

Road Impact Fee Study

Town of St. John



The Arsh Group Inc.

Planners, Landscape Architects, Development Consultants
Merrillville, IN.

First Group Engineering.

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Road Impact Fees

An Introduction

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Welcome

Agenda For Today:

1. You will receive an Introductory brief about Road Impact Fees;
2. We will tell you why this fee is required
3. We will discuss the legal framework for the fee;
4. We will share with you some baseline Information;
5. We will answer questions;
6. We will set the next meeting date and Time.

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Background

What is "Road Impact Fee"

- It is a fee that the Town will collect with every building permit
- It applies to all types of development
- The fees are one-time, up-front charges
- This is the first time the Town is instituting this fee
- Effective Date will be 6 months after adoption
- It will remain in effect for five years.

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What is the Fees Used for

- Cost to provide future infrastructure required to serve new development
- Reimbursement of cost to size systems to meet future demand
- Project Demand Impact
- Capitalized interest (carrying costs)
- Impact fees are not intended to be used for operational expenses or to pay for capital improvements to correct an existing deficiency or shortfall.

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Types of Impact Fees

Indiana State (IC 36-7-4-1300)

1. Road/bridges capacity to permit development
2. Sanitary infrastructure, sewer and storm, to serve new development
3. Water facility and distribution facilities
4. Drainage which includes drain and flood control facilities for development
5. Recreation assets for new residents

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Impact Fees Authority

Federal Level

- Federal courts have long recognized impact fees on development as a legitimate form of **land use** regulation.
- "Development Exactions", including impact fees, similar to all land use regulations, are subject to the **Fifth Amendment** prohibition on "taking" of private property for public use without just compensation.
- To comply with the Fifth Amendment, development regulations must substantially **advance a legitimate governmental interest**.

Impact Fees Authority

Federal Level

- That interest is in the **protection of public health, safety, and welfare**.
- The Court has found that an agency imposing exactions must demonstrate an **"essential nexus"** between the exaction and the interest being protected (*Nollan v. California Coastal Commission*, 1987).
- Another case, "Dolan" where the Court made clear that a government agency also must show that an exaction is **"roughly proportional"** to the burden created by development.

Impact Fees Authority

State Level

- Passed in 1991 under public Law 221 (**IC 36-7-4-1300**)
- This law establishes the **process** and **methods** for adoption of impact fees.
- Specifically the law requires that the local government must organize the following:
 - Chief Executive of local government appoint an Advisory Committee
 - Establish an Infrastructure Improvement Zone (**Impact Zone**)
 - Prepare a **Zone Improvement Plan** (Impact fee study)
 - Determine a **"reasonable"** impact fee for the infrastructure
 - Appoint Impact Fee Review Board

Impact Fees Authority

IC 36-7-4-1300

- Indiana Law defines the **"impact costs"** as meaning a **"reasonable estimate"**
- The Law also requires that a fee must be a **"proportionate"** share of the costs incurred or to be incurred by the local agency in providing infrastructure.
- It further requires that the amount of impact costs "may not include" the costs of infrastructure needed to raise the current **level of service** in the impact zone.
- Advisory Committee serves in an "Advisory Capacity".

Impact Fees Authority

Local Level

- Local Ordinance, First Impact Fee, 1997, Park
- Has been updated since then. The last update was in 2013
- Road Impact Fee will be a new Ordinance

Benefits of Impact Fee

- Infrastructure in place to meet development needs
- Ability to use infrastructure capacity to direct growth patterns
- Promote cost effective development, reduced cost
- Promote long term financial stability
- Reduce tax impact to current taxpayers
- Construction cost for over sizing systems at time of development is often cheaper than adding at later date

Cost of Fee Impacts

1. Increased cost of development
2. Higher development costs drives higher values for housing, retail and office
3. Market may not support higher land cost driven by impact fees

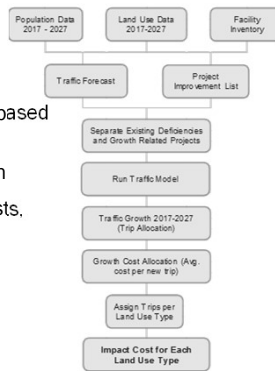
Impact Fee Assessment Process

- Comprehensive evaluation of the consequences of development on the community
- The assessment process is an integral part of planning process as the intensity of growth is based upon the agency's general plan and the zoning codes.

Impact Fee Assessment Process

Key Steps

1. Identify Future Growth
2. Establish Traffic forecast (based on land use data), 10 year
3. Allocate trips due to growth
4. Allocate growth related costs, using traffic model
5. Determine cost per trip
6. Prepare Fee Schedule



Impact Fee Assessment Process

SERVICE UNIT

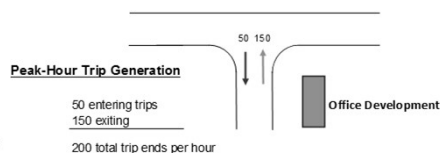
- Common unit of measurement of facility demand and capacity
- An appropriate service unit for road impact fees is vehicle-miles of travel (VMT)
- The two time periods:
 - The 24-hour day (average daily trips or ADT)
 - Single hour of the day with the average weekday traffic volume (peak hour trips or PHT).
- We apply this Service Unit to different land use types, i.e. residential, commercial (EDU)
- We use one housing unit and 1000 s.f. of non-residential as for a measurement unit

Impact Fee Assessment Process

ADT

What is Trip Generation?

- The estimated peak hour and daily traffic volumes for a particular land use.
- Involves development of relationships between vehicle trips and land use characteristics



Transportation

Transportation Analysis aim to:

1. Determine existing daily traffic volume (ADT, and PHT)
2. Determine existing Level of Service (A-F)
3. Establish preferred Level of Service (A-F)
4. Determine the improvement needs to meet the desired LOS, (10 years)
5. Cost of those improvements
6. Assign portions of those costs to the development (capacity deficiency)
7. Determine cost per service unit

Transportation



Transportation

EXISTING TI



Transportation

INTERSECTION LEVEL OF SERVICE



Population Trends

- 2000 Population: 8,374
- 2010 Population: 14,850
- 77% growth between 2000 and 2010

Year	St. John		St. John Township		Lake County	
	Total	% Change	Total	% Change	Total	% Change
1980	3,974	260.60%	n/a	n/a	522,965	0
1990	4,921	23.83%	n/a	n/a	475,594	-0.90%
2000	8,374	70.17%	53,667	n/a	484,564	1.90%
2010	14,850	77.33%	64,470	20.13%	496,005	2.36%
2014	15,456	4.08%	66,892	3.76%	493,140	-0.58%

Source: U.S. Census/ACS 5 yr

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Population Trends

Continued Growth:

- Population estimate
 - 16,495 - 2015
 - 20,443 - 2027

Future Population Estimate

Population	Year			Projections	
	2010	2015	2017	2022	2027
	14,850	16,495	17,153	18,798	20,443

Source: U.S. Census/ACS 5 yr

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Housing Trends

Housing Units by Tenure:

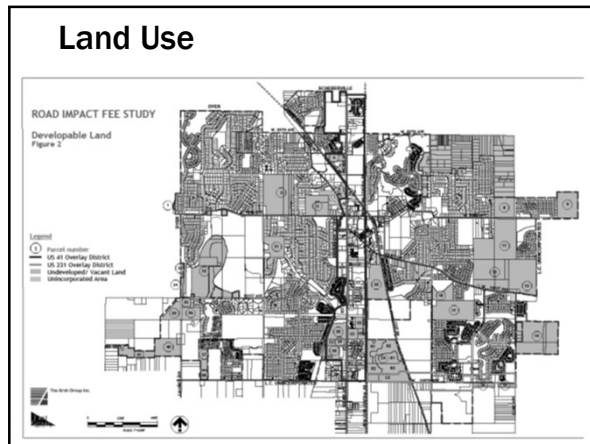
Unit Type	No.	%
Occupied housing units	5,409	98.6%
Owner-occupied	5,196	94.7%
Renter-occupied	213	3.9%
Vacant Housing	78	1.4%
Total	5,487	100.0%

Source: ACS 2014

Owner-occupied units account for **94%** in 2014.

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Land Use



Land Use

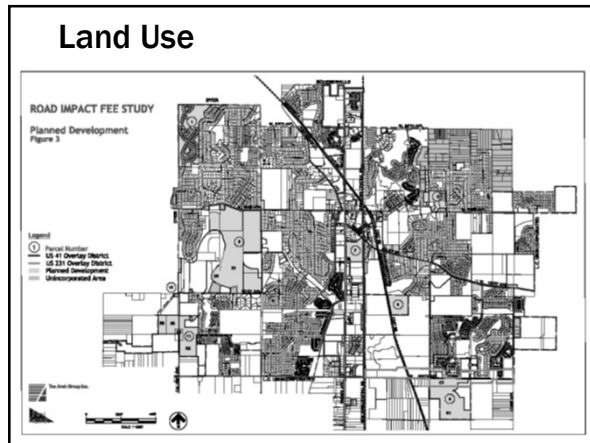
Developable Land

- 41 parcels, 28 Residential, 13 Commercial
- Total "Adjusted Area" about 1,361 acres
- This could generate up to 6,530 units of development.

Development Land By Zoning Classification

Zoning Classification	Area (AC)	No. of Units	% of Total
Residential 1 (R1)	348.2	632	26%
Residential 2 (R2)	143.7	330	11%
Residential 3 (R3)	24.4	112	2%
Commercial 1	3.2	56	0.2%
Commercial 2	165.7	2,887	12%
Industrial	52.9	1,383	4%
Open Space	623.2	1,131	46%
Total	1,361.4	6,530	100%

Land Use



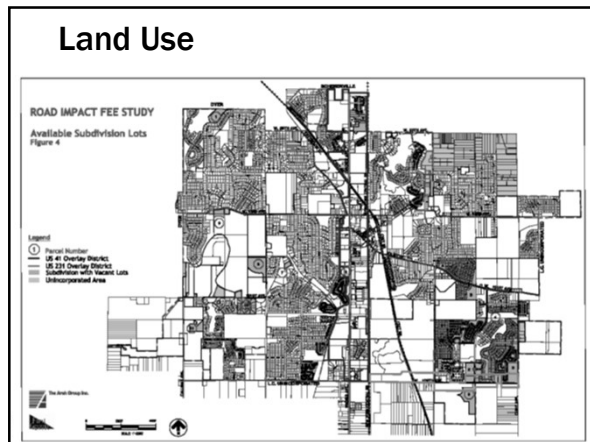
Land Use

Planned Development

Total "Adjusted Area" about 437 acres
 This could generate up to 1,997 units of development.

Zoning Classification	Area (Ac.)	Units/Lots	% of Total
Residential 1 (R1)	179.5	964	41%
Residential 2 (R2)	185.2	227	42%
Residential 3 (R3)	16.4	61	4%
Commercial 1	0.0	0	0%
Commercial 2	56.3	745	13%
Industrial	0.0	0	0%
Total Acreage	437.3	1,997	100%

Land Use



Land Use

Available Lots

Total of 1,008 subdivided lots are available for development

Zoning Classification	Remaining Units	% of Total
Residential 1 (R1)	119	12%
Residential 2 (R2)	630	63%
Residential 3 (R-3)	259	26%
Commercial 1	0.0	0%
Commercial 2	0	0%
Industrial	0.0	0%
Total	1,008	100%

Land Use

All Developments

Zoning District	Land Character/Type				Residential		Non-Residential	
	ITE Code	Vacant Land (Adjusted)	Pending/ Approved	Available Lots	Density	# of units	FAR	Bldg Area/ 1000
RESIDENTIAL								
Residential-R1	210	971.5	179	119	1.82	2,846		
Residential-R2	210	143.7	185	430	2.29	1,252		
Residential-R3	253,230	24.4	1.6	259	4.59	446		
Subtotal		1,139.6	381	1,008		4,544		
COMMERCIAL								
General Commercial-C1	850, 925, 931, 936, 944, 915, 920, 924, 948, 962, 912, 933, 934	3.2	0	0			0.4	56
Highway Commercial-C2		165.7	56.3	0			0.4	2,887
Subtotal		168.90	56.3	0				2,943
INDUSTRIAL								
Industrial-I	110	52.91	0	0			0.6	1,383
Subtotal		52.91	0	0				1,383
Total		1,361.4	437.31	1,008		4,544		4,326
All Development Types Units (EDU)								
								8,870

Land Use

- Growth is expected to continue to consume available land
- A 185 units per year is reasonable assumption in the near future
- This will increase the population by about 5,100 new people in the Town
- The additional population will demand more retail and services in the Town.
- Additional needs mean more capacity pressure on existing roads.

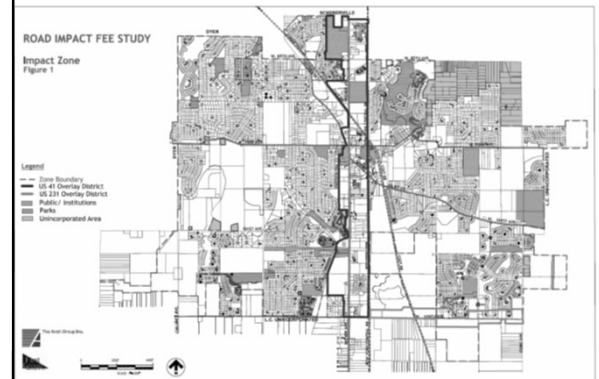
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Recap of Findings

- St. John lacks adequate facilities in several areas and does not meet LOS standards based on HCM.
- Facility deficit is observed throughout the Town.
- Selected arterial roads, are distributed throughout the Town and service all Town and residents.
- "Development" continues to exceed budget available for improvements
- Community's desirable LOS is not being met for road facility.
- Projected population growth will "impact" services in the Town.

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Proposed Impact Zone



Thank You

Next Meeting Agenda

- Process to determine the "Capacity Needs";
- Calculations to determine the Fee;
- Determine the impact per Unit of Service
- Set the Fee?

March ?
Time ?

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