



# Professional Services Agreement with Urban Economics for Impact Fee/ Nexus Study Update

City Council Meeting  
June 14, 2016

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# Executive Summary

Purpose:

Complete the Impact Fee/Nexus Study Update.

A year-long process to update the following fees:

- Capital Facilities Fee
- Southwest Area Development Impact Fee
- Southeast Area Development Impact Fee
- Park and Recreation Land and Fees
- The Commercial Linkage Fee

# Challenges

## Outdated Nexus Analysis

- Use of current fee overly restrictive – inflexible

## Underfunded capital project list

- 2015 review determined fee revenue sufficient to fund only 50% of need

## Uncertain development demand/capacity

- Questions remain about amount of capital facilities needed, based on expected new construction

# Project Approach

A comprehensive program update to incorporate best practices:

- Merge fee zones and facility types to improve flexibility in the use of funds and the ability to construct new facilities sooner.
- Re-size the capital improvement program based on more reasonable growth forecasts, fee revenue projection, and the potential for alternative funding sources.
- Consider a new commercial impact fee, adjusting fee levels to the maximum amount possible given current market conditions without inhibiting project feasibility.

# Stakeholder Input

- Present key project findings to stakeholders and seek comments
- City staff will identify stakeholder group members and arrange meetings
- Stakeholder – Broad Community Representatives including:
  - Interested residents and community members
  - Developers, commercial builders
  - Affordable housing advocates

# Recommendation

- It is recommended by the City Manager's Office that the Council, by resolution, approve the Professional Services Agreement with Urban Economics, in the amount of \$227,200 to prepare the Impact Fee / Nexus Study Update.