



City Council

Approval of Ordinance to Create a Development Fee Revenue Fund

Agenda Date: 11/24/2015
Agenda Item Number: 4.D
File Number: 15-1077

Type: ordinance **Version:** 2 **Status:** Passed

Title

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Recommended Action

Committee Recommendation:

The Finance Committee recommended at its October 14, 2015 meeting that the Council approve an ordinance to create a Development Fee Revenue Fund.

City Manager Recommendation:

Move to approve the ordinance to create a Development Fee Revenue Fund on second reading.

Report

Issue:

Whether to create a fund for the purpose of receiving fees collected for management of development, to be used to pay costs related to the management of development.

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None. Consent calendar item.

Background and Analysis:

Background and analysis have not changed from first to second reading.

Development fee revenue is receipted into the General Fund as program revenue of the Community Planning & Development Department. This revenue should be used only to support costs related to development. It is currently difficult to track the correlation of revenue and use of the revenue. Often revenue is collected on projects and the costs related to that development project occur outside of the City's fiscal year in which the revenue was collected. This is especially true for large projects. General Fund appropriations (budget) lapse at year end. Tracking of revenue collected in one year for use in another within the General Fund is very difficult and is not currently being done. The recommendation is to create a Development Fee Fund where development fee revenue would be receipted. The budget for management of projects would remain within the General Fund. When

expenses are identified that should be paid from development fees, there would be a transfer from the Development Fee Fund to the General Fund to reimburse for those costs. Costs would include indirect and overhead costs.

Neighborhood/Community Interests (if known):

None.

Options:

- 1) Approve the ordinance.
- 2) Do not approve the ordinance and retain the current accounting for development fee revenue.

Financial Impact:

There is no direct financial impact in creation of the fund. Creation of the fund will improve management effectiveness of development fee revenue and identification of related costs.