

Rates in Effect July 1, 2016



System Development Charge Methodologies

Transportation, local/regional Wastewater, Stormwater, Park

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METHODOLOGY

City of Eugene Systems Development Charges

1.0 Introduction

The City's authority to establish and adopt system development charges (SDCs) is granted by the Eugene Charter of 1976 and by ORS 223.297 - 223.314. By virtue of that authority the City adopted Eugene Code, 1971 sections 7.700 - 7.740 and related provisions.

For the purpose of interpreting Eugene Code, 1971 sections 7.700 through 7.740 and this document, the public record before the Council shall constitute the legislative history.

In addition to the methodologies for each system contained herein, the following appendices are adopted and made a part hereof:

- A: Definitions of General Terms and Use Codes; and
Cross Reference of Wastewater/Parks SDC / HUD BPR Use Codes
- B: Transportation System Charge Detail
- C1: Local Wastewater System Charge Detail
- C2: Regional Wastewater System Charge Detail
- D: Stormwater System Charge Detail
- E: Parks System Charge Detail
- F: Local System Formulas and General Fee Schedule

1.1 Basis for Charge

Systems Development Charges (SDCs) have been collected and used by the City of Eugene since 1978. They are presently collected on all new development in the City and are used to fund that portion of the construction of infrastructure (i.e., transportation, wastewater, stormwater and parks system components) required to support new development. These SDCs help the City provide for increased capacity needs, and recoup a portion of the community's investment in specific infrastructure reserve capacity that is already in place.

Sound planning requires future demands on each system be anticipated, and that reserve capacity needed to serve future users be built in. By preparing for this growth, standards for community infrastructure are maintained and the community can prosper with new development.

The Metropolitan Area General Plan and amendments provide a basis for planning of growth and development and includes the following goals and policies related to the financing of new development:

- Generally reduce public subsidy for utilities and facilities in new development (#5, p. III-G-5).
- In general, the amount of public subsidy for public utilities, services and facilities, including schools in new development, shall be reduced (#1, p. III-G-5).

In addition, City Council adopted Growth Management Study (GMS) policies to provide direction for provision of infrastructure services related to new development:

GMS Policy #14: Development shall be required to pay the full cost of extending infrastructure and services, except that the City will examine ways to subsidize the costs of providing infrastructure or offer other incentives that support higher-density, in-fill, mixed-use, and redevelopment.

1.2 SDC Charges

The SDCs and the associated administrative charges and credits imposed by Eugene Code, 1971 sections 7.700 through 7.740 shall be determined as set forth in these methodologies. The current rates of charge for each system are listed in the adopted SDC fee schedule in Appendix F. The methods of calculating administrative charges are noted within section 2.3.1 *Administrative Costs* and the methods of calculating credits are noted within section 7.2 *Credits*.

2.0 Exemptions and General Approach

This section outlines the general approach taken in calculating the City's development charges and in determining and specifying appropriate expenditures of SDC revenue. For the purposes of this document, the definitions in the Eugene Code, 1971 shall apply unless expressly provided to the contrary. Appendix A contains definitions of words and phrases, which are used throughout these methodologies.

2.1 Assignment of Use Classifications

Developments will be assigned use classifications that best reflect the developments' use per system (transportation, wastewater, stormwater, parks) as set forth in these methodologies. In the case of multiple uses that are proposed and/or exist within one development, as determined by Staff, more than one use classification may be assigned by which the SDC fees and credits will be calculated.

2.2 Exemptions

To simplify the administration of the SDC, no development involving then-existing improvements on a site will be deemed to increase usage of or create the need for additional capital improvements until one of the following occurs:

- For property improved with a residential use (e.g. single family dwelling, duplex or other multiple-family use), when:
 - an additional dwelling unit is created,
 - there is an increase in square footage of living area, or
 - all or part of any structure on the site is changed to a use not permitted outright in an any residential zoning district as noted in Eugene Code, 1971 section 9.2740.

- For all property improved with a nonresidential use (e.g. recreation center, convenience market) when:
 - an additional dwelling unit is created,
 - there is an increase in square footage of gross floor space or living area,
 - there is an increase in the number of nonresidential plumbing fixture units on the site,
 - 60 square feet of impervious surface is added to the site (for the purpose of calculating the stormwater SDC), or
 - either 3,000 or more square feet of floor space in a building changes use or 50% or more of the gross floor space of the building changes use
- An additional connection to, or an increase in the size of, an existing connection to the public wastewater or stormwater system is to be made.
- A property previously granted an exemption for housing for low-income persons is subsequently used for other than housing for low income persons, subject to the limitations and/or conditions imposed in Eugene Code, 1971 section 7.725(c).

2.3 General Method for City of Eugene SDC Rates

Table 1 provides an overview of the basis of the rate setting methodology; outlining the basic rates, cost basis, service standards and means of implementation for each system charge.

The intent of the methodology is that new development should not be charged for a higher level of service than that currently provided to the community or to which the community has committed future resources. Therefore, additional capacity needs are determined using the City's existing level of service or the City's funded level of service. In a similar manner, new development should be credited for past and future bond payments on infrastructure related existing debt as well as for future estimated user charge payments used to fund capital projects included on the regional SDC project list (Metropolitan Wastewater Management Commission [MWWMC]) and past trunk sewer levies.

The general approach used to calculate the development charge for various systems is based on requirements set forth in ORS 223.304:

- Reimbursement fees must be established or modified by ordinance or resolution setting forth a methodology that is, when applicable, based on:
 - (A) Ratemaking principles employed to finance publicly owned capital improvements;
 - (B) Prior contributions by existing users;
 - (C) Gifts or grants from federal or state government or private persons;
 - (D) The value of unused capacity available to future users or the cost of the existing facilities; and
 - (E) Other relevant factors identified by the local government imposing the fee.

The methodology for establishing or modifying a reimbursement fee must promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities and be available for public inspection.

- Improvement must be established or modified by ordinance or resolution setting forth a methodology that is available for public inspection and demonstrates consideration of:
 - (A) The projected cost of the capital improvements identified in the plan and list adopted pursuant to ORS 223.309 that are needed to increase the capacity of the systems to which the fee is related; and
 - (B) The need for increased capacity in the system to which the fee is related that will be required to serve the demands placed on the system by future users.

- Credits are required for "qualified public improvements."

This general approach is illustrated in Figure 1 and can be outlined in the following steps:

- Determine System Service Characteristics.
 - System consists of several components (e.g., lines, pump stations, force mains, manholes are components of the wastewater system).
 - Establish impact measure - that feature of development that best reflects use of system capacity (e.g., trips for the transportation system, impervious surface for the stormwater system, etc.).

- Determine System Value, including associated costs such as design, construction, right-of-way acquisition and project administration.
 - Use replacement cost (current construction costs).
 - Determine capacity-oriented cost of system, net of assessments and grants.
 - Determine ratio of Improvement and Reimbursement portions of charge, if any.

- Allocate the system value to the unit of impact (e.g., cost per unit of impervious area for stormwater system).

- Determine the service impact of specific development types (e.g., single-family dwelling, motel, convenience market).

2.3.1 Administrative Costs

Administrative costs are estimated annually and include the periodic and on-going direct and indirect costs associated with complying with the requirements of state law and the cost of administering the SDCs. An administrative charge shall be incurred when one of the following occurs:

TABLE 1

SUMMARY OF LOCAL SYSTEMS DEVELOPMENT CHARGES

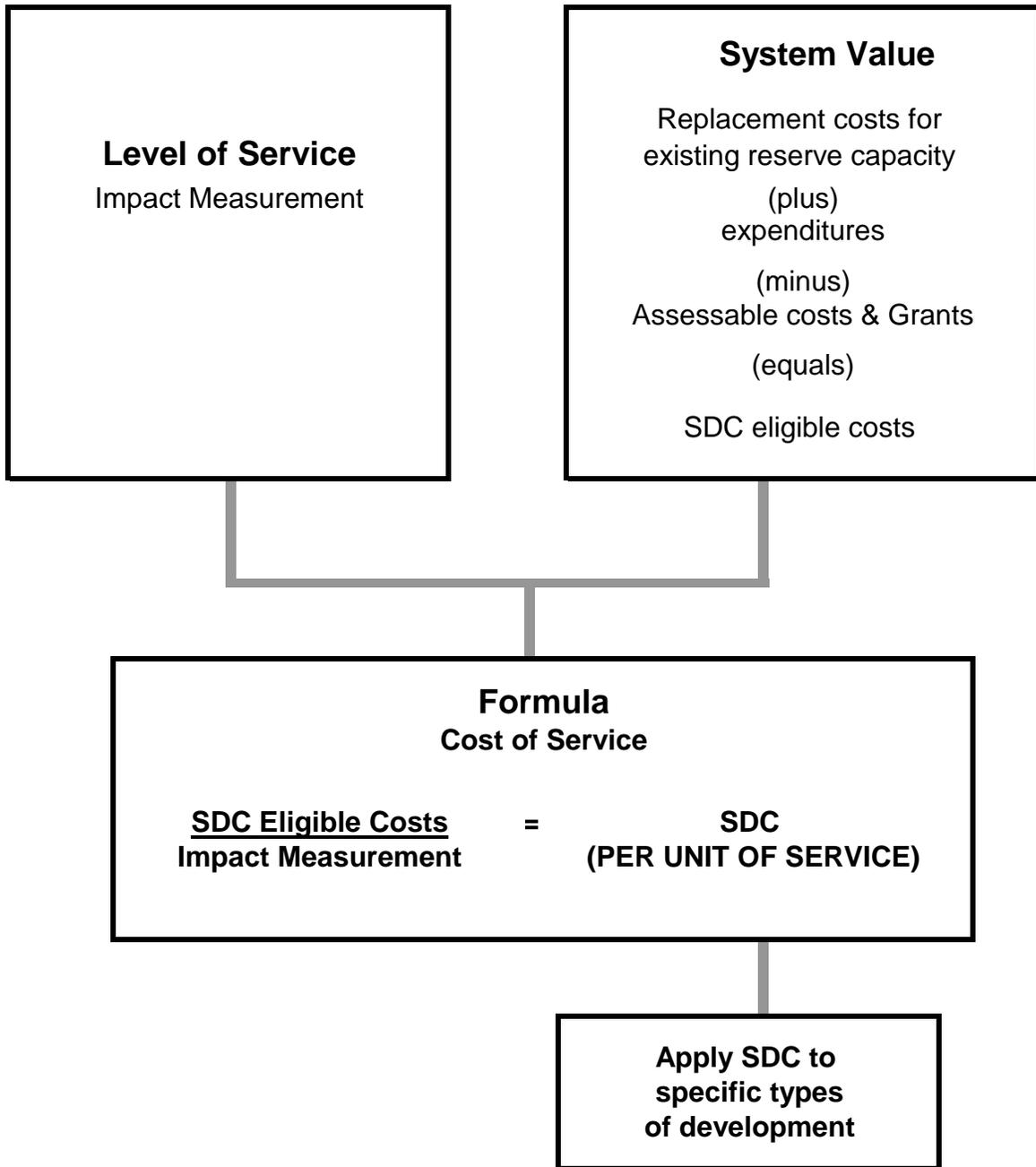
(See Appendix C-2 for information regarding the Regional Wastewater SDC)

	Transportation	Wastewater Local (City)	Stormwater	Parks
Rates	Cost per Trip = \$2,041.67	Cost per new residential units (e.g., single-family, mobile home parks, duplexes, apartments) = a base rate of \$446.07 plus \$0.1081 per square foot of living area. Residential additions will be charged \$0.1081 per square foot of increased living area. Nonresidential uses = \$3.3793 per gallon of daily flow/discharge.	Total stormwater unit cost per sq.ft. of impervious surface Area = \$0.2221 except development that is required to provide for off-site LID function for which unit cost per sq.ft. of impervious surface area = \$1.9883. Charges are based on use. 1-2 Family development under 3,000 sq.ft. have tiered rates based on est. imp. surface areas. 1-2 Family over 3,000 sq.ft. and Multi-Family & Nonresidential are based on actual imp. surface area. Charges for Mfg. Home Parks are based on est. imp. surface area per space plus actual impervious surface area of additional common area.	Net Residential cost per Dwelling Unit: Single Family = \$4,106; Duplex/TH/MH/ADU = \$3,328.00 Multifamily = \$2,597.00 Nonresidential: Class A = \$1634.00 per room; Class B = \$1,092.00 per TGSF; Class C = \$669.00 per TGSF; Class D = \$398.00 per TGSF; Class E = \$161.00 per TGSF.
Cost Basis	Estimated costs of arterial/collector Street system (non assessable cost per lane-mile, costs of intersections, traffic signals, street lights, structures) and off street bicycle paths.	Estimated non-assessable cost of existing system using costs from "Gravity Sewer Lines System Valuation Model" developed by CH2M Hill. Charges are net of all federal grants and outstanding debt.	Estimated non-assessable cost of system-wide capacity from future capacity-enhancing projects as contained in the Stormwater SDC Project List and available existing stormwater system capacity.	Unit costs for various components.
Service Standards	Existing levels of service for various components as established by current City transportation design standards.	Design flow standards currently used by the city for various land use types. PFUs equivalents are determined per Oregon adopted Plumbing Code.	Design standards currently used by the City to handle a Five-year storm.	Planned levels of service for various components, as established in the adopted Eugene Parks, Recreation, & Open Space Comprehensive Plan's Project & Priorities List.
Classification of Charge	Street Component: ▶ 60% Impr. Fee ▶ 40% Reim. Fee Bike Component: ▶ 100% Impr. Fee	Reimbursement fee ▶ 84% Improvement fee ▶ 16%	Reimbursement fee ▶ 47% Improvement fee ▶ 53%	Reimbursement fee ▶ 23% Improvement fee ▶ 77%
Implementation	Charges for new or expanding development are based on the cost per trip times the trip rate assigned for a specific development type times the number of units of measurement proposed.	New or expanding residential uses are charged based on a per dwelling unit cost plus a rate per square foot of living area. Non-residential uses are charged based on the number of PFUs at a rate for the specific development type. Credit for past trunk sewer levy payments will be applied to the local charge.	Charges for new (all) or expanding (Multi-family, Nonresidential) development are based on a estimated or actual impervious surface areas and the total stormwater unit cost per square foot. Stormwater impact not attributable to impervious surface area will be charged based on equivalent surface area and the total stormwater unit cost per square foot.	Charges for new or expanding development are based on a tiered flat rate per dwelling unit for residential development types and a tiered flat rate per room or per thousand gross square feet of building area for nonresidential development types.

Note: Administration costs are not included in the figures above, see section 2.3.1 for more information.

FIGURE 1

Rate Setting Methodology



- When a redevelopment occurs that changes the use of a building in its entirety and it is determined that usage of any capital improvement is increased or there is need of additional capital improvements.
- The administrative fee will be calculated either as a percentage rate of the net charge after credits are applied or at a flat rate, whichever is higher, as listed in the SDC fee schedule in Appendix F.
- When a redevelopment permit application (other than for redevelopment that changes the use of a building in its entirety) requires a detailed review to determine that there will be no increased usage of any capital improvement and no additional capital improvements will be needed.
- The administrative fee will be applied at a flat rate as listed in the SDC fee schedule in Appendix F.
- When an SDC is imposed for all other development:

The administrative fee will be calculated as a percentage rate of the net charge after credits for previous use and impact reduction are applied or at a flat rate, whichever is higher, as listed in the SDC fee schedule in Appendix F.

In no case will administrative fees be refunded, unless necessary as a result of City error.

2.3.2 Maximum Administrative Charge

An administrative charge calculated shall not exceed a maximum amount of \$30,000.00 for a single permit issued. If multiple permits are issued for different phases of the same development, the maximum administrative charge shall be applied to each permit independently.

2.4 Adjustment to the SDC Methodology and Fees

Modifications to the methodologies for the systems development charge shall be established by resolution of the council. A change in the amount of a reimbursement fee or an improvement fee is not a modification of the SDC if the change in amount is based on the periodic application of an adopted specific cost index or on a modification to any of the factors related to rate that are incorporated in these adopted methodologies. The city manager may adopt fee changes, based on such a cost index or rate factors by administrative order pursuant to section 2.020 of the Eugene Code, 1971, so long as the fees are not revised administratively in an amount greater than five (5) percent within any 12-month period. Revisions to fees by more than five percent shall be established by resolution of the council.

2.4.1 Adopted Cost Index

SDC fees and credits may be periodically adjusted to account for changes in construction costs and system valuation. The 20-city national average construction cost index, as published by Engineering News-Record (ENR) shall be used when preparing periodic cost index adjustments.

2.4.2 Rate Factors Subject to Administrative Revision

SDC fees and credits may be periodically adjusted to account for changes in rate factors incorporated in the established SDC methodologies. Changes in rate factors may occur to account for changes in the systems' characteristics and related factors as noted in the methodologies document specific to the systems' fees and credit rates as reflected in supporting analyses and formulas.

2.5 Expending City of Eugene SDCs

The City of Eugene's SDC revenue, except for administrative fees, is comprised of two components: an improvement fee and a reimbursement fee as defined in Eugene Code, 1971 section 7.010. Improvement fee revenue may be spent only on capacity increasing capital improvements or debt related to such improvements. Reimbursement fee revenue may be spent only on capital improvements associated with the systems for which the fees are assessed and debt related to such improvements. Revenue from both types of fees may be expended on direct costs of complying with related state statutes.

Major capacity-increasing capital improvements to be constructed using SDC revenue appear in the City's long range plans. The City's long-range plans reflect the anticipated facility needs required to support new development. The needs identified in the long-range plans are generally included in the Capital Improvement Plan (CIP). The CIP also contains repair, replacement, and rehabilitation projects which may be funded in part with SDCs.

Given the limits on certain funding sources and the need to address existing as well as future needs, the CIP does not necessarily reflect all the facility needs of new development occurring within the six-year period covered by the CIP. Therefore, the planned expenditures of SDC revenue include both the expenditures detailed in the CIP and the needs identified in the long-range plans.

3.0 Transportation System

The Transportation Systems Development Charge (SDC) is made up of several components. The costs of these components include the total cost of design, construction, right-of-way acquisition, purchasing, testing, and project administration. The components included in this analysis are:

- Collector and arterial streets
 - Non-assessable linear section construction costs
 - Intersection construction costs
 - Traffic signal costs

- Street light costs
- Bridge and other structure construction costs
- Off-street bicycle paths
 - Bicycle path construction costs
 - Bicycle path light costs

The cost impacts of new development on these components are allocated on the basis of p.m. peak hour traffic on adjacent streets using either the trips specified in the Standard Calculation or based upon an Alternate Calculation as set forth in Appendix B.

The detailed Cost of Service formula as well as the cost per trip for each component of the transportation system is set forth in Appendix B. The cost per trip is the sum of all transportation system components identified in Appendix B.

The transportation SDC for a proposed development is determined by multiplying the units which describe the impact by the trip rate (to determine the number of trips assigned to the proposed development) using the Transportation Trip Rates table in Appendix B and the cost per trip in the current adopted SDC fee schedule in Appendix F.

4.0 Local (City) and Regional Metropolitan Wastewater Management Commission (MWMC) Regional Wastewater Systems

Collection of the wastewater SDC includes both a local (City) and regional (MWMC) system charge.

4.1 Local Wastewater System

The local wastewater SDC is based upon estimated wastewater flow discharge (impact on and/or use of system capacity) from various development types. A unit cost of capacity in terms of cost per gallon per day is established and used to determine SDC rates. For residential development the rate is based on number of dwelling units and area of living space. For nonresidential development the rate is based on number of PFUs and the proposed development type. The detailed analysis, methods for calculating, and the Cost of Service formula for the local wastewater system can be found in Appendix C. The local wastewater SDC rates can be found in the current adopted fee schedule in Appendix F.

The local wastewater SDC for a proposed development is determined by:

- Number of Residential Dwelling Units (RDU) and area of living space for single-family, duplex, multiple-family, and other residential development
- Plumbing Fixture Units (PFU) and proposed development type for other than Residential Dwelling Units (e.g., recreation center, convenience market).

4.2 Regional Metropolitan Wastewater Management Commission (MWMC) Wastewater System

The City of Eugene entered into an Intergovernmental Agreement with the City of Springfield and Lane County in 1978, which established the Metropolitan Wastewater Management Commission. On May 15, 1997, the Commission adopted the MWMC wastewater Systems Development Charge which includes a regional administrative charge. On April 1, 2004 the Commission adopted a modified MWMC regional wastewater SDC methodology. The regional MWMC wastewater SDC methodology is located in Appendix C2. Current regional rates are also summarized in the Appendix F fee schedule.

5.0 Stormwater System

The stormwater SDC is based upon impervious surface area (e.g., rooftops, driveways, sidewalks, parking lots, patios, and other non-porous surfaces). The detailed formulas for calculating the stormwater SDC unit cost (rate) per square foot of impervious surface area is set forth in Appendix D. The stormwater SDC is determined by multiplying the applicable rate by the unit of measure for the proposed development type. The costs per unit of measure and resulting rates can be found in Table 9 and the fee schedule in Appendix F.

Where the stormwater SDC is a fixed amount per dwelling unit or space, it shall be determined by multiplying the applicable rate per dwelling unit or space times the number of units or spaces plus, for manufactured home park development, the SDC is based upon the impervious surface area of all additional common areas times the applicable stormwater unit cost per square foot of impervious surface area. Where the stormwater SDC is not a fixed amount per dwelling unit or space, it shall be determined by multiplying the applicable rate per square foot of impervious surface area times the total impervious surface area of the proposed development. Where a development creates impact not attributable to impervious surface area, the stormwater SDC shall be determined by evaluating equivalent impervious surface area, multiplied by the applicable rate per square foot of impervious surface area.

6.0 Parks System

The parks SDC is based upon the estimated cost of capacity in future capacity-enhancing projects to serve new development, as contained in the Parks, Recreation and Open Space (PROS) Project & Priority Plan, and the estimated capacity in the existing parks system to be used by new development. The details for calculating the park SDC unit costs (rates) for residential development (per dwelling unit type) and nonresidential development (per room or per thousand gross square feet) are set forth in Appendix E. The park SDC is determined by multiplying the applicable rate by the unit of measure for the proposed development type. The costs per unit of measure and resulting rates may be found in Table 17.

7.0 Credits and Impact Reductions

This section provides detail on the City's administration of SDC credits and impact reductions. Potential sources, criteria for eligibility, and the basis for calculation of credit and impact reductions are defined, in this Methodology and in Eugene Code, 1971 section 7.730. A list of examples of facilities and programs which are potentially eligible for credit and impact reduction appears in Table 2 of this section. (Note: As development standards change some examples may no longer be considered eligible for reduction but may influence future rates.) In no case may

the sum of all approved credits and impact reductions for a single system exceed the amount of the SDC assessed for that system for any approved building or development permit.

SDCs may be reduced by one or more of the following processes:

- Impact Reduction, based on quantified mitigation of demand generated by the development for new identifiable capital improvements;
- Credit, based on the specific costs for privately engineered construction of certain public improvements as part of the development;
- Credit based on previous payment or use.

Adjustment of SDCs due to credits and impact reductions:

- Shall not be given for improvements constructed or programs instituted prior to City approval.
- Shall be applied up to the maximum SDC fee for each system.
- Shall reduce the SDCs paid on building permits at the time of issuance; credit or impact reduction amounts applied will not be greater than the SDC fees.
- Shall be applied to a particular system (e.g., Transportation, Stormwater, Wastewater, Parks); credits or reductions approved for a particular system can not be transferred or applied to any other system charges.
- Shall be applied to the SDCs for the particular development, may only be further applied to subsequent phases of the same development for which the improvement was constructed or program instituted, and can not be transferred or applied to other properties or developments.

7.1 Impact Reductions or Mitigation

Impact reduction will be based on private physical improvements (as defined in Appendix A) constructed as part of the development or based on programs instituted in connection with development, which will reduce the demand from that development for future construction of identifiable capital improvements. Such programs and physical improvements must be privately financed and are intended to be permanent. The anticipated reduction in demand must be demonstrated to the satisfaction of the City Transportation Engineer (for Transportation system impact reductions) or to the City Engineer (for all other system impact reductions). Calculation of impact reduction shall be based on the ratio of the system impact with the program or facility in place, to the system impact if the program or facility did not exist.

Prior to application of the impact reduction to the SDCs for the development, the City shall receive assurances that will bind the developer, owner, and the owner's successors as is necessary to ensure that the program or facility will function as planned for the agreed upon time period. Such agreements may include, but are not limited to performance bonds, maintenance programs, annual reports, monitoring and inspections, or other

pertinent items to document proper functioning as determined by the City Engineer.

7.1.1 Transportation System Impact Reduction

For the transportation system, an impact reduction may be granted if the applicant demonstrates to the satisfaction of the City Transportation Engineer, that the improvement or program to be instituted in connection with the development will materially reduce the number of automobile trips the development will generate and that it will continue for at least twenty years after the development is occupied.

7.1.2 Stormwater System Impact Reduction or Mitigation

For the stormwater system, an impact reduction may be granted based on two forms of impact reduction:

- Flood Control (Destination and Quantity Reduction)
- Stormwater Quality (Pollution Reduction)

These impact reductions will be granted after review and approval by the City Engineer of the design documentation submitted in accordance with standards specified in Eugene Code, 1971 section 9.6790 (3). Criteria for stormwater SDC impact reduction for development can be found in Appendix D, section 6.0.

7.1.2.1 Stormwater System Impact Reduction Criteria

Criteria for stormwater SDC impact reduction for development can be found in Appendix D, section 6.0. A development that meets the required criteria will be eligible to receive a reduction against stormwater SDCs at the time of permit issuance as follows:

SFD and Duplex Residential development:

- 100% flat rate stormwater SDC impact reduction for complete containment of all on-site stormwater, with no direct or indirect connection to the public system; or
- 50% flat rate stormwater SDC impact reduction for any amount of partial containment of runoff on-site.

Multi-family Residential, Commercial, Industrial, other development using a common or shared facility:

- The stormwater SDC will be reduced in the same proportion that the mitigating facility reduces runoff leaving the fully developed site.

7.2 Credits

City approval of credits shall be given based on one or more of the following:

7.2.1 Qualified Public Improvement Credit

For any qualified public improvement (as defined in Eugene Code) to be constructed in connection with the development for which an SDC is collected.

7.2.2 Capital Improvement Credit

For any capital improvement (as defined in Eugene Code) to be constructed as part of a development to the extent:

- that it reduces the need for construction of specific, identifiable public improvements; or
- that it would otherwise have to be constructed or acquired at public expense and is eligible for funding with Systems Development Charge funds under the current policies of the City Council; or
- that the City can recover credits through collection of an equivalent assessment from benefited properties, or for which the City Council has formed a Local Improvement District in accordance with provisions in Eugene Code, 1971 section 6.610 (6) or 7.407 (2).

7.2.3 Previous Payment or Use

SDC fees paid are not refundable and, in the case of an agreement to pay SDCs in installments, the terms of the agreement may not be modified. A partial refund of SDC fees will be made or a modification of an installment agreement will be allowed when an active development permit is canceled or expires without being used, a change of design of an active development permit is approved that results in a less intense use of the property, or property previously developed as a manufactured home park is partitioned and redeveloped. No portion of the administrative fees will be refunded, and an additional administrative charge may be imposed to cover the cost of calculating and processing the partial refund.

Credits for other types of previous payment or use may, however, be provided. In calculating the credits given under this section, the City Engineer shall apply credit for previous payment or use only to developments (e.g. structure, impervious area) for which the previous use, including that for which developments have been demolished, or payment can be verified and for which a credit has not been previously given. The burden of proof is on the applicant to provide adequate documentation (e.g. tax records, utility billing / water usage records, building permit records). Credits for previous payment or use are provided in the following manner when:

- Redevelopment occurs that does not change the use of a building in its entirety. The credit will be based on the most previous verifiable use; or

- Redevelopment occurs that will change the use of a building in its entirety, the credit for previous use will be based on the previous most intense verifiable use per system. In this case, the credit calculation will be performed independently for each system which may result in different periods of the use of the site being the basis of comparison.

7.2.4 City Cost of Construction Credit

In calculating the credits given under section 7.2.1 and 7.2.2, the City Engineer shall estimate the cost of the capital improvement based upon what the City would pay were it to construct such improvements.

7.2.5 Revenue Collection for Equivalent Assessment or Special Benefit Credit

When an equivalent assessment or a special benefit assessment is collected when property connects to a public improvement for which the City has granted a credit under 7.2.2 (3) above, the revenue collected (net of the costs of collection) shall be deposited in the SDC fund for the system to which connection was made and for which the credit was given unless the SDC fund has been reimbursed for the credit from other City funds. If the SDC fund has been reimbursed in advance from other City funds, the revenue collected will be deposited to the City fund which reimbursed the SDC fund.

7.3 Revocation of Credit and Impact Reduction

A credit or impact reduction which has been applied to reduce SDC fees may be revoked and the unpaid portion of the SDC reimposed as a lien against the property, within the time required by these Methodologies, if:

- The associated capital improvement for which SDC credit has been given is not constructed or completed as required, or fails to function as designed; or
- The associated reduction program for which an impact reduction has been approved is not instituted or is modified without the approval of the City Engineer, or ceases to function as designed.

Such revocation shall not occur until ten days prior written notice has been given to and an opportunity to be heard afforded the applicant and property owner. If the credit or impact reduction is revoked, the City Manager may add to the amount due, the cost of the revocation proceedings.

7.4 Application for Credit and Impact Reduction

An application for a credit or impact reduction, including related documentation and information, shall be submitted by the applicant in the manner prescribed by the City, together with any fee set by the City Engineer pursuant to Eugene Code, 1971 section 2.020. The applicant shall have the burden of demonstrating the eligibility for a credit and/or impact reduction. No credit or impact reduction shall be granted for an SDC that has already been imposed, collected or agreed to be paid in installments unless resulting

from cancellation of an active permit, expiration of a permit without being used, or an approved change of design of an active permit.

7.4.1 Application for Impact Reduction

Applicants must submit their request for an impact reduction in writing, accompanied by documentation that supports the basic function and design criteria for estimated impact reduction.

For commercial development, impact reduction will be applied uniformly for all lots or building sites in the development phase approved. Impact reductions granted under this methodology document may be used in subsequent phases of a development when the applicant demonstrates to the satisfaction of the City Engineer that the program or improvements continue to provide the anticipated reduction in demand, and the City has received assurances or agreements from the developer, owner, and owners successors, as approved by the City Engineer as is necessary to ensure that the program or facility will continue to function as planned for the agreed upon time period. Changes to the mitigated program or facility attributable to the connection of an additional phase which results in any deviation from the previously determined impact reduction will be adjusted proportionately.

7.4.2 Application for Credit Based on Construction of Public Improvements

For credits derived from the construction of public improvements, the property owner(s) will be notified in writing about potential credit availability, subsequent to the approval and bonding of the construction plans. The property owner(s) will have 60 days from the date of written notification to submit the SDC Credit Application and complete the approval process. Applications that include disbursement instructions for ineligible lots or which contain requests in conflict with City code, state law, or current City policies/practices will be considered incomplete applications.

7.4.3 Credit Distribution in the Absence of Directions from an Approved SDC Credit Application

With the exception of cases where the recovery of credit through an equivalent assessment is uncertain, if the owner does not comply with the requirements of section 7.4.2, the credit will be distributed by the “equal lot” method. All eligible lots or building sites will be identified, and the credit will be distributed in an equal amount to each of these eligible lots or building sites. Credit applied under this policy will not be eligible to be appealed. Development for which a building permit is issued prior to administration of credit disbursement or approval by City staff will not be considered eligible for credit distribution.

7.4.4 Changes to an Approved Credit Application

Whether established by the City using the “equal lot” method or by the property owner(s)/applicant(s), any modifications to the distribution of credits will require a new completed application, must be approved by the City Engineer, and will be effective only upon approval by the City Engineer of the revised credit application. The revised distribution will apply only to the remaining credit balances and undeveloped lots or building sites to which the credit originally applied.

7.5 Decision on Application for Credit

The City Engineer shall approve, conditionally approve, or deny an application in writing, setting forth the reason for the decision. Such a decision shall be mailed or personally delivered to the applicant.

7.6 Credit and Impact Reduction Duration

Credits granted under this methodology document may be applied to SDC fees for a development up to a maximum of 10 years from the date of the original written notification.

Impact reductions granted under this methodology document may be applied to SDC fees for a development until such time as the program or improvements no longer continue to provide the anticipated reduction in demand and the City has determined that assurances or agreements from the developer, owner, or owners successors, are no longer adequate to ensure that the program or facility will continue to function as planned for the agreed upon time period.

8.0 Appeals

An appeal by an applicant or a permittee of any decision of the City Manager under these Methodologies shall be governed by Eugene Code, 1971 section 7.735 and must be filed and the appeal fee paid within 15 working days of the date of the decision. Such appeals shall be in writing and filed with Public Works Engineering Permit Technician staff located at the City's Permit & Information Center. A separate appeal must be filed for each decision being appealed. The appeal fee, as established under Eugene Code, 1971 section 2.020, can be found in the current adopted SDC Fee schedule in Appendix F.

A person objecting to the City's final decision under Eugene Code, 1971 section 7.735 concerning the calculation of a systems development charge may seek judicial review of the decision pursuant to ORS 34.010 to 34.100.

9.0 Interested Persons Notification

The City shall maintain a list of persons who have made a written request for notification prior to adoption or modification of a methodology for any SDC. The City shall mail written notification to persons on the list at least 90 days prior to the first hearing to adopt or modify a system development charge. The methodology supporting the adoption or modification will be available 60 days prior to the first hearing to adopt or amend a systems development charge. The failure

of a person on the list to receive a notice that was mailed will not invalidate the action of the City. The City may periodically delete names from the Interested Persons List or require a new written request for notification be made if the person wishes to remain on the list. At least thirty (30) days prior to removal of the name from the Interested Persons List, the City will send notification to the person whose name is to be deleted. It is the responsibility of the person requesting to maintain a current address with the City for the purposes of being included on the Interested Persons List.

T A B L E 2

Potential Impact Reduction and Credits for Systems Development Charges

NOTE: These are possible examples only; eligibility is established at time of review of plans which approve the proposed improvements.

1. Transportation System

REDUCTIONS:

Successful bus pass program for employees

CREDITS:

Street width in excess of assessable width
Off-site, non-contiguous arterial or collector intersection
Street light on arterial or collector street
Off-site arterial or collector right of way and easement acquisition
Traffic signal on arterial or collector street
Off-street bicycle paths identified in adopted City plan
Off-site eligible public improvements where equivalent assessments can be collected

2. Wastewater System

CREDITS:

Public Wastewater collection lines > 8-inch diameter
Public pump stations and pressure lines that serve more than the development
Off-site public improvements, where equivalent assessments can be collected
Prior payment of Metropolitan Wastewater Service District debt service

3. Stormwater System

REDUCTIONS:

Destination and Quantity: Reduction or elimination by retention of stormwater otherwise discharged into public system
Pollution: Reduction of pollution via approved treatment techniques

CREDITS:

Stormwater collection lines > 24-inches in diameter
Major drainage channels: construction and off-site easement
Off-site public improvements where equivalent assessments can be collected or that benefit existing developments

4. Parks System

CREDITS:

Land dedication (for sites accepted by City, consistent with adopted City plans)
On-site park facility dedication (for improvements accepted by City, consistent with adopted City plans)