

Staff Report

File #: 19-76**Version:** 2**Date:** 2/25/2019**Item #:** 6. d.

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

Revised Report - Revised report to include public comment that was received during the comment period.

Notice of proposed administrative rulemaking to implement collection, reimbursement, and expenditure of System Development Charges.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance; Natural Environment Stewardship; Safe, Reliable, and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

ISSUE:

Notice of proposed administrative rulemaking to implement collection, reimbursement, and expenditure of System Development Charges pursuant to *Salem Revised Code* (SRC) Chapter 20J.040(a)(3).

RECOMMENDATION:

Information only.

SUMMARY:

SRC Chapter 20J allows the City Manager or the City Manager's designees to promulgate administrative rules that implement, and are consistent with, the *Salem Revised Code*. Before an administrative rule can be made effective, the public must be given notice of the proposed rule and an opportunity to comment.

City Council must be provided notice of the proposed rule, and may initiate review of the proposed

rule. This report serves as notice to City Council of the proposed rules concerning implementation, collection, reimbursement, and expenditure of System Development Charges.

FACTS AND FINDINGS:

The specific topics addressed in Administrative Rule 109-200:

- 1) Expenditure Policies - The cost basis for the SDC methodologies includes a list of infrastructure projects (309 List) for which the SDCs are expended. Administrative Rule 109-200 establishes guidelines that are to be used when adding or removing projects from the 309 List and when establishing eligibility of funding from SDCs.
- 2) Qualified Public Improvements - The amount of SDC reimbursement to developers is established to determine the reimbursable and non-reimbursable portions of a developer-built improvement.
- 3) Fee Collection - Specific details related to collection of SDCs are clarified to ensure consistent implementation of methodology policies.

The authority to promulgate administrative rules is granted under SRC 20J.030. SRC 20J.040 outlines the procedure for adopting an administrative rule. This procedure requires providing notice of the proposed rulemaking to the City Council along with other methods of public notice. Adopting the administrative rule allows interested persons to be included in the rulemaking process and is in the public interest.

City Council has the authority to review a proposed administrative rule. City Council's review authority is limited to determining whether the proposed rule is within the scope of the code authority, whether the rule is duplicative, or conflicts with, another rule or law, or if the proposed rule is outside of the City Manager's administrative rulemaking authority.

The public notice for the proposed administrative rule change was posted on February 8, 2019, and all public comments were due by February 25, 2019, at 5:00 p.m. ~~The City did not receive any public comments related to the proposed administrative rule change.~~ **UPDATE:** The City received public comments during the comment period and those comments have been added as an attachment to the report. The administrative rule will become effective on February 26, 2019.

BACKGROUND:

Administrative Rule 109-200 implements collection, reimbursement, and expenditure of System Development Charges (SDCs) as proposed in an update to SDC Methodologies under Resolution 2019-7. The methodology update process has been overseen by a seven-member SDC Methodology Committee, including two City Councilors, a member of the planning commission, a member of the

Salem Parks and Recreation Advisory Board, and three members of the public with experience in development and public infrastructure. The committee was chaired by Councilor Andersen. A number of the policies recommended by the committee had not previously existed for SDCs.

Robert D. Chandler, PhD, PE
Assistant Public Works Director

Attachments:

1. Notice of Administrative Rule Making 109-200
2. Administrative Rule 109-200