



DEVELOPMENT IMPACT FEE FUNDS

Impact fees are one-time charges to developers that are used to offset a city’s capital costs resulting from new development. Developers pay development impact fees when they construct new residential and commercial developments. These fees are designed to cover a city’s increased costs for providing new or expanded infrastructure in the following categories: roadway improvements, open space and trails, parks, libraries, police, fire, general government, solid waste services and water/sewer. In this section you will find separate DIF fund summaries for each of these categories with the exception of solid waste services and water/sewer which are included in the Enterprise/Other Fund section of the *Capital Improvement Plan*.

Planning and zoning information, such as anticipated population growth and expected density of residential and commercial development, is the foundation for impact fee revenue estimates. Given this information, the city then estimates the amount of impact fee revenue available to pay for growth-related capital projects.

In normal economic conditions a number of DIF funded projects would be included in the capital plan to supplement the growth related portion of projects funded with other resources. However with the drastic decline in secondary assessed value, most G. O. bond funded projects have either been removed or deferred to the last five years of the plan. Since DIF revenue alone often is not sufficient to fund 100% of the cost of growth-related projects, the current plan is to evaluate options over the next year as staff continues to identify appropriate uses for DIF revenue.

Late in FY 2011 Senate Bill 1525 was signed into law. The new law changes how development impact fees will be administered and on how DIF revenue can be used. For example cities cannot assess impact fees for general government or solid waste capital facilities. Under the new law municipalities were required to have a new fee structure incorporated with an effective date of January 1, 2012 that took into account the restrictions. Staff used the most recent DIF study adopted by Council as a basis for calculating the new fees. Funding from each DIF category is set aside in FY 2013 for a new study to be prepared that will incorporate the new DIF framework by August 1, 2014 as required by the law. The new law allows funding accumulated prior to January 1, 2012 to be used for any project that was eligible under the guidelines of the previous law until January 1, 2020. All FY 2013 and FY 2014 projects utilize funds accumulated before January 1, 2012.

Fund # - Name	Carryover	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FYs 18-22
1600 - Roadway Improvements	131,958	124,964	102,900	194,908	171,500	194,908	908,678
1520 - Citywide Open Space	215,473	46,216	44,000	44,000	0	0	80,000
1460 - Citywide Parks	0	2,216	0	2,350	0	2,350	5,140
1480 - Citywide Rec Facility	0	2,216	0	2,350	0	2,350	5,140
1540 - Park Dev Zone 1	39,632	2,216	0	2,350	0	2,350	5,140
1560 - Park Dev Zone 2	133,067	7,816	5,600	2,350	0	2,350	5,140
1580 - Park Dev Zone 3	31,395	7,516	6,000	2,350	0	2,350	5,140
1380 - Library Buildings	0	0	0	0	0	0	1,609,288
1500 - Libraries	0	213,265	200,000	214,073	200,000	214,703	2,484,259
1440 - Police Dept Facilities	0	10,919	0	11,584	0	11,584	25,329
1420 - Fire Protection Facilities	0	11,480	0	12,179	0	12,179	26,627
1620 - General Government	0	12,799	0	0	0	0	0
Total DIF Funds	\$551,525	\$441,623	\$358,500	\$488,494	\$371,500	\$445,124	\$5,159,881