

## Memorandum

12/21/2020

**From the Office of the Mayor of Winooski**

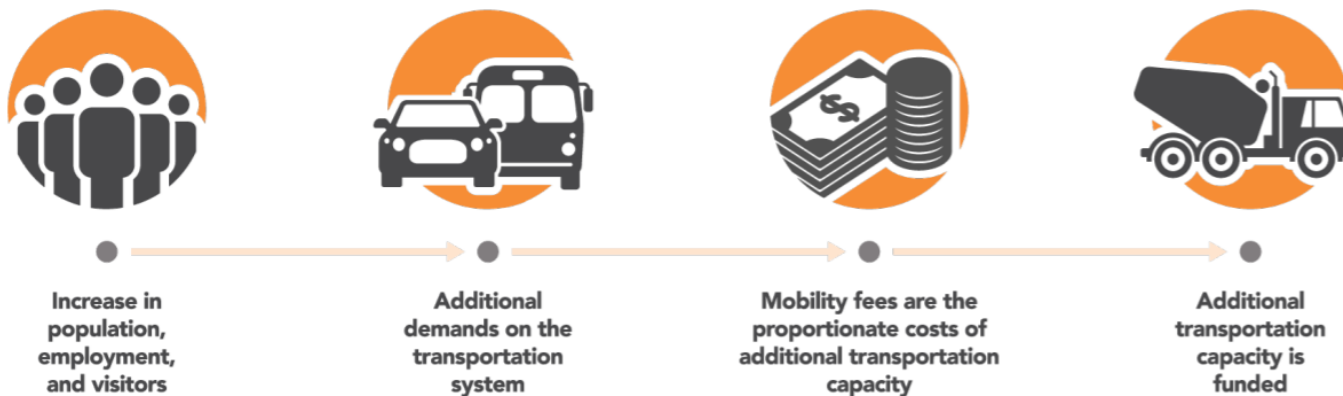
Kristine Lott, Mayor  
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To: Housing Commission

Re: Transportation Impact Fee

With support from the Chittenden County Regional Planning Commission, the City of Winooski has been investigating whether to implement a Transportation Impact Fee. A Transportation Impact Fee is charged by the local municipality to new development projects. This one-time fee is used to pay for capital improvements needed as a result of the new development (such as added capacity to the local streets). Impact fees are usually found in the form of one-time fees charged to the developers or to new residents to help raise revenue for transportation projects. The fee attempts to repay a portion of the costs local entities encounter providing the facilities needed to service the new development.

In Winooski's local context, when properties redevelop, such as the current projects along Main Street, we will see more people using the road and sidewalks. This can result in degraded service of existing facilities, or increased local spending to upgrade the system increasing capacity for the new users. An example of this is the local commitment made by the residents resulting in our Main Street Revitalization project. An Impact fee helps us recoup some of the costs of the revitalization project directly from the developments that will receive direct benefits from the upgraded facilities.



In order to collect an impact fee, specific projects need to be identified that will increase capacity in the transportation network. A fee cannot be imposed to address existing deficiencies except where they are exacerbated by new development. They also cannot be used to cover normal operation and maintenance or personnel costs. The amount of the fee must also be a proportionate fair share of the costs of the improvements needed to increase capacity to support the new development or redevelopment and must not exceed the cost of the improvements. The CCRPC completed a study of Winooski's anticipated development, planned projects, potential capacity increase generated, and costs, to come up with a proposed fee amount and project implementation.

Proposed projects the fees will support and how much fee could be collected include:

PROJECT DESCRIPTION	LOCAL PORTION OF PROJECT [A]	% OF PROJECT ASSOCIATED WITH NEW CAPACITY [B]	IMPACT FEE PORTION OF LOCAL PORTION [C=A*B]
<b>Main Street Reconstruction</b> Introducing bike lanes to US 2/7 as well as reconstructing vehicle lanes and sidewalks.	\$ 5,300,000	27%	\$ 1,458,000
<b>East Allen Street Project</b> Reconstruct the travel lanes, replace a 5-ft sidewalk on north side and a new 12-ft shared use path on the south side of the project.	\$ 1,600,000	19%	\$ 301,000
<b>Sidewalks</b> New 5' wide concrete sidewalks <ul style="list-style-type: none"> <li>• East Spring (East Allen to Russell St.)</li> <li>• North Street (Pine St. to Cedar St.)</li> </ul>	\$ 777,070	100%	\$ 777,070
<b>Total projects</b>	<b>\$ 7,677,070</b>		<b>\$ 2,536,070</b>

These fees will help reduce the cost of these projects to the average taxpayer in Winooski by proportionally distributing some of that cost back to the developments creating the added capacity need. That said, we know this will also increase the cost of those development projects. This could reduce affordability for housing and commercial spaces developed. As such, the Council would like to



exempt certain priority projects and land use types that help Winooski achieve our goals as outlined in the City's Master Plan. We would like commission input on what those priority projects might be. Specifically:

**Housing Commission Ask:**

Affordable Housing projects are often exempted from Impact Fees. Affordable Housing typically includes rents up to 80% of Area Median Income and Homes for purchase up to 120% of Area Median Income. New construction is currently exceeding the City's affordable housing goals but falling short of goals for middle-income housing production. We have heard from our Housing Commission a need for more middle-income housing and family housing (3 bedroom+). Would the commission recommend different targets to include in fee exemption or different criteria for what is considered affordable?

**Safe Healthy Connected People Commission Ask:**

In addition to Affordable Housing, we can choose to exempt other projects that meet community goals. For example, the city has been working for years to bring more access to affordable, quality childcare to Winooski. We could exempt Childcare Centers from this fee. Are there other uses that the commission would suggest prioritizing for exemption?

Should the Council decide to pursue Impact Fees as a revenue source for the identified capital projects, commission input will be used to choose a few priority areas for exemption from Impact Fees in order to try to incentivize development of priority projects.

On behalf of the City Council, we appreciate your input and feedback on these questions as we consider this important policy decision.

Thank you,  
Mayor Kristine Lott

