



# City of Las Cruces®

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## Capital Improvements Advisory Committee

Minutes for the Meeting on  
Thursday, February 18, 2016  
1:30 p.m.  
Utilities Center  
Conference Room 218

### Committee Members Present:

Lonnie Hamilton, Chair  
William Beerman, Committee Member  
Eugene Suttmiller, Committee Member

### Committee Members Absent:

Max Bower, Vice-Chair  
Ron Johnson, Committee Member

### City Staff Present:

Justin Allen, Fire Lieutenant  
Travis Brown, Fire Chief  
Carl Clark, RES/TS Administrator  
Justin Dunivan, Deputy Police Chief  
Dr. Jorge Garcia, Utilities Director  
Robert Kyle, Community Development Building  
Official  
D. Eric Martin, Facilities Management  
Administrator  
Carolynn Rouse, Utilities Office Assistant Senior  
Alma Ruiz, Utilities Office Manager Senior  
Ted Sweetser, Fire Marshal

Chair Hamilton: Called the meeting to order at approximately 1:30 p.m. We have Quorum present so we will start the meeting.

### Acceptance of the Agenda:

Chair Hamilton: Does anyone have a problem with the agenda as read? If not, I'll entertain a motion for approval.

Suttmiller: So motioned.

Beerman: Second.

Chair Hamilton: All in favor? Aye.

Suttmiller: Aye.

Beerman: Aye.

Chair Hamilton: Thank you.

## **The Agenda was Accepted Unanimously. 3-0**

### **Acceptance of the Minutes:**

#### **a. Regular Meeting of January 21, 2016.**

Chair Hamilton: Has everyone had an opportunity to review the minutes of the previous meeting? Any changes, objections, additions? I'll entertain a motion.

Beerman: I move that we Approve the minutes.

Suttmiller: Second.

Chair Hamilton: All in favor? Aye.

Suttmiller: Aye.

Beerman: Aye.

Chair Hamilton: Thank you.

## **The Minutes were Accepted Unanimously. 3-0**

### **New Business:**

Chair Hamilton: We have term renewals for two different members of our Committee. Max has declined to extend his tenure with us, so we're going to be looking for a new Committee Member to serve in the capacity that represents the building activity that goes on in the area. Mr. Beerman, thank goodness, has extended his term to a permanent position for three years and we appreciate that. I just wanted to make the announcement so everyone was clear on what was happening with that.

Ruiz: I would like to add that we will start the advertising process with your approval.

Chair Hamilton: I approve it. I appreciate that.

### **Old Business:**

Chair Hamilton: Chief, I guess we're ready to begin, sir.

Chief Brown: Thank you, Mr. Chairman, Committee Members. I apologize, I didn't bring my copy of the Agenda, was the first item catching you up on the feedback?

Chair Hamilton: Yes, sir.

Chief Brown: Mr. Chairman, Committee members, just to let you know, we have sent a couple of correspondence to the Homebuilders, the Realtors, and all three Chambers on multiple occasions offering to come and do presentations, to meet with them either in a group or a smaller setting, and to this point no one

has taken us up on that. I did speak to a gentleman from the Realtors at a lunch meeting today and again offered, and he seemed to be interested in perhaps trying to set something up. Hopefully by next month we will maybe have a little bit more to provide you as far as our community outreach.

We did have a meeting last week as part of Councillor Levatino's Neighborhoods Meeting at Sonoma Ranch. Really we didn't make a full presentation, we just provided some handouts, asked and answered a few questions, and directed individuals to the website if they had additional questions, wanted to make comments and so forth. Really, we don't have a lot to offer right now, other than just to remind you there is a City Council Work Session on Monday where Mr. Guthrie will be in town and will be providing a presentation to City Council.

Chair Hamilton: Will that be at 1:00, Travis?

Chief Brown: Actually, Mr. Chairman, I think it may be a little later. I believe there is a TIDD meeting that day so it might not get started until a little later, but to be safe probably shortly after 1:00 p.m. and unless something changes, it is currently first item on the Agenda for the Work Session.

Chair Hamilton: Okay.

Chief Brown: Then, we do have a meeting scheduled and I believe Carolynn sent that out, for next week, Thursday of next week at one of the hospitals. Again, it's a neighborhood meeting in conjunction with what Councillor Levatino is doing.

Chair Hamilton: That's the 22<sup>nd</sup>?

Chief Brown: No, sir, not the 22<sup>nd</sup>. That would be the 25<sup>th</sup>.

Chair Hamilton: Okay.

Chief Brown: The Work Session is the 22<sup>nd</sup>.

Chair Hamilton: Thank you.

Chief Brown: Then, we have on March 9<sup>th</sup>, I believe it is at Sage Café, we'll be holding a public meeting. If other ones get scheduled we will pass that information along as we did with the three that we have scheduled currently. That's really the update that I have as far as Public Outreach and input, Mr. Chairman. Unless there's questions?

Chair Hamilton: Okay, so basically the only feedback we've had is from last month's meeting from the Homebuilders Association.

- Chief Brown: We have not had a meeting at the Homebuilders.
- Chair Hamilton: I understand, but I think the feeling was pretty clear at the meeting.
- Chief Brown: Which meeting are you referring to?
- Chair Hamilton: Our CIAC meeting.
- Chief Brown: Yes, sir, I would say that the individuals that testified probably spoke for a majority of that group.
- Chair Hamilton: Okay.
- Chief Brown: Moving on, Mr. Chairman, this should be pretty quick. There were a few minor updates made to the plan based on the discussions and feedback that occurred at last month's presentation. We didn't feel it was necessary to have Dr. Guthrie here to go through those and mostly we just wanted to bring those to your attention.

Starting out, the presentation that we have is the same presentation he gave last month, with just a few updates. There was no change to this information or this slide that's talking about the methods he used for capital costs. Breaking that down, in this instance on the functional population and the inbound vehicles to determine what part should be assigned to residential use and what portion of the fee should be assigned to non-residential use, so no change to this.

If you recall, this is the proposed fees and one of the changes here, if you will look at the lower part of the table where it says Office and Other Services, and that changed just to ensure that everyone understood what we were talking about as far as function and use of those types of facilities. No change to the fee structure of anything here, again just a slight change to that table based on some questions and comments that came up at the meeting.

I just wanted to point out again the reason that we have two lines here that show size per residential home of 1,301-1,700 feet was to designate the difference in the current fee between apartments and single family residential development. The \$466 is the current fee for a multi-family or an apartment per dwelling, so when we see that significant increase of \$246 that would be on those larger apartments. The single family dwelling the 1,301 to 1,700 would go from \$639 to \$712, so on that single family residential we're really only looking at that \$73 increase. Just to remind you of why we show that twice on this table.

Next, slide number 4, there again was no change related to this. It is just establishing our current cost for square foot that is going to be used based on

the cost for Fire Station 7, East Mesa Public Safety Complex, and then some other recent projects throughout the region and in New Mexico, so that we could look at a broader base, which came up to the \$300 per square foot for capital cost for new facilities that is used to determine the fee.

Chair Hamilton: Is that actual or is that an average?

Chief Brown: The \$300, Mr. Chairman?

Chair Hamilton: Yes.

Chief Brown: That is an average of all of the projects that you see in the yellow squared section. It's not just an average of the fee, it's an average of the fee based on total square footage, if that makes sense. The \$300 isn't just taking the cost per square foot in the far right column and averaging the \$338, \$296, \$222 and \$214, it's actually looking at the square footage. In other words, the East Mesa Public Safety Complex, being such a large facility at a higher cost, kind of increased that average some.

Chair Hamilton: Travis, I do ask one question and I hate to digress here, but I'm curious. Do you have an actual breakdown of permits that have been pulled on each one of these categories that we show in square footage back here where this Impact Fee is based from? 900 or less, 901 to 1,300, 1,300 to 1,700 on down the line?

Chief Brown: Mr. Chairman, if you recall during the Land Use Assumptions, Mr. Weir in Community Development generated information that had the breakdown from the previous year because part of the direction from this group was to use local data. I can check my files, I don't know if I have that with me, but it does exist to show within our community. Probably, it might have been 2014 numbers because we weren't through 2015 when we were working on that.

Chair Hamilton: I recall when we did all of that, but as a refresher, I was trying to determine where these fees are going to be the largest impact.

Chief Brown: The breakdown for the size was adjusted based on that local information that was gathered. It was different in the initial graphs that Dr. Guthrie provided. This really, as far as the far left column that has the breakdown in sizes and the non-residential uses, that is really a carry-over from the Land Use Assumptions and some of the work that was done there.

We can dig that up and we can get you that information so you can see where the majority of homes within our community are going to fall in that area. If I understood, that's really the information that you're looking.

Chair Hamilton: That's correct, Travis. The reason, I don't think that Bill was involved in the Land Use Assumptions to the degree that, I just wanted to point out where the

weighted impacts were going to be related to the fee adjustments we're making. If we make these fee adjustments for recommendation.

Chief Brown: Mr. Chairman, we will try to locate that. I'm sure it's somewhere and I probably have it in a file, but rather than waste your time today looking for it, we'll get that information toCarolynn and she can distribute it to you and the Board.

Chair Hamilton: I appreciate that. Thank you. I've got the same problem, I've got boxes and boxes of information that I didn't want to bring down here today.

Chief Brown: Moving on, Mr. Chairman, once again a refresher. Slide number 5 was showing the current inventory of Public Safety vehicles and from that current inventory of vehicles that would be eligible to be purchased under the Impact Fee, as you recall, we have to have \$10,000 cost and 10-year life expectancy. That's why you don't see any Police cars up here. The typical patrol units, although they are in excess of the \$10,000, they don't have a realistic life span of 10 years, so they aren't included in this. Through this, Dr. Guthrie came up with the capital cost of \$321,300, the weighted average per unit. One thing I would note, I believe last month he talked about that included everything, all the equipment on it, and that was verified that is not a correct statement. The numbers that are provided here are really vehicle cost only. As an example, I would use the Class A Pumper. That cost is based on the two most recent Class A Pumpers we have purchased for the City. That does not include loose equipment, so we spend roughly another \$100,000 putting on hoses, hand equipment, and everything that goes on that unit.

Chair Hamilton: For each truck?

Chief Brown: Yes, sir. I just wanted to clarify that.

Chair Hamilton: I'm sure glad you did because fully loaded, it sounded like a bargain.

Chief Brown: Not too many people would have considered our fire trucks a bargain, sir, but I appreciate that.

Chair Hamilton: If it included that stuff, comparatively speaking.

Chief Brown: Moving on, Mr. Chairman. Slide number 6, again no change here from what was discussed at the last meeting other than the very bottom left hand corner. I believe this is the slide that previously showed a 5-year increase, it was just a labeling error and so that has been corrected, but as far as the data and information and calculations at the bottom, no change whatsoever. Once again, this slide is intended to show that based on the projections, we'd be talking about roughly an \$8.6 million requirement for growth, and between the vehicles as well as the Public Safety buildings over the next 10 years that's the projection that we would be looking at.

Chair Hamilton: That's to maintain the same level of service?

Chief Brown: That would be to maintain the existing level of service.

Chair Hamilton: At the 1.54 growth rate?

Chief Brown: Yes, sir. Exactly. As you can see there, that's where he's showing the increase year to year, in those columns resulting in what the final requirement and necessity would be.

The next slide, this is one where there was a slight change. The change in this slide was previously, it just showed total building cost. There was some discussion about that at the last meeting, so Dr. Guthrie included another column that showed Other Revenues. Then, the final column there, which in essence shows that Development Impact Fee share of what the total would be. Once again, in example, the Metro Narcotics building. If you recall Mr. Chairman, we discussed the fact that there is a building currently. This would be relocating and expansion and so we were only calculating into the Impact Fees half of the projected costs, because Impact Fees can only pay for increase in service, so we could only pay for something over the existing square footage. That's what he was trying to represent here, that really that building would be estimated at almost \$4 million dollars. The Impact Fee share was \$1.75 million, so the remainder of that is going to have to be made up in some other form. Whether that's General Obligation Bonds, Revenue Bonds, General Fund, something else is going to have to be done to make up this difference. Once again, just trying to demonstrate that Impact Fees aren't the sole revenue source that are used to maintain level of service and allow for growth, they are one form of revenue.

Chair Hamilton: Okay. The other revenue again, define that for me? That is the other sources of bonding, or General Fund dollars?

Chief Brown: Exactly, Mr. Chairman. Because there are so many different possibilities of what those could be, we just lumped them together into "Other", but those would be the primary ones currently bond cycling through where our General Fund is pledged to pay that off. The City has the opportunity to go out and get General Obligation Bonds for some of these sorts of things. Both Police and Fire do get some money from the State and that money can be used to support some of these sort of things, so those are all different opportunities.

Chair Hamilton: Sure. When we work through the Parks and Recreation thing, that was part of our recommendation to look at all forms and sources of revenue. This Development Impact Fee standard is what we would be able to assess out of the Impact Fees to pay for the expansion of those facilities.

- Chief Brown: Correct, Mr. Chairman. What I would say the Development Impact Fee share is showing the portion of those projects that we would anticipate being covered by Impact Fees. When Dr. Guthrie came up with the total needs, if you recall a couple slides back, we had on this slide the \$8.62 million requirement. That directly comes from the \$7 million for Facilities, and the \$1.615 million for Equipment and Vehicles. Now, as we expressed I believe last meeting, these are the three based on planned projects and things that we have been attempting to get done for a period of time now. These are ones that we believe would be realistic additions to the Public Safety infrastructure over the course of the next 10 years.
- Beerman: The \$4.2 million in other revenues, those are costs that are not attributable to new development, not a result of new development, or is some of it that and some of it just the fact that there are other sources of revenue available?
- Chief Brown: Mr. Chairman, Mr. Beerman, I would say a little bit of both. One is some of the things, for instance in the case of the Fire Station, some of that \$360,000 that is shown in Other Revenues may be things dealing more with FF&E or items that we could not purchase with Impact Fees, so those costs would not be eligible expenditures for Impact Fees.
- Chair Hamilton: It doesn't need to attest to \$10,000 or 10 years?
- Chief Brown: Yes, sir. That would be one thing. Some of the others, generally speaking, again in the case of the Metro Narcotics building and even some in the Police and Fire training, the Metro Narcotics is because we can only pay for the increased square footage from what the existing building is. One of the things we looked at with the Police and Fire Training Facility, that's really talking about classrooms, this type of setup for more teaching and instruction of the didactic, not necessarily hands-on. Because of nice TVs and projectors and some of the things that are required, the FF&E would most likely be a little bit higher and so it brought that number up for that facility.
- Beerman: When Mr. Moscato said that not all of the training facility should be attributed to the cost of new development, that issue is resolved by this breakout?
- Chief Brown: Mr. Chairman, Mr. Beerman, I hate to speak for Mr. Moscato. My guess is that the structure itself is primarily targeted to be paid through impact fees, so I believe he might still have that argument. What goes into it and outfits it is not coming from Impact Fees. I believe his point as I understood it was more of "If you've been trying to build this facility for a while, then it's not just new development that has triggered that need, so new development shouldn't bear the majority of that cost," is how I understood his point.
- Beerman: Okay. I was just curious if that issue had been put to rest and I could clear it out of my mind.

Chief Brown: I wish I could say that it was put to rest, sir, but I think we'll have to wait to hear from Mr. Moscato.

Suttmiller: That argument would only be valid if we started collecting the money from this point, or we collected it based on previous movement in State and in the community. You can't say "Okay, we're building it this year, therefore you can only draw money from the next years," because we couldn't have justified it to the State and everything else for the other money unless there was a previous growth that demanded that the place be built. Am I making sense?

Chief Brown: You are to me.

Suttmiller: That would have been my answer, is that the building is five years in the development that I can remember. It was needed then, and we started putting money away for it. The fact that it didn't get built until now doesn't negate those funds' availability.

Chief Brown: Mr. Chairman, Mr. Suttmiller, we have also been asked a question at some of our public meetings, "Why should only those people in the future have to pay? These people got off easy." It's hard to ever draw a line and say, Station 6 was constructed through a General Obligation Bond, and that was the last General Obligation Bond that the City was successful in passing, and so that came and went. When it was paid off, it was not renewed, so for the 3-year period that was in place, people who were assessed property tax for that 3 years basically paid for that station. Nobody from that time forward was responsible for that. I think it is hard to just draw a line in the sand, we really can't. That's at least what I took from your point.

Anyway, moving on. This slide number 8, there was a slight change here. This is just showing perhaps a little bit more clearly and he added this text box that primarily these principal payments are being paid through gross receipts tax, through bond sales, and the reason for this is under the statute we cannot charge people twice. Since we do have some outstanding debt on these items already, that has to be removed from the calculation. Otherwise, the potential is we're charging new development an Impact Fee, and then also they're paying gross receipts to help pay for some of this, so that's where it's seen as the potential for double charging. Those outstanding debt payments are removed from that total to come up with the reduction.

In essence, this 6,972 and the 2,066 end up reducing the cost of the Impact Fee that is proposed and that we'll show you there on the next slide, the cost per person. You remember we had that \$300 per square foot, roughly the \$68 per person for the vehicles, the administrative fees and so when we take out that debt payment, that's where we come up with the \$307. If we did not reduce that amount, then we would be at \$377, so the actual Impact Fee has been

reduced because of the outstanding debt that is still being paid for through the gross receipts tax paying back the bond.

I hope you don't have a question there because I just gave you my A-game on trying to explain that. If you ask a question, I'm going to have Dr. Garcia answer. I can't get any more technical than that, Mr. Chairman.

That was again, just really a minor change trying to clarify that these payments, this was really everything in this column, were bond sales and the gross receipts. Our General Fund, which is primarily gross receipts tax, was pledged to pay back that bond. That's just showing that we've already made those commitments and we will make those payments over the course of that next 10-year period.

Finally, Mr. Chairman, there was no change to this. Again, just kind of breaking everything down showing the percent changes, what the proposed fees are, once again showing current fees, percent changes both on the residential and commercial.

Chair Hamilton: I think this relates back to what I was driving at a while ago. The dwelling units over 10 years.

Chief Brown: I'm sorry, which slide are you referring to?

Chair Hamilton: The projected Public Safety Fee Revenues. I guess I would like to know where these numbers are generated from, for the most part. Is it in that less than 1,300, is it in the more? Where are we really going to have an impact to the consumer?

Chief Brown: Again, Mr. Chairman, we'll get you that information as best we can.

Chair Hamilton: The dwelling units at these numbers over 10 years, I don't see those out of line at all. I'd just like to know what sub-category they fall into to see where that income is really generated from.

Chief Brown: We will get that to you.

Chair Hamilton: Okay.

Chief Brown: The final slide here, Mr. Chairman, as far as from Dr. Guthrie's presentation slide number 10, no change to what you saw previously. It is just pointing out that there is some difference between the projected development fee revenue and what is actually projected for growth. Part of that is because of the reduction for the outstanding principal payments that are still out there. Any questions on that part of the presentation, Mr. Chairman or Committee members? We had very minimal changes from what was presented by Dr.

Guthrie and he will be making the presentation at City Council on Monday. If you are totally confused after hearing me speak, please show up Monday and he can straighten you out.

Moving on, this is something that was talked about at the last meeting. Specifically, I believe it was you, Mr. Chairman, who said we need to see what the total fee structure looks like. With the help of Mr. Johnston at Parks & Recreation, and Dr. Garcia and his staff, we put this together. The first row there has single family. Right now, Parks assesses a Development Impact Fee based on the dwelling unit of \$2,600 for a single-family detached dwelling.

For Utilities we have both Water and Wastewater fees. Water is based on meter size, and I believe that was a 5/8 to 3/4 meter, which they said was the most common when it comes to residential dwellings. If you'll notice on that, and then the Wastewater, we do have an asterisk there and just for recollection the Water fees are divided up between the builder, the customer and the ratepayer so we broke that down below so that you could see how that breaks down. The customer, in this case the home buyer, in essence is responsible for \$678 of that fee, the ratepayers' \$532 is paid by everybody else in the system, and then the builder pays the \$1,210 of that \$2,600. Wastewater is \$1,943 and again the breakdown is shown in the far right corner.

Public Safety currently, which also is assessed on dwelling unit, is \$639 regardless of size. Right now, we have a single fee for single-family dwelling units.

The total current fees total is \$7,602. Based on the proposed fees and just for clarification to the Committee, I started out with the 1,301 square feet to 1,701 square feet to determine the percent change, so we're looking at \$7,675 to \$7,850 depending on the size of home, which for percent change of total fee comes out to 1%-3.3% change in fee for all fees combined.

Chair Hamilton: The \$5,400 number that Jason gave us at the last meeting is pretty accurate when you break these out? The \$1,200 plus the \$971 plus the \$2,600?

Chief Brown: Mr. Chairman, I believe that probably his number was based on the builder part of it because that's what he's paying and since the Parks and Public Safety are also assessed at time of permit issuance, I would imagine he's paying for those as part of that permit.

Chair Hamilton: Okay.

Chief Brown: Questions on the single family dwelling size?

Beerman: At first glance, when we say rate payer, we're talking about the buyer of the house?

Chief Brown: Mr. Chairman, Mr. Beerman, we're talking about all of us that are paying. It goes to the base, I believe. Dr. Garcia, do you want to clarify that?

Dr. Garcia: Mr. Chairman, Mr. Beerman, it is the Water Utility rate payers. If you're a Water Utility rate payer, a portion of the fee comes from all. We match, it's a match from the rate payer to the new development. Same with the Wastewater.

Beerman: It's not really being incurred by the builder or the homeowner?

Dr. Garcia: Well, the homeowner pays a little piece of it as he becomes a customer, but it is from all of the collections of Water sales or Wastewater.

Beerman: So that's how we get down to the \$5,400?

Dr. Garcia: Correct. When you subtract \$1,210 and you subtract \$971 on the other one, you come to the base builder fee.

Chief Brown: Mr. Chairman, moving on to multi-family. For the Parks Department, once again, it's based on dwelling unit and so we have \$1,300 or \$2,600. The reason for that is in the Parks Ordinance, if a developer chooses to install park facilities as part of their apartment complex, the fee can be reduced down to the \$1,300. If they're providing for that within their complex, then they get a reduced fee. That's why there's one or the other. If I decide I'm going to build an apartment complex and I put a pool and some playground equipment and things so that the people who reside in my complex have access to some of that parks & recreational use on grounds, then I would only pay \$1,300 per apartment unit as opposed to the \$2,600 is how that is broken down.

Chair Hamilton: If you want the City to provide those, then you're going to be assessed.

Chief Brown: If you don't provide that type of recreational use, then you pay the \$2,600. The City isn't going to build those on your site for you, the Parks Department is going to take that and put them into a public park somewhere else. As I recall Mr. Johnston saying, really you know the theory is you are in that case on your private complex providing some of that recreational use for your people, so the impact to a public park is lessened because those people have access to some recreational and park-type facilities within that apartment building and complex, so that's why the fee is reduced. It's not necessarily a cost per cost sort of thing, it's more just now the kids can play there and don't have to go to the park, so there's less impact on the public system.

On the Water, this is where it started getting a little difficult because based on the size of an apartment complex, once again Water and Wastewater are determined on meter size. Perhaps a single 4-plex or a couple of 4-plexes, they might be looking at more of that \$6,000 range, I believe these were the costs

for a 1-inch and 3-inch meter, so you get a large complex, it goes with the 3-inch meter and they're paying \$38,000. Same thing over on the Wastewater.

Public Safety is \$466 per dwelling unit. This is where it got difficult to break it down per unit, because Utility fees are really just going to be based on the size of meter they choose and how many dwelling units they have to break that out. What we tried to do is show that total fees would be \$1,766 to \$3,066 currently and that's for the Parks and Public Safety, plus whatever Utilities fees ended up being.

When we look at proposed fees, we're talking now about potentially having a decrease and the reason for that, if you will remember back to one of our earlier slides, when we talk about the 900 square feet or less, we're actually recommending a decrease of \$129 per dwelling unit. That's why in this column we're actually showing there is a potential to have a reduction in the cost of per unit for multi-family. On the high end, we're talking about 8%, once again, please keep in mind that's only based on the Public Safety and Parks fees because it's almost impossible to calculate out the Utility fee and break it down per unit. For the same reason, Mr. Chairman, I didn't even attempt to try to show on the commercial side because that's based on 1,000 square feet so there's so many variables, we didn't feel that was really going to be practical.

Hopefully this does give you the picture you were looking for in understanding what we would be looking at with the proposed changes when we talked about all development impact fees combined. Any questions on this before I move on?

Mr. Chairman, finally, and this was more some questions by Mr. Bower, he brought up that how does all of this compare to what the growth and income is, and so forth, so the Community Development Department tried to find some information. They got me some additional information that's more historical as opposed to projections, but it was after we'd already presented this information and I had some questions on it, so we'll try to go through that and maybe provide that to you either between now and the next meeting, or at the next meeting. This information was drawn from ESRI. Do you know what that stands for, is that an acronym for something?

Kyle: No, it's the name of the GIS Company.

Chief Brown: Okay. Mr. Chairman, this information came from ESRI and as you can see here, is establishing where we are at currently and then projecting for 2020. I did think this was relevant since we're talking about a five-year span for these fees that they would be in place. I know this doesn't show more of that historical data that Mr. Bower was talking about, but nonetheless hopefully it will give us something to look at. Based on ESRI, currently you can see our median average and per capita income there in the 2015 column, what is being

projected for the 2020 five years out, and then I included what percent of change that was over the five-year period as far as growth and income.

Again just a note, this is single family only because of the difficulties we run into with commercial and residential trying to look at proposed changes. Based on our proposed changes for fees, and in this case I'm talking single family Public Safety Impact Fees only, depending on the size of the dwelling, potentially a decrease and I think that was for the homes up to 1,300 square feet. We have a few of them, not many, up to the largest increase so we'd be talking about a percent decrease of about 13% up to an increase of a little bit over 38%. When we look at the percent change of the cumulative fees, again that goes back to the 1-3.3%.

I don't know if this helps give some perspective of what truly the change in fees could mean based on anticipated growth and income, but again that was something that Mr. Bower had brought up different times that he felt was missing from the equation. This is what we have been able to come up with to this point.

Chair Hamilton: I really appreciate the effort. I think that clears up some things going forward. I think it would be nice if, ESRI is a firm that does this, do they do that for specific communities or do they do that for a national base? Or both?

Chief Brown: Mr. Chairman, I think they do for both. The spreadsheet I received was for Las Cruces specifically.

Chair Hamilton: Cool. All right, then do they have historicals that would take us back to like 2000 to bring us up for the past 15 years to see what those trends show?

Chief Brown: Mr. Chairman, I don't believe they do because when I received the information from Mr. Weir in Community Development, he said that this is what they were able to provide. They did provide some information from 2011 and 2014, I don't believe it was from this same group. That's the information that I need to get with him and go over before we provide it to you.

Chair Hamilton: The only reason that I ask that, Travis, if we could get a five-year gap from 2000 to 2005, and then 2005 to 2010, that's going to give credence to this growth number projected. That takes into consideration the boom and the bust and all of that and then I think that this becomes a lot more meaningful with that backup information if it's able to be gotten without brain damage, okay? I think that we need to try to prove the number up just so we can hang our hat on the projected increase in revenues for the community, and then I think all this begins to make sense.

- Chief Brown: Mr. Chairman, I will get with Mr. Weir in Community Development. We will see what is available, we will try to go through the information that they do have from 2011 to 2014 and at least try to get that back to you.
- Chair Hamilton: That may answer all the questions itself.
- Chief Brown: If we can go back to that 2000 era and forward, we will.
- Chair Hamilton: And maybe 2000 is too far, Travis. I'm just trying to get enough history with the growth and income levels in the community to take the sting out of the downturn and even that out.
- Chief Brown: Yes, sir. Understood, Mr. Chairman.
- Chair Hamilton: I think that would probably answer Mr. Bower's questions, I think that would give us the confidence that the increases that we're projecting with both the Impact Fees and the revenues is not going to be that different and we can justify the fee increases.
- Suttmiller: Mr. Chairman, excuse me. That data should be available through the Census. We should be able to get it off a computer. Its general data – the median income, the family income, the average income, is all on Census data and they update it every 5 years so there would be that 2000, 2005, and 2010. Now the projections, no. But that data is readily available, I used to look it up all the time for grants I was writing for school districts.
- Chair Hamilton: Please don't misunderstand me, I'm trying to play the mediator here because I know that from the City's standpoint, we're really not too concerned with being able to support this but from a citizens' standpoint, I think we have to be aware of what the cost to the ultimate consumer in these fees is going to be. I realize we've got a void, you were 10 years getting into this program and you're playing catch-up today. With that understood, we need to know for sure that the income is taking care of the fees, that the increases in revenue is going to take care of the increases in fees and then I think that that's a moot point at that time. I really don't think we're going to have a problem finding that information to true up, but I'm not a sight-seer or tea leaf reader.
- Chief Brown: We will work on that and see what we can come up with for you either between now and the next meeting, or present at the next meeting.
- Chair Hamilton: I appreciate it. That would be good. I think it does two things: it gives us the tool to make a recommendation on solid basis. Number two, it satisfies the Homebuilders Association that we're not asking for something that is not entitled. I think that with that information it just gives us a firmer footing to make recommendations from.

- Suttmiller: Mr. Chairman, my take on it is that if you can show that trend in income, and I don't think it's going to be a straight line, but if you can show that that's driven by inflation, we've got 1-2% inflation most years and that's upping your cost and the cost of anything we do with this money. The cost is increasing, yet the income is increasing with the citizens for the same reason. Their wages are going up and their total income is going up, and it's matching. To me, it's a draw. You can show the citizens "Look, you're not really losing. It's not like you haven't gotten the money. The same forces that are pushing this to increase are the same forces that increased your wages to a large extent." Especially for retirees, which a large number of the active people in this community are.
- Chair Hamilton: I think coupled with that, Gene, the increased population and the revenue dollars, and trying to maintain a level of service that we know through the statistical information that TischlerBise has provided to us, all of those factors come together and then we can make a recommendation to City Council that we feel is a good recommendation to them.
- Chief Brown: Okay.
- Chair Hamilton: Any comment on what I'm trying to arrive at here?
- Suttmiller: If we can keep 40 mad people from showing up at a City Council meeting and scaring the heck out of the City Council, we've done a good job.
- Beerman: Is this going to the question of the affordability of a house after the imposition of the Impact Fee?
- Chair Hamilton: That's the bottom line.
- Suttmiller: One way you look at it, you say the contractor is paying it, but the contractor does just what I would do, which is pass it on to the price of the house, as much as I could get away with. But that also impacts, we've got a large population in this city and we're short of low-income housing. We want to make sure that we're not driving that out with fees. It's easy to say we haven't raised taxes, we've only raised fees, but it doesn't make any difference when the money is going out of my wallet. The price of the house is going up. Do we want to drive people away? That may be a reasonable use of it, to stop the growth of the City. Do we want the growth to continue? There's a logical argument to be made against that. But right now, it's to provide service for incoming people and that we need to show, in my mind, that one, it's an honest thing. It's being done logically, rationally, and you can support it. I think we owe it, because I'm representing the community. I want to be able to answer the questions and say "Okay, look guys, take a look. You're a retiree and you've only got 1% increases for the last five years, but the cost of everything the City is doing has gone up 1-2% every year. What do we do? You don't want the service? Tell me, I'll just

tell them you don't want the service and you want your house to burn down." I'm being facetious.

Chair Hamilton: I understand. Here, I think, is what I heard from the Homebuilders that were here the other day, is that if we are going to provide the services, how are we going to pay for them? If we don't do it through fees, if we don't do it through normal operating, it's going to fall back to a rate payer issue again and the taxpayers are the ones who are going to pay these fees from all this additional improvement with real estate development, equipment purchases, and all the things that make us safe. I'm just looking for a way to answer the questions that the Homebuilders have got and I think we're making strides. I'm not trying to argue that they're right or wrong, I would just like to justify in our mind that they have a valid concern or they don't.

I think that what TischlerBise has provided to us makes logical sense. Is it too much, is it not enough? We backed down the growth rate from approximately 2% down to 1.54%, I think that's a move in the right direction. I think that the things he's trying to do to make everything consistent across the board, whether it be with Utilities, Safety, Parks and Recreation on a square footage basis, I think makes perfect sense. Then we have a tangible way to go in and evaluate this stuff.

It's just like when we changed over to AWWA Standards, it makes better sense because it's not a seat-of-the-britches decision, it's based on fact. I think the more that we can do that with this, the better off the community is, the better off the City is, it ceases to be an argumentative point and we can move forward to get things accomplished.

Chief Brown: Mr. Chairman, that's exactly what we hope to do. By all means, we want to provide you with as much of that information and to answer your point, Mr. Suttmiller, we want you to be able to explain to the community what's going on. That's one of the reasons why we have made a concerted effort to go out and present this, go to meetings, and do all of that. I think we are walking lock-step together, and we will try to gather some additional information that you requested and provide that to you.

Chair Hamilton: Travis, by no means am I selling short your efforts in this.

Chief Brown: I'm not taking it that way, sir.

Chair Hamilton: Please don't, because I think that you guys have really done due diligence in trying to answer questions that we've got. I'm just concerned because we are representing the community at large and trying to find the logical balance with what the City services need to be to accommodate the needs of the people.

Chief Brown: Finally, Mr. Chairman, just in closing, that's all I have for the presentation. My apologies to the Committee last month, had some questions about the schedule moving forward. We had intentionally moved things up a little bit. Now that it's public knowledge I have given notice that I will be retiring the end of May, and so part of the reason we have had on the schedule last month, and you see it again on your agenda this month, for final action by this group in March is in our hopes to try to get this process completed. Similar to how you have expressed the potential for changing Chairmanship mid-way through something, we would like to if at all possible continue by no means trying to fast track this, but trying to work diligently to move this forward so that perhaps we can have it to City Council prior to my departure since I've been involved from the beginning with this process.

We will provide this information. If we can get it prior to the next meeting, then we will try to do that so you can have an opportunity to review some of that and process it for our March meeting. Unless you give us other direction today, Mr. Chairman, our intent is to bring this back for a final action on the part of the Committee next month as either recommend approval to City Council, or recommend something other than that, which then will allow us to go ahead and start the City Council process.

Obviously, if you don't feel you have the information and things at next month's meeting to make that recommendation, then that will be pushed back to April, but we are scooting that timeline up. Originally we had talked about coming to you probably in May for that recommendation, and with all due respect, we would request that we be able to do that next month and see if we can get to a point where you feel like you have the information that you need and feel comfortable making that informed recommendation one way or the other to City Council.

Chair Hamilton: Do you have a problem with that, Bill?

Beerman: I feel pretty confident in the work of the consultant and the in-house staff. I think that we would probably be on firm ground to just rely on what I've seen in my short time, and what I've read. So to me that seems like a good timeline.

Chair Hamilton: That timeline still seems to make sense, good. Gene?

Suttmiller: I'm good with it.

Chair Hamilton: Okay, let's shoot for that, Travis. If something out of the woodwork pops up, then as you said, we may have to push this forward, but unless there's something that jumps up that's not understood at this point, that timeline probably makes good sense.

- Chief Brown: The only caveat I would throw in there, we're going to City Council Work Session on Monday. Obviously, they could provide us direction completely different. That timeline may get stretched out or pushed back or something, based on the direction that they provide to us at that point and time.
- Chair Hamilton: By the way, Bill, that has happened.
- Beerman: I know that City Council has decided to declare moratoriums on Impact Fees in other areas, and I was just wondering if this Board should express any thoughts about something like that before they do it.
- Chair Hamilton: From the times that I have sat in City Council, and the meetings I've had with Mr. Garza, and listening to each one of the Department heads, I don't think that would be the City's intent. It would have to be a very, very strong case, I think, to set the Impact Fees aside at this point, Bill. I agree with what you're saying, we'd want to be in the lead if we had that sense that they were going to put a moratorium on these. Does anyone have other feelings?
- Suttmiller: Are you talking about a moratorium on raising the funds, or a moratorium on taking any funds at all?
- Beerman: On the Public Safety Impact Fee.
- Suttmiller: What part?
- Beerman: To stop collecting.
- Suttmiller: To stop collecting it?
- Chair Hamilton: Right.
- Suttmiller: Whoa, doggie.
- Chair Hamilton: That's happened in a couple counties in Northern New Mexico.
- Beerman: Being new, I don't have a frame of reference for that.
- Suttmiller: I think that would have a major negative impact on certain things.
- Chief Brown: Mr. Chairman, if I could, I just wanted to clarify. The way I understood you, Mr. Beerman, your impression is that the City, our City, has placed moratoriums on Impact Fees previously?
- Beerman: The City Council.
- Chief Brown: Mr. Chairman, Mr. Beerman; that is not the case.

Chair Hamilton: The Road and Drainage got set aside, and there were other reasons for that other than just the fee.

Beerman: It was too much money, or...?

Chair Hamilton: Well, there wasn't enough money coming in from the Impact Fees to complete the Road and Drainage work that needed to be done, and so they abandoned the Impact Fees interimly but they can reinstate them at some point if need be. These Impact Fees seem to be working hand in glove with the progress the City needs to make in keeping capital assets in place.

Beerman: One of the City Council members at a recent City Council meeting proposed a moratorium, and a developer at our last meeting suggested that a moratorium might be appropriate.

Suttmiller: I could see them going with a moratorium on new raises, but with the people I've talked to in Council it seems like they are strong, especially the Public Safety ones. I don't see those being, now I could see them coming up with a moratorium on any raise in the fees. That, I don't think is beyond.

Chair Hamilton: The one thing I will say, I'm not trying to speak for City Council, Bill. I know that there can be differing opinions from each Council member, but I don't think that's the consensus that I've heard, personally. I'm sure not trying to voice an opinion for the entire Council, so please don't take me out of context here.

Chief Brown: Mr. Chairman, if I could, just for clarification. The Road and Drainage Fees were initially approved by City Council. Collection was delayed until January, roughly 16 months later. Between that time frame, before fees were actually collected, City Council re-evaluated the situation as you pointed out, some things came forward in reference to: "Are the fees going to be enough to accomplish what needs to be done?", and I'm fairly confident the fees were repealed. Not just set aside for the time being, but were repealed and so they are no longer in place. In essence, they completely did away with them as opposed to a moratorium, but again, that was based on some things very specifically related to that fee and concerns that the fee that had been approved had been reduced to an amount. If you recall, similar to Parks' situation very early on, that the fee was not going to provide the necessary infrastructure which was going to be problematic.

Yes, Mr. Beerman, you're correct, at the City Council Meeting as well as recently at the last meeting there were statements, individuals' personal opinions, that maybe a moratorium should be considered, but the City to my knowledge has never actually placed a moratorium on Impact Fees at any point.

Chair Hamilton: Bill, for your benefit, we have even had discussions that Impact Fees in the big picture are a relatively small percentage, but it amounts to big dollars when you're looking at individual pieces of equipment that cost \$10,000 or more. Some of these pieces of equipment being \$150,000 plus, and life expectancy is over 10 years, those small dollars then become big assets for use in Public Safety, Parks & Recreation, and others. That discussion has been held, but at this point we have not had any overtones that we would probably move in that direction to eliminate Impact Fees.

Beerman: I mentioned it because it seems a lot of work has gone into this process.

Chair Hamilton: Exactly. And money.

Beerman I'd hate to see it get short-circuited.

Chair Hamilton: I really appreciate your observation.

Chief Brown: The final thing, Mr. Chairman. At one of our Executive Staff meetings recently, David Weir from Community Development stated that they have accumulated the 2015 numbers. Total residential units was roughly 560 range, somewhere in there. I apologize for not having an exact number, but if you recall, Dr. Guthrie's projections for total residential, new residential units in the next several years was kind of in that 560-570 range. It seems like his projection should be reassurance that the work they have done and the methodology they have used is pretty good.

We can get those and we'll provide that to you just for informational purposes. Just remember, that's total residential units, which was single family, multi-family, as well as mobile homes. That's in his Land Use Assumptions, that's what that number was representing. I think at times there's confusion, especially amongst the development industry. They look at single-family homes, which was 300 and some and see we were off by 200, but his projections were for total new residential units and we weren't too far off from what he was seeing as growth projections for the next several years.

Chair Hamilton: Really good information, Travis, thank you.

Chief Brown: Thank you, Mr. Chairman.

Chair Hamilton: All right. Is there anything else to come before this meeting today under New Business? Any comments from the audience? Any comments from the Board?

**5. Next Meeting Date:**

March 17, 2016

