



City of Eugene  
System Development Charge Methodologies

**General Methodology**

**January 2019**



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# GENERAL 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 general methodology 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, impact reductions, credits, and compact development adjustments 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. Methods for calculating each of the following items are located in this General Methodology, in the noted sections:

- Administrative Charge Costs – Section 2.3.1
- Impact Reductions – Sections 7.0 – 7.1
- Credits – Sections 7.0 and 7.2
- Compact Development Adjustments – Sections 7.0 and 7.3

## **2.0 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. Different functional areas within the floor area space of a single use or tenant are not charged separately based upon the jobs performed in those functional areas (e.g., office, break room, shipping, storage room); rather, functional areas within a single use or tenant are assessed as a part of the overall use. If multiple uses are proposed and/or exist within one development, a single use classification may be assigned, as consistent with the definitions of transportation use codes adopted in Appendix A.

In the case of multiple uses that are proposed and/or exist within one development, a single use classification will be assigned for SDC fee and credit calculations where that single use classification accurately describes the multiple uses (e.g., the "General Office Building" use classification may be assigned for a development that includes restaurants, retail, and warehousing).

### **2.2 SDC Applicability**

Permits for development on a site shall be reviewed to determine whether the proposed

development will result in an increase in the usage of any capital improvement or will create the need for additional capital improvements. Development that will have such an impact will be charged SDCs and associated administrative charges. SDC administrative charges shall be charged per Section 2.3.1, *Administrative Costs*.

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 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**

The intent of the methodology is that new development should be charged an equitable share of system facility costs. Additional capacity needs are determined using the City's planned levels of service. If the planned level of service is higher than the existing level of service, new development will not be charged to remedy the deficiency associated with providing service for existing system users.

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 it must be available for public inspection.

- Improvement fees 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 G-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, and 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 portion of system value attributable to servicing the needs of future development.
- 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 costs of processing and administering the SDCs. An administrative charge shall be incurred when one of the following occurs:

- 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 charge will be calculated either as a percentage rate of the net charge after credits for previous use, compact development adjustments, and impact reductions 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 review to determine that there will be no increased usage of any capital improvement and no additional capital improvements will be needed.

The administrative charge 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 charge will be calculated either as a percentage rate of the net charge after credits for previous use, compact development adjustments, and impact reductions 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 charges be refunded, unless necessary as a result of City error. Additional review fees (e.g., supplemental information permit review fees) may be incurred for additional city staff review time needed when permit plans are changed or new SDC-related information is provided after the initial SDC review has been completed.

### **2.3.2 Maximum Administrative Charge**

An administrative charge 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 Amendment to the SDC Methodology and Fees**

Amendments to the SDC methodologies shall be made by resolution of the city council except as follows. An amendment to the methodology that changes the amount of a reimbursement fee or an improvement fee may be made by an administrative order of the city manager pursuant to section 2.020 of the Eugene Code, 1971, so long as the fees are not increased by more than five (5) percent within any 12-month period, and only if the change is based on either:

- The periodic application of the cost index described in 2.4.1, or
- A change in the costs of materials, labor or real property applied to projects or project capacity on a project list adopted pursuant to ORS 223.309.

### **2.4.1 Adopted Cost Index**

The 20-city national average construction cost index, as published by Engineering News-Record (ENR), shall be used when preparing periodic cost index adjustments.

## **2.5 Expending City of Eugene SDCs**

Improvement fee revenue may be spent only on capacity increasing capital improvements included on the adopted capital improvement lists, as defined in Eugene Code 1971 section 7.715(2), 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.

## **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, including, but not limited to, on-street bike lanes and greenways
  - Intersection construction costs
  - Traffic signal costs
  - Street light costs
  - Bridge and other structure construction costs
- Off-street bicycle and multi-use paths
  - Path construction costs
  - 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 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 included a regional administrative charge. On April 1, 2004, the Commission adopted a modified MWMC regional wastewater SDC methodology; the MWMC SDC structure was amended to include a compliance charge and to discontinue the use of a separate administrative charge. 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 Impact Reductions, Credits, and Compact Development Adjustments**

This section provides detail on the City's administration of SDC impact reductions, credits, and compact development adjustments. Potential sources, criteria for eligibility, and the basis for calculation of impact reductions, credits, and compact development adjustments are defined in this Methodology (including appendices) and in Eugene Code, 1971 sections 7.730 and 7.732. A list of examples of facilities and programs which are potentially eligible for these adjustments appears in Table G-1 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, impact reductions, and compact development adjustments for a single system exceed the amount of the SDC assessed for that system for any approved building or development permit.

The amount owed for SDCs may be reduced by one or more of the following processes described in this methodology:

- Impact Reduction, based on quantified mitigation of demand generated by the development for new identifiable capital improvements (available for transportation and stormwater system SDCs);
- Credit, based on the specific costs for privately engineered construction of certain public improvements as part of the development;
- Credit, based upon the payment of or contribution to the cost of certain capital improvements in association with multiple-family residential projects of five dwelling units or more (available for transportation, wastewater, stormwater, and parks system SDCs);

- Credit based on previous payment or use (available for transportation, wastewater, stormwater, and parks system SDCs);
- Compact Development Adjustments (available for transportation system SDCs)

Adjustment of SDCs due to impact reductions, credits, and compact development adjustments:

- Shall not be given for improvements constructed or programs instituted prior to City approval.
- Shall be applied up to the maximum SDC fee for the applicable system.
- Shall reduce the SDCs paid on building permits at the time of issuance, but in no case may the sum of impact reductions, credits, and compact development adjustments exceed the SDC.
- Shall be applied to a particular system (e.g., Transportation, Stormwater, Wastewater, Parks); credits or reductions approved for a particular system cannot 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 cannot be transferred or applied to other properties or developments.

## **7.1 Impact Reductions or Mitigation**

City approval of an impact reduction or mitigation will be based on programs instituted in connection with development and/or private physical improvements (as defined in Appendix A) constructed as part of the development. Such programs and improvements shall:

- Reduce the demand from that development for future construction of identifiable capital improvements;
- Be privately financed; and
- Be designed to be permanent.

The anticipated reduction in demand must be demonstrated to the satisfaction of the City Engineer. 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 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 Credit for Multiple-Unit Housing Capital Improvements**

Per Eugene Code, 1971 section 7.731, a multiple-unit housing credit may be granted for the construction of, payment for, or contribution to the cost of certain capital improvements, as part of a multiple-family residential project consisting of five or more dwelling units, if all the following conditions are met:

- The capital improvement must be included on a capital improvement plan described in Eugene Code 1971, section 7.715(2) and be eligible for SDC funding under the Plan; and
- The improvement must be located within the boundaries of the neighborhood association in which the development is being constructed; and
- Credit for the construction of or contribution to the improvement is permissible under state law; and
- The City Council, the developer, and the applicable neighborhood association board of directors each:
  - Agree that the improvement will mitigate one or more impacts resulting from the multiple-family residential project in the neighborhood; and
  - Approve the grant of SDC credit in exchange for the construction of, or contribution to, the improvement.

A multiple-unit housing credit may be applied only toward the SDC attributable to the same capital system (transportation, wastewater, stormwater, parks) as the improvement constructed, paid for, or contributed to by the developer. A multiple-unit housing credit may be for no more than fifty percent of the SDC for the applicable capital system.

### **7.2.4 Credit for Previous Payment or Use**

SDC fees, including administrative charges, that have been 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 charges will be refunded, and additional review fees 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
- When an entire building is demolished or when 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.

#### **7.2.5 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.

#### **7.2.6 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 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 Compact Development Adjustments**

Compact development adjustments may be granted to reduce the amount owed for a transportation system SDC, as detailed in section 4.4 of the transportation methodology, located in Appendix B to this General Methodology.

Commencing with the 2019 fiscal year, and continuing each fiscal year thereafter, the City may grant a base amount totaling \$130,000 annually for location-based, transit proximity and transportation demand management adjustments, combined. Each fiscal year there is a change in the rates for the SDCs for residential development, the base amount for that fiscal year shall be adjusted in an amount proportionate to that change.

If any portion of the authorized base amount remains unallocated at the end of a fiscal year, that portion shall be added to the authorized base amount for the next fiscal year.

#### **7.4 Revocation of Impact Reduction, Credit, or Compact Development Adjustment**

An impact reduction, credit, or compact development adjustment 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 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;
- 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 development for which a compact development adjustment has been approved removes required automobile and/or pedestrian connections to transit corridors, or changes use to a development type that does not meet the compact development adjustment criteria.

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.

#### **7.5 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.

##### **7.5.1 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.

### **7.5.2 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.

### **7.5.3 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 7.5.2, 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 the City Engineer will not be considered eligible for credit distribution.

### **7.5.4 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.

## **7.6 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.

## **7.7 Credit and Impact Reduction Duration**

Credits for qualified public improvements, capital improvements, and multiple-unit housing capital improvements 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.

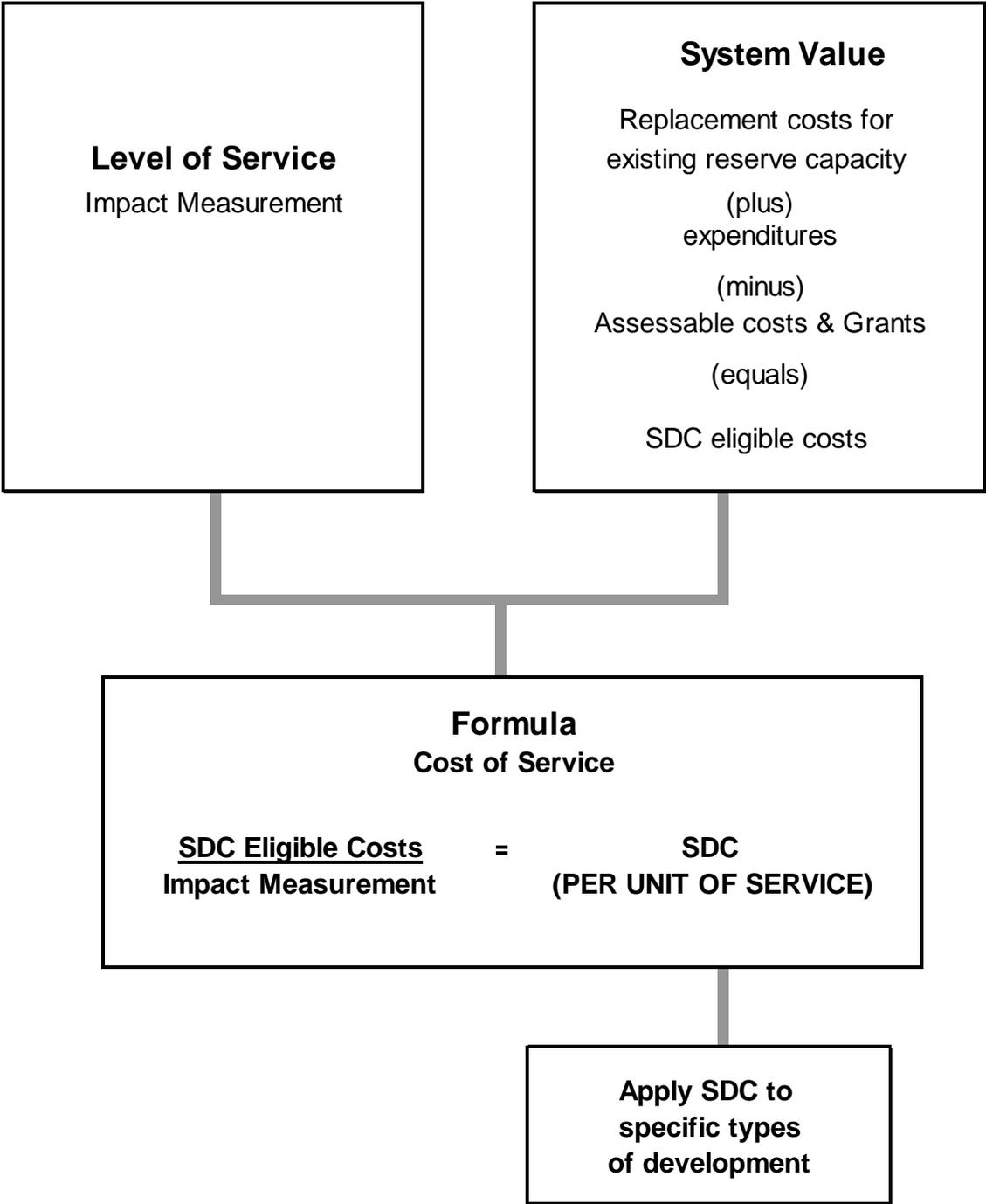
A person objecting to the City's final decision under Eugene Code, 1971 section 7.735 concerning the calculation of a systems development charge may seek judicial review of the decision pursuant to ORS 34.010 to 34.100.

## **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. An amendment to a methodology that changes the amount of a reimbursement fee or an improvement fee is not a "modification" of the system development charge subject to this notification requirement if the change is based on the periodic application of the cost index described in 2.4.1, or on a change in the costs of materials, labor or real property applied to projects or project capacity on a project list adopted pursuant to ORS 223.309.

FIGURE G-1

# Rate-Setting Methodology



## T A B L E G-1

### Potential Impact Reductions, Credits, and Compact Development Adjustments for System Development Charges

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

#### 1. Transportation System

**IMPACT 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 shared-use paths identified in adopted City plan
- Off-site eligible public improvements where equivalent assessments can be collected

**COMPACT DEVELOPMENT ADJUSTMENTS:**

- Adjustments based on site's location in relation to nodal areas, key corridors, frequent transit network routes, and Downtown Plan and West University Commercial Districts boundaries
- Transportation Demand Management (TDM) agreement to reduce parking spaces
- Accessory dwelling units (ADUs)

#### 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

**IMPACT 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 > 24inch 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)