



TOWN OF MILLIKEN
TOWN BOARD
AGENDA MEMORANDUM

To: Mayor Woodcock and Town Board of Trustees	Meeting Date:
From: Linda Michow, Town Attorney Kent Brown, Town Administrator	Wednesday June 8, 2016

Agenda Item #	Action:	Discussion:	Information:
	X	X	
Agenda Title: Reconsideration of Resolution No. 16-13 to Amend Section 3			
Attachments: Resolution No. 16-13			

PURPOSE AND BACKGROUND:

At the May 25, 2016 Board of Trustee meeting, the Board approved Resolution No. 16-13, Adopting A System Development Fee Component of the Capital Improvement Fee Under Section 13-2-280 of the Municipal Code and Amending the Town's Fee Schedule. Under Section 3 of the Resolution, the imposition of such fee was to be effective immediately, as of May 25, 2016. The fee is \$2,819 per residential unit, payable upon issuance of a building permit.

Since adoption of Resolution No. 16-13, Town staff has received numerous complaints from multiple builders regarding the timing of the effective date. The complaint arises from the fact that many residential lots have been pre-sold, with existing Town fees calculated in the sale price. The newly adopted fee was not calculated in the sales contracts and will create a financial burden on the contract purchaser or the builder. Town staff advises that building permits are typically issued within 30 days of a builder entering into a contract for purchase. The Board may wish to consider amending the effective date from May 25, 2016 to July 1, 2016. Alternatively, the Board may wish to exempt those lots for which purchase contracts have been fully executed on or before May 25, 2016. This alternative may create additional administrative burden on Town staff.

BUDGET IMPLICATONS:

Revenue from the new fee was not budgeted. There would be a reduction in potential revenue per each lot affected.

STAFF RECOMMENDATION:

As a matter of fairness, Town staff recommends that the effective date of Resolution No. 16-13 be postponed until July 1, 2016, thereby allowing builders with pending purchase

contracts to obtain a building permit before July 1, without having to pay an unanticipated development fee.

SUGGESTED MOTION:

“I MOVE TO RECONSIDER RESOLUTION NO. 16-13 TO AMEND THE EFFECTIVE DATE SET FORTH IN SECTION 3 FROM MAY 25, 2016 TO JULY 1, 2016.”

Resolution No. 16-13

TOWN OF MILLIKEN

A RESOLUTION OF THE TOWN OF MILLIKEN ADOPTING A SYSTEM DEVELOPMENT FEE COMPONENT OF THE CAPITAL IMPROVEMENT FEE UNDER SECTION 13-2-280 OF THE MUNICIPAL CODE AND AMENDING THE TOWN'S FEE SCHEDULE IN ACCORDANCE HEREWITH

WHEREAS, in accordance with Colorado Revised Statutes, Section 31-35-402, the Town of Milliken Board of Trustees ("Board") is authorized to operate a water system and to impose rates, fees, tolls, and charges or any combination thereof for services and facilities necessary to operate the system; and

WHEREAS, the Board has adopted fees and charges associated with its water system as authorized under state law and Article II, Chapter 13 of the Municipal Code; and

WHEREAS, the Board has caused to be performed an evaluation of the Town's current charges and fees in relation to the costs associated with operating its water system and funding new water infrastructure projects; and

WHEREAS, based on the Board's study and evaluation, it is recommended that the capital investment fee be increased by the addition of a system development fee component in order to address the Town's water infrastructure needs; and

WHEREAS, the proposed fee set forth herein is reasonable and directly related to the cost and expenses necessary to fully fund and operate the Town's water system; and

WHEREAS, by adoption of the fee set forth herein, the Town's Fee Schedule is amended to incorporate such fee.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF MILLIKEN, COLORADO:

Section 1. As authorized under Section 13-2-280 of the Milliken Municipal Code, the Board hereby adopts the following system development fee as a component of the capital improvement fee:

Municipal Code	Description	Fee
§13-2-280	Capital Investment Fees – System Development	\$2,819

Section 2. The Board of Trustees hereby amends the Town's Fee Schedule to incorporate the above fee for capital investment-system development and authorizes Town staff to make the appropriate change to the Town's Fee Schedule.

Section 3. The fee established in this Resolution shall be effective as of **May 25, 2016**, and may thereafter be amended from time to time by resolution of the Town Board of Trustees.

INTRODUCED, READ AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES this 25th day of May, 2016.

ATTEST:

TOWN:

Cheryl Powell, Town Clerk

Beau Woodcock, Mayor