PLANNING INNOVATIONS

SB 743 Implementation Strategies

Moving from LOS to VMT - Part II: Show Me the (Fee) Money!

June 5, 2018

Krute Singa


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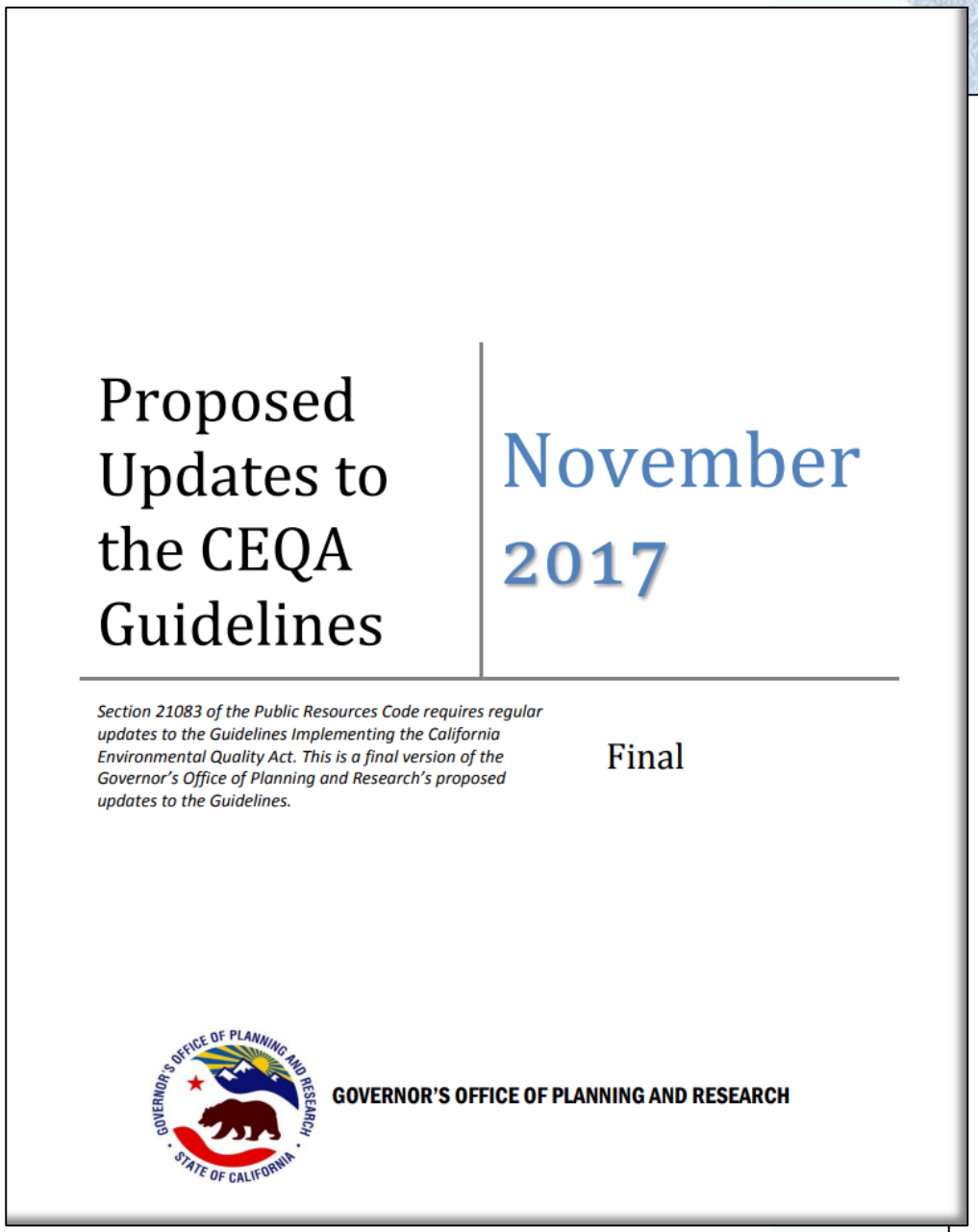
Planning Innovations
June 2017

Goals of SB 743

- Coordinated transportation and land use planning
- Promotion of pubic health with active transportation options
- GHG emissions reduction and meeting state targets

Update on SB 743



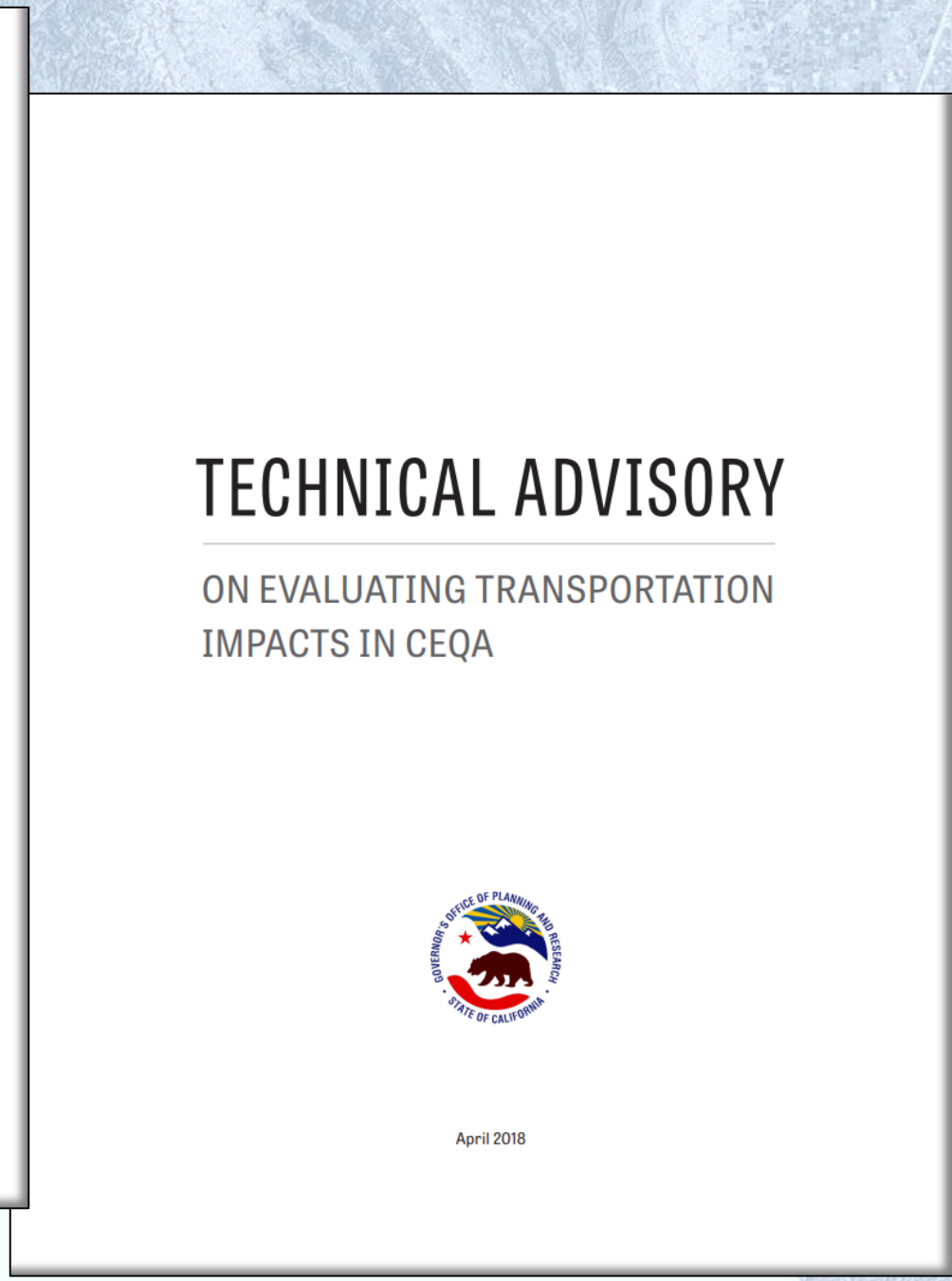
Proposed Updates to the CEQA Guidelines

November 2017

Section 21083 of the Public Resources Code requires regular updates to the Guidelines Implementing the California Environmental Quality Act. This is a final version of the Governor's Office of Planning and Research's proposed updates to the Guidelines.

Final

GOVERNOR'S OFFICE OF PLANNING AND RESEARCH



TECHNICAL ADVISORY

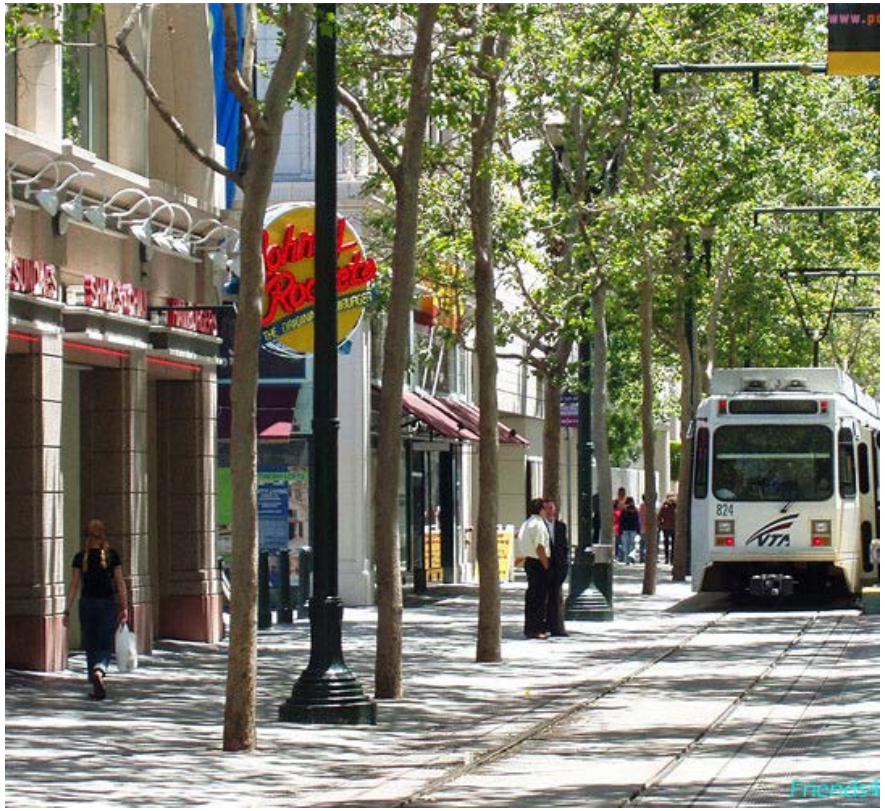
ON EVALUATING TRANSPORTATION IMPACTS IN CEQA

April 2018

Overview of Forum

- Panel 1: Moving from LOS to VMT: Perspectives from Three Cities

- Panel 2: Transportation Impact Fee: The How-To



San José's SB 743 Process

Transportation Analysis Policy Revision in San José: Shift to Vehicle Miles Traveled

April 20th, 2018

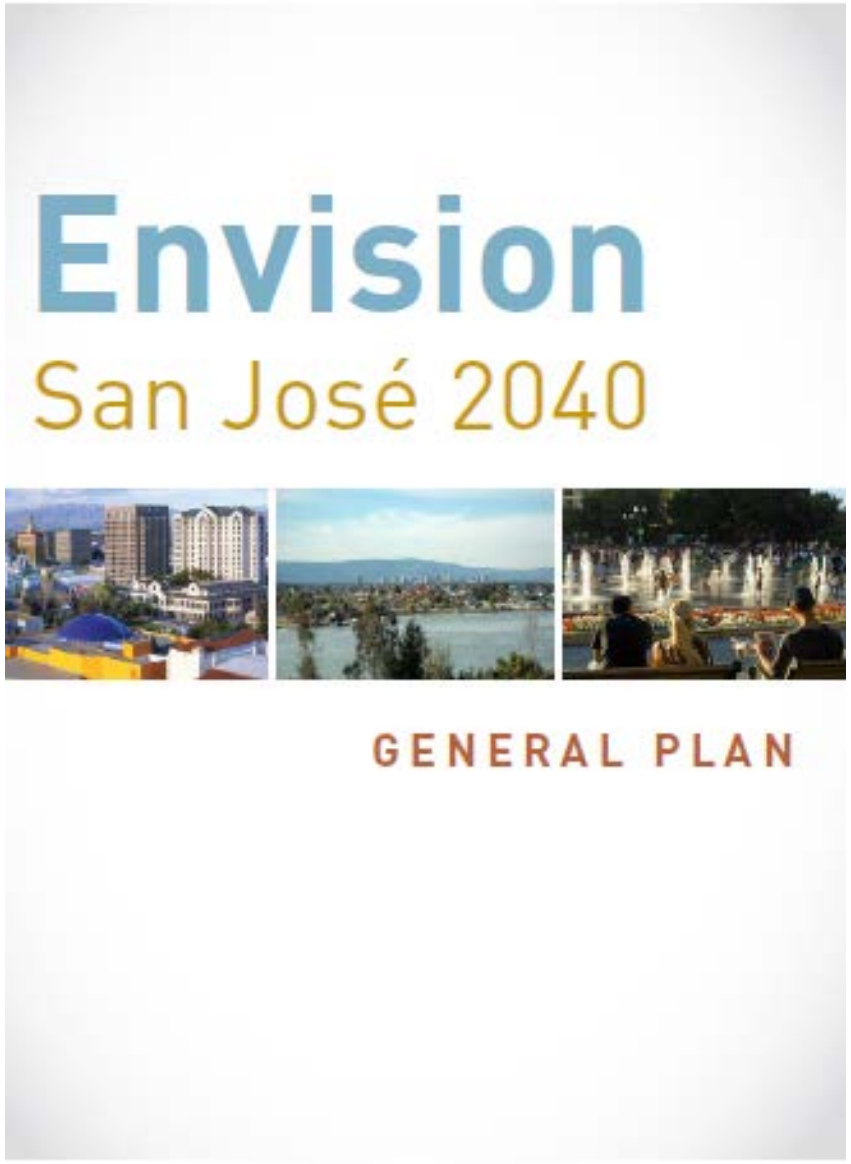
CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Agenda

- Where We Started
- Partners
- Actions
- Next steps

Where We Started

- General Plan
- Transportation Impact Analysis Policy (Council Policy 5-3)
- CEQA as transportation improvement mechanism
- CMP



City Partners

- Department of Public Works
- Planning, Building and Code Enforcement
  - Long range planning
  - CEQA team
- Housing Department
- Office of Economic Development
- City Attorney’s Office
- Department of Transportation

Actions

Council Actions

1. General Plan text amendments
2. **New Transportation Analysis Policy (Council Policy 5-1)** & Transition from Existing Transportation Impact Policy (Council Policy 5-3)
3. Adopt Infill Opportunity Zones
4. Discuss second phase of work to further align goals, policies, & programs

Staff Work

1. VMT Estimation Tool
2. Transportation Analysis Guidelines

Transportation Analysis Policy

- Transportation Analysis under CEQA shifted from measuring LOS to measuring VMT
  - Projects that meet screening criteria will not require a detailed VMT analysis
  - Projects will analyze their VMT and mitigate identified impacts
    - Good neighbor clause specifies that impacts in other jurisdictions will be studied under that jurisdictions mode of analysis
  - Process set for project specific significant and unavoidable transportation impact under CEQA
- The City will require a Local Transportation Analysis (LTA)
- Existing Area and Transportation Development Policies (ADPs and TDPs) remain in effect

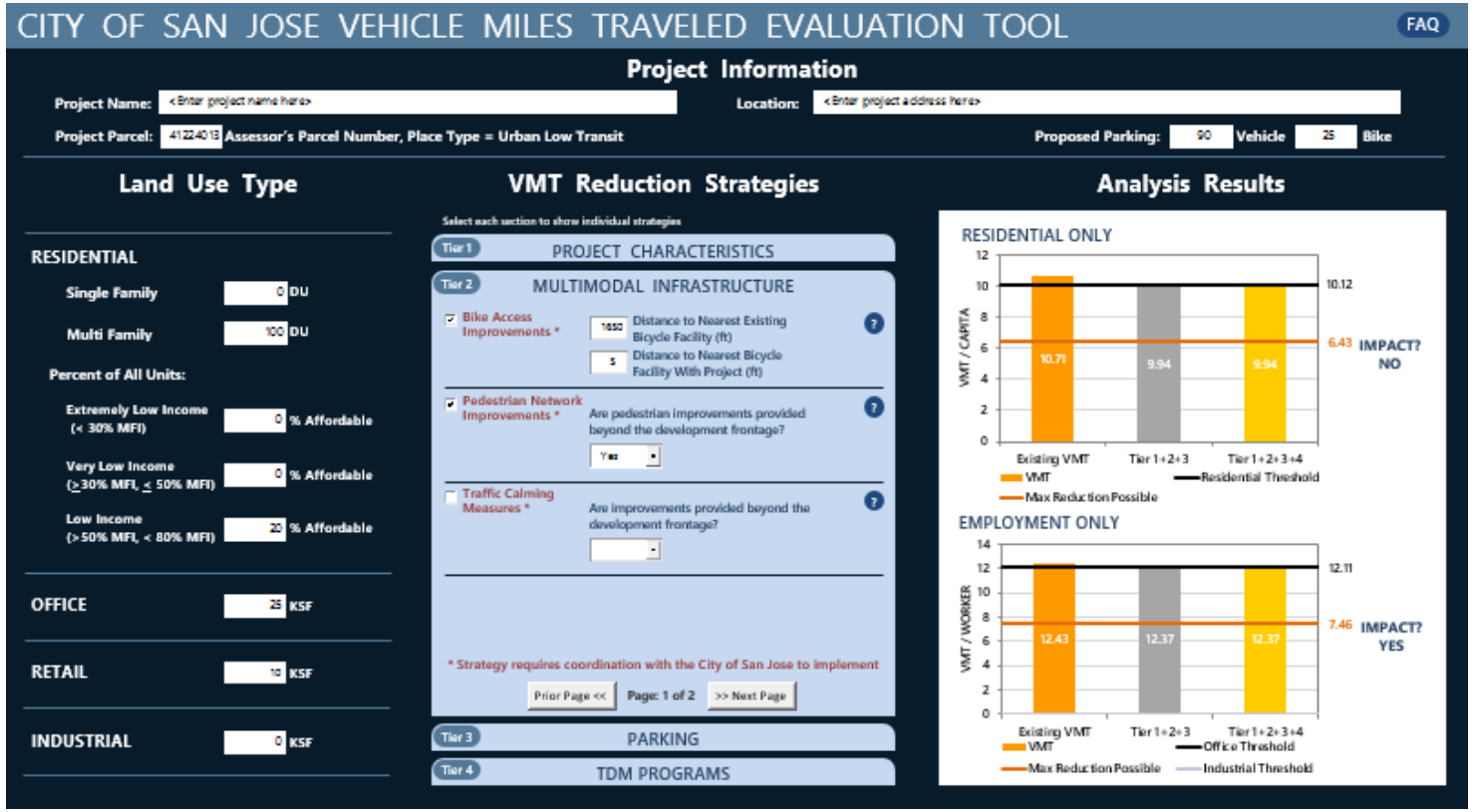
Second Phase and Further Research

- Refine Policy 5-1 as needed
  - Update policy based on county work
  - Update thresholds and mechanisms based on experience

- Proposes updates other transportation practices/policies, e.g.
  - Transportation Demand Management (TDM) Ordinance
  - Parking Code
  - County- or Citywide VMT-based Transportation Fee

VMT Estimation Tool

- Research rigor requirements
- City's official VMT impacts and mitigations
- Clear communication
- Best available research



Next Steps

- VTA process
- Research and development
- Phase II
- TIFs

Darin Ranelletti
Policy Director for Housing Security
(Former Deputy Director, Planning)
City of Oakland

Planning Innovations Forum
June 5, 2018

Oakland Transportation and Land Use Strategy

Chapter 1

The Vision

Oakland General Plan, Land Use and Transportation Element (1998):

Integrated land use and transportation planning

Transit-oriented development

Alternative transportation options

Chapter 2

It Takes More Than a Vision

How do we get from here…

…to here?

Challenges:

Development review process not aligned with vision

CEQA transportation analysis focused on LOS

Out-of-date parking requirements

Development has impacts – how to mitigate?

Chapter 3

The Strategy

High-Level Policies:

Complete Streets Policy (2013)

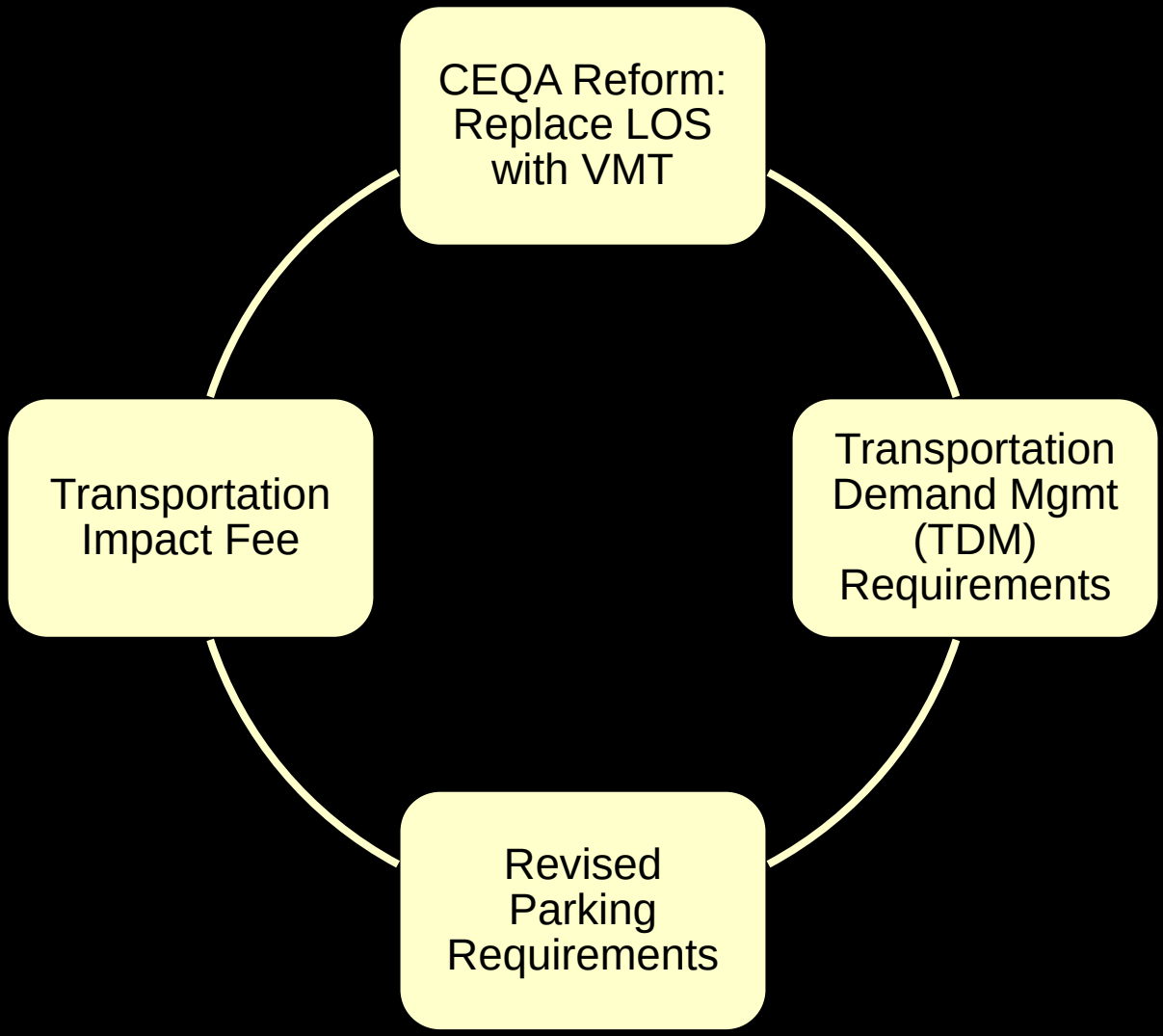
- Promote all modes of transportation

Energy & Climate Action (2014)

- Replace LOS with VMT

Housing Element (2014)

- Streamline CEQA review


CEQA Reform: Replace LOS with VMT
Transportation Demand Mgmt (TDM) Requirements
Revised Parking Requirements
Transportation Impact Fee

Chapter 4

Implementation

Strategic Actions:

Revised CEQA Transportation Impact Review Procedures (2016)

- Technical assistance grant
- Public outreach
- Replaced LOS with VMT
- Developed new guidelines
- Approved by Planning Commission

Strategic Actions (cont'd):

Transportation Demand Management (TDM) Program (2016)

- Developed in conjunction with new transportation impact review procedures
- Addresses project's individual impact
- Mixture of mandatory and options
- Applied through project conditions of approval

Strategic Actions (cont'd):

Revised Parking Requirements (2016)

- Comprehensive update to off-street parking requirements for new development
- Public outreach
- No minimums in Downtown; new maximums
- Reduced minimums along corridors
- Requirements for unbundled parking, transit passes and car-share spaces
- Adopted by City Council

Strategic Actions (cont'd):

Transportation Impact Fee (2016)

- Nexus and financial feasibility consultants
- Stakeholder working group
- Addresses project's contribution to cumulative impacts
- Adopted by City Council

Chapter 5

Today

It’s working.

Streamlined CEQA process

Development impact review focused on designing good projects versus mitigating vehicle congestion

Development offsetting its impact via fee and TDM

Fewer parking spaces being constructed

More infill development and needed housing

Enhanced transportation system

But challenges remain.

Learning curve for staff and applicants

Monitoring operational TDM measures difficult

Previous projects approved with old LOS mitigations

Epilogue

Tips:

Adopt policies to support strategy

Technical assistance grants

Community engagement

Learn from other jurisdictions

Senate Bill 743: san Francisco

Wade Wietgrefe
Bay Area Metro Planning Innovations Forum
June 5, 2018

San Francisco Planning


399


TAXI
5 FULTON
Transbay Term.
6 PARNASSUS
Ferry Plaza
5416

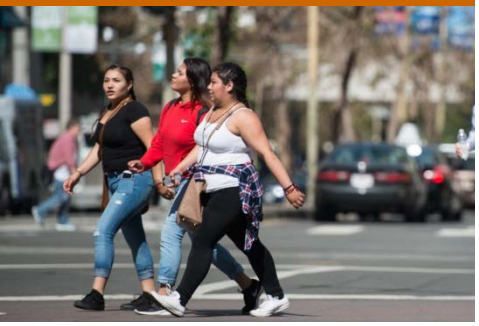

4870

A COMPREHENSIVE APPROACH TO GROWING SUSTAINABLY

TRANSIT CAPITAL

TRANSIT OPERATIONS

PEDESTRIAN SAFETY



DEMAND MANAGEMENT

LONG RANGE PLANNING

BICYCLE INFRASTRUCTURE

A COMPREHENSIVE APPROACH TO GROWING SUSTAINABLY

TRANSIT CAPITAL

TRANSIT OPERATIONS

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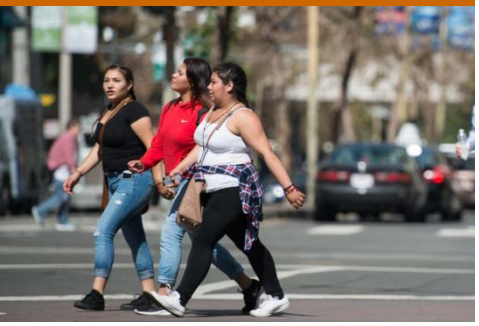


DEMAND MANAGEMENT

LONG RANGE PLANNING

BICYCLE INFRASTRUCTURE

NEW DEVELOPMENTS

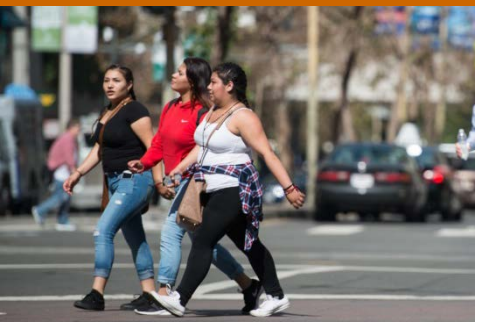
TRANSPORTATION SUSTAINABILITY PROGRAM

A COMPREHENSIVE APPROACH TO GROWING SUSTAINABLY

TRANSIT CAPITAL

TRANSIT OPERATIONS

PEDESTRIAN SAFETY



DEMAND MANAGEMENT

LONG RANGE PLANNING

BICYCLE INFRASTRUCTURE

NEW DEVELOPMENTS

TRANSPORTATION SUSTAINABILITY PROGRAM

invest

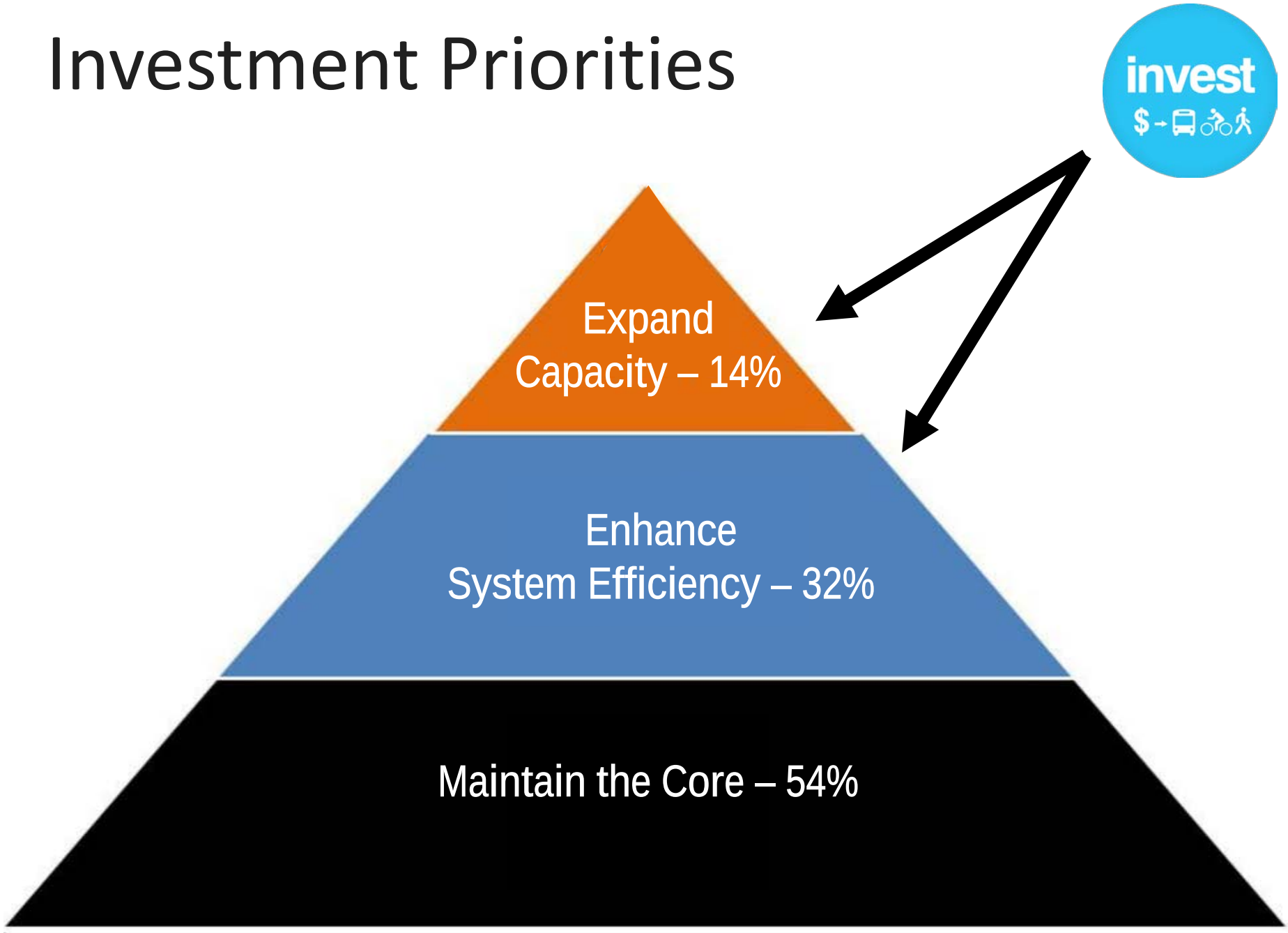
align

shift

Funding Needs

TTF = Transportation Task Force

Investment Priorities



Adopted Fee

Land Use	Rates per square foot (sf)
	Prior
Residential 21 - 99 Units 100 Units and up	N/A
Non-Residential 800 to 99,999 sf 100,000 sf and up	$14
Production, Distribution, and Repair (aka Industrial)	$7.50

All rates rounded to nearest $0.50

Adopted Fee

Land Use	Rates per square foot (sf)	
	Prior	New
Residential 21 - 99 Units 100 Units and up	N/A	$8 $9
Non-Residential 800 to 99,999 sf 100,000 sf and up	$14	$18 $19
Production, Distribution, and Repair (aka Industrial)	$7.50	$ 7.50

All rates rounded to nearest $0.50

Expenditures

Faster and more reliable local transit – 61%

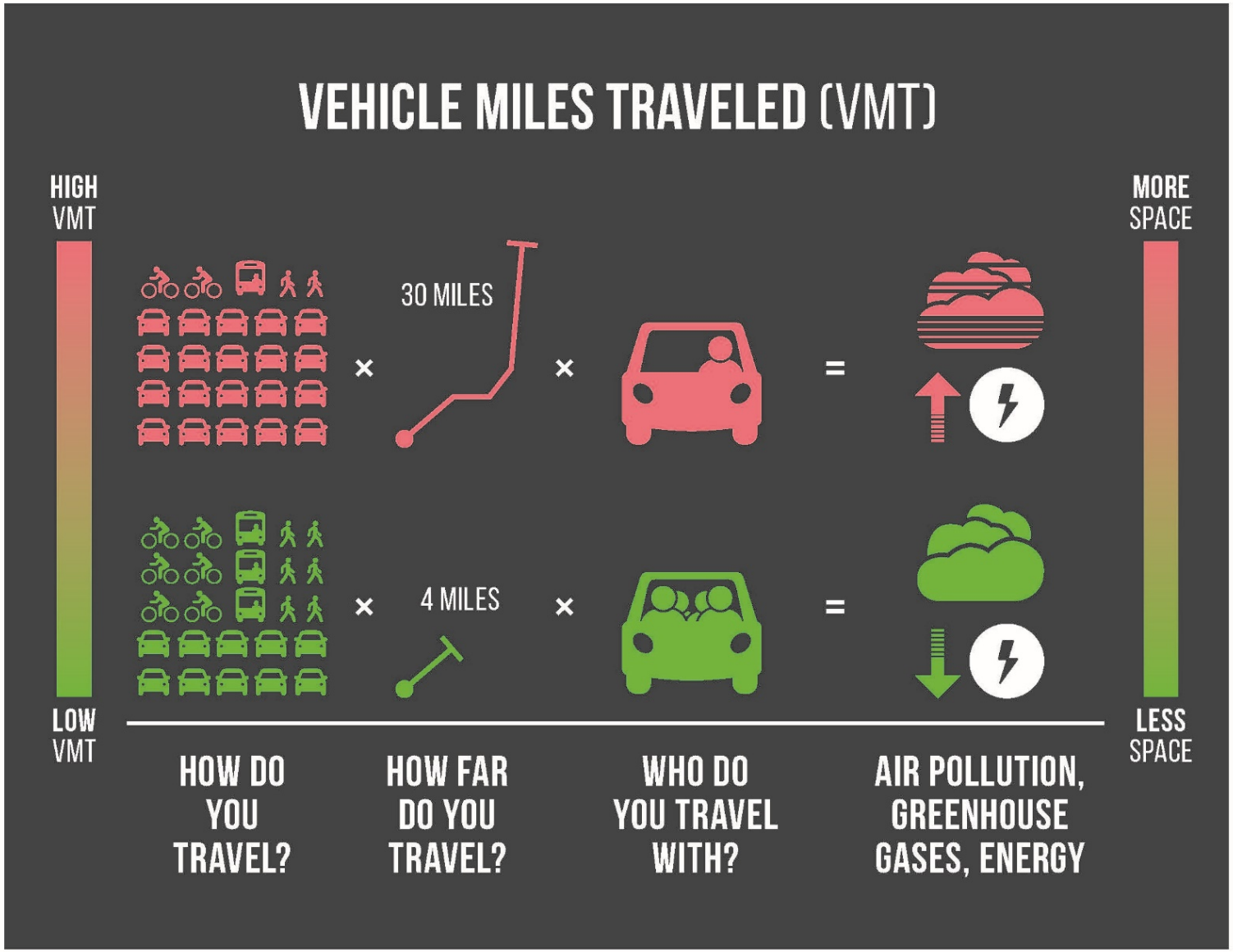
More local buses and trains – 32%

Safer walking and bicycling – 3%

Roomier and faster regional transit (e.g. BART, Caltrain) – 2%

Impact?

Definition


VEHICLE MILES TRAVELED (VMT)
HIGH VMT
LOW VMT
MORE SPACE
LESS SPACE
30 MILES
4 MILES
HOW DO YOU TRAVEL?
HOW FAR DO YOU TRAVEL?
WHO DO YOU TRAVEL WITH?
AIR POLLUTION, GREENHOUSE GASES, ENERGY

Transportation Projects

Impact = Substantially Induce Additional Automobile Travel

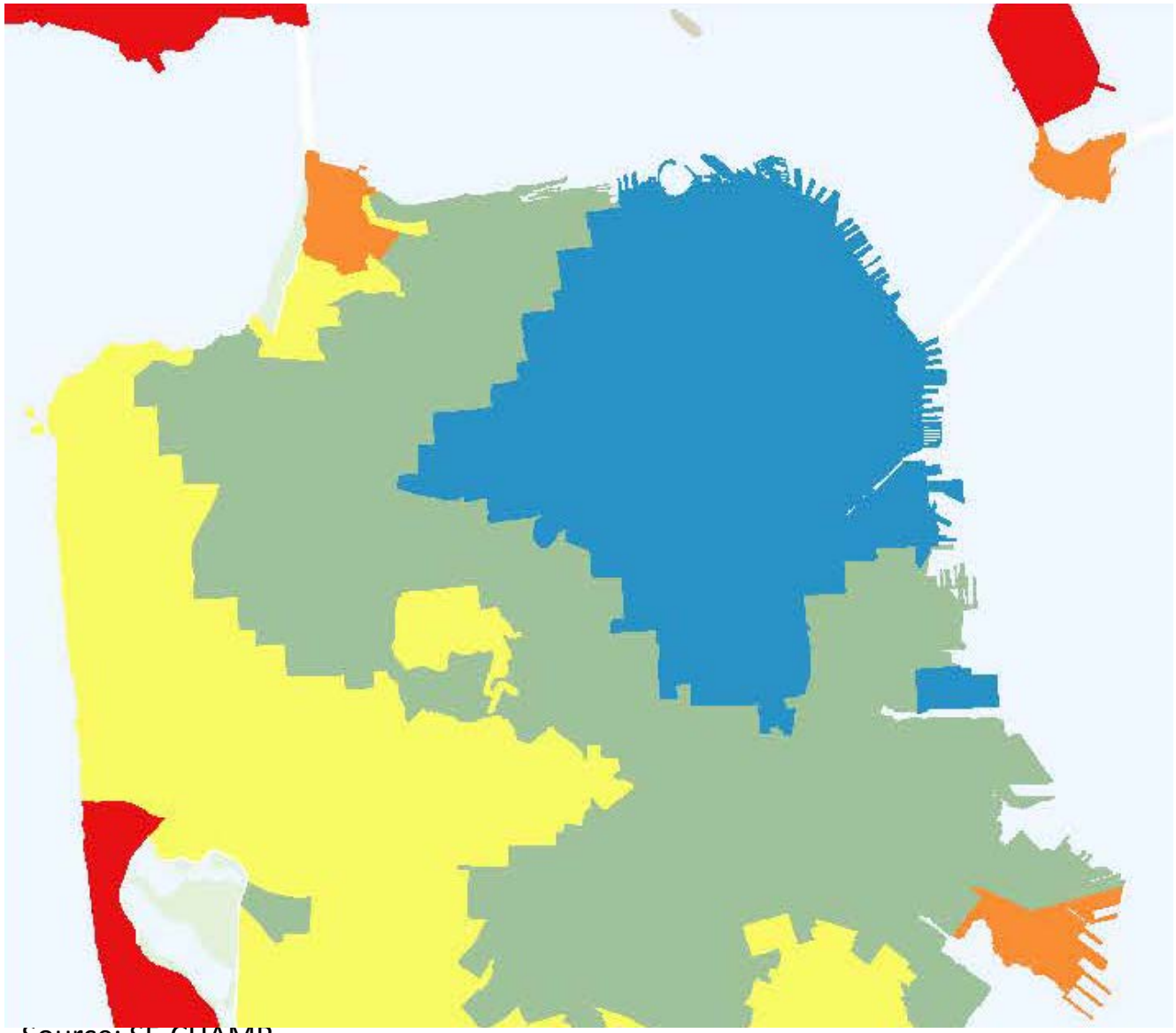
Example: Expansion or Creation of New Highways

Source: Streetsblog

Presumed Less than Significant = Sustainable Travel

Examples: Safety Changes for People Walking & Bicycling, Transit Lanes

Land Use Projects



Daily Household VMT Per Capita

- 2 to 7
- 7 to 11
- 11 to 15
- 15 to 19
- 19 to 70

Daily Regional Average = 17

15% below = 15

Source: SF-CHAMP

Land Use Projects Summary

Goodbye Vehicular LOS…Hello VMT!

Impact = Transportation Demand Management mitigation


O'FARRELL
F MARKET & WHARVES
CASTRO
1061
shift
Shift how new developments
shape transportation choices

TDM PROGRAM COMPONENTS

Point Target

Based on amount of parking provided; aimed at reducing Vehicle Miles Traveled (VMT)

Menu of Options

Project sponsor chooses the best fit for each project to reach targets

Implementation Strategy

Measure & enforce progress to ensure targets are achieved

PROGRAM APPLICABILITY ELSEWHERE

Measure what matters

Photo credit. Brian Hollins

PROGRAM APPLICABILITY ELSEWHERE

Measure what matters

Plan

Photo credit. Brian Hollins

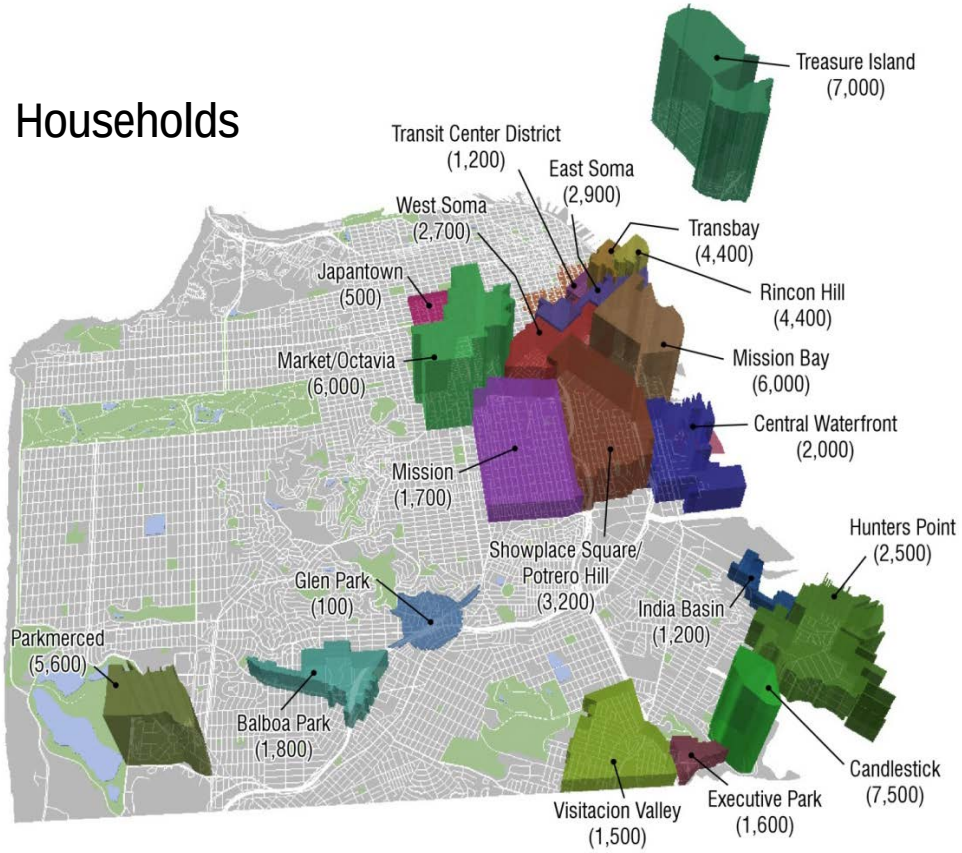
PROGRAM APPLICABILITY ELSEWHERE

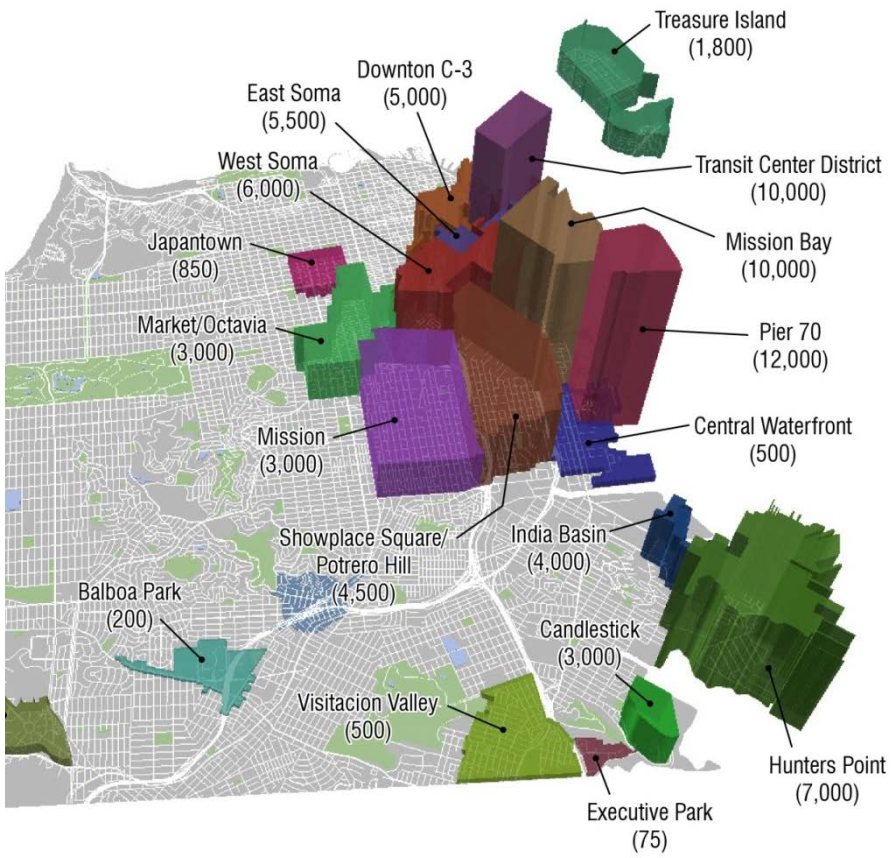
By 2040: **100,000+** new households

190,000+ new jobs

40% of housing projections already in pipeline

Households





PROGRAM APPLICABILITY ELSEWHERE

Measure what matters

Plan

Use fees for what matters

Photo credit. Brian Hollins

PROGRAM APPLICABILITY ELSEWHERE

Measure what matters

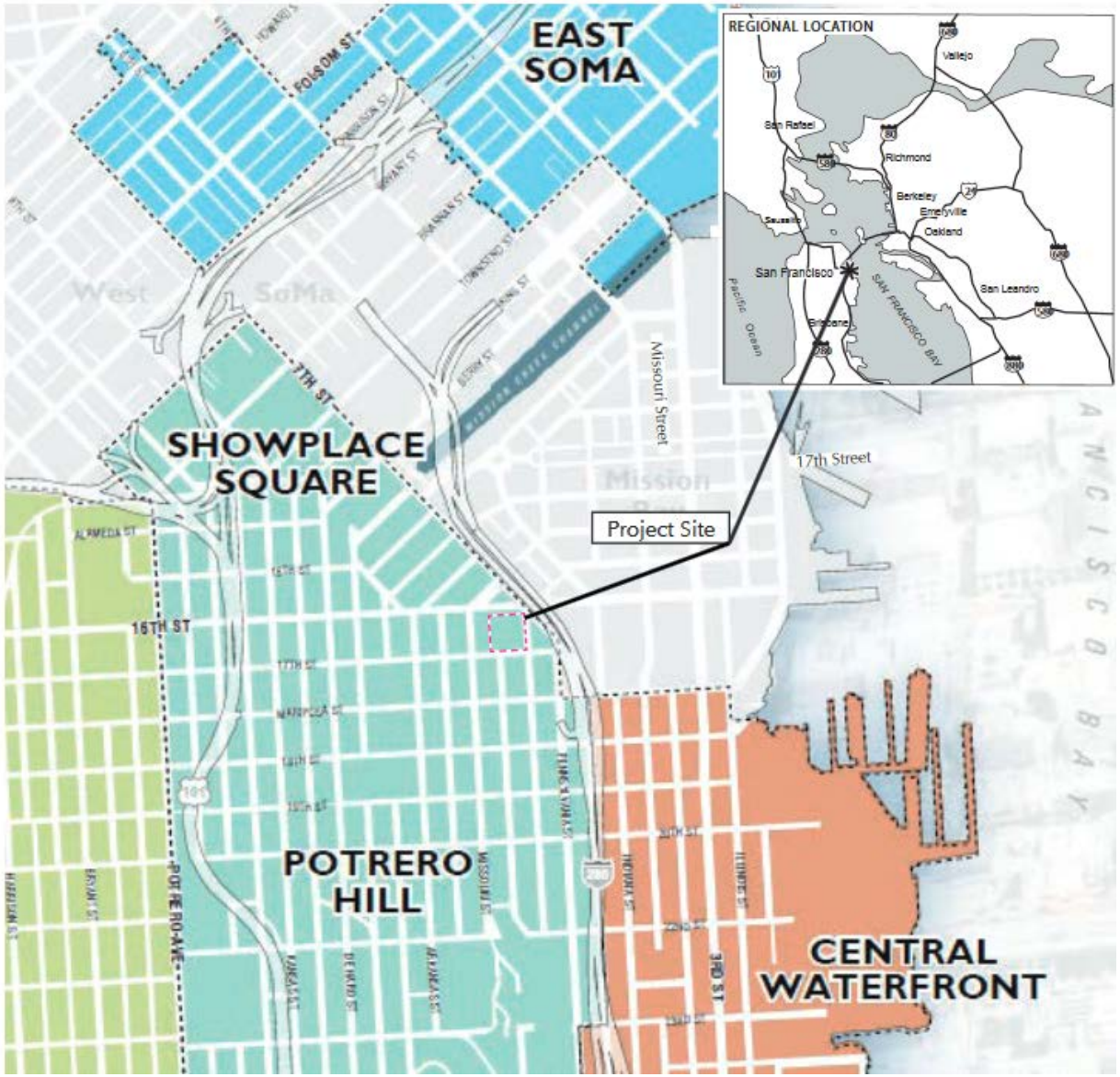
Plan

Use fees for what matters

More certainty

Photo credit. Brian Hollins

PROGRAM APPLICABILITY ELSEWHERE



16th Street – adjacent to under construction bus rapid transit line

Plan Area

400 units

25,000 square feet retail

PROGRAM APPLICABILITY ELSEWHERE

4 Level of Service Impacts

2 Potential Feasible Mitigation Measures (signals)

Fair-share cost of signals:

$65k out of $372k

$137k out of $372k

TOTAL: $202K

New Invest Fee:

TOTAL: $5+ Million

PROGRAM APPLICABILITY ELSEWHERE

Measure what matters

Plan

Use fees for what matters

More certainty

Give something back

Photo credit. Brian Hollins

PROGRAM APPLICABILITY ELSEWHERE

Measure what matters

Plan

Use fees for what matters

More certainty

Give something back

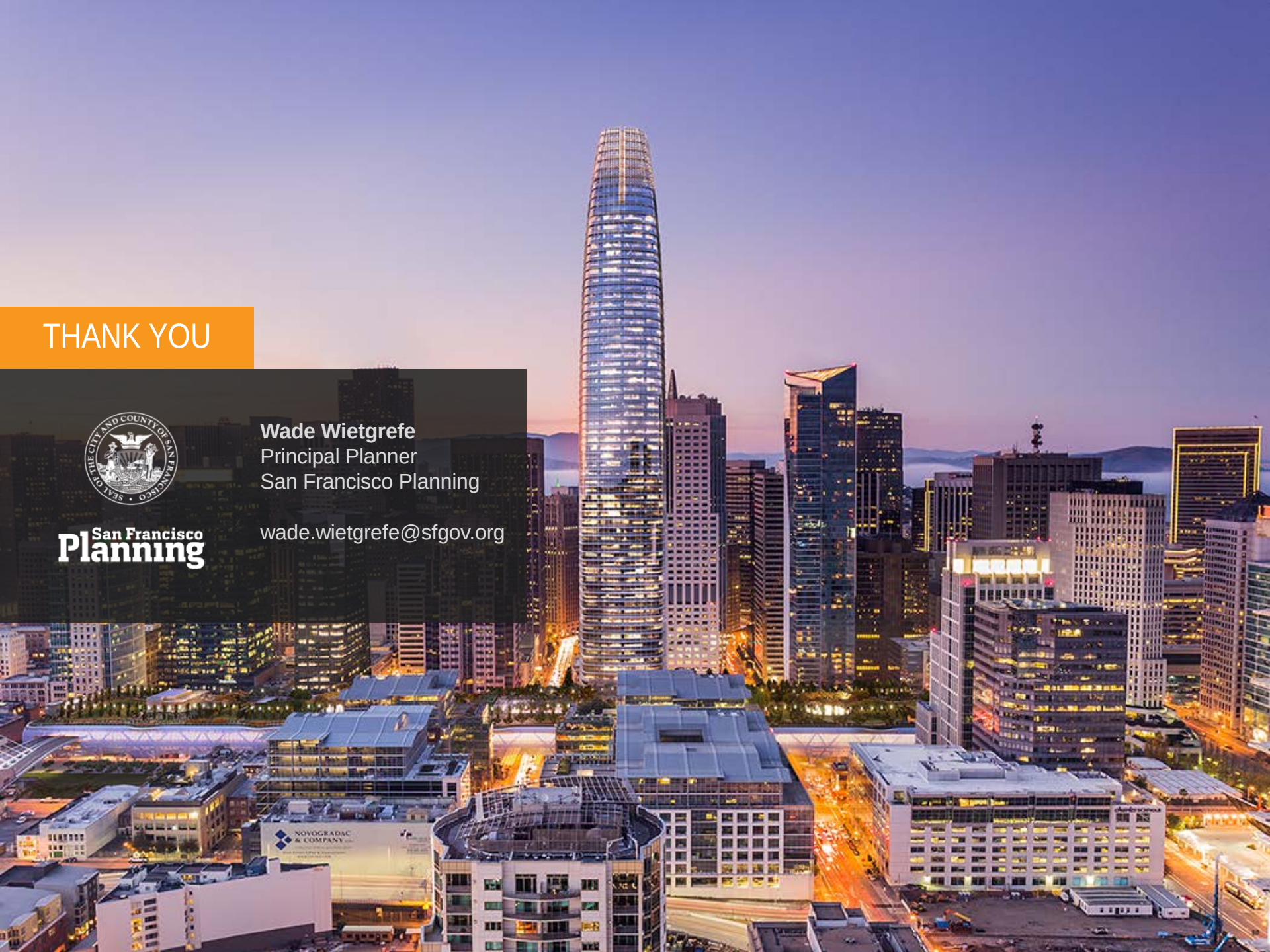
Move forward

Photo credit. Brian Hollins

THANK YOU

Wade Wietgrefe
Principal Planner
San Francisco Planning

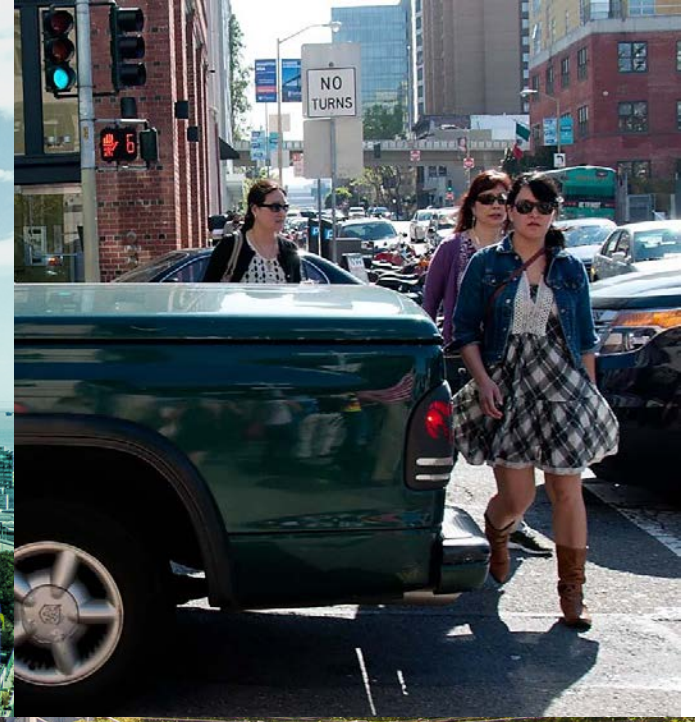
wade.wietgrefe@sfgov.org



Planning Innovations Forum
Transportation Impact Fees & SB 743

Andrea Ruiz-Esquide
San Francisco City Attorney's Office

Photo: Sergio Ruiz


NO
TURNS


UNION / STOCKTON
Lyon + Greenwich

Approach


Existing
Strategies/Investments
Transit Capital and Operations
Safer Streets – People Walking and Bicycling
Demand Management
Long-range planning
New Development
Strategies/Investments
Transportation Sustainability Program
TSP

TRANSPORTATION SUSTAINABILITY PROGRAM

TSP

Keeping people moving as our city grows

align

MODERNIZE ENVIRONMENTAL REVIEW

More meaningful transportation analysis that better captures environmental effects

shift

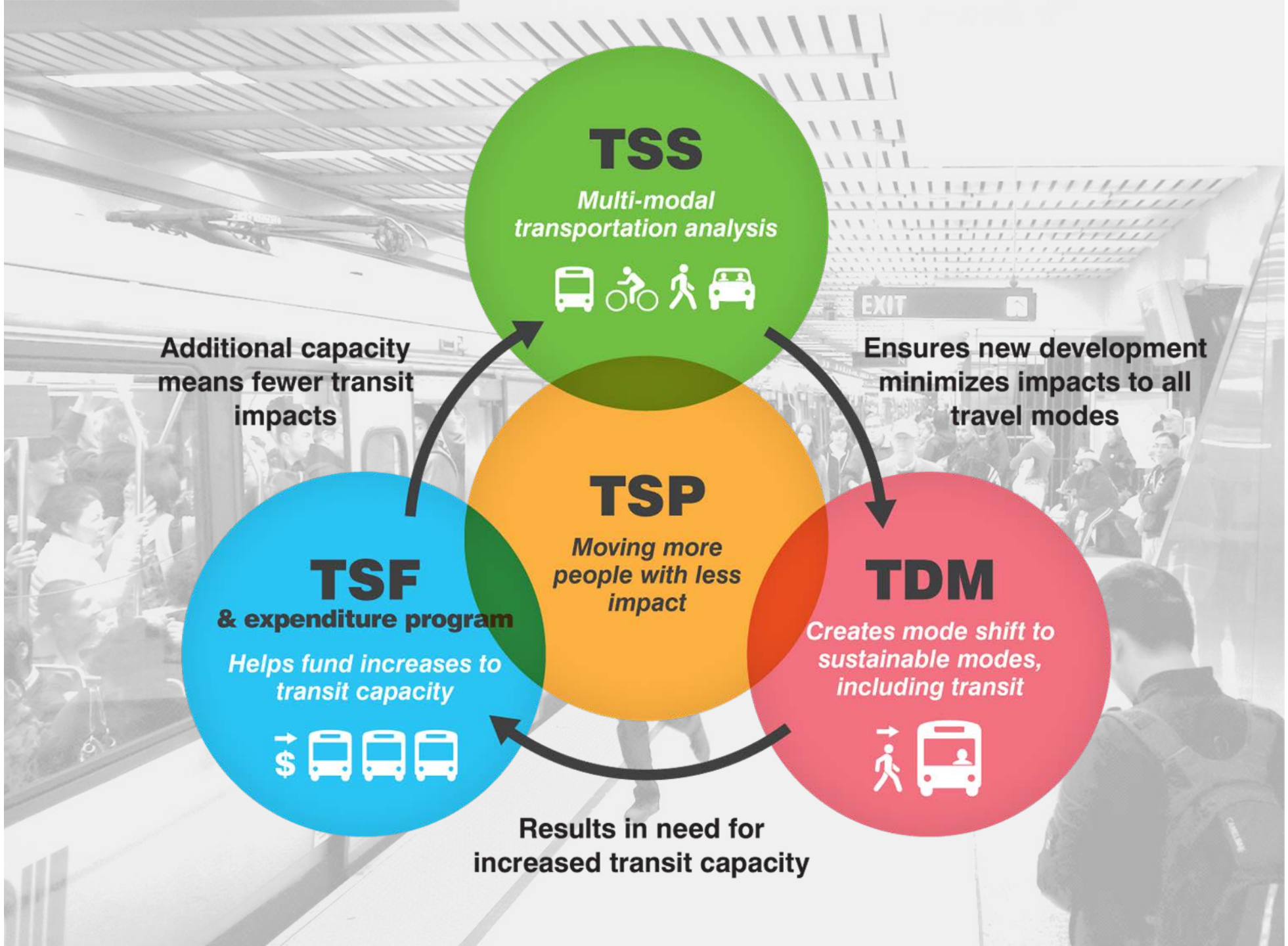
ENCOURAGE SUSTAINABLE TRAVEL

On-site transportation amenities that reduce reliance on driving

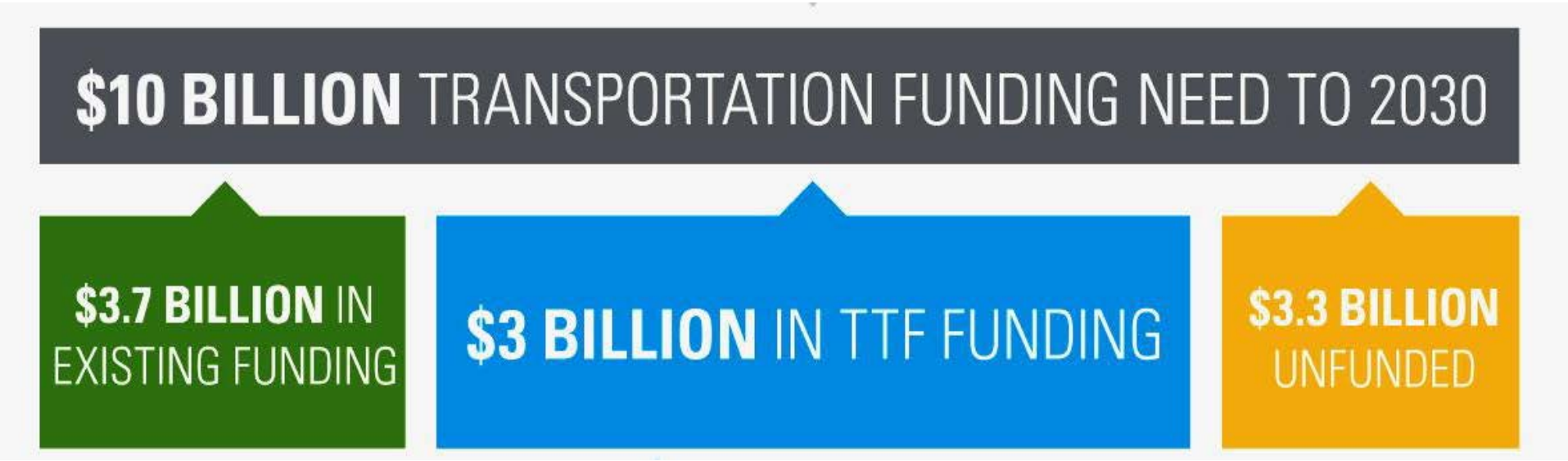
invest

ENHANCE TRANSPORTATION TO SUPPORT GROWTH

Development fee to help fund transit and safer streets

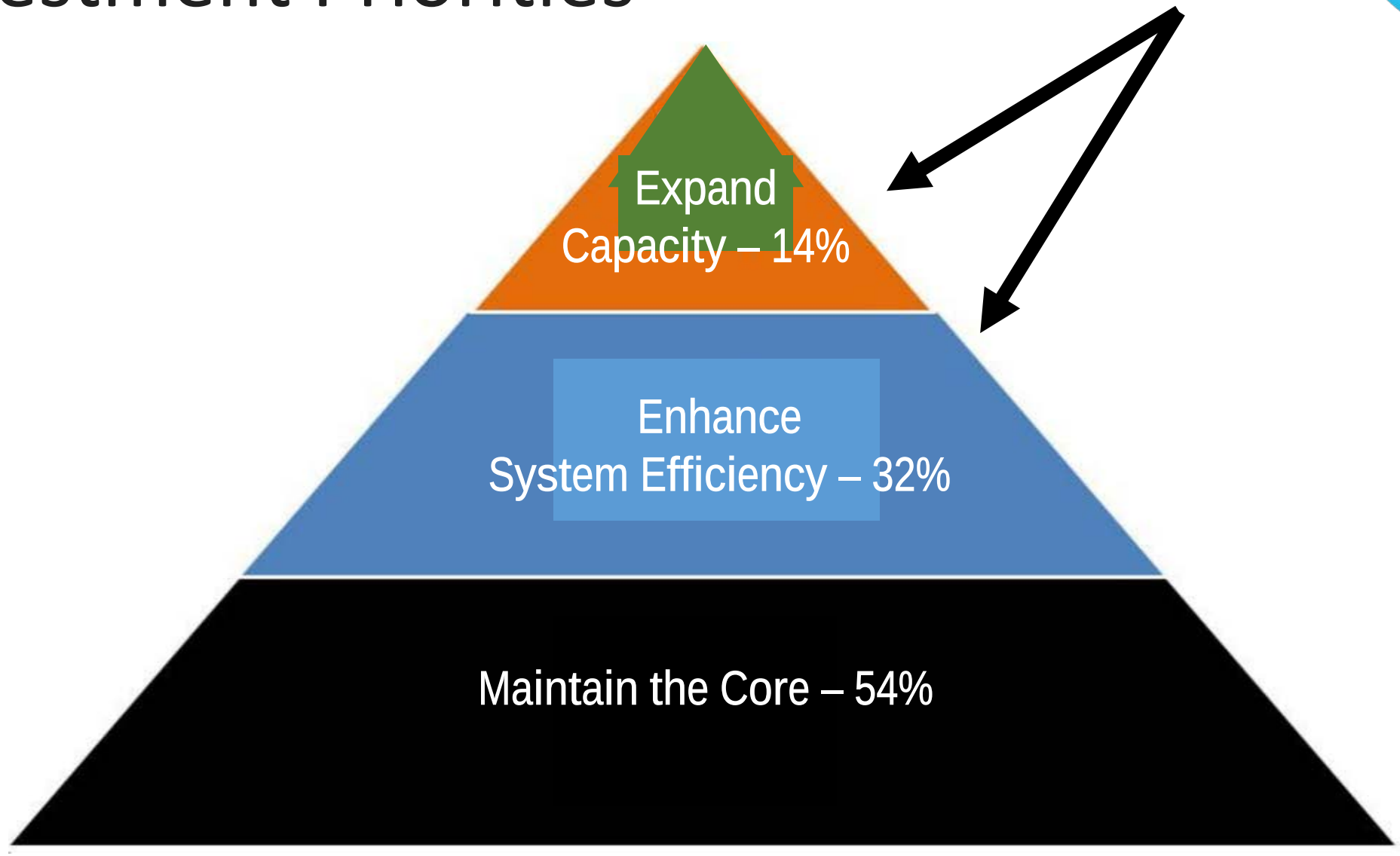

TSS
Multi-modal transportation analysis
TSP
Moving more people with less impact
TSF
& expenditure program
Helps fund increases to transit capacity
TDM
Creates mode shift to sustainable modes, including transit
Additional capacity means fewer transit impacts
Ensures new development minimizes impacts to all travel modes
Results in need for increased transit capacity

Funding Needs

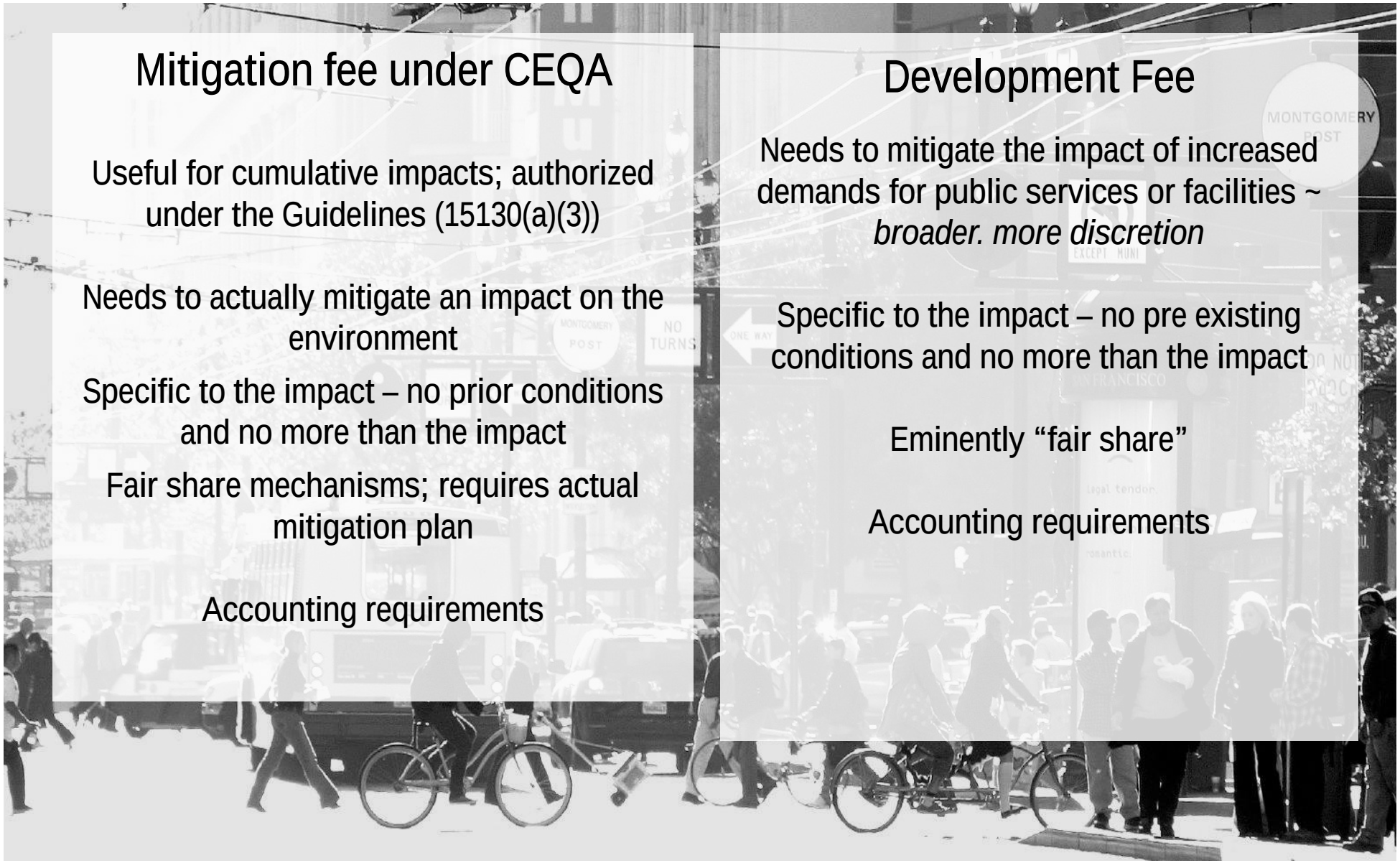


TTF = Transportation Task Force

Investment Priorities



What kind of fee?



Mitigation fee under CEQA

Useful for cumulative impacts; authorized under the Guidelines (15130(a)(3))

Needs to actually mitigate an impact on the environment

Specific to the impact – no prior conditions and no more than the impact

Fair share mechanisms; requires actual mitigation plan

Accounting requirements

Development Fee

Needs to mitigate the impact of increased demands for public services or facilities ~ *broader. more discretion*

Specific to the impact – no pre existing conditions and no more than the impact

Eminently “fair share”

Accounting requirements

Development fees – legal background

- Constitutional authority
  - Police power
  - Limitations
- Constitutional requirements
  - Taxes v. Fees
  - Prop 26 and development fees
  - *Nollan* ("logical nexus") and *Dollan* ("rough proportionality") ~ constitutional nexus requirement

Development fees – legal background

- Statutory requirements
  - Mitigation Fee Act, Government Code Sections 66000-66008 ~ establishes procedures for enactment of development fees
  - Requires a “reasonable relationship” between:
    - the fee’s use and the type of development on which the fee is imposed
    - the need for the public facility and the development
    - the amount of the fee and the cost attributable to the development

Development fees – legal background

- Case law provides insights on what is required:
  - Overall, deferential scrutiny by courts
  - Agencies are entitled to flexibility as to the types of facilities funded by fees (“broad class of projects” OK)
  - Need to show reasonable relationship
  - Cannot rely on other agency’s failure to provide information

Developing the TSF

Adopted Fee

Land Use	Rates per square foot (sf)	
	Prior	New
Residential 21 - 99 Units 100 Units and up	N/A	$8 $9
Non-Residential 800 to 99,999 sf 100,000 sf and up	$14	$18 $19
Production, Distribution, and Repair (aka Industrial)	$7.50	$ 7.50

All rates are rounded to nearest $0.50

Adopted Fee

Revenue

Projected $210 million in NEW transportation funding over 15 years
(total of $570 million combined existing and new impact fee)

Expenditures

Faster and more reliable local transit – 61%

More local buses and trains – 32%

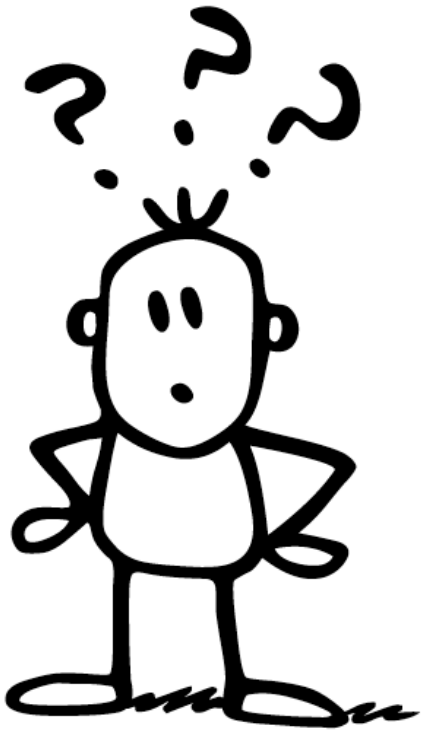
Safer walking and bicycling – 3%

Roomier and faster regional transit (e.g. BART, Caltrain) – 2%

Conclusion

Questions?

Thank you!



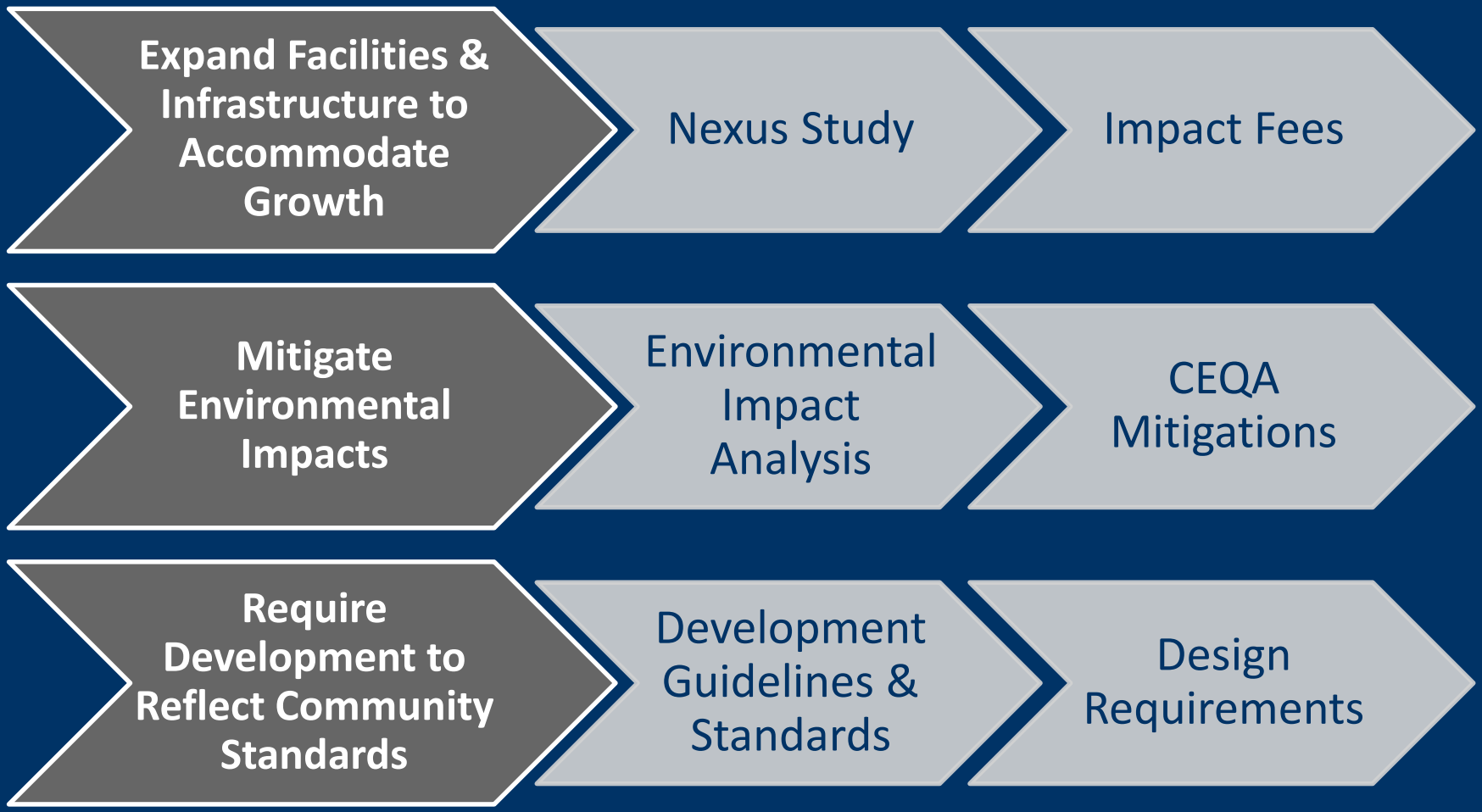
Planning Innovations Forum
Transportation Impact Fees
& SB 743

Robert D. Spencer

Urban Economics

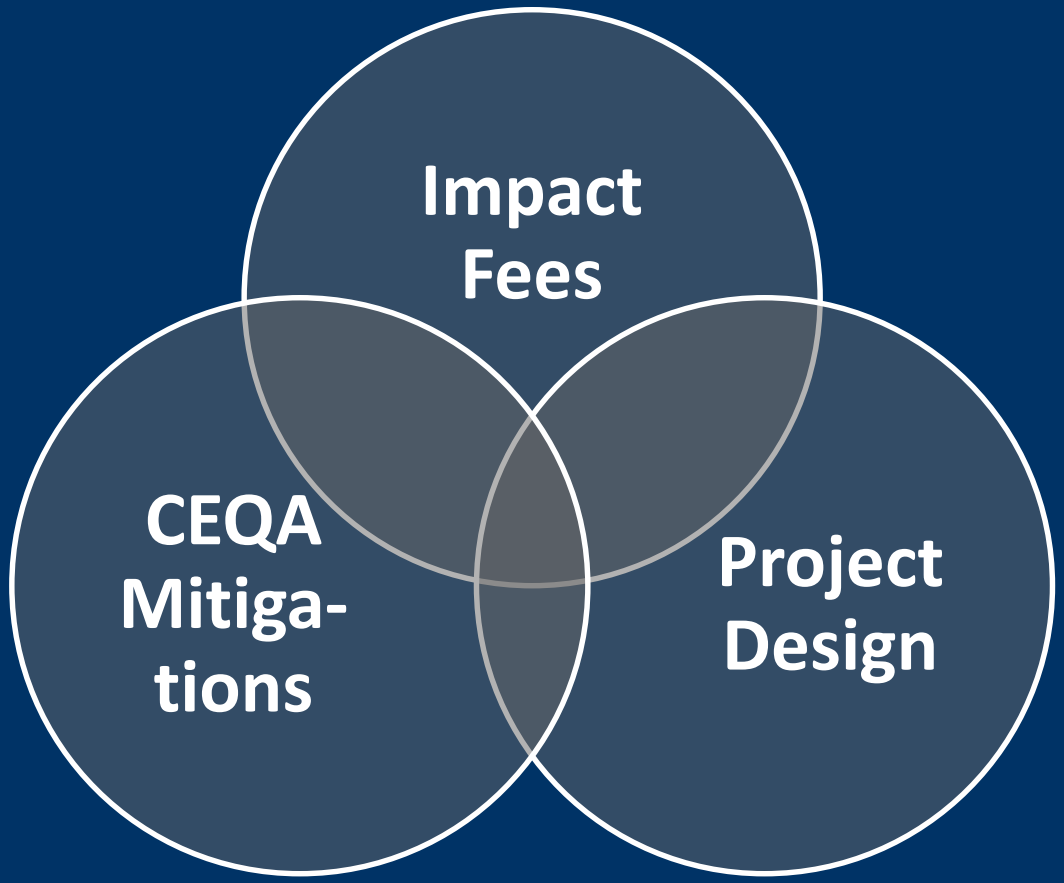
June 5, 2018

Local Funding for Transportation Improvements



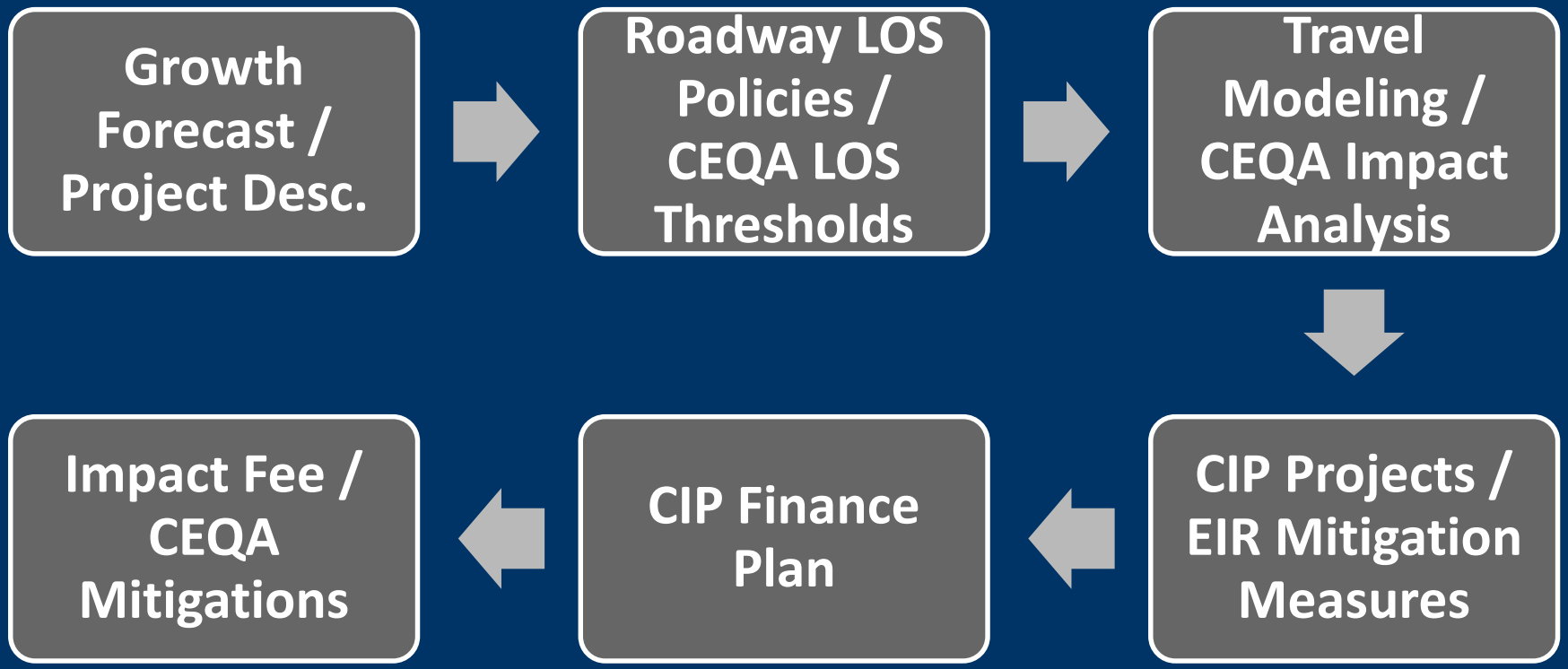
Urban Economics

Current Approaches to Local Funding of Transportation Improvements



Urban Economics

Similar Traditional Approaches: Impact Fee Nexus / CEQA Mitigation Analysis



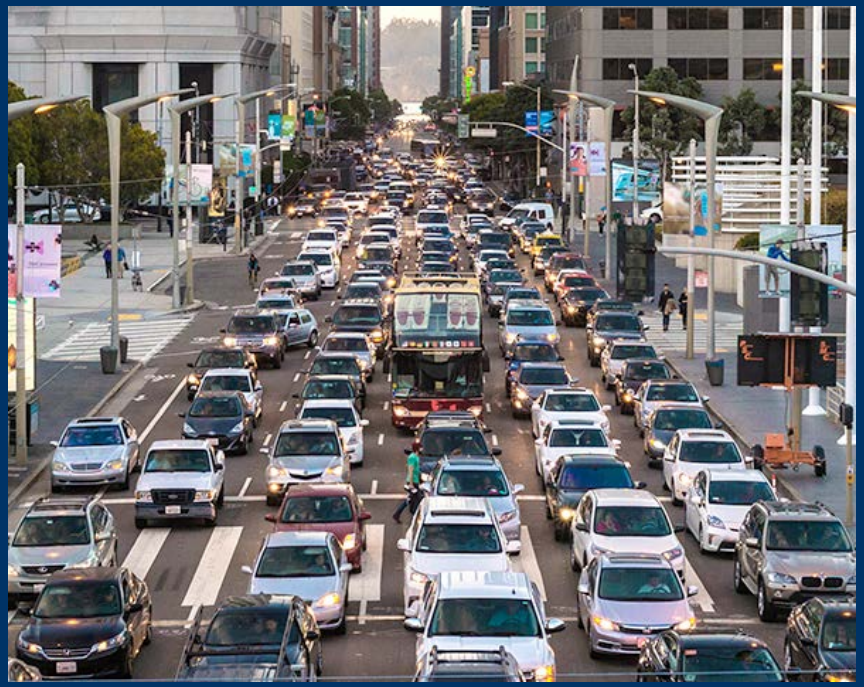
Urban Economics

Trends in Local Funding of Transportation Improvements in Urban Areas

1. More impact fee programs, especially in city centers
2. Shift to “Complete Streets”
3. Revised CEQA thresholds (VMT)

Urban Economics

Difficult To Identify Negative Impacts on Alternative Travel Modes



Roadway & Intersection LOS

VMT? Multi-modal LOS?

Urban Economics

What's A Transportation Planner To Do?

CEQA

1. Streamline approval process using VMT threshold
2. Focus mitigations on reducing vehicle trips
3. Could include variety of project design & capital improvements (see OPR Tech. Advisory)

Impact Fee

1. Nexus to support funding of multi-modal improvements
2. Fund Complete Streets improvements citywide
3. Could fund CEQA mitigations related to capital improvements

Option #1: Asset-based Facility Standard

+

+

=

Existing Developed Park Acres

1,000 Existing Residents

Urban Economics

Option #1: Asset-based Facility Standard

Sq. Ft. Roadway / ADPT

# of Signalized Intersections / ADPT

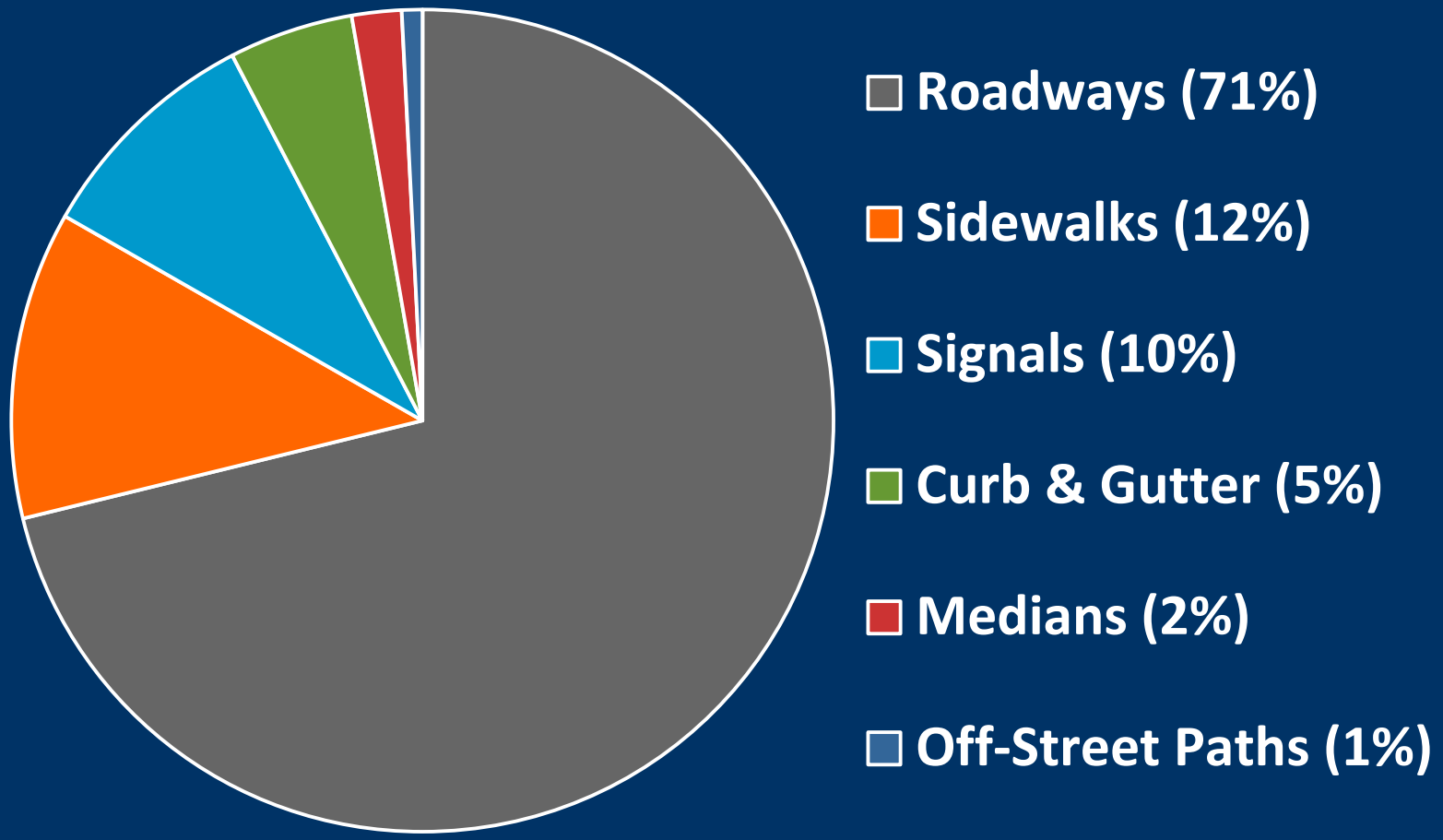
Sq. Ft. Sidewalk / ADPT

Miles of Paths /ADPT

ADPT = Average Daily Person Trips

Urban Economics

Option #1: Typical Transportation Asset Distribution (Based on Cost)



Urban Economics

Option #2: Transit Facility Standard

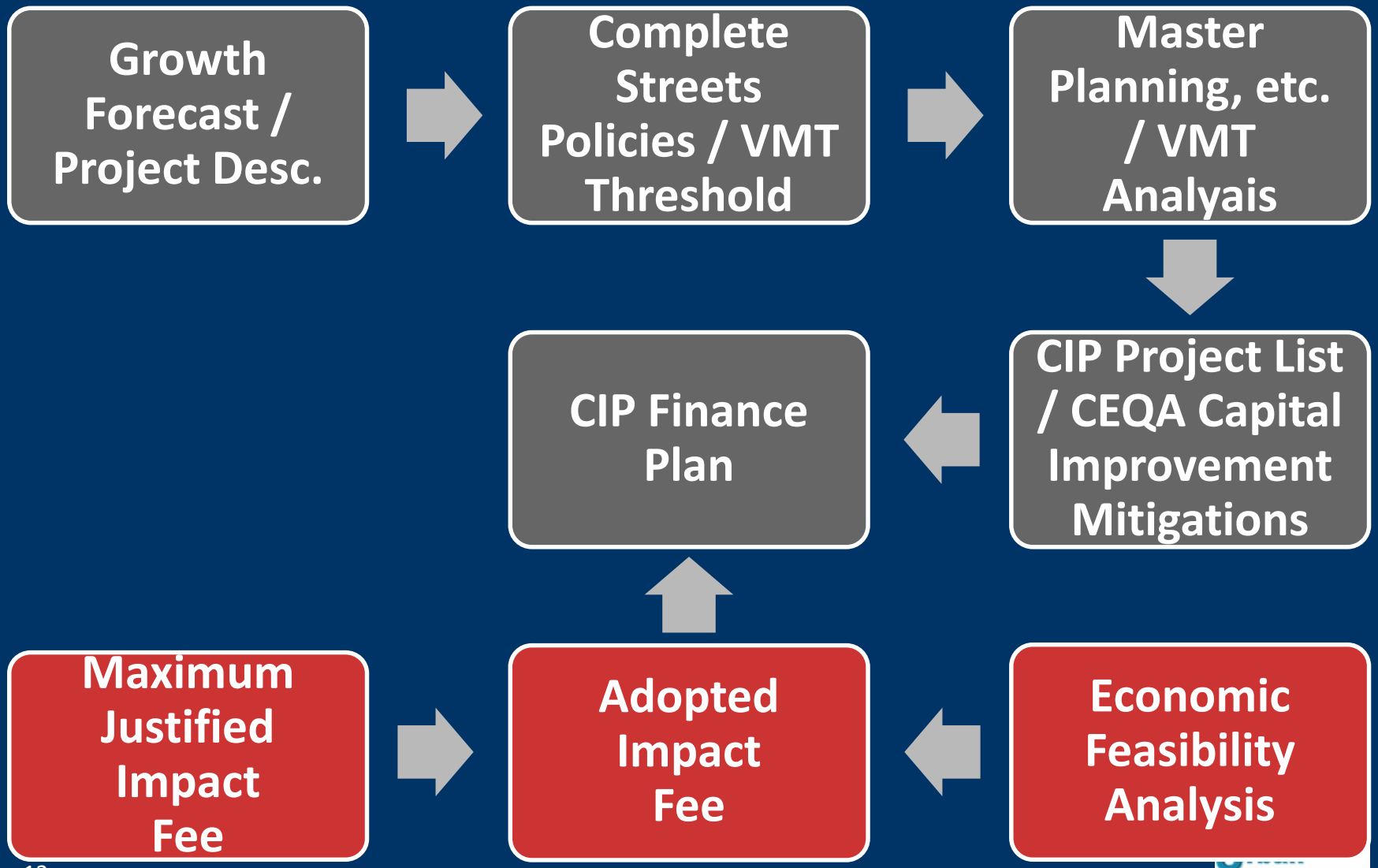
- Approach: similar to traditional roadway impact fee
- Demand metric = ridership
- Facility standard = vehicle capacity
- Amount of fee = based on specific list of projects
  - Improved vehicle maintenance
  - Expanded vehicle fleets
  - Upgraded control systems

Option #3: Fair Share

- Fee funds share of <u>any</u> capital improvement
- Requires other funding sources

Urban Economics

Multi-model Transportation Impact Fee / CEQA Mitigation Analyisis with VMT



Multi-Modal Transportation Impact Fees

	San Francisco	Oakland	Santa Rosa	El Cerrito
Asset-based Fee Nexus	Yes (transit maint. & pedestrian)	Yes	Yes	Yes
Transit Fee Nexus	Yes (transit capital)	No	No	No
Fair Share Fee Nexus	Yes (transit capital)	No	No	No
Focus Fee on Funding CEQA Mitigation Measures	Depends on Project	Yes (LOS)	No	Yes (Complete Streets)

Evaluating Economic Feasibility
San Francisco's Transportation Sustainability Program

MTC Planning Innovation Forum

June 5, 2018

TRANSPORTATION SUSTAINABILITY PROGRAM

TSP

Keeping people moving as our city grows

align

MODERNIZE ENVIRONMENTAL REVIEW

More meaningful transportation analysis that better captures environmental effects

shift

ENCOURAGE SUSTAINABLE TRAVEL

On-site transportation amenities that reduce reliance on driving

invest

ENHANCE TRANSPORTATION TO SUPPORT GROWTH

Development fee to help fund transit and safer streets

For new development in San Francisco,

TSP is designed to:

- Streamline predevelopment
- Lower predevelopment costs
- Expand transportation impact fees and TDM programs

While preserving development feasibility

Infill Development in Bay Area is Complex–
Significant Time and Risk to Undertake

- Complex development types and conditions
- Site challenges including remediation and poor soils
- Reluctance of long term property owners to sell
- Lengthy land use approval and environmental review
- Public process with risk of litigation & ballot box land use
- Community benefits/fees more important, but often costly


Transbay Transit Center

Santana Row, San Jose

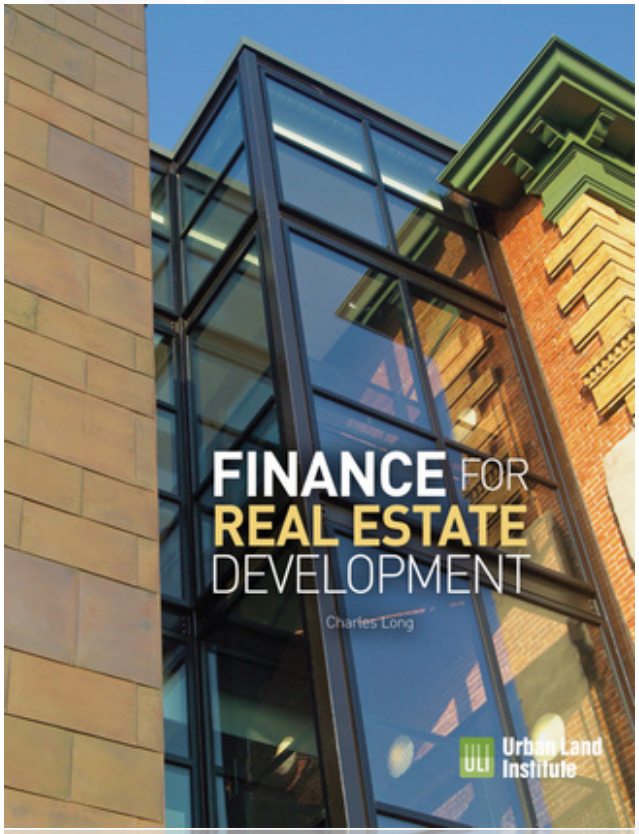
Key Resource: ULI Publication on Development Feasibility

Finance for Real Estate Development

Charles A. Long

ULI, April 2011

www.uli.org



As pre-development is most risky phase, capital is most expensive and requires significant returns to attract investment.

As risks increase, project returns must be higher to attract investment.

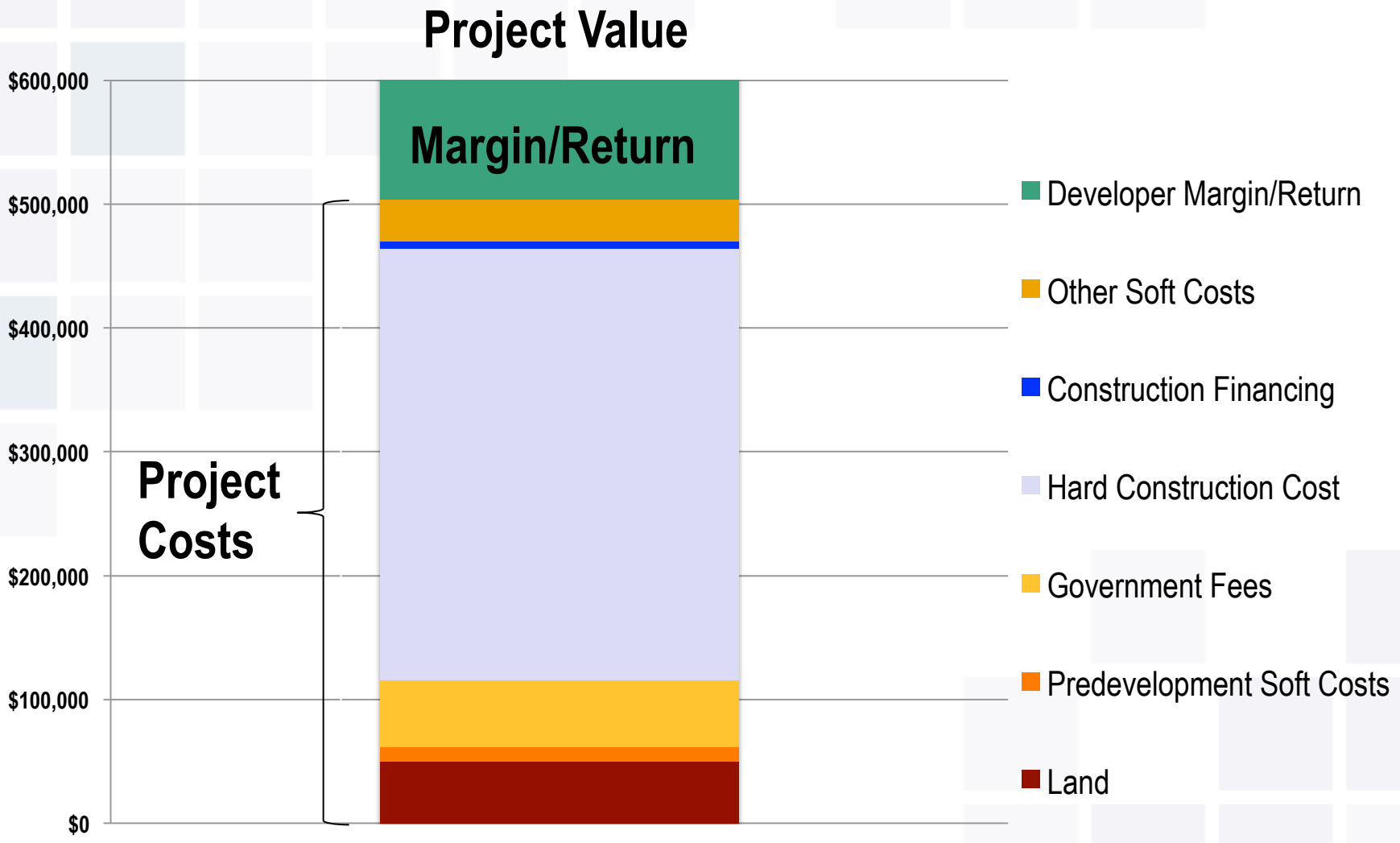
Development Feasibility Analysis

FUTURE PROJECT VALUE
minus ALL COSTS
is sufficient to pay:

- Development Costs
  including
- Developer Margin/Return
  (Return on Capital/Risk Margin/Profit)

Development Feasibility Framework

Per Residential Unit



SUMMARY OF KEY DEVELOPMENT COSTS

- Land (Residual Land Value)
- Hard Construction Costs
  - Design features
  - Labor
  - Materials
- Parking (Major cost factor)
  - Number of spaces
  - Construction type, stackers
- Predevelopment costs
- Construction financing
- Public fees
- Other Soft Costs
- Developer Margin
  - Return on Capital/Risk Margin
  - Developer Profit

Land Acquisition Costs

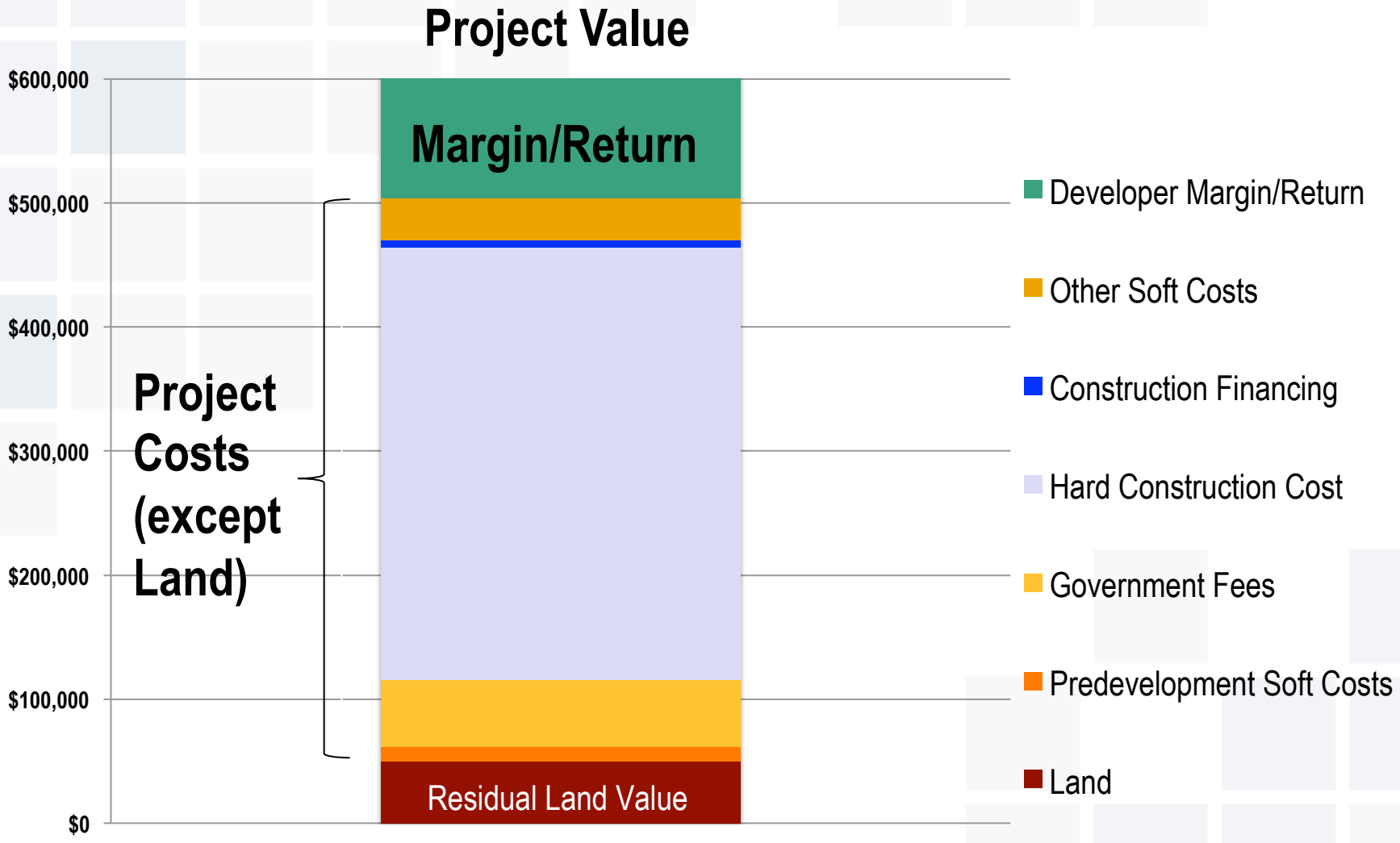
Based on Existing Use and Future Development Value

Determination of Land Value

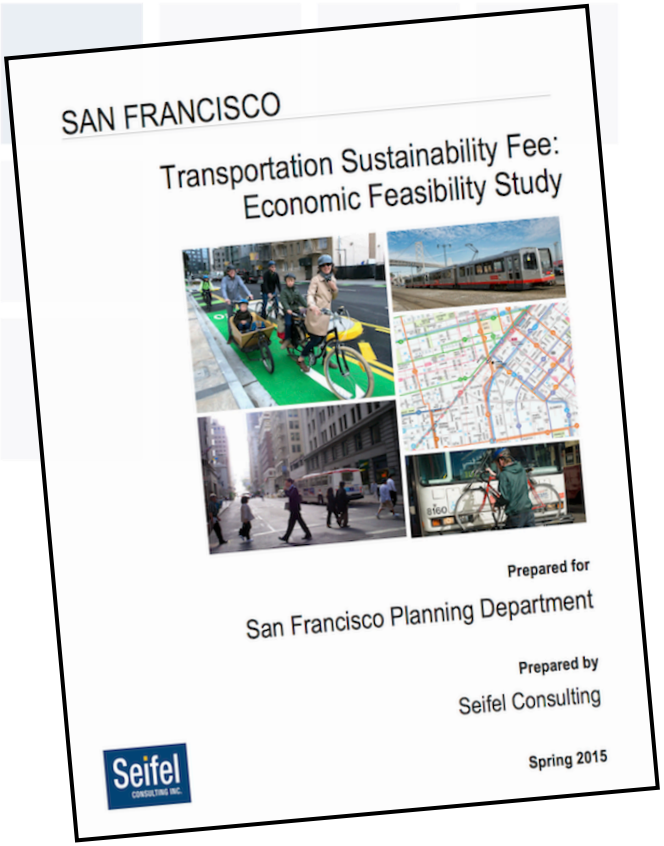
- Sales Price (Willing Buyer and Willing Seller)
- Negotiated Purchase Based on Appraised Value
  - Income Approach
  - Cost Approach
  - Sales Comparables
- Residual Land Value Analysis Based on New Development Potential

Residual Land Value (RLV) Analysis

Per Residential Unit



Transportation Sustainability Fee: Economic Feasibility Study



- San Francisco Planning Department
  Spring 2015
- Go to *SFPlanning.org*
  Search: "Transportation Sustainability Fee Economic Feasibility Study"

http://www.sf-planning.org/ftp/files/plans-and-programs/emerging_issues/tsp/TSF_EconomicFeasibilityStudy_Spring2015.pdf

Feasibility Study Prototypes & Adopted Area Plans

1. **Geary Ave**[1]
   Small residential mixed-use, 8 units
2. **Van Ness Ave**[1]
   Medium residential mixed-use, 60 units
3. **Outer Mission**[1]
   Medium residential mixed-use, 24 units
4. **Mission**
   Small residential mixed-use, 15 units
5. **Central Waterfront**
   Large residential mixed-use, 156 units
6. **East SoMa**[1]
   Medium residential mixed-use, 60 units
7. **East SoMa**[1]
   Large office, 224k sq. ft.
8. **East SoMa**[1]
   Large residential mixed-use, 141 units
9. **Transit Center**
   Large residential, 229 units
10. **Transit Center**
    Large office, 320k sq. ft.

[1] Corresponds with Affordable Housing Bonus / Central SoMa feasibility studies.

Existing TIDF vs. "Base Case" TSF Ordinance Rates

Transit Impact Development Fee (TIDF) *(Base Case TIDF: Existing 2015 Fee)*		**Transportation Sustainability Fee (TSF)** *(Base Case TSF[1])*	
Use	Fee [$/GSF]	Use	Fee [$/GSF]
Management/Information/Professional Services (MIPS)	*$13.87*	Residential	*$6.19*
Retail/Entertainment	*$14.59*	Non-residential	*$14.43*
Cultural/Institution/Education	*$14.59*	PDR	*$7.61*
Medical	*$14.59*	**Note:**	
Visitor services	*$13.87*	[1] Fee rates from the 2012 ordinance have been adjusted for inflation to 2015 dollars, and non-residential fee categories have been consolidated, consistent with other existing impact fees, as shown in the 2015 SF Transportation Sustainability Fee Nexus Study. These fee levels are also referred to as "Base Case TSF" in this study.	
Museum	*$12.12*		
Production/ Distribution/Repair (PDR)	*$7.46*		

Source: San Francisco Planning Department, 2015

Comparison of TIDF and TSF for Development Prototypes

Prototype	TIDF (2015 fee) *[a]*	Base Case TSF[2] *[b]*	TSF Area Plan Credit[3] *[c]*	TSF Net Fee (Increase over existing fees) *[b – a + c]*
1. Geary Ave *(small residential mixed use)*	$18,900	$88,800	$0	**$69,900**
2. Van Ness Ave *(medium residential mixed use)*	$0	$458,900	$0	**$458,900**
3. Outer Mission *(small residential mixed use)*	$0	$42,400	$0	**$42,400**
4. Mission *(small residential mixed use)*	$17,800	$55,700	($14,300)	**$23,600**
5. Central Waterfront *(large residential mixed use)*	$3,600	$421,700	($168,300)	**$249,900**
6. East SoMa *(medium residential mixed use)*	$35,600	$263,800	($100,600)	**$127,600**
7. East SoMa *(large office)*	$3,388,100	$3,510,800	$0	**$122,700**
8. East SoMa *(large residential mixed use)*	$109,400	$1,041,400	($292,800)	**$639,200**
9. Transit Center *(large residential)*	$0	$2,059,700	$0	**$2,059,700**
10. Transit Center *(large office)*	$5,346,000	$5,551,200	$0	**$205,200**

Potential Environmental Review Time and Cost Savings

Prototype	Environmental Review Time Savings[1]			Environmental Review Cost Savings[2]		
	Environmental Review Document: TIDF (Existing)	Environmental Review Document: TSP (Proposed)	Predevelopment Period Time Savings[3]	Planning Dept. Environmental Fee Savings	Estimated Consultant Cost Savings	Total Environmental Cost Savings
1. Geary Ave *(small residential mixed use)*	Class 32 CatEx	Class 32 CatEx	**None**	$0	$0	**$0**
2. Van Ness Ave *(medium residential mixed use)*	Class 32 CatEx	Class 32 CatEx	**None**	$0	$0	**$0**
3. Outer Mission *(small residential mixed use)*	Class 32 CatEx	Class 32 CatEx	**None**	$0	$0	**$0**
4. Mission *(small residential mixed use)*	CPE	CPE	**None**	$0	$0	**$0**
5. Central Waterfront *(large residential mixed use)*	CPE + Focused EIR	CPE	**5 months**	$386,300	$175,000	**$561,300**
6. East SoMa *(medium residential mixed use)*	CPE	CPE	**None**	$0	$0	**$0**
7. East SoMa *(large office)*	CPE + Focused EIR	CPE + Focused EIR	**5 months**[4]	$0	$95,000	**$95,000**
8. East SoMa *(large residential mixed use)*	CPE	CPE	**5 months**[4]	$0	$25,000	**$25,000**
9. Transit Center *(large residential)*	CPE	CPE	**5 months**[4]	$0	$25,000	**$25,000**
10. Transit Center *(large office)*	CPE	CPE	**5 months**[4]	$0	$50,000	**$50,000**

TSF Sensitivity Analysis Scenarios

(2015 Dollars)

Use	*Base Case TSF ($/GSF)*	*125% TSF ($/GSF)*	*150% TSF ($/GSF)*	*250% TSF ($/GSF)*	*Maximum Justified Fee[1] (not modeled)*
Residential	$6.19	$7.74	$9.29	$15.48	$30.95
Non-residential	$14.43	$18.04	$21.65	$36.08	$87.52
PDR[2]	$7.61	n/a	n/a	n/a	$26.09

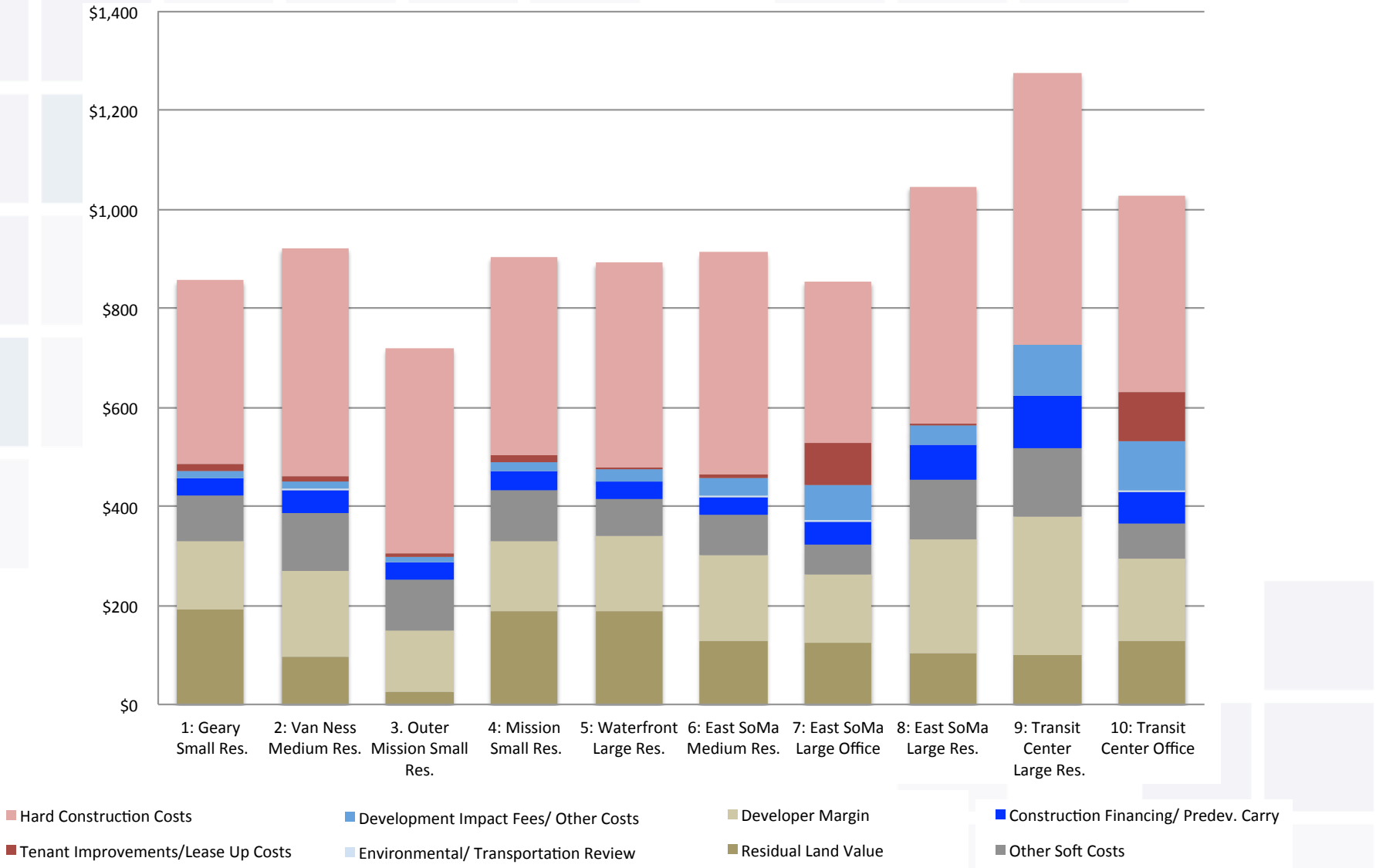
Note:

[1] Maximum Justified Fee is not modeled but is presented in the San Francisco Transportation Sustainability Fee Nexus Study (2015).

[2] New development of PDR uses was not analyzed in the feasibility study.

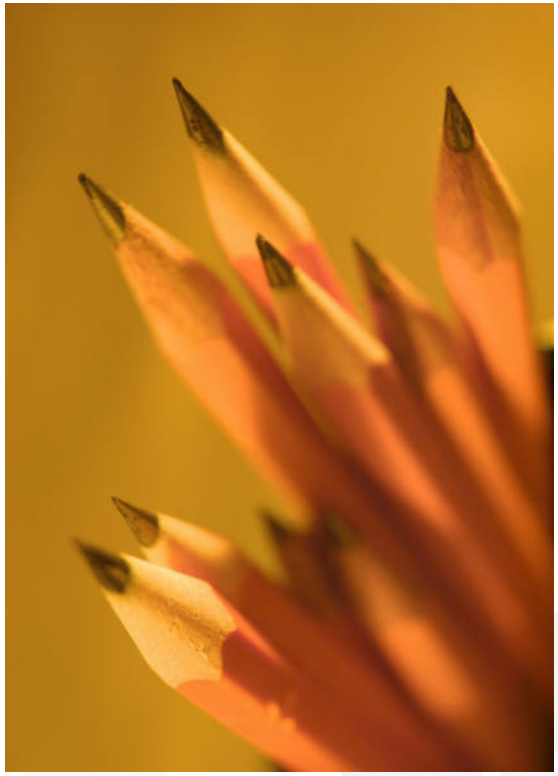
Draft 2015 RLV Results from TSF Sensitivity Analysis

Per Leasable/Salable Square Feet



Summary of TSF Analysis Findings

- Results vary by location, building scale and proposed use.
- Environmental time and cost savings may or may not occur.
- In neighborhoods where market rent or prices are not high enough to warrant investment, TSF will further inhibit development feasibility (projects likely won't "pencil").
- The financial analysis indicates that the ***TSF should not be set at higher than 125% of Base TSF level.***



Life is like riding a bicycle.
To keep your balance, you must keep moving.
- Albert Einstein

Elizabeth (Libby) Seifel
Seifel Consulting Inc.
libby@seifel.com