IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

95 - 332 FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of An Ordinance)	
Authorizing a Limited Exemption)	
to the System Development Charge)	
Established by Ordinance 573 for)	ORDINANCE 593
the Temporary Placement of)	
Manufactured Dwellings for the)	
Care of a Relative; Declaring an)	
Emergency; Effective)	
June 12, 1995.)	

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON ("the Board") sat for the transaction of county business in regular session on June 7, 1995, commissioners Dennis L. Goecks, Robert Johnstone and Thomas E. E. Bunn.

THE BOARD MAKES THE FOLLOWING FINDINGS:

- 1. On June 8, 1995 the Board adopted Ordinance 573 to impose a system development charge on certain development. In adopting Ordinance 573, the Board made the following findings, all of which remain sound:
 - A. Future growth should contribute its fair share to the cost of improvements and additions to County parks and recreation facilities that are required to accommodate the needs of such growth.
 - B. The imposition of system development charges will provide a source of revenue to fund the construction or improvement of the County's parks and recreation facilities necessitated by growth.
 - C. ORS 223.297 to 223.314 authorizes local governments to impose system development charges under certain circumstances. System development charges are charges incurred upon the decision to develop property at a specific use, density and/or intensity, and the incurred charge equals, or is less than the actual cost of providing public facilities commensurate with the needs of the chosen use, density, and/or intensity. Decisions regarding uses, densities, and/or intensities cause direct and proportional changes in the amount of the incurred charge.
 - D. System development charges are separate from and in addition to any applicable tax assessment, charge, fee in lieu of assessment, or other fee provided by law or imposed as a condition of development.

- E. System development charges are fees for services because they are based upon a development's receipt of services considering the specific nature of the development.
- F. System development charges are imposed on the activity of development, not on the land, owner, or property, and therefore, are not taxes on property or on a property owner as a direct consequence of ownership of property within the meaning of Section 11b, Article XI of the Oregon Constitution or the legislation implementing that section.
- G. This Ordinance is intended only to be a financing mechanism for needed extra capacity capital facilities associated with new development and does not represent the consideration of land use planning issues, funding for maintenance of existing facilities, or elimination of any possible existing capacity deficiencies.
- 2. The system development charge adopted by Ordinance 573, June 8, 1994 should be modified to address the following concern of the Board: It is unreasonable to assess a system development charge against the temporary placement of a manufactured dwelling allowed under the Yamhill County Zoning Ordinance for the term of a hardship suffered by the existing relative or resident. An additional exemption in Section 3.4 of Ordinance 573 is necessary to address this concern.
- 3. This ordinance is necessary to amend Ordinance 573 to add the exemption stated in paragraph 2. NOW, THEREFORE,

THE YAMHILL COUNTY BOARD OF COMMISSIONERS ORDAINS AS FOLLOWS:

Section 1. POLICY, PURPOSE AND TITLE

1.1 POLICY. The Board recognizes that ORS 223.297 to 223.314 authorizes local governments to impose system development charges on new development for the purpose of providing a source of funding for certain capital facilities, including parks and recreation facilities, which will serve needs created by such development.

The Board further recognizes that if system development charges are not imposed on future development, a burden will be placed on current residents of the County who will be faced with the choice of either paying increased taxes and/or other fees in order to provide the additional parks and recreation facilities required to serve future development, or experiencing reduced levels of service at such facilities as a result of overcrowding.

Pursuant to the provisions of ORS 223.297 to 223.314, the Board finds it necessary to impose system development charges on new development for the purpose of providing a source of funding for parks and recreation capital facilities to serve new development.

1.2 PURPOSE. ORS 223.304 requires that system development charges must be established by ordinance or resolution. The ordinance or resolution must set forth a methodology that considers the cost of projected capital improvements needed to increase the capacity of facilities to meet the needs of future development and it must provide for a credit against the system

development charge for the construction of a "qualified public improvement". This ordinance is enacted to comply with these requirements and to:

- (1) Identify exemptions from the system development charge,
- (2) Provide for appeals and review hearings,
- (3) Provide for a periodic review of the system development charge methodology and rates,
- (4) Establish a trust account,
- (5) Outline authorized and prohibited uses of system development charge revenues,
- (6) Provide for an annual accounting report, and
- (7) Establish a procedure for challenging expenditures of system development charge revenues.
- 1.3 TITLE. This ordinance may be cited as the "Yamhill County Parks and Recreation System Development Charge Ordinance".

Section 2. RULES OF CONSTRUCTION AND DEFINITIONS

- 2.1 RULES OF CONSTRUCTION. For the purposes of administration and enforcement of this ordinance, unless otherwise stated in this ordinance, the following rules of construction shall apply:
 - (1) In case of any difference of meaning or implication between the text of this ordinance and any caption, illustration, summary table, or illustrative table, the text shall control.
 - (2) The word "shall" is always mandatory and not discretionary: the word "may" is permissive.
 - (3) Words used in the present tense shall include the future; words used in the singular shall include the plural and the plural the singular, unless the context clearly indicates the contrary; and use of the masculine gender shall include the feminine gender.
 - (4) The phrase "used for" includes "arranged for", "designed for", "maintained for", or "occupied for".
 - Onless the context clearly indicates the contrary, where a regulation involves two or more items, conditions, provisions, or events connected by the conjunction "and", "or" or "either...or", the conjunction shall be interpreted as follows:

- (a) "And" indicates that all the connected terms, conditions, provisions or events shall apply.
- (b) "Or" indicates that the connected items, conditions, or provisions or events may apply singly or in any combination.
- (c) "Either...or" indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.
- (6) The word "includes" shall not limit a term to the specific example, but is intended to extend its meaning to all other instances or circumstances of like kind or character.
- 2.2 DEFINITIONS. As used in this ordinance, the terms defined in this section shall have the defined meanings unless the context requires otherwise. The following definitions apply:
 - (1) "Applicant" shall mean the owner or other person who applies for a building permit or development permit within Yamhill County.
 - "Building" shall mean any structure, either temporary or permanent, built for the support, shelter or enclosure of persons, chattels or property of any kind. This term shall include tents, trailers, mobile homes or any vehicles serving in any way the function of a building. This term shall not include temporary construction sheds or trailers erected to assist in construction and maintained during the term of a building permit.
 - "Building Permit" shall mean an official document or certificate authorizing the construction or siting of any building. For purposes of this Ordinance, the term "Building Permit" shall also include any construction, installation or placement permit which may be required for those structures or buildings, such as a mobile home, that serve as dwelling units but do not require a building permit in order to be occupied.
 - (4) "Capital Improvements" shall mean public facilities or assets used for parks and recreation purposes.
 - (5) "Citizen or Other Interested Person" shall mean any person who is a legal resident of the Yamhill County as evidenced by registration as a voter in the County, or by other proof of residency; or a person who owns, occupies, or otherwise has an interest in real property which is located within the County or is otherwise subject to the imposition of system development charges, as outlined in Section 3 of this ordinance.
 - (6) "County" shall mean Yamhill County, Oregon.

- (7) "Credit" shall mean the amount of money by which the parks and recreation system development charge for a specific development may be reduced because of construction of eligible capital facilities as outlined in this ordinance.
- (8) "Development" shall mean a building or other land construction, or making a change in the use of a structure or land, in a manner which increases the usage of any capital improvements or which will contribute to the need for additional or enlarged capital improvements.
- (9) "Dwelling Unit" shall mean a building or a portion of a building designed for residential occupancy, consisting of one or more rooms which are arranged, designed or used as living quarters for one family only.
- (10) "Encumbered" shall mean monies committed by contract or purchase order in a manner that obligates the County to expend the encumbered amount upon delivery of goods, the rendering of services, or the conveyance of real property provided by a vendor, supplier, contractor or Owner.
- (11) "Improvement Fee" shall mean a fee for costs associated with capital improvements to be constructed after the effective date of this ordinance. Notwithstanding anything in this ordinance to the contrary, it is an incurred charge or cost based upon the use of or the availability for use of the systems and capital improvements required to provide services and facilities necessary to meet the routine obligations of the use and ownership of property, and to provide for the public health and safety upon development.
- "Owner" shall mean the person holding legal title to the real property upon which development is to occur.
- (13) "Person" shall mean an individual, a corporation, a partnership, an incorporated association, or any other similar entity.
- (14) "Qualified Public Improvement" shall mean a capital improvement that is:
 - (a) Required as a condition of development approval;
 - (b) Identified in the capital improvement plan adopted pursuant to Section 4.4; and
 - (c) (i) Not located on or contiguous to property that is the subject of development approval, or
 - (ii) Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

- (15) "System Development Charge" shall mean an improvement fee assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit or building permit. System development charges are separate from and in addition to any applicable tax, assessment, fee in lieu of assessment, or other fee or charge provided by law or imposed as a condition of development. In this ordinance, "SDC" refers to the system development charge.
- (16) "Yamhill County Parks and Recreation System Development Charge Methodology Report" shall mean the report adopted pursuant to Section 3.2, as amended and supplemented pursuant to Section 3.8.

Section 3. IMPOSITION OF SYSTEM DEVELOPMENT CHARGES

3.1 DEVELOPMENT SUBJECT TO CHARGES. System development charges are imposed on all new residential development within the unincorporated area of Yamhill County and for the change in use, alteration, expansion or replacement of a dwelling unit if such change in use, alteration, expansion or replacement results in an increase in the number of dwelling units compared to the present use of the development. The system development charges shall be paid in addition to all other fees, charges and assessments due for development, and are intended to provide funds only for parks and recreation capital improvements necessitated by new development.

3.2 RATES OF CHARGES; OFFSET.

- (1) The County hereby adopts and incorporates by reference the report attached as Exhibit "A" to this ordinance entitled "Yamhill County Parks and Recreation System Development Charges Methodology Report", dated March 9, 1994. Exhibit "A" is expressly made a part of this ordinance by reference.
- (2) Based on the methodology report attached as Exhibit "A", the County hereby adopts a system development charge at the following rates for the following types of dwelling units:

Type of Dwelling Unit

System Development Charge Per Unit

Single Family	\$403.68
Multi-Family (for each unit)	
Mobile Home	

(3) Upon request by the applicant made prior to issuance of the building permit, any system development charge imposed by this ordinance shall be reduced by the amount previously paid as a fee to the Park Trust Fund under Section 9.020 of the Yamhill County Land Division Ordinance, No. 205, as amended by Ordinances 427 and 529, that was attributable to the parcel for which the applicant's building permit or development permit has been issued.

- 3.3 PAYMENT OF CHARGES. Except as may be provided elsewhere in this ordinance, applicants for building permits within Yamhill County shall pay the applicable system development charges prior to the issuance of the permit.
- 3.4 EXEMPTIONS. The following development shall be exempt from payment of the parks and recreation system development charges:
 - (1) Non-residential development.
 - (2) Alterations, expansion or replacement of an existing dwelling unit where no additional dwelling units are created.
 - (3) The construction of accessory buildings or structures which will not create additional dwelling units and which do not create additional demands on the County's capital improvements.
 - (4) Development with vested rights, determined as follows:
 - (a) Any owner of land which was the subject of a building permit or development permit issued prior to the effective date of this ordinance may petition the County for a vested rights determination which would exempt the landowner from the provisions of this ordinance for the property subject to the permit. Such petition shall be evaluated by the County Counsel and a decision made by the Board of County Commissioners based on the following criteria:
 - (i) The existence of a valid, unexpired permit issued by the County authorizing the specific development for which a determination is sought;
 - (ii) Substantial expenditures or obligations made or incurred in reliance upon the authorizing governmental act;
 - (iii) Other factors that demonstrate it is highly inequitable to deny the owner the opportunity to complete the previously approved development under the conditions of approval by requiring the owner to comply with the requirements of this ordinance. For the purposes of this paragraph, the following factors shall be considered in determining whether it is inequitable to deny the owner the opportunity to complete the previously approved development:
 - (A) Whether the injury suffered by the owner outweighs the public cost of allowing the development to go forward without payment of the system development charges required by this ordinance; and

- (B) Whether the expenses or obligations for the development were made or incurred prior to the effective date of this Ordinance.
- (5) Temporary placement of a manufactured dwelling authorized under the Yamhill County Zoning Ordinance as a conditional use where the placement is allowed in conjunction with an existing dwelling as a temporary use for the term of a hardship suffered by the existing resident or relative.
- 3.5 CREDITS. The County shall grant a credit against the system development charges imposed pursuant to Sections 3.1 and 3.2 for the donation or construction of qualified public improvements.
 - (1) A qualified public improvement is land or a capital facility which is:
 - (a) Required as a condition of development approval;
 - (b) Identified in the capital improvement plan adopted pursuant to Section 4.4; and
 - (c) (i) Not located on or contiguous to property that is the subject of development approval, or
 - (ii) Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.
 - (2) Prior to issuance of a building permit or development permit, the applicant shall submit to the Director of Planning and Development a proposed plan and estimate of cost for contributions of qualified public improvements. The proposed plan and estimate shall include:
 - (a) a designation of the development for which the proposed plan is being submitted;
 - (b) a legal description of any land proposed to be donated and a written appraisal prepared in conformity with Section 3.6(3)(a);
 - (c) a list of the contemplated capital improvements contained within the plan;
 - (d) an estimate of proposed construction costs certified by a professional architect or engineer; and
 - (e) a proposed time schedule for completion of the proposed plan.

- (3) The credit provided for construction of a qualified public improvement shall be only for the cost of that portion of such improvement that exceeds the minimum standard facility size or capacity needed to serve the particular development project or property. The applicant shall have the burden of demonstrating that a particular improvement qualifies for credit. The amount of credit to be applied shall be determined according to the following standards of valuation:
 - (a) The value of donated lands shall be based upon a written appraisal of fair market value by a qualified and professional appraiser based upon comparable sales of similar property between unrelated parties in a bargaining transaction; and
 - (b) The cost of anticipated construction of qualified public improvements shall be based upon cost estimates certified by a professional architect or engineer.
- (4) If a donation or construction of a qualified public improvement gives rise to a credit amount greater than the amount of the parks and recreation SDC that would otherwise be levied against the project receiving development approval, the excess credit may be applied against parks and recreation SDC's that accrue in subsequent phases of the original development project. Any excess credit must be used not later than ten years from the date the credit is given.
- (5) The decision of the Director of Planning and Development as to whether to accept the proposed plan of contribution and the value of such contribution shall be in writing and issued within fifteen (15) working days of the review. A copy shall be provided to the applicant.
- (6) Any applicant who submits a proposed plan pursuant to this Section and desires the immediate issuance of a building permit or development permit, shall pay the applicable system development charges. Said payment shall be deemed paid under "protest" and shall not be construed as a waiver of any review rights. Any difference between the amount paid and the amount due, as determined by the Director of Planning and Development, shall be refunded to the applicant. In no event shall a refund by County under this subsection exceed the amount originally paid by the applicant.

3.6 APPEALS AND REVIEW HEARINGS.

- (1) An applicant who is required to pay a system development charge shall have the right to request a hearing to review the denial of either of the following:
 - (a) A petition for vested rights pursuant to Section 3.5(5), or
 - (b) A proposed credit for contribution of qualified public improvements pursuant to Section 3.6.

- (2) Such hearing shall be requested by the applicant within thirty (30) days of the date of first receipt of the denial. Failure to request a hearing within the time provided shall be deemed a waiver of such right.
- (3) The request for hearing shall be filed with the Board and shall contain the following:
 - (a) The name and address of the applicant;
 - (b) The legal description of the property in question;
 - (c) If issued, the date the building permit or development permit was issued;
 - (d) A brief description of the nature of the development being undertaken pursuant to the building permit or development permit;
 - (e) If paid, the date the system development charges were paid; and
 - (f) A statement of the reasons why the applicant is requesting the hearing.
- (4) Upon receipt of such request, the County shall schedule a hearing before the Board at a regularly scheduled meeting or a special meeting called for the purpose of conducting the hearing and shall provide the applicant written notice of the time and place of the hearing. Such hearing shall be held within forty-five (45) days of the date the request for hearing was filed.
- (5) Such hearing before the Board shall be conducted in a manner designed to obtain all information and evidence relevant to the requested hearing. Formal rules of civil procedures and evidence shall not be applicable; however, the hearing shall be conducted in a fair and impartial manner with each party having an opportunity to be heard and to present information and evidence.
- (6) Any applicant who requests a hearing pursuant to this Section and desires the immediate issuance of a building permit or development permit shall pay prior to or at the time the request for hearing is filed the applicable system development charges pursuant to Section 3.2. Said payment shall be deemed paid under "protest" and shall not be construed as a waiver of any review rights.
- (7) An applicant may request a hearing under this Section without paying the applicable system development charges, but no building permit or development permit shall be issued until such system development charges are paid in the amount initially calculated or the amount approved upon completion of the review provided in this Section.
- 3.7 REVIEW. This ordinance and the Yamhill County Parks and Recreation System Development Charge Methodology Report shall be reviewed at least once every four years. The

review shall consider new estimates of population and other socioeconomic data, changes in the cost of construction and land acquisition, and adjustments to the assumptions, conclusions or findings set forth in the report adopted by Section 3.2. The purpose of this review is to evaluate and revise, if necessary, the rates of the system development charges to assure that they do not exceed the reasonably anticipated costs of the County's capital improvements. In the event the review of the ordinance or the report alters or changes the assumptions, conclusions and findings of the report, or alters or changes the amount of system development charges, the report adopted by reference in Section 3.2 shall be amended and updated to reflect the assumptions, conclusions and findings of such reviews and Section 3.2 shall be amended to adopt by reference such updated reports.

Section 4. RECEIPT AND EXPENDITURE OF SYSTEM DEVELOPMENT CHARGES

- 4.1 TRUST ACCOUNT. The County hereby establishes a separate trust account in a fund to be designated as the "Parks and Recreation SDC Account", and which shall be maintained separate and apart from all other accounts of the County. All parks and recreation system development charge payments shall be deposited into this fund immediately upon receipt.
- 4.2 USE OF SYSTEM DEVELOPMENT CHARGES. The monies deposited into the trust account shall be used solely for the purpose of providing capital improvements necessitated by development, including, but not limited to:
 - (1) design and construction plan preparation;
 - (2) permitting and fees;
 - (3) land and materials acquisition, including any costs of acquisition or condemnation;
 - (4) construction of improvements and structures;
 - (5) design and construction of new drainage facilities required by the construction of capital improvements and structures;
 - (6) relocating utilities required by the construction of improvements and structures;
 - (7) landscaping;
 - (8) construction management and inspection;
 - (9) surveying, soils and material testing;
 - (10) acquisition of capital equipment;
 - (11) repayment of monies transferred or borrowed from any budgetary fund of the County which were used to fund any of the capital improvements as herein provided;

- (12) payment of principal and interest, necessary reserves and costs of issuance under any bonds or other indebtedness issued by the County to fund capital improvements;
- (13) direct costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charges methodologies, providing an annual accounting of system development charges expenditures or preparing a capital improvement plan.
- (14) administrative costs associated with collection of system development charge revenues.
- any other costs directly attributable to the provision of capital improvements necessitated by development.
- 4.3 PROHIBITED USES OF SYSTEM DEVELOPMENT CHARGES. Funds on deposit in system development charge trust accounts shall not be used for:
 - (1) any expenditure that would be classified as a routine maintenance or repair expense; or
 - (2) costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements.

4.4 AUTHORIZED CAPITAL IMPROVEMENTS.

- (1) Any capital improvement being funded wholly or in part with system development charges revenue shall be included in the County's capital improvement program. The capital improvement program shall:
 - (a) list the specific capital improvement projects that may be funded with system development charges revenues;
 - (b) provide the cost of each capital improvement project; and
 - (c) provide the estimated timing of each capital improvement project.
- (2) The capital improvement program in effect at the time of the adoption of this ordinance is attached to this ordinance as the Exhibit "B" entitled "Yamhill County Parks and Recreation Capital Improvement Plan (1994-1997)." The capital improvement plan may be amended from time to time by Board Order without the amendment of this ordinance. Any amendment of the capital improvement program shall be consistent with the requirements of this ordinance.
- 4.5 INVESTMENT OF TRUST ACCOUNT REVENUES. Any funds on deposit in the system development charges trust account which are not immediately necessary for expenditure

shall be invested by the County as deemed appropriate by the county treasurer. All income derived from such investments shall be deposited in the system development charges trust account and used as provided herein.

- 4.6 REFUNDS OF SYSTEM DEVELOPMENT CHARGES. System development charges shall be refunded in accordance with the following requirements:
 - (1) An applicant or owner shall be eligible to apply for a refund if:
 - (a) The building permit or development permit has expired and the development authorized by such permit has not been substantially completed; or
 - (b) The system development charges have not been expended or encumbered prior to the end of the fiscal year immediately following the tenth anniversary of the date upon which such charges were paid. For the purposes of this Section, system development charges collected shall be deemed to be expended or encumbered on the basis of the first system development charges in shall be the first system development charges out.
 - (2) The application for refund shall be filed with the Director of Planning and Development and contain the following:
 - (a) The name and address of the applicant;
 - (b) The location of the property which was the subject of the system development charges;
 - (c) A notarized sworn statement that the petitioner is the then current owner of the property on behalf of which the system development charges were paid, including proof of ownership, such as a certified copy of the latest recorded deed;
 - (d) The date the system development charges were paid;
 - (e) A copy of the receipt of payment for the system development charges; and, if appropriate,
 - (f) The date the building permit or development permit was issued and the date of expiration.
 - (3) The application shall be filed within ninety (90) days of the expiration of the building permit or development permit or within ninety (90) days of the end of the fiscal year following the tenth anniversary of the date upon which the system development charges were paid. Failure to timely apply for a refund of the system development charges shall waive any right to a refund.

- (4) Within thirty (30) days from the date of receipt of a petition for refund, the County will advise the petitioner of the status of the request for refund, and if such request is valid, the system development charges shall be returned to the petitioner.
- (5) A building permit or development permit which is subsequently issued for a development on the same property which was the subject of a refund shall pay the systems development charges as required by Section 3 of this ordinance.
- 4.7 ANNUAL ACCOUNTING REPORT. The County shall prepare an annual report accounting for system development charges, including the total amount of system development charges revenue collected, and the capital improvement projects that were funded.
- 4.8 CHALLENGE OF EXPENDITURES. Any citizen or other interested person may challenge an expenditure of system development charges revenues.
 - (1) Such challenge shall be submitted, in writing, to the Director of Planning and Development for review within two years following the subject expenditure, and shall include the following information:
 - (a) The name and address of the citizen or other interested person challenging the expenditure;
 - (b) The amount of the expenditure, the project, payee or purpose, and the approximate date on which it was made; and
 - (c) The reason why the expenditure is being challenged.
 - (2) If the County determines that the expenditure was not made in accordance with the provisions of this ordinance and other relevant laws, a reimbursement of system development charges trust account revenues from other revenue sources shall be made within one year following the determination that the expenditures were not appropriate.
 - (3) The County shall make written notification of the results of the expenditure review to the citizen or other interested person who requested the review within ten (10) days of completion of the review.

Section 5. SEVERABILITY

5.1 If any clause, section or provision of this ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said ordinance shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

Section 6. EFFECTIVE DATE

This ordinance, being necessary for the health, safety and welfare of the citizens of Yamhill County and an emergency having been declared to exist, shall become effective June 12, 1995.

Section 7. REPEAL OF ORDINANCE 573.

7.1 Ordinance 573 is repealed as of the effective date of this ordinance.

DONE at McMinnville, Oregon this 7th day of June, 1995.

YAMHILL COUNTY BOARD OF COMMISSIONERS

Chairman

DENNIS L. GOECKS

FORM APPROVED BY:

JOHN M. GRAY, JR Yamhill County Counsel

homos E.E.

THOMAS E. E. BUNN

Accepted by Yamhill County Board of Commissioners on

6 - 7-95 by Board Order

95-242