



Recommendation for Action

File #: 19-2807, **Agenda Item #:** 87.

8/22/2019

Posting Language

Conduct a public hearing and consider a resolution to adopt the Land Use Assumptions and Roadway Capacity Plan for a Street Impact Fee program.

Lead Department

Austin Transportation Department

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

20160609-005 - Authorize negotiation and execution of a professional services agreement with KIMLEY-HORN AND ASSOCIATES, INC. (staff recommendation), or one of the other qualified responders for Request for Qualifications Solicitation No. CLMP195 to provide engineering services for the City Street Impact Fee project for a contract amount not to exceed \$ 1,750,000. Approved on a vote of 6-1-1 with Council Member Zimmerman voting nay and Council Member Gallo abstaining. Mayor Adler, Council Members Garza and Kitchen were absent.

For More Information:

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Council Committee, Boards and Commission Action:

April 25, 2017 - Draft Land Use Assumptions and Services Areas reviewed by Impact Fee Advisory Committee
July 25, 2017 - Land Use Assumptions and Service Areas recommended by the Impact Fee Advisory Committee on a 6-0 vote with Committee Member Dailey absent.
October 10, 2017 - Land Use Assumptions and Service Areas recommended by the Urban Transportation Commission on a 7-1-2 vote with Commissioner Gins voting nay and Commissioners Hosek and Johnson abstaining.
October 19, 2017 - Public hearing on Land Use Assumptions and Service Areas held by City Council
June 13, 2019 - Roadway Capacity Plan to be reviewed by Council Mobility Committee
June 13, 2019 - Roadway Capacity Plan recommended by the Impact Fee Advisory Committee on a 4-0 vote with Committee Member Soeur abstaining and Committee Members Dailey and Turrieta absent.

Additional Backup Information:

Impact fees are authorized under Chapter 395 of the Texas Local Government Code. 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. In Texas, impact fees are limited to water, sewer, streets, and drainage. In Fort Worth, the next largest city in Texas with a Street Impact Fee ordinance, the City collects approximately \$12 million/year in Street Impact Fees based on their policy.

In the FY 2015-16 Operating Budget, Council approved funding for the Austin Transportation Department to secure a consultant to conduct the technical analysis required to develop a Street Impact Fee. On April 11, 2019, City Council adopted the Austin Strategic Mobility Plan which calls for the implementation of a Street Impact Fee policy and program as a funding source for roadway capacity improvements necessitated by new development.

This item is to conduct a Public Hearing to take public testimony on the Street Impact Fee Study Assumptions. In addition to the Public Hearing, the Austin Transportation Department recommends the City Council approve a resolution adopting the use of the Land Use Assumptions, including the Street Impact Fee Service Areas, as well as the Roadway Capacity Plan. This action will be the basis for the calculation of the maximum fee in each Service Area, and does not adopt or establish a fee.

The study is now at a critical junction and the Land Use Assumptions and Roadway Capacity Plan need to be solidified in order to calculate an accurate maximum fee in the next Phase of the study. Without adoption from the City Council of these key items, it will be difficult to move forward in the Street Impact Fee Study due to unknown variables.

If any changes in the Street Impact Fee Study Assumptions need to be made subsequent to this Council action, there would be an opportunity to do so with the adoption of the fees and the Street Impact Fee ordinance.

Street Impact Fee Process:

The process to develop the Street Impact Fee program is occurring over three phases - Service Areas and Land Use Assumptions, Roadway Capacity Plan, and Maximum Fee Calculation and Fee Setting (Ordinance). The proposed Public Hearing on August 8, 2019 will essentially end Phase II and begin Phase III.

Phase I: Service Areas and Land Use Assumptions

A Service Area is a geographic area where a unique maximum impact fee is determined. In order to assess an impact fee, Land Use Assumptions must be developed to provide the basis for residential and employment growth projections within the Service Area. 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 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 projects growth in terms of single-family and multi-family units and growth of employment in square footage.

For roadway facilities, a Service Area is a sector within the city limits and cannot exceed six miles. The study identified 17 Service Areas for the City of Austin.

Phase II: Roadway Capacity Plan

State law requires impact fees to be based on capacity improvements needed to serve new growth within a 10-year period. The study identified opportunities to add roadway capacity to the transportation network through new roadways, roadway expansions, access management, and intersection improvements. These proposed projects were vetted with the community during Phase III of public engagement for the Austin Strategic Mobility Plan. With the adoption of the Austin Strategic Mobility Plan on April 11, 2019, City Council established the roadway capacity projects for inclusion in the Street Impact Fee study. These improvements collectively are the Roadway Capacity Plan. The Roadway Capacity Plan is a list of projects in each Service Area eligible for funding through Street Impact Fees.

With the Public Hearing and anticipated Council action on August 8, Phase I and Phase II will be complete.

Phase III: Maximum Fee Calculation & Fee Setting (Ordinance)

The Maximum Fee calculation is based on the Land Use Assumptions and costs of improvements included in the Roadway Capacity Plan. The Land Use Assumptions are converted to demand, measured in vehicle-miles traveled. The recoverable costs for the Roadway Capacity Plan projects are calculated to only include the portion attributable to growth. The result is a maximum assessable fee in terms of cost-per-vehicle-mile for each Service Area.

Setting development fees is a policy decision Council will make later this year or in early 2020. The fee can be set from 0% of the maximum fee to 100%, and the percent of the fee charged can vary from one Service Area to another. It is Council's prerogative whether to set the fee at the maximum or make reductions based on policy preferences. Common policy decisions will be discussed during the writing of a fee ordinance such as: discount for transportation demand management/multimodal reduction; credits for system improvements; incentivizing the Imagine Austin growth concept; and the relationship to Transportation Impact Analyses and other traffic mitigation requirements.

Staff will begin drafting the policy and ordinance to present to the community for feedback before bringing a draft ordinance to Council for approval and setting of fees.