



Request for City Council Committee Action from the Department of Public Works

Date: August 5, 2014
To: Honorable Kevin Reich, Chair Transportation & Public Works Committee
Subject: **Set 2014–2015 Impact Fees for the LynLake Municipal Parking Lot**

Recommendation:

Impact fees for the LynLake Lots be established for the period of September 1, 2014 through August 31, 2015 at \$940 per stall for businesses that had licenses, permits to expand their businesses, or approved plans by the City to expand their businesses prior to September 1, 1998, and \$1885 per stall for new businesses.

Previous Directives: None

Prepared by: Anthony Stone, Operations Analyst 673-3162
Jon Wertjes, P.E., Director, Traffic & Parking Services

Approved by: _____
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Anthony Stone

Financial Impact

No financial impact

Community Impact

Neighborhood Notification: Send out Public Hearing notifications

Great Places: Natural and built spaces work together and our environment is protected

Comprehensive Plan: Consistent

Background/Supporting Information

Each year businesses located within 300 feet of the LynLake Municipal Parking Lots are assessed for the cost of constructing the two lots. The annual assessment is then adjusted to reflect any operating profit (assessment is decreased) or deficit (assessment is increased) for the lots. For this assessment period an operating surplus was generated which was higher than the amount of the annual assessment. As a result businesses will not be assessed this year. This will be the third year in a row that we will not have to assess the local businesses.

In addition to adjusting the total annual assessment, individual assessments are adjusted to reflect any changes to the data used in the assessment formula. The parameters used to calculate individual assessments include market value, building area, parcel area, and parking deficiency.

Debt Service:

The debt-service portion for 2014 assessment was determined with consideration of the following parameters

- Ensuring that the debt service portion of the assessment remains the same or is lowered in future years.
- Striving to maintain an annual assessment of less than \$170,773 for the duration of the 20-year assessment period, while recognizing that net operating revenues/expenses are unknown.
- Reduction of the assessment to reflect the sale of the Aldrich Parking Lot
- Structuring the assessment revenue so that there is no negative impact to the Parking Fund (7500) in future years.

Operating Revenues/Expenses:

All past assessments included estimated operating revenues. The 2014 assessment will include the actual 2013 operating profit of \$217,066.90. Future assessments will continue to apply the net operating revenue/expenses from the most recently completed fiscal year.

Impact Fees:

A unique feature of the administration of these lots are the impact fees, which are charged to businesses that wish to fulfill their zoning and licensing parking requirements by buying into the lot rather than constructing parking on their own. The fees are set annually for the period from September 1 through August 31.

Cc: John Meldahl