

TAB 9

Point Paper
Corvus Impact Fee Refund
May 19, 2008

Problem: Corvus International has requested a refund of impact fees associated with Bel Mare Phase III Tower.

Background: On March 13, 2006 the City received payment totaling \$376,848.55 related to building permit fees, water and sewer impact fees, fire system, water and sewer connection fees on building three of Bel Mare. Other impact fees such as general government, transportation, parks and public safety impact fees were not in place at this time and therefore not applicable. Specific fees collected were as follows:

Description	Amount
Building Permits	\$259,645.55
Water Tap Fees	\$ 3,500.00
Water Impact Fees	\$ 20,032.00
Water Deposit	\$ 875.00
Sewer Tap Fees	\$ 400.00
Sewer Impact Fees	\$ 88,896.00
Fire System Connection	\$ 3,500.00
Total Fees Collected	\$373,348.55
Impact Fees Only	\$117,203.00

Staff has informed the applicant, Corvus International that the fees associated with the building department permits are non refundable as the permits have since expired. Staff has received a letter from Corvus International confirming that they understand the building fees will not be refunded. After researching the feasibility of refunding impact fees, staff has concluded that it is advisable to move forward with a refund since the impacts associated with the new building did not occur. The total amount of the refund for water and sewer tap and impact fees totals \$117,203. Staff recommends that approximately \$40,000 of the refund can be funded from the impact fee reserve account. The remaining \$77,203 will be funded from surplus monies associated with the 301 utility expansion.

Alternatives:

1. Approve and authorize staff to refund the impact fees to Corvus International totaling \$117,203.
2. Do not approve a refund of impact fees

Recommendation: Alternative #1

Budget Impact: No budget amendment will be necessary and the refund will be charged against the revenue accounts 432 363 2311 Water Impact Fees and 432 363 2321 Sewer Impact Fees. Funding for the refund will be from the impact fee reserve (account #432 247 0200) of \$46,944 and the 07 loan proceeds from the US301 Project (account #432 101 7033 4396) of \$70,259.