Fair Share Mitigation


BLACK BOX
THEATER
Outdoor

Fair Share Mitigation

The DGEIS includes a discussion of a fair share mitigation which would offset the potential capital costs associated with increased demand placed on certain community services and facilities. This section provides an overview of the fair share mitigation plan and process. To determine the required Fair Share Mitigation payment for a proposed application in accordance with the Downtown Overlay Zoning, the first step will be to determine the total square footage in the project attributable to each use category. Within each use category, the total above-grade gross square footage will be multiplied by the then-applicable per square foot mitigation amount (see Table 2-3). Common areas serving a building will be distributed by the percentage of each individual use, for example; a residential building containing 50% one-bedroom units and 50% two-bedroom units will apply half of the common area SF to the two-bedroom fee and half of the common area SF to the one-bedroom fee. Then, the number of parking spaces in the project will be multiplied by the one-bedroom fee. Then, the number of parking spaces in the project will be multiplied by the then-applicable per space mitigation amount. These products will then be adjusted by an adjustment factor that will be based on how much development has received site plan approval as of the applicable date within the Downtown Overlay Zone (“adjustment factor”, see Table 2-4). This provides an incentive to initiate development (“kick-start” to incentivize development), and reflects that as future development occurs, a premium will be etsablished as value and viability of uses is demonstrated in the downtown area. Finally, the applicable mitigation amounts derived for each use category, including parking will be summed to determine the total Fair Share Mitigation payment due for the applicable project.

The Use Categories are as follows:

a. Retail
b. Restaurant
c. Non-Medical Office
d. Medical Office
e. Hotel
f. Studio Residences
g. One-Bedroom Residences
h. Two-Bedroom Residences
i. Three-Bedroom Residences
j. Student Housing
k. Adult Care Residences
l. Independent Living Residences
m. Institutional

The Per Square Foot Mitigation Amounts, which will be increased by 3 percent per year, starting on the first anniversary of the passage of the Downtown Overlay Zone (and on each anniversary thereafter) are provided in Table 2-3.

PER SQUARE FOOT MITIGATION AMOUNTS

Per SF Mitigation Amount	Applicable Use Categories
$1.3659	Retail, Restaurant, Non-Medical Office, Medical Office, Institutional
$1.6391	Hotel
$2.575	Studio
$3.09	One-Bedroom
$1.9123	Student Housing, Adult Care Residences, Independent Living Residences
$2.1855	Two-Bedroom Residences
$2.7318	Three-Bedroom Residences
$54.6364	Integrated Parking
$546.36	Independent Parking

ADJUSTMENT FACTORS

Applicable Use Categories	Adjustment Factor Based on Percent of Available Theoretical Development Scenario				
	0%-10%	10%-20%	20%-50%	50%-67%	67-100%
Medical Office, Non-Medical Office and Institutional	50%	75%	100%	107.5%	125%
Retail, Restaurant, Hotel, Student Housing, Adult Care Residences, Independent Living Residences	75%	90%	100%	107.5%	125%
Studio Residences	90%	100%	105%	117.5%	130%
One-Bedroom Residences	90%	100%	105%	117.5%	130%
Two-Bedroom Residences	100%	100%	110%	122.5%	135.0%
Three-Bedroom Residences	100%	105%	115%	127.5%	140%
Integrated Parking	100.0%	100.0%	110.0%	122.5%	135.0%
Independent Parking	100.0%	105.0%	115.0%	127.5%	140.0%

** Highlighted figures reflect current build-out as of 2-19-19*

Table 2-5 below provides an example of how the fair share mitigation amount would be calculated for a sample project. Assume a project with (i) 250,000 SF above-grade gross square footage excluding parking, consisting of 175,000 SF of above-grade Non-Medical Office space and 75,000 gross SF of above-grade Retail space, together with (ii) 715 Integrated Parking spaces. Assume that the project receives its site plan approval in February 2019. Finally, assume that the current build-out of Medical Office, non-Medical Office and Institutional is less than 10% of the available under the current Theoretical Development Scenario, and likewise for Retail uses. However, assume that 20-50% of Integrated Parking has been built out under the Theoretical Development Scenario.

Sample Calculation and Steps

Step 1	Take 175,000 gross SF of Non-Medical Office Space and multiply it by the relevant per SF/Space Fair Share Mitigation Amount (here, $1.3659). This amount equals $239,032.50
Step 2	Apply the relevant Adjustment Factor (here, 50%, because, after approval of this project, less than 10% of the Available Development SF will have been approved) and multiply it by $238,000. This amount equals $119,516.25
Step 3	Take 75,000 SF of Retail space and multiply it by the relevant Per SF Fair Share Mitigation Amount (here, $1.3659/SF). This amount equals $102,442.50
Step 4	Apply the relevant Adjustment Factor (here, 75%, because after approval of this project, less than 10% of the Available Development SF will have been used) and multiply it by $102,442.50. This amount equals $76,831.88 Take 715 Integrated Parking spaces and multiply them by the relevant per SF Fair Share Mitigation Amount (here, $54.6364/space). This amount equals $39,065.03
Step 5	Apply the relevant Adjustment Factor (here, 110%, because, after approval of this project, between 20% and 50% of Available Development SF will have been used) and multiply it by $39,065.03. This amount equals $42,971.53
Step 6	Sum $119,516.25 and $76,831.88 and $39,065.03.

The resultant Fair Share Mitigation Payment due in connection with this project equals $235,413.16

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