



ALBANY CITY COUNCIL AGENDA

Monday, August 11, 2025
4:00 p.m.

Council Chambers, City Hall
333 Broadalbin Street SW

Watch on YouTube: <https://www.youtube.com/user/cityofalbany>

Please help us get Albany's work done.

Be respectful and refer to the rules of conduct posted by the main door to the Chambers and on the website.

1. Call to order and roll call
2. Public Comment
3. Street Maintenance Fee Development – Rob Emmons/ Galardi Group [Pages 3-44]
Information
4. Discussion of Housing Implementation Plan Policy Proposals Housing Construction Excise Tax (CET) and the Low-Income Rental Housing Property Tax Exemption (LIRHTE) – Anne Catlin [Pages 45-80]
Direction
5. Albany Municipal Code Amendments - System Development Charge Deferrals – Matthew Ruettgers [Pages 81-103]
Discussion
6. Valliscor Economic Development Sewer and Water Grants Award– Sophie Adams [Pages 104-107]
Discussion
7. Adjustments to the Low-Income Assistance Program – Kayla Barber-Perrotta [Pages 108-109]
Discussion
8. Business from the council
9. City manager report
10. **Recess to Executive Session** To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed in accordance with 192.660 (2)(h)
11. **Reconvene** for possible action
12. Adjournment

This meeting is accessible to the public via video connection. The location for in-person attendance is accessible to people with disabilities. If you have a disability that requires accommodation, please notify city staff at least 48 hours in advance of the meeting at: cityrecorder@albanyoregon.gov.

Testimony provided at the meeting is part of the public record. Meetings are recorded, capturing both in-person and virtual participation, and are posted on the City website.



TO: Albany City Council

VIA: Peter Troedsson, City Manager
Chris Bailey, Public Works Director

FROM: Robert Emmons, P.E., Assistant City Engineer

DATE: August 1, 2025, for the August 11, 2025, City Council Work Session

SUBJECT: Update on Street Maintenance Fee Development

A handwritten signature in blue ink, likely of Robert Emmons, the Assistant City Engineer.

Purpose:

Discussion.

Background/Discussion:

Staff initiated a series of presentations in August 2023 with the purpose of addressing additional funding for street maintenance in order to improve the condition of Albany's streets. This included discussions of both a local gas tax and a street maintenance fee. The staff memos, videos, and materials from these meetings are available on the City's website <https://albanyoregon.gov/streets/meetings>. The most recent discussion of a street maintenance fee took place during the April 7, 2025, council work session. A copy of the material presented at that meeting is included as Attachment 1.

For today's presentation, staff will provide an update on the continuing work to develop a structure for a street maintenance fee. Specifically, Deb Galardi of Galardi Rothstein Group, will review pertinent information from the April 7th council work session and provide additional details of customer classes (residential and nonresidential) and begin discussing possible rate modifiers and implementation strategies.

Strategic Plan Impact:

Meets two objectives under Goal 2: Provide an efficient transportation system with safe streets and alternative modes of transportation, found under the Great Neighborhoods theme in the City's adopted strategic plan. Specific items include:

- Utilize available street funding to maintain arterial and collector streets to a minimum Pavement Condition Index (PCI) score of 60, indicating fair or better condition. Address local street needs as funding allows, and
- Seek additional sources of funding for street maintenance.

Budget/Staff Impact:

None at this time.

Staff Recommendation:

Receive presentation from staff and discuss information.

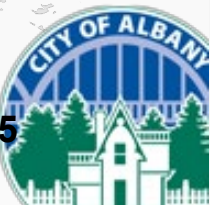
Attachment:

1. Street Maintenance Fee Development

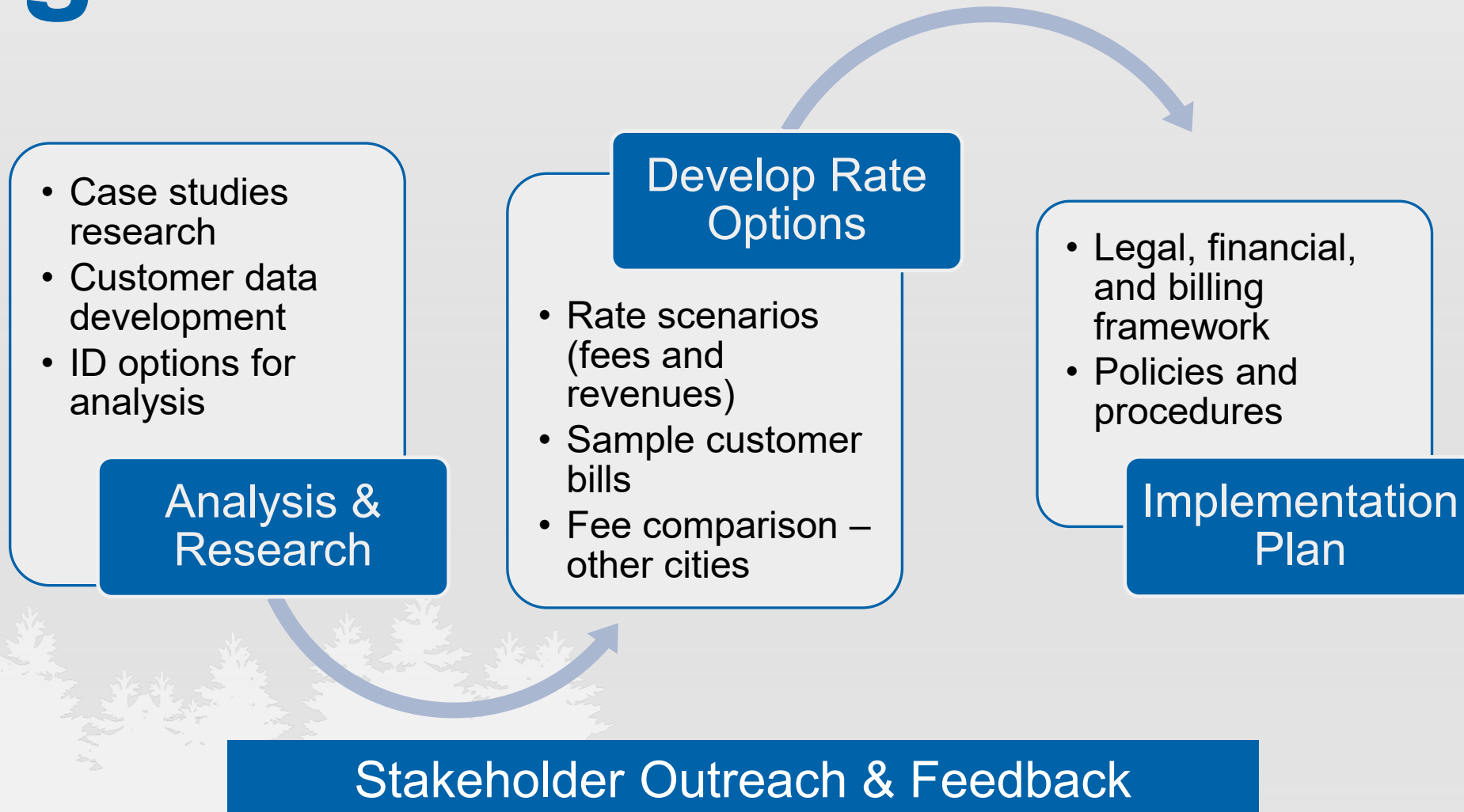
c: Staci Belcastro, P.E., City Engineer (via email)
Kristin Preston, Operations Manager (via email)

Street Maintenance Fee Development

April 7, 2025



High Level Work Plan

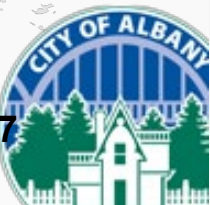


Case Study Research: Residential

- Typical rate structure:
 - Fees vary by type of unit (single vs. multi-unit)
 - Flat fee per dwelling unit
 - Rate differentials reflect relative trip generation rates (apartment = approx. 70% single unit)
- Fee modifiers include:
 - Low-income discounts
- Fees levels reflect local policy decisions:
 - Overall revenue target
 - Residential vs. nonresidential cost allocation

Sample Monthly Fees

CITY	Population	Single Family (\$/ Dwelling Unit)	Apartment (\$/ Dwelling Unit)
Lake Oswego	41,129	\$16.47	\$11.77
Hillsboro	111,006	\$10.10	\$9.09
Ashland	21,579	\$9.56	\$7.28
Medford	88,352	\$6.64	\$4.68
Newberg	26,249	\$6.60	\$4.46

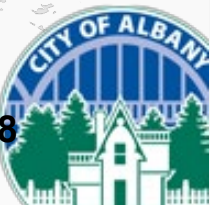


Case Study Research: Nonresidential

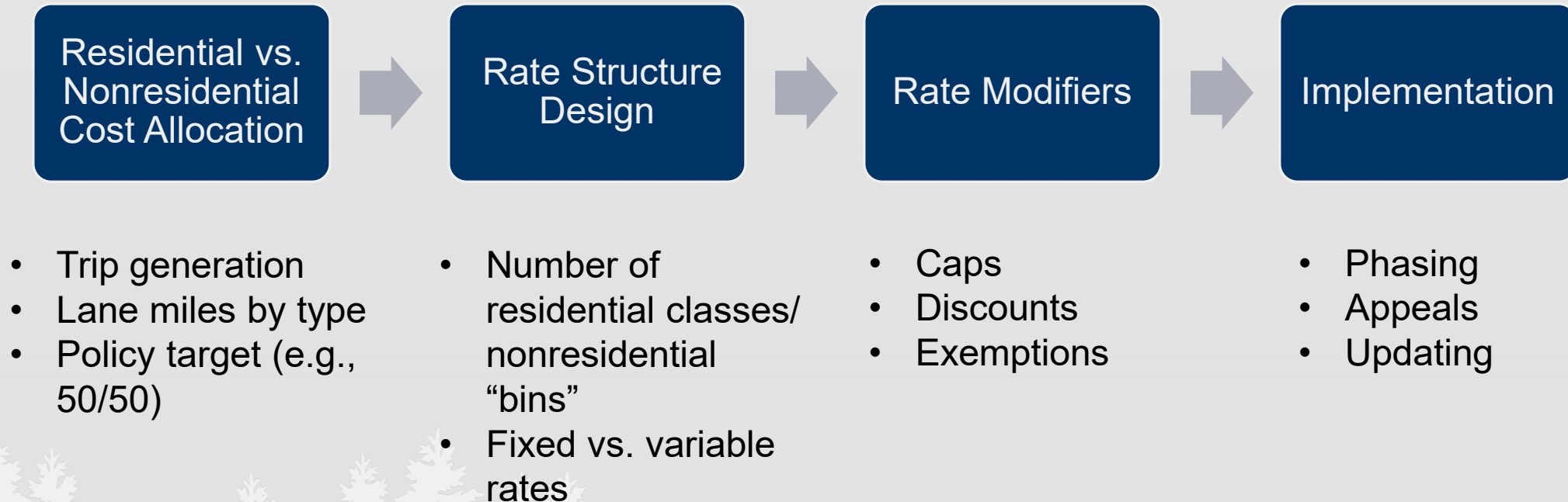
- Typical rate structure:
 - Fees vary by rate group or “bin” (grouping of development types/land uses with similar trip generation characteristics)
 - Variable fees per 1,000 SQ FT (KSF) of building area
 - Rate differentials reflect avg. # of trips/KSF for bin
 - Special scaling for lodging (rooms), schools (students), gas stations (service positions), etc.
- Rate modifiers may include:
 - Trip rate cap for bin or individual bill caps
 - Minimum charges
 - Discounts or exemptions for specific uses (e.g., schools, day care, etc.)

Sample Structure

Bin	Unit of Scale	Trips/ Unit	TF \$/Unit
1	KSF	<7	\$0.30
2	KSF	7-21	\$0.84
3	KSF	21-52	\$2.65
4	KSF	53-150	\$6.03
5	KSF	151-400	\$16.81
6	KSF	>400	\$43.31
7	varies	varies	varies

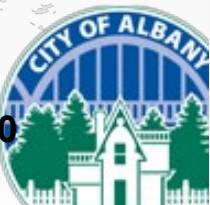
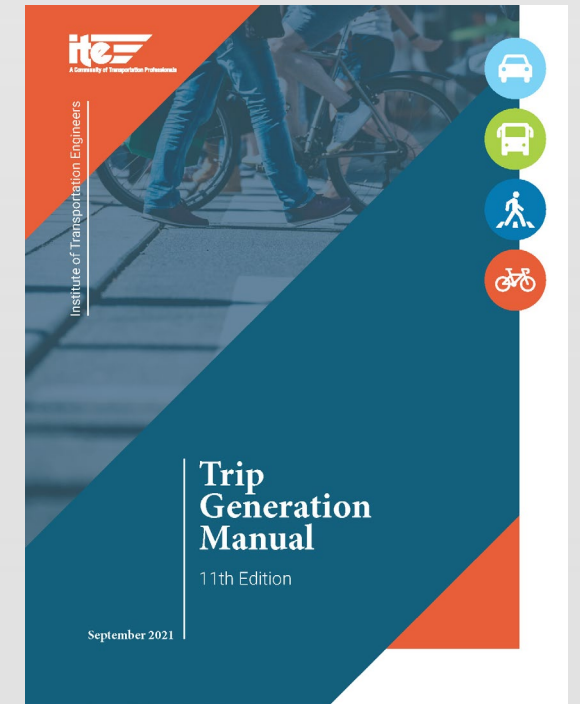


Rate Development Decisions



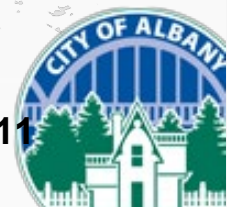
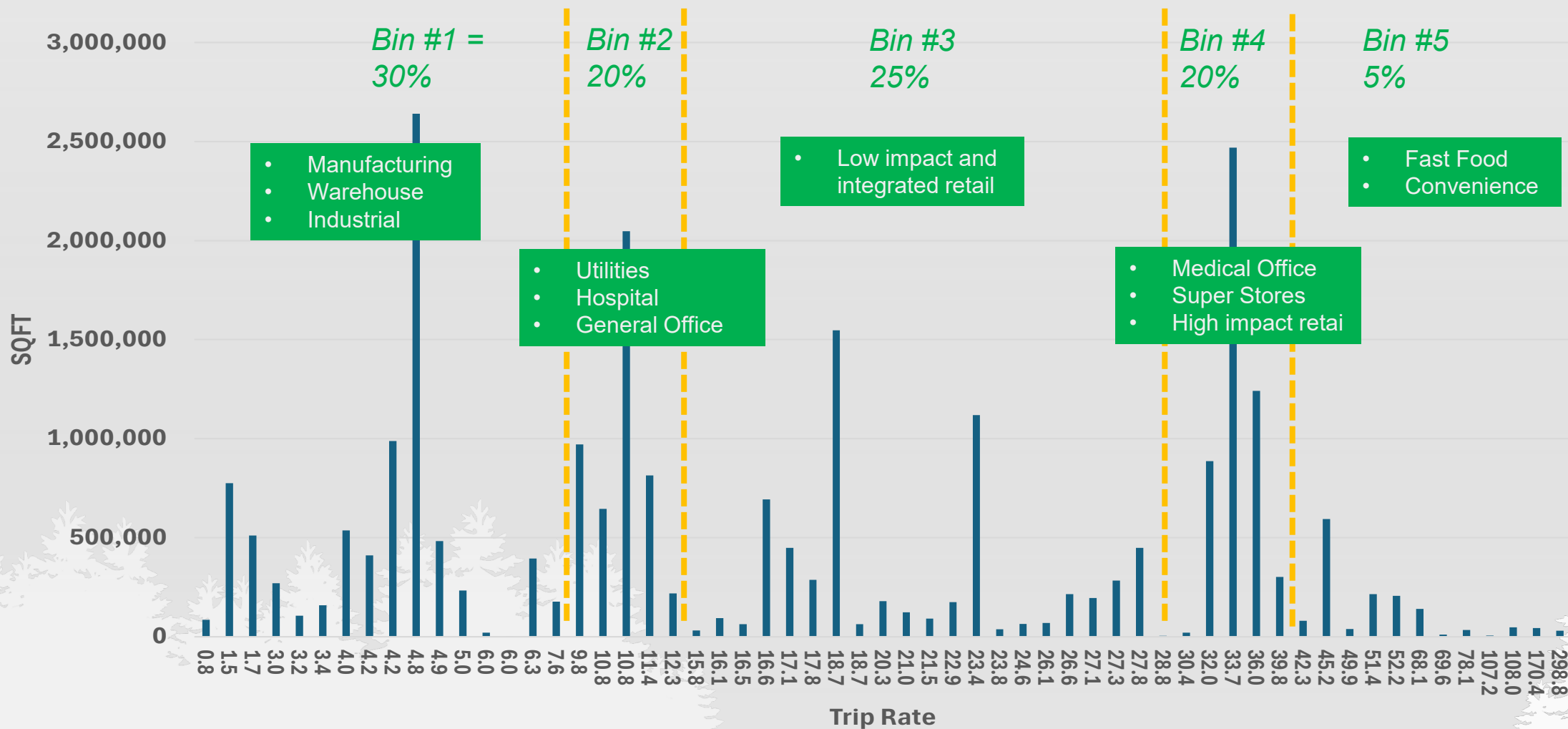
Nonresidential Bin Considerations

- Grouping similar uses/ trip-making characteristics
- Evaluation of natural break-points/consolidation of uses, for example:
 - Industrial/warehouse/storage customers have similar trip rates, so are generally aggregated
 - Retail customers have broadest range (e.g., furniture store vs. convenience store)
- Approaches by other cities (typical number of bins = 3-7)



Sample Nonresidential Bins

Distribution of total nonresidential customer SQ FT by trip generation rate



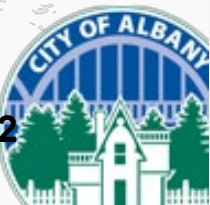
Balancing Policy Objectives

Equity vs.
administration
requirements

- Use of standardized trip data vs. individualized factors (e.g., number or type of vehicles)
- Fewer/broader rate classes = greater rate stability (less frequent reclassification)

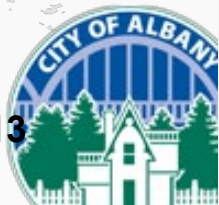
Customer
impacts and
affordability

- Customer or class discounts or exemptions = reduced revenue or shifting burden to other customers
- More rate classes results in larger range of rates



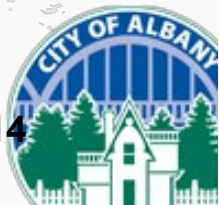
Council Direction

- Establish SMFs by customer class that reflect estimated trips generated by the class
 - Residential uniform \$/dwelling unit; varies by type of unit (single vs. multi-unit)
 - Nonresidential \$/1,000 square feet (or other appropriate scaling unit); varies by trip generation “bin” (4-6 bins)
- Evaluate other policy questions following development of actual rate scenarios and customer impacts



Next Steps

- Complete customer data analysis
- Develop rate structure options
- Council Review & Feedback





Street Maintenance Fee Case Studies

CITY OF ALBANY

STREET MAINTENANCE FEE STUDY

PREPARED FOR: Rob Emmons, City of Albany
PREPARED BY: Deb Galardi, Galardi Rothstein Group
SUBJECT: Street Maintenance Fee Case Studies
DATE: January 18, 2025

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Commonly Used Abbreviations and Acronyms

ADA	Americans with Disabilities Act
ADT	Average Daily Trips
City	City of Albany
CPI	Consumer Price Index
FY	Fiscal Year
ITE	Institute of Transportation Engineers
GFA	Gross Floor Area
KSF	1,000 Square Feet
NAICS	North American Industry Classification System
PCI	Pavement Condition Index
PMP	Pavement Management Program
SMF	Street Maintenance Fee
SIP	Strategic Investment Program
SQ FT	Square Feet
TUF	Transportation Utility Fee

Introduction

In December 2024, the City of Albany (City) authorized Galardi Rothstein Group to conduct a Street Maintenance Fee Study (Study). The purpose of the Study is to develop a Street Maintenance Fee (SMF) structure that is based on the intensity of transportation system use.

The scope of work for the SMF study includes research of SMF practices of other cities in Oregon. This memorandum summarizes SMF case studies from five (5) other cities. Specifically, the fee structures and levels, billing practices and context for the charges are reviewed and summarized. The scope of this review was limited to accessing readily available information from city websites and other available reports, supplemented by communications with city staff (when available).

The following comparative information was examined:

- Revenue – Estimated annual revenue generated by the SMF.
- Fee levels – unit rates for each customer class.
- Rate structures – basis for assessment of charges to residential and nonresidential customers.
- Policies – including exemptions, discounts, and billing practices for mixed-use customers.

Summary of Case Study Information

Street maintenance fees are used to fund a variety of transportation-related services, including pavement maintenance, bike and pedestrian facility improvements, and other transportation programs. In all the case study cities, the fees alone are not sufficient to pay for transportation maintenance needs. However, the fees serve as an important tool in preserving or expanding specific service targets (e.g., pavement condition index) and are often used in conjunction with other funding mechanisms (e.g., strategic investment program revenue, food and beverage taxes, gas taxes, and general obligation bonds).

Fees and Structures

Street maintenance fees are fixed charges per month that are assessed per account or dwelling unit for residential customers and by business type and size for nonresidential customers. Business type is an indicator of the intensity of transportation system use for a given unit of scale (e.g., 1,000 square feet of building area). Trip generation rates published by the Institute of Transportation Engineers (ITE) are generally used to establish SMF rates for different types of customers.

Table 1 shows the monthly charges for a single-family residential and multifamily (apartment) customer for each case study city. Cities are listed in descending order based on the monthly residential bill.

Table 1. Residential Monthly Bills and Nonresidential Rates per 1,000 SQ FT (FY2024-25)

City	Population	Single Family	Apartment	Manufacture	General Office	Medical Office	High Turnover Restaurant	Bank
Lake Oswego	41,129	\$16.47	\$11.77	\$10.07	\$22.66	\$22.66	\$84.61	\$84.61
Hillsboro ¹	111,006	\$10.10	\$9.09	\$0.30	\$0.84	\$2.32	\$6.03	\$16.81
Ashland	21,579	\$9.56	\$7.28	\$7.20	\$8.50	\$11.40	\$34.00	\$11.40
Medford ²	88,352	\$6.64	\$4.68	\$8.13 - \$15.63	\$10.59 - \$21.37	\$13.87 - \$24.05	\$31.46 - \$43.40	\$16.89 - \$40.70
Newberg	26,249	\$6.60	\$4.46	\$4.92	\$19.38	\$28.23	\$44.24	\$128.47
¹ In addition to the per unit rates, all nonresidential customers pay a monthly base rate = \$9.09								

²Rate per 1,000 SQ FT varies based on the size of the customer in addition to the land use. Nonresidential rates will increase by 10% and residential rates will decrease by 5% in July 2025.

Per unit monthly *rates* are also provided in Table 1 for a sample of non-residential customer types. The monthly *bills* for nonresidential customers are a function of the rates per 1,000 sq ft and the scale (number of billable units) attributable to a customer. The nonresidential fee structures of the case study cities are summarized in Table 2. The selected cities highlight a range of fee structure options and levels of complexity. Fee structures vary in terms of the number of non-residential categories (or “bins”) and the basis for the classification by bin and fees for each customer category.

Table 2. Summary of Nonresidential Street Maintenance Fee Structures for Case Study Cities

City	Number of Standardized Bins ¹	Basis for Bin	Basis for Fee	Specialized Bins ²
Ashland	9	Land use type	Parking spaces	Hotel/Motel, Institutional, nursing homes, etc.
Hillsboro	6	Land use type	Trip generation ³	42 categories
Lake Oswego	3	Land use type	Trip miles ⁴	None identified
Medford	23	Land use type and scale (2 Tiers)	Trip Generation ³	11 categories
Newberg	5	Land use type	Trip Generation ³	19 categories

¹Fee for category is based on a flat charge per square feet of building area.

²Charge is based on variables other than building area. See Appendix for details.

³Average daily trip rate adjusted for pass-by trips by land use type.

⁴Average daily trip rate adjusted for pass-by trips and trip length by land use type.

More information on each city’s fees, structure, and estimated annual revenue is provided in the Appendix. A summary of highlights from the case study research is provided below.

Policies

Charges, Exemptions, Waivers

Charges for SMFs are generally assessed to all developed properties within the city and are included on a single city services bill, along with water, wastewater, stormwater, and any other city service charges. Developed properties are defined by either the existence of site improvements or connection to a utility system (water, sewer or storm).

In addition to undeveloped land, example exemptions include:

- Publicly owned properties
- City and county owned parking lots not associated with services other than parking.
- Park and ride lots
- Public parks w/out off-street parking
- Railroad & Public rights of way
- Sites used exclusively for farming or forestry and not for residential or commercial uses (Newberg only)
- Places of worship (Ashland only)

Partial Waivers/Discounts

In some cases, temporary waivers or discounts are provided for vacancies or hardships.

Examples of residential discount programs include:

- Hardship Discounts for customers that meet income qualifications.
- Motor Vehicle Discount: Households where no one owns a motor vehicle: Discounts range from 30% (Hillsboro) - 50% (Newberg)
- Transit Pass Discount: Households in which at least one household member can show an annual TriMet pass: 30% discount (Hillsboro)

One city (Hillsboro) also provides two non-residential discount programs. Non-residential customers may apply for both discount programs.; however, the maximum combined discount is 30%.

- Employer Transit Pass Discount: Employers who purchase an annual Tri-Met pass for their employees: Up to a 30% discount, based on percentage of employees that receive purchased passes from their employer.
- Employer Department of Environmental Quality (DEQ) ECO Program Discount: Employers who have an Employee Commute Option (ECO) program that meet state rules. Equals the percentage of trips reduced, up to 30%

Mixed Use Customers

Both Newberg and Hillsboro have detailed policies for mixed use customers (developed properties that share or utilize common transportation facilities, such as walkways, driveways or parking areas). Policies include:

- Mixed uses within a single developed property and related improvements will not have the bill apportioned unless there are separate water meters and sewer services for the separate uses.
- Mixed uses with multiple use categories that share a single water meter are generally charged a combined transportation fee based on the sum of the calculated fees for each category. This generally applies to mixed nonresidential uses and properties with mixed uses of residential and nonresidential developments.

Appeals

All the cities reviewed have established appeal procedures that allow review of the customer's fee category by the city finance or other manager, with a further appeal option either to the city council or hearings officer. There is often a fee for appeals that is \$100 or less and will be refunded if the appeal is upheld.

Updating

Fee updating policies and practices vary – with some ordinances allowing annual inflationary adjustments tied to a specific cost index – and others requiring review at specific intervals.

Appendix **Supplemental City Information**

Ashland

Overview

Key Statistics

- Population: 21,579¹
- Transportation Utility Fee
- Year fees went into effect: 1991
- Revenue generated: \$3.3 million (2023-2025 Budget)

Fee Context

All transportation fees collected by the city are deposited into the street fund and are used for the operation, administration, and maintenance of the local streets as well as pedestrian facilities (including handicapped access) and bicycle facilities.

The funds in the street fund are designated for the general purposes of maintaining and improving the local transportation network and related infrastructure. Expenditures from the fund do not need to be directly tied to the specific uses or sources from which the fees were collected. This means that fees collected for one purpose (e.g., pedestrian facilities) may be used for broader operational or maintenance needs related to the transportation network.

In cases where the fees collected are insufficient to cover the necessary maintenance of local streets, the city may use other available funds, as determined by the city council, to ensure the proper upkeep of the transportation network. However, if additional fees are later collected, the city council has the authority to reimburse those other funds used for street maintenance. The city currently uses a portion of its food and beverage tax to fund street repair projects.

Fee Methodology

The city's transportation utility fee is assessed based on the type of customer and the number of units (dwelling units for residential and building area and other units of measure for nonresidential uses). Key elements of the transportation utility fee methodology include the following:

- **Basis for Charge:**
 - Residential: Uniform rate per unit for two categories based on trip generation:
 - Single-family
 - Multifamily
 - Nonresidential: The non-residential rate structure is based on 9 groups where the rate reflects the off-street parking requirements per unit of scale. Most nonresidential are charged based on building area. Hotel/motel are charged per guest room.

For example, overnight lodging requires one parking space per room, and restaurants require one space per 100 square feet of building area.

¹ Portland State University 2024 Population Estimates

- **Rate Structure:**

- Residential charged a uniform rate per dwelling unit
- Nonresidential charges scaled based on number of units, with a minimum charge (equal to the single-family residential charge).

Fees also apply in the city's Downtown Overlay District as if off-street parking were required.

Fee Schedule

The city's fee schedule (effective July 2021) is shown below.

Customer Class	Transportation Utility Fee	Unit
Single Family	\$9.56	per month
Multiple Family	\$7.28	per month per unit
Retail Store	\$1.28	per month per 100 SF
Wholesale Use	\$0.72	per month per 100 SF
Office Use	\$0.85	per month per 100 SF
Medical/ Dental Use	\$1.14	Per month Per 100 SF
Service Use	\$1.14	per month per 100 SF
Restaurant/ Bar Use	\$3.40	per month per 100 SF
Manufacturing Use	\$0.72	per month per 100 SF
Warehousing Use	\$0.41	per month per 100 SF
Hotel/ Motel Use	\$3.40	per month per guest room
Institutional and all other accounts not classified above; including nursing homes and retirement homes.	\$3.40	per month per required parking spaces as specified in Chapter 18.92 of the Ashland Municipal Code.
The minimum fee per month for any commercial account is:		
Commercial	\$9.56	per month

Administrative Policies

Billing

The fee is billed and collected as part of the monthly utility bill. The finance department bills monthly, with payment due in accordance with the department's rules and regulations for utility fee collection.

Exemptions

The city council may, by resolution, exempt any class of user when they determine that the public interest deems it necessary or that the contribution to street use by said class to be insignificant. Current exemptions are limited to places of worship.

Discounts

The City of Ashland offers a year-round discount on utility bills for income-qualified persons aged 65 or older, or qualified disabled persons aged 60 or older. To qualify for the year-round assistance of 30% or 20% off utility bills, a person must meet the specific age and income criteria.

Hillsboro

Overview

Key Statistics

- Population: 111,006
- Year fees went into effect: 2008
- Projected annual revenue: ~ \$6.0 Million

Fee Context

Rising transportation costs have gradually shifted the funding of the city's Pavement Management Program (PMP) to be primarily supported by a Transportation Utility Fee (TUF). This transition was accompanied by periodic increases in the TUF to keep pace with rising costs and the growth of the roadway network. To minimize or delay rate increases, the city began contributing Strategic Investment Program (SIP) funding annually starting in Fiscal Year (FY) 2012. This funding approach helped the city avoid any TUF rate increases for several years.

However, SIP contributions dropped from \$2 million in FY 2021 to \$0 in the current fiscal year, because of the planned sunset of the SIP program for two major industrial customers. At the same time, PMP construction costs rose significantly since the last city's last TUF increase in FY 2020. Specific cost increases included:

- Asphalt overlay costs have increased by 20.5%
- Slurry seal costs have risen by 70%
- ADA ramp replacement costs have gone up by 58%

To achieve the goal of eliminating the maintenance backlog and maintaining an average Pavement Condition Index (PCI) of 80—ensuring that all roadways remain in good or better condition—the city implemented a 2-year rate increase beginning FY 2024-25 through FY 2025-26.

Fee Methodology

The city's TUF is assessed based on the type of customer and the number of units (dwelling units for residential and building area and other units of measure for nonresidential uses). Key elements of the city's TUF methodology include:

- **Cost Allocation:** Costs are allocated between residential and nonresidential customer classes based on the center lane miles of roadway distributed to each class as follows:
 - Arterial, Collector, Neighborhood routes = 50% residential/50% nonresidential
 - Local Com, industrial alley = 100% Nonresidential
 - Local Residential = 100% Residential
- **Calculated Rates by Bin:** Once the revenue targets are set for each broad customer class, rates are developed for each subcategory in proportion to the average trip generation for the category, as a percentage of the overall trip generation for the class. The city's rate structure includes the following subclasses or "bins":
 - Residential:
 - Bin 1: Single-family detached housing, condominiums, townhomes, duplexes (each unit on a separate meter)

- Bin 2: Multifamily includes apartments, condominiums, townhomes, duplexes (on shared meters), mobile homes in parks, accessory dwelling units, and senior adult housing (attached and detached)
- Nonresidential: The non-residential rate structure is based on 7 groups or “bins” based on a customer’s estimated average daily trip generation, as shown in the table below.

Nonresidential Bin	Units	Average Daily Trips/ Unit	Trip Cap (Per Customer)
1	KSF	<7	na
2	KSF	7-21	na
3	KSF	21-52	na
4	KSF	53-150	na
5	KSF	151-400	na
6	KSF	>400	400
7	Varies	Varies	1,500

KSF = 1,000 square feet

For purposes of determining each bin’s share of the classes’ overall cost, trip caps were established for Bins 6 and 7 to reduce the impact on some high traffic uses, like gas stations. As noted in the *Report to the Transportation Committee; Proposed Hillsboro Transportation Utility* (Angelo Planning Group, April 2008):

The recommended Category 6 cap is 400 trips while the Category 7 cap is 1,500 trips per day. The cap means that regardless of the trip generating rate for a particular customer, no one customer is assessed a trip rate higher than 400 trips per 1,000 ft² in Category 6, or 1,500 trips per day in Category 7. The caps result in shifting a small percentage of the revenue requirement from Categories 6 and 7 to the other five categories. This results in a slight rise the monthly fee in categories 1-5 and significantly reduces the monthly fee for customers that have very high trip generating characteristics. Gas stations in particular benefit from this policy.

The rational for this policy recommendation is:

- *The cost increase resulting from this policy is relatively small for most customers but results in significant savings for high trip generating land uses.*
- *Gas stations contribute a service to the city by collecting gas taxes and should receive a fee reduction in recognition of that service.*
- *On average, the monthly fee increase to customers in the first five bins is a few cents a month while gas station owners realize savings of several hundred dollars a month.*

The net cost to benefit of the policy seems fair given the collection service that gas station owners provide to the city.

- **Rate Structure:**

- Residential customers are charged based on a uniform rate per dwelling unit.
- Nonresidential charged a base charge (equal to the smallest residential charge) + calculated TUF charge for type of use.

- **Truck Traffic**

- The City’s ad hoc committee considered whether the fee methodology should include a fee adjustment for truck traffic for certain land uses. However, it concluded that because most truck traffic in the city uses state and county-maintained arterials, so no adjustment should be made.

Fee Schedules

The city's current adopted fee schedules are shown below.

Customer Class	Current Rate	Rate Effective January 1, 2025	Rate Effective January 1, 2026
Single-Family Residential			
Pavement Management Program	\$6.48	\$7.47	\$7.97
Bicycle and Pedestrian Capital Improvement Program	\$2.63	\$2.63	\$2.63
Total TUF on Monthly Bill	\$9.11	\$10.10	\$10.60
Multi-Family Residential			
Pavement Management Program	\$5.83	\$6.72	\$7.17
Bicycle and Pedestrian Capital Improvement Program	\$2.37	\$2.37	\$2.37
Total TUF on Monthly Bill	\$8.20	\$9.09	\$9.54

Nonresidential			Rate per Unit		
Category/Bin	ITE Code	Units	Current Rate	Effective January 1, 2025	Effective January 1, 2026
Base Charge (All Customers per Account)			\$8.20	\$9.09	\$9.54
Calculated Charge Category					
1	110, 120, 130, 140, 150-152, 435, 566, 620, 860, 890	KSF	\$0.27	\$0.30	\$0.32
2	520, 522, 530, 560, 561, 610, 710, 714, 715, 750, 760, 770, 849, 865, 030	KSF	\$0.73	\$0.84	\$0.89
3	437, 465, 492, 493, 495, 536, 540, 630, 720, 733, 812-814, 816-818, 820, 823, 841, 848, 861, 862, 863, 864, 866, 867, 869, 941, 942, 943	KSF	\$2.32	\$2.65	\$2.82
4	443, 473, 534, 565, 571, 590, 730, 732, 815, 843, 850, 854, 870, 879, 880, 881, 931, 932, 948	KSF	\$5.26	\$6.03	\$6.42
5	731, 852, 868, 896, 911, 912, 936	KSF	\$14.67	\$16.81	\$17.88
6	851, 853, 933-935	KSF	\$37.50	\$43.31	\$46.22
7	See separate table	Varies	\$0.06/trip	\$0.07/trip	\$0.07/trip

Bin 7 Rate Table		\$/Unit		
Subcategory	Units	Effective January 1, 2024	Effective January 1, 2025	Effective January 1, 2026
Utilities	acre	\$4.16	\$4.85	\$4.85
Congregate Care	DU	\$0.12	\$0.14	\$0.14
Assisted Living	occupied bed	\$0.16	\$0.19	\$0.19
Continuing Care Retirement Community	occupied unit	\$0.17	\$0.20	\$0.20
Recreational Home	DU	\$0.19	\$0.22	\$0.22
Hotel	occupied room	\$0.54	\$0.62	\$0.62
All Suites Hotel	occupied room	\$0.37	\$0.44	\$0.44
Business Hotel	occupied room	\$0.44	\$0.51	\$0.51
Motel	occupied room	\$0.55	\$0.64	\$0.64
Resort Hotel	occupied room	\$0.32	\$0.37	\$0.37
City Park	acre	\$0.10	\$0.11	\$0.11
County Park	acre	\$0.14	\$0.16	\$0.16
State Park	acre	\$0.04	\$0.05	\$0.05
Water Slide Park	parking space	\$0.10	\$0.12	\$0.12
Beach Park	acre	\$1.79	\$2.09	\$2.09
Campground/Rec Vehicle Park	acre	\$0.47	\$0.55	\$0.55
Regional Park	acre	\$0.27	\$0.32	\$0.32
National Monument	acre	\$0.32	\$0.38	\$0.38
Marina	berth	\$0.18	\$0.21	\$0.21
Golf Course	acre	\$0.30	\$0.35	\$0.35
Miniature Golf	hole	\$0.20	\$0.23	\$0.23
Driving Range	driving position	\$0.82	\$0.96	\$0.96
Batting Cages	cage	\$0.13	\$0.16	\$0.16
Movie Theater w/Matinee	screen	\$61.72	\$72.01	\$72.01
Multiplex Movie Theater	screen	\$17.55	\$20.48	\$20.48
Horse Racetrack	acre	\$2.58	\$3.01	\$3.01
Arena	acre	\$2.00	\$2.33	\$2.33
Amusement Park	acre	\$4.55	\$5.30	\$5.30
Zoo	acre	\$6.89	\$8.04	\$8.04
Soccer Complex	field	\$4.28	\$4.99	\$4.99
Tennis Courts	court	\$1.86	\$2.17	\$2.17
Racquet Club	court	\$2.32	\$2.71	\$2.71
Military Base	employee	\$0.11	\$0.12	\$0.12
University/College	student	\$0.14	\$0.17	\$0.17
Lodge/Fraternal Organization	member	\$0.02	\$0.02	\$0.02
Gas/Service Station	fuel position	\$10.11	\$11.80	\$11.80
Gas/Service Station w/Market	Fuel position	\$9.77	\$11.39	\$11.39
Gas/Service Station w/Market & Car Wash	Fuel position	\$9.17	\$10.70	\$10.70
Self-service car wash	wash stall	\$6.48	\$7.56	\$7.56
Waterport/Marine Terminal	acre	\$0.72	\$0.84	\$0.84
Commercial Airport	average flight	\$6.28	\$7.33	\$7.33
General Aviation Airport	average flight	\$0.12	\$0.14	\$0.14

Administrative Policies

Revenues from the TUF are deposited into the transportation fund.

Mixed Uses

The city adopted the following policies related to mixed use customers.

A. Special standards may apply for determining the appropriate category where developed properties share or utilize common transportation facilities, such as walkways, driveways or parking areas. Except as provided, no TUF will be apportioned among mixed uses, related developments or combinations thereof.

B. Mixed uses within a single developed property and related improvements will not have the TUF bill apportioned unless there are separate water meters and sewer services for the separate uses. Although these standards

generally apply to nonresidential uses, they also will be used to determine the appropriate category in properties with mixed uses of residential and nonresidential developments. The city will provide assistance to owners to help them determine an equitable manner for apportioning the fee to tenants.

C. The following procedure is used to apportion TUF fees within mixed use properties that have separate water meters and sewer services for the separate uses:

1. Residential Uses. Each equivalent residential unit will be assessed a TUF in accordance with the applicable residential rate for that unit.
2. Nonresidential Uses. For developed properties with at least one common boundary where the uses would be assigned separate categories if the uses did not share common driveways, walk-ways or parking areas, and where the property design reduces the number of trip destinations that normally would be assigned to that use, a combined TUF may be established. Related properties may have more than a single water meter and sewer utility service and the combined TUF will be apportioned by the manager between uses as follows:
 - Establish a collective trip assignment for the mixed uses based on the lowest applicable trip generation factors that could be applied to the subject properties. The assignment may include individual trip calculations for some uses and combined trip calculations for other uses.
 - Establish the appropriate category and related cost per trip rate for that category and apply that rate to the collective trip assignment a recommended allocation of the total trip.
 - Establish an allocation of the combined fee amount to the water meter / sewer accounts that serve the collective properties using one or more of the following methods:
 - Building area square footage;
 - ITE Manual daily trip generation factors;
 - Internal traffic counts;
 - Other factors deemed suitable for apportioning the fee commensurate with a use.

Billing

The TUF is billed and collected with monthly water and sewer bills for developed properties using water and sewer. The TUF is billed and collected separately for developed properties not utilizing water and sewer.

Exemptions/Waivers

The following specific uses are exempt from TUF:

- City and county owned parking lots not associated with services other than parking.
- Park and ride lots
- Public parks w/out off-street parking
- Railroad & Public ROW

Vacancies

- When any developed property within the city becomes vacant, totally unoccupied or unused and water service remains in effect, the TUF will be billed at the lowest rate upon the approval of the manager of a written application by the owner.
- When any developed property within the city becomes vacant, totally unoccupied, or unused and water service is discontinued, the TUF will not be billed provided all outstanding water, sanitary sewer, storm sewer and TUF charges have been paid in full upon the approval of the manager of a written application by the owner.

- The manager is authorized to investigate any developed property for which a fee reduction or waiver application is submitted to verify any of the information contained in the application. The manager is also authorized to develop and use a standard form of application for fee reduction or waiver. The form will provide space for verification of the information and the person signing the form must affirm under penalty of perjury the accuracy of the information provided.
- The TUF will be reduced or waived under this section only while the developed property remains vacant. An owner applying for waiver or reduction of the TUF must give notice to the city within five days of the premises being occupied, partially occupied or used, regardless of whether water service is restored. The city may charge any developed property with the appropriate TUF, including charges for prior billing periods, upon determining by any means that the developed property did not qualify for waiver or reduction. The decision of the manager under this section is final.

Discounts

There are two residential TUF discount programs available through the Public Works Department. Applicants may only apply for one program even if applicants are eligible for more than one discount.

1. Motor Vehicle Discount
 - a. Households where no one owns a motor vehicle: 30% discount
 - b. One year discount or until the household owns a vehicle
 - c. Must show that each person in the household who is old enough to drive does not own a vehicle.
2. Transit Pass Discount
 - a. Households in which at least one household member can show an annual TriMet pass: 30% discount
 - b. Valid until TriMet pass expires

There are two non-residential discount programs. Non-residential customers may apply for both discount programs. The maximum combined discount is 30%.

1. Employer Transit Pass Discount
 - Employers who purchase annual TriMet pass for their employees: Up to a 30% discount, based on percentage of employees that receive purchased passes from their employer.
 - One year discount
 - May reapply each year
2. Employer Department of Environmental Quality (DEQ) ECO Program Discount
 - Employers who have an Employee Commute Option (ECO) program that meet state rules. (Read the Oregon guidelines on the DEQ website.)
 - Equals the percentage of trips reduced, up to 30%
 - Discount calculated using the ECO employee travel survey conducted every two years
 - May reapply when a new ECO survey is completed. Find the survey links on the DEQ website.

Employees Receiving Purchased Passes

15% of employees
30% of employees
40% of employees
50% of employees
60% of employees
70% of employees

Employer Transit Pass Discount

5%
10%
15%
20%
25%
30%

Delinquencies

If payments received from utility billings are less than the outstanding account balance for the water, sanitary sewer, storm sewer, and TUF, the city may discontinue those utility services. The city may discontinue services beginning

with water service when a utility account balance is outstanding, and not restore water service until the outstanding balance is paid in full.

In addition to any other remedy available to the city, violation of any provision of this subchapter is subject to a civil fine of no more than \$1,000 per violation. Each day after an account subject to TUF remains delinquent constitutes a separate violation

Lake Oswego

Overview

Key Statistics

- Population: 41,129
- Transportation Utility Fee
- Year fees went into effect: 2003
- Approximate annual revenue generated: \$5 million

Fee Context

Historically, the primary funding source for maintaining the city's street system was the state gas tax. This tax covered not only street maintenance but also the energy and upkeep of streetlights and traffic signals throughout the city. However, the city council recognized that relying solely on the gas tax was insufficient to meet the growing demands of street maintenance. To keep the street system in good condition, including necessary pavement overlays, treatments, and reconstruction, additional funding sources were deemed essential. On November 4, 2003, the Lake Oswego City Council approved the Street Maintenance Fee (SMF) as a supplemental funding mechanism to support investment in the city's street infrastructure. The initial fee per residential dwelling unit was \$3.75 per month.

In 2020, the city council set the goal of continuing to “focus on pavement quality and pathways.” In 2021, council refined the goal to “increase funding for pedestrian facilities, beginning with safe routes to school.” In September 2021, the council held a study session on funding options and directed staff to return to the Council to explore changes to the SMF or, alternatively, pursue a general obligation bond. In May 2022, the Council agreed that increasing the SMF was the best option for creating an increased source of funding for pathway infrastructure improvements. Additionally, the city council decided to increase the SMF rather than proposing a general obligation bond, which would have increased property taxes. The increase in the fee for a residential customer was \$5.60 per month.

Fee Methodology

The SMF is assessed based on the type of customer and the number of units (dwelling units for residential and building areas for nonresidential uses). Key elements of the transportation utility fee methodology include the following:

- **Basis for Charge:**

An inventory of all the existing uses on occupied parcels in the city provided the starting point for calculating the SMF rates for the city. The city then established SMF rates based upon the proportion of trip miles generated by each street user group relative to all trip miles generated on an annual basis for developed property within the city. Institute of Transportation Engineers trip generation rates, adjusted for pass-by trips and trip lengths, were used to determine trip mile estimates for each customer and nonresidential group.

- Residential: Uniform rate per unit for two categories based on trip miles:
 - Single-family
 - Multifamily

- Nonresidential: The non-residential rate structure is based on 3 groups where the rate reflects the trip-mile estimates per unit of scale (1,000 sq ft of building area).
 - Group I: less than 29 vehicle trip miles per day, per 1,000 sq ft
 - Group II: from 29 to 90 vehicle trip miles per day, per 1,000 sq ft
 - Group III: greater than 90 vehicle trip miles per day, per 1,000 sq ft

Fee Schedule

The city's current fee schedule (effective July 1, 2024) is shown below.

Residential groups \$/unit per month	
Single family	\$ 16.47
Multi-family (per unit)	\$ 11.77
Non-Residential groups (\$/1,000 square feet)	
Group I	\$ 10.07
Group II	\$ 22.66
Group III	\$ 84.61

Policies

Billing

The SMF is billed and collected as part of the combined utility user charge. If the funds collected from the City's utility billings are insufficient to cover all the water, sewer, stormwater, and street maintenance fees in full, credits will be applied in the following order: street maintenance fee, stormwater fee, sewer fee, and finally, water fee.

Exemptions

When property within the city becomes vacant and water service is discontinued, the city manager may grant a waiver of the SMF upon written request from the responsible party. This request must include a signed statement affirming under penalty of perjury that the property is vacant, along with payment of any outstanding water, sanitary sewer, storm sewer, and street maintenance charges.

Vacant is defined as an entire building or utility billing unit that has been completely unoccupied for at least 30 consecutive days. A property is not considered "vacant" if only a portion of it, without a separate water meter, is unoccupied.

The SMF will be waived only for the period during which the property remains vacant. The account holder must notify the city within five (5) days if the property becomes occupied, partially occupied, or otherwise used, regardless of whether water service is reinstated.

The following properties are exempt from the SMF:

1. City-owned parking lots that are solely used for parking and are not associated with any other public services.
2. Parking lots owned and operated by TriMet for mass transit passengers, such as "Park and Ride" lots.
3. Publicly owned parkland, open spaces, and greenways, unless these areas include public off-street parking specifically designed for their use.
4. Railroad and public rights-of-way, except for developed railroad properties, such as maintenance areas, non-rolling storage areas, and facilities used for transferring rail-transported goods to non-rail transport, which will be subject to the SMF.

Discounts

None identified.

Delinquencies

If a utility customer fails to pay the utility charges in full, credits will be applied in the following order: first to the street maintenance fees, second to the storm surface management utility charge, third to the sewer services utility charge, and lastly to the water services utility charge.

If any utility account becomes delinquent, the city finance director may authorize the termination of water service to the customer until all outstanding street maintenance fees and delinquent user charges for surface water management, sanitary sewer, and water services are paid in full. These collection provisions are in addition to any other rights or remedies available to the city under Oregon state law.

Medford

Overview

Key Statistics

- Population: 88,352
- Year fees went into effect: 1992
- Estimated annual revenue generated: \$7.5 Million

Fee Context

The City of Medford was one of the first cities in Oregon to adopt a transportation fee. The fee was recommended by a specially appointed stakeholder committee that considered various options for addressing street maintenance funding needs. The city council conducted multiple meetings and hearings over a two-year period before adopting the final ordinance in 1991.

In addition to the street maintenance fee, the city charges a pedestrian-scale streetlight utility fee for benefiting properties only.

Fee Structure

Street maintenance fees are charged to each utility account based on the fee by customer class (shown in the table below) and each customer's estimated average daily trip ends.

Table M-1

Street Maintenance Fee (per trip end per month)					
Customer Class	2023	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Residential	\$0.73	\$0.69	\$0.66	\$0.69	\$0.73
Annual % Change		-5%	-4.90%	6%	6%
Non-Residential	\$0.54	\$0.60	\$0.66	\$0.70	\$0.74
Annual % Change		10.90%	10%	6%	6%

Effective July 20XX

Trip ends are estimated based on the customer's type of use, modified average daily trip generation rate per unit, and number of development units (e.g., dwelling unit, building square feet, etc.). the following formula is used to determine the fee per account:

Quantity x (modified average daily trips x pass-by trip factor) x rate (for the class)

Where:

- Quantity is the unit of measure defined by the ITE trip generation manual and is usually gross square footage (GFA) of the building, number of dwelling units, etc. The following categories are charged based on units other than GFA:
 - Service Stations

- Car wash
 - Outdoor/recreation
 - Parks & cemeteries
 - Lodging
 - Arena
 - Schools
 - Freight/shipping
 - Park and Ride
 - Commercial airport
 - Congregate Care
- Modified Average Daily Trips (ADT) are determined based on the type of use and the scale of the development for most nonresidential uses. Trip rates by land use category and tier are shown in the table on the following page. Most retail, institutional, office, and industrial uses are charged according to two tiers, with larger scale (Tier 2) developments receiving a trip rate discount of 11-61 percent off the base Tier 1 rate. Development that falls in Tier 1 is charged based on a sliding scale, where the Tier 1 trip rate is reduced by 0.1 percent to 15 percent per unit, based on the type of use.
- Note: For convenience and government administration offices, the second tier is charged a higher rate per unit.*
- Pass-by trip factor is determined by type of use based on ITE data.
 - The rate is established in the most recent fee schedule approved by resolution of the City Council.

Furthermore, in determining the customer's use classification ("Bundle"), the following practices are used:

- Classification considers the 2002 Edition of the North American Industrial Classification System (NAICS) manual in so far as possible. However, in cases where the NAICS and ITE manuals disagree, the ITE manual definition shall prevail. An example would be a shop in a hotel; each has its own NAICS classification, but one ITE manual classification (Hotel).
- Each street utility account is to be classified according to the primary activity of the establishment that will, or does, occupy the suite.

Table M-2 Determination of Trip Rates

Bundle	ITE Codes	Unit of Quantity	Tier Cut-Off (Qty)	ADT/ Unit	Qty/Tier Discount	Pass- By Factor
AUTOMOTIVE						
A. Automotive Parts & Service Tier 2	843, 848, 849, 941-943	KSF	40	39.22 20.77	1.2% 47%	1.00
B. Gasoline Stations Tier 2	944-946	Fuel Positions	14	121.96 86.96	2.0% 29%	0.43
C. Car Wash Tier 2	947-948	Wash Stalls	5	170.16 88.15	9.6% 48%	1.00
BANKS Tier 2	911-912	KSF	30	128.23 53.23	1.9% 58%	0.53
FOOD						
A. Bakeries, Donuts, Bagel Shops Tier 2	939-940	KSF	2	187.50 167.50	5.3% 11%	1.00
B. Coffee Kiosks, No Indoor Seating Tier 2	938	KSF	na	1,800.00		0.11
C. Fast Food, Coffee w/ Indoor Seating Tier 2	933-937	KSF	3	325.50 180.80	14.8% 44%	0.50
D. Restaurants and Drinking Places Tier 2	925, 931, 932	KSF	10	127.15 92.15	2.8% 28%	0.57
GOVERNMENT FACILITIES						
A. Government Administration Tier 2	571, 730-733	KSF	50	60.00 84.00	-0.8% -40%	1.00
B. Library Tier 2	590	KSF	na	28.75		1.00
C. Military – Armory & Support Tier 2	501	KSF	na	0.76		1.00
D. Government Maint. Facilities Tier 2	110, 170	KSF	100	15.00 8.00	0.5% 47%	1.00
HEALTH SERVICES						
A. Medical Offices/ Clinics Tier 2	630, 640, 720	KSF	40	40.16 23.16	1.1% 42%	1.00
B. Acute Care, Full Service Hospital Tier 2	610	KSF	na	28.00	28	1.00
C. Nursing Home/ Foster Care Tier 2	254, 620	Beds	na	4.25	4.25	1.00
INDUSTRIAL						
A. Light Industrial/ Maintance Yards Tier 2	110, 130, 170, 860	KSF	100	15.00 8.00	0.5% 47%	1.00
B. Heavy Industrial, Warehousing, Furniture Tier 2	120, 140, 150, 152	KSF	90	15.63 8.13	0.5% 48%	1.00
OFFICE Tier 2	710, 714, 715, 750, 760, 770	KSF	50	35.68 17.68		1.00
RECREATION						
A. Outdoor, Recreation Tier 2	414,-418, 420, 430-435, 452-454,480-481, 490 420	Acres	250	13.25 5.75	0.2% 57%	1.00
B. Entertainment & Fitness Tier 2	437, 441, 443-445, 465, 491-493, 495 443-445	KSF	40	35.50 18.50	1.2% 48%	1.00
C. Parks & Cemetery Tier 2	411-413, 488, 566	Acres	100	9.40 3.65	0.6% 61%	1.00
D. Lodge/Fraternal Organization Tier 2	591	KSF	na	25.45		1.00
E. Hotel/Motel Tier 2	310-312, 320, 330	Rooms	na	10.04		1.00
F. Night Club/ Gaming Tier 2	440, 473	KSF	na	134.30		1.00
G. Arena Tier 2	460	Acres	na	33.00		1.00
RELIGION-HOUSES OF WORSHIP Tier 2	560-561	KSF	na	10.84		1.00
RETAIL						
A. Low Impact Tier 2	812-818, 820, 823, 841, 857, 861-869, 872, 875, 876, 879, 918, 920	KSF	100	82.42 50.42	0.4% 39%	0.70
B. High Impact Tier 2	850, 854, 880, 881, 896	KSF	75	93.50 67.96	0.4% 27%	0.57
C. Convenience Market Tier 2	851-853	KSF	4.5	130.00 145.00		0.89
SCHOOLS; DAY CARE CENTERS						
A. School Tier 2	520, 522, 530, 534, 536, 540, 550	Students	1500	1.85 1.70	0.01% 8%	1.00
B. Day Care Center Tier 2	565	KSF	na	79.26		1.00
TRANSPORTATION						
A. Freight/Shipping Tier 2	30, 93	Acres	na	81.90		1.00
B. Park-n-Ride/Bus Terminal Tier 2	90	Acres	na	11.66		1.00
C. Commercial Airport Tier 2	21	Avg Flights/ Day	na	93.50		1.00

In the event the monthly fee for nonresidential customers is less than the monthly fee for single-family customers, the monthly street fee shall be equal to the single-family fee for each applicable ITE bundle assigned to the account.

Fee Schedule

The fee schedule is determined by multiplying the fee per trip end for the class by the average daily trip ends for the category. Residential fees are shown on the table below.

Residential Category	ITE Codes	Unit of Quantity	ADT/ Unit	Fee/ Month
Single-Family, Condo, Townhome	210, 224, 230-233	Dwelling Units	9.57	\$6.64
Apartments/SFR w/ADU, Duplex	220, 223, 265, 270	Dwelling Units	6.75	\$4.68
Mobile Home Park	240	Acres	39.61	\$27.47
Congregate Care	251-253, 255, 260	Dwelling Units	4.25	\$2.95

Policies

Revenues from the service fees are deposited into designated funds. Allocated overhead costs may not exceed five (5) percent of the gross revenues of the transportation utility funds during a fiscal year.

Billing

Service fees are paid by the party responsible for each developed property within the city limits. Fees may be appealed to the city manager.

Exemptions

There are no exemptions identified.

Discounts

Customers classified as nonprofit, houses of worship and fraternal organizations receive a 50 percent reduction in their modified average daily trip-ends where the building or unit's primary purpose is administration. The reduction applies to the headquarters or main administrative offices only; satellite or auxiliary facilities operated by these organizations at other sites shall not receive the discount. Government offices directly concerned with the delivery of social services to individuals and families are not eligible for the discount.

Fee Adjustments

The city allows for annual inflationary adjustments for all service fees based on the Consumer Price Index (CPI-U) for Portland.

Newberg

Overview

Key Statistics

- Population: 26,249
- Year fees went into effect: 2017
- Estimated annual revenue generated: \$1.4 Million

Fee Context

In 2017, the city council adopted a TUF to fund street preservation. The fee level and methodology followed the recommendations of a council-appointed task force that considered different funding mechanisms and fee policies. The transportation fee was intended to fund only a portion of the maintenance backlog. It was understood that an additional revenue source would also be necessary and could include a future bond, local gas tax, or other revenue source. However, an additional source has not yet been implemented.

Fee Methodology

The transportation utility fee is assessed based on the type of customer and the number of units (dwelling units for residential and building area and other units of measure for nonresidential uses). Key elements of the TUF methodology include the following:

- **Cost Allocation:** Costs are allocated between residential and nonresidential customer classes based on trip generation. Current fees reflect the following approximate allocation:
 - Residential: 42 percent
 - Nonresidential: 58 percent
- **Calculated Rates by Bin:** Once the revenue targets are set for each broad customer class, rates are developed for each subcategory in proportion to the average new trip generation for the category, as a percentage of the overall trip generation for the class. The city's rate structure includes the following subclasses or "bins":
 - Residential:
 - Bin 1: Single-family housing (1-3 units)
 - Bin 2: Multifamily includes four or more attached dwellings, condominiums, and town homes including accessory dwelling units
 - Bin 3: Mobile Homes in parks
 - Nonresidential: The non-residential rate structure is based on 6 groups or "bins" based on a customer's estimated average daily trip generation, as shown in the table below:

Nonresidential Bin	Units	Average Daily Trips/ Unit
1	KSF	<18
2	KSF	18-30
3	KSF	31-51
4	KSF	52-80
5	KSF	>80
6	Varies	Varies

- **Rate Structure:**
 - Residential charged based on a uniform rate per dwelling unit
 - Nonresidential charged a minimum charge (equal to the single-family residential charge)
- **Truck Traffic:** The city's ad hoc committee considered whether the fee methodology should include a fee adjustment for truck traffic for certain land uses. However, it concluded that no adjustment should be made at this time. There was general agreement that truck weight affected roads, but that the group concluded that it would be too complicated to calculate.
- **Fee Caps:** The city's ad hoc committee considered whether the fee methodology should include caps on bills. Ultimately, they recommended that there be no caps offered. They understood this would be unfavorable to a few businesses, but there was agreement that there was no fair way to apply caps that did not reduce the revenue available for roads or create an increase for others paying their full fees.

Fee Schedule

The transportation utility fee is assessed based on the type of use and the number of units (dwelling units for residential and building area for most nonresidential uses) as shown in the table below.

Newberg Transportation Utility Fee ¹		
Residential Land Uses		
Single Family Detached Housing	\$6.60	per dwelling unit
Multi-Family	\$4.46	per dwelling unit
Mobile Home	\$3.45	per dwelling unit
Non-Residential Land Uses		
Class 1 – Industrial, Warehousing, Hospital, Nursing Home, General Office, Tire Store, Furniture Store	\$4.92	per 1000 sf
Class 2 – Vet Clinic, Shopping Center, Auto Sales, Superstore, Discount Club	\$19.38	per 1000 sf
Class 3 - Auto Repair, Medical Office, Clinic, Retail, Heath/Fitness Club, Quality Restaurant	\$28.23	per 1000 sf
Class 4 - Sit Down Restaurant, Theater, Day Care, Library, Supermarket, Apparel, Walk-In Bank, High Turnover Restaurant	\$44.24	per 1000 sf
Class 5 - Convenience Store, Banks w/ Drive Thru, Fast Food, Coffee/Donut Shop	\$128.47	per 1000 sf
Class 6 - Others		
Senior Adult Housing Attached	\$2.49	per dwelling unit
Congregate Care	\$1.48	per dwelling unit
Assisted Living	\$1.94	per bed
Continued Care Retirement Community	\$1.76	per unit
Hotel	\$5.98	per room
Motel	\$4.13	per room
City Park	\$1.39	per acre
County Park, Farmland, Commercial Agriculture	\$1.54	per acre
Golf Course	\$26.14	per hole
Public Elementary School	\$0.48	per student
Public Middle/Junior High School	\$0.55	per student
Public High School	\$0.59	per student
Private School (K-12)	\$1.81	per student
Junior/Community College	\$0.90	per student
University/College	\$1.26	per student
Quick Lubrication Veh. Shop	\$17.02	per service position
Gas/serve Station	\$71.53	per fueling position
Gas/Serve Station with Conv. Market	\$52.41	per fueling position
Food Cart	\$58.26	per food cart

¹ Effective January 1, 2025

Policies

Revenues from the service fees are deposited into designated funds.

Billing

The fee is collected from all properties that receive a monthly municipal service statement. Fee disputes are reviewed and decided by the finance director. Final appeal may be made to the city manager.

Exemptions

There is no charge for undeveloped property until such time as building permits are issued.

Other exemptions include:

- No fee parking lots
- Publicly owned undeveloped park land, open spaces and greenways are not subject to the TUF unless there is off-street parking for users.
- Railroad and public rights-of-way are not subject to the TUF. However, railroad property containing structures, such as maintenance areas, non-rolling storage areas and property used for the transfer of rail transported goods to non-rail transport are subject to the TUF

Waivers

Vacant properties are not a source of vehicle trips, so vacant properties are eligible for a full waiver of the fee. When any developed property within the city becomes vacant, and water service is discontinued, upon written application of the property owner, the TUF will not be billed if all current and outstanding water, sanitary sewer, storm sewer and transportation utility fee charges have been paid in full.

Partial Waivers/Discounts

The ITE trip rate for public elementary, middle schools, and high schools are reduced by 50 percent.

The city also offers the following discounts:

1. Customers may qualify for a partial waiver if the person responsible for the bill meets the income criteria, which is defined as a household earning less than 80 percent of the HUD median household income in Newberg.
2. The principal owner of a multifamily residential property may qualify for a partial waiver if the property is identified as a low-income qualified housing identified by the housing authority of Yamhill County.
3. An unemployment waiver provides a six-month waiver to residents who have had the responsible party recently laid off from their job. Evidence of receipt of current unemployment benefits and proof of residency at the service address is required. Residents can apply for the waiver if still receiving unemployment benefits after six months.
4. A discount can be obtained for residential class households in which no one owns a motor vehicle. The discount is good for one full year after the discount is approved or until a vehicle is acquired by the household. Residents must demonstrate that each

member of the household of driving age does not have a vehicle. Qualifying residents must reapply each year to receive a waiver for the next 12 months. These waivers are only up to 50% of the fee because all residents still benefit from the road system, i.e. the road system allows mail delivery and garbage hauling service for all properties.

A summary of transportation utility waivers is as follows:

- Vacancy: 100 percent waiver.
- Hardship: 50 percent waiver.
- Unemployment: 50 percent waiver.
- Motor vehicle discount: 50 percent waiver.

Mixed-Use Properties

A. Special standards may apply for determining the appropriate customer category where developed properties share or utilize common transportation facilities such as walkways, driveways or parking areas. Except as provided below, no TUF will be apportioned among mixed-use or related developments or combinations of mixed-use and related developments.

B. Mixed uses with multiple use categories that share a single water meter will be assessed a total combined TUF based on the sum of each use category fee. Although these standards generally apply to nonresidential uses, they also will be used to determine the appropriate customer category in properties with mixed uses of residential and nonresidential developments.

C. The following procedure may be used to apportion TUF fees within mixed-use properties for the separate uses:

Residential Uses. Each equivalent residential unit will be assessed a TUF in accordance with the applicable residential rate for that unit.

Nonresidential Uses. For developed properties with at least one common boundary where the uses would be assigned separate categories if the uses did not share common driveways, walkways or parking areas, and where the property design reduces the number of trip destinations that normally would be assigned to that use, a combined TUF may be established. Related properties may have more than a single water meter and sewer utility service established, and the combined TUF will be apportioned by the city manager between uses as follows:

- Establish a collective trip assignment for the mixed-uses based on the lowest applicable trip generation factors that could be applied to the subject properties. The assignment may include individual trip calculations for some uses and combined trip calculations for other uses.
- Establish the appropriate customer category and related cost-per-trip rate for that category and apply that rate to the collective trip assignment.
- Establish an allocation of the combined fee amount to the water meter/sewer accounts that serve the collective properties using one or more of the following methods:
 - Building area square footage.
 - ITE manual daily trip generation factors.
 - Internal traffic counts.

- Other factors deemed suitable for apportioning the fee commensurate with use.

Delinquencies

The City of Newberg has a general delinquency policy related to utility bills. Utility statements are mailed on the 1st of each month and are due on the 30th of each month (except for February). Utility bills are delinquent the day after the due date, however a grace period of seven (7) days is given before delinquent charges are applied.



TO: Albany City Council

VIA: Peter Troedsson, City Manager
Matthew Ruetters, Community Development Director

FROM: Anne Catlin, Comprehensive Planning Manager

DATE: August 1, 2025, for the August 11, 2025, Council Work Session

SUBJECT: Housing Implementation Plan Policy Proposals

Purpose:

Provide final review and direction regarding the proposed Housing Construction Excise Tax (CET) and the Low-Income Rental Housing Property Tax Exemption (LIRHTE) programs prior to the second reading of the ordinances for these items on August 13, 2025.

Background:

In 2021, the council appointed the Housing Affordability Task Force (HATF), that represented a wide range of housing interests to provide direction on strategies the City could consider to address current and future housing needs. The HATF recommendations became the Housing Implementation Plan (HIP), which was adopted in June of 2023.

In 2024, the city council reviewed priority housing strategies and policies at three work sessions (August 5, September 30, and November 4, 2024). Staff sought public feedback on these strategies through focus groups, a survey, individual meetings, office hours, and the Housing Forum held November 14, 2024.

The council held a public hearing on the proposed Housing CET, the LIRHTE, and the Surplus City-Owned Land for Housing strategies on December 11, 2024. Following the hearing, the council voted to adopt a resolution to establish policies for city-owned surplus property for housing. The CET and LIRHTE ordinances were read a first time in title only, but one no vote precluded final action on these two items at that time.

Due to minor amendments needed to the December 11, 2024, CET ordinance, the length of time since December, and new councilors, a public meeting is scheduled for August 13, 2025, which provides an opportunity to confirm/reconsider a few details, prior to commencing with the second reading of the ordinances.

Discussion:

Housing Construction Excise Tax (CET): The CET is a one-time “tax” (fee) on new development charged at the issuance of building construction permits to create a stable revenue source to support needed housing. This tool was established in 2016 through the passing of Senate Bill 1533 and codified in Oregon Revised Statutes (ORS) 320.175 to 320.195. Many Oregon cities of all sizes have enacted CETs to raise revenue to incentivize affordable housing. Highlights of the controlling ORS provisions follow:

1. **CET Rates (ORS 320.192):** Allows jurisdictions to enact a tax rate of up to one percent (1%) on residential development (Residential CET) and sets no limit on the tax rate on commercial and industrial development (Commercial CET). The Council’s direction at the December 11, 2024, meeting was to set the Residential CET at one percent (1%) and Commercial CET at one and a half percent (1.5%) by resolution to enable future rate changes.
2. **Exemptions (ORS 320.173):** State law exempts numerous development types from the CET (see proposed AMC 3.090.040). The council supported adding a local exemption for the first \$50,000 of an improvement’s permit valuation, which would provide a full exemption for most smaller improvements and a discount to the CET on all other projects.
3. **Use of Revenues.** ORS 320.195 specifies how CET revenues must or may be spent (see proposed AMC 3.09.100.). Over the next six months, staff would work with the Community Development Commission and council to determine housing needs and programs that could be supported with the CET.
4. **Administration:** Retain up to four percent of CET revenue as an administrative fee to be applied to the cost of administering the programs and revenues.

Since December 11, 2024, staff identified a few minor modifications to the proposed Albany Municipal Code language (attached), including:

- Clarifying the CET only applies to new residential living space and occupiable space in non-residential developments; the tax would not apply to a new garage or storage building, for example.
- Specifying the tax is on the value of the structural improvement as calculated by the International Code Council construction valuation table.
- Adding a definition of “Residential” because not all non-commercial projects are residential.

Council CET Considerations:

- **CET Rates:** Because the rates would be established by resolution, the CET rates may be changed at any time. Staff presented different rate options for the Residential and Commercial CET ranging from 0.25 percent to 1 percent for residential and 1.5 percent for commercial purposes, based on research of rates enacted by other cities, and the projected revenues the tax rates could generate annually as provided in the July 2024 HIP Housing Policies Background Report; figures provided below.

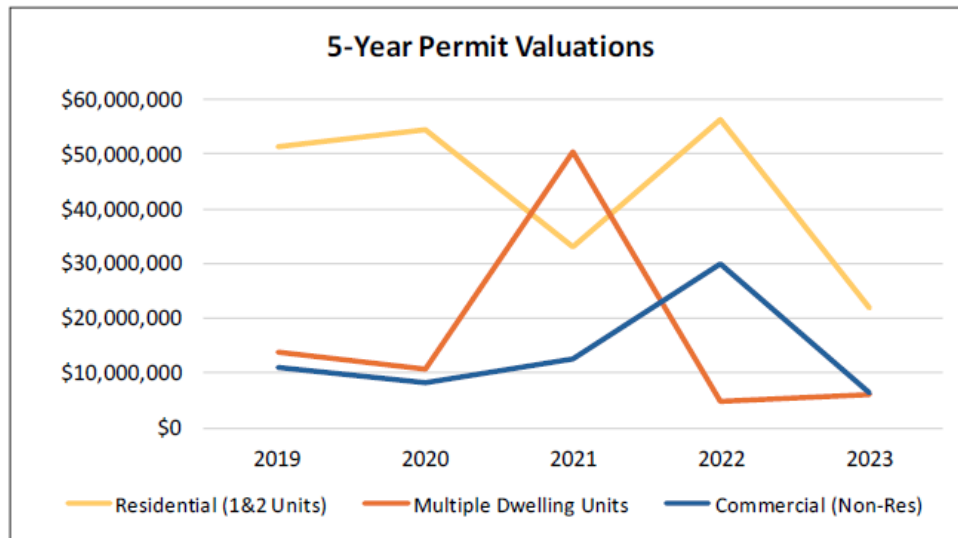
FIGURE 3.1: ADOPTED CET PROGRAMS, SAMPLE OREGON CITIES

	Residential	Commercial	Adoption
Bend	0.33%	0.33%	2006
Corvallis	1%	1.5%	2016
Eugene	1%	1%	2019
Grants Pass	0.5%	1%	2021
McMinnville	1%	1%	2022
Medford	0.33%	0.33%	2018
Milwaukie	1%	1%	2017
Newburg	1%	1%	2020
Newport	1%	1%	2017

Source: Cities, Johnson Economics LLC

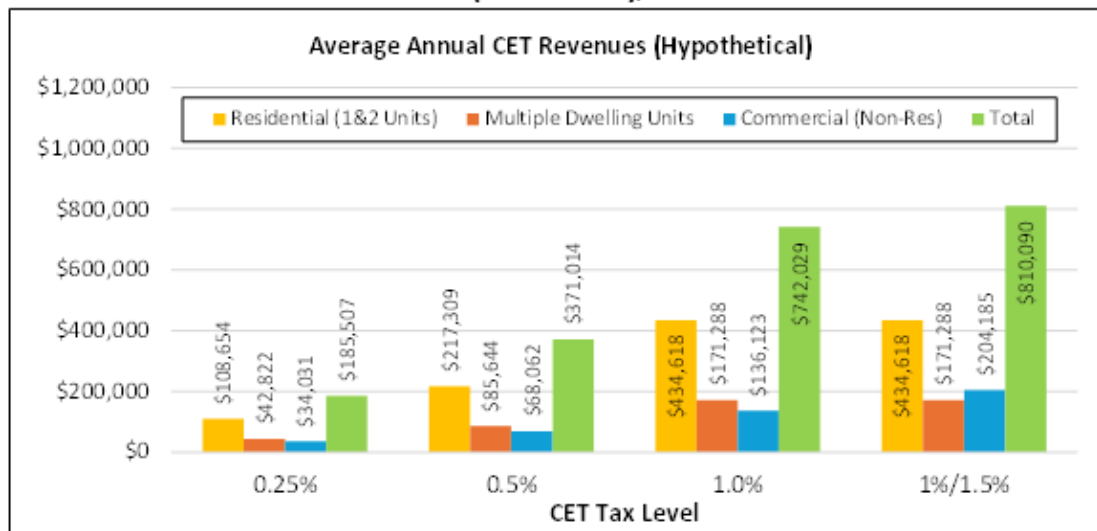
Note: Eugene scaled the implementation of CET rates, starting with 0.33% in 2019, 0.5% in 2020, increasing to 1% effective July 1, 2021.

FIGURE 3.2: AVERAGE ANNUAL AND FIVE-YEAR PERMIT VALUATIONS, CITY OF ALBANY (2019 – 2023)



Source: City of Albany permits, Johnson Economics LLC

FIGURE 3.4: AVERAGE ANNUAL CET REVENUE (HYPOTHETICAL), AT DIFFERING CET LEVELS



Source: City of Albany permits, Johnson Economics LLC

Note: The hypothetical revenue projections do not account for an exemption for the first \$50,000 of value.

Below are sample CET fees for a Residential CET rate of one percent (1%) and the Commercial CET (non-residential) at a rate of one and a half percent (1.5%).

- One percent (1%) tax on a 1,500 square foot dwelling unit with a permit value of \$280,000 - \$50,000 = \$2,300 fee
- One percent (1%) tax on 33-unit apartment building valued at \$1,250,000 - \$50,000 = \$12,000 fee
- One and a half percent (1.5%) tax on 6,890 square foot commercial building valued at \$531,000 - \$50,000 = \$7,215 fee

Direction: Would the council like to keep the initial rates at one percent (1%) for the Residential CET and one and a half percent (1.5%) for the Commercial CET?

- Local \$50,000 Exemption. **Direction:** Does the council still want to offer this local exemption for the first \$50,000 of the improvement value? Are there other exemptions the council wants to consider, such as projects receiving a Multi-Unit Property Tax Exemption?
- CET Effective Date. The December 11, 2024, ordinance had an effective date of March 15, 2025. **Direction:** What effective date would the council like to include in the Ordinance?

Low Income Rental Housing Tax Exemption Program (LIRHTE). This program authorized by ORS 307.515-307.535 allows a 20-year tax exemption for owners of new regulated rental housing serving low-income households generally at 60 percent or below the area median income (AMI), whether non-profit or for profit. The local affordability period is at least 20 years, the length of the tax exemption, and the full value of the tax exemption must be passed on to renters by charging lower rents. The city may set an affordability period. However, most applicants will be seeking Low Income Housing Tax Credits (LIHTC) through the state and will have an affordability period of at least 60 years, which would be monitored by the state.

The program would go into effect once the ordinance adopting the provisions of ORS 307.515-307.535 is effective. If the recipient fails to comply with the housing affordability eligibility criteria, the exemption would be revoked, and the entity must repay the full amount of the exemption. The city council would review applications, if there are any, once a year. The program can be repealed at any time. The program enables the city to provide financial incentives to leverage deeply affordable housing without having to provide funding up front.

- Revenue Implications: The LIRHTE exemption would apply to both the land and improvement values. Attached are estimates of lost revenue projections over 20 years for two Albany multiple-dwelling unit developments. Example A, a 40-unit complex would result in lost city revenue of \$405,735 over 20 years, which is about \$507 per unit/year. Example B, a 147-unit complex built a few years later would result in lost revenue of \$2.2 million over 20 years, or about \$756 per unit/year.

While the city would lose existing revenue on the value of the land and on the future value of the improvements for 20 years, the City would be able to financially incentive needed low-income housing without needing a revenue source.

- Other Housing Tax Abatement Programs: The City currently has the Non-Profit Housing Tax Exemption in place. The program is set to sunset in 2027 but may be continued by the legislature. This program similarly incentivizes affordable rental properties but is only available to nonprofits and requires annual renewal of the exemption. The HIP also recommends adopting the Multiple Unit Property Tax Exemption Program (MUPTTE), which provides an exemption on the housing improvements for up to ten years, to incentivize housing and public amenities near transit. Another new tool, the Oregon Moderate-Income Revolving Loan program (MIRL), previewed at the April 7, 2025, council work session, would also result in forgone taxes on improvements for about ten years. The differences in these two programs are that the tax abatement period is less, but the tool is not restricted to supporting housing that is affordable to households earning 80 percent or less of the AMI.

Direction: Does the council wish to consider the LIRHTE incentive affordable housing for households earning 60 percent of the AMI at this time?

Strategic Plan Impact

The Housing Implementation Plan (HIP) was developed to identify strategies the city can take to address Albany's housing needs. Implementing strategies in the HIP, especially strategies to encourage the development of housing affordable to residents with lower incomes, supports the strategic plan objective to "*Encourage diversified housing options for households of all income levels and sizes*" under the Great Neighborhoods theme.

Budget/Staff Impact:

Adopting the Housing CET will generate revenue that will be deposited in the Housing Fund to support housing needs. Revenue will vary annually and is determined by the rates set by the council and the level of new construction activity; rough estimates range from \$185,000 to \$800,000 per year.

Adopting the LIRHTE would result in lost current revenue on the value of the land of any property that qualifies for the LIRHTE and future revenue of on the value of the land and improvements for 20 years. Annual lost revenue on two actual apartment developments could range from about \$20,000 a year for 40 units to an average of \$110,000 per year 147 units.

Attachments:

1. Draft CET Ordinance and AMC Language
2. Draft CET Rates Resolution
3. 20-Year Revenue Projections (LIRHTE)
4. Draft LIRHTE Ordinance and Program Provisions
5. Public Testimony Received through December 11, 2024.



ORDINANCE NO. _____

AN ORDINANCE AMENDING THE ALBANY MUNICIPAL CODE (AMC) TITLE 3 BY CREATING CHAPTER 3.09 AND ENACTING A HOUSING CONSTRUCTION EXCISE TAX

WHEREAS, the 2016 Oregon Legislature authorized the governing body of a city or county to impose a construction excise tax on new construction to fund housing incentives and development programs through Senate Bill 1533 (2016), Oregon Revised Statutes (ORS) 320.170 to 320.195; and

WHEREAS, the Albany City Council appointed members to the Housing Affordability Task Force (HATF) in November of 2021, and the HATF met five times between 2022 and 2023 to review and prioritize strategies the City could consider to address Albany's housing needs as determined by the 2020 Housing and Residential Land Needs Assessment; and

WHEREAS, the recommended housing strategies were included in the Housing Implementation Plan (HIP), adopted on June 14, 2023; and

WHEREAS, the HIP recommended the Construction Excise Tax (CET) as a priority funding strategy to generate local revenue to support needed housing through a one-time tax on construction projects; and

WHEREAS, the City of Albany sought public input on this strategy in August and September of 2024 through office hours, focus groups, and public survey; and

WHEREAS, the Albany City Council held work sessions on August 4, September 30, and November 4, 2024, to consider the CET and other housing strategies; and

WHEREAS, the City of Albany published notice in the Albany Democrat Herald on November 26, 2024, of the Albany City Council December 11, 2024, public meeting on the proposed CET; and

WHEREAS, on December 11, 2024, and August 13, 2025, the Albany City Council held public meetings on the proposed housing CET, considered public comments, and then deliberated.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1: That Albany Municipal Code Title 3 Revenue and Finance is hereby amended as provided in Exhibit A, adding a new Chapter 3.09, "Housing Construction Excise Tax".

Section 2: The Community Development staff shall provide reports for the City Council no less than every five years analyzing the impacts of the construction excise tax. The City Council may call for a public meeting to consider whether Chapter 3.09 should be amended or repealed.

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Recorder

Staff Comments: A few clarifications recommended by the city building official and staff have been incorporated into this document – such as type of improvements would be subject to the Residential CET versus the Commercial CET to include adding a definition of “residential”, and a few other minor revisions to avoid confusion with the terminology used in the state building codes and the applicability of the CET, and clarifying ORS restrictions on uses of CET revenue.

Chapter 3.09 HOUSING CONSTRUCTION EXCISE TAX

Sections:

- 3.09.010 Purpose
- 3.09.020 Definitions
- 3.09.030 Imposition of Tax
- 3.09.040 Exemptions
- 3.09.050 Collection of Tax
- 3.09.060 Statement of Full Value of Improvement Required
- 3.09.070 Interest and Penalties
- 3.09.080 Refunds
- 3.09.090 Dedication of Revenues
- 3.09.100 Use of Revenue, Deed Restriction, and Annual Accounting
- 3.09.110 Administrative Fee
- 3.09.120 Appeal Procedure
- 3.09.130 Enforcement by Civil Penalty

3.09.10 Purpose

This chapter established a construction excise tax on construction improvements to provide funding for needed housing in the city.

3.09.20 Definitions

The following definitions apply in this chapter.

- (1) "Affordable housing" means a housing unit for which a person or household earning 80% or less of area median income would not pay more than 30% of their gross income for housing payments.
- (2) "Area Median Income" means the City of Albany median household income by household size as defined by the United States Department of Housing and Urban Development and published annually.
- (3) "City Manager" means the Albany City Manager or the Manager's designee.
- (4) "Commercial" means a structure designed or intended to be used for uses other than residential purposes, including commercial, industrial, institutional, civic and other non-residential uses, and the non-residential portions of mixed-use property.
- (5) "Community Development Department" means the Albany Community Development Department staff.
- (6) "Construct" or "Construction" means erecting, constructing, enlarging, altering, repairing, improving, or converting any building or structure that results in residential living or occupiable commercial space, for which the issuance of a building permit is required by Oregon law.

- (7) "Housing units guaranteed to be affordable" means a residential dwelling unit for which a deed restriction or contractual obligation guarantees that the housing will remain affordable under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the area in which the construction tax is imposed , for a period of at least 60 years following the date of construction of the residential housing.
- (8) "Improvement" means a permanent addition to, or modification of, real property resulting in a new structure, additional square footage to an existing structure, or addition or remodeling that adds living space to an existing structure.
- (9) "Net revenue" means revenues remaining after the administrative fees described in section 3.09.110 are deducted from the total construction excise tax collected.
- (10) "Residential" means a structure permitted to include living, sanitation, and sleeping spaces, as specified in the Oregon Building Code, and their accessory structures. Residential includes but is not limited to one- and two-dwelling structures, manufactured homes, townhouses, accessory dwelling units, triplexes and fourplexes, apartment units, cottage clusters, bed and breakfasts, group homes, assisted living facilities, residential care facilities, and residential treatment facilities; but does not include hotels and motels and other uses considered commercial in the Albany Development Code.

Added "Residential" definition.
- (11) "Structure" means something constructed or built and having a fixed base on or fixed to the ground or to another structure that adds living space for residential uses or occupiable space for commercial uses.
- (12) "Value of Improvement" means the total value of the structural improvement as determined by the International Code Council (ICC) construction valuation table during the process of issuing the building permit.

Specifying the improvement value is based on the ICC valuation table.

3.09.030 Imposition of Tax (ORS 320.189-320.192)

The City Council shall set the percentage rate of the construction excise tax by resolution, in an amount not to exceed that permitted by state law. Unless subject to exemption under Section 3.09.040:

- (1) Each application for a building permit to construct Commercial improvements in the city shall be subject to the Commercial construction excise tax, in an amount based on a percentage of the full value of the improvement, as set by the City Council through resolution.
- (2) Each application for a building permit to construct Residential improvements in the city shall pay a Residential construction excise tax in an amount based on a percentage of the full value of the improvement, as set by the City Council through a resolution.
- (3) The Community Development Department shall calculate the amount of excise tax due under this Chapter based on the total value of all structural improvements associated with the project as calculated by the International Code Council (ICC) construction valuation table regardless of the number of separate building permits involved.

3.09.040 Exemptions

- (1) The following are exempt from the Housing Construction Excise Tax by Oregon Revised Statutes (ORS 320.173):
 - (a) Private school improvements.
 - (b) Public improvements as defined in ORS 279A.010 (Definitions for Public Contracting Code).

- (c) Residential housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the area in which the construction tax is imposed, for a period of at least 60 years following the date of construction of the residential housing.
 - (d) Public or private hospital improvements.
 - (e) Improvements to religious facilities that are primarily used for worship or education associated with worship.
 - (f) Agricultural buildings, agricultural grading and equine facilities, as defined in ORS 455.315.
 - (g) Facilities that are operated by a not-for-profit corporation and that are:
 - (i) Long term care facilities as defined in ORS 442.015,
 - (ii) Residential care facilities as defined in ORS 443.400, or
 - (iii) Continuing care retirement communities as defined in ORS 101.020.
 - (h) Residential housing being constructed on a lot or parcel of land to replace residential housing on the lot or parcel of land that was destroyed or damaged by wildfire or another event or circumstance that is the basis for a state of emergency declared under ORS 401.165 (Declaration of state of emergency) or 401.309 (Declaration of state of emergency by city or county) or for the exercise of authority under ORS 476.510 (Short title) to 476.610 (Payment of claims).
 - (i) Any improvements to buildings and facilities that are now or hereafter exempt under state law.
- (2) The following is also exempt from the CET:
- (a) The first \$50,000 of the value of the improvements for all building permits associated with the construction of improvements to each new or existing structure on the same property within a twelve-month period.
- (3) The Community Development Director may require any person seeking an exemption to demonstrate that the improvements associated with the building permit are eligible for exemption and to establish all the facts necessary to support the exemption.
- (4) If within 5 years of the certificate of occupancy for improvement to property receiving an exemption under this section no longer qualifies for the exemption due to a change of use or ownership, the seller of the property or owner of the property shall be liable for the foregone tax revenue, interest and fees outlined below:
- (a) An amount equal to the applicable construction excise tax as identified on the issued building permit;
 - (b) Interest on the tax at an annual rate of 10 percent from the date of the exemption; and
 - (c) A late fee equal to 5 percent of total applicable taxes and interest owing under this section.

Section 3.09.050 Collection of Tax

- (1) The construction excise tax shall be due and payable and must be paid prior to the issuance of any building permit as required by ORS 320.189.
- (2) The construction excise taxes may be paid by the owner of the subject property or any agent of the property owner authorized to apply for a building permit on the property owner's behalf.

Section 3.09.060 Statement of Full Value of Improvement Required

It is a violation of this Chapter for any person or legal entity to fail to state, or to understate, the full value of improvements to be constructed in the city in connection with an application for a building permit.

Section 3.09.070 Interest and Penalties for Failure to Comply

All amounts of construction excise tax not paid when due shall bear interest on the entire unpaid amount at the rate of 0.833 percent simple interest per month or fraction thereof (10 percent per annum), computed from the original due date to the 15th day of the month following the date of the payment. Interest amounts may not be waived.

A penalty of five percent of the underpayment of construction excise tax shall apply to:

- (1) Any underpayment due to the improvements constructed initially failing or later ceasing to be exempt affordable housing under section 3.09.040 (3) prior to expiration of the applicable income restriction period or failing to be an exempt use permitted under 3.09.040.
- (2) Any underpayment involving a failure to state or an understatement of the full value of improvements.

If not paid within ten days after billing, all interest and penalties shall merge with and become part of the construction excise tax required to be paid under this Chapter. From the point of merging, the previously assessed interest and penalty become part of the tax due for the purposes of calculating any interest and penalty for subsequent periods.

Section 3.09.080 Refunds

The City shall issue a refund to any person who has paid a construction excise tax, the amount of the tax actually paid:

- (1) If the payer establishes that the tax was paid for improvements that were otherwise eligible for an exemption under section 3.09.040.
- (2) If the payer establishes that construction of the improvements has not commenced, and the associated building permit has been withdrawn or expired.
- (3) Upon determination by the City Manager or the Council that the amount of any construction excise tax, penalty, or interest has been erroneously collected or paid to the City under this Chapter.

The City Manager shall either refund all amounts due under this section within 30 days of a complete application for the refund or give written notice of the reasons why the application has been denied. Any request for a refund must be submitted within three years from the date of payment.

Section 3.09.090 Dedication of Revenue

Net revenues from the construction excise tax shall be deposited into the General Fund, then used or transferred in a manner required to meet the obligations set out for these revenues under state law and by city housing program guidelines.

Section 3.09.100 Use of Revenue, Deed Restriction, and Annual Accounting (ORS 320.195)

- (1) Residential CET Revenue Use: Except for the funds withheld for administrative costs under Section 3.09.110, all construction excise taxes levied upon Residential improvements shall be used in accordance with state law and as specified in subsections (a) through (c) below.

(a) 50 percent must be used to fund developer incentives for housing pursuant to ORS 197.309(5)(c) and (d) and 197.309(7). Incentives include but are not limited to whole or partial fee or systems development charge reductions, land acquisition, finance-based incentives, and/or public improvements associated with housing;

- (a) ORS does not require developer incentives be restricted to affordable housing.
- (b) ORS allows city to define affordable housing programs.

(b) 35 percent may be used flexibly to fund developer incentives as described in (1)(a) of this section and affordable housing programs as defined by the City, to include down-payment assistance for homeowners, rent buy-downs and subsidies, and/or foreclosure prevention assistance; and

(c) 15 percent to Oregon Housing and Community Services to fund home ownership down payment assistance programs for households earning 100% or less of AMI.

Adding specific OHCS program requirements.

(2) **Commercial CET Revenue Use:** Except for the funds withheld for administrative costs under Section 3.09.110, the construction excise taxes levied upon Commercial improvements shall be used to fund programs related to housing as defined by the City.

NOTE: ORS 320.195 requires 50% of **commercial CET revenue** be used for housing programs; 50% is unrestricted. Based on the consultant report, housing needs, research of other cities' programs, and conversations with council, it is recommended ALL funds be use for programs RELATED to housing - this could include mixed use developments, utilities or infrastructure for a project with housing, etc.

(3) The Community Development Director will provide the City Council with an annual accounting based on the city's fiscal year, for construction excise taxes collected and the projects funded from each account in the previous fiscal year.

Section 3.09.110 Administrative Fee

As authorized by ORS 320.195, the City shall receive an administrative fee equal to four percent of the gross construction excise taxes, without regard to the subsequent reductions due to refunds, failed payments, or similar reductions.

The city shall deduct the administrative fees directly from the collected CET.

The city may recover from the construction excise taxes, any banking fees or penalties that arise from the collection of construction excise taxes such as returned check charges.

Section 3.09.120 Appeals

- (1) Any written determination issued by the Community Development Department applying the provisions of this Chapter believed to be in error, may be reviewed by the City Manager if the recipient requests review in writing delivered to the City Manager within ten days after receipt of the written determination together with all documentation required to support the request.
- (2) Any written determination from the City Manager applying the provisions of this Chapter regarding liability for payment of construction excise taxes may be appealed to the Council by filing a notice of appeal with the City Manager's office within 10 days of receiving the City Manager's written determination. The City shall determine a date and time for the City Council to hear said appeal. Action by the City Council on appeals shall be decided by a majority of the members of the Council present at the meeting where such an appeal is considered.
- (3) The filing of any appeal shall not stay the effectiveness of the written determination unless the Council so directs.

Section 3.09.130 Enforcement by Civil Action

The construction excise tax, and any assessed interest and penalties due and owed under this Chapter constitutes a debt owed to the City by the person liable for the tax as set forth in Section 3.09.030.



RESOLUTION NO. _____

A RESOLUTION SETTING THE TAX RATES FOR A HOUSING CONSTRUCTION EXCISE TAX (CET) RELATED TO ALBANY MUNICIPAL CODE SECTION 3.09.030, "IMPOSITION OF TAX"

WHEREAS, the 2016 Oregon Legislature authorized the governing body of a city or county to impose a construction excise tax on new construction to fund affordable housing incentives and housing development programs through Senate Bill 1533 (2016), Oregon Revised Statutes (ORS) 320.170 to 320.195; and

WHEREAS, the City adopted the Housing Implementation Plan (HIP) on June 14, 2023, that recommends the City Consider adopting a CET to generate local revenue to fund needed housing; and

WHEREAS, the City enacted Section 3.09 of the Albany Municipal Code by Ordinance No. _____ to enact the CET program; and

WHEREAS, Oregon Law provides that the local government imposing the affordable housing CET may retain four percent of the CET revenues as a fee for administering the tax; and

WHEREAS, Oregon law allows the rate of the construction excise tax on residential construction to be no more than one percent of the permit value of the construction, but imposes no limit on the rate of the CET on commercial and industrial construction; and

WHEREAS, on November 26, 2024, the City of Albany advertised the December 11, 2024, public meeting on the proposed housing CET; and

WHEREAS, the Albany City Council held public meetings on December 11, 2024, and August 13, 2025, on the Housing CET and comments were considered.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that,

The rate of taxation under the Albany Municipal Code Section 3.09 shall be _____ percent for the construction of residential improvements (Residential CET), and _____ percent for the tax on non-residential improvements (Commercial CET); and

BE IT FURTHER RESOLVED, The City of Albany shall begin collecting the Residential CET on (date): _____ and the Commercial CET on (date): _____.

DATED AND EFFECTIVE THIS 13TH DAY OF AUGUST 2025.

Mayor

ATTEST:

City Recorder

A. 321 & 333 hickory St NW, Sunset Village**40 units on 2.57 acres, zoned MUC, constructed in 2020**

VALUES	2019	2020	2021	2022	2023	2024			
RMV Land	2,015,082	2910674	2,686,776	2,686,776	2,686,776	2,686,776			
RMV Structures	0	3,792,991	4,054,203	4,619,107	5,331,900	5,297,386			
Total RMV	2,015,082	6,703,665	6,740,979	7,305,883	8,018,676	7,984,162			
AV	233,049	1,867,233	1,923,250	1,980,948	2,040,376	2,101,587			
TAX TOTAL	4,268	34,126.57	34,761.03	36,705.44	37,266.09	38,354.51			
% of RMV	12%	28%	29%	27%	25%	26%			
TAX BREAKDOWN	2019	2020	2021	2022	2023	2024	3% Increase/Yr	TOTALs 40 UNITS	
Albany	1,406.47	11220.21	11,533.54	11,838.34	12,142.29	12,540.80	19538.16	299,517.80	Albany
Albany public safety levy	268.01	2147.32	2,211.74	2,278.09	2,346.43	2,416.93	3765.50	57,701.35	Albany safety
Albany Urban Renewal	191.76	1642.41	1,718.99	1,923.90	2,060.16	2,042.53	3182.20	48,516.49	Albany Urban Renewal
Albany Total	1,866.24	15,009.94	15,464.27	16,040.33	16,548.88	17,000.26	26,485.85	405,735.64	\$20,286.78 avg/yr \$507.17 unit/yr avg
Benton county	513.92	4117.62	4,241.15	4,368.39	4,499.44	4,634.42	7220.28	110,642.05	Benton county
Benton County LOC OP 2018	209.74	1680.51	1730.93	1,782.85	1,836.34	168.13	261.94	10,419.61	Benton LOC OP 2018
Benton Extension	18.64	149.38	153.86	158.48	163.23	168.13	261.94	4,013.93	Benton Extension
Benton Co Soil & Water	11.65	93.36	96.16	99.05	102.02	105.08	163.71	2,508.68	Benton Co Soil & Water
Benton Total	753.95	6040.87	6,222.10	6,408.77	6,601.03	5,075.76	7,907.87	127,584.26	\$6,379.21 avg/yr
LBL ESD	67/02	534.78	549.66	564.17	578.65	597.69	931.18	14,274.83	LBL ESD
LBCC	110.33	880.21	904.89	928.67	952.45	983.75	1532.65	23,495.55	LBCC
GAPS	1007.96	8041.05	8265.75	8,484.00	8,702.00	8,987.65	14002.47	214,655.79	GAPS
Albany Bond	63.79	498.02	469.27	475.23	488.06	491.35	765.51	11,834.66	Albany Bond
LBCC Bond 1	37.26	296.7	297.14	300.31	296.87	303.89	473.45	7,316.49	LBCC Bond 1
LBCC Bond 2	0	0	0	119.45	118.34	134.71	209.87	2,953.12	LBCC Bond 2
Gaps Bond 2017	492.95	3879.56	3,663.03	4,519.73	4,132.37	4,242.47	6609.63	101,709.65	Gaps Bond 2017

B. Somerset Place Apartments, 350 Timber Ridget St NE
147 units on 15 acres, zoned RM

VALUES	2020	2021	2022	2023	2024				
RMV Land				1,451,370	2,562,420				
RMV Structures				21,679,000	25,649,200				
AV				10,706,050	11,027,220				
TAX TOTAL	8,671.48	197,640.77	206,284.01	209,296.63	215,341.37				
% of RMV				46%	39%				
								2021-2040	
TAX BREAKDOWN	3% less	3% less	3% less	ACTUAL	3% Annual Increase			TOTALs	
Albany	2634.97	60056.37	61913.79	63828.65	65,802.73	67776.81	105594.06	1,617,770.69	Albany
Albany LOC safety	462.96	11573.97	11931.93	12300.96	12,681.40	13061.84	20349.92	311,774.26	Albany safety
Albany urban renewal	436.99	10924.74	11262.62	11610.95	11,970.05	12329.15	19208.42	294,285.60	Albany CARA
Albany Total	3534.92	82,555.09	85,108.34	87,740.55	90,454.18	93,167.81	145,152.41	2,223,830.56	\$111,191.53 avg/yr \$756.40 unit/yr avg
Linn County	469.36	11733.91	12096.81	12470.94	12,856.64	13242.34	20631.13	316,082.56	Linn county
Linn County LOC OP	1199.66	29991.46	30919.03	31875.29	32,861.12	33846.95	52732.45	807,895.92	LinnLOC OP
4-H Extension	25.80	645.11	665.07	685.63	706.84	728.05	1134.27	17,377.78	4-H Exten
Linn county total	1694.82	42370.48	43680.91	45031.86	46424.60	47817.34	\$74,497.85	\$1,141,356.25	\$57,067.81 avg/yr \$388.22 per unit/yr
ESD	114.49	2862.27	2950.79	3042.06	3,136.14	3230.22	5032.58	77,102.51	ESD
LBCC	188.44	4711.07	4856.78	5006.98	5,161.84	5316.70	8283.24	126,904.67	LBCC
GAPS	1721.63	43040.76	44371.91	45744.24	47,159.01	48573.78	75676.37	1,159,411.84	GAPS
Albany Bond	94.12	2353.02	2425.79	2500.82	2,578.16	2655.50	4137.19	63,384.48	Albany Bond
LBCC Bond 1	58.21	1455.29	1500.30	1546.70	1,594.54	1642.38	2558.77	39,202.02	LBCC Bond 1
LBCC Bond 2022	25.80	645.11	665.07	685.63	706.84	728.05	1134.27	17,377.78	LBCC Bd 2022
Gaps Bond 2017	812.65	20316.33	20944.67	21592.44	22,260.25	22928.06	35721.17	547,271.82	Gaps Bd 2017
Grand Prairie 2B	92.20	2305.00	2376.29	2449.78	2,525.55	2601.32	4052.77	62,091.05	Grand Prairie 2B



ORDINANCE NO. _____

AN ORDINANCE ADOPTING THE PROVISIONS OF OREGON REVISED STATUTES (ORS) SECTIONS 303.515 THROUGH 307.535 TO ESTABLISH A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION

WHEREAS, the 2020 Albany Housing and Residential Land Needs Assessment noted there is a need for more affordable housing and other housing types within the city limits and the City wishes to encourage the development of affordable and needed housing within Albany's city limits; and

WHEREAS, and City adopted the Housing Implementation Plan (HIP) on June 14, 2023, that recommends the Albany City Council consider adopting a policy to use property tax exemptions to encourage affordable housing; and

WHEREAS, the Oregon Legislature authorizes a city or county to exempt property taxes for new low-income rental housing developments through Oregon Revised Statute (ORS) 307.515; and

WHEREAS, for purposes of the low-income property tax exemption, the definition of "low-income" shall be that in ORS 307.515; and

WHEREAS, the property tax exemption is limited to the tax levy of the taxing district in which the property applying for exemption is located and they adopt ORS 307.515 to 307.523 at the time of application, except that if the combined rate of taxation of the governing bodies that adopt the provisions of ORS 307.515 to 307.523 equal 51 percent or more of the total combined rate of taxation, then a full exemption shall be granted; and

WHEREAS, the Albany City Council must approve applications for tax exemption in accordance with ORS 307.515 to 307.535.

WHEREAS, on November 26, 2024, the City of Albany advertised the December 11, 2024, public meeting on the proposed Low Income Rental Housing Tax Exemption program; and

WHEREAS, the Albany City Council held public meetings on December 11, 2024, and August 13, 2025, on the Low-Income Rental Property Tax Exemption policy and comments were considered; and

NOW, THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1: The provisions of Oregon Revised Statutes (ORS) Sections 307.515 through 307.535 are hereby adopted as provided in Exhibit A.

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Recorder

Low Income Rental Housing Tax Abatement Program

ORS 307.515- 307.535

Definitions (ORS 307.515)

1. *AMI or Area Median Income.* The area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
2. *Community Development Director.* The Community Development Director of the City of Albany, or the Community Development Director's designee.
3. *Low-income.* Low income means household income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development;
 - (a) For the initial year that persons occupy property for which an application for exemption is filed under ORS 307.521, household income is at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; and
 - (b) For every subsequent consecutive year that the household occupies the property, income is at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; or
 - (c) For housing units on property that is awarded tax credits through the Federal low-income housing tax credit program and is a qualified low-income housing project meeting the requirements of 26 U.S.C. 42(g)(1)(C), persons with income at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development, provided the average area median income of all housing units on the property is at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on the information from the United States Department of Housing and Urban Development.
4. *Qualified rental housing.* A property or portion of a property that is offered for rent solely as a residence for low-income persons.

Criteria for Exemption (ORS 307.515-307.518)

1. To be eligible for the Low Income Rental Housing Property Tax Exemption, properties or portion of a property(ies) must meet the following criteria as provided in ORS 307.515 through 307.523.
 - a. Property is located within the limits of the City of Albany;
 - b. The housing units on the property were constructed after the City enacted this program;
 - c. The property is offered for rent solely as a residence for low-income purposes or is held for the purpose of developing qualified rental housing within the next twelve months.
 - d. If occupied, the property is occupied solely by low-income people. Property will be deemed to be occupied by low-income people if it is made available and reserved exclusively for low-income people and has been occupied by a low-income person within the last six months. Only that portion of the real property and improvements located thereon that is occupied by low-income people will be eligible property.

- e. Property must be offered for rent to qualified low-income households for a period of no less than 20 years. If vacant, the unit(s) must be offered for rent only to qualified low-income households. The affordability period starts when the project is first occupied.
2. The full value of the property tax exemption must be fully passed on to renters by charging lower rent.
3. The tax exemption on the property must be approved by the City Council in accordance with the provisions of ORS 307.515–535.
4. The application for tax exemption under this ordinance must have been filed before July 1, 2030.
5. Eligible units are constructed after adoption of this program by Albany City Council.
6. For the purposes of this tax exemption, a person that has only a leasehold interest in property is deemed to be a purchaser of that property if:
 - (a) The person is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property; or
 - (b) The rent payable has been established to reflect the savings resulting from the exemption.

Property Tax Exemption (ORS 307.519)

1. Except as provided in subsection (2) of this section, the exemptions granted under ORS 307.515 apply only to the tax levy of the City.
2. The exemption granted under ORS 307.515 apply to the tax levy of all taxing districts in which property certified for exemption is located if, upon request of the City, the rates of taxation of such taxing districts whose governing boards agree to the policy of exemption under ORS 307.515 through 307.523, when combined with the rate of taxation of the City, equal 51 percent or more of the total combined rate of taxation on the property granted exemption.
3. Property tax exemptions approved under this chapter will be for a period of 20 years.
4. Applications for property tax exemption under this policy are eligible for property tax exemptions for tax years beginning on or after July 1, 2024.

Application for Exemption (ORS 307.521)

1. A person seeking the exemption granted under ORS 307.515 to 307.523 must file an application for exemption with the City of Albany Community Development Director on a form provided by the City of Albany.
2. The application must include the following information, as applicable:
 - (a) The applicant's name, address, and contact information
 - (b) A description of the property or a portion of the property for which the exemption is requested;
 - (c) A description of the purpose of the project and whether all of a property or a portion of the property is being used for that purpose;
 - (d) If only a portion of the property is eligible, a description of the eligible portion of the property for which the exemption is requested, including the number of affordable housing units;
 - (e) A certification of income levels of low income occupants;
 - (f) A description of how the tax exemption will benefit project residents;

- (g) If the exemption is an exemption described in ORS 307.518, evidence satisfactory to the governing body that the corporation is a nonprofit corporation and meets the criteria for a public benefit corporation or a religious corporation;
 - (h) A description of the plans for development of the property if the property is being held for future low-income rental housing development; and
 - (i) A list of secured lien-holds with addresses of the lienholders; and
 - (j) Such other information as requested by the City of Albany.
3. The applicant shall verify the information in the application by oath or affirmation.
 4. Applications must be filed on or before December 1 of the calendar year immediately preceding the first assessment year for which exemption is requested and must be accompanied by the application fee required by the City. However, if the property is acquired after November 1, the application must be made within 30 days after the acquisition.
 5. An application which does not contain all the information required by this section and/or is not accompanied by payment of the proper fees will be returned. Any application returned for these reasons will be deemed to have not been filed.

Review of Application (ORS 307.521)

1. The Community Development Director will process each complete application and make a written recommendation to the City Council in sufficient time to allow the Council to take final action within 30 days of the filing of the application. Upon receipt of the Community Development Director's recommendation for approval or denial, the Council will consider the application and determine if the applicant qualifies for the exemption. Within 30 days of the filing of the application, the Council must adopt a resolution approving or denying the application.
2. Council will review the staff's findings and recommendation and determine whether or not to grant the exemption. Staff will also coordinate with other taxing districts to gain their support and approval. If there is the support of 51% of the taxing districts and Council approves the Exemption, a resolution will be adopted containing the owner's name and address, a description of the housing unit, either the legal description of the property or the county assessor's property account number, any specific conditions upon which the approval of the application is based and if only a portion of the property is approved, a description of the portion that is approved.
3. A resolution approving an application must contain findings on the criteria for approval and must certify to the Linn County or Benton County tax assessor that all or a portion of the property for which the application was made is exempt from the ad valorem property tax levy of the City of Albany.
4. If the application is denied, the City will state in writing the reasons for denial and send the notice of denial to the applicant within 10 days after the denial. The notice will inform the applicant of the right to appeal under.
5. Following approval, the City will file with the Linn County or Benton County assessor, as applicable, and send to the applicant a copy of the resolution approving the application. If the application is approved, the copy of the resolution will contain or be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period or thereafter, and the effects of termination. In addition, the City will file with the county assessor a document listing the same information otherwise required to be in a resolution as to each application deemed approved.

Requirements of Properties Granted Tax Exemption

1. Recipients of the property tax exemption will provide a report demonstrating compliance with the affordability requirements annually for the duration of the 20-year property tax exemption period. If the property qualifies for the property tax exemption while being held for the purpose of developing low-income housing, reporting will be required for the twenty years following the construction of the affordable rental housing units to demonstrate compliance.

Termination (ORS 307.530)

An exemption granted under ORS 307.515 to 307.523 shall be immediately terminated and additional taxes imposed as provided in ORS 307.531 if the exempt property is:

1. Is used for any purpose other than the provision of low income rental housing; or
2. Being held for future development of low-income rental housing and is used for any purpose other than the provision of low income rental housing.



1142 Willagillespie Road #30, Eugene, OR 97401 / PO Box 50171 Eugene, OR 97405

November 1, 2024

Community Development-Planning
City of Albany
c/o Beth Freeland, Planner II
333 Broadalbin St. SW
Albany, OR 97321

Sent via email: Beth.Freeland@albanyoregon.gov

RE: **Housing Implementation Plan**

Ms. Freeland:

I am corresponding today in my capacity as Executive Officer of the Western Oregon Builders Association (WOBA), wanting to reach out in advance of and submit for inclusion in the public testimony portion of the upcoming hearing, our association's opinion on the Construction Excise Tax (CET).

Aside from no mention as to whether future increases, parameters or caps apply to the proposed tax, WOBA's objection to this proposal is that it comes at a time when fees for permits and Systems Development Charges (SDC) across the board have been increasing. And while there has been discussion about deferring SDC's until occupancy is certified, the September 30 published report disseminated is void of any mention of the SDC deferral.

Specific to the CET, 1% is not an insignificant number given the rising costs making homes less affordable. In the end consumers, home buyers, will pay the added cost of the CET whether they are purchasing a newly built home or an existing one. And the reason for that is because the two compete against each other in the market. Similarly, one could presume that rents will also increase in response to another tax.

In summary, given the rapid rise in permits and SDC's and limited detail on the proposed, WOBA cannot support the CET, even though we understand it's suggested intent to support affordable housing and developer incentives.

Regards,

Dan

Dan Revell

Executive Officer



P: (541) 484-5352

www.westernoregonbuildersassociation.com



DEVELOPING THRIVING COMMUNITIES

11/22/2024

Albany City Council
333 Broadalbin St SW
Albany, OR 97321

Re: Letter of Support for housing-related policy proposals (12/11 Council Meeting)

Dear Mayor Johnson and City Councilors,

I am writing to offer DevNW's support for the slate of housing production-related policy proposals, including the surplus property policy, Construction Excise Tax (CET) and LIRPTE programs, on Council's agenda.

DevNW is a nonprofit affordable housing developer – of both rental and homes for ownership - and an asset building organization providing financial, rental and pre-purchase education and counseling, coupled with financial resources such as downpayment assistance. Our goal is to create financial stability and generational wealth building opportunities by supporting many low- and moderate-income families to become first-time homebuyers, start small businesses, earn college degrees, or other activities that offer a long term pathway out of poverty.

As a housing developer, we see firsthand the barriers to creating affordable housing throughout our communities, with the supply of buildable land being one of the most prominent. Having access to land through a supportive partner like the City of Albany, one who understands the requirements and timeline of building affordable housing, is critically important to moving projects forward. Many private sellers are unable, or unwilling, to allow land to be held with site control as financing is secured through state or federal channels to accomplish affordable development.

The implementation of a CET is an excellent local commitment to affordable housing development. Funding from a CET supports multiple pathways to develop housing, from pre-development to capital funds, and can be a flexible tool to meet specific housing goals and



DEVELOPING THRIVING COMMUNITIES

needs within Albany. In our experience, this local funding source has the power to leverage state, federal and private funding, often by factors of 5:1, 8:1 or even 10:1.

We also support the inclusion of tax exemptions like LRPTE as it expands the tools available to a community to spur affordable housing development throughout the continuum.

We applaud the work of staff within the City of Albany to think carefully and creatively about a wide breadth of local actions that can increase affordable housing development, from rental to ownership, and are thrilled to lend our support for the slate of housing-related policy proposals. We have seen Council's support of these ideas in past discussions, and we encourage you to pass the full slate presented at this meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Reiman".

Emily Reiman, CEO

Catlin, Anne

From: maps@highdeftrains.com
Sent: Wednesday, December 11, 2024 11:58 AM
To: Catlin, Anne
Subject: Written testimony for tonight's hearing on CET and Surplus Property

Follow Up Flag: Follow up
Flag Status: Flagged

[WARNING! This email came from outside our organization. Do NOT click unknown attachments or links in email.]

Dear Albany City Council,

I am in favor of the CET to support affordable housing. However I feel it should not be a flat tax but based upwards for more expensive housing. I support not taxing the first 100k (change 3.09.040(2)(a) from 50k to 100k), and then having a graduated tax after that so more expensive luxury homes have a higher CET % than smaller entry level housing. I am against 3.09.040(1)(e), the exemption for religious organizations. Either all 501c3 organizations should be exempt or else 3.09.040(1)(e) should be removed. Otherwise it's a violation of equal protection under the law, favoring religious non-profits over non-religious ones, as well as a violation of the establishment clause of the 1st Amendment.

For surplus city property, it should only be considered for sale if there is no current or proposed future use that benefits the public either through the city itself or a private non-profit, and the sale is under an affordable housing covenant. Otherwise we are just subsidizing developer's short term profit at the public's expense.

Regards,
Camron Settlemier
230 7th Ave SW
Albany, Oregon

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From: [Admin](#)
To: [CD AA](#)
Subject: written comment submission for 12-11-2024 Council Meeting
Date: Tuesday, December 10, 2024 4:58:02 PM
Attachments: [Albany CET 12-11-24.pdf](#)

[WARNING! This email came from outside our organization. Do NOT click unknown attachments or links in email.]

Due to a scheduling conflict, I may not be able to make the hearing tomorrow night but we wanted to make certain our position was reinforced on this particular issue.

Thank You,

Dan

Dan Revell
Executive Officer



P: (541) 484-5352

www.westernoregonbuildersassociation.com

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1142 Willagilespie Road #30, Eugene, OR 97401 / PO Box 50171 Eugene, OR 97405

December 10, 2024

Albany City Council
333 Broadalbin St. SW
Albany, OR 97321

Re: December 11, 2024 Council Meeting; Construction Excise Tax proposal.

Mayor Johnson & Councilors:

In response to City of Albany's proposed implementation of a construction excise tax (CET), the Western Oregon Builders Association (WOBA), a non-profit trade organization comprised of more than 200 residential and commercial contractors, developers, and trade partner members across Linn, Benton and Lane Counties, reiterates opposition to the CET proposal. Our position remains that creating a tax on new construction for the purpose of producing affordable housing is counterintuitive and the tax will result in increased costs for new and existing housing purchases as well as adversely impact rental rates. Furthermore, inclusion of a provision for future discretionary tax increases with no established guardrails assures an added component to increased home pricing going forward.

In an effort to be proactive, WOBA could support initiatives to encourage more housing production and enhance affordability. Such as:

- Reduced lot sizes and setbacks for single-family and multiplex units including townhouses, rowhouses and tandem homes.
- Reduce or remove altogether the requirement for private open space when developing multi-dwelling projects.
- Implement a flat permit fee for Accessory Dwelling Units while also eliminating development fees including for those units that are not single room occupancy.

Should City of Albany move forward with a CET, WOBA would support a recommendation to commit 50% of the Commercial/Industrial CET to further incentivize and support a variety of housing options including market rate housing.

While WOBA fully appreciates the intent, with permit and SDC costs having rapidly risen for items like stormwater and wastewater across various jurisdictions the concept of “affordable” housing in Oregon is essentially non-existent today. When purchasing requires subsidies from the public and/or private sectors that means you technically cannot afford to buy something. Elevated costs for permits, SDC’s and introduction of new taxes contribute to lack of affordability. And that is why WOBA cannot support this CET.

Regards,

Dan

Dan Revell

Executive Officer

Western Oregon Builders Association

admin@wobuildersassoc.com

(541) 484-5352

www.westernoregonbuildersassociation.com

From: [John Robinson](#)
To: [CD AA](#)
Subject: Testimony for public hearing on 12-11-24 Housing Policies
Date: Sunday, December 8, 2024 10:04:04 PM
Attachments: [Albany Public Hearing 12-11-24 Housing Policies testimony.pdf](#)

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Please include in package to council.

Thanks,

John Robinson

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December 8, 2024

City of Albany

Written testimony

Housing Policies Public Hearing, Dec. 11, 2024

I am a general contractor in Albany operating my business for the last 19 years. I have participated in various focus groups held by the city to discuss and provide input into solutions to increase housing affordability. I am an advocate for more ADU's and middle housing. I support the cities efforts at revising the development code to increase building options, make it easier to build and reducing the cost to build.

I must however object to the Construction Excise Tax (CET) and the 20-year Low Income Rental Housing Tax Exemption (LIRHTE).

The CET is a tax that drives up the cost of one form of housing to supposedly fund and/or incentivize affordable housing. In my opinion it is a Robinhood tax that takes from one group of people to give to another group of people with the government in charge of overseeing those efforts. State law mandates that 15% of the funds go directly to the Oregon Housing & Community Services for downpayment assistance for home ownership. Local government is allowed to keep 4% to manage the program. Albany further defines that 50% must be used for specific developer incentives with another 35% funding other programs like rent buy-downs and subsidies and foreclosure prevention assistance. So clearly only 50% of the money collected is going to go to incentivize the new construction of affordable housing. Collect a million dollars annually and you actually only have \$500,000 to sprinkle over projects to increase affordable housing. And the city gets to choose which projects get the money picking winners and losers in the process. Anybody taking the money has to agree to a 60-year deed restriction to maintain the units as affordable.

I did a remodel for a client in Corvallis that was \$100,000 and the CET tax was \$1,000, not an insignificant amount of money. Another of my objections is that this tax is not deductible on someone's income tax. Had my client made a direct contribution to a non-profit group like Habitat for Humanity to support affordable housing his \$1,000 would be tax deductible. The city thru the CET tax is forcing people to contribute to a specific cause without any direct tax benefit back to the taxpayer.

Simply put this is theft of money by passing an ordinance. We already have a CET tax for public schools that likewise increases the cost of housing. When is enough actually enough? When will the city realize simple economic principals that housing costs will increase every time there is a new tax or fee? If you really want to lower the cost of housing then you need to eliminate or reduce the city fees- not pile them on.

The city of Newberg actually repealed their CET tax in 2023 pending the cancelation of 12 new housing units by a builder who cited the 60-year deed restrictions and cost of paying the CET as reasons for the cancelation.

Next is the Low-Income Rental Housing Tax Exemption proposal. The first thing that is missing here is the city has failed to provide any estimates as to the dollar amount of tax revenue that the city will not collect for 20 years on the affordable housing. At a time when the city is adding another fee to just

maintain our current streets it seems irresponsible to be giving away 20 years' worth of property taxes. My question is- how does the city plan to backfill this shortfall in revenue?

In 2022 I researched a Corvallis project that was proposed for 174 units of affordable rental apartments that the City of Corvallis provided \$500,000 to along with a 30-year property tax exemption. I estimated that the city would be losing between \$10 million to \$15 million dollars over the 30-year period. I even wrote an opinion piece discussing this that was published in the newspaper. I believe the proper term we should be using is "subsidized housing" not "affordable housing".

At any rate what is happening is a class of people is being created that live in our community but do not pay for any of the services they use. The multi-million dollars of lost property tax will cause budget shortfalls in every city department: schools, parks, library, police, fire, roads, you name it, everything.

Lest you think this is all fear mongering, allow me to provide a real-world example from Portland on the financial devastation of exempted property taxes to support "affordable housing".

I would urge you to read an article from Street Roots from August 14 of this year on how the City of Portland does not know how much money they have given away trying to stimulate affordable housing. The Portland Housing Bureau (PHB) through the Inclusionary Housing (IH) program provides incentives in the form of exempted property taxes, waived SDC fees and waived CET fees. The short answer is that the City of Portland does not know how much revenue they are forgoing because they are not tracking it. This was brought to light after Street Roots newspaper submitted 4 public record requests and over 33 email exchanges. PHB finally admitted that they do not have the data and it would cost upwards of \$10,000 to create the data. PHB did provide low end estimates that over the 10-year property tax exemption they would lose revenue of \$129 to \$135 million dollars on the current projects. The IH program so far has created 1,760 "affordable" units of which 30% or 515 units are rented within \$6 a month of the "fair market rate". Think about that for a moment, \$6 a month in lower rent is solving the housing affordability problem? And the cost to the city and taxpayers is millions of dollars in lost revenue over 10 years. Only 375 of the 1,760 units had two or more bedrooms, which are considered family sized units. Additionally, a city auditor found that the program fell short of its goal to build affordable housing and that the PHB is 2 years behind in reviewing compliance data on IH units.

Simply put this is irresponsible government. Why would we want to bring this to Albany?

Passing this proposal to provide property tax exemptions over 20 years is effectively kicking the can down the road and creating future budget problems for the City of Albany. By that time there will be a different council and mayor and those individuals will be wondering what you were thinking when you approved this. They will be forced to make cuts in city services or create multiple bonds to cover the multimillion-dollar shortfall just to operate the city. Is that the future you want to leave to your children and grandchildren? Is that the footnote in history you want next to your name?

Housing affordability is a real problem, but increasing the cost of housing through a CET tax and giving 20-year property tax exemptions is not the solution. I strongly urge you to vote NO on the CET tax and the 20-year low-income rental housing tax exemption. Passing these two policies is irresponsible government and will do little to increase the supply of more affordable housing or lower rents.


John Robinson
2500 Del Rio CT SE
Albany, OR 97322

From: [Richard Vannice](#)
To: [CD AA](#)
Subject: Development code
Date: Sunday, December 8, 2024 9:15:38 AM

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The biggest objection I have to these changes is the forgiveness of taxes for 20 years! The City, at this time, does not have money to pay for existing needed repairs on streets that are in horrible condition because "there is no money". Other problems that are going to cost the city (tax payer) are the recent closure of Talking Waters. If all these "new homes" are built they will be contributing to the need for sewage disposal. How long is the present system going to be adequate?

Schools need funding, police and fire, parks, all needing funding and new residents will all need service from these departments.

Letting 20 years of no taxes as an incentive is NOT GOOD BUSINESS NOR MANAGEMENT.

Respectfully

Richard Vannice

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From: [T. Mont](#)
To: [CD AA](#)
Subject: Housing Implementation Plan
Date: Tuesday, December 10, 2024 7:44:57 PM

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Hi!

I received the flyer regarding the plan in the mail this week - and I'll say: It's about time!

As a 59 year old single person, recently disabled & mostly wheelchair bound, I would have loved a tiny home of 500-700 sf, when I bought my 1 story 1000 sf home, but there just aren't any. I know I'm taking up a house that should have at least a couple or small family in it. At this point, I don't want/need all the space - or the maintenance, taxes, etc. While it's somewhat wheelchair accessible inside, I don't know when I'll be able to get a ramp installed, so I'm completely housebound. I can't even get down the street to my mailbox.

Smaller places, like apartments, are too expensive and closed in, with "amenities" I'd never use; I can't rent, since I don't have a verifiable income anyway. My mortgage is less than most rents in decent places. I've seen some old (1970-1980's) single wide 1-2BR/1BA in 55+ parks, but while many have ramps, the bedrooms/baths are not easily accessible with a wheelchair. Some of the lot/space rents are extremely high, and the "rules/restrictions" and additional fees/penalties are very unfair or restrictive for some. No way I can make sure my front yard is weed-free, or is landscaped a specific way.

Waiting lists for HUD housing in town are 2-5 years at least, and have very few accessible units. I also need as much quiet as I can get, and having lived in apartments on & off in my life, I can no longer tolerate neighbors who have little regard for the noise they constantly generate.

Albany has needed affordable, accessible housing since I moved here in 2008 with my daughter. The idea of cottage clusters is great - I'd love something like that, where it's my property/no or little rent, especially something for seniors/disabled who are still able to live independently. As I'm facing either living on disability (and then I'll lose my OHP/SNAP) or becoming homeless when my savings run out & having to move from hotel to hotel in town, I'd love to see more options open for anyone in a situation similar to mine, who doesn't have six figures or more saved up.

I don't want to live in a stranger's spare bedroom and pay \$800-900/month just to have a roof over my head if any private owner would even rent to me. There is zero help in the state for those with mortgages trying to keep their homes (except loans or grants to those over 62 yrs old, if they qualify).


I'm hoping there's a quick resolution to move forward with the plans, and that smaller homes, cottages & ADUs will be affordable enough for residents like me, and for the younger generations who don't want, need or can't afford 2000 sf family homes with hefty mortgages, but want a home of their own.

Thanks!
Theresa Montone
3320 Marion St SE
Albany 97322

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TO: Albany City Council

VIA: Peter Troedsson, City Manager 

FROM: Matthew Ruetters, Community Development Director

DATE: July 28, 2025, for the August 11, 2025, City Council Meeting

SUBJECT: Albany Municipal Code Amendments - System Development Charge Deferrals

Purpose:

Discuss amendments to the Albany Municipal Code (AMC) to allow for the deferral of System Development Charges (SDC's) on residential projects until issuance of certificate of occupancy (C of O).

Background/Discussion:

In June of 2023, the City Council adopted the Housing Implementation Plan (HIP), which identified actions the City can take to help increase housing options that create more housing for more people. The HIP prioritized current and future housing needs and outlined equitable and actionable policies, strategies, and implementation steps needed to encourage the production of housing that is needed in the Albany community. The HIP summarized recommendations for adoption of a range of housing strategies or tools to study further, these included regulatory changes, incentives, funding sources, programs, and partnerships.

Through the adoption of the HIP, the City Council also approved specific recommendations for initial implantation, one of the high priority items being deferral of SDC's for housing until the time of certificate of occupancy.

Deferral programs are used to encourage needed housing development by improving cash flow for developers and builders at the beginning of a project. These programs also align the collection of SDC's with the point at which a development begins to impact a system. However, such programs also require administrative resources to track and enforce compliance.

Key Provisions:

- Deferral applies to residential structures only.
- Payment must be made in full prior to issuance of C of O, specifically prior to requesting final inspections.
- Deferred fees may be filed as a lien on the property title.
- City will withhold the C of O for non-payment.

Strategic Plan Impact:

Supports the Strategic Plan themes of: A Healthy Economy, A Safe City, and Effective Government.

Budget/Staff Impact:

There is no anticipated budget or staff impact. By incorporating an application fee and recovery fee for deferred SDC's, these fees are designed to offset any additional staff time/cost for implementing the deferral on individual projects.

Staff Recommendation:

Staff recommend the following steps:

- First reading on August 13, 2025, of the attached ordinance amending the Albany Municipal Code and authorizing the SDC deferral program.
- Adopt the attached rate resolution establishing the two percent (2%) administrative fee and \$150 application fee.

Attachments:

1. Ordinance
2. Fee Resolution
3. Deferral application and agreement



ORDINANCE NO. _____

AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE SECTION 10.01.080 SEWER SYSTEM DEVELOPMENT CHARGE, CHAPTER 15.16 SYSTEM DEVELOPMENT CHARGE, AND CHAPTER 15.20 PARKS SYSTEM DEVELOPMENT CHARGE.

WHEREAS, the City of Albany seeks to implement its Housing Implementation Plan to support needed housing; and

WHEREAS, deferring the collection of System Development Charges (SDCs) was designated as a high priority recommendation in the Housing Implementation Plan and re-affirmed in June 2023 with City Council's adoption of the plan; and

WHEREAS, it is necessary to establish a mechanism to defer SDCs while ensuring collection and administrative cost recovery.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1: Section 10.01.080, Chapter 15.16, and Chapter 15.20 of the Albany Municipal Code are hereby amended as shown in Exhibit A.

Passed by the Council: _____

Approved by the Mayor: _____

Effective Date: _____

Mayor

ATTEST:

City Recorder

10.01.080 Sewer system development charges.

To establish appropriate provisions for the construction and expansion of the sewerage system of the City and the treatment plant, to provide for the necessary oversizing of the sanitary sewer system, and to be assured that the cost of such construction and expansion is borne by those who receive the benefits thereof, there is hereby established connection permits for all connections made to the sewer system of the City in accordance with this section.

(1) Refund Not Permitted. If properties change from one use to a lower use requiring a lower system development charge, no refund for system development charges shall be made.

(2) Payment of Fees. The sewer system development charge shall be imposed upon all connections or intensification of use made to the sewer system of the City in accordance with Chapter 15.16. Before a building permit may be issued, the applicant shall pay to the City the necessary system development charges and any other fees as may be provided by ordinances or resolutions now in effect or hereinafter adopted.

(3) Sewer System Development Charge to Run with Land. A system development charge paid hereunder shall apply to the particular lot or tract for which it is issued. Any change of use which increases the strength or quantity of wastewater to be discharged or which requires additional connections to the wastewater treatment system shall cause an additional fee to be paid. The owner of the property shall be given credit only for those connections theretofore paid involving the same parcel of property. Where a structure which is served by City sewer is destroyed by fire, flood, wind or act of God, no system development charge shall be charged for a replacement of the structure; provided, the use thereof is not intensified.

(4) Base Rates. Sewer system development charges shall be established by Council resolution. (Ord. 5636, 2006; Ord. 5016, 1992).

Chapter 15.16

SYSTEMS DEVELOPMENT CHARGE

Sections:

15.16.010	Findings.
15.16.020	Definitions.
15.16.030	Purpose.
15.16.040	Scope.
15.16.050	Systems development charge established.
15.16.060	Compliance with state law.
15.16.070	Collection of charge.
15.16.080	<i>Repealed.</i>
15.16.090	Credits.
15.16.100	Appeal procedures.
15.16.110	<i>Deferral of charge</i>
15.16.200	Prohibited connection.

15.16.010 Findings.

(1) The systems development charge established herein is intended to be a charge upon the act of development by whomever seeks the development. It is a fee for service because it is the development which requires essential municipal services based upon the nature of the development. The timing and the extent of the development is within the control and discretion of the developer.

(2) The systems development charge imposed by this chapter is not intended to be a tax on property or on a property owner as a direct consequence of ownership of property within the meaning of Sec. 11b, Art. XI of the Oregon Constitution or the legislation implementing that section.

(3) Even if the systems development charge herein imposed is viewed under Sec. 11b, Art. XI of the Oregon Constitution as a tax against property or against a property owner as a direct consequence of ownership of that property, it is an incurred charge within the meaning of that section and the statutes implementing it because:

(a) It allows the owner to control the quantity of the service by determining the extent of development to occur upon the property.

(b) It allows the owner to determine when the service is to be initiated or increased by controlling when the development occurs.

(c) State law and the ordinances of this City require the owner to provide certain basic utility services to the property when it is developed for human occupancy. The provision of these basic utility services are a routine obligation of the owner of the affected property and essential to the health and safety of the community.

(4) Among the basic utility services required of every property with a structure designed for human occupancy, except ancillary buildings, are water, sanitary sewer, and transportation services.

(5) The systems development charge imposed by this chapter is based upon the actual costs of providing existing or planned-for capital improvements and does not

impose charges on persons not receiving a service and imposing a burden upon the City's existing capital improvements. (Ord. 5157, 1994; Ord. 4966 § 1, 1991).

15.16.020 Definitions.

As used in this chapter, except where the context otherwise requires, the words and phrases have the following meanings:

- (1) "Capital improvement(s)" means facilities or assets used for any of the following:
 - (a) Water supply, storage, treatment and distribution; or
 - (b) Sanitary sewers, including collection, transmission, treatment and disposal;

or

- (c) Transportation, including streets, sidewalks, bikeways, traffic signals and signage, and street drainage collection systems; or

- (d) Storm drainage, including collection, transmission, treatment, and disposal of runoff within the area regulated by Albany's Municipal Separate Storm Sewer (MS4) discharge permit. -

- (2) "Development" means the act of making a manmade change to improved or unimproved real estate/real property (e.g., constructing a building or conducting a mining operation) or making a physical change in the use or appearance of a structure or land which increases the usage of any capital improvements or which creates the need for additional capital improvements.

- (3) "Improvement fee" means a fee for costs associated with capital improvements to be constructed after the date the ordinance codified in this chapter becomes effective.

- (4) "Qualified public improvements" means a capital improvement that is required as a condition of development approval, identified in the plan adopted pursuant to AMC 15.16.060(2) and either:

- (a) Not located on or contiguous to property that is the subject of development approval (as used in this definition, "contiguous" means in a public way which abuts); or

- (b) 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.

- (5) "Reimbursement fee" means a fee for costs associated with capital improvements constructed or under construction on the effective date of this chapter.

- (6) "Systems development charge" means a reimbursement fee, an improvement fee, or a combination thereof, assessed or collected at any of the times specified in AMC 15.16.070. It shall also include that portion of a water, sanitary sewer, or storm drainage connection charge that is greater than the amount necessary to reimburse the City for its average cost of inspecting and installing connections with the water system, the sanitary sewer system, or storm drainage system. "Systems development charge" does not include:

- (a) Any fees assessed or collected as part of a local improvement district;
 - (b) A charge in lieu of a local improvement district assessment; or
 - (c) The cost of complying with requirements or conditions imposed upon a land use decision. (Ord. 6025, 2023; Ord. 5157, 1994; Ord. 4966 § 2, 1991).

15.16.030 Purpose.

The purpose of the systems development charge is to impose a portion of the public cost of capital improvements upon those developments that create the need for, or increase, the demands on capital improvements. (Ord. 5157, 1994; Ord. 4966 § 3, 1991).

15.16.040 Scope.

The systems development charge imposed by this chapter is separate from and in addition to any applicable tax, assessment, charge, fee, in-lieu-of assessment, or fee otherwise provided by law or imposed as a condition of development. A systems development charge is to be considered in the nature of a charge for service to be rendered or a service hookup charge. (Ord. 5157, 1994; Ord. 4966 § 4, 1991).

15.16.050 Systems development charge established.

(1) Unless otherwise exempted by the provisions of this chapter or other local or state law, a systems development charge is hereby imposed upon all new development within the City, and all new development outside the boundary of the City that connects to or otherwise uses the water system, ~~and the~~ or sanitary sewer system, ~~or the storm drainage system or the storm system~~ of the City.

(2) A systems development charge is also imposed upon all new development within the City, and all new development outside the boundary of the City that expands its usage of the water, ~~storm, or~~ sanitary sewer, ~~or storm drainage~~ systems because of intensification of the existing development.

(3) Unless otherwise exempted by the provisions of this chapter or other local or state law, a systems development charge is also imposed upon all new development within the City that expands its usage of the transportation system or generates additional traffic because of new development or intensification of the existing development.

(4) When the Council determines to establish a systems development charge for any capital improvement it shall do so by Council resolution.

(5) Because the systems development charge and supporting calculations, including the credits established herein, are closely related to the cost of construction of the capital improvements for each of the systems, the systems development charge and calculations for each system shall be automatically adjusted on the first day of July of each calendar year. The City Engineer shall make the adjustment based upon the Seattle Construction Cost Index published by Engineering News Record (ENR) by calculating the percentage increase/decrease in the index for the period since the last adjustment and then applying that percentage to the figures used to calculate the systems development charge and any credits. (Ord. 5306, 1997; Ord. 5157, 1994; Ord. 4966 § 5, 1991).

15.16.060 Compliance with state law.

(1) The revenues received from the water system development charge shall be deposited to the water improvement fee and/or water reimbursement fee funds. The revenues from the sewer system development charge shall be deposited to the sewer improvement fee and/or reimbursement fee funds. The revenues from the transportation system development charge shall be deposited to the transportation improvement fee

and/or reimbursement fee funds. The revenues from the storm drainage system development charge shall be deposited to the storm drainage improvement fee and/or reimbursement fee funds. These funds shall be budgeted and expended as provided by State law. The accounting of such revenues and expenditures required by State law shall be included in the City's annual financial audit required by ORS Chapter [294](#).

(2) The capital improvement plan(s) required by state law as the basis for expending revenues from the improvement fees portion of the systems development charge shall be the project lists contained within the most recently adopted water, wastewater, stormwater, and transportation system plans or the project list referenced in the associated methodology.

(3) As provided by State law, the plan or list described in subsection (2) of this section may be modified at any time. If a system development charge will be increased by a proposed modification of the list to include a capacity increasing capital improvement:

(a) The City shall provide, at least 30 days prior to the adoption of the modification, notice of the proposed modification to the persons who have requested written notice described in AMC [15.16.100](#)(1).

(b) The City shall hold a public hearing if the City receives a written request for a hearing on the proposed modification within seven days of the date the proposed modification is scheduled for adoption. (Ord. 6025, 2023; Ord. 5750, 2011; Ord. 5456, 2000; Ord. 5306, 1997; Ord. 5157, 1994; Ord. 4966 § 6, 1991).

15.16.070 Collection of charge.

(1) Unless otherwise granted deferral through the provisions of 15.16.110:

(a) The water system development charge is payable upon issuance of a permit to connect to the water system. The sewer system development charge is payable upon issuance of a permit to connect to the sanitary sewer system. The transportation and storm drainage system development charges are payable upon issuance of a building permit for any new construction, including a building permit for a manufactured home park.

(2) If development is commenced or connection is made to the water system, sanitary sewer system, storm drainage system, or transportation system without an appropriate permit, the systems development charge is immediately payable upon the earliest date that a permit was required due.

(3) The building official or the official's designee shall collect the systems development charge(s) from the person responsible for or receiving the benefit of the development. The building official or the official's designee shall not issue any permit or allow connection described in subsection (1) of this section until the charge(s) hasve been paid in full or until provision for installment payments has been made within the limits prescribed in subsection (5) of this section.

(4) A systems development charge paid hereunder shall apply to the particular lot or tract for which it is issued. Any changes of use which require additional connections or intensification of use to the water, sanitary sewer, storm drainage, or transportation system shall cause an additional systems development charge to be paid. The owner of the property shall be given credit only for those systems development charges theretofore paid involving the same parcel of property. Where a structure which is serviced by capital improvements is destroyed by fire, flood, wind, or act of God, no

systems development charge shall be imposed for a replacement of the structure, provided the use thereof is not intensified.

(5) The obligation to pay the unpaid systems development charge and interest thereon shall be secured. Acceptable security to insure payment includes: property, bond, deposits, letter of credit, or the obligor may request a lien be placed against the property to be developed. (Ord. 6025, 2023; Ord. 5334, 1998; Ord. 5157, 1994; Ord. 4966 § 7, 1991).

15.16.080 Exemptions.

Repealed by Ord. 5730. (Ord. 5315, 1997; Ord. 5306, 1997; Ord. 5157, 1994; Ord. 4966 § 8, 1991).

15.16.090 Credits.

(1) When development occurs that must pay a systems development charge under AMC [15.16.050](#), the systems development charge for the existing use shall be calculated and if it is less than the systems development charge for the proposed use, the difference between the systems development charge for the existing use and the systems development charge for the proposed use shall be the systems development charge required under AMC [15.16.050](#). If the change in use results in the systems development charge for the proposed use being less than the systems development charge for the existing use, no systems development charge shall be required; however, no refund ~~or credit~~ shall be given. Any unused system development charge created through development shall be credited to the particular lot or tract on which they occurred and tracked for future application should re-development, expansion, or alteration occur. Any existing credit available for a particular lot or tract shall be fully utilized in the case of re-development, expansion, or alteration, prior to assessing additional system development charges.

(2) A credit against the improvement fee portion of the systems development charge shall be given for the cost of a qualified public improvement associated with development.

(a) The credit provided for in this section shall be only for the improvement fee charged for the type of improvement being constructed, and credit for qualified public improvements under AMC [15.16.020](#)(4)(b) may be granted only for the cost of that portion of such improvement that exceeds the government units 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 under AMC [15.16.020](#)(4)(b).

(b) When the construction of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project.

(c) Credits shall be used not later than 10 years from the date the credit is given.

(d) Credits shall be established using the method outlined in the transportation system development charge fee resolution or, in the case of water, sewer, and storm drainage systems development charges, by council policy, and shall be included in an

agreement signed by the applicant and the city engineer that states the amount of the credit and the effective date of the agreement.

(3) The finance director shall be responsible for all recording and accounting associated with the distribution of credits. (Ord. 6025, 2023; Ord. 5306, 1997; Ord. 5157, 1994; Ord. 4966 § 9, 1991).

15.16.100 Appeal procedures.

(1) The Finance Director will maintain a list of persons who have made a written request for notification prior to adoption or amendment of a methodology for any systems development charge. The Finance Director will mail written notice to persons on the list at least 45 days prior to the first hearing to adopt or amend a systems development charge, and the methodology supporting the adoption or amendment will be available 30 days prior to the first hearing to adopt or amend. The failure of a person on the list to receive a notice that was mailed will not invalidate the action of the City. The City may periodically delete names from the list, but, at least 30 days prior to removing a name from the list, will 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.

(2) Parties challenging the methodology for establishing the systems development charge may appeal the methodology by filing a written appeal with the Finance Director within 60 days of passage of the ordinance codified in this chapter. Such appeals shall describe with particularity the portion of the methodology, calculations, or assumptions which are being asked for reconsideration. All appeal requests shall comply with subsection (6) of this section. A person shall contest the methodology used for calculating a systems development charge only as provided in ORS [34.010](#) to [34.100](#), and not otherwise.

(3) Parties aggrieved by the imposition of a systems development charge which has been calculated by the City Engineer or the City Engineer's designee under AMC [15.16.050](#) through [15.16.090](#) or a party challenging the propriety of an expenditure of systems development charge revenues may appeal the decision or the expenditure by filing a written request with the City Public Works Director for consideration. Such appeal shall describe with particularity the decision or the expenditure from which the person appeals and shall comply with subsection (6) of this section.

(4) An appeal of an expenditure must be filed within two years of the date of alleged improper expenditure. Appeals of any other decision must be filed within 15 days of the date of the decision.

(5) An appeal fee, established by Council resolution, shall accompany all systems development charge appeal requests.

(6) The appeal shall state:

- (a) The name and address of the appellant;
- (b) If applicable, the address or tax lot of the property to which the charge is being applied;
- (c) The nature of the determination being appealed;
- (d) The reason the determination is incorrect; and
- (e) What the correct determination of the appeal should be.

An appellant who fails to file such a statement within the time permitted waives his/her objections, and his/her appeal shall be dismissed.

(7) Unless the appellant and the City agree to a longer period, an appeal shall be heard within 60 days of the receipt of the notice of intent to appeal. At least seven days prior to the hearing, the City shall mail notice of the time and location thereof to the appellant.

(8) The City Council shall hear and determine the appeal on the basis of the appellant's written statement and any additional evidence the City Council deems appropriate. At the hearing the appellant may present testimony and oral argument personally or by counsel. The rules of evidence as used by courts of law do not apply.

(9) The appellant shall carry the burden of proving that the determination being appealed is incorrect and what the correct determination should be.

(10) The City Council shall issue a written decision within 30 days after the hearing date and that decision shall be final. (Ord. 5306, 1997; Ord. 5157, 1994; Ord. 4966 § 10, 1991).

15.16.110 Deferral of charge.

(1) A deferral of system development charges payment may be granted for residential development projects subject to the following conditions:

(a) Deferral is only applicable to residential projects/permits in which a certificate of occupancy is required under the Oregon Building Code and Title 18 of the Albany Municipal Code (AMC). -

(b) The project has received all applicable land use approvals and building permits are ready for issuance.

(c) The applicant submits a request for deferral on a form provided by the City including any application fee.

(d) An Application for System Development Charges Deferral & Deferred Payment Agreement is executed with the City prior to permit issuance.

(2) The terms for deferral of SDC's shall be:

(a) Execution of an application for system development charges deferral and Deferred Payment Agreement.

(b) The system development charges established under this title shall be paid prior to any occupancy of a structure or property under permit by the City, and prior to issuance of any certificate of occupancy, where a certificate of occupancy is required under the Oregon Building Code and Title 18.

(c) The City may require adequate security, including but not limited to a lien, bond, or personal guarantee, to ensure payment of deferred system development charges.

(d) A recovery fee at a rate set forth by city council shall interest may be be charged on deferred system development charges, along with any administrative fees which may be assessed for application, processing, management, and tracking of the deferral.

(e) SDC deferral agreements shall expire if the associated building permit expires.

(3) The building official or the official's designee shall collect the systems development charge(s). The building official or the official's designee shall not issue any certificate of occupancy or issue a permit for work not requiring a certificate of

occupancy as both described in this title until all charge(s) have been paid in full or until provision for installment payments has been made within the limits prescribed in this title.

(4) Failure to pay deferred system development charges shall result in the City withholding occupancy and may result in other remedies including but not limited to: revocation of permits, assessment of penalties as allowed under the Albany Municipal Code, initiation of collection proceedings, and foreclosure of liens.

15.16.200 Prohibited connection.

No connections or intensification of use may be made to the sanitary sewer, water, storm drainage, or transportation system of the City unless the appropriate systems development charge has been paid as detailed under 15.16.070, or a deferral approved under 15.16.110, -or the installment payment method has been applied for and approved. (Ord. 6025, 2023; Ord. 5157, 1994; Ord. 4966 § 11, 1991).

Chapter 15.20 PARKS SYSTEM DEVELOPMENT CHARGE

Sections:

15.20.010	Findings.
15.20.020	Definitions.
15.20.030	Purpose.
15.20.040	Scope.
15.20.050	Parks System development charge established.
15.20.060	Compliance with state law.
15.20.070	Collection of charge.
15.20.080	Exemptions.
15.20.090	Credits.
15.20.100	Appeal procedures.
15.20.200	Construction.
15.20.300	Prohibited construction.
15.20.400	Severability.

15.20.010 Findings.

(1) The Parks SDC established herein is intended to be a charge upon the act of residential development by whomever seeks the residential development. It is a fee for service because it is the residential development which requires essential municipal services based upon the nature of the residential development. The timing and the extent of the residential development is within the control and discretion of the developer.

(2) The Parks SDC imposed in this chapter is not intended to be a tax on property or on a property owner as a direct consequence of ownership of property within the meaning of Sec. IIb, Art. XI of the Oregon Constitution or the legislation implementing that section.

(3) Even if the Parks SDC herein imposed is viewed under Sec. IIb, Art. XI of the Oregon Constitution as a tax against property or against a property owner as a direct consequence of ownership of that property, it is an incurred charge within the meaning of that section and the statutes implementing it because:

(a) It allows the owner to control the quantity of the service by determining the extent of residential development to occur upon the property.

(b) It allows the owner to determine when the service is to be initiated or increased by controlling when the residential development occurs.

(c) State law and the ordinances of the City of Albany require the owner to provide certain basic utility services to the property when it is developed for human occupancy. The provision of these basic services are a routine obligation of the owner of the affected property and essential to the health and safety of the community.

(4) Among the basic services required of every property with a structure designed for human occupancy, except ancillary buildings, are parks, open space, recreation centers and trails.

(5) The Parks SDC imposed in this chapter is based upon the actual costs of providing existing or planned parks capital improvements and does not impose charges on persons not receiving a service and imposing a burden upon the City's existing parks capital improvements. (Ord. 5084 § 1, 1993).

15.20.020 Definitions.

As used in this chapter, except where the context otherwise requires, the words and phrases have the following meaning:

(1) "Parks Capital Improvement(s)" means all existing City parks, trails, open space, and recreation centers which are used or designed for recreational purposes. "Parks Capital Improvements" also includes real property acquired for ownership, access, or use in connection with the residential development, upgrading, or expansion of parks, trails, open space, or recreation centers.

(2) "Residential development" means a development, as that term is defined in Article 22 of the Albany Development Code for residential purposes which is expected to increase the usage of any parks capital improvement or which creates the need for additional parks capital improvements.

(3) "Improvement fee" means a fee for costs associated with parks capital improvements to be acquired or constructed after the date the ordinance adopting this chapter becomes effective.

(4) "Reimbursement fee" means a fee for costs associated with capital improvements constructed or under construction on or before the effective date of this chapter.

(5) "Qualified public improvements" means a capital improvement that is:

(a) Required as a condition of residential development approval;

(b) Identified in the Master Plan adopted pursuant to AMC [15.20.060](#)(2).

(6) "Parks System development charge (Parks SDC)" means a reimbursement fee, an improvement fee, or a combination thereof, assessed or collected at any of the times specified in AMC [15.20.070](#). "Parks SDC" does not include:

(a) Any fees assessed or collected as part of a local improvement district;

(b) A charge in lieu of a local improvement district assessment; or

(c) The cost of complying with requirements or conditions imposed upon a land use decision or limited land use decision. (Ord. 6021 § 2, 2023; Ord. 5084 § 1, 1993).

15.20.030 Purpose.

The purpose of the Parks SDC is to impose a portion of the public cost of parks capital improvements upon those residential developments that create the need for, or increase the demands on parks capital improvements. (Ord. 5084 § 1, 1993).

15.20.040 Scope.

The Parks SDC imposed by this chapter is separate from and in addition to any applicable tax, assessment, charge, fee, in lieu of assessment, or fee otherwise provided by law or imposed as a condition of residential development. A Parks SDC is to be considered in the nature of a charge for service to be rendered. (Ord. 5084 § 1, 1993).

15.20.050 Parks System development charge established.

(1) Unless otherwise exempted by the provisions of this chapter or other local or state law, effective January 1, 1994, a Parks SDC is hereby imposed upon all new residential development; changes of the occupancy of an existing structure to a residential use, and additions to existing residential structures that creates additional living space -within the corporate limits of the City of Albany.

(2) Immediately upon execution or modification of an intergovernmental agreement between the City of Albany and Linn County, which provides for the collection and distribution of this Parks SDC, said charge will also be imposed upon all new residential development within the unincorporated urban growth boundary of the City of Albany.

(3) The fee to be imposed by the Parks SDC shall be established and amended from time to time by City Council resolution. (Ord. 5084 § 1, 1993).

15.20.060 Compliance with state law.

(1) The revenues received from the Parks SDC shall be deposited in the Parks Improvement Fee Activity. This activity shall be budgeted and expended as provided by state law. The accounting of such revenues and expenditures required by state law shall be included in the City's annual financial audit required by ORS Chapter [294](#).

(2) The capital improvement plan required by state law as the basis for expending revenues from the improvement fees portion of the Parks SDC shall be the Albany Parks and Recreation Master Plan (1993). (Ord. 6021 § 2, 2023; Ord. 5084 § 1, 1993).

15.20.070 Collection of charge.

(1) Unless otherwise granted deferral through the provisions of 15.16.110, the Parks SDC is due and payable upon issuance of a building permit for new on-site residential construction, including additions and alterations to existing residential structures.

(2) The Parks SDC is due and payable upon issuance of the first manufactured home placement permit granted upon an individual building lot. A Parks SDC will not be charged on any replacement dwelling unit on the same lot unless called for by other sections of this chapter.

(3) In the case of a manufactured home park, 50 percent of the Parks SDC shall be due and payable for all spaces in the manufactured home park at the time land use approval is granted. In computing the 50 percent Parks SDC paid at the time of land use approval, each space within the manufactured home park shall be conclusively deemed occupied by a 1,500-square-foot home. The remaining balance of the Parks SDC shall be due and payable at the time the first placement permit is granted for each space based upon the actual square footage contained in each manufactured home. When the actual size of the manufactured home is known, at the time of placement, the correct Parks SDC shall be determined and, after applying a proportionate credit for that portion of the charge which was paid at the time of land use approval, the remaining balance shall be due and payable.

(4) The owner(s) of vacant lots or spaces within an existing manufactured home park that has received all necessary land use approvals prior to January 1, 1994, shall pay a Parks SDC which is limited to 50 percent of the applicable Parks SDC for each space at the time the first placement permit is granted for that space.

(5) If a residential development is commenced without an appropriate permit, the Parks SDC is immediately payable upon the earliest date that a permit was required due.

(6) The City Building Official or their designee shall collect the Parks SDC from the building/ placement permit applicant, the person required to apply for the building/ placement permit, the owner of the real property upon which the residential development occurs or any person receiving benefit from the residential development. The Building Official or their designee and shall not issue any permit or allow construction described in this the above subsections (1) of this section Title until the charge has been paid in full as described in this Title.

(7) A Parks SDC paid hereunder shall apply to the particular lot or tract for which it is issued unless exempted under AMC [15.20.080](#). The owner of the property shall be given credit only for those Parks SDCs therefor paid involving the same parcel of property. Where a structure which is benefitted by parks capital improvements is destroyed by fire, flood, wind, or act of God, no Parks SDC shall be imposed for the replacement of the structure, provided the number of bedrooms is not increased.

(8) The City may collect any delinquent system development charge which becomes due under the terms of this chapter by appropriate civil action commenced against the person(s) responsible for payment of said charge pursuant to subsection (3) of this section. In addition, failure to pay the prescribed charge after written notice to do so constitutes a misdemeanor punishable under the general penalty prescribed at AMC [1.04.010](#).

(9) The Park SDCs to be paid under the provisions of this chapter may be subject to the payment in installments under the provisions of the Bancroft Bonding Act of the State of Oregon. (Ord. 6021 § 2, 2023; Ord. 5084 § 1, 1993).

15.20.080 Exemptions.

(1) Exemptions to the Parks SDC are as follows:

(a) All building/ placement permit applications for existing lots of record submitted prior to January 1, 1994, are exempt from the Parks SDC.

(b) Existing lots or spaces within an existing manufactured home park upon which the City of Albany has issued a placement permit prior to January 1, 1994, are exempt from the Parks SDC.

(c) All existing structures and uses for which building/ placement permits have been issued and which were established and existing prior to January 1, 1994, are exempt from the Parks SDC. Reoccupation after vacancy of any residential apartment unit when original use existed prior to January 1, 1994, shall be exempt from the Parks SDC.

(d) Garages (attached or detached), and other detached nonhabitable accessory buildings are exempt from the Parks Systems development charge.

(e) Housing for low income or elderly persons which is exempt from real property taxes under Oregon State law are exempt from the Parks Systems development charge.

(f) Multiple unit nursing homes, congregate care or assisted care housing facilities containing three or more housing units and designed for the professionally assisted care of elderly or disabled persons are exempt from the Parks Systems development charge.

(2) Any residential development which is exempt from the Parks Systems development charge by reason of its intended use shall lose such exemption immediately upon a change in use to a type of residential development which is not

exempt from the Parks SDC obligation. Upon such loss of exemption, the Parks SDC shall be due and payable upon the entire residential development which was previously exempt. (Ord. 6021 § 2, 2023; Ord. 5084 § 1, 1993).

15.20.090 Credits.

(1) When residential development occurs that must pay a Parks SDC under AMC Section [15.20.050](#) hereof, the Parks SDC for the existing use shall be calculated and if it is less than the Parks SDC for the proposed use, the difference between the Parks SDC for the existing use and the Parks SDC for the proposed use shall be the Parks SDC required under AMC Section [15.20.050](#). If the change in use results in the Parks SDC for the proposed use being less than the Parks SDC for the existing use, no Parks SDC shall be required; however, no refund ~~or credit~~ shall be given. Any unused system development charge created through development shall be credited to the particular lot or tract on which they occurred and tracked for future application should re-development, expansion, or alteration occur. Any existing credit available for a particular lot or tract shall be fully utilized in the case of re-development, expansion, or alteration, prior to assessing additional system development charges.

(2) The City of Albany may grant a credit against the Parks SDC imposed pursuant to AMC Section [15.20.050](#) for the contribution of land for, or the construction of, any qualified public improvements determined by the City to satisfy a specific element of the parks capital improvements required as part of the Albany Parks and Recreation Master Plan and this Parks SDC.

(a) Such land contribution and/or construction shall be subject to the approval of the Albany Parks, Recreation, and Tree Advisory Commission. The amount of credit to be applied to the Parks SDC shall be determined according to the following standards of valuation:

(i) The value of contributed lands shall be based upon a written appraisal of the fair market value conducted at the applicant's expense and mutual consent of the City by an independent and certified appraiser. The appraisal shall be based upon comparable sales of similar property between unrelated parties; and

(ii) The cost of anticipated construction of qualified public improvements shall be based upon cost estimates which are approved by an independent and certified architect or engineer.

(b) Prior to issuance of a building or development permit, the applicant shall submit to the Parks, Recreation, and Tree Advisory Commission, a proposed plan and estimate of cost of contributions of qualified public improvements. The proposed plan and estimate shall include:

(i) A designation of the development for which the proposed plan is being submitted;

(ii) A legal description of any land proposed to be contributed and a written appraisal prepared in conformity with subsection (a)(i) of this section;

(iii) A list of the proposed capital improvements contained within the plan;

(iv) An estimate of proposed construction costs approved by an independent and certified architect or engineer; and

(v) A proposed time schedule for completion of the proposed plan.

(c) The principal factors the Parks, Recreation, and Tree Advisory Commission will use to determine the eligibility of a proposed qualified public improvement as a credit against a Parks SDC shall include the following:

- (i) Size, location and cost of maintenance; and
- (ii) The extent to which the proposed capital improvement satisfies capital improvement requirements identified in the Parks and Recreation Master Plan pursuant to AMC Section [15.20.060](#)(2); and
- (iii) Consideration shall be given only to those capital improvements which are in excess of those required as a condition of land use approval.

(d) If the Parks, Recreation, and Tree Advisory Commission accepts the proposed contribution, credit shall be allowed for the appraised and agreed value of the land or qualified capital improvements. If the proposed contribution is rejected, then the applicant shall be charged the full calculated value of the Parks SDC.

(e) 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 Parks SDC 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 City shall be refunded to the applicant.

(f) In the event the amount of the contribution determined to be acceptable by the City, pursuant to an approved plan of contribution, is less than the calculated Parks SDC charge due from the applicant, then the remaining balance shall be paid by the applicant. In the event the accepted contribution exceeds the total amount of the calculated Parks SDC charge due from the applicant, the excess credit may be applied against future Parks SDCs that accrue in subsequent phases of the original development project and/or other development projects. Unused credits may not be credited against other System Development Charges or otherwise applied. Credits shall be used not later than five years from the date the credit is given.

(g) The decision of the Parks, Recreation, and Tree Advisory Commission as to whether to accept the proposed plan of contribution and the value of such contribution shall be in writing and issued to the applicant.

(3) The Finance Director or his/her designee shall be responsible for all recording and accounting associated with the distribution of credits. (Ord. 5084 § 1, 1993).

15.20.100 Appeal procedures.

(1) Parties challenging the methodology for establishing the Parks SDC must appeal the methodology by filing a notice of appeal with the Finance Director within 60 days of passage of the ordinance adopting this chapter. Such appeals shall describe with particularity the portion of the methodology, calculations, or assumptions which are being asked for reconsideration. All appeal requests shall comply with subsection (5) of this section. The filing of such an appeal shall stay the adoption of the methodology until the appeal is determined. Upon determination of the appeal, the methodology shall be deemed adopted subject to legal action pursuant to ORS [223.304](#)(5). Upon final determination of the methodology following appeal and, or judicial review, all Parks SDCs due as result of residential developments occurring subsequent to the effective date of this ordinance, and not otherwise exempt, shall be immediately due and payable.

(2) Parties aggrieved by the imposition of a Parks SDC which has been calculated ~~by the Building Official or the Building Official's designee~~ under AMC Sections [15.20.050](#) through [15.20.090](#) or a party challenging the propriety of an expenditure of Parks SDC revenues may appeal the decision or the expenditure by filing a notice of appeal with the City Finance Director. Such appeal shall describe with particularity the decision or the expenditure from which the person appeals and shall comply with subsection (5) of this section.

(3) Decisions of the Parks, Recreation, and Tree Advisory Commission concerning the grant or denial of Parks SDC credits may be appealed to the Albany City Council by filing a notice of appeal with the Finance Director or his/her designee within 10 days of the mailing of the decision by the City as called for in AMC [15.20.090](#)(2)(g).

(4) An appeal of an expenditure must be filed within one year of the date of alleged improper expenditure. Appeals of any other decision must be filed within 14 days of the date of the decision.

(5) An appeal fee, established by Council resolution, shall accompany all Parks SDC appeal requests.

(6) The notice of appeal shall state:

- (a) The name and address of the applicant;
- (b) The address or tax lot of the subject property;
- (c) The nature of the determination being appealed;
- (d) If issued, the date the building/placement permit or development permit was issued;
- (e) If paid, the date the Parks SDC was paid and the amount of payment;
- (f) The reason(s) the determination is incorrect; and
- (g) What the correct determination of the appeal should be.

An applicant who fails to file an appeal within the time permitted waives his/her objections, and his/her appeal shall be dismissed.

(7) Unless the appellant and the City agree to a longer period, an appeal shall be heard within 30 days of the receipt of the notice of appeal. At least seven days prior to the hearing, the City shall mail notice of the time and location thereof to the appellant.

(8) The City Council shall hear and determine the appeal on the basis of the appellant's written statement and any additional evidence the City Council deems appropriate. At the hearing the appellant may present testimony and oral argument personally or by counsel. The rules of evidence as used by courts of law do not apply.

(9) The appellant shall carry the burden of proving that the determination being appealed is incorrect and what the correct determination should be.

(10) The City Council shall issue a written decision within 20 days after the hearing date and that decision shall be final. (Ord. 5084 § 1, 1993).

15.20.200 Construction.

The rules of statutory construction contained in ORS Chapter [174](#) are adopted and by this reference made a part of this chapter. (Ord. 5084 § 1, 1993).

15.20.300 Prohibited construction.

No residential development or intensification of use may be made unless the applicable Parks SDC has been paid as detailed under [15.20.070](#). (Ord. 5084 § 1, 1993).

15.20.400 Severability.

The invalidity of a section or subsection of this chapter shall not affect the validity of the remaining sections or subsections. (Ord. 5084 § 1, 1993).



RESOLUTION NO. _____

A RESOLUTION ESTABLISHING FEES FOR THE SYSTEM DEVELOPMENT CHARGE DEFERRAL PROGRAM

WHEREAS, the City of Albany has established a deferral program for System Development Charges (SDCs) to support needed housing; and

WHEREAS, administrative fees are necessary to recover costs related to program processing, monitoring, and enforcement of the deferral program.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that a two percent (2%) administrative recovery fee shall be applied to the total amount of any deferred SDC; and

BE IT FURTHER RESOLVED that a one-hundred fifty dollar (\$150) non-refundable application fee shall be required for each deferral request.

DATED AND EFFECTIVE THIS 13TH DAY OF AUGUST 2025.

Mayor

ATTEST:

City Recorder



City of Albany
Public Works
333 Broadalbin Street SW
Albany, Oregon 97321
(541) 917-7676
cd.customerservice@albanyoregon.gov

APPLICATION FOR SYSTEM DEVELOPMENT CHARGES (SDC) DEFERRAL & DEFERRED PAYMENT AGREEMENT

Applicant Name(s): _____

Phone Number: _____ Email: _____

Mailing Address (if different): _____

Subject Property Address: _____

Tax Lot ID: _____

Property Owner Name(s): _____

Phone Number: _____ Email: _____

Mailing Address (if different): _____

Permit Number: Project _____

Description: _____

ALL FIELDS ARE REQUIRED FOR APPLICATION TO BE CONSIDERED.

- An Administration fee, if applicable, will be due as outlined in the current Community Development & Public Works - Engineering Fee Guide and must be paid with the submission of this application. Upload this document to your Building Permit Application.
- Sewer, Transportation, Stormwater, Water, and Parks SDC's will be calculated based on the fee schedule in effect as of the date of the applicable permit application(s). A 2% recovery fee will be added to the total due. These fees can be paid any time prior to the request of a Final Building Inspection. In no case shall any occupancy be granted prior to payment of SDC's and the noted recovery fee, notwithstanding approval of a financing agreement and recording of lien for the deferred SDC's, in which case the recovery fee shall be immediately due and not included in the financed amount.
- **SDC's receiving deferral through this agreement shall be paid in full at the time of request for Final Building Inspection and prior to inspection occurring, not withstanding the approval of a financing agreement and recording of lien as noted above.**
- This deferral form is for City SDCs only. SDC deferral is applicable to qualifying residential projects/permits in which a certificate of occupancy is required under the Oregon Building Code and Title 18 of the Albany Municipal Code (AMC). SDC deferral is not available for any portion of mixed use structures, manufactured homes, hotels, motels, existing structures that are not changing occupancy, and additions/alterations, or other projects where a certificate of occupancy is not required under the Oregon Building Code and Title 18. Reference AMC, Title 15 for more information.

- **This agreement is non-transferable. In the event of the sale of the property, prior to any permit activity/inspections on existing permits or issuance of new permits, the SDC's shall be due. Alternatively the new owner may enter into a new deferral agreement.**
- **This agreement shall expire if the associated building permit(s) expires.**

Declaration and Signature

I certify that all information provided in this application and all information furnished in support of this application is given for the purpose of deferring payment of SDCs and is true and complete to the best of my knowledge and belief, and that I have taken steps to verify the information submitted. I agree to pay the SDC's owed plus the cost recovery fee at the time indicated on this form. I understand and accept the terms and conditions of these payment options as they are described in the agreement, and in accordance with City of Albany Municipal Code (AMC) Title 15. Occupancy of the development before payment of the applicable SDCs is prohibited. Failure to pay SDCs will result in withholding of certificate of occupancy and/or penalties as outlined in the Albany Municipal Code, which may include a lien on the property.

Applicant Signature

Printed Name

I am the owner of the real property identified above. I authorize the above applicant to submit this application for deferral of SDCs and I understand I can be held responsible for payment of SDCs due and owing for the development proposed by applicant, which may include a lien on the property identified above. I give my consent for this application for an SDC Deferral.

Property Owner Signature

(if jointly owned, all owners must sign – if owned by an entity, must provide proof of authority to bind the entity)

Printed Name

Property Owner Signature

(if jointly owned, all owners must sign)

Printed Name

Property Owner Signature

(if jointly owned, all owners must sign)

Printed Name



TO: Albany City Council

VIA: Peter Troedsson, City Manager 

FROM: Sophie Adams, Economic Development Manager

DATE: July 29, 2025, for the August 11, 2025, and August 13, 2025, City Council Meetings

SUBJECT: Valliscor Economic Development Sewer and Water Grants Award

Purpose:

Review and take action on a proposal for economic development sewer and water grants to Valliscor to offset costs of revitalizing a blighted property and capturing new investment and jobs.

Background/Discussion:

The economic development sewer and water grant funds are used periodically to assist in sewer and water-related expenses for projects that create jobs and include substantial water and sewer infrastructure costs, particularly if the site improvements will remove barriers to adjacent properties developing in the future. Since 2022, Council has awarded \$500,000 from these funds to leverage over \$11 million in private investment and the successful recruitment of three companies and roughly 33 jobs new to Albany. As these monies are sourced from an enterprise fund, they are limited in their allowable uses. These funds may be used to offset costs attributed to sewer and water infrastructure and cannot be used for general economic development grants.

Valliscor is an innovative chemical-manufacturing company whose products have impactful uses in medications that treat asthma, chronic obstructive pulmonary disease, breast cancer, and other diseases. Their range of developed technologies also have applications in the semi-conductor industry, helping to solidify Albany on the map as Oregon strives to meet state-wide semi-conductor goals. Staff began working with Valliscor in fall 2023 to ensure this local company could find a home and bring their investment, impact, and jobs to our community. Valliscor has purchased a vacant industrial property on Ferry Street and will invest over \$14 million in site prep and construction alone. The company will retain its current 15 employees and plans to hire an additional 40 in the first phase of development, with significant additional hiring in future phases.

Current Image of the Site



Potential Rendering of New Building (Phase 1)



Valliscor

BUILDING FACADE DESIGN - SCHEME D
Schematic Design - Pocket 2 | April 25, 2025

VARITONE
ARCHITECTURE

To help offset the cost of new construction and start-up, staff proposes to use up to a combined \$500,000 from the sewer and water economic development funds to assist on a reimbursement basis.

Below are estimated costs of development based on current design and engineering of the project:

Development Item	Estimated Cost
Land Acquisition & Preparation	\$3,000,000
Water, sewer, stormwater, water quality, detention, associated costs	\$757,400
Building Construction	\$10,500,000
Total Estimated Albany Investment for construction only	\$14,257,400

This project will provide job retention, job creation, tax revenue, and economic multiplier effects for Albany. The table below captures some of the anticipated impacts.

Benefit	Jobs	Direct Annual Impact	Explanation
Job Retention	15	\$1,230,000	Min annual average wage of 82k/year
Direct Job Creation	40	\$3,280,000	Min annual average wage of 82k/year
Tax Revenue		\$124,968	Direct annual new revenue from project
Economic Multiplier	205		Number of indirect job creation/support
	260	\$4,634,968	*Total Direct Annual Impact

*Total direct impact does not include indirect value of economic diversification and resilience created by new manufacturing nor the spending of indirect jobs created.

Strategic Plan Impact:

This action supports Strategic Plan Theme: A Healthy Economy, specifically:

Goal 1: Enhance the value of diversity of Albany's economy by attracting, retaining, diversifying, and expanding local businesses.

Goal 3: Focus on living-wage jobs, training, and education opportunities for Albany residents; focus on the recreation and retention of living-wage jobs that support a healthy local economy and community.

Budget/Staff Impact:

\$250,000 from Sewer Economic Development and \$250,000 from Water Economic Development. These funds are currently budgeted for \$472,700 and \$469,100 respectively in the 2025-2027 biennium. No impacts to staffing.

Staff Recommendation:

The Economic Development Advisory Commission has reviewed this proposal and voted to recommend the City Council award a combined total of \$500,000 from the Sewer and Water Economic Development funds as a grant on a reimbursement basis.

Alternatives:

1. No action: would not award grant funds to assist in this project.
2. Award a grant in another amount.

Attachments:

1. Resolution



RESOLUTION NO. _____

A RESOLUTION AWARDING ECONOMIC DEVELOPMENT WATER AND SEWER GRANT FUNDS TO VALLISCOR NOT TO EXCEED \$500,000.

WHEREAS, the City of Albany maintains the economic development water and sewer grant funds for the purpose of offsetting sewer and water infrastructure costs for key economic development projects; and

WHEREAS, Valliscor has chosen Albany as their headquarters and is investing significantly in Albany's infrastructure while diversifying our economy and creating living-wage jobs; and

WHEREAS, the use of grant funds will help accomplish the stated goals for a Healthy Economy in Albany's Strategic Plan.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that Valliscor is granted up to \$250,000 from the Economic Development Sewer Fund and up to \$250,000 from the Economic Development Water Fund; and

BE IT FURTHER RESOLVED that the City Manager is authorized to execute the agreements and conditions for their dispersal; and

BE IT FURTHER RESOLVED that all funds be disbursed on a reimbursement basis for completed work.

DATED AND EFFECTIVE THIS 13TH DAY OF AUGUST 2025.

Mayor

ATTEST:

City Recorder



TO: Albany City Council

VIA: Peter Troedsson, City Manager 

FROM: Kayla Barber-Perrotta, Deputy City Manager

DATE: July 30, 2025, for the August 11, 2025, Work Session and August 13, 2025 City Council Meeting

SUBJECT: Adjustments to the Low-Income Assistance Program

Purpose:

This discussion will outline options for adjusting the City's low-income assistance program per the direction given by the Council during the 2025-2027 Biennial Budget discussion.

Background/Discussion:

As part of the adoption of the revised City Services Fee in June, the Albany City Council directed staff to explore options for enhancing the City Services Fee portion of the City's Low-Income Assistance Program. In July, staff returned to Council for clarification on their goals around the program which were coalesced into several high-level themes to guide brainstorming and solution development for changes to the program.

These key themes included:

- Humanizing the process and reducing stigma around asking for assistance,
- Reducing the bill burden on the City's most at-risk residents,
- Streamlining the application process and making it easier to access assistance,
- Expanding eligibility, and
- Establishing regular reporting and performance tracking to ensure the program is meeting intended goals.

Members of the Finance, City Manager's Office, Public Works Administration, and Utility Billing teams have since met several times to review these goals, identify potential opportunities, and evaluate the feasibility of program improvements. As part of this discussion, staff identified two additional operational goals including ensuring program changes could be sustained, and also setting the City up for a more holistic adjustment of the utilities side of the program in 2026.

The Community Services Consortium (CSC), our current administrative partner for the program, was consulted to gain insights on barriers and administrative feasibility of options. We also reviewed other cities, and the City of Corvallis, in particular, provided an in-depth consultation on how their program operates as they already implement several of the items being considered and have a similar number of accounts to manage.

Ultimately, a mix of several changes were needed to address all the goals outlined by the Council. The combined recommendations includes:

- An enhanced communications plan for the program(s),
- Quarterly reporting on performance,
- Presenting recommendations for the utility assistance portion of the program in spring 2026 including a Low-Income Emergency Shutoff Assistance Program,
- Converting to a “categorical eligibility” approach for 2026, and
- Increasing the City Service Fee credit to 70% in October 2025.

Strategic Plan Impact:

This recommendation supports the Effective Government section of the Council’s Strategic Plan. This includes:

- Ensuring the City remains compliant with all federal and state regulations relating to municipal services;
- Leveraging technology to decrease costs and increase efficiencies; and
- Implementing process improvement projects that reduce processing time and costs or increases revenues.

Budget/Staff Impact:

The budget impact will be dependent on the set of options ultimately selected but could have up to a \$56k impact on the General Fund in the first year based on currently known variables with an assumed increase in households accessing assistance.

Staff Recommendation:

Staff recommends that Council adopt the combined suite of Low-Income Assistance Program adjustments as presented.

Alternatives:

1. Adopt recommended suite of adjustments.
2. Adopt portions of the recommended adjustments.
3. Maintain the program as is.