

## **GUIDELINES FOR PERIMETER STREET IMPROVEMENT REQUIREMENTS**

### **Executive Summary:**

These are guidelines for perimeter street improvement requirements for proposed developments under the new Roadway Impact Fee Ordinance. These guidelines are intended to be general in nature, and in the event that these guidelines conflict with provisions of the Roadway Impact Fee Ordinance No. 2016-189 (the “Ordinance”) or the Denton Development Code (“DDC”), the provisions in the DDC and Ordinance will prevail over these guidelines.

### **Proposed Guidelines:**

#### Principles:

- Roadway improvements are generally paid for by the constituents (tax payers, property owners, shoppers, cost of house, HOA dues, etc.).
- Roadway impact fees help to allocate the cost of roadways improvements amongst the current and incoming constituents via the various means of funding the costs (taxes, bonds, development costs, fees, etc.).
- Expending Roadway Impact Fees at the start of the project is an additional cost to the developer (new constituent) due to cash flow, interest on borrowed funds, lost opportunity, etc.
- The City has a need to address deficiencies in many areas of the City related to OCI, LOS, safety, etc.
- The City is transitioning from a perimeter street/rough proportionality system to a system of Roadway Impact Fees and perimeter street paving requirements.
- It will be a few years before the Roadway Impact Fee fund is sufficient to provide a substantial source for City participation in perimeter street paving needs, even when urgent.
- Developer participation in the short term to the extent of maximum available impact fee credit would help the City work through this transition period and avoid the effects of not addressing some of the City roadway improvement needs.
- The Maximum Assessable Roadway Impact Fee is an average of the rough proportionality within a given district.
- The MARIF is favorable to large developments and unfavorable to small and infill developments.
- Large and intense developments along City roads do have a potential to have a rough proportionality notably greater than the MARIF.
- The RIF Ordinance additionally gives incentives to these developments in the form of reduced fees.
- It is fair and appropriate for developments to make perimeter street improvements up to the value of the rough proportionality.
- The previous perimeter street/rough proportionality system also had a provision that perimeter streets would be paved a minimum of 25 feet. This resulted in perimeter street paving requirements 3 to 4 and even more times the rough proportionality assessment.
- Developments should be required to make improvements up to the rough proportional amount when conditions justify.
- The City’s current rough proportionality model may be in need of updating.

#### Practices:

- The City Engineer shall be authorized to approve a pavement section for any given development that requires up to the maximum available roadway impact fee credits. With justification the City Engineer may require a modified section that does not exceed the developments rough proportional amount of a full section and includes a responsible participation by the City to address existing roadway deficiencies. If the roadway is less than 24 feet then the City Engineer may require a section to bring the roadway up to 20 or 24 feet (20 feet is minimum fire lane width).
- The City Engineer shall have the authority to require a responsible alternate (interim) paving section anywhere from keeping the existing section to a modified section to address specific existing deficiencies to a full standard City section.
- The City standard roadway sections shall be the basis for initiating any consideration to an alternate paving section.
- The deficiencies of the existing roadway section shall be the basis for considering the City's participation in any alternate section.
- The City should participate for additional cost to address existing pavement deficiencies such as low OCI, low LOS and widths less than 24 feet.
- The developer should be required to address OCI, LOS and safety deficiencies that the development creates, not those that the City has not been able to address.

#### Credits:

Pursuant to Ordinance No. 2016-189, Section 14, The City may credit the contribution of land, improvements or funding for construction of any System Facility (collector street and above), required or agreed to by the City, toward the Roadway Impact Fees due for a development. Such credits are limited to the provisions of said Section 14 and the following guidelines:

##### 1. Right-of-Way

Right-of-way will be credited, at the Denton County Appraisal District appraised value prior to the beginning of the development process for the property, for only the area of right-of-way provided beyond the current maintained right-of-way limits and excluding right-of-way required for any development site-related improvements.

##### 2. Street Construction

Construction value will be credited at the total cost of the construction of the roadway and related appurtenances, based on competitive bids and less sidewalks and development site-related roadway or facility improvement, e.g., turn-lanes, acceleration/ deceleration lanes, etc. serving the development. The construction costs for the System Facilities must also be comparable to the costs of roadway improvements within the development and agreed on by the City Engineer. System Facilities may include perimeter or off-site roadway improvements.

Credits against Roadway Impact Fees require an agreement between the developer and the City, which identifies "... the basis for and the method for computing and the amount of the Credit due and any reduction in Credits attributable to consumption of road capacity for developed lots or tracts served by the Roadway Capital Improvements."