

MEMORANDUM

To: City of Seguin Mayor and Council Members
Steve Parker, City Manager

From: Pamela Centeno, Director of Planning & Codes
Melissa Reynolds, Director of Engineering & Capital Projects

Subject: **Capital Improvements Advisory Committee's Discussion and Recommendations for the Proposed 5-Year Updates to the Land Use Assumptions, Capital Improvements Plan, and Roadway Impact Fee Study**

Date: November 21, 2022

In 2017, the City of Seguin adopted Roadway Impact Fees in order to offset the cost of development to the transportation network. Per the Texas Local Government Code Chapter 395.052.a, a municipality that imposes an impact fee shall update the Land Use Assumptions and the Capital Improvements Plan at least every five years.

Staff has been working with the consultant, Kimley-Horn, on the updates to the Roadway Impact Fees and the associated Land Use Assumptions and Capital Improvements Plan, which have been reviewed by the Capital Improvements Advisory Committee (the Planning & Zoning Commission).

The Advisory Committee met twice, October 11, and November 8. At the October 11 meeting, Kimley-Horn made a presentation on roadway impact fees, to include an overview, the update process, the impact fee components, and the calculated maximum fees for each service area. Jeff Whitacre, Kimley-Horn consultant, also presented a comparison of other surrounding cities' roadway impact fees for different land uses. Mr. Whitacre then advised the Committee of their role, making recommendations on the updates to the land use assumptions, the capital improvement plan, and proposed collection rate fees. The Committee had discussions on applying the same rate for all four service areas, if fees should be different between residential and non-residential uses, and at what percent of the calculated fees should each land use type be assessed. The Committee directed staff to provide them with 2 or 3 options for the proposed collection rate per land use type.

At the November 8 meeting, staff presented the Committee with "real world" examples, developments that have paid the current roadway impact fee and what those developments would pay under the proposed fees at four different rates (100%, 75%, 50% and 25%). The Committee then discussed incentivizing land uses being requested by the citizens (retail and services), other incentives (such as tax abatements), comparison of fees with surrounding cities,

plat date vesting, employment opportunities, and re-evaluating roadway impact fees in the future.

As a result of the two CIAC meetings, the following are the findings and recommendations of the Committee.

- The Committee agreed that the fee should not be the same in all roadway service areas.
- The Committee agreed that there should be a different fee rate between residential and non-residential.
- The Committee agreed to recommend the following rates for the different land uses
 - Single-family Residential – 100%
 - Multi-family – 100%
 - Industrial – 50%
 - Office – 50%
 - Retail – 25%
 - Restaurant (service) – 25%