

Town of Johnstown

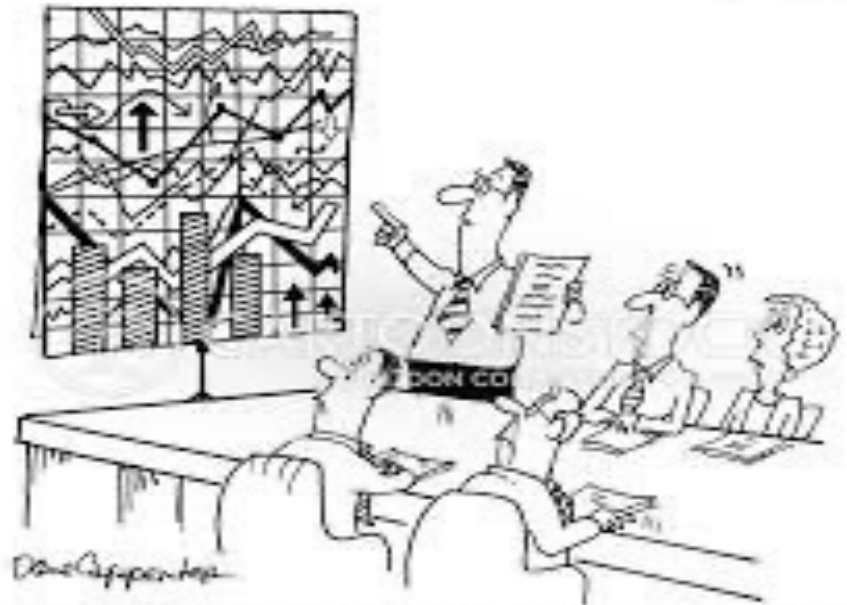
Impact Fee Update Briefing

WEL Consulting, Inc.



Agenda

- Introductions
- Purpose & Scope
- Overview of Impact Fees & Process
- Fees
- Comparisons
- Questions



Purpose & Scope

- To Update & Refresh - 2015 BBC Consulting Study
 - Update list of community assets since last study
 - Update the costs associated with all assets since last study
 - Calculation of allowable impact fees based on methodology
 - Development of current fee recommendation and 5-year plan
- To Review Affordable Housing Concepts

Development Fee Approaches

Existing Standard

- Backward-looking
- Expansion of facilities at same standard serving existing development
- Unit cost of capacity for new development

Incremental

- Forward-looking
- Future facilities that add capacity for new development

System Standard Average

- Based on system value at planning horizon including existing and new facilities

Methodology

IMPACT FEE METHODOLOGY— CURRENT SERVICE STANDARD (“BUY-IN”)

- ▶ *Based on current per unit capital investment for existing land uses*

Advantages

- Legally secure
- Highest standard of fairness
- Comparatively simple data requirements

Disadvantages

- Based on replication of current facilities
- Not directly connected to future capital plans

Impact Fees

- One-time payments applied to new development projects
- Reflect the costs created by new development for the “buy in” to the current system
- Design requirements for proportionality

Land Use	Amount	Percent
<u>Nonresidential (SF)</u>	3,256,802	23%
Retail	808,725	6%
Office	286,224	2%
Industrial/Other	2,161,853	15%
<u>Residential</u>	10,908,880	77%
Units	5,757	

Impact Fees

- Purpose is for capital acquisition & expansion
- Applied against all land use types to the extent there are impacts
 - Residential (Single Family & Multi-Family)
 - Non-Residential (Retail, Office, Industrial)
- Must be a rational nexus between the amount of the fee and the cost to serve new development

Impact Fee Process

Evaluate Factors Affecting Capital Valuation & Community Standards

Update Community Assets Inventory

Update Cost Associated w/ Assets

Evaluation of Regulation Changes

Asset valuation represents implied investment & community standard

Current assets that meet standards are included in fee calculation

Capital investment distributed across all land use

Calculate impact fees

Approved plan

Impact Fee Example -Municipal Facilities

Location	Asset	Asset Value	Percent Fee Eligible	Fee Value
101 Charlotte Street	Community Center	\$1,576,040	100%	\$1,576,040
Recreation Center	Building	\$14,895,500	100%	\$14,895,500
Recreation Center	Equipment	\$300,000	100%	\$300,000
17 N Parish	Public Works Facility	\$610,100	100%	\$610,100
450 S. Parish	Town Hall	\$5,397,100	100%	\$5,397,100
205 1st Street	Public Works Building	\$2,838,000	100%	\$2,838,000
206 1st Street	Public Works Storage	\$275,600	100%	\$275,600
1101 S Jay Street	Old Library Building	\$395,200	100%	\$395,200
202 N. Greeley	Other	\$1,500,000	100%	\$1,500,000
1101 S. Jay Ave	Other	\$460,400	100%	\$460,400
TOTAL		\$28,247,940		\$28,247,940

Impact Fee Example - Municipal Facilities

Calculation of Impact Fee	
Replacement Value for Public Infrastructure	\$28,247,940
Current Land Use Distribution	
Residential	77%
Nonresidential	
Retail	6%
Office	2%
Industrial / Other	15%
Cost by Land Use Category	
Residential	\$21,753,516
Nonresidential	
Retail	\$1,612,687
Office	\$570,762
Industrial / Other	\$4,310,974
Current Land Use	
Residential (in dwelling units)	5,757
Nonresidential (in square feet)	3,256,802
Retail in square feet	808,725
Office in square feet	286,224
Industrial / Other in square feet	2,161,853
Impact Fee by Land Use (Rounded)	
Residential	
Single Family Residential (Per Unit)	\$4,081
Multi Family Residential (Per Unit)	\$3,476
Nonresidential	
Retail	\$1.99
Office	\$1.99
Industrial / Other	\$1.99

Existing Impact Fee Areas

- Police
- Municipal Facilities
- Parks & Recreation
- Roads
- Library & Cultural



Current Impact Fees

	Parks & Recreation	Library & Cultural	Public Facilities	Police	Roads	Total
Residential (per unit)						
Single Family	\$1,194	\$1,148	\$1,589	\$733	\$2,777	\$7,441
Multi Family	\$1,016	\$977	\$1,352	\$624	\$2,363	\$6,332
Residential (per square foot)						
Retail			\$0.74	\$0.68	\$4.92	\$6.34
Office			\$0.74	\$0.25	\$2.98	\$3.97
Industrial / Other			\$0.74	\$0.25	\$1.92	\$2.91

Permitted Impact Fees

	Parks & Recreation	Library & Cultural	Public Facilities	Police	Roads	Total
Residential (per unit)						
Single Family	\$3,739	\$1,293	\$4,081	\$759	\$3,552	\$13,423
Multi Family	\$3,185	\$1,101	\$3,476	\$647	\$3,026	\$11,435
Residential (per square foot)						
Retail			\$1.99	\$1.11	\$5.57	\$8.67
Office			\$1.99	\$0.30	\$3.09	\$5.38
Industrial / Other			\$1.99	\$0.30	\$1.97	\$4.26

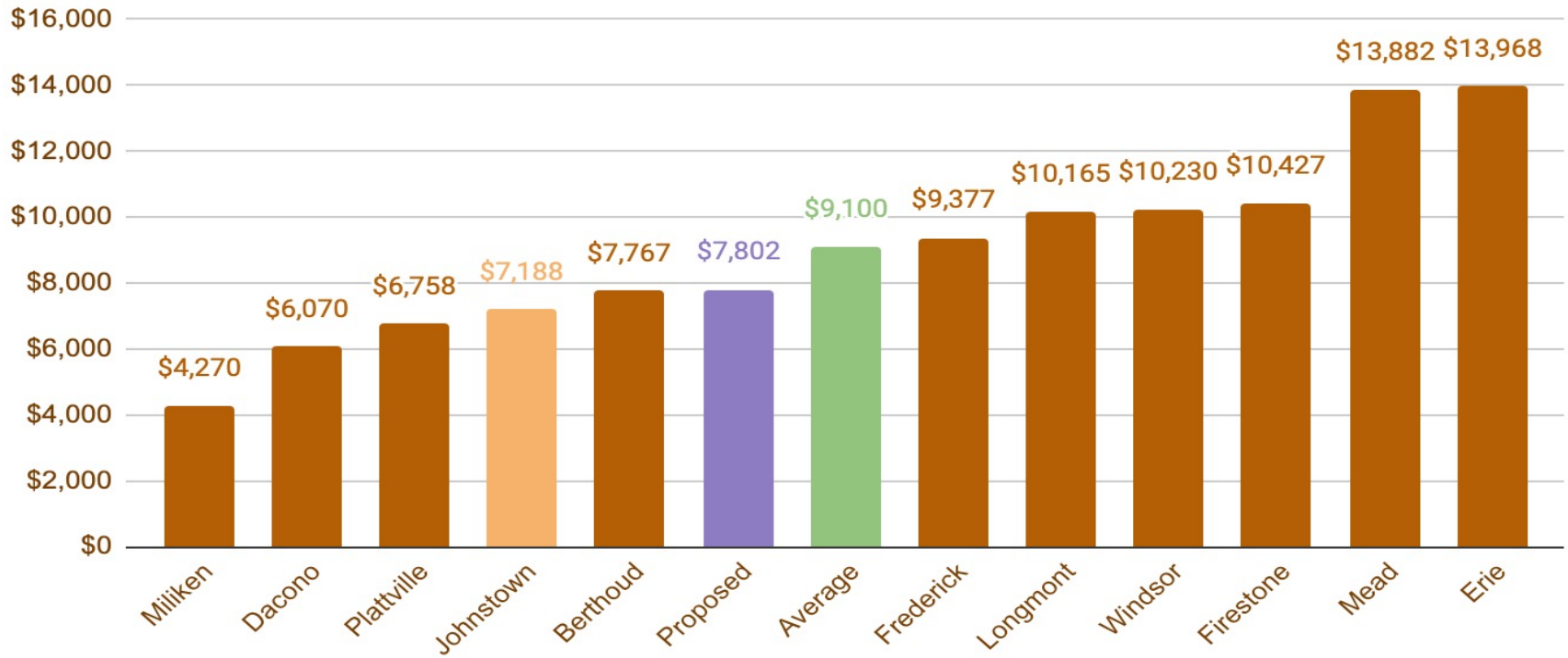
Recommended Impact Fees

	Parks & Recreation	Library & Cultural	Town Facilities	Police	Roads	Total
Residential (per unit)						
Single Family	\$1,254	\$1,205	\$1,668	\$770	\$2,916	\$7,813
Multi Family	\$1,067	\$1,026	\$1,420	\$655	\$2,481	\$6,649
Residential (per square foot)						
Retail			\$0.78	\$0.71	\$5.17	\$6.66
Office			\$0.78	\$0.26	\$3.13	\$4.17
Industrial / Other			\$0.78	\$0.26	\$2.02	\$3.06

Comparisons

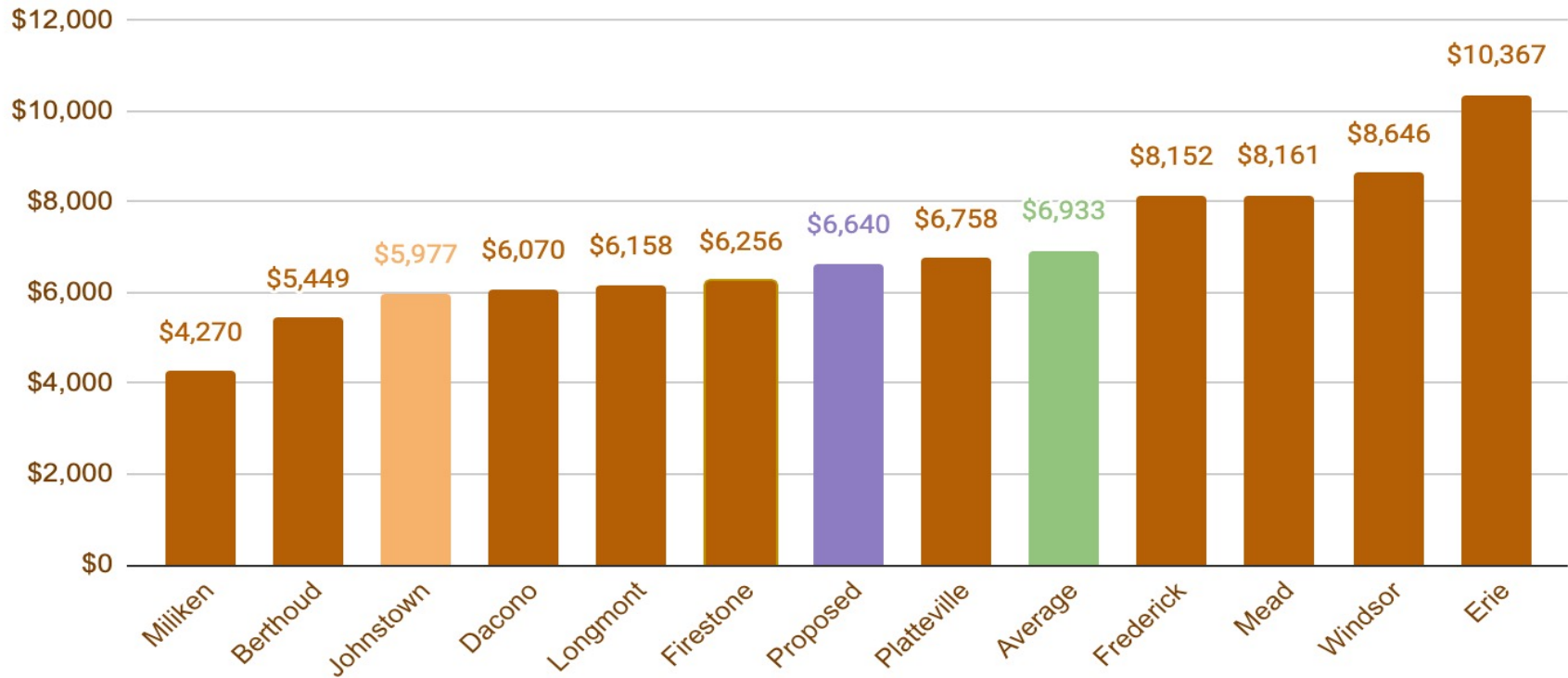
- Comparisons are provided to surrounding communities (2019)
- Level of service may be different between communities
- Stage of development may be different between communities
- Tax rates/construction costs are not factored into comparisons

Residential: Single Family Comparison



Residential: Single Family

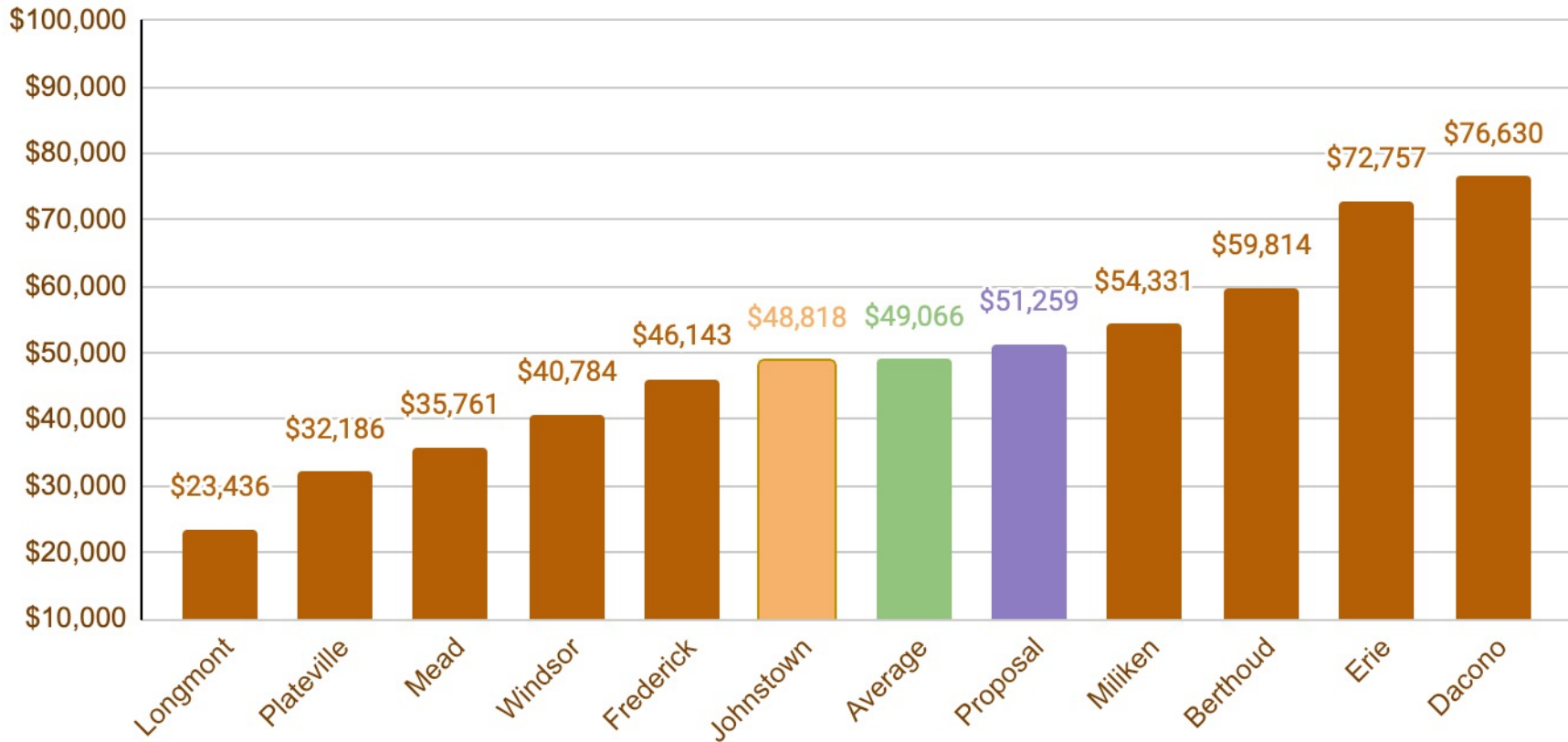
Residential: Multi-Family Comparison



Residential: Multi-family

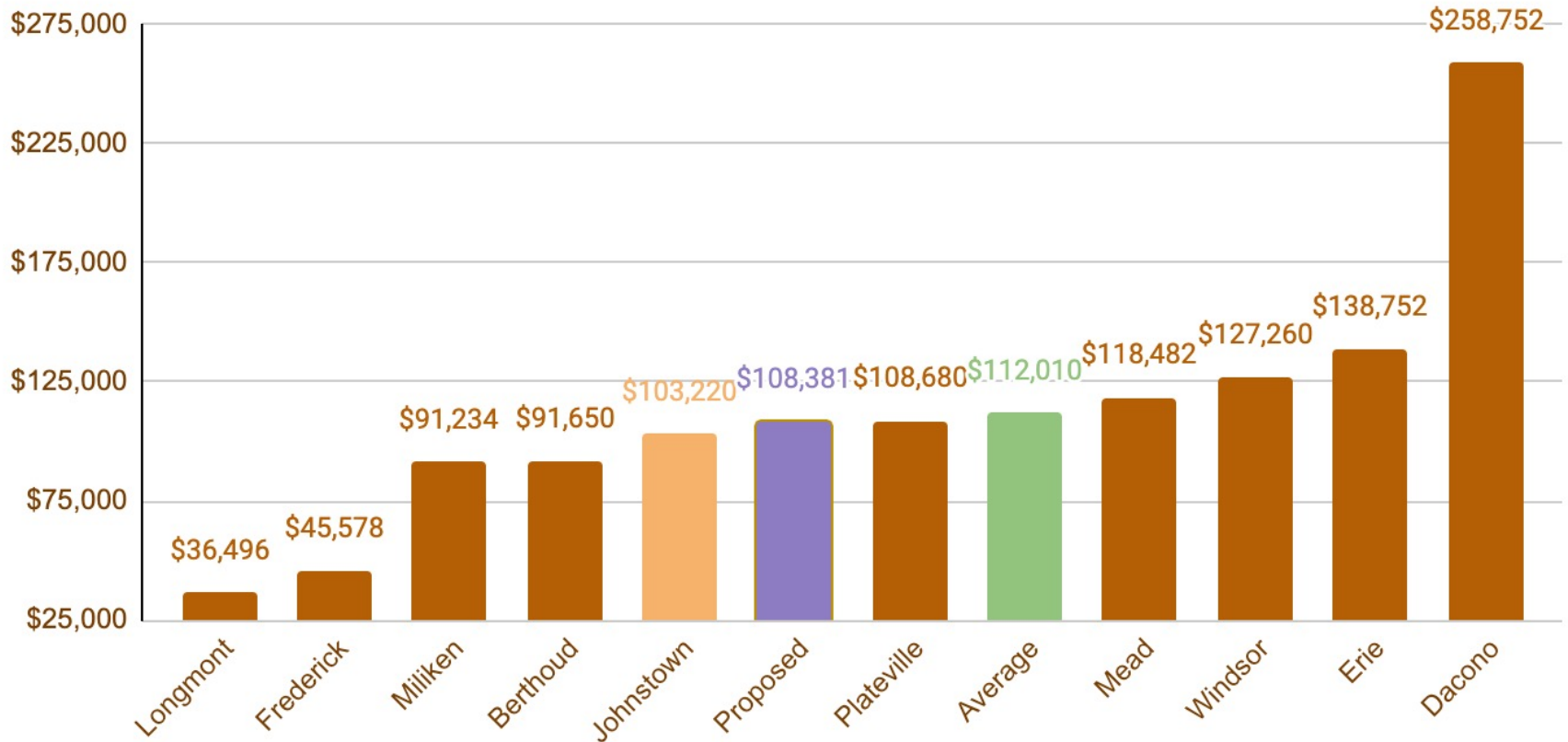
Nonresidential - Retail

Non-Residential - Retail (7,700 Sq Ft.)



Nonresidential - Office

Non-Residential - Office (26,000 Sq Ft.)



Affordable Housing Alternative

- According to a new law in Colorado, municipalities are allowed to require the construction of more affordable housing. [HB21-1117](#) says that municipalities can specifically require that new developments include a certain number of units that will have more affordable rents, though the law doesn't define what is "affordable."
- Municipalities can decide whether to use this new power, also known as inclusionary zoning. They also must provide at least one other option to the developer. For example, instead of building affordable units, a developer might be allowed to pay a fee instead. And cities that want to require new affordable units also must embrace other policies that make it easier to build housing. See Appendix for comparison.

Affordable Housing Alternative

Single-Family	$\geq 2,500$ Sq Ft.	\$500 Unit
Multi-Family	≥ 2 Bedroom	\$350 Unit
Retail	$\geq 30,000$ Sq Ft	\$1.00 Sq. Ft.

Denver	Sq Ft Cost
Winter Park	Sq Ft Cost
Loveland	Sale Tax Allocation
Ft Collins	Real Estate Transfer Tax

Study Summary

- Fees presented are specific to Town's based on the Town's current asset valuation and investment
- Impact fees can only be used for “growth-related” projects
- The fees should be revisited and updated every 5-years in recognition of:
 - Changing demographics (residential vs non-residential)
 - Changes in the Town's infrastructure needs
 - Changes in the cost of infrastructure/equipment

Municipal Facilities Fees - 5 Year Phase

	Current	2022	2023	2024	2025	2026
Residential (per unit)						
Single Family	\$1,589	\$1,668	\$1,752	\$1,839	\$1,931	\$2,028
Multi Family	\$1,352	\$1,420	\$1,491	\$1,565	\$1,643	\$1,726
Residential (per square foot)						
Retail	\$0.74	\$0.78	\$0.82	\$0.86	\$0.90	\$0.94
Office	\$0.74	\$0.78	\$0.82	\$0.86	\$0.90	\$0.94
Industrial / Other	\$0.74	\$0.78	\$0.82	\$0.86	\$0.90	\$0.94

Parks & Recreation Fees - 5 Year Phase

	Current	2022	2023	2024	2025	2026
Residential (per unit)						
Single Family	\$1,194	\$1,254	\$1,316	\$1,382	\$1,451	\$1,524
Multi Family	\$1,016	\$1,067	\$1,120	\$1,176	\$1,235	\$1,297
Residential (per square foot)						
Retail						
Office						
Industrial / Other						

Police Fees - 5 Year Phase

	Current	2022	2023	2024	2025	2026
Residential (per unit)						
Single Family	\$733	\$759	\$797	\$837	\$879	\$922
Multi Family	\$624	\$647	\$679	\$713	\$748	\$786
Residential (per square foot)						
Retail	\$0.68	\$0.71	\$0.75	\$0.79	\$0.83	\$0.87
Office	\$0.25	\$0.26	\$0.28	\$0.29	\$0.30	\$0.32
Industrial / Other	\$0.25	\$0.26	\$0.28	\$0.29	\$0.30	\$0.32

Street Fees - 5 Year Phase

	Current	2022	2023	2024	2025	2026
Residential (per unit)						
Single Family	\$2,777	\$2,916	\$3,062	\$3,215	\$3,375	\$3,544
Multi Family	\$2,363	\$2,481	\$2,605	\$2,735	\$2,872	\$3,016
Residential (per square foot)						
Retail	\$4.92	\$5.17	\$5.42	\$5.70	\$5.98	\$6.28
Office	\$2.98	\$3.13	\$3.29	\$3.45	\$3.62	\$3.80
Industrial / Other	\$1.92	\$2.02	\$2.12	\$2.22	\$2.33	\$2.45

Library & Cultural Fees - 5 Year Phase

	Current	2022	2023	2024	2025	2026
Residential (per unit)						
Single Family	\$1,148	\$1,205	\$1,266	\$1,329	\$1,395	\$1,465
Multi Family	\$977	\$1,026	\$1,077	\$1,131	\$1,188	\$1,247
Residential (per square foot)						
Retail						
Office						
Industrial / Other						



Questions?



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