



# City Council Meeting Staff Report

Meeting Date: April 8, 2025

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**Subject:** Consideration and Adoption of Resolution Approving One-Time Reduction in Development Impact Fees for a 16-Unit Multi-Family Residential Project Located at Main Street and C Street

**Prepared By:** Bill Zenoni, City Manager

**Recommendation:** Staff recommends that the Wheatland City Council consider not adopting the resolution approving a one-time reduction in development impact fees for a 16-unit multi-family residential project located at Main Street and C Street as this action may set a precedent for future development impact fee waiver requests.

**Discussion:** The Wheatland Planning Commission, on July 16, 2024, adopted Resolution No. 2024-03 approving the conditional use permit, site plan and design review for a 16-unit apartment project to be located at Main Street and C Street. The project applicant is Frank Webb Construction, Inc.. Subsequent to that action by the Planning Commission, the City's development impact fees were calculated for the project applicant. Mr. Webb reviewed the development impact fee calculation and indicated to staff that payment of the required impact fees would make his project financially unfeasible. Mr. Webb subsequently contacted Councilmember McIntosh and requested consideration of a reduction in the development impact fees for his project. Councilmember McIntosh raised this matter at the February 25, 2025 City Council meeting and the City Council directed staff to agendize this item for further discussion.

According to the City's adopted 2025 Master Fee Schedule, the Development Impact Fees for a 16-unit multi-family residential project total \$33,306 per unit (\$532,896 for a 16-unit development). In response to the City Council direction, staff has prepared a reduced development impact fee schedule for this particular project for Council consideration. The reduced fee schedule (Exhibit A) would provide a one-time 50% reduction in the following development impact fees: (Water Distribution Facilities, Law Enforcement Facilities, General Government Facilities, Public Meeting Facilities, Parkland Facilities, Bear River Levee, Pool Facility and Administrative Fee). It is strongly recommended that the Storm Drainage Facilities, Sewer Collection Facilities, Wastewater Treatment Facilities and Bridges, Signals, Thoroughfares (Streets) development impact fees not be reduced as revenue from these fees is critical for funding planned capital projects.

The potential one-time development impact fee reduction for this project would reduce the City of Wheatland development impact fees due by \$6,325 per unit, a total reduction of \$101,200. This represents an overall fee reduction of 19 percent. It should be noted that, if approved, this would be a one-time reduction in fees payable to the City and should not set a precedent for future development projects.

**Fiscal Impact:** Approval of the resolution will result in a reduction of \$101,200 in development impact fees paid to the City of Wheatland.

**Attachments:**

1. Resolution
2. Development Impact Fee Calculation