

# Impact Fee Vesting: Change to VMC 20.915



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City Manager Communications

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# Background of VMC 20.915 Impact Fees

- Impact fee ordinance first adopted in mid-1990's
- Purpose is to ensure adequate school, park and transportation facilities are available to serve new growth and development
- In principle, new development pays impact fees based on impacts as assessed at the time of building permit issuance (non-residential development only pays transportation impact fees)

# Background of VMC 20.915 Impact Fees (cont.)

- In practice, current code provides that such impact fees be calculated at the time of site plan approval or subdivision or short plat approval, and paid at the time of building permit issuance
- Due to lag between impact fee calculation and collection (as much as three years), projects are often paying much lower impact fees than if calculation of fees occurred when fees are collected
- In context of budget adoption, Council expressed interest in considering an ordinance that would eliminate the vesting for impact fees in order to collect most current fees at the time a building permit is issued

# Potential Change to VMC 20.915

- Language that states that impact fees are to be calculated and “vested” until the time of building permit issuance would be deleted;
- Text would be inserted that says impact fees would be payable at the current rate at the time of building permit issuance;
- In order to reduce uncertainty for applicants, impact fees would instead be estimated (but not vested) at the time of site plan, short plat, or subdivision approval.



# Stakeholder Outreach Plan

- Email notices of proposed changes to be sent to all applicants who paid impact fees in the past three years
- Targeted outreach to CREDC, BIA, SWCA, Clark County Realtors
- Listening sessions (video conferences) to be advertised on city website will be held prior to Planning Commission consideration
- Other opportunities: SEPA comment period; Planning Commission and Council hearings

# Next Steps

- February 2021: Planning Commission Workshop
- SEPA Review/Determination
- Stakeholder Outreach
- March 2021: Planning Commission Hearing
- April 2021: City Council Workshop and Public Hearing
- Reprogramming, testing of City Permit Software
- May 2021: Ordinance takes effect