

CITY OF SPRINGFIELD

SYSTEM DEVELOPMENT CHARGES – FACT SHEET

Rates Effective: **January 1, 2012**

BACKGROUND

System Development Charges (SDC) are fees that are collected when new development occurs in the City and are used to fund a portion of the construction of streets, storm drainage, and sanitary sewers (required as a result of increased development and to maintain the health and safety standards of the community). Adequate funding for growth-related capital improvements is vital to maintaining the City's level of service in transportation, sanitary sewers, and storm sewers.

STATE REQUIRED PROGRAM - ORS 223.297 to 223.314

The Oregon State Legislature in 1989 adopted a state law that required cities in Oregon that collect an SDC, including the City of Springfield, to revise their SDC ordinances by July 1991. The legislation provided a uniform framework that all local governments must follow to collect and expend SDC fees.

Methodology for establishing SDC rates as set forth in the City of Springfield ordinance reflects the growth-related impacts of new development on three systems: transportation, sanitary sewer, and storm drainage. The amount of each SDC is based on the amount of impact the development will have on a particular system. Charges are computed separately for each system, and separate funds are used to track receipts and expenditures. SDC-eligible projects are identified in the Capital Improvement Plan (CIP), the Springfield System Development Charges project list, and any other long range plans as approved by the City Council.

DETERMINING SDC RATES

The following assumptions are used to develop SDC rates:

- The level of service used to set the SDC rates cannot be higher than that currently provided to existing users of the service.
- Costs used in the SDC rates reflect the City's current costs for constructing capital improvements.
- The fee reflects a developer's equitable share or use of the particular system for which the fee is set.
- Credit will be given for certain improvements that reduce a development's impact on the system capacity.

CALCULATING THE SDC

The Storm Sewer SDC is based on Square Feet of Impervious Surface Area. The Sanitary Sewer SDC is based on Drainage Fixture Units as defined by the April 2000 Oregon Amendments to the 1997 Uniform Plumbing Code. The Transportation SDC is based on Average Weekday Trip Generation rates as published in the latest edition of the Transportation Engineers (ITE) Trip Generation Manual. More detailed information on calculating the fees for each system is shown below:

- **STORM DRAINAGE** - The storm drainage SDC is paid by all new residential, commercial, and industrial development. The charge is based on the square footage of the impervious surface area of the development. Impervious surfaces typically consist of concrete, asphalt, and roofing. The cost per square foot of impervious surface area is **0.583**. In applying the SDC, the cost per square foot is applied to the amount of impervious surface area measured at the time the building permit is issued.

STORM DRAINAGE SDC = IMPERVIOUS SQUARE FEET x \$0.583/SQUARE FOOT

A 50% credit will be given for the portion of impervious area served by a drywell sized and constructed to City of Springfield Standard Construction Specifications. A SDC credit will also be given for peak ten-year runoff reduction based on documentation provided by the developer and approved by the City.

- **SANITARY SEWER - CITY** - The charge is paid by all new commercial, industrial, and residential development. To calculate the impact of new development on the sanitary sewer system, the City uses the number of drainage fixture units (DFU) as the basis of the charge. The City sanitary charge is **\$201.50** per DFU. Residential rate increases to **\$201.50**. The City sanitary charge for Commercial/Industrial is **\$201.50** per DFU.

RESIDENTIAL CITY SANITARY SEWER SDC = NUMBER OF DFU x \$201.50
COMMERCIAL/INDUSTRIAL CITY SANITARY SEWER SDC = NUMBER OF DFU x \$201.50

A 'drainage fixture unit' is a way of expressing various sorts of plumbing fixtures (such as sinks, toilets, commercial dishwashers, etc.) in terms of water usage. A Fixture Unit Calculation Table is part of the System Development Charges Worksheet, Attachment A.

- **TRANSPORTATION** - This SDC is charged on new commercial, industrial, professional, and residential development or change of use. It helps support expansion of arterial and collector roads, traffic signals, and street lighting. The SDC is based on the trip rate of the specific type of development and the cost per trip. The cost per trip is **\$247.98** for all use types. A new trip factor is applied to omit short pass-by trips, diverted trips, and other linked trips. Trip rates for developments are based on the current Institute for Transportation Engineers' (ITE's) Trip Generation Manual, or the developer can submit a trip generation study outlined and approved by the City of Springfield. A partial list of trip rates is in Attachment D.

Transportation SDC = Number of Trips X Unit X \$247.98 X New Trip Factor

- **SANITARY SEWER (MWWC)** - The Metropolitan Wastewater Management Commission (MWWC) Facility Equalization Charge is a reimbursement fee for the reserve capacity that was constructed to serve new growth. This fee is designed to reimburse the community for its equity in the treatment plant's reserve capacity. Newly developed properties, change of use, or other properties that are connecting to the wastewater treatment system for the first time will pay the equalization charge. New development receives credit for past bond payments on existing debt and for contributions to qualified offsite public improvements. See Attachments B and C. The Flow Estimation Units (FEU) is used for the MWWC Facility Equalization Charge.

MWWC SANITARY SEWER SDC = NUMBER OF FEU x COST PER FEU + \$10 ADMIN. FEE

ADMINISTRATIVE COST

The SDC legislation allows the City to recover its costs for complying with the required changes. A five percent (5%) administrative fee will be added to cover the cost of developing the SDC, establishing accounting mechanisms and administering the ongoing program.

CREDITS

There are no exemptions from SDC. Government and non-profit agencies also will pay an SDC based on the amount of impact they create on the system.

Credit may be given for on-site improvements that reduce a development's demand on capital facilities that would otherwise have to be constructed at the City's expense. When development occurs that modifies the existing use of a property, the System Development Charge will be calculated based on the difference between the proposed use and the existing use. If the change-in-use results in the SDC for the proposed use being less than the SDC for the existing use, no SDC shall be required. However, no refund or credit shall be forthcoming to the developer.

DOWNTOWN DEVELOPMENT AREA DISCOUNT

City Sanitary Sewer, Storm Drainage and Transportation SDC's will be reduced by 50% until **December 2012**, in the Downtown Development Area as shown on the attached map.

NOTE:

Attached to this fact sheet are examples of SDC for various developments, worksheets and the necessary tables for computing System Development Charges. For more information on System Development Charges, contact City of Springfield Public Works Department at (541) 726-3753.