



DEPARTMENT:	Reading No.	N/A
COMMUNITY DEVELOPMENT	Public Hearing	No
	Disclosure Required	No
	Item No.	22

SUBJECT

Transportation Impact Fee/Mobility Fee Moratorium Sunset Discussion

BACKGROUND/CONSIDERATION

On March 25, 2014 the City Council approved a transportation impact fee/mobility fee moratorium for one year .On April 28, 2015 the moratorium was extended for a second year. On April 26, 2016, City Council approved an extension of the moratorium for an additional four months, with the date for the moratorium set to expire on July 31, 2016.

Since the start date of the moratorium on April 1, 2014 through July 15, 2016, the City has not collected a total of \$6,283,760 in transportation impact fees/mobility fees. A substantial amount of these fees are related to large projects that have been submitted to the City since Council approved the four month extension in April of this year. Transportation Impact fees are collected and utilized to add new capacity to the City's roadway system through projects such as new roadways, roadway widenings, and intersection improvements (adding turn lanes and enhanced traffic signal operations). Mobility fees are collected and utilized to fund projects such as sidewalks/pedways, bike lanes/bikeways, transit related improvements (bus shelters, benches, and bus pull-off lanes) and intersection enhancements.

The reduction in the collection of these fees over the past 28 months has begun to impact the available capital budget and the ability to plan for future transportation projects. The original intent of the moratorium was to provide encouragement to economic development and job growth for the City. Since that time, the economic climate for the City has now shifted in a positive direction and City staff is recommending that the moratorium expire on July 31.

FISCAL IMPACT (IF APPLICABLE)

The fiscal impact from the current moratorium from April 1, 2014 through July 15, 2016 has resulted in a loss of revenue totaling \$6,283,760.

REQUESTED ACTION

Recommend the transportation impact fee/mobility fee moratorium expire on July 31, 2016.

MEMORANDUM



*Community Development
Department*

TO: Michael A. McNees, City Manager

THRU: Shannon Lewis, Deputy City Manager

FROM: Cindy Dittmer, AICP, Community Development Director

RE: **Transportation Impact Fee/Mobility Fee Moratorium Discussion**

DATE: July 14, 2016

City Council originally approved a transportation impact fee/mobility fee moratorium for one year on March 25, 2014. The moratorium was extended on April 28, 2015, for a second year. On April 26th of this year, City Council approved an extension of the moratorium for an additional four months, with the date for the moratorium to expire on July 31, 2016.

The original intent of the temporary moratorium, as discussed during previous public hearings, was to provide encouragement to economic development and job growth for the City, as the area had suffered an economic decline in past years. The areas of job growth and overall development growth within the City have increased since 2014; therefore, City staff is recommending that the moratorium expire on July 31st.

As of July 14, 2016, for the approximately 28 months the moratorium has been in place, the City has not collected a total of \$3,009,945 in revenue for the transportation impact fee and mobility fee funds. This has significantly reduced the balances of the transportation impact fee fund and the mobility fee fund. This reduction, along with ongoing transportation projects, is impacting the available budget and the ability to plan for future transportation projects.

Transportation Impact fees and Mobility fees are only charged for development projects that will create a new impact upon the City's transportation systems. If these fees are not charged for new development projects impacting the City's transportation network, other funding sources to address future transportation needs will be necessary.

Transportation Impact fees are collected and utilized to add new capacity to the City's roadway system through projects such as new roadways, roadway widenings, and intersection improvements (such as adding turn lanes and enhanced traffic signal

operations). Mobility fees are collected and utilized to fund projects such as sidewalks/pedways, bike lanes/bikeways, transit related improvements (such as bus shelters, benches, and bus pull-off lanes) and intersection enhancements.

Based upon the future need for transportation improvement projects throughout the City and a funding source to address these needs, City staff recommends that the moratorium be allowed to expire on July 31, 2016.

Recommendation

Recommend the transportation impact fee/mobility fee moratorium expire on July 31, 2016.