

System Development Charge Study

City of Yachats, Oregon

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What is an SDC?

SDCs are one-time charges, not ongoing rates.

Properties which are already developed *do not pay* SDCs unless they “redevelop”.

A system development charge is a *one-time* charge, paid *at the time of development*, intended to equitably recover the cost of the system capacity needed to serve that development.

SDCs are for *general facilities*, not “local” facilities.

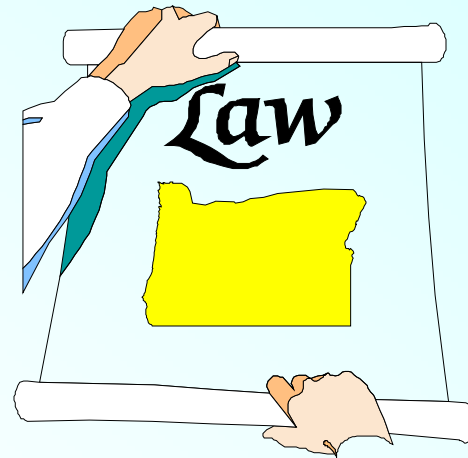
SDCs include *both future and existing* cost components.

SDCs are for *capital only*, in both their calculation and in their use.

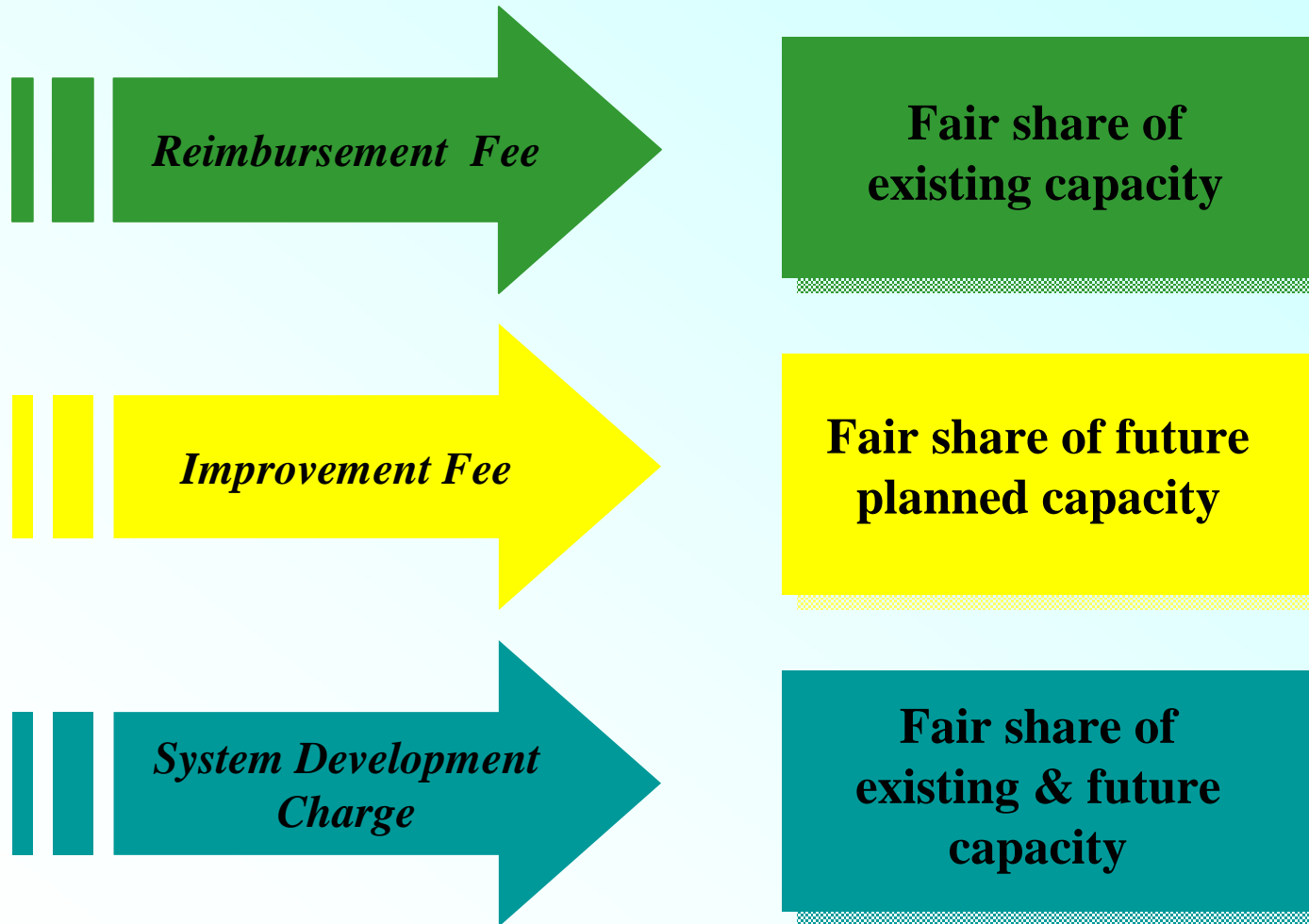


Legal Framework for SDCs

ORS 223.297 - 314, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”



SDC Components



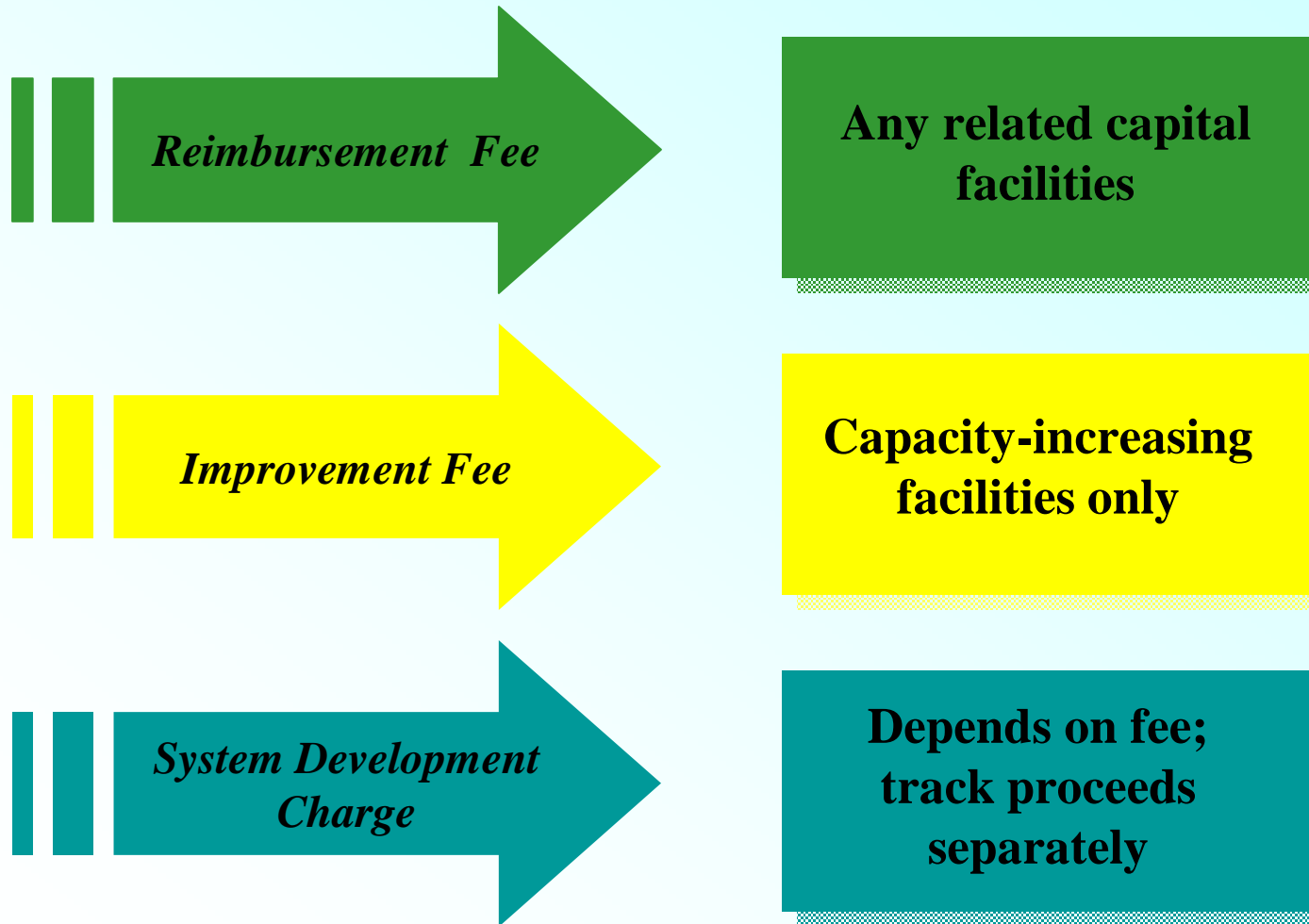
SDC Credits

Credits against the improvement fee must be provided for the construction of a capital improvement, which is:

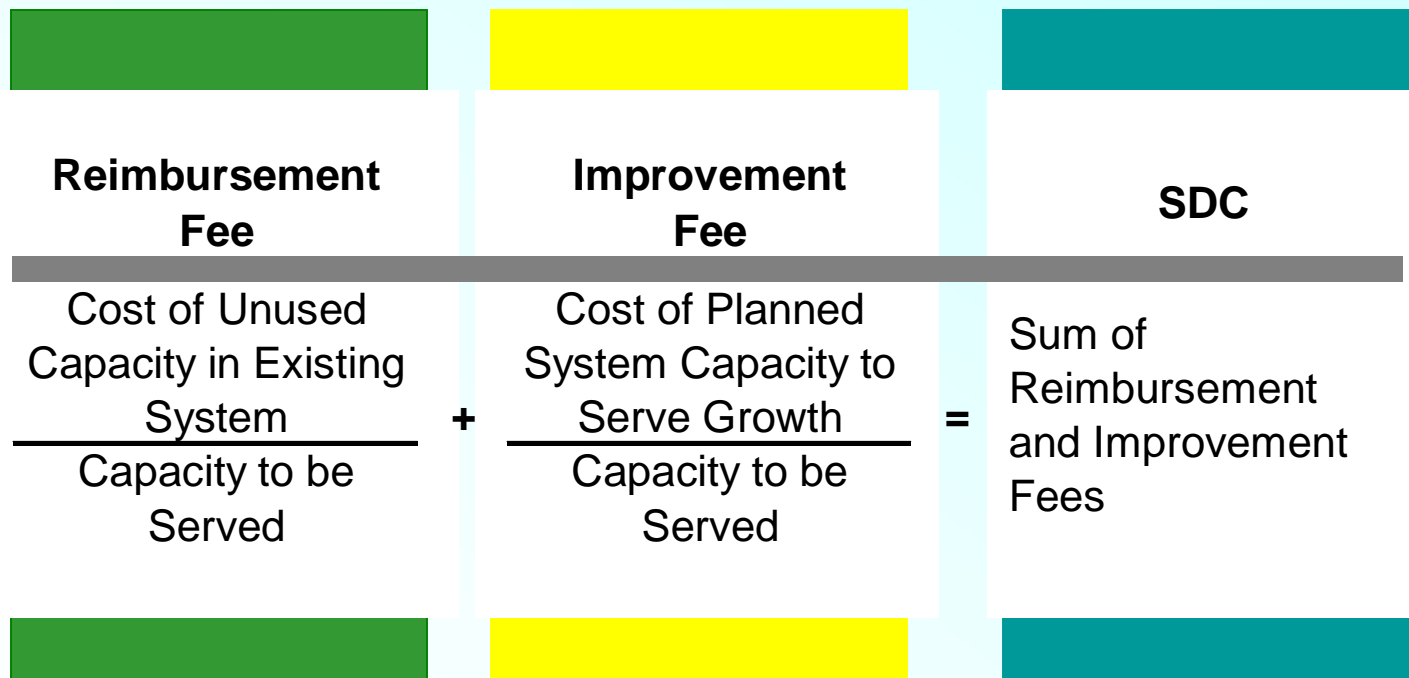
- a required as a condition of development,
- a identified in an adopted capital facilities plan, and
- a is either off-site or, if on-site, is required to provide more capacity than needed by the development in question.



Uses of SDC Receipts



The SDC Calculation



Existing Water SDC

- \$3,278.91 per 5/8" x 3/4" meter equivalent
 - \$999.40 reimbursement fee
 - \$2,279.51 improvement fee
- FY2006 receipts of \$18,809 through March



Proposed Water SDC Calculation

Capacity Analysis

Existing Demand	898	MEs
Planning Period Growth	419	MEs
End of Planning Period Demand	1,317	MEs

Reimbursement Fee Calculation

Allocable Unused Capacity Cost	\$ 481,754	
Reimbursement Fee	\$ 1,149	per ME

Improvement Fee Calculation

Capacity Increasing Project Costs	\$ 777,193	
Improvement Fee	\$ 1,854	per ME



Proposed Water SDC Calculation

System Development Charge

Reimbursement Fee		\$ 1,149	per ME
Improvement Fee		1,854	per ME
Subtotal		\$ 3,003	per ME
plus: Administrative Cost Recovery	4.32%	\$ 130	per ME
Total SDC		\$ 3,133	per ME



Water SDC Application

Meter-Based SDC

Meter Size	Meter Flow Factor	Meter-Based SDC
5/8" x 3/4"	1.0	\$ 3,133
3/4"	1.5	\$ 4,700
1"	2.5	\$ 7,833
1.5"	5.0	\$ 15,665
2"	8.0	\$ 25,064
3"	16.0	\$ 50,128
4"	25.0	\$ 78,325
6"	50.0	\$ 156,650



Water Reimbursement Fee Cost Basis

	Original Cost	Unused Capacity	Allocable Cost
Net Capital Assets (ending FY2005) (1)	\$ 4,909,684	12%	\$ 589,800
Fourth and Driftwood Waterline (2)	105,450	12%	12,668
2nd Street Waterline Improvements (2)	121,250	12%	14,566
Disinfection Improvements (2)	53,900	12%	6,475
Reedy Creek Transmission Improvement (2)	76,300	12%	9,166
Coolidge Lane Waterline (2)	116,090	12%	13,946
Controls and Instrumentation (2)	51,200	12%	6,151
Subtotal	\$ 5,433,874	12%	\$ 652,771
less: Net Utility Debt Principal Outstanding (3)	\$ 1,418,595	12%	\$ 170,416
less: Grants / Contributions (4)	5,000	12%	601
Subtotal	\$ 1,423,595	12%	\$ 171,016
 Allocable Unused Capacity			 \$ 481,754

Notes

(1) Source: June 30, 2005 Financial Statements and Required Comments and Disclosures (plus depreciation).

(2) Source: City of Yachats Water Master Plan (June 2001) and August 2006 meeting.

(3) Source: June 30, 2005 Financial Statements and Required Comments and Disclosures

(4) Source: June 30, 2004 Financial Statements and Required Comments and Disclosures



Water Improvement Fee Cost Basis

	Project Cost (1) and (2)	Capacity Increasing (1)	Allocable Cost
Priority 1 Projects	\$ 183,922	32%	\$ 58,563
Priority 2 Projects	698,552	18%	125,287
Priority 3 Projects	357,563	32%	113,852
Priority 4 Projects	356,358	82%	293,503
Urban Renewal Projects	1,202,149	32%	382,777
Total Capacity Increasing Projects	\$ 2,798,544	35%	\$ 973,980
plus: SDC Credits Outstanding			\$ -
less: FY2006 Ending Improvement SDC Fund Balance (3)			196,787
Subtotal			\$ (196,787)
Allocable Capacity Increasing Cost			\$ 777,193

Notes

(1) Source: City of Yachats Water Master Plan (June 2001) and "Urban Renewal in Yachats" summary.

(2) Engineer News Record. Based on 20-City Construction Cost Index.

(3) System Development Fees summary.



Water Capital Improvement Plan

Project Description	FY2006 Cost Estimate	% Capacity Increasing	SDC Eligible Cost
Priority 1 Projects			
2nd Street and Pontiac Waterline	\$ 142,543	32%	\$ 45,387
Misc Loop Closures	41,378	32%	13,175
			-
Priority 2 Projects			
Highway 101 Waterline	160,223	38%	60,084
King Street Waterline	324,090	0%	-
Radar and 7th Street Waterline	214,238	30%	65,203
			-
Priority 3 Projects			
Spruce and Lincoln Ave Waterline	118,433	32%	37,710
Surfside, Gender & Windy Way Waterlines	145,794	32%	46,422
Clarifier Improvements	93,336	32%	29,719
			-
Priority 4 Projects			
Yachats River Diversion Project	264,139	100%	264,139
Shell Street Waterline	32,033	32%	10,200
Controls and Instrumentation	60,187	32%	19,164
			-
Urban Renewal Projects			
0.5 MG Finished Water Reservoir	924,733	32%	294,445
Miscellaneous Looping of Waterlines in URD	92,484	32%	29,448
Upgrade (size) of waterlines in URD	92,484	32%	29,448
New fire hydrants installed in URD	46,224	32%	14,718
Water Main Valve Replacement in URD	46,224	32%	14,718
Total			\$ 973,980



Existing Wastewater SDC

- \$4,378.48 per 5/8" x 3/4" meter equivalent
 - \$0 reimbursement fee
 - \$4,378.48 improvement fee
- FY2006 receipts of \$20,930 through March



Proposed Wastewater SDC Calculation

Capacity Analysis

Existing Demand	835	MEs
Planning Period Growth	670	MEs
End of Planning Period Demand	1,505	MEs

Reimbursement Fee Calculation

Allocable Unused Capacity Cost	\$ 3,116,615	
Reimbursement Fee	\$ 4,650	per ME

Improvement Fee Calculation

Capacity Increasing Project Costs	\$ -	
Improvement Fee	\$ -	per ME



Proposed Wastewater SDC Calculation

System Development Charge

Reimbursement Fee	\$ 4,650	per ME
Improvement Fee	-	per ME
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Subtotal	\$ 4,650	per ME
plus: Administrative Cost Recovery	4.32%	\$ 201 per ME
Total SDC	\$ 4,851	per ME



Wastewater SDC Application

Meter-Based SDC

Meter Size	Meter Flow Factor	Meter-Based SDC
5/8" x 3/4"	1.0	\$ 4,851
3/4"	1.5	\$ 7,277
1"	2.5	\$ 12,128
1.5"	5.0	\$ 24,255
2"	8.0	\$ 38,808
3"	16.0	\$ 77,616
4"	25.0	\$ 121,275
6"	50.0	\$ 242,550



Wastewater Reimbursement Fee Cost Basis

	Original Cost	Unused Capacity	Allocable Cost
Net Capital Assets (ending FY2005) (1)	\$ 3,199,491	0%	\$ -
Construction Work-in-Progress (2)	7,300,000	48%	3,504,000
Subtotal	\$ 10,499,491	33%	\$ 3,504,000
less: Net Utility Debt Principal Outstanding (3)	\$ 527,000	33%	\$ 175,876
less: Grants / Contributions (4)	633,772	33%	211,509
Subtotal	\$ 1,160,772	33%	\$ 387,385
 Allocable Unused Capacity			 \$ 3,116,615

Notes

(1) Source: June 30, 2005 Financial Statements and Required Comments and Disclosures (plus depreciation).

(2) Source: The Dyer Partnership, August 2006 review of existing demands / capacities and future capacities.

(3) Source: June 30, 2005 Financial Statements and Required Comments and Disclosures

(4) Source: June 30, 2005 and June 30, 2004 Financial Statements and Required Comments and Disclosures



Wastewater Improvement Fee Cost Basis

	Cost	Capacity Increasing	Allocable Cost
Total Capacity Increasing Projects	\$ -	0%	\$ -
plus: SDC Credits Outstanding			\$ -
less: FY2006 Ending Improvement SDC Fund Balance			-
Subtotal			\$ -
Allocable Capacity Increasing Cost			\$ -



SDC Comparison

City	Water [1]	Sewer [2]	Total
Pacific City [3]	5,659	5,273	10,932
Yachats (proposed)	\$ 3,133	\$ 4,851	\$ 7,984
Yachats (current)	3,279	4,378	7,657
Lincoln City	2,176	4,543	6,719
Florence	2,838	3,554	6,391
Sisters	2,895	2,994	5,889
Bend	3,385	1,973	5,358
Waldport [3]	2,412	2,925	5,337
Gleneden Beach [3] [4]	1,764	3,497	5,261
Redmond	2,092	2,105	4,197
Seaside [3]	2,873	675	3,548
Newport	1,800	1,500	3,300
Depoe Bay	1,808	1,282	3,090
Toledo	1,472	1,144	2,616
Warrenton [5]	50	50	100
Astoria	0	0	0

NOTES:

[1] Typical SFR: 5/8" x 3/4" meter

[2] Typical SFR: 5/8" x 3/4" meter and/or 1 EDU

[3] Minimum meter size: 3/4"

[4] Effective October 1st, 2006

[5] Does not include installation charges of \$650 for water and \$1,575 for sewer

