



Roadway Impact Fee Stakeholder Meeting #2 & HBA Q&A Combined Notes

August 7, 2018; 2.00 p.m. – 5:00 p.m.
Rabb House

Home Builders Association Q&A:

Q1: What about the land not included in the map area that is within RR's ETJ? Will that be included if annexed and if so, would the impact fee be adjusted?

A: The Roadway Impact Fee can only apply to City of Round Rock corporate limits at the time of adoption. The ETJ cannot be included. We are working through the policy details of Annexation – but it may be that larger annexations would trigger a minor update or be found consistent and annexed into the adopted fee structure.

Q2: After they are set, can the fees be changed or adjusted? If so, what is the process to do that?

A: The fees can be changed or adjusted by City Council action but cannot exceed the calculated maximum fee under state law. A report will be provided to the Capital Improvements Advisory Committee (CIAC) and Council every six months. The full report that determines the maximum fee needs to be updated every five years at a minimum.

Q3: Are there projects outside of the city limits? From the map, it looked like there were some just outside or right on the edge of the service areas.

A: Projects included in the 10-year Roadway Impact Fee are within the service areas. Projects on a boundary may be split between service areas or discounted to 50% to include only one side of the project that falls within the corporate limits. Funds collected for within a service area are required to be spent on projects within the corresponding service area where collected.

Q4: How will neighboring cities share costs of projects that are on the boundary between the two?

A: The Roadway Impact Fee Capital Improvement Plan contemplates Round Rock's contribution to shared projects. In the case where the project is on a shared boundary, we have only included those costs expected to be the City's share.

Q5: Does RR plan to do a study on the potential negative economic impact of having road impact fees, considering most neighboring cities do not?

A: The City has no current plans to conduct a separate study. Roadway Impact Fees and development contributing to the cost of new growth are not new concepts. Developments currently contribute to their impacts – though in a less standard, less equitable, and less predictable way. In addition, the City has previous experience with a water/wastewater impact fee that remains currently applicable to new development. Hutto has adopted a Roadway Impact Fee recently, and we are aware of several other nearby cities that may be in the process as well.

Q6: How do current developments absorb this fee if they already have established budgets? Many projects have multiple build out phases over several years.

A: If adopted, the Roadway Impact fee would have a 12-month grace period for final-platted developments. This should help offset the impacts to existing projects.

City of Round Rock Roadway Impact Fee Study

Q7: How do impact fees and TIAs interact?

A: Impact fees may reduce the need for TIA's on many smaller projects or projects with standard, well understood development footprints. Generally, we would not want to require the additional time and expense of preparing and reviewing an impact study for developments where the impacts are already well understood. However, the TIA would not disappear entirely – as there may still be larger, more complex projects or projects with specific issues that need to be addressed. For example – something on the scale of the Kalahari development may require additional information to fully understand the impacts. In some cases, the TIA may become more focused on issues specific to the development's direct access points, queuing concerns, or other site-specific characteristics rather than impacts to the larger network that are accounted for by the roadway impact fee.

August 7, 2018 Stakeholder Meeting:

Q1: When is the earliest the roadway impact fees would be adopted?

A: Earliest date would be 1st council meeting in October. (October 11th). Current platted properties will have a 12-month grace period. Developments are assessed at Final Plat but the impact fee is paid at building permit.

Q2: How many developments won't come to RR because of this? Is there a market cooling effect?

A: In experience in other Texas cities, the development response is inconclusive.

Q3: Explain Service unit's vs LUE's.

A: Service units are different from LUE's and they vary by land use type and associated trip length associated with the land use type. A table with over 40 different land uses with associated service units in a "Land Use Vehicle-Mile Equivalency Table" will be part of the policy for rate setting.

Q4: What is the schedule for impact fees?

A: The impact fee will be presented to Council on September 13th for adoption of the maximum assessable fee by service area (the report). The earliest the impact fee policy could be adopted that sets rates for each land use in each service area is September 27th when presented to council, but could take longer if the council wants to keep the public hearing open.

Q5: What happens to TIAs?

A: See Q7 Answer from Home Builders Association Q&A

Q6: What counts as a credit toward impact fee?

A: As long as it is not solely for the development (case by case determination by city) and benefits the transportation system or is included in the Impact Fees CIP, a project or funds toward the project can be counted as a credit.

Q7: What is the current median cost of a home in Round Rock?

A: Median Value is \$241,000, and median new price is over \$300,000.

Q8: Are credits sellable?

A: The credit offset for roadway impact fee will be tied to property or land on which it has been platted.

Q9: How are projects going to be prioritized? Will this impact the order in which things get built?

A: Based on CIP priorities of the City, reviewed every six months by the CIAC and Council.



City of Round Rock Roadway Impact Fee Study

Q10: How are existing projects handled that are in platting process, completed TIA or a PUD?

They are assessed at Final Plat and collected at building permit, so if a property is already platted before the impact fee is adopted, then it would be able to get building permits without paying a Roadway Impact Fee for a 12-month grace period. All properties platted after adoption would trigger an impact fee assessment.

Q11: How does this interact with the city's CIP?

A: Impact Fees create another funding source for projects in the Impact Fees CIP, to be spent in the service area in which they are collected. If it happens to be a project already in the CIP, the impact fee would free up city money obligated for other projects.

Q12: How is this going to impact housing affordability?

A: It is unclear how or if this will directly affect housing prices.

Q13: Can street impact fee collections be spent on bonding project cash flow?

A: Yes, it can be used to reduce debt service and speed up funding on past projects bonded.