

System Development Charges

The City of Monroe has System Development Charges (SDC's) in place. However, this past year staff has been working on creating the SDC system to be established by actual figures based upon future capital infrastructure needs and costs for the City. This requires an SDC study and plan which for the first time, will be reviewed and adopted by the City of Monroe.

What are SDC's?

A **system development charge** (SDC) is a one-time **fee** imposed on new or some types of re-**development** at the time of **development**. The **fee** is intended to recover a fair share of the costs of existing and planned facilities that provide capacity to serve new growth.

Local governments are authorized to establish system development charges, but the revenues produced therefrom must be expended only in accordance with ORS [223.297 \(Policy\)](#) ...

The purpose of ORS [223.297 \(Policy\)](#) to [223.314 \(Establishment or modification of system development charge not a land use decision\)](#) is to provide a uniform framework for the imposition of system development charges by local governments, to provide equitable funding for orderly growth and development in Oregon's communities and to establish that the charges may be used only for capital improvements.

Essentially it is a system established by the Oregon State Legislature to provide a systematic methodology so current residents and tax payers don't have to fully carry the load and cost for additional infrastructure (water, sewer, transportation, storm water, parks) required for new development.

The study and plan takes all the capital needs required for the five services (water, sewer, transportation, storm water and parks), determine what the need would be for Monroe in 20 years (based upon population projections) and set a cost which provides the maximum amount of what the SDC's could be reasonably considered by the City Council. Capital Improvement Plans (CIP's) have been completed (water currently in draft form) and those projects and costs have been created. What will be occurring during the next 5 months will be the review of the study and plan with public hearings and public input.

This methodology and plan will replace the existing SDC system but it will be based upon actual Capital Improvement Plans (data) for the first time for the City of Monroe. While the potential maximum amount may exceed \$40,000, that could be considered a little unrealistic for the future

development of our community. The balancing act of protecting the future costs required to be paid by current residents and tax payers versus the cost of affordability and the desire for local development, will be the conversation and discussions over the next few months. THIS IS AN OPEN AND PUBLIC PROCESS.

Copies of the DRAFT SDC Methodology are on the city's website. A copy for public viewing is available at city hall (80 pages plus appendixes). Draft ordinance and resolution (yet to be composed), will also be posted prior to public hearings.

What has happened and what is the plan for the review of the SDC Methodology?

On January 6, 2020, the engineers employed by the City to conduct the plan and study had a work session with the Monroe Planning Commission and City Council. This was mostly an opportunity for them to learn about the process, rules and limitations. The notes from this work session are available on the city website.

The second discussion will be held by the Planning Commission on March 2nd. The Planning commission will conduct a public hearing following a staff presentation. They will review the SDC Plan and Study and make a recommendation to the City Council regarding their review of the draft document and the public input that they receive.

On March 23rd, the SDC methodology will be formally presented to the City Council by the City's engineering team including any recommended changes from the Planning Commission review and the public hearing that the Planning Commission conducted.

On April 27th, the City Council will conduct a **public hearing** and review and perhaps approve the first reading of the Ordinance adopting the SDC Methodology and Plan.

On May 18th, The City Council will have on their agenda the second reading and the adoption of the SDC Study and Plan if the first reading is approved on April 27th.

On May 18th The City Council will conduct a **public hearing** and review for adoption a Resolution setting the fees for the SDC's for the City of Monroe based upon the adopted SDC Study and Plan.

If you have questions or concerns, please free to contact Rick A. Hohnbaum, City Administrator/Planner at City Hall or at rick.hohnbaum@ci.monroe.or.us