



Press Release

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FOR IMMEDIATE RELEASE

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City Slashes Development Impact Fees by More Than 30 Percent
Elk Grove leaders take bold step to jumpstart development activity and attract new jobs

ELK GROVE, CA – In a dramatic move to spur new development and jumpstart the creation of high-quality jobs, development impact fees are coming down in Elk Grove – for the first time in the city’s nine-year history.

The City Council voted 5-0 Wednesday night to reduce the roadway and capital facilities impact fees by paid by new development by more than 30 percent in order to remain competitive in the Sacramento region and rebuild momentum for positive economic activity and job growth in Elk Grove.

“We knew that we needed to do something locally to attract the kind of development we want and the jobs our residents deserve,” said Mayor Patrick Hume. “This is only one piece of the puzzle, but it sends a clear message that we are moving in the right direction and we are, now more than ever, open for business.”

Under California law, cities may impose fees on new development that are proportional to the cost of mitigating its impacts on roadways, transit and municipal facilities like the City’s Corporation Yard.

The lower fees still require new development to pay its fair share for the cost of roadway improvements and community facilities and allow the City to accommodate additional development with necessary infrastructure. The fee reductions were the result of developing an updated Capital Improvement Program that incorporated cost savings from a variety of sources including lower projected construction costs, project scope reductions, and adding additional State and Federal funding sources.

The following are some of the changes in development impact fees:

- The single-family home fee will be reduced 30 percent, from \$14,260 per unit to \$9,894 per unit.
- Fees for a shopping center will be reduced 55 percent, from \$14.23 per sq. ft. to \$6.31 per sq. ft.
- Fees for offices will be reduced 42 percent, from \$12.99 per sq. ft. to \$7.51 per sq. ft.

This is one of many measures the City of Elk Grove has implemented to promote economic development in Elk Grove. The City has created a fee deferral program to offset development costs, established a comprehensive customer service program, and continues to invest with the Sacramento Area Commerce and Trade Organization and Elk Grove Economic Development Corporation. In addition, the Elk Grove City Council will be exploring economic development incentive programs at an upcoming City Council meeting.

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