

CITY OF MADISON TRANSPORTATION COMMISSION

ACTION ITEM DETAIL – JUNE 7, 2023

ACTION TITLE: Transportation Demand Management (TDM) Program Fee

PRESENTER: Stefanie Cox, Parking Division

ACTION SUMMARY

This TC resolution approves the fee structure for the newly created TDM program that is set to go into effect on June 16th, 2023.

BACKGROUND

In December 2022, the Common Council approved the creation of MGO 16.03 which establishes a Transportation Demand Management program. The ordinance requires all TDM plans be accompanied by payment of an initial program fee included in the Transportation Demand Management Program and approved by the Transportation Commission. In addition, a bi-annual recertification fee shall be established and calculated as a function of the development size.

DESCRIPTION

TDM requirements are assigned using a point-based system and depend on the development’s land use(s), size, proposed parking capacity, and location. Further, measures related to transit and shared mobility will have their point values adjusted based on the proposed development’s proximity to the service areas of those transportation options. Goals of the TDM fee include:

- The TDM fees would reflect the cost of the program, and that the program would be self funded within 5 years of operation.
- The TDM fees would not present an undue burden to developers or other entities submitting TDM plans

The proposed fee structure uses a base fee of \$100 per application and a flat rate of \$15.00 per each mitigation point. The bi-annual recertification fee will be based on a flat fee of \$10.00 per mitigation point.

Initial Application			\$ per Mitigation Pt		
Base fee	\$ 100	Plus	\$ 15.00		
	Small	Low-Medium	Medium	High-Medium	Large
RESIDENTIAL USES	10-25 DU	26-50 DU	51-100 DU	101-150 DU	> 150 DU
EMPLOYMENT USES	10,000 - 25,000 sq. ft.	25,001 -50,000 sq. ft.	50,001 -100,000 sq. ft.	100,001 - 150,000 sq. ft.	> 150,000 sq. ft.
COMMERCIAL USES	< 40,000 sq. ft.	40,001 - 100,000 sq. ft.	100,001 - 150,000 sq. ft.	150,001 - 200,000 sq. ft.	> 200,000 sq. ft.
Parking Stalls per Dwelling Unit (DU) or 500 sq. ft. floor area (emp), or Ratio to use-specific Base Parking (BP) (Comercial)	<i>Mitigation points required</i>				
< 0.5	no TDM	5	7	9	12
0.5 - 0.99	no TDM	9	12	15	17
1.0 - 1.49	12	15	17	19	22
1.5 - 1.99	17	19	22	25	27
2.0 - 2.5	22	25	27	29	32
2.5 +	27	29	32	35	37

2-year renewal fee for every development					
Base fee	\$	-	Plus	\$	10.00

This fee structure charges development with high parking/base parking ratios more than development with low parking/base parking ratios. Higher ratio developments require more points, and consequently more staff time to review mitigation measures and interact with the applicant. Low parking ratio developments require less staff time, and the TDM plans are relatively easy to review and approve.

For example, a relatively small development that requires 12 mitigation points would have the following initial fee and 2-year renewal fee.

Initial Fee - \$100 +(12 points x \$15/point) = \$280 initial fee
 2-year renewal fee - 12 points x \$10/point = \$120 renewal fee

Another example of a large development, with relatively high amounts of parking, that requires 32 mitigation points would have the following initial fee and 2-year renewal fee.

Initial Fee - \$100 +(32 points x \$15/point) = \$580 initial fee
 2-year renewal fee – 32 points x \$10/point = \$320 renewal fee

Under this fee structure, it is estimated that the TDM program will become self-sufficient in 5 years. However, it highly dependent on the number of applications submitted each year. After a year’s time, there will be more data on quantity of applications and the Transportation Commission can adjust the fees if appropriate.

EQUITY GOAL IMPACTS

The fee structure could have a negative impact on small developments and applicants that have challenges meeting the TDM requirements. The TDM Coordinator has the ability to provide up to five (5) discretionary points in cases where the applicant has provided all reasonable mitigation measures and still not satisfied the mitigation point requirements. Additionally, the Transportation Commission is also able to provide additional relief upon appeal.

FISCAL & PROCUREMENT DETAILS

This action creates a fee structure that will allow the program to be self-funded after 5 years. Depending on the annual number of applications, financial self-sufficiency could occur as soon as 3 years.