

Resolution No. 17-17

**A RESOLUTION ESTABLISHING A METHODOLOGY TO ANNUALLY ADJUST SYSTEM
DEVELOPMENT CHARGES FOR INFLATION**

WHEREAS, Section 13.24.010 of the Scappoose Municipal Code states the purpose of the system development charge (SDC) is to impose a portion of the cost of capital improvements for water, wastewater, drainage, streets, flood control, and parks and recreation upon those developments that create the need for or increase the demands on capital improvements; and

WHEREAS, Oregon Revised Statute (ORS) 223.304 (8) (b) states a change in the amount of a reimbursement fee or an improvement fee is not a modification of the SDC methodology if the change in the amount is based on: the periodic application of one or more specific cost indexes or other periodic data sources. A specific cost index or periodic data source must be: (A) a relevant measurement of the average change in the prices or costs over an identified time period for materials, labor, real property or a combination of the three; (B) published by a recognized organization or agency that produces the index or data source for the reasons that are independent of the SDC methodology; and (C) incorporated as part of the established methodology or identified and adopted in a separate ordinance, resolution, or order; and

WHEREAS, the Scappoose City Council has determined the most appropriate cost index for use in annually adjusting all City SDCs is the Engineering News Record's (ENR) 20 city average Construction Cost Index (CCI); where the CCI is defined by ENR as:

200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of Portland cement at the 20-city price, plus 1,088 board ft. of 2 x 4 lumber at the 20-city price; and

WHEREAS, it is the desire and resolve of the City Council to keep its schedule of SDCs current, consistent, and adequate to support the funding of critical municipal infrastructure improvements; and

WHEREAS, the Scappoose City Council has determined the cost indexing methodology hereinafter specified and established is just, reasonable, and necessary.

NOW THEREFORE, THE CITY OF SCAPPOOSE RESOLVES AS FOLLOWS:

The City shall apply a cost adjustment index to adjust the SDCs annually to reflect changes in costs for land, materials, labor, and construction. The specific cost index to be used, and how the index is to be applied is as follows:

1. Notwithstanding any other provision, the dollar amounts of the SDC set forth in the SDC methodology report(s) shall, on July 16th of each year, be adjusted to account for changes in the costs of acquiring and constructing facilities. The adjustment factor shall be based on the annual change in construction costs according to the ENR 20 City Average CCI published in the ENR in December of each year.
2. The SDC adjustment factor shall be used to adjust the SDCs, unless they are otherwise adjusted by the city based on a change in the costs of materials, labor, or real property, or adoption of an updated methodology.


This resolution is effective immediately upon passage. The city shall impose the indexed rate for Sewer, Water, and Storm SDCs as of July 16, 2017 and for Street SDCs as of July 16, 2018.

PASSED AND ADOPTED by the City Council this 15th day of May, 2017 and signed by the Mayor and City Recorder in authentication of its passage.

CITY OF SCAPPOOSE, OREGON



Scott Burge, Mayor

Attest: 

Susan M. Reeves, MMC
City Recorder