



National Impact Fee Roundtable

Ten Things To Remember After Impact Fee Adoption

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Expertise
Education



Revenue
Enhancement

Communication

People Count

1: Administrative Procedures

- **Establish an initial set of administrative guidelines for staff**
- **Build on guidelines over time based on experience**
- **Common areas to address**
 - **Application of fee schedule**
 - Land use categories
 - Measuring size of project
 - **Maps of fee zones**
 - **Credits & reimbursements**
 - **Use of project-specific impact studies**
 - **Appeals**

2: Annual Inflation Update

- **CRITICAL** to regularly update for project cost inflation
- **Common price indices used include:**
 - Engineering News Record – Building Cost Index (BCI) and Construction Cost Index (CCI)
 - Consumer Price Index (CPI)
- **Common problems**
 - Land prices can increase much faster than construction costs
 - Road improvement construction costs have risen extremely high in recent years (e.g. 20% per year)

3: Annual CIP Update

- **Eliminate completed projects**
- **Add new projects identified for funding with fee revenue**
- **Document expenditures to report compliance with statutory requirements**

4: Periodic Comprehensive Fee Program Update (e.g. every five years)

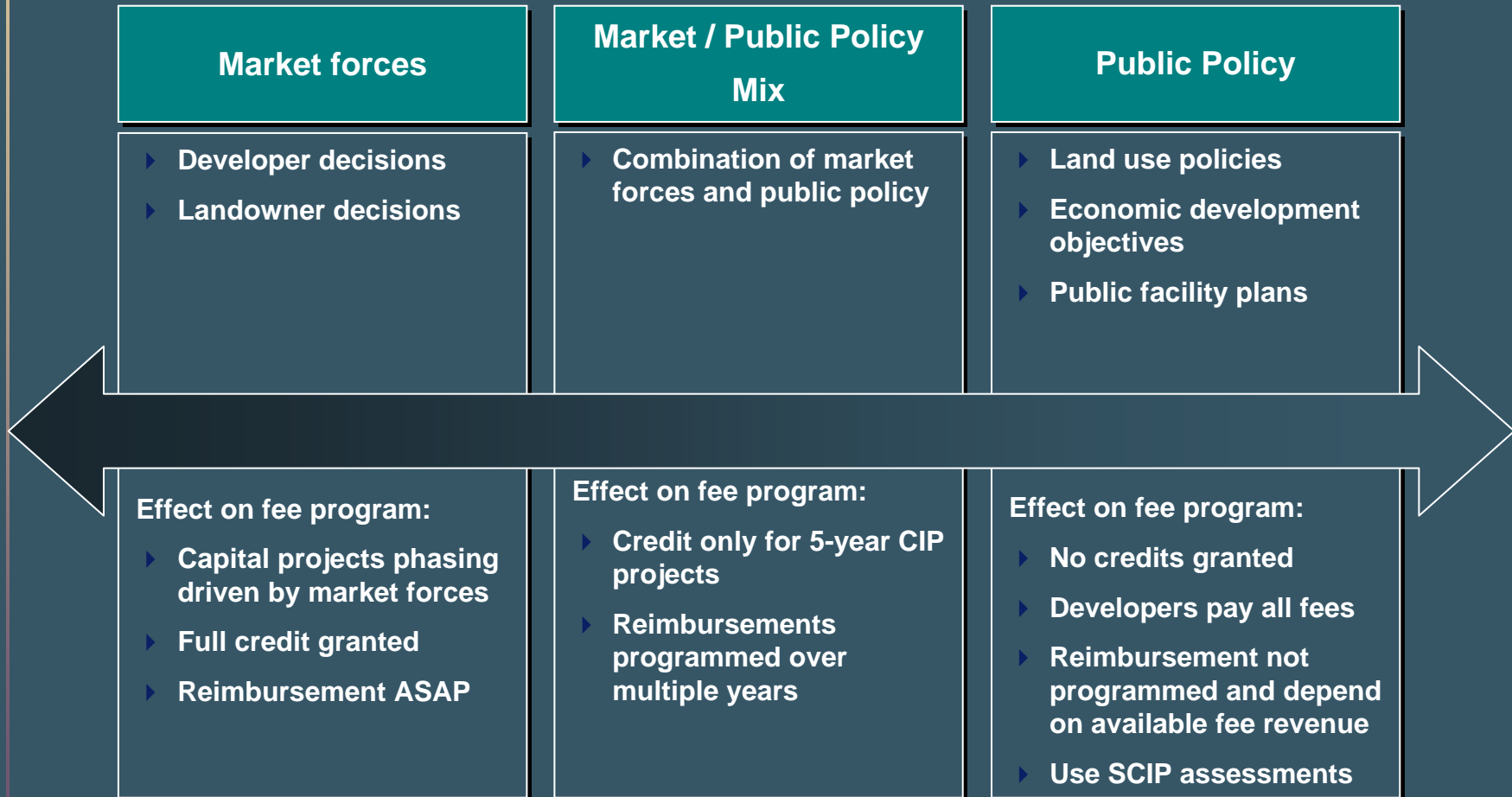
- **New development projections**
 - Update base year
 - Update planning horizon
- **Analysis of facility standards and needs**
 - Re-calculate standards
 - Re-run engineering models
- **Facility costs**
 - Update all unit costs
 - Conduct land appraisal for “land intensive” fees e.g. parks

5: Credits & Reimbursements

- Document a C&R agreement for every development project seeking credits and/or reimbursements
- Integrate C&R agreements into the annual budget process – just like any other capital project
- Carefully consider CIP cash flow needs when making C&R agreements
- Fund reimbursements with interest

Credits & Reimbursements

Driven By Market Forces vs. Public Policy



6: Uncommon Land Uses

- **Ensure that all major land uses are accounted for in fee schedule**
 - Review building permit applications
 - Work with consultants preparing nexus studies
- **Update fee schedule to reflect uncommon land uses**

7: Alternative Funding Sources

- **Use CIP process to ensure full funding of fee program**
 - Existing deficiencies
 - Fee-funded projects that require alternative revenue sources to complete
- **Manage stakeholders' expectations if alternative revenue sources cannot be secured**

8: Fee Accounting

- **Use separate accounts for fee programs with**
 - Multiple facility categories
 - Multiple zones
- **Credit interest earned on fund balances separately to each account**

9: Department Coordination

- **Distribute information to departments annually**
 - Available fee revenue
 - Eligible projects
- **Get information from departments for annual CIP process**
 - Projects completed
 - Cost and scope changes for projects under construction
 - New projects eligible for fee funding

10: Fund Administrative Costs

- **Add a charge to all impact fee payments**
 - 1% to 3% is common
- **Track administrative costs and revenues**
 - Collection
 - Accounting
 - Administration
 - CIP project management
 - Consulting studies
- **Adjust charge as appropriate**

Questions & Answers