

Jackson County, Oregon



Final Report for
SYSTEM DEVELOPMENT
CHARGES
METHODOLOGY AND
VALUATION

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TABLE OF CONTENTS

SECTION 1: INTRODUCTION	1
Policy	1
Project	1
Calculation Overview	2
Reimbursement Fee	2
Improvement Fee	2
Adjustments	2
Fund Balance	2
Compliance Costs	2
SECTION 2: PARKS	3
Growth	3
Current Demand.....	3
Future Demand	3
Change in Demand	3
Reimbursement Fee.....	3
Improvement Fee.....	4
Adjustments and Total SDC	7
SDC per Dwelling Unit.....	7
Anticipated Under-Collection	7
SECTION 3: TRANSPORTATION	9
Growth	9
Current Demand.....	9
Future Demand	11
Change in Demand	12
Reimbursement Fee.....	12
Improvement Fee.....	13
Adjustments and Total SDC	14
SDC by Land Use	14
Anticipated Under-Collection	16
SECTION 4: IMPLEMENTATION.....	17
Code Changes.....	17
JCC 1025.04	17
JCC 1025.05	17
JCC 1025.07	17
JCC 1025.08	17

Annual Indexing	17
APPENDIX A: SDC ORDINANCE.....	19
1025.01 PURPOSE; AUTHORITY.....	19
1025.02 SYSTEM DEVELOPMENT CHARGES ESTABLISHED.....	19
1025.03 SCOPE AND EXEMPTIONS.....	19
1025.04 DEFINITIONS.....	19
1025.05 METHODOLOGY.....	21
1025.06 INDEPENDENT ENGINEERING EVALUATION.....	22
1025.07 REVENUE PURPOSES AND RESTRICTIONS.....	22
1025.08 CAPITAL IMPROVEMENT PLAN.....	23
1025.09 PAYMENT OF CHARGES BY DEVELOPERS.....	23
1025.10 INSTALLMENT PAYMENT OPTION FOR OWNERS.....	24
1025.11 DELINQUENT CHARGES.....	24
1025.12 CREDITS.....	24
1025.13 APPEALS.....	25
1025.14 PENALTY.....	25
1025.15 INJUNCTIVE RELIEF.....	26
1025.16 CONSTRUCTION.....	26
1025.17 SEVERABILITY.....	26
1025.18 EFFECTIVE DATE.....	26
APPENDIX B: ITE LAND USES.....	27

SECTION 1: INTRODUCTION

This section describes the policy context and project scope upon which the body of this report is based. It concludes with an overview of the calculation approach employed in subsequent sections of this report.

POLICY

Oregon Revised Statutes (“ORS”) 223.297 to 223.314 authorize local governments to establish system development charges (“SDCs”). These are one-time fees on new development, and they are paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

PROJECT

In November, 2013, Jackson County (“County”) contracted with FCS GROUP to update the County’s SDC methodologies for parks and transportation.

We approached this project as a series of three steps:

- **Framework for Charges.** In this step, we worked with County staff to identify and agree on the approach to be used and the components to be included in the analysis. Of particular significance in this step were decisions about which growth estimates to use in our calculations. Specifically, we worked with County staff to identify when to use growth in the entire county and when to use growth in unincorporated areas only.

- **Technical Analysis.** In this step, we worked with County staff to isolate the recoverable portion of facility costs and calculate draft SDC rates.
- **Draft Methodology Report Preparation.** In this step, we documented the calculation of the draft SDC rates included in this report.

CALCULATION OVERVIEW

In general, SDCs are calculated by adding a reimbursement fee component (if applicable) and an improvement fee component—both with potential adjustments. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge. Below are details on the components and how they may be adjusted.

Reimbursement Fee

The reimbursement fee is the cost of available capacity per unit of growth that such available capacity will serve. In order for a reimbursement fee to be calculated, unused capacity must be available to serve future growth. For facility types that do not have excess capacity, no reimbursement fee may be charged.

Improvement Fee

The improvement fee is the cost of capacity-increasing capital projects per unit of growth that those projects will serve. The unit of growth becomes the basis of the fee. In reality, the capacity added by many projects serves a dual purpose of both meeting existing demand and serving future growth. To compute a compliant SDC rate, growth-related costs must be isolated, and costs related to current demand must be excluded.

We have used the “capacity approach” to allocate costs to the improvement fee basis.¹ Under this approach, the cost of a given project is allocated to growth by the portion of total project capacity that represents capacity for future users. That portion, sometimes known as the improvement fee eligibility percentage, is multiplied by the total project cost to determine that project’s improvement fee cost basis.

Adjustments

Two cost basis adjustments are potentially applicable to both reimbursement and improvement fees: fund balance and compliance costs.

Fund Balance

To the extent that SDC revenue is currently available in a fund balance, that revenue should be deducted from its corresponding cost basis.

Compliance Costs

ORS 223.307(5) authorizes the expenditure of SDCs on “the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in its SDCs.

¹ Two alternatives to the capacity approach are the incremental approach and the causation approach. The incremental approach is computationally complicated, because it requires the computation of hypothetical project costs to serve existing users. Only the incremental cost of the actual project is included in the improvement fee cost basis. The causation approach, which allocates 100 percent of all growth-related projects to growth, is vulnerable to legal challenge.

SECTION 2: PARKS

This section provides detailed calculations of our recommended SDC for park facilities.

GROWTH

The County's park system serves residents in both incorporated and unincorporated areas of the county. The agreed-upon planning period is 20 years. We therefore define growth for the parks SDC as the growth in the total population of Jackson County during the 20-year period from 2014 to 2034.

Current Demand

The Population Research Center at Portland State University estimates that the population of Jackson County was 204,630 on July 1, 2012.¹ Oregon's Office of Economic Analysis ("OEA") projects that the population of Jackson County will grow at an average annual rate of 0.87 percent through 2015.² Based on these sources, we estimate that the current population of Jackson County is 208,204.

Future Demand

OEA projects that the population of Jackson County will be 265,624 in 2035.³ By interpolating OEA's projections (made at five-year intervals), we can deflate that projection by one year of growth and project that the county's population will be 262,628 in 2034.

Change in Demand

We therefore conclude that the population of Jackson County will grow by 54,424 residents during the 20-year period from 2014 to 2034.

REIMBURSEMENT FEE

Ideally, the cost basis for a reimbursement fee is established with a list of existing assets that includes both the original cost of each asset and its available capacity for each asset. Unfortunately, no such inventory exists for the County's park facilities. However, we do know that \$1.2 million in improvement fees have been expended on park facilities over the past ten years. By definition, these expenditures created new capacity that would serve future users. Because only a small amount of growth has occurred since these monies were expended, we can reasonably assume that available capacity still exists and that this available capacity diminishes with time and growth.

¹ We retrieved data from <http://www.pdx.edu/prc/population-estimates-0> in December, 2013. More recent data may now be available.

² We retrieved data from <http://www.oregon.gov/DAS/oea/Pages/demographic.aspx> in December, 2013. More recent data may now be available.

³ We retrieved data from <http://www.oregon.gov/DAS/oea/Pages/demographic.aspx> in December, 2013. More recent data may now be available.

Assuming that the county's population takes 20 years to absorb the capacity of projects financed by improvement fees, we estimate that the \$1.2 million in project expenditures represents a reimbursement fee cost basis of \$773,656. When divided by growth of 54,424 residents, the result is a reimbursement fee of \$14 per capita. Exhibit 1 summarizes these calculations:

Exhibit 1

Parks: Reimbursement Fee	Historical Cost	Available Capacity	Reimbursable Cost
Parks SDC expenditures in FYE 2004	\$ 176,576	50.00%	\$ 88,288
Parks SDC expenditures in FYE 2005	180,056	55.00%	99,031
Parks SDC expenditures in FYE 2006	196,618	60.00%	117,971
Parks SDC expenditures in FYE 2007	161,350	65.00%	104,878
Parks SDC expenditures in FYE 2008	145,472	70.00%	101,830
Parks SDC expenditures in FYE 2009	285,995	75.00%	214,496
Parks SDC expenditures in FYE 2010	24,053	80.00%	19,242
Parks SDC expenditures in FYE 2011	22,990	85.00%	19,541
Parks SDC expenditures in FYE 2012	9,309	90.00%	8,378
Parks SDC expenditures in FYE 2013	-	95.00%	-
Totals	\$ 1,202,419		\$ 773,656
Growth in population	Entire county		54,424
Reimbursement fee per capita			\$ 14

Source: "Ledger Summary Comparison" provided by County staff.

IMPROVEMENT FEE

The County has elected to maintain its existing level of service during the planning period. For that reason, the facilities that will be required to serve growth can be determined from (1) the existing inventory of park facilities and (2) the growth that will occur over the planning period. Exhibit 2 summarizes this calculation for all the park facilities that the County quantifies:

Exhibit 2

Parks: Current Level of Service for Entire County	Unit of Measurement	Inventory in 2014	Quantity per 1,000 Residents	Quantity Needed in 2034	Maximum Growth-Related Quantity
Flush Restrooms	Number	25	0.12	32	7
Vault Toilets	Number	25	0.12	32	7
Picnic Shelters	Number	8	0.04	10	2
Campsites	Number	620	2.98	782	162
Group Camping Area	Number	6	0.03	8	2
Yurts/Cabins	Number	15	0.07	19	4
Boat Ramps	Launch lanes	21	0.10	26	5
Developed Park Land	Acres	569	2.73	718	149
Undeveloped Park Land/Open Space	Acres	4,518	21.70	5,699	1,181
Marina Slips	Number	115	0.55	145	30
Developed OHV Area Acres	Acres	0	0.00	0	0
Developed Soft Surface Trails	Miles	21	0.10	26	5
Interpretive Panels	Number	17	0.08	21	4
Parking Spaces	Number	734	3.53	926	192
Horse Stables/Corrals	Number	32	0.15	40	8
Fish Cleaning Station	Number	2	0.01	3	1
Playgrounds	Number	6	0.03	8	2

Source: Park projects spreadsheet provided by County staff.

These calculations provide a basis for determining the improvement fee eligibility percentage of each project on the County's list. Because the County is maintaining its existing level of service (and not trying to increase its level of service) there is no risk that an improvement fee expenditure will be less than 100 percent eligible because the project cures a deficiency. However, there is a risk of overbuilding for the projected growth in the planning period. In other words, improvement fees cannot be used to finance facilities in excess of the quantities listed in the final column of Exhibit 2.

The County estimates that it will spend \$14.8 million on park projects over the planning period. Based on the maximum growth-related quantities in Exhibit 2, \$10.2 million of these expenditures

can be recovered in an improvement fee. When divided by growth of 54,424 residents, the result is an improvement fee of \$187 per capita. Exhibit 3 summarizes these calculations:

Exhibit 3

Parks: Improvement Fee (Entire County)	Project Cost	Quantity of Facility Added	SDCI Eligibility	SDCI Cost Basis
Flush Restrooms				
Willow Lake	\$ 100,000	1		
Willow Lake	100,000	1		
Sports Park	400,000	4		
Total Flush Restrooms	600,000	6	100.00%	\$ 600,000
Picnic Shelters				
HP Resort	125,000	1		
Lily Glen	100,000	1		
Willow Lake	125,000	1		
Sports Park	75,000	1		
Total Picnic Shelters	425,000	4	52.28%	222,186
Campsites				
Expo Park	4,000,000	150		
Sports Park	1,250,000	45		
Total Campsites	5,250,000	195	83.11%	4,363,289
Group Camping Area				
Emigrant Lake	25,000	1		
HP Resort	50,000	2		
Lily Glen	15,000	1		
Total Group Camping Areas	90,000	4	39.21%	35,288
Yurts/Cabins				
Emigrant Lake	280,000	20		
HP Resort	280,000	20		
Rogue Elk	140,000	10		
Willow Lake	140,000	10		
Willow Point	140,000	10		
Total Yurts/Cabins	980,000	70	5.60%	54,893
Boat Ramps				
Additional property on Rogue	1,250,000	1		
Emigrant Lake	1,500,000	1		
Gold Ray	15,000	1		
Total Boat Ramps	2,765,000	3	100.00%	2,765,000
Developed Park Land				
Givan	2,500,000	306		
URRP	750,000	2		
Total Developed Park Land	3,250,000	308	48.32%	1,570,294
Developed OHV Area Acres				
Sports Park	750,000	74	0.00%	-
Developed Soft Surface Trails				
Agate Lake	20,000	2		
Gold Ray	15,000	2		
Sports Park	40,000	2		
Emigrant Lake	35,000	7		
Total Developed Soft Surface Trails	110,000	13	41.22%	45,342
Interpretive Panels				
Emigrant Lake	12,500	5		
HP Resort	15,000	6		
Total Interpretive Panels	27,500	11	40.40%	11,109
Parking Spaces				
Gold Ray	50,000	6		
Grizzly	125,000	10		
Lily Glen	30,000	20		
Sports Park	200,000	40		
Total Parking Spaces	405,000	76	100.00%	405,000
Horse Stables/Corrals				
Lily Glen	50,000	1	100.00%	50,000
Fish Cleaning Station				
Willow Lake	15,000	1	52.28%	7,842
Playgrounds				
HP Resort	40,000	1		
HP Resort	40,000	1		
Total Playgrounds	80,000	2	78.42%	62,735
Grand total	\$14,797,500			\$10,192,978
Growth in county population				54,424
Improvement fee per capita				\$ 187

Source: Park projects spreadsheet provided by County staff. Abbreviation: SDCi = improvement fee, one of two SDC components.

ADJUSTMENTS AND TOTAL SDC

Before calculating the total parks SDC, we must adjust the total charge upward for the costs of compliance and downward for existing fund balance. The County estimates that costs of compliance will total \$100,056 over the planning period.¹ Costs of compliance include administration of the SDC program and methodology updates (such as the one resulting in this report). From this, we deduct \$77,705, which is the current fund balance for park SDCs. The net adjustment is \$22,351, which, when divided by projected growth, is less than one dollar per capita.

Exhibit 4 summarizes the calculation of the resulting SDC of \$202 per capita:

Exhibit 4

Parks: SDC per Capita	Entire County
Adjustments:	
Compliance costs	\$ 100,056
Less SDC fund balance	(77,705)
Total adjustments	\$ 22,351
Growth in population	54,424
Adjustments per capita	\$ 0
SDC summary:	
Reimbursement fee	\$ 14
Improvement fee	187
Adjustments	0
Total SDC per capita	\$ 202
Current SDC per capita	\$ 256

Sources: "Exhibit B: FY 2013-2014" provided by County staff; "Ledger Summary Comparison" provided by County staff. **Abbreviation:** Uninc. = unincorporated.

SDC PER DWELLING UNIT

Because the County charges the parks SDC to housing developments, we must convert the SDC per capita to an SDC per dwelling unit. Using data from the 2012 American Community Survey, we calculate the charges in Exhibit 5:

Exhibit 5

Parks: SDC per Dwelling Unit (Entire County)	Total Residents	Total Units	Residents per Unit	SDC per Unit
Single-family residence	152,095	64,937	2.34	\$ 473
2-4 units	16,263	7,978	2.04	\$ 412
5 or more units	9,852	6,459	1.53	\$ 308
Mobile home	24,211	11,640	2.08	\$ 420
Boat, RV, van, etc.	323	172	1.88	\$ 379
All dwelling units	202,744	91,186	2.22	\$ 449
ACS table	B25033	B25024		

Source: 2012 ACS 1-Year Estimates. **Abbreviation:** ACS = American Community Survey.

ANTICIPATED UNDER-COLLECTION

Although we calculated the parks SDC based on growth in the entire county, the County will be unable to collect SDCs from developments in incorporated areas. We estimate that, over the

¹ Order No. 129-13, Exhibit B.

planning period, only 3.44 percent of the growth that will occur in the county will be in the unincorporated areas from which the County can collect SDCs.

SECTION 3: TRANSPORTATION

This section provides detailed calculations of our recommended SDC for transportation facilities.

GROWTH

Consistent with the County’s existing practice, we measure demand for transportation facilities in average daily trip-ends (ADTs). One ADT represents one motor vehicle beginning or ending a trip at a certain property. We therefore define growth for the transportation SDC as the growth in average daily trip-ends during the 20-year period from 2014 to 2034. However, because of the diversity of the road system within the county, this growth must be calculated for both the county as a whole and just the unincorporated area.

Current Demand

Calculation of growth in demand begins with an understanding of existing demand. Because trip-ends are generated by both residential and commercial land uses, we must quantify not only population but also employment. Exhibit 6 summarizes the latest data available (2011) from the U. S. Census Bureau on employment in the county:

Exhibit 6

Employment in Jackson County by Industry in 2011	Entire County	Uninc. Area
Agriculture, forestry, fishing, and hunting	1,494	811
Mining, quarrying, and oil and gas extraction	73	68
Utilities	353	52
Construction	2,855	1,044
Manufacturing	6,262	3,262
Wholesale trade	2,245	433
Retail trade	11,595	894
Transportation and warehousing	2,635	1,246
Information	1,712	138
Finance and insurance	2,223	75
Real estate and rental and leasing	924	111
Professional, scientific, and technical services	2,080	318
Management of companies and enterprises	1,509	170
Administration, support, waste management	2,909	496
Educational services	5,608	624
Health care and social assistance	13,151	1,050
Arts, entertainment, and recreation	1,332	114
Accommodation and food services	6,854	744
Other services excluding public administration	2,425	461
Public administration	3,674	99
Total	71,913	12,210

Source: <http://onthemap.ces.census.gov/tot/>.

Abbreviation: Jville = Jacksonville; Uninc. = unincorporated.

When we assign representative land uses to each industry listed in Exhibit 6, we can use the *Trip Generation Manual* published by the Institute of Transportation Engineers to calculate ADTs. This calculation is performed on the 2011 data and then “grown” to approximate 2014 trip generation associated with employment. Exhibit 7 shows this calculation for the entire county, and Exhibit 8 shows this calculation for the unincorporated area only:

Exhibit 7

Employment-Related Trip-Ends: Entire County	ITE Land Use Code	ADTs per Employee	Number of Employees	Total ADTs
Agriculture, forestry, fishing, and hunting	140	1.70	1,494	2,536
Mining, quarrying, and oil and gas extraction	140	1.70	73	124
Utilities	110	2.26	353	799
Construction	140	1.70	2,855	4,845
Manufacturing	140	1.70	6,262	10,628
Wholesale trade	130	2.60	2,245	5,831
Retail trade	815	14.65	11,595	169,895
Transportation and warehousing	30	5.33	2,635	14,056
Information	710	2.48	1,712	4,246
Finance and insurance	912	7.00	2,223	15,572
Real estate and rental and leasing	710	2.48	924	2,292
Professional, scientific, and technical services	710	2.48	2,080	5,158
Management of companies and enterprises	710	2.48	1,509	3,742
Administration, support, waste management	710	2.48	2,909	7,214
Educational services	530	9.10	5,608	51,025
Health care and social assistance	720	7.03	13,151	92,452
Arts, entertainment, and recreation	430	21.59	1,332	28,758
Accommodation and food services	310	13.27	6,854	90,953
Other services excluding public administration	710	2.48	2,425	6,014
Public administration	710	2.48	3,674	9,112
Totals for 2011			71,913	525,249
Growth from 2011 to 2014			1,892	13,822
Grand totals			73,805	539,071

Source: ITE, Trip Generation Manual, 9th edition. Abbreviation: ADTs = average daily trip-ends, adjusted for pass-by and diverted/linked trips.

Exhibit 8

Employment-Related Trip-Ends: Unincorporated Area	ITE Land Use Code	ADTs per Employee	Number of Employees	Total ADTs
Agriculture, forestry, fishing, and hunting	140	1.70	811	1,376
Mining, quarrying, and oil and gas extraction	140	1.70	68	115
Utilities	110	2.26	52	118
Construction	140	1.70	1,044	1,772
Manufacturing	140	1.70	3,262	5,536
Wholesale trade	130	2.60	433	1,125
Retail trade	815	14.65	894	13,099
Transportation and warehousing	30	5.33	1,246	6,647
Information	710	2.48	138	342
Finance and insurance	912	7.00	75	525
Real estate and rental and leasing	710	2.48	111	275
Professional, scientific, and technical services	710	2.48	318	789
Management of companies and enterprises	710	2.48	170	422
Administration, support, waste management	710	2.48	496	1,230
Educational services	530	9.10	624	5,678
Health care and social assistance	720	7.03	1,050	7,382
Arts, entertainment, and recreation	430	21.59	114	2,461
Accommodation and food services	310	13.27	744	9,873
Other services excluding public administration	710	2.48	461	1,143
Public administration	710	2.48	99	246
Totals for 2011			12,210	60,153
Growth from 2011 to 2014			42	205
Grand totals			12,252	60,358

Source: ITE, Trip Generation Manual, 9th edition. Abbreviation: ADTs = average daily trip-ends, adjusted for pass-by and diverted/linked trips.

Having calculated the current number of commercial ADTs (539,071 in the entire county and 60,358 in the unincorporated area), we then use data from the 2012 American Community Survey to add residential ADTs. Exhibit 9 shows this calculation for the entire county, and Exhibit 10 shows this calculation for the unincorporated area only:

Exhibit 9

Total Trip-Ends: Entire County	ITE Land Use		Number of Persons	Total ADTs
	Code	ADTs per Person		
Single-Family Detached Housing	210	2.55	156,440	398,476
Apartment	220	3.26	26,861	87,682
Mobile Home Park	240	2.39	24,903	59,624
Residence-related totals			208,204	545,783
Employment-related totals			73,805	539,071
Grand totals			282,010	1,084,854

Source: ITE, Trip Generation Manual, 9th edition; 2012 ACS 1-Year Estimates.

Abbreviation: ADTs = average daily trip-ends, adjusted for pass-by and diverted/linked trips.

Exhibit 10

Total Trip-Ends: Unincorporated Area	ITE Land Use		Number of Persons	Total ADTs
	Code	ADTs per Person		
Single-Family Detached Housing	210	2.55	47,237	120,320
Apartment	220	3.26	8,111	26,476
Mobile Home Park	240	2.39	7,519	18,004
Residence-related totals			62,868	164,800
Employment-related totals			12,252	60,358
Grand totals			75,119	225,158

Source: ITE, Trip Generation Manual, 9th edition; 2012 ACS 1-Year Estimates.

Abbreviation: ADTs = average daily trip-ends, adjusted for pass-by and diverted/linked trips.

Based on these calculations, the current demand in the entire county is 1,084,854 ADTs, and the current demand in the unincorporated area is 225,158 ADTs.

Future Demand

We assume that ADTs will grow in a manner that is proportionate to population. Based on this assumption, we project that ADTs in the entire county will grow by a factor of 1.26 to 1,368,429 by 2034.¹ Moreover, we project that ADTs in the unincorporated area will grow by a factor of 1.03 to 231,865 by 2034.² These calculations are shown in Exhibit 11:

¹ The growth factor of 1.26 is the result of dividing the future population (262,628) by the current population (208,204). The future population (262,628) was calculated by discounting OEA's projected population for 2035 (265,624) by one year (i.e., dividing by one plus the annual growth rate of 1.14 percent).

² The growth factor of 1.03 is the result of dividing the future population (64,740) by the current population (62,868). The future population (64,740) was calculated by discounting the projected population for 2035 (64,833) by one year (i.e., dividing by one plus the annual growth rate of 0.14 percent). Projected population for the unincorporated area is derived by subtracting the projected population of cities from OEA's projected population for the county. The projected population of cities is derived by inflating the current population estimates published by the Portland State Population Research Center by a growth rate that reflects the historical difference in growth rates between cities (2.25 percent on average from 1990 to 2012) and the unincorporated area (0.21 percent on average from 1990 to 2012).

Exhibit 11

Roads: Growth	Entire County	Uninc. Area
Population in 2014	208,204	62,868
Population in 2034	262,628	64,740
Growth factor	1.26	1.03
ADTs in 2014	1,084,854	225,158
ADTs in 2034	1,368,429	231,865
Growth in ADTs	283,576	6,707

Source: Portland State Population

Research Center; OEA. Abbreviation:

ADTs = average daily trip-ends, adjusted

for pass-by and diverted/linked trips;

uninc. = unincorporated.

Change in Demand

We therefore conclude that demand for roads will grow by 283,576 ADTs in the entire county and 6,707 ADTs in the unincorporated area during the 20-year period from 2014 to 2034.

As the section on the improvement fee will describe in detail, some projects will serve the entire county, and some will serve only the unincorporated area. Individually, the growth-related portion of each project will serve either 283,576 ADTs or 6,707 ADTs. Collectively, these projects will serve a dollar-weighted average of 57,091 ADTs.¹ This dollar-weighted average will serve as the denominator in the calculation of the reimbursement fee below.

REIMBURSEMENT FEE

Ideally, the cost basis for a reimbursement fee is established with a list of existing assets that includes both the original cost of each asset and its available capacity for each asset. Unfortunately, no such inventory exists for the County's transportation facilities. However, we do know that \$6.3 million in improvement fees have been expended on transportation facilities over the past ten years. By definition, these expenditures created new capacity that would serve future users. Because only a small amount of growth has occurred since these monies were expended, we can reasonably assume that available capacity still exists and that this available capacity diminishes with time and growth.

Assuming that the county's population takes 20 years to absorb the capacity of projects financed by improvement fees, we estimate that the \$6.3 million in project expenditures represents a reimbursement fee cost basis of \$4.4 million. When divided by the dollar-weighted average growth of 57,091 ADTs, the result is a reimbursement fee of \$77 per ADT. Exhibit 12 summarizes these calculations:

¹ The calculation of this dollar-weighted average is shown at the bottom of Exhibit 13. When the total improvement fee cost basis of \$15.5 million is divided by the total improvement fee per ADT of \$272, the result is 57,091 ADTs.

Exhibit 12

Roads: Reimbursement Fee		Historical Cost	Available Capacity	Reimbursable Cost
Roads SDC expenditures in FYE	2004	\$ -	50.00%	\$ -
Roads SDC expenditures in FYE	2005	700,000	55.00%	385,000
Roads SDC expenditures in FYE	2006	900,000	60.00%	540,000
Roads SDC expenditures in FYE	2007	1,400,000	65.00%	910,000
Roads SDC expenditures in FYE	2008	1,142,500	70.00%	799,750
Roads SDC expenditures in FYE	2009	792,923	75.00%	594,692
Roads SDC expenditures in FYE	2010	346,807	80.00%	277,446
Roads SDC expenditures in FYE	2011	23,767	85.00%	20,202
Roads SDC expenditures in FYE	2012	600,000	90.00%	540,000
Roads SDC expenditures in FYE	2013	349,000	95.00%	331,550
Totals		\$ 6,254,997		\$ 4,398,640
Growth in average daily trip-ends				57,091
Reimbursement fee per ADT				\$ 77

Source: "Ledger Summary Comparison" provided by County staff.

IMPROVEMENT FEE

Calculation of the improvement fee begins with the estimated costs of capacity-increasing projects. We then utilize County estimates of the portion of each project that will provide capacity for future users and include only that portion of each project cost in the improvement fee cost basis. Project costs that will be funded by a source other than the County are excluded.

Once each project's improvement fee cost basis is calculated, it is then divided by the growth that the project will serve (either 283,576 ADTs or 6,707 ADTs). The result is the improvement fee per ADT for that project. As Exhibit 13 shows, the total improvement fee for all projects is \$272 per ADT:

Exhibit 13

Roads: Improvement Fee Projects to 2034	Fiscal Year					
	Ending June 30	Total Project Cost	Improvement Fee Eligibility	Improvement Fee Cost Basis	ADTs Served	Improvement Fee per ADT
Bridge #596: Table Rock/Swanson Cr	2014	\$ 100,000	100.00%	\$ 100,000	283,576	\$ 0
Table Rock Road: Wilson to Elmhurst	2014	2,845,000	80.00%	2,276,000	283,576	8
Table Rock Road: Wilson	2014	180,000	100.00%	180,000	283,576	1
Tiller-Trail Highway: MP 43.0 to MP 44.0	2014	4,900,000	0.50%	24,500	283,576	0
Rogue River Greenway: Sardine Creek to Rock Point Bridge	2014	1,860,000	0.00%	-	283,576	-
McKee Covered Bridge:	2014	547,250	0.00%	-	6,707	-
BCGW Connection @ Highway 62:	2015	565,000	0.00%	-	283,576	-
Lozier Lane - Right of Way: W Main to Stewart	2016	2,250,000	8.00%	180,000	6,707	27
Bridge #360: Wheeler Rd/Snyder Cr.	2016	200,000	0.00%	-	6,707	-
Lozier Lane - Construction: W Main to Stewart	2016	4,500,000	8.00%	360,000	6,707	54
Foothill/Atlantic Connection: Corey to Atlantic	2017	1,800,000	50.00%	900,000	283,576	3
Table Rock Road - Preliminary Engineering: I-5 to Biddle	2018	460,000	3.20%	14,720	283,576	0
Table Rock Road - Right-of-Way: I-5 to Biddle	2018	1,300,000	3.20%	41,600	283,576	0
Bridge #651: Ramsey Rd/Sams Cr.	2018	250,000	0.00%	-	6,707	-
Table Rock Road - Construction: I-5 to Biddle	2018	6,235,000	3.20%	199,520	283,576	1
Foothill Road: Delta Waters to Coker Butte	2020	1,500,000	40.00%	600,000	283,576	2
Foothill Road: Coker Butte	2020	500,000	40.00%	200,000	283,576	1
Table Rock Road: Gregory	2020	250,000	100.00%	250,000	283,576	1
Foothill Road: Coker Butte to Corey	2022	3,000,000	40.00%	1,200,000	283,576	4
Foothill Road: East Vilas	2022	500,000	40.00%	200,000	283,576	1
Foothill Road: Lone Pine	2023	500,000	40.00%	200,000	283,576	1
Table Rock Road: Mosquito to Antelope	2024	1,000,000	40.00%	400,000	283,576	1
Atlantic Ave.: Cole Dr to E Dutton	2025	500,000	20.00%	100,000	283,576	0
Beall Lane: Merriman to Highway 99	2026	1,700,000	4.00%	68,000	283,576	0
East Vilas Road: Highway 62 to McLoughlin	2027	1,100,000	20.00%	220,000	6,707	33
Dead Indian Memorial Road: Highway 66 to M.P. 10	2028	1,500,000	40.00%	600,000	6,707	89
Griffin Creek Road: Stage to Pioneer	2029	650,000	20.00%	130,000	6,707	19
Old Stage Road: Winterbrook to Interstate 5	2030	12,000,000	40.00%	4,800,000	283,576	17
Stage Road South: Voorhies	2030	600,000	80.00%	480,000	283,576	2
Stewart/Hull: Oak Grove to Stage	2033	950,000	40.00%	380,000	283,576	1
Agate Road: Linn to Highway 234	2034	7,000,000	20.00%	1,400,000	283,576	5
Total		\$ 61,242,250		\$ 15,504,340	57,091	\$ 272

Source: "Exhibit A: Jackson County Roads Capital Plan" (January 27, 2014), provided by County staff. Abbreviation: ADT = average daily trip-end, adjusted for pass-by and diverted/linked trips.

ADJUSTMENTS AND TOTAL SDC

Before calculating the total transportation SDC, we must adjust the total charge upward for the costs of compliance and downward for existing fund balance. The County did not have an estimate for its costs of compliance for its transportation SDC program. We therefore scaled the County's estimate for its costs of compliance for its parks SDC program by the total costs in the transportation improvement fee list. In other words, the total project costs for transportation (\$61.2 million) are 4.14 times the total project costs for parks (\$14.8 million). Applying this factor to the estimated compliance costs for parks (\$100,056), we estimate that costs of compliance for transportation will total \$414,101 over the planning period. From this, we deduct \$109,624, which is the current fund balance for transportation SDCs. The net adjustment is \$304,477, which, when divided by average projected growth, is five dollars per ADT.

Exhibit 14 summarizes the calculation of the resulting SDC of \$354 per ADT:

Exhibit 14

Roads: SDC per ADT	Amount
Adjustments:	
Compliance costs	\$ 414,101
Less SDC fund balance	(109,624)
Total adjustments	\$ 304,477
Growth in ADTs (weighted average)	57,091
Adjustments per ADT	\$ 5
SDC summary:	
Reimbursement fee	\$ 77
Improvement fee	272
Adjustments	5
Total SDC per ADT	\$ 354
Current SDC per ADT	\$ 364

Source: "Ledger Summary Comparison" provided by County staff. **Abbreviation:** ADT = average daily trip-end, adjusted for pass-by and diverted/linked trips.

SDC BY LAND USE

In order to charge each development for the appropriate number of ADTs, the County must determine the land use of each development and then use Exhibit 15 to calculate the total transportation SDC:

Exhibit 15

Roads: SDC by Land Use	Total Trip-Ends	Adjustment	Primary Trip-Ends	SDC Per
21 Commercial Airport	123.11	0.00	123.11	\$ 43,577 CFD
30 Intermodal Truck Terminal	62.51	0.00	62.51	22,126 Acre
110 General Light Industrial	5.26	0.00	5.26	1,863 1,000 SFGFA
130 Industrial Park	5.34	0.00	5.34	1,890 1,000 SFGFA
140 Manufacturing	3.03	0.00	3.03	1,072 1,000 SFGFA
151 Mini-Warehouse	2.37	0.00	2.37	840 1,000 SFGFA
160 Data Center	0.99	0.00	0.99	350 1,000 SFGFA
210 Single-Family Detached Housing	9.45	0.00	9.45	3,344 Dwelling unit
220 Apartment	6.50	0.00	6.50	2,301 Dwelling unit
230 Residential Condominium/Townhouse	5.65	0.00	5.65	2,000 Dwelling unit
240 Mobile Home Park	4.90	0.00	4.90	1,735 ODU
254 Assisted Living	2.56	0.00	2.56	907 Bed
310 Hotel	7.86	0.00	7.86	2,781 Room
320 Motel	5.63	0.00	5.63	1,993 Room
411 City Park	6.13	0.00	6.13	2,171 Acre
417 Regional Park	4.99	0.00	4.99	1,767 Acre
430 Golf Course	5.27	0.00	5.27	1,866 Acre
Movie Theater	176.17	0.00	176.17	62,356 Movie screen
492 Health/Fitness Club	30.32	0.00	30.32	10,732 1,000 SFGFA
495 Recreational Community Center	27.40	0.00	27.40	9,698 1,000 SFGFA
520 Elementary School	12.07	4.95	7.12	2,522 1,000 SFGFA
522 Middle School/Junior High School	10.78	4.42	6.36	2,252 1,000 SFGFA
530 High School	10.09	4.14	5.95	2,107 1,000 SFGFA
540 Junior/Community College	21.41	0.00	21.41	7,579 1,000 SFGFA
560 Church	13.22	0.00	13.22	4,680 1,000 SFGFA
565 Day Care Center	54.62	36.60	18.02	6,380 1,000 SFGFA
590 Library	50.46	0.00	50.46	17,862 1,000 SFGFA
610 Hospital	12.17	0.00	12.17	4,308 1,000 SFGFA
620 Nursing Home	7.21	0.00	7.21	2,553 1,000 SFGFA
710 General Office Building	8.38	0.00	8.38	2,966 1,000 SFGFA
720 Medical-Dental Office Building	27.31	0.00	27.31	9,666 1,000 SFGFA
731 State Motor Vehicles Department	120.90	0.00	120.90	42,793 1,000 SFGFA
750 Office Park	8.50	0.00	8.50	3,009 1,000 SFGFA
760 Research and Development Center	6.22	0.00	6.22	2,203 1,000 SFGFA
770 Business Park	9.44	0.00	9.44	3,340 1,000 SFGFA
812 Building Materials and Lumber Store	43.13	0.00	43.13	15,266 1,000 SFGFA
813 Free-Standing Discount Superstore	53.42	14.96	38.46	13,614 1,000 SFGFA
814 Variety Store	64.03	33.46	30.57	10,822 1,000 SFGFA
815 Free-Standing Discount Store	59.09	30.87	28.22	9,987 1,000 SFGFA
816 Hardware/Paint Store	58.23	32.32	25.91	9,172 1,000 SFGFA
817 Nursery (Garden Center)	82.86	0.00	82.86	29,328 1,000 SFGFA
820 Shopping Center	41.24	20.56	20.68	7,320 1,000 SFGFA
826 Specialty Retail Center	40.58	0.00	40.58	14,364 1,000 SFGFA
841 Automobile Sales	29.27	0.00	29.27	10,359 1,000 SFGFA
843 Automobile Parts Sales	61.91	34.67	27.24	9,642 1,000 SFGFA
848 Tire Store	24.87	7.79	17.08	6,045 1,000 SFGFA
850 Supermarket	122.18	74.83	47.34	16,757 1,000 SFGFA
851 Convenience Market (Open 24 Hours)	758.79	511.98	246.81	87,358 1,000 SFGFA
857 Discount Club	42.35	0.00	42.35	14,988 1,000 SFGFA
862 Home Improvement Superstore	38.03	21.30	16.73	5,923 1,000 SFGFA
880 Pharmacy/Drugstore without Drive-Through	90.06	51.93	38.13	13,495 1,000 SFGFA
881 Pharmacy/Drugstore with Drive-Through	96.91	60.08	36.83	13,035 1,000 SFGFA
890 Furniture Store	4.98	3.16	1.83	647 1,000 SFGFA
912 Drive-in Bank	122.71	89.17	33.54	11,872 1,000 SFGFA
931 Quality Restaurant	88.04	50.62	37.42	13,244 1,000 SFGFA
932 High-Turnover (Sit-Down) Restaurant	132.28	79.70	52.58	18,611 1,000 SFGFA
934 Fast-Food Restaurant with Drive-Through	535.05	315.98	219.07	77,542 1,000 SFGFA
937 Coffee/Donut Shop with Drive-Through	818.58	483.42	335.16	118,633 1,000 SFGFA
938 Coffee/Donut Kiosk	1,800.00	1,494.00	306.00	108,310 1,000 SFGFA
944 Gasoline/Service Station	168.56	109.56	59.00	20,882 VFP
945 Gasoline/Service Station with Convenience Market	162.78	141.98	20.80	7,362 VFP
946 Gasoline/Service Station with Car Wash	152.84	116.33	36.51	12,924 VFP
Winery Tasting Room			23.60	8,353 1,000 SFGFA
Farm Stand			18.15	6,424 1,000 SFGFA

Source: ITE, Trip Generation Manual, 9th edition, for numbered land uses; County staff for winery tasting room and farm stand. **Abbreviations:** CFD = commercial flights per day; ITE = Institute of Transportation Engineers; ODU = occupied dwelling unit; SFGFA = square feet of gross floor area; VFP = vehicle fueling positions. **Note:** Trip-ends for movie theater are a combination of ITE land use 443 (for weekdays) and ITE land use 444 (for weekends).

ANTICIPATED UNDER-COLLECTION

We calculated the transportation SDC based on dollar-weighted average growth, which is less than projected growth in the entire county but greater than projected growth in the unincorporated area. The County will be unable to collect SDCs from developments in incorporated areas. We estimate that, over the planning period, only 3.44 percent of the growth that will occur in the county will be in the unincorporated areas from which the County can collect SDCs.

SECTION 4: IMPLEMENTATION

This section addresses two aspects of implementing the recommended SDCs. The first is a set of recommended code changes. The second is a method of accounting for inflation between SDC updates.

CODE CHANGES

We recommend that the County amend Jackson County Code (“JCC”) Chapter 1025 to make it consistent with current state law. Below are specific recommendations. These recommendations are included in a redlined version of JCC Chapter 1025 in the appendix of this report.

JCC 1025.04

The definition of “increase in capacity (or capacity-increasing)” should be revised to be more consistent with ORS 223.304(2). Only increases in capacity that will serve future users can be recovered with an improvement fee. Increases in capacity that mitigate or cure a deficiency cannot be recovered with an improvement fee.

The definition of “qualified public improvement” should be revised to reflect the statutory definition in ORS 223.304(4).

JCC 1025.05

As with the definition of “increase in capacity (or capacity-increasing),” JCC 1025.05(b) should be revised to reflect the emphasis on capacity for future users found in ORS 223.304(2).

JCC 1025.07

JCC 1025.07 should be revised to be more consistent with ORS 223.307. Specifically, separate restrictions should be identified for reimbursement fees and improvement fees.

JCC 1025.08

JCC 1025.08 requires a capital planning process that is more specific than ORS 223.309 requires. The County could gain some flexibility by using the statutory language.

In addition, expenditure of reimbursement fees need not be contingent on any capital improvement plan.

ANNUAL INDEXING

ORS 223.304 allows for the periodic indexing of system development charges for inflation, as long as the index used is:

(A) A relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property or a combination of the three;

(B) Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and

(C) Incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution or order.

We recommend that the County index its charges to the *Engineering News Record* Construction Cost Index for the City of Seattle and adjust its charges annually. There is no comparable Oregon-specific index.

APPENDIX A: SDC ORDINANCE

In this redlined version of JCC Chapter 1025, added text is in **bold font**, and deleted text is in ~~strikethrough font~~.

1025.01 PURPOSE; AUTHORITY.

The purpose of system development charges is to require a portion of the cost of capital improvements expended by the County to be paid by developments that create increased need for and demands on capital improvements. This chapter is authorized by ORS 223.297 to 223.314.

1025.02 SYSTEM DEVELOPMENT CHARGES ESTABLISHED.

System development charges shall be established in accordance with the procedures set forth in this chapter. Implementing ordinances or resolutions to establish methodology and fees shall state the area or areas within the County where the system development charges shall be imposed according to that methodology.

1025.03 SCOPE AND EXEMPTIONS.

- (a) The system development charges imposed pursuant to this chapter are incurred as a result of development and are therefore separate from and in addition to any applicable tax, assessment, charge, fee or payment otherwise provided by law, imposed as a condition of ownership, imposed as a condition of development, or voluntarily contributed.
- (b) Dwelling units, structures and uses established, existing and approved on or before the effective date of this chapter will not be required to pay a system development charge to the extent of the dwelling unit, structure or use that then legally exists, or is approved, and to the extent of the developed area of land as constituted on that date.
- (c) Alteration, addition, replacement or change in use that does not add another dwelling or otherwise increase the parcel's or structure's potential use of the park and recreation system or transportation system according to this chapter shall not pay a system development charge for the park and recreation system or transportation system. Development projects required solely to comply with governmental regulations to protect the public health, safety and welfare, such as installation of pollution control equipment, shall not be deemed to increase use of the park and recreation system or transportation system.
- (d) Each structure, use or building addition established after the effective date of this chapter shall pay a system development charge only once for a given type of capital improvement.
- (e) An approved project for which permits expire shall be subject to system development charges as is all other new development.

1025.04 DEFINITIONS.

As used in this chapter:

(a) "Approved" means a development that is allowed pursuant to a building permit application submitted prior to the effective date of this chapter. For a period of one year after the effective date of this chapter an approved project shall also include developments resulting from land use applications for conditional use permits, mobile home park permits, destination resort approvals and commercial and industrial site plans submitted before the effective date of this chapter.

(b) "Board" means the Jackson County Board of Commissioners.

(c) "Capacity" means the limits of performance or service levels provided by capital facilities or assets.

(d) A Capital improvements means facilities or assets used for transportation or storm drainage and flood control or parks and recreation, but not including the cost of operation or routine maintenance of capital improvements. These facilities or assets include, but are not limited to: acquisition of rights-of-way; acquisition of land; alteration (including closure) of access points that improve road capacity; hard-surfacing of unpaved roads or road shoulders; bridge construction (new bridges and replacement or rehabilitation); reconstructing, placing or adding depth to road base; installation and modification of traffic signals; adding travel or turn lanes; widening lanes; widening road shoulders or bikeways; improving the ability of bridges, culverts, roadside ditches and storm drains to carry storm runoff or pass flood waters; construction or expansion of parks and recreation facilities; and landscaping and tree planting.

(e) "Development" means construction of a building or physical change in a structure that requires a building permit.

(f) "Dwelling" means a building or portion thereof, designed or used for human occupancy as a residence for one or more persons, not including vehicles, travel trailers or recreational/camping vehicles.

(g) "Improvement fee" means a fee for costs associated with capital improvement fee" means a fee for costs associated with capital improvements to be constructed after the date the fee is paid.

(h) "Increase in capacity (or capacity-increasing)" means an increase in system capacity that **will be required to serve the demands placed on the system by future users** ~~occurs when a capital improvement increases the level of performance or service provided by existing facilities or assets, or removes limits on the use of facilities or assets, or provides new facilities or assets.~~¹

(i) "Land area" means the area of a unit of land as measured by projection of the parcel boundaries upon a horizontal plane with the exception of a portion of the unit of land within a recorded right of way or easement subject to a servitude for a public street or scenic or preservation purpose.

(j) "Owner" means the owner of record title or the purchaser under a recorded sales agreement, and other persons having an interest of record in the described real property. (k) A Qualified public improvement means capital improvements on arterial and collector roads or in the parks and recreation system that are identified in the capital improvements plan adopted pursuant to this chapter.

(l) "Reimbursement fee" means a fee for actual costs associated with capital improvements already constructed or under construction when the fee is collected.

(m) "Routine maintenance" means maintenance customarily performed by County forces, as distinct from extraordinary maintenance that is contracted out because the County does not have sufficient equipment or expertise readily available to perform the work.

¹ Added text is taken directly from ORS 223.304(2)(a)(B).

- (n) "System development charge" means a reimbursement fee, an improvement fee, or a combination thereof, paid or required at the time of increased usage of a capital improvement, at the time of issuance of a development permit or building permit, or at the time of connection to the capital improvement. "System development charge" does not include fees assessed or collected as part of a local improvement district or a charge in lieu of a local improvement district assessment, or the cost of complying with requirements or conditions imposed by a land use decision.
- (o) "Trip share factor" means the figure which represents the trip generation rate of a use or development adjusted to remove passby trips or adjusted for other relevant factors determined in the methodology for system development charges for road capacity.
- (p) "Under construction" means, with reference to a capital improvement, the time at which any contract to build or obtain the capital improvement becomes effective.
- (q) "Unit of land" means a lot, parcel, block or other tract of land that is occupied or may be occupied by a structure or structures or other use, and that includes the yards and other open spaces required under the Jackson County Land Development Ordinance, but excludes public rights of way.
- (r) "Unused capacity" means the capacity not used by existing developments or the existing population of an area and therefore available for use by new development.
- (s) "Wholly contiguous" means property along the frontage or perimeter boundaries of a site; adjacent to a unit of land.

1025.05 METHODOLOGY.

- (a) A methodology to establish reimbursement fees shall consider the actual cost of existing facilities, prior contributions by existing users, the value of unused capacity, rate-making principles employed to finance publicly owned capital improvements, and other relevant factors identified and documented in the ordinance or resolution establishing the methodology and fees. The methodology shall promote the objective that future systems users shall contribute no more than an equitable share to the actual cost of existing facilities.
- (b) A methodology to establish an improvement fee shall consider the cost of projected capital improvements needed to **serve the demands placed on the system by future users** ~~increase the capacity of the systems to which the fee is related.~~¹
- (c) A methodology to establish either an improvement fee or a reimbursement fee, or both, shall be contained in a resolution adopted by the Board, and available for public inspection.
- (d) A legal action challenging a methodology adopted by the Board pursuant to this section shall not be filed later than sixty days after the adoption of the methodology.
- (e) System development charges shall also include an additional amount to defray administrative costs, and may include costs of planning for capital improvements funded by system development charges.
- (f) Rounding off to two places beyond the decimal point or to the nearest penny (one-hundredth of a dollar) shall be allowed at every step of any calculation concerning system development charges. The differences in fees that may result from such rounding off are minimal, and therefore will not impair the equitable application of this chapter.

¹ Added text is taken directly from ORS 223.304(2)(a)(B).

1025.06 INDEPENDENT ENGINEERING EVALUATION.

- (a) An applicant or an agency who disagrees with the amount of road-related system development charges may arrange at its own expense for independent evaluation, including actual counts of vehicle trips and trip ends, by a professional traffic engineer registered to practice in the State of Oregon.
- (b) A letter stating the intention to have an independent engineering evaluation completed within eighteen months shall be accompanied by an appropriate engineering review fee and evidence of the applicant's system development charge placed on deposit with the Finance Director. Failure to submit a complete report to the County within eighteen months shall mean the amount on deposit will be the final system development charge for that use.
- (c) Within thirty days of receiving the independent engineer's report, the Roads and Parks Director shall review the adequacy of the independent engineer's evaluation. If the report is found adequate and the result of the independent evaluation differs from the charge on deposit, the applicant shall either:
- (1) Be required to pay the amount on deposit plus any additional system development charge (not including interest) if the trip share factor is higher; or
 - (2) Receive a refund from the amount on deposit (not including interest) if the trip share factor is lower.
- (d) Disputed items in the independent engineer's evaluation or the Roads and Parks Director's review of the report may be appealed under the procedures in this chapter.

1025.07 REVENUE PURPOSES AND RESTRICTIONS.

- (a) ~~System development charges~~ **Improvement fees** for road, street and highway projects and related storm drainage and flood control measures shall be applied to costs of capacity-increasing capital improvements associated with the public road system in the County, including expenditures relating to repayment of indebtedness. **Reimbursement fees may be spent only on capital improvements associated with the systems for which the fees are assessed including expenditures relating to repayment of indebtedness.**¹
- (b) A capital improvement being funded wholly or in part from ~~system development charge revenues~~ **improvement fees** shall be included in ~~the~~ **a capital improvement plan(s), public facilities plan, master plan or comparable plan prepared in accordance with ORS 223.309(1) adopted by the Board.**
- (c) Notwithstanding subsections (a) and (b) hereof, system development charge revenues may be expended on the direct costs of complying with the provisions of this chapter, and ordinances or resolutions adopted pursuant to this chapter, including the actual costs of developing system development charge methodologies, developing capital improvement plans, and providing an annual accounting of system development charge expenditures.
- (d) System development charges shall be earmarked for expenditure in accordance with this section, and deposited in accounts designated for such moneys. That portion of the system development charges (plus interest) paid on account of roads, streets and highways shall be used for no purpose other than those set forth in this chapter.

¹ Added text is taken directly from ORS 223.307(1).

(e) The County Administrator shall provide the Board with an annual accounting for each fiscal year based on first-in, first-out treatment of costs related to system development charges. The annual accounting shall show the total amount of system development charge revenues accumulated for each type of facility and the projects funded by system development charges.

(f) System development charges shall not be expended for costs associated with the construction of administrative office facilities, but this shall not prohibit use of system development charges for administration of this chapter, nor overhead charges to capital projects.

(g) System development charges shall not be expended for operation or routine maintenance of capital improvements.

(h) ~~System development charges~~ **Improvement fees** for parks and recreation facilities and park and open space land shall be applied to costs of capacity increasing capital improvements associated with the park and recreation system in Jackson County, including expenditures relating to repayment of indebtedness. **Reimbursement fees may be spent only on capital improvements associated with the systems for which the fees are assessed including expenditures relating to repayment of indebtedness.**¹

1025.08 CAPITAL IMPROVEMENT PLAN.

~~Prior to adopting any improvement fee and prior to expending any reimbursement fee revenues, the Board shall adopt a Capital Improvement Plan or Plans, which may include, but not be limited to, a Road System Plan coordinated with the Jackson County Comprehensive Plan that:~~

~~(a) Describes the types of capital improvements that may be funded with system development charge revenues;~~

~~(b) Lists the estimated cost for each type of capital outlay by fiscal year;~~

~~(c) Indicates the timing of specific capital improvement projects at least one fiscal year in advance; and~~

~~(d) Describes the process for modifying the plan and determining capital project priorities.~~²

1025.09 PAYMENT OF CHARGES BY DEVELOPERS.

(a) System development charges are payable by developers prior to issuance of permits to build or put in place any of the following:

(1) Additional dwelling units on individual units of land;

(2) New or added mobile home spaces in a mobile home park; or

(3) New construction or additions of more than 500 square feet of nonresidential structures.

(b) The Finance Director shall receive payment of the system development charge from the developer of the unit of land prior to issuance of a permit that allows development.

(c) If development begins without an appropriate permit, the system development charge is immediately payable upon the earliest date that a permit was required.

¹ Added text is taken directly from ORS 223.307(1).

² With the proposed changes to JCC 1025.07(b), JCC 1025.08 becomes unnecessary.

(d) When system development charges are due and unpaid, the Development Services Director shall not issue a building permit nor other permit that allows development, until the charges have been paid in full, or until an application for installment payments has been approved.

1025.10 INSTALLMENT PAYMENT OPTION FOR OWNERS.

(a) When a system development charge is due and payable, the owner of land subject to the development charge may apply for payment in semi-annual installments. The installments shall include interest on the unpaid balance and charges to defray the actual administrative cost of providing the installment payment option. Installment payments may be distributed according to a schedule adopted by resolution of the Board, provided that all charges shall be paid in full upon sale of the property.

(b) An applicant for installment payments shall have the burden of demonstrating the applicant's authority as owner to assent to the imposition of a lien on the land and that the interest of the applicant is adequate to secure payment.

(c) The Finance Director shall provide application forms for installment payments, which shall include a waiver of all rights to contest the validity of the lien, except for the correction of computational errors.

(d) When the installment payment option is requested, the Development Services Director shall report to the Finance Director the amount of the system development charge owing, the name of the developer, the name of the owner, and the description of the parcel. The Finance Director shall prepare the lien agreement, including the dates on which payments are due, and the additional amount for interest and the actual administrative costs on installment payments.

1025.11 DELINQUENT CHARGES.

(a) When, for any reason, an installment payment or system development charge has not been paid, the Finance-Director shall:

- (1) Prepare a report and notice to the owner concerning the delinquent charges;
- (2) Describe the development to which the charges are attributable; and
- (3) Note the date the charges were due.

(b) The County Administrator may accept, reject or modify the determination of the Finance Director as set forth in the report. The County Administrator may direct the Finance Director to docket any additional unpaid and uncollected charges in the lien docket as may be necessary. Upon completion of the docketing, the County shall have a lien against the described land for the full amount of the unpaid charge, together with interest and the County's actual cost of publishing or serving notice.

1025.12 CREDITS.

(a) Credit for a qualified public improvement associated with a new development shall be given as an offset to charges due, provided the credit is applied for with payment of an appropriate engineering review fee prior to the date when a system development charge is due and payable. If a qualified public improvement is located partially on and partially off the parcel that is the subject of the development approval, the credit shall be given only for the actual cost of the portion of the improvement not located on the property as determined by the Roads and Parks Director. (Ord. 2003-4. Passed 1-22-03; Ord. 2007-2. Passed 1-31-07.)

- (b) Credit for a qualified public improvement may equal, but not exceed, the system development charge due from a development, even if the actual cost of the capital improvement as documented by the developer exceeds the applicable system development charge.
- (c) Credit for a qualified public improvement shall not be transferable from one development to another, except upon the finding of the Roads and Parks Director that a reasonable relationship exists between the improvement and the development to which credit is transferred. (Ord. 2003-4. Passed 1-22-03; Ord. 2007-2. Passed 1-31-07.)
- (d) Credit for a qualified public improvement shall not be transferable from one type of capital improvement to another, except that storm drains and flood control measures within the right of way that are an integral part of road or bridge construction projects are not a separate type of capital improvement for the purposes of this section.
- (e) Credit for capital improvements will be allowed only on building permits issued within three years after completion and acceptance of the capital improvements.

1025.13 APPEALS.

- (a) Any person aggrieved by a decision required or permitted to be made by County officials pursuant to this chapter or a person challenging the propriety of an expenditure of system development charge revenues may appeal the decision or the expenditure by filing a written request (including an appropriate appeal fee) with the County Administrator describing with particularity the decision or the expenditure from which the person appeals.
- (b) An appeal of an expenditure must be filed within two years of the date of the alleged improper expenditure. If the Board determines that there has been an improper expenditure of system development charge revenues, the Board shall direct that a sum equal to the misspent amount be deposited, within one year, to the credit of the account or fund from which it was spent.
- (c) Appeals of other decisions must be filed within ten working days of the date of the decision. If an error in calculating a fee is alleged, the County Administrator shall confirm the amount due. If the County Administrator determines there has been an error in calculation of the fee, the County Administrator shall correct the error and notify the appellant and other County officials and refund the amount owing to the person who paid the fee. There shall be no refunds for failure to claim credit, nor failure to appeal in a timely manner.
- (d) If no error in calculating the fee is found, the County Administrator shall consider whether the decision of any County official or an expenditure is in accordance with applicable ordinances or resolutions and the provisions of ORS 223.297 to 223.314 and may affirm, modify or overrule the decisions.
- (e) The decision of the County Administrator may be appealed by a person with standing to the Board or a Hearings Officer designated by the Board.
- (f) Refunds of system development charge revenues shall not result from errors in the expenditure of earmarked funds, because errors in expenditure of system development charges are a separate and distinct issue from fee amounts due from developers.

1025.14 PENALTY.

Violation of this chapter is punishable by a fine not to exceed \$500 plus the amount of the system development charge and all applicable interest and administrative costs, or revocation of access to roads under Jackson County jurisdiction, or both.

1025.15 INJUNCTIVE RELIEF.

Jackson County may seek injunctive relief or other appropriate civil remedy for any violation of this chapter.

1025.16 CONSTRUCTION.

The rules of statutory construction contained in ORS Chapter 174 are adopted and by this reference made a part of this chapter.

1025.17 SEVERABILITY.

The invalidity of a section or subsection of this chapter shall not affect the validity of the remaining sections or subsections.

1025.18 EFFECTIVE DATE.

- (a) This chapter shall become effective on July 1, 1991.
- (b) The amendments made by Ordinance No. 2000-4 shall become effective on July 1, 2000.

APPENDIX B: ITE LAND USES

Land Use Number	Land Use Name	Description
21	Commercial Airport	Commercial airports serve commercial passengers, general aviation, and commuter airlines. The size of the commercial airport typically has longer runways than a general aviation airport, but the airport can have smaller runways.
30	Intermodal Truck Terminal	Intermodal truck terminals allow trucks to transfer goods with trucks or modes of transportation.
110	General Light Industrial	Light industrial facilities are standalone facilities that serve only one use. There is typically little office space and a focus on industrial activities others than manufacturing.
130	Industrial Park	Industrial parks contain a mix of industrial uses and related facilities such as manufacturing, service, and warehouse facilities.
140	Manufacturing	Manufacturing facilities convert primary or unfinished materials to finished goods. Manufacturing facilities can also have office, warehouse, research, and other functions associated with manufacturing.
151	Mini-Warehouse	Mini-warehouses, or 'self-storage' facilities, are locations with a number of storage units which are physically separated from each other.
160	Data Center	Data centers are similar to warehouse facilities primarily used for off-site storage of computer-related information. Data centers can include multiple tenants and can include maintenance or a small office space.
210	Single-Family Detached Housing	Single-family detached housing includes all detached homes on individual lots.
220	Apartment	Apartments are dwelling units located within the same building as at least three other dwelling units. This land use code does not take into account the apartment density.
230	Residential Condominium/Townhouse	Residential condominiums and townhouses are owned dwelling units on the same property as other owned dwelling units. This land use code does not take into account density of the condominiums/townhouses.
240	Mobile Home Park	Mobile home parks are sites which contain manufactured dwelling units installed on permanent foundations containing community facilities.
254	Assisted Living	Assisted living facilities are residential in nature but provide oversight or assistance with independent living activities. The residential units are separated for residents.

Land Use Number	Land Use Name	Description
310	Hotel	Hotels provide sleeping accommodations and additional amenities such as restaurants, convention facilities, and limited recreational facilities.
320	Motel	Motels provide sleeping accommodations and few additional amenities, although they may have a restaurant. Motels are characterized by rooms accessible by exterior corridors, often immediately adjacent to a parking lot.
411	City Park	City parks are open spaces owned and operated by a City. They can include a multitude of amenities such as ball fields, camping facilities, and seasonal uses facilities.
417	Regional Park	Regional parks are open spaces owned and operated by a regional park authority. Regional parks can include a multitude of amenities such as ball fields, camp sites, and seasonal facilities.
430	Golf Course	Golf courses include municipal golf courses of varying sizes. Some golf courses may have additional amenities such as clubhouses, diving ranges, and banquet facilities.
492	Health/Fitness Club	Health/Fitness clubs are facilities that provide exercise equipment and fitness training. They may include small restaurants or snack bars in addition to the health/fitness club.
495	Recreational Community Center	Recreational community centers are public facilities that include fitness, recreation, meeting rooms, and day care. These facilities can be public or private facilities.
520	Elementary School	Elementary schools are public educational facilities that serve students attending kindergarten through the fifth or sixth grade. This includes public and private schools as well as schools where bus service is provided to students.
522	Middle School/Junior High School	Middles schools are public educational facilities that serve students who have completed elementary school but have yet to enter high school. This includes public and private schools as well as schools where bus service is provided to students.
530	High School	High schools are public educational facilities that serve students that have completed elementary and middle school.
540	Junior/Community College	Junior/Community colleges are educational facilities that include two-year institutions such as technical colleges.
560	Church	Churches are facilities in which public worship services are held. A church may contain meeting rooms, classrooms, and dining facilities. This does not include synagogues or mosques.

Land Use Number	Land Use Name	Description
565	Day Care Center	Day care centers are facility which provides care for children and can include other amenities involved in caring for children.
590	Library	Libraries are public or private facilities that consist of inventoried books and, occasionally, meeting rooms.
610	Hospital	Hospitals are medical facilities that provide medical care to patients. There are overnight accommodations for hospitals. A hospital does not include medical clinics and nursing homes.
620	Nursing Home	Nursing homes are facilities which provide care to those who are unable to care for themselves. Nursing homes include rest homes and chronic care. Nursing homes employ skilled nurses which are present 24 hours a day at these facilities.
710	General Office Building	General office buildings house multiple tenants in which multiple types of business are conducted. Such buildings can include professional services as well.
720	Medical-Dental Office Building	Medical/dental office buildings provide medical services to patients but do not provide prolonged or surgical care on the premises. Several private medical professionals may operate in this facility.
731	State Motor Vehicles Department	State motor vehicles departments are office-type buildings where administrative functions related to driving occur such as vehicle registration and driver license testing.
750	Office Park	Office parks are developments consisting mainly of general office buildings and several other support buildings such as banks and restaurants.
760	Research and Development Center	Research and development centers are devoted to research and development and serve a range of business types. This land use may contain offices or light industrial areas.
770	Business Park	Business parks are groups of flexible, low-rise spaces which can accommodate office, light industrial, retail, or research spaces.
812	Building Materials and Lumber Store	Building materials and lumber stores are facilities that sell building materials and tools. Buildings in this land use are less than 30,000 square feet gross floor area.
813	Free-Standing Discount Superstore	Discount superstores include a full service grocery store along with many customer services offered at a discount rate. These stores have long hours each day, and can be free-standing or in a retail complex.
814	Variety Store	Variety stores are retail stores that sell a diverse amount of inexpensive items.

Land Use Number	Land Use Name	Description
815	Free-Standing Discount Store	Discount stores offer several customer services at a discount rate. This land use differs from a free-standing discount superstore (ITE code 813) because of a lack of full-service grocery department. These stores have long hours each day and can be free-standing or in a retail complex.
816	Hardware/Paint Store	Hardware/paint stores are retail locations that sell paint and hardware supplies.
817	Nursery (Garden Center)	Nurseries are buildings with an outside storage area for landscape stock and planting. These nurseries generally serve the general public and contain office, storage, and shipping facilities.
820	Shopping Center	Shopping centers are retail facilities that contain a group of commercial establishments which are managed as a unit. Shopping centers generally have on-site parking.
826	Specialty Retail Center	Specialty retail centers are smaller strip retail facilities containing a variety of retail shops and professional services.
841	Automobile Sales	Automobile sales facilities are larger lots located around commercial development. The facility can include car servicing facilities and used car sales.
843	Automobile Parts Sales	Automobile parts sales are retail facilities that provide items for servicing automobiles, but which do not repair vehicles on-site.
848	Tire Store	A tire store is a retail facility that sells tires for automotive vehicles. Tire stores install tires as well as provide minimal maintenance. These stores do not usually contain large warehouses for goods.
850	Supermarket	Supermarkets are retail facilities that sell food, food preparation materials, and common household items. Supermarkets may also contain ancillary products and services on site as well.
851	Convenience Market (Open 24 Hours)	Convenience markets in this land use code are open 24 hours a day and sell convenience foods and other goods. These markets do not have gasoline pumps.
857	Discount Club	Discount clubs are retail facilities in which customers pay a membership fee for many items, usually sold in large quantities.
862	Home Improvement Superstore	Home improvement superstores are retail facilities that sell home improvement items. They offer a variety of customer services as well as maintain long hours each day. These buildings usually range from 50,000 to 200,000 square feet gross floor area.
880	Pharmacy/Drugstore without Drive-Through	Pharmacies without a drive-through are retail facilities that sell prescription and non-prescription drugs along with other personal care products.

Land Use Number	Land Use Name	Description
881	Pharmacy/Drugstore with Drive-Through	Pharmacies with a drive-through are retail facilities that sell prescription and non-prescription drugs along with other personal care products.
890	Furniture Store	Furniture stores are full-service retail facilities that sell furniture and carpeting. Furniture stores may include storage areas and showrooms.
912	Drive-in Bank	Drive-in banks are facilities that provide banking services for drive-through vehicles and customers in the building.
931	Quality Restaurant	Quality restaurants are full-service eateries with a typical stay of at least one hour. These restaurants serve dinner and occasionally serve lunch, but often not breakfast.
932	High-Turnover (Sit-Down) Restaurant	High-turnover restaurants are full-service eateries with a typical stay of approximately one hour. This restaurant is typically part of a chain of similar restaurants and do not generally take reservations.
934	Fast-Food Restaurant with Drive-Through	Fast-food restaurants with drive-through have large drive-through clientele, long hours of service, and quick turnover rates. This land use generally involves customers paying before eating.
937	Coffee/Donut Shop with Drive-Through	Coffee/donut shops with drive-through sell coffee and breakfast foods as well as hold long hours of service during the day. This land use generally has limited seating.
938	Coffee/Donut Kiosk	Coffee/donut shops with drive-through and no seating are facilities that sell coffee and breakfast foods. This land use holds long hours of service.
944	Gasoline/Service Station	Gasoline/service station facilities are solely to fuel motor vehicles. The land use may have services for motor vehicles but does not include convenience stores and car washes.
945	Gasoline/Service Station with Convenience Market	Gasoline/service stations with convenience markets are primarily gasoline stations that serve convenience items as well. The land use may have services for motor vehicles but does not include car washes.
946	Gasoline/Service Station with Car Wash	Gasoline/service stations with car washes are primarily gasoline stations that serve convenience items and have car washes as well. The land use may have services for motor vehicles but does not include car washes.