

Development Town Hall: Roadway Impact Fees 101

Kimley»»Horn

October 27th

Impact Fee Basics: Overview

- What Are They?
 - **One-time** fee assessed to recover infrastructure costs required to serve new development
 - Governed by Chapter 395 of the Texas LGC
 - Updated every 5 years
- Why impact fees?
 - Provides an additional funding tool for infrastructure systems
 - Provides for the orderly growth of the community

Impact Fee Basics: Components

- What Are The Components?
 - Service Areas
 - Land Use Assumptions (LUA)
 - Capital Improvements Plans (CIP)
 - Service Units
 - Maximum Fee Calculation

Impact Fee Basics: Service Areas

- Impact Fee Service Areas
 - Funds collected within a service area must be spent on projects within the same service area within 10 years
 - Water (Service Area: Citywide)
 - Wastewater (Service Area: Citywide)
 - Roadway (Service Area: 6 miles)
 - Limited to Corporate Limits for roadways; Cannot include ETJ








Impact Fee Service Areas

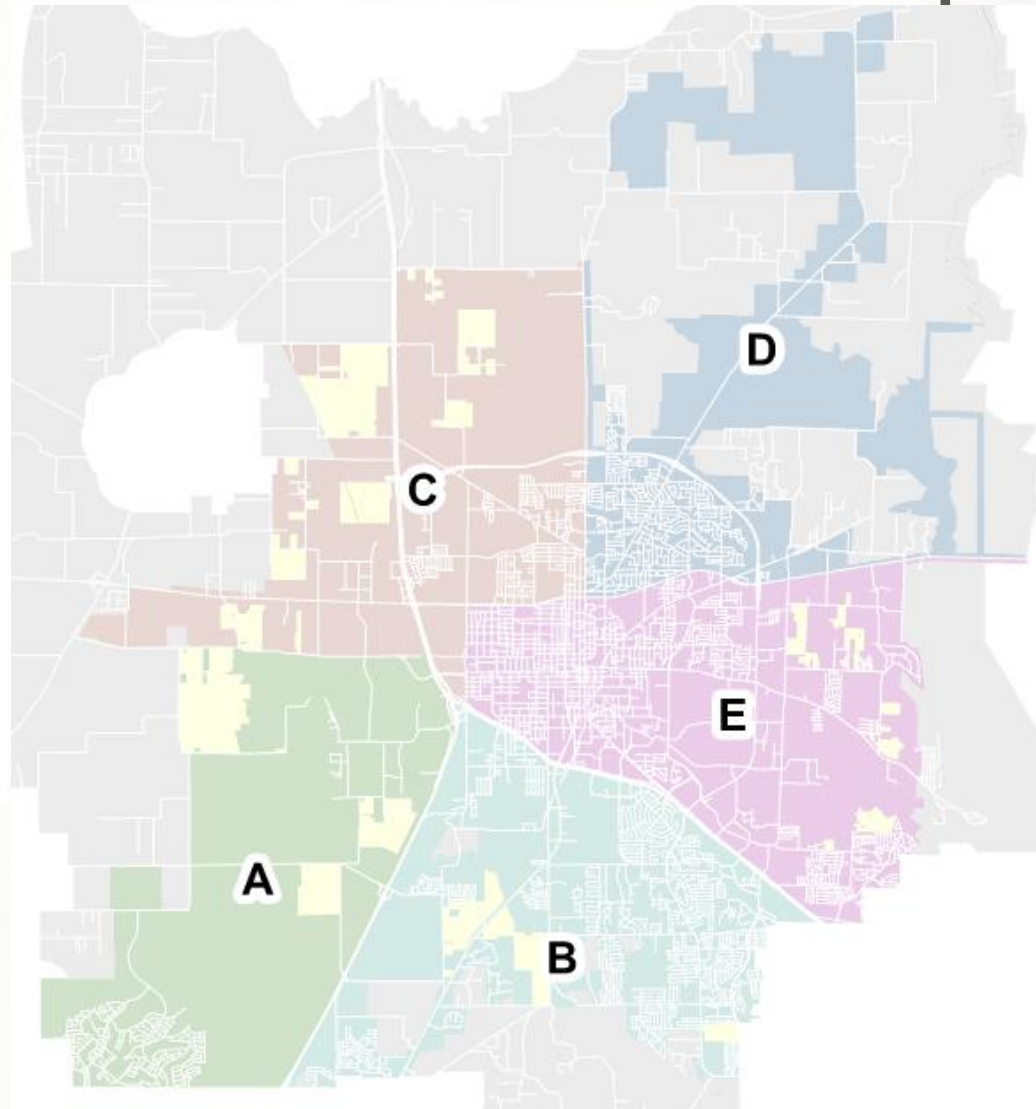
- In Denton, the 6-mile restriction necessitated the creation of 5 separate Service Areas
- In defining the Service Area boundaries, the project team considered the corporate boundary, required size limit, adjacent land uses, and topography

Impact Fee Service Area Map

Legend

Service Areas

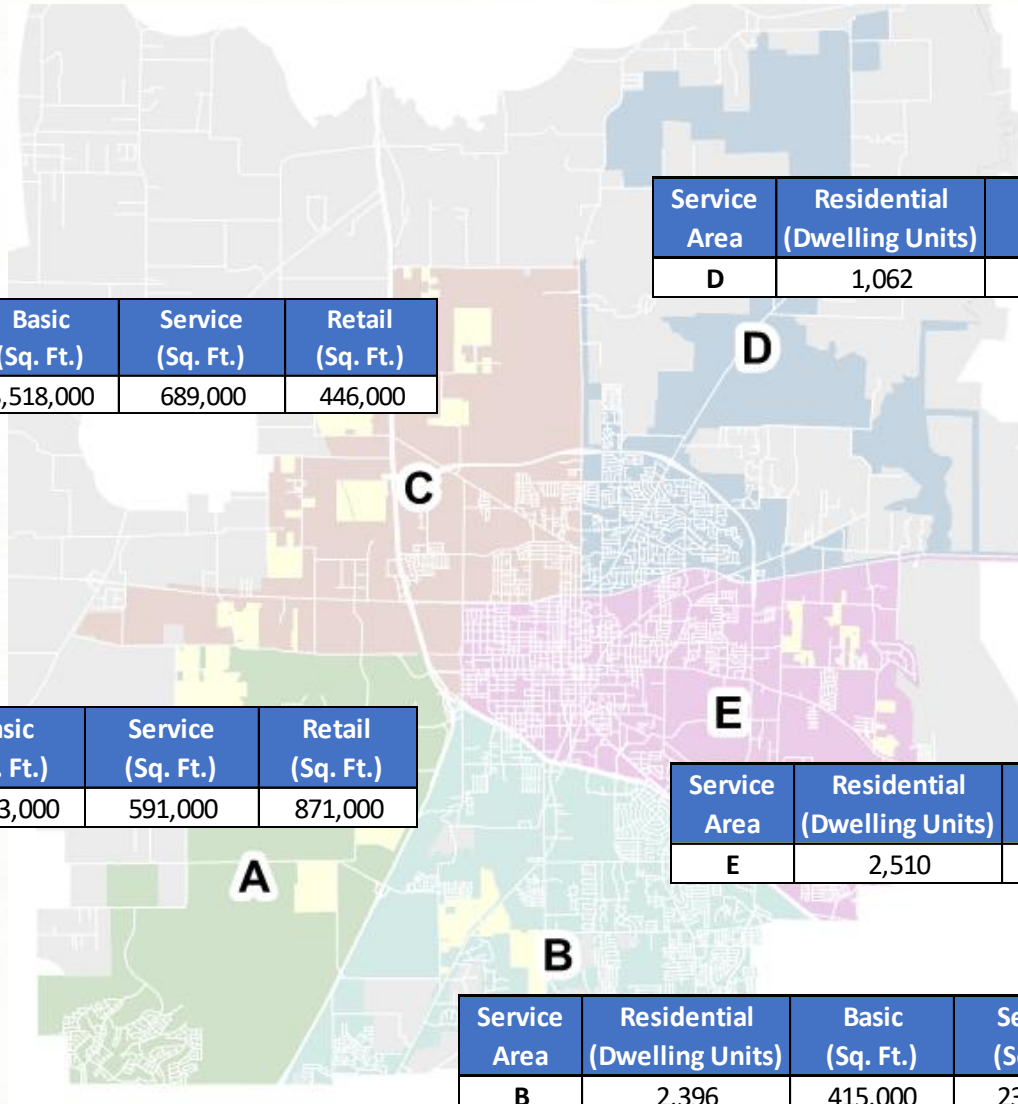
	A		ETJ
	B		NAA
	C		
	D		
	E		



Land Use Assumptions

- Goal: Identify 10-Year Growth
- Establishes Infrastructure Demands and Master Plans
- Population and Employment Projections
 - Residential (Single Family, Multi-Family)
 - Basic (Industrial, Agricultural)
 - Service (Office, Institutional)
 - Retail (Shopping, Dining, Entertainment)
- Based on projections used in the Comprehensive Plan and known development information

Land Use Assumptions: New Growth 2022-2032



Service Area	Residential (Dwelling Units)	Basic (Sq. Ft.)	Service (Sq. Ft.)	Retail (Sq. Ft.)
C	2,552	3,518,000	689,000	446,000

Service Area	Residential (Dwelling Units)	Basic (Sq. Ft.)	Service (Sq. Ft.)	Retail (Sq. Ft.)
D	1,062	815,000	206,000	287,000

Service Area	Residential (Dwelling Units)	Basic (Sq. Ft.)	Service (Sq. Ft.)	Retail (Sq. Ft.)
A	4,181	2,843,000	591,000	871,000

Service Area	Residential (Dwelling Units)	Basic (Sq. Ft.)	Service (Sq. Ft.)	Retail (Sq. Ft.)
E	2,510	1,831,000	519,000	505,000

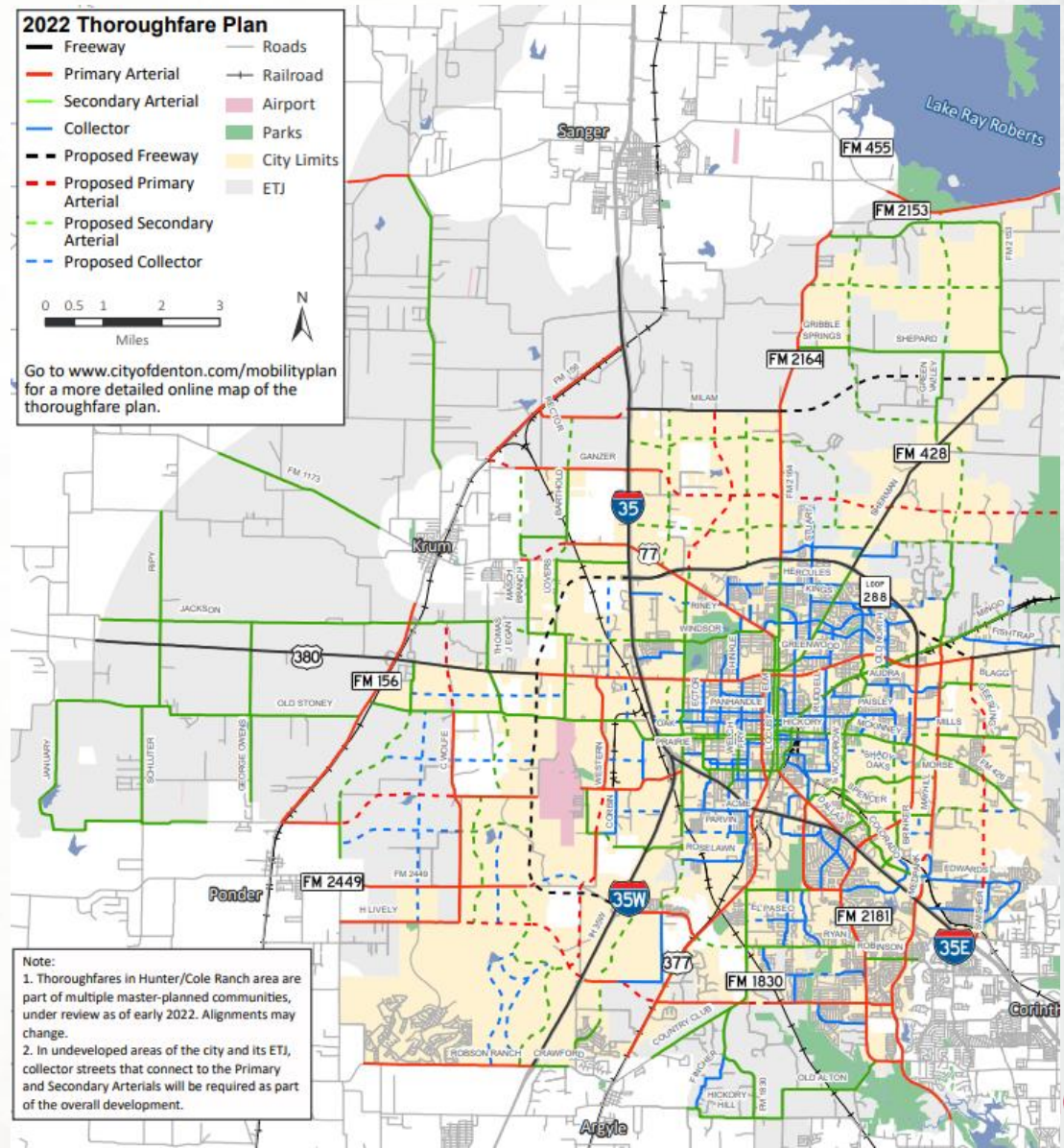
Service Area	Residential (Dwelling Units)	Basic (Sq. Ft.)	Service (Sq. Ft.)	Retail (Sq. Ft.)
B	2,396	415,000	238,000	285,000

Capital Improvements Plan

- Design, Construction, Legal, Fiscal, ROW, etc.
- 5-yr CIP vs. 10-yr Impact Fee CIP
 - Completed, Underway, and Future Projects
- Development Ordinances
- Zoning
- Development Rules and Regulations
- Construction Standards and Details

Capital Improvements Plan

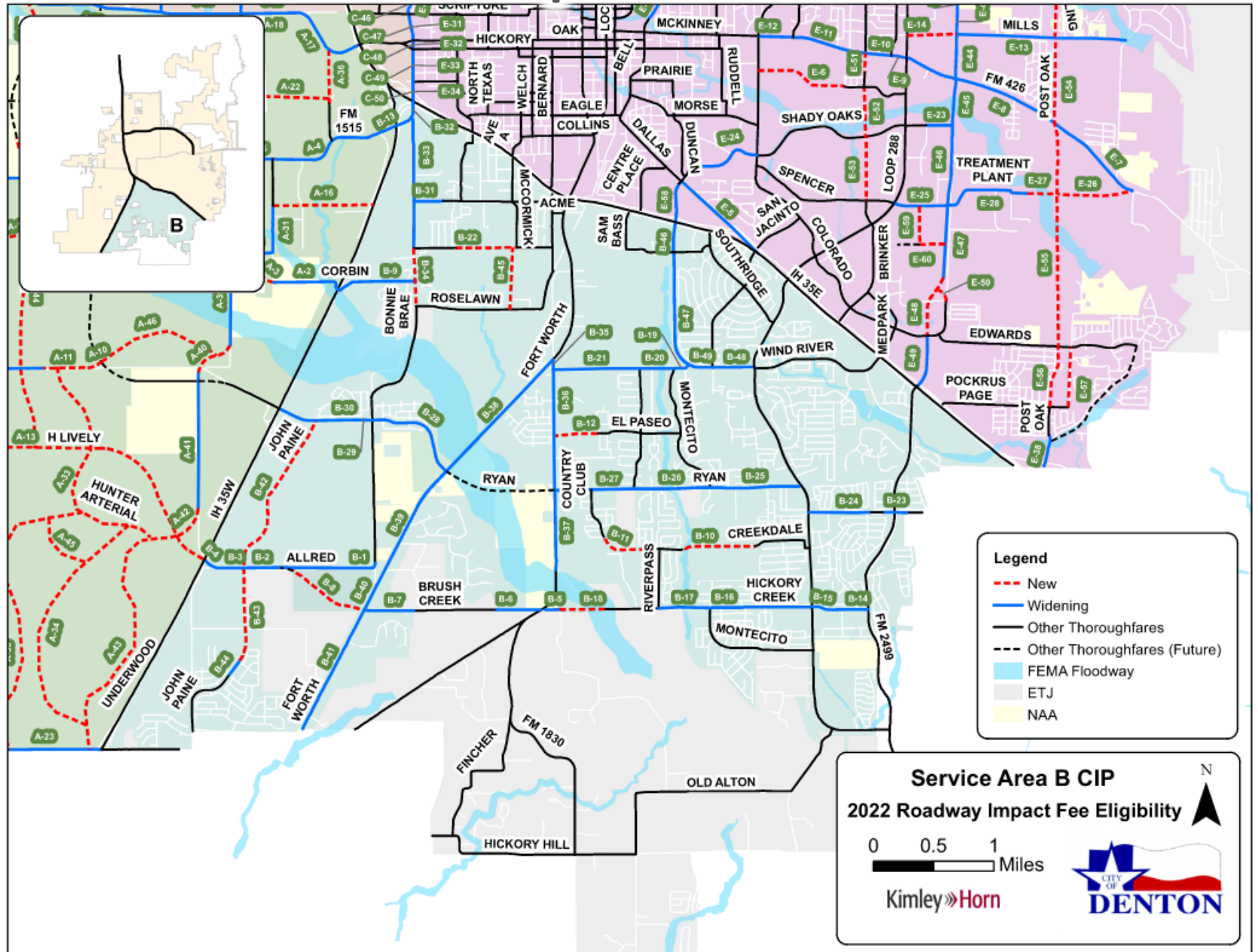
- Based on adopted Mobility Plan



Impact Fee Basics CIP

- In order to optimize future flexibility, all capacity improvements included in the Mobility Plan are included in the Roadway Impact Fee CIP and will be eligible to utilize impact fee funds – But only a percentage
- Capacity improvements may also include the addition of lanes, intersection improvements, or the extension of a new road

SA B Impact Fee CIP



Impact Fee Methodology

- How are Impact Fees Calculated?
- Land Use and Population Projections
- Master Plan Infrastructure Requirements
- Develop 10-Year Impact Fee CIP
- Remove costs associated with existing development and growth at 10+ years
- Calculate Pre-Credit Max Assessable Impact Fee

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

- Credit Calculation

Maximum Impact Fee Single Family Calculation

Service Area	2016 Single Family Maximum Fee*	2016 Single Family Collected Fee	2022 Single Family Maximum Fee	2022 Single Family Collected Fee
A	\$10,780	\$2,000	TBD	Council Determination
B	\$6,174			
C	\$10,702			
D	\$9,531			
E	\$10,981			

*Council Adopted \$406.18/vehicle-mile for Res, \$306.12/vehicle-mile for Non-Res, and Capped Industrial

Next Steps

- Important Dates:
 - October 26, 2022 – CIAC Review of 2022 Roadway Impact Fee Study and Pre-Credit Max Fee
 - October 27, 2022 – Developer Town Hall
 - November 15, 2022 - City Council Roadway Impact Fee Report Update Workshop
 - November 16, 2022 – CIAC 2nd Review of 2022 Roadway Impact Fee Study and Maximum Fee
 - December 6, 2022 – City Council Roadway Impact Fee Follow up (if needed)
 - December 6, 2022 - City Council to Set Public Hearing on Roadway Impact Fee Study and Ordinance Adoption
 - December 9, 2022 – Public Hearing Advertisement (30 days)
 - January 10, 2023 – City Council Public Hearing and Approval of Roadway Impact Fee Study

Water/Wastewater Impact Fees

- October 2022 – Developer Town Hall Meeting w/ Roadway Impact Fees
- November 2022 – Council Workshop w/ Roadway Impact Fees
- Spring - Fall 2023
 - Adopt ordinance establishing the Capital Improvement Advisor Committee (CIAC)
 - CIAC meetings
 - Public Utilities Board meetings
 - City Council meetings

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