

## **BUSINESS IMPACT ESTIMATE**

The City provides the following Business Impact Estimate, which may be revised following its initial posting.

1. Summary of the proposed ordinance (must include a statement of the public purpose to be served by the proposed ordinance, such as serving the public health, safety, morals, and welfare of the municipality):

Proposed Ordinance 25-27 adopts and codifies increases to the City's municipal impact fees as recommended by Raftelis Financial Consultants, Inc., a local government and utility management consulting firm. Impact fees are one-time charges imposed on new construction to fund the infrastructure and services necessitated by that growth. Water and wastewater utility impact fees have not been increased since 2006. Police, Fire, Parks and Recreation, and Library municipal impact fees have not been increased since 2004.

The purpose of the ordinance is to ensure that growth pays its fair share for public facilities needed to serve new development. Increasing impact fees will help fund essential capital projects in water, wastewater, police, fire, parks, and libraries. This will protect the public health, safety, and welfare by maintaining adequate service levels, avoiding overburdening existing infrastructure, and reducing the financial burden on current taxpayers.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City, if any:

- (a) An estimate of direct compliance costs that businesses may reasonably incur.

The proposed ordinance will primarily affect developers, builders, and businesses engaged in new construction or expansion. The extent of the impact will vary depending on the type, size, and intensity of development.

For example:

- A new single-family residence will pay approximately \$ 2,762.78 more in impact fees compared to current rates.
- A 10,000 square foot commercial retail building will pay approximately \$10,579.40 more in impact fees compared to current rates.
- A 50-unit multifamily residential development will pay approximately \$112,132.00 more in impact fees compared to current rates.

Based on historical permitting activity, the City processes approximately 137 new commercial and residential building permits annually. Applying the revised fee schedule, the aggregate annual increase in private sector costs is estimated at \$433,217.20.

- (b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible.

No new categories of fees are being imposed. The ordinance only updates existing impact fee amounts.

- (c) An estimate of the City's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

The City does not expect any additional regulatory or administrative costs associated with adoption of this ordinance. Collection of impact fees will continue under existing procedures.

The City anticipates generating approximately \$ 433,217.20 annually in additional impact fee revenues. These revenues will be allocated to growth-related capital improvements and will partially or fully fund needed expansion projects.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance.

Based on recent development activity, the City issues approximately 7 commercial permits and 130 residential permits annually. Assuming similar trends continue, an estimated 7 businesses may be directly impacted by the revised impact fees each year through new construction or expansion.

Existing businesses that do not undertake new development or expansion will not be affected by the ordinance.

4. Additional information the City deems useful (if any).

The proposed ordinance is expected to benefit the community as a whole by ensuring that the costs of growth are equitably distributed, reducing the financial burden on current residents and businesses, and enabling the City to maintain or improve service levels. The increases align the City's fees with comparable jurisdictions and industry best practices, as reflected in the Raftelis study.