



City Manager Report

The City of OKLAHOMA CITY

NO: 2109

DATE: JULY 30, 2024

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: DEVELOPMENT IMPACT FEE ADJUSTMENTS FOR FY 2025

On April 26, 2016, the Council adopted ordinance 25,374 to establish Streets and Parks System Development Fees ("development impact fees") with an effective date of January 1, 2017. These development impact fees serve to support adequate urban infrastructure improvements for new development and expanded or modified existing developments.

The development impact fees are the result of a collaboration between the private and public sectors to share the cost of providing infrastructure particularly transportation, parks and trails. The City is divided into multiple benefit areas, and the collected development impact fees will be used within the corresponding benefit area of the development paying the fees.

Parks and trails development impact fees are a set fee per square foot of residential development which is allocated 70% to parks and 30% to trails. The benefit areas are central, northeast, northwest, southeast and southwest. Street development impact fees are also charged per square foot of development determined by land use category. Fees vary by assessment area: core, infill, new growth and rural.

As adopted, the ordinance provides for an annual increase to the development impact fees beginning July 1, 2018. The rate adjustment is calculated based on the percentage of variance between the June 2015 "Engineering News Record" Twenty-City Average Construction Cost Index (CCI) and the June CCI of the most current year. The June 2021 CCI was 12,112.05.

The June 2022 CCI is 13,110.50, resulting in a change to the rate of 8.24% for fiscal year 2023. The June 2023 CCI was 13,345.00 resulting in a change to the rate of 1.79% for fiscal year 2024. The June 2024 CCI was 13,546.80 resulting in a change to the rate of 1.51% for fiscal year 2025.

Note that on July 5, 2022, Council approved a temporary moratorium of the automatic cost index adjustment. (Item IV.B.) The moratorium was established to delay the automatic increase from July 1, 2022 to December 31, 2022 which was extended from January 1, 2023 to June 30, 2023 on May 9, 2023.

The development impact fee for the Parks System increased to \$0.50 per square foot from \$0.49 in the prior year. The table below shows the adjusted development impact fees for the Streets System.

STREETS SYSTEM

Rate of Square Feet of Development by Assessment
Area Category (\$/square foot)

<u>Land Use Category</u>	<u>Rural</u>	<u>Growth</u>	<u>Infill</u>	<u>Core</u>
Residential	\$0.45	\$0.45	\$0.38	\$0.32
Industrial	\$0.73	\$0.49	\$0.40	\$0.35
Office/Institutional/Lodging	\$1.48	\$1.39	\$1.17	\$1.03
Customer-Oriented Low	\$1.24	\$1.24	\$1.05	\$0.92
Customer-Oriented Moderate	\$1.73	\$1.73	\$1.46	\$1.27
Customer-Oriented High	\$2.97	\$2.97	\$2.51	\$2.19



Craig Freeman
City Manager