City of Albuquerque
City Council

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Impact Fees Consultant Methodology Summaries

PUBLIC SAFETY FACILITIES

Consultants

Arthur C. Nelson, PhD, ASCE, FAICP
Director of Graduate Studies, Urban Affairs and Planning
Virginia Polytechnic Institute and State University

James C. Nicholas, PhD
Professor of Urban and Regional Planning, Affiliate Professor of Law
University of Florida

Methodology

The consultants propose two Service Areas for Public Safety Impact Fees, one west of the river and one east of the river, with the city limits forming the outside boundaries.

The cost to serve new development in each of the service areas is calculated by:

a) Determining the functional population for each service area for 2004, 2011 and 2025. (Functional population is calculated by estimating the number of people who are in the buildings within an area, weighted by the time they spend in those buildings over a 24 hour/seven day period.)

b) Determining the current level of service for each Service Area

c) Determining the City's total cost and cost per capita to provide police services by calculating the level of service using the 2004 replacement value of current capital assets.

d) Identifying any existing deficiencies in the existing levels of service by Service Area and the cost of rectifying those deficiencies.

e) Identifying the needed fire and emergency protection capital improvements and police capital improvements to maintain the existing levels of service to 2025 and determining the cost of those improvements.

f) Assigning a per-capita cost for these improvements to the new functional population that will arrive in the service area between the present and 2025.

g) Determining the functional persons per 1,000 square feet that each type of building (e.g., residential, industrial, office, retail) will contain over a 24/7 period.

h) Setting the legal maximum impact fee by type of development by multiplying the per-capita cost of public safety improvements times the functional persons per 1,000 square feet for each type of building or development.

i) Projecting maximum impact fee receipts by service area to 2011 and contrasting projected receipts with proposed capital expenditures to 2011 and, if necessary, adjusting downward the level of impact fees so that projected impact fee receipts will not exceed the cost of growth serving capital improvements.

DRAINAGE FACILITIES

Consultants

Integrated Utilities Group, Inc.
Economic Consulting Firm
Denver, Colorado

Methodology

Description: The consultants propose five Service Areas for Drainage Facilities Impact Fees.

- Fully Served Area
- Far Northeast Area
- Tijeras Arroyo Area
- Southwest Area
- Northwest Area

The cost to serve new development in each of the service areas is calculated by
Evaluating existing drainage plans

a) Removing projects that were not strictly related to the support of new development, including rehabilitation projects, projects that are no longer needed, deficiency correction projects, and projects that were already constructed.

b) Removing the cost components from the growth only projects that are expected to be contributed by other governmental agencies (Bernalillo County).

c) Updating cost estimates (some dating back to 1981) to current (2004) values

d) Establishing drainage service areas that meet the nexus principle with City staff.

e) Calculating the full-marginal cost of growth by reviewing the reimbursement component based on past, growth-related projects that contained City equity.

f) The result of the reimbursement portion of the fee calculation is zero at this time.

g) Excluding on-site/within development projects from the fee calculation.

h) Acquiring and using PGS Land Use assumptions through 2025.

i) Assigning Projects to Areas based on City Grid Coding

j) Assigning mapped Project Costs based on drainage service area boundaries

k) Calculating service units (SU's [SUs are impervious acres.]) based on the Projected Growth within each Drainage Service Area based on the DPM.

l) Calculating Costs per Service Unit by Service Area

m) Presenting Drainage Impact Fees by Service Area and per average residential lot (5 lots per acre assumed density).

PARK, RECREATION, TRAILS AND OPEN SPACE FACILITIES

Consultants

Arthur C. Nelson, PhD, ASCE, FAICP
Director of Graduate Studies, Urban Affairs and Planning
Virgina Polytechnic Institute and State University

James C. Nicholas, PhD
Professor of Urban and Regional Planning, Affiliate Professor of Law
University of Florida

Methodology

Description: The consultants propose seven Service Areas for Parks, Recreation, Trails, and Open Space Facilities Impact Fees.

- Academy Northeast,
- Central University,
- Foothills Southeast,
- North Albuquerque,
- North Valley – I 25,
- Southwest Mesa, and
- Volcano Northwest.

The cost to serve new development in each of the service areas is calculated by

a) Determining the residential population for each service area for 2004, 2011 and 2025.

b) Determining the current levels of service for each Service Area, with levels of service being measured as:
   o Acres of developed neighborhood and community parks per 1,000 population by Service Area,
   o Acres of trails per 1,000 population citywide, and
   o Acres of open space within the City of Albuquerque per 1,000 population citywide.

c) Determining the City's total cost and cost per capita to provide parks, recreation, trails and open spaces by Service Area by examination of the City's costs for land acquisition by service area and for park development by type of park or recreational facility.

d) Identifying any existing deficiencies in the existing levels of service by Service Area and the cost of rectifying those deficiencies.

e) Identifying the needed neighborhood and community park land acquisitions and improvements to 2025 by Service Area in terms of number of acres at a citywide level of service of 2.6 acres per 1,000 population and determining the cost of those improvements.

f) Identifying needed land acquisitions and improvements for trails to 2025 at a citywide level of service of 0.251 acres per 1,000 population and determining the cost of those improvements.

g) Identifying needed land acquisitions of open space land to 2025 at a citywide level of service of 59.295 acres per 1,000 population and determining the cost of those improvements.

h) Assigning a per capita cost for these improvements to the new population that will arrive in the service area between the present and 2025.

i) Setting the legal maximum impact fee for residential development by multiplying the per capita cost of Parks/Recreation /Trails/Open Space Facilities improvements times the persons per dwelling by Service Area and then converting that cost to per 1,000 square feet of residential floor area.

j) Projecting maximum impact fee receipts by service area to 2011 and contrasting projected receipts with proposed capital expenditures to 2011 and, if necessary, adjusting downward the level of impact fees so that projected impact fee receipts will not exceed the cost of growth serving capital improvements.

ROADWAY FACILITIES

Consultants

> **Tindale-Oliver and Associates**
> Transportation Planners and Engineers
> Tampa, Florida

Methodology

The consultants propose seven Service Areas for Roadway Facilities Impact Fees:

- Downtown;
- Northeast Heights;
- Near North Valley;
- Far Northeast Heights;
- I-25 Corridor;
- Northwest Mesa; and
- Southwest Mesa.

The Roadway Facilities Impact Cost Study is based on a standards-driven impact cost methodology. In the case of a standards-driven analysis, it is assumed that new development consumes some roadway capacity on all roads, both existing and required new ones, regardless of whether the roads are among those that are planned for improvements. As such, the cost to serve new development in each of the seven service areas is calculated as follows.

a) Determining the *unit demand* for travel placed on the roadway facility system (i.e., the amount of road system consumed) by each land use included in the impact cost schedule, using the following units of measure:
   - Number of trips generated (Trip Rate);
   - Length of the trips (Trip Length); and
   - Proportion of travel that is new travel (% New Trips), rather than travel that might have already been on the road system.

b) Determining the *unit cost* for all aspects involved in the addition of one lane mile of roadway capacity for city and private projects in the City of Albuquerque based on information from the 2025 Metropolitan Transportation Plan (MTP) and from the City of Albuquerque.

c) Determining the *offset* to the calculated cost component, which represents an estimate of the annual non-impact fee revenues generated by a new development that are allocated to roadway construction or facilities expansion. For the City of Albuquerque, the offset component is based on two different aspects: (1) the new revenue for roadway construction that a given development generates (i.e., the gas tax proxy offset) and (2) the comparative ability of existing and future development to generate revenues for roadway capital improvement (i.e., offset based on the existing/new development revenue ratio).

This latter aspect is included to account for the ability of existing development to generate revenues for capital improvements and is based on the rate of growth occurring within the community.

d) Assessing and quantifying other variables required for the Roadway Facilities impact cost equation, such as facility life, interest rate, fuel efficiency, effective days per year, and average daily capacity added per lane mile of roadway constructed.

e) Assessing and quantifying an Interstate Facility Adjustment Factor to reduce the vehicle miles of travel that occur on the Interstate system for each land use included in the impact cost schedule. This variable is used to recognize that Interstate highway improvements are funded by the State using earmarked State and Federal funds and that, typically, impact fees are not used to pay for these improvements.

f) Setting the legal maximum roadway facilities impact fee by type of development by inputting the variables identified in the previous bullets into the following general equation,

$$(\text{Unit Demand} \times \text{Unit Cost}) - \text{Offsets} = \text{Net Impact Cost}$$

where the Net Impact Cost represents an "up front" payment for a portion of the cost to replace the roadway facilities consumed by a development.

Projecting maximum impact fee receipts by service area to 2012 and contrasting projected receipts with proposed capital expenditures to 2012 and, if necessary, adjusting downward the level of impact fees so that projected impact fee receipts will not exceed the cost of growth-serving capital improvements.