



TOWN *of*  
WAKE FOREST

# Parks and Recreation Facility Impact Fee Update Study

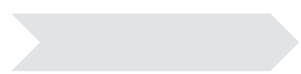
September 3, 2024



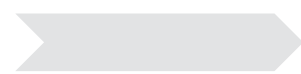
# Presentation Overview



**Background/  
Purpose**



**Technical  
Study**



**Next Steps**



# Background/Purpose

- Parks impact fees were last updated in 2018
- Study to update input variables to reflect most current data



# Background/Purpose

## Impact fee definition:

- One-time capital charge to new development
- Covers the cost of new capital facility capacity
  - Frees up other funds for maintenance/renovations
- Implements the CIP



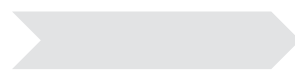
# Background/Purpose

## Why Impact Fees?

- Maintain current level-of-service (LOS)
- Calculate the cost of growth
- Most needed when:
  - High growth
  - Limited funding



# Presentation Overview



**Background/  
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**Next Steps**



# Technical Study

## Consumption-Based Methodology

- Common methodology used by many jurisdictions
- Charges new growth based on its consumption of capacity
- Fees are calculated at a rate to generate revenues sufficient only for growth related capacity projects



# Technical Study

## Basic Impact Fee Formula

$$\text{Net Impact Fee} = (\text{Cost} - \text{Credit}) \times \text{Demand}$$



Cost to add  
capacity



Non-impact fee  
revenue from future  
development



Population



# Summary of Fees

| Land Use                               | Unit | Calculated Impact Fee | Adopted Impact Fee |
|--|------|-----------------------|--------------------|
| Single Family, Townhouse & Mobile Home | du   | <b>\$8,856</b>        | \$3,691            |
| Multi-Family                           | du   | <b>\$4,789</b>        | \$2,202            |

# Technical Study

## Impact Fee Components

- Inventory
- Level of Service
- Cost Component
- Credit Component
- Net Impact Cost
- Calculated Fee
- Fee Comparison



# Technical Study

## Parks & Open Space Inventory

- **≈600 acres with recreational facilities**, including:
  - ✓ Stand-alone greenway facilities
  - ✓ Open space parks with greenways
  - ✓ Other parks

# Technical Study

## Recreational Facility Value per Resident

| Variable  | Cost             |
|---|------------------|
| Recreational Facility Value                           | \$85,528,300     |
| Total Park Acreage                                    | 603              |
| <b>Total Recreational Facility Value per Acre</b>     | <b>\$141,772</b> |
| 2024 Population                                       | 58,007           |
| <b>Total Recreational Facility Value per Resident</b> | <b>≈\$1,474</b>  |

# Technical Study

## Land Value per Resident

| Variable                             | Cost per Resident    |
|--------------------------------------|----------------------|
| Land Purchase Cost per Acre          | \$175,000            |
| Total Acres                          | 603                  |
| <b>Total Land Value</b>              | <b>\$105,574,000</b> |
| 2024 Population                      | 58,007               |
| <b>Total Land Value per Resident</b> | <b>≈\$1,820</b>      |

# Technical Study

## Total Impact Cost per Resident

| Variable                               | Total Asset Value | Percent of Total Asset Value |
|--|-------------------|------------------------------|
| Recreation Facility Value per Resident | \$1,474           | 45%                          |
| Total Land Value per Resident          | \$1,820           | 55%                          |
| <b>Total Impact Cost per Resident</b>  | <b>≈\$3,294</b>   | <b>100%</b>                  |

# Technical Study

## Credit Component – “Cash” Credit

| Variable   | FY 2019 to FY 2028 |
|--|--------------------|
| General Fund   | \$1,669,400        |
| Grants   | \$1,800,00         |
| Miscellaneous Revenue                                | \$150,00           |
| <b>Total Capital Expansion Expenditures</b>          | <b>\$3,619,400</b> |
| <b>Average Annual Capital Expansion Expenditures</b> | <b>≈\$361,940</b>  |
| <b>Average Annual Population</b>                     | <b>56,813</b>      |
| <b>Capital Expansion Expenditures per Resident</b>   | <b>≈\$6.37</b>     |

# Technical Study

## Credit Component – Debt Service Credit

| Issue   | Number of Remaining Payments | Present Value of Remaining Payments | Average Annual Population During Remaining Issue Period | Debt Service Credit per Resident |
|---|------------------------------|-------------------------------------|---|----------------------------------|
| Holding Park Pool                             | 5                            | \$1,332,417                         | 63,697  | ≈\$20.92                         |
| Series 2016 - Bond                            | 3                            | \$497,040                           | 63,608  | ≈\$7.81                          |
| Series 2018 – Bond                            | 14                           | \$10,501,977                        | 82,295  | ≈\$127.61                        |
| Series 2019 – Bond                            | 6                            | \$1,032,480                         | 68,104  | ≈\$15.16                         |
| Series 2021B - Bond                           | 17                           | \$1,230,062                         | 88,769  | ≈\$13.86                         |
| <b>Total Debt Service Credit per Resident</b> |                              |                                     |   | <b>≈\$185.36</b>                 |



# Technical Study

## Net Impact Cost

| Variable   | Figure             |
|--|--------------------|
| <b>Impact Cost:</b>                                  |                    |
| Total Impact Cost per Resident                       | \$3,294.47         |
| <b>Total Revenue Credit:</b>                         |                    |
| Capital Expansion “Cash” Credit per Resident         | \$6.37             |
| <i>Capitalization Rate</i>                           | 4.25%              |
| <i>Capitalization Period (in years)</i>              | 25                 |
| Capital Improvement Credit per Resident              | \$96.93            |
| Capital Expansion “Debt Service” Credit per Resident | \$185.36           |
| <b>Total Revenue Credit per Resident</b>             | <b>\$282.29</b>    |
| <b>Net Impact Cost:</b>                              |                    |
| Net Impact Cost Per Resident                         | <b>≈\$3,012.18</b> |

# Technical Study

## Calculated Impact Fees

| Land Use                               | Residents per Unit | Net Impact Cost per Resident | Calculated Impact Fee | 2018 Study Calculated Impact Fee | Percent Change | Adopted Impact Fee | Percent Change |
|--|--------------------|------------------------------|-----------------------|----------------------------------|----------------|--------------------|----------------|
| Single Family, Townhouse & Mobile Home | 2.94               | \$3,012                      | <b>\$8,856</b>        | \$4,101                          | 116%           | \$3,691            | 140%           |
| Multi-Family                           | 1.59               | \$3,012                      | <b>\$4,789</b>        | \$2,447                          | 96%            | \$2,202            | 117%           |

# Technical Study

## Impact Fee Comparison

| Land Use                                     | Unit | Town of Wake Forest |                | City of Raleigh | Town of Rolesville |
|--|------|---------------------|----------------|-----------------|--------------------|
|  |      | Calculated          | Existing       |                 |                    |
| Study Date                                   | -    | <b>2024</b>         | <b>2018</b>    | 2006            | N/A                |
| Assessed Portion                             | -    | <b>N/A</b>          | <b>90%</b>     | 70%-75%         | N/A                |
| Single Family,<br>Townhouse & Mobile<br>Home | du   | <b>\$8,856</b>      | <b>\$3,691</b> | \$1,794         | \$3,200            |
| Multi-Family                                 | du   | <b>\$4,789</b>      | <b>\$2,202</b> | \$1,302         | \$3,200            |

# Technical Study

## Fee-in-Lieu of Land Dedication Comparison

| Land Use                               | Unit | Town of Wake Forest (IF) |                | Town of Apex | Town of Cary | Town of Fuquay-Varina | Town of Garner |
|--|------|--------------------------|----------------|--------------|--------------|-----------------------|----------------|
|  |      | Calculated               | Existing       |              |              |                       |                |
| Study Date                             | -    | <b>2024</b>              | <b>2018</b>    | 2019         | N/A          | N/A                   | N/A            |
| Single Family, Townhouse & Mobile Home | du   | <b>\$8,856</b>           | <b>\$3,691</b> | \$4,017      | Varies       | Varies by Tax Value   | \$2,375        |
| Multi-Family                           | du   | <b>\$4,789</b>           | <b>\$2,202</b> | \$2,705      | \$3,400      |                       | \$1,762        |

# Parks and Recreation

## Fee-in-Lieu of Land Dedication Comparison

| Land Use                                     | Unit | Town of Wake Forest (IF) |                | Town of Holly Springs   | Town of Morrisville | Town of Rolesville                            |
|--|------|--------------------------|----------------|---|---------------------|---|
|  |      | Calculated               | Existing       |   |                     |   |
| Study Date                                   | -    | <b>2024</b>              | <b>2018</b>    | N/A   | N/A                 | N/A   |
| Single Family,<br>Townhouse & Mobile<br>Home | du   | <b>\$8,856</b>           | <b>\$3,691</b> | # of dwelling units x 1/20 acre =<br>Acres to be dedicated acres to be<br>dedicated x Value/Acre = Fees-in-lieu | *                   | Market Value<br>of 5% of the<br>gross acreage |
| Multi-Family                                 | du   | <b>\$4,789</b>           | <b>\$2,202</b> |   | \$2,798             |   |

\*Single Family attached/detached, duplex, and manufactured homes are calculated as 1/35 of an acre (Pre-Development Cost) times the number of dwelling units

# Parks and Recreation

## Adoption Options: **Scenario 1**

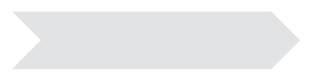
| Land Use                               | Calculated Impact Fee | Adopted Impact Fee | January 1, 2025 | July 1, 2025 | January 1, 2026 |
|--|-----------------------|--------------------|-----------------|--------------|-----------------|
| <b>Adoption Percentage</b>             |                       |                    | <b>70%</b>      | <b>80%</b>   | <b>90%</b>      |
| Single Family, Townhouse & Mobile Home | \$8,856               | \$3,691            | \$6,199         | \$7,085      | \$7,970         |
| Multi-Family                           | \$4,789               | \$2,202            | \$3,352         | \$3,831      | \$4,310         |

# Parks and Recreation

## Adoption Options: Scenario 2

| Land Use                               | Calculated Impact Fee | Adopted Impact Fee | January 1, 2025 | January 1, 2026 | January 1, 2027 |
|--|-----------------------|--------------------|-----------------|-----------------|-----------------|
| <b>Adoption Percentage</b>             |                       |                    | <b>70%</b>      | <b>80%</b>      | <b>90%</b>      |
| Single Family, Townhouse & Mobile Home | \$8,856               | \$3,691            | \$6,199         | \$7,085         | \$7,970         |
| Multi-Family                           | \$4,789               | \$2,202            | \$3,352         | \$3,831         | \$4,310         |

# Presentation Overview



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Purpose**

**Technical  
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**Next Steps**





# Next Steps

- **September 3<sup>rd</sup>**: Board of Commissioners Input/Direction
- **September 4<sup>th</sup>**: Planning Board Input
- **September 17<sup>th</sup>**: Board of Commissioners Mtg. (Public Hearing)
- **January 2025**: Implementation Process



**Questions?  
Thank You!**



# Technical Study

## Parks Recreational Facilities

- 11 baseball-softball fields
- 8 Playgrounds
- 8 Lighted Tennis Courts
- 7 soccer/multi use fields
- 6 Picnic Areas
- 3 Community Centers & Wake Forest Community House

**ADDED**

- 2 Ponds & Wake Forest Reservoir
- 1 Aquatic Center (3 pools)
- 1 Spray Ground
- 1 Dedicated Pickleball Facility (4 Courts)
- 1 Dog Park (large & small) Flaherty Park
- 18 Hole Disc Golf Course