City of Taylor

Growth Management Workshop

Taylor City Hall, Council Chambers, 400 Porter Street

January 27, 2021 at 6:00 p.m. via Zoom

Council Members attending via Zoom: Mayor Brandt Rydell
Council Member Dwayne Ariola
Council Member Robert Garcia
Council Member Mitch Drummond
Mayor Pro-Tem Gerald Anderson

Others present: Brian LaBorde, City Manager
Jeff Jenkins, Deputy City Manager
Tom Yantis, Development Services Director
Jacob Walker, HDR Engineering
Jim Gray, Public Works Director
Jeff Wood, Finance Director
Dianna Barker, City Clerk

Mayor Rydell declared a quorum via roll call and called the workshop to order at 6:00 p.m.

CITIZENS COMMUNICATION

There were none.

REVIEW and DISCUSS

1. **Discussion and possible direction to staff regarding the economics of street maintenance using the Strong Towns framework.**
   Tom Yantis, Development Services Director – gave a presentation showing the background of street maintenance and things to consider for paying for the maintenance/restructure of city streets.

2. **Discussion and possible direction to staff regarding proposed new developments in Taylor's city limits and ETJ.**
   Tom Yantis, Development Services Director – gave a presentation regarding upcoming and possible new developments, and discussion was made on the fiscal impacts from new developments.

ADJOURN

Mayor Rydell declared the meeting adjourned at 8:07 p.m.

Dianna Barker

Dianna Barker, City Clerk

The Economics of Street Maintenance

City Council Workshop – January 27, 2021

Background

- Taylor has a large backlog of street maintenance
- We currently have 3 basic maintenance programs
  - Level-up (~ $10 per linear foot)
  - Mill and overlay (~ $35 per linear foot)
  - Reconstruction (~ $675 per linear foot not including utilities)

Background

- We allocate approximately 11% of the General Fund to street maintenance
- About 50% of General Fund revenue comes from property taxes
- The 2020 median residential property value is $167,659
- A median residential property can be allocated about $300 per year in street maintenance funds from the General Fund

Background

- In addition to the $300 from the General Fund, each residential unit contributes $96 per year to the Transportation User Fee (TUF) fund
- So, about $400 per year can be allocated for street maintenance from the median residential property
- A typical residential lot is 55 feet wide
- That’s about $7.25 per linear foot of street per lot per year

Background

- With 2 houses on each side of the street, that's $14.50 per linear foot per year
- If it costs $675 per linear foot to reconstruct it would take 47 years to generate sufficient revenue to reconstruct just the 55 feet of street in front of the lot

Example

W 3rd STREET IMPROVEMENTS

Cost of Repairs: $875,000 not including utilities

Total LF: 1,300

Total taxable value of adjacent properties:
$1,790,893
(avg. taxable value: $105,346)
(effective avg. lot width: 153')

Street maintenance General Fund revenue per year:
$3,156

TUF revenue per year:
$2,016

Total street revenue per year:
$5,172

Years to pay for reconstruction:
169

STRONG TOWNS

"The urgent constraint we must address is one of simple math. In the infinite game of building a community, our ongoing expenses currently exceed our ongoing revenues. Our liabilities exceed our wealth."

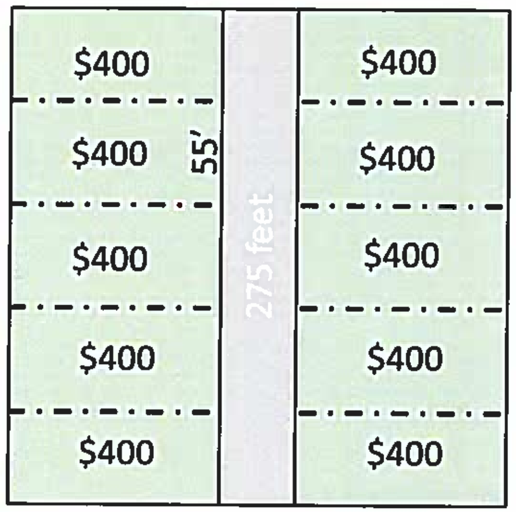
Charles L. Marohn, Jr., *Strong Towns*

Questions to consider

- Should maintenance program be tied to revenue from adjacent properties?
- What is an acceptable standard for residential streets?
- Can we make incremental, affordable improvements?
- Where is reconstruction a financially viable option?
    - In downtown?
    - On major roads?
    - In conjunction with major private investment?

Discussion

Example



An average block could be allocated approximately $4,000 per year in street maintenance funds.

The cost of maintenance for the average block is:

- Level-up: $2,750
- Mill and overlay: $9,625
- Reconstruction: $151,250

How long to generate sufficient funds?

- Level-up: 0.7 year
- Mill and overlay: 2.4 years
- Reconstruction: 37.8 years

Planning for Growth

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Background

- Significant new development is being proposed
- Comprehensive Plan update is in process
- New development should advance goals identified in comprehensive plan
- Staff is proposing a series of workshops to review proposals and identify planning priorities

Big Ideas from the Comp. Plan Public Input

- Make smart investments that maximize use of existing infrastructure and provide sufficient revenue for long-term maintenance
- Maintain Taylor's small-town atmosphere
- Ensure that housing accommodates all household types and income levels
- Ensure that all people benefit from growth
- Support and promote unique, local businesses

4 Workshops to Discuss Growth Topics

Workshop 1 - Fiscal impacts of new development
Workshop 2 - Neighborhood design that promotes small-town atmosphere
Workshop 3 - Prioritizing the use of existing infrastructure before expanding outward
Workshop 4- Housing types and price points that meet the needs of all income levels and household types

Workshop 1
Fiscal Impacts of New Development

STRONG TOWNS

THE PROBLEM: GROWTH WITHOUT PROSPERITY

The way we build our cities now **squanders precious resources** that should be used to make our communities more prosperous.

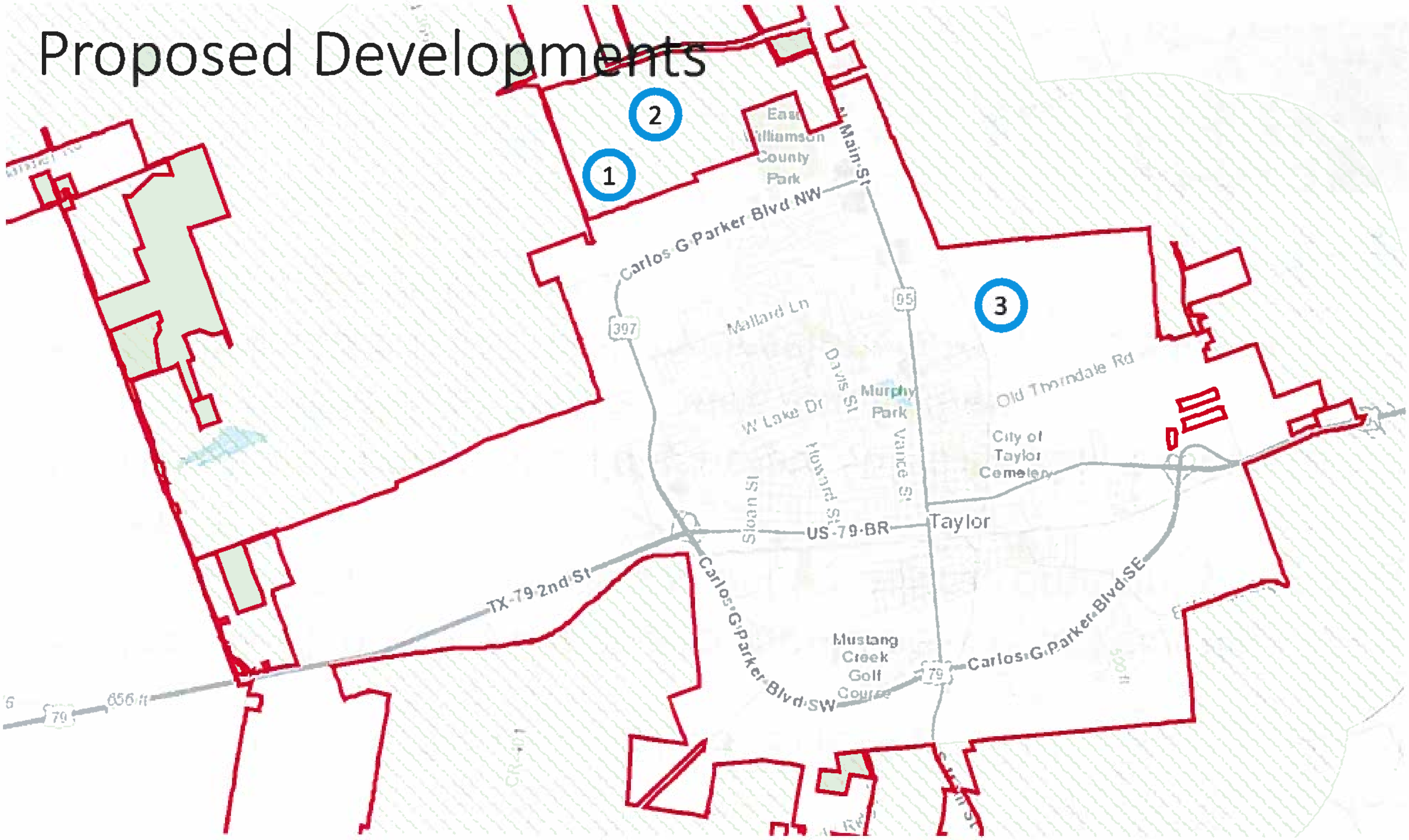
We are trading short-term growth for long-term liabilities and it's slowly bankrupting us. We deserve better.

The good news: There is a better way.

Fiscal impact key considerations

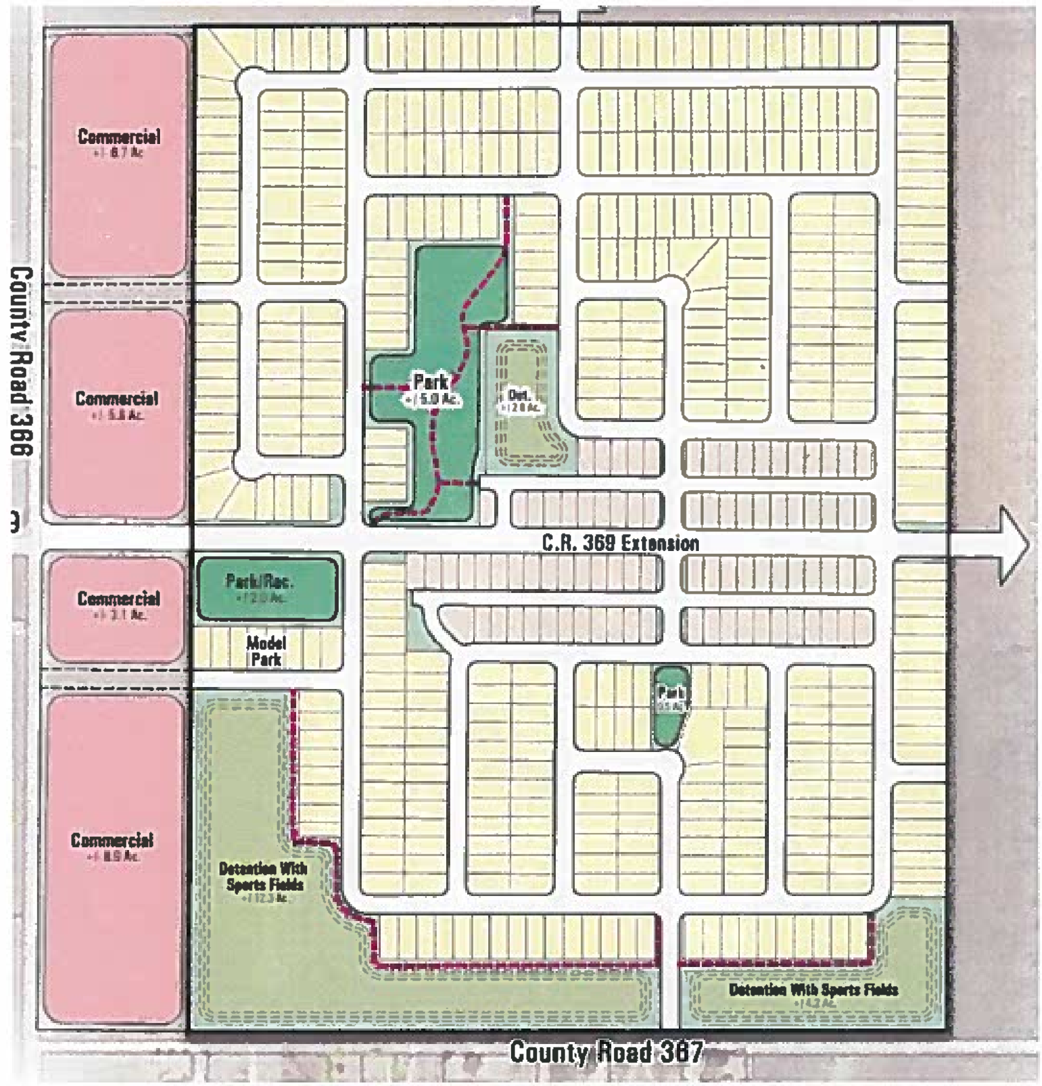
- Land is a limited resource and should be used efficiently
- Infrastructure investments should produce community wealth
- New development should generate sufficient tax revenue to support long-term maintenance requirements
- Infrastructure that is built by developers becomes a liability for the City once accepted

Proposed Developments



1

Hunters Trace – DR Horton
130 acres
530 residential units

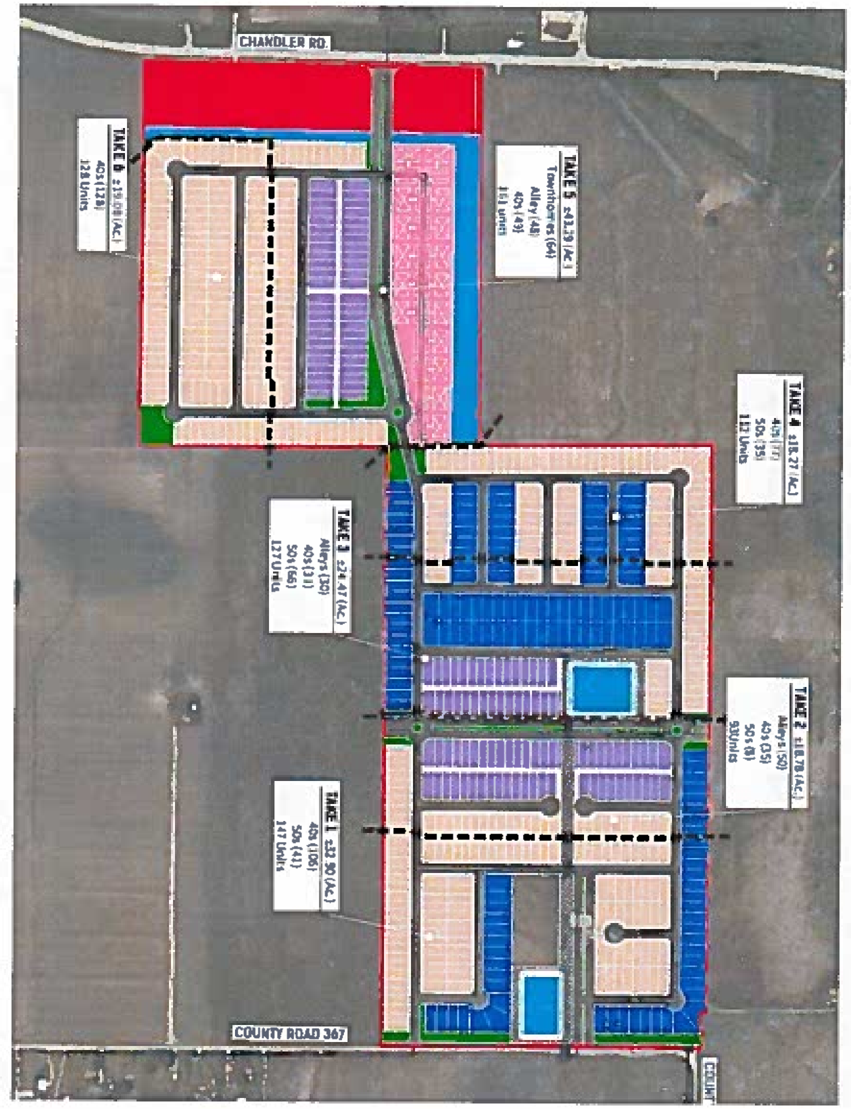


2

Proposed MUD

156 acres

768 residential units



1

Hunters Trace – DR Horton

130 acres

530 single-family lots

2

Proposed MUD

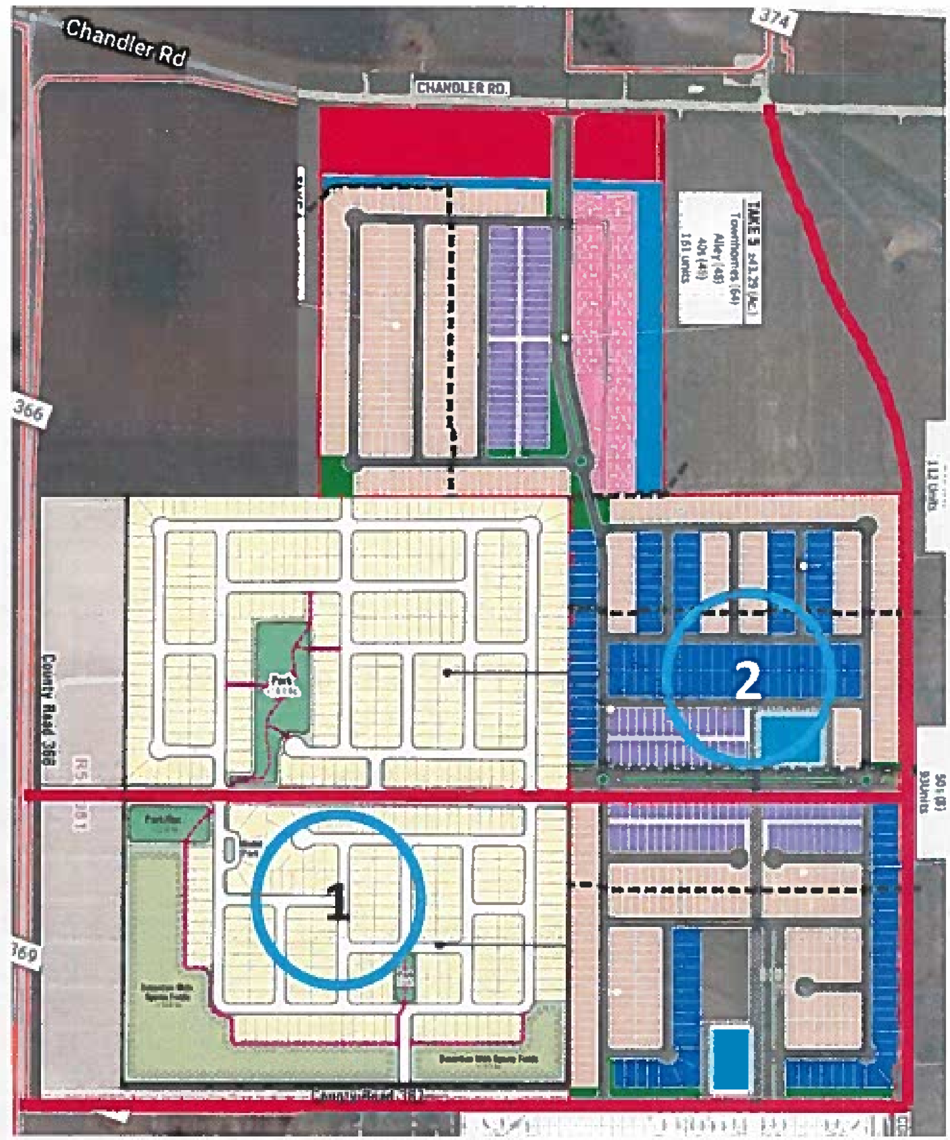
156 acres

768 residential units

Combined

286 acres

1,298 residential units

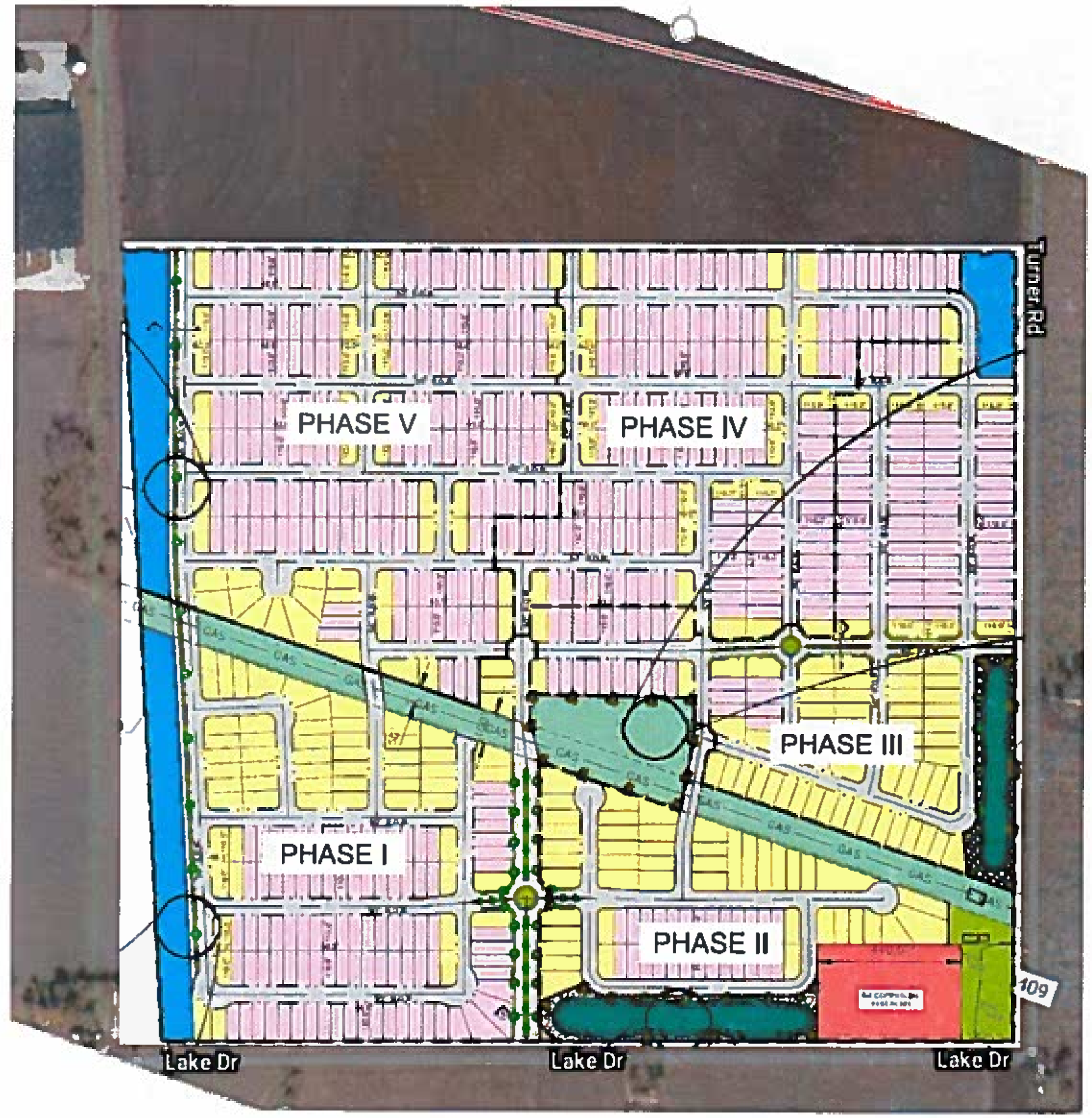


3

Taylor Farms

147 acres

788 residential units



Fiscal impacts

Evaluating a Subdivision

INPUT: Linear feet of streets	INPUT: Street width	Lane width (feet)	INPUT: Street cost per 11' lane mile	INPUT: Number of Lots	INPUT: Life of street (years)	INPUT: Street Maint. % of GF expenses	INPUT: Prop. Tax % of GF revenue	INPUT: M&O Tax Rate	INPUT: Projected Average Property Value	INPUT: TUF fee per residential unit per month	INPUT: total acres
22,700	30	11	$ 1,000,000	530	25	0.113	0.48	$ 0.612	$ 275,000	$ 8	130
		cost per LF	$ 517								

CALCULATION: Feet of Street Frontage per Lot	CALCULATION: Street width/lane width	CALCULATION: Total cost for street reconstruction	CALCULATION: Cost per year for street reconstruction	CALCULATION: Cost per year per lot for street reconstruction	CALCULATION: Total property taxes required per lot per year	CALCULATION: Average property value per lot required to generate tax revenue	CALCULATION: Projected property tax revenue per lot per year	CALCULATION: Projected street maint. property tax revenue per lot per year	CALCULATION: Projected TUF revenue per lot per year	CALCULATION: Annual deficit per lot	CALCULATION: Total deficit over life of streets	CALCULATION: Percentage deficit over life of streets
85.7	2.73	$ 11,725,207	$ 469,008	$ 885	$ 3,759	$ 614,209	$ 1,683	$ 396	$ 96	$ (393)	$ (5,203,474)	-44%

Questions to consider

- Should new development generate enough tax revenue on its own to support its maintenance costs?
- Which variables should be considered for adjustment?

Discussion