

MEMORANDUM

To: City of Seguin Mayor and Council Members
Douglas Faseler, City Manager

From: Pamela Centeno, Director of Planning & Codes

Through: Rick Cortes, Assistant City Manager

Subject: **Proposed Amendments to the effective rates for Roadway Impact Fees**

Date: May 30, 2019

The City of Seguin adopted Roadway Impact Fees in 2017 in order to offset the cost of development to the transportation network. Similar to water and wastewater impact fees, these fees are paid by developers/builders when they pull permits for new construction or additions that impact the transportation system. They are one-time fees at the time of construction, not ongoing fees to existing residents. Based on the study conducted by Kimley-Horn, the City of Seguin established and adopted maximum fees for four service areas. While maximum fees are established by the study, effective rates can be amended by City Council from time to time and different effective rates can be adopted for each service area. In 2017, the City of Seguin adopted a single city-wide effective rate of \$273 per vehicle mile for all four service areas.

While water and wastewater impact fees are based on water usage and determined by the size of the water meter, roadway impact fees are assessed based on traffic generation created by a development and are determined by the vehicle miles generated as a result of the new development. The study completed in 2017 includes a list of common land use categories and the vehicles miles generated for each use which is used to calculate the roadway impact fee for a new development. While the City of Seguin adopted an effective rate much lower than the maximum fees allowed, a recent review of fees in neighboring cities indicates that many cities adopt different rates per vehicle mile for residential and non-residential developments.

As previously noted, the effective rate for roadway impact fees in Seguin is currently assessed at \$273 per vehicle mile for all developments regardless of the proposed use of the development. For residential development, this fee is consistent and typically lower than roadway impact fees collected in neighboring cities. For non-residential development the City of Seguin's fee is significantly higher. New commercial industries provide many benefits to a community and its residents including sales tax revenue, job creation, and a diversity of economic opportunities. To ensure Seguin is competitive with neighboring cities for new commercial industries and businesses staff is recommending a reduction in roadway impact fees for non-residential development. Staff proposes the effective rates for roadway impact fees be amended as follows:

RESIDENTIAL Land Uses:	\$273 / vehicle mile
COMMERCIAL DINING Land Uses:	\$50 / vehicle mile
All Other NON-RESIDENTIAL Land Uses:	\$100 / vehicle mile

Attached please find an ordinance amending the effective rates for roadway impact fee collection in the City of Seguin. Also attached please find a copy of the current Schedule 2 with rates calculated at \$273 per vehicle mile and a copy of the proposed Schedule 2 with rates amended and calculated as indicated above.