

TO: James L. App, City Manager

FROM: Ron Whisenand, Community Development Director

SUBJECT: Development Impact Fee Update Ad Hoc Committee

DATE: December 21, 2010

Needs: For the City Council to consider a reporting time frame for the ac hoc committee for review of the development impact fee program.

Facts:

1. On December 7, 2010, the Council formed an ad hoc committee to study the development impact fee program and to bring suggestions for modifications.
2. The purpose of development impact fees is to ensure that future residential, commercial and industrial development pays its proportionate share of public facilities needed to accommodate that development.
3. Impact fees are based upon a list of needed public facilities in eight categories including transportation, storm drains, bike paths, emergency services, police, government facilities, parks-recreation and library facilities.
4. The Needs List is based upon general plan policies and Council goals and is ultimately adopted by Council resolution.
5. The Council ad hoc committee is to provide a comprehensive review of each category in the Needs List and provide recommendations for modifications.

Analysis &

Conclusion: Ultimately, a comprehensive update of the City's development impact fee program requires a justification report. The City is currently under contract with David Taussig and Associates for that purpose.

It is necessary that the Council and each department thoroughly re-visit each component of the current Needs List and work towards adoption of a comprehensive update. The updated Needs List will provide Taussig the direction he needs to produce an updated justification study. The Council ad hoc committee will provide valuable input in this process.

In addition to the Needs List, there are other policy issues associated with the program for which the committee could provide recommendation. Samples of these issues include;

- Interpretation of general plan language regarding development and acquisition of open space and park sites.
- The storm drain master plan

- The bikeway master plan
- Transportation improvement projects based upon an updated circulation element
- Transportation demand facilities including transit services and park and ride facilities
- Maintenance and depreciation costs of new facilities
- The discount of commercial and industrial development impact fees

Recaps of discussion and recommendations regarding each topic can be returned to the full council for discussion and direction.

Policy

Reference: 2003 General Plan.

Fiscal

Impact: There are significant financial impacts associated with the impact fee program. Inclusion, or exclusion of certain projects on the Needs List will result in funding, or lack thereof, for years to come.

- Options:**
- a. Request a report of progress of the ad hoc committee by March 15, 2011.
 - b. That the City Council amend, modify or reject the above option.