

# MEMORANDUM



**Date:** January 24, 2023  
**To:** Lee's Summit Parks and Recreation Board  
**From:** Joe Snook, CPRP  
 Administrator, Lee's Summit Parks and Recreation  
**Re:** Park Impact Fee Ordinance Amendment

On January 10<sup>th</sup>, LSPR staff presented the park impact fee ordinance, approved by the Parks Board in December 2023 to the Community Economic Development Committee (CEDC). The CEDC is a City Council committee that reviews current or proposed policies and ordinances dealing generally with planning, zoning, residential and commercial development, code enforcement, general landscaping issues and other related issues.

Responses from the committee members were generally positive, however they expressed concern over the amount of the impact fee for residential development as it relates to creating attainable housing in Lee's Summit. The committee suggested either a reduction in the fee and/or a demand-based fee structure. In addition, the committee suggested an increase to the non-residential fee could be considered. Staff indicated that adjustments to the proposed fees would be reviewed and discussed with the Parks Board at the January 24<sup>th</sup> meeting.

Staff has prepared two fee scenarios for review. Table 1 represents the projected revenue based on Park Board's original proposed fee of \$1,200 per residential living unit and \$.20 per gross square foot for non-residential development. Table 2 represents the projected revenue assuming a demand-based approach for residential development assuming a \$350 fee per bedroom, per living unit and a fee of \$.30 per gross square foot for non-residential development. The City's Development Services Department provided the previous three years of data for residential development and the previous six years of data for non-residential development.

**Table 1**

<b>Original Proposal</b>		<b>Avg Units</b>	<b>Avg. Sq. Ft.</b>	<b>Est Rev</b>
	<b>Proposed</b>	<b>Annually</b>	<b>Annually</b>	
	<b>Fee</b>	<b>3 yrs</b>	<b>6 yrs</b>	
Per Unit	\$1,200.00	675		\$ 810,000.00
Sq. Ft. Non-Res	\$ 0.20		483824	\$ 96,764.80
<b>Total Projected Revenue</b>				<b>\$ 906,764.80</b>



**Table 2**

<b>Demand Based Approach</b>		Average	Avg. Sq. Ft.	
		Number of Bedrooms	Annually	Est Rev
Bedrooms	Fee	3 Years	6 Years	
1BR	\$ 350	94		\$ 32,900.00
2BR	\$ 700	159		\$ 111,300.00
3BR	\$ 1,050	131		\$ 137,550.00
4BR	\$ 1,400	214		\$ 299,600.00
5BR	\$ 1,750	64		\$ 112,000.00
6BR	\$ 2,100	12		\$ 25,200.00
7BR	\$ 2,450	1		\$ 2,450.00
Sq. Ft. Non-Res	\$ 0.30		483824	\$ 145,147.20
<b>Total Projected Revenue</b>				<b>\$ 866,147.20</b>
				96%

After reviewing the demand-based scenario in Table 2, staff recommends moving forward with the new fee structure. The proposed fee adjustment helps address concerns for attainable housing, it allocates fees more proportionally based on projected demand, and provides a comparable revenue outcome to the originally proposed fees. If an adjustment to the fee is approved by the Board, staff will return to the CEDC for the February 14 meeting with an amended ordinance. Based on a positive outcome at the CEDC meeting, staff anticipates the proposed ordinance will be presented to the full City Council on February 27.

**MOTION:** I move to approve an amendment to the Park Impact Fee Ordinance adjusting the fee amount for residential development from a flat fee of \$1,200 per living unit to a bedroom fee of \$350 per bedroom per living unit, and increasing the non-residential fee from \$.20 per gross square foot to \$.30 per gross square foot. In addition, I move to authorize the Administrator to proceed with ordinance approval.