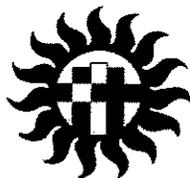


**Impact Fees – A Complete Program Review –
Direction on Parks/Roads/Draining**



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

TO: Robert L. Garza, P.E. – City Manager

FROM: Loretta M. Reyes, P.E. – Public Works Director 

DATE: August 3, 2012

SUBJECT: August 13, 2012 City Council Work Session
Impact Fees - A Complete Program Review, Direction on Parks/Roads/Drainage

FILE NO.: PW 12-355

It has become increasingly important that major roadways and drainage infrastructure be in place to meet the needs of our growing community. To meet this challenge, the City Council adopted major road and drainage impact fees on August 1, 2011, for new residential and commercial development with an effective date of January 1, 2013.

The major road and drainage fees only apply to new development located in the city's "growth area" (i.e., area outside the city's designated in-fill area). The major road fee addresses the cost of City arterial roadways only and does not include right-of-way costs. The drainage fee only covers the cost of arterial street arroyo crossings.

City staff will give a presentation to provide information about the major roadway and drainage impact fees, including their purpose and implementation.

I am available at your convenience to discuss this issue. If you have any questions or require additional information, please do not hesitate to call me at 528-3125 or email me at lreyes@las-cruces.org.

cc: City Council
Brian Denmark, AICP - Assistant City Manager/Chief Operating Officer 

TO: Robert Garza

FROM: Mark Johnston, Director, Parks and Recreation 

DATE: August 7, 2012

SUBJECT: August 13, 2012 Work Session; Park Impact Fees

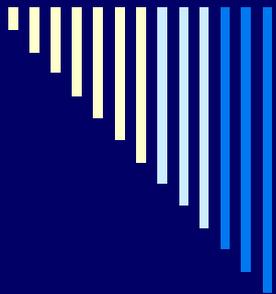
FILE NO.: PRD-12-232

At the August 13, 2012 City Council Work Session staff will provide Council with an overview of Park Impact Fees, background, process and provide options for discussion.

The Las Cruces Municipal Code requires that at least every five (5) years the City update Land Use Assumptions, Park Capital Improvement Plan and Park Development Fees (PIF) or determine that no updates are needed. At their meeting on June 4, 2012 City Council determined that no updates were needed at this time, due to a lack of a recommendation from the Capital Improvement Advisory Committee, and extended the existing fee structure through June of 2013.

The draft Park Impact Fee study shows that in order to maintain current service levels (number of acres per citizen) an increase in the fee is needed, or a different funding source identified, or regulatory action requiring developers to provide parks, or a combination of the different actions needs to take place. Staff will be prepared to provide further details associated with each of the options.

cc: Brian Denmark, Assistant City Manager/Chief Operating Officer



Park Impact Fees

Background

- City Council adopted RES 95-368 enacting Park development fees (PIF) in July of 1995.
- The fee was set at \$249 per dwelling unit.
- The fees can only be used for adding new levels of service – new neighborhood parks.
- 2006/7 the PIF was raised to \$550.
- 2007/8 the PIF was raised to \$800.

Park Development Impact Fees (PIF)

- Las Cruces Municipal Code requires that at least every five years:
 - The City either updates the Land Use Assumptions.
 - Updates the Park Capital Improvement Plan.
 - Update the Park Development Fee (PIF).
 - Or determines no updates are needed.

In June, 2012 the CIAC had not forwarded a recommendation to the City Council thus determined no updates were justified, extending the current collection rate till June, 2013.

Park Development Fees (PIF)

- TishlerBise sub-consultant completed the draft PIF study January 18, 2012.
- Recommended fees to maintain current level of service:
 - Proposed fee SF \$4,125 current fee \$800
 - Multi-family \$2,958 current fee \$800

(The proposed fees are all inclusive for all park categories.)

Current Status

- CIAC will further consider TishlerBise study and provide a recommendation to the City Council.
- City Council decision necessary prior to June 30, 2013.
- City Council may consider other options.

Options

- Continue the collection of “existing” fees to build neighborhood parks (\$800).
 - Lowers the level of service.
- Adopt new fees to maintain same level of service and continue policy of impact fees used for the development of neighborhood parks.
 - Increase in fees due to increase in construction costs.
- Change level of service and adjust impact fee accordingly.
 - Level of service may equate to population, distance requirements, minimum size of park, etc..

Options Continued

- Eliminate park impact fee and require the construction of neighborhood parks as a part of development.
 - Amend design standards to make a regulatory requirement.
- Enact a combination of regulatory requirement and creation of a community park impact fee.
 - Require combination of funding sources.
 - Potentially lessens impact fee and lowers number of ICIP projects.

Options Continued

- Eliminate park impact fee all together and seek other funding sources.

Issues

- New homeowners want neighborhood parks.
- Maintenance and operational costs.
- Increased housing costs.
- CIAC
 - Membership problems.
 - Recommendation difficulties.
- Impact fee process
 - Policy/LOS/Fee.

Questions?