

**CITY OF BOULDER**  
**CITY COUNCIL MEETING**  
MUNICIPAL BUILDING, 1777 BROADWAY  
Boulder, Colorado 80302  
**Tuesday, August 16, 2016**  
**6 p.m.**

**AMENDED AGENDA**

**Colorado Companies to Watch Reception 5:30-6 p.m. in the Municipal Lobby**

**1. CALL TO ORDER AND ROLL CALL**

**A. Small Business Administrator, Maria Contreras- Sweet**

**B. Declaration for Colorado Companies to Watch**

**2. OPEN COMMENT and COUNCIL/STAFF RESPONSE** (limited to 45 min.)

Public may address any city business for which a public hearing is not scheduled later in the meeting (this includes the consent agenda and first readings). After all public hearings have taken place, any remaining speakers will be allowed to address Council. All speakers are limited to three minutes.

**3. CONSENT AGENDA** (to include first reading of ordinances) Vote to be taken on the motion at this time.

- A.** Consideration of a motion to **accept the June 14, 2016 Study Session Summary regarding the Development-Related Impact Fees and Excise Taxes**
- B.** Consideration of a motion **authorizing the city manager** to enter into **settlement agreements in excess of \$10,000** arising out of a **March 25, 2016 water main break on Hartford Drive**
- C.** **Third reading** and consideration of a motion to **adopt Ordinance No. 8123 repealing Chapter 4-16, "Police Alarm Systems," B.R.C. 1981, and replacing it with a new Chapter 4-16, "Police Alarm Systems," to require alarm verification before initiating police response** and setting forth related details
- D.** **Second reading** and consideration of motion to **adopt** and order published by title only, **Ordinance No. 8130** submitting to the registered electors of the City of Boulder at the special municipal coordinated election to be held on Tuesday, November 8, 2016, **the question of authorizing the city council to impose an excise tax of two cents per ounce on the distribution of drinks with added sugar, and sweeteners used to produce such drinks, and if the measure passes adding to the Boulder Revised Code a new chapter 3-16, "Sugar-Sweetened Beverage Product Distribution Tax," B.R.C. 1981, and setting forth related details**
- E.** **Second reading** and consideration of a motion to **adopt Ordinance No. 8132** submitting to the registered electors of the City of Boulder at the special municipal

coordinated election to be held on Tuesday, November 8, 2016, **the question of amending Section 7 of the Boulder Home Rule Charter, relating to council compensation, by adding an option for council members to receive benefits on the same terms and conditions as city employees,** and setting forth related details

- F. **Second reading** and consideration of motion to **adopt** and order published by title only **Ordinance No. 8133, setting the ballot title for an amendment** to Section 128A of the Boulder Charter **regarding the blue line,** and setting forth related details
  
- G. **Introduction, first reading** and consideration of a motion to order published by title only **Ordinance No. 8137** submitting to the registered electors of the City of Boulder at the special municipal coordinated election to be held on Tuesday, November 8, 2016, **the question of amending** Section 4 of the Boulder Home Rule Charter, by adding a new paragraph to **limit the terms of council members to no more than three terms in a lifetime** and setting forth related details
  
- H. **Introduction, first reading** and consideration of a motion to **adopt Emergency Ordinance No. 8135 adopting Supplement No. 128,** which codifies previously adopted **Ordinance Nos. 8110, 8111, 8112, 8113, 8114, 8121, 8125, and other miscellaneous corrections and amendments,** as an amendment to the Boulder Revised Code, 1981
  
- I. **Introduction** and consideration of a motion to order published by title only and **adopt by Emergency Ordinance No. 8136** amending Section 6-1-16, **"Dogs Running at Large Prohibited,"** B.R.C. 1981 **to add the following properties** Tippitt, Wells-East, Benedictine Abbey, Thorne I, Thorne II, Thorne III, Knollwood Outlot, Knollwood Park, McCabe-Sanchez, Madden-Rosenbaum, Brierly I, Arapahoe Chemicals **and portions of the Wells West and Holmes open space properties as defined in Attachment A to those areas in which voice and sight control of dogs is permitted,** and setting forth related details
  
- J. **Introduction, first reading** and consideration of a motion to order published by title only, **Ordinance No. 8139** related to the **annexation and initial zoning of enclaves in the vicinity of 55th and Arapahoe** and **Ordinance No. 8140** related to an amendment to Subsection 11-5-11(a). B.R.C. 1981 **regarding stormwater and flood control utility plant investment fees**

#### 4. **POTENTIAL CALL-UP CHECK IN**

Opportunity for Council to indicate possible interest in the call-up of an item listed under 8A. No Action will be taken by Council at this time.

##### 8A. **Potential Call-Ups**

1. **4500 Brookfield Drive-** Vacation of a Public Utility Easement
2. **4750 Broadway-** Site Review
3. **4525 Palo Parkway-** Vacation of Emergency Access Easement

## ORDER OF BUSINESS

### 5. PUBLIC HEARINGS

Note: Any items removed from the Consent Agenda will be considered after any City scheduled Public Hearings

- A. **Second reading** and consideration of a motion to adopt and order published by title only **Ordinance No. 8128 and Ordinance No. 8129 related to the annexation and initial zoning of city-owned parcels and rights of way, and Elmer's Two-Mile Park as an enclave**

### 6. MATTERS FROM THE CITY MANAGER

- A. **Prairie Dog Relocation Policy**
  
- B. **Civic Area Construction Staging**

### 7. MATTERS FROM THE CITY ATTORNEY

### 8. MATTERS FROM MAYOR AND MEMBERS OF COUNCIL

- A. **Potential Call-Ups**
  - 1. **4500 Brookfield Drive-** Vacation of a Public Utility Easement
  - 2. **4750 Broadway-** Site Review
  - 3. **4525 Palo Parkway-** Vacation of Emergency Access Easement
  
- B. **Single-Topic Study Session Discussion**
  
- C. **B & C Appointments for Arts and WRAB Vacancies**
  
- D. **Public Participation Working Group**
  
- E. **“Nod of Five” regarding Legislative Committee Recommendations**

### 9. PUBLIC COMMENT ON MATTERS

Public comment on any motions made under Matters

### 10. DECISION ON MOTIONS

Action on motions made under Matters

### 11. DEBRIEF

Opportunity for Council to discuss how the meeting was conducted

### 12. ADJOURNMENT

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**CITY OF BOULDER  
CITY COUNCIL AGENDA ITEM**

**MEETING DATE: August 16, 2016**

**AGENDA TITLE:** Consideration of a motion to accept the study session summary from June 14, 2016 City Council Study Session regarding the Development-Related Impact Fees and Excise Taxes

**PRESENTERS:**

Jane S. Brautigam, City Manager  
David Gehr, Deputy City Attorney  
Susan Richstone, Deputy Director of Planning  
Chris Hagelin, Senior Transportation Planner  
Kristin Hyser, Community Investment Program Manager  
Devin Billingsley, Senior Budget Analyst  
Lauren Holm, Associate Planner  
Chris Meschuk, Project Manager

**EXECUTIVE SUMMARY**

This agenda item provides a summary of the June 14, 2016, study session on Development-related Impact Fees and Excise Taxes. The purpose of this study session was to review options for each component and to narrow the number of options to consider prior to completion of final reports and recommendations.

Key takeaways from the study session by component were:

Capital Facility Impact Fees

- City Council generally supported the incremental update to the existing impact fees as the option to proceed forward.

Multi-modal Transportation:

- City Council asked staff to return with further analysis of Option C, the hybrid approach that adds a new Transportation Impact Fee to the current Transportation Development Excise Tax. Council eliminated Options A & B from further consideration.

Affordable Housing Linkage Fee:

- City Council generally supported the economic and market factors option 4, with three options, set at levels of \$10, \$20 and \$35 for office rates. Council eliminated options 1, 2 and 3 from further consideration.
- City Council also requested information be provided to explore size thresholds for commercial structures of varying size.

Parkland Excise Tax

- City Council indicated support for suspending the parkland development excise tax, with either re-allocation of the existing revenue to transportation or just suspension.

**STAFF RECOMMENDATION**

**Suggested Motion Language:**

Staff requests council consideration of this summary and action in the form of the following motion:

Motion to accept the summary (**Attachment A**) of the June 14, 2016 Study Session on Development-Related Impact Fees and Excise Taxes

**NEXT STEPS**

Staff will continue the discussion of credits and rate structure under matters from the City Manager on August 16, 2016. The public hearing was rescheduled from July 19 to September 20, 2016. A public open house information session will be held on August 31, 2016.

**ATTACHMENT**

- A:** Summary of the June 14, 2016, study session on the Development-related Impact Fees and Excise Tax Update Study

**June 14, 2016 Study Session**  
**Development-Related Impact Fees and Excise Taxes**

**PRESENT**

**City Council:** Mayor Suzanne Jones, Mayor Pro Tem Mary Young, Matthew Appelbaum, Aaron Brockett, Jan Burton, Lisa Morzel, Andrew Shoemaker, Sam Weaver and Bob Yates

**Staff:** Jane S. Brautigam, City Manager; David Gehr, Deputy City Attorney; Susan Richstone, Deputy Director of Planning; Chris Hagelin, Senior Transportation Planner; Kristin Hyser, Community Investment Program Manager; Devin Billingsley, Senior Budget Analyst; Lauren Holm, Associate Planner; Chris Meschuk, Project Manager

**Consultants:** Julie Herlands, Dwayne Guthrie, Carson Bise, TischlerBise; David Doezema, Keyser Marston Associates

**PURPOSE**

The purpose of this study session was to review options for each component of the development-related impact fees and excise taxes project and to narrow the number of options to consider prior to completion of final reports and recommendations.

This included:

- Presenting different options for potential fee changes in each component (capital facility impact fees, multimodal transportation, and affordable housing linkage fee).
- Providing a comparative analysis of fees in other communities.
- Providing example scenarios to understand the market context of potential fee changes.
- Identifying potential approaches to credits and rate structures for affordable housing and transportation.

Additionally, staff was seeking council feedback on policy issues related to the parkland development excise tax and credits/fee waivers.

**SUMMARY OF COMMENTS BY DISCUSSION SECTION**

Chris Meschuk introduced the item, and reviewed the purpose of the study session item. He introduced the consultants and staff. Meschuk presented a brief overview of the process to-date of the Development-Related Impact Fees and Excise Taxes project, and the agenda for the study session item. He introduced Carson Bise, President of TischlerBise.

Carson Bise reviewed the purpose, ground rules and methodologies of impact fees. He described how impact fees are a land use regulation with strict requirements and that the fees must be based on a clear need, proportionality, and benefit. Bise described the three methodologies for establishing impact fees.

Chris Meschuk then presented how impact fees fit in the context of the overall funding of the city, and the Capital Improvements Program. Meschuk described the history of capital funding, and the role that impact fees and excise taxes play in implementing Boulder Valley Comprehensive Plan policies. He then presented a sample capital project to demonstrate how impact fees are used to expand capacity of a facility to accommodate new growth, with that growth paying its share of the expanded capacity.

Meschuk then presented the approach, criteria and assumptions in developing the options and evaluation of the options. He described how the options will be presented, and that the purpose was to focus and narrow the options prior to final scenarios for setting fees are developed. For each component area, an initial staff recommendation was made, at the request of city council members.

### **Affordable housing linkage fee**

#### *Presentation summary*

Kristin Hyser introduced the component, and that four options have been developed for review based on the feedback from council and the technical working group.

Kristin Hyser was joined by David Doezema, Principal with Keyser Marston Associates. Hyser and Doezema presented the four options, describing the approach, fee level, and what it would support. A summary of the evaluation of each option was presented, and the initial staff recommendation.

The four options included fee levels reflecting the following housing goals and policy considerations: the city's current affordable housing goals, the city's middle income housing needs, maintenance of the current income diversity of the community, and market and economic factors. Each approach was evaluated in the context of the Boulder Valley Comprehensive Plans policies and potential economic impacts.

#### *Feedback/comments summary*

City Council requested staff continue analysis of establishing the Affordable Housing Commercial Linkage fee levels in the context of economic and market factors only (Option 4). This analysis will include scenarios considering current economic conditions and the impact of fee levels on development costs including construction costs, other fees and profits. City Council asked that that the scenarios apply a variety of fee levels in the amounts of \$10, \$20 and \$35 to compare the financial impacts of each increment. City Council expanded their request to evaluate the possibility of applying varying fee levels based on size thresholds on commercial structures of varying size.

### **Multimodal transportation**

#### *Presentation summary*

Chris Hagelin introduced the component, and that three options have been developed for review based on the feedback from council and the technical working group. Chris Hagelin was joined by Dwayne Guthrie, Principal with TischlerBise. Hagelin presented the three options, describing the approach, fee level, and what it would support. A summary of the evaluation of each option was presented.

*Feedback/comments summary*

Council members asked staff to return with further analysis and refinement of Option C, the hybrid approach that adds a new Transportation Impact Fee to the current Transportation Development Excise Tax. The additional analysis will include a recommended methodology to differentiate between projects that can be paid for with the tax or the fee based on impact fee legal guidelines.

**Capital facilities impact fees update**

*Presentation summary*

Chris Meschuk introduced the component, skipping the presentation due to time constraints, and explained that only one option was developed for review based on the updated analysis of the existing fees. Chris Meschuk was then joined by Devin Billingsley of the budget office and Julie Herlands, a Principal with TischlerBise, to address questions.

*Feedback/comments summary*

Council's feedback on the capital facilities impact fees update centered around clarification of the approach that was taken in the study update. Present throughout the study was the use of incremental methodology to calculate the fees. This methodology focuses on maintaining current levels of service through incremental expansion rather than relying on visionary capital planning, or a plan-based approach, for future capital projects. A lack of capital funding for the non-growth related portions of capital projects constrains using a plan-based approach. The city simply is not planning to build infrastructure it cannot yet afford.

It was also pointed out that while impact fees are set to increase 16% on residential and 20% on non-residential to support incremental expansion, these increases must be taken in context of the overall value and cost structure of given project. Impact Fees are only charged on additions of square footage and represent a relatively small portion of a given project's total costs. The costs are derived from an average number of people per unit (as expressed in square footage) and are only charged once over the full- life of the unit being developed. Some Council members did express concern about the overall fee burden that impact fees create and the apparent tenuous link to ongoing service levels of categories like Human Services, Parks and Recreation, and the Library.

Council also inquired about Boulder's apparently low municipal impact fee levels relative to other peer communities. Carson Bise of TishlerBise explained that drawing comparisons to different communities is often difficult because of a variety of factors that underlay the fees and are difficult to parse out.

**Parkland Development Excise Tax**

*Presentation summary*

Chris Meschuk presented the current development excise tax, which is allocated between parkland and transportation. The 2014 Parks & Recreation master plan states that no additional land is anticipated to be needed to meet levels of service through 2030. However, the level of service is based on the 2010 Boulder Valley Comprehensive Plan. With the 2015 update underway, changes to land uses from this update may result in new residential areas, resulting in

a need for additional parkland. Meschuk presented three options for council review and discussion.

*Feedback/comments summary*

Council members generally supported suspending the parkland development excise tax. Some council members were interested in the tax being reallocated to Transportation, some supported suspension without reallocation.

**Transportation Rate Structure /Affordable Housing Credits**

The discussion of Transportation rate structure and potential credits and adjustment was not discussed due to time. This issue will be discussed on August 30.

**Closing**

Chris Meschuk closed the meeting by reminding council of the process and describing the next steps to prepare for the Public Hearing. Staff will be:

- Developing up to six scenarios for setting fees using: three options for affordable housing (office fees of \$10, \$20, and \$35/sq. ft.); two options for transportation based on a hybrid impact fee/excise tax; and the incremental update for capital facilities.
- Preparing a recommendation to suspend the tax with a possible re-allocation of the development excise tax between transportation and parkland.
- Rescheduling the public hearing to a date in August or September at the request of council (scheduled for Sept. 20).