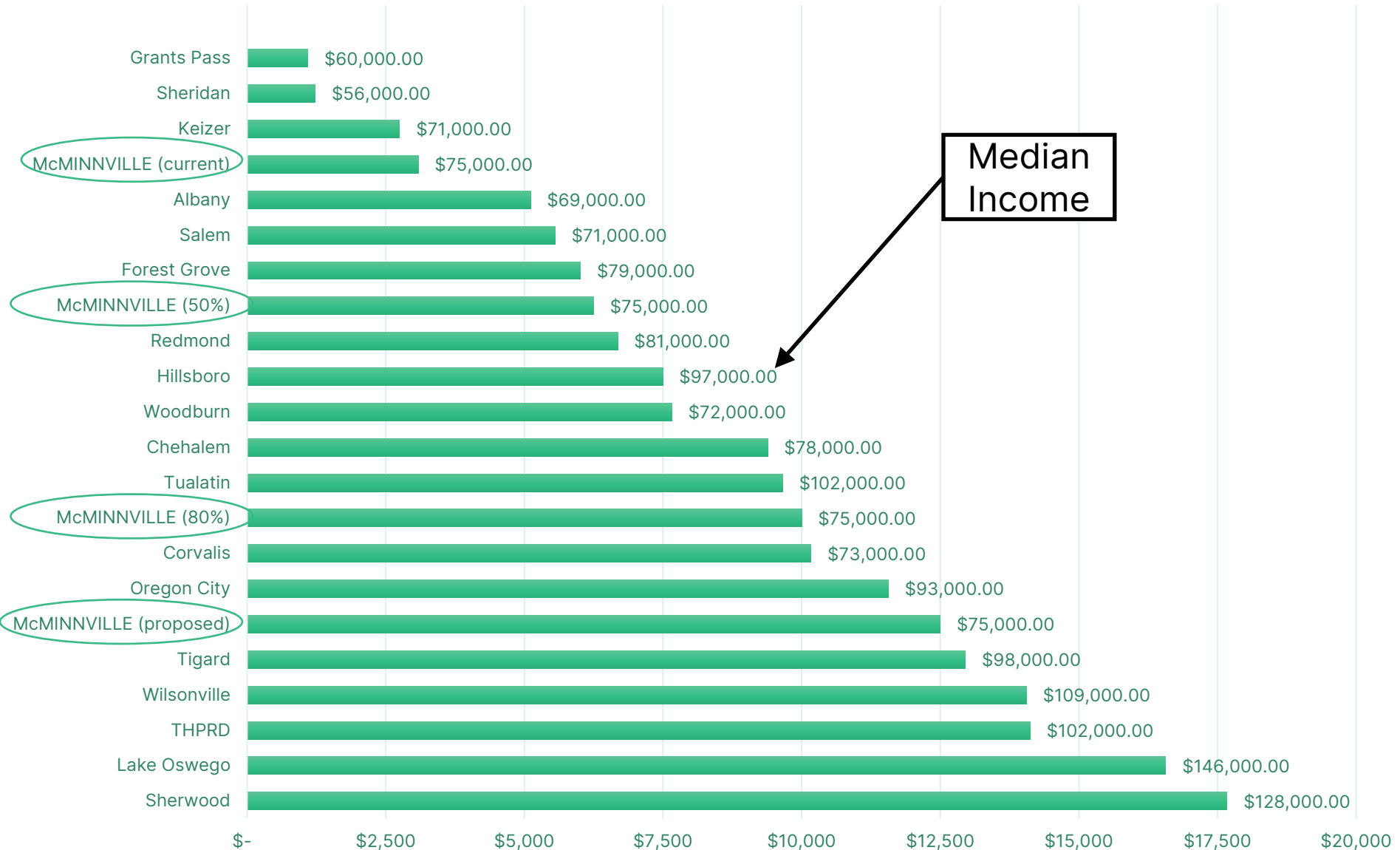
DEVELOPMENT FINACIAL IMPACTS



Residential Development Cost Impact

- Current Parks SDC $\approx$ \$3,088 per unit
- New methodology typical home $\approx$ **\$12,500**
 - 1,000 – 1,999 SF Residential Unit

Residential SDC



Non-Residential* SDC Examples

- Industrial: \$2.77 / sf
- Warehouse: \$0.78 / sf
- Retail / Hospitality: \$3.47 / sf
- Office: \$2.96 / sf

*Note: 10 of 14 comparative municipalities have Non-Residential Park SDCs

Leage of Oregon Cities (LOC) 2025 SDC Report

Park SDCs Residential

• Average	\$5,240
• N. Willamette	\$3,244
• 5 th Quintile	\$6,753
• McMinnville Current	\$3,088

*Note: McMinnville is within the North Willamette Region and in the 5th Quintile (top 20%) for population.

League of Oregon Cities (LOC) 2025 SDC Report

Park SDCs Non-Residential

• Average	\$21,363
• N. Willamette	NA
• 5 th Quintile	\$30,644
• McMinnville Current	\$0

*Note: McMinnville is within the North Willamette Region and in the 5th Quintile (top 20%) for population.

League of Oregon Cities (LOC) 2025 SDC Report

All SDCs Residential

• Average	\$18,048
• N. Willamette	\$58,350
• 5 th Quintile	\$20,971
• McMinnville Current	\$10,450

*Note: McMinnville does not have a water or stormwater SDC.

League of Oregon Cities (LOC) 2025 SDC Report

All SDCs Non-Residential

• Average	\$64,396
• N. Willamette	\$63,900
• 5 th Quintile	\$107,246
• McMinnville Examples	\$160,004

*Note: McMinnville does not have a water or stormwater SDC.

Does the Council have any questions or discussion on these numbers?

Recent Development Examples

90,000 SF Industrial

• Affordable Housing CET	\$131,172
• Fees and Permits	\$213,686
• SDCs(Trans and Sewer)	\$506,844
• <u>Fees to State</u>	<u>\$16,665</u>
• Total	\$868,367

Proposed Park SDC (\$2.77/SF)	\$249,300
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Percent Increase	29%
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*Overall project cost	\$85M
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Recent Development Examples

2,670 SF Industrial Addition

• Affordable Housing CET	\$0
• Fees and Permits	\$21,551
• SDCs(Trans and Sewer)	\$0
• <u>Fees to State</u>	<u>\$1,575</u>
• Total	\$23,126

Proposed Park SDC (\$2.77/SF)	\$7,395
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Percent Increase	32%
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Overall Project Cost	\$2.5M
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Recent Development Examples

20,000 SF Industrial

• Affordable Housing CET	\$25,000
• Fees and Permits	\$38,080
• SDCs(Trans and Sewer)	\$72,739
• <u>Fees to State</u>	<u>\$1,667</u>
• Total	\$137,486

Proposed Park SDC (\$2.77/SF)	\$55,400
Percent Increase	40%

Recent Development Examples

10,000 SF Industrial

• Affordable Housing CET	\$20,238
• Fees and Permits	\$19,682
• SDCs(Trans and Sewer)	\$37,158
• <u>Fees to State</u>	<u>\$1,205</u>
• Total	\$78,283

Proposed Park SDC (\$2.77/SF)	\$27,700
Percent Increase	35%

Recent Development Examples

17,000 SF Warehouse

• Affordable Housing CET	\$26,740
• Fees and Permits	\$28,898
• SDCs(Trans and Sewer)	\$48,182
• <u>Fees to State</u>	<u>\$1,763</u>
• Total	\$105,583

Proposed Park SDC (\$0.78/sf)	\$17,000
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Percent Increase	16%
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Recent Development Examples

97,095 SF Hospitality

• Affordable Housing CET	\$192,461
• Fees and Permits	\$168,434
• SDCs(Trans and Sewer)	\$355,090
• <u>Fees to State</u>	<u>\$10,373</u>
• Total	\$726,358

Proposed Park SDC (\$3.47/sf)	\$336,919
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Percent Increase	46%
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POLICY DECISION POINTS FOR COUNCIL



City of
McMinnville

1. Should industrial and commercial development be charged SDCs?

Potential Impact: Residential SDCs would increase to cover the cost difference.

2. Should one employee be the equivalent to 0.33 residents of additional park impacts?

Potential Impact: Would raise or lower the rates of commercial/industrial SDCs and conversely raise or lower residential SDCs.

3. Should the City recoup 100% of potential SDCs?

Potential Impact: Council would have to prioritize capital project list to match funding reduction.

Additional funding sources could be identified.

4. Should the City use a metric other than square footage to assess commercial/industrial SDCs?

Potential Impact: A new calculation method (i.e. parking spaces, estimated staff) would need to be used.

5. Should the residential SDC fee be tiered based on square footage?

Potential Impact: Potential development may over or under pay SDCs and would impact. Tiered SDCs are the current best practice.

6. Should there be SDC waivers for affordable housing developments?

Potential Impact: Additional funding sources would need to be identified to afford entire capital plan.

7. Should any SDC increase be implemented all at one or phased over multiple years?

Potential Impact: Reduction in revenues needed for capital improvement plan.

Next Steps

- Staff will prepare any additional information requested by Council.
- Staff will evaluate the impacts of policy direction provided during the work session.
- Staff will incorporate Council direction into the final Parks SDC methodology.
- Staff will prepare the implementing ordinance and resolution for Council consideration.

Does the Council have any
final questions or statements?