

City Council Work Session Agenda Summary

September 13, 2022

John Karner, Finance Director, 970-350-9732

Title:

Development Fee Discussion

Background:

In 2020 the City of Greeley (City) contracted with Raftelis Consulting (Raftelis) to complete an updated development impact fee study in accordance with the Code's requirement to review development fees every five years. Given that infrastructure demands change regularly as the city grows, periodic review of impact fees ensures they are set at an appropriate level to allow the City to maintain current service levels and infrastructure to support growth without placing the burden of such growth-related improvements on existing taxpayers.

The 2020 Raftelis study calculated updated fees for all public facilities by determining the cost of development-related capital improvements and equitably allocating those costs to various types of development. The final study was presented at the October 27, 2020 work session with the following possible actions presented to City Council:

1. Adopt the study's fee recommendations; or
2. Adopt fees that are less than recommended and have the City incorporate a reduction in the level of infrastructure development and/or service; or
3. Adopt fees that are less than recommended and subsidize the difference through a reduction in other general fund obligations to maintain infrastructure and service levels

During its October 27, 2020 work session, the consensus of City Council was to not adopt the study's fee recommendations and to maintain the existing fee structure set by the 2014 Duncan Associates Study and adopted by Council in 2015. Though Council chose to adopt fees at a level less than recommended, a plan for how to fund the difference between the cost the City was incurring from development and the lower funding levels from the prior study that were adopted, was not formally developed.

The presentation this evening brings this topic back to Council for consideration. The attached PowerPoint presentation includes general information about development fees, an analysis of the \$11M funding gap that has occurred since the decision to keep fees at the prior study's level, and a forecast of how that funding gap will grow over the next five years.

Strategic Work Program Item or Applicable Council Priority and Goal:

Sustainable Infrastructure and Mobility: We strategically plan, design, and build our urban infrastructure systems and facilities so they are attractive, safe, and high-performing. We thoughtfully manage our assets and investments to perpetually sustain their appeal, life cycle value, and function.

Decision Options:

Staff would like to receive City Council feedback related to whether or not the recommended fees from the 2020 Raffetis study should be revisited. Based on the feedback provided, the item could return to City Council to either (a) present a plan to update the City's development fees; or (b) present a plan to fund the development fee funding gap through a reduction in service levels.

Attachments:

PowerPoint Presentation

Link to October 27, 2020 Work Session Packet and Video:

[City Council Worksession 10/27/2020 Agenda Packet](#)

[City Council 10/27/2020 Work Session Minutes](#)

[City Council 10/27/2020 Work Session Video](#)