



City of Austin

Recommendation for Action

File #: 25-0735, **Agenda Item #:** 13.

5/8/2025

Posting Language

Authorize an amendment to the contract for engineering services for the City's Street Impact Fee Project for Transportation and Public Works Department with Kimley-Horn and Associates, Inc., in the amount of \$387,622 for a revised total contract amount not to exceed \$2,000,000. Funding: \$387,622 is available in the Capital Budget of the Transportation and Public Works Department.

Lead Department

Financial Services Department.

Managing Department

Transportation and Public Works Department.

Amount and Source of Funding

Funding is available in the Capital Budget of the Transportation and Public Works Department.

Purchasing Language:

Contract Amendment.

MBE / WBE:

This contract was awarded in compliance with City Code 2-9A (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Current participation to date is 9.40% MBE and 10.59% WBE.

Prior Council Action:

July 29, 2021 - Council approved a professional services agreement with Kimley-Horn and Associates, Inc., for the City Street Impact Fee Project.

June 20, 2019 - Council approved a professional services agreement with Kimley-Horn and Associates, Inc., for the City Street Impact Fee Project.

June 9, 2016 - Council approved a professional services agreement with Kimley-Horn and Associates, Inc., for the City Street Impact Fee Project.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

This contract amendment is needed to procure the services for updating the City's Street Impact Fee program. The Street Impact Fee is the culmination of a multi-year analysis and calculation of the costs to fund roadway infrastructure to meet the needs of new development. On December 10, 2020, Council adopted ordinances that created the Street Impact Fee, and fee collection began in June 2022. The impact fees are calculated

based on established zoning categories, use of property, and location. State law requires Street Impact Fee funds be spent in the same area they are collected. For that reason, the City is divided into 17 Street Service Areas. Each Service Area has a list of projects that are eligible to be funded by the Street Impact Fee; each of the 17 lists is prioritized based on needs assessed from the original Street Impact Fee Study.

Texas Local Government Code, Chapter 395, governs the implementation of impact fees by municipalities. Specifically, Section 395.052, requires that the Capital Improvements Plan and the associated impact fees be reviewed and updated at least every five years to reflect changes in the needs of the community, the cost of projects, and other relevant factors. This periodic review is critical to ensure that the fees are fair, accurately reflect the cost of providing infrastructure, and are legally defensible. The Street Impact Fee update also helps the City maintain an equitable and effective fee structure that supports transportation infrastructure improvements necessitated by new development.

The anticipated services for this amendment includes the following primary tasks and sub-tasks:

Task 1 - Financial Analysis

- Task 1.1 - Review Street Impact Fee Administration Methodology
- Task 1.2 - Waiver Impact Analysis
- Task 1.3 - Street Impact Fee Impact Report

Task 2 - Case Study Analysis

- Task 2.1 - Austin Case Study
- Task 2.2 - Peer Cities Case Study

Task 3 - SIF Analysis

- Task 3.1 - Street Impact Fee Calculation Update
- Task 3.2 - 5-year Revenue Forecast Report

Task 4 - Report Update, Implementation Tools, and Adoption Process

- Task 4.1 - Report Update
- Task 4.2 - Implementation Tools
- Task 4.3 - Adoption Process Meetings

The City is required by state law to update its Street Impact Fee at least every five years, with the next update due for approval by December 2025. The City's timeline to meet this deadline is already constrained, and extending the agreement is a critical component to ensure the timely completion of the Street Impact Fee update. This will result in non-compliance with the Texas Local Government Code, potentially leading to legal challenges, public dissatisfaction, and missed opportunities for transportation funding.

The public will not be impacted by this project because it does not include physical construction activities.