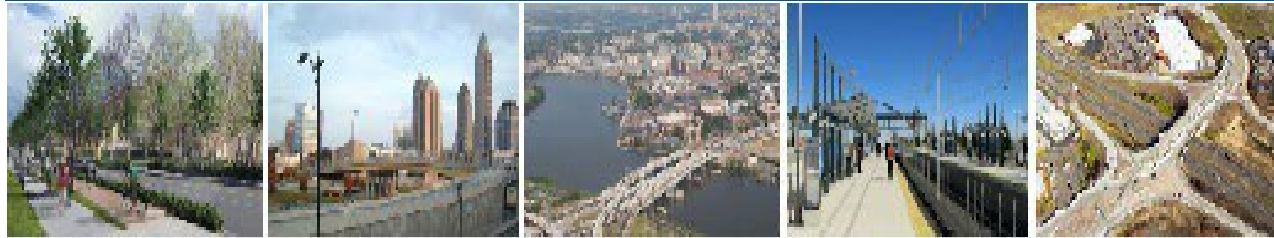




U.S. Department  
of Transportation

**Federal Highway  
Administration**

Center for Accelerating Innovation



# ***Introduction to Development Impact Fees and Other Development Charges***



**Rafael Aldrete**

*Disclaimer: The contents of this presentation do not have the force and effect of law and are not meant to bind the public in any way. This presentation is intended only to provide information and clarity to the public regarding existing requirements under the law or agency policies. Value capture techniques and policies are often implemented outside of Federal funding or regulatory requirements.*

# Presentation Outline

- 1 Overview
- 2 Efficiency and Equity Concerns
- 3 Legal Issues and Legislative Needs
- 4 Nexus Studies and Fee Structuring
- 5 Implementation Process and Issues
- 6 Case Example—Transportation

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# Overview: What is a development impact fee (DIF)?

1

Real Estate Developer



Local Government



\$

Project Approval

**DIF is a legal one-time, upfront cash payment made by a developer for local government's approval of his/her development project**

- ✓ DIF offsets some/all of public facility costs
- ✓ Focused on improvements outside project boundary
- ✓ Examples include parks, roads, water/sewage, schools, and police/emergency
- ✓ Intended for capital costs but sometimes used for O&M and administration expenses



# Overview: How is it different from other funding?

1

## Compared to...

## DIF provides...

### Negotiated exactions

- ✓ Add speed and predictability
- ✓ Generate more revenues

### Special/benefits assessments

- ✓ Fund wider variety of services, focus on off-site improvements
- ✓ Less secure source of revenues; limited financing options

### User fees

- ✓ Allow reserve capacity regardless of usage
- ✓ Tied directly to local planning process

DIFs can buy into existing excess capacity and allow recouping of prior investments; best-suited for urban in-fill developments

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# Evaluating DIF as an **efficient** funding source

2

**Sufficient?**

Do DIF revenues cover all costs involved in providing public facility needs for new developments?

**Proportional?**

Are facility costs allocated to those who benefit and are they proportional to benefits they receive?

**Least cost?**

Can facilities be provided with least cost possible?

***Efficiency (“Horizontal Equity”)—User Pay Principle***

# Key efficiency concerns

2

Efficiency factor	Concerns/remedies
<b>Sufficiency</b>	<ul style="list-style-type: none"><li>✓ Insufficient, unpredictable when project-by-project basis</li><li>✓ Better handled when legislated as a formal city-wide program tied to local General Plan (GP)</li></ul>
<b>Proportionality</b>	<ul style="list-style-type: none"><li>✓ Gets high marks because enabling laws generally prohibits charging more than proportionate share</li><li>✓ Often benefit existing properties at the expense of new developments</li></ul>
<b>Least Cost Basis</b>	<ul style="list-style-type: none"><li>✓ Better for infill and redevelopments close to existing infrastructure capacity—pay for incremental cost only (“marginal” cost pricing)</li><li>✓ Greenfield without existing infrastructure more costly</li></ul>

Under marginal pricing, DIFs can help avoid undesirable urban sprawl (“leapfrog”)

# How well does DIF address **equity** concerns?

2

Under DIF, inequities could occur in two respects:

## Gentrification

DIFs on new developments can increase property values and price out low-income property buyers

## Flat Fee Structure

Uniform fees across all stakeholders without consideration for their ability to pay

***“Vertical Equity”—Ability-to-Pay Principle***

# DIF as an equitable funding source

2

## Equity concerns

## Issues/Remedies

### Gentrification

- ✓ Developers typically pass on DIF costs to property buyers
- ✓ DIF can make both existing and new properties less affordable for low-income homeowners/renters
- ✓ Remedies: DIF waivers, deferments, other financial incentives

### Flat Fee Structure

- ✓ Regressive flat-fee structure often used to reduce complexity and fee administration needs
- ✓ Remedies: Vary fees by land use, building type/size, density, location, and/or configuration

Striking a right balance between equitable fee structure and administrative complexity



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# Legal basis for charging DIFs is well established

3

**Nollan****Essential Nexus Tests***[Nollan v. CA Coastal Commission (1987)]***Dolan****Rough Proportionality Test***[Dolan v. City of Tigard (1994)]***Koontz****Reasonable Relationship Test (Program vs. Project)***[Koontz v. St. John River (2013)]*

*Nexus studies help  
establish  
Nolan/Dolan legal  
basis*

Three U.S. Supreme Court cases address regulatory takings concerns that limit owners' (developers') use of their properties, ensure paying fair share of public improvements





# Legal Guidelines—Program vs. Project

3

**Citywide Legislated Policy  
(All Developers)**

**Reasonable Relationship Test  
(Koontz)**

**Project-Level Requirements  
(Single Developer)**

**Essential Nexus/Rough Proportionality Test  
(Nolan/Dollan)**

**When DIF legislated into local ordinance, burden of proof resides with developers;  
When adjudicated without ordinance, burden of proof resides with local agencies**

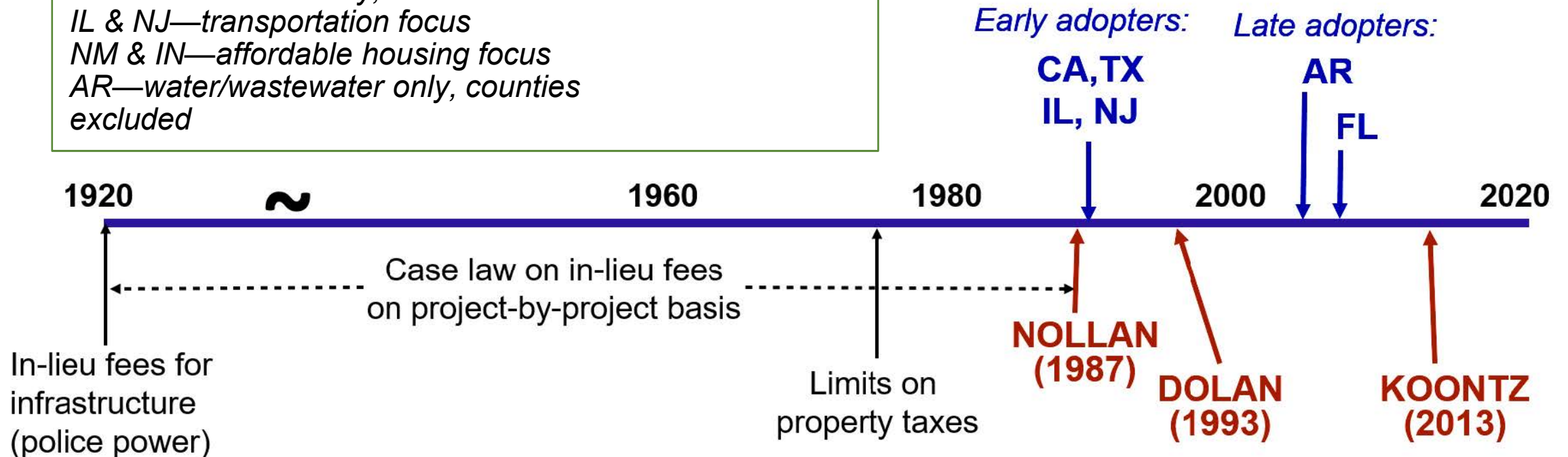
# Some 30 States have DIF enabling legislation

3

## Examples:

CA—early adopter, case laws  
 FL—late adopter, existing statute  
 TX—restrictive initially, later amended  
 IL & NJ—transportation focus  
 NM & IN—affordable housing focus  
 AR—water/wastewater only, counties excluded

} Highest use of DIFs



State enabling legislation vary widely in allowing local authorities to impose DIFs; most are based on decades of case law on exactions within each State

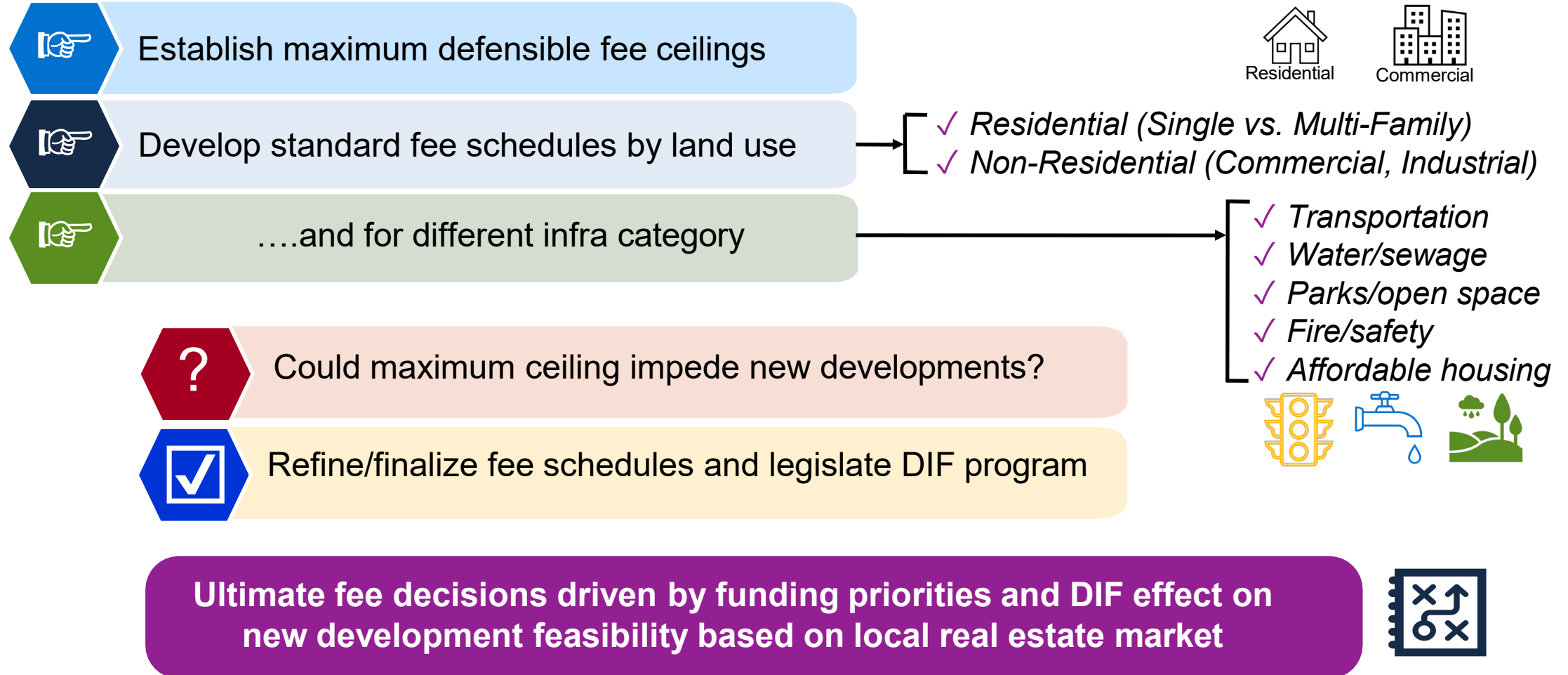
# Local DIF Ordinance Examples and Features

State	City	Key Features of Local DIF Legislation	Local vs. State
CA	San Francisco	<ul style="list-style-type: none"> <li>Long established transportation impact fees</li> <li>Capital, O&amp;M, and overhead costs</li> <li>Apply only to non-residential; some areas exempt</li> </ul>	Local ordinance (1981) preceded State (1989)
	Oakland	<ul style="list-style-type: none"> <li>New City-wide impact fees for capital costs only</li> <li>Affordable housing and transportation</li> </ul>	State DIF legislation specifies local eligibility criteria
	Los Angeles	<ul style="list-style-type: none"> <li>New City-wide impact fees</li> <li>Parks and affordable housing</li> </ul>	
OR	Portland	<ul style="list-style-type: none"> <li>First transportation system development charges (SDC)</li> <li>Multi-modal transportation improvements</li> <li>Exclude maintenance costs</li> </ul>	
FL	Aventura	<ul style="list-style-type: none"> <li>Transportation mitigation impact fees</li> <li>Capital, O&amp;M, and administration costs of public transit</li> </ul>	State legislation ambiguous on local eligibility criteria
	Broward (County)	<ul style="list-style-type: none"> <li>County's DIF authority established over municipalities' authority through County-level Land Development Code</li> </ul>	
OH	Beavercreek	<ul style="list-style-type: none"> <li>Impact fee ordinance and special impact fee district</li> <li>New roads/transportation improvements for new developments</li> <li>Exclude maintenance costs</li> </ul>	No State DIF enabling legislation

# Presentation Outline

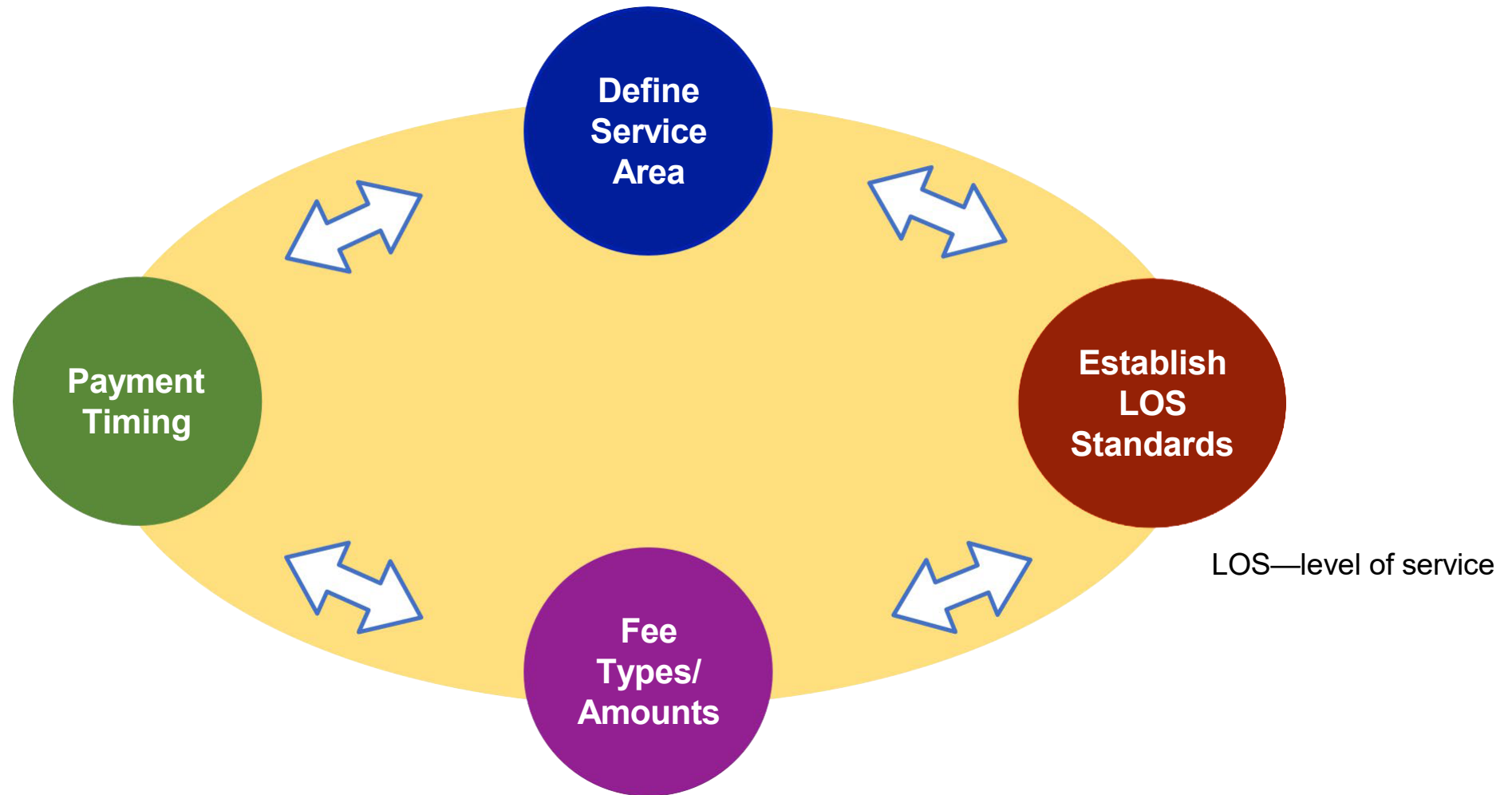
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# Public agencies commission nexus studies to establish legally defensible fees



# Designing DIF Fee Structure—Basic Components

4



# Defining Service Areas and LOS Standards

## Define Service Area

**Geographic-specific impact fees for variations in infra costs and project impacts:**

- ✓ Existing infrastructure capacity (infill vs. Greenfield)
- ✓ Proximity to public transit
- ✓ Availability of other funding sources

## Establish LOS Standards

**Most State DIF statutes allow full local authority in setting LOS standards**

- ✓ Generally, same LOS standards for all
- ✓ LOS standards can vary based on local growth/land use policy, development patterns/constraints

# Setting Standard Fees and Payment Schedule

## Standard Fee Types/Amounts

**Standard fee schedules for each service area based on LOS stds**

- ✓ **Fees for each infra category and each land use within category**
- ✓ **Based on incremental infra costs to accommodate new trips**
- ✓ **Residential: No. trips/dwelling unit (DU) for single vs. multi-family**
- ✓ **Non-residential: No. trips/1,000 sq. ft. for office, retail, industrial**

- ✓ **Inter-jurisdictional fees for regional impacts, share resources**

## Payment Timing

**When fees are imposed (assessed) and when they are collected**

- ✓ **Timing of building permit vs. certificate of occupancy (CO)**
- ✓ **Significant lag between the two and many variations**

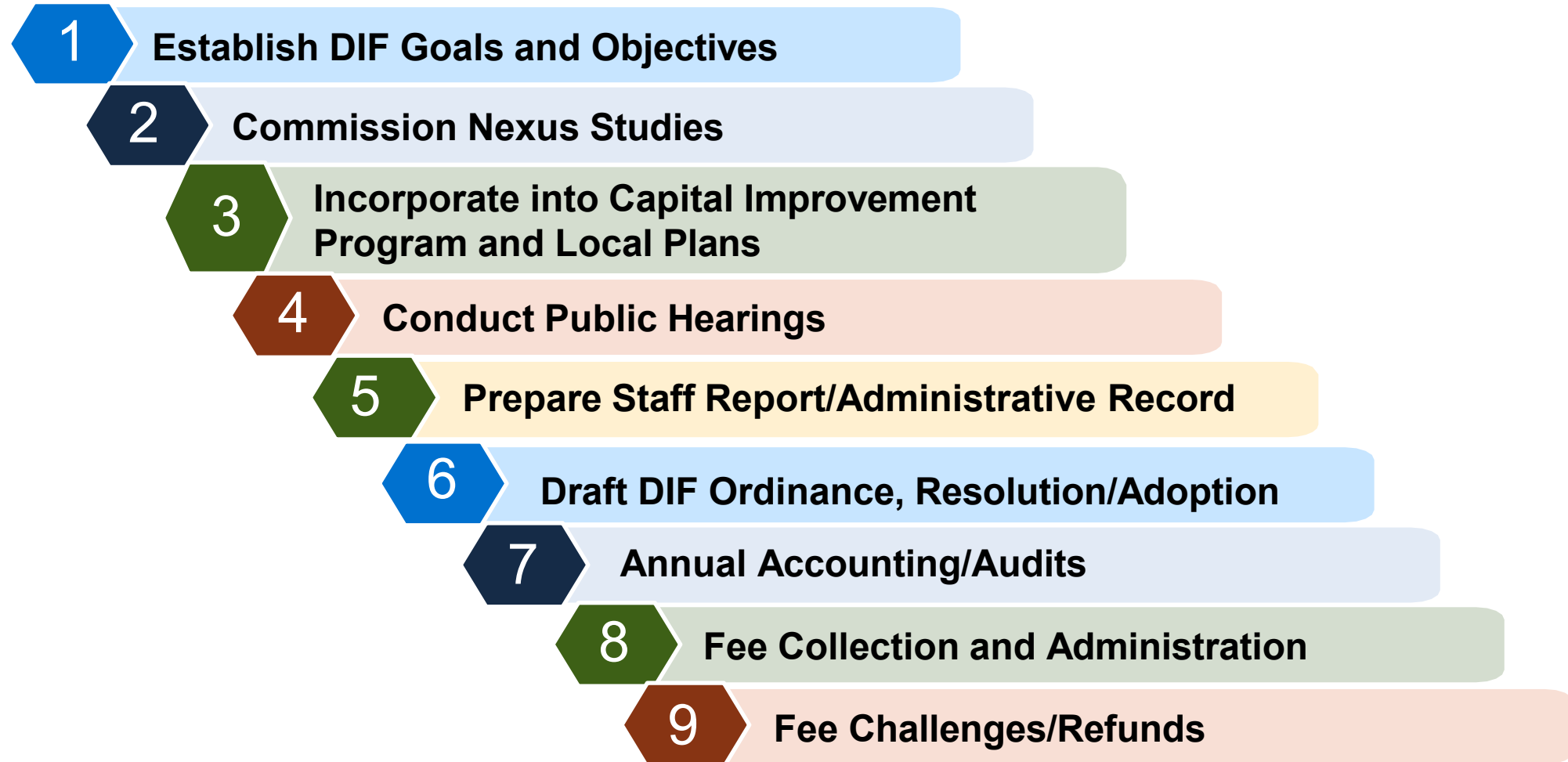


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# Typical DA Implementation Steps

5



# Key Implementation Challenge —Transparency

5

## CA Example

Difficulty in estimating total developer charges (“fee stack”):

- ✓ Many other developer charges outside DIF legislation
- ✓ Lack of transparency and standardization
- ✓ Local agency—difficulty in assessing DIF reasonableness
- ✓ Developer—difficulty in assessing project feasibility; may take project elsewhere

Category	Applicable Legislation/Fee Type	Eligible Uses	Subject to DIF Legislation?
<b>DEVELOPMENT IMPACT FEES (DIFs)</b>	<b>MITIGATION FEE ACT (State DIF Statute)</b>	<b>NEW DEVELOPMENT IMPACTS</b>	<b>YES</b>
<b>In-Lieu Fees</b>	Subdivision Map Act	Bike paths, open space	No
	Quimby Act	Parks	No
	Inclusionary Housing Ordinance	Affordable housing	No
	California Environmental Quality Act (CEQA)	Environmental impacts initiation	Yes (if non-voluntary)
<b>Other Development Fees</b>	Utility Connection Fees	Utility system connection	No
	School Facilities Impact Fees	School facility	No
	Permit Processing Fees	Permit processing	No

# Dealing with Fee Transparency Issues

## Key concerns

**Need readily available and accessible:**

- ✓ **Fee schedules**
- ✓ **Nexus studies/basis for fee calculation**
- ✓ **Annual accounting of fees already being implemented**

## Remedies

**Some local agencies post on their website:**

- ✓ **All nexus studies in standardized format in advance of fee adoption**
- ✓ **Single, regularly updated master fee schedule linked to interactive fee map**
- ✓ **Fee booklet with step-by-step guidance on relevant fee estimation**

**Lack of transparency often means lack of local resources, internal coordination, and/or analytical rigor in nexus/feasibility studies—*consider joint procurement***

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# Overall Developer “Fee Stack” for East Palo Alto

Fee Type/Facility Category	Single-Family	Multi-Family		Office/ R&D	Retail	Industrial
	Per DU			Per 1,000 Sq. Ft.		
DEVELOPMENT IMPACT FEE (DIF) SCHEDULES						
Parks & Trails						
- Citywide Fees	\$4,133	\$2,847		\$1.15	\$0.77	\$0.46
Public Facilities						
- Citywide Fees	\$7,248	\$4,993		\$2.01	\$1.34	\$0.81
Transportation						
- Citywide Fees	\$2,358	\$1,775		\$7.33	\$7.33	\$4.77
Storm Drainage	Per DU	Per Impervious Acre				
- Fees Outside RBD	\$2,800	\$70,000				
- Fees Within RBD	\$4,840	\$121,000				
OTHER DEVELOPMENT CHARGES (NOT DIF)						
Affordable Housing Commercial Linkage Fees						
- Citywide Fees	\$0	\$0		\$10.72	\$0.00	\$0.00
Housing Impact In-Lieu Fees	Per Sq. Ft.					
- Citywide Fees: Single-Family Infill	\$36.22	n.a.		n.a.	n.a.	n.a.
- Citywide Fees: Townhouses	\$34.78	n.a.		n.a.	n.a.	n.a.
- Citywide Fees: Rental Units	n.a.	\$25.35		n.a.	n.a.	n.a.
- Fees Outside RBD: Condos	n.a.	\$50.58		n.a.	n.a.	n.a.
- Fees Within RBD: Condos	n.a.	\$67.62		n.a.	n.a.	n.a.
Quimby Act In-Lieu Fees (Parks)						
- Citywide Fees	Varies[1]			n.a.	n.a.	n.a.
Storm Drainage Fees						
- Citywide Fees	Varies[2]					
Water Capacity Fees[3]						
- Citywide Fees	\$8,147	\$5,014		\$3.45	\$5.01	\$3.45

# Transportation Impact Fees – Trip Generation Basis

DU = dwelling unit

New Developments		ITE (Baseline)			Local Adjustments				Final Trips	
Land Use	ITE Code	2040 Forecast	Trips/Unit (ITE)	Total No. Trips (ITE)	Local Travel Demand	Interzonal Trips	Non-Motor Trips	Transit Mode Share	Adjusted Trips/Unit	Adjusted No. Trips
Residential		DUs	Per DU						Per DU	
- Townhouses	230	1,486	0.52	773	76%	8%	n.a.	6%	0.34	508
-Muti-Family	220	1,033	0.39	403	76%	8%	n.a.	6%	0.26	266
Non-Residential		Sq. Ft.	Per 1,000 Sq. Ft.						Per 1,000 Sq. Ft.	
-Office/R&D	710	1,939,853	1.49	2,890	76%	0.50%	n.a.	6%	1.06	2,063
-Retail	820	333,406	3.73	1,244	76%	11%	19%	6%	1.93	643
-Industrial	110	267,987	0.97	260	76%	0.50%	n.a.	6%	0.69	185
TOTAL				5570						3,665

# Capital cost allocation to new developments

Transportation Project Category (from CIP)	Project Cost (in \$M)
Road/Interchange Improvements	\$55.1
Bicycle/Pedestrian/Sidewalk	\$19.0
Street Lights/Safety	\$1.1
Plans/Studies/Assessments	\$0.8
Other	\$6.6
Ravenswood SP Projects	\$16.1
<b>TOTAL</b>	<b>\$98.6</b>

Total daily trips (2040)	124,453
Existing daily trips (2015)	93,782
New daily trips (2015-2040)	30,671
<b>% increase in daily trips (2015-2040)</b>	<b>25%</b>

**Capital Costs Attributed to New Developments:**  
 (\$98.6M x 25%) +  
 (4% Administrative Fee)  
 = \$25.3M

**Unit Cost/Trip = \$25.3M/3,665 (Adj.) = \$6,869/Trip**



# Transportation Impact Fee Schedule

Land Use	Unit Cost (\$/Trip)	Adjusted Trips/Unit	Max. Defensible Fee Schedule (\$/Unit)	Adopted Fee Schedule (\$/Unit)	Fee Range at Nearby Cities
<b>Residential</b>	<b>\$6,869</b>	<i>(Per DU)</i>			
-Townhouses		0.34	<b>\$2,358</b>	<b>\$2,358</b>	\$1,800 - 2,600
-Multi-Family		0.26	<b>\$1,775</b>	<b>\$1,775</b>	\$1,100 - 1,600
<b>Non-Residential</b>		<i>(Per \$1,000 Sq. Ft.)</i>			
-Office/R&D		1.06	<b>\$7.33</b>	<b>\$7.33</b>	\$2.7 - \$3.9
-Retail		1.93	<b>\$13.30</b>	<b>\$7.33</b>	\$3.3 - \$3.9
-Industrial		0.69	<b>\$4.77</b>	<b>\$4.77</b>	n.a.

**Maximum ceiling adjusted based on local prevailing rate**

## Two Main Takeaways about DIFs

1. DIFs are specifically designed for off-site public improvement needs for new developments that help trigger the local growth
2. Through local ordinance, DIFs can be directly incorporated into local planning process as part of formal CIP funding source

# Questions?

# Contact information

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# Regional Road Impact Fee (RRIF) Program

March 2023



## REGIONAL TRANSPORTATION COMMISSION

*Metropolitan Planning • Public Transportation & Operations • Engineering & Construction*

Metropolitan Planning Organization of Washoe County, Nevada







# Regional Road Impact Fee (RRIF) Program

The Program is a **funding tool** for collecting the cost of building appropriate **capacity** needed on **regional roads** due to new development.





# Regional Road Impact Fee (RRIF) Program

- Advantages

- Development to pay its fair share
- Viewed as equitable system supported by community

- Limitations

- Impact fees **cannot** be used for:
  - Operating costs
  - Maintenance expenses
  - Non-capacity improvements



# Regional Road Impact Fee (RRIF) Program

- Nevada Revised Statute (NRS 278B)
- Local governments enacting ordinances
- Impact Fee Cooperative Agreement (ICA)
- Capital Improvements Plan (CIP)
  - Describes methodology used to establish net cost per service unit of new roadway capacity
- General Administrative Manual (GAM)
  - Guidelines and procedures to administer the RRIF program



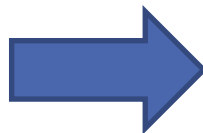


# Why RRIF Updates?



2050

## REGIONAL TRANSPORTATION PLAN



## REGIONAL ROAD IMPACT FEE PROGRAM

### GENERAL ADMINISTRATIVE MANUAL

7<sup>TH</sup> EDITION

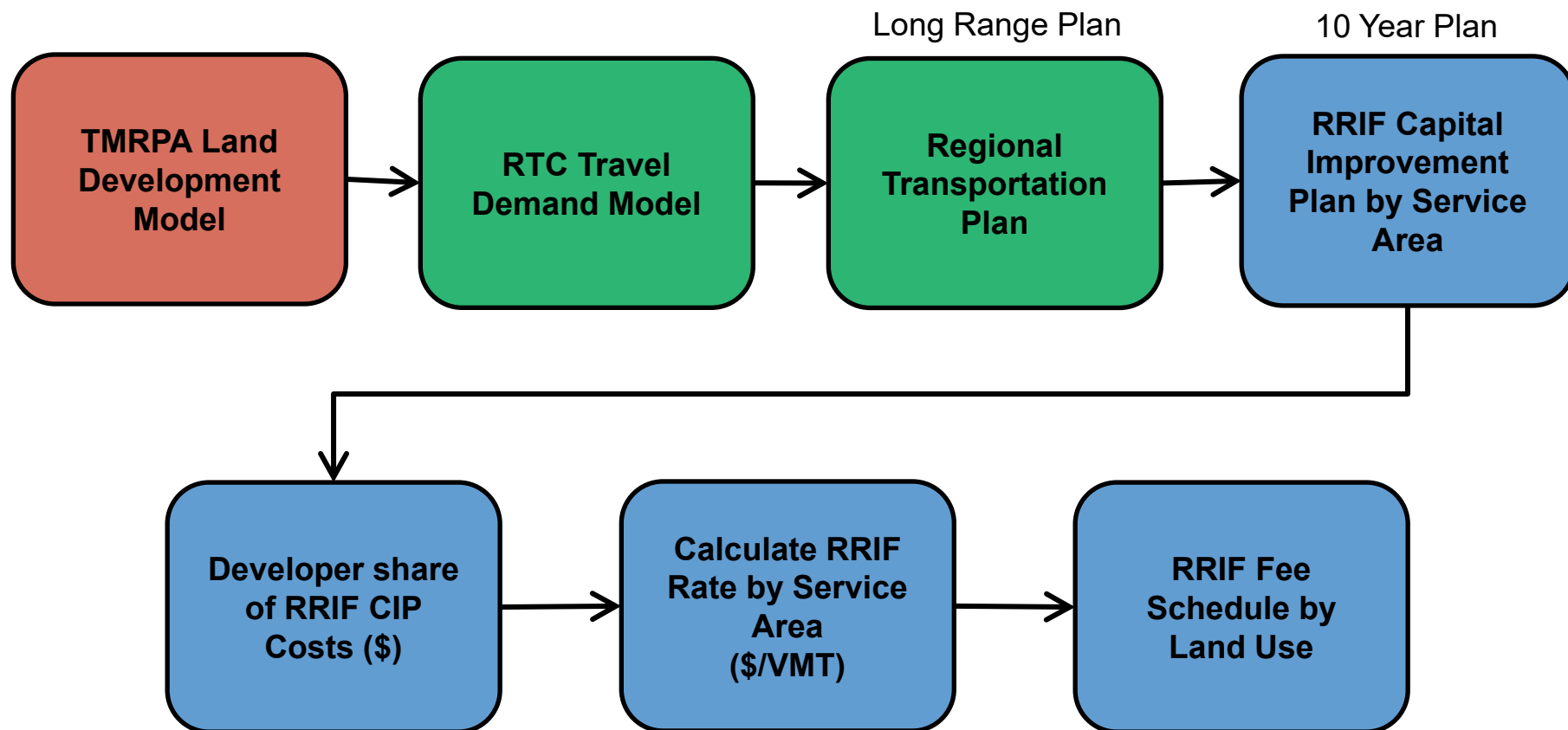


Regional Road Impact Fee System  
General Administrative Manual

Page i



# Development of RRIF Fees





Typical Single Family Subdivision  
Generates # of Vehicle Trips per Day  
On the road network

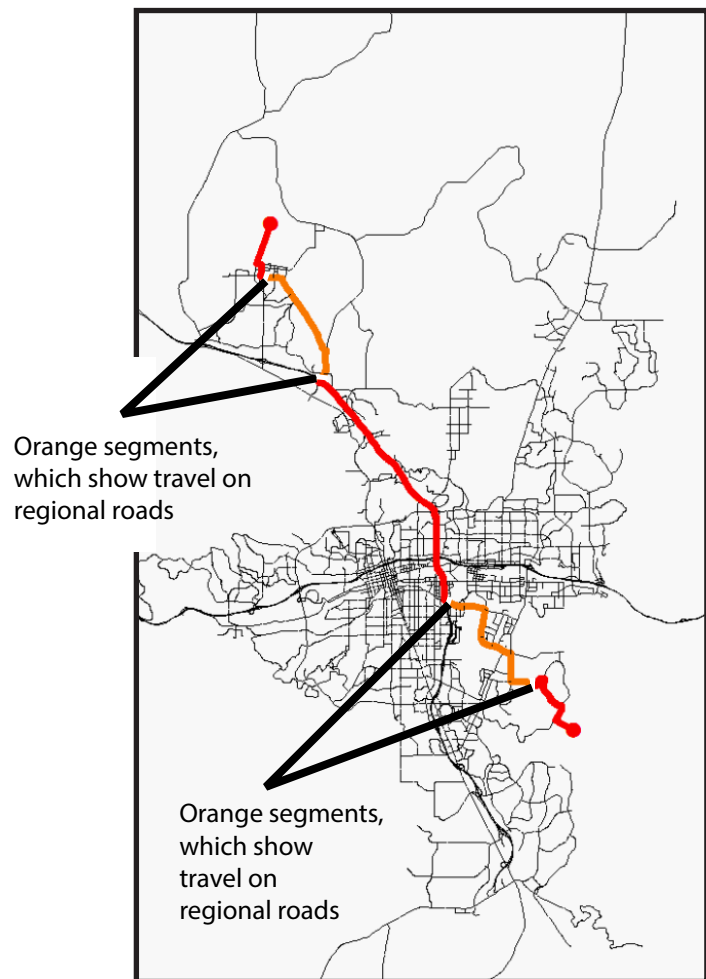
**Service Units  
measured in  
Vehicle Miles  
Travelled (VMT)**



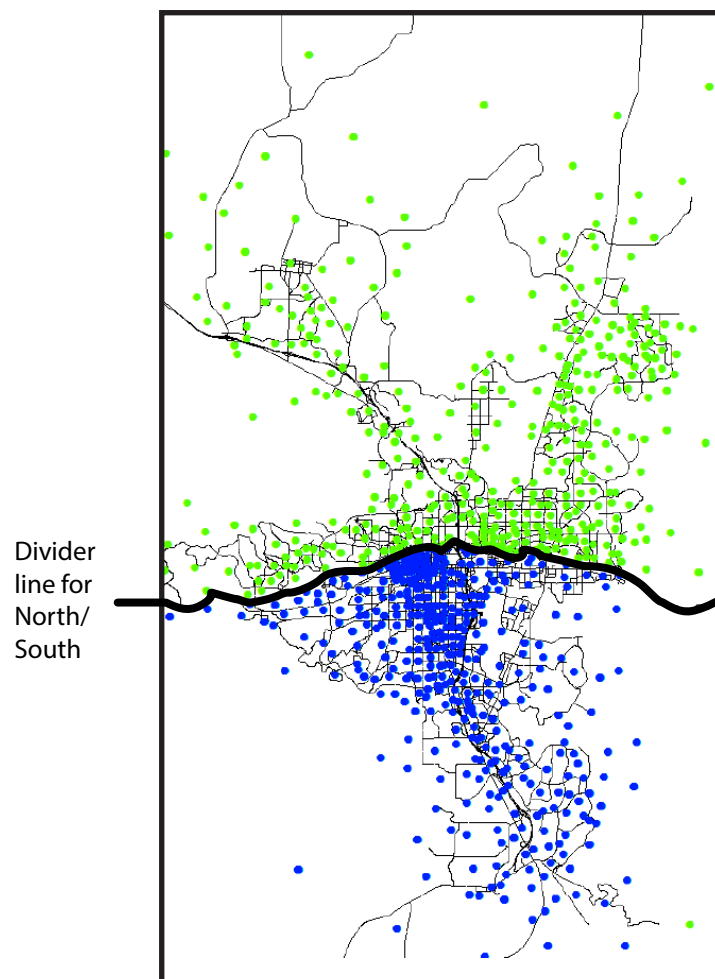


# Travel Demand Model

## Trip Distance on Regional Roads



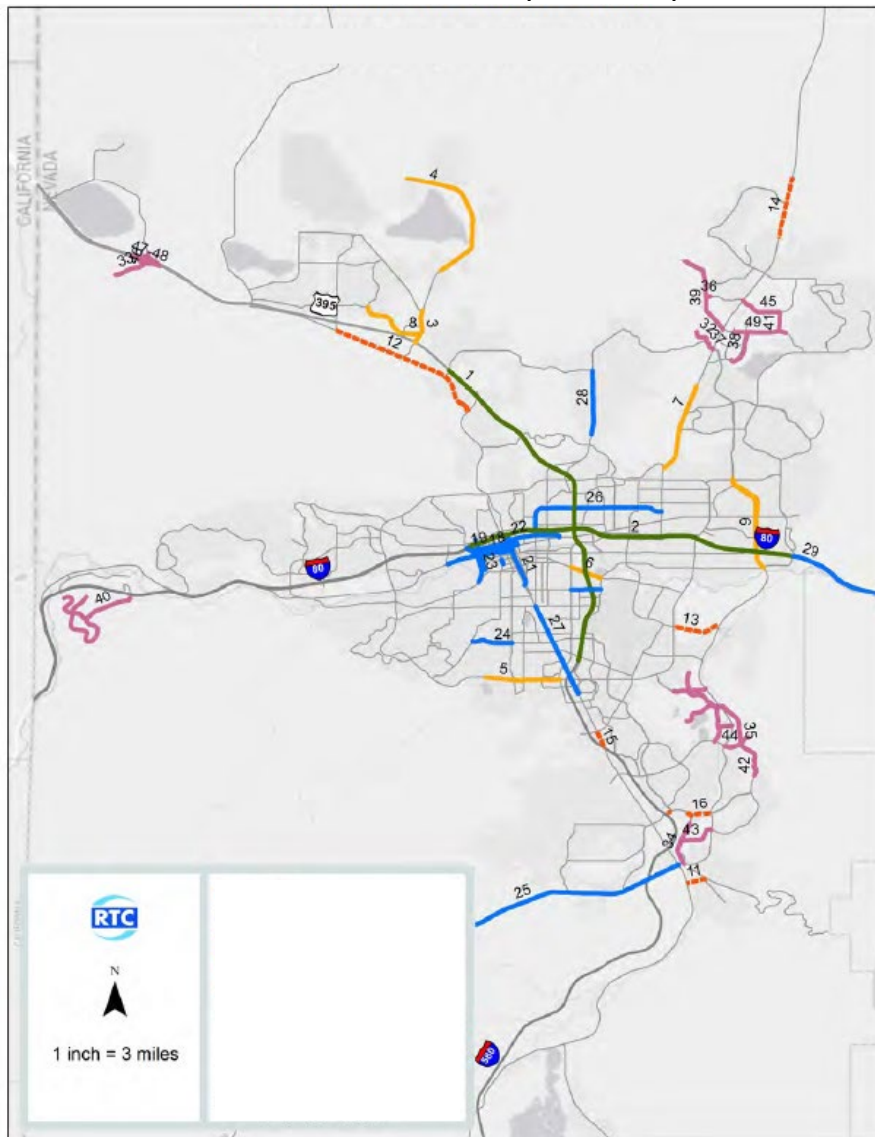
## Average Trip Length North/South



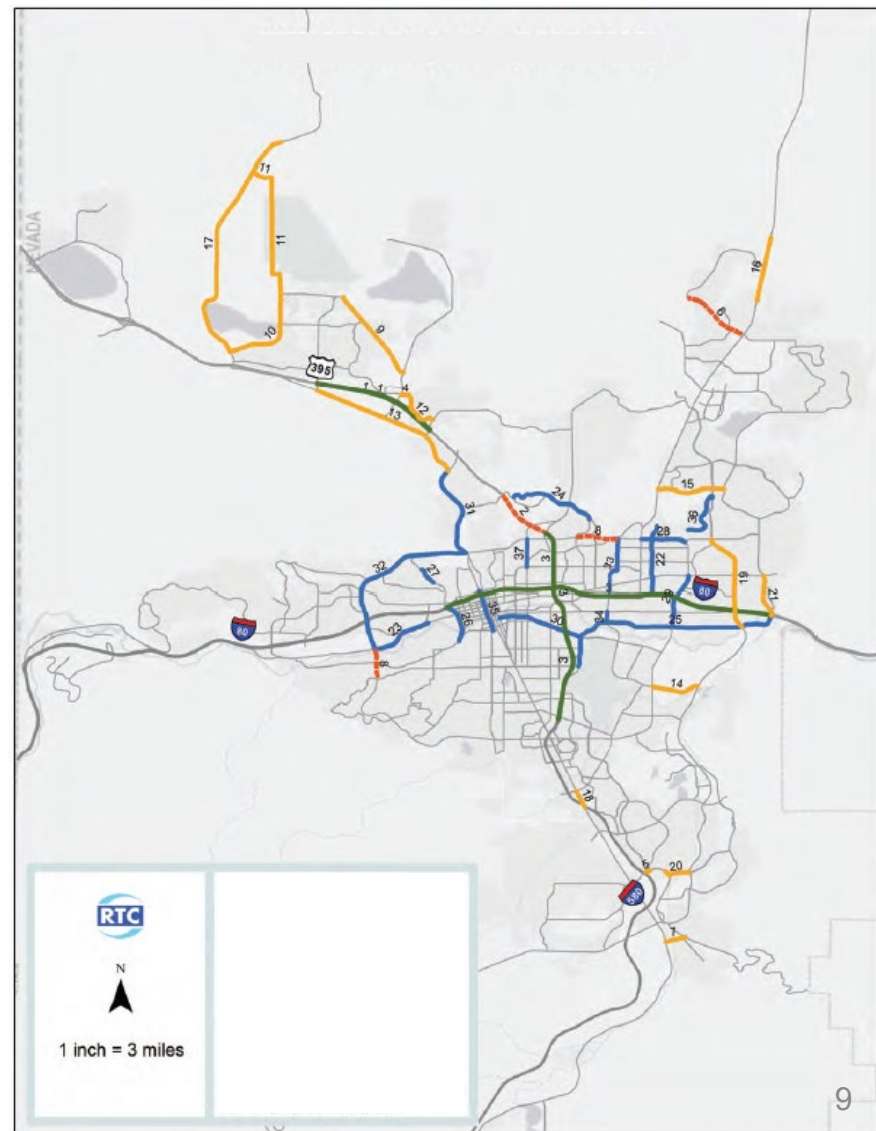


# 2050 Regional Transportation Plan (RTP)

RTP 2050 PROJECTS (2021-2025)



RTP 2050 PROJECTS (2026-2030)





The map illustrates the geographical layout of the North and South Valleys Area Plans. The California State Line is shown on the left. The North Valleys Area Plan is in the upper half, and the South Valleys Area Plan is in the lower half. Major roads are labeled with their respective numbers and shields. The map also shows the locations of McCanan, Morgan, and McCanan. A scale bar at the bottom right indicates distances up to 12 miles, and a north arrow is present.

- Capital Improvement Plan by Service Area
- Growth by Service Area measured in VMTs
- \$/VMT by Service Area



## RRIF Net Cost per Service Unit

Description	North Service Area	South Service Area
Total RRIF Share	\$132,563,419	
% RRIF Eligible RTP	63.18%	36.82%
RRIF Share by Service Area	\$83,749,561	\$48,813,858
VMT Growth by Service Area	325,369 (mi)	194,434 (mi)
\$/VMT for RRIF Share	\$257.40/mi	\$251.06/mi

RRIF Share (\$) / VMT Growth = \$/VMT Rate



# 7<sup>th</sup> Edition Fee Schedule

## 7<sup>th</sup> Edition Fee Schedule

	North – 7 <sup>th</sup> Ed.	South – 7 <sup>th</sup> Ed.	North – 6 <sup>th</sup> Ed.	South – 6 <sup>th</sup> Ed.	
Average Trip Length (Mi)	3.58	3.36	2.79	2.64	
RRIF Share of CIP	\$83,749,561	\$48,813,858	\$103,283,121	\$72,767,044	
VMT Increase Over Ten Years	325,369.28	194,434	322,046	232,352	
Capital Cost per VMT	\$257.40	\$251.06	\$328.34	\$320.63	

Development Type	Development Unit	North – 7 <sup>th</sup> Ed.		South – 7 <sup>th</sup> Ed.		North – 6 <sup>th</sup> Ed.		South – 6 <sup>th</sup> Ed.		Difference between 7 <sup>th</sup> and 6 <sup>th</sup> Editions. % North	Difference between 7 <sup>th</sup> and 6 <sup>th</sup> Editions. % South
		VMT North	7 <sup>th</sup> Ed RRIF North	2.79	7 <sup>th</sup> Ed RRIF South	VMT North	6 <sup>th</sup> Ed RRIF North	VMT South	6 <sup>th</sup> Ed RRIF South		
Residential											
Single Unit	Dwelling	20.36	\$5,240.66	19.11	\$4,789.15	15.03	\$4,934.95	14.22	\$4,559.36	6.19%	5.24%
3+ Units per Structure	Dwelling	12.97	\$3,338.48	12.18	\$3,057.23	10.23	\$3,358.92	9.68	\$3,103.70	0.31%	-0.60%
Industrial											
Light Industrial	1000 Sq. Ft.	6.48	\$1,668.27	6.08	\$1,527.18	5.05	\$1,658.12	4.78	\$1,532.61	0.61%	-0.35%
Manufacturing	1000 Sq. Ft.	5.14	\$1,321.83	4.82	\$1,210.05	4.00	\$1,313.36	3.79	\$1,215.19	0.64%	-0.42%
Warehouse	1000 Sq. Ft.	2.27	\$585.24	2.13	\$535.75	1.77	\$581.16	1.68	\$538.66	0.70%	-0.54%
Mini-Warehouse	1000 Sq. Ft.	1.97	\$507.88	1.85	\$464.93	1.54	\$505.64	1.46	\$468.12	0.44%	-0.68%





# 7<sup>th</sup> Edition Fee Schedule

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Residential Single Unit	Dwelling	20.36	\$5,240.66	19.11	\$4,789.15	15.03	\$4,934.95	14.22	\$4,559.36	6.19%	5.24%
Residential 3+ Units per Structure	Dwelling	12.97	\$3,338.48	12.18	\$3,057.23	10.23	\$3,358.92	9.68	\$3,103.70	0.31%	-0.60%
Industrial Light Industrial	1000 Sq. Ft.	6.48	\$1,668.27	6.08	\$1,527.18	5.05	\$1,658.12	4.78	\$1,532.61	0.61%	-0.35%
Industrial Manufacturing	1000 Sq. Ft.	5.14	\$1,321.83	4.82	\$1,210.05	4.00	\$1,313.36	3.79	\$1,215.19	0.64%	-0.42%
Industrial Warehouse	1000 Sq. Ft.	2.27	\$585.24	2.13	\$535.75	1.77	\$581.16	1.68	\$538.66	0.70%	-0.54%
Industrial Mini-Warehouse	1000 Sq. Ft.	1.97	\$507.88	1.85	\$464.93	1.54	\$505.64	1.46	\$468.12	0.44%	-0.68%



## Roles and Responsibilities

### Regional Transportation Commission (RTC):

The regional transportation commission created pursuant to NRS 277A that coordinates joint efforts of the Participating Local Governments to administer the RRIF Program pursuant to the RRIF Interlocal Cooperative Agreement.

#### Roles:

- Coordinate any updates to Land Use Assumptions
- Prepare changes to RRIF Ordinances
- Expend RRIF Fees on RRIF CIP
- Administer the RRIF Program



# Roles and Responsibilities

## Participating Local Governments:

The City of Reno, the City of Sparks, and Washoe County.

## Roles:

- Ensure Planning Commissions act collectively as the Capital Improvement Advisory Committee (CIAC).
- To appoint a Local RRIF Administrator to oversee the program.
- To adopt the RRIF CIP with any modifications jointly agreed upon by the other Participating Local Governments.
- To approve Offset Agreements within their respective jurisdictions.
- To monitor the use of RRIF Credits and RRIF Waivers



## **REGIONAL TRANSPORTATION COMMISSION**

*Metropolitan Planning • Public Transportation & Operations • Engineering & Construction*

Metropolitan Planning Organization of Washoe County, Nevada

# **CCFEA Credits & RRIF Waiver**







# What are RRIF Credits & Waivers?



## Developer conditioned to build road improvements listed on RRIF Capital Improvement Plan

- NRS 278B.240 – Improvements built by a developer listed on the CIP, must be credited against the impact fee owed
- Agreement between developer, RTC, and local entity
- Credits or Waivers to be used as alternative payment of impact fees
- Credits or Waivers are associated with a specific **Development of Record** and **Benefit District**



## RRIF Revenue vs Credits Used

CY	Revenue	Credits Used	Total
2010	\$450,167	\$2,602,875	\$3,053,042
2011	\$496,280	\$4,474,345	\$4,970,625
2012	\$249,938	\$2,904,551	\$3,154,489
2013	\$1,126,782	\$5,486,189	\$6,612,971
2014	\$1,374,382	\$6,912,956	\$8,287,338
2015	\$3,025,633	\$8,338,528	\$11,364,161
2016	\$2,690,467	\$10,003,698	\$12,694,165
2017	\$4,039,431	\$10,938,391	\$14,977,822
2018	\$4,835,053	\$14,180,702	\$19,015,755
2019	\$4,830,616	\$8,948,516	\$13,779,132
2020	\$7,365,704	\$14,110,489	\$21,276,193
<b>Total</b>	<b>\$30,484,453</b>	<b>\$88,901,240</b>	<b>\$119,385,693</b>



## Credits Available

- Roughly 600,000 Credits Available
- 18 Credit Holders represent 80% of available credits
- Credits Extension granted to 2035-2039 timeframe
- New credits are no longer available.
  - Developers must enter into Offset-Waiver agreement



# Transfer of Credits or Waivers

## Transfer of Credits

- RRIF Credits are transferable to a 3<sup>rd</sup> Party
- 3<sup>rd</sup> Party may pay up to 100% of Fees on development in the Development of Record
- 3<sup>rd</sup> Party may pay up to 50% of Fees within the same Benefit District as the Development of Record.
- New credits are no longer available.
  - Developers must enter into Offset-Waiver agreement

## Transfer of Waivers

- RRIF Waivers are transferable to a 3<sup>rd</sup> Party
- 3<sup>rd</sup> Party may **only** pay for Fees due as a result of development within the Development of Record





# Questions

**Dale Keller, P.E.**  
**Director of Engineering**

Regional Transportation Commission  
of Washoe County

[dkeller@rtcwashoe.com](mailto:dkeller@rtcwashoe.com)  
(775) 335-1827

# TAMPA MOVES EVOLUTION OF IMPACT FEES





- ▶ History of Impact Fee
  - Regulatory Context
  - Timeline of impact fees
    - In Florida
    - In Tampa
  - Current fee structure
  - Process: Putting it all together
- ▶ Local Context
  - What has the City funded?
- ▶ What's next?
  - Emerging Trends
  - Sidewalk In-Lieu funds





► **Golden v. Ramapo (1972)**

- Court upheld a growth management system that awarded points to development proposals based on the availability of public utilities.
- Case further emphasized the importance of the Comp Plan and set the stage for nationwide growth management plans & policies.

► **Construction Industry Association of Sonoma County v. City of Petaluma (1975)**

- The Court upheld quotas on the annual number of building permits issued.
- Ensured that the growth rate did not exceed City's ability to fund capital improvements.





## Impact Fee

[im-pakt fee] *noun*

payments required by local governments of new development for the purpose of providing new or expanded public capital facilities required to serve that development.

- ▶ Shift costs of financing public facilities from general taxpayer to beneficiaries of new facilities
- ▶ Based on Comprehensive Plan and Capital Improvement Plans
- ▶ A “rational nexus” between the fee and the needs created by development and the benefits incurred by the development





► **What is Transportation Concurrency?**

- State of Florida passed the *Growth Management Act* of 1985 requiring public facilities to be provided “concurrent” with the impacts of new development
- Transportation Concurrency was established by the state legislature to ensure that infrastructure, such as roadway capacity, would be available for new developments

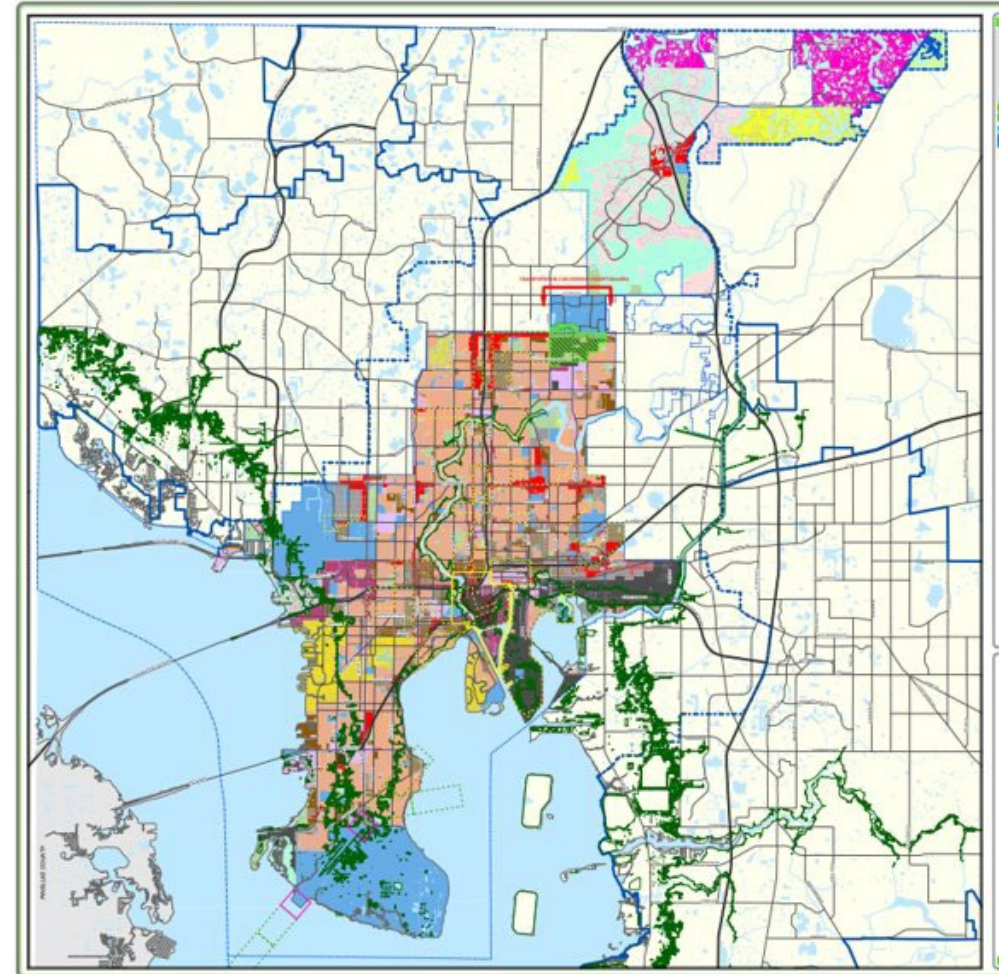
► **Limitations of Concurrency:**

- Did not support urban, infill projects with constrained roadways



## ► What is a Transportation Concurrency Exemption Area (TCEA)?

- Concurrency limited growth within urban areas where roads were often over capacity or had limited right of way, so the legislature added alternatives through the development of Transportation Concurrency Exception Areas (TCEAs)
- TCEAs were established where infill and redevelopment were encouraged (and where exceptions to transportation concurrency requirements were made).
- The City established the Transportation Concurrency Exception Area (TCEA) in 1998 in the Comprehensive Plan.
  - The TCEA includes all portions of the incorporated area of the City of Tampa located south of Fletcher Avenue
  - Depicted on the Future Land Use Map of the Tampa Comprehensive Plan





**1985**

Growth Management Act requires local governments to identify sources of funding for capital improvements

**2011**

Elimination of state mandated transportation concurrency; making it optional for local governments to implement

**2021**

House Bill 337 restricts increases in road impact fee and mobility fee programs to once every four years and caps increase to 50%

**1998**

Adoption of Dense Urban Land Use Area statutes allows establishment of Transportation Concurrency Exception Areas (TCEA)

**2013**

Update of Community Planning Act allows local governments to adopt alternative mobility funding systems (mobility fees)





FIGURE 1: FLORIDA'S HISTORY OF MOBILITY FEE CONCEPT AND ASSOCIATED LEGISLATIVE CHANGES

1985- EARLY 2000s	2009	2011	2013	2016
Concurrency fell short in addressing congestion and infrastructure demands while creating unintended negative consequences; numerous legislative and rulemaking modifications to concurrency.	<p>Florida Community Renewal Act provided legislative direction for establishing mobility fees.</p> <hr/> <p>CUTR evaluates mobility fee concept.</p> <hr/> <p>Florida Department of Community Affairs and Florida Department of Transportation develop Joint Report on the Mobility Fee Methodology Study.</p>	Florida adopts the Community Planning Act, removing the requirement for transportation concurrency and allowing local governments to adopt an alternative mobility funding system; the first mobility fee is adopted.	Legislature encourages the adoption of mobility fees if a local government repeals transportation concurrency.	More than 20 jurisdictions have implemented mobility fee programs.

Source: A Guidebook: Using Mobility Fees to Fund Transit Improvements (2016)



**1986**

City Council approves a roadway-based Transportation Impact Fee in 6 impact fee districts

**2002**

City Council approves "No Transportation Impact Fee Zones" in East Tampa and part of Ybor City

**2015**

City Council adopts the Multi-Modal Transportation Impact Fee

**1998**

City Council adopts Transportation Concurrency Exemption Areas (TCEA)

**2014**

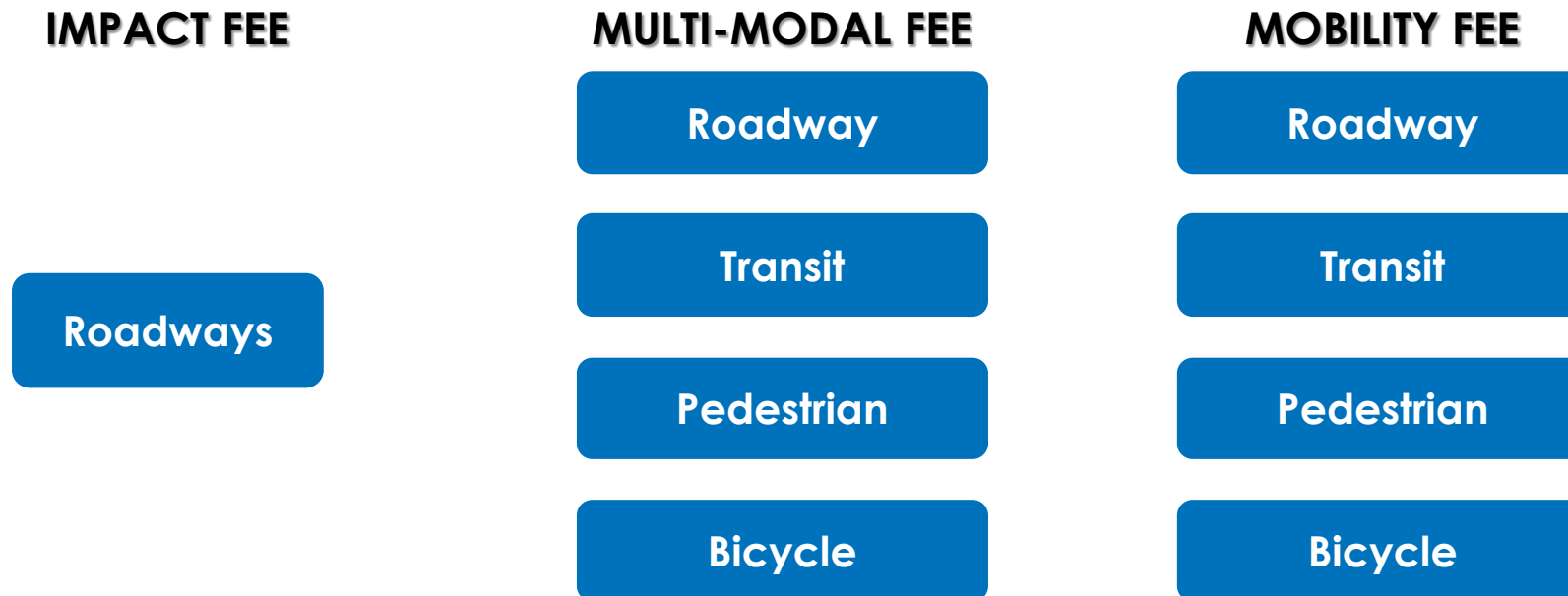
City conducted a *Multi-Modal Fee Study* to examine transition from impact fee to multi-modal transportation impact fee without increasing fee rates

**2020**

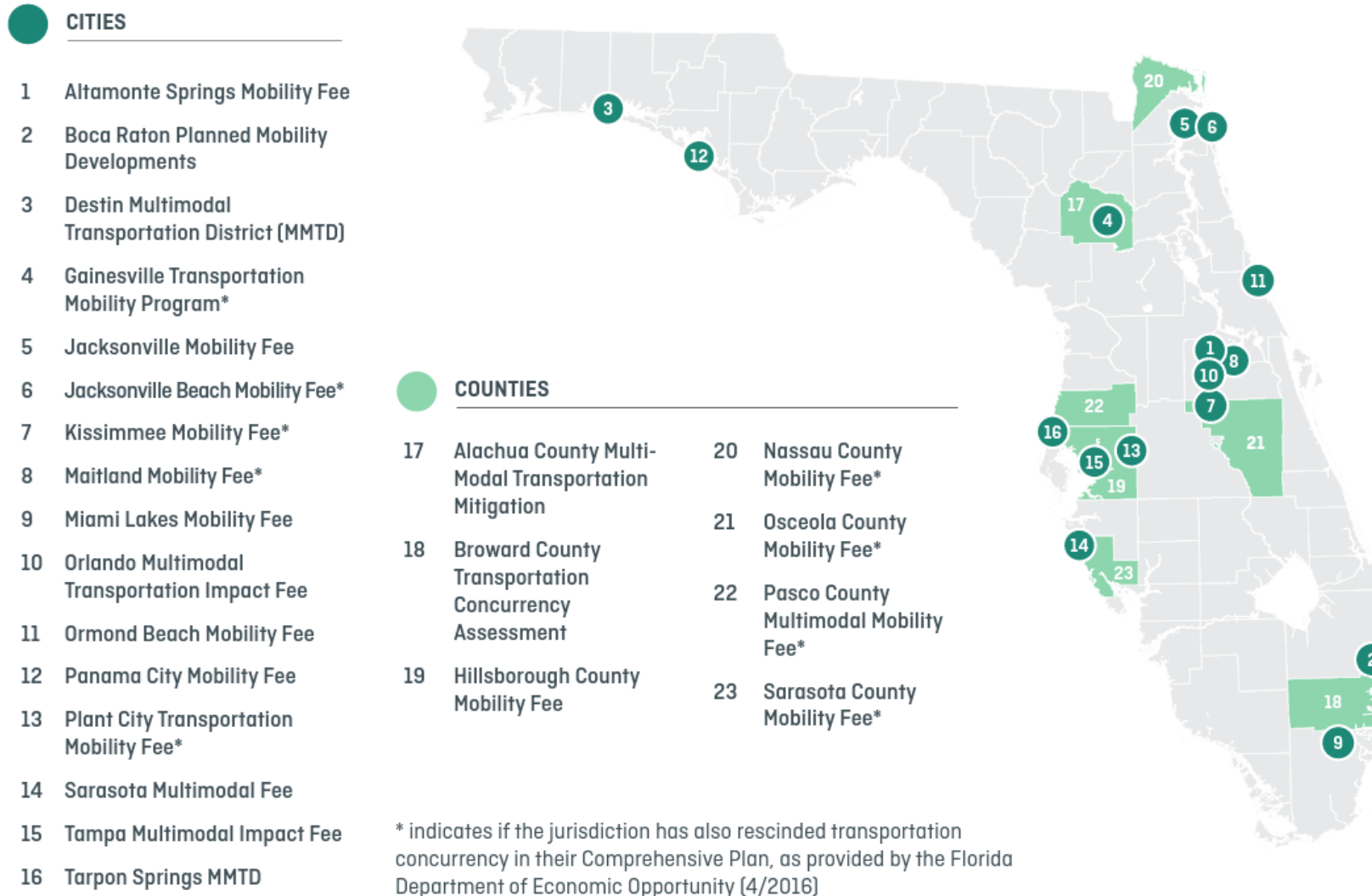
City Council extends the Ybor City and East Tampa "No Fee Zones" and added Drew Park and West Tampa areas



- ▶ Multi-Modal Impact Fee provided flexibility to expand capital facilities for **bicycle, pedestrian, and transit modes** in addition to funding automobile capacity along the classified (non-local) roadway network.



## Where are mobility fees used?



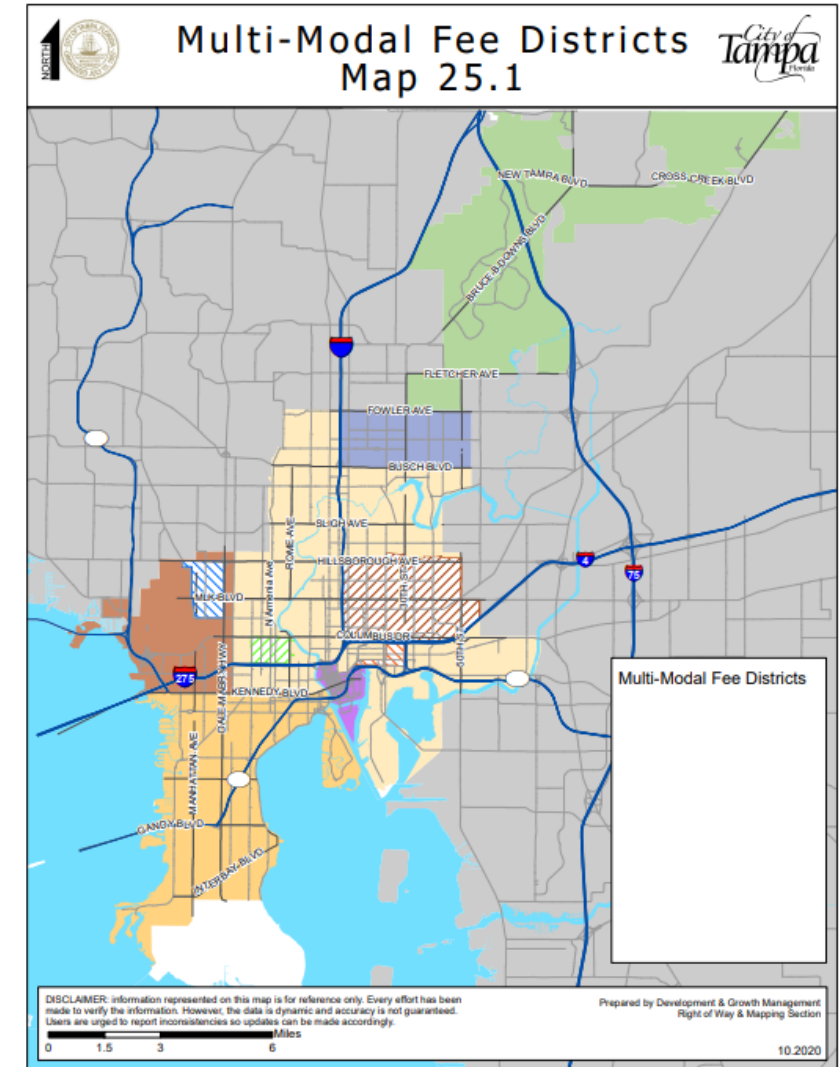
Source: A Guidebook: Using Mobility Fees to Fund Transit Improvements (2016)



- ▶ What do we want the impact fee program and associated transportation impact assessment to accomplish?
  - Provide the **needed facilities for new development**
  - Encourage **mixed-use, infill & redevelopment** opportunities
  - Fund a **wide variety of capital transportation system improvements** including:
    - Safety
    - Transit
    - Sidewalks/Trails
    - Bicycle facilities
    - Spot congestion relief
    - Queue management
  - Provide **transparency and certainty** to developers and City

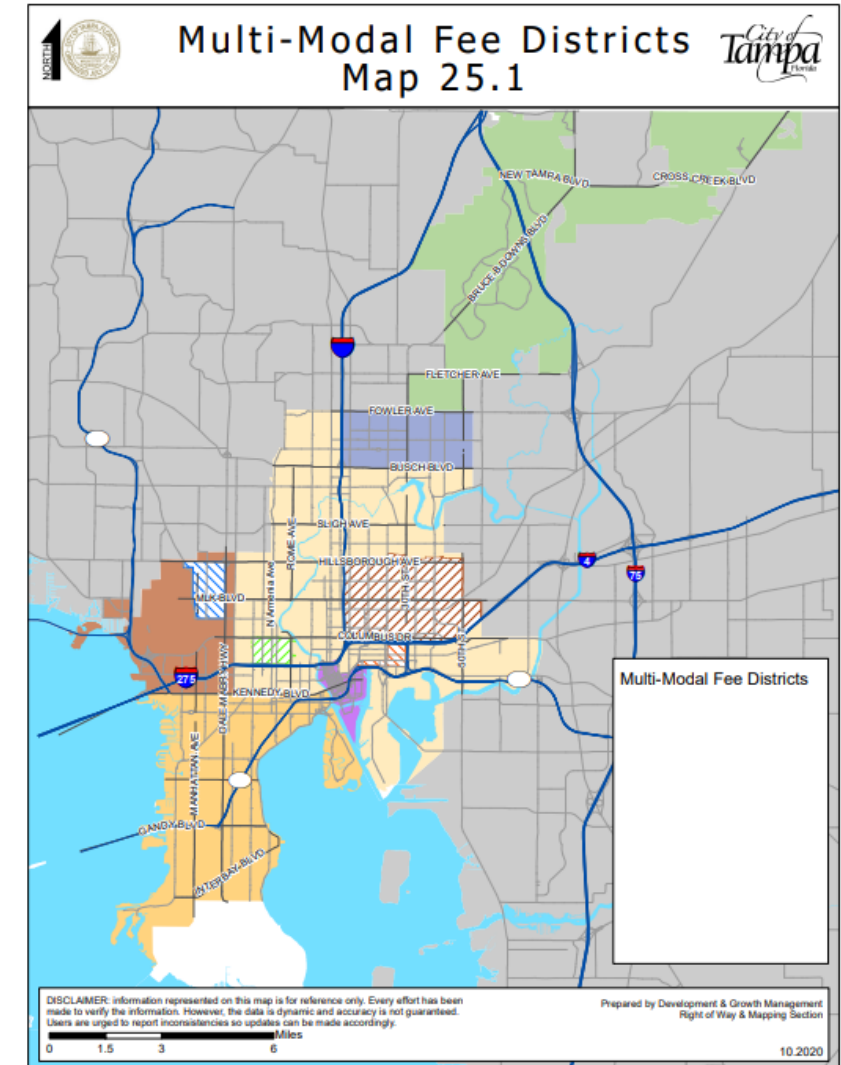


- ▶ Multi-modal fee consists of:
  - 51 land use categories
  - 6 impact fee districts
  - Fee calculation is calculated based on:
    - Person miles of travel (PMT)
    - Calculated by original 1989 vehicle trip rates
- ▶ No Fee Zones set by City Council
  - To incentivize economic development





- ▶ Impact Fee = [Demand x Cost] – Credit
- ▶ Fee calculation is calculated based on:
  - Estimating the **demand for travel for a variety of land uses**
  - Estimating the **cost to construct the transportation system**
  - Estimating the **amount of gas tax** that would be paid by future residents, employees and visitors to new land uses **to avoid double taxation**









► Comprehensive Plan

- **Objective 1.1:** Encourage downtown revitalization, urban redevelopment, and infill development in a manner that supports the city form concepts articulated in the Vision; is consistent with objectives to provide **adequate delivery of multimodal transportation system options'** and **mitigates adverse traffic impacts to neighborhoods.**
  - Policy 1.1.1: Designation of TCEA boundary
  - Policy 1.1.2: Development shall offset adverse impacts to the roadway network
  - Policy 1.2.3: City's prioritized list of roadway, transit, and pedestrian needs are preferred target
  - Policy 1.2.4: Continue to implement a multimodal transportation impact fee



# Our Mobility Vision and Guiding Principles

## MOBILITY VISION

Tampa will provide a **safe** and **equitable** transportation system that supports **economic opportunity**, enhances quality of life and fosters a **healthy, sustainable, and resilient** city where people can choose from a variety of **affordable mobility options**.

## MOVES GUIDING PRINCIPLES

### Mobility

Everyone should have access to quality transportation choices.

### Opportunity

Connect people to jobs and economic opportunities.

### Vision

Be visionary and dream big! Create a healthy, sustainable, and resilient future.

### Equity

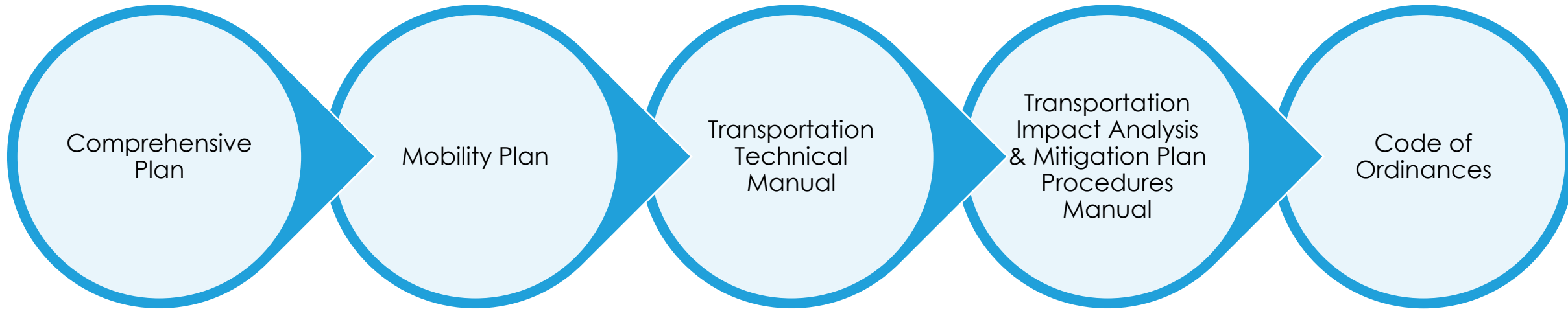
Remove barriers and improve transportation for people who need it most.

### Safety

Safety is our first priority. One death or injury on our streets is one too many.



- ▶ Transportation Technical Manual
  - Establishes design standards on City streets
- ▶ Transportation Impact Analysis & Mitigation Plan Procedures Manual
  - Establishes development review process and requirements





## The TIA Process

*Within TCEA*



**Determine if  
Project is Exempt**

**Determine  
Level of Effort**

**Existing Conditions  
Build-out  
Year Conditions**

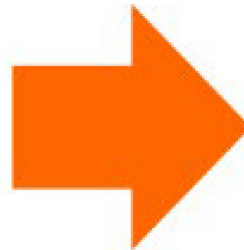
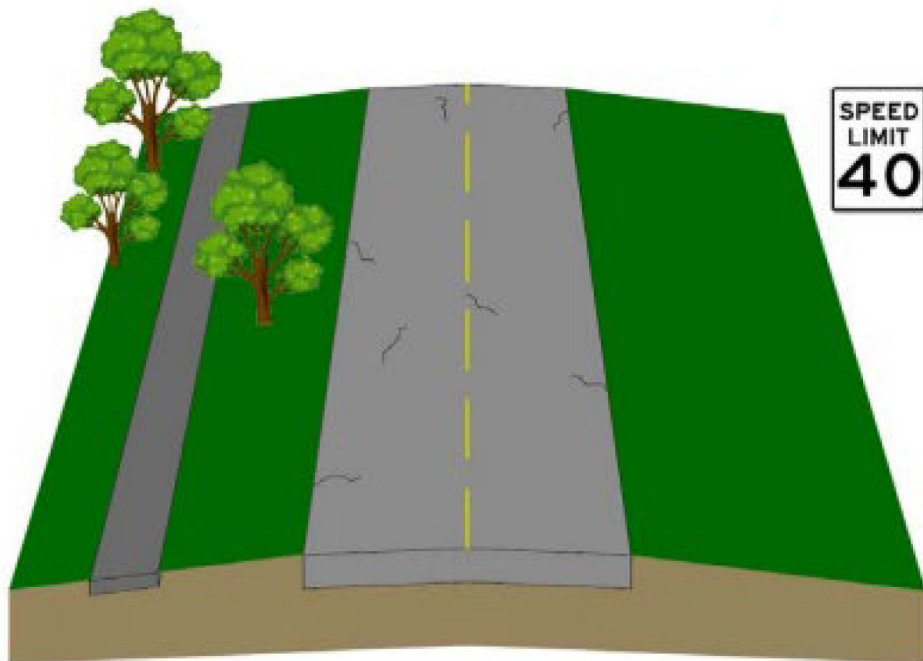
**Analyze Change  
with Project**

**Identify Mitigation**

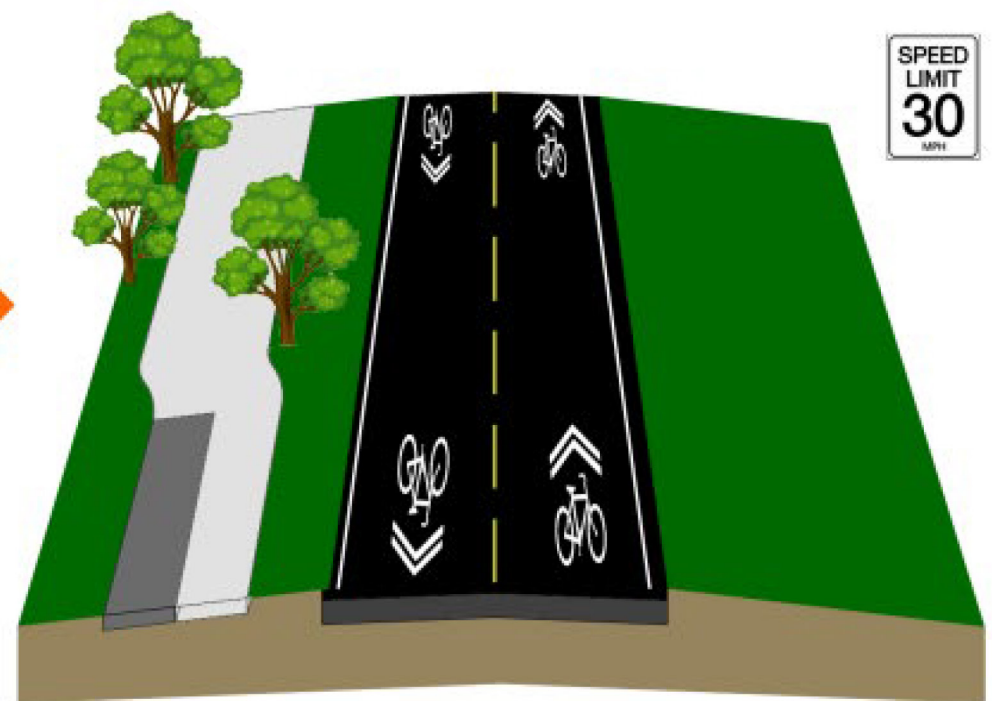


► 46<sup>th</sup> Street Complete Street

## Current Condition



## Post Construction





# Transportation What has the City funded?



## ► Harbor Island Complete Streets





- Replacement of road level of service (LOS) standards with street **quality of service (QOS) standards**, which encourage slower speeds to make it safer for people to walk, bicycle, and access transit.
- Project lists include a much more **multimodal variety of projects**
  - Sidewalks, paths, trails
  - Bike lanes
  - Streetscape and landscape,
  - Complete and low speed streets
  - Signals
- Many mobility fee programs base project impacts on **person trips** (PT) or PMT.



# Transportation Tampa Trends



- ▶ The City's Comprehensive Plan anticipates adding 100,000 new residents and 250,000 new jobs by 2045
- ▶ City has not increased the fee rates since 1989
  - Land use categories need to be updated
  - Example: Savings & Loan
- ▶ Increasing infrastructure costs for City projects

Red Light  
Camera Funds



Local Option  
Gas Tax



**Local Option Gas Tax**  
primary funding source  
80% of overall funds



Developer  
Impact  
Fees



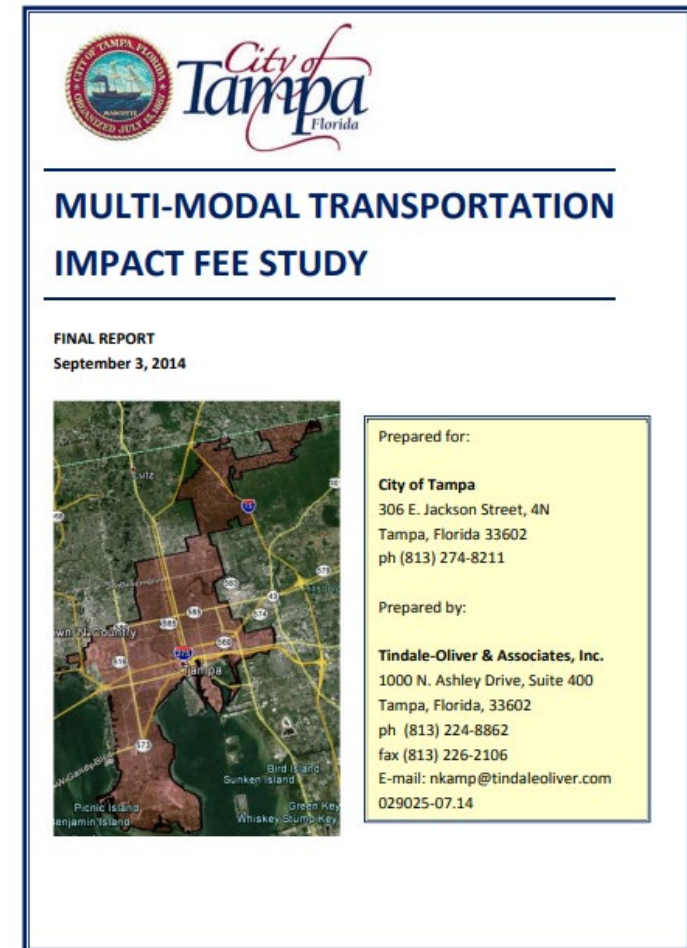
Community  
Investment  
Tax



Grants



ROW  
Permit  
Fees







We went  
from this...





**To this in the span of 5 years...**





CONDITIONS	NEW PROTOCOL	RETIRED PROTOCOL
There is no existing sidewalk to which the proposed sidewalk can connect, and it is unlikely that there will be additional development nearby which will require the construction of additional sidewalk(s).	Sidewalk trust fund contribution <b>SHALL BE REQUIRED.</b>	Sidewalk trust fund contribution was not required.
The sidewalk cannot be constructed without removing a grand tree, (Note: Sidewalks must be outside a minimum distance of twenty (20) feet of a grand tree.	Sidewalk trust fund contribution <b>SHALL BE REQUIRED.</b>	Sidewalk trust fund contribution was not required.
A stormwater drainage ditch or similar public utility prevents the construction of a sidewalk and neither the facility nor the proposed sidewalk can reasonably be relocated or altered to accommodate both the facility and the sidewalk.	Sidewalk trust fund contribution <b>SHALL BE REQUIRED.</b>	Sidewalk trust fund contribution was not required.
Other peculiar circumstances (as determined by the transportation manager) exist on a given parcel or development, which would prevent the construction of a sidewalk.	Sidewalk trust fund contribution <b>SHALL BE REQUIRED.</b>	Sidewalk trust fund contribution was not required.



## Tampa City Council holds final vote on closing sidewalk loophole

Email Share LinkedIn Tweet Share Article Print Order Reprints



Workers install a sidewalk in the city of Tampa.

CITY OF TAMPA



By Henry Queen – Reporter, Tampa Bay Business Journal

Dec 2, 2021 Updated Dec 3, 2021, 2:27pm EST

- ▶ Fee amount remained the same
  - \$29/linear foot of sidewalk
- ▶ Set by resolution by City Council

# Transportation City's Next Steps



- ▶ Finalizing the City's Mobility Plan: Tampa MOVES
- ▶ In process of updating Comprehensive Plan
- ▶ Reviewing current fee structure and land uses





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**City Of Tampa, FL**

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