

**RESOLUTION NO. 1120**

**A RESOLUTION CONFIRMING, APPROVING AND RATIFYING SIX AND ONE-TENTH PERCENT (6.1%) SYSTEMS DEVELOPMENT CHARGE INFLATIONARY COST IMPACT AS MEASURED BY THE ANNUAL CHANGE IN THE PACIFIC NORTHWEST CONSTRUCTION COST INDEX.**

WHEREAS, Ordinance No. 386, Article IV, has established and imposed a Systems Development Charge and determined that inflationary cost impacts shall be measured and calculated annually each March and charged accordingly; and

WHEREAS, inflationary calculations are to be based upon Pacific Northwest Construction cost changes in the Engineering News Record Construction Cost Index as represented by the City of Seattle, Washington; and

WHEREAS, the March 28, 1994, issue of Engineering News Record (Exhibit "A") reported an increase of six and one-tenth percent (6.1%) in the annual construction cost index for Seattle, Washington.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. That the City Council accepts and ratifies an inflationary construction cost index adjustment of six and one-tenth percent (6.1%) as presented in Exhibit "A".
2. The inflationary cost impact shall be assessed against all Systems Development Charges beginning July 1, 1994 except for the street systems development charges for up to 300 employees for Thrifty Payless, Incorporated, which shall remain at \$1,080 per employee as described in the Thrifty Payless Development Agreement which was signed on May 2, 1994.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 27th day of June, 1994, and filed with the Wilsonville City Recorder this date.

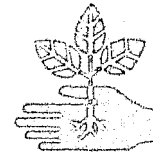
  
GERALD A. KRUMMEL, Mayor

ATTEST:

*Vera A. Rojas*  
VERA A. ROJAS, CMC/AAE, City Recorder

SUMMARY of Votes:

Mayor Krummel	<u>AYE</u>
Councilor Lehan	<u>AYE</u>
Councilor Benson	<u>AYE</u>
Councilor Hawkins	<u>AYE</u>
Councilor Sempert	<u>AYE</u>



City of  
**WILSONVILLE**  
in OREGON

30000 SW Town Center Loop E  
Wilsonville, Oregon 97070  
FAX (503) 682-1015

COMMUNITY DEVELOPMENT DEPARTMENT (503) 682-1011  
MEMORANDUM

**DATE:** JUNE 21, 1994  
**TO:** ARLENE LOBLE  
CITY MANAGER  
**FROM:** ELDON JOHANSEN  
COMMUNITY DEVELOPMENT DIRECTOR  
**RE:** SDCs

Wilsonville Ordinance No. 386 , Article IV, Section 2 indicates, "The amount of each systems development charge shall be adopted initially by Council Resolution. Changes in the amount shall also be adopted by Resolution except those changes resulting solely from inflationary cost impacts. Inflationary cost impacts shall be measured and calculated each March 1, by the City Manager and charged accordingly".

The SDC Ordinance is specific in that the annual cost index must be measured against the Engineering News Record market trend for U.S. cities and calculated each March 1. In practice however, the Engineering News Record information is not published until later in the month. As represented by the city of Seattle, Washington, the annual Pacific Northwest Construction Cost Index has increased 6.1 percent. In order to maintain a current and reasonably accurate construction cost estimate for each SDC and Capital Improvement Program, the 6.1 percent increase ought to be applied unilaterally. Once measured and calculated, the effective date for implementing an inflationary adjustment to the city's SDC program is not clearly mandated by Ordinance. However, based on having a reasonable figure for budgeting purposes, the inflationary adjustment ought to occur at, or prior to, the start of the fiscal year.

The relative effect of imposing a 6.1 percent increase to SDCs for single-family construction is reflected within the attached table of SDC comparisons. In looking at the table of SDC comparisons it is apparent that the City is approximately at market on the street SDCs and it is close to market on the parks SDCs. For the water, sewer and storm drainage SDCs the City of Wilsonville is significantly below other cities that were surveyed. The staff will be working on the methodology and estimates to update these SDCs during FY94/95.

  
\_\_\_\_\_  
Eldon R. Johansen, Community Development Director

6/22/94  
\_\_\_\_\_  
Date

ej:md

pc: IOC-DC  
SDC file

ENR cost indexes in 20 cities, 1969-1994

Table with multiple columns for cities: Kansas City, Los Angeles, Minneapolis, New Orleans, New York, Philadelphia, Pittsburgh, St. Louis, San Francisco, Seattle. Each city has BCI and CCI indexes for 1913=100 and percentage changes for various years from 1969 to 1994.

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EXHIBIT "A"

Base changing: How to do it

ENR's Building and Construction Cost Indexes can be converted from a 1913=100 base to any base year desired by using the simple formula below:

Index value of new base = (Index to be converted / 1913=100 base index value for new base) x 100

For example, to convert the June 1989 Building Cost Index for the U.S. from a 1913 base to a 1967 base, perform the following calculations. Note that when a year is designated for the base, use the average index for the entire year. Data are provided in the historical tables in this article.

June 1989, 1913=100 base = 2623 / 1967 avg., 1913=100 base = 676 x 100 = 388

Thus, the ENR Building Cost Index for June 1989, using 1967=100 as a base year, is 388. This formula can also be used to change base years for individual cities. In performing these calculations, the year's average will have to be approximated by averaging the four quarterly indexes published in the accompanying tables.

sometimes miss these important developments. The users of the indexes for individual cities should keep an eye open for the timing and nature of wage settlements. For example, stalled labor negotiations may keep the old wage rate in effect longer than a 12-month period, giving the appearance of a low inflation rate.

new wage rates called for in multi-year collective-bargaining agreements and estimates for areas where new contract terms will be negotiated. ENR estimates the materials component by studying consumption forecasts and trends.

Q: Does ENR ever revise the indexes? A: Yes. On rare occasions ENR may revise the indexes. Any revision affecting the 20-city average indexes in the latest 14-month period can be found in the first issue of each month on the Markets Trends page of the magazine. All revisions for individual cities are published in the tables above that appear in each First Quarterly Cost Report.

**SINGLE FAMILY DWELLING SYSTEMS DEVELOPMENT CHARGES**  
**Various Local Jurisdictions Comparison**  
**Compiled July 1993**

	Beaverton	Clackamas Cty	Hillsboro	Lake Oswego	Oregon City	Sherwood	Tigard	Tualatin	Washington Cty	West Linn	Wilsonville	Proposed Wilsonville
Rate/square foot for valuation	74.00	61.42	52.41	74.00	50.84	52.25	46.00	57.00	48.00	61.00	61.42	61.42
Sewer Connection and/or SDC	2,235.00	1,000.00	2,200.00	1,282.00	1,400.00	2,352.89	2,200.00	2,200.00	2,200.00	1,277.00	778.00	825.00
Water Installation and/or SDC	1,300.00		1,335.00	1,688.00	1,350.00	2,379.00	1,170.00	100.00	1,600.00	1,037.00	552.00	586.00
Parks SDC	0.00		600.00	1,164.00	750.00	865.00	500.00	1,400.00	0.00	1,809.00	603.00	640.00
Streets SDC	1,520.00	1,221.62	1,520.00	1,370.00	1,000.00	1,520.00	1,520.00	1,520.00	1,520.00	791.00	1,960.00	2080.00
Storm Drainage SDC	238.00		280.00	106.87	385.00	280.00	280.00	280.00	0.00	596.00	65.00	69.00
Sidewalk/Driveway	52.00		0.00	15.00	0.00	0.00	0.00	0.00	100.00/35.00	0.00	50.00	50.00
Tree Cutting	53.00		0.00	6.00/tree	0.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00
Other												
Development Code Plan Review	75.00											
Erosion/Sedimentation	135.30	200.00										
Record Retention	10.00											
Application Fee	25.00											
Street Collector						47.00						
<b>Totals</b>	<b>5,643.30</b>	<b>2,421.62</b>	<b>5,935.00</b>	<b>5,631.87</b>	<b>4,885.00</b>	<b>7,443.89</b>	<b>5,670.00</b>	<b>5,500.00</b>	<b>5,470.00</b>	<b>5,510.00</b>	<b>4,008.00</b>	<b>4311.00</b>