



Bastrop CIAC Meeting  
Transportation Impact Fees 101  
Land Use Assumptions Draft

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February 23, 2023

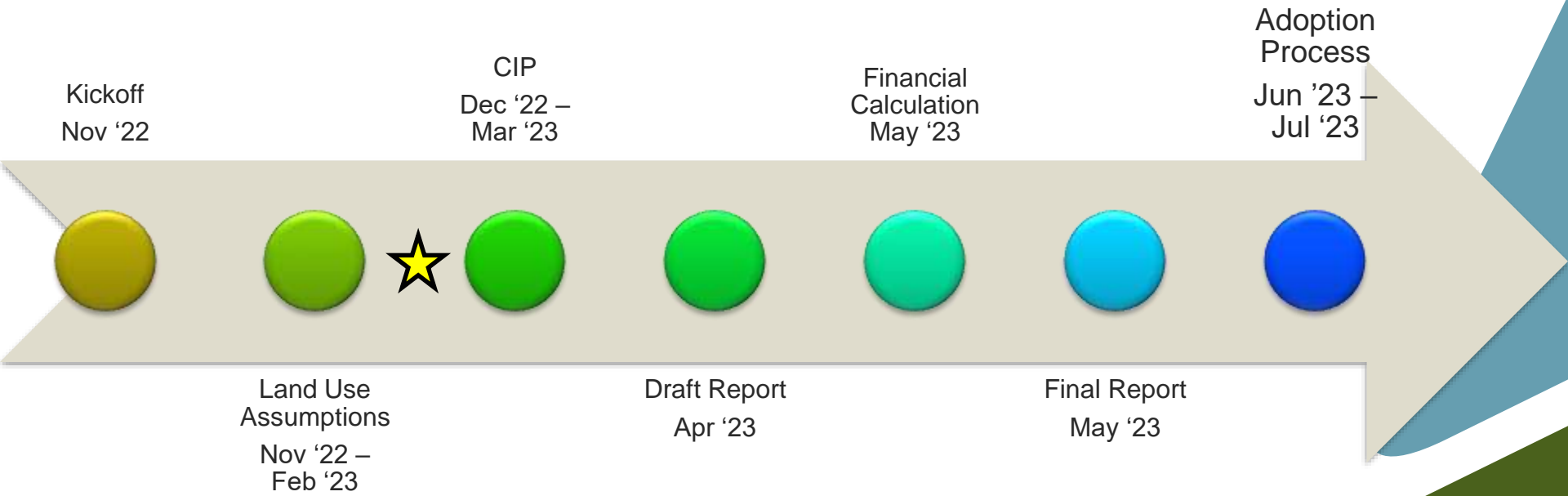
# Rough Outline

- 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)*

- 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

The background features three large, overlapping, rounded shapes: a dark green shape in the top-left, a blue shape in the bottom-left, and a brown shape in the bottom-center. The text is centered in the white space between these shapes.

# **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

- 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

- **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**



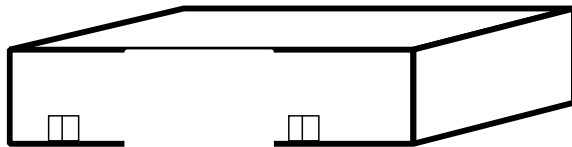
# Impact Fee Components: Service Unit - Examples



**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?

- 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

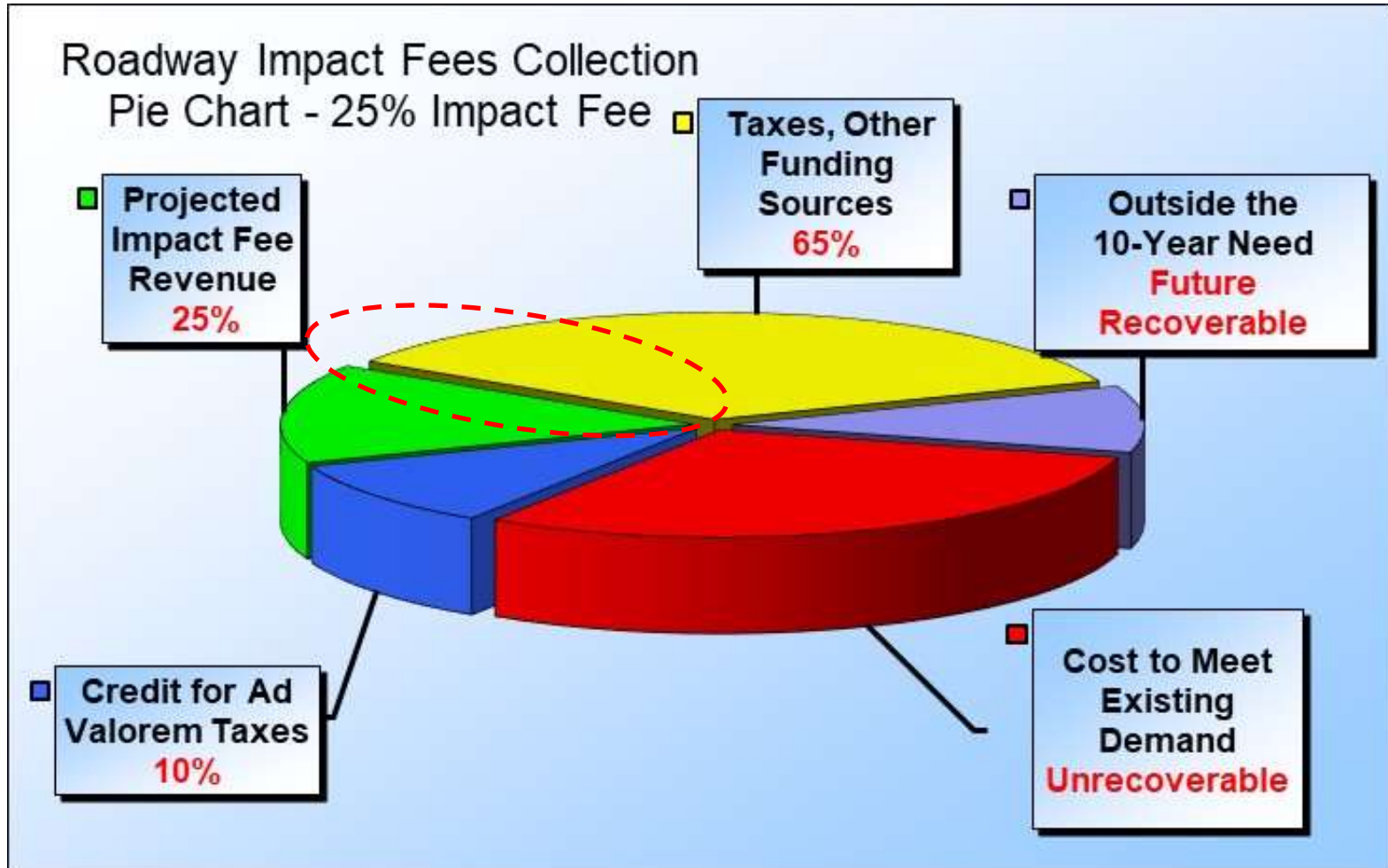
$$\text{Max. Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of the CIP (\$)}}{\text{New Service Units (vehicle - miles)}}$$

- 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...



## 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: \_\_\_\_\_

# 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

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# **LAND USE ASSUMPTIONS AND SERVICE AREA BOUNDARIES**

# Legend

## Service Areas

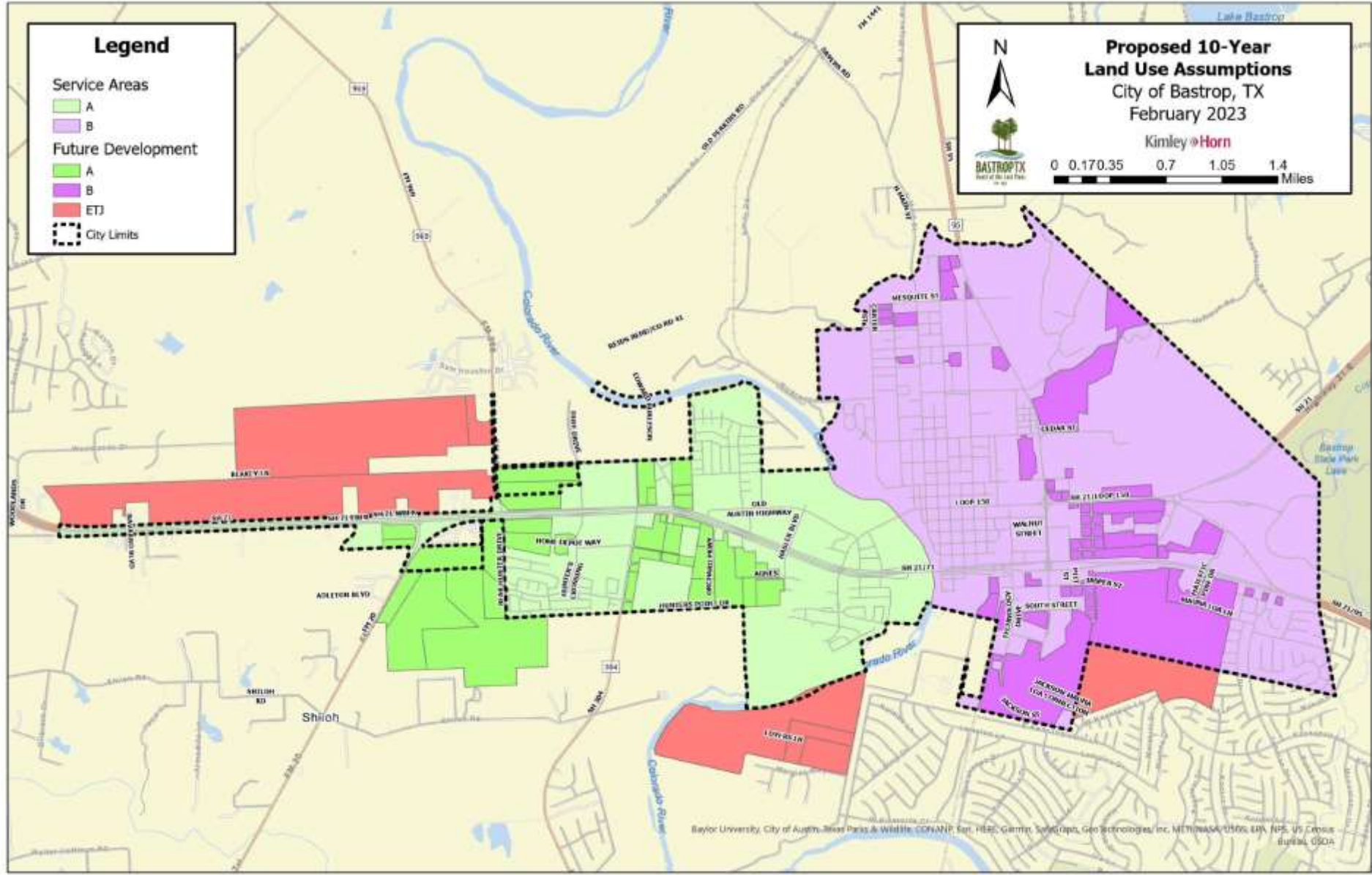
- A
- B

## Future Development

- A
- B
- ETJ
- City Limits

**Proposed 10-Year  
Land Use Assumptions**  
City of Bastrop, TX  
February 2023

Kimley-Horn



Baylor University, City of Austin, Bear Park & Wildlife, CONANP, Inc., H&E, Garmin, Google Maps, GeoTechnologies, Inc., METROUSA, DINO, EPA, NPS, US Census Bureau, GSOA

# Draft Land Use Assumptions (10-year Growth)

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
<b>Sub-total</b>	<b>2,858</b>	<b>5,045</b>	<b>2,170,000</b>	<b>708,000</b>	<b>3,296,000</b>
<b>Total</b>	<b>7,903</b>		<b>6,174,000</b>		

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**QUESTIONS?**