
MEMORANDUM

DATE: August 12, 2008
TO: City Council Members
FROM: Jennifer Bruno, Policy Analyst
RE: Impact Fees Update

POTENTIAL MOTIONS:

1. **["I move that the Council"]** Adopt an ordinance amending Salt Lake City Code 18.98, relating to the annual inflationary adjustment to impact fees.
- OR-
2. **["I move that the Council"]** Not Adopt an ordinance amending Salt Lake City Code 18.98, relating to the annual inflationary adjustment to impact fees.

ADDITIONAL INFORMATION:

The Administration has provided a comparison of Salt Lake City impact fees and other Utah City impact fees – see spreadsheets attached to this staff report.

The following information was provided previously for the Council Work Session on May 29, 2008. It is provided again for your reference.

This is an update ordinance to enact the yearly inflationary component (determined by the Engineering News Record) to impact fees levied in Salt Lake City. The ordinance that the Council adopted in 2006 provides for this inflationary adjustment each year (see detailed breakdown of fees on **Page 2**). The inflationary adjustment is determined by the Engineering News Record, an industry standard in assessing year-to-year cost differentials. According to the City's impact fee consultant, this report is used by the majority of Cities levying impact fees, when calculating annual inflationary adjustments.

- A. **Noticing** – The Administration will post the notice of inflationary impact fee increase for 60 days at the permits counter, and a notice will be sent to the list of developers maintained by the Community and Economic Development Department. The Council may wish to give the Administration direction with regard to other parties that could receive notice. **Attached** is a draft of the notice that will be sent.
 1. In June of 2007, the Council adopted Ordinance #27 of 2007, identifying October 1 as the effective date for any inflationary adjustment to impact fees, and provides for 60 days notice of any such adjustment to the public.
 2. **Because of this requirement, the Council would need to approve the notice being sent prior to the final adoption of the fee schedule, in order to meet an October 1 effective date.**

3. The Council may wish to straw poll the attached schedule of fees and/or notice. *Is the Council ok publishing the notice before final adoption in order to meet the October 1 effective date?*
4. When discussing this inflationary adjustment during the FY 2008 budget process, some Council Members expressed about altering fees in the middle of the peak construction season, which is why October 1 was chosen as the preferred effective date.

B. Would the Council like to hold a public hearing regarding this change on August 12?

- C. The inflationary adjustment information from the Engineering News Record is available quarterly, which would give some flexibility as to when in the year the City chooses to update its fees. This year's inflationary increase, as determined by ENR, is **3.1%**. By comparison, the FY 2008 adjustment was 13%.
- D. Total fees paid differ between "infill" and "industrial" areas. It should be noted that "Infill" development (see **attached map** for boundaries defining "infill" and "industrial" areas) does not pay for roadway impact fees, while "Westside Industrial" development does.

PROPOSED INFLATIONARY ADJUSTMENT TO IMPACT FEES

Fee Description	2007	2008 (only changes are inflationary adjustments)	Difference	
			\$	%
Fire Fees				
Residential (per dwelling unit) ⁽²⁾	\$440	\$454	\$14	3.2%
Commercial/Industrial (per square foot) ⁽²⁾	\$0.29	\$0.30	\$0	3.4%
Police Fees				
Residential (per dwelling unit)	\$410	\$423	\$13	3.2%
Commercial/Industrial (per square foot)	\$0.27	\$0.28	\$0	3.7%
Roadway Fees ⁽³⁾				
Residential (per single family dwelling unit)	\$0.00	\$0.00	\$0	-
Residential (per multifamily dwelling unit)	\$0.00	\$0.00	\$0	-
Retail (per square foot)	\$7.27	\$7.50	\$0	3.2%
Office (per square foot)	\$3.25	\$3.35	\$0	3.1%
Industrial (per square foot)	\$1.25	\$1.29	\$0	3.2%
Parks Fees				
Residential (per dwelling unit)	\$618	\$638	\$20	3.2%
Commercial/Industrial (per square foot)	\$0.00	\$0.00	\$0	-
Total Fees (Infill Development <i>not</i> Westside Development)				
Residential (per single family dwelling unit)	\$1,468	\$1,515	\$47	3.2%
Residential (per multifamily dwelling unit)	\$1,468	\$1,515	\$47	3.2%
Retail (per square foot)	\$0.56	\$0.58	\$0.02	3.6%
Office (per square foot)	\$0.56	\$0.58	\$0.02	3.6%
Industrial (per square foot)	\$0.56	\$0.58	\$0.02	3.6%
Total Fees (Westside Industrial Area)				
Residential (per single family dwelling unit)	\$1,468	\$1,515	\$47	3.2%
Residential (per multifamily dwelling unit)	\$1,468	\$1,515	\$47	3.2%
Retail (per square foot)	\$7.83	\$8.08	\$0.25	3.2%
Office (per square foot)	\$3.81	\$3.93	\$0.12	3.1%
Industrial (per square foot)	\$1.81	\$1.87	\$0.06	3.3%
<i>Impact Fees for the Northwest Quadrant Planning Area will not be determined until a master plan is adopted and capital project needs are determined</i>				

Notes:

- (1) Infill development refers to all growth within the City limits, excluding the Northwest Quadrant.
- (2) Residential units are specified by single family and multifamily; commercial development is specified by retail, office and industrial.
- (3) Roadway Fees for infill development are only assessed in the Westside Industrial Area.

2008 Comparison of General Fund Impact Fees By Type -
Per Single Family Dwelling Unit (2500 sq ft)

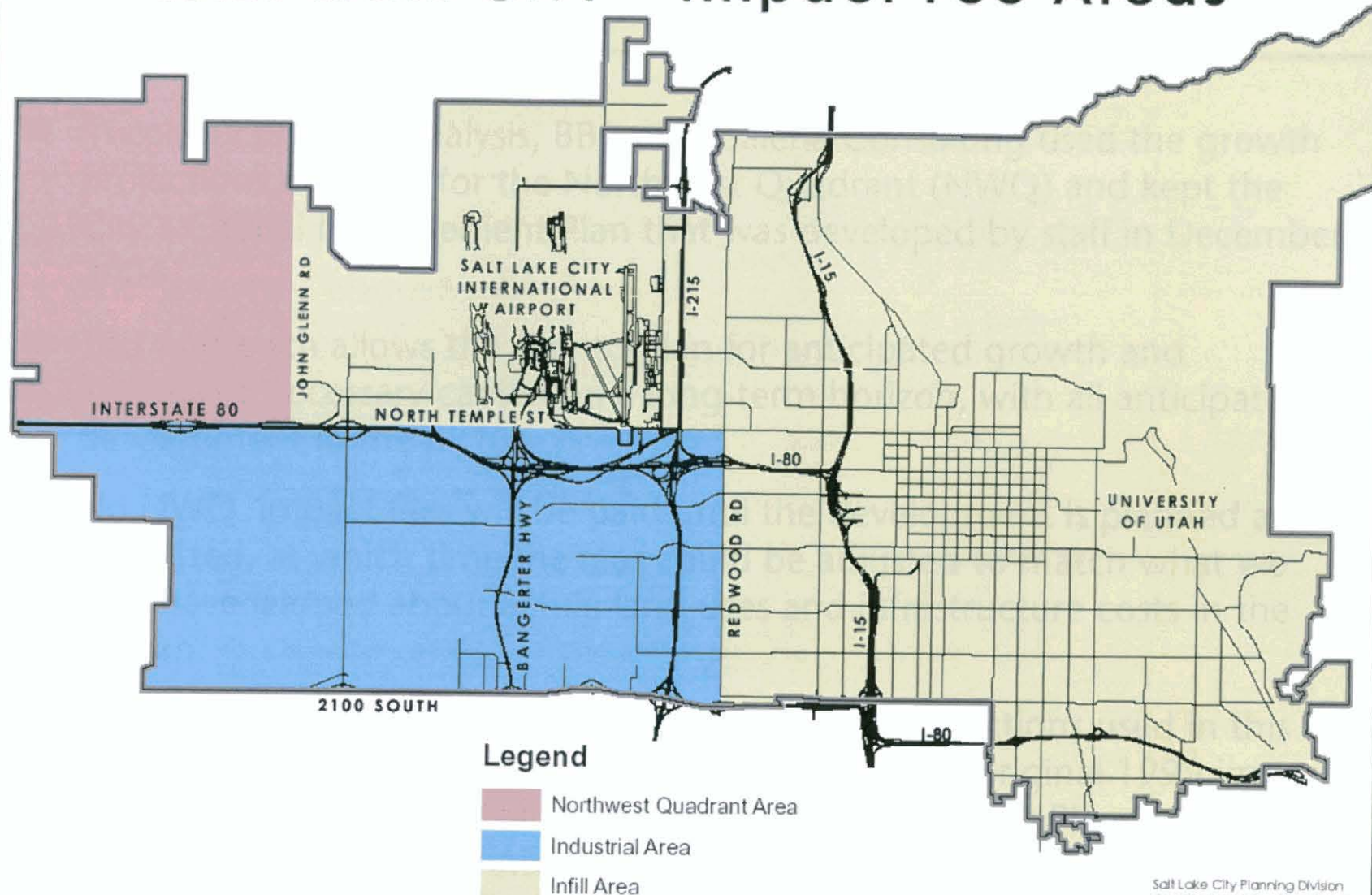
	Streets	Parks	Fire	Police	Total
Utah City					
American Fork	1,348	7,187	324	580	9,439
Bountiful	-	-	-	-	-
Draper - Area A	1,447	3,990	310	218	5,965
Draper - Area B	2,050	3,990	310	218	6,568
Layton	2,399	1,873		501	4,773
Lehi	1,020	1,330	-	-	2,350
Midvale	-	-	-	-	-
Murray	-	-	-	-	-
Ogden	-	-	-	-	-
Orem	-	-	-	-	-
Park City	315	3,855	-	605	4,775
Provo	986	3,088	-	-	4,074
Riverton	2,957	2,675	308	-	5,940
Salt Lake County	-	-	-	-	-
Sandy	-	3,270	165	71	3,506
South Jordan	1,880	4,346		323	6,549
South Salt Lake	-	-	-	-	-
Taylorsville	-	1,290	-	-	1,290
Tooele	-	2,125	-	350	2,475
West Jordan	2,147	1,854	280	118	4,399
West Valley	846	2,032	91	66	3,035
Average	1,581	3,065	255	305	4,937
Salt Lake City - Proposed	-	638	454	423	1,515

2008 Comparison of General Fund Impact Fees By Type -

COMMERCIAL					INDUSTRIAL				RETAIL				OFFICE			
	Streets	Parks	Fire	Police	Streets	Parks	Fire	Police	Streets	Parks	Fire	Police	Streets	Parks	Fire	Police
Utah City																
American Fork	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bountiful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Draper - Area A	4.85	-	0.41	0.27	1.05	-	0.04	0.04	-	-	-	-	1.93	-	0.54	0.11
Draper - Area B	6.87	-	0.41	0.27	1.50	-	0.04	0.04	-	-	-	-	2.73	-	0.54	0.11
Layton	7.90	-	-	0.66	2.55	-	-	0.07	7.90	-	-	0.07	2.54	-	-	0.47
Lehi	*	*	-	-	*	-	-	-	*	-	-	-	*	-	-	-
Midvale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Murray	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ogden	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Orem	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park City	0.41	-	-	0.55	0.32	-	-	0.45	-	-	-	-	-	-	-	-
Provo	*	-	*	*	*	-	*	*	*	-	*	*	*	-	*	*
Riverton	4.94	-	-	0.32	1.48	-	-	0.32	-	-	-	-	1.48	-	-	0.32
Salt Lake County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sandy	-	-	0.32	0.14			0.13	0.06			0.32	0.14			0.21	0.09
South Jordan	4.74	0.2	*	*	1.31	0.1	*	*	4.74	0.2	*	*	2.94	0.10	*	*
South Salt Lake	-	-	-	-					-	-	-	-	-	-	-	-
Taylorsville	-	-	0.023	-	-	-	0.023	-	-	-	-	-	-	-	-	-
Tooele	-	-	-	0.32	-	-	-	0.32	-	-	-	0.32	-	-	-	0.32
West Jordan	5.20	-	0.15	0.18	0.77	-	0.13	0.05	1.40	-	0.17	0.06	2.50	-	0.24	0.41
West Valley	1.34	-	0.16	0.11	0.82	-	0.05	0.04	1.34	-	0.16	0.11	1.25	-	0.11	0.08
Average	4.50	-	0.25	0.31	1.23	-	0.07	0.15	3.85	-	0.22	0.14	2.20	-	0.33	0.24
Salt Lake City Westside	**	-			1.29	-	0.30	0.28	7.50	-	0.30	0.28	3.35	-	0.30	0.28
Salt Lake City Infill	-	-	0.30	0.28	-	-	0.30	0.28	-	-	0.30	0.28	-	-	0.30	0.28

* Impact Fees are calculated on acreage or exacted rather than sq ft
** SLC Westside commerical development fees are covered under industrial, office and retail categories.

SALT LAKE CITY - Impact Fee Areas



Salt Lake City Planning Division
Geographic Information System
April 2002