



# BULLOCH COUNTY / CITY OF STATESBORO

## 2035 LONG RANGE TRANSPORTATION PLAN

Transportation Impact Fees Exploratory Report



**HNTB**

# **Bulloch County / City of Statesboro 2035 Long Range Transportation Plan**

## **Transportation Impact Fees Exploratory Report**

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# TRANSPORTATION IMPACT FEES

## 1.0 Introduction

Impact fees are one-time charges applied to new developments that are used to defray some of the costs of providing additional public facilities and infrastructure to these developments. Impact fees serve to generate additional revenue to reduce the gap between the resources needed to build new (or improve existing) public facilities that serve new development and the money available for those purposes through traditional revenue sources. Bulloch County, Georgia does not currently impose impact fees, but is interested in exploring these fees as an option to supplement current federal, state, and local funding resources for transportation projects, as these traditional resources have become less and less reliable in the face of recent budget crises and the overall state of the economy. As part of the Bulloch County / City of Statesboro 2035 Long Range Transportation Plan (LRTP) development process, transportation impact fees were explored for their potential to support future transportation improvements. The purpose of this document is to summarize the key information that Bulloch County Officials must understand and consider in order to move forward with implementation of impact fees, including a step-by-step overview of procedural requirements, the potential for revenue generation based on recent development trends in the County, and next steps.

## 2.0 Background

Local governments that wish to impose developer impact fees are permitted to do so under the Georgia Development Impact Fee Act (DIFA) of 1990. The law enables qualified local governments to charge new developments, in the form of one-time fees, for a proportionate share of the additional required infrastructure capacity needed to serve the development. The Georgia Department of Community Affairs (DCA) is responsible for interpreting the requirements of DIFA that must be met by participating governments in order to enact these fees.

Prior to DIFA, many local governments offset infrastructure expansion through exactions attached to land development regulations. DIFA renders many of these exactions illegal. Local governments are therefore faced with the choice of adopting an impact fee system, absorbing the cost, or finding new ways of financing infrastructure improvements. If the County chooses to adopt an impact fee system, Bulloch County must consider the level of effort required to develop the system and to administer it over time. Since specific minimum standards are required, it is not recommended that the impact fee process is initiated absent the commitment to see it through to implementation and beyond. Some of the required elements are time sensitive, including the establishment of existing levels of service for infrastructure capacity. If analysis in support of required elements is completed, and the process is later delayed, then the elements

would become outdated and would subsequently require time and resources to revisit the original findings.

If Bulloch County decides to implement impact fees, it will be necessary to satisfy the requirements set forth in DIFA. The County should work with DCA to ensure compliance with the established Minimum Standards and Procedures. In addition to meeting the required components of all comprehensive plans under the Georgia Planning Act of 1989, Bulloch County must also add a Capital Improvements Element (CIE) to their Comprehensive Plan. Once approved by DCA, the County<sup>1</sup> can then adopt an impact fee ordinance.

The work required for development of the CIE of the Comprehensive Plan, and development of the impact fee ordinance itself, will likely require assistance from a specialized group of experts including legal counsel, engineers, impact fee consultants and experts on local government finance. Without such technical assistance, these documents will be difficult to prepare in accordance with the established Minimum Standards.

Transportation-related improvements (including roads, streets and bridges, right-of-way acquisition, traffic signals, landscaping, and any components of state or federal highways) constitute one of the seven categories of capital facilities that are eligible for impact fee funding under DIFA. The other six categories are:

- Water supply, production, treatment and distribution facilities
- Wastewater collection, treatment and disposal facilities
- Stormwater collection, retention, detention, treatment, and disposal facilities, flood control facilities, and bank shore protection and enhancement improvements
- Parks, open space, and recreation areas and related facilities
- Public safety, including police, fire, emergency medical and rescue facilities
- Libraries and related facilities

Currently in Georgia, fifty-two (52) qualified local governments impose at least one of these seven forms of impact fees on new development. Of these, twenty (20) governments impose transportation-related impact fees. Local governments in Georgia currently implementing transportation impact fees are listed in Table 2.1.

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<sup>1</sup> Bulloch County is already considered a “Qualified Local Government” by DCA, and is therefore eligible to submit a CIE for approval and, subsequently, to adopt an impact fee ordinance. Entities that are not yet designated as such must first gain this status from DCA to initiate an impact fee program.



**Table 2.1 Local Governments in Georgia with Transportation Impact Fees**

City or County	City or County	City or County
City of Alpharetta	Effingham County	City of Newnan
City of Canton	City of Fayetteville	Newton County
City of Cartersville	Gilmer County	Peachtree City
Cherokee County	City of Locust Grove	Pike County
Dawson County	Macon-Bibb County	City of Roswell
DeKalb County	Madison County	City of Woodstock
City of Douglasville	City of McDonough	

The following section of this document outlines the process of establishing an impact fee system in more detail and also provides some examples of what types of documentation would be expected and required in support of impact fees. The discussion focuses on transportation impact fees, but the general concepts apply to all 7 eligible categories.

### 3.0 Implementing Impact Fees

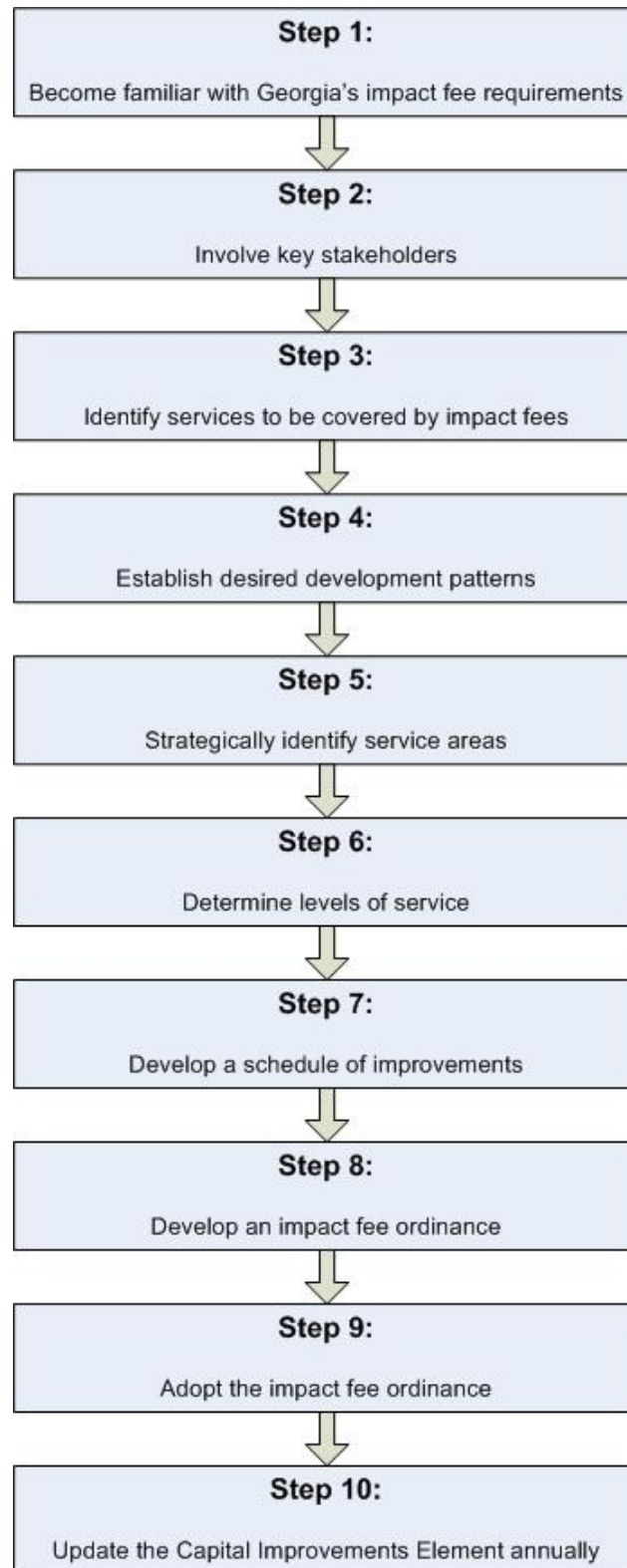
DCA provides information for local governments on the process for implementing impact fees. This process is outlined in Figure 3.0. Steps 1 through 4 are background steps that lay the groundwork necessary for successful implementation of an impact fee program. These steps feed the legislative requirements that follow. Steps 5, 6, 7 and 10 are included in the requirements for developing and maintaining the Capital Improvements Element (CIE) of the local government's comprehensive plan. Lastly, steps 8 and 9 address the required impact fee ordinance.

The process of developing a CIE for transportation impact fees is similar in structure to the development of a long-range transportation plan. The steps include the assessment of existing conditions, projecting future conditions, evaluating future needs, and identifying and prioritizing projects to address system deficiencies. The CIE is also similar in concept to a capital improvements program in that it addresses capital facility financing. However, unlike a traditional capital improvement program, a CIE addresses long-term (6-year to 20-year) capital improvement needs in addition to short-term (5-year or less) needs.

The following items must be included in the CIE. Each 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
- Schedule of Improvements for the first 5 years after CIE adoption

Each of these items is described in detail in the sections that follow.

**Figure 3.0 DCA's Impact Fee Implementation Process**



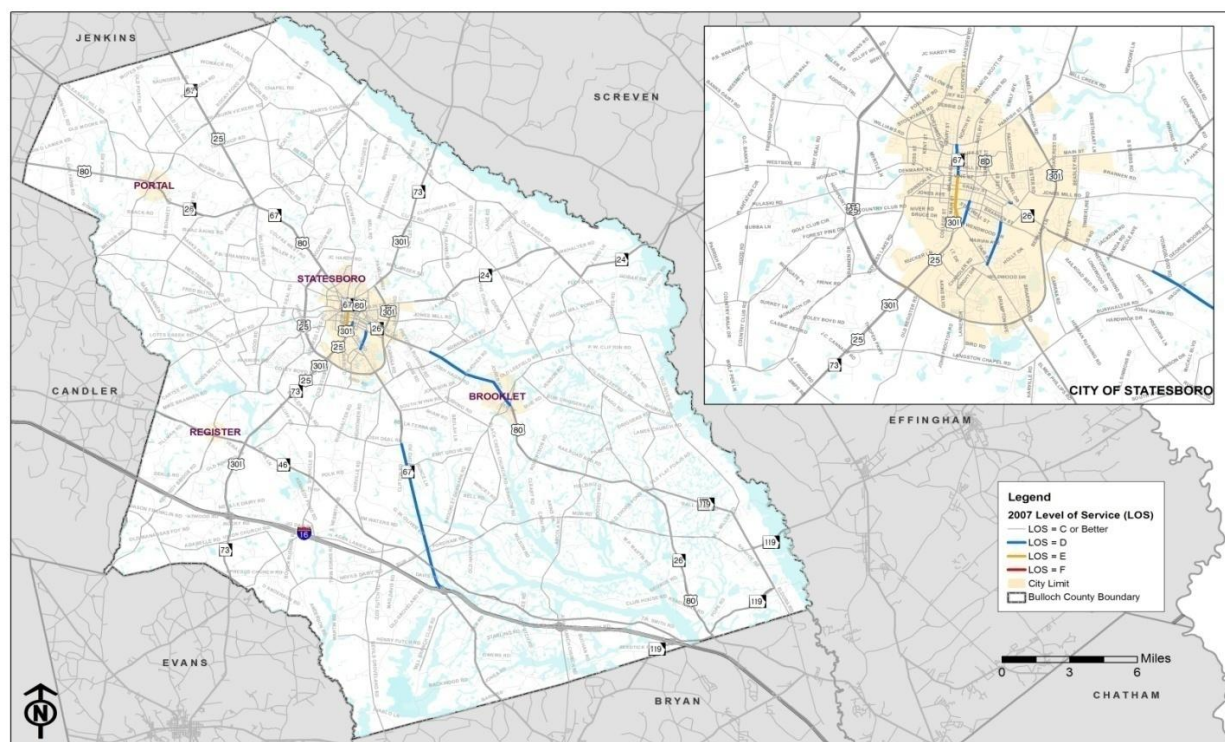
### 3.1 Inventory of Existing Levels of Service

The “Inventory of Existing Levels of Service” must include:

- An inventory of current levels of service. Service levels must be expressed in quantifiable terms or in a manner sufficient to allow future evaluation of progress in meeting capital improvement goals.
- Determination of whether the existing level and quality of services is adequate to meet current needs and clear identification of major deficiencies or under-utilization of existing facilities within the jurisdiction.
- Description of variations in current service levels throughout the jurisdiction.
- Identification of parts of the community where the provision of services is, or will be, limited by engineering, economic, or environmental factors.

Some measures of service levels used for transportation-related projects include level of service (LOS) by roadway functional classification, volume to capacity (V/C) ratios, and lane miles. Selected measures should be consistently applied to both the existing service levels and future service levels analysis. The roadway operating conditions analysis conducted as part of the Bulloch County / City of Statesboro 2035 LRTP included an inventory of existing levels of service based on traffic counts and the travel demand model developed as part of the plan development process. Figure 3.1 shows existing (year 2007) levels of service for Bulloch County, which was taken from the Bulloch County/City of Statesboro 2035 Update - currently underway.

**Figure 3.1 Existing Level of Service Map for Bulloch County**



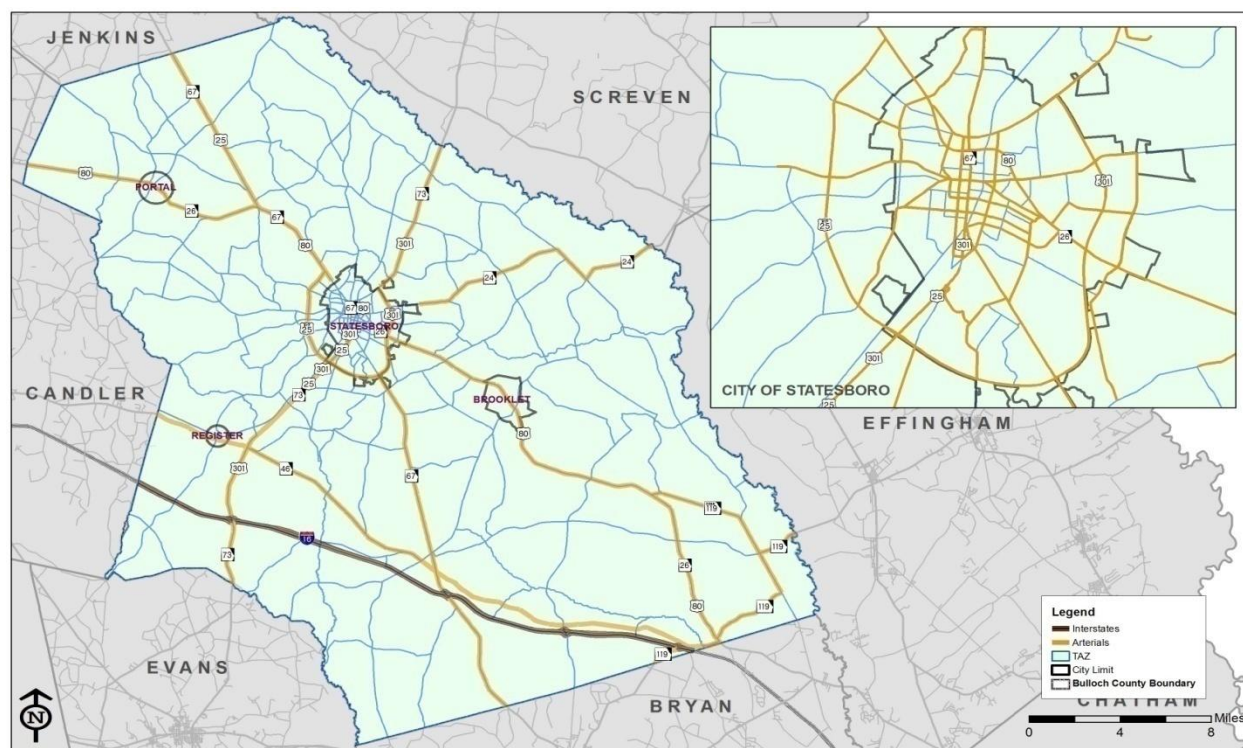
### 3.2 Establishment of Service Areas

The “Establishment of Service Areas” must include:

- Determination of whether delineation of separate service areas within the jurisdiction is warranted, and discussion of the rationale behind establishing multiple service areas.
- Designation of one or more service areas for each type of capital facility to be financed through impact fees. Include eligible maps that clearly identify all service area boundaries.

For transportation-related impact fees, the service area boundary could be the entire county (or other jurisdictional area, as appropriate) with traffic analysis zone information used to determine more localized impacts. A map of Bulloch County’s traffic analysis zones (as determined in the development of the Bulloch County Travel Demand Model) is shown in Figure 3.2 as an example of a potential impact fee service area.

**Figure 3.2 Example Service Area Map for Bulloch County**



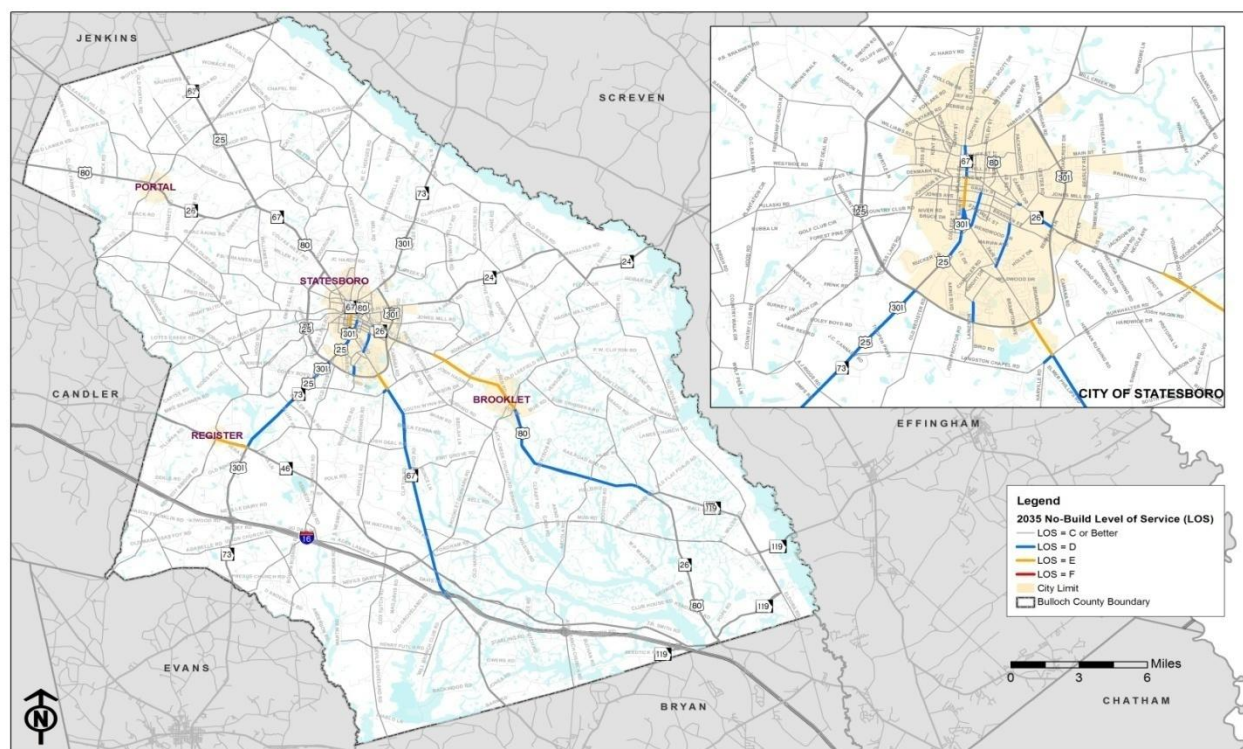
### 3.3 Establishment of Future Levels of Service

The “Establishment of Future Levels of Service” must include:

- Designation of future service levels (by service area) for each category of improvement for which an impact fee ordinance will be adopted.
- Statement of future service levels using the same terms or measurements that are used to describe existing service levels, so that process toward attaining service level goals can be measured or accurately assessed.
- Rationale for establishing different service levels in different parts of a community, where future service levels will vary from one service area to another over the planning period.

Figure 3.3 shows future (year 2035) levels of service for Bulloch County based on the travel demand model results from the Bulloch County / City of Statesboro 2035 LRTP.

**Figure 3.3** Future Year (2035) Level of Service Map for Bulloch County





### 3.4 Projection of Facility Needs

The "Projection of Facility Needs" must include:

- Identification of areas where new capital facilities or infrastructure will be needed to support the local government's desired future development patterns established in the comprehensive plan.
- Data and projection methodologies for assessing capital facility capacity needs that are essentially consistent with information provided in the comprehensive plan.
- Description, in general terms, of infrastructure needs for the entire planning horizon of the comprehensive plan.
- A listing of all capital projects that will be required to upgrade service levels for existing development within each service area. These projects must be marked or designated as a part of the CIE.
- Describe any excess service capacity remaining in facilities already completed or under construction at the time of CIE adoption, based on new service levels established in the CIE.
- Indication of whether impact fees will be used to recover the costs of existing capital facilities (with remaining capacity to serve new growth) that were in place prior to implementation of an impact fee system.

### 3.5 Schedule of Improvements

The "Schedule of Improvements" must include:

- A brief (but clear) description of each project, similar to a County Work Program description.
- Assignment of each project to a specific service area or areas.
- Implementation time frame (i.e., anticipated start and completion dates).
- Accurate total project costs for each capital improvement project.
- Portion of each project's stated total cost that may be paid from impact fees (i.e., portion that is directly attributable to adding capacity to serve new development).
- A description of proposed sources of funds, in addition to impact fees, that are expected to be used to cover each project's total cost.

### 3.6 Impact Fee Ordinance Development and Adoption

Once a CIE is developed and DCA grants its final approval as part of the comprehensive plan, the local government is permitted to enact an impact fee ordinance. The CIE could be developed concurrently with the rest of the comprehensive plan or could be added some time after its adoption. However, the impact fee ordinance should ideally be developed concurrently with the CIE to avoid problems with outdated information used to support the CIE.

The impact fee ordinance itself must contain a description of the impact fees to be imposed, along with the proposed service area for the fees and the use of impact fee funds. The schedule of fees must also be provided<sup>2</sup>. An example of this is provided in Table 3.6.1, which represents the currently adopted impact fee schedule for Effingham County, Georgia. This schedule includes development impact fees for 5 different categories, including transportation ("Roads").

**Table 3.6.1 Effingham County Impact Fee Schedule**

USES	DEVELOPMENT IMPACT FEES					TOTAL
	Parks	Public Safety	Roads	Sewer	Water	
<b>RESIDENTIAL (PER UNIT)</b>						
Detached Housing	\$320	\$192	\$988	\$2,500	\$2,000	\$6,000
Attached Housing	\$211	\$127	\$681	\$1,651	\$1,322	\$3,992
<b>NONRESIDENTIAL (PER SQUARE FOOT OF FLOOR AREA UNLESS OTHERWISE STATED)</b>						
Commercial/Retail Centers						
25,000 sf or less	NA	\$0.10	\$2.07			\$2.17
25,001 - 100,000 sf	NA	\$0.08	\$1.68			\$1.76
100,001 - 400,000 sf	NA	\$0.06	\$1.24			\$1.30
General Office						
10,000 sf or less	NA	\$0.05	\$1.20			\$1.25
10,001 - 25,000 sf	NA	\$0.03	\$0.98			\$1.01
25,001 - 50,000 sf	NA	\$0.03	\$0.83			\$0.86
Medical/Dental Office Bldg	NA	\$0.08	\$1.92			\$2.00
Hospital	NA	\$0.03	\$0.93			\$0.96
Nursing Home (per bed)	NA	\$5.00	\$126			\$131
Business Park	NA	\$0.03	\$0.68			\$0.71
Light Industrial	NA	\$0.01	\$0.37			\$0.38
Warehouse	NA	\$0.01	\$0.26			\$0.27
Mini-Warehouse	NA	\$0.00	\$0.13			\$0.13
Religious institutions without weekday school or day care activities	NA	\$0.00	\$0.13			\$0.13
Lodging (per room)	NA	\$12	\$299			\$311
Day Care (per student)	NA	\$10	\$238			\$248
<b>NON-RESIDENTIAL (PER METER SIZE)</b>						
.75 inch				\$2,500	\$2,000	\$4,500
1 inch				\$4,167	\$3,333	\$7,500
1.5 inches				\$8,333	\$6,667	\$15,000
2 inches				\$13,333	\$10,667	\$24,000
3 inches				\$26,667	\$21,333	\$48,000
4 inches				\$41,667	\$33,333	\$75,000

<sup>2</sup> The Institute of Transportation Engineers' trip generation rates are commonly used as the basis for the establishment of transportation impact fees. Fees are based on the number of trips generated for each specified use.

Transportation impact fees are typically calculated by multiplying trip generation rates (obtained from Institute of Transportation Engineers (ITE) data) by the net capital cost per unit of trip capacity (NCCTC). The NCCTC is derived from the product of the average trip length for that particular use, the capital cost per vehicle mile of travel, and appropriate trip length adjustment factors. Since costs vary for each project, there is no set value for the unit capital cost per VMT, so it becomes necessary to average these costs across projects identified in the schedule of improvements. So while the impact fees represented in Table 3.6.1 are applicable to new development county-wide, the actual impact of each development is possibly more or less than the value represented in the scheduled fee.

Thirty-four (34) states have some form of impact fee legislation on their books. Georgia's fees rank near the bottom in terms of the amount charged for different fee categories. Georgia ranks anywhere from 4<sup>th</sup> lowest for single family home related fees to 9<sup>th</sup> lowest for retail center related fees. Generally, California, Maryland and Florida have the highest impact fee rates. As a point of reference, neighboring Effingham County's fees are lower than the average fees charged across the State of Georgia for most categories.

A scenario analysis was conducted to determine the level of transportation impact fee revenue that Bulloch County could expect assuming that recent development trends hold and applying the fees from the Effingham schedule shown in Table 3.6.2. Average annual development for the 5-year period from 2003 to 2008 was used in this calculation along with the associated unit impact fees for each development type. Table 3.6.2 summarizes the results of this calculation.

**Table 3.6.2 Scenario - Projected Annual Transportation Impact Fee Revenue for Bulloch County\* Based on Effingham Impact Fee Schedule**

Use	Average Units (2003-2008)	Example Average Sq. Ft.	Effingham Impact Fee	Estimated Annual Revenue	Annual Revenue Calculation
Detached Housing	647	N/A	\$988.00	\$639,236	fee*units
Attached housing	27	N/A	\$681.00	\$18,387	fee*units
Commercial	16.8	5,700	\$2.07	\$198,617	fee*units*sq ft
General Office	0.8	5,700	\$1.20	\$5,700	fee*units*sq ft
Light Industrial	0.5	10,000	\$0.37	\$1,850	fee*units*sq ft
Warehouse	2.2	10,000	\$0.26	\$5,633	fee*units*sq ft
Religious	3.3	4,500	\$0.13	\$1,950	fee*units*sq ft
Day Care	1.3	47 (students)	\$238.00	\$14,542	fee*units*students
<b>TOTAL</b>				<b>\$886,083</b>	

\*- Based on the average number of building permits issued by Bulloch County from 2003-2008. City of Statesboro building permits are not included in this analysis.



Based on this scenario, nearly \$900,000 in revenue could potentially be generated each year assuming that past development trends in Bulloch County continue. The lion's share of this revenue comes from detached housing. Therefore, impact fee revenue projections need to carefully consider these factors in order to produce accurate financial forecasts.

## 4.0 Next Steps

The Bulloch County / City of Statesboro 2035 LRTP provides a strong foundation on which to build a CIE for transportation impact fees. If Bulloch County decides to move forward with an impact fee program, the next step would be to contract with an impact fee consultant to develop a detailed impact fee study with a rigorous look at fee calculations and revenue generation across all eligible capital facilities elements. The results of such a study will provide justification for developing a CIE and ultimately an impact fee ordinance; or they will confirm that impact fees in Bulloch County are unnecessary in the short-term. Even if the County decides to defer such a program to a later date, it would still benefit the County to develop and maintain a listing of key stakeholders to involve if the process ever were to move forward (Step 2 in DCA's process) and to maintain a current vision for desired development patterns that the impact fee system would support (Step 4 in DCA's process). These efforts would position the County well for the future, and help expedite the CIE and ordinance development processes.

## 5.0 Conclusion

Today in Bulloch County, developers of major subdivisions (50+ lots) are required to perform traffic studies and make any specific improvements identified in those studies at their own cost. This is the extent of a developer's responsibility with regard to public infrastructure. The establishment of impact fees in the County would therefore be a dramatic shift in policy. This shift would require a real financial commitment on the part of the County, and would add a new layer of responsibility to county government. However, an impact fee system would give the County greater control over growth and development, and could potentially generate a significant amount of revenue for capital projects. There is precedent for impact fee programs in Georgia, both in cities and counties of various sizes. Further study is recommended in order to predict the relative success of such a program in Bulloch County across all eligible capital facilities. In the short-term, establishment of a stakeholder working group and commitment to the Countywide vision for future development patterns is important in order to keep impact fees on the forefront as a potential revenue source for the County moving forward.

