

MEMORANDUM

To: Mayor and City Council
From: Richard McLeod, Director of Community Development
Date: May 24, 2021
Subject: **Review Overview and Options for Municipal Impact Fees**

BACKGROUND

Impact fees are a tool to require new development to pay its fair share for infrastructure. The tool has been considered by the City from time to time and is applied by peer municipalities in the Atlanta region. In Dunwoody, funding can be used for roads, parks and open space, and public safety or a subset thereof.

DISCUSSION

The attached PowerPoint document provides an overview over the state law parameters for impact fees, potential fee levels, and a discussion of considerations and next steps.



City of Dunwoody Georgia

Impact Fees

2011 Impact Fee Study

- Parks & Recreation, Public Safety, and Roads
- Single-family detached: \$637.77 per dwelling unit
 - \$584.29 for Parks and Recreation
 - \$33.48 for Public Safety
 - \$1.42 for Roads* - assumes roads can be covered through property tax increases
 - \$18.58 for Administration
- Office: \$85 per 1,000 sf (\$17,000 for a 200,000 sf office building)
- Retail: \$46 per 1,000 sf (\$4,600 for a 100,000 sf retail center)

How To Prepare the Capital Improvements Element

The Purpose of the Capital Improvements Element (CIE)

The CIE is intended to be a planning tool to help local governments make rational decisions about the provision of community facilities and to provide legal support for a community's impact fee ordinance. Unlike most local government capital improvements programs, which generally address only short term capital facility financing, the CIE should encompass both short term (five year) and long term (six to twenty year) capital improvement needs.

Adding a CIE to a local comprehensive plan ensures (through the required citizen participation) that decisions about the allocation of public resources have the benefit of adequate public consideration and comment. A well-prepared CIE will require a local government to do fiscal planning at a level of detail that will promote fair distribution of public services and an equitable sharing of costs between existing and new development. The CIE must also provide enough detailed information to ensure that a community's strategy for infrastructure development is practical and realistic, and to demonstrate that a local government has concrete plans for generating sufficient matching funds for use with impact fees to complete scheduled capital improvements. Moreover, the CIE helps to coordinate a local government's scheduled public investments with the stated objectives of its comprehensive plan.

It is likely that the development community, the public and, potentially, the courts will look to a local government's comprehensive plan to assess the reasonableness of its impact fee regulations. One of the legal tests a community's impact fee ordinance could face is whether it is consistent with a community's strategies (as stated in its plan) for accommodating future population and economic growth.

The Required Content of a CIE

The following items must be included in the CIE, and they must be developed individually for each category of capital facility to be financed with impact fees. They include:

- Inventory of Existing Levels of Service;
- Establishment of Service Areas;
- Establishment of Future Levels of Service;
- Projection of Facility Needs; and
- Schedule of Improvements for the first five years after CIE adoption

A local government must address the following requirements before implementing impact fees:

- Amend its comprehensive plan to add a Capital Improvements Element that includes the following:
 1. Mapped service areas for each type of public facility or service for which impact fees will be charged.
 2. Existing and proposed levels of service for each service area.
 3. A projection of facility needs (based on levels of service and growth projections in the comprehensive plan).
 4. A five-year schedule of needed facility improvements.
 5. Policy statements regarding any proposed exemptions from impact fees.

Once completed, the Capital Improvements Element must be reviewed and approved by the Georgia Department of Community Affairs.

- Adopt an impact fee ordinance that spells out the actual fee schedule.

Single-family - Regional Impact Fee Levels

- Per dwelling unit

	Parks & Recreation	Public Safety	Roads	Administration	Total
Sandy Springs	\$4,544	\$445	\$1,667	\$200	\$6,855
Atlanta*	\$1,217	\$563	\$3,128	-	\$4,908
Roswell	\$559	\$916	\$1,690	\$73	\$3,238
Alpharetta	Only Total Available in Impact Fee Schedule				\$6,690

- *depends on house size, final amounts will be phased in for 2023

Retail - Regional Impact Fee Levels

- Per 1,000 square foot

	Parks & Recreation	Public Safety	Roads	Administration	Total
Sandy Springs	\$470	\$400	\$7,140	\$240	\$8,240
Atlanta*	\$1,202	\$556	\$4,129	-	\$5,887
Roswell	-	\$260	\$2,720	\$60	\$3,030
Alpharetta	Only Total Available in Impact Fee Schedule				\$1,620

- *final amounts will be phased in for 2023

Office - Regional Impact Fee Levels

- Per 1,000 square foot

	Parks & Recreation	Public Safety	Roads	Administration	Total
Sandy Springs	\$930	\$790	\$225	\$120	\$4,080
Atlanta*	\$599	\$277	\$2,064	-	\$2,940
Roswell	-	\$320	\$118	\$30	\$1,530
Alpharetta	Only Total Available in Impact Fee Schedule				\$900

- *final amounts will be phased in for 2023



Local Governments

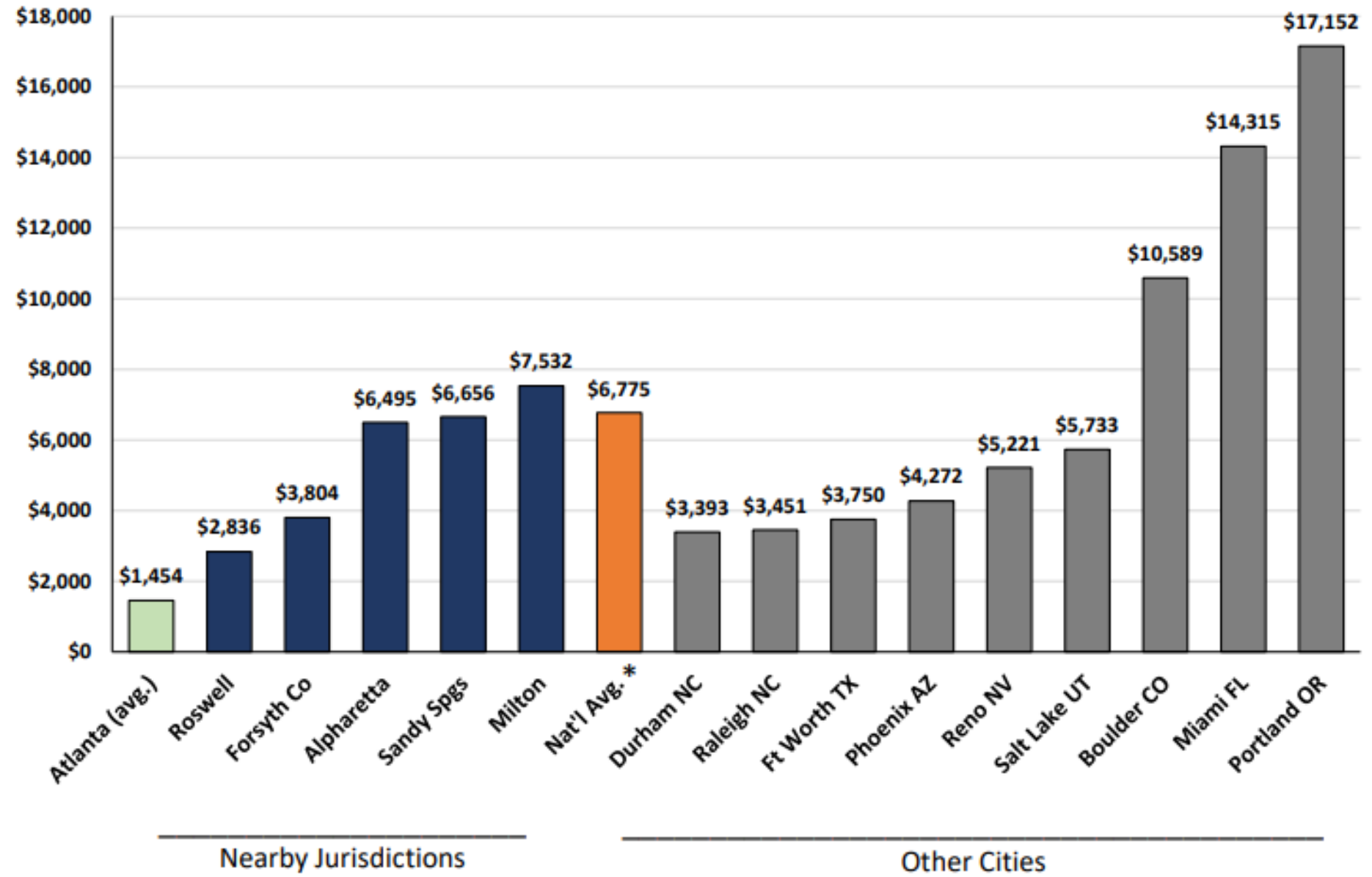
AUTHORIZED TO COLLECT DEVELOPMENT IMPACT FEES

Pursuant to the Development Impact Fee Act, O.C.G.A. § 36-71-1, et seq. as of January 1, 2021.

Government	Type	Region
Acworth	City of	ARC
Alpharetta	City of	ARC
Atlanta	City of	ARC
Braselton	City of	NEG
Brooks	Town of	ARC
Bryan	County	CG
Butts	County	TR
Camden	County	CG
Canton	City of	ARC
Cartersville	City of	NWG
Cherokee	County	ARC
Cumming	City of	GM
Dawson	County	GM
East Ellijay	City of	NWG
Effingham	County	CG
Ellijay	City of	NWG
Fayette	County	ARC
Fayetteville	City of	ARC
Flemington	City of	CG
Forsyth	County	GM
Gainesville	City of	GM
Gilmer	County	NWG
Hall	County	GM
Hampton	City of	ARC
Henry	County	ARC
Hoschton	City of	NEG
Jasper	County	NEG

Government	Type	Region
Jefferson	City of	NEG
Jones	County	MG
Kennesaw	City of	ARC
Lee	County	SWG
Long	County	CG
Macon-Bibb	County	MG
McDonough	City of	ARC
Milton	City of	ARC
Newnan	City of	TR
Newton	County	NEG
Orchard Hill	City of	TR
Peachtree City	City of	ARC
Pike	County	TR
Powder Springs	City of	ARC
Rockdale	County	ARC
Roswell	City of	ARC
Sandy Springs	City of	ARC
Senoia	City of	TR
Spalding	County	TR
Stockbridge	City of	ARC
Sunny Side	City of	TR
Thomas	County	SWG
Troup	County	TR
Tyrone	Town of	ARC
Walton	County	NEG
Woodstock	City of	ARC
Woolsey	City of	ARC

Average Total Non-Utility¹ Impact Fee per Single-family Unit



Nearby Jurisdictions

Other Cities

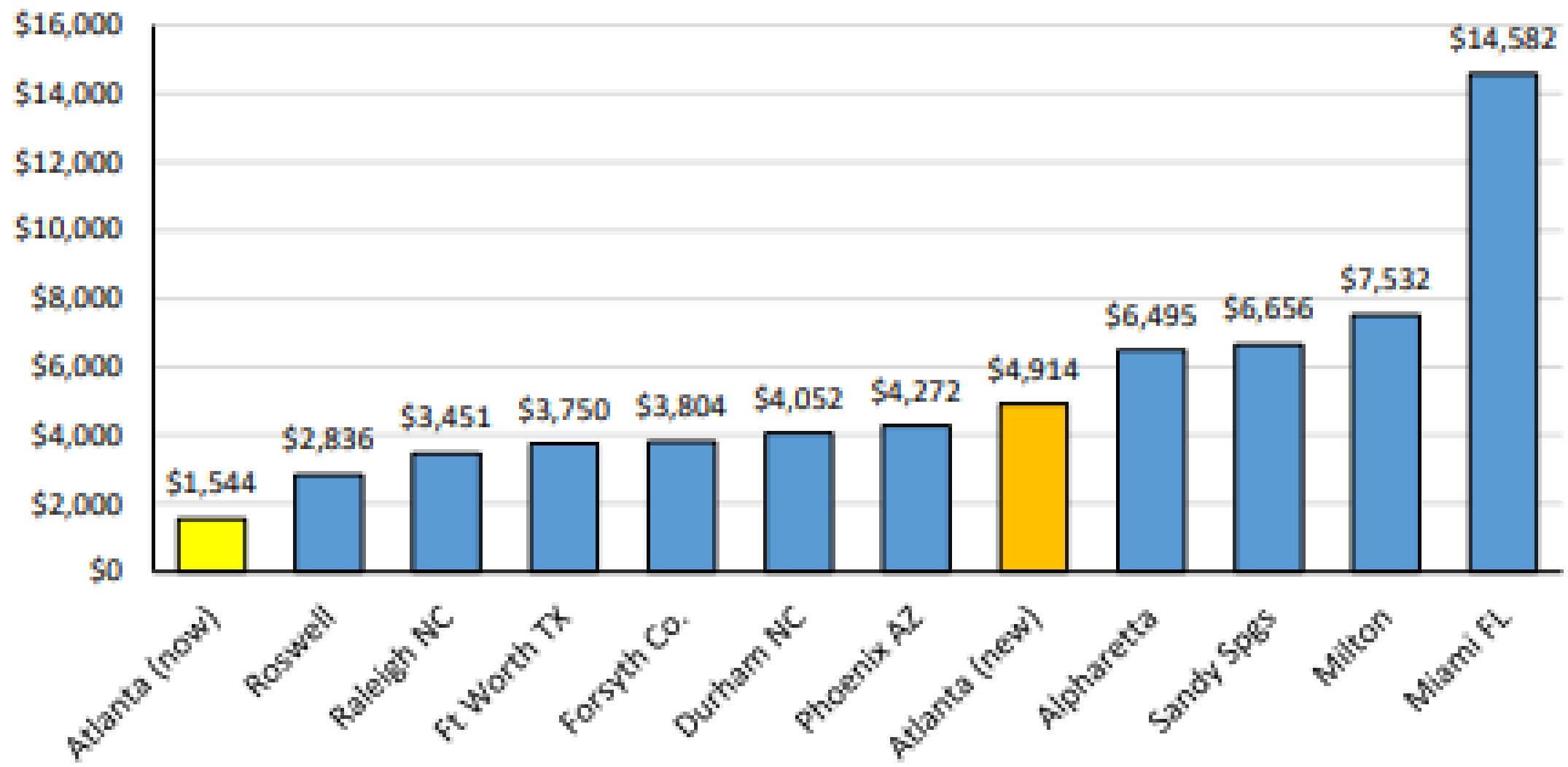
¹ Excludes water and wastewater fees
Source: Duncan Associates

* w/o CA

Atlanta just raised their impact fees

- Atlanta set their impact fees in 1993.
- The City of Atlanta raised their impact fees for single family houses from \$1500 to \$4,900 over the next three years.
- Residential and commercial developers will pay about \$5,900 for every 1,000 square feet they build, a nearly 200% increase.
- Alpharetta and Sandy Springs charge over \$6,000 per single family house.

Figure 1. Single-Family Fees, Atlanta and Comparison Jurisdictions



Mercedes Benz asked for reimbursement of impact fees and building and business licenses fees.

- Mercedes has asked the City Council to give back one million dollars to cover the expense that Mercedes incurred putting public improvements in place including sidewalks, landscaping, street lights and bicycle and roadway improvements.
- Mercedes said that they had spent \$1.5 million for public infrastructure.
- Additionally, Mercedes asked for a million dollars to cover the cost of building permits and business licenses.
- \$785,250 for construction permit fee waived and projected business occupational tax fees waived for \$75,000 for the years 2019, 2020, and 2021.

Questions?