



Vail Transportation Impact Fee

September 19, 2017



Overview

- Adopted Transportation Impact Fee on July 11, 2017
 - Applies to new construction only, which adds;
 - New Units or
 - Commercial square footage.
 - EHU's exempt
- Implementation requires adoption of Fee Schedule by Resolution



Comments & Concerns

- Growth Projections unrealistic; defer fees until updated Town wide Master Plan can be completed
- No Impact Fees, Increase Sales Tax instead
- Vail Transportation Master Plan Capital Projects are unnecessary
- Timing of Implementation
- Medical Center category is not appropriate because of “decompression”
- Fees are too high and will deter development
- Ability for Council to waive/credit/negotiate fees under unique circumstances



Growth Projections

- Based on Vail Transportation Master Plan projections completed by the Town of Vail 2006-2008
- Assumes a new “Build-Out” scenario 25+ years out
 - 1982 new units
 - 521,000 SF commercial
- Comparison growth;
 - 2000 US Census units: 5389
 - 2010 US Census units: 7230
 - Net new in 10 years: 1841

Vail Long Term Development Projections (25+ Years)

| | <i>Net New</i> | <i>Net New</i> | |
|----------------------------|----------------|-------------------|---|
| <i>Development</i> | <i>Units</i> | <i>Commercial</i> | <i>Comment</i> |
| Ever Vail | 573 | 56,000 | Entitlements Approved |
| ERWSD | 26 | 24,000 | Considered relocation and becoming part of Ever Vail at one time, not entitled at this time |
| LH Parking Structure | 122 | 30000 | Plan developed at one time, currently not entitled |
| Lodge at Lionshead | 48 | 19000 | Plan developed at one time, currently not entitled |
| Lionshead Center | 33 | 10000 | Plan developed at one time, currently not entitled |
| Vail Transportation Center | 45 | 44000 | Plan developed at one time, currently not entitled |
| Evergreen Lodge | 50 | 20000 | Plan developed at one time, currently not entitled |
| Vail Valley Medical Center | 0 | 140000 | Currently in entitlement process for 110,000 SF |
| West Vail Commercial Area | 474 | 152000 | Planning exercise completed in 2005 for Live Work Development |
| Timber Ridge | 50 | 0 | Assumed increase density based on past development efforts |
| Marriott Residence Inn | 210 | 0 | Entitlements Approved |
| Chamonix Housing | 32 | 0 | Under Construction |
| Other Employee Housing | 150 | 0 | Assumed additional new construction EHU's based on 1,000 EHU goal |
| Other | 169 | 26,000 | Smaller increases contemplated throughout town. |
| Total | 1982 | 521,000 | |



Spread the burden with Sales Tax

- Council direction was to codify existing traffic mitigation fees that have been applied to PA, LMU, and SDD zone districts since 1999.
- Proposed Impact Fee could generate 22% of future transportation improvement project costs.
- Remaining 78% would be spread out amongst all users via;
 - Existing sales tax revenue
 - VRA TIF funding
 - Project level improvements
- Equivalent sales tax increase would be 0.13%



VTMP Projects Unnecessary

- Goal of VTMP Road projects;
 - Continue 4 lane median section from Municipal building west through Ever Vail/Underpass location when necessary
 - Add single point main access roundabout at the West Vail Commercial Area
 - Add left turn lanes at residential street intersections;
 - Buffehr Creek Rd
 - Lions Ridge Loop
 - Red Sandstone Rd.
 - Increase capacity at Vail Town Center and West Vail roundabouts as necessary



Timing of Implementation

- Staff recommends fee begins January 1, 2018.
- Exempt all projects approved or in approval process prior to that date
- In the interim existing regulations and/or developer agreements will still apply



Medical Center “decompression”

- Site specific traffic study completed and approved
 - Nets 118 new PM peak hour trips
 - Reduction included for employee shuttle program
 - Reduced parking requirement from 707 to 603 spaces
 - DIA requires mitigation at new codified fee
 - Net PM trip based 2005 fee: $\$6,500 \times 118 = \$767,000$
 - Net PM trip based 2017 fee: $\$11,200 \times 118 = \$1,321,600$
 - Net new SF based fee: $110,225 \text{ SF} \times \$9.93 = \$1,092,534$
 - Recommend the net new SF based fee.

Fees too high & will deter development

- Recent SDD approvals include the recommended Net PM Peak Hour fee of \$11,200/trip; this is equivalent to the recommended fee as shown above.
- Net PM peak hour fee rate & Construction Cost Escalation;
 - 2005: \$6500/net new PM peak hour trip
 - Cost escalation through 2016: 100%-157%
 - 2016 fee with escalation: \$13,000 - \$16,705
 - Recommended fee: \$11,200
 - 14%-33% less than the fee in 2005 when construction escalation is taken into account.



Ability to Waive/Credit/Negotiate

- Per Title 12-26, Transportation Impact Fee
- Credits provided for;
 - any dedication or conveyance of land
 - any construction of Town-approved System Level transportation infrastructure or facilities
 - 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 said credits shall be determined by the Town, in its reasonable discretion.

Recommended Fee Schedule & *Reduction Options*

| Maximum Supportable Transportation Impact Fees | | Recommended | 5% | 10% | 15% | 20% |
|---|----|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>Residential Dwellings (per Unit)</u> | | | | | | |
| Dwelling, Two Family or Multiple Family (In the Core Area) | \$ | 5,960.00 | \$ 5,662.00 | \$ 5,364.00 | \$ 5,066.00 | \$ 4,768.00 |
| Dwelling, Two Family or Multiple Family (Outside the Core Area) | \$ | 7,450.00 | \$ 7,077.50 | \$ 6,705.00 | \$ 6,332.50 | \$ 5,960.00 |
| Dwelling, Single Family | \$ | 9,686.00 | \$ 9,201.70 | \$ 8,717.40 | \$ 8,233.10 | \$ 7,748.80 |
| Employee Housing Unit | | \$0 | \$ - | \$ - | \$ - | \$ - |
| <u>Accommodation Unit (per Unit)</u> | | | | | | |
| Accommodation Unit (In Core Area) | \$ | 5,960.00 | \$ 5,662.00 | \$ 5,364.00 | \$ 5,066.00 | \$ 4,768.00 |
| Accommodation Unit (Outside Core Area) | \$ | 7,450.00 | \$ 7,077.50 | \$ 6,705.00 | \$ 6,332.50 | \$ 5,960.00 |
| <u>Commercial (per square foot of floor area)</u> | | | | | | |
| Restaurant & Retail Establishments | \$ | 13.90 | \$ 13.21 | \$ 12.51 | \$ 11.82 | \$ 11.12 |
| Facilities Health Care | \$ | 9.93 | \$ 9.43 | \$ 8.94 | \$ 8.44 | \$ 7.94 |
| Office & Other Services | \$ | 6.20 | \$ 5.89 | \$ 5.58 | \$ 5.27 | \$ 4.96 |
| Total Projected Revenue | | \$ 18,244,320.00 | \$ 17,332,104.00 | \$ 16,419,888.00 | \$ 15,507,672.00 | \$ 14,595,456.00 |
| Total Additional Amount Subsidized by Town | | \$ 2,553,860.00 | \$ 3,466,076.00 | \$ 4,378,292.00 | \$ 5,290,508.00 | \$ 6,202,724.00 |