

# Council Study Session

May 3, 2021

<b>Agenda Item</b>	Presentation on the Water and Storm Drain System Development Charges Project	
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<b>Item Type</b>	Requested by Council <input type="checkbox"/> Update <input type="checkbox"/> Request for Direction <input type="checkbox"/> Presentation <input checked="" type="checkbox"/>	

## **SUMMARY**

Before the Council is an update on the water and storm drain System Development Charge (SDC) project. The Galardi Rothstein Group was selected through a public solicitation process to update the City's water and storm drain SDCs and work has begun on the project including data analysis and establishment of the SDC Committee as required by resolution. Deb Galardi will provide the Council with information on the status of the project along with background on the process to develop a legally compliant and defensible SDC methodology and associated charges.

## **POLICIES, PLANS & GOALS SUPPORTED**

City Council Goals:

Essential Services

- Drinking Water System
- Stormwater

Continue to leverage resources to develop and/or enhance Value Services

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

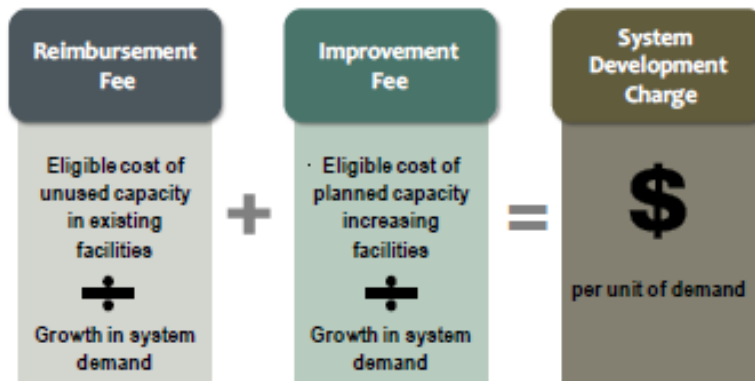
## **BACKGROUND AND ADDITIONAL INFORMATION**

System Development Charges (SDCs) are one-time fees charged on new development, and certain types of redevelopment, to help pay for existing and planned infrastructure to serve development that is being added to the five systems eligible by state law to charge and collect SDC's. SDCs are one means of financing growth available to local governments in a manner that significantly mitigates the costs of growth being borne by existing customers through rates or other existing fees and charges.

State law authorizes local governments to assess SDCs and specifies how, when, and for what improvements they can be imposed. Under ORS 223.297 – 223.314, SDCs may be used for capital improvements for:

- Water supply, treatment, and distribution
- Wastewater collection, transmission, treatment, and disposal
- Drainage and flood control
- Transportation
- Parks and recreation

The fees may be a reimbursement fee by new development for a portion of unused infrastructure capacity and/or an improvement fee for planned infrastructure. The fees may not include an improvement fee portion if there is sufficient existing capacity.



SDC revenues may be levied and used for capital costs, but not for ongoing facility or system maintenance or for projects that either fix existing system deficiencies or replace existing capacity. Cities must establish their SDCs by ordinance or resolution. The methodology must provide a credit for any qualified capital improvement financed by the developer. The calculation methodology must be adopted through a public process and the ordinance must set up a review procedure through which anyone may challenge an expenditure of SDC revenue if it is out of compliance with state restrictions. Prior to imposing SDCs the local body must have in place:

- A Council approved capital improvement plan (CIP)
- A public facilities plan or comparable plan that lists improvement

The recently adopted Water Master Plan and soon to be adopted Storm Drain Master Plan include Capital Improvement projects (CIP) that differ from the existing and previously developed CIPs, which were used to establish the existing SDC rate structures (*water 2016, storm water 2002*).

Updates to SDCs are important as they ensure the appropriate fee charges and collection of new development impacts to the City’s infrastructure systems. Inaccurate or undercharged SDC fees result in the existing customer/ratepayer subsidizing new development’s impact and cost to the five systems. SDC fees are only eligible to be used for project costs associated with infrastructure capacity enhancements. Defined capital improvements in the master plans vary in SDC capacity charge ability from 0 to 100 percent SDC “eligible” and become the maximum allowable amount of SDC funds that can be allocated to the specific project.

**The Water and Storm Drain SDC Update is broken into these major tasks:**

Cost & Capacity Bases

To be defensible, SDCs must recover costs from new development in proportion to projected capacity requirements. An understanding of systems planning criteria is critical to the evaluation of capacity needs and the equitable allocation of existing facility (reimbursement) and improvement project costs. The capacity framework will provide a basis for evaluating existing facility available capacity and for determining what portion of CIP costs are improvement-SDC eligible based on the type of facility and nature of the improvement (e.g., new facility expansion vs. system performance upgrades or replacements.)

### Develop Unit Costs and SDC Schedules

The reimbursement and improvement costs attributable to growth will be divided by the total projected growth units to determine system-wide unit costs of capacity. Growth units may be measured by projected water demand, equivalent dwelling units, impervious area, or other methods.

### Nonresidential & Residential SDC Structures

Once the unit costs of capacity have been calculated, the fees for different types and sizes of development can be determined based on projected claims on system capacity.

For nonresidential development, SDCs are currently scaled based on water meter size (water) and impervious area (storm drain). For residential development, the City has a long-standing policy of assessing SDCs based on heated living area and site impervious area (stormwater) to recognize the potential system impact of larger living units. Using historical data from the City's billing and GIS systems, Galardi Rothstein will evaluate the relationship between water use – both summer and winter average – and residential house size (based on living area). Understanding this relationship will provide a basis for evaluating the equity of the current SDC structure.

The current practice information along with developed alternative options will be presented and reviewed by the SDC Advisory Committee in the context of the current state of the industry and the master plans. The evaluation of options will consider both the technical equity and defensibility, and administrative considerations as well as assure compliance with relevant ORS.

### Methodology Report

The updated SDC methodologies, project lists, and SDC schedules will be documented in draft and final methodology reports. The final report will describe the methodological and policy frameworks and system-specific assumptions and fee calculations.

### Code Review

It is common practice to structure SDCs in such a way that furthers a local jurisdiction's broader objectives related to housing affordability, economic development, and other policies. The SDC update includes review of the current SDC policies and administration practices (e.g. inflationary update) reflected in current code. Recommendations or modifications to code language and provisions that can account for updated policy and technical framework will be reviewed by the SDC Committee with final recommendations to be reviewed by Council.

### **FISCAL IMPACTS**

Indirect fiscal impact associated with approval of appointments is associated with the staff time necessary to bring this action forward to Council and manage the project throughout its duration. Direct fiscal impacts include the fee associated with the Council authorized professional services contract with Galardi Rothstein Group for up to \$49,660 to perform the scope of services necessary to generate a new SDC methodology report. Additional direct fiscal impacts include instituting a legally compliance and defensible SDC fee methodology that captures the appropriate impact of new development on the City's infrastructure systems.

### **SUGGESTED NEXT STEPS**

Staff anticipates the SDC Advisory Committee's initial meeting near the end of May and expects three to four meetings with the group before a final recommendation is made and presented to Council for the SDC methodology and associated rates for adoption via resolution.

### **REFERENCES & ATTACHMENTS**

Attachment 1: Ashland Municipal Code 4.20 – System Development Charges

Attachment 2: City of Ashland SDCs

## Chapter 4.20

### SYSTEMS DEVELOPMENT CHARGES

Sections:

- 4.20.010**    **Definitions**
- 4.20.020**    **Purpose**
- 4.20.030**    **Scope**
- 4.20.040**    **Systems Development Charge Established**
- 4.20.050**    **Methodology**
- 4.20.060**    **Authorized Expenditures**
- 4.20.070**    **Expenditure Restrictions**
- 4.20.080**    **Improvement Plan**
- 4.20.090**    **Collection of Charge**
- 4.20.100**    **Exemptions**
- 4.20.105**    **Deferrals for Affordable Housing**
- 4.20.110**    **Credits**
- 4.20.120**    **Notification**
- 4.20.130**    **Segregation and Use of Revenue**
- 4.20.140**    **Refunds**
- 4.20.150**    **Appeal Procedures**
- 4.20.160**    **Prohibited Connection**
- 4.20.170**    **Enforcement – Violation**
- 4.20.180**    **Classification of the Fee**

#### **4.20.010**    **Definitions**

The following words and phrases, as used in this chapter, have the following definitions and meanings:

- A. *Capital Improvement(s)*. Public facilities or assets used for any of the following:
1. Water supply, treatment and distribution;
  2. Sanitary sewers, including collection, transmission and treatment;
  3. Storm sewers, including drainage and flood control;
  4. Transportation, including but not limited to streets, sidewalks, bike lanes and paths, street lights, traffic signs and signals, street trees, public transportation, vehicle parking, and bridges; or

5. Parks and recreation, including but not limited to mini-neighborhood parks, neighborhood parks, community parks, public open space and trail systems, buildings, courts, fields and other like facilities.
- B. *Development*. As used in Sections [4.20.020](#) through [4.20.180](#) means constructing or enlarging a building or adding facilities, or making a physical change in the use of a structure or land, which increases the usage of any capital improvements or which will contribute to the need for additional or enlarged capital improvements.
- C. *Improvement Fee*. A fee for costs associated with capital improvements to be constructed after the effective date of the ordinance codified in this chapter.
- D. *Qualified Public Improvements*. A capital improvement that is:
1. Required as a condition of development approval; and
  2. Is identified in the plan adopted pursuant to section [4.20.080](#) and is either:
    - a. Not located on or contiguous to property that is the subject of development approval; or
    - b. Located on or contiguous to the property that is the subject of development approval and is required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.
- E. *Reimbursement Fee*. A fee for costs associated with capital improvements constructed or under construction on the date the fee is adopted pursuant to Section [4.20.040](#).
- F. *Systems Development Charge*. A reimbursement fee, a public improvement charge or a combination thereof assessed or collected at any of the times specified in Section [4.20.090](#). It shall not include connection or hook-up fees for sanitary sewers, storm drains or water lines, since such fees are designed by the City only to reimburse the City for the costs for such connections. Nor shall the SDC include costs for capital improvements which by City policy and State statute are paid for by assessments or fees in lieu of assessments for projects of special benefit to a property, or the cost of complying with requirements or conditions imposed by a land use decision. (Ord. 3174 § 1, amended, 03/19/2019; Ord. 2791 § 1, amended, 1997)

## **4.20.020 Purpose**

The purpose of the systems development charge (SDC) is to impose an equitable share of the public costs of capital improvements upon those developments that create the need for or increase the demands on capital improvements. (Ord. 3174 § 1, amended, 03/19/2019)

## **4.20.030 Scope**

The systems development charge imposed by this chapter is separate from and in addition to any applicable tax, assessment, charge, fee in lieu of assessment, or fee otherwise provided by law or imposed as a condition of development. A systems development charge is to be considered in the nature of a charge for service rendered or

facilities made available, or a charge for future services to be rendered on facilities to be made available in the future. (Ord. 3174 § 1, amended, 03/19/2019)

#### **4.20.040 Systems Development Charge Established**

- A. Unless otherwise exempted by the provisions of this chapter or other local or state law, a systems development charge is hereby imposed upon all development within the City; and all development outside the boundary of the City that connects to or otherwise uses the sanitary sewer system, storm drainage system or water system of the City. The City Administrator is authorized to make interpretations of this section, subject to appeal to the City Council.
- B. Systems development charges for each type of capital improvement may be created through application of the methodologies described in Section [4.20.050](#). The amounts of each system development charge shall be adopted initially by Council resolution following a public hearing. Changes in the amounts shall also be adopted by resolution following a public hearing, except changes resulting solely from inflationary cost impacts. Inflationary cost impacts shall be measured and calculated annually by the City Administrator and charged accordingly. Such calculations will be based upon changes in the Engineering News Record Construction Index (ENR Index) for Seattle, Washington. (Ord. 3174 § 1, amended, 03/19/2019; Ord. 2791 § 2, amended, 1997)

#### **4.20.050 Methodology**

- A. The methodology used to establish a reimbursement fee shall consider the cost of then-existing facilities, prior contributions by then-existing users, gifts or grants from federal or state government or private persons, the value of unused capacity, rate-making principles employed to finance publicly owned capital improvements, and other relevant factors identified by the City Council. The methodology shall promote the objective that future systems users shall contribute an equitable share of the cost of then-existing facilities.
- B. The methodology used to establish the improvement fee shall consider the cost of projected capital improvements identified in an improvement plan (see Section [4.20.080](#)) that are needed to increase the capacity of the systems to which the fee is related.
- C. The methodologies used to establish the systems development charge shall be adopted by resolution of the Council following a public hearing.
1. The City shall provide written notice to persons who have requested notice of any adoption or modification of SDC methodology at least 90 days before the hearing. If no one has requested notice, the City shall publish notice in a newspaper of general circulation in the City at least 90 days before the hearing.
  2. The revised methodology shall be available to the public at least 60 days before the first public hearing of the adoption or amendment of the methodology.
- D. A change in the amount of a reimbursement fee or an improvement fee is not a modification of the SDC methodology if the change is based on a change in project costs, including cost of materials, labor and real

property, or on a provision for a periodic adjustment included in the methodology or adopted by separate ordinance or resolution, consistent with State law.

E. A change in the amount of an improvement fee is not a modification of the SDC methodology if the change is the result of a change in the improvement plan adopted in accord with Section [4.20.080](#).

F. The formulas and calculations used to compute specific systems development charges are based upon averages and typical conditions. Whenever the impact of individual developments present special or unique situations such that the calculated fee is grossly disproportionate to the actual impact of the development, alternative fee calculations may be approved or required by the City Administrator under administrative procedures prescribed by the City Council. All data submitted to support alternate calculations under this provision shall be site specific. Major or unique developments may require special analyses to determine alternatives to the standard methodology.

G. When an appeal is filed challenging the methodology adopted by the City Council, the City Administrator shall prepare a written report and recommendation within twenty (20) working days of receipt for presentation to the Council at its next regular meeting. The Council shall, by resolution, approve, modify or reject the report and recommendation of the City Administrator, or may adopt a revised methodology by resolution, if required. Any legal action contesting the City Council's decision in the appeal shall be filed within sixty (60) days of the Council's decision. (Ord. 3174 § 1, amended, 03/19/2019)

#### **4.20.060 Authorized Expenditures**

A. Reimbursement fees shall be spent on capital improvements associated with the systems for which the fees are assessed, including expenditures relating to repayment of indebtedness.

B. Improvement fees shall be spent only on capacity increasing improvements for which the fees are assessed, including repayment of indebtedness. An increase in system capacity occurs if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of such improvements funded by improvement SDCs must be related to the need for increased capacity to provide service for future users.

C. Notwithstanding subsections [A](#) and [B](#) of this section, SDC revenues may be expended on the direct costs of complying with the provisions of this chapter, including the costs of developing SDC methodologies, system planning, providing an annual accounting of SDC expenditures and other costs directly related to or required for the administration and operation of this SDC program. (Ord. 3174 § 1, amended, 03/19/2019; Ord. 2791 § 3, amended, 1997)

### 4.20.070 Expenditure Restrictions

- A. SDCs shall not be expended for costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements, or for costs of the operation or routine maintenance of capital improvements.
- B. A capital improvement being funded wholly or in part from revenues derived from the improvement fee shall be included in the plan adopted by the City pursuant to section [4.20.080](#). (Ord. 3174 § 1, added, 03/19/2019)

### 4.20.080 Improvement Plan

- A. Prior to the establishment of a system development charge, the City Council shall prepare a capital improvement plan, public facilities plan, master plan, or other comparable plan that includes:
1. A list of the capital improvements that the City Council intends to fund, in whole or in part, with revenues from improvement fees;
  2. The estimated cost and time of construction of each improvement and the percentage of that cost eligible to be funded with improvement fee revenue; and
  3. A description of the process for modifying the plan.
- B. In adopting a plan under subsection [A](#) of this section, the City Council may incorporate by reference all or a portion of any capital improvement plan, public facilities plan, master plan, or other comparable plan that contains the information required by this section.
- C. The City Council may modify such plan and list, as described in subsection [A](#) of this section, at any time. If a system development charge will be increased by a proposed modification to the list to include a capacity increasing public improvement, the City Council will:
1. At least thirty (30) days prior to the adoption of the proposed modification, provide written notice to persons who have requested notice pursuant to Section [4.20.120](#);
  2. Hold a public hearing if a written request for a hearing is received within seven (7) days of the date of the proposed modification.
- D. A change in the amount of a reimbursement fee or an improvement fee is not a modification of the system development charge if the change in amount is based on:
1. A change in the cost of materials, labor, or real property applied to projects or project capacity as set forth on the list adopted pursuant to subsection [A](#) of this section;
  2. The periodic application of one or more specific cost indexes or other periodic data sources, including the cost index identified in Section [4.20.040](#). A specific cost index or periodic data source must be:



- 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 by the City Council in a separate resolution, or, if no other index is identified in the established methodology, then the index stated in Section [4.20.040](#). (Ord. 3174 § 1, added, 03/19/2019)

#### **4.20.090 Collection of Charge**

- A. The systems development charge is payable upon, and as a condition of, issuance or approval of:
1. A building permit;
  2. A development permit;
  3. A permit for a development not requiring the issuance of a building permit;
  4. A permit or other authorization to connect to the water, sanitary sewer or storm drainage systems;
  5. A right-of-way access permit; or
  6. A planning action or change in occupancy (as defined in the Uniform Building Code) that will increase the demands on any public facility for which systems development charges are charged.
- B. If development is commenced or connection is made to the water system, sanitary sewer system or storm sewer system without an appropriate permit, the systems development charge is immediately payable upon the earliest date that a permit was required, and it will be unlawful for anyone to continue with the construction or use constituting a development until the charge has been paid or payment secured to the satisfaction of the City Administrator.
- C. Any and all persons causing a development or making application for the needed permit, or otherwise responsible for the development, are jointly and severally obligated to pay the charge, and the City Administrator may collect the said charge from any of them. The City Administrator or his/her designee shall not issue any permit or allow connections described in subsection [A](#) of this section until the charge has been paid in full or until an adequate secured arrangement for its payment has been made, within the limits prescribed by resolution of the City Council.
- D. An owner of property obligated to pay a system development charge may apply to pay the charge in semi-annual installments over a period not exceeding ten years as provided in this section.
1. The minimum charge subject to payment by installments shall be \$2,000 and the maximum charge that may be subject to payment by installments shall not exceed \$200,000. The minimum semi-annual installment shall be \$1,000. Installments shall include interest on the unpaid balance at annual rate of six percent (6%) for

a five-year installment loan or seven percent (7%) for a 10-year installment loan. A one-year installment loan shall not be subject to an annual interest rate provided all charges are paid prior to the City's issuance of the Certificate of Occupancy, time of sale, or within one year of when the charge was imposed, whichever comes first.

2. The installment application shall state that the applicant waives all irregularities or defects, jurisdictional or otherwise, in the proceedings to cause the system development charge.
3. The application shall also contain a statement, by lots or blocks, or other convenient description of the property meeting the requirements of ORS [93.600](#), subject to the charge.
4. A systems development charge subject to installment payments shall be chargeable as a lien upon the property subject to the charge. Pursuant to ORS [93.643\(2\)\(c\)](#), the City Recorder shall record notice of the installment payment contract with the Jackson County Clerk. The applicant shall pay the recording charges. (Ord. 3174 § 1, renumbered, 03/19/2019; Ord. 2791 § 5, amended, 1997; Ord. 2670, amended, 1992. Formerly 4.20.070)

## 4.20.100 Exemptions

The conditions under which all or part of the systems development charges imposed in Section [4.20.040](#) may be waived are as follows:

- A. Structures and uses established and legally existing on or before the effective date of the ordinance codified in this chapter are exempt from a system development charge, except water and sewer charges, to the extent of the structure or use then existing and to the extent of the parcel of land as it is constituted on that date. Structures and uses affected by this subsection shall pay the water or sewer charges pursuant to the terms of this chapter upon the receipt of a permit to connect to the water or sewer system.
- B. Housing for low income or elderly persons which is exempt from real property taxes under state law. (Ord. 3174 § 1, renumbered, 03/19/2019; Ord. 2791 § 7, amended, 1997. Formerly 4.20.080)

## 4.20.105 Deferrals for Affordable Housing

- A. The systems development charge for the development of qualified affordable housing under the City's affordable housing laws shall be deferred until the transfer of ownership to an ineligible buyer occurs. Deferred systems development charges shall be secured by a second mortgage acceptable to the City, bearing interest at not less than five percent (5%) per annum. Accrued interest and principal shall be due on sale to an ineligible buyer.
- B. The systems development charge and second mortgage for the development of qualified affordable housing shall terminate 30 years after the issuance of a certificate of occupancy if the housing unit(s) have continued to meet the affordable housing requirements during the 30-year period. (Ord. 3174 § 1, renumbered, 03/19/2019; Ord. 2791 § 8, amended, 1997; Ord. 2670, amended, 1992. Formerly 4.20.085)

### **4.20.110 Credits**

A. When development occurs that gives rise to a system development charge under Section [4.20.040](#), the system development charge for the existing use shall be calculated and if it is less than the system development charge for the proposed use, the difference between the system development charge for the existing use and the system development charge for the proposed use shall be the system development charge required under Section [4.20.040](#). If the change in use results in the systems development charge for the proposed use being less than the system development charge for the existing use, no system development charge shall be required; however, no refund or credit shall be given.

B. The limitations on the use of credits contained in this subsection shall not apply when credits are otherwise given under this section. A credit shall be given for the cost of a qualified public improvement associated with a development. If a qualified public improvement is located partially on and partially off the parcel of land that is the subject of the approval, the credit shall be given only for the cost of the portion of the improvement not attributable wholly to the development. The credit provided for by this subsection shall be only for the improvement fee charged for the type of improvement being constructed and shall not exceed the improvement fee even if the cost of the capital improvement exceeds the applicable improvement fee. Credits paid as a permit for development will expire five years after paid. The credit shall be apportioned equally among all single-family residential lots (where such credit was granted for subdivisions). Credits for other types of developments shall be allocated to building permits on a first-come, first-served basis until the credit is depleted.

C. Applying the methodology adopted by resolution, the City Administrator or designee shall grant a credit against the improvement fee, for a capital improvement constructed as part of the development that reduces the development's demand upon existing capital improvements or the need for future capital improvements or that would otherwise have to be provided at City expense under then existing Council policies.

D. Credits for additions to dedicated park land, or development of planned improvements on dedicated park land, shall only be granted by the City Administrator upon recommendation by the Park and Recreation Commission for land or park development projects identified in the Capital Improvement Plan, referred to in Section [4.20.070.B](#).

E. In situations where the amount of credit exceeds the amount of the system development charge, the excess credit is not transferable to another development. It may be transferred to another phase of the original development.

F. Credit shall not be transferable from one type of capital improvement to another. (Ord. 3174 § 1, renumbered, 03/19/2019; Ord. 2791 § 9, amended, 1997. Formerly 4.20.090)

### **4.20.120 Notification**

A. 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 system development charge. Written notice shall be mailed to persons on

the list as provided in sections [4.20.050](#) and [4.20.080](#). The failure of a person on the list to receive a notice that was mailed does not invalidate the action of the City.

B. The City may periodically delete names from the list, but at least thirty (30) days prior to removing a name from the list, the City must notify the person whose name is to be deleted that a new written request for notification is required if the person wishes to remain on the notification list. (Ord. 3174 § 1, added, 03/19/2019)

### **4.20.130 Segregation and Use of Revenue**

A. All SDC proceeds are to be segregated by accounting practices from all other funds of the City. SDC proceeds shall be used only for capital improvement of the type for which they were collected and authorized costs and overhead.

B. The City Administrator shall provide the City Council with an annual accounting, based on the City's fiscal year, for SDCs showing the total amount of SDC revenues collected for each type of facility and the projects funded from each account in the previous fiscal year. A list of the amounts spent on each project funded in whole or in part with SDC revenues shall be included in the annual accounting.

C. The monies deposited into each SDC account shall be used solely as allowed by this chapter and State law, including, but not limited to:

1. Design and construction plan preparation;
2. Permitting and fees;
3. Land, easements, and materials acquisition, including any cost of acquisition or condemnation, including financing, legal and other costs;
4. Construction of capital improvements;
5. Design and construction of new utility facilities required by the construction of capital improvements and structures;
6. Relocating utilities required by the construction of improvements;
7. Landscaping;
8. Construction management and inspection;
9. Surveys, soils, and materials testing;
10. Acquisition of capital equipment;
11. Repayment of monies transferred or borrowed from any budgetary fund of the City which were used to fund any of the capital improvements as herein provided; and

12. Payment of principal and interest, necessary reserves and cost of issuance under bonds or other indebtedness issued by the City to fund capital improvements. (Ord. 3174 § 1, added, 03/19/2019)

#### **4.20.140 Refunds**

- A. Refunds shall be given by the City Administrator upon finding that there was a clerical error in the calculation of a system development charge.
- B. Refunds shall not be allowed for failure to timely claim a credit under Section [4.20.110](#), or for failure to seek an alternative system development charge rate calculation at the time of submission of an application for a building permit.
- C. Refunds may be given on application of a permittee if the development did not occur and all permits for the development have been withdrawn. (Ord. 3174 § 1, added, 03/19/2019)

#### **4.20.150 Appeal Procedures**

- A. As used in this section “working day” means a day when the general offices of the City are open to transact business with the public.
- B. A person aggrieved by a decision required or permitted to be made by the City Administrator or designee under Sections [4.20.010](#) through [4.20.130](#) or a person challenging the propriety of an expenditure of systems development charge revenues may appeal the decision or expenditure by filing a written request with the City Recorder for consideration by the City Council. Such appeal shall describe with particularity the decision or the expenditure from which the person appeals and shall comply with subsection [D](#) of this section.
- C. An appeal of an expenditure must be filed within two years of the date of alleged improper expenditure. An appeal petition challenging the adopted methodology shall be filed not later than sixty (60) days from the date of the adoption of the methodology. Appeals of any other decision must be filed within 10 working days of the date of the decision.
- D. The appeal shall state:
  1. The name and address of the appellant;
  2. The nature of the determination being appealed;
  3. The reason the determination is incorrect; and
  4. What the correct determination should be.

An appellant who fails to file such a statement within the time permitted waives any objections, and the appeal shall be dismissed.

E. Unless the appellant and the City agree to a longer period, an appeal shall be heard within 30 days of the receipt of the written appeal. At least 10 working days prior to the hearing, the City shall mail notice of the time and location thereof to the appellant.

F. The City Council shall hear and determine the appeal on the basis of the appellant's written statement and any additional evidence the appellant deems appropriate. At the hearing, the appellant may present testimony and oral argument personally or by counsel. The City may present written or oral testimony at this same hearing. The rules of evidence as used by courts of law do not apply.

G. The appellant shall carry the burden of proving that the determination being appealed is incorrect and what the correct determination should be.

H. The City Council shall render its decision within 15 days after the hearing date and the decision of the Council shall be final. The decision shall be in writing but written findings shall not be made or required unless the Council, in its discretion, elects to make findings for precedential purposes.

Any legal action contesting the Council's decision on the appeal shall be filed within 60 days of the Council's decision. (Ord. 3174 § 1, renumbered, 03/19/2019; Ord. 2791 § 10, amended, 1997. Formerly 4.20.100)

#### **4.20.160 Prohibited Connection**

After the effective date of this chapter, no person may connect any premises for service, or cause the same to be connected, to any sanitary sewer, water system, or storm sewer system of the City unless the appropriate systems development charge has been paid or payment has been secured as provided in this chapter. (Ord. 3174 § 1, renumbered, 03/19/2019. Formerly 4.20.110)

#### **4.20.170 Enforcement – Violation**

Any service connected to the City water, sewer or storm sewer system after the effective date of this chapter for which the fee due hereunder has not been paid as required or an adequate secured arrangement for its payment has been made is subject to termination of service under the City's utility disconnect policy. In addition to any other remedy or penalty provided herein, any connection to the City water, sewer or storm system made without payment as specified in this chapter shall be considered a Class I violation. (Ord. 3174 § 1, renumbered, 03/19/2019; Ord. 3023, amended, 08/03/2010. Formerly 4.20.120)

#### **4.20.180 Classification of the Fee**

System development charges as set forth in this chapter are classified as not subject to the limits of Section [11b](#) of Article [XI](#) of the Oregon Constitution. (Ord. 3174 § 1, renumbered, 03/19/2019; Ord. 2791 § 11, amended, 1997. Formerly 4.20.121)

**The Ashland Municipal Code is current through Ordinance 3187, and legislation passed through June 2, 2020.**

Disclaimer: The City Recorder's office has the official version of the Ashland Municipal Code. Users should contact the City Recorder's office for ordinances passed subsequent to the ordinance cited above.

**Note:** This site does not support Internet Explorer. To view this site, Code Publishing Company recommends using one of the following browsers: Google Chrome, Firefox, or Safari.

[City Website: www.ashland.or.us](http://www.ashland.or.us)

City Telephone: (541) 488-5307

[Code Publishing Company](#)

**FEES EFFECTIVE:**  
January 1, 2021 to June 30, 2021

*Next fee increase will occur July 1, 2021*

**CITY OF  
ASHLAND**

## **RESIDENTIAL SYSTEMS DEVELOPMENT CHARGES**

The purpose of the systems development charge (SDC) is to impose an equitable share of the public costs of capital improvements upon those developments that create the need for or increase the demands on capital improvements.

SDCs are collected to help pay for growth related improvements in the following areas: water supply, distribution and treatment, sewer collection and treatment, transportation, storm water collection, and parks and recreation\open space acquisition.

**If you are building a new structure or adding onto an existing one, the following fees will be assessed along with standard Plan Review, Building Permit, Community Development and Engineering fees. The Plan Review fee is due at application and rest are due at the time of building permit issuance.**

### **WATER AND SEWER SDC**

If you are adding additional habitable space (any heated space), water and sanitary sewer SDCs will be charged.

To calculate water SDC, multiply **\$2.6069** by the total of the additional habitable space being created (any heated space). To calculate sewer SDC, multiply **\$2.0787** by the total of the additional habitable space being created (any heated space)

### **STORM/IMPERVIOUS SURFACE SDC**

If you are adding roof area, driveway or any other impervious surface (concrete paths/decks, swimming pools, etc) you will be assessed for storm water collection.

To calculate, multiply **\$0.1689** by the total square footage of the impervious surfaces.

### **PARKS AND RECREATION SDC**

The Parks and Recreation SDC is charged only for the creation of new units of the following categories:

Single Family	\$1,041.20/unit
Multi-Family	\$ 814.86/unit
Units less than 500 sq ft	\$ 611.15/unit
Tourist Room	\$ 487.76/room

### **TRANSPORTATION SDC**

The Transportation SDC is based on the land use category for each project and is charge for each new dwelling unit.

	<b>Under 500 sq.ft.</b>	<b>501 sq.ft. – 800 sq.ft.</b>	<b>Over 800 sq. ft.</b>
Single Family Dwelling/Townhome	\$2,302	\$3,452	\$4,603
Apartment/Condominium /ARU	\$1,785	\$2,677	\$3,569

CITY OF ASHLAND  
DEPT OF COMMUNITY DEVELOPMENT  
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City of Ashland

Estimated Building Permit and SDC Fees for Single Family Residences

Square Footage	Valuation <sup>1</sup>	Permit Fees <sup>2</sup>	Plan Check Fee	Comm Dev Fee <sup>3</sup>	Fire Protection Fee	Eng Fee <sup>3</sup>	Water SDC	Sewer SDC	Impv. Surface SDC	Parks SDC	Transp SDC	School Excise Tax <sup>4</sup>	Total
500	\$70,860	\$598	\$389	\$850	\$237	\$531	\$1,303	\$1,039	\$84	\$611	\$2,302	\$535	\$8,481
1000	\$141,720	\$911	\$592	\$1,701	\$361	\$1,063	\$2,607	\$2,079	\$169	\$1,041	\$4,603	\$1,070	\$16,196
1100	\$155,892	\$968	\$629	\$1,871	\$383	\$1,169	\$2,868	\$2,287	\$186	\$1,041	\$4,603	\$1,177	\$17,181
1200	\$170,064	\$1,024	\$666	\$2,041	\$406	\$1,275	\$3,128	\$2,494	\$203	\$1,041	\$4,603	\$1,284	\$18,165
1300	\$184,236	\$1,081	\$703	\$2,211	\$428	\$1,382	\$3,389	\$2,702	\$220	\$1,041	\$4,603	\$1,391	\$19,150
1400	\$198,408	\$1,138	\$739	\$2,381	\$451	\$1,488	\$3,650	\$2,910	\$236	\$1,041	\$4,603	\$1,498	\$20,135
1500	\$212,580	\$1,194	\$776	\$2,551	\$473	\$1,594	\$3,910	\$3,118	\$253	\$1,041	\$4,603	\$1,605	\$21,120
1600	\$226,752	\$1,251	\$813	\$2,721	\$495	\$1,701	\$4,171	\$3,326	\$270	\$1,041	\$4,603	\$1,712	\$22,105
1700	\$240,924	\$1,308	\$850	\$2,891	\$518	\$1,807	\$4,432	\$3,534	\$287	\$1,041	\$4,603	\$1,819	\$23,089
1800	\$255,096	\$1,364	\$887	\$3,061	\$540	\$1,913	\$4,692	\$3,742	\$304	\$1,041	\$4,603	\$1,926	\$24,074
1900	\$269,268	\$1,421	\$924	\$3,231	\$563	\$2,020	\$4,953	\$3,950	\$321	\$1,041	\$4,603	\$2,033	\$25,059
2000	\$283,440	\$1,478	\$961	\$3,401	\$585	\$2,126	\$5,214	\$4,157	\$338	\$1,041	\$4,603	\$2,140	\$26,043
2100	\$297,612	\$1,534	\$997	\$3,571	\$608	\$2,232	\$5,474	\$4,365	\$355	\$1,041	\$4,603	\$2,247	\$27,028
2200	\$311,784	\$1,591	\$1,034	\$3,741	\$630	\$2,338	\$5,735	\$4,573	\$372	\$1,041	\$4,603	\$2,354	\$28,013
2300	\$325,956	\$1,648	\$1,071	\$3,911	\$653	\$2,445	\$5,996	\$4,781	\$388	\$1,041	\$4,603	\$2,461	\$28,998
2400	\$340,128	\$1,705	\$1,108	\$4,082	\$675	\$2,551	\$6,257	\$4,989	\$405	\$1,041	\$4,603	\$2,568	\$29,983
2500	\$354,300	\$1,761	\$1,145	\$4,252	\$697	\$2,657	\$6,517	\$5,197	\$422	\$1,041	\$4,603	\$2,675	\$30,968
2600	\$368,472	\$1,818	\$1,182	\$4,422	\$720	\$2,764	\$6,778	\$5,405	\$439	\$1,041	\$4,603	\$2,782	\$31,953
2700	\$382,644	\$1,875	\$1,218	\$4,592	\$742	\$2,870	\$7,039	\$5,612	\$456	\$1,041	\$4,603	\$2,889	\$32,937
2800	\$396,816	\$1,931	\$1,255	\$4,762	\$765	\$2,976	\$7,299	\$5,820	\$473	\$1,041	\$4,603	\$2,996	\$33,922
2900	\$410,988	\$1,988	\$1,292	\$4,932	\$787	\$3,082	\$7,560	\$6,028	\$490	\$1,041	\$4,603	\$3,103	\$34,906
3000	\$425,160	\$2,045	\$1,329	\$5,102	\$810	\$3,189	\$7,821	\$6,236	\$507	\$1,041	\$4,603	\$3,210	\$35,891
3100	\$439,332	\$2,101	\$1,366	\$5,272	\$832	\$3,295	\$8,081	\$6,444	\$524	\$1,041	\$4,603	\$3,317	\$36,876
3200	\$453,504	\$2,158	\$1,403	\$5,442	\$855	\$3,401	\$8,342	\$6,652	\$540	\$1,041	\$4,603	\$3,424	\$37,861
3300	\$467,676	\$2,215	\$1,440	\$5,612	\$877	\$3,508	\$8,603	\$6,860	\$557	\$1,041	\$4,603	\$3,531	\$38,846
3400	\$481,848	\$2,271	\$1,476	\$5,782	\$899	\$3,614	\$8,863	\$7,068	\$574	\$1,041	\$4,603	\$3,638	\$39,831
3500	\$496,020	\$2,328	\$1,513	\$5,952	\$922	\$3,720	\$9,124	\$7,275	\$591	\$1,041	\$4,603	\$3,745	\$40,815

**Note: These calculations are based on estimated average costs - specific project costs will fluctuate.**

- 1 Valuation is calculated as square footage X \$141.72 for a single family residence.
- 2 Temporary Power, if needed, is a separate permit, at an additional fee. Utility Connection fees and State Surcharge fees are not included.
- 3 Community Development and Engineering Development fees are 1.2% and .75% of valuation, respectively.
- 4 School Excise Tax is \$1.07 per sq ft for residential.

**FEES EFFECTIVE:**  
**January 1, 2021 to June 30, 2021**

*Next fee increase will occur July 1, 2021*

**CITY OF  
ASHLAND**

## **COMMERCIAL SYSTEMS DEVELOPMENT CHARGES (SDCs)**

The purpose of the systems development charge (SDC) is to impose an equitable share of the public costs of capital improvements upon those developments that create the need for or increase the demands on capital improvements.

SDCs are collected to help pay for growth related improvements in the following areas: water supply, distribution and treatment, sewer collection and treatment, transportation, storm water collection, and parks and recreation/open space acquisition.

**If you are building a new structure or adding onto an existing one, the following fees will be assessed along with standard building permit fees and are due at the time of building permit issuance.**

### WATER SDC

The water SDC is based on required water meter size. The meter fee schedule is as follows:

.625 x .75 inch	\$4,877	2 inch	\$ 56,901
.75 inch	\$ 8,129	3 inch	\$ 97,543
1 inch	\$ 16,257	4 inch	\$ 203,213
1.5 inch	\$ 26,010	6 inch	\$ 292,627

### SANITARY SEWER SDC

The Sanitary Sewer SDC is based on fixture units. The State Building Code determines the number of fixture units of each plumbing fixture unit. You will be credited for any existing fixtures being removed. Please note on your plans any existing fixtures being removed so they can be credited accordingly.

To calculate, see the attached sheet to determine the number of plumbing fixture units and multiply the total number of fixture units by **\$319.72**.

### STORM SEWER SDC

If you are adding roof area, driveway or any other impervious surface (concrete walkways/decks, swimming pools, etc, you will be assessed for storm water collection.

To calculate, multiply **\$0.1689** by the total square footage of the impervious surfaces.

### PARK AND RECREATION SDC

The Parks and Recreation SDC is charged on new residential development, with the exception of tourist accommodation rooms (hotel/motel/B & B)

To calculation, multiply each tourist accommodation room by **\$487.76**

### TRANSPORTATION SDC

The Transportation SDC is based on the land use category for each project. Rates and land use categories are listed on the attached sheet.

CITY OF ASHLAND  
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ASHLAND, OR 97520

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**COMMERCIAL**  
**SYSTEMS DEVELOPMENT CHARGES**  
**(SDCs)**

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**Fixture Unit Reference Guide**  
Effective 7/20/2007

The following is a partial list of the most common commercial fixtures and their fixture unit counts for standard, public use and for assembly use (schools, auditoriums, etc) Complete specifications can be found in the Uniform Plumbing Code.

	<u>Public</u>	<u>Assembly</u>
Bathtub or Bath/Shower	4.0	
Clothes Washer	4.0	
Dishwasher	1.5	
Drinking Fountain	.5	.75
Lavatory	1.0	1.0
Kitchen, domestic	1.5	
Laundry sink	1.5	
Service/Mop Basin	3.0	
Shower	2.0	
Urinal 1.0 GPF	4.0	
Water Closet (1.6 GPF)	2.5	3.5



# TRANSPORTATION SYSTEM DEVELOPMENT CHARGES

Table A-2

City of Ashland, Oregon

TSDC by Land Use (Updated and 3-Year Phase In)

ITE Code	Description	Unit of Measure	Year 3 January 1 - June 30, 2021
90	PARK & RIDE LOT WITH BUS SERVICE	PER PARKING SPACE	\$1,370
110	GENERAL LIGHT INDUSTRIAL	PER TGSF	\$2,419
130	INDUSTRIAL PARK	PER TGSF	\$1,643
140	MANUFACTURING	PER TGSF	\$1,916
150	WAREHOUSING	PER TGSF	\$848
151	MINI WAREHOUSE	PER TGSF	\$736
154	HIGH-CUBE/SHORT-TERM STORAGE WAREHOUSE	PER TGSF	\$683
160	DATA CENTER	PER TGSF	\$483
210	SINGLE FAMILY DWELLING/TOWNHOME (Over 800 sq.ft.)	PER DU	\$4,603
210.5	SINGLE FAMILY DWELLING/TOWNHOME (Less than 500 sq.ft.)	PER DU	\$2,302
210.75	SINGLE FAMILY DWELLING/TOWNHOME (501 sq.ft. - 800 sq.ft.)	PER DU	\$3,452
220	APARTMENTS/CONDOS (Over 800 sq.ft.)	PER DU	\$3,569
220.5	APARTMENTS/CONDOS (Less than 500 sq.ft.)	PER DU	\$1,785
220.75	APARTMENTS/CONDOS (501 sq.ft. - 800 sq.ft.)	PER DU	\$2,677
225	OFF-CAMPUS STUDENT APARTMENT	PER BEDROOM	\$1,536
240	MANUFACTURED HOUSING		\$2,438
251	SENIOR HOUSING DETACHED	PER DU	\$2,082
252	SENIOR HOUSING ATTACHED	PER DU	\$1,804
253	CONGREGATE CARE FACILITY	PER DU	\$985
310	HOTEL/MOTEL	PER ROOM	\$4,076
411	CITY PARK	PER ACRE	\$380
430	GOLF COURSE	HOLES	\$14,813
444	THEATER	SEATS	\$858
491	TENNIS	PER COURT	\$13,511
492	HEALTH/FITNESS CLUB	PER TGSF	\$12,205
495	COMMUNITY CENTER	PER TGSF	\$14,053
520	ELEMENTARY SCHOOL	PER STUDENT	\$922
522	MIDDLE SCHOOL/JUNIOR HIGH SCHOOL	PER STUDENT	\$1,039

530	HIGH SCHOOL	PER STUDENT	\$990
536	PRIVATE SCHOOL (K-12)	PER STUDENT	\$1,209
540	JUNIOR/COMMUNITY COLLEGE	PER STUDENT	\$561
550	UNIVERSITY/COLLEGE	PER STUDENT	\$761
560	PLACE OF WORSHIP	PER TGSF	\$3,389
565	DAY CARE CENTER	PER STUDENT	\$877
590	LIBRARY	PER TGSF	\$35,132
610	HOSPITAL	PER TGSF	\$5,227
710	GENERAL OFFICE BUILDING	PER TGSF	\$4,749
720	MEDICAL-DENTAL OFFICE	PER TGSF	\$16,969
731	DEPARTMENT OF MOTOR VEHICLES	PER TGSF	\$5,466
732	US POST OFFICE		\$50,681
813	FREE-STANDING DISCOUNT SUPERSTORE	PER TGSF	\$17,552
816	HARDWARE/PAINT STORE	PER TGSF	\$3,298
817	NURSERY (GARDEN CENTER)	PER TGSF	\$33,206
820	SHOPPING CENTER/RETAIL	PER TSFGLA	\$7,363
841	AUTOMOBILE SALES	PER TGSF	\$13,575
850	SUPERMARKET	PER TGSF	\$13,537
851/853	CONVENIENCE MARKET	PER TGSF	\$54,785
854	DISCOUNT SUPERMARKET	PER TGSF	\$22,597
857	DISCOUNT CLUB	PER TGSF	\$12,841
862	HOME IMPROVEMENT SUPERSTORE	PER TGSF	\$8,694
880	PHARMACY/DRUGSTORE W/OUT DRIVE THRU WI	PER TGSF	\$14,495
881	PHARMACY/DRUGSTORE WITH DRIVE THRU WIN	PER TGSF	\$20,226
911	WALK-IN BANK	PER TGSF	\$12,440
912	DRIVE-IN BANK	PER TGSF	\$20,973
931	QUALITY RESTAURANT	PER TGSF	\$11,855
932	HIGH TURNOVER RESTAURANT	PER TGSF	\$16,957
934	FAST FOOD RESTAURANT WITH DRIVE-THRU	PER TGSF	\$62,002
936	COFFEE/DONUT WITHOUT DRIVE-THROUGH	PER TGSF	\$44,002
937	COFFEE/DONUT WITH DRIVE-THROUGH	PER TGSF	\$50,101
944	GASOLINE/SERVICE STATION	PER VEH.FUEL.POS.	\$19,291
945	GAS/SERVICE STATION W/CONVENIENCE MKT	PER VEH.FUEL.POS.	\$13,017

TGSF = Thousand Gross Square Feet

TSFGLA = Thousand Square Feet Gross Leasable Area

DU = Dwelling Unit

VEH. FUEL POS. = Vehicle Fueling Position