

City of Lincoln, Nebraska
Mayor's Impact Fee Policy Review Task Force
Issues/Questions in relationship to the Mayor's Charge Statement

Task Force's Charge Statement:

The Task Force is charged with reviewing and proposing to the Mayor alternatives or modifications to the city's current impact fee policies and model.

All alternatives and/or modifications are expected to:

- A. **Be revenue neutral, in terms of total impact fees collected; or**
- B. **Propose a new source of revenue, to the extent total impact fees are reduced.**
 - a. **A new source of revenue does not mean a reallocation of existing resources.**
 - b. **Any new source of revenue should be politically realistic and achievable to the groups represented on the Task Force and actively supported by them.**

Mayor specific requests:

1. **Elimination or reduction of water and wastewater impact fees with corresponding increases to the arterial street impact fees;**
 - Shifting of the current levels of revenue generated by water and wastewater Impact Fee to streets by incrementally increasing arterial street impact fees, and eliminating water and wastewater impact fees.
 - Note: Elimination of water and wastewater impact fees would require an incremental increase in water and sewer rates to fund water/wastewater capital needs.
2. **Use of square footage or property values as a basis for calculating fees;**
 - Initiate arterial street impact fees on all real estate transfers based on square footage or value.
 - Eliminate uniform impact fees and implement a price per square foot formula for both commercial and residential.

3. Creation of more geographic flexibility in the use of impact fees, and elimination of the seven-year requirement for the expenditure of impact fees; and

- Eliminating the requirement that Impact Fees can only be spent within the district the funds were collected. To help speed up use of funds on needed ancillary projects and better serve new developments citywide.
- Adjustment of Impact Fee formulas to change distribution of funds.
- Reduce restrictions on use of the impact fee funds for Parks. E.g. equipment for new facilities.
- Eliminate the time period for use of impact fees.

4. The use of a revolving fund concept in place of directed impact fees.

- Reduction of Impact Fees with replacement by other revenue sources-yet to be named.

5. OTHER.

- Require a pre-determined portion of a "new development"'s incremental property tax revenue be used to fund arterial streets (e.g. growth dividend).
- Require Impact Fee increases to be subject to annual City Council approval.
- Collect Impact Fees at the time of final plat.
- Elimination of exclusions in core area.
- Tie Impact Fee approval to other city budget decisions.
- Permanently freeze Impact Fees.
- Shift Impact Fee rates from residential to commercial.
- Review the legality of Impact Fee exclusion on public or quasi public projects

- Expand Impact Fee rebate to low income residential buyers using additional General Fund dollars.
- Charge impact fees for new construction only, based upon first occupancy use. No charge for change of use holding existing business harmless.
- Change the point at which the fees are charged possibly similar to one of the prior city plans.
- Charge a stamp fee or real estate transfer fee
- Consider adoption of policy and/or procedure similar to Overland Park Kansas.
- Consider adoption of policy and/or procedure similar to Aimes, Iowa.
- Consider adoption of policy and/or procedures similar to cities within the state of Texas (e.g. Wiley)

6. **Directed Impact Fees and Developer agreements**

- If Directed Impact Fees are to continue, does there need to be a policy adopted by Mayor.
- Annexation Agreements need a “boiler plate” uniform format/standardized process to prevent abuse.
- If no connectivity exists for an area (outside Tier 1A), the developer reimbursement should not be considered.
- Consider Aimes, Iowa approach to annexation related infrastructure construction.