



## Staff Report

**File #:** 17-636  
**Version:** 1

**Date:** 1/8/2018  
**Item #:**

**TO:** Mayor and City Council  
**THROUGH:** Steve Powers, City Manager  
**FROM:** Peter Fernandez, PE, Public Works Director

### **SUBJECT:**

Amendments to the Water System Development Charges Eligible Project List

Ward(s): All Wards  
Councilor(s): All Councilors  
Neighborhood(s): All Neighborhoods

### **ISSUE:**

Shall City Council adopt Resolution No. 2018-3 amending the Water System Development Charges Eligible Project List to specify eligibility of specific water mains?

### **RECOMMENDATION:**

Adopt Resolution No. 2018-3 (Attachment 1) amending the Water System Development Charges Eligible Project List to specify eligibility of specific water mains.

### **SUMMARY AND BACKGROUND:**

*Oregon Revised Statutes* (ORS) Chapter 223 authorizes the City of Salem to charge System Development Charges (SDCs) on new development to recover all or part of the cost of building certain infrastructure needed to serve developable land. SDC funds may only be expended on capital improvements associated with the system(s) for which the fees are collected.

Under ORS 223.309, the City is required to prepare a master plan and list of water-related projects that are to be funded with these SDCs. This list is commonly referred to as the "Water 309 List." Only projects on the Water 309 List can be funded with Water SDCs. However, the Water 309 List can be amended at any time by City Council to add or remove projects or make other modifications.

The current Water 309 List (Attachment 2) is not specific regarding the SDC eligibility of water distribution mains, listing them only as a summary item totaling approximately 80 million dollars. Recent development activity has necessitated that the eligibility of specific water mains be identified

on the Water 309 List.

SDC methodologies for Parks, Transportation, Water, Sewer, and Stormwater are currently being reviewed by a committee comprised of City Councilors and community stakeholders. Committee meetings have been held monthly since June 2017. Staff anticipates that new SDC methodologies, updated 309 lists for all infrastructures, and revised fee tables will be proposed to City Council for adoption in summer 2018.

## FACTS AND FINDINGS:

1. The current Water SDC methodology was adopted by City Council on June 9, 2008, under Resolution No. 2008-68. The most recent Water 309 List was adopted by City Council on May 29, 2012, under Resolution No. 2012-32.
2. The water main projects being clarified on the Water 309 List are explained as follows:
  - a. 12-inch main: Burright SE to 32nd Ave SE. Construction of this water main (Attachment 3) was required as a condition of approval for a new industrial park located in the 4400 block of Burright Lane and for a new medical research facility located at 3311 Marietta Street SE. The developers are eligible for reimbursement of 56 percent of the total cost of the 12-inch water main, which represents the cost of the main exceeding that of an 8-inch water main needed to serve the developments.
  - b. 12-inch main: Whispering Heights (Internal). Construction of these water mains (Attachment 4) was required as a condition of approval for Whispering Heights subdivision located at 2960 Michigan City Lane NW. The developer is eligible for reimbursement of 56 percent of the total cost of the 12-inch water main, which represents the cost of the main exceeding that of an 8-inch water main needed to serve the developments pursuant to SRC 41.160(a).
  - c. 12-inch main: Whispering Heights (External). Construction of these water mains (Attachment 5) was required as a condition of approval for Whispering Heights subdivision. The developer is eligible for reimbursement of 100 percent of the total cost of the 12-inch water main pursuant to SRC 41.160(a) because the development does not take direct service from the water main.
  - d. 12-inch and 16-inch mains: Illahe S-1 area. These water system improvements are needed to provide S-1 water service to the Illahe area in order to prevent the need for a temporary pump station (Attachment 6). Construction of these water mains is being required as a condition of approval for Illahe Forest subdivision. The developer is eligible for reimbursement of 100 percent of the total cost of the water system improvements that are not abutting the Illahe Forest subdivision and 56 percent of the

total cost of the 12-inch main abutting the subdivision.

Staff recommends approval of Resolution 2018-3 in order to specify SDC eligibility of developer-built water infrastructure.

**Attachments:**

1. Resolution 2018-3
2. Amended Water System Project List
3. Map - Burright Lane SE to 32nd Avenue SE
4. Map - Whispering Heights Internal
5. Map - Whispering Heights External
6. Illahe Forest S-1 Area