



## Cost to Connect - NE Sewer Extension Project

### Introduction:

There are two “public costs” that a property owner must either pay, or make arrangements to pay, prior to connecting to the sanitary sewer system. (These are the costs of the public system. The costs to complete the work on your private property, i.e., to physically connect your home to the lateral that has been stubbed at the property line and abandon the existing septic system, are separate.)

The two costs are a “Reimbursement Fee” and a “System Development Charge” (or SDC), detailed below.

### Reimbursement Fee

The final Reimbursement Fee will be established by City Council after all project costs are known. The cost allocation method assigns a proportion of the total project cost to each property within the district, known as a Reimbursement Fee, due at or prior to connection. The total project cost calculation includes design & engineering, easement acquisition costs, and construction (but no indirect, overhead, or City staff time).

The reimbursement fee for an individual property is:

Main cost (\$6,000) + Lateral cost (\$2,800 per lateral)  
 + Area Cost (\$.30 per sq. foot)\*

| Lot Size (Sq. Ft.) | Main Cost | Lateral cost | Area cost | Reimb Fee |
|--------------------|-----------|--------------|-----------|-----------|
| 7,500              | \$6,000   | \$2,800      | \$2,426   | \$11,226  |
| 10,000             | \$6,000   | \$2,800      | \$3,235   | \$12,035  |
| 15,000             | \$6,000   | \$2,800      | \$4,852   | \$13,652  |

### *Discounts*

- General Discount: 45% off (all properties are eligible)<sup>†</sup>

$$\text{Area Cost} = \frac{\text{Total project cost} - (\text{Lateral cost} * \# \text{ laterals}) - (\text{Main cost} * \text{served lots})}{\text{Buildable square feet in project area}}$$

<sup>†</sup> The General Discount will also be recalculated at the time the Reimbursement District final cost allocation is set.

- North Clackamas Revitalization Area discount: \$3,450 (NCRA only, 1 per developed lot)
- Limited Discount: \$3,450 (for properties annexed to City prior to the NCRA being established, 1 per developed lot)

| Lot Size (Sq. Ft.) | Reimb Fee | General Discount | NCRA or Limited Discount | Total   |
|--------------------|-----------|------------------|--------------------------|---------|
| 7,500              | \$11,226  | -\$5,172         | -\$3,450                 | \$2,603 |
| 10,000             | \$12,035  | -\$5,545         | -\$3,450                 | \$3,040 |
| 15,000             | \$13,652  | -\$6,290         | -\$3,450                 | \$3,912 |

### *Changes over time*

The NCRA discount is available in-full indefinitely.

The General and Limited Discounts are available in full for 2 years (i.e., through T 201H).

- After 2 years “General Discount” is reduced to 33%.
- After 5 years “General discount” is reduced to 22%.
- After 10 years “General discount” is reduced to 11%.

Annexation within the first two years allows properties to “lock in” the full general discount of 45% indefinitely.

### *Financing*

City will accept Reimbursement Fee payments in installments over 10 years at zero percent interest. This financing offer is available through March 15, 2013. Property owners will be required to sign and record a financing agreement with the City (this agreement will place a lien on the property).

### **System Development Charges**

A System Development Charge (SDC) is sometimes called an impact fee or connection fee: it is designed to share the cost of building out the entire system across utility system customers. Because of differences in the way the utility rates and systems are structured, the City of Portland and City of Milwaukie have very different SDCs. Which SDC you will be charged is based upon the system into which your sewage flows.

Properties south of Johnson Creek will flow to the Milwaukie system and will owe the Milwaukie SDC: \$893 for a single-family residence or per “EDU”.

Properties north of Johnson Creek will flow to the Portland system for treatment (via the “Lents Trunk”) and will owe the Portland SDC: \$4,335 for a single-family residence or per “EDU”.

SDC financing is available.