



Legislation Details (With Text)

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Sponsors:

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Attachments: 1. 27J Fee Analysis Final Report, 2. 27J Presentation, 3. City Presentation

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27J School Impact Fees Discussion

Summary and Background Information:

The development of land results in new and/or increased demands on city facilities and services, including but not limited to, schools, roads, water, parks, and recreation facilities. The costs of providing such additional services and facilities should be borne by those who create the new or additional need. These required contributions, whether in the form of fees or dedicated land, are used to fulfill this requirement and are known as impact fees. School impact fees only apply to residential land. It does not apply to commercial or industrial land

The current school impact fees have been in place since 2000. At that time, the market price of an acre of residential land was set at \$32,077/acre. Since this time, the price of land has risen dramatically across the city and the current fee structure no longer successfully accomplishes what it was first set out to do. The current fee amounts are shown below:

Current Fee-in-lieu Calculation:

Fee imposed on construction of each new residential dwelling on an undeveloped lot (market value of land at \$32,077/acre, set by Resolution No. 2000-15):

| | | |
|---|-------|-------|
| <i>Single-Family Home Detached Dwelling</i> | \$619 | |
| <i>Single-Family Attached Dwelling</i> | \$514 | |
| <i>Townhome/Condo</i> | | \$214 |
| <i>Apartment Unit</i> | | \$138 |

If the school's updated market price of residential land were to be approved by City Council, the updated fees would be as follows:

Proposed Fee-in Lieu calculation (market value of land at \$60,000/acre):

| | |
|---|----------|
| <i>Single-Family Home Detached Dwelling</i> | \$930.00 |
| <i>Single-Family Attached Dwelling/Duplex</i> | \$436.80 |

| | |
|-----------------------|----------|
| <i>Townhome/Condo</i> | \$363.60 |
| <i>Apartment Unit</i> | \$234.00 |

Proposed Fee-in-Lieu Calculation (market value of land at \$71,273/acre):

| | | |
|---|-----------|----------|
| <i>Single-Family Home Detached Dwelling</i> | \$1104.73 | |
| <i>Single-Family Attached Dwelling/Duplex</i> | \$518.86 | |
| <i>Townhome/Condo</i> | | \$431.91 |
| <i>Apartment Unit</i> | | \$277.96 |

Tonight, school district 27J, will present their needs and analysis for an increase in the school impact fee. It will be important for the City Council to determine appropriate development impact fees so as to balance the need to fund future capital improvements while also creating an environment that is conducive to economic development. If City Council's direction is to move forward with this increase, city staff will also work with School District 14 to see if they are amenable to this change. In addition, staff would work with the Home Builders Association (HBA) to receive their input as well. Also, if City Council would like a more routine update on school impact fees or a different formula/calculation methodology for school impact fees, staff can explore these other options.

Finally, it is important to note this fee only applies to new development within the city. All of the existing development, whether built or platted and contained within a legal developer's agreement, would not be affected by this proposed increase. The specific request and analysis can be found in the attached memo from the school districts.

Staff Responsible (Department Head): Jason Rogers, Community Development Director

Staff Member Presenting: Steve Timms, Planning Manager

Special Guest Presenter: Kerrie Monti, School District 27J and Terry Lucero, School District 27J

Financial Impact: No city expenditures are required for these fees. They are based solely on new development.

Funding Source: Funding for any increase in a school impact fee would come from new development. Existing development and development already covered with a developer's agreement/public improvement agreement would not be required to contribute to this updated fee.

Staff Recommendation: This is a presentation and discussion item only. No vote is needed at this time. This topic is being brought forward at the request of the school district.

Suggested Motion: