



South Burlington Transportation Impact Fee

21 December 2020

Overview

The City has used impact fees for years (the current transportation fee was developed in 2007) to mitigate the effects of growth and partially offset the financial impact of additional transportation capacity on existing residents and landowners.

This is a significant update that aligns new transportation capacity to the CIP, City Center plans, Penny for Paths projects, and the Comprehensive Plan.

It complements a citywide philosophy to focus growth in areas that supports multimodal travel by assessing the fee on new PM peak hour vehicle trips.



Concept



Increase in population, employment, and visitors



Additional demands on the transportation system



Impact fees are the proportionate costs of additional transportation capacity



Additional transportation capacity is funded



What is an impact fee

"Impact fee" means a **fee** levied as a condition of issuance of a zoning or subdivision permit which will be used to cover any portion of the costs of an existing or planned **capital project** that will benefit or is attributable to the **users** of the development or to compensate the municipality for any expenses it incurs as a result of construction. The fee may be levied for recoupment of costs for previously expended capital outlay for a capital project that will benefit the users of the development.

Source: 24 V.S.A. § 5201

General requirements per Statute:

- > A plan that articulates the need (Impact Fee Needs Study)
- > Standards of level of service
- > Capital budget/program
- > Locations, projects, cost estimates, and funding sources
- > Funding formula





Calculating the Fees

General Methodology

GROWTH

Forecasts and land use plans

DEFICIENCIES

Standard of Service or community expectations

MITIGATION

Engineering and planning to determine capital items

COST OF MITIGATION

Costs of capital items

BASE FEE

Cost of Mitigation / Growth

NET FEE

Base fee minus credits or deductions



Travel Demand (PM Peak Hour)

South Burlington Growth by 2030



Residents

1,000 households



Employees

3,430 employees

New Primary
Trips
during PM peak
hour by 2030



1,900 new
vehicle trips



900 new trips by Bus, Riding, and Walking



Project Identification & Selection

Comprehensive citywide review of infrastructure projects.

- Review of previously collected reports
 - Previous CIPs
 - Penny for Paths
 - Expected new infrastructure with land development
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- Complexity (difficult features may require outside permits and approvals complicating the project timeline and cost estimates)
 - Funding (reality of funding non-impact fee eligible portions)
 - Sufficient Benefit to Community (City priority vs. local/private priority)
 - Comp Plan Goals
 1. Infrastructure that meet the City's multimodal and congestion objectives as established in the Comprehensive Plan.
 2. Allow for flexibility in the land uses that can occur within the City and specifically along the highest volume roadways in the City. Support the new Form Based Code, where applicable.
 3. Maintain sufficient vehicular capacity on the regionally significant arterials. Balance local needs vs. regional needs.
 4. Maintain safety (through access management, driveway design, etc.) for site development, access and impacted intersections.



Projects Summary

88 Projects identified and evaluated



16 Projects selected for Impact Fee funding

Impact Fee Projects

	Total Cost	Impact Fee Portion
Roadway – 3 projects	\$12,892,000	\$3,600,000
Paths – 9 projects	\$5,989,000	\$917,000
Intersections – 2 projects	\$1,310,000	\$228,800
Sidewalks – 1 project	\$790,000	\$150,000
Bike lanes – 1 project	\$186,000	\$38,000
	\$21,167,000	\$4,933,800



Impact Fee Project Details

Airport Parkway from Kirby Rd to Lime Kiln. Phase 1 from Kirby to Berard Rd.	Install 5' wide sidewalk and bike lanes from Kirby Road to Lime Kiln Road. Includes widening of cross section between Lime Kiln and top of the hill.
Allen Road / Harbor Heights Path: Shelburne Rd to Baycrest	10' recreation path.
Dorset Street: Old Cross Rd to Sadie Lane	10' shared use path.
Garden Street North of Market St.	(1) connect existing Garden Street to Midas drive with 2-lane roadway, add 10' shared use path, trees, lights - 450' length; (2) Midas Drive upgrade, sidewalk, street trees, lights, 10' rec path - 500'; (3) correct Midas/Williston and Hinesburg / Williston Road intersections and replace sidewalk with 12' recreation path and streetscape on south side of the road.
Hinesburg Rd / Tilley Drive Intersection signalization	Install signal and crosswalk at intersection. No lane re-alignments
Hinesburg Road Shared Use Path Williston Road to Kennedy.	Replace existing sidewalk (portions asphalt) with 10' recreation path.
Kimball Avenue Muddy Brook crossing	Includes a crossing of Muddy Brook
Kimball/Community Dr East Intersection Improvements	Traffic signal with mast arms, grading, crosswalks
Shelburne Road: Imperial to McIntosh both sides	Shared use path.
Shelburne Road: path connection from IDX Dr to Imperial Dr.	Shared use path connection.
Spear Street Path jughandle to UVM athletic facilities	6' sidewalk on east side and 10' recreation path on west side of Spear Street.
Spear Street Path: Swift Street to Shelburne Town Line (phase 2)	sidewalk and on-road bike lanes
Spear Street Path: US Forest Service Bldg to Swift Street (phase 1)	10' recreation path.
Tilley to Community Drive Road	2-lane roadway. Parallel to existing shared use path. Involves wetland / archeology crossing. 850' total length
Williston Road Streetscape South Side	Replace existing sidewalk with 12' wide shared use path, greenbelt, street trees, pedestrian lighting. 2,000' length
Williston Road: new Street on north side, from Dorset to Patchen	Includes 2 sections, Dorset St to Windjammer front drive aisle (500') and Windjammer access road to Patchen Rd (1,500'). 2 lanes, on-street parking, sidewalk, rec path, street trees

**These projects are all included in the CIP*



Base Impact Fee

Cost of Impact Fee Projects (2020 dollars)	\$4,933,800
Number of new PM Peak Hour Vehicle Trips	1,900
Cost per PM Peak Hour Vehicle Trip <i>(Eligible Project Costs / New Trips)</i>	\$2,596.74



Final Fee

$$\text{Final Impact Fee} = \text{Base Fee} - \text{Credits}$$

- Credits reduce the impact fee assessed on a land development.
- Infrastructure credits are expected as land development occurs. It will build some of the projects identified for impact fee funding. The credits may or may not cover the full impact fee liability.





How does the Base Fee compare?

Regional Comparisons (as of today)

	MUNICIPALITY	SINGLE FAMILY DWELLINGS (Per unit)	MULTI-FAMILY DWELLINGS (Per unit)
Residential Transportation	Prelim South Burlington (per unit)	\$2,596.74	\$1,722.60
	South Burlington – today (per unit)	\$1,010**	\$667
	Burlington (\$199 per ksq ft)	\$330 - \$400	\$320 - \$400
	Winooski Draft (per unit)	\$1,229.91	\$860.94
	Williston (per unit)	\$1,940	\$1,100
	St. Albans (per unit)	\$281	\$217
	Georgia (per unit)	\$317	\$317

** Residential has a \$1,600 recreational impact fee that will go down to \$1,000 after this revised transportation fee. Therefore, the Residential net change is \$1,000.

= existing Rec. Impact Fee + existing Transportation Fee = \$1,600+\$1,000 = \$2,600

= proposed Rec. Impact Fee + proposed Transportation Fee = \$1,000 + \$2,600 = \$3,600



Regional Comparisons (as of mid-Nov)

	MUNICIPALITY	SINGLE FAMILY DWELLINGS (Per unit)
	Residential	City of Portland, ME
Concord, NH		\$2,002
Freeport, ME		\$1,500
Scarborough, ME		\$1,042
National Average (2019 survey)		\$3,691

	MUNICIPALITY	INDUSTRIAL (estimated on 50ksqft light industrial)	OFFICE (estimated on 30ksqft general office)	RETAIL / COMMERCIAL (estimated on 10ksqft of variety retail)
	Non-Residential	Prelim South Burlington (\$2,597 per trip)	\$107,765	\$89,587
South Burlington - today (\$999.86 per trip)		\$41,494	\$34,495	\$68,400
City of Portland, ME (Jan 2020)		\$59,700	\$88,770	\$87,170
Concord, NH (2001)		\$50,000	\$56,400	\$40,000
Freeport, ME (2014)		\$58,500	\$34,500	\$10,500
Scarborough, ME (2003)		\$58,100	\$48,300	\$95,774

sources

<http://www.impactfees.com/publications%20pdf/2019survey.pdf>

<https://www.portlandmaine.gov/DocumentCenter/View/23325/Comparable-Impact-Fee-Study>

<https://www.portlandmaine.gov/DocumentCenter/View/23424/Impact-Fee-FAQs>

https://library.municode.com/nh/concord/codes/code_of_ordinances?nodeId=TITIVZOCO_CH29.2PUCAFAIMFEOR

https://www.freeportmaine.com/sites/g/files/vyhlf4436/f/uploads/feesandfines_12-16-14.pdf

<https://www.scarboroughmaine.org/government/town-ordinances/400-building,-land-use-and-development-impact-fees/410-roadway-impact-fee-ordinance.pdf/>



Regional Comparisons (as of today)

	MUNICIPALITY	INDUSTRIAL <i>(estimated on 50ksqft light industrial)</i>	OFFICE <i>(estimated on 30ksqft general office)</i>	RETAIL / COMMERCIAL <i>(estimated on 10ksqft of variety retail)</i>
Non-Residential	Prelim South Burlington (\$2,597 per trip)	\$107,765	\$89,587	\$177,643
	South Burlington - today (\$999.86 per trip)	\$41,494	\$34,495	\$68,400
	Burlington (\$266 per ksq ft - industrial) (\$686 per ksq ft – office) (\$747 per ksq ft – retail/commercial)	\$13,300	\$20,580	\$7,470
	Winooski Draft (\$1,230 per trip)	\$51,041	\$42,432	\$84,138
	Williston (\$1,940 per trip)	\$80,510	\$66,930	\$132,715



Adjusting the Fee

- The cost of the impact fee is directly proportional to the estimated impact on the transportation system – using vehicle trips as the metric.

Project List

Lowering the fee requires **reducing** the project list.

$$\text{Base Impact Fee} = \frac{\text{Cost of Projects}}{\text{Change in Trips}}$$

Other options do exist.
 - Such as subsidizing the fees from other money (sales taxes, grants, etc.)

Example Costs per Trip and Revenue

New Growth	Cost per Trip	Impact Fee Revenue
1,900 new PM peak hour Vehicle Trips	\$ 1,000	\$ 1,900,000
	\$ 1,500	\$ 2,850,000
	\$ 2,000	\$ 3,800,000
	\$ 2,500	\$ 4,750,000
	\$ 3,000	\$ 5,700,000
	\$ 3,500	\$ 6,650,000
	\$ 4,000	\$ 7,600,000
	\$ 4,500	\$ 8,550,000
	\$ 5,000	\$ 9,500,000





Administering

Basic Finance Rules

- Separate funds from other City funds
- Track who provided fees and where fees went
- Spend fees within 6 years or the payee could request a refund
- City has obligation once fees start to be collected that projects will be completed. Some flexibility as to the final form of the projects. If a project is not pursued, there has been precedent for the provision of other 'similar' capacity.
- Funding a set of specific projects to add new capacity. Not maintenance or existing deficiencies.
- Because of cash flow of impact fees – fees don't need to pursue each project at the same time.





Questions and Discussion



Contacts

www.rsginc.com

Jonathan Slason, PE

Director

Jonathan.slason@rsginc.com

p. 802.561.0508