



Legislation Text

File #: Ord 2120, **Version:** 1

AN ORDINANCE AMENDING SECTION 21-9230 OF THE COMMERCE CITY LAND DEVELOPMENT CODE RELATING TO THE ANNUAL ESCALATION OF WATER ACQUISITION FEES

Summary and Background Information:

The request is to modify Section 21-9230 of the LDC by temporarily halting the escalation clause of 10% per year until a full study of this fee and the appropriate escalator (if any) is conducted. The underlying fee amount of \$1,428.01 (the 2016 rate) will still apply for each new residential or non-residential habitable structure in the city.

Development impact fees are a commonly used method of collecting a proportional share of funds from new development for infrastructure improvements and/or other public facilities. With rare exceptions, development impact fees are one-time funds, restricted to funding capital costs for new facilities or upgrades to existing facilities, and are not used for annual operations and/or maintenance. Impact fees may only be charged to new development and the funds collected must be used on improvements needed as a result of the new development.

Pursuant to federal and state law, adoption of impact fees requires a "nexus", or linkage, between the fees being charged, the impacts of new development, the benefit of the facilities needed to mitigate such impacts, and the proportional cost allocation among different fee categories. Impact fees must be adopted by City Council by ordinance and must be generally applicable to a broad category of development. The fees can vary by different geographical areas of the City. The revenue collected from impact fees may not be immediately available for projects because it may take some time to accumulate sufficient funding.

Over the past year, City Council has been analyzing the city's fees and their related structures and there were questions raised about the 10% escalator. The City is proposing to temporarily halt the 10% escalator clause (at the 2016 rate) until a full study can be performed on this fee.

Study Session:

In November 2016, staff held a study session with City Council at which time this item was discussed. At the study session, City Council felt this was an appropriate course of action to take to study the fee in greater detail in the future and determine whether the fee and related escalator are appropriate. City Council directed staff to prepare an amendment to the LDC to remove the 10% escalator clause for all new developments.

Staff Responsible (Department Head): Chris Cramer, Community Development Director

Staff Member Presenting: Steve Timms, Planning Manager

Financial Impact: N/A

Funding Source: N/A

Planning Commission Recommendation:

Approval

Suggested Motion:

I move to approve Ordinance 2120