



# Resolution 2025-01

## A Resolution Adjusting Systems Development Charges

Meeting Date	Staff Contact	Email
January 14, 2025	Megan Winner, Planning Director	<a href="mailto:Megan.Winner@ci.coburg.or.us">Megan.Winner@ci.coburg.or.us</a>

### SUMMARY AND REQUESTED COUNCIL ACTION

This Resolution is presented to Council annually consistent with the Systems Development (SDC) methodology ordinances to ensure the SDC fees calculated and charged for new development impacting City infrastructure maintain and “keep up” with increasing infrastructure construction costs funded by SDC’s.

#### Suggested Motion

*I move to approve Resolution 2025-01, adjusting the existing Systems Development Charges by the construction cost index specified in the SDC Ordinance.*

### BACKGROUND

The City of Coburg approved Resolution 2006-08 directing the City to increase Systems Development Charges annually, utilizing a standard construction cost index. Resolution 2025-01 is a resolution that, if approved, sets the construction cost index for the City of Coburg at a 0.9% increase as of February 14 1, 2025. The City’s SDC Ordinance utilizes the November ENR (Engineering News Record) construction cost index as the basis for annual SDC adjustments with an objective of ensuring the revenue maintains its relative value to the annually increasing construction costs within the region.

The November ENR for the prior year (2024) was 2.5% and was 5.6% for 2023. This is a positive indicator of the potential for an easing of the high rate of infrastructure project cost escalations the City has experienced with recent capital projects in the last three to five years.

The Construction Cost index increase is equally distributed across all four of the City’s existing Systems Development Charges (Water, Wastewater, Transportation, Parks)

### RECOMMENDATION

Staff recommends Council approve the resolution to maintain the market value of the revenues generated from Systems Development Charges.

**BUDGET / FINANCIAL IMPACT**

SDC's provide a specific ratio of funding for future capital projects which is limited to the growth component of the project. Staff utilizes existing master plans and accepted methodologies set forth in Oregon Revised Statutes to ensure SDC funds are maximized within legal parameters on growth related capital projects within the City's Parks System, Water Utility, Wastewater Utility and Transportation System. These funds are a significant source of revenue that augments local capital funds collected from utility rates and fees from the local customer base (users of the systems), property taxes (Parks projects only) and state and federal grant and loan funds.

**PUBLIC INVOLVEMENT**

No specific public involvement was conducted for this agenda item.

**NEXT STEPS**

Upon Council approval of the resolution, staff will update the documents and software utilized to communicate, calculate and collect Systems Development Charges in advance of the effective date of the resolution.

**ATTACHMENTS**

1. Draft Resolution 2025-01