

CHAPTER 3

METHODOLOGY REPORT FOR LIBRARY IMPACT FEE

Purpose:

In preparing the 5 year Capital Improvement Element, it became apparent to the leadership of the Town that many capital improvements were going to be required in order for the Town insure adequate public facilities in the face of the unprecedented growth it had experienced and will continue to experience. In order to evaluate all possible forms of revenue, the Town appointed an Impact Fee Advisory Committee. After review, it was the consensus of this Committee that the planned new public safety facility and the new library were the projects most appropriate for the use of impact fees as a partial means of financing by the Town. The purpose of this chapter is to provide the additional information necessary to meet the standards set forth by the Department of Community Affairs and to provide a legal basis and logical methodology for the imposition of impact fees for the new library facility. The information will include updated cost estimates and population projections.

Sources of Information:

Sources of information include *Town of Braselton Capital Improvements Element 2004-2008* as prepared by Keck and Wood, Inc., 2003, including the references listed on page 8 of that document, the 2003 update of the Town's *Comprehensive Plan*, as prepared by The Northeast Georgia Regional Development Commission (NEGARDC), *Town of Braselton Short Term Program, 2002-2007* as prepared by NEGARDC, *A General Overview of Impact Fees, Volume One*, as published by the Georgia Department of Community Affairs, 1992 (referred to as 1992a) and *Impact Fees: Georgia's Comprehensive Requirements, Volume Two*, as published by the Georgia Department of Community Affairs, 1992 (referred to as 1992b), *Developmental Impact Fee Compliance Requirements*, as published by the Georgia Department of Community Affairs, *A Practitioner's Guide to Development Impact Fees*, by James C. Nicholas, Arthur C. Nelson, and Julian C. Juergensmeyer, 1991, American Planning Association, *Determining the Appropriate Development Impact Fee Using the Rational Nexux Test*, by James C. Nicholas and Arthur C. Nelson, Journal of the American Planning Association, Winter, 1988, *Policy Guide on Impact Fees*, American Planning Association, 1997, *Trip Generation, 5th Edition*, Institute of Transportation Planners, 1991, *Trip Generation, 7th Edition*, Institute of Transportation Planners, 2003, Needs assessments, and cost projections for the library were prepared by Joan Anderson and Charles J. Schmidt, in a document entitled *A Building Program for a New Braselton-West Jackson Library*, prepared in 2003. Additional information was provided by the Town of Braselton and the Piedmont Regional Library. The Northeast Georgia Regional Development

Commission prepared functional population estimates and updated general population estimates in July, 2004. Municipal/County sources include impact fee ordinances for Hall County, Georgia, City of Roswell, Ga., including the Development Impact Fees Method Report, by Growth Management Consultants, Inc., City of Canton, Ga., and City of Locust Grove, Ga.

Background:

Impact Fees are authorized in the Georgia Development Impact Fee Act of 1990 provided certain standards are met. (DCA, 1992a) This Act incorporated into the enabling legislation certain principles developed in the literature and the courts to set forth a set of clear standards for the imposition of impact fees. These standards include limiting impact fees to certain capital improvements, the establishment of service areas and levels of service, linkage to the Comprehensive Plan and Capital Improvement Element, the requirement that the fee must be rationally linked (“rational nexus”) to demands for service created by new development and that the fee must represent a proportional and fair share of the costs, etc. The standards incorporated into the law are consistent with the American Planning Association's recommendations regarding impact fees (APA, 1997.) Some 28 Georgia communities are now using impact fees.

Project Description and Projection of Needs

The Town of Braselton plans to build a new library facility to serve the Town of Braselton. This need is identified in the Needs and Policy Statement of the 2003 Town's Comprehensive plan, Short Term Work Program (2002-2007) and Capital Improvements Element, and is based on the tremendous increase in population and patron requests (a ten-fold increase between 1998 and 2002) the Town had experienced and is projected to experience in the future. A needs study performed by Charles Schmidt and Joan Anderson documents the need for a Library facility totaling 6,100 square feet (see Table 3A). This building is projected to meet the Town's needs for the next 20 years. In a detailed cost study, the project of the new facility is projected to be \$197.66 per square foot. A detailed cost estimate can be found at Table 3B. Facilities for library services are eligible for impact funding under the Georgia Development Impact Fee Act. (DCA, 1992a), and this library facility has an estimated useful life of greater than 10 years.

Population Estimates and Beneficiaries of System Improvements:

Certain services such as police and fire benefit both households and businesses. They both require these services and benefit from them. (Nicholas and Nelson, 1988) However, others programs, such as recreation and library facilities, tend to serve primarily residential households (Nicholas, Nelson, and Juergensmeyer, 1991). All new residential growth within the Town limits will demand their proportion share of library services, which the town has chosen to provide. The Town leaders have correctly concluded that a good library adds greatly to the quality of life of the Town's residents and is essential in attracting quality growth. The benefit of library services is substantial and certain, and will serve all residents of Braselton. Therefore, the impact fee calculations for the library project are based on "Residential Population" These residential population estimates are found on Table 2C and were prepared by the Northeast Georgia Regional Development Commission. The impact fees for library will apply only to the projected residential population.

Current Inventory:

As described in the first portion of the CIE, the library operates in 600 square feet of space in a small building built in the 1930's. A visit to the library is enough to realize the severe lack of space, particularly in the areas of office space for the growing library staff and there is no areas to accommodate the storage and display of new volumes the library will need to buy to accommodate growth. The current facility is inadequate for the current growth the Town has already experienced and needs to be replaced by a larger facility to insure adequate library facilities to accommodate the continued growth that is expected.

Area of Service:

The Town of Braselton has historically operated its library from one central location, as do many small towns in Georgia. The library is available to all town residents. Due to the small size of the Town and the economies of scale in constructing one building, the area of service for the Town has historically been the Town limits, and the town will continue to use one service area (the Town limits) for the foreseeable future. Police stations, fire stations, libraries and the like, often serve large areas. (Nicholas, Nelson, and Juergensmeyer, 1991) Since the library service area extends to the entire community and beyond, ideally, the service area would be the entire jurisdiction. In general, local governments are urged to use the minimum number of service areas required to accomplish their objectives (DCA, 1992b) As set forth in a previous section, all residents benefit equally from library services, which the Town has chosen to provide. Library services are basically free and not “fee based” nor “location based” and are provided equitably to all areas by the Town. Furthermore, the small size of the Town, combined with the aforementioned factors, demonstrates that the Town limits can be an equitable and viable service area. Therefore, the area of service for library services will continue to be the corporate limits of the town.

Level of Service:

The current level of service can be expressed in terms of square feet per residential population by dividing the square feet of the current facility (600) by the current residential population (2226). This yields a level of service of .270 square feet per person. As noted above and elsewhere in the CIE, the current facility and consequently this level of service is woefully inadequate. In their needs study for the Town, Schmidt and Anderson are recommending a 6,100 square foot facility. Dividing 6100 square feet by the projected 2024 population of 13,042 equals a desired level of service of .47 square feet per person. Therefore, a level of service of .47 square feet per person is hereby adopted. This obviously leaves a deficit in the current level of service, which must be alleviated and paid for by the Town from sources other than impact fees.

Costs:

All costs used as basis for impact fees must be realistic, verifiable and as accurate as possible. (DCA, 1992), Since the Town has no past expenditures in this area on which to base estimates, it has chosen to rely on professionals in this field to produce accurate cost estimates for this project. The Town has chosen Charles Schmidt and Joan Anderson for this purpose. This group has consulted on more than 80 library projects and has extensive education, training and experience in the library field. Based on their cost study, the total project cost is estimated at \$1,205,700 or \$197.66 per square foot.

Implementation Time Frame:

The Town plans to begin construction by March 1, 2005 and complete construction by November 30, 2005.

Impact Fee Calculation:

Based on the new level of service adopted by the Town, the demand for facility space for the year 2004 is 1046 square feet (current residential population of 2,226 times a level of service of .47 square feet per person). Based on the current facility of 600 square feet, this leaves a deficiency of 446 square feet. This deficiency in the level of service is not eligible for funding through impact fees. In addition, the new facility will be replacing the 600 square feet currently used for library services. This replacement cost of the old facility is also not eligible for impact fee funding. Therefore, the first 1046 square feet of the new facility is not eligible for impact fee funding. At an average project cost of \$197.66 per square foot, this represents \$206,753 in project costs, which must be deducted from the total project cost for the purpose of calculating impact fees. These costs must be paid from sources other than impact fees.

In summary, a total of 1046 square feet at a total cost of \$206,753, which represents 17.15% of the project costs, cannot be financed with impact fees. Deducting \$206,753 from the total project cost of \$1,205,700, leaves a remainder of \$998,947 in project costs that are eligible to be financed with impact fees. The remainder (the amount of the project attributable to new growth) is divided by the increase in residential population between the years 2004 and 2024. ($\$998,947 / 10,816 = \92.36) This is the cost, per resident to the Town of Braselton for providing a new, modern library facility to new development in the Town.

Funding Sources:

The purpose of this section is to provide a description of funding sources the Town expects to use to pay for the portion of this project that is not eligible for impact fee funding. Based on the calculations on page 5 of this chapter, \$207,000 (rounded) of this project is not eligible for impact funding. The Town plans to finance this project for ten years. Based on a term of ten years with an assumed maximum interest rate of 5%, the Town's payments for the non-impact fee eligible portion of this project will be \$26,400 per year. Due to the phenomenal growth of tourism in the Town over the past several years, the unrestricted portion of the hotel-motel tax has grown to over \$350,000 per year. Therefore, the Town can commit \$26,400 per year from the unrestricted portion of the hotel-motel tax to cover this portion of the debt.

Credits:

Impact fee payers must be given credits for any future property tax collections that would be allocated to pay for capital improvements serving new growth. Also the amount of any non-local monies received for the project, such as state or federal grants must be deducted from the cost of the project in calculating impact fees. The Town of Braselton has been unable to secure any state or federal grants for this project. Furthermore, the Town does not charge any property tax, nor has any plans to implement one. Also, the nominal fines generated by the library and assistance from other agencies on an annual basis are much less than the operational costs. Therefore, no tax credits are due.

Calculation Table

Table 3C sets forth the calculations for the impact fee for both the public safety and library projects. Residential fees are based on an average household size as shown in 5- year increments from 2005 to 2023 as shown on Table 8. The average household size is 2.41 persons per household. Employment figures are based on or derived from *ITE Trip Generation Manual, 5th Edition*, *ITE Trip Generation Manual, 7th Edition*, *Trip Generation Characteristics of Free Standing Discount Store; A Case Study*: by Manoj K. Kha and David J. Lovell, and *Developmental Impact Fee Methods Report*, (*City of Roswell*) by Growth Management Consultants, Inc., and local field research. The administration fee is calculated at 3% of the subtotal of the public safety and library impact fee. The library impact fee is based on residential population alone. The public safety impact fee is based on "functional population" or the sum of both residential and employment populations.

Table 3A Library Space Summary

Source: Schmidt and Anderson, Town of Braselton

	Collection	PC's	Public Seating	Net Sq. Ft.
Main Entrance				
Lobby			2	100
Public Rest Rooms				250
Circulation				
Service Desk	100	2		325
Work Area	600	1		150
Storage	100			50
Telecomm		1		50
Reference Services				
Collection	500			160
Adult Services				
Browsing	636		4	250
Collection	16,500			1,230
Seating	400	4	12	400
Catalog				
Public Access		4	1	80
Children Services				
Collection	12,300			1,000
Seating		4	17	430
Community Education Services				
Program/meeting room			50	535
Kitchenette				50
Storage				50
Staff				
Lounge				75
Restroom				50
Building Services				
Custodial Closet				50
Mechanical Room				200
Exterior				0
Unassigned				615
Total	31,136	16	86	6,100

Table 3B Detailed Project Cost Estimates
 Braselton Library

Construction*

6100 sq ft New Construction @ \$119/sq ft \$725,900

Architectural Design*

Design/Engineering Fees 50,100

Other*

Consultants (Interior Design, etc.) 16,700

Soil Engineering/Survey/Tests 4,500

Advertise Bids 2,000

Printing (Blueprints and Specifications) 3,000

Legal and Audit 4,000

Site Development 22,000

Contingency 36,300

Books and Shelving** 150,000

Land*** 170,000

Project Total **1,205,700**

Sources of estimates:

*Schmidt and Anderson

**Piedmont Regional Library

***Town of Braselton

Table 3 C Town of Braselton Impact Fee Calculations Land Use Designation	Unit of Measure	Employees or Residents per Unit of Measure	Public Safety Impact Fee	Library Impact Fee	Admn. Fee	Total Impact Fee Per Unit of Measure
Detached Residential	Dwelling	2.41	323.42	222.59	16.38	\$562.39
Attached Residential	Dwelling	2.41	323.42	222.59	16.38	\$562.39
Auto Parts Store	Per 1000 Sq. Ft.	0.96	128.83	0	3.86	\$132.70
Building Materials/Lumber	Per 1000 Sq. Ft.	1.24	166.41	0	4.99	\$171.40
Bank- Walk -In	Per 1000 Sq. Ft.	2.10	281.82	0	8.45	\$290.27
Bank-Drive In	Per 1000 Sq. Ft.	3.82	512.64	0	15.38	\$528.02
Church	Per 1000 Sq. Ft.	0.52	69.78	0	2.09	\$71.88
Convenience Store (15-16 hrs)	Per 1000 Sq. Ft.	2.40	322.08	0	9.66	\$331.74
Convenience Store (24 hrs)	Per 1000 Sq. Ft.	3.40	456.28	0	13.69	\$469.97
Convenience Store w/gas pumps	Per 1000 Sq. Ft.	3.63	487.15	0	14.61	\$501.76
Day Care Center	Per 1000 Sq. Ft.	2.80	375.76	0	11.27	\$387.03
Discount Club	Per 1000 Sq. Ft.	1.30	174.46	0	5.23	\$179.69
Electronics Superstore	Per 1000 Sq. Ft.	0.96	128.83	0	3.86	\$132.70
Factory Outlet Center	Per 1000 Sq. Ft.	1.67	224.11	0	6.72	\$230.84
Fast Food Restaurant	Per 1000 Sq. Ft.	10.90	1,462.78	0	43.88	\$1,506.66
Free Standing Discount Store	Per 1000 Sq. Ft.	1.53	205.33	0	6.16	\$211.49
Furniture Store	Per 1000 Sq. Ft.	0.43	57.71	0	1.73	\$59.44
General Office Building	Per 1000 Sq. Ft.	3.29	441.52	0	13.25	\$454.76
Paint/Hardware Store	Per 1000 Sq. Ft.	0.96	128.83	0	3.86	\$132.70
High Turnover Restaurant	Per 1000 Sq. Ft.	9.92	1,331.26	0	39.94	\$1,371.20
Low Turnover (sit down) Restaurant	Per 1000 Sq. Ft.	7.46	1,001.13	0	30.03	\$1,031.17
Home Improvement Superstore	Per 1000 Sq. Ft.	0.96	128.83	0	3.86	\$132.70
Hospital	Per 1000 Sq. Ft.	3.03	406.63	0	12.20	\$418.82
Hotel/Motel	Per Room	0.90	120.78	0	3.62	\$124.40
Industrial Bldg or Park	Per 1000 Sq. Ft.	2.00	268.40	0	8.05	\$276.45
Lodge/Fraternal Org	Per 1000 Sq. Ft.	1.00	134.20	0	4.03	\$138.23
Medical/Dental Office	Per 1000 Sq. Ft.	4.83	648.19	0	19.45	\$667.63
Mini-warehouse	Per 1000 Sq. Ft.	0.05	6.71	0	0.20	\$6.91
Movie Theatre	Per 1000 Sq. Ft.	1.40	187.88	0	5.64	\$193.52
New/Used Car Sales	Per 1000 Sq. Ft.	1.61	216.06	0	6.48	\$222.54
Nursery (Garden Center	Per 1000 Sq. Ft.	1.89	253.64	0	7.61	\$261.25
Nursing Home	Per 1000 Sq. Ft.	1.15	154.33	0	4.63	\$158.96
Pharmacy/Drug Store	Per 1000 Sq. Ft.	1.67	224.11	0	6.72	\$230.84
Private School (K-12)	Per 1000 Sq. Ft.	8.09	1,085.68	0	32.57	\$1,118.25
Quality Restaurant	Per 1000 Sq. Ft.	7.46	1,001.13	0	30.03	\$1,031.17
Quick Lubrication Vehicle Shop	Service Bay	2.10	281.82	0	8.45	\$290.27
Recreational Center	Per 1000 Sq. Ft.	0.84	112.73	0	3.38	\$116.11
Self-Service Car Wash	Per Stall	0.20	26.84	0	0.81	\$27.65
Shopping Center	Per 1000 Sq. Ft.	1.67	224.11	0	6.72	\$230.84
Specialty Retail Shops/Strip Centers	Per 1000 Sq. Ft.	1.82	244.24	0	7.33	\$251.57
Supermarket	Per 1000 Sq. Ft.	1.26	169.09	0	5.07	\$174.16
Tire Store	Per 1000 Sq. Ft.	0.94	126.15	0	3.78	\$129.93
Warehouse	Per 1000 Sq. Ft.	1.28	171.78	0	5.15	\$176.93
Wholesale Market	Per 1000 Sq. Ft.	0.82	110.04	0	3.30	\$113.35
Other	Per Employee	1.00	134.20	0	4.03	\$138.23

