



FACT SHEET

System Development Charges (SDCs)

Purpose of SDCs

SDCs are **one-time fees** assessed on new development to cover their fair share of the costs of existing and planned sanitary sewer, water, transportation, storm, and parks infrastructure that provides, or will provide, capacity for this growth. SDCs are not assessed on properties which are already developed unless they change use or increase in size and demand. SDCs pay for capital improvement projects only, not operations and maintenance. When determining SDCs, the City of Oregon City follows Oregon State Law (ORS 223.297 – 223.314) which provides guidance in establishing and adopting SDCs in a fair, equitable, and open process.

Determination of SDCs

The City determines how much to collect from new development through SDCs by conducting fee studies periodically. In between studies, the City has increased the SDCs annually on January 1st by the Engineering News Record Construction Cost Index for the Pacific Northwest to keep pace with the escalating cost of construction. To improve equitable cost recovery and greater stability in rates and fees over time, the City aims to conduct master plan updates along with fee studies about every ten years.

There are two parts to each SDC: reimbursement and improvement fees. The reimbursement fee recovers the cost of new a development's fair share of existing system assets that created capacity. The improvement fee covers new development's fair share of the cost of future planned capital improvements that create capacity.

Assessment of SDCs

Assessment of Oregon City SDCs occur at the time the City receives a complete building permit application, or if a building permit is not required, at the time of connection to the City's systems. SDC charges are calculated by Public Works Engineering during the building permit application process and are due at the time of permit issuance.

History of Oregon City's SDCs

Oregon City assesses a Water, Sanitary Sewer, Storm, Transportation (Vehicle), Transportation (Bike/Ped), and Parks SDC fees. These fees were all implemented in 1991 with the exception of the Transportation (Vehicle) fee which was implemented in 1988 and the Transportation (Bike/Ped) fee which was implemented in 2009, and again modified in 2018. Both the Water and the Sanitary Sewer fees consist of fees recovered for two agencies. Both are paid to Oregon City but the South Fork Water Board (SFWB) and the Tri-City Service District (TCSD) establish their own water and sanitary sewer SDC fees that the City collects on their behalf in addition to the City's fees. The City then passes along the appropriate share of SDCs to these entities.

More Information

General questions regarding SDCs or questions regarding how SDCs are applied to a specific site or construction project should be directed to Public Works Engineering at 503.657.0891.

