

Item V

IMPACT FEES SUMMARY OF ADOPTION

The Salt Lake City Council held a public hearing on December 14, 1999, to accept comments on a proposed ordinance establishing impact fees on new development. The Council voted 5-2 in favor of adopting an ordinance establishing impact fees as proposed in the attached fee schedule. The ordinance will become effective on June 1, 2000, and fees will begin to be assessed at that time.

Impact fees are charges designed to compensate a community for the cost of extending infrastructure as required to support new development. Impact fees are assessed to new developments as a condition of development approval, and are calculated to cover a proportionate share of the capital costs needed to serve the proposed development.

Several Council Members expressed a desire to have a comparison developed of the adopted fees for commercial, retail and industrial uses to impact fees for those development types in other jurisdictions along the Wasatch Front. This comparison will be conducted by the first quarter of 2000 and presented to the Council for their review.

The adopted ordinance is available for review at the City Recorder's Office during regular business hours and on the City Council's website at www.ci.slc.ut.us/government/city_council. A brief summary of the provisions of the ordinance follows. However, the ordinance should be referenced for specific information.

For the purpose of assessing fees, "infill development" refers to development in all areas of the City with the exception of the Northwest Quadrant. Developments in the infill area of the City will be assessed fire and police impact fees. Residential developments in the infill area will also be assessed parks impact fees.

A separate service area was established for the Westside Industrial Area. This area is bounded on the east by Redwood Road, on the west by the City limits, on the north by Interstate 80, and on the south by 2100 South Street. Retail, office and industrial developments in this area will be assessed roadway impact fees in addition to infill development fire and police impact fees.

A separate service area was established for the Northwest Quadrant. This area is bounded on the south by Interstate 80, on the west by the City limits, on the north by the City limits. The eastern boundary is generally 6070 West, (a line, running north and south, which is 1000 feet west of and parallel to the centerline of Sections 23, 26 and 35 of Township 1 North, Range 2 West, Salt Lake Base and Meridian Survey). Developments in this area will be assessed impact fees for fire, police and roadways. Residential developments will also be assessed parks impact

fees. The adopted fee structure for the Northwest Quadrant may be reviewed by the Council when this area begins to be developed.

Impact Fees by Unit of Development
Adopted by the Salt Lake City Council December 14, 1999
Effective June 1, 2000

<u>Description</u>	<u>Infill Development</u>	<u>Northwest Quadrant Development</u>
Public Safety – Fire Fees		
Residential (per dwelling unit)	\$235	\$235
Commercial/Industrial (per sq. ft.)	\$0.14	\$0.14
Public Safety – Police Fees		
Residential (per dwelling unit)	\$210	\$210
Commercial/Industrial (per sq. ft.)	\$0.13	\$0.13
Roadway Fees <i>(applicable in the Westside Industrial Area and Northwest Quadrant only)</i>		
Residential (per single family dwelling unit)	\$0.00	\$1,710
Residential (per multi-family dwelling unit)	\$0.00	\$1,195
Retail (per sq. ft.)	\$0.69	\$6.49
Office (per sq. ft.)	\$0.69	\$2.56
Industrial (per sq. ft.)	\$0.69	\$0.00
Parks Fees		
Residential (per dwelling unit)	\$445	\$950
Commercial/Industrial (per sq. ft.)	\$0.00	\$0.00
Total Fees		
Residential (per single family dwelling unit)	\$890	\$3,105
Residential (per multi-family dwelling unit)	\$890	\$2,590
Retail (per sq. ft.)	\$0.96	\$6.76
Office (per sq. ft.)	\$0.96	\$2.83
Industrial (per sq. ft.)	\$0.96	\$0.27

Note: Residential units are specified by single family and multi-family.
Commercial development is specified by retail, office and industrial.

The following development activities will be exempt from the payment of impact fees:

- Those developments that, prior to June 1, 2000 have not received a building permit from the City but have satisfied the following criteria: (1) (a) acquired title to or control of the property to be developed, or (b) obtained a commitment for financing of the development activity; and (2) submitted development plans for the development activity to the City for review.
- Replacement of a structure with a new structure of the same size and use at the same site or lot when a building permit for such replacement is obtained within twelve (12) months after the demolition or destruction of the prior structure or mobile home and the replacement is completed within twenty-four (24) months after the granting of the building permit.
- Alterations, expansion, enlargement, remodeling, rehabilitation, or conversion of an existing unit where no additional units are created and the use is not materially changed.
- Construction of accessory structures that will not create significant impacts on the planned facilities.
- Miscellaneous accessory improvements to use, including but not limited to fences, walls, swimming pools, and signs.
- Demolition or moving of a structure.
- Placing on a lot in the City a temporary construction trailer or office, but only for the life of the building permit issued for the construction served by the trailer or office.
- Any development activity not involving the construction or placement of a structure or building, including but not limited to the mere subdivision of land, installation of utilities, or the use of land for limited recreational, agricultural, filling or dredging purposes, which will not result in a net increase in demand on facilities covered by impact fees.
- Any development in which, prior to the effective date of the enacting ordinance and in anticipation of the imposition of impact fees, the City and a developer entered into a written agreement providing for the payment of fees, the dedication of land, or the construction of planned facilities by the developer in connection with a development activity, with specific reference to improvements identified in the capital facilities plan.

- The development of affordable housing to the following extent:
 - (a) A one hundred (100) percent exemption will be granted for rental housing for which the annualized rent per dwelling unit does not exceed thirty (30) percent of the annual income of a family whose annual income equals sixty (60) percent of the median income for Salt Lake City, as determined by HUD;
 - (b) A one hundred (100) percent exemption will be granted for non-rental housing for which the annualized mortgage payment does not exceed thirty (30) percent of the annual income of a family whose annual income equals eighty (80) percent of the median income for Salt Lake City, as determined by HUD;
 - (c) A seventy-five (75) percent exemption will be granted for non-rental housing for which the annualized mortgage payment does not exceed thirty (30) percent of the annual income of a family whose annual income equals ninety (90) percent of the median income for Salt Lake City, as determined by HUD; and
 - (d) A fifty (50) percent exemption will be granted for non-rental housing for which the annualized mortgage payment does not exceed thirty (30) percent of the annual income of a family whose annual income equals one hundred (100) percent of the median income for Salt Lake City, as determined by HUD.
- A development activity that is expected to produce a net positive fiscal impact for the City, in an amount exceeding the amount of the assessed impact fee, may petition for an exemption from the assessed impact fee. The appropriate impact fees would be paid upon application for the exemption, and rebated to the fee payer upon future demonstration of such net positive fiscal impact to the City.
- A development activity that is funded or subsidized in whole or in part with City funds or funds of the City's Redevelopment Agency may petition for a reduction of the assessed impact fee by the amount of such funding or subsidy.