

RESOLUTION NO. 909

**A RESOLUTION CONFIRMING, APPROVING AND RATIFYING
A 3.2 PERCENT 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 9, 1992 issue of *Engineering News Record* (Exhibit "A") reported an increase of 3/2 percent in the annual construction cost index for Seattle, Washington.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILSONVILLE that:

1. The City Council accepts and ratifies an inflationary construction cost index adjustment of 3.2 percent as presented in Exhibit "A".
2. The inflationary cost impact shall be assessed against all Systems Development Charges beginning May 1, 1992.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof the 20th day of April, 1992 and filed with the Wilsonville City Recorder this same day.



GERALD A. KRUMMEL, Mayor

ATTEST:

Vera A. Rojas

VERA A. ROJAS, CMC/AAE, City Recorder

SUMMARY of Votes:

Mayor Krummel	<u>AYE</u>
Councilor Chandler	<u>AYE</u>
Councilor Carter	<u>AYE</u>
Councilor Lehan	<u>AYE</u>
Councilor Van Eck	<u>AYE</u>



City of
WILSONVILLE
in OREGON

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(503) 682-1011

COMMUNITY DEVELOPMENT DEPARTMENT

MEMORANDUM

DATE: MARCH 18, 1992

TO: ARLENE LOBLE, CITY MANAGER

FROM: STEVE STARNER
COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: SYSTEMS DEVELOPMENT CHARGES

Wilsonville's SDC Ordinance NO. 386, Article IV, Section 2, indicates, "The amounts of each system development charge shall be adopted initially by Council resolution. Changes in the amounts shall also be adopted by resolution, excepting those changes resulting solely from inflationary cost impacts. Inflationary cost impacts shall be measured and calculated each March 1st by the City Manager and charged accordingly."

The intent of establishing an inflationary SDC adjustment in March was twofold. First, due to the City's budget process, fee adjustments occurring in March would provide fiscal planners with information which will improve annual revenue forecasting. Second, given the history that building permit applications occur with the greatest volume in June and October, SDC adjustments occurring prior to June provide some measure of uniformity in assessing SDC project values through each construction season.

The SDC Ordinance is specific in that the annual cost index must be measured against the ENR Market Trend for U.S. cities and calculated each March 1st. In practice, however, the ENR information is not published until the second Tuesday of the month. The March 9, 1992 ENR issue was received by the City on March 16th (a copy of the March 9th ENR Market Trends is attached for your review). As represented by the City of Seattle, Washington, the annual Pacific Northwest construction cost index has increased 3.2 percent. In order to maintain a current and reasonably accurate construction cost estimate for each SDC capital improvement program, the 3.2 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 the historical volume of building permit activity, the inflationary adjustment ought to occur prior to June 1, 1992.

The relative effect of imposing a 3.2 percent increase to SDCs for single family construction is reflected within the attached table of SDC Comparisons.

ss/js
Enc.

AS OF MARCH, 1992

How systems development charges compare:

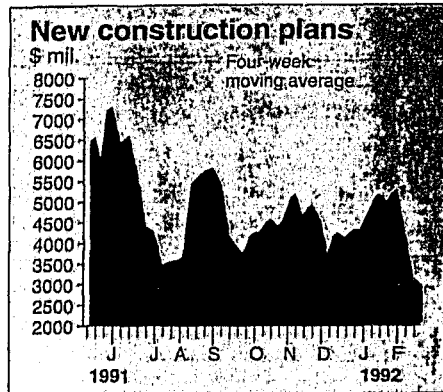
	SHERWOOD	TUALATIN	LAKE OSWEGO	BEAVERTON	WEST LINN TANNER BASIN	WILSONVILLE	WEST LINN CITY LIMITS	GRESHAM	OREGON CITY	WILSONVILLE (PROPOSED 3.2%)
PARKS	\$300	\$1,400	\$1,164	\$0	\$1,776	\$556	\$1559	\$180	\$0	\$574
SEWER	2,013	1,900	1,242	1,900	293	718	229	1,100	1,00	741
WATER	2,299	940	1,688	305	1,433	414	723	1,050	400	427
STREETS	1,380	1,380	0	1,380	0	1,809	0	0	200	1867
DRAINAGE	280	280	0	375	133	60	485	525	200	62
TOTAL	\$6,272	\$5,900	\$4,094	\$3,960	\$3,635	\$3,557	\$2,996	\$2,855	\$1,800	\$3,671

WEST LINN'S charges are in the middle to low end of the systems development fees spectrum. Developers will be required to pay \$3,636 per home in the Tanner Basin area, and \$2,996 for

new homes built within the city limits. The city of Sherwood charges the most — \$6,272 for each new home.

Latest Week

COST INDEXES	March	Change from last	
ENR 20 cities	Index	month	year
1913=100	value	%	%
Construction Cost	4926.50	+0.9	+3.2
Building Cost	2799.30	+0.9	+3.1
Common labor (CC)	10128.29	+0.6	+3.4
Skilled labor (BC)	4536.25	+0.2	+3.3
Materials	1738.31	+2.0	+2.7



National totals	Week	12 mos. cum.	
ENR-reported	ending	1991	'90-91
\$ mil.	Feb. 17	1991	'90-91
NEW PLANS*			
Total construction ¹	3299.9	266,400.6	- 21
Heavy & highway	1,316.2	80,813.2	- 6
Nonresidential bldg.	1,445.1	147,568.4	- 26
Housing, multiunit	358.6	38,019.0	- 28
CONTRACT AWARDS			
Total construction ¹	5,146.6	142,643.0	- 12
Heavy & highway	2,394.9	48,865.0	- 4
Water use & control	819.7	15,108.2	+ 1
Waterworks	143.3	4,718.2	+ 10
Sewerage	489.5	6,776.0	+ 5
Dams, waterway dev.	186.9	3,614.0	- 13
Transportation	1,130.2	24,959.5	+ 2
Highways	711.9	16,754.1	+ 2
Bridges & tunnels	356.7	5,523.1	+ 1
Airports, incl. buildings ..	61.6	2,682.2	+ 2
Electric, gas, communic.	71.5	2,869.8	- 34
Military, space	0.0	119.9	+ 26
Other heavy const.	373.6	5,807.6	- 16
Total nonres. bldgs.	2,387.1	80,478.4	- 10
Manufacturing bldgs.	111.2	8,810.3	- 2
Commercial buildings	982.5	30,345.1	- 27
Offices, banks	394.7	11,253.5	- 37
Stores, shopping ctrs.	277.1	9,568.0	- 20
Other comm. service	310.7	9,523.6	- 17
Government buildings	204.7	5,879.7	+ 3
Educational buildings	531.0	17,523.1	+ 12
Hospitals, medical bldgs.	282.2	9,129.5	+ 0
Other nonresidential	275.5	8,790.8	- 3
Total multiunit hsg. ¹	364.6	13,299.7	- 36
Apartments	324.6	10,362.9	- 36
Hotels, motels, dorms	39.9	2,936.8	- 37

Source: ENR-F.W. Dodge Division; *revised 1991 cum. plan data
Minimum size: new plans, \$750,000; contract awards, \$50,000
Excludes 1-2 family houses

NEW PUBLIC CONSTRUCTION CAPITAL

\$ mil.	Week of	8 weeks cum.	
	Feb. 24	Latest	Annual
	figure	figure	% chg.
State and municipal	1,332.7	8,397.1	+ 28
Housing	63.0	644.6	+177
Other bldg. and heavy	1,269.7	7752.5	+ 23

Latest Month

ENR COST INDEXES IN 22 CITIES

Based on 1913 U.S. average = 100

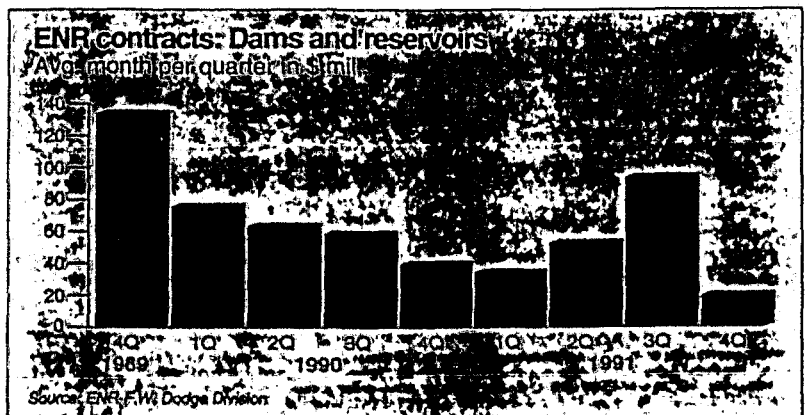
City	Mar. '92	CONSTRUCTION COST		BUILDING COST		
		Index	Percent change from last month	Year	Mar. '92	Index
Atlanta.....	3304.90	+3.4	+ 4.1	2332.74	+3.6	+4.4
Baltimore.....	3884.30	+0.3	+ 1.4	2534.17	+0.5	+0.3
Birmingham.....	3462.82	0	+ 0.1	2186.37	0	+0.1
Boston.....	5873.25	+1.5	+ 4.8	3263.31	+3.0	+5.2
Chicago.....	5417.46	+0.8	+ 8.5	3068.03	+1.4	+6.2
Cincinnati.....	5011.10	0	+ 2.0	2674.15	0	+2.2
Cleveland.....	5450.25	0	+ 2.1	2903.81	0	+1.7
Dallas.....	3354.71	+2.0	+ 2.8	2205.74	+1.8	+3.3
Denver.....	3756.91	+1.2	+ 1.7	2416.83	+1.8	+3.0
Detroit.....	5281.20	+0.6	+ 2.3	3077.47	+0.8	+3.2
Kansas City.....	4907.18	+3.0	+ 3.5	2637.20	0	+0.5
Los Angeles.....	6286.50	+3.2	+ 6.0	3094.21	-0.2	+4.7
Minneapolis.....	4924.05	+0.1	+ 2.8	2702.87	+0.1	+2.4
New Orleans.....	3632.41	+0.9	+ 0.6	2254.07	+1.4	+1.2
New York.....	7115.34	+0.1	+ 3.9	4002.89	+0.1	+2.0
Philadelphia.....	5593.27	0	+ 2.9	3146.12	0	-3.4
Pittsburgh.....	4717.60	+0.2	+ 2.3	2836.38	+0.7	+3.3
St. Louis.....	5196.42	+0.5	+ 2.2	2710.94	+0.9	+4.5
San Francisco.....	6226.15	0	+ 3.9	3210.03	+0.3	+0.9
Seattle.....	5134.23	+1.2	+ 3.2	2728.64	+2.2	+5.2
U.S. 20-city avg.....	4926.50	+0.9	+ 3.2	2799.30	+0.9	+3.1
Montreal.....	5271.71	0	+ 6.3	2930.36	0	+5.2
Toronto.....	6537.05	0	+ 3.1	3285.76	0	+4.4

ENR WAGE, MATERIALS AND COST INDEXES IN 20 CITIES

Based on each city's 1967 average = 100

City	COMMON LABOR		SKILLED LABOR		MATLS. PRICES		Const. cost	Bldg. cost
	Mar. '92	% chg. fr. Mar. '91	Mar. '92	% chg. fr. Mar. '91	Mar. '92	% chg. fr. Mar. '91		
Atlanta.....	412.18	+ 2.8	383.65	+ 2.3	395.05	+ 7.0	406.22	388.73
Baltimore.....	520.79	+ 3.1	444.40	+ 2.8	338.00	- 3.3	440.34	396.38
Birmingham.....	448.16	0	374.98	0	354.41	+ 0.2	415.04	364.19
Boston.....	605.87	+ 4.4	552.94	+ 4.6	373.26	+ 6.3	541.51	474.50
Chicago.....	490.80	+ 8.9	472.04	+ 5.8	342.39	+ 6.9	449.24	413.52
Cincinnati.....	497.18	+ 1.6	430.09	+ 1.2	386.72	+ 3.6	471.59	418.01
Cleveland.....	463.80	+ 2.6	446.45	+ 2.5	357.85	+ 0.5	434.96	408.49
Dallas.....	452.59	+ 1.9	354.72	+ 2.0	354.63	+ 4.7	424.53	365.14
Denver.....	400.76	0	371.27	+ 0.5	375.00	+ 6.0	384.45	369.52
Detroit.....	449.35	+ 1.9	475.11	+ 2.8	338.67	+ 4.0	421.62	416.31
Kansas City.....	523.96	+ 4.6	452.49	+ 0.9	359.00	0	474.45	407.23
Los Angeles.....	589.24	+ 7.1	515.90	+ 6.8	348.13	+ 0.6	533.18	449.47
Minneapolis.....	475.93	+ 3.2	465.76	+ 3.1	342.81	+ 1.2	429.42	392.31
New Orleans.....	469.09	0	373.11	+ 0.3	370.12	+ 2.2	434.32	371.69
New York.....	528.48	+ 4.5	544.34	+ 5.4	425.12	+ 0.9	511.65	503.31
Philadelphia.....	605.73	+ 4.1	528.45	+ 6.1	380.37	- 1.7	545.97	467.82
Pittsburgh.....	457.84	+ 2.2	418.03	+ 4.0	353.99	+ 2.4	423.88	385.12
St. Louis.....	456.49	+ 1.0	435.34	+ 2.6	344.81	+ 8.1	430.19	397.14
San Francisco.....	535.19	+ 5.1	488.79	+ 2.1	345.31	- 1.4	491.89	431.43
Seattle.....	473.10	+ 2.5	458.96	+ 4.6	393.31	+ 6.2	454.80	431.67

Trends to Watch



City of
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FAX COVER SHEET

Please deliver the following pages:

To: Nancy Green Fax No. 626-8903
Attn: _____ Phone No. _____
Date: 4-20-92 Total Pages 6
From: Vera A Rojas, CM/PAE Phone No. 682-1011
Office of the City Attorney and Recorder
Re: Resolution CB-R-585-92

Comments:

If this transmission is not complete, please call back as soon as possible.

Thank you!