

Legislation Text

File #: ID# 19-054, **Version:** 1

Agenda Date: 03/05/2019

Subject:
Impact Fee Updates

Presented By: Randy Young, Deputy City Manager
--

REQUESTED COUNCIL ACTION:

Does city council support updating the land development impact fees?

BACKGROUND:

Council adopted capital facility impact fees/land development impact fees in August, 2013 (Ordinance 14, Series of 2013). The fees were amended July 2014 (Ordinance 17, Series of 2014) and November 2018 (Ordinance 43, Series of 2018). The fees are charged for residential and nonresidential development in the city 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 upon the Impact Fee Design Analysis report completed 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.

Staff internally updated the transportation and fire impact fees in November 2018 based on the 2013/2014 BBC Impact Fee Design Analysis.

Upon adoption of the impact fees by city council, BBC Research and Consulting recommended that the impact fees be periodically revisited to ensure they reflect capital facilities standards and are appropriately apportioned to new development. The fees have not been adjusted since 2014 with the exception of the recent changes to the fire and transportation impact fees and relocation of the fees to chapter 14 of title 1, land development fees.

The city engaged BBC to update the remaining impact fees for the museum, library, police, and facilities based on the same methodology as the previous study. BBC reviewed and revised the current model to include current relative information and provided a draft revision to the fees.

STAFF ANALYSIS:

The impact fees have been updated based on: (1) updated and expanded data from the city's asset inventory, which it uses for insurance valuations; (2) more precise information about the allocation of capital debt among various asset categories; and (3) updated information on the share of commercial and residential land use.

FISCAL IMPACTS:

Based on the 2019 estimated development within the city, the new fee structure will provide an additional estimated \$81,000 in total impact fees in 2019.

STAFF RECOMMENDATION:

Staff recommends an ordinance be prepared for council consideration updating the land development impact fees for the museum, library, police, and facilities.

Presenters:

- i. Randy Young, Deputy City Manager
- ii. Consultant: Iris McClish, Director, BBC Research and Consulting
Stephanie Ayers, Research Associate, BBC Research and Consulting

OPTIONS/ALTERNATIVES:

1. Approve amendments as proposed and direct staff to prepare an ordinance amending the land development impact fees for the museum, library, police, and facilities.
2. Make no changes at this time.