

CITY OF NEWPORT
RESOLUTION 3786

A RESOLUTION REPEALING AND REPLACING THE CITY OF NEWPORT'S
SYSTEM DEVELOPMENT CHARGE METHODOLOGY,
RATES, AND ADJUSTMENT PROCEDURE

WHEREAS, City of Newport imposes a portion of the cost of future improvements to its water, wastewater, storm drainage, transportation, and parks capital facilities on new development and redevelopment that creates the need for or increase the demands on these capital facilities. These fees are known as System Development Charges (SDCs); and

WHEREAS, state law requires that a methodology be prepared in order to establish SDCs and that such methodology must include (a) a capital improvement plan, (b) growth projections, (c) evidence that system capacity needs to be improved to meet service needs of future users, (d) projected costs of improvements that increase system capacity, and (e) the portion of those costs attributed to future demand; and

WHEREAS, City of Newport last updated its System Development Charge methodology in 2007, and has adjusted its SDCs annually based upon the Construction Cost Index published in the Engineering News Record; and

WHEREAS, a number of the City's capital facilities plans have been updated since the 2007 SDC methodology was adopted; and

WHEREAS, it is necessary to update the City's SDC methodology to (a) ensure that fees are only being collected for growth related capital projects likely to be needed within the next 20-years, (b) establish that growth projections for that same 20-year time period are reasonably accurate, (c) confirm that formulas used to assess SDC fees accurately account for the impact new development or redevelopment has on the capital system and are proportional to the scale of the project, (d) promote affordable housing by scaling charges based upon the size of new dwellings, and (e) gauge the cumulative impact of SDC rate adjustments to ensure they are in line with other similarly situated communities; and

WHEREAS, the consulting firm FCS Group was hired to update the City of Newport's SDC methodology and the City Council appointed a technical advisory committee of key community stakeholders to assist the consultant and staff in reviewing and updating the document; and

WHEREAS, the analysis and recommendations contained in the SDC methodology prepared by FCS Group, and vetted by the advisory committee and city staff, was developed in accordance with the standards imposed by Newport Municipal Code Chapter 12.15 and Oregon Revised Statute Chapter 223; and

WHEREAS, Adjustments to SDC rates are needed to account for changes in construction costs so that, over time, the revenue generated is adequate to finance capital projects that will be needed to support new development and redevelopment; and

WHEREAS, By making rate adjustments annually to account for inflationary impacts, future increases in SDC rates should be modest in size; and

WHEREAS, the final draft of the SDC methodology was presented to the Planning Commission at a public hearing on June 26, 2017, after which the Commission recommended the methodology be adopted; and

WHEREAS, the Newport City Council held public hearings on July 17, 2017 and August 7, 2017 and, after considering public testimony, the Planning Commission's recommendation and information contained in the record, voted to adopt the SDC methodology.

WHEREAS, the City has followed all state and local procedural requirements for adopting an SDC methodology and setting rates.

Based on these findings,

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. The System Development Charge Methodology titled "City of Newport System Development Charge Methodology," prepared by FCS Group, dated June 13, 2017 is hereby adopted.

Section 2. Effective September 6, 2017, the rates for SDCs collected by the City shall be as stated in the System Development Charge Methodology titled "City of Newport System Development Charge Methodology," prepared by FCS Group, dated June 13, 2017.

Section 3. SDC rates shall be adjusted annually by resolution at the beginning of each fiscal year to account for changes in construction costs as reflected in the Construction Cost Index published in the Engineering News Record. The adjustment shall be based upon the most recent Construction Cost Index available as of April 1st.

Section 4. All other previously adopted resolutions or enactments establishing System Development Charges, are hereby repealed to the extent that their provisions conflict with the System Development Charges set by this Resolution.

Section 5: The effective date of this resolution is September 6, 2017.

Adopted by a 4-2 vote of the Newport City Council on August 7, 2017.

Signed on August 7, 2017.


Sandra N. Roumagoux, Mayor

ATTEST:


Margaret M. Hawker, City Recorder

APPROVED AS TO FORM:



Steven E. Rich, City Attorney