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Title: A Resolution Rescinding and Replacing Resolution Nos. 09-06 and 10-06, Establishing Special District Review Fees and Including the City's Previously Adopted Special District Policy and Model Service Plans

(Legislative Item)

Presenters:
 Peter Wysocki, Planning and Community Development Director
 Carl Schueler, Comprehensive Planning Manager, Planning and Community Development Department

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution, 2. Exhibit A_Special District Policy, 3. Exhibit B-1-SingleDistrictModelServicePlan9-11-12, 4. Exhibit B-2_MultiDistrictModelServicePlan9-11-12, 5. Exhibit C - Special District Proposed Fees, 6. Figure 1 - Resolution 9-06, 7. Figure 2 - Resolution 10-06, 8. Figure 3 - Comparable Cities Data, 9. Figure 4 - Special District Fee Review Summary - Revised 1-8-19, 10. Figure 5 - Special District Fee Review Final - Revised 1-8-19, 11. Figure 6 - Application and Transmittal Form - Jan06, 12. Figure 7 - Special District Applications 2009-present, 13. Figure 8 - Count of Special Districts Created by Year, 14. Figure 9 - Additional Background Information, 15. Figure 10 - Resolution 113-12, 16. Presentation, 17. Signed Resolution 15-19

| Date | Ver. | Action By | Action | Result |
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| 2/12/2019 | 1 | City Council | adopted | Pass |
| 1/22/2019 | 1 | City Council Work Session | referred | |

A Resolution Rescinding and Replacing Resolution Nos. 09-06 and 10-06, Establishing Special District Review Fees and Including the City's Previously Adopted Special District Policy and Model Service Plans

(Legislative Item)

Presenters:

Peter Wysocki, Planning and Community Development Director
 Carl Schueler, Comprehensive Planning Manager, Planning and Community Development Department

Summary:

The purpose of this resolution is to establish an updated Special District application and review fee schedule effective March 1, 2019. The attached fee schedule (Exhibit C) reflects 100% cost recovery and is based on a cost of service approach as outlined in the City's User Fee Policy. The schedule includes new fees for certain processes and a reduction for others, resulting in a modest estimated

net annual revenue increase. Going forward, these fees will be reviewed periodically based on the schedule recommended by the City's User Fee Policy - preferably every two to three years.

The 2006 resolutions that established the current fees, also adopted the City's current versions of the Special District Policy and a prior version of the Model Service Plans. Therefore, this resolution also includes the most recent previously adopted versions of these documents as Exhibits A and B, respectively.

Previous Council Action:

City Council adopted prior resolutions concerning special district fees, Resolution 09-06 and Resolution 10-06 (**Figures 1** and **2** respectively). These Resolutions established the current fees for processing districts and include an application form and schedule that is proposed to be eliminated. These resolutions were approved in January 2006 and the fees have not been adjusted since then.

The Special District Policy as also attached to Resolution 9-06, has not been updated since that time. The Model Service Plan as attached to this same resolution, have subsequently been amended by Resolution 12-113 which was adopted on September 12, 2012.

This item was introduced to Council at a Work Session on January 22, 2019.

Background:

When Special District processing fees were established in 2006, there is no evidence they were based on an evaluated or assumed cost of service. Recent changes to processing include additional staff time. The 2006 fee structure also did not distinguish between newly created districts and amendment of existing district plans. Additionally, fees set in 2006 do not account for the different types of special districts applications that staff currently process but are not collecting fees for. For example, there are currently no fees collected to process:

- Amended Business Improvement District (Off-Cycle)
- Inclusion/Exclusion to a Business Improvement District
- Authorization of Debt Issuance by District
- Special Appointments of Directors

The proposed fee schedule aligns with the City's Revenue Policy and User Fee Policy, ensuring that the Special District application fees are collected at an appropriate cost recovery level. The proposed fee schedule reflects 100% cost recovery of all direct and indirect costs incurred by the City. Direct costs were determined by analyzing City staff time spent on each type of application, including the City Attorney's Office, City Clerk, Finance Department, and the Comprehensive Planning Division. Further analysis was done to determine an appropriate share of indirect costs applicable to each Special District application, **Figure 9**.

On November 7, 2018 the Budget Committee provided direction to round up fees to the nearest one hundred dollars.

This fee schedule does not include fees associated with the various "annual actions" Council is required to take for certain districts such as annual review and approval of BID Operating Plans and Budgets.

As noted above, in order to allow the 2006 Council resolutions including these fees to be fully rescinded, the most recently adopted versions of the City's Special District Policy (Exhibit A) and metropolitan district Model Service Plans (Exhibit B) are also included as attachments to this resolution.

At the January 22, 2019 Work Session on this item there was a general question concerning use of district for affordable housing, and staff noted the future City Councils could determine to waive these fees with justification at their discretion.

Councilman Strand also addressed the importance of keeping to a regularized fee update schedule (e.g. every 2 years), on a forward-going basis. Following input from the Budget Office, it was decided not to include this direction in the body of the resolution, but to confirm this expectation more globally.

Financial Implications:

The proposed fee schedule will generate an estimated and additional \$9,000 in fee revenue annually.

Board/Commission Recommendation:

N/A

Stakeholder Process:

On October 15, 2018, City staff met with development community representatives from the Colorado Springs Homebuilders Association who work with special district applications on a regular basis. Since this meeting, staff has received no follow-up objections or concerns regarding the proposed fee structure. Staff also e-mailed this proposed fee structure to the special district attorneys and other specialists who regularly prepare and submit these petitions and other requests for their developer or district clients. There were no adverse responses.

The updated fee schedule was presented to the City Council Budget Committee at the November 7, 2018 meeting.

Alternatives:

City Council could choose to approve, deny, or modify the proposed Resolution

Proposed Motion: (for January 22, 2019)

Move to approve a resolution rescinding resolution nos. 09-06 and 10-06 and establishing special district review fees

A Resolution Rescinding and Replacing Resolution Nos. 09-06 and 10-06,
Establishing Special District Review Fees and Including the City's Previously Adopted
Special District Policy and Model Service Plans