

ADMINISTRATIVE ORDER NO. 58-21-21
of the
City Manager of the City of Eugene

REGARDING THE OPPORTUNITY TO COMMENT ON A PROPOSAL TO IMPLEMENT SYSTEMS DEVELOPMENT CHARGE INFLATIONARY ADJUSTMENTS TO SYSTEMS DEVELOPMENT CHARGES FOR TRANSPORTATION SYSTEM, LOCAL WASTEWATER SYSTEM, REGIONAL WASTEWATER SYSTEM, STORMWATER SYSTEM, AND PARKS AND RECREATION SYSTEM.

The City Manager of the City of Eugene finds as follows:

A. Section 2.020 of the Eugene Code, 1971 (EC), authorizes the City Manager of the City of Eugene to determine and set fees and charges to be imposed by the City for services, goods, use of municipal property, and licenses and permits. EC 7.710(5) and Section 2.4 of the Systems Development Charge (SDC) Methodologies authorize the City Manager to adopt by administrative order pursuant to EC 2.020, a change in the amount of a reimbursement fee or an improvement fee if the change in amount is based on: (1) the periodic application of an adopted specific cost index (inflationary adjustment); or (2) a modification to any of the factors related to rate that are incorporated in the established methodologies, so long as the fees are not increased by more than five percent within any 12-month period.

B. Inflationary adjustments to the Local Wastewater, Regional Wastewater and Stormwater System SDCs have been adopted most recently by Administrative Order No. 58-19-11-F, effective August 1, 2019. Inflationary adjustments to the Transportation System SDCs were most recently adopted as part of the update to the Transportation SDC methodology by Resolution No. 5254, effective January 1, 2020. Inflationary adjustments to the Parks and Recreation System SDCs were most recently considered as part of the update to the Parks and Recreation SDC methodology by Resolution No 5306, effective August 13, 2020.

C. Section 2.4 of the City of Eugene System Development Charge Methodology provides for periodic inflationary adjustments to the SDC rates for the Transportation, Local Wastewater, Regional Wastewater, Stormwater and Parks and Recreation Systems by applying the 20-city national average construction cost index published by Engineering News-Record (ENR) and / or the Lane County Assessor's Office Certified Ratio Study (when adjusting the SDC for acquisition costs of real property).

D. Based on the Engineering News-Record 20-City National Average Construction Cost Index of 2.06% (March 2020 through April 2021), these increases will not result in a 5% or greater fee revision within a 12-month period.

E. Based on the Lane County Assessor's Office Certified Ratio Study, the acquisition costs of real property increased by 7.52% . The rate increase for Parks SDC is 2.46%.

F. Pursuant to Sections 2.020 and 7.710(5) of the Eugene Code, 1971, to Section 2.4 of the SDC Methodology and to the recommendation of the Metropolitan Wastewater

Management Commission, and after considering the applicable policies, enactments and directives of the City Council, the amount charged for these services by the City in the past, the full costs of providing the services, the amounts charged by other comparable providers and the revenue needs of the City (see Exhibit C), I propose to implement inflationary increases to the SDC rates for the Transportation, Local Wastewater, Regional Wastewater, Stormwater and Parks and Recreation Systems as shown in Exhibit A to this Order.

G. I find that the inflationary adjustments set forth in Exhibit A to this Order are consistent with adopted policies of the City, are in conformity with applicable state law, are authorized by Section 7.710(5) of the Eugene Code, 1971, and should be implemented effective July 1, 2021.

On the basis of these findings, I order that:

1. Copies of this Administrative Order, including the current and proposed inflationary adjustments attached as Exhibit A, and a Notice substantially conforming to the Notice of proposed adjustments attached as Exhibit B, shall be:

- a.** Provided to the Mayor and City Councilors;
- b.** Made available to persons who have requested such notice; and
- c.** Posted at two locations at City Hall.

2. Notice of the inflationary adjustments shall be provided to persons who have requested notification of such information.

3. A Notice substantially conforming to the Notice of proposed adjustments attached as Exhibit B shall be published in the Register Guard newspaper.

Dated this _____ day of June, 2021.

Sarah Medary
City Manager

Exhibit A

City of Eugene System Development Charge Methodology, Appendix F General Fee Schedule

Strikethrough

2.1 Transportation System:	
Cost per trip	\$3,272.00
2.2 Local Wastewater System:	
Residential Base Fee	\$476.06
Residential dwelling unit total living multiplication factor	\$0.1154
Non-Residential rate per gal/day per land use per FEU	Varies
2.3 Regional (MWWC) Wastewater System:	
Residential dwelling unit	\$1801.20
Non-Residential rate per gal/day per land use per FEU	Varies
2.4 Stormwater System:	
<u>General System Capacity</u>	
Small Residential (building footprint > or = 1,000 sq. ft.)	\$426.78
Medium Residential (building footprint <1,000 sq. ft and >3,000 sq. ft.)	\$687.59
Small Duplex (unit building footprint > or = 1,000 sq. ft.)	\$829.08
Medium Duplex (unit building footprint <1,000 sq. ft and < 3,000 sq. ft.)	\$1,375.18
Manufactured Home Park	
per space (assumes 1,684 sq. ft. per space)	\$399.28
Plus, per sq. f.t. impervious surface area, add'l common areas	\$0.2374
All Other Development	
Per sq. ft. impervious surface area and/or equivalent	\$0.2374
<u>LID System Capacity</u>	
Small Residential (building footprint > or = 1,000 sq. ft.)	\$3,819.60
Medium Residential (building footprint <1,000 sq. ft and < 3,000 sq. ft.)	\$6,153.80
Small Duplex (building footprint > or = 1,000 sq. ft.)	\$7,639.20
Medium Duplex (unit building footprint <1,000 sq. ft and < 3,000 sq. ft.)	\$12,313.60
Manufactured Home Park	
Per space (assumes 1.684 sq. ft. per space)	\$3,471.06
plus	
Per sq. ft. impervious surface area, add'l common areas	\$2.1222
All other development	
Per sq. ft. impervious surface area and/or equivalent	\$2.1222
2.5 Parks System:	
Residential (per dwelling)	
Single Family	\$4,308.00
Duplex/Town Home/Mobile Home/Accessory Dwelling Unit	\$3,429.00

Multifamily	\$2,725.00
<u>Nonresidential (unit varies – see Table 19 for class description)</u>	
Class A (per room)	\$1,718.00
Class B (per thousand gross square feet or TGSF)	\$1,148.00
Class C (per TGSF)	\$703.00
Class D (per TGSF)	\$418.00
Class E (per TGSF)	\$169.00

Effective beginning January 1, 2022

Single-Family Residential	
<u>Living Area Category</u>	
800 sq. ft. or less	\$3,035.00
801 sq. ft. - 1500 sq. ft.	\$1,590.00
1501 sq. ft. - 3000 sq. ft.	\$2,187.00
Over 3000 sq. ft.	\$2,720.67
Accessory Dwelling Unit	\$3,035.00
Mobile Home	\$1,420.67

<u>Multifamily Residential</u>	
0 Bedrooms	\$2,640.00
1 Bedroom	\$968.67
2+ Bedrooms within ¼ mile of FTN route	\$1,124.33
2+ Bedrooms within ½ mile of FTN route	\$1,285.00
2+ Bedrooms all other areas of City	\$1,445.67
Non-Residential Category	
A	\$817.00
B	\$533.00
C	\$328.00
D	\$192.67
E	\$78.33

Effective beginning January 1, 2023

Single-Family Residential	
<u>Living Area Category</u>	
800 sq. ft. or less	\$3,109.66
801 sq. ft. - 1500 sq. ft.	\$3,180.00
1501 sq. ft. - 3000 sq. ft.	\$4,374.00
Over 3000 sq. ft.	\$5,441.33
Accessory Dwelling Unit	\$3,035.00
Mobile Home	\$2,841.33

<u>Multifamily Residential</u>	
0 Bedrooms	\$2,640.00
1 Bedroom	\$1,937.33

2+ Bedrooms within ¼ mile of FTN route	\$2,248.67
2+ Bedrooms within ½ mile of FTN route	\$2,570.00
2+ Bedrooms all other areas of City	\$2,891.33
Non-Residential Category	
A	\$1,634.00
B	\$1,066.00
C	\$657.33
D	\$385.33
E	\$156.67

Effective beginning January 1, 2024

Single-Family Residential

Living Area Category

800 sq. ft. or less	\$3,035.00
801 sq. ft. - 1500 sq. ft.	\$4,740.00
1501 sq. ft. - 3000 sq. ft.	\$6,561.00
Over 3000 sq. ft.	\$8,162.00

Accessory Dwelling Unit \$3,035.00

Mobile Home \$4,262.00

Multifamily Residential

0 Bedrooms \$2,640.00

1 Bedroom \$2,906.00

2+ Bedrooms within ¼ mile of FTN route \$3,373.00

2+ Bedrooms within ½ mile of FTN route \$3,855.00

2+ Bedrooms all other areas of City \$4,337.00

Non-Residential Category

A \$2,451.00

B \$1,599.00

C \$986.00

D \$578.00

E \$235.00

FY22 PARKS AND RECREATION SDC RATES

Proposed Inflationary Adjustments to SDCs established by Resolution No. 5306

2.0 Adopted SDC Fee Schedule: Current Rates - Effective July 1, 2021

2.1	Transportation System:	
	Cost per trip	\$3,337.77
2.2	Local Wastewater System:	
	Residential Base Fee	\$485.63
	Residential dwelling unit total living multiplication factor	\$0.1177
	Non-Residential rate per gal/day per land use per FEU	Varies
2.3	Regional (MWMC) Wastewater System:	
	Residential dwelling unit	\$1,787.36
	Non-Residential rate per gal/day per land use per FEU	Varies
2.4	Stormwater System:	
	<u>General System Capacity</u>	
	Small Residential (building footprint > or = 1,000 sq. ft.)	\$435.36
	Medium Residential (building footprint <1,000 sq. ft and >3,000 sq. ft.)	\$701.41
	Small Duplex (unit building footprint > or = 1,000 sq. ft.)	\$845.74
	Medium Duplex (unit building footprint <1,000 sq. ft and < 3,000 sq. ft.)	\$1,402.82
	 Manufactured Home Park	
	per space (assumes 1,684 sq. ft. per space)	\$407.31
	Plus, per sq. f.t. impervious surface area, addt'l common areas	\$0.2419
	All Other Development	
	Per sq. ft. impervious surface area and/or equivalent	\$0.2419
	 <u>LID System Capacity</u>	
	Small Residential (building footprint > or = 1,000 sq. ft.)	\$3,896.37
	Medium Residential (building footprint <1,000 sq. ft and < 3,000 sq. ft.)	\$6,277.49
	Small Duplex (building footprint > or = 1,000 sq. ft.)	\$7,792.75
	Medium Duplex (unit building footprint <1,000 sq. ft and < 3,000 sq. ft.)	\$12,561.10
	Manufactured Home Park	
	Per space (assumes 1.684 sq. ft. per space)	\$3,540.83
	plus	
	Per sq. ft. impervious surface area, addt'l common areas	\$2.1649
	All other development	
	Per sq. ft. impervious surface area and/or equivalent	\$2.1649

2.5 Parks System:

Residential (per dwelling)	
Single Family	\$4,413.98
Duplex/Town Home/Mobile Home/Accessory Dwelling Unit	\$3,513.35
Multifamily	\$2,792.04
Nonresidential (unit varies – see Table 19 for class description)	
Class A (per room)	\$1,760.26
Class B (per thousand gross square feet or TGSF)	\$1,176.24
Class C (per TGSF)	\$720.29
Class D (per TGSF)	\$428.28
Class E (per TGSF)	\$173.16

Effective beginning January 1, 2022

Single-Family Residential	
<u>Living Area Category</u>	
800 sq. ft. or less	\$3,035.00
801 sq. ft. - 1500 sq. ft.	\$1,629.11
1501 sq. ft. - 3000 sq. ft.	\$2,240.80
Over 3000 sq. ft.	\$2,787.60
Accessory Dwelling Unit	\$3,035.00
Mobile Home	\$1,455.62
<u>Multifamily Residential</u>	
0 Bedrooms	\$901.65
1 Bedroom	\$992.50
2+ Bedrooms within ¼ mile of FTN route	\$1,151.99
2+ Bedrooms within ½ mile of FTN route	\$1,316.61
2+ Bedrooms all other areas of City	\$1,481.23
<u>Non-Residential Category</u>	
A	\$837.10
B	\$546.11
C	\$336.76
D	\$197.41
E	\$80.26

Effective beginning January 1, 2023

Single-Family Residential	
<u>Living Area Category</u>	
800 sq. ft. or less	\$3,035.00
801 sq. ft. - 1500 sq. ft.	\$3,258.23
1501 sq. ft. - 3000 sq. ft.	\$4,481.60
Over 3000 sq. ft.	\$5,575.19
Accessory Dwelling Unit	\$3,035.00
Mobile Home	\$2,911.23

Multifamily Residential

0 Bedrooms	\$1,803.30
1 Bedroom	\$1,984.99
2+ Bedrooms within ¼ mile of FTN route	\$2,303.99
2+ Bedrooms within ½ mile of FTN route	\$2,633.22
2+ Bedrooms all other areas of City	\$2,962.46

Non-Residential Category

A	\$1,674.20
B	\$1,092.22
C	\$673.50
D	\$394.81
E	\$160.52

Effective beginning January 1, 2024

Single-Family Residential

Living Area Category

800 sq. ft. or less	\$3,035.00
801 sq. ft. - 1500 sq. ft.	\$4,856.60
1501 sq. ft. - 3000 sq. ft.	\$6,722.40
Over 3000 sq. ft.	\$8,362.79

Accessory Dwelling Unit \$3,035.00

Mobile Home \$4,366.85

Multifamily Residential

0 Bedrooms	\$2,704.94
1 Bedroom	\$2,977.49
2+ Bedrooms within ¼ mile of FTN route	\$3,455.98
2+ Bedrooms within ½ mile of FTN route	\$3,949.83
2+ Bedrooms all other areas of City	\$4,443.69

Non-Residential Category

A	\$2,511.29
B	\$1,638.34
C	\$1,010.26
D	\$592.22
E	\$240.78

NOTICE OF OPPORTUNITY TO COMMENT ON PROPOSED INFLATIONARY ADJUSTMENT OF SYSTEMS DEVELOPMENT CHARGES FOR TRANSPORTATION SYSTEM, LOCAL WASTEWATER SYSTEM, REGIONAL WASTEWATER SYSTEM, STORMWATER SYSTEM, AND PARKS AND RECREATION SYSTEM.

Pursuant to Sections 2.020 and 7.710(5) of the Eugene Code, 1971, and Section 2.4 of the SDC Methodologies, and the recommendation of the Metropolitan Wastewater Management Commission, the City Manager of the City of Eugene is proposing to implement new inflationary increases to the Systems Development Charges for the Transportation System, Local Wastewater System, Regional Wastewater System, Stormwater System, and Parks and Recreation System, with the proposed rates to become effective on July 1, 2021.

In making the determination to implement the inflationary adjustments, the City Manager has considered the applicable policies, enactments and directives of the City Council, the amount charged by the City in the past, the full costs of providing these services supported by the fee, the amounts charged by other comparable providers, and the revenue needs of the City as determined by the adopted City budget.

Eugene utilizes the 20-city national average Construction Cost Index (CCI), as published by Engineering News Record (ENR) when tracking and preparing periodic cost index adjustments. The CCI is widely used in the construction industry to track changes in the cost of wages and material prices. The City uses the CCI to adjust its SDC rates to keep its funding sources current with the cost of construction when expanding capacity in the different SDC programs. The CCI rate increase is 2.01 %.

The City uses the Lane County Assessment and Taxation office's Sales Ratio Report as a cost index to measure changes to the acquisition cost component of proposed park land acquisitions. The City experienced a change to real property values between 2019 and 2020. The Sales Ratio Report's Market Land Values Change From 2019 to 2020 summary, provided by the Lane County Assessment and Taxation office, indicated that land value has increased by 7.52%. This rate is combined with the CCI rate to determine the inflationary adjustment to the Parks and Recreation SDC. The rate increase for Parks SDC is 2.46%.

The Metropolitan Wastewater Management Commission (MWMC) requests the adjustment of regional wastewater SDC rates ranging from +1.953% to +1.62% depending upon assigned strength categories.

The proposed amendments can be viewed at City Hall, 125 East 8th Avenue, Eugene, Oregon; or on the City's websites at www.eugene-or.gov/SDC and <http://www.eugene-or.gov/520/Administrative-Order>.

Comments on the proposed amendments may be submitted in writing to the City Engineer, Public Works Department, 99 East Broadway, Suite 400, Eugene, Oregon 97401, or via email to rjoseph@eugene-or.gov

To be considered, written and email comments must be received within 15 days from the date of publication and posting as indicated below. If the City Manager chooses to take action after considering the comments received, the proposed or modified fees will be adopted by administrative order.

Sarah Medary, City Manager

Date of Publication: June ____, 2021

Date of Posting: June ____, 2021

City Manager's Findings

Proposed Systems Development Charge Inflationary Adjustments to Systems Development Charges for Transportation System, Local Wastewater System, Regional Wastewater System, Stormwater System, and Parks and Recreation System.

Pursuant to Section 2.020(2) of the Eugene Code, 1971, the City Manager has considered the following factors in determining the proposed Systems Development Charge Inflationary Adjustments to Systems Development Charges for Transportation System, Local Wastewater System, Regional Wastewater System, Stormwater System, and Parks and Recreation System

(a) Applicable policies, enactments and directives of the Council.

EC 7.710 states that “an amendment to a methodology that changes the amount of a reimbursement fee or an improvement fee based on the periodic application of an adopted specific cost index or on a change in the costs of materials, labor or real property applied to projects or projected capacity on a project list adopted pursuant to section 7.715(2) may be adopted by the City Manager by administrative order pursuant to section 2.020 of this code.”

(b) The amount charged by the City in the past.

SDC System	FY21	Proposed FY22
Parks (SFD)	\$4,308	\$4,414
Transportation (trip)	\$3,272	\$3,337.77
Local Wastewater (residential dwelling unit base fee)	\$4,476.06	\$4,566.03
SW (medium residential > 1,000 sq. ft and < 3,000 sq. ft.)	\$687.59	\$701.41

(c) The full costs of providing the service supported by the fee.

The inflationary rates used to arrive at the proposed SDC increases are determined by reliable sources and the proposed SDC rate increases reasonably rely on those sources to determine the additional sums needed to develop the projects on the ORS 223.309 capital improvement plans for each system of SDCs due to inflation.

(d) The amounts charged by other comparable providers.

The City of Eugene SDC fee, as compared to other similarly sized communities, remain relatively low. The data below is a sample in Parks SDCs that was presented to City Council in 2020.

Community	Single-Family Rate Comparison FY20
Bend	\$8,300
Hillsboro	\$9,535
Wilsonville	\$5,374
Salem	\$4,613
Eugene	\$4,414 (proposed FY22)

(e) The revenue needs of the City as determined by the adopted city budget.

The revenue needs for SDCs are expressed through documents reviewed and approved by the City Council through a process separate from the city budget process.