Paying for Growth

Rough Proportionality & Changes to the Development Process

Public Information Sessions
August 18 & 31, 2015

Agenda

- **Introduction**

- **Rough Proportionality Determinations**

- **Other Changes to the Development Process**
  - Traffic Impact Analysis (TIA)
  - Traffic Mitigation Improvements
  - Transportation Fiscal Spending

- **Transportation Impact Fee**

- **Next Steps**

- **Q&A**

Paying for Growth

- Property taxes not always enough to keep up with growth
  - Increased property taxes from development covers O&M, services, *but not infrastructure*
- Development should 'pay its share'
  - Right-of-way dedication, street construction, intersection improvements, etc.
  - Should be 'fair'

Austin's Current Policies

- **Border Street Policy**
  - Require right-of-way (ROW)
  - Require street construction or fee in lieu (i.e. boundary fiscal)
- **Traffic Impact Mitigation Policy**
  - Construction or fee in lieu "to offset the traffic effects generated by the proposed development"
  - Intersection improvements, turn lanes, etc.

Arterial

Collector
or Local Street
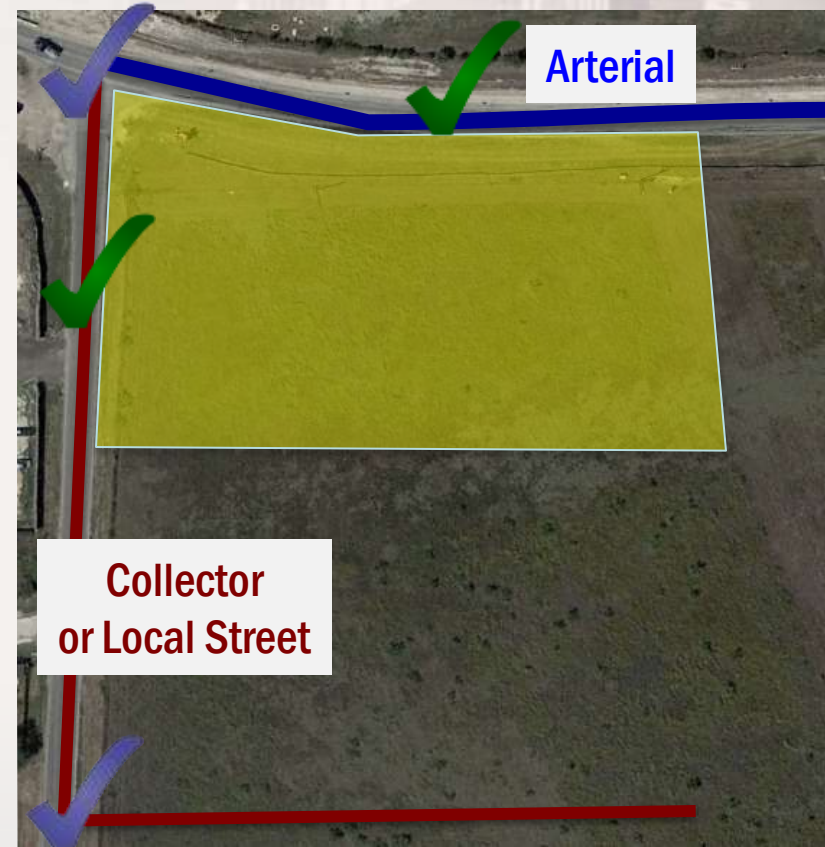
Rough Proportionality

Two important U.S. Supreme Court Cases established the principle of 'Rough Proportionality'

- **Nollan vs. California Coastal Commission (1987)** *-* established that an exaction must have an *essential nexus* to legitimate public interests

- **Dolan vs. City of Tigard (1994)** *-* established a two-part test for exaction: 1) *essential nexus* and 2) *roughly proportional* in nature and extent of the impact of the development

Legal Background cont.

Rough Proportionality, as interpreted and applied by Texas Supreme Court:

- **Flower Mound vs. Stafford Estates (2002)** – established need for an "individualized determination" or "rough proportionality test"; allows for consideration of development impact to total facilities system; does not require "precise mathematical calculation"

Legal Background cont.

- ## Texas House Bill 1835
  - – Adopted in September 2005
  - – Amended the *Local Government Code* to codify rough proportionality and establish a determination process:
    - Dedications, fees, or construction costs
    - "[The] developer's portion of the costs may not exceed the amount required for infrastructure improvements that are **roughly proportionate** to the proposed development…"

What is Rough Proportionality?

A. **Legal Principle** ✔

Yes, US Supreme Court decisions, Texas Court of Appeals decision, and Texas State Law.

B. **Fairness Check** ✔

Yes, ensures requirements as a condition of permit are relevant and fair.

C. **Calculation Tool** ✔

Yes, a worksheet to compare value of impact to value of requirements.

D. **City Policy/Rule** ✘

No, the Rough Proportionality determination is a part of our standard permitting practice to check compliance with the law.

Determination

How is Rough Proportionality Determined?

- **Transportation Demand**
  - *Generated by Development*
  - Land Use Type
  - Intensity
  - Peak Hour Trip Rate & Length

- **Transportation Supply**
  - *Required by City/County*
  - Roadway Classification
  - Length
  - Cross-Section
  - Intersection Improvements
  - Right-of-Way

Vehicle Miles Traveled (VMT) ≈ $2,276/VMT ≈ $1.6M/lane mile ≈ Construction Cost

Proportionality Worksheet

Includes the following primary tabs:

- **Proportionality** – the primary calculation worksheet

- **Land Use Chart** – a summary of the land uses for the demand calculations

- **Summary of Roadway Costs** – a summary of the costs and capacities provided by the various roadways

- **Pay Items** – a look up table for construction components costs

- **Detailed Roadway Costs Sheets** – tabs for each street type that calculate per mile construction and soft costs

Proportionality   Land Use Chart   Summary of Roadway Costs   PayItems   ResCol   NeighCol   CommCol

Proportionality Worksheet

- **Development Info**
  Basic description of development

- **Demand Calculation**
  Land use type(s), intensity, trip rates, internal capture rates, trip lengths, etc.

- **Supply Calculation**
  Roadway classification, length, lanes, intersection and other improvements, ROW/easement dedication

- **Determination**
  Comparison of the impact of the demand in dollars to the total value of the transportation supply in dollars

Rough Proportionality &
Development Process | August 2015

Proportionality Worksheet - Demand

DEMAND - Traffic Generated by Proposed Development

Analyze: ☐ AM Peak ☒ PM Peak

Trip Generation Method: ☐ Linear Rates ☒ Regression Equations

Land Use Type[1]:	Development Unit:	Intensity[2]:	Peak Hour Trip Rate[3]:	Peak Hour Trips:	Trip Reduct. Rate[4]:	Adjusted Trip Length[5]: (miles)	Trip Length[6]: (miles)	Demand: (vehicle-miles)	Impact of Development[7]: ($)
General Office Building	1,000 SF GFA	100	1.90	190	10%	1.50	5.38		72
Apartment/Multi-family	Dwelling Unit	200	0.64	128	5%	1.50	5.38		26
Shopping Center	1,000 SF GFA	10	8.45	85	10%	1.50	2.71		11

Total Peak Hour Trips 403

land uses not included with current ITE Trip Generation Manual... unit and/or trip rate. It sh... be used when (a) sufficient data i... to support an...

IMPACT OF D... TEM: 553.1 $1,258,709

Estimated Average Cost Per Vehicle Mile: $ 2,276

1. Select Analysis Peak

2. Select Trip Gen Method

6. See Est. Impact

4. Enter Intensity

5. Add Adjustments

3. Pick Land Use Type(s)

Alt 3.-5. Enter data from TIA

Multiplex Movie Theater
Racquet / Tennis Club
INSTITUTIONAL
Church
Day Care Center
Primary/Middle School (1-8)
High School (9-12)
Jr / Community College

Land Use Chart

Austin / Travis County Proportionality Worksheet - Land Use Chart

Land Use Category	ITE Land Use Code	Development Unit	Trip Gen Rate (AM)	Trip Gen Rate (PM)	Fitted Curve Equation (AM)	Fitted Curve Equation (PM)	Pass-by Rate	AM Peak Hour Trip Rate	PM Peak Hour Trip Rate	Trip Length	Modeled Trip Length Source*	
RESIDENTIAL												
Single-Family Detached Housing	210	Dwelling Unit	0.75	1.00	$T = 0.70(X) +9.74$	$Ln(T) = 0.90\ Ln(X) + .51$		0.75	1.00	10.75	a	Single-family detached homes on indiv
Apartment/Multi-family	220	Dwelling Unit	0.51	0.62	$T = 0.49(X) + 3.73$	$T = 0.55(X) + 17.65$		0.51	0.62	10.75	a	At least 4 rental dwelling units per build
Residential Condominium/Townhome	230	Dwelling Unit	0.44	0.52	$Ln(T) = 0.80\ Ln(X) + 0.26$	$Ln(T) = 0.82\ Ln(X) + .32$		0.44	0.52	10.75	a	Single-family ownership units that have
Mobile Home Park	240	Dwelling Unit	0.44	0.59	$Ln(T) = 0.64Ln(X) + 0.96$	$T = 0.57(X) + 2.06$		0.44	0.59	10.75	a	Typically installed on permanent founda
Senior Adult Housing-Detached	251	Dwelling Unit	0.22	0.27	$T = 0.17(X) + 29.95$	$Ln(T) = 0.75\ Ln(X) +0.35$		0.22	0.27	10.75	a	
Senior Adult Housing-Attached	252	Dwelling Unit	0.20	0.25	$T = 0.20(X) - 0.13$	$T = 0.24(X) + 1.64$		0.20	0.25	10.75	a	
Assisted Living	254	Beds	0.14	0.22	n/a	n/a		0.14	0.22	10.75	a	Residential settings that provide either
LODGING												
Hotel	310	Room	0.53	0.60	n/a	n/a		0.53	0.60	5.41	a	Lodging facilities that typically have on-
Motel / Other Lodging Facilities	320	Room	0.45	0.47	$Ln(T) = 0.92\ Ln(X) - 0.46$	$T = 0.94(X) - 0.51$		0.45	0.47	5.41	a	Lodging facilities that may have small o
RECREATIONAL												
Golf Driving Range	432	Tee	0.40	1.25	n/a	n/a		0.40	1.25	10.70	b	Facilities with driving tees for practice;
Golf Course	430	Acre	0.21	0.30	$Ln\ (T) = 0.63\ Ln(X) +0.40$	$T = 0.13(X) + 31.30$		0.21	0.30	10.70	b	May include municipal courses and priv
Recreational Community Center	495	1,000 SF GFA	2.05	2.74	n/a	n/a		2.05	2.74	10.70	b	Category includes racquet clubs, health
Ice Skating Rink	465	1,000 SF GFA	0.00	2.36	n/a	n/a		0.00	2.36	10.70	b	Rinks for ice skating and related sports
Miniature Golf Course	431	Hole	0.00	0.33	n/a	n/a		0.00	0.33	10.70	b	One or more individual putting courses;
Multiplex Movie Theater	445	Screens	0.00	13.64	n/a	n/a		0.00	13.64	10.70	b	Movie theater with audience seating, m
Racquet / Tennis Club	491	Court	1.31	3.35	$T = 2.01(X) - 7.55$	n/a		1.31	3.35	10.70	b	Indoor or outdoor facilities specifically
INSTITUTIONAL												
Church	560	1,000 SF GFA	0.56	0.55	n/a	$T = 0.34(X) + 5.24$		0.56	0.55	6.30	b	Churches and houses of worship
Day Care Center	565	1,000 SF GFA	12.18	12.34	n/a	n/a	44%	6.82	6.91	3.39	c	Generally includes facilities for care of
Primary/Middle School (1-8)	522	Students	0.54	0.16	n.a	n/a		0.54	0.16	6.30	b	
High School (9-12)	530	Students	0.43	0.13	n/a	n/a		0.43	0.13	6.30	b

Proportionality Worksheet - Supply

Roadway Supply- Off-Site Roads to be Built or Funded by the Applicant:

Roadway Name:	Classification:	Roadway Length: (Feet)	Number of Thru Lanes:	Supply Cost Estimate [9]: ($)	Supply Cost Estimate OR Detailed OPCC [10]: ($)
Some Street	Major Arterial Divided 4-Lane	1,000	2	$682,280	$682,280

1. Describe Roadway

ROADWAY SUPPLY ADDED TO SYSTEM SUBTOTAL: $682,280

Other Improvements - Specific improvements to be Built or Funded by the Applicant:

Location:	Description of Improvement:	Estimated Cost [11]: ($)
Some Street at Another Street	Add signalization	$100,000
Some Street	Add right turn lane	$40,000

3. Enter Estimated Cost

2. Describe Traffic Mitigation Improvements

OTHER IMPROVEMENTS ADDED TO SYSTEM SUBTOTAL: $140,000

Right-of-Way Dedication - ROW to be dedicated by the Applicant:

ROW Dedication:	General Description of ROW Dedication:	Estimated Cost [12]: ($)
Adjoining	Strip 20' x 1000' @ $10/SF	$200,000

5. Enter Estimated Cost

4. Add ROW Description

6. See Est. Supply Contribution

RIGHT-OF-WAY DEDICATION SU... TAL: $200,000

TOTAL VALUE OF SUPPLY ADDED ... SYSTEM: $1,022,280

Summary of Roadway Costs

Austin / Travis County Proportionality Worksheet - Summary of Costs

Classification	Capacity (vphpl)	Number of Lanes	Cost per Mile (for use in Demand Calculations)	% of Roadway Network for Each Facility Type	Cost Per Vehicle Mile (Demand)	Cost Per Foot Per Lane
Residential Collector	425	2	$ 3,380,702		$ 3,977.00	$ 320.14
Neighborhood Collector	475	4	$ 3,864,128		$ 2,034.00	$ 182.96
Commercial Collector	525	4	$ 4,859,306		$ 2,314.00	$ 230.08
Industrial Collector	525	4	$		$ 2,547.00	$ 253.25
Primary Collector Undivided 4-Lane	500	4	$		$ 2,204.00	$ 208.73
Primary Collector Undivided 5-Lane	550	4	$		$ 2,431.00	$ 253.25
Primary Collector Divided 4-Lane	575	4	$		$ 2,514.00	$ 273.74
Primary Collector Divided 6-Lane	600	6	$		$ 2,054.00	$ 233.39
Minor Arterial Divided 4-lane	725	4	$ 6,541,838		$ 256.00	$ 309.74
Minor Arterial Undivided 4-Lane	650	4	$ 5,178,659	10.23%	$ 1,992.00	$ 245.20
Minor Arterial Undivided 5-Lane	625	4	$ 6,073,245	25.05%	$ 2,428.00	$ 287.55
Major Arterial Divided 4-Lane	750	4	$ 7,204,967	25.05%	$ 2,402.00	$ 341.14
Major Arterial Undivided 4-Lane	600	4	$ 5,956,807	4.66%	$ 2,482.00	$ 282.04
Major Arterial Divided 6-Lane	750	6	$ 9,633,313	33.61%	$ 2,141.00	$ 304.08
Major Arterial Divided 8-Lane	825	8	$ 11,715,845	1.19%	$ 1,775.00	$ 277.36
Average Cost per Vehicle Mile for Arterial Facilities (for use in impact of demand calculations)					$ 2,275.57	

MAD 4 @ $341.14/LF/Lane

Proportionality Worksheet - Determination

SUPPLY / DEMAND COMPARISON:

A comparison of the capacity provided by a development against the traffic impacts of the proposed development.

	Cost	Comparison
TOTAL IMPACT OF DEMAND PLACED ON THOROUGHFARE SYSTEM:	$1,258,709	DEMAND > SUPPLY
TOTAL VALUE OF CAPACITY (SUPPLY) ADDED TO THOROUGHFARE SYSTEM:	$1,022,280	123%

Based on the results of this rough proportionality analysis, the anticipated impact of demand on the system exceeds the value of capacity (supply) provided by the proposed development. Given these assumptions, the anticipated impact of demand of the development exceeds the value of capacity supplied by approximately 123%. Therefore, the roadway improvements required by the City are justified (i.e. the applicant is adding less capacity than needed to support their development).

Based on the results of this rough proportionality analysis, the anticipated impact of demand on the system exceeds the value of capacity (supply) provided by the proposed development. Given these assumptions, the anticipated impact of demand of the development exceeds the value of capacity supplied by approximately 123%. Therefore, the roadway improvements required by the City are justified (i.e. the applicant is adding less capacity than needed to support their development).

Use of Rough Proportionality

- **Sets a Limit/Checks Requirements**
- **Self 'Determination'**
- **Preliminary and Final Determinations**
- **Credits**

Other Changes to the Development Process

Part of Rough Proportionality Implementation:

- No Determination of 'Pro Rata' Share Required for TIAs—RP Worksheet Determines Applicant's Proportionate Share

- Traffic Mitigation Requirements Id'd by City Staff

- Expanded Use of Transportation Fiscal

Impact Fee Basics

- Governed by Chapter 395 of the Local Government Code (1987)

- Legal test of 'Rough Proportionality' applies, but procedures for making determinations allow for:
  - Recovery of infrastructure costs for *future* development
  - Capacity-related costs (i.e. no public art, streetscape elements, decorative illuminations, etc.)
  - Water, Wastewater, Roadway, and Drainage impact fees
  - 6-mile service area for Transportation

Next Steps

- **Information Sessions at OTC**
  - Wednesday 8/19 11:30a– 1p
  - Monday 8/31 11:30a – 1p
- **Publish FAQs**
- **Development Services Department Traffic Engineer for Rough Proportionality Determinations Starts in August**
- **Full Implementation of Rough Proportionality and Other Changes to the Development Process**
- **Code Amendment(s) to Clarify Traffic Impact Mitigation Policy**
- **Transportation Impact Fee?**

Questions & Answers

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