

CONSTRUCTION EXCISE TAXES (CET) IN HAPPY VALLEY

CETs have been implemented by both the regional government (Metro) and the North Clackamas (NCSD#12) and Centennial School Districts. Currently, the Metro CET equals \$0.0012 of the value of improvements for which the permit is sought. Projects under \$100,000 in value are exempted, projects over \$10,000,000 have a maximum flat fee of \$12,000. The School Districts CET equal \$1.67 per square-foot for residential, and \$0.84 per square-foot for non-residential structures with a maximum of \$41,800.

BUILDING PERMIT FEES

For a 3,000 sq. ft. residence with 600 sq. ft. garage, the average building permit fees would be \$8,256.

TOTAL SDCs/CETs/FEES

For a typical 3,000 square-foot single-family residence, the total SDCs equal \$47,229, the CETs equal \$5,666 and Building Permit Fees equal \$8,256 for a total of \$61,151. Calculations will vary for different square footages, housing types and non-residential uses.

FOR MORE INFORMATION...

If you would like more information regarding SDCs, please call Michael D. Walter, AICP, at 503-886-8439 or write to michaelw@happyvalleyor.gov.

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SYSTEM DEVELOPMENT CHARGES, CONSTRUCTION EXCISE TAXES AND BUILDING PERMIT FEES



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WHAT ARE SYSTEM DEVELOPMENT CHARGES (SDCs)?

System development charges are fees paid by new development to recover a portion of the cost of existing infrastructure and to help fund new infrastructure necessary to serve new development. Infrastructure includes streets, the water system, sanitary, storm sewers, and parks.

There are two parts to each SDC, a reimbursement fee and an improvement fee. The reimbursement fee is the cost to “buy into” an existing capital investment in infrastructure. The improvement fee is the cost to fund new infrastructure made necessary by new development.

SDCs are collected at the time a building permit is issued for new construction. Existing developed properties also pay SDCs when connecting to the sanitary or storm sewers. An incremental SDC is collected when the use of a developed property intensifies—requiring a larger water meter or creating more impervious surface area.

HOW ARE SDCs CALCULATED?

SDCs are calculated by considering:

- The replacement cost of existing public facilities;
- Prior contributions of the property owner to the public facility system;
- Public facility capacity requirements of a particular development, and;
- Cost of capital improvements to provide adequate capacity to new users.

SDCs IN HAPPY VALLEY

SDCs in Happy Valley are administered by the City (City Transportation, Parks and Storm Drainage); Water Environment Services (Surface Water and Sanitary Sewer); and, by the Sunrise Water Authority and in limited areas, Clackamas River Water (domestic water).

CURRENT SDC CHARGES

SDCs in Happy Valley (including those of its service providers) for a 3,000 square-foot single family home are comprised of the following (total fees are not listed, only SDCs):

Water SDC (Sunrise Water Authority)

5/8” x 3/4” water meter \$13,122

For larger water meter size SDCs and installation charges, contact the Sunrise Water Authority at 503-761-0220.

Surface Water SDC (WES)

Single Family Home \$320

Storm Drainage SDC (City)

Single-Family Home \$216

Sanitary Sewer SDC (WES)

Single Family Home \$10,313

For all other land uses (multi-family, commercial, industrial, etc.) stormwater and sanitary sewer SDCs are calculated by Clackamas Co. Water Environment Services (WES).

The City of Happy Valley and its service providers update SDCs periodically, taking into account factors such as the replacement cost of existing public facilities and projected costs of future public facilities.

Transportation SDC

Single Family Home	\$12,779
Condo/Townhome	\$6,646
Multi-Family	\$7,925

For all other land uses (retail, office, institutional, industrial, etc.), the Transportation SDC fee is calculated on a trip rate generated by the type of use. These SDC rates and other important Transportation SDC information is available at <https://www.happyvalleyor.gov/wp-content/uploads/2024/06/SDC-Packet-2024.pdf>

Parks and Recreation SDC:

Single Family Home	\$10,479
Multi-Family Housing	\$ 9,126