

Killeen Impact Fees

July 14, 2015

Kimley»»Horn

Outline

- Brief Overview of Impact Fees
- Roadway Impact Fees
- Water and Wastewater Impact Fees
- Next Steps





Brief Overview of Impact Fees

What is an Impact Fee?

- **One-time** fee assessed to recover infrastructure costs required to serve **new development**
- Governed by Chapter 395 of the Texas LGC



Why Impact Fees?

- Provides an additional funding tool for infrastructure systems
- Provides for the orderly growth of the community
- Allows for a balanced funding combination that recognizes the benefits of growth



What is included in an Impact Fee?

- Components that can be paid for through an impact fee program:
 - ✓ Construction cost of capital improvements on the CIP
 - Roadway to thoroughfare standard
 - Traffic signals, bridges, sidewalks, etc.
 - ✓ 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 in the CIP
 - ✗ Repair, operation and maintenance of existing or new facilities
 - ✗ Upgrades to serve existing development
 - ✗ Administrative costs of operating the program



What are the Components

- Part 1
 - Service Areas
 - Land Use Assumptions
 - Service Units
 - Capital Improvements Plans
- Part 2
 - Maximum Fee Calculation



How are Impact Fees Calculated

- 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 or 50% of the Max





Roadway Impact Fees

Roadway Impact Fee Components

- Service Areas
- Land Use Assumptions
- Capital Improvement Plans
- Service Units

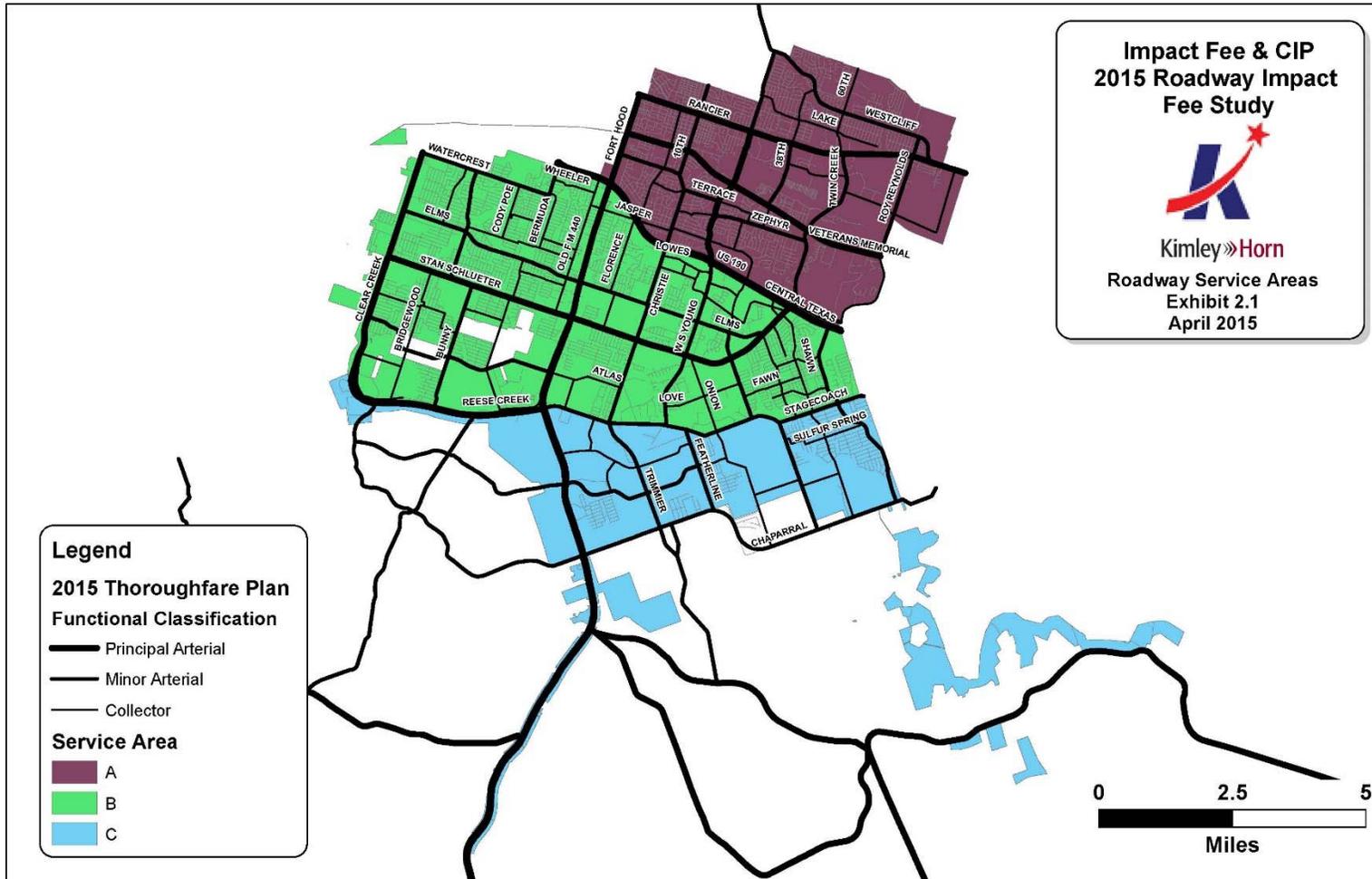


Roadway Service Areas

- Area to be served by Impact Fee CIP
- Roadway Service Areas are limited to six (6) miles by state law (3)
- Money collected in each Service Area must be spent on Impact Fee Capital Improvement Projects in that Service Area



Roadway Service Areas



Roadway Land Use Assumptions

- Land Use Assumptions
 - Establishes Infrastructure Demands
 - **10-Year Growth**
- Consistent with Previous Master Planning Efforts
- Compared to Historic Growth



Roadway Land Use Assumptions

SERVICE AREA	SINGLE FAMILY (DWELLING UNITS)	MULTI-FAMILY (DWELLING UNITS)	BASIC (ft ²)	SERVICE (ft ²)	RETAIL (ft ²)
A	1,719	668	330,000	1,400,000	680,000
B	2,447	951	220,000	300,000	680,000
C	1,050	408	550,000	300,000	340,000
Total	5,215	2,028	1,100,000	2,000,000	1,700,000

- Land Use Assumptions determined by analyzing historic growth trends from the previous ten years
- Based on previous planning efforts
- This is for City Limits only

Service Area	Vehicle-Miles
A	22,182
B	20,434
C	12,143

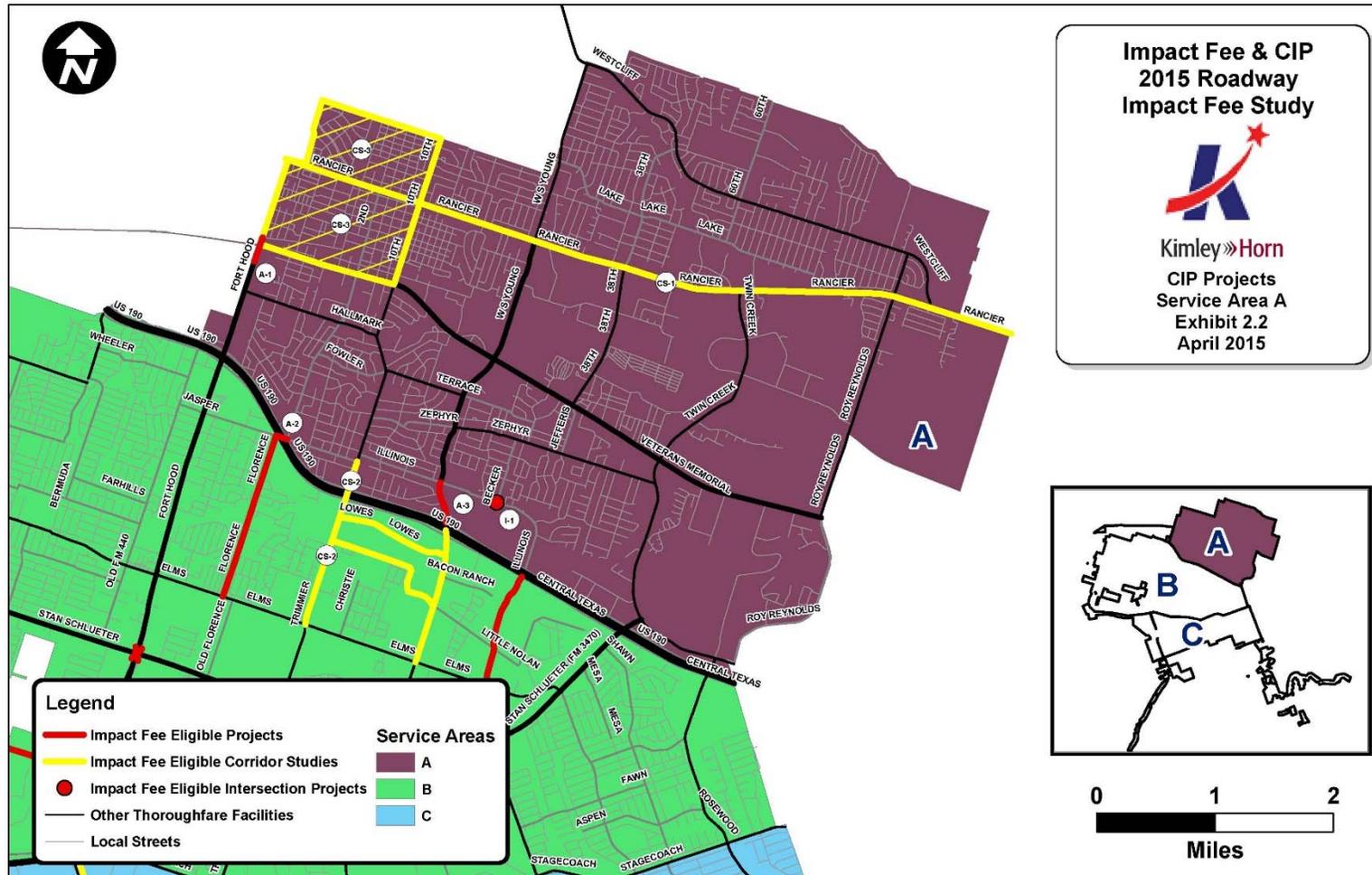


Roadway Impact Fee CIP

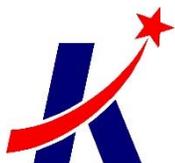
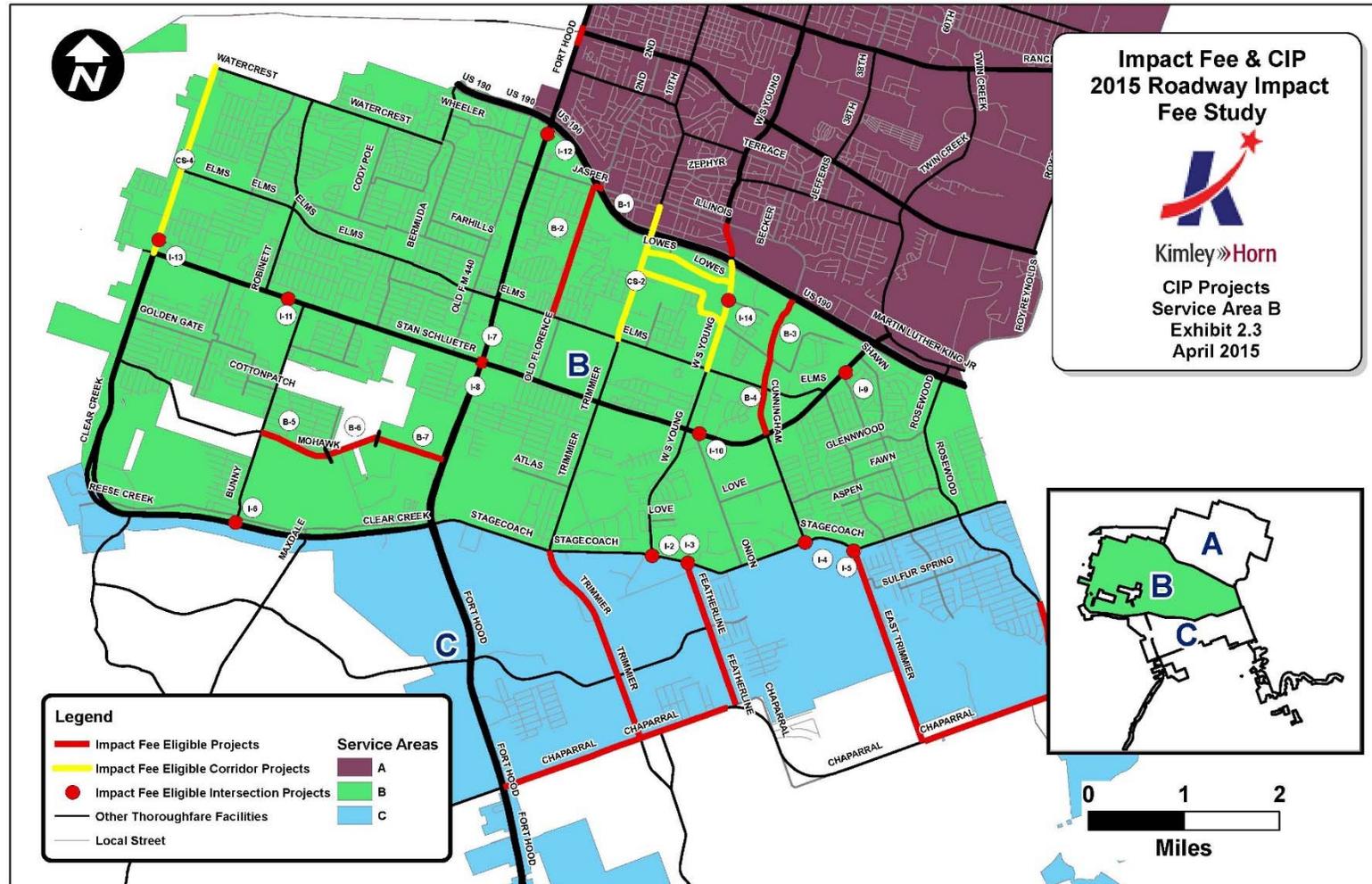
- Based on recently adopted Thoroughfare Plan priorities
- Only includes portion of projects that are for additional capacity



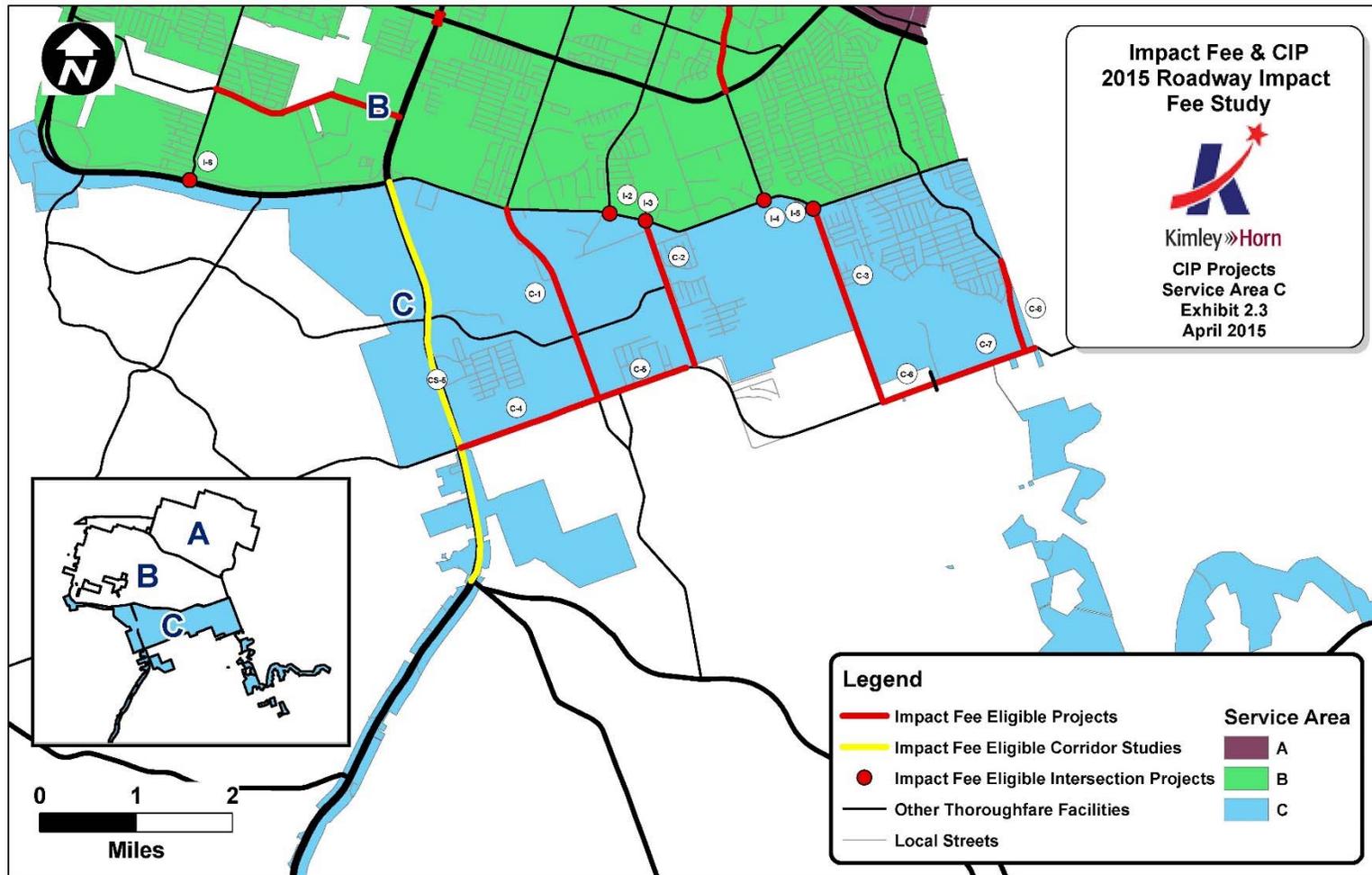
Roadway Impact Fee CIP: Service Area A



Roadway Impact Fee CIP: Service Area B

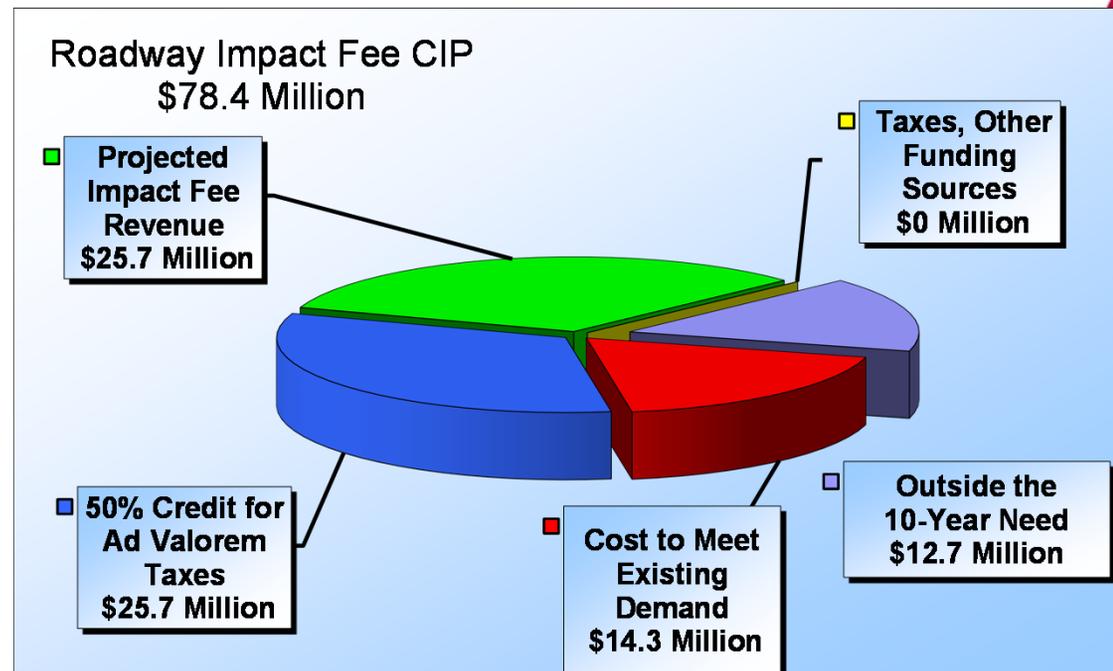


Roadway Impact Fee CIP: Service Area C



Roadway Impact Fee CIP Recoverable Cost

- Remove Cost to Meet Existing Demand
- Remove Cost Outside the 10-year Need
- 50% Credit for Ad Valorem Taxes
- Fees are Growth Dependent
- Estimated a \$2.57 million per year at maximum rate with projected growth.



Roadway Impact Fee Calculation

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

$$\text{SAB Impact Fee Per Service Unit} = \frac{\$16.95 \text{ Million}}{20,434 \text{ veh - miles}}$$

- **Service Area A - \$160 / vehicle-mile**
- **Service Area B - \$830 / vehicle-mile**
- **Service Area C - \$912 / vehicle-mile**



2015 Study Results

Roadway Impact Fee

- Single-Family (4.10 vehicle miles)

Service Area	A	B	C
Maximum Rate per Service Unit	\$160	\$830	\$912
Maximum Rate Per Dwelling Unit	\$656	\$3,403	\$3,739
Council Adopted Rate	TBD	TBD	TBD

- Apartment (2.54 vehicle miles)

Service Area	A	B	C
Maximum Rate per Service Unit	\$160	\$830	\$912
Maximum Rate Per Dwelling Unit	\$406	\$2,108	\$2,316
Council Adopted Rate	TBD	TBD	TBD



2015 Study Results

Roadway Impact Fee

- 3,000 Square Foot Office (4.47 vehicle-miles)

Service Area	A	B	C
Maximum Rate per Service Unit	\$160	\$830	\$912
Maximum Rate Per 1,000 square feet	\$715	\$3,710	\$4,077
Maximum Rate	\$2,145	\$11,130	\$12,231
Council Adopted Rate	TBD	TBD	TBD



The image features a large, abstract graphic design. On the right side, a large maroon shape contains the text 'Water and Wastewater Impact Fees' in white. To the left of this maroon shape are several overlapping shapes: a light teal shape at the top, a dark grey shape on the left, and a teal shape at the bottom. The overall composition is modern and clean.

Water and Wastewater Impact Fees

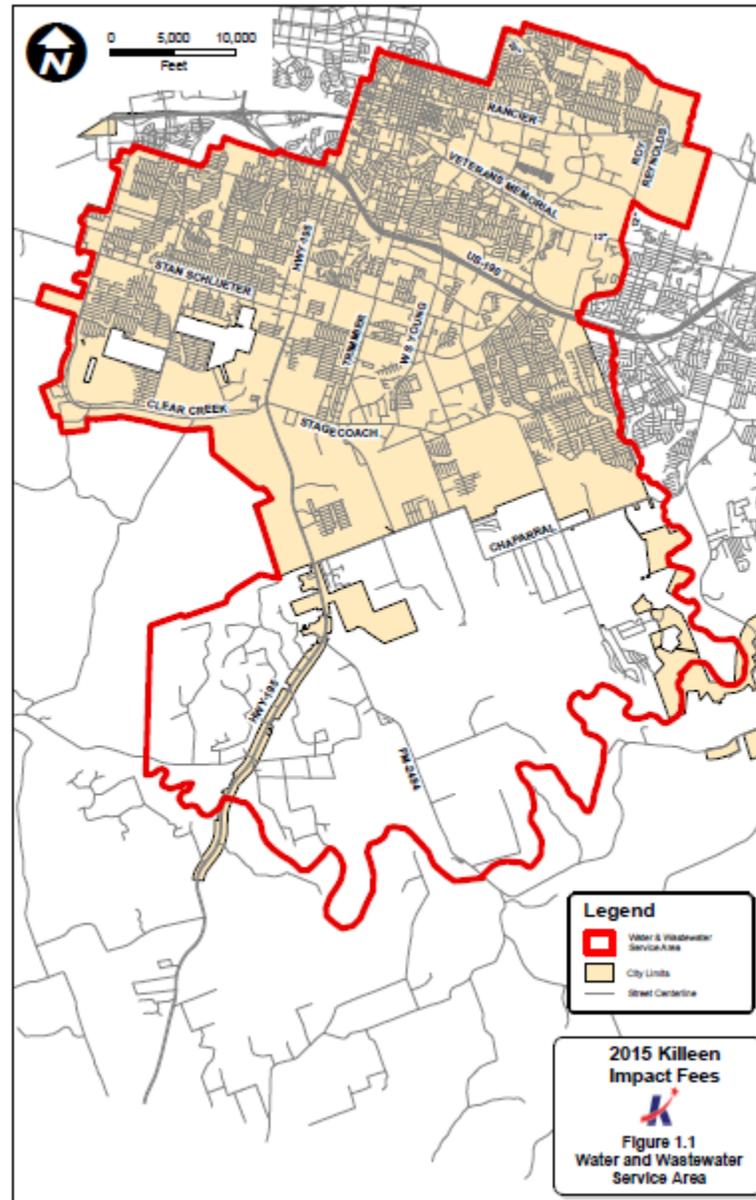
Water and Wastewater Impact Fee Components

- Service Areas
- Land Use Assumptions
- Capital Improvement Plans
- Service Units



Water and Wastewater Service Areas

- Area to be served by Impact Fee CIP
- Water and Wastewater Service Areas are the City Limits and ETJ of Killeen

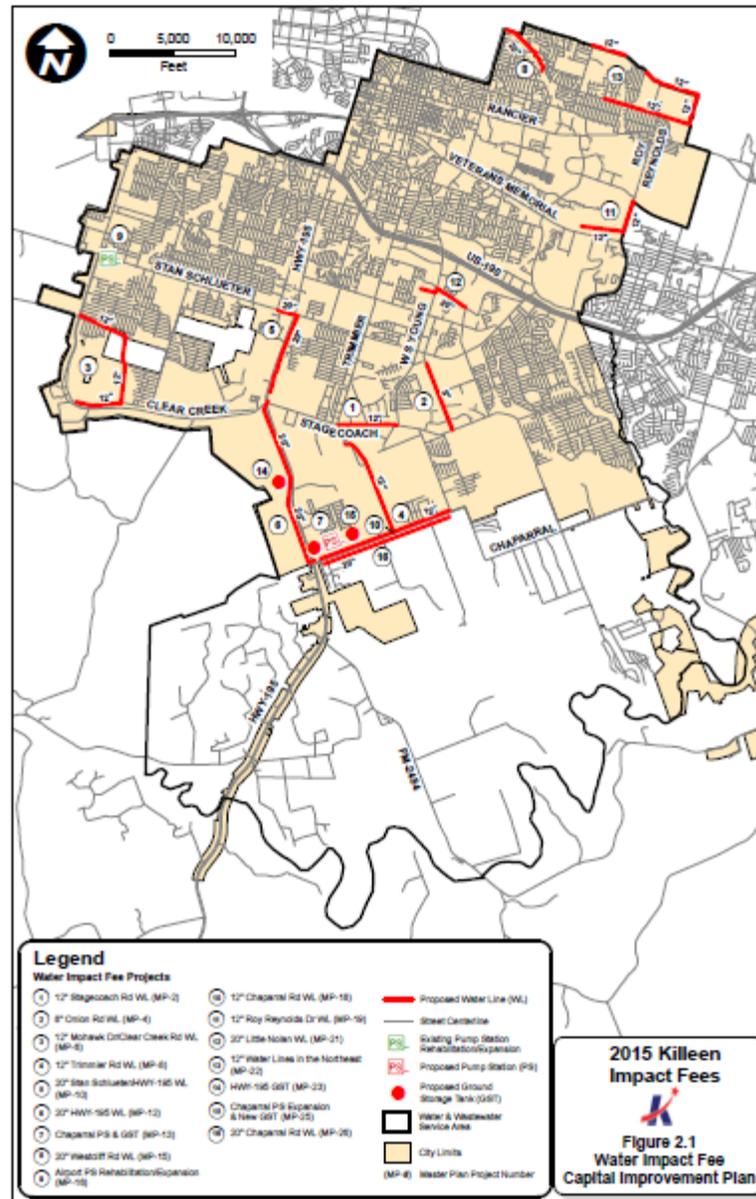


Land Use Assumptions

- Land Use Assumptions
 - Establishes Infrastructure Demands
 - Consistent with Water and Wastewater Master Plan
- **10-Year Growth**
- Same as Roadway + ETJ Growth
- Estimated Growth
 - 10,993 dwelling units (3,750 in ETJ)



Water Impact Fee CIP



Kimley » Horn

Impact Fee Components

Water Impact Fee CIP

- Total Water Impact Fee CIP - \$28,135,388
- Max. Recoverable - \$ 12,219,642.40

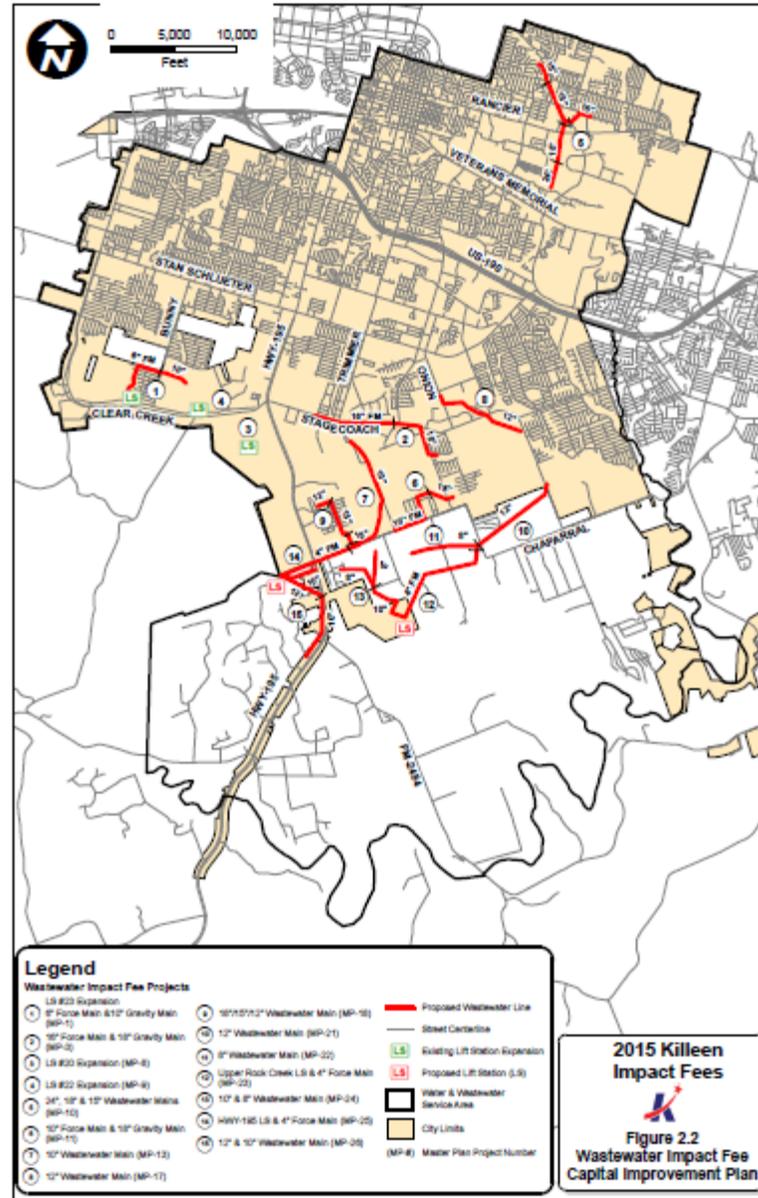
Legend

Water Impact Fee Projects

① 12" Stagecoach Rd WL (MP-2)	⑩ 12" Chaparral Rd WL (MP-18)	 Proposed Water Line (WL)
② 8" Onion Rd WL (MP-4)	⑪ 12" Roy Reynolds Dr WL (MP-19)	 Street Centerline
③ 12" Mohawk Dr/Clear Creek Rd WL (MP-6)	⑫ 20" Little Nolan WL (MP-21)	 Existing Pump Station Rehabilitation/Expansion
④ 12" Trimmier Rd WL (MP-8)	⑬ 12" Water Lines in the Northeast (MP-22)	 Proposed Pump Station (PS)
⑤ 20" Stan Schlueter/HWY-195 WL (MP-10)	⑭ HWY-195 GST (MP-23)	 Proposed Ground Storage Tank (GST)
⑥ 20" HWY-195 WL (MP-12)	⑮ Chaparral PS Expansion & New GST (MP-25)	 Water & Wastewater Service Area
⑦ Chaparral PS & GST (MP-13)	⑯ 20" Chaparral Rd WL (MP-26)	 City Limits
⑧ 20" Westcliff Rd WL (MP-15)		(MP-#) Master Plan Project Number
⑨ Airport PS Rehabilitation/Expansion (MP-16)		



Wastewater Impact Fee CIP



Wastewater Impact Fee CIP

- Total Wastewater Impact Fee CIP - \$14,974,828
- Max. Recoverable - \$ 9,797,112.60

Legend

Wastewater Impact Fee Projects

<p>① LS #23 Expansion 6" Force Main & 10" Gravity Main (MP-1)</p> <p>② 16" Force Main & 18" Gravity Main (MP-3)</p> <p>③ LS #20 Expansion (MP-8)</p> <p>④ LS #22 Expansion (MP-9)</p> <p>⑤ 24", 18" & 15" Wastewater Mains (MP-10)</p> <p>⑥ 10" Force Main & 18" Gravity Main (MP-11)</p> <p>⑦ 10" Wasterwater Main (MP-13)</p> <p>⑧ 12" Wastewater Main (MP-17)</p>	<p>⑨ 18"/15"/12" Wastewater Main (MP-18)</p> <p>⑩ 12" Wastewater Main (MP-21)</p> <p>⑪ 8" Wastewater Main (MP-22)</p> <p>⑫ Upper Rock Creek LS & 4" Force Main (MP-23)</p> <p>⑬ 10" & 8" Wastewater Main (MP-24)</p> <p>⑭ HWY-195 LS & 4" Force Main (MP-25)</p> <p>⑮ 12" & 10" Wastewater Main (MP-26)</p>	<p> Proposed Wastewater Line</p> <p> Street Centerline</p> <p> Existing Lift Station Expansion</p> <p> Proposed Lift Station (LS)</p> <p> Water & Wastewater Service Area</p> <p> City Limits</p> <p>(MP-#) Master Plan Project Number</p>
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Impact Fee Components

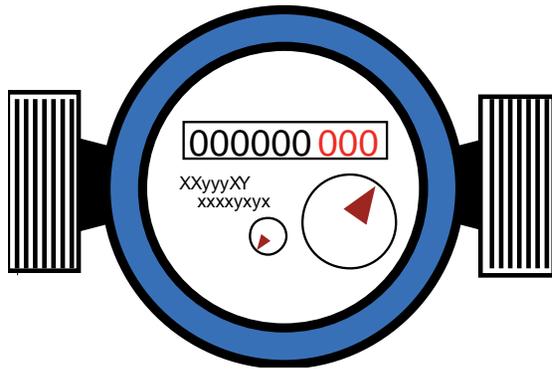
Service Units

- Chapter 395 of the Local Government Code “service unit” definition
 - Standardized measure of consumption attributable to an individual unit of development
- Water and wastewater utilize standard water meter (5/8”x3/4”)



Impact Fee Components Service Units - Utilities

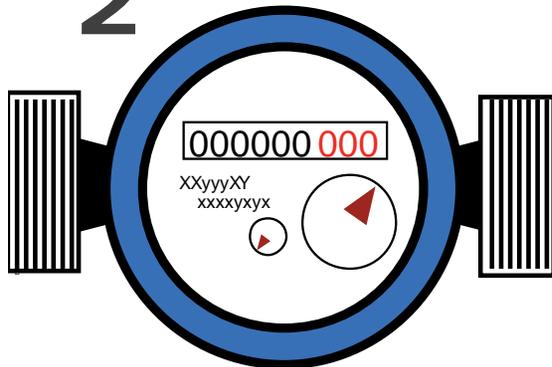
5/8" x 3/4"



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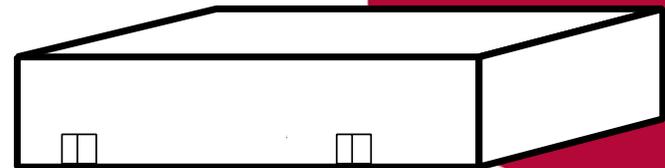


2"



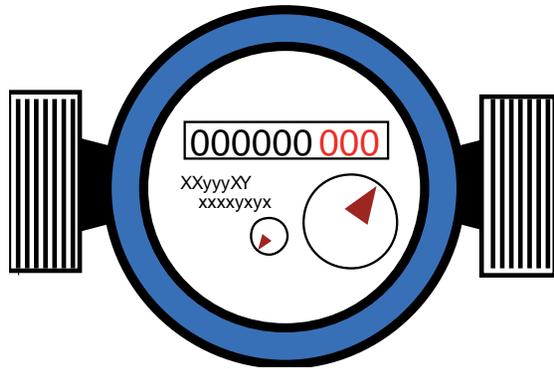
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Shopping Center



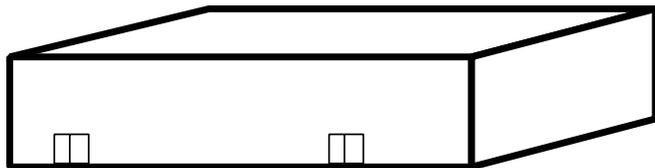
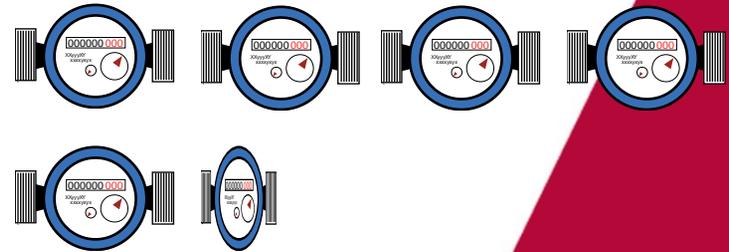
Impact Fee Components Service Units - Utilities

2" = 5.33 SUE

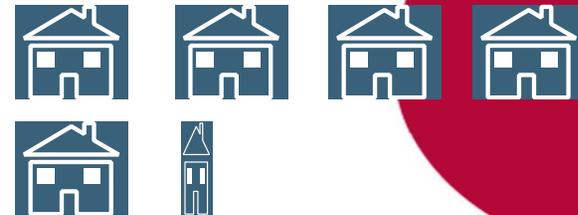


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5/8" x 3/4"



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2015 Study Results

Water Impact Fee

Recoverable Impact Fee CIP Costs	\$12,219,642.40
Debt Service	\$2,810,517.75
Recoverable Impact Fee CIP Costs w/Debt Service	\$15,030,160.15
50 Percent Reduction	(\$7,515,080.08)
Maximum Recoverable Cost of Impact Fee	\$7,515,080.08

$$\text{Impact fee per service unit} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service unit} = \frac{\$7,515,080.08}{10,990}$$

$$\text{Impact fee per service unit} = \$683.81$$



Wastewater Impact Fee

Recoverable Impact Fee CIP Costs	\$9,797,112.60
Debt Service	\$2,253,335.90
Recoverable Impact Fee CIP Costs w/Debt Service	\$12,050,448.50
50 Percent Reduction	(\$6,025,224.25)
Maximum Recoverable Cost for Impact Fee	\$6,025,224.25

$$\text{Impact fee per service unit} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service unit} = \frac{\$6,025,224.25}{10,964}$$

$$\text{Impact fee per service unit} = \$549.55$$

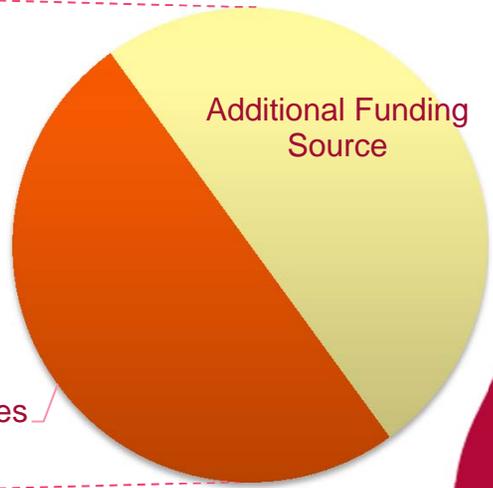
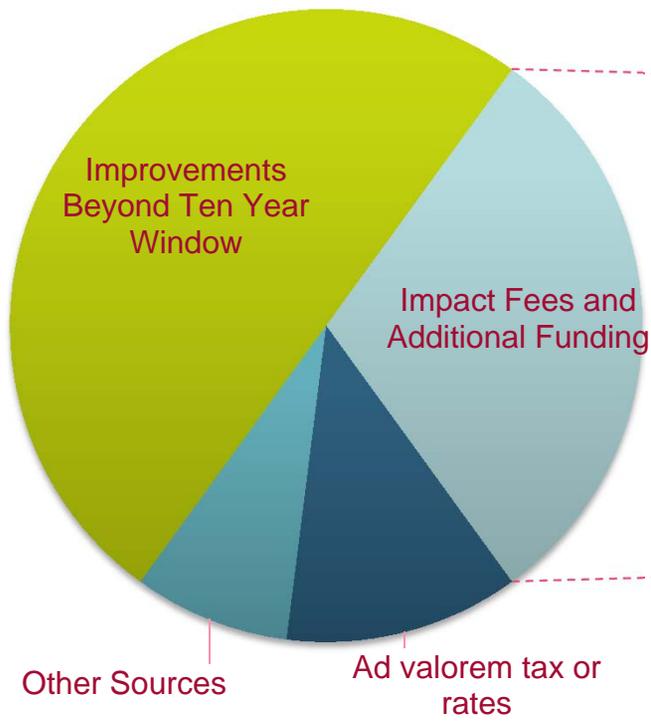


Water and Wastewater Impact Fee Study Results

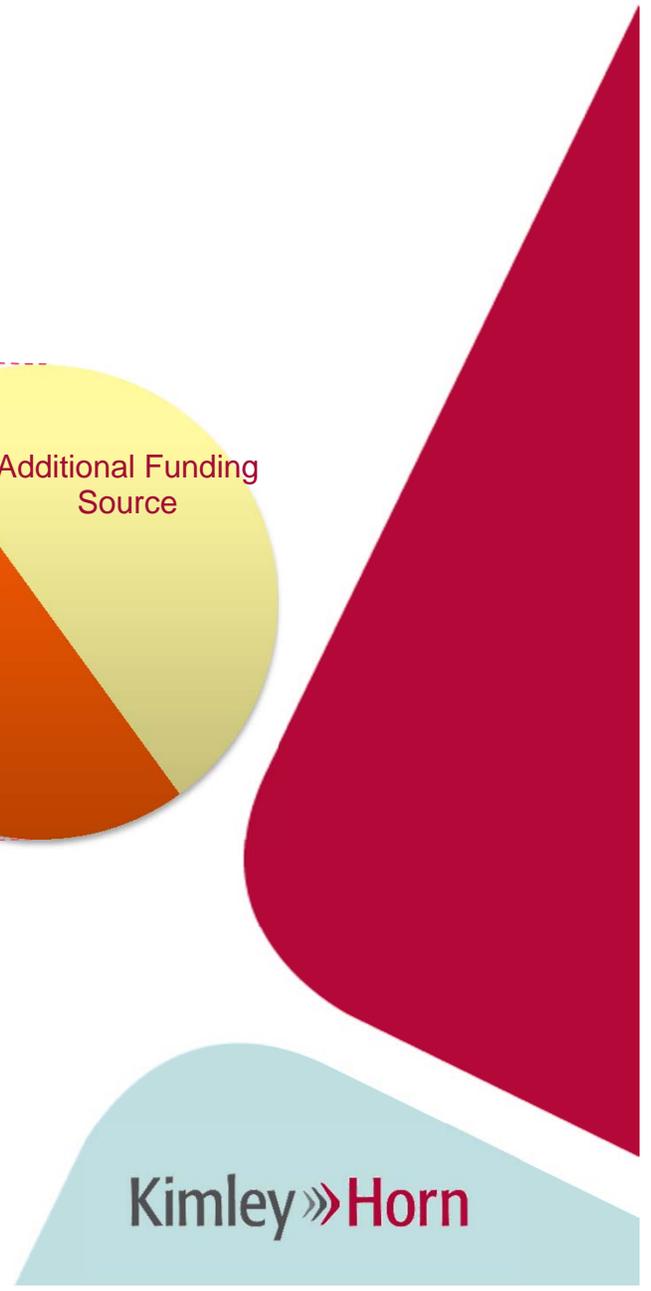
Meter Size	Water Max Fee	Wastewater Max Fee	Total Max Fee
3/4"	\$683.81	\$549.55	\$1,233.36
1"	\$1,141.96	\$917.75	\$2,059.71
2"	\$3,644.71	\$2,929.10	\$6,573.81



Project Funding



- Ad valorem tax or rates
- Other Sources
- Improvements Beyond Ten Year Window
- Impact Fees



The image features an abstract composition of geometric shapes. A large teal shape occupies the top-left quadrant. A dark grey shape is on the left side. A teal shape is at the bottom-left. A large red shape dominates the right side. The text 'Next Steps' is centered in the red area.

Next Steps

Impact Fee Schedule

✓ *Hand Out Draft Reports*

- Council Workshop on Draft Reports
- Council Resolution to Establish CIAC
- Final Report Submitted
- Council Sets Public Hearing On Impact CIP and Land Use
- Advertise Public Hearing (30 days)
- CIAC Meeting to Present Impact CIP and Land Use
- Council Public Hearing On Impact CIP and Land Use
- Council Sets Public Hearing On Impact Fees
- Advertise Public Hearing (30 days)
- CIAC Meeting to Present Impact CIP and Land Use
- Council Public Hearing On Impact CIP and Land Use
- Ordinance Adoption (Could be on 10/27/2015)
- Collection of Impact Fees
(Dependent on Ordinance)

✓ *June 23, 2015*

- July 14, 2015
- July 21, 2015
- July 21, 2015
- July 28, 2015
- July 31, 2015
- August 2015
- September 8, 2015
- September 22, 2015
- September 25, 2015
- October 2015
- October 27, 2015
- November 13, 2015
- November 13, 2016

