

ORDINANCE NO. [BLANK]

AN ORDINANCE UPDATING STREET SYSTEM DEVELOPMENT CHARGE (SDC)
NOTIFICATION REQUIREMENTS

THE CITY OF DETROIT ORDAINS AS FOLLOWS:

Section 1. Purpose

Oregon Revised Statute (ORS) 223.304 (7)(a) includes notification requirements for local governments proposing to establish or modify a system development charge (SDC), including requirements for advance notice to interested parties. This ordinance modifies the City of Detroit's SDC code, making it consistent with notification requirements of ORS 223.304 (7)(a).

Section 2. Adopting and Amending the Methodology

- 1) Before adopting or amending the methodology, the Council shall:
 - a) At least **90 days prior to the first hearing to modify the SDC methodology** ~~30 days prior to adoption of the proposed methodology, or amendment to the methodology,~~ provide written notice to persons who have requested notice pursuant to Section 15;

RESOLUTION NO. [BLANK]

A Resolution providing a new methodology, capital improvement plan and rate structure for the City of Detroit, Oregon's, Street System Development Charge (SDC) program

WHEREAS, Oregon Revised Statutes (ORS 223.297 to 223.314) prescribe requirements for the establishment of SDCs;

WHEREAS, in 2006, the City Council of the City of Detroit, Oregon, authorized HBH Consulting Engineers, Inc., to prepare a Street and Water SDC Rate Study update in accordance with ORS and House Bill 3224;

WHEREAS, the City Council of the City of Detroit, Oregon, has developed updated assumptions regarding the Street SDC Methodology, Capital Improvement Plan and Rate Structure;

WHEREAS, the SDC Ordinance No. 206 provided for the City Council to establish the Methodology, Capital Improvement Plan, and Rate Structure for SDCs by Resolution;

BE IT THEREFORE RESOLVED by the City Council of the City of Detroit, Oregon:

Section 1. That the Street SDC Methodology, Capital Improvement Plan and Rate Structure that is attached to and incorporated herein shall serve as the basis for the Street SDC charged for new development and redevelopment in the City of Detroit;

Section 2. The Street SDC Methodology, Capital Improvement Plan and Rate Structure found within the "Street and Water System Development Charges Study," dated June 2006, shall continue to be the basis for the Water SDC charged for new development and redevelopment in the City of Detroit.

Section 3. Based on the attached Street SDC Methodology, Capital Improvement Plan and Rate Structure, the City Council prescribes the following Street SDC improvement fee rate:

Street (improvement) SDC \$3,091 per EDU

Section 4. The Street SDC fee per EDU shall be increased or decreased on an annual basis using the Engineering News Record (ENR) Construction Cost Index. The fee change shall be based on a comparison of the ENR Construction Cost Index for April of that year compared to the month of April of the previous year. The ENR Cost Index baseline month is April 2009.

Section 5. If installment payments are applied for and approved for the SDC fees, the rate of interest on the unpaid balance shall be 12% per annum.

STREET SYSTEM DEVELOPMENT CHARGE METHODOLOGY,
CAPITAL IMPROVEMENT PLAN AND RATE STRUCTURE

1.1 Planning Period

A 22-year planning period (2009 to 2030) has been used to develop the Street System Capital Improvement Plan (CIP).

1.2 Determination of Street System Development Charges (SDCs)

Street SDC fees are based on the equivalent dwelling units (EDUs) of development. One (1) EDU equals the average vehicle trip ends of one (1) detached single-family dwelling. For all other development types, the City should provide a review to establish a trip count that can be converted to the appropriate number of EDUs, based on a comparison of the average vehicle trip ends of a single-family detached dwelling and the average vehicle trip ends of the proposed use. The nationally recognized method of assigning trip values is through the use of the Institute of Transportation Engineers' (ITE) *Trip Generation* Manual. In the order of preference, the determination of trip values should be made on the basis of beds, rooms, dwellings, fueling positions, gross floor area, or gross leasable area. Development types that are not measured on a basis of the aforementioned characteristics, shall be measured by the most appropriate characteristic as found in the ITE *Trip Generation* Manual and as determined by the City Engineer.

1.3 Projected Growth

Within the City of Detroit and over the planning period, the number of single-family dwellings in part-time use (for example, vacation homes) are expected to grow more rapidly than single-family dwellings in full-time use. There are estimated to be 351 single-family dwellings currently within the Detroit city limits. Of those, 263 single-family dwellings are estimated to be in part-time use and 88 single-family dwellings are estimated to be in full-time use. Over the planning period, the number of single-family dwellings in part-time use are estimated to increase 3 percent annually and the number of single-family dwellings in full-time use are estimated to increase 1.5 percent annually. Based on the expected 3 percent and 1.5 percent growth rates of part-time and full-time dwellings, respectively, 275 new single-family dwelling units are expected over the life of this plan (241 new part-time dwellings and 34 new full-time dwellings), for a total of 626 single-family dwelling units. It is important to note that although part-time dwellings are not occupied full-time, and do not add to the full-time population of Detroit, they are occupied at the period of maximum demand for the street system. The Mid-Willamette Valley Council of Governments (MWVCOG) reviewed a preliminary lands analysis for the City of Detroit. Though not finalized, the analysis suggests the City of Detroit has a limited amount of developable and redevelopable commercial and industrial property. Also, as the City of Detroit does not have a public sanitary sewer system, the lack of such facilities places limitations particularly for non-residential growth. Therefore, this methodology assumes no Street SDC revenue from commercial or industrial development within the planning horizon (2030). However, should commercial or industrial development occur, it will be assessed a Street SDC fee per Section 1.2 of this resolution.

1.4 SDC Eligible Costs

Oregon Revised Statute (ORS) 223.307(2) states that “improvement fees may be spent only on capacity increasing capital improvements... related to the need for increased capacity to provide service for future users.” In the case of the Street System CIP list (see Table 1), all Street SDC eligible costs relate to the provision of pedestrian facilities on collector roads or on Highway 22 where no existing pedestrian facilities exist and the portion of roadway is a part of Detroit’s Bicycle and Pedestrian Route System. In Table 1, an *SDC Eligible Percent* of less than 100 percent indicates that a portion of the project costs are not needed to increase capacity and therefore these costs must be funded through non-Street SDC revenue.

1.5 Anticipated City Funded Portion of Street System CIP

State Statute allows local governments to charge Street SDCs only for those street system costs that the local government will incur. Table 1 includes an estimate of the portion of project costs to be paid for by the City of Detroit. A *City Funded Percent* estimate of less than 100% indicates that a portion of the project is anticipated to be funded by another party.

1.6 Portion of Street System CIP Projects that are Growth Serving

By the year 2030 (planning horizon), it is estimated that 44 percent of all single-family dwellings (44 percent of the residential EDUs) in the City of Detroit will be new. Therefore, it is assumed that 44 percent of the projects identified in Table 1 will benefit new residential properties and 56 percent will benefit existing residential properties.

1.7 Street CIP and SDC Improvement Fee

Pursuant to ORS 223.309, prior to establishment of an SDC by ordinance or resolution, the City Council must adopt a CIP that includes a list of the capital improvements that the local government intends to fund, in whole or in part, with revenues from an improvement fee and the estimated costs, timing and percentage of costs eligible to be funded with revenues from the improvement fee for each improvement fee. The Street CIP included in this SDC study was adopted by the City of Detroit City Council on [blank]. Table 1 allocates the percentage of growth related costs for each capital improvement.

1.8 Maximum Street SDC Fee per EDU

The *Maximum Street SDC Fee per EDU* equals the *Total Street SDC Reimbursable Costs* divided by the expected *Total Growth in EDUs*. To determine the *Total Street SDC Reimbursable Costs*, existing Street SDC funds must be deducted from the *Unadjusted Street SDC Reimbursable Costs* figure, recognizing that the revenue on-hand is available to contribute towards the Street System CIP projects. Existing Street SDC credits must be added to the *Unadjusted Street SDC Reimbursable Costs* figure, recognizing that the credits may decrease future Street SDC revenue.

Table 1. Street System CIP

Project Description¹	Total Project Cost	SDC Eligible Percent	City Funded Percent	Growth Serving Percent	Growth² Related Costs	Expected Project Timing
#4: Hwy 22 & Detroit Ave	\$323,777	75%	50%	44%	\$53,423	2009-2015
#7: Detroit Ave (Hwy 22 to Forest Ave)	\$374,100	100%	100%	44%	\$164,604	2009-2015
#8: Detroit Ave (Forest Ave to Santiam Ave)	\$443,554	100%	100%	44%	\$195,164	2016-2022
#9: D St & Detroit Ave	\$152,117	50%	100%	44%	\$33,466	2009-2015
#12: Detroit Road	\$291,806	100%	100%	44%	\$128,395	2016-2022
#13: D St	\$150,534	100%	100%	44%	\$66,235	2009-2015
#14: Forest Ave	\$178,427	100%	100%	44%	\$78,508	2016-2022
#19: Scott Ave	\$320,389	100%	100%	44%	\$140,971	2016-2022
Unadjusted Street SDC Reimbursable Costs					\$860,766	
Street SDC Fund Balance					(\$10,824)	
Outstanding Street SDC Credits					\$0	
Total Street SDC Reimbursable Costs					\$849,942	
Total Growth in EDUs					275	
Maximum Street SDC Fee per EDU					\$3,091	

¹ Projects in the Street System CIP are as described in the City of Detroit’s Transportation System Plan (TSP). Project numbers included in the Street System CIP correspond to the project numbers in Table [insert table number] of Detroit’s TSP.

² *Growth Related Costs* equal the *Total Project Costs* x *SDC Eligible Percent* x *City Funded Percent* x *Growth Serving Percent*