

AGENDA ITEM REPORT

I.4



To: Town Council

Subject: Consider and act upon the second reading of Ordinance 2025-04; an ordinance of The Town of Sunnyvale, Texas, amending various sections of article 9.03 Impact Fees of the Code of Ordinances to adopt updated Land Use Assumptions, Capital Improvements Plan, Equivalency Tables, and Impact Fees for Roadway Facilities; amending Sections A9.001 and A9.002 of Appendix A Fee Schedule of the Code Of Ordinances to adopt New Impact Fee Assessment and Collection Schedules for Roadway Facilities.

Meeting: Town Council - February 24, 2025

Department: Engineering

Staff Contact: Matt Holzapfel

SUGGESTED ACTION:

Staff recommends approval.

BACKGROUND INFORMATION:

Sunnyvale currently charges impact fees to developers as a means to fund construction of offsite capital improvements necessary to serve new development. State law requires that municipalities reassess their development impact fees every five years. The Town last reviewed and adopted development impact fees in 2020.

Town Council approved a contract with engineering consultant Kimley-Horn Associates, Inc. (KHA) on Jan. 22, 2024, to update the Town Thoroughfare Plan and also to develop a Trails Master Plan. These two studies will be combined and adopted as a comprehensive Mobility Plan. The Town does not have a Trails and Bikeway Master Plan and providing this plan as part of the Mobility Plan accomplishes one of the stated goals of the 2021-2031 Parks, Recreation & Open Space Master Plan. Kimley-Horn's contract scope also provided for an updated impact fee study and updated 10-year thoroughfare capital improvement plan (CIP).

The Town designated the Planning and Zoning Committee as the Capital Improvement Advisory Committee (CIAC). The formation and duties of the CIAC committee related to review of updated land use assumptions, capital improvement plans, and impact fee collection rates is mandated by state law. KHA and Town staff presented an introduction to roadway impact fees to the CIAC on Nov. 20, 2024, and on Jan. 15, 2025, presented the Land Use Assumptions, Roadway Impact Fee CIP, and Proposed Impact Fee Rates for the 2025

Roadway Impact Fee Update.

KHA made the technical calculations to determine the maximum assessable roadway impact fee amounts to develop a recommendation to the CIAC and Council for updated roadway fee collection rates. This information is provided in the attached Impact Fee Report, dated Feb. 3, 2025. In addition, the CIAC was presented with roadway impact fee rates from other select communities to give some comparative data.

The **calculated maximum assessable roadway impact fee is \$2,979 per service unit** (\$ per Vehicle-Mile). This maximum fee is presented on page 4 of the Roadway Impact Fee Study Update, and also presented with calculation detail in Table 10, Line 15 on page 29.

There was much discussion at the Jan. 15, 2025, meeting of the CIAC. The CIAC approved the Land Use Assumptions and Thoroughfare Plan 10-Year CIP as presented. Staff suggested setting the collection rates at 50-percent of the maximum rate. The general discussion of the CIAC was that collection rates higher than the 50% suggested by staff are justified by the quality of life in Sunnyvale and the location of Sunnyvale relative to other communities. The CIAC felt that the higher rates would not impose an undue burden on those wishing to build and live in Sunnyvale. The CIAC voted unanimously (see attached letter of recommendation) that the roadway impact fees should be collected at the following rates:

Roadway Impact Fee Collection Rates -

1. 85% of the maximum rate for residential impact fees (\$2,532.15 per service unit)
2. 65% of the maximum rate for non-residential impact fees (\$1,936.35 per service unit)

As a comparison, the current roadway impact fee collection rate adopted in 2020 is \$645 per service unit for development platted December 15, 2020, or later. Platted developments older than Dec. 15, 2020, pay less than \$645 per service unit.

FINANCIAL IMPACT:

Approving the ordinance with the suggested roadway impact fee structure will result in significantly increased roadway impact fee revenue from new development.

PUBLIC NOTICE:

A public notice was published in the Dallas Morning News on Jan. 9, 2025, that a public hearing would be held Feb. 10, 2025, for the purpose of considering an amendment of land use assumptions, capital improvement plans and imposition of impact fees.

ATTACHMENTS:

[ORD 2025-04 Impact Fees.doc](#)

[2025-02-03 Roadway Impact Fee Study Update -Final.pdf](#)

[2025 CIAC Recommendations to Council.pdf](#)

[Impact Fee Presentation](#)