



**FRUITA**  
COLORADO

## AGENDA ITEM COVER SHEET

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**TO:** Fruita City Council and Mayor

**FROM:** Planning & Development Department

**DATE:** February 15, 2022

**AGENDA TEXT:** ORDINANCE 2022-09, 2<sup>nd</sup> Reading – An Ordinance amending Chapter 17.47 of the Fruita Land Use Code concerning the timing of payment of Impact Fees and amending the Drainage Impact Fee Base Value.

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### BACKGROUND

This is a request for approval of amendments to the Land Use Code concerning the timing of payment of impact fees for residential, non-residential, and multifamily developments. An amendment to the Drainage Fee base value is also proposed.

For residential developments, impact fees are due at the time the Final Plat is recorded. Staff has seen this requirement as a roadblock and is proposing that the timing of impact fee payment be deferred to the time of Planning Clearance approval.

For non-residential and multifamily developments, impact fees are currently due at Planning Clearance approval. Although this is consistent with the how the city has historically collected impact fees for these developments, Staff believes that modifying the timing of these fees to the time the issuance or approval of a Certificate of Occupancy will reduce the amount of upfront costs prior to construction.

Each year the City Council adopts fees and charges associated with the functions of the City with the annual budget adoption. These fees and charges range from the cost of a fence permit to the cost to rent a room at the Community Center. Associated with this was the annually adjusted base value for the calculation of the Drainage Impact Fee. Staff feels that in order to be transparent, including this modification will help decrease the chance for confusion of how the Drainage Impact Fee is calculated.

It should also be noted that the Drainage Impact Fee base rate and the Transportation Impact Fee base rate are set in the Land Use Code and may be adjusted annually based on each inflationary index reference. The Transportation Impact Fee is based on the Colorado Department of Transportation's Construction Cost Index. The Drainage Impact Fee Base Rate is based on the Consumer Price Index (CPI), All Items, All Urban Consumers, Western Region, size B/C, published on a monthly basis by the United States Department of Labor.

At their January 11, 2022, public meeting, the Planning Commission recommended approval of the proposed amendments by a vote of 6-0 to the Fruita City Council. The Planning Commission provided direction to Staff to include more specific call outs for the representation of the adjustment based on annual inflation. The motion from the Planning Commission meeting reads as follows, "*Commissioner*

*Hancey moved to accept application 2022-01 for amending the Land Use Code for Drainage Fees to amend to add specific months to the CPI calculation when calculating the year over year CPI growth". The Planning Commission minutes are included. No public comments received at this Planning Commission meeting nor have there been any written public comments received by Staff at this time.*

## **FISCAL IMPACT**

Staff does not expect any negative fiscal impacts associated with these amendments.

## **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

Although the proposed changes don't reflect one goal or policy set forth in the Comprehensive Plan, Staff believes that the timing of collection of impact fees is associated with ensuring that developments do not burden disproportionately the general public and existing residents with costs or expenses that offset certain impacts associated with the particular development.

Staff does not believe that the proposed amendments would deviate from the Plan Vision which states, "The City of Fruita values quality of place. It's an inclusive city, with a small-town feel and vibrant downtown, surrounded by public lands. People love to live, work, and play in Fruita because the City facilitates community, safe neighborhoods, family-friendly events, and walking and biking. The City governs in a way that's responsive to its citizens and prioritizes high-impact services and projects. Fruita fosters a fun and funky ambiance around the arts, agriculture, and recreation." (Page 3, Comprehensive Plan).

Additionally, it is a commitment of Staff to continue to review the Land Use Code to help ensure that the regulations reflect the best promotion of Fruita's Core Services.

## **OPTIONS AVAILABLE TO THE COUNCIL**

1. Adopt Ordinance 2022-09, an Ordinance amending certain section of Title 17.47 of the Fruita Land Use Code concerning the timing of payment of Impact Fees and amending the Drainage Impact Fee Base Value.
2. Deny Ordinance 2022-09.

## **RECOMMENDATION**

It is the recommendation of Staff that the Council by motion:

**ADOPT ORDINANCE 2022-09, 2<sup>ND</sup> READING, AN ORDINANCE AMENDING CERTAIN SECTIONS OF TITLE 17.47 OF THE FRUITA LAND USE CODE CONCERNING THE TIMING OF PAYMENT OF IMPACT FEES AND AMENDING THE DRAINAGE IMPACT FEE BASE VALUE.**