Systems Development Charges

Presentation Overview

- Policy framework for SDCs

- Purpose of SDCs - Use of funds

- Implications for development projects

- Envision Eugene SDC Investment Strategies

- Questions and Discussion

Policy Framework for SDCs

- State-wide statutory framework
- Local framework

Policy Framework for SDCs

- Growth Management Policy 14
    - *Development shall be required to pay the full cost of extending infrastructure and services, except that the City will examine ways to subsidize the costs of providing infrastructure or offer other incentives that support higher-density, in-fill, mixed-use, and redevelopment.*

Policy Framework for SDCs

- State-wide statutory framework
- Local framework
- Growth Management Policy 14
- **Transportation SDC reimbursement fee**

Purpose of SDCs

- New development funds its fair share of infrastructure costs
- Two forms of SDCs - reimbursement and improvement fees
- Supports five primary infrastructure systems
  - Wastewater,
  - Stormwater,
  - Parks,
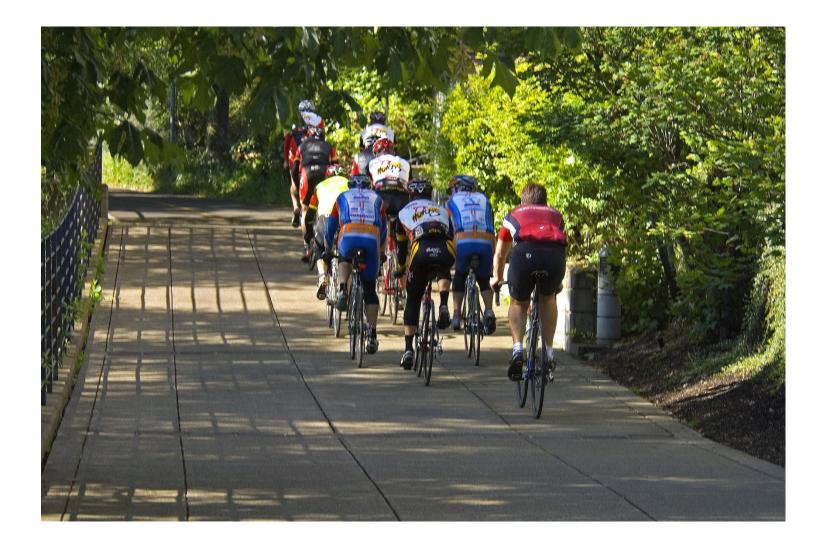 - Transportation,
  - Water

Use of SDCs

- Types of projects funded by SDCs include:
  - Pavement preservation on arterial & collector streets
  - Traffic signals and other transportation improvements
  - Off-street bicycle paths
  - Parks land acquisition and development
  - Wastewater system expansion and rehabilitation
  - Stormwater expansion and rehabilitation

Intersection Improvements

Off-Street Shared-Use Paths

Pavement Preservation

Park Acquisition

Future Site of Santa Clara Community Park

Park Development

Washington - Jefferson Skate Park
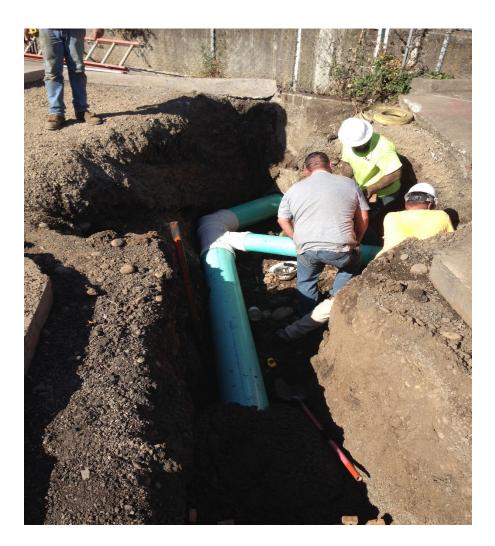
Park Renovation

Before and After play area renovation at State Street Park

Stormwater Capacity Improvements

Amazon Creek Bank Capacity Improvements and Bank Stabilization

Stormwater System Rehabilitation

Wastewater System Expansion

Legacy Wastewater Interceptor

Wastewater Rehabilitation

SDC Revenues and Expenditures

	2010	2011	2012	2013	2014
Revenues	$2.5 million	$2.2 million	$4.8 million	$4.2 million	$7.5 million
Expenditures	$2.9 million	$1.8 million	$1.9 million	$1.1 million	$3.5 million

SDC Implications for Development

- SDCs can be a significant part of a development project's costs
- Amount depends on type & size of development – systems capacity demand

SDC Examples

Comparison of SDC to Project Value for Example Development Types

Example Development Types	Total SDC* (assumes no credits)	Estimated Construction Value**	SDC as Percentage of Value
Single Family Dwelling - 2,000 sq. ft.	$9,494	$255,900	3.71%
Multifamily - 60-unit Apartment	$381,902	$7,922,227	4.82%
Office Building - 20,000 sq. ft.	$131,331	$2,951,000	4.45%
Low Turnover Restaurant - 7,363 sq. ft.	$260,090	$1,119,029	23.24%
Supermarket 49,556 sq. ft.	$1,172,377	$5,270,281	22.25%

SDC Implications for Development

- SDCs can be significant ~ 1% - 20+% of a development project's construction costs

- Amount depends on type & size of development – systems capacity demand

- **SDCs paid, or contract to pay, at the time of issuance of a building permit**

- **SDC exemptions or credits provide reductions and incentives**

SDC Exemption – Low-income Housing

SDC Credits – Redevelopment

SDC Credits – Mixed Use Centers

SDC Credits – Downtown

West 13th – Privately Engineering Public Improvement Transportation SDC Credit

Oakway Center– Traffic Signal – Transportation SDC Credit

Envision Eugene SDC Investment Strategies

- Alternative Funding for Paying SDCs
- Alternative Security for Financed SDCs
- Waiver of SDCs
- Updated Methodologies

Alternative Funding -Northwest Community Credit Union

Alternative Funding – Veterans Affairs Clinic

Alternative Security - Ninkasi Brewery

Waiver of SDCs – Low Income Housing

Update to SDC Methodologies

- Envision Eugene
  - Transportation System Plan
    - Transportation SDC Methodology
  - Parks and Recreation System Plan
    - Parks SDC Methodology
  - Wastewater Master Plan
    - Wastewater SDC Methodology
  - Stormwater Basin Plans
    - Stormwater SDC Methodology

Questions & Discussion

?