

EXHIBIT

A



*Beam Setting on Old Settlers Boulevard Extension looking Southwest towards Red Bud Road,
June 2025*

Roadway Impact Fee Semi-Annual Report October 2025



SUMMARY

The Texas Local Government Code Section 395.058 requires the Capital Improvement Advisory Committee (CIAC) to report to the political subdivision the progress of the capital improvements plan and any perceived inequities in implementing the plan or imposing the Roadway Impact Fee. Included herein is the semi-annual report for the reporting period of April 1, 2025, to September 30, 2025, which represents the second half of the City's annual Fiscal Year. The report consists of assessing the implementation of the Roadway Impact Fee, Impact Fee collection and the administrative review process now underway.

The Texas Local Government Code also requires the CIAC to advise the City on updating the land use assumptions, capital improvements plan and Roadway Impact Fees. The *City of Round Rock Roadway Impact Fee Study* was first adopted by the City Council in March 2019, and the *City of Round Rock Roadway Impact Fee Study* was formally updated in November 2023. The Roadway Impact Fee includes phased adoption that include collection of fees beginning in January 2021 with multiple phases of implementation. Phase 1 for all plats recorded prior to January 1, 2022, Phase 2 for plats recorded between January 1, 2022 to December 31, 2023, and Phase 3 for plats recorded between January 1, 2024 to December 31, 2024. A new Phase 4 was added with implementation beginning on January 1, 2025.

Per Chapter 395.052, the land use assumptions and capital improvement plan are required to be updated every five years. On November 2, 2023, the City Council adopted the *City of Round Rock 2023 Roadway Impact Fee Study Update (2023 Update)* satisfying the required update. In this update Service Area B was split into two Service Areas B and D. The *2023 Update* also included updating the trip generation data to the latest edition of the ITE Trip Generation Manual, 11th edition, which made minor changes to the calculation of fees based on trip generation and trip length per land use category and added additional land use categories to the calculation. The largest change was splitting the base fee for Service Area A into its own category starting in 2025.

Introduction

The Roadway Impact Fee was first adopted in March 2019, with the required update to the capital improvement plan and use land assumptions adopted in November 2023, with the purpose of providing a more reliable funding source for planned transportation capital projects. In November 2024, minor study updates were approved by City Council which only modified the map and clarified the limits of certain projects, but did not affect the capital improvement plan or land use assumptions.

The largest change surrounding the implementation of the Roadway Impact Study was the creation of the Public Works Department in August 2024, which merged the Utilities and Environmental Department and Transportation Department. This has worked to strengthen the collaboration between departments in the provision of our essential municipal services. The capital improvement program for the Roadway Impact Study is now administered under the Public Works – Transportation Division.

Roadway Impact Fee Adoption

For Phase 1, Phase 2 and Phase 3, final adoption of the Roadway Impact Fee occurred on March 14, 2019. The Roadway Impact Fee was adopted with a maximum fee per service unit of \$2,511, which represents the lowest calculated rate across three service areas. With the base service unit, the adoption also limited collection of fees to a percentage of the adopted unit cost over three phases of implementation.

Phase 4 of the Roadway Impact Fee splits the maximum fee per service unit between Service Area A with a maximum fee of \$5,740 and Service Areas B, C and D with a maximum fee of \$3,818. Table 1 shows the phasing and percentage of fees collected over the implementation period.

Table 1: Impact Fee Implementation Phasing

Phase	Residential Rate (% of Service Unit)	Non- Residential Rate (% of Service Unit)	Implementation Period (based on date of Final Plat recordation)
Grace Period	No Fee	No Fee	Building permit before January 1, 2021
Phase 1	30%	20%	Final Plat before January 1, 2022
Phase 2	45%	25%	Final Plat before January 1, 2024
Phase 3	60%	30%	Final Plat on or after January 1, 2025
Phase 4 new max fee	60%	30%	Final Plat on or after January 1, 2025

The Roadway Impact Fee is assessed at the recorded plat and collected at the time of building permit issuance.

Roadway Impact Fee Collection

Roadways Impact Fees are collected, and revenue deposited into accounts for each of the service areas identified in the Roadway Impact Fee Study. The Revenue collected to date is presented in Table 2. Those services areas are identified in Figure 1.

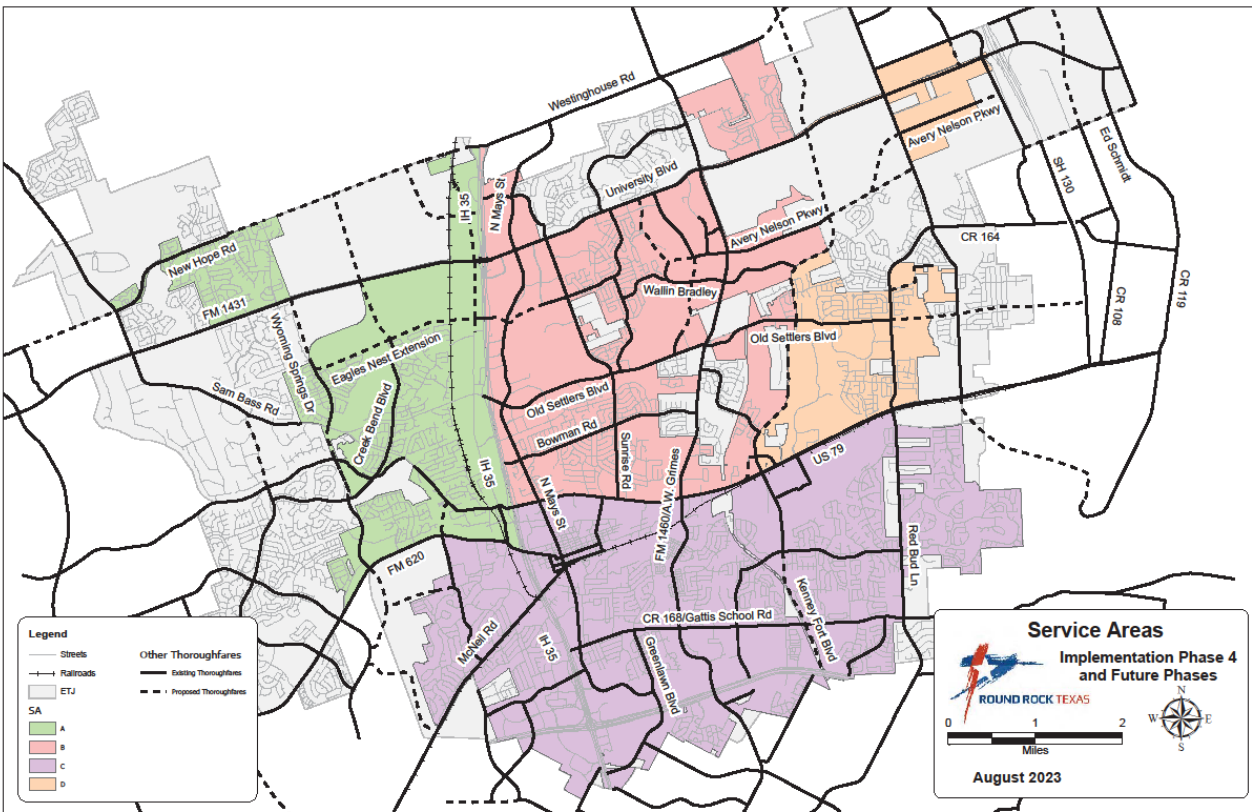
Table 2: RIF Collections April 1, 2025, to September 30, 2025

Service Area	Previous	Revenue April '25 to September '25	Total Revenue
Service Area A	\$2,806,186.80	\$129,972.60	\$2,936,159.40
Service Area B	\$6,825,523.37	\$310,770.53	\$7,136,293.90
Service Area C	\$3,919,868.36	\$397,600.80	\$4,317,469.16
Service Area D	\$1,424,300.66	\$188,661.33	\$1,612,961.99
Collections to Date	\$14,975,879.19	\$1,027,005.26	\$16,002,884.45

* Collections in Service Area D began in January 2024.

Service Area C, generally south of E. Palm Valley (US 79) and Round Rock Avenue (R.M. 620), had the most revenue in the reporting period. This marks the first reporting period that Service Area B did not have the most revenue.

Figure 1: RIF Service Areas



This reporting period included over 150 non-residential building permits and temporary construction permits that were for re-models of existing facilities, tenant finish buildouts, or change in tenants that did not include additional square footage. These changes did not trigger

a change in the ITE Land Use Code, resulting in no Roadway Impact Fee collection with the building permit.

On January 1, 2024, Phase 3 of fee implementation went into effect. Any Final Plat recorded after this date will be subject to an increase in the percentage of Service Unit calculated for the Roadway Impact fee. Residential rates will increase from 45% to 60% and Non-Residential rates will increase from 25% to 30% of maximum fee per service unit of \$2,511. Phase 4 with the increase maximum per service unit and split of Service A and Services Areas B, C and D rate structure will go into effect on January 1, 2025.

Roadway Impact Fee Distribution

Distribution of the RIF collected to Capital Improvement Plan projects began in the Fourth Quarter of 2021, the first quarter of the FY2022 budget year. Table 3 illustrates the distribution and available balance for Roadway Impact Fee revenue.

Table 3: RIF Revenue Distribution and Available Balance

Transferred for Road CO Debt Service Payments	
Service Area A:	\$316,131.00
Service Area B:	\$4,373,444.00
Service Area C:	\$1,810,425.00
Service Area D:	new in 2024
Total:	\$6,500,000.00

Available Balance	
Service Area A:	\$2,884,555.53
Service Area B:	\$3,157,386.78
Service Area C:	\$2,718,364.27
Service Area D:	\$1,612,961.99
Total:	\$10,373,268.57

In FY2024, \$2.5 million in Roadway Impact Fee Revenue was used in CO Debt Service Payments, bringing total revenue expenditure to \$6.5 million to date. There were no expenditures of Roadway Impact Revenue in FY 2025. Prior distributions have been allocated to projects in Service Area B, that were moved to the new Service Area D with the split in *2023 Update*, no new projects have been initiated in Service Area D.

Appendix A includes the Service Area Boundaries and specific projects eligible for funding with Roadway Impact Fee revenue.

Project which received the transfer for road certificate of obligation debt for service payments are:

- Service Area A
 - Wyoming Springs Road (New Construction) (A-26) design

- Deep Wood Drive (New Construction) (A-29) ROW preservation
- Chisholm Trail Widening North (A-16- & A-17) design and ROW
- Eagles Nest (A-15, B-11 & B-12) design

- Service Area B (*will be split into new Service Area D as funding occurs*)
 - University Boulevard (Widening) (B-4) construction
 - University Boulevard (Widening) (B-8 & D-2) construction
 - CR 112 Widening (B-25 & B-26) design & ROW
 - Kenney Fort Boulevard 4 (New Construction) (B-41) construction
 - Eagles Nest (A-15, B-11 & B-12) design
 - Kenney Fort Boulevard 5 & 6 (B-27, B-28, D-7 & D-8) design
 - US 79 (Palm Valley) (B-46 & C-6) design

- Service Area C
 - Gattis School Segment 3 (Widening) (C-21) design and ROW
 - Gattis School Segment 6 (Widening) (C-21) design and ROW
 - Kenney Fort Boulevard Segments 2 & 3 (New Construction) (C-10) construction
 - Red Bud South (Widening) (C-11 to C-19) design and ROW
 - McNeil (C-7) construction
 - Gattis School Road Segments 4 & 5 (C-21) design
 - Greenlawn Boulevard (C-24) design
 - US 79 (Palm Valley) (B-46 & C-6) design

- Service Area D
 - University Boulevard (Widening) (B-8 & D-2) construction
 - CR 112 Widening (Averyn Nelson Parkway) (D-4) design & ROW
 - Kenney Fort Boulevard 5 & 6 (B-27, B-28, D-7 & D-8) design
 - Old Settlers Extension (New Construction) (D-25) design & ROW
 - Red Bud North (Widening) (D-17, D-18, D-19 & D-20) design & ROW

Impact Fee Offsets and Service Area Matters

The intent of the Roadway Impact Fee process is to capture revenue for a predictable implementation of the future arterial network identified in the Transportation Master Plan. Part of the success of that implementation is in the fact contributions by the development community are captured in Offset Agreements and Consent/Development Agreements. An Offset Agreement was approved with Gulf RC Venture, LLC, for the future improvements to Joe DiMaggio, west of Kenney Fort Boulevard to E. Palm Valley Boulevard (U.S. 79) in the amount of \$1,735,428. The Offset Agreement was based on the Engineer's estimate to complete the roadway that will be completed as part of The Center at Palm Valley development at the northeast corner of the future Joe DiMaggio and E. Palm Valley.

As in other reporting periods, an Impact Fee Study update that has no impacts to the Land Use Assumptions or Methodology for Roadway Impact Fee Calculation, may be adopted on an as needed basis outside of the overall study update required at a minimum of every five years from the date of initial adoption or update. There are no changes proposed during this reporting period. Staff began work on amendments based on the Briggs Tract Annexation, Zoning and Future Land Use Amendments, however, the legislative changes to the Roadway Impact Fee enabling legislation and updates to the ITE Trip Generation Report have required further analysis that may bring about a complete study update sooner than anticipated.

Conclusion and Recommendation

No significant issues have been identified with Roadway Impact Fee implementation. The Building Inspection, Finance and Public Works-Transportation Division provided excellent coordination in operating the program. The required five-year review of the Roadway Impact Fee Ordinance is required by State Law to be completed by November 2028 but may be completed sooner based on significant changes and growth in the community. While updates to the *Fee Study* could occur at any time, staff will continue to attempt to coordinate those with the Semi-Annual Reporting process when annexations into the City Limits occur.

Appendix A:
10-Year Roadway Impact Fee Capital Improvements Plan