

Bastrop Impact Fee Advisory Committee

Agenda

Bastrop City Hall City Council Chambers

1311 Chestnut Street

Bastrop, TX 78602

(512) 332-8800



February 23, 2023

Agenda - Impact Fee Advisory Committee at 6:00 PM

Bastrop Impact Fee Advisory Committee meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.

The Bastrop Impact Fee Advisory Committee reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), and 551.087 (Economic Development).

1. **CALL TO ORDER**
2. **CITIZEN COMMENTS**

At this time, three (3) minute comments will be taken from the audience on any topic. Anyone in attendance wishing to address the Board/Commission must complete a citizen comment form and give the completed form to the Board/Commission Secretary prior to the start of the Board/Commission meeting. In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, the Board/Commission cannot discuss issues raised or make any decision at this time. Instead, the Board/Commission is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry. Issues may be referred to City Manager for research and possible future action.

It is not the intention of the City of Bastrop to provide a public forum for the embarrassment or demeaning of any individual or group. Neither is it the intention of the Board/Commission to allow a member of the public to slur the performance, honesty and/or integrity of the Board/Commission, as a body, or any member or members of the Board/Commission individually or collectively, or members of the City's staff. Accordingly, profane, insulting or threatening language directed toward the Board/Commission and/or any person in the Board/Commission's presence will not be tolerated.

3. **WORKSHOP**

3A. Presentation and discussion on the Transportation Impact Fee Study process and land use assumptions.

Submitted by: Jennifer C. Bills, AICP, Director of Planning & Development

4. **ADJOURNMENT**

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place of convenient and readily accessible to the general public, as well as to the City's website, www.cityofbastrop.org and said Notice was posted on the following date and time: Friday, February 17, 2023 at 9:00 p.m. and remained posted for at least two hours after said meeting was convened.

/s/ Jennifer C. Bills
Jennifer C. Bills, Director of Planning & Development



STAFF REPORT

MEETING DATE: February 23, 2023

TITLE:

Presentation and discussion on the Transportation Impact Fee Study process and land use assumptions.

STAFF REPRESENTATIVE:

Jennifer C. Bills, AICP, LEED AP, Director of Planning & Development

BACKGROUND/HISTORY:

The City of Bastrop has been experiencing steady growth in population and development. This increased development leads to an increase in vehicles that drive in and around Bastrop. All development, residential and commercial creates an impact to the existing street network and causes the need for new streets and improvements (stop lights, acceleration lanes, turn lanes, etc.). The Transportation Impact Fee Study will examine the Future Land Use Plan, the Master Transportation Master Plan and historic growth trends to determine the maximum assessable roadway impact fee that may be assessed per Chapter 395 of the Texas Local Government Code. With this information, the City can adopt the roadway impact fee to implement the Transportation Master Plan through future Capital Improvement Plan projects. This study was funded for FY2023 and Kimley-Horn and Associates was awarded the project in October.

Jake Gutekunst with Kimley-Horn will present on the Transportation Impact Fee Study process and land use assumptions.

ATTACHMENTS:

- Presentation



Bastrop CIAC Meeting Transportation Impact Fees 101 Land Use Assumptions Draft

Kimley»Horn

February 23, 2023

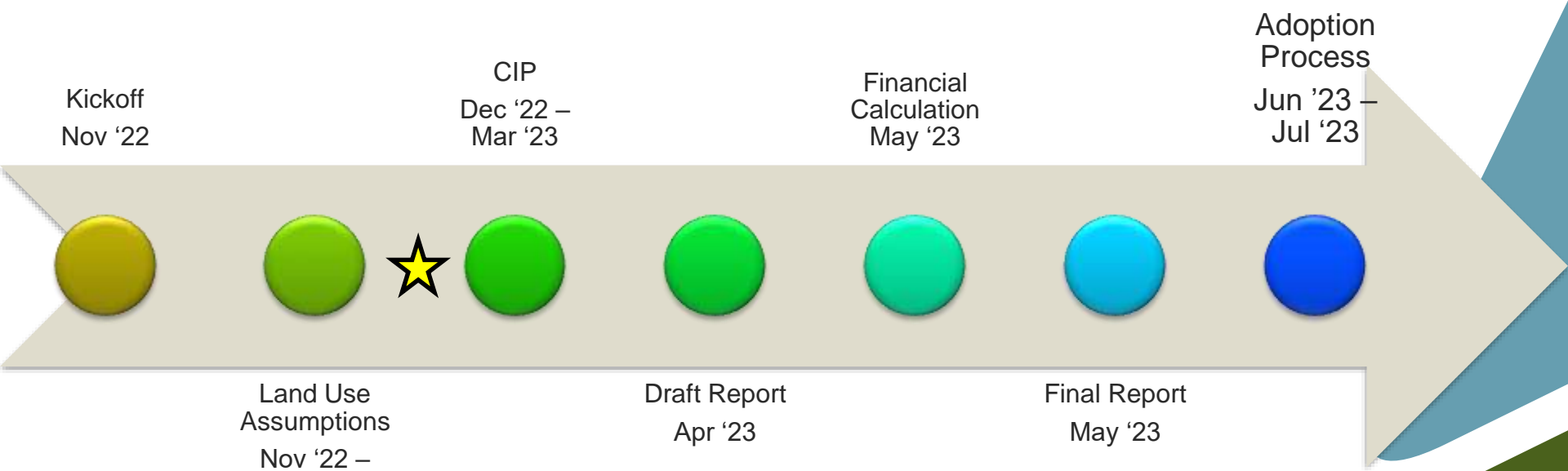
Rough Outline

- Funding Options
- Growth
 - Why are these topics important for growing communities?
 - Current Practice & Scenarios
- Impact Fee Components
- Service Area Boundary Options

CIAC Role in Process

- 2 Required Public Hearings
- Comments from CIAC on each:
 - Land Use Assumptions & Impact Fee CIP (Study Assumptions)
 - Transportation Impact Fee Study
 - Maximum Fee from Study
 - Policy considerations (collection rate, discounts, other city objectives)

Project Timeline



Intend to overview the Impact Fee Study process and make decision on Service Area Boundaries, Review Draft Land Use Assumptions Today

Transportation Funding

- Existing Need (Rates / Taxes)
 - Maintenance
 - Operations
 - Complete Reconstruction (Capital)
- Growth Needs (Bonds, other sources)
 - Mainly Capital

Funding Options

- Property Taxes
- Bonds (GO/CO)
- Street Maintenance Fee
- **Impact Fee / Rough Proportionality** ★
- **TIRZ (Tax Increment Reinvestment Zone)**
- **TRZ (Transportation Reinvestment Zone)**
- **Developer Agreements (380 Agreement)**
- PID (Public Improvement District)
- **MUD (Municipal Utility District)**
- **Traffic Impact Analysis (TIAs)**

RED = GROWTH RELATED

Transportation Funding

- Why is this important for growth?
 - Infrastructure costs greatly exceed traditional tax and fee collection rates in fast-growing cities
 - New York City Example: 1% vs. 10% Growth
 - Federal / State funding no longer keeps up with need
 - Funding mechanisms for infrastructure (especially transportation) are limited in Texas
 - 'Growth should pay for Growth' is logical & reasonable

Bastrop Current Practice

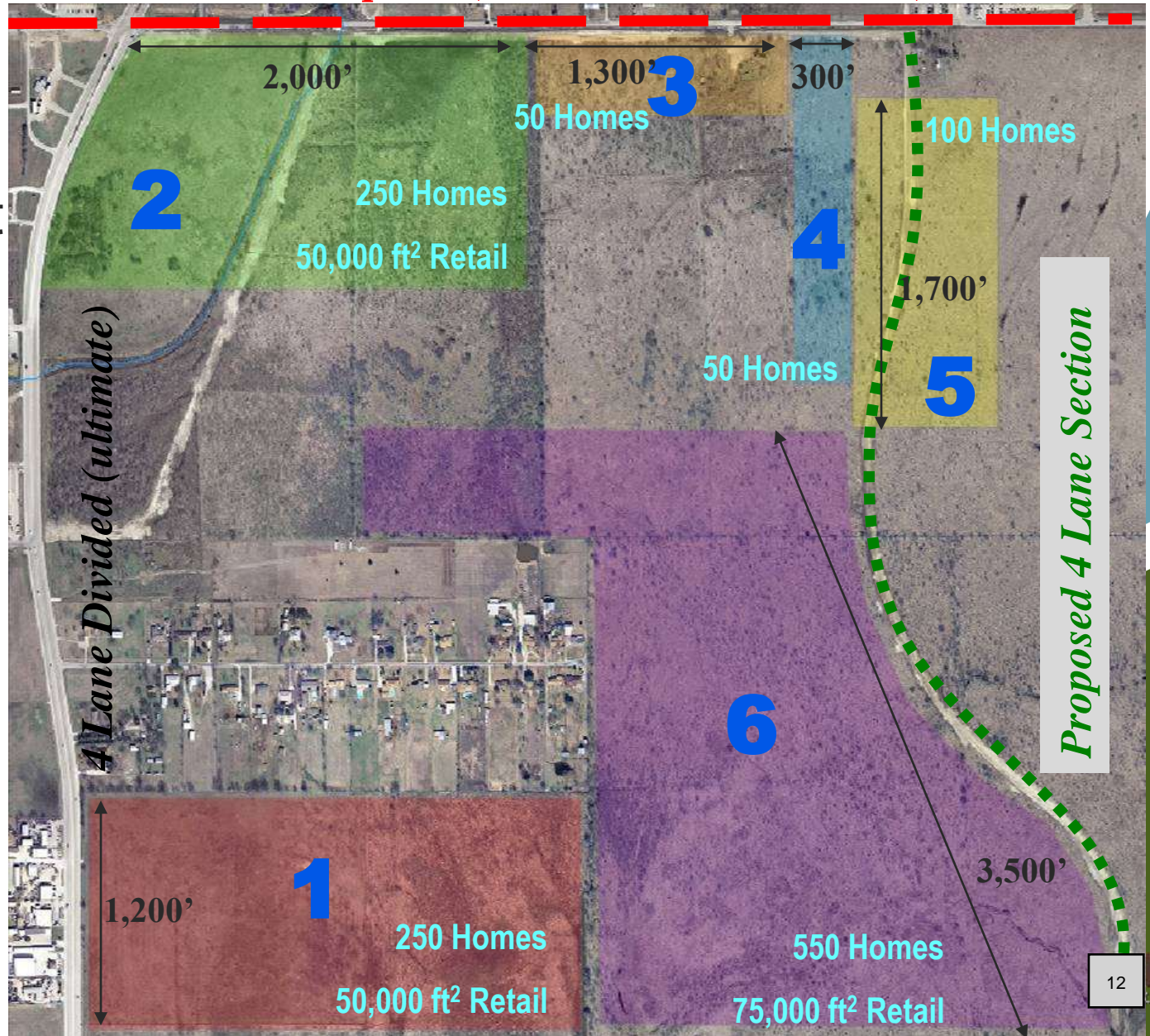
- Get roadways built via the B3 code blocks
- Traffic Impact Analysis – when a development is asking for an exception to the block system, a study is done to determine cost-share of improvements
 - Imperfect – depends on how congested it is today
 - Takes time – typically 3-6 months to complete
 - No formal update process
 - Funds are constrained
 - Developer uncertainty in process

Theoretical Scenarios

2 Lane Asphalt (Ultimate 6 Lane section)

Item 3A.

- How do roadways get built?
- Is it fair?



Policy Considerations

- Is there a better way to do this?
- 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 and objectives for growth – perhaps even encourage development where infrastructure already exists

TRANSPORTATION IMPACT FEES

Transportation Impact Fee Basics

- What are they?
 - One-time Fee; assessed at plat, paid at building permit
 - Mechanism to recover costs associated with infrastructure needed to serve future development
 - Governed by Chapter 395 of the Texas Local Government Code; Established in Texas in 1987
 - Water, Wastewater, Roadway, and Drainage impact fees allowed in Texas
- Other municipalities adopted include:
 - Austin, Pflugerville, Round Rock, Hutto New Braunfels, Georgetown, Leander & dozens in DFW

Impact Fee Components

- Service Areas
- Land Use Assumptions
- Service Units
- Capital Improvements Plan
- Maximum Fee
- Collection Rate
- Policy

Impact Fee Components: 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)
- Sewer (Service Area: Citywide)
- Roadway - 6 mile trip length limit
 - **Limited to Corporate Limits for roadways; Cannot include ETJ**
 - Georgetown = 9 Areas; Round Rock = 3 Areas
 - Bastrop 1-2 (**Action later**)
- Drainage (Citywide/Regional)

Impact Fee Components: Land Use Assumptions

Item 3A.

- Establishes Infrastructure Demands and Master Plans
- Population and Employment Projections
 - Aggressive vs. Non-aggressive Growth Rates
- Coordinate with Future Land Use
- Consistent with City planning estimates

Impact Fee Components: Service Unit

Item 3A.

- **Chapter 395 “Service unit” definition**
 - Standardized measure of consumption attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards and based on historical data and trends applicable to the political subdivision in which the individual unit of development is located during the previous 10 years
- **Transportation impact fees utilizes vehicle miles - One vehicle to travel one mile**

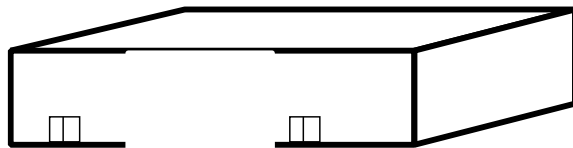
Impact Fee Components: Service Unit - Examples



Trips 0.99 Vehicles (PM Peak)
(ITE Trip Generation)

X Trip Length 4.00 Miles*
**TBD*

Vehicle-Miles 3.96 Vehicle-Miles



Trips 3.81 Vehicles (PM Peak)
(ITE Trip Generation)
34% *(ITE Trip Generation Handbook)*

Reduction for Pass-by Trips 2.51 Vehicles (PM Peak)

X Trip Length 2.91 Miles*
**TBD*

Vehicle-Miles 7.30 Vehicle-Miles

Impact Fee Components: What is Eligible?

Item 3A.

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

Impact Fee Components: Maximum Fee

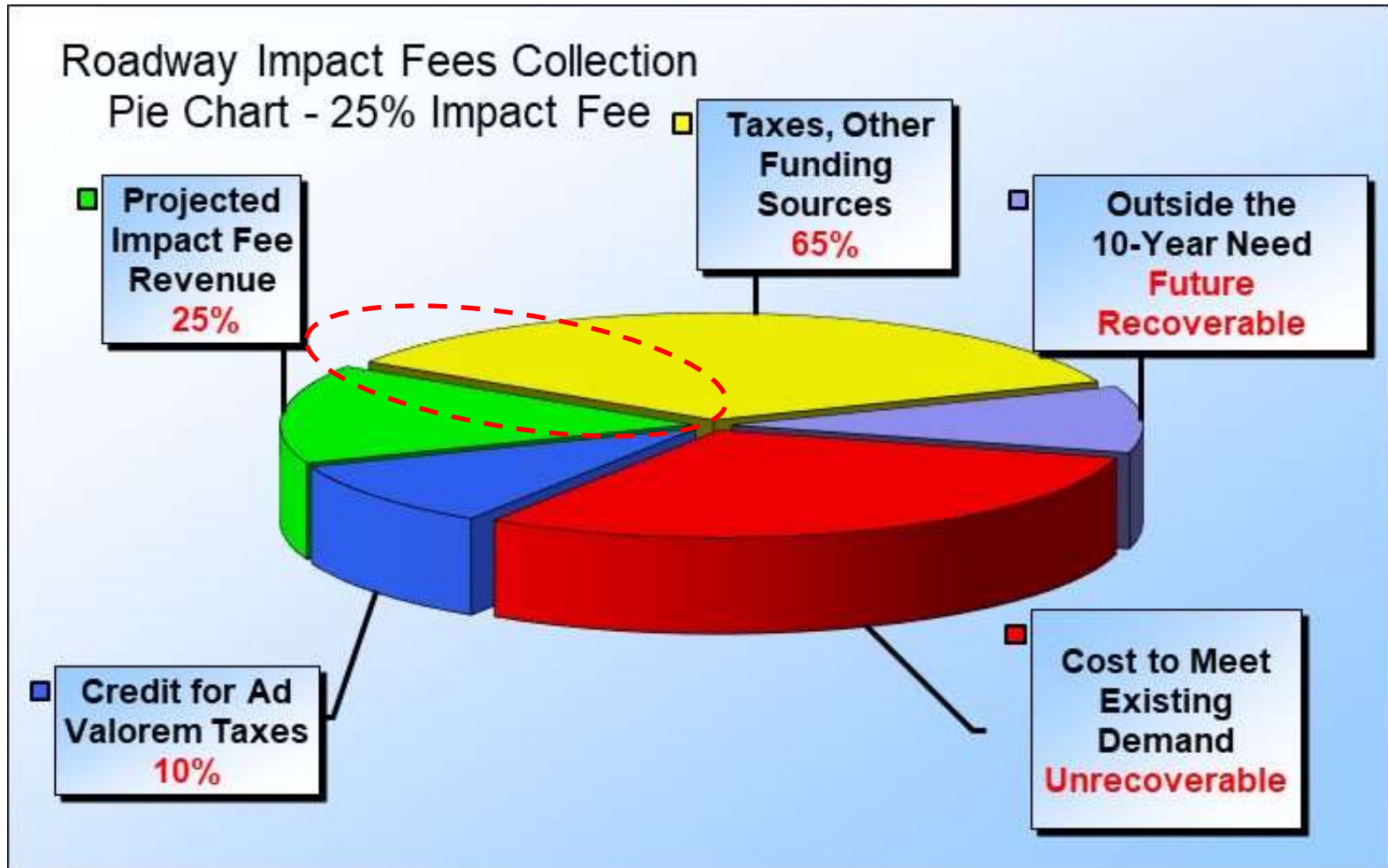
$$\text{Max. Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of the CIP (\$)}}{\text{New Service Units (vehicle - miles)}}$$

- 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 Thoroughfare 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

- Example: \$1,000/vehicle-mile (TBD by Study)
- 1. Example Multifamily Development (350 Unit Apartment Complex) –
 - $\$1,000 * 350 \text{ units} * 2 \text{ veh-mi per unit} = \$700,000$
- Rate collected is based on Council decision (Policy).

Impact Fee Components: Collection Rate



Impact Fee Components: 'Politics' or Policy

- Impact Fees and Other Political Subdivisions
 - State law allows impact fees to be assessed to other government entities; or even to other City departments
 - Since the 2007 legislative session, School Districts are essentially exempted from paying impact fees – they will only pay when there is an agreement between the City and School District

Impact Fee Components: 'Politics' or Policy


- Are There Any Checks and Balances?
 - Independent Licensed Professionals Prepare:
 - Land Use Assumptions
 - Master Plans
 - Capital Improvement Plans
 - Maximum Assessable Impact Fee Calculations
 - Capital Improvements Advisory Committee (CIAC)
 - Chapter 395.058 provides the CIAC role and makeup (typically P&Z)
 - Development Stakeholders 40% +

Impact Fee Project Success

- Keys to a Successful Impact Fee Project
 - Defensible, Up-to-date Master Plans
 - Stakeholder Involvement
 - Collective Understanding of the Project Goals and Objectives by Citizens, Developers, and City Staff
 - What is the 'impact fee market' – obtain comparison information from neighboring/competing cities
 - Understanding of the need to actively manage the program after adoption

Putting the Pieces Together...

Item 3A.



Roadway Impact Fee Estimator Worksheet

City of Round Rock, Texas

Development Name: _____

Applicant: _____

Legal Description (Lot, Block): _____

Case Number: Insert Case Number _____ Date: _____

Date of Final Plat Approval: _____

Date of Building Permit Application: _____

FOR OFFICE USE ONLY

Service Area	Service Area _____
Staff Approval	_____

Worksheet Last Updated 06/01/17

UNTIL APPROVED BY STAFF THIS WORKSHEET IS FOR ESTIMATION PURPOSES ONLY.
ACTUAL FEES WILL BE DETERMINED AT THE TIME OF BUILDING PERMIT APPLICATION.

ROADWAY IMPACT FEE CALCULATION:

Land Uses (select from list):	Development Unit:	# of Units:

Note: Plat Approval and Building Permit dates must be selected prior to selecting land use.

Potential Collection Amounts

Impact Fee Per Service Unit (Vehicle-Mile):	Total Service Units (Vehicle-Miles):	Total Roadway Impact Fee:
Total Vehicle-Miles		0.00

TOTAL POTENTIAL ROADWAY IMPACT FEE COLLECTION AMOUNT: \$ _____ -

Total Value of Roadway Impact Fee Credits (for construction, contribution, or dedication towards the City's Thoroughfare Plan): _____

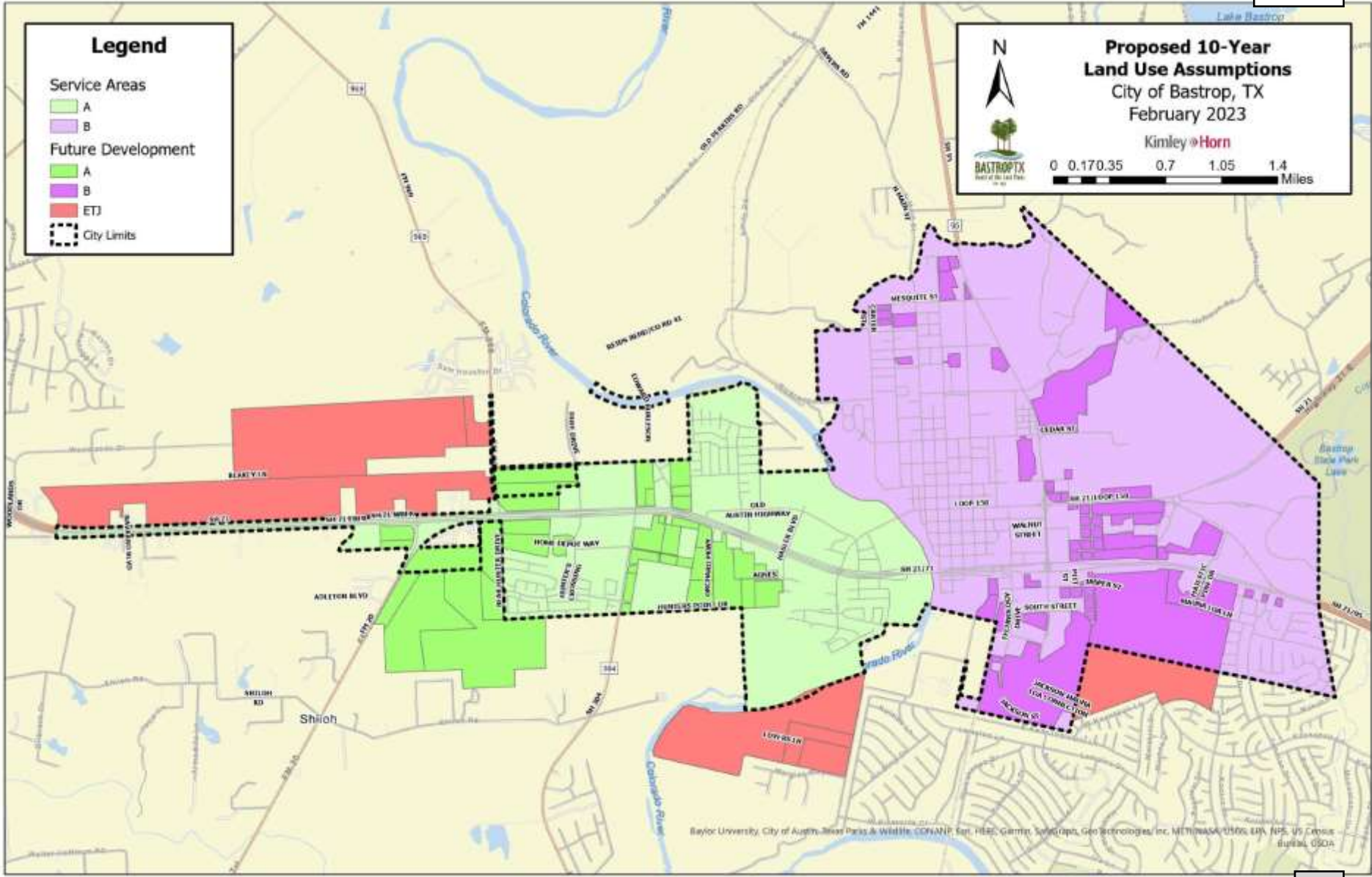
TOTAL ROADWAY IMPACT FEE COLLECTION AMOUNT AFTER CREDITS: _____

Land Use Selection Note: The land use categories are based on the descriptions contained within the ITE Trip Generation Manual. Questions regarding the appropriate category for a particular use may be directed to Transportation staff.

The bottom line...

- What is the best tool for a City?
 - Proportionality, Impact Fees, Both, or another strategy?
 - Must take into consideration:
 - Rate of Growth
 - Political Environment
 - Development Environment
 - Other funding mechanisms that are available
- Remember that the purpose of any policy is to provide the necessary infrastructure, not collect revenue

LAND USE ASSUMPTIONS AND SERVICE AREA BOUNDARIES



Draft Land Use Assumptions (10-year Growth)

Item 3A.

Service Area	Residential		Commercial		
	Single-Family	Multifamily	Industrial	Office	Retail
	Dwelling Units		Square Feet		
SA A	1,078	3,470	-	491,000	2,347,000
SA B	1,780	1,575	2,170,000	217,000	949,000
Sub-total	2,858	5,045	2,170,000	708,000	3,296,000
Total	7,903		6,174,000		

QUESTIONS?