

RESOLUTION NO. 2013 – 17

A RESOLUTION ADOPTING A WASTEWATER SYSTEMS METHODOLOGY

WHEREAS, The City of Coburg has adopted a capital improvement plan for the wastewater system, identifying elements that have been constructed are under construction and are planned to accommodate future growth; and


WHEREAS, the City of Coburg plans on collecting some of the growth associated costs of the wastewater system through Systems Development Charges; and

WHEREAS, the City of Coburg must adopt a Wastewater Systems Development Charge methodology to accomplish its plans;

NOW THEREFOR, THE COBURG CITY COUNCIL RESOLVES AS FOLLOWS:

1. The Document identified as the Coburg Wastewater Systems Development Charge attached to this Resolution, setting forth the means of calculation of a reimbursement and an improvement SDC, the possible credits to be allowed and related information in compliance with state requirements for an SDC methodology is hereby adopted; and
2. The Coburg Wastewater Systems Development Charge Methodology shall be adjusted annually, at the same time as the adjustments for other SDC methodologies, and in the same manner to reflect any construction cost increases.

Adopted this 8th day of August, 2013




Jae Pudwell, Mayor

5 Ayes

1 Nays

None Abstain

Attest:



Sammy L. Egbert, City Recorder

METHODOLOGY: CITY OF COBURG WASTEWATER SYSTEM DEVELOPMENT CHARGE

1.0 Introduction

The City's authority to establish and adopt system development charges (SDCs) is granted by ORS 223.297 - 223.314. In addition to the methodology contained herein, the following appendix is made a part of the methodology hereof:

- A: Definitions of General Terms
- B. Classification of Users
- C. Coburg Wastewater Capital Improvement Plan

1.1 Basis for Charge

System development charges have been collected and used by the City of Coburg since 1991. They are presently collected on all new development in the City and are used to fund that portion of the construction of infrastructure (i.e., water system components) required to support new development. These SDCs help the City provide for increased capacity needs, and recoup a portion of the community's investment in specific infrastructure reserve capacity that is already in place. Sound planning requires future demands on each system be anticipated, and that reserve capacity needed to serve future users be built in. By preparing for this growth, standards for community infrastructure are maintained and the community can prosper with new development.

1.2 SDC Charges

The Wastewater SDCs and the associated administrative charges and credits imposed by Coburg Ordinance No. A-172-B, or a successor ordinance, shall be determined as set forth in this methodology. The rates for the SDC fee schedule are calculated in Section 3.1.3. *Calculate SDC*. The methods of calculating administrative charges are noted within section 2.3.1 *Administrative Costs* and the methods of calculating credits are noted within section 4.2 *Credits*.

2.0 Exemptions and General Approach

This section outlines the general approach taken in calculating the City's system development charges and in determining and specifying appropriate expenditures of SDC revenue. For the purposes of this document, definitions in the Coburg Ordinance No. A-172-B shall apply unless expressly provided to the contrary. Appendix A contains definitions of words and phrases which are used throughout this methodology.

2.1 Assignment of Use Classifications

Developments will be assigned use classifications that best reflect the developments' use of the wastewater system as set forth in this methodology (see Appendix B). In the case of multiple uses that are proposed and/or exist within one development, as determined by City staff, more than one use classification may be assigned by which the SDC fees and credits will be calculated.

2.2 Exemptions

To simplify the administration of the SDC, no development involving then-existing improvements on a site will be deemed to increase usage of or create the need for additional capital improvements until one of the following occurs:

- For property improved with a residential use (e.g. single family dwelling, duplex or other multiple-family use), when:
 - An additional dwelling unit is created,
 - All or part of any structure on the site is changed to a use not permitted outright in any residential zoning district as noted in Coburg Ordinance No. A-172-B.
- For all property improved with a non-residential use (e.g. recreation center, convenience Market, etc.) when:
 - An additional dwelling unit is created,
 - There is an increase in square footage of gross floor space or living area,
 - There is an increase in units of measurement (other than floor space) on the site used to determine the SDC for the land use on the site, or
 - Either 3,000 or more square feet of floor space in a building changes use or 50 percent or more of the gross floor space of the building changes use

2.3 General Method for City of Coburg SDC Rates

The intent of the methodology is that new development should not be charged for a higher level of service than that currently provided to the community or to which the community has committed future resources. Therefore, additional capacity needs are determined using the City's existing level of service or the City's funded level of service. In a similar manner, new development should be credited for past and future bond payments on infrastructure related existing debt. The general approach used to calculate the development charge for various systems is based on requirements set forth in ORS 223.304:

- Reimbursement fees shall be established or modified considering “the cost of the existing facility or facilities, prior contributions by existing uses, gift or grants from federal or state government or private persons, the value of unused capacity available to future system users, rate-making principles employed to finance

publicly owned capital improvements and other relevant factors identified by the local government imposing the fee.”

- Improvement fees shall be established considering "the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related."
- Credits are required for "qualified public improvements."

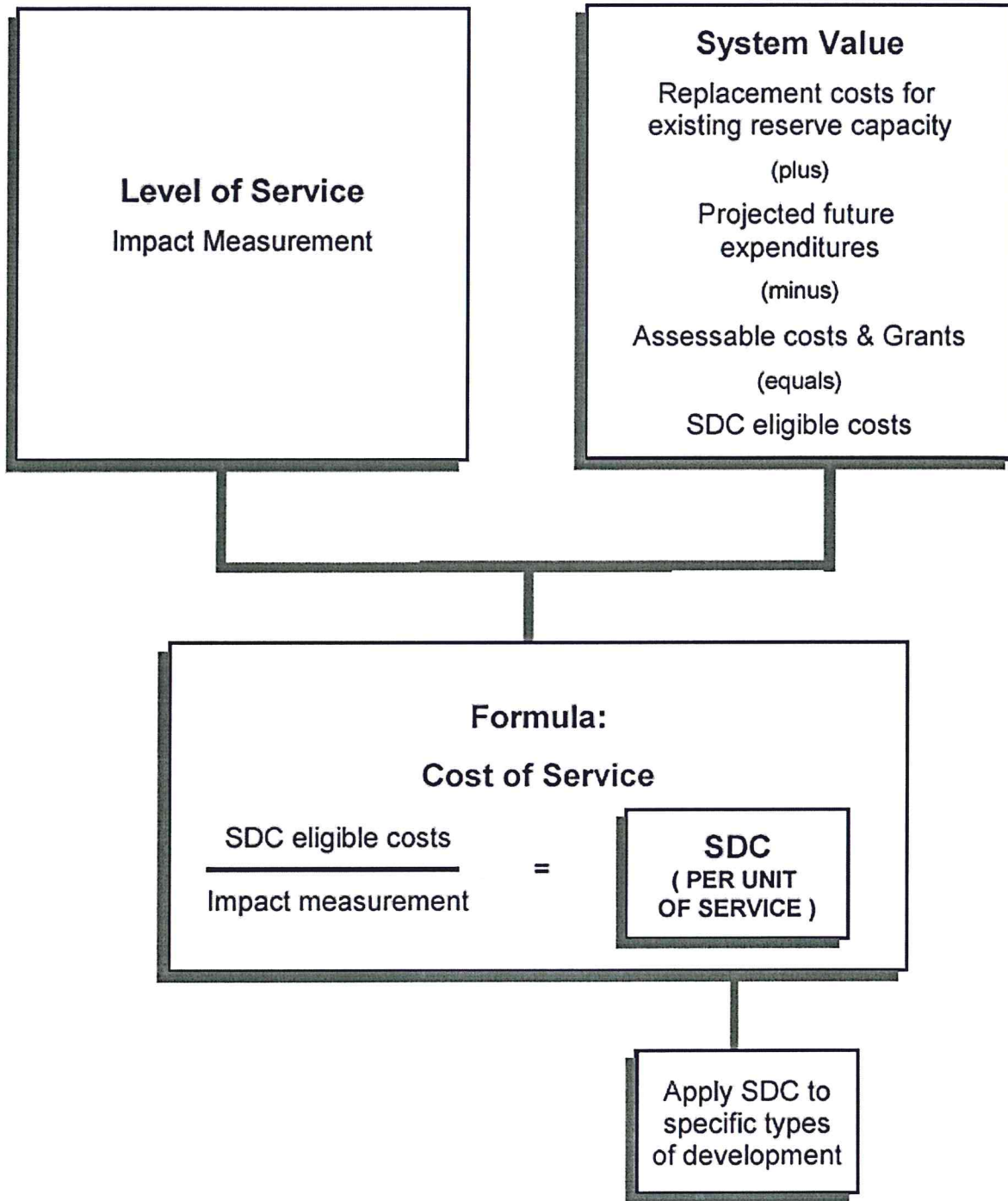
This general approach to developing the City’s SDC is illustrated in Figure 1 and can be outlined in the following steps:

- Determine System Service Characteristics.
 - System consists of several components (e.g., collection system and treatment facility are some of the components of the wastewater system).
 - Establish impact measure - that feature of development that best reflects use of system capacity (e.g., water meter size for the water system).
- Determine System Value, including associated costs such as design, construction and project administration.
 - Use replacement cost (current construction costs).
 - Determine capacity-oriented cost of system, net of assessments and grants.
 - Determine ratio of Improvement and Reimbursement portions of charge, if any.
 - Allocate the system value to the unit of impact (e.g., residential strength EDU flows for the wastewater system).
 - Determine the service impact of specific development types (e.g., single-family dwelling, motel, convenience market).

The specific steps utilized in this methodology to establish the Coburg wastewater SDC are detailed in section 3.0 *Wastewater System Charges*.

FIGURE 1

Rate Setting Methodology



2.3.1 Administrative Costs

Administrative costs for the City's SDC Program are estimated and include the periodic and on-going direct and indirect costs associated with complying with the requirements of state law and the cost of administering the SDCs. An administrative charge shall be incurred when one of the following occurs:

- When a redevelopment occurs that changes the use of a building in its entirety and it is determined that usage of any capital improvement is increased or there is need of additional capital improvements.
 - The administrative fee will be calculated either as a percentage rate of the net charge after credits are applied or at a flat rate, whichever is higher, as listed below.
- When a redevelopment permit application (other than for redevelopment that changes the use of a building in its entirety) requires a detailed review to determine that there will be no increased usage of any capital improvement and no additional capital improvements will be needed.
 - The administrative fee will be applied at a flat rate as listed below.
- When an SDC is imposed for all other development:
 - The administrative fee will be calculated as a percentage rate of the net charge after credits for previous use and impact reduction are applied or at a flat rate, whichever is higher, as listed below.

2.3.1.1 Administrative Fees

The administration fees charged as part of the Coburg Wastewater SDC will be as follows:

- If based on percentage, as described in this methodology 5.0%
- If based on flat rate, as described in this methodology \$80.00
- Appeal Fee, per appeal \$100.00

2.3.2 Maximum Administrative Charge

An administrative charge calculated shall not exceed a maximum amount of \$30,000.00 for a single permit issued. If multiple permits are issued for different phases of the same development, the maximum administrative charge shall be applied to each permit independently.

2.4 Expending City of Coburg SDCs

The City of Coburg's SDC revenue, except for administrative fees, is comprised of two components: an improvement fee and a reimbursement fee as defined in Coburg Ordinance No. A-172-B. Improvement fee revenue may be spent only on capacity increasing capital improvements or debt related to such improvements. Reimbursement

fee revenue may be spent only on capital improvements associated with the systems for which the fees are assessed and debt related to such improvements. Revenue from both types of fees may be expended on direct costs of complying with related state statutes.

Major capacity-increasing capital improvements to be constructed using SDC revenue appear in the City's long range plans. The City's long-range plans reflect the anticipated facility needs required to support new development. The needs identified in the long-range plans are generally included in the Capital Improvement Plan (CIP) (see Appendix C). The CIP also contains repair, replacement, and rehabilitation projects which may be funded in part with SDCs.

Given the limits on certain funding sources and the need to address existing as well as future needs, the CIP does not necessarily reflect all the facility needs of new development occurring within the time period covered by the CIP. Therefore, the planned expenditures of SDC revenue includes both the expenditures detailed in the CIP and the needs identified in the long-range plans.

3.0 Wastewater System Charges

The Wastewater System Development Charge is made up of several components. The costs of each of these components include the total cost of design, construction, purchasing, testing, and project administration. Where present and applicable to the Coburg wastewater system, the components included in this analysis are:

- Collection System in the public Right-of-way
- Wastewater Treatment Facility
- Additions to the Wastewater Treatment Facility to accommodate additional capacity

The cost impacts of new development on these components are allocated on the basis of a comparison with residential strength flows from a residence attached to a STEP system (equivalent dwelling units of EDU).

The detailed Cost of Service formula as well as the cost per equivalent dwelling unit (EDU) for each component of the wastewater system is set forth below. The cost per EDU is the sum of all wastewater system components identified.

The wastewater SDC for a proposed development is determined by identifying the projected flow and strength of flow from the proposed development, using the table set forth in Appendix B, or the process identified in Appendix B, multiplying the actual size of the proposed development, measured in the identified Flow Estimate Units to obtain the estimates of flow, then dividing that by the flow of a single EDU. The end product will be an estimate of EDU impact of the proposed development. This is then multiplied by the wastewater SDC rate per EDU using the cost per EDU in the SDC fee schedule in Section 3.1.3.

3.1 Detailed Methodology For Wastewater SDC

The formula used in this methodology for calculating the wastewater SDC is shown directly in Figure 1 and is (SDC Eligible Costs)/(EDU Capacity Created), where:

SDC Eligible Costs = The costs of all wastewater system components associated with creating available capacity for new development.

EDU Capacity Created = The available capacity created for new development, expressed in equivalent dwelling units.

This methodology considers the full per EDU cost of the Coburg wastewater system, including capacity increasing improvements in all of the wastewater system components listed above.

The methodology includes three primary steps. The steps are listed below, with additional detail on each step to be found below.

- 1) Identify Relevant Data Needs.
- 2) Gather or Calculate Input Data, Determine Necessary Assumptions.
- 3) Calculate SDC.

3.1.1 Identify Relevant Data Needs

A general description of the relevant input data needed for calculation of the wastewater SDC is as follows:

- *Existing available capacity present in the current wastewater system to serve new development:* Presently available excess capacity in the wastewater system, if any, would be available to serve new development. The value of this existing capacity should be charged proportionately to new development through a reimbursement fee SDC. Both the available capacity and the unit value of this capacity must be determined.
- *Anticipated new capacity required to serve new development:* As outlined in the Coburg Wastewater System Capital Improvement Plan, there are new capacity-increasing capital investments that will provide available capacity for new development. The value of this new capacity should be charged proportionately to new development through an improvement fee SDC. Both the available capacity and the unit value of this capacity must be determined.

3.1.2 Gather or Calculate Input Data, Determine Necessary Assumptions

This section provides the details on the specific input data and assumptions used in this methodology for the calculation of the wastewater SDC.

- *Existing available capacity present in the current wastewater system to serve new development:* The City of Coburg is completing construction of a wastewater treatment system, which will have a treatment capacity of 220,000 gallons per day (gpd). The existing demand on that capacity is projected to be 160,650 gpd. Therefore there is a capacity of 59,350 available for future users in the present system.

- *Anticipated new capacity required to serve new development:* The Capital Improvement Plan identifies improvements recommended to address anticipated growth beyond the capacity of the current system. These improvements fall into the following general categories:
 - Treatment capacity expansion
 - Additions to the treatment facility to deal with increased demand

Cost and capacity figures for these improvements is detailed in the Capital Improvement Plan. The cost estimates in the CIP were not adjusted to account for inflation. The cost estimates in the CIP do not include the interest costs of borrowed funds to construct the existing capacity. The calculated SDCs will need to be adjusted annually to account for inflation costs, using the *Engineering News Record* Construction Cost Index (CCI), and the weighted average interest rate paid on borrowed funds, which is 4.4 percent. The CCI tracks a package of construction-related costs over time so the index can be used to adjust construction costs to a particular year

- **Reimbursement:** Wastewater SDCs can be collected by the City from new development to reimburse the City for the construction costs of SDC-eligible wastewater infrastructure already constructed and currently under the City's jurisdiction. Infrastructure funded by other non-SDC methods is not SDC-eligible. The reimbursement to the City is not the actual cost of the infrastructure at the time it was built, but rather the cost in current dollars of replacing the infrastructure.

To calculate the reimbursement component, an inventory of the existing SDC-eligible wastewater system in Coburg was developed. Since all the components have been constructed within the last ten years, the inventory is easy to pull together.

There is excess capacity in the amount of 59,350 gallons per day (gpd). The total reimbursable cost of the present system is \$12,812,771. When this is divided by the maximum capacity of 1047 EDU the result is a reimbursement SDC of \$12,237. The number for these calculations are show in Table 1 below.

- **Improvement:** Wastewater SDCs can be collected by the City from new development and put aside in an account designated solely for expenditures on planned improvements to the wastewater infrastructure system.

The CIP includes plans for wastewater system improvements that are SDC-eligible. The CIP also includes construction cost estimates for constructing the proposed improvements. This methodology uses these estimates. Finally, the CIP shows that the entire portion of these improvements will benefit future new development, in the form of new EDUs that will benefit from the additional capacity.

3.1.3 Calculate SDC

Table 1 below summarizes the calculation of the wastewater SDC for the Coburg wastewater system, including the “Reimbursement Component” and the “Improvement Component” for planned SDC-eligible improvements to the system.

Table 1				
COBURG WASTEWATER SYSTEMS DEVELOPMENT CHARGES (2013\$)				
	Total Improvement Cost	SDC-Eligible Cost	Future EDUs to Benefit	SDC-Eligible Cost per EDU
REIMBURSEMENT				
Treatment Facility	\$ 13,904,040	\$ 2,527,064	283	\$ 8,930
Collection System	\$ 5,150,894	\$ 3,463,524	1330	\$ 1,653
IMPROVEMENT				
Additional Treatment	\$ 1,796,000	\$ 1,796,000	1047	\$ 1,715
TOTALS	\$ 20,850,934	\$ 5,259,241	1330	\$ 12,298

4.0 Credits and Impact Reductions

This section provides detail on the City's administration of SDC credits and impact reductions. Potential sources, criteria for eligibility, and the basis for calculation of credit and impact reductions are defined, in this Methodology and in the Coburg City Ordinance No. 172-B list of examples of facilities and programs which are potentially eligible for credit appears in Table 2 of this section. (Note: As development standards change some examples may no longer be considered eligible for reduction but may influence future rates.)

SDCs may be reduced by one or more of the following processes:

- Impact Reduction, based on quantified mitigation of demand generated by the development for new identifiable capital improvements;
- Credit, based on the specific costs for privately engineered construction of certain public improvements as part of the development;
- Credit based on previous payment or use.

Adjustment of SDCs due to credits and impact reductions:

- Shall not be given for improvements constructed or programs instituted prior to City approval.
- Shall be applied up to the maximum SDC fee for each system.
- Shall reduce the SDCs paid on building permits at the time of issuance; credit or impact reduction amounts applied will not be greater than the SDC fees.
- Shall be applied to a particular system (e.g., Transportation, Stormwater, Wastewater, Parks); credits or reductions approved for a particular system can not be transferred or applied to any other system charges.

- Shall be applied to the SDCs for the particular development, may only be further applied to subsequent phases of the same development for which the improvement was constructed or program instituted, and can not be transferred or applied to other properties or developments.

4.1 Impact Reductions or Mitigation

Impact reduction will be based on private physical improvements, such as the construction of a portion of a new collection system, constructed as part of the development, or based on programs instituted in connection with development, which will reduce the demand from that development for future construction of identifiable capital improvements. Such programs and physical improvements must be privately financed and are intended to be permanent. The anticipated reduction in demand must be demonstrated to the satisfaction of the City. Calculation of impact reduction shall be based on the ratio of the system impact with the program or facility in place, to the system impact if the program or facility did not exist.

Prior to application of the impact reduction to the SDCs for the development, the City shall receive assurances that will bind the developer, owner, and the owner's successors as is necessary to ensure that the program or facility will function as planned for the agreed upon time period. Such agreements may include, but are not limited to performance bonds, maintenance programs, annual reports, monitoring and inspections, or other pertinent items to document proper functioning as determined by the City.

4.2 Credits

City approval of credits shall be given based on one or more of the following:

4.2.1 Qualified Public Improvement Credit

For any qualified public improvement as defined in Coburg Ordinance No. A-172-B, to be constructed in connection with the development for which an SDC is collected.

4.2.2 Capital Improvement Credit

For any capital improvement as defined in Coburg Ordinance No. A-172-B, to be constructed as part of a development to the extent:

- That it reduces the need for construction of specific, identifiable public wastewater system improvements; or
- That it would otherwise have to be constructed or acquired at public expense and is eligible for funding with Systems Development Charge funds under the current policies of the City Council; or
- That the City can recover credits through collection of an equivalent assessment from benefited properties, or for which the City Council has

formed a Local Improvement District in accordance with provisions in Coburg Code.

4.2.3 Previous Payment or Use

SDC fees paid are not refundable and, in the case of an agreement to pay SDCs in installments, the terms of the agreement may not be modified. A partial refund of SDC fees will be made or a modification of an installment agreement will be allowed when an active development permit is canceled or expires without being used, a change of design of an active development permit is approved that results in a less intense use of the property, or property previously developed as a manufactured home park is partitioned and redeveloped. No portion of the administrative fees will be refunded, and an additional administrative charge may be imposed to cover the cost of calculating and processing the partial refund.

Credits for other types of previous payment or use may, however, be provided. In calculating the credits given under this section, the City shall apply credit for previous payment or use only to developments (e.g. structure, impervious area) for which the previous use, including that for which developments have been demolished, or payment can be verified and for which a credit has not been previously given. The burden of proof is on the applicant to provide adequate documentation (e.g. tax records, utility billing / wastewater usage records, building permit records). Credits for previous payment or use are provided in the following manner when:

- Redevelopment occurs that does not change the use of a building in its entirety. The credit will be based on the most previous and verifiable use; or
- Redevelopment occurs that will change the use of a building in its entirety, the credit for previous use will be based on the previous most intense verifiable use per infrastructure system. In this case, the credit calculation will be performed independently for each system which may result in different periods of the use of the site being the basis of comparison.

4.2.4 Credit for Contribution to Capital Capacity via Wastewater System User Fee

Credit shall be given for payments toward the capital cost of the wastewater system contributed via wastewater system user fees. Coburg's current wastewater user fee rate structure includes debt service repayment for loans proceeds used by Coburg to provide capital capacity in the wastewater system. To the extent that new development participates in repayment of that debt service via payment of wastewater system user fees, the development's wastewater SDC shall be credited in kind.

Reduced to present value, the SDC credit for each year of payment of wastewater user rates is \$337 per year. Table 2 shows the specific percent credit by fiscal year (FY) that shall be applied to a development's wastewater SDC, based on the

year in which the development first commences payments of wastewater system user fees.

4.4.5 Credit for Contributions to Capital Capacity via Wastewater Local Improvement Fees

Credit shall be given for payments toward the capital cost of the wastewater system contributed via Local Improvement District assessments. If the property to be developed is in the Local Improvement District, it is subject to an assessment, the assessment is due when made. While properties are allowed the option to pay over time, the LID assessment is levied one time. There is no reduction to present value. The projected value of the LID is \$ 3,310,230. Dividing this among users, and taking into account the eligible SDC proportion gives an equivalent SDC credit of \$ 883. This is a not to exceed credit amount available only if the property on which the development occurs was a part of the LID in 2014.

4.4.6 Credit for Contributions to Capital Capacity via Urban Renewal Agency tax payments

All property owners within the City of Coburg pay a portion of their property tax to the Urban Renewal Agency. The projected present value of all Urban Renewal Agency payments to the City for debt service payments over the next 20 years is \$ 5,296,599. The annual credit for URA payments is \$148 per year. This credit will be earned each year that the new user pays an Urban Renewal tax, up to 20 years, if the new user comes on line the same year that the wastewater plant comes on line.

Table 2 Eligible SDC credits by Fiscal Year	
FY	SDC credit per EDU
2014	10583
2015	10098
2016	9613
2017	9128
2018	8643
2019	8158
2020	7673
2021	7188
2022	6703
2023	6218
2024	5733
2025	5248
2026	4763
2027	4278
2028	3793
2029	3308
2030	2823
2031	2338
2032	1853
2033	1368
2034	883

4.2.8 City Cost of Construction Credit

In calculating the credits given under section 4.2.1 and 4.2.2, the City shall estimate the cost of the capital improvement based upon what the City would pay were it to construct such improvements.

4.2.9 Revenue Collection for Equivalent Assessment or Special Benefit Credit

When an equivalent assessment or a special benefit assessment is collected when property connects to a public improvement for which the City has granted a credit under 4.2.2 (3) above, the revenue collected (net of the costs of collection) shall be deposited in the SDC fund for the system to which connection was made and for which the credit was given unless the SDC fund has been reimbursed for the credit from other City funds. If the SDC fund has been reimbursed in advance from other City funds, the revenue collected will be deposited to the City fund which reimbursed the SDC fund.

4.3 Revocation of Credit and Impact Reduction

A credit or impact reduction which has been applied to reduce SDC fees may be revoked and the unpaid portion of the SDC reimposed as a lien against the property, within the time required by this Methodologies, if:

- The associated capital improvement for which SDC credit has been given is not constructed or completed as required, or fails to function as designed; or
- The associated reduction program for which an impact reduction has been approved is not instituted or is modified without the approval of the City, or ceases to function as designed.

Such revocation shall not occur until ten days prior written notice has been given to and an opportunity to be heard afforded the applicant and property owner. If the credit or impact reduction is revoked, the City Administrator may add to the amount due, the cost of the revocation proceedings.

4.4 Application for Credit and Impact Reduction

An application for a credit or impact reduction, including related documentation and information, shall be submitted by the applicant in the manner prescribed by the City, together with any fee set by the City pursuant to Coburg Ordinance No. 172-B. The applicant shall have the burden of demonstrating the eligibility for a credit. No credit or impact reduction shall be granted for an SDC that has already been imposed, collected or agreed to be paid in installments unless resulting from cancellation of an active permit, expiration of a permit without being used, or an approved change of design of an active permit.

4.4.1 Application for Impact Reduction

Applicants must submit their request for an impact reduction in writing, accompanied by documentation that supports the basic function and design criteria for estimated impact reduction and including such calculations as outlined in this methodology.

For commercial development, impact reduction will be applied uniformly for all lots or building sites in the development phase approved. Impact reductions granted under this methodology document may be used in subsequent phases of a development when the applicant demonstrates to the satisfaction of the City that the program or improvements continue to provide the anticipated reduction in demand, and the City has received assurances or agreements from the developer, owner, and owners successors, as approved by the City as is necessary to ensure that the program or facility will continue to function as planned for the agreed upon time period. Changes to the mitigated program or facility attributable to the connection of an additional phase which results in any deviation from the previously determined impact reduction will be adjusted proportionately.

4.4.2 Application for Credit Based on Construction of Public Improvements

For credits derived from the construction of public improvements, the property owner(s) will be notified in writing about potential credit availability, subsequent to the approval and bonding of the construction plans. The property owner(s) will have 60 days from the date of written notification to submit the SDC Credit Application and complete the approval process. Applications that include disbursement instructions for ineligible lots or which contain requests in conflict with City code, state law, or current City policies/practices will be considered incomplete applications.

4.4.3 Credit Distribution in the Absence of Directions from an Approved SDC Credit Application

With the exception of cases where the recovery of credit through an equivalent assessment is uncertain, if the owner does not comply with the requirements of section 4.4.2, the credit will be distributed by the “equal lot” method. All eligible lots or building sites will be identified, and the credit will be distributed in an equal amount to each of these eligible lots or building sites. Credit applied under this policy will not be eligible to be appealed. Development for which a building permit is issued prior to administration of credit disbursement or approval by City staff will not be considered eligible for credit distribution.

4.4.4 Changes to An Approved Credit Application

Whether established by the City using the “equal lot” method or by the property owner(s)/applicant(s), any modifications to the distribution of credits will require a new completed application, must be approved by the City, and will be effective only upon approval by the City of the revised credit application. The revised distribution will apply only to the remaining credit balances and undeveloped lots or building sites to which the credit originally applied.

4.5 Decision on Application for Credit

The City shall approve, conditionally approve, or deny an application in writing, setting forth the reason for the decision. Such a decision shall be mailed or personally delivered to the applicant.

4.6 Credit and Impact Reduction Duration

Credits granted under this methodology document may be applied to SDC fees for a development up to a maximum of 10 years from the date of the original written credit notification.

Impact reductions granted under this methodology document may be applied to SDC fees for a development until such time as the program or improvements no longer continue to provide the anticipated reduction in demand and the City has determined that assurances or agreements from the developer, owner, or owners successors, are no longer adequate to

ensure that the program or facility will continue to function as planned for the agreed upon time period.

5.0 Appeals

An appeal by an applicant or a permittee of any decision of the City Administrator under this Methodology shall be governed by Coburg Ordinance No. 172-B. The appeal fee, as established under Coburg Ordinance No. 172-B can be found in Section 2.3.1.1 *Administrative Fees*.

**METHODOLOGY:
CITY OF COBURG WATER
SYSTEM DEVELOPMENT CHARGE
Appendix A
Definitions of General Terms**

Administrative Charge: The amount charged to each development to cover the cost of developing the methodologies, providing an annual accounting of system development charge expenditures, implementation and operational costs associated with the SDC program.

Accessory Dwelling Unit: As used in the determination of SDC rates, an accessory dwelling unit is any additional residential dwelling unit added to a development site for which a secondary dwelling unit is allowed per local code and typically has the following components:

- Separate ingress / egress
- Living area
- Kitchen facilities including sink (in addition to bathroom sink), refrigerator, or stove
- Separate bathroom

Note that while inclusion of all of the above would constitute the potential impact of an additional dwelling unit, exclusion of any item(s) listed above would not preclude such an impact for the purposes of calculating SDC fees.

Acquisition Costs: The indirect or direct amount expended to procure use, possession, rights, or title as related to the construction of public improvements. This cost may be determined by current market experience, or other reasonable and prudent methods approved by the City.

Assessable Costs: The amount of capital improvement costs which are collected through the City's local improvement assessment program as established in City code. This cost has been removed from the total cost of capital improvements in determining the system-specific SDC.

Change of Use of a Building in its Entirety: An existing building proposed to redevelop in manner that changes all existing use classifications as determined by staff.

City Administrator: City Administrator or designee.

Construction Costs: The cost in current fiscal year dollars for construction of future capital improvements.

Cost of Service: The calculation of a "per unit" cost to the City of providing system-specific capacity (e.g., wastewater collection capacity or transportation travel lane capacity).

Development Types: As used in determining SDC rates, development and uses of development sites are categorized, per system, depending on the relative impact. Also referred to as use codes.

EDU: Equivalent Dwelling Unit: EDU is used in SDCs as a basis for determining the relative impact or service used by different types of development. Represents the use of capacity that is approximately equal to that of a single dwelling unit.

Equitable Share of Public Facility Costs: As used in the development of SDCs, the City's

cost of providing system capacity, allocated to new development relative to the development's impact or use of system capacity.

ITE: Institute of Transportation Engineers

Impact Measurement: The unit of system capacity used to determine the relative effect of a new development on the capacity of a specific system. For example, the number of gallons of discharge flow per plumbing fixture unit is used to determine the effect of various development types on the local wastewater system.

Improvement Fee: The portion of the system-specific SDC charged to cover an equitable share of the capital improvements required to increase capacity of the system to accommodate new development.

Level of Service (LOS): (per unit of development) As used in development of SDC rates, LOS represents the amount of system (or sub-system) capacity provided at a certain point in time. The current level of service is used as the basis for determining the system impacts of new development. This is presented in terms of the appropriate impact measure.

Methodology: This document entitled "Methodology: City of Coburg Wastewater System Development Charge" and any amendment or modification made hereto.

Physical Improvements (for impact reduction/mitigation): A facility or asset, designed and constructed at the developer's expense, which is owned and maintained by the property owner or owner's agent; not a program or activity or naturally occurring physical attribute.

Proportionate Share of Public Facility Costs: The cost of capital improvements which are reasonably attributable to new development.

Reimbursement Fee: The portion of the system-specific SDC charged to recoup the community's past or current investment in extra capacity in anticipation of future growth. An example is the construction of a transportation facility designed to provide capacity for future growth in traffic as new development occurs.

Replacement Costs: The cost (in current fiscal year dollars) of replacing existing system capacity.

SDC Eligible Costs: System value net of assessable costs, grants and outstanding debt. This cost is allocated to all development in proportion to its impact on system capacity.

Single Family Dwelling (SFD): As used in this methodology, a "single family dwelling" means a "Dwelling, single family detached".

Unit of Development (Unit): Unit of measure for determining the size of a development for use in calculating the effect of the development on a system.

Example: Number of Units of Development x Impact Measure per Unit = Impact of Development.

