Notice of Workshop
March 26, 2025, 5:00 p.m.
City Council Chamber, 3947 Lincoln Ave., Groves, TX

City Council

Notice is given that the Groves City Council will hold a Workshop in person on the date, time, and location listed above. Live streaming of the meeting is available for viewing at https://us02web.zoom.us/j/84012008337 or by scanning the QR code to the right. The City Council welcomes citizen participation at all City Council meetings on any agenda items within the limitations of law and decorum. City Council may adjourn into Executive Session to deliberate any agenda item listed if the matter for discussion meets an exception for Executive Session under Texas Government Code Chapter 551. The City Council may also deliberate in public on any item that is listed on the agenda for Executive Session.

Opening Agenda

1. Call meeting to order.
2. Prayer.
3. Pledge of Allegiance.
4. Roll Call.
5. Welcome and recognition of guests and news media.
6. Reports from Mayor, Council Members, or city staff.
7. Citizen comments.

Regular Agenda

8. Deliberate on the condition of city streets and potential means to improve and maintain them, including adding a transportation user fee.
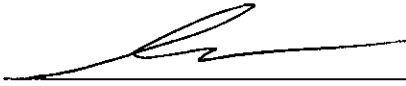
Closing Agenda

9. Hear and deliberate on Council Member comments.
10. Adjourn.

Special Accommodations

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact City Clerk Clarissa Thibodeaux at (409) 960-5773 or cthibodeaux.cigrovestx.com at least three days before the meeting.

Certification

I certify that the above notice of meeting was posted on the bulletin board and front door of City Hall, 3947 Lincoln Avenue, on March 20, 2025, at __10:50__ AM/PM.

City of Groves

March 26, 2025

TRANSPORTATION NEEDS AND FUNDING OPTIONS
## *TRANSPORTATION UTILITY FEASIBILITY*

STREET HISTORY & NEED

- Groves has 182 streets totaling 74.56 miles (393,662 LF) to maintain
- March 2017 street evaluation study classified 36.9% of streets as "Good" & the remaining 63.1% as "Fair" or "Poor"
- After Hurricane Harvey, street projects were done by contractors using grant funds in low/moderate income areas
- In the past, the City had equipment & expertise in-house to reconstruct streets, plus Jefferson County for sealcoating
  - City's equipment & expertise were lost over time
- Streets outside of the grant-funded areas have continued to deteriorate since 2017 study

2018 – 2023 STREET PROGRAM

- **━━** – 2023 STREET REHAB PROGRAM (6,929 FT)
- **━━** – 2022 STREET REHAB PROGRAM (1,035 FT)
- **━━** – 2022 STREET REHAB PROGRAM FOR NEW FIRE STATION (1,320 FT)
- **━━** – 2022 STREET REHAB WITH CURB & GUTTER REBUILD (2,692 FT)
- **━━** – 2022 GENERAL LAND OFFICE HOT MIX STREET PROGRAM (13,666 FT)
- **━━** – 2022 GENERAL LAND OFFICE ALTERNATE HOT MIX ASPHALT STREETS (4,733 FT)
- **━━** – 2022 GENERAL LAND OFFICE CHANGE ORDER – ADDITIONAL HOT MIX ASPHALT STREETS (2,244 FT)
- **━━** – COMPLETED 2021 STREET PROGRAM (38,846 FT)
- **━━** – COMPLETED 2020 STREET PROGRAM (8,030 FT)
- **━━** – COMPLETED 2019 STREET PROGRAM (14,799 FT)
- **━━** – COMPLETED 2018 STREET PROGRAM (9,664 FT)
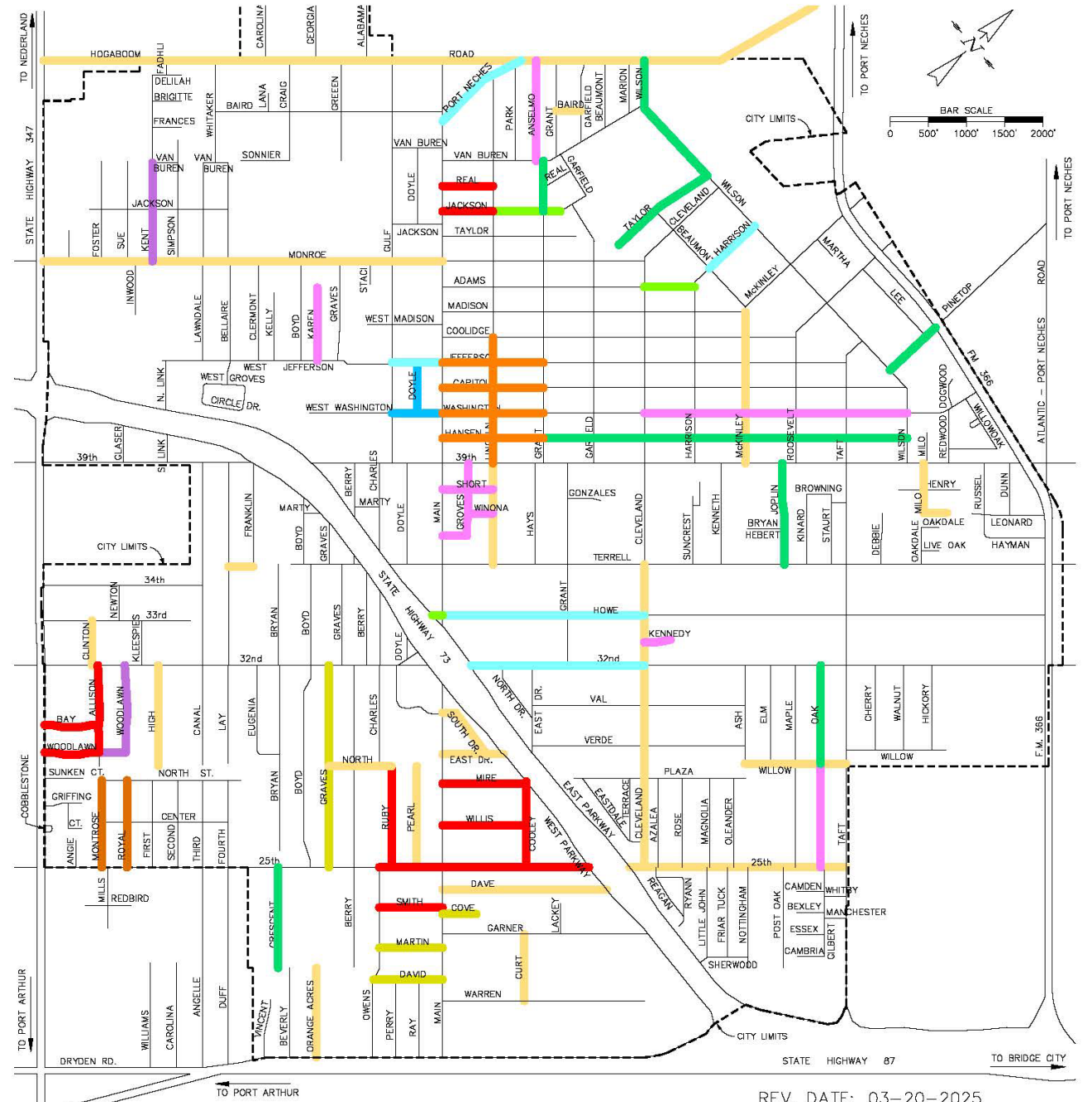
REV. DATE: 03-20-2025

City of Groves Monthly Allocation of Average Residential Homestead Ad Valorem Tax - TY2024
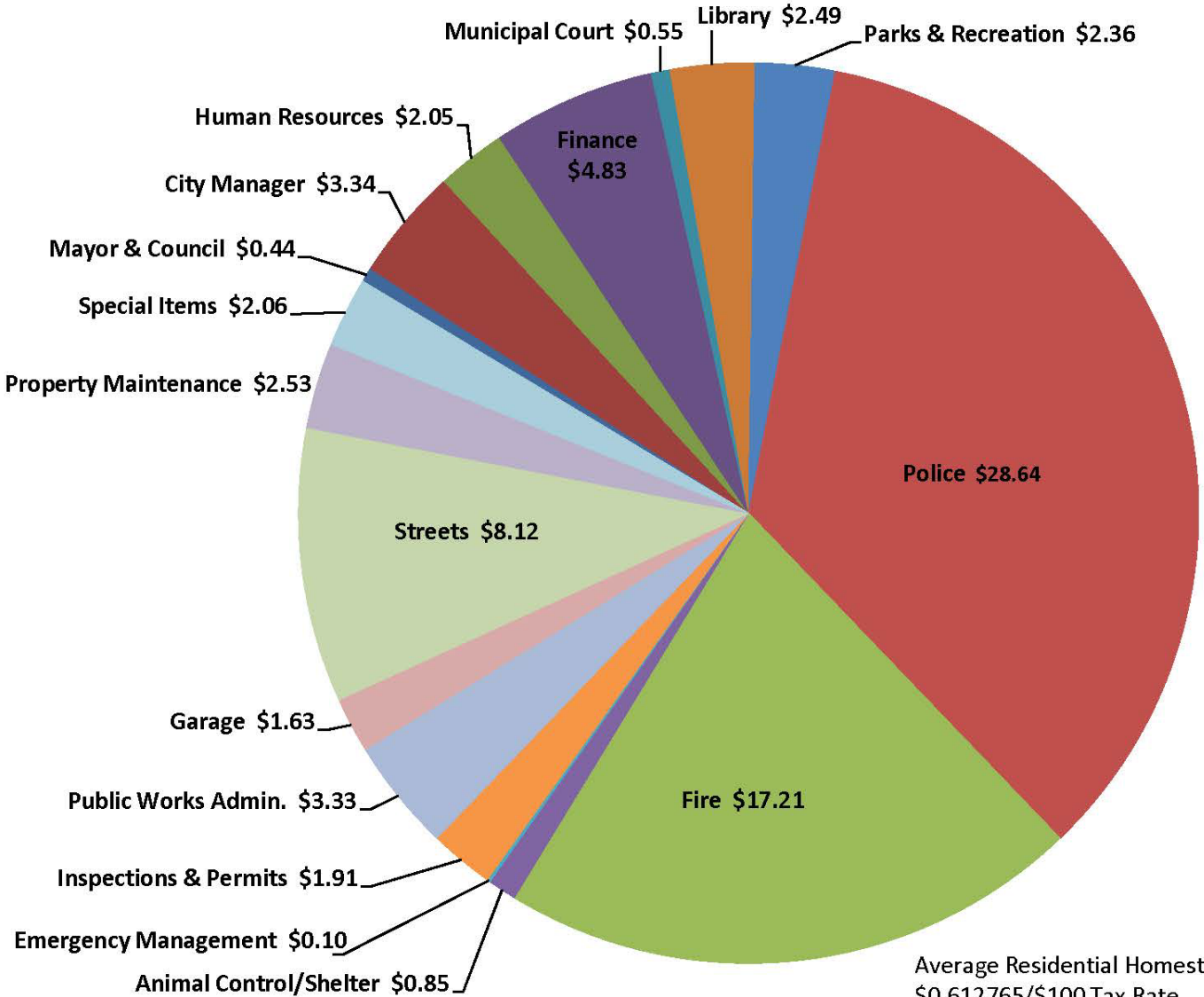
- City's *ad valorem* taxes for FY '24-'25: $6,858,000
- Fire & Police FY '24-'25 budgets total: $6,346,606
- Streets & Drainage Dept FY '24-'25 budget: $1,473,534

Average Residential Homestead Taxable Value of $161,408
$0.612765/$100 Tax Rate
2024 Taxes Total $989.05 or $82.42/Month

Pie chart labels:
- Municipal Court $0.55
- Library $2.49
- Parks & Recreation $2.36
- Human Resources $2.05
- Finance $4.83
- City Manager $3.34
- Mayor & Council $0.44
- Special Items $2.06
- Property Maintenance $2.53
- Police $28.64
- Streets $8.12
- Garage $1.63
- Public Works Admin. $3.33
- Fire $17.21
- Inspections & Permits $1.91
- Emergency Management $0.10
- Animal Control/Shelter $0.85

TAX POTENTIAL AND AVERAGE CONSTRUCTION COSTS

- $0.01 of ad valorem tax raises approximately $126,000

- $0.005 of ad valorem tax raises approximately $63,000

City of Groves Street Construction Costs

Application	$/LF	Cost* 500 ft.	Cost* 1 mi.	Cost* 7 mi.
Sealcoat	$ 21.10	$ 10,550.00	$ 111,408.00	$ 779,856.00
2" HMAC Overlay Only	$ 76.00	$ 38,000.00	$ 401,280.00	$ 2,808,960.00
2" Mill & 2" HMAC Overlay	$ 155.00	$ 77,500.00	$ 818,400.00	$ 5,728,800.00
6"-7", Lime Stabilized Concrete	$ 345.00	$ 172,500.00	$ 1,821,600.00	$ 12,751,200.00

*Assumes 20' wide street   Revised 3/26/25

BACKGROUND

- For most cities, transportation capital maintenance needs exceed available funding.

- For Groves, the most recent Pavement Condition Assessment found that, as of 2017, the City Pavement Condition required substantial annual reinvestment.

- It would be good for the City Council to reach consensus on the City's goals for road maintenance per year, possibly expressed in linear feet/miles with priorities on arterials and possibly a "worst first" strategy.
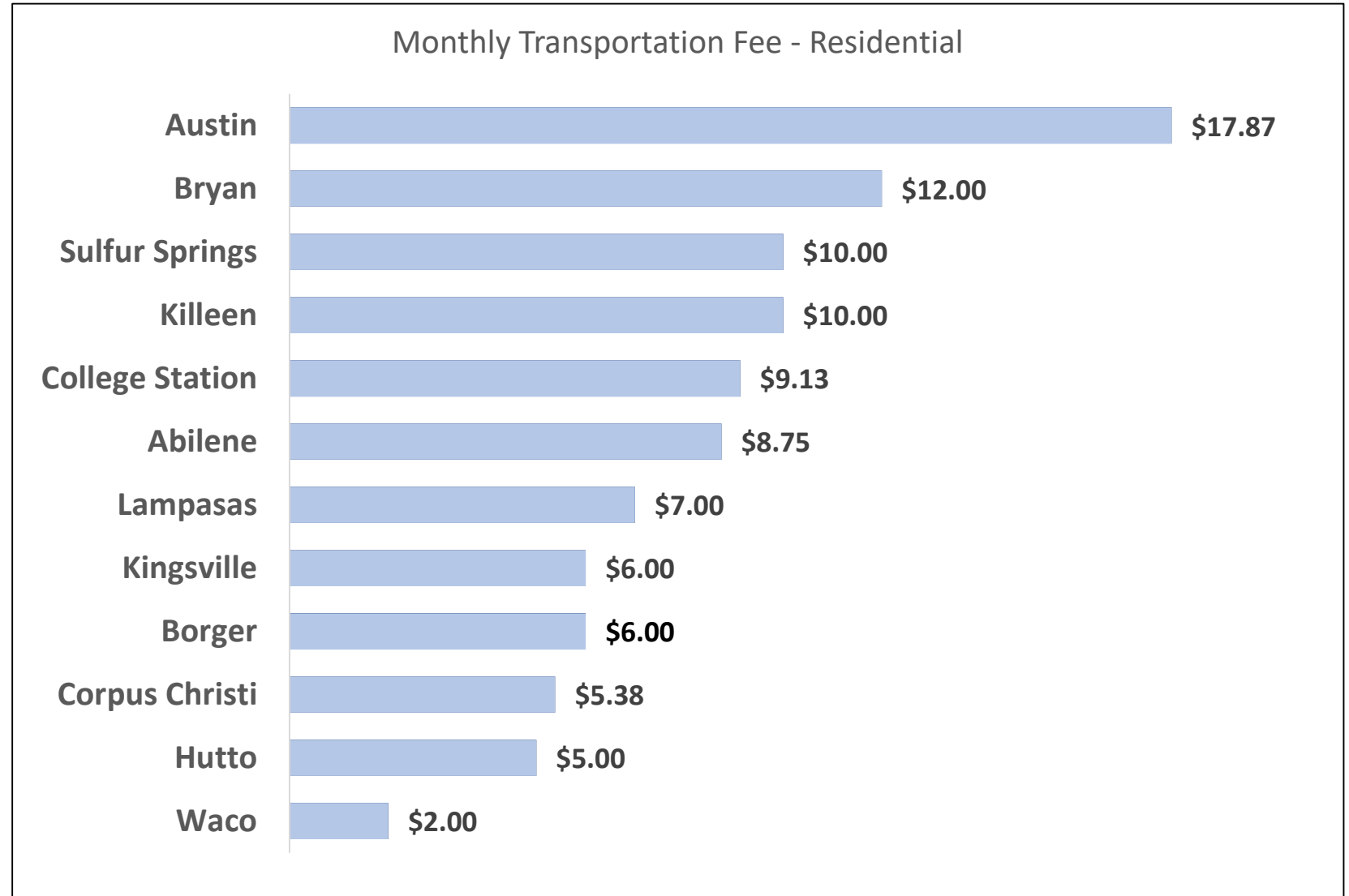
INTRODUCTION TO TRANSPORTATION UTILITY FEES

- Groves could evaluate the potential for the City to adopt a Transportation Utility Fee (TUF).

- TUFs are a proven source of additional revenue.

- Costs would be allocated to residents and businesses based on the relative amount of vehicle traffic generated. This serves as an equitable basis for charging properties for demands placed on, and benefits received from, the transportation system.

- Unlike general property taxes, these funds are dedicated to support transportation needs.

OTHER SIMILAR FEE COMPARISONS

Fees compared may go by several names, including:

- Transportation Utility Fee

- Street Maintenance Fee

- Roadway Maintenance Fee

Monthly Transportation Fee - Residential

City	Fee
Austin	$17.87
Bryan	$12.00
Sulfur Springs	$10.00
Killeen	$10.00
College Station	$9.13
Abilene	$8.75
Lampasas	$7.00
Kingsville	$6.00
Borger	$6.00
Corpus Christi	$5.38
Hutto	$5.00
Waco	$2.00

METHODOLOGY

Overview of NewGen's 5-Step Process

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign parcels to land use categories

Calculate total trips for each parcel

METHODOLOGY

Trip Generation Data

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Trip Generation Data

- The key source of data is the *Trip Generation Manual, 11th Ed.,* produced by the Institute for Transportation Engineers (ITE)
  - An industry-recognized source of data for establishing a TUF, e.g., used by Abilene, Austin, Corpus Christi, Killeen, and Waco
- Data on the number of vehicle trips generated by different types of developments, based on surveys across the US
- NewGen uses the ITE's trip generation rates to calculate the average number of trips during peak evening hours (4 to 6 p.m.)

METHODOLOGY

Simplified Land Use Categories

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

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Simplified Land Use Categories

- The land use categories in the ITE Trip Generation Manual are normally consolidated into a smaller number of categories.

  - From ITE's 167 land uses, NewGen typically proposes 50-70 grouped and simplified categories.

  - "General Retail & Services" is one example. This can be applied to parcels with multiple business types present; e.g., a shopping center with a restaurant, hair salon, and hardware store.

- Reasons for using simplified categories:

  - Consolidating more general land uses increases the sample sizes

  - Reduces likelihood of misclassifying similar land uses

  - Reduces complexity for staff in administering the fee.

- NewGen calculates a trip generation rate for each simplified land use category. This is often the average of the land use types in the ITE Trip Generation Manual.
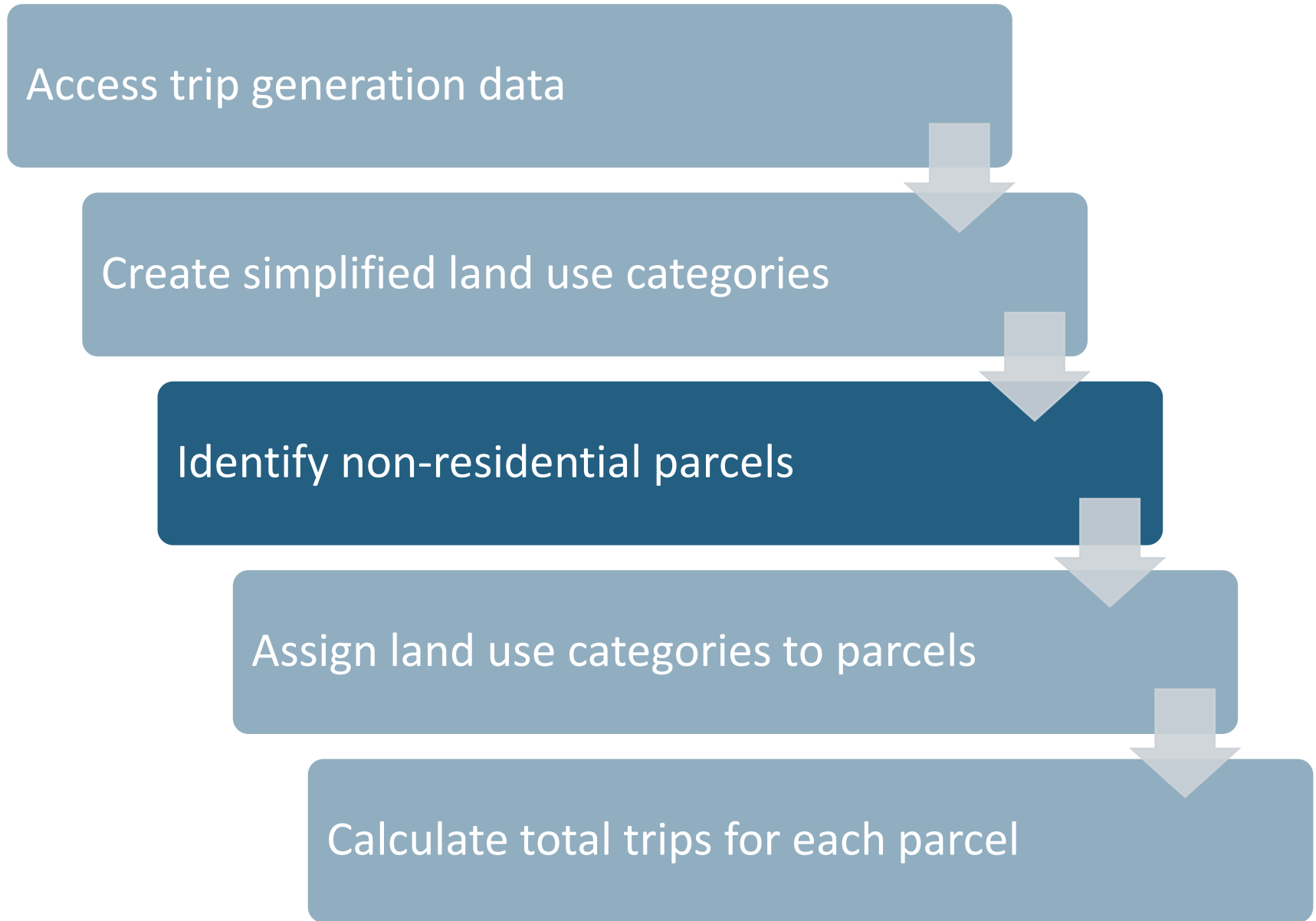
Example Trip Generation Rate for a Simplified Category

Land Use Category	Trips per Room (weekday, 4–6 p.m.)
Simplified Land Use Category:	
Hotel/Motel	**0.41**
ITE Land Use Categories:	
Hotel	0.59
All Suites Hotel	0.36
Business Hotel	0.31
Motel	0.36
Resort Hotel	0.41

- Trips generation rates are expressed relative to those of single-family homes; that is, as Single-Family Equivalents (SFEs).
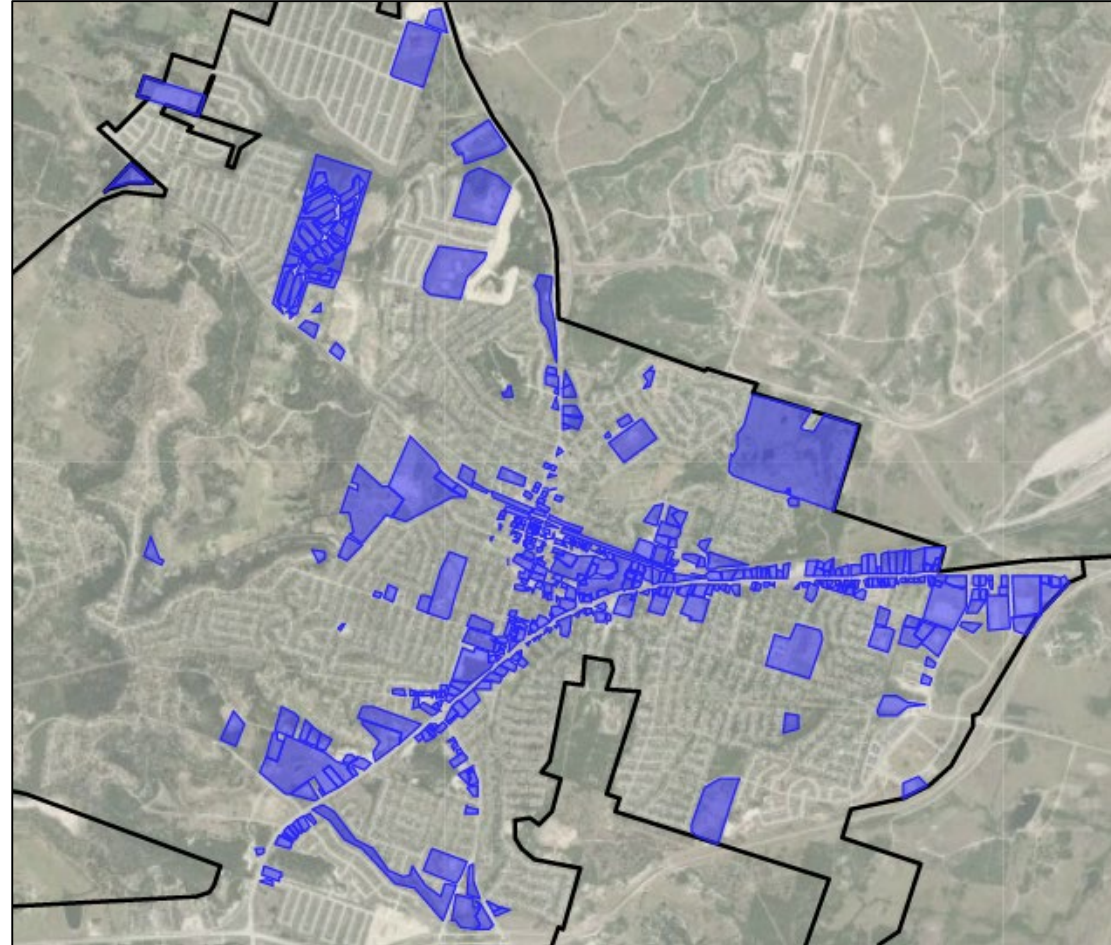
METHODOLOGY

Identify Non-Residential Parcels

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign land use categories to parcels

Calculate total trips for each parcel

Identifying Non-Residential Parcels

- When estimating total trips as part of a TUF:

  - **Residential** properties are assumed to have the same number of trips per dwelling

  - **Non-residential** trips are estimated using data specific to each property, such as square feet of floor space.

- It is then necessary to identify non-residential parcels. These are identified through a combination of:

  - **Utility billing data** matching commercial billing accounts to a parcel; and

  - **Central Appraisal District (CAD) data** – additional commercial parcels may be identified from CAD data based on their state codes

- The map below illustrates an example community where NewGen identified non-residential parcels

Non-Residential Properties

METHODOLOGY

Identify Non-Residential Parcels

METHODOLOGY

Assign Land Use Categories

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign parcels to land use categories

Calculate total trips for each parcel

METHODOLOGY

Assign Land Use
Categories

Assigning Each Parcel to a Land Use Category

- Each parcel is generally assigned to a simplified land use category

- **Non-residential parcels –** the Project Team uses Google Street View and other information found online to identify the most appropriate land use category

- **Residential parcels** – these are assigned to one of the following categories, primarily based on CAD data
    - Single Family (assumed 1 dwelling)
    - Duplex/Townhouse (assumed 2 dwellings)
    - Multifamily (assumed 1 dwelling per 1,000 sq feet)
    - Mobile Home Park (dwellings manually identified)

METHODOLOGY

Calculate Total Trips

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign parcels to land use categories

Calculate total trips for each parcel

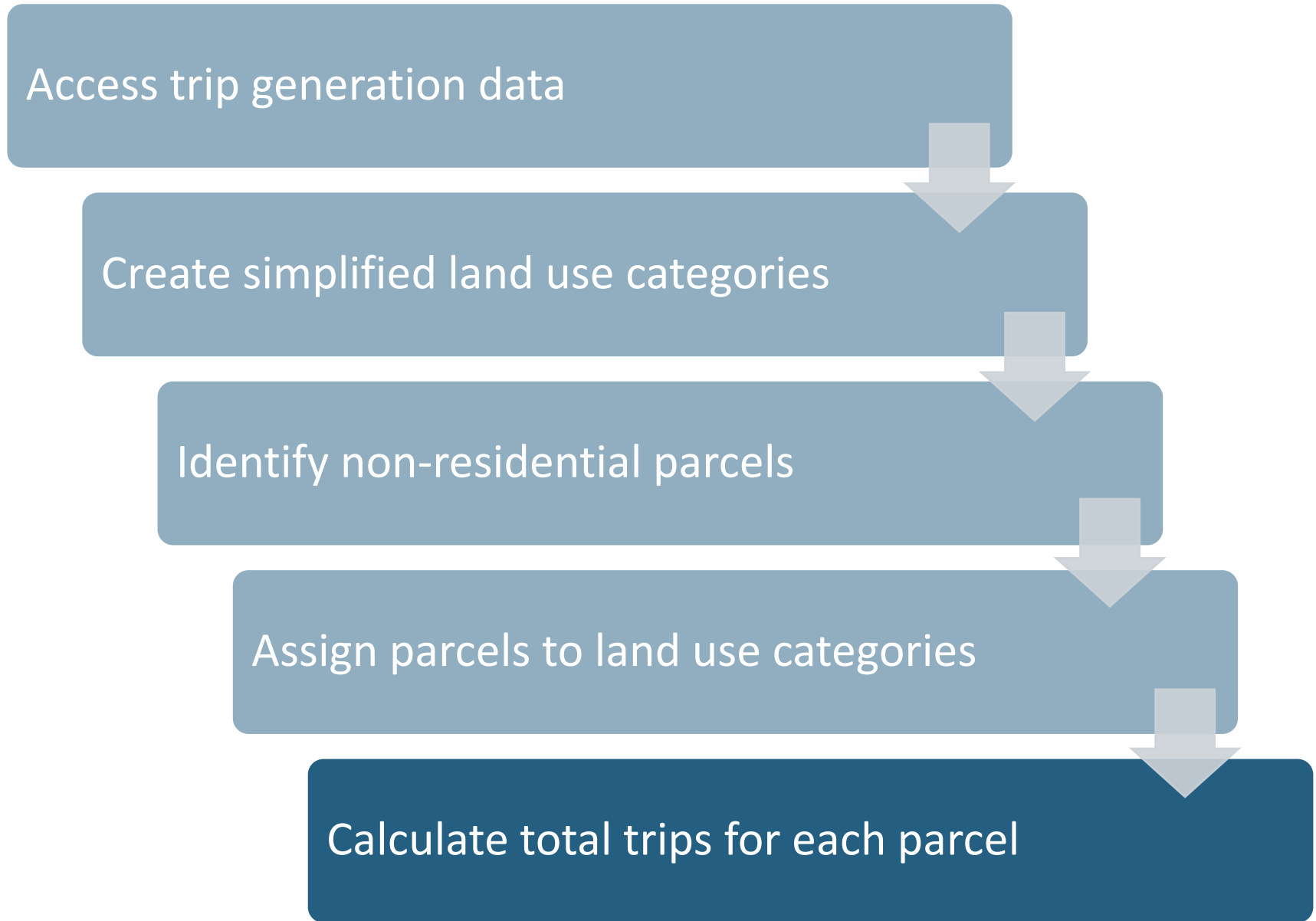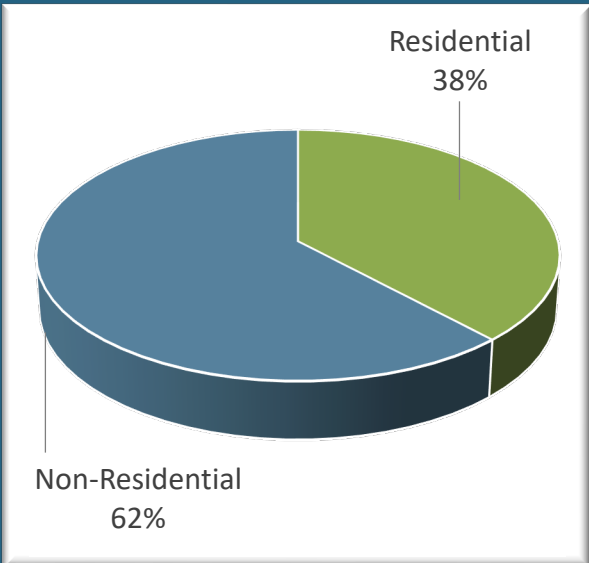## Calculate Total Trips

- The final step is to identify the number of trips associated with each parcel

- This is based on the trip generation rate multiplied by the variable of interest, such as number of dwellings or square feet of living area

Examples of Total Trip Calculations

Example	Simplified Land Use Category	Trip Rate (SFEs) (A)	Variable	Example Variable Value (B)	Total Trips (A x B)
A Single-family home	Residential – Single Family	1.00	Per dwelling	1 dwelling	1.0
A duplex	Residential – Duplex/Townhouse	0.61	Per dwelling	2 dwellings	1.2
A real estate office	General Office & Admin	1.66	Per 1,000 sq. ft.	2.2 thousand sq. ft.	3.7
A barber shop	General Retail & Services	3.83	Per 1,000 sq. ft.	1.4 thousand sq. ft.	5.4
A hotel	Hotel/Motel	0.43	Per room	49 rooms	21.1
A gas station	Gas Station/ Convenience Store	16.93	Per vehicle fueling point	8 fueling points	135.4

RESULTS - TOTAL SFE TRIPS

Example Community Single Family Equivalent Trips

Category	Total Trips (SFEs)
Residential - Single Family	10,854
General Retail & Services	5,307
Gas Station / Convenience Store	2,404
Food / Coffee - Drive Through	2,242
Elementary & Secondary School	1,606
Fitness / Recreational / Community Center	1,276
Residential - Duplex / Townhouse	1,273
Supermarket	1,169
Car Wash	1,079
Automobile Parts & Service	868
Bank	700
Residential - Multifamily	694
Convenience Store	610
Day Care Center	603
Food / Coffee - No Drive Through, Restaurant	488
General Office & Admin	367
Movie Theatre	302
Religious Organization / Funeral Home	300
Clinic / Medical Office	279
Liquor Store	222
Library	168
Residential - Mobile Home Park	151
Pharmacy	148
Hotel / Motel	131
Warehousing / Storage / Data Center	117
Post Office	107
Other	473

Legend: Residential, Non-Residential

Pie chart:
- Residential 38%
- Non-Residential 62%

USING THESE RESULTS

Potential Revenue

Estimating Revenue

- Each property could be charged a monthly fee based on its estimated number of total trips
  - For example, once a $1 fee revenue potential is established, the City Council could scale the fee to fit the needs of the utility

- The revenue generated at different fee levels would be calculated and recommended to meet City funding objectives.

- Like other utilities, NewGen recommends the utility be reviewed and rates adjusted if needed each budget cycle.

IMPLEMENTATION NEXT STEPS

The following is a list of additional steps that would be required prior to the implementation of a TUF in Groves:

1. **Linking billing accounts to parcels** - additional work would be needed to link property tax parcels to utility billing accounts

2. **Residential dwellings** – further work would be needed to identify single-family homes versus duplexes, and the number of units in multi-family buildings

3. **Review of land use allocations** –local insights could be used to refine land use categories assigned to commercial properties

4. **Decisions on exemptions** – what exemptions, if any would be applied

5. **Decisions on rate design** – for example, whether bands should be used, or whether charges should be capped

6. **Education plan** – communicate potential new fees to residents

7. **Establish the Transportation Utility** – draft and adopt ordinance; amend City Fee Schedule

QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
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