

RESOLUTION NO. 2407

A RESOLUTION ADJUSTING THE SYSTEM DEVELOPMENT CHARGES FOR SANITARY SEWER AND RESCINDING RESOLUTION NO. 2002.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. Section 12.02.020 of the Troutdale Municipal Code establishes system development charges 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.
2. Resolution No. 2002, dated June 9, 2009 which is currently in effect, established the current capital improvement plan project listing and rate for the sanitary sewer system development charge.
3. Section 12.02.030 of the Troutdale Municipal Code requires staff to annually review the rate and bring proposed changes to the Council for consideration.
4. Members of the construction industry have requested a phase-in of any cost increase so as to not disadvantage currently planned projects.
5. Council previously approved the Capital Improvement Plan Project Listing for the sanitary sewer system, March 22, 2016

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. Purpose.

The purpose of the sanitary sewer system development charge is to require developments that create the need for sanitary sewer facilities or increase the demand on existing sanitary sewer facilities to pay an equitable share of the cost of those improvements.

Section 2. Definitions.

Unless the context suggests otherwise, for this Resolution these terms and phrases mean as follows:

Capital Improvement. The construction of, or addition to, facilities or assets used to collect, convey, treat, or store sanitary sewage.

Development. Any man-made change to improved or unimproved real property, including but not limited to construction, installation, or alteration of a building or other structure; condominium conversion; land division; establishment or termination of a right of access; storage on real property; tree cutting; drilling; and site alteration such as that due to land surface mining, dredging, grading, paving, excavating, or clearing.

Director. The Public Works Director of the City of Troutdale or his/her designee.

Equivalent Residential Unit. The unit of waste water which incurs the same costs for treatment as the average volume of domestic wastes discharged from a single-family residence in the waste water treatment service area.

Improvement Fee. A fee for costs associated with eligible costs of planned capacity increasing facilities.

Reimbursement Fee. A fee for costs associated with eligible value of the unused capacity of existing facilities.

Section 3. Methodology.

- A. A detailed methodology was completed by FCS Group dated June 2017 and is the basis for the system development charges in this resolution, provided herewith as Attachment 1.
- B. The methodology used to establish the improvement fee is based on the estimated cost of projected capital improvements needed to increase the capacity of the sanitary sewer system, including costs of financing, divided by the projected growth in system capacity as measured in Equivalent Residential Units (ERU). This allows determination of a unit cost of system capacity.
- C. The methodology used to establish the reimbursement fee is based on the estimated value of existing unused capacity divided by the projected growth in system capacity as measured in Equivalent Residential Units (ERU). This allows determination of a unit cost of system capacity reimbursement.
- D. The number of Equivalent Residential Units (ERU) for certain common user classes is provided below:
- E.

USER CLASS	ERU	UNIT
RESIDENTIAL:		
<i>Single and duplex units</i>	<i>1.00</i>	<i>Each dwelling unit</i>
<i>Tri-plex and larger units, and apartments in conjunction with commercial use</i>	<i>.70</i>	<i>Each dwelling unit</i>
<i>Manufactured or Mobile Home Units</i>	<i>.88</i>	<i>Each dwelling unit</i>

Trailer/RV Parks	1.00	For Each Permanent or Separate Caretaker or Other Living Facility
	.30	Per Space
COMMERCIAL:		
Cocktail Lounges, Bars, Taverns	.06	Per Seat
Laundromat	1.52	Per Washer
Motel/Hotel	1.00	Per Management Quarters
	.36	Per Each Additional Unit
Office	.06	Per Thousand Square Feet
Retail (Dry Goods)	.08	Per Thousand Square Feet
Retail (with wet areas such as grocery, market, etc.)	.18	Per Thousand Square Feet
Restaurants	.12	Per Seat
blank		blank
COMMUNITY SERVICE:		
Churches	.02	Per Seat
Schools	.04	Per Occupant
Other	N/A	ERUs assigned based on estimated water consumption

Where an appropriate number of ERU's for a particular development cannot be determined from the above list, the Director shall make a determination as to the number of ERU's to be charged. No development may have a fractional number of ERU's less than one.

- C. Based upon previous partial pre-payment of sanitary sewer SDC's, 148 ERU's can be utilized by a payment of only \$675 each.

Section 4. Cost.

The costs as determined by the methodology study completed by FCS Group are as follows per ERU:

Reimbursement Fee	\$6,866
Improvement Fee	\$2,335
Administrative Fee	<u>\$ 219</u>
Total SDC	\$9,420

Section 5. Phase-in of Cost Increase.

Resolution No. 2002, rescinded below, set the rate for sanitary sewer system development charges as \$4,495 per ERU. The new rate, as established by Section 4 above, is an

increase of \$4,925 per ERU. The rate per ERU will remain at \$4,495 on the effective date of this Resolution; however, the increase will be phased in as follows:

Rate effective July 1, 2018: \$6,137 per ERU

Rate effective January 1, 2019: \$7,779 per ERU

Rate effective July 1, 2019: \$9,420 per ERU

Section 6. Effective Date.

This Resolution is effective upon adoption.

Section 7. Automatic Annual Adjustment of System Development Charge.

The system development charge hereby imposed shall be adjusted automatically on January 1 of each year beginning in 2020 for inflationary cost impacts. Inflationary cost impacts shall be measured and calculated annually based upon the Construction Cost Index for Seattle, WA, published by Engineering News Record for the preceding calendar year or any successor index to this measurement.

Increases shall first apply to improvement fees, and after the full increase in improvement fees has been satisfied, all increases shall apply to reimbursement fees.

Section 8. Distribution of Funds.

Improvement Fees. Improvement fees shall be spent only on capacity increasing extra-capacity facilities including expenditures relating to repayment of debt for the improvements, and on the administration and enforcement of this Chapter. An increase in system capacity occurs if a capital project increases the level of performance or service provided by existing facilities or provides new facilities. The portions of the capital projects funded by improvement fees must be related to demands created by development.

Reimbursement Fees. Reimbursement fees shall be applied only to capital improvements associated with the systems for which the fees are assessed, including expenditures relating to repayment of indebtedness.

SDC Improvement Fees and SDC Reimbursement Fees shall each be segregated by accounting practices from other City revenues, and by facility improvement type.

All reimbursement fees shall be collected by the City and shall be used to refund the appropriate source that financed that share of the previously constructed improvement.

Section 8. Applicability of Troutdale Municipal Code.

The provisions of Chapter 12.02 of the Troutdale Municipal Code govern exemptions, credits, collection, appeals, and other matters pertaining to the charge established in this Resolution.

Section 10. Administration.

The Director shall be responsible for the administration of this Resolution.

Section 11. Previous Resolution Rescinded.

Resolution No. 2002 is rescinded on the effective date of this Resolution.

YEAS: 4

NAYS: 3 Councilor White, Councilor Allen, Councilor Hudson

ABSTAINED: 0



Casey Ryan, Mayor

Date 1-25-2018



Sarah Skroch, City Recorder
Adopted: January 23, 2018