

EXHIBIT “A”
RELATING TO THE METHODOLOGY FOR CALCULATING
THE SCHOOL DISTRICT CONSTRUCTION EXCISE TAX

1. Purpose. This document is intended to set the methodology by which the Construction Excise Tax (CET) is calculated and is to be made a part of the Intergovernmental Agreement (IGA) between Three Rivers School District (District) and Jackson County (County) as agreed upon within the text of the IGA.

2. Agreement. District and County agree to the following as the methodology to be used in determining how the CET will be calculated consistent with ORS 320.176.
 - a. Square footage of residential use shall include single-unit and multiple-unit dwelling units including adult foster care homes, and congregate living facilities as defined in the State Building Code where the occupants are primarily permanent in nature. The square footage calculations shall include the gross floor area of the building or addition, measured from the outside of the wall to the outside of the wall and shall include the square footage of finished and unfinished basements and bonus rooms and living area above a garage whether attached or detached, but shall not include the gross floor area of a garage, carport covered walkways, covered balconies, decks, porches, patio covers (screened or open), sunrooms (unless open into the residential structure without doors or windows), and accessory structures such as sheds, shops and similar non-habitable structures.

 - b. Square footage of residential use shall include the gross floor area of a manufactured dwelling or an addition thereto, measured from the outside of the wall to the outside of the wall and shall include the area of cabanas and living areas above a garage whether attached or detached, but shall not include gross floor area of a garage, carport, covered walkways, covered balconies, decks, porches, patio covers (screened or open), sunrooms, (unless open into the residential structure without doors or windows), and accessory structures such as sheds, shops and similar non-habitable structures. Square footage of residential use shall not include a manufactured home that replaces an existing manufactured home located in a manufactured home park.

 - c. Square footage of residential use shall include the gross floor area of a relocated residential building (unless such a building is moved to a different location on the same property) measured from the outside of the wall to the outside of the wall and shall include the square footage of both finished and unfinished basements and bonus rooms and living areas above a garage whether attached or detached, but shall not include the gross floor area of a garage, carport covered walkways, covered balconies, decks, porches, patio covers (screened or open), sunrooms

(unless open into the residential structure without doors or windows), and accessory structures such as sheds, shops and similar non-habitable structures.

- d. Square footage of hotel, motel, transient and non-transient boarding houses, convents, college dormitories, fraternity, and sorority uses as defined in the State Building Code shall be considered non-residential uses. Non-residential use will include all uses not specifically identified in this document as a residential use or those that do not fall within an R-3 classification as defined by the State Building Code.
- e. Square footage of non-residential use shall include the gross floor area of the building or addition measured from the outside of the wall to the outside of the wall or, where no wall exists, it shall include the useable area under the horizontal projection of the roof or floor above.
- f. Where an existing residential or non-residential use is removed from a property (in part or in total) or is a change in the occupancy classification, a credit towards the CET for the new use shall be applied based on the square footage and use of the existing building. No CET credit shall be applied if there is no record of the square footage of the existing use. Unless authorized by District, credits are non-transferable to other properties.
- g. The CET shall be applicable to building permit applications received on or after the effective date of the IGA. Should an increase (or decrease) in the CET be legally authorized, the new rate shall be applicable to all building permit applications received on or after the effective date of the increase (or decrease). Any building permit application received prior to the effective date of the IGA or CET increase/decrease shall be subject to the CET or CET increase/decrease if the fee has not been paid or the building permit issued within six months of the effective date of the IGA or CET increase/decrease.
- h. The CET shall not apply to structures that do not require a building permit, cell towers, wind turbines, water tanks, storage tanks, membrane structures, storage racking, retaining walls, swimming pools, private bridges, covered play structures, vault toilets, interior paint booths, or to a temporary medical hardship dwelling. The CET shall also not apply to utility classed structures that do not have a definitive or discernable method with which to calculate square footage of the structure. The CET shall not apply to private school improvements, public improvements as defined on ORS 279A.010, residential housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the area in which the construction tax is imposed, for a period of at least 60 years following the date of construction of the residential housing, public or private hospital improvements, improvements to religious

facilities primarily used for worship or education associated with worship, and agricultural buildings as defined in ORS 455.315 (2)(a).

- i. CET Fees may be refunded if they are collected in error or the CET is paid for a development that will not be constructed. Requests for refund must be in writing and submitted to District not more than 12 months from the date the CET was paid. It shall be the District's responsibility to issue any requested refund.

The applicability of the CET to any item not identified by this Exhibit shall be determined by Jackson County. Should the District disagree with County's decision, it will be the District's responsibility to collect the CET.