



COBURG CITY COUNCIL

ACTION ITEM

System Development Charges Unit Rate Adjustment

Meeting Date	Staff Contact	Email
February 13, 2024	Adam Hanks, City Administrator Megan Winner, Planning Director	Adam.Hanks@ci.coburg.or.us Megan.Winner@ci.coburg.or.us

REQUESTED COUNCIL ACTION

Review and approve Resolution 2024-01 authorizing an increase in the fee schedule for Systems Development Charges (SDC's) based on a recognized annual construction cost inflation factor

Suggested Motion

I move to adopt Resolution 2024-01, a resolution adjusting the rates of the Water, Wastewater, Transportation and Park System Development Charges

BACKGROUND

The City of Coburg approved Resolution 2018-18 directing the City to increase System Development Charges annually, utilizing a standard construction cost index. The standard construction cost utilized annually by the City of Coburg is the November Engineering News Record (ENR) construction cost index, which utilizes a 20-city region average to establish a construction cost index. The November 2023 ENR is 2.5% greater than the November 2022 November ENR.

Systems Development Charges for individual projects utilize specific per unit rates to calculate the total SDC charges owed. For example, the transportation SDC utilizes a rate of \$419 per average daily peak trip (ADPT). The \$419 is multiplied by the established ADPT for the type of project being developed. Fast food restaurants have a very high ADPT, while single family residences have a relatively low ADPT which results in a much lower total transportation SDC fee for a single family home than a fast food restaurant.

Similarly, wastewater SDC's use equivalent dwelling units (EDU) to calculate the wastewater SDC for projects. Single family homes would have an EDU of one, while a triplex would have an EDU of three, resulting in a higher total wastewater SDC.

If approved, the proposed draft resolution increases the SDC per unit fees by 2.5% effective the day after Council's decision (February 14, 2024).

RECOMMENDATION AND ALTERNATIVES

To maintain the integrity and accuracy of the previously approved SDC fee methodology, staff

recommends the continued utilization of the November ENR for annual SDC fee adjustments. Council could defer the decision to adjust SDC fees and/or request that City staff research and provide an alternate construction cost index to replace the November ENR that has been utilized in the past.

BUDGET / FINANCIAL IMPACT

Approval of the SDC fee adjustment would result in increased SDC revenue on building permit applications submitted after February 14, 2024 that the City set's aside as restricted revenue for future SDC eligible projects.

PUBLIC INVOLVEMENT

No specific prior public involvement has occurred with this SDC fee adjustment resolution. SDC rate methodology update review and approval was presented to Council in April of 2018.

NEXT STEPS

Upon approval, City staff will update electronic and paper forms with the adjusted SDC fee schedule.

ATTACHMENTS

1. Draft Resolution 2024-01

RESOLUTION 2024-01

A RESOLUTION ADJUSTING THE RATES OF THE WATER, WASTEWATER, TRANSPORTATION AND PARK SYSTEM DEVELOPMENT CHARGES

WHEREAS, the City of Coburg has adopted a capital improvement plan for the parks, transportation, water, and wastewater systems, identifying elements that have been constructed are under construction and are planned to accommodate future growth; and

WHEREAS, Resolution 2018-18, approved by City Council on September 11, 2018, adopting new SDC Rates and methodologies for parks, transportation, water and wastewater; and

WHEREAS, Oregon Law (ORS 223.304) allows for periodic indexing of SDC's for inflation using an approved index.

WHEREAS, the City of Coburg selected the Engineering News-Review Construction Cost index for annual inflation; and

WHEREAS, The November Engineering News Record 2023-City Averages increase is 2.5%.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Coburg

The City's Systems Development Charge unit rates are established as follows:

SDC Type	Unit Rate
Parks – Per RPE	\$2,198
Water – Per MCE	\$5,936
Transportation – Per ADPT	\$ 419
Wastewater – Per EDU	\$6,750

Adopted by the **City Council** of the **City of Coburg**, Oregon, by a vote of ___ for and ___ against, this 10th day of January, 2024.

Nancy Bell, Mayor

ATTEST: _____
Sammy L. Egbert, City Recorder