



# City of Santa Fe New Mexico

## Memorandum



**Date:** November 5, 2020

**To:** Mayor & City Council

**Via:** Jarel LaPan Hill, City Manager <sup>JLH</sup>  
Elias Isaacson, Land Use Director <sup>ESI</sup>

**From:** Carlos Gemora; CIAC Staff Liaison, Senior Land Use Planner <sup>CEG</sup>

**RE:** Impact Fee Capital Improvement Plan 2021-2027 – Resolution Adopting Plan & Bill Amending 14-8.14

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### ITEM AND ISSUE:

This proposal involves a resolution to adopt the Impact Fee Capital Improvement Plan 2021-2027 (IFCIP) and an ordinance amending impact fees assessed in Section 14-8.14 SFCC 1987. Both items are legally required to continue the collection of impact fees.

### BACKGROUND & SUMMARY:

Impact fees are used by local governments to charge new development a proportionate share of the infrastructure costs they impose on the community. In New Mexico, impact fees shall only be collected per a valid capital improvement plan which estimates the cost of providing infrastructure, calculates the maximum amount of impact fees we can charge, and documents the types of projects we can spend impact fees on (New Mexico *Development Fees Act* Sec. 5-8-1, et seq., NMSA).

The City currently charges impact fees for roads, parks, fire, and police facilities per Section 14-8.14 SFCC 1987. Past funds have been used to develop SWAN Park, the Railyard Park, the Southside Library, parks in Las Soleras, expansions to Rufina, Siler, and Cerrillos Road, sidewalk improvements throughout the city, and fire station expansions. Forthcoming projects include new park bathrooms, playground and exercise equipment, roadway improvements, and increased storage for the Fire and Police Departments. The Capital Improvements Advisory Committee (CIAC) provides citizen oversight, reviews fund utilization, and provides recommendations regarding the IFCIP and assessment of fees.

The proposed ordinance initially maintains lower fees but also establishes annually increasing fees (\$300-600 for most residential units) to “catch-up” and maintain relevance with escalating infrastructure costs. The resolution and ordinance update the existing IFCIP (2014-2020), provide compliance with state requirements, and allow the City to continue collecting impact fees.

### ACTION REQUESTED:

Staff request approval of both the resolution to adopt the IFCIP update (2021-2027) and the ordinance amending the assessment of impact fees (Section 14-8.14 SFCC 1987).

**IMPACT FEE CAPITAL IMPROVEMENT PLAN:**

The proposed plan has been assembled in compliance with New Mexico state laws via a professional contractor. Most importantly, the plan documents that the calculated cost of providing infrastructure for new development has risen dramatically (in most cases) and provides a legal nexus for assessing increased fees on new development.

The proposed IFCIP also includes land use assumptions which forecast residential growth and it documents the types of projects eligible for impact fee expenditures. Though growth is forecasted and eligible projects are listed in the plan, the document does not analyze where or how growth will occur and does not prioritize which projects are most important to the City nor does it estimate when, how or if projects will be initiated within a particular time frame.

The following tables show the fees adopted in 2014, the maximum fees calculated in 2020, and the percentage of difference between the two. Maximum calculated fees reflect an estimated cost of providing infrastructure to new development, not the proposed assessment of fees.

**2014 Assessed Fees**

Land Use Type	Unit	Roads	Parks	Fire	Police	Total
Single-Family Detached*						
1,500 sq. ft. or less	Dwelling	\$1,894	\$967	\$154	\$64	\$3,079
1,501-2,000 sq. ft.	Dwelling	\$2,064	\$1,010	\$161	\$68	\$3,303
2,001-2,500 sq. ft.	Dwelling	\$2,141	\$1,108	\$176	\$74	\$3,499
2,501-3,000 sq. ft.	Dwelling	\$2,245	\$1,163	\$186	\$78	\$3,672
More than 3,000 sq. ft.	Dwelling	\$2,377	\$1,238	\$197	\$83	\$3,895
Accessory Unit	Dwelling	\$947	\$483	\$77	\$32	\$1,539
Multi-Family	Dwelling	\$1,299	\$945	\$150	\$63	\$2,457
Retail/Commercial	1,000 sq. ft.	\$4,006	\$0	\$269	\$113	\$4,388
Office	1,000 sq. ft.	\$2,402	\$0	\$126	\$53	\$2,581
Industrial	1,000 sq. ft.	\$1,856	\$0	\$55	\$23	\$1,934
Warehouse	1,000 sq. ft.	\$968	\$0	\$24	\$10	\$1,002
Mini-Warehouse	1,000 sq. ft.	\$375	\$0	\$22	\$9	\$406
Public/Institutional	1,000 sq. ft.	\$1,460	\$0	\$113	\$48	\$1,621

**2020 Maximum Calculated Fees**

Land Use Type	Unit	Roads	Parks	Fire	Police	Total
Single-Family Detached (avg.)	Dwelling	\$3,403	\$2,935	\$559	\$141	\$7,038
1,500 sq. ft. or less	Dwelling	\$3,208	\$2,700	\$514	\$130	\$6,552
1,501-2,500 sq. ft.	Dwelling	\$3,381	\$2,906	\$554	\$140	\$6,981
2,501-3,000 sq. ft.	Dwelling	\$3,553	\$3,111	\$592	\$150	\$7,406
more than 3,000 sq. ft.	Dwelling	\$3,748	\$3,346	\$636	\$161	\$7,891
Accessory Unit	Dwelling	\$1,673	\$1,849	\$352	\$89	\$3,963
Multi-Family	Dwelling	\$1,961	\$2,201	\$420	\$106	\$4,688
Mobile Home Park	Space	\$1,802	\$4,491	\$855	\$216	\$7,364
Retail/Commercial	1,000 sq. ft.	\$4,670	\$0	\$624	\$158	\$5,452
Office	1,000 sq. ft.	\$3,986	\$0	\$303	\$77	\$4,366
Industrial	1,000 sq. ft.	\$1,592	\$0	\$131	\$33	\$1,756
Warehouse	1,000 sq. ft.	\$825	\$0	\$61	\$15	\$901
Mini-Warehouse	1,000 sq. ft.	\$403	\$0	\$12	\$3	\$418
Public/Institutional	1,000 sq. ft.	\$1,808	\$0	\$140	\$36	\$1,984

**INITIAL ASSESSMENT OF IMPACT FEES (2021):**

The IFCIP 2021-2027 calculates the maximum amount of impact fees that may be assessed but does not determine at what rate the City should assess fees. The City may assess a lesser amount of fees based on each individual impact fee category (roads, parks, fire, police). Existing fees currently comprise half the calculated cost of new, growth-related infrastructure. The Land Use Department, in consultation with Ordinance Sponsor Mayor Alan Webber, the receiving departments, and per the recommendation of the CIAC, proposes initial fees (2021) which are relatively similar to 2014 fees.

The proposal is to assess Roads fees at 70%, Parks fees at 40%, Fire fees at 40%, and Police fees at 50% of the maximum calculated in the IFCIP. In 2021, fees would increase by \$322 for each new single-family detached unit (2,001 and 2,500 square feet), \$17 for multi-family units, and would *decrease* retail/commercial fees by \$790 per 1,000 square feet. Fees cannot be assessed based on the land use type, thus we cannot decrease residential fees or increase commercial fees independently.

**Proposed Impact Fee Schedule (2021)**

Land Use Type	Unit	Roads	Parks	Fire	Police	Total
Adoption Percentage of Maximum:		70%	40%	40%	50%	
Single-Family Detached						
1,500 sq. ft. or less	Dwelling	\$2,246	\$1,080	\$206	\$65	\$3,596
1,501-2,500 sq. ft.	Dwelling	\$2,367	\$1,162	\$222	\$70	\$3,821
2,501-3,000 sq. ft.	Dwelling	\$2,487	\$1,244	\$237	\$75	\$4,043
more than 3,000 sq. ft.	Dwelling	\$2,624	\$1,338	\$254	\$81	\$4,297
Accessory Unit	Dwelling	\$1,171	\$740	\$141	\$45	\$2,096
Multi-Family	Dwelling	\$1,373	\$880	\$168	\$53	\$2,474
Mobile Home Park	Space	\$1,261	\$1,796	\$342	\$108	\$3,508
Retail/Commercial	1,000 sq. ft.	\$3,269	\$0	\$250	\$79	\$3,598
Office	1,000 sq. ft.	\$2,790	\$0	\$121	\$39	\$2,950
Industrial	1,000 sq. ft.	\$1,114	\$0	\$52	\$17	\$1,183
Warehouse	1,000 sq. ft.	\$578	\$0	\$24	\$8	\$609
Mini-Warehouse	1,000 sq. ft.	\$282	\$0	\$5	\$2	\$288
Public/Institutional	1,000 sq. ft.	\$1,266	\$0	\$56	\$18	\$1,340

**Change Between 2014 Assessed Fees & Proposed 2020 Proposed Fees**

Land Use Type	Unit	Roads	Parks	Fire	Police	Total
Change for 2,001-2500sf Single-Family		\$322		Change for Multi-Family		\$17
Single-Family Detached						
1,500 sq. ft. or less	Dwelling	19%	12%	34%	2%	17%
1,501-2,000 sq. ft.	Dwelling	15%	15%	38%	3%	16%
2,001-2,500 sq. ft.	Dwelling	11%	5%	26%	-5%	9%
2,501-3,000 sq. ft.	Dwelling	11%	7%	27%	-4%	10%
more than 3,000 sq. ft.	Dwelling	10%	8%	29%	-3%	10%
Accessory Unit	Dwelling	24%	53%	83%	39%	36%
Multi-Family	Dwelling	6%	-7%	12%	-16%	1%
Mobile Home Park	Space	n/a	n/a	n/a	n/a	n/a
Retail/Commercial	1,000 sq. ft.	-18%	n/a	-7%	-30%	-18%
Office	1,000 sq. ft.	16%	n/a	-4%	-27%	14%
Industrial	1,000 sq. ft.	-40%	n/a	-5%	-28%	-39%
Warehouse	1,000 sq. ft.	-40%	n/a	2%	-25%	-39%
Mini-Warehouse	1,000 sq. ft.	-25%	n/a	-78%	-83%	-29%
Public/Institutional	1,000 sq. ft.	-13%	n/a	-50%	-63%	-17%
Percent Change in Revenue from 2014		5%	0%	15%	-14%	3%

**PHASED INCREASE OF IMPACT FEES (2022-2025):**

The proposal aims to keep fees in 2021 roughly similar to 2014 but also establishes annually increasing fees starting in 2022. Predictable increases allow the City to “catch up” and maintain relevance with increasing infrastructure costs. Increases would annually raise residential fees approximately \$300 to \$600 per unit till 2025 and the ordinance directs the CIAC to review and make recommendations regarding impact fee assessments no later than 2023.

Fees currently fund about half the estimated cost of growth-related infrastructure (55%) and naturally escalating costs and inventories could result in 2021 impact fees covering drastically less by 2025 (requiring funding from other sources). Phased increases enable the City to fund a majority of growth-related infrastructure at predictable rates that are relevant to annually increasing costs.

**2021 Assessed Fees**

Land Use Type	Unit	Roads	Parks	Fire	Police	Total
Adoption Percentage of Maximum:		70%	40%	40%	50%	
Single-Family Detached (avg.)	Dwelling	\$2,382	\$1,174	\$224	\$71	\$3,850
Accessory Unit	Dwelling	\$1,171	\$740	\$141	\$45	\$2,096
Multi-Family	Dwelling	\$1,373	\$880	\$168	\$53	\$2,474
Retail/Commercial	1,000 sq. ft.	\$3,269	\$0	\$250	\$79	\$3,598
Office	1,000 sq. ft.	\$2,790	\$0	\$121	\$39	\$2,950
Industrial	1,000 sq. ft.	\$1,114	\$0	\$52	\$17	\$1,183
Warehouse	1,000 sq. ft.	\$578	\$0	\$24	\$8	\$609
Mini-Warehouse	1,000 sq. ft.	\$282	\$0	\$5	\$2	\$288
Public/Institutional	1,000 sq. ft.	\$1,266	\$0	\$56	\$18	\$1,340

**2022 Assessed Fees**

Land Use Type	Unit	Roads	Parks	Fire	Police	Total
Adoption Percentage of Maximum:		78%	45%	45%	56%	
Single-Family Detached (avg.)	Dwelling	\$2,668	\$1,315	\$250	\$79	\$4,312
Accessory Unit	Dwelling	\$1,312	\$828	\$158	\$50	\$2,348
Multi-Family	Dwelling	\$1,537	\$986	\$188	\$59	\$2,770
Retail/Commercial	1,000 sq. ft.	\$3,661	\$0	\$280	\$88	\$4,029
Office	1,000 sq. ft.	\$3,125	\$0	\$136	\$43	\$3,304
Industrial	1,000 sq. ft.	\$1,248	\$0	\$59	\$18	\$1,325
Warehouse	1,000 sq. ft.	\$647	\$0	\$27	\$8	\$682
Mini-Warehouse	1,000 sq. ft.	\$316	\$0	\$5	\$2	\$323
Public/Institutional	1,000 sq. ft.	\$1,417	\$0	\$63	\$20	\$1,500

**2023 Assessed Fees**

Land Use Type	Unit	Roads	Parks	Fire	Police	Total
Adoption Percentage of Maximum:		88%	50%	50%	63%	
Single-Family Detached (avg.)	Dwelling	\$2,988	\$1,473	\$280	\$88	\$4,829
Accessory Unit	Dwelling	\$1,469	\$927	\$177	\$56	\$2,629
Multi-Family	Dwelling	\$1,721	\$1,104	\$211	\$66	\$3,102
Retail/Commercial	1,000 sq. ft.	\$4,100	\$0	\$314	\$99	\$4,513
Office	1,000 sq. ft.	\$3,500	\$0	\$152	\$48	\$3,700
Industrial	1,000 sq. ft.	\$1,398	\$0	\$66	\$20	\$1,484
Warehouse	1,000 sq. ft.	\$725	\$0	\$30	\$9	\$764
Mini-Warehouse	1,000 sq. ft.	\$354	\$0	\$6	\$2	\$362
Public/Institutional	1,000 sq. ft.	\$1,587	\$0	\$71	\$22	\$1,680

**ATTACHMENTS:**

Materials for Review: The following materials are provided for review and approval by the Governing Body.

- 1. Resolution Adopting the Impact Fee Capital Improvement Plan 2021-2027**
- 2. Impact Fee Capital Improvement Plan 2021-2027**
- 3. Bill Amending Various Subsections of 14-8.14 to Adopt a New Impact Fee Schedule & Clarifying Appropriate Land Use Categories**
- 4. Fiscal Impact Report**

Supplemental Materials: The following materials are provided to supplement and provide context for the primary materials under review.

- 5. Fiscal Year 2019/2020 Impact Fee Revenue and Fund Balances**
- 6. Memos Regarding Upcoming Usage of Roads, Parks, Fire, and Police Impact Fee Funds**
- 7. 2015 Impact Fee Reduction Analysis**
- 8. Impact Fee Capital Improvement Plan 2014-2020**

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**CITY OF SANTA FE, NEW MEXICO**

**BILL NO. 2020-\_\_**

**INTRODUCED BY:**

Mayor Alan Webber

**AN ORDINANCE**

**AMENDING SECTION 14-8.14(C) SFCC 1987 TO ADD A REFERENCE TO THE IMPACT FEE SERVICE AREA; AMENDING SECTION 14-8.14(E) TO ADOPT A NEW IMPACT FEE SCHEDULE AND CLARIFY APPROPRIATE LAND USE CATEGORIES AS THEY RELATE TO IMPACT FEE COLLECTION; AMENDING SECTION 14-8.14(G) TO ADD A REFERENCE TO THE IMPACT FEE SERVICE AREA; AMENDING SECTION 14-8.14(J) TO ADD A REFERENCE TO THE IMPACT FEE SERVICE AREA; ADDING A SERVICE AREA MAP AS EXHIBIT F IN THE APPENDIX TO THE LAND DEVELOPMENT CODE; AND ESTABLISHING AN EFFECTIVE DATE.**

**BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:**

**Section 1. Subsection 14-8.14(C) of the Land Development Code (being Ord. No. 2011-37, § 11, as amended) is amended to read:**

**(C) Fee Assessment and Collection**

(1) ~~[The]~~ For development within the service area, as defined in subsection

1           14-8.14(J)(6), the assessment for impact fees occurs on the date a *plat* or *development*  
2           plan receives final approval, from the *city* or the *state* construction industries division or,  
3           in the absence of a *plat* or plan, the date of the *development permit application*. Impact  
4           fees collected within four (4) years of the date of assessment shall be based on the impact  
5           fee schedule in effect at the time of assessment. After the expiration of the four (4)-year  
6           period, the new *development* shall be subject to the fee schedule in effect at the time of  
7           *application* for a construction *permit*. No action on the part of the city is required for  
8           assessment to occur. It shall be the responsibility of the applicant for a construction  
9           *permit* to present evidence of the date of *plat* or *development* plan approval in order for  
10          the fees to be based on the previous impact fee schedule. After the impact fee has been  
11          paid, no refunds will be provided based on the differences in the fee schedules. An  
12          applicant must pay all fees according to one (1) fee schedule only and may not mix the  
13          various fees from the schedules.

14                   (2)    ~~[The]~~ For development within the service area, as defined in Subsection  
15                   14-8.14(J)(6), the collection of impact fees shall occur at the time of issuance of a  
16                   construction *permit* according to the fee schedule in effect for the *development*.

17           **Section 2.        Subsection 14-8.14(E) of the Land Development Code (being Ord.**  
18           **No. 2011-37, § 11, as amended) is amended to read:**

19                   (E)    **Fee Determination**

20                           (1)    A person who applies for a construction *permit*, except those  
21                   exempted or preparing an independent fee calculation study, shall pay impact fees in  
22                   accordance with the following fee schedule. If a credit is due pursuant to Section 14-8.14(I),  
23                   the amount of the credit shall be deducted from the amount of the fee to be paid.

24                           (2)    Beginning ~~[February 27, 2014 and ending February 26, 2016,~~  
25                   ~~construction permits for residential developments shall be charged fifty percent (50%) of the~~

1 ~~scheduled values in the Fee Schedule in Subsection 14-8.14(E)(3). Beginning February 27,~~  
2 ~~2016, such residential developments shall be charged one hundred percent (100%) of the~~  
3 ~~scheduled values in the Fee Schedule] January 1, 2021, the city shall assess the scheduled~~  
4 ~~values in the fee schedule set forth in subsection 14-8.14(E)(3). On January 1, 2022, and at the~~  
5 ~~beginning of each subsequent calendar year, the city shall implement phased fee increases by~~  
6 ~~adding an additional twelve percent (12%) to the scheduled values in the fee schedule each~~  
7 ~~year until a new fee schedule is approved or until after the fees are increased in 2025. The~~  
8 ~~capital improvements advisory committee shall review and, if deemed necessary, recommend~~  
9 ~~to the governing body changes to the impact fee schedule no later than September 30, 2023.~~

10 (3) The fee schedule in this Subsection 14-8.14(E)(3), as increased each  
11 year pursuant to subsection 14-8.14(E)(2), shall be used and its fees assessed  
12 on *plats* and *development* plans that receive final approval from the *city* or from  
13 the *state* construction industries division, except where the *permit* is issued for a subdivision  
14 or for a *development* plan that is still subject to a prior fee schedule available and on file in the  
15 Land Use Department.

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<b>FEE SCHEDULE</b>						
<b>Land Use Type</b>	<b>Unit</b>	<b>Roads</b>	<b>Parks</b>	<b>Fire</b>	<b>Police</b>	<b>Total</b>
<b>Single-Family Detached<del>/(Heated) (Living Area)</del></b>						
1,500 sq. ft. or less	Dwelling	<del>[\$1,894]</del> <u>\$2,246</u>	<del>[\$967]</del> <u>\$1,080</u>	<del>[\$154]</del> <u>\$206</u>	<del>[\$64]</del> <u>\$65</u>	<del>[\$3,079]</del> <u>\$3,596</u>
<del>[1,501-2,000 sq. ft.]</del>	<del>[Dwelling]</del>	<del>[\$2,064]</del>	<del>[\$1,010]</del>	<del>[\$161]</del>	<del>[\$68]</del>	<del>[\$3,303]</del>
<del>[2,001]</del> 1,501-2,500 sq. ft.	Dwelling	<del>[\$2,141]</del> <u>\$2,367</u>	<del>[\$1,108]</del> <u>\$1,162</u>	<del>[\$176]</del> <u>\$222</u>	<del>[\$74]</del> <u>\$70</u>	<del>[\$3,499]</del> <u>\$3,821</u>
2,501-3,000 sq. ft.	Dwelling	<del>[\$2,245]</del> <u>\$2,487</u>	<del>[\$1,163]</del> <u>\$1,244</u>	<del>[\$186]</del> <u>\$237</u>	<del>[\$78]</del> <u>\$75</u>	<del>[\$3,672]</del> <u>\$4,043</u>
3,001 sq. ft. or more	Dwelling	<del>[\$2,377]</del> <u>\$2,624</u>	<del>[\$1,238]</del> <u>\$1,338</u>	<del>[\$197]</del> <u>\$254</u>	<del>[\$83]</del> <u>\$81</u>	<del>[\$3,895]</del> <u>\$4,297</u>
Accessory Dwelling	Dwelling	<del>[\$947]</del> <u>\$1,171</u>	<del>[\$483]</del> <u>\$740</u>	<del>[\$77]</del> <u>\$141</u>	<del>[\$32]</del> <u>\$45</u>	<del>[\$1,539]</del> <u>\$2,096</u>
Multi-Family	Dwelling	<del>[\$1,299]</del> <u>\$1,373</u>	<del>[\$945]</del> <u>\$880</u>	<del>[\$150]</del> <u>\$168</u>	<del>[\$63]</del> <u>\$53</u>	<del>[\$2,457]</del> <u>\$2,474</u>
<u>Mobile Home Park</u>	<u>Space</u>	<u>\$1,261</u>	<u>\$1,796</u>	<u>\$342</u>	<u>\$108</u>	<u>\$3,508</u>
<b>Nonresidential</b>	<b>G.F.A.</b>					
Retail/Commercial	1,000 sq. ft.	<del>[\$4,006]</del> <u>\$3,269</u>	\$0	<del>[\$269]</del> <u>\$250</u>	<del>[\$113]</del> <u>\$79</u>	<del>[\$4,388]</del> <u>\$3,598</u>
Office	1,000 sq. ft.	<del>[\$2,402]</del> <u>\$2,790</u>	\$0	<del>[\$126]</del> <u>\$121</u>	<del>[\$53]</del> <u>\$39</u>	<del>[\$2,581]</del> <u>\$2,950</u>
Industrial	1,000 sq. ft.	<del>[\$1,856]</del> <u>\$1,114</u>	\$0	<del>[\$55]</del> <u>\$52</u>	<del>[\$23]</del> <u>\$17</u>	<del>[\$1,934]</del> <u>\$1,183</u>
Warehouse	1,000 sq. ft.	<del>[\$968]</del> <u>\$578</u>	\$0	\$24	<del>[\$10]</del> <u>\$8</u>	<del>[\$1,002]</del> <u>\$609</u>
Mini-Warehouse	1,000 sq. ft.	<del>[\$375]</del> <u>\$282</u>	\$0	<del>[\$22]</del> <u>\$5</u>	<del>[\$9]</del> <u>\$2</u>	<del>[\$406]</del> <u>\$288</u>
Public/Institutional	1,000 sq. ft.	<del>[\$1,460]</del> <u>\$1,266</u>	\$0	<del>[\$113]</del> <u>\$56</u>	<del>[\$48]</del> <u>\$18</u>	<del>[\$1,621]</del> <u>\$1,340</u>

1                   (4)     The *land use director* shall determine the fee to be collected as a  
2 condition of construction *permit* approval based on the applicable fee schedule in  
3 Subsection 14-8.14(E)(3) above and the provisions of this Subsection 14-8.14(E)(4), or on the  
4 basis of an independent fee calculation study pursuant to Subsection 14-8.14(F).

5                   (a)     The determination of the appropriate land use category shall  
6 be based on the following.

7                   (i)     Single-Family Detached means a *single-family*  
8 *dwelling*, which may consist of a *manufactured home* or *mobile home*, and which is detached  
9 from other units.

10                  (ii)    Accessory Dwelling Unit means a dwelling unit  
11 complying with the provisions of Subsection 14-6.3(D)(1).

12                  (~~iii~~) Multi-Family means a *multiple-family dwelling* which,  
13 for the calculation of impact fees, includes duplexes, triplexes, and any other structures which  
14 are not considered to be detached from other residential dwellings.

15                  (~~iii~~)iv) Retail/Commercial means an establishment engaged  
16 in the selling or rental of goods, services, lodging or entertainment to the general public. Such  
17 uses include, but are not limited to, shopping center or mall, *alcoholic beverage sales*  
18 *activities* , *antique shop* , *bed and breakfast inn* , *boarding house* , *commercial recreational*  
19 *use or structure*, *drive-in*, *equipment rental or leasing*, *filling station*, *flea market*, *florist*,  
20 *garden center*, *gift shop*, *grocery store*, *hotel*, *laundromat*, *motel*, *nightclub*, *personal service*  
21 *establishment*, *pet service establishment*, *pharmacy*, *repair garage*, *residential suite hotel or*  
22 *motel*, or *retail establishment*.

23                  (~~iv~~)v) Office means a building not located in a shopping  
24 center and exclusively containing establishments providing executive, management,  
25 administrative or professional services, and which may include ancillary services for office

1 workers, such as a restaurant, coffee shop, newspaper or candy stand, or child care facilities.  
2 Such uses include, but are not limited to, real estate, insurance, property management,  
3 investment, employment, travel, advertising, secretarial, data processing, telephone  
4 answering, telephone marketing, music, radio and television recording and broadcasting  
5 studios; professional or consulting services in the fields of law, architecture, design,  
6 engineering, accounting and similar professions; interior decorating consulting services;  
7 medical and dental offices and clinics, including veterinarian clinics; and business offices of  
8 private companies, utility companies, trade associations, unions and nonprofit organizations.  
9 Specific examples include *business services* (excluding equipment rental and leasing), *arts*  
10 *and crafts studio, clinic, funeral home, veterinary establishment and vocational school.*

11 ([v]vi) Industrial/Manufacturing means an establishment  
12 primarily engaged in the fabrication, assembly or processing of goods. Typical uses include  
13 manufacturing plants, welding shops, wholesale bakeries, commercial laundries, commercial  
14 greenhouses, food and drug manufacturing, dry cleaning plants, and bottling works. Specific  
15 uses include *light assembly and manufacturing* and *manufacturing*.

16 ([v]vii) Warehouse means an establishment primarily engaged  
17 in the display, storage and sale of goods to other firms for resale, as well as activities  
18 involving significant movement and storage of products or equipment. Such uses include, but  
19 are not limited to, wholesale distributors, storage warehouses, moving and storage firms,  
20 trucking and shipping operations, and major mail processing centers. Specific uses  
21 include *commercial stable, junkyard, outdoor storage, salvage yard, warehouse, and*  
22 *wholesale operations.*

23 ([viii]viii) Mini-Warehouse means *mini-storage units*.

24 ([viii]ix) Public/Institutional means a governmental,  
25 quasi-public, or institutional use, or a non-profit recreational use, not located in a shopping

1 center. Such uses include, but are not limited to, elementary, secondary, or higher educational  
2 establishments, day care centers, hospitals, mental institutions, nursing homes, assisted living  
3 facilities, fire stations, city halls, courthouses, post offices, jails, libraries, museums, places of  
4 religious worship, military bases, airports, bus stations, fraternal lodges, and parks and  
5 recreational buildings. Specific examples include *child day-care facility, club, college or*  
6 *university, community residential corrections program, continuing care community, electric*  
7 *facilities, extended care facility, group residential care facility, hospital, human services*  
8 *establishment, institutional building, museum, personal care facility for the elderly, private*  
9 *club or lodge, public utility, recreational facility, religious assembly, sheltered care*  
10 *facility, and transportation terminal.*

11 (b) If the type of new *development* for which a  
12 construction *permit* is requested is not specified on the fee schedule, the *land use*  
13 *director* shall determine the fee on the basis of the fee applicable to the most nearly  
14 comparable type of land use on the fee schedule.

15 (c) The impact fees for development of land outside  
16 of *buildings* that increases the demand for capital facilities is determined by application of the  
17 fee for the corresponding type of *building*. In particular, the *building* square footage for a  
18 retail/commercial use shall include indoor or outdoor sales areas or inventory storage areas,  
19 growing area for a garden center/nursery, and any drive-through kiosk and associated queuing  
20 lane with or without a roof. If the *land use director* determines that *development* of land  
21 outside of *buildings* is intended for seasonal usage that reduces the increased demand for  
22 capital facilities, the *land use director* may reduce impact fees charged for the *development* of  
23 land outside of *buildings* by up to seventy-five percent (75%) of the original assessment.

24 (d) Impact fees shall be assessed and collected based on the  
25 primary use of the *building* as determined by the *land use director*. Uses that are distinct and

1 separate from the primary use, which are not merely ancillary to the primary use and are one  
2 thousand (1,000) square feet or greater, will be charged the impact fee category based on the  
3 distinct and separate use.

4 (e) Where a permit is to be issued for a *building* "shell" and  
5 the land use director is unable to determine the intended use of the *building*, the *land use*  
6 *director* shall assess and collect impact fees according to the zoning district in which  
7 the *building* is to be located as follows:

- 8 (i) C-2 and all SC zones - "Retail/Commercial";
- 9 (ii) HZ zone - "Office";
- 10 (iii) C-1 and C-4 - "Office"; and
- 11 (iv) I-1 and I-2 - "Industrial/Manufacturing".

12 (f) If there is an increase in the amount of the impact fee  
13 calculation once a tenant improvement *permit* is submitted, the difference from what was paid  
14 at the time of the shell *permit* and the tenant improvement fee calculation shall be paid prior  
15 to issuance of the construction *permit*. If the fee schedule determination for the square footage  
16 of the use identified in the tenant improvement construction *permit* results in a net decrease  
17 from what was paid at the time of the shell *permit*, there shall be no refund of impact fees  
18 previously paid.

19 (g) Live/work *developments* containing *dwelling units* in  
20 combination with *nonresidential* floor area in a common *building* shall pay impact fees for  
21 each *dwelling unit* according to the *residential* fee rate for "Multi-Family" and for the *gross*  
22 *floor area* intended for *nonresidential* use according to the "*Office*" fee rate. If the initial  
23 Live/Work construction *permit* application is for a shell construction *permit*, the *land use*  
24 *director* shall collect impact fees at the "Office" fee rate. If *dwelling units* are added as a use  
25 within the *building* after the *building* has been charged impact fees at a *nonresidential* fee

1 rate, and there is no increase in *gross floor area*, the *land use director* shall collect only the  
2 required park impact fees for the *dwelling units* at the fee rate for "Multi-Family" at the time  
3 of the *dwelling unit permit application*.

4 (h) If a construction *permit application* changes or intensifies the  
5 use of an existing *building*, increases the *gross floor area* of an existing *building*, or replaces  
6 an existing *building* with a new *building* and new use, the fee shall be based on the net  
7 increase in the fee for the new use or increase as compared to what the current fee would be  
8 for the previous use or floor area. If the proposed change results in a net decrease in the fee  
9 there shall be no refund of impact fees previously paid.

10 (i) "G.F.A." in the fee schedule refers to *gross floor area*.

11 **Section 3. Subsection 14-8.14(G) of the Land Development Code (being Ord.**  
12 **No. 2011-37, § 11, as amended) is amended to read:**

13 (G) **Use of Fees**

14 (1) An "impact fee fund" that is distinct from the general fund of the *city* is  
15 created, and the impact fees received shall be deposited in the following interest-bearing accounts  
16 of the impact fee fund:

- 17 (a) fire impact fee account;
- 18 (b) police impact fee account;
- 19 (c) parks impact fee account; and
- 20 (d) roads impact fee account.

21 (2) The impact fee accounts shall contain only those impact fees collected  
22 pursuant to this Section 14-8.14 for the type of facilities reflected in the title of the account, plus  
23 accrued interest.

24 (3) The money in each impact fee account shall be used only for the following:

- 25 (a) to acquire or construct *capital improvements* or *facility expansions*

1 of the type reflected in the title of the account, located within the service area, as defined in  
2 Subsection 14-8.14(J)(6), and identified in the *capital improvements plan*;

3 (b) to pay debt service on the portion of any current or future general  
4 obligation bond or revenue bond used to finance *capital improvements* or *facility expansions* of  
5 the type reflected in the title of the account and identified in the *capital improvements plan*;

6 (c) planning, surveying, and engineering fees paid to an independent  
7 qualified professional who is not an *employee* of the *city* or *county* for services provided for and  
8 directly related to the construction of *capital improvements* or *facility expansions*;

9 (d) fees actually paid or contracted to be paid to an independent  
10 qualified professional, who is not an *employee* of the *city*, for the preparation or updating of a  
11 *capital improvements plan*;

12 (e) up to three percent (3%) of total impact fees collected for  
13 administrative costs for *city* personnel, for professional services related to impact fee  
14 assignment/distribution, or for reporting to the capital improvements advisory board;

15 (f) refunds as provided in Subsection 14-8.14(H); and

16 (g) credits as provided in Subsection 14-8.14(I).

17 **Section 4. Subsection 14-8.14(J) of the Land Development Code (being Ord.**  
18 **No. 2011-37, § 11, as amended) is amended to read:**

19 (J) **Miscellaneous Provisions**

20 (1) Nothing in this Section 14-8.14 shall restrict the *city* from requiring the  
21 construction of reasonable project improvements required to serve the *new development* project,  
22 whether or not the improvements are of a type for which credits are available under Subsection  
23 14-8.14(I).

24 (2) The *land use director* shall maintain accurate records of the impact fees  
25 paid, including the name of the *person* paying the fees, the project for which the fees were paid,

1 the date of payment of each fee, the amounts received in payment for each fee, the amount of any  
2 credits provided against the fees or refunds paid and any other information the *city* deems  
3 appropriate or necessary for the accurate accounting of the fees. Records shall be available for  
4 review by the public during normal *business* hours and with reasonable advance notice.

5 (3) If an impact fee has been calculated and paid based on a mistake or  
6 misrepresentation, it shall be recalculated and paid as follows:

7 (a) the amount overpaid by an *applicant* shall be refunded by the *land*  
8 *use director* to the *applicant* within thirty (30) days after the approval of the recalculated amount;

9 (b) the amount underpaid by the *applicant* shall be paid to the *land use*  
10 *director* within thirty (30) days after the acceptance of the recalculated amount; and

11 (c) in the case of an underpayment or nonpayment of impact fees, the  
12 *city* shall not issue any additional *permits* or approvals for the project for which the impact fee  
13 was previously underpaid until such underpayment is corrected and, if amounts owed to the *city*  
14 are not paid within the thirty (30)-day period, the *city* may also issue a stop work order or rescind  
15 any *permits* issued in reliance on the previous payment of the impact fee.

16 (4) A determination made by the *land use director* may be appealed to the city  
17 manager within thirty (30) days from the date of the determination. The city manager's decision is  
18 final.

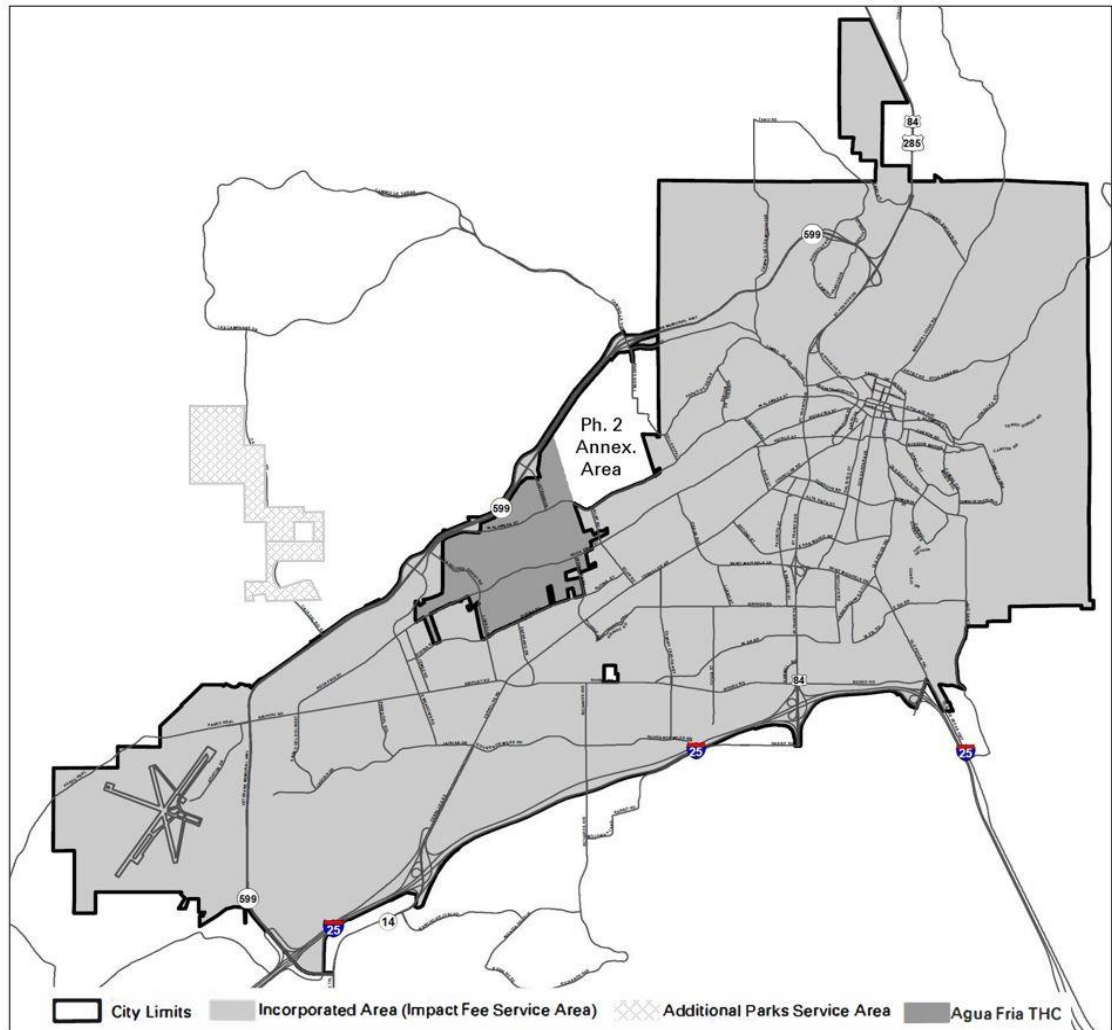
19 (5) Furnishing false information on any matter relating to the administration of  
20 this Section 14-8.14, including the furnishing of false information regarding the expected size,  
21 use, or impacts from a proposed *new development*, is a violation of this Section 14-8.14. The *city*  
22 may issue a stop work order or rescind any *permits* issued in reliance on the previous payment of  
23 such impact fee.

24 (6) The service area for the road, fire, and police impact fees is the  
25 incorporated area of the city, as may change over time with annexation. The service area for the



1 parks impact fee is the incorporated area plus the city-owned land in the unincorporated area  
2 known as the municipal recreation complex and the Marty Sanchez golf course.

3 **Section 5. A new Exhibit F in the Appendix to the Land Development Code is**  
4 **ordained to read:**



22 **Section 6. Effective Date.** This ordinance shall become effective on January 1,  
23 2021.

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APPROVED AS TO FORM:



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ERIN K. McSHERRY, CITY ATTORNEY

*Legislation/2020/Bills/Impact Fee Schedule Update*






# Impact Fee Schedule Update

Final Audit Report

2020-11-05

Created:	2020-11-05
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## "Impact Fee Schedule Update" History

-  Document created by Jesse Guillen (jbguillen@ci.santa-fe.nm.us)  
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