



CITY COUNCIL AGENDA ITEM

To: Mayor Graham and City Council

From: Ted Shekell, Planning Director
Walter Denton, City Administrator

Date: June 5, 2006

Subject: Resolution Adopting an Updated Value as the Present Fair Market Value of an Acre of Land in the City for the Purposes of the Park Land and Educational Facilities Dedication Requirements

List of committees that have reviewed: The CD Committee reviewed the increase at its May 22, 2006, meeting, and recommended unanimously to increase the fee from its current \$51,000 to \$59,000.

Background:

The City retained Gonzales Companies, LLC, to complete a market study to determine whether the present fair market value of improved land in the City has changed from \$51,000. Pat Judge did the analysis for the study, which concluded the fair market value for improved land in O'Fallon has changed to now be \$59,000. This revised present fair market value of improved land will be used in determining fees in lieu of the Park Land Requirement and Proposed School Land Requirement. The cost for improved land is comprised of two primary factors: land cost and infrastructure cost. The land cost was determined to be \$30,000 per acre based on an appraisal done of several farms in the O'Fallon area within the last year. The infrastructure costs were determined to be approximately \$29,000 per acre, which involves providing public water, sewer, and drainage facilities, as well as street access, to a site for a city park of school site.

Legal Considerations, if any: None.

Budget Impact: This increase will tend to increase the park fees the City receives from home builders by approximately \$134 per house. Currently the park fee is approximately \$866 per house, and with this increase the fee will be approximately \$1,002 per house.

Staff Recommendation: Staff recommends adopting the resolution and supporting attachments for the fee increase.