

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Bel Red Finance Plan and the role of impact fees in funding capital investment.

STAFF CONTACT

Matthew Terry, PCD Director
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Patrick Foran, Parks Director

POLICY ISSUES

- Should the City utilize a broader range of financial tools than in use currently to fund needed infrastructure investment in the Bel-Red area? What role should impact fees play in the overall Bel-Red financial strategy? Should these new tools be used only in Bel-Red, or be applied more broadly in other parts of the City?
- Should the City require that new development fund a larger share of the cost of infrastructure necessary to mitigate the impacts of that new development than has historically been required? What is the proper allocation of costs between new development and general City tax sources?

DIRECTION NEEDED FROM COUNCIL

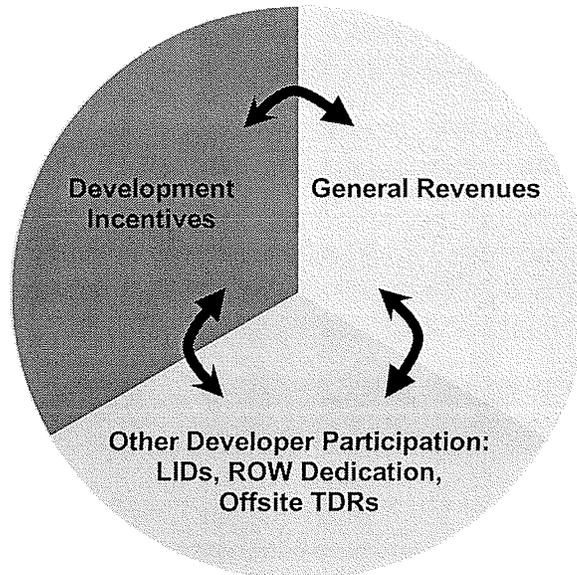
Action
 Discussion
 Information

This is the third in a series of briefings on the Bel-Red plan, and on the financial strategy to implement the capital investment necessary to support the plan. Impact fees are one of the financial tools identified by staff as a potential funding source for Bel-Red capital investments. Staff proposes to further develop an impact fee proposal for transportation and parks facilities for Council consideration later this year, and is seeking any feedback the Council has on overall approach. Council action on an impact fee proposal is expected in the Fall, as part of the suite of actions the Council may take to implement the Bel-Red plan.

BACKGROUND/ANALYSIS

The Bel-Red Finance Plan will attempt to align capital needs and funding sources. As described to the Council in the April 14 briefing on the Bel-Red Finance Plan, about

\$450 million in capital investment would ideally be funded from a variety of sources to accomplish construction of the needed facilities by 2030. The potential funding sources fall into three general categories described in the graphic below.



Impact fees fall into the 'other developer participation' category. The attached memoranda from the Transportation and Parks Departments outline one possible approach for developing new impact fee proposals to help fund transportation and parks improvements for Bel-Red and potentially for elsewhere in the City.

ALTERNATIVES

1. Proceed with the general direction recommended by the Transportation and Parks Departments for further development of an impact fee proposal.
2. Provide alternative direction to staff.

RECOMMENDATION

Direct staff to further develop impact fee proposals as part of the overall funding strategy for parks and transportation facilities, and to engage the community in a discussion of the impact fee funding alternatives.

ATTACHMENTS

Transportation and Park Impact Fees Items.