

October 8, 2012

Majority Report- City of Albuquerque Impact Fee Committee

After 16 months of coordination, review, dialogue and meetings, the Impact Fee Committee is pleased to offer this final “majority report” regarding the final Impact Fee Study dated September 2012. Although the process has been arduous, we feel that compromises have been made by all interests and the fees as presented are manageable and will make Albuquerque competitive with surrounding cities/MSA’s. The time and efforts given individually by each committee member are to be commended. The three legislative bills as presented to the committee have been reviewed and additional revisions are presented below for consideration by the City Council and the Administration. Most of the initial goals established by the Committee have been attained. They are as follows:

Simplify –The number of service areas is greatly reduced/simplified. Roads went from seven to one; Parks went from seven to four; Public safety went from five to one. This simplification will allow for more flexibility in spending the collected impact fees and create more opportunity for developers to redeem any impact fee credits they have.

Reduced the number of land use categories- The current system has thirty-eight, the update, only eight.

Elimination of most reductions and waivers- The update only leaves waivers in place for low income housing and economic development.

Consolidation of ordinances- Four sections of the Code of Ordinances are consolidated into one.

Expand the list of eligible projects available for impact fee credits- This gets more infrastructure built for the residents of the City.

Unite the City-

The committee did not want to split the City by penalizing one area more than another. The fees are predominately uniform across the City. A City working together is a stronger City. The new ordinance serves to broaden the impact fee revenue base across all parts of the City.

Compete favorably-

We will be able compete for new jobs, new retailers, and broad economic development with the other municipalities and communities that have reduced or no impact fees. Currently there are over 30 cities/MSA’s in the Southwest with no impact fees that we compete against.

The phase in recognizes the severity of the downturn in the construction, development, and financial services industries in the City. We still are losing jobs, losing talent, and have a shrinking economy with sequestration on the horizon. The majority believes that it will take five full years to experience any recovery.

Green Building -

The committee believes Green Path has great merit, but needs to be handled in separate policy such as reduced plan check or municipal fees. Using waivers and reductions creates additional economic costs for the City that are undesirable.

Get more infrastructure built-

The CCIP required by State Statute was expanded to include more eligible projects (creditable improvements). The majority would ask that all non-maintenance projects listed in the Decade Plan be included in the CCIP. The Committee strongly agreed that more infrastructure built is better for all residents. More creditable improvements are needed on the list.

The majority would also like to request that because items shown on the CCIP change frequently that if a CCIP creditable component is included on an application for development approval and is subsequently removed from the CCIP list the item will still be “creditable”. The committee strongly believes that items on the CCIP are not required to be built by the City and the private sector should, however, be allowed to receive credits on improvements made to City infrastructure. Additional improvements or infrastructure is always needed. We believe the County process regarding excess drainage improvement is an example of a win/win that should be modeled for creditable improvements.

Exactions-

The group also requests greater clarity with regard to exactions. We request the replacement of paragraph (D) on Page 15 of O-12-38 with the following language.

“Site Specific Improvements. The City may only require a developer to construct reasonable site specific improvements or facilities in connection with a development. Required improvements must be primarily planned, designed, or built to provide service for a specific development project and necessary for the use of the occupants or users of that project. The City may not require the developer to construct improvements that provide significant additional capacity for other developments. The City may require developers to prepare necessary studies, analyses, or reports required as part of a development approval process.”

Credits -

The issue of credits was strongly discussed among the committee. We would like to request an extension of existing credits through December 31, 2019 in order to provide fairness/equity for those currently holding credits as the phase in is implemented.

The other item related to credits is a request to permit drainage improvement credits to be transferred /used across the various service areas that exist in the City.