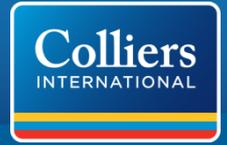


# PORTLAND IMPACT FEE STUDY

CITY OF PORTLAND PLANNING DIVISION

September 18, 2018

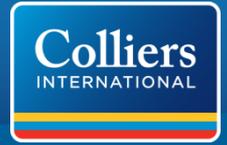
# I. Study Objectives & Assumptions



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- The City of Portland engaged Colliers to evaluate the impact of the proposed schedule of impact fees (“Fees”) upon development in Portland
- Colliers prepared financials for several typical projects types: Multifamily, office, hotel, industrial, and retail
- Colliers analyzed each projects’ return with and without the proposed impact fees
- Colliers applied the Maximum Supportable Fee as determined by TischlerBise

## II. Executive Summary



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- The proposed fees will have minimal impact upon financial returns across a range of product types, reducing them (IRR and ROI) by less than 1%
- The fees are less than 2.5 percent of total development costs
- The proposed impact fees may be less than or greater than the actual, ad-hoc fees paid by some developments in the past
- Formalizing the fee schedule adds predictability, certainty, and may possibly shorten the permitting time for projects reducing costs
  - For example: One month of escalation of construction costs on a \$15m project is \$62,500/month
- This analysis does NOT account for costs incurred by developers related to design review, compliance with other City of Portland ordinances and/or policies (other than inclusionary zoning), or delays in the permitting process

# II. Executive Summary

## PORTLAND IMPACT FEE ANALYSIS

SUMMARY  
9/20/2018

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	Multifamily Rental	Multifamily Condominium	Downtown Hotel	Suburban Airport Hotel	Office + Retail	Industrial	Shopping Center
# of Residential Units	75 Units	50 Units					
# of Hotel Room Keys			150 Keys	200 Keys			
Office GSF					50,000 GSF		
Retail GSF					7,500 GSF		105,000 GSF
Industrial GSF						50,000 GSF	
Surface Parking GSF	24,375 GSF			65,000 GSF		16,250 GSF	325,000 GSF
Structured Parking GSF		16,250 GSF					
Development GSF (ex. Parking)	67,500 GSF	55,000 GSF	52,500 GSF	70,000 GSF	57,500 GSF	50,000 GSF	105,000 GSF

Total Development Cost (Without Impact Fee)	\$21,133,704	\$21,703,206	\$22,765,606	\$27,256,344	\$20,132,086	\$10,171,438	\$39,873,038
\$/Unit/Key/GFA (Without Impact Fee)	\$281,782.72/ Unit	\$434,064.12/ Unit	\$151,770.71/ Key	\$136,281.72/ Key	\$354.55/GSF	\$205.22/GSF	\$388.81/GSF

<b>Estimated Impact Fee to Developer</b>	<b>\$163,301</b>	<b>\$118,926</b>	<b>\$522,026</b>	<b>\$685,976</b>	<b>\$254,803</b>	<b>\$89,738</b>	<b>\$952,286</b>
<b>Percent of TDC</b>	<b>0.77%</b>	<b>0.55%</b>	<b>2.29%</b>	<b>2.52%</b>	<b>1.27%</b>	<b>0.88%</b>	<b>2.39%</b>

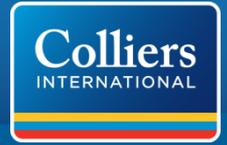
IRR (Without Impact Fee)	9.55%	11.60%	10.19%	10.95%	15.31%	9.04%	10.38%
IRR (With Impact Fee)	9.38%	11.39%	9.63%	10.33%	14.91%	8.84%	9.83%
<b>Difference in IRR</b>	<b>0.17%</b>	<b>0.21%</b>	<b>0.56%</b>	<b>0.62%</b>	<b>0.40%</b>	<b>0.20%</b>	<b>0.55%</b>

ROI (Without Impact Fee)	4.18%	33.17%	5.85%	6.46%	9.72%	5.38%	6.27%
ROI (With Impact Fee)	4.11%	32.43%	5.50%	6.01%	9.26%	5.26%	5.86%
<b>Difference in ROI</b>	<b>0.07%</b>	<b>0.74%</b>	<b>0.35%</b>	<b>0.45%</b>	<b>0.47%</b>	<b>0.12%</b>	<b>0.41%</b>

A detailed development pro forma was prepared with the following assumptions

- 75 units with 75 surface parking spaces.
- 50,000 SF land area
- 900 GFA/unit
- 10% affordable at 100% AMI
- Wood frame construction
- \$282,000 TDC/unit
- Studio rent: \$1,500
- One BR rent: \$1,850
- Two BR rent: \$2,500

# Multi-family (condo)



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A detailed development pro forma was prepared with the following assumptions

- 50 units with 75 structured/covered parking spaces.
- 50,000 SF land area
- 1,100 GFA/unit
- 10% affordable at 120% AMI
- Wood frame construction over steel podium
- \$434,000 TDC/unit
- Average sale price: \$450/SF

A detailed development pro forma was prepared with the following assumptions

- 150 keys with no on-site parking.
- 20,000 SF land area
- 350 GFA/key
- Wood frame construction over steel podium
- \$152,000 TDC/key
- RevPAR \$135.00

A detailed development pro forma was prepared with the following assumptions

- 200 keys with 200 surface parking spaces
- 125,000 SF land area
- 350 GFA/key
- Wood frame construction over steel podium
- \$136,000 TDC/key
- RevPAR \$120.00

A detailed development pro forma was prepared with the following assumptions

- 50,000 GFA office
- 7,500 GFA retail
- No on-site parking
- 20,000 SF land area
- Steel/concrete construction
- \$355/SF TDC
- \$25.00/SF NNN Rent

A detailed development pro forma was prepared with the following assumptions

- 50,000 GFA industrial
- One surface parking space per 1,000 SF
- 125,000 SF land area
- Steel/concrete construction
- 205/SF TDC
- \$10.00/SF NNN Rent

A detailed development pro forma was prepared with the following assumptions

- 60,000 GFA Grocery/Anchor
- 45,000 GFA other retail
- Three surface parking spaces per 1,000 SF
- 500,000 SF land area
- Steel/concrete construction
- \$389/SF TDC
- \$35.00/SF NNN Rent

# Questions and Answers & Thank You