

Presented by:



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Parks SDC Methodology Update

Final Report

Prepared for:



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2026 Parks SDC Update



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Introduction/History of the Project

Introduction

The City of Molalla conducts periodic updates to its Comprehensive Plan and its various Public Facility Plans to provide orderly and sustainable growth of municipal infrastructure. A key component to funding these public facilities is the system development charge (SDC) program. SDCs are one-time charges for new development—designed to recover the costs of infrastructure capacity needed to serve new development. This section describes the policy context and project scope upon which the body of this report is based. It concludes with a numeric overview of the calculations presented in subsequent sections of this report for parks SDCs.

Recent History of Parks SDCs

The city's current schedule of park SDCs was last reviewed and adopted by the City Council in January 2014. At that time, the parks SDC fee was established at \$5,570 per single-family and multi-family residential dwelling unit. In subsequent years, the fee was adjusted for inflation, reaching \$7,752 by 2019. However, in June 2019, the City Council opted to reduce the fee to \$2,500. This adjustment was not informed by a facilities plan update or a cost of service analysis but rather reflected a policy decision by the City's governing body. Since then, minor inflation-based adjustments have been applied, bringing the current rate to \$2,643 per residential dwelling unit. Readers are encouraged to consider this context when comparing the recommended parks SDC fees from this 2026 analysis. The current recommendations exceed the existing policy-based fee but closely align with the rates in effect prior to the City Council's 2019 decision.

Objectives

With this review and update, the City has stated a number of objectives:

- Review the basis for charges to ensure consistency with the City's proposed parks SDC methodology;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its way;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions and results, so that City staff could, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort and was done in close coordination with City staff and available facilities planning documents. The SDC updates comply with Molalla Municipal Code (MMC) Chapter 13.14 (System Development Charges).