



CITY OF DUNWOODY

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MEMORANDUM

To: Mayor and City Council

From: Jennifer Peterson, Community Development Director

Date: April 20, 2009

Subject: **Impact Fee Discussion**

At the request of some Council members, staff asked our comprehensive plan consultant to put together a brief scope of work that would allow the City to begin to consider the application of impact fees for development.

The scope of services (attached) would take us through two critical steps in the process. The first step would create an assessment report. This report would essentially answer the question of whether or not an impact fee program would be beneficial to our city and how we might use the program. The second step would create a methodology report. That report would include an idea of the maximum we could charge for uses and improvement categories. The fee for this scope of work is \$24,530.

This scope has been designed so that if we complete the first task and find that this is not a program we wish to pursue at this time, we are not obligated to complete task two. The scope is also written to include options with and without public advisory committees. Should we undertake the work of this scope, I recommend we have advisory committees although it will cost a little more. Having an advisory committee made up of development professionals and citizens helps with the educational element of what an impact fee program can and cannot do, and gains support for the overall program.

Lastly, this scope will not take us through to a completed and implemented program. As the scope says, at the end of this work the City will be in a position to complete a Capital Improvement Element to be added to the comp plan, adopt a fee ordinance, and implement a user manual and accounting program.

If you wish to proceed with this work, staff recommends approving the scope as an amendment to the contract for the Comprehensive Plan. This could be accomplished at the April 27th Council meeting. If this is not work that you wish to pursue at this time, we are not bound to do it as a part of the current comprehensive plan effort. This could be a project we undertake in 2010 or beyond.

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Attachment A

Scope of Services

Preparation of Studies and Reports to Assess the Feasibility of Impact Fees
for the City of Dunwoody, Georgia

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Scope of Services

OBJECTIVES AND APPROACH

The objectives of this project are to assess the following public facility categories for a possible Dunwoody impact fee program:

- Police;
- Roads; and,
- Parks, Open Space and Recreation Facilities.

Our approach is to complete an initial Impact Fee Assessment Report addressing each of the eligible public facility categories to determine which, if any, make sense to pursue. If further study to determine what the potential fees would be, we would follow up with preparation of an Impact Fee Methodology Report, which will include the calculation of the maximum allowable impact fee that could be charged in Dunwoody, should the City elect to move forward with an impact fee program. Our approach is structured such that the Assessment Report (Task 1) and Methodology Report (Task 2) are the focus of our work, while the City has the option to include an Impact Fee Advisory Committee in this process. In order to reflect the processes involved, the Committee tasks are included in this Scope of Services, but are a separate 'add-on' and would only be carried out if authorized by the City.

The end result of our work will place the City in a position that it could proceed with the steps necessary to put an impact fee program in place if it is determined by the City that impact fees are feasible and desired. Those steps would include preparation of a Capital Improvements Element (drawn from the Methodology Report), adoption of an impact fee ordinance with fees to be assessed by land use category, and implementation including an Administrator's Manual and a computerized fee assessment and accounting program.

DATA SOURCES

For police, fire, and parks and recreation facilities, we will initially rely upon the plans and data contained in the draft City of Dunwoody Comprehensive Plan. These plans and data will be updated through consultation with the appropriate departmental staff, the City Manager and the City Council.

For population, dwelling unit, and employment forecasts we will rely upon the plans and data contained in the draft City of Dunwoody Comprehensive Plan, prepared by Pond & Company.

Tax digest information will be taken from the State of Georgia Department of Revenue.

SUMMARY OF PROPOSAL

In accomplishing the Impact Fee Assessment Report and Methodology Report, we will review local data and potential fees and determine in conjunction with City officials the type of impact fee program that could be developed and the financial implications of such a program. The Impact Fee Assessment Report (Task 1) will establish the public policies that would guide creation of an impact fee program, and/or will help the City Council identify funding alternatives for future capital improvements.

Under Task 2, if authorized by the City to proceed, an Impact Fee Methodology Report will be prepared. The Methodology Report will include all projects that are eligible for impact fee funding in the categories selected by the City.

Tasks 1a and 2a outline the activities of the Impact Fee Advisory Committee. These two tasks are an option for the City, and are not required for the completion of Tasks 1 & 2.

Impact Fee Assessment Report (Task 1) will establish the public policies that would guide creation of an impact fee program, and/or will help the City Council identify funding alternatives for future capital improvements.

Under Task 2, if authorized by the City to proceed, an Impact Fee Methodology Report will be prepared. The Methodology Report will include all projects that are eligible for impact fee funding in the categories selected by the City.

Tasks 1a and 2a outline the activities of the Impact Fee Advisory Committee. These two tasks are an option for the City, and are not required for the completion of Tasks 1 & 2.

The specifics of each Task are described in detail, beginning on the next page.

TASK 1: IMPACT FEE ASSESSMENT REPORT

Task 1.1: Project Kick-Off and Data Collection

The first phase of the project will involve study organization with the staff and data collection.

Start-up will be coordinated with the availability of plans and data generated from the Comprehensive Plan as it progresses. ROSS+associates will be specifically involved in the Community Facilities Element of the Assessment Report and will draw on its work there as input to this impact fee assessment. Upon start-up, we will work with the City to schedule joint or back-to-back meetings with key members of City staff. At initial meetings, we will gather available information related to the project; identify major policy issues involved in formulating a City impact fee program; and coordinate staff and Consultant responsibilities. We will obtain copies of all relevant plans, studies, data and documents needed to perform the scope of work. Data to be gathered include, but are not limited to:

- Population, housing and employment forecasts for Dunwoody to the year 2030 from the draft Comprehensive Plan, provided by Pond & Company.
- Inventories of all existing impact fee eligible community facilities, and currently proposed new or expanded facilities from the draft Comprehensive Plan as obtained by ROSS+associates.
- A prioritized list of projects for each facility type and estimated costs, obtained by ROSS+associates from affected City departments.
- Debt payment schedules for outstanding bond issues or loans relating to identified facilities, if any.
- Projects and related costs included in any SPLOST program, current or anticipated.
- Service delivery strategy agreement (HB 489), if any and if relevant.
- Average values for new construction: Single-family homes, multi-family units and nonresidential buildings.

Task 1.2: Draft Policy Impact Fee Assessment Report

Once preliminary data collection is complete, we will analyze existing impact fee-eligible capital facilities, current levels of service, levels of service proposed by City Departments or implied from current planned improvement programs, capital improvements programs or project listings, potential service area boundaries, and other relevant issues. We will prepare detailed growth projections and describe our methodology for City review. We will summarize the assessment in a report identifying key issues involved in establishing a City impact fee program.

The Impact Fee Assessment Report will:

- Identify eligible facility categories and an assessment of appropriate categories for a

Dunwoody impact fee program.

- Present growth projections to the year 2030, including population, households and employment relevant to impact fees.
- Include the current Level of Service for each facility category (by service area if appropriate), and offer an initial Level of Service recommendation.
- Investigate other funding sources and recoupment opportunities.
- Recommend service area boundaries.
- Consider the degree or extent of need for inter-governmental cooperation.
- Discuss exemptions for affordable housing and economic development.
- Discuss elements of a funding strategy combining impact fees with other revenue for ineligible costs.

The Impact Fee Assessment Report will present and evaluate alternatives available to the City and conclude with a recommended course of action. The document will be delivered in digital format and one hard copy for reproduction and distribution by the City.

Deliverable: DRAFT IMPACT FEE ASSESSMENT REPORT

Task 1.3: Policy Directions Workshop

Following delivery of the Impact Fee Assessment Report, a workshop will be scheduled with the City Council. The work session will be designed to address the issues raised in the report and to provide policy direction for the remainder of the project. The results of the meeting will be embodied in the final Impact Fee Assessment Report.

Deliverables: POLICY DIRECTIONS WORKSHOP WITH CITY COUNCIL
FINAL IMPACT FEE ASSESSMENT REPORT

Task 1a: Impact Fee Advisory Committee

At the City's option, we will facilitate a kick-off meeting with the Impact Fee Advisory Committee regarding impact fees in general and the work that we will be undertaking. At a second meeting, after the Impact Fee Assessment Report has been drafted, we will discuss the impact fee program findings and obtain the Committee's recommendations to City Council.

The Committee itself must be appointed by the City Council, with certain requirements imposed by State law. The Committee must be comprised of no less than 5 and no more than 10 people, at least half of whom must be representative of the development community (i.e., builders, developers, real estate agents, etc.). We will assist the City in the appointment process and procedures.

Deliverables: ATTENDANCE AT TWO ADVISORY COMMITTEE MEETINGS

Task 2: IMPACT FEE METHODOLOGY REPORT

Task 2.1: Impact Fee Methodology Report

If authorized by the City to proceed, based on the Impact Fee Assessment Report as approved by the City Council, we will prepare an Impact Fee Methodology Report. The report will include, for each facility type, an inventory of existing capital facilities; the cost of improvements required to remedy any existing service deficiencies; and the cost of improvements required to accommodate increased service demands. The study will calculate the cost per service unit to provide new development with the adopted level of service, as well as appropriate revenue credits to ensure that new development is not charged more than its proportionate share of the cost of new facilities. For each facility type, the study will include a table that establishes the number of service units and amount of facility demand associated with different land use types.

Finally, the study will include, for each of the facility categories, a net unit cost schedule that represents the maximum impact fees that could be charged, by land use type. The document will be delivered in digital format and one hard copy for reproduction and distribution by the City.

Deliverable: DRAFT IMPACT FEE METHODOLOGY REPORT

Task 2.2: Local Review Meetings on Methodology Report

Following delivery of the draft Impact Fee Methodology Report, we will conduct two workshops with the City Council to present, discuss and refine the Impact Fee Methodology Report.

Deliverables: ATTENDANCE AT TWO CITY COUNCIL WORKSHOPS
FINAL IMPACT FEE METHODOLOGY REPORT

Task 2a: Impact Fee Advisory Committee

At the City's option, we will meet with the Impact Fee Advisory Committee in order to review the Impact Fee Methodology Report. A focus of this meeting will be the facilitation of a recommendation for City Council regarding a possible impact fee program from the Committee.

Deliverables: ATTENDANCE AT ADVISORY COMMITTEE MEETING

Cost by Task

Based on the Scope of Services presented above, the contract amounts for the various Tasks are as follows:

Task	Assessment and Methodology Reports	Impact Fee Advisory Committee (Optional)	Total Costs, All Services
Task 1: Impact Fee Assessment Report	\$10,300		\$10,300
Task 1a. Impact Fee Advisory Committee		\$3,080	\$3,080
Task 2. Impact Fee Methodology Report	\$9,610		\$9,610
Task 2a. Impact Fee Advisory Committee		\$1,540	\$1,540
Totals:	\$19,910	\$4,620	\$24,530