

Exhibit A
Deferred and Installment Payment of System Development Charges

Subsection 17.13.090A is amended as follows:

A. The Parks and Recreation SDC required by this Chapter to be paid is due upon issuance of the Building Permit. However, in lieu of payment of the full Parks and Recreation SDC, the Applicant may elect to pay the SDC in installments as is authorized by ORS Chapter 223.208 **and Chapter 17.14 of this Code**. If the Applicant elects to pay the SDC in installments, a lien will be placed against the property that is subject to the SDC **Deferral or Installment Agreement** entered into by the Applicant and the City on a form provided by the City, and which may provide that no payments are due for 180 days after issuance of Building Permits **for the deferral of payments as set forth in Chapter 17.14 of this Code**. In any event, the Applicant shall either pay the SDC in full or enter into an SDC **Deferral or Installment Agreement** as provided in this ~~Section~~ **Code**, before the City will issue any Building Permits.

Chapter 17.14 is amended as follows:

17.14.010 Purpose.

The purpose of this Chapter is to **authorize financing agreements that provide for payments deferrals and installment payments of City system development charges. This Chapter fulfills** the mandate of Chapter 722 Oregon Laws of 1977 (ORS 223.207 and 223.208) by providing that the rights and duties accorded the City and property owners by the laws relating to assessments and financing of local improvement districts shall also apply to assessments and financing of those charges imposed by the City that are defined by Subsections 1 (a) and (b) of Section 2, Chapter 722 Oregon Laws of 1977 (ORS 223.208 (1) (a) and (b)).

17.14.020 Definitions.

As used in this Chapter the following terms shall be defined as follows:

A. "System development charge" means a charge imposed pursuant to ~~Section 17.36.020, 17.36.025, or any ordinance authorizing the imposition of any charge defined as a system development charge by Chapter 722 of Oregon Laws of 1977 as a condition to connection to the water distribution system maintained by the City's Bureau of Water Works~~ **Chapters 17.13, 17.15, 17.36 and 21.16 of this Code**.

B. "Owner or property owner" means all persons who appear on the County property tax record for the property subject to the system development charge.

C. "Responsible Bureau" means the City agency, office, organization, division or bureau which is responsible for calculating and maintaining records regarding ~~sewer~~ system development charges.

17.14.030 Application, Consent to Assessment.

Any owner of real property subject to a systems development charge may apply to **defer the payment of system development charges, or to** pay the charge in installments in a manner similar to that provided for local improvement district assessments. As a condition to such application, the owner shall waive any right to challenge the validity or applicability of the charge and shall consent to the assessment of the property subject to the charge.

17.14.040 Payment Schedule, Interest, Terms and Conditions of Deferred Payment and Installment Payment Agreements**A. Deferred Payments**

1. The City shall authorize the deferred payment of system development charges for periods not to exceed 6 months for projects valued less than or equal to \$750,000, 9 months for projects valued greater than \$750,000 and less than or equal to \$7 million, and 12 months for projects that are valued greater than \$7 million.

2. For purposes of this Section, the City shall rely on the value assigned to projects by the City when calculating building permit fees.

3. The City shall charge simple interest during the deferral period at the interim interest rate established by ordinance pursuant to Chapter 17.12 of this Code.

4. The City shall collect fees and charges for the processing and administration of deferred payment agreements as set by general ordinance.

B. Installment Payment Agreements

Payment of principal and interest shall be made in installments as set forth in the signed installment payment contract.

17.14.050 Assessment.

The City Auditor shall report to the Council from time to time the contracts to pay system development charges pursuant to this Chapter. If the Council finds that the contracts are in order and that subject property has been permitted to connect to City facilities and has thereby benefited, it shall approve the contracts by ordinance direct the billing for the charges upon the land benefited plus a financing fee. The financing fee shall be calculated as set forth in PCC 17.12 Assessments. All such assessments may be combined in one assessment roll and shall be entered upon the Docket of City Liens and collected in the same manner as other local improvement assessments.

17.14.060 Cancellation.

A. Upon written request of the ~~owner~~ or the responsible City bureau, the City Auditor is authorized to cancel assessments of system development charges, **without further Council action**, where the property is not physically connected to the public improvement **of where the new development approved by the building permit is not constructed and the building permit is cancelled**. The City Auditor shall establish administrative guidelines and fees or

charges relating to the cancellation of assessments. The City Auditor shall maintain on file for public inspection a current copy administrative guidelines and fees or charges.

B. For property which has been subject to a cancellation of assessment of system development charges, a new installment payment contract shall be subject to the code provisions applicable to system development charges and installment payment contracts on file on the date the new contract is received by the City.

Subsection 17.15.080A is amended as follows:

A. The Transportation SDC required by this Chapter to be paid is due upon issuance of the Building Permit. However, in lieu of payment of the Full SDC, the applicant may elect to pay the SDC in installments as provided in ORS chapter 223 **and Chapter 17.14 of this Code**. If the Applicant elects to pay the SDC in installments, a lien will be placed against the property that is subject to the SDC, and that lien will be given first priority as provided by statute. The Applicant's election to pay the SDC by installments shall be memorialized in an SDC **Deferral or Installment Agreement** entered into by the Applicant and the City on a form provided by the City, and which may provide ~~that no payments are due for 180 days after issuance of Building Permits~~ **for the deferral of payments as set forth in Chapter 17.14 of this Code**. In any event, the Applicant shall either pay the SDC in full or enter into an SDC **Deferral or Installment Agreement** as provided in this section, before the City will issue any building permits.

Section 21.16.180 is amended as follows:

The City may provide water connection assistance to eligible property owners based on criteria established each year by City Council in the Annual Rate Ordinance. The Administrator may adopt administrative rules and procedures necessary to implement the water connection assistance criteria described in the Annual Rate Ordinance.

The City may grant **payment deferrals and** loans to property owners to finance City water system development charges, as provided in City Code Chapter 17.14 Financing Systems Development Charges. The Administrator may adopt administrative rules and procedures necessary to implement the **deferred payment and** loan programs.