

**MEMORANDUM**

TO: Mayor and City Council

CC: Elaine Hart, Interim City Manager
Robert Goode, Assistant City Manager

FROM: Robert Spillar, P.E., Director
Austin Transportation Department

DATE: August 29, 2017

SUBJECT: **Street Impact Fee Study Status Report**

The purpose of this memorandum is to provide information on upcoming requests for Council action related to the Street Impact Fee Study and to transmit a status report. On August 31, 2017, Council will be asked to set an October 2017 Public Hearing item to take public testimony on the Service Area definitions and Land Use Assumptions for the Street Impact Fee Study. At the October public hearing Council will also be asked to approve a resolution adopting the use of the Service Areas and Land Use Assumptions in the subsequent phases of the study.

For additional information, attached is a status report to provide an overview and update on the development of Street Impact Fees for the City of Austin.

The content of the report includes:

- I. Council direction to study street impact fees.
- II. An overview of the Texas Local Government Code requirements of the Street Impact Fee Study; also included is the relationship of the study to other mobility planning initiatives.
- III. An update on work completed to date, including public engagement.
- IV. Details on next steps, including a Request for Council Action to call a public hearing for October 2017 to take public testimony, and to adopt the Land Use Assumptions and Service Areas.
- V. Detailed Street Impact Fee Study Schedule.
- VI. Responses to questions received at the June 21, 2017, Mobility Committee.

If you or your staff would like a briefing on the Service Areas and Land Use Assumptions prior to the public hearing, please contact Annick Beaudet, (512) 974-7959.

STREET IMPACT FEE STUDY STATUS REPORT

I. Council Direction to Study Street Impact Fees

On September 8, 2015, Council approved funding in the Fiscal Year 2015-16 Operating Budget for the Austin Transportation Department to secure a consultant to conduct the technical analysis required by Chapter 395 of the Texas Local Government Code to implement a Street Impact Fee.

On June 9, 2016, Council authorized negotiation and execution of a professional services agreement with Kimley-Horn and Associates, Inc. The agreement was executed on August 17, 2016 for \$1,172,949.68.

II. Overview of the Street Impact Fee Study

What are Impact Fees?

Impact fees are one-time charges imposed by a city to a new development for a portion of the costs related to specific capital improvement projects or facility expansions necessitated by and attributable to that new development. Impact fees are a method of shifting a portion of the attributable burden of the cost of new or expanded infrastructure (i.e., capital growth) required to serve new development to the new development itself in a way that is equitable, predictable and transparent. They are paid by developers and builders at the time a building permit is issued.

Across the country, impact fees are used to fund police and fire facilities, parks, schools, roads and utilities. In Texas, the legislature has allowed their use for water, wastewater, roadway and drainage facilities. As you know, Austin already charges impact fees for water and wastewater.

What are Street Impact Fees?

Impact fees are meant to recover the incremental cost of each new unit of development in terms of new infrastructure needs. In the case of roadway impact fees in Texas, the infrastructure need is defined as the need for increased roadway capacity. The purpose of the Street Impact Fee Study (includes three phases, which are described below) is to identify the fee per unit of new development necessary to fund infrastructure improvements in accordance with the enabling legislation, Chapter 395 of the Texas Local Government Code. This study is required by state law, if Council decides to implement a Street Impact Fee policy for Austin.

Uses of Street Impact Fees

Due to the requirement that Street Impact Fees can only be used for facility expansions and roadway capacity enhancements, they are a tool that can be used to assist in completing the street grid by funding new street connections, expanding existing roadways, and improving intersection efficiency. Street Impact Fees are a tool to improve the City's response to new growth that can be used for capacity needs, allowing for more strategic uses of other funding sources, such as public improvement bonds, for other non-roadway capacity mobility needs.

Impact Fees can also be a leveraging tool to provide opportunities for the City to partner with development. The City of Fort Worth, the largest city in Texas with roadway impact fees, utilizes the revenue from impact fees to partner with developments and other agencies, leveraging the funding to

produce a larger-scale project. Impact fees can also be used to pay down debt on capital investments made by the City. For example, the City of Austin uses revenue from its water/wastewater impact fee to defease debt on projects that are under construction or completed that provide additional capacity to serve new growth.

Components that can be paid for using Street Impact Fees	Components that cannot be paid for using Street Impact Fees
<p>Capacity-related projects:</p> <ul style="list-style-type: none"> ✓ Construction cost of capital improvements on the Roadway Capacity Plan (RCP) <ul style="list-style-type: none"> • Roadways – additional lanes, bridges, other appurtenances of roadway (sidewalks, bicycle facilities, lighting, etc.) • Intersections – signals, turn lanes ✓ Corridor planning and preliminary engineering ✓ Survey and engineering fees ✓ Land acquisition costs ✓ Debt service of Street Impact Fee RCP ✓ Impact Fee study/update costs 	<p>Non-capacity-related projects:</p> <ul style="list-style-type: none"> x Projects not included in the RCP (i.e., stand-alone bike/pedestrian/transit projects) x Repair, operation and maintenance of existing or new facilities x Upgrades to serve existing development x Administrative costs of operating the program

Street Impact Fee Study

The following overview provides information on each of the three phases of the Street Impact Fee Study:

- *Phase 1: Service Area Development and Land Use Assumptions*
- *Phase 2: Roadway Capacity Plan*
- *Phase 3: Maximum Fee Calculation and Fee Setting (Ordinance)*

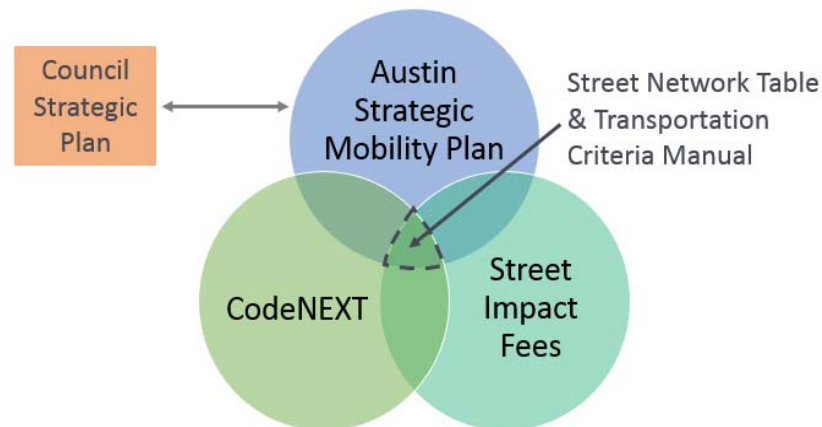
Phase 1: Service Area Development and Land Use Assumptions (Projected Growth) – October 2017

A **Service Area** is a geographic area where a unique maximum impact fee is determined. All fees collected within the Service Area must be spent on eligible improvements within the same Service Area. State law requires the Service Areas to be no larger than 6 miles.

The maximum Street Impact Fee determination by Service Area is required to be based on the **projected growth** and corresponding capacity needs within a 10-year window. This study considers the years 2017-2027. The study will project growth in terms of single-family and multi-family units and growth of employment in square footage.

Phase 2: Roadway Capacity Plan – March to June 2018

The **Roadway Capacity Plan (RCP)** is distinct and separate from a city's traditional Capital Improvement Plan. The RCP is a list of projects in each Service Area eligible for funding through Street Impact Fees. The RCP is based on capacity improvements and is made of improvements to identified **intersections** and **street segments**.



Relationship to Other Mobility Initiatives

The RCP will be a subset of the **Austin Strategic Mobility Plan** and its associated Street Network Table update that is being developed concurrently. The update of the **Street Network Table**, which defines existing and future conditions of roadways, is also being informed by the work on the **Austin Street Design Guide**. The guide contains updated cross-sections that will ultimately replace the cross-sections in the **Transportation Criteria Manual**. A pilot process is underway to test these cross-sections through our Capital Improvements Program and the development process. The updated cross-sections, including the right-of-way and its elements (sidewalk, planting zone, bike facility, etc.) will be utilized in costing the projects that will be included in the RCP. The developing Council Strategic Plan will inform the short-term recommendations of the **Austin Strategic Mobility Plan**.

Phase 3: Maximum Fee Calculation and Fee Setting (Ordinance) – June to September 2018

The **Maximum Fee** calculation is based on the assumptions from Phase 1 and costs calculated in Phase 2. The Land Use Assumptions are converted to demand, measured in vehicle-miles traveled. The recoverable costs for the RCP projects are calculated to only include the portion attributable to growth. The result is a cost-per-vehicle-mile for each Service Area.

Setting development fees is a Council decision. The fee can be set from 0% of the maximum fee to 100%. Common **policy decisions** will be discussed during the writing of a fee ordinance. These include: discount for transportation demand management/multi-modal reduction; credits for system improvements; incentivizing the Imagine Austin growth concept; and the relationship of the Traffic Impact Analysis/traffic mitigation ordinance.

III. Work Completed To Date

Phase 1: Service Area Development and Land Use Assumptions (Projected Growth)

Service Areas

We initially divided the City into 19 **Service Areas**. These areas were developed through an iterative process that examined highway boundaries, adjacent land uses, topography, and size requirements dictated by state law. In addition, the Service Areas reflected areas of different travel patterns. This resulted in an inner ring of Service Areas and an outer ring of Service Areas. One Service Area was dedicated to the downtown area.

The Service Areas were initially presented to the Council appointed Impact Fee Advisory Committee on February 28, 2017, and again on April 25, 2017. Further review was completed to consider the influence of the Colorado River as a boundary. The Service Areas were reevaluated and updated. The resulting change eliminated two service areas, resulting in seventeen (17) Service Areas. These modified Service Areas were confirmed at the July 25, 2017, Impact Fee Advisory Committee meeting. A map of the proposed Service Area boundaries is attached.

Land Use Assumptions

The maximum Street Impact Fee determination is required to be based on the projected growth and corresponding capacity needs within a 10-year window. The study will project growth in terms of single-family and multi-family units and growth of employment in square footage from 2017-2027. Collectively, this growth composes the **Land Use Assumptions**.

In order to arrive at a defensible projection of growth, all vacant parcels were inventoried and future land use was assigned based on the Emerging Projects database maintained by the Planning and Zoning Department, future land use map (FLUM) designations, and the Imagine Austin growth concept map.

Austin Water's update of the Water and Wastewater Impact Fee is also underway. Coordination between the two projects on land use assumptions has been essential. On January 9, 2017, the Street Impact Fee team and Water and Wastewater Impact Fee team met with Ryan Robinson, City Demographer, who has determined that the assumptions of the two projects are comparable.

An overview of the Land Use Assumptions process was presented to the Impact Fee Advisory Committee in winter 2017. The draft Land Use Assumptions were presented in spring 2017. The Land Use Assumptions were confirmed at the July 25, 2017, Impact Fee Advisory Committee meeting. Below are the citywide 10-year growth projections. The growth projections are broken down by Service Area in the attached Land Use Assumptions Summary.

Any changes to future land use projections necessitated by CodeNEXT can be made prior to policy adoption.

	City – Residential (Dwelling Units)			City – Employment Square Feet			
	Single-Family	Multi-Family	Total	Basic	Service	Retail	Total
2017 Base Year	179,259	224,030	403,289	72,071,000	125,112,000	79,359,000	276,488,000
2027 Projections	212,913	315,313	528,226	84,503,000	158,956,000	109,182,000	352,641,000
2017-2027 Projected Growth	32,654	91,283	124,937	12,486,000	33,844,000	29,823,000	76,153,000

Staff is currently working to develop the Roadway Capacity Plan (RCP), which is made up of **intersections** and **street segments**.

Intersections: A process for identifying intersections was developed to determine where potential intersection capacity improvements would be needed. This process predominantly considered where future turn lanes are likely to be needed, based on street type and likely signalization. Signal requests made to the Austin Transportation Department were considered. In addition, un-split phasing of intersections, allowing two directions (e.g., eastbound and westbound) to receive green lights at the same time, is being considered for inclusion.

Street segments: A process for identifying potential capacity improvement projects on street segments was developed. This process evaluation looked at a variety of projects, including access management techniques, widening of existing roadways, new roadways and connections.

A large portion of the RCP is anticipated to consist of the 2010, 2012, and 2016 Bond projects. The RCP will include a portion of the overall costs of these bond projects that have been allocated towards future growth demands. In addition, a large portion of the RCP will be newly identified roadway segments that may be needed to continue to complete the street grid. These segments are not currently identified on the City's current transportation plan, which is being updated with the Austin Strategic Mobility Plan. They are new considerations to improve capacity and circulation within the City. The new segments identified in the RCP and, ultimately, the Street Network Table and Map, are being highly coordinated with the development of the Austin Strategic Mobility Plan. The RCP will be a subset of projects identified in the Austin Strategic Mobility Plan.

Cost Methodology: The cost for constructing street segment projects that are not a part of the 2010, 2012, or 2016 Bond will be estimated in consultation with the Public Works Department using a worksheet similar to the Rough Proportionality Costing Worksheet. The worksheet will be specific to each project in the RCP and is being updated based on new street cross-sections identified in the Austin Street Design Guide and on feedback from the Public Works Department. All bond projects will be based on current cost estimates or previous Preliminary Engineering Reports (PERs).

Phase 3: Maximum Fee Calculation and Fee Setting (Ordinance)

This phase will not begin until the RCP is approved by City Council in 2018, in coordination with the development and adoption of the Austin Strategic Mobility Plan.

Public Engagement - Ongoing

The Public Engagement Plan has been completed and is now being implemented. The Public Engagement Plan consists of a variety of elements to keep the public informed and gather feedback throughout the study. A website has been developed that houses the information: austintexas.gov/streetimpactfee.

The public engagement activities include:

- Stakeholder meetings: Austin Neighborhoods Council (February 22, 2017, and May 24, 2017), Real Estate Council of Austin (May 3, 2017), Urban Land Institute (April 26, 2017); additional meetings to be scheduled.
- Impact Fee Advisory Committee Meetings (December 1, 2016, February 28, 2017, April 25, 2017, and July 25, 2017). The next meeting is scheduled for November 14, 2017. Prior to the meeting start time, the project team is available for “office hours,” which are advertised on the project website.
- Stakeholder interviews
- Frequently Asked Questions (available on the project website)
- Fact sheets: What is an Impact Fee? (available on the project website), Service Areas and Land Use Assumptions (available on the project website), Roadway Capacity Plan (TBD), Impact Fee Maximum Fee Results (TBD), and Ordinance (TBD)
- Quarterly newsletter (sign-up is available on the project website)

If your office has recommendations on engagement strategies or additional opportunities to reach stakeholders, please contact Annick Beaudet, (512) 974-7959.

IV. Next Steps: Request for Council Action to Call a Public Hearing for October 2017, to Take Public Testimony, and to Approve the Land Use Assumptions and Service Areas

On August 31, 2017, Council will be asked to set an October 2017 Public Hearing item to solicit input on **Service Area** definitions and **Land Use Assumptions** (*Phase 1*). An advertisement will be placed in one or more print newspapers 30 days prior to the Public Hearing. The Service Areas and Land Use Assumptions are available on the Street Impact Fee website.

At the proposed October 2017 Public Hearing, the Council will be also be asked to adopt the proposed Service Area definitions and growth projections (i.e., Land Use Assumptions). This is the first of three public hearings as part of the Street Impact Fee development process. Staff suggests that the approval allow for adjustments to be made to the Service Areas and Land Use Assumptions, as necessary, to ensure alignment with results of other planning processes, including CodeNEXT and the Austin Strategic Mobility Plan. Any adjustments would be presented to Council with the final maximum fee calculation proposed ordinance (*Phase 3*).

The Land Use Assumption and Service Area chapter of the report has been available online since May 2017 and was presented to the Impact Fee Advisory Committee on February 28, 2017, April 25, 2017, and July 25, 2017.

The **Impact Fee Advisory Committee** voted unanimously to approve the **Service Areas and Land Use Assumptions** at their meeting on July 25, 2017. Staff will also seek a recommendation from the Urban Transportation Commission prior to the October 2017 public hearing.

If you or your staff would like a briefing on the Service Areas and Land Use Assumptions prior to the public hearing, please contact Annick Beaudet, (512) 974-7959.

V. Street Impact Fee Study Schedule - *Updated 9/7/17*



**Any changes resulting from CodeNEXT can be addressed via an amendment to the Land Use Assumptions.*

Phase 1: Service Area Development and Land Use Assumptions (Projected Growth)

Staff has launched Requests for Council Action to set and hold a public hearing on the Land Use Assumptions and Service Areas. The proposed dates are:

- August 31, 2017 – Set Public Hearing on Land Use Assumptions and Service Areas
- October 19, 2017 – Hold Public Hearing on Land Use Assumptions and Service Areas. Request Council approval.

Phase 2: Roadway Capacity Plan

A preliminary list of street segments and intersections will be provided to the Impact Fee Advisory Committee in spring/summer 2018. Staff anticipates bringing the draft Roadway Capacity Plan to the Impact Fee Advisory Committee for their recommendation and then to City Council for a public hearing and approval in fall 2018, in coordination with the Austin Strategic Mobility Plan.

Phase 3: Maximum Fee Calculation and Fee Setting (Ordinance)

Staff anticipates beginning the policy development phase after the approval of the Roadway Capacity Plan (fall 2018).

VI. June 21, 2017 Mobility Committee Questions

The following questions were posed during the June 21, 2017, Mobility Committee meeting briefing. The briefing presentation is attached to this report. Staff responses to the committee members' questions are provided below.

Question: Do Service Areas inform the calculation of the impact fee?

Answer: Yes. Each Service Area has a specific maximum impact fee calculated based on the cost of the projects in the Roadway Capacity Plan and the Land Use Assumptions.

Question: Can the Street Impact Fee you collect in a Service Area only be spent on projects in that Service Area?

Answer: Yes. The City can only use collected street impact fees on projects in the Roadway Capacity Plan that are within that Service Area.

Question: If a development is building in one Service Area, but the Traffic Impact Analysis shows improvements in another Service Area, can they be required to complete those improvements?

Answer: Yes. A developer can be required to complete improvements outside the Service Area. If the required improvement is a system improvement (not a site-related improvement), the developer would receive credit on their impact fees within their Service Area. However, if the City chooses to collect the impact fees and not require the improvement, the City could not use the money on improvements outside the Service Area. The details of the credit process will be outlined during Phase 3 – Fee Setting (Ordinance).

Question: Can a Service Area be based on the six-mile area surrounding a proposed development?

Answer: No. Adjustable boundaries would not be allowed under the required elements of Chapter 395 of the Texas Local Government Code, which defines Service Area as an area within the corporate boundaries that must have defined land use assumptions, a roadway capacity plan, and a maximum fee associated with it.

Question: Do the Impact Fees make a distinction between office and medical office?

Answer: Yes. The **collected** impact fee calculation is broken into specific categories similar to a traffic impact analysis. The impact fee for a medical office building versus an office building will be higher because more trips are generated, per Institute of Transportation Engineers (ITE) trip generation rates. For the purposes of the study, the **calculation** for the maximum impact fee is based on broader, “rolled-up” categories (residential, basic, service, and retail).

Question: What is included in the Roadway Capacity Plan?

Answer: The Roadway Capacity Plan is a list of street segments and intersection improvements that add additional capacity. The street segments are made up of new streets, widening of existing streets, or access management projects. The intersection projects include signalization, addition of turn lanes, or other intersection improvements. Capacity projects from past bond programs are being considered for inclusion in the Roadway Capacity Plan because debt service is an applicable use of the Street Impact Fee.

Question: How does State Law address stand-alone bicycle, pedestrian and transit projects?

Answer: Bicycle facilities, transit facilities, and pedestrian facilities are not explicitly mentioned in Chapter 395 of the Local Government Code. The term roadway facilities, per Chapter 395 of the Texas Local Government Code, means arterial or collector streets, or roads that have been designated on an officially adopted roadway plan of the political subdivision, together with all necessary appurtenances, which can include all modes per adopted plans and regulations. Facility expansions are defined as the expansion of the capacity of an existing roadway facility in order that the existing facility may serve new development.

Question: How do Street Impact Fees and the current TIA process (pro rata) work together?

Answer: The current process will be re-evaluated in Phase 3 – Ordinance. It is anticipated the two policies would complement each other. The impact fee would offer predictability for traffic-related mitigation, while the TIA, when triggered, would determine the most beneficial system improvements to be constructed. The TIA would also address other issues not specific to Street Impact Fees, such as safety, site-related improvements, transportation demand management, and multi-modal elements.

Question: How do you use the Street Impact Fee funds collected?

Answer: The impacts fees can be used to develop and/or construct any project identified in the Roadway Capacity Plan within the Service Area collected.

Question: Can I see an example of a Roadway Capacity Plan?

Answer: Three Roadway Capacity Plan examples from other Texas cities are listed below:

Flower Mound – Map on Page 11 of .pdf

<http://www.flower-mound.com/DocumentCenter/Home/View/261>

Fort Worth - Maps on Page 32-50 of .pdf

http://fortworthtexas.gov/uploadedFiles/Transportation_Impact_Fees/2013_Transportation_Impact_Fee_Study_-_Reduced_10-23-12.pdf

Frisco - Maps on Page 14-17 of .pdf

<http://www.friscotexas.gov/DocumentCenter/View/6124>

ATTACHMENTS:

June 21, 2017 Mobility Committee briefing presentation on Street Impact Fees

Draft Service Area Map

Draft Land Use Assumptions Summary



Street Impact Fees

**EQUITABLE.
PREDICTABLE.
TRANSPARENT.**

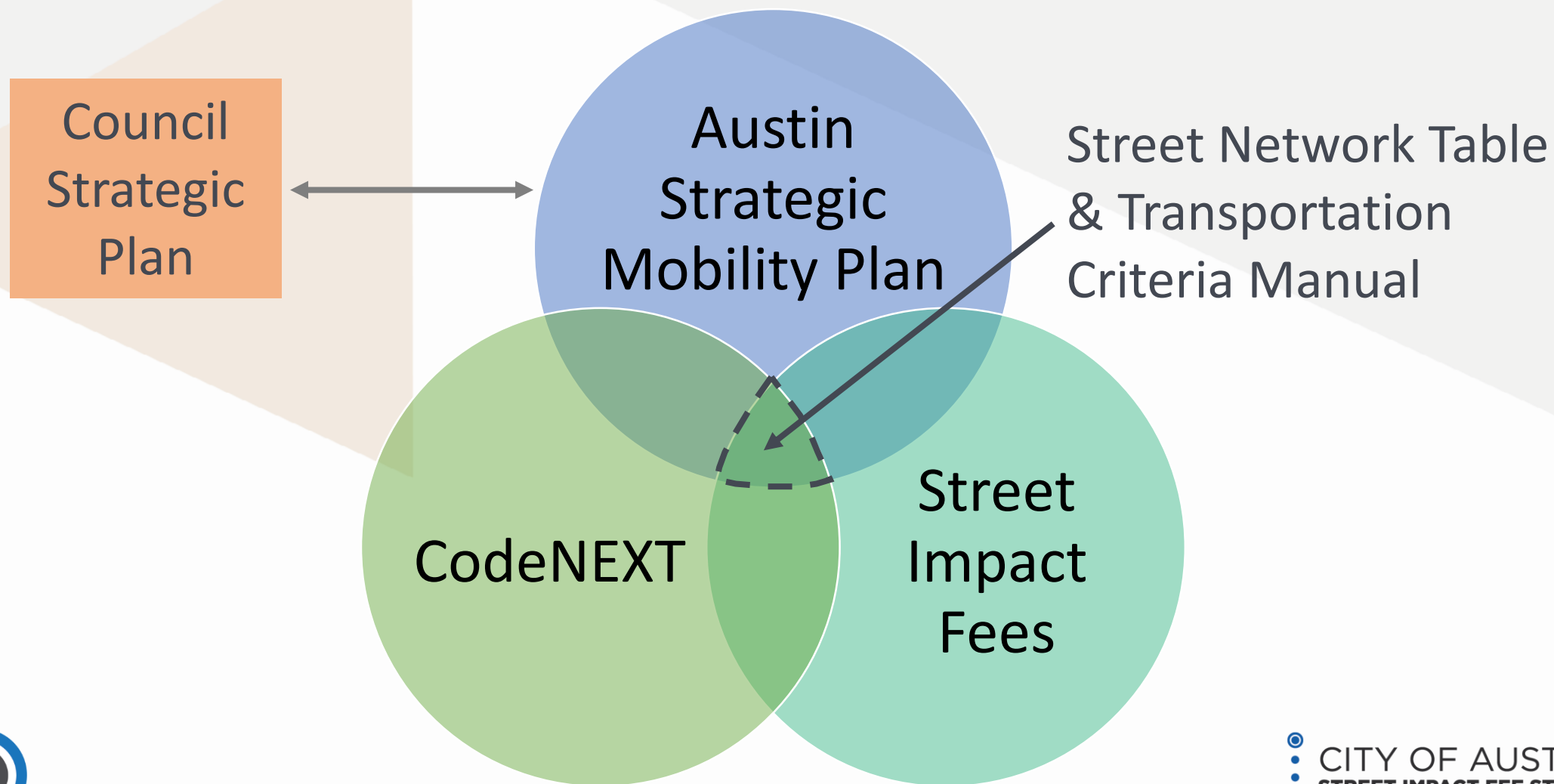


Council Mobility Committee | 06.21.17
Austin Transportation Department

Overview

- Mobility Initiatives Coordination
- What are Street Impact Fees?
- What are the Street Impact Fee Steps and Components?
- What do Street Impact Fees pay for?
- What problem are Street Impact Fees trying to solve?
- How do Street Impact Fees relate to current process?
- Project Timeline
- Public Information & Engagement

Initiatives Coordination



Initiatives Coordination

EXHIBIT C

**CORRIDOR
CONSTRUCTION
PROGRAM**

Nov 2016

Feb 2018

**COUNCIL
STRATEGIC
PLAN**

Jan. 2017

June 2018

Mobility
Sept. –June

**STRATEGIC
MOBILITY
PLAN**

Oct. 2016

June 2018

Goals, Objectives, Metrics
(Contract with the Voters)

Goals, Objectives,
Metrics

Roadway Capacity
Projects

**STREET
IMPACT FEE
STUDY**

Oct. 2016

Sept. 2018

What are Street Impact Fees?

- One-time fee for **New Development**
- Calculation to determine the **cost of growth** for street infrastructure

What are the Street Impact Fee Steps and Components?

- Step 1
 - Service Areas
 - Land Use Assumptions
- Step 2
 - Street Network Table
 - Street Roadway Capacity Plan
- Step 3
 - Impact Fee Calculation
 - Policy and Ordinance Adoption

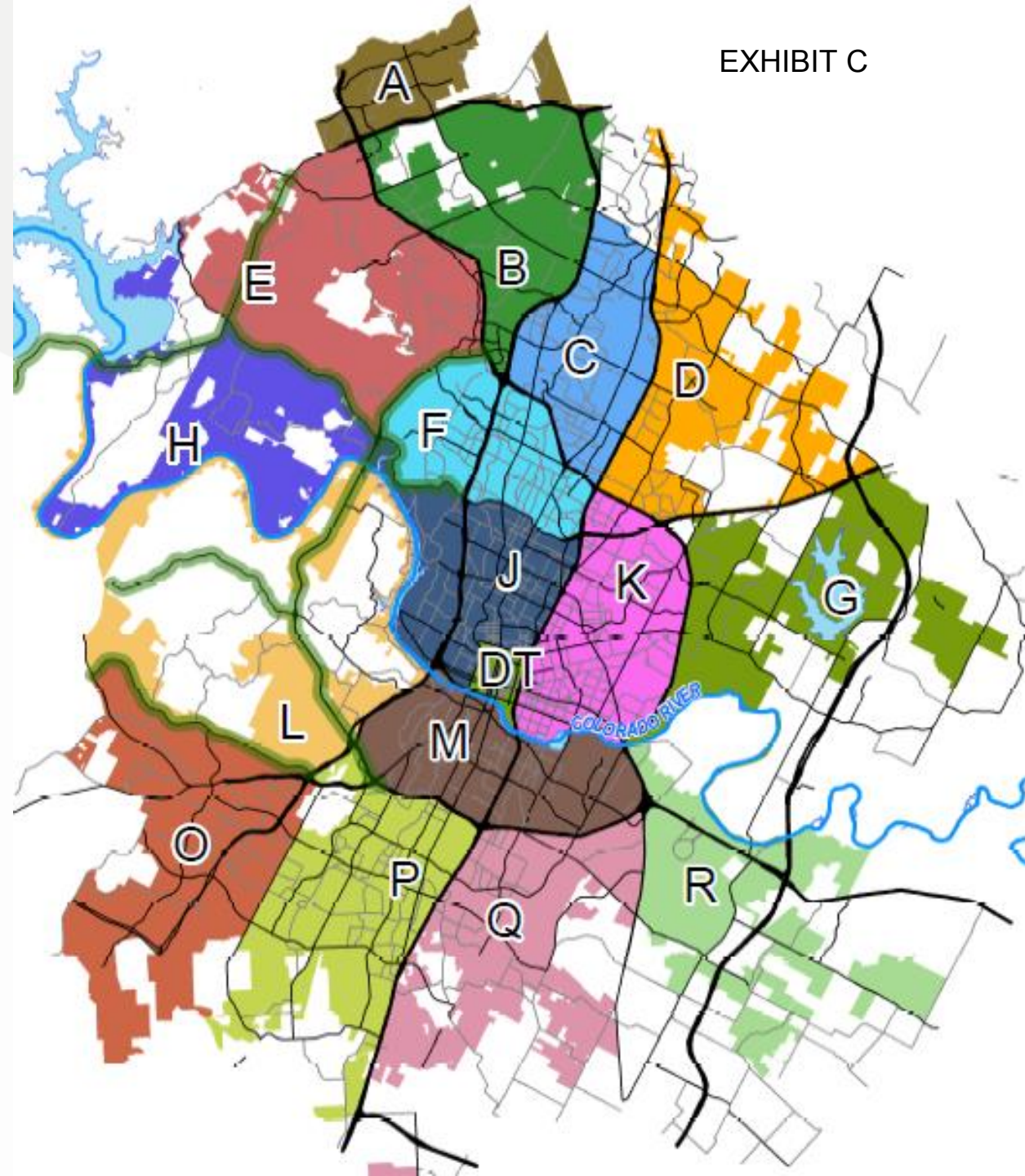
Step 1: Service Areas

- 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**)
- Sewer (Service Area: **Citywide**)
- Street (Service Area: **~6 miles**)
 - Limited to Corporate Limits for roadways; Cannot include ETJ

Step 1: Service Areas

- Strategy
 - Geography & Transportation Characteristics
 - Colorado River
 - Hill Country
 - Downtown
 - Loop Theme
 - Highway Boundaries
- Still receiving feedback

EXHIBIT C



Step 1. Land Use Assumptions

- Goal: Identify 10-year **New Growth** using Imagine Austin Growth Concept, Existing Land Use and Emerging Projects data
- For SIF, service units are **trips**, which are generated based on different land use characteristics:
 - Residential trips – number of **dwelling units**
 - Employment trips – amount of **commercial square footage** (by type)
- Base year = 2017

Step 1. 10-Year Growth Projections

Citywide Results*

	City - Residential (Dwelling Units)			City - Employment Square Feet			
	Single Family	Multi-Family	Total	Basic	Service	Retail	Total
2017 Base Year	179,259	224,030	403,289	72,120,000	125,190,000	79,460,000	276,770,000
2027 Projections	212,125	315,316	527,441	84,610,000	159,060,000	109,290,000	352,960,000
<u>SIF 2017-2027 Projected Growth</u>	<u>32,866</u>	<u>91,286</u>	<u>124,152</u>	<u>12,490,000</u>	<u>33,870,000</u>	<u>29,830,000</u>	<u>76,190,000</u>

*Any changes resulting from CodeNEXT can be addressed via an amendment to SIF study.

Step 2.

Roadway Capacity Plan (RCP)*

CITY OF AUSTIN 2025 AUSTIN METROPOLITAN AREA TRANSPORTATION PLAN

Adopted June 7, 2001

Last Amended August 5, 2004

Unshaded	Desired Development Zone Drinking Water Protection Zone	Existing 1997	2025 AMATP	Required ROW	Existing ROW			Area Environ Sensitivity	CAMPO Bike Route Sys	Austin Bike Plan Rec Facility	Remarks	Portions in BSEA Recharge Zone	Portions in BSEA Contributing Zone	Portions in NEA Recharge Zone
PROPOSED 2025 AMATP ROADWAY PLAN TABLE					*GIS Estimate	ROW MIN	ROW MAX							
ROADWAY	SEGMENT													
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
H 35	CR 111 - FM 3406	FWY 4	FWY 6					LOW						
National Highway System	FM 3406 - RM 620	FWY 6	FWY 6/HOV					LOW						
	RM 620 - SH 45 (N)	FWY 6	FWY 6/HOV					LOW						
											TPAS concurs with TxDOT that existing main lanes will not be taken for likely transportation needs can be met without some keep expansion to a minimum & coordinate with MIS Recommend compliance with US Fish & Wildlife & standards (Attachment 1) to ensure non- water quality protection. Recommend compliance Standards Rules 30 TAC 213.			
H 35														X
National Highway System								LOW						
	Looping Ln. - US 183 (N)	FWY 6	FWY 6/HOV	400	<300	200	300	LOW		wo/15				
										wo/15	TPAS concurs with TxDOT that existing main lanes will not be taken for HOV and it is unlikely transportation needs can be met without some additional ROW, keep expansion to a minimum & coordinate with agencies in IH 35 MIS			
	US 183 (N) - US 290 (E)	FWY 8	FWY 8/HOV	400	300			LOW		wo/15	TPAS concurs with TxDOT that existing main lanes will not be taken for HOV and it is unlikely transportation needs can be met without some additional ROW, keep expansion to a minimum & coordinate with agencies in IH 35 MIS			
										wo/15	TPAS concurs with TxDOT that existing main lanes will not be taken for HOV and it is unlikely transportation needs can be met without some additional ROW, keep expansion to a minimum & coordinate with agencies in IH 35 MIS			
	US 290 (E) - 51st St.	FWY 8	FWY 8/HOV	400	200			LOW		wo/15	TPAS concurs with TxDOT that existing main lanes will not be taken for HOV and it is unlikely transportation needs can be met without some additional ROW, keep expansion to a minimum & coordinate with agencies in IH 35 MIS			
										wo/15	TPAS concurs with TxDOT that existing main lanes will not be taken for HOV and it is unlikely transportation needs can be met without some additional ROW, keep expansion to a minimum & coordinate with			
	51st St. - MLK Blvd.	FWY 8	FWY 8/HOV	400	200			LOW						

- Street segment projects
 - New Roads
 - Widening
 - Access Mangement
- Intersection projects
 - Signals
 - Turn Lanes
 - Special Intersections
- Bond Projects
 - Capacity Related

*RCP being developed with ASMP Street Network Table update.

Step 3. Impact Fee Calculation

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

Step 3. Policy and Ordinance

- Rate Setting
- Revenue Forecasting
- Incentives
- Implementation

What can Street Impact Fees pay for?

- Existing Needs
 - Maintenance
 - Operations
 - Complete Reconstruction (Capital)

- Growth Needs
 - Capital

Impact Fees

What can Street Impact Fees pay for?

Components that *can* be paid for

Capacity Related Projects:

- ✓ Construction cost of capital improvements on the Roadway Capacity Plan
 - Roadways – additional lanes, bridges, sidewalks, other “appurtenances” of roadway
 - Intersections – Signals, turn lanes
- ✓ Corridor Planning and Preliminary Engineering
- ✓ Survey and Engineering fees
- ✓ Land acquisition costs
- ✓ Debt Service of Street Impact Fee Plan
- ✓ Study/Update Costs

Components that *cannot* be paid for

Non Capacity Related Projects:

- ✗ Projects not included in the Roadway Capacity Plan
- ✗ Repair, operation and maintenance of existing or new facilities
- ✗ Upgrades to serve existing development
- ✗ Administrative costs of operating the program

What problem are Street Impact Fees trying to solve?

- Determining a method for growth to pay for growth that is:
 - Equitable
 - Predictable
 - Transparent

How do Street Impact Fees relate to current process?

Current Process	Street Impact Fees
Sites under 2,000 daily trips do not contribute. No TIA required	All new <u>growth</u> would be assessed a fee and contribute to the transportation network
Mitigation (Cost) is not determine until TIA is completed	Fee (Cost) can be determined upfront
City must use fees for projects identified in the TIA	Flexibility to use fees on priority projects within Service Area

How do Street Impact Fees relate to current process?

Q: Is the Street Impact Fee calculated through a Traffic Impact Analysis?

A: No. The fee, once set and adopted by City Council, will be based on the type and intensity of the development as recorded in the building permit. If a Traffic Impact Analysis is required and identifies system-related improvements, which also appear in the Roadway Capacity Plan, the development would receive a credit for the impact fee otherwise due.

How do Street Impact Fees relate to current process?

Q: How is this different from rough proportionality?

A: Rough Proportionality is not a fee. Rough Proportionality does not require a development to contribute to the transportation network. Rough Proportionality only checks that these required improvements are fair.

Impact fees are a calculation to determine a fee that a development would pay for transportation improvements. The code via the TIA and Mitigation Ordinance are also tools to identify and require improvements.

What's next in the project timeline?

- Austin Strategic Mobility Plan - Street Network Table update
- Roadway Capacity Plan and Cost

SIF Study Schedule



*Any changes resulting from CodeNEXT can be addressed via an amendment to SIF study.

Advisory Committee Involvement

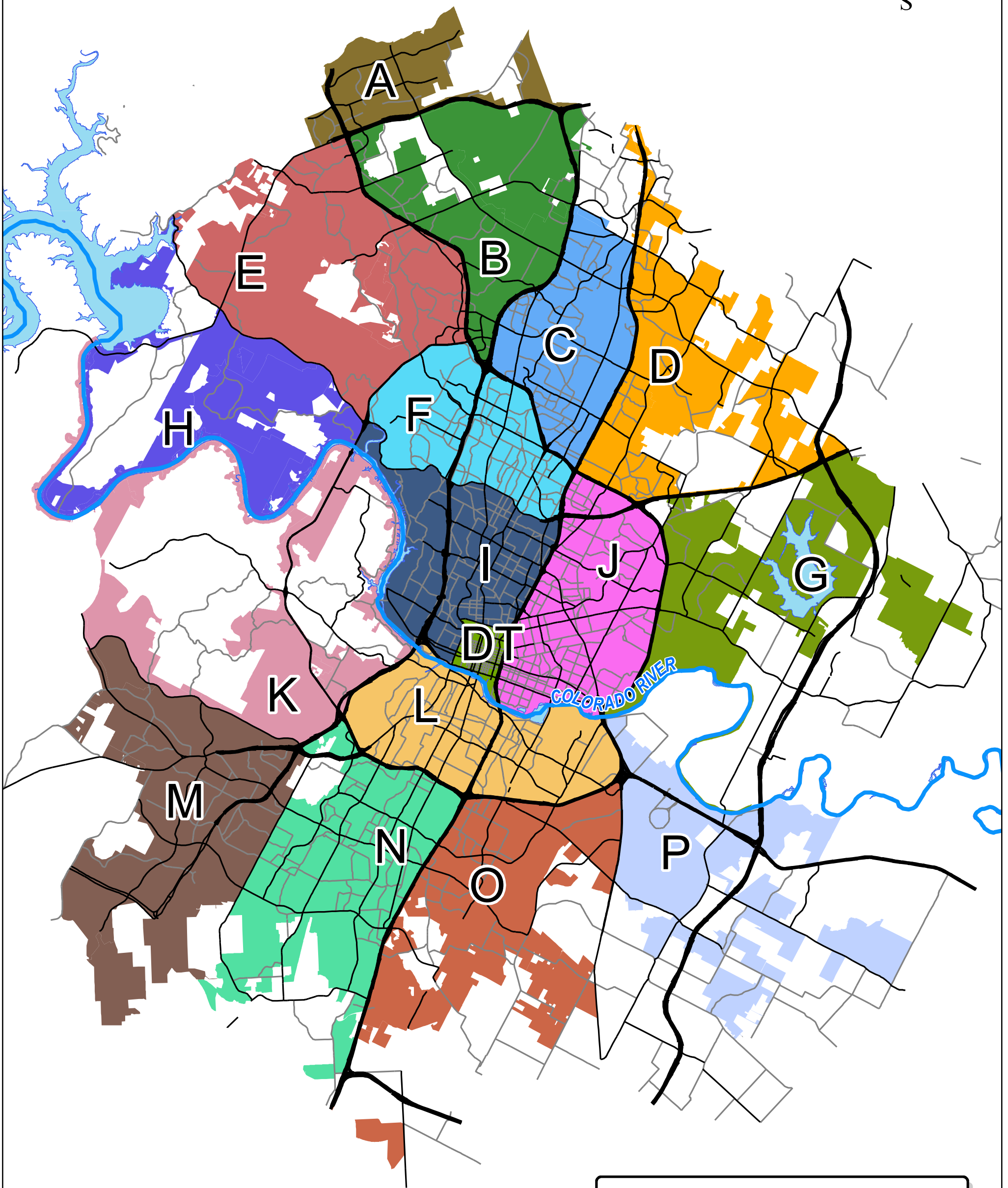
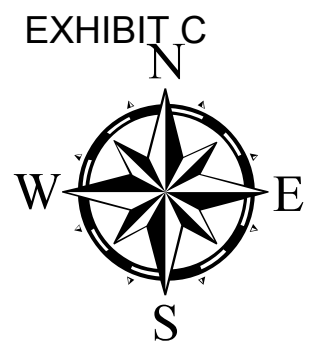
- December 1, 2016
 - Kick-off and Impact Fee 101
- February 28, 2017
 - Public Engagement Plan
 - Service Area Review
 - Land Use Overview
- April 25, 2017
 - Service Area Refinement
 - Land Use Review
- July 25, 2017
 - RCP Overview

Public Information & Engagement

- austintexas.gov/streetimpactfee
 - FAQs, 101 Handout, Schedule
- Sign-Up for Updates
- Impact Fee Advisory Committee
 - Dates will be on Website
 - “Office Hours” before Meeting
 - Next meeting – July 25



Questions



**Street Impact Fee Study
Service Areas**

0 1 2 4 Miles



Kimley»Horn



LAND USE ASSUMPTIONS FOR STREET IMPACT FEES SUMMARY

A. Introduction and Purpose

Impact Fees are a mechanism for funding the public infrastructure necessitated by growth. In the most basic terms, impact fees are meant to recover the incremental cost of the impact of each new unit of development growth creating new infrastructure needs. In the case of Street Impact Fees, the infrastructure need is increased capacity on the street network. The purpose of the Street Impact Fee Study is to identify the fee per unit of new development necessary to fund these improvements in accordance with the enabling legislation, Chapter 395 of the Texas Local Government Code.

In order to assess an impact fee, Land Use Assumptions must be developed to provide the basis for residential and employment growth projections within a municipality. As defined by Chapter 395 of the Texas Local Government Code, these assumptions include a description of changes in land uses, densities, and development in the service area. The land use assumptions are then used in determining the need and timing of transportation improvements to serve future development.

This report documents the process used to develop the Land Use Assumptions for the City of Austin's Street Impact Fee (SIF) study. In accordance with Chapter 395 of the Texas Local Government Code, street impact fees must be calculated based on reasonable expectations of residential and employment growth within the next ten years (2017 – 2027).



B. Overview

This Land Use Assumptions Summary includes the following components:

- **Land Use Assumptions Methodology** – An overview of the general methodology used to generate the land use assumptions.
- **Street Impact Fee Service Areas** – Explanation of the division of Austin into service areas for street and infrastructure facilities.
- **Residential and Employment Growth** – Data on residential and employment growth within the service area over the next ten years (2017 – 2027).
- **Land Use Assumptions Summary Table** – A synopsis of the Land Use Assumptions.

Information from the following sources was compiled to complete the Land Use Assumptions:

- Imagine Austin Comprehensive Plan Growth Concept Map (Center and Corridors)
- City of Austin's Future Land Use Map (FLUM)
- Travis and Williamson County Appraisal Districts
- City of Austin 2014 Land Use Inventory; Multi-Family Inventory; and Affordable Housing Inventory
- 2009 – 2016 City of Austin Building Permit Data
- City of Austin staff including City Demographer
- City of Austin Water and Wastewater Impact Fee 2015-2025 Land Use Assumptions
- CAMPO 2040 Plan
- Longitudinal Employer Household Dynamics Employment Data
- State of Texas Master Facilities Plan Report



C. Land Use Assumptions Methodology

The residential and non-residential growth projections formulated in this report were performed using reasonable and generally accepted planning principles. The following factors were considered in developing these projections:

- Character, type, density, and quantity of existing development;
- Emerging Projects;
- Future Land Use Map and Imagine Austin Growth Concept Map;
- Growth trends;
- Location of vacant land;
- Physical restrictions (i.e. flood plains, railroads); and
- Carrying Capacity (Growth Potential) of the City of Austin.

The residential and employment estimates and projections were compiled in accordance with the following categories:

Units: Number of dwelling units, both single and multi-family.

Employment: Square feet of building area based on three (3) different classifications. Each classification has unique trip making characteristics.

Retail: Land use activities which provide for the retail sale of goods which primarily serve households and whose location choice is oriented toward the household sector, such as grocery stores and restaurants (higher traffic generators).

Service: Land use activities which provide personal and professional services, such as government and other professional offices (medium traffic generators).

Basic: Land use activities that produce goods and services such as those which are exported outside of the local economy, such as manufacturing, construction, transportation, wholesale, trade, warehousing, and other industrial uses (lower traffic generators).



The above categories in the Land Use Assumptions match those used to develop travel demand modeling and are the broader land use categories that are used in the development of the assumptions for impact fees. In the calculation of the specific Street Impact Fee, a more specific and expanded classification based on the Institute of Transportation Engineers (ITE) Trip Generation Manual will be utilized.

Determination of ten-year growth within the Street Impact Fee study area was accomplished through three general steps:

- **Step 1: Determine Base Year (2017)**
- **Step 2: Determine Carrying Capacity (Growth Potential)**
- **Step 3: Determine 10-Year Growth Projections**

Step 1: Determine Base Year (2017)

Property data obtained from Travis and Williamson County Appraisal Districts (CADs) was used to determine the 2015 residential units and employment square footage. This data contained detailed information on the following property attributes:

- Built year
- Land area
- Livable building square footage
- Property land use
- Improvement type (Travis CAD only)

For single-family residential units, the number of units were simply counted. For multi-family, the number of units was derived from the multi-family inventory. However, if data was not available through the inventory, a density calculation was performed based on the Appraisal District's livable building square footage. A conversion of square footage per unit was utilized to determine the number of units.



To estimate employment square footage, the livable building square footage data was utilized. Building footprint data and aerials were utilized to supplement the building square footage if the CAD data lacked square footage information. Finally, for state facilities, building square footage came from the State's Master Facilities Plan Report.

These estimates for 2015 were scaled up to 2017 using building permit data, adding units/square footage for new construction and subtracting demolished units/square footage for parcels as needed.

Step 2: Determine Carrying Capacity (Growth Potential)

For the remaining undeveloped areas, assumptions based upon the City's Future Land Use Map (**Exhibit 1**), Emerging Projects (**Exhibit 2**), or Imagine Austin Growth Concept Map were used to estimate the carrying capacity or growth potential of land within the Street Impact Fee study area for both residential and employment land uses. The carrying capacity was calculated in three basic steps.

- 1) Determine the future land use for study area parcels based on previous planning efforts completed by the City.
- 2) Determine the amount of dwelling units and employment building space that could occupy every parcel – i.e. the parcel's "Carrying Capacity" – based on the future land use development types.
- 3) Identify parcels that are either vacant or candidates for redevelopment and aggregate those parcels' carrying capacity with the existing dwelling units and employment space on the remaining parcels to generate an estimated growth potential to compare to the 10-year growth forecast.

Exhibit 1 – Future Land Use Map

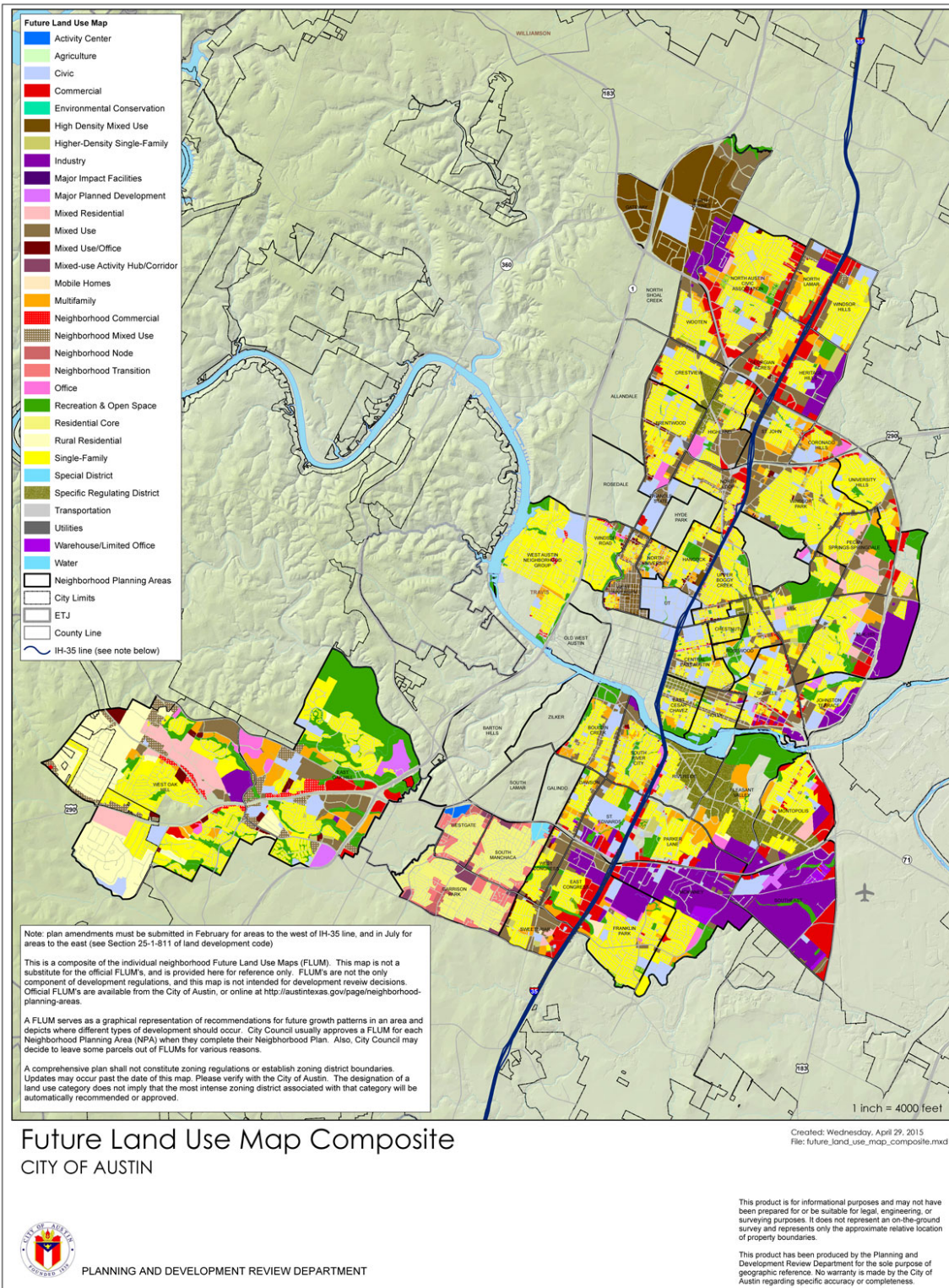
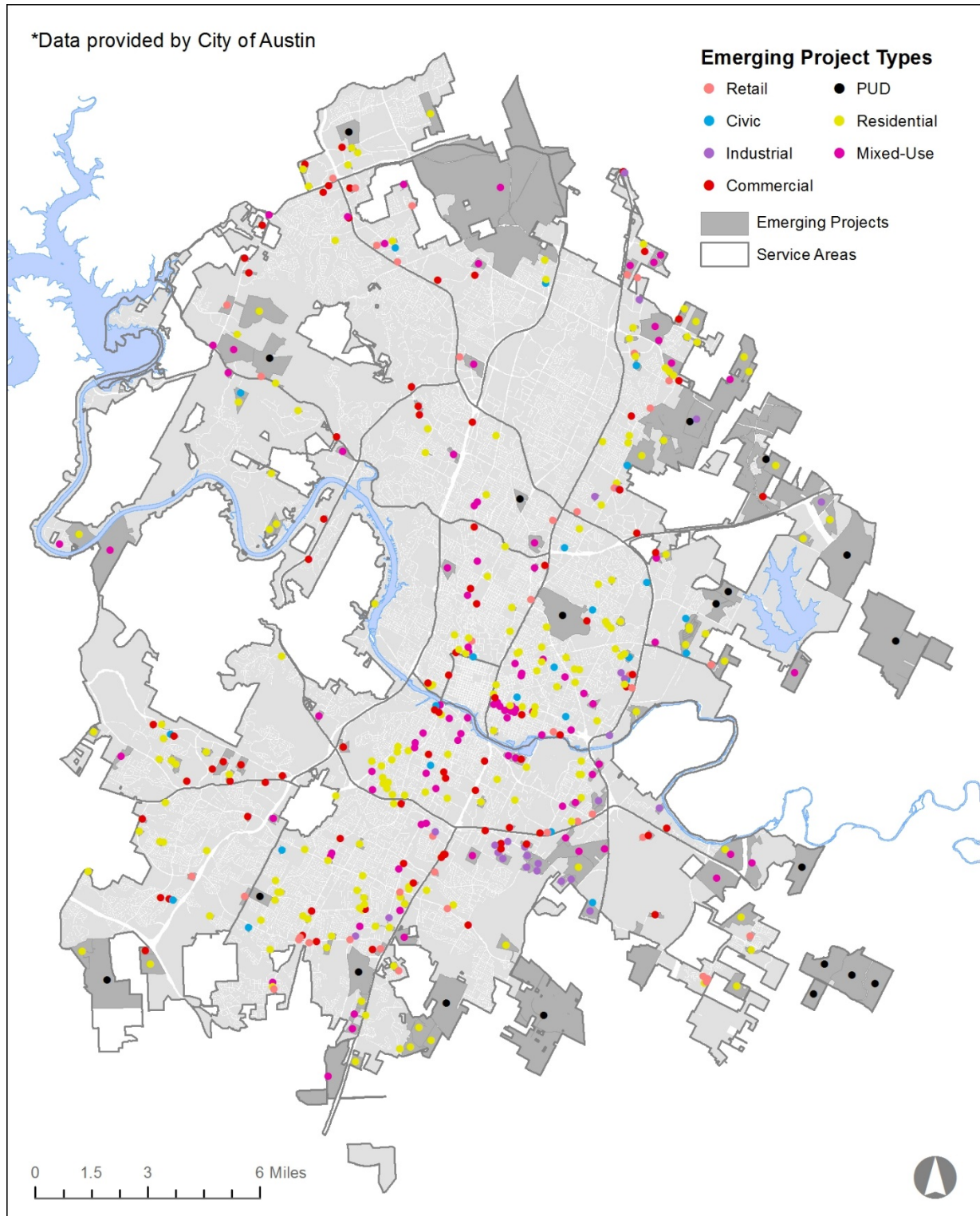


Exhibit 2 – Emerging Projects





Step 3: Determine 10-Year Growth Projections

The City of Austin utilizes small areas called DTI-polygons to allocate growth. The DTI (**D**elphi, **T**rends, and **I**mage Austin) polygons are roughly analogous to census tracts.

The City of Austin provided 2025 employment (job) and dwelling unit projections that were generated for the Water/Wastewater Impact Fee land use study for DTI polygons within the city. Dwelling unit and employment growth rates were calculated based on the DTI polygon dwelling unit and employment projections. Growth rates for employment were converted to square footage using typical figures for employees per 1,000 square feet for each employment type. The growth rates were then applied to the 2017 base year estimates and projected 10 years into the future to 2027. Finally, the 2027 projections were compared to the carrying capacity growth potential to validate the 10-year growth assumptions.



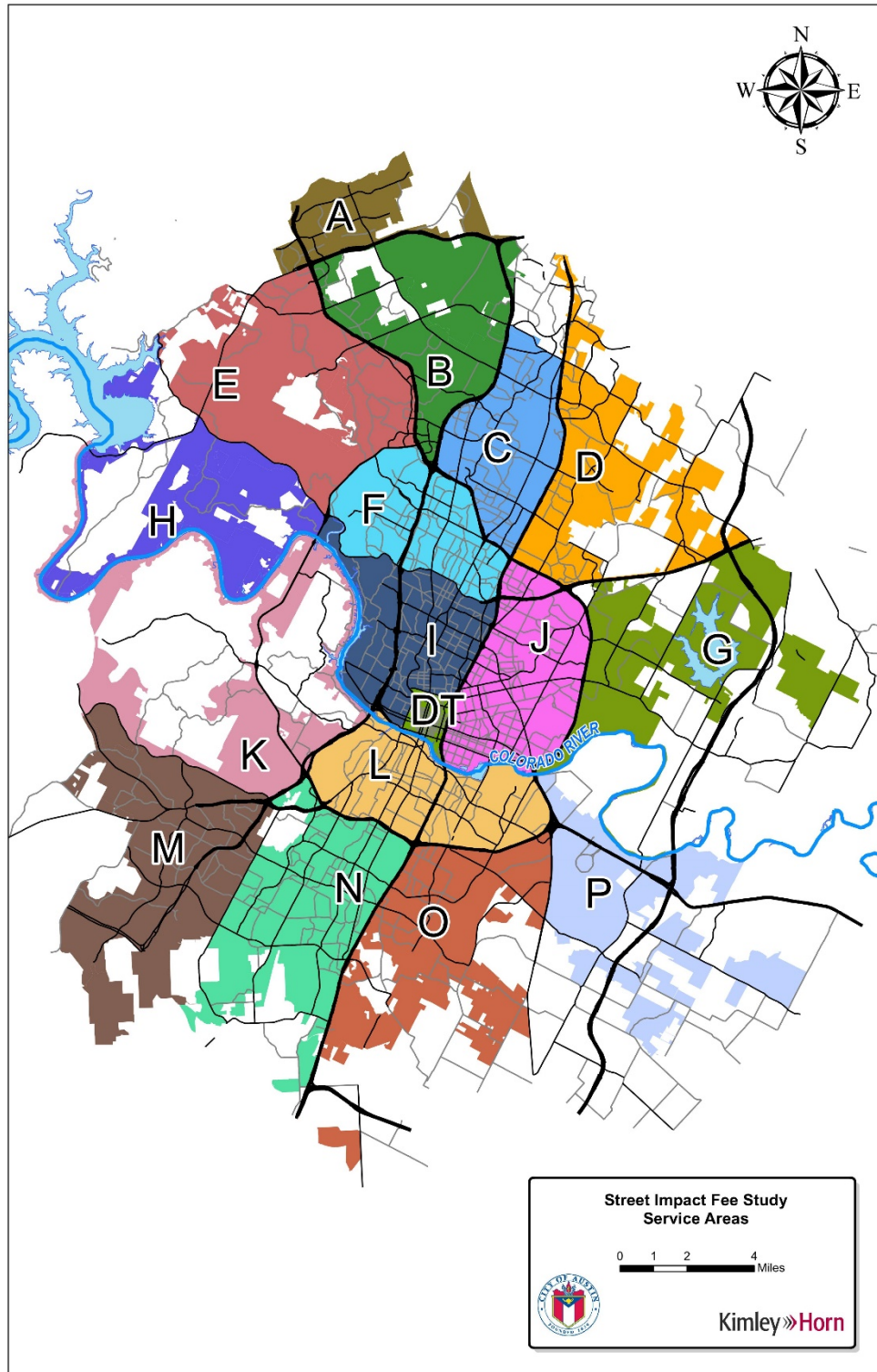
D. Street Impact Fee Service Areas

The geographic boundary of the proposed impact fee service areas for transportation facilities is shown in **Exhibit 3**. The City of Austin is divided into seventeen (17) service areas, each based upon the six (6) mile limit, as required in Chapter 395. For transportation facilities, the service areas as required by state law are limited to areas within the current corporate City limits. In defining the Service Area boundaries, the project team considered the corporate boundary, required six (6) mile size limit, adjacent land uses, and topography. In addition, the strategy for defining Service Areas included creating a Downtown area and creating distinctive inner loop and outer loop Service Areas based on highway boundaries. Since each Service Area will have a unique maximum impact fee, the per-unit maximum fee for an identical land use will vary from one Service Area to the next. For this reason, the team kept areas of uniform land use within the same Service Area where possible.

It should be noted that at locations where Service Area boundaries align with a City roadway, the proposed boundary is intended to follow the centerline of the street, unless otherwise noted. In cases where a Service Area boundary follows the City Limits, only those portions of the transportation facility within the City Limits are included in the Service Area.



Exhibit 3 – Proposed Service Areas





E. Land Use Assumptions Summary

Table 1 summarizes the residential and employment 10-year growth projections.

Service Area		Dwelling Units			Employment (SqFt)			
		Single Family	Multi-Family	Total	Basic	Service	Retail	Total
City	2017	179,259	224,030	403,289	72,017,000	125,112,000	79,359,000	276,488,000
	2027	212,913	315,313	528,226	84,503,000	158,956,000	109,182,000	352,641,000
	10-Year Growth	33,654	91,283	124,937	12,486,000	33,844,000	29,823,000	76,153,000
A	2017	4,876	5,380	10,256	52,000	1,358,000	3,220,000	4,630,000
	2027	5,645	10,211	15,856	79,000	2,814,000	4,669,000	7,562,000
	10-Year Growth	769	4,831	5,600	27,000	1,456,000	1,449,000	2,932,000
B	2017	7,556	15,272	22,828	5,365,000	7,829,000	4,852,000	18,046,000
	2027	9,743	23,294	33,037	6,141,000	9,011,000	7,208,000	22,360,000
	10-Year Growth	2,187	8,022	10,209	776,000	1,182,000	2,356,000	4,314,000
C	2017	10,743	23,932	34,675	13,556,000	8,192,000	11,651,000	33,399,000
	2027	11,384	29,245	40,629	13,745,000	10,442,000	13,212,000	37,399,000
	10-Year Growth	641	5,313	5,954	189,000	2,250,000	1,561,000	4,000,000
D	2017	9,909	10,930	20,839	16,863,000	8,339,000	3,925,000	29,127,000
	2027	15,456	16,013	31,469	22,140,000	11,633,000	6,899,000	40,672,000
	10-Year Growth	5,547	5,083	10,630	5,277,000	3,294,000	2,974,000	11,545,000
E	2017	14,944	13,744	28,688	3,046,000	6,283,000	4,523,000	13,852,000
	2027	16,753	18,234	34,987	3,135,000	7,243,000	5,444,000	15,822,000
	10-Year Growth	1,809	4,490	6,299	89,000	960,000	921,000	1,970,000
F	2017	14,467	13,954	28,421	1,514,000	10,986,000	8,725,000	21,225,000
	2027	14,803	19,534	34,336	1,751,000	12,518,000	10,121,000	24,390,000
	10-Year Growth	336	5,580	5,915	237,000	1,532,000	1,396,000	3,165,000
G	2017	3,516	1,222	4,738	4,042,000	848,000	144,000	5,034,000
	2027	9,147	5,971	15,118	5,702,000	4,357,000	2,110,000	12,169,000
	10-Year Growth	5,631	4,749	10,380	1,660,000	3,509,000	1,966,000	7,135,000
H	2017	2,937	1,520	4,457	27,000	2,266,000	129,000	2,422,000
	2027	3,603	2,204	5,807	16,000	3,721,000	133,000	3,870,000
	10-Year Growth	666	684	1,350	(11,000)	1,455,000	4,000	1,448,000
I	2017	13,769	27,721	41,490	348,000	14,213,000	5,855,000	20,416,000
	2027	14,481	35,710	50,191	395,000	15,550,000	7,260,000	23,205,000
	10-Year Growth	712	7,989	8,701	47,000	1,337,000	1,405,000	2,789,000



Service Area		Dwelling Units			Employment (SqFt)			
		Single Family	Multi-Family	Total	Basic	Service	Retail	Total
J	2017	18,145	19,619	37,764	5,065,000	9,174,000	6,174,000	20,413,000
	2027	20,861	29,539	50,399	5,182,000	10,171,000	7,333,000	22,686,000
	10-Year Growth	2,716	9,920	12,635	117,000	997,000	1,159,000	2,273,000
K	2017	6,091	3,191	9,282	28,000	4,973,000	2,130,000	7,131,000
	2027	6,711	3,925	10,636	47,000	5,299,000	2,405,000	7,751,000
	10-Year Growth	620	734	1,354	19,000	326,000	275,000	620,000
L	2017	10,644	39,842	50,486	4,551,000	11,539,000	6,109,000	22,199,000
	2027	11,619	50,564	62,183	4,933,000	13,391,000	7,650,000	25,974,000
	10-Year Growth	975	10,722	11,697	382,000	1,852,000	1,541,000	3,775,000
M	2017	18,359	9,573	27,932	2,086,000	5,133,000	2,940,000	10,159,000
	2027	20,981	14,216	35,197	2,634,000	7,029,000	4,990,000	14,653,000
	10-Year Growth	2,622	4,643	7,265	548,000	1,896,000	2,050,000	4,494,000
N	2017	27,160	19,860	47,020	3,172,000	3,799,000	8,412,000	15,383,000
	2027	28,806	26,926	55,732	3,413,000	7,390,000	11,202,000	22,005,000
	10-Year Growth	1,646	7,066	8,712	241,000	3,591,000	2,790,000	6,622,000
O	2017	12,347	8,655	21,002	11,772,000	3,679,000	3,065,000	18,516,000
	2027	16,239	13,918	30,157	13,296,000	3,879,000	7,068,000	24,243,000
	10-Year Growth	3,892	5,263	9,155	1,524,000	200,000	4,003,000	5,727,000
P	2017	3,686	224	3,910	252,000	788,000	316,000	1,356,000
	2027	6,587	2,623	9,210	1,642,000	1,794,000	3,043,000	6,479,000
	10-Year Growth	2,901	2,399	5,300	1,390,000	1,006,000	2,727,000	5,123,000
DT	2017	110	9,391	9,501	278,000	25,713,000	7,189,000	33,180,000
	2027	95	13,188	13,283	252,000	32,714,000	8,435,000	41,401,000
	10-Year Growth	(15)	3,797	3,782	(26,000)	7,001,000	1,246,000	8,221,000

F. Contact Information and Website

For More Information:

<https://www.austintexas.gov/streetimpactfee>

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