

**CITY OF LINCOLN CITY
CITY COUNCIL AGENDA**

MONDAY JUNE 10, 2024, 6:00 PM

6:00 PM - The City Council will hold a Regular Meeting via Zoom.

The Courtroom, located on the 3rd floor of City Hall, will be open to citizens that wish to view the meeting at City Hall. Citizens present in the Courtroom, will be given the opportunity to comment via Zoom. Laptops will be set up for those comments. A member of the Information Technology staff will be present during the meeting to assist with any technical issues.

Public comments can be submitted to publiccomment@lincolncity.org, or by attending the Council meeting.

Public comments submitted by email to publiccomment@lincolncity.org will be entered into the official record, distributed to the governing body, and summarized; however, due to personal privacy issues they are not generally published in the online agenda packet.

Citizens requesting to give public comment via Zoom must email publiccomment@lincolncity.org no later than noon on the meeting day. The request must include the person's name, the subject the person wishes to address, and the phone number the person intends to use for the meeting. Instructions will be sent to the person requesting prior to the meeting. Persons who will give public comment via Zoom will need to leave the microphone muted and camera off until the public comment portion of the meeting.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, for a hearing-impaired device, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting. To request information in an alternate format or other assistance, please contact the City's ADA Coordinator, Kevin Mattias, at [541-996-1013](tel:541-996-1013) or kmattias@lincolncity.org. Visit the [ADA Accessibility | City of Lincoln City, OR](#) webpage to view how the City continues to remain in compliance with Title II of the Americans with Disabilities Act regarding City programs, services, processes, and facilities.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

All information for this meeting is available at www.lincolncity.org under "Government" then select "Public Meeting, Agendas, Packets & Video". This meeting will be televised live on Channel 4. For additional rebroadcast times, please consult the Channel 4 guide on the hour.

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. CONSENT AGENDA

1. Regular Meeting – Minutes of Regular Meeting – May 13, 2024, 5:00 PM
2. Regular Meeting – Minutes of Regular Meeting – May 13, 2024, 6:00 PM
3. Regular Meeting – Minutes of Work Session – May 14, 2024, 5:00 PM

E. COUNCIL DELIBERATIONS

F. COMMENTS FROM CITIZENS PRESENT ON AGENDA/NON-AGENDA ITEMS

Article I, Section 8, of the Oregon Constitution provides: No law shall be passed restraining the free expression of opinion, or restricting the right to speak, write, or print freely on any subject whatever; but every person shall be responsible for the abuse of this right. Be advised: Comments by citizens under this Public Comments Section of the Agenda or under Public Hearings are solely the opinions and statements of the speakers and are not statements by the City of Lincoln City and do not represent the opinions of the City of Lincoln City, its officers and employees.

G. PRESENTATIONS

H. PUBLIC HEARING / ORDINANCE

I. PUBLIC HEARINGS / PUBLIC COMMENTS

1. Transportation and Parks System Development Charges Methodology
2. Public Comment: Resolution 2024-12 Setting Water / Sewer Rates
3. Public Hearing: Resolution 2024-14 State Shared Revenue
4. Public Hearing: Resolution 2024-15 Adopt Budget

J. ORDINANCES

K. RESOLUTIONS

5. Resolution No. 2024-12 - A resolution setting forth water/sewer rates
6. Resolution 2024-13 - A resolution of the City of Lincoln City for a time extension authorizing and directing disposition of city real property to Northwest Coastal Housing for a tiny home development
7. Resolution No. 2024-14 - A resolution declaring the City's election to receive state revenues
8. Resolution No. 2024-15 - Adopting the budget
9. Resolution No. 2024-17 - Transportation System Development Charges
10. Resolution No. 2024-18 - Parks System Development Charges

L. SPECIAL ORDER OF BUSINESS

11. Marketing Agency of Record Personal Services Agreement
12. Schooner Creek Discovery Park - Phase 1 Construction

M. CITY MANAGER/CITY ATTORNEY REPORTS

N. ACTIONS, IF ANY, BASED ON WORK SESSION, EXECUTIVE SESSION OR PUBLIC COMMENT

O. ADDITIONAL COMMENTS FROM CITIZENS PRESENT ON NON-AGENDA ITEMS

Article I, Section 8, of the Oregon Constitution provides: No law shall be passed restraining the free expression of opinion, or restricting the right to speak, write, or print freely on any subject whatever; but every person shall be responsible for the abuse of this right. Be advised: Comments by citizens under this Public Comments Section of the Agenda or under Public Hearings are solely the opinions and statements of the speakers and are not statements by the City of Lincoln City and do not represent the opinions of the City of Lincoln City, its officers and employees.

P. ANNOUNCEMENTS OR COMMENTS BY CITY COUNCIL

Q. ADJOURNMENT



JOINT REGULAR MEETING AGENDA
MONDAY, MAY 13, 2024, 5:00 PM

The final minutes for this meeting are supplemented by an electronic recording of the meeting, which may be viewed online at www.lincolncity.org under the tab "Agendas, Packets and Videos". The staff reports, resolutions, ordinances and other documents related to this meeting are also available at the same location. This meeting is rebroadcast on Cable Channel 4. (See Channel 4 guide on the hour at www.lcprogramguide.org.)

APPROVED BY URBAN RENEWAL AGENCY

DATE: _____

I. CALL TO ORDER

Agency Chair Parsons called the meeting to order at 5:00 PM.

Attendee Name	Title	Status	Arrived
Riley Hoagland	Agency Member / Councilor Ward 2	Excused	
Susan Wahlke	Agency Member / Mayor	Present	
Judy Casper	Agency Member / Councilor Ward 3	Present	
Rick Mark	Agency Member/ Councilor Ward 3	Present	
Mitch Parsons	Agency Chair / Councilor Ward 1	Present	
Marci Baker	Agency Member/Councilor Ward 2	Present	
Todd Barker	Agency Member/Councilor 1	Present	

Staff Present: Daphnee Legarza, City Manager; Alison Robertson, Economic Development and Urban Renewal Director; Seth Lenaerts, Project Manager; Debbie Bridges, Finance Director; David Twigg, I.T. Support Specialist; Jamie Young, City Recorder.

II. MINUTES FOR APPROVAL

- Minutes of Apr 22 2024 5:00 PM

RESULT: PASSED [UNANIMOUS]
MOVER: Susan Wahlke, Member / Mayor
SECONDER: Todd Barker, City Council/Agency Member
AYES: Wahlke, Casper, Mark, Parsons, Baker, Barker
ABSENT: Hoagland

III. PRESENTATIONS

1. FY2022-23 Submission of Audited Statements

Debbie Bridges, Finance Director gave a presentation of the FY2022-23 audited statements. Council and Staff had a discussion regarding the information presented.

IV. AGENCY/COUNCIL COMMUNICATIONS

1. Real Property Transfer: 1 URA-owned property (4 tax lots) to City-ownership

Alison Robertson, Urban Renewal Director reviewed the staff report for the property transfer. Council and Staff had a discussion on the information presented.

V. PUBLIC HEARINGS / PUBLIC COMMENT

1. Motion to Close the Public Hearing and Record

Agency Chair Parsons opened the public hearing at 5:16 PM. No Citizens were present for comment.

MOTION: Motion to Close the Public Hearing and Record
MOVER: Susan Wahlke, Mayor
SECONDER: Rick Mark, Councilor Ward 3
AYES: Wahlke, Casper, Mark, Parsons, Baker, Barker
ABSENT: Riley Hoagland
RESULT: Passed via Voice Vote

2. Motion to Approve Transfer of One Urban Renewal Agency Property Including Four (4) Tax Lots to City Ownership and Direct Staff to Process the Transactions

MOTION: **Motion to Approve Transfer of One Urban Renewal Agency Property Including Four (4) Tax Lots to City Ownership and Direct Staff to Process the Transactions**

MOVER: **Susan Wahlke, Mayor**

SECONDER: **Judy Casper, Councilor Ward 3**

AYES: Wahlke, Casper, Mark, Parsons, Baker, Barker

ABSENT: Riley Hoagland

RESULT: **Passed by Roll Call Vote**

VI. RESOLUTIONS

1. Motion to Approve Resolution 2024-10: Measures for Audit Deficiencies

MOTION: **Motion to Approve Resolution 2024-10: Measures for Audit Deficiencies**

MOVER: **Susan Wahlke, Mayor**

SECONDER: **Todd Barker, Councilor Ward 1**

AYES: Wahlke, Casper, Mark, Parsons, Baker, Barker

ABSENT: Riley Hoagland

RESULT: **Passed by Roll Call Vote**

Debbie Bridges, Finance Director, and Colleen Belford, Manager with TKW (Talbot, Korvola & Warwick, LLP) gave a presentation of the FY2022-23 audited statements. The Council and Staff had a discussion regarding the information presented.

VII. ADJOURNMENT

Agency Member Parsons adjourned the meeting at 5:30 PM.

MITCH PARSONS, AGENCY CHAIR

ATTEST:

JAMIE YOUNG, CITY RECORDER

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541.996.1095 • 541.996.1241(FAX)
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CITY OF LINCOLN CITY

CITY COUNCIL MINUTES OF THE MEETING

May 13, 2024, 6:00 PM

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APPROVED BY CITY COUNCIL

DATE:

A. CALL TO ORDER

Mayor Wahlke called the meeting to order at 6:00 PM.

B. ROLL CALL

Attendee Name	Title	Status	Arrived
Marci Baker	City Councilor	Present	
Todd Barker	City Councilor	Present	
Judy Casper	Councilor Ward 3	Present	
Riley Hoagland	Councilor Ward 2	Present	
Rick Mark	Councilor Ward 3	Present	
Mitch Parsons	Councilor Ward 1	Present	
Susan Wahlke	Mayor	Present	

Staff Present: Daphnee Legarza, City Manager; Chief Broderick, Lincoln City Police Department; Abigail Edwards, Human Resources Director; Jeanne Sprague, Parks and Recreation Director; Stephanie Reid, Public Works Director; Debbie Bridges, Finance Director; David Twigg, I.T. Support Specialist; Jamie Young, City Recorder.

C. PLEDGE OF ALLEGIANCE

Mayor Wahlke led The Pledge of Allegiance.

D. CONSENT AGENDA

MOTION:	Consent Agenda
MOVER:	Judy Casper, Councilor Ward 3
SECONDER:	Mitch Parsons, Councilor Ward 1
AYES:	Baker, Barker, Casper, Hoagland, Mark, Parsons, Wahlke
RESULT:	Passed

1. Oregon Liquor Control Commission Request for Limited On-Premises Sales License, Taste of India 3
2. Regular Meeting – Minutes of Regular Meeting – April 22, 2024, 6:00 PM
3. Regular Meeting – Minutes of Special Meeting – May 1, 2024, 5:00 PM

E. COUNCIL DELIBERATIONS

None

F. COMMENTS FROM CITIZENS PRESENT ON AGENDA/NON-AGENDA ITEMS

Anthony Porras, President of the Lincoln City Senior Center spoke regarding the presentation at the last meeting.

Becky Morfitt member of the Lincoln City Senior Center, gave the history of the Senior Center.

Mayor Wahlke moved item L4 Lincoln City Senior Center Permit and Fees before G. Presentations.

4. Lincoln City Senior Center permit and fees

MOTION:	Motion to Approve the Waiver of Lincoln City Senior Center Permit and Fees FY 2024-25
MOVER:	Mitch Parsons, Councilor Ward 1
SECONDER:	Riley Hoagland, Councilor Ward 2
AYES:	Baker, Barker, Casper, Hoagland, Mark, Parsons, Wahlke
RESULT:	Passed by Roll Call Vote

Councilor Hoagland asked about the insurance at the Senior Center. Ms. Legarza will check into it and get back to the Council.

G. PRESENTATIONS

None

H. PUBLIC HEARING / ORDINANCE

None

I. PUBLIC HEARINGS / PUBLIC COMMENTS

None

J. ORDINANCES

1. Ordinance 2024-05 Assumption of Electrical & Plumbing

MOTION: Motion to Approve the First Reading of Ordinance 2024-05 - Assumption of Electrical & Plumbing
MOVER: Mitch Parsons, Councilor Ward 1
SECONDER: Marci Baker, Councilor Ward 2
AYES: Baker, Barker, Casper, Hoagland, Mark, Parsons, Wahlke
RESULT: Passed by Roll Call Vote

Mr. Robinson read the first reading of the ordinance. The Council and Staff had a discussion regarding the information provided.

2.

MOTION: Motion to Approve the Second Reading and Adoption of Ordinance 2024-05 - Assumption of Electrical & Plumbing
MOVER: Mitch Parsons, Councilor Ward 1
SECONDER: Todd Barker, Councilor Ward 1
AYES: Baker, Barker, Casper, Hoagland, Mark, Parsons, Wahlke
RESULT: Passed by Roll Call Vote

K. RESOLUTIONS

3. Drinking Water Protection Plan Final Draft Approval

MOTION: Move to Approve the Drinking Water Protection Plan Final Draft and Submit to the Oregon Health Authority and the Department of Environmental Quality for their Review
MOVER: Marci Baker, Councilor Ward 2
SECONDER: Riley Hoagland, Councilor Ward 2
AYES: Baker, Barker, Casper, Hoagland, Mark, Parsons, Wahlke
RESULT: Passed via Voice Vote

Stephanie Reid, Public Works Director, reviewed the staff report. The Council and Staff had a discussion regarding the information provided.

L. SPECIAL ORDER OF BUSINESS

4. City Hall Counter Security Project

MOTION: Motion to Award the City Hall Counter Safety Project to Blue Spruce Builders in the Amount of \$44,200.00 plus a 10% Contingency of \$4,420.00 for a Total Bid Award of \$48,620.00
MOVER: Riley Hoagland, Councilor Ward 2
SECONDER: Judy Casper, Councilor Ward 3
AYES: Baker, Barker, Casper, Hoagland, Mark, Parsons, Wahlke
RESULT: Passed by Roll Call Vote

M. CITY MANAGER/CITY ATTORNEY REPORTS

Ms. Legarza gave an update on current events.

N. ACTIONS, IF ANY, BASED ON WORK SESSION, EXECUTIVE SESSION OR PUBLIC COMMENT

None

O. ADDITIONAL COMMENTS FROM CITIZENS PRESENT ON NON-AGENDA ITEMS

None

P. ANNOUNCEMENTS OR COMMENTS BY CITY COUNCIL

Councilor Hoagland gave an update on current events. Councilor Hoagland spoke about the Farmer's Market and asked to review the ordinance. The Council gave consensus to look at the ordinance.

Councilor Baker spoke about having a summary of the agenda items. Ms. Legarza said that we would take a look at that after the Escribe software is working. Councilor Baker thanked the people for coming to the meeting and asked about possibly having snacks or beverages.

Councilor Casper spoke about the Waste Advisory meeting that she attended.

Councilor Parsons spoke about the fireworks ordinance and asked the ordinance be reviewed as the previous motion was made.

Councilor Barker spoke about Council feedback and presenting at open meetings.

Councilor Mark spoke about OCZMA and the upcoming meeting on June 7th.

Mayor Wahlke thanked LCPD for all they do and mentioned National Police Week. Mayor Wahlke spoke about the 15th Street beach access. Mayor Wahlke also reminded the Council of the work session on May 14th.

Q. EXECUTIVE SESSION

The Council adjourned to executive session at 6:55 PM. The Council reconvened at 7:45 PM.

R. ACTIONS, IF ANY, BASED ON EXECUTIVE SESSION

1.

MOTION:	Motion to Finalize and Approve the Proposed Contract with Applicant with the Changes Discussed in Executive Session
MOVER:	Rick Mark, Councilor Ward 3
SECONDER:	Judy Casper, Councilor Ward 3
AYES:	Baker, Barker, Casper, Hoagland, Mark, Parsons, Wahlke
RESULT:	Passed by Voice Vote

S. ADJOURNMENT

Mayor Wahlke adjourned the meeting at 7:50 PM.

SUSAN WAHLKE, MAYOR

ATTEST:

JAMIE YOUNG, CITY RECORDER

CITY OF LINCOLN CITY

CITY COUNCIL MINUTES OF
THE WORK SESSION MEETING

May 14, 2024, 5:00 PM

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APPROVED BY CITY COUNCIL

DATE:

1. CALL TO ORDER

Mayor Wahlke called the meeting to order at 5:00 PM

Attendee Name	Title	Status	Arrived
Marci Baker	City Councilor	Present	
Todd Barker	City Councilor	Present	
Judy Casper	Councilor Ward 3	Present	
Riley Hoagland	Councilor Ward 2	Absent	
Rick Mark	Councilor Ward 3	Present	
Mitch Parsons	Councilor Ward 1	Present	
Susan Wahlke	Mayor	Present	

Staff Present: Daphnee Legarza, City Manager; Alison Robertson, Economic Development and Urban Renewal Director; Jeanne Sprague, Parks and Recreation Director; Stephanie Reid, Public Works Director.

2. DISCUSSION ITEMS

A. 44th to 47th Connector Roadway Project

Alison Robertson, Urban Renewal Director, spoke about the 44th to 47th Connector Roadway Project. The Council and Staff had a discussion regarding the information presented.

B. Wastewater Feasibility Study

Stephanie Reid, Public Works Director, spoke about the Wastewater Feasibility Study. The Council and Staff had a discussion regarding the information presented.

C. 17th Street Restroom Project

Jeanne Sprague, Parks and Recreation Director, spoke about the 17th Street Restroom Project. The Council and Staff had a discussion regarding the information presented.

3. MISCELLANEOUS

Councilor Casper gave a handout to the Council and staff regarding the fireworks regulations in Lincoln County. The Council and staff had a discussion on the flyer.

Councilor Casper asked about red light and speed cameras. Ms. Reid said that there are indicators that will light up if a car runs the red light. The Council and staff had a discussion. Ms. Reid said that more information can be brought back to the Council.

4. ADJOURNMENT

Mayor Wahlke adjourned the meeting at 6:41 PM.

SUSAN WAHLKE, MAYOR

ATTEST:

JAMIE YOUNG, CITY RECORDER

Council Communication

Public Hearing: System Development Charges Methodology

Meeting Date:	June 10, 2024	Primary Staff Contact:	Stephanie Reid
Department:	Public Works	E-Mail:	SReid@lincolncity.org
Secondary Dept:	Parks and Recreation	Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	20 minutes

Background:

The City imposes system development charges (SDCs) to provide partial funding for capital needs. The current SDCs for transportation and parks are based on outdated capital improvement plans. With capital needs the City hired the consulting firm, FCS Group, to update specifically the transportation and parks SDCs. The calculation of those updates is documented in the draft technical report "*Transportation and Parks System Development Charge Update*" February 2024.

Pursuant to ORS 223.304, the City issued a 90-day public notice of its intent to update the transportation and parks SDCs. The draft technical report was available for review beginning April 10, 2024. This notice was also mailed to all business occupation tax permit holders in the City.

FCS Group will present the draft report methodology and findings at the Public Hearing.

Attachments:

20240610 Lincoln City Public Hearing v4 (PDF)

City of Lincoln City City Council Public Hearing



**Transportation and
Parks SDC Study**
June 10, 2024



Agenda

- **SDC Background**
- **Transportation SDC**
- **Parks SDC**
- **Next Steps**

Background

Key Characteristics of SDCs

SDCs are one-time charges, not ongoing rates. Paid at the time of development.

SDCs are available for water, wastewater, stormwater, transportation, and parks.

SDCs are for capital only, in both their calculation and in their use.

SDCs include both existing and future (planned) infrastructure cost components.

SDCs are for “system” facilities, not “local” facilities.

Legal Framework for SDCs

ORS 223.297 - 316, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”



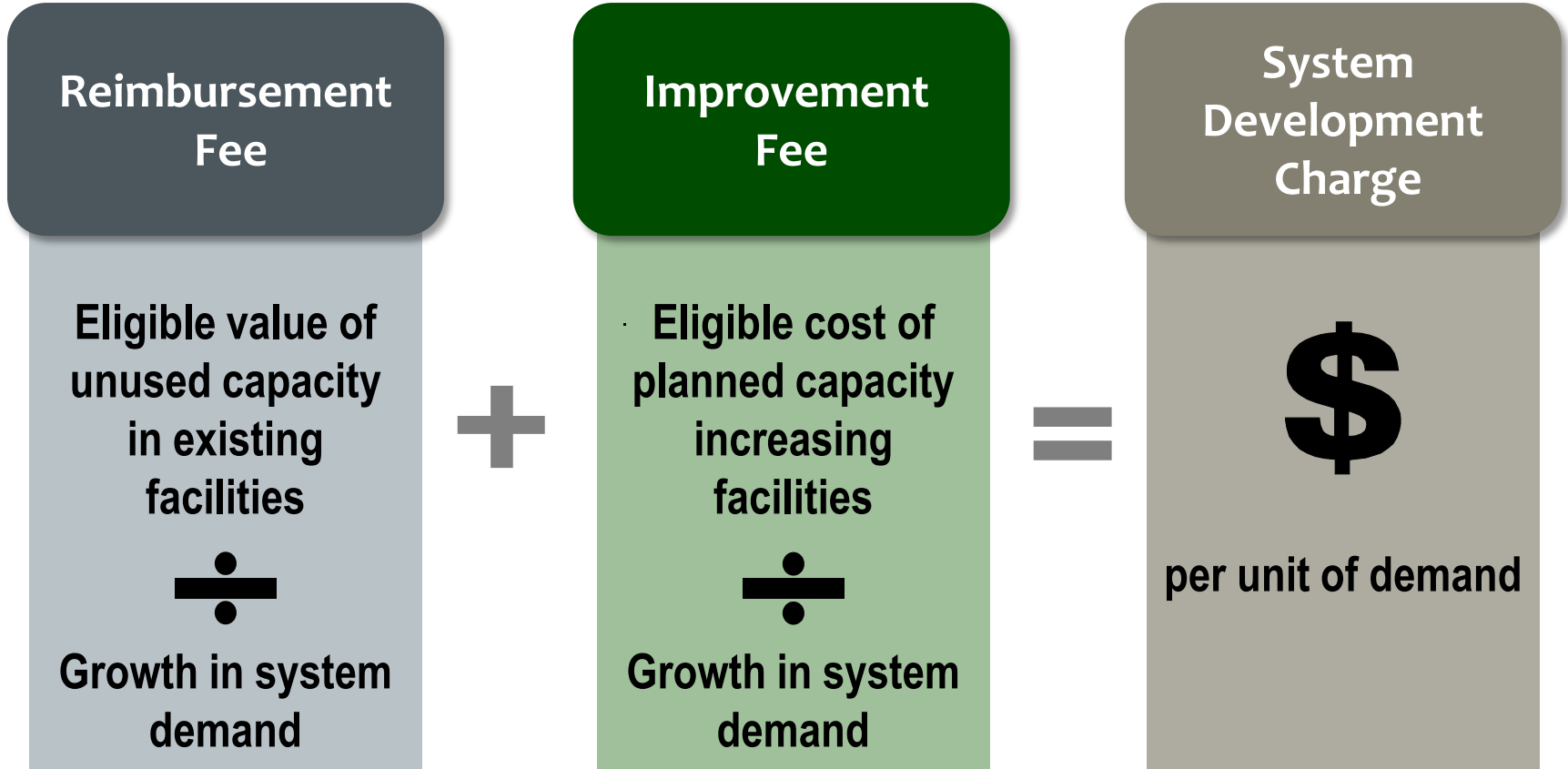


Legal Framework for SDCs

Relevant Sections of the Oregon Revised Statutes

- 223.297 Policy
- 223.299 Definitions for ORS 223.297 to 223.316
- 223.301 Certain system development charges and methodologies prohibited
- 223.302 System development charges; use of revenues; review procedures
- 223.304 Determination of amount of system development charges; methodology; credit allowed against charge; limitation of action contesting methodology for imposing charge; notification request
- 223.307 Authorized expenditure of system development charges
- 223.309 Preparation of plan for capital improvements financed by system development charges; modification
- 223.311 Deposit of system development charge revenues; annual accounting
- 223.313 Application of ORS 223.297 to 223.316
- 223.314 Establishment or modification of system development charge not a land use decision
- 223.316 Local governments required to make system development charge information public

The SDC Calculation



Transportation SDC



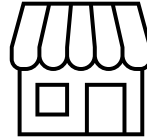
Transportation SDC Calculation

Calculated SDC		
Cost Basis:		
Improvement Fee	\$	3,875,237
Estimated Improvement Fee Fund Balance		(444,198)
Reimbursement Fee		558,834
Compliance Costs		40,670
Total Cost Basis	\$	4,030,543
Growth in PM Peak Hour Person Trip Ends		2,436
Improvement Fee per PM Peak Hour Person Trip End	\$	1,408
Reimbursement Fee per PM Peak Hour Person Trip End		229
Compliance Fee per PM Peak Hour Person Trip End		17
Total SDC per PM Peak Hour Person Trip End	\$	1,654

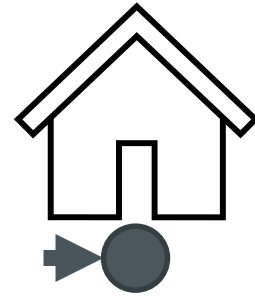
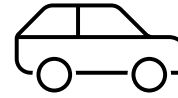
Transportation Unit of Growth



Leaving work:
1 trip end



Stopping at and leaving
the grocery store:
2 pass-by trip ends



Arriving at home:
1 trip end

- Vehicle trip ends measure the number of vehicles entering or leaving a particular development
- Person trip ends measure the number of people entering or leaving a particular development, regardless of transportation mode



Transportation Growth in Demand

- Total growth of 2,436 PM peak hour person trip ends

	2012	2023	2035	2012-2035 Growth	2023-2035 Growth	2023-2035 Growth Share
Households	7,600	8,063	8,600	1,000	537	6.25%
PM peak hour vehicle trips	20,520	21,770	23,220	2,700	1,450	6.25%
PM peak hour person trips	34,474	36,573	39,010	4,536	2,436	6.25%

Source: Technical Memorandum 8, Volume 2 of the 2015 TSP (population and vehicle trip ends estimates); U.S. Department of Transportation, 2017 National Household Travel Survey (person trip conversion factor of 1.68)



Transportation Improvement Fee Cost Basis

- Total project costs of \$62.0 million, \$3.9 million in eligible costs

#	Project Name	Project Timing	Project Cost	SDC Eligibility	Outside Funding		SDC-Eligible Cost
					Percentage	Cost	
1	SW 49th Place Sidewalk Replacement	2027-2030	\$ 800,000	6.25%	0%	\$	49,967
2	NE 36th Street Sidewalk from Hwy 101 to NW Surf	2031-2035	850,000	6.25%	0%		53,090
3	NE Holmes Road Sidewalk / Path	2031-2035	780,000	6.25%	0%		48,718
4	Sidewalks Improvement NW Jetty from NW 30th to NW 21st, and NW 30th, NE 28th from Hwy 101 to Jetty	2027-2030	2,100,000	6.25%	0%		131,163
5	Sidewalk Improvement NW Jetty from NW 21st to NW 17th St.	2027-2030	850,000	6.25%	0%		53,090
6	Sidewalk Improvement NW Jetty from NW 30th to NW 39th and NW 19th from Jetty to Hwy 101	2027-2030	1,575,000	6.25%	0%		98,372
7	Logan Road Sidewalks from NW Port to north end of Logan Road. Overlay Logan Rd.	2027-2030	3,400,000	6.25%	0%		212,359
8	Sidewalks Improvement SE Neptune Ave. from Approx. SE 5th to SE 8th, and SE 8th to SE Oar Ave.	2023-2026	780,000	6.25%	0%		48,718
9	Sidewalk Improvement SW Coast from SW 12th to SW Bard Road	2023-2026	2,100,000	6.25%	0%		131,163
10	Sidewalk Improvement SW Anchor and SW Beach from Bard Rd. to SE 35th St.	2031-2035	1,575,000	6.25%	0%		98,372
11	Sidewalk Improvement SE 51st Street from Hwy 101 to SW 48th Place	2023-2026	550,000	6.25%	0%		34,352
12	Sidewalk Improvement NW 14th from Hwy 101 to NW Harbor and NW Harbor from NW 14th to NW12th	2027-2030	1,075,000	6.25%	0%		67,143
13	Sidewalk Improvement from SW 9th Street to SW 19th Street and Galley	2023-2026	1,550,000	6.25%	0%		96,811
14	Sidewalk Improvements from SW Bard Road from end of pavement to SW Coast	2031-2035	1,350,000	6.25%	0%		84,319
15	Sidewalk Improvement on SW Canyon Drive	2023-2026	4,500,000	6.25%	0%		281,063
16	Head to Bay Trail - Regatta Park to NE 22nd Street	2023-2026	2,100,000	6.25%	0%		131,163
17	Head to Bay Trail - NE 14th Street to NE 6th Street through SE Oar and SE Mast	2023-2026	2,100,000	6.25%	0%		131,163
18	Head to Bay Trail - 1st Street to SW 9th Street	2031-2035	2,600,000	6.25%	0%		162,392
19	Head to Bay Trail - SW 9th Street to SW Coast Ave.	2031-2035	3,300,000	6.25%	0%		206,113
20	Head to Bay Trail - SW 24th Street to SW 35th Street	2027-2030	1,900,000	6.25%	0%		118,671
21	Head to Bay Trail - SW 35th Street to SW 51st Street.	2027-2030	3,650,000	6.25%	0%		227,973
22	Hwy 101 Approaches	2023-2026	660,000	6.25%	80%		41,223
23	N Hwy 101 WDLR to Logan Road	2023-2026	6,500,000	6.25%	80%		405,980
24	N Hwy 101 NE 36th to NE Holmes Rd.	2023-2026	2,200,000	6.25%	80%		137,409
25	N Hwy 101 NE Holmes Road to NE 25th.	2027-2030	2,200,000	6.25%	80%		137,409
26	S Hwy 101 from SW 19th to SW 23rd.	2027-2030	3,300,000	6.25%	80%		206,113
27	S Hwy 101 from SE 32nd to High School Drive	2027-2030	3,300,000	6.25%	80%		206,113
28	S Hwy 101 from SW 35th to Inn	2031-2035	4,400,000	6.25%	80%		274,817
Total			\$ 62,045,000				\$ 3,875,237

Source: City staff



Transportation Reimbursement Fee Cost Basis

- Historical SDC expenditures total \$634,524
- Assumed remaining capacity for \$558,834 of that total

Year	SDC Expenditures		Estimated Capacity		Eligible Costs
			Remaining		
2016	\$	12,170	60%	\$	7,302
2017		4,204	65%		2,733
2018		14,872	70%		10,410
2019		56,728	75%		42,546
2020		-	80%		-
2021		23,852	85%		20,274
2022		419,878	90%		377,890
2023		102,820	95%		97,679
Total	\$	634,524		\$	558,834

Source: City staff



Transportation SDC Calculation

Calculated SDC		
Cost Basis:		
Improvement Fee	\$	3,875,237
Estimated Improvement Fee Fund Balance		(444,198)
Reimbursement Fee		558,834
Compliance Costs		40,670
Total Cost Basis	\$	4,030,543
Growth in PM Peak Hour Person Trip Ends		2,436
Improvement Fee per PM Peak Hour Person Trip End	\$	1,408
Reimbursement Fee per PM Peak Hour Person Trip End		229
Compliance Fee per PM Peak Hour Person Trip End		17
Total SDC per PM Peak Hour Person Trip End	\$	1,654










Schedule of Transportation SDCs

- Schedule based on the Institute of Transportation Engineer's Trip Generation Manual, 11th Edition

	ITE		PM Peak Hour	Pass-by Trip	Person Trip	New PM Peak	
	Code	Unit of Measure	Vehicle Trip	Reduction	Conversion	Hour Person Trip	Transportation
			Ends	Factor	Factor	Ends	SDC
General Light Industrial	110	1,000 SFGFA	0.65	1.00	1.68	1.09	\$1,810
Industrial Park	130	1,000 SFGFA	0.34	1.00	1.68	0.57	\$947
Manufacturing	140	1,000 SFGFA	0.74	1.00	1.68	1.25	\$2,061
Warehousing	150	1,000 SFGFA	0.18	1.00	1.68	0.30	\$501
Mini-Warehouse	151	1,000 SFGFA	0.15	1.00	1.68	0.25	\$418
Utility	170	1,000 SFGFA	2.16	1.00	1.68	3.64	\$6,016
Specialty Trade Contractor	180	1,000 SFGFA	1.93	1.00	1.68	3.25	\$5,376
Single-Family Detached Housing	210	Dwelling Units	0.94	1.00	1.68	1.58	\$2,618
Multifamily Housing (Low-Rise, not close to rail tra	220	Dwelling Units	0.51	1.00	0.95	0.48	\$798
Multifamily Housing (Mid-Rise, not close to rail tra	221	Dwelling Units	0.39	1.00	1.18	0.46	\$762
Mobile Home Park	240	Dwelling Units	0.58	1.00	1.68	0.98	\$1,616
Senior Adult Housing - Detached	251	Dwelling Units	0.30	1.00	1.68	0.51	\$836
Senior Adult Housing - Attached	252	Dwelling Units	0.25	1.00	1.68	0.42	\$696
Congregate Care Facility	253	Dwelling Units	0.18	1.00	2.44	0.44	\$728
Assisted Living	254	1,000 SFGFA	0.48	1.00	1.68	0.81	\$1,337
Recreational Homes	260	Dwelling Units	0.29	1.00	1.68	0.49	\$808
Timeshare	265	Dwelling Units	0.63	1.00	1.68	1.06	\$1,755
Residential Planned Unit Development	270	Dwelling Units	0.69	1.00	1.68	1.16	\$1,922
Hotel	310	Rooms	0.59	1.00	1.68	0.99	\$1,643
Motel	320	Rooms	0.36	1.00	1.68	0.61	\$1,003
Campground/Recreational Vehicle Park	416	Acres	0.48	1.00	1.68	0.81	\$1,337
Multipurpose Recreational Facility	435	1,000 SFGFA	3.58	1.00	1.68	6.03	\$9,972
Multiplex Movie Theater	445	Movie Screens	13.96	1.00	1.68	23.51	\$38,884
Ice Skating Rink	465	1,000 SFGFA	0.17	1.00	1.68	0.29	\$474

(continues)

Transportation SDC Comparisons

City	Transportation SDC per SFR		
Indepedence	\$	8,002	
Monmouth		4,989	
Newport*		3,611	
Depoe Bay		3,483	
Lincoln City (Maximum)		2,618	
Florence		1,104	
Lincoln City (Current)		915	
Cannon Beach		-	
Tillamook		-	

Source: FCS GROUP Survey, 1/8/2024

**Assumes a 2,500 square foot house*

Parks SDC



Parks SDC Calculation

Calculated SDC		
Cost Basis:		
Improvement Fee	\$	12,921,198
Estimated Improvement Fee Fund Balance		(771,085)
Compliance Costs		81,340
Total Cost Basis	\$	12,231,453
Growth in Residential Equivalents		927
Improvement Fee per Residential Equivalent	\$	13,111
Compliance Fee per Residential Equivalent		88
Total SDC per Residential Equivalent	\$	13,199



Parks Growth in Demand

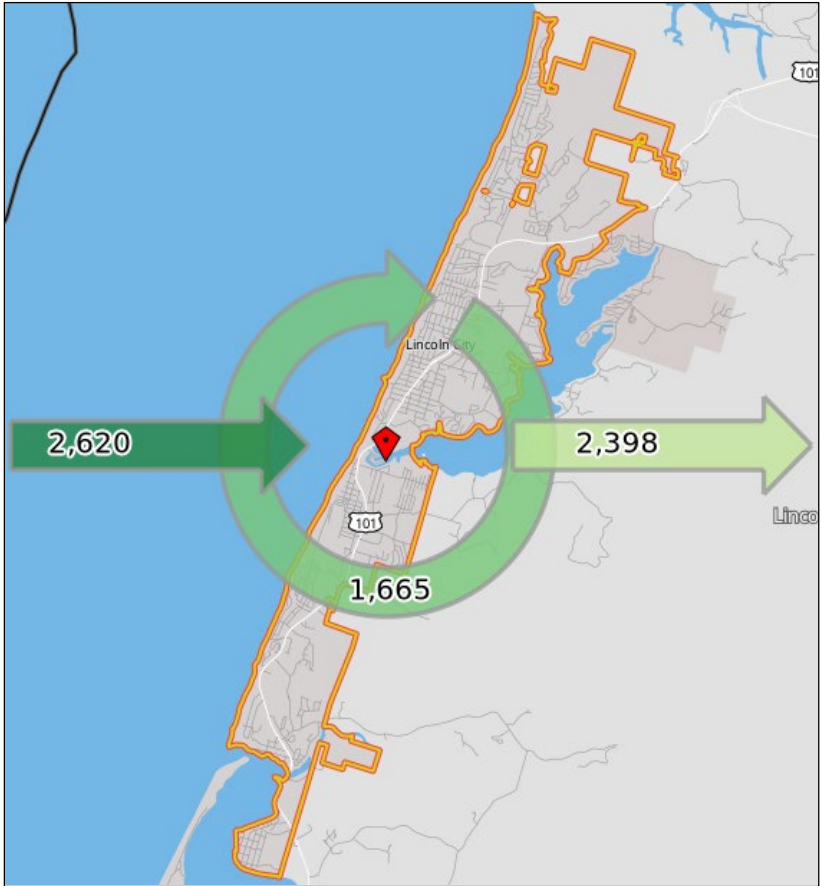
- Total growth of 927 residential equivalents

Type of System User	2023	2043	2023-2043 Growth	2023-2043 Growth Share
A Residents	10,189	10,877	688	6.51%
Non-Residential Demand				
Employees	4,515	4,819	305	6.51%
B Residential-Equivalent Employees	237	253	16	6.51%
Visitors per Day				
C Overnight Lodging Visitors	3,302	3,525	223	6.51%
Total System Users (A+B+C)	13,729	14,656	927	6.51%

Source: Previous tables, PSU Population Research Center

Non-residential Demand

Total Hours per Week of Park Availability, 2020	
Residential Hours	920,628
Non-residential Hours	21,425
Total Hours	942,053
Hours per Resident	95.20
Hours per Employee	5.00
Employees per Resident	19.04
Residents per Employee	0.05





Overnight Lodging Visitors

Lodging to Overnight Visitor Conversion

Total Number of Lodging Rooms	1,994
Average Occupancy Rate	63.7%
Average Party Size	2.60
Average Overnight Lodging Visitors (per day)	3,302

Source: *City staff (total number of lodging rooms); Smith Travel Research report for 2022 (average occupancy rate); Dean Runyan Associates report on Overnight Visitors, 2022 (average party size)*



Parks Improvement Fee Cost Basis

- **Infill List**

- » Projects add, improve, or replace amenities on existing park acreage
- » Eligibility is limited to the growth share (6.51%)

- **Expansion List**

- » Projects add new park acres or trail miles to the system
- » Eligibility is determined by a level-of-service analysis

 **Infill List**

- **Total cost of \$20.7 million, eligible costs total \$963,000.**

	Replacement	New Amenity	Total
2024-2029	\$ 1,000,000	\$ 4,500,000	\$ 5,500,000
2024-2033	1,175,000	2,040,000	3,215,000
2034-2043	3,700,000	8,260,000	11,960,000
Total	\$ 5,875,000	\$ 14,800,000	\$ 20,675,000
Eligibility	0.00%	6.51%	
Eligible Cost	\$ -	\$ 963,473	\$ 963,473

Source: City staff, previous tables

Level of Service Analysis

- **Level of service (LOS) is measured to determine the need for new park facilities**
 - » Current vs Future
 - » Category vs Unit of Measurement
- **Each method is used to determine the maximum allowable SDC**
- **The following slide shows the Future by Unit of Measurement**





Level of Service Analysis

Inventory and Eligibility		2023	2023 Units	Net Change
	Units	Quantity	per 1,000	in Quantity
			Residents	
By Unit of Measurement:				
Acres of Parks and Natural Areas	Acres	577.30	56.66	25.07
Number of Public Restrooms	Number	11.00	1.08	1.00

Inventory and Eligibility		Future LoS			
	Units	2033 Units	2023		Reimbursable
		per 1,000	Minimum	Eligibility	Quantity
		Residents	Quantity		
By Unit of Measurement:					
Acres of Parks and Natural Areas	Acres	57.02	580.96	85.41%	-
Number of Public Restrooms	Number	1.14	11.57	42.66%	-

- **2023 quantity of park acres updated from last version (up from 384.5 acres)**



Expansion List

- Total cost of \$14.2 million, eligible costs total \$12.0 million.
- Eligibility increased for park projects from last version (up from 58%)
- Project cost for 18A updated (up from \$5.4 million)

#	Project Name	Project Category	Project Timing	Project Cost	Eligibility (Future by Unit)	Eligible Cost
12	Nesika Park 600 SE Keel Ave.	Neighborhood Park	2034-2043	\$ 2,000,000	85.41%	\$ 1,708,274
18A	New Park - in process 1545 SE 50th	Neighborhood Park	2024-2029	10,403,270	85.41%	8,885,819
18B	New Park - in process 1545 SE 50th	Open Space	2024-2029	596,730	85.41%	509,689
19	Vic Hill Park SW 7th & Galley Ave	Special Use Area	2034-2043	500,000	85.41%	427,069
20	Villages Protected Areas NE Devils Lake BLVD	Open Space	2034-2043	300,000	85.41%	256,241
48	SW 50th Street	Public Restroom	2034-2043	400,000	42.66%	170,632
Total				\$ 14,200,000		\$ 11,957,725

Source: City staff



Improvement Fee Cost Basis

- **Total Cost of \$34.9 million, eligible costs total \$12.9 million**

Improvement Fee Cost Basis	Cost	Future LoS	
		Eligibility	Eligible Cost
By Unit of Measurement			
Acres of Parks and Natural Areas	\$ 13,800,000	85.41%	\$ 11,787,093
Number of Public Restrooms	400,000	42.66%	170,632
Expansion Projects Total	\$ 14,200,000		\$ 11,957,725
Infill Projects	20,675,000		963,473
Total	\$ 34,875,000		\$ 12,921,198

Source: Previous tables



Parks SDC Calculation

Calculated SDC		
Cost Basis:		
Improvement Fee	\$	12,921,198
Estimated Improvement Fee Fund Balance		(771,085)
Compliance Costs		81,340
Total Cost Basis	\$	12,231,453
Growth in Residential Equivalents		927
Improvement Fee per Residential Equivalent	\$	13,111
Compliance Fee per Residential Equivalent		88
Total SDC per Residential Equivalent	\$	13,199



Parks SDC Schedule

Fee Schedule:	Residential equivalents	Parks SDC per Unit
Dwelling unit	1.37	\$18,092
Lodging unit	1.66	\$21,860
Employee	0.05	\$693

Source: *US Census Bureau American Community Survey, Tables B25024 and B25033 (fee per dwelling unit); previous tables (other fees)*

- SDC now includes a charge per lodging unit and a charge per employee










Parks SDC Non-residential Schedule

	Industry Grouping (SIC)	Square Feet per Employee	Employees per 1,000 Square Feet	Parks SDC per 1,000 Square Feet
Ag., Fish & Forest Services; Constr.; Mining	1-19	590	1.695	\$1,175
Food & Kindred Projects	20	630	1.587	\$1,100
Textile & Apparel	22, 23	930	1.075	\$745
Lumber & Wood	24	640	1.563	\$1,083
Furniture; Clay, Stone & Glass; Misc.	25, 32, 39	760	1.316	\$912
Paper & Allied	26	1,600	0.625	\$433
Printing, Publishing & Allied	27	450	2.222	\$1,541
Chemicals, Petroleum, Rubber, Leather	28-31	720	1.389	\$963
Primary & Fabricated Metals	33, 34	420	2.381	\$1,651
Machinery Equipment	35	300	3.333	\$2,311
Electrical Machinery, Equipment	36, 38	400	2.500	\$1,733
Transportation Equipment	37	700	1.429	\$990
TCPU--Transportation and Warehousing	40-42, 44, 45, 47	3,290	0.304	\$211
TCPU--Communications and Public Utilities	43, 46, 48, 49	460	2.174	\$1,507
Wholesale Trade	50, 51	1,390	0.719	\$499
Retail Trade	52-59	470	2.128	\$1,475
Finance, Insurance & Real Estate	60-68	370	2.703	\$1,874
Non-Health Services	70-79	770	1.299	\$900
Health Services	80	350	2.857	\$1,981
Educational, Social, Membership Services	81-89	740	1.351	\$937
Government	90-99	530	1.887	\$1,308

Source: Metro, "1999 Employment Density Study," Table 4.

Parks SDC Comparison

City	Parks SDC per SFR		
Lincoln City (Maximum)	\$	18,092	
Independence		5,190	
Monmouth		2,660	
Lincoln City (Current)		2,632	
Newport*		1,525	
Cannon Beach		1,180	
Depoe Bay		771	
Florence		-	
Tillamook		-	

Source: FCS GROUP Survey, 1/8/2024

**Assumes a 2,500 square foot house*

Thank you! Questions?

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ZechariahH@fcsgroup.com

www.fcsgroup.com



Infill List Detail

#	Project Name	Replacement or New Amenity	Project Timing	Project Cost	SDC Eligibility	SDC-Eligible Costs
1	Beach Street LookoutSW Beach Ave	New Amenity	2024-2033	\$ 15,000	6.51%	\$ 976
2	Canyon Drive Park & Restroom + Roosevelt Park	Replacement	2034-2043	500,000	0.00%	-
3	Community Center Dog Park, Outdoor Basketball Park & Corn Hole Park 2150 NE Oar Place	New Amenity	2034-2043	800,000	6.51%	52,080
4	Community Garden Oceanlake1636 NW 21st St	New Amenity	2024-2033	20,000	6.51%	1,302
5	Community Garden Taft SE Inlet & SE Jetty Ave.	New Amenity	2024-2033	20,000	6.51%	1,302
6	Dorchester Park & Restroom	Replacement	2024-2033	350,000	0.00%	-
7	Holmes Road Park & Restroom	Replacement	2034-2043	500,000	0.00%	-
8	Josephine Young Memorial Park & Restroom	Replacement	2034-2043	500,000	0.00%	-
9	Kids Park - Fleet St Park	New Amenity	2024-2033	1,000,000	6.51%	65,100
10	Kirtsis Park & RestroomNE 22nd Street	New Amenity	2024-2029	2,500,000	6.51%	162,749
11	Lincoln City Skate ParkNE 22nd Street	New Amenity	2034-2043	1,000,000	6.51%	65,100
13	Regatta Park & RestroomNE 14th Street	New Amenity	2024-2029	2,000,000	6.51%	130,199
14	Sandpoint Park & Restroom2921 NE Loop Dr., off E Devils Lake Road	Replacement	2034-2043	250,000	0.00%	-
15	Siletz Bay Park & RestroomSW 52nd & Hwy 101	Replacement	2024-2033	250,000	0.00%	-
16	SprintSE Inlet Ave & HWY 101 Taft district	Replacement	2034-2043	250,000	0.00%	-
17	Taft Bayfront ParkSW 51st St.	New Amenity	2034-2043	1,500,000	6.51%	97,649
21	Wecoma Beach Park & Restroom3200 NW Jetty Ave.	New Amenity	2034-2043	1,500,000	6.51%	97,649
22	Microstop of NE 17th	New Amenity	2024-2033	10,000	6.51%	651
23	Agnes Creek North and South w/ trailsSW Bard Rd.	New Amenity	2024-2033	100,000	6.51%	6,510
24	Cutler City Wetlands w/ trailsSW 63rd	New Amenity	2024-2033	200,000	6.51%	13,020
25	Friends of the Wildwood w/ trailsNE 26th St. & West Devils Lake Rd.	Replacement	2024-2033	150,000	0.00%	-
26	Regatta trailsNE 14th Street	Replacement	2024-2033	100,000	0.00%	-
27	Seid Creek w/ trailsSE East Devils Lake Rd.	Replacement	N/A	-	0.00%	-
28	Spring Lake w/ trailsNE 14th Street	New Amenity	2024-2033	150,000	6.51%	9,765
29	Spyglass w/ trailsSE Spyglass Ridge Drive	New Amenity	2024-2033	150,000	6.51%	9,765
30	The Knoll w/ trailsTrailhead: NE Devil Lake Blvd	New Amenity	2024-2033	200,000	6.51%	13,020
31	Community Center 2150 NE Oar Place	New Amenity	2034-2043	3,000,000	6.51%	195,299
32	NW 5th Street	Replacement	2034-2043	300,000	0.00%	-
33	1124 NW 15th Street & Restroom	Replacement	2034-2043	150,000	0.00%	-
34	NW 21st Street	Replacement	2024-2033	100,000	0.00%	-
35	NW 26th Street & Restroom	Replacement	2024-2033	50,000	0.00%	-
36	NW 34th Court	Replacement	2034-2043	150,000	0.00%	-
37	NW 37th Street	Replacement	2034-2043	100,000	0.00%	-
38	NW 40th Street	New Amenity	2024-2033	50,000	6.51%	3,255
39	NW 41st Street	New Amenity	2034-2043	100,000	6.51%	6,510
40	NW 50th Street	Replacement	2034-2043	100,000	0.00%	-
41	NW 64th Street	New Amenity	2024-2033	50,000	6.51%	3,255



Infill List Detail (continued)

#	Project Name	Replacement or New Amenity	Project Timing	Project Cost	SDC Eligibility	SDC-Eligible Costs
42	NW 66th Street	Replacement	2034-2043	100,000	0.00%	-
43	NW 68th Street	New Amenity	2024-2033	5,000	6.51%	325
44	NW 73rd Street	Replacement	2024-2033	75,000	0.00%	-
45	SW 33rd Street	New Amenity	2024-2033	50,000	6.51%	3,255
46	SW 35th Street	Replacement	2024-2033	50,000	0.00%	-
47	SW 44th Street	Replacement	2024-2033	50,000	0.00%	-
49	SW 62nd Street	New Amenity	2034-2043	100,000	6.51%	6,510
50	SW 66th Street	New Amenity	2024-2033	10,000	6.51%	651
51	SW 68th Street	New Amenity	2034-2043	60,000	6.51%	3,906
52	SW 69th Street	New Amenity	2024-2033	10,000	6.51%	651
53	NW 17th St.	Replacement	2024-2029	400,000	0.00%	-
54	SW 32nd	Replacement	2034-2043	400,000	0.00%	-
55	SW 50th	Replacement	2034-2043	400,000	0.00%	-
56	SW 51ST Street	New Amenity	2034-2043	200,000	6.51%	13,020
57	Charging station at 1226 SW 50th St.	Replacement	2024-2029	300,000	0.00%	-
58	1601 NE 15th St.	Replacement	2024-2029	300,000	0.00%	-
Total				\$ 20,675,000		\$ 963,473

Council Communication

Public Comment: Resolution 2024-12 Setting Water / Sewer Rates

Meeting Date:	June 10, 2024	Primary Staff Contact:	Debbie Bridges
Department:	Finance	E-Mail:	dbridges@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	10 Minutes

294.160 Opportunity for public comment on new fee or fee increase. (1) The governing body of a city, county or other unit of local government shall provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase or an increase in the rate or other manner in which the amount of a fee is determined or calculated.

Notice has been made as required.

Council Communication

Public Hearing: Resolution 2024-14 State Shared Revenue

Meeting Date:	June 10, 2024	Primary Staff Contact:	Debbie Bridges
Department:	Finance	E-Mail:	dbridges@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	5 Minutes

Background:

ORS 221.770 requires Cities to hold at least one public hearing at which citizens have the opportunity to provide written and oral comment to, and ask questions of, the authority responsible for adopting the budget of the city for the fiscal year on the proposed use of the distributions in relation to the entire budget of the city for the fiscal year.

Notice has been made as required.

Council Communication

Public Hearing: Resolution 2024-15 Adopt Budget

Meeting Date:	June 10, 2024	Primary Staff Contact:	Debbie Bridges
Department:	Finance	E-Mail:	dbridges@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	10 Minutes

Authority:

ORS 294.453 provides that the governing body of a municipal corporation shall meet at the time and place designated in the notice of meeting, for the purpose of holding a public hearing on the budget document as approved by the budget committee.

Notice has been made as required.

Council Communication

Resolution 2024-12: Setting Water / Sewer Rates

Meeting Date:	June 10, 2024	Primary Staff Contact:	Debbie Bridges
Department:	Finance	E-Mail:	dbridges@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	5 Minutes

Question:

Should the City Council adopt a 5% water rate increase and a 5% sewer rate increase, for an average utility rate increase of 5%?

Staff Recommendation:

Staff recommends the Council approve Resolution 2024-12 Setting Water / Sewer Rates with a 5% increase.

Authority:

Lincoln City Municipal Code 13.12.060(A) and 13.12.080(A) provides that the City shall set the water/sewer rates and revise those rates as necessary by resolution of the City Council.

Background:

The approved FY2024-25 budget anticipates a 5.0% increase in utility rates. Rate increases are necessary to keep the water and sewer funds operating effectively, and to cover operational and capital costs. For many years the City has implemented an annual rate increase in both water and sewer, effective with the first billing in August.

Council Options:

1. Motion to approve Resolution 2024-12
2. Modify the percent of rate increase for water and/or sewer
3. Do not increase rates

Attachments:

Resolution 2024-12 - Setting Forth Water -Sewer Rates (DOCX)

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RESOLUTION NO. 2024-12

A RESOLUTION SETTING FORTH WATER/SEWER RATES

WHEREAS, the City Charter and the Oregon Revised Statutes authorizes the City to own, operate and maintain a sewage disposal system, and a city water system; and

WHEREAS, THE City of Lincoln City does in fact own, operate and maintain a sewage disposal system, and a city water system; and

WHEREAS, Ordinance No. 78-37 provides that the City shall set the water/sewer rates and revise those rates as necessary by resolution of the City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lincoln City does hereby set the water/sewer charges which are attached hereto, marked as Exhibit "A", and incorporated by this reference herein, as the water/sewer rates for the City of Lincoln City, effective with the August 15, 2024 billing.

BE IT FURTHER RESOLVED that the former water/sewer rates established by Resolution No. 2023-14 is hereby repealed as of the effective date of the rates established by this resolution.

PASSED AND APPROVED BY THE City Council of the City of Lincoln City this 10th day of June 2024.

SUSAN WAHLKE, Mayor

ATTEST:

JAMIE YOUNG, City Recorder

EXHIBIT "A"

WATER AND SEWER RATES EFFECTIVE AUGUST 15TH 2024 BILLING
MONTHLY BASE CHARGE

METER SIZE	IN CITY WATER	IN CITY SEWER	OUTSIDE CITY WATER	OUTSIDE CITY SEWER
5/8" Single Family	\$ 29.03	\$ 40.20	\$ 61.54	\$ 85.22
5/8" Other	\$ 27.76	\$ 40.20	\$ 58.85	\$ 85.22
1"	\$ 51.23	\$ 64.79	\$108.61	\$137.35
1.5"	\$ 98.16	\$114.07	\$208.10	\$241.83
2"	\$168.53	\$187.87	\$357.28	\$398.28
3"	\$332.73	\$360.17	N/A	N/A
4"	\$590.81	\$631.04	N/A	N/A
6"	\$1,177.52	\$1,246.43	N/A	N/A
8"	\$1,954.53	N/A	N/A	N/A

USAGE CHARGE PER 100 CUBIC FEET (748 gallons)

TYPE	IN CITY WATER	IN CITY SEWER	OUTSIDE CITY WATER	OUTSIDE CITY SEWER
Residential non- peak months*	\$4.35	\$6.67	\$9.22	\$14.14
Residential - peak months**	\$4.84	\$6.67	\$10.26	\$14.14
Commercial non-peak months	\$4.35	\$6.67	\$9.22	\$14.14
Commercial peak months**	\$4.80	\$6.67	\$10.18	\$14.14

Fire Standby charge: 10% of Base Charge based on standby meter size
Schooner Creek Surcharge \$28.70

* Residential minimum allowed consumption per each dwelling unit designed for occupancy by one family shall be allowed 400 cubic feet of consumption per month to be included within the base charge before the consumption rate per 100 cubic feet is charged, if the individual dwelling unit is connected to a water meter serving only that unit.

** Peak months are the months where the majority of the consumption occurs during the months of July, August and September.

DISCOUNT FOR DIGITAL BILLING AND PAYMENT

A discount of \$0.50 per month per account shall be given to any customer who elects to receive a paperless (digital) statement and who pays the monthly bill using the City's online service.

Council Communication

Resolution 2024-13: Amending Resolution 2023-01 (City Property Transfer at NE 10th St)

Meeting Date: June 10, 2024 Primary Staff Contact: Alison Robertson
 Department: Economic Development E-Mail: alisonr@lincolncity.org
 Secondary Dept: Secondary Contacts:
 Approval: Daphnee Legarza Estimated Time: 10 Min

Objective:

Adopt Resolution 2024-13, in order to provide a time extension and correct the real property legal description from Resolution 2023-01, for City property disposition to Northwest Coastal Housing for Tiny Homes Development.

Background:

In late 2021, the City was approached by a consultant with Oregon Housing & Community Services (OHCS) about the City's undeveloped property located on NE 10th (near NE Keel), north of the Coast Vineyard Church (1505 NE 6th Drive). OHCS had designated funding for income-qualified (affordable) housing to prioritize individuals and families displaced by the Echo Mountain Fire Complex. Northwest Coastal Housing was identified as the developer to receive funding for a Tiny Homes development.

February 14, 2022, City Council passed a "Motion to Authorize Interested Party to Make Application for Development/Site Plan Review on City-Owned Property. [Inform interested Party motion does not grant any land use approval nor does it convey any interest in the property.]"

June 9, 2022 a Pre-Application Meeting was held with City staff and the prospective developer team.

August 12, 2022, Quitclaim Deed was recorded between ODOT and the City, removing a 1961 deed restriction holding the property for a future sewage drying basin.

January 23, 2023, a public hearing was held and Council adopted Resolution 2023-01 disposing of the property for the developer to build a Tiny Homes Village.

February 24, 2023, Development Review by City was complete with staff report and Conditions of Approval.

December 2023, using the City's Brownfield Grant funds, Environmental Assessments were completed along with an asbestos survey. Surface solid waste and asbestos containing material will be removed by the City, before June 30, 2024 prior to property transfer to the developer.

Options for Motion:

- Do not adopt Resolution 2024-13.
- Adopt Resolution 2024-13: A Resolution of the City of Lincoln City Amending Resolution 2023-01 for a Time Extension Authorizing and Directing Disposition of City Real Property to Northwest Coastal Housing for Tiny Homes Development

Attachments:

Res 2024-13 Tiny Homes Time Extension DJR edit (PDF)

RESOLUTION NO. 2024-13

A RESOLUTION OF THE CITY OF LINCOLN CITY AMENDING RESOLUTION
2023-01 FOR A TIME EXTENSION AUTHORIZING AND DIRECTING
DISPOSITION OF CITY REAL PROPERTY TO NORTHWEST COASTAL HOUSING
FOR TINY HOME DEVELOPMENT

RECITALS

- A. The City owns real property east of NE Keel Avenue and NE 10th Street Intersection in Lincoln City, Oregon, consisting of City-owned Tax lot 07-11-10-DD-12300-00 [R299582] and associated immediately adjacent vacated right-of-way, if any, [adjacent to Coast Vineyard Church 1505 NE 6TH DR], being more particularly described and shown in Exhibit A attached hereto and made a part hereof by this reference.
- B. On January 23, 2023, the Lincoln City City Council, at the Council Chambers at 801 SW Highway 101, Lincoln City, Oregon conducted an advertised public hearing on the proposed sale / conveyance of the subject property pursuant to ORS 221.725, ORS 271.310 and ORS 271.330.
- C. The advertised purpose of the conveyance / sale, and the reason the City Council finds it necessary or convenient to sell the property, to the domestic non-profit organization "Northwest Coastal Housing" is the City Council's desire to provide affordable housing (Tiny home development) to the City of Lincoln City's homeless population, including wildfire victims.
- D. The nature of the sale / conveyance was advertised as a conveyance to a domestic non-profit corporation of a \$154,050.00 City-owned property with a deed restriction (*fee simple determinable*) that the property must be used for income restricted tiny home project consistent with Dev REV 2023-01, to benefit the City's homeless population, – and if not, the property automatically reverts to the City. As additional security, the City shall retain a note, guaranty and trust deed for the purchase price (property value) of \$154,050 and require an annual payment of +/- \$15,000,00 per year which payment shall be waived annually if the non-profit entity operates an income restricted tiny home project on the subject property meeting the development approval [DEV REV 2023-01] requirements and income restrictions. Operator will also be required to apply income restrictions, stay

1 current on any City or Urban Renewal loans, and maintain not-for profit
2 status.

3
4 E. The January 23, 2023 City Council Public Hearing and Resolution staff reports,
5 including findings included therein, are incorporated herein by this reference. All
6 evidence of market value was fully disclosed and entered into the record at the
7 public hearing on January 23, 2023.

8
9 F. Pursuant to ORS 221.725, any resident of the City was provided with an
10 opportunity to present oral or written testimony on the subject of the sale to the
11 City Council at the public hearing.

12
13 G. After hearing the staff report and public input, Council closed the hearing and
14 record. On January 23, 2023, after due deliberation, Council made the findings of
15 fact set forth herein and directed the sale / conveyance of the real property with
16 the conditions identified in the staff report and this Resolution.

17
18 H. The findings included that "Closing shall occur within 90 days or this authorization
19 of this Resolution shall be null and void." Grant-funded pre-development evaluation,
20 testing, and asbestos abatement will be completed by June 30, 2024. This
21 amendment to Resolution 2023-01 extends the time to complete closing to
22 December 31, 2024 and corrects Exhibit A – Legal Description.

23
24 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF**
25 **LINCOLN CITY, AS FOLLOWS:**

26
27 **SECTION 1. RECITALS.** The above recitals are true and correct and are
28 incorporated herein by this reference.

29
30 **SECTION 2. FINDINGS.**

31
32 The Council finds and determines that the relevant statutory criteria for disposition
33 of City real property are found in or referenced in ORS Chapter 271 (specifically ORS
34 271.310 and ORS 271.330) as well as ORS 221.725.

35
36 **ORS 271.310. Transfer or lease of real property owned or controlled**
37 **by political subdivision; Procedure in case of qualified title.**

38
39 (1) Except as provided in subsection (2) of this section, whenever any
40 political subdivision possesses or controls real property not needed for

1 public use, or whenever the public interest may be furthered, a political
2 subdivision may sell, exchange, convey or lease for any period not
3 exceeding 99 years all or any part of their interest in the property to a
4 governmental body or private individual or corporation. The
5 consideration for the transfer or lease may be cash or real property, or
6 both.

7
8 ***

9
10 (4) Unless the governing body of a political subdivision determines under
11 subsection (1) of this section that the public interest may be furthered,
12 real property needed for public use by any political subdivision owning or
13 controlling the property shall not be sold, exchanged, leased or conveyed
14 under the authority of ORS 271.300 to 271.360, except that it may be
15 exchanged for property which is of equal or superior useful value for
16 public use. Any such property not immediately needed for public use may
17 be leased if, in the discretion of the governing body having control of the
18 property, it will not be needed for public use within the period of the
19 lease.

20
21 **271.330 Relinquishing title of property not needed for public use.**

22
23 * * *

24
25 (2)(a) Any political subdivision is granted express power to relinquish the
26 title to any of the political subdivision’s property to a qualifying nonprofit
27 corporation or a municipal corporation for the purpose of providing any of the
28 following:

- 29 (A) Low income housing;
- 30 (B) Social services; or
- 31 (C) Child care services.
- 32 (b) As used in this subsection:

33 (A) “Qualifying nonprofit corporation” means a corporation that is a public
34 benefit corporation as defined in ORS 65.001 (35) and that has obtained a
35 ruling from the federal Internal Revenue Service providing that the corporation
36 is exempt from federal income taxes under section 501(c)(3) of the Internal
37 Revenue Code.

38 (B) “Social services” and “child care services” include but are not limited to
39 education, training, counseling, health and mental health services and the

1 provision of facilities and administrative services to support social services and
2 child care services.

3
4 **221.725 Sale of city real property; publication of notice; public hearing.**

5
6 (1) Except as provided in ORS 221.727, when a city council considers it
7 necessary or convenient to sell real property or any interest therein, the city
8 council shall publish a notice of the proposed sale in a newspaper of general
9 circulation in the city, and shall hold a public hearing concerning the sale prior
10 to the sale.

11 (2) The notice required by subsection (1) of this section shall be published
12 at least once during the week prior to the public hearing required under this
13 section. The notice shall state the time and place of the public hearing, a
14 description of the property or interest to be sold, the proposed uses for the
15 property and the reasons why the city council considers it necessary or
16 convenient to sell the property. Proof of publication of the notice may be
17 made as provided by ORS 193.070.

18 (3) Not earlier than five days after publication of the notice, the public
19 hearing concerning the sale shall be held at the time and place stated in the
20 notice. Nothing in this section prevents a city council from holding the hearing
21 at any regular or special meeting of the city council as part of its regular
22 agenda.

23 (4) The nature of the proposed sale and the general terms thereof,
24 including an appraisal or other evidence of the market value of the property,
25 shall be fully disclosed by the city council at the public hearing. Any resident of
26 the city shall be given an opportunity to present written or oral testimony at
27 the hearing.

28 (5) As used in this section and ORS 221.727, "sale" includes a lease-option
29 agreement under which the lessee has the right to buy the leased real property
30 in accordance with the terms specified in the agreement.

31
32 The Council finds that it has received all information necessary to make a decision,
33 based on the Staff Report, public hearing testimony and the exhibits and evidence
34 received. The Staff Report and the findings therein are specifically incorporated herein
35 by this reference.

36
37 The Council finds and determines that this proposal to sell / convey the subject property
38 to "Northwest Coastal Housing," a "Qualifying non-profit corporation", with the imposition
39 of conditions as noted herein, meets all applicable statutory minimum criteria for
40 eligibility to sell real property, as more fully set forth herein. Further the City Council

1 finds and determines that the proposed disposition of real property, with conditions, is
2 deemed "necessary or convenient" to the City, and "furthers the public interest" as the
3 sale will further the City Council's desire to provide affordable housing options to the City
4 of Lincoln City's homeless population, including fire victims. The property shall be income
5 restricted consistent with 271.330(2)(a) A. No vacation rental or vacation home use is
6 authorized. The Council further finds and determines that the property identified herein is
7 not necessary for City use. The findings herein are supported by competent substantial
8 evidence in the whole record, incorporated herein by this reference.

9
10 **SECTION 3. ORDER.** Based on the above Findings set forth or incorporated herein
11 and based upon the evidence in the whole record, the City Council hereby
12 approves and directs the sale / conveyance of the subject property to Northwest
13 Coastal Housing, subject to all identified conditions, included or referenced herein
14 (e.g. Staff Report conditions, (1) deed restriction (2) forgivable promissory note (3)
15 guaranty (4) trust deed). The real property sale / conveyance is delegated to the
16 City Manager and City Attorney who are authorized to execute such purchase and
17 sale agreements, contracts, security instruments (trust deed, guaranty and note),
18 deeds restrictions and covenants and other documents necessary to complete the
19 sale / conveyance. The City Attorney must approve all documents as to form. The
20 Manager is expressly delegated the authority to sign documents for the City. The
21 Manager and Attorney are authorized to expend funds necessary to effectuate the
22 sale/conveyance, including but not limited to purchase of real estate and title
23 company services and products. When not specifically allocated to a party, closing
24 costs are split between the parties. Closing shall occur on or before December 31,
25 2024, or this authorization of this Resolution shall be null and void. The
26 sale/conveyance is subject to final land use approval, including all appeals. The real
27 property sale is, as is, and subject to all encumbrances of record.

28
29 **SECTION 4. EFFECTIVE DATE.** This resolution is effective as of the date of its
30 adoption and signature by the Mayor.

31
32 PASSED AND ADOPTED by the City Council of the City of Lincoln City this 10th day of
33 June, 2024.

34
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36 _____
37 SUSAN WAHLKE, MAYOR

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39 ATTEST:
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JAMIE YOUNG, CITY RECORDER

APPROVED AS TO FORM:

DAVID JAMES ROBINSON, CITY ATTORNEY

EXHIBIT A
LEGAL DESCRIPTION

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LOTS 6 and 7, Block 37, RAYMOND TOWNSITE, in the County of Lincoln and State of Oregon, TOGETHER WITH that portion of vacated Brookside Street that inured thereto by reason of Vacation Ordinance No. 68 recorded February 20, 1950 in Book 137, Page 76 Lincoln County records.

Council Communication

Resolution 2024-14: State Shared Revenue

Meeting Date:	June 10, 2024	Primary Staff Contact:	Debbie Bridges
Department:	Finance	E-Mail:	dbridges@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	5 Minutes

Question:

Should the City Council enact a resolution to receive State shared revenues for FY2024-25?

Staff Recommendation:

Staff recommends the Council approve resolution 2024-14 to elect to receive State shared revenues.

Authority:

In order to receive State Revenue sharing, ORS 221.770 requires a City to elect to receive distributions from the State revenue sharing for the fiscal year by enactment of an ordinance or resolution expressing that election, and filing the resolution with the Oregon Department of Administrative Services no later than July 31 of the fiscal year.

Background:

The approved FY2024-25 budget includes \$192,604 of State Revenue Sharing in the General Fund. In order to receive these monies, the City must hold a public hearing to receive citizen comment, and must also adopt a resolution expressing the City's election to receive state revenues.

Council Options:

1. Motion to approve Resolution 2024-14.
2. Do not approve Resolution 2024-14.

Attachments:

Resolution 2024-14 - Election to Receive State Rev (DOC)

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RESOLUTION NO. 2024-14

A RESOLUTION DECLARING THE CITY’S ELECTION TO RECEIVE STATE REVENUES

BE IT RESOLVED, that pursuant to ORS 221.770, the city hereby elects to receive state revenues for fiscal year 2024-2025.

PASSED by the City Council for the City of Lincoln City on the 10th day of June 2024.

APPROVED by the Mayor this 10th day of June 2024.

SUSAN WAHLKE, Mayor

ATTEST:

JAMIE YOUNG, City Recorder

I certify that a public hearing before the Budget Committee was held on April 29th, 2024, and a public hearing before the City Council was held on June 10th, 2024, giving citizens an opportunity to comment on use of State Revenue Sharing.

JAMIE YOUNG, City Recorder

Council Communication

Resolution 2024-15: Adopt Budget

Meeting Date:	June 10, 2024	Primary Staff Contact:	Debbie Bridges
Department:	Finance	E-Mail:	dbridges@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	15 Minutes

Question:

Adoption of the FY2024-25 budget.

Staff Recommendation:

Staff recommends the Council approve Resolution 2024-15 which adopts the FY2024-25 budget.

Authority:

ORS 294.456 provides that, after a public hearing and consideration of matters discussed at the public hearing, the governing body of a municipal corporation shall enact the ordinances or resolutions necessary to adopt the budget, to make the appropriations, to determine, make and declare the ad valorem property tax amount or rate to be certified to the assessor, and to itemize and categorize the ad valorem property tax amount or rate.

Background:

The FY2024-25 City budget as approved by the Budget Committee is available on the City website.

Once the public hearing has been held, Council may make changes to the budget that was approved by the budget committee. Any expenditure in any fund can be reduced. The property tax levy can be reduced from the rate or amount that was approved by the budget committee, so long as a corresponding change is made elsewhere in the fund to keep it balanced. Expenditures may be increased with certain restrictions. If the total increase in a fund exceeds the greater of \$5,000 or 10%, then Council must publish notice of a second budget hearing and a new financial summary, and hold a second public hearing before the adjusted budget can be adopted.

In addition to approving the budget, the budget committee approved two recommendations to be passed on to the City Council.

- 1) Request staff to research option of increasing the business occupational tax permit.
- 2) Request staff to research feasibility of making beach accesses a tourist attraction that could be funded from ELC's TRT monies.

Council Options:

1. Motion to approve Resolution 2024-15 adopting the FY2024-25 budget as approved.
2. Motion to approve Resolution 2024-15 adopting the FY2024-25 budget as amended.

Attachments:

Resolution 2024-15 - Adopt Budget FY2024-25 (DOC)

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RESOLUTION NO. 2024-15

ADOPTING THE BUDGET

BE IT RESOLVED, that the City Council of the City of Lincoln City hereby adopts the budget for fiscal year 2024-25 in the total of \$96,972,199 now on file at the Finance Department of the City of Lincoln City.

MAKING APPROPRIATIONS

BE IT RESOLVED, that the amounts for the fiscal year beginning July 1, 2024, and for the purposes shown below are hereby appropriated:

GENERAL

City Council	83,342
Administration	1,276,150
Finance	1,146,528
Library	1,431,299
Municipal Court	112,906
City Attorney	376,779
Planning	651,867
Building Inspection	535,408
Economic Development	1,474,416
Police	6,795,848
Dispatch	1,585,179
City Hall Operations	1,212,972
Debt Service	42,812
Transfers	3,357,551
Contingency	1,012,150
TOTAL GENERAL FUND APPROPRIATIONS	21,095,207

LINCOLN SQUARE OPERATIONS

Lincoln Square Maintenance	636,337
Contingency	265,616
TOTAL LINCOLN SQUARE OPERATIONS FUND APPROPRIATIONS	901,953

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FACILITIES CAPITAL

Building Improvements	1,320,000
Debt Service	614,275
Transfers	5,000
TOTAL FACILITIES CAPITAL FUND APPROPRIATIONS	1,939,275

VILLAGES CASCADE HEAD

Materials and Services	272,848
Contingency	59,408
TOTAL VILLAGES CASCADE HEAD FUND APPROPRIATIONS	332,256

INTERNAL SERVICE

Vehicle Maintenance	516,280
Information Technology	956,411
Geographical Information Systems	141,965
Contingency	36,887
TOTAL INTERNAL SERVICE FUND APPROPRIATIONS	1,651,543

AGATE BEACH CLOSURE

Materials and Services	60,000
TOTAL AGATE BEACH CLOSURE FUND APPROPRIATIONS	60,000

% FOR ART

Public Art	75,540
TOTAL % FOR ART FUND APPROPRIATIONS	75,540

WORKFORCE HOUSING

Workforce Housing	353,947
TOTAL WORKFORCE HOUSING FUND APPROPRIATIONS	353,947

EXPLORE LINCOLN CITY

Tourism Attraction	6,952,872
Debt Service	1,632
Transfers	90,467
Contingency	5,720,116
TOTAL EXPLORE LINCOLN CITY FUND APPROPRIATIONS	12,765,087

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PARKS AND RECREATION

Park Operations	1,707,007
Recreation Center	2,044,548
Transfers	51,984
Contingency	691,706
TOTAL PARKS AND RECREATION FUND APPROPRIATIONS	4,495,245

PARKS CAPITAL

Capital Outlay	5,017,714
TOTAL PARKS CAPITAL FUND APPROPRIATIONS	5,017,714

PARKS SDC

Capital Outlay	621,192
TOTAL PARKS SDC FUND APPROPRIATIONS	621,192

PROPERTY ABATEMENT

Abatement Program	234,215
TOTAL PROPERTY ABATEMENT FUND APPROPRIATIONS	234,215

UNBONDED ASSESSMENT

Capital Outlay	876,122
TOTAL UNBONDED ASSESSMENTS FUND APPROPRIATIONS	876,122

STREET OPERATIONS

Street Maintenance	2,617,966
Debt Service	841
Transfers	120,532
Contingency	367,153
TOTAL STREET OPERATIONS FUND APPROPRIATIONS	3,106,492

STREET CAPITAL

Street Improvements	7,785,449
Transfers	5,000
TOTAL STREET CAPITAL FUND APPROPRIATIONS	7,790,449

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TRANSPORTATION DEVELOPMENT

Capital Outlay	528,925
TOTAL TRANSPORTATION DEVELOPMENT APPROPRIATIONS	528,925

N HWY 101 IMPROVEMENT PROGRAM

Capital Outlay	33,000
TOTAL N HWY 101 IMPROVEMENT PROGRAM APPROPRIATIONS	33,000

32ND INTERSECTION IMPROVEMENT

Capital Outlay	159,522
TOTAL 32ND INTERSECTION IMPROVEMENT APPROPRIATIONS	159,522

STORM DRAINAGE

Capital Outlay	91,653
TOTAL STORM DRAINAGE APPROPRIATIONS	91,653

WATER OPERATIONS

Water Utility Maintenance	3,254,787
Debt Service	60,841
Transfers	1,610,365
Contingency	651,912
TOTAL WATER OPERATIONS FUND APPROPRIATIONS	5,577,905

WATER CAPITAL

Water Improvements	2,957,407
Transfers	5,000
TOTAL WATER CAPITAL FUND APPROPRIATIONS	2,962,407

WATER SDC REIMBURSEMENT

Capital Outlay	1,041,466
TOTAL WATER SDC REIMBURSEMENT FUND APPROPRIATIONS	1,041,466

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WATER SDC IMPROVEMENT

Capital Outlay	462,561
TOTAL WATER SDC IMPROVEMENT FUND APPROPRIATIONS	462,561

2

SEWER OPERATIONS

Sewer Utility Maintenance	4,763,543
Debt Service	840
Transfers	2,238,024
Contingency	1,058,219
TOTAL SEWER OPERATIONS FUND APPROPRIATIONS	8,060,626

3

SEWER CAPITAL

Sewer Improvements	7,754,954
Transfers	5,000
TOTAL SEWER CAPITAL FUND APPROPRIATIONS	7,759,954

4

SEWER SDC REIMBURSEMENT

Capital Outlay	198,000
TOTAL SEWER SDC REIMBURSEMENT FUND APPROPRIATIONS	198,000

5

SEWER SDC IMPROVEMENT

Capital Outlay	456,353
TOTAL SEWER SDC IMPROVEMENT FUND APPROPRIATIONS	456,353

6

SEWER BONDS

Capital Outlay	1,899,911
TOTAL SEWER BONDS FUND APPROPRIATIONS	1,899,911

7

8 **TOTAL APPROPRIATIONS, ALL FUNDS** **\$ 90,548,520**

9 **TOTAL UNAPPROPRIATED AMOUNTS, ALL FUNDS** **\$ 6,423,679**

10 **TOTAL ADOPTED BUDGET** **\$ 96,972,199**

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IMPOSING THE TAX

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3 BE IT RESOLVED, that the City Council of the City of Lincoln City hereby imposes
4 the taxes provided for in the adopted budget at the rate of \$4.0996 per \$1,000 of assessed
5 value for operations; and in the amount of \$1,684,211 for bonds; and that these taxes are
6 hereby imposed and categorized for tax year 2024-25 upon the assessed value of all
7 taxable property within the district as follows:

CATEGORIZING THE TAX

	<u>General Government Limitation</u>	<u>Excluded From Limitation</u>
13	General Fund	\$4.0996/\$1,000
14	Debt Service Fund	\$1,684,211

19
20 The above resolution statements were approved and declared adopted on this 10th
21 day of June 2024.

24
25 _____
26 SUSAN WAHLKE, Mayor

27 ATTEST:
28
29
30 _____
31 JAMIE YOUNG, City Recorder

Council Communication

Resolution 2024-17: Transportation System Development Charges

Meeting Date:	June 10, 2024	Primary Staff Contact:	Daphnee Legarza
Department:	City Council	E-Mail:	DLegarza@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	5 Minutes

Question:

Should the City Council enact a resolution to update the Transportation System Development Charge.

Staff Recommendation:

Staff recommends the Council approve resolution 2024-17 updating the Transportation System Development Charge.

Authority:

Lincoln City Municipal Code Chapter 13.08 and ORS 223.297 to 223.316

Council Options:

1. Motion to approve Resolution 2024-17.
2. Motion to not approve Resolution 2024-17.
3. Motion to approve with edits Resolution 2024-17.

Attachments:

Res. 2024-17 SDC Transportation (DOCX)
Ex. A Lincoln City SDC Draft Report (DOCX)

RESOLUTION NO. 2024-17

A RESOLUTION OF THE CITY OF LINCOLN CITY APPROVING A CAPITAL IMPROVEMENTS SCHEDULE AND FINANCING PLAN FOR THE TRANSPORTATION SYSTEM DEVELOPMENT CHARGE; AND RESCINDING RESOLUTION 2006-37

RECITALS

- A. Lincoln City Municipal Code Chapter 13.08 and ORS 223.297 to 223.316 provides for system development charges (SDC) to be imposed on all new development and provides that such charges shall be imposed by resolution.
B. Lincoln City Municipal Code Chapter 13.08 and ORS 223.297 to 223.316 provides that if appropriate, the SDC for each system will have a reimbursement fee and improvement fee component.
C. Lincoln City adopted a Transportation System Plan dated November 2015.
D. Lincoln City hired FCS Group to research and prepare a report about updating the Transportation System Plan SDC.
E. The last Transportation System SDC was enacted by Resolution 2006-37.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINCOLN CITY, AS FOLLOWS:

Section 1. The recitals of this resolution are adopted as additional findings in support of the Transportation System SDC.

Section 2. Section II and Appendices A and B of the draft report dated February 2024 "Transportation and Parks System Development Charge Update", attached hereto as Exhibit A and incorporated herein by reference, are approved as the Capital Improvements Schedule and Financing Plan for the Lincoln City transportation system.

Section 3. The sections of Section IV of Exhibit A, Implementation, that describe the implementation of the Transportation System SDC, and specifically allowing for periodic indexing of the SDC for inflation is hereby approved.

Section 4. A Transportation System SDC is hereby imposed on each development in the amount of \$1654.00 per trip.

Section 5. Council Resolution 2006-37 is rescinded.

Section 6. Effective Date. This resolution is effective as of the date of its adoption.

PASSED AND ADOPTED by the City Council of the City of Lincoln City this 10th day of June 2024.

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SUSAN WAHLKE, MAYOR

ATTEST:

JAMIE YOUNG, CITY RECORDER

APPROVED AS TO FORM:

DAVID JAMES ROBINSON, CITY ATTORNEY

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EXHIBIT A

Transportation and Parks System Development Charge Update date February 2024

City of Lincoln City

TRANSPORTATION AND PARKS SYSTEM DEVELOPMENT CHARGE UPDATE

Draft Report
February 2024

Washington

7525 166th Avenue NE, Ste. D215
Redmond, WA 98052
425.867.1802

Oregon

5335 Meadows Road, Ste 330
Lake Oswego, OR 97035
503.841.6543

Colorado

PO Box 19114
Boulder, CO 80301-9998
719.284.9168

www.fcsgroup.com

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FCS GROUP
Solutions-Oriented Consulting

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Section I. INTRODUCTION

This section describes the project scope and policy context upon which the body of this report is based.

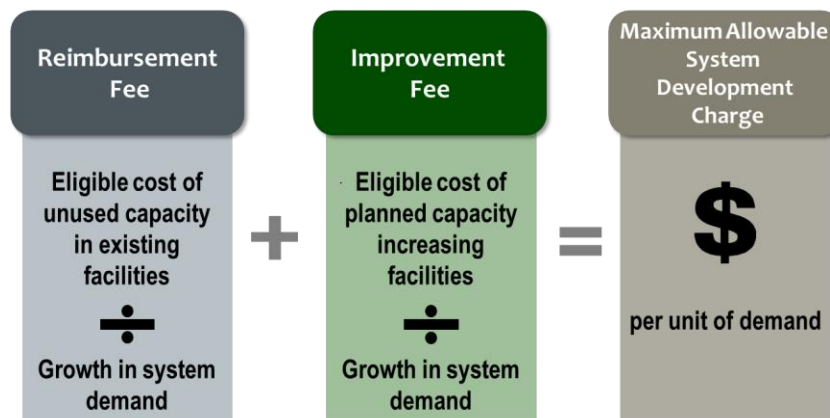
I.A. PROJECT BACKGROUND

The City of Lincoln City (City) imposes system development charges (SDCs) to provide partial funding for the capital needs of its transportation and parks systems. The current transportation SDC is charged to all new developments in the City at a rate of \$915 per single-family dwelling unit. For parks, the SDC is \$2,632 per single-family dwelling unit. The City separately charges a North End Traffic Impact Fee which has been in place since the 1980s, and does not intersect with its transportation SDC.

In 2023, the City engaged FCS GROUP to update the City's transportation and parks SDCs. The calculation of those updates is documented in this report, which also serves as the City's methodology for the legal implementation of the two SDCs.

I.B. SDC BASICS

In general, SDCs are calculated by adding a reimbursement fee component (if applicable) and an improvement fee component—both with potential adjustments. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge. Below is an illustration of this calculation:



I.C. POLICY

SDCs are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution.

I.C.1. State Statutes

Oregon Revised Statutes (ORS) 223.297 to 223.316 enable local governments to establish SDCs, which are one-time fees on development that are paid at the time of development or redevelopment that creates additional demand for public facilities. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future users – growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

In addition to the reimbursement and improvement fees, ORS 223.307(5) states, in part, that “system development charge revenues may be expended on the costs of complying” with state statutes concerning SDCs, including “the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.”

I.C.2. Local Ordinance

Chapter 13.08 of the Lincoln City Municipal Code authorizes and governs the imposition and expenditure of SDCs in Lincoln City. This report represents the SDC methodology for transportation and parks SDCs as described in Section 13.08.050 and 13.08.060 of the code.

I.C.3. United States Constitution

The United States Supreme Court has determined that SDCs, impact fees, or other exactions that comply with state and/or local law may still violate the United States Constitution if they are not

proportionate to the impact of the development. The SDCs calculated in this report are designed to meet all constitutional and statutory requirements.

Section II. TRANSPORTATION SDC ANALYSIS

This section provides the detailed calculations of the maximum allowable transportation SDC.

II.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the SDC calculations.

II.A.1. Unit of Measurement

A good unit of measurement allows an agency to quantify the incremental demand of development or redevelopment that creates additional demand for transportation facilities. A better unit of measurement allows an agency to distinguish different levels of demand added by different kinds of development or redevelopment.

For transportation SDCs, demand that can be attributed to individual developments is usually measured in the number of “trips” that will be generated by the development. A “trip,” more properly described as a “trip end,” represents one transportation system user entering or exiting a particular development.

This calculation measures trips in terms of “PM peak hour person trips.” Under this metric, trips are measured during a weekday’s peak afternoon travel hour. Further, trips are measured by the number of people engaging in the trip. For example, a property with five PM peak hour person trips would, during the peak afternoon travel hour, see five people enter or exit the property, whether those people walked, cycled, or arrived in a single van.

II.A.2. Growth in Demand

Volume 2 of the City’s 2015 Transportation System Plan (TSP) estimates that the growth in PM peak hour vehicle trip ends between 2012 and 2035 will be 2,700. The same source also provides household estimates for 2012 and 2035. By assuming that vehicle trips grow proportionally to the number of households, the number of trip ends in 2012 and 2035 can be estimated. Then, using interpolation, the number of vehicle trips in 2023 can be estimated to be 21,770. Subtracting the 2023 total vehicle trips of 21,770 from the 2035 estimate of 23,220 provides an estimated growth of 1,450 vehicle trip ends between 2023 and 2035.

The U.S. Department of Transportation publishes the *National Household Travel Survey*, which can be used to estimate the number of person trips given the number of vehicle trips. This conversion

factor is 1.68 person trips per vehicle trip, meaning that the expected growth in PM peak hour person trip ends in the City between 2023 and 2035 is 2,436. These calculations are shown in **Exhibit 2.1** below.

Exhibit 2.1 – Growth in PM Peak Hour Person Trips

	2012	2023	2035	2012-2035 Growth	2023-2035 Growth	2023-2035 Growth Share
Households	7,600	8,063	8,600	1,000	537	6.25%
PM peak hour vehicle trips	20,520	21,770	23,220	2,700	1,450	6.25%
PM peak hour person trips	34,474	36,573	39,010	4,536	2,436	6.25%

Source: Technical Memorandum 8, Volume 2 of the 2015 TSP (population and vehicle trip ends estimates); U.S. Department of Transportation, 2017 National Household Travel Survey (person trip conversion factor of 1.68)

The growth estimate of 2,436 PM peak hour person trips will serve as the denominator for the transportation SDC calculation. Based on these estimates, the calculated “growth share” percentage equates to 6.25 percent (2,436 / 39,010). This growth share estimate is an important figure for use in the improvement fee cost basis calculation.

II.B. IMPROVEMENT FEE

An improvement fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the improvement fee cost basis (numerator).

II.B.1. Eligibility

A project’s eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users. Where possible, specific details about a project can provide an eligibility percentage. However, when this is not possible, projects can still be sorted into three broad categories.

The first category is for projects that do not provide system capacity for future users. Such projects may be purely replacement projects, or they may be solving a deficiency in the transportation system. Projects in this category are not eligible. The second category is for projects that are purely for future users, such as when a new local road is laid to provide for a new development. These projects are 100 percent eligible. Finally, projects that provide capacity that will be roughly equally shared between current and future users are eligible at the growth share percentage discussed in **Section II.A**, or 6.25 percent.

II.B.2. Improvement Fee Cost Basis

The project list for the transportation SDC is included in **Appendix A**. Each project has a project ID, name, timing, and total cost in 2023 dollars. This capital project list is derived directly from the City’s most recent Transportation System Plan (TSP) and from the City staff’s estimates of what projects can be completed in the planning horizon. As shown in **Appendix A**, the total cost of projects on the City’s transportation project list is \$62.0 million.

Each project was assigned an SDC eligibility percentage as described above. In the City’s case, each project was determined to be eligible at the growth share percentage of 6.25 percent. Each project

was also assigned an outside funding percentage. Projects on Highway 101 are anticipated to be about 80 percent funded by the Oregon Department of Transportation (ODOT), and 20 percent funded by the City. However, it was assumed that this outside funding would be applied to the ineligible portions of each project, and since the eligible portion is less than the remaining 20 percent of the project cost, no reduction in the eligible cost was made for ODOT funding. As shown in **Appendix A**, the total SDC eligible cost is \$3.9 million.

II.C. REIMBURSEMENT FEE

A reimbursement fee is the eligible cost of existing capacity in the system per unit of growth that such capacity will serve. Since we have already calculated growth (denominator) above, we will focus here on the reimbursement fee cost basis (numerator).

II.C.1. Reimbursement Fee Cost Basis

The City currently charges only an improvement fee to partially fund its transportation capital projects. Since 2016, the City has spent a total of \$634,524 from its improvement fee balances to construct transportation projects in the City. These SDC expenditures are broken out by year in **Exhibit 2.2** below.

Legally, improvement fees can only be spent on the capacity-expanding portion of capital projects. This means that each improvement fee dollar spent represents some amount of available capacity in the system. Assuming a conservative absorption rate of 5 percent of available capacity per year, projects completed in 2016 have 60 percent of their capacity remaining. Projects completed in each subsequent year have 5 percent more of their original capacity remaining. Based on the list of expenditures by year in **Exhibit 2.2** below, that means that the City has an estimated \$558,834 of available capacity in its transportation system that is eligible for inclusion in a reimbursement fee.

Exhibit 2.2 – Reimbursement Fee Cost Basis

Year	SDC Expenditures	Estimated Capacity		Eligible Costs
			Remaining	
2016	\$ 12,170	60%	\$	7,302
2017	4,204	65%		2,733
2018	14,872	70%		10,410
2019	56,728	75%		42,546
2020	-	80%		-
2021	23,852	85%		20,274
2022	419,878	90%		377,890
2023	102,820	95%		97,679
Total	\$ 634,524		\$	558,834

Source: City staff

II.D. CALCULATED SDC

This section calculates the transportation SDC using the growth, improvement fee cost basis, and reimbursement fee cost basis discussed above. The resulting SDC per PM peak hour person trip can then be applied to new developments by land use using the schedule provided in **Appendix B**.

II.D.1. Adjustments

The City estimates that it has \$444,198 in its improvement fee fund balance as of June 30, 2023. Unspent improvement fees represent unfinished projects on the City's previous transportation SDC project list. To avoid the risk of double-charging for unfinished projects on the City's previous project list, this outstanding fund balance is removed from the improvement fee cost basis. Therefore, the adjusted improvement fee cost basis is \$3,431,039.

ORS 223.307(5) authorizes the expenditure of SDCs on "the costs of complying with the provisions of ORS 223.297 to 223.316, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures." To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report also includes compliance costs as a separate cost basis. This cost basis is calculated based on the cost of the SDC methodology, once every five years for the full 12 years of the planning horizon, for a total of \$40,670.

II.D.2. Calculated SDC

The table in **Exhibit 2.3** below shows the fully calculated transportation SDC.

Exhibit 2.3 – Calculated Transportation SDC

Calculated SDC	
Cost Basis:	
Improvement Fee	\$ 3,875,237
Estimated Improvement Fee Fund Balance	(444,198)
Reimbursement Fee	558,834
Compliance Costs	40,670
Total Cost Basis	\$ 4,030,543
Growth in PM Peak Hour Person Trip Ends	2,436
Improvement Fee per PM Peak Hour Person Trip End	\$ 1,408
Reimbursement Fee per PM Peak Hour Person Trip End	229
Compliance Fee per PM Peak Hour Person Trip End	17
Total SDC per PM Peak Hour Person Trip End	\$ 1,654

Source: Previous tables

As shown above, the maximum allowable transportation SDC is \$1,654 per PM peak hour person trip end. Based on the Institute of Transportation Engineer's (ITE's) *Trip Generation Manual*, 11th Edition, and based on the conversion from vehicle trip ends to person trip ends discussed in **Section II.A.2**, the resulting charge is \$2,618 per single-family dwelling unit. A full schedule of transportation SDCs based on the *Trip Generation Manual*, 11th Edition is provided in Appendix B.

Section III. PARKS SDC ANALYSIS

This section provides the detailed calculations of the maximum allowable parks SDC.

III.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the SDC calculations.

III.A.1. Unit of Measurement

A good unit of measurement allows an agency to quantify the incremental demand of development or redevelopment that creates additional demand for park facilities. A better unit of measurement allows an agency to distinguish different levels of demand added by different kinds of development or redevelopment.

For parks SDCs, demand that can be attributed to individual developments is usually measured in the number of people who will use the parks system. For residential developments, the number of people means the number of residents. We use data from the U. S. Census Bureau to estimate the number of residents for different kinds of dwelling units. For non-residential developments, the number of people means the number of employees. We use industry data to estimate the number employees per square foot for different kinds of non-residential developments. Finally, overnight lodging visitors in Lincoln City also require capacity in the City's park system at a level like that of a resident. We use industry data to estimate the number of overnight lodging visitors generated by developments in the City.

When an agency chooses to impose a parks SDC on both residential, non-residential, and lodging developments, the demand of one additional resident must be carefully distinguished from the demand of one additional employee. This is usually accomplished by the calculation of a residential equivalent. One resident or overnight lodging visitor is equal to one residential equivalent, and one employee is typically less than one residential equivalent.

III.A.2. Demand Adjustment for Employees

To charge the parks SDC to non-residential developments for their employees' use of the parks system, we must estimate both (1) how available employees are to use parks facilities and (2) how that availability differs from residential occupants (i.e., residents).

The calculation begins with the most recent counts for population and employment in Lincoln City. As shown in **Exhibit 3.1** below, in 2020 (the most recent year for which both population and employment data were available), 9,671 residents lived in Lincoln City, according to Portland State University's (PSU's) Population Research Center. According to the Census Bureau, 4,285 employees

worked in Lincoln City for their primary occupation. Of these, 1,665 people both lived and worked in Lincoln City.

Exhibit 3.1 – 2020 Population and Employment in Lincoln City

Population and Employment, 2020	Living Inside Lincoln City	Living Outside Lincoln City	Total
Working Inside Lincoln City	1,665	2,620	4,285
Working Outside Lincoln City	2,398		
Not Working	5,608		
Total	9,671		

Source: U.S. Census Bureau, OnTheMap Application, 2020 Inflow/Outflow analysis (primary jobs), PSU Population Research Center

Next, we estimate the number of hours per week that each category of person would be available to use the parks facilities in Lincoln City. **Exhibit 3.2** below shows an estimate of maximum availability. It assumes that 8 hours each day are used for sleeping for all residents of the City. For those who are not working, the remaining 16 hours of each day are available for use of the parks system, giving a total of 112 hours per week of parks system availability. For workers, 8 hours of each day are assumed to be spent at work, which leaves the remaining 8 hours per weekday available for residential use of the parks system. In addition, workers have 16 hours of residential demand each weekend day, for a total of 72 hours per week of residential demand. During work, 1 hour is assumed to be available for workers to use the parks system, giving 5 hours per week of non-residential demand. These estimates are not of actual use, but maximum availability.

Exhibit 3.2 – Maximum Parks Availability Estimates by Category of Parks User

Hours per Week of Park Availability Per Person, Residential Demand	Living Inside Lincoln City
Working Inside Lincoln City	72
Working Outside Lincoln City	72
Not Working	112

Source: FCS GROUP.

Hours per Week of Park Availability Per Person, Non-Residential	Living Inside Lincoln City	Living Outside Lincoln City
Working Inside Lincoln City	5	5
Working Outside Lincoln City		
Not Working		

Source: FCS GROUP.

When the hours of availability above are multiplied by the counts presented earlier, we can determine the relative demand of residents and employees. As shown in **Exhibit 3.3** below, the parks demand of one employee is equivalent to the parks demand of about 0.05 resident. To put it another way, the parks demand of one resident is equivalent to the parks demand of 19.04 employees.

Exhibit 3.3 – Total Hours per Week of Park Availability

Total Hours per Week of Park Availability, 2020	Residential hours	Non-residential hours	Total Hours
Working Inside Lincoln City	119,880	21,425	141,305
Working Outside Lincoln City	172,656		172,656
Not Working	628,092		628,092
Total	920,628	21,425	942,053
Hours per resident	95		
Hours per employee		5	
Residents per employee			0.05

Source: Previous tables

III.A.3. Overnight Lodging Visitors

We assume that the demand for the parks system generated by an overnight lodging visitor is equivalent to the demand generated by a resident. This is likely a conservative assumption, as in Lincoln City’s case, most of the overnight lodging visitors are there for leisure reasons and therefore would likely present more demand on the parks system than residents, many of whom must also work.

According to the City’s transient room tax data, there are an estimated 1,994 lodging rooms in Lincoln City as of 2023. According to Smith Travel Research’s 2022 report, these lodging rooms are occupied on average 63.7 percent of the time. Further, according to the Dean Runyan Associates report on overnight visitors, the average party size for an overnight lodging room in Lincoln City is 2.60. The estimated average number of overnight lodging visitors in 2023 is the product of all three numbers, or 3,302. This calculation is shown in **Exhibit 3.4** below.

Exhibit 3.4 – Overnight Lodging Visitors in Lincoln City

Lodging to Overnight Visitor Conversion	
Total Number of Lodging Rooms	1,994
Average Occupancy Rate	63.7%
Average Party Size	2.60
Average Overnight Lodging Visitors (per day)	3,302

Source: City staff (total number of lodging rooms); Smith Travel Research report for 2022 (average occupancy rate); Dean Runyan Associates report on Overnight Visitors, 2022 (average party size)

III.A.4. Growth in Demand

The current (2023) population is 10,189 residents. During the forecast period from 2023 to 2043, the population is expected to grow by 688 residents to a total of 10,877 residents (based on the PSU Population Research Center’s estimates). If the number of employees grows proportionately to the population, that means there will be 305 new employees added in that same period, or 16 residential-equivalent employees. Similarly, if the number of overnight lodging visitors grows proportionately, 223 overnight lodging visitors will be added in the same period. That means that a total of 927 new residential equivalents will be added between 2023 and 2043, which is the denominator of the parks SDC calculation. These calculations are summarized in **Exhibit 3.5** below.

Exhibit 3.5 – Growth in Parks Demand in Lincoln City

Type of System User	2023	2043	2023-2043 Growth	2023-2042 Growth Share
A Residents	10,189	10,877	688	6.51%
Non-Residential Demand				
Employees	4,515	4,819	305	6.51%
B Residential-Equivalent Employees	237	253	16	6.51%
Visitors per Day				
C Overnight Lodging Visitors	3,302	3,525	223	6.51%
Total System Users (A+B+C)	13,729	14,656	927	6.51%

Source: Previous tables, PSU Population Research Center

III.B. IMPROVEMENT FEE

An improvement fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the improvement fee cost basis (numerator).

III.B.1. Eligibility

A project’s eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users.

For parks SDCs, we determine eligibility by a level-of-service analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in an improvement fee cost basis). Park facilities can be measured by sorting them into categories such as neighborhood, mini parks, or open space, or by considering their respective units of measurement (such as “acres of park land”). Further, in either approach, the current or future level of service may be targeted. These two separate choices create four distinct and equally defensible ways of calculating the eligibility percentage of each project.

Each method will be examined in the sections below.

III.B.1.a Current Level of Service (By Category and Unit of Measurement)

Determining SDC eligibility for parks projects using the current level of service requires determining the quantity of parks facilities needed to maintain the current level of service. Any projects that add facilities in excess of that quantity are ineligible.

The City has five relevant parks categories for determining its level of service by category. These are shown in the upper panel of the first column in **Exhibit 3.6**. Each category receives its own level of service. Using neighborhood parks as an example, the City currently has 17.06 acres of neighborhood parks. Using the 2023 population discussed above, this implies that there is 1.67 acres of neighborhood parks per 1,000 residents. The parks project list, when completed, will add 10.61 acres of neighborhood parks. Based on the 2043 population and the current level of service, only 0.63 additional acres of neighborhood parks are needed. So, only 5.93 percent of the City’s neighborhood parks projects are eligible under the current level of service by category.

The same line of reasoning is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement also follows the same approach. The eligibility percentage for each parks category or unit of measurement is shown in the last column of **Exhibit 3.6**.

Exhibit 3.6 – Parks SDC Eligibility under the Current Level of Service

Inventory and Eligibility					Current LoS	
	Units	2023 Quantity	2023 Units per 1,000 Residents	Net Change in Quantity	Additional Needed to Maintain LoS	Eligibility
By Category:						
Mini Park	Acres	2.55	0.25	-	0.09	0.00%
Neighborhood Park	Acres	17.06	1.67	10.61	0.63	5.93%
Special Use Area	Acres	54.89	5.39	0.23	2.02	100.00%
Open Space	Acres	502.80	49.35	14.23	18.53	100.00%
Public Restroom	Number	11.00	1.08	1.00	0.41	40.54%
By Unit of Measurement:						
Acres of Parks and Natural Areas	Acres	577.30	56.66	25.07	21.28	84.88%
Number of Public Restrooms	Number	11.00	1.08	1.00	0.41	40.54%

Source: City staff

III.B.1.b Future Level of Service (By Category and Unit of Measurement)

To determine SDC eligibility using the future level of service, the proposed additional quantity of parks facilities is added to the current quantity of parks facilities. Using the future population, a future level of service is then calculated. Then, that level of service is compared to the current parks system to determine if any deficiencies exist. Only the portions of parks projects that do not cure existing deficiencies are considered eligible for the improvement fee cost basis under this method.

As in the previous section, calculating SDC eligibility based on future level of service can be done both when measuring parks facilities by category and when measuring by unit of measurement. **Exhibit 3.7** below outlines both methods using the future level of service. Using neighborhood parks as an example, the City currently has 17.06 acres of neighborhood parks. The parks project list, when completed, will add 10.61 acres of neighborhood parks. This results in a future level of service of 2.62 acres of neighborhood parks per 1,000 residents in 2043. If that level of service were applied to the 2023 population, a minimum of 26.69 acres would be needed. However, there are currently 17.06 acres of neighborhood parks. Thus, 9.63 acres must be added to cure the deficiency in the neighborhood parks category. So, only the remaining 0.98 acres added by the project list, or 9.27 percent of neighborhood parks projects, are eligible for inclusion in the improvement fee cost basis under this method.

The same approach is used to develop the eligibility percentages for other parks categories. Further, calculating eligibility using level of service by unit of measurement follows the same logic. The eligibility percentage for each parks category or unit of measurement is shown in the “Eligibility” column of **Exhibit 3.7** below.

When calculating an SDC based on the future level of service, it is possible that there may be park facilities eligible for inclusion in a reimbursement fee. This occurs when the future level of service for a parks category or unit of measurement is lower than the current level of service. If this is the

case, then it follows that the parks system has available capacity in its parks facilities. The final column of **Exhibit 3.7**, “Reimbursable Quantity,” shows the reimbursable quantity of parks facilities by category and unit of measurement.

Exhibit 3.7 – Parks SDC Eligibility under the Future Level of Service

Inventory and Eligibility					Future LoS			
	Units	2023 Quantity	2023 Units per 1,000 Residents	Net Change in Quantity	2033 Units per 1,000 Residents	2023 Minimum Quantity	Eligibility	Reimbursable Quantity
By Category:								
Mini Park	Acres	2.55	0.25	-	0.24	2.46	0.00%	0.09
Neighborhood Park	Acres	17.06	1.67	10.61	2.62	26.69	9.27%	-
Special Use Area	Acres	54.89	5.39	0.23	5.22	53.16	100.00%	1.73
Open Space	Acres	502.80	49.35	14.23	48.94	498.65	100.00%	4.15
Public Restroom	Number	11.00	1.08	1.00	1.14	11.57	42.66%	-
By Unit of Measurement:								
Acres of Parks and Natural Areas	Acres	577.30	56.66	25.07	57.02	580.96	85.41%	-
Number of Public Restrooms	Number	11.00	1.08	1.00	1.14	11.57	42.66%	-

Source: City staff

III.B.2. Expansion Projects

The first of the City’s two project lists includes projects that will expand the quantified capacity of the parks system and are therefore subject to the eligibility calculations described above. These projects are listed in **Exhibit 3.8**.

Exhibit 3.8 – Expansion List

#	Project Name	Project Category	Project Timing	Project Cost	Eligibility (Future by Unit)	Eligible Cost
12	Nesika Park 600 SE Keel Ave.	Neighborhood Park	2034-2043	\$ 2,000,000	85.41%	\$ 1,708,274
18A	New Park - in process 1545 SE 50th	Neighborhood Park	2024-2029	10,403,270	85.41%	8,885,819
18B	New Park - in process 1545 SE 50th	Open Space	2024-2029	596,730	85.41%	509,689
19	Vic Hill Park SW 7th & Galley Ave	Special Use Area	2034-2043	500,000	85.41%	427,069
20	Villages Protected Areas NE Devils Lake BLVD	Open Space	2034-2043	300,000	85.41%	256,241
48	SW 50th Street	Public Restroom	2034-2043	400,000	42.66%	170,632
Total				\$ 14,200,000		\$ 11,957,725

Source: City staff

III.B.3. Infill Projects

The second of the City’s two project lists includes projects that will not expand the quantified capacity of the parks system by adding acres but that will nevertheless add capacity for future users by adding amenities. As shown in **Exhibit 3.9** below, this project list has a total cost of \$20.7 million. Each project is assigned one of two eligibility percentages: zero percent if the project is for repair or replacement of existing assets, and 6.51 percent if the project adds new amenities. That 6.51 percent represents the share of total future users in 2043 who are not yet users now. The result is that existing users and future users share the cost proportionately. The total eligible cost of the infill list is \$963,473.

Exhibit 3.9 – Infill List

#	Project Name	Project Timing	Project Cost	SDC Eligibility	SDC-Eligible Costs
1	Beach Street LookoutSW Beach Ave	2024-2033	\$ 15,000	6.51%	\$ 976
2	Canyon Drive Park & Restroom + Roosevelt Park	2034-2043	500,000	0.00%	-
3	Community Center Dog Park, Outdoor Basketball Park & Corn Hole Park 2150 NE Oar Place	2034-2043	800,000	6.51%	52,080
4	Community Garden Oceanlake1636 NW 21st St	2024-2033	20,000	6.51%	1,302
5	Community Garden Taft SE Inlet & SE Jetty Ave.	2024-2033	20,000	6.51%	1,302
6	Dorchester Park & Restroom	2024-2033	350,000	0.00%	-
7	Holmes Road Park & Restroom	2034-2043	500,000	0.00%	-
8	Josephine Young Memorial Park & Restroom	2034-2043	500,000	0.00%	-
9	Kids Park - Fleet St Park	2024-2033	1,000,000	6.51%	65,100
10	Kirtsis Park & RestroomNE 22nd Street	2024-2029	2,500,000	6.51%	162,749
11	Lincoln City Skate ParkNE 22nd Street	2034-2043	1,000,000	6.51%	65,100
13	Regatta Park & RestroomNE 14th Street	2024-2029	2,000,000	6.51%	130,199
14	Sandpoint Park & Restroom2921 NE Loop Dr., off E Devils Lake Road	2034-2043	250,000	0.00%	-
15	Siletz Bay Park & RestroomSW 52nd & Hwy 101	2024-2033	250,000	0.00%	-
16	SprintSE Inlet Ave & HWY 101 Taft district	2034-2043	250,000	0.00%	-
17	Taft Bayfront ParkSW 51st St.	2034-2043	1,500,000	6.51%	97,649
21	Wecoma Beach Park & Restroom3200 NW Jetty Ave.	2034-2043	1,500,000	6.51%	97,649
22	Microstop of NE 17th	2024-2033	10,000	6.51%	651
23	Agnes Creek North and South w/ trailsSW Bard Rd.	2024-2033	100,000	6.51%	6,510
24	Cutler City Wetlands w/ trailsSW 63rd	2024-2033	200,000	6.51%	13,020
25	Friends of the Wildwood w/ trailsNE 26th St. & West Devils Lake Rd.	2024-2033	150,000	0.00%	-
26	Regatta trailsNE 14th Street	2024-2033	100,000	0.00%	-
27	Seid Creek w/ trailsSE East Devils Lake Rd.	N/A	-	0.00%	-
28	Spring Lake w/ trailsNE 14th Street	2024-2033	150,000	6.51%	9,765
29	Spyglass w/ trailsSE Spyglass Ridge Drive	2024-2033	150,000	6.51%	9,765
30	The Knoll w/ trailsTrailhead: NE Devil Lake Blvd	2024-2033	200,000	6.51%	13,020
31	Community Center 2150 NE Oar Place	2034-2043	3,000,000	6.51%	195,299
32	NW 5th Street	2034-2043	300,000	0.00%	-
33	1124 NW 15th Street & Restroom	2034-2043	150,000	0.00%	-
34	NW 21st Street	2024-2033	100,000	0.00%	-
35	NW 26th Street & Restroom	2024-2033	50,000	0.00%	-
36	NW 34th Court	2034-2043	150,000	0.00%	-
37	NW 37th Street	2034-2043	100,000	0.00%	-
38	NW 40th Street	2024-2033	50,000	6.51%	3,255
39	NW 41st Street	2034-2043	100,000	6.51%	6,510
40	NW 50th Street	2034-2043	100,000	0.00%	-
41	NW 64th Street	2024-2033	50,000	6.51%	3,255
42	NW 66th Street	2034-2043	100,000	0.00%	-
43	NW 68th Street	2024-2033	5,000	6.51%	325
44	NW 73rdStreet	2024-2033	75,000	0.00%	-
45	SW 33rd Street	2024-2033	50,000	6.51%	3,255
46	SW 35th Street	2024-2033	50,000	0.00%	-
47	SW 44th Street	2024-2033	50,000	0.00%	-
49	SW 62nd Street	2034-2043	100,000	6.51%	6,510
50	SW 66th Street	2024-2033	10,000	6.51%	651
51	SW 68th Street	2034-2043	60,000	6.51%	3,906
52	SW 69th Street	2024-2033	10,000	6.51%	651
53	NW 17th St.	2024-2029	400,000	0.00%	-
54	SW 32nd	2034-2043	400,000	0.00%	-
55	SW 50th	2034-2043	400,000	0.00%	-
56	SW 51ST Street	2034-2043	200,000	6.51%	13,020
57	Charging station at 1226 SW 50th St.	2024-2029	300,000	0.00%	-
58	1601 NE 15th St.	2024-2029	300,000	0.00%	-
Total			\$ 20,675,000		\$ 963,473

Source: City staff

III.B.4. Calculated Improvement Fee Cost Basis

After determining the costs dedicated to expanding capacity on each of the two lists (expansion and infill), the improvement fee cost basis is calculated by multiplying those costs by their respective eligibility percentages. As discussed above, eligibility for capacity-expanding costs on the expansion list were determined through level-of-service calculations. Projects on the infill list were assigned the growth share percentage if they added amenities to existing parks and assigned zero percent if they were for repair or replacement.

As shown in **Exhibit 3.10** below, the total improvement fee cost basis ranges from \$3.3 million under the current level of service by category, up to \$12.9 million under the future level of service by unit of measurement.

Exhibit 3.10 – Improvement Fee Cost Basis

Improvement Fee Cost Basis	Cost	Current LoS		Future LoS	
		Eligibility	Eligible Cost	Eligibility	Eligible Cost
By Category					
Mini Park	\$ -	0.00%	\$ -	0.00%	\$ -
Neighborhood Park	12,403,270	5.93%	735,086	9.27%	1,149,870
Special Use Area	500,000	100.00%	500,000	100.00%	500,000
Open Space	896,730	100.00%	896,730	100.00%	896,730
Public Restroom	400,000	40.54%	162,178	42.66%	170,632
Expansion Projects Total	\$ 14,200,000		\$ 2,293,993		\$ 2,717,232
Infill Projects	20,675,000		963,473		963,473
Total	\$ 34,875,000		\$ 3,257,467		\$ 3,680,705
By Unit of Measurement					
Acres of Parks and Natural Areas	\$ 13,800,000	84.88%	\$ 11,712,900	85.41%	\$ 11,787,093
Number of Public Restrooms	400,000	40.54%	162,178	42.66%	170,632
Expansion Projects Total	\$ 14,200,000		\$ 11,875,078		\$ 11,957,725
Infill Projects	20,675,000		963,473		963,473
Total	\$ 34,875,000		\$ 12,838,551		\$ 12,921,198

Source: Previous tables

Since all methods are equally valid, this table also shows that the City can fund at most 85.41 percent of projects adding acreage and 42.66 percent of projects adding public restrooms from its parks SDC. The maximum funding percentages for the infill projects are shown per project on **Exhibit 3.9**.

III.C. CALCULATED SDC

Because the necessary data was not readily available, a reimbursement fee was not calculated for the parks SDC. This section combines the eligible costs from the two project lists and applies adjustments for fund balance and compliance costs. The result is a total SDC per resident, which can then be applied to new developments using the schedule provided in **Section III.C.3**.

III.C.1. Adjustments

The City estimates that it has \$771,085 in its improvement fee fund balance as of June 30, 2023. Unspent improvement fees represent unfinished projects on the City’s previous parks SDC project list. To avoid the risk of double-charging for unfinished projects on the City’s previous project list, this outstanding fund balance is removed from the improvement fee cost basis.

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.316, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report also includes compliance costs as a separate cost basis. This cost basis is calculated based on the cost of the SDC methodology, once every five years for the full 20 years of the planning horizon, for a total of \$81,340.

III.C.2. Calculated Parks SDC

The table in **Exhibit 3.11** below shows the fully calculated parks SDC by level-of-service approach.

Table 3.11 – Calculated SDC

Calculated SDC	Current by Category		Future by Category	
			Current by Unit	Future by Unit
Cost Basis:				
Improvement Fee	\$ 3,257,467	\$ 3,680,705	\$ 12,838,551	\$ 12,921,198
Estimated Improvement Fee Fund Balance	(771,085)	(771,085)	(771,085)	(771,085)
Compliance Costs	81,340	81,340	81,340	81,340
Total Cost Basis	\$ 2,567,722	\$ 2,990,960	\$ 12,148,806	\$ 12,231,453
Growth in Residential Equivalents				
	927	927	927	927
Improvement Fee per Residential Equivalent	\$ 2,683	\$ 3,140	\$ 13,022	\$ 13,111
Compliance Fee per Residential Equivalent	88	88	88	88
Total SDC per Residential Equivalent	\$ 2,771	\$ 3,228	\$ 13,110	\$ 13,199

Source: Previous tables

As shown above, the maximum allowable charge is \$13,199 per residential equivalent under the future level of service by unit of measurement.

III.C.3. Parks SDC Schedule

The calculated parks SDC per residential equivalent shown in **Section III.C.2** can be applied to the City’s residential and lodging developments using the schedule shown in **Exhibit 3.12** below. The residential equivalents per dwelling unit is based on Census data which can be used to calculate the average number of occupants per dwelling unit. The residential equivalents per lodging unit of 1.66 is the product of the occupancy rate of 63.70 percent and the average party size of 2.60 as discussed in **Section II.A.3**.

Exhibit 3.12 – Parks SDC Schedule

Fee Schedule:	Residential equivalents	Parks SDC per Unit
Dwelling unit	1.37	\$18,092
Lodging unit	1.66	\$21,860
Employee	0.05	\$693

Source: US Census Bureau American Community Survey, Tables B25024 and B25033 (fee per dwelling unit); previous tables (other fees)

The charge shown per employee above is based on the calculation in **Section II.A.2** and should be charged using **Exhibit 3.13**.

Exhibit 3.13 – Parks SDC Schedule for Non-residential Land Uses

	Industry Grouping (SIC)	Square Feet per Employee	Employees per 1,000 Square Feet	Parks SDC per 1,000 Square Feet
Ag., Fish & Forest Services; Constr.; Mining	1-19	590	1.695	\$1,175
Food & Kindred Projects	20	630	1.587	\$1,100
Textile & Apparel	22, 23	930	1.075	\$745
Lumber & Wood	24	640	1.563	\$1,083
Furniture; Clay, Stone & Glass; Misc.	25, 32, 39	760	1.316	\$912
Paper & Allied	26	1,600	0.625	\$433
Printing, Publishing & Allied	27	450	2.222	\$1,541
Chemicals, Petroleum, Rubber, Leather	28-31	720	1.389	\$963
Primary & Fabricated Metals	33, 34	420	2.381	\$1,651
Machinery Equipment	35	300	3.333	\$2,311
Electrical Machinery, Equipment	36, 38	400	2.500	\$1,733
Transportation Equipment	37	700	1.429	\$990
TCPU--Transportation and Warehousing	40-42, 44, 45, 47	3,290	0.304	\$211
TCPU--Communications and Public Utilities	43, 46, 48, 49	460	2.174	\$1,507
Wholesale Trade	50, 51	1,390	0.719	\$499
Retail Trade	52-59	470	2.128	\$1,475
Finance, Insurance & Real Estate	60-68	370	2.703	\$1,874
Non-Health Services	70-79	770	1.299	\$900
Health Services	80	350	2.857	\$1,981
Educational, Social, Membership Services	81-89	740	1.351	\$937
Government	90-99	530	1.887	\$1,308

Source: Metro, "1999 Employment Density Study," Table 4.

Section IV. IMPLEMENTATION

This section addresses practical aspects of implementing SDCs.

IV.A. INDEXING

ORS 223.304 allows for the periodic indexing of SDCs for inflation, as long as the index used is:

- (A) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;
- (B) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and
- (C) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution or order.

We recommend that the City use the *Engineering News-Record (ENR) Construction Cost Index (CCI) 20-City Average* as the basis for adjusting SDCs annually. The most recent value of that index (as of the time of this report’s writing) is the January 2024 value of 13,515.02.

IV.B. COMPARISONS

This section provides comparisons for the City’s current and proposed SDCs against those of comparable jurisdictions.

As shown in **Exhibit 4.1**, if the City adopted the calculated transportation SDC at its full level, it would still have a low transportation SDC relative to comparable jurisdictions.

Exhibit 4.1 – Comparison of Transportation SDCs per Single Family Dwelling Unit

City	Transportation SDC per SFR
Independence	\$ 8,002
Monmouth	4,989
Newport*	3,611
Depoe Bay	3,483
Lincoln City (Maximum)	2,618
Florence	1,104
Lincoln City (Current)	915
Cannon Beach	-
Tillamook	-

Source: FCS GROUP Survey, 1/8/2024

*Assumes a 2,500 square foot house

As shown in **Exhibit 4.2**, if the City adopted the calculated parks SDC at its full level, it would have the highest parks SDC per single-family dwelling unit of its comparable jurisdictions.

Exhibit 4.2 – Comparison of Parks SDCs per Single Family Dwelling Unit

City	Parks SDC per SFR
Lincoln City (Maximum)	\$ 18,092
Independence	5,190
Monmouth	2,660
Lincoln City (Current)	2,632
Newport*	1,525
Cannon Beach	1,180
Depoe Bay	771
Florence	-
Tillamook	-

Source: FCS GROUP Survey, 1/8/2024

*Assumes a 2,500 square foot house

APPENDIX A: TRANSPORTATION SDC

PROJECT LIST

#	Project Name	Project Timing	Project Cost	SDC Eligibility	SDC Percentage	Outside Funding	SDC-Eligible Cost
1	SW 49th Place Sidewalk Replacement	2027-2030	\$ 800,000	6.25%	0%	0%	\$ 49,967
2	NE 36th Street Sidewalk from Hwy 101 to NW Surf	2031-2035	850,000	6.25%	0%	0%	53,090
3	NE Holmes Road Sidewalk / Path	2031-2035	780,000	6.25%	0%	0%	48,718
4	Sidewalks Improvement NW Jetty from NW 30th to NW 21st, and NW 30th, NE 28th from Hwy 101 to Jetty	2027-2030	2,100,000	6.25%	0%	0%	131,163
5	Sidewalk Improvement NW Jetty from NW 21st to NW 17th St.	2027-2030	850,000	6.25%	0%	0%	53,090
6	Sidewalk Improvement NW Jetty from NW 30th to NW 39th and NW 19th from Jetty to Hwy 101	2027-2030	1,575,000	6.25%	0%	0%	98,372
7	Logan Road Sidewalks from NW Port to north end of Logan Road. Overlay Logan Rd.	2027-2030	3,400,000	6.25%	0%	0%	212,359
8	Sidewalks Improvement SE Neptune Ave. from Approx. SE 5th to SE 8th, and SE 8th to SE Oar Ave.	2023-2026	780,000	6.25%	0%	0%	48,718
9	Sidewalk Improvement SW Coast from SW 12th to SW Bard Road	2023-2026	2,100,000	6.25%	0%	0%	131,163
10	Sidewalk Improvement SW Anchor and SW Beach from Bard Rd. to SE 35th St.	2031-2035	1,575,000	6.25%	0%	0%	98,372
11	Sidewalk Improvement SE 51st Street from Hwy 101 to SW 48th Place	2023-2026	550,000	6.25%	0%	0%	34,352
12	Sidewalk Improvement NW 14th from Hwy 101 to NW Harbor and NW Harbor from NW 14th to NW 12th	2027-2030	1,075,000	6.25%	0%	0%	67,143
13	Sidewalk Improvement from SW 9th Street to SW 19th Street and Galley	2023-2026	1,550,000	6.25%	0%	0%	96,811
14	Sidewalk Improvements from SW Bard Road from end of pavement to SW Coast	2031-2035	1,350,000	6.25%	0%	0%	84,319
15	Sidewalk Improvement on SW Canyon Drive	2023-2026	4,500,000	6.25%	0%	0%	281,063
16	Head to Bay Trail - Regatta Park to NE 22nd Street	2023-2026	2,100,000	6.25%	0%	0%	131,163
17	Head to Bay Trail - NE 14th Street to NE 6th Street through SE Oar and SE Mast	2023-2026	2,100,000	6.25%	0%	0%	131,163
18	Head to Bay Trail - 1st Street to SW 9th Street	2031-2035	2,600,000	6.25%	0%	0%	162,392
19	Head to Bay Trail - SW 9th Street to SW Coast Ave.	2031-2035	3,300,000	6.25%	0%	0%	206,113
20	Head to Bay Trail - SW 24th Street to SW 35th Street	2027-2030	1,900,000	6.25%	0%	0%	118,671
21	Head to Bay Trail - SW 35th Street to SW 51st Street.	2027-2030	3,650,000	6.25%	0%	0%	227,973
22	Hwy 101 Approaches	2023-2026	660,000	6.25%	80%	80%	41,223
23	N Hwy 101 WDLR to Logan Road	2023-2026	6,500,000	6.25%	80%	80%	405,980
24	N Hwy 101 NE 36th to NE Holmes Rd.	2023-2026	2,200,000	6.25%	80%	80%	137,409
25	N Hwy 101 NE Holmes Road to NE 25th.	2027-2030	2,200,000	6.25%	80%	80%	137,409
26	S Hwy 101 from SW 19th to SW 23rd.	2027-2030	3,300,000	6.25%	80%	80%	206,113
27	S Hwy 101 from SE 32nd to High School Drive	2027-2030	3,300,000	6.25%	80%	80%	206,113
28	S Hwy 101 from SW 35th to Inn	2031-2035	4,400,000	6.25%	80%	80%	274,817
Total			\$62,045,000				\$ 3,875,237

Source: City staff

APPENDIX B: TRANSPORTATION SDC

SCHEDULE

	ITE		PM Peak Hour	Pass-by Trip	Person Trip	New PM Peak	Transportation
	Code	Unit of Measure	Vehicle Trip Ends	Reduction Factor	Conversion Factor	Hour Person Trip Ends	
General Light Industrial	110	1,000 SFGFA	0.65	1.00	1.68	1.09	\$1,810
Industrial Park	130	1,000 SFGFA	0.34	1.00	1.68	0.57	\$947
Manufacturing	140	1,000 SFGFA	0.74	1.00	1.68	1.25	\$2,061
Warehousing	150	1,000 SFGFA	0.18	1.00	1.68	0.30	\$501
Mini-Warehouse	151	1,000 SFGFA	0.15	1.00	1.68	0.25	\$418
Utility	170	1,000 SFGFA	2.16	1.00	1.68	3.64	\$6,016
Specialty Trade Contractor	180	1,000 SFGFA	1.93	1.00	1.68	3.25	\$5,376
Single-Family Detached Housing	210	Dwelling Units	0.94	1.00	1.68	1.58	\$2,618
Multifamily Housing (Low-Rise, not close to rail tra	220	Dwelling Units	0.51	1.00	0.95	0.48	\$798
Multifamily Housing (Mid-Rise, not close to rail tra	221	Dwelling Units	0.39	1.00	1.18	0.46	\$762
Mobile Home Park	240	Dwelling Units	0.58	1.00	1.68	0.98	\$1,616
Senior Adult Housing - Detached	251	Dwelling Units	0.30	1.00	1.68	0.51	\$836
Senior Adult Housing - Attached	252	Dwelling Units	0.25	1.00	1.68	0.42	\$696
Congregate Care Facility	253	Dwelling Units	0.18	1.00	2.44	0.44	\$728
Assisted Living	254	1,000 SFGFA	0.48	1.00	1.68	0.81	\$1,337
Recreational Homes	260	Dwelling Units	0.29	1.00	1.68	0.49	\$808
Timeshare	265	Dwelling Units	0.63	1.00	1.68	1.06	\$1,755
Residential Planned Unit Development	270	Dwelling Units	0.69	1.00	1.68	1.16	\$1,922
Hotel	310	Rooms	0.59	1.00	1.68	0.99	\$1,643
Motel	320	Rooms	0.36	1.00	1.68	0.61	\$1,003
Campground/Recreational Vehicle Park	416	Acres	0.48	1.00	1.68	0.81	\$1,337
Multipurpose Recreational Facility	435	1,000 SFGFA	3.58	1.00	1.68	6.03	\$9,972
Multiplex Movie Theater	445	Movie Screens	13.96	1.00	1.68	23.51	\$38,884
Ice Skating Rink	465	1,000 SFGFA	0.17	1.00	1.68	0.29	\$474
Soccer Complex	488	Fields	16.43	1.00	1.68	27.66	\$45,764
Health/Fitness Club	492	1,000 SFGFA	3.45	1.00	1.68	5.81	\$9,610
Recreational Community Center	495	1,000 SFGFA	2.50	1.00	1.51	3.78	\$6,248
Elementary School	520	1,000 SFGFA	0.16	1.00	1.68	0.27	\$446
Middle School/Junior High School	525	1,000 SFGFA	0.15	1.00	1.68	0.25	\$418
High School	530	1,000 SFGFA	0.14	1.00	1.68	0.24	\$390
Junior/Community College	540	1,000 SFGFA	0.11	1.00	1.68	0.19	\$306
Church	560	1,000 SFGFA	0.49	1.00	1.68	0.83	\$1,365
Day Care Center	565	1,000 SFGFA	11.12	0.56	1.68	10.49	\$17,345
Prison	571	Beds	0.08	1.00	1.68	0.13	\$223
Fire and Rescue Station	575	1,000 SFGFA	0.48	1.00	1.68	0.81	\$1,337
Library	590	1,000 SFGFA	8.16	1.00	1.68	13.74	\$22,729
Hospital	610	1,000 SFGFA	0.86	1.00	1.67	1.44	\$2,376
Nursing Home	620	1,000 SFGFA	0.59	1.00	1.68	0.99	\$1,643
Clinic	630	1,000 SFGFA	3.69	1.00	2.48	9.17	\$15,167
Animal Hospital/Veterinary Clinic	640	1,000 SFGFA	3.53	1.00	1.68	5.94	\$9,832
General Office Building	710	1,000 SFGFA	1.44	1.00	1.30	1.88	\$3,107
Small Office Building	712	1,000 SFGFA	2.16	1.00	1.68	3.64	\$6,016
Single Tenant Office Building	715	1,000 SFGFA	1.76	1.00	1.68	2.96	\$4,902
Medical-Dental Office Building	720	1,000 SFGFA	3.93	1.00	1.14	4.50	\$7,441
Government Office Building	730	1,000 SFGFA	1.71	1.00	1.68	2.88	\$4,763
United States Post Office	732	1,000 SFGFA	11.21	1.00	1.68	18.87	\$31,224
Office Park	750	1,000 SFGFA	1.30	1.00	1.68	2.19	\$3,621
Research and Development Center	760	1,000 SFGFA	0.98	1.00	1.45	1.42	\$2,349
Business Park	770	1,000 SFGFA	1.22	1.00	1.68	2.05	\$3,398
Tractor Supply Store	810	1,000 SFGFA	1.40	1.00	1.68	2.36	\$3,900
Construction Equipment Rental Store	811	1,000 SFGFA	0.99	1.00	1.68	1.67	\$2,758
Building Materials and Lumber Store	812	1,000 SFGFA	2.25	1.00	1.68	3.79	\$6,267
Free-Standing Discount Superstore	813	1,000 SFGFA	4.33	0.71	1.68	5.18	\$8,563
Variety Store	814	1,000 SFGFA	6.70	0.66	1.68	7.45	\$12,317
Free-Standing Discount Store	815	1,000 SFGFA	4.86	0.80	1.68	6.55	\$10,829
Hardware/Paint Store	816	1,000 SFGFA	2.98	0.74	1.68	3.71	\$6,142

(continued)

	ITE		PM Peak Hour	Pass-by Trip	Person Trip	New PM Peak	Transportation
	Code	Unit of Measure	Vehicle Trip Ends	Reduction Factor	Conversion Factor	Hour Person Trip Ends	
Nursery (Garden Center)	817	1,000 SFGFA	6.94	1.00	1.68	11.69	\$19,330
Nursery (Wholesale)	818	1,000 SFGFA	5.24	1.00	1.68	8.82	\$14,595
Shopping Center	820	1,000 SFGFA	3.40	0.76	2.03	5.26	\$8,695
Factory Outlet Center	823	1,000 SFGFA	2.29	1.00	1.68	3.86	\$6,378
Automobile Sales (New)	840	1,000 SFGFA	2.42	1.00	2.11	5.11	\$8,451
Automobile Sales (Used)	841	1,000 SFGFA	3.75	1.00	1.68	6.31	\$10,445
Recreational Vehicle Sales	842	1,000 SFGFA	0.77	1.00	1.68	1.30	\$2,145
Automobile Parts Sales	843	1,000 SFGFA	4.90	0.57	1.68	4.70	\$7,780
Tire Store	848	1,000 SFGFA	3.75	0.75	1.68	4.74	\$7,834
Tire Superstore	849	1,000 SFGFA	2.11	1.00	1.68	3.55	\$5,877
Supermarket	850	1,000 SFGFA	8.95	0.76	2.88	19.61	\$32,441
Convenience Market	851	1,000 SFGFA	49.11	1.00	1.76	86.49	\$143,076
Discount Club	857	1,000 SFGFA	4.19	0.66	1.68	4.66	\$7,703
Wholesale Market	860	1,000 SFGFA	1.76	1.00	1.68	2.96	\$4,902
Sporting Goods Superstore	861	1,000 SFGFA	2.14	1.00	1.68	3.60	\$5,961
Home Improvement Superstore	862	1,000 SFGFA	2.29	0.58	2.03	2.70	\$4,460
Electronics Superstore	863	1,000 SFGFA	4.25	0.60	1.68	4.29	\$7,103
Toy/Children's Superstore	864	1,000 SFGFA	5.00	1.00	1.68	8.42	\$13,927
Baby Superstore	865	1,000 SFGFA	1.82	1.00	1.68	3.06	\$5,069
Pet Supply Superstore	866	1,000 SFGFA	3.55	1.00	1.68	5.98	\$9,888
Office Supply Superstore	867	1,000 SFGFA	2.77	1.00	1.68	4.66	\$7,715
Book Superstore	868	1,000 SFGFA	15.83	1.00	1.68	26.65	\$44,092
Discount Home Furnishing Superstore	869	1,000 SFGFA	1.57	1.00	1.68	2.64	\$4,373
Bed and Linen Superstore	872	1,000 SFGFA	2.22	1.00	1.68	3.74	\$6,184
Department Store	875	1,000 SFGFA	1.95	1.00	1.68	3.28	\$5,431
Apparel Store	876	1,000 SFGFA	4.12	1.00	1.05	4.32	\$7,146
Arts and Crafts Store	879	1,000 SFGFA	6.21	1.00	1.68	10.46	\$17,297
Pharmacy/Drugstore without Drive-Through Window	880	1,000 SFGFA	8.51	0.47	3.15	12.59	\$20,829
Pharmacy/Drugstore with Drive-Through Window	881	1,000 SFGFA	10.25	0.51	1.68	8.80	\$14,560
Marijuana Dispensary	882	1,000 SFGFA	18.92	1.00	1.68	31.86	\$52,699
Furniture Store	890	1,000 SFGFA	0.52	0.47	1.68	0.41	\$681
Medical Equipment Store	897	1,000 SFGFA	1.24	1.00	1.68	2.09	\$3,454
Liquor Store	899	1,000 SFGFA	16.62	1.00	1.78	29.61	\$48,975
Walk-in Bank	911	1,000 SFGFA	12.13	1.00	1.68	20.42	\$33,786
Drive-in Bank	912	1,000 SFGFA	21.01	0.65	0.42	5.68	\$9,390
Hair Salon	918	1,000 SFGFA	1.45	1.00	1.68	2.44	\$4,039
Copy, Print, and Express Ship Store	920	1,000 SFGFA	7.42	1.00	1.68	12.49	\$20,667
Food Cart Pod	926	Food Carts	6.16	1.00	1.68	10.37	\$17,158
Fast Casual Restaurant	930	1,000 SFGFA	12.55	1.00	1.68	21.13	\$34,956
Quality Restaurant	931	1,000 SFGFA	7.80	0.56	1.68	7.35	\$12,166
High-Turnover (Sit-Down) Restaurant	932	1,000 SFGFA	9.05	0.57	1.99	10.24	\$16,945
Fast-Food Restaurant without Drive-Through Window	933	1,000 SFGFA	33.21	1.00	1.68	55.92	\$92,502
Fast-Food Restaurant with Drive-Through Window	934	1,000 SFGFA	33.03	0.50	2.13	35.20	\$58,236
Fast-Food Restaurant with Drive-Through Window	935	1,000 SFGFA	59.50	0.45	1.68	45.08	\$74,578
Coffee/Donut Shop without Drive-Through Window	936	1,000 SFGFA	32.29	1.00	2.18	70.33	\$116,349
Coffee/Donut Shop with Drive-Through Window	937	1,000 SFGFA	38.99	1.00	0.69	26.94	\$44,561
Coffee/Donut Shop with Drive-Through Window	938	1,000 SFGFA	15.08	0.02	1.68	0.51	\$840
Quick Lubrication Vehicle Shop	941	1,000 SFGFA	8.70	1.00	1.68	14.65	\$24,233
Automobile Care Center	942	1,000 SFGFA	3.11	1.00	1.68	5.24	\$8,662
Automobile Parts and Service Center	943	1,000 SFGFA	2.06	1.00	1.68	3.47	\$5,738
Gasoline/Service Station	944	Vehicle Fueling Positions	13.91	0.43	1.68	10.07	\$16,660
Convenience Store/Gas Station	945	Vehicle Fueling Positions	18.42	0.43	1.68	13.34	\$22,062
Self-Service Car Wash	947	Wash Stalls	5.54	1.00	1.68	9.33	\$15,431
Automated Car Wash	948	Car Wash Tunnels	77.50	1.00	1.68	130.49	\$215,866
Car Wash and Detail Center	949	Wash Stalls	13.60	1.00	1.68	22.90	\$37,881
Truck Stop	950	Vehicle Fueling Positions	15.42	1.00	1.68	25.96	\$42,950
Super Convenience Market/Gas Station	960	Vehicle Fueling Positions		1.00	1.68	1.68	\$2,785
Winery	970	1,000 SFGFA	7.31	1.00	1.68	12.31	\$20,361
Drinking Place	975	1,000 SFGFA	11.36	1.00	1.68	19.13	\$31,642

Source: ITE, Trip Generation Manual, 11th edition; Abbreviations: ITE = Institute of Transportation Engineers.

Council Communication

Resolution 2024-18: Parks System Development Charges

Meeting Date:	June 10, 2024	Primary Staff Contact:	Daphnee Legarza
Department:	City Council	E-Mail:	DLegarza@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	5 Minutes

Question:

Should the City Council enact a resolution to update the Parks System Development Charge.

Staff Recommendation:

Staff recommends the Council approve resolution 2024-18 updating the Parks System Development Charge.

Authority:

Lincoln City Municipal Code Chapter 13.08 and ORS 223.297 to 223.316

Council Options:

1. Motion to approve Resolution 2024-18.
2. Motion to edit Resolution 2024-18.
3. Motion to not approve Resolution 2024-18

Attachments:

Ex. A Lincoln City SDC Draft Report (DOCX)
 Res. 2024-18 SDC Parks (DOCX)

City of Lincoln City

TRANSPORTATION AND PARKS SYSTEM DEVELOPMENT CHARGE UPDATE

Draft Report
February 2024

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Section I. INTRODUCTION

This section describes the project scope and policy context upon which the body of this report is based.

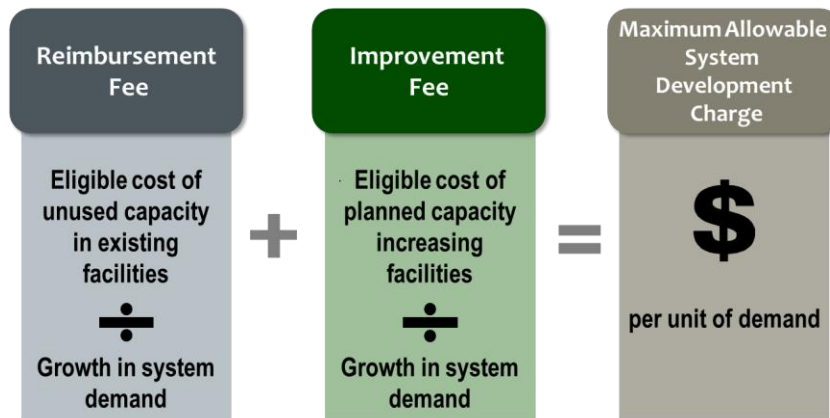
I.A. PROJECT BACKGROUND

The City of Lincoln City (City) imposes system development charges (SDCs) to provide partial funding for the capital needs of its transportation and parks systems. The current transportation SDC is charged to all new developments in the City at a rate of \$915 per single-family dwelling unit. For parks, the SDC is \$2,632 per single-family dwelling unit. The City separately charges a North End Traffic Impact Fee which has been in place since the 1980s, and does not intersect with its transportation SDC.

In 2023, the City engaged FCS GROUP to update the City’s transportation and parks SDCs. The calculation of those updates is documented in this report, which also serves as the City’s methodology for the legal implementation of the two SDCs.

I.B. SDC BASICS

In general, SDCs are calculated by adding a reimbursement fee component (if applicable) and an improvement fee component—both with potential adjustments. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge. Below is an illustration of this calculation:



I.C. POLICY

SDCs are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution.

I.C.1. State Statutes

Oregon Revised Statutes (ORS) 223.297 to 223.316 enable local governments to establish SDCs, which are one-time fees on development that are paid at the time of development or redevelopment that creates additional demand for public facilities. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future users – growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

In addition to the reimbursement and improvement fees, ORS 223.307(5) states, in part, that “system development charge revenues may be expended on the costs of complying” with state statutes concerning SDCs, including “the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.”

I.C.2. Local Ordinance

Chapter 13.08 of the Lincoln City Municipal Code authorizes and governs the imposition and expenditure of SDCs in Lincoln City. This report represents the SDC methodology for transportation and parks SDCs as described in Section 13.08.050 and 13.08.060 of the code.

I.C.3. United States Constitution

The United States Supreme Court has determined that SDCs, impact fees, or other exactions that comply with state and/or local law may still violate the United States Constitution if they are not

proportionate to the impact of the development. The SDCs calculated in this report are designed to meet all constitutional and statutory requirements.

Section II. TRANSPORTATION SDC

ANALYSIS

This section provides the detailed calculations of the maximum allowable transportation SDC.

II.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the SDC calculations.

II.A.1. Unit of Measurement

A good unit of measurement allows an agency to quantify the incremental demand of development or redevelopment that creates additional demand for transportation facilities. A better unit of measurement allows an agency to distinguish different levels of demand added by different kinds of development or redevelopment.

For transportation SDCs, demand that can be attributed to individual developments is usually measured in the number of “trips” that will be generated by the development. A “trip,” more properly described as a “trip end,” represents one transportation system user entering or exiting a particular development.

This calculation measures trips in terms of “PM peak hour person trips.” Under this metric, trips are measured during a weekday’s peak afternoon travel hour. Further, trips are measured by the number of people engaging in the trip. For example, a property with five PM peak hour person trips would, during the peak afternoon travel hour, see five people enter or exit the property, whether those people walked, cycled, or arrived in a single van.

II.A.2. Growth in Demand

Volume 2 of the City’s 2015 Transportation System Plan (TSP) estimates that the growth in PM peak hour vehicle trip ends between 2012 and 2035 will be 2,700. The same source also provides household estimates for 2012 and 2035. By assuming that vehicle trips grow proportionally to the number of households, the number of trip ends in 2012 and 2035 can be estimated. Then, using interpolation, the number of vehicle trips in 2023 can be estimated to be 21,770. Subtracting the 2023 total vehicle trips of 21,770 from the 2035 estimate of 23,220 provides an estimated growth of 1,450 vehicle trip ends between 2023 and 2035.

The U.S. Department of Transportation publishes the *National Household Travel Survey*, which can be used to estimate the number of person trips given the number of vehicle trips. This conversion

factor is 1.68 person trips per vehicle trip, meaning that the expected growth in PM peak hour person trip ends in the City between 2023 and 2035 is 2,436. These calculations are shown in **Exhibit 2.1** below.

Exhibit 2.1 – Growth in PM Peak Hour Person Trips

	2012	2023	2035	2012-2035 Growth	2023-2035 Growth	2023-2035 Growth Share
Households	7,600	8,063	8,600	1,000	537	6.25%
PM peak hour vehicle trips	20,520	21,770	23,220	2,700	1,450	6.25%
PM peak hour person trips	34,474	36,573	39,010	4,536	2,436	6.25%

Source: Technical Memorandum 8, Volume 2 of the 2015 TSP (population and vehicle trip ends estimates); U.S. Department of Transportation, 2017 National Household Travel Survey (person trip conversion factor of 1.68)

The growth estimate of 2,436 PM peak hour person trips will serve as the denominator for the transportation SDC calculation. Based on these estimates, the calculated “growth share” percentage equates to 6.25 percent (2,436 / 39,010). This growth share estimate is an important figure for use in the improvement fee cost basis calculation.

II.B. IMPROVEMENT FEE

An improvement fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the improvement fee cost basis (numerator).

II.B.1. Eligibility

A project’s eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users. Where possible, specific details about a project can provide an eligibility percentage. However, when this is not possible, projects can still be sorted into three broad categories.

The first category is for projects that do not provide system capacity for future users. Such projects may be purely replacement projects, or they may be solving a deficiency in the transportation system. Projects in this category are not eligible. The second category is for projects that are purely for future users, such as when a new local road is laid to provide for a new development. These projects are 100 percent eligible. Finally, projects that provide capacity that will be roughly equally shared between current and future users are eligible at the growth share percentage discussed in **Section II.A**, or 6.25 percent.

II.B.2. Improvement Fee Cost Basis

The project list for the transportation SDC is included in **Appendix A**. Each project has a project ID, name, timing, and total cost in 2023 dollars. This capital project list is derived directly from the City’s most recent Transportation System Plan (TSP) and from the City staff’s estimates of what projects can be completed in the planning horizon. As shown in **Appendix A**, the total cost of projects on the City’s transportation project list is \$62.0 million.

Each project was assigned an SDC eligibility percentage as described above. In the City’s case, each project was determined to be eligible at the growth share percentage of 6.25 percent. Each project

was also assigned an outside funding percentage. Projects on Highway 101 are anticipated to be about 80 percent funded by the Oregon Department of Transportation (ODOT), and 20 percent funded by the City. However, it was assumed that this outside funding would be applied to the ineligible portions of each project, and since the eligible portion is less than the remaining 20 percent of the project cost, no reduction in the eligible cost was made for ODOT funding. As shown in **Appendix A**, the total SDC eligible cost is \$3.9 million.

II.C. REIMBURSEMENT FEE

A reimbursement fee is the eligible cost of existing capacity in the system per unit of growth that such capacity will serve. Since we have already calculated growth (denominator) above, we will focus here on the reimbursement fee cost basis (numerator).

II.C.1. Reimbursement Fee Cost Basis

The City currently charges only an improvement fee to partially fund its transportation capital projects. Since 2016, the City has spent a total of \$634,524 from its improvement fee balances to construct transportation projects in the City. These SDC expenditures are broken out by year in **Exhibit 2.2** below.

Legally, improvement fees can only be spent on the capacity-expanding portion of capital projects. This means that each improvement fee dollar spent represents some amount of available capacity in the system. Assuming a conservative absorption rate of 5 percent of available capacity per year, projects completed in 2016 have 60 percent of their capacity remaining. Projects completed in each subsequent year have 5 percent more of their original capacity remaining. Based on the list of expenditures by year in **Exhibit 2.2** below, that means that the City has an estimated \$558,834 of available capacity in its transportation system that is eligible for inclusion in a reimbursement fee.

Exhibit 2.2 – Reimbursement Fee Cost Basis

Year	SDC Expenditures	Estimated Capacity	
		Remaining	Eligible Costs
2016	\$ 12,170	60%	\$ 7,302
2017	4,204	65%	2,733
2018	14,872	70%	10,410
2019	56,728	75%	42,546
2020	-	80%	-
2021	23,852	85%	20,274
2022	419,878	90%	377,890
2023	102,820	95%	97,679
Total	\$ 634,524		\$ 558,834

Source: City staff

II.D. CALCULATED SDC

This section calculates the transportation SDC using the growth, improvement fee cost basis, and reimbursement fee cost basis discussed above. The resulting SDC per PM peak hour person trip can then be applied to new developments by land use using the schedule provided in **Appendix B**.

II.D.1. Adjustments

The City estimates that it has \$444,198 in its improvement fee fund balance as of June 30, 2023. Unspent improvement fees represent unfinished projects on the City's previous transportation SDC project list. To avoid the risk of double-charging for unfinished projects on the City's previous project list, this outstanding fund balance is removed from the improvement fee cost basis. Therefore, the adjusted improvement fee cost basis is \$3,431,039.

ORS 223.307(5) authorizes the expenditure of SDCs on "the costs of complying with the provisions of ORS 223.297 to 223.316, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures." To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report also includes compliance costs as a separate cost basis. This cost basis is calculated based on the cost of the SDC methodology, once every five years for the full 12 years of the planning horizon, for a total of \$40,670.

II.D.2. Calculated SDC

The table in **Exhibit 2.3** below shows the fully calculated transportation SDC.

Exhibit 2.3 – Calculated Transportation SDC

Calculated SDC	
Cost Basis:	
Improvement Fee	\$ 3,875,237
Estimated Improvement Fee Fund Balance	(444,198)
Reimbursement Fee	558,834
Compliance Costs	40,670
Total Cost Basis	\$ 4,030,543
Growth in PM Peak Hour Person Trip Ends	2,436
Improvement Fee per PM Peak Hour Person Trip End	\$ 1,408
Reimbursement Fee per PM Peak Hour Person Trip End	229
Compliance Fee per PM Peak Hour Person Trip End	17
Total SDC per PM Peak Hour Person Trip End	\$ 1,654

Source: Previous tables

As shown above, the maximum allowable transportation SDC is \$1,654 per PM peak hour person trip end. Based on the Institute of Transportation Engineer's (ITE's) *Trip Generation Manual*, 11th Edition, and based on the conversion from vehicle trip ends to person trip ends discussed in **Section II.A.2**, the resulting charge is \$2,618 per single-family dwelling unit. A full schedule of transportation SDCs based on the *Trip Generation Manual*, 11th Edition is provided in Appendix B.

Section III. PARKS SDC ANALYSIS

This section provides the detailed calculations of the maximum allowable parks SDC.

III.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the SDC calculations.

III.A.1. Unit of Measurement

A good unit of measurement allows an agency to quantify the incremental demand of development or redevelopment that creates additional demand for park facilities. A better unit of measurement allows an agency to distinguish different levels of demand added by different kinds of development or redevelopment.

For parks SDCs, demand that can be attributed to individual developments is usually measured in the number of people who will use the parks system. For residential developments, the number of people means the number of residents. We use data from the U. S. Census Bureau to estimate the number of residents for different kinds of dwelling units. For non-residential developments, the number of people means the number of employees. We use industry data to estimate the number employees per square foot for different kinds of non-residential developments. Finally, overnight lodging visitors in Lincoln City also require capacity in the City's park system at a level like that of a resident. We use industry data to estimate the number of overnight lodging visitors generated by developments in the City.

When an agency chooses to impose a parks SDC on both residential, non-residential, and lodging developments, the demand of one additional resident must be carefully distinguished from the demand of one additional employee. This is usually accomplished by the calculation of a residential equivalent. One resident or overnight lodging visitor is equal to one residential equivalent, and one employee is typically less than one residential equivalent.

III.A.2. Demand Adjustment for Employees

To charge the parks SDC to non-residential developments for their employees' use of the parks system, we must estimate both (1) how available employees are to use parks facilities and (2) how that availability differs from residential occupants (i.e., residents).

The calculation begins with the most recent counts for population and employment in Lincoln City. As shown in **Exhibit 3.1** below, in 2020 (the most recent year for which both population and employment data were available), 9,671 residents lived in Lincoln City, according to Portland State University's (PSU's) Population Research Center. According to the Census Bureau, 4,285 employees

worked in Lincoln City for their primary occupation. Of these, 1,665 people both lived and worked in Lincoln City.

Exhibit 3.1 – 2020 Population and Employment in Lincoln City

Population and Employment, 2020	Living Inside Lincoln City	Living Outside Lincoln City	Total
Working Inside Lincoln City	1,665	2,620	4,285
Working Outside Lincoln City	2,398		
Not Working	5,608		
Total	9,671		

Source: U.S. Census Bureau, OnTheMap Application, 2020 Inflow/Outflow analysis (primary jobs), PSU Population Research Center

Next, we estimate the number of hours per week that each category of person would be available to use the parks facilities in Lincoln City. **Exhibit 3.2** below shows an estimate of maximum availability. It assumes that 8 hours each day are used for sleeping for all residents of the City. For those who are not working, the remaining 16 hours of each day are available for use of the parks system, giving a total of 112 hours per week of parks system availability. For workers, 8 hours of each day are assumed to be spent at work, which leaves the remaining 8 hours per weekday available for residential use of the parks system. In addition, workers have 16 hours of residential demand each weekend day, for a total of 72 hours per week of residential demand. During work, 1 hour is assumed to be available for workers to use the parks system, giving 5 hours per week of non-residential demand. These estimates are not of actual use, but maximum availability.

Exhibit 3.2 – Maximum Parks Availability Estimates by Category of Parks User

Hours per Week of Park Availability Per Person, Residential Demand	Living Inside Lincoln City
Working Inside Lincoln City	72
Working Outside Lincoln City	72
Not Working	112

Source: FCS GROUP.

Hours per Week of Park Availability Per Person, Non-Residential	Living Inside Lincoln City	Living Outside Lincoln City
Working Inside Lincoln City	5	5
Working Outside Lincoln City		
Not Working		

Source: FCS GROUP.

When the hours of availability above are multiplied by the counts presented earlier, we can determine the relative demand of residents and employees. As shown in **Exhibit 3.3** below, the parks demand of one employee is equivalent to the parks demand of about 0.05 resident. To put it another way, the parks demand of one resident is equivalent to the parks demand of 19.04 employees.

Exhibit 3.3 – Total Hours per Week of Park Availability

Total Hours per Week of Park Availability, 2020	Residential hours	Non-residential hours	Total Hours
Working Inside Lincoln City	119,880	21,425	141,305
Working Outside Lincoln City	172,656		172,656
Not Working	628,092		628,092
Total	920,628	21,425	942,053
Hours per resident	95		
Hours per employee		5	
Residents per employee			0.05

Source: Previous tables

III.A.3. Overnight Lodging Visitors

We assume that the demand for the parks system generated by an overnight lodging visitor is equivalent to the demand generated by a resident. This is likely a conservative assumption, as in Lincoln City’s case, most of the overnight lodging visitors are there for leisure reasons and therefore would likely present more demand on the parks system than residents, many of whom must also work.

According to the City’s transient room tax data, there are an estimated 1,994 lodging rooms in Lincoln City as of 2023. According to Smith Travel Research’s 2022 report, these lodging rooms are occupied on average 63.7 percent of the time. Further, according to the Dean Runyan Associates report on overnight visitors, the average party size for an overnight lodging room in Lincoln City is 2.60. The estimated average number of overnight lodging visitors in 2023 is the product of all three numbers, or 3,302. This calculation is shown in **Exhibit 3.4** below.

Exhibit 3.4 – Overnight Lodging Visitors in Lincoln City

Lodging to Overnight Visitor Conversion	
Total Number of Lodging Rooms	1,994
Average Occupancy Rate	63.7%
Average Party Size	2.60
Average Overnight Lodging Visitors (per day)	3,302

Source: City staff (total number of lodging rooms); Smith Travel Research report for 2022 (average occupancy rate); Dean Runyan Associates report on Overnight Visitors, 2022 (average party size)

III.A.4. Growth in Demand

The current (2023) population is 10,189 residents. During the forecast period from 2023 to 2043, the population is expected to grow by 688 residents to a total of 10,877 residents (based on the PSU Population Research Center’s estimates). If the number of employees grows proportionately to the population, that means there will be 305 new employees added in that same period, or 16 residential-equivalent employees. Similarly, if the number of overnight lodging visitors grows proportionately, 223 overnight lodging visitors will be added in the same period. That means that a total of 927 new residential equivalents will be added between 2023 and 2043, which is the denominator of the parks SDC calculation. These calculations are summarized in **Exhibit 3.5** below.

Exhibit 3.5 – Growth in Parks Demand in Lincoln City

Type of System User	2023	2023-2043	2023-2042
		Growth	Growth Share
A Residents	10,189	10,877	688
Non-Residential Demand			
Employees	4,515	4,819	305
B Residential-Equivalent Employees	237	253	16
Visitors per Day			
C Overnight Lodging Visitors	3,302	3,525	223
Total System Users (A+B+C)	13,729	14,656	927
			6.51%

Source: Previous tables, PSU Population Research Center

III.B. IMPROVEMENT FEE

An improvement fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the improvement fee cost basis (numerator).

III.B.1. Eligibility

A project’s eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users.

For parks SDCs, we determine eligibility by a level-of-service analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in an improvement fee cost basis). Park facilities can be measured by sorting them into categories such as neighborhood, mini parks, or open space, or by considering their respective units of measurement (such as “acres of park land”). Further, in either approach, the current or future level of service may be targeted. These two separate choices create four distinct and equally defensible ways of calculating the eligibility percentage of each project.

Each method will be examined in the sections below.

III.B.1.a Current Level of Service (By Category and Unit of Measurement)

Determining SDC eligibility for parks projects using the current level of service requires determining the quantity of parks facilities needed to maintain the current level of service. Any projects that add facilities in excess of that quantity are ineligible.

The City has five relevant parks categories for determining its level of service by category. These are shown in the upper panel of the first column in **Exhibit 3.6**. Each category receives its own level of service. Using neighborhood parks as an example, the City currently has 17.06 acres of neighborhood parks. Using the 2023 population discussed above, this implies that there is 1.67 acres of neighborhood parks per 1,000 residents. The parks project list, when completed, will add 10.61 acres of neighborhood parks. Based on the 2043 population and the current level of service, only 0.63 additional acres of neighborhood parks are needed. So, only 5.93 percent of the City’s neighborhood parks projects are eligible under the current level of service by category.

The same line of reasoning is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement also follows the same approach. The eligibility percentage for each parks category or unit of measurement is shown in the last column of **Exhibit 3.6**.

Exhibit 3.6 – Parks SDC Eligibility under the Current Level of Service

Inventory and Eligibility					Current LoS	
		2023	2023 Units	Net Change	Additional	
	Units	Quantity	per 1,000	in Quantity	Needed to	Eligibility
			Residents		Maintain LoS	
By Category:						
Mini Park	Acres	2.55	0.25	-	0.09	0.00%
Neighborhood Park	Acres	17.06	1.67	10.61	0.63	5.93%
Special Use Area	Acres	54.89	5.39	0.23	2.02	100.00%
Open Space	Acres	502.80	49.35	14.23	18.53	100.00%
Public Restroom	Number	11.00	1.08	1.00	0.41	40.54%
By Unit of Measurement:						
Acres of Parks and Natural Areas	Acres	577.30	56.66	25.07	21.28	84.88%
Number of Public Restrooms	Number	11.00	1.08	1.00	0.41	40.54%

Source: City staff

III.B.1.b Future Level of Service (By Category and Unit of Measurement)

To determine SDC eligibility using the future level of service, the proposed additional quantity of parks facilities is added to the current quantity of parks facilities. Using the future population, a future level of service is then calculated. Then, that level of service is compared to the current parks system to determine if any deficiencies exist. Only the portions of parks projects that do not cure existing deficiencies are considered eligible for the improvement fee cost basis under this method.

As in the previous section, calculating SDC eligibility based on future level of service can be done both when measuring parks facilities by category and when measuring by unit of measurement.

Exhibit 3.7 below outlines both methods using the future level of service. Using neighborhood parks as an example, the City currently has 17.06 acres of neighborhood parks. The parks project list, when completed, will add 10.61 acres of neighborhood parks. This results in a future level of service of 2.62 acres of neighborhood parks per 1,000 residents in 2043. If that level of service were applied to the 2023 population, a minimum of 26.69 acres would be needed. However, there are currently 17.06 acres of neighborhood parks. Thus, 9.63 acres must be added to cure the deficiency in the neighborhood parks category. So, only the remaining 0.98 acres added by the project list, or 9.27 percent of neighborhood parks projects, are eligible for inclusion in the improvement fee cost basis under this method.

The same approach is used to develop the eligibility percentages for other parks categories. Further, calculating eligibility using level of service by unit of measurement follows the same logic. The eligibility percentage for each parks category or unit of measurement is shown in the “Eligibility” column of **Exhibit 3.7** below.

When calculating an SDC based on the future level of service, it is possible that there may be park facilities eligible for inclusion in a reimbursement fee. This occurs when the future level of service for a parks category or unit of measurement is lower than the current level of service. If this is the

case, then it follows that the parks system has available capacity in its parks facilities. The final column of **Exhibit 3.7**, “Reimbursable Quantity,” shows the reimbursable quantity of parks facilities by category and unit of measurement.

Exhibit 3.7 – Parks SDC Eligibility under the Future Level of Service

Inventory and Eligibility					Future LoS			
	Units	2023 Quantity	2023 Units per 1,000 Residents	Net Change in Quantity	2033 Units per 1,000 Residents	2023 Minimum Quantity	Eligibility	Reimbursable Quantity
By Category:								
Mini Park	Acres	2.55	0.25	-	0.24	2.46	0.00%	0.09
Neighborhood Park	Acres	17.06	1.67	10.61	2.62	26.69	9.27%	-
Special Use Area	Acres	54.89	5.39	0.23	5.22	53.16	100.00%	1.73
Open Space	Acres	502.80	49.35	14.23	48.94	498.65	100.00%	4.15
Public Restroom	Number	11.00	1.08	1.00	1.14	11.57	42.66%	-
By Unit of Measurement:								
Acres of Parks and Natural Areas	Acres	577.30	56.66	25.07	57.02	580.96	85.41%	-
Number of Public Restrooms	Number	11.00	1.08	1.00	1.14	11.57	42.66%	-

Source: City staff

III.B.2. Expansion Projects

The first of the City’s two project lists includes projects that will expand the quantified capacity of the parks system and are therefore subject to the eligibility calculations described above. These projects are listed in **Exhibit 3.8**.

Exhibit 3.8 – Expansion List

#	Project Name	Project Category	Project Timing	Project Cost	Eligibility (Future by Unit)	Eligible Cost
12	Nesika Park 600 SE Keel Ave.	Neighborhood Park	2034-2043	\$ 2,000,000	85.41%	\$ 1,708,274
18A	New Park - in process 1545 SE 50th	Neighborhood Park	2024-2029	10,403,270	85.41%	8,885,819
18B	New Park - in process 1545 SE 50th	Open Space	2024-2029	596,730	85.41%	509,689
19	Vic Hill Park SW 7th & Galley Ave	Special Use Area	2034-2043	500,000	85.41%	427,069
20	Villages Protected Areas NE Devils Lake BLVD	Open Space	2034-2043	300,000	85.41%	256,241
48	SW 50th Street	Public Restroom	2034-2043	400,000	42.66%	170,632
Total				\$ 14,200,000		\$ 11,957,725

Source: City staff

III.B.3. Infill Projects

The second of the City’s two project lists includes projects that will not expand the quantified capacity of the parks system by adding acres but that will nevertheless add capacity for future users by adding amenities. As shown in **Exhibit 3.9** below, this project list has a total cost of \$20.7 million. Each project is assigned one of two eligibility percentages: zero percent if the project is for repair or replacement of existing assets, and 6.51 percent if the project adds new amenities. That 6.51 percent represents the share of total future users in 2043 who are not yet users now. The result is that existing users and future users share the cost proportionately. The total eligible cost of the infill list is \$963,473.

Exhibit 3.9 – Infill List

#	Project Name	Project Timing	Project Cost	SDC Eligibility	SDC-Eligible Costs
1	Beach Street LookoutSW Beach Ave	2024-2033	\$ 15,000	6.51%	\$ 976
2	Canyon Drive Park & Restroom + Roosevelt Park	2034-2043	500,000	0.00%	-
3	Community Center Dog Park, Outdoor Basketball Park & Corn Hole Park 2150 NE Oar Place	2034-2043	800,000	6.51%	52,080
4	Community Garden Oceanlake1636 NW 21st St	2024-2033	20,000	6.51%	1,302
5	Community Garden Taft SE Inlet & SE Jetty Ave.	2024-2033	20,000	6.51%	1,302
6	Dorchester Park & Restroom	2024-2033	350,000	0.00%	-
7	Holmes Road Park & Restroom	2034-2043	500,000	0.00%	-
8	Josephine Young Memorial Park & Restroom	2034-2043	500,000	0.00%	-
9	Kids Park - Fleet St Park	2024-2033	1,000,000	6.51%	65,100
10	Kirtsis Park & RestroomNE 22nd Street	2024-2029	2,500,000	6.51%	162,749
11	Lincoln City Skate ParkNE 22nd Street	2034-2043	1,000,000	6.51%	65,100
13	Regatta Park & RestroomNE 14th Street	2024-2029	2,000,000	6.51%	130,199
14	Sandpoint Park & Restroom2921 NE Loop Dr., off E Devils Lake Road	2034-2043	250,000	0.00%	-
15	Siletz Bay Park & RestroomSW 52nd & Hwy 101	2024-2033	250,000	0.00%	-
16	SprintSE Inlet Ave & HWY 101 Taft district	2034-2043	250,000	0.00%	-
17	Taft Bayfront ParkSW 51st St.	2034-2043	1,500,000	6.51%	97,649
21	Wecoma Beach Park & Restroom3200 NW Jetty Ave.	2034-2043	1,500,000	6.51%	97,649
22	Microstop of NE 17th	2024-2033	10,000	6.51%	651
23	Agnes Creek North and South w/ trailsSW Bard Rd.	2024-2033	100,000	6.51%	6,510
24	Cutler City Wetlands w/ trailsSW 63rd	2024-2033	200,000	6.51%	13,020
25	Friends of the Wildwood w/ trailsNE 26th St. & West Devils Lake Rd.	2024-2033	150,000	0.00%	-
26	Regatta trailsNE 14th Street	2024-2033	100,000	0.00%	-
27	Seid Creek w/ trailsSE East Devils Lake Rd.	N/A	-	0.00%	-
28	Spring Lake w/ trailsNE 14th Street	2024-2033	150,000	6.51%	9,765
29	Spyglass w/ trailsSE Spyglass Ridge Drive	2024-2033	150,000	6.51%	9,765
30	The Knoll w/ trailsTrailhead: NE Devil Lake Blvd	2024-2033	200,000	6.51%	13,020
31	Community Center 2150 NE Oar Place	2034-2043	3,000,000	6.51%	195,299
32	NW 5th Street	2034-2043	300,000	0.00%	-
33	1124 NW 15th Street & Restroom	2034-2043	150,000	0.00%	-
34	NW 21st Street	2024-2033	100,000	0.00%	-
35	NW 26th Street & Restroom	2024-2033	50,000	0.00%	-
36	NW 34th Court	2034-2043	150,000	0.00%	-
37	NW 37th Street	2034-2043	100,000	0.00%	-
38	NW 40th Street	2024-2033	50,000	6.51%	3,255
39	NW 41st Street	2034-2043	100,000	6.51%	6,510
40	NW 50th Street	2034-2043	100,000	0.00%	-
41	NW 64th Street	2024-2033	50,000	6.51%	3,255
42	NW 66th Street	2034-2043	100,000	0.00%	-
43	NW 68th Street	2024-2033	5,000	6.51%	325
44	NW 73rdStreet	2024-2033	75,000	0.00%	-
45	SW 33rd Street	2024-2033	50,000	6.51%	3,255
46	SW 35th Street	2024-2033	50,000	0.00%	-
47	SW 44th Street	2024-2033	50,000	0.00%	-
49	SW 62nd Street	2034-2043	100,000	6.51%	6,510
50	SW 66th Street	2024-2033	10,000	6.51%	651
51	SW 68th Street	2034-2043	60,000	6.51%	3,906
52	SW 69th Street	2024-2033	10,000	6.51%	651
53	NW 17th St.	2024-2029	400,000	0.00%	-
54	SW 32nd	2034-2043	400,000	0.00%	-
55	SW 50th	2034-2043	400,000	0.00%	-
56	SW 51ST Street	2034-2043	200,000	6.51%	13,020
57	Charging station at 1226 SW 50th St.	2024-2029	300,000	0.00%	-
58	1601 NE 15th St.	2024-2029	300,000	0.00%	-
Total			\$ 20,675,000		\$ 963,473

Source: City staff

III.B.4. Calculated Improvement Fee Cost Basis

After determining the costs dedicated to expanding capacity on each of the two lists (expansion and infill), the improvement fee cost basis is calculated by multiplying those costs by their respective eligibility percentages. As discussed above, eligibility for capacity-expanding costs on the expansion list were determined through level-of-service calculations. Projects on the infill list were assigned the growth share percentage if they added amenities to existing parks and assigned zero percent if they were for repair or replacement.

As shown in **Exhibit 3.10** below, the total improvement fee cost basis ranges from \$3.3 million under the current level of service by category, up to \$12.9 million under the future level of service by unit of measurement.

Exhibit 3.10 – Improvement Fee Cost Basis

Improvement Fee Cost Basis	Cost	Current LoS		Future LoS	
		Eligibility	Eligible Cost	Eligibility	Eligible Cost
By Category					
Mini Park	\$ -	0.00%	\$ -	0.00%	\$ -
Neighborhood Park	12,403,270	5.93%	735,086	9.27%	1,149,870
Special Use Area	500,000	100.00%	500,000	100.00%	500,000
Open Space	896,730	100.00%	896,730	100.00%	896,730
Public Restroom	400,000	40.54%	162,178	42.66%	170,632
Expansion Projects Total	\$ 14,200,000		\$ 2,293,993		\$ 2,717,232
Infill Projects	20,675,000		963,473		963,473
Total	\$ 34,875,000		\$ 3,257,467		\$ 3,680,705
By Unit of Measurement					
Acres of Parks and Natural Areas	\$ 13,800,000	84.88%	\$ 11,712,900	85.41%	\$ 11,787,093
Number of Public Restrooms	400,000	40.54%	162,178	42.66%	170,632
Expansion Projects Total	\$ 14,200,000		\$ 11,875,078		\$ 11,957,725
Infill Projects	20,675,000		963,473		963,473
Total	\$ 34,875,000		\$ 12,838,551		\$ 12,921,198

Source: Previous tables

Since all methods are equally valid, this table also shows that the City can fund at most 85.41 percent of projects adding acreage and 42.66 percent of projects adding public restrooms from its parks SDC. The maximum funding percentages for the infill projects are shown per project on **Exhibit 3.9**.

III.C. CALCULATED SDC

Because the necessary data was not readily available, a reimbursement fee was not calculated for the parks SDC. This section combines the eligible costs from the two project lists and applies adjustments for fund balance and compliance costs. The result is a total SDC per resident, which can then be applied to new developments using the schedule provided in **Section III.C.3**.

III.C.1. Adjustments

The City estimates that it has \$771,085 in its improvement fee fund balance as of June 30, 2023. Unspent improvement fees represent unfinished projects on the City's previous parks SDC project list. To avoid the risk of double-charging for unfinished projects on the City's previous project list, this outstanding fund balance is removed from the improvement fee cost basis.

ORS 223.307(5) authorizes the expenditure of SDCs on "the costs of complying with the provisions of ORS 223.297 to 223.316, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures." To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report also includes compliance costs as a separate cost basis. This cost basis is calculated based on the cost of the SDC methodology, once every five years for the full 20 years of the planning horizon, for a total of \$81,340.

III.C.2. Calculated Parks SDC

The table in **Exhibit 3.11** below shows the fully calculated parks SDC by level-of-service approach.

Table 3.11 – Calculated SDC

Calculated SDC	Current by Category		Future by Category	
			Current by Unit	Future by Unit
Cost Basis:				
Improvement Fee	\$ 3,257,467	\$ 3,680,705	\$ 12,838,551	\$ 12,921,198
Estimated Improvement Fee Fund Balance	(771,085)	(771,085)	(771,085)	(771,085)
Compliance Costs	81,340	81,340	81,340	81,340
Total Cost Basis	\$ 2,567,722	\$ 2,990,960	\$ 12,148,806	\$ 12,231,453
Growth in Residential Equivalents				
	927	927	927	927
Improvement Fee per Residential Equivalent	\$ 2,683	\$ 3,140	\$ 13,022	\$ 13,111
Compliance Fee per Residential Equivalent	88	88	88	88
Total SDC per Residential Equivalent	\$ 2,771	\$ 3,228	\$ 13,110	\$ 13,199

Source: Previous tables

As shown above, the maximum allowable charge is \$13,199 per residential equivalent under the future level of service by unit of measurement.

III.C.3. Parks SDC Schedule

The calculated parks SDC per residential equivalent shown in **Section III.C.2** can be applied to the City’s residential and lodging developments using the schedule shown in **Exhibit 3.12** below. The residential equivalents per dwelling unit is based on Census data which can be used to calculate the average number of occupants per dwelling unit. The residential equivalents per lodging unit of 1.66 is the product of the occupancy rate of 63.70 percent and the average party size of 2.60 as discussed in **Section II.A.3**.

Exhibit 3.12 – Parks SDC Schedule

Fee Schedule:	Residential equivalents	Parks SDC per Unit
Dwelling unit	1.37	\$18,092
Lodging unit	1.66	\$21,860
Employee	0.05	\$693

Source: US Census Bureau American Community Survey, Tables B25024 and B25033 (fee per dwelling unit); previous tables (other fees)

The charge shown per employee above is based on the calculation in **Section II.A.2** and should be charged using **Exhibit 3.13**.

Exhibit 3.13 – Parks SDC Schedule for Non-residential Land Uses

	Industry Grouping (SIC)	Square Feet per Employee	Employees per 1,000 Square Feet	Parks SDC per 1,000 Square Feet
Ag., Fish & Forest Services; Constr.; Mining	1-19	590	1.695	\$1,175
Food & Kindred Projects	20	630	1.587	\$1,100
Textile & Apparel	22, 23	930	1.075	\$745
Lumber & Wood	24	640	1.563	\$1,083
Furniture; Clay, Stone & Glass; Misc.	25, 32, 39	760	1.316	\$912
Paper & Allied	26	1,600	0.625	\$433
Printing, Publishing & Allied	27	450	2.222	\$1,541
Chemicals, Petroleum, Rubber, Leather	28-31	720	1.389	\$963
Primary & Fabricated Metals	33, 34	420	2.381	\$1,651
Machinery Equipment	35	300	3.333	\$2,311
Electrical Machinery, Equipment	36, 38	400	2.500	\$1,733
Transportation Equipment	37	700	1.429	\$990
TCPU--Transportation and Warehousing	40-42, 44, 45, 47	3,290	0.304	\$211
TCPU--Communications and Public Utilities	43, 46, 48, 49	460	2.174	\$1,507
Wholesale Trade	50, 51	1,390	0.719	\$499
Retail Trade	52-59	470	2.128	\$1,475
Finance, Insurance & Real Estate	60-68	370	2.703	\$1,874
Non-Health Services	70-79	770	1.299	\$900
Health Services	80	350	2.857	\$1,981
Educational, Social, Membership Services	81-89	740	1.351	\$937
Government	90-99	530	1.887	\$1,308

Source: Metro, "1999 Employment Density Study," Table 4.

Section IV. IMPLEMENTATION

This section addresses practical aspects of implementing SDCs.

IV.A. INDEXING

ORS 223.304 allows for the periodic indexing of SDCs for inflation, as long as the index used is:

- (A) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;
- (B) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and
- (C) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution or order.

We recommend that the City use the *Engineering News-Record (ENR) Construction Cost Index (CCI) 20-City Average* as the basis for adjusting SDCs annually. The most recent value of that index (as of the time of this report’s writing) is the January 2024 value of 13,515.02.

IV.B. COMPARISONS

This section provides comparisons for the City’s current and proposed SDCs against those of comparable jurisdictions.

As shown in **Exhibit 4.1**, if the City adopted the calculated transportation SDC at its full level, it would still have a low transportation SDC relative to comparable jurisdictions.

Exhibit 4.1 – Comparison of Transportation SDCs per Single Family Dwelling Unit

City	Transportation SDC per SFR
Independence	\$ 8,002
Monmouth	4,989
Newport*	3,611
Depoe Bay	3,483
Lincoln City (Maximum)	2,618
Florence	1,104
Lincoln City (Current)	915
Cannon Beach	-
Tillamook	-

Source: FCS GROUP Survey, 1/8/2024

*Assumes a 2,500 square foot house

As shown in **Exhibit 4.2**, if the City adopted the calculated parks SDC at its full level, it would have the highest parks SDC per single-family dwelling unit of its comparable jurisdictions.

Exhibit 4.2 – Comparison of Parks SDCs per Single Family Dwelling Unit

City	Parks SDC per SFR
Lincoln City (Maximum)	\$ 18,092
Independence	5,190
Monmouth	2,660
Lincoln City (Current)	2,632
Newport*	1,525
Cannon Beach	1,180
Depoe Bay	771
Florence	-
Tillamook	-

Source: FCS GROUP Survey, 1/8/2024

*Assumes a 2,500 square foot house

APPENDIX A: TRANSPORTATION SDC

PROJECT LIST

#	Project Name	Project Timing	Project Cost	SDC Eligibility	SDC Percentage	Outside Funding	SDC-Eligible Cost
1	SW 49th Place Sidewalk Replacement	2027-2030	\$ 800,000	6.25%	0%	0%	\$ 49,967
2	NE 36th Street Sidewalk from Hwy 101 to NW Surf	2031-2035	850,000	6.25%	0%	0%	53,090
3	NE Holmes Road Sidewalk / Path	2031-2035	780,000	6.25%	0%	0%	48,718
4	Sidewalks Improvement NW Jetty from NW 30th to NW 21st, and NW 30th, NE 28th from Hwy 101 to Jetty	2027-2030	2,100,000	6.25%	0%	0%	131,163
5	Sidewalk Improvement NW Jetty from NW 21st to NW 17th St.	2027-2030	850,000	6.25%	0%	0%	53,090
6	Sidewalk Improvement NW Jetty from NW 30th to NW 39th and NW 19th from Jetty to Hwy 101	2027-2030	1,575,000	6.25%	0%	0%	98,372
7	Logan Road Sidewalks from NW Port to north end of Logan Road. Overlay Logan Rd.	2027-2030	3,400,000	6.25%	0%	0%	212,359
8	Sidewalks Improvement SE Neptune Ave. from Approx. SE 5th to SE 8th, and SE 8th to SE Oar Ave.	2023-2026	780,000	6.25%	0%	0%	48,718
9	Sidewalk Improvement SW Coast from SW 12th to SW Bard Road	2023-2026	2,100,000	6.25%	0%	0%	131,163
10	Sidewalk Improvement SW Anchor and SW Beach from Bard Rd. to SE 35th St.	2031-2035	1,575,000	6.25%	0%	0%	98,372
11	Sidewalk Improvement SE 51st Street from Hwy 101 to SW 48th Place	2023-2026	550,000	6.25%	0%	0%	34,352
12	Sidewalk Improvement NW 14th from Hwy 101 to NW Harbor and NW Harbor from NW 14th to NW 12th	2027-2030	1,075,000	6.25%	0%	0%	67,143
13	Sidewalk Improvement from SW 9th Street to SW 19th Street and Galley	2023-2026	1,550,000	6.25%	0%	0%	96,811
14	Sidewalk Improvements from SW Bard Road from end of pavement to SW Coast	2031-2035	1,350,000	6.25%	0%	0%	84,319
15	Sidewalk Improvement on SW Canyon Drive	2023-2026	4,500,000	6.25%	0%	0%	281,063
16	Head to Bay Trail - Regatta Park to NE 22nd Street	2023-2026	2,100,000	6.25%	0%	0%	131,163
17	Head to Bay Trail - NE 14th Street to NE 6th Street through SE Oar and SE Mast	2023-2026	2,100,000	6.25%	0%	0%	131,163
18	Head to Bay Trail - 1st Street to SW 9th Street	2031-2035	2,600,000	6.25%	0%	0%	162,392
19	Head to Bay Trail - SW 9th Street to SW Coast Ave.	2031-2035	3,300,000	6.25%	0%	0%	206,113
20	Head to Bay Trail - SW 24th Street to SW 35th Street	2027-2030	1,900,000	6.25%	0%	0%	118,671
21	Head to Bay Trail - SW 35th Street to SW 51st Street.	2027-2030	3,650,000	6.25%	0%	0%	227,973
22	Hwy 101 Approaches	2023-2026	660,000	6.25%	80%	80%	41,223
23	N Hwy 101 WDLR to Logan Road	2023-2026	6,500,000	6.25%	80%	80%	405,980
24	N Hwy 101 NE 36th to NE Holmes Rd.	2023-2026	2,200,000	6.25%	80%	80%	137,409
25	N Hwy 101 NE Holmes Road to NE 25th.	2027-2030	2,200,000	6.25%	80%	80%	137,409
26	S Hwy 101 from SW 19th to SW 23rd.	2027-2030	3,300,000	6.25%	80%	80%	206,113
27	S Hwy 101 from SE 32nd to High School Drive	2027-2030	3,300,000	6.25%	80%	80%	206,113
28	S Hwy 101 from SW 35th to Inn	2031-2035	4,400,000	6.25%	80%	80%	274,817
Total			\$62,045,000				\$ 3,875,237

Source: City staff

APPENDIX B: TRANSPORTATION SDC

SCHEDULE

	ITE		PM Peak Hour	Pass-by Trip	Person Trip	New PM Peak	Transportation
	Code	Unit of Measure	Vehicle Trip Ends	Reduction Factor	Conversion Factor	Hour Person Trip Ends	
General Light Industrial	110	1,000 SFGFA	0.65	1.00	1.68	1.09	\$1,810
Industrial Park	130	1,000 SFGFA	0.34	1.00	1.68	0.57	\$947
Manufacturing	140	1,000 SFGFA	0.74	1.00	1.68	1.25	\$2,061
Warehousing	150	1,000 SFGFA	0.18	1.00	1.68	0.30	\$501
Mini-Warehouse	151	1,000 SFGFA	0.15	1.00	1.68	0.25	\$418
Utility	170	1,000 SFGFA	2.16	1.00	1.68	3.64	\$6,016
Specialty Trade Contractor	180	1,000 SFGFA	1.93	1.00	1.68	3.25	\$5,376
Single-Family Detached Housing	210	Dwelling Units	0.94	1.00	1.68	1.58	\$2,618
Multifamily Housing (Low-Rise, not close to rail tra	220	Dwelling Units	0.51	1.00	0.95	0.48	\$798
Multifamily Housing (Mid-Rise, not close to rail tra	221	Dwelling Units	0.39	1.00	1.18	0.46	\$762
Mobile Home Park	240	Dwelling Units	0.58	1.00	1.68	0.98	\$1,616
Senior Adult Housing - Detached	251	Dwelling Units	0.30	1.00	1.68	0.51	\$836
Senior Adult Housing - Attached	252	Dwelling Units	0.25	1.00	1.68	0.42	\$696
Congregate Care Facility	253	Dwelling Units	0.18	1.00	2.44	0.44	\$728
Assisted Living	254	1,000 SFGFA	0.48	1.00	1.68	0.81	\$1,337
Recreational Homes	260	Dwelling Units	0.29	1.00	1.68	0.49	\$808
Timeshare	265	Dwelling Units	0.63	1.00	1.68	1.06	\$1,755
Residential Planned Unit Development	270	Dwelling Units	0.69	1.00	1.68	1.16	\$1,922
Hotel	310	Rooms	0.59	1.00	1.68	0.99	\$1,643
Motel	320	Rooms	0.36	1.00	1.68	0.61	\$1,003
Campground/Recreational Vehicle Park	416	Acres	0.48	1.00	1.68	0.81	\$1,337
Multipurpose Recreational Facility	435	1,000 SFGFA	3.58	1.00	1.68	6.03	\$9,972
Multiplex Movie Theater	445	Movie Screens	13.96	1.00	1.68	23.51	\$38,884
Ice Skating Rink	465	1,000 SFGFA	0.17	1.00	1.68	0.29	\$474
Soccer Complex	488	Fields	16.43	1.00	1.68	27.66	\$45,764
Health/Fitness Club	492	1,000 SFGFA	3.45	1.00	1.68	5.81	\$9,610
Recreational Community Center	495	1,000 SFGFA	2.50	1.00	1.51	3.78	\$6,248
Elementary School	520	1,000 SFGFA	0.16	1.00	1.68	0.27	\$446
Middle School/Junior High School	525	1,000 SFGFA	0.15	1.00	1.68	0.25	\$418
High School	530	1,000 SFGFA	0.14	1.00	1.68	0.24	\$390
Junior/Community College	540	1,000 SFGFA	0.11	1.00	1.68	0.19	\$306
Church	560	1,000 SFGFA	0.49	1.00	1.68	0.83	\$1,365
Day Care Center	565	1,000 SFGFA	11.12	0.56	1.68	10.49	\$17,345
Prison	571	Beds	0.08	1.00	1.68	0.13	\$223
Fire and Rescue Station	575	1,000 SFGFA	0.48	1.00	1.68	0.81	\$1,337
Library	590	1,000 SFGFA	8.16	1.00	1.68	13.74	\$22,729
Hospital	610	1,000 SFGFA	0.86	1.00	1.67	1.44	\$2,376
Nursing Home	620	1,000 SFGFA	0.59	1.00	1.68	0.99	\$1,643
Clinic	630	1,000 SFGFA	3.69	1.00	2.48	9.17	\$15,167
Animal Hospital/Veterinary Clinic	640	1,000 SFGFA	3.53	1.00	1.68	5.94	\$9,832
General Office Building	710	1,000 SFGFA	1.44	1.00	1.30	1.88	\$3,107
Small Office Building	712	1,000 SFGFA	2.16	1.00	1.68	3.64	\$6,016
Single Tenant Office Building	715	1,000 SFGFA	1.76	1.00	1.68	2.96	\$4,902
Medical-Dental Office Building	720	1,000 SFGFA	3.93	1.00	1.14	4.50	\$7,441
Government Office Building	730	1,000 SFGFA	1.71	1.00	1.68	2.88	\$4,763
United States Post Office	732	1,000 SFGFA	11.21	1.00	1.68	18.87	\$31,224
Office Park	750	1,000 SFGFA	1.30	1.00	1.68	2.19	\$3,621
Research and Development Center	760	1,000 SFGFA	0.98	1.00	1.45	1.42	\$2,349
Business Park	770	1,000 SFGFA	1.22	1.00	1.68	2.05	\$3,398
Tractor Supply Store	810	1,000 SFGFA	1.40	1.00	1.68	2.36	\$3,900
Construction Equipment Rental Store	811	1,000 SFGFA	0.99	1.00	1.68	1.67	\$2,758
Building Materials and Lumber Store	812	1,000 SFGFA	2.25	1.00	1.68	3.79	\$6,267
Free-Standing Discount Superstore	813	1,000 SFGFA	4.33	0.71	1.68	5.18	\$8,563
Variety Store	814	1,000 SFGFA	6.70	0.66	1.68	7.45	\$12,317
Free-Standing Discount Store	815	1,000 SFGFA	4.86	0.80	1.68	6.55	\$10,829
Hardware/Paint Store	816	1,000 SFGFA	2.98	0.74	1.68	3.71	\$6,142

(continued)

	ITE		PM Peak Hour	Pass-by Trip	Person Trip	New PM Peak	Transportation
	Code	Unit of Measure	Vehicle Trip Ends	Reduction Factor	Conversion Factor	Hour Person Trip Ends	
Nursery (Garden Center)	817	1,000 SFGFA	6.94	1.00	1.68	11.69	\$19,330
Nursery (Wholesale)	818	1,000 SFGFA	5.24	1.00	1.68	8.82	\$14,595
Shopping Center	820	1,000 SFGFA	3.40	0.76	2.03	5.26	\$8,695
Factory Outlet Center	823	1,000 SFGFA	2.29	1.00	1.68	3.86	\$6,378
Automobile Sales (New)	840	1,000 SFGFA	2.42	1.00	2.11	5.11	\$8,451
Automobile Sales (Used)	841	1,000 SFGFA	3.75	1.00	1.68	6.31	\$10,445
Recreational Vehicle Sales	842	1,000 SFGFA	0.77	1.00	1.68	1.30	\$2,145
Automobile Parts Sales	843	1,000 SFGFA	4.90	0.57	1.68	4.70	\$7,780
Tire Store	848	1,000 SFGFA	3.75	0.75	1.68	4.74	\$7,834
Tire Superstore	849	1,000 SFGFA	2.11	1.00	1.68	3.55	\$5,877
Supermarket	850	1,000 SFGFA	8.95	0.76	2.88	19.61	\$32,441
Convenience Market	851	1,000 SFGFA	49.11	1.00	1.76	86.49	\$143,076
Discount Club	857	1,000 SFGFA	4.19	0.66	1.68	4.66	\$7,703
Wholesale Market	860	1,000 SFGFA	1.76	1.00	1.68	2.96	\$4,902
Sporting Goods Superstore	861	1,000 SFGFA	2.14	1.00	1.68	3.60	\$5,961
Home Improvement Superstore	862	1,000 SFGFA	2.29	0.58	2.03	2.70	\$4,460
Electronics Superstore	863	1,000 SFGFA	4.25	0.60	1.68	4.29	\$7,103
Toy/Children's Superstore	864	1,000 SFGFA	5.00	1.00	1.68	8.42	\$13,927
Baby Superstore	865	1,000 SFGFA	1.82	1.00	1.68	3.06	\$5,069
Pet Supply Superstore	866	1,000 SFGFA	3.55	1.00	1.68	5.98	\$9,888
Office Supply Superstore	867	1,000 SFGFA	2.77	1.00	1.68	4.66	\$7,715
Book Superstore	868	1,000 SFGFA	15.83	1.00	1.68	26.65	\$44,092
Discount Home Furnishing Superstore	869	1,000 SFGFA	1.57	1.00	1.68	2.64	\$4,373
Bed and Linen Superstore	872	1,000 SFGFA	2.22	1.00	1.68	3.74	\$6,184
Department Store	875	1,000 SFGFA	1.95	1.00	1.68	3.28	\$5,431
Apparel Store	876	1,000 SFGFA	4.12	1.00	1.05	4.32	\$7,146
Arts and Crafts Store	879	1,000 SFGFA	6.21	1.00	1.68	10.46	\$17,297
Pharmacy/Drugstore without Drive-Through Window	880	1,000 SFGFA	8.51	0.47	3.15	12.59	\$20,829
Pharmacy/Drugstore with Drive-Through Window	881	1,000 SFGFA	10.25	0.51	1.68	8.80	\$14,560
Marijuana Dispensary	882	1,000 SFGFA	18.92	1.00	1.68	31.86	\$52,699
Furniture Store	890	1,000 SFGFA	0.52	0.47	1.68	0.41	\$681
Medical Equipment Store	897	1,000 SFGFA	1.24	1.00	1.68	2.09	\$3,454
Liquor Store	899	1,000 SFGFA	16.62	1.00	1.78	29.61	\$48,975
Walk-in Bank	911	1,000 SFGFA	12.13	1.00	1.68	20.42	\$33,786
Drive-in Bank	912	1,000 SFGFA	21.01	0.65	0.42	5.68	\$9,390
Hair Salon	918	1,000 SFGFA	1.45	1.00	1.68	2.44	\$4,039
Copy, Print, and Express Ship Store	920	1,000 SFGFA	7.42	1.00	1.68	12.49	\$20,667
Food Cart Pod	926	Food Carts	6.16	1.00	1.68	10.37	\$17,158
Fast Casual Restaurant	930	1,000 SFGFA	12.55	1.00	1.68	21.13	\$34,956
Quality Restaurant	931	1,000 SFGFA	7.80	0.56	1.68	7.35	\$12,166
High-Turnover (Sit-Down) Restaurant	932	1,000 SFGFA	9.05	0.57	1.99	10.24	\$16,945
Fast-Food Restaurant without Drive-Through Window	933	1,000 SFGFA	33.21	1.00	1.68	55.92	\$92,502
Fast-Food Restaurant with Drive-Through Window	934	1,000 SFGFA	33.03	0.50	2.13	35.20	\$58,236
Fast-Food Restaurant with Drive-Through Window	935	1,000 SFGFA	59.50	0.45	1.68	45.08	\$74,578
Coffee/Donut Shop without Drive-Through Window	936	1,000 SFGFA	32.29	1.00	2.18	70.33	\$116,349
Coffee/Donut Shop with Drive-Through Window	937	1,000 SFGFA	38.99	1.00	0.69	26.94	\$44,561
Coffee/Donut Shop with Drive-Through Window	938	1,000 SFGFA	15.08	0.02	1.68	0.51	\$840
Quick Lubrication Vehicle Shop	941	1,000 SFGFA	8.70	1.00	1.68	14.65	\$24,233
Automobile Care Center	942	1,000 SFGFA	3.11	1.00	1.68	5.24	\$8,662
Automobile Parts and Service Center	943	1,000 SFGFA	2.06	1.00	1.68	3.47	\$5,738
Gasoline/Service Station	944	Vehicle Fueling Positions	13.91	0.43	1.68	10.07	\$16,660
Convenience Store/Gas Station	945	Vehicle Fueling Positions	18.42	0.43	1.68	13.34	\$22,062
Self-Service Car Wash	947	Wash Stalls	5.54	1.00	1.68	9.33	\$15,431
Automated Car Wash	948	Car Wash Tunnels	77.50	1.00	1.68	130.49	\$215,866
Car Wash and Detail Center	949	Wash Stalls	13.60	1.00	1.68	22.90	\$37,881
Truck Stop	950	Vehicle Fueling Positions	15.42	1.00	1.68	25.96	\$42,950
Super Convenience Market/Gas Station	960	Vehicle Fueling Positions		1.00	1.68	1.68	\$2,785
Winery	970	1,000 SFGFA	7.31	1.00	1.68	12.31	\$20,361
Drinking Place	975	1,000 SFGFA	11.36	1.00	1.68	19.13	\$31,642

Source: ITE, Trip Generation Manual, 11th edition; Abbreviations: ITE = Institute of Transportation Engineers.

RESOLUTION NO. 2024-18

A RESOLUTION OF THE CITY OF LINCOLN CITY APPROVING A SYSTEM DEVELOPMENT CHARGE METHODOLOGY, APPROVING A CAPITAL IMPROVEMENTS SCHEDULE AND ADOPTING A SYSTEM DEVELOPMENT CHARGE FOR THE PARKS AND RECREATION SYSTEM; AND RESCINDING RESOLUTION 2003-03

RECITALS

- A. Lincoln City Municipal Code Chapter 13.08 and ORS 223.297 to 223.316 provides for system development charges (SDC) to be imposed on all new development and provides that such charges shall be imposed by resolution.
B. Lincoln City Municipal Code Chapter 13.08 and ORS 223.297 to 223.316 provides that if appropriate, the SDC for each system will have a reimbursement fee and improvement fee component.
C. Lincoln City adopted a Parks and Recreation System Plan in 2016.
D. Lincoln City hired FCS Group to research and prepare a report to provide a systems development analysis for the Parks and Recreation System, including a recommended Parks and Recreations System SDC charge methodology and charge.
E. The last Parks and Recreation System SDC was enacted by Resolution 2003-03.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINCOLN CITY, AS FOLLOWS:

Section 1. The recitals of this resolution are adopted as additional findings in support of the Parks and Recreation System SDC.

Section 2. Section III of the draft report dated February 2024 "Transportation and Parks System Development Charge Update", attached hereto as Exhibit A and incorporated herein by reference, is approved as the findings and methodology which establish the improvement fee for the Lincoln City Parks and Recreation SDC.

Section 3. The sections of Section IV of Exhibit A, Implementation, that describe the implementation of the Parks and Recreation SDC, and specifically allowing for periodic indexing of the SDC for inflation is hereby approved.

Section 4. A Parks and Recreation System SDC is hereby imposed on each development in the amount of \$___ per Single Family Dwelling Unit as that term is used in Exhibit A.

Section 5. Council resolution 2003-03 is rescinded.

Section 6. Effective Date. This resolution is effective as of the date of its adoption.

1 PASSED AND ADOPTED by the City Council of the City of Lincoln City this 10th day of June
2 2024.

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SUSAN WAHLKE, MAYOR

ATTEST:

JAMIE YOUNG, CITY RECORDER

APPROVED AS TO FORM:

DAVID JAMES ROBINSON, CITY ATTORNEY

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EXHIBIT A

Transportation and Parks System Development Charge Update

Council Communication

Marketing Agency of Record Contract

Meeting Date:	June 10, 2024	Primary Staff Contact:	Tyrel Trainor
Department:	Explore Lincoln City	E-Mail:	TTrainor@lincolncity.org
Secondary Dept:		Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	15

Question:

Should the City Council approve Explore Lincoln City's recommendation to contract with DVA Advertising and Public Relations for the Marketing Agency of Record?

Staff Recommendation:

Staff recommends the Council approve Explore Lincoln City's recommendation to contract with DVA Advertising and Public Relations for three years as the Marketing Agency of Record.

Authority:

Explore Lincoln City has the authority to contract with vendors who meet the requirements of a "vendor" for services. Due to this contract being above the City Manager's spending authority, City Council has the authority to approve Explore Lincoln City's recommendation.

Background:

In 2021, Explore Lincoln City issued an RFP for qualified firms to become the Marketing Agency of Record. The original bid was awarded to BPN and a three-year contract was signed. This contract expires on June 30, 2024 and so Explore Lincoln City issued an RFP in the spring of 2024 for qualified firms to become the Marketing Agency of Record in order to resume the contracted services beginning July 1, 2024. Ten firms submitted responses to the RFP and Explore Lincoln City narrowed the list down to four finalists. These finalists were interviewed and vetted and DVA Advertising and Public Relations was chosen as the firm Explore Lincoln City recommends to contract with as the Marketing Agency of Record for the next three years.

Council Options:

Approve the contract and allow Explore Lincoln City to work with DVA Advertising and Public Relations as the Marketing Agency of Record.

Deny the contract and instruct Explore Lincoln City to rebid or pursue other options.

Financial Impact

Each year, the contract would account for \$950,000 in paid media, an annual retainer fee of \$191,500 and an events promotions budget of up to \$135,000.

The annual retainer would be applied against Explore Lincoln City's Miscellaneous Contracted Services, 822000-6201119, line item. Paid media and the events promotions would be applied against Explore Lincoln City's Advertising and Promotions, 822000-6205002, line item in their budget.

Total cost of \$1,276,500.00 per annum.

Potential Motions:

Motion to approve the contract and designate DVA Advertising and Public Relations as the Marketing Agency of Record for the City of Lincoln City through Explore Lincoln City for the next three years.

Motion to not approve the contract and request that Explore Lincoln City open up a new RFP to select a different Marketing Agency of Record.

Motion to amend the contract, while still designating DVA Advertising and Public Relations as the Marketing Agency of Record for the City of Lincoln City through Explore Lincoln City for the next three years.

Attachments:

Marketing Agency of Record PSA (PDF)



PERSONAL SERVICES AGREEMENT

Contract Title: Marketing Agency of Record Retainer and Paid Media and Promotions Agreement

THIS AGREEMENT, made and entered into this _____ day of _____, _____, by and between the City of LINCOLN CITY, by and through Explore Lincoln City, a municipal corporation, hereinafter referred to as the "City," and DVA Advertising and Public Relations hereinafter referred to as the "Contractor."

RECITALS

- A. The City desires to engage the Contractor for the purposes more particularly described in the Scope of Work, a copy of which is attached hereto, as Exhibit A; and
- B. Contractor has the training, experience and expertise to perform such work and is willing and qualified to perform such services; and
- C. Contractor represents that Contractor is a person or other legal entity registered to do business in the State of Oregon, and that the Contractor is exempt from or will pay prior to commencing services, the applicable City Occupational Tax; and
- D. The subject contract is for: Annual Retainer for Marketing Services, Promotional Services, and Paid Media Purchases and is estimated to be for One Hundred and Ninety-One Thousand Five Hundred Dollars for Annual Retainer (\$191,500); Promotion of Explore Lincoln City and City of Lincoln City Events up to One Hundred and Thirty-Five Thousand Dollars (\$135,000) and Non-Retainer Media not to exceed Nine Hundred and Fifty Thousand Dollars (\$950,000) with 6% Commission on Net Media.
- E. The subject contract is for Personal Services and meets the definition in Lincoln City Municipal Code (LCMC) Section 2.05.090; and
- F. Pursuant to LCMC 2.05.090.D the Lincoln City VCB sought three (3) competitive bids and selected the Agency from the qualified applicants. (See attached RFP document).

NOW THEREFORE, in consideration of the promises and covenants contained herein, the parties hereby agree as follows:

The Recitals set forth above are true and correct and are incorporated herein by this reference.

1. **SCOPE OF SERVICES:** Contractor shall perform the services set forth in Exhibit A, attached hereto and made a part hereof by this reference. If the Contract Documents require approval of any act, document, or work product, the request for City approval must be given in the same manner as notices required herein.
2. **STANDARD TERMS AND CONDITIONS:** This Contract is subject to the standard terms and conditions, as applicable, set forth in Exhibit B, attached hereto and made a part hereof by this reference.
3. **CONTRACT ADMINISTRATION:** Kim Cooper Findling is the City Contract Administrators for this Agreement. The Contract Administrator is authorized to oversee Services and approve payment for Services. City shall give Contractor prompt written notice of any re-designation of its Contract Administrator. Mary Angelo is the Contractor's Project Representatives for this Agreement. In the event that Contractor's designated Project Representative is changed, Contractor shall give City prompt written notification of such re-designation. In the event that City receives any communication from Contractor

which is not executed by Project Representative, City may request clarification by Contractor's Project Representative, which shall be promptly furnished.

4. **EFFECTIVE DATE AND DURATION:** This agreement shall become effective upon July 1, 2024 the date of execution by the City and shall expire, unless otherwise terminated or extended, on completion of the work or an initial term of one year, from July 1, 2024, through June 30, 2025, with two (2) additional one (1) year extensions thereafter subject to mutual agreement of the parties until June 30, 2027. Contractor shall initiate services immediately upon receipt of City's notice to proceed or receipt of an executed copy of this Agreement. All work under this Agreement shall be completed prior to the expiration of this Agreement.

5. **COMPENSATION:** The City certifies that sufficient funds are available and authorized for expenditure to finance costs of this contract. City agrees to pay Contractor not to exceed One Hundred and Ninety-One Thousand Five Hundred Dollars for Annual Retainer (\$191,500); Promotion of Explore Lincoln City and City of Lincoln City Events up to One Hundred and Thirty-Five Thousand Dollars (\$135,000) and Non-Retainer Net Media not to exceed Nine Hundred and Fifty Thousand Dollars (\$950,000) with 6% Commission on Net Media for performance of those services described in the Scope of Work, which payment shall be made [] upon completion of services or [X] on an installment basis based on invoice. Payment by City to Contractor for performance of services under this Agreement, which includes all expenses incurred by Contractor, with the exception of expenses, if any, specifically identified in this Agreement as separately reimbursable. Compensation is also subject to the additional standard terms, as applicable, set forth in the Standard conditions, Exhibit B.

6. **OWNERSHIP OF WORK PRODUCT**
City shall be the owner of and shall be entitled to possession of any and all work products of Contractor which result from this Agreement, including any recordings, records, computations, plans, documents, correspondence or pertinent data and information gathered by or computed by Contractor prior to termination of this Agreement by Contractor or upon completion of the work pursuant to this Agreement.

7. **ASSIGNMENT/DELEGATION**
Neither party shall assign, sublet or transfer any interest in or duty under this Agreement without the written consent of the other and no assignment shall be of any force or effect whatsoever unless and until the other party has so consented. If City agrees to assignment of tasks to a subcontract, Contractor shall be fully responsible for the acts or omissions of any subcontractors and of all persons employed by them, and neither the approval by City of any subcontractor nor anything contained herein shall be deemed to create any contractual relation between the subcontractor and City. Contractor shall be solely responsible for and indemnify and defend City against any liability, cost or damage arising out of Contractor's use of such subcontractor(s) and subcontractor's negligent acts, omissions, or errors. Subcontractors will be required to meet the same insurance requirements of Contractor under this Agreement. Unless otherwise specifically agreed to by City, Contractor shall require that subcontractors also comply with the terms and provisions of this contract.

8. **STATUS OF CONTRACTOR AS INDEPENDENT CONTRACTOR**

Contractor certifies that:

- A. Contractor shall be completely independent and solely determine the manner and means of accomplishing the end result of this Agreement, and City does not have the right to control or interfere with the manner or method of accomplishing said results. City, however, has the right to specify and control the results of the Contractor's responsibilities. Contractor acknowledges that for all purposes related to this Agreement, Contractor is and shall be deemed to be an independent contractor as defined by ORS 670.600 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be solely responsible for all payments and taxes required by law. Furthermore, in the event that Contractor is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Contractor under the terms of this Agreement, to the full extent of any benefits or other remuneration Contractor receives (from City or third party) as a result of said finding and to the full extent of any payments that City is required to make (to Contractor or to a third party) as a result of said finding.
- B. The undersigned Contractor hereby represents that no employee of the City, or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from Contractor, either directly or indirectly, in connection with the letting or performance of this Agreement, except as specifically declared in writing. If this payment is to be charged against Federal funds, Contractor certifies that he/she is not currently employed by the Federal Government and the amount charged does not exceed his or her normal charge for the type of service provided. Contractor and its employees, if any, are not active members of the Oregon Public Employees Retirement System and are not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
- C. Contractor is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

9. INDEMNIFICATION

City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor warrants that all its work will be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of a contractor's work by City shall not operate as a waiver or release.

Contractor agrees to indemnify and defend the City, its officers, agents, employees and volunteers and hold them harmless from any and all liability, causes of action, claims, losses, damages, judgments or other costs or expenses including attorney's fees and witness costs and (at both trial and appeal level, whether or not a trial or appeal ever takes place) that may be asserted by any person or entity which in any way arise from, during or in connection with the performance of the work described in this contract, except to the extent that the liability arises out of the sole negligence or malfeasance of the City and its employees. Contractor expressly waives and relinquishes any right to indemnification or defense pursuant to ORS 30.285 and ORS 30.287. Such indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever,

such illegality or invalidity shall not affect the validity of the remainder of this indemnification.

10. INSURANCE

Unless expressly waived or reduced as provided herein, Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this contract. Insurance shall be in the amounts and pursuant to the terms specified in Exhibit C, attached hereto and made a part hereof by this reference.

INSURANCE NOTE: The City Contracting Officer may waive or reduce Insurance requirements pursuant to LCMC 2.05.090.J. Any such waiver or reduction must be accompanied by the signature of the Department Head and the Contracting Officer (City Manager).

The City Attorney does not recommend any waiver or reduction of Insurance requirement. Workers compensation insurance shall not be waived. At a minimum, personal injury and property damage insurance should not be less than the limits set by the Oregon Tort Claim Act: http://courts.oregon.gov/OJD/courts/circuit/tort_claims_act.page

City Sponsored Event Insurance Waiver:
Department Head Signature: _____
Contracting Officer Signature: _____

The Insurances required by Exhibit C shall be waived if the City Department Head and City Manager have signed above, indicating the City is providing insurance for the Contract because it is part of a City-Sponsored event. Confirmation of CCIS coverage (e.g. as evidence by a certificate of Insurance) must be attached.

11. METHOD & PLACE OF SUBMITTING NOTICE, BILLS AND PAYMENTS

All notices, bills and payments shall be made in writing and may be given by personal delivery, mail or by fax. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

CITY OF LINCOLN CITY

<p>Kim Cooper Findling EXPLORE LINCOLN CITY 801 SW HWY. 101, Suite 401 LINCOLN CITY, OR 97367</p>	<p>Ph: 541-996-1271 Fax: 541-994-2408</p> <p>Email: kcooperfindling@lincolncity.org</p>
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Mary Angelo
DVA Advertising and Public Relations
221 NE Hawthorne Avenue, Suite 200
Bend, OR 97701
mary@dvaadv.com
(541) 390-8615

and when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid, or when so faxed, shall be deemed given upon successful fax. In all other instances, notices, bills and payments shall be deemed given at the time of actual

delivery. Changes may be made in the names and addresses of the person to who notices, bills and payments are to be given by giving written notice pursuant to this paragraph.

12. TERMINATION WITHOUT CAUSE

- A. At any time the parties may by mutual agreement consent to termination of the contract.
- B. At any time and without cause, City shall have the right, in its sole discretion, to terminate this Agreement by giving written notice to Contractor. If City terminates the contract pursuant to this paragraph, it shall pay Contractor for services rendered to the date of termination.

13. TERMINATION WITH CAUSE

- A. City may terminate this Agreement effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:
 - 1) If City funding from federal, state, local, or other sources is not obtained and continued, or in the event of a non-appropriation during the budget process, such that funding is not continued at levels sufficient to allow for the purchase of the indicated quantity of services, this Agreement shall be modified or terminated to accommodate the non-appropriation or reduction in funds, without penalty or expense to City.
 - 2) If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
 - 3) If any license or certificate required by law or regulation to be held by Contractor, its subcontractors, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.
 - 4) If Contractor becomes insolvent, if voluntary or involuntary petition in bankruptcy is filed by or against Contractor, if a receiver or trustee is appointed for Contractor, or if there is an assignment for the benefit of creditors of Contractor.

Except as otherwise provided or limited, any such termination of this agreement under paragraph A. shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- B. City, by written notice of default (including breach of contract) to Contractor, may terminate the whole or any part of this Agreement:
 - 1) If Contractor fails to provide services called for by this agreement within the time specified herein or any extension thereof, or
 - 2) If Contractor fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this agreement in accordance with its terms, and after receipt of written notice from City, fails to correct such failures within ten (10) days or such other period as City may authorize.

The rights and remedies of City provided in the above clause related to defaults (including breach of contract) by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If City terminates this Agreement under paragraph (B), Contractor shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred, an amount which bears the same ratio to the total fees specified in this Agreement as the services satisfactorily rendered by Contractor bear to the total services otherwise required to be performed for such total fee; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by City due to breach of contract by Contractor. Damages for breach of contract shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

- C. Contractor, by written notice of default (including breach of contract) to City, may terminate the whole or any part of this Agreement, if in the event of substantial failure of the City to perform in accordance of the terms of this contract, (specifically payment) and through no fault of the Contractor, after receipt of written notice from Contractor, City fails to correct such substantial failures within ten (10) days or such other period as Contractor may authorize.

14. ACCESS TO RECORDS / AUDIT

City shall have access to such books, documents, papers and records of Contractor as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts. Contractor shall maintain records to assure conformance with the terms and conditions of this Agreement, and to assure adequate performance and accurate expenditures within the contract period. Contractor agrees to permit City, the State of Oregon, the federal government, or their duly authorized representatives to audit all records pertaining to this Agreement to assure the accurate expenditure of funds.

15. FORCE MAJEURE

Neither City nor Contractor shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disenabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disenabled shall within ten (10) days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

16. CORRECTION OF ERRORS AND NON-WAIVER

Contractor shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delays and without additional cost. The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

17. EXTRA (CHANGES) WORK

This contract is for the Scope of Work described in Exhibit A. Only the Contract Administrator may authorize extra (and/or change) work. Failure of Contractor to secure written authorization for extra work shall constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Contractor thereafter shall be entitled to no compensation whatsoever for the performance of such work.

18. WARRANTIES

All work shall be guaranteed by Contractor for a period of one year after the date of final acceptance of the work by the owner. Contractor warrants that all practices and procedures, workmanship and materials shall be the best available unless otherwise specified in the profession. Neither acceptance of the work nor payment therefore shall relieve Contractor from liability under warranties contained in or implied by this Agreement.

19. ATTORNEY'S FEES

In case suit or action is instituted to enforce the provisions of this contract, the parties agree that the losing party shall pay such sum as the court may adjudge reasonable attorney fees and court costs, including attorney's fees and court costs on appeal.

20. GOVERNING LAW

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

21. SEVERABILITY

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.

22. COMPLETE AGREEMENT

This Agreement and attached exhibits constitutes the entire Agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Contractor, by the signature of its authorized representative, hereby acknowledges that he has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, City has caused this Agreement to be executed by its duly authorized undersigned officer and Contractor has executed this Agreement on the date hereinabove first written.

CONTRACTOR

CITY OF LINCOLN CITY

Signature

**Mary Angelo,
DVA Advertising and Public Relations**

Signature

**Kim Cooper Findling,
Director, Explore Lincoln City**

Date

Date

CITY OF LINCOLN CITY

CITY OF LINCOLN CITY

APPROVED AS TO FORM:

CITY ATTORNEY
Signature

Signature

**Daphnee Legarza,
City Manager, City of Lincoln City**

Date

Date

ATTACHMENTS:

- [Exhibit A - Scope of Work and Pricing/Cost Estimate]**
- [Exhibit B - Standard Contract Conditions]**
- [Exhibit C - Insurance Requirements]**
- [Exhibit D -Insurance Certificate**

EXHIBIT A

SCOPE OF WORK

The Scope of Work outlines marketing, promotion and advertising services provided by the Contractor as the Marketing Agency of Record for the Client—Explore Lincoln City (ELC). Scope of Work is inclusive of retainer services, non-retainer services and paid media.

Retainer Services

The following services will be included within the scope of the Contractor's annual retainer fee:

Marketing Agency of Record shall provide account services, concept advertising, conduct market research/trends pertinent to creative development, creative direction, art direction, copywriting, media evaluation/recommendations, campaign measurements and reporting for Explore Lincoln City (ELC) as the Client. It shall include:

- Lead brand/messaging development for ELC for both corporate and consumer delivery.
- Provide brand style guides and messaging, to be integrated and used by ELC's in-house staff (if needed).
- Consult on brand messaging and visual identity, determine the timing for brand refresh or overall redesign, or updates to brand style guides and messaging—if Client requests.
- Monthly budget tracking.
- Billing, accounting, and administration.
- Develop integrated marketing strategic plans and recommend the appropriate spend, media, and strategies to be most effective in achieving ELC's objectives and within budget parameters.
- Evaluate media opportunities, recommend media plans, and negotiate media buys for the best advertising rates and placements for all forms of media.
- Establish metrics and tracking methodologies of all advertising and marketing programs, and provide regular and annual reporting of status, performance measurements, and improvement effort.
- Research and identify evolving technologies and trends with all marketing channels, including paid social media, and integrate into ELC's media plans;
- Review all new requests for media and sponsorship opportunities and provide ELC with recommendations.
- Creative concept design and evaluation of core marketing campaigns, including cooperative advertising with tourism partners.
- Prepare and write headline and advertising copy.
- Creative concept design for supporting the annual Finders Keepers program and poster; including glass float stamp design.
- Coordinate brand messaging and visual identity within ELC marketing assets (i.e., website, email marketing, social media, etc.).
- Negotiate the lowest possible rate consistent with hi-res quality and good craftsmanship on purchases of new photography, video, soundtrack, and other materials with appropriate licensing use or ownership rights.
- Provide a repository of all images purchased and used on behalf of ELC within a DAM (i.e., CrowdRiff, contracted and provided by ELC).

- Concept design considerations for promotional campaigns and other marketing programs;
- Coordinate with the PR and communications team for integrated strategies between paid placements, earned media and publicity.
- Regularly review visitation and occupancy data to Lincoln City to guide media buys and creative direction.
- Assist with strategic long-term planning utilizing research and analysis from sources such as Dean Runyan Associates, Longwoods International, Smith Travel Research, and other sources and coordinate any needed market research projects with any future data firms.
- Participate in regular status meetings with ELC staff.
- Submit an annual report of fiscal year accomplishments and ROI.
- Occasional travel to Lincoln City.

Contractor will be compensated for the above retainer services at the annual rate established within this contract (\$191,500) and paid monthly upon receipt of invoice. All retainer services will be reconciled at the end of each fiscal year and are subject to annual Transient Room Tax collections and City Council budget approval.

Other Services

Other services, which maybe requested of the Contractor could also include:

- Design, edit, produce, and submit approved advertising.
- Develop and execute campaigns and other marketing programs.
- Creative production services of the Finders Keepers collateral, including printing and shipping of the annual poster.
- Concept, create, and produce other print collateral outside of Finders Keepers collateral.
- Purchase costs of new photography, video, soundtrack, and materials with appropriate licensing use or ownership rights (exempt from any markup fees).
- Negotiating rates for media buys.
- Work with other departments outside of ELC for the City of Lincoln City.
- Work with client partnership award/grant recipients.
- Work with immediate stakeholders directly partnering with the Client.
- If Client authorizes, execute the process of establishing a brand refresh or overall redesign.

The rates of billing for these services would be hourly rates for Account Management at \$195.00 per hour. Art direction, copywriting, and broadcast production at \$195.00 per hour. Brand development and planning, creative direction, and concepting at \$210.00 per hour. Mechanical production at \$150.00 per hour. Account coordination and trafficking at \$135.00 per hour. Budget for these types of services would be re-evaluated annually based on Transient Room Tax collections and City Council budget approval.

Promotions

Marketing Agency of Record will provide promotional services for ELC events as well as to enhance city-run events, as separate from Retainer and Non-Retainer Services. These services would be provided through promotional campaigns as creative development work for the campaigns and advertisements.

Events would be determined by the Client. Dates for the events would be provided from the Client to the Marketing Agency. Promotions budget would not exceed \$135,000. Exact budget available for promotions would be provided annually by Client to the Marketing Agency, subject to annual Transient Room Tax collections and City Council budget approval.

Services for promotions might include paid media. Contractor may charge a 6% commission rate on paid media. Otherwise, hourly rates include Account Management at \$195.00 per hour. Art direction, copywriting, and broadcast production at \$195.00 per hour. Brand development and planning, creative direction, and concepting at \$210.00 per hour. Mechanical production at \$150.00 per hour. Account coordination and trafficking at \$135.00 per hour

Paid Media

Contractor would provide services related to the purchase of paid media. This could include:

- Purchasing of media or other non-conventional paid advertising on behalf of the Client.
- Media buying and trafficking of approved advertising plans.
- Negotiating rates or media buys.

Advertising budget will not exceed \$950,000 unless amended and authorized by the Client. Contractor may charge a 6% commission rate on paid media. Hourly rates include Account Management at \$195.00 per hour. Art direction, copywriting, and broadcast production at \$195.00 per hour. Brand development and planning, creative direction, and concepting at \$210.00 per hour. Mechanical production at \$150.00 per hour. Account coordination and trafficking at \$135.00 per hour. Budget for paid media services to be re-evaluated annually based on Transient Room Tax collections and City Council budget approval.

Travel

Marketing Agency of Record will not charge Client for travel time at an hourly rate. ELC would provide travel reimbursement for mileage, lodging, and meals for Marketing Agency of Record visits. Marketing Agency of Record will coordinate visits with the Client in advance.

Additional Provisions

- Should this contract be terminated, assets produced from execution of the agreement up to date of termination will be provided to the Client.

EXHIBIT B
STANDARD CONDITIONS, AS APPLICABLE
[PERSONAL SERVICE]

Contract Requirements. As applicable under Oregon law and Lincoln City Municipal Code, Contractor shall comply with the provisions of this section. These provisions shall also apply to, and be incorporated into, any agreement by subcontractor to provide services to Contractor for the project.

Installment Payment Option: When the parties agree that an installment payment arrangement will be used, payment will be made in installments based on Contractor's invoice, subject to the approval of the City Manager, or designee, and not more frequently than monthly. Payment shall be made only for work actually completed as of the date of invoice.

Release / No Waiver: Payment by City shall release City from any further obligation for payment to Contractor, for services performed or expenses incurred as of the date of the invoice. Payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

Payment for Labor and materials. Where applicable, Contractor must make payment promptly as due to persons supplying Contractor labor or materials for the execution of the work provided by this order. Contractor must pay all contributions or amounts due from Contractor to the Industrial Accident Fund incurred in the performance of this order. Contractor shall not permit any lien or claim to be filed or prosecuted against City or any subdivision of City on account of any labor or material to be furnished. Contractor further agrees to pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. If Contractor fails, neglects or refuses to make

prompt payment of any claim for labor or services furnished to Contractor or a subcontractor by any person as such claim becomes due, City's Finance Director may pay such claim and charge the amount of the payment against funds due or to become due the Contractor. The payment of the claim in this manner shall not relieve Contractor or their surety from obligation with respect to any unpaid claims.

Hours of Labor. If labor is performed under this order, then no person shall be employed for more than eight (8) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, or emergency or where the public policy absolutely requires it, and in such cases, except cases of contracts for personal services as defined in ORS 279A.055, the labor shall be paid at least time and a half for all overtime in excess of eight (8) hours a day and for all work performed on Saturday and on any legal holidays as specified in ORS 279B.020. In cases of contracts for personal services as defined in ORS 279A.055, any labor shall be paid at least time and a half for all hours worked in excess of forty (40) hours in any one week, except for those individuals excluded under ORS 653.010 to 653.260 or under 29 USC SS 201-209.

Medical Care and Workers Compensation. Contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury to the employees of Contractor or all sums which Contractor agrees to pay for such services and all moneys and sums which Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

Contractor shall provide workers compensation coverage for all persons on the work to be done under the contract as provided in ORS 656.017 or ORS 656.126.

Compliance with Applicable Federal, State and Local Laws / Non-Discrimination.

This Agreement will be interpreted and construed in accordance with the laws of the State of Oregon. Contractor shall comply with all applicable federal, state and local laws regardless of whether they are set forth verbatim in the Contract Documents including, but not limited to the requirements concerning working hours, overtime, medical care, workers compensation insurance, health care payments, payments to employees and subcontractors and income tax withholding as well as those applicable provisions of State law contained in ORS 279A, ORS 279B, and ORS 279C.

Any Agreement provisions required by ORS Chapter 279B to be included in this public contract are incorporated by reference and shall become a part of this Agreement as if fully set forth herein.

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.

Contractor is solely responsible for obtaining any required certificates, licenses, permits or approvals which Contractor is required to obtain to perform the Scope of work set forth in this Agreement. This provision expressly applies to use of Copyrighted or Trademarked materials by Contractor. Contractor shall be solely responsible for obtaining permission to use copyrighted or trademarked work and to pay all such costs, fees or royalties necessary to perform the work specified in the Scope. Contractor shall indemnify and defend City from any claim or action as relates to infringement or improper use, s more fully set forth in the Indemnification Section of

this contract.

Contractor shall not provide or offer to provide any appreciable pecuniary or material benefit to any officer or employee of City in violation of ORS Chapter 244.

Confidentiality

Contractor shall maintain confidentiality of any private confidential information and any public information exempt from disclosure under state or federal law to which the Contractor or its agents may have access by reason of this Agreement. Contractor warrants that its employees and agents assigned to work on services provided in this Agreement shall maintain confidentiality. All terms with respect to confidentiality shall survive the termination or expiration of this Agreement.

Suspension of Services

City may suspend, delay or interrupt all or any part of the services for such time as the City deems appropriate for its own convenience by giving written notice thereof to Contractor. An adjustment in the time of performance or method of compensation shall be allowed as a result of such delay or suspension unless the reason for the delay is within the Contractor's control. City shall not be responsible for work performed by any subcontractors after notice of suspension is given by City to Contractor.

EXHIBIT C

LINCOLN CITY PUBLIC CONTRACT INSURANCE REQUIREMENTS

Required Insurance: Contractor shall obtain at Contractor's sole expense the insurance specified herein prior to performing under this Agreement, and shall maintain the insurance required in full force at Contractor's sole expense throughout the duration of this Agreement

and any warranty periods. Insurances shall cover all activities of the contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier. The procuring of required insurance shall not be construed to limit Contractor's liability hereunder. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, or loss caused by intentional misconduct, negligence or neglect connected with this contract.

Insurance Carrier Rating: Insurance provided by the Contractor must be underwritten by an insurance company deemed acceptable by the City. Contractor shall obtain insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon. The City reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

The policy or policies of insurance maintained by the Contractor and its subcontractor shall provide at least the following limits and coverages:

1. WORKERS' COMPENSATION

All employers, including CONTRACTOR, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). CONTRACTOR shall require and ensure that each of its SUBCONTRACTORS complies with these requirements. Out-of-state employers must provide workers' compensation coverage for their workers which fully complies with ORS 656.126 and other applicable provisions of Oregon Law.

2. MINIMUM PROFESSIONAL LIABILITY

[] NOT REQUIRED BY CITY or Insurance Waiver/ Reduced: Describe Reduction or

Waiver

Department Head Signature:

Contracting Officer Signature:

Professional Liability Insurance: If applicable, Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract, Professional Liability Insurance covering any damages caused by an error, omission or any negligent acts. Combined single limit per occurrence shall not be less than \$1,000,000. Annual aggregate limit shall not be less than \$2,000,000.

3. MINIMUM COMMERCIAL GENERAL LIABILITY

[] NOT REQUIRED BY CITY or Insurance Waiver/ Reduced: Describe Reduction or Waiver

Department Head Signature:

Contracting Officer Signature:

Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract, Commercial General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form. This coverage shall include Contractual Liability Insurance for the indemnity provided under this contract as well as personal injury liability, products and completed operations. Such insurance shall be primary and non-contributory. Coverage shall be a minimum of \$1,000,000 per occurrence and \$2,000,000 general aggregate. Required Insurance coverage may be increased at the discretion of the City Manager. *In no event* shall Property and Personal Injury Limits be less than limits established by the Oregon Tort Claims Act for the fiscal period:

Personal Injury: Combined single limit for any single claimant per occurrence:

From July 1, 2023 to June 30, 2024:
\$830,300.

July 1, 2024 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, sections 3 and 5 (Senate Bill 311), codified at ORS 30.272 (2009 Edition).

Aggregate limit for all claims per occurrence:

July 1, 2023 to June 30, 2024:
\$1,660,400.

July 1, 2024 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, sections 3 and 5 (Senate Bill 311), codified at ORS 30.272 (2009 Edition).

Property Damage: Combined single limit for any single claimant per occurrence:

July 1, 2023 to June 30, 2024:
\$136,200.

And from July 1, 2024 and every year thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws, 2009, chapter 67, section 5 (Senate Bill 311), codified at ORS 30.273.

Aggregate limit for all claims per occurrence:

July 1, 2023 to June 30, 2024:
\$680,900.

And from July 1, 2024 and every year thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws, 2009, chapter 67, section 5 (Senate Bill 311), codified at ORS 30.273.

4. AUTOMOBILE LIABILITY INSURANCE

[x] NOT REQUIRED BY CITY or Insurance Waiver/ Reduced: Describe Reduction or Waiver

Department Head Signature:

Contracting Officer Signature:

Automobile Insurance: Contractor shall also obtain, at contractor's expense, and keep in effect during the term of this contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,000,000. Aggregate limit shall not be less than \$2,000,000. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for "Commercial General Liability" and "Automobile Liability").

5. ADDITIONAL INSURED

The Commercial General Liability insurance and Automobile Liability insurance required under this Agreement shall include the City of Lincoln City, its officers, employees and agents as Additional Insured(s) with respect to activities to be performed under or arising out of this Agreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The parties expressly agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section. A notation stating that "Insured coverage is primary" shall appear in the description portion of certificate.

6. NOTICE OF CANCELLATION OR CHANGE

There shall be no cancellation, material change, potential exhaustion of aggregate limits or intent not to renew insurance coverage without 30 days written notice from Contractor or its insurer to City. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Agreement and shall be grounds for immediate termination of this Agreement by City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days' notice of cancellation to the City.

7. PROOF OF INSURANCE

As evidence of the insurance coverage required by the contract, the Contractor shall furnish a Certificate of Insurance to the City. Copies of Original Certificates provided to the City shall be attached to the executed Agreement as Exhibit D and shall be made a part of the Agreement by this reference. No contract shall be effective until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this contract. A renewal certificate will be sent to the above address 10 days prior to coverage expiration. Contractor shall provide to City certificates of all required insurance before delivering any goods or performing any services required under this Agreement. Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

8. "TAIL" COVERAGE

If any of the required liability insurance is on a "claims made" basis, Contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of this Agreement, for a minimum of 24 months following the later of (1) Contractor's completion and City's acceptance of all services required under this Agreement, or (ii) the expiration of all warranty periods provided under this Agreement. Notwithstanding the 24-month requirement, if Contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage is reasonably available in the marketplace is less than the 24-month period described above, then Contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace for the coverage required under this Agreement. Contractor shall provide City, upon City's request, certification of this coverage.

9. EXCESS UMBRELLA INSURANCE. A

combination of primary and excess/umbrella insurance is acceptable. If Contractor uses excess/umbrella insurance to meet the minimum insurance requirements, the certificate must include a list of the policies that fall under the excess/umbrella insurance. The Excess/Umbrella policy is excess over General Liability, and other requirements.



Explore Lincoln City

City of Lincoln City

REQUEST FOR PROPOSAL

Marketing Agency of Record

Lincoln City, Oregon

February 29, 2024

REQUEST FOR PROPOSAL SCHEDULE

Request for Proposals Issued:	February 29, 2024
Deadline to Submit Clarifying Questions:	March 11, 2024
Request for Proposals Due:	March 29, 2024
Tentative Date for Proposal Presentations:	April 8-12, 2024
Tentative Council Presentation Notice of Intent:	April 22, 2024
Notice of Intent to Award Contract:	June 1, 2024
Anticipated Contract Start Date:	July 1, 2024



Explore Lincoln City

City of Lincoln City

REQUEST FOR PROPOSAL

Marketing Agency of Record

Lincoln City, Oregon

February 29, 2024

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I. NOTICE

Notice is hereby given that the City of Lincoln City by and through Explore Lincoln City, will receive proposals per specifications until 5:00 PM, Pacific Time, March 29, 2024 to provide Marketing Agency of Record services. No proposals will be received or considered after that time.

The resulting contract from this Request for Proposal will have an initial term of one year, from July 1, 2024, through June 30, 2025, with two (2) additional one (1) year optional extensions thereafter subject to mutual agreement of the parties.

This document may be obtained at <https://www.explorelincolncity.com/about-us/request-for-proposals/>. Proposals are to be mailed to Explore Lincoln City at 801 SW Hwy 101, Suite 401, Lincoln City, OR 97367, or sent by email to ttrainor@lincolncity.org.

For questions detailing the procurement process, contact : Tyrel Trainor at ttrainor@lincolncity.org or (541) 996-1272.

Explore Lincoln City reserves the right to reject any and all proposals not in compliance with public bidding procedures and requirements and may reject for good cause any and all proposals upon the finding that it is in the public interest to do so and to waive any and all informalities in the public interest. In the award of the contract, Explore Lincoln City will consider the element of time, will accept the proposal or proposals, which in their estimation, will best serve the interests of Lincoln City and will reserve the right to award the contract to the contractor whose proposal shall be best for the public good.

II. PURPOSE OF RFP

Explore Lincoln City (ELC) invites the submittal of responses to this Request for Proposal (RFP) from qualified firm(s) interested in becoming the Marketing Agency of Record for ELC. ELC will enter into a contract with the selected agency of record to provide a continuity of integrated marketing support, with annual review of contract terms and compensation.

III. BACKGROUND

ELC is the recognized Destination Management Organization (DMO) for Lincoln City. The mission of ELC is to strengthen Lincoln City's economic health by inspiring travel, encouraging overnight stays, and stewarding brand identity as the trusted destination and trip planning resource. ELC does this through destination management, destination stewardship, tourism promotion and visitor experience in Lincoln City and the surrounding area. ELC works in partnership with members of the industry and with communities to develop and enhance local tourism assets

and experiences. This department balances the interests of visitors, businesses, other organizations, and government through innovative leadership and strategic investment of resources and staff.

Explore Lincoln City strives to be leaders in responsible tourism, prioritizing comprehensive stewardship goals, sustainable practices, inclusive experiences, and diverse representation for all visitors to Lincoln City. This means protecting natural and cultural resources such as indigenous history and culture along with the rare and diverse ecosystem surrounding the city. Promoting sustainable travel, making experiences and locations more accessible, and empowering local communities while ensuring every visitor feels welcome and respected is our goal. By collaborating with stakeholders, measuring progress, and embracing innovation, Explore Lincoln City creates a thriving future for their destinations that benefits both visitors and residents.

ELC is funded by a portion of tax dollars generated from a city-wide transient lodging tax (TLT) of 12%. The annual funding available varies with the collection of TLT dollars. These tax dollars are to be used for the development and promotion of tourism in Lincoln City. The Lincoln City City Council advises and oversees the programs and budget of Explore Lincoln City.

ELC employs a core staff of six (6) FTE. Explore Lincoln City's Marketing Manager will be the primary point of contact for the Marketing Agency of Record with oversight from Explore Lincoln City's Director. In addition to two (2) administrative employees, ELC employs two (2) staff to manage and deliver social media and content efforts, events and promotions.

The ELC marketing main objective is to deliver a brand message to reach our audience of local and regional markets. Core markets include the greater Portland metro area, the Willamette Valley, with emphasis on Salem and Eugene, and the Pacific Northwest region, including greater Oregon and Washington State. Historically, target audiences are 24-65 years of age and predominantly leisure visitors. Explore Lincoln City's target markets are comprised of "Empty Nesters" and "Young Families". Empty Nesters are defined as adults close to or past retirement with children 18+ who have left the household. Young families are defined as those with children in the household under the age of 18. Statistically, for both groups, women in these families (up to 80%) are obtaining the most information about travel to LC and planning getaways.

ELC marketing campaigns include a mix of print advertising (leisure and travel media), out of home (billboards, buses, commuter trains), digital (banners, video, SEM), social media, broadcast (target cable TV), and streaming (YouTube, Hulu, Disney+), and sponsored editorial. Additional marketing services not covered under the contract with a Marketing Agency of Record include public relations, non-paid social media, SEO, and website management. The Marketing Agency of Record will

work closely with all in-house staff and assist in integrating the marketing strategies of these aforementioned programs.

IV. OBJECTIVES

ELC proposes to retain a highly qualified, capable firm to act as the full-service Marketing Agency of Record. Special consideration will be given to those agencies with proven destination marketing experience. The successful agency will work with ELC to support a variety of branding, marketing, and strategic efforts. ELC is seeking an agency that values partnership, communication and can interpret and actualize our vision into compelling and emotive calls to action that will inspire consumers to visit, experience, stay, and return to Lincoln City. ELC expects an agency that is creative, producing work that stands out in a competitive market; knowledgeable, demonstrating a thorough understanding of marketing concepts and trends; and accountable, with results-based execution and timely follow through. Beginning in 2018, ELC's current agency of record delivered a creative direction that featured "cut paper" promotional materials. That same year, Explore Lincoln City was presented with the Oregon Travel & Tourism Industry Achievement Award by Oregon Tourism Digital Marketing for the use of this creative on the 2018 Finders Keepers promotional materials. Since then, working alongside its current agency of record, ELC has used this creative style on most of its promotional materials. While this creative direction has been successful for the duration of its run, ELC is looking for a new creative direction.

V. SCOPE OF WORK

The City of Lincoln City is requesting proposals from qualified and interested multi-disciplinary agencies for professional services related to developing and implementing brand management, integrated marketing, and advertising plans for ELC. The selected agency of record shall provide ELC with professional marketing services that will be outlined in a contract for services including an approved annual program of work and budget for each year of the contract based on Explore Lincoln City's strategic plan.

Retainer Services – Creative Development and Strategy: Marketing Agency of Record shall provide account services, concept advertising, conduct market research/trends pertinent to creative development, creative direction, art direction, copywriting, media evaluation/recommendations, campaign measurements and reporting for ELC. It is expected that the selected agency of record will provide Retainer Services that include, but are not limited to:

- Lead brand/messaging development for ELC for both corporate and consumer delivery;

- Evaluate and determine the need and timing for a brand refresh or overall redesign;
- Provide brand style guides and messaging, to be integrated and used by ELC's in-house staff (only if it needs updated).
- Develop integrated marketing strategic plans and recommend the appropriate spend, media, and strategies to be most effective in achieving ELC's objectives and within budget parameters;
- Evaluate media opportunities, recommend media plans, and negotiate media buys for the best advertising rates and placements for all forms of media;
- Establish metrics and tracking methodologies of all advertising and marketing programs, and provide regular and annual reporting of status, performance measurements, and improvement efforts;
- Research and identify evolving technologies and trends with all marketing channels, including paid social media, and integrate into ELC's media plans;
- Review all new requests for media and sponsorship opportunities and provide ELC with recommendations;
- Creative concept design and evaluation of core marketing campaigns, including cooperative advertising with tourism partners;
- Prepare and write headline and advertising copy;
- Creative concept design for supporting the annual Finders Keepers program and poster; including glass float stamp design.
- Coordinate brand messaging and visual identity within ELC marketing assets (i.e., website, email marketing, social media, etc.);
- Negotiate the lowest possible rate consistent with hi-res quality and good craftsmanship on purchases of new photography, video, soundtrack, and other materials with appropriate licensing use or ownership rights;
- Provide a repository of all images purchased and used on behalf of ELC within a DAM (i.e., CrowdRiff, contracted and provided by ELC);
- Concept design considerations for promotional campaigns and other marketing programs;
- Coordinate with the PR and communications team for integrated strategies between paid placements, earned media and publicity.
- Regularly review visitation and occupancy data to Lincoln City to guide media buys and creative direction.
- Assist with strategic long-term planning utilizing research and analysis from sources such as Dean Runyan Associates, Longwoods International, Smith Travel Research, and coordinate any needed market research projects with any future research firms.
- Participate in regular status meetings with ELC staff.
- Submit an annual report of fiscal year accomplishments and ROI.
- Occasional travel to Lincoln City.

Non-Retainer Services – Creative Production and Media: In addition to the services

outlined above, ELC will request additional advertising and marketing services for collateral, events, photo file, and unplanned items. Marketing agency shall provide services outside of the retainer for creative production, media services, hard costs, and miscellaneous projects for ELC. Media buying will include net media costs plus a media buying rate. It is expected that the selected agency of record will provide Non-Retainer Services that include, but are not limited to:

- Execute the process of establishing a brand refresh or overall redesign;
- Media buying and trafficking of approved advertising plans;
- Design, edit, produce, and submit approved advertising;
- Develop and execute promotional campaigns and other marketing programs,
- Creative production services of the Finders Keepers collateral, including printing and shipping of the annual poster;
- Concept, create, and produce other print collateral outside of the annual Visitor Guide and Finders Keepers collateral;
- Purchase costs of new photography, video, soundtrack, and materials with appropriate licensing use or ownership rights (exempt from any markup fees);
- Develop and execute the approved concept for promotional campaigns and other marketing programs.

VI. FUNDING, BUDGET & TERMS

Funding of the work described herein will be determined by TLT collections and ELC as approved and authorized by the Lincoln City City Council. ELC will have the ability to consider any identified change in Retainer Services and associated fees for this service during the annual renewal process, as influenced by unperceived market changes. Each year, the awarded firm is expected to provide a detailed marketing budget to ELC outlining the anticipated annual costs of services prior to work commencing for that fiscal year.

ELC FY 23-24 media budget, including commission, was nine hundred and fifty thousand dollars (\$950,000). Future media budget is expected to be similar, based on City Council approval. Other approved work will be compensated within an agreed monthly retainer, project-based estimate and/or on an agreed hourly basis. Fees may not be duplicative (i.e., charge an hourly rate for media planning and placement plus a media commission fee).

VII. SELECTION PROCESS

From a review of the statements of qualifications received, ELC intends to evaluate the proposals and possibly invite one or more firms to be interviewed before making a final selection of a firm for the project. ELC will notify selected firms of the date and times of interviews, if any. ELC reserves the right to select based

solely on statements of qualifications received.

The selected respondent whose selection was based on qualifications will then negotiate with ELC on fee and contract conditions. If a reasonable fee cannot be achieved with the respondent of choice, negotiations will proceed with other qualified respondents until a mutually agreed contract can be negotiated.

VIII. EVALUATION CRITERIA

An evaluation committee will review all proposals that are initially deemed responsive, and they shall rank the proposals in accordance with the below criteria. The evaluation committee may recommend an award based solely on the written responses or may request proposal interviews/presentations.

Interviews/presentations, if deemed beneficial by the evaluation committee, will consist of the highest scoring proposers. The invited proposers will be notified of the time, place, and format of the interview/presentation. Based on the interview/presentation, the evaluation committee may revise their scoring.

Written proposals must be complete, and no additions, deletions, or substitutions will be permitted during the interview/presentation (if any). The evaluation committee will recommend award of a contract to the final City of Lincoln City decision maker based on the highest scoring proposal. The decision maker reserves the right to accept the recommendation, award to a different proposer, or reject all proposals and cancel the RFP.

Proposers are not permitted to directly communicate with any member of the evaluation committee regarding this RFP during the evaluation process.

<u>Evaluation Criteria – Written Response</u>	<u>Points Available</u>
Project Understanding & Management Strategy	25
Creative & Design Approach	25
Qualifications Experience & References	25
Overall Quality & Creativity of Proposal	10
Proposed Pricing/Fees	15
Available Points	100

<u>Evaluation Criteria – Oral Presentation (if any)</u>	<u>Points Available</u>
Agency Presentation	50
Answers to ELC Prepared Questions	20
Rapport with ELC Staff	20
Review of Written Response	10
Available Points	100

SUBMITTAL INSTRUCTIONS

Responses must observe submission instructions and be advised as follows:

Complete proposals may be mailed to the address below or emailed directly to ttrainor@lincolncity.org. The subject line of the email must clearly identify the RFP title. ELC will provide confirmation that the proposal has been received. If the proposal is mailed, a sealed original copy labeled with the RFP title and digital copy (on compact disk or flash drive) must be included. The proposal (hardcopy or email) must be received by 5:00 PM, Pacific Time on March 29, 2024.

Mailing address including UPS and FedEx:

Explore Lincoln City
 Attn: Tyrel Trainor
 801 SW Hwy 101, Suite 401
 Lincoln City, OR 97367

ELC reserves the right to solicit additional information or proposal clarification from the vendors, or any one vendor, should the City deem such information necessary.

IX. PROPOSAL CONTENTS

To enable ELC to efficiently evaluate the responses, it is important that each response be submitted as outlined in this section. Please include an outside cover and/or first page, containing the name of the project followed by a Table of Contents. Provide the following information in the order in which it appears below:

Written Response

Agency Information

- Provide basic information including agency name, addresses, and telephone number of all offices.
- Describe your organizational structure and size of agency.
- Provide general history of agency including number of years in business.
- Provide the name of agency principal(s) and primary contact.

Project Understanding & Management Strategy

- Describe your agency's values and approach to client relationships and account management, including enough detail so ELC can determine that the agency has a thorough understanding of the services required by this project.
- Illustrate the agency's strategic and integrated planning process, in addition to proposing how the firm will approach this work with ELC.

- Indicate what you would characterize as key competitive challenges, opportunities, and trends that ELC should be mindful of relative to today's changing technologies and marketing environment.

Creative Design & Approach

- Include information on the agency's creative process, corporate culture, and what sets your creative capabilities apart from other agencies.
- Provide information on the steps that would be taken to create the marketing/advertising strategies for Lincoln City.
- Provide samples of work or case studies created for projects similar in size and scope that demonstrate the agency's creativity working across multiple channels (preference will be given to work presented that is of current agency employees who will be assigned to ELC's account and work within the travel industry).

Qualifications, Experience & References

- All team members (including subcontractors) included on the team shall be identified. Demonstrated levels of experience and available staff must be clearly stated.
- Provide background information describing your business, including a comprehensive overview of your capabilities to provide the requested service, your ability to develop a tourism destination management organization's advertising campaign, and initial ideas that demonstrate how your agency's experience can benefit Lincoln City.
- Provide overview of how your agency measures and reports impact of brand marketing activities and Return on Investment (ROI).
- Demonstrate your ability to manage aggressive project timelines while maximizing budgets.
- Provide a summary of marketing and advertising services of this nature provided to any current clients in Lincoln County, as well as tourism clients from outside the county.
- Provide a minimum of three references including contact names, dates that the services were provided, addresses and telephone numbers. At least two of the references must be current clients. References may be checked to verify the agency's ability to perform similar tasks.
- Indicate your knowledge of the travel industry (specifically destination management organizations) and the City of Lincoln City.
- Indicate your experience working with government agencies or non-profit agencies of similar size and scope as described in this solicitation.

Overall Quality & Creativity of Proposal

- The composition of the submitted proposal will be considered a reflection of

the agency's work and approach to business.

Proposed Pricing/Fees

The pricing/fee component must include the total annual cost for the contract with break outs showing a schedule of prices for specific services: including the monthly retainer rate for services with a precise definition of expenses covered by the retainer, staff hourly charges, and media buying and trafficking commission.

Specifically itemize:

- Monthly Retainer Services Fee
- Hourly and material rates for Non-Retainer Services
- Media buying commission rates
- Travel expenses or reimbursements

Additional Information

- Provide any other information as part of your proposal, which you believe to be important to the selection process.

Oral Presentation (if any)

Will consist of an agency-prepared presentation and an informal review of the written proposal. There will be time for questions from all parties. The oral presentation must be made remotely either through a video conferencing service, such as Zoom, or by phone and will last no longer than one hour. All other questions and contact with ELC with regard to this RFP must be done in writing (via e-mail is satisfactory) and all questions/answers will be shared with all finalists.

Information to be Evaluated in Oral Presentation:

- Level of understanding of Lincoln City tourism evident in presentation.
- Ability to answer ELC prepared questions.
- Relevance of marketing strategies.
- Creativity of presentation.
- Flexibility of marketing program to meet changing trends, mediums, and evolving technologies.
- Outlined recommendation of a strategic marketing direction and associated anticipated budget allocation for specific program areas.
- Interaction with ELC staff members.

FINAL SELECTION WILL BE MADE BASED UPON THE COLLECTIVE POINTS AWARDED

ADDITIONAL INSTRUCTIONS, NOTIFICATIONS, AND INFORMATION

- **All Information True:** By submitting a response, Respondents represent and warrant that all information provided in the response submitted shall be true, correct, and complete. Respondents who provide false, misleading, or incomplete information, whether intentional or not, may be excluded.
- **Proposals are deemed confidential** until the “Notice of Intent to Award” letter is issued. This RFP and one copy of each original proposal received in response to it, together with copies of all documents pertaining to the award of a contract, will be kept, and made a part of a file or record which will be open to public inspection.
- **Cost of Responses:** ELC will not be responsible for the costs incurred by anyone in the submittal of responses.
- **Contract Negotiations:** This RFP is not a contract or a commitment of any kind. If this RFP results in a contract offer by ELC, the specific scope of work, associated fees, and other contractual matters will be determined during contract negotiations.
- **No Obligation:** ELC reserves the right to evaluate responses submitted; waive any irregularities therein; select candidates for the submittal of more detailed or alternate proposals; accept any submittal or portion of submittal; reject any or all Respondents submitting responses; should it be deemed in ELC’s best interest; or cancel the entire process.
- **A completed W9** will be needed for the awarded contract.
- **Registration with the Oregon Secretary of State:** The ability to maintain current business registration with the Oregon’s Secretary of State will be expected.
- **Professional Liability Insurance:** The Respondent shall have the appropriate liability insurance certificate by an insurer authorized to transact insurance in the State of Oregon, to be submitted on an annual basis.
- **If the publishing firm works with other businesses in Lincoln City,** an Occupational Tax Permit (OTP) would be needed and any updates to the OTP submitted on an annual basis.

X. TIMELINE & SUBMITTAL INSTRUCTIONS

Estimated selection timeline:

Request for Proposals Issued:	February 29, 2024
Deadline to Submit Clarifying Questions:	March 11, 2024
Request for Proposals Due:	March 29, 2024, 5:00 PM
Tentative Date for Interviews (if any)	April 8-12, 2024
Tentative Council Presentation for Intent to Award:	April 22, 2024
Notice of Intent to Award Contract:	June 1, 2024
Anticipated Contract Start Date:	July 1, 2024

Responses must observe submission instructions and be advised as follows:

Complete proposals may be mailed to the address below or emailed directly to ttrainor@lincolncity.org. Identify the RFP title. Explore Lincoln City will provide confirmation that the proposal has been received. If the proposal is mailed, a sealed original copy labeled with the RFP title and digital copy (on compact disk, flash drive or other common storage device) must be included. The proposal (hardcopy or email) must be received by 5:00 PM PT on March 29, 2024.

Mailing address including UPS and FedEx:

Explore Lincoln City
Attn: Tyrel Trainor
801 SW Hwy 101
Suite 401
Lincoln City, OR 97367

ELC reserves the right to solicit additional information or clarification from the vendors, or any one vendor, should the City deem such information necessary.

Council Communication

Schooner Creek Discovery Park - Phase 1 Construction

Meeting Date:	June 10, 2024	Primary Staff Contact:	Jeanne Sprague
Department:	Parks and Recreation	E-Mail:	JSprague@lincolncity.org
Secondary Dept:	Public Works	Secondary Contacts:	
Approval:	Daphnee Legarza	Estimated Time:	10 minutes

Question:

Should the City Council approve the Third Amendment to the Progressive Design/Build Agreement for construction of Phase 1 (Playground Area) of the Schooner Creek Discovery Park (Playground Area)?

Staff Recommendation:

Staff recommends the Council approve the Third Amendment to the Progressive Design/Build Agreement for construction of Phase 1 (Playground Area) of the Schooner Creek Discovery Park in the amount of \$2,134,784.80.

Authority:

LCMC 2.05.060 (Public Improvement contracts shall be awarded by competitive bid or as provided by the Public Contracting Code or these rules). In this case, the Council approved the exemption from competitive bid.

Background:

On January 23, 2023 City Council awarded the Progressive Design/Build Services for the new Community Park in Taft Project to K&E Excavating, Inc. in the amount of \$2,450,000 with the funds available at that time, as staff would design and construct each park phase with available funds.

Staff has completed the 30% design of the entire park and took this project concept design through a public involvement process.

The design/build team has completed the design of Phase 1, Playground Area, and staff has received a not to exceed amount to construction of Phase 1 at \$2,124,026.36. Phase 1 includes a 5% contingency of \$93,983.47, included in this not to exceed.

Budget spent thus far has been \$540,012.44.

Percentage for arts is an additional \$10,758.44.

Phase 1 construction includes the inclusive playground area, parking along the south boundary of the playground area and a new path from the playground area to the existing parking lot on SE Inlet Ave.

Phase 2 will be the design and construction of the restrooms, lawn area, promenade and the covered special event pavilion, projected to start construction in the Spring of 2025.

Phase 3 will be the design and construction of the turf soccer field, covered multi sports court, and pickleball courts, projected to start construction in Spring of 2026.

Council Options:

The Council may approve the Third Amendment to the Progressive Design/Build Agreement for construction of Phase 1 (Playground).

The Council may not approve the Third Amendment to the Progressive Design/Build Agreement for construction of Phase 1 (Playground).

Financial Impact

Item	Cost to Complete
Construction of Phase 1 of Schooner Creek Discovery Park	\$2,030,042.89
Art (1/2 of one percent of the construction bid)	\$10,758.44
Construction Contingency – 5%	\$93,983.47
Total	\$2,134,784.80

This project will be funded out of Parks Capital Fund (270-000-6330301). The projects remaining resources as of today is State Bill 5202 (\$943,252.15), OPRD Grant (\$565,964.07), SDC Funds (\$594,501.00), Travel OR grant (\$100,000), Lincoln County Community and Economic Development grant (\$15,000), Siletz Tribal Charitable Contribution Fund (\$10,000), and Roundhouse Foundation/ Friends of LC Parks & Recreation grant (\$10,000), for a total of \$2,238,717.22.

Potential Motions:

Move to approve the Third Amendment to the Progressive Design/Build Agreement for construction of Phase 1 (Playground) in the amount of \$2,134,784.80.