TOWN OF VAIL

Memorandum

To: Vail Town Council

From: Community Development Department

Date: June 6, 2017

Subject: First reading of Ordinance No. 4, Series of 2017, an ordinance for a prescribed regulations amendment, pursuant to Section 12-3-7, Amendment, Vail Town Code, to amend Title 12 of the Vail Town Code with the addition of a new Chapter 26, Transportation Impact Fee. (PEC17-0008)

I. SUMMARY

The applicant, the Town of Vail, represented by Tom Kassmel, Town Engineer, is requesting a prescribed regulations amendment to Title 12 of the Vail Town Code to add a new Chapter 26, Transportation Impact Fee, pursuant to Section 12-3-7 Amendment, Vail Town Code, and setting forth details in regard thereto.

The proposed transportation impact fee would apply to new developments, including creation of any new residential dwelling units, or any new commercial floor area. The fee does not apply to residential remodels where no additional units are added, or to commercial remodels that do not increase square footage. This new fee would be paid by the owner or developer, and would be collected by the Community Development Department at the time of issuance of a building permit. Revenues from this fee would be used by the Town of Vail for new transportation related infrastructure projects that are necessary due to the increased traffic from the incremental new development.

II. BACKGROUND

A transportation impact fee is a development fee assessed to offset costs that a jurisdiction will incur to improve transportation infrastructure as a result of increased traffic from new developments. The Town of Vail has collected transportation fees for certain development zone districts (including Public Accommodation, Public Accommodation-2, Lionshead Mixed Use-1, and Lionshead Mixed Use-2) since 1999.

In 2016, the Town of Vail hired the consulting firm TischlerBise to develop an updated transportation impact fee. The impact fee is proposed to codify the current traffic mitigation fee to help fund future transportation related projects identified in the Vail Transportation Master Plan. The proposed fee will be applied in all zone districts, and will require developers to pay their proportional share for the necessary transportation

infrastructure improvements that are directly related to the impacts created by the new development.

Over the past year there have been multiple public discussions regarding the codification of a transportation impact fee. These public discussions were as follows:

January 2016:	Town Council: Review of the current traffic mitigation fee and the previous effort to codify a traffic impact fee in 2009, and discussion of the next steps to reengage codification.
June 2016:	Town Council: Discussion with consultant, TischlerBise, regarding: • What is a traffic impact fee? • Why implement a traffic impact fee? • What's wrong with our current mitigation fees? • Can the Town waive fees for certain types of developments?
Nov. 2016:	Town Council: Review and confirmation of the Transportation Master Plan capital project list and to what extent (percentage) a transportation impact fee can fund projects.
January 2017:	Town Council: Presentation by TischlerBise of the draft schedule of transportation impact fees based on the completed Nexus Study.
February 2017:	Town Council: Review and discussion of the impact fee and the capital projects list.
March 2017:	Public Open House: Review and discuss the proposed transportation impact fee
April 2017:	PEC: Review and discussion of the impact fee and the capital projects list.
May 2017:	PEC: Review of an application for a prescribed regulations amendment to Title 12, the Transportation Impact Fee Study, and the proposed ordinance. The recommendation of the PEC to the Town Council was for approval of the transportation impact fee and ordinance as presented by staff (Vote 4-3).

Much of the public comment and discussion with the Planning and Environmental Commission (PEC) surrounded the additional burden this fee would impose on new development, and how a broader based fee or tax (i.e. increase in sales tax) would be less burdensome on new development. Based on 2016 sales tax collections, a sales tax increase of 0.13% would be necessary to equal the revenue expected from the proposed transportation impact fee. However, a tax increase would require a vote of the Vail residents. A sales tax would also require payment across the community, not only by those creating the new developments.

To better understand the cost of this fee on development, staff provided the PEC with an updated cost of development table, which outlines the actual costs of development in Vail from Town of Vail fees and taxes. Typically the cost of fees and taxes that developers pay to the Town of Vail is approximately 3-4% of the construction valuation, with the proposed transportation impact fee adding 0% to 0.9%, however more typically, it would add 0-0.4%. (See Attachment C.)

III. PLANNING AND ENVIRONMENTAL COMMISSION RECOMMENDATION

On May 8, 2017, the Planning and Environmental Commission voted 4-3 to recommend that the Vail Town Council approve Ordinance No. 4, Series of 2017, upon first reading. This recommendation was based upon the review of the criteria outlined in Section V of the May 8, 2017 memorandum to the PEC and the evidence and testimony presented. Please see the PEC Meeting Results included as Attachment E for additional detail on the PEC discussion.

The Commissioners that voted against this recommendation did so for a variety of reasons. Two Commissioners (Perez and Stockmar) indicated that the ordinance was not ready for adoption. Commissioner Stockmar requested additional information on how communities with similar geography (long but narrow geographic boundaries) address this issue. Commissioner Perez questioned the separate rates for development inside and outside the commercial core areas. Commissioner Gillette felt that the proposed fee would be a burden on developers, and that a sales tax would be a fairer method of collecting fees.

IV. TRANSPORTATION IMPACT FEE STUDY

TischlerBise has provided an updated nexus study, The Vail Transportation Impact Fee Study (March 10, 2017), and an updated fee schedule for the Town's review. The fee schedule is based on anticipated future development, the current estimated cost of the capital projects to accommodate future development, and the proportional fiscal responsibility. Since completion of the nexus study, and its review by Town Council, Staff and PEC recommend that the Residential Single Family Dwelling fee be simplified to a per unit relationship, eliminating the square footage relationship. This will simplify implementation and will eliminate the fee for remodels and demo/rebuilds, unless an additional unit is constructed. The proposed draft fee schedule is below. The previous draft versions are included in Attachment D for comparison.

Transportation Impact Fee Schedule

Maximum Supportable Transportation Impact Fees	
Residential Dwellings (per Unit)	
Dwelling, Two Family or Multiple Family (In the Core Area)	$ 5,960.00
Dwelling, Two Family or Multiple Family (Outside the Core Area)	$ 7,450.00
Dwelling, Single Family	$ 9,686.00
Employee Housing Unit	$0
Accommodation Unit (per Unit)	
Accommodation Unit (In Core Area)	$ 5,960.00
Accommodation Unit (Outside Core Area)	$ 7,450.00
Commercial (per square foot of floor area)	
Restaurant & Retail Establishments	$ 13.90
Facilities, Health Care	$ 9.93
Office & Other Services	$ 6.20

For comparison, the following cities and counties have adopted impact fees shown within the table below. The jurisdiction most similar to Vail is Pitkin County, which last had its Road Impact Fee updated in 2013.

Transportation Impact Fee Comparison

	Per Housing Unit		*Per 1,000 Sq Ft*	
	Single Family	*Multifamily*	*Retail*	*Office*
National Average (1)	$3,228	$2,202	$5,685	$3,430
Incorporated Areas in Colorado				
Durango (1)	$2,169	$1,298	$3,810	$2,823
Ft. Collins 2016 Draft (2)	$6,217	$4,095	$8,113	$5,977
Vail current*	$0	$2,366	$10,569	$9,685
Proposed in Core Area of Vail (2)	not applicable	$5,960	$13,900	$6,200
Proposed Outside Core Area (2)	$9,686	$7,450	$13,900	$6,200
Counties in Colorado				
Eagle Co. (1)	$4,378	$3,034	$9,026	$5,164
Jefferson Co. (1)	$3,276	$2,725	$7,120	$4,790
Larimer Co. (2)	$3,418		$8,812	$4,726
Pitkin Co. (2)	$9,339	$5,115	$10,910	$5,130
Weld Co. (2)	$2,377		$3,296	$2,174

Sources: (1) National Impact Fee Survey by Duncan Associations (2012). Single Family assumes 2,000 square feet. Nonresidential fees per thousand square feet assume a building with 100,000 square feet of floor area.
(2) TischlerBise. Single Family in Vail and Pitkin County assumes 4,000 square feet.
** Current fees in Vail are based on the net increase in PM Peak Hour vehicle trip ends generated by the entire development, with mitigation limited to certain areas and*

V. ORDINANCE

In order to implement this Transportation Impact Fee, the Town Council will need to adopt the attached Ordinance 4, Series of 2017, Transportation Impact Fee, and then adopt the fee schedule by Resolution. Staff recommends approving Ordinance No. 4, Series 2017, as recommended by the Planning and Environmental Commission, with one clarification to section 12-26-4.C (changes are shown in **bold underline**.):

> "C. Credit shall be provided for any construction of Town-approved **System Level** transportation infrastructure or facilities **as identified in the Vail Transportation Impact Fee Study,** undertaken by the applicant at the applicant's cost that offset the transportation impacts of the project."

This clarification is important to ensure that a developer or applicant is not eligible for a credit for Project Level improvements (those improvements that are only needed due to an individual development project) or other infrastructure not identified in the Vail Transportation Impact Fee Study. Staff requests that any motion for approval of this

ordinance include a reference to this modified language in Section 12-26-4 C of the proposed ordinance.

VI. ACTION REQUESTED OF THE TOWN COUNCIL

The Planning and Environmental Commission recommends adopting Ordinance No. 4, Series 2017 upon first reading.

Should the Vail Town Council choose to approve Ordinance No. 4, Series of 2017, upon first reading, the Planning and Environmental Commission recommends the Council passes the following **motion**:

> *"The Vail Town Council approves, on first reading, Ordinance No. 4 Series of 2017, an ordinance for a prescribed regulation amendment, pursuant to Section 12-3-7, Amendment, Vail Town Code, to amend Title 12, Vail Town Code through the addition of a new Chapter 26, Transportation Impact Fee, and setting forth details in regard thereto, with the following change to Section 12-26-4 C of the proposed code language, which shall read as follows:*
>
> *"C. Credit shall be provided for any construction of Town-approved* ***System Level*** *transportation infrastructure or facilities* ***as identified in the Vail Transportation Impact Fee Study,*** *undertaken by the applicant at the applicant's cost that offset the transportation impacts of the project."*

Should the Vail Town Council choose to approve Ordinance No. 4, Series of 2017 on first reading, the Planning and Environmental Commission recommends the Council makes the following **findings**:

> *""Based upon the review of the criteria outlined in Section V of the Staff memorandum to the Planning and Environmental Commission dated May 8, 2017 and the evidence and testimony presented, the Vail Town Council finds:*
>
> 1. *That the amendment is consistent with the applicable elements of the adopted goals, objectives and policies outlined in the Vail Comprehensive Plan and is compatible with the development objectives of the Town; and*
>
> 2. *That the amendment furthers the general and specific purposes of the Zoning Regulations outlined in Section 12-1-2, Purpose, Vail Town Code; and*
>
> 3. *That the amendment promotes the health, safety, morals, and general welfare of the Town and promotes the coordinated and harmonious development of the Town in a manner that conserves and enhances its*

natural environment and its established character as a resort and residential community of the highest quality."

VII. ATTACHMENTS

Attachment A – Ordinance No. 4, Series 2017
Attachment B – Vail Transportation Impact Fee Study, March 10, 2017
Attachment C – Cost of Development Table
Attachment D – Draft Fee Schedule Versions
Attachment E – Planning and Environmental Commission Results of May 8, 2017
Attachment F – Planning and Environmental Commission Staff memo of May 8, 2017
Attachment G – Public Comments

Attachment A

ORDINANCE NO. 4
SERIES 2017

AN ORDINANCE AMENDING TITLE 12 OF THE VAIL TOWN CODE BY THE ADDITION OF A NEW CHAPTER 26, ENTITLED "TRANSPORTATION IMPACT FEES"

WHEREAS, to ensure the provision of adequate public transportation services and facilities in the Town, the Town Council wishes to condition certain land use approvals on payment of a transportation impact fee;

WHEREAS, it is widely recognized that municipalities may impose exactions (impact fees) on the granting of land use approvals, provided that there is an essential nexus between the exaction and a legitimate local government interest, and provided that the exaction is roughly proportional, both in nature and extent, to the impact of the proposed use or development, pursuant to *Nollan v. California Coastal Comm'n*, 483 U.S. 825 (1987), *Dolan v. City of Tigard*, 512 U.S. 374 (1994); C.R.S. § 29-20-203 and related case law;

WHEREAS, the Town has conducted and adopted a study to provide the basis for the imposition of the transportation impact fee and to determine the appropriate amount of the transportation impact fee, which study was prepared by TischlerBise on March 10, 2017; and

WHEREAS, the Town Council finds and determines that the public health, safety, and welfare will be served by adopting regulations delineating the Town's procedure for imposing a transportation impact fee.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VAIL, COLORADO, THAT:

Section 1. Title 12 of the Vail Town Code is hereby amended by the addition of a new Chapter 26, which shall read as follows:

CHAPTER 26
TRANSPORTATION IMPACT FEES

12-26-1: FINDINGS AND PURPOSE:

A. Findings. The Town Council finds and determines as follows:

1. A legitimate, identifiable public purpose is served by requiring a transportation impact fee for new development and redevelopment projects in the Town;

2. There is an essential nexus between the transportation impact fee imposed in this Chapter and the Town's interest in providing transportation infrastructure, facilities and services;

3. The Town is acting within its power to provide transportation infrastructure, facilities and services;

4. But for new development and redevelopment projects, the Town would not be considering either the provision or expansion of transportation infrastructure, services or facilities;

5. New development and redevelopment projects are contributing causes to the need for new or expanded transportation infrastructure, facilities and services;

6. The Town would be legally justified in denying applications for new development or redevelopment projects unless the transportation impact fee is imposed, because of the burden the new development or redevelopment projects would place on the Town's transportation infrastructure, facilities and services; and

7. The Town has conducted a study to determine the amount of the transportation impact fee, and the study demonstrates that the transportation impact fee will be roughly proportional, both in nature and extent, to the impacts of new development and redevelopment projects.

B. Purpose. The purpose of this Chapter is to impose a transportation impact fee on new development and redevelopment projects in the Town, as set forth herein.

12-26-2: APPLICABILITY:

A. The transportation impact fee shall be imposed on the following construction, development or redevelopment in the Town:

1. For commercial development (except accommodation units), on any net new square footage to be constructed.

2. For residential development, on each new residential unit to be constructed.

3. For accommodation units, on each new accommodation unit to be constructed.

B. The transportation impact fee shall not be imposed on the construction, development or redevelopment of any Employee Housing Unit.

12-26-3: FEE:

The transportation impact fee shall be in the amount set by resolution of the Town Council. The fee shall be imposed by the Community

Development Department, Design Review Board, Planning and Environmental Commission or Town Council, as part of the last land use approval for the project. The fee shall be payable prior to issuance of the building permit for the project.

12-26-4: CREDIT:

A. An applicant may apply for a credit as set forth in this Section, which credit shall be applied to offset the transportation impact fee that would otherwise be imposed for the project.

B. Credit shall be provided for any dedication or conveyance of land from the applicant to the Town. The amount of the credit shall be the present, fair market value of the land being dedicated or conveyed, as determined by the Town in its reasonable discretion.

C. Credit shall be provided for any construction of Town-approved transportation infrastructure or facilities undertaken by the applicant at the applicant's cost that offset the transportation impacts of the project. The transportation infrastructure or facilities may be constructed as part of the project, or in other areas of the Town, as determined by the Town and the applicant. The value of the credit shall be determined by the Town, in its reasonable discretion, considering the total cost of construction and other relevant factors.

D. Credit shall be provided for any transportation services provided by the applicant at the applicant's cost, that offset the transportation impacts of the project, as approved by the Town. The value of the credit shall be determined by the Town, in its reasonable discretion, considering actual costs to provide the services and other relevant factors.

12-26-5: REVIEW:

A. An applicant aggrieved by the application of this Chapter by the Community Development Department, the Planning and Environmental Commission or Design Review Board may apply for review by the Town Council, by filing a written request for review within 10 days of the decision at issue.

B. Within 30 days of receipt of the written request, the Town Council shall hold a public hearing. At such hearing, the burden of proof shall be on the applicant to establish that the imposition of the transportation impact fee as assessed would result in an unconstitutional taking of private property without just compensation.

C. If the Town Council determines that the application of this Chapter would result in an unconstitutional taking of private property without just

compensation, the Town Council may decrease the transportation impact fee (or increase any credit) to ensure that there is no unconstitutional taking. The decision of the Town Council shall be final, subject only to judicial review pursuant to C.R.C.P. 106(a)(4).

D. An applicant aggrieved by the application of this Chapter by the Town Council may seek judicial review pursuant to C.R.C.P. 106(a)(4).

Section 2. If any part, section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not effect the validity of the remaining portions of this ordinance; and the Town Council hereby declares it would have passed this ordinance, and each part, section, subsection, sentence, clause or phrase thereof, regardless of the fact that any one or more parts, sections, subsections, sentences, clauses or phrases be declared invalid.

Section 3. The Town Council hereby finds, determines and declares that this ordinance is necessary and proper for the health, safety and welfare of the Town of Vail and the inhabitants thereof.

Section 4. The amendment of any provision of the Town Code as provided in this ordinance shall not affect any right which has accrued, any duty imposed, any violation that occurred prior to the effective date hereof, any prosecution commenced, nor any other action or proceeding as commenced under or by virtue of the provision amended. The amendment of any provision hereby shall not revive any provision or any ordinance previously repealed or superseded unless expressly stated herein.

Section 5. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are repealed to the extent only of such inconsistency. This repealer shall not be construed to revise any bylaw, order, resolution or ordinance, or part thereof, theretofore repealed.

INTRODUCED, READ ON FIRST READING, APPROVED, AND ORDERED PUBLISHED ONCE IN FULL ON FIRST READING this ____ day of _____, 2017 and a public hearing for second reading of this Ordinance set for the ____ day of _____, 2017, in the Council Chambers of the Vail Municipal Building, Vail, Colorado.

_____
Dave Chapin, Mayor

ATTEST:

_____
Patty McKenny, Town Clerk

Attachment B

TOWN OF VAIL

March 10, 2017

Prepared By

TischlerBise

FISCAL | ECONOMIC | PLANNING

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INTRODUCTION

Although Colorado is a "home-rule" state and home-rule municipalities were already collecting "impact fees" under their home-rule authority granted in the Colorado Constitution, the Colorado Legislature passed enabling legislation in 2001, as discussed further below.

Colorado Impact Fee Enabling Legislation

For local governments, the first step in evaluating funding options for transportation improvements is to determine basic options and requirements established by state law. Some states have more conservative legal parameters that basically restrict local government to specifically authorized actions. In contrast, "home-rule" states grant local governments broader powers that may or may not be precluded or preempted by state statutes depending on the circumstances and on the state's particular laws.

Impact fees are one-time payments imposed on new development that must be used solely to fund growth-related capital projects, typically called "system improvements". An impact fee represents new growth's proportionate share of capital facility needs. In contrast to project-level improvements, impact fees fund infrastructure that will benefit multiple development projects, or even the entire service area, as long as there is a reasonable relationship between the new development and the need for the growth-related infrastructure. Project-level improvements, typically specified in a development agreement, are usually limited to transportation improvements near a proposed development, such as ingress/egress lanes.

According to Colorado Revised Statute Section 29-20-104.5, impact fees must be legislatively adopted at a level no greater than necessary to defray impacts generally applicable to a broad class of property. The purpose of impact fees is to defray capital costs directly related to proposed development. The statutes of other states allow impact fee schedules to include administrative costs related to impact fees and the preparation of capital improvement plans, but this is not specifically authorized in Colorado's statute. Impact fees do have limitations, and should not be regarded as the total solution for infrastructure funding. Rather, they are one component of a comprehensive portfolio to ensure adequate provision of public facilities. Because system improvements are larger and more costly, they may require bond financing and/or funding from other revenue sources. To be funded by impact fees, Section 29-20-104.5 requires that the capital improvements must have a useful life of at least five years. By law, impact fees can only be used for capital improvements, not operating or maintenance costs. Also, development impact fees cannot be used to repair or correct existing deficiencies in existing infrastructure.

Additional Legal Guidelines

Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without

just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is the protection of public health, safety, and welfare, by ensuring development is not detrimental to the quality of essential public services. The means to this end are also important, requiring both procedural and substantive due process. The process followed to receive community input (i.e. stakeholder meetings, work sessions, and public hearings) provides opportunities for comments and refinements to the impact fees.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are relevant. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an "essential nexus" between the exaction and the interest being protected (see Nollan v. California Coastal Commission, 1987). In a more recent case (Dolan v. City of Tigard, OR, 1994), the Court ruled that an exaction also must be "roughly proportional" to the burden created by development.

There are three reasonable relationship requirements for development impact fees that are closely related to "rational nexus" or "reasonable relationship" requirements enunciated by a number of state courts. Although the term "dual rational nexus" is often used to characterize the standard by which courts evaluate the validity of development impact fees under the U.S. Constitution, TischlerBise prefers a more rigorous formulation that recognizes three elements: "need," "benefit," and "proportionality." The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the Dolan case. Individual elements of the nexus standard are discussed further in the following paragraphs.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Development impact fees may be used to cover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The Nollan decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle likely applies to impact fees. In this study, the impact of development on infrastructure needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the Dolan case and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for facilities is measured in

terms of relevant and measurable attributes of development (e.g. a typical housing unit's vehicular trip generation rate).

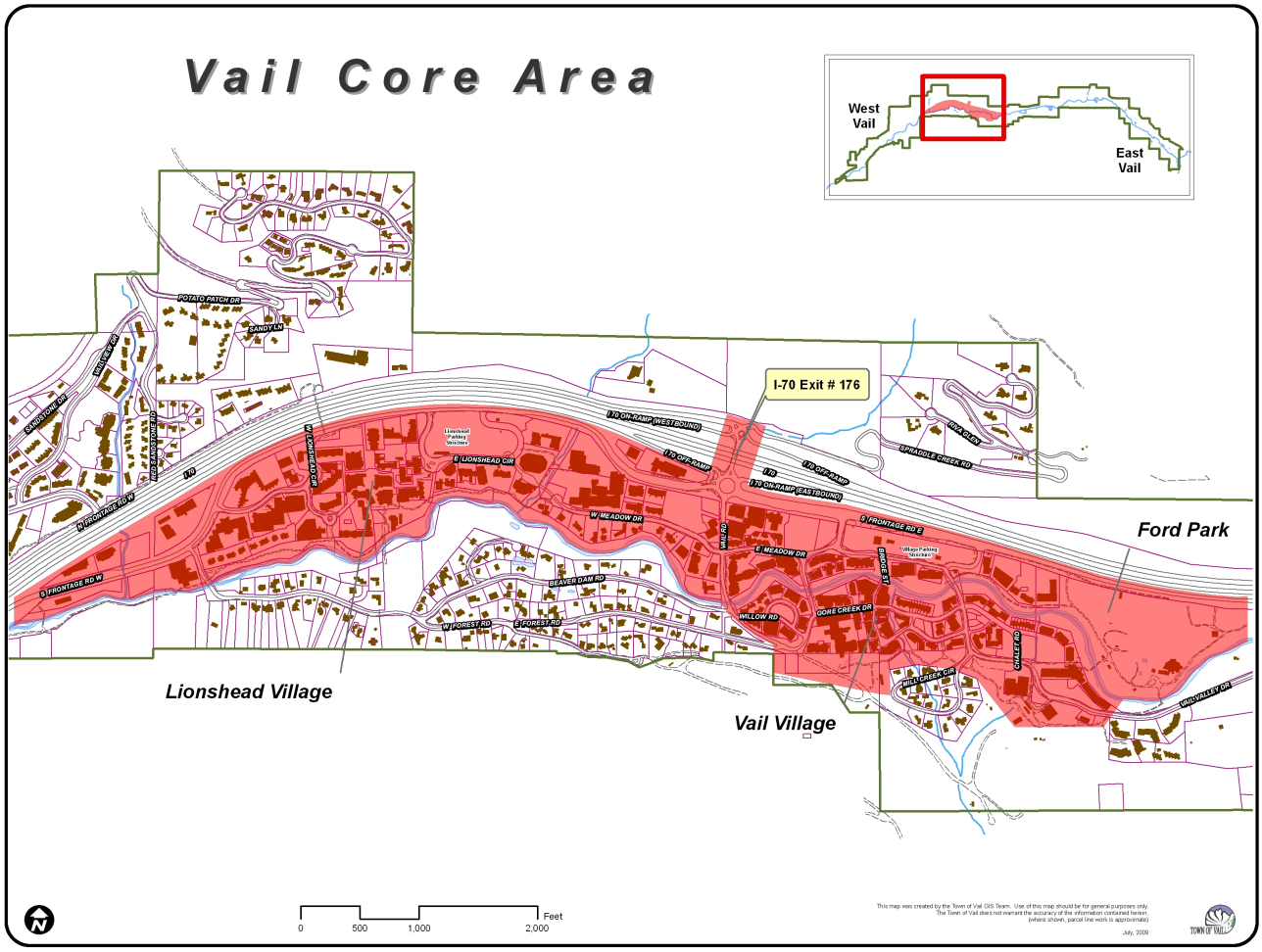
A sufficient benefit relationship requires that impact fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. The calculation of impact fees should also assume that they will be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the state enabling legislation requires that facilities funded with fee revenues be available exclusively to development paying the fees. In other words, benefit may extend to a general area including multiple real estate developments. Procedures for the earmarking and expenditure of fee revenues are discussed near the end of this study. All of these procedural as well as substantive issues are intended to ensure that new development benefits from the impact fees they are required to pay. The authority and procedures to implement impact fees is separate from and complementary to the authority to require improvements as part of subdivision or zoning review.

Impact fees must increase the carrying capacity of the transportation system. Capacity projects include, but are not limited to the addition of travel lanes, intersection improvements (i.e., turning lanes, signalization or roundabouts) and "complete street" improvements to provide multimodal infrastructure (e.g. bus stops, bike lanes and sidewalks). Whenever improvements are made to existing roads, non-impact fee funding is typically required to help pay a portion of the cost.

Development Pattern in the Town of Vail

Vail is a resort community of approximately 5,000 year-round residents that surges to approximately 40,000-45,000 persons during peak tourism season when employees and visitors are present. The occupied bed base of the community swells from 5,000 to 35,000 during these peak periods. Figure 1 delineates the core area of Vail. Actual boundaries of the Town extend six miles to the east and four miles to the west of the core area (see map inset). Given its location in a mountain valley, the Town has a compact development pattern and a multi-modal transportation system that relies on pedestrian, bicycle, transit and vehicular travel. Consistent with this setting, the proposed impact fees will fund multi-modal transportation improvements necessary to accommodate projected development within the Town of Vail.

Figure 1 – Map of Town Boundary and Vail Core Area



Lower Fees in Core Area

Development of attached housing units and hotels in the core area will facilitate pedestrian, bicycle, and transit use, thus requiring less vehicular travel. In recognition of lower vehicular travel demand in the core area, proposed transportation impact fees are lower in the core area. This policy recommendation is consistent with the literature summarized in the three subsections below and a recent analysis of mixed-use developments in six regions of the United States. This study found an average 29% reduction in trip generation as a function of "D" variables, including: density, diversity, design, destination accessibility, distance to transit, demographics, and development scale (see Ewing, Greenwald, Zhang, Walters, Feldman, Cervero, Frank, and Thomas 2011).

Lower Residential Trip Generation Rates in Urban Areas

Single-family housing is generally located in low-density suburbs where there are few alternatives for travel except by private motor vehicle. On average, urban housing has fewer

persons and vehicles available, thus lowering vehicular trip generation rates per unit when compared to housing in the suburban unincorporated area. Currans and Clifton (2015) developed and tested methods for adjusting ITE trip generation rates for urban settings. They recommend mode-share adjustments based on the number of residents and jobs per acre, which serves as a proxy for urban form.

Less Auto Dependency in Urban Areas

Urban areas have distinct demographic profiles and physical traits that reduce vehicle trips, such as higher internal capture, design characteristics that promote walking and biking, and superior transit service. Urban areas with grid streets and small blocks offer a variety of routes that encourage walking and biking. Interesting streetscapes with human-scale design features encourage people to walk and bike farther in urban areas, while lowering our perception of distance (Jacobs 2001). Urban areas also have more diverse travel options including public transportation and muscle-powered mobility. A study titled "Trip Generation Rates for Urban Infill Land Uses in California" documented auto trips for infill development averaged approximately 50% of the modal share, compared to 90% or higher auto dependency in most metropolitan areas (Daisa and Parker, 2009). Lower dependency on private vehicles reduces the need for street capacity and supports an impact fee reduction for new development within the core area of Vail.

Shorter Trip Lengths in Urban Areas

Mixed land use and better job-housing balance reduces average trip length. By balancing the number of jobs with nearby housing units, urban areas have the potential for reducing journey-to-work travel. The magnitude of effect is dependent on matching job and housing locations of individual workers, which can be aided by offering a variety of housing styles and price ranges. Inclusionary policies, such as requiring at least 10% affordable housing units within each development, can foster a better jobs-housing balance and reduce the need for street capacity (Nelson, Dawkins and Sanchez 2007).

Mixed-use areas like the center of Vail exhibit lower vehicular trip rates because of "internal capture" (i.e., many daily destinations do not require travel outside the area). For example, a study titled "Internalizing Travel by Mixing Land Uses" examined 20 mixed use communities in South Florida, documenting internal capture rates up to 57 percent with an average of 25 percent. In addition to a percent reduction for the jobs-housing balance, credit can be given for local-serving retail. Urban, transit-oriented development offers coffee shops, restaurants, general retail stores and services that reduce the need for vehicular trips outside the area (Ewing, Dumbaugh and Brown 2003).

The report "Driving and the Built Environment" (TRB 2009) found a strong link between development patterns and vehicle miles of travel, encouraging mixing of land uses to reduce vehicle trip rates and reduce trip lengths. Reductions up to 24% for transit service and pedestrian/bicycle friendliness are recommended for nonresidential development in a 2005

study titled "Crediting Low-Traffic Developments" (Nelson/Nygaard Consulting Associates 2005).

Current and Proposed Transportation Fees

Figure 2 provides a comparison of current and proposed transportation fees for new development in the Town of Vail. Current amounts are shown with dark shading and white numbers. Current fees in Vail are based on the net increase in PM Peak Hour vehicle trip ends generated by the entire development, with mitigation limited to certain areas and reductions given for multi-modal travel. The Town currently assesses transportation-related mitigation fees (see Vail code section in the footnote[1]). This requirement is specific to certain zone districts and does not provide a codified fee schedule. The current fees are determined and agreed upon by the Town and developers during the development entitlement process.

Proposed fees are shown with light shading and black numbers in the table below. For consistency with a national impact fee survey, the fee amount for a detached house assumes construction of an average size unit, which in Vail and Pitkin County is approximately 4,000 square feet (i.e. twice the national average). Fee amounts for commercial development are expressed per thousand square feet of floor area.

[1] 12-7A,H,I,J: MITIGATION OF DEVELOPMENT IMPACTS: Property owners/developers shall also be responsible for mitigating direct impacts of their development on public infrastructure and in all cases mitigation shall bear a reasonable relation to the development impacts. Impacts may be determined based on reports prepared by qualified consultants. The extent of mitigation and public amenity improvements shall be balanced with the goals of redevelopment and will be determined by the planning and environmental commission in review of development projects and conditional use permits. Substantial off site impacts may include, but are not limited to, the following: deed restricted employee housing, roadway improvements, pedestrian walkway improvements, streetscape improvements, stream tract/bank restoration, loading/delivery, public art improvements, and similar improvements. The intent of this section is to only require mitigation for large scale redevelopment/development projects which produce substantial off site impacts. (Ord. 29(2005) § 24: Ord. 23(1999) § 1)

Figure 2 – Transportation Impact Fee Comparison

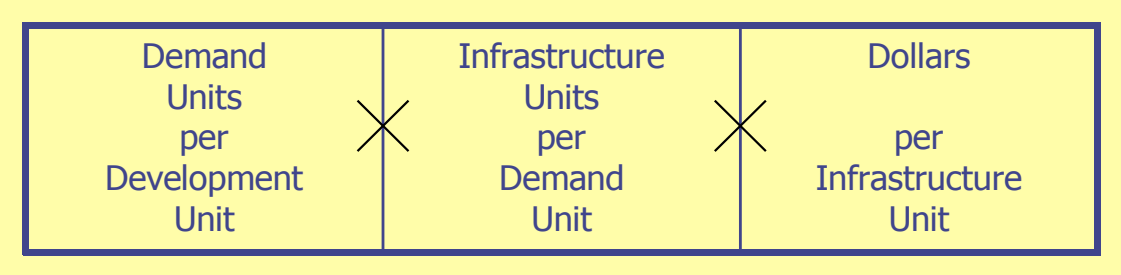
	Per Housing Unit		*Per 1,000 Sq Ft*	
	Single Family	*Multifamily*	*Retail*	*Office*
National Average (1)	$3,228	$2,202	$5,685	$3,430
Incorporated Areas in Colorado				
Durango (1)	$2,169	$1,298	$3,810	$2,823
Ft. Collins 2016 Draft (2)	$6,217	$4,095	$8,113	$5,977
Vail current*	$0	$2,366	$10,569	$9,685
Proposed in Core Area of Vail (2)	not applicable	$5,960	$13,900	$6,200
Proposed Outside Core Area (2)	$9,686	$7,450	$13,900	$6,200
Counties in Colorado				
Eagle Co. (1)	$4,378	$3,034	$9,026	$5,164
Jefferson Co. (1)	$3,276	$2,725	$7,120	$4,790
Larimer Co. (2)	$3,418		$8,812	$4,726
Pitkin Co. (2)	$9,339	$5,115	$10,910	$5,130
Weld Co. (2)	$2,377		$3,296	$2,174

Sources: (1) National Impact Fee Survey by Duncan Associations (2012). Single Family assumes 2,000 square feet. Nonresidential fees per thousand square feet assume a building with 100,000 square feet of floor area.
(2) TischlerBise. Single Family in Vail and Pitkin County assumes 4,000 square feet.
** Current fees in Vail are based on the net increase in PM Peak Hour vehicle trip ends generated by the entire development, with mitigation limited to certain areas and*

TRANSPORTATION IMPACT FEES

Basic steps in a conceptual impact fee formula are illustrated below (see Figure 3). The first step (see the left part of the equation) is to determine an appropriate demand indicator, for a particular type of infrastructure. The demand indicator measures the number of demand units for each unit of development. For example, an appropriate indicator of the demand for roads is vehicle trips. The second step in the conceptual impact fee formula is shown in the middle section of the equation. Infrastructure units per demand unit are typically called Level-Of-Service (LOS) or infrastructure standards. Road impact fee studies for suburban communities often establish a relationship between lane miles and vehicle miles of travel (note: a lane mile is a rectangular area of pavement one lane wide and one mile long). Because the Town of Vail has a more compact, urban development pattern, multi-modal transportation improvements were identified in a recently approved Transportation Master Plan. In essence, the Town of Vail has combined the second and third step in the conceptual impact fee formula (see the right side of the equation below). The cost of growth-related transportation improvements was allocated to the expected increase in vehicle trips.

Figure 3 – Conceptual Impact Fee Formula



When applied to specific types of infrastructure, the conceptual impact-fee formula is customized using three common impact fee methods that focus on different timeframes. The first method is the ***cost recovery method***. To the extent that new growth and development is served by previously constructed improvements, local government may seek reimbursement for the previously incurred public facility costs. This method is used for facilities that have adequate capacity to accommodate new development, at least for the next five years. The rationale for the cost recovery approach is that new development is paying for its share of the useful life or remaining capacity of an existing facility that was constructed in anticipation of additional development. The second basic approach used to calculate impact fees is the ***incremental expansion cost method***. This method documents the current infrastructure standard for each type of public facility in both quantitative and qualitative measures. The local government uses impact fee revenue to incrementally expand infrastructure as needed to accommodate new development. A third impact fee approach is the ***plan-based method***. This method is best suited for public facilities that have commonly accepted engineering/planning standards or specific capital improvement plans. Proposed transportation impact fees for the

Town of Vail are derived using a plan-based method, with one cost recovery item for the recently completed I-70 underpass.

Trip Generation

Transportation models and traffic studies for individual development projects typically use average weekday or afternoon (PM), peak-hour trips. The need for transportation improvements in Vail was determined through the Transportation Master Plan process using an extensive engineering analysis. In contrast to the engineering analysis, the impact fee methodology is essentially an accounting exercise whereby the cost of growth-related system improvements is allocated to new development within the Town of Vail. For the purpose of impact fees, trip generation is based on attraction (inbound) trips to development located in the Town of Vail. This approach eliminates the need for adjustments to account for pass-through trips (i.e. external-external travel) and trips to destinations outside Vail (i.e. internal-external travel).

One of the major trip destinations in Vail is the base of the ski mountain. In addition to people working in Town and those staying over night, the ski mountain draws thousands of 'day skiers' that typically leave their vehicles in a parking garage while in Town. Because parking structures are ancillary uses, impact fees are typically not imposed on the floor area of a garage, but the floor area of nearby development that actually attracts people to the area. Given this practice, future growth of 'day skiers' will not be directly accounted for in the development projections shown in Figure 4. However, the Town and Vail Resorts have agreed the maximum skiers at one time that can be handled by the Town's infrastructure is 19,900, as specified in the agreement titled "Town of Vail & Vail Associates, Inc. Program to Manage Peak Periods." Therefore, if the maximum-skiers agreement or lift capacity is increased without a significant increase in nonresidential buildings, a traffic impact fee for additional day skiers should be contemplated.

Vehicle Trips to Development in the Town of Vail

The relationship between the amount of new development anticipated within Vail and the projected increase in vehicle trips is shown in Figure 4. Expected development in Vail is based on trends within the Town, Eagle County, and the state of Colorado. The projected increase in development and afternoon, peak-hour trips are consistent with Appendix E in Vail's Transportation Master Plan (FHU 2009) and the development stats database, updated by Town staff. Although the specific year is not important to the analysis, the net increase in development is expected to occur by the year 2040. A faster pace of development would accelerate the collection of impact fees and the construction of planned improvements. Conversely, slower development would reduce fee revenue and delay the construction of capital improvements. As shown in the bottom right corner of the table below, planned development in Vail is expected to generate an additional 838 PM-Peak inbound vehicle trips.

Figure 4 – Summary of Projected Travel Demand

Development Type	*Additional Development Units (2)*	*Inbound Trip Rate per Development Unit (3)*	*Additional PM-Peak Inbound Trips*
Two Family or Multiple Family Units in Core Area	705	0.24	169
Two Family or Multiple Family Units Outside Core	554	0.30	166
Employee Housing Units in Core Area	41	0.24	10
Employee Housing Units Outside Core	310	0.30	93
Single Family Units	120	0.39	47
Accommodation Units in Core Area	270	0.24	65
Accommodation Units Outside Core	102	0.30	31
Restaurant & Retail KSF (1)	320	0.56	179
Facilities Health Care KSF (1)	140	0.40	56
Office & Other Services KSF (1)	88	0.25	22
		TOTAL =>	838

(1) KSF = square feet of floor area in thousands.
(2) Appendix E, Vail Transportation Master Plan (FHU 2009) and Town staff (12/06/16).
(3) Trip generation rates are from Appendix E, Vail Transportation Master Plan, except

Transportation Impact Fee System Improvements

Transportation system improvements to be funded by impact fees are shown in Figure 5. Specific projects were identified in the Transportation Master Plan for the Town of Vail and updated by Town staff. Road sections listed below will be constructed as "complete streets" with bus, bicycle, and pedestrian improvements. Town staff prepared the planning-level cost estimates and identified the growth share of projects that will be funded with impact fees, based on the expected increase in vehicular trips.

The total cost of transportation improvements needed to accommodate new development through 2040 is estimated to be approximately $95 million in current dollars (not inflated over time). Impact fees will fund approximately $20.8 million, which is 28% of systems improvements. Funding from non-impact fee sources, such as the Colorado Department of Transportation (CDOT), Real Estate Transfer Tax (RETT), and the Town of Vail General Fund will cover the remaining cost of system improvements. As shown in the bottom right corner of the table below, the capacity cost of $24,836 per additional trip is equal to the growth share of transportation improvements divided by the increase in PM-Peak inbound vehicle trips.

Figure 5 – Summary of Transportation Improvements and Growth Share

Transportation Improvements Town of Vail, Colorado		Estimated Cost	Project-Level Cost	*System-Level Improvements*			
ID	PROJECT DESCRIPTION	(Millions)		Percent Funded By Impact Fee	Percent Other Revenue	Cost by Impact Fee	Cost by Other Revenue
A	West Vail Commercial Roundabout & Medians	$ 6.70	$ 6.70	0%	0%	$ -	$ -
B	Buffehr Creek Turn Lanes	$ 1.20	$ -	52%	48%	$ 0.62	$ 0.58
C	Buffehr Creek NRT connection to Marriott Roost	$ 0.50	$ 0.50	0%	0%	$ -	$ -
D	Marriott Roost Turn Lanes	$ 1.20	$ 1.20	0%	0%	$ -	$ -
E	Timber Ridge Turn Lanes	$ 1.20	$ 1.20	0%	0%	$ -	$ -
F	Lions Ridge Loop Turn Lanes	$ 1.20	$ -	35%	65%	$ 0.41	$ 0.79
G	Red Sandstone Drive Turn lanes	$ 1.20	$ -	35%	65%	$ 0.41	$ 0.79
H	Main Vail North Roundabout Expansion to Two Lanes	$ 5.60	$ -	35%	65%	$ 1.98	$ 3.62
I	Main Vail Underpass Revesible Lane	$ 2.00	$ -	35%	65%	$ 0.71	$ 1.29
J	Gore Creek Drive Turn Lanes	$ 1.20	$ -	14%	86%	$ 0.17	$ 1.03
K	Underpass (Cost Recovery)	$ 9.10	$ -	22%	78%	$ 1.96	$ 7.14
L	Underpass to Forest Road Imrpovements (5 Lane/Walk)	$ 7.00	$ 7.00	0%	0%	$ -	$ -
M	Vail Spa to ELHC Improvements (5 Lane/Walk)	$ 4.50	$ -	46%	54%	$ 2.05	$ 2.45
N	ELHC to LH Parking Structure Entrance Medians	$ 0.75	$ -	46%	54%	$ 0.34	$ 0.41
O	LH Parking Structure Entrance to Municipal Bldg (5 Lane & Rdabt)	$ 9.00	$ 2.25	39%	36%	$ 3.55	$ 3.20
P	Village Ctr Road to Vail Valley Drive (Medians, TC Device, Compact Rdabt)	$ 6.50	$ -	29%	71%	$ 1.92	$ 4.58
Q	PW/VVD Turn Lanes	$ 1.20	$ -	27%	73%	$ 0.33	$ 0.87
R	Booth Creek Turn Lanes	$ 1.20	$ -	27%	73%	$ 0.33	$ 0.87
S	GVT Dowd Junction to WV Rdabt	$ 8.50	$ -	22%	78%	$ 1.83	$ 6.67
T	Donovan to Westhaven Drive Walk	$ 1.50	$ -	22%	78%	$ 0.32	$ 1.18
U	WLHC walk (Vail Spa to S. Frtge)	$ 0.75	$ 0.75	0%	0%	$ -	$ -
V	VVD Path imrpovements	$ 1.20	$ -	22%	78%	$ 0.26	$ 0.94
W	Vail Rd (Willow Way to Forest Rd) Walk	$ 0.50	$ -	22%	78%	$ 0.11	$ 0.39
X	ELHC (LHWC to Dobson) Walk	$ 1.00	$ -	22%	78%	$ 0.22	$ 0.78
Y	West Vail Pedestrian Overpass	$ 6.00	$ -	22%	78%	$ 1.29	$ 4.71
Z	VMS to Bighorn Path	$ 1.50	$ -	22%	78%	$ 0.32	$ 1.18
AA	ELHC (Vantage Point to S. Frontage Road) Walk	$ 0.20	$ -	22%	78%	$ 0.04	$ 0.16
BB	Chamonix (Arosa to Chamonix)	$ 1.00	$ -	22%	78%	$ 0.22	$ 0.78
CC	Chamonix (Chamonix to Buffehr Creek Rd)	$ 1.00	$ -	22%	78%	$ 0.22	$ 0.78
DD	Line Haul Transit Stop Improvement Projects	$ 1.60	$ -	22%	78%	$ 0.34	$ 1.26
EE	Vail Bus Stops (10 Shelters)	$ 1.50	$ -	22%	78%	$ 0.32	$ 1.18
FF	Arosa Transit Parking	$ 2.50	$ -	22%	78%	$ 0.54	$ 1.96
GG	Frontage Road Lighting Improvements	$ 5.00	$ -	0%	100%	$ -	$ 5.00
HH	Structured Parking Expansion & Buses	$ -	$ -	0%	100%	$ -	$ -
	Grand Totals	**$ 95.00**	**$ 19.60**	28%	72%	**$ 20.81**	**$ 54.59**
					Net New PM Peak Inbound Trips =>	*838*	
					Capacity Cost per Additional PM Peak Inbound Trip =>	$ 24,836	

Credit for Other Revenues

A general requirement that is common to impact fee methodologies is the evaluation of credits. A revenue credit may be necessary to avoid potential double payment situations arising from the one-time payment of an impact fee plus other revenue payments that may also fund growth-related capital improvements. The determination of credits is dependent upon the impact fee methodology used in the cost analysis. Vail's transportation impact fees are derived primarily using a plan-based method, with a minor cost recovery component for the recently completed I-70 underpass. This method is based on future capital improvements needed to accommodate new development. Given the plan-based approach, the credit evaluation focuses on the need for future bonds and revenues that will fund planned capital improvements. Because the Town does not expect to bond finance transportation projects, a revenue credit for future principal payments is not applicable.

Some impact fee studies include a credit for gas taxes and/or General Fund revenue. A credit for future revenue generated by new development is only necessary if there is potential double payment for system improvements. In the Town of Vail, transportation impact fees are derived from the growth cost of system improvements, not the total cost of capital improvements. Impact fee revenue will be used exclusively for the growth share of improvements listed in Figure 5. Other, non-impact fee funds, such as the General Fund and gas tax revenue, will be used for maintenance of existing facilities, correcting existing deficiencies and for making improvements not listed in the transportation CIP. Based on expected development in Vail (see Figure 8), future impact fee revenue approximates the growth cost of planned system improvements (approximately $21 million). If elected officials in Vail make a legislative policy decision to fully fund the growth share of system improvements from impact fees, a credit for other revenue sources is unnecessary.

Transportation Impact Fee Formula and Input Variables

Input variables for the transportation impact fee are shown in Figure 6. Inbound trips by type of development are multiplied by the net capital cost per trip to yield the transportation impact fees. For example, the transportation impact fee formula for a two family or multiple family unit in the core area is 0.24 x $24,836 = $5,960 (truncated) per housing unit. Because the core area of Vail has a walkable, urban development pattern, impact fees for two family or multiple family housing and accommodation units are lower in the core area, as supported by the engineering analysis in the adopted Transportation Master Plan (FHU 2009). Trip generation rates are from the Transportation Master Plan, except for single family dwellings, which are only expected outside the core area. Inbound trip rates per detached dwelling are documented in Appendix A.

Figure 6 – Transportation Impact Fee Input Variables

	PM-Peak Inbound Vehicle Trips
Residentail Dwellings (per Unit)	
Dwelling, Two Family or Multiple Family (In Core Area)	0.24
Dwelling, Two Family or Multiple Family (Outside Core Area)	0.30
Dwelling, Single Family	0.39
Accommodation Unit (per Unit)	
Accommodation Unit (In Core Area)	0.24
Accommodation Unit (Outside Core Area)	0.30
Commercial (per 1,000 Sq Ft of floor area)	
Restaurant & Retail Establishments	0.56
Facilities Health Care	0.40
Office & Other Services	0.25
Infrastructure Standards	
Cost per Trip =>	$24,836
Revenue Credit Per Trip =>	$0

Maximum Supportable Transportation Impact Fees

The input variables discussed above yield the maximum supportable impact fees shown in Figure 7. Fees for most types of commercial development are listed per square foot of floor area. The impact fee for accommodation is based on the number of units.

Figure 7 – Transportation Impact Fee Schedule

Maximum Supportable Transportation Impact Fees	
Residentail Dwellings (per Unit)	
Dwelling, Two Family or Multiple Family (In the Core Area)	$5,960
Dwelling, Two Family or Multiple Family (Outside the Core Area)	$7,450
Dwelling, Single Family	$9,686
Employee Housing Unit	$0
Accommodation Unit (per Unit)	
Accommodation Unit (In Core Area)	$5,960
Accommodation Unit (Outside Core Area)	$7,450
Commercial (per square foot of floor area)	
Restaurant & Retail Establishments	$13.90
Facilities Health Care	$9.93
Office & Other Services	$6.20

Funding Strategy for Transportation System Improvements

Revenue projections shown below assume implementation of the maximum supportable transportation impact fee. Projected revenues essentially match the growth share of the capital improvements plan for transportation (i.e. $20.8 million). Impact fee revenue can be accumulated over several years to construct major projects, but annually completing at least one capital project will ensure benefit to fee payers. The percentage of total impact fee revenue expected from each development type is shown below in the right column. New housing units in Vail will generate approximately 58% of the transportation impact fee revenue. New accommodation will generate approximately 11%, while other types of commercial development will yield approximately 31% of projected revenue.

Figure 8 – Impact Fee Revenue Projection

Development Type	*Additional Development Units*	*Fee per Development Unit*	*Projected Revenue*	*Percent of Impact Fees*
Two Family or Multiple Family Units in Core Area	705	$5,960	$4,202,000	20%
Two Family or Multiple Family Units Outside Core	554	$7,450	$4,127,000	20%
Employee Housing Units in Core Area	41	$5,960	$244,000	1%
Employee Housing Units Outside Core	310	$7,450	$2,310,000	11%
Single Family Units	120	$9,686	$1,162,000	6%
Accommodation Units in Core Area	270	$5,960	$1,609,000	8%
Accommodation Units Outside Core	102	$7,450	$760,000	4%
Restaurant & Retail KSF	320	$13,900	$4,448,000	21%
Facilities Health Care KSF	140	$9,930	$1,390,000	7%
Office & Other Services KSF	88	$6,200	$546,000	3%
		Total =>	$20,798,000	100%

APPENDIX A – DEMOGRAPHIC DATA

In this Appendix, TischlerBise documents the demographic data used to derive trip rates by size of single family housing. In the Town of Vail, the fiscal year begins on January 1st. Impact fees are calibrated using 2016 as the base year and 2017 as the first projection year.

Trip Generation by Type and Size of Housing

Although the Town of Vail only expects a few single family (detached) housing units to be constructed each year, TischlerBise recommends a fee schedule whereby larger units pay higher transportation impact fees. Benefits of the proposed methodology include: 1) proportionate assessment of infrastructure demand using local demographic data, 2) progressive fee structure (i.e. smaller units pay less and larger units pay more), and 3) more affordable fees for workforce housing.

Custom tabulations of demographic data by bedroom range can be created from individual survey responses provided by the American Community Survey (ACS) published by the U.S. Census Bureau, in files known as Public Use Microdata Samples (PUMS). Because PUMS files are available for areas of roughly 100,000 persons, the Town of Vail is included in Public Use Microdata Area (PUMA) 400 that includes Pitkin, Eagle, Summit, Grand and Jackson Counties. At the top of Figure A1, cells with yellow shading indicate the survey results, which yield the unadjusted number of persons and vehicles available per dwelling. These multipliers are adjusted to match the control totals for Vail. According to ACS table B25033 (five-year estimates) Vail had 5,277 year-round residents in 2014 and table B25032 indicates Vail had 2,451 households in 2014, or an average of 2.15 persons per household. TischlerBise used ACS tables B25046 and B25032 to derive the average number of vehicles available per household. In 2014, there were 3,738 aggregate vehicles available and 2,451 households, or an average of 1.53 vehicles available per household.

The middle section of Figure A1 provides nation-wide data from the Institute of Transportation Engineers (ITE). VTE is the acronym for Vehicle Trip Ends, which measures vehicles coming and going from a development. Dividing trip ends per household by trip ends per person yields an average of 2.17 persons per occupied condominium/townhouse and 3.78 persons per occupied single dwelling, based on ITE's national survey. Applying Vail's current housing mix of 77.7% condominium/townhouses and 22.3% single-family dwellings yields a weighted average of 2.53 persons per household. In comparison to the national data, Vail only has an average of 2.15 persons per household.

Dividing trip ends per household by trip ends per vehicle available yields an average of 1.68 vehicles available per occupied condo/townhouse and 1.52 vehicles available per occupied single dwelling, based on ITE's national survey. Applying Vail's current housing mix yields a nation-wide weighted average of 1.64 vehicles available per household. In comparison to the national data, Vail has fewer vehicles available, with an average of 1.53 per housing unit.

Rather than rely on one methodology, the recommended trip generation rates shown in the bottom section of Figure A1 (see Vail PM-Peak VTE per Household), are an average of trip rates based on persons and vehicles available, for single family housing units by bedroom range. In the Town of Vail, each household in a single family unit is expected to generate an average of 0.57 PM-Peak Vehicle Trip Ends, compared to the national average of 0.63 trip ends per household.

Figure A1 – PM Peak Hour Vehicle Attraction Trips by Size of Detached House

Calibrated to Demographic Control Totals for Vail, Colorado

ACS 2013 5-Year PUMS Data for PUMA 400 (Pitkin, Eagle, Summit, Grand and Jackson Counties)

Bedroom Range	*Persons (1)*	*Vehicles Available (1)*	*Households (1)*	*PUMA 400 Hshld Mix*	*Unadjusted Persons/Hshld*	*Adj Persons per Hshld (2)*	*Unadjusted VehAvl/Hshld*	*Adj Veh Avl per Hshld (2)*
0-2	134	156	75	19.7%	1.79	1.62	2.08	1.38
3	409	376	165	43.4%	2.48	2.24	2.28	1.52
4	248	229	97	25.5%	2.56	2.31	2.36	1.57
5+	114	112	43	11.3%	2.65	2.39	2.60	1.73
Total	905	873	380		2.38	2.15	2.30	1.53

National Averages According to ITE

ITE Code	*PM-Peak VTE per Person*	*PM-Peak VTE per Vehicle Available*	*PM-Peak VTE per Household*	*Vail Hshld Mix*	*Persons per Household*	*Veh Avl per Household*
230 Condo / Townhouse	0.24	0.31	0.52	77.7%	2.17	1.68
210 SFD	0.27	0.67	1.02	22.3%	3.78	1.52
Wgtd Avg	0.25	0.39	0.63		2.53	1.64

Recommended Trip Rate by Bedroom Range

Bedroom Range	*PM-Peak VTE per Hshld Based on Persons (3)*	*PM-Peak VTE per Hshld Based on Veh Available (4)*	*Vail PM-Peak VTE per Hshld (5)*
0-2	0.41	0.54	**0.48**
3	0.56	0.59	**0.58**
4	0.58	0.61	**0.60**
5+	0.60	0.67	**0.64**
Total	0.54	0.60	0.57

(1) American Community Survey, Public Use Microdata Sample for CO PUMA 400 (2013 Five-Year unweighted data).
(2) Adjusted multipliers are scaled to make the average PUMS values match control totals for Vail (ACS 2014 Five-Year data).
(3) Adjusted persons per household multiplied by national weighted average trip rate per person.
(4) Adjusted vehicles available per household multiplied by national weighted average trip rate per vehicle available.
(5) Average of trip rates based on persons and vehicles available per housing unit. Does not show adjustment to inbound trips (64% entering).

Trip Generation by Floor Area of Single Family Housing

To derive afternoon peak hour inbound trips by square feet of single family housing, TischlerBise combined demographic data from the Census Bureau (discussed above) and single family house size data from the County Assessor's parcel database. The number of bedrooms per housing unit is the common connection between the two databases. In Vail, the average size single family housing unit with two or less bedrooms has 1,594 square feet of heated space. The average three-bedroom unit has 2,667 square feet of floor area. The average size of a four-bedroom unit is 3,698 square feet of floor area. Single family housing units with five or more bedrooms average 5,706 square feet of floor area.

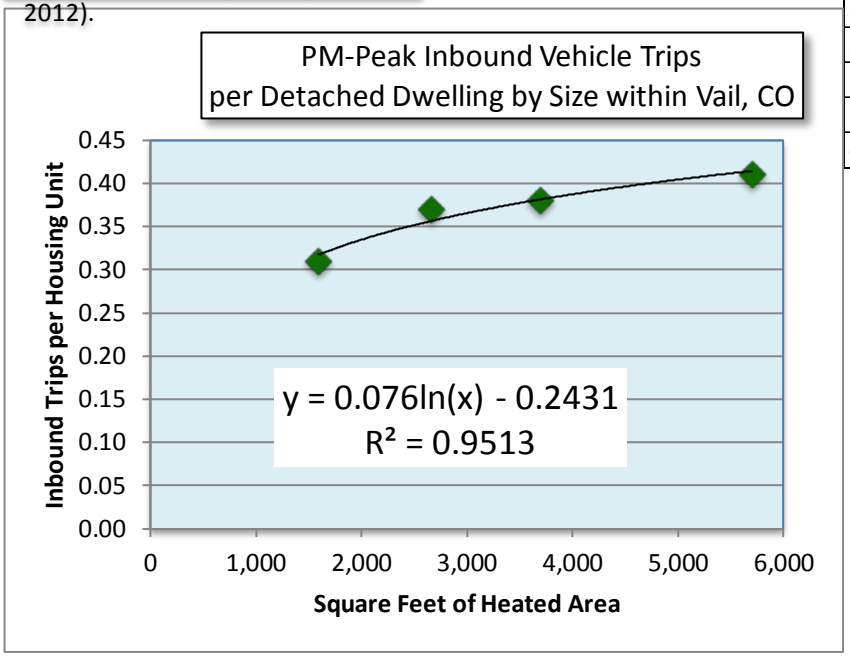
Average floor area and number of inbound trips by bedroom range are plotted in Figure A2, with a logarithmic trend line derived from the four actual averages in the Town of Vail. TischlerBise used the trend line formula to derive estimated average PM-Peak, inbound trips by size of single family housing unit, in 300 square feet intervals. Square feet measures heated floor area (excluding porches, garages, unfinished basements, etc.).

Based on the size of single family housing units in Vail, TischlerBise recommends limiting transportation impact fees for single family housing to the floor area range shown below. In other words, a single family house with 2,099 or less square feet would pay a transportation impact fee based on 0.33 inbound vehicle trips. Likewise, single family units with 6,300 or more square feet of heated space would pay a maximum transportation impact fee based on 0.42 inbound vehicle trips.

Figure A2 – PM Peak Hour Inbound Trips by Square Feet

Average dwelling size by bedroom range is from County Assessor parcel database. PM-Peak vehicle trip ends are derived using ACS PUMS data and calibrated to Town of Vail demographics. Inbound trips are 64% of trip ends (ITE 2012).

Actual Averages per Hsg Unit			*Fitted-Curve Values*	
Bedrooms	*Square Feet*	*Inbound Trips*	*Square Feet*	*Inbound Trips*
0-2	1,594	0.31	2099 or less	0.33
3	2,667	0.37	2100 to 2599	0.34
4	3,698	0.38	2600 to 3099	0.35
5+	5,706	0.41	3100 to 3599	0.37
			3600 to 4099	0.38
			4100 to 4599	0.39
			4600 to 5099	0.40
			5100 to 5599	0.41
			5600 to 6099	0.41
			6100 or more	0.42



APPENDIX B: IMPLEMENTATION AND ADMINISTRATION

Development impact fees should be periodically evaluated and updated to reflect recent data. One approach is to adjust for inflation using an index, such as the Engineering News Record (ENR) Construction Cost Index published by McGraw-Hill Companies. This index could be applied to the adopted impact fee schedule. If cost estimates or demand indicators change significantly, the Town should redo the fee calculations.

Colorado's enabling legislation allows local governments to "waive an impact fee or other similar development charge on the development of low or moderate income housing, or affordable employee housing, as defined by the local government." However, projected impact fee revenue from employee housing accounts for approximately 12% of the growth cost to be funded by impact fees. Given this magnitude, waiving impact fees for workforce housing will create a significant funding gap.

Credits and Reimbursements

Specific policies and procedures related to site-specific credits or developer reimbursements will be addressed in the ordinance that establishes the transportation impact fees. Project-level improvements, normally required as part of the development approval process, are not eligible for credits against impact fees. If a developer constructs a system improvement (see the impact fee funded improvements listed in Figure 5), it will be necessary to either reimburse the developer or provide a site-specific credit. The latter option is more difficult to administer because it creates unique fees for specific geographic areas. TischlerBise recommends establishing reimbursement agreements with the developers that construct a system improvement. The reimbursement agreement should be limited to a payback period of no more than ten years and the Town should not pay interest on the outstanding balance. The developer must provide sufficient documentation of the actual cost incurred for the system improvement. The Town should only agree to pay the lesser of the actual construction cost or the estimated cost used in the impact fee analysis. If the Town pays more than the cost used in the fee analysis, there will be insufficient impact fee revenue. Reimbursement agreements should only obligate the Town to reimburse developers annually according to actual fee collections from the service area. If the Town collects impact fees for other types of infrastructure, site specific credits or developer reimbursements for one type of system improvement does not negate payment of impact fees for other types of infrastructure.

Town-wide Service Area

The transportation impact fee service area is defined as the entire incorporated area within the Town of Vail. Even though Colorado's enabling legislation uses the phrase "direct benefit" Vail is a relatively small geographic area with a strong core area. Transportation improvements along the I-70 corridor will benefit new development throughout the entire Town.

Development Categories

Proposed transportation fees are assessed based on general land use categories. The categories within the Transportation Impact Fee Schedule are further defined within Title 12-2-2 of the Town of Vail Code. Any uses or development types not specifically defined below or within Title 12-2-2 shall be interpreted by the Administrator in accordance with the Vail Transportation Impact Fee Study.

Residential Development

Residential development categories represent general groups of land uses that share similar characteristics.

1. **Single Family** includes:
    - Dwelling, Single-Family
2. **Two Family or Multiple Family** includes:
    - Dwelling, Multiple-Family
    - Dwelling, Two-Family
    - Fractional Fee Club Unit
3. **Accommodation** includes:
    - Accommodation Unit
    - Accommodation Unit, Attached
    - Lodge Dwelling Unit
    - Lodge, Limited Service
    - Timeshare Unit

Commercial Development

Commercial development categories represent general groups of land uses that share similar characteristics.

1. **Facilities Health Care** includes:
    - Healthcare Facilities
2. **Office & Other Services** includes:
    - Professional Offices, Business Offices, and Studios
    - Banks and Financial Institutions
    - Personal Services and Repair Shops
    - Child Daycare Center
    - Health Clubs / Spas
    - Commercial Ski Storage / Ski Clubs
    - Religious Institutions
3. **Restaurant & Retail** includes:
    - Eating and Drinking Establishments
    - Retail Stores and Establishments
    - Theaters

Even though churches are a common type of development, they do not have a specific impact fee category due to a lack of sufficient data. For churches and any other atypical development, staff must establish a consistent administrative process to reasonably treat similar developments in a similar way. When presented with a development type that does not match one of the development categories in the published fee schedule, the ***first option*** is to look in the ITE trip generation book to see if there is land use category with valid trip rates that match the proposed development. The ***second option*** is to determine the published category that is most like the proposed development. Churches without daycare or schools are basically an office area (used throughout the week) with a large auditorium and class space (used periodically during the week). Some jurisdictions make a policy decision to impose impact fees on churches based on the fee schedule for warehousing. The rationale for this policy is the finding that churches are large buildings that generate little weekday traffic and only have a few full time employees. A ***third option*** is to impose impact fees on churches by breaking down the building floor area into its primary use. For example, a church with 25,000 square feet of floor area may have 2,000 square feet of office space used by employees throughout the week. At a minimum, impact fees could be imposed on the office floor area. An additional impact fee amount could be imposed for the remainder of the building based on the rate for a warehouse.

An applicant may submit an independent study to document unique demand indicators for a particular development. The independent study must be prepared by a professional engineer or certified planner and use the same type of input variables as those in the transportation impact fee methodology. The independent fee study will be reviewed by Town staff and can be accepted as the basis for a unique fee calculation. If staff determines the independent fee study is not reasonable, the applicant may appeal the administrative decision to elected officials for their consideration.

APPENDIX C: REFERENCES

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Attachment C

Development Review Process Matrix

Development Name	Address	Building Type	Permit Number(s)	Project Valuation	Permit Fees Due (excluding Use Tax)	Construction Use Tax Paid	Recreation Fees	Permit Fees Paid	% of Project Valuation	Housing Fee In Lieu Payment(2009 values)	Traffic Impact Fee: Actual/ Existing	Traffic Impact Fee: Proposed	AIPP	Proposed Total Project Costs (includes permit fees due; proposed - hsg mitigation fee, use tax, rec fees, bonds/DIA, Impact Fees)	% of Project Valuation
Rosenbach	**103 Rockledge Road**	**NSFR (new single family)**													
			B15-0041	9,105,064	83,323	332,443	2,030	415,765		-	-	9,686	-		
			F16-0027	34,959	1,918			1,918		-	-	-			
			E16-0122	668,000	1184.5			1,185		-	-	-			
			A16-0044	2,500	381.75			382		-	-	-			
			DRB140278	-	650			650		-	-	-			
			DRB150325	-	650			650		-	-	-			
			PEC140034	-	20			20		-	-	-			
			DRB150053	-	650			650		-	-	-			
			DRB1500431	-	20			20		-	-	-			
			DRB140189	-	20			20		-	-	-			
			DRB16-0275	-	0			-		-	-	-			
			DRB16-0276	-	0			-		-	-	-			
								-		-	-	-			
				9,810,523	**88,817**	**332,443**	**2,030**	**421,259**	**4.29%**	**-**	**-**	**9,686**	**-**	**432,976**	**4.41%**
Remmert	**5147 Gore Circle**	**NSFR (new single family)**													
			B16-0229	1,010,000	10,705	20,000	554	31,259		-	-	9,686	-		
			E16-0123	23,500	667			667		-	-	-			
			F16-0067	30,000	1,707			1,707		-	-	-			
			A16-0073	4,500	457			457		-	-	-			
			DRB16-0133	-	-			-		-	-	-			
			DRB16-0178	-	650			650		-	-	-			
			DRB17-0122	-	20			20		-	-	-			
										-	-	-			
				1,068,000	**14,205**	**20,000**	**554**	**34,760**	**3.25%**	-	**-**	**9,686**	**-**	**44,446**	**4.16%**
Gerardi	**2705 Bald Mountain Road**	**Addition to existing**													
			B16-0400	300,000	3,909	5,800	120	9,829		-	-	-	-		
			DRB16-0263	-	300	-	-	300		-	-	-			
				-	-	-	-	-		-	-	-			
				300,000	**4,209**	**5,800**	**120**	**10,129**	**3.38%**	**-**	**-**	**-**	**-**	**10,129**	**3.38%**
Mountain CI Holdings	**2755 Snowberry Drive**	**NDUP (new duplex)**													
			B15-0020	778,200	10,417	15,364	752	25,781		-	-	14,900	-		
			B15-0021	1,166,040	13,623	23,121	790	36,744		-	-	-			
			A15-0021	4,500	457			457		-	-	-			
			A15-0022	4,500	457			457		-	-	-			
			F15-0081	23,500	1,431			1,431		-	-	-			
			F15-0082	23,500	1,431			1,431		-	-	-			
			DRB140538	-	650			650		-	-	-			
			DRB150443	-	20			20		-	-	-			
			DRB150444	-	20			20		-	-	-			
			DRB16-0179	-	20			20		-	-	-			
			ADM16-0006	-	100			100		-	-	-			
								-		-	-	-			

Development Name	Address	Building Type	Permit Number(s)	Project Valuation	Permit Fees Due (excluding Use Tax)	Construction Use Tax Paid	Recreation Fees	Permit Fees Paid	% of Project Valuation	Housing Fee In Lieu Payment(2009 values)	Actual/ Existing	Proposed	AIPP	Total Project Costs (includes permit fees due; proposed - hsg mitigation fee, use tax, rec fees, bonds/DIA, Impact Fees)	% of Project Valuation
				2,000,240	**28,625**	**38,485**	**1,542**	**67,110**	**3.36%**	**-**	**-**	**14,900**	**-**	**83,551**	**4.18%**
Lion	**705 West Lionshead Cr**	**NCOM (new commercial)**													
			B11-0496	90,151,250	888,455	1,805,045	310,818	3,004,318		-	273,000	45,077	70,000		
			A15-0012	443,277	16,911	-	-	16,911		-	-	-			
			A16-0006	22,500	1,132	-	-	1,132		-	-	-			
			D14-0002	111,000	1,854	-	-	1,854		-	-	-			
			DRB140041	-	20	-	-	20		-	-	-			
			DRB140375	-	20	-	-	20		-	-	-			
			DRB150044	-	20	-	-	20		-	-	-			
			DRB150490	-	20	-	-	20		-	-	-			
			DRB160036	-	70	-	-	70		-	-	-			
			F15-0069	540,264	23,393	-	-	23,393		-	-	-			
			PEC130044	-	650	-	-	650		-	-	-			
			PEC140029	-	800	-	-	800		-	-	-			
			PEC140030	-	650	-	-	650		-	-	-			
			PEC150006	-	800	-	-	800		-	-	-			
			PEC150007	-	650	-	-	650		-	-	-			
			ADM17-0004	-	100			100		-	-	-			
			ADM17-0006	-	100			100		-	-	-			
			PW	-	11,813			11,813							
										-	-	-			
				91,268,291	**947,458**	**1,805,045**	**310,818**	**3,063,321**	**3.36%**	**-**	**273,000**	**45,077**	**70,000**	**3,178,398**	**3.48%**
Solaris	**143 East Meadow Dr**	**NCOM (new commercial)**	**DEV05-0003 (exclude PRJ04-PRJ05-0569**												
			A09-0026	4,200	399	-	-	399			-	-			
			A09-0034	1,764,092	66,385	-	-	66,385			-	-			
			A09-0057	9,900	4,001	-	-	4,001			-	-			
			ADM100004	-	100			100							
			ADM100005	-	100			100							
			ASB07-0002	14,500	116	-	-	116			-	-			
			B07-0275	92,299,893	677,711	-	181,532	859,242		7,629,918	19,500	359,700	1,100,000		
			D07-0001	540,000	5,652	-	-	5,652			-	-			
			DRB050640	-	650	-	-	650			-	-			
			DRB070314	-	20	-	-	20			-	-			
			DRB070392	-	20	-	-	20			-	-			
			DRB070551	-	20	-	-	20			-	-			
			DRB080580	-	20	-	-	20			-	-			
			DRB090096	-	97	-	-	97			-	-			
			DRB100033	-	20			20							
			DRB100072	-	124			124							
			DRB100107	-	20			20							
			DRB100168		67			67							
			DRB100174		50			50							
			DRB100342	-	20			20							
			DRB100375	-	20			20							
			DRB110004	-	62			62							
			DRB110076	-	20			20							
			E07-0288	85,000	1,821	-	-	1,821			-	-			
			E07-0366	7,200	179	-	-	179			-	-			
			E08-0027	6,200	1,345	-	-	1,345			-	-			
			E08-0102	17,866,000	349,023	-	-	349,023			-	-			
			E10-0052	25,000	669			669							

Development Name	Address	Building Type	Permit Number(s)	Project Valuation	Permit Fees Due (excluding Use Tax)	Construction Use Tax Paid	Recreation Fees	Permit Fees Paid	% of Project Valuation	Housing Fee In Lieu Payment(2009 values)	Actual/ Existing	Proposed	AIPP	Total Project Costs (includes permit fees due; proposed - hsg mitigation fee, use tax, rec fees, bonds/DIA, Impact Fees)	% of Project Valuation
			F08-0063	1,798,000	76,765	-	-	76,765			-	-			
			F08-0881	55,000	2,688	-	-	2,688			-	-			
			M08-0080	10,060,090	251,529	-	-	251,529			-	-			
			M08-0280	22,000	1,114	-	-	1,114			-	-			
			M09-0031	377,901	9,454	-	-	9,454			-	-			
			M09-0059	96,800	2,429	-	-	2,429			-	-			
			M09-0155	32,294	829	-	-	829			-	-			
			M09-0165	478,000	11,954	-	-	11,954			-	-			
			M10-0071	350,000	8,755			8,755							
			M10-0114	7,000	180			180							
			P08-0027	7,222,948	135,435	-	-	135,435			-	-			
			PEC050093	-	6,000	-	-	6,000			-	-			
			PEC050094	-	650	-	-	650			-	-			
			PEC050095	-	1,300	-	-	1,300			-	-			
			PEC070004	-	1,250	-	-	1,250			-	-			
			PEC070005	-	650	-	-	650			-	-			
			PEC070035	-	1,250	-	-	1,250			-	-			
			PEC070082	-	1,000	-	-	1,000			-	-			
			PEC080068	-	1,000	-	-	1,000			-	-			
			PEC090003	-	1,250	-	-	1,250			-	-			
			PEC090026	-	1,250	-	-	1,250			-	-			
			PEC100010	-	1,300			1,300							
			PEC100029	-	500			500							
			PW07-0046	-	-	-	-	-			-	-			
			PW07-0047	-	-	-	-	-			-	-			
			PW07-0064	-	1,218	-	-	1,218			-	-			
			PW07-0065	-	218	-	-	218			-	-			
			PW07-0147	-	2,670	-	-	2,670			-	-			
			PW07-0200	-	4,730	-	-	4,730			-	-			
			PW07-0201	-	-	-	-	-			-	-			
			PW07-0245	-	220	-	-	220			-	-			
			PW07-0246	-	220	-	-	220			-	-			
			PW07-0307	-	21,482	-	-	21,482			-	-			
			PW08-0090	-	50	-	-	50			-	-			
			PW08-0091	-	13,981	-	-	13,981			-	-			
			PW08-0102	-	445	-	-	445			-	-			
			PW08-0109	-	-	-	-	-			-	-			
			PW08-0124	-	150	-	-	150			-	-			
			PW08-0130	-	500	-	-	500			-	-			
			PW08-0202	-	700	-	-	700			-	-			
			PW08-0206	-	150	-	-	150			-	-			
			PW08-0242	-	150	-	-	150			-	-			
			PW08-0243	-	784	-	-	784			-	-			
			PW08-0275	-	250	-	-	250			-	-			
			PW08-0324	-	250	-	-	250			-	-			
			PW08-0325	-	150	-	-	150			-	-			
			PW08-0345	-	21,532	-	-	21,532			-	-			
			PW09-0010	-	2,170	-	-	2,170			-	-			
			PW09-0026	-	213	-	-	213			-	-			
			PW09-0041	-	-	-	-	-			-	-			
			PW09-0045	-	150	-	-	150			-	-			
			PW09-0048	-	888	-	-	888			-	-			
			PW09-0049	-	-	-	-	-			-	-			
			PW09-0051	-	-	-	-	-			-	-			
			PW09-0054	-	150	-	-	150			-	-			
			PW09-0077	-	1,540	-	-	1,540			-	-			

Development Name	Address	Building Type	Permit Number(s)	Project Valuation	Permit Fees Due (excluding Use Tax)	Construction Use Tax Paid	Recreation Fees	Permit Fees Paid	% of Project Valuation	Housing Fee In Lieu Payment(2009 values)	Actual/ Existing	Proposed	AIPP	Total Project Costs (includes permit fees due; proposed - hsg mitigation fee, use tax, rec fees, bonds/DIA, Impact Fees)	% of Project Valuation
			PW09-0079	-	12,959	-	-	12,959			-	-			
			PW09-0080	-	505	-	-	505			-	-			
			PW09-0089	-	150	-	-	150			-	-			
			PW09-0090	-	150	-	-	150			-	-			
			PW09-0102	-	250	-	-	250			-	-			
			PW09-0126	-	100	-	-	100			-	-			
			PW09-0140	-	-	-	-	-			-	-			
			PW09-0169	-	100	-	-	100			-	-			
			PW09-0190	-	-	-	-	-			-	-			
			PW09-0191	-	150	-	-	150			-	-			
			PW10-0006	-	320			320							
			PW10-0007	-	175			175							
			PW10-0010	-	1,700			1,700							
			PW10-0012	-	600			600							
			PW10-0013	-	-			-							
			PW10-0015	-	2,405			2,405							
			PW10-0017	-	1,140			1,140							
			PW10-0023	-	150			150							
			PW10-0027	-	-			-							
			PW10-0039	-	-			-							
			PW10-0085	-	540			540							
			PW10-0097	-	900			900							
			PW10-0098	-	845			845							
			PW10-0099	-	470			470							
			PW10-0101	-	500			500							
			PW10-0127	-	-			-							
			PW10-0132	-	2,145			2,145							
			PW10-0135	-	250			250							
			PW10-0148	-	172			172							
			PW10-0149	-	500			500							
			PW10-0150	-	450			450							
			PW10-0151	-	800			800							
			PW10-0152	-	3,100			3,100							
			PW10-0153	-	-			-							
			PW10-0167	-	578			578							
			PW10-0168	-	-			-							
			PW10-0189	-	859			859							
			PW10-0190	-	2,612			2,612							
			PRJ06-0492					-			-				
			DRB060504	-	56	-	-	56			-	-			
			PRJ06-0530	-				-			-				
			B06-0348	500	65	-	-	65			-	-			
			DRB110097	-	62			62							
			PRJ07-0163					-			-				
			DRB070172	-	110	-	-	110			-	-			
			PRJ08-0247					-			-				
			PEC080034	-	1,250	-	-	1,250			-	-			
			PEC080075	-	500	-	-	500			-	-			
			PRJ08-0417					-			-				
			B08-0287	1,675,000	13,949	-	-	13,949			-	-			
			DRB100233	-	55			55							
			E09-0131	257,238	15,417	-	-	15,417			-	-			
			F09-0056	3,700	507			507							
			M09-0105	190,000	4,754	-	-	4,754			-	-			
			P09-0062	110,000	2,067	-	-	2,067			-	-			
			PRJ09-0023					-			-				

Development Name	Address	Building Type	Permit Number(s)	Project Valuation	Permit Fees Due (excluding Use Tax)	Construction Use Tax Paid	Recreation Fees	Permit Fees Paid	% of Project Valuation	Housing Fee In Lieu Payment(2009 values)	Actual/ Existing	Proposed	AIPP	Total Project Costs (includes permit fees due; proposed - hsg mitigation fee, use tax, rec fees, bonds/DIA, Impact Fees)	% of Project Valuation
			B09-0010	167,875	2,273	-	-	2,273			-	-			
			E09-0024	6,471	157	-	-	157			-	-			
			M10-0018	32,272	829										
			P10-0008	24,693	473										
			PRJ09-0024					-			-				
			B09-0011	53,920	1,112	-	-	1,112			-	-			
			DRB100621	-	56			56							
			E09-0025	6,471	157	-	-	157			-	-			
			F10-0066	1,892	512			512							
			M10-0165	2,500	79			79							
			P10-0119	1,500	42			42							
			PRJ09-0034					-			-				
			B09-0016	1,576,500	13,228	-	-	13,228			-	-			
			DRB100308	-	60			60							
			DRB100507	-	62			62							
			E09-0130	795,336	16,158	-	-	16,158			-	-			
			F10-0017	2,200	526			526							
			M09-0104	256,000	6,404	-	-	6,404			-	-			
			P09-0061	155,000	2,910	-	-	2,910			-	-			
			PEC100045	-	200			200							
			PEC100049	-	1,300			1,300							
			PRJ09-0040					-			-				
			B09-0021	983,125	9,243	-	-	9,243			-	-			
			E09-0256	146,000	1,798			1,798							
			M09-0243	13,700	355			355							
			P09-0163	3,200	79			79							
			PRJ09-0305					-			-				
			B09-0170	249,500	3,030	-	-	3,030			-	-			
			A09-0070	4,000	438			438							
			E09-0208	152,000	62			62							
			F09-0048	640	377			377							
			M09-0214	60,000	1,504			1,504							
			P09-0150	40,000	754			754							
			PRJ09-0657												
			B10-0014	116,000	1,792	-		1,792							
			E10-0001	13,900	177			177							
			M10-0003	14,500	379			379							
			M10-0020	2,000	54			54							
			P10-0002	15,100	304			304							
			PRJ09-0669												
			A10-0025	1	288			288							
			B09-0347	25,000	1,060	-		1,060							
			DRB1000351	-	60			60							
			DRB100431	-	56			56							
			E10-0012	16,000	497			497							
			F10-0005	2,497	538			538							
			M10-0023	11,000	279			279							
			PRJ09-0682												
			A10-0010	4,500	457			457							
			B09-0352	65,500	1,362	-		1,362							
			DRB100157	-	65			65							
			E10-0002	12,491	326			326							
			F10-0006	1,500	496			496							
			M10-0007	29,115	754			754							
			PW10-0025	-	190			190							

Development Name	Address	Building Type	Permit Number(s)	Project Valuation	Permit Fees Due (excluding Use Tax)	Construction Use Tax Paid	Recreation Fees	Permit Fees Paid	% of Project Valuation	Housing Fee In Lieu Payment(2009 values)	Actual/ Existing	Proposed	AIPP	Total Project Costs (includes permit fees due; proposed - hsg mitigation fee, use tax, rec fees, bonds/DIA, Impact Fees)	% of Project Valuation
			PRJ10-0023												
			A10-0013	4,875	471			471							
			A10-0026	1	288			288							
			B10-0008	270,000	3,324	-		3,324							
			DRB100353	-	56			56							
			E10-0018	38,500	934			934							
			F10-0018	1,564	498			498							
			M10-0033	30,000	754			754							
			P10-0015	14,000	267			267							
			PRJ10-0039												
			B10-0015	96,000	1,762	-		1,762							
			E10-0068	14,600	478			478							
			M10-0039	900	29			29							
			P10-0016	800	23			23							
			PRJ10-0081												
			A10-0024	3,910	435			435							
			A10-0045	2,000	363			363							
			B10-0034	75,000	1,355	-		1,355							
			DRB100372	-	56			56							
			E10-0028	22,000	611			611							
			F10-0015	1,750	506			506							
			M10-0058	19,000	479			479							
			P10-0066	3,906	79			79							
			PRJ10-0160												
			A10-0044	6,184	520			520							
			B10-0085	62,000	1,315	-		1,315							
			DRB100410	-	56			56							
			DRB100632	-	56			56							
			E10-0065	25,000	668			668							
			F10-0045	3,375	575			575							
			M10-0105	26,000	974			974							
			M10-0112	2,500	79			79							
			P10-0080	2,500	60			60							
			PRJ10-0171												
			A10-0073	2,323	375			375							
			B10-0093	296,625	3,465	-		3,465							
			DRB100273	-	56			56							
			E10-0181	39,000	934			934							
			F10-0044	4,125	607			607							
			M10-0166	28,400	729			729							
			P10-0120	1,000	23			23							
			PRJ10-0174												
			A11-0010	2,475	381			381							
			B10-0095	280,500	3,941	-		3,941							
			E10-0146	33,600	1,461			1,461							
			F11-0009	2,080	520			520							
			F11-0018	4,600	628			628							
			M10-0091	49,100	2,365			2,365							
			P10-0067	38,300	1,541			1,541							
			PRJ10-0298												
			E10-0134	2,500	385			385							
			PRJ10-0323												
			A10-0091	2,850	395			395							
			B10-0154	71,000	1,309	-		1,309							
			DRB100588	-	56			56							
			E10-0189	16,449	516			516							

Development Name	Address	Building Type	Permit Number(s)	Project Valuation	Permit Fees Due (excluding Use Tax)	Construction Use Tax Paid	Recreation Fees	Permit Fees Paid	% of Project Valuation	Housing Fee In Lieu Payment(2009 values)	Actual/ Existing	Proposed	AIPP	Total Project Costs (includes permit fees due; proposed - hsg mitigation fee, use tax, rec fees, bonds/DIA, Impact Fees)	% of Project Valuation
			F10-0054	4,800	636			636							
			M10-0152	35,000	879			879							
			PRJ10-0337												
			A10-0075	2,647	387			387							
			B10-0161	213,000	2,688	-		2,688							
			DRB100236	-	56			56							
			DRB100237	-	20			20							
			E10-0176	28,000	725			725							
			F10-0059	3,500	581			581							
			M10-0134	19,200	504			504							
			P10-0110	8,000	154			154							
			PRJ10-0407												
			A10-0072	1,876	358			358							
			B10-0201	54,800	1,125	-		1,125							
			DRB100424	-	56			56							
			E10-0210	15,000	478			478							
			F10-0065	1,720	505			505							
			M10-0172	4,000	105			105							
			PRJ10-0513												
			B10-0271	36,300	851	-		851							
			E10-0248	4,500	289			289							
			F10-0078	4,500	623			623							
			M10-0232	800	49			49							
			P10-0158	2,300	60			60							
			PRJ10-0570												
			A10-0108	2,020	364			364							
			B10-0306	75,500	1,366	-		1,366							
			DRB100628	-	56			56							
			E10-0308	17,000	516			516							
			F10-0077	1,925	514			514							
			M10-0256	3,100	104			104							
			P10-0170	4,900	98			98							
			PRJ10-0702												
			A10-0107	240	472			472							
			B10-0382	100,000	1,645	-		1,645							
			DRB100586	-	62			62							
			E10-0309	50,000	1,143			1,143							
			F10-0097	1,875	512			512							
			M10-0267	8,400	229			229							
				142,728,549	**1,904,868**	**-**	**181,532**	**2,085,097**	**1.46%**	**7,629,918**	**19,500**	**359,700**	**1,100,000**	**11,176,017**	**7.83%**

ATTACHMENT D

Transportation Impact Fee Schedule (January 2017-Original)

Maximum Supportable Transportation Impact Fees		
Residential (per housing unit)	Heated Sq Ft	
Attached in Core Area	all sizes	
Attached Outside Core	all sizes	$5,960
Detached	2099 or less	
	2100 to 2399	$7,450
Detached	2400 to 2699	
Detached	2700 to 2999	$8,195
Detached	3000 to 3299	
Detached	3300 to 3599	$8,444
Detached	3600 to 3899	$8,692
Detached	3900 to 4199	$9,686
Detached	4200 to 4499	$9,686
Detached	4500 to 4799	
Detached	4800 to 5099	$9,934
Detached	5100 to 5399	
Detached	5400 to 5699	$9,934
Detached	5700 to 5999	$10,182
Detached	6000 to 6299	
Detached	6300 or more	$10,182
Hotel (per room)		
Hotel in Core Area		$5,960
Hotel Outside Core		$7,450
Nonresidential (per square foot of floor area)		

Transportation Impact Fee Schedule (February 2017, Revised per Council Direction)

Maximum Supportable Transportation Impact Fees		
Residential (per housing unit)	Heated Sq Ft	
Attached in Core Area	all sizes	$5,960
Attached Outside Core	all sizes	$7,450
Detached	2099 or less	$8,195
Detached	2100 to 2599	$8,444
Detached	2600 to 3099	$8,692
Detached	3100 to 3599	$9,189
Detached	3600 to 4099	$9,437
Detached	4100 to 4599	$9,686
Detached	4600 to 5099	$9,934
Detached	5100 to 5599	$10,182
Detached	5600 to 6099	$10,182
Detached	6100 or more	$10,431
Hotel (per room)		
Hotel in Core Area		$5,960
Hotel Outside Core		$7,450
Nonresidential (per square foot of floor area)		
Commercial		$13.90
Hospital		$9.93
Office & Other Services		$6.20

Transportation Impact Fee Schedule (May 2017, PEC FINAL RECOMMENDATION)

Maximum Supportable Transportation Impact Fees	
Residential Dwellings (per Unit)	
Dwelling, Two Family or Multiple Family (In the Core Area)	$ 5,960.00
Dwelling, Two Family or Multiple Family (Outside the Core Area)	$ 7,450.00
Dwelling, Single Family	$ 9,686.00
Employee Housing Unit	$0
Accommodation Unit (per Unit)	
Accommodation Unit (In Core Area)	$ 5,960.00
Accommodation Unit (Outside Core Area)	$ 7,450.00
Commercial (per square foot of floor area)	
Restaurant & Retail Establishments	$ 13.90
Facilities Health Care	$ 9.93
Office & Other Services	$ 6.20

ATTACHMENT E - PLANNING AND ENVIRONMENTAL COMMISSION RESULTS OF MAY 8, 2017

PLANNING AND ENVIRONMENTAL COMMISSION May 8, 2017, 1:00 PM
Vail Town Council Chambers
75 S. Frontage Road - Vail, Colorado, 81657

(Note: This is not a copy of the full results of the entire meeting of May 8, 2017. These results are provided only for the review of the proposed Transportation Impact Fee. Please contact the Community Development Department for a complete copy of the results of this meeting, which includes other projects and applications.)

5. A request for a recommendation to the Vail Town Council for a zoning text amendment pursuant to Section 12-3-7 Amendment, Vail Town Code, to amend Title 12 of the Vail Town Code to add a new Chapter 26, Traffic Impact Fee, and setting forth details in regard thereto. (PEC17-0008)

Applicant: Town of Vail, represented by Tom Kassmel
Planner: Chris Neubecker

Motion #1: Table to May 22, 2017
First: Gillette Second: Stockmar Vote: 2-5
(Opposed: Rediker, Lockman, Perez, Hopkins, Kurz)

Motion #2: Forward recommendation of approval, with condition to amend the language as previous suggested by Perez, to exempt remodels on residential units, and the fee shall be set by Town Council "on a rational basis".

First: Lockman Second: Kurz Vote: 3-4
(Opposed: Rediker, Perez, Gillette, Stockmar)

Motion #3: Forward recommendation of approval, as the ordinance is currently proposed in staff memo.

First: Lockman Second: Kurz Vote: 4-3
(Opposed: Gillette, Stockmar, Perez)

Neubecker introduced the application. This item was heard a few weeks ago, and tabled to today to allow more research. He presented a development fees matrix showing all of the fees and taxes paid in the development review process. He also discussed why the fee is not based on parking, as suggested by the PEC. Draft ordinance has been modified to simplify, and removing some definitions already in the code. Recommendation is to proceed as previously presented.

Lockman: Asked how the fees will be set.

Neubecker: Fees are adjusted each year by resolution, rather than require it to be amended by ordinance. This process saves time.

Tom Kassmel, Town Engineer, reintroduced the project. Codifying the fee was requested by Town Council. For the past 17 years, the Town has been working with developers on agreements to pay the fee on development in limited zone districts (LMU-1 LMU-2, PA-1

PA-2), for only limited types of development. State law requires a rational nexus study, and requires the fees to be applied equally to all zone districts. The fee has been simplified to be based on number of new units, not based on square feet. The sales tax increase that would be required to collect the same amount of revenue would be 0.13%.

Gillette: What is current sales tax? What is process to change the tax rate?

Kassmel: Current Town of Vail sales tax rate is 4%. To change this would require a vote of the public.

Stockmar: Asked about difference in the table on Page 7, which requires no fee for EHUs. This does not match table on page 9.

Kassmel: Differences are based on the fee that would be required, if EHUs were required to pay a fee. Town Council decided to waive that fee. The waived fee can not be spread out and paid by other development types. Staff also researched basing the fee on parking. TishlerBise recommended against this fee basis. Parking rates are different in different zones, and single family developments would have to pay significantly more.

Stockmar: The shape of Vail is odd. Other communities don't have the same transportation issues, based on the shape of our town.

Kassmel: Fee is based on the Town of Vail, based on study by TishlerBise. He compared other communities' fees. Pitkin County is most similar to Vail. Fees are based on what revenue is needed to complete Vail's needed transportation projects.

Gillette: He compared the proposed fees to those in Eagle County. We are shoving this fee down the throats of those that have not yet developed. We should be more comparable to Eagle County.

Kassmel: If we allow no more development than we have today, there would be no need for these transportation projects.

Gillette: What did The Lion pay, and what would be due under the proposed fee?

Kassmel: The Lion valuation was $90 million, and paid total fees of $3 million. Actual traffic impact fee was $273,000. Proposed fee would be $45,000, based on number of new units. Solaris was $142 million project; total permit fees were about $2 million, plus employee housing fees. Solaris paid about $20,000 in traffic impact fee. New fee would be about $360,000. This is based on "net new" development.

Lockman: Why the disparity between what was paid at Solaris, versus what would be due?

Kassmel: Proposed fees are based on net new. The previously development at Solaris had a larger theater, many of the restaurant uses were reduced in size. Previous development at this location also had a grocery store. It's helpful to developer to have a fee schedule that is predictable. Discussed the fees paid at various other developments, including single family.

Lockman: A prescriptive fee basis is easier for everyone to understand.

Perez: Why is 12% of revenue shown coming from employee housing, but you propose to exempt employee housing? Why are we exempting employee housing? It still has an impact on transportation. This creates a larger burden on the developments.

Kassmel: Town Council requested to subsidize employee housing. We have a difficult enough time getting employee housing built.

Gillette: State law limits the types of project that can be exempt. Employee housing is one of them.

Kassmel: These are the maximum fees. Council could cut the fees across the board. We could exempt certain fees, but then Town would have to come up with the revenue from another source.

Rediker: Do these fees automatically increase each year?

Neubecker: No. Staff will need to take this to Town Council each year as a resolution to change the fees.

Perez: In the ordinance, it does not exempt remodels. Redevelopment implies a remodel. Want to ensure that residential remodels are exempt. Can we add a line to clarify this? Also, want to add language that states that the fee is set by resolution of the Town Council "on a rational basis". Also, clarify that no transportation impact fee shall be assed on a residential remodel. Also, concerned that the definitions of residential development, commercial development and project were removed from the ordinance.

Kassmel: Those definitions are already in the code.

Gillette: Fee is based on adding a dwelling unit. If it's not broken, don't fix it. This is a community wide problem, and should be spread-out over the entire community. $20 million over 25 years is nothing for this community, but it's a big impact on a developer.

Stockmar: This is a regressive fee, paid only by a small number of people in the community. The answer is probably a sales tax. It would be fair, and paid by people including visitors.

Hopkins: What are some of the projects this revenue will be used for?

Stockmar: Can't be used for maintenance. Sales tax would not limit how we use the money.

Kassmel: Money can only be used for infrastructure projects.

Gillette: We don't need this fee. It has worked up until now. Some of the projects we have done are not necessary. Lionhead bus shelter on Frontage Road does not get used. This is money we don't need.

Rediker: Why distinguish between inside and outside the core?

Kassmel: Fee is based on the Transportation Master Plan. It's based on the amount of traffic generated by different types of uses. It considers multi-modal uses and trips. People

in the core can walk to more shops and restaurants.

Rediker: People from the core still drive to the grocery store.

Kassmel: This is based on ITE trip rates. On average, people who stay in the core drive less.

Perez: What about those that stay at the Ritz and ride the shuttle? They probably take more trips.

Kassmel: This is based on averages. Based on what we see from a traffic generation standpoint.

Public Comment – None

Neubecker: If there is a motion for approval, please include any suggested change to the ordinance in your motion.

Stockmar: Why was Town Council reticent to use a sales tax?

Kassmel: Not sure if sales tax was discussed. This method of collecting fees is widely used. Perception is that new development causes the need for these projects. This method of revenue has been in discussions with Council for several years to codify this fee, and legally we should follow the recommendations of study.

Gillette: Asked if we could just codify the fee as it is in place today. Asked how much revenue could be collected if we codified current fee in the zone districts where the fee exists today. The revenue proposed is not enough compared to the animosity this will create. If it's not broke, don't fix it.

Kassmel: Depends on how much new development happens in those few districts that currently have the fee.

Stockmar: Let's look at the rational relationship to the fee and impacts. Because of the geography and shape of the Town, a huge burden is placed on the transportation system from those living in East Vail. Would like to find more rational way to find the funding. Frustrated that state law does not allow revenue to be used for maintenance. Would like to look into this more thoroughly, or would support a sales tax which is more equitable.

Gillette: If proposed legislation more mirrored the system we have in place, that should satisfy the town attorney. We have always found the money needed in the past. Don't burden the developer more that we already have.

Kassmel: Suggested that the PEC could make a recommendation, with an alteration to the ordinance. For example, you could recommend exempting single family and duplexes, in addition to employee housing. Council would need to agree to subsidize these uses.

Gillette: System is working now. Town looks great, staff does a great job. That's how I know that it's working now.

Kurz: I was previously involved in looking into this issue, in another role in this room. I'm

not yet at a point to recommend approval.

Perez: Not ready to go to Council; still lot of work to be done. Need to research inside fees inside core vs. outside core, and if it should apply to single family development.

Lockman: Agree with proposal as-is. The due diligence has been done. This has already been worked to death. Council wants a fee, not a sales tax. As proposed, net new development pays for the impacts. Other Town revenue will be used for other projects. This will codify a fee that has been vague.

Rediker: Agree with Lockman. We are ready to send this forward to Council. Burden on development is minimal compared to impacts of new growth. Not in favor of increasing sales tax. Colorado legislature has determined that this is a fair and equitable way to raise revenue.

Perez: Not sure we should have different fees inside the code vs. outside the core. Why do we distinguish? Assumption is that people in the core take public transportation

Neubecker: This is based on traffic studies by traffic engineers. In a walkable situation like Vail Village, people drive less. Study is based on national studies and averages.

Kassmel: Study is based not on specific properties in Vail, but for example based on resort hotels in general, for example.

Stockmar: Is there any community in county, similar to Vail in geography? That layout impacts trips and how the revenue is raised. Others have likely faced a similar situation. I'm on the fence, and need more information.

Kassmel: We are OK with tabling. We want to get you the information you need.

Lockman: How many undeveloped residential lots are in the core area?

Kurz: My concerns have largely been answered. I will move forward to recommend approval.

Perez: We have a motion on the table.

Rediker – Voted against the motion (#2), because I do not believe the proposed ordinance needs to be revised.

Attachment F

TOWN OF VAIL

Memorandum

To: Planning and Environmental Commission

From: Community Development Department

Date: May 8, 2017

Subject: A request for a recommendation to the Vail Town Council for a prescribed regulations amendment pursuant to Section 12-3-7 Amendment, Vail Town Code, to amend Title 12 of the Vail Town Code to add a new Chapter 26, Transportation Impact Fee, and setting forth details in regard thereto. (PEC17-0008)

Applicant: Town of Vail, represented by Tom Kassmel
Planner: Chris Neubecker

I. SUMMARY

The applicant, the Town of Vail, represented by Tom Kassmel, Town Engineer, is requesting a recommendation to the Vail Town Council for a prescribed regulations amendment pursuant to Section 12-3-7 Amendment, Vail Town Code, to amend Title 12 of the Vail Town Code to add a new Chapter 26, Transportation Impact Fee, and setting forth details in regard thereto.

Based upon staff's review of the criteria outlined in Section V of this memorandum and the evidence and testimony presented, the Community Development Department recommends the Planning and Environmental Commission (PEC) forward a **recommendation of approval** to the Vail Town Council for the proposed prescribed regulations amendment.

II. DESCRIPTION OF REQUEST

The Vail Transportation Impact Fee is intended to ensure that applicants for new developments pay for the transportation related impacts caused by the development. In order to codify this fee, the Town Council has requested the adoption of a new chapter within Title 12 of the Vail Town Code.

The Town of Vail has hired the consulting firm TischlerBise to develop an updated Transportation Impact Fee by providing a nexus study to show the connection between new development and the need for new transportation projects (Attachment A). The proposed regulation amendment is intended to codify the traffic mitigation fee, help fund

future transportation related projects as identified in the Vail Transportation Master Plan, and allow new development to "pay its way".

The 2009 Vail Transportation Master Plan Update recommends completion of a nexus study in order to determine the impacts of development on the Town's transportation infrastructure and recommends codifying the impact fee, including adjusting the fee based on the new transportation needs and cost information. Specifically, the Plan Update states:

> *Complete the Nexus study in 2009 for a traffic impact fee to codify the current practice and adjust the fee if desired based on the new transportation need and cost information*

Over the past year there have been multiple discussions with the Town Council regarding the codification of a Transportation Impact Fee; the Town Council has directed staff to move forward with the codification process based on the most recent nexus study developed by TischlerBise.

The Planning and Environmental Commission's role in the review of the Code language is to make a recommendation on the language that should be incorporated into the Town Code to allow for an implementable Transportation Impact Fee. The PEC may also make a recommendation of an alternate policy for financing the required transportation improvements, but the final determination will be made by Town Council.

III. BACKGROUND

A Transportation Impact Fee is a development fee assessed to offset costs that a jurisdiction will incur to improve transportation infrastructure as a result of increased traffic from proposed new developments.

The Town of Vail has collected mitigating transportation fees for certain development zone districts (including Public Accommodation, Public Accommodation-2, Lionshead Mixed Use-1, and Lionshead Mixed Use-2) since 1999. The fee is not currently a codified amount, but an additional fee agreed upon by the Town and the developer for mitigation of vehicular trip impacts of a proposed development project. In 1999, the fee was set by Town Council to be $5,000 per net new PM peak hour vehicular trip added to Vail's road network. The fee was based on the improvements anticipated by: the Vail Transportation Master Plan; the total anticipated additional vehicular trips at that time; and the probable funding sources including Town of Vail capital funds, CDOT partnering funds, and development impact fees. In 2006, the fee was increased to $6,500 as a direct result of inflation in construction costs, and the fee has not increased since.

In 2009 the Town adopted an updated Vail Transportation Master Plan, which included a more detailed and updated estimate of future projected transportation projects and costs. At the same time the Town engaged TischlerBise to develop a nexus study for traffic impact fees that was anticipated to be used to codify a traffic impact fee. The nexus study was completed in 2009, but the Transportation Impact Fee was not

adopted or codified by the Town Council. The Town Council at the time did not deem it appropriate to burden developers with additional fees during an economic downturn. The nexus study proposed to codify a Transportation Impact Fee based on proposed square footage and net unit increases of all development, not limiting it only to certain zone districts. This would include residential projects, and is typical of nationwide traffic impact fees. The 2009 nexus study identified $134 Million of potential transportation related projects (Traffic, Transit, and Parking), of which $22 Million was identified to be funded from the proposed traffic impact fee.

Since the 2009 impact fee was not codified, the Town has continued to rely on development agreements and has not increased the mitigation fee of $6,500 per net new PM vehicular trip generated. The last large development impact fees agreed upon were for The Lion (Lionshead Inn) and the Marriott Residence Inn (The Roost) developments in 2010, and most recently, the Vail Valley Medical Center (VVMC) in 2015. Each used the 2006 fee of $6,500 per net new PM peak hour vehicular trip. The VVMC has agreed to pay any new Transportation Impact Fee adopted prior to the start of construction of the East Phase of the VVMC development, if adopted by the Town Council and uniformly applied town wide.

With the resurgence in redevelopment, and the Town's outdated mitigation fee, Council has requested that the Town evaluate adopting an updated Transportation Impact Fee. This past March TischlerBise updated the Transportation Impact Fee Study and presented it to Council. The Town Council then requested formal codification of the Transportation Impact Fee, based on the nexus study and presentations.

IV. APPLICABLE PLANNING DOCUMENTS

Title 12 – Zoning Regulations, Vail Town Code

Section 3-7 Amendment (in part)
A. Prescription: The regulations prescribed in this title and the boundaries of the zone districts shown on the official zoning map may be amended, or repealed by the town council in accordance with the procedures prescribed in this chapter.

B. Initiation:
1. An amendment of the regulations of this title or a change in zone district boundaries may be initiated by the town council on its own motion, by the planning and environmental commission on its own motion, by petition of any resident or property owner in the town, or by the administrator.

2. A petition for amendment of the regulations or a change in zone district boundaries shall be filed on a form to be prescribed by the administrator. The petition shall include a summary of the proposed revision of the regulations, or a complete description of proposed changes in zone district boundaries and a map indicating the existing and proposed zone district boundaries. If the petition is for a change in zone district boundaries, the petition shall include a list of the owners of all properties within the boundaries of the area to be rezoned or changed, and

the property adjacent thereto. The owners' list shall include the names of all owners, their mailing and street addresses, and the legal description of the property owned by each. Accompanying the list shall be stamped, addressed envelopes to each owner to be used for the mailing of the notice of hearing. The petition also shall include such additional information as prescribed by the administrator.

V. CRITERIA FOR REVIEW

Section 12-3-7 C2 of the Zoning Regulations identifies the factors that the Planning and Environmental Commission must consider before making a recommendation for a change to the text of the code. These factors include the following:

2. Prescribed Regulations Amendment:

a. Factors, Enumerated: Before acting on an application for an amendment to the regulations prescribed in this title, the planning and environmental commission and town council shall consider the following factors with respect to the requested text amendment:

(1) The extent to which the text amendment furthers the general and specific purposes of the zoning regulations; and

The general purposes of the Zoning Regulations are to promote the health, safety, morals, and general welfare of the town, and to promote the coordinated and harmonious development of the town in a manner that will conserve and enhance its natural environment and its established character as a resort and residential community of high quality. The proposed Transportation Impact Fee will be used to advance the harmonious development of the town through transportation infrastructure projects that improve safety and facilitate movement of vehicles and pedestrians throughout the town, and help to ensure that the established character of the town remains that of a resort and residential community of high quality.

Some of the specific purposes of the Zoning Regulations are to “provide for adequate light, air, sanitation, drainage, and public facilities” and to “promote safe and efficient pedestrian and vehicular traffic circulation and to lessen congestion in the streets.” The transportation projects financed with this impact fee will help advance each of these purposes.

(2) The extent to which the text amendment would better implement and better achieve the applicable elements of the adopted goals, objectives, and policies outlined in the Vail comprehensive plan and is compatible with the development objectives of the town; and

The Vail Comprehensive Plan is a series of master plans and documents, including the 2009 Vail Transportation Master Plan Update. The Master Plan Update specifically mentions the updating of this impact fee as one of the next steps in the Plan: “*Complete*

the Nexus study in 2009 for a traffic impact fee to codify the current practice and adjust the fee if desired based on the new transportation need and cost information." The proposed text amendment would better implement and better achieve the applicable elements of the adopted goals, objectives, and policies outlined in the Vail comprehensive plan by ensuring fairness and consistency in the development review process. Codifying the impact fee will also ensure that the Town's regulatory and land use documents are updated and current, and provide ease of compliance and enforcement.

(3) The extent to which the text amendment demonstrates how conditions have substantially changed since the adoption of the subject regulation and how the existing regulation is no longer appropriate or is inapplicable; and

This is not a new impact fee, but it is a codification and update to an existing fee. Since the adoption of the original fee, the Town completed a nexus study to show the relationship between development projects and the need for new transportation projects. The study identifies an update to the fee as the appropriate manner to finance the costs of new transportation infrastructure projects. The existing regulation is no longer appropriate because of the cost of constructing new transportation infrastructure projects, and because the nexus study has provided an update to the impacts generated by new development.

(4) The extent to which the text amendment provides a harmonious, convenient, workable relationship among land use regulations consistent with municipal development objectives; and

The text amendment provides a harmonious, convenient and workable relationship among land uses by requiring the costs of new transportation projects to be paid by the new development that is causing the need for these projects. This is consistent with municipal development objectives by having new development pay for its fair share for the impacts it causes.

(5) Such other factors and criteria the planning and environmental commission and/or council deem applicable to the proposed text amendment.

b. Necessary Findings: Before recommending and/or granting an approval of an application for a text amendment the planning and environmental commission and the town council shall make the following findings with respect to the requested amendment:

(1) That the amendment is consistent with the applicable elements of the adopted goals, objectives and policies outlined in the Vail comprehensive plan and is compatible with the development objectives of the town; and

(2) That the amendment furthers the general and specific purposes of the zoning regulations; and

(3) That the amendment promotes the health, safety, morals, and general welfare of the town and promotes the coordinated and harmonious development of the town in a manner that conserves and enhances its natural environment and its established character as a resort and residential community of the highest quality.

VI. VAIL CAPITAL PROJECTS

As a part of the 2009 Vail Transportation Master Plan and the 2009 Traffic Impact Fee Nexus Study, the Town identified a list of anticipated transportation capital projects that would accommodate projected growth. The project list and projected development growth has been recently updated, and now includes pedestrian and transit oriented projects. The preliminary total 2016 estimated cost of these multimodal projects is approximately $95M over the next 25 years. The cost of these improvements (Attachment C) is anticipated to be partially paid through the impact fee from the development of approximately 2,000 new residential units and approximately 500,000 square feet of new commercial development that is projected for the future of Vail. The project list has broken down the associated fiscal responsibilities, and split them between project specific costs, Transportation Impact Fee costs, and Town of Vail costs or other revenue sources.

In order to implement a Transportation Impact Fee, the anticipated transportation projects have been split into two categories, *Project level* and *System level* improvements. *Project level* improvements are directly related to an individual development and its required access. These types of Project level improvements are generally paid for by the individual developer. *System level* improvements enhance the carrying capacity of the transportation network system-wide and benefit multiple developments. System level improvements directly benefit new development and may also benefit existing users. The Vail Transportation Master Plan Project List includes both Project level and System level improvements. Of the total $95M of total project costs, approximately $20M is considered Project level, and approximately $75M is considered System level.

The majority, 72%, or $54M, of the $75M of total System Level project costs will need to be funded by the Town of Vail or other revenue resources; while 28%, or $21M, should be funded by the Transportation Impact Fee. The anticipated Project Level costs would be paid 100% by the specific project developments, approximately $20M.

VII. DRAFT TRANSPORTATION IMPACT FEE STUDY

TischlerBise has provided an updated nexus study, The Vail Transportation Impact Fee Study (March 10, 2017), and draft fee schedule for the Town's review. The draft fee schedule is based on anticipated future development, the current estimated cost of the capital projects to accommodate future development, and the appropriate proportioned fiscal responsibility. Since completion of the nexus study, it has been discussed that removing the square footage relationship within the detached unit, single family homes,

would be beneficial to the implementation of the fee. The proposed revised draft fee schedule is below.

Transportation Impact Fee Schedule

Maximum Supportable Transportation Impact Fees	
Residential Dwellings (per Unit)	
Dwelling, Two Family or Multiple Family (In the Core Area)	$ 5,960.00
Dwelling, Two Family or Multiple Family (Outside the Core Area)	$ 7,450.00
Dwelling, Single Family	$ 9,686.00
Employee Housing Unit	$0
Accommodation Unit (per Unit)	
Accommodation Unit (In Core Area)	$ 5,960.00
Accommodation Unit (Outside Core Area)	$ 7,450.00
Commercial (per square foot of floor area)	
Restaurant & Retail Establishments	$ 13.90
Facilities Health Care	$ 9.93
Office & Other Services	$ 6.20

Core Area is defined as per Figure 1 in the Vail Transportation Impact Fee Study (Attachment D)

The categories within the Transportation Impact Fee Schedule are further defined below and within Title 12-2-2. Any uses or development types not specifically defined below or within Title 12-2-2 shall be interpreted by the Administrator in accordance with the Vail Transportation Impact Fee Study.

Dwelling, Two Family or Multiple Family includes;
Dwelling, Two Family
Dwelling, Multiple Family
Fractional Fee Club Unit

Accommodation Unit includes;
Accommodation Unit
Accommodation Unit, Attached
Lodge Dwelling Unit
Lodge Unit, Limited Service
Timeshare Unit

Restaurant and Retail includes;
Eating and drinking establishments
Retail stores and establishments
Theaters

Office & Other Services includes;
Professional offices, business offices and studios

Banks and financial institutions
Personal services and repair shops
Child Daycare Center
Health Clubs / Spa
Commercial Ski Storage/Ski Club
Religious Institutions

For comparison, the following cities and counties have adopted impact fees shown within the table below. The closest relating community to Vail is Pitkin County which last had its Road Impact Fee updated in 2013.

Transportation Impact Fee Comparison

	Per Housing Unit		*Per 1,000 Sq Ft*	
	Single Family	*Multifamily*	*Retail*	*Office*
National Average (1)	$3,228	$2,202	$5,685	$3,430
Incorporated Areas in Colorado				
Durango (1)	$2,169	$1,298	$3,810	$2,823
Ft. Collins 2016 Draft (2)	$6,217	$4,095	$8,113	$5,977
Vail current*	$0	$2,366	$10,569	$9,685
Proposed in Core Area of Vail (2)	not applicable	$5,960	$13,900	$6,200
Proposed Outside Core Area (2)	$9,686	$7,450	$13,900	$6,200
Counties in Colorado				
Eagle Co. (1)	$4,378	$3,034	$9,026	$5,164
Jefferson Co. (1)	$3,276	$2,725	$7,120	$4,790
Larimer Co. (2)	$3,418		$8,812	$4,726
Pitkin Co. (2)	$9,339	$5,115	$10,910	$5,130
Weld Co. (2)	$2,377		$3,296	$2,174

Sources: (1) National Impact Fee Survey by Duncan Associations (2012). Single Family assumes 2,000 square feet. Nonresidential fees per thousand square feet assume a building with 100,000 square feet of floor area.
(2) TischlerBise. Single Family in Vail and Pitkin County assumes 4,000 square feet.
** Current fees in Vail are based on the net increase in PM Peak Hour vehicle trip ends generated by the entire development, with mitigation limited to certain areas and*

If the proposed Vail Transportation Impact Fee is adopted, the following is a projection of the amount of funding that would be generated by each development type:

Development Type	*Additional Development Units*	*Fee per Development Unit*	*Projected Revenue*	*Percent of Impact Fees*
Attached Housing Units in Core Area	705	$5,960	$4,202,000	20%
Attached Housing Units Outside Core	554	$7,450	$4,127,000	20%
Employee Housing Units in Core Area	41	$5,960	$244,000	1%
Employee Housing Units Outside Core	310	$7,450	$2,310,000	11%
Detached Housing Units	120	$9,686	$1,162,000	6%
Hotel Rooms in Core Area	270	$5,960	$1,609,000	8%
Hotel Rooms Outside Core	102	$7,450	$760,000	4%
Commercial KSF	320	$13,900	$4,448,000	21%
Hospital KSF	140	$9,930	$1,390,000	7%
Office & Other Services KSF	88	$6,200	$546,000	3%
		Total =>	$20,798,000	100%

VIII. DISCUSSION ITEMS

Based on discussions at the previous Planning and Environmental Commission meeting, staff provides the following additional information.

Sales Tax Equivalent

The PEC requested staff to provide the equivalent sales tax increase that would generate the necessary funding in lieu of the Transportation Impact Fee. Based on 2016 sales tax collection, it would take an additional 0.13% of sales tax to equate to ~$21 Million over the next 25 years. This does not take into account the growth of a sales tax base over the next 25 years, nor does it take into account the escalation of the cost of construction and the relating increases in the Transportation Impact Fee. Speculating each of these would not be prudent at this time; we assume at this point that each of the escalations may cancel each other out over time.

Any sales tax increase would require a vote of the community. At this time the Town Council has directed Town Staff to implement a Transportation Impact Fee and not an increase in sales tax.

Fee based on Parking Space Requirements

Staff has consulted with TischlerBise on how parking relates to development within the Vail Town Code. Both staff and TischlerBise recommend against relating the fee to parking for the following reasons:

- Parking requirement for communities reflect not only anticipated parking demand, but also incentives to encourage certain types of development or land uses. For example, in parts of Vail Village and Lionshead, there is no parking requirement for commercial uses. Not all land uses have a parking requirement.

- Parking requirements are based on the minimum number of parking spaces. Some developments will include more parking than is required by code.

- A larger burden might be put on single family dwellings as their number of parking spaces would range from 2 to 5, whereas multiple unit developments and hotels range from 0.4 to 2.5 spaces per unit.

IX. RECOMMENDED IMPLEMENTATION OF PLAN

Staff has had multiple discussions with Town Council with regards to the Vail Transportation Impact Fee Study and recommends the following implementation for the administration of this fee. These recommendations have been incorporated within the Code amendments attached:

- Modify the Transportation Impact Fee Rate Schedule, as shown above, to exclude the incremental detached single family square footage rate, and replace with a single fee rate for all new homes based on number of units. Therefore, the impact fee would apply only to new construction on vacant residential lots or on lots that demolish a single family home and build back with a duplex (or otherwise increase the number of units on a property). The fee would be $9,686 per new detached housing unit.

- Upon codification of the fee, Town staff will administer the fee in accordance with the terms and conditions as provided for in the amended Town Code, 12-26.

- The fee shall apply to all development and redevelopment except Employee Housing Units (EHUs).

- The fee rate schedule will be adopted by Resolution and will be updated on a yearly basis as needed, based on updated costs estimates of the identified capital projects.

- Project level improvements shall not be eligible for credits towards the impact fee, however if a developer constructs a system improvement on the capital improvement list, a credit and/or reimbursement may be provided to the developer for the amount of construction, up to the amount shown within the capital improvement project list.

X. VAIL FEE ANALYSIS

In order to better understand the true cost of development within Vail, and identify all of the fees and other costs the Town requires, staff has completed an analysis of a variety of project types. The analysis shows that, in general, the town imposes fees and other taxes that equate to approximately 3% of the value of the total construction valuation of a project. One exception shown is for the Solaris project, which paid approximately 7% of the total project valuation; the large discrepancy for this particular project is generated by the large Housing Fee-In-Lieu payment. The Transportation Impact Fee will generally increase the cost of development by 0% to 0.9%.

XI. STAFF RECOMMENDATION

Based upon the analysis of the review criteria contained in Section V of this memorandum and on the evidence and testimony presented, the Community Development Department recommends that the Planning and Environmental Commission make a recommendation to the Town Council to **approve** the proposed prescribed regulations amendment to Title 12, Chapter 26, Transportation Impact Fees, of the Town Code.

If the Planning and Environmental Commission chooses to recommend **approval** of the proposed prescribed regulations amendments, the Community Development Department recommends the following **motion**:

"*The Planning and Environmental Commission forwards a recommendation of approval to the Vail Town Council for a prescribed regulations amendment to the Vail Town Code, Title 12, by the adoption of a new Chapter 26, Transportation Impact Fees.*"

Before recommending approval of an application for a text amendment, the Planning and Environmental Commission shall make the following **findings** with respect to the requested amendment:

(1) That the amendment is consistent with the applicable elements of the adopted goals, objectives and policies outlined in the Vail comprehensive plan and is compatible with the development objectives of the town; and

(2) That the amendment furthers the general and specific purposes of the zoning regulations; and

(3) That the amendment promotes the health, safety, morals, and general welfare of the town and promotes the coordinated and harmonious development of the town in a manner that conserves and enhances its natural environment and its established character as a resort and residential community of the highest quality.

VI. ATTACHMENTS

Attachment A - Vail Transportation Impact Fee Study, March 10, 2017
Attachment B - Draft Ordinance
Attachment C - Development Fee Analysis
Attachment D – Core Area Map

Attachment G

Public Comment A

Tom Kassmel

From: Dominic Mauriello <dominic@mpgvail.com>
Sent: Wednesday, March 15, 2017 11:41 AM
To: Tom Kassmel
Cc: Matt Mire; George Ruther; Allison Kent; Greg Hall
Subject: Traffic Impact fees

Hi Tom:

I will not be able to attend your open house on traffic impact fees today. I have a cold I am dealing with and don't want to infect the world.

Here are some questions and comments that I think the Town should consider when deciding to adopt a new fee targeted to the last 5% of growth in Vail.

- Consider charging for parking in the summer and use the funds generated for these roadway improvements. There is a nexus in that those parking in Vail are impacting the entire roadway network. This would avoid imposing an additional fee on development that Vail needs and wants.
- There is a disconnect between the adoption of a traffic impact fee and the Town's other stated goals and incentives built into the Zoning Regulations. The Town wants additional employee housing and has an aggressive requirement already placed on development. Adding an impact fee on employee housing only exacerbates the problem and the ability to bring forward employee housing. The Town has incentivized the development of employee housing by not counting the GRFA and Density for this use in most zone districts. Employee housing units, in all of its forms, should be exempt from the impact fee.
- On this same disconnect, the Town has incentivized the development of hotel rooms/accommodation units by not counting hotel rooms against density. Additionally, every adopted master planning document discusses the importance of hotel rooms to the Town's vitality and especially the generation of revenues. Every hotel room created generates significant ongoing revenues to the Town, beyond that of just about any other use, including dwelling units. **However, the proposed impact fees are the same as applied to a dwelling unit.** This is a disincentive to creating hotel rooms within the Town. Another element that is also missing is the amount of hotel traffic that relies on the Town's bus system, hotel shuttles, and CME shuttles. It appears from the numbers that there is not enough credit being given to the reduction in traffic within hotel facilities versus dwelling units. Hotel rooms/accommodation units should be exempted from the Impact Fee.
- The Town has struggled for years with the loss of office space throughout the Town. Charging an impact fee on office or other commercial spaces, will further exacerbate this issue. It already does not make any financial sense to develop office space in the Town. This impact fee will had to that equation in a very negative way. Office space should also be exempt from the fee.

I believe there is a fundamental problem with adopting a traffic impact fee at this point in Vail's history. The fee makes it more difficult to attract and construct the kind of development projects the Town desires. The redevelopment of Lionshead is a great example of creating incentives to produce the type of development that will spin off huge revenues to the Town, way more revenues over the long haul than these upfront impact fees generate.

Does the Town have the right and the basis for adopting an impact fee? Of course it does. Is it the right thing to do or in the best interest of the Town's long term revenue goals? Absolutely not.

If the Town is short on cash related to road projects, think about: charging for summer parking; going to the voters to change how RETT funds can be used; and adopt a new property or sales tax dedicated road improvements.

Thank you for the opportunity to offer my thoughts.

Dominic F. Mauriello, AICP
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PO Box 4777
2205 Eagle Ranch Road
Eagle, Colorado 81631
970-376-3318 cell
www.mpgvail.com

Public Comment B

Tom Kassmel

From: Tom Ruemmler <TRuemmler@hotmail.com>
Sent: Wednesday, May 24, 2017 5:45 PM
To: Tom Kassmel
Subject: Re: Transportation Impact Fee Update

I want to make sure you have my comments on "impact" fees or any other fees on new construction accurately provided to the Town Council.

Impact fees are spreading across American like a wildfire. They will destroy American because they make housing more non-affordable for all.

Builders will add a significant profit on top of the fee because these fees are expenses out of their pockets before they start construction and because of time cost of money.

When new home prices rise 98 existing home values also rise.

To collect significant revenue from roughly less than 1% of the population, the fee has to be very large.

By over taxing new construction, (the new construction purchaser) 98 owners of existing homes get a tax free income equal to about 130% of the fee charged. This is because existing home owners can borrow against the increase value of their home that results from all new costs added to new construction.

A better alternative is to spread taxes of more people. This will make the tax per person significantly smaller (over 100 times less per person) and thus the tax is palatable.

There is only a traffic problem in Vail when lots of tourists are in town. Shouldn't tourist be the ones that should pay for the infrastructure?

Vail has a affordable housing problem. Why make matters worst by placing more costs on new construction.

Eliminating all fee that have been placed on new construction should be a major focus of all Town Councils.

I have personally witnessed a city of 200,000 go into bankruptcy as a result of fees placed on new construction.

Employers have to pay significantly higher wages if the costs of housing is high.

I problem the Vail Valley has is low wages. A Aspen ski instructor makes over twice a Vail instructors rate of pay.

Existing home owners believe they benefit from the increase values of their homes that result from fees on new construction. The benefit they receive quickly evaporates when they need to loan each of their children between $100,000 to $200,000 so they can qualify to purchase their first home.

Staff has been briefed on the unforeseen consequences of fees on new construction. I can't believe staff would consider approaching the Town Council with any proposal to fund anything, including infrastructure, which is mainly needed for peak tourist load, with fees on new construction.

During meetings held by Vail Valley Partners each contractor or developer that spoke on the panels explained the number one problem is fees on new construction.

Impact fees on new construction was one of the major route causes of the Housing and Financial crisis.

Tom Ruemmler
719 293-0655

From: Tom Kassmel <TKassmel@vailgov.com>
Sent: Wednesday, May 24, 2017 12:25 PM
To: Tom Kassmel
Subject: Transportation Impact Fee Update

All

The Transportation Impact Fee Study and Ordinance will be presented to the Town Council on June 6th (First reading).

Since Council's last review of the Study and the March public meeting some minor changes will be recommended to the Fee Schedule.

Attached is the updated Transportation Impact Fee Study for convenience, with the fee schedule shown on page 15.

Also, comments received to date will be submitted to the Town Council for review along with a staff memo.

The comments and staff memo will be available on-line on the Town Council Meeting Agenda page by June 2nd.

http://www.vailgov.com/government/town-council/council-agendas-meeting-materials/online-agendas

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If you would like to be removed from this email list please reply to this email.

Thank you.

Tom Kassmel
Town Engineer

Public Works Department

TOWN OF VAIL

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Why is the U.S. in this economic crisis?

A major **ROOT cause of this declining economy is over-taxation and over regulation of new construction by government which escalated home prices to unaffordable levels.** Below is a detailed explanation of the unforeseen detrimental ramifications of huge fees & regulations on new construction, what happened to the economy and logical low cost **solutions** which could greatly accelerate economic recovery in the U.S.

AN EXAMPLE OF OVER TAXATION & REGULATION FOR STOCKTON, CALIFORNIA

Stockton is one of California's "affordable housing cities" and the **epicenter** of the housing crisis. Stockton's building permit fees increased about 300% between 2002 and 2010 and totaled about $65,000 in 2010 for a 2000 sq. ft. home. There is another $60,000 of additional costs associated with well-intentioned, but not thought-through regulatory requirements. Governmental induced costs exacerbated inflation. In 2002, a new 2000 sq. ft. home in Stockton cost $255,000; in 2006 it cost $440,000 **(of which approximately $140,000 is from over-the-top regulatory fees).** Fees and regulations resulted in housing becoming unaffordable under the "old sound" borrowing requirements. Unfortunately government and private lenders responded to the unaffordability of homes by lowering borrowing requirements so people could buy homes to fulfill "the American Dream". Lower borrowing requirements resulted in many bad loans.

LENDING BLUNDER

Soaring new home prices drove up **existing** home values by approximately $140,000. All housing became less affordable, especially to first time home buyers. Because federal government encourages the American dream of home ownership, borrowing requirements were reduced. There is a belief that better communities are achieved with pride of ownership. This results in reduced expense for police services. Borrowing standards were greatly reduced and home ownership increased from 67% to 69%; yes, only a difference of 2%! Subprime loans, which were in existence for many years, started being used more frequently. Borrowing qualifications and requirements on subprime loans were substantially reduced. In order to get under qualified clients to qualify, some loan officers committed fraud and then collected their commissions.

CALIFORNIA LEAD THE U.S. INTO THE NATIONAL FINANCIAL CRISIS

25% of all bad home loans are from California. The bad loans were bundled with other loans to form loan packages sold by Wall Street. Some loans in the packages went bad. Bad loan packages resulted in the potential collapse of financial institutions and AIG who insured the packages!

GOVERNMENT TREATED THE SYMPTOMS AND NOT THE CAUSE

The U.S. Government attempted to stop a financial collapse by bailing out AIG, Fannie Mae, Freddie Mac and banks. Government tried to stimulate the housing economy with the $8,000 home purchase tax credit. The government bailouts benefit a few people, but they are costly for all taxpayers and merely treat the symptoms and did **not** fix the **ROOT** cause of the financial and housing crisis.

Local and state government's over taxation and regulation resulted in 35% of the cost of a new home's construction. This is what made housing unaffordable in the first place. **Passing federal legislation to limit fees and regulations to no more than 3% of the costs of a new home would eliminate the ROOT cause.** This legislation will not add to federal costs, is easy to enact and administer - and benefits society and all states equally.

When new homes become affordable, jobs will be created resulting in stimulating the economy. Affordable housing will result in a sustainable housing economy and lead the U.S. out of the financial crisis. Warren Buffet stated the economy will improve when residential construction improves!

Both political parties should be able to wrap their arms around legislation that limits fees and regulation to 3% of the cost of a new home. This legislation will stimulate jobs. The proposed federal legislation will force state and local governments to use tax dollars more effectively. It will force them to find alternative revenue sources that spread taxes more evenly across society. Spreading taxes evenly results in a larger number of people paying taxes and lowers taxes for each individual. Lower taxes are more palatable. Hopefully politicians that do not back this logical solution for the housing and financial crisis will be voted out of office.

Details of the solution are explained below.

SOLUTIONS ARE EASILY IDENTIFIED IF YOU SOLVE THE PROBLEM BACKWARDS

WHAT CAN THE AVERAGE PERSON COMFORTABLY AFFORD TO BUY?

In order to have a sustainable economy, an average household income must be able to comfortably afford a house using the old lending standards and a 7.5% interest rate. The mean household income in Stockton California is about $52,000. This income allows them to comfortably own a $150,000 home with 20% down. They would have a $120,000 fixed rate loan and would be paying 24% of their income for their principle, interest, taxes and insurance – their PITI payment.

WHAT A NEW HOME NEEDS TO SELL FOR: LESS THAN $176,000

A new home can sell for $176,000 if it can demand a 15% premium over an existing home.
A contractor can **NOT** build a $176,000 home if it costs **$50,000 to $140,000** for permits and regulations. In other states, fees and regulations are under $4,000 and contactors can and do build the average house for under $176,000 **Fees in California need to be under $4,000 to compete with other states and to achieve a sustainable economy. Lodi and Lathrop fees are significantly less than Stockton fees.**

THE RESULTS OF OVER TAXATION AND REGULATION INCLUDE THE FOLLOWING:

"LEVERAGE EFFECT" THE HUGE UNFORSEEN DETRIMENTAL EFFECT

Governmental officials did not foresee the leverage effect of placing $125,000 of fees and regulations on new homes. A 15% profit on the additional $125,000 of costs, increased new home prices by $144,000. There are at least 90 existing homes for every new home built. For every 1,000 homes built, there are 90,000 existing homes. These existing homes increased about **13 billion dollars** in value. Many existing homeowners used their homes like piggy banks by tapping into the increase home value. In addition, many people used subprime loans to refinance. **Records reveal the majority of subprime loans were refinances.** Many borrowers defaulted and walked from their loans after they "sold" their house to the lending institution. Foreclosures devastated the value of neighboring homes. Over **13 billion** dollars of additional buying power (demand) was created in Stockton and resulted in the unintended consequence of inflation, escalating housing prices even higher during boom times. Stockton has over 99,000 homes!

TAXES AND FEES ARE PALATBLE IF SPREAD ACROSS SOCIETY

If there are approximately 96 existing homes for every new home built (a 1.3% expansion rate). A better approach would be taxing **all** homeowners $688. This would collect the same amount of dollars as taxing the new home buyer $66,000 in fees. Since many of the regulations do more harm than good, the

government would only need to collect about $300 in additional taxes on **all** houses (existing and new) to cover worthwhile expenses. Three hundred dollars is palatable; $66,000 is not. Sixty six Thousand dollars ($66,000) greatly alters the free market system that the United States economy is based upon. History has shown that government decisions can greatly affect a free market economy.

WHY WERE FEES PLACED ON CONSTRUCTION IN CALIFORNIA?

Fees escalated under the **incorrect** assumption that California's Prop 13 (which limited property tax increases to 2% per year) reduced government's income. Government used Nexus reports to justify fees on new construction. The 2010-2011 Stockton Nexus report, states **"***Since the passage of Proposition 13, property tax revenues have been insufficient for capital funding…" "…Given these funding difficulties, the City requires new development to pay fees to fund the facilities necessary to accommodate growth."*

ANALYSIS REVEAL PROP 13 WAS NOT THE PROBLEM

If the property taxes collected in San Diego County in 2010 are divided by the property taxes collected in 1977 (the year before Prop 13), it is discovered that $7.20 is collected now for every dollar collected back in 1977. Adjusting the dollar by 85% population growth and by 260% inflation reveals that we should be only collecting **$4.80. Instead** we are collecting **$7.20** – this is **1.5 times** what we need to collect. The foregoing figures should be further adjusted because worker productivity increases should result in fewer tax dollars needed. A mere 1% productivity increase per year reveals that we only need to collect **$3.60.** However, government is collecting **$7.20 in property taxes, plus government is collecting exorbitant impact fees**. California ranks 14 in the nation for property taxes! California has one of the highest sales and income taxes, plus it collects impact fees on new construction!

WHERE DID THE MONEY GO?

In the 1970's, governmental employees wages were lower than the private sector but they had good guaranteed retirement and benefit programs. Currently I would highly recommend employment in the governmental sector (especially the local government sector) because of the generous wage and benefit packages as opposed to the private sector. Is the Stockton following in Greece's foot steps?

REGULATIONS – WELL INTENTIONED BUT NOT THOUGHT THROUGH

An example of "focused thinking" and not considering the unforeseen consequences of regulations is reflected in the attached pictures of a rainwater treatment tank that is installed in a subdivision of 303 homes on 77 acres in Stockton, California. The cost of this tank was about 2 million dollars. The rainwater treatment tank which is made from lots of steel and concrete is about 400 feet long, 16 feet wide, 8 feet tall and is buried about 20 feet underground.

The tank caused more environmental harm than good. Rainwater tanks have the potential to be huge methane bombs as organic materials, such as leaves, decay. Other flammables such as solvents, diesel fuel, oil and leaks from natural gas lines, can accumulate in the tank. The tanks are breeding ponds for the mosquitoes carrying the West Nile Virus. Other significant negative environmental effects of these tanks include the air pollution created; from hydrocarbons burned to dig the hole, install the tank, fuel burnt when the sediment that collects in the tank is hauled off and from the methane gas produced by decaying matter in the tank. Air pollution is also created from the production of the steel, concrete, and materials used for tank construction and transportation of those materials to the job site. Other detrimental effects include $50,000 in extra annual taxes collected from the 303 homeowners to maintain the tank. Additional taxes need to be collected to poison the water for mosquito prevention.

After 6 years the tank trapped four dump truck loads of sediment which was removed, dried and later placed in a landfill. Over $300,000 in taxes was collected for 4 dump truck loads of dirt!

If future development projects in the United States are required to have rain water treatment facilities. Over the next 100 years, billions of dollars will be spent and less than 1/100 of a percent of the rainwater runoff will be treated. The decontamination of the rainwater runoff will be negligible for the billions of dollars that will be spent. There are less expensive alternatives which can help the environment.

The initial cost of the rain water tank, ongoing taxes and environmental harm is just one example of "not thought through" government regulations that add to building costs**.** There are numerous other regulations that are not needed and counterproductive. If drastic changes don't occur to eliminate unnecessary regulations and dramatically reduce building permit fees and red tape, the future of the American economy will be affected for many many years.

There are many more "not thought through" government initiated programs that are mainly paid for by new construction. Examples are buying up developmental rights to leave land undeveloped and other regulations to protect the environment. These programs benefit everyone, but instead of spreading the cost over society and thus reducing the tax to a palatable figure, government placed the cost on one entity, the new home buyer. The cost of a mitigation measure that **benefits all** is not a fee. It is a tax because it benefits all. It is an **illegally** enacted tax. These taxes should not be added to new construction because it makes housing more unaffordable and adds to the ROOT cause of the housing crisis.

Government seems oblivious or unsympathetic to the fact that these costs accumulate and eventually overwhelm the new home buyer. Government did not understand that new construction pays its fair share. There are sales taxes on materials. Construction wages paid result in sales taxes when their families shop. A $300,000 home generates in excess of $13,000 in extra sales tax and another $330 from a .11% transfer tax. Some cities impose transfer taxes that exceeded 1%. In perspective, the $13,000 in extra taxes generated by a $300,000 home may be more than the state and federal taxes paid by individuals who purchase the new homes.

TAXES ON PROPERTY ARE DETRIMENTAL

Sales taxes and income taxes have a direct relationship to a person's ability to pay. Taxing property is a very poor choice because property taxes do not have a relationship to a person's ability to pay and greatly distress and burden the young, old (retired) and average income earner.

Certain things are needed to survive on earth. Government made them more affordable to all, by not taxing Food, Water or Air. Why did government choose to tax Shelter? This was a mistake!

Construction is a major economic engine, creating jobs and significantly decreases unemployment costs. Government should stimulate, not overtax, this sector of the economy.

A conflict of interest exists for lobbyists, environmentalists, government employees and the elected officials who voted to place huge costs on new construction. Community development departments increased in size and their budgets swelled during flush times. Because more money was available for government employee wages, benefits, and retirement programs, unions bargained for higher wages. An even greater conflict of interest was their homes increasing $115,000 in value for every $100,000 of fees and regulations. (The extra $15,000 represents the builder's profit on the $100,000 in extra costs).

Existing homeowners falsely believed they greatly benefited from the rising value of their home. Most homeowners did not realize the rapid price increases were in a large part due to fees and regulations. They borrowed against their increased equity and bought rental homes to get in on the rapid price increases. This led to the frenzied spiral of over-inflated home prices. However, even without the recession, the huge increase in equity in the existing homes evaporated when home owners had to lend their children money so their children could qualify and buy the higher priced homes.

SOLUTIONS

1. The key to a rejuvenated economy is addressing a **major ROOT** cause of the recession. One solution could be utilizing interstate commerce laws and passing federal legislation limiting total building permit fees and auxiliary costs to no more than 3 percent of construction costs. Passing such legislation will cost the federal government little, unlike the other bailouts the federal government has already authorized, such as the one time new homeowner's tax credit of $8,000 as previously discussed. That $8,000 tax credit benefited a select few at the cost of everyone. Passing legislation, as suggested, would help more people afford homes, be easier to administer, and greatly reduce the discrepancies in permit costs between cities, counties and states.

2. Another part of the solution is to pass legislation requiring studies of the unintended consequences of the mitigation measures recommended in the initial environmental impact reports, and that the proposed mitigation measures be required to: A) be reasonable; B) be the most cost effective solutions C) access their economic impact, D) have a positive economic impact E) be paid for by all (all who benefit). Environmentalists do not want to do more harm to the environment and should not be opposed to the legislation suggested.

Government use to pay for infrastructure while collecting a lower sales and income tax

More effective use of tax dollars is needed.

California already collects some of the highest income, sales and property taxes in the United States. Additional taxes on new construction are not needed and should not be relied on because they have huge detrimental leverage effect and other effects that are the **ROOT** cause of the economic crisis.

The majority of tax dollars is spent on education. Schools have **a terrible business** plan. The United States spends more than other nations on education but we test **near the bottom**. Since 1971 educational spending per student has doubled (after adjusting for inflation) yet test scores have remained the same.

We could easily cut education expenses in **half** and also **raise test scores**. I encourage you to go to Khanacademy.org which is a free educational web site backed by the Melinda and Bill Gates foundation. I suggest you and all parents view the 60 Minute episode on Khan academy www.cbsnews.com/video/watch/?id=7401696n and the video at the Khanacademy.org web site that describes why this education technique is successful. http://www.khanacademy.org/video/salman-khan-talk-at-ted-2011--from-ted-com?playlist=Khan+Academy-Related+Talks+and+Interviews. Another interesting TED TALK video by Professor Robinson about education is *http://www.ted.com/talks/ken_robinson_says_schools_kill_creativity.html*

Los Altos School District has had great success using Khanacademy.org.

If half of the dollars spent on education (or prisons) could be used for paying off the national debt and doing comprehensive reevaluations of all existing governmental programs, we could get out of this financial crisis.

These suggestions will increase governmental income as construction resumes. More sales tax would be generated from building materials and from income taxes realized from jobs created. The governmental expense of unemployment will be greatly reduced. The expense of specialized stimulus packages will be eliminated.

The government has a relatively short window of time to rectify the problem of overtaxing one entity (new homes). If legislation reduced the price of a new home built in 2010 from $350,000 to $225,000 by reducing the taxes, fees and over regulations on construction, it would be seemingly unfair to those

people who bought the $350,000 homes. However, the recession has already reduced the value of the $350,000 houses purchased between 2005 and 2008 to $200,000 and thus it will not affect these people.

Construction is a major economic engine. We have all witnessed the negative result of pushing the cost of housing beyond the grasp of the common citizen, the far-reaching effect on the entire economy and especially on those communities that overtaxed new construction. Many communities that did not overtax new construction did not have rapid inflation of home prices and thus home prices did not greatly decrease in this recession. The new legislation ACT suggests will not alter these markets. Our legislators must ACT now and if they don't, we must ACT now and vote them out of office.

A grass root organization called **ACT (Alliance for Controlling Taxes)** has been established by a group of citizens to educate politicians and the general population concerning the unforeseen consequences of putting fees and regulations on new construction. ACT intends to suggest solutions to stabilize and stimulate our failing economy. ACT welcomes all who would like to actively research and advocate for sound solutions, which may improve not only the local but the national economy. ACT will be funding the publication of the foregoing educational information in major newspapers, explaining why the U.S. is in the current recession and what citizens can do to counteract the continuing decline.

If you would like to join in this effort or to donate financially, contact ACT today. ACT anticipates support from Businesses and people from all walks of life, since nearly everyone is affected by this economic crisis. Your participation and or donation directly helps you. Also, people with a variety of skills are being sought to help with website development, identifying creative means of informing the public and access to public officials who have the ability to make the necessary changes.

Contact us at ACTforTaxChange @ gmail.com, or call 719 293-0655. Send donations to ACT, 2818 Golden Eagle Drive, Stockton, CA 95209

A Suggestion Made To ACT. ACT Welcomes Your Opinions & Suggestions

The mortgage crisis is created by what? People who cannot afford their mortgage payments. So we force them out of their homes. Banks go under, property values of nearby homes plummet, jobs are lost, and the American people get stuck with an $700 billion bailout.

Why not let these people stay in their homes, and let them continue making whatever payments they were able to afford in the beginning? Yet, nobody should get a free lunch. The government (a.k.a. US taxpayers) can pay the difference of the mortgage, and take partial equity on the value of the house. In other words, if the Fed pays $1000 of the mortgage payment, the Fed gets $1000 of equity and collects that equity when the home sells. The banks will not have bad loans. Banks will become liquid again because there will be less defaults. The housing market becomes stable again because the glut of short sales and foreclosures disappears. Our own property values will increase because there won't be "Short Sale" and "Foreclosure" signs everywhere. When the houses are eventually sold, American taxpayers reap the rewards of shared equity, leading to the possibility of reducing taxes in the future.

Sufficient laws must be in place preventing **any** bank or agency from making the kinds of loans that are unsustainable – the kind that got us where we are today.

Tom Ruemmler

TRuemmler@hotmail.com

719 293-0655

An expensive 400 foot long, 16 foot wide, 8 foot tall storm drainage tank. $50,000/year of taxes are collected from 303 houses to maintain the tank. Inside the tank are 3 foot tall dams about every 20 feet. The dams create many ponds. Fine dirt settles in the ponds. After many years, the sludge is removed, trucked to a site and dried. It is then trucked to a landfill. Billions of dollars will be spent on rainwater treatment, but very little water will be treated. Calculations reveal little if any improvement will be seen in the streams. The well intended Clean Water Act's implementation was not thought-through. Unintended consequences include air pollution and green houses gasses from the hydrocarbons burnt to manufacture, install the tank and haul off the sludge. The tanks can become huge bombs as a result of gases accumulating in the tank from the fermenting of organic matter such as leaves, or spillage of flammables, or from leaks in natural gas lines. The tanks are breeding pools for mosquitoes that can carry the West Nile Virus

Public Comment C

Tom Kassmel

From: Bob Essin <vailbob@comcast.net>
Sent: Monday, March 27, 2017 8:51 AM
To: Tom Kassmel
Cc: Suzanne Silverthorn; Greg Hall; Council Dist List
Subject: Re: "Vail Meeting to Focus on Transport Fee" March 15, 2017

March 27, 2017
Tom and Town Council,
Thank you for the information and follow up. I definitely agree that if an additional expense can be justified it should be covered in the increase in sales tax or even property tax that the Town receives from all people, property owners and visitors to TOV. The costs and delays in improving our properties is already significant and once done, the increase in property valuation provides additional taxes. The idea of a transport fee is bogus. How would we feel if the Federal Government decided it would increase I-70 traffic and pass a fee that would have to be paid by the landowner when they decided to build? Where does it stop? Nice try to create additional funds for all levels of government to collect additional funds without calling it a tax. Creative staff some times needs to be told NO. At least if you think it is justified, call it what it is, an increase in taxes and allow voters to vote on it. Town coffers may be down somewhat because of more expenses with items such as the underpass, but it is undeniable that TOV has more than enough money coming in from sales taxes and property taxes.
It's a beautiful day in Colorado,
Bob Essin
4264 Columbine Way #11
Vail, CO 81657
970-376-4484
Vailbob@comcast.net

Sent from my iPad

On Mar 22, 2017, at 08:37, Tom Kassmel <TKassmel@vailgov.com> wrote:

> Bob
> At the Vail Transportation Impact Fee meeting, staff received some comments regarding the proposed fee. Generally the comments were that this was an additional burden and targeted fee on new development, and that it is counter intuitive to some of the employee housing, Hotel, and commercial development goals the Town generally embraces, and that we would be better off dispersing the cost over a broader base with an increase in sales tax.
>
> Attached is a copy of the latest Vail Transportation Impact Fee Study and proposal as well as a single page fee table summary.
>
> Our next steps will be to review the fee with PEC in April and then return to Council in May for final review. We will provide all comments to Council for further discussion in May.
>
> **Tom Kassmel**
> Town Engineer
> Public Works Department

970.479.2235
vailgov.com
twitter.com/vailgov

From: Suzanne Silverthorn
Sent: Sunday, March 19, 2017 8:28 AM
To: Tom Kassmel; Greg Hall
Subject: Fwd: "Vail Meeting to Focus on Transport Fee" March 15, 2017

Do you have an update for Bob?

Suzanne Silverthorn, APR
Director of Communications
Town of Vail
970-479-2115
970-471-1361 (cell)

Begin forwarded message:

> **From:** Bob Essin <vailbob@comcast.net>
> **Date:** March 19, 2017 at 8:24:31 AM MDT
> **To:** Kevin Foley <kfoley@vailgov.com>, <towncouncil@vailgov.com>
> **Cc:** <vailbob@comcast.net>
> **Subject: "Vail Meeting to Focus on Transport Fee" March 15, 2017**
>
> I was unable to attend the meeting. What happened, is happening??
> It's a beautiful day in Colorado,
> Bob
>
> Bob Essin
> 4264 Columbine Way # 11
> Vail, CO 81657
> 970.376.4484
> Vailbob@comcast.net
>
> Sent from my iPad
>
> Begin forwarded message:
>
> > **From:** Bob Essin <vailbob@comcast.net>
> > **Date:** March 15, 2017 at 07:40:26 MDT
> > **To:** KFoley@vailgov.com, towncouncil@vailgov.com, editor@vaildaily.com
> > **Subject: Re: "Vail Meeting to Focus on Transport Fee" March 16, 2017**
> >
> > 3/15 not 3/16
> > Bob

Sent from my iPad

On Mar 15, 2017, at 07:19, Bob Essin <vailbob@comcast.net> wrote:

> "Vail Meeting to Focus on Transport Fee" is the heading of an article in 3/15 Vail Daily about today's meeting at City Hall. Transport Fee migration from current traffic mitigation fee. 22% of $95 Million. This sounds like a huge "tax" on any new development and/or replacement of existing residential and commercial square footage in Vail purportedly because it might somehow effect traffic. This is hardly a fee. This is a new tax and should be the subject of vote of town citizens.
>
> It's a beautiful day in Colorado,
>
> Bob Essin
>
> 4264 Columbine Way #11
>
> Vail, CO
>
> Vailbob@comcast.net
>
> 970.376.4484
>
> Sent from my iPad

<FeeScheduleBoard.pdf>

<2017-03-10 VailTranspImpactFeeDRAFT.pdf>