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, CMC/AAE, City Recorder

SUMMARY of Votes:
Mayor Krummel       AYE
Councilor Lehan    AYE
Councilor Benson   AYE
Councilor Hawkins  AYE
Councilor Sempert  AYE

RESOLUTION NO. 1120
CB-R-813-94
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

3177 m1 ej(Ai. SDC) . 93 Memos Dsk

"Serving The Community With Pride"
### ENR Cost Indexes in 20 Cities, 1969-1994

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<thead>
<tr>
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<td>New York</td>
<td>135.76</td>
<td>137.65</td>
<td>140.30</td>
<td>143.90</td>
<td>147.50</td>
<td>151.00</td>
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<td>136.70</td>
<td>139.30</td>
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<td>Philadelphia</td>
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<td>144.80</td>
<td>148.30</td>
<td>151.90</td>
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**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:

\[
\text{Index value of new base} = \frac{\text{Index to be converted}}{100} \times \text{1913=100 base index value for new base}
\]

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

**June 1989, 1913=100 base → 1967=100 base**

1967 avg, 1913=100 base: 576

Thus, the ENR Building Cost Index for June, 1989, using 1967=100 as a base year, is 309.

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 can keep the old wage rate in effect longer than a 12-month period. Annual indexes adjust for new wage rates.

**Quarterly averages weighted?**

No. A straight mathematical average is used.

**Index values volatile?**

Yes. ENR’s indexes are available to the entire industry. U.S. average wages and prices are published the first week of each month on the Market Trends page of the magazine. Indexes for individual cities appear in the second issue of each month. A calendar reference can be found on any Materials Price list, the issues where readers may find the prices for lumber, steel, etc., that are connected with construction costs.

**Does ENR have cost indexes for cities outside the U.S.?**

Yes. Rarely. City cost indexes are published in ENR for the next 12 months once a year in the December quarterly cost report. To reach in effect, ENR incorporates the 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 components by studying consumption forecasts and trend indicators.
## SINGLE FAMILY DWELLING SYSTEMS DEVELOPMENT CHARGES

**Various Local Jurisdictions Comparison**

*Compiled July 1993*

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<tr>
<th>Beaverton</th>
<th>Clackamas Cty</th>
<th>Hillsboro</th>
<th>Lake Oswego</th>
<th>Oregon City</th>
<th>Sherwood</th>
<th>Tigard</th>
<th>Tualatin</th>
<th>Washington Cty</th>
<th>West Linn</th>
<th>Wilsonville</th>
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<td>Rate/square foot for valuation</td>
<td>74.00</td>
<td>61.42</td>
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<td>74.00</td>
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<td>2,200.00</td>
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<td>1,350.00</td>
<td>2,379.00</td>
<td>1,170.00</td>
<td>100.00</td>
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<td>600.00</td>
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<td>750.00</td>
<td>865.00</td>
<td>500.00</td>
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