

THE CITY OF BURLESON TEXAS

Roadway Impact Fees

Capital Improvements Program Advisory Committee

May 25, 2023



Presentation Outline

- Why Impact Fees?
- Impact Fee Basics
- Impact Fee Components
 - Service Areas
 - Land Use Assumptions
 - Capital Improvements Program
 - Maximum Fee and Service Units
 - Policy
 - Implementation

Why Impact Fees?

- **Consistent**
 - Goals outlined in the Mobility Plan.
- **Equitable**
 - Development pays an equal fee whether first to develop or last to develop. Note other ordinances might require certain developments to build adequate infrastructure.
 - Every new development pays.
- **Predictable**
 - Fee schedule is available online.
- **Proportional**
 - Directly related to the amount of traffic generated.
 - Calculation based on systemwide impact.

Roadway Impact Fee Components

- Service Areas
- Land Use Assumptions
- Service Units
- Impact Fee Capital Improvements Program
- Maximum Fee
- Policy
- Implementation

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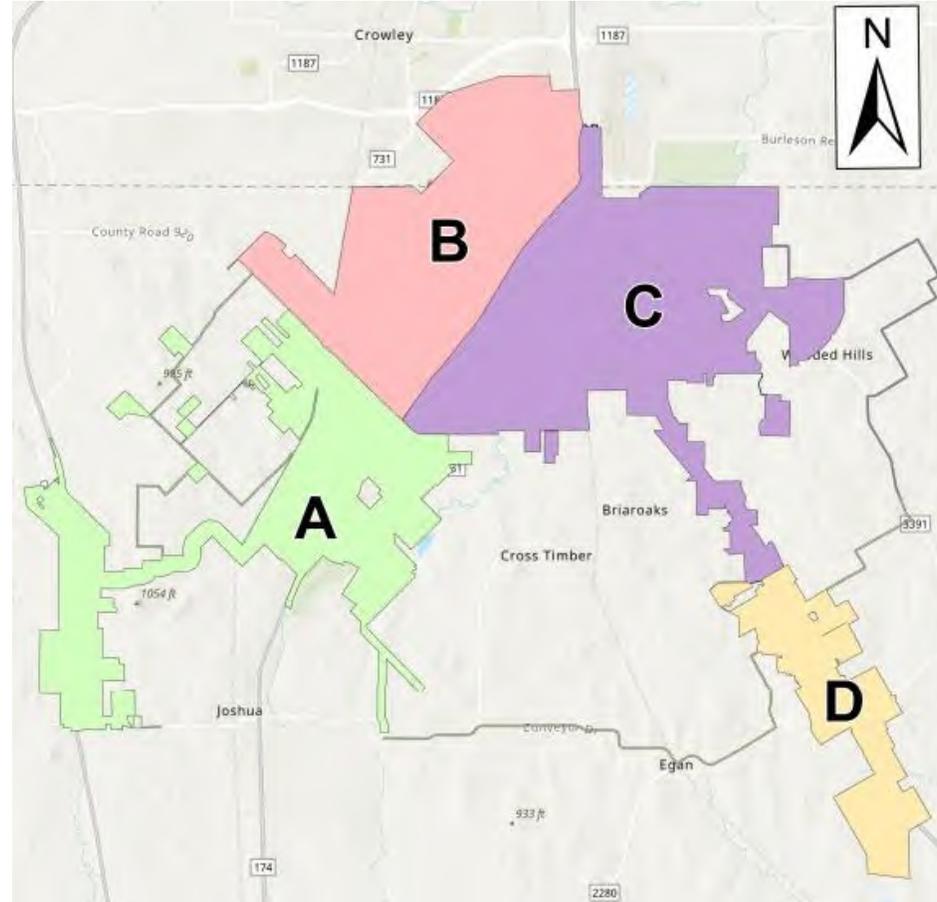
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Impact Fee Components – Service Areas

- Funds collected within a service area must be spent on projects within the same service area within 10 years
- Roadway – Citywide
 - Roadway is limited to Corporate Limits; Cannot include ETJ
 - Land locked so all service areas limited to Corporate Limits
 - Roadway also limited to 6-mile trip length

Impact Fee Components – Service Areas

- Service areas created by maximum 6-mile trip length
- Hulen provides division between Service Areas A and B
- Wilshire (SH 174) provides division between Service Areas B and C
- Service Area D is provided for primarily industrial land uses
- Strip annexations are incorporated into adjacent service area while maintaining maximum 6-mile trip length



Impact Fee Components – Land Use Assumptions

- Establish Infrastructure Demands used in Comprehensive Plan and Mobility Plan models
 - Population and Employment Projections
 - Existing (2022) and Buildout (2045) years
- Model utilizes Buildout demographics and 2022 Thoroughfare Plan with key ETJ connections
- Impact Fees utilizing a 10-year growth projection



Imagine Burleson

Comprehensive Plan
2020 Midpoint Update

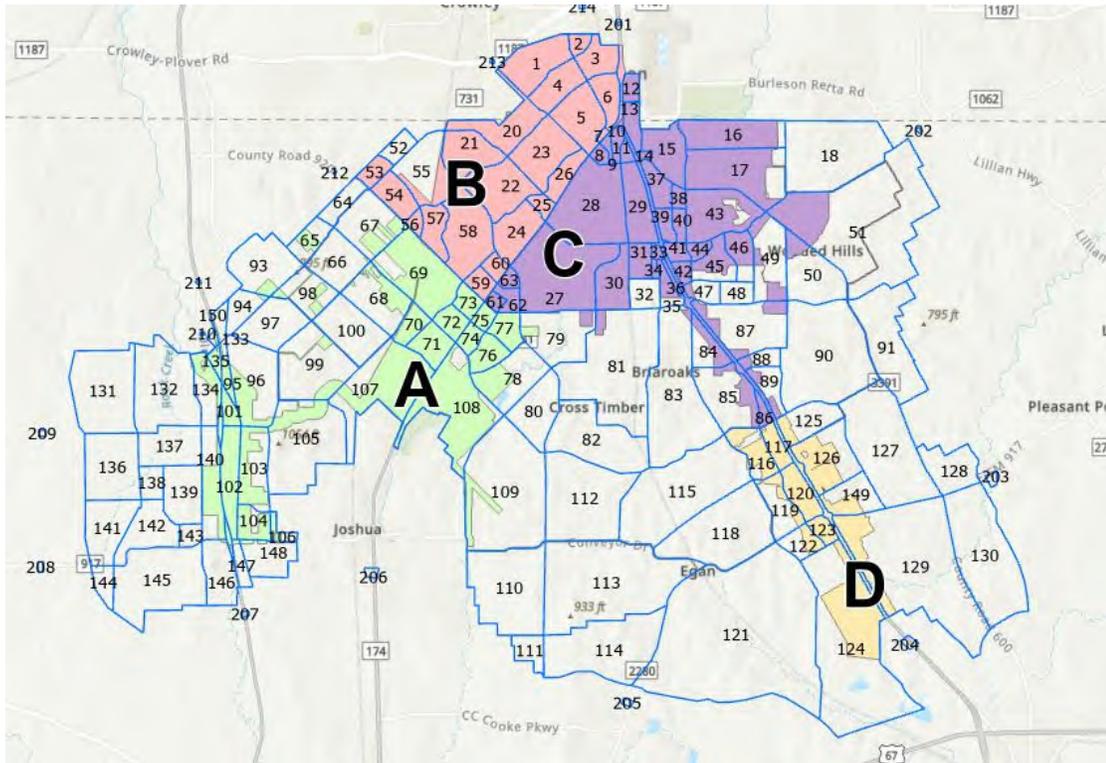


Impact Fee Components – Land Use Assumptions

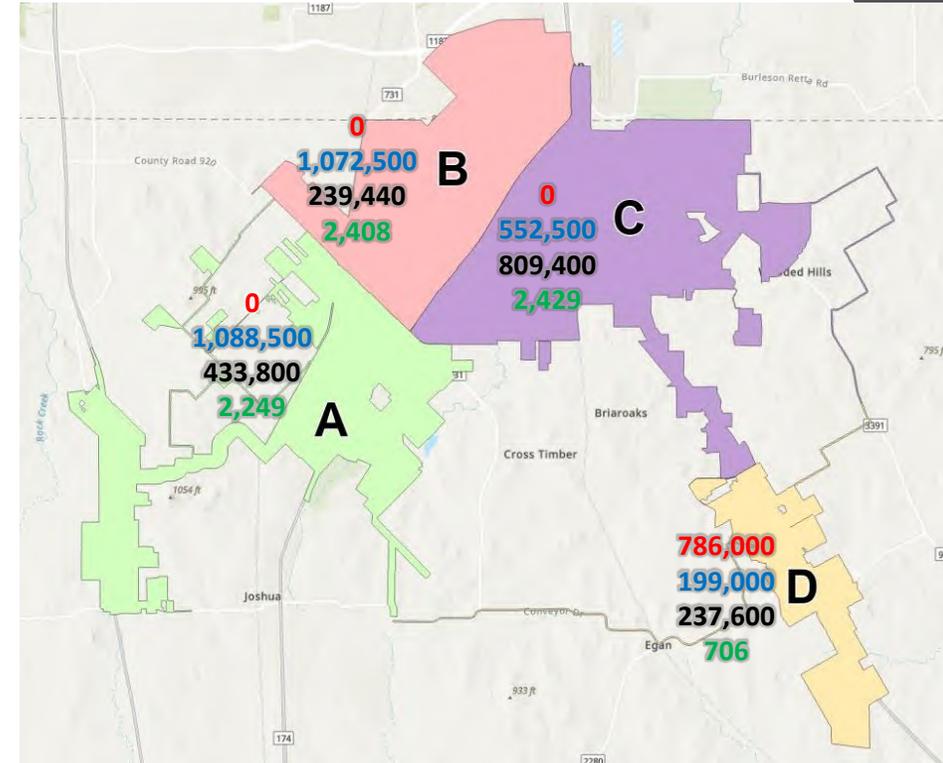
- Methodological Approach
 - Utilize Infrastructure Model
 - Establish base year (2022)
 - Establish buildout year (2045)
 - Prepare a 10-Year (2022-2032) growth estimate for each service area to be used when evaluating the capacity of the roadway included in the Impact Fee Capital Improvement Program
- 10-Year Growth Estimate for Impact Fees
 - Residential Growth for each service area
 - Estimate Households to Square Feet
 - Non-Residential Growth for each service area
 - Estimate Employment to Square Feet



Impact Fee Components – Land Use Assumptions



Traffic Analysis Zones



Basic – Sq Ft
Service – Sq Ft
Retail – Sq Ft
Residential - Households

Impact Fee Components – 2017 versus 2023 Land Use *Growth Projections*

Service Area	Residential Units			Basic Employment (sq ft)			Retail Employment (sq ft)			Service Employment (sq ft)		
	2017	2023	Change	2017	2023	Change	2017	2023	Change	2017	2023	Change
A	2,134	2,429	+295	42,000	0	-42,000	222,000	552,500	+320,500	137,000	809,400	+672,400
B	619	2,249	+1,630	82,000	0	-82,000	727,000	1,088,500	+361,500	235,000	433,800	+198,800
C	1,012	2,408	+1,396	314,000	0	-314,000	1,071,000	1,072,500	+1,500	565,000	239,400	-325,600
D	0	706	+706	1,004,000	786,000	-218,000	62,000	199,000	+137,000	0	237,600	+237,600
TOTAL	3,765	7,792	+4,027	1,442,000	786,000	-656,000	2,082,000	2,912,500	+830,500	937,000	1,720,200	+783,200

Numbers represent future growth projection. The change is the difference between the 2017 and 2023 growth projections.

Impact Fee Components – 2023 Land Use *Growth Projection* Assumptions

Service Area	Residential Units	Basic Employment (sq ft)	Retail Employment (sq ft)	Service Employment (sq ft)
A	2,429	0	552,500	809,400
B	2,249	0	1,088,500	433,800
C	2,408	0	1,072,500	239,400
D	706	786,000	199,000	237,600
TOTAL	7,792		5,418,700	

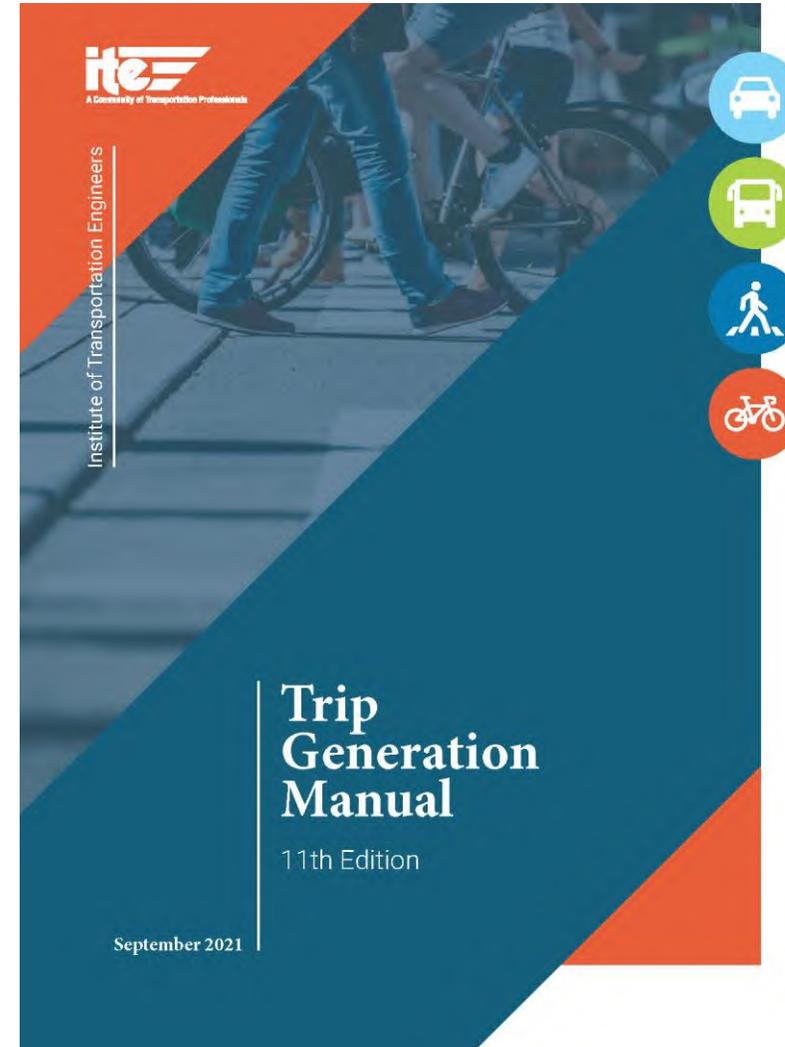
Basic – Industrial Land Uses

Retail – Commercial Land Uses

Service – Office Land Uses

Impact Fee Components – Roadway Service Unit

- Two variables
- Trip Generation
 - ITE Trip Generation Manual
 - 11th Edition
- Trip Length
 - National Household Travel Survey
 - Replica



Impact Fee Components – Roadway Service Units Examples

Shopping Center (40-150k)



Trips	5.19 Vehicles (PM Peak) <i>(ITE Trip Generation)</i>
Reduction for Pass-by Trips	34% <i>(ITE Trip Generation Handbook)</i> 3.43 Vehicles (PM Peak)
X Trip Length	2.8 Miles one way
Vehicle-Miles	9.60 Vehicle-Miles per 1,000 sq. ft.

Single Family Residential



Trips	0.94 Vehicles (PM Peak) <i>(ITE Trip Generation)</i>
X Trip Length	4.9 Miles one way, per National Household Travel Survey <i>(NHTS)</i>
Vehicle-Miles	4.61 Vehicle-Miles per Residential Unit

Impact Fee Components – Growth Service Units

SERVICE AREA	RESIDENTIAL VEHICLE-MILES			NON-RESIDENTIAL SQUARE FEET ⁴			TRANS. DEMAND FACTOR ⁵			NON-RESIDENTIAL VEHICLE-MILES ⁹				TOTAL VEHICLE MILES ¹⁰
	Dwelling Units	Trip Rate TDF ²	VEHICLE MILES ³	BASIC	SERVICE	RETAIL	BASIC ⁶	SERVICE ⁷	RETAIL ⁸	BASIC	SERVICE	RETAIL	TOTAL	
		0.94					0.65	1.44	5.19					
A	2,429	4.61 ★	11,198	0	809,400	552,500	3.90	8.64	9.60 ★	0	6,993	5,304	12,297	23,495
B	2,249		10,368	0	433,800	1,088,500				0	3,748	10,450	14,198	24,566
C	2,408		11,101	0	239,400	1,072,500				0	2,068	10,296	12,364	23,465
D	706		3,255	786,000	237,600	199,000				3,065	2,053	1,910	7,028	10,283
Totals	7,792		35,921	786,000	1,720,200	2,912,500				3,065	14,862	27,960	45,887	81,808

Notes:

- ¹ From *City of Burleson 2022 Land Use Assumptions for Roadway Impact Fees*
- ² Transportation Demand Factor for each Service Area (from LUVMET) using Single Family Detached Housing land use and *trip generation rate*
- ³ Calculated by multiplying TDF by the number of dwelling units
- ⁴ From *City of Burleson 2022 Land Use Assumptions for Roadway Impact Fees*
- ⁵ *Trip generation rate* and Transportation Demand Factors from LUVMET for each land use
- ⁶ 'Basic' corresponds to General Light Industrial land use and *trip generation rate*
- ⁷ 'Service' corresponds to General Office land use and *trip generation rate*
- ⁸ 'Retail' corresponds to Shopping Plaza (40-150k) land use and *trip generation rate*
- ⁹ Calculated by multiplying Transportation Demand Factor by the number of thousand square feet for each land use
- ¹⁰ Residential plus non-residential vehicle-mile totals for each Service Area

Service Area A = 23,495 vehicle-miles of growth

Impact Fee Components – Capital Improvements Program

- What costs are **recoverable**?
 - Construction, planning, surveying, and engineering
 - Land acquisition and associated costs
 - Capital improvements planning and/or financial consulting
 - Projected interest and finance costs
 - Local share for State and Federal Roadways

Impact Fee Components – Capital Improvements Program

- What costs are **non-recoverable**?
 - Projects not identified on the CIP
 - Operations and maintenance costs
 - Improvements to remedy existing deficiencies
 - Administrative and operational costs of the City
 - Non-project debt service

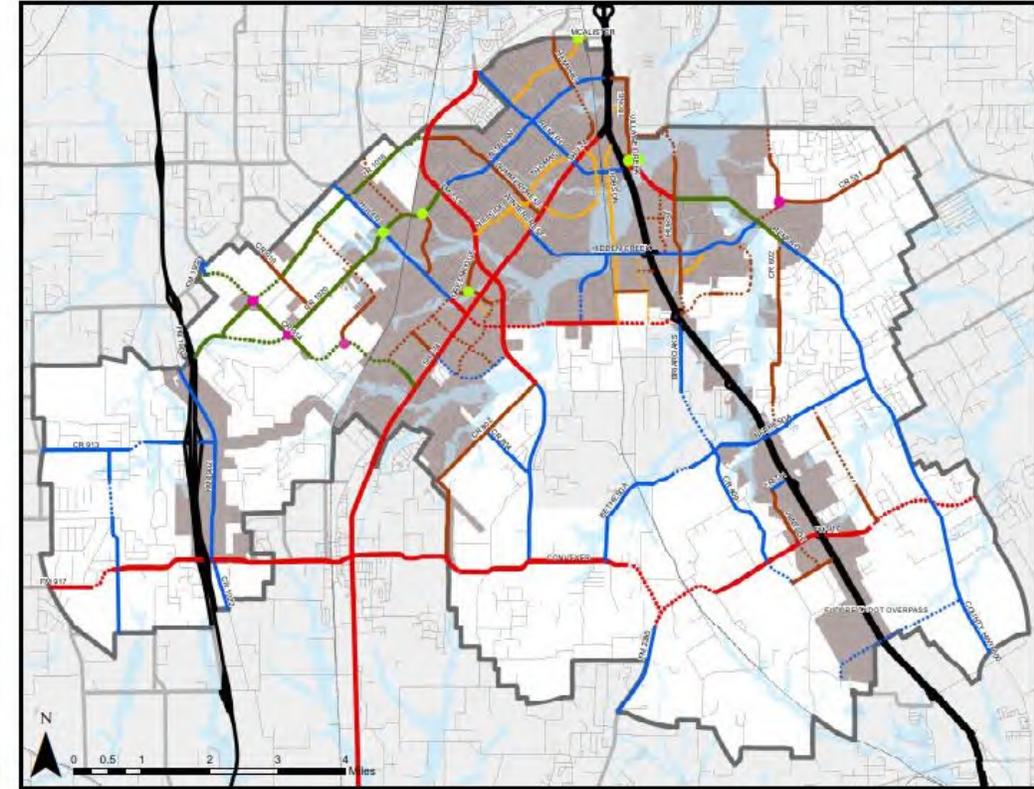
Impact Fee Components – Capital Improvements Program

- Components that can be paid for through an impact fee program:
 - ✓ Construction cost of projects on the Impact Fee CIP
 - ✓ Survey and engineering fees
 - ✓ Land acquisition costs
 - ✓ Including court awards
 - ✓ Debt service of Impact Fee CIP
 - ✓ Study/Update costs
- Components that cannot be paid for through an impact fee program:
 - ❖ Projects not included on the Impact Fee CIP
 - ❖ Repair, operation, and maintenance of existing or new facilities
 - ❖ Upgrades to serve existing development
 - ❖ Administrative costs of operating the program

Impact Fee Components – Roadway CIP

- Developed from 2022 Thoroughfare Plan as part of Mobility Plan
- May include completed projects with excess capacity, projects under construction, and future projects
- Consideration for inclusion to the CIP
 - Previously constructed roadways
 - Roadways that need widening
 - Future new roadways
 - Intersections
 - City Staff and CIPAC recommendations

2022 THOROUGHFARE PLAN



Project Changes from 2017 to 2023

Service Area	Roadway	Estimated Cost	Update/Change
A	CR 1021	\$ 3,599,000	Removed from Mobility Plan
	CR 802	\$ 1,645,000	
	CR 910B	\$ 913,000	
	CR 913	\$ 5,138,000	
	Hatcher Rd	\$ 413,000	
	Wicker Hill Rd	\$ 14,304,000	
	Whispering Meadows Rd	\$ 1,735,000	
	Arterial B	\$ 2,457,500	
	FM 917	\$ 1,283,500	TxDOT
	CR 1016	\$ 19,245,000	Added to Mobility Plan
	Major Collector B	\$ 2,934,000	
	Lakewood	\$ 17,559,000	
	Old Granbury	\$ 33,350,000	
B	Alsbury	\$ 803,133	Project Completed
	Candler	\$ 6,800,000	
	Major Collector D	\$ 7,789,000	Updated alignment on Mobility Plan
C	Bent Oaks Dr	\$ 14,800,000	Removed from Mobility Plan
	Collector I	\$ 4,673,000	
	Collector M	\$ 1,888,000	
	Main St	\$ 3,420,000	
	Monticello Dr	\$ 484,000	
	Vantage Dr	\$ 7,843,000	
	Williams Dr	\$ 6,134,000	
	Collector F	\$ 2,657,000	Updated alignment on Mobility Plan
	Hurst Rd	\$ 3,658,000	
	Renfro	\$ 35,669,000	Added Strip Annexations
	Houston	\$ 10,977,000	
	Tarver	\$ 6,242,000	Added to Mobility Plan
McCall	\$ 3,377,000		
D	Briar Oaks Rd	\$ 2,098,500	Removed from Mobility Plan
	CR 518	\$ 1,170,500	
	Forgotten Ln	\$ 1,306,000	
	Highpoint Pkwy	\$ 695,000	
	Vantage Dr	\$ 3,240,000	Project Completed
	CR 809	\$ 8,984,000	Updated alignment on Mobility Plan
	CR 810	\$ 4,498,000	
Asher	\$ 13,309,000		

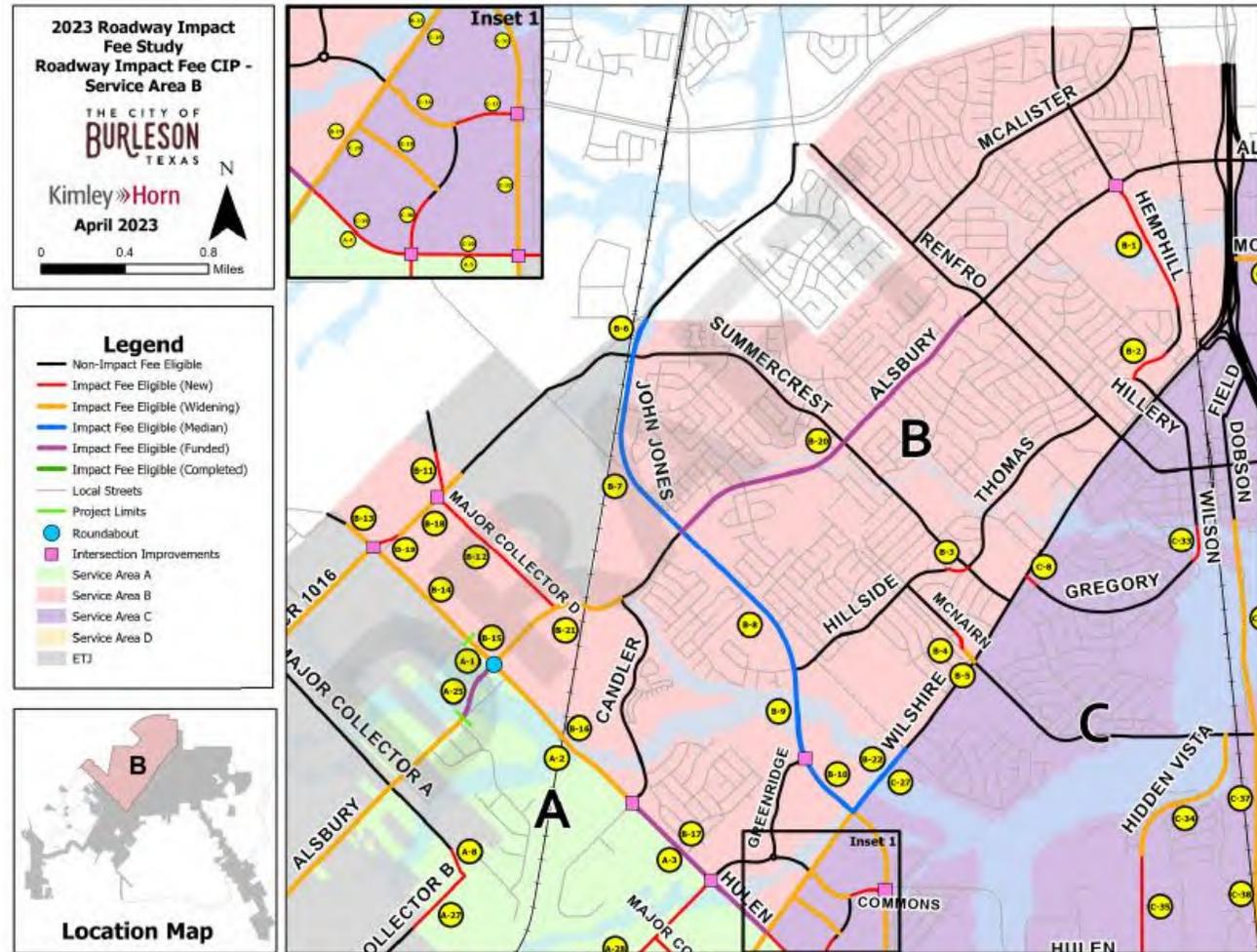
Summary of Project Cost Changes from 2017 to 2023

Service Area	A	B	C	D
Added	+\$74,371,500	+\$7,789,000	+\$62,580,000	\$26,791,000
Removed	-\$30,204,500	-\$7,603,133	-\$39,242,000	-\$8,510,000
Net Change	+\$44,167,000	+\$185,867	+\$23,338,000	+\$18,281,000

*Note 2023 unit prices reflect the recent inflation and as a result are much higher than 2017 unit prices

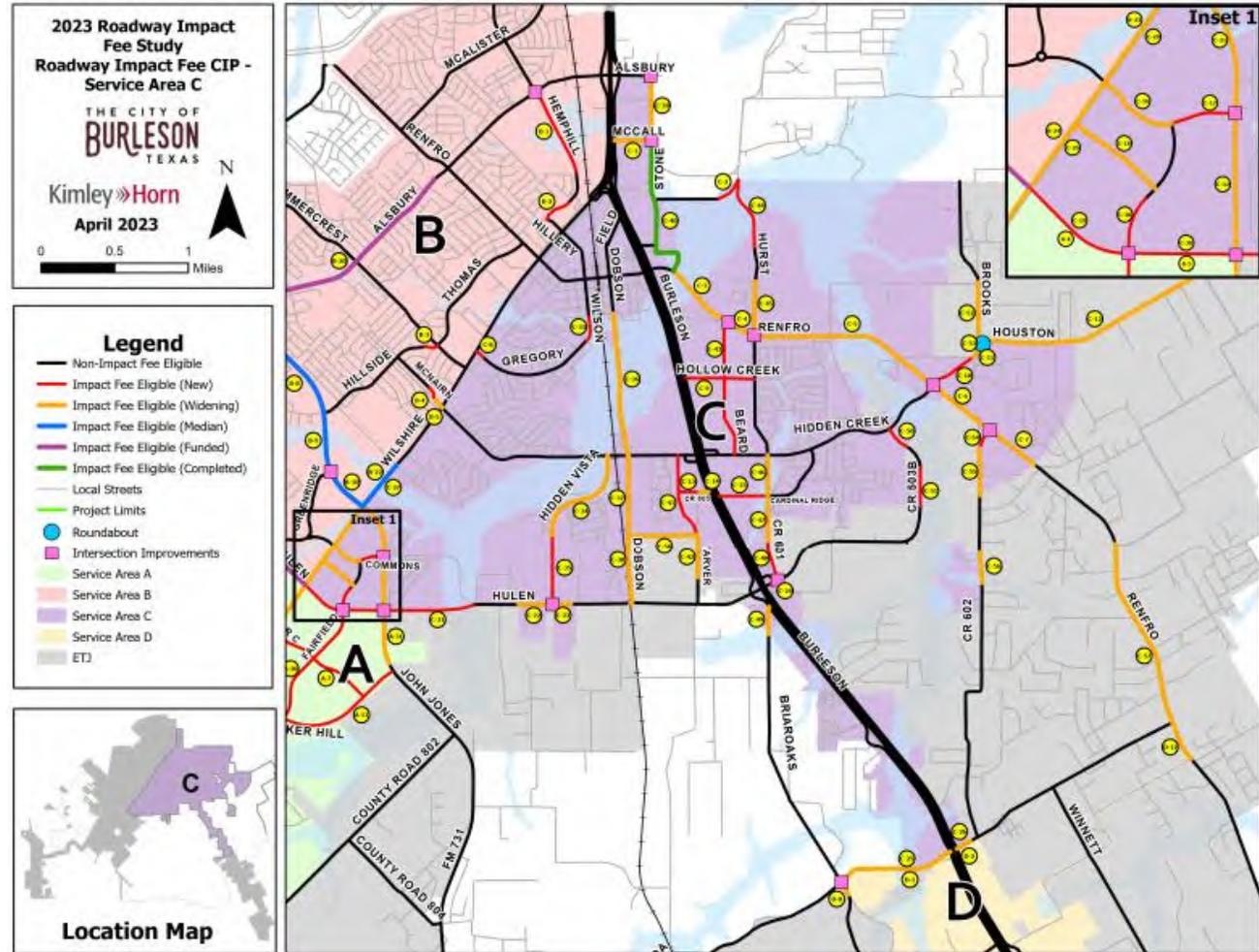
Impact Fee Components – Roadway CIP

- Service Area B
- Total CIP: \$56,783,427
- Growth Cost: \$34,540,550
- Reduce by 50%:
\$17,270,275



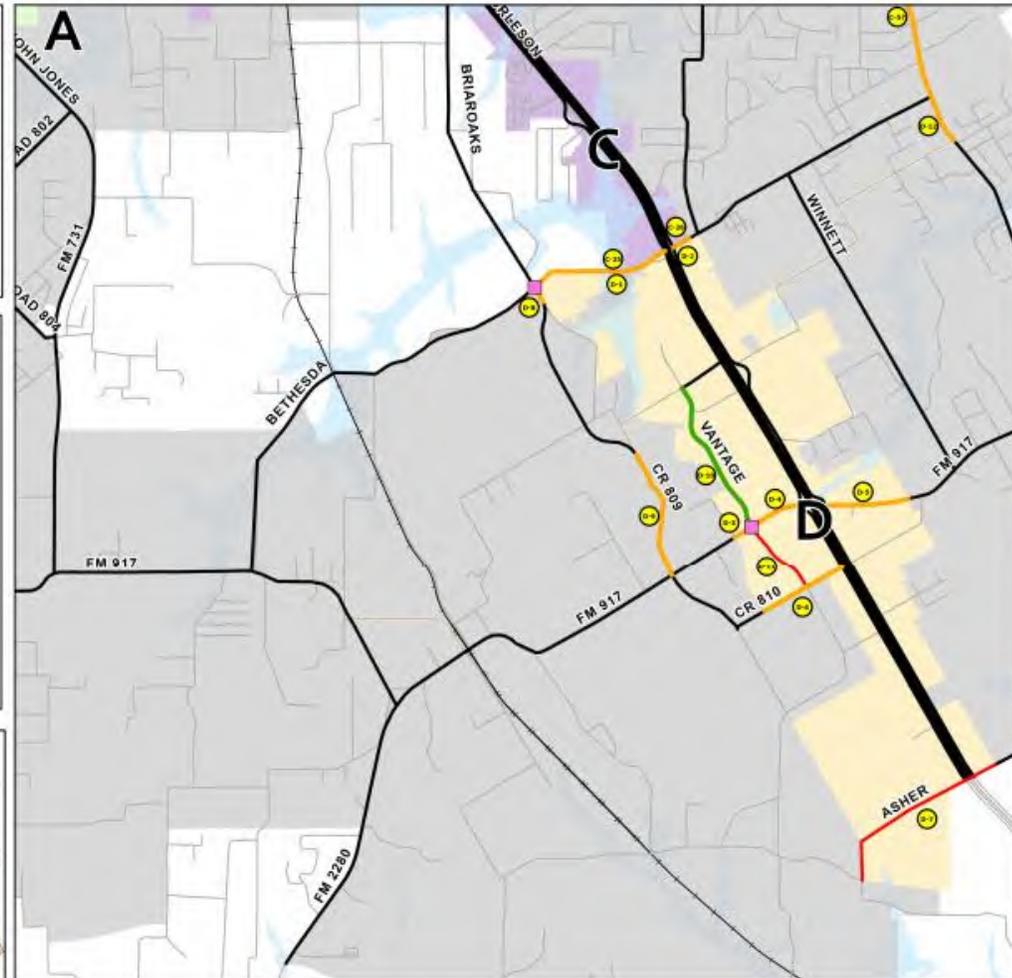
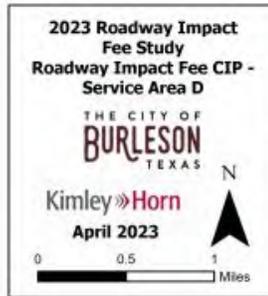
Impact Fee Components – Roadway CIP

- Service Area C
- Total CIP:
\$221,362,949
- Growth Cost:
\$91,712,489
- Reduce by 50%:
\$45,856,245



Impact Fee Components – Roadway CIP

- Service Area D
- Total CIP:
\$221,362,949
- Growth Cost:
\$28,068,076
- Reduce by 50%:
\$14,034,038



Impact Fee Components – Maximum Fee Calculation

- New Service Units are derived from Land Use Assumptions (10-Year Growth) and Future Land Use Plan
- Impact Fee CIP based on portion of Master Plans needed for future growth
- Credits against impact fees due when a developer constructs or contributes to a capital facility
- Impact Fee calculations must be updated at least every 5 years

$$\text{Maximum Impact Fee Per Unit} = \frac{\text{Cost of the Impact Fee Project Plan Needed to Serve Growth (\$)}}{\text{New Service Units}}$$

Impact Fee Components – Maximum Fee Application (SA A)

- Roadway Examples:
 - Maximum Fee = \$1,632/vehicle-mile
- Single Family
 - \$1,632/vehicle-mile X 4.61 vehicle-miles = \$7,523.52
- 150,000 ft² Shopping Center
 - 150 (1,000 ft²) X \$1,632/vehicle-mile X (9.60 vehicle-miles) = \$2,350,080
- **CIPAC will make recommendation – City Council determines actual Rate(s) to be collected**

\$38,337,135

23,495 vehicle-miles

Roadway Impact Fee Calculations

Roadway Impact Fee	Service Area A	Service Area B	Service Area C	Service Area D
Total Eligible Capital Improvement Costs	\$76,674,270	\$34,540,550	\$91,712,489	\$28,068,076
Growth in Service Units ¹	23,495	24,566	23,465	10,283
Eligible Capital Costs After Impact Fee Credit ²	\$38,337,135	\$17,270,275	\$45,856,245	\$14,034,038
2023 Maximum Impact Fee per Service Unit ³	\$1,632	\$703	\$1,954	\$1,365
2023 Maximum Allowable Roadway Impact Fee per Single Family Home ⁴	\$7,524	\$3,241	\$9,008	\$6,293
2017 Maximum Impact Fee per Service Unit ³	\$771	\$657	\$1,152	\$976
2017 Maximum Allowable Roadway Impact Fee per Single Family Home ⁴	\$3,778	\$3,219	\$5,645	\$4,782

1. Roadway Service Units are Vehicle Miles (the capacity by one vehicle making a peak hour trip of one mile in length)
2. Credit is 50% of Maximum Roadway Impact Fee per Service Unit
3. Total Eligible Costs After Impact Fee Credit divided by the Growth in Service Units
4. 1 Single Family Home = 4.61 Vehicle-Miles (2023) and 4.90 Vehicle-Miles (2017)

Impact Fee Components

- Are there any checks and balances?
- Independent licensed professionals prepare:
 - Land Use Assumptions
 - Master Plans
 - Capital Improvements Program
 - Maximum Assessable Impact Fee Calculations
- Capital Improvements Program Advisory Committee (CIPAC)

2017 Rate Decisions, Currently Adopted Fees, and New Maximum Fees

Service Area	2018 (Current) Collected Fee			2017 Maximum Fee
	Residential	Non-Residential	Industrial	
A	\$408	\$300	\$200	\$771
B	\$408	\$300	\$200	\$657
C	\$408	\$300	\$200	\$1,152
D	\$408	\$300	\$0	\$976

2023 Maximum Fee
\$1,632
\$703
\$1,954
\$1,365

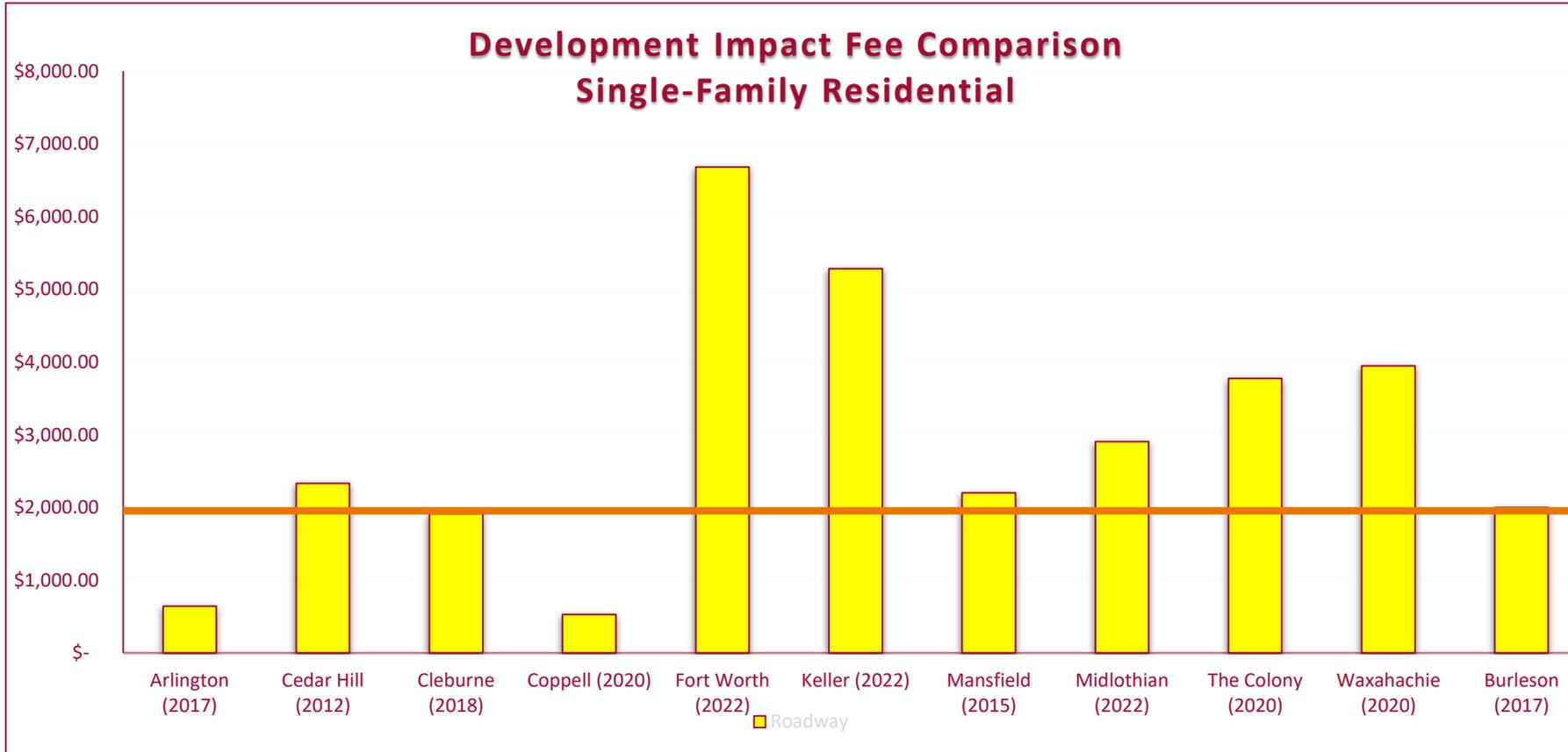
Question for Consideration

1. Should we recommend the same rate across the City?
2. Should we recommend a percentage (%) of the maximum fee in each service area?
3. Should we have different rates for residential and non-residential land uses?
4. Should we have different rates for industrial land uses?

Potential Options - Residential

Service Area		Existing 2017	55% Increase (Inflation)	Existing % of 2023 Max Fee	60% of 2023 Max Fee	2023 Max Fee
A	Rate	\$408	\$632	\$863 (53%)	\$979.20	\$1,632
	Fee per Residential Unit	\$2,000	\$3,100	\$3,978	\$4,514.40	\$7,524
B	Rate	\$408	\$632	\$436 (62%)	\$421.80	\$703
	Fee per Residential Unit	\$2,000	\$3,100	\$2,010	\$1,944.60	\$3,241
C	Rate	\$408	\$632	\$692 (35%)	\$1,172.40	\$1,954
	Fee per Residential Unit	\$2,000	\$3,100	\$3,190	\$5,404.80	\$9,008
D	Rate	\$408	\$632	\$571 (42%)	\$819.00	\$1,365
	Fee per Residential Unit	\$2,000	\$3,100	\$2,632	\$3,775.80	\$6,293

Roadway Impact Fee Comparisons



City	Roadway
Arlington (2017)	\$ 643.75
Cedar Hill (2012)	\$ 2,331.08
Cleburne (2018)	\$ 1,914.00
Coppell (2020)	\$ 528.66
Fort Worth (2022)	\$ 6,679.00
Keller (2022)	\$ 5,281.00
Mansfield (2015)	\$ 2,200.00
Midlothian (2022)	\$ 2,906.28
The Colony (2020)	\$ 3,776.00
Waxahachie (2020)	\$ 3,947.60
Burleson (2017)	\$ 1,999.98

- Represents actual collected fees from City

Questions?

