

EXACTION RATE TABLE UPDATE – 2015 & 2020

Budget, Finance, & Economic Development Committee

March 17, 2020



LEXINGTON

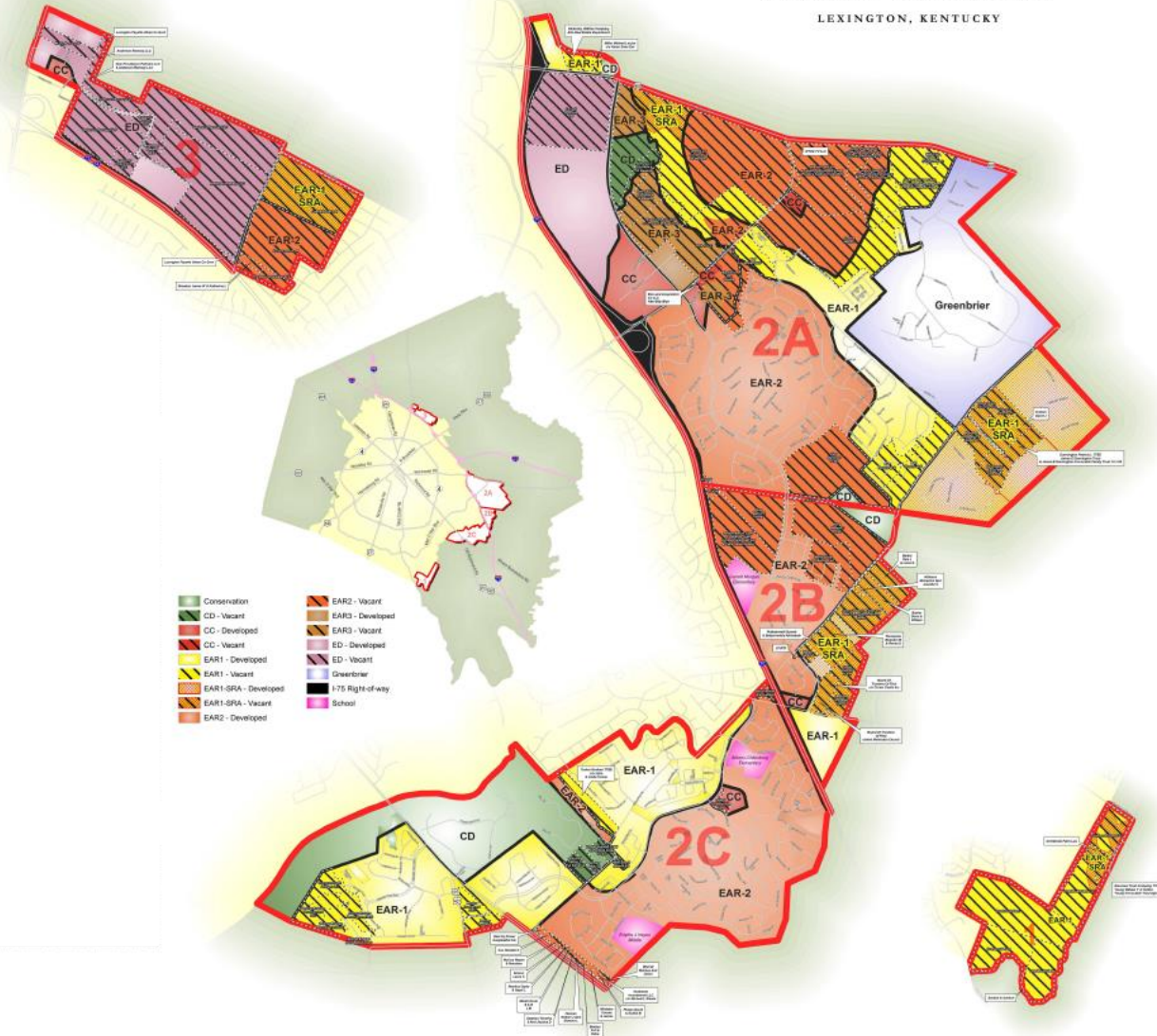


Presentation Overview

- Background Information – Expansion Areas & Exactions
- 2015 Rate Table Update
- 2020 Rate Table Update
- Next Steps



URBAN SERVICE AREA EXPANSION EXACTION CALCULATION LEXINGTON, KENTUCKY





Expansion Areas (“EAs”)

| Expansion Area | Acres (Developable) | Recorded Plat Acres | Remaining Acres | % Remaining |
|-----------------------|----------------------------|----------------------------|------------------------|--------------------|
| 1 | 565 | 0 | 565 | 100% |
| 2-A | 1,885 | 1,013 | 871 | 46% |
| 2-B | 414 | 171 | 243 | 59% |
| 2-C | 976 | 882 | 95 | 10% |
| 3 | 474 | 68 | 406 | 86% |
| TOTAL | 4,273 | 2,094 | 2,179 | 51% |



Overview of Exactions Program

- The goal is to provide an equitable means of allocating a fair share of the cost of capital facilities which are needed to serve new growth and development
- Exactions must be roughly proportional to the cost for capital facilities
- Assessed at time of plat or development plan on a per-acre basis
- Rates are set by the Urban County Council and updated to reflect actual project costs



Overview of Exactions Program

- Facilities Covered:
 - Sanitary Sewer Capacity
 - Sanitary Sewer Transmission
 - Collector Roads
 - Multi-Neighborhood Parks / Non-Floodplain Greenways
 - Rural Open Space
 - Stormwater Management Facilities



Overview of Exactions Program

- The exaction rate table establishes the rates to be paid:
 - Non-sewer: Roads, parks, stormwater, open space
 - Sewer: Transmission and capacity

- Developers can pay cash for exactions or enter into agreements if they choose to build system improvements

- Credits are given for infrastructure that is built by developers

- Credits can be transferred/sold within the same expansion area



Article 23C-5(b)

- Provides for the review, adjustment, and amendment of exactions

“...on a quarterly basis...(the LFUCG) shall review the methodology report and **recommend the increase or decrease of all exactions**, with the exception of the Open Space Exaction, based upon the actual costs of acquiring properties or interests in properties and the actual costs of constructing system improvements...”



Rate Table Update

- Change in vacant land assumption from 10% to 7% consistent with the Comprehensive Plan
- Acreage assumptions: EAMP v. GIS
- Interim development: Applying the above assumptions to development since 2015, consistent with past rate table updates



2015 Rate Table Update

- Timing consistent with past rate table updates
- Changed vacant land assumption to 7%
- All calculations completed using GIS
- Rates calculated as of January 1, 2015 based on conditions at that time:
 - Removed land platted after 1/1/2015 (182 acres)
 - Vacant and developed land adjustments
 - Trip calculations and other conditions as of 1/1/2015
- 182 acres of platted land:
 - Final Record Plats & Final Development Plans
 - Excluded Consolidation Plats and other actions that did not result in the platting of additional lots or only resulted in lot splits, etc.



2015 Rate Table Update – EA 2C Issue

- Refunds for over collections in the amount of \$2.51 million previously provided in 2C:
 - \$2.06 million in credits to Ball Homes
 - \$447,465 in cash refund for exactions paid (2 plats)

- Current over collections of \$1.34 million in 2C:
 - Roads: \$518,269
 - Sewer transmission: \$826,832

2015 Rate Table Update

| Jan. 1, 2015 Rate Table | | | | | |
|--------------------------------|-------------|--------------|--------------|--------------|-------------|
| Land Use | EA 1 | EA 2a | EA 2b | EA 2c | EA3 |
| EAR1 | \$9,627.66 | \$13,922.36 | \$13,186.88 | \$12,245.92 | \$0.00 |
| EAR1-SRA | \$3,588.30 | \$4,562.13 | \$4,316.10 | \$0.00 | \$2,915.49 |
| EAR2 | \$0.00 | \$28,804.64 | \$26,387.78 | \$16,374.18 | \$16,644.22 |
| EAR3 | \$0.00 | \$58,918.78 | \$0.00 | \$0.00 | \$0.00 |
| CC (res) | \$0.00 | \$58,913.42 | \$0.00 | \$39,278.17 | \$0.00 |
| CC (nonres) | \$0.00 | \$204,221.40 | \$0.00 | \$37,920.45 | \$0.00 |
| ED | \$0.00 | \$90,980.40 | \$0.00 | \$0.00 | \$40,072.03 |

| Change -- 2010 to 2015 | | | | | |
|-------------------------------|-------------|--------------|---------------|--------------|--------------|
| Land Use | EA 1 | EA 2a | EA 2b | EA 2c | EA3 |
| EAR1 | -\$1,398.28 | -\$4,742.96 | -\$7,376.53 | -\$5,993.86 | -\$7,396.02 |
| EAR1-SRA | \$3,588.30 | -\$1,386.55 | -\$2,044.45 | \$0.00 | \$2,915.49 |
| EAR2 | \$0.00 | -\$8,092.20 | -\$13,439.31 | -\$16,247.48 | \$2,253.16 |
| EAR3 | \$0.00 | -\$18,673.54 | \$0.00 | \$0.00 | \$0.00 |
| CC (res) | \$0.00 | -\$18,678.90 | -\$84,572.18 | -\$32,894.40 | -\$28,263.25 |
| CC (nonres) | \$0.00 | \$23,266.20 | -\$188,310.15 | -\$67,659.03 | -\$68,080.95 |
| ED | \$0.00 | \$9,970.83 | -\$40,295.37 | \$0.00 | \$374.29 |



2020 Rate Table Update

- Changed vacant land assumption to 7%
- All calculations completed using GIS
- Recalculated plats from 2015 forward included in rate table
 - Result: \$1.39 million reduction



2020 Rate Table Update – Road Improvements

- 2A/2B:
 - Polo Club Boulevard (18,427 lf)
 - Blackford Parkway (14,433 lf)
 - 2C: Hays Boulevard (10,150 lf)
 - 3: Providence Parkway (7,105 lf)
-
- Total Costs: \$43.8 million
 - Collections on Platted Land: \$20.8 million
 - **Remaining Exactions: \$23.6 million**



2020 Rate Table Update – Sewer Capacity

- Costs for Treatment Capacity: \$14.79 million
- Estimated Cost of Diversion Line: \$10.56
- Collections on Platted Land: \$5.92 million
- **Remaining Exactions: \$2.77 million**
 - Takes into account user fee credits (25 years) and present value, resulting in a cost/acre and credit/acre calculation

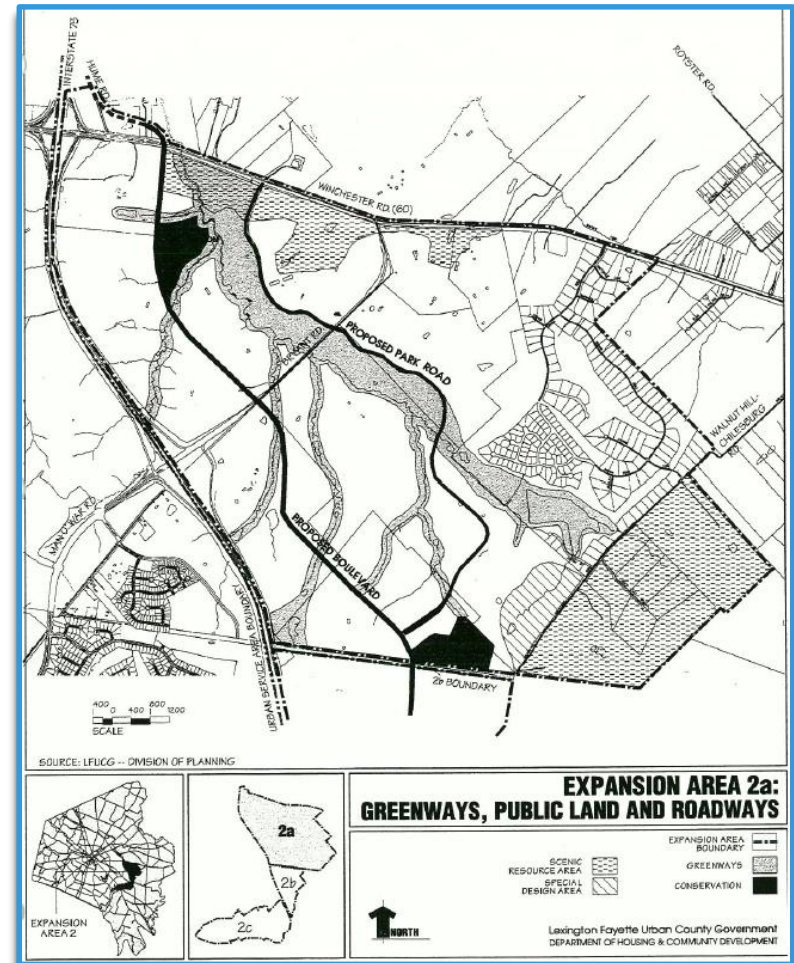


2020 Rate Table Update – Sewer Transmission

- Installation of transmission lines and pump stations
- Total Cost: \$24.93 million
- Collections on Platted Land: \$11.18 million
- **Remaining Exactions: \$14.57 million**

2020 Rate Table Update – Parks & Greenways

- Parks and Greenways: 142 acres, \$9.1 million
- Collections on Platted Land: \$4.27
- **Remaining Exactions: \$4.8 million**





2020 Rate Table Update – Stormwater Facilities

- EAs 1 and 3 require on-site stormwater facilities, so no exactions
- Total Costs for remaining EAs: \$18.01 million
- Collections on Platted Land: \$11.59 million
- **Remaining Exactions: \$6.4 million**



2020 Rate Table Update – Open Space

- \$1,000 per acre
- Funds collected to be used to “...acquire open space, including, but not limited to, conservation easements in the Rural Service Area...”
 - Priority given to land within 1 mile radius of EA boundary
- Total: \$4.27 million
- Collected: \$2.10 million
- **Remaining: \$2.17 million**



2020 Rate Table Update

| March 1, 2020 Rate Table | | | | | |
|--------------------------|------------|--------------|-------------|-------------|-------------|
| Land Use | EA 1 | EA 2a | EA 2b | EA 2c | EA3 |
| EAR1 | \$9,910.93 | \$13,790.93 | \$12,686.84 | \$12,159.08 | \$0.00 |
| EAR1-SRA | \$3,673.28 | \$4,515.78 | \$4,185.79 | \$0.00 | \$3,047.11 |
| EAR2 | \$0.00 | \$28,637.31 | \$25,546.10 | \$16,450.21 | \$17,821.09 |
| EAR3 | \$0.00 | \$58,630.97 | \$0.00 | \$0.00 | \$0.00 |
| CC (res) | \$0.00 | \$58,614.19 | \$0.00 | \$42,870.62 | \$0.00 |
| CC (nonres) | \$0.00 | \$188,598.84 | \$0.00 | \$37,901.12 | \$0.00 |
| ED | \$0.00 | \$113,482.11 | \$0.00 | \$0.00 | \$43,167.21 |

| Change – 2010 to 2020 | | | | | |
|-----------------------|-------------|--------------|---------------|--------------|--------------|
| Land Use | EA 1 | EA 2a | EA 2b | EA 2c | EA3 |
| EAR1 | -\$1,115.02 | -\$4,874.39 | -\$7,876.57 | -\$6,080.70 | -\$7,396.02 |
| EAR1-SRA | \$3,673.28 | -\$1,432.90 | -\$2,174.77 | \$0.00 | \$3,047.11 |
| EAR2 | \$0.00 | -\$8,259.53 | -\$14,280.99 | -\$16,171.45 | \$3,430.02 |
| EAR3 | \$0.00 | -\$18,961.35 | \$0.00 | \$0.00 | \$0.00 |
| CC (res) | \$0.00 | -\$18,978.13 | -\$84,572.18 | -\$29,301.94 | -\$28,263.25 |
| CC (nonres) | \$0.00 | \$7,643.65 | -\$188,310.15 | -\$67,678.35 | -\$68,080.95 |
| ED | \$0.00 | \$32,472.54 | -\$40,295.37 | \$0.00 | \$3,469.47 |



2020 Rate Table Update – Summary

- Total Program Costs: \$108.75 million
- Total Collections on Platted Land: \$55.82 million (51%)
- Total Remaining Exactions: \$54.27 million (49%)



Next Steps

- 2015 rate table results in \$1.39 million in refunds due to recalculated exactions
- \$1.34 million in EA 2C refunds due to over collection
- Amend Article 23C to change timing for rate table updates from quarterly to annually (or after rezoning occurs)
- Recommendation: Approval of Resolution adopting rate table updates

Questions?



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