

Impact Fee Primer

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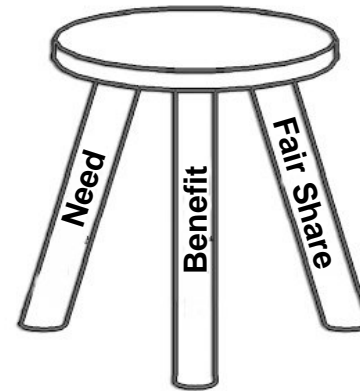
- President of national consulting firm, Duncan Associates
- Drafted development codes for over 300 clients in 40 states
- Drafted codes for numerous Virginia cities and counties
- Drafted impact fee studies for over 100 clients in 30 states
- Created nation's 1st online resource: www.impactfees.com
- Managed nation's 1st multi-facility impact fee system
- Co-authored nation's 1st state impact fee enabling act
- Co-authored "Growth Management Principles and Practices"
- Past national president of American Planning Association

Evolution of Impact Fees

- **1970s – Era of Frustration**
 - Rapid urbanization
 - Anti-tax revolution
- **1980s – Era of Acceleration**
 - Declining State and Federal assistance
 - “Reaganomics” (Public-Private Partnerships)
- **1990s – Era of Maturation**
 - “Smart growth”-oriented impact fees
 - Increased state enabling legislation
- **2000s – Era of Frustration II**
 - Skyrocketing infrastructure costs and fees
 - Roller coaster real estate markets

“The Perfect Impact Fee Act”

- **The “Rational Nexus” Test**
 - **Need (plans and projections)**
 - **Benefit (CIPs and service areas)**
 - **Fair Share (proportionality)**



“The Perfect Impact Fee Act”

- **Substantive issues**
 - **Eligible facilities (Be permissive, not prohibitive)**
 - **Levels of service (Omit “sins of the past”)**
 - **Crediting (No double charging)**
 - **Earmarking (Spend wisely)**



“The Perfect Impact Fee Act”

- **Procedural issues**
 - Stakeholder involvement
 - Collections and refunds
 - Timing: Phase-ins and updates
 - Waivers and exemptions

