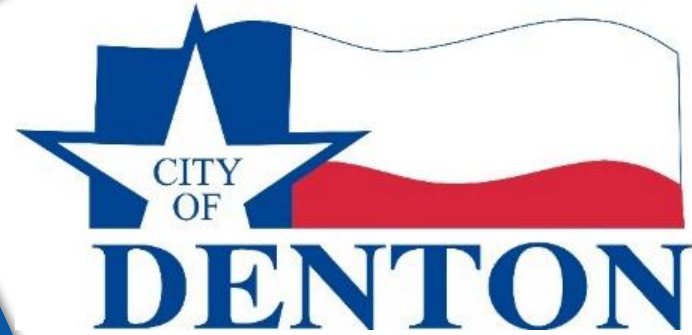


Capital Improvements Advisory Committee Roadway Impact Fees

City of Denton

Pete Kelly, P.E.
Kimley-Horn
March 20, 2024
PZ 24-040



March 20, 2024

Kimley»Horn

Kimley»Horn

Outline

Impact Fee Basics

Impact Fee Results

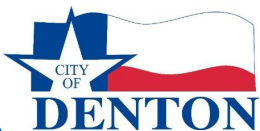
Collection Rate Options

Role of Advisory Committee During Study

1. Advise and assist the City Council in adopting **land use assumptions**
2. Review the **capital improvements plans (CIP)** and file written comments
3. File written **comments** on the land use assumptions, capital improvements plan, and impact fee

Impact Fee Basics: Overview

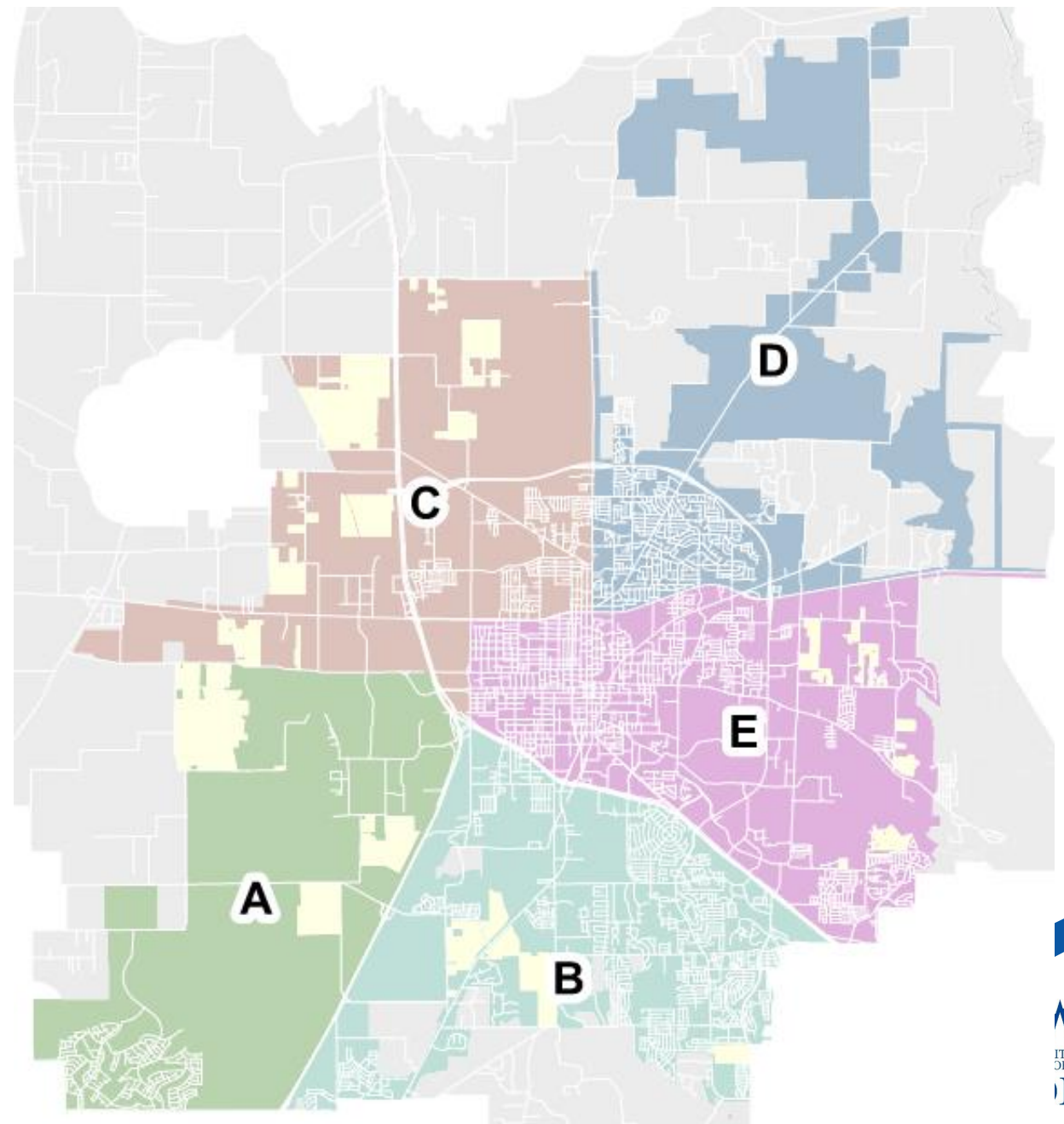
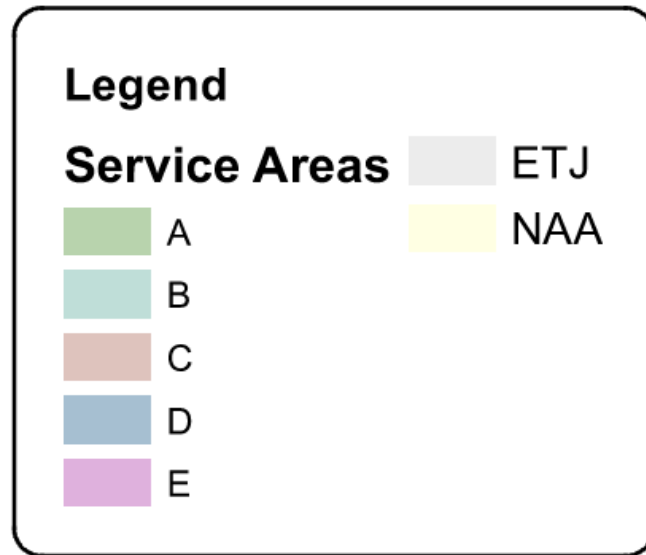
- What Are They?
 - **One-time** fee assessed to recover infrastructure costs required to serve new development
 - Governed by Chapter 395 of the Texas LGC
 - Updated every 5 years
- Why impact fees?
 - Provides an additional funding tool for infrastructure systems
 - Provides for the orderly growth of the community



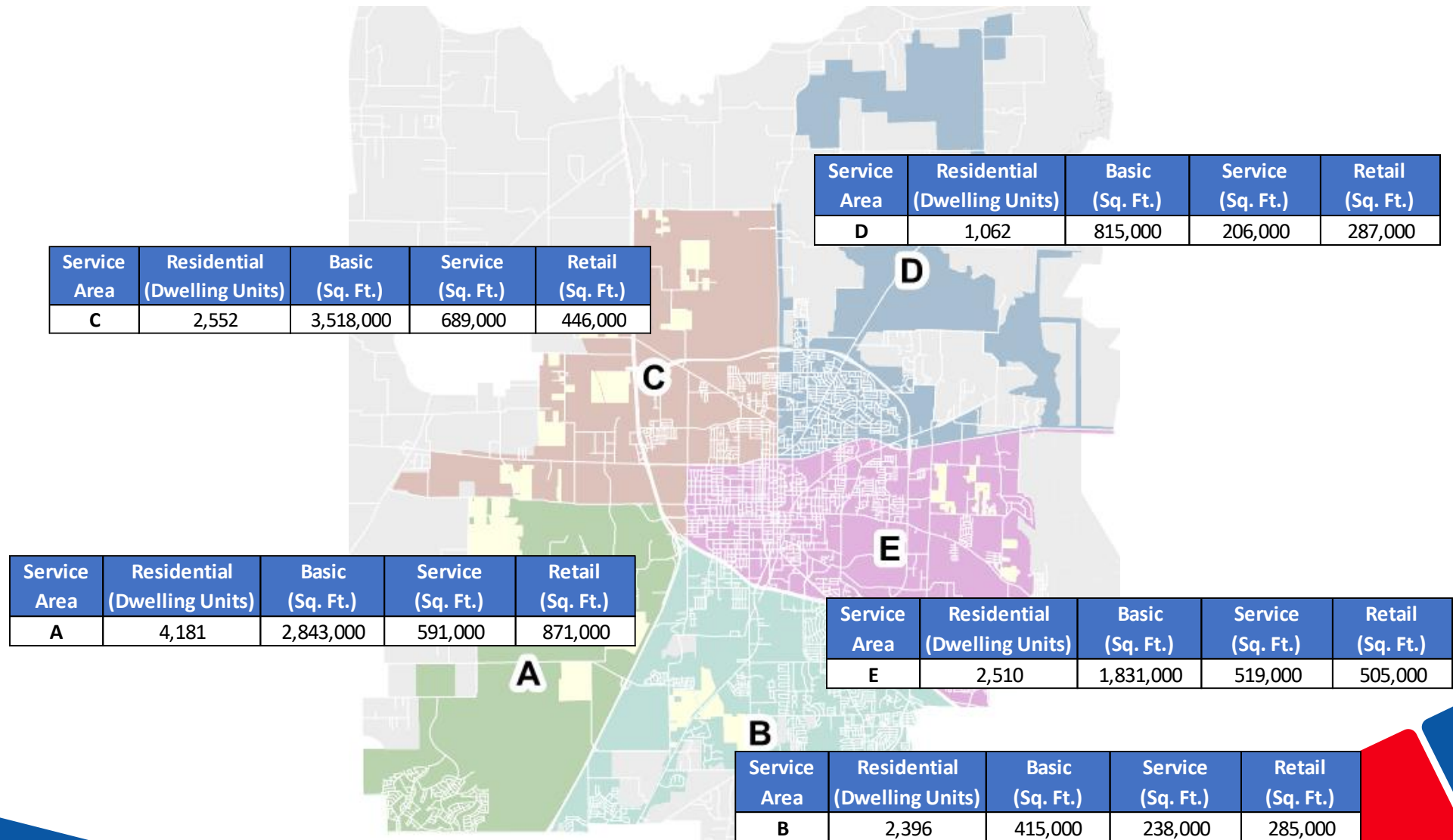
Impact Fee Basics: Components

- What Are The Components?
 - Service Areas
 - Land Use Assumptions (LUA)
 - Capital Improvements Plans (CIP)
 - Service Units
 - Maximum Fee Calculation

Service Areas

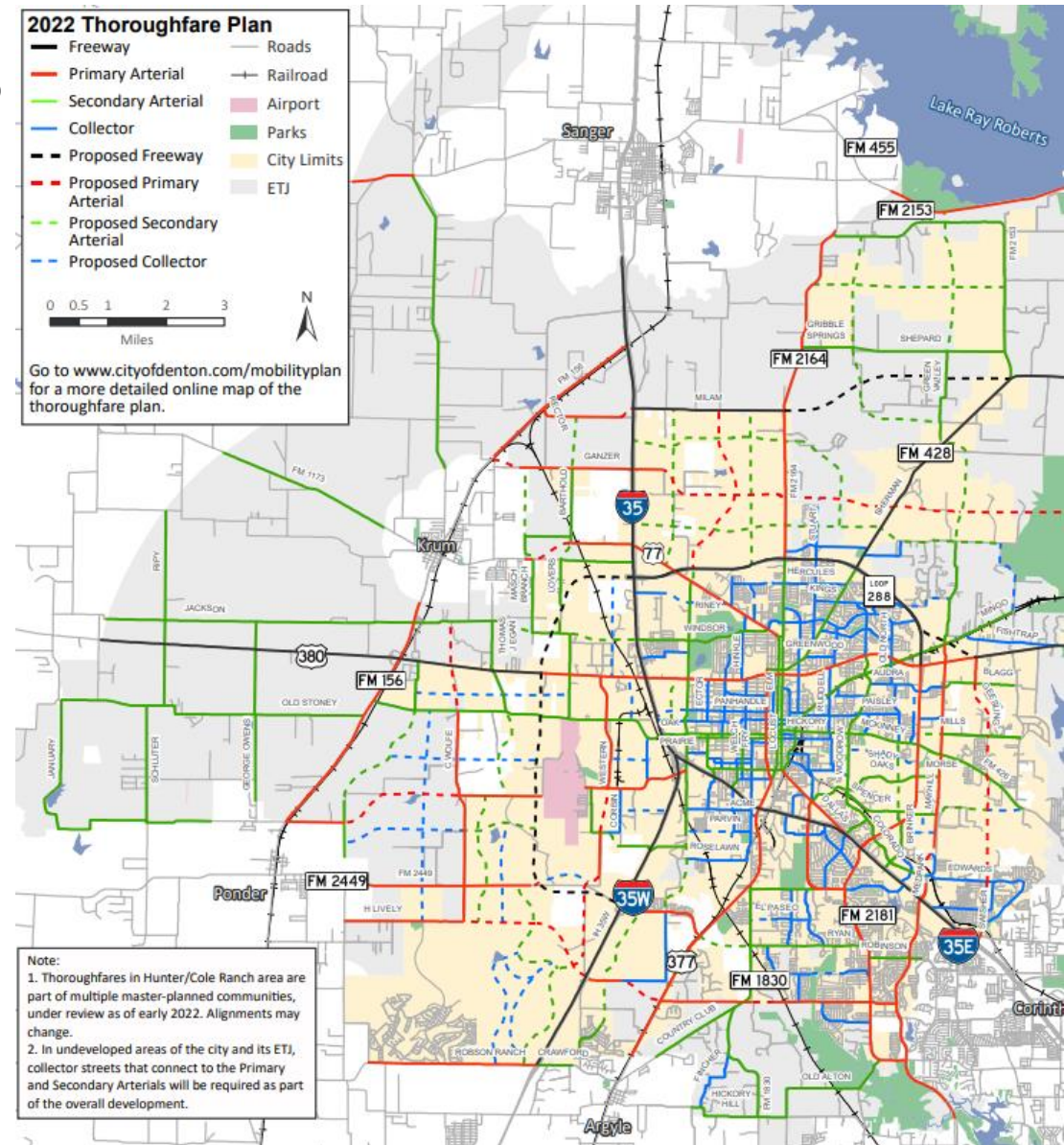


Land Use Assumptions: New Growth 2022-2032

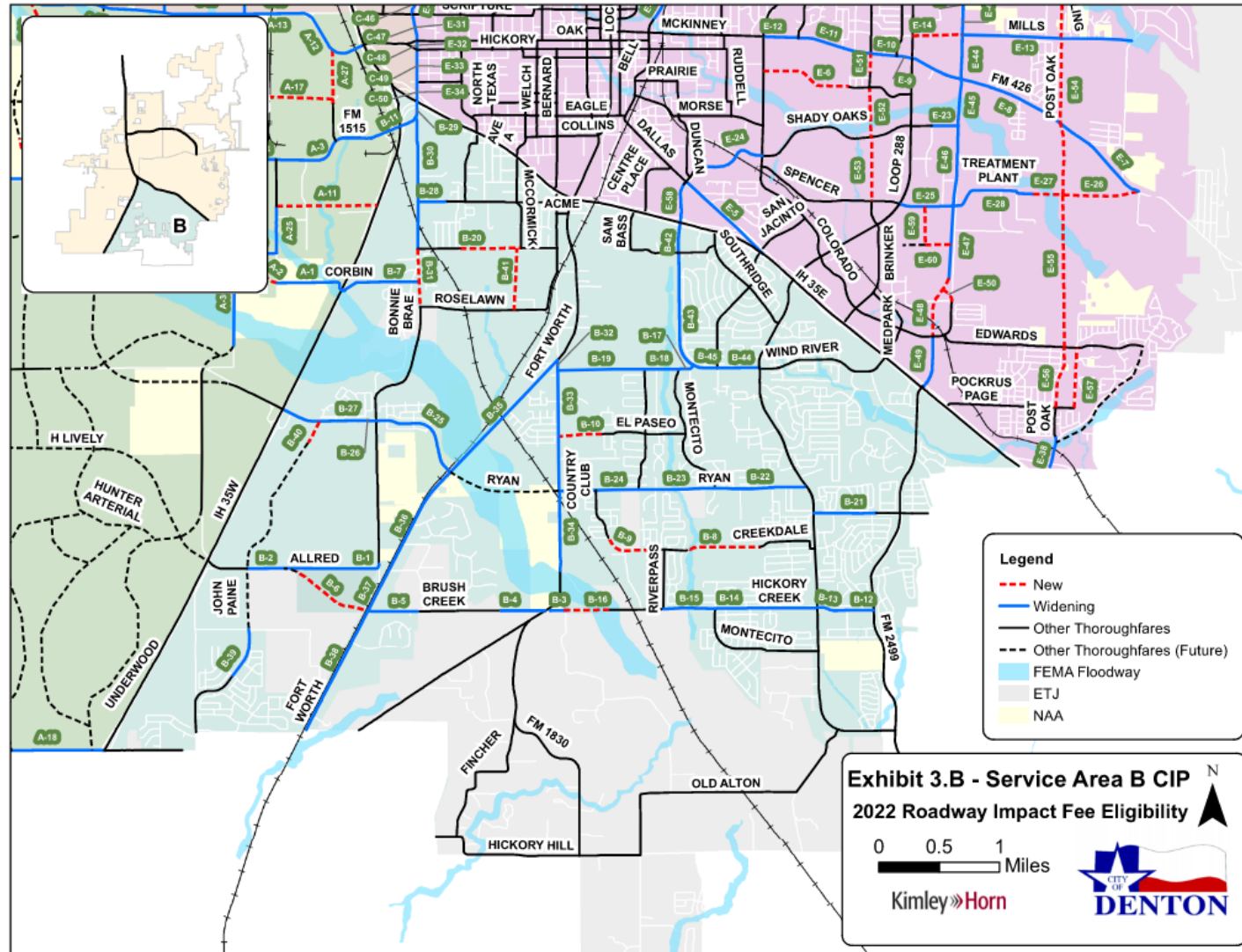


Capital Improvements Plan

- Based on adopted Mobility Plan



Capital Improvements Plan (Service Area B)

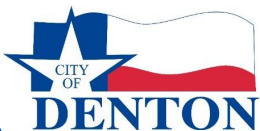


Impact Fee Methodology

- How are Impact Fees Calculated?
- Land Use and Population Projections
- Master Plan Infrastructure Requirements
- Develop 10-Year Impact Fee CIP
- 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



Impact Fee Results: Maximum Fees

Maximum Assessable Fee Per Service Unit	Service Area				
	A	B	C	D	E
	\$4,789	\$4,066	\$4,695	\$5,265	\$3,722

Collection Rate Options (City-Wide Average)

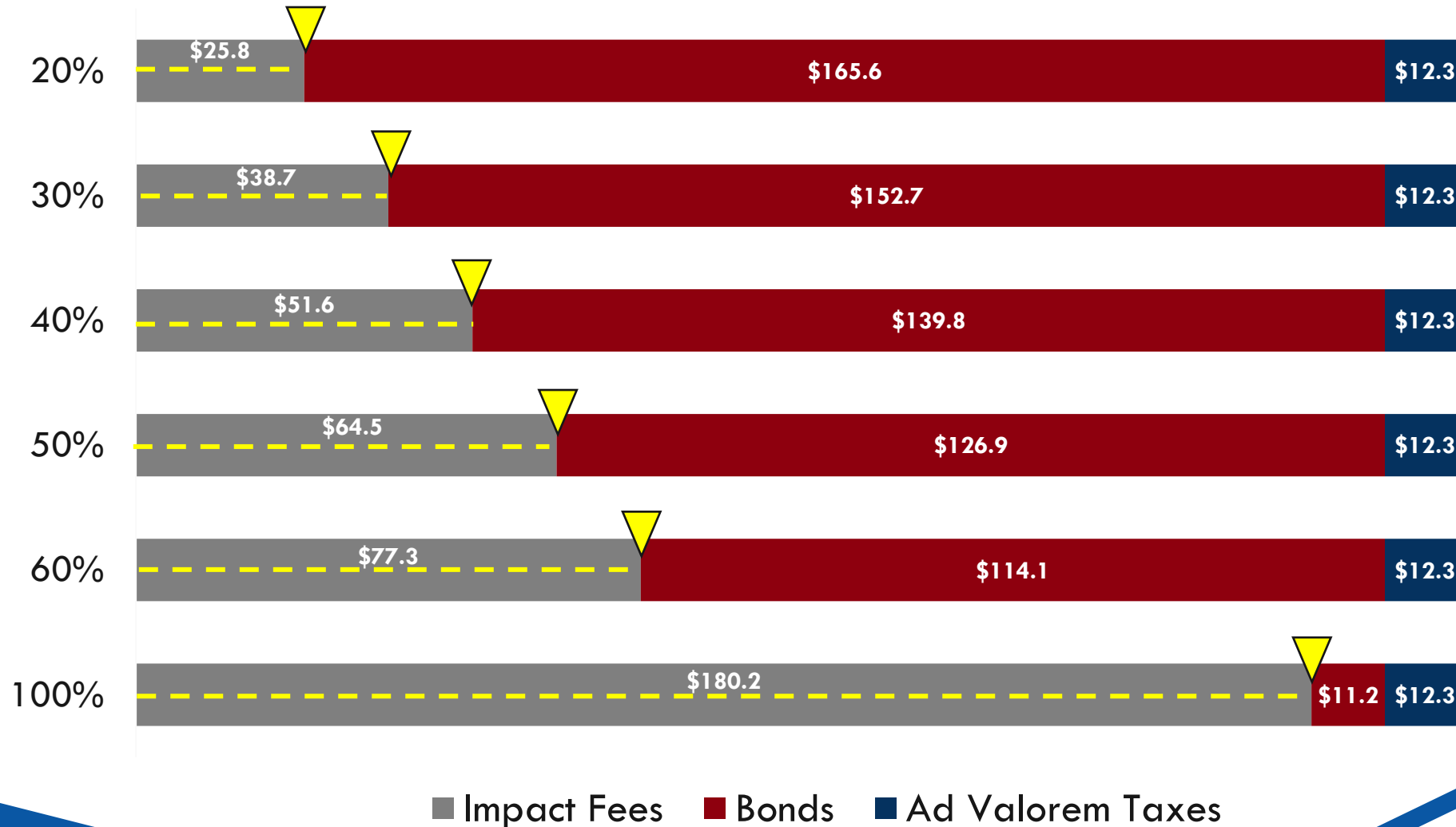
Amount Assessed	2016 Max	2016 Adopted ⁽¹⁾	2022 Proposed Collection Rate Options ⁽²⁾					2022 Max
	100%	20%	20%	30%	40%	50%	60%	100%
Single Family Home	\$9,808	\$2,000	\$4,156	\$6,234	\$8,312	\$10,390	\$12,467	\$20,779
Apartment Complex (250 Units)	\$1,521,520	\$310,202	\$281,713	\$422,569	\$563,425	\$704,281	\$845,138	\$2,817,125
Shopping Center (15,000 Sq. Ft.)	\$206,006	\$31,500	\$82,350	\$123,525	\$164,700	\$205,875	\$247,051	\$823,502
Office Building (5,000 Sq. Ft.)	\$89,489	\$13,684	\$19,472	\$29,208	\$38,944	\$48,680	\$58,416	\$194,720
Light Industrial ⁽³⁾ (100,000 Sq. Ft.)	\$384,384	\$58,775	\$146,941	\$220,412	\$293,882	\$367,353	\$440,824	\$1,469,412

(1) The adopted rate in 2016 included a 25% discount for non-residential uses

(2) The proposed rate in 2022 includes a 50% discount for non-residential uses

(3) All industrial rates in 2016 were capped at the Warehousing rate

Collection Rate Options: Service Area A 10 Year Roadway Funding (\$ Millions)



\$203 M Cost
Attributable to
10-Year Growth

Impact Fee Comparison Data

City	Roadway Impact Fees - Single Family Home				
	Service Areas	Last Updated	Max Fee (Average)	Percent of Max Fee Collected (Average)	Collected Fee (Average)
Lubbock	8	2021	\$2,559	50%	\$1,280
College Station	4	2021	\$6,899	24%	\$1,650
Frisco	4	2019	\$3,944	70%	\$2,761
Flower Mound (East)	3	2021	\$3,041	100%	\$3,041
Georgetown	9	2021	\$10,648	37%	\$3,943
McKinney	13	2020	\$7,329	61%	\$4,484
Keller	2	2022	\$7,042	75%	\$5,282
New Braunfels	6	2019	\$5,676	100%	\$5,676
Fort Worth	19	2022	\$11,670	50%	\$5,835
Fort Worth (South)	19	2022	\$28,126	50%	\$14,063
Flower Mound (West)	3	2021	\$17,974	100%	\$17,974
Denton (Current)	5	2016	\$9,808	20%	\$2,000
Denton (2022 - 20%)	5	2022	\$20,727	30%	\$4,146
Denton (2022 - 30%)	5	2022	\$20,727	30%	\$6,234
Denton (2022 - 40%)	5	2022	\$20,727	40%	\$8,312
Denton (2022 - 50%)	5	2022	\$20,727	50%	\$10,390
Denton (2022 - 60%)	5	2022	\$20,727	60%	\$12,467



Collection Rate Options: CIAC Recommendation

- Council expressed support for:
 - 20% of max for Residential
 - 10% of max for Non-Residential
 - Annual evaluation to determine percentage increases

Schedule

- March 20 - CIAC Review and Comment
- April 2 - Set Public Hearing (on consent no action)
- April 5 - Advertise for Public Hearing
- May 7 - Public Hearing

Contact

- Jeff Whitacre, P.E., ACIP, PTP
Jeff.Whitacre@kimley-horn.com
817-721-0188
- Pete Kelly, P.E.
Pete.Kelly@kimley-horn.com
817-339-2279