
MEMORANDUM

To: Mayor and City Council

From: Steven J. Dush, AICP
Community Development Director

Date: May 14, 2012

Subject: **Impact Fee "Re-Boot"/Briefing**

ITEM DESCRIPTION

On August 8, 2011, the City of Dunwoody received a presentation regarding the use of impact fees. Since that presentation, a fair amount of time has passed and three new City Council members have been seated (1 mayor and 2 council members). In an effort to re-introduce the topic, this presentation is designed to do the following:

1. Provide a "101" on what impact fees are and do;
2. Present the Methodology Report; and
3. Determine Next Steps.

Ross + Associates, the Consultant, had previously created an Impact Fee Assessment Report specific for the City of Dunwoody, which outlined the Development Impact Fee Act in Georgia and how Level of Service measurements could be created for our city, which contemplate new populations moving into the community and changes within our commercial real estate landscape. Additionally, they have produced a methodology report that summarizes the actual fees that could be assessed and how those fees were arrived at.

Concluding the presentation, Staff is seeking direction from Council to either end the discussion of impact fees for the community or continue on a path toward possible adoption.

ANALYSIS

The State of Georgia allows impact fees to be collected for a number of system improvements typically programmed by local governments; where the proposed improvements can contemplate roads, public safety, parks/recreation, water supply, stormwater, wastewater, and libraries as possible areas for future funding allocations. Impact fees have been in existence in Georgia for approximately 20 years, where they have served as an innovative financing mechanism for implementing capital improvement projects. Nationally, many communities have implemented impact fees to pay for services based upon the impact of a particular use as a method to ensure that new development pays its appropriate share for services. Our neighbors, the cities of Sandy Springs, Roswell, Alpharetta and Atlanta have implemented impact fee programs.

One of the key questions to ask in an effort to determine whether to move forward with impact fees is: will the fees generated result in improvements that will make a difference in

addressing the associated impacts versus the perception cost associated with adopting an impact fee program. In other words is the revenue generated worth the cost of impact fees. Additionally, the revenue generated will be different for infill communities than for Greenfield communities.

RECOMMENDED ACTION

Staff recommends that Mayor and City Council determine to either end the discussion of impact fees at this time, or, continue along a path of further study to consider possibly adopting an impact fee program.

Further study would proceed along the following steps:

1. Hold a “kick-off” public hearing to announce the further study of impact fees.
2. Appoint an Impact Fee Advisory Committee.
3. Prepare a Capital Improvements Element (CIE) meeting State requirements.
4. Hold a public hearing on the CIE, and transmit it to ARC and DCA for review.
5. Prepare an Impact Fee Ordinance, including the impact fee schedule.
6. Adopt the CIE and the Ordinance to implement an impact fee program.

All of these steps are mandated by the State impact fee law. In addition, the law contains guidelines for appointment of an Impact Fee Advisory Committee, which are:

- The Committee must have no more than 10 members, but at least 5.
- At least 50% of the members must be representatives from the “development, building, or real estate industries.”

■ Executive Summary

Impact fees present an important potential revenue source for public facilities funding in Dunwoody. Decisions have been reached regarding the level of service to be provided in the city—decisions by the City Council based on current plans or based on desired level of service standards—in order for facility planning to take place. Based on that planning, calculations have been carried out in order to identify what portion of future capital facilities could be funded through impact fee collections.

In this report capital costs have been examined for several public facility categories: public safety, parks & recreation, and road facilities. Based on plans of the City, the portion of future capital costs that could be met through impact fees has been calculated. In short, impact fees could be used to fund 22% of the local capital costs in these public facility categories, and at the desired level of service standards, over the period of 2011 to 2030. Of the \$29.1 million in local capital costs, \$6.4 million could come through impact fee collection (and \$2.1 million through taxes paid by new growth).

Impact fees can play an important role in any funding strategy. If general funds alone were used to meet the \$29.1 million in local capital costs, the City of Dunwoody would need to charge an average of about 0.45 additional mils in property tax—for each of the nineteen years covered in this study—in order to fund the capital projects. Impact fees, as a component of a funding strategy, are just one part of the potential scenario, and can be refined as necessary over time. For instance, the future addition of a SPLOST program can affect the funding strategy, as can the issuance of general obligation bonds or other loan instruments.

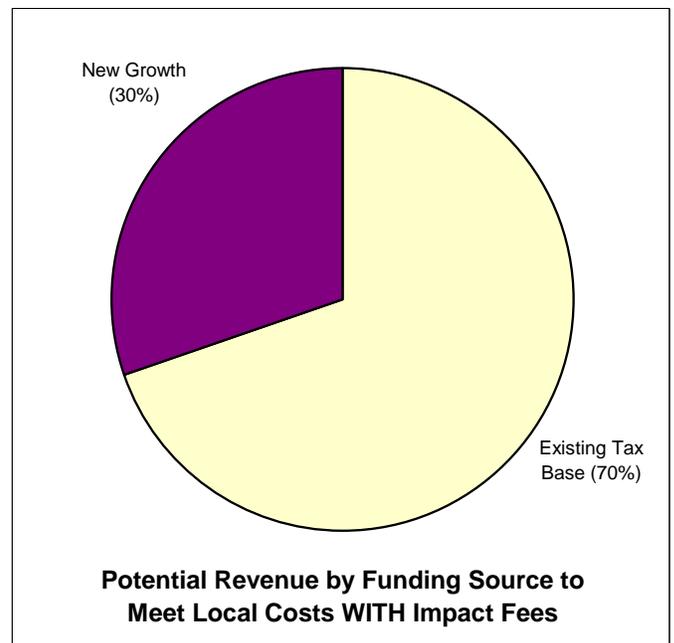
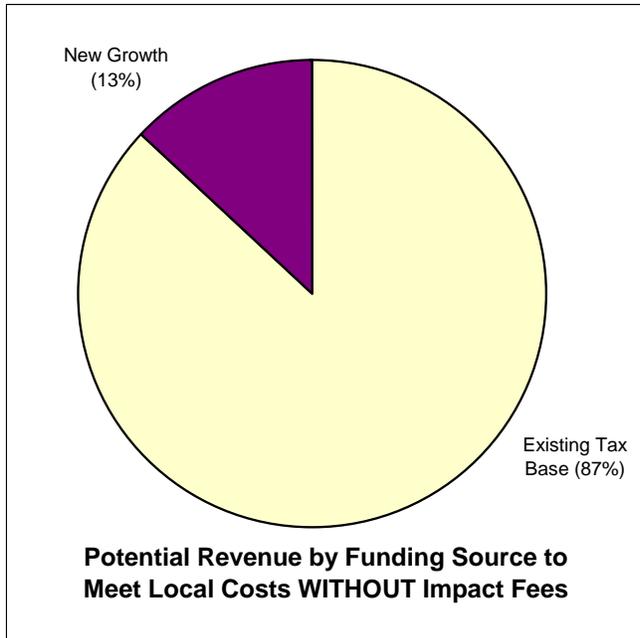
In the end, impact fees represent a potential funding source that must be balanced against other needs of the City. In this report the maximum allowable impact fee has been calculated; this is the most that could be charged to new growth. If impact fees are adopted, the impact fee amount ultimately charged would represent a shifting of the burden to fund these capital projects from the tax base as a whole, to the new developments actually demanding the services being added through these projects.

In short:

- Total \$29.1 million in local costs to be funded for impact fee related capital improvements in:
 - Public Safety (\$0.4 million)
 - Parks & Recreation (\$16.6 million)
 - Road Improvements (\$12.1 million)
- Total to support new growth: \$8.5 million.
- WITH impact fee program in place:
 - Tax rate to fund ineligible portion of projects: about 0.316 mils per year, for nineteen years.
 - Taxes generated by new growth: \$2.1 million.¹
 - Impact fees from new growth: \$6.4 million.

¹ Taxes from new growth have been maximized to create the highest possible credit against impact fees.

- WITHOUT an impact fee program:
 - Tax rate to fund all impact fee-related improvements: about 0.445 mils per year for the next nineteen years.
 - Taxes generated by current tax base: \$25.14 million.
 - Taxes generated by new growth: \$3.99 million.



Sample maximum impact fees:

Example Maximum Impact Fees

City of Dunwoody, GA

Land Use	Maximum Allowable Impact Fee
Single-Family Detached House	\$964.31 per dwelling
Apartment	\$952.76 per dwelling
General Light Industrial	\$0.10 per square foot
General Heavy Industrial	\$0.07 per square foot
General Office Building	\$0.14 per square foot
Drive-in Bank	\$1.13 per square foot
Free-Standing Discount Superstore	\$0.13 per square foot
Shopping Center	\$0.15 per square foot
Quality Restaurant	\$0.45 per square foot
Fast-Food Restaurant	\$1.13 per square foot
Pharmacy/Drugstore	\$0.19 per square foot

Effect on land uses:

- For a new single-family home selling for \$200,000, the impact fee would represent about 0.48% of the total cost, ultimately to the new homeowner.
- Nonresidential costs vary considerably. For a fast food restaurant (the highest traffic generator in the land use list) with a total development cost pro forma of \$1,000,000 for a 1,000 sf building, the impact fee cost would be about 0.11% of the total cost.

Impact Fee Methodology Report

City of Dunwoody Impact Fee Program
Including the following public facility categories:

Public Safety
Parks and Recreation
Road Improvements



DRAFT REPORT – April 26, 2012

ROSS+associates
urban planning & plan implementation

Table of Contents

■ Organization of the Report	iii
■ Executive Summary.....	1
<i>Introduction</i>	<i>4</i>
■ Impact Fees Authorized	4
■ Investment Recovery	4
■ Categories for Assessment of Impact Fees.....	5
■ Eligible Facilities	5
■ Review Requirement	7
■ Maximum Impact Fee Schedules	8
■ Individual Fee Assessment	8
■ Interpretation	8
■ Adoption of Impact Fee.....	8
<i>Impact Fee Methodology</i>	<i>12</i>
■ Introduction.....	12
■ Data Requirements	12
■ Impact Cost Calculation	13
■ Net Impact Cost Calculation	14
■ Impact Fee Calculation	18
<i>Forecasts</i>	<i>20</i>
■ Population and Employment Forecasts	20
■ Future Growth Projections	20
■ Service Area Projections	22
<i>Cost Adjustments and Credits</i>	<i>23</i>
■ Cost Adjustments.....	23
■ Credits	29
<i>Public Safety</i>	<i>33</i>
■ Introduction.....	33
■ Service Area	33
■ Level of Service	33
Forecasts for Service Area.....	34
■ Net Impact Cost Calculation	36
■ Net Fee Schedule	37

Parks and Recreation Services 40

- Introduction..... 40
- Service Area..... 40

Level of Service..... 40

- Forecasts for Service Area 41
- Gross Impact Cost Calculation 47
- Property Tax Credit Calculation..... 47
- Net Impact Cost Calculation 49
- Net Fee Schedule 49

Road Improvements..... 50

- Introduction..... 50
- Service Area..... 50
- Level of Service Standards 50
- Proposed Level of Service..... 51
- Forecasts for Service Area 51
- Gross Impact Cost Calculation 53
- Property Tax Credit Calculation..... 54
- Net Impact Cost Calculation 55
- Fee Schedule..... 55

Other Fees and Charges 59

- Program Administration..... 59

Appendix One: Fee Calculation Confirmation..... 60

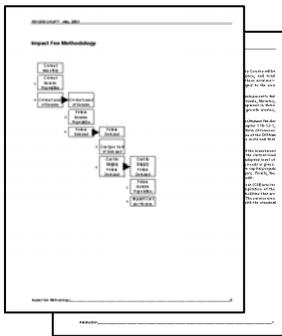
Appendix Two: Glossary..... 62

■ Organization of the Report

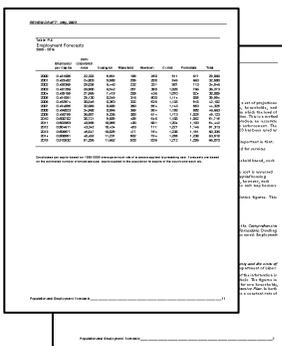
The *Impact Fee Methodology Report* is organized in such a way that the calculation of impact fees (discussed in detail in the next section) proceeds through the document in the same order that the calculations are undertaken. The illustration below describes the sections that make up the report.



Introduction – this section introduces and summarizes the calculation of impact fees, as well as the requirements for adoption and maintenance of the impact fee program. It includes an **Overview of the Impact Fee Program**, and concludes with the schedule of **Maximum Impact Fees**.

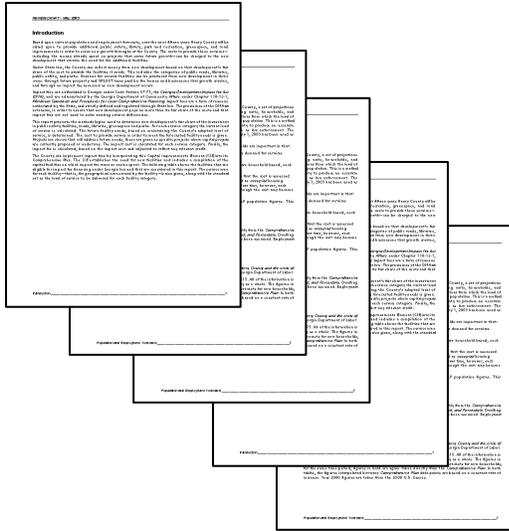


Methodology – this section outlines the calculations and data required for impact fee calculation, including information on level of service and service area considerations.

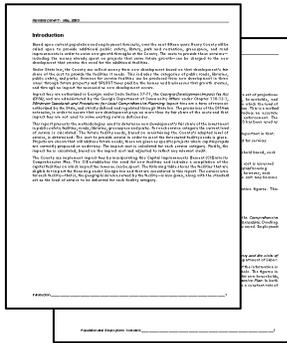


Forecasts – this section presents the population, dwelling unit, and employment forecasts for the city and the specific service areas.

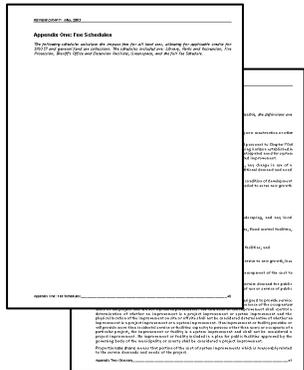
Cost Adjustments and Credits – this section calculates the applicable adjustments to future costs based on specific cost inflators and deflators. A forecast of the tax digest value is also presented.



Public Facility Category Chapters – these sections walk through the calculation of level of service, existing deficiency, future demand, and assignment of project costs. The public facility categories covered are **public safety, parks & recreation, and roads**. Each section ends with the calculation of an impact cost, the relevant credit against future taxes, and the resulting net impact fee that could be adopted.



Other Fees and Charges – this section presents information about other possible fees and fees for program administration.



Appendixes – the first appendix presents a **calculated confirmation** of the maximum allowable impact fee; the second appendix presents a **glossary** of terms used in the report.

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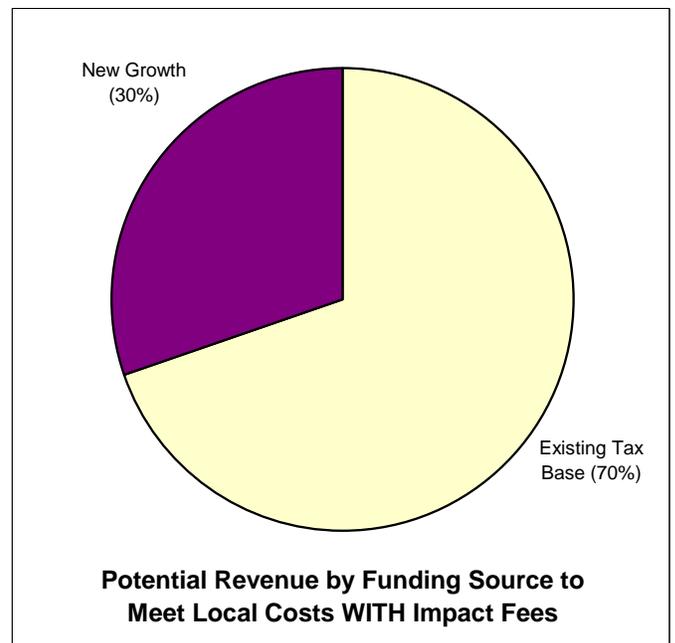
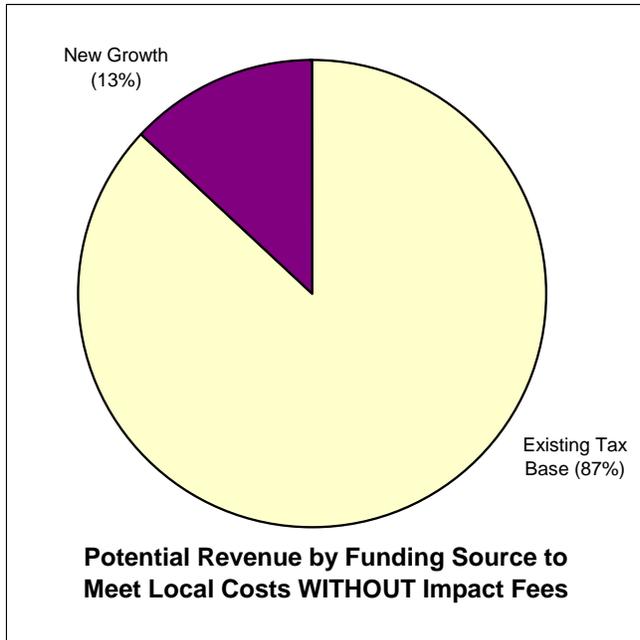
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Introduction

Based upon the latest population and employment forecasts, by the year 2030 the City of Dunwoody will be called upon to provide about \$29.1 million in capital improvements for public safety, parks & recreation and roads, including about \$8.5 million in City dollars in order to serve new growth alone. The costs to provide these capital improvement projects—including any money already spent on projects that will serve future growth—can be charged to the new development that creates the need for the additional facilities.

This Methodology Report presents the methodologies used to determine new development's fair share of the investment in public safety, parks & recreation and roads. This report establishes clear public policies regarding infrastructure development and ensures sound fiscal planning for capital improvements. The report identifies the need for new facilities and includes a compilation of the capital facilities on which impact fee revenue can be spent. One document required for the collection of impact fees is called the Capital Improvements Element (CIE), and is adopted as a chapter, or "element", in the City's Comprehensive Plan. As defined by DIFA, the CIE must include certain calculations and information, and those are also included in this report. The calculations and information, repeated (as applicable) for each category of public facility for which an impact fee will be charged, are:

- a **projection of needs** for the planning period of the adopted Comprehensive Plan;
- the designation of **service areas** - the geographic area in which a defined set of public facilities provide service to development within the area;
- the designation of **levels of service** (LOS) - the service level that will be provided;
- a **schedule of improvements** listing impact fee related projects and costs for the planning period of the adopted Comprehensive Plan;
- a description of **funding sources** for the planning period of the adopted Comprehensive Plan;
- The calculation of the gross impact of new development, credits, and net impact cost; and
- A schedule of maximum impact fees that could be adopted, by land use category.

■ Impact Fees Authorized

Under State law, the City can collect money from new development based on that development's proportionate share—the "fair share"—of the cost to provide the facilities it needs. This includes the categories of public safety, parks & recreation and roads. Revenue for service facilities can be produced from new development in two ways: through future taxes paid by the homes and businesses that growth creates, and through an impact fee assessed as new development occurs.

Impact fees are authorized in Georgia under Code Section 37-71, the *Georgia Development Impact Fee Act* (DIFA), and are administered by the Georgia Department of Community Affairs under Chapter 110-12-2, *Development Impact Fee Compliance Requirements*. Impact fees are a form of revenue authorized by the State, and strictly defined and regulated through State law. The provisions of the DIFA are extensive, in order to assure that new development pays no more than its fair share of the costs and that impact fees are not used to solve existing service deficiencies.

■ Investment Recovery

The Georgia Development Impact Fee Act permits recovery by a local government of the cost of providing an improvement that serves new growth and development, even though that cost was incurred prior to the adoption of an impact fee ordinance. As with all impact fees, the cost of the portion of the facility meeting current needs must be borne by the locality (i.e., existing taxpayers), with future development being assessed only for the excess capacity that has been made available to serve that

future growth in accordance with level of service standards that apply to both existing and future development.

Because the amount of dollars eligible to be recovered through an impact fee is based on the capacity available to support future growth and development within the whole system, a value for the existing system must be determined if excess capacity exists.

■ Categories for Assessment of Impact Fees

To assist in paying for the high costs of expanding public facilities and services to meet the needs of projected growth and to ensure that new development pays a reasonable share of the costs of public facilities, the City of Dunwoody enacted a program of impact fees for public safety, parks & recreation and roads. The sections in this Methodology Report provide population and employment forecasts and detailed information regarding the inventory of current facilities, the level of service, and detailed calculations of the impact cost for the specific public facilities.

■ Eligible Facilities

The following table shows the facility categories that are eligible for impact fee funding under Georgia law and that are considered in this report. The service area for each public facility category—that is, the geographical area served by the facility category—is also given, along with the standard adopted as the level of service to be delivered for each facility category. Whether or not an existing deficiency exists is also shown for each category.

Table Summary-1
Overview of Impact Fee Program - Facilities
City of Dunwoody

	Public Safety	Parks and Recreation	Roads
Eligible Facilities	Police Dept.: Administrative facility space; 911 Comm Equipment	Acres & Developed components (ball fields, football fields, etc.)	Road projects providing new trip capacity
Service Area(s)	City-wide	City-wide	City-wide
Level of Service Standard	Square footage of facilities and 911 systems per day/night population	Number of acres & developed components per dwelling unit	LOS "D"
Existing Deficiency?	No	Yes (land & components)	Yes (road capacity)
Historic Funding Source(s)	General Fund	General Fund	General Fund, GDOT

Terms used in **Table Summary-1**:

Eligible Facilities under the State Act are limited to capital items having a life expectancy of at least ten years, such as land and buildings. Impact fees cannot be used for the maintenance, supplies, personnel salaries, or other operational costs, or for short-term capital items such as computers, furniture or automobiles. None of these costs are included in the impact fee system.

Service Areas are the geographic areas that the facilities serve, and the areas within which the impact fee can be collected. Monies collected in a service area for a particular type of facility may only be spent for that purpose, and only for projects that serve that service area.

Level of Service Standards are critical to determining new development's fair share of the costs. The same standards must be applied to existing development as well as new to assure that each is paying only for the facilities that serve it. New development cannot be required to pay for facilities at a higher standard than that available to existing residents and businesses, nor to subsidize existing facility deficiencies.

Table Summary-2 presents a summary of the historic and anticipated funding sources for capital improvement projects in each facility category. All figures are in net present value. The shortfall shown in the last line is the net amount that could be collected from new growth in the form of impact fees.

Table Summary-2
Overview of Impact Fee Program - Potential Funding
City of Dunwoody

FUNDING	Public Safety	Parks & Rec	Roads	SUMMARY
CIE Creation	\$27,057	\$27,057	\$27,057	\$81,170
New Capital Investment	\$425,242	\$16,532,328	\$12,092,152	\$29,049,723
City Capital Investment	\$452,299	\$16,559,385	\$12,119,209	\$29,130,893
Funding Responsibility:				
Existing Tax Base	-	\$10,743,689	\$9,923,191	\$20,666,880
New Growth	\$452,299	\$5,815,696	\$2,196,018	\$8,464,013
New Growth Revenue:				
Taxes	-	\$860,352	\$1,192,017	\$2,052,369
Shortfall	\$(452,299)	\$(4,955,344)	\$(1,004,001)	\$(6,411,644)

■ Review Requirement

A number of the factors that form the base-line assumptions in this report's impact cost calculations may change over time. The impact fee methodologies for the service areas should be reviewed annually, and should reflect changes in the growth and development of the city. Also, the fiscal elements of the impact fee system should be brought up to current dollars each year.

- The "planning horizon" of this methodology report is 2030; this matches the "horizon" of the City's *Comprehensive Plan Update*. When the *Comprehensive Plan* is again updated, the methodology report (and impact fee methodologies) should be reviewed and updated as needed to meet any new "horizon".
- The amount of future tax revenue generated by future growth, as estimated in this report, is directly related to the City's population and employment projections. This projection should be reviewed every year against other data, such as building permits and utility hook-ups, to confirm continuing validity or to modify the methodologies.
- Employment and population forecasts in this report are drawn from the figures used in the City's *Comprehensive Plan Update*; any changes to those figures should be reflected in the impact cost calculations.
- Costs should be maintained in net present value terms, and construction costs should be updated regularly to reflect changes in the construction cost inflator. The land costs for public safety facilities, roads and parks, as well as the various facility construction costs, should be updated annually. In addition, these costs should be adjusted to reflect any changes in the consumer price index.
- Projections in tax base growth should be updated each year to reflect actual growth, and to update the average new house values and value/employee then current in future years.
- Any changes in funding strategy for the facilities included in the impact fee program should be reflected in the impact fee calculation. This is especially applicable in the road improvements public facility category.
- New revenue sources, such as implementation of a new SPLOST program, should be reviewed for potential tax credits against impact fees. Again, this is especially applicable in the road improvements public facility category.

Changes in the pace of development will affect the timing of service delivery but not, per se, the methodology used to calculate the impact costs. If more residential and business development is built than was projected, facilities will be needed sooner to meet the level of service standard. Tax revenues will increase faster than projected as growth accelerates and more impact fees will be collected. In this way, more funds are produced to provide the services demanded. If growth slows, the opposite occurs: reduced revenue and lowered demand for services.

■ Maximum Impact Fee Schedules

The fee schedules presented at the end of this section show the maximum impact fee (the “proportional share”) for the public facility categories included in this report that could be charged in the City of Dunwoody for each of the land use categories shown, based on the calculations carried out in this report. The net impact fee shown for each public facility category is drawn from that public facility category’s chapter and reflects the reductions for the credit based upon anticipated general fund contributions from new development, where applicable. The **total impact fee** shown in the last column includes a 3% fee for administration of the Impact Fee Program.²

The public facility categories included in the Maximum Allowable Impact Fee Schedule are: Parks and Recreation, Public Safety, and Roads. To read each table, first find the land use you want to investigate. Land uses are listed on the left side of the table, and are grouped into categories. For example, industrial and warehouse uses are grouped together, as are all retail uses. Next, find the Total Impact Fee figure on the right of the row. This is the total impact fee per unit of measure. Finally, find the unit of measure—it is the last column of the land use category. The information can be read as follows: *this land use has an impact fee of \$X per unit of measure.*

■ Individual Fee Assessment

A landowner or developer may request an individual assessment when the average figures used in this methodology do not apply to the specific project being proposed. This individual assessment determination will be made preferentially on alternate data available regarding the number of dwelling units or employment characteristics of the specific project, as applicable. Under the appeal procedures of the Development Impact Fee Ordinance, special circumstances can be considered and approved in modifying the fee for a particular project demonstrably differing from the average values used in this methodology.

■ Interpretation

Listed in the following fee schedules are the most common land uses as identified in the *Trip Generation Manual*, Seventh Edition, 2003, Institute of Transportation Engineers (ITE). Persons per land use for residential uses are determined based on average numbers of persons per household; for nonresidential land uses the average number of employees per unit of measure is based on data provided in the ITE *Trip Generation Manual*. As it is impossible, and impractical, to list every possible land use type, following is the methodology that will be used to determine employment for land uses that are not on the actual fee table.

■ Adoption of Impact Fee

As noted, the fee schedule shows the **maximum** impact fee that could be adopted under State law, as the “proportional share.” The City may adopt the maximum fee for any given public facility category, or could adopt a lower fee, as part of the Impact Fee Ordinance. In order to fulfill DIFA’s requirement that new growth pay its fair, proportionate share, all fees in a particular public facility category could be reduced proportionally (that is, by the same percentage), but individual land use categories within the particular public facility category should not be individually reduced or deleted.

It must be remembered that any reduction in the maximum allowable impact fee must be funded with other revenue—general fund or SPLOST, for instance. Such funding from general sales or property taxes will increase credit calculations for taxes generated by new development, further reducing the “net impact fee” calculated for the public facility category.

² Note that these maximum fees assume city participation in the County impact fee program. For the maximum allowable impact fees without city participation, see the ‘Maximum Fees without City Participation’ section of this report.

CITY OF DUNWOODY MAXIMUM ALLOWABLE IMPACT FEE SCHEDULE

Land Use Category	Net Impact Fee*			Subtotal	Adminis- tration (3%)	TOTAL IMPACT FEE	Unit of Measure**	
	Parks & Recreation	Public Safety	Roads					
Residential								
Single-Family Detached Housing	\$866.5827	\$36.9593	\$32.6828	\$936.2248	\$28.0867	\$964.312	per	dwelling
Apartment	\$866.5827	\$36.9593	\$21.4681	\$925.0101	\$27.7503	\$952.760	per	dwelling
Residential Condominium/Townhouse	\$866.5827	\$36.9593	\$7.6901	\$911.2321	\$27.3370	\$938.569	per	dwelling
Port and Terminal								
Truck Terminal	-	\$314.3198	\$24.1724	\$338.4923	\$10.1548	\$348.647	per	acre
Industrial								
General Light Industrial	-	\$0.0619	\$0.0318	\$0.0938	\$0.0028	\$0.097	per	square foot
General Heavy Industrial	-	\$0.0491	\$0.0200	\$0.0691	\$0.0021	\$0.071	per	square foot
Manufacturing	-	\$0.0488	\$0.0221	\$0.0709	\$0.0021	\$0.073	per	square foot
Warehousing	-	\$0.0342	\$0.0180	\$0.0522	\$0.0016	\$0.054	per	square foot
Mini-Warehouse	-	\$0.0012	\$0.0085	\$0.0097	\$0.0003	\$0.010	per	square foot
High-Cube Warehouse	-	\$0.0049	\$0.0035	\$0.0084	\$0.0003	\$0.009	per	square foot
Lodging								
Hotel	-	\$16.6871	\$11.5319	\$28.2190	\$0.8466	\$29.066	per	room
All Suites Hotel	-	\$19.0469	\$10.3976	\$29.4445	\$0.8833	\$30.328	per	room
Business Hotel	-	\$2.6838	\$10.7757	\$13.4595	\$0.4038	\$13.863	per	room
Motel	-	\$19.0781	\$10.5866	\$29.6647	\$0.8899	\$30.555	per	room
Recreational								
Campground/Recreational Vehicle Park	-	\$1.7974	\$13.0731	\$14.8705	\$0.4461	\$15.317	per	camp site
Golf Course	-	\$6.5890	\$10.6219	\$17.2109	\$0.5163	\$17.727	per	acre
Multipurpose Recreational Facility	-	\$13.4133	\$314.2991	\$327.7124	\$9.8314	\$337.544	per	acre
Movie Theater	-	\$0.0402	\$0.3827	\$0.4228	\$0.0127	\$0.436	per	square foot
Arena	-	\$89.4129	\$907.7635	\$997.1764	\$29.9153	\$1,027.092	per	acre
Amusement Park	-	\$243.9833	\$14.1625	\$258.1458	\$7.7444	\$265.890	per	acre
Tennis Courts	-	\$6.5427	\$48.7518	\$55.2944	\$1.6588	\$56.953	per	acre

*Net Impact Fee**

Land Use Category	Parks & Recreation	Public Safety	Roads	Subtotal	Adminis- tration (3%)	TOTAL IMPACT FEE	Unit of Measure**
Racquet Club	-	\$0.0098	\$0.1269	\$0.1367	\$0.0041	\$0.141	per square foot
Bowling Alley	-	\$0.0268	\$0.0964	\$0.1232	\$0.0037	\$0.127	per square foot
Recreational Community Center	-	\$0.0225	\$0.0616	\$0.0841	\$0.0025	\$0.087	per square foot
<i>Institutional</i>							
Private School (K-12)	-	\$0.2170	\$0.0907	\$0.3077	\$0.0092	\$0.317	per square foot
Church/Synagogue	-	\$0.0138	\$0.0407	\$0.0545	\$0.0016	\$0.056	per square foot
Day Care Center	-	\$0.0682	\$0.3305	\$0.3987	\$0.0120	\$0.411	per square foot
Cemetery	-	\$2.1844	\$47.2939	\$49.4782	\$1.4843	\$50.963	per acre
Lodge/Fraternal Organization	-	\$26.8266	\$116.7928	\$143.6193	\$4.3086	\$147.928	per employee
<i>Medical</i>							
Hospital	-	\$0.0871	\$0.0360	\$0.1231	\$0.0037	\$0.127	per square foot
Nursing Home	-	\$17.3740	\$6.4885	\$23.8625	\$0.7159	\$24.578	per bed
Clinic	-	\$26.8266	\$32.3207	\$59.1472	\$1.7744	\$60.922	per employee
<i>Office</i>							
General Office Building	-	\$0.0890	\$0.0439	\$0.1329	\$0.0040	\$0.137	per square foot
Corporate Headquarters Building	-	\$0.0912	\$0.0410	\$0.1322	\$0.0040	\$0.136	per square foot
Single-Tenant Office Building	-	\$0.0857	\$0.0507	\$0.1364	\$0.0041	\$0.141	per square foot
Medical-Dental Office Building	-	\$0.1088	\$0.1076	\$0.2164	\$0.0065	\$0.223	per square foot
Research and Development Center	-	\$0.0785	\$0.0318	\$0.1104	\$0.0033	\$0.114	per square foot
<i>Retail</i>							
Building Materials and Lumber Store	-	\$0.0394	\$0.1337	\$0.1731	\$0.0052	\$0.178	per square foot
Free-Standing Discount Superstore	-	\$0.0258	\$0.0968	\$0.1226	\$0.0037	\$0.126	per square foot
Specialty Retail Center	-	\$0.0488	\$0.0774	\$0.1262	\$0.0038	\$0.130	per square foot
Free-Standing Discount Store	-	\$0.0527	\$0.1077	\$0.1604	\$0.0048	\$0.165	per square foot
Hardware/Paint Store	-	\$0.0259	\$0.0608	\$0.0866	\$0.0026	\$0.089	per square foot
Nursery (Garden Center)	-	\$0.0437	\$0.1290	\$0.1727	\$0.0052	\$0.178	per square foot
Nursery (Wholesale)	-	\$0.0447	\$0.1298	\$0.1745	\$0.0052	\$0.180	per square foot
Shopping Center	-	\$0.0448	\$0.0971	\$0.1419	\$0.0043	\$0.146	per square foot

*Net Impact Fee**

Land Use Category	Parks & Recreation	Public Safety	Roads	Subtotal	Adminis- tration (3%)	TOTAL IMPACT FEE	Unit of Measure**
Factory Outlet Center	-	\$0.0448	\$0.0504	\$0.0952	\$0.0029	\$0.098	per square foot
Quality Restaurant	-	\$0.2001	\$0.2370	\$0.4371	\$0.0131	\$0.450	per square foot
High-Turnover (Sit-Down) Restaurant	-	\$0.2001	\$0.4906	\$0.6907	\$0.0207	\$0.711	per square foot
Fast-Food Restaurant	-	\$0.2924	\$0.8008	\$1.0932	\$0.0328	\$1.126	per square foot
Quick Lubrication Vehicle Shop	-	\$56.3358	\$122.3360	\$178.6718	\$5.3602	\$184.032	per service bay
Auto-Care Center	-	\$0.0384	\$0.0655	\$0.1039	\$0.0031	\$0.107	per square foot
New Car Sales	-	\$0.0476	\$0.0633	\$0.1109	\$0.0033	\$0.114	per square foot
Auto Parts Store	-	\$0.0258	\$0.1713	\$0.1970	\$0.0059	\$0.203	per square foot
Self-Service Car Wash	-	\$5.3653	\$102.5341	\$107.8994	\$3.2370	\$111.136	per stall
Retail (Continued)							
Tire Store	-	\$0.0343	\$0.0867	\$0.1210	\$0.0036	\$0.125	per square foot
Wholesale Tire Store	-	\$0.0343	\$0.0686	\$0.1030	\$0.0031	\$0.106	per square foot
Supermarket	-	\$0.0341	\$0.2426	\$0.2767	\$0.0083	\$0.285	per square foot
Convenience Market (Open 24 Hours)	-	\$0.0483	\$0.6760	\$0.7242	\$0.0217	\$0.746	per square foot
Convenience Market (Open 15-16 Hours)	-	\$0.0469	\$0.4642	\$0.5112	\$0.0153	\$0.527	per square foot
Convenience Market with Gasoline Pumps	-	\$0.0483	\$0.8019	\$0.8502	\$0.0255	\$0.876	per square foot
Wholesale Market	-	\$0.0220	\$0.0102	\$0.0322	\$0.0010	\$0.033	per square foot
Discount Club	-	\$0.0348	\$0.0930	\$0.1279	\$0.0038	\$0.132	per square foot
Home Improvement Superstore	-	\$0.0258	\$0.0923	\$0.1180	\$0.0035	\$0.122	per square foot
Electronics Superstore	-	\$0.0258	\$0.1168	\$0.1425	\$0.0043	\$0.147	per square foot
Apparel Store	-	\$0.0448	\$0.0659	\$0.1107	\$0.0033	\$0.114	per square foot
Pharmacy/Drugstore	-	\$0.0448	\$0.1441	\$0.1889	\$0.0057	\$0.195	per square foot
Furniture Store	-	\$0.0111	\$0.0138	\$0.0249	\$0.0007	\$0.026	per square foot
Services							
Drive-in Bank	-	\$0.0977	\$1.0013	\$1.0991	\$0.0330	\$1.132	per square foot

* Net Impact Fees reflect credit given for forecasted general fund contributions from new development.

** "square feet" means square feet of gross building floor area.

Impact Fee Methodology

■ Introduction

In this section, the methodology of impact fee calculation, as carried out in this report, is outlined. The maximum impact fee allowable is calculated. Without an understanding of the philosophy behind the work, the calculations can be somewhat confusing. The bottom line is that a **rational nexus**—a clear and fair relationship between the fee charged and the services provided—must exist for each public facility category. It is perhaps wise to keep in mind the basic tenet of impact fees:

New development pays no more than its fair share of the costs to provide services to new development.

The calculations carried out in this report are intended to meet two inter-related goals: calculating the “fair share” of project costs applicable to new development, and meeting the requirements of the *Development Impact Fee Act*. The DIFA provides a series of protections for development. In addition to providing the methodological basis for impact fee calculations, it protects new development against the possibility of double-taxation, and against being required to provide for a different level of service than that adopted for existing development.

■ Data Requirements

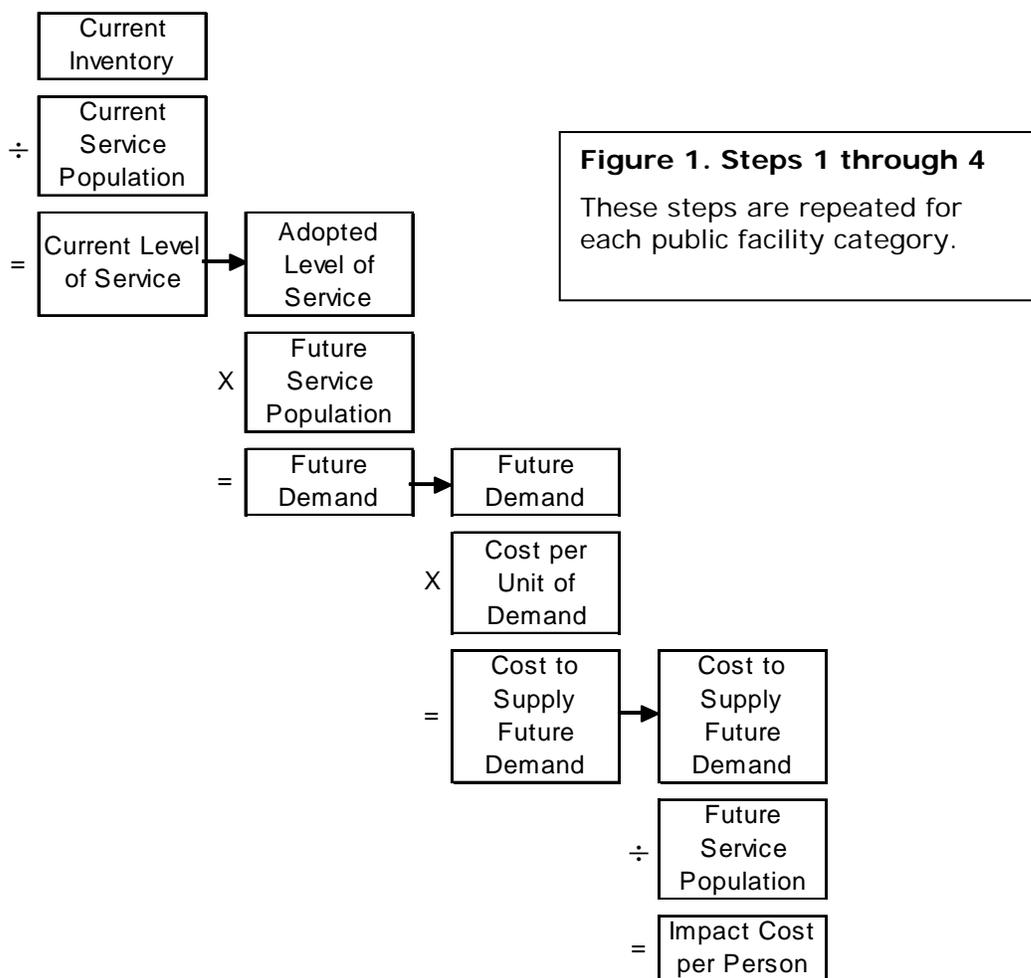
In order to calculate impact fees certain data is required. All of this data can be seen in the applicable sections of this report. Required for calculations are the following:

- Current population, dwelling unit, and employment figures (appears in the “Forecasts” section).
- Forecasts of population, dwelling units, and employment (appears in the “Forecasts” section).
- Current tax digest value (appears in the “Forecasts” section).
- Forecasts of tax base growth (appears in the “Forecasts” section).
- Current inventories of capital facilities in the categories of public safety, roads, and parks and recreation (appears in each public facility category section).
- Proposed capital improvement projects to meet future demand (appears in each public facility category section).

Given this data, calculations can be made to produce the gross impact cost in each public facility category, and the net impact fee after credits are applied. The actual calculations are presented in each public facility category chapter. Lastly, the addition of an administrative fee (discussed in the Other Fees and Charges chapter) results in the Maximum Allowable Impact Fee shown on the fee schedule in the Introduction to this report.

■ Impact Cost Calculation

The following illustration outlines the general steps undertaken for impact cost calculation. This is the series of calculations that appears in each public facility category chapter. Note that the “service population” depends upon the public facility category being examined. For example, fire protection services in some counties are provided to the population and employment of the unincorporated county, while library services are provided to the entire county (incorporated and unincorporated areas alike). Decisions must be made regarding certain parts of the calculation. In terms of level of service, the county must determine whether the current level of service is adequate to serve the current population or a different level of service should be adopted.



The following steps, outlined in the illustration above, are undertaken in order to calculate the impact cost for each public facility category:

1. The current inventory of eligible facilities providing service is divided by the current population served by those facilities to produce the current level of service. For example, the total square footage of the police department facilities, divided by the population and employment served by the police produces a square foot per person level of service.

The current level of service can be adopted by the county as the level of service standard. Alternately, the city may determine that the adopted level of service should be higher or lower

than the current level of service. Adopting a higher level of service creates an existing deficiency that must be made up by the existing service population; decreasing the level of service creates excess capacity in the system for new growth that can be recouped through impact fee collection.

2. The adopted level of service is then multiplied by the future population to be served in order to produce the future demand figure. Continuing the police example, the square foot per person level of service is multiplied by the increase in population and employment in the city served by the police department between 2011 and 2030 to produce a future demand figure in square feet.
3. The future demand figure is multiplied by the cost per unit for future facilities to calculate the cost to supply services that meet future demand. This is an incremental increase method; the average cost to supply one unit of capacity is multiplied by the number of units demanded. Staying with our example, the average cost to acquire land and construct police facility space—converted into a cost per square foot figure—is multiplied by the increase in population and employment in the area served by the police department between 2011 and 2030, producing the cost to supply services to that increase in population and employment.

Alternately, a methodology based on known or estimated costs can be used instead of the incremental increase method. In this method, the step "*future demand X cost per unit of demand = cost to supply future demand*" is omitted. Instead, projects are selected that will meet the future demand. Where estimated costs for planned projects are available those figures are used in place of average cost per unit. Where debt service for financing the facility is known, or can be reasonably estimated, those costs can also be included. Finally, the value of excess capacity in the system can be recouped by also including it in the 'cost to supply future demand'.

Quite often, the impact cost calculation uses a combination of the incremental increase and known costs methodologies. For example, the *Comprehensive Plan* lists facilities to be built in the near term (known costs). But over the planning horizon (up to 20 years) more facilities may be demanded than will be provided by the proposed facilities. Future projects, based on incremental increase project cost forecasting, would be proposed in order to serve future growth.

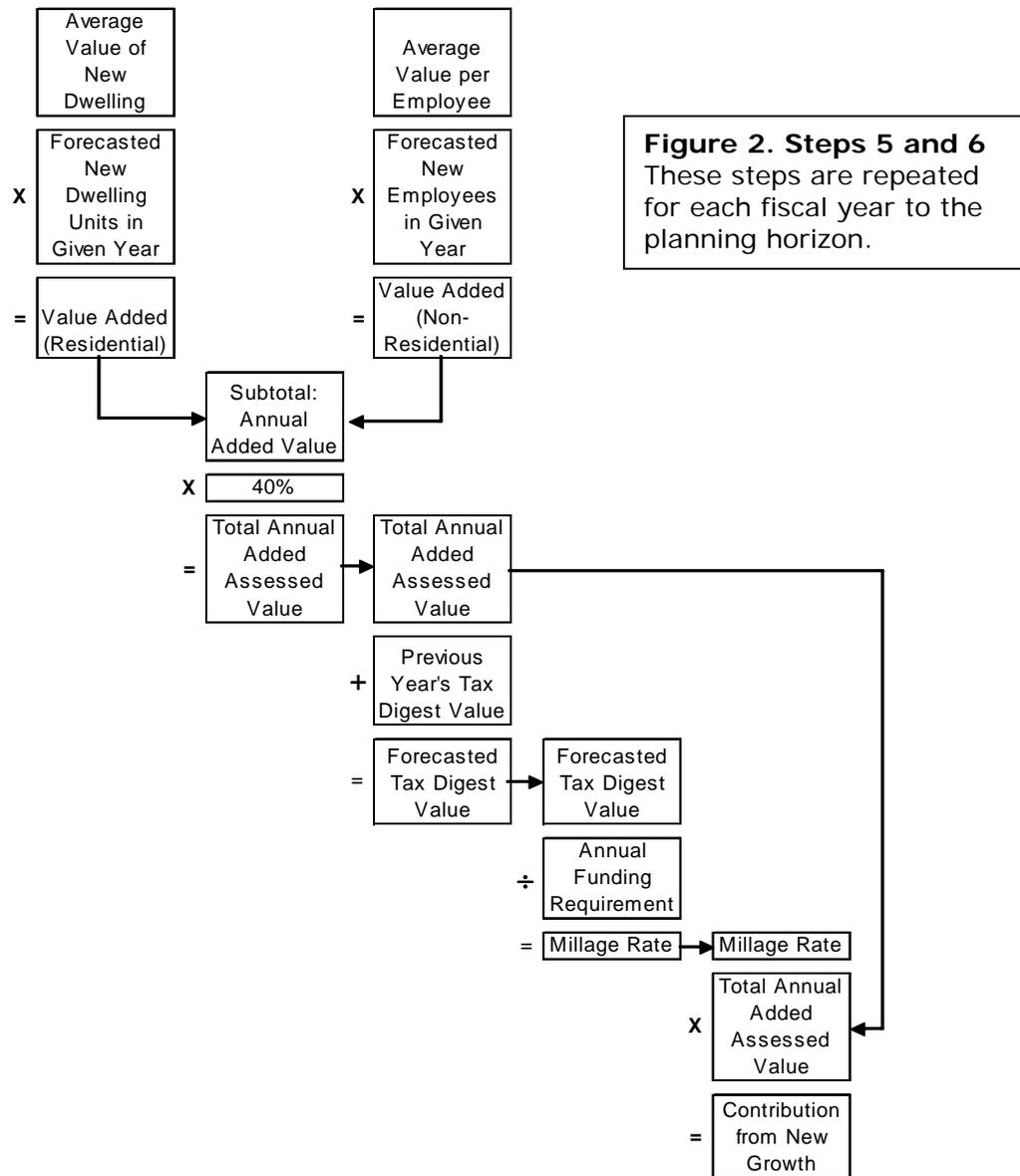
4. The cost to supply future demand is divided by the population to be served to produce an impact cost per person. To finish the example, the cost to construct demanded police facility space is divided by the increase in population and employment in the area served by the police department between 2011 and 2030 to produce an impact cost per person.

■ Net Impact Cost Calculation

Each of the public facility category sections in this report presents detailed calculations of the impact cost for the specific services. The impact costs in this report are not "impact fees," which are calculated in Step 11. The impact cost and net impact fee cost are calculated for each public facility category in the appropriate sections of this report. In calculating the net impact cost, the impact cost must be reduced to the extent that the new growth and development will pay future sales or property taxes toward financing the facility, in order to avoid double taxation. The steps for moving from an impact cost to a net impact cost, continuing from the impact cost calculation steps in the previous section, are as follows:

5. The estimated increase in added value to the tax base, based on forecasted population, dwelling unit and employment growth, is calculated. Added value is derived from the average new dwelling unit value and average value of new nonresidential floor space per employee.
6. Any impact fee eligible projects anticipated to be financed in whole or in part through debt financing are identified. The costs to service the debt are calculated on an annual basis against

the forecast tax base value, per year. The amount of taxes collected for debt service, per public facility category, is identified. In addition, any project costs expected to be met through a “pay as you go” strategy using general funds, are also included in the ‘annual funding requirement’.



7. Where applicable, estimated SPLOST collections are calculated, based on historic reported average per-capita basis, and against forecasted population and employment figures. Alternately, SPLOST collections can be forecast by dividing the expected total revenue by the total population paying into the program.
8. Any impact fee eligible projects anticipated to be financed in whole or in part through SPLOST collections are identified. The funding contribution toward these projects attributable to new growth is calculated, based on the forecasted collections and the percentage of the SPLOST total that is ear-marked for the specific projects. These contributions are sub-totaled by public facility category. Where known, proposed future SPLOST programs are included.

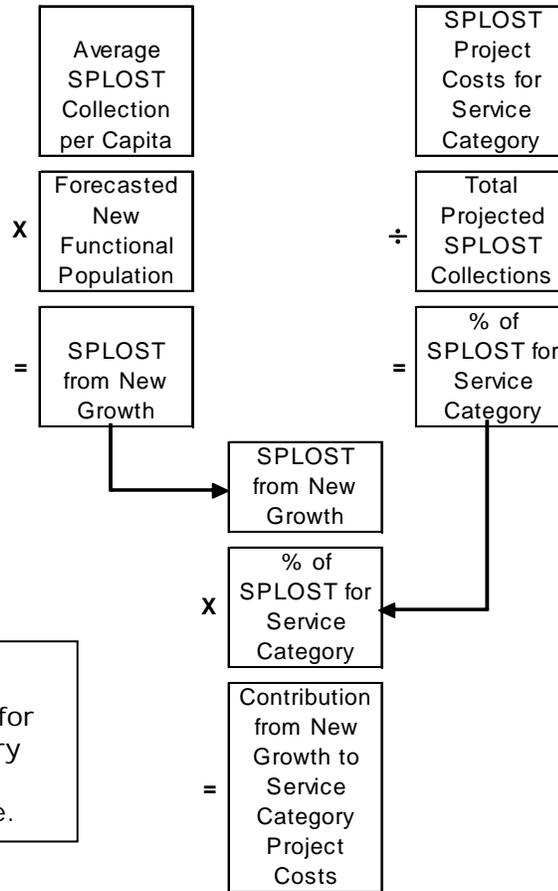


Figure 3. Steps 7 and 8
These steps are repeated for each public facility category included in the SPLOST program, where applicable.

9. The total of funds expected to be raised through property taxes (general fund financing and debt service repayment) and SPLOST collection (if applicable), totaled by public facility category, is subtracted from the cost to supply future demand (calculated in step 4) to produce a net projects cost for each public facility category.
10. The net projects cost for each public facility category is divided by the population to be served to produce a net impact cost. This is a reiteration of step 4, but with net rather than gross projects cost. (Compare Figure 4 with Figure 1.) The net impact cost is applied to the average number of persons by specific land use to produce a schedule of net impact costs for the public facility category.

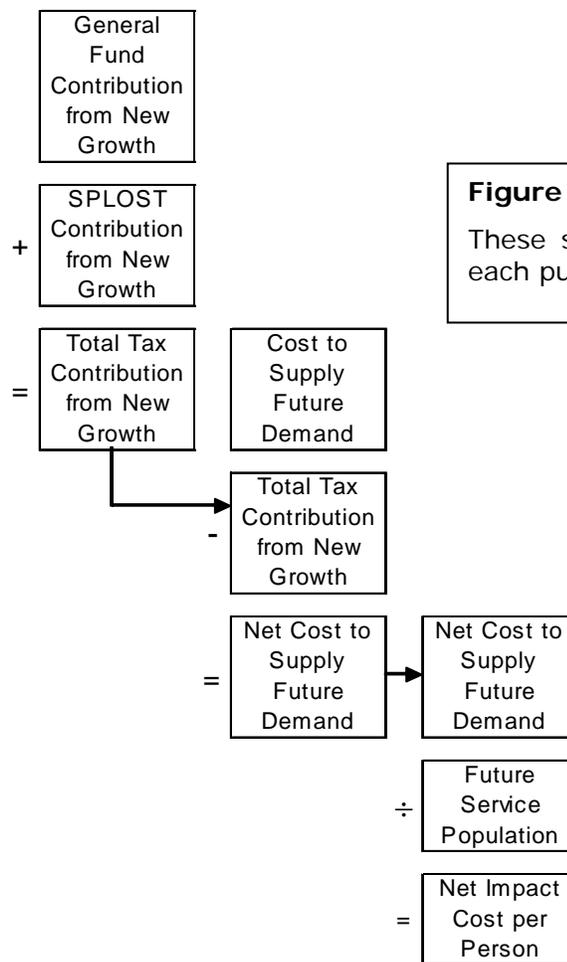
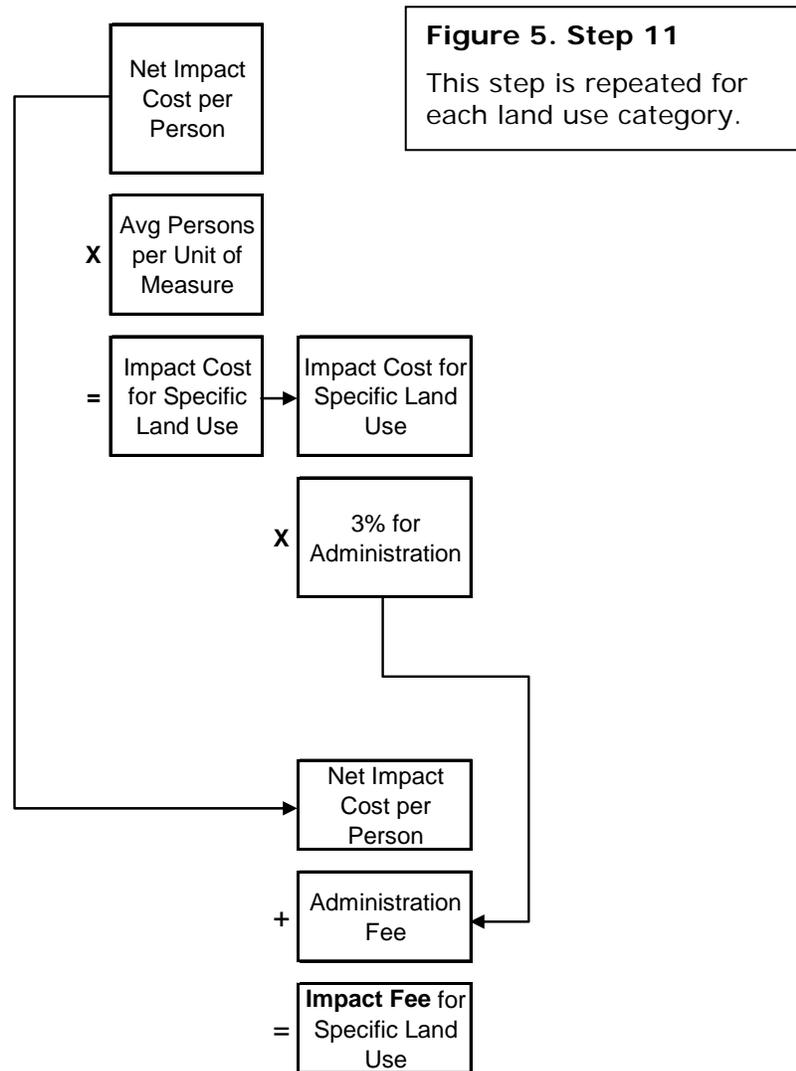


Figure 4. Steps 9 and 10
 These steps are repeated for each public facility category.



■ **Impact Fee Calculation**

11. In order to calculate the impact fee for a specific land use category, the net impact cost per person, by public facility category, is multiplied by the average number of persons per unit of measure for that land use to produce the net impact fee for that land use. Net impact fees are shown on the last table in each public facility chapter. Next, the net impact costs for all public facility categories are subtotaled by land use. This subtotal is multiplied by 3% (an administrative fee) and totaled, to produce the **maximum allowable impact fee** for each land use category.

In this report, the unit of measure for residential land uses is dwelling units. Population and dwelling unit forecasts provide the average number of residents per dwelling unit type (single family, multi-family). The nonresidential 'average number of persons per unit of measure' is calculated, in this methodology, from data presented in the Institute of Transportation Engineers' *Trip Generation, 6th ed.* For the majority of nonresidential land uses in the impact fee

schedule the average number of employees per 1,000 square feet of building floor area for specific land uses can be derived. Therefore, 1,000 square feet is commonly the unit of measure. Note that there are a few cases where an alternate unit of measure is used; hotels, for example, use guest rooms as a unit of measure.

The maximum allowable impact fees by land use category are shown in the **Introduction**.

Forecasts

■ Population and Employment Forecasts

In order to accurately calculate the demand for expanded services for the City of Dunwoody, new growth and development must be quantified in future projections. These projections include forecasts for population, housing or dwelling units, and employment to the year 2030. These projections provide the base-line conditions from which the level of service calculations are produced. Also, projections are combined to produce what is known as 'day/night population.' This is a method that combines resident population and employees in the county to produce an accurate picture of the total number of persons that rely on certain services, such as law enforcement. The projections used for each public facility category are specified in each public facility chapter. These forecasts are based on the City's current *Comprehensive Plan*.

Accurate projections of population, housing units, and employment are important in that:

- Population data and forecasts are used to establish current and future demand for services standards where the Level of Service (LOS) is per capita based.
- Dwelling unit data and forecasts relate to certain service demands that are household based, such as parks, and are used to calculate impact costs in that the cost is assessed when a building permit is issued. The number of households—defined as *occupied* housing units—is always smaller than the supply of available housing units. Over time, however, each housing unit is expected to become occupied by a household, even though the unit may become vacant during future re-sales or turnovers.
- Employment data is combined with population data to produce 'day/night population' figures. These figures represent the total number of persons receiving services, both in their homes and in their businesses, particularly from 24-hour operations such as fire protection and law enforcement.

■ Future Growth Projections

Table P-1 presents the forecasts for population, housing units, "value added" employment, and "day/night" population. These forecasts reflect changes made to the *Comprehensive Plan* figures based on Census data that was released subsequent to the creation of the *Comprehensive Plan* forecasts. Specifically, population figures were revised to make the 2010 figure match the Census data. The Census counted 46,267 persons in the city for that year, while the *Comprehensive Plan* forecasted a total of 44,711—a deficit of 1,556 people or 0.035% of the total. The population forecast for each year was thus increased by 0.035% in order to bring the figures in line with the Census counts. Likewise, the *Comprehensive Plan* forecasted 17,741 households for 2010; the census count was 19,944. The difference in households (effectively each household occupies one dwelling unit) was 0.124% and this figure was applied to the *Comprehensive Plan* forecast figures to bring the forecast in line with the census data. In addition, a vacancy rate of 7% was added to the household count for each year in order to forecast the number of dwelling units (occupied and unoccupied units combined).

"Value added" employment is a sub-set of total employment in the city, and represents the number of employees in non-transitory jobs. Basically, "value added" employment excludes farming, mining and construction sector employment.

The "day/night" population is a combination of the resident (population) projections and employment estimates, and is used to determine level of service standards for facilities that serve both the resident population and business employment. The police department, for instance, protects one's house whether or not they are at home, and protects stores and offices whether or not they are open for business. Thus, this day/night population is a measure of the total services demanded of a 24-hour provider facility and a fair way to allocate the costs of such a facility among all of the beneficiaries.

Table P-1
Forecasts
City of Dunwoody

	Population	Dwelling Units	"Value Added" Employment	Day/Night Population
2010	46,267	21,340	40,248	86,515
2011	46,986	22,376	40,611	87,597
2012	47,705	23,412	40,974	88,679
2013	48,423	24,449	41,337	89,760
2014	48,818	24,700	41,700	90,518
2015	49,213	24,952	42,063	91,276
2016	49,607	25,204	42,423	92,030
2017	50,002	25,456	42,782	92,784
2018	50,397	25,708	43,142	93,539
2019	50,792	25,960	43,501	94,293
2020	51,186	26,212	43,861	95,047
2021	51,571	26,409	44,414	95,985
2022	51,955	26,606	44,967	96,922
2023	52,340	26,802	45,520	97,860
2024	52,724	26,999	46,073	98,797
2025	53,109	27,196	46,626	99,735
2026	53,460	27,376	47,219	100,679
2027	53,811	27,555	47,813	101,624
2028	54,162	27,735	48,406	102,568
2029	54,513	27,915	49,000	103,512
2030	54,864	28,095	49,593	104,457

Source: Population and dwelling unit figures are revised from the City of Dunwoody 2030 *Comprehensive Plan* to to reflect 2010 Census figures and a 7% vacancy rate.

"Value Added" employment is total employment from the City of Dunwoody 2030 *Comprehensive Plan* less construction employment.

■ Service Area Projections

In **Table P-2** the service area forecasts are presented for a single city-wide service area measured in two ways: city-wide dwelling units (parks), and city-wide day/night population (public safety). These are the figures that will be used in subsequent service category chapters to calculate impact costs and fees. (Road fees are based on a 'per trip' figure, and do not use residential or employment forecasts in their calculation.)

Table P-2
Service Area Forecasts
2011 - 2030

	City-wide Dwelling Units (Parks)	City-wide Day/Night Population (Police)
2011	22,376	87,597
2012	23,412	88,679
2013	24,449	89,760
2014	24,700	90,518
2015	24,952	91,276
2016	25,204	92,030
2017	25,456	92,784
2018	25,708	93,539
2019	25,960	94,293
2020	26,212	95,047
2021	26,409	95,985
2022	26,606	96,922
2023	26,802	97,860
2024	26,999	98,797
2025	27,196	99,735
2026	27,376	100,679
2027	27,555	101,624
2028	27,735	102,568
2029	27,915	103,512
2030	28,095	104,457
Net Increase, 2011-2030:	5,718	16,860

Cost Adjustments and Credits

■ Cost Adjustments

Calculations related to impact fees are made in terms of the 'present value' of past and future amounts of money, including project cost expenditures and credits for future revenue. The Georgia Development Impact Fee Act defines 'present value' as "the current value of past, present, or future payments, contributions or dedications of goods, services, materials, construction, or money." This Section describes the methodologies used to make appropriate adjustments to project cost figures, both past and future, to convert such costs into current dollars, and to determine the present value of future revenue from new development that would be applied as a credit against impact fees.

Calculations for present value (PV) differ when considering past expenditures versus future costs. In both cases, however, the concept is the same – the 'actual' expenditure made or to be made is adjusted to the current year using appropriate rates (an inflation rate for past expenditures and a deflator for future costs). In essence, the present value is considered in light of an alternate investment strategy – a determination of what the same amount of money would be worth if it were invested rather than spent.

Past Expenditures

Past expenditures are considered in impact fee calculations only for previous expenditures for projects that created excess capacity for new development and are being recouped. An expenditure that was made in the past is converted to PV using the inflation rate of money – in this case the Consumer Price Index (CPI). Although this approach ignores the value of technological innovation (i.e., better computers are available today for the same historic prices) and evolving land prices (often accelerated beyond inflation by

Table C-1
Consumer Price Index -- 1967-2010

	CPI*		Examples of Present Value in 2010		
	1967=100%				
1967	100.00		\$100,000		
1968	104.20		104,200		
1969	109.80		109,800		
1970	116.30		116,300		
1971	121.30		121,300		
1972	125.30		125,300		
1973	133.10		133,100		
1974	147.70		147,700		
1975	161.20		161,200		
1976	170.50		170,500		
1977	181.50		181,500		
1978	195.40		195,400		
1979	217.40		217,400		
1980	246.80		246,800		
1981	272.40		272,400		
1982	289.10		289,100		
1983	298.40		298,400		
1984	311.10		311,100		
1985	322.20		322,200		
1986	328.40		328,400		
1987	340.40		340,400		
1988	354.30		354,300		
1989	371.30		371,300		
1990	391.40		391,400		
1991	408.00		408,000	\$100,000	
1992	420.30		420,300	107,384	
1993	432.70		432,700	110,552	
1994	444.00		444,000	113,439	
1995	456.50		456,500	116,633	
1996	469.90		469,900	120,056	
1997	480.80		480,800	122,841	
1998	488.30		488,300	124,757	
1999	499.00		499,000	127,491	
2000	515.80		515,800	131,783	
2001	530.40		530,400	135,514	\$100,000
2002	538.80		538,800	137,660	104,459
2003	551.10		551,100	140,802	106,844
2004	565.80		565,800	144,558	109,694
2005	585.00		585,000	149,463	113,416
2006	603.90		603,900	154,292	117,080
2007	621.10		621,100	158,687	120,415
2008	644.95		644,951	164,781	125,039
2009	642.66		\$642,658	\$164,195	\$124,594
2010	653.20		\$653,198	\$166,888	\$126,638

*Consumer Price Index data is from the U. S. Department of Labor.

market pressures), the approach best captures the value of the money actually spent. For instance, it is not important that you can buy a better computer today for the same price that was paid 5 years ago; what is important is the money was spent 5 years ago and what that money would be worth today had it been saved instead of spent.

Table C-1 shows the historic CPI figures going back to 1967. The approach to bring past expenditures up to current dollars (PV) is straight-forward – the year in which the expenditure is made is inflated to the current year using the annual CPI figures. For instance, \$100 spent in 1967 would require the expenditure of \$645 in 2008 just to stay abreast of inflation; the PV of \$100 in 1967, therefore, is \$645. (Other examples are also shown on the table).

Future Project Costs

In order to determine the present value of a project expenditure that will be made in the future, the Net Present Value (NPV) of the expenditure is determined. To determine the NPV of any project cost, two figures are needed – the future cost of the project anticipated in the year the expenditure will be made, and the net discount rate. Given the current cost of a project, that cost is first inflated into the future to the target expenditure year to establish the estimated future cost. The future cost is then deflated to the present using the net discount rate, which establishes the NPV for the project in current dollars. These two formulas are:

$$\text{Future Cost} = \text{Current Cost} \times (1 + \text{Inflation Rate})^{\text{Year of Expenditure} - \text{Current Year}}$$

$$\text{Net Present Value} = \text{Future Cost} \times (1 + \text{Net Discount Rate})^{\text{Current Year} - \text{Year of Expenditure}}$$

In this section two important adjustments are discussed that are required to convert current costs into future cost figures, and then back into current dollars. First, a cost inflator is examined. This adjustment factor is important in determining the future cost of a project, based on current cost estimates. The cost inflator may be based on anticipated inflation in construction or building costs, or on anticipated inflation in the value of money (for capital projects that do not include a construction component). In essence, costs increase over time. By identifying the appropriate inflation rate that is related to the type of project (building, project construction or nonconstruction), current estimates can be used to predict future costs.

The second cost adjustment is a deflator – the Net Discount Rate – based on potential interest earnings. In essence, the Net Discount Rate represents the amount of money that, if invested instead of spent, would be put 'in the bank' now to grow with interest to pay for future costs when the money is needed. The discount rate is both 'net' of taxes and other administrative costs, and is the most risk-free investment available. For the calculations included in this report, an anticipated rate of 3.00% is used, based on the local government's current experience and anticipated conditions.

Cost Inflatons

Three different cost inflators are used in the impact fee calculations, based on the type of project being considered. For infrastructure projects, such as roads or ball fields, a 'construction cost inflator' is used. For projects that require construction of a structure (such as a fire station), a 'building cost inflator' is used as the appropriate inflation rate. For all non-construction types of projects (such as a fire truck or park land), an inflation rate is used that is based on the Consumer Price Index. These different types of inflators are discussed below.

Engineering News Record's Cost Indexes

ENR publishes both a Construction Cost Index (CCI) and a Building Cost Index (BCI) for the Atlanta area that are widely used in the construction industry. Both indexes have a materials and labor component. The components that comprise the CCI are: 200 hours of common labor at the local average of common labor rates, plus 25 cwt of standard structural steel shapes at the fabricated local price, plus 1.128 tons of portland cement at the local price, plus 1,088 board-ft of 2 x 4 lumber at the

local price. For calculation of the CCI, costs in 1913 are set at 100. The BCI uses a labor component of 68.38 hours of skilled labor at the average local wage rate, plus fringes, for carpenters, bricklayers and structural ironworkers. The materials component is the same as that used in the CCI, and the BCI is also set at 100 in 1913.

Construction Cost Inflator

Table C-2 uses the example of a calculation of the annual average rate of increase reflected in construction costs. For this analysis, the 1999-2008 period is used as a base time period for an estimate of future construction cost increases due to inflation in labor and materials costs.

Table C-2 shows a construction project that cost \$100,000 in 1999, and how much the same project would cost in each subsequent year using the Construction Cost Index published by Engineering News Record for the Atlanta area. Setting the 1999 Construction Cost Index (CCI) at '1.0,' the increase in the CCI as a multiple of 1999 is also shown on the table. The equivalent cost of the same project in each subsequent year is calculated by multiplying the CCI multiplier times \$100,000. When the total for all such projects is summed for the 1999-2008 period, the equivalent average annual rate of increase is calculated as the percentage that would produce the same total. This percentage is used in the text of this analysis as the applicable inflator for future construction projects that will begin in years after 2008.

Table C-2
Construction Cost Inflator – CCI

Year	Amount	CCI*		Effect of Inflation	
		1913=100	1998=1.0	CCI	Avg. Rate =
					3.879837%
1999	\$ 100,000.00	3,849.39	1.0000	\$ 100,000.00	\$ 100,000.00
2000		4,105.86	1.0666	\$ 106,662.61	\$ 103,879.84
2001		4,045.52	1.0510	\$ 105,095.09	\$ 107,910.21
2002		4,189.12	1.0883	\$ 108,825.55	\$ 112,096.94
2003		4,374.69	1.1365	\$ 113,646.32	\$ 116,446.12
2004		4,611.31	1.1979	\$ 119,793.27	\$ 120,964.04
2005		4,829.74	1.2547	\$ 125,467.67	\$ 125,657.25
2006		4,893.35	1.2712	\$ 127,120.14	\$ 130,532.55
2007		5,259.37	1.3663	\$ 136,628.66	\$ 135,597.00
2008		5,801.13	1.5070	\$ 150,702.58	\$ 140,857.94
				\$ 1,193,941.89	\$ 1,193,941.89

* Construction Cost Index.

Source: *Engineering News Record*, Annual (December) Indices.

Building Cost Inflator

The inflator for future construction costs for buildings is based on ENR's Building Cost Index for each year from 1999 through 2008, and is calculated in the same manner as described above for the Construction Cost Inflator. Table C-3 shows the results.

Table C-3
Building Cost Inflator – BCI

Year	Amount	BCI*		Effect of Inflation	
		1913=100	1998=1.0	BCI	Avg. Rate =
					3.204070%
1999	\$ 100,000.00	2,816.44	1.0000	\$ 100,000.00	\$ 100,000.00
2000		2,947.56	1.0466	\$ 104,655.52	\$ 103,204.07
2001		2,928.63	1.0398	\$ 103,983.40	\$ 106,510.80
2002		2,942.62	1.0448	\$ 104,480.12	\$ 109,923.48
2003		3,018.37	1.0717	\$ 107,169.69	\$ 113,445.51
2004		3,321.80	1.1794	\$ 117,943.22	\$ 117,080.38
2005		3,599.04	1.2779	\$ 127,786.85	\$ 120,831.71
2006		3,624.54	1.2869	\$ 128,692.25	\$ 124,703.25
2007		3,624.54	1.2869	\$ 128,692.25	\$ 128,698.83
2008		3,768.88	1.3382	\$ 133,817.16	\$ 132,822.43
				\$ 1,157,220.46	\$ 1,157,220.46

*Building Cost Index.

Source: *Engineering News Record*, Annual (December) Indices.

CPI Inflator

For projects that do not involve construction, only the future value of money needs to be considered (without regard to inflation in labor or materials costs). For this calculation, the Consumer Price Index (CPI) is used, assuming past experience will continue into the foreseeable future.

Table C-4 shows the CPI figures for every year since 1967, with 1967 being 100%. In 2010 the CPI is 653.20% of the 1967 CPI. Thus, an amount of money saved in 1967 would be worth 6.53 times its 1967 face value in 2010, including interest earned and discounted for inflation. The first column under the CPI heading shows the annual CPI percentages. Using 2010 as the base (2010=1.0), the second column under CPI on the table shows the multipliers that would convert an amount of money spent in each year into year 2010 present value dollars.

Using an annual amount of \$10,000 as an example, the multipliers yield the figures shown for the CPI on the table under the Present Value heading. Cumulatively, the \$440,000 spent over the 1967-2010 period would have a total present value of just over a million dollars. Considering the present value

figures for the \$10,000 annual expenditures, an 'average' overall inflation rate of almost 3.83% yields the same total amount over the same period.

The 44-year average of annual CPI change (the period of 1967-2010) shown on Table C-4 includes years of great variation, and may not be the best indicator of future change. While the historic CPI multipliers reflect major swings in interest and inflation in the past, these rates have moderated considerably in recent years as inflation has become a primary target of federal monetary policy. Looking only at the change in CPI from 2001 to 2010, an average annual inflation rate of about 2.22% best captures the change over that period. This lower inflation rate (compared to the 1967-2010 period) is assumed to be experienced 'on average' in future years, and is used for inflator calculations for future nonconstruction expenditures.

NPV Net Discount Rate

The Consumer Price Index is also used in determining the current value of money that will be spent in the future, based on inflation (the Net Present Value). In essence, the approach compares the expenditure to placing the funds in a savings account. That is, if one planned to spend \$10,000 in 2010, how much would need to be placed in a savings account now to have \$10,000 at that time? Since impact fees deal in public dollars, no deduction for taxes is required in the calculations.

Table C-4
Non-Construction Cost Inflation – CPI
Based on Historic Consumer Price Index

Year	Amount	CPI		Present Value		Inflator =
		1967=100%*	2010=1.0	CPI	Inflator =	
						3.82530%
1967	\$10,000.00	100.00	6.53198	\$65,319.80	\$50,238.66	
1968	10,000.00	104.20	6.26869	62,686.95	48,387.68	
1969	10,000.00	109.80	5.94898	59,489.80	46,604.90	
1970	10,000.00	116.30	5.61649	56,164.92	44,887.81	
1971	10,000.00	121.30	5.38498	53,849.79	43,233.98	
1972	10,000.00	125.30	5.21307	52,130.73	41,641.08	
1973	10,000.00	133.10	4.90757	49,075.73	40,106.87	
1974	10,000.00	147.70	4.42246	44,224.64	38,629.19	
1975	10,000.00	161.20	4.05210	40,520.97	37,205.94	
1976	10,000.00	170.50	3.83107	38,310.73	35,835.14	
1977	10,000.00	181.50	3.59889	35,988.87	34,514.84	
1978	10,000.00	195.40	3.34288	33,428.76	33,243.19	
1979	10,000.00	217.40	3.00459	30,045.91	32,018.39	
1980	10,000.00	246.80	2.64667	26,466.69	30,838.72	
1981	10,000.00	272.40	2.39794	23,979.37	29,702.51	
1982	10,000.00	289.10	2.25942	22,594.19	28,608.16	
1983	10,000.00	298.40	2.18900	21,890.01	27,554.13	
1984	10,000.00	311.10	2.09964	20,996.40	26,538.93	
1985	10,000.00	322.20	2.02731	20,273.06	25,561.14	
1986	10,000.00	328.40	1.98903	19,890.32	24,619.38	
1987	10,000.00	340.40	1.91891	19,189.13	23,712.31	
1988	10,000.00	354.30	1.84363	18,436.30	22,838.66	
1989	10,000.00	371.30	1.75922	17,592.19	21,997.20	
1990	10,000.00	391.40	1.66888	16,688.76	21,186.74	
1991	10,000.00	408.00	1.60098	16,009.75	20,406.15	
1992	10,000.00	420.30	1.55412	15,541.23	19,654.31	
1993	10,000.00	432.70	1.50959	15,095.86	18,930.17	
1994	10,000.00	444.00	1.47117	14,711.67	18,232.72	
1995	10,000.00	456.50	1.43088	14,308.83	17,560.96	
1996	10,000.00	469.90	1.39008	13,900.79	16,913.95	
1997	10,000.00	480.80	1.35856	13,585.65	16,290.77	
1998	10,000.00	488.30	1.33770	13,376.98	15,690.56	
1999	10,000.00	499.00	1.30901	13,090.14	15,112.46	Inflator =
2000	10,000.00	515.80	1.26638	12,663.78	14,555.67	2.22443%
2001	10,000.00	530.40	1.23152	12,315.20	14,019.38	12,189.68
2002	10,000.00	538.80	1.21232	12,123.20	13,502.86	11,924.43
2003	10,000.00	551.10	1.18526	11,852.62	13,005.36	11,664.95
2004	10,000.00	565.80	1.15447	11,544.68	12,526.20	11,411.12
2005	10,000.00	585.00	1.11658	11,165.78	12,064.69	11,162.81
2006	10,000.00	603.90	1.08163	10,816.33	11,620.18	10,919.91
2007	10,000.00	621.10	1.05168	10,516.79	11,192.05	10,682.28
2008	10,000.00	644.95	1.01279	10,127.87	10,779.69	10,449.83
2009	10,000.00	642.66	1.01640	10,164.01	10,382.53	10,222.44
2010	10,000.00	653.20	1.00000	\$10,000.00	\$10,000.00	\$10,000.00
1967-2010	\$440,000.00			\$1,102,145.18	\$1,102,146.18	
2001-2010	\$100,000.00			\$110,626.47		\$110,627.47

■ Credits

This section examines those situations that involve potential credit against impact fees for property taxes that are used to fund ineligible project costs. A forecast of the tax digest is calculated, based on the last three reported tax digests, combined with value added by forecasted new growth. This tax digest forecast is then used in the appropriate public facility sections of this report, where necessary.

Tax Digest Forecast

An important component of impact fee calculations is a forecast of the expected revenues from taxes. New development pays for the capital improvements needed to serve that development through impact fees, charged at the time that the building permit is issued, as well as through future taxes that are reasonably expected to be spent for those same capital improvements. Credit must be granted for those future taxes that will be paid by new development; failure to do so would be a form of double taxation.

Secondly, some capital improvement expenditures by the City may be made for improvements to address existing deficiencies. New development cannot be charged to eliminate existing deficiencies while at the same time being charged impact fees for its own facility needs. To the extent that new development generates taxes that are used to pay for existing deficiencies in the same public facility categories as impact fees are being assessed, a credit against impact fees must be provided.

For each public facility category where a credit is due, the credit is applied equally to all new development against their impact fees by deducting the amount that will be paid through taxes from the total public facility costs that are attributable to new development. The credit to be deducted from the impact fee is calculated as the present value of the future tax stream for the years the tax will be collected, to the extent that the taxes will be expended on impact fee eligible facilities (for which impact fees are being collected) and the non-impact fee eligible portion of capital improvements. In Dunwoody, some future non-impact fee eligible capital improvements are expected to receive some portion of their funding from general fund expenditures. Credits based on future growth's contributions to this source are calculated in the appropriate public facility category chapters.

Property owners in Dunwoody contribute to the general fund of the City through property tax payments. These payments are levied based on the budgetary demands to provide services and capital improvements throughout the city. After establishing the financial needs for the next fiscal year through a budget-setting process, the City then determines the millage³ rate required to raise the necessary funds. The millage rate is applied against the assessed value of property (40% of the appraised value). General fund revenues can also be used to guarantee a variety of general obligation bonds, tax anticipation notes, or other types of loans; these financial instruments, in turn, may be used to undertake capital improvement projects.

³ A mil is one thousandth of a cent; the millage rate is stated in dollars per one thousand dollars of assessed value.

In **Table C-5**, the value added to the tax base by new growth is calculated. New dwelling units are added at the estimated average sales price of \$200,000 (\$80,000 assessed value) per unit. Nonresidential value added is calculated at an average of 500 sf per employee at an average \$145 development cost per square foot of floor area (plus one-third for equipment and fixed assets), for an estimate of \$38,546 in assessed value per employee. The value added is expressed in *assessed* value; this is 40% of the actual or appraised value. Millage rates are applied to assessed value, rather than appraised.

Table C-5
New Growth Added Value

Year	Residential			Non-Residential			Total Annual Added Assessed Value
	Dwelling Units	New Dwelling Units	Added Assessed Value*	Employees	New Employees	Added Assessed Value**	
2010	21,340			40,248			
2011	22,376	1,036	\$82,892,969	40,611	363	\$13,992,198	\$96,885,167
2012	23,412	1,036	\$82,892,969	40,974	363	\$13,992,198	\$96,885,167
2013	24,449	1,036	\$82,892,969	41,337	363	\$13,992,198	\$96,885,167
2014	24,700	252	\$20,153,420	41,700	363	\$13,992,198	\$34,145,618
2015	24,952	252	\$20,153,420	42,063	363	\$13,992,198	\$34,145,618
2016	25,204	252	\$20,153,420	42,423	360	\$13,861,142	\$34,014,562
2017	25,456	252	\$20,153,420	42,782	360	\$13,861,142	\$34,014,562
2018	25,708	252	\$20,153,420	43,142	360	\$13,861,142	\$34,014,562
2019	25,960	252	\$20,153,420	43,501	360	\$13,861,142	
2020	26,212	252	\$20,153,420	43,861	360	\$13,861,142	\$34,014,562
2021	26,409	197	\$15,743,313	44,414	553	\$21,315,938	\$37,059,251
2022	26,606	197	\$15,743,313	44,967	553	\$21,315,938	\$37,059,251
2023	26,802	197	\$15,743,313	45,520	553	\$21,315,938	\$37,059,251
2024	26,999	197	\$15,743,313	46,073	553	\$21,315,938	\$37,059,251
2025	27,196	197	\$15,743,313	46,626	553	\$21,315,938	\$37,059,251
2026	27,376	180	\$14,376,840	47,219	593	\$22,873,196	\$37,250,036
2027	27,555	180	\$14,376,840	47,813	593	\$22,873,196	\$37,250,036
2028	27,735	180	\$14,376,840	48,406	593	\$22,873,196	\$37,250,036
2029	27,915	180	\$14,376,840	49,000	593	\$22,873,196	\$37,250,036
2030	28,095	180	\$14,376,840	49,593	593	\$22,873,196	\$37,250,036

*New dwelling unit value is estimated at an assessed value of \$66,000 per dwelling unit.

**Non-residential value is estimated at an assessed value of \$38,546 per employee.

Table C-6 presents a net present value calculation of the tax digest value added by new growth. The added value in each column is a running total; these figures will be used in credit calculations in the appropriate public facility category sections of this report.

Table C-6
Net Present Value - New Growth Added Value

Year	Residential		Non-Residential		Total Added Value (NPV)
	Added Assessed Value	Net Present Value - Added Value	Added Assessed Value	Net Present Value - Added Value	
2011	\$82,892,969	\$82,398,578	\$13,992,198	\$13,908,746	\$96,307,324
2012	\$165,785,939	\$163,814,270	\$27,984,396	\$27,651,582	\$191,465,852
2013	\$185,939,359	\$182,632,216	\$41,976,594	\$41,229,992	\$223,862,208
2014	\$206,092,779	\$201,219,865	\$55,968,792	\$54,645,450	\$255,865,316
2015	\$226,246,200	\$219,579,296	\$69,829,934	\$67,772,222	\$287,351,519
2016	\$246,399,620	\$237,712,571	\$83,691,075	\$80,740,468	\$318,453,039
2017	\$266,553,040	\$255,621,733	\$97,552,217	\$93,551,613	\$349,173,346
2018	\$286,706,460	\$273,308,811	\$111,413,358	\$106,207,068	\$379,515,879
2019	\$306,859,881	\$290,775,817	\$125,274,500	\$118,708,236	\$409,484,053
2020	\$322,603,194	\$303,870,720	\$146,590,438	\$138,078,428	\$441,949,149
2021	\$338,346,506	\$316,799,078	\$167,906,376	\$157,213,342	\$474,012,420
2022	\$354,089,819	\$329,562,411	\$189,222,314	\$176,115,095	\$505,677,506
2023	\$369,833,132	\$342,162,229	\$210,538,252	\$194,785,787	\$536,948,016
2024	\$385,576,445	\$354,600,028	\$231,854,190	\$213,227,502	\$567,827,530
2025	\$399,953,285	\$365,628,093	\$254,727,386	\$232,865,917	\$598,494,010
2026	\$414,330,125	\$376,511,997	\$277,600,583	\$252,262,492	\$628,774,489
2027	\$428,706,964	\$387,253,067	\$300,473,779	\$271,419,413	\$658,672,480
2028	\$443,083,804	\$397,852,620	\$323,346,976	\$290,338,849	\$688,191,469
2029	\$457,460,644	\$408,311,962	\$346,220,172	\$309,022,950	\$717,334,912
2030	\$457,460,644	\$405,876,701	\$346,220,172	\$307,179,871	\$713,056,572

Table C-7 provides a summary of the reported tax digest for 2010.

Table C-7
Reported Tax Digest – 2010

Category	Total Tax Digest (40% value)
Residential	\$ 1,683,390,205
Commercial	1,231,614,564
Industrial	19,838,600
Utility	7,961,865
Exemptions (M&O)	(471,468)
	\$ 2,942,333,766

Source: State of Georgia Department of Revenue.

In **Table C-8**, the property tax base of the City is forecast to the year 2030. This is a combination of the last reported tax digest (2010) from Table C-7 and the annual increase in assessed value from Table C-6. Note that the 'total tax base value' column reflects the base year reported digest value plus a running total of the unadjusted added value due to new growth. This column is then converted into a net present value.

Table C-8
Tax Base Growth
2010 - 2030

Year	Reported Tax Base	Forecasted Annual Added Assessed Value	Total Tax Base Value	Tax Base - Net Present Value
2010	\$2,942,333,766	- - -	\$2,942,333,766	\$2,942,333,766
2011		\$96,885,167	\$3,039,218,933	\$3,021,092,379
2012		\$96,885,167	\$3,136,104,101	\$3,098,806,862
2013		\$96,885,167	\$3,232,989,268	\$3,175,486,866
2014		\$34,145,618	\$3,267,134,887	\$3,189,885,851
2015		\$34,145,618	\$3,301,280,505	\$3,204,000,120
2016		\$34,014,562	\$3,335,295,067	\$3,217,706,122
2017		\$34,014,562	\$3,369,309,629	\$3,231,134,661
2018		\$34,014,562	\$3,403,324,190	\$3,244,288,558
2019		\$34,014,562	\$3,437,338,752	\$3,257,170,613
2020		\$34,014,562	\$3,471,353,314	\$3,269,783,599
2021		\$37,059,251	\$3,508,412,565	\$3,284,981,059
2022		\$37,059,251	\$3,545,471,816	\$3,299,880,925
2023		\$37,059,251	\$3,582,531,067	\$3,314,486,205
2024		\$37,059,251	\$3,619,590,318	\$3,328,799,885
2025		\$37,059,251	\$3,656,649,569	\$3,342,824,922
2026		\$37,250,036	\$3,693,899,605	\$3,356,737,623
2027		\$37,250,036	\$3,731,149,641	\$3,370,365,456
2028		\$37,250,036	\$3,768,399,677	\$3,383,711,325
2029		\$37,250,036	\$3,805,649,713	\$3,396,778,109
2030		\$37,250,036	\$3,842,899,749	\$3,409,568,661

The information in these tables will be used in the public facility category chapters of this document, wherever a portion of the capital improvement costs is not impact fee eligible. Total tax base value, from Table C-8, is used to calculate the millage rate required to meet funding requirements. The credit for tax contributions from new growth is then based on this rate times the value added to the tax digest by new growth. The value added by new residential growth, shown in Table C-6, is used for credit calculations where residential growth alone is charged impact fees (i.e., parks). Likewise, the total added value from Table C-6 is used where impact fees would be charged to residential and nonresidential growth alike (public safety and roads).

Public Safety

■ Introduction

The Dunwoody Police Department provides primary law enforcement to the city. Impact fee calculations for the Public Safety functions will be based on a service area that includes the entire city.

■ Service Area

The entire city is considered a single service area for the provision of Police Department services because all residents and employees in the city have equal access to the benefits of the program.

■ Level of Service

The year 2011 level of service is determined by an inventory of the office square footage used by the Police Department. Statistics are shown in **Table PS-1**.

The current level of service for public safety services in the City of Dunwoody is measured in terms of square footage per day/night population in the service area as well as 911 communications equipment. Day/night population is used as a measure in that the Police Department provides a set of law enforcement services to both residences and businesses in the service area, 24 hours a day. The year 2011 LOS for facility space is shown in **Table PS-2**.

The level of service for 911 communications equipment requires a different method of calculation than that used for facility space. While the facility space LOS is based on the current inventory being adequate to serve the current service area population, the 911 communications equipment purchased by the City to enable it to join a multi-jurisdictional system will serve both the existing service area population as well as new growth for the foreseeable future. **Table PS-3** shows the level of service calculation for the 911 communications equipment. One 'system' of communications equipment, projected to serve the city until 2030, results in a level of service of 0.000010 'systems' per day/night population. Applying that LOS standard to the current day/night population in order to calculate the current demand identifies an excess capacity of 0.16 'systems.' This excess capacity is thus available to serve new growth.

**Table PS-1
Inventory of Police Facilities**

Facility	Square Feet
Police Department	10,000

**Table PS-2
Current Level of Service Calculation**

Current Square Feet	2011 day/night population	SF/day/night population
10,000	87,597	0.1142

**Table PS-3
Adopted Level of Service Calculation**

Existing 911 Comm system	1
System to Be Added	0
Total System (2030)	1
Total System (2030) day/night population in 2030	104,457
System per day/night population	0.000010
Current Demand for System	0.84
Existing 911 Comm System	1.00
Excess Capacity (System)	0.16

Forecasts for Service Area

FUTURE DEMAND

The City has determined that it would adopt a LOS based on the current level of service. In **Table PS-4** the adopted levels of service, based on the LOS calculated in Tables PS-2 and PS-3, are applied to future growth. The 'day/night population increase' figure is calculated from Table P-2. The additional number of forecasted day/night population to the year 2030 is multiplied by the adopted level of service to produce the future demand figure. There is excess capacity in the 911 communications equipment system; there is no existing deficiency.

A future police facility project is contemplated to meet future demand. **Table PS-5** presents the annual forecasted square footage demand, accompanied by the proposed facility expansion project. This project could be reconfigured; 1,925 square feet are ultimately impact fee eligible.

**Table PS-4
Future Demand Calculation**

SF/day/night population	Day/night Pop Increase (2011-30)	New Square Feet Demanded
0.1142	16,860	1,925

911 System/day/night/pop	Day/night Pop Increase (2011-30)	911 System Demand
0.00001	16,860	0.16

New growth Demand (Sys)	0.16
Excess Capacity (Sys)	<u>(0.16)</u>
Total Sys Demanded	0.00

**Table PS-5
Future Facility Projects**

Year	Day/night Pop Increase	SF Demanded (annual)	Running Total: SF Demanded	Project	Net New Square Footage
2011	0	0	0		
2012	1,082	123	123		
2013	1,082	123	247		
2014	758	86	333		
2015	758	86	420	New Facility Space	1,925
2016	754	86	506		
2017	754	86	592		
2018	754	86	678		
2019	754	86	764		
2020	754	86	851		
2021	938	107	958		
2022	938	107	1,065		
2023	938	107	1,172		
2024	938	107	1,279		
2025	938	107	1,386		
2026	944	108	1,493		
2027	944	108	1,601		
2028	944	108	1,709		
2029	944	108	1,817		
2030	944	108	1,925		
New Growth Total:					1,925

FUTURE COSTS

Future costs to meet the square footage demanded by new growth to 2030 are shown in **Tables PS-6 and PS-7**. Estimated project cost is based on comparable facility estimates of other jurisdictions. The costs are shown in current dollars, and then adjusted to reflect the net present value. For facility construction, the cost of construction is adjusted to reflect the construction cost inflation factor, before conversion to net present value.⁴ The 911 communications equipment cost is based on funds already expended by the City and represents a recoupment of some of those funds. Note that not all of the communications equipment is impact fee eligible; this is due to the fact that a portion of the system serves the current population.

**Table PS-6
Facility Project Costs to Meet Future Demand**

Year	Project	Square Footage	Cost*	Adjusted Construction Cost**	Const. Cost - Net Present Value**	% for New Growth	New Growth Cost (NPV)
2015	New Facility Space	1,925	\$336,875	\$394,415	\$382,792	100.00%	\$382,792

*Cost estimate is based on an estimated per square foot cost of \$175.

**Adjusted construction cost is based on building construction cost estimate adjustment (Table C-3); net present value is based on anticipated interest earnings.

**Table PS-7
911 Communications Equipment Project Costs to Meet Future Demand**

Year	Project	Cost*	Adjusted Cost (Inflation)**	Net Present Value (Adjusted Cost)**	% for New Growth	New Growth Cost (NPV)
2011	911 System Equip	\$263,000	\$263,000	\$263,000	16.14%	\$42,450

*Cost estimate is based on an estimated per square foot cost of \$175.

**Adjusted cost is based on CPI adjustment (Table C-4); net present value is based on anticipated interest earnings.

Table PS-8 summarizes the combined costs to provide the adopted level of service to the future population. In addition to the system improvement costs for police facility space and the 911 system, through impact fee collections the City will recoup the cost of preparing the Capital Improvements Element.⁵ The total cost to prepare the CIE (\$81,170) has been divided equally among the three public facility categories being considered (public safety, parks and roads) to produce an amount that is applied to each public facility category's funding responsibility ($\$81,170 \div 4 = \$27,057$). The cost of the CIE preparation is wholly applicable to new growth since the demand for future services—the reason for the CIE preparation—is attributable to that same new growth.

■ Net Impact Cost Calculation

In calculating the net impact cost, any applicable credit for future property tax is subtracted from the total impact fee eligible project costs to produce a net impact-fee-eligible project cost figure. Since there is no expected tax contributions from new growth toward these project costs, there is a credit of \$0 is shown in the first part of **Table PS-9**. Using the net cost figure, the net impact cost per person is calculated, based on the increase in day/night population between 2011 and 2030.

**Table PS-8
Total Costs to Serve New Growth**

Description	Total
New Facility Space	\$382,792
911 Comm Equipment	\$42,450
CIE Preparation*	\$27,057
<hr/>	
Total New Growth Cost	\$452,299

*One-third of the total cost to prepare the Capital Improvements Element.

**Table PS-9
Net Impact Cost Calculation**

Total Eligible Project Costs:	\$452,299
Less New Growth Contribution: (property tax)	\$0
<hr/>	
= NET Project Costs:	\$452,299

NET Costs Attributable to New Growth	Day/night Pop Increase (2011-30)	Net Impact COST per Person
\$452,299	16,860	\$26.8266

⁴ For more information on the construction cost inflator and net present value, see the 'Cost Adjustments and Credits' section of this report.

⁵ DIFA specifies that the City may collect fees for "expenses incurred for qualified staff or any qualified engineer, planner, architect, landscape architect, or financial consultant for preparing or updating the capital improvement element".

A final calculation, shown in **Table PS-10**, is necessary in order to fairly distribute the portion of project costs that are attributable to residential growth. Under the methodology followed here, this is only required in public facility categories that serve both residential and nonresidential populations. (Dwelling units are already the level of service unit of measure for the parks & recreation category.) Since it is anticipated that the average household size will change over time—it is expected to decrease, based on forecasts—a constant fee based on the number of persons per dwelling unit would be both unfair and impractical. Instead, the portion of project costs that is attributable to new residential growth is calculated and assigned to the anticipated dwelling unit increase. This is accomplished by first identifying the percentage of total service area population increase made up by new residents. This percentage is then applied to the 'Net Cost Attributable to New Growth' figure to produce a 'Costs Attributable to New Residential Growth' figure. Finally, the 'Costs Attributable to New Residential Growth' is divided by the number of new dwelling units for that service population to produce a 'per dwelling unit' net impact fee.

Table PS-10
Calculation of Dwelling Unit Fee

Service Population Increase (2011-30)	Residential Population Increase (2011-30)	Residential Increase as % of Total Increase	Net Cost Attributable to New Growth	Costs Attributable to New Residential Growth	New Dwelling Units (2011-30)*	Net Impact FEE per Dwelling Unit
16,860	7,878	46.73%	\$452,299	\$211,343	5,718	\$36.9593

*The number of new dwelling units in the service area.

■ Net Fee Schedule

The fee schedule that follows presents the maximum net impact fee that could be charged in Dunwoody for the public safety public facility category, based on the calculations carried out in this section. Police Department impact fees are collected from residential and nonresidential development.

These net impact fees are transferred to the Maximum Allowable Impact Fee Schedule that is included in the Introduction section of this report. Ultimately, all net fees are increased, collectively, to include an administrative fee (not to exceed 3%). See the 'Other Fees and Charges' section at the end of this report for details.

CITY OF DUNWOODY PUBLIC SAFETY NET IMPACT FEE SCHEDULE

 Net Non-Residential per Capita Impact Cost: **\$26.83**

Employee data is derived from ITE's Traffic Generation Manual, 7th Ed.

ITE CODE	LAND USE	Employees	Unit of Measure	Fee per Unit
<i>Port and Terminal (000-099)</i>				
30	Truck Terminal	11.72	acres	\$314.32
<i>Industrial/Agricultural (100-199)</i>				
110	General Light Industrial	2.31	1000 sq. ft.	\$61.91
120	General Heavy Industrial	1.83	1000 sq. ft.	\$49.07
140	Manufacturing	1.82	1000 sq. ft.	\$48.80
150	Warehousing	1.28	1000 sq. ft.	\$34.21
151	Mini-Warehouse	0.04	1000 sq. ft.	\$1.19
152	High-Cube Warehouse	0.18	1000 sq. ft.	\$4.88
<i>Residential (200-299)</i>				
210	Single-Family Detached Housing	n/a	dwelling	\$36.96
220	Apartment	n/a	dwelling	\$36.96
230	Residential Condominium/Townhouse	n/a	dwelling	\$36.96
<i>Lodging (300-399)</i>				
310	Hotel	0.62	room	\$16.69
311	All Suites Hotel	0.71	room	\$19.05
312	Business Hotel	0.10	room	\$2.68
320	Motel	0.71	room	\$19.08
<i>Recreational (400-499)</i>				
416	Campground/Recreational Vehicle Park	0.07	camp sites	\$1.80
430	Golf Course	0.25	acres	\$6.59
435	Multipurpose Recreational Facility	0.50	acres	\$13.41
443	Movie Theater	1.50	1000 sq. ft.	\$40.18
460	Arena	3.33	acres	\$89.41
480	Amusement Park	9.09	acres	\$243.98
491	Tennis Courts	0.24	acres	\$6.54
492	Racquet Club	0.36	1000 sq. ft.	\$9.78
494	Bowling Alley	1.00	1000 sq. ft.	\$26.83
495	Recreational Community Center	0.84	1000 sq. ft.	\$22.52
<i>Institutional (500-599)</i>				
521	Private School (K-12)	8.09	1000 sq. ft.	\$216.98
560	Church/Synagogue	0.52	1000 sq. ft.	\$13.82
565	Day Care Center	2.54	1000 sq. ft.	\$68.17
566	Cemetery	0.08	acres	\$2.18
591	Lodge/Fraternal Organization	1.00	employee	\$26.83

ITE CODE	LAND USE	Employees	Unit of Measure	Fee per Unit
<i>Medical (600-699)</i>				
610	Hospital	3.25	1000 sq. ft.	\$87.07
620	Nursing Home	0.65	bed	\$17.37
630	Clinic	1.00	1000 sq. ft.	\$26.83
<i>Office (700-799)</i>				
710	General Office Building	3.32	1000 sq. ft.	\$88.96
714	Corporate Headquarters Building	3.40	1000 sq. ft.	\$91.23
715	Single-Tenant Office Building	3.20	1000 sq. ft.	\$85.74
720	Medical-Dental Office Building	4.05	1000 sq. ft.	\$108.78
760	Research and Development Center	2.93	1000 sq. ft.	\$78.54
<i>Retail (800-899)</i>				
812	Building Materials and Lumber Store	1.47	1000 sq. ft.	\$39.44
813	Free-Standing Discount Superstore	0.96	1000 sq. ft.	\$25.75
814	Specialty Retail Center	1.82	1000 sq. ft.	\$48.79
815	Free-Standing Discount Store	1.96	1000 sq. ft.	\$52.68
816	Hardware/Paint Store	0.96	1000 sq. ft.	\$25.86
817	Nursery (Garden Center)	1.63	1000 sq. ft.	\$43.74
818	Nursery (Wholesale)	1.67	1000 sq. ft.	\$44.71
820	Shopping Center	1.67	1000 sq. ft.	\$44.80
823	Factory Outlet Center	1.67	1000 sq. ft.	\$44.80
831	Quality Restaurant	7.46	1000 sq. ft.	\$200.13
832	High-Turnover (Sit-Down) Restaurant	7.46	1000 sq. ft.	\$200.13
834	Fast-Food Restaurant	10.90	1000 sq. ft.	\$292.41
837	Quick Lubrication Vehicle Shop	2.10	service bay	\$56.34
840	Auto-Care Center	1.43	1000 sq. ft.	\$38.36
841	New Car Sales	1.77	1000 sq. ft.	\$47.59
843	Auto Parts Store	0.96	1000 sq. ft.	\$25.75
847	Self-Service Car Wash	0.20	stall	\$5.37
848	Tire Store	1.28	1000 sq. ft.	\$34.34
849	Wholesale Tire Store	1.28	1000 sq. ft.	\$34.34
850	Supermarket	1.27	1000 sq. ft.	\$34.06
851	Convenience Market (Open 24 Hours)	1.80	1000 sq. ft.	\$48.29
852	Convenience Market (Open 15-16 Hours)	1.75	1000 sq. ft.	\$46.95
853	Convenience Market with Gasoline Pumps	1.80	1000 sq. ft.	\$48.29
860	Wholesale Market	0.82	1000 sq. ft.	\$21.99
861	Discount Club	1.30	1000 sq. ft.	\$34.81
862	Home Improvement Superstore	0.96	1000 sq. ft.	\$25.75
863	Electronics Superstore	0.96	1000 sq. ft.	\$25.75
870	Apparel Store	1.67	1000 sq. ft.	\$44.80
881	Pharmacy/Drugstore	1.67	1000 sq. ft.	\$44.80
890	Furniture Store	0.42	1000 sq. ft.	\$11.14
<i>Services (900-999)</i>				
912	Drive-in Bank	3.64	1000 sq. ft.	\$97.74

Parks and Recreation Services

■ Introduction

Public recreational opportunities are available in the City of Dunwoody through a number of parks facilities operated by the City. Demand for recreational facilities is almost exclusively related to the city's resident population. Businesses make some incidental use of public parks for office events, company softball leagues, etc., but the use is minimal compared to that of the families and individuals who live in the city. Thus, the parks and recreation impact fee is limited to future residential growth.

■ Service Area

The city park system operates as part of a city-wide system of parks. Parks and recreational facilities are made available to the city's population without regard to where in the city the resident lives. In addition, the facilities are provided equally to all residents, and often used on the basis of the programs available, as opposed to proximity of the facility. Other programs are located only at certain centralized facilities, to which any Dunwoody resident can come. As a general rule, parks facilities are located throughout the city, and future facilities will continue to be located around the city so that all residents will have recreational opportunities available on an equal basis. Thus, the entire city is considered a single service area for parks & recreation.

Level of Service

Table PR-1 provides an inventory of the acreage of parks under the control of the City in 2011. This total acreage of developed parks is equivalent to 7.14 acres per 1,000 dwelling units.

The calculation of year 2011 parks acreage level of service is shown in **Table PR-2**.

**Table PR-1
Inventory of Park Land**

Facility	Park Acreage
Brook Run	102.00
Donaldson-Chestnut House	2.96
Windwood Hollow	11.13
Vernon Springs	1.00
Dunwoody Park	29.00
Dunwoody Nature Center	5.00
Spruill Center	6.00
Perimeter Park	2.77
	159.86

**Table PR-2
Current Level of Service Calculation**

Total Park Acreage	2011 Dwelling Units	AC/1,000 Dwelling Units
159.9	22,376	7.14

In addition to the parks acreage level of service, a level of service can also be calculated for park facilities such as ball fields, tennis courts, etc. The current inventory of facilities is used to calculate the current LOS in these categories in Table PR-2. Note that other types of components may exist now or in the future in the city; this listing is not exhaustive, but includes component types being included in the impact fee program.

Component Type	Current Inventory (2011)	LOS per 1,000 Dwelling Units
Volleyball Courts	0	0.000
Basketball Courts	0	0.000
Tennis Courts	2	0.089
Restrooms	3	0.134
Picnic Areas	1	0.045
Concession	2	0.089
Disc Golf Course	0	0.000
Multi-Use Fields*	3	0.134
Pavilion/Shelter	2	0.089
Trails**	3	0.134
Playgrounds	3	0.134
Nature Center	1	0.045
Outdoor Classroom	4	0.179
Skate Park	1	0.045
Dog Park	1	0.045
Greenhouse	2	0.089
Batting Cage	2	0.089

*Includes 2 ball fields and 1 practice field.

**Includes jogging or running track, walking trail and Vita Course.

■ Forecasts for Service Area

FUTURE DEMAND

The City has adopted a level of service standard for parks acreage and developed components based on the *City of Dunwoody 2011 Parks, Open Space and Recreation Master Plan*. **Table PR-3** shows the calculation of current excess capacity or existing deficiencies in park land and facilities, based on the level of service standards adopted by the City as part of the *Master Plan*.⁶ The plan, for example, calls

⁶ Note that the future demand figures shown here differ from those in the *Master Plan* because of a difference in the forecasts used in the *Master Plan* and the *Comprehensive Plan*. While the *Parks and Recreation Master Plan* forecasts an increase of over 9,500 people between 2010 and 2015, the *Comprehensive Plan* projection for the same period anticipates

for an addition of 198.6 acres of park land between 2011 and 2030. This results in a level of service of 12.76 acres per 1,000 dwelling units, compared to the current LOS of 7.14 per 1,000 dwelling units. In order to meet current demand at the higher LOS, 125.7 acres need to be added; this represents an existing deficiency. In addition to those acres, 73.0 more acres will be demanded to serve new growth between 2011 and 2030; this represents the portion of net new parks acres that could be funded through impact fee collections. There are also existing deficiencies in every one of the developed component categories shown in Table PR-3 except skate park, dog park, greenhouses and batting cages. Because no new facilities in these last four categories is planned, they provide existing capacity to serve future growth.

**Table PR-3
Future Level of Service Determination**

Category	Units to be Added	Current Inventory	Total Units in 2030	2030 LOS per 1,000 Dwelling Units	Current Demand	Current Excess Capacity	Existing Deficiency
Park Acres	198.6	159.9	358.5	12.7600	285.5	0.0	125.7
Volleyball Courts	2	0	2	0.0712	1.6	0.0	1.6
Basketball Courts	2	0	2	0.0712	1.6	0.0	1.6
Tennis Courts	6	2	8	0.2848	6.4	0.0	4.4
Restrooms	5	3	8	0.2848	6.4	0.0	3.4
Picnic Areas	3	1	4	0.1424	3.2	0.0	2.2
Concession	1	2	3	0.1068	2.4	0.0	0.4
Disc Golf Course	1	0	1	0.0356	0.8	0.0	0.8
Multi-Use Fields	4	3	7	0.2492	5.6	0.0	2.6
Pavilions	6	2	8	0.2848	6.4	0.0	4.4
Trails*	10	3	13	0.4627	10.4	0.0	7.4
Playgrounds	3	3	6	0.2136	4.8	0.0	1.8
Nature Center**	1	1	2	0.0712	1.6	0.0	0.6
Outdoor Classroom	1	4	5	0.1780	4.0	0.0	0.0
Skate Park	0	1	1	0.0356	0.8	0.2	0.0
Dog Park	0	1	1	0.0356	0.8	0.2	0.0
Greenhouse	0	2	2	0.0712	1.6	0.4	0.0
Batting Cage	0	2	2	0.0712	1.6	0.4	0.0

Source: All land acquisition and developed component demand figures are drawn from the City of Dunwoody 2011 Parks, Recreation and Open Space Master Plan.

*Includes multi-purpose, walking and jogging trails and paths, paved or mulched.

**One "new" nature center indicates 5,000 sf expansion of existing facility.

an increase of less than 3,000 people. Fewer people, at the same level of service, results in less demand for park land and facilities.

Table PR-4 shows the future demand in parks acreage and components based on the adopted LOS standard for parks acreage, facility space and developed components from Table PR-3. Again, these figures represent the portion of future projects that will serve new growth; because of existing deficiencies the total demand (existing plus new growth) will be higher. The increase in dwelling units between 2011 and 2030 is multiplied by the level of service standards to produce the future demand. The 'new dwelling units' figure is taken from Table P-2.

**Table PR-4
Future Demand Calculation**

New Growth

AC/1,000 Dwelling Units	Number of New Dwelling Units (2011-30)	Acres Demanded
12.76	5,718	73.0

Adopted LOS per 1,000 Dwelling Units	New Components Demanded for New Growth (2011-2030)	
0.0712	0.4	Volleyball Courts
0.0712	0.4	Basketball Courts
0.2848	1.6	Tennis Courts
0.2848	1.6	Restrooms
0.1424	0.8	Picnic Areas
0.1068	0.6	Concession
0.0356	0.2	Disc Golf Course
0.2492	1.4	Multi-Use Fields
0.2848	1.6	Pavilions
0.4627	2.6	Trails*
0.2136	1.2	Playgrounds
0.0712	0.4	Nature Center**
0.1780	1.0	Outdoor Classroom
0.0356	0.2	Skate Park
0.0356	0.2	Dog Park
0.0712	0.4	Greenhouse
0.0712	0.4	Batting Cage

*Includes jogging or running track, walking trail and Vita Course.

New components, of course, come in 'whole' facilities – a volleyball court, a basketball court, etc. The demand figures for new growth are fractions, meaning that a portion of a new facility would meet the demand created by new growth while also fulfilling some of the existing deficiency for current residents created by raising the LOS. For instance, 2 new volleyball courts are planned; as shown on Table PR-4, .4 (40%) of one court would serve future demand while the remaining .6 of the first court plus all of the second court would satisfy the existing deficiency of 1.6 courts shown on Table PR-3 (i.e., there are no volleyball courts currently in existence).

Table PR-5 presents a schedule of future park acreage demand, and projects to meet that demand, based on the adopted LOS. As noted above, the City must acquire 125.7 acres of park land to meet the needs of the current population at the adopted LOS of 12.76 acres per 1,000 dwelling units. Along with acquisitions to serve future residential growth, therefore, a total of 198.6 acres will need to be acquired, including 73.0 acres to serve new growth. While the specific land acquisition projects may be re-configured over time, 73.0 new acres are ultimately impact fee eligible.

**Table PR-5
Future Park Land Acquisition**

Year	New Dwelling Units	AC Demanded (annual)*	Running Total: AC Demanded*	Project	Net New Acres*
2011	--	125.7	125.7		(125.7)
2012	1,036	13.2	138.9	Brook Run Park	4.0
2013	1,036	13.2	152.1	New Park A	21.4
2014	252	3.2	155.3	New Park B	21.4
2015	252	3.2	158.5	Greenway A	20.0
2016	252	3.2	161.7	New Park C	21.9
2017	252	3.2	165.0	Greenway B	36.0
2018	252	3.2	168.2		
2019	252	3.2	171.4		
2020	252	3.2	174.6		
2021	197	2.5	177.1		
2022	197	2.5	179.6		
2023	197	2.5	182.1		
2024	197	2.5	184.6	Greenway C	20.0
2025	197	2.5	187.2		
2026	180	2.3	189.4		
2027	180	2.3	191.7	New Park D	30.0
2028	180	2.3	194.0		
2029	180	2.3	196.3		
2030	180	2.3	198.6	New Park E	24.0
Net New Growth Total:					73.0

*Figures reflect existing deficiency.

FUTURE COSTS

Table PR-6 is a listing of the future capital projects and costs for the developed components required in order to maintain the adopted level of service standards, by park. The 'total units to be added' figures are taken directly from Table PR-3, while the 'units added for new growth' are from Table PR-4. As discussed above, some portions of these projects are not impact fee eligible to the extent that they correct existing deficiencies. For example, new growth to 2030 requires .4 of a volleyball court in order to attain the desired LOS (see table PR-4). However, 2 volleyball courts will be built to address the

demand for volleyball courts created by both existing and future residents. Of these 2 volleyball courts, 1.6 courts will serve existing growth and .4 (20% of the 2 courts) will serve new growth. Thus, 20% of the gross project cost is impact fee eligible.

**Table PR-6
Future Park Facility Costs**

Year	Facility Type	Total Units to be Added	Units Added for New Growth	Net Cost*	Gross Cost*	Adjusted Cost (Inflation)**	Net Present Value (Adjusted Cost)**	% for New Growth	Net Cost to New Growth
Brook Run Park									
2012	Volleyball Courts	2	0.4	\$14,000	\$17,080	\$18,431	\$18,212	20.00%	\$3,642
2012	Basketball Courts	2	0.4	\$140,000	\$170,800	\$184,311	\$182,119	20.00%	\$36,424
2013	Tennis Courts	4	1.07	\$280,000	\$341,600	\$382,923	\$376,112	26.67%	\$100,297
2012	Restrooms (3)	3	1.6	\$600,000	\$732,000	\$789,903	\$780,509	53.33%	\$416,271
2012	Picnic Area	1	0.8	\$220,750	\$269,315	\$290,618	\$287,162	80.00%	\$229,730
2012	Concession	1	0.6	\$114,000	\$139,080	\$150,082	\$148,297	60.00%	\$88,978
2013	Disc Golf Course	1	0.2	\$20,000	\$24,400	\$27,352	\$26,865	20.00%	\$5,373
2013	Multi-Use Fields	4	1.4	\$400,000	\$488,000	\$547,033	\$537,303	35.00%	\$188,056
2014	Pavilions	4	1.6	\$915,000	\$1,116,300	\$1,299,888	\$1,269,153	40.00%	\$507,661
2013	Trails	3	2.6	\$699,300	\$853,146	\$956,351	\$939,341	86.67%	\$814,095
Dunwoody Nature Center									
2015	Picnic Area	1	0.0	\$65,500	\$79,910	\$96,662	\$93,814	0.00%	\$0
2015	Trails	3	0.0	\$193,130	\$235,619	\$285,014	\$276,615	0.00%	\$0
2015	Restroom	1	0.0	\$125,000	\$152,500	\$184,470	\$179,034	0.00%	\$0
2015	Pavilion	1	0.0	\$175,000	\$213,500	\$258,258	\$250,648	0.00%	\$0
2015	Playground	1	0.4	\$213,623	\$260,620	\$315,257	\$305,967	40.00%	\$122,387
2015	Nature Center	1	0.4	\$1,250,000	\$1,525,000	\$1,844,702	\$1,790,343	40.00%	\$716,137
2015	Outdoor Classroom	1	1.0	\$25,000	\$30,500	\$36,894	\$35,807	100.00%	\$35,807
Perimeter Park									
2014	Trails	2	0.0	\$360,960	\$440,371	\$512,795	\$500,671	0.00%	\$0
2014	Playground	1	0.4	\$190,077	\$231,894	\$270,032	\$263,647	40.00%	\$105,459
Windwood Hollow									
2016	Picnic Area	1	0.0	\$42,500	\$51,850	\$65,153	\$62,856	0.00%	\$0
2016	Trails	2	0.0	\$107,470	\$131,113	\$164,753	\$158,945	0.00%	\$0
2016	Pavilion	1	0.0	\$150,000	\$183,000	\$229,953	\$221,846	0.00%	\$0
2016	Restroom	1	0.0	\$125,000	\$152,500	\$191,627	\$184,871	0.00%	\$0
2016	Tennis Courts	2	0.53	\$188,688	\$230,199	\$289,262	\$279,064	26.67%	\$74,417
2016	Playground	1	0.4	\$253,716	\$309,534	\$388,951	\$375,238	40.00%	\$150,095
				\$6,868,714	\$8,379,831	\$9,780,675	\$9,544,439		\$3,594,829

*Cost estimates are drawn from the 2011 Parks and Recreation Master Plan. The Gross Cost includes 15% contingency and 7% for A&E.

**Adjusted cost is based on construction cost estimate adjustment (Table C-2); net present value is based on anticipated interest earnings.

***Cost recovery for excess capacity in existing facility.

Project years have been selected to match the proposed projects from Table PR-3. Project cost estimates are drawn directly from the *2011 Parks, Recreation and Open Space Master Plan*; these gross costs have been converted to net present value figures.⁷

Table PR-7 presents the estimated costs for the land acquisition projects. The cost estimate for land acquisition has been estimated by the City based on comparable land acquisition costs (\$30,000 per acre). The costs are shown in current dollars, and then adjusted to reflect the net present value.⁸

Table PR-7
Land Acquisition Costs

Year	Project	Acres	Gross Cost*	Adjusted Cost (Inflation)**	Net Present Value (Adjusted Cost)**	% for New Growth	New Growth Cost
2012	Brook Run Park	4.0	\$120,000	\$125,398	\$123,907	100.00%	\$123,907
2013	New Park A	21.4	\$642,000	\$685,803	\$673,605	100.00%	\$673,605
2014	New Park B	21.4	\$642,000	\$701,058	\$684,482	100.00%	\$684,482
2015	Greenway A	20.0	\$600,000	\$669,769	\$650,032	100.00%	\$650,032
2016	New Park C	21.9	\$657,000	\$749,711	\$723,279	8.54%	\$61,784
2017	Greenway B	36.0	\$1,080,000	\$1,259,815	\$1,208,150	0.00%	\$0
2024	Greenway C	20.0	\$600,000	\$816,427	\$750,837	0.00%	\$0
2027	New Park D	30.0	\$900,000	\$1,308,196	\$1,181,699	0.00%	\$0
2030	New Park E	24.0	\$720,000	\$1,117,961	\$991,898	0.00%	\$0
		198.7	\$5,961,000	\$7,434,137	\$6,987,889		\$2,193,810

*Estimated acquisition costs based on an average of \$30,000 per acre.

**Adjusted cost is based on on CPI adjustment (Table C-4); net present value is based on anticipated interest earnings.

⁷ For more information on the cost inflator factor and net present value, see the 'Cost Adjustments and Credits' section of this report.

⁸ For more information on the cost inflator factor and net present value, see the 'Cost Adjustments and Credits' section of this report.

Table PR-8 summarizes the combined costs to provide the adopted level of service to future new residents of the city. In addition to the system improvement costs for parks acres and facilities, through impact fee collections the City will recoup the cost of preparing the Capital Improvements Element.⁹ The total cost to prepare the CIE (\$81,170) has been divided equally among the three public facility categories being considered (public safety, parks and roads) to produce an amount that is applied to each public facility category's funding responsibility ($\$81,170 \div 4 = \$27,057$). The cost of the CIE preparation is wholly applicable to new growth since the demand for future services—the reason for the CIE preparation—is attributable to that same new growth.

**Table PR-8
Total Costs to Serve New Growth**

Description	Total
Park Acres	\$2,193,810
Park Facilities	\$3,594,829
CIE Preparation*	\$27,057
<hr/>	
Gross New Growth Cost	\$5,815,696

*One-third of the total cost to prepare the Capital Improvements Element.

■ Gross Impact Cost Calculation

The gross impact cost per dwelling unit is calculated in **Table PR-9**. The 'total costs attributable to new growth' figure is the combination of the eligible project costs from the preceding table. This impact cost is not an "impact fee." In calculating an impact fee, the cost must be reduced to the extent that new growth and development will pay future taxes toward financing the improvements, in order to avoid double taxation.

**Table PR-9
Gross Impact Cost Calculation**

Total Costs Attributable to New Growth	New Dwelling Units (2011-30)	Gross Impact COST per Dwelling Unit
\$5,815,696	5,718	\$1,017.0398

■ Property Tax Credit Calculation

There is a property tax credit calculation that is carried out for this public facility category. As new growth occurs, new revenue through property taxes will be generated. To the extent that this increased revenue from new growth finds its way into funding parks and recreation facilities that are intended to address the existing deficiency for today's residents, a credit must be applied so that new growth pays

⁹ DIFA specifies that the City may collect fees for "expenses incurred for qualified staff or any qualified engineer, planner, architect, landscape architect, or financial consultant for preparing or updating the capital improvement element."

only for the facilities that it alone demands. In **Table PR-10** the anticipated property tax contribution from new growth towards the cost to complete future capital facility projects for today's residents is calculated. All figures shown here are in net present value dollars. The tax base information is taken from Table C-8, and the 'annual funding requirement' is the cost attributable to current development (calculated from Tables PR-6 and PR-7) annualized evenly over the 19-year recovery period. The funding requirement is therefore the portion of the total capital project costs that are not impact fee eligible; here these are assumed to be funded through the general fund. The 'millage rate' is simply the rate required to meet the annual funding requirement with the given tax digest value. The 'contribution from new growth' is the millage rate multiplied by the residential added value shown in Table C-6. (Residential added value is used, rather than total added value, since the impact fee for park & recreation services will only be levied against residential growth.)

Table PR-10
New Growth Contribution Through Property Taxes
2011 - 2030

Year	Tax Digest*	Annual Funding Requirement	Millage Rate	Residential Added Value**	Contribution from New Growth
2011	\$3,021,092,379	\$0	0.00000	\$82,398,578	\$0
2012	\$3,098,806,862	\$565,457	0.18248	\$163,814,270	\$29,892
2013	\$3,175,486,866	\$565,457	0.17807	\$182,632,216	\$32,521
2014	\$3,189,885,851	\$565,457	0.17727	\$201,219,865	\$35,669
2015	\$3,204,000,120	\$565,457	0.17648	\$219,579,296	\$38,752
2016	\$3,217,706,122	\$565,457	0.17573	\$237,712,571	\$41,774
2017	\$3,231,134,661	\$565,457	0.17500	\$255,621,733	\$44,734
2018	\$3,244,288,558	\$565,457	0.17429	\$273,308,811	\$47,636
2019	\$3,257,170,613	\$565,457	0.17360	\$290,775,817	\$50,480
2020	\$3,269,783,599	\$565,457	0.17293	\$303,870,720	\$52,550
2021	\$3,284,981,059	\$565,457	0.17213	\$316,799,078	\$54,532
2022	\$3,299,880,925	\$565,457	0.17136	\$329,562,411	\$56,473
2023	\$3,314,486,205	\$565,457	0.17060	\$342,162,229	\$58,373
2024	\$3,328,799,885	\$565,457	0.16987	\$354,600,028	\$60,235
2025	\$3,342,824,922	\$565,457	0.16916	\$366,628,093	\$61,848
2026	\$3,356,737,623	\$565,457	0.16845	\$376,511,997	\$63,425
2027	\$3,370,365,456	\$565,457	0.16777	\$387,253,067	\$64,971
2028	\$3,383,711,325	\$565,457	0.16711	\$397,852,620	\$66,486
2029	\$3,396,778,109	\$565,457	0.16647	\$408,311,962	\$67,971
2030	\$3,409,568,661	\$565,457	0.16584	\$405,876,701	\$67,312
					\$860,352

*Running Total; Tax digest information taken from Table C-8.

**Residential value added figures from Table C-6.

■ Net Impact Cost Calculation

In calculating the net impact cost, the applicable credit for future property tax contributions (from Table PR-10) is subtracted from the total impact fee eligible project costs to produce a net impact-fee-eligible project cost figure. In this way, new growth pays its fair share in both the future taxes it will generate as well as a direct impact fee to make up the shortfall in costs. This calculation is shown in **Table PR-11**. The total eligible project costs (from Table PR-8) is reduced by the property tax credit calculated in Table PR-10, to produce a net cost attributable to new growth. Using the net cost figure, the net impact cost per dwelling unit is calculated, based on the increase in dwelling units between 2011 and 2030.

**Table PR-11
Impact Cost Calculation**

Total Eligible Project Costs:			<u>\$5,815,696</u>
Less New Growth Contribution (property tax):			<u>(\$860,352)</u>
		= NET Project Costs:	\$4,955,344
	Net Costs Attributable to New Growth	New Dwelling Units (2011-30)	Impact COST per Dwelling Unit
	\$4,955,344	5,718	\$866.5827

■ Net Fee Schedule

The fee schedule that follows presents the maximum net impact fee that could be charged in Dunwoody for the parks and recreation public facility category, based on the calculations carried out in this section. The total impact fee shown reflects the reductions for the credit based upon anticipated tax contributions from new development. Parks and recreation impact fees are collected from residential development only.

CITY OF DUNWOODY PARKS AND RECREATION NET IMPACT FEE SCHEDULE

Net Impact Cost: **\$866.58**

ITE CODE	LAND USE	Unit of Measure	Fee per Unit
<i>Residential (200-299)</i>			
210	Single-Family Detached Housing	dwelling	\$866.58
220	Apartment	dwelling	\$866.58
230	Residential Condominium/Townhouse	dwelling	\$866.58

These net impact fees are transferred to the Maximum Allowable Impact Fee Schedule that is included in the Introduction section of this report. Ultimately, all net fees are increased, collectively, to include an administrative fee (not to exceed 3%). See the 'Other Fees and Charges' section at the end of this report for details.

Road Improvements

■ Introduction

The information in this chapter is derived from, or taken directly from, the Comprehensive Transportation Plan adopted by the City in 2011. Level of service calculations, cost estimates, and determination of need, are based on engineering carried out by the City and its consultants. Timing of the projects and assignment of the projects to the impact fee program have been determined by the City.

■ Service Area

The service area for this road improvements category is defined as the entire city. In that road improvements are recognized as providing primary—if not exclusive—capacity to properties within the city, the city has been adopted as the service area for the purpose of assessing impact fees. All new development within the city will be assessed the road impact fee, as calculated in this chapter. The road network within the city is considered in its entirety by the transportation model used to generate capacity data. An improvement to any part of the network improves capacity, to some measurable extent, throughout the city.

■ Level of Service Standards

Level of service for roadways and intersections is measured on a 'letter grade' system that rates a road within a range of service from A to F. Level of service A is the best rating, representing unencumbered travel; level of service F is the worst rating, representing heavy congestion and long delays. This system is a means of relating the connection between speed and travel time, freedom to maneuver, traffic interruption, comfort, convenience and safety to the capacity that exists in a roadway. This refers to both a quantitative measure expressed as a service flow rate and an assigned qualitative measure describing parameters. *The Highway Capacity Manual, Special Report 209*, Transportation Research Board (1985), defines level of service A through F as having the following characteristics:

2. LOS A: free flow, excellent level of freedom and comfort;
3. LOS B: stable flow, decline in freedom to maneuver, desired speed is relatively unaffected;
4. LOS C: stable flow, but marks the beginning of users becoming affected by others, selection of speed and maneuvering becomes difficult, comfort declines at this level;
5. LOS D: high density, but stable flow, speed and freedom to maneuver are severely restricted, poor level of comfort, small increases in traffic flow will cause operational problems;
6. LOS E: at or near capacity level, speeds reduced to low but uniform level, maneuvering is extremely difficult, comfort level poor, frustration high, level unstable; and
7. LOS F: forced/breakdown of flow. The amount of traffic approaching a point exceeds the amount that can transverse the point. Queues form, stop & go. Arrival flow exceeds discharge flow.

The traffic volume that produces different level of service grades differs according to road type, size, signalization, topography, condition and access. Post-improvement LOS conditions are based on the City's consultant's calculations.

■ Proposed Level of Service

The adopted level of service is based on Level of Service "D" for arterials and major collector roads within the service area. This level of service is used to calculate existing deficiencies through the transportation modeling process, and is reflected in projects that are less than 100% impact fee eligible. Impact cost calculation is based upon current transportation plans developed by the City.

■ Forecasts for Service Area

A series of projects that provide additional capacity to the year 2030 by new road construction, intersection improvement or other capacity improvements has been identified by the City for inclusion in its impact fee program; these are shown in **Table R-1**. Project costs shown on the table are estimated and include the cost of right-of-way and utility relocation; final construction costs may vary.

Table R-1
Future Road Projects and Estimated Costs

Location	Project Number	Project Type	Total Cost	Local Cost
Mt. Vernon Rd at Ashford Dunwoody Rd/Trailridge Way	35	Intersection	\$1,125,000	\$1,125,000
Peachford Road Extension	27	New Alignment	\$7,000,000	\$1,400,000
Mt. Vernon Rd at Chamblee Dunwoody Rd	24	Intersection	\$1,200,000	\$1,200,000
Womack Rd at Vermack Rd	8	Intersection	\$1,000,000	\$1,000,000
Tilly Mill Rd at N. Peachtree Rd	10	Intersection	\$1,600,000	\$1,600,000
N. Shallowford Rd at Chamblee Dunwoody Rd/Peeler Rd	9	Intersection	\$1,575,000	\$1,575,000
Mt. Vernon Rd from Ashford Dunwoody Rd to Mt. Vernon PI	22a (2 segments)	Add center turn lane	\$12,000,000	\$2,400,000
			\$25,500,000	\$10,300,000

The projects listed in table R-1 are intended to improve road safety in the city. As a byproduct, some projects also add new capacity. Some of that added capacity may be required to meet current, rather than future, demand—an integral part of the impact fee calculation.¹⁰ It is important to identify any portion of a project that goes toward meeting an existing deficiency in that this portion of the total project cost cannot be funded through impact fees. Based on LOS "D," there are existing deficiencies on several of the road segments in their current configuration; several of the projects will meet current and in some cases future anticipated increases in traffic demand. The next step in these calculations is to identify the net trip capacity that is available to new growth, following each road improvement project. This 'net available capacity' figure is shown in **Table R-2**. Project 22a has been broken out into

¹⁰ All trip capacity figures and calculations shown here are based on 'PM Peak Hour' trip volumes, capacities and generation.

its constituent parts—the two road segments add center turn lanes but have different existing volumes. The ‘net available capacity’ figures are the post-improvement trip capacity, less any existing traffic volume, which is expected to continue to use the roadway segments. Where no new net available capacity exists there is no new capacity available to new growth, and thus these projects will not be impact fee eligible. Of the projects that do provide new capacity for new growth, there are still existing deficiencies that must be taken into account. The final calculation shown in this table is the identification of the portion of project costs that are attributable to new growth—the impact fee eligible project costs. This percentage is based on the ‘net new available capacity’ figure as a percentage of the ‘post-improvement capacity’ figure.

Table R-2
Post-Improvement Statistics

Project Number	PM Peak Hour			Net Added Capacity as % of Total Capacity Added
	Post-Improvement Capacity	Existing Peak Volume	Net New Available Capacity	
35	3,828	3,466	362	9.5%
27	14,600	0	14,600	100.0%
24	3,505	4,247	--	--
8	2,071	1,529	542	26.2%
10	2,581	2,643	--	--
9	3,233	3,070	163	5.0%
22a (I)	15,330	18,556	--	--
22a (II)	15,330	15,700	--	--
New Trip Capacity Available to Road Network:			15,667	

Source: City of Dunwoody transportation plans.

FUTURE COSTS

Table R-3 presents a calculation of the impact fee eligible project costs for the road improvement projects from Table R-1, adjusted to reflect the impact fee eligible portion of those costs. Costs for the multiple-segment project (22a) are split evenly between the two segments. The total local cost for each project, from R-1, is multiplied by the ‘net added capacity as % of total capacity added’ figure from Table R-2, to produce the portion of the local project cost that is impact fee eligible. The local costs have been adjusted to reflect increasing construction costs, and converted to net present value figures, based on the estimated construction year.¹¹ Of the \$10.3 million in safety improvement project costs, roughly \$2.2 million (or 21%) could be funded through impact fee collections.

¹¹ For more information on the cost inflator factor and net present value, see the ‘Cost Adjustments and Credits’ section of this report.

Table R-3
Impact Fee Eligible Project Costs

Year	Project Number	Local Cost	Adjusted Cost (Inflation)*	Net Present Value (Adjusted Cost)*	% Impact Fee Eligible	Impact Fee Eligible Project Costs	Non-eligible Project Costs
2015	35	\$1,125,000	\$1,360,845	\$1,320,745	9.5%	\$124,898	\$1,195,847
2015	27	\$1,400,000	\$1,693,497	\$1,643,594	100.0%	\$1,643,594	\$0
2015	24	\$1,200,000	\$1,451,569	\$1,408,794	--	\$0	\$1,408,794
2015	8	\$1,000,000	\$1,209,640	\$1,173,995	26.2%	\$307,246	\$866,750
2015	10	\$1,600,000	\$1,935,425	\$1,878,393	--	\$0	\$1,878,393
2015	9	\$1,575,000	\$1,905,184	\$1,849,043	5.0%	\$93,224	\$1,755,818
2015	22a (I)	\$1,200,000	\$1,451,569	\$1,408,794	--	\$0	\$1,408,794
2015	22a (II)	\$1,200,000	\$1,451,569	\$1,408,794	--	\$0	\$1,408,794
		\$10,300,000	\$12,459,296	\$12,092,152		\$2,168,961	\$9,923,191

*Adjusted cost is based on on construction cost adjustment (Table C-2); net present value is based on anticipated interest earnings.

Table R-4 summarizes the combined costs to provide the adopted level of service to the future population. In addition to the system improvement costs for roads, through impact fee collections the City will recoup the cost of preparing the Capital Improvements Element.¹² The total cost to prepare the CIE (\$81,170) has been divided equally among the three public facility categories being considered (public safety, parks and roads) to produce an amount that is applied to each public facility category's funding responsibility ($\$81,170 \div 4 = \$27,057$). The cost of the CIE preparation is wholly applicable to new growth since the demand for future services—the reason for the CIE preparation—is attributable to that same new growth.

■ Gross Impact Cost Calculation

The gross impact cost per trip is calculated in **Table R-5**. The 'gross costs attributable to new growth' figure is the combination of the eligible project costs from the preceding table. This impact cost is not an "impact fee." In calculating an impact fee, the cost must be reduced to the extent that new growth and development will pay future taxes toward financing the improvements, in order to avoid double taxation.

Table R-4
Total Costs to Serve New Growth

Description	Total
Eligible Road Costs	\$2,168,961
CIE Preparation*	\$27,057
Total New Growth Cost	\$2,196,018

*One-third of the total cost to prepare the Capital Improvements Element.

¹² DIFA specifies that the County may collect fees for "expenses incurred for qualified staff or any qualified engineer, planner, architect, landscape architect, or financial consultant for preparing or updating the capital improvement element".

■ Property Tax Credit Calculation

For any impact fee calculation the gross cost must be reduced to the extent that new growth and development will pay future taxes toward financing the improvements, in order to avoid double taxation. There is a property tax credit calculation that is carried out for this public facility category. In **Table R-6** the anticipated property tax contribution from new growth towards the cost to complete future capital facility projects is calculated. All figures shown here are net present value. The tax base information is taken from Table C-8, and the funding requirement is drawn from Table R-4. The funding requirement for the road improvement projects is the portion of the capital projects that are not impact fee eligible at this time; here these are assumed to be funded through the general fund. The non-eligible costs have been annualized. The millage rate is simply the rate required to meet the annual funding requirement with the given tax digest value. The contribution from new growth is the millage rate multiplied by the total added value shown in Table C-6.

Table R-5

Gross Impact Cost Calculation

Gross Costs Attributable to New Growth	Capacity Available (peak hour trips)	Gross Impact COST per New Trip
\$2,196,018	15,667	\$140.1684

Table R-6

New Growth Contribution Through Property Taxes: 2011 – 2030

Year	Tax Digest*	Annual Funding Requirement	Millage Rate	New Growth Added Value**	Contribution from New Growth
2011	\$3,021,092,379	\$0	0.00000	\$96,307,324	\$0
2012	\$3,098,806,862	\$522,273	0.16854	\$191,465,852	\$32,270
2013	\$3,175,486,866	\$522,273	0.16447	\$223,862,208	\$36,819
2014	\$3,189,885,851	\$522,273	0.16373	\$255,865,316	\$41,892
2015	\$3,204,000,120	\$522,273	0.16301	\$287,351,519	\$46,840
2016	\$3,217,706,122	\$522,273	0.16231	\$318,453,039	\$51,689
2017	\$3,231,134,661	\$522,273	0.16164	\$349,173,346	\$56,440
2018	\$3,244,288,558	\$522,273	0.16098	\$379,515,879	\$61,095
2019	\$3,257,170,613	\$522,273	0.16035	\$409,484,053	\$65,659
2020	\$3,269,783,599	\$522,273	0.15973	\$441,949,149	\$70,591
2021	\$3,284,981,059	\$522,273	0.15899	\$474,012,420	\$75,362
2022	\$3,299,880,925	\$522,273	0.15827	\$505,677,506	\$80,034
2023	\$3,314,486,205	\$522,273	0.15757	\$536,948,016	\$84,608
2024	\$3,328,799,885	\$522,273	0.15690	\$567,827,530	\$89,089
2025	\$3,342,824,922	\$522,273	0.15624	\$598,494,010	\$93,507
2026	\$3,356,737,623	\$522,273	0.15559	\$628,774,489	\$97,831
2027	\$3,370,365,456	\$522,273	0.15496	\$658,672,480	\$102,068
2028	\$3,383,711,325	\$522,273	0.15435	\$688,191,469	\$106,222
2029	\$3,396,778,109	\$522,273	0.15376	\$717,334,912	\$110,294
2030	\$3,409,568,661	\$522,273	0.15318	\$713,056,572	\$109,225
					\$1,192,017

*Running Total; Tax digest information taken from Table C-8.

**New growth value added figures from Table C-6.

■ **Net Impact Cost Calculation**

In calculating the net impact cost, any applicable credit for future tax contributions is subtracted from the total impact fee eligible project costs to produce a net impact-fee-eligible project cost figure; this is shown in the first part of **Table R-7**. Using the net project cost figure, the net impact cost per trip is calculated, based on the net costs of the road improvement projects.

**Table R-7
Net Impact Cost Calculation**

	Total Eligible Project Costs:	\$2,196,018
	Less New Growth Contribution (Property Tax or SPLOST):	(\$1,192,017)
		= NET Project Costs: \$1,004,001
NET Costs Attributable to New Growth	Capacity Available (peak hour trips)	Net Impact COST per New Trip
\$1,004,001	15,667	\$64.0838
		Net Impact COST per TRIP END
		\$32.0419

For impact fee calculations, a 'trip' consists of two 'ends', just like a line has two ends. Each trip has a starting and ending point; both of these are the 'ends' of the trip. In order to make the net impact cost calculation from Table R-7 compatible with the trip generation data available in the ITE *Trip Generation Manual*—which is based on trip ends—the net impact cost per trip must be cut in half since each 'trip' is made up of two 'ends.' This calculation is shown in the last line of Table R-7; the 'net impact cost per trip end' is the 'net impact cost per new trip' divided by two.

■ **Fee Schedule**

The fee schedule that follows presents the **maximum net impact fee** that could be charged in Dunwoody for the Road Improvements category, based on the calculations carried out in this chapter. Road Improvement impact fees are collected from residential and nonresidential development.

CITY OF DUNWOODY ROAD IMPROVEMENTS IMPACT FEE SCHEDULE

Net Impact Cost (Per Trip End): **\$32.04**

ITE CODE	LAND USE	P.M. Peak Hour		Unit of Measure	Fee per Unit
		Trip Ends	% New Trips		
<i>Port and Terminal (000-099)</i>					
30	Truck Terminal	0.82	92%	acres	\$24.17
<i>Industrial/Agricultural (100-199)</i>					
110	General Light Industrial	1.08	92%	1000 sq. ft.	\$31.84
120	General Heavy Industrial	0.68	92%	1000 sq. ft.	\$20.05
140	Manufacturing	0.75	92%	1000 sq. ft.	\$22.11
150	Warehousing (standard)	0.61	92%	1000 sq. ft.	\$17.98
151	Mini-Warehouse	0.29	92%	1000 sq. ft.	\$8.55
152	High-Cube Warehouse	0.12	92%	1000 sq. ft.	\$3.54
<i>Residential (200-299)</i>					
210	Single-Family Detached Housing	1.02	100%	dwelling	\$32.68
220	Apartment	0.67	100%	dwelling	\$21.47
230	Residential Condominium/Townhouse	0.24	100%	dwelling	\$7.69
<i>Lodging (300-399)</i>					
310	Hotel	0.61	59%	room	\$11.53
311	All Suites Hotel	0.55	59%	room	\$10.40
312	Business Hotel	0.57	59%	room	\$10.78
320	Motel	0.56	59%	room	\$10.59
<i>Recreational (400-499)</i>					
416	Campground/Recreational Vehicle Park	0.48	85%	camp sites	\$13.07
430	Golf Course	0.39	85%	acres	\$10.62
435	Multipurpose Recreational Facility	11.54	85%	acres	\$314.30
443	Movie Theater	14.05	85%	1000 sq. ft.	\$382.66
460	Arena	33.33	85%	acres	\$907.76
480	Amusement Park	0.52	85%	acres	\$14.16
491	Tennis Courts	1.79	85%	acres	\$48.75
492	Racquet Club	4.66	85%	1000 sq. ft.	\$126.92
494	Bowling Alley	3.54	85%	1000 sq. ft.	\$96.41
495	Recreational Community Center	2.26	85%	1000 sq. ft.	\$61.55
<i>Institutional (500-599)</i>					
521	Private School (K-12)	3.54	80%	1000 sq. ft.	\$90.74
560	Church/Synagogue	1.41	90%	1000 sq. ft.	\$40.66
565	Day Care Center	13.94	74%	1000 sq. ft.	\$330.53
566	Cemetery	1.64	90%	acres	\$47.29
591	Lodge/Fraternal Organization	4.05	90%	employee	\$116.79

CODE	LAND USE	P.M. Peak Hour		Unit of Measure	Fee per Unit
		Trip Ends	% New Trips		
<i>Medical (600-699)</i>					
610	Hospital	1.46	77%	1000 sq. ft.	\$36.02
620	Nursing Home	0.27	75%	bed	\$6.49
630	Clinic	1.31	77%	employee	\$32.32
<i>Office (700-799)</i>					
710	General Office Building	1.49	92%	1000 sq. ft.	\$43.92
714	Corporate Headquarters Building	1.39	92%	1000 sq. ft.	\$40.98
715	Single-Tenant Office Building	1.72	92%	1000 sq. ft.	\$50.70
720	Medical-Dental Office Building	4.36	77%	1000 sq. ft.	\$107.57
760	Research and Development Center	1.08	92%	1000 sq. ft.	\$31.84
<i>Retail (800-899)</i>					
812	Building Materials and Lumber Store	5.15	81%	1000 sq. ft.	\$133.66
813	Free-Standing Discount Superstore	4.03	75%	1000 sq. ft.	\$96.85
814	Specialty Retail Center	4.93	49%	1000 sq. ft.	\$77.40
815	Free-Standing Discount Store	5.51	61%	1000 sq. ft.	\$107.70
816	Hardware/Paint Store	4.74	40%	1000 sq. ft.	\$60.75
817	Nursery (Garden Center)	4.97	81%	1000 sq. ft.	\$128.99
818	Nursery (Wholesale)	5.00	81%	1000 sq. ft.	\$129.77
820	Shopping Center	3.74	81%	1000 sq. ft.	\$97.07
823	Factory Outlet Center	1.94	81%	1000 sq. ft.	\$50.35
831	Quality Restaurant	9.02	82%	1000 sq. ft.	\$236.99
832	High-Turnover (Sit-Down) Restaurant	19.38	79%	1000 sq. ft.	\$490.57
834	Fast-Food Restaurant	46.28	54%	1000 sq. ft.	\$800.77
837	Quick Lubrication Vehicle Shop	4.60	83%	service bay	\$122.34
840	Auto Care Center	4.01	51%	1000 sq. ft.	\$65.53
841	New Car Sales	2.50	79%	1000 sq. ft.	\$63.28
843	Auto Parts Store	6.44	83%	1000 sq. ft.	\$171.27
847	Self-Service Car Wash	8.00	40%	stall	\$102.53
848	Tire Store	3.26	83%	1000 sq. ft.	\$86.70
849	Wholesale Tire Store	2.58	83%	1000 sq. ft.	\$68.61
850	Supermarket	12.02	63%	1000 sq. ft.	\$242.64
851	Convenience Market (Open 24 Hours)	52.74	40%	1000 sq. ft.	\$675.96
852	Convenience Market (Open 15-16 Hours)	36.22	40%	1000 sq. ft.	\$464.22
853	Convenience Market with Gasoline Pumps	62.57	40%	1000 sq. ft.	\$801.95
860	Wholesale Market	0.52	61%	1000 sq. ft.	\$10.16
861	Discount Club	4.76	61%	1000 sq. ft.	\$93.04
862	Home Improvement Superstore	3.84	75%	1000 sq. ft.	\$92.28
863	Electronics Superstore	4.50	81%	1000 sq. ft.	\$116.79
870	Apparel Store	4.20	49%	1000 sq. ft.	\$65.94
881	Pharmacy/Drugstore	9.18	49%	1000 sq. ft.	\$144.13
890	Furniture Store	0.53	81%	1000 sq. ft.	\$13.76
<i>Services (900-999)</i>					
912	Drive-in Bank	51.23	61%	1000 sq. ft.	\$1,001.32

The net impact fees shown above are transferred to the Maximum Allowable Impact Fee Schedule that is included in the Introduction section of this report. Ultimately, all net fees are increased, collectively, to include an administrative fee (not to exceed 3%). See the 'Other Fees and Charges' following section of this report for details.

Other Fees and Charges

In addition to the net impact fees for each public facility category, there is an additional charge that can be assessed in an impact fee program. Based on the definition of “system improvement costs” (see the Glossary), there are possible impact fee charges beyond the categories already discussed that are allowed under State law. These may be directly or indirectly related to the cost of capital projects, and can include a fee for the administration of the impact fee program. Specifically, DIFA allows for the collection of impact fees based on:

“administrative costs, provided that such administrative costs shall not exceed 3 percent of the total amount of the costs”

■ Program Administration

A surcharge of 3%, the maximum allowable, has been added to the subtotal of impact fees for the individual categories (this is shown in the Maximum Allowable Impact Fee Schedule in the Introduction section of this report). The fees collected in this category can only be used for the administration of the impact fee program, and are reported annually to the State just like the other service categories. Like any fee, this must have some rational and reasonable connection to the service rendered. Commonly, the administrative fee collected is used to offset some or all of the cost to handle impact fee calculations by the building permit staff, some or all of the cost for the finance department to process, record and distribute impact fees, some or all of the cost for the management and oversight of the program by administrative staff, and for preparation of annual CIE Update reports required by DCA.

Appendix One: Fee Calculation Confirmation

A simple calculation can be performed to confirm that growth in the city between 2011 and 2030 would generate sufficient funds, through impact fee collections, to pay for the projects that appear in this report. In essence, net project costs in each public facility category have been divided by the population to be served in order to calculate the 'maximum allowable' impact fee. To confirm the impact fee calculation, we now multiply the 'per unit' impact fee by the number of units to be added between 2011 and 2030.¹³

First, we need to identify the net project costs that are to be funded by new growth. In **Table A-1** the net eligible project costs are shown for the public safety and parks categories of this report. These are the project cost amounts, less any applicable credit, that can be charged to new growth.

Table A-1
Net Eligible Project Costs

Public Facility Category	Net Eligible Project Costs
Public Safety	\$452,298.94
Parks	\$4,955,343.76
	\$5,407,642.70

Note that the 'road improvements' category is not included in this list. Unlike the other public facility categories in this report, which are charged to new growth based on number of employees or on a 'per dwelling unit' basis, road fees are charged based on a 'per trip' basis. Different land uses generate different numbers of trips, and thus have different impact fees. Without knowing the future mix of land uses, an estimate of the road fee collection cannot be made with any accuracy.

Next, a calculation of estimated future fee collections is carried out. This calculation is divided into two segments of the service area populations: residential and nonresidential land uses. For residential land uses, the impact fee is based on a 'per dwelling unit' figure. For nonresidential land uses, the fee is based on a 'per employee' figure. Given the 'per dwelling unit' and 'per person' fee calculations already carried out in this report, we can apply those fees to the forecasted new growth between 2011 and 2030 in the city.

In **Table A-2** this calculation is carried out. The 'per dwelling unit' fees for public safety and parks are multiplied by the forecasted new growth in dwelling units between 2011 and 2030 to produce a 'residential land uses' fee collection subtotal. For the nonresidential land uses, the 'per person' fee for public safety is multiplied by the number of new employees forecasted for the city between 2011 and 2030. Note that this is the 'value added' employment from table P-1, not 'day/night' population, since the latter includes residents, which were already accounted for in the previous calculation.

¹³ Fee collections would begin in 2012; 2011 is the 'base year' for this methodology report.

Table A-2
Confirmation of Fee Amounts
Estimated Fee Collections, 2008-2024

Public Facility Category	Fee Per Dwelling Unit	Dwelling Unit Increase (2011-2030)	Estimated Fee Collection
Public Safety	\$36.9593	5,718	\$211,342.73
Parks	\$866.5827	5,718	\$4,955,343.76
Subtotal, Residential Land Uses:			\$5,166,686.49
Public Facility Category	Fee Per Employee	Employment Increase (2011-2030)	Estimated Fee Collection
Public Safety	\$26.8266	8,982	\$240,956.21
Subtotal, Nonresidential Land Uses:			\$240,956.21
Total estimated fee collections:			\$5,407,642.70

Comparing the totals of the two tables confirms the impact fee calculation: the net eligible costs (Table A-1) is equal to the forecasted fee collection (Table A-2), confirming the impact fee calculations in this report.

Appendix Two: Glossary

The following terms are used in the Impact Fee Methodology Report. Where possible, the definitions are taken directly from the Development Impact Fee Act.

Capital improvement: an improvement with a useful life of ten years or more, by new construction or other action, which increases the service capacity of a public facility.

Capital improvements element: a component of a comprehensive plan adopted pursuant to Chapter 70 of the Development Impact Fee Act which sets out projected needs for system improvements during a planning horizon established in the comprehensive plan, a schedule of capital improvements that will meet the anticipated need for system improvements, and a description of anticipated funding sources for each required improvement.

Development: any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, any of which creates additional demand and need for public facilities.

Development impact fee: a payment of money imposed upon development as a condition of development approval to pay for a proportionate share of the cost of system improvements needed to serve new growth and development.

Eligible facilities: capital improvements in one of the following categories:

- (A) Water supply production, treatment, and distribution facilities;
- (B) Waste-water collection, treatment, and disposal facilities;
- (C) Roads, streets, and bridges, including rights of way, traffic signals, landscaping, and any local components of state or federal highways;
- (D) Storm-water collection, retention, detention, treatment, and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements;
- (E) Parks, open space, and recreation areas and related facilities;
- (F) Public safety facilities, including police, fire, emergency medical, and rescue facilities; and
- (G) Libraries and related facilities.

Impact Cost: the proportionate share of capital improvements costs to provide service to new growth, less any applicable credits.

Impact Fee: the impact cost plus surcharges for program administration and recoupment of the cost to prepare the Capital Improvements Element.

Level of service: a measure of the relationship between service capacity and service demand for public facilities in terms of demand to capacity ratios or the comfort and convenience of use or service of public facilities or both.

Project improvements: site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project and are not system improvements. The character of the improvement shall control a determination of whether an improvement is a project improvement or system improvement and the physical location of the improvement on site or off site shall not be considered determinative of whether an improvement is a project improvement or a system improvement. If an improvement or facility provides or will provide more than incidental service or facilities capacity to persons other than users or occupants of a particular project, the improvement or facility is a system

improvement and shall not be considered a project improvement. No improvement or facility included in a plan for public facilities approved by the governing body of the municipality or county shall be considered a project improvement.

Proportionate share: means that portion of the cost of system improvements which is reasonably related to the service demands and needs of the project.

Rational Nexus: the clear and fair relationship between fees charged and services provided.

Service area: a geographic area defined by a municipality, county, or intergovernmental agreement in which a defined set of public facilities provide service to development within the area. Service areas shall be designated on the basis of sound planning or engineering principles or both.

System improvement costs: costs incurred to provide additional public facilities capacity needed to serve new growth and development for planning, design and engineering related thereto, including the cost of constructing or reconstructing system improvements or facility expansions, including but not limited to the construction contract price, surveying and engineering fees, related land acquisition costs (including land purchases, court awards and costs, attorneys' fees, and expert witness fees), and expenses incurred for qualified staff or any qualified engineer, planner, architect, landscape architect, or financial consultant for preparing or updating the capital improvement element, and administrative costs, provided that such administrative costs shall not exceed 3 percent of the total amount of the costs. Projected interest charges and other finance costs may be included if the impact fees are to be used for the payment of principal and interest on bonds, notes, or other financial obligations issued by or on behalf of the municipality or county to finance the capital improvements element but such costs do not include routine and periodic maintenance expenditures, personnel training, and other operating costs.

System improvements: capital improvements that are public facilities and are designed to provide service to the community at large, in contrast to "project improvements."

Impact Fees

City of Dunwoody, GA
Mayor & Council Presentation
May 14, 2012

Bill Ross, President
ROSS+associates

Agenda

What Are We Studying?

The Comprehensive Plan Connection

'Fair Share' Funding

Dunwoody's Capital Costs and Potential Fees

Facts about Impact Fees

Next Steps

Taxes vs. Fees

- Taxes

Based on property value, money spent, income

No required connection between taxes paid and services received

- Fees

Direct connection required between payment and services received

“Rational Nexus”

Exactions for System Improvements

The Ga Development Impact Fee Act says:

A “system improvement” is a public facility that serves the community at large.

An “exaction” is ... the payment, dedication, or contribution of goods, services, land, or money as a condition of approval of a development.

Cities and Counties may impose development exactions for system improvements “**only by way of development impact fees** imposed in accordance with the provisions of” the State Act (DIFA).

What's an Impact Fee?

A charge ...

levied on new building construction ...

to cover the cost of constructing or providing
public facilities ...

that are needed specifically to serve such new
growth and development.

What's an Impact Fee?

A charge ...

levied on new building construction ...

to cover the cost of building or providing public facilities ...

that are needed only to serve such new growth and development.

The impact fee must be proportional to the demand placed on the public facilities by each building project.

Public Facilities

- Water supply, treatment & distribution.
- Wastewater collection, treatment & disposal.
- Roads, streets, and bridges.
- Storm-water and flood control facilities.
- Parks, open space, and recreation.
- Law enforcement – police, 911, fire, emergency medical, and rescue.
- Libraries.

Public Facilities - Dunwoody

- Water supply, treatment & distribution.
- Wastewater collection, treatment & disposal.
- Roads, streets, and bridges.
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- Libraries.

The Fee Study Documents

- Impact Fee Assessment Report
(recommendations on what categories to study)
- Impact Fee Methodology Report
(how much could be charged?)
- Capital Improvements Element
(planning connection)
- Impact Fee Ordinance
(fee schedule & implementation)

The Fee Study Documents

- Impact Fee Assessment Report ✓ **DONE**
(recommendations on what categories to study)
- Impact Fee Methodology Report
(how much could be charged?)
- Capital Improvements Element
(planning connection)
- Impact Fee Ordinance ← **ONLY IF AUTHORIZED**
(fee schedule & implementation)

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(recommendations on what categories to study)
- Impact Fee Methodology Report ✓ **DONE**
(how much could be charged?)
- Capital Improvements Element
(planning connection) ←
- Impact Fee Ordinance ← **ONLY IF AUTHORIZED**
(fee schedule & implementation)

The Planning Connection: DIFA

Municipalities and counties which have adopted a **comprehensive plan** containing a **capital improvements element** are authorized to impose by ordinance development impact fees as a condition of development approval on all development pursuant to and in accordance with the provisions of this chapter.

Capital Improvements Element

"**Capital improvements element**" sets out

- **projected needs** for system improvements during a planning horizon established in the comprehensive plan,
- a **schedule of capital improvements** that will meet the anticipated need for system improvements, and
- a description of anticipated **funding sources** for each required improvement.

CIE Link

The CIE establishes the impact fee project listing for each Public Facility Category, including ...

- The estimated cost of each project.
- The percentage of each project that is impact fee eligible.
- A schedule of projects by priority.

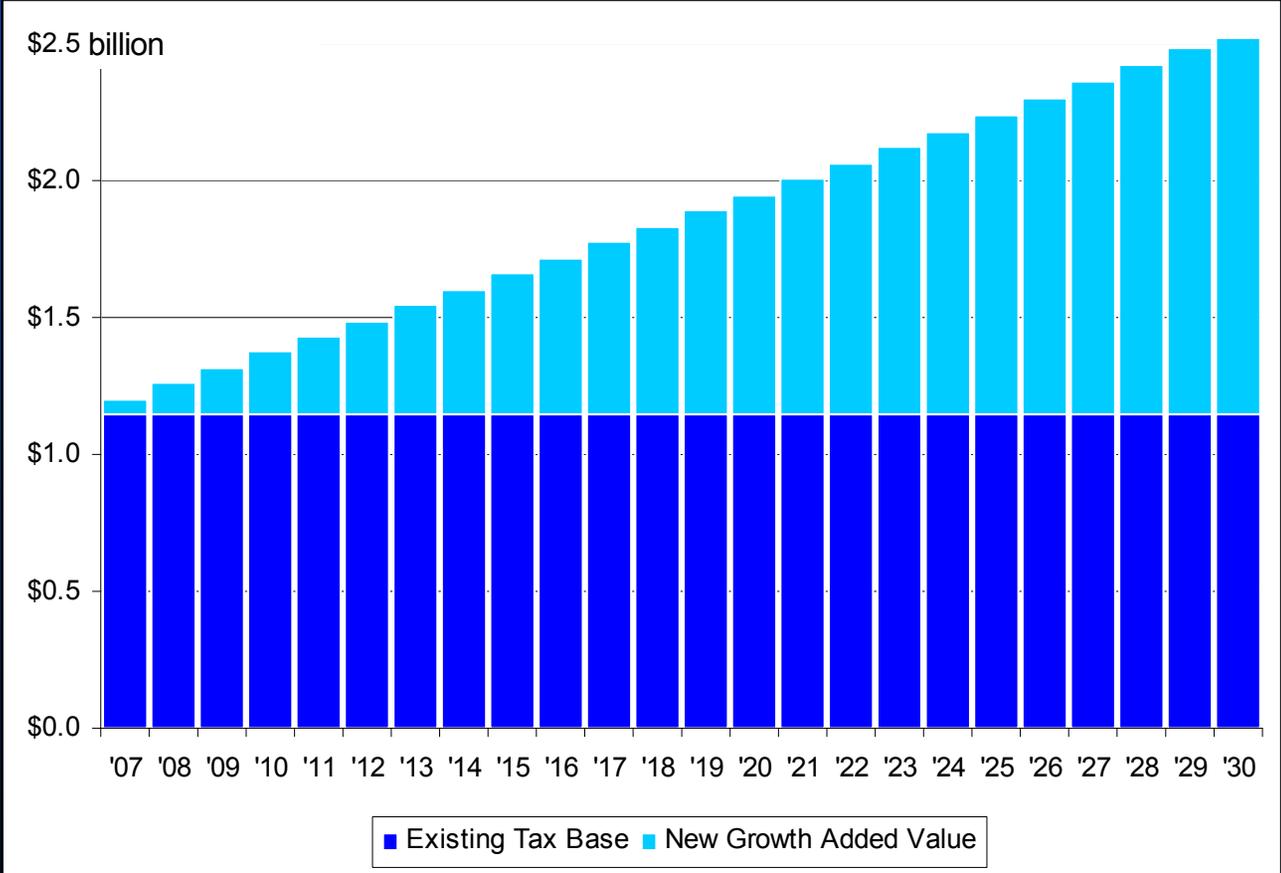
Major changes in the projects to be funded may require an amendment to the CIE.

Financial Implications

Paying for improvements with taxes means that the existing tax base pays the bulk of the cost for the facilities demanded by new growth

“Fair Share” Funding

New Growth and Tax Base Value



Dunwoody's Capital Program

FUNDING	Public Safety	Parks & Rec	Roads	SUMMARY
CIE Creation	\$ 27,057	\$ 27,057	\$ 27,057	\$ 81,170
New Capital Investment	\$ 425,242	\$ 16,532,328	\$ 12,092,152	\$ 29,049,723
City Capital Investment	\$ 452,299	\$ 16,559,385	\$ 12,119,209	\$ 29,130,893
Funding Responsibility:				
Existing Tax Base	\$ -	\$ 10,743,689	\$ 9,923,191	\$ 20,666,880
New Growth	\$ 452,299	\$ 5,815,696	\$ 2,196,018	\$ 8,464,013
New Growth Revenue:				
Taxes	\$ -	\$ 860,352	\$ 1,192,017	\$ 2,052,369
Shortfall	\$ (452,299)	\$ (4,955,344)	\$ (1,004,001)	\$ (6,411,644)

Dunwoody's Capital Program

Total **\$29.1** million in local costs to be funded for capital improvements in:

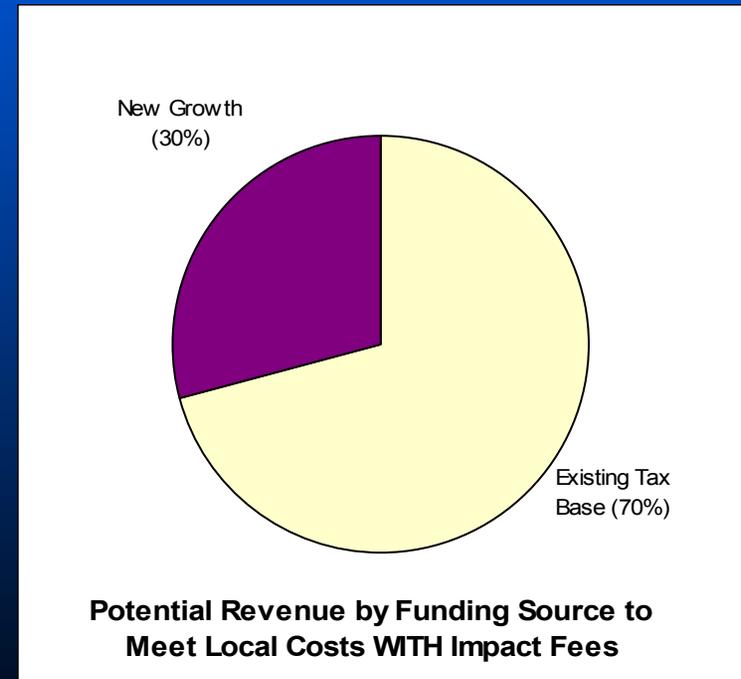
- Public Safety (\$0.4 million)
- Parks & Recreation (\$16.6 million)
- Road Improvements (\$12.1 million)

Total to support **new growth: \$8.5** million.

Dunwoody's Capital Program

WITH impact fee program in place:

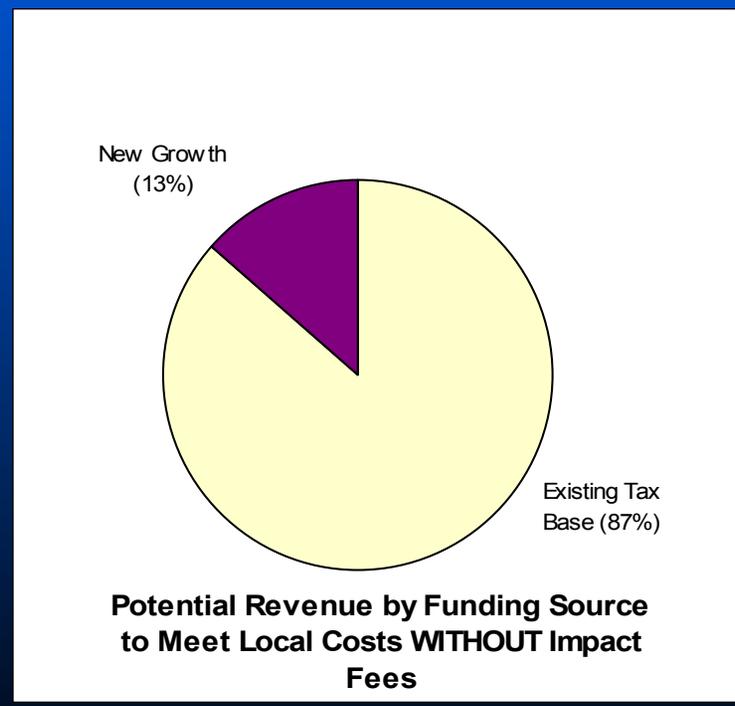
- Tax rate to fund ineligible portion of projects: about **0.316 mils** per year, every year to 2030.
- Taxes from current tax base: \$20.7 m.
- Taxes generated by new growth: \$2.1 m.
- Impact fees from new growth: \$6.4 m.



Dunwoody's Capital Program

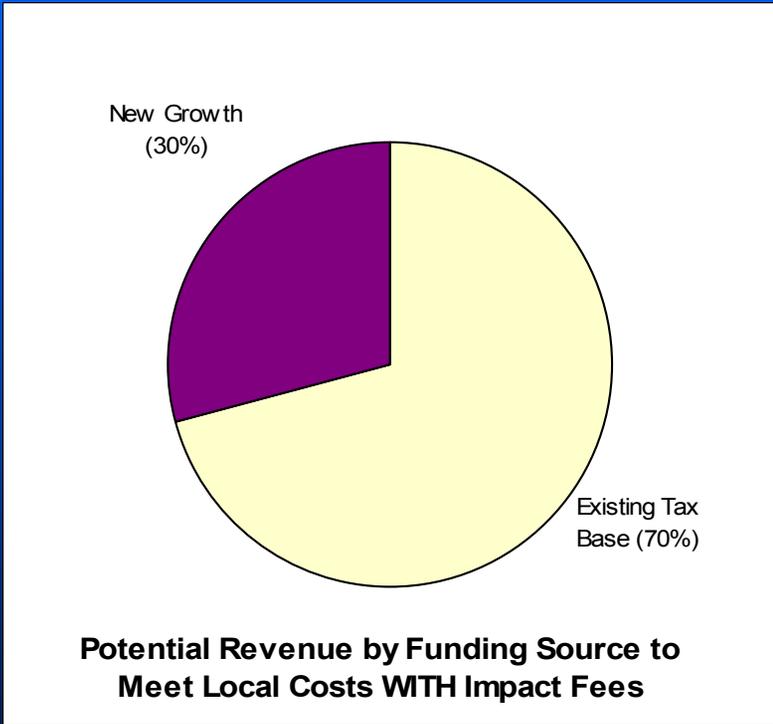
WITHOUT an impact fee program:

- Tax rate to fund all of the improvements to 2030: about **0.445 mils** per year, every year.
- Taxes from current tax base: \$25.1 m.
- Taxes generated by new growth: \$4.0 m.

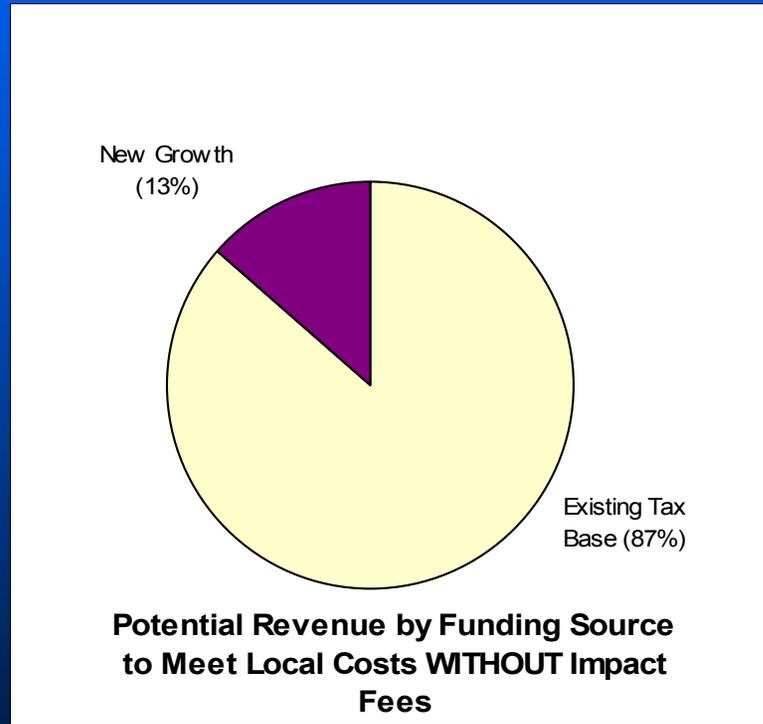


Dunwoody's Capital Program

With Impact Fees



Without Impact Fees



Maximum Fees & Examples

Land Use	Max Rate		Example	Total Fee
Single-Family House	\$ 964.31	per d/u	New House	\$ 964
Apartment	\$ 952.76	per d/u	100 Units	\$ 95,276
General Light Industrial	\$ 0.10	per sf	10,000 sf	\$ 966
General Office Building	\$ 0.14	per sf	100,000 sf	\$ 13,687
Drive-in Bank	\$ 1.13	per sf	5,200 sf	\$ 5,887
Free-Standing Superstore	\$ 0.13	per sf	140,000 sf	\$ 17,679
Shopping Center	\$ 0.15	per sf	140,000 sf	\$ 20,457
Quality Restaurant	\$ 0.45	per sf	5,200 sf	\$ 2,341
Fast-Food Restaurant	\$ 1.13	per sf	3,200 sf	\$ 3,603
Pharmacy/Drugstore	\$ 0.19	per sf	35,000 sf	\$ 6,811

Impact Fee Calculation

For Each Public Facility Category ...

- Determine Desired Level of Service
- Forecast Future Demand
- Identify Projects to Meet Future Demand
- Estimate Cost of Projects
- Divide Cost of Projects by Those Served

Parks – Planned Facilities

	Current LOS	Plan LOS	Needed to Serve:		Total New
			Current Pop	Future Pop	
Park Land (acres)	7.14	12.76	125.7	73.0	198.6
Volleyball Courts	0.000	0.071	1.6	0.4	2
Basketball Courts	0.000	0.071	1.6	0.4	2
Tennis Courts	0.089	0.285	4.4	1.6	6
Restrooms	0.134	0.285	3.4	1.6	5
Picnic Areas	0.045	0.142	2.2	0.8	3
Concession	0.089	0.107	0.4	0.6	1
Disc Golf Course	0.000	0.036	0.8	0.2	1
Multi-Use Fields	0.134	0.249	2.6	1.4	4
Pavilion/Shelter	0.089	0.285	4.4	1.6	6
Trails	0.134	0.463	7.4	2.6	10
Playgrounds	0.134	0.214	1.8	1.2	3
Nature Center	0.045	0.071	0.6	0.4	1
Outdoor Classroom	0.179	0.178	0.0	1.0	1
Skate Park	0.045	0.036	0.0	0.2	0
Dog Park	0.045	0.036	0.0	0.2	0
Greenhouse	0.089	0.071	0.0	0.4	0
Batting Cage	0.089	0.071	0.0	0.4	0

Parks – Costs & Fee

	Needed to Serve:		Total New
	Current Pop	Future Pop	
Park Land	\$ 4,794,080	\$ 2,193,810	\$ 6,987,889
Recreation Facilities	\$ 5,949,609	\$ 3,594,829	\$ 9,544,439
CIE Preparation		\$ 27,057	\$ 27,057
Gross Total	\$ 10,743,689	\$ 5,815,696	\$ 16,559,385
New Development Taxes		\$ (860,352)	
Net New Development Cost		\$ 4,955,344	
÷ 5,718 New D/Us = Fee		\$ 866.57	

Police – Costs & Fee

	Needed to Serve:		Total New
	Current Pop	Future Pop	
New Facility Space	\$ -	\$ 382,792	\$ 382,792
911 Comm Equipment	\$ 220,550	\$ 42,450	\$ 263,000
CIE Preparation		\$ 27,057	\$ 27,057
Gross Total	\$ 220,550	\$ 452,299	\$ 672,849
New Development Taxes		\$ -	
Net New Development Cost		\$ 452,299	
÷ 16,860 New D/N pop = Fee		\$ 26.83	

Roads – Costs & Fee

	Needed to Serve:		Total New
	Current Pop	Future Pop	
Road Projects	\$ 9,923,191	\$ 2,168,961	\$ 12,092,152
CIE Preparation		\$ 27,057	\$ 27,057
Gross Total	\$ 9,923,191	\$ 2,196,018	\$ 12,119,209
New Development Taxes		\$ 1,192,017	
Net New Development Cost		\$ 1,004,001	
÷ 31,334 New Trip Ends = Fee		\$ 32.04	

Fee Schedule

The preceding figures show the MAXIMUM impact fees that could be adopted.

State Law provides that new development cannot be charged MORE than their "proportionate share" (i.e., the maximum).

However, the City could **adopt lower fees** than the maximum (a % across the board, for instance) ... and make up the difference **from other revenue sources**.

Fee Reductions

There are three ways to consider a fee reduction for a particular property:

- Exemptions
- Individual Assessments
- Administrative Appeals

Exemptions

State Law allows two types of exemptions from all or a part of an impact fee:

- One is for extraordinary economic development and employment growth ...
- and the other is for affordable housing.

- Rules:

The public policy that supports the exemption must be in the CIE; and

The amount exempted for the development project must be funded through a revenue source other than development impact fees.

Appeals

Individual Assessments and Appeals are handled on a case-by-case basis.

- Individual Assessments are done for uses that are unlike the uses on the Fee Schedule.
- Administrative Appeals are for any other reason.

Limitations on Impact Fees

- Impact fees must be spent in the same public facility categories for which they were collected.
- Impact fees must be deposited into an interest bearing account.
- Impact fees not encumbered within 6 years must be refunded to the fee payer, with interest.
- The same Level of Service must be applied to the existing population as new growth.
- All calculations must be made in Net Present Value.
- Annual Financial Reporting and STWP Update.

Next Steps

Mayor and Council –

- Appoint Impact Fee Advisory Committee
- Hold Kick-off Public Hearing

Consultant –

- Draft Capital Improvements Element
- Facilitate Advisory Committee Meetings
- Seek Mayor and Council Decisions

Advisory Committee

- Must have no more than 10 members but at least 5.
- At least 50% of the members must be representatives from the 'development, building, or real estate industries.'
- Suggestion – Each Council Member appoints one committee member, and the Mayor appoints 2, for a total of 8.

Q&A

ROSS+associates

Bill Ross

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Comparison of Impact Fee Rates and Example Developments

Impact Fee Rates

Land Use		Dunwoody	Sandy Springs	Roswell	Alpharetta	Atlanta*
Single-Family House	per d/u	\$ 964.31	\$ 1,646.45	\$ 2,057.56	\$ 1,940.00	\$ 3,633.00
Apartment	per d/u	\$ 952.76	\$ 1,254.40	\$ 1,827.86	\$ 1,722.00	\$ 2,293.00
General Light Industrial	per sf	\$ 0.10	\$ 1.13	\$ 0.62	\$ 0.80	\$ 2.12
General Office Building	per sf	\$ 0.14	\$ 1.68	\$ 0.92	\$ 1.42	\$ 2.73
Drive-in Bank	per sf	\$ 1.13	\$ 18.14	\$ 7.63	\$ 3.03	\$ 4.04
Free-Standing Superstore	per sf	\$ 0.13	\$ 6.53	\$ 1.41	\$ 4.42	\$ 4.04
Shopping Center	per sf	\$ 0.15	\$ 4.33	\$ 0.76	\$ 4.42	\$ 4.04
Quality Restaurant	per sf	\$ 0.45	\$ 0.65	\$ 3.78	\$ 3.03	\$ 4.04
Fast-Food Restaurant	per sf	\$ 1.13	\$ 3.39	\$ 15.06	\$ 3.03	\$ 4.04
Pharmacy/Drugstore	per sf	\$ 0.19	\$ 6.26	\$ 2.62	\$ 3.23	\$ 4.04

All figures rounded to nearest penny.

Example Fees

Land Use		Dunwoody	Sandy Springs	Roswell	Alpharetta	Atlanta*
Single-Family House	New House	\$ 964	\$ 1,646	\$ 2,058	\$ 1,940	\$ 3,633
Apartment	100 Units	\$ 95,276	\$ 125,440	\$ 182,786	\$ 172,200	\$ 229,300
General Light Industrial	10,000 sf	\$ 966	\$ 11,268	\$ 6,242	\$ 7,990	\$ 21,220
General Office Building	100,000 sf	\$ 13,687	\$ 168,391	\$ 92,301	\$ 142,300	\$ 273,000
Drive-in Bank	5,200 sf	\$ 5,887	\$ 94,322	\$ 39,686	\$ 15,756	\$ 21,003
Free-Standing Superstore	140,000 sf	\$ 17,679	\$ 913,556	\$ 197,641	\$ 618,800	\$ 565,460
Shopping Center	140,000 sf	\$ 20,457	\$ 606,340	\$ 106,086	\$ 618,800	\$ 565,460
Quality Restaurant	5,200 sf	\$ 2,341	\$ 3,397	\$ 19,653	\$ 15,756	\$ 21,003
Fast-Food Restaurant	3,200 sf	\$ 3,603	\$ 10,841	\$ 48,190	\$ 9,696	\$ 12,925
Pharmacy/Drugstore	35,000 sf	\$ 6,811	\$ 218,948	\$ 91,875	\$ 112,945	\$ 141,365

All figures rounded to nearest dollar.

* Proposed Atlanta fees, pending adoption of new Impact Fee Ordinance.