

Impact Fee Feasibility Analysis

City of Decatur, Georgia

Parks, Recreation and Open Space

- Park and Open Space Land
- Recreation Components
- Bikeway/Trail System

Public Safety

- Fire Protection Services
- Law Enforcement

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urban planning & plan implementation

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Introduction

■ Focus of This Report

This report focuses on the public facilities that currently exist or will be needed to meet the demands of future growth and development while maintaining the current level of service enjoyed by residents and businesses in the city today. The key is that the capital improvement, whether it's land, buildings or long-lived vehicles, must provide capacity within the system to keep pace with the number of future residents and businesses as the city grows. Maintenance and personnel are not eligible for impact fee funding, nor would replacement of deteriorated floor space or a run-down vehicle because, although the replacement is maintaining the level of service, no new capacity is created to serve the needs of new growth.

In this report capital costs have been examined for several public facility categories: parks, recreation and open space, fire protection services, and law enforcement. The latter two fall under the impact fee category of 'public safety'.

■ Impact Fees Authorized

Impact fees are authorized in Georgia pursuant to O.C.G.A. §36-71-1 et seq., the *Georgia Development Impact Fee Act* (DIFA), and are administered by the Georgia Department of Community Affairs under Chapter 110-12-2, *Development Impact Fee Compliance Requirements*, of the Georgia Administrative Code. Under DIFA, the City can collect money from new development based on that development's proportionate share—the 'fair share'—of the cost to provide the facilities needed specifically to serve new development.

Revenue for such facilities can be produced from new development in two ways: through future taxes paid by the homes and businesses that growth creates, and through an impact fee assessed as new development occurs.

■ Investment Recovery

The Georgia Development Impact Fee Act permits recovery by a local government of the cost of providing an improvement that serves new growth and development, even though that cost may have been incurred prior to the adoption of an impact fee ordinance. As with all impact fees, the cost of the portion of the facilities meeting current needs must be borne by the locality (i.e., existing taxpayers), with future development being assessed only for the excess capacity that has been made available to serve that future growth in accordance with standards that apply equally to both existing and future development.

This ability to recoup past capital investment is extremely important for the City of Decatur. Population and employment projections for the city show that, in the years to come, the city will 'build out' its capacity for new growth and development. In many cases, discussed in this report, the City has already created capacity in its existing systems to serve not only the existing service demands of its residents and businesses, but also to handle at least some of the demands of future growth.

■ Two Approaches to Impact Fees

There two approaches to impact fee calculations in this Report: the 'investment recoupment' approach and the 'level of service' approach.

In the former, the current value of the money that the City has expended in creating a system of capital improvements (such as the for the Fire and Rescue Department) and funds planned to be expended establish how much has been invested in the system. To the extent that the system has capacity to also serve the demands of future growth and development, that portion of the investment can be recovered ('recouped') in the form of an impact fee.

In the other approach, a level of service (LOS) standard that applies both to existing and future development is established—usually the LOS for the facilities currently serving the current residents and businesses. This LOS is then applied to anticipated future growth and development to determine the future capital improvements that will be needed specifically to serve them

■ Level of Accuracy

Within the scope of this analysis, certain generalized assumptions and calculations have been used. These calculations would be held to more rigorous standards if a full-blown impact fee methodology were to be applied. However, within the wide range of impact fee experience of the author, the results of this analysis provide a level of accuracy adequate to make policy decisions as to pursue adoption of an impact fee program or to continue with traditional project funding approaches.

■ Cost Adjustments

Calculations related to impact fees are required by law to be made in terms of the 'present value' of past and future costs in current dollars. For future expenditures, the current cost estimate is inflated to the year when the expenditure will be made, and then is 'discounted' back to the present to account for the current value of future money.

Three different cost inflators are used in the impact fee calculations, based on the type of project being considered. For infrastructure projects, such as recreation components, a 'construction cost inflator' is used. For projects that require construction of a structure (such as a fire station), a 'building cost inflator' is used as the appropriate inflation rate. For all non-construction types of projects (such as a fire truck or park land), an inflation rate is used that is based on the Consumer Price Index. Ten-year average rates for these three indices are shown on the accompanying table.

Index	10-Year Average Rate
Consumer Price Index (CPI)	1.480%
Construction Cost Index (CCI)*	3.359%
Building Cost Index (BCI)*	1.367%

* Source: *Engineering News Record*, 10-Year Average of Annual Indices.

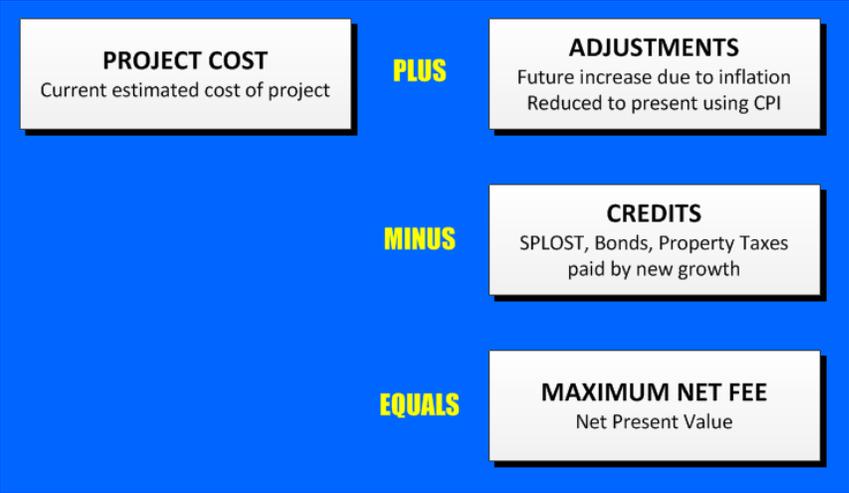
For expenditures made in the past for capital improvements that have capacity to serve new growth and development, those expenditures are converted to 'present value' based on the year in which they were made and the inflation that has occurred since then. The historical inflation in the Consumer Price Index is used for this calculation. Appendix B provides a detailed description of all cost adjustments used in this Report.

■ Credits

Under certain circumstances, future residents and businesses pay for capital improvements needed to serve them through an impact fee when a building permit is issued, and again through subsequent tax levies that pay for the same improvements. To avoid this 'double taxation,' credits are subtracted from the impact fees in compensation so that new growth pays its 'fair share' only once.

■ Fee Calculations

Calculating an impact fee involves several operations. These include determining the current cost estimate of each capital expenditure, the determination of that future cost in current dollars using appropriate inflation factors, and the subtraction of credits for property taxes to avoid double taxation. In this report, the maximum allowable impact fee has been calculated for each public facility category to establish the 'ceiling' allowed under Georgia law.



■ Program Administration

A surcharge of 3% for administration is added to the net impact fee for each land use category. The fees collected in this category can only be used for the administration of the impact fee program, and are reported annually to the State just like the other service categories. Like any fee, this must have some rational and reasonable connection to the service rendered. Commonly, the administrative fee collected is used to offset some or all of the cost to handle impact fee calculations by the City staff; some or all of the cost for the finance department to process, record and distribute impact fees; and some or all of the cost for the management and oversight of the program by administrative staff.

■ Reductions in Impact Fee Assessments

Because the state law provides that new growth and development cannot be charged more than their fair proportionate share of the costs of the capital improvements needed to serve it, this Analysis Report calculates the maximum that could be charged as an impact fee in order to establish the 'ceiling' above which the City cannot go. There are, however, several ways that a lower impact fee could be charged, either for a specific project, across the board for all projects, or for a category of projects that are of special benefit to the City. These are discussed below.

Individual Fee Assessment

A landowner or developer may request an individual assessment when the average figures used in calculating a 'standard' impact fee do not apply to the specific project being proposed. This individual assessment determination will be made preferentially on alternate data available regarding the number of housing units or employment characteristics of the specific project, as applicable. Under the appeal procedures of an Impact Fee Program, special circumstances can be considered and approved in modifying the fee for a particular project demonstrably differing from the average values used in the 'standard' fee.

Individual Appeals

By law, the City's Impact Fee Ordinance would have to provide for the appeal by anyone assessed an impact fee, ultimately to the City Commission.

Adoption of Reduced Impact Fees

As noted, the fee schedule shows the **maximum** impact fee that could be adopted under State law. The City may adopt the maximum fee for any given public facility category, or could adopt a lower fee, as part of its Impact Fee Ordinance. In order to fulfill DIFA's requirement that new growth pay its fair, proportionate share, all fees in a particular public facility category could be reduced proportionally (that is, by the same percentage), but individual land use categories within a particular public facility category cannot be individually reduced or deleted.

Exemptions

Exemptions from the established impact fee amounts on the City's adopted Impact Fee Schedule can be adopted by the City Commission for development that represents 'extraordinary economic or employment growth.' Exemptions can also be created to encourage 'affordable housing' as defined by the City. The exemptions may reduce otherwise applicable impact fees in whole or in part, must be spelled out as part of its Impact Fee Ordinance and must be applied to all projects that meet the criteria. Exemptions may apply to specified land use categories determined to be of 'extraordinary' economic benefit as a class, or for particular housing projects determined to be 'affordable' based on standards established by the City.

Importantly: exemptions must be granted to all projects that qualify under the City's standards, and any amount of otherwise applicable impact fees so waived must be made up by the City from funds other than impact fee collections.

■ Limitations on Impact Fees

There are several requirements placed on impact fees by the Georgia Development Impact Fee Act and the rules and regulations of the Georgia Department of Community Affairs. These include:

- To qualify as a 'capital improvement' for impact fee consideration, it must have a useful life of 10 years or more.
- Impact fees must be spent in the same public facility category for which they were collected.
- Impact fees must be deposited into an interest bearing account.
- Impact fees not encumbered within 6 years must be refunded to the fee payer, with interest. ('Encumbered' means either spent or earmarked by the City for expenditure on a particular project by any action, not necessarily by budget allocation or contract.)
- The same Level of Service must be applied to both the existing population and to new growth.
- All calculations must be made in Net Present Value.
- A 'Capital Improvements Element' must be created for the impact fee program and its adoption becomes a part of the City's Comprehensive Plan.
- Annual Financial Reporting and 5-Year Community Work Program Update required.

■ Editorial Conventions

This report observes the following conventions:

The capitalized word 'City' applies to the government of Decatur, the City Commission or any of its departments or officials, as appropriate to the context. An example is "the City has adopted an impact fee ordinance".

The lower case word 'city' refers to the geographical area of Decatur, as in "the population of the city has grown".

Single quote marks (' and ') are used to highlight a word or phrase that has a particular meaning or refers to a heading in a table.

Double quote marks (" and ") are used to set off a word or phrase that is a direct quote taken from another source, such as a passage or requirement copied directly from a law or report.

Numbers shown on tables are often rounded from the actual calculation of the figures for clarity, but the actual calculated number of decimal points is retained within the table for accuracy and further calculations.

Summary

The bottom line on impact fees is that a rational nexus—a clear and fair relationship between the fee charged and the services provided—must exist for each public facility category. It is perhaps wise to keep in mind the basic tenet of impact fees:

New development can be required to pay no more than its fair share of the costs for facilities needed to meet the demand on the City created by new development.

The calculations carried out in this Report are intended to meet two inter-related goals: calculating the 'fair share' of project costs applicable to new development, and meeting the requirements of the *Development Impact Fee Act*. The DIFA provides a series of protections for new growth and development. In addition to providing the methodological basis for impact fee calculations, it protects new development against the possibility of double-taxation, and against being required to provide for a different 'level of service' than that adopted for existing development.

■ Net Program Costs

The table below summarizes the capital expenditures and credits underlying a potential impact fee program for each public facility category considered. All figures are the Net Present Value (NPV) of past and future expenditures reflecting inflation, expressed in current dollars. (See the Cost Adjustments and Credits appendix for an explanation of NPV calculations.)

Table 1: Net Program Costs

	Parks, Recreation & Open Space			Public Safety		Total
	Park/Open Space Land	Recreation Components	PATH Trails	Fire Protection	Law Enforcement	
Total Costs*	\$ 17,275,768	\$ 40,244,017	\$ 15,426,442	\$ 11,346,298	\$ 14,253,243	\$ 98,545,768
Less: Ineligible Costs	\$ -	\$ (29,307,842)	\$ (11,234,359)	\$ (8,581,493)	\$ (10,780,089)	\$ (59,903,784)
Impact Fee Eligible Amount	\$ 17,275,768	\$ 10,936,175	\$ 4,192,083	\$ 2,764,805	\$ 3,473,154	\$ 38,641,985
Less: Credit for Bond Levy	\$ -	\$ (2,113,266)	\$ -	\$ (714,733)	\$ -	\$ (2,827,999)
Net Impact Fee Proceeds	\$ 17,275,768	\$ 8,822,909	\$ 4,192,083	\$ 2,050,072	\$ 3,473,154	\$ 35,813,986
Past Investment by City	\$ -	\$ 39,390,881	\$ -	\$ 9,274,572	\$ 14,253,243	\$ 62,918,696
City Cash Requirement**	\$ 17,275,768	\$ 853,136	\$ 15,426,442	\$ 2,071,726	\$ -	\$ 35,627,072
Reimbursement to General Fund	\$ -	\$ 7,969,773	\$ -	\$ (21,654)	\$ 3,473,154	\$ 11,421,273

* Including past capital investment in existing facilities and cost of future improvements. All figures are Net Present Value.

** Net new expenditures only. Excludes expenditures already included in the current GO Bond fund.

Maximum Impact Fee Revenue

As shown on the table, based on 'fair share' and Level of Service (LOS) standards adopted by the City, the portion of future capital costs that could be met through impact fees has been calculated. The first part of Table 1 shows the total project costs (not including any cost of preparation of an impact fee Capital Improvement Element and ordinance), the maximum amount that is eligible to be collected in an impact fee program, and the net amount that is not eligible and would have to be funded (or has already been funded) from other sources. In summary, of the \$98.5 million in proposed (and past) capital expenditures, a total of \$38.6 million is eligible to be included in an impact fee program.

Also in the first part, the table shows the potential impact fee program amounts. Here, the total impact fee eligible costs are reduced by \$2.8 million in credits, which represent future taxes that will be contributed by new development for debt service on the portions of the City's GO Bond issue that financed a few impact-fee eligible improvements.

In short, a total of \$35.8 million will have to be collected as impact fees by the City to fully address the needs of future growth for past and future capital investments in the public facility categories shown.

Program Costs and Reimbursements

As discussed in the individual chapters of this report, the City has already invested considerable amounts in creating recreation facilities, fire protection facilities (stations and fire-fighting equipment) and police facilities (its new headquarters and rolling stock). Some of the cost of these existing facilities can be recovered through impact fees to the extent that the facilities serve the needs of future development. Altogether, \$62.9 million of the 'total costs' figure of \$98.5 million has already been invested in these existing capital improvements.

The second part of Table 1 addresses the potential for reimbursements for these past impact fee eligible facilities and total cash expenditures that will be required of the City. The actual 'out of pocket' cash requirement from the City totals \$35.6 million, which includes all of a new program of land acquisition for park/open space land for new growth, expansion of the PATH trail system, and \$2.9+ million currently anticipated in the City's 10-year Capital Improvements Program for new recreation improvements and fire department facilities. Against these cash outlays, the City could expect to collect \$35.8 million in impact fees at 100% of the maximum allowed; \$11.4 million of which would be recouped into the General Fund in repayment of past investments in the applicable public facility categories.

Parks, Recreation and Open Space Funding

Park/Open Space Land. This category is based on a Level of Service (LOS) approach in which the current acreage is deemed adequate to meet current needs, and all of the acreage to be acquired would be to maintain the current LOS for all future residents. All of the costs are therefore impact fee eligible. Pay-as-you-go funding is assumed since, at the current pace of residential development, all future residential development will probably occur in the

coming ten years. An actual plan targeting appropriate land acquisitions would refine this cost estimate based on actual parcel valuations.

Recreation Components. The City has already invested almost \$39.4 million in creating the existing complement of recreation facilities, and has planned an additional \$853 thousand in new improvements in the 10-Year CIP. Future development is projected to generate a total of \$2.1 million directly into the GO Bond Fund, leaving \$8.82 million to be collected as impact fees. Assuming full coverage of the new City investment in the 10-Year CIP, \$7.97 of the impact fee collections can be returned to the General Fund as repayment for past expenditures.

PATH Trails. These improvements come from a newly adopted plan that anticipates total expenditures of \$15.4 million (NPV). Since the trails will serve all of the city's residents, new growth's share would be almost 27.2%, or \$4.2 million.

Reallocation of General Fund Recoupments. Under the Impact Fee Law, monies collected as impact fees can only be expended on capital improvements within the same public facility category for which they were collected. In a recoupment situation, the monies have already been spent on the improvements in that category and the City is merely paying itself back. The recouped funds are therefore no longer earmarked for recreational facilities. However, because the relevant public facility category under the law incorporates all of the three Parks, Recreation and Open Space categories, impact fees collected as a recoupment of recreation component expenditures can be redirected to pay the City's share of either the land acquisitions or trails projects (or both), thus reducing the City's 'cash requirement'. For instance, this could reduce the City's share of the PATH trails from \$11.23 million to \$8.26 million.

Public Safety Program Funding

Fire Protection and Law Enforcement. These Public Safety categories are both calculated using the investment recoupment approach. The Fire Protection category includes a credit for GO Bond tax generation, and an additional \$2.1 million in new investment in facilities planned in the 10-Year CIP. The Law Enforcement category is straight-forward—all of the eligible costs have already been invested, and will serve both current and new development for many years to come.

Reallocation of Law Enforcement Recoupment. As discussed above, the monies recouped through the Law Enforcement impact fee collections, once deposited into the General Fund, can be reallocated to pay the City's share of the Fire Protection improvements (because both fall under the Impact Fee Law category of 'Public Safety'). In the case of Fire Protection, slightly less will be collected in impact fees than the total planned to be expended in the 10-Year CIP, by \$21,654. Though a small amount, this could easily be covered by the recouped funds.

■ Example Maximum Impact Fees

The following are examples of **maximum allowable impact fees** (with all public facility categories at 100% funding) drawn from

Table 4: Maximum Impact Fee Schedule, which is located at the end of this chapter.

Table 2: Example Impact Fees

Land Use	Parks, Recreation & Open Space	Fire Protection	Law Enforcement	Total Fee per Unit
Single-Family House	\$ 7,888.62	\$ 367.57	\$ 640.85	\$ 8,897.04 per dwelling
Apartment	\$ 7,888.62	\$ 367.57	\$ 640.85	\$ 8,897.04 per dwelling
General Light Industrial	\$ -	\$ 0.42	\$ 0.72	\$ 1.14 per square foot
Warehousing	\$ -	\$ 0.17	\$ 0.28	\$ 0.45 per square foot
General Office Building	\$ -	\$ 0.61	\$ 1.03	\$ 1.64 per square foot
Motel	\$ -	\$ 80.68	\$ 136.69	\$ 217.38 per room
Day Care Center	\$ -	\$ 0.52	\$ 0.88	\$ 1.39 per square foot
Drive-in Bank	\$ -	\$ 0.88	\$ 1.49	\$ 2.37 per square foot
Specialty Retail Center	\$ -	\$ 0.36	\$ 0.62	\$ 0.98 per square foot
Quality Restaurant	\$ -	\$ 1.37	\$ 2.32	\$ 3.69 per square foot
Fast-Food Restaurant	\$ -	\$ 2.00	\$ 3.39	\$ 5.39 per square foot
Pharmacy/Drugstore	\$ -	\$ 0.31	\$ 0.52	\$ 0.83 per square foot
Supermarket	\$ -	\$ 0.21	\$ 0.36	\$ 0.58 per square foot

Notes: All dollar amounts shown rounded to "cents".
All fees include administration at 3%.

Under the maximum fee schedule:

- Based on a survey of current new home listings, the median sales price of a new single-family home in Decatur (considering single-family detached homes and townhouses) is listing at \$812,500. The impact fee would represent about 1.1% of the total sales price (including the addition of the impact fee), ultimately paid by the new homeowner.
- Nonresidential costs vary considerably. For a specialty retail center running \$220 per square foot in total development costs, the impact fee cost would be about 0.45% of the total; for an office building, 0.75%, and for a quality restaurant, 1.7%. For most commercial uses, the fees range roughly between a 0.4% and a 0.6% increase in development costs, although a few uses would be somewhat higher—for instance, a fast food restaurant would pay up to 2.5% and a drive-in bank, 1.1%.

The following table takes the example land uses from the table above and calculates what the maximum impact fees would be for specific development projects.

Table 3: Maximum Impact Fees for Example Projects

Land Use	Units in Example	Parks, Recreation & Open Space	Fire Protection	Law Enforcement	Total Fee
Single-Family House	1 house	\$ 7,889	\$ 368	\$ 641	\$ 8,897
Apartment Complex	200 units	\$ 1,577,724	\$ 73,515	\$ 128,170	\$ 1,779,408
General Light Industrial	30,000 sq. feet	\$ -	\$ 12,711	\$ 21,534	\$ 34,245
Warehousing	100,000 sq. feet	\$ -	\$ 16,800	\$ 28,460	\$ 45,260
General Office Building	40,000 sq. feet	\$ -	\$ 24,400	\$ 41,332	\$ 65,732
Motel	120 rooms	\$ -	\$ 9,682	\$ 16,403	\$ 26,085
Day Care Center	3,000 sq. feet	\$ -	\$ 1,552	\$ 2,629	\$ 4,181
Drive-in Bank	3,000 sq. feet	\$ -	\$ 2,637	\$ 4,468	\$ 7,105
Specialty Retail Center	10,000 sq. feet	\$ -	\$ 3,639	\$ 6,165	\$ 9,804
Quality Restaurant	3,000 sq. feet	\$ -	\$ 4,109	\$ 6,961	\$ 11,069
Fast-Food Restaurant	2,500 sq. feet	\$ -	\$ 5,003	\$ 8,475	\$ 13,478
Pharmacy/Drugstore	30,000 sq. feet	\$ -	\$ 9,198	\$ 15,582	\$ 24,780
Supermarket	60,000 sq. feet	\$ -	\$ 12,822	\$ 21,720	\$ 34,542

Notes: All dollar amounts shown rounded to "whole dollars".
All fees include administration at 3%.

■ Reductions in Fee Assessments

As discussed in more detail in the Introduction chapter, there are a number of ways that the amount of an impact fee can be reduced:

- While all of the fees in a particular public facility category must be charged at the same percentage to preserve proportionality between all land uses, a percentage less than 100% can be applied (down to a minimum 0% for no fee to be charged in that category at all). The percentage reduction must be across-the-board for all uses in that public facility category (parks, fire or police) but can be different for each category.
- Exemptions, in whole or in part, can be adopted for development that represents 'extraordinary economic or employment growth' as part of the Impact Fee Ordinance. Exemptions for 'affordable housing' are also authorized by the State Law.
- An 'individual assessment' can be calculated for a particular proposed use that differs substantially from other uses in the same category.
- Individual appeals to the City Commission would be allowed under the Impact Fee Ordinance.

■ Maximum Impact Fee Schedule

The fee schedule starting on the following page shows the maximum impact fee for each public facility category that could be charged in Decatur for each of the specific land use categories shown. The land use categories are the most common uses identified in the *Trip Generation Manual*, 9th Edition, Institute of Transportation Engineers (ITE); the ITE designation is shown in the left-hand column.

The net impact fee shown for each public facility category is drawn from that public facility category's chapter. The '**Total Impact Fee**' shown in the next-to-last column includes a 3% fee for administration of the Impact Fee Program.

To read the Maximum Impact Fee Schedule, first find the land use you want to investigate. Land uses are listed on the left side of the table, and are grouped into categories. For example, industrial and warehouse uses are grouped together, as are all retail uses. Next, find the 'Total Impact Fee' figure on the right of the row. This is the total impact fee per unit of measure. Finally, find the 'unit of measure'—it is the last column of the land use category. The information can be read as follows: *this land use has an impact fee of \$X per unit of measure.*

For a particular project, multiply the 'Total Impact Fee' amount by the number of 'units' in the project appropriate to the use—whether housing units, square feet of floor area, acres of land, motel rooms or as otherwise indicated.

Table 4: Maximum Impact Fee Schedule

ITE Code	Land Use Category	Parks, Recreation & Open Space	Public Safety		Subtotal	Adminis- tration (at 3%)	TOTAL IMPACT FEE	Unit of Measure*
			Fire Protection	Law Enforcement				
Residential								
210	Single-Family Detached Housing	7,658.85	356.87	622.19	\$ 8,637.90	259.14	\$ 8,897.04	per dwelling
220	Apartment	7,658.85	356.87	622.19	\$ 8,637.90	259.14	\$ 8,897.04	per dwelling
230	Residential Condominium/Townhouse	7,658.85	356.87	622.19	\$ 8,637.90	259.14	\$ 8,897.04	per dwelling
Industrial								
110	General Light Industrial		0.41	0.70	\$ 1.11	0.0332	\$ 1.14	per square foot
120	General Heavy Industrial		0.33	0.55	\$ 0.88	0.03	\$ 0.90	per square foot
140	Manufacturing		0.32	0.54	\$ 0.86	0.03	\$ 0.89	per square foot
150	Warehousing		0.16	0.28	\$ 0.44	0.01	\$ 0.45	per square foot
151	Mini-Warehouse		0.01	0.02	\$ 0.04	0.00	\$ 0.04	per square foot
152	High-Cube Warehouse		0.01	0.02	\$ 0.04	0.00	\$ 0.04	per square foot
Lodging								
310	Hotel		101.55	172.04	\$ 273.59	8.21	\$ 281.79	per room
311	All Suites Hotel		89.12	150.98	\$ 240.10	7.20	\$ 247.30	per room
320	Motel		78.33	132.71	\$ 211.05	6.33	\$ 217.38	per room
Recreational								
437	Bowling Alley		0.18	0.30	\$ 0.48	0.01	\$ 0.49	per square foot
443	Movie Theater		0.26	0.44	\$ 0.71	0.02	\$ 0.73	per square foot
490	Tennis Courts		43.47	73.64	\$ 117.11	3.51	\$ 120.63	per acre
491	Racquet/Tennis Club		0.05	0.09	\$ 0.15	0.00	\$ 0.15	per square foot
492	Health/Fitness Center		0.13	0.21	\$ 0.34	0.01	\$ 0.35	per square foot
495	Recreational Community Center		0.22	0.37	\$ 0.60	0.02	\$ 0.61	per square foot

Maximum Impact Fee Schedule Continued

ITE Code	Land Use Category	Parks, Recreation & Open Space	Public Safety		Subtotal	Administration (at 3%)	TOTAL IMPACT FEE	Unit of Measure*
			Fire Protection	Law Enforcement				
<i>Institutional</i>								
520	Private Elementary School		0.18	0.30	\$ 0.47	0.01	\$ 0.49	per square foot
530	Private High School		0.12	0.20	\$ 0.31	0.01	\$ 0.32	per square foot
560	Church/Synagogue		0.06	0.10	\$ 0.17	0.01	\$ 0.17	per square foot
565	Day Care Center		0.50	0.85	\$ 1.35	0.04	\$ 1.39	per square foot
566	Cemetery		14.51	24.59	\$ 39.10	1.17	\$ 40.27	per acre
<i>Medical</i>								
610	Hospital		0.52	0.89	\$ 1.41	0.04	\$ 1.45	per square foot
620	Nursing Home		0.42	0.70	\$ 1.12	0.03	\$ 1.15	per square foot
630	Clinic		0.70	1.19	\$ 1.89	0.06	\$ 1.94	per square foot
<i>Office</i>								
710	General Office Building		0.59	1.00	\$ 1.60	0.05	\$ 1.64	per square foot
714	Corporate Headquarters Building		0.61	1.03	\$ 1.64	0.05	\$ 1.69	per square foot
715	Single-Tenant Office Building		0.56	0.95	\$ 1.51	0.05	\$ 1.56	per square foot
720	Medical-Dental Office Building		0.72	1.22	\$ 1.95	0.06	\$ 2.01	per square foot
760	Research and Development Center		0.52	0.88	\$ 1.41	0.04	\$ 1.45	per square foot
770	Business Park Building		0.55	0.93	\$ 1.48	0.04	\$ 1.52	per square foot
<i>Retail</i>								
812	Building Materials and Lumber Store		0.25	0.42	\$ 0.68	0.02	\$ 0.70	per square foot
814	Variety Store		0.17	0.29	\$ 0.46	0.01	\$ 0.47	per square foot
815	Free-Standing Discount Store		0.35	0.60	\$ 0.95	0.03	\$ 0.98	per square foot
816	Hardware/Paint Store		0.17	0.29	\$ 0.46	0.01	\$ 0.48	per square foot

Summary

Maximum Impact Fee Schedule Continued

ITE Code	Land Use Category	Parks, Recreation & Open Space	Public Safety		Subtotal	Adminis- tration (at 3%)	TOTAL IMPACT FEE	Unit of Measure*
			Fire Protection	Law Enforcement				
Retail Continued								
817	Nursery (Garden Center)		0.21	0.35	\$ 0.56	0.02	\$ 0.58	per square foot
818	Nursery (Wholesale)		0.32	0.54	\$ 0.86	0.03	\$ 0.89	per square foot
826	Specialty Retail Center		0.35	0.60	\$ 0.95	0.03	\$ 0.98	per square foot
841	Automobile Sales		0.27	0.46	\$ 0.73	0.02	\$ 0.76	per square foot
843	Auto Parts Store		0.17	0.29	\$ 0.46	0.01	\$ 0.47	per square foot
848	Tire Store		0.23	0.39	\$ 0.61	0.02	\$ 0.63	per square foot
849	Tire Superstore		0.23	0.39	\$ 0.61	0.02	\$ 0.63	per square foot
850	Supermarket		0.21	0.35	\$ 0.56	0.02	\$ 0.58	per square foot
851	Convenience Market (Open 24 Hours)		0.32	0.54	\$ 0.86	0.03	\$ 0.89	per square foot
854	Discount Supermarket		0.40	0.68	\$ 1.08	0.03	\$ 1.11	per square foot
860	Wholesale Market		0.15	0.25	\$ 0.39	0.01	\$ 0.41	per square foot
876	Apparel Store		0.30	0.50	\$ 0.80	0.02	\$ 0.83	per square foot
880	Pharmacy/Drugstore		0.30	0.50	\$ 0.80	0.02	\$ 0.83	per square foot
890	Furniture Store		0.07	0.13	\$ 0.20	0.01	\$ 0.21	per square foot
Services								
912	Drive-in Bank		0.85	1.45	\$ 2.30	0.07	\$ 2.37	per square foot
931	Quality Restaurant		1.33	2.25	\$ 3.58	0.11	\$ 3.69	per square foot
932	High-Turnover (Sit-Down) Restaurant		1.33	2.25	\$ 3.58	0.11	\$ 3.69	per square foot
934	Fast-Food Restaurant		1.94	3.29	\$ 5.23	0.16	\$ 5.39	per square foot
941	Quick Lubrication Vehicle Shop		374.30	634.12	\$ 1,008.41	30.25	\$ 1,038.67	per service bay
947	Self-Service Car Wash		35.65	60.39	\$ 96.04	2.88	\$ 98.92	per stall

* 'Square foot' means square foot of gross building floor area.

NOTE: All figures rounded to nearest whole cent. See individual chapters for four decimal places.

Parks, Recreation and Open Space

Recreational opportunities are administered and provided by the Active Living Division of the Community and Economic Development Department. In addition to active recreational parks and facilities, the City owns a number of properties held as unimproved open space and conservation areas, and is further developing its trail and bikeway system.

This analysis addresses three categories of capital improvements under this chapter:

- Park and open space lands,
- Recreational components, and
- Bikeway/Trail system.



■ Park and Open Space Land

Table 5: Existing City Parks

Name of Park	Acreage
Adair Park	5.00
Corley Commons	0.62
Dearbon Park	9.63
Ebster Park	4.27
Glenlake Park and Pool	14.05
Glenn Creek Nature Preserve	2.50
Harmony Park	0.65
Hidden Cove Park	9.85
McKoy Park	8.98
Mead Road Park	0.67
Oakhurst Park	6.62
Oakview Road Park	0.26
Parkside Circle Park	1.81
Poplar Circle trail extension	0.37
Rev. Roy Moss Sr. Garden	2.29
Scott Park	1.45
Spring Street Pocket Park	0.11
Sugar Creek Garden	0.22
Sycamore Park	1.04
Waddell Park	0.59
Total Existing Acreage	71.01

The City’s parks and open space areas comprise slightly more than 71 acres, as shown on Table 5.

Note that the term “parks” includes both active recreational parks and unimproved open space and conservation areas for the purposes of this analysis.

In addition to the facilities shown on Table 5, the City’s 45-acre Cemetery provides a major open space and passive recreational resource; however, because of its specialized primary function as a cemetery, it is not included on the inventory list.

Level of Service

The current inventory of park and open space land serves the current population of the city at its present level of service (LOS). As the City’s population grows in the future, additional park and open space land will be needed to maintain the current level of service for all residents equally—new and existing.

Potential Fees for Land Acquisition

The following Table 6 establishes the current LOS for park and open space land in the city, applies the current LOS to future residential growth, and calculates the maximum potential impact fee amount.

Table 6: Potential Impact Fees - Park/Open Space Land

Factor	Calculation
Current Level of Service:	
Existing Park and Open Space Acres	71.01
÷ Current Number of Housing Units	10,599
= Acres per Housing Unit (LOS)	0.00669938
New Acres to Meet Future Demand:	
Number of New Housing Units	3,955
× Acres per Housing Unit (LOS)	0.00669938
= Total Increase in Park Acres Needed	26.49606394
Mix of Residential Land:	
Average per Acre Value - All Residential*	\$ 652,013
Total Cost - Residential Land Needed	\$ 17,275,768
÷ Number of New Housing Units	3,955
= Cost per Future Housing Unit	\$ 4,368.08

Housing units are used as the basic service recipient, since impact fees are assessed when building permits are issued. Since the number of residents in a particular housing unit will vary over time—whether as a result of the aging and departure of resident children, sale to a different family or occupancy by a new renter— associating the impact fee with the number of residents is not feasible.

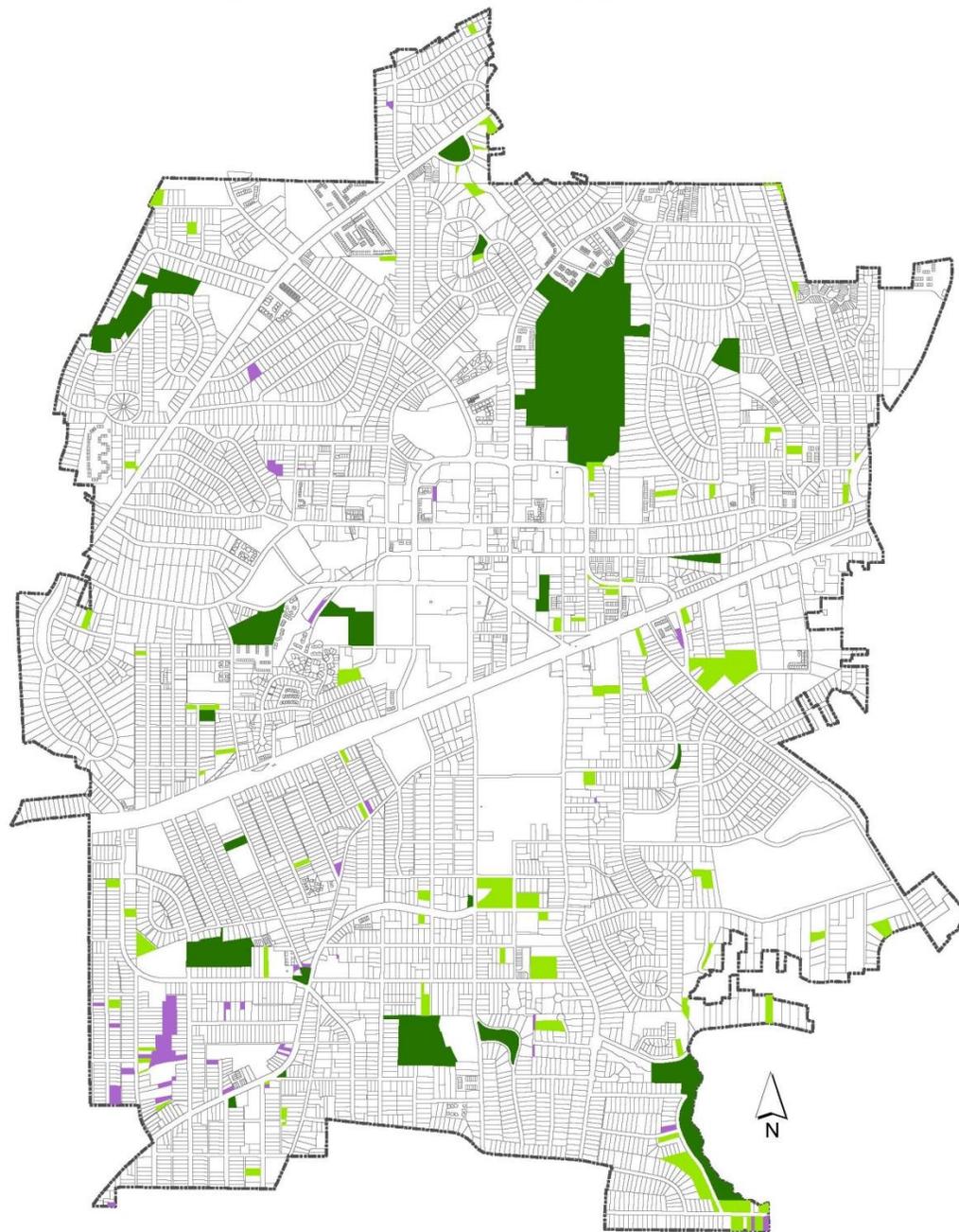
As noted above, there are slightly more than 71 acres contained in the City’s existing parks and open spaces, and these lands serve the 10,599 housing units that are located in the city today.

* Includes combined average of all vacant residential lots and the lowest quartile (by value) of developed residential properties.

One divided by the other results in the number of acres of land serving each housing unit (0.0067 acres per unit). Applying the current LOS to the number of housing units anticipated to be added to the city in the future (3,955), 26.5 acres will need to be acquired to maintain the current LOS and avoid a deterioration of recreational and open space opportunities for both today’s residents and those coming to the city in the future.

The city currently has about 32.75 acres of land in 102 residentially-zoned properties that are either vacant or under-utilized, which are shown on the map on the next page. While this would seem to be an adequate resource for the City to acquire the needed acres, many of the properties are too small or not otherwise related to existing park/open space lands to become a useful resource. A more realistic approach, therefore, is to assume that land more appropriately located may involve the acquisition of both vacant and improved but deteriorated residential properties. This is the scenario shown on Table 6.

City of Decatur Park Opportunities



Legend

- Underutilized/Vacant Properties
- Vacant City Owned Properties
- City Parks
- City Limits

0 0.25 0.5
Miles

Prepared by
City of Decatur
for
Impact Fee Study
January 2017

Note that the most prominent city park shown on the map includes the City Cemetery, which, because of its unique use, is not included in the calculation of needed future park and open space acres.

The map also shows the location of vacant city owned lands. Many of these are storm water detention ponds and not usable for active or passive recreational use; the others are designated to encourage affordable housing development.

Several of the vacant properties are of a size or location such that their acquisition would be beneficial assets to the City’s system of parks and open space.

As noted, the adopted approach assumes the acquisition of both vacant lands and properties currently developed with lower cost residences. Under a coordinated plan, this approach is particularly realistic if service, utility and accessibility are the primary goals. The total cost of such acquisitions would be minimized somewhat since the average value of the developed properties used here is based on the lowest cost quartile of all homes, and the acquisition of some vacant properties also would be included.

Pending preparation of a plan of specific acquisitions, this approach is viewed as the most realistic for estimated fee calculations. Given the flexibility to target acquisitions and a desire to minimize costs to a reasonable extent, current costs are considered to be the Present Value costs and are not inflated into the future.

■ Recreation Components

A different approach is used to determine the extent to which future residents should participate in the provision of recreational components—the investment recoupment approach.

Historic Capital Investment in Recreational Components

The amount of money that has been expended in the past on capital improvements in creating the existing recreation facilities and equipment is shown on Table 7 on the next page. Funds to repair or replace components in the past are not included on the table. Currently operable vehicles are included since they are normally kept for more than 10 years.

The amount of funds expended in the past on the capital improvements that exist today have been converted to Net Present Value using the applicable inflation multipliers relating to the Consumers Price Index (CPI). These are shown on Table 27 in Appendix B (back to 1982 and further back using tables from the US Bureau of Labor Statistics). In essence, the multipliers account for the value of money expended in the past, if the expenditures were to be made today.



In total, the City has invested the equivalent of almost \$39.4 million dollars in the recreational facilities and equipment that comprise the system today.

Table 7: Capital Investment - Active Living

Recreation Components	Cost	Year Built	Sq. Feet	Inflation Multiplier	Net Present Value
Light Poles/Parking Meter/Playground Equipment	\$ 170,168	1969	-	6.53970	\$ 1,112,848
Picnic Shelter	\$ 27,477	1969	810	6.53970	\$ 179,691
Playground Equipment	\$ 67,898	1969	-	6.53970	\$ 444,033
Playground Equipment/Light Poles/Parking Meter	\$ 201,783	1969	-	6.53970	\$ 1,319,601
Shelter	\$ 3,607	1969	102	6.53970	\$ 23,589
Arts Office	\$ 55,061	1970	650	6.18575	\$ 340,594
Pool	\$ 90,813	1970	-	6.18575	\$ 561,747
Pool Equipment Room	\$ 4,502	1970	60	6.18575	\$ 27,848
Concession Stand	\$ 46,149	1975	392	4.46110	\$ 205,875
Concession Stand	\$ 46,149	1975	792	4.46110	\$ 205,875
Shelter	\$ 79,780	1975	1,560	4.46110	\$ 355,907
Picnic Shelter	\$ 66,412	1978	1,300	3.68109	\$ 244,469
Storage Building	\$ 9,336	1982	150	2.48712	\$ 23,220
Playground	\$ 40,739	1983	-	2.40971	\$ 98,169
Park Shelter (pool)	\$ 3,819	1985	102	2.23055	\$ 8,518
Picnic Shelter	\$ 3,289	1985	102	2.23055	\$ 7,336
Community Bandstand	\$ 339,488	1995	1,500	1.57485	\$ 534,643
Tennis Center	\$ 151,830	1998	1,650	1.47244	\$ 223,560
Skateboard Park	\$ 90,177	2003	-	1.30439	\$ 117,626
Ebster Playground Equipment	\$ 50,000	2004	-	1.27055	\$ 63,528
Dog Park Fencing	\$ 5,305	2006	-	1.19051	\$ 6,316
Dog Park Fencing	\$ 5,305	2006	-	1.19051	\$ 6,316
Dog Park Fencing	\$ 5,305	2006	-	1.19051	\$ 6,316
Fencing	\$ 2,334	2006	-	1.19051	\$ 2,779
Tennis Court/Lighting/Fence/Sign/Playground Equip	\$ 135,800	2006	-	1.19051	\$ 161,671
McCoy Bath House/Pool/Mechanical Room*	\$ 1,364,114	2008	1,680	1.11474	\$ 1,520,634
Glenlake Park Improvements*	\$ 5,509,259	2010	3,186	1.10067	\$ 6,063,863
Decatur Recreation Center*	\$ 10,645,780	2012	34,400	1.04535	\$ 11,128,616
Active Living Offices & Gymnasium*	\$ 10,482,417	2014	23,000	1.01382	\$ 10,627,261
Ebster Bath House	\$ 1,250,000	2014	2,500	1.01382	\$ 1,267,272
Ebster Pool/Mechanical Room*	\$ 2,330,423	2014	-	1.01382	\$ 2,362,624
Subtotal - Recreation Components	\$ 33,284,519		73,936		\$ 39,252,345

Vehicles	Cost	Year Purchased	Number	Inflation Multiplier	Net Present Value
Ford Ranger Pickup Truck	\$ 13,815	2001	1	1.35521	\$ 18,722
Ford Starcraft Allstar Bus	\$ 43,320	2006	1	1.19051	\$ 51,573
Ford F150 Pickup Truck	\$ 16,089	2011	1	1.06699	\$ 17,167
GMC Bus Model 051MS	\$ 48,859	2012	1	1.04535	\$ 51,075
Subtotal - Vehicles	\$ 122,083		4		\$ 138,537

Total - Capital Investment in Existing Facilities	\$ 33,406,602				\$ 39,390,881
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* Project includes actual construction cost plus applicable bond interest paid on the construction cost.

Planned Capital Investment in Recreational Components

More expenditures are planned for additional capital improvements in the coming 10 years. These are shown on Table 8. For these improvements, the Consumers Price Index inflation rate is applied to the non-construction improvements, and the Building Construction inflation rate is applied to the two building construction facilities. (See Appendix B for an in-depth description of the applicable inflation rates used for Net Present Value calculations.)

Altogether, the current investment in the existing system plus the additional capital improvements planned in the coming years total well over \$40.2 million.

Table 8: Planned Capital Investment - Active Living

Planned Improvements	Cost	Average Year	Number	Inflation Multiplier	Net Present Value
Athletic Field Lighting	\$ 463,000	2017	1	CPI	\$ 469,735
McKoy Park Scoreboard	\$ 30,000	2025	1	CPI	\$ 34,164
Playground Equipment	\$ 200,000	2020	1	CPI	\$ 211,893
Skatepark Equipment	\$ 50,000	2017	1	CPI	\$ 50,727
McKoy Field Storage Building	\$ 35,000	2018	1	BCI	\$ 35,946
Ebster Field Storage Building	\$ 50,000	2017	1	BCI	\$ 50,671
Total - Future Capital Investment	\$ 828,000		6		\$ 853,136
Plus - Total Capital Investment in Existing Facilities	\$ 33,406,602				\$ 39,390,881
Total - Capital Investment	\$ 34,234,602				\$ 40,244,017

Note: Planned improvements exclude replacement and maintenance expenditures.

Impact Fee for Recreation Components

The City’s investment in the recreation components that comprise the existing and planned system accrue to both existing residents and those that are expected to move into the city in the future. Each group, therefore, is expected to shoulder their respective burden in paying for the capital improvements that serve all of them at the same level of service.

Table 9: Potential Impact Fee - Recreation Components

Factor	Calculation
Current Value of Existing System:	
Recreation Components	\$ 39,252,345
Vehicles	\$ 138,537
Total Current Value	\$ 39,390,881
Total Current and Future Investment:	
Future Value of Planned Improvements	\$ 853,136
Total Capital Investment	\$ 40,244,017
Current and Future Demand:	
Current Number of Housing Units	10,599
Number of New Housing Units	3,955
Total Housing Units to be Served	14,554
Percent of Total that is New Growth	27.17%
Net Capital Investment for Impact Fees	
Total Capital Investment x New Growth %	\$ 10,936,175
Credit for Bond Tax Payments	\$ 2,113,266
New Growth Investment minus Credit	\$ 8,822,909
Investment Value per Housing Unit:	
Net Capital Investment for Impact Fees	\$ 8,822,909
÷ New Growth Housing Units	3,955
= Capital Investment per Housing Unit	\$ 2,230.82

Table 9 to the left calculates the amount of the capital investment that has been and is planned to be spent on recreation components in the city. Overall, the \$40.2+ million invested in the system will serve the needs of the existing and future housing units. Since new growth represents about 27% of the total housing units to be served, its fair share of the total investment is about 27%, or a little over \$10.9 million.

As more fully explained in Appendix B, new growth and development pays its fair share of the cost of capital improvements that will serve it in two ways: first through the collection of taxes that are used to pay for the specific improvements that serve it, and secondly through the payment of an

impact fee. Several recreation components have been financed through General Obligation bonds and future residential growth will generate a portion of the bond levy each year. Over the life of the bonds, new residential growth will generate a bit over \$2.1 million in bond taxes that will go specifically to pay for the bond-financed recreation components. This amount is applied as a credit to new growths share of the total investment in Table 9 to produce the net amount subject to impact fee collections.

This net amount subject to impact fee collections (a little over \$8.8 million) is divided by the number of new housing units to produce the maximum amount that could be charged as an impact fee per housing unit for the recreation components.

■ Bikeway/Trail System

The City Commission recently adopted the *Decatur PATH, Connectivity and Implementation Plan*, as a supplement to its sidewalk and trails systems in the city. This is an important feature of the recreational use of walkers, joggers and bikers of the city's integrated system and further enhances access to its parks and recreational facilities.

The Plan spans 10 years and anticipates a total expenditure of \$12.6 million in today's dollars. Applying the appropriate inflation rate, discounted back to the present, this equates to more than \$15.4 million in Net Present Value.

Costs (estimated in the Plan in today's dollars), the average year of construction (for multi-year construction periods) and the Net Present Value of the future expenditures are shown on Table 10.



Table 10: PATH System Planned Projects

PATH Project	Connector Name	Total Cost	Year*	NPV	City Share**
#1	Commerce Drive Cycle Track	\$ 930,246.15	2018	\$ 993,299.54	\$ 993,299.54
#2	Agnes Scott College Connector	\$ 530,601.72	2018	\$ 566,566.65	\$ 566,566.65
#3A	Oakview Road Connector Phase A	\$ 762,113.28	2019	\$ 840,897.50	\$ 840,897.50
#3B	Oakview Road Connector Phase B	\$ 574,967.32	2020	\$ 655,553.09	\$ 655,553.09
#3C	Oakview Road Connector Phase C	\$ 957,957.36	2021	\$ 1,128,631.23	\$ 1,128,631.23
#3D	Oakview Road Connector Phase D	\$ 268,063.71	2022	\$ 326,351.10	\$ 326,351.10
#4A	East Decatur Connector Phase A	\$ 2,513,904.60	2022	\$ 3,060,524.46	\$ 3,060,524.46
#4B	East Decatur Connector Phase B	\$ 1,131,889.80	2023	\$ 1,423,942.28	\$ 1,423,942.28
#4C	East Decatur Connector Phase C	\$ 2,786,291.76	2023	\$ 3,505,216.36	\$ 3,505,216.36
#5	Glenwood Elementary Connector	\$ 701,553.36	2025	\$ 942,391.38	\$ 942,391.38
#6	Westchester Elementary Connector	\$ 1,172,573.12	2025	\$ 1,575,108.69	\$ 1,575,108.69
#7	East Lake MARTA Connector	\$ 293,904.30	2026	\$ 407,960.12	\$ 407,960.12
TOTALS		\$ 12,624,066.48		\$ 15,426,442.41	\$ 15,426,442.40

* Average year between the start of acquisition (or engineering) and completion.

** At 100% of total cost. The use of grants and PATH assistance would be desired but cannot be assumed.

Source: *Decatur PATH, Connectivity and Implementation Plan*, adopted December 19, 2016.

In spite of the desirability to find grant money through a currently unknown source, or to receive assistance from the PATH Foundation, it must be assumed that the City will have to fund all of the cost of each component of the system. This 'City Share' is shown in the last column of Table 10 on the right, amounting to the full \$15.4 million cost of the improvements.

The same approach used for the recreational components is applied to the bike trails—the capital investment approach.

All of the city's residents will be able to avail themselves of the bike trails (as well as other recreational walking/jogging/biking trails in the city's system). Thus, the city's total investment in this particular component of the system is allocated to both the city's current residents and those expected to arrive through future growth and development.

Table 11: Potential Impact Fee - PATH Bike Trails

Factor	Calculation
Investment in Planned Improvements:	
Total Net Present Value	\$ 15,426,442
City Share	\$ 15,426,442
Percent City Share of Total	100%
Current and Future Demand:	
Current Number of Housing Units	10,599
Number of New Housing Units	3,955
Total Housing Units to be Served	14,554
Investment Value per Housing Unit:	
City's Total Capital Investment	\$ 15,426,442
÷ Total Housing Units (current & future)	14,554
= Capital Investment per Housing Unit	\$ 1,059.95
Maximum New Growth Share:	
Number of New Housing Units	3,955
× Capital Investment per Housing Unit	\$ 1,059.95
= Maximum New Growth Revenue	\$ 4,192,083

As shown on Table 11, the City's expected investment of \$15.4+ million is assessed against the future total number of housing units (existing plus new), resulting in a per-housing unit investment of \$1,059.95. This amount is the maximum amount that could be charged as an impact fee to cover new growth and development's fair share of the cost of the system. Of the City's expected expenditure of \$15.4 million, a maximum of \$4.2 million could be generated by impact fees. All of these cost figures could increase if bond financing is used, to the extent of the added interest cost on the bonds minus a credit for the future taxes generated by new growth and development toward retirement of the bonds.

future taxes generated by new growth and development toward retirement of the bonds.

■ Summary of Potential Fees for Parks, Recreation and Open Space

Impact fees for parks, recreation and open space apply only to residential uses. The following are the maximum fees, although appropriate credits may reduce the totals shown.

Table 12: Potential Impact Fees by Category

Land Use	Park/Open Space Land	Recreation Components	PATH Trails	Maximum Fee
Single-Family Detached Housing	\$ 4,368.08	\$ 2,230.82	\$ 1,059.95	\$ 7,658.85
Apartment	\$ 4,368.08	\$ 2,230.82	\$ 1,059.95	\$ 7,658.85
Residential Condominium/Townhouse	\$ 4,368.08	\$ 2,230.82	\$ 1,059.95	\$ 7,658.85

The maximum potential fees shown on Table 12 are combined on the following table to calculate a total maximum impact fee for parks, recreation and open space capital improvements, including the 3% administration fee.

Table 13: Maximum Fee Schedule - Parks, Recreation and Open Space

ITE Code	Land Use	Unit of Measure	Net Fee per Unit	Administration (3%)	Total Impact Fee
Net Cost per Housing Unit:			\$ 7,658.85		
<i>Residential (200-299)</i>					
210	Single-Family Detached Housing	per dwelling	\$ 7,658.85	\$ 229.77	\$ 7,888.62
220	Apartment	per dwelling	\$ 7,658.85	\$ 229.77	\$ 7,888.62
230	Residential Condominium/Townhouse	per dwelling	\$ 7,658.85	\$ 229.77	\$ 7,888.62

Notes: ITE Code means the land use code assigned in the *Trip Generation* manual published by the Institute of Transportation Engineers, 9th Edition.
n/a - not applicable. Fee taken from the *Potential Impact Fees by Category* table.

Public Safety: Fire Protection Services

The Decatur Fire and Rescue Department provides fire suppression, emergency medical and rescue services, hazardous materials emergency response, environmental protection, and fire cause/arson investigation services. The department responds to all fires, medical calls, accidents and emergencies and enforces fire and life safety code compliance. As the city approaches its ultimate build-out, recoupment of past and planned investment in Fire Department capital improvements is the most rational approach.

■ Capital Investment in Fire Protection Facilities and Equipment

The Fire Department operates out of two fire stations, one of which (Fire Station #1) includes the department's administrative offices. In addition, the department operates a number of fire trucks and other apparatus that qualifies for impact fee consideration (i.e., having a useful life of ten years or more).

In addition, the department has scheduled the acquisition of several additional fire trucks and other vehicles in the coming ten years.

The fire services system, as it is currently housed and equipped and with the planned additions, is expected to serve the city through to its anticipated build-out. (See Appendix A for future population and employment projections for the city.) Additional rolling stock, of course, will be acquired in the future but, to the extent that the new vehicles replace existing, aging vehicles, they would not be impact fee eligible.



The current and planned fire stations and equipment are shown on Table 14.

Historic Capital Investment

The amount of money that has been expended in the past on capital improvements in creating the existing fire protection facilities and equipment have been converted to Net Present Value using the applicable inflation multipliers relating to the Consumers Price Index (CPI). These are shown on Table 27 in Appendix B. In essence, the multipliers account for the value of money expended in the past, if the expenditures were to be made today.

In total, the City has invested the equivalent of almost \$9.3 million dollars in the facilities and equipment that comprise the system today.

Table 14: Capital Investment - Fire Department

Facilities	Cost	Year Built	Sq. Feet	Inflation Multiplier	Net Present Value
Fire Station #1*	\$ 3,738,284	2012	10,000	1.04535	\$ 3,907,833
Storage Shed	\$ 50,000	2002	240	1.33411	\$ 66,706
Fire Station #2	\$ 3,195,564	2009	4,500	1.11872	\$ 3,574,946
Storage Shed	\$ 30,000	2000	120	1.39377	\$ 41,813
Subtotal - Facilities	\$ 7,013,848		14,860		\$ 7,591,298

Vehicles**	Cost	Year Purchased	Number	Inflation Multiplier	Net Present Value
Seagrave Pumper	\$ 318,308	2001	1	1.35521	\$ 431,373
Air & Light Truck	\$ 260,386	2005	1	1.22892	\$ 319,992
SUV	\$ 26,125	2007	1	1.15754	\$ 30,241
SUV	\$ 29,990	2008	1	1.11474	\$ 33,431
SUV	\$ 34,500	2009	1	1.11872	\$ 38,596
SUV	\$ 20,389	2010	1	1.10067	\$ 22,442
Pickup Truck	\$ 36,878	2012	1	1.04535	\$ 38,551
SUV	\$ 26,274	2013	1	1.03026	\$ 27,069
Sutphen Pumper	\$ 693,838	2013	1	1.03026	\$ 714,836
SUV	\$ 26,410	2015	1	1.01262	\$ 26,743
Subtotal - Vehicles	\$ 1,473,098		10		\$ 1,683,274
Total - Existing Capital Investment	\$ 8,486,946				\$ 9,274,572

Planned Improvements	Cost	Average Year	Number	Inflation Multiplier	Net Present Value
Fire Engine/Pumper	\$ 288,000	2017	1	CPI	\$ 292,189
HazMat Truck (replacement)	\$ 67,500	2018	1	CPI	\$ 69,478
Mini Fire Pumper	\$ 170,000	2019	1	CPI	\$ 177,527
Air/Light Truck	\$ 360,500	2021	1	CPI	\$ 387,493
Quint Fire Truck (replacement)	\$ 1,050,000	2022	1	CPI	\$ 1,145,039
Total - Future Capital Investment	\$ 1,936,000		5		\$ 2,071,726
Total - Capital Investment	\$ 10,422,946				\$ 11,346,298

NOTE: Both fire stations include actual construction cost plus applicable bond interest paid on the construction cost.
 * Fire Station #1 was built in 1957, and renovated and expanded in 2012 at a cost of \$3,738,284 including bond interest.
 ** Existing vehicles to be replaced are not included.

Planned Capital Investment

As noted above, expenditures are planned for additional fire trucks and other vehicles in the coming 10 years. These are shown in the bottom section of Table 14. For these improvements, the Consumers Price Index inflation rate is applied since these are non-construction types of capital expenditures. (See Appendix B for an in-depth description of the applicable inflation rates used for Net Present Value calculations.) Altogether, the current investment in the existing system, plus the additional capital improvements that will add expenditures of \$2.1 million in the coming years, total well over \$11.3 million.

■ Impact Fee for Fire Protection Facilities and Equipment

The City's investment in the fire stations and fire services vehicles that comprise the existing and planned system accrue to both existing residents and businesses as well as those that are expected to move into the city in the future. Each group (existing and future), is therefore expected to shoulder their respective burden in paying for the capital improvements that serve all of them at the same level of service.

Service Population – Fire Protection Services

The Fire and Rescue Department serves the city on a 24-hour basis, including both the homes and businesses in the city, its residents and employees. The 'day/night' population calculation (discussed in Appendix A) is a combination of the city's resident population and total employment base.

The Fire and Rescue Department stands ready to protect one's house whether or not the residents are at home, and protects stores and offices whether or not they are open for business. Thus, this 'day/night' population is a measure of the total services demanded of a 24-hour service provider and a fair way to allocate the capital cost investments in fire protection services among all of the beneficiaries.

Fee Calculations for Fire Protection Services

The next two tables calculate the amount of the capital investment that the city could recoup through impact fees for fire services, first on a 'per person' basis, and then on a 'per housing unit' basis.

The 'per person' fee calculation, shown on the following table, is based on the total 24 hour day/night population served by the Fire and Rescue Department, both existing and projected to build-out in the future. These service populations are taken from Table 24 in Appendix A.

Of the \$11.35 million in capital investments already spent and planned to be spent on Fire and Rescue Department capital facilities and equipment, \$2.8 million accrues to new growth and development based on the proportion of the total projected day/night population that will be generated by future growth (about 24.4% of the total to be served).

As more fully explained in Appendix B, new growth and development pays its fair share of the cost of capital improvements both through the collection of taxes that are used to pay for the

specific improvements that serve it, and through the payment of an impact fee. Improvements to two fire system components (Fire Stations 1 and 2) have been financed through General Obligation bonds and future growth and development will generate a portion of the bond levy each year. Over the life of the bonds, new growth will generate almost \$715 thousand in bond taxes that will go specifically to pay for the bond-financed fire system improvements. This amount is applied as a credit to new growths share of the total investment in Table 15 to produce the net amount subject to impact fee collections.

Table 15: Potential Impact Fee per Day/Night Person

Factor	Calculation
Current Value of Existing System:	
Fire Department Facilities	\$ 7,591,298
Vehicles	\$ 1,683,274
Total Current Value	\$ 9,274,572
Total Current and Future Investment:	
Future Value of Planned Improvements	\$ 2,071,726
Total Capital Investment	\$ 11,346,298
Current and Future Demand:	
Current Day/Night Population	35,700
Day/Night Population to be Added	11,502
Total Day/Night Population to be Served	47,202
Percent of Total that is New Growth	24.37%
Net Capital Investment for Impact Fees	
Total Capital Investment × New Growth %	\$ 2,764,805
Credit for Bond Tax Payments	\$ 714,733
New Growth Investment minus Credit	\$ 2,050,072
Investment Value per Day/Night Person:	
Net Capital Investment for Impact Fees	\$ 2,050,072
÷ New Growth Population to be Served	11,502
= Capital Investment per Person	\$ 178.24

This net amount subject to impact fee collections (a little over \$2 million) is divided by the new growth day/night population to produce the maximum amount that could be charged as an impact fee per person for the fire system components. This 'per person' figure is used to calculate potential fees for nonresidential uses, which are based on employment data for various types of businesses.

A final calculation, shown on Table 16, is necessary in order to fairly distribute the portion of project costs that are attributable to residential growth, because they are assessed impact fees per housing unit rather than by a fee based on persons. Under the methodology followed in this report, this is only required in public facility categories that serve both residential and nonresidential populations.

Table 16: Calculation of Fire Services Fee per Housing Unit

Factor	Calculation
Residential Share of Day/Night Population:	
Residential Population at Build-Out	29,988
÷ Total Day/Night Population at Build-Out	47,202
= Residential Population as % of Total	63.531%
Residential Share of Capital Investment:	
Total Eligible Fire Dept. Investment	\$ 11,346,298
× Residential Population Percentage	63.531%
= Cost Attributable to Residential Population	\$ 7,208,465
Current and Future Demand:	
Current Number of Housing Units	10,599
Number of Housing Units to be Added	3,955
Total Housing Units to be Served	14,554
Percent of Total that is New Growth	27.17%
Net Capital Investment for Impact Fees	
Total Capital Investment × New Growth %	\$ 1,958,876
Credit for Bond Tax Payments	\$ 547,467
New Growth Investment minus Credit	\$ 1,411,409
New Residential Growth Share:	
Net Capital Investment for Impact Fees	\$ 1,411,409
÷ Future Increase in Housing Units	3,955
= Capital Investment per Housing Unit	\$ 356.87

The portion of capital investment that is attributable to new residential growth is calculated and assigned ultimately to the future housing unit increase.

This is accomplished by first identifying the percentage of the total day/night city population at build-out that will be composed of residents (about 63.5%). This percentage is then applied to the ‘total eligible fire department investment’ figure to produce a ‘cost attributable to residential population’ figure. This total figure is then reduced by the percentage of all housing units that will be generated by new growth (about 27%), to a new growth ‘share’ of \$1.96 million. This is further reduced by the bond levy taxes that new residential growth will generate, to a net total of \$1.4 million.

Finally, this ‘net capital investment for impact fees’ figure is divided by the number of future housing units, to produce a ‘per housing unit’ fee.

■ Impact Fee Schedule – Fire Protection Services

The fee schedule that follows presents the **maximum impact fee** that could be charged for the Fire Protection Services category, based on the calculations carried out in this chapter.

Fire Protection Services impact fees are collected from residential development based on dwelling units, and nonresidential development based on floor area of the building or other specified unit of measure (based on the number of employees—i.e., persons—per square foot or other unit of measure).

Table 17: Maximum Impact Fee Schedule - Fire Protection Services

ITE Code	Land Use	Employees	Unit of Measure	Net Fee per Unit	Adminis- tration (3%)	Total Impact Fee
Net Cost per Day/Night Person (Employee):				\$ 178.2361		
<i>Residential (200-299)</i>						
210	Single-Family Detached Housing	n/a	per dwelling	\$ 356.8670	\$ 10.7060	\$ 367.5730
220	Apartment	n/a	per dwelling	\$ 356.8670	\$ 10.7060	\$ 367.5730
230	Residential Condominium/Townhouse	n/a	per dwelling	\$ 356.8670	\$ 10.7060	\$ 367.5730
<i>Industrial/Agricultural (100-199)</i>						
110	General Light Industrial	0.002308	per square foot	\$ 0.4114	\$ 0.0123	\$ 0.4237
120	General Heavy Industrial	0.001829	per square foot	\$ 0.3260	\$ 0.0098	\$ 0.3358
140	Manufacturing	0.001793	per square foot	\$ 0.3197	\$ 0.0096	\$ 0.3293
150	Warehousing	0.000915	per square foot	\$ 0.1631	\$ 0.0049	\$ 0.1680
151	Mini-Warehouse	0.000077	per square foot	\$ 0.0137	\$ 0.0004	\$ 0.0141
152	High-Cube Warehouse	0.000076	per square foot	\$ 0.0135	\$ 0.0004	\$ 0.0139
<i>Lodging (300-399)</i>						
310	Hotel or Conference Motel	0.569735	per room	\$ 101.5473	\$ 3.0464	\$ 104.5937
311	All Suites Hotel	0.500000	per room	\$ 89.1181	\$ 2.6735	\$ 91.7916
320	Motel	0.439500	per room	\$ 78.3348	\$ 2.3500	\$ 80.6848
<i>Recreational (400-499)</i>						
437	Bowling Alley	0.001000	per square foot	\$ 0.1782	\$ 0.0053	\$ 0.1835
443	Movie Theater	0.001470	per square foot	\$ 0.2619	\$ 0.0079	\$ 0.2698
490	Tennis Courts	0.243888	per acre	\$ 43.4696	\$ 1.3041	\$ 44.7737
491	Racquet/Tennis Club	0.000307	per square foot	\$ 0.0547	\$ 0.0016	\$ 0.0563
492	Health/Fitness Center	0.000705	per square foot	\$ 0.1257	\$ 0.0038	\$ 0.1295
495	Recreational Community Center	0.001241	per square foot	\$ 0.2212	\$ 0.0066	\$ 0.2278
<i>Institutional (500-599)</i>						
520	Private Elementary School	0.000982	per square foot	\$ 0.1751	\$ 0.0053	\$ 0.1804
530	Private High School	0.000653	per square foot	\$ 0.1164	\$ 0.0035	\$ 0.1199
560	Church/Place of Worship	0.000347	per square foot	\$ 0.0619	\$ 0.0019	\$ 0.0638
565	Day Care Center	0.002818	per square foot	\$ 0.5022	\$ 0.0151	\$ 0.5173
566	Cemetery	0.081425	per acre	\$ 14.5129	\$ 0.4354	\$ 14.9483
<i>Medical (600-699)</i>						
610	Hospital	0.002938	per square foot	\$ 0.5236	\$ 0.0157	\$ 0.5393
620	Nursing Home	0.002331	per square foot	\$ 0.4155	\$ 0.0125	\$ 0.4280
630	Clinic	0.003926	per square foot	\$ 0.6998	\$ 0.0210	\$ 0.7208

ITE Code	Land Use	Employees	Unit of Measure	Net Fee per Unit	Adminis-tration (3%)	Total Impact Fee
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Office (700-799)

710	General Office Building	0.003322	per square foot	\$ 0.5922	\$ 0.0178	\$ 0.6100
714	Corporate Headquarters Building	0.003425	per square foot	\$ 0.6104	\$ 0.0183	\$ 0.6287
715	Single-Tenant Office Building	0.003149	per square foot	\$ 0.5612	\$ 0.0168	\$ 0.5780
720	Medical-Dental Office Building	0.004055	per square foot	\$ 0.7227	\$ 0.0217	\$ 0.7444
760	Research and Development Center	0.002928	per square foot	\$ 0.5218	\$ 0.0157	\$ 0.5375
770	Business Park	0.003079	per square foot	\$ 0.5488	\$ 0.0165	\$ 0.5653

Retail (800-899)

812	Building Materials and Lumber Store	0.001406	per square foot	\$ 0.2506	\$ 0.0075	\$ 0.2581
814	Variety Store	0.000960	per square foot	\$ 0.1711	\$ 0.0051	\$ 0.1762
815	Free-Standing Discount Store	0.001985	per square foot	\$ 0.3538	\$ 0.0106	\$ 0.3644
816	Hardware/Paint Store	0.000964	per square foot	\$ 0.1718	\$ 0.0052	\$ 0.1770
817	Nursery (Garden Center)	0.003120	per square foot	\$ 0.5560	\$ 0.0167	\$ 0.5727
818	Nursery (Wholesale)	0.001667	per square foot	\$ 0.2971	\$ 0.0089	\$ 0.3060
826	Specialty Retail Center	0.001982	per square foot	\$ 0.3533	\$ 0.0106	\$ 0.3639
841	Automobile Sales	0.001528	per square foot	\$ 0.2723	\$ 0.0082	\$ 0.2805
843	Auto Parts Store	0.000960	per square foot	\$ 0.1711	\$ 0.0051	\$ 0.1762
848	Tire Store	0.001280	per square foot	\$ 0.2281	\$ 0.0068	\$ 0.2349
849	Tire Superstore	0.001280	per square foot	\$ 0.2281	\$ 0.0068	\$ 0.2349
850	Supermarket	0.001164	per square foot	\$ 0.2075	\$ 0.0062	\$ 0.2137
851	Convenience Market (Open 24 Hrs)	0.001800	per square foot	\$ 0.3208	\$ 0.0096	\$ 0.3304
854	Discount Supermarket	0.002251	per square foot	\$ 0.4013	\$ 0.0120	\$ 0.4133
860	Wholesale Market	0.000820	per square foot	\$ 0.1461	\$ 0.0044	\$ 0.1505
876	Apparel Store	0.001670	per square foot	\$ 0.2977	\$ 0.0089	\$ 0.3066
880	Pharmacy/Drugstore	0.001670	per square foot	\$ 0.2977	\$ 0.0089	\$ 0.3066
890	Furniture Store	0.000415	per square foot	\$ 0.0740	\$ 0.0022	\$ 0.0762

Services (900-999)

912	Drive-in Bank	0.004788	per square foot	\$ 0.8534	\$ 0.0256	\$ 0.8790
931	Quality Restaurant	0.007460	per square foot	\$ 1.3296	\$ 0.0399	\$ 1.3695
932	High-Turnover (Sit-Down) Restaurant	0.007460	per square foot	\$ 1.3296	\$ 0.0399	\$ 1.3695
934	Fast-Food Restaurant	0.010900	per square foot	\$ 1.9428	\$ 0.0583	\$ 2.0011
941	Quick Lubrication Vehicle Shop	2.100000	per service bay	\$ 374.2958	\$ 11.2289	\$ 385.5247
947	Self-Service Car Wash	0.200000	per stall	\$ 35.6472	\$ 1.0694	\$ 36.7166

Notes: ITE Code means the land use code assigned in the *Trip Generation* manual published by the Institute of Transportation Engineers, 9th Edition.
n/a - not applicable. Fee taken from the *Calculation of Fee per Housing Unit* table.
"Square foot" means square foot of gross building floor area.

Public Safety: Law Enforcement

The Decatur Police Department provides law enforcement activities throughout the city, ensuring the safety of the city’s residents and visitors through proactive patrolling, crime prevention and investigation. As the city approaches its possible build-out by 2040, recoupment of capital investment made in the department’s headquarters and its rolling stock is the most rational approach.

■ Capital Investment in Law Enforcement Facilities and Equipment

The Police Department operates out of its headquarters in the Beacon Municipal Center. In addition, the department operates a number of vehicles that in practice have a useful life of ten years or more and thus qualify for impact fee consideration.



Level of Service

The Police Department, as it is currently housed and equipped, is expected to serve the city through to its anticipated build-out. (See Appendix A for future population and employment projections for the city.) Additional rolling stock, of course, will be acquired in the future but, to the extent that the new vehicles replace existing, aging vehicles, they would not be impact fee eligible. Further expansion of the department’s newly occupied headquarters space is not envisioned.

Historic Capital Investment – Police Department

The current capital investment in the headquarters space and rolling stock are shown on Table 18. This investment that has been made in the past in these capital improvements have been converted to Net Present Value using the applicable inflation multipliers relating to the Consumer Price Index (CPI). These multipliers are shown on Table 27 in Appendix B. In essence, the multipliers account for the value of money expended in the past, as though the expenditures were made today.

In total, the City has invested the equivalent of more than \$14.25 million dollars in the facilities occupied by and the vehicles used by the Police Department in providing for law enforcement throughout the city.

Table 18: Capital Investment - Police Department

Facilities	Cost	Year Built	Sq. Feet	Inflation Multiplier	Net Present Value
Police Department Headquarters*	\$ 13,096,879	2014	22,000	1.01382	\$ 13,277,849

Vehicles	Cost	Year Purchased	Number	Inflation Multiplier	Net Present Value
FORD EXPEDITION	\$ 28,485	2001	1	1.35521	\$ 38,603
FORD CROWN VICTORIA	\$ 22,295	2002	1	1.33411	\$ 29,744
CHEVY EXPRESS VAN	\$ 17,900	2003	1	1.30439	\$ 23,349
S-10 PICK UP	\$ 12,738	2003	1	1.30439	\$ 16,615
CHEVROLET IMPALA	\$ 16,736	2004	1	1.27055	\$ 21,264
CHEVROLET IMPALA	\$ 16,540	2004	1	1.27055	\$ 21,015
CHEVROLET IMPALA	\$ 16,541	2004	1	1.27055	\$ 21,016
FORD RANGER PICKUP	\$ 13,099	2005	1	1.22892	\$ 16,098
CHEVROLET IMPALA	\$ 16,251	2006	1	1.19051	\$ 19,347
CHEVROLET IMPALA	\$ 16,251	2006	1	1.19051	\$ 19,347
CHEVROLET IMPALA	\$ 20,812	2006	1	1.19051	\$ 24,777
FORD CROWN VICTORIA	\$ 25,625	2008	1	1.11474	\$ 28,566
FORD CROWN VICTORIA	\$ 25,625	2008	1	1.11474	\$ 28,565
CHEVROLET MALIBU HYBRID	\$ 24,156	2009	1	1.11872	\$ 27,024
DODGE CHARGER	\$ 21,788	2009	1	1.11872	\$ 24,375
FORD CROWN VICTORIA	\$ 26,676	2009	1	1.11872	\$ 29,843
FORD CROWN VICTORIA	\$ 26,676	2009	1	1.11872	\$ 29,843
CHEVROLET MALIBU HYBRID	\$ 25,275	2010	1	1.10067	\$ 27,820
FORD CROWN VICTORIA	\$ 21,553	2010	1	1.10067	\$ 23,723
FORD CROWN VICTORIA	\$ 21,553	2010	1	1.10067	\$ 23,723
FORD CROWN VICTORIA	\$ 21,553	2010	1	1.10067	\$ 23,723
FORD CROWN VICTORIA	\$ 21,553	2010	1	1.06699	\$ 22,997
FORD CROWN VICTORIA	\$ 21,553	2010	1	1.06699	\$ 22,997
FORD CROWN VICTORIA	\$ 21,553	2011	1	1.06699	\$ 22,997
FORD CROWN VICTORIA	\$ 21,553	2011	1	1.06699	\$ 22,997
FORD CROWN VICTORIA	\$ 21,553	2011	1	1.06699	\$ 22,997
FORD CROWN VICTORIA	\$ 21,553	2011	1	1.06699	\$ 22,997
FORD FUSION HYBRID	\$ 25,686	2011	1	1.06699	\$ 27,407
DODGE CHARGER	\$ 22,417	2012	1	1.04535	\$ 23,434
DODGE CHARGER	\$ 22,417	2012	1	1.04535	\$ 23,434
FORD FUSION	\$ 17,350	2012	1	1.04535	\$ 18,137
FORD FUSION HYBRID	\$ 26,195	2012	1	1.04535	\$ 27,383
DODGE CHARGER	\$ 22,667	2013	1	1.03026	\$ 23,353
DODGE CHARGER	\$ 22,667	2014	1	1.01382	\$ 22,980
DODGE CHARGER	\$ 22,667	2014	1	1.01382	\$ 22,980
DODGE CHARGER	\$ 22,667	2014	1	1.01382	\$ 22,980
DODGE CHARGER	\$ 23,338	2014	1	1.01382	\$ 23,661
DODGE CHARGER	\$ 23,338	2014	1	1.01382	\$ 23,661
DODGE CHARGER	\$ 23,338	2014	1	1.01382	\$ 23,661
FORD FUSION	\$ 19,400	2014	1	1.01382	\$ 19,668
FORD FUSION	\$ 19,400	2015	1	1.01262	\$ 19,645
FORD FUSION	\$ 19,400	2015	1	1.01262	\$ 19,645
Subtotal - Vehicles	\$ 878,840		41		\$ 975,394
Total - Capital Investment	\$ 13,975,719				\$ 14,253,243

* Police Dept. occupies 22,000 square feet of 29,400 square foot building, or 74.83% of total. Cost of project includes 74.83% of actual construction cost plus applicable bond interest.

■ Impact Fee for Law Enforcement Headquarters and Vehicles

The City’s investment in the Police Department headquarters and its various vehicles serve and will continue to serve both those who live and work in the city today as well as those that are expected to live and work in the city in the future. Each group (existing and future), is therefore expected to shoulder their respective burden in paying for the capital improvements that serve all of them at the same level of service.

Service Population – Law Enforcement Services

The Police Department is on duty 24-hours a day, every day of the week, serving both the homes and business premises in the city, its residents and employees. The ‘day/night’ population calculation (discussed in Appendix A) is a combination of the city’s resident population and total employment base, which encompasses all of those served on a daily basis.

The Police Department protects the city’s residents while at home or about in the city, and where they live whether or not the residents are at home. In addition, the Police Department protects stores and offices whether or not they are open for business, and the people that work or do business with them. Thus, this ‘day/night’ population is a measure of the total services demanded of a 24-hour service provider and a fair way to allocate the capital investments in law enforcement services among all of those that benefit.

Table 19: Potential Law Enforcement Fee per Day/Night Person

Factor	Calculation
Current Value of Existing System:	
Police Department Headquarters	\$ 13,277,849
Vehicles	\$ 975,394
Total Current Value	\$ 14,253,243
Current and Future Demand:	
Current Day/Night Population	35,700
Day/Night Population to be Added	11,502
Total Day/Night Population to be Served	47,202
Percent of Total that is New Growth	24.37%
Net Capital Investment for Impact Fees	
Total Capital Investment x New Growth %	\$ 3,473,154
Credit for Bond Tax Payments	\$ -
New Growth Investment minus Credit	\$ 3,473,154
Investment Value per Day/Night Person:	
Net Capital Investment for Impact Fees	\$ 3,473,154
÷ New Growth Population to be Served	11,502
= Capital Investment per Person	\$ 301.96

Fee Calculations for Law Enforcement Services

This table and the next table calculate the amount of the capital investment that the city could charge as an impact fee for law enforcement facilities, first on a ‘per person’ basis, and then on a ‘per housing unit’ basis.

The ‘per person’ fee calculation, shown on Table 19, is based on the total 24 hour day/night population served by the Police Department, including both those that live and work in the city today, and those projected to build-out in the future. (See Table 24 in Appendix A).

The total investment in the Police Department headquarters and vehicles, shown on Table 18 (\$14.3 million) will serve the total day/night build-out population of 47,202. Of this total, 11,502 residents and employees will be generated by new growth and development, or 24.4%. This percentage, which represents new growths 'share' of the total investment, produces a 'net capital investment for impact fees' of \$3.5 million which, divided by the day/night population generated by new growth, results in a capital investment per person of \$301.96. This figure is used to calculate potential fees for nonresidential uses, which are based on the number of employees working in various types of businesses.

Residential uses, on the other hand, are assessed impact fees on a housing unit basis rather than by a fee based on number of persons. This final calculation for law enforcement services is necessary in order to fairly distribute the portion of project costs that are attributable to residential growth.

Table 20: Calculation of Law Enforcement Fee per Housing Unit

Factor	Calculation
Residential Share of Day/Night Population:	
Residential Population at Build-Out	29,988
÷ Total Day/Night Population at Build-Out	47,202
= Residential Population as % of Total	63.531%
Residential Share of Capital Investment:	
Total Eligible Police Dept. Investment	\$ 14,253,243
× Residential Population Percentage	63.531%
= Cost Attributable to Residential Population	\$ 9,055,288
Current and Future Demand:	
Current Number of Housing Units	10,599
Number of Housing Units to be Added	3,955
Total Housing Units to be Served	14,554
Percent of Total that is New Growth	27.17%
Net Capital Investment for Impact Fees	
Total Capital Investment × New Growth %	\$ 2,460,744
Credit for Bond Tax Payments	-
New Growth Investment minus Credit	\$ 2,460,744
New Residential Growth Share:	
Net Capital Investment for Impact Fees	\$ 2,460,744
÷ Future Increase in Housing Units	3,955
= Capital Investment per Housing Unit	\$ 622.19

The portion of capital investment that is attributable to new residential growth is calculated and assigned ultimately to the future housing unit increase.

This is accomplished by first identifying the percentage of the total day/night city population at build-out that will be composed of residents (about 63.5%). This percentage is then applied to the 'total eligible Police Department investment' figure to produce a 'cost attributable to residential population' figure. This total figure is then reduced by the percentage of all housing units that will be generated by new growth (about 27%), to a new growth 'share' of \$2.5 million. (There are no bond levy

tax credits that new residential growth will generate.)

Finally, this 'net capital investment for impact fees' figure is divided by the number of future housing units, to produce a 'per housing unit' maximum fee.

■ Impact Fee Schedule – Law Enforcement

The fee schedule that follows presents the **maximum impact fee** that could be charged for the Law Enforcement category, based on the calculations carried out in this chapter.

Table 21: Maximum Impact Fee Schedule - Law Enforcement

ITE Code	Land Use	Employees	Unit of Measure	Net Fee per Unit	Adminis- tration (3%)	Total Impact Fee
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Net Cost per Day/Night Person (Employee): **\$ 301.9609**

Residential (200-299)

210	Single-Family Detached Housing	n/a	per dwelling	\$ 622.1855	\$ 18.6656	\$ 640.8511
220	Apartment	n/a	per dwelling	\$ 622.1855	\$ 18.6656	\$ 640.8511
230	Residential Condominium/Townhouse	n/a	per dwelling	\$ 622.1855	\$ 18.6656	\$ 640.8511

Industrial/Agricultural (100-199)

110	General Light Industrial	0.002308	per square foot	\$ 0.6969	\$ 0.0209	\$ 0.7178
120	General Heavy Industrial	0.001829	per square foot	\$ 0.5524	\$ 0.0166	\$ 0.5690
140	Manufacturing	0.001793	per square foot	\$ 0.5415	\$ 0.0162	\$ 0.5577
150	Warehousing	0.000915	per square foot	\$ 0.2763	\$ 0.0083	\$ 0.2846
151	Mini-Warehouse	0.000077	per square foot	\$ 0.0233	\$ 0.0007	\$ 0.0240
152	High-Cube Warehouse	0.000076	per square foot	\$ 0.0229	\$ 0.0007	\$ 0.0236

Lodging (300-399)

310	Hotel	0.569735	per room	\$ 172.0377	\$ 5.1611	\$ 177.1988
311	All Suites Hotel	0.500000	per room	\$ 150.9804	\$ 4.5294	\$ 155.5098
320	Motel	0.439500	per room	\$ 132.7119	\$ 3.9814	\$ 136.6933

Recreational (400-499)

437	Bowling Alley	0.001000	per square foot	\$ 0.3020	\$ 0.0091	\$ 0.3111
443	Movie Theater	0.001470	per square foot	\$ 0.4437	\$ 0.0133	\$ 0.4570
490	Tennis Courts	0.243888	per acre	\$ 73.6446	\$ 2.2093	\$ 75.8539
491	Racquet/Tennis Club	0.000307	per square foot	\$ 0.0927	\$ 0.0028	\$ 0.0955
492	Health/Fitness Center	0.000705	per square foot	\$ 0.2129	\$ 0.0064	\$ 0.2193
495	Recreational Community Center	0.001241	per square foot	\$ 0.3748	\$ 0.0112	\$ 0.3860

Institutional (500-599)

520	Private Elementary School	0.000982	per square foot	\$ 0.2966	\$ 0.0089	\$ 0.3055
530	Private High School	0.000653	per square foot	\$ 0.1972	\$ 0.0059	\$ 0.2031
560	Church/Place of Worship	0.000347	per square foot	\$ 0.1048	\$ 0.0031	\$ 0.1079
565	Day Care Center	0.002818	per square foot	\$ 0.8508	\$ 0.0255	\$ 0.8763
566	Cemetery	0.081425	per acre	\$ 24.5873	\$ 0.7376	\$ 25.3249

Medical (600-699)

610	Hospital	0.002938	per square foot	\$ 0.8871	\$ 0.0266	\$ 0.9137
620	Nursing Home	0.002331	per square foot	\$ 0.7040	\$ 0.0211	\$ 0.7251
630	Clinic	0.003926	per square foot	\$ 1.1856	\$ 0.0356	\$ 1.2212

ITE Code	Land Use	Employees	Unit of Measure	Net Fee per Unit	Adminis-tration (3%)	Total Impact Fee
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Office (700-799)

710	General Office Building	0.003322	per square foot	\$ 1.0032	\$ 0.0301	\$ 1.0333
714	Corporate Headquarters Building	0.003425	per square foot	\$ 1.0342	\$ 0.0310	\$ 1.0652
715	Single-Tenant Office Building	0.003149	per square foot	\$ 0.9508	\$ 0.0285	\$ 0.9793
720	Medical-Dental Office Building	0.004055	per square foot	\$ 1.2244	\$ 0.0367	\$ 1.2611
760	Research and Development Center	0.002928	per square foot	\$ 0.8841	\$ 0.0265	\$ 0.9106
770	Business Park	0.003079	per square foot	\$ 0.9298	\$ 0.0279	\$ 0.9577

Retail (800-899)

812	Building Materials and Lumber Store	0.001406	per square foot	\$ 0.4246	\$ 0.0127	\$ 0.4373
814	Variety Store	0.000960	per square foot	\$ 0.2899	\$ 0.0087	\$ 0.2986
815	Free-Standing Discount Store	0.001985	per square foot	\$ 0.5993	\$ 0.0180	\$ 0.6173
816	Hardware/Paint Store	0.000964	per square foot	\$ 0.2911	\$ 0.0087	\$ 0.2998
817	Nursery (Garden Center)	0.003120	per square foot	\$ 0.9420	\$ 0.0283	\$ 0.9703
818	Nursery (Wholesale)	0.001667	per square foot	\$ 0.5033	\$ 0.0151	\$ 0.5184
826	Specialty Retail Center	0.001982	per square foot	\$ 0.5985	\$ 0.0180	\$ 0.6165
841	Automobile Sales	0.001528	per square foot	\$ 0.4614	\$ 0.0138	\$ 0.4752
843	Auto Parts Store	0.000960	per square foot	\$ 0.2899	\$ 0.0087	\$ 0.2986
848	Tire Store	0.001280	per square foot	\$ 0.3865	\$ 0.0116	\$ 0.3981
849	Tire Superstore	0.001280	per square foot	\$ 0.3865	\$ 0.0116	\$ 0.3981
850	Supermarket	0.001164	per square foot	\$ 0.3515	\$ 0.0105	\$ 0.3620
851	Convenience Market (Open 24 Hrs)	0.001800	per square foot	\$ 0.5435	\$ 0.0163	\$ 0.5598
854	Discount Supermarket	0.002251	per square foot	\$ 0.6798	\$ 0.0204	\$ 0.7002
860	Wholesale Market	0.000820	per square foot	\$ 0.2475	\$ 0.0074	\$ 0.2549
876	Apparel Store	0.001670	per square foot	\$ 0.5043	\$ 0.0151	\$ 0.5194
880	Pharmacy/Drugstore	0.001670	per square foot	\$ 0.5043	\$ 0.0151	\$ 0.5194
890	Furniture Store	0.000415	per square foot	\$ 0.1253	\$ 0.0038	\$ 0.1291

Services (900-999)

912	Drive-in Bank	0.004788	per square foot	\$ 1.4459	\$ 0.0434	\$ 1.4893
931	Quality Restaurant	0.007460	per square foot	\$ 2.2526	\$ 0.0676	\$ 2.3202
932	High-Turnover (Sit-Down) Restaurant	0.007460	per square foot	\$ 2.2526	\$ 0.0676	\$ 2.3202
934	Fast-Food Restaurant	0.010900	per square foot	\$ 3.2914	\$ 0.0987	\$ 3.3901
941	Quick Lubrication Vehicle Shop	2.100000	per service bay	\$ 634.1178	\$ 19.0235	\$ 653.1413
947	Self-Service Car Wash	0.200000	per stall	\$ 60.3922	\$ 1.8118	\$ 62.2040

Notes: ITE Code means the land use code assigned in the *Trip Generation* manual published by the Institute of Transportation Engineers, 9th Edition.
n/a - not applicable. Fee taken from the *Calculation of Fee per Housing Unit* table.
"Square foot" means square foot of gross building floor area.

Appendix A: Housing, Population & Employment Forecasts

This Appendix calculates future growth and development expected in the city which, in turn, will place demands for services and facilities to be adequately served in the future. These calculations are intrinsic to establishing Level of Service (LOS) standards for both the current residents and workers in the city, and for the future.

■ Housing Forecast

The table below shows the calculation of the number of housing units in the city currently, and the ultimate number when the city is completely developed.

The last 'official' count of housing units in the city was reported as part of the 2010 Census—a total of 9,335 at that time. Based on building and demolition permits issued since then, the net increase in housing units through 2016 totaled 1,264 new units, yielding a total number of units currently of 10,599.

The Atlanta Regional Commission has supplied the estimated number of new housing units that will be added to the city, as part of the preparation of its latest adopted 2040 Regional Plan.

Table 22: Current and Future Housing Units

	New Housing Units Constructed	Less: Existing Housing Units Demolished	Net Increase in Housing Units 2010-2016	New Units Added at Build-out	Total Housing Units at Build-out
2010	30	17	13		
2011	33	26	7		
2012	54	37	17		
2013	58	57	1		
2014	494	50	444		
2015	425	52	373		
2016	431	22	409		
Total	1,525	261	1,264		
Plus: Housing Units Existing in 2010			9,335		
Total Housing Units Currently in City →			10,599	3,955	14,554

Sources: Building permit data: Decatur Department of Design, Environment and Construction.
 Housing units in 2010: US Bureau of the Census.
 New units added: the Atlanta Regional Commission.

Population Forecast

Population, of course, is closely linked to housing, living in both housing units (which are defined as having both kitchens and bathrooms in the units) and group quarters (such as an assisted living facility or dormitory).

Baseline data are derived from the 2010 Census, and the 2015 population estimate for the city reported by the Census Bureau. For the sake of consistency (and lacking any other data to the contrary), three statistics from the 2010 Census are held constant throughout the calculations: the percentage of the population living in group quarters, the percentage of all housing units that are actually occupied, and the average household size.

The population calculations (and the methodology used) are shown on Table 23.

Beginning with the ‘known’ data from the 2010 Census, the 2015 population estimate can be broken down using the same factors—3.57% live in group quarters, and 92.12% of the housing units are occupied.

For the number of people added in 2016, the calculations are reversed. As shown on Table 22, a net of 409 housing units were added that year. The number of occupied units equals 92.12% of those total units which, multiplied by the average household size, results in the number of people living in housing units. Applying the percentage of the total living in group quarters yields the total population increase in 2016.

Table 23: Estimated Build-Out Population

	Population in 2010	Population in 2015	Population Added 2016	Current Population	Increase 2016-2040	Population at Build-Out
Total Population	19,335	21,957	847	22,804	7,184	29,988
Population in Group Quarters	691	785	30	815	257	1,072
Percent in Group Quarters	3.57%	3.57%	3.57%	3.57%	3.57%	3.57%
Population in Housing Units	18,644	21,172	817	21,989	6,662	28,651
Total Housing Units	9,335	10,190	409	10,599	3,955	14,554
Number of Occupied Housing Units	8,599	9,387	377	9,764	3,643	13,407
Percent of Housing Units Occupied	92.12%	92.12%	92.12%	92.12%	92.12%	92.12%
Average Household Size	2.17	2.17	2.17	2.17	2.17	2.17

Sources: 2010 Census, US Bureau of the Census.
 2015 Census Population Estimate, US Bureau of the Census.
 Population increase: Atlanta Regional Commission.
 Number of occupied housing units and housing unit population increases: Atlanta Regional Commission.

Adding together the population in 2015 (as estimated by the Census Bureau) and the increase in 2016 produces the current population estimated for the city.

The last column on Table 23 is based on the increase in population and the population projected to be living in housing units provided by the Atlanta Regional Commission, as well as their estimate of the number of occupied housing units.

■ Employment Forecast

Here again, we rely on the forecasts prepared by the Atlanta Regional Commission in their latest adopted 2040 Regional Plan.

Over the forecast period, ARC estimates that employment in the city will grow from its current level of 12,896 to 17,214, a net increase of 4,318 by 2040. This is considered a full build-out of nonresidential development citywide by that time.

■ Summary of Forecasts

The following table summarizes the pertinent forecasts made in this section and, especially, the increases generated by new growth and development, through to the complete build-out of the city.

The forecasted increase in housing units will be applied to the Parks, Recreation and Open Space public facility category (to which only residential growth applies).

Table 24: Summary of Forecasts

	Housing Units	Population	Employment	Day/Night Population
Current	10,599	22,804	12,896	35,700
Build-Out	14,554	29,988	17,214	47,202
Increase	3,955	7,184	4,318	11,502

For the Public Safety categories (fire and law enforcement), the day/night population figures apply, since these categories provide services on a 24-hour basis, day and night.

Appendix B: Cost Adjustments and Credits

■ Cost Adjustments

Calculations related to impact fees are made in terms of the ‘present value’ of past and future amounts of money, including project cost expenditures and credits for future revenue.

The Georgia Development Impact Fee Act defines ‘present value’ as “the current value of past, present, or future payments, contributions or dedications of goods, services, materials, construction, or money.” This chapter describes the methodologies used to make appropriate adjustments to project cost figures, both past and future, to convert these costs into current dollars when such an adjustment is appropriate.

Calculations for present value (PV) differ when considering past expenditures versus future costs. In both cases, however, the concept is the same—the ‘actual’ expenditure made or to be made is adjusted to the current year using appropriate rates (an inflation rate for past expenditures and a deflator for future costs). In essence, the present value is considered in light of the value of money as it changes over time as the result of inflation.

Past Expenditures

Past expenditures are considered in impact fee calculations only for previous expenditures for projects that created capacity for new development and are being recouped. An expenditure that was made in the past is converted to PV using the inflation rate of money—in this case the Consumer Price Index (CPI). Although this approach ignores the value of technological innovation (i.e., better computers are available today for the same or lower historic prices) and evolving land prices (often accelerated beyond inflation by market pressures), the approach best captures the value of the money actually spent. For instance, it is not important that you can buy a better computer today for the same price that was paid 5 years ago; what is important is the money was spent 5 years ago and what that money would be worth today had it been saved instead of spent.

Future Project Costs

In order to determine the present value of a project expenditure that will be made in the future, the Net Present Value (NPV) of the expenditure is determined. To calculate the NPV of any project cost, two figures are needed—the future cost of the project anticipated in the year the expenditure will be made, and the Net Discount Rate. Given the current cost of a project, that cost is first inflated into the future to the target expenditure year to establish the estimated future cost. The future cost is then deflated to the present using the Net Discount Rate, which establishes the NPV for the project in current dollars. These two formulas are:

$$\text{Future Cost} = \text{Current Cost} \times (1 + \text{Inflation Rate})^{\text{Year of Expenditure} - \text{Current Year}}$$

$$\text{Net Present Value} = \text{Future Cost} \times (1 + \text{Net Discount Rate})^{\text{Current Year} - \text{Year of Expenditure}}$$

In this chapter two important adjustments are discussed that are required to convert current cost estimates into future cost figures, and then back into current dollars. First, an appropriate cost inflator is identified. This adjustment factor is important in determining the future cost of a project, based on current cost estimates. The cost inflator may be based on anticipated inflation in construction or building costs, or on anticipated inflation in the value of money (for capital projects that do not include a construction component). In essence, costs increase over time. By identifying the appropriate inflation rate that is related to the type of project (building construction, project construction or non-construction), current 2017 estimates can be used to predict future costs in the year they are expected to occur.

The second cost adjustment is a deflator—the Net Discount Rate. In essence, the Net Discount Rate is the interest rate that accrues to monies being held in escrow. That is, as impact fees are collected and ‘saved up’ over the years for the future expenditure, they increase at the rate that the account is accruing interest. Having determined the inflated cost of a project at some future date, the cost in today’s dollars can be reduced to the extent that interest will increase the funds on hand. In essence, the calculation determines how much money needs to be added to the account so that, with interest, it will grow to the amount needed for that future expenditure at that time. This is the Net Present Value of that future expenditure.

As will be seen below, the cost of project construction and building construction has been increasing faster than the CPI inflation rate over the past 10 years.

■ Cost Inflatoms

Three different cost inflators are used in the impact fee calculations, based on the type of project being considered.

- For infrastructure projects, such as roads or ball fields, a ‘construction cost inflator’ is used.
- For projects that require construction of a structure (such as a fire station), a ‘building cost inflator’ is used as the appropriate inflation rate.
- For all non-construction types of projects (such as a fire truck or park land), an inflation rate is used that is based on the Consumer Price Index. These different types of inflators are discussed below.

Engineering News-Record’s Cost Indexes

The Engineering News-Record publishes both a Construction Cost Index (CCI) and a Building Cost Index (BCI) that are widely used in the construction industry. The indexes are based on annual cost increases of various construction materials and applicable labor rates and calibrated regionally. For calculation of the CCI and the BCI, costs in 1913 are set at 100.

Construction Cost Inflator

Table 25 uses the example of a calculation of the annual average rate of increase reflected in construction costs. For this analysis, the 2006-2016 ten-year period is used as a base time period for an estimate of future construction cost increases due to inflation in labor and materials costs.

Table 25 assumes a construction project that cost \$100,000 in 2006, and how much the same project would cost in each subsequent year using the Construction Cost Index published by Engineering News-Record for the Atlanta area.

Table 25: Construction Cost Inflator – CCI

Year	Amount	CCI*		Effect of Inflation	
		1913=100	2006=1.0	CCI	Avg. Rate =
					3.3593423%
2006	\$ 100,000.00	4,854.43	1.000000	\$ 100,000.00	\$ 100,000.00
2007		5,136.09	1.058021	\$ 105,802.15	\$ 103,359.34
2008		5,488.43	1.130604	\$ 113,060.39	\$ 106,831.54
2009		5,737.82	1.181978	\$ 118,197.78	\$ 110,420.37
2010		5,742.83	1.183009	\$ 118,300.88	\$ 114,129.77
2011		5,829.65	1.200893	\$ 120,089.33	\$ 117,963.78
2012		5,892.64	1.213869	\$ 121,386.95	\$ 121,926.59
2013		5,983.23	1.232531	\$ 123,253.13	\$ 126,022.52
2014		6,147.52	1.266375	\$ 126,637.47	\$ 130,256.05
2015		6,245.74	1.286607	\$ 128,660.72	\$ 134,631.79
2016		6,277.14	1.293075	\$ 129,307.49	\$ 139,154.54
				\$ 1,304,696.29	\$ 1,304,696.29

* Construction Cost Index, Atlanta Region.
Source: Engineering News Record, Annual Average Indices.

Setting the 2006 Construction Cost Index (CCI) at '1.0,' the increase in the CCI as a multiple of 2006 is also shown on the table. The equivalent cost of the same project in each subsequent year is calculated by multiplying the CCI multiplier times \$100,000.

When the total for all such projects is summed for the 2006-2016 period, the equivalent average annual rate of increase is calculated as the percentage that would produce the same total. This percentage is used in the text of this report as the applicable inflator for construction projects that will begin in future years.

Building Cost Inflator

The inflator for future construction costs for buildings is based on ENR’s Building Cost Index for each year from 2005 through 2015, and is calculated in the same manner as described above for the Construction Cost Inflator. Table 26 shows the results.

Table 26: Building Cost Inflator – BCI

Year	Amount	BCI*		Effect of Inflation	
		1913=100	2006=1.0	BCI	Avg. Rate =
					1.3671770%
2006	\$ 100,000.00	3,611.02	1.000000	\$ 100,000.00	\$ 100,000.00
2007		3,623.91	1.003568	\$ 100,356.82	\$ 101,367.18
2008		3,721.86	1.030695	\$ 103,069.49	\$ 102,753.05
2009		3,715.58	1.028954	\$ 102,895.44	\$ 104,157.86
2010		3,736.56	1.034764	\$ 103,476.44	\$ 105,581.88
2011		3,837.47	1.062710	\$ 106,271.03	\$ 107,025.38
2012		3,970.93	1.099670	\$ 109,967.01	\$ 108,488.60
2013		4,022.11	1.113842	\$ 111,384.22	\$ 109,971.83
2014		4,076.81	1.128991	\$ 112,899.07	\$ 111,475.34
2015		4,108.05	1.137641	\$ 113,764.09	\$ 112,999.41
2016		4,126.72	1.142812	\$ 114,281.23	\$ 114,544.31
				\$ 1,178,364.84	\$ 1,178,364.84

* Building Cost Index, Atlanta Region.
Source: Engineering News Record, Annual Average Indices.

CPI Inflator

For projects that do not involve construction, only the future value of money needs to be considered (without regard to inflation in labor or materials costs). For this calculation, the Consumer Price Index (CPI) is used, assuming past experience will continue into the foreseeable future.

Table 27 shows the CPI figures for every year since 1982, with the 1982-84 index being 100.

Table 27: Non-Construction Cost Inflator – CPI

Year	Amount	CPI*		Present Value: CPI	Long Term Inflator =	10-Year Inflator =
		1982-84=100	2016=1.0			
					2.365497%	
1982	\$ 10,000.00	96.5	2.48712	\$ 24,871.21	\$ 22,142.28	
1983	\$ 10,000.00	99.6	2.40971	\$ 24,097.11	\$ 21,630.61	
1984	\$ 10,000.00	103.9	2.30998	\$ 23,099.82	\$ 21,130.76	
1985	\$ 10,000.00	107.6	2.23055	\$ 22,305.50	\$ 20,642.46	
1986	\$ 10,000.00	109.6	2.18985	\$ 21,898.46	\$ 20,165.45	
1987	\$ 10,000.00	113.6	2.11274	\$ 21,127.39	\$ 19,699.46	
1988	\$ 10,000.00	118.3	2.02880	\$ 20,288.01	\$ 19,244.24	
1989	\$ 10,000.00	124.0	1.93554	\$ 19,355.42	\$ 18,799.54	
1990	\$ 10,000.00	130.7	1.83632	\$ 18,363.21	\$ 18,365.11	
1991	\$ 10,000.00	136.2	1.76217	\$ 17,621.67	\$ 17,940.72	
1992	\$ 10,000.00	140.3	1.71067	\$ 17,106.71	\$ 17,526.14	
1993	\$ 10,000.00	144.5	1.66095	\$ 16,609.49	\$ 17,121.14	
1994	\$ 10,000.00	148.2	1.61948	\$ 16,194.82	\$ 16,725.50	
1995	\$ 10,000.00	152.4	1.57485	\$ 15,748.50	\$ 16,339.00	
1996	\$ 10,000.00	156.9	1.52968	\$ 15,296.82	\$ 15,961.44	
1997	\$ 10,000.00	160.5	1.49537	\$ 14,953.72	\$ 15,592.59	
1998	\$ 10,000.00	163.0	1.47244	\$ 14,724.37	\$ 15,232.28	
1999	\$ 10,000.00	166.6	1.44062	\$ 14,406.19	\$ 14,880.28	
2000	\$ 10,000.00	172.2	1.39377	\$ 13,937.70	\$ 14,536.42	
2001	\$ 10,000.00	177.1	1.35521	\$ 13,552.07	\$ 14,200.51	
2002	\$ 10,000.00	179.9	1.33411	\$ 13,341.14	\$ 13,872.36	
2003	\$ 10,000.00	184.0	1.30439	\$ 13,043.87	\$ 13,551.79	
2004	\$ 10,000.00	188.9	1.27055	\$ 12,705.51	\$ 13,238.63	1.479985%
2005	\$ 10,000.00	195.3	1.22892	\$ 12,289.15	\$ 12,932.71	
2006	\$ 10,000.00	201.6	1.19051	\$ 11,905.12	\$ 12,633.86	\$ 11,582.54
2007	\$ 10,000.00	207.3	1.15754	\$ 11,575.42	\$ 12,341.91	\$ 11,413.62
2008	\$ 10,000.00	215.3	1.11474	\$ 11,147.41	\$ 12,056.71	\$ 11,247.17
2009	\$ 10,000.00	214.5	1.11872	\$ 11,187.22	\$ 11,778.10	\$ 11,083.14
2010	\$ 10,000.00	218.1	1.10067	\$ 11,006.68	\$ 11,505.93	\$ 10,921.50
2011	\$ 10,000.00	224.9	1.06699	\$ 10,669.88	\$ 11,240.04	\$ 10,762.22
2012	\$ 10,000.00	229.6	1.04535	\$ 10,453.55	\$ 10,980.30	\$ 10,605.27
2013	\$ 10,000.00	233.0	1.03026	\$ 10,302.64	\$ 10,726.57	\$ 10,450.60
2014	\$ 10,000.00	236.7	1.01382	\$ 10,138.18	\$ 10,478.69	\$ 10,298.19
2015	\$ 10,000.00	237.0	1.01262	\$ 10,126.16	\$ 10,236.55	\$ 10,148.00
2016	\$ 10,000.00	240.0	1.00000	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00

1982-16 \$350,000.00
 2006-16 \$110,000.00

\$ 535,450.12 \$ 535,450.12
 \$ 118,512.25 ← → \$ 118,512.25

*Average annual Consumer Price Index data is from the U. S. Department of Labor, Bureau of Labor Statistics.

By 2016 the CPI had risen considerably over the 1982 CPI. The first column under the 'CPI' heading on the table shows the average annual CPI figures. Using 2016 as the base (2016=1.0), the second column under 'CPI' on the table shows the multipliers that would convert an amount of money spent in each year into current present value dollars.

Using an annual expenditure of \$10,000 as an example, the multipliers on Table 27 yield the figures shown for the CPI on the table under the 'present value' heading. Cumulatively, the \$350,000 spent over the 1982-2016 period would have a total present value of \$535,450.12 in today's dollars. Considering the present value figures for the \$10,000 annual expenditures, an average annual inflation rate of a bit more than 2.365% yields the same total amount over the 1982-2016 period.

The 34-year average of annual CPI change (the period of 1982-2016) shown on Table 27 would be useful in estimating the present value (PV) of past expenditures, but would not be the best indicator of future change because of the long time frame covered. While the historic CPI multipliers reflect the swings in inflation in the past, these rates have moderated somewhat in recent years as inflation has become a primary target of federal monetary policy. Looking only at the change in CPI for the 10 years from 2006 to 2016, an average annual inflation rate of almost 1.48% best captures the change over that period. This lower inflation rate (compared to the 1982-2016 period) is assumed to be experienced 'on average' in future years, and is used for inflator calculations for future non-construction expenditures where the value of money is the issue.

Calculating Net Present Value

Determining the NPV of future project expenditures depends on the type of 'project' being funded, as discussed above. Specifically

For a building construction project (such as a fire station), the current cost estimate for the project is inflated into the future using the average Building Cost Inflator (from Table 26) applied to the number of years until the year planned for its construction. This future cost is then deflated back to the present using the Net Discount Rate (currently 0.5%) since this reflects the present value of a future amount of money.

For other construction projects (such as recreation facilities), the current cost estimate for the project is inflated into the future using the average Construction Cost Inflator (from Table 25) applied to the number of years until the year planned for its construction. Like building construction projects, this future cost is then deflated back to the present using the Net Discount Rate.

For non-construction capital projects (such as fire truck purchases or land acquisition), the 10-year average CPI inflator is used to estimate the project expenditure in future dollars while, again, the Net Discount Rate is applied to deflate that future cost to present value.

■ Tax Base Projections

An important component of impact fee calculations is a forecast of the expected revenues from taxes collected from new growth and development that will go toward funding the capital improvements that specifically serve that future growth.

This section provides tax base projections that are estimated to be generated by future growth. The revenue from these tax base projections become credits against impact fees, which are calculated in the section following this one.

Current Tax Base

Table 28 provides a summary of the current tax digest, as reported by the Georgia Department of Revenue, summarized from the Tax Assessor’s digest which details assessments on a property-by-property basis. Note that motor vehicles are not included in the table in order to focus on the contributions of new land development to the tax base in the future.

Property taxes are levied on the assessed value of all taxable property, which the DeKalb Tax Assessor has determined to be 50% of estimated market value of all such properties.

Table 28: Decatur Tax Digest – 2016

Category	Total Assessed Value (@50%)	Total Tax Valuation (Market Value)
Residential	\$ 1,370,533,762	\$ 2,741,067,524
Historical	1,000,500	\$ 2,001,000
Agricultural	-	\$ -
Conservation Use	-	\$ -
Commercial	233,998,315	\$ 467,996,630
Industrial	11,158,889	\$ 22,317,778
Utility	15,236,377	\$ 30,472,754
Exemptions (Bond)	791,870	\$ 1,583,740
Net Bond Digest*	\$ 1,631,135,973	\$ 3,265,439,426

* Excludes Motor Vehicles and Heavy Equipmnt.

Source: Georgia Dept. of Revenue, Consolidated Decatur Tax Digest.

New Housing Values

According to recent Zillow listings collected in mid-December 2016, new residences currently for sale throughout the city are being offered at an overall median sales price of \$812,500. At 50% of value, this equates to a median tax assessment value of \$406,250.

Table 29: Median Home Prices and Rental Rates

	New Housing For Sale - 12/16/16		
	Single-Family Detached	Townhouse	All
	\$ 899,900		\$ 899,900
	695,000		695,000
	1,000,000		1,000,000
	899,900		899,900
	825,000		825,000
	850,000		850,000
	1,050,000		1,050,000
	1,250,000		1,250,000
	850,000		850,000
	800,000		800,000
		\$ 649,000	649,000
		599,900	599,900
		599,900	599,900
		599,900	599,900
		599,900	599,900
		599,900	599,900
Average	\$ 911,980	\$ 608,083	\$ 798,019
Median	\$ 874,950	\$ 599,900	\$ 812,500
Median Tax Assessment for All Sales Units			\$ 406,250

Source: New Construction listings on Zillow.com, 12/16/16

Apartments For Rent - 12/16/16		
Apartment Complex	Bedrooms	Monthly Rent
Amberidge	2	\$ 1,295
Park@Westchester	2	\$ 995
Clairemont	2	\$ 3,500
Alexan	Studio	\$ 1,520
Alexan	1	\$ 1,875
Alexan	2	\$ 2,339
Fairview Ave	2	\$ 1,975
Place on Ponce	1	\$ 1,911
Place on Ponce	2	\$ 2,307
449 Ponce	Studio	\$ 1,065
Arlo	Studio	\$ 1,305
Arlo	1	\$ 1,802
Arlo	2	\$ 2,195
Monthly Rent	Average	\$ 1,853
	Median	\$ 1,875
Development Cost/Unit	Average	\$ 185,262
	Median	\$ 187,500
Median Tax Assessment per Rental Unit		\$ 93,750

Source: Rental units in apartment buildings listed on Zillow.com, 12/16/16

For rental housing, monthly rents for all units reported as available by Zillow in apartment complexes were recorded; units in single-family homes were not included. While monthly rents varied from one complex to another, and for different sized apartments, the overall median rent for all units was \$1,875. This overall median rent is useful in estimating the overall construction cost of the apartment units, using the industry standard that monthly rents should equal 1% of development costs. Rental housing therefore has a lease-rate median equivalent value of \$187,500 per unit, for an assessed value of \$93,750.

Cross-checking, these average unit values compare well to the cost of construction associated with building permits as estimated by the builders/developers (which include only the cost of materials and labor, and not land, marketing and profit). Compared to the claimed con-

struction costs for single-unit housing over the 2014-2016 period, the median sales price above is 2.5 times the construction cost, which is in line with industry standards. For multi-family, the multiplier is 1.6 times the construction cost claimed, which is reasonably lower because the land cost is absorbed by more units per acre.

Residential Tax Base Growth

In the Housing Forecast section above, the total number of residential units in the city was projected to be 15,119, which would be a total build-out of all available residential development resources in the city under the City’s currently adopted plans. This total represents an increase of 4,520 units over the current number of units (10,599).

Between the beginning of 2014 and the end of 2016, the City issued building permits for 1,350 new housing units, including 400 single-family units and 950 apartments. Accounting for the loss of single-family units due to demolition and replacement (i.e., ‘teardowns’), the 3-year total comes to 1,226 units, which renders an annual average of 92 new single-family units (net) and 317 apartments. At this average annual increase in housing units, the build-out number of units will be achieved in 10 years (barring another Great Recession), as shown on Table 30.

Table 30: Projected Annual Residential Growth

	Total Housing Units	Number of Net New Units		
		Total	Sales Units	Rental Units
2016	10,599			
2017	10,941	342	77	265
2018	11,294	353	79	274
2019	11,658	364	82	282
2020	12,034	376	85	291
2021	12,422	388	87	301
2022	12,822	400	90	310
2023	13,235	413	93	320
2024	13,661	426	96	330
2025	14,101	440	99	341
2026	14,554	453	102	351
Total Increase	3,955	3,955	890	3,065

Sales Units Percent of Total =

In order to calculate annual increases in the city’s tax base, it is assumed 1) that the 2014-2016 pace of housing construction and development will continue, and 2) that the net percentage of new single-family units (which includes townhouses) over the 2014-2016 period will also continue into the future at 22.51%. Table 30 shows this projected increase in housing units on an annual basis, which equates to an annual average growth rate of 3.22% per year to 2026 (after which housing in the city will be at maximum capacity).

The median assessed values for sales and rental units from Table 29 and the annual increases in the number of new units from Table 30 are combined on Table 31 by multiplying one by the other for each year.

Table 31: Residential Tax Base Growth

	Annual Tax Assessment Increase			Cumulative Residential Digest
	Sales Units	Rental Units	Total Residential	
2016				\$ 1,370,533,762
2017	\$ 34,937,500	\$ 27,843,750	\$ 62,781,250	\$ 1,433,315,012
2018	\$ 36,156,250	\$ 28,875,000	\$ 65,031,250	\$ 1,498,346,262
2019	\$ 37,781,250	\$ 29,906,250	\$ 67,687,500	\$ 1,566,033,762
2020	\$ 39,000,000	\$ 30,937,500	\$ 69,937,500	\$ 1,635,971,262
2021	\$ 40,625,000	\$ 32,062,500	\$ 72,687,500	\$ 1,708,658,762
2022	\$ 41,843,750	\$ 33,281,250	\$ 75,125,000	\$ 1,783,783,762
2023	\$ 43,468,750	\$ 34,406,250	\$ 77,875,000	\$ 1,861,658,762
2024	\$ 45,093,750	\$ 35,625,000	\$ 80,718,750	\$ 1,942,377,512
2025	\$ 46,718,750	\$ 36,937,500	\$ 83,656,250	\$ 2,026,033,762
2026	\$ 48,343,750	\$ 38,343,750	\$ 86,687,500	\$ 2,112,721,262
Total Increase	\$ 413,968,750	\$ 328,218,750	\$ 742,187,500	\$ 742,187,500

The value added by new residential growth alone, shown in Table 31, is used for credit calculations where only residential growth is charged impact fees, such as park and open space land acquisitions.

Nonresidential Tax Base Growth

The projected increase in the City's tax base due to nonresidential, non-exempt new growth and development is associated with the projections of the number of people working in the city made in the previous Employment Forecast section of Appendix A.

These employment forecast, however, include all workers, including government workers and other people working for tax exempt employers. In order to focus on the projected increase in the City's taxable base, only the number of people employed in the private sector should be considered.

Hard employment data by type of employment is difficult to come by. The Atlanta Regional Commission, in their preparation of the most recently adopted Regional Plan, estimated 2015 public sector employment at 22.56% of the total, leaving 77.44% working in the private sector. We will therefore use the 77.44% figure as valid for employees of tax-paying businesses and organizations. As a cross-check, the Tax Assessor's valuations for taxable nonresidential properties versus tax exempt properties is about 72%, which is relatively consistent with ARC's figure because of the higher proportion of tax exempt property that is vacant or unimproved land.

In preparing Table 32, the total employment forecast to 2040 is first broken down on an annual basis. A methodology similar to that used for the annual housing forecast is employed. Unlike the recent rapid rate of residential growth, however, employment growth has been notably slower.

Table 32: Nonresidential Tax Base Growth

	Total Employees	Number of New Private Sector Employees			Cumulative Nonresidential Digest*
		Total Private Sector	Annual Increase	Cumulative Total	
2015	12,896	9,987			\$ 260,393,581
2016	13,046	10,103	116	116	\$ 263,418,049
2017	13,197	10,220	117	233	\$ 266,468,590
2018	13,351	10,339	119	352	\$ 269,571,277
2019	13,506	10,459	120	472	\$ 272,700,037
2020	13,663	10,581	122	594	\$ 275,880,943
2021	13,822	10,704	123	717	\$ 279,087,922
2022	13,982	10,828	124	841	\$ 282,320,974
2023	14,145	10,954	126	967	\$ 285,606,172
2024	14,309	11,081	127	1,094	\$ 288,917,443
2025	14,475	11,210	129	1,223	\$ 292,280,860
2026	14,644	11,340	130	1,353	\$ 295,670,350
2027	14,814	11,472	132	1,485	\$ 299,111,986
2028	14,986	11,605	133	1,618	\$ 302,579,695
2029	15,160	11,740	135	1,753	\$ 306,099,550
2030	15,336	11,877	137	1,890	\$ 309,671,551
2031	15,514	12,015	138	2,028	\$ 313,269,625
2032	15,695	12,154	139	2,167	\$ 316,893,772
2033	15,877	12,296	142	2,309	\$ 320,596,138
2034	16,061	12,438	142	2,451	\$ 324,298,504
2035	16,248	12,583	145	2,596	\$ 328,079,089
2036	16,437	12,729	146	2,742	\$ 331,885,747
2037	16,628	12,877	148	2,890	\$ 335,744,551
2038	16,821	13,027	150	3,040	\$ 339,655,501
2039	17,017	13,178	151	3,191	\$ 343,592,524
2040	17,214	13,331	153	3,344	\$ 347,581,693

Current Tax Assessment per private sector employee = \$26,073

* Includes total tax assessment for commercial, industrial and utility land use categories.

Projection Period. ARC projected employment growth to continue to 2040. All things considered, we ‘peg’ the employment projection at 2040 to be realized by 2040, and calculate the intervening years using an average growth rate formula (which yields an average annual

rate of growth at 1.16%). This results in a 10-year increase in private sector employment of 1,237 by 2026, and 1,389 in the second 10-year period to 2036.

Private Sector Employment. Once the total employment forecast is broken down by year, the number of private sector employees is calculated. As noted above, the 2015 percentage estimated by ARC (77.44%) is used across the board to calculate the number of private sector employees on an annual basis. This total increase amounts to 3,344 new employees.

Tax Base Increase. The current tax base provides a total assessed valuation for non-exempt uses of \$260,393,581 as of 1/1/16 which, when divided by the number of private sector employees at that time (9,987), yields a per-employee assessed valuation of \$26,073. This figure is multiplied by the total number in private sector employees projected for each year to arrive at the cumulative assessed value of taxable nonresidential property generated by new growth in each year.

Summary – Tax Base Increases Generated by New Growth

Table 33: Future Tax Base Increase Generated by New Growth

	Residential New Growth Tax Digest	Nonresidential New Growth Tax Digest	Total Tax Digest from New Growth
2017	\$ 56,125,000	\$ 3,050,541	\$ 59,175,541
2018	\$ 113,906,250	\$ 6,153,228	\$ 120,059,478
2019	\$ 173,656,250	\$ 9,281,988	\$ 182,938,238
2020	\$ 235,468,750	\$ 12,462,894	\$ 247,931,644
2021	\$ 299,031,250	\$ 15,669,873	\$ 314,701,123
2022	\$ 364,656,250	\$ 18,902,925	\$ 383,559,175
2023	\$ 432,437,500	\$ 22,188,123	\$ 454,625,623
2024	\$ 502,375,000	\$ 25,499,394	\$ 527,874,394
2025	\$ 574,562,500	\$ 28,862,811	\$ 603,425,311
2026	\$ 648,906,250	\$ 32,252,301	\$ 681,158,551
2027		\$ 35,693,937	\$ 716,852,488
2028		\$ 39,161,646	\$ 756,014,134
2029		\$ 42,681,501	\$ 798,695,635
2030		\$ 46,253,502	\$ 844,949,137
2031		\$ 49,851,576	\$ 894,800,713
2032		\$ 53,475,723	\$ 948,276,436
2033		\$ 57,178,089	\$ 1,005,454,525
2034		\$ 60,880,455	\$ 1,066,334,980
2035		\$ 64,661,040	\$ 1,130,996,020
2036		\$ 68,467,698	\$ 1,199,463,718
2037		\$ 72,326,502	\$ 1,271,790,220
2038		\$ 76,237,452	\$ 1,348,027,672
2039		\$ 80,174,475	\$ 1,428,202,147
2040		\$ 87,188,112	\$ 1,515,390,259

Table 33 presents the additions to the City’s tax digest projected to be generated by residential and nonresidential growth and development in the coming years.

As noted above, the residential tax base increases would be used in calculating credits for taxes for projects strictly the responsibility of city residents, such as parks and open space acquisitions. The combined total of the residential and nonresidential tax base values generated by new growth would apply to impact fee projects that are assessed as all types of development occur, such as for fire and police capital improvements.

■ Property Tax Credits

New development pays for the capital improvements needed to serve that development through impact fees, charged at the time that the building permit is issued, as well as through future taxes that are reasonably expected to be spent for those same capital improvements. Credit must be granted for those future taxes that will be paid by new development; failure to do so would be a form of double taxation.

For each public facility category where a credit is due, the credit is applied equally to all new development against their impact fees by deducting the amount that will be paid through taxes from the total public facility costs that are attributable to new development. The credit to be deducted from the impact fee is calculated as the value of the future tax stream for the years the tax will be collected, to the extent that the taxes will be expended on impact fee eligible facilities included in the impact fee program.

Credits based on future growth’s tax contributions are calculated in this section and are applied to the fee calculations in the appropriate public facility category chapters.

For the purpose of these impact fee estimates, it is assumed that general fund revenue will not be used to finance impact fee eligible projects. Other sources, such as sales tax backed bonds, may be a resource. As shown on Table 1, most of the impact fee eligible improvements have already been built, and the City will recoup these previous investments through impact fees. In addition, the impact fee revenue will generally exceed the City’s cash funding requirements. If the City proceeds with a more detailed study of impact fees, specific funding mechanisms will have to be identified (particularly for the PATH trail system) and impact fee payments matched to City outlays.

Specifically, however, several impact fee eligible capital improvements have been financed through the issuance of GO Bonds (shown on Table 34).

Table 34: Impact Fee Eligible Projects with City GO Bond Financing

Impact Fee	Projects	Principal	Principal + Interest	% of Total Debt Service
Total GO Bond Issues		\$ 33,795,000	\$ 60,048,016	
	McKoy Pool	767,723	1,364,114	
	Decatur Recreation Ctr	3,735,030	6,636,518	
	Glenlake Park Improvements	3,100,609	5,509,259	
	Total Recreation Components	\$ 7,603,362	\$ 13,509,891	22.4985%
	Fire Station No. 1	171,279	304,334	
	Fire Station No. 2	1,798,462	3,195,564	
	Total Fire Station Improvements	\$ 1,969,741	\$ 3,499,898	5.8285%

To the extent that future growth will pay property taxes to retire the bonded debt, a credit must be applied to the total impact fee to avoid new growth paying twice for the same improvements through both the bond levies and the impact fee payments.

Cost Adjustments and Credits

As shown on Table 34, the debt service (principal plus interest) for the three recreation projects account for about 22.5% of the total, while the fire station improvement costs amount to a bit over 5.8% of the total. These percentages are used to estimate the portions of the annual bond levies that new growth will contribute to these impact fee eligible expenditures.

The GO Bonds extend to 2037, at which time they will be retired. The total annual debt service on the GO Bonds is shown on Table 35. Using the relevant percentages of the total debt service from Table 34, the portion of the debt service attributable to the recreation projects and the fire station projects are shown for each year.

Table 35: Impact Fee Projects' Share of Debt Service

	Total Annual Debt Service	Recreation Share	Fire Stations Share
At:		22.4985%	5.8285%
2018	\$ 1,858,881.26	\$ 418,220.03	\$ 108,344.88
2019	\$ 1,887,031.26	\$ 424,553.36	\$ 109,985.60
2020	\$ 1,909,331.26	\$ 429,570.52	\$ 111,285.35
2021	\$ 1,940,731.26	\$ 436,635.04	\$ 113,115.50
2022	\$ 1,971,131.26	\$ 443,474.58	\$ 114,887.37
2023	\$ 2,005,481.26	\$ 451,202.81	\$ 116,889.45
2024	\$ 2,017,131.26	\$ 453,823.88	\$ 117,568.48
2025	\$ 2,049,381.26	\$ 461,079.64	\$ 119,448.17
2026	\$ 2,077,131.26	\$ 467,322.97	\$ 121,065.57
2027	\$ 2,110,131.26	\$ 474,747.46	\$ 122,988.98
2028	\$ 2,128,381.26	\$ 478,853.44	\$ 124,052.68
2029	\$ 2,156,756.26	\$ 485,237.38	\$ 125,706.52
2030	\$ 2,175,006.26	\$ 489,343.35	\$ 126,770.22
2031	\$ 2,220,881.26	\$ 499,664.53	\$ 129,444.04
2032	\$ 2,240,756.26	\$ 504,136.10	\$ 130,602.46
2033	\$ 2,283,006.26	\$ 513,641.71	\$ 133,065.00
2034	\$ 2,307,481.26	\$ 519,148.22	\$ 134,491.52
2035	\$ 2,347,753.13	\$ 528,208.77	\$ 136,838.77
2036	\$ 2,393,300.00	\$ 538,456.13	\$ 139,493.47
2037	\$ 2,428,837.50	\$ 546,451.53	\$ 141,564.77

The next two tables estimate the extent to which new growth and development will generate revenue under the annual bond levy that is related to the impact fee eligible recreation projects and the fire station improvements. The total amounts of these tax payments become credits against the Parks, Recreation and Open Space impact fees and the Fire Protection Services impact fees, as applicable.

Parks, Recreation and Open Space Credit

The first step is to determine what the millage rate for retiring the bonds will be in each future year. In composing Table 36, the 'total tax base' figures are calculated by adding the 'net bond digest' for 2016 (from Table 28) to the 'total tax digest from new growth' (from Table 33) for each year. Since the total taxes collected cannot exceed the amount of the debt

service due for that year (see Table 35), the millage rate for the GO Bond fund varies each year, generally going down as the tax base increases.

Table 36: Bond Taxes Generated by New Residential Growth: Recreation Components

	Total Tax Base	Millage to Meet Debt Service	Recreation Share of Millage*	Residential New Growth Tax Digest**	Residential Contribution to Bond Payment
2018	\$ 1,751,195,451	1.0615	0.2388	\$ 113,906,250	\$ 27,203.06
2019	\$ 1,814,074,211	1.0402	0.2340	\$ 173,656,250	\$ 40,641.31
2020	\$ 1,879,067,617	1.0161	0.2286	\$ 235,468,750	\$ 53,830.12
2021	\$ 1,945,837,096	0.9974	0.2244	\$ 299,031,250	\$ 67,100.95
2022	\$ 2,014,695,148	0.9784	0.2201	\$ 364,656,250	\$ 80,268.11
2023	\$ 2,085,761,596	0.9615	0.2163	\$ 432,437,500	\$ 93,547.13
2024	\$ 2,159,010,367	0.9343	0.2102	\$ 502,375,000	\$ 105,599.20
2025	\$ 2,234,561,284	0.9171	0.2063	\$ 574,562,500	\$ 118,555.29
2026	\$ 2,312,294,524	0.8983	0.2021	\$ 648,906,250	\$ 131,146.27
2027	\$ 2,347,988,461	0.8987	0.2022	\$ 648,906,250	\$ 131,204.48
2028	\$ 2,387,150,107	0.8916	0.2006	\$ 648,906,250	\$ 130,168.18
2029	\$ 2,429,831,608	0.8876	0.1997	\$ 648,906,250	\$ 129,586.58
2030	\$ 2,476,085,110	0.8784	0.1976	\$ 648,906,250	\$ 128,241.94
2031	\$ 2,525,936,686	0.8792	0.1978	\$ 648,906,250	\$ 128,362.46
2032	\$ 2,579,412,409	0.8687	0.1954	\$ 648,906,250	\$ 126,826.20
2033	\$ 2,636,590,498	0.8659	0.1948	\$ 648,906,250	\$ 126,415.28
2034	\$ 2,697,470,953	0.8554	0.1925	\$ 648,906,250	\$ 124,886.80
2035	\$ 2,762,131,993	0.8500	0.1912	\$ 648,906,250	\$ 124,091.82
2036	\$ 2,830,599,691	0.8455	0.1902	\$ 648,906,250	\$ 123,439.41
2037	\$ 2,902,926,193	0.8367	0.1882	\$ 648,906,250	\$ 122,151.16

Total Contribution from New Residential Growth = \$ 2,113,265.74

* Based on recreations percentage share of total debt service.

** Residential growth reaches build-out in 2026; no further increases in the residential tax base thereafter.

Using the percentage of the total debt service attributable to the recreation projects (about 22.5%—see Table 34), the ‘recreation share of millage’ rate can be calculated on an annual basis. Since only residential development will pay the Parks, Recreation and Open Space impact fee, this millage rate is applied only to the tax digest increases attributable to new residential growth. These tax base figures are shown on Table 33. Note that residential development is projected to build out by 2026, so the tax base increase generated by new residential development remains the same from 2027 forward.

Simply, the ‘recreation share of millage’ rate is multiplied times the ‘residential new growth digest’ to calculate how much new residential growth will contribute under each years bond

levy. The total of all years through 2037 comes to more than \$2.1 million, which is applied as a credit on Table 9.

Fire Protection Services Credit

Calculation of the credit for the fire station improvements follows the same methodology as for recreation, except that the 'fire station share of millage' rate is applied to the entire new growth tax digest increases as both residential and nonresidential uses are assessed the impact fees for Fire Protective Services. The \$732 thousand contribution from all new growth is applied to Table 15 while only the residential contribution is applied to Table 16.

Table 37: Bond Taxes Generated by New Growth: Fire Station Improvements

	Total Tax Base	Millage to Meet Debt Service	Fire Stations Share of Millage*	Total New Growth Tax Digest**	New Growth Contribution to Bond Payment	Residential Contribution to Bond Payment
2018	\$ 1,751,195,451	1.0615	0.0619	\$ 120,059,478	\$ 7,427.97	\$ 7,047.28
2019	\$ 1,814,074,211	1.0402	0.0606	\$ 182,938,238	\$ 11,091.37	\$ 10,528.61
2020	\$ 1,879,067,617	1.0161	0.0592	\$ 247,931,644	\$ 14,683.43	\$ 13,945.33
2021	\$ 1,945,837,096	0.9974	0.0581	\$ 314,701,123	\$ 18,294.22	\$ 17,383.30
2022	\$ 2,014,695,148	0.9784	0.0570	\$ 383,559,175	\$ 21,872.34	\$ 20,794.41
2023	\$ 2,085,761,596	0.9615	0.0560	\$ 454,625,623	\$ 25,477.96	\$ 24,234.50
2024	\$ 2,159,010,367	0.9343	0.0545	\$ 527,874,394	\$ 28,745.29	\$ 27,356.73
2025	\$ 2,234,561,284	0.9171	0.0535	\$ 603,425,311	\$ 32,256.02	\$ 30,713.16
2026	\$ 2,312,294,524	0.8983	0.0524	\$ 681,158,551	\$ 35,663.65	\$ 33,975.00
2027	\$ 2,347,988,461	0.8987	0.0524	\$ 716,852,488	\$ 37,549.14	\$ 33,990.08
2028	\$ 2,387,150,107	0.8916	0.0520	\$ 756,014,134	\$ 39,287.68	\$ 33,721.62
2029	\$ 2,429,831,608	0.8876	0.0517	\$ 798,695,635	\$ 41,320.25	\$ 33,570.95
2030	\$ 2,476,085,110	0.8784	0.0512	\$ 844,949,137	\$ 43,259.57	\$ 33,222.60
2031	\$ 2,525,936,686	0.8792	0.0512	\$ 894,800,713	\$ 45,854.92	\$ 33,253.82
2032	\$ 2,579,412,409	0.8687	0.0506	\$ 948,276,436	\$ 48,013.74	\$ 32,855.84
2033	\$ 2,636,590,498	0.8659	0.0505	\$ 1,005,454,525	\$ 50,743.87	\$ 32,749.38
2034	\$ 2,697,470,953	0.8554	0.0499	\$ 1,066,334,980	\$ 53,165.73	\$ 32,353.41
2035	\$ 2,762,131,993	0.8500	0.0495	\$ 1,130,996,020	\$ 56,030.67	\$ 32,147.46
2036	\$ 2,830,599,691	0.8455	0.0493	\$ 1,199,463,718	\$ 59,110.21	\$ 31,978.45
2037	\$ 2,902,926,193	0.8367	0.0488	\$ 1,271,790,220	\$ 62,020.42	\$ 31,644.71
Total Contribution from New Residential and Nonresidential Growth =				\$ 731,868.45	\$ 547,466.63	

* Based on fire stations percentage share of total debt service.

** Includes both residential and nonresidential growth, although residential growth reaches build-out in 2026.

Appendix C: Glossary of Terms

The following terms are specifically used in reference to impact fees. Where possible, the definitions are taken directly from the Development Impact Fee Act.

Capital improvement: an improvement with a useful life of ten years or more, by new construction or other action, which increases the service capacity of a public facility.

Capital improvements element: a component of a comprehensive plan adopted pursuant to Chapter 70 of the Development Impact Fee Act which sets out projected needs for system improvements during a planning horizon established in the comprehensive plan, a schedule of capital improvements that will meet the anticipated need for system improvements, and a description of anticipated funding sources for each required improvement.

Development: any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, any of which creates additional demand and need for public facilities.

Development impact fee: a payment of money imposed upon development as a condition of development approval to pay for a proportionate share of the cost of system improvements needed to serve new growth and development.

Eligible facilities: capital improvements in one of the following categories:

- (A) Water supply production, treatment, and distribution facilities;
- (B) Waste-water collection, treatment, and disposal facilities;
- (C) Roads, streets, and bridges, including rights of way, traffic signals, landscaping, and any local components of state or federal highways;
- (D) Storm-water collection, retention, detention, treatment, and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements;
- (E) Parks, open space, and recreation areas and related facilities;
- (F) Public safety facilities, including police, fire, emergency medical, and rescue facilities; and
- (G) Libraries and related facilities.

Impact Cost: the proportionate share of capital improvements costs to provide service to new growth, less any applicable credits.

Impact Fee: the impact cost plus surcharges for program administration and recoupment of the cost to prepare the Capital Improvements Element.

Level of service: a measure of the relationship between service capacity and service demand for public facilities in terms of demand to capacity ratios or the comfort and convenience of use or service of public facilities or both.

Project improvements: site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project and are not system improvements. The character of the improvement shall control a determination of whether an improvement is a project improvement or system improvement and the physical location of the improvement on site or off site shall not be considered determinative of whether an improvement is a project improvement or a system improvement. If an improvement or facility provides or will provide more than incidental service or facilities capacity to persons other than users or occupants of a particular project, the improvement or facility is a system improvement and shall not be considered a project improvement. No improvement or facility included in a plan for public facilities approved by the governing body of the municipality or county shall be considered a project improvement.

Proportionate share: means that portion of the cost of system improvements which is reasonably related to the service demands and needs of the project.

Rational Nexus: the clear and fair relationship between fees charged and services provided.

Service area: a geographic area defined by a municipality, county, or intergovernmental agreement in which a defined set of public facilities provide service to development within the area. Service areas shall be designated on the basis of sound planning or engineering principles or both.

System improvement costs: costs incurred to provide additional public facilities capacity needed to serve new growth and development for planning, design and engineering related thereto, including the cost of constructing or reconstructing system improvements or facility expansions, including but not limited to the construction contract price, surveying and engineering fees, related land acquisition costs (including land purchases, court awards and costs, attorneys' fees, and expert witness fees), and expenses incurred for qualified staff or any qualified engineer, planner, architect, landscape architect, or financial consultant for preparing or updating the capital improvement element, and administrative costs, provided that such administrative costs shall not exceed 3 percent of the total amount of the costs. Projected interest charges and other finance costs may be included if the impact fees are to be used for the payment of principal and interest on bonds, notes, or other financial obligations issued by or on behalf of the municipality or county to finance the capital improvements element but such costs do not include routine and periodic maintenance expenditures, personnel training, and other operating costs.

System improvements: capital improvements that are public facilities and are designed to provide service to the community at large, in contrast to 'project improvements.'

Appendix D: Land Use Definitions

The following is a list of the nonresidential land uses contained in the adopted fee schedule, with definitions derived from the Institute of Transportation Engineers' *Trip Generation Manual*, (9TH edition). The definitions in that manual are the official definitions of the land uses included in the City impact fee program. In some cases interpretation of the definition is required. By ordinance, this is the role of the Administrator, though the applicant can appeal the interpretation.

Land Use Category	ITE Code*	Description
All Suites Hotel	311	Places of lodging that provide sleeping accommodations, a small restaurant and lounge, and a small amount of meeting space. Each suite includes a sitting room and separate bedroom, and limited kitchen facilities
Apparel Store	876	Individual store specializing in the sale of clothing.
Automobile Sales	841	Dealerships offering new or used cars for sale. Automobile services, parts sales and substantial used car sales may also be available. Some dealerships also include leasing options, truck sales and servicing.
Auto Parts Store	843	Facilities specializing in the sale of automobile parts for do-it-yourself maintenance and repair. Items sold at these facilities include items such as spark plugs, oil, batteries and a wide range of automobile parts. These facilities are not equipped for on-site vehicle repair.
Bowling Alley	437	A recreational facility that primarily provides lanes for bowling. A small lounge, restaurant and/or snack bar, video games, and pool tables may also be available as accessory uses.
Building Materials and Lumber Store	812	A free-standing building that sells hardware, building materials and lumber. The lumber may be stored in the main building or in a yard or storage sheds. (In contrast, see Hardware/Paint Store below.)
Business Park Building	770	A flex-type or incubator one- or two-story building served by a common roadway system. The tenant space is flexible and lends itself to a variety of uses; the rear side of the building is usually served by a garage door. Tenants may be start-up companies or small mature companies that require a variety of space. The space may include offices, retail and wholesale stores, restaurants, recreational areas and warehousing, manufacturing, light industrial, or scientific research functions.
Cemetery	566	A place for burying the deceased, possibly including buildings used for funeral services, a mausoleum, and a crematorium.
Church/Synagogue	560	Any building providing public religious worship facilities. A church, synagogue or any other religious facility generally houses an assembly hall or sanctuary, meeting rooms, classrooms, and occasionally, dining, catering or party facilities.
Clinic	630	Any facility that provides limited diagnostic and outpatient care but is unable to provide prolonged in-house medical and surgical care. Clinics often have lab facilities or a pharmacy.

Land Use Definitions

Land Use Category	ITE Code*	Description
Convenience Market (Open 24 Hours)	851	Open 24 hours per day. These stores sell convenience foods, newspapers, magazines, and often beer and wine; and they do not have gasoline pumps.
Corporate Headquarters Building	714	A single tenant office building that houses the corporate headquarters of a company or organization, which generally consists of offices, meeting rooms, space for file storage and data processing, an employee restaurant or cafeteria, and other service functions. This category includes a regional headquarters building of a state-wide or national company.
Daycare Center	565	A facility that cares for preschool age children, normally during the daytime hours. The facility generally includes classrooms, offices, eating areas, and a playground. After-school care for school age children may also be provided.
Discount Supermarket	854	A free-standing retail store selling a complete assortment of food (often in bulk), food preparation and wrapping materials, and household cleaning and servicing items at discounted prices.
Drive-in Bank	912	Contains banking facilities for both the motorist while in a vehicle, and someone who walks into the building.
Fast Food Restaurant	934	This category includes restaurants with drive-through windows. This type of restaurant is characterized by a large drive-through clientele, long hours of service (some are open for breakfast, all are open for lunch and dinner, some are open late at night or 24 hours per day), and high turnover rates for eat-in customers. These limited-service eating establishments do not provide table service. Non-drive-through patrons generally order at a cash register and pay before they eat.
Free-Standing Discount Store	815	Similar to the Free-Standing Discount Superstore land use, but does not contain a full service grocery department. Usually offers fewer services than a Department Store, has centralized cashiering and a wide range of products. Often the only store on a site, but again, one can find them in mutual operation with their own or other supermarkets, garden centers and service stations, or as part of community-sized shopping centers. Usually maintains long store hours, even on Sunday.
Furniture Store	890	A retail facility that specializes in the sale of furniture and often carpeting. The stores are generally large and include storage areas.
General Heavy Industrial	120	Unlike manufacturing facilities, which convert raw materials into products, heavy industrial uses generally involve the assembly of parts into finished products.
General Light Industrial	110	Free-standing facility devoted to a single industrial use, but having an emphasis other than manufacturing. Light industries typical of those included in this category are printing plants, material testing laboratories, and assemblers of data processing equipment.
General Office Building	710	Houses multiple tenants and is the location where affairs of a business, commercial or industrial organization, professional person or firm are conducted. The building is designed to contain a mixture of tenants including professional services, insurance companies, investment brokers, company headquarters, and services for the tenants such as a bank or savings and loan, a restaurant or cafeteria, and service retail facilities.
Hardware/Paint Store	816	Generally a free-standing building where the primary business is the sale of hand tools and power tools for repairs, maintenance and construction work; and/or house paint, paint brushes and other painting accessories.

Land Use Category	ITE Code*	Description
Health/Fitness Center	492	Health/fitness centers are privately-owned facilities that primarily focus on individual fitness or training. Typically they provide exercise classes; weightlifting, fitness and gymnastics equipment; spas; locker rooms; and small restaurants or snack bars. This land use may also include ancillary facilities, such as swimming pools, whirlpools, saunas, tennis, racquetball and handball courts and limited retail.
High-Cube Warehouse	152	Highly mechanized facilities used for the storage of manufactured goods prior to their distribution to retail outlets, distribution centers or other warehouses. These facilities generally consist of large steel or masonry shell buildings, with a typical ceiling height of 24 feet or more. They are also characterized by a small employment count due to the high level of mechanization, may include an office component, and some limited assembly and repackaging may occur.
High-Turnover (Sit-Down) Restaurant	932	Sit-down, full service eating places where customers generally stay less than one hour. Restaurants in this group are usually moderately priced and frequently belong to chains. These restaurants generally serve lunch, and dinner, sometimes breakfast, and are sometimes open 24 hours a day. Reservations are typically not taken. Patrons wait to be seated, are served by a waiter or waitress, and order from a menu and may pay at the table. The restaurant may include a bar as an accessory use.
Hospital	610	Any institution where medical or surgical care and overnight accommodations is given to nonambulatory and ambulatory patients.
Hotel	310	A place of lodging providing sleeping accommodations, and supporting facilities such as restaurants, cocktail lounges, meeting and banquet rooms or convention facilities, limited recreational facilities (pool, fitness room), and/or small retail and service shops.
Manufacturing	140	Places where the primary activity is the conversion of raw materials or parts into finished products. Size and type of activity may vary substantially from one facility to another. In addition to actual production of goods, manufacturing facilities generally also have office, warehouse, research and assorted functions.
Medical-Dental Office Building	720	A facility that provides diagnoses and outpatient care on a routine basis but is unable to provide prolonged in-house medical or surgical care. Usually occupied by a single private physician or dentist, a group of doctors, or several independent physicians or dentists.
Mini-Warehouse	151	A building in which a storage unit or vault is rented for the storage of goods (sometimes called a "self-storage facility"). Each unit is physically separated from other units and access is usually provided through an overhead door.
Motel	320	A place of lodging offering sleeping accommodations and possibly a restaurant or breakfast area. Little or no meeting space and few supporting facilities are provided. Access to rooms may be from an interior corridor or from outdoor landings.
Movie Theater	443	Consists of audience seating, one or more screens and auditoriums, and a lobby and refreshment stand.
Nursery (Garden Center)	817	A free-standing building with an outside storage area for planting or landscape stock. These nurseries primarily serve the general public. Some have large greenhouses and offer landscaping services, and may sell lawn care and maintenance supplies, trimmers or mowers. Most have office, storage, and shipping facilities.

Land Use Definitions

Land Use Category	ITE Code*	Description
Nursery (Wholesale)	818	A free-standing building with an outside storage area for planting or landscape stock. These nurseries primarily serve contractors and suppliers. Some have large greenhouses and offer landscaping services. Most have office, storage, and shipping facilities.
Nursing Home	620	Any facility whose primary function is to provide 24-hour per day care for persons unable to care for themselves. The term is applicable not only to rest homes, but also to chronic care and convalescent homes. Assisted living and continuing care retirement communities can be included in this category.
Pharmacy/Drugstore	880	A retail facility that primarily sells prescription and non-prescription drugs. These facilities may also sell cosmetics, toiletries, medications, stationary, personal care products, limited food products, and general merchandise.
Private Elementary School	520	A privately owned, state accredited school that serves students attending kindergarten through fifth or sixth grade.
Private High School	530	A privately owned, state accredited school that serves students in the ninth through twelfth grade; middle or junior high schools can also be included in this category.
Quality Restaurant	931	A high quality, full service eating establishment with turnover rates generally of at least one hour or longer. Generally, a quality restaurant does not serve breakfast and may or may not serve lunch. Reservations are available and sometimes required. Patrons wait to be seated, are served by a waiter or waitress, and order from a menu and may pay at the table. The restaurant may include a lounge or bar as an accessory use.
Quick Lubrication Vehicle Shop	941	A business where the primary activity is to perform oil change services for vehicles. Other ancillary services may include preventive maintenance, such as fluid and filter changes. Automobile repair service is generally not provided.
Racquet/Tennis Club	491	An indoor or outdoor facility that primarily caters to racquet sports (tennis, racquetball, squash), and may include ancillary facilities such as swimming pools, whirlpools, saunas, weight rooms, snack bars and small retail stores.
Recreational Community Center	495	Facilities similar to and including YMCAs, often including classes and clubs for adults and children; a day care or nursery school; meeting rooms; swimming pools and whirlpools; saunas; tennis, racquetball, handball, basketball and volleyball courts; exercise classes; weightlifting and gymnastics equipment; locker rooms; and a restaurant or snack bar.
Research & Development Center	760	A facility devoted almost exclusively to research and development activities. While they may also contain offices and some light fabrication areas, the primary function is that of scientific research and product or business development.
Self-Service Car Wash	945	Facility that allows for the manual cleaning of vehicles by providing stalls for the driver to park and wash the vehicle.
Single-Tenant Office Building	715	A free-standing building exclusively occupied by a single business or company and generally contains its offices, meeting rooms, space for file storage and data processing, and possibly other service functions including an employee restaurant or cafeteria.

Land Use Category	ITE Code*	Description
Specialty Retail Center	826	A small strip shopping center that contains a variety of retail shops and specializes in quality apparel, hard goods and services such as real estate offices, dance studios, florists, and small restaurants. Individual stores, shops, eating establishments and other uses located within a specialty retail center building are each charged the specialty retail center impact fee rate because the rate already assumes a wide variety of uses that are commonly found in specialty retail centers.
Supermarket	850	Free-standing retail stores selling a complete assortment of food, food preparation and wrapping materials, and household cleaning items, and may also include automobile supplies, bakeries, snack areas, books and magazines, floral arrangements, greeting cards, cooking and other household items, and video sales or rentals. Limited-service banks, photo centers and pharmacies are often located within supermarkets.
Tennis Courts	490	Indoor or outdoor facilities specifically designed for playing tennis. Other on-site facilities may include limited spectator seating and a parking lot. (See also Racquet/Tennis Club above.)
Tire Store	848	Primary business is the sales and marketing of tires for automotive vehicles. Services offered by these stores usually include tire installation and repair, as well as other limited automotive maintenance or repair services as an accessory use. These stores generally do not contain large storage or warehouse areas.
Tire Superstore	849	A warehouse-like facility with the primary function of selling and installing tires for automobiles and small trucks. Other services provided may include automotive maintenance functions such as wheel alignment or shock and brake service. A tire display, customer waiting lounge and restroom facilities, staff office space, and significant storage area are also provided. General mechanical repairs and body work are usually not conducted at these facilities.
Variety Store	814	A retail store that sells a broad range of inexpensive items (once known as "five and dime stores"). Those that sell a single price are typically referred to as "dollar stores." Items sold at these stores typically include kitchen supplies, cleaning products, home office supplies, food products, household goods, decorations and toys.
Warehouse	150	Facility that is primarily devoted to the storage of materials, often in transit for distribution to retail outlets, distribution centers or other manufacturers. They may also include office and maintenance areas.
Wholesale Market	860	Facilities that generally include large storage and distribution areas for receiving goods and shipping those goods to places such as grocery stores and restaurants. Generally these markets are characterized by little drive-in business, and truck deliveries and pick-ups at all hours of the day.