

Impact Fee Ordinance



southburlington

VERMONT

Adopted: January 9, 1995

Amended:

April 17, 1995

December 2, 1996

February 2, 1998

September 7, 1999

July 16, 2001

December 3, 2007

October 19, 2009

July 1, 2013 (Effective October 15, 2013)

May 19, 2014

December 5, 2022

DRAFT DECEMBER 19, 2022

SOUTH BURLINGTON IMPACT FEE ORDINANCE**Section 1. Authority.**

This ordinance is enacted pursuant to the specific authority granted municipalities to establish impact fees contained in 24 V.S.A., Chapter 131 and the authority granted the City of South Burlington to enact ordinances set forth in its Charter and 24 V.S.A. Chapter 59. This ordinance shall be a civil ordinance within the meaning of 24 V.S.A. Chapter 59.

Section 2. Purpose.

It is the purpose of this ordinance to establish impact fees to pay portions of the cost of constructing capital facilities for new development in the City that will be served by such facilities. To the extent that new capital facilities are necessitated by new development and such facilities benefit the new development, it is appropriate that the new residents and owners bear an appropriate portion of the costs of constructing the new facilities.

Section 3. Establishment of Fees.

A. Road Improvement Impact Fee: Except as provided in subparagraph (5), any land development as described in subparagraph (1) which is issued a permit under the City of South Burlington Zoning Regulations after the date this Impact Fee Ordinance provision becomes effective shall pay an impact fee determined in accordance with the formula set forth in subparagraph (2).

(1) This impact fee shall apply to any land development that results in an increase in dwelling units or, in the case of non-residential development, an increase in PM peak hour vehicle trip ends (vehicle trips occurring between the hours of 4:00 PM and 6:00 PM on weekdays), as determined by the Development Review Board / Administrative Officer as appropriate.

(a) In making the determination required by subparagraph (1), the Development Review Board or Administrative Officer shall use the methodology set forth in Appendix B.2 of the applicable South Burlington Land Development Regulations.

(b) In determining the trip generation rate for Child Care Centers, as defined within the latest version of the ITE Trip Generation manual (i.e. "Licensed non-residential child care facilities" as defined in the applicable South Burlington Land Development Regulations), the Development Review Board or the Administrative Officer shall apply a pass-by rate of 30%. This pass-by rate shall apply to all Child Care Centers for which the City already has issued a zoning permit since January 1, 2011, upon (re)submission of an application and to all future applications for Child Care Centers.

(2) Formula for determination of impact fees:

(a) Single Family Dwelling: \$1,009.86 per unit less appropriate credits as shown in column 5 (net fee, single-family dwellings) of Table RD-4.

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- (b) Multi-Family Dwelling (fee per unit): \$669.91 per unit, less appropriate credits as shown in column 9 (net fee, multi-family dwellings) of Table RD-4.
- (c) Non-residential Development: \$999.86 multiplied by the number of PM peak hour vehicle trip ends and reduced by the amount of any credit due from Tables RD-5 and RD-6. Estimate of post-construction assessed value of non-residential development shall be calculated as described in the Road Impact Fee section of the City of South Burlington 2007 Impact Fee Analysis Report referenced below.
- (3) The impact fee formula set forth in subparagraph (2) above is based on a study and report entitled, "CITY OF SOUTH BURLINGTON 2007 IMPACT FEE ANALYSIS REPORTS", prepared by Michael J. Munson, Ph.D., FAICP, dated October 12, 2007, which report is incorporated into this ordinance by reference. The pass-by rate in subparagraph (1)(b) is based on a study and report entitled, "Adjustment to Traffic Impact Fees for Child care Centers" prepared by BFJ Planning, dated February 21, 2014, which report is incorporated into this ordinance by reference.
- (4) Impact fees collected pursuant to this ordinance provision shall be used to pay costs associated with the following road improvement projects which are described in the above referenced report:
 - (a) Hinesburg Road/Van Sicklen Road Intersection Improvements
 - (b) Williston Road Reconstruction
 - (c) Airport Drive Extension
 - (d) Airport Parkway/Ethan Allen Road Intersection Improvements
 - (e) Tilley to Community Drive Connector
 - (f) City Center Road Network
- (5) This impact fee shall not apply to land development as described in subparagraph (1) which:
 - (a) is for development within a subdivision that received final plat approval under the South Burlington Subdivision Regulations prior to January 9, 1995, which subdivision approval contained a condition requiring payment of fees to the City for the purpose of funding road improvements; and
 - (b) the fees specified in the subdivision approval were paid to the City in accordance with the terms of the approval; and
 - (c) a permit is issued for the development under the South Burlington Zoning Regulations on or before January 9, 2005.
- (6) A development that includes a Traffic Demand Management Plan approved by the Development Review Board / Administrative Officer may be granted a credit not to exceed 25 percent of the original number of trips generated multiplied by the fee per PM Peak Hour Trip (\$999.86), provided that the applicant agrees to provide the post development verification study and security described in the above referenced Impact Fee Analysis report.

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B. Recreation Impact Fee: Except as provided in Subparagraph (5), any land development as described in subparagraph (1) which is issued a permit under the City of South Burlington Land Development Regulations after the date this Impact Fee Ordinance provision becomes effective shall pay an impact fee determined in accordance with the formula set forth in subparagraph (2).

- (1) This impact fee shall apply to any land development resulting in an increase in dwelling units.
- (2) Formula for determination of impact fees:
 - (a) Dwellings in structures containing three or fewer units: \$1,685.67 per unit, less appropriate credits, as shown in column 4 of Table REC-4.
 - (b) Dwellings in structures containing four or more units: \$1,179.97 per unit, less appropriate credits as shown in column 7 of Table REC-4.
- (3) The impact fee formula set forth in subparagraph (2) above is based on a study and report entitled, "CITY OF SOUTH BURLINGTON IMPACT FEE ANALYSIS UPDATED" prepared by Michael J. Munson, Ph.D., FAICP, dated May 28, 2013, which report is incorporated into this ordinance by reference.
- (4) Impact fees collected pursuant to this ordinance provision shall be used to pay costs associated with the following recreation improvement projects which are described in the above referenced reports:
 - (a) Develop Soccer Field on land in South Village
 - (b) Land acquisition for "Marceau Meadows" recreation fields property in the vicinity of Hinesburg Road and Van Sicklen Road
 - (c) Development of "Marceau Meadows" recreation fields
 - (d) Development of Old Farm Road area recreation fields
 - (e) Development of Dumont Park recreation area in the vicinity of Iby Street and Market Street
 - (f) Development of recreation paths and bicycle lanes as described in the above referenced Impact Fee Analysis, including:
 - (i) Dorset Street/Hoehn connection along Dorset Street
 - (ii) Spear Street bicycle lane
 - (iii) Shelburne Rd/Queen City Park Rd improvements
 - (iv) Connection from Tilley Drive to Marshall Avenue, including bridging
 - (v) Vale Drive to Spear & Swift recreation path connection
 - (vi) Recreation path extension along Airport Drive extension to Lime Kiln Road
 - (vii) Recreation path connection from the Williston Road Holiday Inn to Patchen Road
 - (viii) Extension along Hinesburg Road to Tilley Drive
- (5) This impact fee shall not apply to land development as described in subparagraph (1) which:
 - (a) is for development within a subdivision that received final plat approval under the South Burlington Subdivision Regulations prior to January 9, 1995, which subdivision approval

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contained a condition requiring payment of fees to the City for the purpose of funding recreation improvements; and

- (b) the fees specified in the subdivision approval were paid to the City in accordance with the terms of the approval; and
- (c) a permit is issued for the development under the South Burlington Zoning Regulations on or before January 9, 2005.

C. Dorset Street Waterline Fee: Any dwelling unit as described in subparagraph (1) which connects to the Dorset Street waterline referred to in subparagraph (3), after February 2, 1998, shall pay an impact fee set forth in subparagraph (2).

- (1) This impact fee shall apply to any dwelling unit in the Dorset Street Waterline Service Area as delineated on a plan dated January 30, 1998, which is incorporated herein by reference.
- (2) The impact fee shall be \$187.25 per dwelling unit, which amount shall be increased on January 1, 1999, and each year thereafter by 4%.
- (3) The impact fee in subparagraph (2) above is based on cost in excess of \$141,932 to construct approximately 5180 feet of waterline and related improvements within the Dorset Street right-of-way.
- (4) Impact fees collected pursuant to this ordinance provision shall be used to pay the cost of the waterline improvements described in subparagraph (3) above.

D. Fire Protection Fee: Except as provided in subparagraph (5), any land development as described in subparagraph (1) which is issued a permit under the City of South Burlington Zoning Regulations after the date this Impact Fee Ordinance provision becomes effective shall pay an impact fee determined in accordance with the formula set forth in subparagraph (2).

- (1) This impact fee shall apply to any land development that results in an increase in total value of property at risk in the City (including structures and contents), as described in the report entitled "CITY OF SOUTH BURLINGTON 2007 IMPACT FEE ANALYSIS REPORTS" prepared by Michael J. Munson, Ph.D., FAICP, and dated October 12, 2007, which is incorporated into this ordinance by reference.
- (2) Formula for determination of impact fees:
 - (a) Single Family Dwelling: \$304.85 per unit less appropriate credits as shown in column 5 (net fee, single-family dwellings) of Table FP-7.
 - (b) Multi-Family Dwelling (fee per unit): \$192.96 per unit less appropriate credits as shown in column 9 (net fee, multi-family dwellings) of Table FP-7.
 - (c) Non-residential Development: \$0.67 per \$1,000 estimated value of all structures and contents. Estimate of post-construction assessed value of non-residential structures shall

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be based on estimated improvement values for new structures contained in Table FP-8, multiplied by a factor of 2.5 to provide the total estimated value of the structure, site improvements and contents, reduced by the amount of any credits due using the procedure described in the above referenced Fire Protection Impact Fee Analysis report and Tables FP-9 and FP-10.

(3) Impact fees collected pursuant to this ordinance provision shall be used to pay costs associated with the following fire protection improvement projects which are described in the above referenced report:

- (a) Renovations to Fire Station #2
- (b) New Heavy Vehicles
- (c) New Light Vehicles
- (d) New Equipment

(4) A credit of up to ten percent of the base impact fee may be awarded to non-residential developments that include installation of a sprinkler system designed to meet the guidelines of the Insurance Rating Organization with no more than 25 deficiency points.

E. Police Impact Fee: Any land development which is issued a permit under the City of South Burlington Land Development Regulations after the date these amendments to the Impact Fee Ordinance become effective shall pay an impact fee determined in accordance with the formula set forth in subparagraph (1). This impact fee shall be based on the report entitled POLICE IMPACT FEE ANALYSIS: CITY OF SOUTH BURLINGTON, prepared by Michael J. Munson, Ph.D., FAICP, and dated May 28, 2013.

- (1) Formula for determination of Police impact fees
 - (a) Dwellings in structures containing three or fewer units: \$503.88 per unit less appropriate credits as shown in column 5 of Table PD-4.
 - (b) Dwellings in structures containing four or more units: \$352.72 per unit less appropriate credits as shown in column 9 of Table PD-4.
 - (c) Non-Residential Development: \$237.76 per 1,000 square feet of floor area, less appropriate credits as described in the above referenced Police Impact Fee Analysis, making use of Tables PD-5, PD-6, and PD-7.
- (2) Impact fees collected pursuant to this ordinance provision shall only be used to pay capital costs associated with the new police station, as described in the above referenced report.

F. School Impact Fee: Any land development as described in subparagraph (1) which is issued a permit under the City of South Burlington Zoning Regulations after the date this Impact Fee Ordinance provision becomes effective shall pay an impact fee determined in accordance with the formula set forth in subparagraph (2).

(1) This impact fee shall apply to any land development that results in an increase in dwelling units on a per bedroom basis or an increase in bedrooms in an existing dwelling unit.

(2) Formula for determination of impact fees:

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- (a) For new dwelling units, the fee listed in Table SC-1, less appropriate credits for payment of past and future property taxes as shown in Tables SC-2 and SC-3.
- (b) For existing dwelling units that increase the number of bedrooms: the new dwelling unit impact fee listed in Table SC-1 for the total number of bedrooms in the unit after the increase is complete minus the new dwelling unit impact fee listed in Table SC-1 for the number of bedrooms that existed in the unit prior to the increase.
- (c) Affordable Housing. Dwelling Units meeting the definition of Affordable Housing or Inclusionary Unit in the City of South Burlington Land Development Regulations shall be exempt from the payment of School Impact Fees.

TABLE SC-1:
SCHOOL IMPACT FEE PER DWELLING UNIT BY NUMBER OF BEDROOMS

NUMBER OF BEDROOMS IN DWELLING UNIT	AMOUNT OF SCHOOL IMPACT FEE
<u>Zero or One Bedroom</u>	<u>\$2,748</u>
<u>Two Bedrooms</u>	<u>\$4,636</u>
<u>Three Bedrooms</u>	<u>\$8,929</u>
<u>Four or more Bedrooms</u>	<u>\$12,535</u>

- (3) The impact fee formula set forth in subparagraph (2) above is based on a study and report entitled "South Burlington School District Impact Fee Study" prepared by RSG, dated November 9, 2022, which report is incorporated into this ordinance by reference.
- (4) Impact fees collected pursuant to this ordinance provision shall be used to pay costs associated with the following school improvement projects which are described in the above referenced report:
 - (a) PK-8 Zero Energy Modular (ZEM) Classroom Flexible Space: Capital Costs for eight (8) zero-energy modular (ZEM) structures for use within the PK-8 grade facilities as listed in Table 12 of the Report referenced in this Subsection.

Section 4. Payment of Fees

A. Except as provided for under subsection (A) below, impact fees levied under this ordinance shall be paid to the City Treasurer prior to the issuance of any permits under the Zoning Regulations of the City of South Burlington for the construction of any development subject to the payment of impact fees. The Zoning Administrator shall not issue any zoning permit for the construction of such developments without first receiving proof of payment of the required impact fees from the City Treasurer.

- (1) Perpetually Affordable Housing to which the City is a Financial Contributor. Payment of impact fees levied under this ordinance may be paid to the City Treasurer after the issuance of any permits under the Zoning Regulations of the City of South Burlington for construction

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and development but prior to the issuance of a Certificate of Occupancy provided the following two criteria are met:

- (a) The project is for the development of housing that is not less than 50% of the dwelling units perpetually affordable, with “affordable” being defined by the City’s Land Development Regulations; and
- (b) The City has made some prior financial contribution to the development in the form of a grant from the City’s general or housing trust fund or by means of a Vermont Community Development Fund/Community Development Block Grant or other such State of Federal grants or loans in which the City is a transactional party.

B. Applicability of School Impact Fees levied under this ordinance shall be phased in as follows:

- (1) For complete zoning permit applications submitted on or after July 1, 2023, 50% of the fees listed in Section 3F of this ordinance;
- (2) For complete zoning permit applications submitted on or after January 1, 2024, the full fees listed in Section 3F of this ordinance.

B.C. Administrative Fee. An administrative fee of \$100 shall be levied upon the issuance of each zoning permit eliciting payment of one or more of the impact fees established under this Ordinance, with payment due contemporaneous with payment of the applicable Impact Fee(s). The administrative fee may be used to offset administrative costs associated with payment and tracking of impact fees, for preparation of amendments to the Impact Fee Ordinance, and for preparation of analysis reports.

Section 5. Accounting and Register of Payment.

- A.** Impact fees collected pursuant to this Ordinance shall be placed by the City Treasurer in separate interest bearing accounts for each type of impact fee established.
- B.** The City Treasurer shall maintain a register for each account indicating the date of payment of each fee, the amount paid, and the name of the payer.
- C.** The City Treasurer shall prepare an annual accounting of all fees paid into and withdrawn from each account, showing the source and amounts collected, and the amounts expended and the projects for which such expenditures were made.
- D.** Collected School Impact Fees shall be distributed to the South Burlington School District in accordance with the “School Impact Fee Agreement” between the City of South Burlington and the South Burlington School District. The South Burlington School District shall prepare and provide to the City of South Burlington an annual accounting of all fees paid into and withdrawn from the School District’s Impact Fee account, showing the source and amounts collected, and the amounts expended and the project(s) for which such expenditures were made.

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Amended December 5, 2022**Section 6. Refunds.**

- A.** If the actual expense to the City of a project to be funded at least in part by impact fees is less than the fees collected or to be collected, the City shall refund to the then owner of the property for which the fee was paid, that portion of any impact fee, with accrued interest, which is in excess of the appropriate amount due to the City. The City shall provide this refund within one year of the date it completes or terminates construction of the project. If the actual expense to the School District of a project to be funded at least in part by school impact fees is less than the fees collected or to be collected, the School District shall return the overage with accrued interest to the City who shall refund the fees in accordance with this subsection.
- B.** ~~If the City reduces the amount of an impact fee after some fees have been collected, the City shall refund to the then owner of the property for which a fee was paid, that portion of any impact fee, with accrued interest, which is in excess of the appropriate amount due to the City. The City shall provide this refund within one year of the date it reduces the impact fee. [reserved]~~
- C.** If the City or School District does not expend an impact fee within six years of the date it is paid to the City, the then owner of the property for which the fee was paid may apply for and receive a refund of the fee, provided the request for refund is filed within one year of the expiration of the six year time period. Any School Impact Fee subject to a refund in accordance with this section shall be returned by the School District to the City for distribution of the refund.
- D.** A person who pays an impact fee established under this ordinance and subsequently abandons the project without commencing construction of the land development on which the impact fee was based, may request and receive from the City a refund of the impact fee in full. All such fees distributed to the School District shall be returned to the City with accrued interest so the City can refund the fees in accordance with this subsection. Any accrued interest shall be retained by the City to offset administrative costs. A person who receives a refund under this provision shall not commence construction of the land development for which the refund was made without repaying the required impact fees.

Section 7. Expenditure Restrictions.

- A.** All impact fees collected pursuant to this ordinance, and accrued interest, shall be expended only for the specifically identified projects which were the basis for the fees. Such fees and accrued interest shall be expended within six years of the date they are received by the City Treasurer.
- B.** The City or School District Treasurer shall pay, from the appropriate account, expenses associated with the designated projects as they become due and upon receipt of appropriate documentation regarding such expense.

Section 8. Credits for "In-Kind" Contributions.

- A.** "In-Kind" contribution shall mean provision, by a person subject to payment of an impact fee, of land or equipment or construction of facilities that are included in the impact fee analyses and computations, and which are included in or consistent with the City's Comprehensive Plan.

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- B.** Upon recommendation of the Development Review Board or Administrative Officer, the City Council may approve a credit against any impact fee levied under this ordinance for the value of "In-Kind" contributions. The amount of credit for an "In-Kind" contribution shall be based on the actual cost to the person requesting the credit of providing or creating the facilities. The Development Review Board or Administrative Officer shall indicate the basis on which the amount of credit is determined. The amount of credit for an "In-Kind" contribution shall not exceed the total amount of the impact fee for that type of facility which would otherwise be levied on the proposed development.

Section 9. Appeals.

An individual or entity required to pay an impact fee under this ordinance may challenge the imposition of such fee, or the amount of the fee, by filing a written notice of appeal with the City Clerk, which appeal shall not be filed later than thirty days after payment of the impact fee. Said notice of appeal shall state the basis of the appellant's challenge to the fee. Within sixty days of the filing of a notice of appeal, the City Council shall hold a public hearing to receive oral and written evidence and argument from the appellant and City representatives. Within forty-five days after the conclusion of the hearing, the Council shall notify the appellant of its decision in writing.

Section 10. Enforcement.

- A.** Any individual or entity who undertakes land development in the City of South Burlington without first paying a required impact fee imposed pursuant to this ordinance shall be subject to a civil penalty of up to five hundred dollars per day for each day that such land development continues without payment of said fee. The Administrative Officer shall be authorized to act as the issuing municipal official to issue and pursue before the Traffic and Municipal Ordinance Bureau a municipal complaint. The Administrative Officer is authorized to recover a waiver fee of not less than \$50 and not more than \$150 for each violation and a civil penalty of not less than \$100 and not more than \$500 for each violation.
- B.** In addition to the enforcement procedures set forth above, the Administrative Officer is authorized to commence a civil action to obtain injunctive and other appropriate relief

Section 11. Severability.

In the event any provision of this ordinance is for any reason invalid, such invalidity shall not affect the remaining provisions which can be given effect without the invalid provision.

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TABLES
ROAD IMPACT FEES: RESIDENTIAL

TABLE RD-4:
NET RESIDENTIAL ROAD IMPACT FEES PER UNIT

Dwelling Year	Single Family Dwellings				Multi-Family Dwellings			
	Base Fee	Credit for past taxes	Credit for future taxes	Net fee	Base fee	Credit for past taxes	Credit for future taxes	Net fee
2007	\$1,009.86	\$0.00	\$439.81	\$570.05	\$669.91	\$0.00	\$278.36	\$391.54
2008	\$1,009.86	\$0.70	\$414.68	\$594.48	\$669.91	\$0.40	\$262.46	\$407.05
2009	\$1,009.86	\$2.09	\$345.40	\$662.38	\$669.91	\$1.19	\$218.61	\$450.11
2010	\$1,009.86	\$3.14	\$299.17	\$707.56	\$669.91	\$1.79	\$189.35	\$478.77
2011	\$1,009.86	\$4.79	\$214.14	\$790.93	\$669.91	\$2.74	\$135.53	\$531.64
2012	\$1,009.86	\$5.44	\$197.39	\$807.03	\$669.91	\$3.11	\$124.93	\$541.87
2013	\$1,009.86	\$6.10	\$181.31	\$822.45	\$669.91	\$3.49	\$114.75	\$551.67
2014	\$1,009.86	\$6.77	\$165.87	\$837.21	\$669.91	\$3.87	\$104.98	\$561.05
2015	\$1,009.86	\$7.46	\$151.06	\$851.35	\$669.91	\$4.26	\$95.61	\$570.04
2016	\$1,009.86	\$8.16	\$136.83	\$864.88	\$669.91	\$4.66	\$86.60	\$578.65
2017	\$1,009.86	\$8.87	\$123.16	\$877.83	\$669.91	\$5.07	\$77.95	\$586.89
2018	\$1,009.86	\$9.60	\$110.02	\$890.24	\$669.91	\$5.49	\$69.63	\$594.79
2019	\$1,009.86	\$10.35	\$97.39	\$902.12	\$669.91	\$5.92	\$61.64	\$602.36
2020	\$1,009.86	\$11.13	\$85.23	\$913.50	\$669.91	\$6.36	\$53.94	\$609.61
2021	\$1,009.86	\$11.92	\$73.53	\$924.41	\$669.91	\$6.81	\$46.54	\$616.56
2022	\$1,009.86	\$12.74	\$62.25	\$934.87	\$669.91	\$7.28	\$39.40	\$623.23
2023	\$1,009.86	\$13.59	\$51.38	\$944.89	\$669.91	\$7.76	\$32.52	\$629.62
2024	\$1,009.86	\$14.46	\$40.89	\$954.51	\$669.91	\$8.26	\$25.88	\$635.76
2025	\$1,009.86	\$15.37	\$30.76	\$963.73	\$669.91	\$8.78	\$19.47	\$641.66
2026	\$1,009.86	\$16.30	\$20.97	\$972.59	\$669.91	\$9.32	\$13.27	\$647.32
2027	\$1,009.86	\$17.28	\$11.48	\$981.10	\$669.91	\$9.87	\$7.27	\$652.77
2028	\$1,009.86	\$18.29	\$2.29	\$989.28	\$669.91	\$10.45	\$1.45	\$658.01

ROAD IMPACT FEES: NON-RESIDENTIAL

**Table RD-5:
Credit for Past Tax Payments**

Construction Year	Annual Expense	Tax Rate Needed	Tax on \$1,000 value	Credit per \$1,000 of assessed value
2007	\$372,750	0.014913	\$0.15	\$0.00
2008	\$733,375	0.02848632	\$0.28	\$0.16
2009	\$532,875	0.02009548	\$0.20	\$0.46
2010	\$864,163	0.03163963	\$0.32	\$0.70
2011	\$244,500	0.00869115	\$0.09	\$1.06
2012	\$237,938	0.00821155	\$0.08	\$1.21
2013	\$231,375	0.00775248	\$0.08	\$1.36
2014	\$224,813	0.00731321	\$0.07	\$1.51
2015	\$218,250	0.00689293	\$0.07	\$1.66
2016	\$211,688	0.00649096	\$0.06	\$1.81
2017	\$205,125	0.00610652	\$0.06	\$1.97
2018	\$198,563	0.005739	\$0.06	\$2.13
2019	\$192,000	0.00538768	\$0.05	\$2.30
2020	\$185,438	0.00505199	\$0.05	\$2.47
2021	\$178,875	0.00473125	\$0.05	\$2.65
2022	\$172,313	0.00442494	\$0.04	\$2.83
2023	\$165,750	0.00413243	\$0.04	\$3.02
2024	\$159,188	0.00385323	\$0.04	\$3.21
2025	\$152,625	0.00358677	\$0.04	\$3.41
2026	\$146,063	0.00333258	\$0.03	\$3.62
2027	\$139,500	0.00309013	\$0.03	\$3.84
2028	\$35,438	0.00076214	\$0.01	\$4.06

**Table RD-6
Credit for Future Tax Payments**

Construction Year	Annual Expense	Tax Rate Needed	Tax on \$1,000 value	Credit per \$1,000 of assessed value
2007	\$372,750	0.014913001	\$0.15	\$1.39
2008	\$733,375	0.028486315	\$0.28	\$1.31
2009	\$532,875	0.020095476	\$0.20	\$1.09
2010	\$864,163	0.03163963	\$0.32	\$0.95
2011	\$244,500	0.008691152	\$0.09	\$0.68
2012	\$237,938	0.008211549	\$0.08	\$0.62
2013	\$231,375	0.007752477	\$0.08	\$0.57
2014	\$224,813	0.007313213	\$0.07	\$0.52
2015	\$218,250	0.00689293	\$0.07	\$0.48
2016	\$211,688	0.006490955	\$0.06	\$0.43
2017	\$205,125	0.006106519	\$0.06	\$0.39
2018	\$198,563	0.005739	\$0.06	\$0.35
2019	\$192,000	0.005387682	\$0.05	\$0.31
2020	\$185,438	0.005051987	\$0.05	\$0.27
2021	\$178,875	0.00473125	\$0.05	\$0.23
2022	\$172,313	0.004424937	\$0.04	\$0.20
2023	\$165,750	0.004132428	\$0.04	\$0.16
2024	\$159,188	0.00385323	\$0.04	\$0.13
2025	\$152,625	0.003586766	\$0.04	\$0.10
2026	\$146,063	0.003332578	\$0.03	\$0.07
2027	\$139,500	0.003090133	\$0.03	\$0.04
2028	\$35,438	0.00076214	\$0.01	\$0.01

RECREATION FEES: RESIDENTIAL ONLY

TABLE REC-4
NET IMPACT FEES PER UNIT

DWELLING YEAR	1 THRU 3 UNIT STRUCTURES			4 + UNIT STRUCTURES		
	BASE FEE	TOTAL CREDITS	NET FEE	BASE FEE	TOTAL CREDITS	NET FEE
2007	\$1,685.67	\$281.33	\$1,404.34	\$1,179.97	\$178.06	\$1,001.91
2008	\$1,685.67	\$295.40	\$1,390.27	\$1,179.97	\$186.96	\$993.01
2009	\$1,685.67	\$296.06	\$1,389.61	\$1,179.97	\$187.35	\$992.62
2010	\$1,685.67	\$254.96	\$1,430.71	\$1,179.97	\$161.21	\$1,018.76
2011	\$1,685.67	\$243.77	\$1,441.90	\$1,179.97	\$154.07	\$1,025.90
2012	\$1,685.67	\$183.17	\$1,502.50	\$1,179.97	\$115.54	\$1,064.43
2013	\$1,685.67	\$109.60	\$1,576.07	\$1,179.97	\$68.77	\$1,111.20
2014	\$1,685.67	\$72.38	\$1,613.29	\$1,179.97	\$45.08	\$1,134.89
2015	\$1,685.67	\$58.95	\$1,626.72	\$1,179.97	\$36.51	\$1,143.46
2016	\$1,685.67	\$45.86	\$1,639.81	\$1,179.97	\$28.15	\$1,151.82
2017	\$1,685.67	\$33.07	\$1,652.60	\$1,179.97	\$19.98	\$1,159.99
2018	\$1,685.67	\$20.59	\$1,665.08	\$1,179.97	\$12.00	\$1,167.97

FIRE PROTECTION IMPACT FEES: RESIDENTIAL

**TABLE FP-7:
NET RESIDENTIAL FIRE PROTECTION IMPACT FEES, PER UNIT**

Dwelling Year	Single Family Dwellings				Multi-Family Dwellings			
	Base fee	Credit for past taxes	Credit for Future Taxes	Net Fee	Base Fee	Credit for past taxes	Credit for future taxes	Net Fee
2007	\$304.85	\$0.00	\$168.74	\$136.11	\$192.16	\$0.00	\$106.80	\$85.36
2008	\$304.85	\$0.04	\$174.27	\$130.53	\$192.16	\$0.02	\$110.30	\$81.84
2009	\$304.85	\$0.78	\$133.91	\$170.16	\$192.16	\$0.45	\$84.75	\$106.96
2010	\$304.85	\$1.52	\$93.42	\$209.91	\$192.16	\$0.87	\$59.13	\$132.16
2011	\$304.85	\$2.37	\$46.90	\$255.58	\$192.16	\$1.35	\$29.69	\$161.12
2012	\$304.85	\$2.99	\$15.14	\$286.72	\$192.16	\$1.71	\$9.58	\$180.87
2013	\$304.85	\$3.34	\$2.81	\$298.71	\$192.16	\$1.91	\$1.78	\$188.48
2014	\$304.85	\$3.53	\$1.68	\$299.65	\$192.16	\$2.01	\$1.06	\$189.09
2015	\$304.85	\$3.72	\$0.83	\$300.30	\$192.16	\$2.12	\$0.53	\$189.51
2016	\$304.85	\$3.91	\$0.28	\$300.66	\$192.16	\$2.23	\$0.18	\$189.75

FIRE PROTECTION IMPACT FEES: NON-RESIDENTIAL

**TABLE FP-8
ESTIMATED POST-DEVELOPMENT VALUES PER SQUARE FOOT OF FLOOR SPACE**

Type of Use	Type and Quality of Construction:			
	Fireproofed Steel Skeleton or Reinforced Concrete	Masonry or Concrete Bearing Wall Structure	Wood Frame Structure	Pre-Fabricated Steel Structure
Industrial/Manufacturing	\$66	\$49	\$46	\$45
Engineering & Research	\$88	\$69	\$65	\$64
General Office	\$123	\$96	\$93	\$88
Medical Office	\$133	\$113	\$110	\$104
General Retail	\$84	\$71	\$69	\$67
Auto Service Facility	N/A	\$54	\$51	\$41
Elder Care Facility	\$102	\$84	\$81	\$78
Motel	N/A	\$74	\$72	\$72

FIRE PROTECTION IMPACT FEES: NON-RESIDENTIAL (continued)

TABLE FP-9: NON-RESIDENTIAL FIRE PROTECTION IMPACT FEE CREDIT FOR PAST TAX PAYMENTS				
<small>Assume grand list has a 2006 value of \$24,994,969, has grown at 3.0%, and will continue to grow at 3.0%</small>				
CONSTRUCTION YEAR	ANNUAL EXPENSE	TAX RATE NEEDED	TAX ON \$1000 VALUE	CREDITS PER \$1,000 OF ASSESSED VALUE
2007	\$23,000	0.000920	\$0.01	\$0.00
2008	\$399,800	0.015529	\$0.16	\$0.01
2009	\$396,000	0.014934	\$0.15	\$0.17
2010	\$442,400	0.016198	\$0.16	\$0.34
2011	\$303,700	0.010796	\$0.11	\$0.53
2012	\$120,000	0.004141	\$0.04	\$0.67
2013	\$12,000	0.000402	\$0.00	\$0.74
2014	\$9,000	0.000293	\$0.00	\$0.78
2015	\$6,000	0.000189	\$0.00	\$0.83
2016	\$3,000	0.000092	\$0.00	\$0.87

TABLE FP-10: NON-RESIDENTIAL FIRE PROTECTION IMPACT FEE CREDIT FOR FUTURE TAX PAYMENTS				
<small>Assume grand list has a 2006 value of \$24,994,969, has grown at 3.0%, and will continue to grow at 3.0%</small>				
CONSTRUCTION YEAR	PAYMENT	TAX RATE NEEDED	TAX ON \$1000 VALUE	CREDITS PER \$1,000 OF ASSESSED VALUE
2007	\$23,000	0.000920	\$0.01	\$0.53
2008	\$399,800	0.015529	\$0.16	\$0.55
2009	\$396,000	0.014934	\$0.15	\$0.42
2010	\$442,400	0.016198	\$0.16	\$0.30
2011	\$303,700	0.010796	\$0.11	\$0.15
2012	\$120,000	0.004141	\$0.04	\$0.05
2013	\$12,000	0.000402	\$0.00	\$0.01
2014	\$9,000	0.000293	\$0.00	\$0.01
2015	\$6,000	0.000189	\$0.00	\$0.00
2016	\$3,000	0.000092	\$0.00	\$0.00

**TABLE PD-4
NET RESIDENTIAL IMPACT FEES, PER UNIT**

DWELLING YEAR	1 THRU 3 UNIT STRUCTURES				4 + UNIT STRUCTURES			
	Base Fee	Credit for Past taxes	Credit for Future taxes	Net Fee	Base Fee	Credit for Past taxes	Credit for Future taxes	Net Fee
2010	\$503.88	\$0.00	\$158.93	\$344.95	\$352.72	\$0.00	\$99.90	\$252.82
2011	\$503.88	\$0.20	\$153.60	\$350.08	\$352.72	\$0.10	\$96.55	\$256.07
2012	\$503.88	\$0.73	\$126.81	\$376.34	\$352.72	\$0.36	\$79.71	\$272.65
2013	\$503.88	\$1.26	\$100.03	\$402.59	\$352.72	\$0.63	\$62.88	\$289.21
2014	\$503.88	\$1.71	\$79.39	\$422.78	\$352.72	\$0.85	\$49.90	\$301.96
2015	\$503.88	\$2.02	\$68.07	\$433.79	\$352.72	\$1.01	\$42.79	\$308.92
2016	\$503.88	\$2.33	\$57.49	\$444.05	\$352.72	\$1.17	\$36.14	\$315.42
2017	\$503.88	\$2.64	\$47.81	\$453.43	\$352.72	\$1.32	\$30.05	\$321.35
2018	\$503.88	\$2.93	\$39.20	\$461.74	\$352.72	\$1.47	\$24.64	\$326.61
2019	\$503.88	\$3.22	\$31.77	\$468.89	\$352.72	\$1.61	\$19.97	\$331.14
2020	\$503.88	\$3.50	\$25.58	\$474.80	\$352.72	\$1.75	\$16.08	\$334.89
2021	\$503.88	\$3.93	\$10.10	\$489.86	\$352.72	\$1.96	\$6.35	\$344.41
2022	\$503.88	\$4.19	\$6.09	\$493.60	\$352.72	\$2.10	\$3.83	\$346.80
2023	\$503.88	\$4.44	\$3.50	\$495.94	\$352.72	\$2.22	\$2.20	\$348.30
2024	\$503.88	\$4.68	\$2.39	\$496.80	\$352.72	\$2.34	\$1.50	\$348.87
2025	\$503.88	\$4.92	\$2.51	\$496.45	\$352.72	\$2.46	\$1.58	\$348.68
2026	\$503.88	\$5.16	\$2.64	\$496.08	\$352.72	\$2.58	\$1.66	\$348.48
2027	\$503.88	\$5.42	\$2.77	\$495.69	\$352.72	\$2.71	\$1.74	\$348.27
2028	\$503.88	\$5.69	\$2.91	\$495.28	\$352.72	\$2.85	\$1.83	\$348.05
2029	\$503.88	\$5.98	\$3.05	\$494.85	\$352.72	\$2.99	\$1.92	\$347.81
2030	\$503.88	\$6.33	\$0.00	\$497.55	\$352.72	\$3.16	\$0.00	\$349.56

DRAFT

**TABLE PD-5
NON-RESIDENTIAL
IMPACT FEE CREDIT FOR PAST TAX PAYMENTS**

ASSUME 2006 MUNICIPAL GRAND LIST EQUALS \$24,994,969

Grand List will continue to grow at 2.0% per year

CONSTRUCTION YEAR	ANNUAL EXPENSE	TAX RATE NEEDED	TAX ON \$1000 VALUE	CREDITS PER \$1,000 OF ASSESSED VALUE
2010	\$102,666	0.003795	\$0.04	\$0.00
2011	\$271,764	0.009848	\$0.10	\$0.04
2012	\$266,400	0.009464	\$0.09	\$0.15
2013	\$210,316	0.007325	\$0.07	\$0.25
2014	\$127,972	0.004370	\$0.04	\$0.34
2015	\$119,296	0.003994	\$0.04	\$0.40
2016	\$109,288	0.003587	\$0.04	\$0.47
2017	\$97,696	0.003144	\$0.03	\$0.53
2018	\$85,096	0.002684	\$0.03	\$0.59
2019	\$71,848	0.002222	\$0.02	\$0.64
2020	\$157,916	0.004788	\$0.05	\$0.70
2021	\$43,372	0.001289	\$0.01	\$0.79
2022	\$28,360	0.000827	\$0.01	\$0.84
2023	\$12,844	0.000367	\$0.00	\$0.89
2024	\$0	0.000000	\$0.00	\$0.94
2025	\$0	0.000000	\$0.00	\$0.98
2026	\$0	0.000000	\$0.00	\$1.03
2027	\$0	0.000000	\$0.00	\$1.08
2028	\$0	0.000000	\$0.00	\$1.14
2029	\$36,108	0.000916	\$0.01	\$1.20
2030	\$0	0.000000	\$0.00	\$1.27

**TABLE PD-6
NON-RESIDENTIAL
IMPACT FEE CREDIT FOR FUTURE TAX PAYMENTS**

ASSUME 2003 MUNICIPAL GRAND LIST EQUALS \$24,994,969
Grand List will continue to grow at 2.0% per year

CONSTRUCTION YEAR	ANNUAL EXPENSE	TAX RATE NEEDED	TAX ON \$1000 VALUE	CREDITS PER \$1,000 OF ASSESSED VALUE
2010	\$102,666	0.003795	\$0.04	\$0.45
2011	\$271,764	0.009848	\$0.10	\$0.44
2012	\$266,400	0.009464	\$0.09	\$0.36
2013	\$210,316	0.007325	\$0.07	\$0.29
2014	\$127,972	0.004370	\$0.04	\$0.23
2015	\$119,296	0.003994	\$0.04	\$0.19
2016	\$109,288	0.003587	\$0.04	\$0.16
2017	\$97,696	0.003144	\$0.03	\$0.14
2018	\$85,096	0.002684	\$0.03	\$0.11
2019	\$71,848	0.002222	\$0.02	\$0.09
2020	\$157,916	0.004788	\$0.05	\$0.07
2021	\$43,372	0.001289	\$0.01	\$0.03
2022	\$28,360	0.000827	\$0.01	\$0.02
2023	\$12,844	0.000367	\$0.00	\$0.01
2024	\$0	0.000000	\$0.00	\$0.01
2025	\$0	0.000000	\$0.00	\$0.01
2026	\$0	0.000000	\$0.00	\$0.01
2027	\$0	0.000000	\$0.00	\$0.01
2028	\$0	0.000000	\$0.00	\$0.01
2029	\$36,108	0.000916	\$0.01	\$0.01
2030	\$0	0.000000	\$0.00	\$0.00

**SCHOOL IMPACT FEES:
RESIDENTIAL TAX CREDIT APPLIED TO IMPACT FEE**

**TABLE SC-2:
2023-2031 PAST TAX RATE FOR ZEM BOND PER \$1,000 OF VALUATION**

DWELLING CONSTRUCTION YEAR [A]	ANNUAL EXPENSE [B]	TAX RATE NEEDED (PER \$1,000 ASSESSMENT) [C]	CUMULATIVE TAX RATE (PER \$1,000 ASSESSMENT) [D]
2023	\$250,000	0.120431	\$0.00
2024	\$250,000	0.118652	\$0.12
2025	\$250,000	0.116898	\$0.25
2026	\$250,000	0.115171	\$0.38
2027	\$250,000	0.113469	\$0.51
2028	\$250,000	0.111792	\$0.64
2029	\$250,000	0.110140	\$0.77
2030	\$250,000	0.108512	\$0.91
2031	\$250,000	0.106908	\$1.05

TABLE SC-3: 2023-2031 FUTURE TAX RATE PER BEDROOM			
DWELLING CONSTRUCTION YEAR [A]	ANNUAL EXPENSE [B]	TAX ASSESSED PER BEDROOM [C]	CUMULATIVE TAX PAID PER BEDROOM (NET PRESENT VALUE) [D]
<u>2023</u>	<u>\$250,000</u>	<u>\$31.31</u>	<u>\$230.55</u>
<u>2024</u>	<u>\$250,000</u>	<u>\$30.85</u>	<u>\$206.15</u>
<u>2025</u>	<u>\$250,000</u>	<u>\$30.39</u>	<u>\$181.49</u>
<u>2026</u>	<u>\$250,000</u>	<u>\$29.94</u>	<u>\$156.54</u>
<u>2027</u>	<u>\$250,000</u>	<u>\$29.50</u>	<u>\$131.29</u>
<u>2028</u>	<u>\$250,000</u>	<u>\$29.07</u>	<u>\$105.73</u>
<u>2029</u>	<u>\$250,000</u>	<u>\$28.64</u>	<u>\$79.83</u>
<u>2030</u>	<u>\$250,000</u>	<u>\$28.21</u>	<u>\$53.59</u>
<u>2031</u>	<u>\$250,000</u>	<u>\$27.80</u>	<u>\$26.99</u>

Adopted at South Burlington, Vermont this _____ day of _____, 2022, and to be effective upon adoption.

SOUTH BURLINGTON CITY COUNCIL

Helen Riehle, Chair

Matt Cota

Meaghan Emery, Vice Chair

Thomas Chittenden

Tim Barritt, Clerk

Received and recorded this _____ day of _____, 2022.

Donna Kinville, City Clerk

SOUTH BURLINGTON SCHOOL DISTRICT IMPACT FEE STUDY



November 9, 2022

South Burlington School District





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South Burlington School District
SOUTH BURLINGTON SCHOOL DISTRICT IMPACT FEE STUDY

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LIST OF ABBREVIATIONS

ACS	American Community Survey
CCI	[ENR] Construction Cost Index
CCRPC	Chittenden County Regional Planning Commission
GFA	Gross floor area
MSBA	Massachusetts School Building Authority
MTP	Metropolitan Transportation Plan
PUMS	Public Use Microdata Sample
VHFA	Vermont Housing Finance Agency
ZEM	Zero-Energy Module

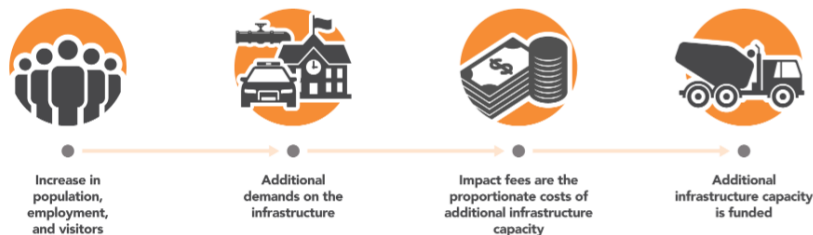
1.0 INTRODUCTION

This impact fee study report evaluates how residential land use development in the city of South Burlington places additional demands on the school district and on existing services and infrastructure. Impact fees are a type of land use regulation that local governments use to generate revenue to construct additional capacity to accommodate this demand. The School District retained RSG to develop this needs study to identify a fair and equitable impact fee structure for its capital expansion investments.

This study presents the legal nexus between population growth and impacts on the education facilities managed by the South Burlington School District. The base fee derived in this study represents the legal maximum based on the expected capital costs to meet the growth in demand. The base fee and subsequent credits and final fee should be adjusted once the capital costs are agreed and the full mix of funding sources have been identified.

Vermont statute authorizes municipalities to levy impact fees on new development. The purpose of these fees is to allocate the cost of new capital facilities to the development that will benefit from those facilities.¹ This can include fees to offset the costs of facilities built in the past with excess capacity for anticipated future development, facilities planned to be built to accommodate future development, and marginal expansion of capacity in response to population growth and changes in community expectations. The statute states that the costs of such infrastructure should only include the portion associated with new capacity to accommodate the future land development's demand. The process is visualized in Figure 1 below.

FIGURE 1: IMPACT FEE PROCESS



¹ 24 V.S.A. § 5200

Source: RSG

The methodology used in the School District Impact Fee Study follows a “consumption” or standards based approach by expanding marginal capacity based on incremental changes in demand (i.e., student population). The consumption based approach identifies the standards by which the services are currently provided, compares those to expected standards of service, and uses a change in base demand to forecast how much additional capacity may be necessary in the future. The plan based approach uses an established plan or vision to identify the necessary capital investments to meet the needs of the future population.

1.1 LEGAL BACKGROUND

The American Planning Association, which is a national organization dedicated to supporting local communities and planning processes, has developed standards for impact fees. These standards are as follows:²

- *The imposition of a fee must be rationally linked (the "rational nexus") to an impact created by a particular development and the demonstrated need for related capital improvements pursuant to a capital improvement plan and program.*
- *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.*
- *Funds received under such a program must be segregated from the general fund and used solely for the purposes for which the fee is established.*
- *The fees collected must be encumbered or expended within a reasonable timeframe to ensure that needed improvements are implemented. Six years in Vermont.*
- *The fee assessed cannot exceed the cost of the improvements, and credits must be given for outside funding sources (such as federal and state grants, developer initiated improvements for impacts related to new development, etc.) and local tax payments which fund capital improvements, for example.*
- *The fee cannot be used to cover normal (day to day) operation and maintenance or personnel costs, but must be used for capital improvements, or under some linkage programs, affordable housing, job training, child care, transit operations, etc. This*

² American Planning Association. "APA Policy Guide on Impact Fees." Available at: <https://www.planning.org/policy/guides/adopted/impactfees.htm>.

expectation has to define costs attributed to mitigating the impacts associated with additional land use development.

Typical management activities:

- *The fee established for specific capital improvements should be reviewed at least every two years to determine whether an adjustment is required, and similarly the capital improvement plan and budget should be reviewed at least every 5 to 8 years.*
- *Provisions must be included in the ordinance to permit refunds for projects that are not constructed, since no benefit will have manifested.*
- *Impact fee payments are typically required to be made as a condition of approval of the development, either at the time the building or occupancy permit is issued.*

Vermont's impact fee statute does not preclude using funds for administrative duties associated with the management of the impact fee program. Nationally, it is common practice to collect and expend impact fees to cover time and expenses associated with the creation, management, and administration of the impact fee program. These funds often cover the salary portion of the impact fee administrator, staff time in the preparation and review of impact fee studies, consultant or staff time preparing impact fee needs reports, and ordinance support. Any administrative fee would be specified in the applicable city impact fee ordinance.

2.0 COMMUNITY CONTEXT

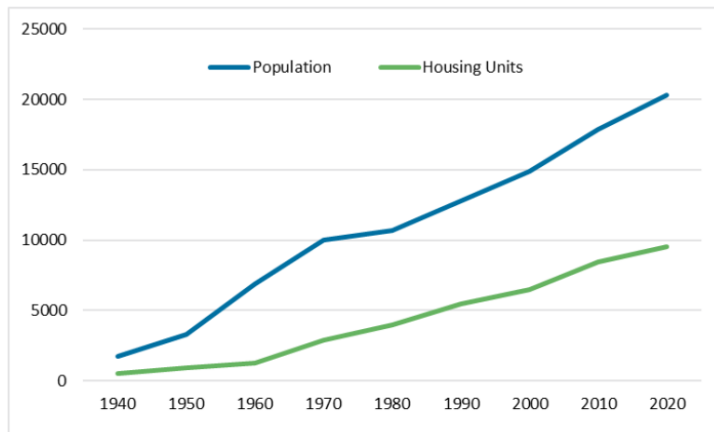
South Burlington has played an important role in the growth and development of the greater Burlington region in northwestern Vermont. The city is located at the junction of three critical roadways (I-89, I-189, US2, US 7), traversed by the western railway line, is the home of the Burlington International Airport, and surrounds Vermont’s largest municipality, the City of Burlington. South Burlington covers approximately 16.5 square miles and is a regional employment, trade, housing, and transportation center.

South Burlington is one of the fastest growing municipalities in Chittenden County and is poised to add more residents and businesses over the coming decades. The city has taken a proactive approach to planning and has been working with the school district, residents, businesses, and other stakeholders as the city refines, updates, and revisits these plans to remain valuable and insightful guides to the regulatory land use development process.

2.1 POPULATION

The city of South Burlington is the third most populous municipality after Burlington and Essex (counting Essex Junction and Town) in Chittenden County, with an estimated population of 20,292 as of the 2020 Decennial Census. The city has experienced a sustained growth trajectory since 1940 as supported by population and housing data visualized in Figure 2.

FIGURE 2: SOUTH BURLINGTON POPULATION AND HOUSING



source: US Census Bureau and 2016 Comprehensive Plan

2.2 HOUSEHOLDS

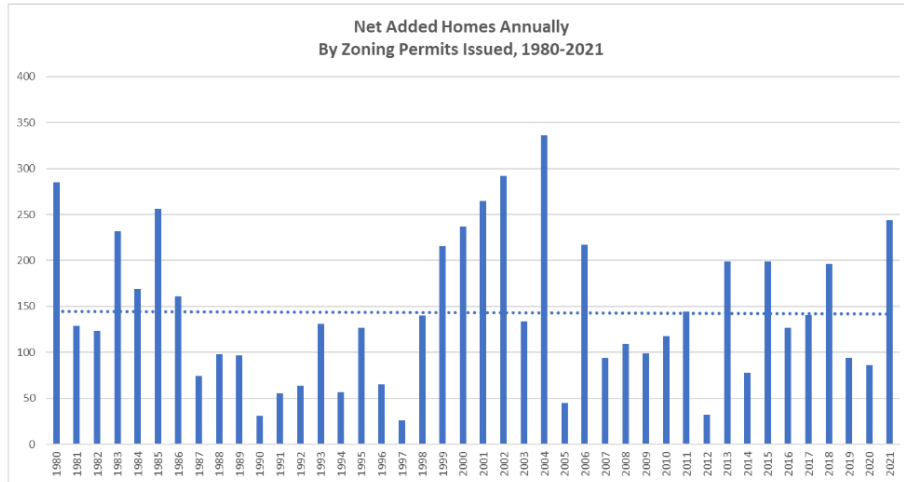
To minimize adverse effects on housing affordability and build a strong nexus between the need for services and growth in the town, it is important to understand the actual number of people occupying the land uses being developed. Households is an accessible and commonly used term for forecasting growth and one of the few units of growth that is specifically used in the permitting process.

Between 2000 and 2020 the city of South Burlington resident population grew by 36.4% while occupied housing stock increased by 46.2%. This aligns with long-term trends of decreasing household size.

The land use based approach is informed by the use of the Chittenden County Regional Planning Commission's (CCRPC), which is the regions Federally recognized Metropolitan Planning Organization, long-range population, employment, and housing unit projections for use in regional planning efforts. The most recent comprehensive review of future growth trends occurred during the 2017 update to the Metropolitan Transportation Plan. The CCRPC projections suggest an additional 719 housing units in South Burlington between 2020 and 2030, an 8% change.

The city of South Burlington planning department has maintained that the regional forecasts are too low given the rate of residential construction anticipated over the next twenty years. City planning staff have indicated that annual changes of around 140 housing units is more realistic and consistent with past land use permits and growth patterns as shown in Figure 3.

FIGURE 3: SOUTH BURLINGTON HOUSING PERMITS (HISTORICAL 1980 TO 2021)



Bedrooms however is also a frequently used metric, guiding the size requirements for waste water and raw water as well as other land development permits. Both the number of households and the number of bedrooms in those households are known entities at the time a building permit is obtained prior to construction. The number of occupants, however, are not – which is the true source of demand for city services such as educational facilities. While we cannot assess the impact fee on the actual number of occupants, we have sufficient data to associate a correlation between the size of the household and number of bedrooms to the number of occupants.

Persons per Household

The American Community Survey estimates that as of 2020, there were 9,087 housing units.³ This is an increase of over 2,586 housing units since the 2000 Census and over 1,453 more than the 2010 census. Most of the housing units are owner occupied (59%) with an average of

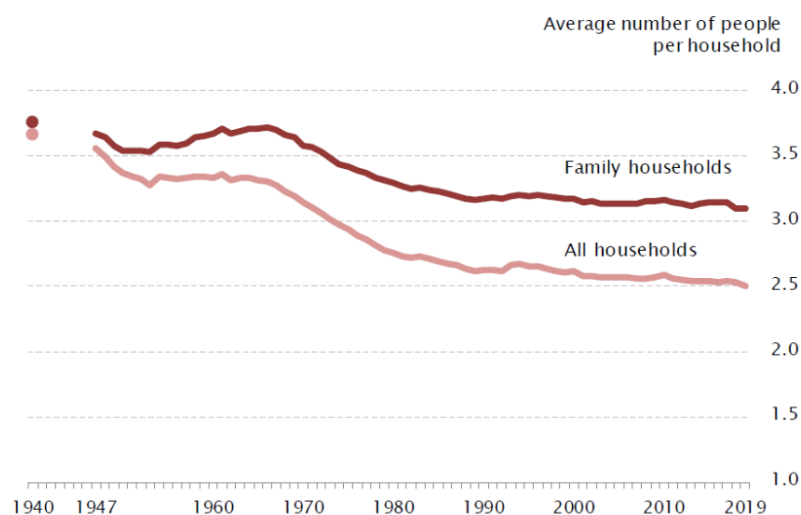
³ The ACS is an estimate based on a sampling of data. The City maintains a detailed record of housing permits and overall housing units. However, it is valuable to compare housing and population using a consistent dataset (i.e., ACS).

2.32 persons per household. The remaining 41% of households are renter occupied with 2.00 persons per household⁴.The citywide average is 2.19 persons per household.

There have been attempts nationally to reduce the effect that impact fees may have on housing costs, and especially, “affordable housing.” Changing the assessment on the size of the home or on the number of bedrooms provides a stronger relationship to the number of occupants and the likely impact on the school district.

Nationally, over the past half century the average size (number of persons) of the household has dropped from 3.67 persons per household in 1940 to 2.53 in 2016 as shown in Figure 4.

FIGURE 4: AVERAGE HOUSEHOLD SIZE (1940–2016)



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, 1940 and 1947 to 2019.

Source: US Census Bureau⁵

The number of occupants per household influences the number of housing units necessary to house the population and may also influence the degree to which any household may impact

⁴ 2020 American Community Survey 5-year estimates (Table B25010)

⁵ US Census Bureau. “Historical Households Tables.” December 2020. Available at: <https://www.census.gov/data/tables/time-series/demo/families/households.html>.

the needs for goods and services. Specifically, as it pertains to the school district, if there are fewer occupants, there may be a reduction in likely number of students that may be living in the household. Traditionally, impact fee studies often separated the fees based on ownership status or other proxies for ownership. Rightly or wrongly, the ownership may be an easier way to capture anticipated or degree of impact on the system. However, as shown in Table 1 there has been a trend toward convergence between owner occupied housing sizes and renter occupied housing sizes. Since 2000 the city has seen a decline in average persons per owner occupied unit, and from 2010 to today an increase in the overall household size of rented units.

TABLE 1: AVERAGE PERSONS PER HOUSING UNIT

	AVG. PERSONS PER OWNER OCCUPIED UNIT	AVG. PERSONS PER RENTER OCCUPIED UNIT
2000 Census	2.44	2.02
2010 Census	2.50	1.75
2015 ACS	2.38	1.84
2020 ACS	2.32	2.00

Source: US Census Data (Table B25010)

To move away from ownership status, it is important to acknowledge that the simple metric of household is too gross of a measure. There is wide variation in the number of occupants and the behaviors of those occupants that should be better accounted for. Additionally, the Comprehensive Plan reinforces the notion that policies such as impact fees, should be designed to be avoid unintentional adverse impacts on affordable housing policies.

Bedrooms per Household

The 2020 breakdown of households and the number bedrooms is shown in Table 2. Note that the total number of housing units estimated by the ACS is slightly different than what the City Planning office considers to be an accurate count of housing units. The ACS aides in the understanding of the relative makeup of each of the units in the city.

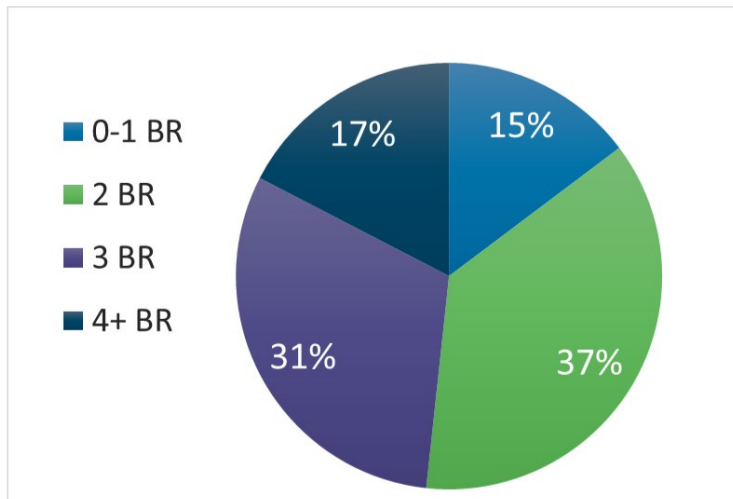
TABLE 2: SOUTH BURLINGTON BEDROOMS, BY HOUSEHOLD UNIT (2020 5-YEAR ACS)

HOUSEHOLD BEDROOM COUNT	COUNT	PERCENT
No Bedroom (i.e., studio or efficiency unit)	202	2%
1 Bedroom	1,137	13%
2 Bedrooms	3,360	37%
3 Bedrooms	2,807	31%
4 Bedrooms	1,340	15%
5 or More Bedrooms	241	3%

Total Housing Units 9,087 100%

The weighted average number of bedrooms per unit is 2.5. Aggregated into three levels (0 to 1 bedroom, 2 bedroom, 3 bedroom, and 4+ bedroom) units can be helpful and easier for practical applications. The percentage as a share of the overall housing mix is shown in Figure 5.

FIGURE 5: EXISTING BEDROOM MIX OF SOUTH BURLINGTON HOUSING UNITS



Source: American Community Survey (2020 5-year. Table B250401)

The planning department at the city of South Burlington maintains a robust record of the housing permits and based on the local data there are 9,500 housing units as of 2020. Using the ACS percentage of households by the number of bedrooms the 2020 share of households by bedrooms is shown in Table 3.

TABLE 3: SOUTH BURLINGTON 2020 HOUSEHOLD MIX BY BEDROOM

	TOTAL	0-1 BR	2 BR	3 BR	4+ BR
Units	9,500	1,400	3,513	2,935	1,653
Percent		15%	37%	31%	17%

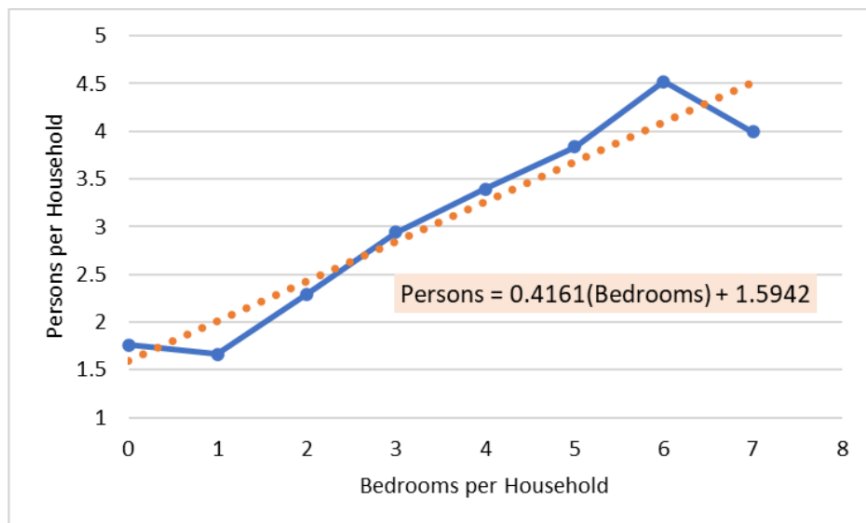
Source: City of South Burlington records using ACS percentages

Lastly, the U.S. Census Public Use Microdata Sample (PUMS) regularly surveys around 1% of the U.S. population each year across the full set of variables surveyed in the ACS. The 2019

five-year PUMS data was downloaded using the statistical software R and exported for the state of Vermont geography, providing occupancy data on 32,056 households.

The data accessed compares persons per household and the number of bedrooms in that household. The relationship is visualized in Figure 6 below.

FIGURE 6: VERMONT PERSONS PER HOUSEHOLD BY BEDROOM



Source: Census PUMS data analyzed by RSG

A strong linear relationship exists between the number of bedrooms a household has and the number of persons in that household. This is a helpful check to confirm that bedroom count can be a reliable measure of the number of occupants, and therefore, the impact on the city of South Burlington facilities, including schools.

2.3 LAND USE FORECASTS

The Comprehensive Plan supports the city’s vision for robust and significant growth in both population and employment. The city is expected to remain one of the faster growing communities in Vermont and in Chittenden County. The 2020 Census data indicates the state

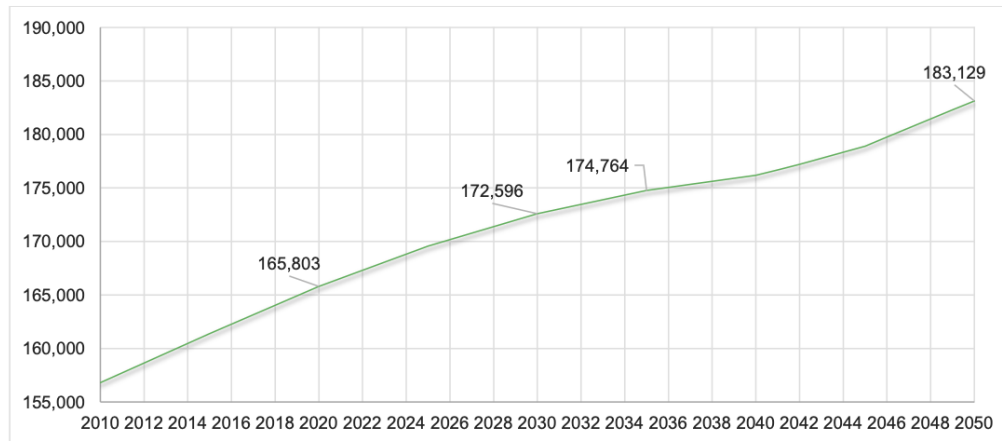
population grew 2.8%, or 0.28% annually between 2010 and 2020, while South Burlington grew 13.34%, or 1.25% annually⁶, from 17,904 to 20,292 residents between 2010 and 2020.

Countywide Context

The 2018 ECOS Metropolitan Transportation Plan (MTP) produced by the CCRPC developed countywide and municipal forecasts out to 2050. The 2018 projections have countywide population projected to increase from 165,000 in 2020⁷ to 183,000 in 2050. The population is anticipated to slow in annual growth rates through the 2020s and then increase again starting in the 2030s as the 'millennials' fully enter an age typical of household formation.

Figure 7 shows the chart for the projected countywide population growth through year 2050. The chart indicates that annual growth rates between 2010 and 2020 are around 0.56% and forecast between 2020 and 2030 at 0.4%. South Burlington data indicates that the city is adding residents faster than the Chittenden County average.

FIGURE 7: CHITTENDEN COUNTY POPULATION PROJECTIONS



Source: CCRPC 2018 ECOS MTP (developed by Economic Policy Resources, Inc. and RSG)

⁶ Using a natural log growth equation with US Census 2010 and 2020 population estimates

⁷ The 2019 ACS data indicates Chittenden County has a population of 163,774

Forecast Growth in Housing and Students

The city of South Burlington is forecast to see an increase in employment and population over the coming decades. By 2030 regional growth forecasts⁸ suggest South Burlington could see an increase in over 2,000 residents and 3,400 jobs from 2015. These forecasts were developed as part of a regional effort in 2017 by the CCRPC to account for New England wide trends in a Vermont context and then work with local agencies and governments to refine forecasts for each community within Chittenden County. The forecasts were completed going out to the future year 2050, the current planning horizon for the regional long-range planning efforts. The growth anticipated for South Burlington in the regional planning effort (shown in Table 4) shows a significantly slower rate of growth than the historical average of 140 units per year shown in Figure 3.

If the 140 units per year remains a long run average, the city could reasonably expect nearly 11,000 housing units by the year 2030. This comparison between the different forecasts is only helpful to provide a perspective on the amount of growth and development expected in the city.

TABLE 4: REGIONAL LAND USE HOUSING FORECASTS FOR SOUTH BURLINGTON

	HOUSEHOLDS	HOUSEHOLDS ANNUALIZED GROWTH RATE
2020	9,500	
2025	9,793	0.62%
2030	10,219	0.87%
2035	10,644	0.83%
2040	11,069	0.80%
2045	11,495	0.77%
2050	11,920	0.74%

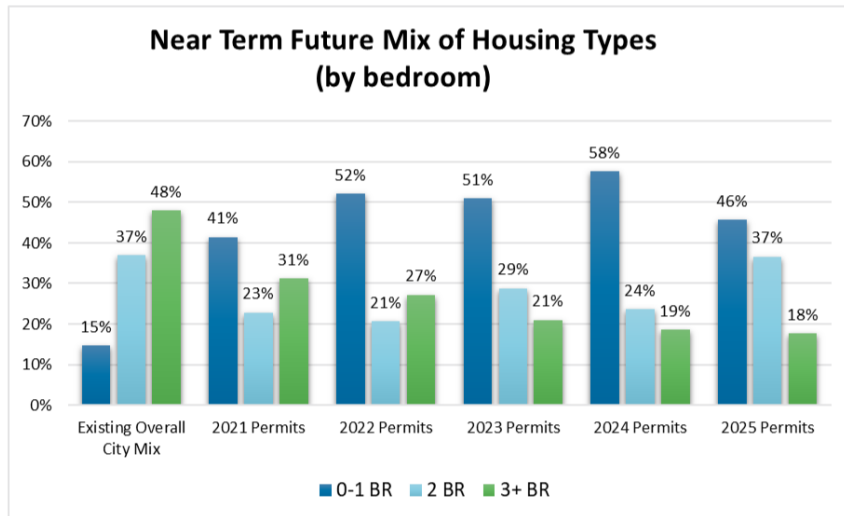
Source: CCRP 2018 MTP Forecasts (pivoted using actual 2020 housing units)

However, the overall number of housing units is only part of the story. The City Planning Department identified a near term growth projection using an identified list of known or likely land use development projects to occur within the next decade, by 2030. The size, scale, and bedroom composition of these units are expected to be markedly different than what has been the recent historical housing type within South Burlington.

Figure 8 shows the existing mix of housing units by bedroom count along with the type of housing unit anticipated over the next few years in the city. The figure shows a clear shift in the composition of the housing units. This will likely affect the anticipated number of students residing in these units.

⁸ CCRPC MTP Forecasts for year 2030.

FIGURE 8: NEAR TERM HOUSING UNITS BY BEDROOM MIX



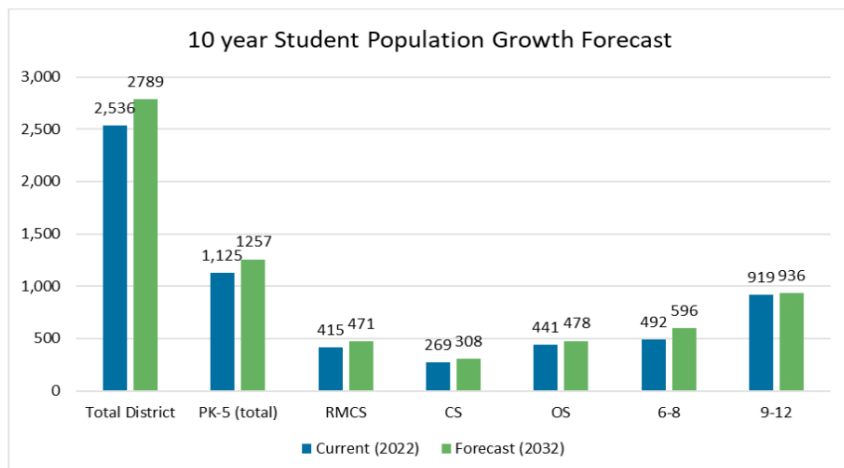
Source: City of South Burlington Planning Department (May 2022)

The number of students residing and enrolled in South Burlington schools has traditionally been based on forecasts from McKibben Demographics to inform key inputs such as school by school enrollment by year. The analysis uses a range of demographic factors such as migration (in and out), births and deaths, and historical data that is used to inform the future rate of change in the student populations by grade.

At an aggregate level, the October 20, 2021 McKibben report indicates 2,349 resident students in 2020 and forecasts 2,604 in 2030 (and 2,635 by 2032). This is a 10.8% change over the next 10 years, with an annual average increase of nearly 26 students per year. In addition to simply resident students, there are nearly 200 tuition students from nearby communities who attend school in South Burlington. These numbers are expected to remain stable. It is both a service to the wider community in northwestern Vermont but also a benefit for the additional revenue that can offset local education costs.

Figure 9 shows the McKibben total school district enrollment forecast out ten years to year 2032.

FIGURE 9: TOTAL ENROLLMENT FORECAST



Source: McKibben Demographics (October 20, 2021)

A detailed methodology and assumptions of McKibben’s work is included in the appendix of the May 2019 Phase 2 Master Planning & Visioning report, titled Demographic Study Report 2019 from McKibben Demographics. The analysis is detailed with the many assumptions that are critical to understanding the future forecasts that were made. Foremost among them is the assumed number of new housing units constructed. The 2019 report states an assumed 500 new units by 2028. This is well short of the amount the City Planning Department has indicated based on historical averages (~140 units per year) as well as near term growth expectations. It will be important for city and school district staff to monitor the changes in enrollment as it relates to housing growth and development.

The following chapters rely on the attributes of the housing being constructed in the city as well as the demands on the school facility to accommodate the future growth in student enrollment.

3.0 SCHOOL DISTRICT FEE DEVELOPMENT

3.1 INTRODUCTION

The school district has been proactive in developing plans for additional school capacity. Over the past decade a handful of options have been identified such as consolidation at the K-5 level, rebuilding schools, or building anew. This impact fee study report supports the Master Planning Process that continues today to identify pathways forward to maximize student performance by improving the educational capital facilities.

Impact fees can support the expansion of the schools within the district as long as there is a sound nexus between the growth in the community, a unit of growth – being households, the demand for additional school space as a result of that growth, and a capital plan to build the additional capacity. This chapter sets out the necessary components of an impact fee including developing the service standard, developing a cost per unit of growth, and including mechanisms for credits and avoiding issues of double payment.

The district has a long-term vision of high-quality facilities that are flexible, adaptable and resilient to the inevitable changes in instructional format. The Master Planning Process has included numerous studies and evaluations of the facilities as well as public engagement activities to educate the community on the conditions and capacity challenges at the schools.⁹ The Master Planning documents along with others including demographic projections were reviewed and informed this impact fee study report, including the following:

- Phase 1 - Master Planning and Visioning Process: Site & Building Assessments, Dore and Whittier. April 24, 2018.
- South Burlington School District, Redistricting Study Option Statistics, Cropper GIS. May 2, 2019.
- Phase 2 – Master Planning and Visioning Process: Educational Component, Dore and Whittier. May 31, 2019.
- School District Enrollment Projections. Cropper GIS/McKibben Demographics. September 23, 2019.
- Population and enrollment Forecasts: 2021 Series, McKibben Demographics. October 20, 2021.

⁹ Master Planning and Visioning site. <https://www.sbschools.net/Page/736>

- Elementary School Building Assessment: Programming Update, Dore and Whittier. November 30, 2021.
- Elementary School Building Assessment: Options Analysis, Dore and Whittier. April 26, 2022.

3.2 SERVICE STANDARD

Schools are dynamic and flexible spaces within a rigid structural shell. They must respond to evolving educational practices and year to year variations in enrollment. These challenges are among the hundreds of others that have been considered in the Master Planning and Visioning process that the school district organized over the past few years. The process convened working groups and committees to determine the preferred configuration and size of the future schools within South Burlington to meet the expected student population.

Vermont has historically used a blanket, one size fits all, 160 square feet of gross square feet per student as the service standard that applies for all schools across all ages in Vermont. The standard has not changed for several decades and is considered inadequate to reflect the changing demands on the educational facilities. Alternatively, Massachusetts provides a current set of design standards that have been identified by the district's architects as superior to Vermont's standard and more accurately reflect the desired conditions. The Massachusetts School Building Authority (MSBA) Regulations apply to all public schools and communities that receive state funding assistance in Massachusetts.¹⁰

The architects for the South Burlington school district have pointed out that the Massachusetts standards should not be followed indiscriminately and require context and consideration of the local South Burlington situation. However, they do provide a helpful and powerful source of information for the purposes of establishing impact fees by providing a straightforward rubric as to the amount of space a pupil requires. The MSBA square footage standards per student vary by the age of the students (i.e., different standards for elementary vs. high school) and the total enrollment of the school. Table 5 shows the MSBA standard square feet per student standards for the five schools within South Burlington as well as the weighted average for the elementary schools and the overall weighted average.

¹⁰ Massachusetts School Grant Building Program. <https://www.mass.gov/regulations/963-CMR-200-school-building-grant-program>

TABLE 5: SQUARE FEET STANDARDS PER SOUTH BURLINGTON SCHOOL

SCHOOL	SERVICE STANDARD SQUARE FEET PER STUDENT (USING THE MSBA STANDARDS)
Average	
(weighted by size of student population)	180
PK-5 Elementary	173
Rick Marcotte School	165
Chamberlin School	178
Orchard School	162
6-8 Tuttle Middle School	173
9-12 High School	200

Source: RSG analysis of the MSBA Standards

The service standards for any future condition are compared to the existing condition to understand whether any deficiency exists today. Existing deficiencies are not eligible for funding through impact fees and must be funded with other sources. The existing enrollment and size of each school and resulting square feet per student is shown in Table 6. The MSBA standards and resulting size of each school and the resulting deficiency is included.

TABLE 6: EXISTING SERVICE STANDARDS IN SOUTH BURLINGTON

SCHOOL	CURRENT TOTAL ENROLLMENT (2022)	EXISTING SQUARE FEET OF SCHOOL	EXISTING SQUARE FEET PER STUDENT	MSBA REQUIREMENTS (SQUARE FEET)	MSBA SQ FT PER STUDENT	EXISTING CURRENT SPACE DEFICIENCY PER STUDENT
Total	2,536	446,534	176	498,892	180	4
PK-5	1,125	167,440	149	194,540	173	24
RMCS	415	55,526	134	68,299	165	31
CS	269	54,792	204	54,792	178	0
OS	441	57,122	130	71,449	162	32
6-8	492	120,552	245	120,552	173	0
9-12	919	158,542	173	183,800	200	27

Source: RSG

The analysis indicates that existing deficiencies are particularly acute at the high school and two of the elementary schools. Interim plans include adding temporary classrooms as well as shifting some of the districts to shift students from one school to another. However, as indicated by the overall deficiency of 4 square feet per student, the entire district is space deficient per the MSBA standards. This is the deficiency at the time of this impact fee study and it is expected to increase if capital investments are not made.

3.3 STUDENTS PER HOUSEHOLD

Section 2.3 summarized the expectation that South Burlington and the school district is expected to add over 1,000 housing units (up to 1,400 if long-term trends continue) over the next ten years. A portion of those households and the residents living in them are likely to, or at some point in the future, house school-age children, adding to the overall demand for educational facilities in the school district.

This chapter sets out the methodology for estimating the number of students that any housing unit in the city may generate, and subsequently, demand for additional capital infrastructure.

The McKibben Demographics report indicated a total of 2,349 resident students were enrolled in 2020. The City Planning Department has indicated that there were 9,500 housing units in 2020. This produces an average of 0.247 students per housing unit across the entire city. The ACS also estimates that only 23.3% of households in the city have one or more resident under the age of 18. Roughly, these two numbers indicate that 1 in 4 households has a student in the district.

These numbers are citywide averages that could be further divided into the types of housing units being occupied. Recognizing that the city is changing and the demand for smaller housing units is also growing as household size has reduced over the last few decades (see Figure 4).

The U.S. Census PUMS regularly surveys around 1% of the U.S. population each year across the full set of variables surveyed in the ACS. The 2020 five-year PUMS data was downloaded using the statistical software R and exported for state of Vermont, providing data on students per household for 13,452 households in the study area.¹¹ The PUMS data shows trend of higher numbers of students residing per unit as the number of bedrooms increases. For instance, single family homes with 4 bedrooms include an average of 0.73 students compared to 3 bedroom units having 0.52 students, and 2 bedroom units having 0.27 students. The data is statewide, and obviously a limited dataset, but provides a local sample to inform this process.

TABLE 7: ACS PUMS DATA ON STUDENTS PER HOUSE BY BEDROOM

BEDROOMS PER UNIT	STUDENTS PER HOUSEHOLD
0 – 1	0.16
2	0.27
3	0.52

¹¹ Total households in the PUMS data is 15,584. However, 2,132 had a bedroom count of (-1) which were removed from the data

4 0.73

Source: RSG analysis of statewide Vermont households PUMS data (2020 5-year)

The 2020 PUMS analysis is juxtaposed against an alternative picture of historical data using the 2000 Census data analyzed by the Vermont Housing Finance Agency (VHFA) shown in Figure 10. The VHFA analysis suggests the current overall average within South Burlington (0.247) is reasonable, albeit lower than historical Vermont averages.

FIGURE 10: VHFA PERCENT OF HOUSING TYPES WITH SCHOOL-AGE CHILDREN

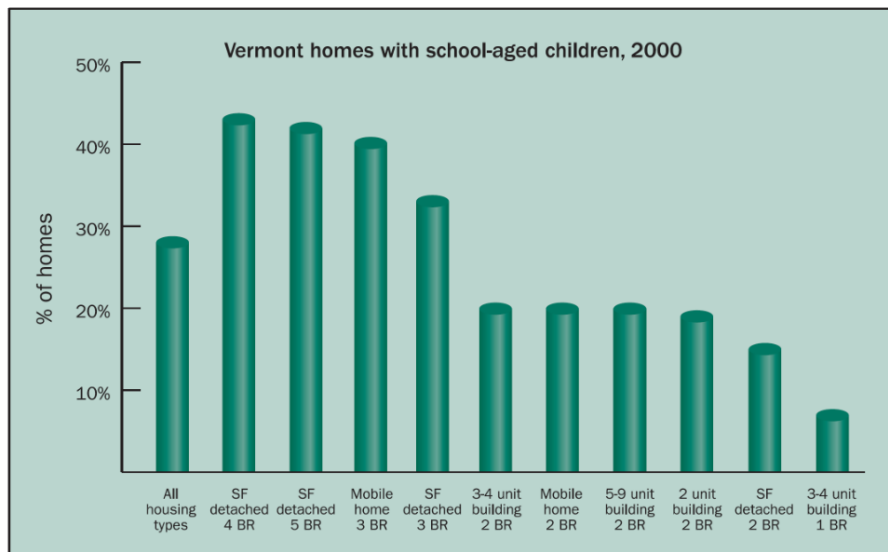


FIGURE 1 Note: Includes housing types numbering at least 5,500 units throughout Vermont in 2000. Source: Analysis by Bill Smith, Public Policy Demographics, using 2000 Census Vermont PUMS data. Source: VHFA: Housing and Vermont's School Enrollment. January 2007.

A more recent analysis of 2015 data (2011-2015 ACS data) prepared by Econsult Solutions titled "Who Moves into Vermont Housing" completed in November 2017 shows an extensive breakdown of school-age children by housing unit by bedroom count. The report states that these are derived from national sample and then further filtered to represent Vermont and not

sensitive to specific community conditions. The data analyzes households moving into Vermont within four years of the ACS sample (in this case, the earliest move in date is 2008).

The Econsult Solutions analysis aligns well with the 2020 PUMS data, with the one change that suggests that more recently there are higher numbers of students in 0 and 1 bedroom units relative to the 2011-2015 analysis.

FIGURE 11: SCHOOL-AGE CHILDREN MULTIPLIERS (ECONSULT SOLUTIONS)

Housing Configurations	School-Age Children		
	Per Household Estimates	90 Percent Confidence Interval	
		Lower	Upper
All Housing Types			
Own or Rent			
All Sizes	0.326	0.299	0.353
1 Bedroom or Studio	0.022	0.012	0.032
2 Bedroom	0.231	0.192	0.269
3 Bedroom	0.542	0.485	0.599
4 Bedroom	0.726	0.605	0.847
Own Only			
1 Bedroom or Studio	0.059	0.000	0.131
2 Bedroom	0.109	0.066	0.151
3 Bedroom	0.438	0.369	0.506
Rent Only			
1 Bedroom or Studio	0.019	0.010	0.028
2 Bedroom	0.279	0.229	0.329
3 Bedroom	0.688	0.590	0.785

Source: Econsult Solutions. November 2017.

The data sources (citywide average students per housing unit, the PUMS data for Vermont, and the two reports) are used to estimate the current South Burlington specific rates of students per housing unit by number of bedrooms shown in Table 8.

TABLE 8: NUMBER OF STUDENTS PER HOUSING UNIT IN SOUTH BURLINGTON (2022)

	0-1	2	3	4+	
	BEDROOM	BEDROOM	BEDROOM	BEDROOM	WEIGHTED AVERAGE
	UNITS	UNITS	UNITS	UNITS	STUDENTS PER UNIT

Total district students per housing unit	0.096	0.162	0.312	0.438	0.248
PK-5 Grades (~46% of students)	0.044	0.075	0.144	0.202	0.114
Grades 6,7,8 (~23% of students)	0.022	0.037	0.072	0.101	0.057
Grades 9-12 (~31% of students)	0.030	0.050	0.096	0.135	0.076

Source: RSG

The number of students by grade cohort are based on the proportional share of each grade. For example, K-5 grades, are 6 years out of 13 (~46%) in which the district operates. Over the long run, every home in South Burlington has a probability to generate a student in proportion with these shares.

The number of students generated per housing unit is used to relate the necessary amount of school facility space needed in the district to accommodate for additional housing units being constructed. The ratios for South Burlington appear to be lower than the recent PUMS data for statewide Vermont and lower than the averages analyzed by VHFA and Econsult.

The actual number of students added to the district over the coming years will be a function of the number of housing units and the composition of those units. For example, the next few years could look something similar what is shown below in Table 9 based on the expected number of housing units by bedroom type and the number of students per household type.

TABLE 9: STUDENT GROWTH BY HOUSEHOLD TYPE

YEAR	TOTAL HH PER YEAR	ANNUAL HOUSING SHARE BY NUMBER OF BEDROOMS				NUMBER OF HOUSEHOLDS BY BEDROOM (STUDENTS BY HOUSEHOLD TYPE)				ANNUAL ADDITIONAL STUDENTS	TOTAL NEW STUDENTS
		0-1 BR	2 BR	3 BR	4+ BR	0-1 BR (.096)	2 BR (.162)	3 BR (.312)	4+ BR (.438)		
2022	169	52%	21%	21%	7%	88.0	35.0	35.0	11.0	21	38
2023	336	51%	29%	14%	7%	170.0	96.0	47.0	23.0	39	77
2024	284	58%	24%	12%	7%	164.0	67.0	34.0	19.0	32	109
2025	142	46%	37%	10%	7%	65.5	52.4	14.1	10.1	16	125
2026	140	52%	26%	15%	7%	72.8	36.4	21.0	9.8	16	141
2027	140	52%	26%	15%	7%	72.8	36.4	21.0	9.8	16	158
2028	140	52%	26%	15%	7%	72.8	36.4	21.0	9.8	16	174
2029	140	52%	26%	15%	7%	72.8	36.4	21.0	9.8	16	191
2030	140	52%	26%	15%	7%	72.8	36.4	21.0	9.8	16	207

This possible configuration generally aligns with the forecasts that were prepared by McKibben Demographics (see Figure 9), however, derived from different data and methodology. Future planning between the school district and the city should seek to monitor the housing units, the type of unit, and ideally the numbers of students based on the housing type. This data can be important to monitor and can identify and possibly predict of enrollment pressures before they

occur. Further, comments from the City Council suggested an interest in moving beyond bedrooms and creating a square footage based fee. If there is any survey of student enrollment, connecting that enrollment data to housing type, bedrooms, and square footage would be ideal.

4.0 BASE IMPACT FEE

4.1 OPTION 1: DISTRICTWIDE IMPROVEMENT

The base impact fee has been designed to encompass the entire school district, with improvements to each of the three elementary schools, the middle school, and the high school. The base fee is designed for the option to reconstruct, improve, and expand each of the school facilities in the district. Alternatively, a renovation and expansion option was subsequently considered and dismissed by the school board.

The basic formula for the impact fee assessment is:

$$\begin{aligned}
 & \text{Square Foot per student} \times \text{Cost per square foot} \times \text{Students per housing unit} \\
 & = \text{Base capital cost per housing unit} \\
 & (-) \text{ subtract cost per feet for existing deficiencies} \\
 & = \text{Base impact fee per housing} \\
 & (-) \text{ subtract for property taxes that may be paid on future debt for school (see Chapter} \\
 & \text{5.0 for Credits)} \\
 & = \text{Final impact fee per housing unit}
 \end{aligned}$$

This impact fee approach uses the consumption or ratio method as the fee is assessed on the marginal basis of expansion. Each unit of growth (student per household) is associated with a specific amount of additional capacity (square feet of space per student). The school district can collect annual impact fees as the means to pay for the new capacity while using more traditional funding sources such as bonds and grants, to pay for the overall project. Any impact fee revenue from annual housing permits will offset the annual bond payments.

Capital Costs

The capital costs in 2022 dollars for replacing and expanding each of the five schools are shown in Table 10. The capital costs are estimated after a rigorous and comprehensive process to analyze the various options for shifting students within schools, replacing and consolidating schools, as well as the preferred configuration of rebuilding and expanding each of the schools in the district. The values in this table reflect recommendations from an ad-hoc enrollment committee facilitated and organized by the school district.

The preferred option for all new construction treats the overall district as one entity rather than fees for specific schools or grade levels. Developing a school impact fee at the district level that uses a districtwide average cost per foot also provides greater flexibility as to the use and

spending of the impact fees to pursue any and all opportunities for capital expansion throughout the district. The overall weighted average cost of the new construction option is \$587.21 in 2022 dollars.

TABLE 10: CAPITAL COSTS FOR PREFERRED ALL NEW CONSTRUCTION OPTION

SCHOOL	EXISTING SQUARE FOOTAGE	FINAL CONSTRUCTED SQUARE FOOTAGE	ALL NEW PROJECT COST (MILLION)	COST PER SQ FOOT (DOLLARS)	NEW CAPACITY COST (MILLION) - 2022 DOLLARS	% OF COST OF NEW CAPACITY
Total	446,534	571,681	\$ 335.70	\$ 587.21	\$ 67.61	20%
PK-5	167,440	206,681	\$ 134.34	\$ 650.00	\$ 7.89	6%
RMCS	55,526	75,384	\$ 49.00	\$ 650.06	\$ 4.61	9%
CS	54,792	55,153	\$ 35.85	\$ 649.94	\$ 0.23	1%
OS	57,122	76,144	\$ 49.49	\$ 649.97	\$ 3.05	6%
6-8	120,552	130,000	\$ 71.98	\$ 553.68	\$ 5.23	7%
9-12	158,542	235,000	\$ 130.11	\$ 553.65	\$ 28.35	22%

Source: Dore and Whittier (May 2022 estimates)

Table 10 shows the existing and proposed square footage anticipated to be constructed for each of the facilities. Overall, an estimated 20% of the total new square footage is expected to be additional space over and above the space in existing facilities. The total cost of \$335.70 million includes \$5.88 million to address existing deficiencies, \$262.21 million to replace the existing capacity, and \$67.61 million to increase the capacity of the system.

Important to note – at the time of this study preparation – the total cost excludes any financing costs such as interest.

Base Fee Calculation

The base impact fee is a result of the additional square feet of space needed to accommodate additional students as a result of new students occupying an increasing number of housing units in South Burlington.

- a) **Space per student:** The overall average space per student required in the district is 180 square feet. This standard is based on the MSBA given the typical enrollment of the school and the grade levels of students in the school.
- b) **Cost per square foot:** The overall average cost per square foot of educational space in the district is \$587.21 in 2022 dollars.

c) **Number of students per housing unit:** The number of students that may occupy any housing unit in the city does vary by the size of the unit, typically aligned with the number of bedrooms. The overall average of 0.248 students per household or per Table 8 by bedroom count.

	0-1 BEDROOM UNIT	2 BEDROOM UNITS	3 BEDROOM UNITS	4+ BEDROOM UNITS	WEIGHTED AVERAGE STUDENTS PER UNIT
Students per housing unit	0.096	0.162	0.312	0.438	0.248

d) **Existing deficiency:** The district currently has an average deficiency of 4 square feet of education space per student. This is calculated using the existing square footage (446,534 square feet) divided by the current enrollment (2,536 students) = 176 square feet per student. The MSBA weighted average for the district is 180 square feet per student. The current cost per square foot estimates (\$587.21) includes costs to rebuild existing capacity, address the deficiency, and expand the facility. Therefore, the cost of addressing the existing deficiency is removed from the cost per square foot that is embedded in the overall project cost estimates.

The net base impact fee cost per housing unit is shown for housing units by bedroom or by the citywide average in Table 11. The fee can be established on either a bedroom bases or on a straight average which would assess each housing unit the same fee regardless of bedroom count.

TABLE 11: NET BASE IMPACT FEE COST PER HOUSING UNIT (2022 DOLLARS)

	0-1 BEDROOM UNIT	2 BEDROOM UNITS	3 BEDROOM UNITS	4+ BEDROOM UNITS
Students per unit	0.096	0.162	0.312	0.438
Sq feet of School Required per housing unit (180 square feet per student x no of students)	17.3	29.2	56.2	78.9
Cost per square foot: \$587.21				
Base impact fee cost per housing unit	\$10,148.46	\$17,125.52	\$32,982.48	\$46,302.33
Deficiency (4 sq ft per student x no. students x cost per square foot)	(\$2,348.84)	(\$2,348.84)	(\$2,348.84)	(\$2,348.84)
Net base impact fee cost per unit (Base impact fee - Deficiency)	\$7,799.62	\$14,776.68	\$30,633.64	\$43,953.49

4.2 OPTION 2: PK-8 ZERO-ENERGY MODULAR (ZEM) CLASSROOM FLEXIBLE SPACE

This second capital enhancement option will consist of using semipermanent modular structures to accommodate an additional 140 students using an average of 17.5 students per module. The capacity of the units reflects an average number of students given the variety of uses and needs of different classes and activities that could occur within the modules. The number is viewed as a conservatively low value, with higher numbers providing only greater overall capacity to accommodate more students.

The district will purchase eight zero-energy modular (ZEM) structures for use within the PK-8 grade facilities – serving as flexible space where acute student capacity constraints are particularly challenging. The eight modules are expected to have a lifespan of ten or more years and can be moved within the district to meet the changing capacity needs of specific community schools.

The base impact fee for the ZEM option has been designed to account for added capacity for the PK through 8 grade education facilities.

The basic formula for the impact fee assessment is:

$$\begin{aligned}
 & \text{Cost per new student capacity} \times \text{Students per housing unit} \\
 & = \text{Base capital cost per housing unit} \\
 & (-) \text{ subtract cost per feet for existing deficiencies} \\
 & = \text{Base impact fee per housing} \\
 & (-) \text{ subtract for property taxes that may be paid on future debt for school (see future} \\
 & \text{Chapter 5.0 for Credits)} \\
 & = \text{Final impact fee per housing unit}
 \end{aligned}$$

This impact fee approach uses the consumption or ratio method as the fee is assessed on the marginal basis of expansion. Each unit of growth (student per household) is associated with a specific amount of additional capacity.

The school district can collect annual impact fees as the means to pay for the new capacity while using more traditional funding sources such as bonds and grants, to pay for the overall project. Any impact fee revenue from annual housing permits will offset the annual bond payments and reduce the net burden on the existing tax base. 91.5% of the ZEMs capacity is a

net addition to the school facilities and therefore eligible to be paid for through the collection of impact fees.

Capital Costs

The capital costs for the eight ZEMs are summarized in the table below. The District has retained architects and engineers to design the integration of the ZEMs into the existing school facilities. The costs are inclusive of the full cost to purchase, setup, and prepare the ZEMs for use as shown in Table 12.

TABLE 12: CAPITAL COSTS FOR THE ZEMS

Construction Cost	\$ 5,332,722
Soft Costs (20%)	\$ 955,978.20
Implementation Costs (excluding custodial staff)	\$ 100,050.00
Project Costs (excluding financing)	\$ 6,388,750.20
Unit cost per ZEM installed (8 units)	\$798,593.78

Source: DEW Construction 8 November 2022

Important to note, the total cost excludes any financing costs such as interest. The financing costs can be integrated into the impact fee as a necessary cost line item to implement the new capacity and then use impact fees to return revenue to the district as growth occurs.

Base Fee Calculation

The base impact fee accounts for the costs of providing additional square feet of space needed to accommodate additional students as a result of land use development generating additional students in the South Burlington School District. The base fee is derived using the following steps:

- a) **Space per student:** The ZEMs are self-contained units with a different standard of space than the overall school, which includes common areas, hallways, gyms, cafeterias, etc. The ZEMs are essentially additional core classroom space. It has been identified by the district that each ZEM can accommodate 17.5 students, using an average daily estimate across the various classes and anticipated uses.¹²
- b) **Cost per Student:** The average installed cost per ZEM is \$798,593.78.¹³ Using the average of 17.5 students per ZEM, the average cost per additional student capacity is \$45,633.93. This is the base cost of installing additional school capacity (using the ZEMs

¹² Number of students is estimated based on their expected use across the different class types and activities.

¹³ Cost excludes staff costs such as custodial time and excludes financing.

as the benchmark basis) for each additional student being added to the district each year.

- c) **Number of students per housing unit:** The number of students that may occupy any housing unit in the city is shown to correlated with the number of bedrooms in the unit. The overall weighted average of 0.128 PK-8 grade students per household reflects the near term expected changes citywide based on expected bedroom counts within new construction over the next 5 years that anticipates the majority being 1 and 2 bedroom units (see Figure 8 for the changing housing types). The number of students by housing type is summarized in Table 13.

TABLE 13: PK-8 STUDENTS PER HOUSEHOLD

	0-1 BEDROOM UNITS	2 BEDROOM UNITS	3 BEDROOM UNITS	4+ BEDROOM UNITS
PK-8 students per housing unit	0.066	0.112	0.216	0.303

- d) **Existing deficiency:** The district currently provides 287,992 square feet for the PK-8 programs. Per the MSBA standards the PK – 8 program requires 315,092 square feet. This represents a deficiency of approximately 9.5%. This represents approximately 17 additional square feet per student to attain the MSBA standards. Because the ZEMs are a more focused unit of expansion (classrooms vs common area space), it is not appropriate to use that strict definition of deficiency. Rather, discounting the base impact fee by 9.5% to acknowledge that the addition of the ZEMs is not only serving new growth in students, but also existing capacity challenges.

The net base impact fee cost per housing unit is shown for housing units by bedroom or by the citywide average in Table 14.

TABLE 14: NET BASE IMPACT FEE COST PER HOUSING UNIT (2022 DOLLARS)

	0-1 BR [A]	2 BR [B]	3 BR [C]	4+ BR [D]
PK – 8 grade students per unit	0.066	0.112	0.216	0.303
ZEM Cost per additional student capacity	\$ 45,633.93			
Base impact fee cost per housing unit	\$ 3,033	\$ 5,118	\$ 9,857	\$13,838
Deficiency (current 9.5% space deficiency in PK-8 grade facilities)	\$ (285)	\$ (482)	\$ (928)	\$ (1,302)
Net base impact fee cost per unit (Base impact fee - Deficiency)	\$ 2,748	\$4,636	\$8,929	\$12,535

4.3 IMPLEMENTATION AND EQUITY CONSIDERATIONS

The fee would also be assessed on housing expansions that add bedrooms. If a two-bedroom unit were to be expanded to add another bedroom, it is logical to assess a fee that reflects the greater likelihood that the house will have a student residing in it. The difference between the existing number of bedrooms and the future number of bedrooms could be a reasonable method to calculate the assessed fee. Any building permit which constructs an additional bedroom would be expected to pay the difference in fee between the original number of bedrooms and the new number of bedrooms.

The impact fee based on the number of bedrooms reflects the data that smaller housing units are more likely to house fewer students compared to larger homes or those with more bedrooms. The fee is structured to recognize the smaller degree of impact on the school system that houses with fewer bedrooms have, by assessing a lower fee per household. The impact is that the houses with 3 or more bedrooms are faced with a substantially higher burden per household. While this may be equitable from the standpoint of impact to the school system, it may create a financial burden by increasing the overall cost of housing for larger families. The cost of new homes will likely increase as a result of internalizing the wider community costs (schools, transportation, water, recreation, library, police, fire, etc.) of new housing through impact fees.

5.0 CREDITS

5.1 CREDITS

Credits are adjustments to the base impact fee that a land use would be assessed. Credits are applicable for the school district impact fee developed in Chapter 4.0. The credits in this impact fee study report have not calculated because the final fee value and the final mix of funding for the capital expenditure items have not been finalized. This chapter will be expanded once the final capital fees and mix of funding is agreed. A final fee would adjust the base fee based on the credits.

Two credits are used to offset impact fees: infrastructure credit and revenue credits. The credits are applied after the base impact fee is calculated, as per equation:

$$\text{Impact Fee} = (\text{Cost per Unit of Growth} \times \text{New Units of Growth}) - (\text{Applicable Credits})$$

Infrastructure Credits

A land use development applicant that constructs or directly funds any of the capital items funded through impact fees. In the case of the school district, it is unlikely that a private entity may construct additional education capacity and be eligible for an infrastructure impact fee credit.

Revenue Credits

Revenue credits discount the base impact fee to reduce the chance that a land use development in South Burlington would fund the same capital improvement through two different funds.

This frequently occurs when the developer pays property taxes (prior to the development of the land and after the development) and a portion of which goes to fund the capital project that the impact fee contributed toward. In this situation, it is necessary to offset the impact fee by a credit value to eliminate the double payment toward the same capacity.

Property tax is paid by a parcel owner on undeveloped land prior to a land use development and future taxes once the land is developed. The taxes on the undeveloped land that contribute to paying the school district bond debt is referred to as the "past tax payments." The property tax payments on the developed land that will contribute to district debt is referred to as "future tax payments." The streams of past and future tax payments are translated into net present values using an assumed 3% discount rate.

The ZEMs are to be funded through impact fees and property taxes which are collected to pay off the construction bond. The revenue credit is necessary to offset the possibility of a parcel owner paying both the property taxes that will be used for the bond debt and the impact fee.

Approximately \$850,000 per year is required to satisfy the amortization schedule of the \$6.8 million dollar bond to cover the ZEMs. The first full year of payment will conclude June 2024 and the last full year of payment will conclude June 2031. It is estimated that approximately \$600,000 per year can be collected through impact fees, leaving an estimated \$250,000 of property tax revenue to fund the ZEM bond debt. The impact fee revenue is estimated using a forecast of housing unit growth, the type of housing units by bedroom, and the net impact fee (see Table 14).

Property Valuation Approach

The strongest nexus between the amount of property tax paid and the development is the value of the property, prior to development and after development. The city of South Burlington's 2021 residential Grand List taxable valuation is \$20,149,679 (total assessed value of \$2,014,967,880). The assumption is that the grand list will continue to grow by 1.5% per year, a tax rate is estimated per \$1,000 of assessed value of the property to generate the annual expenses required. As the grand list grows, the tax rate will decrease (the absolute dollars needed per year is fixed and the tax base to raise those dollars grows). The combined tax rate of past years and future years are brought to net present valuations depending on the year the parcel is developed.

Past Tax Revenue Credit

Tax is calculated on the value of the land prior to the development or redevelopment. The share of taxes paid that were used to fund the school district ZEMs would be discounted off of the impact fee paid. The past tax credit is only applied to the entity who has the impact fee liability. For example:

- If a parcel is developed in 2025, the credit shall apply for the taxes paid in 2023, 2024, and 2025.
- If a parcel is developed in 2025, but was sold in 2024 to the current owner, the credit shall only apply for the taxes paid in 2024 and 2025.

Table 15 shows the annual tax rate per \$1,000 valuation of the grand list to achieve the annual revenue to pay for the ZEM debt for properties that will pay property tax between 2023 and 2031. The past taxes are credited against any impact fee liability.

TABLE 15: 2023-2031 PAST TAX RATE FOR ZEM BOND PER \$1,000 OF VALUATION

DWELLING CONSTRUCTION YEAR [A]	ANNUAL EXPENSE [B]	TAX RATE NEEDED (PER \$1,000 ASSESSMENT) [C]	CUMULATIVE TAX RATE (PER \$1,000 ASSESSMENT) [D]
2023	\$250,000	0.120431	\$0.00
2024	\$250,000	0.118652	\$0.12
2025	\$250,000	0.116898	\$0.25
2026	\$250,000	0.115171	\$0.38
2027	\$250,000	0.113469	\$0.51
2028	\$250,000	0.111792	\$0.64
2029	\$250,000	0.110140	\$0.77
2030	\$250,000	0.108512	\$0.91
2031	\$250,000	0.106908	\$1.05

Table 15 column [D] shows past taxes for the year of development for properties that paid tax from 2023 onwards that is the sum of previous tax rates (using a 3% discount rate) that are applied for each \$1,000 of valuation. For example, an undeveloped property that is undergoing development in 2027 that is assessed at \$500,000 would have a past tax credit of \$253.92 [(\$500,000/\$1,000)*0.51]. It is noted that the average assessed value of undeveloped land per acre of \$58,433 in South Burlington.¹⁴

The credit should be calculated from the most current assessment of the property, either raw land if it is undeveloped, or if it is a redevelopment, the total value of the property (land and structures) pre-redevelopment should be used.

Future Tax Revenue Credit

A portion of property taxes paid on the value of the developed parcel will fund the ZEM debt service is calculated for the year of development in Table 16.

The post-development future credit is calculated based on the total development value of the parcel including the structure and land value. The tax paid per bedroom is a conservative value based on the average U.S. Census data includes sales prices for new residential construction by region.¹⁵ The data includes sales price by improved square foot that include finished basements and livable space that are heated or cooled. This would exclude garages, porches, or other external spaces. The data indicates a range in housing values with an approximate average of \$650,000 in current 2022 dollars in the northeast US.

¹⁴ 2021 Grand List weighted average by acres empty (undeveloped) land value per acre for land uses codes R2.

¹⁵ US Census. Characteristics of New Housing. <https://www.census.gov/construction/chars/>

The future taxes assessed on the developed house can be estimated using the average new home sales price and the average number of bedrooms per unit.

TABLE 16: 2023 – 2031 FUTURE TAX CREDIT PER BEDROOM

DWELLING CONSTRUCTION YEAR [A]	ANNUAL EXPENSE [B]	TAX ASSESSED PER BEDROOM [C]	CUMULATIVE TAX PAID PER BEDROOM (NET PRESENT VALUE) [D]
2023	\$250,000	\$31.31	\$230.55
2024	\$250,000	\$30.85	\$206.15
2025	\$250,000	\$30.39	\$181.49
2026	\$250,000	\$29.94	\$156.54
2027	\$250,000	\$29.50	\$131.29
2028	\$250,000	\$29.07	\$105.73
2029	\$250,000	\$28.64	\$79.83
2030	\$250,000	\$28.21	\$53.59
2031	\$250,000	\$27.80	\$26.99

Table 16 column [D] shows future taxes for the year of development that the property may pay that is the net present value of future tax payments (using a 3% discount rate) that are applied for when the fee is paid. For example, a new 3-bedroom unit in 2026 would have a future tax credit of \$469.62 (\$156.54 per bedroom * 3 bedroom). This is the 2026 value of all future taxes paid that might contribute to the ZEMs debt service and would reduce the impact fee.

Total Revenue Credits

The total revenue credit is the sum of the past tax (pre-development) and the future tax (post-development) that is estimated to be used to pay the debt service for the ZEMs.

The past tax uses the property value to estimate the amount of taxes assessed on that property while the future tax uses the number of bedrooms in the residential unit.

6.0 FINAL IMPACT FEE

The final impact fee uses the base impact fee derived in Chapter 4.0 and the credits calculated in Chapter 5.0 to determine a final impact fee that would be assessed on residential developments in South Burlington.

The final impact fee uses the following formula:

Impact Fee =	(Net Base Fee Calculation)	-	(Credits)
Impact Fee =	(Cost per Unit of Growth x New Units of Growth)	-	(Revenue Credits)

The final impact fee is calculated using the following steps:

1. Determine the final number of bedrooms in the residential unit that requires the zoning permit
2. Look up the net base impact fee in Table 14 based on the number of bedrooms.
3. Determine the current assessed value of the property.
4. Based on the year of the zoning permit, look up the past tax paid per \$1,000 of assessed value using Column [D] in Table 15. Divide the assessed value of the property by 1,000 and multiply by this value. This is the revenue credit for past taxes.
5. Given the year of the zoning permit, look for the future tax payments after the development or redevelopment takes place using Column [D] in Table 16. Multiply this value by the final number of bedrooms in the unit.

The final impact fee is the result of:

Impact Fee =	(Net Base Fee Calculation)	-	(Credits)
Impact Fee =	(Cost per Unit of Growth x New Units of Growth)	-	(Revenue Credits)
Impact Fee =	Step 2	-	(Step 4 – Step 5)

Example Fee Derivations

The following are hypothetical scenarios which are intended to illustrate how the fees are calculated.

3 bedroom unit - new development on private lot

3	Bedroom House on private lot
\$ 8,929.39	Net Base Fee for 3 bedroom unit (see Table 14)
2025	Zoning Permit Year
\$80,000	pre-development value
80	credit tax value (per \$1,000 of assessed value)
\$20.00	ZEM Past Tax Credit (see Table 15)
\$544.46	Post Development Tax Credit (see Table 16)
\$564.46	Total Credit
\$ 8,364.93	Final Impact Fee

2 bedroom unit - new development in a larger, 30 unit multifamily structure

2	Bedroom unit
\$ 4,636.42	Net Base Fee for 2 bedroom unit (see Table 14)
2027	Zoning Permit Year
\$16,667	pre-development value (\$500k of assessed value divided by number of units on parcel)
\$16.67	credit tax value (per \$1,000 of assessed value)
\$8.46	ZEM Past Tax Credit (see Table 15)
\$262.58	Post Development Tax Credit (see Table 16)
\$271.04	Total Credit
\$ 4,365.37	Final Impact Fee