



## Response to Analysis of Killeen Impact Fee Studies

Submitted by Winstead PC

### Land Use Assumptions

Comment 1: ETJ growth numbers should not be used. ETJ cannot be used to define Roadway Services Area.

*Response: The Roadway Impact Fee Study does not include the growth in the ETJ. The additional growth of 870 dwelling units in the ETJ was not included in any roadway impact fee calculations. For water and wastewater, the service areas were defined and included ETJ. If the City collects an impact fee where water and wastewater service is unavailable the collection is made to pay for a capital improvement or facility expansion that has been identified in the capital improvements plan and the political subdivision commits to commence construction within two years, under duly awarded and executed contracts or commitments of staff time covering substantially all of the work required to provide service, and to have the service available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in no event longer than five years. Otherwise an impact will not be collected.*

Comment 2: Disagreement with the Growth Projections. Eluding to the case that the increased growth will raise the impact fee.

*Response: The growth projections were developed based on historic trends and holding capacity of land within the City of Killeen. The growth projections were developed with assistance from the Capital Improvements Advisory Committee. The growth projections were presented during the first public hearing process and were approved on September 17<sup>th</sup>. In the case of Killeen, if the growth rate were lowered the impact fee would likely increase.*

### Bond Indebtedness

Comment 3: Remove debt payment.

*Response: Debt could be in the form of CO or GO bonds. Killeen does use debt service to pay off capital projects. The 22% was discussed with the finance and is reasonable to include.*

### Roadway Impact Fee

Comment 4: Development of the CIP is a wish list and not based on the Thoroughfare Plan.

*Response: The Roadway Impact Fee CIP was based on the City's Thoroughfare Plan. The Roadway Impact Fee was developed with assistance from the Capital Improvements Advisory Committee. The Roadway Impact Fee CIP was presented during the first public hearing process and was approved on September 17<sup>th</sup>.*

Comment 5: Projects are included that are already in the works or already in the City's approved Capital Improvement Program. Projects are already triggered by existing demands and should not be included.

*Response: Funded projects can be included in the Impact Fee CIP to pay down debt service. Impact Fees serves as another funding source for projects for future growth. The example listed was an overpass on SH 190 and Jasper. Only 20% of the project cost was included (\$4 million of \$20 million). In addition, the existing demand was removed from the \$4 million. For this project*



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*only 17% was accessed to future growth or approximately \$700,000. Only a portion of the project cost is attributable to growth.*

Comment 6: Capacity to Serve Existing Development: Under section 395.013: “Impact fees may not be adopted or used to pay for upgrading, updating, expanding, or replacing existing capital improvements to provide better service to existing development.” Tex. Loc. Gov’t Code § 395.013(4). Under section 395.013, any costs associated with roadway widening must be limited to the cost of the extra capacity only and may not be used to replace existing lanes. Segment B-3, for example, is a proposed 4 lane road. That segment is currently improved with 2 lanes. The study does not appear to adequately account for the costs associated with replacing the existing 4 lanes in this segment. In calculating the amount of capacity needed to serve new development, the study must account for existing roadway capacity. Although the study subtracts existing demand from the total build out, it does not appear to subtract the amount of existing *capacity* available to serve future development. Subtracting excess capacity would appear to better conform to the statute since impact fees cannot be used to pay for expansion or replacement of existing facilities. Based on the data in the study, subtracting existing capacity would reduce the recoverable costs.

*Response: The segments are limited to the cost of extra capacity. In some cases, the cost to provide the additional capacity may require more cost than a simple widening. The cost in the CIP is reflective of true cost to provide the capacity improvement. The existing demand is accounted for in the true cost to widened the roadway.*

Comment 7: The study assumes right-of-way acquisition costs between 15% and 30%, depending on whether the road is to be widened or is a new road. This is also unrealistic since the City’s typically acquire ROW at no cost through the platting process.

*Response: Right-of-way is an eligible cost to be included in an Impact Fee CIP. It is an allotment to obtain such Right-of-way.*

Comment 8: ETJ Projects such as Chaparral Road should not be included.

*Response: Projects included in the 10-year Roadway Impact Fee are within the service areas or adjacent to the service areas. Projects on a boundary may be split between service areas or discounted to 50% to include only one side of the project that falls within the corporate limits. Funds collected for within a service area are required to be spent on projects within the corresponding service area where collected. **Chaparral is a planned project that the City will be constructing and only a portion of those funds are included in the Impact Fee CIP.***



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### Water Impact Fee

Comment 9: Water Impact Fee Service Areas should be limited to the City Limits and should be two Service Areas.

*Response: The Water Service Area was created based on the Water Master Plan. The Water Service Area was presented during the first public hearing process and was approved on September 17<sup>th</sup>. Water Service Areas should remain as one. Note, if the City collects an impact fee where water service is unavailable the collection is made to pay for a capital improvement or facility expansion that has been identified in the capital improvements plan and the political subdivision commits to commence construction within two years, under duly awarded and executed contracts or commitments of staff time covering substantially all of the work required to provide service, and to have the service available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in no event longer than five years.*

Comment 10: Water Impact Fee projects should only include the cost delta between an 8" line and a 12" line.

*Response: The Impact Fee CIP is based on the actual cost for a project. What is the cost for the City to replace an 8" line to a 12" line? That cost is reduced by the capacity difference available between an 8" and 12" line to account for existing demand.*

### Sewer Impact Fee

Comment 11: Sewer Impact Fee Service Areas should split up by basins.

*Response: The Sewer Service Area was created based on the Sewer Master Plan. The Sewer Service Area was presented during the first public hearing process and was approved on September 17<sup>th</sup>. Sewer Service Areas should remain as one.*

Comment 12: Growth overestimation.

*Response: See land use assumptions comments. Note, most of the concerns in the memo on land use assumptions were about non-residential growth projections which has minor effects on sewer master planning. Residential dwelling units drive most of the projects in sewer master planning.*

### Other Funding Tools

Comment 13: Other Funding Tools

*Response: We agree that the City of Killeen should seek out multiple funding tools. Impact fees are only one tool to pay for infrastructure and it only covers infrastructure related to new growth.*