



Public Information Meeting: 2016 School Impact Fee Studies

September 26, 2016

Presenter: Perdita Holtz, Planning Dept.



Welcome and Overview

- **School Impact Fees**
 - Enabling legislation in 1987
 - Fees first adopted in 1993
 - Help defray the public costs of new residential development
 - Used to provide greater student capacity (e.g., new or expanded school buildings)
 - Cannot be used to fund operations or repairs of existing facilities



Overview (continued)

- Updated technical studies done every few years to ensure the fees remain proportional to the actual impacts caused
- Most recent studies (one for each school district) completed in summer 2016
- Over the years, types of housing has become more refined
 - Geographic Information Systems (GIS) and digital data make this possible



Refined Housing Type Categories

- 1993 – fee charged per dwelling, regardless of type
- Each technical study has refined housing types a bit more
 - Single-family & All Other
 - Single-family, Manufactured Homes, All Other
 - Single-family Detached, Single-family Attached, Multi-family, Manufactured Homes
- Current study disaggregated data down to number of bedrooms per unit (SFD, SFA, MF)
 - Calculations for smaller-sized single-family detached (<800 square feet)
 - Age-Restricted Units



2016 Study

Full studies available on website:

[http://www.orangecountync.gov/departments/
planning_and_inspections/
current_interest_projects.php](http://www.orangecountync.gov/departments/planning_and_inspections/current_interest_projects.php)

Consultant Reports on Findings

Orange County, NC

Draft Educational Facilities Fees

Orange County Schools

Chapel Hill-Carrboro City Schools

September 26, 2016

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TischlerBise.com

- Introduction
- Overview
 - Impact Fees
 - Process for the Studies
- Impact Fee Results (by System)
 - Methodologies
 - Levels of Service & Costs
 - Maximum Supportable Amounts
- Q & A

- National Practice
- Impact Fees (850+)
- Fiscal Impact Evaluations (700+)
- Infrastructure Needs & Revenue Strategies
- Public and Private Sector Experience*



* **North Carolina Clients:** Cabarrus County, Camden County, Catawba County, Chatham County, Currituck County, Davie County, Guilford County, New Hanover County, Orange County, Wake County, Cary, Creedmoor, Durham, Greenville, Holly Springs, Jacksonville, Nags Head, UNC, Wilmington, and Wilson.

The purpose is to:

“. . . Help defray the costs to the County of constructing certain capital improvements, the need for which is created in substantial part by the new development that takes place within the County.”

S.L. 1987-460: “An Act Making Sundry Amendments Concerning Local Governments in Orange and Chatham Counties, Title VI: Orange County Impact Fees.”



Impact Fees

- Represent new growth's fair share of the cost for capital facility needs
- Used for **capacity** expansions
- Not a revenue raising mechanism but a way to provide growth-related infrastructure
- Three requirements must be met:
 - **Impact:** *Growth is generating need for infrastructure*
 - **Benefit:** *Timing of improvements; accounting and expenditure controls*
 - **Proportionality:** *Fair share of cost*

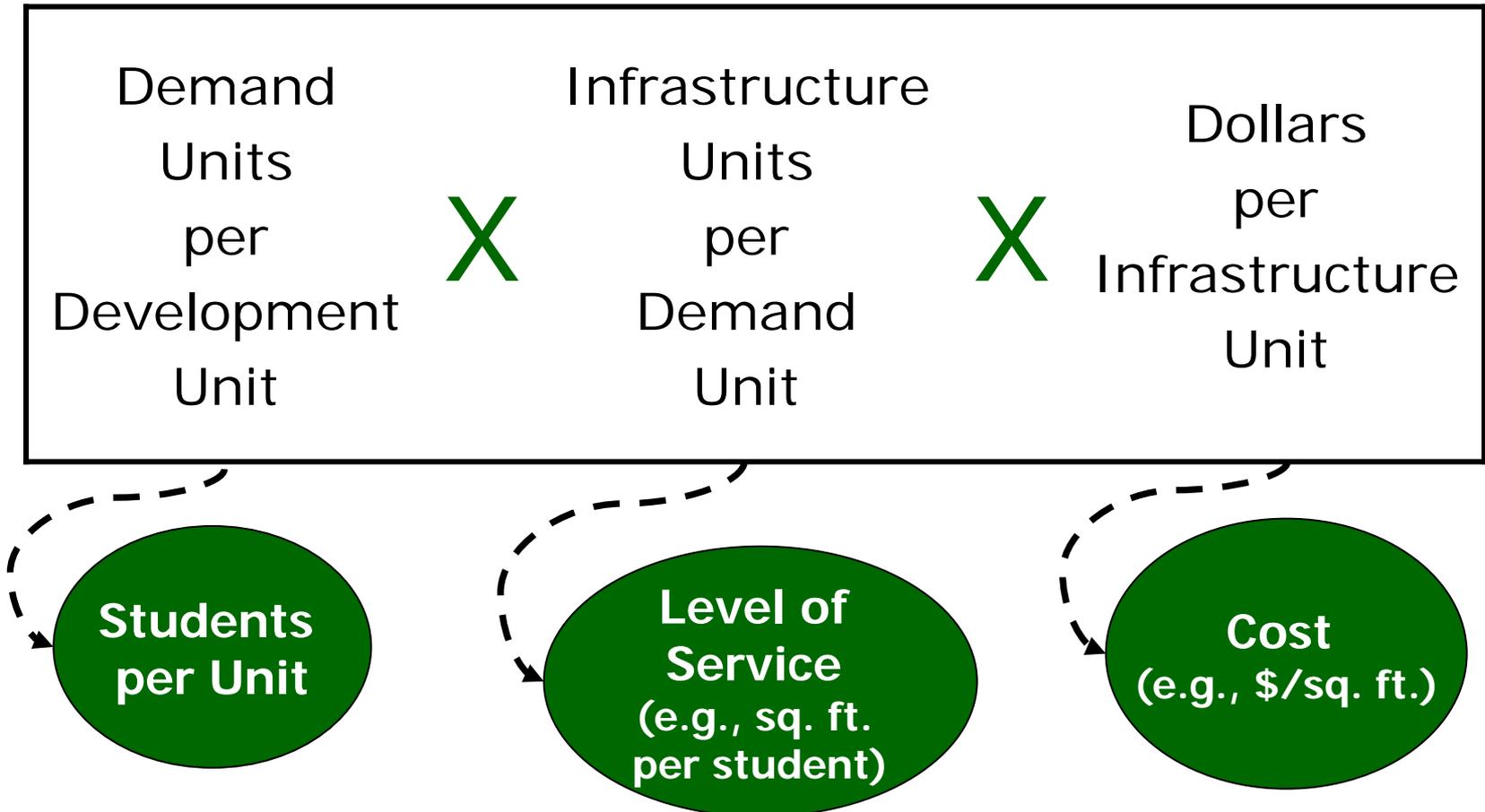


Process for Study

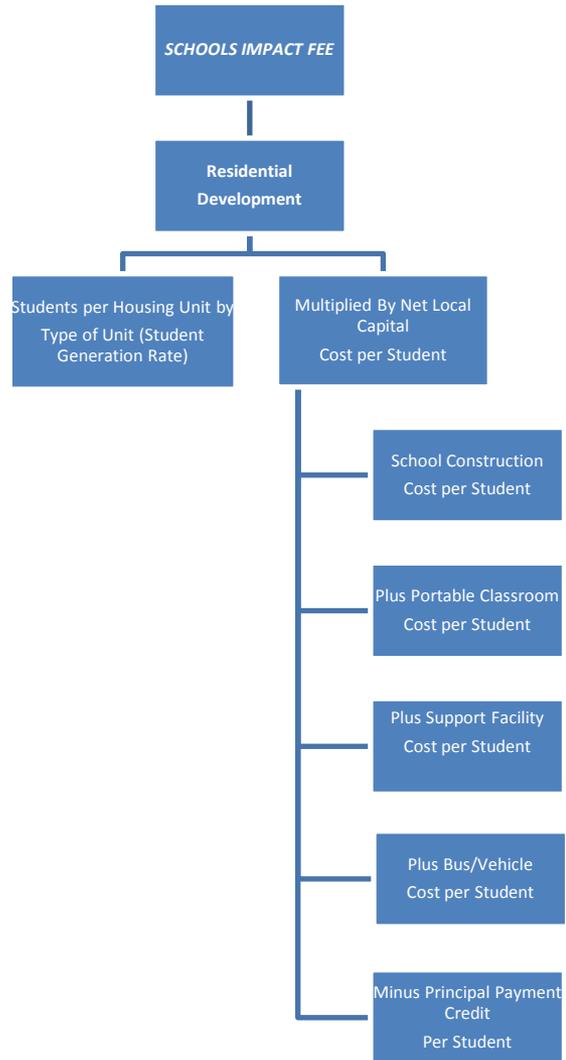
- Interview key staff
- Analyze demographic data
- Consider methodologies and determine levels of service
- Determine capital costs
- Evaluate inclusion of credits
- Determine **maximum supportable** fee amounts for each school system
- Staff review
- Presentations to the public
- Decision by elected officials

- **Cost Recovery (past)**
 - Oversized and unique facilities
- **Incremental Expansion (present)**
 - Formula-based approach documents level-of-service with both quantitative and qualitative measures; common for schools
- **Plan-Based (future)**
 - Common for utilities but can also be used for other public facilities with non-impact fee funding (e.g., roads)

Impact Fee Formula Overview



Impact Fee Methodology



Orange County Schools



OCS Student Generation Rates

INPUT VARIABLES: Orange County Schools					
		School Level			
<i>Public School Students per Housing Unit</i>		<i>Elementary</i>	<i>Middle</i>	<i>High</i>	<i>Total</i>
Single Family Detached					
	<i>0-3 Bedrooms</i>	0.166	0.088	0.125	0.379
	<i>4+ Bedrooms</i>	0.126	0.069	0.087	0.283
	<i>Average</i>	0.152	0.081	0.112	0.346
Single Family Detached (<800 Sq. Ft.)		0.066	0.020	0.023	0.108
Single Family Attached					
	<i>0-2 Bedrooms</i>	0.059	0.029	0.029	0.118
	<i>3+ Bedrooms</i>	0.065	0.047	0.060	0.172
	<i>Average</i>	0.064	0.045	0.056	0.165
Multifamily					
	<i>0-2 Bedrooms</i>	0.033	0.017	0.033	0.083
	<i>3+ Bedrooms</i>	0.383	0.128	0.162	0.673
	<i>Average</i>	0.088	0.035	0.053	0.176
Manufactured Unit		0.136	0.057	0.068	0.262
Age-Restricted Unit					0.019

OCS: Levels of Service

Current Level of Service Standards			
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>
Square Feet per Student	136.80	168.68	160.54
Cost per Sq. Ft.	\$202	\$223	\$219
Total Building Construction Cost per Student	\$27,678.24	\$37,587.84	\$35,180.96
Portable Classrooms per Student	0.0015	0.0000	0.0000
Cost per Portable Classroom	\$78,000	\$78,000	\$78,000
Portable Classroom Cost per Student	\$120.66	\$0.00	\$0.00
OCS Support Facilities per Student (Sq. Ft.)	3.16	3.16	3.16
Cost per Sq. Ft.	\$200	\$200	\$200
OCS/CHCCS Transp. Facility per Student (Sq. Ft.)	0.60	0.60	0.60
Cost per Sq. Ft.	\$200	\$200	\$200
Support Facility Cost per Student	\$751.25	\$751.25	\$751.25
Buses/Vehicles per Student	0.01648	0.01648	0.01648
Weighted Average Cost per Bus/Vehicle	\$70,755	\$70,755	\$70,755
Bus/Vehicle Cost per Student	\$1,165.78	\$1,165.78	\$1,165.78
Consultant Study Cost per Student	\$134.92	\$134.92	\$134.92

OCS Cost Per Student Summary

Total Gross Cost Per Student	\$29,850.85	\$39,639.79	\$37,232.91
Local Share of Capacity Cost	99%	99%	99%
Total Gross Local Capital Cost per Student	\$29,552.34	\$39,243.39	\$36,860.58
Principal Payment Credit per Student	(\$2,429.24)	(\$2,429.24)	(\$2,429.24)
Total Net Local Capital Cost per Student	\$27,123.09	\$36,814.15	\$34,431.34
Average Capital Cost per Student (all levels)			\$32,789.53

OCS Maximum Supportable Impact Fees

MAXIMUM ALLOWABLE SCHOOL IMPACT FEES: Orange County Schools				
<i>Impact Fee per Housing Unit</i>	<i>Elementary</i>	<i>Middle</i>	<i>High</i>	<i>TOTAL</i>
Single Family Detached				
<i>0-3 Bedrooms</i>	\$4,502	\$3,239	\$4,303	\$12,044
<i>4+ Bedrooms</i>	\$3,417	\$2,540	\$2,995	\$8,952
<i>Single Family Detached Average</i>	\$4,122	\$2,981	\$3,856	\$10,959
Single Family Detached (<800 Sq. Ft.)	\$1,790	\$736	\$791	\$3,317
Single Family Attached				
<i>0-2 Bedrooms</i>	\$1,600	\$1,067	\$998	\$3,665
<i>3+ Bedrooms</i>	\$1,763	\$1,730	\$2,065	\$5,558
<i>Single Family Attached Average</i>	\$1,735	\$1,656	\$1,928	\$5,319
Multifamily				
<i>0-2 Bedrooms</i>	\$895	\$625	\$1,136	\$2,656
<i>3+ Bedrooms</i>	\$10,388	\$4,712	\$5,577	\$20,677
<i>Multifamily Average</i>	\$2,386	\$1,288	\$1,824	\$5,498
Manufactured Unit	\$3,688	\$2,098	\$2,341	\$8,127
Age-Restricted Unit				\$623

Chapel Hill-Carrboro City Schools



CHCCS Student Generation Rates

INPUT VARIABLES: Chapel Hill-Carrboro City Schools					
		School Level			
<i>Public School Students per Housing Unit</i>		<i>Elementary</i>	<i>Middle</i>	<i>High</i>	<i>Total</i>
Single Family Detached					
	<i>0-3 Bedrooms</i>	0.150	0.081	0.104	0.336
	<i>4+ Bedrooms</i>	0.258	0.160	0.222	0.640
	<i>Average</i>	0.189	0.11	0.147	0.446
Single Family Detached (<800 Sq. Ft.)		0.048	0.036	0.013	0.096
Single Family Attached					
	<i>0-2 Bedrooms</i>	0.158	0.058	0.049	0.265
	<i>3+ Bedrooms</i>	0.252	0.082	0.091	0.425
	<i>Average</i>	0.224	0.075	0.079	0.378
Multifamily					
	<i>0-2 Bedrooms</i>	0.065	0.021	0.029	0.115
	<i>3+ Bedrooms</i>	0.236	0.118	0.130	0.485
	<i>Average</i>	0.095	0.038	0.047	0.180
Manufactured Unit		0.088	0.045	0.046	0.179
Age-Restricted Unit					0.019

CHCCS: Levels of Service

Current Level of Service Standards			
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>
Square Feet per Student	140.58	160.68	162.65
Cost per Sq. Ft.	\$277	\$287	\$252
Total Building Construction Cost per Student	\$38,961.27	\$46,178.91	\$40,936.72
Portable Classrooms per Student	0.0044	0.0006	0.0052
Cost per Portable Classroom	\$78,000	\$78,000	\$78,000
Portable Classroom Cost per Student	\$344.09	\$49.52	\$402.58
CHCCS Support Facilities per Student (Sq. Ft.)	5.81	5.81	5.81
Cost per Sq. Ft.	\$200	\$200	\$200
OCS/CHCCS Transp. Facility per Student (Sq. Ft.)	0.60	0.60	0.60
Cost per Sq. Ft.	\$225	\$225	\$225
Support Facility Cost per Student	\$1,295.67	\$1,295.67	\$1,295.67
Buses/Vehicles per Student	0.01137	0.01137	0.01137
Weighted Average Cost per Bus/Vehicle	\$70,040	\$70,040	\$70,040
Bus/Vehicle Cost per Student	\$796.57	\$796.57	\$796.57
Consultant Study Cost per Student	\$134.92	\$134.92	\$134.92

CHCCS Cost Per Student Summary

Total Gross Cost Per Student	\$41,532.52	\$48,455.58	\$43,566.45
Local Share of Capacity Cost	99%	99%	99%
Total Gross Local Capital Cost per Student	\$41,117.19	\$47,971.03	\$43,130.78
Principal Payment Credit per Student	(\$4,246.69)	(\$4,246.69)	(\$4,246.69)
Total Net Local Capital Cost per Student	\$36,870.50	\$43,724.33	\$38,884.09
Average Capital Cost per Student (all levels)			\$39,826.31

CHCCS Maximum Supportable Impact Fees

MAXIMUM ALLOWABLE SCHOOL IMPACT FEES: Chapel Hill-Carrboro City Schools

<i>Impact Fee per Housing Unit</i>	<i>Elementary</i>	<i>Middle</i>	<i>High</i>	<i>TOTAL</i>
Single Family Detached				
<i>0-3 Bedrooms</i>	\$5,530	\$3,541	\$4,043	\$13,114
<i>4+ Bedrooms</i>	\$9,512	\$6,995	\$8,632	\$25,139
<i>Single Family Detached Average</i>	\$6,968	\$4,809	\$5,715	\$17,492
Single Family Detached (<800 Sq. Ft.)				
	\$1,769	\$1,574	\$505	\$3,848
Single Family Attached				
<i>0-2 Bedrooms</i>	\$5,825	\$2,536	\$1,905	\$10,266
<i>3+ Bedrooms</i>	\$9,291	\$3,585	\$3,538	\$16,414
<i>Single Family Attached Average</i>	\$8,258	\$3,279	\$3,071	\$14,608
Multifamily				
<i>0-2 Bedrooms</i>	\$2,396	\$918	\$1,127	\$4,441
<i>3+ Bedrooms</i>	\$8,701	\$5,159	\$5,054	\$18,914
<i>Multifamily Average</i>	\$3,502	\$1,661	\$1,827	\$6,990
Manufactured Unit				
	\$3,244	\$1,967	\$1,788	\$6,999
Age-Restricted Unit				
				\$756



Maximum Supportable Impact Fees

- Technical studies determined the “maximum supportable impact fee” (MSIF)
- In the past, Orange County has not adopted at the MSIF level
 - Last 2 cycles were at:
 - (2001) 60%
 - (2008) 4-year increase at 32%, 40%, 50%, topping off at 60%

Current Fee Levels

- Chapel Hill-Carrboro District

Chapel Hill – Carrboro City Schools Adopted School Impact Fees (2008)	
	Effective January 1, 2012 (60% MSIF)
Single-Family Detached	\$11,423
Single-Family Attached	\$6,610
Multifamily	\$1,286
Manufactured Homes	\$4,939

- Orange County District

Orange County Schools Adopted School Impact Fees (2008)	
	Effective January 1, 2012 (60% MSIF)
Single-Family Detached	\$5,623
Single-Family Attached / Multifamily	\$1,743
Manufactured Homes	\$2,678

MSIF – Chapel Hill – Carrboro District

Chapel Hill - Carrboro City Schools

	MSIF	90% MSIF	80% MSIF	70% MSIF	60% MSIF	50% MSIF	40% MSIF	30% MSIF	20% MSIF	10% MSIF	0% MSIF	Current Fee (adopted at 60% of 2007 MSIF)	% Change - Current Fee vs. 60% of MSIF
Single Family Detached													
0-3 BR	\$13,114	\$11,803	\$10,491	\$9,180	\$7,868	\$7,344	\$5,246	\$3,934	\$2,623	\$1,311	\$0		-31.1%
4+ BR	\$25,139	\$22,625	\$20,111	\$17,597	\$15,083	\$12,570	\$10,056	\$7,542	\$5,028	\$2,514	\$0		32.0%
Average	\$17,492	\$15,743	\$13,994	\$12,244	\$10,495	\$8,746	\$6,997	\$5,248	\$3,498	\$1,749	\$0	\$11,423	-8.1%
Single Family Detached <800 sq. ft.													
	\$3,848	\$3,463	\$3,078	\$2,694	\$2,309	\$1,924	\$1,539	\$1,154	\$770	\$385	\$0	included in SFD	-79.8%
Single Family Attached													
0-2 BR	\$10,266	\$9,239	\$8,213	\$7,186	\$6,160	\$5,133	\$4,106	\$3,080	\$2,053	\$1,027	\$0		-6.8%
3+ BR	\$16,414	\$14,773	\$13,131	\$11,490	\$9,848	\$8,207	\$6,566	\$4,924	\$3,283	\$1,641	\$0		49.0%
Average	\$14,608	\$13,147	\$11,686	\$10,226	\$8,765	\$7,304	\$5,843	\$4,382	\$2,922	\$1,461	\$0	\$6,610	32.6%
Multifamily													
0-2 BR	\$4,441	\$3,997	\$3,553	\$3,109	\$2,665	\$2,221	\$1,776	\$1,332	\$888	\$444	\$0		107.2%
3+ BR	\$18,914	\$17,023	\$15,131	\$13,240	\$11,348	\$9,457	\$7,566	\$5,674	\$3,783	\$1,891	\$0		782.5%
Average	\$6,990	\$6,291	\$5,592	\$4,893	\$4,194	\$3,495	\$2,796	\$2,097	\$1,398	\$699	\$0	\$1,286	226.1%
Manufactured Home													
	\$6,999	\$6,299	\$5,599	\$4,899	\$4,199	\$3,500	\$2,800	\$2,100	\$1,400	\$700	\$0	\$4,939	-15.0%
Age Restricted Unit													
	\$756	\$680	\$605	\$529	\$454	\$378	\$302	\$227	\$151	\$76	\$0	N/A - assessed by housing type	N/A

MSIF – Orange County District

Orange County Schools

	MSIF	90% MSIF	80% MSIF	70% MSIF	60% MSIF	50% MSIF	40% MSIF	30% MSIF	20% MSIF	10% MSIF	0% MSIF	Current Fee (adopted at 60% of 2007 MSIF)	% Change - Current Fee vs. 60% of MSIF
Single Family Detached													
0-3 BR	\$12,044	\$10,840	\$9,635	\$8,431	\$7,226	\$6,022	\$4,818	\$3,613	\$2,409	\$1,204	\$0		28.5%
4+ BR	\$8,952	\$8,057	\$7,162	\$6,266	\$5,371	\$4,476	\$3,581	\$2,686	\$1,790	\$895	\$0		-4.5%
Average	\$10,959	\$9,863	\$8,767	\$7,671	\$6,575	\$5,480	\$4,384	\$3,288	\$2,192	\$1,096	\$0	\$5,623	16.9%
Single Family Detached <800 sq. ft.													
	\$3,317	\$2,985	\$2,654	\$2,322	\$1,990	\$1,659	\$1,327	\$995	\$663	\$332	\$0	included in SFD	-64.6%
Single Family Attached													
0-2 BR	\$3,665	\$3,299	\$2,932	\$2,566	\$2,199	\$1,833	\$1,466	\$1,100	\$733	\$367	\$0		26.2%
3+ BR	\$5,558	\$5,002	\$4,446	\$3,891	\$3,335	\$2,779	\$2,223	\$1,667	\$1,112	\$556	\$0		91.3%
Average	\$5,319	\$4,787	\$4,255	\$3,723	\$3,191	\$2,660	\$2,128	\$1,596	\$1,062	\$532	\$0	\$1,743	83.1%
Multifamily													
0-2 BR	\$2,656	\$2,390	\$2,125	\$1,859	\$1,594	\$1,328	\$1,062	\$797	\$531	\$266	\$0		-8.6%
3+ BR	\$20,677	\$18,609	\$16,542	\$14,474	\$12,406	\$10,339	\$8,271	\$6,203	\$4,135	\$2,068	\$0		611.8%
Average	\$5,498	\$4,948	\$4,398	\$3,849	\$3,299	\$2,749	\$2,199	\$1,649	\$1,100	\$550	\$0	\$1,743	89.3%
Manufactured Home													
	\$8,127	\$7,314	\$6,502	\$5,689	\$4,876	\$4,064	\$3,251	\$2,438	\$1,625	\$813	\$0	\$2,678	82.1%
Age Restricted Unit													
	\$623	\$561	\$498	\$436	\$374	\$312	\$249	\$187	\$125	\$62	\$0	N/A - assessed by housing type	N/A



Possible Options

- As calculated, adopting at some percentage of the MSIF.
- Collapsing the Single Family Detached category in the Orange County Schools district (due to an unexpected result in this category), charging the “Average” for this housing type in this district, charging fees as calculated for other housing types, and adopting at some percentage of the MSIF.
- Collapsing all housing type categories in both or either school districts, charging the “Average” calculation by housing type, and adopting at some percentage of the MSIF.
- Options 1-3 can also be implemented by increasing the percentage of MSIF over a period of time (e.g., adopt at x% effective 2017, y% effective 2018, and z% effective 2019).



Upcoming Meetings

- Joint Board of County Commissioners/
School Boards Meeting – Sep. 29
- Board of County Commissioners Public
Hearing on October 4 beginning at 7:00 p.m.
at Whitted Meeting Facility (this room)
- Possible adoption of updated fees at
October 18 Board of County
Commissioners Meeting
 - 7:00 p.m. at Southern Human Services Center on
Homestead Road, Chapel Hill



Questions