

## ORDINANCE NO. 2191

### AN ORDINANCE ADOPTING A SYSTEM DEVELOPMENT CHARGE (SDC) DEFERRAL PROGRAM FOR BUILDERS IN THE CITY OF BEND

#### Findings

A. In 2008, the building community in Bend requested that the City adopt an SDC deferral program to assist builders as the economic downturn has severely and negatively affected the building industry.

B. The City implemented an SDC deferral program by Resolution No. 2713 in 2008.

C. The program expires annually to allow staff evaluation of the program and Council consideration of the effects of the program. Council approved extensions of the program by resolution in 2009, 2010 and in 2011. The current SDC deferral program expired on August 31, 2012 and Council approval is required to continue this program.

D. The City has evaluated this program and believes that extending the program for SDC deferrals will continue to provide builders with some financial relief and does not have a significantly negative impact on the City currently.

E. In April 2011, Council adopted Bend Code Chapter 12.10 on System Development Charges which provides that City Council may, by an ordinance, allow categorical deferral of SDC payments for a period of time not to extend beyond the occupancy date.

#### Based on these findings,

#### THE CITY COUNCIL OF THE CITY OF BEND ORDAINS AS FOLLOWS:

- Section 1. Qualified builders may be eligible to defer payment of transportation, water and sewer SDCs for up to nine months, or through the time of application for an occupancy permit for a particular structure, whichever is earlier.
- Section 2. To qualify, builders must undergo an application process which may include a credit review and shall include the submission of a preliminary title report. Application for deferral shall be filed when the application for a building permit is submitted to the Community Development Department. Deferral of SDCs will not be granted if the application is not filed in accordance with this Ordinance.
- Section 3. A lien in the amount of the SDCs deferred will be placed on the property unless security in a form acceptable to the City is provided to cover the amount deferred. In order to participate in the program, builders may be required to execute and record a Trust Deed regarding the applicable real estate and securing the amount of the SDCs.

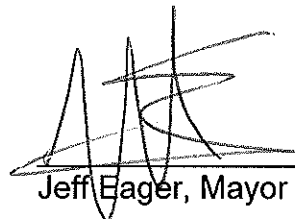
- Section 4. Interest will be charged at 12% annually in the event that the SDCs are not paid when due as provided for in Section One of this Ordinance. In addition, participating builders will be required to waive all rights to contest the amount and means of calculating the SDC.
- Section 5. This program will expire on August 31, 2013. The City reserves the right to terminate the program at any time. The City Manager is authorized to establish additional rules and application forms for the implementation of this program.
- Section 6. This program shall apply city-wide to residential and nonresidential developments, except for properties in the Juniper Ridge real property contained in the Juniper Ridge Conceptual Master Plan adopted in 2008; properties that are subject to existing development or settlement agreements or properties for which applications for a building permit has already been submitted.
- Section 7. This ordinance is needed to continue a successful program that has alleviated economic impact on the City and shall be effective thirty days after passage.

Read for the first time the 5<sup>th</sup> day of September, 2012

Read for the 2<sup>nd</sup> time and adopted by roll call vote the 19th day of September, 2012

YES: Tom Greene  
Scott Ramsay  
Mark Capell  
Kathie Eckman  
Mayor Jeff Eager

NO: Jodie Barram  
Jim Clinton



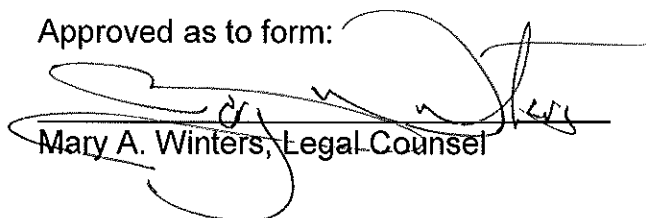
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Jeff Eager, Mayor

Attest:



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Robyn Christie, City Recorder

Approved as to form:



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Mary A. Winters, Legal Counsel