



City of Savannah, Georgia  
Impact Fee Program



**METHODOLOGY  
REPORT**



Including:  
Parks and Recreation  
Fire Protection Law Enforcement  
Road Improvements



**DRAFT** June 15, 2022



# Impact Fee Study

# Methodology Report Briefing

Savannah  
City Council

June 23, 2022

# What is an Impact Fee?

- CHALLENGE:

- New development creates demands for schools, roads, public safety, parks, recreation, etc.
- Limited resources

- OPPORTUNITY:

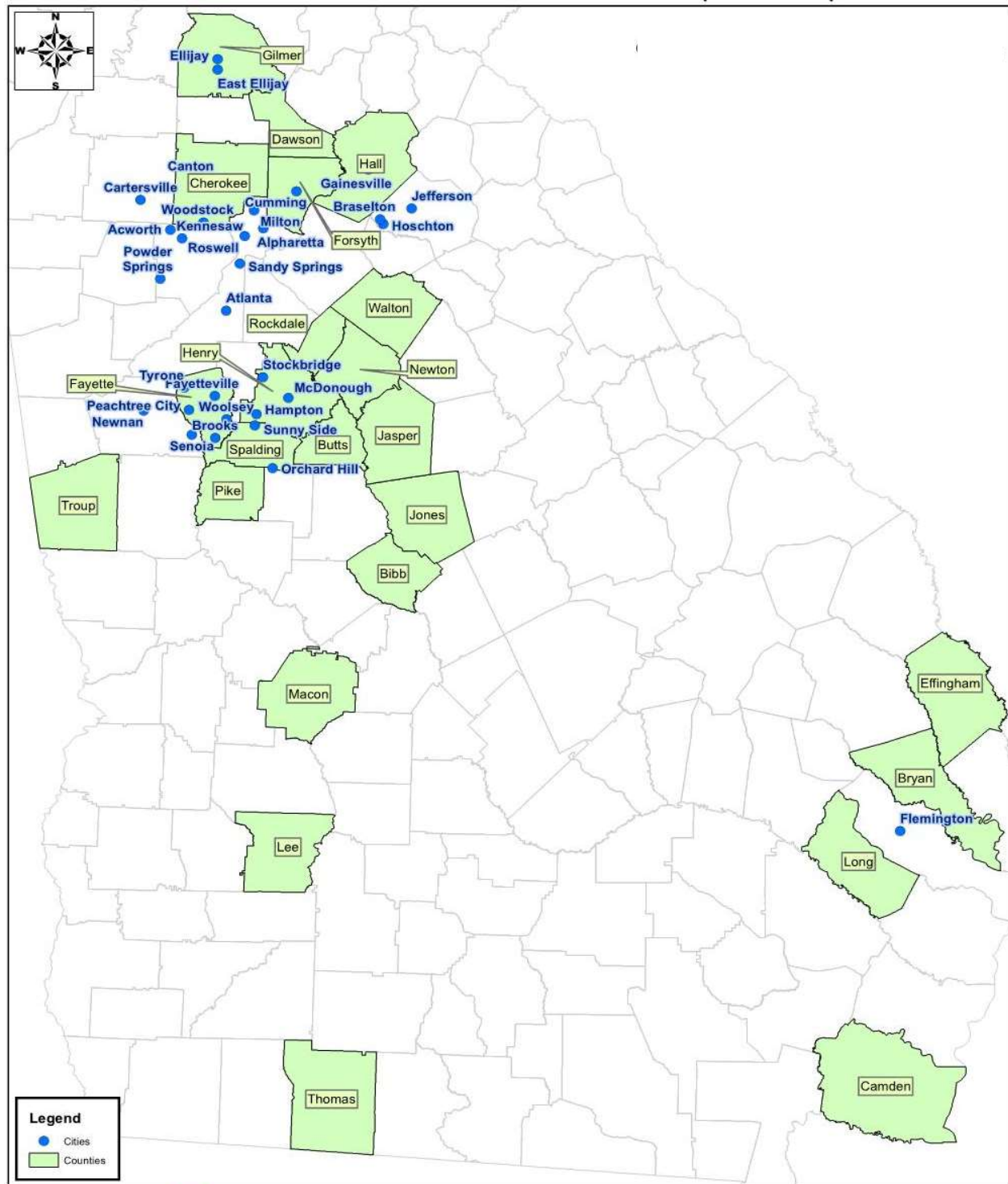
- Create an Impact Fee
- One-time fee charged to new land developers to defray costs of expanding capital facilities to serve new growth
- New development pays for fair share of public facilities needed to serve future growth



# How Are Impact Fees Regulated?

- Georgia Development Impact Fee Act (DIFA) under O.C.G.A. 36-71
- Must be linked to the Comprehensive Plan
- 7 specific types of public facilities or services:
  1. Roads/streets/bridges
  2. Parks/open space/recreation
  3. Public safety (police/fire protection/emergency medical and rescue facilities)
  4. Water supply/production/treatment/distribution facilities
  5. Wastewater collection/treatment/disposal facilities
  6. Stormwater/flood control facilities
  7. Libraries and related facilities
- Cannot be used for regular maintenance/operational expenses
- 3% of fees collected can be used to administer program

# Local Government Authorized to Collect Development Impact Fees\*



\* Pursuant to the Development Impact Fee Act, O.C.G.A. 36-71-1, et seq. as of January 1, 2021, GA Dept of Community Affairs

# Prior to Implementing Impact Fees Amend Comp Plan

*Development Impact Fee  
Compliance Requirements,  
O.C.G.A. 110-12-2*

- Conduct a “**Capital Improvements Element**” study that:
  - Maps service areas for each type of public facility/service for which impact fees will be charged;
  - Inventories existing and identifies proposed levels of service for each service area;
  - Establishes a projection of facility needs (based on levels of service and growth projections in the Comp Plan);
  - Crafts a five-year schedule of needed facility improvements; and
  - Develops policy statements regarding any proposed exemptions from impact fees.
- Create **Development Impact Fee Advisory Committee**
  - 50% represents development, building, or real estate industries
  - Five to ten persons
- Submit “**Capital Improvements Element**” to Regional Development Commission (RDC) and GA Dept of Community Affairs (DCA) for review
- Once reviewed, amend Comprehensive Plan to add a “**Capital Improvement Element**”
- Craft and adopt impact fee ordinance

# Implementation Timeline

Approved contract with Ross +  
Associates

- September 23, 2021

Appointed Development Impact Fee  
Committee

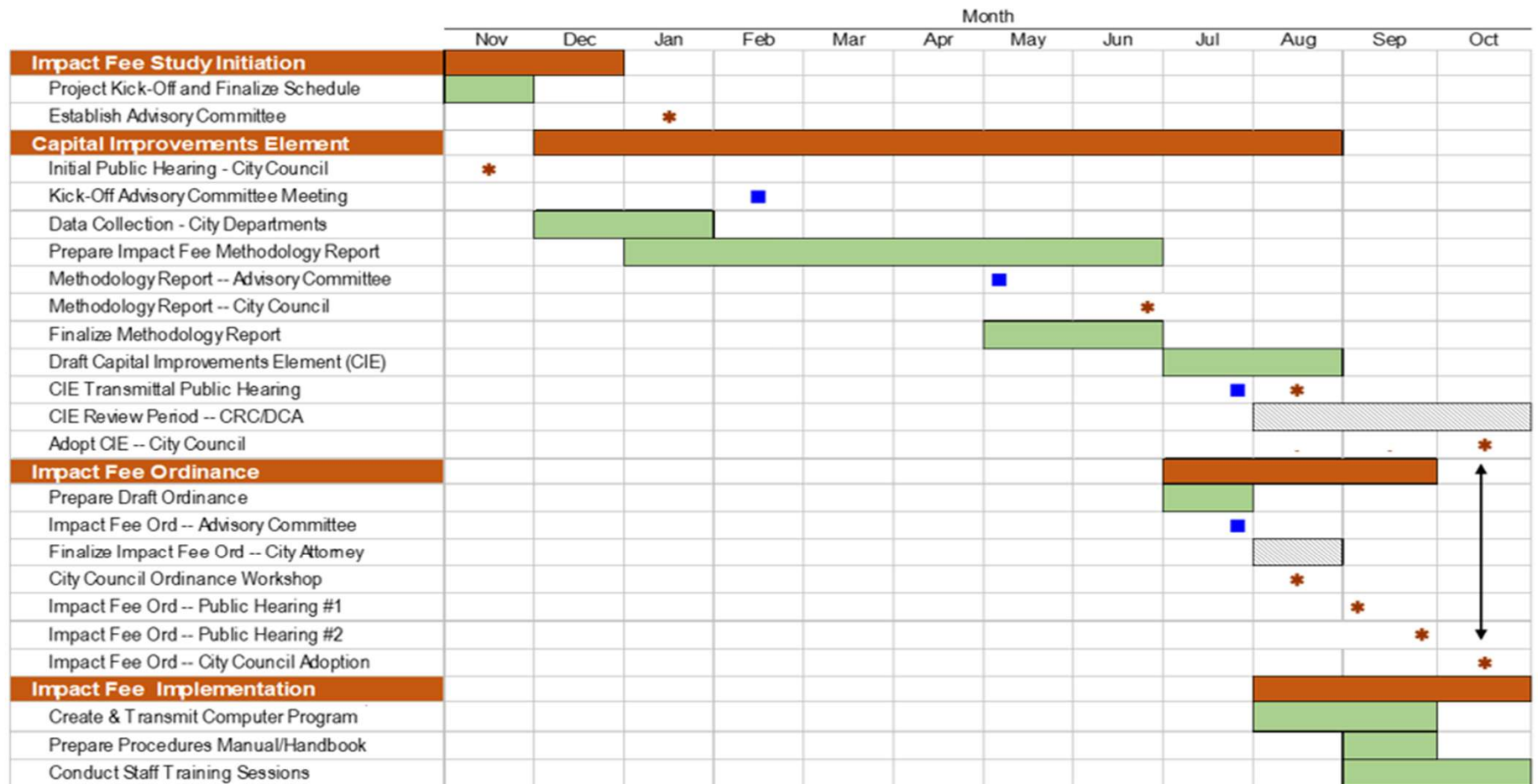
- January 23, 2022

Committee meetings

- February 23, 2022
- May 11, 2022
- June 9, 2022
- June 24, 2022

# Updated Timeline

## Schedule of Key Events Savannah Impact Fee Program



- Advisory Committee Meeting
- \* City Council Meeting or Workshop
- [Green Bar] Consultant Activity

# Impact Fee Development Committee

- Jim Collins
- Monica Mastrianni
- Tomeca McPherson
- Melissa Phillips
- Pat Shay
- Dwayne Stephens
- Jack Wardlaw

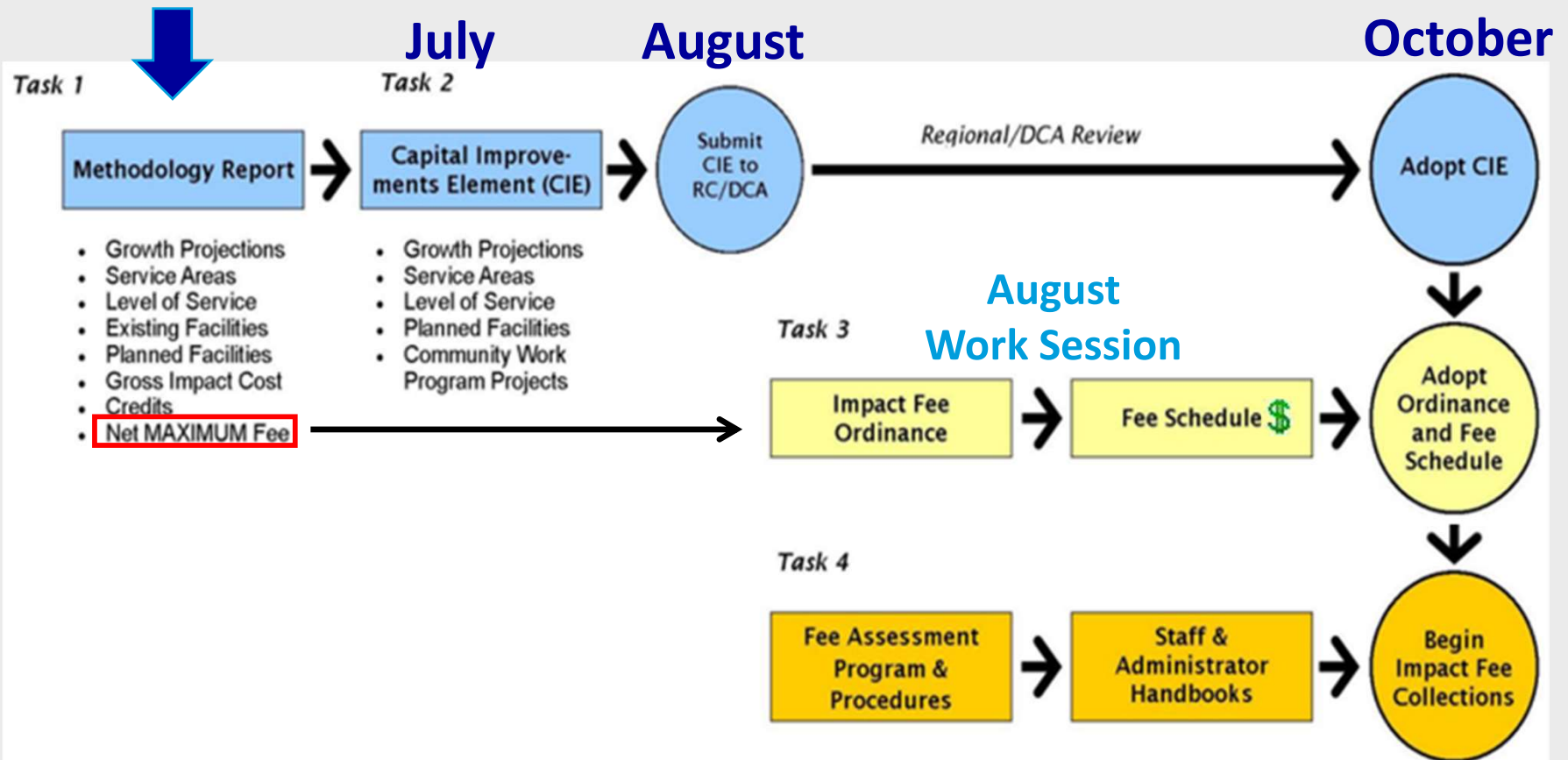
[savannahga.gov/impactfees](http://savannahga.gov/impactfees)



# Implementing Impact Fees

- Demonstrate direct benefit returned to developer in proportion to the fee paid
- Show fees are expended in designated service area where they are collected
- Return fees to developer if not encumbered within 5 years of collection
- Offer impact fee credit for system improvement constructed
- Provide an appeals process for developers
- Cannot assess impact fees on any development where building permit has been issued prior to ordinance adoption

# Where are we? *Project Workflow*



## Impact Fee Advisory Committee



## City Council Meetings



# Methodology Report & Impact Fee Basics 1

- New growth & development may not be charged more than their fair, proportionate share of capital improvements.
- There must be a connection between the fee charged and the improvements to be made.
- Calculations need not be mathematically precise, but a 'rough proportionality' is required.

# Methodology Report & Impact Fee Basics 2

- Calculations must be made in 'present value' dollars.
- The Level of Service provided must be the same for new development and existing taxpayers.
- Taxes generated by new growth that will be used to cover the non-eligible portion of impact fee projects must be credited against the impact fees.

# Methodology Report & Impact Fee Basics 3

- The impact fees are not etched in stone for all time:
  - The State requires Annual CIE Update reports\*, and
  - The CIE should be reviewed and amended from time to time as conditions change, and
  - The Fee Schedule can be changed as an amendment to the Impact Fee Ordinance.

*\*The 'Annual Update' cannot change the fee schedule or add new projects.*

# Methodology Report Contents

The **Methodology Report** sets out ...

... **forecasts to 2045** to calculate the demand for future services,

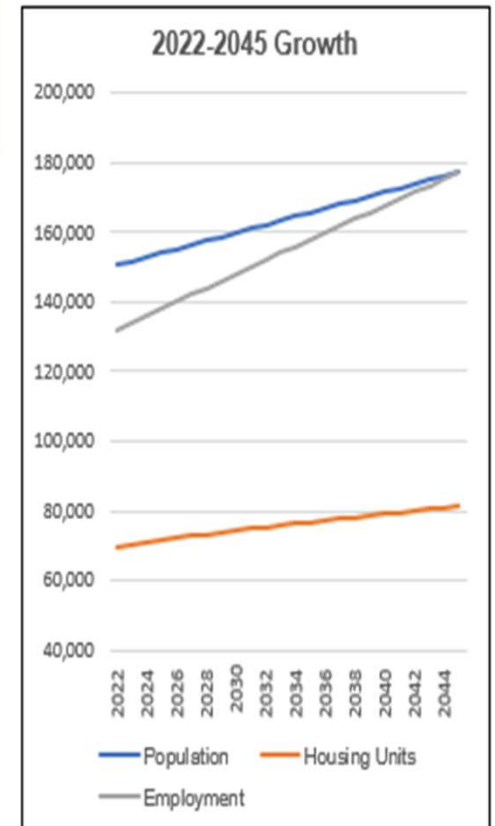
... **projected needs** for system improvements during the 20+ year planning horizon,

... **capital improvements** that will meet the anticipated need for system improvements, and

... the **maximum impact fee that could be charged** to help pay for the system improvements.

# Forecasts

	Population	Housing Units	Value-Added Employment	Day-Night Population
2022	151,335	69,752	131,923	283,258
2023	152,636	70,503	133,962	286,598
2024	153,936	71,218	136,002	289,938
2025	155,237	71,903	138,041	293,278
2026	156,538	72,563	140,084	296,622
2027	157,838	73,204	142,117	299,955
2028	159,139	73,827	144,157	303,296
2029	160,440	74,422	146,196	306,636
2030	161,741	74,994	148,234	309,975
2031	163,041	75,549	150,190	313,231
2032	164,342	76,085	152,147	316,489
2033	165,643	76,607	154,104	319,747
2034	166,943	77,119	156,061	323,004
2035	168,244	77,623	158,020	326,264
2036	169,545	78,123	159,969	329,514
2037	170,845	78,623	161,927	332,772
2038	172,146	79,116	163,883	336,029
2039	173,447	79,604	165,841	339,288
2040	174,748	80,092	167,796	342,544
2041	176,048	80,595	169,673	345,721
2042	177,349	81,119	171,552	348,901
2043	178,650	81,659	173,429	352,079
2044	179,950	82,206	175,308	355,258
2045	181,251	82,752	177,185	358,436
<b>2022-2045 Increase</b>	<b>29,916</b>	<b>13,000</b>	<b>45,262</b>	<b>75,178</b>



	Population	Housing Units	Value-Added
2022	151,335	69,752	131,923
2045	181,251	82,752	177,185
Increase	29,916	13,000	45,262
Percent	19.8%	18.6%	34.3%

\* Day-Night Population is the total of all residents living in the city and all jobs located in business uses subject to impact fees (i.e., the total population served on a 24-hour basis).

# Impact Fee Eligible Project Types

Needs/  
Capital  
Improvements



Recreation components, buildings, multi-use trails



Fire stations, training space, fire apparatus, auxiliary vehicles



Police precincts, substations, support space, specialized heavy vehicles



Road widenings, intersection improvements, signal upgrades



# Recreation Components

Component Type	Total Needed	Estimated Cost Per Unit*	Gross Cost Per Unit**	Total Cost (2022)	% Impact Fee Eligible	New Growth Share (2022)	Net Present Value***
<b>Park Acres</b>	0	-	-	-	-	-	-
<b>Recreation Buildings &amp; Supporting Facilities</b>							
Community Centers/Gyms (sq. ft.)	23,681	\$500.00	\$610.00	\$14,445,410.00	100.00%	\$14,445,147.70	\$18,402,894.29
Administrative Office Space	839	\$191	\$232.41	\$194,994.79	99.96%	\$194,922.74	\$248,328.56
Concession Stands	1	\$35,000.00	\$42,700.00	\$42,700.00	37.00%	\$15,799.00	\$20,127.68
Restroom Buildings	2	\$100,000.00	\$122,000.00	\$244,000.00	65.00%	\$158,600.00	\$202,053.94
<b>Park and Recreation Components</b>							
Baseball Field	3	\$500,000.00	\$610,000.00	\$1,830,000.00	93.33%	\$1,708,000.00	\$2,007,563.85
Basketball Court, Outdoor	9	\$100,000.00	\$122,000.00	\$1,098,000.00	97.33%	\$1,068,720.00	\$1,256,161.38
Dog Park	2	\$125,000.00	\$152,500.00	\$305,000.00	56.00%	\$170,800.00	\$200,756.39
Fishing Pier	1	\$1,000,000.00	\$1,220,000.00	\$1,220,000.00	19.00%	\$231,800.00	\$272,455.09
Multi-Purpose Field	3	\$800,000.00	\$976,000.00	\$2,928,000.00	99.33%	\$2,908,480.00	\$3,418,594.44
Pavilion	6	\$50,000.00	\$61,000.00	\$366,000.00	99.33%	\$363,560.00	\$427,324.31
Playground	11	\$125,000.00	\$152,500.00	\$1,677,500.00	100.00%	\$1,677,500.00	\$1,971,714.50
Softball Field	3	\$500,000.00	\$610,000.00	\$1,830,000.00	93.33%	\$1,708,000.00	\$2,007,563.85
Splash Pad	3	\$150,000.00	\$183,000.00	\$549,000.00	15.71%	\$86,245.65	\$101,372.16
Spray Pool	2	\$100,000.00	\$122,000.00	\$244,000.00	84.00%	\$204,960.00	\$240,907.66
Swimming Pool	1	\$3,000,000.00	\$3,660,000.00	\$3,660,000.00	100.00%	\$3,660,000.00	\$4,301,922.54
Tennis Court	7	\$80,000.00	\$97,600.00	\$683,200.00	93.14%	\$636,352.00	\$747,960.93
Volleyball Court, Outdoor	1	\$30,000.00	\$36,600.00	\$36,600.00	19.00%	\$6,954.00	\$8,173.65
Park Trails (miles)	1.46	\$300,000.00	\$366,000.00	\$534,360.00	100.00%	\$534,360.00	\$628,080.69
				\$31,888,764.79		\$29,780,201.09	\$36,463,955.90

# Parks & Recreation

## Multi-Use Trail System

Facility	Total Planned Miles	Estimated Cost Per Unit*	Total Cost (2022)**	% Impact Fee Eligible***	New Growth Share (2022)	Net Present Value****
Linear Park System (Tide to Town Trail)	27	\$3,000,000.00	\$16,200,000.00	20.97%	\$3,397,771.43	\$3,993,702.04

# Fire & Police

## Fire

Description	Number	2022 Cost Each*	Total 2022 Cost	Estimated Cost 2032 (NPV)**	% Impact Fee Eligible	Total Impact Fee Eligible Cost
New Building Area (sq.ft.)	45,982	\$ 351.00	\$ 16,139,799.37	\$ 20,561,854.25	100%	\$ 20,561,854.25
New Fire Apparatus	11	\$ 1,181,818.18	\$ 13,000,000.00	\$ 16,771,893.63	100%	\$ 16,771,893.63
New Support Fleet	9	\$ 58,066.67	\$ 522,600.00	\$ 674,230.12	100%	\$ 674,230.12
New Support Vehicle	1	\$ 58,066.67	\$ 58,066.67	\$ 74,914.46	86%	\$ 64,426.43
<b>Totals</b>		<b>\$ 1,298,302.52</b>	<b>\$ 29,720,466.04</b>	<b>\$ 38,082,892.46</b>		<b>\$ 38,072,404.43</b>

## Police

Description	Number	Unit Cost*	Total Cost	% Impact Fee Eligible	Total Impact Fee Eligible	Net Present Value**
Future Building Area (sq.ft.)	35,256	\$ 631.58	\$ 22,266,947.00	100%	\$ 22,266,947.00	\$ 31,252,911.18
Specialized Vehicle	1	\$203,333.00	\$ 203,333.00	100%	\$ 203,333.00	\$ 262,329.19
<b>Totals</b>			<b>\$ 22,470,280.00</b>		<b>\$ 22,470,280.00</b>	<b>\$ 31,515,240.37</b>

# Road Improvements

Project Description	Total City Cost*	Year of Completion	Net Present Value**	% Impact Fee Eligible***	New Growth Cost (NPV)
Stiles Ave. Widening Phase 2	\$ 5,000,000.00	2023	\$ 5,081,455.82	25.2%	\$ 1,301,372.00
Louisville / MLK Intersection Improvement	\$ 270,000.00	2024	\$ 278,868.89	25.2%	\$ 70,274.09
Benton Blvd. Widening Phase 1	\$ 12,500,000.00	2028	\$ 13,772,694.47	25.2%	\$ 3,470,675.96
Benton Blvd. Widening Phase 2	\$ 14,000,000.00	2028	\$ 15,425,417.81	25.2%	\$ 3,887,157.08
Skidaway Rd. Widening	\$ 15,000,000.00	2028	\$ 16,527,233.36	25.2%	\$ 4,164,811.16
Highlands Blvd. Widening	\$ 10,000,000.00	2028	\$ 11,018,155.58	25.2%	\$ 2,776,540.77
Gwinnett Street EB & SB Lanes & Signal Upgrade @ I-16	\$ 1,600,000.00	2032	\$ 1,880,621.87	25.2%	\$ 473,910.83
Gwinnett Street NB Lane Extension/ Additional Left & Right Turn lanes @ I-16	\$ 2,000,000.00	2032	\$ 2,350,777.34	25.2%	\$ 592,388.54
Gwinnett Street NB Turn Lane & Traffic Signal @ I-516	\$ 1,000,000.00	2032	\$ 1,175,388.67	25.2%	\$ 59,239.15
Jimmy DeLoach Pkwy. Widening	\$ 5,000,000.00	2032	\$ 5,876,943.36	25.2%	\$ 1,480,971.36
Louisville Rd. Widening	\$ 8,000,000.00	2032	\$ 9,403,109.37	25.2%	\$ 2,369,554.17
Louisville Rd. @ US 17 NB Off-Ramp & Traffic Signal	\$ 1,000,000.00	2032	\$ 1,175,388.67	25.2%	\$ 296,194.27
Derenne Ave. Operational Improvements & New Roadway	\$ 11,937,951.00	2034	\$ 14,492,642.94	25.2%	\$ 3,652,100.73
<b>Total</b>	<b>\$ 87,307,951.00</b>		<b>\$ 98,458,698.15</b>		<b>\$ 24,595,190.11</b>

# Maximum Impact Fee

Impact Fees for Selected Land Uses (at 100% of maximum fees)

Land Use	Parks & Recreation	Fire Protection	Law Enforcement	Road Improvements	Total Max. Impact Fee	<i>per</i>
Single-Family Detached Housing	\$ 3,088.25	\$ 1,217.82	\$ 1,008.11	\$ 231.06	\$ 5,545.23	<i>dwelling</i>
Mid-Rise Multi-Family 4-10 stories	\$ 3,088.25	\$ 1,217.82	\$ 1,008.11	\$ 116.39	\$ 5,430.56	<i>dwelling</i>
Warehousing	\$ 0.02	\$ 0.18	\$ 0.15	\$ 0.04	\$ 0.39	<i>square foot</i>
General Office	\$ 0.19	\$ 1.82	\$ 1.51	\$ 0.19	\$ 3.71	<i>square foot</i>
Medical-Dental Office Building	\$ 0.23	\$ 2.19	\$ 1.81	\$ 0.88	\$ 5.11	<i>square foot</i>
Hotel or Conference Motel	\$ 30.93	\$ 294.86	\$ 244.09	\$ 195.77	\$ 765.65	<i>room</i>
Day Care Center	\$ 0.12	\$ 1.18	\$ 0.98	\$ 1.17	\$ 3.44	<i>square foot</i>
Fast-Food Restaurant	\$ 0.58	\$ 5.56	\$ 4.60	\$ 11.45	\$ 22.19	<i>square foot</i>
Pharmacy/Drugstore w/drive-through	\$ 0.09	\$ 0.88	\$ 0.73	\$ 2.66	\$ 4.36	<i>square foot</i>
Convenience Store w/gas (< 5501 sf)	\$ 13.96	\$ 133.04	\$ 110.13	\$ 257.13	\$ 514.26	<i>per pump</i>
Supermarket	\$ 0.12	\$ 1.13	\$ 0.94	\$ 2.30	\$ 4.49	<i>square foot</i>
Drive-in Bank	\$ 0.17	\$ 1.62	\$ 1.34	\$ 2.46	\$ 5.59	<i>square foot</i>

# Maximum Impact Fee

**In August**, we need to discuss..

...**impact fee schedule** for adoption

- *fees in other communities*
- *fee scenarios – interactive exercise*

...**ways to reduce** impact fees

- *adoption of reduced fee schedule*
- *individual fee assessment*
- *individual appeals*
- *developer agreement (credits)*
- *exemptions*

# Next Steps in the Process



# Next Steps in the Process

