

REPORT

Feasibility of Refunds on Previously-Received Developer Impact Fees (DIF's)

BACKGROUND

- ▶ Developer Impact Fees (DIF's) have been historically charged & collected by the city on various Development types
- ▶ Prior to August 2025, fee schedule included Impact Fees for
 - Park Improvements
 - Park Land
 - Rec Centers
 - Libraries
 - Police Facilities
 - Fire Facilities
 - Street Improvements
 - Traffic Signals
 - Bikeways
 - Water
 - Wastewater
 - Refuse Containers
- ▶ Effective August 5, 2025, fee schedule includes Impact Fees for
 - Libraries
 - Police Facilities
 - Fire Facilities
 - Refuse Containers
- ▶ During May 6th City Council Meeting, Council Request a Report on the Feasibility of Refunding now-cancelled DIF's that had been collected during the prior two years

DATA ANALYSIS

- ▶ Reviewed Revenues Received and Expenses Distributed During Past 4 fiscal years
- ▶ “Fees” Includes only from: Parks, Rec, Streets, Signals, Bikeways
- ▶ Water/WW Revenue noted separately - expenses related to debt payments
- ▶ FY 2023/24 total number developers that paid DIF = 3
- ▶ FY 2024/25 total number of developers that paid DIF = 2

Fiscal Year	Fees Collected	Expenses on Projects		Water/WW DIF Fees Collected	DIF Related Debt Expenses
2024/25	\$ 106,277	\$ 46,750		\$ 43,964	\$ 898,145
2023/24	\$ 38,018	\$ 113,405		\$ 19,609	\$ 955,367
2022/23	\$ 202,389	\$ 18,269		\$ 54,593	\$ 953,380
2021/22	\$ 178,709	\$ 226,977		\$ 82,002	\$ 1,030,985
	\$ 525,393	\$ 405,401		\$ 200,168	\$ 3,837,877

QUESTIONS & CONSIDERATIONS

- ▶ Issue of legality and complexity
- ▶ All prior fees had been established, approved and were equitably charged each year through 8/5/25
- ▶ Fees were eliminated or changed per the change in the ordinance 1726(25) - first submitted 5/5/25 & made effective 8/5/25
- ▶ If refund legally-established fees, it could be argued that the city is providing a “gift of city funds” by issuing refunds of those appropriately-collected fees
- ▶ Also:
 - ▶ How to assign which funds have already been spent on projects?
 - ▶ How to determine cutoff for refunds?
 - 2 years? 3 years? More?

THANK YOU