



Roadway Impact Fee Briefing

Kimley»Horn

June 15, 2018

Overview

- Impact Fee Overview
- What is an Impact Fee?
- What are the Components?
- Impact Fee Methodology
- Next Steps

Impact Fees Overview

- **Impact Fees Are Not New.**
 - **Water and Wastewater:**
 - Collected in Round Rock since 1989
 - Collected approximately \$153 Million since 1989
 - **Proportionality Has Been Around:**
 - Concept of Growth paying for Growth is reasonable and logical
 - Water and Wastewater – 80% Growth Paying for Growth
 - Transportation currently is more subsidized by taxes
 - **Roadway Impact Fees**
 - Across the state (Cities over 25,000 people)
 - 25% have Roadway Impact Fee (50% have Water/Wastewater)
 - Most prevalent in Growth Areas
 - Over 50% of Cities in DFW
 - Houston-Area focuses on MUDs so less common
 - Taylor, Schertz, Cibolo and New Braunfels in Central Texas.
 - Austin and Buda are currently studying

Impact Fees Overview

- **Why Impact Fees?**
 - **Consistent:**
 - This same process should speed up the process time. The focus of the TIA can shift to determining site concerns and potential uses for the Impact Fee and not focused on determining development contribution.
 - **Equitable:**
 - Development pays an equal fee whether first to develop or last to develop. Note other ordinances might requirement certain developments to build adequate infrastructure.
 - Every new development pays.
 - **Predictable:**
 - Fee schedule is available online
 - **Proportional:**
 - Directly related to the amount of traffic generated
 - Calculation based on systemwide impact

Impact Fees Overview

- What is the Current Process?
 - **Traffic Impact Analysis:**
 - Improvements are required on a level of service basis. Developments later in the cycle are often hit with more improvements.
 - **Site Specific Need:**
 - Improvements are focused more on site specific needs and system wide improvements are not the focus.
 - **Negotiations:**
 - Most contributions are not agreed to until lengthy negotiations have been completed.
 - **Time Consuming**
 - Lengthy negotiations slow down development process and requires extensive additional staff and developer resources.

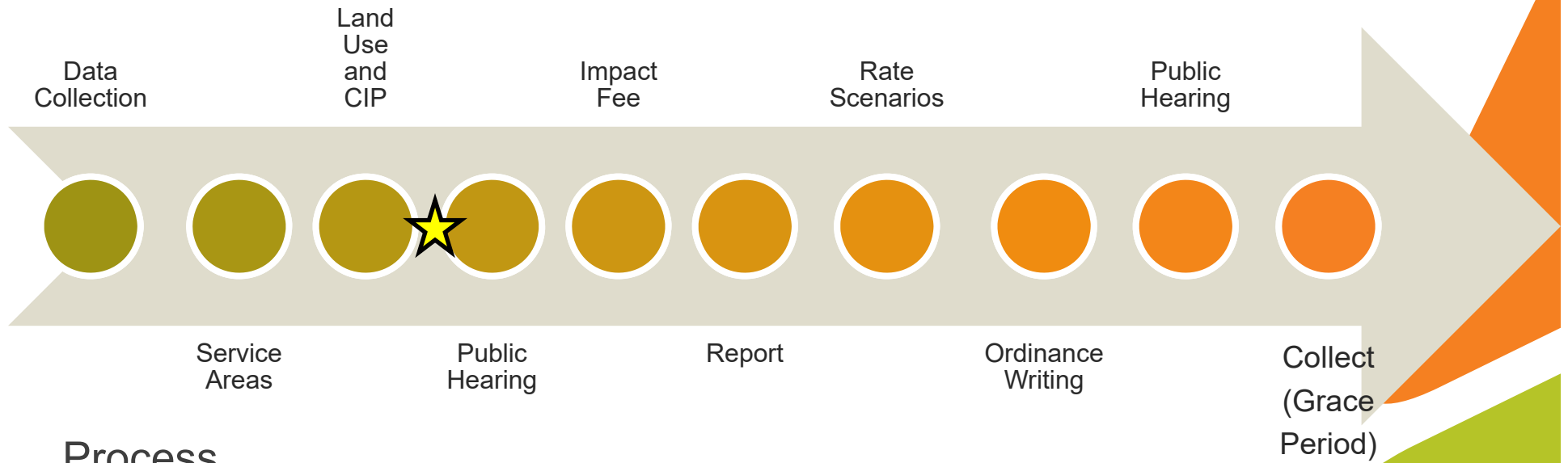
Transportation Funding

- We need a system that is:
 - **Predictable**; for the development community and City
 - **Equitable**; equal development should pay an equal fee
 - **Transparent**
 - **Flexible**; funds collected need to be used to add capacity to the system, not sit in a bank or in a location where they aren't needed
 - **Legal**; compliant with proportionality rules
 - **Consistent** with the City's overall goals (Growth paying for Growth) and objectives for growth – perhaps even encourage development where infrastructure already exists
 - **Faster Development Process**: Predictability and consistency reduces negotiation time and shortens the process.

Transportation Funding

- We need a system that:
 - **Funds Transportation Improvements;** Continues to fund transportation improvements through the development process.
 - **Fair Among Future Developments;** Fee is consistent on when developers build (first or last)
 - **Encourages Existing Infrastructure:** Allows flexibility to required infrastructure to be built up front.
 - **All New Development can Contribute;** All developments can pay regardless of meeting a TIA threshold.

Process



Process

- Early in the Process
- Requires two public hearing
 - Assumptions (July 26th)
 - Report/Ordinance (September 13th)

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What is an Impact Fee?

- Mechanism to recover costs associated with infrastructure needed to serve future development
- Governed by Chapter 395 of the Texas Local Government Code
- Determines the proportional share of infrastructure for all future development
- One year grace period for existing development
- **One-time fee**

Items Payable with Impact Fees

- Components that can be paid for through an impact fee program:

- ✓ Construction cost of capital improvements on the CIP
 - Roadway to thoroughfare standard
 - Traffic signals, bridges, sidewalks, etc.
- ✓ Survey and Engineering fees
- ✓ Land acquisition costs, including court awards
- ✓ Debt Service of impact fee CIP
- ✓ Study/Update Costs

- Components that **cannot** be paid for through an impact fee program:

- × Projects not included in the CIP
- × Repair, operation and maintenance of existing or new facilities
- × Upgrades to serve existing development
- × Administrative costs of operating the program

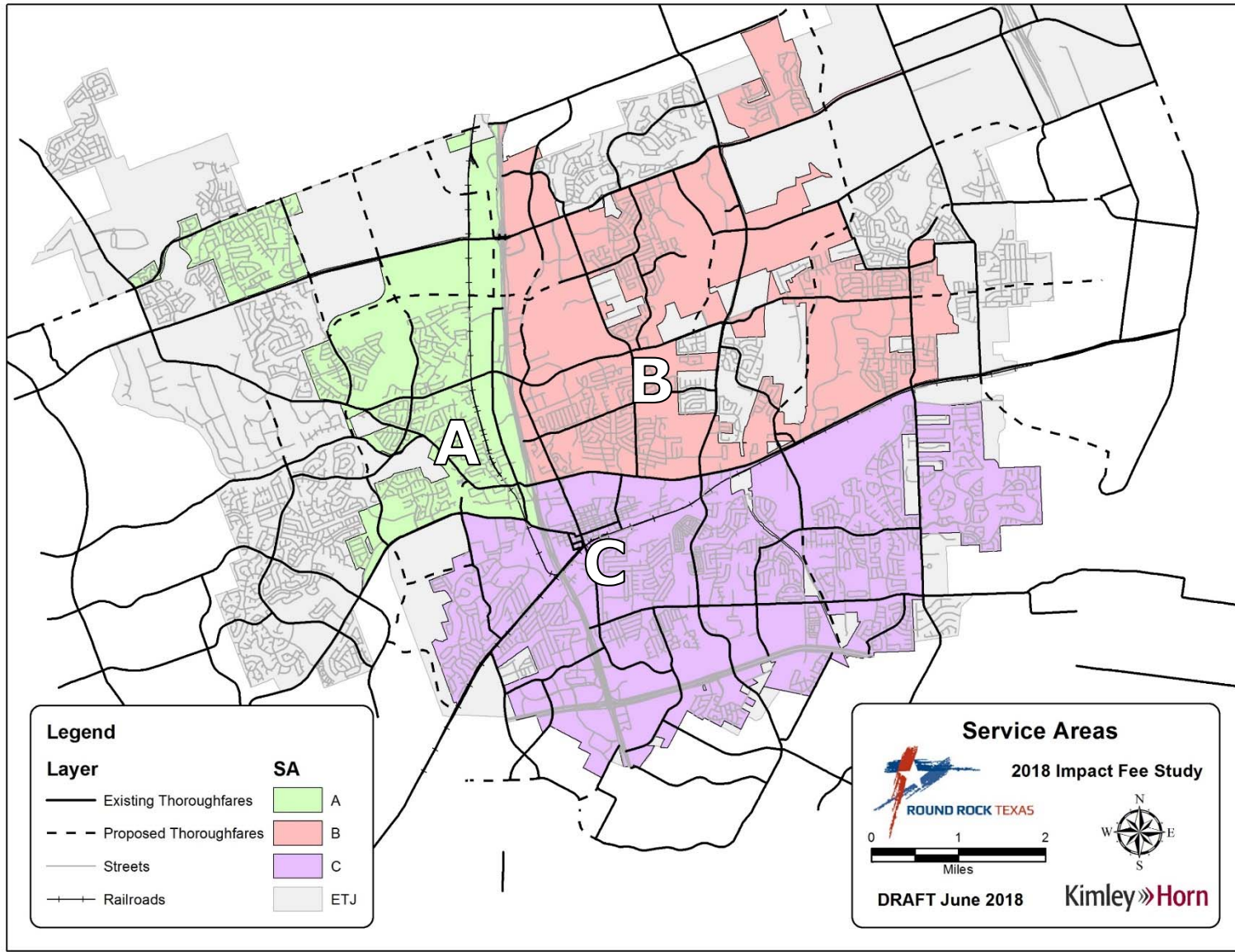
What are the components?

- Service Areas
- Land Use Assumptions
- Capital Improvement Plans
- Service Units
- Impact Fee Calculation (Not Today)
- Collection Rate (Not Today)
- Ordinance (Not Today)

Impact Fee Service Areas

- A Service Area is a geographic area within which a unique maximum impact fee is determined
- Roadway Service Areas are limited to maximum of six (6) mile limit by state law
- For roadway facilities, the service areas as required by state law are limited to areas within the current corporate limits
- Money collected in each Service Area must be spent on Impact Fee Capital Improvement Projects in that Service Area

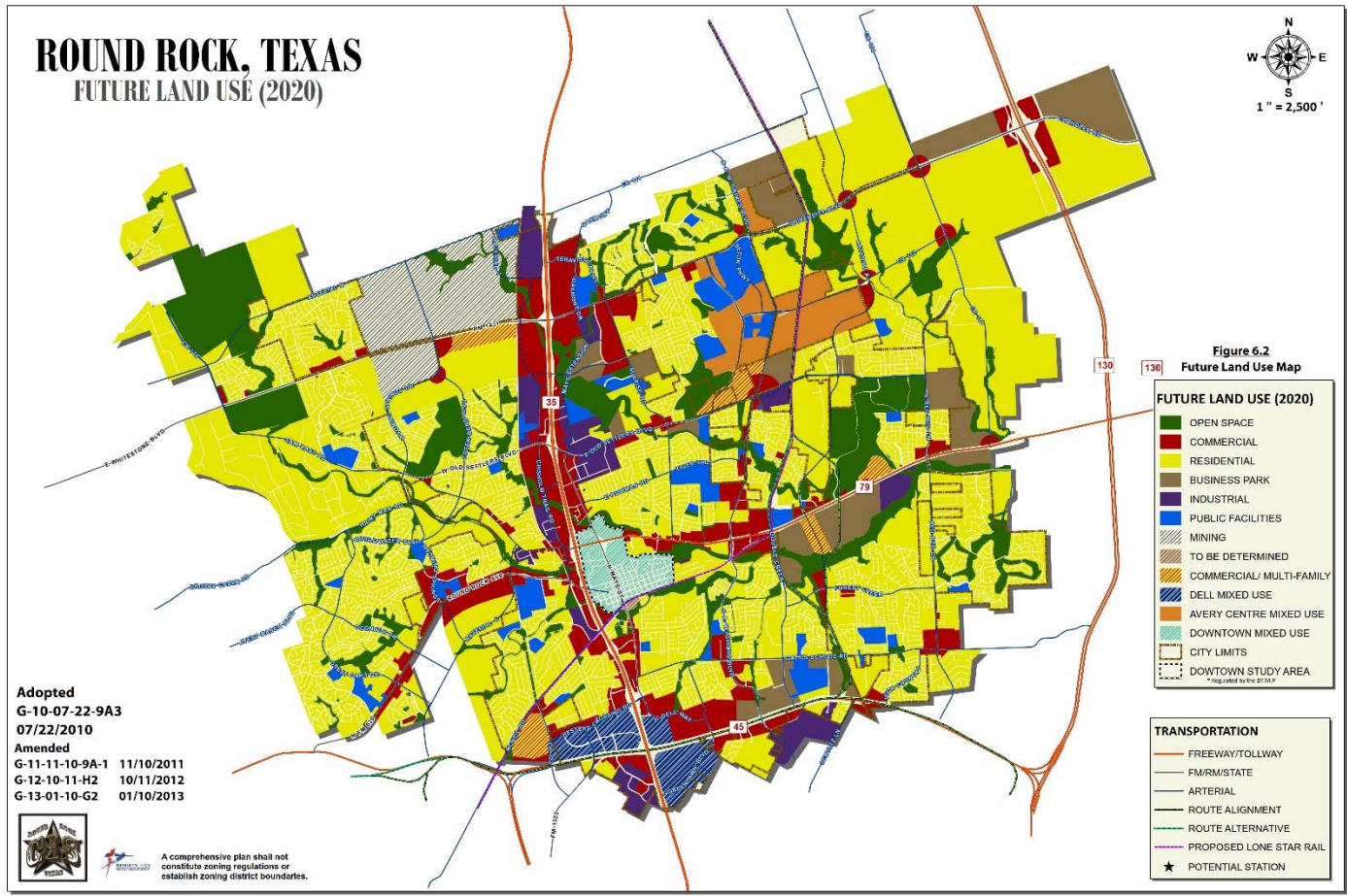
Impact Fee Service Area Map



Impact Fee Components: Land Use Assumptions

- Establishes Infrastructure Demands and Master Plans
- Population and Employment Projections
 - Aggressive vs. Non-aggressive Growth Rates
- Coordinate with Future Land Use
- Consistent with Model in 2017

City of Round Rock Future Land Use Plan



Service Area Determination

- Corporate Boundaries
- Size Limitations
- Adjacent Land Uses
- Topography
- Major Roadways

Residential and Employment 10-Year Projections

(Transportation Categories)

Service Area	Year	Residential (Units)		Employment (Sq. Ft.)			
		Single Family	Multi-Family	Basic	Service	Retail	Total
A	2018-2028	621	932	1,300,000	600,000	500,000	2,400,000
B		1,826	2,739	600,000	2,300,000	900,000	3,800,000
C		1,720	3,485	2,200,000	2,600,000	1,500,000	6,300,000
Total		4,167	6,250	4,100,000	5,500,000	2,900,000	12,500,000

10-Year Growth Units by Service Area

Service Area A

Res: 1,553 DU

Non-Res: 2.4M Sq. Ft.

Service Area B

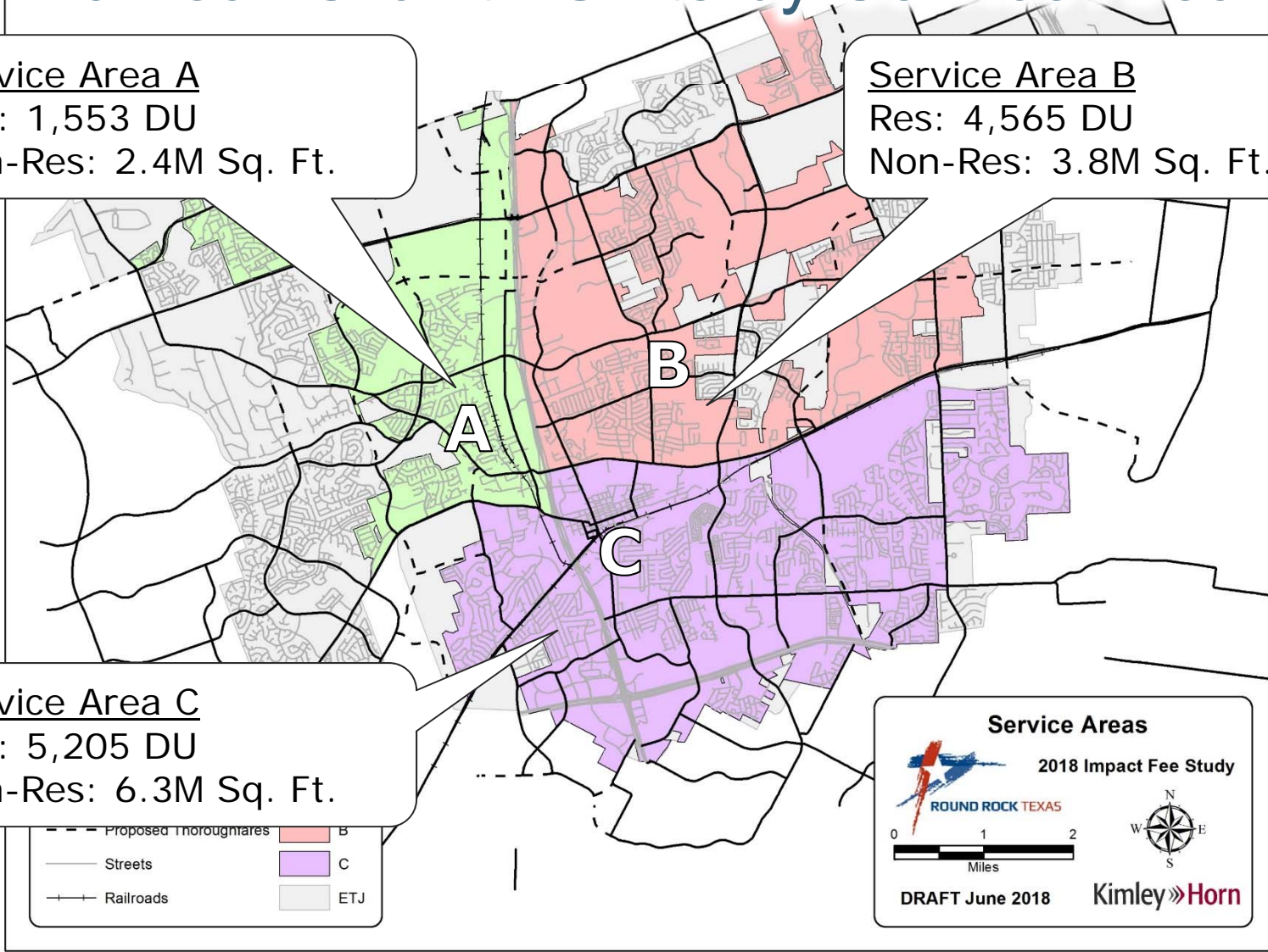
Res: 4,565 DU

Non-Res: 3.8M Sq. Ft.

Service Area C

Res: 5,205 DU

Non-Res: 6.3M Sq. Ft.

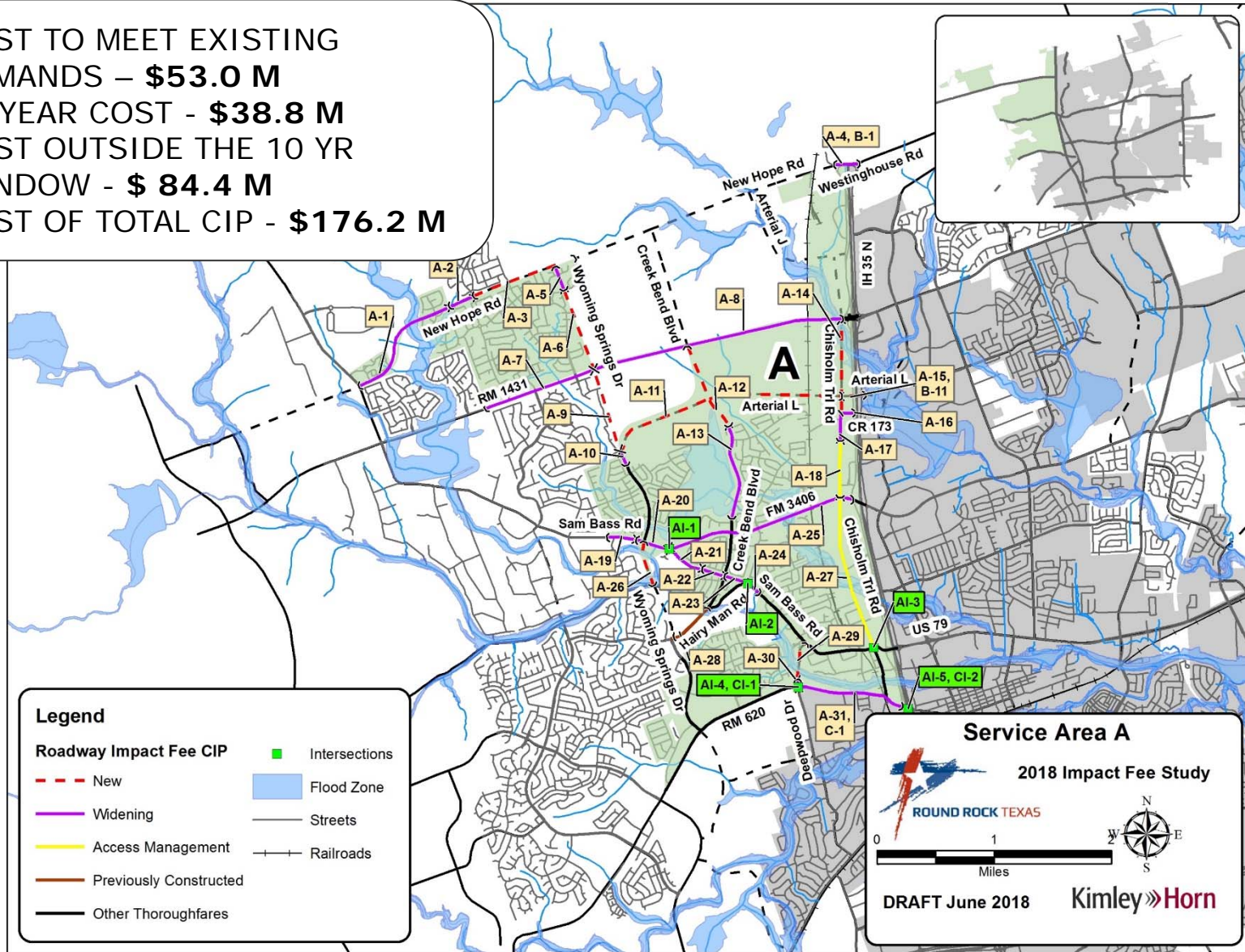


Impact Fee Capital Improvement Plan

- Development of a 10-year Roadway Impact Fee Capital Improvement Plan is required per Chapter 395 of the Texas local Government Code.
- In order to optimize future flexibility, capacity improvements provided by the city were included in the Roadway Impact Fee CIP and will be eligible to utilize impact fee funds
- Capacity improvements may also include the addition of lanes, intersection improvements, or the extension of a new road

Service Area A Impact Fee CIP

COST TO MEET EXISTING DEMANDS – \$53.0 M
10-YEAR COST - \$38.8 M
COST OUTSIDE THE 10 YR WINDOW - \$ 84.4 M
COST OF TOTAL CIP - \$176.2 M



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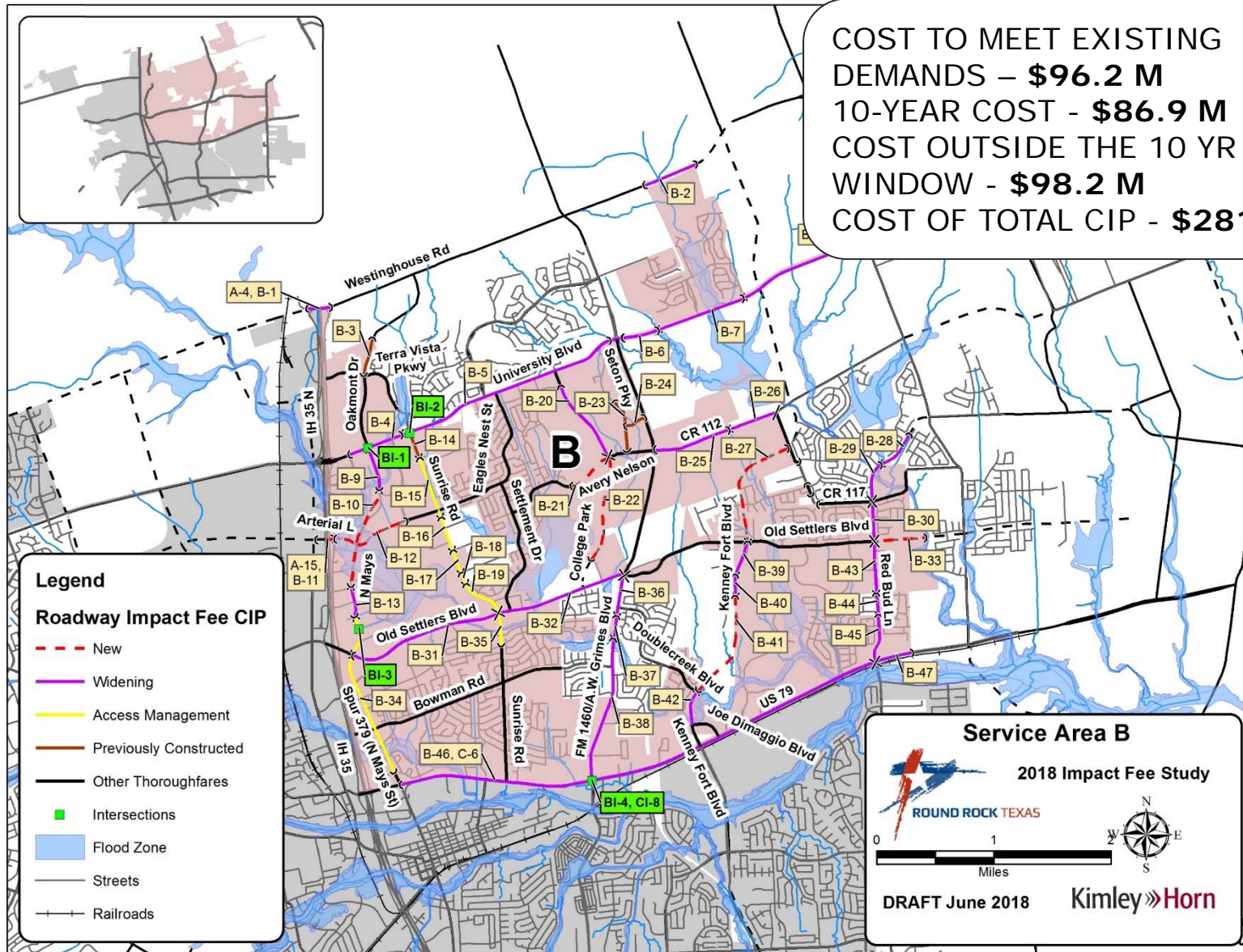


ROCK TEXAS

Service Area A
 2018 Impact Fee Study
 ROUND ROCK TEXAS
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Service Area B Impact Fee CIP

COST TO MEET EXISTING DEMANDS – \$96.2 M
10-YEAR COST - \$86.9 M
COST OUTSIDE THE 10 YR WINDOW - \$98.2 M
COST OF TOTAL CIP - \$281.3 M



Legend

Roadway Impact Fee CIP

- New
- Widening
- Access Management
- Previously Constructed
- Other Thoroughfares
- Intersections
- Flood Zone
- Streets
- + Railroads

Service Area B

2018 Impact Fee Study

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0 1 Miles

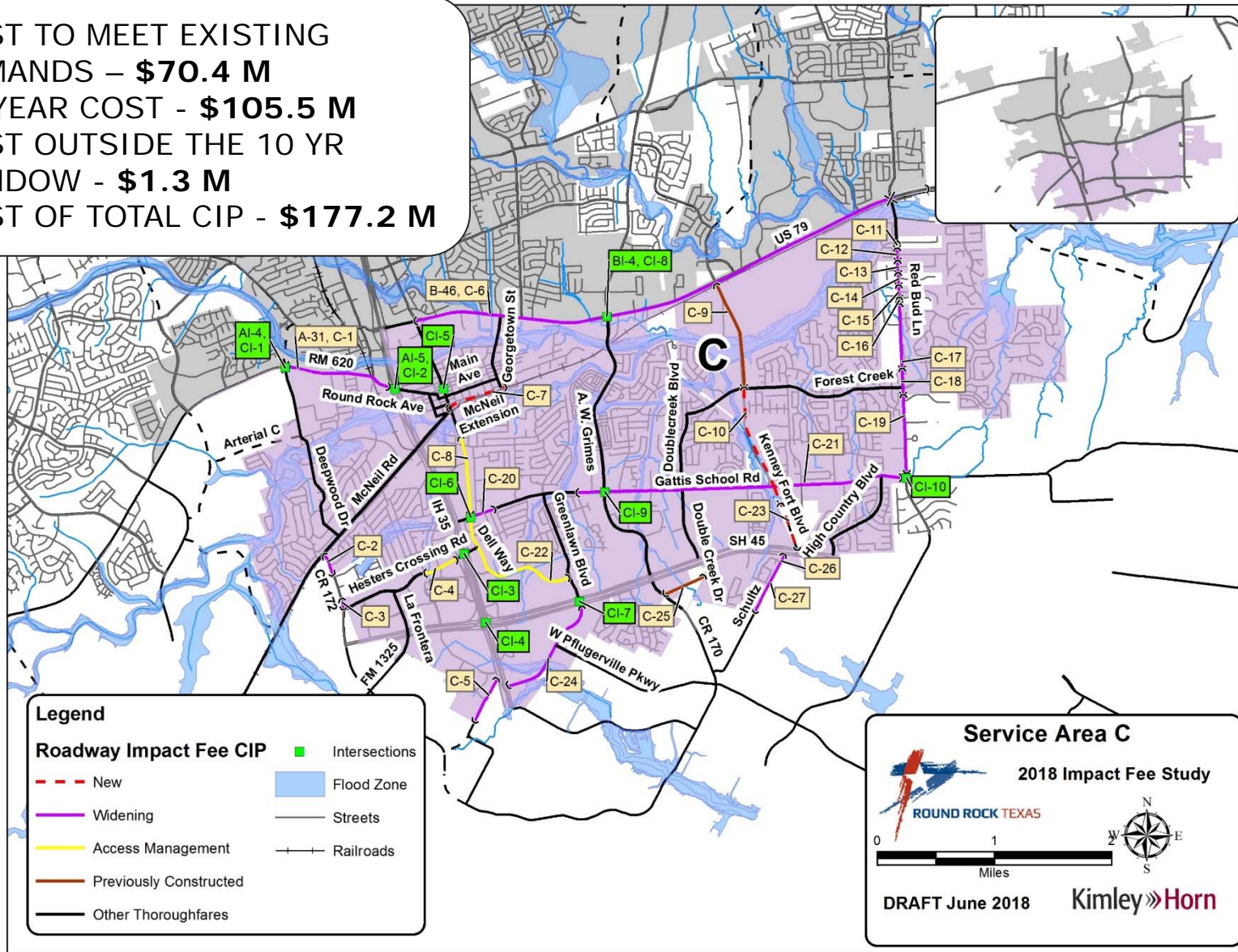
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Service Area C Impact Fee CIP

COST TO MEET EXISTING DEMANDS – \$70.4 M
10-YEAR COST - \$105.5 M
COST OUTSIDE THE 10 YR WINDOW - \$1.3 M
COST OF TOTAL CIP - \$177.2 M



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Service Units

- A standardized measure of consumption attributable to an individual unit of development – Chapter 395 definition
- Roadway utilizes vehicle miles – one vehicle to travel one mile

Impact Fee Components: Service Unit – Two Variables

1. Trip Generation

- ITE Trip Generation Manual – 10th Edition

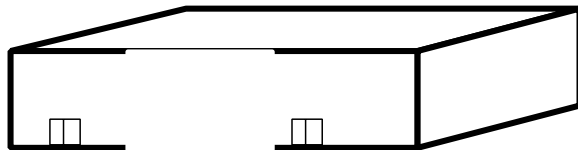
2. Trip Length

- National Household Travel Survey
- Travel Demand Modeling

Impact Fee Components: Service Unit - Examples



Trips	0.99 Vehicles (PM Peak) <i>(ITE Trip Generation)</i>
X Trip Length	4.30 Miles
Vehicle-Miles	4.26 Vehicle-Miles



Trips	3.81 Vehicles (PM Peak) <i>(ITE Trip Generation)</i> 34% <i>(ITE Trip Generation Handbook)</i>
Reduction for Pass-by Trips	2.51 Vehicles (PM Peak)
X Trip Length	3.18 Miles
Vehicle-Miles	7.98 Vehicle-Miles

10-Year Growth Units by Service Area

Service Area A

Res: 1,553 DU

Non-Res: 2.4M Sq. Ft.

Service Area B

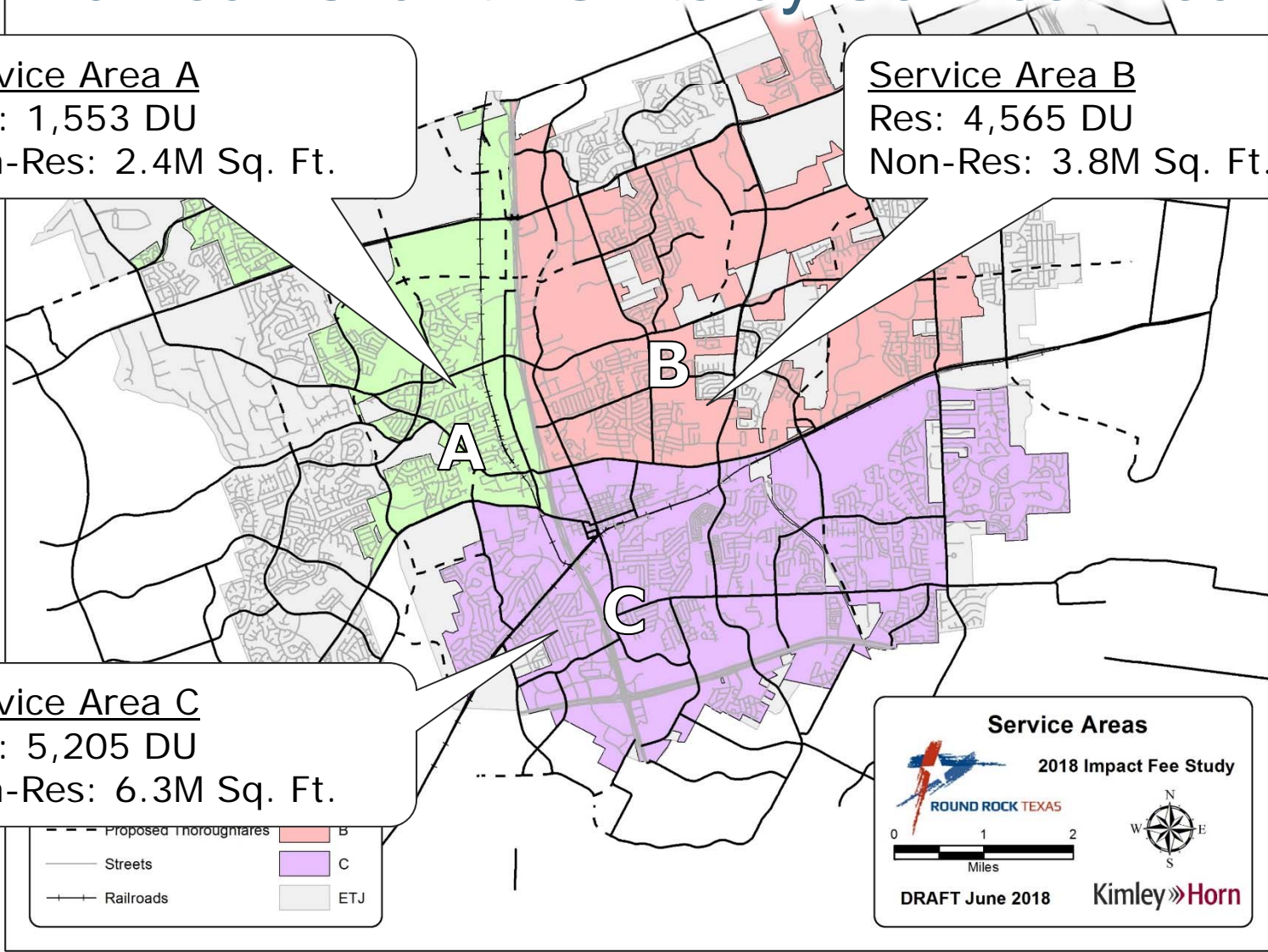
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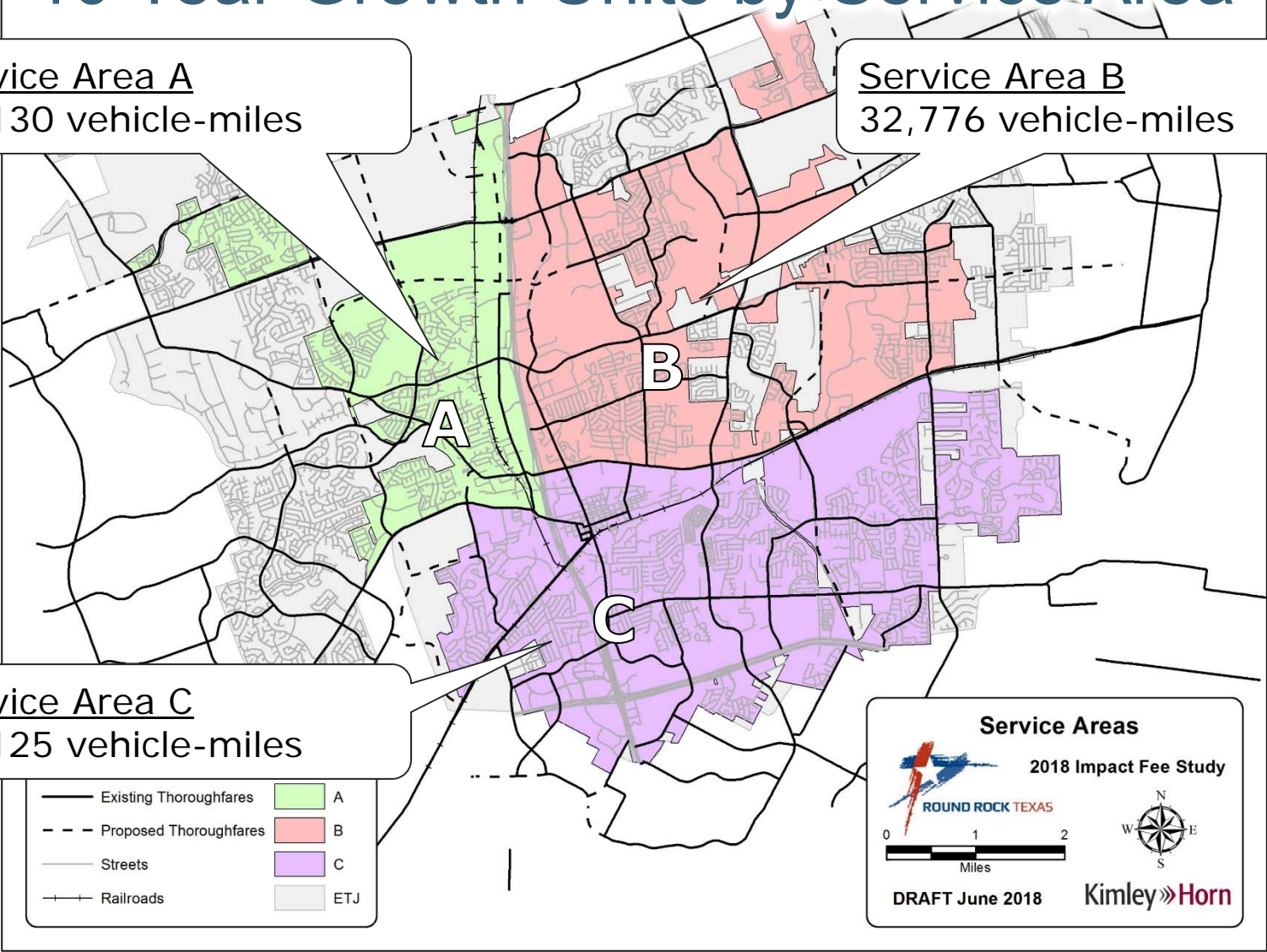


10-Year Growth Units by Service Area

Service Area A
16,130 vehicle-miles

Service Area B
32,776 vehicle-miles

Service Area C
46,125 vehicle-miles



- Existing Thoroughfares
- - - Proposed Thoroughfares
- Streets
- Railroads
- A
- B
- C
- ETJ

Service Areas
2018 Impact Fee Study

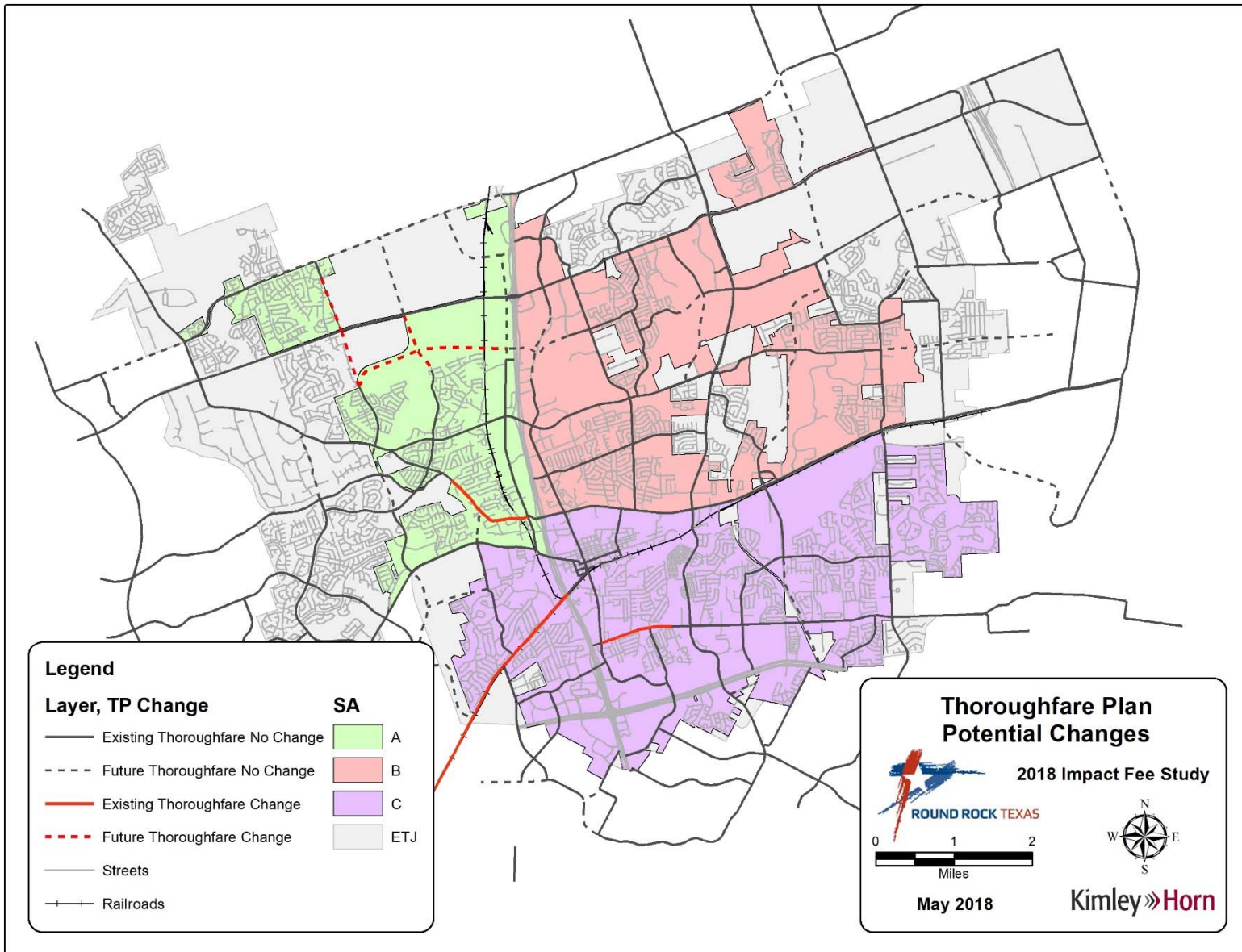
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0 1 2
Miles

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Thoroughfare Plan Potential Changes



Impact Fee Components: Maximum Fee (Future)

$$\text{Max. Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of the CIP (\$)}}{\text{New Service Units (vehicle - miles)}}$$

- New Service Units are derived from Land Use Assumptions (10-Year Growth) and Future Land Use Plan
- Impact Fee Capital Improvements Plan based on the portion of the Master Transportation Plan needed for future growth
- Credits against impact fees due when a developer constructs or contributes to a thoroughfare facility
- Impact Fee calcs must be updated at least every 5 years

Impact Fee Components: Maximum Fee Application (Future)

- Example: \$1,000/vehicle-mile

1. Single Family –

- $\$1,000 * 4.26 = \$4,260$

2. 15,000 square foot shopping center:

- $15 * \$1,000 * 7.98 = \$119,700$

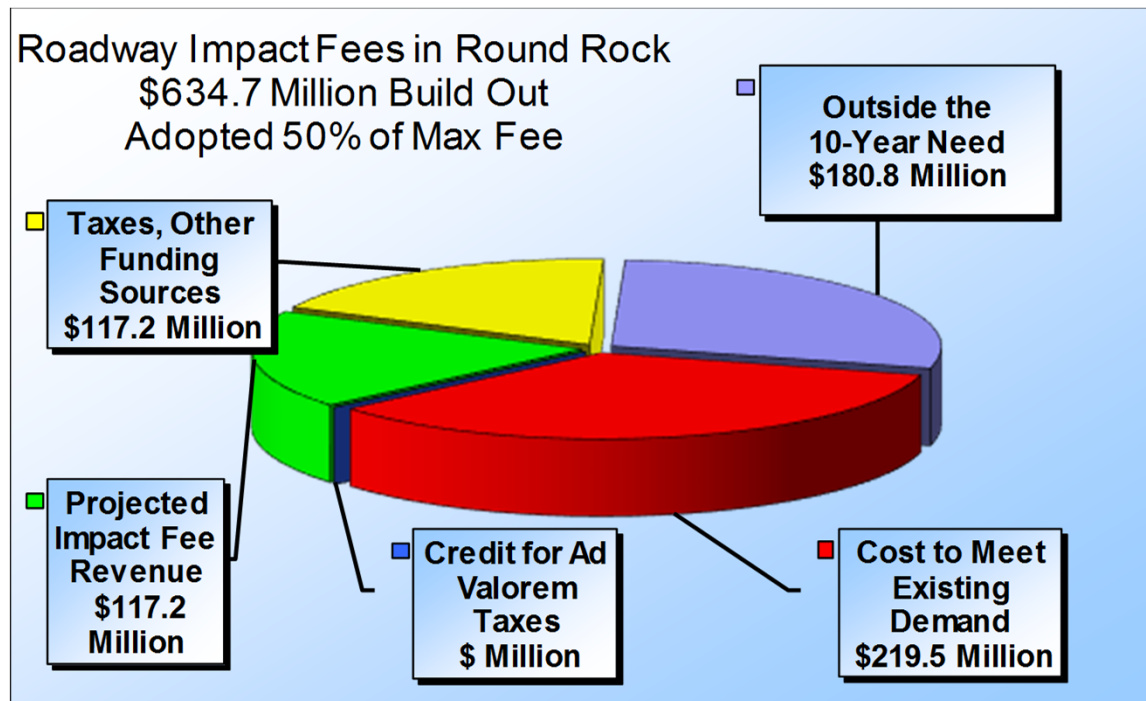
- Rate collected is based on Council decision (Policy).

NOTE: EXAMPLE ONLY.

**DOES NOT REPRESENT
ACTUAL RESULTS.**

Impact Fee Components: Collection Rate (Future)

- Still Finalizing



Next Steps

Land Use Assumptions and Impact Fee CIP

- Set Public Hearing – June 14th
- Stakeholder Meeting – June 15th
- Meet with Advisory Committee – June 20th / July 18th
- Hold a Public Hearing – July 26th (Assumptions Only)

Next Steps

Future – Full Study

- Complete Study with Calculations – July 26th
- Stakeholders Meeting – August 7th
- Review Study with Advisory Committee – August 15th
- Hold Public Hearing on Impact Fee Rate – September 13th
- Ordinance Adoption – September 27th