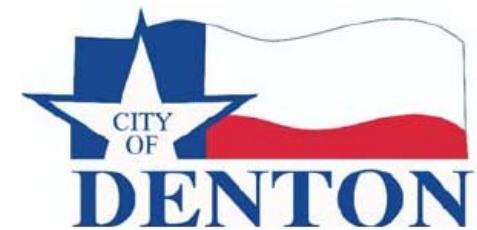


Roadway Impact Fee Study



Kimley»Horn

Purpose

- Briefing on Implementation of Impact Fees and effect on existing DDC perimeter street paving requirements.



Presentation Overview

- History / Ordinance Adoption
- How Impact Fees Work
- Denton Specific Examples



History

- Impact Fees were adopted on June 21, 2016
- Ordinance effective July 5, 2016
- One year grace period for properties platted prior to July 5, 2016 (not subject to Roadway Impact Fees until July 5, 2017)



Impact Fee Service Area Map

Legend

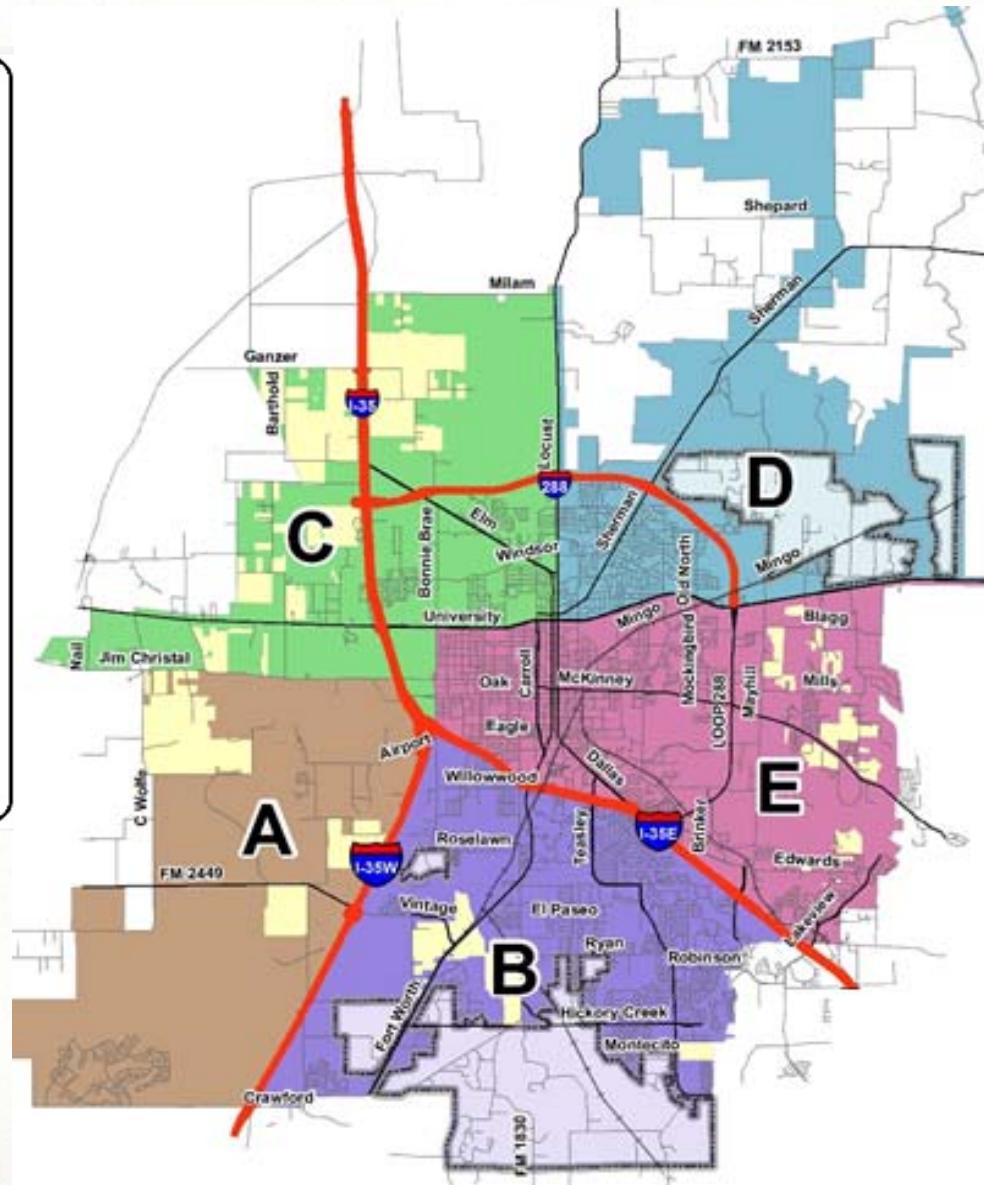
Streets

- Freeway/Highway
- Principle Arterial
- Other Roadways
- Railroad
- Non-Annexation Areas



Service Areas

- A
- B
- C
- D
- E



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History - Collected Fee

- Adopted fee was as follows:
 1. Residential Impact Fee of \$408.12 per Vehicle Mile (\$2,000 per home)
 2. Commercial (Shopping Center) Impact Fee with a 25% discount (\$2,100 per 1,000 SF)
 3. Industrial was capped at the warehouse rate

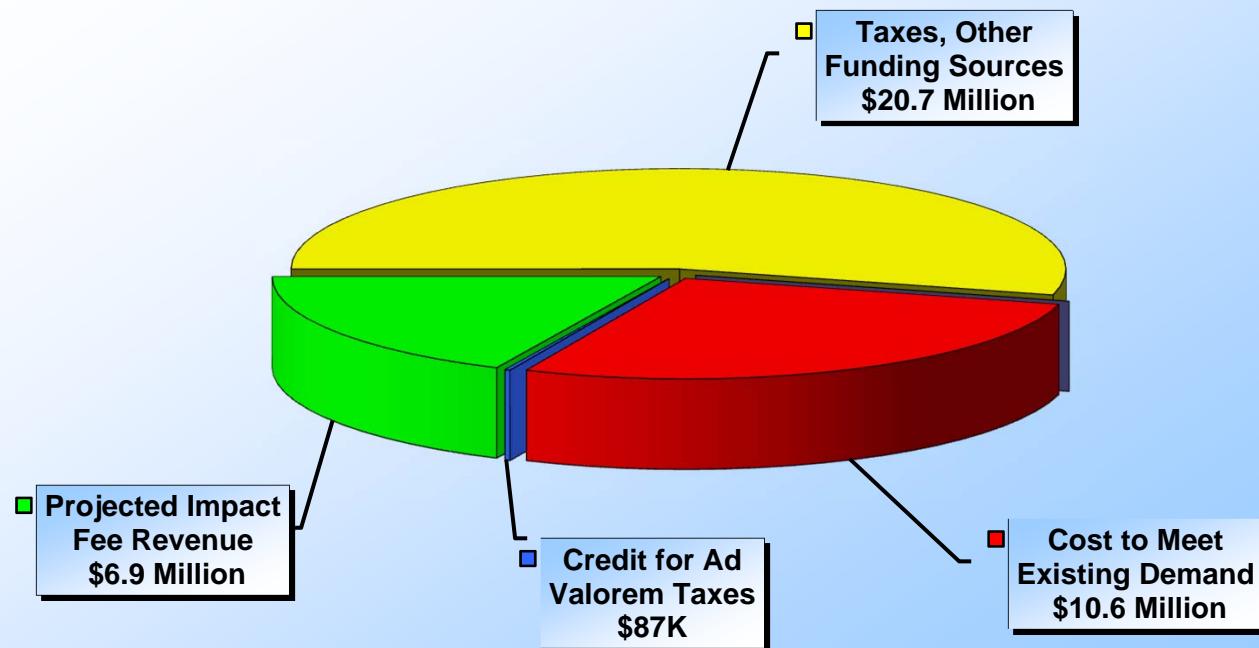
Rate is ~19% - 32% of actual calculated new development impact (“rough proportionality” or “Maximum Assessable Fee”)



History - Collected Fee

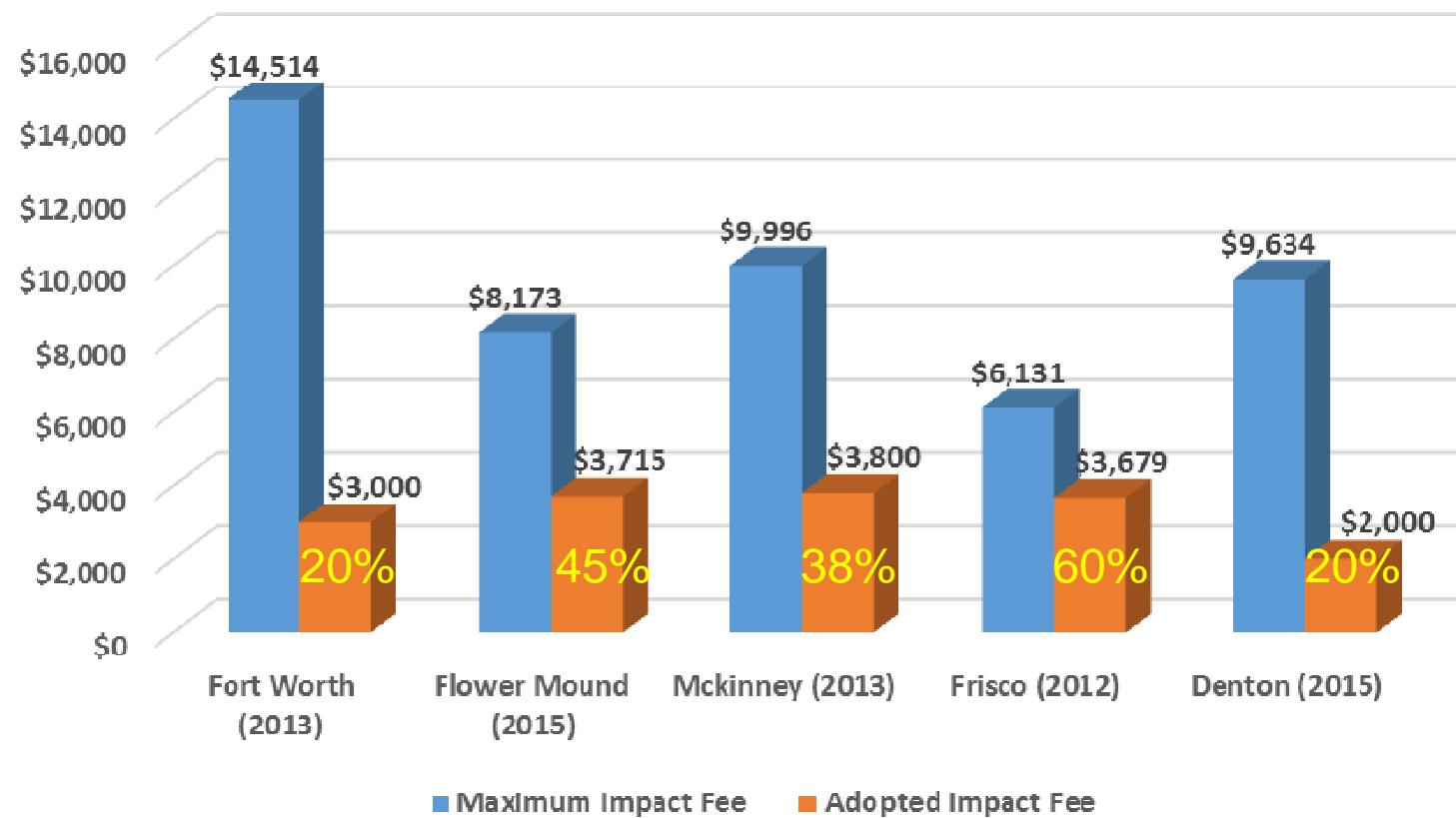
Rate is ~19% - 32% of Actual Calculated New Development Impact

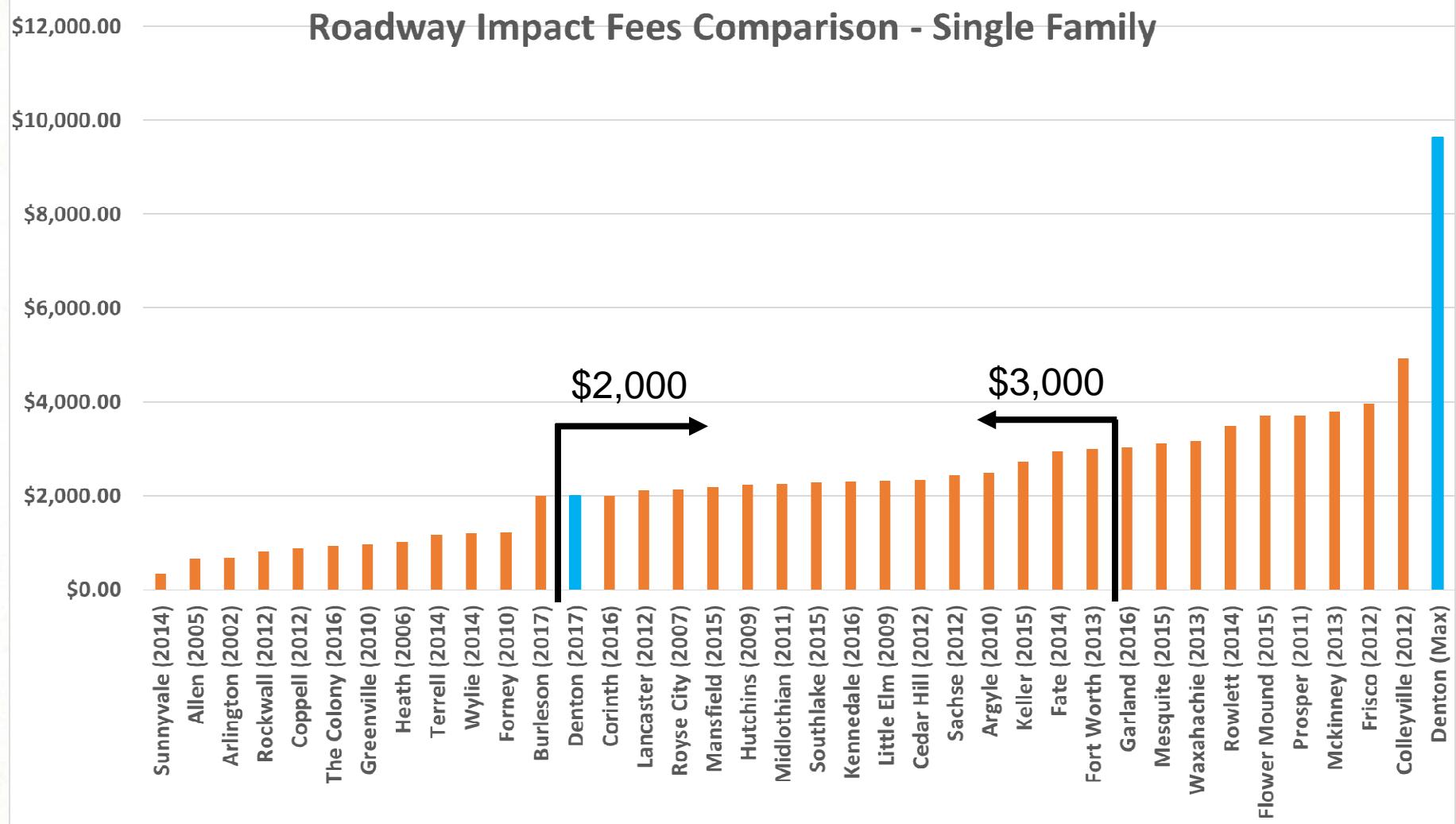
Roadway Impact Fees in Service Area D -
\$38.3 Million
Adopted 25% of Max Fee



City's Maximums versus Collected

Roadway Impact Fees Comparison - Single Family





How Impact Fees Work

1. What is required by the code?

- Subdivision Rules and Regulations

Business as Usual

2. Is the requirement fair?

- Rough Proportionality

Since 2005 – State Law

3. Are there Credits?

- Impact Fee Credits
- Cannot exceed total Impact Fees due from Development (no “refunds”)

Impact Fee Ordinance



What is Required by Code?

1. TIA Improvements

- Site versus System Improvements

2. Perimeter Street Improvements

- Impact Fee Ordinance provides flexibility and another funding source for partnerships



What is Required by Code?

Perimeter Street Requirements

1. Have always been required
2. Impact Fee Ordinance provides flexibility
 - When does it make sense to build the roadway verses collecting the fee?
 - Does City have Impact Fee funds to partner?
3. Adopted 19% - 32% of actual calculated new development impact (“rough proportionality” or “Maximum Assessable Fee”)



When Required by Code? Perimeter Street Requirements

So when are perimeter streets considered?

1. Required based on a TIA –
 - Below Level of Service D
2. Roadway is substantially unimproved or very poor condition
3. Safety
 - Roadway is too narrow



When Required by Code? Perimeter Street Requirements

Maybe consider switching to “perimeter streets are always required unless...”

1. TIA shows adequate level of service
2. Roadway is in good condition
3. Safety is not a concern
4. City funded project is already planned



Common Sense Check

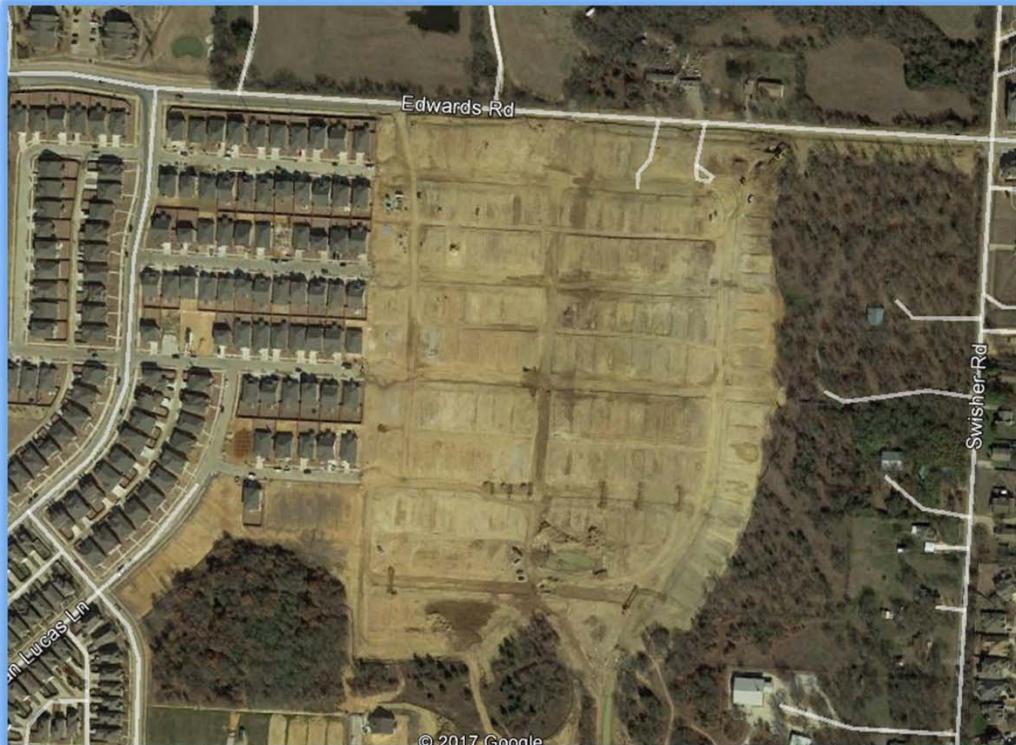
1. TIA will identify improvements needed to support development
2. Perimeter Street is now required only when it meets certain criteria that is needed to support the development
3. The common sense check is based on maximum allowable fee as opposed to collected rate



Village of Carmel Example

1. Village of Carmel –

– Edwards Road Perimeter Street



- 20' wide
- Poor Pvmt. Condition
- Needed Improvement
- St. Improved on each side



Village of Carmel Example

1. 175 Homes → Impact Fee of \$350,000
2. Est. Cost of Improvement: \$475,000
3. Developer will contribute \$400,000 and City will contribute \$75,000+
4. Developer will also dedicate ROW
5. Total Developer Contribution Value: \$594,500
6. Development will not pay an impact fee
7. Proportionality Check: \$3,397 / home;
Actual impact on system closer to \$10,000 / home



Masch Branch Road Example

1. Masch Branch Road Industrial

- Masch Branch Perimeter Street



- Poor Pvmt. Condition
- Adjacent Improvements

Masch Branch Road Example

1. 82,500 square feet warehouse
→ Impact Fee of \$48,489.41
2. Est. Cost of Perimeter Street: \$300,000
3. Developer will dedicate ROW: \$70,893.90
4. Total Cost: \$370,893.90
5. Development will not pay an impact fee
6. Proportionality Check: Actual impact on system is \$345,945.60. City would need to participate with an agreement.

