Wednesday, May 14, 2025, 12:00 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM

When: May 14, 2025 12:00 PM Eastern Time (US and Canada)
Topic: Ordinance Committee Meeting

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1. Agenda

1.1. Motion to amend/adopt agenda

2. Public Forum

Subject	**2.1. Verbal Comments**
Meeting	May 14, 2025 - Ordinance Committee Meeting - Wednesday, May 14, 2025, 12:00 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM
Category	2. Public Forum
Department	Council and Board
Type	

3. Impact Fees Ordinance Discussion

Subject	**3.1. BCO Impact Fees Discussion**
Meeting	May 14, 2025 - Ordinance Committee Meeting - Wednesday, May 14, 2025, 12:00 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM
Category	3. Impact Fees Ordinance Discussion
Department	Council and Board
Type	
Recommended Action	

Subject	**3.2. CDO Impact Fees Ordinance Discussion**
Meeting	May 14, 2025 - Ordinance Committee Meeting - Wednesday, May 14, 2025, 12:00 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM
Category	3. Impact Fees Ordinance Discussion
Department	Council and Board
Type	
Recommended Action	

4. Any Other Committee Business

Subject	**4.1. Any Other Committee Business**
Meeting	May 14, 2025 - Ordinance Committee Meeting - Wednesday, May 14, 2025, 12:00 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM
Category	4. Any Other Committee Business
Department	Council and Board
Type	
Recommended Action	

5. Adjournment

Subject	**5.1. Motion to adjourn**
Meeting	May 14, 2025 - Ordinance Committee Meeting - Wednesday, May 14, 2025, 12:00 PM, Bushor Conference Room 1st Floor, City Hall OR REMOTELY via ZOOM
Category	5. Adjournment
Department	Council and Board
Type	
Recommended Action	

BTV Impact Fee Program

Revisions & Implementation

May 19, 2025

What to Expect Tonight

- Overview of Current Fee Program
- Review of Proposed Recommendations
- Ordinance & Administrative Regulation Changes
- Implementation Schedule

Current Fee Program

- Charges on new development to defray capital costs directly related to new development
- Spend on:
  - Improvements needed to serve growth
  - Maintain level of service as City grows
  - Projects with community-wide benefit (not just one development)
- Cannot be spent on:
  - Maintenance, operations, existing deficiencies
  - Project-specific impacts
  - Paying for same improvements twice (double charging)
- City's fees 1st adopted in 1990's – have not been evaluated since
- Impact Fees supplement the City's other capital revenues

Current Fee Program

- Affordable & Senior Housing are exempt
- Fees are charged per 1,000 sq ft.
- Larger homes pay more than smaller homes

Department	Residential	Industrial	Offices & Other	Retail
	$ per 1,000 sq. ft. - in 2023 dollars			
Traffic (DPW)	$224	$299	$771	$839
Fire	253	224	227	227
Police	51	400	400	400
Parks	848	481	478	478
Library	525	0	0	0
Schools	1,095	0	0	0
Total	**$2,996**	**$1,404**	**$1,876**	**$1,944**

Source: City of Burlington

Current Fee Program – Revenue History

- $350,000/year in fee revenue total (10-year average)
- $30,000-80,000 across individual fee categories
- Not enough for significant capital projects

Fee Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2024 Total	2014-2024 Ann. Avg.
Traffic	$15,956	$108,317	$35,287	$75,599	$156,560	$148,181	$165,906	$69,141	$4,395	$48,086	$26,121	**$853,549**	**$77,595**
Fire	$10,149	$47,704	$17,378	$43,529	$55,319	$63,569	$79,193	$10,136	$1,226	$17,234	$27,520	**$372,957**	**$33,905**
Police	$6,208	$51,538	$20,587	$70,348	$37,936	$59,331	$96,775	$16,245	$2,247	$24,085	$7,002	**$392,301**	**$35,664**
Parks	$31,089	$124,353	$48,848	$124,957	$137,357	$168,670	$190,026	$20,941	$3,087	$42,564	$92,582	**$984,474**	**$89,498**
Library	$19,536	$42,080	$15,947	$31,978	$69,664	$68,156	$72,544	$5,832	$3,038	$13,968	$57,502	**$400,245**	**$36,386**
School	$40,778	$87,838	$42,990	$156,750	$69,358	$122,835	$201,786	$17,685	$6,343	$24,792	$118,119	**$889,275**	**$80,843**
Total	**$123,716**	**$461,830**	**$181,037**	**$503,161**	**$526,195**	**$630,742**	**$806,231**	**$139,979**	**$20,336**	**$170,728**	**$328,846**	**$3,892,800**	**$353,891**

Source: City of Burlington

Why Adopt Changes Now?

- General Fund Impact Fees have not been updated since 1992
- Reduce opportunities for implementation confusion by streamlining fee regulations and creating efficiencies for future revisions and updates
- Capital Project List & City Asset Needs have changed – more need in areas of deferred maintenance vs capital expansion
- Fees have not been updated to reflect current asset inventories, replacement costs, or inflation since 1992
- Timing pairs well with budgetary needs for some capital projects
- Increase opportunities to allocate limited capital resources to other asset categories that will not receive fees

  - Transportation Projects have made up **~73%** of the total General Fund capital budget over last 8 years

Why Adopt Changes Now?

- Water Resources Impact Fees were eliminated in the 1990s, reducing available capital revenues for 3+ decades
- Implementing some amount of Water Resources fees now helps ensure near-term development projects contribute to costs of replacement for existing infrastructure that supports their projects

  - With the passage of the LAKE & WATER bonds, WRs will be updating the fees to include both current “buy-in” portion **<u>and</u>** eligible costs from capacity expansion projects

  - The proposed updates to the Impact Fee Ordinance & Administrative Rules lays the foundation for all of these changes to occur efficiently

Proposed Impact Fee Program Recommendations

EPS	RSG	Raftelis
Fees Reviewed: - Parks, Police, Fire, Library, & School	Fees Reviewed: - Restructuring Traffic Fee to be Transportation & Multimodal Fee (capacity to increase moving people)	Fees Reviewed: - Water & Sewer Buy-In Impact Fees

Fee Study Process:

- Draft nexus study calculations
  - Inventory City capital assets & current replacement costs
  - Calculate potential for new impact fees with current fee categories
- Department Interviews: Reviewed Capital Project Lists for **ALL** fee categories
  - Identify capital expansion projects
  - Found that most capital projects are for maintenance & upgrades
- Reorganized Fee Categories
  - Combined fee categories to give more flexibility to spend funds
  - Revised nexus study & fee calculations

Proposed Impact Fee Program Recommendations

Decision Criteria:

1. If we collect Impact Fees, can we spend them on eligible projects?
   a) Is there a nexus to growth/development?
   b) Do projects add capacity to provide services?

2. Will we need other funding to close the gap?
   a) Do we need other money to "unlock" the impact fees?
   b) Can we spend impact fees within 6 years?

3. Will Impact Fees generate enough money to be worthwhile?

Proposed Impact Fee Program Recommendations

Overall Recommendations:

- Continue collecting Impact Fees, but **FOCUS** on Transportation, Water & Wastewater:
  - Essential Infrastructure
  - Large Capital Costs
  - Best Nexus with New Development
  - Solid Capital Project Lists for the next 10-years
- Shifting the "capital fee stack" frees up other capital revenues for other assets (i.e.: Fire, Police, Library, & Parks)
- Moderate fee increases
- Opportunity to reevaluate fees every five years

2022: Studies Began

11/2022: 1st Stakeholder Meeting

7/2023: 4th Round of Stakeholder Meetings

11/2024: Final Stakeholder Meetings

1/2025: 1st Work Session with City Council

3/2025: 2nd Work Session with City Council

4/2025: Planning Commission Presentation

Study Example: Review of Capital Project Lists

Project	Estimated Cost	% Allocated to Growth	Impact Fee Eligible Cost	Status
Calahan Park				
Community Garden Expansion	$116,000	100.0%	$116,000	Unfunded long-term
Multi-Use Building + Covered Outdoor Space	$625,000	100.0%	$625,000	Unfunded long-term
Primary and Secondary Paths	$1,000,000	100.0%	$1,000,000	Unfunded long-term
Multi-Use Pavilion / Ice Rink	$900,000	100.0%	$900,000	Unfunded long-term
Subtotal	**$2,641,000**		**$2,641,000**	
Total	**$2,641,000**		**$2,641,000**	

Source: City of Burlington; Economic & Planning Systems

Total **Eligible** Project Cost ≠ Fee Revenue Generated from new fees

For All Capital Asset Project Lists Reviewed*:

- Removed any maintenance/replacement projects
- Focused on projects that met nexus requirement
- Revenue is collected from any eligible development project
- Timeline to spend is 6 yrs
- Most identified projects need additional funding to complete making it harder to spend fees in 6 years

*Note: The City Project Team & its Consultants met with all fee stakeholders, including Parks, DPW, Police, Fire, Library, and the School District.

Proposed Impact Fee Program Recommendations

Transportation Impact Fee:

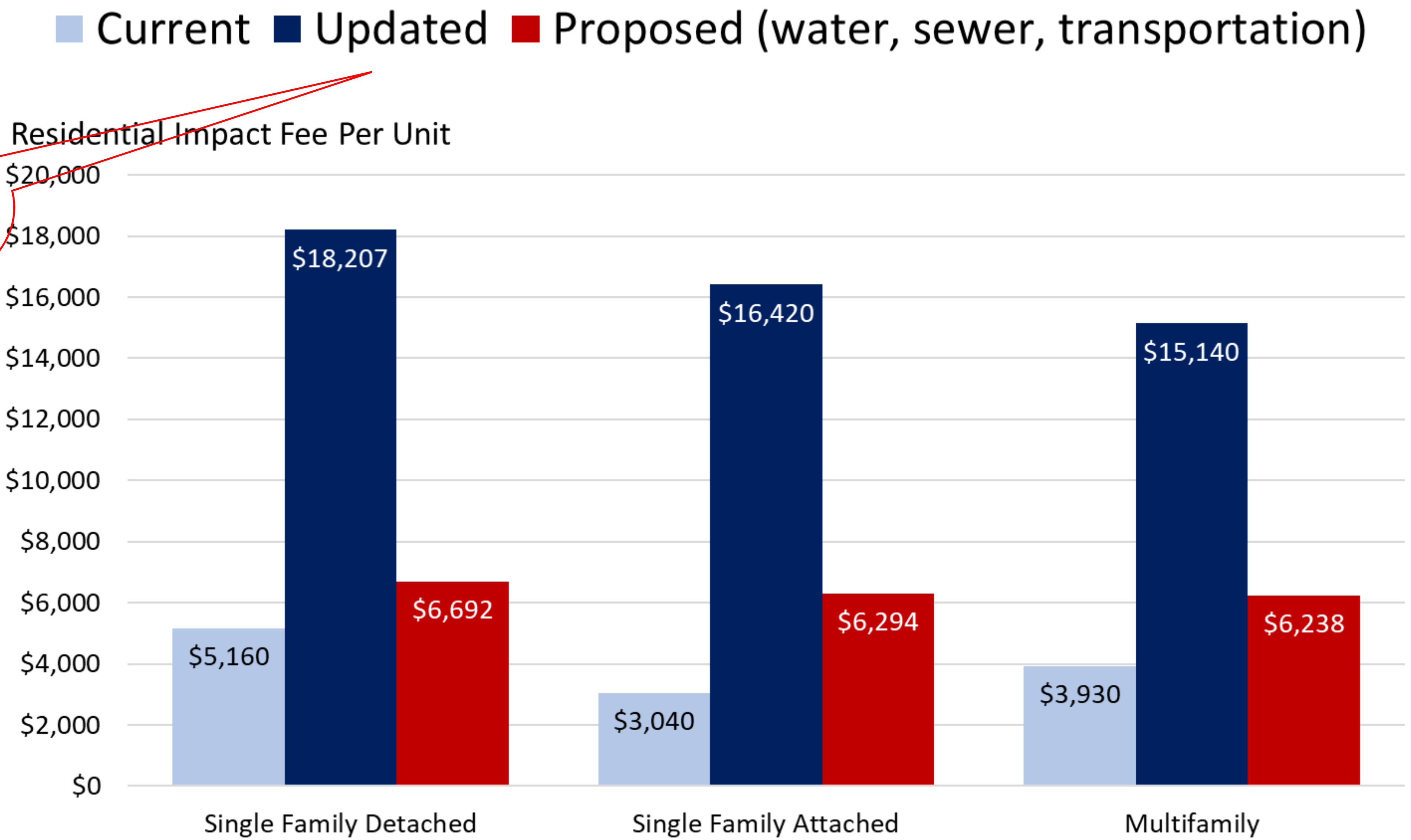
- City has a strong capital plan of transportation projects that meet nexus criteria
- Utilizes a base impact fee per PM peak hour (4-7 PM) vehicle trip
- Study Recommendation = **$1,203/new PM peak hour vehicle trip** (incorporates grant funding opportunities for transportation projects)
- Encourages development of land uses that encourage walking and biking

Water & Wastewater Buy-In Fees:

- Assess one-time charges on new water/wastewater connections to recover up-front costs the City has incurred for users to access existing system capacity
- Fee based on gallons per day for water usage and wastewater discharge
- Water & Wastewater usage is calculated based on type and size of development
- Will adopt incremental component of an impact fee for capacity expansion related portions of capital projects now that bonds have passed
- Revenue will offset future debt service for all rate payers (including the new development)

What this looks like (per unit basis)

Updated asset values/ costs = large increase



Surrounding Community Comparison (per unit basis)

Community	School	Parks/Trails/ Recreation	Fire	Police	Facilities	Fleet	Transport./ Roads	Water	Wastewater	Total
Single Family										
Burlington (Draft Proposed)	$0	$0	$0	$0	$0	$0	$871	$4,169	$1,653	$6,692
South Burlington	$8,900	$964	$0	$0	$0	$0	$1,010	$3,410	$3,459	$17,743
Colchester	$0	$0	$0	$0	$0	$0	$0	$1,250	$0	$1,250
Winooski	$0	$0	$0	$0	$0	$0	$0	$2,811	$2,856	$5,667
Essex	$0	$628	$0	$0	$0	$0	$0	$3,124	$2,239	$5,991
Essex Junction	$3,800	$628	$0	$0	$0	$0	$0	$0	$1,510	$5,938
Williston	$0 [1]	$2,100	$0	$0	$0	$0	$1,789	$2,376	$3,261	$9,527
Shelburne	$0	$1,864	$0	$0	$0	$0	$0	$3,598	$3,425	$8,887
Multifamily										
Burlington (Draft Proposed)	$0	$0	$0	$0	$0	$0	$417	$4,169	$1,653	$6,238
South Burlington	$4,600	$641	$189	$353			$670	$3,410	$3,459	$13,322
Colchester	$0	$0	$0	$0	$0	$0	$0	$1,250	$0	$1,250
Winooski	$0	$0	$0	$0	$0	$0	$0	$2,811	$2,856	$5,667
Essex	$0	$473	$0	$0	$0	$0	$0	$3,124	$2,239	$5,836
Essex Junction	$2,000	$473	$0	$0	$0	$0	$0	$0	$1,510	$3,983
Williston	$0 [1]	$1,659	$0	$0	$0	$0	$915	$1,395	$1,914	$5,883
Shelburne	$0	$1,017	$0	$0	$0	$0	$0	$3,598	$3,425	$8,040

[1] The School Impact Fee pursuant WDB 44 was retired on November 18, 2024.

Source: Economic & Planning Systems

Proposed Ordinance Changes

The City's current Impact Fee Regulations live in 3 places:

- B.C.O. Section 21-41: https://www.codepublishing.com/VT/Burlington/#!/Burlington21/Burlington2101.html#21-41.
- B.C.D.O. Article 3, Part 3: https://www.burlingtonvt.gov/DocumentCenter/View/2501/Applications-Permits-and-Project-Reviews-PDF?bidId=, beginning at p. 3-23.
- The City's Impact Fee Administrative Regulations: https://www.burlingtonvt.gov/730/Impact-Fee-Administrative-Regulations.

- Having the same set of rules in 3 places can create confusion & conflicting regulations.
- Staff recommends updating the Administrative Regulations, to include the complete set of impact fee regulations and newly adopted fee amounts.
- If DPI continues to administer the fee program, staff recommends repealing the Ordinance Code reference & amending the Comprehensive Development Ordinance (CDO) to reference the Administrative Regulations.

Proposed Ordinance Changes

<u>Summary of Staff Recommendations for Implementation</u>:

- Update the Administrative Regulations to include the complete set of impact fee regulations & the newly adopted fee amounts.
- Repeal the Ordinance Code reference and amend the Comprehensive Development Ordinance to reference the Administrative Regulations.
- Determine what role the Department of Permitting & Inspections will play in fee collection.
- May need to include impact fee legislation in either or both the Comprehensive Development Ordinance and Ordinance Code, with appropriate cross-references.
- Update regulations to clarify which inflation measure to apply.
- Review existing waivers and consider eliminating some.
- Consider fee credits for offsite construction other than streets/sidewalks and water infrastructure essential to the development of the project.
- Consider Inclusionary Zoning changes alongside proposed Impact Fee Changes.

Proposed Ordinance Changes

What Exemptions Should Apply?

- <u>Current</u> exemptions include:

  - Additions to an existing residential unit

  - Certain other additions & changes in use

  - School impact fees for senior housing projects

  - Affordable housing waivers for affordable units in excess of IZO requirements (ranging 25-100%, depending on levels of affordability)

  - Inclusionary Units

  - Community garden waiver

- Staff Recommendations: **maintain existing waivers except** –

  - Community Garden waiver: Eliminate as it has never been used and would be moot with adoption of new fee structure

  - Senior Housing Project waiver: Leave dormant in case future school fees are adopted

*** Projects that do not change the water or wastewater demand would be exempt from the Water Resources Impact Fee**

Proposed Ordinance Changes

Credits:

- City's regulations provide that offsite improvements (except for streets/sidewalks & stormwater, sewer, & water infrastructure essential to development of a project) cannot be required in a category for which fees are paid.

- Staff recommends instead that developers be given fee credits for other project exactions.

Proposed Ordinance Changes

Impact Fees & Inclusionary Zoning

- Impact Fees & Inclusionary Zoning requirements are two of the primary development costs required by the City.
- Most potential amendments to IZ standards would reduce IZ burden to developers:
    - Elimination of the highest IZ requirement tier (25%)
    - More easily utilize the off-site requirement
    - Allow payment-in-lieu in some cases where not allowed today
    - Allow flexibility in mix of for-sale and rental units in large projects
- The payment-in-lieu fee is low and proposed to increase substantially
- Moderate Impact Fee increases would be coupled with greater flexibility in Inclusionary Zoning standards & requirements.

Implementation Schedule

Date	Body
May 12th	City Council – Introduce proposed amendments to BCO § 21-41
May 12th – May 19th	City Councilors prepare for a study session on May 19th
May 13th	Planning Commission Hearing to review CDO Amendment
May 19th	City Council study session
June 2nd	City Council: 2nd reading of proposed BCO amendment; introduction of Administrative Regulations (to include adoption of new impact fees)
Later in June	City Council: Return for final adoption of Administrative Rules, if necessary, and for hearing and adoption of proposed CDO amendment
July 1st	Effective Date of new fees

Questions?

Thank you!

Supplemental Information

Detailed Fee Comparison: Current vs Proposed

Impact Fee	School	Traffic	Parks & Rec.	General Facilities	General Fleet	Library	Police	Fire	Sewer	Water	Total	% Change from Current
Residential Fee Per Unit												
Updated Fee												
Single Family Detached	$0.00	**$870.95**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,652.70**	**$4,168.80**	**$6,692.45**	29.7%
Single Family Attached	$0.00	**$472.54**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,652.70**	**$4,168.80**	**$6,294.04**	107.0%
Multifamily	$0.00	**$416.94**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,652.70**	**$4,168.80**	**$6,238.44**	58.8%
Current Fee												
Single Family Detached	$1,885.84	**$385.78**	$1,460.45	$0.00	$0.00	$904.17	$87.83	$435.72	**$0.00**	**$0.00**	**$5,159.80**	
Single Family Attached	$1,111.24	**$227.32**	$860.58	$0.00	$0.00	$532.79	$51.76	$256.75	**$0.00**	**$0.00**	**$3,040.45**	
Multifamily	$1,436.22	**$293.80**	$1,112.25	$0.00	$0.00	$688.60	$66.89	$331.84	**$0.00**	**$0.00**	**$3,929.61**	
Non-Residential Fee Per "Unit/1,000 sq. ft."												
Updated Fee												
Retail/Commercial	$0.00	**$3,681.07**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$314.80**	**$463.20**	**$4,459.07**	129.4%
Restaurant	$0.00	**$4,695.72**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$13,399.71**	**$9,106.71**	**$27,202.15**	N/A
Hotel	$0.00	**$287.23**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,158.00**	**$787.00**	**$2,232.23**	N/A
Office	$0.00	**$1,334.22**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$172.64**	**$254.03**	**$1,760.89**	-6.1%
Industrial	$0.00	**$602.25**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$140.92**	**$207.35**	**$950.52**	-32.3%
Warehouse	$0.00	**$166.78**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$178.51**	**$262.67**	**$607.96**	-56.7%
Institutional/Nursing Home	$0.00	**$546.66**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,040.59**	**$1,531.13**	**$3,118.38**	66.2%
Current Fee per 1,000 Sq. Ft.												
Retail/Commercial	$0.00	**$839.00**	$478.00	$0.00	$0.00	$0.00	$400.00	$227.00	**$0.00**	**$0.00**	**$1,944.00**	
Office	$0.00	**$771.00**	$478.00	$0.00	$0.00	$0.00	$400.00	$227.00	**$0.00**	**$0.00**	**$1,876.00**	
Industrial	$0.00	**$299.00**	$481.00	$0.00	$0.00	$0.00	$400.00	$224.00	**$0.00**	**$0.00**	**$1,404.00**	
Warehouse	$0.00	**$299.00**	$481.00	$0.00	$0.00	$0.00	$400.00	$224.00	**$0.00**	**$0.00**	**$1,404.00**	
Institutional	$0.00	**$771.00**	$478.00	$0.00	$0.00	$0.00	$400.00	$227.00	**$0.00**	**$0.00**	**$1,876.00**	

Source: City of Burlington; Economic & Planning Systems

Supplemental Information: Capital Project Lists

PROJECT NAME	DESCRIPTION
Union Street	Increase capacity through upgrading bike lanes to be protected.
Battery Street	Increase capacity by shifting road space to accommodate higher capacity modes
North Street	Increase capacity by shifting road space to accommodate higher capacity modes
Pearl Street	Increase capacity by shifting road space to accommodate higher capacity modes
Main Street (East)	Increase capacity with a multimodal shared path
Colchester Ave	Increased capacity through improved transit infrastructure, multimodal shared use path, and improved signalization

Transportation/Multimodal Impact Fee:

Constructing Capacity by 2035 that will serve growth beyond that timeframe.

Impact Fees are assessed **only** the share of capacity consumed during the next 10 years.

$34 million of project costs. City aims to pay for 80% of project cost via Federal support – Reducing costs to $6.8 million eligible for impact fee

Supplemental Information: Capital Project Lists

Water & Sewer:

- Buy-In Impact Fee Revenue will be spent on any replacement/renewal projects within the wastewater and water systems, including but limited to:

  - Replacement/relining of water mains or sewer pipes
  - Replacement of water treatment/supply and wastewater

Supplemental Information: Capital Project Lists

General Facilities:

- $9.1M in eligible costs
- Significant other funding needed to bridge gap
- Some renovation projects that will have marginal capacity increases

Project	Estimated Cost	Useful Life [1]	% Allocated to Growth	Impact Fee Eligible Cost	Status
Library					
North Branch Expansion	$360,000	---	100%	$360,000	Unfunded long-term
Fletcher Library Renovation	$25,000,000	30 years	18.9%	$4,727,873	Unfunded long-term
2 Library Material Hold Lockers	$21,000	10 Years	8.2%	$1,717	Unfunded long-term
Police					
Office Renovation for CSOs and CSLs	$1,200,000	---	100%	$1,200,000	Current Need
Fire					
Fire Station Consolidation	$15,000,000	30 years	18.9%	$2,836,724	Unfunded long-term
Total	**$41,581,000**			**$9,126,314**	

[1] Useful life before replacement or significant capital re-investment is needed.

Source: City of Burlington; Economic & Planning Systems

Supplemental Information: Capital Project Lists

General Fleet:

- 1 net addition to Fleet identified
- Fleet replacement is not eligible

Project	Estimated Cost	% Allocated to Growth	Impact Fee Eligible Cost	Status
EMS Director Truck or new batallion car	$70,000	100%	$70,000	In Current Funding Request
Total	**$70,000**		**$70,000**	

Source: City of Burlington; Economic & Planning Systems

Supplemental Information: Capital Project Lists

Project	Estimated Cost	% Allocated to Growth	Impact Fee Eligible Cost	Status
Calahan Park				
Community Garden Expansion	$116,000	100.0%	$116,000	Unfunded long-term
Multi-Use Building + Covered Outdoor Space	$625,000	100.0%	$625,000	Unfunded long-term
Primary and Secondary Paths	$1,000,000	100.0%	$1,000,000	Unfunded long-term
Multi-Use Pavilion / Ice Rink	$900,000	100.0%	$900,000	Unfunded long-term
Subtotal	**$2,641,000**		**$2,641,000**	
Total	**$2,641,000**		**$2,641,000**	

Source: City of Burlington; Economic & Planning Systems

Parks & Recreation:

- Screened out: Marina, waterfront, & pier maintenance/replacement projects ($2.5M)
- Calahan Park
  - In an area planned for new development
  - Heavily used

OFFICE OF THE CLERK TREASURER

City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401 **Voice (802) 865-7000**
Fax (802) 865-7014
TTY (802) 865-7142

MEMORANDUM

TO: Board of Finance

FROM: Ashley Parker & Erik Ramakrishnan

DATE: May 12, 2025

RE: An Ordinance re Impact Fees, Amending B.C.O. § 21-41

Context

Impact fees are fees charged on new development to help defray the cost to the City of providing infrastructure necessary to accommodate population growth. As indicated below, the City has not analyzed its impact fees in three decades, and staff will be coming to City Council before the start of the new fiscal year to request the adoption of updated fees. Separate but related to this update, staff requests that the City Council update the rules governing the City's impact fee program.

Authority for impact fees in Vermont is found at 24 V.S.A., Chapter 131, which largely codifies limitations on impact fees guaranteed by the federal constitution. Chapter 131 is implemented in the City of Burlington through three separate, duplicative sources of law. First, Section 21-41 of the Burlington Code of Ordinances (BCO) authorizes the City Council to adopt fees and to establish administrative rules for the City's impact fee program by resolution. Pursuant to this authority, the City has adopted Impact Fee Administrative Regulations, most recently updated as of Fiscal Year 2023. Because the BCO describes the impact fee program in significant detail, these Administrative Regulations largely restate rules already provided by ordinance.

In addition to BCO § 21-41 and the Administrative Rules, to provide notice of the impact fee program to developers, Article 3, Part 3 of the City's Comprehensive Development Ordinance (CDO) also refers to impact fees. Like the Administrative Regulations, the CDO largely restates rules already set forth in the BCO. However, the CDO includes some minor differences, such as by establishing a "community garden" impact fee waiver program that has never been used by developers.

Having the same rules spelled out in three places creates opportunities for discrepancies and is also an obstacle to updating impact fees more regularly. Thus, in tandem with the proposed impact fee update, staff asks the City Council to update the rules governing impact fees. The goal is for BCO § 21-41 to be scaled back to serve as true enabling legislation, and for CDO Article 3, Part 3 to be scaled back simply to provide notice to developers that the City has an impact fee program. Meanwhile, the details of the impact fee program would be spelled out in the Administrative Regulations only, which can be amended by City Council resolution.

Tonight staff is asking the City Council only to introduce the proposed amendments to BCO § 21-41 so that the Ordinance Committee can begin its review and report back to the City Council. The discussion that follows outlines next steps of the fee update process and, for context so that councilors can prepare for a study session regarding impact fees on May 19, 2025, details of the proposed impact fee update are provided in the “informational” section below. A PowerPoint presentation given by staff in January is attached to this staff report for further context.

Requested Action and Next Steps

Summary:

- Tonight: Introduce proposed amendments to BCO § 21-41.
- Between now and May 19, 2025, councilors are requested to prepare for a study session on May 19, 2025. Please refer to the “informational” section below and the attached PowerPoint presentation from January 2025.
- May 19, 2025: Study session re proposed impact fee update.
- June 2, 2025: Second reading of proposed BCO amendment; introduction of updated Administrative Regulations, which would include the adoption of new impact fees.
- Later in June: Return for final adoption of Administrative Rules, if necessary, and for hearing and adoption of proposed CDO amendment.
- July 1, 2025: Effective Date of new fees.

Detailed Explanation of Next Steps:

Again, this week staff is simply asking the City Council to introduce the proposed ordinance amending BCO § 21-41 so that the Ordinance Committee can take a more detailed look at the proposal and report back to the City Council. Updating the ordinance is not a necessary step to establishing new impact fees in time for Fiscal Year 2026, but staff requests that the City Council adopt the ordinance on second reading by June 2, 2025, so that the rules governing the City’s impact fees will all be cleaned up and in alignment in time for the start of the new fiscal year on July 1, 2025. To facilitate this alignment, staff is currently working with the Ordinance Committee in an attempt to schedule a meeting later this week to begin its review of the proposed ordinance.

As indicated above, an amendment is also proposed to the CDO, and the Planning Commission is scheduled to hear the proposed amendment tomorrow, May 13, 2025. Staff intends to bring this amendment forward to the City Council in June. Staff also intends to share the proposed CDO amendment to the Ordinance Committee at the same time as the BCO amendment, and if the Ordinance Committee is comfortable with the change, the City Council may decide that it is unnecessary to refer the CDO amendment to the Ordinance Committee after that amendment is introduced to the City Council in June.

Next week, on May 19, 2025, staff intends to conduct a study session for the City Council of the larger proposal to update impact fees. The staff report for the study session will also attach the draft proposed update to the Administrative Rules so that councilors can begin their review. The updated Administrative Rules largely reorganize existing rules but also include the proposed fee update as well as clarifications and modifications to existing fee exceptions, waivers, and credits, and special provisions to accommodate the inclusion of water and wastewater fees.

If the Ordinance Committee’s review is complete in time, on June 2, 2025, staff will return for the second reading of the proposed BCO ordinance and for the introduction of a resolution updating impact fees and adopting the revised Administrative Regulations. If the City Council is ready to adopt the resolution, it may do so that evening. Otherwise, staff will be happy to respond to any additional questions, comments, or concerns councilors may have, in which case the resolution can brought back on June 23, 2025.

Informational re Proposed Impact Fee Update

In 2022, City staff began two important studies to review and update the existing impact fees and their structures. The current fees had not been reviewed since 1992, despite the fact that it is customary for impact fees to be reviewed every 5 years. The studies reviewed City growth projections and development trends, anticipated capital needs, the relationship of those capital improvements to growth, and provided guidance to the City on the "maximum defensible fee" amount that could be charged. In addition to these two studies, the Water Resources Division of DPW initiated its own study to evaluate the potential for a Water and Wastewater System Development Charge, as the City does not currently collect fees related to these services.

Non-Transportation Impact Fee Study

A first study as part of the current fee update was led by Economic & Planning Systems (EPS), and they were charged with reviewing all existing impact fees, minus the Traffic fee. This included an in-depth review of the Library, Parks, Fire, Police, and School fees as they were established in 1992. While these fees have been adjusted annually since adoption based on changes in the Consumer Price Index (CPI), they were not updated to reflect current asset inventories, replacement costs, or inflation.

As City staff worked with EPS to further evaluate fee scenarios, it became clear that while the City's capital project list is expansive, many of the projects captured are more focused on deferred maintenance of existing assets versus capital expansion of assets. This translates into a small selection of capital projects being eligible for use of impact fees annually, which then raises questions around whether the City would be able to spend collected fees within the 6-year statutory time period. This is because impact fees must be used for capital projects that accommodate population growth. They are not intended to meet existing operational needs.

As a result, staff recommends that fees for Library, Parks, Fire, Police, and Schools no longer be collected. The City should reevaluate their collection over the next five years to determine if the City's capital needs and the nexus to development have changed. Importantly, however, those services may still be benefited by the proposed fee update in that, if the City can generate adequate income through impact fees for other types of capital projects that can be constructed in the statutory 6-year time period, then capital debt that would otherwise be required to fund those projects can be used for other purposes, including to meet library, park, and public safety needs.

This is an important concept to emphasize: if the City collects impact fees but does not have adequate funds to fully fund the capital projects for which the fees are intended, then the City cannot spend the fees it collects and may even be required to refund those fees. As such, it is better to earmark fees to targeted projects that will materialize within the 6-year statutory time period. Targeting impact fees in this way is in the best interest of the overall financial health of the City, which will benefit all of the City's programs and services.

Transportation Impact Fee Study

Unlike for Library, Parks, Fire, Police, and Schools, the City has transportation projects in the pipeline ideally suited to be funded through impact fees. To analyze this potential, the City received funding support from the Chittenden County Regional Planning Commission to work with RSG on evaluating the City's existing Traffic Impact Fee and look at options for transforming that fee into a Transportation (Multi-modal) Impact Fee. When initially established, the Traffic Impact Fee was restricted to mitigating intersection impacts, including signalization and lane configurations. Given the City's policies around multi-modal transportation planning and infrastructure priorities, the City wanted to explore a more holistic Transportation Impact Fee that could support bike and pedestrian capital infrastructure, as well as transit infrastructure if feasible.

The study analyzed local traffic generated by anticipated future development, using the PM Peak Hour Trip End (4-7 pm) as the basic unit of analysis. If adopted, impact fees recommended as a result of the RSG study would not be assessed on trips occurring outside of the PM peak design hour, encouraging the development of land uses that propose to make more efficient use of existing transportation infrastructure. Fees would be assessed on vehicle trips, which encourages a greater variety of land uses with greater intensity and connectivity in urban centers to facilitate walking and biking.

The City has a well-developed list of transportation/multi-modal capital projects for the next 5-10 years, of which a third of the new capacity created has a strong nexus to development. Through this study, six projects were identified as priority projects eligible for impact fee funding. These projects were adjusted to remove segments that replaced or removed capacity (as only new capacity is eligible); and also reduced the cost share by accounting for future grant awards that would likely cover 80% of the total project cost. The project list evaluated by this nexus study can be updated and reevaluated over the next five years.

City staff recommend that the City Council adopt the Transportation Impact Fee Nexus Study and implement the fees as described, utilizing a base impact fee per PM peak hour vehicle trip of $1,203. This new fee would replace the old Traffic Impact Fee.

<u>Water & Wastewater System Development Charge</u>
Concurrent to the Impact Fee studies noted above, the Water Resources Division of DPW evaluated a potential water and wastewater System Development Charge. This is very similar to impact fees assessed in other capital areas, with a different name and a different, legal, methodology for determining a defensible fee based on the dynamics of the water resources assets and needs. This approach is sometimes called a "buy-in" strategy.

A "buy-in" strategy satisfies federal and state limitations on impact fee assessments that is ideally suited for calculating water and wastewater fees. Essentially, in planning for future growth, the City's water and wastewater systems have existing capacity to accommodate some amount of development. Under a buy-in strategy, developers pay their fair share of the past costs to the City of providing that excess capacity. This provides revenue to defray future capital replacement and other costs to take the burden off of ratepayers who have already paid to construct the existing excess capacity.

To calculate the fair share that new development should pay by way of a System Development Charge, the report analyzed the current system capacity available to provide service to both existing and future customers, and was calculated based on the current value of the water and wastewater systems' assets. This calculation also backs out the portion of outstanding debt principal that is still being paid for these assets via the retail rates and charges that customers pay to ensure that new impact fees will not be duplicative of that payment.

The report recommends a fee based on gallons per day for water usage and wastewater discharge. Total fees will vary by specific development types based on their unique design flows, i.e., the actual anticipated usage and discharge resulting from a project, which is required to be reviewed during permitting for both state and local processes. City staff recommend that the City Council adopt the new Water and Wastewater System Development Charge Study and implement the fees as described. With the passage of the LAKE and WATER bond in March 2025, which include capital needs related to both the update of existing systems with remaining capacity and expansion of capacity, Water Resources will soon be updating the per gallon charge to reflect the justifiable investment from new development.

Proposed Motion

To waive the reading and approve the first reading of the proposed ordinance amending Burlington Code of Ordinances Section 21-41 re impact fees, and to refer the proposed ordinance to the Ordinance Committee to report back as soon as possible.

CITY OF BURLINGTON

ORDINANCE ________
Sponsor: Clerk/Treasurer, City Atty.
Public Hearing Dates: ___________
First reading: _________________

In the Year Two Thousand Twenty-Five

Referred to: ___________________
Rules suspended and placed in all stages of passage: ______________
Second reading: ________________
Action: ______________________
Date: ________________________
Signed by Mayor: ______________
Published: ____________________
Effective: _____________________

An Ordinance in Relation to

IMPACT FEES

It is hereby Ordained by the City Council of the City of Burlington as follows:

That Chapter 21, Offenses and Miscellaneous Provisions, of the Code of Ordinances of the City of Burlington be and hereby is amended by amending Sec. 41, thereof to read as follows:

(a) *Authority*. This section is enacted pursuant to the specific authority granted municipalities to establish impact fees contained in Title 24, V.S.A. Chapter 131.

(b) *Purpose*. It is the purpose of this section to establish impact fees for ~~new~~ land development (as defined in Title 24, V.S.A. Section 4303) in the city that will appropriately allocate the cost of needed capital projects. To the extent that such capital projects are necessitated by ~~new~~ land development, it is appropriate that the ~~new~~ land development should bear an appropriate portion of the costs for providing capital projects. Further, insofar as current residents of the city have contributed to the cost of existing facilities through payment of taxes and other contributions to the city, it is appropriate that they should be relieved from payment for an appropriate portion of the cost of providing these capital projects.

(c) *Establishment of impact fees:*

(1) There is hereby established an impact fee within the city which shall be imposed on ~~all~~ land development commenced within the city, as further set forth in administrative rules described in paragraph (3) of this subsection (c) ~~subsequent to the effective date hereof [November 13, 1992]~~. The amount of such impact fees shall be established by a resolution of the city council ~~following receipt of the recommendations of the respective departments and the planning commission~~. Any such fees adopted through the resolution of the city council shall be based upon a reasonable formula developed pursuant to 24 V.S.A. Section 5203 and to any amendments thereto. The resolution will set forth the impact fee schedule.

~~(2) An applicant for a zoning permit for any development, including new projects, revisions and modifications to existing projects or subdivisions, shall be subject to the payment of impact fees for that project.~~

~~(3) An applicant seeking a zoning permit for development of a lot located in a subdivision shall be responsible for the payment of the impact fees for that project. However, upon documentation by an applicant that a fee for this project was paid prior to November 13, 1992, in any current impact fee category, the applicant shall receive a pro rata credit for the payment of the fee in that category. The pro rata credit shall be based on the number of lots in the subdivision.~~

(2~~4~~) The city council ~~may~~shall, ~~from time to time~~not less often then every five (5) years, amend any impact fee which is established by resolution pursuant to this section ~~in order~~ to take into account new or changed information regarding the fee earlier established.

(3~~5~~) ~~Regulations regarding the implementation and application of this section shall be developed within six (6) months of the effective date of this section.~~The city council shall adopt by resolution administrative rules governing the imposition and collection of impact fees. Those administrative rules shall describe the manner in which the fees shall be collected, the purposes for which they may be expended, any applicable fee exemptions or credits, and all such related matters that the city council determines are necessary or convenient to address in the administrative rules.

~~(d) *Payment of fees:*~~

~~(1) Any impact fee established pursuant to this section shall be imposed as a condition of the zoning permit and shall be paid to the office of the city treasurer prior to issuance of the certificate of occupancy granted under the zoning ordinance. The zoning administrative officer shall not issue the certificate of occupancy for such development without first receiving proof of payment of the required impact fees from the office of the city treasurer.~~

~~(2) An impact fee not paid in full at the time required in subsection (1) above shall be a lien upon all property and improvements within the land development for which the fee is assessed in the same manner and to the same effect as taxes are a lien upon real estate under Title 32 V.S.A. Section 5061.~~

(d~~e~~) *Appeals.* An individual or entity required to pay an impact fee imposed under this section may appeal the fee by filing a written notice with the zoning board of adjustment within thirty (30) days of the imposition of the fee. The notice of appeal shall state the factual basis for the appellant's claim that the fee is inapplicable or excessive. Within sixty (60) days of receipt of the notice of appeal, the zoning board shall hold a hearing thereon. The zoning board shall take oral and written testimony from the appellant. Within forty-five (45) days after the conclusion of the hearing, the zoning board shall notify the appellant of its decision.

(e~~f~~) *Accounting provisions.* All General Fund impact fees collected pursuant to this section shall be maintained annually by the city treasurer in a separate, interest-bearing account. All Water Resources impact fees collected pursuant to this section shall be maintained annually in a separate, interest-bearing account, as set forth in the administrative rules adopted per subsection (c)(3) of this section. The city treasurer shall maintain a register of the date of payment for each fee collected, the amount paid and the name of the payer, by each capital facility category. Water Resources will be required to provide the city treasurer with quarterly reports detailing this same information. If the impact fees include collection of school impact fees, the Burlington School District shall collect the fees and will be required to also provide such a quarterly report to the city treasurer.

~~(g) *Expenditure of impact fees:*~~

~~(1) All impact fees collected pursuant to this section and accrued interest shall be expended only for the identified capital facility category which was the basis for the fee. Such fees and accrued interest shall be expended for such capital facility category within such time period as required by 24 V.S.A. Chapter 131, as the same may be amended from time to time.~~

~~(2) The city treasurer shall pay expenses associated with an identified capital facility category as they become due and upon receipt of appropriate documentation regarding such expenses.~~

(f~~h~~) *Refunds*.~~:~~

~~(1)~~ If the actual costs to the city for the provision of a capital facility category to be funded in part by impact fees is less than originally was calculated or if an impact fee is reduced after fees have been collected, the city shall refund that portion of any impact fee and accrued interest which is in excess of the appropriate portion due to the then owner of the property for which the fee was paid, pursuant to state law.

~~(2) Pursuant to 24 V.S.A. Section 5203(e) upon petition by any affected property owner, if the city shall fail to expend any collected impact fee within the time required by this section, the city shall refund that portion of any impact fee and accrued interest to the then owner of the property for which said fee was paid.~~

(g~~i~~) *Enforcement.* ~~Any~~ It shall be a civil offense punishable by a fine pursuant to chapter 1, section 9 of this code ~~individual who~~ to occupy~~ies~~ a structure in the city without first paying any required impact fee imposed pursuant to this section and any implementing resolution. ~~shall be subject to a penalty of two hundred dollars ($200.00) per day for each day that such violation continues, as well as injunctive and other relief as a court may order in a civil action commenced by the city.~~ Additionally, any unpaid impact fee shall constitute a debt to the city and a lien on the subject property, pursuant to 24 V.S.A Section 5204.

~~(j) *Exemptions:*~~

~~(1) In order to encourage the development of additional housing for senior citizens, senior citizen housing projects are exempted from payment of school impact fees.~~

~~(2) In order to enable the development of housing that is affordable for all economic groups within the municipality, any residential project containing newly constructed housing units or substantially rehabilitated housing units that are affordable for households as described in subsections a., b., and c. below would be eligible to receive a waiver of impact fees for that portion of the project. In the application of this provision, the terms used herein shall be interpreted as defined in the "Low or Moderate Income Housing" zoning ordinance. In addition, the rules and regulations developed pursuant to that ordinance shall be used to implement this provision.~~

~~a. *Twenty-five percent waiver of fees.* Twenty-five (25) percent of the fees will be waived for any unit in a project that initially sells for a price that is affordable for households below ninety (90) percent of median income or that initially rents for a three-year period for a price (including utilities) that is affordable for households below seventy-five (75) percent of median income.~~

~~b. *Fifty percent waiver of fees.* Fifty (50) percent of the fees will be waived for that portion of a residential project that meets the dual test of initial affordability and continuing affordability. For purposes of this section, "initial affordability" would be defined as a unit that sells for a price that is affordable for households earning less than seventy-five (75) percent of median income or that rents for a price (including utilities) that is affordable for households earning below sixty-five (65) percent of median. "Continuing affordability" would be defined as affordability that lasts for a period of ninety-nine (99) years.~~

~~c. *One hundred percent waiver of fees.* One hundred (100) percent of the fees will be waived for that portion of a residential project that initially sells or rents for a price that is affordable for households earning less than fifty (50) percent of median income and that remains continually affordable as defined above.~~

~~(k) *Off-site improvements.* In categories for which impact fees have been charged, no exactions for construction of off-site public facilities will be required by the planning commission as a condition for a zoning permit except for water distribution lines, sewer connection lines and stormwater improvements, and street and sidewalk infrastructure that are essential to the development of the project. For the purpose of this section, "off-site" public facilities are defined as those facilities which are not on or immediately adjacent to the private land proposed for development.~~

(h~~l~~) *Severability.* ~~In the event~~If any provision of this section is for any reason held by a court of competent jurisdiction to be invalid or unenforceable, such invalidity shall not affect the remaining provisions which can be given effect without the invalid provision.

* Material stricken out deleted.
** Material underlined added.

ER/Ordinances 2025/*Impact fees*
March 2025

City of Burlington, VT
149 Church Street, 3rd Floor
Burlington, VT 05401
Phone: (802) 865-7194
www.burlingtonvt.gov/plan

planBTV OFFICE OF CITY PLANNING

TO: Burlington Planning Commission
FROM: Charles Dillard, AICP, Director, Office of City Planning
Sarah Morgan, AICP, Planner
DATE: April 8, 2025
RE: Proposed ZA-25-08 Impact Fees

Overview & Background

The City currently collects Impact Fees, which are charges on new development collected to defray capital costs directly related to new development. Specifically, impact fees are spent for the following purposes:

- To make improvements needed to serve growth;
- To maintain level of service as the city grows; and,
- To complete projects with community-wide benefit (not just one development)

Impact fees cannot be spent on maintenance, operations, or existing deficiencies; project-specific impacts; or paying for the same improvement twice. Burlington's first fees were adopted in the early 1990s. Finally, impact fees supplement the City's other capital revenues. Fees are currently collected for the following municipal services:

- Traffic (intersection improvements only)
- Fire
- Police
- Parks
- Library
- Schools

Of note, affordable and senior housing are exempt from impact fees, which are charged per 1,000 square feet of proposed development. The table below describes the current fee schedule:

Department	Residential	Industrial	Offices & Other	Retail
	$ per 1,000 sq. ft. - in 2023 dollars			
Traffic (DPW)	$224	$299	$771	$839
Fire	253	224	227	227
Police	51	400	400	400
Parks	848	481	478	478
Library	525	0	0	0
Schools	1,095	0	0	0
Total	**$2,996**	**$1,404**	**$1,876**	**$1,944**

The 10-year average for impact fee revenue is approximately $350,000 per year, with individual fee categories ranging from $30,000 to $80,000. In the determination of City staff and the project consultants, this revenue is not enough to fund significant capital projects. Below is a table documenting the last ten years of impact fee collection and revenue:

Fee Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2024	
												Total	Ann. Avg.
Traffic	$15,956	$108,317	$35,287	$75,599	$156,560	$148,181	$165,906	$69,141	$4,395	$48,086	$26,121	**$853,549**	**$77,595**
Fire	$10,149	$47,704	$17,378	$43,529	$55,319	$63,569	$79,193	$10,136	$1,226	$17,234	$27,520	**$372,957**	**$33,905**
Police	$6,208	$51,538	$20,587	$70,348	$37,936	$59,331	$96,775	$16,245	$2,247	$24,085	$7,002	**$392,301**	**$35,664**
Parks	$31,089	$124,353	$48,848	$124,957	$137,357	$168,670	$190,026	$20,941	$3,087	$42,564	$92,582	**$984,474**	**$89,498**
Library	$19,536	$42,080	$15,947	$31,978	$69,664	$68,156	$72,544	$5,832	$3,038	$13,968	$57,502	**$400,245**	**$36,386**
School	$40,778	$87,838	$42,990	$156,750	$69,358	$122,835	$201,786	$17,685	$6,343	$24,792	$118,119	**$889,275**	**$80,843**
Total	**$123,716**	**$461,830**	**$181,037**	**$503,161**	**$526,195**	**$630,742**	**$806,231**	**$139,979**	**$20,336**	**$170,728**	**$328,846**	**$3,892,800**	**$353,891**

Burlington's Impact Fees, administered through both the Comprehensive Development Ordinance and *Impact Fee Administrative Regulations*, have not been comprehensively evaluated since 1992. As such, the Office of City Planning commenced a study in 2023, the goal of which was to assess and updated the overall structure, growth and infrastructure capacity assumptions, costs, and associated fees and regulations for the municipal services for which impact fees are currently collected.

At a high level, the Impact Fee Study recommendations are as follows:

1. The City should eliminate several fee categories, particularly where there is a weak nexus with growth. These eliminated categories include Parks and Recreation, Schools, Libraries, Police, Fire, General Facilities and General Fleet.
2. Create a new fee category framework in which fees are collected for Transportation and Multimodal Projects, Water and Sewer.
3. Increase the impact fees by a rate of $1,000 to $3,000 per residential unit.

Additional detail on the study recommendations is included in the attached presentation that was provided to City Council on March 24th, In summary, the Study's and staff's recommendations include the following:

- Update the Administrative Regulations to include the complete set of impact fee regulations and the newly adopted fee amounts.
- Repeal the Ordinance Code reference and amend the Comprehensive Development Ordinance to reference the Administrative Regulations.
- Determine what role the Department of Permitting & Inspections will play in fee collection.
- May need to include impact fee legislation in either or both the Comprehensive Development Ordinance and Ordinance Code, with appropriate cross references.
- Update regulations to clarify which inflation measure to apply.
- Review existing waivers and consider eliminating some.
- Consider fee credits for offsite construction other than streets/sidewalks and water infrastructure essential to the development of the project.
- Consider Inclusionary Zoning changes alongside proposed Impact Fee Changes.

Proposed Amendment: ZA-24-08

Amendment Type

Text Amendment	Map Amendment	Text & Map Amendment

Purpose Statement

This amendment removes the Impact Fee regulations from the Comprehensive Development Ordinance but retains a reference to the Administrative Regulations, which are proposed to include the complete set of impact fee regulations and the newly adopted fees. The purpose of the amendment is to provide clarity and avoid potentially conflicting regulations.

1. Amendment to *Article 3: Applications, Permits and Project Reviews*
   - Amends Part 3: Impact Fees in the following ways:
     - Renames Sec. 3.3.1 Purpose and deletes the existing language in this section and replaces it with a new title - Sec. 3.3.1 Applicability, and language, which creates a new reference do the Burlington Code of Ordinance Section 21-41 and the Administrative Regulations
     - Deletes Sections 3.3.2-3.3.11

Relationship to *planBTV*

This following discussion of conformance with the goals and policies of *planBTV* is prepared in accordance with the provisions of 24 V.S.A. §4441(c).

<table>
<tr><th>Theme:</th><th>Dynamic</th><th colspan="2">Distinctive</th><th>Inclusive</th><th colspan="2">Connected</th></tr>
<tr><th>Land Use:</th><th colspan="2">Conserve</th><th colspan="2">Sustain</th><th colspan="2">Grow</th></tr>
</table>

Compatibility with Proposed Future Land Use & Density

The proposed amendment is consistent in many respects with the Land Use and Density-related policies of *planBTV.* The amendment's proposed changes to impact fee administration and rates will create opportunities for larger capital projects that have significant impact, allow for essential infrastructure to support the density and land uses envisioned in the Plan, and create a greater nexus with new development.

Impact on Safe & Affordable Housing

This amendment has no direct impact on safe and affordable housing.

Planned Community Facilities

This amendment has significant direct impact on planned community facilities, as impact fees will be streamlined to support facilities that will facilitate growth in the city.

Process Overview

The following chart summarizes the current stage in the zoning amendment process, and identifies any recommended actions:

<table>
<tr><th colspan="6">Planning Commission Process</th></tr>
<tr><td>Draft Amendment prepared by:
Staff
4/3/24</td><td colspan="2">Presentation to & discussion by Commission:
4/08</td><td>Approve for Public Hearing:</td><td>Public Hearing</td><td>Approved & forwarded to Council:</td></tr>
<tr><th colspan="6">City Council Process</th></tr>
<tr><td>First Read & Referral to Ordinance Comm.</td><td>Referred back to Planning Commission:</td><td>Ordinance Comm. discussion</td><td>Ordinance Comm. recommend</td><td>Second Read & Public Hearing</td><td>Council Approval & Adoption</td></tr>
</table>

CITY OF BURLINGTON

ORDINANCE ___________
Sponsors: Planning, Planning Commission
Public Hearing Dates:___________
First reading:___________________
Referred to: ____________________
Rules suspended and placed in all stages of passage: ______________
Second reading: ________________
Action: ______________________
Date: ________________________
Signed by Mayor: ______________
Published: ____________________
Effective: _____________________

In the Year Two Thousand Twenty-Five

An Ordinance in Relation to

CDO—Impact Fees
ZA-25-08

It is hereby Ordained by the City Council of the City of Burlington as follows:

Part 3: Impact Fees

Sec. 3.3.1 Applicability ~~Purpose~~

~~These regulations are enacted to enable the city to require the beneficiaries of new development to pay their proportionate share of the cost of municipal and school capital projects which benefit them, and to require them to pay for or mitigate the negative effects of development in the community.~~ Unless otherwise provided in the Administrative Regulations adopted pursuant to Burlington Code of Ordinance Section 21-41, Impact fees shall be collected by the Department of Permitting & Inspections and the Burlington School District.

~~**Sec. 3.3.2 Applicability**~~

~~Any new development or additions to existing buildings which result in new dwelling units or in new nonresidential buildings square footage are subject to impact fees as is any change of use which results in an added impact according to Sec. 3.3.4.~~

~~**Sec. 3.3.3 Exemptions and Waivers**~~

~~(a) Exemptions:~~

~~The following types of development are exempt from this Part:~~

~~1. additions to existing dwelling units, provided such additions are for residential purposes;~~

~~2. alterations to an existing use provided that such alteration occurs entirely within an existing building and within the same square footage;~~

~~3. land development which does not result in new building square footage (e.g. parking lots, facade renovations, signs, etc.);~~

~~4. additions to existing buildings for which the sole purpose is to provide additional means of egress (e.g. stair towers, elevators, etc).~~

~~(b) School Impact Fee Exemption:~~

~~That portion of impact fees attributable to school impacts shall not be required for senior citizen housing projects or for that portion of a project where certain units are reserved specifically for the elderly. Any project, or portion thereof, which meets either state or federal guidelines for elderly housing, shall be deemed a senior citizen housing project and eligible for a full or partial waiver of school impact fees.~~

~~(c) Inclusionary Housing Exemption:~~

~~Inclusionary housing units per Article 9: Part 1 shall be exempt from this Part.~~

~~(d) Affordable Housing Waivers:~~

~~Any residential project containing newly constructed units or substantially rehabilitated housing units that are affordable for households as described in subsections (1), (2) or (3) below qualifies for a waiver of impact fees for that portion of the project containing affordable housing units in excess of the minimum inclusionary housing requirements of Article 9. The terms, rules, and regulations used herein shall be the same as those defined and specified in this Ordinance pertaining to Inclusionary Zoning (Article 9). For purposes of determining area median income (AMI), the income levels specified in Article 9 of this Ordinance shall be applicable.~~

~~1. 25% Waiver of Fees: Twenty-five percent (25%) of the fees will be waived for qualifying units in a project that initially sells for a price that is affordable for households below 90% of AMI or that initially rents for a three year period for a price (including utilities) that is affordable for households below 75% of AMI.~~

~~2. 50% Waiver of Fees: Fifty percent (50%) of the fees will be waived for qualifying units in a project that meets the dual test of initial affordability and continuing affordability. For the purposes of this section, "initial affordability" would be defined as a unit that sells for a price that is affordable for households earning less than 75% of AMI or that rents for a price (including utilities) that is affordable for households earning below 65% of median. "Continuing affordability" would be defined as affordability that lasts for a period of 99 years.~~

~~3. 100% Waiver of Fees: One hundred percent (100%) of the fees will be waived for qualifying units in a project that initially sells or rents for a price that is affordable for households earning less than 50% of AMI and that remains continually affordable as defined above.~~

~~(e) Community Garden Waivers:~~

~~A development that creates new community gardens as defined in Article 13 of this ordinance shall be provided a waiver of the parks impact fee in an amount equivalent to the actual cost of installation of the community garden created. The value of the garden shall be supported by a tabulation of the actual cost of installing the community garden and shall be subject to review and approval by the Department of Parks & Recreation. The waiver of parks impact fees shall not exceed 100% of the parks impact fee that would otherwise be paid.~~

~~To be eligible for the waiver, the community garden shall meet the following standards:~~

~~1. The community garden shall be made available to residents of the property and of the surrounding area.~~

~~2. It shall be located onsite in consultation with the Department of Parks & Recreation to ensure adequate solar access, visibility, and accessibility.~~

~~3. It shall contain an area of at least 360 square feet (i.e. such as 18 ft X 20 ft) with at least six (6) 4 ft X 8 ft plots and 2 ft wide aisles between plots. Soil testing to determine the safety of the soil for food gardening purposes shall be the responsibility of the applicant (or property owner if different). Where soils are found to be unsafe for food gardening purposes, the community garden plots shall be in the form of raised beds with imported soil safe for food gardening use. Results of soil testing shall be subject to review by the Department of Parks & Recreation.~~

~~4. It shall either be managed as a neighborhood garden by the Burlington Area Community Gardens program operated by the Department of Parks & Recreation or privately managed to the same operating standards as a neighborhood garden. If privately managed, all maintenance and repair costs shall be the responsibility of the applicant (or property owner if different). The community garden shall be managed as such for the duration of the approved development.~~

~~5. It shall be created within an area of the city consistent with the express goals and strategic plans of the Department of Parks & Recreation. The Department of Parks & Recreation may reject creation of a new community garden and require payment of the full impact fee if the development is located in an area of the city that is already adequately served by community gardens.~~

~~6. The completed community gardens shall be guaranteed for a period of five (5) years following their completion. All repairs and maintenance of the community gardens within this period shall be at the cost of the applicant (or property owner if different).~~

~~Sec. 3.3.4 Offsite Improvements~~

~~In categories for which impact fees have been charged, no exactions for construction of offsite public facilities will be required as a condition for a zoning permit except for water distribution lines, sewer connection lines and stormwater improvements, and street and sidewalk infrastructure that are essential to the development of the project.~~

~~For the purposes of this section, "offsite" public facilities are defined as those facilities which are not on or immediately adjacent to the private land proposed for development.~~

~~Sec. 3.3.5 Calculation of Impact Fee~~

~~The amount of impacts fees shall be as set forth in the Impact Fee Administrative Regulations as established by resolution of the city council. There shall be an automatic annual increase to the impact fee schedule reflected in the Impact Fee Administrative Regulations every July 1 equivalent to 100% of the annual change in the Consumer Price Index (CPI).~~

~~Impact fees are calculated on the total gross square footage of the principal use of a building, including accessory uses. In the event there is more than one principal use within a building, impact fees will be calculated separately for each principal use and associated accessory uses, with common space computed on a pro-rata basis.~~

~~Sec. 3.3.6 Effect of Project Change on Impact Fees~~

~~If a proposed development is substantially modified in terms of square footage, a request for an adjustment to the impact fee may be made by filing a zoning permit application subject to the applicable filing fees. Any adjustment, if approved, is subject to the Impact Fee Administrative Regulations in effect at time of the subsequent approval. Any change which increases a project size or impact shall require a new zoning permit and an accompanying adjustment to the impact fee amount.~~

~~For a change of use where there is an increased impact, the impact fee will be the difference in the amount for the specific uses as listed in the Impact Fee Administrative Regulations. If there is no change in use and no increase in square footage for that use, the impact fee would be $0.~~

~~Sec. 3.3.7 Demolition or Change to Existing Building~~

~~No impact fee rebates shall be assessed for the demolition of an existing building, a reduction in size of an existing building, or a change in the use of an existing building. There are no rebates if one decides to reduce the use of (or is unable to use) one's property for any reason.~~

~~Sec. 3.3.8 Time and Place of Payment~~

~~Impact fees must be paid to the city's chief administrative officer/ city treasurer according to the following schedule:~~

~~(a) New Buildings: Impact fees must be paid at least seven (7) days prior to occupancy of a new building or any portion thereof;~~

~~(b) Existing Buildings: Impact fees must be paid prior to issuance of a zoning permit, or if a building permit is required, within thirty (30) days of issuance of the building permit.~~

~~Sec. 3.3.9 Penalties for Nonpayment~~

~~If an impact fee is not paid, a certificate of occupancy shall be denied, a lien may be placed upon the property, and a fine of $200 a day shall be assessed along with other court-imposed penalties.~~

~~Sec. 3.3.10 Expenditure and Distribution of Impact Fees~~

~~Impact fees must be used for capital improvements to accommodate the demands created by new growth. The city's chief administrative officer/ city treasurer shall maintain records of all impact fee receipts and disbursements by category, and include a summary of same in each city Annual Report. Any expenditure of impact fees must be authorized by the city's chief administrative officer/ city treasurer.~~

~~Impact fees received will be distributed to city departments, upon authorization by the city's chief administrative officer/ city treasurer, solely for the purpose of capital projects, according to the Impact Fee Administrative Regulations.~~

~~If an impact fee is not expended on eligible capital improvements by the city within six (6) years of payment, it must be refunded to the property owner by the city's chief administrative officer/ city treasurer along with any accrued interest.~~

~~Sec. 3.3.11 Relationship to Other Fees~~

~~Impact fees do not replace other fees pertaining to development projects. All applicable permit fees, including, but not limited to, development review fees and building permit fees, must be paid prior to occupancy.~~

* Material stricken out deleted.
** Material underlined added.

Ordinances 2025/ZA-25-08 Impact Fees
DRAFT v1.0 04/03/25

ZA-25-08 Impact Fees

PLANNING COMMISSION

2025.02.25

Overview

The City currently collects Impact Fees, which are charges on new development collected to defray capital costs directly related to new development. Specifically, impact fees are spent for the following purposes:

- To make improvements needed to serve growth;
- To maintain level of service as the city grows; and,
- To complete projects with community-wide benefit (not just one development)

Overview

Impact fees cannot be spent on maintenance, operations, or existing deficiencies; project-specific impacts; or paying for the same improvement twice.

Fees are currently collected for the following municipal services:

- Traffic (intersection improvements only)
- Fire
- Police
- Parks
- Library
- Schools

Overview

The 10-year average for impact fee revenue is approximately $350,000 per year, with individual fee categories ranging from $30,000 to $80,000.

In the determination of City staff and the project consultants, this revenue is not enough to fund significant capital projects.

Overview

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In the determination of City staff and the project consultants, this revenue is not enough to fund significant capital projects.

Fee Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2024 Total	2014-2024 Ann. Avg.
Traffic	$15,956	$108,317	$35,287	$75,599	$156,560	$148,181	$165,906	$69,141	$4,395	$48,086	$26,121	**$853,549**	**$77,595**
Fire	$10,149	$47,704	$17,378	$43,529	$55,319	$63,569	$79,193	$10,136	$1,226	$17,234	$27,520	**$372,957**	**$33,905**
Police	$6,208	$51,538	$20,587	$70,348	$37,936	$59,331	$96,775	$16,245	$2,247	$24,085	$7,002	**$392,301**	**$35,664**
Parks	$31,089	$124,353	$48,848	$124,957	$137,357	$168,670	$190,026	$20,941	$3,087	$42,564	$92,582	**$984,474**	**$89,498**
Library	$19,536	$42,080	$15,947	$31,978	$69,664	$68,156	$72,544	$5,832	$3,038	$13,968	$57,502	**$400,245**	**$36,386**
School	$40,778	$87,838	$42,990	$156,750	$69,358	$122,835	$201,786	$17,685	$6,343	$24,792	$118,119	**$889,275**	**$80,843**
Total	**$123,716**	**$461,830**	**$181,037**	**$503,161**	**$526,195**	**$630,742**	**$806,231**	**$139,979**	**$20,336**	**$170,728**	**$328,846**	**$3,892,800**	**$353,891**

Source: City of Burlington

Overview

- Update the Administrative Regulations to include the complete set of impact fee regulations and the newly adopted fee amounts.
- Repeal the Ordinance Code reference and amend the Comprehensive Development Ordinance to reference the Administrative Regulations.
- Determine what role the Department of Permitting & Inspections will play in fee collection.
- May need to include impact fee legislation in either or both the Comprehensive Development Ordinance and Ordinance Code, with appropriate cross references.
- Update regulations to clarify which inflation measure to apply.
- Review existing waivers and consider eliminating some.
- Consider fee credits for offsite construction other than streets/sidewalks and water infrastructure essential to the development of the project.
- Consider Inclusionary Zoning changes alongside proposed Impact Fee Changes.

BTV Impact Fee Program

Revisions & Implementation

May 19, 2025

What to Expect Tonight

- Overview of Current Fee Program
- Review of Proposed Recommendations
- Ordinance & Administrative Regulation Changes
- Implementation Schedule

Current Fee Program

- Charges on new development to defray capital costs directly related to new development
- Spend on:
  - Improvements needed to serve growth
  - Maintain level of service as City grows
  - Projects with community-wide benefit (not just one development)
- Cannot be spent on:
  - Maintenance, operations, existing deficiencies
  - Project-specific impacts
  - Paying for same improvements twice (double charging)
- City's fees 1st adopted in 1990's – have not been evaluated since
- Impact Fees supplement the City's other capital revenues

Current Fee Program

- Affordable & Senior Housing are exempt
- Fees are charged per 1,000 sq ft.
- Larger homes pay more than smaller homes

Department	Residential	Industrial	Offices & Other	Retail
		$ per 1,000 sq. ft. - in 2023 dollars		
Traffic (DPW)	$224	$299	$771	$839
Fire	253	224	227	227
Police	51	400	400	400
Parks	848	481	478	478
Library	525	0	0	0
Schools	1,095	0	0	0
Total	**$2,996**	**$1,404**	**$1,876**	**$1,944**

Source: City of Burlington

Current Fee Program – Revenue History

- $350,000/year in fee revenue total (10-year average)
- $30,000-80,000 across individual fee categories
- Not enough for significant capital projects

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Source: City of Burlington

Why Adopt Changes Now?

- General Fund Impact Fees have not been updated since 1992
- Reduce opportunities for implementation confusion by streamlining fee regulations and creating efficiencies for future revisions and updates
- Capital Project List & City Asset Needs have changed – more need in areas of deferred maintenance vs capital expansion
- Fees have not been updated to reflect current asset inventories, replacement costs, or inflation since 1992
- Timing pairs well with budgetary needs for some capital projects
- Increase opportunities to allocate limited capital resources to other asset categories that will not receive fees

  - Transportation Projects have made up **~73%** of the total General Fund capital budget over last 8 years

Why Adopt Changes Now?

- Water Resources Impact Fees were eliminated in the 1990s, reducing available capital revenues for 3+ decades
- Implementing some amount of Water Resources fees now helps ensure near-term development projects contribute to costs of replacement for existing infrastructure that supports their projects

  - With the passage of the LAKE & WATER bonds, WRs will be updating the fees to include both current “buy-in” portion **<u>and</u>** eligible costs from capacity expansion projects

  - The proposed updates to the Impact Fee Ordinance & Administrative Rules lays the foundation for all of these changes to occur efficiently

Proposed Impact Fee Program Recommendations

EPS	RSG	Raftelis
Fees Reviewed: - Parks, Police, Fire, Library, & School	Fees Reviewed: - Restructuring Traffic Fee to be Transportation & Multimodal Fee (capacity to increase moving people)	Fees Reviewed: - Water & Sewer Buy-In Impact Fees

Fee Study Process:

- Draft nexus study calculations
  - Inventory City capital assets & current replacement costs
  - Calculate potential for new impact fees with current fee categories
- Department Interviews: Reviewed Capital Project Lists for **ALL** fee categories
  - Identify capital expansion projects
  - Found that most capital projects are for maintenance & upgrades
- Reorganized Fee Categories
  - Combined fee categories to give more flexibility to spend funds
  - Revised nexus study & fee calculations

Proposed Impact Fee Program Recommendations

Decision Criteria:

1. If we collect Impact Fees, can we spend them on eligible projects?
   a) Is there a nexus to growth/development?
   b) Do projects add capacity to provide services?

2. Will we need other funding to close the gap?
   a) Do we need other money to “unlock” the impact fees?
   b) Can we spend impact fees within 6 years?

3. Will Impact Fees generate enough money to be worthwhile?

Proposed Impact Fee Program Recommendations

<u>Overall Recommendations</u>:

- Continue collecting Impact Fees, but **FOCUS** on Transportation, Water & Wastewater:
  - Essential Infrastructure
  - Large Capital Costs
  - Best Nexus with New Development
  - Solid Capital Project Lists for the next 10-years
- Shifting the "capital fee stack" frees up other capital revenues for other assets (i.e.: Fire, Police, Library, & Parks)
- Moderate fee increases
- Opportunity to reevaluate fees every five years

2022: Studies Began

11/2022: 1st Stakeholder Meeting

7/2023: 4th Round of Stakeholder Meetings

11/2024: Final Stakeholder Meetings

1/2025: 1st Work Session with City Council

3/2025: 2nd Work Session with City Council

4/2025: Planning Commission Presentation

Study Example: Review of Capital Project Lists

Project	Estimated Cost	% Allocated to Growth	Impact Fee Eligible Cost	Status
Calahan Park				
Community Garden Expansion	$116,000	100.0%	$116,000	Unfunded long-term
Multi-Use Building + Covered Outdoor Space	$625,000	100.0%	$625,000	Unfunded long-term
Primary and Secondary Paths	$1,000,000	100.0%	$1,000,000	Unfunded long-term
Multi-Use Pavilion / Ice Rink	$900,000	100.0%	$900,000	Unfunded long-term
Subtotal	**$2,641,000**		**$2,641,000**	
Total	**$2,641,000**		$\boxed{\textbf{\$2,641,000}}$	

Source: City of Burlington; Economic & Planning Systems

Total **Eligible** Project Cost ≠ Fee Revenue Generated from new fees

For All Capital Asset Project Lists Reviewed*:

- Removed any maintenance/replacement projects
- Focused on projects that met nexus requirement
- Revenue is collected from any eligible development project
- Timeline to spend is 6 yrs
- Most identified projects need additional funding to complete making it harder to spend fees in 6 years

*Note: The City Project Team & its Consultants met with all fee stakeholders, including Parks, DPW, Police, Fire, Library, and the School District.

Proposed Impact Fee Program Recommendations

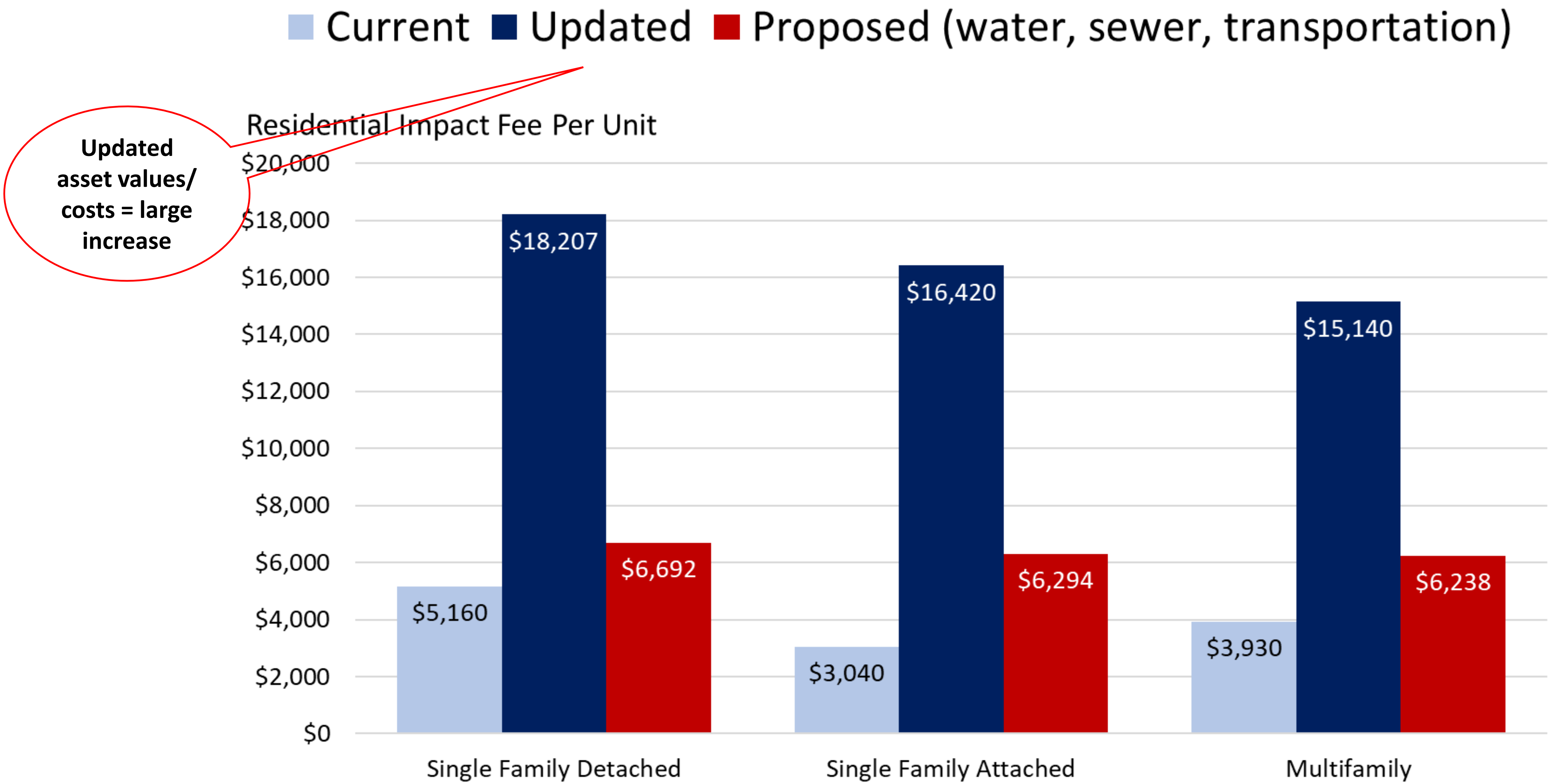
Transportation Impact Fee:

- City has a strong capital plan of transportation projects that meet nexus criteria
- Utilizes a base impact fee per PM peak hour (4-7 PM) vehicle trip
- Study Recommendation = **$1,203/new PM peak hour vehicle trip** (incorporates grant funding opportunities for transportation projects)
- Encourages development of land uses that encourage walking and biking

Water & Wastewater Buy-In Fees:

- Assess one-time charges on new water/wastewater connections to recover up-front costs the City has incurred for users to access existing system capacity
- Fee based on gallons per day for water usage and wastewater discharge
- Water & Wastewater usage is calculated based on type and size of development
- Will adopt incremental component of an impact fee for capacity expansion related portions of capital projects now that bonds have passed
- Revenue will offset future debt service for all rate payers (including the new development)

What this looks like (per unit basis)



Surrounding Community Comparison (per unit basis)

Community	School	Parks/Trails/ Recreation	Fire	Police	Facilities	Fleet	Transport./ Roads	Water	Wastewater	Total
Single Family										
Burlington (Draft Proposed)	$0	$0	$0	$0	$0	$0	$871	$4,169	$1,653	$6,692
South Burlington	$8,900	$964	$0	$0	$0	$0	$1,010	$3,410	$3,459	$17,743
Colchester	$0	$0	$0	$0	$0	$0	$0	$1,250	$0	$1,250
Winooski	$0	$0	$0	$0	$0	$0	$0	$2,811	$2,856	$5,667
Essex	$0	$628	$0	$0	$0	$0	$0	$3,124	$2,239	$5,991
Essex Junction	$3,800	$628	$0	$0	$0	$0	$0	$0	$1,510	$5,938
Williston	$0 [1]	$2,100	$0	$0	$0	$0	$1,789	$2,376	$3,261	$9,527
Shelburne	$0	$1,864	$0	$0	$0	$0	$0	$3,598	$3,425	$8,887
Multifamily										
Burlington (Draft Proposed)	$0	$0	$0	$0	$0	$0	$417	$4,169	$1,653	$6,238
South Burlington	$4,600	$641	$189	$353			$670	$3,410	$3,459	$13,322
Colchester	$0	$0	$0	$0	$0	$0	$0	$1,250	$0	$1,250
Winooski	$0	$0	$0	$0	$0	$0	$0	$2,811	$2,856	$5,667
Essex	$0	$473	$0	$0	$0	$0	$0	$3,124	$2,239	$5,836
Essex Junction	$2,000	$473	$0	$0	$0	$0	$0	$0	$1,510	$3,983
Williston	$0 [1]	$1,659	$0	$0	$0	$0	$915	$1,395	$1,914	$5,883
Shelburne	$0	$1,017	$0	$0	$0	$0	$0	$3,598	$3,425	$8,040

[1] The School Impact Fee pursuant WDB 44 was retired on November 18, 2024.

Source: Economic & Planning Systems

Proposed Ordinance Changes

The City's current Impact Fee Regulations live in 3 places:

- B.C.O. Section 21-41: https://www.codepublishing.com/VT/Burlington/#!/Burlington21/Burlington2101.html#21-41.
- B.C.D.O. Article 3, Part 3: https://www.burlingtonvt.gov/DocumentCenter/View/2501/Applications-Permits-and-Project-Reviews-PDF?bidId=, beginning at p. 3-23.
- The City's Impact Fee Administrative Regulations: https://www.burlingtonvt.gov/730/Impact-Fee-Administrative-Regulations.

- Having the same set of rules in 3 places can create confusion & conflicting regulations.
- Staff recommends updating the Administrative Regulations, to include the complete set of impact fee regulations and newly adopted fee amounts.
- If DPI continues to administer the fee program, staff recommends repealing the Ordinance Code reference & amending the Comprehensive Development Ordinance (CDO) to reference the Administrative Regulations.

Proposed Ordinance Changes

<u>Summary of Staff Recommendations for Implementation</u>:

- Update the Administrative Regulations to include the complete set of impact fee regulations & the newly adopted fee amounts.
- Repeal the Ordinance Code reference and amend the Comprehensive Development Ordinance to reference the Administrative Regulations.
- Determine what role the Department of Permitting & Inspections will play in fee collection.
- May need to include impact fee legislation in either or both the Comprehensive Development Ordinance and Ordinance Code, with appropriate cross-references.
- Update regulations to clarify which inflation measure to apply.
- Review existing waivers and consider eliminating some.
- Consider fee credits for offsite construction other than streets/sidewalks and water infrastructure essential to the development of the project.
- Consider Inclusionary Zoning changes alongside proposed Impact Fee Changes.

Proposed Ordinance Changes

What Exemptions Should Apply?

- Current exemptions include:

  - Additions to an existing residential unit

  - Certain other additions & changes in use

  - School impact fees for senior housing projects

  - Affordable housing waivers for affordable units in excess of IZO requirements (ranging 25-100%, depending on levels of affordability)

  - Inclusionary Units

  - Community garden waiver

- Staff Recommendations: **maintain existing waivers except** –

  - Community Garden waiver: Eliminate as it has never been used and would be moot with adoption of new fee structure

  - Senior Housing Project waiver: Leave dormant in case future school fees are adopted

*** Projects that do not change the water or wastewater demand would be exempt from the Water Resources Impact Fee**

Proposed Ordinance Changes

Credits:

- City’s regulations provide that offsite improvements (except for streets/sidewalks & stormwater, sewer, & water infrastructure essential to development of a project) cannot be required in a category for which fees are paid.

- Staff recommends instead that developers be given fee credits for other project exactions.

Proposed Ordinance Changes

Impact Fees & Inclusionary Zoning

- Impact Fees & Inclusionary Zoning requirements are two of the primary development costs required by the City.
- Most potential amendments to IZ standards would reduce IZ burden to developers:

  - Elimination of the highest IZ requirement tier (25%)

  - More easily utilize the off-site requirement

  - Allow payment-in-lieu in some cases where not allowed today

  - Allow flexibility in mix of for-sale and rental units in large projects
- The payment-in-lieu fee is low and proposed to increase substantially
- Moderate Impact Fee increases would be coupled with greater flexibility in Inclusionary Zoning standards & requirements.

Implementation Schedule

Date	Body
May 12th	City Council – Introduce proposed amendments to BCO § 21-41
May 12th – May 19th	City Councilors prepare for a study session on May 19th
May 13th	Planning Commission Hearing to review CDO Amendment
May 19th	City Council study session
June 2nd	City Council: 2nd reading of proposed BCO amendment; introduction of Administrative Regulations (to include adoption of new impact fees)
Later in June	City Council: Return for final adoption of Administrative Rules, if necessary, and for hearing and adoption of proposed CDO amendment
July 1st	Effective Date of new fees

Questions?

Thank you!

Supplemental Information

Detailed Fee Comparison: Current vs Proposed

Impact Fee	School	Traffic	Parks & Rec.	General Facilities	General Fleet	Library	Police	Fire	Sewer	Water	Total	% Change from Current
Residential Fee Per Unit												
Updated Fee												
Single Family Detached	$0.00	**$870.95**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,652.70**	**$4,168.80**	**$6,692.45**	29.7%
Single Family Attached	$0.00	**$472.54**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,652.70**	**$4,168.80**	**$6,294.04**	107.0%
Multifamily	$0.00	**$416.94**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,652.70**	**$4,168.80**	**$6,238.44**	58.8%
Current Fee												
Single Family Detached	$1,885.84	**$385.78**	$1,460.45	$0.00	$0.00	$904.17	$87.83	$435.72	**$0.00**	**$0.00**	**$5,159.80**	
Single Family Attached	$1,111.24	**$227.32**	$860.58	$0.00	$0.00	$532.79	$51.76	$256.75	**$0.00**	**$0.00**	**$3,040.45**	
Multifamily	$1,436.22	**$293.80**	$1,112.25	$0.00	$0.00	$688.60	$66.89	$331.84	**$0.00**	**$0.00**	**$3,929.61**	
Non-Residential Fee Per "Unit/1,000 sq. ft."												
Updated Fee												
Retail/Commercial	$0.00	**$3,681.07**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$314.80**	**$463.20**	**$4,459.07**	129.4%
Restaurant	$0.00	**$4,695.72**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$13,399.71**	**$9,106.71**	**$27,202.15**	N/A
Hotel	$0.00	**$287.23**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,158.00**	**$787.00**	**$2,232.23**	N/A
Office	$0.00	**$1,334.22**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$172.64**	**$254.03**	**$1,760.89**	-6.1%
Industrial	$0.00	**$602.25**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$140.92**	**$207.35**	**$950.52**	-32.3%
Warehouse	$0.00	**$166.78**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$178.51**	**$262.67**	**$607.96**	-56.7%
Institutional/Nursing Home	$0.00	**$546.66**	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$1,040.59**	**$1,531.13**	**$3,118.38**	66.2%
Current Fee per 1,000 Sq. Ft.												
Retail/Commercial	$0.00	**$839.00**	$478.00	$0.00	$0.00	$0.00	$400.00	$227.00	**$0.00**	**$0.00**	**$1,944.00**	
Office	$0.00	**$771.00**	$478.00	$0.00	$0.00	$0.00	$400.00	$227.00	**$0.00**	**$0.00**	**$1,876.00**	
Industrial	$0.00	**$299.00**	$481.00	$0.00	$0.00	$0.00	$400.00	$224.00	**$0.00**	**$0.00**	**$1,404.00**	
Warehouse	$0.00	**$299.00**	$481.00	$0.00	$0.00	$0.00	$400.00	$224.00	**$0.00**	**$0.00**	**$1,404.00**	
Institutional	$0.00	**$771.00**	$478.00	$0.00	$0.00	$0.00	$400.00	$227.00	**$0.00**	**$0.00**	**$1,876.00**	

Source: City of Burlington; Economic & Planning Systems

Supplemental Information: Capital Project Lists

PROJECT NAME	DESCRIPTION
Union Street	Increase capacity through upgrading bike lanes to be protected.
Battery Street	Increase capacity by shifting road space to accommodate higher capacity modes
North Street	Increase capacity by shifting road space to accommodate higher capacity modes
Pearl Street	Increase capacity by shifting road space to accommodate higher capacity modes
Main Street (East)	Increase capacity with a multimodal shared path
Colchester Ave	Increased capacity through improved transit infrastructure, multimodal shared use path, and improved signalization

Transportation/Multimodal Impact Fee:

Constructing Capacity by 2035 that will serve growth beyond that timeframe.

Impact Fees are assessed **only** the share of capacity consumed during the next 10 years.

$34 million of project costs. City aims to pay for 80% of project cost via Federal support – Reducing costs to $6.8 million eligible for impact fee

Supplemental Information: Capital Project Lists

Water & Sewer:

- Buy-In Impact Fee Revenue will be spent on any replacement/renewal projects within the wastewater and water systems, including but limited to:

  - Replacement/relining of water mains or sewer pipes
  - Replacement of water treatment/supply and wastewater

Supplemental Information: Capital Project Lists

General Facilities:

- $9.1M in eligible costs
- Significant other funding needed to bridge gap
- Some renovation projects that will have marginal capacity increases

Project	Estimated Cost	Useful Life [1]	% Allocated to Growth	Impact Fee Eligible Cost	Status
Library					
North Branch Expansion	$360,000	---	100%	$360,000	Unfunded long-term
Fletcher Library Renovation	$25,000,000	30 years	18.9%	$4,727,873	Unfunded long-term
2 Library Material Hold Lockers	$21,000	10 Years	8.2%	$1,717	Unfunded long-term
Police					
Office Renovation for CSOs and CSLs	$1,200,000	---	100%	$1,200,000	Current Need
Fire					
Fire Station Consolidation	$15,000,000	30 years	18.9%	$2,836,724	Unfunded long-term
Total	**$41,581,000**			**$9,126,314**	

[1] Useful life before replacement or significant capital re-investment is needed.

Source: City of Burlington; Economic & Planning Systems

Supplemental Information: Capital Project Lists

General Fleet:

- 1 net addition to Fleet identified
- Fleet replacement is not eligible

Project	Estimated Cost	% Allocated to Growth	Impact Fee Eligible Cost	Status
EMS Director Truck or new batallion car	$70,000	100%	$70,000	In Current Funding Request
Total	**$70,000**		**$70,000**	

Source: City of Burlington; Economic & Planning Systems

Supplemental Information: Capital Project Lists

Project	Estimated Cost	% Allocated to Growth	Impact Fee Eligible Cost	Status
Calahan Park				
Community Garden Expansion	$116,000	100.0%	$116,000	Unfunded long-term
Multi-Use Building + Covered Outdoor Space	$625,000	100.0%	$625,000	Unfunded long-term
Primary and Secondary Paths	$1,000,000	100.0%	$1,000,000	Unfunded long-term
Multi-Use Pavilion / Ice Rink	$900,000	100.0%	$900,000	Unfunded long-term
Subtotal	**$2,641,000**		**$2,641,000**	
Total	**$2,641,000**		**$2,641,000**	

Source: City of Burlington; Economic & Planning Systems

Parks & Recreation:

- Screened out: Marina, waterfront, & pier maintenance/replacement projects ($2.5M)
- Calahan Park
  - In an area planned for new development
  - Heavily used