

Chapter 44 – Financing and Deferral of Systems Development Charges

44.010 Purpose.

The purposes of this Chapter are to authorize financing agreements that provide for payments deferrals and installment payments of City system development charges.

44.020 Definitions

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

A. “System development charge” means a charge imposed pursuant to Chapter 44 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.

44.030 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 pay the charge in installments as set forth in this Chapter. 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.

44.040 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 until the Final Inspection or within nine (9) months of the date of the Agreement between the Property Owner and the City.

2. The Property Owners shall not request Final Inspection from the City prior to payment of System Development Charges. The City is not obligated to conduct the Final Inspection or issue the Certificate of Occupancy until the System Development Charges are paid.

3. The Property Owner shall not occupy any structure or transfer ownership of the property prior to the payment of System Development Charges.

4. Failure to pay System Development Charges prior to occupying the structure will result in the immediate termination and shut-off of City Water and Wastewater service to the property without further notice to Owner or the occupants. Restoration of Water and Wastewater service will be subject to payment of all System Development Charges, including penalty surcharge and interest, as well as any reconnection fees.

5. The Property Owner shall, in writing, disclose the System Development Collection Deferral Agreement to any lender or other individual or entity with a financial, ownership, or possessory interest in the property.

6. Failure to abide by the terms of a System Development Collection Deferral Agreement shall exclude a Property Owner from entering into future System Development Collection Deferral Agreement with the City.

7. Failure to pay prior to the earlier of Certificate of Occupancy or nine (9) months of an executed System Development Collection Deferral Agreement will result in a twenty-five percent (25%) surcharge of the total System Development Charge (subject to adjustment by the City Manager for extenuating circumstances). Interest (equal to the prime lending rate plus 4%) will accrue from the time of the Certificate of Occupancy to the time of payment.

B. The City shall authorize installment payments for System Development Collection in accordance with this Chapter.

1. A Property Owner shall pay the associated System Development Charges in semiannual installments over a ten (10) year period.

2. A Property Owner shall provide and update, when necessary, an address which semiannual invoices will be mailed.

3. A Property Owner shall not transfer ownership of the property prior to the payment of Systems Development Charges in full.

4. Failure of a Property Owner to pay System Development Charges will result in the immediate termination and shut-off of City Water and Wastewater service to the property without further notice to Property Owners or to the occupants. Restoration of Water and Wastewater service will be subject to payment of all System Development Charges, including penalty surcharge and interest, as well as any reconnection fees.

5. A Property Owner shall, in writing, disclose any System Development Installment Payment Agreement to any lender or other individual or entity with a financial, ownership, or possessory interest in the property.

6. Failure to abide by the terms of a System Development Installment Payment Agreement shall exclude a Property from entering into future System Development alternative payment option agreements with the City.

44.050 Assessment

If the City finds that the Agreements are in order and that subject property has been permitted to connect to City facilities and has thereby benefited, it shall approve the Agreements to direct the billing for the charges upon the land benefited plus a financing fee. 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.

44.060 Cancellation

A. The City is authorized to cancel assessments of system development charges 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.

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.