

Impact Fees 2025 Realignment

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Agenda

- Fee History & Current State
- 2023-2024 Recap and Policy Alignment
- Recommendation for 2025 Workplan
- Questions & Discussion



- Does Council have any additions to our recap of 2023/2024 discussions?
- Do you have any questions or comments about the proposed 2025 work plan?

- **In January 2025, Capital Expansion Fees (CEFs) were updated with an inflationary factor in lieu of fees proposed by 2023 studies.**
- Utilities Electric Capacity Fee and three Plant Investment Fees (PIFs) have been fully updated.
- CEFs have received inflationary-only updates since previous 2017 study adoption.
- Financial difference of \$2.0M from 2023 study's proposed fees versus inflationary updates



Key Theme: Balancing desired level of service and fee impact on housing development costs

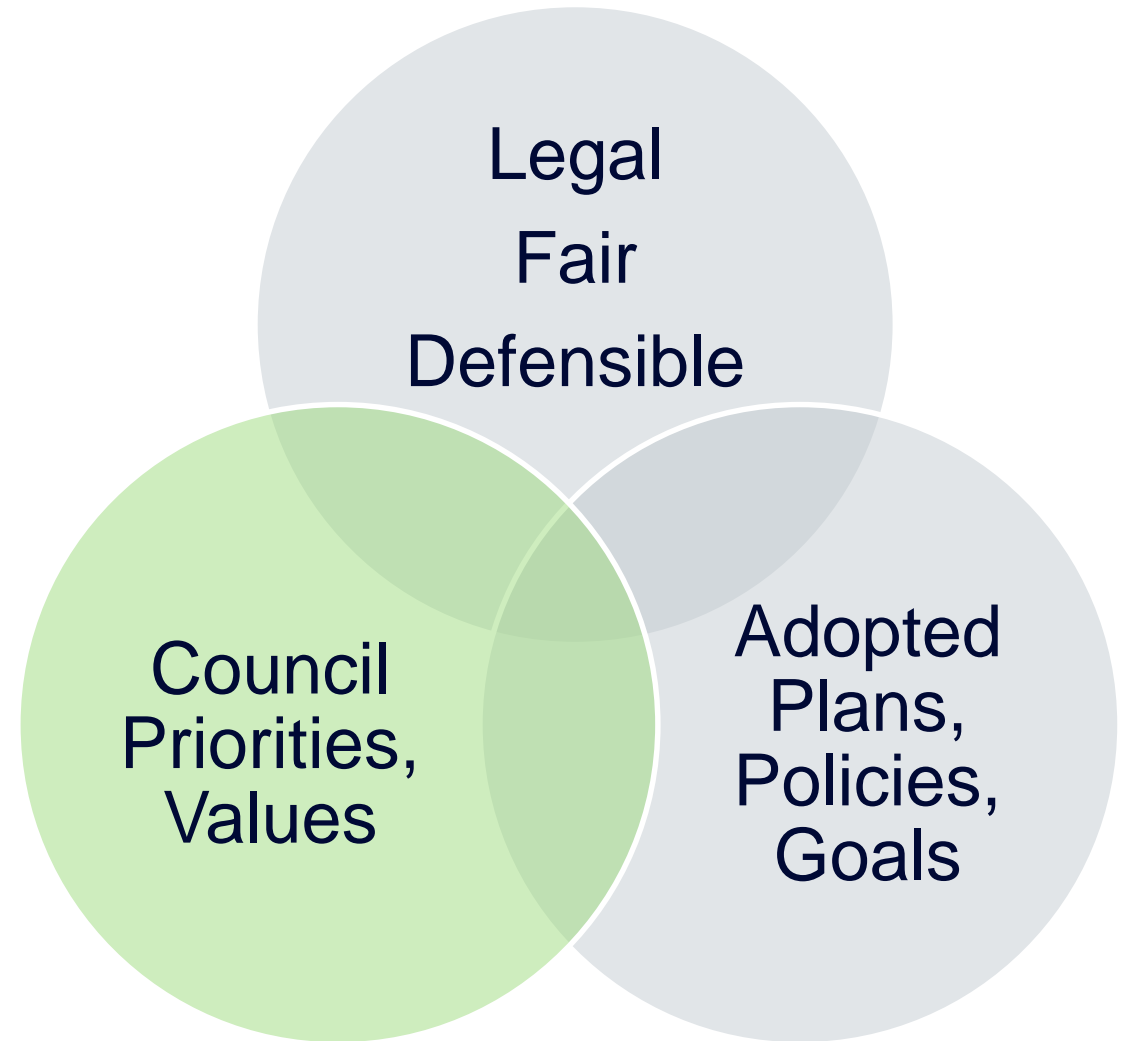
- Existing level of service versus future level of service model assumptions
- Future state of active modes and roadways goals
- Square footage fee structure impact on incentivizing types of development
- Comparison with peer regional cities

Realignment effort focus:

- Fee ability to affect policy through valid model adjustments.
- Fee alignment with adopted policies, council priorities, values.

Committed to maintain:

- Data driven methodologies.
- Integrity of studies and fee schedules.
- Defensibility and compliance with changing legal environment.



Preliminary Lever Identification



Level of Service Inputs

Examples:

- Capacity factor / adequate public facility discounts
- Active modes travel assumptions
- Future parks, roadways, vehicle miles traveled compared to existing LOS
- Outside financial contribution assumptions

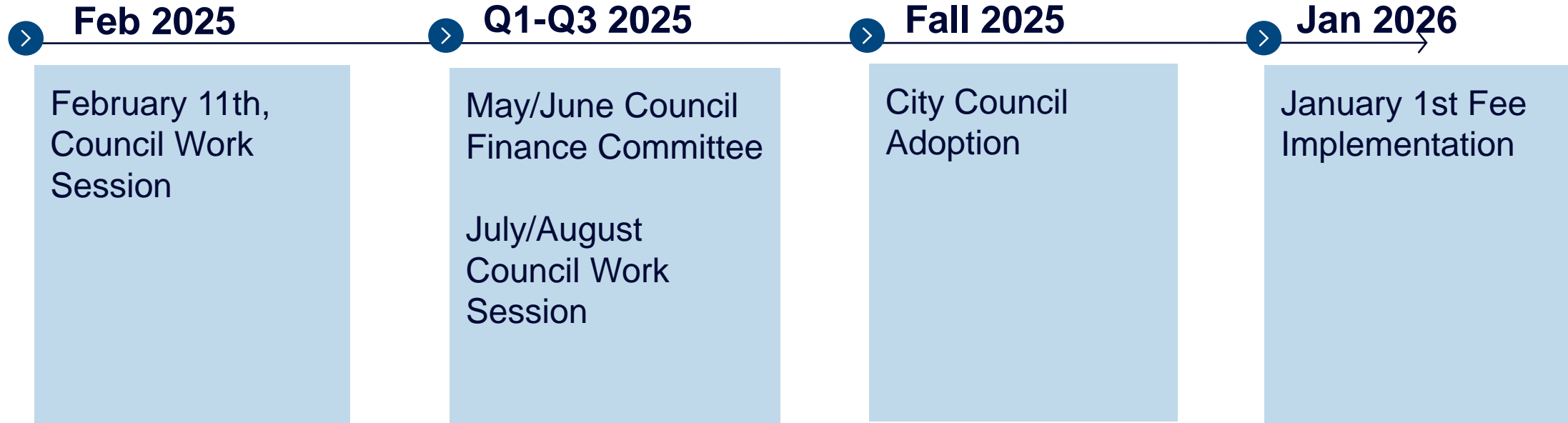
Fee Allocation

- Square footage range adjustments. Current maximum 2,200 sq.ft.
- Residential dwelling unit categories e.g. single family, multifamily
- Parkland nonresidential allocations

Growth Apportionment

- Studies propose *maximum* supportable fee amounts
- New growth paying entire proportionate share of capital need
- Partial fee adoption to mitigate housing affordability impacts
- Infill development scaling

2025 Workplan Timeline



- 1) Comprehensive legal review
- 2) Assess methodological options
- 3) Propose alignment adjustments to 2023 study assumptions
- 4) Recommend fee schedules for January 1, 2026, implementation
- 5) Plan for next cycle of comprehensive study updates

	2017-2025	2026	2027	2028	2029	2030
Capital Expansion Fees	Inflation	Update	Inflation	Inflation	Inflation	Update
Transportation CEFs	Inflation	Update	Inflation	Inflation	Inflation	Update
Electric Capacity Fees	Updated	Update	Inflation	Update	Inflation	Update
Water Supply Requirement	Updated	Update	Inflation	Update	Inflation	Update
Water, Wastewater, Stormwater PIFs	Updated	Update	Inflation	Update	Inflation	Update

Next capital expansion fee study and detailed update planned for 2030 implementation

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Appendix

Residential	Unit	Roadway Fee	% of Total	Active Modes	% of Total	Update Total	2023 Total	Change	% Change
up to 700 sq. ft.	Dwelling	\$2,863	91%	\$272	9%	\$3,135	\$2,703	\$432	16%
701-1,200 sq. ft.	Dwelling	\$4,988	91%	\$487	9%	\$5,475	\$5,020	\$455	9%
1,201-1,700 sq. ft.	Dwelling	\$6,363	91%	\$625	9%	\$6,988	\$6,518	\$470	7%
1,701-2,200 sq. ft.	Dwelling	\$7,380	91%	\$726	9%	\$8,106	\$7,621	\$485	6%
over 2,200 sq. ft.	Dwelling	\$8,191	91%	\$809	9%	\$9,000	\$8,169	\$831	10%

Development Type	Unit	Roadway Fee	% of Total	Active Modes	% of Total	Update Total	2023 Total	Change	% Change
Commercial	1,000 sq. ft.	\$11,045	94%	\$702	6%	\$11,747	\$9,946	\$1,801	18%
Office & Other Services	1,000 sq. ft.	\$6,450	86%	\$1,075	14%	\$7,525	\$7,327	\$198	3%
Industrial	1,000 sq. ft.	\$2,897	75%	\$944	25%	\$3,841	\$2,365	\$1,476	62%

CEF: 2023 Study Update (Economic & Planning Systems, Inc.)



Residential	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	2023 Total	Change	% Change
up to 700 sq. ft.	Dwelling	\$2,813	\$2,140	\$604	\$382	\$745	\$6,684	\$6,593	\$91	1%
701-1,200 sq. ft.	Dwelling	\$4,260	\$3,241	\$914	\$578	\$1,129	\$10,122	\$8,844	\$1,278	14%
1,201-1,700 sq. ft.	Dwelling	\$4,783	\$3,638	\$1,026	\$649	\$1,267	\$11,363	\$9,652	\$1,711	18%
1,701-2,200 sq. ft.	Dwelling	\$5,145	\$3,913	\$1,104	\$698	\$1,363	\$12,223	\$9,764	\$2,459	25%
over 2,200 sq. ft.	Dwelling	\$5,848	\$4,448	\$1,254	\$794	\$1,549	\$13,894	\$10,880	\$3,014	28%

Development Type	Unit	N'hood Park	Comm. Park	Fire	Police	Gen. Gov't	Update Total	2023 Total	Change	% Change
Commercial	1,000 sq. ft.			\$1,281	\$811	\$1,582	\$3,674	\$2,791	\$883	32%
Office and Other Services	1,000 sq. ft.			\$701	\$444	\$866	\$2,010	\$2,791	(\$781)	-28%
Industrial	1,000 sq. ft.			\$332	\$210	\$410	\$953	\$656	\$297	45%

