



# Acceptance of the FY 22-23 Impact and Capacity Fee Reports

Town Council Meeting

February 21, 2024

# Purpose of Presentation

- Summarize the FY 22-23 Impact and Capacity Fee Activity
- Review Calendar to Update Impact Fees
- Recommendation Approval of Resolution 1557-24 Accepting the FY 22-23 Impact Fee Report and Capacity Fee Reports



# Background

- Impact and Capacity Fees are One-Time Fees Paid by New Development to Mitigate the Cost of New Infrastructure Installed to Maintain the Adopted Service Levels
  - Impact Fees (6): Police, Fire, Transportation, Parks, Library, and Town Facilities\*
    - Applies to New Construction Within the Town Boundary
  - Capacity Fees (2): Water and Wastewater
    - Applies to New Construction Within Each, Unique Service Area

\* Town Facility Fee Eliminated May 23, 2022

# Background (continued)



- Fee Amounts
  - State Law Provides Guidance on Fee Calculations
  - Fee Effective Dates:
    - Capacity Fees: July 1, 2019
    - Impact Fees: February 10, 2020
  - Example: Single-Family House Fee: \$12,572

# Background (concluded)

- Reporting Requirements
  - Impact Fees: Annual Report Required by State Law
  - Capacity Fees: Annual Report Required by Town Council Financial Policy
  - Town Council Acceptance of Both Reports: Required per Town Council Financial Policy to Improve Communication to the Public and the Development Community



# Financial Summary



- FY 22-23 Revenues: \$21.5M
  - Impact Fees: \$14.3M (In Excess of Study)
  - Water Capacity Fees: \$4.1M (Less than Study)
  - Wastewater Capacity Fees: \$3.1M (Less than Study)
- Cumulative Results (6 Years of 10-Year Study)
  - Impact Fees: \$80.5M (15% in Excess of Study)
  - Water Capacity Fees: \$30.2M (6% Less than Study)
  - Wastewater Capacity Fees: \$29.6M (34% in Excess of Study)
- The Cash Balance of Each Fee Varies Based on the Revenues Received and Timing of Expenses

# FY 22-23 Financial Summary

	Beginning Balance	Plus Fees/Interest	Minus Expenses (Project Costs/Debt Payments)	Ending Balance	Change
1. Parks	\$25.8M	\$5.7M	\$10.9M	\$20.6M	(\$5.2M)
2. Town Facilities*	\$2.8M	\$0.0M	\$0.3M	\$2.5M	(\$0.3M)
3. Transportation	\$15.2M	\$4.5M	\$2.8M	\$16.9M	\$1.7M
4. Library	\$2.2M	\$0.3M	\$0.2M	\$2.3M	\$0.1M
5. Police	\$1.0M	\$1.3M	\$0.2M	\$2.1M	\$1.1M
6. Fire	\$6.1M	\$2.4M	\$1.1M	\$7.4M	\$1.3M
7. Water	\$0.7	\$4.2M	\$6.9M	(\$2.0M)	(\$2.7M)
8. Wastewater	\$0.3	\$3.1M	\$0.6	\$2.8	\$2.5M
<b>Totals</b>		<b><u>\$21.5M</u></b>	<b><u>\$23.0M</u></b>		

\* Town Facility Fee Eliminated May 23, 2022

# Proposed Calendar for Impact Fee Update

Step #	Step	Date
1	Review Land Use Assumptions and Infrastructure Improvement Plan	March 6, 2024 Town Council Meeting
2	Publish Land Use Assumptions and Infrastructure Improvement Plan	March 7, 2024
	60-Day Notice Period (Public Outreach and Collaboration Period) Focus Group, Town Boards and Committees	
3	Public Hearing #1 RE. Land Use Assumptions and Infrastructure Improvement Plan	May 15, 2024 Town Council Meeting
	30 to 60-Day Waiting Period	
4	1. Approve Land Use Assumptions and Infrastructure Improvement Plan 2. Approve Notice of Intent to Assess Development Impact Fees	June 19, 2024 Town Council Meeting
5	Publish Notice of Intention to Adopt Development Impact Fees	June 20, 2024
	30-Day Notice Period	
6	Public Hearing #2 RE. Development Impact Fee Study	August 7, 2024 Town Council Meeting
7	1. Adopt Development Impact Fee Study 2. Adopt Economic Market Alignment Study	September 18, 2024 Town Council Meeting
	75-Day Notice Period	
8	Development Impact Fee Effective Date	<b>TBD</b>



# Recommended Motion

Approve Resolution 1557-24 Accepting the  
FY 22-23 Annual Impact Fee and Capacity Fee  
Reports





# Appendix

# FY 22-23 Activity Summary



	Actual
Impact Fees:	
Single-Family Residential Units	838
Multi-Family Units	693
Non-Residential Square Feet	~311K
Capacity Fees:	
Equivalent Residential Units - Water	1,727
Equivalent Residential Units - Wastewater	1,112

# Cumulative Impact Fee Analysis (6th Year)

	6-Year Projections	6-Year Actuals	Variance	% Variance	10-Year Projections	% of 10-Year Projections
<u>Units</u>						
Single Family	7,366	8,958	1,592	+22%	11,863	76%
Multi-Family	1,467	1,834	367	+25%	1,857	99%
<u>Square Feet</u>						
Commercial	825,000	1,412,298	587,298	+71%	925,000	153%
Office & Other	962,000	876,116	(85,884)	-9%	1,287,000	68%
Industrial	397,000	482,987	85,987	+22%	502,000	96%
<b>Revenue</b>	<b>\$70.1M</b>	<b>\$80.5M</b>	<b>\$10.4M</b>	<b>+15%</b>	<b>\$107.1M</b>	<b>75%</b>

# Cumulative Capacity Fee Analysis (6th Year)

	6-Year Projections	6-Year Actuals	Variance	% Variance
<b><u>Water</u></b>				
Equivalent Residential Units	11,689	11,091	(598)	(-5%)
Revenue	\$32.0M	\$30.2M	(\$1.8M)	(-6%)
<b><u>Wastewater</u></b>				
Equivalent Residential Units	6,216	8,837	2,621	42%
Revenue	\$22.1M	\$29.6M	\$7.5M	34%

10-Year Projections	% of 10-Year Actual
17,933	62%
\$46.8M	64%
10,245	86%
\$33.8M	88%

*Note: Water service area is larger than Wastewater Service and was projected to exceed Wastewater units by 75% over 10 years. Actual results to date are only 25% in excess.*