

Atlanta Impact Fee Update Study



Report to Advisory Committee

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duncan | associates



Presentation Overview

- Background
 - History of Studies, Original 1993 Study, Current Fees, Comparisons
 - Scope of the Update

- Major Recommendations
 - Redefine Levels of Service (LOS)
 - Modify Transportation Fee Programming (proximity and LOS)
 - Change Land Use Categories

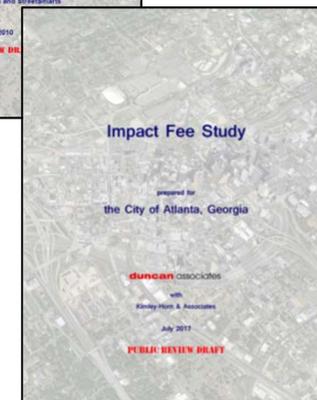
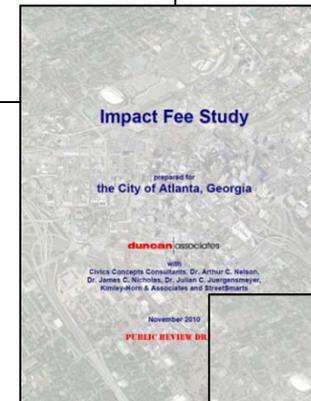
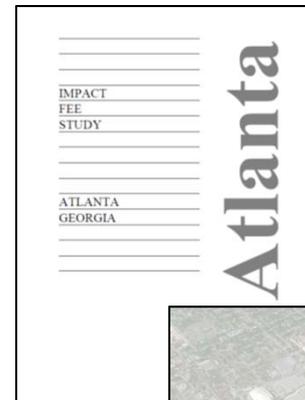
- Preliminary Findings
 - Uniform city-wide fees based on lowest transportation/park service area

- Recap, Q&A



History of Impact Fee Studies

- 1993 Study
 - Adopted in March 1993
- 2010 Study (major changes)
 - Public hearing, April 2012
- 2017 Study (mainly update of 2010)
 - Public review draft, July 2017
- 2020 Update of 2017 Study
 - Preliminary calculations completed





Original 1993 Study

- Major Focus on Funding Exemptions
 - Set park, fire, and police levels of service below existing LOS
 - “Recoupment fees” could be used to fund exemptions for certain areas, affordable housing, homeless facilities, and economic development
 - Exemptions totaled about 40% of potential revenue – ended in 2009
- Levels of Service (LOS)
 - Transportation: vehicle-miles of travel per vehicle-mile of capacity
 - Parks: acres per 1,000 functional pop.
 - Fire and police: building sq. ft. per 1,000 functional pop.
 - Transportation fees based on existing LOS, others on future LOS
- Facilities covered
 - Arterial roads only, park land only, fire and police buildings/land and vehicles/equipment with 10-year useful life



Original 1993 Study (cont'd.)

- Service areas
 - Transportation, fire and police have single city-wide service area
 - Parks has 3 service areas (Northside, Southside, Westside)
- Fees are relatively low
 - ENR construction cost index has gone up 113% from 1993 – 2018

Current Fees

| Land Use Type | Unit | Transp. | Parks North | Parks S/W | Fire | Police | Total North | Total S/W |
|--------------------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|-----------|
| Adoption Rate | | 100% | 60% | 30% | 100% | 100% | | |
| Single-Family | Dwelling | \$987 | \$491 | \$148 | \$114 | \$33 | \$1,625 | \$1,282 |
| Multi-Family | Dwelling | \$470 | \$342 | \$103 | \$79 | \$23 | \$914 | \$675 |
| Hotel/Motel | Room | \$793 | \$219 | \$66 | \$51 | \$15 | \$1,078 | \$925 |
| Commercial < 100 ksf | 1,000 sq ft | \$1,304 | \$855 | \$257 | \$199 | \$57 | \$2,415 | \$1,817 |
| Commercial 100-199 ksf | 1,000 sq ft | \$1,189 | \$700 | \$210 | \$163 | \$47 | \$2,099 | \$1,609 |
| Commercial 200-299 ksf | 1,000 sq ft | \$1,246 | \$641 | \$192 | \$146 | \$42 | \$2,075 | \$1,626 |
| Commercial 300-399 ksf | 1,000 sq ft | \$1,327 | \$583 | \$175 | \$136 | \$39 | \$2,085 | \$1,677 |
| Commercial 400-499 ksf | 1,000 sq ft | \$1,408 | \$556 | \$167 | \$129 | \$37 | \$2,130 | \$1,741 |
| Commercial 500-599 ksf | 1,000 sq ft | \$1,350 | \$529 | \$159 | \$124 | \$35 | \$2,038 | \$1,668 |
| Commercial 600-999 ksf | 1,000 sq ft | \$1,466 | \$481 | \$144 | \$112 | \$32 | \$2,091 | \$1,754 |
| Commercial 1,000 ksf+ | 1,000 sq ft | \$1,616 | \$443 | \$133 | \$104 | \$30 | \$2,193 | \$1,883 |
| Office, < 50,000 sf | 1,000 sq ft | \$2,416 | \$320 | \$96 | \$74 | \$21 | \$2,831 | \$2,607 |
| Office, 50,000-99,999 sf | 1,000 sq ft | \$1,977 | \$305 | \$92 | \$71 | \$20 | \$2,373 | \$2,160 |
| Office, 100-199 ksf | 1,000 sq ft | \$1,608 | \$289 | \$87 | \$67 | \$19 | \$1,983 | \$1,781 |
| Office, 200-499 ksf | 1,000 sq ft | \$1,239 | \$278 | \$83 | \$64 | \$18 | \$1,599 | \$1,404 |
| Office, 500 ksf+ | 1,000 sq ft | \$1,008 | \$267 | \$80 | \$62 | \$18 | \$1,355 | \$1,168 |
| Church | 1,000 sq ft | \$519 | \$230 | \$69 | \$53 | \$15 | \$817 | \$656 |
| Hospital | 1,000 sq ft | \$1,424 | \$572 | \$172 | \$133 | \$38 | \$2,167 | \$1,767 |
| Nursing Home | 1,000 sq ft | \$124 | \$417 | \$125 | \$97 | \$28 | \$666 | \$374 |
| Industrial | 1,000 sq ft | \$1,025 | \$169 | \$102 | \$47 | \$14 | \$1,255 | \$1,188 |
| Warehouse | 1,000 sq ft | \$748 | \$94 | \$56 | \$26 | \$8 | \$876 | \$838 |



Scope of the Update

- Retain facilities inventories and costs from 2017 study
 - Update non-land costs by construction cost inflation index

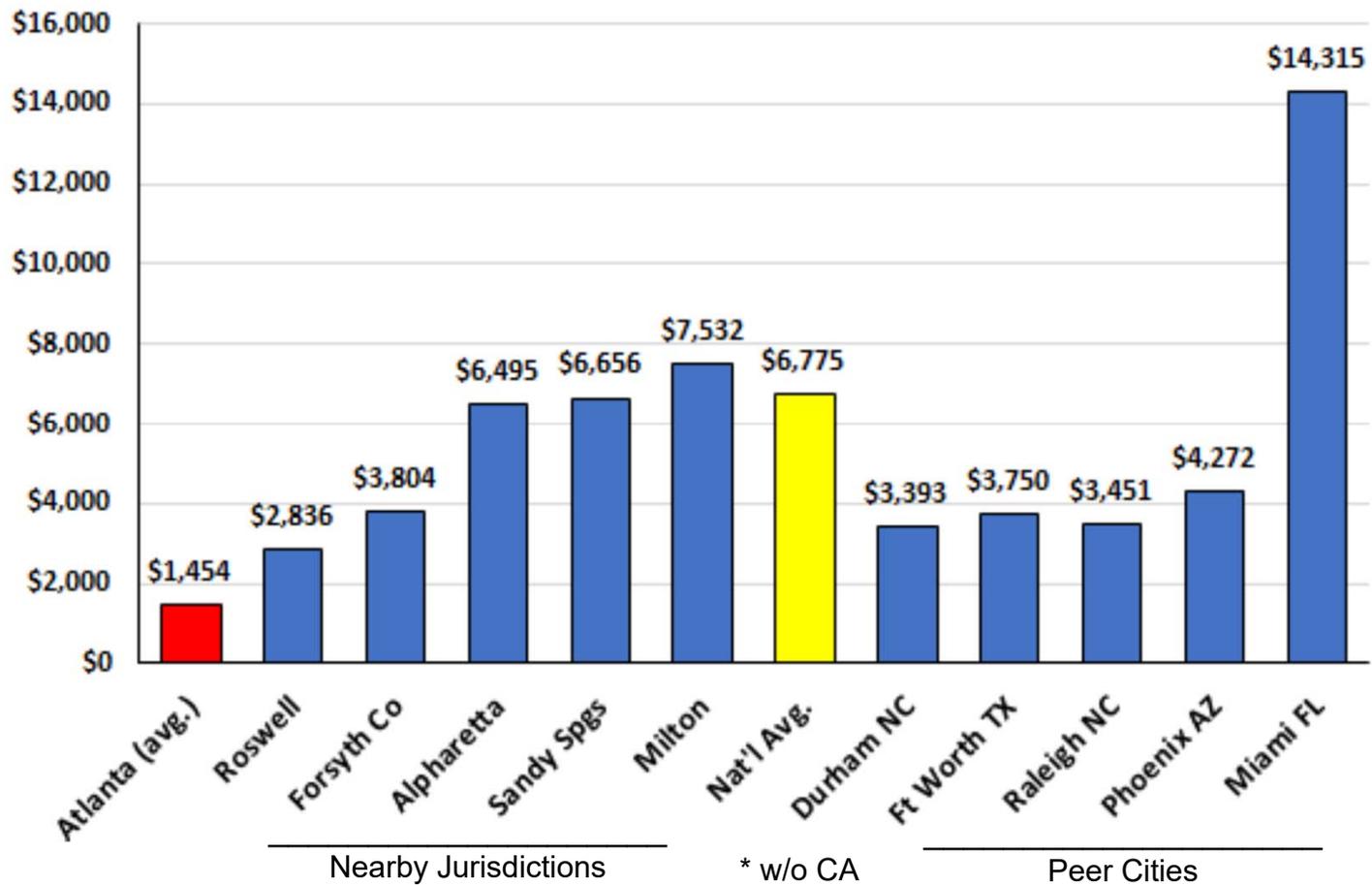
- Update other factors
 - Existing land use estimates
 - Trip generation rates
 - Credits
 - Multi-modal transportation components

- Fine-tune approach to transportation fee expenditures



Comparative Current Fees

Average Total Non-Utility Impact Fee per Single-family Unit



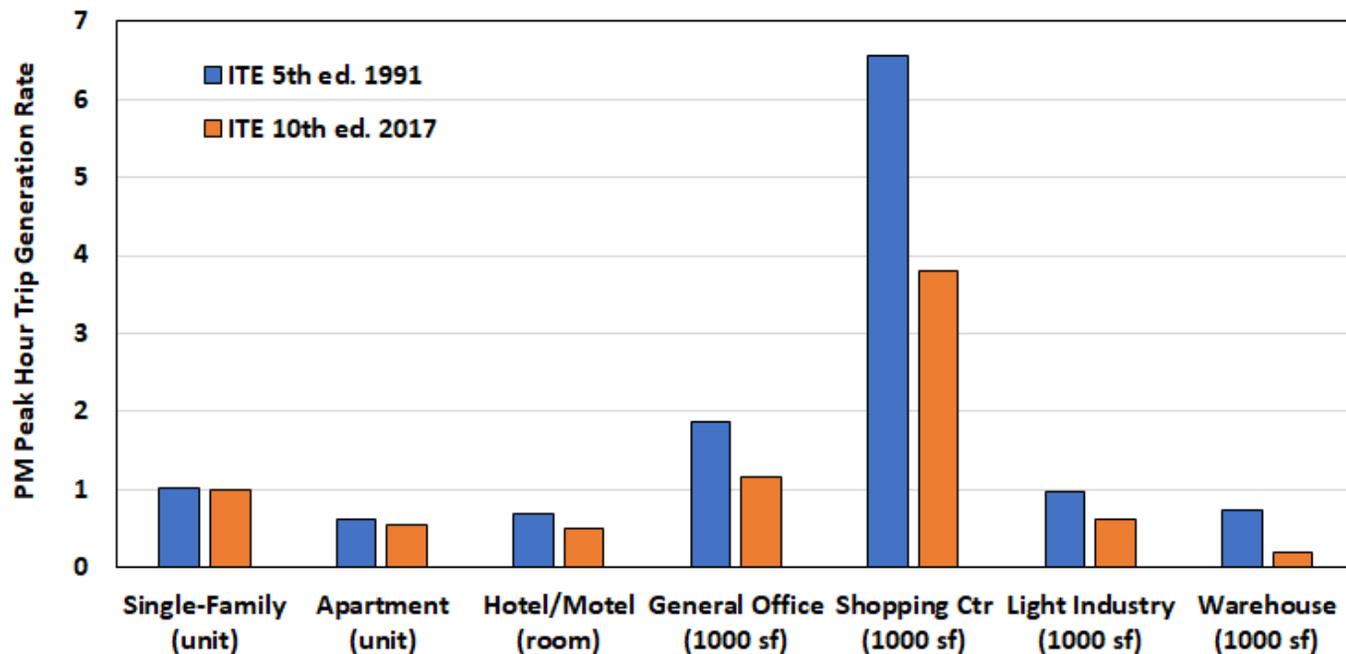


Road Fee Expenditures

- The following provisions apply only to Atlanta:
- Transportation fees may only be spent on projects that are chosen after consideration of the following factors:
 - Proximity - the proximity to developments that have generated the fees
 - LOS – improvements that will have the greatest effect on level of service
- Advisory committee review
 - The portion of the annual report dealing with transportation fee expenditures shall be referred to the advisory committee, which shall report any perceived inequities in the expenditures

1993 Study Information is Dated

- Trip generation rates are from 1991 ITE manual
 - 2017 update finalized before 10th edition, which breaks out multi-family into low-, mid- and high-rise, adds some “urban” rates, and has lower rates for most uses except single-family homes





Major Recommendations

- Redefine Levels of Service (LOS)
- Modify Transportation Fee Programming (proximity and LOS)
- Change Land Use Categories
- Fund Exemptions
- Implement Changes to Impact Fee Administration



Redefine Levels of Service (LOS)

- Transportation
 - De-emphasize vehicle demand/capacity
 - Change LOS to equivalent lane-miles per equivalent dwelling unit
 - Add collector roads, exclude State/Federal highways
 - Add multi-modal components
 - Sidewalks, medians, bike paths, trails
- Parks
 - Change LOS from acres to equivalent acres
 - Add improvement costs
- Fire/Police
 - Change LOS from square feet to equivalent square feet



Modify Transp. Fee Programming

■ Proximity

- Divide city into three service areas – restricted to area collected in
- Track funding and expenditures by subareas of service areas

■ LOS

- Require improvements in CIE to be high priority in Transportation Plan
- Evaluate effects of vehicular improvements on LOS with standard Highway Capacity Manual procedures

■ Oversight

- Advisory Committee to review annual changes to Capital Improvements Element (CIE)



Change Land Use Categories

| Current Land Uses | Proposed Land Uses |
|--------------------------------|--|
| Single-Family | Single-Family, or optional 3 size categories: Single-Family Detached, < 1,500 sq. ft. Single-Family Detached, 1,500-2,499 sq. ft. Single-Family Detached, 2,500 sq. ft. + |
| Multi-Family | Multi-Family, Low-Rise (1-2 stories) Multi-Family, Mid-Rise (3-10 stories) Multi-Family, High-Rise (10+ stories) |
| Hotel/Motel | Hotel/Motel |
| Commercial, < 100,000 sf | Shopping Center/Commercial |
| Commercial, 100,000-199,999 sf | |
| Commercial, 200,000-299,999 sf | |
| Commercial, 300,000-399,999 sf | |
| Commercial, 400,000-499,999 sf | |
| Commercial, 500,000-599,999 sf | |
| Commercial, 600,000-999,999 sf | Office |
| Commercial, 1,000,000 sf+ | |
| Office, < 50,000 sf | |
| Office, 50,000-99,999 sf | |
| Office, 100,000-199,999 sf | |
| Office, 200,000-499,999 sf | Public/Institutional |
| Office, 500,000 sf+ | |
| Elementary School | |
| High School | |
| Church | Industrial |
| Hospital | |
| Nursing Home | |
| Industry | Warehousing |
| Warehousing | Mini-Warehousing |

Options: Flat rate by housing type or variable rates by unit size

Tiered fees based on building height per ITE manual

In 1993, trip generation rates for retail and office were only available by size of development

One category based on lowest fee



Fund Exemptions

- Ordinance provides exemptions for affordable housing and economic development
 - Economic development areas cover 25% of city land area
 - 90% of exempted housing units were in economic development areas
 - Only 10% of new housing units exempted on affordability criteria
 - Park, fire and police “recoupment” fees were used to fund them
 - Funding not certified since 2009 due to age of 1993 study

- Update criteria for exemptions
 - Eliminate blanket area exemptions (not used by City)
 - Revise criteria for affordable housing and economic development

- Fund by tracking non-impact fee pay-go expenditures



Changes to Fee Administration

- Create dedicated impact fee coordinator position
- Track encumbered funds and reclaim if not spent
- Make administrative fee an additional charge
- Conduct annual distribution analysis of CIE
- Create standard process to inform and receive input from all stakeholders



Preliminary Findings

- Fees by Service Area
 - Recommend uniform city-wide fees based on transportation/park service area with lowest fee

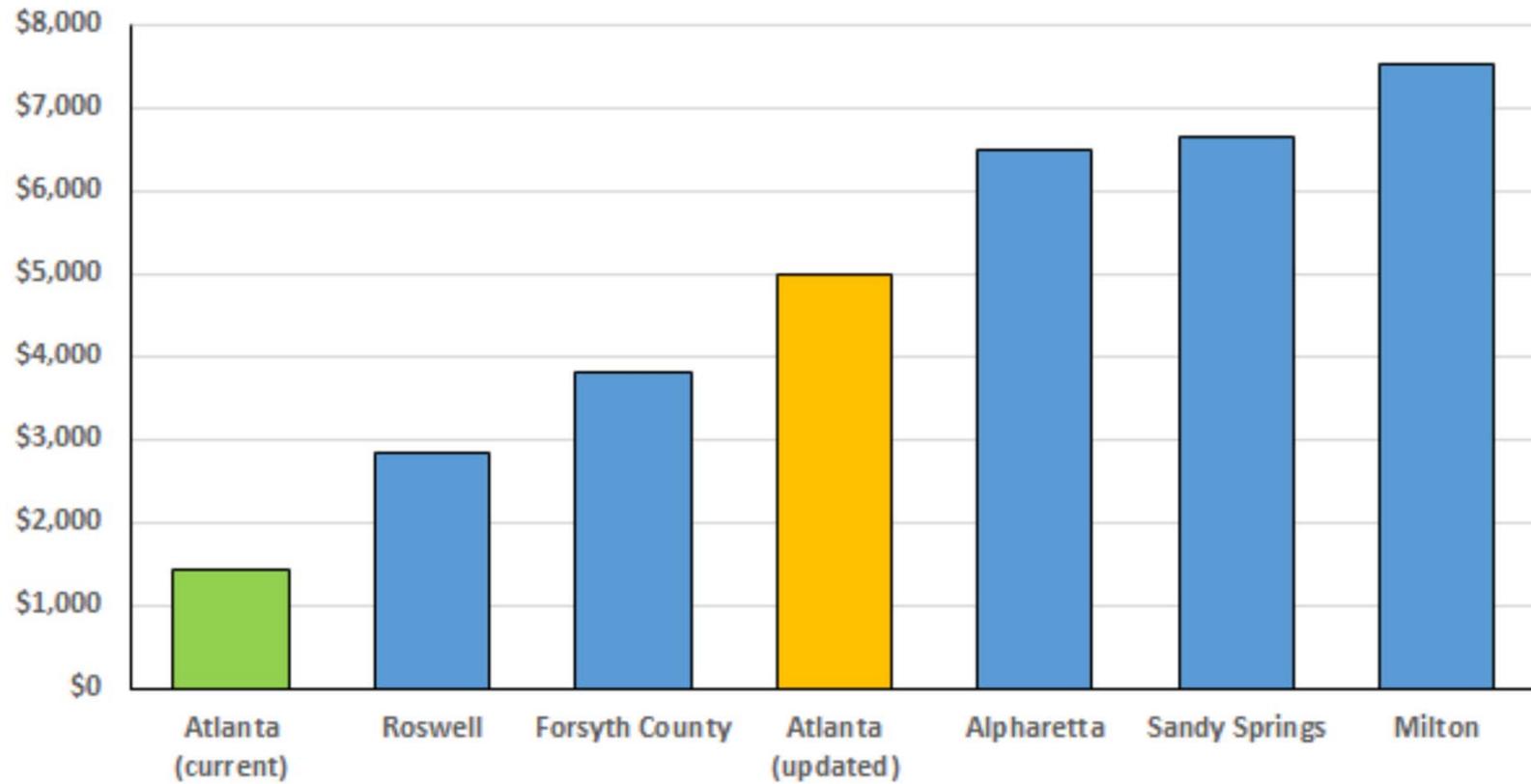
- Average or Tiered Single-Family Fees
 - Average single-family fee, regardless of unit size, or
 - Single-family fees that vary by three size categories

- Multi-Family Fees
 - Fees need to be tiered by three height categories, per ITE trip manual



Preliminary Fees

Fee per Average Single-Family Unit



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Recap

- Current fees low, based on 27-year-old study
- Study information should be updated
 - Especially latest ITE trip generation manual
- Fix mismatch between fees and actual needs
 - Transportation fees should include collectors, not just arterials
 - Park fees should include improvements, not just land
- Level-of-service standards should reflect diversity of needs
 - Especially multi-modal transportation components
- Consider proximity/LOS in transportation fee spending
 - Proximity: use service areas and track subareas
 - LOS: fund priority projects identified in Transportation Plan