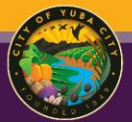




Reduction of Development Impact Fees and Adoption of an Overhead Utility Policy

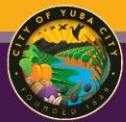


Diana Langley, Public Works Director
Ben Moody, Development Services Director



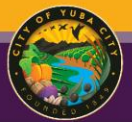
Background

- December 2, 2019 – Council held a special workshop to discuss the City’s Development Impact Fees
- December 19, 2019 – Staff recommended and Council approved to:
 - Freeze Impact Fees at the current level; and
 - Form an Ad Hoc Committee



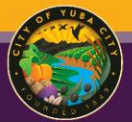
Development Impact Fee Ad Hoc Committee

- Comprised of –
 - Vice Mayor Boomgaarden & Councilman Shaw
 - Holly Shackelford – Interwest Homes
 - Kurt Hilbers – Hilbers, Inc.
 - Charly Bates – Home Town Lenders
 - Sean Minard – MHM, Inc.
 - Staff – Ben Moody & Diana Langley



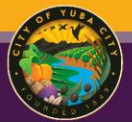
Discussion Items

- Undergrounding of overhead utilities
- Development Fees
- Infill Development Fees
- Infrastructure Financing



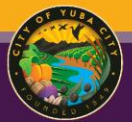
Short-Term Objectives

1. Reduce the City's Development Impact Fees
2. Create an Overhead Utility Policy



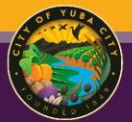
Reduce Development Impact Fees

- Reduce the City's Development Impact Fees, including the pipeline portion of water and wastewater connection fees and extension fees, throughout the existing City Limits to match the currently adopted Infill Impact Fees



Reduce Development Impact Fees

Land Use	Development Impact Fees	Infill Impact Fees
Single Family (per unit)	\$25,615.08	\$13,102.56
Duplex (per unit)	\$25,066.68	\$12,817.70
Multi-Family (per unit)	\$16,800.19	\$8,595.96
Mobile Home (per unit)	\$15,891.22	\$8,127.72
Office (per sq. ft.)	\$4.04	\$3.73
Commercial (per sq. ft.)	\$10.47	\$5.34
Industrial (per sq. ft.)	\$0.75	\$0.75

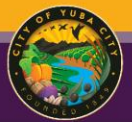


- ## Water Connection Fees

Connection Size	Current Fee	Infill Fee
1"	\$8,541.04	\$7,712.56
1-1/2"	\$17,082.08	\$15,425.12
2"	\$34,164.15	\$30,850.23
3"	\$136,656.63	\$123,400.94

- ## Water Extension Fees

Land Use	Current Fee (per foot)	Infill Fee (per foot)
Residential Property Frontage	\$63.22	\$31.61
Commercial/Industrial Property Frontage	\$68.20	\$34.10

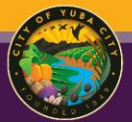


- **Wastewater Connection Fees**

Land Use	Current Fee	Infill Fee
Single Family (per unit)	\$7,278.55	\$5,822.84
Multi-Family (per unit)	\$6,550.36	\$5,240.29
Non-Residential (per fixture unit)	\$294.77	\$235.82

- **Wastewater Extension Fees**

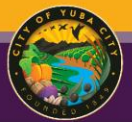
Land Use	Current Fee (per foot)	Infill Fee (per foot)
Property Frontage	\$70.35	\$35.18



Overhead Utility Policy

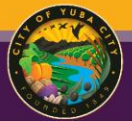
- Current Policy
 - Underground all existing overhead utilities along the property frontages with new development.





Current Utility Policy

- Underground all existing overhead utilities
 - Impacts:
 - High expense
 - \$850 LF to \$1,100 LF
 - Long and unknown time delays
 - Coordination, design, construction
 - Clean attractive appearance/reduces visual blight

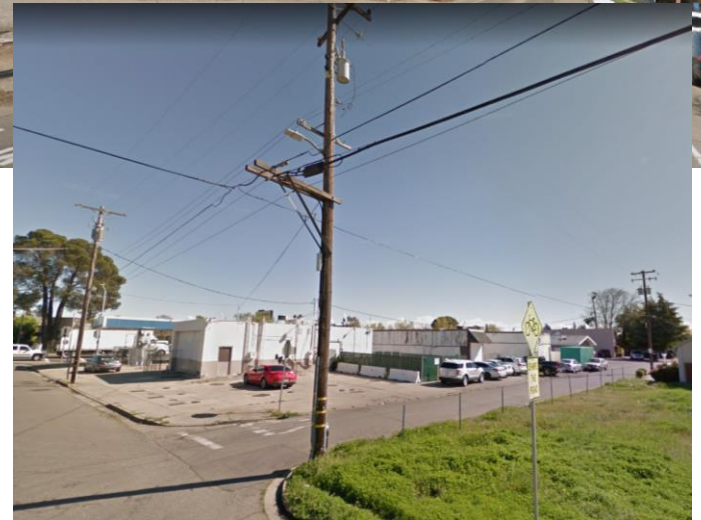


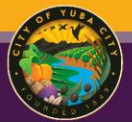
Proposed Utility Policy

- Provide options to address existing overhead utilities and established a base cost for allowable improvements
 - Existing overhead utilities:
 - Relocation of poles/facilities to meet roadway design standards
 - Complementary or shielding landscaping, bundling equipment, aesthetic or structural enhancements
 - Payment of an in-lieu cost
 - New Utilities:
 - Placed underground

Utility Policy

- Options:





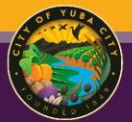
Utility Policy

- Establishes Min. Improvement Cost
 - 25% of project undergrounding cost (\$850 LF indexed with inflation)
- Qualifying Expenses:
 - Relocation of poles/facilities to meet roadway design standards
 - Complementary or shielding landscaping, bundling equipment, aesthetic or structural enhancements
 - Payment of an in-lieu amount for the required improvement cost to the City for discretionary use towards utility undergrounding/relocating at priority locations, or other aesthetic enhancements throughout the City (enhanced landscaping, public art, signage, etc.)

Example

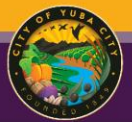
- Clark & Hwy 20/Ellis Way
 - Utility Frontage approx. 250 LF
 - Undergrounding Cost ($\$850 \times 250$) = $\$212,500$
 - Proposed min. improvement cost ($\$212,500 \times 25\%$) = **$\$53,125$** towards alternative options





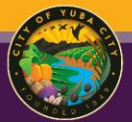
Example Cont.

- Scenarios
 - #1 Developer relocates two of the poles to be outside of the sidewalk and out of conflict with the proposed development project at a cost of \$70K. This exceeds the min. improvement cost (\$53K) and the developer fulfills their obligation
 - #2 Developer relocates one pole at a cost of \$35K and pays the shortfall amount to the City in the amount of \$20K.



Utility Policy

- City reserves discretion for:
 - Large projects: (Development Plans, Specific Plans, Master Plans)
 - Projects that are adjacent to designated streets requiring undergrounding
 - Exemption reserved for specific cases where overhead utility options are determined to be unsafe or infeasible



Recommendation

- A. Adopt a Resolution authorizing that the current Development Impact Fees, including Water and Wastewater Connection Fees and Extension Fees, be reduced to match the current Infill Development Impact Fees
- B. Adopt a Resolution adopting an Overhead Utility Policy and associated CEQA