

2021 Impact Fee Update

Council Public Hearing

September 20, 2022

Kimley»Horn



Outline

Impact Fee Recap

- Impact Fee Process
- Role of the CIAC and City Council

Land Use Assumptions

Capital Improvement Plan

- Thoroughfare Plan

Maximum Impact Fees

- Service Unit Calculations
- Roadway, Water, and Wastewater Maximum Fees
- Fee Collection Options
- Maximum Fees for Comparable Cities



Impact Fee Recap

What are Impact Fees?

- One-time fee for new development.
- Mechanism to recover infrastructure costs required to serve the future development.
- Legal way to collect a flexible fee for infrastructure. *This gives a City freedom (or flexibility) to spend money on high priority projects within a broader service area.*

Impact Fee Process

We are here in process

Planning Step

Land Use Assumptions

Impact Fee Capital Improvements Plan

Analysis Step

Calculation of Maximum Assessable Impact Fee

Policy Step

Establishing the Impact Fee

Adoption

Impact Fee Ordinance

Process

5

2021 Impact Fee Update



Capital Improvements Advisory Committee (CIAC)

- **Review and provide written comments to City Council on**
 - Land Use Assumptions (LUA)
 - Impact Fee Capital Improvements Plan (IF CIP)
 - Impact Fees
- **Between Future 5-Year Updates**
 - Monitor and Evaluate Implementation of IF CIP
 - File Semiannual Reports
 - Advise on Needed Updates or Revisions

City Council

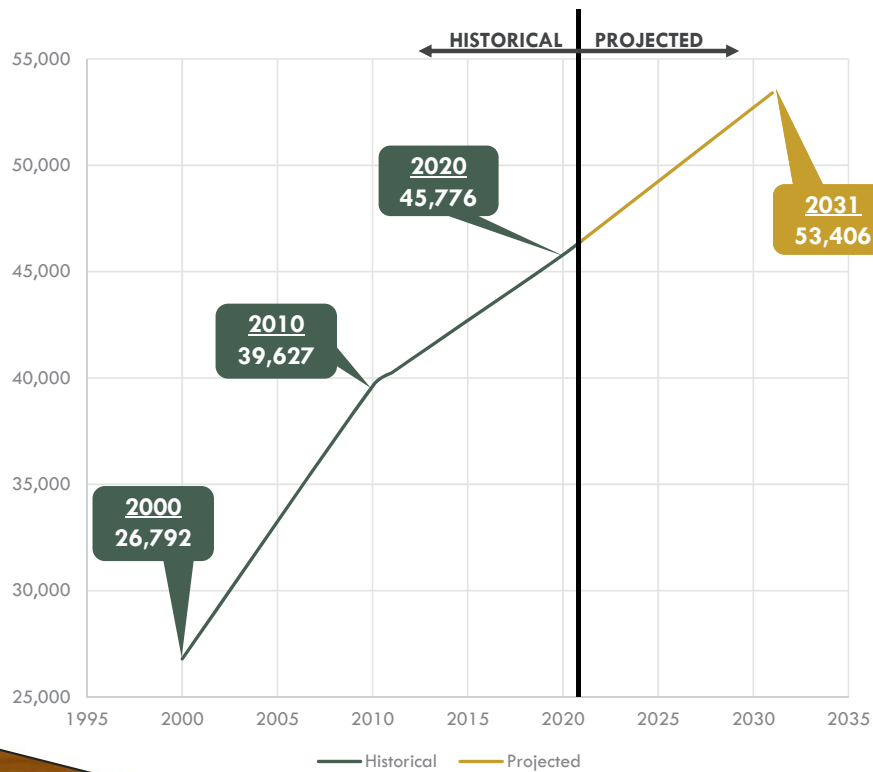
- Review LUA, IF CIP, and Impact Fees
- Consider Comments Provided by CIAC
- Consider Recommended Updates or Revisions Brought Forth by CIAC



Land Use Assumptions

Growth Trends and Population Projections

CIAC Recommended

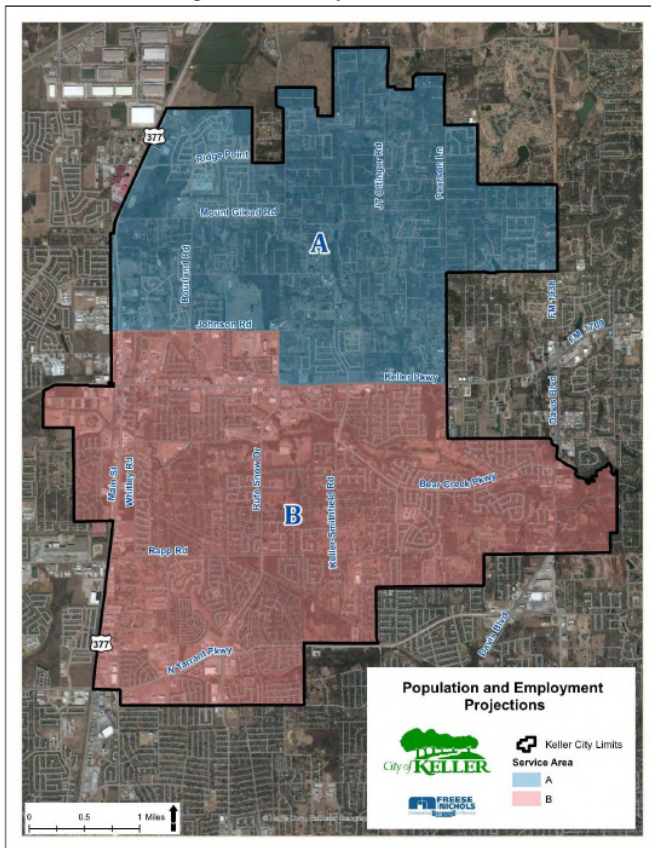


Year	Population	Source	Growth Rate
2000	26,792	Community Demographic Profile	-
2010	39,627		3.99%
2020	45,776		1.45%
2031	53,406	Projected 10-Year Growth	1.55%

Note: 2015 Study was 3.2%

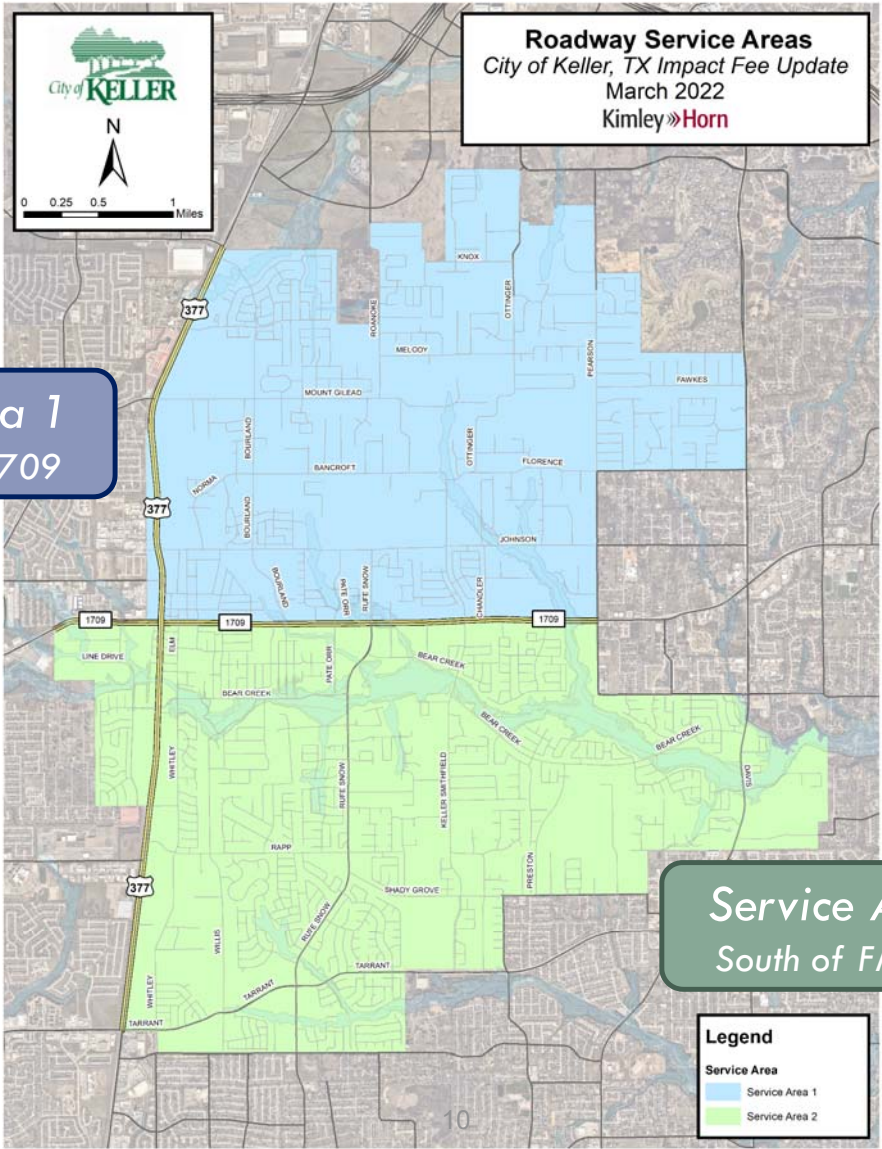
Service Areas

Figure 4-1 Roadway Service Area



- Funds collected within a service area must be spent on projects within the same service area within 10 years.
- Water - Citywide
- Wastewater - Citywide
- Roadway – 2 Service Areas
 - Based on the City’s 2015 Impact Fee Study

**Taken from 2015 Impact Fee Study*



Roadway Impact Fee Service Areas

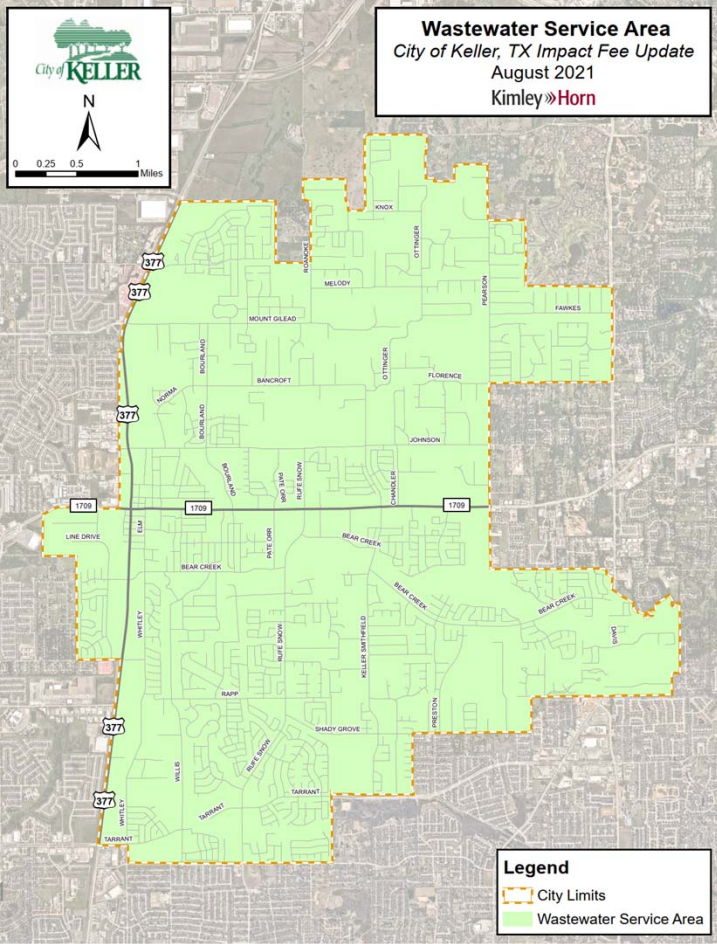
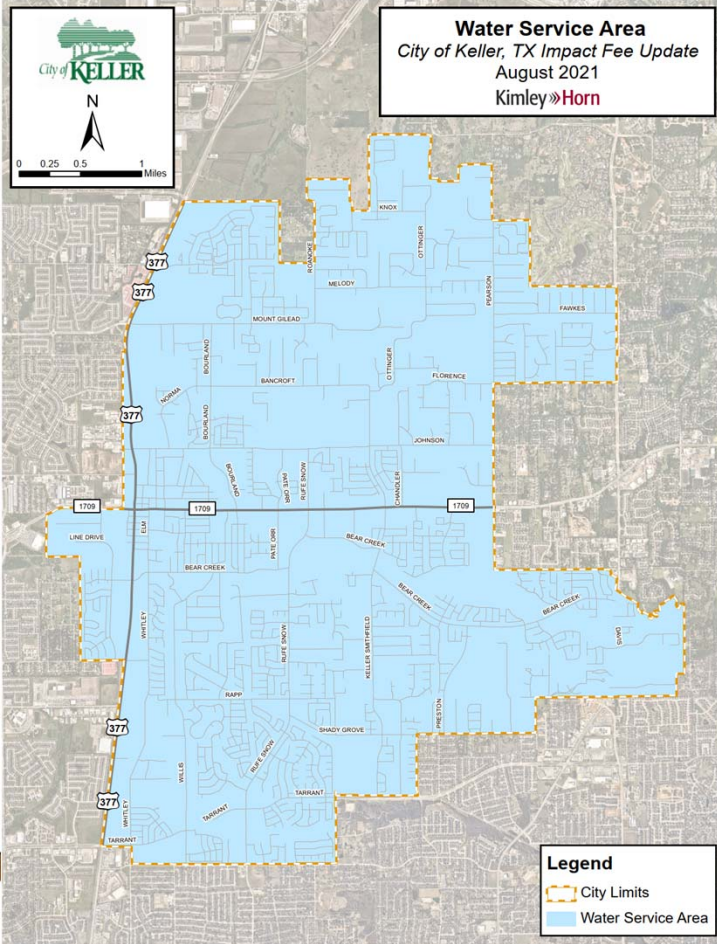
CIAC Recommended

LUA

2021 Impact Fee Update

Water and Wastewater Impact Fee Service Areas

CIAC Recommended



LUA



Impact Fee Capital Improvement Plan

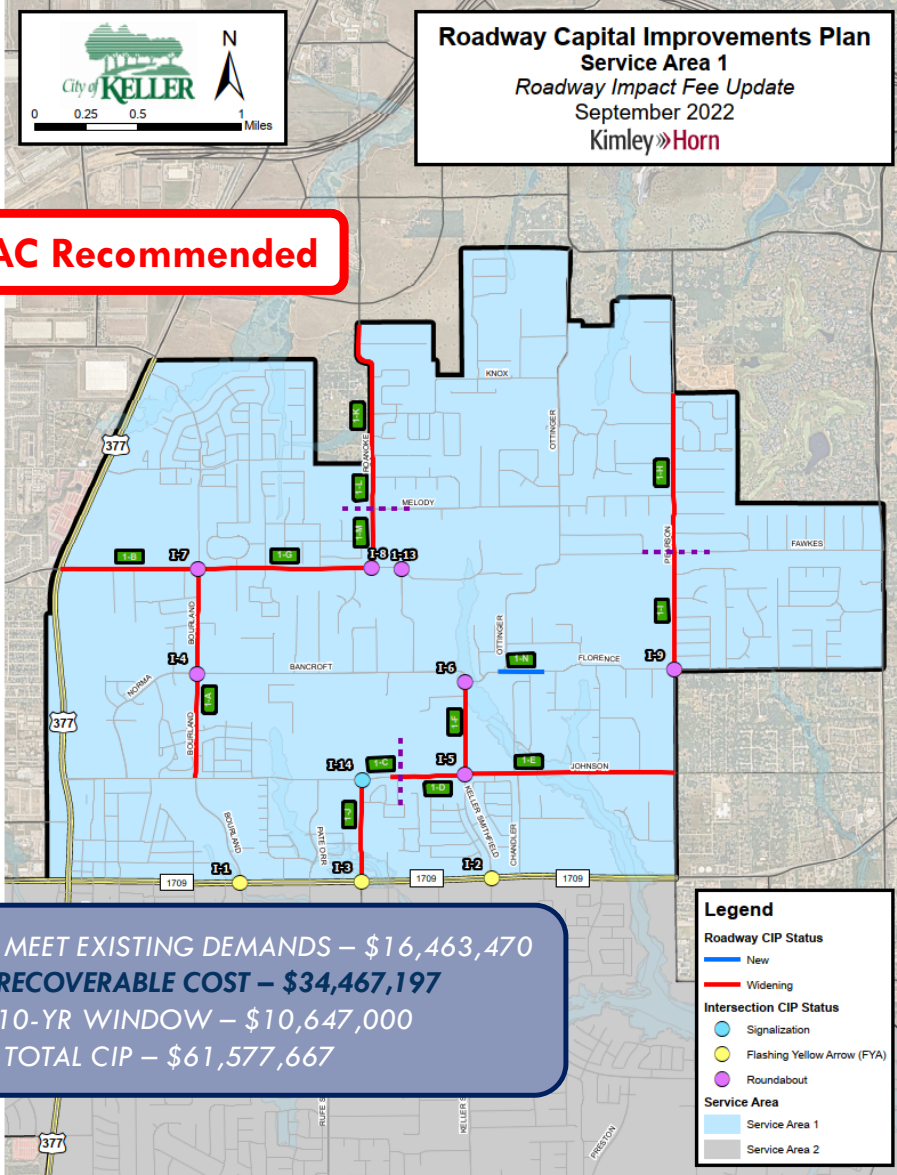
(IF CIP)

Roadway Impact Fee CIP Service Area 1

ROADWAY PROJECTS		
IF PROJECT #	ROADWAY	APPROXIMATE PROJECT LIMITS
1-A	Bourland Road	Mount Gilead Road to Johnson Road
1-B	Mount Gilead Road (1)	US 377 to Bourland Road
1-C	Johnson Road (1)	Hallelujah Trail to Stratton Drive
1-D	Johnson Road (2)	Stratton Drive to Keller Smithfield Road
1-E	Johnson Road (3)	Keller Smithfield Road to Pearson Lane
1-F	Keller Smithfield Road (1)	Ottinger Road to Johnson Road
1-G	Mount Gilead Road (2)	Bourland Road to Roanoke Road
1-H	N Pearson Lane (1)	Spring Drive to Fawkes Lane
1-I	N Pearson Lane (2)	Fawkes Lane to Florence Road
1-J	N Rufe Snow Drive	Johnson Road to FM 1709
1-K	Roanoke Road (1)	City Limits to 270' S of Garden Lane
1-L	Roanoke Road (2)	270' S of Garden Lane to Melody Lane
1-M	Roanoke Road (3)	Melody Lane to Mount Gilead Road
1-N	Florence Place Lane	Ottinger Lane to Florence Place Lane

INTERSECTION PROJECTS		
IF PROJECT #	INTERSECTION	INTERSECTION IMPROVEMENT
I-1	Bourland Road & Keller Parkway	Flashing Yellow Arrow Installation
I-2	Keller Smithfield Road & Keller Parkway	Flashing Yellow Arrow Installation
I-3	Rufe Snow Drive & Keller Parkway	Flashing Yellow Arrow Installation
I-4	Bancroft Road & Bourland Road	Roundabout Installation
I-5	Johnson Road & Keller Smithfield Road	Roundabout Installation
I-6	Keller Smithfield Road & Ottinger Road	Roundabout Installation
I-7	Mount Gilead Road & Bourland Road	Roundabout Installation
I-8	Mount Gilead Road & Roanoke Road	Roundabout Installation
I-9	Pearson Road & Florence Road	Roundabout Installation
I-13	Mount Gilead Road & Robin Drive/Jackson Road	Roundabout Installation
I-14	Johnson Road & Rufe Snow Drive	Traffic Signal Installation

CIAC Recommended



COST TO MEET EXISTING DEMANDS – \$16,463,470
10-YEAR RECOVERABLE COST – \$34,467,197
BEYOND 10-YR WINDOW – \$10,647,000
COST OF TOTAL CIP – \$61,577,667

Impact Fee CIP

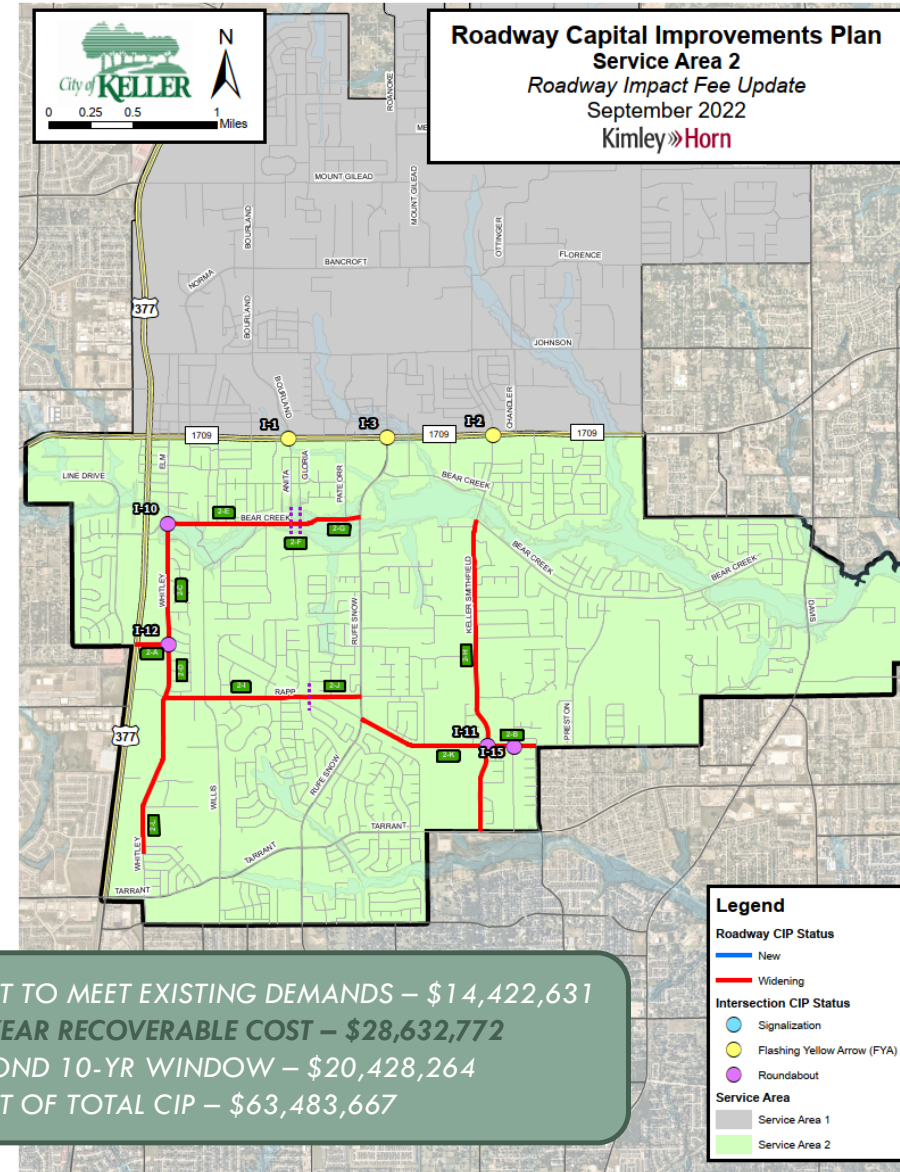
Roadway Impact Fee CIP Service Area 2

ROADWAY PROJECTS

IF PROJECT #	ROADWAY	APPROXIMATE PROJECT LIMITS
2-A	Wall Price Keller Road	US 377 to Whitley Road
2-B	Shady Grove Road (1)	Keller Smithfield Road to Willow Glen Court
2-C	Whitley Road (1)	Bear Creek Parkway (S) to Wall Price Keller Road
2-D	Whitley Road (2)	Wall Price Keller Road to Rapp Road
2-E	E Bear Creek Parkway (1)	Elm Street to Anita Avenue
2-F	E Bear Creek Parkway (2)	Anita Avenue to Gloria Street
2-G	E Bear Creek Parkway (3)	Gloria Street to Rufe Snow Drive
2-H	Keller Smithfield Road (2)	Bear Creek Parkway (S) to Tarrant Parkway
2-I	Rapp Road (1)	Whitley Road to Muirfield Road
2-J	Rapp Road (2)	Muirfield Road to Rufe Snow Drive
2-K	Shady Grove Road (2)	Rufe Snow Drive to Keller Smithfield Road
2-L	Whitley Road (3)	Rapp Road to Rodeo Drive

INTERSECTION PROJECTS

IF PROJECT #	INTERSECTION	INTERSECTION IMPROVEMENT
I-1	Bourland Road & Keller Parkway	Flashing Yellow Arrow Installation
I-2	Keller Smithfield Road & Keller Parkway	Flashing Yellow Arrow Installation
I-3	Rufe Snow Drive & Keller Parkway	Flashing Yellow Arrow Installation
I-10	Elm Street & Bear Creek Parkway	Roundabout Installation
I-11	Keller Smithfield Road & Shady Grove Road	Roundabout Installation
I-12	Whitley Road & Wall Price Keller Road	Roundabout Installation
I-15	Shady Grove Road & Sarah Brooks Drive	Roundabout Installation



CIAC Recommended

COST TO MEET EXISTING DEMANDS – \$14,422,631
10-YEAR RECOVERABLE COST – \$28,632,772
BEYOND 10-YR WINDOW – \$20,428,264
COST OF TOTAL CIP – \$63,483,667



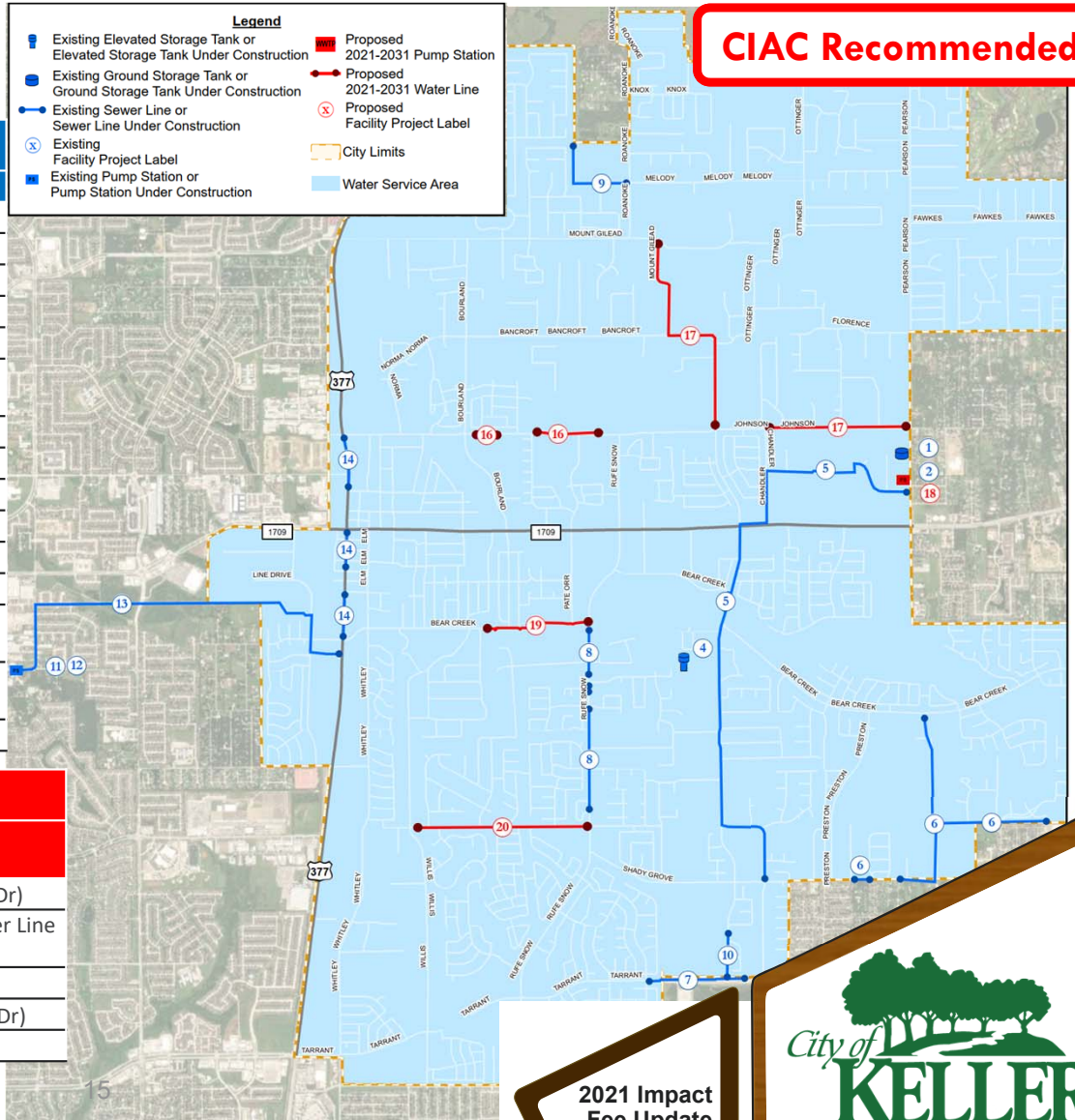
Water Impact Fee CIP

Existing Water IF Projects

IF Project #	Project Name (Approximate Limits of Project)
1	3.0 MG Pearson Ground Storage Tank
2	Pearson Pump Station Improvements
3	Knox Elevated Storage Tank
4	Keller-Smithfield Elevated Storage Tank
5	16-inch Lower Pressure Plane Water Line (Shady Grove Rd to N Pearson Ln)
6	12-inch Lower Pressure Plane Water Line (Buckner Ln to Blue Ridge Rd; Franklin Rd to Bear Creek Pkwy; Indian Knoll Trail through Clay Hibbins Rd)
7	12-inch Upper Pressure Plane Water Line (N Tarrant Pkwy to Cat Mtn Trl)
8	12-inch Rufe Snow Water Line (Bear Creek Pkwy to Verona Way)
9	12-inch Upper Pressure Plane Water Line (Near Northern Trace to Melody Ln)
10	12-Inch Water Lines In Upper Pressure Plane (Wilson Ln to Silverleaf Dr)
11	Alta Vista Pump Station Expansion to 18 MGD
12	Fort Worth Water Delivery Capital Cost Recovery
13	30-inch Alta Vista Pump Station Water Line (Alta Vista Rd, Fort Worth to S Main St)
14	12-inch Water Lines in Upper Pressure Plane (Big Bear Creek Rd to Pecan St; W Batest St to Keller Pkwy; Lorine St to Johnson Rd)
15	Water Impact Fee Study Update (Not Shown on Map)

Proposed Water IF Projects

IF Project #	2021 WMP Project #	Project Name (Approximate Limits of Project)
16	2	12-inch Johnson Road Water Line (Bourland Rd to N Rufe Snow Dr)
17	4	16-inch Mt Gilead and Ottinger Rd and 16-inch Johnson Rd Water Line (Robin Dr to N Pearson Ln)
18	5	Pearson Pump Station Upper Pressure Plane Expansion
19	1	12-Inch Bear Creek Parkway Water Line (Elaine St to Rufe Snow Dr)
20	3	16-inch Rapp Road Water Line (Shady Lane N to Rufe Snow Dr)



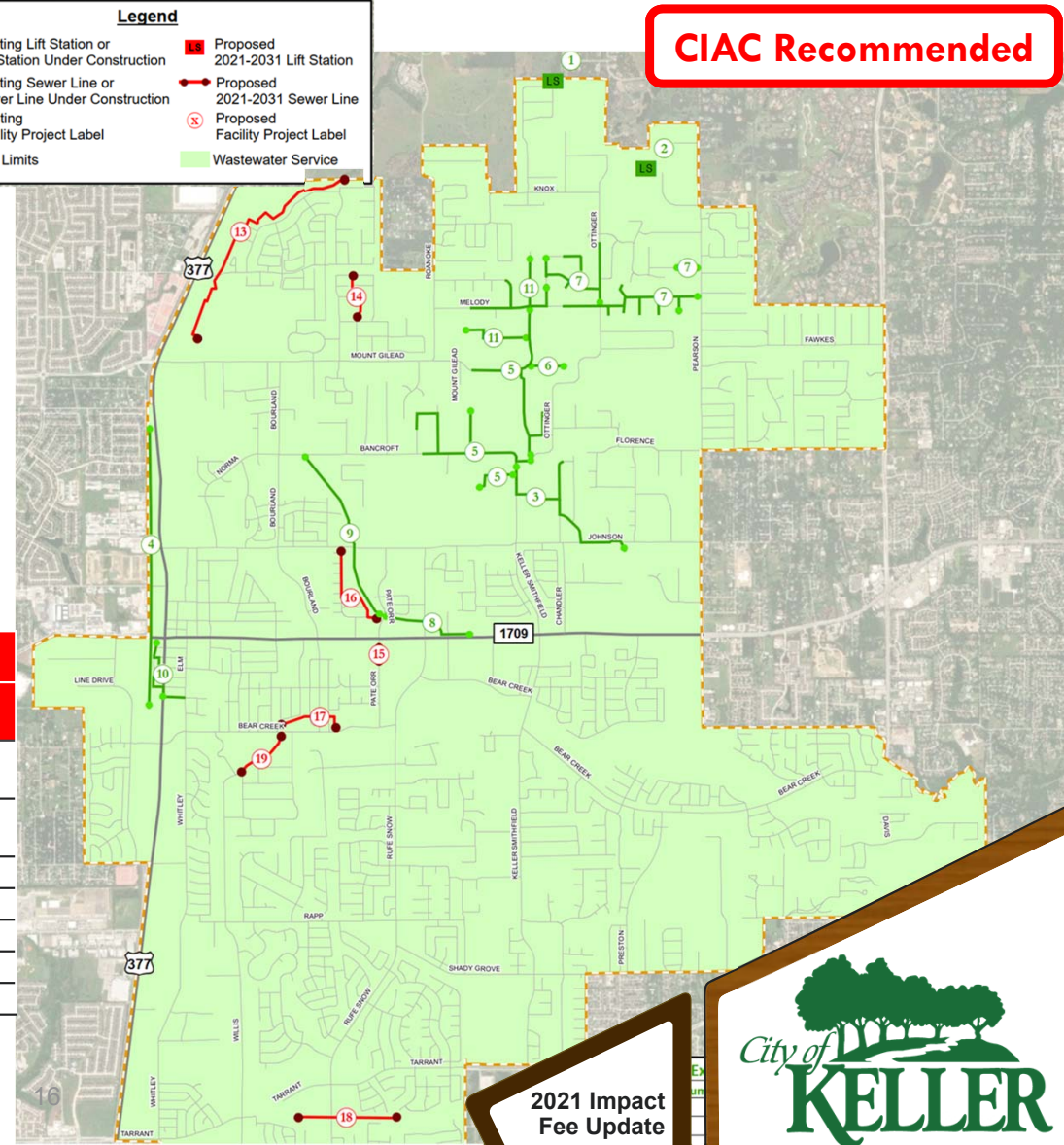
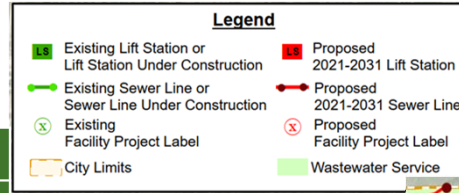
Wastewater Impact Fee CIP

Existing Wastewater IF Projects

IF Project #	Project Name (Approximate Limits of Project)
1	Marshall Branch West Lift Station and Interceptor
2	Marshall Branch East Lift Station and Interceptor
3	Big Bear East Branch Interceptor (Ottinger Rd to Johnson Rd)
4	Katy Road Lift Station and Sanitary Sewer Improvements (W Caylor Road to Apache Trl)
5	Big Bear East Collector
6	North Big Bear East Septic Elimination Line (Robin Ct to Robin Dr)
7	Southwest Marshall Branch Septic Elimination Lines
8	15-inch/18-inch Big Bear Wastewater Phase I (Pate Orr Rd to Prewit St)
9	12-inch/15-inch Big Bear Wastewater Phase 2 (Bancroft Rd to Pate Orr Rd)
10	Big Bear West Collector Replacement (Keller Pkwy to Pecan St)
11	Northern Big Bear East Septic Elimination Lines
12	Wastewater Impact Fee Study (Not Shown on Map)

Proposed Wastewater IF Projects

IF Project #	2021 WWMP Project #	Project Name (Approximate Limits of Project)
13	2	Center Stage Development 12-inch Sewer Line (Regal Crossing to MT Gilead Rd)
14	3	North Shropshire Court 15-Inch Sewer Line (Northern Trace to Weybridge Ln)
15	4	Pate Orr Road 12-Inch Sewer Line (Keller Pkwy to Silver Lake Dr)
16	5	Bluebonnet Drive 8-Inch Sewer Line (Johnson Rd to Pate Orr Rd)
17	6	15-Inch Sewer Line (Apache Trl to Bear Creek Pkwy)
18	8	15-Inch Sewer Line (Tarrant Pkwy/Rufe Snow Dr to Highland Oaks Dr)
19	9	Shady Lane North 12-Inch Sewer Line (Bear Creek Pkwy to Roy Ln)



CIAC Recommended

2021 Impact Fee Update



Impact Fee CIP



Maximum Impact Fees

Service Units

A standardized measure of consumption attributable to an individual unit of development.*

Water & Wastewater

Utilizes “Water Meter Size”

Defined as a
Base water meter diameter of 5/8-inch

Roadway

Utilizes “Vehicle-Miles”

Defined as
one vehicle to travel one mile

* Chapter 395 Definition

Roadway Service Units



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Example: Single-Family

ITE Trip Rate: 0.94 PM peak trips per dwelling unit

Trip length: 4.00 miles

= 3.76 vehicle-miles



=

Example: Shopping Center (*non-Mixed Use*)

Pass-By Trip Rate: 34%

ITE Trip Rate (*incorporating Pass-By*):

2.24 PM peak trips per 1,000 ft²

Trip length: 3.54 miles

= 7.93 vehicle-miles

Current Land Use Vehicle-Mile Equivalency Table

Land Use	Development Unit	Total Service Units (Veh-mi/Dev Unit)
Residential-Single Family	Dwelling Unit (D.U.)	2.85
Multi-Family	Dwelling Unit (D.U.)	1.65
Retirement Center	Dwelling Unit (D.U.)	0.81
Nursing Home/Assisted Living	Beds	0.87
Day Care Center	1,000 GFA	0.96
General Office	1,000 GFA	3.98
Medical – Dental Office	1,000 GFA	10.71
Retail/Commercial	1,000 GFA	7.00
Hotel	Rooms	1.30
Industrial	1,000 GFA	2.50
Institutional	1,000 GFA	1.77
Golf Course	Acres	0.71
Parks and Open Space	Acres	0.14

Adopted in the City's 2015 Impact Fee Study

Current LUVMET

2021 Impact Fee Update

Updated Land Use Vehicle-Mile Equivalency Table

Land Use Category	ITE Land Use	Development Unit	Service Units (vehicle-miles)
Low Density - Single Family	Single-Family Detached Housing	Dwelling Unit	3.76
Medium Density - Single Family	Single-Family Detached Housing		3.76
High Density - Single Family	Single-Family Detached Housing		3.76
Patio/Garden/Townhomes	Multifamily Housing (Mid-Rise)		1.56
Mixed Use (18% reduction of base ITE Land Use)		1,000 SF GLA	
- Residential	Multifamily Housing (Mid-Rise)		1.28
- Retail/Commercial/Medical	Shopping Center		6.50
- Office	General Office Building		4.72
Retail/Commercial	Shopping Center		7.93
Office	General Office Building		5.76
Parks and Open Space	General Light Industrial		2.60
Semi-Public	General Office Building		5.76
Private Recreation	General Light Industrial		2.60

NOTE: The Medical-Dental Office land use will be considered a Retail/Commercial property for Impact Fees

CIAC Recommended

2021 Impact Fee Update



Units

Water and Wastewater Service Units



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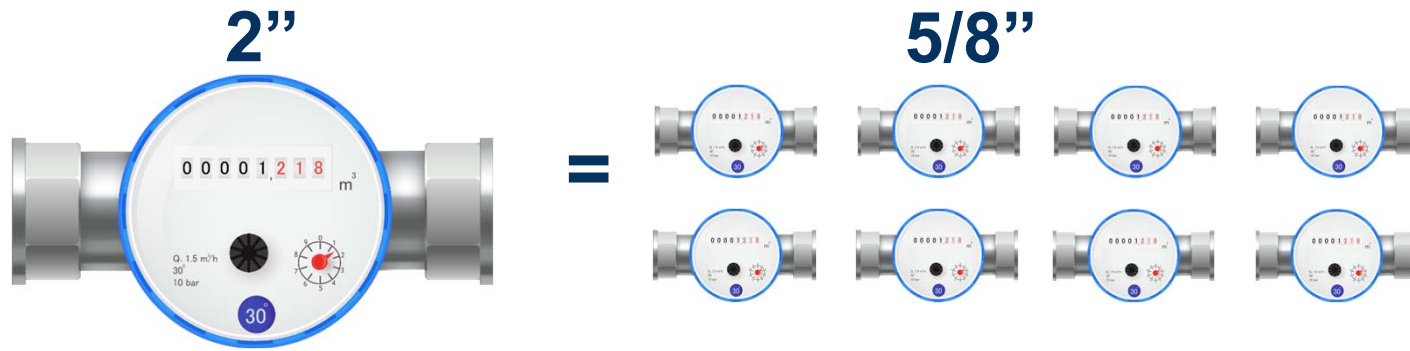


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Units

Water and Wastewater Service Units



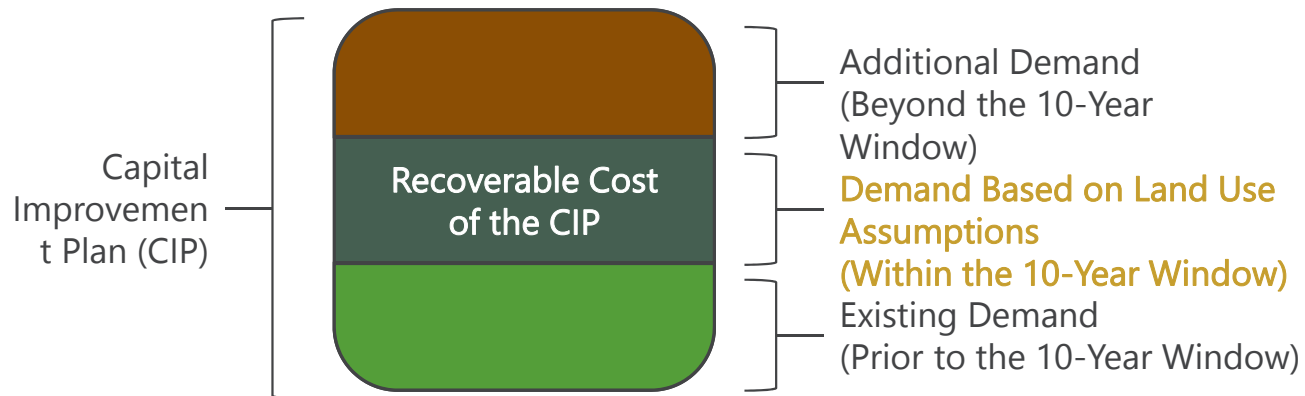
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Units

Impact Fee Calculation

$$\text{Maximum Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of CIP (\$)} + \text{Debt Service (\$)} - \text{Credit for Utility Revenues (\$)}}{\text{New Service Units of Demand}}$$



- ✓ Land Use and Population Projections (demand)
- ✓ Develop 10-Year Capital Improvement Plans
- ✓ Remove costs associated with existing demand and growth at 10+ years
- ✓ 50% Credit Calculation

= Maximum Assessable Impact Fee

DRAFT: Results presented may change based on comments received through Public Hearing.

Impact Fee Calculation: Roadway Service Area Breakdown

$$\text{Maximum Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of CIP (\$)} + \text{Debt Service (\$)} - \text{Credit for Utility Revenues (\$)}}{\text{New Service Units of Demand}}$$

	Roadway Service Area 1	Roadway Service Area 2
Cost of Total Impact Fee CIP Attributable to Growth	\$34,467,197	\$28,632,772
Credit for Utility Revenues (Per Chapter 395)	(\$17,233,599)	(\$14,316,386)
Total Recoverable Cost of Impact Fee CIP	\$17,233,598	\$14,316,386
Debt Service*	\$4,265,316	\$3,543,306
Recoverable Cost of Total Impact Fee CIP + Debt Service	\$21,498,914	\$17,859,692
Service Units (Vehicle-Miles)	12,300	8,937
Max Assessable Impact Fee per Service Unit (\$/vehicle-mile)	\$1,748	\$1,998
Max Assessable Impact Fee per Single Family	\$6,572	\$7,514

* Represents the projected interest costs associated with debt financing the impact fee project costs.

Maximum Fees



DRAFT: Results presented may change based on comments received through Public Hearing.

Impact Fee Calculation: Water & Wastewater Service Area Breakdown

$$\text{Maximum Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of CIP (\$)} + \text{Debt Service (\$)} - \text{Credit for Utility Revenues (\$)}}{\text{New Service Units of Demand}}$$

Service Area	Water	Wastewater
Total Impact Fee CIP	\$52,657,351	\$24,835,664
Total Recoverable Cost of Impact Fee CIP	\$33,589,428	\$15,623,994
Debt Service*	\$8,313,383	\$3,866,939
Pre-Credit Recoverable Cost for Impact Fee	\$41,902,811	\$19,490,933
Credit for Utility Revenues (Per Chapter 395)	(\$20,951,406)	(\$9,745,467)
Total Recoverable Cost of Impact Fee CIP + Credit for Utility Revenues	\$20,951,406	\$9,745,467
10-Year Additional Service Units	3,204	3,526
Max Assessable Impact Fee per Service Unit	\$6,539 (5/8-inch Base Meter)	\$2,764 (5/8-inch Base Meter)

* Represents the projected interest costs associated with debt financing the impact fee project costs.

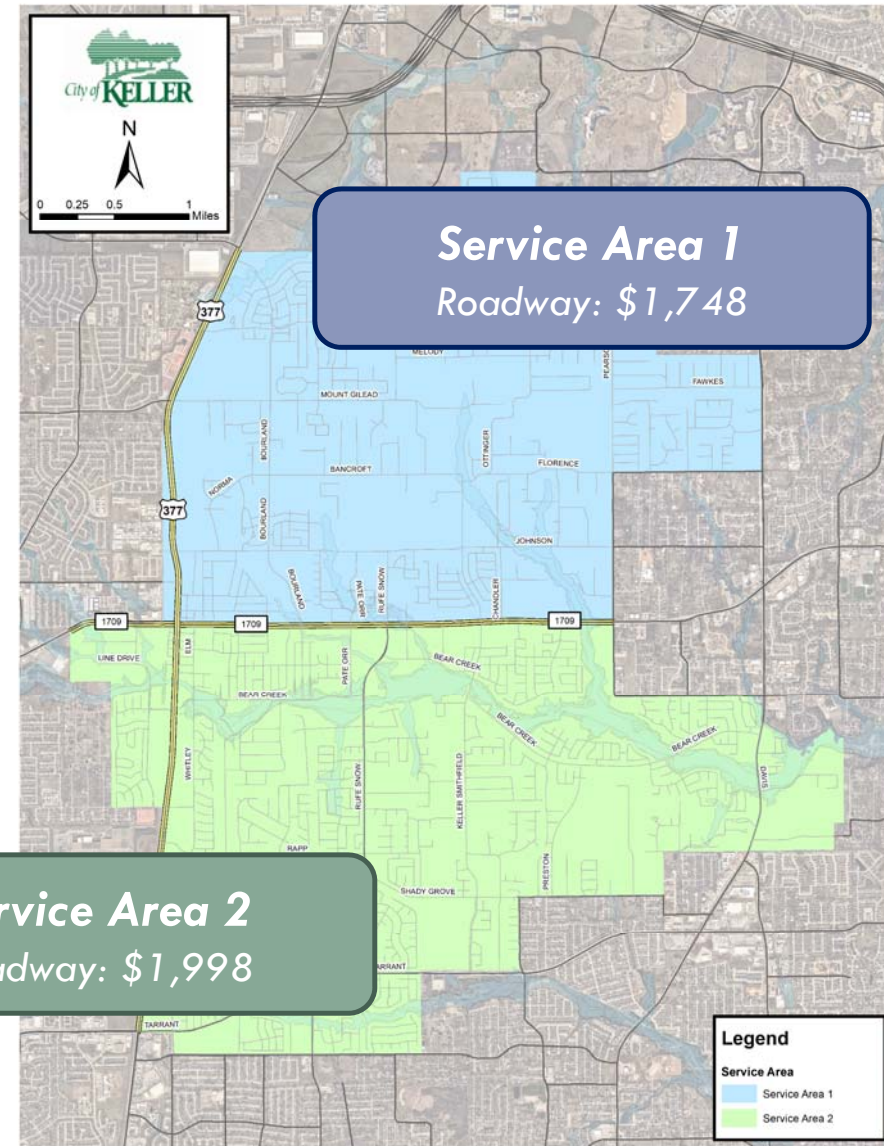
Maximum Fees

2021 Impact Fee Update



Impact Fee Estimates

Roadway Service Area	Estimated Roadway Impact Fee	Estimated Water Impact Fee	Estimated Wastewater Impact Fee
1	\$1,748	\$6,539	\$2,764
2	\$1,998		



Maximum Fees

Fee Scenarios - Existing

RAPP ROAD PROJECT COST INCLUDED IN CALCULATIONS

Impact Fee	Maximum Assessment per Service Unit	Actual Assessment / Service Unit	Percentage of Maximum Assessment Rate
Water	\$2,918.00	\$979.10	33.6%
Wastewater	\$1,835.00	\$918.00	50.0%
		Res / Non-Res / Retail	Res / Non-Res / Retail
Roadway: North	\$3,082.00	\$1,052.35/\$626.18/\$263.09	34.2%/20.3%/8.5%
Roadway: South	\$1,720.00	\$860.00/\$626.18/\$263.09	50%/36.4%/15.3%

Fee Scenarios – CIAC Recommendation

Impact Fee	Maximum Assessment per Service Unit	Actual Assessment / Service Unit	Percentage of Maximum Assessment Rate
Water	\$6,539.00	\$6,539.00	100%
Wastewater	\$2,764.00	\$2,764.00	100%
Roadway: North	\$1,748.00	\$1,748.00	100%
Roadway: South	\$1,998.00	\$1,998.00	100%

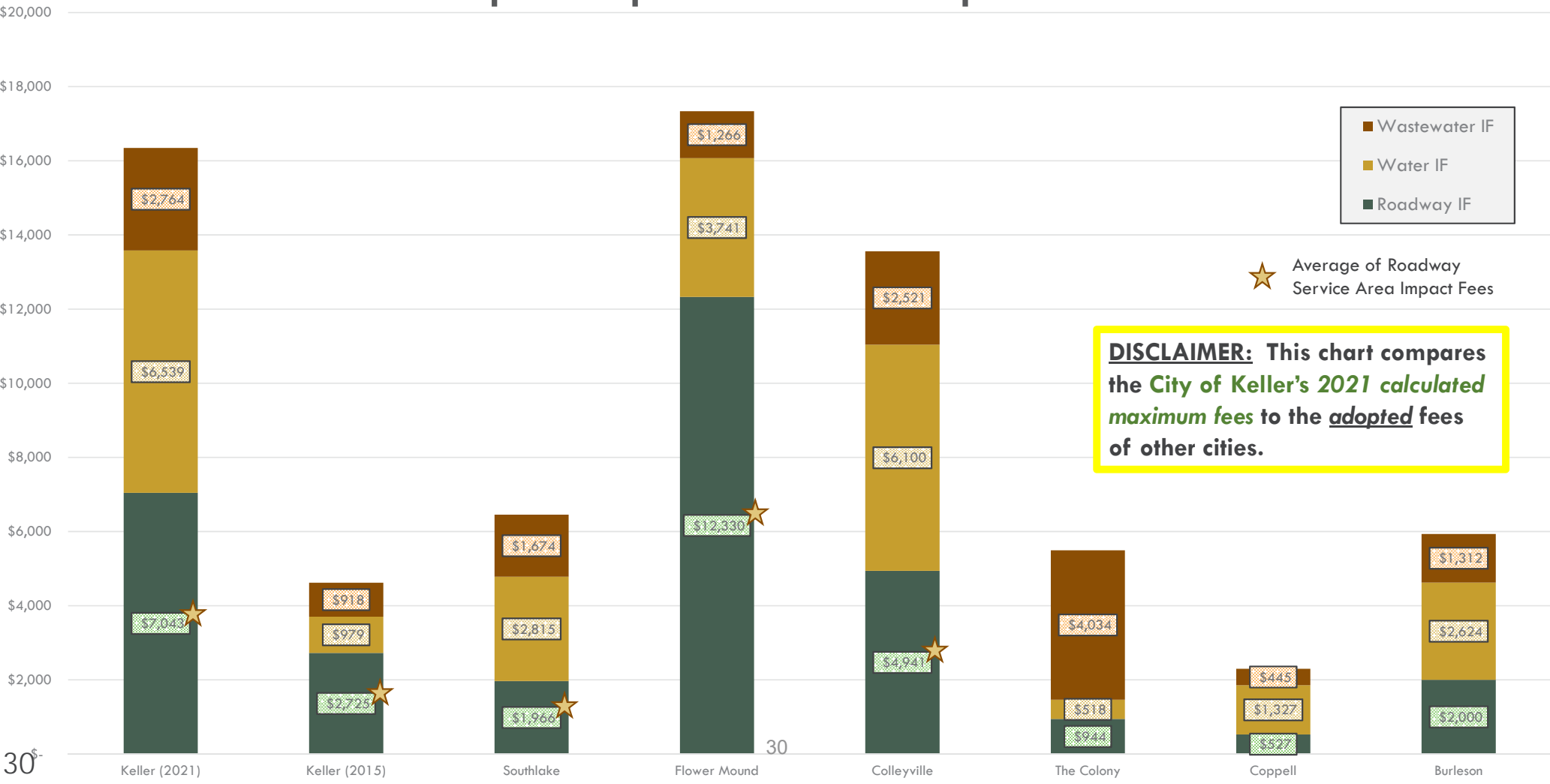
CIAC Recommended



Roadway Impact Fee Collection Rate Comparisons

	Single-Family <i>(dwelling unit)</i>	Multifamily <i>(dwelling unit)</i>	Office <i>(1,000 SF)</i>	Shopping Center <i>(1,000 SF)</i>	Industrial <i>(1,000 SF)</i>
KELLER					
SA 1 - 2021 (2015)	\$6,572 (\$2,999)	\$2,727 (\$1,736)	\$10,068 (\$2,492)	\$13,861 (\$1,841)	\$4,545 (\$1,565)
SA 2 - 2021 (2015)	\$7,514 (\$2,451)	\$3,117 (\$1,419)	\$11,511 (\$2,492)	\$15,847 (\$1,841)	\$5,196 (\$1,565)
SOUTHLAKE (2015)					
North	\$2,292	\$1,421	\$2,561	\$3,390	\$1,667
South	\$1,640	\$1,017	\$1,833	\$2,426	\$193
FLOWER MOUND (2020)					
SA A	\$3,040	\$1,717	\$4,326	\$4,414	\$1,981
SA B	\$17,974	\$10,154	\$25,571	\$26,090	\$11,710
SA C	\$15,975	\$9,025	\$22,728	\$23,189	\$10,409
COLLEYVILLE (2012)					
SA 1	\$4,941	\$3,033	\$779	\$1,508	\$2,122
SA 2	\$4,941	\$3,033	\$779	\$1,508	\$2,122
THE COLONY (2016)*	\$944	\$585	\$821	\$1,097	\$916
COPPELL (2020)	\$527	\$298	\$612	\$1,338	\$335
BURLESON (2018)	\$2,000	\$1,240	\$2,682	\$2,058	\$1,240

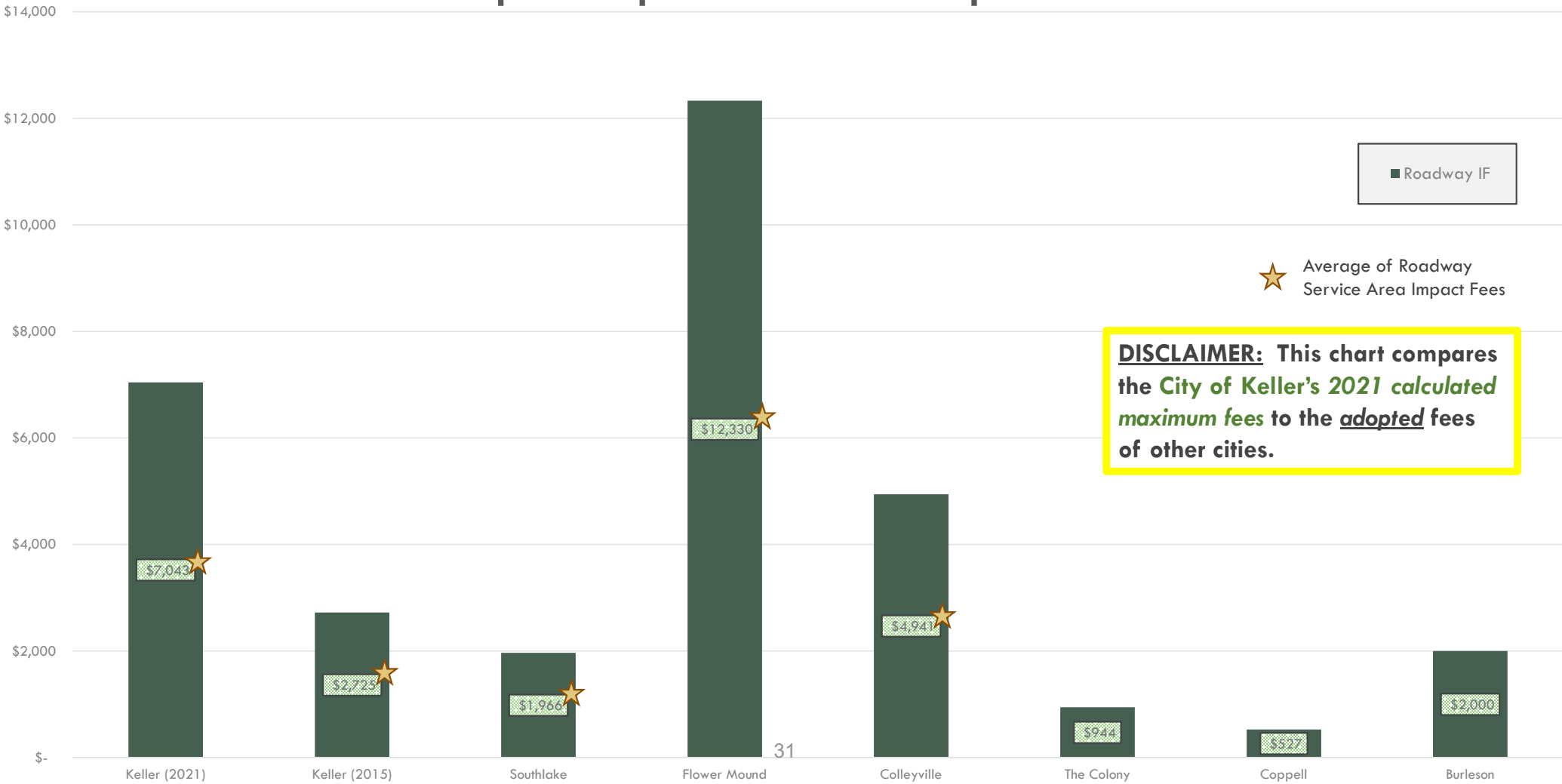
City of Keller Maximum Assessable Impact Fees and Adopted Impact Fees of Comparison Cities



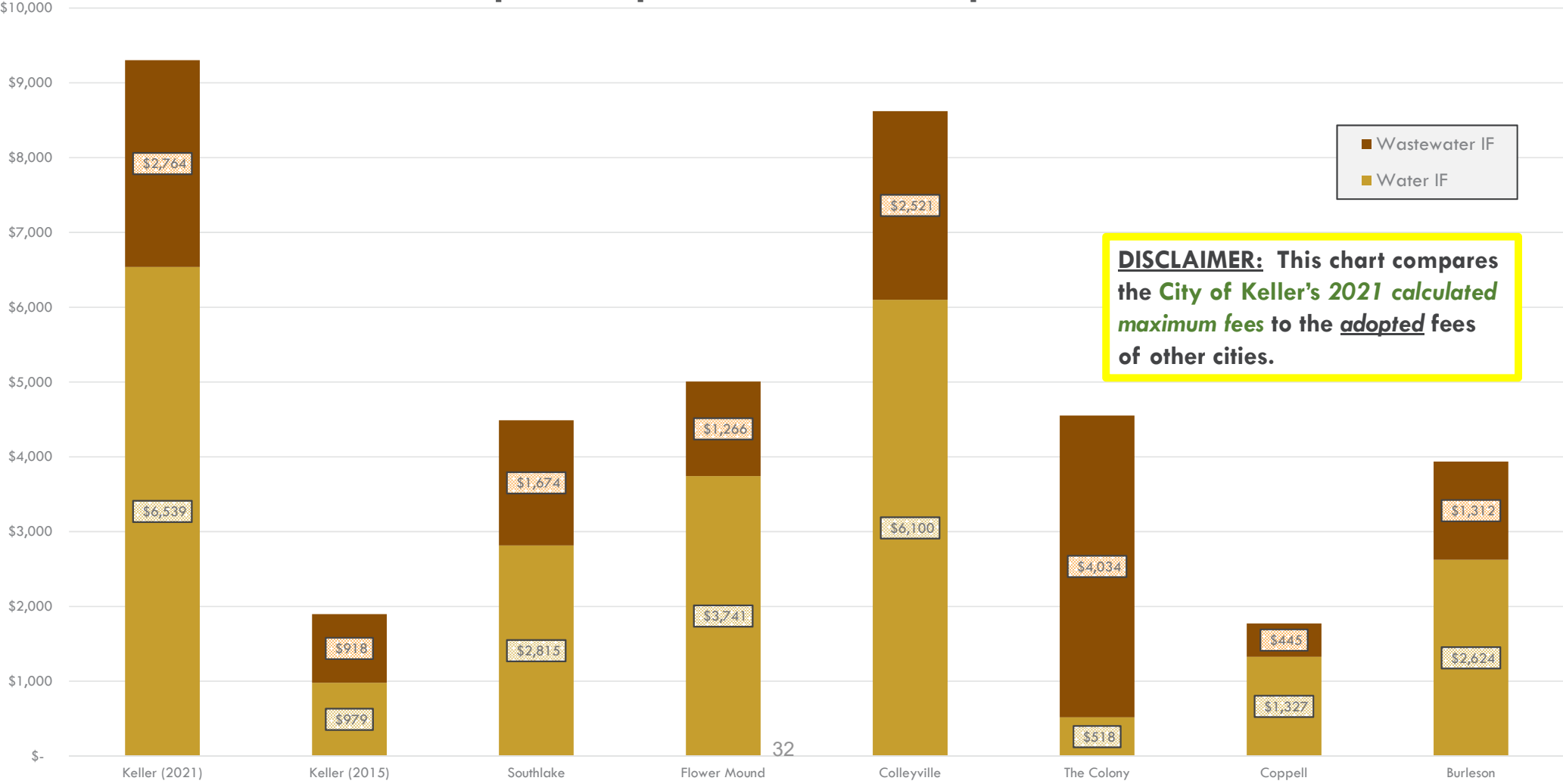
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City of Keller Maximum Assessable *ROADWAY* Impact Fees and Adopted Impact Fees of Comparison Cities



City of Keller Maximum Assessable **WATER** and **WASTEWATER** Impact Fees and Adopted Impact Fees of Comparison Cities



CIAC Recommendations

- Recommended the Growth Rate and Capital Improvements Plan
- Recommended the Impact Fee Study
- Recommended adopting a 100% rate



Impact Fee Update Schedule

	Date	Meetings
✓	8/25/20	Capital Improvements Advisory Committee (CIAC) Meeting on Impact Fee Overview
✓	6/23/21	CIAC Meeting on Land Use Assumptions (LUA) and Capital Improvements Plan (CIP)
✓	7/13/21	CIAC Meeting on LUA and Growth Projections
✓	8/10/21	CIAC Meeting on LUA, CIP, and Growth Projections
✓	11/9/21	CIAC Meeting on Roadway Impact Fee CIP
✓	3/8/22	CIAC Meeting on Water and Wastewater Impact Fee CIP
✓	4/26/22	CIAC Meeting on Impact Fee Study Update and Maximum Assessable Impact Fees
✓	5/24/22	CIAC Meeting on Recommendation to Council
✓	7/5/22	City Council Workshop Discuss Impact Fee Study Update and Maximum Assessable Impact Fees Set Public Hearing Date for Impact Fee Study and Maximum Assessable Impact Fees
✓	7/19/22	Set Public Hearing Set Public Hearing Date for Impact Fee Study and Maximum Assessable Impact Fees
➔	9/20/22	Public Hearing <i>Public Hearing Date for Impact Fee Study and Maximum Assessable Impact Fees and Potential Ordinance Adoption</i>



Questions

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