



Kenny Fort Boulevard Segment 4B

# Roadway Impact Fee Semi-Annual Report

May 2021



## **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 October 1, 2020, to March 31, 2021, which represents the first 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 Items were first adopted by the City Council in March 2019, with a phased adoption that include collection of fees beginning in January 2021.

## Roadway Impact Fee Adoption

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. Table 1 shows the phasing and percentage of fees collected over the implementation period.

Table 1: Impact Fee Implementation Phasing

| Phase        | Residential Rate<br>(% of Service<br>Unit) | Non- Residential<br>Rate (% of<br>Service Unit) | Implementation Period                  |
|--------------|--|---|--|
| 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, 2024 |

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

## Roadway Impact Fee Implementation

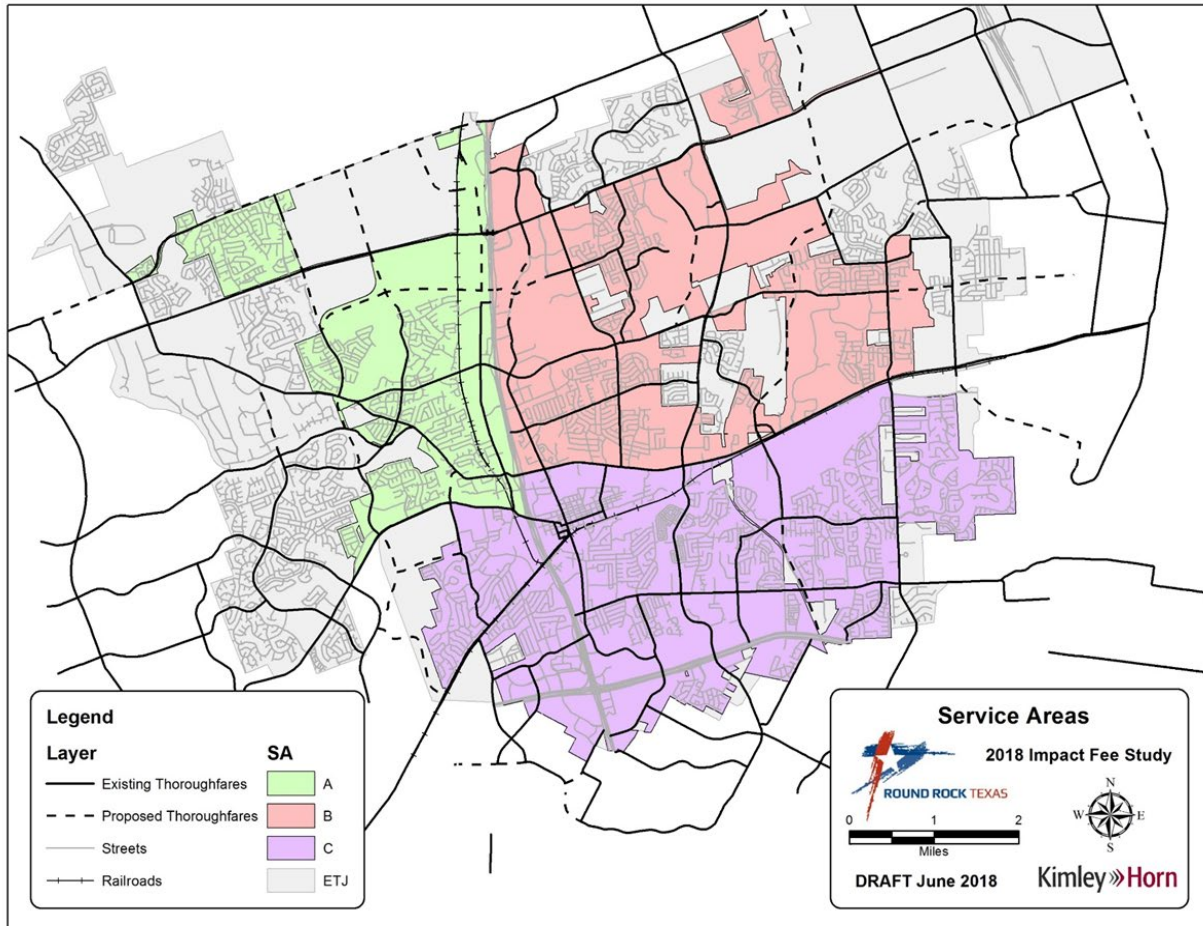
To implement the Roadway Impact Fee several steps were taken to help the public and development community understand the new program. This included modify the Transportation Criteria Manual Design and Construction Standards (DACs) to remove most requirements for Traffic Impact Analysis (TIA) as the Roadway Impact Fees provides a more predictable financing analysis tool for the development community, while still allowing for a TIA in unique circumstances for significant modifications to the Future Land Use Plan or Transportation network.

In order to create a seamless process for implementation of the fee itself an on-line fee estimator was created to allow early access to the fee calculation methodology. Also, a fee offset agreement process and worksheet were developed to capture developer contribution to the arterial network identified in the Roadway Impact Fee Study. The Finance Department created standard collection accounts based on Service Areas to track fees collected in the development process.

## Roadway Impact Fee Collection

Roadways Impact Fees are collected, and revenue deposited into accounts for the three service areas identified in the Roadway Impact Fee Study. Those services areas are identified in Figure 1.

**Figure 1: RIF Service Areas:**



The Revenue collected to date is presented in Table 2.

**Table 2: RIF Collection January 1, 2021 to April 16, 2021**

| Service Area   | Revenue      |
|----------------|--------------|
| Service Area A | \$70,852.02  |
| Service Area B | \$207,586.86 |
| Service Area C | \$240,397.62 |

Distribution of the RIF collected to Capital Improvement Plan projects is expected to begin in the Fourth Quarter of FY 2021.

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. To date two Offset Agreements have been completed which included contribution of right-of-way or actual arterial construction. The Quick Ranch Condo/Townhome (Milestone) Offset Agreement approved for the extension of College Park Drive, through the development to Old Settlers Blvd for RIF credit for all residential permits at an estimated value of \$750,000. Gattis School Townhomes (Green Adobe Builders) provided ROW donation for Gattis School Road Segment 3 in the amount of \$46,890.

Two additional arterial improvements are being provided in Consent/Development Agreements including the extension of Avery-Nelson Parkway from CR 110 to the east and Kenny Fort Boulevard Segment 4B from Old Settlers Boulevard southward.

### **Administrative Review Process**

City Staff have initiated a Roadway Impact Fee Study Review to determine processes for updating Service Area boundaries based on annexations and the creation of an administrative process to include future annexations. If it is determined that the CIP projects or Land Use Assumptions identified in the Roadway Impact Fee Study are impacted by annexations or other changes, staff will make recommendations for modifications to the adopted report, maximum fee calculation or assessable fee.

### **Conclusion and Recommendation**

No significant issues have been identified with Roadway Impact Fee implementation. The Building Inspection Department, Finance Department and Transportation provided excellent coordination in creation of the program. If required, staff will make future recommendations on an official update to Roadway Impact Fee before the March 2024 mandatory update schedule.

No CIAC action or Council recommendation at this time. The next Roadway Impact Fee and Capital Improvement Plan Progress Report will be presented to the CIAC and the City Council in approximately six months.