

Development Fee Cost Allocation Process & Methodology

Approved 12-23-2016


Steve Hall, City Manager

Ordinance 6983, Section 5 requires that the City Manager establish a process to identify costs to be reimbursed by the Development Fee Revenue Fund.

The cost identification process is delegated to the Administrative Services Department.

Costs to be reimbursed at a rate of 85%:

- Direct costs attributable to management of development
- Indirect cost and overhead
- Facility usage

Costs to be reimbursed or paid directly from the Development Fee Revenue Fund at a rate of 100%:

Contracted services related directly to a development project, which are outside the expertise of City staff and special projects attributable directly to the development. This does not include contracted services needed due to the capacity of City staff to meet the demand for service.

Basis of allocation:

- Direct Costs attributable to management of development.
 - Community Planning & Development Department, original budget.
 - Other departments, based on the departments best estimation of costs.
- Indirect cost overhead – Costs allocated through the indirect cost allocation & overhead cost allocation.
- Facility usage – Costs allocated through the indirect cost allocation & overhead cost allocation.

Cost reconciliation and adjustments:

Direct Costs attributable to management of development, Community Planning & Development Department.

If the actual cost after adjusting for continuing appropriations (budget carryover) are at least 10% less than budget, the amount to be reimbursed will be re-calculated. Any adjustment due to re-calculations will be made in the year of re-calculation.

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Other departments, no adjustments.

Indirect overhead, adjustments will be made if required by the Indirect Cost Allocation & Overhead policy.

Facility usage, no adjustments.