



# City of Oregon City

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## Staff Report

File Number: 14-531

**Agenda Date:** 9/17/2014

**Status:** Agenda Ready

**To:** City Commission

**Agenda #:** 7b.

**From:** Public Works Director John Lewis

**File Type:** Ordinance

### **SUBJECT:**

Ordinance for Introduction, No. 14-1011, Amending Chapter 13.20, System Development Charge for Capital Improvements, Relating to SDC Credits or Reductions on a Development's Most Recent Structure or Use

### **RECOMMENDED ACTION (Motion):**

Staff recommends the City Commission approve the first reading of Ordinance No. 14-1011.

### **BACKGROUND:**

In 2013, the City contracted with FCS Group, a financial consulting company, to review City Code, resolutions and ordinances relating to system development charges (SDCs). Specifically, the focus of the analysis was on the City's policy of charging a full SDC for occupying property that has been vacant for eighteen months. As part of the review performed by FCS Group, they researched the practices at other Portland metropolitan area cities to determine policy objectives and best practices.

Following their research, FCS Group found a few items that they recommended modifying which have been incorporated into the ordinance. These changes include making Municipal Code 13.20 more consistent with existing City practices, extending redevelopment credits for the previous use of a site using a two tier approach, removing the SDC exemption allowed by publicly owned recreational facilities, eliminating an allowance for SDC credits to be carried forward when properties are redeveloped less intensely than a previous use, and removing OCMC 13.20.090 which is no longer relevant.

A draft of the proposed Municipal Code change language was previously presented to the City Commission on June 18, 2014, which was the conclusion of an appeal of the Public Works Director's decision to deny a request for a SDC reduction for the redevelopment of 512/514 7th Street. At that time, the City Commission indicated their willingness to make changes necessary to Municipal Code 13.20.