

System Development Charges

Administrative Procedures Manual

*Adopted by the Board of Directors on January 8, 2025
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Section 1: Purpose; Authority; SDC Framework

A. Purpose. Future growth within the Willamalane Park and Recreation District (the “District”) should contribute its fair share to the cost of capacity-increasing acquisitions and improvements to parks, trails and recreation facilities needed to accommodate such growth. The District’s system development charges (“SDCs”) will provide a source of revenue to finance the acquisition, construction, improvement or expansion of District parks, trails, and recreation facilities to accommodate growth.

B. Authority. ORS 223.297 – 223.316 (the “SDC Act”) authorizes local governments, including special districts, to impose SDCs for parks and recreation. The District Board of Directors adopted Resolution No. 24-25-03: *A Resolution Adopting a Methodology for Calculating System Development Charges; Adopting an SDC Capital Projects List; Establishing an SDC Fee Schedule, and Providing for Credits* on January 8, 2025.

C. SDC Framework.

1. Administrative Procedures Manual. This SDC Administrative Procedures Manual (the “Manual”) will provide procedures for the implementation and administration of the District’s SDCs, which are imposed in accordance with Section 4.
2. SDC Fees. The District’s SDC fee, which is established by Resolution No. 24-25-03 and imposed in accordance with this Manual, are separate from and in addition to any applicable tax, assessment, charge or fee otherwise provided by law or imposed as a condition of development.
3. Amendments. The District’s SDCs, established by District Resolution No. 24-25-03, and this Manual, adopted by District Resolution No. 25-26-01, may be revised from time to time, by separate resolution(s) of the District Board. A change in the District’s SDCs or this Manual shall not require a change to the SDC Methodology Report.

SECTION 2: DEFINITIONS

“Accessory Dwelling Unit” means a small, self-contained dwelling that is allowed under City code in conjunction with a primary dwelling and has a separate entrance, kitchen, bathroom and sleeping area.

“Adult Congregate Living Facility” means any institution, building or buildings, residential facility for elderly individuals or individuals with disabilities, or other place, operated as a nonprofit corporation that undertakes through its ownership or management to provide housing, meals and the availability of other supportive services, and is defined in ORS 441.525 (1), as may be amended.

“Adult Foster Home” means any family home or facility in which residential care is provided in a homelike environment for five or fewer adults who are not related to the provider by blood or marriage, and is defined in ORS 443.705 (1), as may be amended.

“Applicant” means the Owner or other person, including any business or entity, who applies for a Building Permit from the City for Development within the District boundaries.

“Bancroft Bonding Act” has the meaning set forth in Section 8 (A).

“Board” means the duly elected Board of Directors of the District.

“Building Area” means the gross floor area included within surrounding exterior walls of a Residential Development, including both attached and detached garages.

“Building Permit” means an official permit or certificate issued by the City or County authorizing: (1) construction of a building or structure; (2) other land construction; or (3) certain modifications to an existing building or structure, all in accordance with City or County Code. The term “Building Permit” also includes a Manufactured Dwelling Placement Permit issued by the City or County relating to the placement of manufactured homes within the District boundaries.

“Certificate of Occupancy” means an official permit or certificate issued by the City or County verifying the building or structure is safe to occupy and meets all applicable building codes and laws.

“Change in Use” means conversion of a building, or portion thereof, from Non-Residential to Residential.

“City” means the City of Springfield, Oregon.

“County” means Lane County, Oregon.

“Development” means construction of a building or structure or other land construction or making a modification to an existing building or structure (such as a Change in Use or Expansion): (1) in a manner that increases the usage of the District’s capital improvements or which may contribute to the need for additional or enlarged District capital improvements; and (2) for which a Building Permit is required. Development includes Residential Development and Non-Residential Development.¹

“District” means the Willamalane Park and Recreation District, an Oregon special district.

“Dwelling Unit” means a building or a portion of a building, which consists of one or more rooms including sleeping, cooking and plumbing facilities, and which is designed as permanent living quarters for one or more persons.

“Executive Director” means the Executive Director of the District.

¹ In accordance with District Resolution No. 24-25-03, and Section 4 of this Manual, the District’s SDC is only imposed on Residential Development at this time.

“Expansion” means an expansion or increase of the square footage of the Building Area of a Residential Development.

“Hospice Care Program” means a coordinated program of home and inpatient care, available 24 hours a day, that utilizes an interdisciplinary team of personnel trained to provide palliative and supportive services to a patient-family unit experiencing a life-threatening disease with a limited prognosis, and is defined in ORS 443.850 (1), as may be amended.

“Improvement Fee” means a fee for costs associated with capacity-increasing capital improvements to be constructed after the effective date of District Resolution No. 24-25-03.

“Interested Person” has the meaning set forth in Section 11 (E).

“Manual” has the meaning set forth in Section 1 (C)(1).

“Memory Care Communities” means a residential care facility with a memory care endorsement, all in accordance with and as defined by ORS 443.886 and 443.887, as may be amended.

“Non-Residential Development” means any Development that does not include one or more Dwelling Units.

“Owner” means the owner or owners of record of real property as shown in the official records of the County, or a person purchasing a piece of property under a contract of sale.

“Previous Use” means the most intensive use conducted at the site of the Development within the past eighteen (18) months prior to the date of application for a Building Permit. Where the site was used simultaneously for several different uses (mixed use) then all of the specific use categories shall be considered. Where the Previous Use is composed of a primary use with one or more ancillary uses that support the primary use and are owned and operated in common, that primary use shall be deemed to be the sole Previous Use of the site of the Development.

“Qualified Public Improvement” means a capital improvement that is:

1. Required as a condition of development approval;
2. Identified in the District’s adopted SDC Capacity Improvement Projects List; and
 - a. Not located on or contiguous to property that is the subject of development approval, or
 - b. Located in whole or in part on or contiguous to property that is the subject of development approval and, in the opinion of the Executive Director, is required to be built larger or with greater capacity than is necessary for the Applicant’s Development to which the Improvement Fee is related.

“Reimbursement Fee” means a fee for costs associated with capital improvements already constructed or under construction when the Reimbursement Fee is established, for which the District determines that capacity exists. The SDC Methodology Report does not include a Reimbursement Fee.

“Residential Development” means any Development that includes one or more Dwelling Units.

“Residential Facility” means a residential care facility, residential training facility, residential treatment facility, residential training home, residential treatment home or conversion facility and is defined in ORS 443.400 (8), as may be amended.

“SDC Act” has the meaning set forth in Section 1 (B).

“SDC Capacity Improvement Project” means a capital improvement project that is in the District’s SDC Capacity Improvement Projects List.

“SDC Capacity Improvement Projects List” means the planned capital improvements set forth in Appendices B and C to the SDC Methodology Report, unless otherwise modified by the District Board by resolution, and which identifies all of the major parks and recreation system and facilities capacity improvements projected to be funded, in whole or in part, with SDC revenues and the estimated cost, timing and percentage of costs for each capital improvement eligible to be funded with SDC revenues.

“SDC Methodology Report” means that report entitled *Willamalane Park and Recreation District System Development Charge Methodology Update, dated September 19, 2024*, which was adopted by the Board as the statutory methodology required by ORS 223.304 in District Resolution No. 24-25-03.

“System Development Charge” or **“SDC”** means an Improvement Fee imposed on Development within the District’s boundaries at the time of the issuance of a Building Permit or at such other time as set forth in Section 8, or at such time as may be designated by resolution of the Board.

SECTION 3: ADOPTION OR AMENDMENT OF METHODOLOGY

A. Improvement Fee Methodology. The methodology used to establish or modify an Improvement Fee shall: (1) consider the estimated cost of projected capital improvements needed to increase the capacity of the system to which the fee is related; (2) be calculated to obtain the cost of capital improvements for the projected need for future system users; and (3) in all other respects, comply with the requirements of ORS 223.304 (2).

B. Public Hearing. The Board shall hold a public hearing prior to adopting or amending the methodology on which any SDC is based. Notice of the public hearing shall be as provided in Section 13 and as required by the SDC Act.

C. Adopted by Resolution. The methodology used to establish or modify an Improvement Fee or Reimbursement Fee, or both, shall be adopted by separate resolution of the District Board.

- D. Changes in Amount of SDC Fee.** A change in the amount of a Reimbursement Fee or Improvement Fee is not a modification of the methodology if that change is based on: (1) a change in project costs; including cost of materials, labor and real property applied to projects or project capacity as shown on the SDC Capacity Improvements Project List; or (2) the periodic application of one or more cost indices as set forth in Section 5 (B).

SECTION 4: APPLICABILITY; CALCULATION OF SDCs; CHANGE IN USE; EXPANSION

- A. Application of District's SDC.** The District's SDC is imposed upon all new Residential Development within the District boundaries unless: (1) such Residential Development is specifically exempted from the District's SDC pursuant to Section 6; or (2) the District's SDC is waived, pursuant to Section 7.

- B. Calculation of SDCs.** The District's SDC is calculated as follows:

1. Residential Development. Subject to a minimum (of 652 square feet) and a maximum (of 2,605 square feet), Residential Development shall be charged per square foot of the Building Area of the Residential Development. Such calculation of the District's SDC for Residential Development is described as follows:

<u>Square Footage</u>	<u>Calculation of District's SDC</u>
Up to 652 square feet	District's minimum SDC is charged
Over 652 square feet to 2,604 square feet	District's minimum SDC + SDC fee per square foot for square footage over 652 square feet
2,605 square feet and above	District's maximum SDC is charged

The SDC rate per square foot shall be that most recently adopted by the Board by resolution.

- C. Change in Use.** Where there is a Change in Use, the District's SDC shall be charged as set forth herein.

1. Calculate an SDC as though the entire Development was subject to the SDC.
2. Calculate an SDC on the Previous Use, before the Change in Use, as though the Previous Use was subject to the SDC.
3. Calculate the net SDC amount by subtracting the result of section (2) from the result of section (1). If the result is zero or less than zero, no SDC is due. No refund shall be granted as part of this calculation.

- D. Expansion.** Where there is an Expansion, the District's SDC shall be charged as set forth herein.

1. For Expansions of more than 300 square feet, calculate the SDC rate per square foot of such Expansion up to a maximum square footage of the Residential Development (including the Expansion) of 2,605 square feet.
2. Expansions of 300 square feet or less are exempt from the District's SDC.

Such calculation of the District's SDC for Expansions is described as follows:

<u>Square Footage of Expansion</u>	<u>Calculation of District's SDC</u>
300 square feet or less	Expansion is exempt from District's SDC
Over 300 square feet	SDC fee per square foot for total square footage of Expansion up to a total square footage of the Residential Development (including Expansion) of 2,605 square feet

The District's SDC per square foot shall be that most recently adopted by the Board by resolution.

SECTION 5: SDC RATES AND ANNUAL COST ADJUSTMENT

A. SDC Rates. The District's SDC rates were established by District Resolution No. 24-25-03 and are effective April 1, 2025. These rates shall be adjusted as provided in Resolution No. 24-25-03 and as further provided in Section 5 (B), below.

B. Annual Cost Adjustment.

1. Adjustment Through 2027. Effective January 1 of 2026 and 2027, the District's SDC rates shall be automatically adjusted as provided in Resolution No. 24-25-03.
2. Adjustment Effective January 1, 2028. ORS 223.304 (8) allows for the periodic adjustment in SDC rates based on changes in District-adopted indices. District-adopted indices shall be adopted by the Board by separate resolution.

SECTION 6: EXEMPTIONS

A. Exempt Development. Notwithstanding Section 4, the following Development is fully exempt from the District's SDC:

1. Temporary uses, so long as the use or structure proposed in the Development will be used for not more than 180 days in a single calendar year.
2. Hospice Care Programs, Memory Care Communities, Adult Foster Homes, Adult Congregate Living Facilities, and Residential Facilities.

B. Partial Exemption. Where Development includes a mix of exempt and non-exempt forms of Development, only that/those portion(s) of the Development that qualify under this Section 6

are eligible for an exemption. The balance of the Development that does not qualify for any exemption shall be subject to the District's SDC.

- C. Applying for Exemption.** Any Applicant seeking an exemption under this Section 6 shall request such exemption, in writing, no later than the time of application for the Building Permit. In support of the exemption request, the Applicant must provide complete and detailed documentation demonstrating that the Applicant is entitled to one of the exemptions described in Section 6 (A).
- D. Executive Director's Decision.** Within fourteen (14) days of the Applicant's submission of a request for exemption, the Executive Director shall provide a written decision explaining the basis for rejecting or accepting the request. The Executive Director shall grant the exemption if, in the Executive Director's opinion, the Applicant has demonstrated with credible, relevant evidence that it meets the pertinent criteria in Section 6 (A).
- E. Denial of an Exemption Request.** An Applicant whose request for exemption has been denied may: (1) request a partial exemption under Section 6 (B); or (2) appeal the denial to the Board pursuant to Section 14.
- F. Expiration of Exemption.** Exemptions expire upon conversion of the original use to another use.

SECTION 7: WAIVERS

- A. Waiver for Certain Designated Types of Residential Development.** The District Board may, by separate resolution, designate types of Residential Development for which a full or partial waiver of the District's SDC may be applied.
- B. Applying for Waiver.** Any Applicant seeking a waiver under this Section 7 shall request such waiver, in writing, no later than the time of application for the Building Permit. In support of such waiver request, the Applicant must: (1) provide complete and detailed documentation demonstrating that the Applicant is entitled to a waiver pursuant to any District Board adopted resolution; and (2) pay the District's administrative fee. The administrative fee covers staff costs for processing a request for waiver of the District's SDCs and fees for recording required documents in Lane County Deeds and Records.
- C. Executive Director's Decision.** Within fourteen (14) days of the Applicant's submission of a request for waiver, the Executive Director shall provide a written decision explaining the basis for rejecting or accepting the request. The Executive Director shall grant the waiver if, in the Executive Director's opinion, the Applicant has demonstrated with credible, relevant evidence that it meets the pertinent criteria in any District Board adopted resolution.
- D. Denial of Waiver Request.** An Applicant whose request for waiver has been denied may appeal the denial to the Board pursuant to Section 14.
- E. Expiration of Waiver.** If the property use under which a waiver was granted is modified or discontinued, the waiver will expire and the District's then-current SDCs will be due and

payable by the Owner unless otherwise determined by the District Board, by separate resolution.

SECTION 8: PAYMENT; DEFERRALS; COLLECTION

- A. When Payment is Due.** Except as may be required by ORS 223.205-223.295 (the “Bancroft Bonding Act”) or as provided in Section 8 (B), payment of the District’s SDC is due and payable in full at the time of issuance of the Building Permit. Notwithstanding the foregoing, the District Board shall have the authority to implement, by resolution, a new or alternative time of collection for the District’s SDCs.²
- B. Deferrals.** Notwithstanding Section 8 (A), an Applicant may request to defer payment of the District’s SDC by submitting a completed District Deferral Application and Agreement. If such request is granted pursuant to Section 8 (D), payment of the District’s SDCs is due and payable in full at the time the Certificate of Occupancy is issued or two (2) years after the Building Permit is issued, whichever occurs earlier. Deferrals do not constitute a waiver of SDCs but rather a delay in the normal schedule for collection of the fee. Failure to timely pay deferred District SDC’s shall constitute a default under the District Deferral Agreement.
- C. Applying for Deferral.** Any Applicant seeking a deferral under this Section 8 shall request such deferral, on District forms, no later than the time of application for the Building Permit. Concurrent with requesting a deferral, an Applicant must pay the District’s administrative fee, which covers staff costs for processing a request for deferral of the District’s SDCs and fees for recording required documents in Lane County Deeds and Records.
- D. Executive Director’s Decision.** Within fourteen (14) days of the Applicant’s submission of a request for deferral, the Executive Director shall provide a written decision explaining the basis for rejecting or accepting the request. The Executive Director shall grant the deferral if, in the Executive Director’s opinion, the Applicant has fully and accurately completed the District Deferral Application and Agreement.
- E. Denial of Deferral Request.** An Applicant whose request for deferral has been denied may appeal the denial to the Board pursuant to Section 14.
- F. Collection.** The District’s SDC fees will be based on the rates in effect on the date that the Building Permit is issued. If the District grants a deferment in accordance with Section 8 (D), the District’s SDC fees shall accrue interest starting from the date of issuance of the Building Permit until paid in accordance with Section 8 (B) at the Local Government Investment Pool average interest rate over the duration of the deferral period. The District’s SDC may be collected by the City and/or other local governments with whom the District may enter into agreement for such collection.

SECTION 9: CREDITS

- A. Credits.** Applicants may apply for credits against the amount of the District’s SDCs that would otherwise be imposed on Development, pursuant to Section 4, for the contribution of

² The District Board adopted Resolution No. 25-26-01 which authorizes deferrals of the District’s SDC fees in accordance with this Manual and which automatically expires on September 30, 2027.

land for, or for the construction of, any Qualified Public Improvements or any SDC Capacity Improvement Project.

B. Application for Credit. Prior to issuance of a Building Permit, the Applicant shall submit to the Executive Director a completed application requesting credits against the District's SDC for contribution of land for, or for the construction of, Qualified Public Improvements or an SDC Capacity Improvement Project. Such request shall include a completed District application as well as a proposed plan and estimate, which shall include, as applicable:

1. A designation of the Development for which the proposed plan is being submitted;
2. A legal description of any land proposed to be contributed and a written appraisal prepared in conformity with Section 9 (C)(1);
3. A list of the contemplated Qualified Public Improvements or SDC Capacity Improvement Project contained within the plan, including either:
 - i. How such improvements meet the criteria for "Qualified Public Improvement" or
 - ii. Evidence that the proposed improvements are on the SDC Capacity Improvement Project List and how they reduce the Development's demand upon existing capital improvements and/or the need for future capital improvements.
4. An estimate of proposed construction costs certified by a professional architect or engineer for either the Qualified Public Improvement or the SDC Capacity Improvement Project contained in the plan; and
5. A proposed time schedule for completion of the proposed plan.

C. Calculation of SDC Credit. The Applicant shall have the burden of demonstrating that a particular Qualified Public Improvement, SDC Capacity Improvement Project or contribution of land qualifies for a credit. The amount of the credit to be applied shall be determined as provided herein.

1. Land. The value of contributed 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 an arms-length transaction.
2. Construction Cost. The anticipated construction cost of the Qualified Public Improvements or SDC Capacity Improvement Project shall be based upon cost estimates certified by a professional architect or engineer.
3. Excess Capacity. If a Qualified Public Improvement is located in whole or in part on or contiguous to the property that is the subject of the Development and is required to

be built larger or with greater capacity than is necessary for the particular Development, a credit may be given only for the cost of the portion of the improvement that exceeds the District's minimum standard facility size or capacity needed to serve the particular Development or property.

4. SDC Capacity Improvement Project. A credit may be given for eligible costs as set forth in the District application.

D. Executive Director's Decision. The Executive Director shall respond to the Applicant's request in writing, within twenty-one (21) days of when a completed application requesting credits, pursuant to Section 9 (B), is submitted, regarding whether the District will proceed with the requested credit or if additional time or material is required to review the request. If additional time or material is required, the Executive Director shall notify the Applicant, in writing, of the amount of time and/or additional material required. If denied, the Executive Director shall provide a written explanation of the decision on the SDC credit request.

E. Development Agreement. If an SDC credit request is approved by the Executive Director, pursuant to Section 9 (D), and prior to the commencement of any work on a Qualified Public Improvement or SDC Capacity Improvement Project, the District and Applicant shall enter into an agreement specifying the conditions that must be satisfied in order for the Applicant to receive SDC credits.

F. Excess Credit; Payment of SDCs; Transferability; Expiration.

1. Excess Credit. If the contribution of land or construction of a Qualified Public Improvement or SDC Capacity Improvement Project gives rise to a credit amount greater than the amount of SDCs that would otherwise be imposed on the Development receiving the development approval, the excess credit may be applied against the District's SDCs that accrue in subsequent phases of the original development project. Any excess credit must be used not later than ten (10) years from the date it is given.
2. Payment of SDCs / Nonwaiver. Any Applicant who submits an application, pursuant to Section 9 (B), and desires the immediate issuance of a Building Permit shall pay the applicable SDCs. Said payment shall not be construed as a waiver of any credit. Any difference between the amount paid and the amount due, as determined by the Executive Director, shall be refunded to the Applicant. In no event shall a refund by the District under this subsection exceed the amount originally paid by the Applicant.
3. Transfer of Credits. Except as set forth in Section 9 (F)(1), credits shall not be transferable from one development project to another. Credits shall not be transferable from the District's SDC to any other governmental agency's system development charge.
4. Expiration. Credits shall be used within ten (10) years from the date the credit is given.

SECTION 10: REFUNDS

A. Refunds. Refunds may be given by the Executive Director as provided herein. Refunds shall not be allowed for failure to timely claim a credit prior to submission of an application for a Building Permit, except as provided in Section 9 (F)(2).

B. Eligibility. An Applicant or Owner shall be eligible to apply for a refund if:

1. There was a clerical error in the calculation of the District's SDC. In such event, the SDC refund shall be the amount of any overcharge; or
2. The Building Permit has expired, and the Development authorized by such permit was not commenced.

C. Application for Refund. An application for refund shall be submitted to the Executive Director, in accordance with Section 14 (A), and shall contain the following:

1. The name and address of the Applicant or Owner, as applicable;
2. The location of the property that was the subject of the District's SDCs;
3. A notarized sworn statement that the Applicant or Owner is the then-current Owner of the property on behalf of which the District's SDCs were paid, including proof of ownership, such as a certified copy of the latest recorded deed;
4. The date the District's SDCs were paid;
5. A copy of the receipt of payment for the District's SDCs; and
6. The date the Building Permit was issued, and, if applicable, the date of expiration.

D. Deadline to Apply for Refund. The application for a refund shall be filed within ninety (90) days of the expiration of the Building Permit. Failure to timely apply for a refund of the District's SDCs shall waive any right to a refund.

E. Executive Director's Decision. The Executive Director shall respond to the Applicant's application in writing within twenty-one (21) days of when a completed application for refund, pursuant to Section 10 (C), is submitted, regarding whether the District will issue the requested refund or if additional time or material is required to review the application. If additional time or material is required, the Executive Director shall notify the Applicant, in writing, of the amount of time and/or additional material required. If the application for a refund is denied, the Executive Director shall provide a written explanation of the decision on the request for a refund. If such application for a refund is granted, the SDCs shall be returned to the Applicant. Refunds shall include interest earned on funds while on deposit in the District's SDC account.

F. Future Development. If a Building Permit is subsequently issued for a Development on the same property which was the subject of a refund of the District's SDCs, such Development shall pay the then-current District SDCs required by Section 4.

SECTION 11: DEDICATED ACCOUNTS, APPROPRIATE USE OF ACCOUNTS; ACCOUNTING

A. Deposits. The District shall establish separate accounts for SDCs, which shall be maintained apart from all other accounts of the District. All SDC payments shall be deposited in the appropriate account immediately upon receipt. The District Board may, by separate resolution or Board-adopted policy, authorize SDC funds to be invested.

B. Authorized Uses. SDC revenues may be used only as provided herein.

1. Improvement Fees. Improvement Fees shall be spent only on capacity-increasing capital improvements, including expenditures relating to repayment of future debt for such improvements. An increase in system capacity occurs if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of the capital improvements funded by the Improvement Fee shall be related to the need for increased capacity to provide service for future users. A capital improvement being funded wholly or in part from revenues derived from the Improvement Fee shall be included in the SDC Capacity Improvement Projects List.
2. Cost of Compliance. The District's SDC revenues may also be expended on the direct costs of complying with the SDC Act, including but not limited to, the consulting, legal, and administrative costs required for developing and updating the SDC Methodology Report, accompanying resolutions and this Manual, SDC Capacity Improvements Project List and the cost of collecting and accounting for SDC expenditures.
3. Capital Improvements. The monies deposited in the above accounts shall be used solely for capital improvements allowed by ORS Chapter 223, including but not limited to:
 - i. Design and construction plan preparation;
 - ii. Permitting and fees;
 - iii. Land and material acquisition costs, including any costs related to costs of condemnation;
 - iv. Construction of capital improvements;
 - v. Site preparation, demolition, and grading and the design and construction of new streets, sanitary sewers, drainage facilities or on or off-site improvements required as a condition for the construction of capital improvements;

- vi. Relocating utilities required by the construction of improvements;
- vii. Landscaping;
- viii. Construction management and inspection;
- ix. Surveying, soils and material testing;
- x. Acquisition of capital fixtures and equipment; and
- xi. Payment of principal and interest, necessary reserves and costs of issuance under any bonds or other indebtedness issued by the District to fund adopted capital improvements.

C. Prohibited Uses. Funds on deposit in SDC accounts shall not be used for:

- 1. Any expenditure that would be classified as a maintenance or repair expense;
- 2. Costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements; or
- 3. Costs associated with acquisition or maintenance of rolling stock.

D. Annual Accounting. No later than January 1 of each year, the District shall prepare an annual accounting report for SDCs, which shall include:

- 1. The amount of revenue collected by the District from SDCs during the prior fiscal year;
- 2. A list of the capital improvement projects that were funded, in whole or in part, with SDC revenues in the prior fiscal year and the amount of SDC revenue spent on each project funded; and
- 3. The amount of SDC revenue attributed to the costs of complying with the SDC Act.

E. Challenges of Expenditures. In accordance with ORS 223.302, any citizen or other interested person (collectively, an “Interested Person”) may challenge an expenditure of SDC revenues as provided herein.

- 1. Challenge. A challenge of an expenditure of SDC revenues shall be submitted to the Executive Director, in accordance with Section 14 (A), within two years of the subject expenditure, and shall include the following information:
 - i. The name and address of the Interested Person challenging the expenditure;

- ii. The amount of the expenditure; the project, payee, or purpose; and the approximate date on which it was made; and
 - iii. The reason why the expenditure is being challenged.
2. Executive Director's Decision. The Executive Director shall respond to the challenge in writing, within twenty-one (21) days of when a completed challenge of SDC expenditure, pursuant to Section 11 (E)(1), is submitted, regarding whether the District will reimburse the challenged SDC expenditure from other revenue sources or if additional time or material is required to review the challenge. If additional time or material is required, the Executive Director shall notify the Interested Person, in writing, of the amount of time and/or additional material required. If the challenge is denied, the Executive Director shall provide a written explanation of the decision on the challenge of SDC expenditure. If such challenge is granted, a reimbursement of SDC revenues shall be made from other revenue sources within one year of the Executive Director's decision.

SECTION 12: AMENDMENT OF THE SDC CAPACITY IMPROVEMENT PROJECTS LIST

A. Amendment of the SDC Capacity Improvement Projects List. Any capital improvement being funded wholly or in part with revenues from the District's SDC fund shall be included in the District's adopted SDC Capacity Improvement Projects List, which may be modified at any time by resolution of the District Board. If the District's SDC will be increased by a proposed modification of the SDC Capacity Improvement Projects List to include one or more SDC-eligible capacity-increasing capital improvements, the following provisions shall apply:

- 1. The District shall provide at least thirty (30) days' notice of the proposed modification to persons who have requested notice, in accordance with Section 13. Such notice shall include the proposed adoption date and direction for submitting a written request for hearing.
- 2. If the District receives a written request for a hearing on the proposed modification not less than seven (7) days in advance of the date the proposed modification is scheduled for adoption, the District shall hold a public hearing.
- 3. If the District does not receive a written request for a public hearing, none is required, and the proposed modification to the SDC Capacity Improvement Projects List and corresponding increase in the District's SDC may be adopted by the District Board.

B. Legal Challenges. Any decision of the District Board to increase the District's SDC by modifying the SDC Capacity Improvements Project List may be judicially reviewed only as provided in ORS 34.010 to 34.100.

SECTION 13: NOTICE

A. List of Interested Persons; Availability of Methodology. The District shall maintain a list of persons who have made a written request for notification prior to adoption or modification of a methodology for any SDC. Written notice shall be mailed to persons on the list at least

ninety (90) days prior to the first hearing to establish or modify an SDC. The methodology supporting the SDC shall be available at least sixty (60) days prior to the first hearing to adopt or amend SDCs. The failure of a person on the list to receive a notice that was mailed shall not invalidate the action of the District. No legal action intended to contest the methodology shall be filed after sixty (60) days following adoption of the resolution adopting or modifying the methodology.

- B. Maintaining List of Interest Persons.** The District may periodically delete names from the notification list set forth in Section 13 (A), but at least thirty (30) days prior to removing a name from such list, the District must notify the person whose name is to be deleted that a new written request for notification is required if the person wishes to remain on the notification list.

SECTION 14: SUBMISSION OF APPLICATIONS; REVIEW HEARINGS; LEGAL CHALLENGES

- A. Submission of Applications.** For purposes of Section 6 (C) (Applying for Exemption), Section 7 B (Applying for a Waiver), Section 8 (Deferral), Section 9 (Credit), and Section 10 (C) (Application for a Refund), an Applicant or Owner, as applicable, shall: (1) complete the applicable District application; and (2) submit their completed application, with any supporting materials, to the Executive Director via first class mail to the Bob Keefer Center, 250 S. 32nd St., Springfield, OR 97478. Requests for a hearing before the District Board, pursuant to Section 14 (E), shall be submitted as provided in this Section 14 (A). Notwithstanding the requirement to submit a request for a waiver or deferral of the District's SDC prior to the time of application for the Building Permit, pursuant to Sections 7(B) and 8 (C), if an Applicant has already submitted an application for a Building Permit prior to the effective date of District Resolution No. 24-25-05 and No. 25-26-01 but such Building Permit has not been issued, the Applicant may promptly submit a request for a waiver or deferral. In no circumstance will the District accept any Applications once a Building Permit has been issued.
- B. Executive Director's Decision.** All Executive Director decisions required under this Manual shall be in writing and delivered to the Applicant in the times provided herein. If a time is not expressly provided, the Executive Director shall respond to the Applicant's request, in writing, within twenty-one (21) days of when a completed Application or request (as applicable) is submitted with a decision or if additional time or material is required to review the Application or request. If additional time or material is required, the Executive Director shall notify the Applicant, in writing, of the amount of time and/or additional material required. The Executive Director's decision, or notice for additional time or material, shall be deemed given and delivered on the earlier of: (1) personal delivery to the Applicant; or (2) deposit by the Executive Director in the U.S. mail at the address for notice the Applicant has designated in the Application.
- C. Right to Request a Hearing.** An Applicant who is required to pay SDCs shall have the right to request a hearing before the District Board to review any of the following:

1. Calculation of SDC. The calculation of the District's SDC, or the application of the SDC Methodology Report or adjustments of the SDC rate, provided, however, the SDC Methodology Report itself may not be appealed.
2. Executive Director's Decisions. Any Executive Director's decision required under this Manual, including but not limited to decisions regarding exemptions (Section 6), waivers (Section 7), deferrals (Section 8), credits (Section 9), and refunds (Section 10).

D. Deadline for Requesting a Hearing. Any such hearing under this Section 14 shall be requested by the Applicant within fourteen (14) days of the date of delivery of the Executive Director's decision, as provided in Section 14 (B). Failure to request a hearing within the time provided shall be deemed a waiver of such right.

E. Request for Hearing. The request for hearing shall be filed with the Executive Director, pursuant to the requirements of Section 14 (A), and shall contain the following:

1. The name and address of the Applicant;
2. The legal description of the property in question;
3. If issued, the date the Building Permit was issued;
4. If paid, the date SDCs were paid;
5. The date the Executive Director's decision was issued; and
6. A statement of the reasons why the Applicant is requesting a hearing.

F. Scheduling Hearing. Upon receipt of such request, the District shall schedule a hearing before the District 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 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.

G. Hearing Procedures. Such hearing shall be conducted in a manner designed to obtain all information and evidence relevant to the requested hearing. Formal rules of civil procedure 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.

H. Payment of SDCs. Any Applicant who requests a hearing pursuant to this Section and desires the immediate issuance of a Building Permit shall pay the applicable SDCs, pursuant to Section 4, prior to or at the time the request for hearing is filed. Said payment shall not be construed as a waiver of any review rights. An Applicant may request review under this Section without paying the applicable SDCs as long as no Building Permit has been issued.

- I. Legal Challenges.** The District Board shall decide an appeal within sixty (60) days of the date of the hearing before the Board and that decision may be reviewed only as provided in ORS 34.010 to 34.100.

SECTION 15: MISCELLANEOUS

- A. Rules of Construction.** Unless expressly provided otherwise, the following rules of construction apply:

1. The word “building” shall include “structure” and “structure” shall include building.
2. The words “land,” “property” and “site” are used interchangeably.
3. In the event of a conflict between the provisions of this Manual and any resolution adopted by the District Board, the resolution shall prevail.

- B. Severability.** The provisions of this Manual are severable. If any section, subsection, sentence, clause or portion of this Manual is for any reason held invalid, unenforceable, or unconstitutional, the remaining portions shall remain in full force and effect to the fullest extent permitted by law.