

Transportation Utility

June 23, 2015

Transportation Utility

TONIGHT'S DISCUSSION

- **Impact Fee – Draft Report/Schedule**
- **Transportation Utility Fee**
 - Why?
 - How?
 - When?
 - Policy Decisions?

• <i>Hand Out Draft Reports</i>	<i>June 23, 2015</i>
• Council Workshop on Draft Reports	July 14, 2015
• Council Resolution to Establish CIAC	July 21, 2015
• Final Report Submitted	July 21, 2015
• Council Sets Public Hearing On Impact CIP and Land Use	July 28, 2015
• Advertise Public Hearing (30 days)	July 31, 2015
• CIAC Meeting to Present Impact CIP and Land Use	August 2015
• Council Public Hearing On Impact CIP and Land Use	September 8, 2015
• Council Sets Public Hearing On Impact Fees	September 22, 2015
• Advertise Public Hearing (30 days)	September 25, 2015
• CIAC Meeting to Present Impact CIP and Land Use	October 2015
• Council Public Hearing On Impact CIP and Land Use	October 27, 2015
• Ordinance Adoption (Could be on 10/27/2015)	November 13, 2015
• Collection of Impact Fees (Dependent on Ordinance)	November 13, 2016

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- **Why?**

- Annual direct and indirect cost of the City's Transportation Division is \$4,909,270 for Maintenance and Operations, and \$7,487,512 for Capital Improvements/Debt Service.
- Transmap Study determined \$16,700,000 needed to "fix everything" as of 2014; predicted that minimal maintenance budget (\$500,000 per year) would lead to \$37,000,000 worth of repairs in 2018.
- A Transportation Utility Fee will create an enterprise fund that will be a dedicated and stable funding source for the City's Transportation Utility – similar to the drainage utility fee.
- Implementation of a fee will reduce reliance on general fund, enabling funds to be used in other general fund cost centers.
- Fees are directly related to the impact that homes and businesses exert on the 500 miles of transportation utility in the City.

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- **How?**

- Successfully implemented in other Texas cities, including the state capital, via ordinance under home-rule authority.
- Draft Ordinance largely derived from Corpus Christi model.
- Public Hearings.

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- **When?**

- Based on analogous process provided in Local Government Code, Chapter 552 to establish a drainage utility, following completion of a draft ordinance, fee could be implemented as soon as October 2015.
- Process includes public advertisement and two public hearings to solicit community comments and input.

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- **Policy Decisions:**
 - Exemptions
 - Appeals Process
 - Level of Cost Recovery
 - Implementation Schedule

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- **Exemptions:**

- Federal, State, and Local governmental entities, including Independent School Districts, Institutions of Higher Education, and Regional Transit Authorities
- Vacant properties
- Other?

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- **Appeals Process:**
 - Denied exemptions
 - Appealing land use designation/classification
 - Appealing trip factor based on actual

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- **Level of Cost Recovery:**
 - Maximum Recoverable is \$12,396,782, which includes \$4,909,270 (Maintenance & Operations (M&O)) and \$7,487,512 (Capital – Existing Debt Service + Projected Debt Service).
 - Scenarios A-D focusing solely on M&O Costs...

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- **Level of Cost Recovery: Scenario A**
- **100% of M&O = \$4.9 Million Annually**
 - Single-Family: \$5.83 per month
 - Multi-Family: \$3.61 per month/per unit
 - Commercial: \$11.65 per month/per 1,000 sq. ft.

100% of M&O – \$4.9 Million

Microsoft Excel - Copy of Utility_Fee_Calculation_Worksheet

 **Transportation Utility Fee Calculator Worksheet**
Killeen, Texas

TRANSPORTATION UTILITY FEE CALCULATION:

Land Uses (select from list):	Development Unit:	Maintenance and Operations (M&O)			Capital		
		Total Maximum M&O Utility Fee: (Monthly)	Percentage of Maximum M&O Utility Fee:	Total Adopted M&O Utility Fee: (Monthly)	Total Maximum Capital Utility Fee: (Monthly)	Percentage of Maximum Capital Utility Fee:	Ca
Commercial	1000 sq. ft.	\$11.65	100.00%	\$11.65	\$17.78	0.00%	
Industrial	1000 sq. ft.	\$6.91	100.00%	\$6.91	\$10.54	0.00%	
Institutional	1000 sq. ft.	\$0.68	100.00%	\$0.68	\$1.04	0.00%	
Lodging	1000 sq. ft.	\$2.87	100.00%	\$2.87	\$4.37	0.00%	
Medical	1000 sq. ft.	\$22.09	100.00%	\$22.09	\$33.69	0.00%	
Multi-Family	Dwelling Unit	\$3.61	100.00%	\$3.61	\$5.51	0.00%	
Office	1000 sq. ft.	\$6.36	100.00%	\$6.36	\$9.69	0.00%	
Religious	1000 sq. ft.	\$1.65	100.00%	\$1.65	\$2.52	0.00%	
Single Family	Dwelling Unit	\$5.83	100.00%	\$5.83	\$8.88	0.00%	

SAMPLE CALCULATIONS

Development Type	Size (Square Feet)	Development Units	Total Development Units:	Land Use Category	Total Monthly M&O Service Fee	Total Monthly Capital Service Fee	Total A
COMMERCIAL EXAMPLES							
Home Improvement Superstore	125,000	1,000 Square Feet	125.00	Commercial	\$1,456.25	\$0.00	
Shopping Center	201,853	1,000 Square Feet	201.85	Commercial	\$2,351.59	\$0.00	
Exxon Gas Station	3,168	1,000 Square Feet	3.17	Commercial	\$36.91	\$0.00	
NAPA Auto Parts	7,320	1,000 Square Feet	7.32	Commercial	\$85.28	\$0.00	
Dollar General	3,434	1,000 Square Feet	3.43	Commercial	\$40.01	\$0.00	
Killeen Bowlerama	20,220	1,000 Square Feet	20.22	Commercial	\$235.56	\$0.00	
K-Mart	88,516	1,000 Square Feet	88.52	Commercial	\$1,031.21	\$0.00	

Service Fee Calculator

Transportation Utility

- **Level of Cost Recovery: Scenario B**
- **75% of M&O = \$3.7 Million Annually**
 - Single-Family: \$4.37 per month
 - Multi-Family: \$2.71 per month/per unit
 - Commercial: \$8.74 per month/per 1,000 sq. ft.

75% of M&O - \$3.7 Million

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 **Transportation Utility Fee Calculator Worksheet**
Killeen, Texas

TRANSPORTATION UTILITY FEE CALCULATION:

Land Uses (select from list):	Development Unit:	Maintenance and Operations (M&O)			Capital		
		Total Maximum M&O Utility Fee: (Monthly)	Percentage of Maximum M&O Utility Fee:	Total Adopted M&O Utility Fee: (Monthly)	Total Maximum Capital Utility Fee: (Monthly)	Percentage of Maximum Capital Utility Fee:	Ca
Commercial	1000 sq. ft.	\$11.65	75.00%	\$8.74	\$17.78	0.00%	
Industrial	1000 sq. ft.	\$6.91	75.00%	\$5.18	\$10.54	0.00%	
Institutional	1000 sq. ft.	\$0.68	75.00%	\$0.51	\$1.04	0.00%	
Lodging	1000 sq. ft.	\$2.87	75.00%	\$2.15	\$4.37	0.00%	
Medical	1000 sq. ft.	\$22.09	75.00%	\$16.57	\$33.69	0.00%	
Multi-Family	Dwelling Unit	\$3.61	75.00%	\$2.71	\$5.51	0.00%	
Office	1000 sq. ft.	\$6.36	75.00%	\$4.77	\$9.69	0.00%	
Religious	1000 sq. ft.	\$1.65	75.00%	\$1.24	\$2.52	0.00%	
Single Family	Dwelling Unit	\$5.83	75.00%	\$4.37	\$8.88	0.00%	

SAMPLE CALCULATIONS

Development Type	Size (Square Feet)	Development Units	Total Development Units:	Land Use Category	Total Monthly M&O Service Fee	Total Monthly Capital Service Fee	Total A
COMMERCIAL EXAMPLES							
Home Improvement Superstore	125,000	1,000 Square Feet	125.00	Commercial	\$1,092.19	\$0.00	
Shopping Center	201,853	1,000 Square Feet	201.85	Commercial	\$1,763.69	\$0.00	
Exxon Gas Station	3,168	1,000 Square Feet	3.17	Commercial	\$27.68	\$0.00	
NAPA Auto Parts	7,320	1,000 Square Feet	7.32	Commercial	\$63.96	\$0.00	
Dollar General	3,434	1,000 Square Feet	3.43	Commercial	\$30.00	\$0.00	
Killeen Bowlerama	20,220	1,000 Square Feet	20.22	Commercial	\$176.67	\$0.00	
K-Mart	88,516	1,000 Square Feet	88.52	Commercial	\$773.41	\$0.00	

Service Fee Calculator

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- **Level of Cost Recovery: Scenario C**
- **50% of M&O = \$2.4 Million Annually**
 - Single-Family: \$2.92 per month
 - Multi-Family: \$1.81 per month/per unit
 - Commercial: \$5.83 per month/per 1,000 sq. ft.

50% of M&O – \$2.4 Million

Microsoft Excel - Copy of Utility_Fee_Calculation_Worksheet

Transportation Utility Fee Calculator Worksheet
Killeen, Texas

TRANSPORTATION UTILITY FEE CALCULATION:

Land Uses (select from list):	Development Unit:	Maintenance and Operations (M&O)			Capital		
		Total Maximum M&O Utility Fee: (Monthly)	Percentage of Maximum M&O Utility Fee:	Total Adopted M&O Utility Fee: (Monthly)	Total Maximum Capital Utility Fee: (Monthly)	Percentage of Maximum Capital Utility Fee:	Ca
Commercial	1000 sq. ft.	\$11.65	50.00%	\$5.83	\$17.78	0.00%	
Industrial	1000 sq. ft.	\$6.91	50.00%	\$3.46	\$10.54	0.00%	
Institutional	1000 sq. ft.	\$0.68	50.00%	\$0.34	\$1.04	0.00%	
Lodging	1000 sq. ft.	\$2.87	50.00%	\$1.44	\$4.37	0.00%	
Medical	1000 sq. ft.	\$22.09	50.00%	\$11.05	\$33.69	0.00%	
Multi-Family	Dwelling Unit	\$3.61	50.00%	\$1.81	\$5.51	0.00%	
Office	1000 sq. ft.	\$6.36	50.00%	\$3.18	\$9.69	0.00%	
Religious	1000 sq. ft.	\$1.65	50.00%	\$0.83	\$2.52	0.00%	
Single Family	Dwelling Unit	\$5.83	50.00%	\$2.92	\$8.88	0.00%	

SAMPLE CALCULATIONS

Development Type	Size (Square Feet)	Development Units	Total Development Units:	Land Use Category	Total Monthly M&O Service Fee	Total Monthly Capital Service Fee	Total A
COMMERCIAL EXAMPLES							
Home Improvement Superstore	125,000	1,000 Square Feet	125.00	Commercial	\$728.13	\$0.00	
Shopping Center	201,853	1,000 Square Feet	201.85	Commercial	\$1,175.79	\$0.00	
Exxon Gas Station	3,168	1,000 Square Feet	3.17	Commercial	\$18.45	\$0.00	
NAPA Auto Parts	7,320	1,000 Square Feet	7.32	Commercial	\$42.64	\$0.00	
Dollar General	3,434	1,000 Square Feet	3.43	Commercial	\$20.00	\$0.00	
Killeen Bowlerama	20,220	1,000 Square Feet	20.22	Commercial	\$117.78	\$0.00	
K-Mart	88,516	1,000 Square Feet	88.52	Commercial	\$515.61	\$0.00	

Service Fee Calculator

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- **Level of Cost Recovery: Scenario D**
- **25% of M&O = \$1.2 Million Annually**
 - Single-Family: \$1.46 per month
 - Multi-Family: \$.90 per month/per unit
 - Commercial: \$2.91 per month/per 1,000 sq. ft.

25% of M&O - \$1.2 Million

Microsoft Excel - Copy of Utility_Fee_Calculation_Worksheet

Transportation Utility Fee Calculator Worksheet
Killeen, Texas

TRANSPORTATION UTILITY FEE CALCULATION:

Land Uses (select from list):	Development Unit:	Maintenance and Operations (M&O)			Capital		
		Total Maximum M&O Utility Fee: (Monthly)	Percentage of Maximum M&O Utility Fee:	Total Adopted M&O Utility Fee: (Monthly)	Total Maximum Capital Utility Fee: (Monthly)	Percentage of Maximum Capital Utility Fee:	Ca
Commercial	1000 sq. ft.	\$11.65	25.00%	\$2.91	\$17.78	0.00%	
Industrial	1000 sq. ft.	\$6.91	25.00%	\$1.73	\$10.54	0.00%	
Institutional	1000 sq. ft.	\$0.68	25.00%	\$0.17	\$1.04	0.00%	
Lodging	1000 sq. ft.	\$2.87	25.00%	\$0.72	\$4.37	0.00%	
Medical	1000 sq. ft.	\$22.09	25.00%	\$5.52	\$33.69	0.00%	
Multi-Family	Dwelling Unit	\$3.61	25.00%	\$0.90	\$5.51	0.00%	
Office	1000 sq. ft.	\$6.36	25.00%	\$1.59	\$9.69	0.00%	
Religious	1000 sq. ft.	\$1.65	25.00%	\$0.41	\$2.52	0.00%	
Single Family	Dwelling Unit	\$5.83	25.00%	\$1.46	\$8.88	0.00%	

SAMPLE CALCULATIONS

Development Type	Size (Square Feet)	Development Units	Total Development Units:	Land Use Category	Total Monthly M&O Service Fee	Total Monthly Capital Service Fee	Total A
COMMERCIAL EXAMPLES							
Home Improvement Superstore	125,000	1,000 Square Feet	125.00	Commercial	\$364.06	\$0.00	
Shopping Center	201,853	1,000 Square Feet	201.85	Commercial	\$587.90	\$0.00	
Exxon Gas Station	3,168	1,000 Square Feet	3.17	Commercial	\$9.23	\$0.00	
NAPA Auto Parts	7,320	1,000 Square Feet	7.32	Commercial	\$21.32	\$0.00	
Dollar General	3,434	1,000 Square Feet	3.43	Commercial	\$10.00	\$0.00	
Killeen Bowlerama	20,220	1,000 Square Feet	20.22	Commercial	\$58.89	\$0.00	
K-Mart	88,516	1,000 Square Feet	88.52	Commercial	\$257.80	\$0.00	

Service Fee Calculator

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- **Possible Implementation Schedule:**
 - Draft Ordinance Completed – TBD
 - Public Advertisements of Ordinance x 3 – 3 weeks
 - Public Hearing – Within 30 days of first publication
 - Adopt Ordinance following Public Hearing
 - Fee Schedule Public Hearing Advertisements x 3 – 3 weeks
 - Fee Schedule Public Hearing – Within 30 days of first publication
 - Adopt Fee Schedule and Implement Fee



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Questions?