



**TO:** FRUITA MAYOR AND CITY COUNCIL

**FROM:** MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

**DATE:** JUNE 20, 2023

**AGENDA TEXT:** RESOLUTION 2023-19 – Adopting the May 31, 2022 Parks, Health, Open Space and Trails Impact Fee Study prepared by TischlerBise

**BACKGROUND**

The PHROST Impact Fee Study (Study) was completed in May of 2022 by TischlerBise. The Study was presented to the City Council at the October 18, 2022 special meeting and the timeline for implementation of the fee was discussed at the January 24, 2023 City Council workshop.

Pursuant to 29-20-104.5 C.R.S., impact fees must be legislatively adopted at a level no greater than necessary to defray impacts generally applicable to a broad class of property. The purpose of the Study was to determine that maximum supportable fee for parks, health, open space and trails. The Study recognizes three elements in the formulation of the impact fee including need, benefit and proportionality. The Study based the fee on the incremental expansion methodology which uses current level-of-service standards, This approach assumes there are no existing infrastructure deficiencies or surplus capacity and that new development is only paying its proportionate share for growth-related infrastructure. Improvements must have a useful life of at least five years and the impact fee can not be used for operating or maintenance costs or to correct existing deficiencies.

This Study provided the necessary analysis and documentation to support an increase in the POST impact fee up to a maximum of the amounts noted below.

Proposed Maximum Supportable Fee:

Single-family Residential	\$3,179 per dwelling unit
Multi-family Residential*	\$2,154 per dwelling unit

*\*The difference in the proposed fee is based on the assumption that single family residential has 2.42 persons per housing unit and multi-family residential has 1.64 persons per housing unit. The POST Fee is not applicable to commercial or other non-residential developments.*

The City Council is in the process of considering adoption of an ordinance to implement the recommended fee in a phased approach. It is recommended that the Tischler Bise Study be officially adopted by the City Council to support the implementation of the POST impact fee increase.

## **FISCAL IMPACT**

There is no fiscal impact associated with adopting the Study. However, implementation of the recommended fees included in the study result in an increase in revenues from development impact fees to fund capital needs associated with parks and open space.

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

The purpose of development impact fees is not to burden disproportionately the general public and existing residents with costs or expenses to provide services or facilities, the need for which are generated by new developments. This helps to maintain the economic health of the community, provide lifestyle and quality of life for residents.

## **RECOMMENDATION**

It is the recommendation of staff that the Fruita City Council by motion:

**APPROVE RESOLUTION 2023-19 ADOPTING THE MAY 31, 2022 PARKS, HEALTH, OPEN SPACE AND TRAILS IMPACT FEE STUDY PREPARED BY TISCHLER BISE**