

Value Capture Developer Contributions Techniques and Case Studies

Audio:

- Via Computer – No action needed
- Via Telephone – Mute computer speakers, call (800) 683-4564, passcode 502949

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Audience Q&A – addressed after each presentation, please type your questions into the chat area on the left side of the screen

Closed captioning is available at: <https://www.captionedtext.com/client/event.aspx?EventID=3996213&CustomerID=321>

Upcoming webinars:

- Visit https://www.fhwa.dot.gov/ipd/value_capture/capacity_building/webinar_series/

Recordings and Materials from Webinars:

- <https://www.fhwa.dot.gov/ipd/>





Upcoming Webinars

WEBINAR TOPIC & REGISTRATION LINK	DATE	TIME
<i>Understand Value Capture Tools and Federal Resources</i> https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2027	June 20, 2019	1:00 pm–2:30 pm ET
Value Capture: Developer Contributions Techniques and Case Studies https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2036	June 27, 2019	1:00 pm–2:30 pm ET
Value Capture: Capital Improvement Plan https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2037	July 18, 2019	1:00 pm–2:30 pm ET
Value Capture: Special Assessment Techniques and Case Studies https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2038	July 24, 2019	1:00 pm–2:30 pm ET
Value Capture: Incremental Growth Techniques and Case Studies https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2039	Aug. 22, 2019	1:00 pm–2:30 pm ET
Value Capture: Joint Development, Use ROW Agreement, and Case Studies https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2040	Sept. 19, 2019	1:00 pm–2:30 pm ET
Value Capture: Capture Value from Existing Assets to Fund Previously Unfunded Infrastructure Projects and Case Studies https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2041	Oct. 24, 2019	1:00 pm–2:30 pm ET
Value Capture: Advertising, Naming Rights, and Case Studies https://collaboration.fhwa.dot.gov/dot/fhwa/WC/SitePages/Register.aspx?WCID=2042	Nov. 21, 2019	1:00 pm–2:30 pm ET



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Value Capture: Developer Contributions

CAI Home

Every Day Counts

STIC Network

AID Demonstration

Resources



“The EDC-5 innovations support FHWA’s goals of enhancing safety, improving infrastructure, deploying innovation and serving America efficiently and effectively. We look forward to building on the success of past EDC cycles to expand adoption of proven innovations that save lives, money and time.”

*- Acting Federal Highway Administrator
Brandye Hendrickson*



Learn more about Every Day Counts >>

<https://www.fhwa.dot.gov/innovation/everydaycounts/>
https://www.fhwa.dot.gov/ipd/value_capture/

VALUE CAPTURE TECHNIQUES SUMMARY



DEVELOPER CONTRIBUTIONS

One-time charges collected by local governments from developers to offset the cost of infrastructure and services necessitated by new development.



SPECIAL ASSESSMENTS

An additional fee or tax assessed on businesses or residents in specified geographic areas benefitting proximity to a highway or other transportation facility or corridor.



FEES

Similar to a utility fee, transportation fees are assessed based on how individual businesses and households use transportation facilities.



INCREMENTAL GROWTH

A mechanism allocating back to infrastructure from some specified portion of increased property tax revenues fostered by new infrastructure—often for a specified period of time.



JOINT DEVELOPMENT

Sale or lease of land or air rights on or adjacent to transportation facilities. This can include donations of land or other in-kind resources from the private sector in ongoing commercial operations.



CONCESSIONS








Sale or lease of government-owned assets—such as toll roads or bridges—to private-sector investors/operators.



ADVERTISING AND NAMING RIGHTS

Sale of advertising space or naming rights on a transportation facility. Note: Commercial uses within Interstate Highway System right of way, including rest areas, is prohibited by law; however, they may be allowed on toll facilities and in transit stations.

Value Capture Techniques

Category	Technique	Purpose	Fund or Finance
	Impact fees	Capital Expenses	Fund
	Negotiated Exactions	Capital Expenses	Fund
	Special Assessment Districts	Capital Expenses	Fund or Finance
	Business Improvement Districts	Capital or Maintenance	Fund or Finance
	Sales Tax Districts	Capital or Maintenance	Fund or Finance
	Land Value Taxes	Capital or Maintenance	Fund or Finance
	Transportation Utility Fees	Operations and Maintenance	Fund
	Tax Incremental Finance	Capital Expenses	Fund or Finance
	Transportation Reinvestment Zones		Fund or Finance
	Tax Allocation District		Fund or Finance
	At Grade	Capital Expenses	Fund or Finance
	Below Grade	Capital Expenses	Fund or Finance
	Above Grade (Air Rights)	Capital Expenses	Fund or Finance
	Asset Recycling	Capital Expenses	Fund or Finance
	Advertising	Capital or Maintenance	Fund
	Naming Rights	Capital or Maintenance	Fund

Introduction to Developer Contributions

- Developer Contribution Overview
- Development Exactions & Impact Fees Overview
- Key Distinction: Fee vs. Tax
- Why is the need for Developer Contributions
- Legal Environment
- Establish Transportation Impact Fees
- Accounting & Administration
- Q&A

Developer Contributions

- Form of fees or payments or the provision of the improvements
- Require “nexus” or a reasonable relationship established between the development & payment
- May be negotiated or voluntary basis
- Types of Developer Contributions
 - Negotiated Exactions
 - Development Impact Fees

Negotiated Exactions (Agreements)

- A requirement imposed on an ad hoc basis during the processing of a discretionary land use application as a condition of approval of the application
- Can take many forms including:
 - ✓ A conveyance or dedication of property for public purpose
 - ✓ A requirement to construct public improvements such as a new traffic signal, or
 - ✓ A requirement to pay money to finance acquisition or construction of public facilities
- No voting requirements

Impact Fee By Any Other Name

- Impact Fees
- Development Impact Fees
- System Development Fees
- System Development Charges
- Traffic Impact Fees
- Transportation Impact Fees
- Road Impact Fees
- Capital Facility Charges
- Mobility Fees



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Impact Fees Overview

Impact Fees

- One time upfront fee to fund capital improvements necessitated by new commercial and residential development
- No voting requirements
- Meet the “Rational Nexus”



New Development



**Impact Fees
(costs sharing)**



**Road Capacity
Improvements**



Complete Streets

Fee vs. Tax

▪ Taxes

- ✓ Primarily revenue-raising
- ✓ Authority must be express
- ✓ Proportionality not required

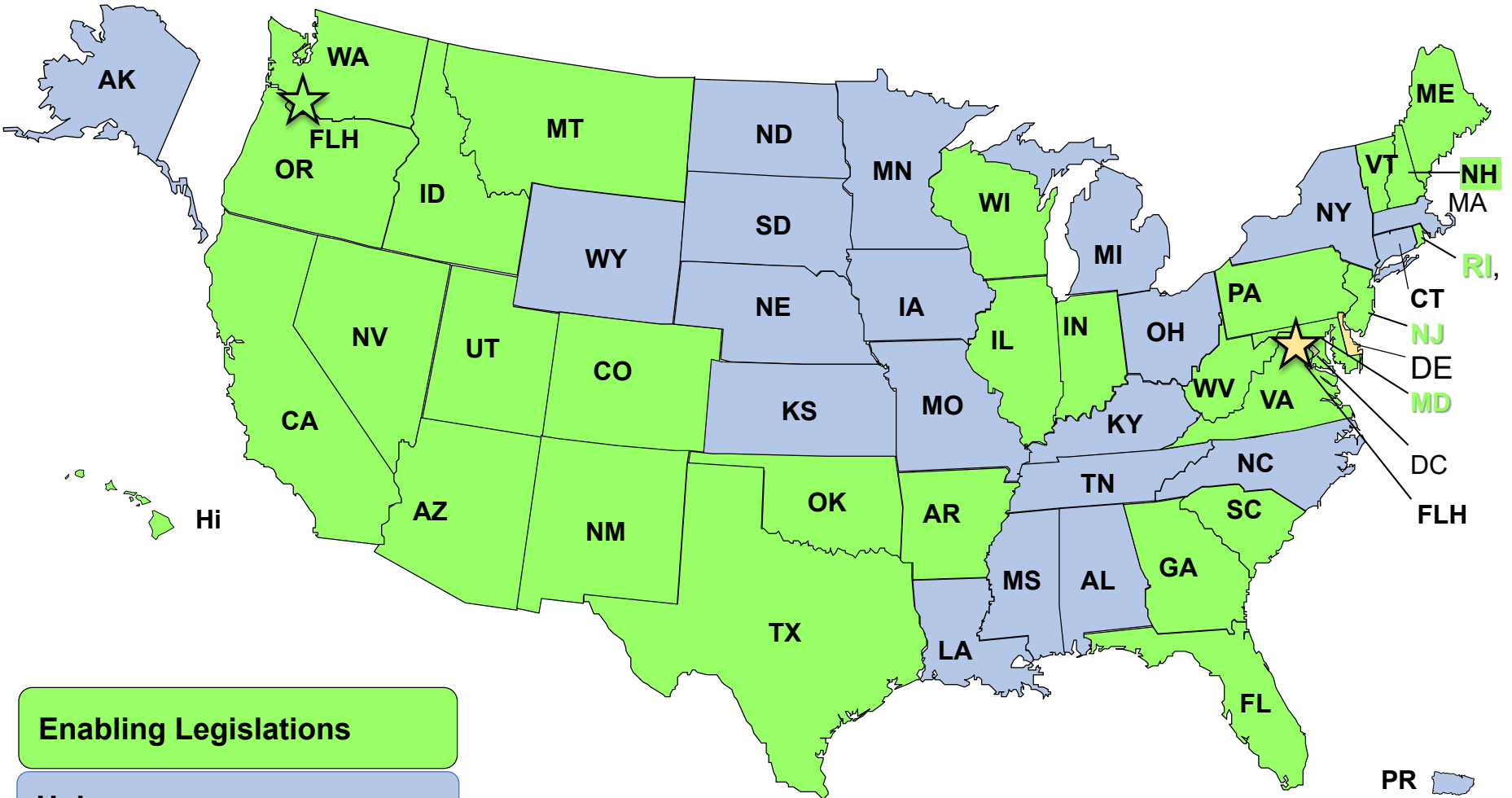
▪ Impact Fees

- ✓ Land use regulations that mitigate off-site impacts
– POLICE POWER
- ✓ Authority *may* be implied
- ✓ “Reasonableness” required
- ✓ Strict accounting procedures

Benefits of Impact Fees

- Ensure new development is paying its own way (growth paying for growth).
- Alleviates burden of new facilities on existing tax base
- Beneficial to smaller or rapidly growing communities to finance the infrastructure needed to support additional population, employment, and development in a community
- Help to manage growth in developing communities as well as in older revitalizing communities
- Consistent and known to developers

State Impact Fee Enabling Acts



Enabling Legislations

Unknown



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Why is the Need for Impact Fees

Infrastructure Conditions

2017 Infrastructure Grades

 AVIATION	D	 PARKS AND RECREATION	↓ D+
 BRIDGES	C+	 PORTS	↑ C+
 DAMS	D	 RAIL	↑ B
 DRINKING WATER	D	 ROADS	D
 ENERGY	D+	 SCHOOLS	↑ D+
 HAZARDOUS WASTE	↑ D+	 SOLID WASTE	↓ C+
 INLAND WATERWAYS	↑ D	 TRANSIT	↓ D-
 LEVEES	↑ D	 WASTEWATER	↑ D+

America's
Cumulative
Infrastructure
Grade



A	EXCEPTIONAL
B	GOOD
C	MEDIOCRE
D	POOR
F	FAILING

Funding shortages

- U.S. infrastructure assets
 - End of useful lifecycle
 - Deferred maintenance
 - Maintenance backlog
- A decrease in Federal & State funding for infrastructure improvements:
 - Outside funds are getting tougher to obtain
 - Resistance of the public to increased taxes.
- Complete street initiative to improve safety
- “Smart” Infrastructure Investment needs



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Legal Framework

Requirement: Dual Rational Nexus

Need—new development creates need and the fee is ***proportional*** to the amount of capacity used by the new development.

AND

Benefit—new development subject to the fee will benefit from the improvements resulting from the impact fee.

Impact Fee Act/legislation

- Local governments authorized to impose impact fees
- Must meet “Nexus” Test
- Define eligible facilities
- Define level of service
- Eligible expenditures (must be used for expenditures by the local government for capital improvements)
- Fee must be set to match the reasonable impact of new development on existing capital facilities
 - Must be no greater than necessary to defray impacts
 - May not be used to remedy existing deficiencies

Impact Fee Act/legislation (Cont.)

- Collection and refunding
 - Fees must be held in separate accounts and must be used only for the purposes for which they were collected
 - Monies must be spent within defined years of scheduled date for construction in the CIP
- Crediting/Exemptions
 - Provide credit to avoid double charge to developer
- Timing of phase in and Updates
 - Comprehensive review and update every 3-5 years
- Annual reports

Eligible Costs

- Facilities/Improvements required to serve new development **(Yes)**
- Repairs and maintenance **(No)**
- Operating Costs **(No)**
- Excess capacity in existing facilities **(Yes)**
- Improvements required to correct existing deficiencies **(No)**



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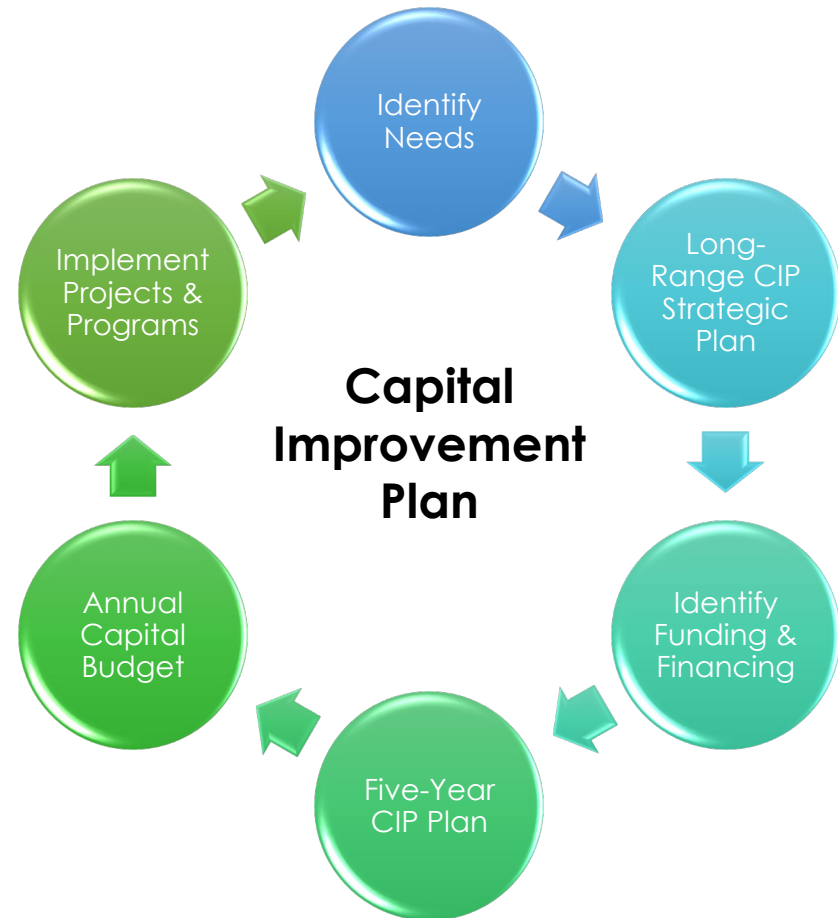
Establish Transportation Impact Fees

Information Needed to Calculate Impact Fees

- General plans or comprehensive plans, including updates
- Zoning maps
- Master plan
- Master facilities plans
- Capital improvement Plans

Capital Improvement Plans (CIPs)

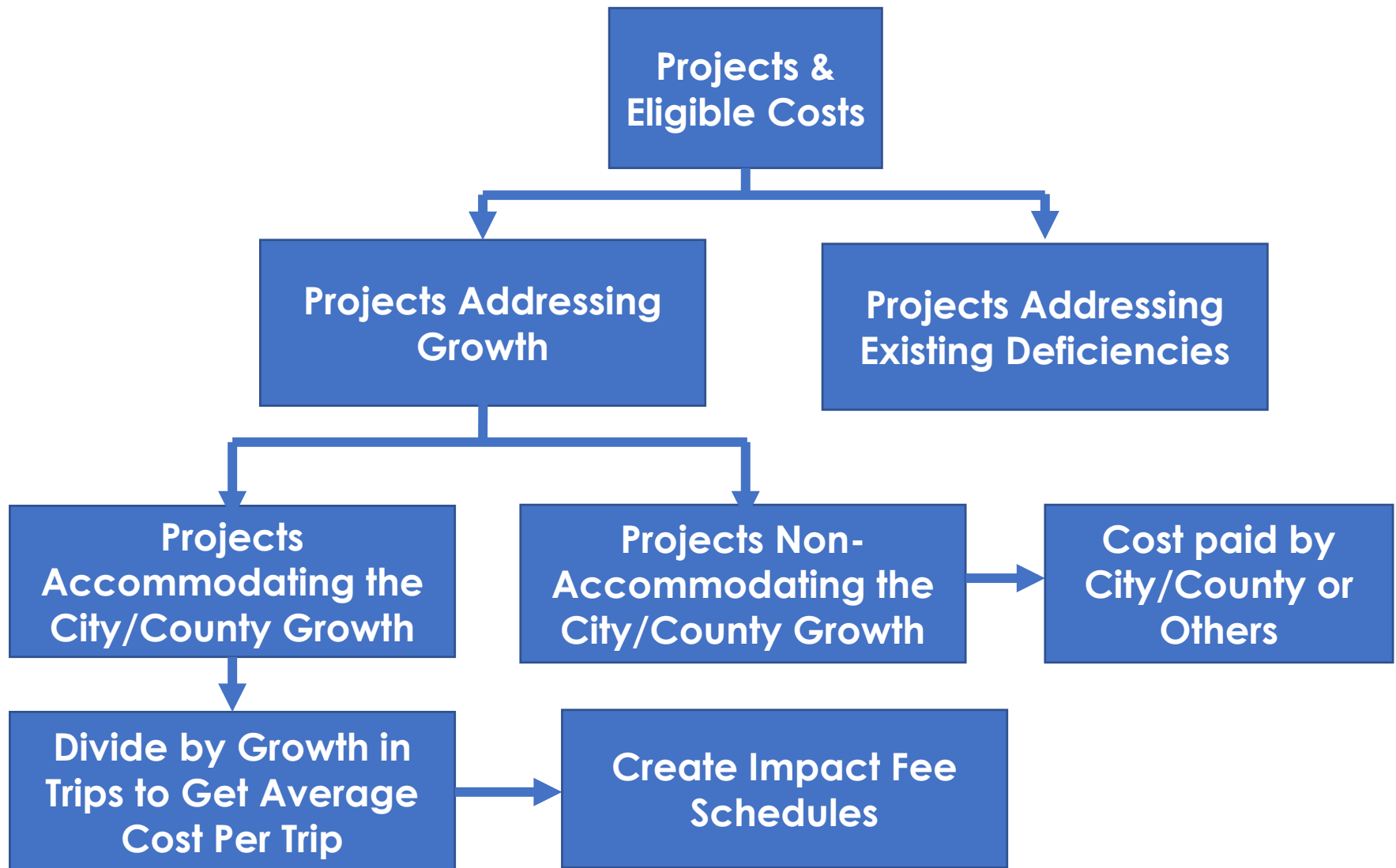
- 10-year Impact fee CIP
 - ✓ Completed
 - ✓ Underway
 - ✓ Future Projects



Funding/Revenue Sources

- General Fund
- Special Revenue Funds: gas tax, vehicle registration fees, etc.
- Impact Fees, i.e. road/street impact fees, park fees
- Grants: Federal, State, Regional, others
- Special Assessment District
- Others

Maximum Impact Fees Calculation



Evaluate Need for Credits

- Site specific
 - ✓ Developer constructs a capital facility included in fee calculations
- Debt service
 - ✓ Avoid double payment due to existing or future bonds
- Dedicated revenues
 - ✓ Local option sales tax, gas tax
 - ✓ State and Federal Grants for Capacity
- Some grey areas:
 - ✓ Dedicated sources that can be used for either rehabilitation or capacity expansion
 - ✓ Non-dedicated funding historically used for capacity improvements

Model Development Impact Fee Ordinance

- A development impact fee ordinance enacts the rules and requirements formally adopted by local government for establishing and updating the development impact fee system
- Highlights:
 - ✓ Supporting Documentation
 - ✓ Jurisdiction (Service Zones)
 - ✓ Application & Exemptions
 - ✓ Determination of Fees
 - ✓ Credits & Reimbursements
 - ✓ Appeal Process
 - ✓ Refunds

Summary of Impact Fee General Process

1. Establish transportation/roadway impact fee service area & 10-year (or 25-year) new growth projection
2. Establish Service Unit for impact fee calculations
3. Roadway capacity plan, evaluate the existing roadway network capacity
4. Develop fee structure & evaluate need for credits
5. Develop policy & ordinance
6. Public participation (Liaison committee)
7. Decisions by elected officials(Percentage of maximum supportable fee)
8. Adopt Transportation Impact Fee Ordinance



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Accounting & Administration of Transportation Impact Fees

Accounting of Impact Fees

- Impact fees generally must be paid before construction begins (prior to issuance of building permit)
- Money earmarked and retained in special interest-bearing accounts
- Subject to the GASB Statement 33, Accounting and Financial Reporting for Nonexchange Transactions
- Deadline for Expending Impact Fees (vary from 5-10 years)
- Refund the impact fees, plus earned interest, to the developer if fund not spend within the deadline

Accounting of Impact Fees

- Expenditure should be made only for the category of system improvements within the service area for which the development impact fee was assessed and collected
- May retain a portion of the Impact Fees to pay the County's costs of collection and administration relating to the Impact Fees
- Must be periodically evaluated and updated to reflect recent data and cost factors
- Provide an annual financial report reflecting the collection and expenditures of the transportation Impact Fees during the previous year
- Comprehensive review & update every 5 years

Issues/Challenges

- General opposition to fee increases
- Revenues are economically driven
 - Does not provide for a stable stream of revenue
- Fee schedule is proportional to the development's impact
 - Require Impact Fees Study
- Educate users regarding the costs and benefits
 - Every jurisdiction is different
- Securing political support

Myths about Impact Fees

- Add to the cost of housing
 - The market sets the price
- Make the city less competitive
 - Better infrastructure tends to attract development
- Unfair and difficult to navigate
 - Impact fees level the playing field (new growth pays its equitable share)
 - Meet the Rational Nexus Test: Need, Benefit, & Fair Share (proportionality)
- Abuse System
 - State Legislation & Ordinance clearly define exemption, efficient process, and accountability

Select Project Examples

- San Joaquin Hills Transportation Corridors
- I-5 Fern Valley Interchange, Phoenix, Oregon
- Osceola County Roadway and Bridge Bundling Program
- Poplar Road Safety Improvements (phase I), Stafford County, Virginia
- SR-163/Friars Rd Off-Ramp in San Diego



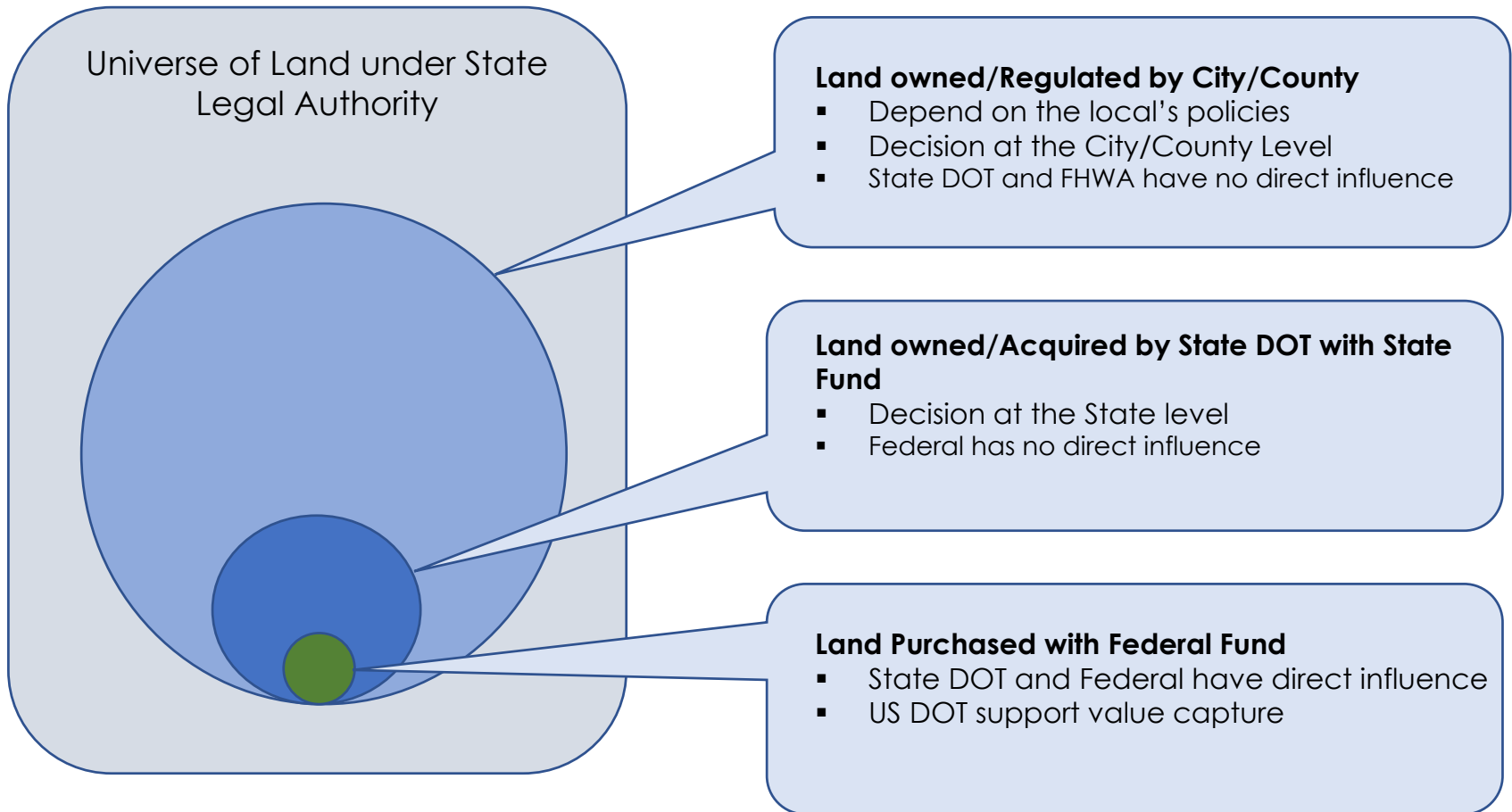
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Federal Roles

Federal's Role in Value Capture Strategies



Value Capture Implementation Team

Co-Leads

- Thay Bishop, FHWA Office of Innovative Program Delivery
- Stefan Natzke, FHWA Office of Planning, Environment, and Realty

Members

- Jennifer Ahlin, Virginia Department of Transportation
- Janine Ashe, FHWA District of Columbia Division
- David Cohen, FHWA Office of Project Development & Env. Review
- John Duel, FHWA Office of Planning, Environment, and Realty
- Kathleen Hulbert, FHWA Infrastructure Office
- Chip Millard, FHWA Freight Management & Operation
- Diane Mobley, FHWA Chief Counsel Office
- Kevin Moody, FHWA Resource Center
- Ben Orsbon, South Dakota Department of Transportation
- Jill Stark, FHWA Office of Planning, Environment, and Realty
- Lindsey Svendsen, FHWA Office of Planning, Environment, and Realty
- Jim Thorne, FHWA Office of Planning, Environment, and Realty
- Bingxin Yu, FHWA Transportation Policy Studies

VCIT Focus Areas

- **Communication** – Developing the tools to help FHWA staff and others promote Value Capture to local public agencies (Value Capture Implementation Manual)
- **Technical Assistance** – Providing technical assistance to agencies interested in pursuing Value Capture (Peer Program)
- **Clearing House ([website](#))** – Identification of best practices and lessons learned and promoting further discussion on innovative funding options for local public agencies, lessons learned from past and current efforts, etc.

Clearinghouse for best practices/lessons learned

- EDC-5 Value Capture Sessions:
https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/edc-5_resources.aspx.
- Project Profiles:
https://www.fhwa.dot.gov/ipd/value_capture/project_profiles/
- Factsheets:
https://www.fhwa.dot.gov/ipd/fact_sheets/
- Value Capture Resources:
https://www.fhwa.dot.gov/ipd/value_capture/resources/value_capture_resources/default.aspx

EDC-5 Funding Opportunities

State Transportation Innovation Council (STIC)
Incentive

- Up to \$100,000 per STIC per year to standardize an innovation

<https://www.fhwa.dot.gov/innovation/stic/>

Accelerated Innovation Deployment (AID)
Demonstration

- Up to \$1 million available per year to deploy an innovation not routinely used

<https://www.fhwa.dot.gov/innovation/grants>



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Street Impact Fees

**EQUITABLE.
PREDICTABLE.
TRANSPARENT.**



Value Capture Webinar | June 27, 2019
Austin Transportation Department

Overview

- Impact Fees in Texas
- Why Street Impact Fees?
- Study Overview
 - Service Areas and Land Use Assumptions
 - Roadway Capacity Plan
 - Fee Calculation
 - Policy Development
- Next Steps
- Questions

Texas Local Government Code Chapter 395

- "Impact fee" means a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions **necessitated by and attributable to the new development.**
- Water, Wastewater, Stormwater, Roadways

Project Purpose: *Why Street Impact Fees?*

- Council direction to conduct impact fee study
- Determining a method for growth to pay for growth that is:
 - **Equitable**
 - **Predictable**
 - **Transparent**
- Ultimate purpose is to develop a fair and reasonable fee that development should pay for auto capacity improvements

What do Impact Fees do?

- Impact Fees encourage a system that:
 - **Funds transportation improvements:** Continues to fund transportation improvements through the development process
 - **Is fair among future developments:** Fee is consistent and independent of when developers build (first or last)
 - **Encourages building infrastructure:** Allows flexibility to require infrastructure to be built up front
 - **Is equitable in that all new development can contribute:** All developments can contribute relative to their impact regardless of meeting a TIA threshold

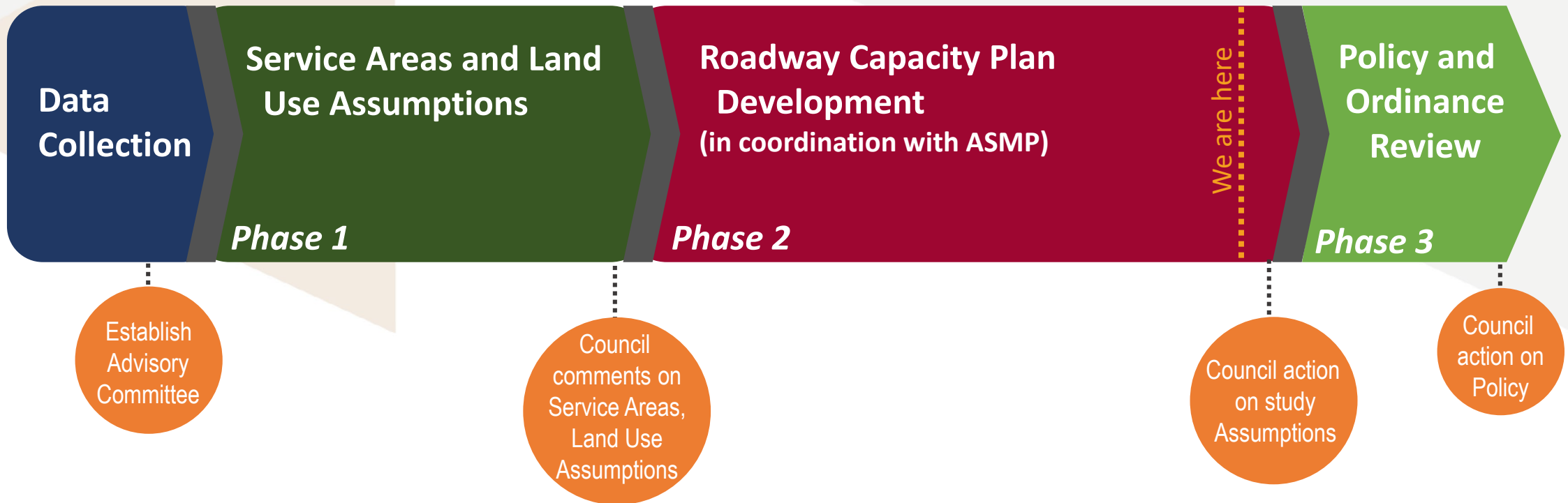
What are Street Impact Fees?

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

How do we calculate the “cost of growth for street infrastructure”?

- Project new growth for the next 10 years
 - Establish **Service Areas** within which a maximum impact fee is determined
 - Develop **Land Use Assumptions** and corresponding growth within each Service Area
- Project corresponding roadway capacity needs (**Roadway Capacity Plan**) to accommodate that growth within each Service Area

Street Impact Fee Study



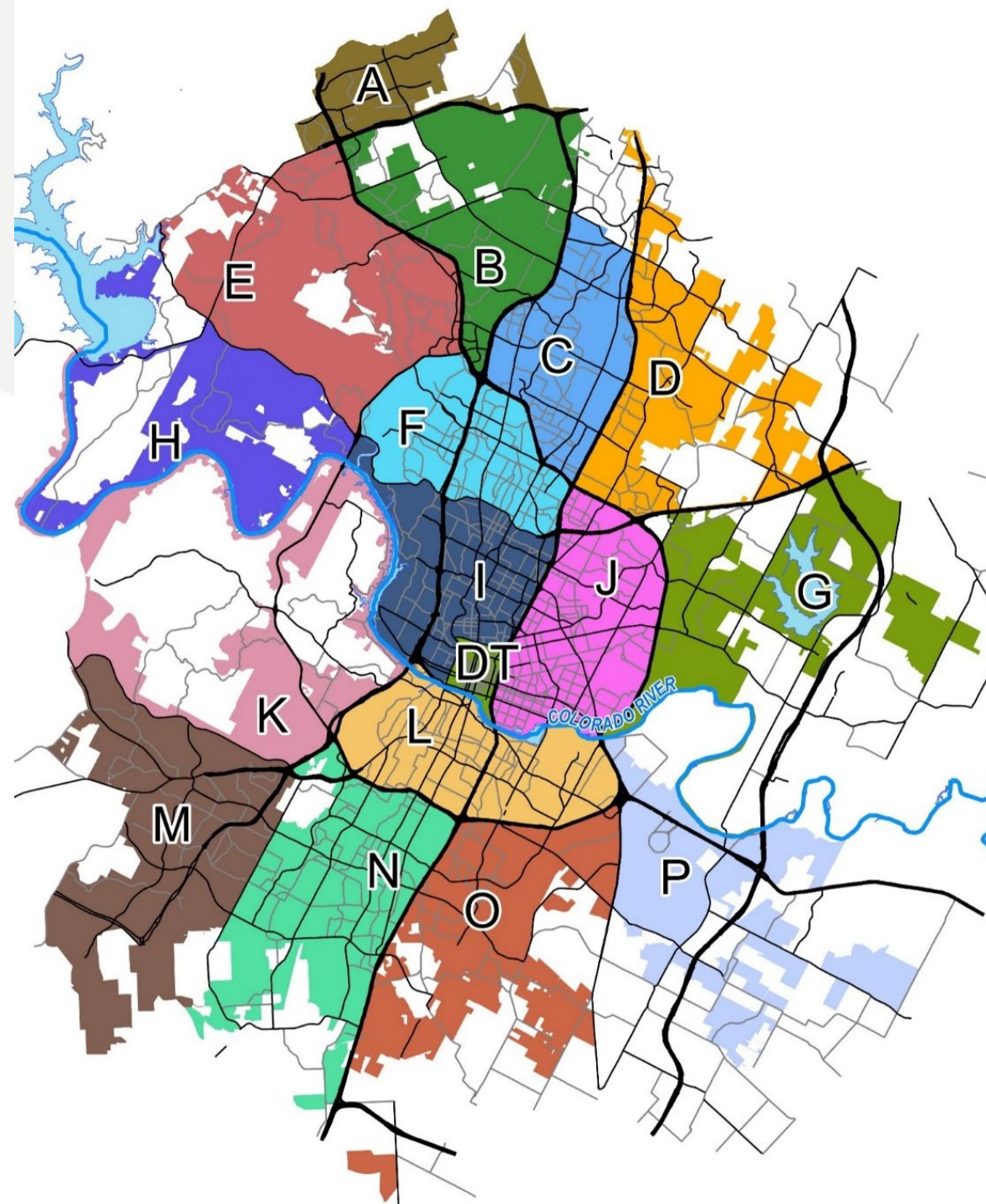
Service Areas and Land Use Assumptions

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 (Service Area: **~6 miles**)
 - Limited to Corporate Limits for roadways; cannot include ETJ

Service Areas

- Geography & Transportation Characteristics
 - Colorado River
 - Hill Country
 - Downtown
 - Loop Theme
 - Highway Boundaries



Land Use Assumptions

- Population and Employment projections
- Establishes demands for infrastructure
- Reference master plans, demographics, growth rates
- Consistent with Water/Wastewater Impact Fee Study

Land Use Assumptions

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	72,071,000	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	33,654	91,283	124,937	12,486,000	33,844,000	29,823,000	76,153,000

Texas Law: 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
- Roadway utilizes **vehicle-miles**: one vehicle to travel one mile

Service Units



Trips

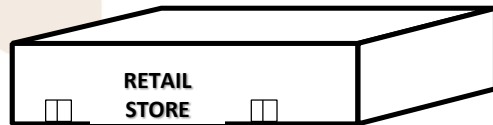
1.00 Vehicles (PM Peak)
(ITE Trip Generation)

x Trip Length

5.38 Miles*

Vehicle-Miles

5.38 Vehicle-Miles



Trips

3.71 Vehicles (PM Peak)
(ITE Trip Generation)

**Reduction for
Pass-by Trips**

-34% *(ITE Trip Generation Handbook)*

2.45 Vehicles (PM Peak)

x Trip Length

2.70 Miles*

Vehicle-Miles

6.61 Vehicle-Miles

Roadway Capacity Plan

Texas Law: CIP Definition

- Roadway (Street) facilities 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**. The term includes the political subdivision share of cost for roadways and associated improvements designated on the federal or Texas highway system, including local matching funds and costs related to utility line relocation and establishments of curbs, gutters, sidewalks, drainage appurtenances, and rights-of-way.

Connection to Austin Strategic Mobility Plan

Council Action – April 11, 2019

- Adopted by City Council, amending Imagine Austin
- A coordinated transportation strategy for all modes that supports the growth concept of Imagine Austin



+ An Updated, Multimodal Street Network Table

SIF Roadway Capacity Plan

What can Street Impact Fees pay for?

Components that *can* be paid for

Capacity Related Projects:

- ✓ Construction cost of capital improvements in the Roadway Capacity Plan
 - Roadways – additional lanes, bridges, sidewalks and other “appurtenances” of roadways
 - 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

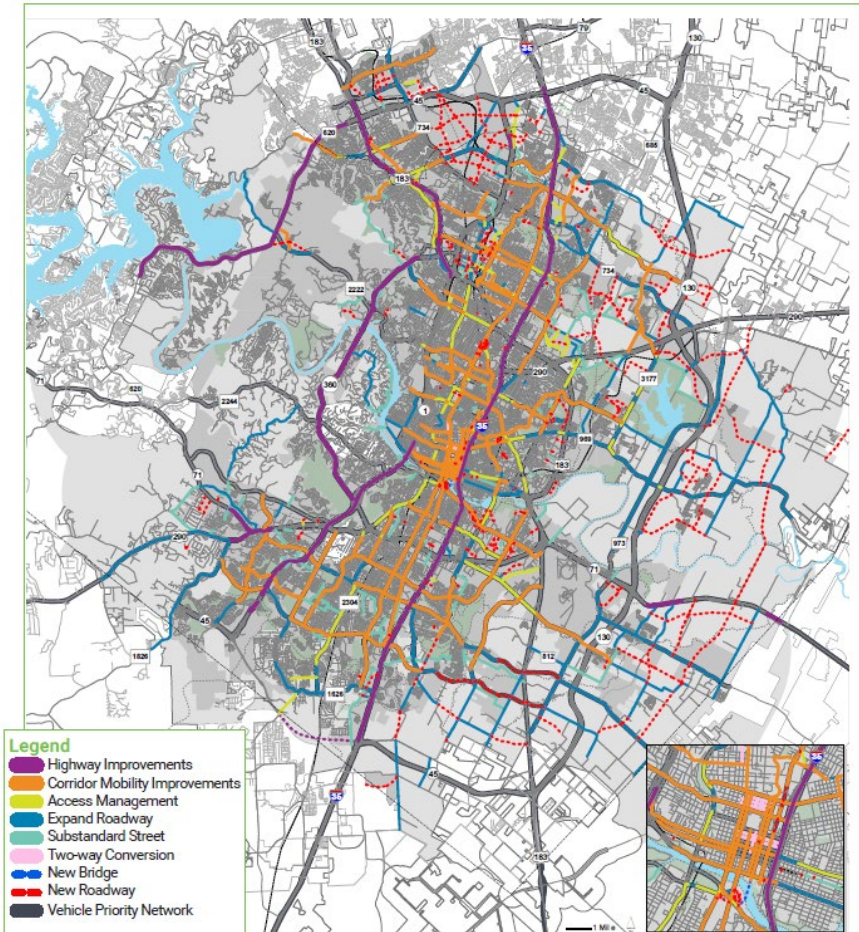
Non Capacity Related Projects:

- 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

Roadway Capacity Plan

Developed with the Austin Strategic Mobility Plan

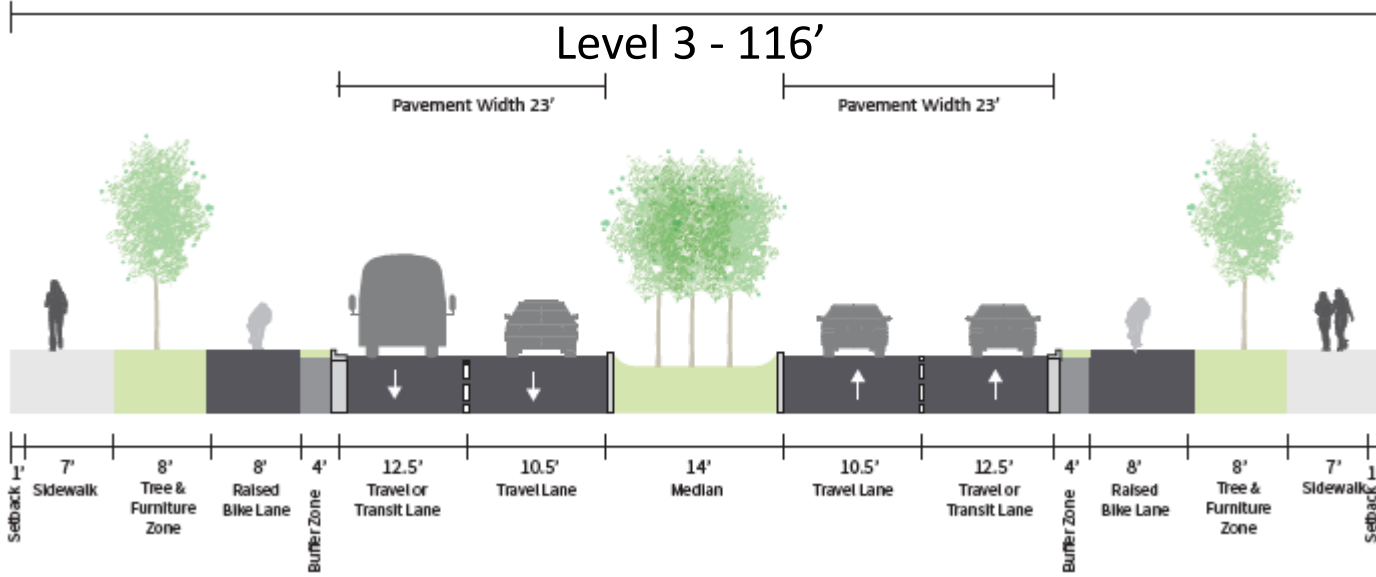
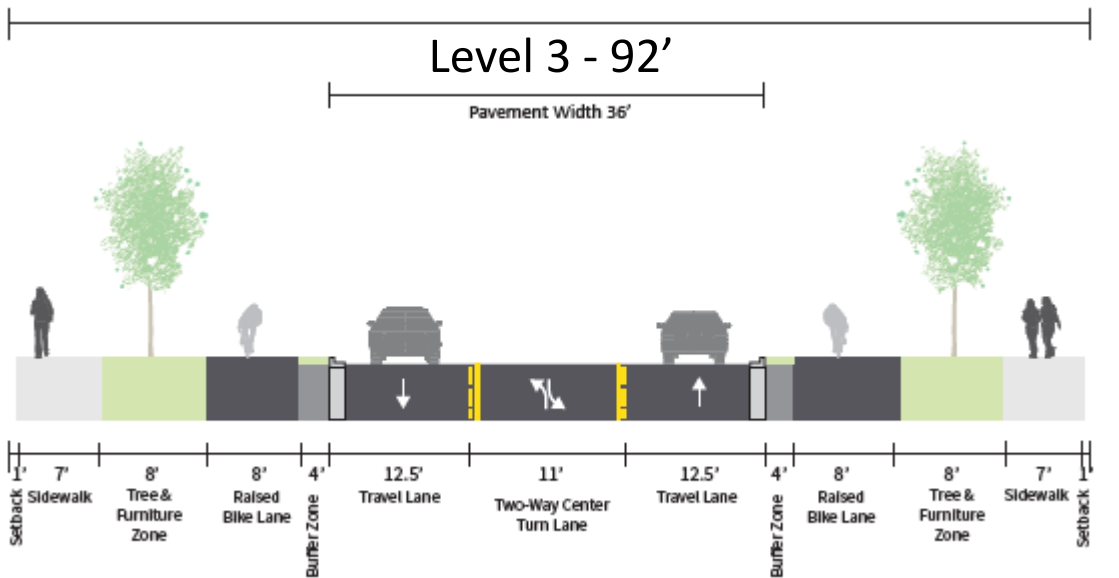
Roadway Capacity Projects Map



- **Street segment projects**
 - New roads
 - Expand Roadway & Substandard Street (Widening)
 - Access Management
- **Intersection projects**
 - Signals
 - Turn lanes
 - Special intersections
- **Bond Projects**
 - Capacity-related

Street designs based on:

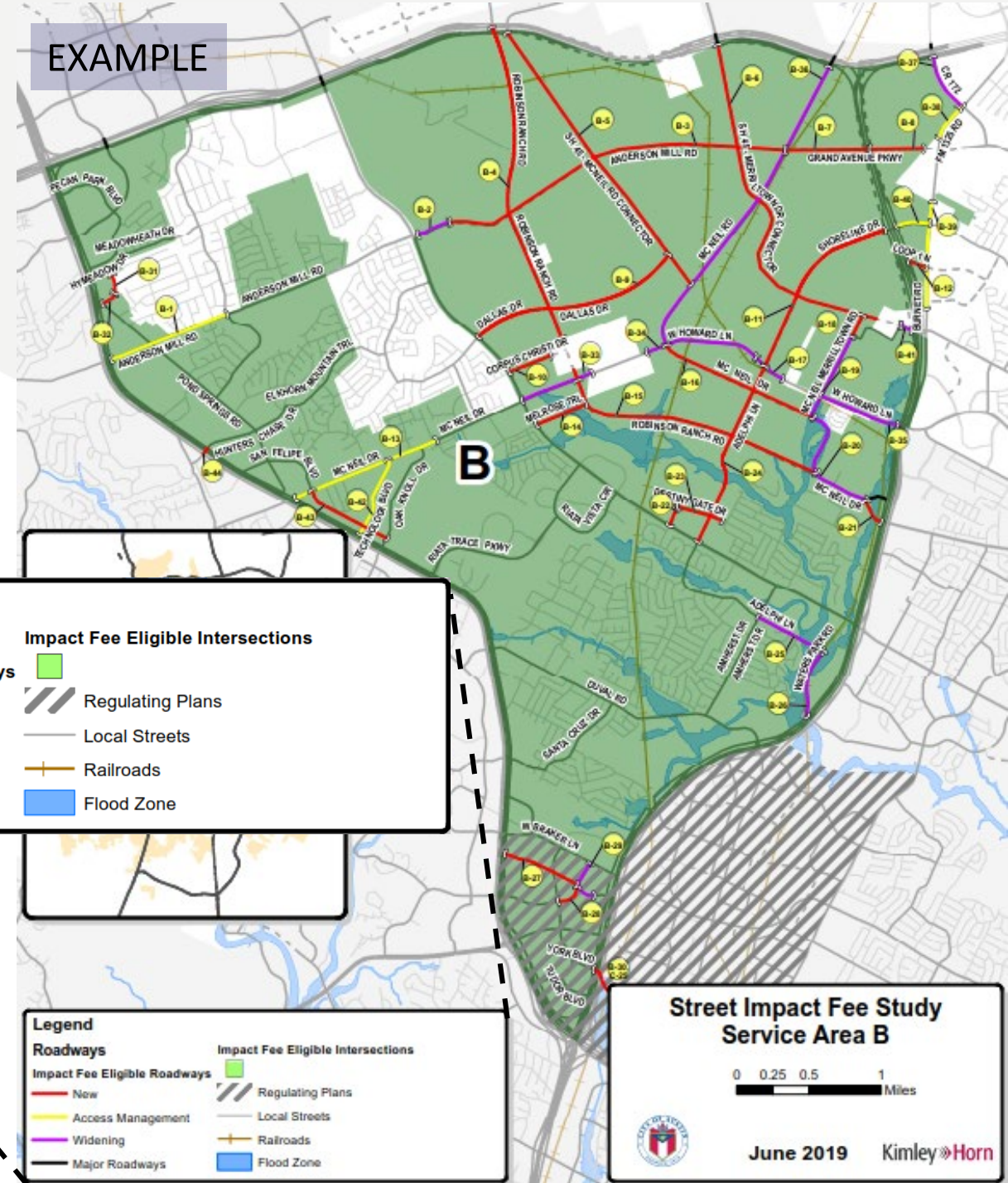
- Street Network Table → Right of Way
- Transportation Criteria Manual → Cross-sections



Projects: Segments

- Reviewed existing project needs
- Identified incomplete roads
 - No curbs, sidewalks
- Determined the type of project (e.g. widening, access management)
- Checked feasibility (ROW, etc.)
- Coordinated with Mobility Plan

EXAMPLE



Legend

Roadways	Impact Fee Eligible Intersections
Impact Fee Eligible Roadways	Impact Fee Eligible Intersections
New	Regulating Plans
Access Management	Local Streets
Widening	Railroads
Major Roadways	Flood Zone

Legend

Roadways	Impact Fee Eligible Intersections
Impact Fee Eligible Roadways	Impact Fee Eligible Intersections
New	Regulating Plans
Access Management	Local Streets
Widening	Railroads
Major Roadways	Flood Zone

**Street Impact Fee Study
Service Area B**

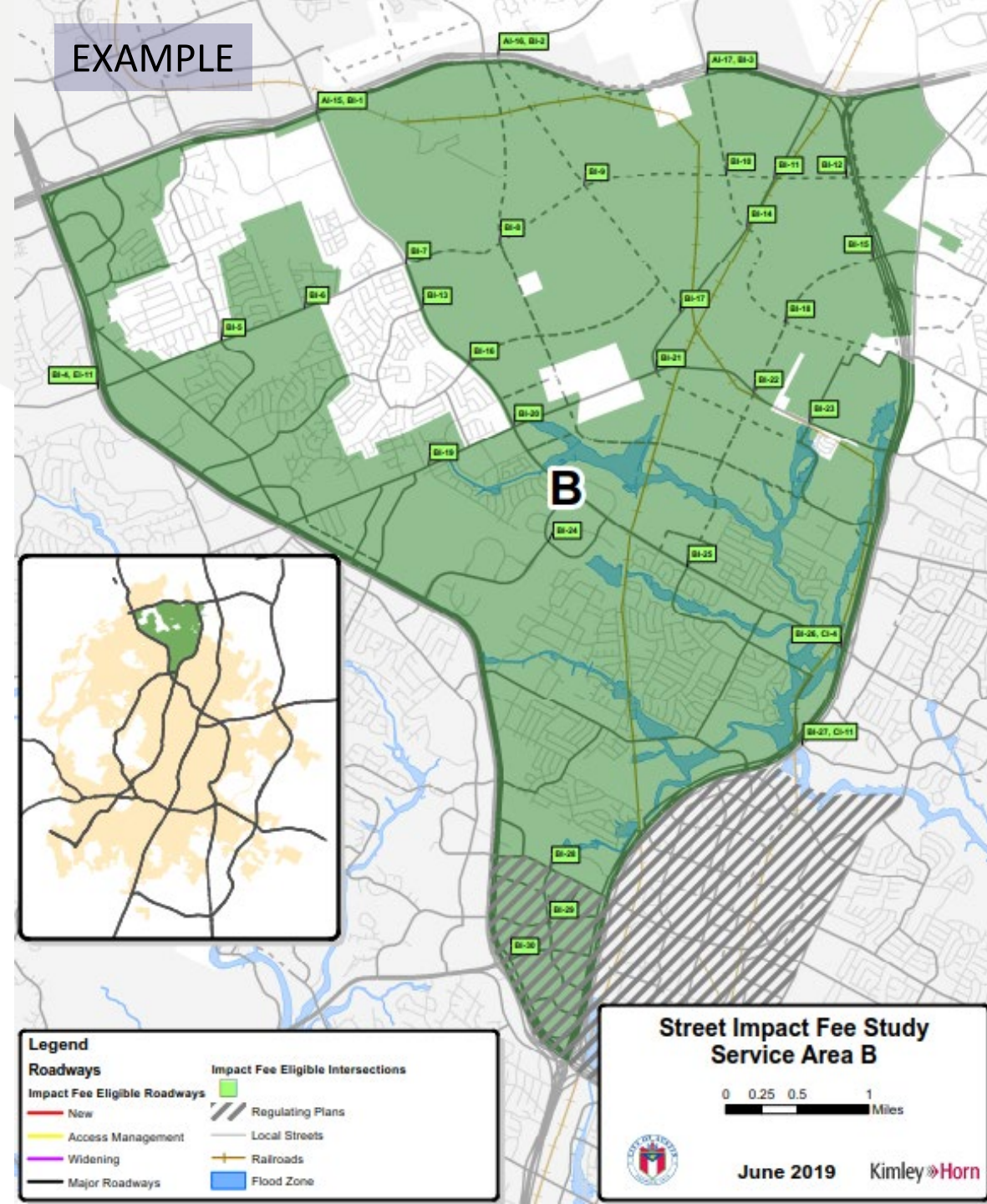
0 0.25 0.5 1 Miles

June 2019 Kimley Horn

Projects: *Intersections*

- Reviewed existing requests
- Considered all-way stop controlled intersections
- Considered additional turn lane capacity needs
- Identified eligible bond projects
- Preliminary feasibility check

EXAMPLE



SIF Study Assumptions Report

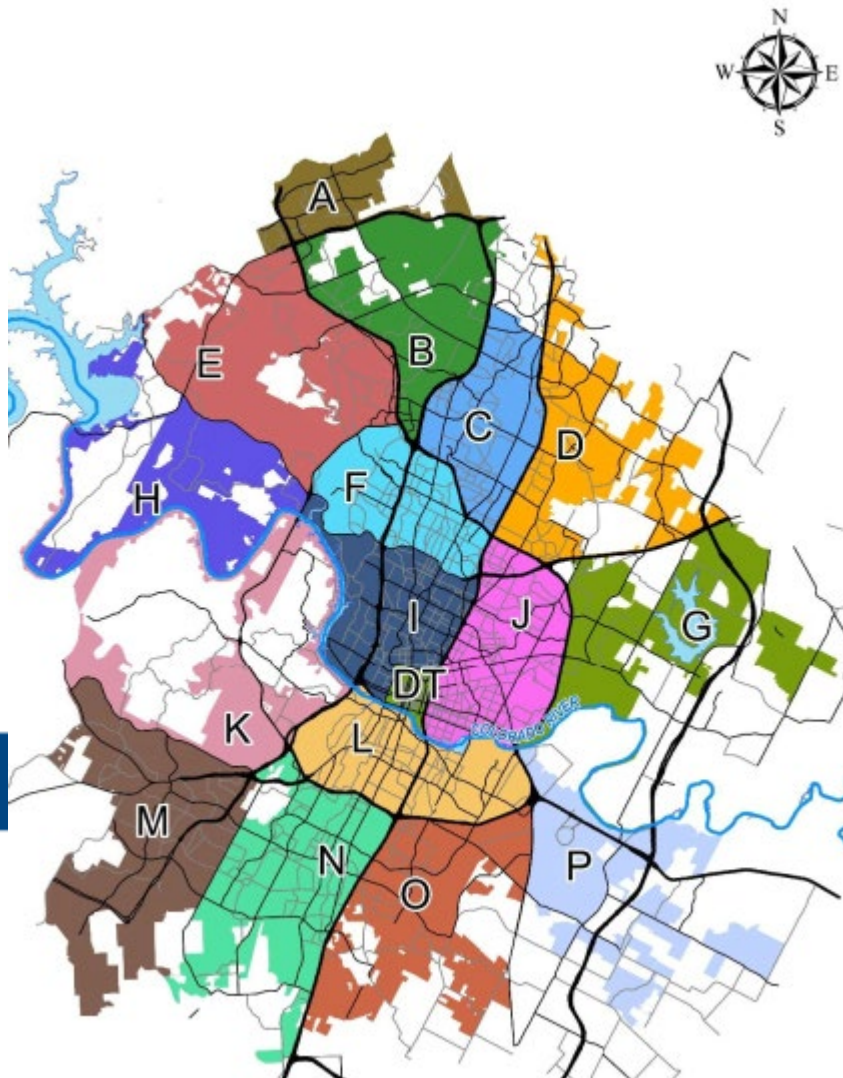
Study Assumptions Report

CITY OF AUSTIN, TEXAS
STREET IMPACT FEE STUDY
(LAND USE ASSUMPTIONS AND RCP
DRAFT)



June
2019

Prepared for the City of Austin

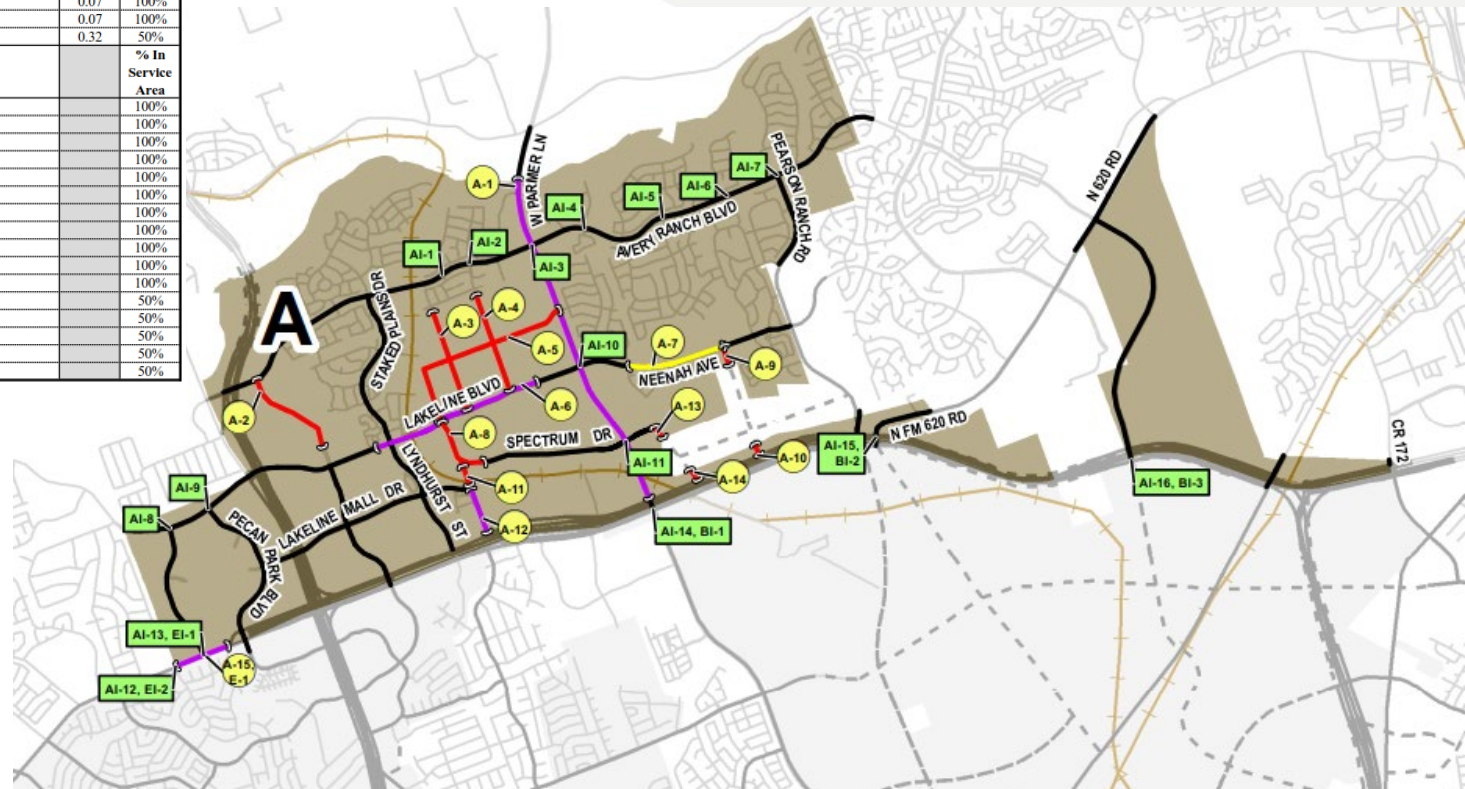


- Service Areas
- Growth Projections
- Roadway Capacity Plan

Study Assumptions Report

- Roadway Capacity Plan
- Based on the ASMP

Service Area	Proj. #	IF Class	Street	Limits	Length (mi)	% In Service Area	
S A A	A-1	L4-6D-154-TxDOT	W PARMER LN	SH 45 WB SVRD TO CITY LIMITS N.	2.00	100%	
	A-2	L2-2U-78	NORTH LAKE CREEK PKWY	AVERY RANCH BLVD TO N OF LAKELINE BLVD	0.57	100%	
	A-3	L2-2U-78	DUNHAM FOREST RD-LAKELINE BLVD CONNECTOR	DUNHAM FOREST RD TO LAKELINE BLVD	0.60	100%	
	A-4	L2-2U-78	S CANOA HILLS TRL-LAKELINE BLVD CONNECTOR	S CANOA HILLS TRL TO LAKELINE BLVD	0.59	100%	
	A-5	L2-2U-78	CASSANDRA DR EXTENSION	LAKELINE BLVD TO PARMER LN	1.16	100%	
	A-6	L3-4D-120	LAKELINE BLVD	485' W OF LYNDBURST ST TO 1337' W OF PARMER LN	1.01	100%	
	A-7	L3-4D-104	NEENAH AVE	OLIVE HILL DR TO 1450' E OF SOLERA DR	0.57	100%	
	A-8	L3-3U-92	SPECTRUM DR	LAKELINE BLVD TO SPECTRUM DR	0.39	100%	
	A-9	L3-4D-120	NEENAH AVE TO N FM 620 RD SB CONNECTOR	NEENAH AVE TO 580' S OF NEENAH AVE	0.11	100%	
	A-10	L3-4D-120	NEENAH AVE TO N FM 620 RD SB CONNECTOR	335' N OF N FM 620 RD TO N FM 620 RD	0.06	100%	
	A-11	L2-2U-78	RUTLEDGE SPUR	LAKELINE MALL DR TO SPECTRUM EXTENSION	0.17	100%	
	A-12	L2-2U-53	RUTLEDGE SPUR	LAKELINE MALL RD TO SH 45 WB SVRD	0.27	100%	
	A-13	L2-2U-78	SPECTRUM DR TO N FM 620 RD SB CONNECTOR	SPECTRUM DR TO 375' S OF SPECTRUM DR	0.07	100%	
	A-14	L2-2U-78	SPECTRUM DR TO N FM 620 RD SB CONNECTOR	370' N OF N FM 620 RD TO N FM 620 RD	0.07	100%	
	A-15, E-1	L4-6D-154-TxDOT		N FM 620 RD	DEERBROOK TRL TO 600' E OF RIDGELINE BLVD	0.32	50%
	S A A			Type	Intersection		% In Service Area
AI-1			Signalize	AVERY RANCH BLVD AND QUARRY OAKS TRL		100%	
AI-2			Signalize	AVERY RANCH BLVD AND CANOA HILLS TRL		100%	
AI-3			Intersection Improvements	W PARMER LN AND AVERY RANCH BLVD		100%	
AI-4			Signalize	AVERY RANCH BLVD AND AVERY CLUB RD		100%	
AI-5			Signalize	AVERY RANCH BLVD AND LOXLEY LN		100%	
AI-6			Signalize	AVERY RANCH BLVD AND DOUBLE EAGLE PASS		100%	
AI-7			Signalize	AVERY RANCH RD AND PEARSON RANCH RD		100%	
AI-8			Intersection Improvements	S LAKELINE BLVD AND RIDGELINE BLVD		100%	
AI-9			Intersection Improvements	S LAKELINE BLVD AND PECAN PARK BLVD		100%	
AI-10			Intersection Improvements	W PARMER LN AND LAKELINE BLVD		100%	
AI-11			Intersection Improvements	W PARMER LN AND SPECTRUM DR		100%	
AI-12, EI-2			Intersection Improvements	N FM 620 RD AND DEERBROOK TRL		50%	
AI-13, EI-1			Signalize	N FM 620 RD AND RIDGELINE BLVD		50%	
AI-14, BI-1			Intersection Improvements	N FM 620 RD AND W PARMER LN		50%	
AI-15, BI-2			Intersection Improvements	N FM 620 RD AND SH 45		50%	
AI-16, BI-3		Intersection Improvements	S O'CONNOR DR AND SH 45		50%		



Next Steps

- Study Assumptions Public Hearing and Council approval
 - August 8
- Phase 3 – Fee Calculation & Policy Development
 - Begin in Fall 2019

austintexas.gov/streetimpactfee

Impact Fee Calculation

How are Impact Fees Calculated?

- ✓ Land Use and Population Projections
- ✓ Develop 10-Year Impact Fee CIP (RCP)
- Remove costs associated with existing development and growth at 10+ years
- Calculate Pre-Credit Max Assessable Impact Fee

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

- Credit Calculation

Study Results

- Study Determines Maximum Fee
- Council Determines Effective Rate
- End result looks like a table as follows:

Service Area	Max Impact Fee (vehicle-mile) Study Determines	Effective Rate Impact Fee (vehicle-mile) Council Determines
A	\$X,XXX	\$A,AAA
B	\$Y,YYY	\$B,BBB
C	\$Z,ZZZ	\$C,CCC

Collection Rate Comparisons

LAND USE	Frisco* (60% of max, Lowest SA)	Fort Worth (Flat Rate all SA's)**	Prosper (Lower SA)	Frisco* (60% of max, Highest SA)	Prosper (Higher SA)
Single Family Home	\$2,358	\$3,750	\$4,589	\$5,260	\$6,053
Apartment Unit	\$1,462	\$2,118	\$3,556	\$3,261	\$4,690
3,000 ft ² restaurant	\$11,844	\$18,675	\$16,677	\$26,418	\$21,999
10,000 ft ² office	\$31,990	\$32,340	\$38,910	\$71,360	\$51,320
50,000 ft ² Retail	\$154,700	\$164,750	\$188,100	\$345,050	\$248,100
300,000 ft ² Warehouse	\$204,000	\$133,500	\$495,900	\$455,100	\$654,300

* Maximum in SA A; Minimum in SA D

** Effective January 1, 2019

Sample Developments

DEVELOPMENT	UNITS
Multi-Family 878 units	Residential: 878 Apartments
Multi-Family 298 units	Residential: 298 Apartments
Office 55,000 square feet	Office: 55,000 ft ² Office
Office 73,000 square feet	Office: 73,000 ft ² Medical Office
Small Mixed Use 24,500 square feet	Small Retail: 12,000 ft ² Office, 11,000 ft ² Retail, 1,500 ft ² Restaurant

Collection Rate Comparisons

Austin Development	Austin TIA Contribution	Frisco* (60% of max, Lowest SA)	Fort Worth (Flat Rate all SA's)**	Prosper (Lower SA)	Frisco* (60% of max, Highest SA)	Prosper (Higher SA)
878 Apartments	\$0	\$1,283,636	\$1,859,604	\$3,122,168	\$2,863,158	\$4,117,820
298 Apartments	\$86,288	\$435,676	\$631,164	\$1,059,688	\$971,778	\$1,397,620
55,000 ft ² Office	\$317,388	\$175,945	\$177,870	\$214,005	\$393,965	\$282,260
73,000 ft ² Medical Office	\$25,277	\$559,180	\$583,708	\$659,117	\$1,247,205	\$839,430
12,000 ft ² Office 11,000 ft ² Retail 1,500 ft ² Restaurant	\$64,109	\$78,344	\$84,390	\$96,412	\$174,752	\$127,165

* Maximum in SA A; Minimum in SA D

** Effective January 1, 2019

Questions