

Legislation Text

File #: Ordinance 43-2018, **Version:** 2

Agenda Date: 12/04/2018

Subject:

An ordinance on second reading deleting chapter 7 of title 11, capital facility impact fee and adding chapter 14 of title 1, land development fees

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| Presented By: Tiffany Hooten, Finance Director |
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POLICY QUESTION

Does city council support updating the capital facility impact fees?

BACKGROUND:

Council adopted capital facility impact fees in August of 2013 (Ordinance 14, Series of 2013) and amended the fees in July of 2014 (Ordinance 17, Series of 2014). The fees are charged for new residential and non-residential development and fund capital improvements to address demand attributable to the new development. The impact fee categories adopted by council include: fire, museum, library, police, facilities, and transportation.

The fees were based on the Impact Fee Design Analysis report by BBC Research and Consulting dated July 30, 2013 and updated by a supplemental memorandum dated June 5, 2014. In the adopted ordinance, the fees are to be used to fund capital improvements to address demand attributable to new development and are not to be used to fund operation, maintenance, or replacement costs or otherwise fund the general costs of government. Additionally, the impact fee applies regardless of the value of the property developed and shall be imposed in addition to other fees, taxes, or charges of the city.

Upon adoption of the impact fees by city council, BBC Research and Consulting recommended that the impact fees be periodically revisited to ensure the fees reflect capital facilities standards and are appropriately apportioned to new development. The fees have not been adjusted since 2014.

Staff has updated the transportation impact fee to reflect needed street and infrastructure improvements resulting in a recommended increase to the transportation capital facility impact fee.

Beginning in 2019, the city will contract with South Metro Fire Rescue for fire services; the city will no longer collect fire capital facility impact fees. The fire capital facility fee will be reduced to zero.

Additionally, the proposal is to relocate the impact fees from the Subdivision chapter of Littleton's City Code, to the Administrative chapter as a more appropriate place to put these fees.

PRIOR ACTIONS OR DISCUSSIONS:

This ordinance was approved on first reading at the regular city council meeting on November 6, 2018.

STAFF ANALYSIS:

The recommended impact fee change includes an update to the Littleton street capital projects and an update to reflect the number of households according to the 2016 American Community Survey report. The original growth rate of 1.5% remains the same.

City code revisions are attached.

FISCAL IMPACTS

The update includes a cost per dwelling residential impact fee increase from \$3,697 to \$3,975 (an increase of \$278 per dwelling unit or 7.5%). The cost per square foot non-residential impact fee will increase from \$1.946 to \$3.542 (an increase of \$1.596 or 82%) should the ordinance pass.

These fees are assessed on new development at the time of building permit issuance.

STAFF RECOMMENDATION

Staff recommends approving the ordinance revising the impact fees for fire and transportation and moving the fees to Chapter 1 of the city code.

The planning commission reviewed this information on October 22 and recommends approval of the amendments.

OPTIONS/ALTERNATIVES

City council has the following options:

- 1) Leave impact fees as they are
- 2) Approve amendments as proposed by staff and recommended by the planning commission
- 3) Recommend an alternative fee structure

PROPOSED MOTION

I move to approve on second reading the ordinance deleting chapter 7 of title 11, capital facility impact fee, and adding chapter 14 of title 1, land development fees.