

Orange County, NC

Draft Educational Facilities Fees

Orange County Schools

Chapel Hill-Carrboro City Schools

September 6, 2016

Bethesda, MD | 301.320.6900

Bradenton, FL | 443.280.0723

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*

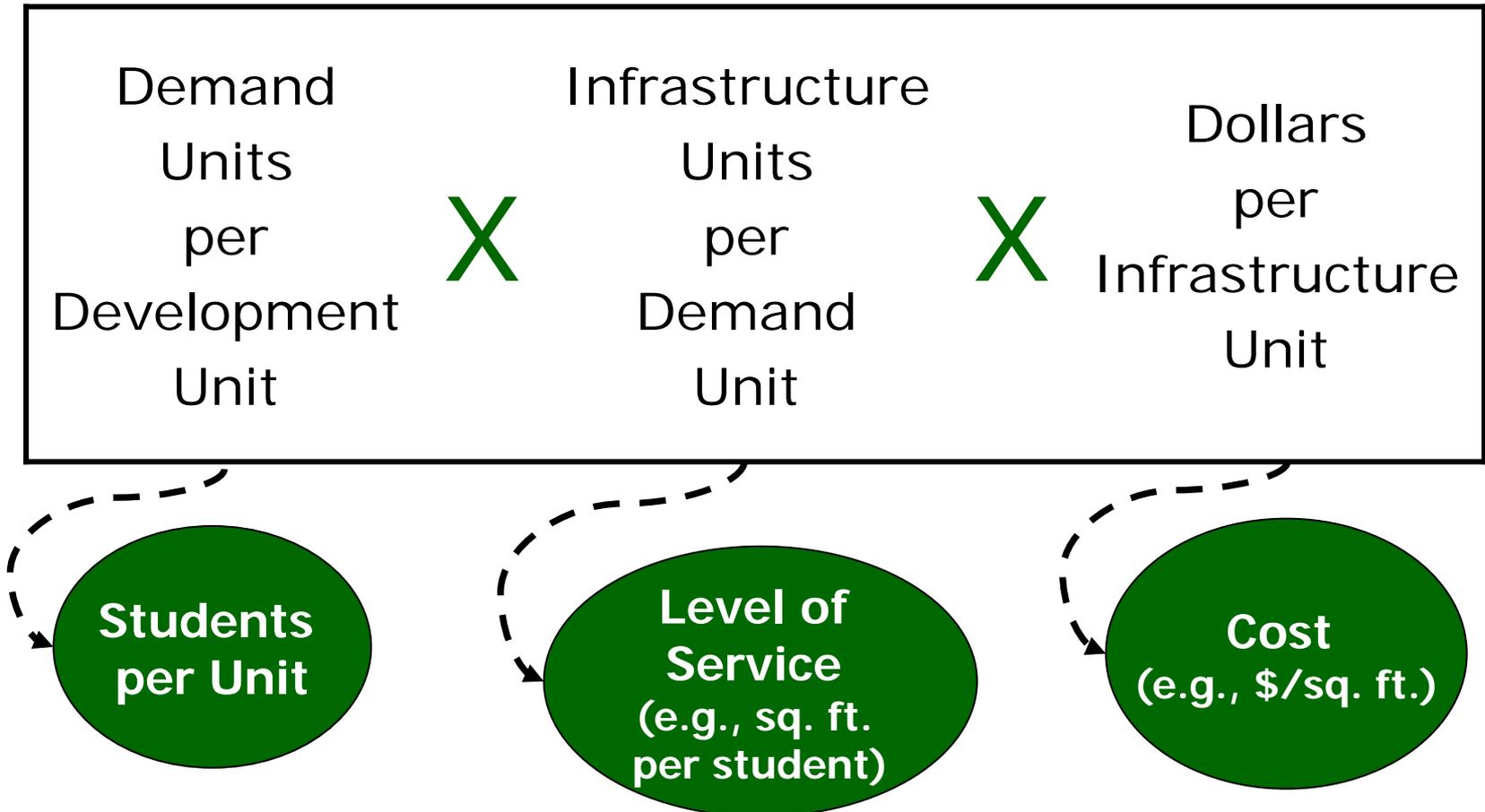


Process for Study

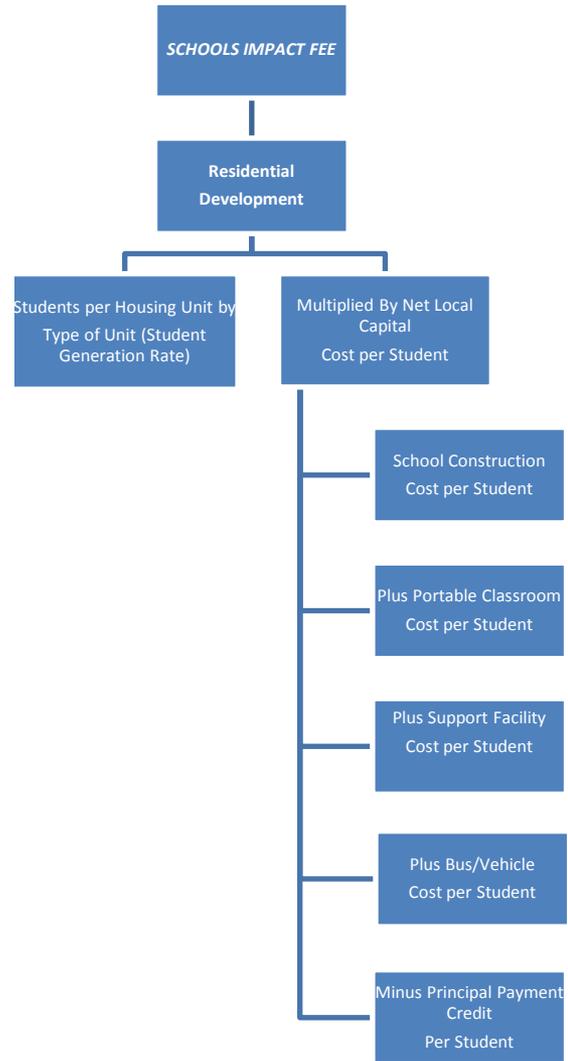
- Interview key staff
- Analyze demographic data
- Consider methodologies and determine levels of service
- Determine capital costs
- Evaluate inclusion of credits
- Determine **maximum supportable** fee amounts for each school system
- Staff review
- Presentations to the public
- Decision by elected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



2016 School Impact Fee Studies

September 6, 2016 BOCC Meeting
Presenter: Perdita Holtz, Planning Dept.

Refined Housing Type Categories

- 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

Illustration of Fees - CHCSS

Chapel Hill - Carrboro City Schools

	MSIF	90% MSIF	80% MSIF	70% MSIF	60% 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		-31.1%
4+ BR	\$25,139	\$22,625	\$20,111	\$17,597	\$15,083		32.0%
Average	\$17,492	\$15,743	\$13,994	\$12,244	\$10,495	\$11,423	-8.1%
Single Family Detached <800 sq. ft.							
	\$3,848	\$3,463	\$3,078	\$2,694	\$2,309	included in SFD	-79.8%
Single Family Attached							
0-2 BR	\$10,266	\$9,239	\$8,213	\$7,186	\$6,160		-6.8%
3+ BR	\$16,414	\$14,773	\$13,131	\$11,490	\$9,848		49.0%
Average	\$14,608	\$13,147	\$11,686	\$10,226	\$8,765	\$6,610	32.6%
Multifamily							
0-2 BR	\$4,441	\$3,997	\$3,553	\$3,109	\$2,665		107.2%
3+ BR	\$18,914	\$17,023	\$15,131	\$13,240	\$11,348		782.5%
Average	\$6,990	\$6,291	\$5,592	\$4,893	\$4,194	\$1,286	226.1%
Manufactured Home							
	\$6,999	\$6,299	\$5,599	\$4,899	\$4,199	\$4,939	-15.0%
Age Restricted Unit							
	\$756	\$680	\$605	\$529	\$454	N/A - assessed by housing type	N/A

Illustration of Fees - OCS

Staff considering possibility of
"collapsing" SFD in OCS

Orange County Schools

		MSIF	90% MSIF	80% MSIF	70% MSIF	60% 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		28.5%
4+ BR		\$8,952	\$8,057	\$7,162	\$6,266	\$5,371		-4.5%
Average		\$10,959	\$9,863	\$8,767	\$7,671	\$6,575	\$5,623	16.9%
Single Family Detached <800 sq. ft.								
		\$3,317	\$2,985	\$2,654	\$2,322	\$1,990	included in SFD	-64.6%
Single Family Attached								
0-2 BR		\$3,665	\$3,299	\$2,932	\$2,566	\$2,199		26.2%
3+ BR		\$5,558	\$5,002	\$4,446	\$3,891	\$3,335		91.3%
Average		\$5,319	\$4,787	\$4,255	\$3,723	\$3,191	\$1,743	83.1%
Multifamily								
0-2 BR		\$2,656	\$2,390	\$2,125	\$1,859	\$1,594		-8.6%
3+ BR		\$20,677	\$18,609	\$16,542	\$14,474	\$12,406		611.8%
Average		\$5,498	\$4,948	\$4,398	\$3,849	\$3,299	\$1,743	89.3%
Manufactured Home								
		\$8,127	\$7,314	\$6,502	\$5,689	\$4,876	\$2,678	82.1%
Age Restricted Unit								
		\$623	\$561	\$498	\$436	\$374	N/A - assessed by housing type	N/A

Proposed Steps to Update School Impact Fee Levels



August 17, 2016	Draft reports sent to School Districts, BOCC, municipal Managers, and municipal Planning Directors.
September 6, 2016	Draft reports on BOCC agenda for formal receipt of reports and authorization of next steps.
September 21, 2016	Display ad to run in Chapel Hill News and News of Orange to advertise public information meeting.
September 21 and 28, 2016	Legal ad runs in News of Orange and Durham Herald-Sun advertising October 4 public hearing.
September 26, 2016	Public Information Meeting to be held at the Whitted Meeting Facility. 6:00 p.m. start time. Consultant and Planning staff to present information.
September 29, 2016	School Impact Fee Studies scheduled to be a topic for discussion at the Joint BOCC/School Boards meeting. Consultant to be in attendance to address any technical questions.
October 4, 2016	Public Hearing on proposed Ordinance amendments. Consultant to finalize studies, incorporating any relevant information received during the meetings held from September 6 through the public hearing. Possible adoption of Ordinance amendments.
October 18, 2016	BOCC considers adoption of Ordinance amendments, including updated impact fee levels, if not adopted on October 4.

Recommendation for Tonight

- Receive the draft studies.
- Hear the presentation by the consultant and Planning staff.
- Discuss the topic as desired.
- Direct staff to proceed with the outlined schedule and Ordinance updates.
- Set a public hearing for the October 4, 2016 BOCC meeting.



Questions/Comments