



Development Fees Study Session

The purpose of this study session is to continue the discussion with council from the questions initially posed at the June 14 study session

AUGUST 30, 2016

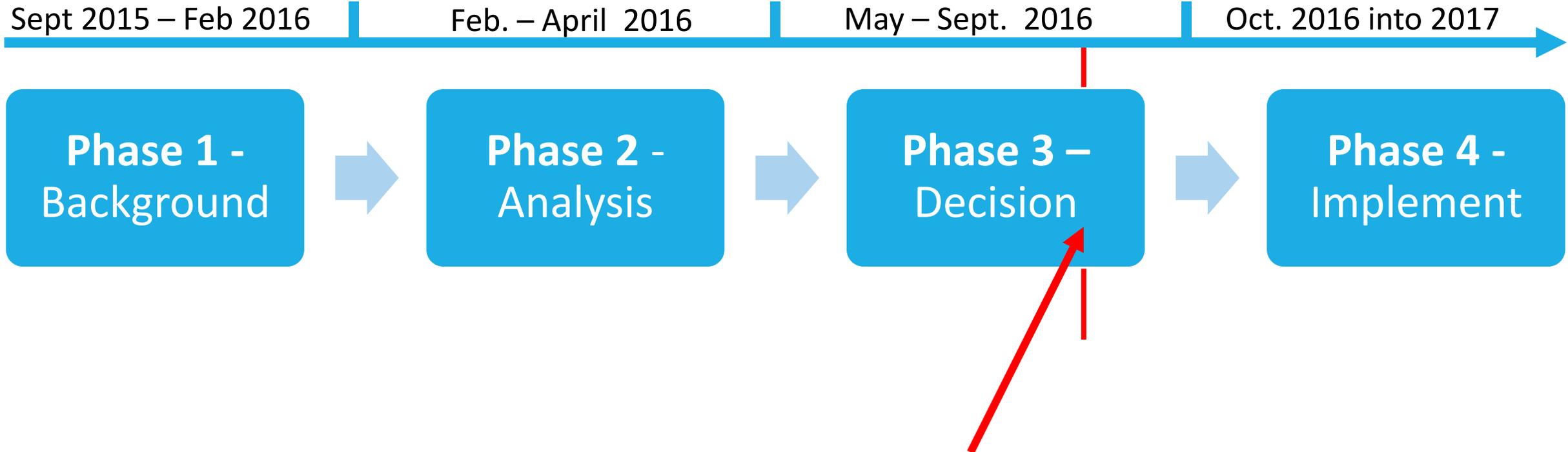
CITY OF BOULDER, TISCHLERBISE, KEYSER MARSTON ASSOCIATES

Meeting Agenda

- | | |
|-------------|--|
| 8:30 – 8:45 | Introduction, Purpose & Agenda |
| 8:45 – 9:00 | Multimodal Transportation Rate Structure |
| 9:00 – 9:15 | Economic Impact Analysis Report |
| 9:15 – 9:30 | Recap and Next Steps |



2016 Update – Project Timeline



Recap of June 14, 2016 Study Session

Capital Facility Impact Fees	Multi-modal Transportation	Affordable Housing Linkage Fee
Incremental update to the existing impact fees	Hybrid Option New Transportation Impact Fee + Transportation Development Excise Tax	Economic and Market Factors Option <i>Office fee levels:</i> \$10 \$20 \$35

- City Council supported suspending the parkland development excise tax, with either re-allocation of the existing revenue to transportation or just suspension

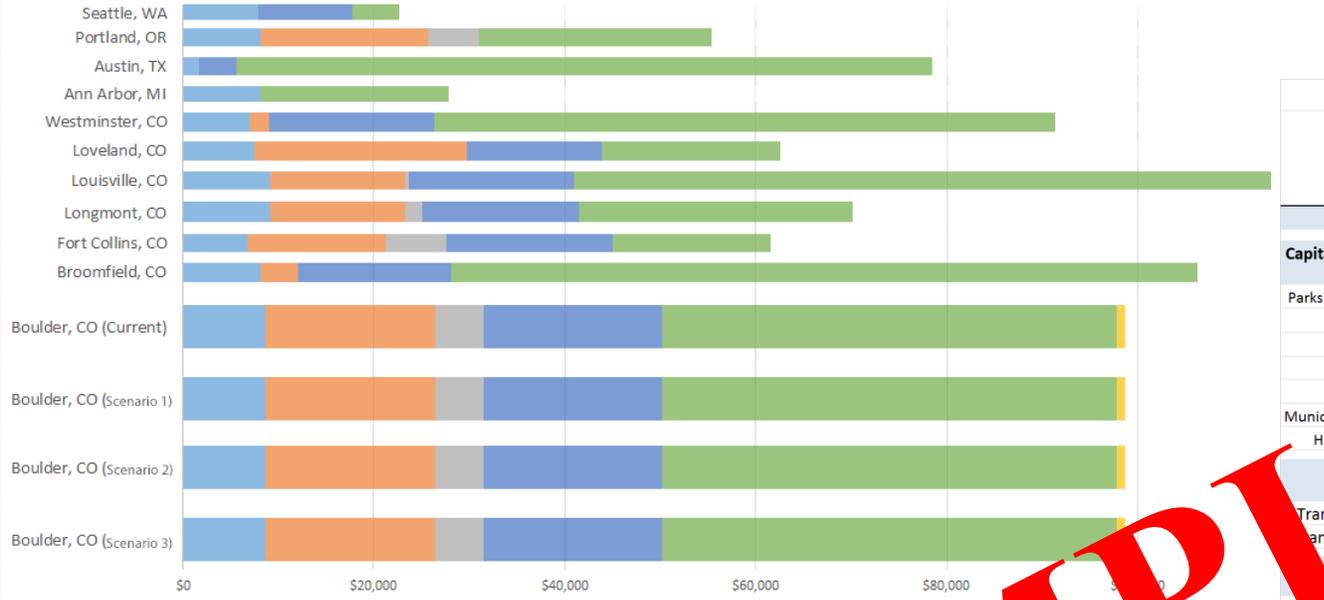


Direction to Prepare for Sept. 20 Public Hearing

- ✓ Narrow Options for each component
- ✓ Parkland Excise Tax direction
- Affordable Housing Credits
- ☐ Transportation Rate Structure



RESIDENTIAL COMPARATIVE ANALYSIS



NON-RESIDENTIAL COMPARATIVE ANALYSIS



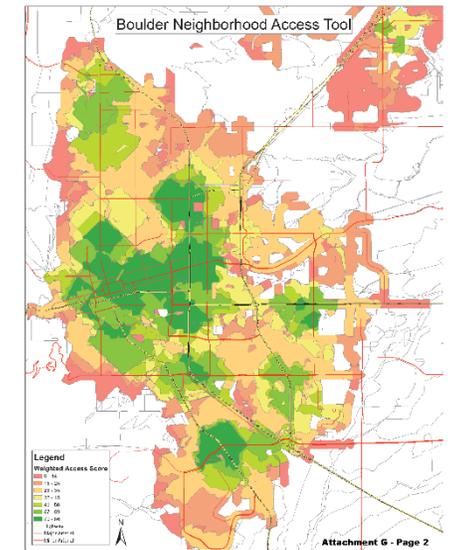
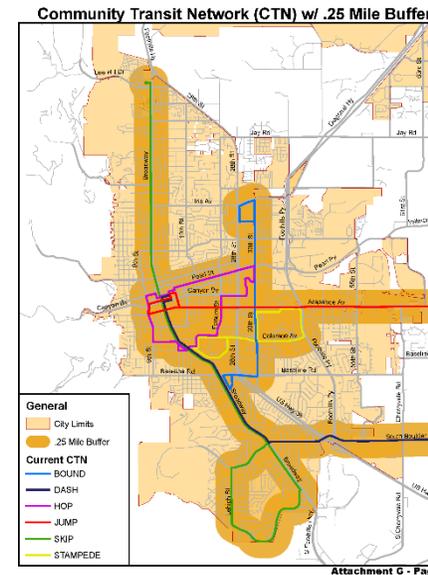
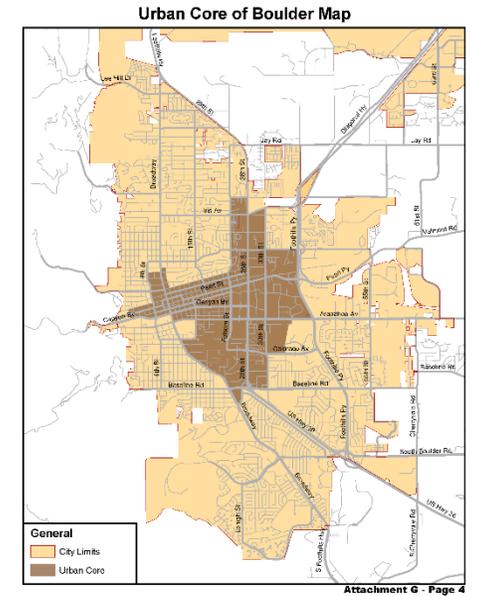
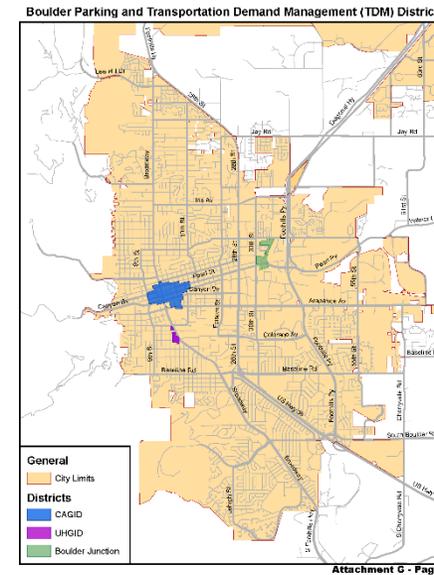
	Residential Scenarios				Non-Residential Scenarios				
	Current	Scenario 1	Scenario 2	Scenario 3	Current	Scenario 1	Scenario 2	Scenario 3	
Permit Fees	\$ 8,658.85	\$ 8,658.85	\$ 8,658.85	\$ 8,658.85	\$ 55,869.97	\$ 55,869.97	\$ 55,869.97	\$ 55,869.97	
Capital Facility Impact Fees	\$ 61,073.00	\$ -	\$ -	\$ -	\$ 61,073.00	\$ -	\$ -	\$ -	
<i>Percent Change</i>		-100%	-100%	-100%		-100%	-100%	-100%	
Parks & Recreation Impact Fee	n/a				n/a	n/a	n/a	n/a	
Parkland Excise Tax	n/a	\$ -	\$ -	\$ -	n/a	n/a	n/a	n/a	
Library Impact Fee	n/a				n/a	n/a	n/a	n/a	
Fire Impact Fee	\$ 36,720.00				\$ 36,720.00				
Police Impact Fee	\$ 11,666.00				\$ 11,666.00				
Municipal Facility Impact Fee	\$ 12,687.00				\$ 12,687.00				
Human Services Impact Fee	n/a				n/a	n/a	n/a	n/a	
Transportation	\$ 152,436.00	\$ -	\$ -	\$ -	\$ 152,436.00	\$ -	\$ -	\$ -	
<i>Percent Change</i>		-100%	-100%	-100%		-100%	-100%	-100%	
Transportation Excise Tax	\$ 152,436.00				\$ 152,436.00	\$ -	\$ -	\$ -	
Transportation Impact Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Affordable Housing	\$ 912.00	\$ -	\$ -	\$ -	\$ 607,641.00	\$ -	\$ -	\$ -	
<i>Percent Change</i>		-100%	-100%	-100%		-100%	-100%	-100%	
Housing Excise Tax	\$ 912.00	\$ -	\$ -	\$ -	\$ 31,348.00	\$ -	\$ -	\$ -	
Affordable Housing Linkage Fee	n/a	n/a	n/a	n/a	\$ 576,293.00	\$ -	\$ -	\$ -	
Plant Investment Fees	\$ 47,549.00	\$ 47,549.00	\$ 47,549.00	\$ 47,549.00	\$ 63,791.00	\$ 63,791.00	\$ 63,791.00	\$ 63,791.00	
Sales & Use Tax	\$ 18,718.00	\$ 18,718.00	\$ 18,718.00	\$ 18,718.00	\$ 196,487.00	\$ 196,487.00	\$ 196,487.00	\$ 196,487.00	
Total Permitting and Development Fees/Taxes	\$ 289,346.85	\$ 74,925.85	\$ 74,925.85	\$ 74,925.85	\$ 1,137,297.97	\$ 316,147.97	\$ 316,147.97	\$ 316,147.97	
<i>Percent Change</i>		-74%	-74%	-74%		-72%	-72%	-72%	
\$/Gross Square Foot	\$ 72.98	\$ 18.90	\$ 18.90	\$ 18.90	\$ 286.83	\$ 79.73	\$ 79.73	\$ 79.73	
Net Increase PSF		\$ (54.08)	\$ (54.08)	\$ (54.08)		\$ (207.10)	\$ (207.10)	\$ (207.10)	
Total Development Cost Estimate	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 18,500,000	\$ 18,500,000	\$ 18,500,000	\$ 18,500,000	
<i>Development Cost</i>	24.1%	6.2%	6.2%	6.2%	6.1%	0.0%	0.0%	0.0%	
Estimated Market Changes Sufficient to Absorb Increased Fees (based on KMA analysis)									
Change in Land Values (@-2% for each \$1/SF Fee Increase)		75.7%	75.7%	75.7%		414.2%	414.2%	414.2%	
Change in Market Rents (@+0.3% for each \$1/SF Increase)		n/a	n/a	n/a		-62.1%	-62.1%	-62.1%	



Multimodal Transportation Rate Structure Options

Considerations

- Plan-based Approach
- Mature transportation system
- Benefit from improvements to transportation system
- Use of zoning powers
- No other development fees or taxes have a geographic rate adjustment



Recommendation:

Staff recommends no tiered rates or credits for Multimodal Transportation fees/taxes



Discussion

Does council have any questions or feedback regarding the staff recommendation to have one citywide rate for transportation fees/taxes?



Report on Economic Impact Analysis

Economic Impact Analysis

Economic Impact Analysis (EIA) is a process to evaluate the economic impact of an industry on a defined geographic location.

- Direct Impacts
- Indirect Impacts
- Induced Impacts

The overall economic benefit to the local economy based on job growth, wages and goods and services purchased and the multiplier effects as the dollars circulate in the community.



Economic Impact Analysis

10-year residential and nonresidential development is projected to generate the following annual economic impacts:

- \$678 Million in Labor Income
- \$1 Billion in private sector value
- \$1.8 Billion in annual economic output

Annual temporary construction economic impacts:

- \$84 Million in Labor Income
- \$118 Million in private sector value
- \$239 Million in annual economic output



Recap & Next Steps

Next Steps

City Council Public Hearing - September 20

- Up to 6 Scenarios
- Comparative charts
- Recommendations
- Final Reports

May – August 2016

Sept. 2016 into 2017

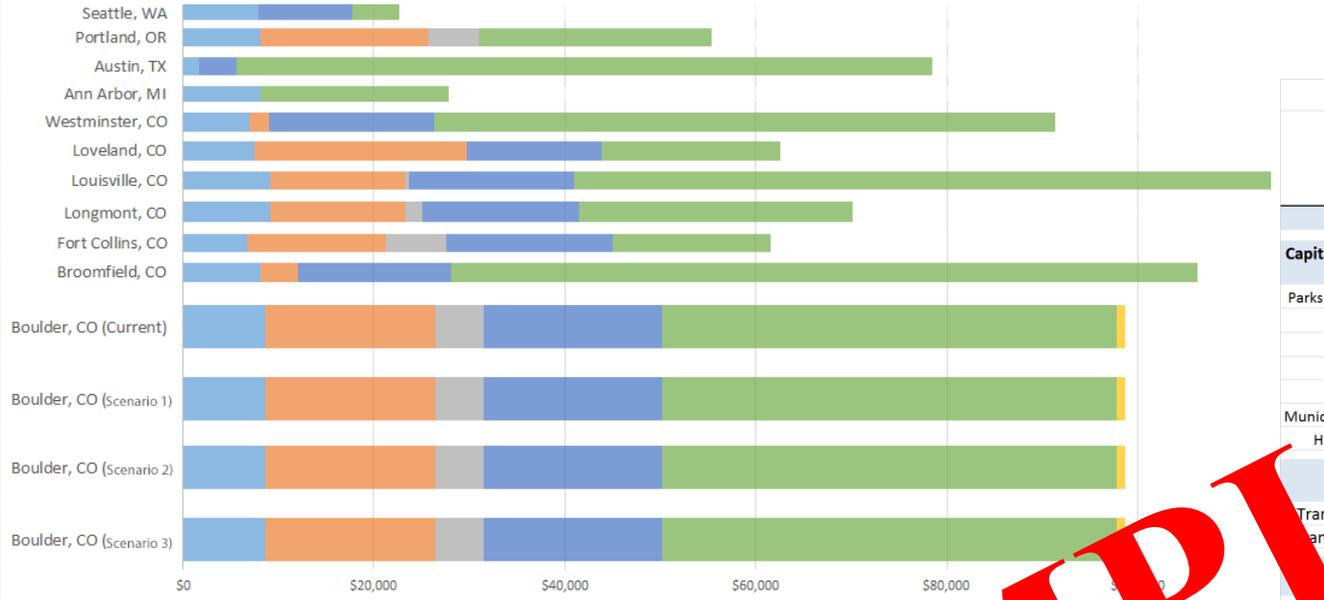
Phase 3 –
Decision



Phase 4 -
Implement



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