



# City of Winooski Transportation Impact Fee

14 December 2020

# Outline

- ➔ **What are impact fees**
- ➔ **Calculating fees**
- ➔ **Administering**
- ➔ **Study Outputs**



# What is an impact fee

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

Source: 24 V.S.A. § 5201

## General requirements per Statute:

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



# Concept



**Increase in population, employment, and visitors**



**Additional demands on the transportation system**



**Mobility fees are the proportionate costs of additional transportation capacity**



**Additional transportation capacity is funded**

# What happens if you don't have an impact fee? – types of mitigation

- **Don't charge:** Accept lower levels of service
- **Ad-hoc:** Individual projects-level improvements (DRB and Act 250 review process)
- **Localized taxes:** Special District or Authority
- **General funds:** Funding from broad-based revenues



# Basic Impact Fee Criteria

- ➔ The imposition of a fee must be rationally linked (the "rational nexus") to an impact created by a particular development.
  - The impact of the new development on the quality and experience of others needs to be demonstrated.
  - Some benefit must accrue to the development as a result of the payment of a fee.
- ➔ The amount of the fee must be a proportionate fair share of the costs of the improvements made necessary by the development and must not exceed the cost of the improvements.
- ➔ A fee cannot be imposed to address existing deficiencies except where they are exacerbated by new development. The also cannot be used to cover normal operation and maintenance or personnel costs.





## Calculating the Fees

# General Methodology

## GROWTH

Forecasts and land use plans

## DEFICIENCIES

Standard of Service or community expectations

## MITIGATION

Engineering and planning to determine capital items

## COST OF MITIGATION

Costs of capital items

## BASE FEE

Cost of Mitigation / Growth

## NET FEE



Base fee minus credits or deductions





# 20 Year Growth Forecast

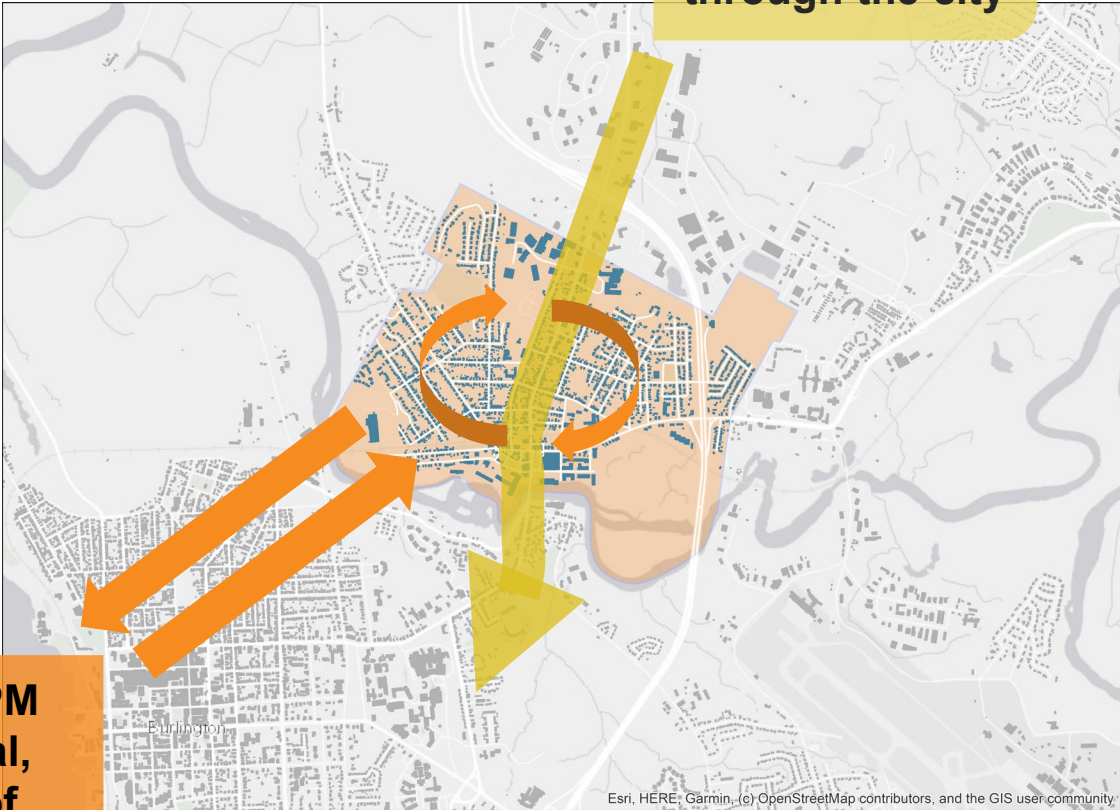
## 2020 - 2040 LAND USE CHANGES

	Change in Residential / Households	Absolute Future Numbers by 2040
 Households	~260	3,300
 Employment	~1,560	5,800



# Trip Growth in and through Winooski

877 new PM  
Trips passing  
through the city



1,185 new PM  
trips internal,  
in and out of  
the city

Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

**Local Trip Share = 57.4%**



# Travel Demand (PM Peak Hour)

## WINOOSKI GROWTH

Residents	Employees
263 households	1,562 employees

## REGIONAL GROWTH

Chittenden County Traffic	External to External Traffic

**877 new PM peak hour trips**  
*Passing through Winooski (without a destination in the city)*

New Local Vehicle Trips in pm peak hour	474
New Local Non-vehicle ( <i>transit, walking, biking</i> ) in pm peak hour	711
<b>Local New Trips</b>	<b>1,185</b>

**1,185 local + 877 through = 2,062 New PM peak hour trips**



# Proposed Impact Fee Projects

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>



# Base Fee

<b>Cost of Impact Fee Projects</b> (2020 dollars) <i>(Table 5 of the report)</i>	<b>\$2,536,070</b>
<b>Number of new PM Peak Hour Trips – all modes</b> <i>(Figure 3 of the report)</i>	<b>2,062</b>
<b>Cost per PM Peak Hour Trip</b> <i>(Eligible Project Costs / New Trips)</i>	<b>\$1,229.91</b>





# Administering

# Basic Finance Rules

- Separate funds from other City funds
- Track who provided fees and where fees went
- Spend fees within 6 years or the payee could request a refund
- City has obligation once fees start to be collected that projects will be completed. Some flexibility as to the final form of the projects. If a project is not pursued, there has been precedent for the provision of other 'similar' capacity.
- Because of cash flow of impact fees – fees don't need to pursue each project at the same time.
- Impact fee payees should not pay for the same capacity twice. Credits can offset this chance.



# Fees into City Revenue

PROJECT	TOTAL PROJECT COST [A]	NON-IMPACT FEE ELIGIBLE PROJECT COST [B]	IMPACT FEE ELIGIBLE PORTION (GROWTH RELATED) [C]	EXTERNAL GROWTH TRIP PORTION OF PROJECTS [D]	INTERNAL CITY GROWTH PORTION OF PROJECTS (REVENUE) [E]
Main Street	\$5,300,000	\$3,842,000	\$1,458,000	\$620,817	\$837,183
East Allen Street	\$1,600,000	\$1,299,000	\$301,000	\$128,166	\$172,834
Sidewalks	\$777,070	—	\$777,070	—	\$777,070
	<b>\$7,677,070</b>	<b>\$5,141,000</b>	<b>\$2,536,070</b>	<b>\$748,983</b>	<b>\$1,787,087</b>

**City Liability  
Cost of Projects:  
\$7.68 million**

**Impact Fee  
Portion of  
Project**

**Estimated local impact fee  
revenue (2020-2040)  
\$1.79 million  
(~\$90k per year)**





# Property Taxes to Fund Capacity

PROJECT	TOTAL PROJECT COST [A]	NON-IMPACT FEE ELIGIBLE PROJECT COST [B]	IMPACT FEE ELIGIBLE PORTION (GROWTH RELATED) [C]	EXTERNAL GROWTH TRIP PORTION OF PROJECTS [D]	INTERNAL CITY GROWTH PORTION OF PROJECTS (REVENUE) [E]
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A credit is needed to offset the property tax paid by anyone paying impact fees



**Property Tax Portion**  
 ~ \$37,450 per year will be paid by those also paying impact fee



# Final Fee

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

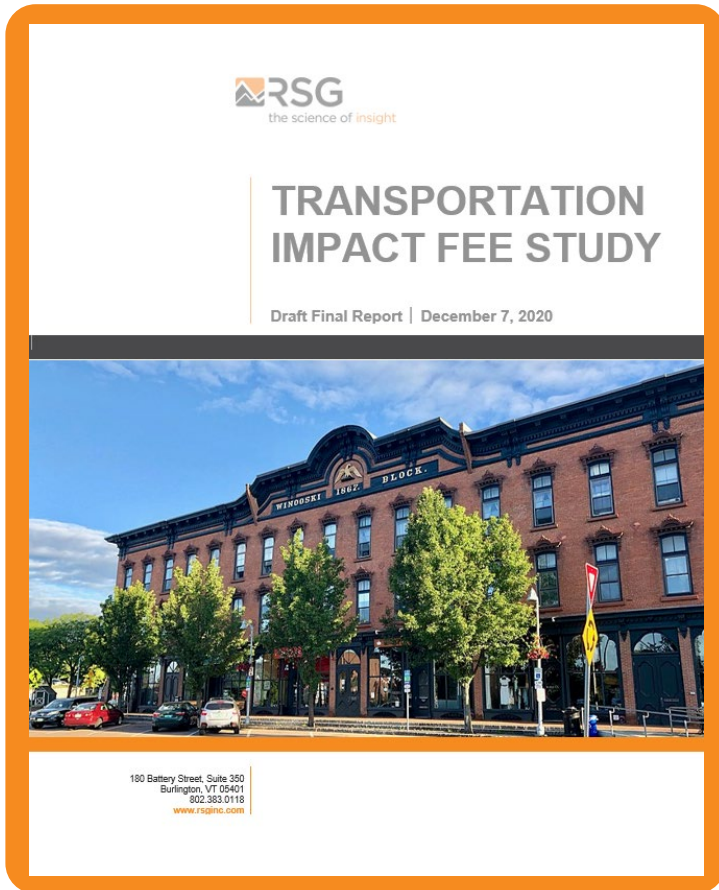
- Credits reduce the impact fee charge based on an estimate on the amount of property tax that the development contributes to the impact fee projects.
- Residential and non-residential uses are treated separately.





# Study Outputs

## Study



## Ordinance

The logo for Winooski Municipal Code features a circular emblem with a green leafy plant and the text "WINOOSKI VERMONT" around the perimeter.

Winooski Municipal Code  
**Chapter 30 – IMPACT FEES**

### Chapter 30 - Transportation Impact Fees

**ARTICLE I - PURPOSE**

This ordinance is intended to assist in the implementation of the Municipal Plan and the Capital Improvement Program.

The purpose of this ordinance is to regulate the use and development of land so as to assure that new development bears a proportionate share of the cost of capital expenditures necessary for each cost center to provide and maintain current services standards of public services in the City of Winooski.

**ARTICLE II - TABLE OF CONTENTS**

Article I	Purpose
Article II	Table of Contents
Article III	General

### City of Winooski's Impact Fee Summary

**Transportation Impact Fee**  
Council voted on and approved this policy on December 2020

Revenue Collected	\$	3,590,500.00
	2020	\$ 3,090,000.00
	2021	\$ 500,500.00
	2022	\$ -
Interest Earned	\$	36.00
	2020	\$ 5.00

Amount Returned		
Encumbered Funds		
Yearly Summary		
Amount Received		
Amount Returned		
Next year expiring		
Amount Encumbered		

## Fee Tracking

	ITE Land Use Code [A]	Land Use Category [B]	Unit of Measure [C]	Pass-by [D]	New Trips [E]	Hrly Daily trips/ unit [H]	New Hrly Daily trips/ unit [I=E*H]	K Factor (calc) [J]
Residential	-	Residential - 0 bedrooms	bedroom	0%	100%	0.69	0.69	10.0%
	-	Residential - 1 bedroom	bedroom	0%	100%	0.80	0.80	10.0%
	-	Residential - 2 bedrooms	bedroom	0%	100%	0.91	0.91	10.0%
	-	Residential - 3 bedrooms	bedroom	0%	100%	1.02	1.02	10.0%
	-	Residential - 4 bedrooms+	bedroom	0%	100%	1.12	1.12	10.0%
Restaurant	<b>Restaurant Average</b>							
	932	High Turnover (sit-down) restaurant	ksq ft of GFA	44%	56%	10.57	5.74	6.2%
	930	Fast Casual Restaurant	ksq ft of GFA	49%	51%	9.77	5.47	8.7%
	931	Quality Restaurant	ksq ft of GFA	44%	56%			
Food	925	Drinking Place	ksq ft of GFA	44%	56%			
	936	Coffee/Donut Shop without Drive-Through Window (936)	ksq ft of GFA	89%	11%			
<b>General Retail Average</b>								

## Land Use Lookup

## Fee Handbook

### MEMO

This handbook summarizes the process of calculating the Winooski Transportation Impact fee. It is intended to be a guide for persons applying for a land use development permit with the City.

For additional information see Section 30 of the City's Ordinance Code.

#### Step 1: Land Use Selection

- Identify the land use of the development that best aligns with a land use from the table in Appendix A.
- If the land use category doesn't fit the intended project then the applicant can either identify the closest land use type or prepare a stand alone trip generation study.
  - o In the event an applicant chooses to conduct trip generation, pass-by, and/or diverted link trip reduction studies or similar uses to establish trip generation, pass-by capture or diverted link trip reduction rates, the methodology for conducting the study shall be submitted to the City Planning Office in writing. Upon submittal of the written methodology, the applicant shall schedule a mandatory methodology meeting with planning staff to review and agree to the parameters of the study before





## Questions and Discussion



## Contacts

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