

RESOLUTION NO. 875
CITY OF PRINEVILLE

A RESOLUTION ESTABLISHING SYSTEM DEVELOPMENT CHARGES
FOR SEWER, WATER AND TRANSPORTATION IN THE
CITY OF PRINEVILLE

WHEREAS, the City of Prineville finds that development in the Prineville area has led to the need to improve and expand the City's sewer, water and transportation systems to maintain minimum standards and services, and in order to accomplish needed improvements there is a need to seek new sources of revenue to contribute to the costs of those improvements, and

WHEREAS, the City finds it is fair, reasonable and equitable to impose a charge on new development as necessary in the public interest to pay a portion of the costs of increasing the capacities of sewer, water and transportation facilities in order for these facilities to accommodate the increased use created by such development; and

WHEREAS, a System Development Charge (SDC) is a fee imposed on a new customer or user as a condition of connection or utilization of an existing sewer, water or transportation system and enhances equity for the costs of needed capital improvements by providing a mechanism for balancing costs between existing and new customers or users, and that SDC's provide for an additional source of capital necessary to support certain system improvements and expansions; and

WHEREAS, System Development Charges (SDC's) for sewer, water and transportation capital improvements are authorized by Oregon Revised Statutes (ORS) Chapters 223.297 to 223.314 and by Sections 4 and 39 of the Prineville City Charter; and

WHEREAS, City of Prineville Ordinance No. 1086 and ORS Chapters 223.297-314 provide for the establishment of System Development Charges (SDC's) by Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PRINEVILLE
RESOLVES AS FOLLOWS:

SECTION 1. GENERAL PROVISIONS

1. This Resolution shall provide for the basic framework, schedule and implementation of SDC's for sewer, water and transportation in the City of Prineville, Oregon.
2. The fees established by this Resolution are a separate revenue measure apart from and in addition to any applicable tax, assessment, charge or fee otherwise provided by law, except as expressly stated to the contrary.

Section 1. General Provision; Contd.

3. As required by ORS Chapter 223.309 as the basis for said SDC's, the City has prepared and adopted the following Public Facility Master Plans. Said Plans are hereby adopted by reference as if set forth in full herein, and may be modified, revised, amended and/or updated by the City on an annual basis except in the case of emergencies. These Plans are available for public inspection at the office of the City Manager of the City of Prineville in City Hall located at 400 N.E. 3rd Street, Prineville, Oregon.
 - (a) Transportation System Plan of 1999 as prepared for the City of Prineville by W&H Pacific Consulting Engineers, Inc.;
 - (b) Water Facility Plan of 2000 as prepared for the City of Prineville by ACE Consultants, Inc.; and
 - (c) Wastewater Facility Plan of 2000 as prepared for the City of Prineville by ACE Consultants, Inc.
4. The methodologies used to establish SDC's by this Resolution are set forth in the foregoing referenced Public Facility Master Plans and in those documents entitled "Transportation SDC and Water/Sewer Revenue Requirement" dated June 21, 2000, and "Transportation System Development Charge Analysis Findings" dated July 28, 2000, as prepared for the City by Financial Consulting Solutions Group, Inc. These Reports are attached to this Resolution, are hereby adopted by reference as though set forth in full herein, and may be modified, revised, amended and/or updated by the City on an annual basis except in the case of emergencies.
5. The SDC's provided for in this Resolution shall be effective on and after the date of City Council passage and approval by the Mayor in accordance with the Schedule set forth herein.
6. Except as otherwise provided for in this Resolution, the SDC's established by this Resolution shall be payable in full to the City of Prineville prior to the issuance of a building permit, sewer or water connection permit, and curb cut or driveway permit, or upon the issuance of a land use development permit for new construction or development, whichever is applicable and whichever occurs first. In the case of a new use in an existing building, or the expansion of an existing building or use, the applicable SDC shall be paid when the new use or expansion impacts the number of individuals in the building or as otherwise set forth in this Resolution as applicable to a specific SDC fee. For a manufactured home in a manufactured home park except as otherwise provided for in this Resolution, the applicable SDC fee(s) shall be paid prior to the issuance of a placement permit and connection to City water and sewer services.

Section 1. General Provision: Contd.

7. The SDC's established by this Resolution shall be effective until superseded, modified, revised, amended and/or updated by a future Resolution of the City Council. The City Council shall conduct at least one(1) public hearing on such a Resolution and public notice of said hearing shall be published in the City's newspaper of record at least ten(10) prior to said hearing. Said notice shall, at a minimum, state the amount of the proposed SDC charges.
8. The SDC's established by this Resolution shall be collected, deposited and expended in compliance with ORS Chapters 223.297 to 223.314 (including the provisions for credits for qualified public improvements contained in ORS Chapter 223.304), and other applicable State and City of Prineville laws, rules and regulations.
9. Definitions: As used in this Resolution, the following words and phrases, unless the context of this Ordinance, State law, or other City ordinance or regulation requires or provides otherwise, shall have the meaning set forth herein:
 - (1) "Applicant" means the owner or authorized agent of the owner requesting a building permit, sewer or water connection permit, curb cut or driveway permit, or land use development permit.
 - (2) "Building Permit" shall mean a permit for construction issued by the City-County Building Department pursuant to the structural specialty code and fire and life safety code as adopted by the State of Oregon and in effect within the City.
 - (3) "Capital Improvement" means facilities or assets used for the following:
 - (a) Water supply, treatment, storage and distribution;
 - (b) Waste water collection, transmission, treatment, storage and disposal;
 - (c) Drainage and flood control; or
 - (d) Transportation.
 - (4) "Capital Improvement" does not include costs of the operation or routine maintenance of capital improvements.
 - (5) "Commercial use, industrial use, owner, residential use, and/or structure" shall be given the same meaning or definition given to them by the City's Land Development Ordinance No. 1057 as amended.
 - (6) "Development" means:
 - (a) The establishment of a use on a lot or parcel of land involving the construction or the placing of a structure on a lot or parcel that was not previously occupied by any structure except as may otherwise be approved by separate agreement (set forth as Appendix A to this Resolution) by the City for developments within the East 3rd Street and Peters Road LIDs; and

Section 1. General Provision: 9(6). Definitions: Contd.

(b) Any alteration, change or expansion of use which increases the capacity thereof as related to the demand on sewer, water and transportation facilities and services.

(7) "Improvement fee" means a fee for costs associated with capital improvements to be constructed.

(8) "Qualified Public Improvement" means a capital improvement that is required as a condition of development approval, identified in one or more of the Plans referenced in Subsection 3 of Section 1 of this Resolution and either is:

(a) Not located on or contiguous to property that is the subject of development approval; or

(b) Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the development fee is related.

(9) "Reimbursement fee" means a fee for costs associated with capital improvements associated with capital improvements already constructed or under construction.

(10) "System Development Charge" or "SDC" means a reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement.

(11) "System Development Charge" or "SDC" does not include any fees assessed or collected as part of a Local Improvement District (LID), Reimbursement District, or a charge in lieu of an LID assessment, or the cost of complying with requirements or conditions imposed upon a land use decision, expedited land division or limited land use decision.

(12) Terminology: The word "City" shall mean the City of Prineville, Oregon. The words "City Council" and "Council" shall mean the City Council of Prineville. The words "City Planning Commission" and "Commission" shall mean the City Planning Commission for Prineville as duly appointed by the City Council. The words "City Recorder," "City Manager," "City Planning Official or Director," "Fire Chief," "City Legal Counsel, City Counsel or City Attorney," and "City Public Works, Sewer, Water or Street Superintendent," shall mean such respective positions for the City of Prineville as applicable.

SECTION 2. SYSTEM DEVELOPMENT CHARGE IMPLEMENTATION AND FEE SCHEDULE

1. The following System Development Charges (SDC's) shall be effective within the City of Prineville in accordance with the schedule set forth hereinafter. The initial SDC for Sewer shall be in full force and effect on after the date of passage of this Resolution by the City Council and approval by the Mayor.
2. SDC's assigned to those periods ending in a fiscal year (e.g. FY2002) shall be effective on and after the beginning date of each respective fiscal year (e.g. July 1, 2001 for that period ending with FY2002).

-----For that period ending with-----

	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
▪ SEWER:	\$3,103	\$3,361	\$3,361	\$3,361	\$3,361
▪ WATER:	\$ -0-	\$ 509	\$1,019	\$1,528	\$2,037
▪ TRANSPORTATION:	<u>\$ -0-</u>	<u>\$ 576</u>	<u>\$1,152</u>	<u>\$1,727</u>	<u>\$2,303</u>
TOTAL:	\$3,103	\$4,446	\$5,532	\$6,616	\$7,701

3. The SDC fee schedule may be amended or revised by Resolution of the City Council. Prior to the adoption of such a Resolution the City Council shall conduct at least one(1) public hearing in the matter thereof, and a public notice of said hearing shall be published in the City's newspaper of record at least ten(10) in advance of said hearing. At a minimum, said hearing notice shall set forth the proposed amended or revised fee schedule.
4. The foregoing SDC fee schedule is based on the methodologies therefor as set forth in or as attachments to the Public Facility Plans referenced in Section 1.3 of this Resolution. Relative thereto, said SDC fee schedule is based on current engineering cost estimates for certain capital improvement projects set forth in said Facility Plans; Should the actual costs of such projects vary more than ten(10) from said estimates, the applicable SDC fees shall be adjusted accordingly, provided however that Sewer SDCs may not exceed \$3,961 per EDU, Water SDC's \$2,037 per EDU, and Transportation SDC's \$2,303 per EDU unless the applicable Public Facility Plan and SDC methodology are amended, revised or updated to provide for respective SDCs in excess of these amounts.
5. Building Without Payment of Charge Prohibited: Penalties.
 - (1) No building permit shall be issued for, and no person shall construct or secure construction of any development unless the SDC imposed on the development has been paid or a schedule of installment payments, if allowed as provided for by Subsection 3 of this Section, has been established.

Section 2.5., Contd.

(2) Any person who chooses to pay the charge through the use of an installment payment schedule, as may be approved by the City, shall make payments in compliance with that schedule.

(3) The violation of any provision of this Section constitutes a Class A civil infraction and is by its nature a continuing infraction'.

(4) The rights, remedies and forfeitures provided by law are cumulative and not mutually exclusive. The City may simultaneously seek collection of the charge, foreclose the lien, take action pursuant to the civil infraction procedure, seek appropriate injunctive relief in any court of competent jurisdiction and seek any other applicable remedy or penalty available to it.

6. Alternate Payment Method

(1) At the option of the City, an owner/developer may pay the SDC in an installment method authorized by ORS 223.208.

(2) If the property owner chooses to exercise his/her right under ORS 223.208 to pay the SDC in installments, and files an application as provided in ORS 223.215, the charge shall thereupon become a first lien on the property occupied by the development and shall have the same affect as an assessment lien for a public improvement and shall be duly recorded in the Docket of City Liens or Crook County Deed Records.

SECTION 3. SYSTEM DEVELOPMENT CHARGES FOR SEWER AND WATER

1. Except as otherwise provided for in this Resolution, the SDC shall be made for each connection to the city's sewer or water system on the basis of **equivalent dwelling units (EDU's)** as that term is defined in this Resolution.
2. The rate of the SDC for water and sewer systems development will be based on the number of EDU's as defined hereinafter in this section.
4. Except as otherwise provided for in this Resolution or the authorizing Ordinance No. 1086, the applicable SDCharge shall be paid prior to the issuance of a building permit for new construction or placement permit for a manufactured home, or, in the case of a new business in an existing building, at the time a building permit is issued or at the time a change of address is provided on an existing business or upon issuance of a land use permit for a new business. In the event there is development without the issuance of a building permit, the SDC shall be paid prior to any construction associated with the development plan approved by the City. For computation of the SDC, the applicable Equivalent Dwelling Unit fee shall be multiplied by the number of Equivalent Dwelling Units, determinable by the following chart. When calculating the number of units,

Section 3.3. SDC's for Sewer and Water: Contd.

the capacity of the development will be used for determining the number of students, employees, etc. The minimum number of Equivalent Dwelling Units is one. Partial units will be charged as one(1) EDU.

EQUIVALENT DWELLING UNITS (EDU's)

Residential:

- (a) Single family dwelling is one Equivalent Dwelling Unit (EDU).
- (b) Duplex: one EDU per dwelling unit (i.e. 2).
- (c) Multi-family: Each unit shall be multiplied by a factor of .80 EDU. Mobile or manufactured homes in a mobile or manufactured home park are included in this classification.

Non-Residential:

- (a) Institutional Uses
 - (1) Church: One EDU per each 200 seat capacity. An additional EDU shall be added if the church has a kitchen.
 - (2) Schools, Private:
 - (A) Kindergarten or preschool - one EDU per 30 students;
 - (B) Elementary school - one EDU per 20 students;
 - (C) Junior and Senior high schools - one EDU per 15 students.
 - (3) Nursing homes: One EDU per three beds.
 - (4) Hospital: One EDU per three beds.
- (b) Commercial Uses
 - (1) Retail Stores, service and repair shop, bank, and office (except medical, dental and veterinary) - One EDU for each 600 sq.ft. of gross floor area excluding area used for storage only.
 - (2) Medical, dental, and veterinary clinic - One EDU for each 1,000 sq. ft. of gross floor area.
 - (3) Automobile service station, including convenience store, but not including car wash or food services such as drive-in restaurant or deli - Two EDUs.
 - (4) Beauty shop - 0.40 EDU per chair.
 - (5) Barber shop - 0.30 EDU per chair.
 - (6) Coin operated laundry - 0.50 EDU per washing machine.
 - (7) Theaters - One EDU per 200 seat capacity.
 - (8) Civic clubs and lodges serving meals on a regular basis, including beverage services - One EDU per 30 seat capacity.
 - (9) Bowling alley - One EDU per 10 lanes, plus one EDU for every 600 sq. ft. of gross floor area for restaurant, beverage services and other activities.

Section 3. SDC's for Sewer and Water; 3. EDU's (Commercial Uses); Contd.

- (10) Restaurant - One EDU for each 600 sq. ft. of gross floor area not including area used only for storage, except that drive-in restaurants shall be one EDU per five car stalls or one EDU per drive-up window, whichever is greater.
- (11) Delicatessen (no cooking on site) - one EDU per each 1,000 sq.ft. or one EDU per each nine or less employees, whichever is greater.
- (12) Recreational vehicle holding tank dumping facility - one EDU if part of a service station. The one EDU would be in addition to the EDUs for the station.
- (13) Dry cleaners - one EDU for each 500 sq. ft. of gross floor area.
- (14) Recreational (commercial) roller rinks, dance halls - 0.30 EDU per each 1,000 sq. ft. of gross floor area, not including area used only for storage.
- (15) Spas and athletic facilities (with pool or gymnasium) - one EDU per 1,500 sq. ft. of gross floor area.
- (16) Figure and athletic fitness salons and facilities (without pool or gymnasium) - one EDU per 1,000 sq. ft. of gross floor area.
- (17) Car wash - one EDU per each two stalls.
- (18) Pet grooming - one EDU per 1,500 sq. ft. of gross floor area.
- (19) Motels, hotels, recreational vehicle parks, motor courts, boarding and rooming houses, dormitories - 0.50 EDU per room or space.
- (20) Banquet rooms, cocktail lounges, taverns - one EDU per 30 seat capacity.
- (21) Government buildings - one EDU per each 200 sq.ft. of gross floor space, not including areas used only for storage, or one EDU per each 9 or less employees, whichever is greater. Public schools shall be exempt from SDC charges set forth by this Resolution.
- (22) For commercial uses not listed herein, the assignable EDUs shall be determined by the City on a case-by-case basis comparative to the foregoing commercial uses, or may be calculated on the basis of the actual use of water used divided by the EDU quantity of 300 gpd.

(c) Industrial Establishments

- (1) The assignable EDUs for industrial uses shall be determined by the City on a case-by-case basis comparative to the foregoing commercial uses, on the basis of the actual use of water used divided by the EDU quantity of 300 gpd, or at the rate of one EDU per each 9 or less employees, or combinations thereof.

Section 3. SDC's for Sewer and Water; 3. EDU's (Industrial Uses): Contd.

- (2) In addition to the systems development charges based on the foregoing analysis, industrial and process waste loads shall be determined by the following chart, each negotiated as an individual contract.
- (a) Having less than 150 ppm of suspended solids and less than 200 ppm of B.O.D. - one EDU per 3,000 cu. ft. of water used.
 - (b) Having more than 150 ppm of suspended solids and less than 200 ppm of B.O.D. - one EDU per 3,000 cu. ft. of water used, plus one unit for each 100 ppm of suspended solids over 150 ppm.
 - (c) Having more than 200 ppm of B.O.D. - one EDU per 6,000 cu. Ft. of sewage flow, plus one unit for each 300 ppm of B.O.D. over 200 ppm.

SECTION 4. SYSTEM DEVELOPMENT CHARGES FOR TRANSPORTATION

1. Findings:

(a) The City finds that there is a strong correlation between the demand any given type of development places on the street system and type of use, number of parking spaces required to serve the use, the amount of turnover which occurs in the parking spaces during any given time of reference, and the daily vehicular trips generated. The City determines that reliance on such information is a fair and equitable method of determining the SDC fee structure for Transportation.

(b) The City further finds that the methodology for setting SDC rates in SubSection 1 of this Section is based on an in depth analysis of the projected extent and anticipated costs of the needed improvements as identified in the in the City's TSP and that document entitled "Transportation System Development Charge Analysis Findings" dated July 28, 2000, as prepared by Financial Consulting Solutions Group, Inc., and that the findings set forth therein relative to assigned SDC's represent no more than the fair and equitable proportional share of those anticipated costs. The projects list in the City's TSP serves as a basis for identifying the participating projects.

2. SDC Imposed

(a) Except as otherwise provided for in this Resolution or in the authorizing Ordinance No. 1086, a transportation SDC is imposed on all new or expansion developments requiring or utilizing City transportation facilities. This charge is imposed on all development prior to the actual issuance of a building permit or in the case of a manufactured home in a manufactured home park prior to the actual issuance of a placement permit. In the event there is development without the

Section 4. SDC's for Transportation; 2. SDC Imposed (a): Contd.

without the issuance of a building permit, the SDC shall be paid prior to any construction associated with the land use development plan approved by the City.

(b) The rate of the charges for transportation systems development shall be based on the number and classification of parking spaces provided for or required for any development as set forth by the applicable provisions of the City's Land Development Ordinance No. 1057 as may be amended, by 50% of the average daily vehicular trip generation as set forth in the document entitled "Trip Generation, 6th Edition, Institute of Transportation Engineers, or by the number of employees, whichever is greater. The City may also choose to calculate the assignable Transportation SDC by a combination thereof.

(c) Except as otherwise provided for in Section 2.5. of this Resolution subject to City approval, the SDC fee shall be paid prior to the issuance of a building permit for new construction or, in the case of a new business in an existing building or the expansion of an existing use, at the time a building or land use permit is issued that results in a change or expansion in use that impacts the number of individuals in the building and/or the capacity. Except as otherwise provided for in this Resolution or the authorizing Ordinance No. 1086, for a manufactured or mobile home in a manufactured or mobile home park, the SDC fee shall be paid prior to the issuance of a placement permit or connection to City sewer and/or water facilities or services.

SECTION 5. CREDITS AGAINST SDC FEES

1. In the case of an Improvement SDC Fee, credits against such applicable SDC fees shall be provided for the construction of a qualified public improvement as provided for by ORS Chapters 223.297 to 223.314. A "qualified public improvement" means a capital improvement that is required as a condition of development approval that is identified as a capital improvement project in a Public Facility Plan adopted by the City as referenced by Section 2.0. of his Ordinance and is either:
 - (a) Not located on or contiguous to property that is the subject of development approval; or
 - (b) Located in whole or in part on or contiguous property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.
2. (a) The credit provided for in Subsection 1 of this Section shall be only for the improvement fee charged for the type of improvement being constructed, and credit for qualified public improvements under Subsection 1 of this Section may be

Section 5. Credits against SDC Fees; 2(a): Contd.

granted only for the cost of that portion of such improvement that exceeds the City's minimum standard facility size or capacity needed to serve the particular development project or property. The applicant shall have the burden of demonstrating that a particular improvement qualifies for credit under Subsection 2(a) of this Section.

(b) When the construction of a qualified public improvement as defined in Subsection 1 of this Section gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project, subject to City approval.

(b) Credits shall be used in the time specified by the City but not later than 5-years from the date the credit is given.

3. Credits against applicable SDC Improvement Fees shall also be provided for qualifying local improvement districts (LIDs). A "qualified local improvement district" means an ("LID") that has been approved by the City prior to 2000 and:

(a) Applies for and receives building permits to complete planned LID and/or development construction within five(5) years of the date of original LID and/or development approval unless otherwise approved by the City; and

(b) Pays all required LID fees on schedule in compliance with the original LID conditions.

(c) The credit provided for in this Subsection shall only be for the LID fee charged, but shall not exceed the applicable SDC fee that would otherwise be levied against properties in the LID project, in part or in whole, accruing in subsequent phases of the original LID project, subject to City approval.

(d) Credits shall be used in the time specified by the City but not later than 5 years from the date the credit is given unless otherwise approved by the City.

(e) Notwithstanding the provisions of this Section, a special agreement has been approved by the City for the East 3rd Street and Peters Road LIDs; Said agreement is set forth as Attachment "A" of this Resolution.

4. Credit for Certain Costs Incurred:

(a) If land is required to be deeded to the City for right-of-way for a collector or arterial street as a condition of development approval, the development may be credited for that exaction, but only for the right of way area over and above that required for a local street or other lower class street deemed necessary to serve the proposed development. The value of such land will be determined by the true cash value last recorded on the most recent available tax assessor's records for the parcel being developed.

Section 5. Credit for Certain Costs Incurred (4); Contd.

(b) Land required to be deeded to the City for any other classification of streets other than collector or arterial will be deemed to be for the developers benefit and will not be compensated for by SDC credits. No credit will be given for land deeded or dedicated prior to the effective date of this Resolution or the authorizing Ordinance No. 1086.

(c) Where it is a condition of development approval that the developer either provide in part or in its entirety a street improvement or traffic device, or sewer or water system component that provides additional capacity on a collector or arterial street, or in the water or sewer system of the City, the developer may receive compensation by credit for the reasonable cost of that additional capacity, unless the need for the improvement is specifically attributable to that development. For example, if a 6' sewer line would be adequate to provide necessary services to a specific development, but a 10" line is required to provide additional capacity for future development in the immediate area, then compensation for the difference in costs from a 6" line to a 10" line could be approved. However, for example, a traffic signal at a shopping center entrance would be considered specifically attributable to the shopping center and no credit would be allowed. If, for his convenience, the developer wishes to provide a greater facility than required or wishes to construct a facility prior to the time that the City ordinarily would, the City, at its sole discretion, may elect to participate but shall not be required to do so.

(d) Except as may otherwise be provided for by this Resolution, the authorizing Ordinance No. 1086, or by separate agreement for certain LIDs in effect prior to the effective date of this Resolution, in the case of an assessment levied as a result of a Local Improvement District (LID), the development may be credited for the costs of those improvements located outside the actual development boundaries or for the costs of those improvements required for additional capacity for lands or developments outside the boundaries of the actual development, either existing or future.

5. The credits provided by this Section may apply to both onsite and off-site improvements. Except as approved otherwise by the City, credit for improvements constructed prior to the effective date of this Resolution or the authorizing Ordinance No. 1086 will be allowed only on building permits issued within three years after completion and acceptance of such improvements after such effective dates.

Section 5. Credit against SDC Fees: Contd.

6. An applicant may seek a credit against a SDC charge due in connection with the applicant's development in the manner and subject to the limitations provided by this Section, this Resolution, the authorizing Ordinance No. 1086, or as otherwise approved by the City.
7. **SDC Credit.** The SDC credit shall be determined first and shall:
 - (a) Only be available for qualified public improvements as defined in this Resolution and in ORS 223.304(3) (i.e., improvements that are required as a condition of development and are identified in the City's applicable Public Facility Plan).
 - (b) Be a credit against only the SDC fee applicable to that improvement (e.g. street SDC fee for street improvements, water SDC for water improvements, or sewer SDC for sewer improvements).
8. **SDC Credit Procedures.** Once a SDC credit is determined to apply to a qualified public improvement, the developer/owner shall enter into an agreement with the City defining the extent of the credit and the manner in which the credit shall be applied to building permits applicable to that project.
9. **Term of Credit.** A SDC credit shall be allowed only on building permits issued within three(3) years after the completion and acceptance of the improvement giving rise to the credit unless otherwise approved by the City.
10. **Interest/Adjustments.**
 - (a) There shall be no interest accruing on any SDC credit.
 - (b) There shall be no adjustments made to the amount of any SDC credit as the result of inflation or increases or decreases to the maximum allowable SDC.
11. **City's Obligation to Pay.** The City's obligation to honor a SDC credit shall only be allowed in accordance with the terms and conditions of the terms of the provisions in this Resolution and the agreement with the City specific thereto.
12. The City Manager or designee shall establish a procedure to provide for a review of requests for credit made pursuant to this section within 30 days of the date of approval of this Resolution; Said procedures shall be reviewed and approved by the City Council. An applicant making such a request, after following the procedure established by the City Manager or designee and approved by the City Council, shall have the right to have any determination made on the request reviewed by the Council in the manner the Council deems appropriate.

SECTION 6.0. EXEMPTIONS TO SDC CHARGES.

The SDC charges imposed by this Ordinance or the implementing Resolution shall not apply to the following:

(a) Developments for which applications and fees for building permits, sewer and water connections, and/or manufactured home park use permits have been filed and paid prior to the effective dates of this Ordinance and the implementing Resolution, providing the information accompanying such applications was sufficiently complete to meet the requirements of issuance of permits and connections for said developments.

(b) Reconstruction or repair of a building or structure, or portion thereof, which was damaged or destroyed by earthquake, fire, flood, or other natural causes over which the owner had no control, but only if:

(1) Such reconstruction or repair is done pursuant to a building permit issued within one year after such damage or destruction unless such has been delayed by applicable regulations beyond the control of the owner; and

(2) There is no change in water meter or development size.

(c) Replacement structures for any forced acquisition wherein a building or structure is acquired for public purposes through eminent domain provided that:

(1) The owner obtains a building permit for the replacement structure within two(2) years of the acquisition, and

(2) There is no change in water meter or development size.

(d) Any public use or development which is or by agreement will be undertaken by the City of Prineville. Such an exemption for any other public entity shall be subject to City approval on a case-by-case basis.

(e) Any housing unit which is located in a housing project of one or more housing units, if the project receives federal housing funds or tax credits and is affordable to families at or below the City's 80% median family income level as defined by the US Department of Housing and Urban Development, provided such unit or units were duly approved by the City prior to the effective date of this Ordinance and the implementing Resolution and construction commences within 3 years of approval.

(f) Replacement units within a duly approved manufactured home park on spaces which have previously been occupied and for which sewer and water connections have previously been installed and in use prior to the effective date of this Ordinance and the implementing Resolution.

(g) Original placement units within a duly approved manufactured home Park for which sewer and water connection fees have been paid in full to the City prior to the effective dates of this Ordinance and the implementing Resolution provided such units are placed within 3 years of the effective dates of this Ordinance and the implementing Resolution.

Section 6.0. Exemptions to SDC Charges.

(h) New units within duly approved and platted subdivisions or other developments provided that sewer and water connection fees have been paid in full to the City prior to the effective dates of this Ordinance and the implementing Resolution and that the construction of such units commences within 3 years of the effective dates of this Ordinance and the implementing Resolution.

SECTION 7. ADMINISTRATIVE PROVISIONS

1. **Segregation and Use of Revenues.** The proceeds derived from SDC fees imposed and collected pursuant to this Resolution shall be used for no purpose other than construction and improvement of the applicable City facilities as provided for by ORS 223.297 to 223.314, and shall be limited to the costs of capital improvement projects, including expenditures relating to the repayment of indebtedness and costs of annual accounting of such expenditures, set forth in those Public Facility Plans referenced in Section 1.3. as the same may be modified, amended, revised, and/or updated. SDC revenues may also be expended for the costs of developing SDC methodologies, but may not be expended for miscellaneous administrative expenses that are not directly related to the construction of a capital improvement unless such expenses are reviewed and approved by the City Council.

(a) Reimbursement fee revenues shall be spent only on capital improvements associated with the systems for which the fees are assessed including expenditures relating to repayment of indebtedness.

(b) Improvement fee revenues shall be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvements. An increase in system capacity may be established 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 fees must be related to current or projected development.

(c) System development charges 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.

(d) Any capital improvement being funded wholly or in part with SDC revenues shall be included in the Capital Improvement Plans adopted by the City as referenced in Section 1.3 of this Resolution as may be modified, revised, amended or updated .

(e) Notwithstanding the provisions of this Section, SDC revenues may be expended on the direct costs of complying with the provisions of ORS Chapters 223.297 to 223.314, including the costs of developing SDC methodologies and providing an annual accounting of SDC expenditures.

Section 7.0. Administrative Provisions.

2. **Charge Not Exclusive.** The SDC fees established by this Resolution are a separate revenue measure apart from and in addition to any applicable tax, assessment, charge or fee otherwise provided by law, except as expressly stated to the contrary.


3. **Appeal Procedure.**
 - (a) A person aggrieved by a decision required or permitted to be made by the City Manager or the designee thereof under these provisions or a person challenging the propriety of an expenditure of SDC revenues may appeal the decision or the expenditure to the City Council by filing a written request with the City Recorder describing with particularity the decision of the City Manager or designee thereof, or the expenditure from which the person appeals.
 - (b) An appeal of a decision regarding an assigned SDC fee or a credit thereto may be appealed to the City Council by filing a written request with the City Recorder within ten(10) days from the date of the decision, describing with particularity the decision from which the person appeals, the sets forth in detail the specific relief requested, and substantiates the basis for the request. The Council shall, at its next regularly scheduled Council meeting within not less than 10 days or more than 21 days of the receipt of such appeal, hear and consider the appeal. The Council may affirm, modify, extend, or overrule said decision in a manner that is consistent with the applicable provisions of this document and/or State Law. The Council decision on the appeal shall be set forth in writing within 21 days of the date of the hearing thereon. The decision of the Council shall only be reviewed as provided in ORS 34.010 to 34.100, and not otherwise."
 - (c) An appeal of an expenditure must be filed within two years of the date of the alleged improper expenditure. The Council shall, at its next regularly scheduled Council meeting within not less than 10 days or more than 21 days of the receipt of such appeal, hear and consider the appeal. The Council decision on the appeal shall be set forth in writing within 21 days of the date of the hearing thereon. The decision of the Council shall only be reviewed as provided in ORS 34.010 to 34.100, and not otherwise.
 - (d) After hearing evidence presented by the appellant and the City Manager and the designee thereof (as applicable), the Council shall determine whether the City Manager's or designee's decision or the expenditure is in accordance with this Resolution and the provisions of ORS 223.297 to 223.314 and may affirm, modify or overrule the decision. If the Council determines that there has been an improper expenditure of SDC revenues, the Council shall direct that a sum equal to the misspent amount shall be transferred from the appropriate facility fund(s) within one year to replace the misspent amount.

Section 7. Administrative Provisions; Contd.

4. **Administrative Rules.** The City Manager may prescribe administrative rules governing the implementation of this Resolution for approval by the City Council. Prior to the adoption or amendment of such rules by the City Council, the City Manager or designee thereof shall give twenty (20) days notice by mail of the intended action to all persons who have requested such notice. The notice shall contain a brief summary of the proposed rules and shall also state the time, place and manner in which interested persons may present their views on the proposed rules. After considering all timely public input, the City Council may adopt the proposed rules or amendments with any change deemed appropriate. The City Manager or designee thereof shall make available for public inspection copies of all proposed and adopted rules, and copies of all adopted rules shall also be filed in the Office of the City Recorder.
5. **PENALTIES.** Violation of any provision in this Resolution is a Class A civil infraction.
6. **Enactment.** The SDC fees enacted by this Resolution shall be in full force and effect on and after the date of passage by the City Council and approval by the Mayor in accordance with the Schedule set forth in Section 2 of this Resolution.

Passed by the City Council this 28th day of December, 2000.

Approved by the Mayor this 28th day of December, 2000.


Mayor

Attest:


City Recorder

12-28-00

Date

ATTACHMENT "A"
Resolution No. 875

AN ADDENDUM TO SECTION 2 OF RESOLUTION 875
AS PROVIDED FOR IN SECTION 5.3(e) OF SAID RESOLUTION
IN THE MATTER OF SDC CHARGES APPLICABLE TO THOSE
QUALIFIED LOCAL IMPROVEMENT DISTRICTS IDENTIFIED
AS THE EAST 3RD STREET AND PETERS ROAD LIDS

This attachment constitutes an addendum to Resolution No. 875 relative to the SDC Charge Schedule set forth in Section 2.2 of said Resolution as said SDC Charges specifically apply only to properties and developments within the boundaries of the two(2) qualified local improvement districts specifically identified as the East 3rd Street and Peters Road LIDS approved in 1996 and 1997 respectively.

WHEREAS, the subject LIDS to which this addendum applies are both LIDS duly approved prior to the effective dates of said Resolution No. 875 and the authorizing Ordinance No. 1086, and for which all improvements provided by said LIDS have been completed; and

WHEREAS, relative thereto, the City finds that both of said LIDS are "qualified local improvement districts" as provided for by Section 5.3. of said Resolution No. 875 in the matter of certain credits against SDC fees, and further the City finds that said LIDS and the properties and planned developments therein were reviewed and received City approval subject to original City infrastructure capacity considerations prior to the consideration and adoption of current applicable Public Facility Plans and Ordinance No. 1086 and Resolution No. 875 imposing System Development Charges; and

WHEREAS, no other development plans or projects of any kind shall be subject to the special provisions of this addendum.

NOW THEREFORE, the following System Development Charges (SDC's) shall only apply to properties and developments located within the duly approved boundaries of said East 3rd Street and Peters Road LIDS as each was originally approved and currently exists on and before the effective date of said Ordinance No. 1086 and Resolution No. 875:

	--For that period ending with--				
	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Sewer	\$1551.50	\$1551.50	\$1,680.50	\$1,680.50	\$1,680.50
Water	\$ -0-	\$ -0-	\$ 509.00	\$1,019.00	\$1,528.00
Transportation	\$ -0-	\$ -0-	\$ 576.00	\$1,152.00	\$1,727.00

The SDC fee structure, as detailed above, may be decreased as provided for by Section 2.4 of Resolution No. 875, but shall not be increased within the effective time period of this Addendum.

ATTACHMENT "A"
Resolution No. 875

AN ADDENDUM TO SECTION 2 OF RESOLUTION 875
AS PROVIDED FOR IN SECTION 5.3(e) OF SAID RESOLUTION
IN THE MATTER OF SDC CHARGES APPLICABLE TO THOSE
QUALIFIED LOCAL IMPROVEMENT DISTRICTS IDENTIFIED
AS THE EAST 3RD STREET AND PETERS ROAD LIDS

This attachment constitutes an addendum to Resolution No. 875 relative to the SDC Charge Schedule set forth in Section 2.2 of said Resolution as said SDC Charges specifically apply only to properties and developments within the boundaries of the two(2) qualified local improvement districts specifically identified as the East 3rd Street and Peters Road LIDS approved in 1996 and 1997 respectively.

WHEREAS, the subject LIDS to which this addendum applies are both LIDS duly approved prior to the effective dates of said Resolution No. 875 and the authorizing Ordinance No. 1086, and for which all improvements provided by said LIDS have been completed; and

WHEREAS, relative thereto, the City finds that both of said LIDS are "qualified local improvement districts" as provided for by Section 5.3. of said Resolution No. 875 in the matter of certain credits against SDC fees, and further the City finds that said LIDS and the properties and planned developments therein were reviewed and received City approval subject to original City infrastructure capacity considerations prior to the consideration and adoption of current applicable Public Facility Plans and Ordinance No. 1086 and Resolution No. 875 imposing System Development Charges; and

WHEREAS, no other development plans or projects of any kind shall be subject to the special provisions of this addendum.

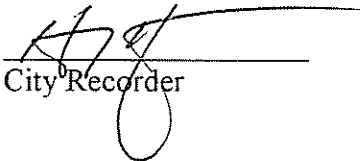
NOW THEREFORE, the following System Development Charges (SDC's) shall only apply to properties and developments located within the duly approved boundaries of said East 3rd Street and Peters Road LIDS as each was originally approved and currently exists on and before the effective date of said Ordinance No. 1086 and Resolution No. 875:

	- -For that period ending with- -				
	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Sewer	\$1551.50	\$1551.50	\$1,680.50	\$1,680.50	\$1,680.50
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Transportation	\$ -0-	\$ -0-	\$ 576.00	\$1,152.00	\$1,727.00

The SDC fee structure, as detailed above, may be decreased as provided for by Section 2.4 of Resolution No. 875, but shall not be increased within the effective time period of this Addendum.

The SDC fee structure, as detailed above and applicable only to properties and developments within the boundaries of the East 3rd Street and Peters Road LIDs as identified above, shall be applicable for a period of not more than 5 years from the effective date of Resolution No. 875 and this Addendum, measured by the issuance of Building Permits. Any development within the boundaries of said LIDS for which a building permit has not issued and is still valid on before the 5-year termination date shall be subject to the standard SDC fee schedule set forth by Section 2 of Resolution No. 875 as the same may be amended or revised.

Dated this 28th day of DECEMBER, 2000.



City Recorder

Effective date of Resolution No. 875: 29th day of JANUARY, 2001

Termination date of this Addendum: _____ day of _____, 200